

These results suggest that the current year impact of 17.9 percent likely captures more than the concurrent effect. For exporters that received the assistance continuously over the sample period, the estimated coefficient might capture both the concurrent and lagged effects. However, in the test of current and lagged effects, the impacts cannot be added together because not all firms are accessing service in all the years included in the data set.

The results show that the impact of the TCS on exporter performance is substantial. The results also indicate that the effect increases with time, rising in the year following service, and that once TCS assistance starts to influence export performance, the effect can continue to provide benefits as long as the exporter continues to export. Indeed, the long term impact of the TCS (26 percent) is higher than the immediate or following year effects. This may be because the specification applies only to continuing exporters, and it would reflect multiple TCS services if an exporter had received assistance multiple times.

Market and product effects

The results indicate that TCS assistance plays a strong role in helping firms to diversify into new markets and to introduce new products into export markets. An exporter that accessed TCS assistance exports on average to **35.7 percent more markets** than a comparable exporter that did not access TCS services. Similarly, an exporter with TCS assistance exports on average **15.5 percent more products** than a comparable exporter without assistance.

Robustness Checks

Three robustness checks are carried out (see box), all of which corroborate the finding that TCS has a positive impact on exporter performance. The first check seeks to control for unobservable firm characteristics that might be driving export performance. The second controls for the influence of "peer exporters" and the third adopts a completely different methodology (propensity score matching) to compare clients with non-clients.

We assess the impact of export promotion on Canadian exporter performance using the following equation:

$$E[y|\omega, x] = \gamma + \alpha\omega + x\beta + \omega(x - \psi)\delta$$

where γ is the variable that measures exporter performance (exports for a particular year), ω is the dummy variable indicating if treatment has been received, x represents the control variables and ψ is the sample means of x . The estimated coefficient α measures the effect of TCS on exporter performance.

The timing of the TCS impact is tested with three different specifications of the equation.

- 1.1 The concurrent effect of TCS on exports:** The treatment variable under this specification is a dummy variable that indicates if an exporter had received TCS assistance in the current year.
- 1.2 The lagged effect of TCS on exports:** The treatment variable under this specification is a dummy variable that indicates if an exporter received TCS assistance in the preceding year.
- 1.3 The lingering effect of TCS on the value of exports:** The treatment variable under this specification is a dummy variable that indicates if an