Table S1. SAPARD/IPARD grant scheme(s) description

Grant scheme name	**Subsidized activities**	**Applicant requirements**	**Min. and max. amounts**
SAPARD Program, Measure 1 – Investments in agricultural holdings	- Investment in construction and/or reconstruction of stables for cattle, pigs, and poultry, including equipment facilities; - Investment in mechanization of milk production, milking machines, on-farm milk cooling and storage equipment, and development of suitable spaces for milk handling and storage; - Investment in animal manure, slurry reservoirs, and specialized manure transportation equipment; - Investment in construction and/or reconstruction of greenhouses; - Investment in equipment of greenhouses; - Investment in construction and/or equipment of storage facilities (including those with ULO conditions); - Investment in equipment for harvesting, handling, and packaging of fruit and vegetables (on-farm); - Investment in on-farm irrigation facilities (including computer equipment) for fruits and vegetables; - Investment in construction, reconstruction and/or equipment of on-farm drying and storage facilities for cereals and oil-crops.	GENERAL applicant requirements: - Must be registered in the Farm Register; - Must be registered in the VAT Register; - No outstanding national tax debts; - Should have appropriate experience in agriculture; - The farm had to meet national standards at the beginning of the investment.	- The amount of public aid is 50% of total eligible expenditure; - The amount of public aid per beneficiary is limited to the ceiling of 0.3 million EUR (about 2.5 million HRK).
SAPARD Program, Measure 2 – Improving the processing and marketing of agricultural and fisheries products	- Investment in construction and/or reconstruction, upgrading, and/or equipment of facilities of milk and dairy plants; - Investment in reconstruction, upgrading, and/or equipment of facilities of slaughterhouses; - Investment in existing animal rendering plants and/or the construction and/or reconstruction and/or equipment of centers for collecting animal waste; - Investment in construction and/or reconstruction and/or equipment of facilities of fish processing plants; - Investment in equipment for cooling, processing, packaging, and	- The applicant must be registered in the VAT Register; - The applicant has no outstanding national tax debts; - The applicant must be registered for the activity for which they applied; - The applicants must be privately owned companies or with a share of state ownership not exceeding 25%; - Slaughterhouses, dairies, and fish processing plants with an EU export number are not eligible for investment.	- The amount of public aid is 50% of total eligible expenditure; - The amount of public aid per beneficiary is limited to the ceiling of 1.6 million EUR (about 10.0 million

	marketing of fishery products and for waste reduction in production including software; - Investment in construction and/or equipment of facilities of shellfish purification centers; - Investment in construction and/or reconstruction and/or equipment of facilities of fruit and vegetable processing plants.		HRK).
IPARD Program, Measure 101 – Investments in agricultural holdings to restructure and to upgrade to Community standards	- Investment in construction and/or reconstruction and/or equipment of stables/poultry houses, facilities and equipment for waste management, waste water treatment, and air pollution prevention measures; - Construction and/or reconstruction of manure storage capacities including specific equipment of facilities for handling and usage of animal manure; - Investment in agricultural machinery (including tractors) and equipment; - Investment in construction and/or equipping of biogas plants for the production of energy from renewable sources (fertilizers and other organic waste) on farms; - Investment in construction and equipment for fixed fencing of lawns; - Investment in construction and/or reconstruction and/or equipment of facilities for greenhouses (covered by glass or plastic) for fruits and vegetables; - Investment in equipment of facilities for specialized harvesting, sorting, and packaging of fruit and vegetables, including table grapes; - Investment in construction and/or reconstruction and/or equipment of storage facilities for fruits and vegetables, including ULO capacities; - Investment in on-farm systems for protection against hail (including computer equipment) for orchards and table grapes; - Investment in first setting up of new and/or restructuring and conversion of existing orchards and table-grape groves; - Investment in restructuring and conversion of existing olive groves and wine-grape groves; - Investment in on-farm irrigation systems (open field) for permanent	- The applicant must be registered in the Farm Register; - The applicant must be registered in the VAT Register; - Share of state ownership or ownership of local self-government units must not exceed 25%; - The applicant has no outstanding national tax debts; - The applicant should have appropriate experience in agriculture; - The farm had to meet national standards at the beginning of the investment; - The investment must be made in a rural area (whole Republic of Croatia except City of Zagreb and Sesvete municipality).	- The grant is 50-75% of the value of the eligible investment; - Minimum amount of eligible investment is 13,500 EUR (about 100,000 HRK); - Maximum amount of eligible expenditure is 0.9 million EUR (about 6.6 million HRK), with the exception of the egg sector with a maximum amount of 2.0 million EUR (about 14.6 million HRK).

	crops and vegetables; - Investment in construction and/or reconstruction and/or equipment of facilities for storage and drying of grains and oil seeds.		
IPARD Program, Measure 103 – Processing and marketing of agricultural and fishery products	- Investment in construction and/or reconstruction and/or equipment of facilities of existing milk and dairy processing plants, including cooling equipment for raw milk in collection points; - Investment in specialized transport vehicles for raw milk; - Investment in reconstruction and/or equipment of facilities of existing slaughterhouses, including equipment of facilities for cooling and meat packaging, and disposal of by-products of animal origin; - Investment in construction and/or reconstruction and/or equipment of facilities of intermediate plants; - Investment in construction and/or reconstruction and/or equipment of facilities for fish, crustaceans, and live shellfish processing plants, including equipment for cooling, cutting, drying, fuming, and packing of products and disposal of by-products of animal origin not intended for human consumption; - Investments necessary for compliance with the IPPC Directive; - Investment in wastewater treatment equipment, air filtration, and refrigeration systems; - Investment in renewable energy plants (construction and equipment); - Investment in construction and/or reconstruction and/or equipping of facilities for the processing of fruit and/or vegetables, olives (excluding olive oil), aromatic, spicy, and medicinal herbs, and mushrooms, including the production of juices, vinegar, and fruit wines (excluding wine from grapes), and pumpkin oil production; - Investment in equipment of facilities (equipment for filtration, stabilization, lines for bottling of wine, automatic labelling, and packing) of wineries; - Investment in laboratory equipment for basic chemical analysis of olive oil; - Investment in olive processing equipment and marketing of olive oil;	- The eligible applicants are crafts, companies, and cooperatives; - The applicant must be registered for the activity for which they applied; - The applicant must be registered in the VAT Register; - The applicant has no outstanding national tax debts; - The eligible applicant must be: 1) In the rank of micro, small or medium-sized enterprises with less than 25% of state ownership or ownership of local (regional) self-government units or the City of Zagreb; 2) In the rank of enterprises with less than 750 employees or with an annual turnover not exceeding 200 million EUR with less than 25% of state ownership or ownership of local (regional) self-government units or the City of Zagreb; - The facilities had to meet national standards at the beginning of the investment.	- The grant is 50% of the value of the eligible investment; - Minimum amount of eligible investment is 33,800 EUR (250,000 HRK), with the exception of the wine sector with a minimum amount of 13,500 EUR (100,000 HRK); - Maximum amount of eligible expenditure is 3.1 million EUR (21.9 million HRK), with the exception of the olive oil sector with a maximum amount of 0.5 million EUR (3.7 million HRK).

	- Investment in equipment for utilization of olive pomace for processing into compost.		

All monetary variables are expressed in EUR. 1 EUR ~ 7.42 Croatian kuna (HRK). For a brief overview of these programs reader is also directed to ex-post IPARD policy evaluation by KPMG Croatia (https://ruralnirazvoj.hr/files/documents/EX-POST-EVALUACIJA-IPARD-PROGRAMA-RH-2007-2013..pdf. *Source:* Ordinances on the Implementation of the SAPARD Measures 1 and 2 (OG 56/06, 82/06, 85/06, 32/07, 17/08, 89/08, 20/09 and 116/09) and Ordinances on the Implementation of the IPARD Measure 101 and Measure 103 (OG 146/09, 150/09, 58/10, 10/11, 116/11, 54/12, 68/12, 24/13, 36/14, 83/14).

Table S2. SAPARD/IPARD grant scheme(s) descriptive statistics

Year	Grant program	All grants						Final sample					
		Grants	**Amount**	**Mean**	**SD**	**Min.**	**Max.**	**Grants**	**Amount**	**Mean**	**SD**	**Min.**	**Max.**
2007	SAPARD	3	1,236,975	412,325	164,444	253,147	581,571	1	581,571	581,571	0	581,571	581,571
2008	SAPARD	8	2,648,802	331,100	151,159	25,417	487,148	5	1,702,396	340,479	88,253	225,866	474,110
2009	SAPARD	13	9,192,424	707,110	512,522	90,743	1,347,709	8	5,268,709	658,589	532,735	90,743	1,347,709
2010	IPARD	1	379,316	379,316	0	379,316	379,316	-	-	-	-	-	-
2011	IPARD	4	1,932,933	483,233	624,688	72,302	1,408,287	1	142,644	142,644	0	142,644	142,644
2012	IPARD	20	9,863,508	493,175	431,662	27,630	1,481,138	12	6,605,878	550,490	427,975	27,630	1,432,888
2013	IPARD	32	13,972,533	436,642	508,824	22,236	1,519,609	26	11,345,924	436,382	546,638	22,236	1,519,609
2014	IPARD	21	6,444,351	306,874	340,196	28,604	1,535,175	17	5,706,901	335,700	365,698	28,604	1,535,175
2015	IPARD	25	8,394,460	335,778	277,241	28,025	1,083,820	19	7,086,397	372,968	286,930	28,025	1,083,820
2016	IPARD	30	10,791,951	359,732	294,536	45,205	1,218,648	25	9,122,289	364,892	304,436	51,737	1,218,648
	TOTAL	**157**	**64,857,253**	**413,104**	**-**	**-**	**-**	**114**	**47,562,709**	**417,217**	**-**	**-**	**-**

All monetary variables are expressed in EUR. 1 EUR ~ 7.42 Croatian kuna (HRK). *Source:* SAPARD and IPARD Monitoring Tables, Managing Authority, Ministry of Agriculture.

Table S4. Descriptive statistics of performance indicators in pre-funds period by firm characteristics

(a) Region

Performance indicator / year	Zagreb region				West Croatia				East Croatia			
	2003	2004	2005	2006	2003	2004	2005	2006	2003	2004	2005	2006
Firm count	190	175	190	224	125	114	126	145	255	257	288	334
Total assets	3,395	4,209	4,935	4,890	1,191	1,445	1,340	1,251	688	771	952	1,017
Turnover	936	1,073	988	953	1,041	1,219	1,326	1,245	718	909	823	837
Value added	744	839	953	884	586	726	710	629	573	678	668	660
Profit	66	134	212	90	-28	-86	-10	-14	10	8	-26	3
Employees	9.7	10.9	9.7	9.4	12.4	13.5	13.0	11.7	8.4	9.4	10.5	9.8
Average wage	36,686	38,413	37,372	34,533	37,730	44,019	41,469	46,255	34,040	36,256	38,268	41,142
Capital	576	681	568	509	591	684	661	643	238	308	469	508
Bank liabilities	2,006	2,611	3,213	2,995	316	529	496	547	182	209	381	425
Int. Costs	723	829	831	776	869	1,070	1,121	1,048	696	862	786	794
Labor prod.	384,050	353,136	388,182	658,114	279,949	396,726	286,175	276,299	462,753	707,858	548,043	534,463
Debt ratio	0.9	1.1	2.8	1.1	1.6	1.4	1.5	3.6	0.9	1.0	0.9	1.0
Z-score	0.9	0.9	-3.5	1.5	0.4	-1.4	-1.3	-2.3	1.3	-1.0	1.3	0.8

Performance indicator / year	Central Croatia				South Croatia			
	2003	2004	2005	2006	2003	2004	2005	2006
Firm count	165	172	182	228	152	142	157	201
Total assets	3,506	3,768	3,766	3,296	763	865	947	1,137
Turnover	3,478	4,302	4,154	3,337	399	437	481	993
Value added	2,594	2,593	2,369	1,935	328	343	283	772
Profit	115	72	139	96	7	-9	2	22
Employees	29.5	29.7	29.2	24.6	6.2	6.8	7.1	9.4
Average wage	35,844	38,665	35,204	36,268	31,689	31,752	39,357	39,080
Capital	1,411	1,551	1,477	1,277	309	372	403	407
Bank liabilities	544	769	899	779	300	355	395	408

Int. Costs	3,845	3,695	3,578	2,861	314	363	387	843
Labor prod.	281,692	324,164	252,204	295,210	334,158	245,090	214,209	333,194
Debt ratio	3.2	0.8	1.1	1.7	1.8	1.7	1.9	1.6
Z-score	-5.6	1.4	-0.1	-1.5	-2.4	-0.8	-1.5	-0.7

(b) Size

Performance indicator / year	**Micro**				**Small**				**Medium**				**Large**			
	2003	**2004**	**2005**	**2006**	**2003**	**2004**	**2005**	**2006**	**2003**	**2004**	**2005**	**2006**	**2003**	**2004**	**2005**	**2006**
Firm count	808	771	844	1,014	69	75	80	96	7	11	15	16	3	3	4	6
Total assets	367	404	398	397	4,530	4,266	4,438	4,364	88,915	68,478	65,493	15,373	144,212	161,869	135,393	254,850
Turnover	311	333	284	278	4,304	4,024	3,646	3,652	20,339	19,641	15,498	14,418	144,828	195,814	164,978	128,395
Value added	243	258	232	241	2,514	2,549	2,244	2,221	17,779	14,064	13,185	8,895	114,864	117,859	91,334	84,365
Profit	0	-1	-4	-1	69	-20	108	85	983	1,154	1,797	-150	6,599	5,432	6,360	6,781
Employees	4.3	4.6	4.3	3.8	47.2	44.2	38.9	40.8	208.9	175.1	169.6	155.8	1,038.0	1,049.7	903.0	710.0
Average wage	31,258	32,494	33,924	35,291	68,149	76,311	69,397	66,149	123,802	104,872	91,486	76,924	90,796	95,753	94,207	156,893
Capital	141	166	171	179	2,129	2,061	2,177	2,081	13,873	11,152	9,593	8,097	55,172	63,482	49,090	39,932
Bank liabilities	129	141	134	138	1,025	1,054	1,339	1,459	52,611	42,792	44,354	7,652	19,764	31,663	30,582	124,866
Int. Costs	281	299	257	247	3,808	3,614	3,318	3,256	14,641	15,706	13,138	12,677	170,995	167,063	139,564	107,785
Labor prod.	337,258	408,102	343,129	423,074	598,806	731,496	569,662	576,066	930,938	654,319	592,402	575,629	965,808	932,629	780,359	1,127,003
Debt ratio	1.7	1.2	1.7	1.7	0.6	0.7	0.6	0.7	0.6	0.7	0.7	0.8	0.5	0.5	0.5	0.6
Z-score	-1.1	-0.3	-1.0	-0.3	1.3	1.2	1.4	1.3	1.0	2.6	1.8	1.8	1.4	1.4	1.5	1.4

(c) Trade orientation

Performance indicator / year	**Domestic only**				**Importer only**				**Exporter only**				**Exporter and importer**			
	2003	**2004**	**2005**	**2006**	**2003**	**2004**	**2005**	**2006**	**2003**	**2004**	**2005**	**2006**	**2003**	**2004**	**2005**	**2006**
Firm count	631	610	700	848	135	139	128	145	62	54	44	56	59	57	71	83
Total assets	431	433	515	462	1,294	1,676	1,795	1,794	8,584	11,907	18,340	17,292	11,605	12,817	11,514	11,763
Turnover	332	379	322	314	1,369	1,615	1,670	1,657	955	1,384	1,694	2,105	11,385	14,589	12,814	12,167

Value added	257	283	267	270	813	919	917	1,063	1,348	1,908	2,843	2,370	8,186	8,691	7,170	7,113
Profit	1	-4	-19	-2	-4	-9	18	27	163	367	854	341	369	194	431	290
Employees	4.9	5.1	4.9	4.4	15.5	17.8	19.5	17.3	9.6	15.0	18.1	18.8	94.2	96.9	87.2	87.3
Average wage	28,805	29,721	31,832	31,671	47,351	57,350	51,885	53,612	41,011	41,574	47,076	69,189	67,571	67,906	69,553	69,909
Capital	171	173	257	212	626	846	880	918	853	1,300	954	912	4,720	5,313	4,562	4,655
Bank liabilities	135	148	223	162	351	480	533	611	5,715	8,066	12,992	11,208	1,954	2,828	2,991	3,591
Int. Costs	308	353	300	284	1,215	1,479	1,538	1,481	587	863	1,266	1,645	12,052	12,426	10,911	10,418
Labor prod.	295,501	394,151	310,131	387,717	512,988	516,319	495,583	584,583	391,264	426,624	564,387	556,114	733,284	776,596	589,039	669,645
Debt ratio	1.9	1.3	1.9	1.9	0.8	0.8	0.8	0.8	1.0	0.8	0.7	0.8	0.7	0.7	0.7	0.7
Z-score	-1.7	-0.8	-1.5	-0.7	1.5	1.5	1.4	1.5	0.4	0.6	1.3	0.7	1.5	1.3	1.3	1.5

(d) Industry sector

Performance indicator / year	**Agriculture**				**Food manufacturing**				**Beverage manufacturing**			
	2003	**2004**	**2005**	**2006**	**2003**	**2004**	**2005**	**2006**	**2003**	**2004**	**2005**	**2006**
Firm count	605	582	647	776	243	235	245	295	39	43	51	61
Total assets	1,629	1,931	2,188	2,130	2,435	2,718	2,785	2,748	2,214	2,511	2,290	2,178
Turnover	890	983	908	834	2,182	3,063	3,042	2,982	1,459	1,641	1,777	1,757
Value added	613	718	697	648	1,797	1,910	1,836	1,885	787	739	733	770
Profit	17	28	47	28	81	41	103	80	39	24	29	2
Employees	9.8	10.5	10.8	9.6	19.0	21.3	21.0	20.9	19.1	18.1	16.2	15.5
Average wage	32,834	33,948	35,883	36,591	40,423	45,121	44,279	46,649	36,171	43,161	36,644	35,278
Capital	408	491	526	492	971	1,105	1,071	1,031	1,052	1,183	1,099	1,057
Bank liabilities	751	963	1,221	1,141	503	654	720	734	659	928	813	817
Int. Costs	782	854	805	714	2,434	2,654	2,628	2,620	1,050	1,275	1,428	1,399
Labor prod.	357,745	466,013	388,425	387,378	397,425	405,791	337,364	620,249	262,208	300,552	259,137	273,647
Debt ratio	1.1	1.0	1.5	1.2	2.9	1.6	1.9	2.7	0.9	0.8	0.9	0.8
Z-score	0.5	0.0	-0.6	1.3	-4.4	-0.6	-1.4	-4.1	0.3	0.4	0.1	0.5

All monetary variables are expressed in EUR. 1 EUR ~ 7.42 Croatian kuna (HRK). Values for total assets, turnover, value added, profit, capital, liabilities towards banks and intermediate costs are expressed in thousands of euros.

Table S5. Balance of covariates used in the analysis (common support applies after matching)

Variables	Before matching				After matching				
	Control mean (SD) (n × T = 5,112 [a]	Treated mean (SD) (n = 114)	Difference	Std. bias (%)	Control mean (SD) (n = 114)	Treated mean (SD) (n = 114)	Difference	Std. bias (%)	% reduction in std. bias
Year [b]									
2007	0.00 (0.05)	0.01 (0.09)	0.01	8.30	0.01 (0.09)	0.01 (0.09)	0.00	0.00	100.00
2008	0.06 (0.24)	0.04 (0.21)	-0.02	-8.20	0.04 (0.21)	0.04 (0.21)	0.00	0.00	100.00
2009	0.06 (0.25)	0.07 (0.26)	0.01	2.30	0.07 (0.26)	0.07 (0.26)	0.00	0.00	100.00
2011	0.03 (0.16)	0.01 (0.09)	-0.02	-13.30	0.01 (0.09)	0.01 (0.09)	0.00	0.00	100.00
2012	0.16 (0.37)	0.11 (0.31)	-0.06	-16.80	0.11 (0.31)	0.11 (0.31)	0.00	0.00	100.00
2013	0.20 (0.40)	0.23 (0.42)	0.03	7.60	0.23 (0.42)	0.23 (0.42)	0.00	0.00	100.00
2014	0.16 (0.37)	0.15 (0.36)	-0.01	-4.00	0.14 (0.35)	0.15 (0.36)	0.01	2.40	40.00
2015	0.18 (0.38)	0.17 (0.37)	-0.01	-2.20	0.18 (0.38)	0.17 (0.37)	-0.01	-2.30	-4.30
2016	0.15 (0.35)	0.22 (0.42)	0.07**	18.90	0.22 (0.42)	0.22 (0.42)	0.00	0.00	100.00
Firm region[b]									
Zagreb region	0.11 (0.31)	0.14 (0.35)	0.03	10.50	0.16 (0.37)	0.14 (0.35)	-0.02	-5.30	49.20
Western Croatia	0.05 (0.21)	0.07 (0.26)	0.02	9.90	0.07 (0.26)	0.07 (0.26)	0.00	0.00	100.00
Eastern Croatia	0.46 (0.50)	0.32 (0.47)	-0.14***	-28.50	0.32 (0.47)	0.32 (0.47)	0.01	1.80	93.60
Central Croatia	0.28 (0.45)	0.33 (0.47)	0.06	12.20	0.33 (0.47)	0.33 (0.47)	0.00	0.00	100.00
Southern Croatia	0.11 (0.31)	0.13 (0.34)	0.02	7.40	0.12 (0.33)	0.13 (0.34)	0.01	2.70	63.70
Firm size[b]									
Micro	0.77 (0.42)	0.49 (0.50)	-0.28***	-60.10	0.45 (0.50)	0.49 (0.50)	0.04	9.50	84.30
Small	0.18 (0.38)	0.32 (0.47)	0.14***	31.60	0.37 (0.48)	0.32 (0.47)	-0.05	-12.30	61.10
Medium	0.04 (0.20)	0.15 (0.36)	0.11***	37.40	0.16 (0.37)	0.15 (0.36)	-0.01	-3.00	91.90
Large	0.01 (0.09)	0.04 (0.21)	0.04***	21.90	0.03 (0.16)	0.04 (0.21)	0.02	11.00	50.00
Firm sector[b]									
Agriculture, forestry, and fishing	0.84 (0.36)	0.73 (0.45)	-0.12***	-28.20	0.70 (0.46)	0.73 (0.45)	0.03	6.50	77.10

Food manufacturing	0.15 (0.35)	0.24 (0.43)	0.09***	22.80	0.26 (0.44)	0.24 (0.43)	-0.03	-6.70	70.50
Beverage manufacturing	0.01 (0.10)	0.04 (0.18)	0.03***	17.40	0.04 (0.18)	0.04 (0.18)	0.00	0.00	100.00
Firm trade[b]									
Domestic only	0.71 (0.45)	0.50 (0.50)	-0.21***	-44.70	0.53 (0.50)	0.50 (0.50)	-0.03	-5.50	87.70
Exporter only	0.08 (0.26)	0.09 (0.28)	0.01	4.50	0.08 (0.27)	0.09 (0.28)	0.01	3.20	28.20
Importer only	0.12 (0.32)	0.12 (0.33)	0.00	1.10	0.16 (0.37)	0.12 (0.33)	-0.04	-10.70	-854.60
Exporter and importer	0.09 (0.29)	0.29 (0.46)	0.2***	51.90	0.24 (0.43)	0.29 (0.46)	0.05	13.80	73.40
Firm performance									
Firm age	9.02 (5.92)	8.53 (6.21)	-0.49	-8.10	9.04 (6.23)	8.53 (6.21)	-0.52	-8.50	-4.80
Firm age (squared)	116.38 (129.78)	110.98 (132.71)	-5.4	-4.10	120.32 (141.3)	110.98 (132.71)	-9.34	-7.10	-73.00
(ln) Labor	1.83 (1.21)	2.58 (1.64)	0.75***	51.90	2.66 (1.65)	2.58 (1.64)	-0.09	-6.10	88.20
(ln) Real average wage	10.58 (0.75)	10.22 (2.3)	-0.37***	-21.40	10.53 (1.12)	10.22 (2.3)	-0.32	-18.40	13.70
(ln) Real capital	14.27 (2.05)	15.83 (2.29)	1.56***	71.70	15.72 (2.09)	15.83 (2.29)	0.11	4.90	93.20
(ln) Real cash reserves	9.76 (3.37)	11.1 (2.61)	1.34***	44.60	10.85 (2.8)	11.1 (2.61)	0.25	8.40	81.20
(ln) Debt ratio	-0.45 (0.74)	-0.39 (0.52)	0.06	9.80	-0.41 (0.57)	-0.39 (0.52)	0.02	3.80	61.10
(ln) Real liabilities towards banks	10.13 (6.49)	13.2 (5.79)	3.07***	49.80	12.40 (6.50)	13.2 (5.79)	0.8	13.00	73.80
(ln) Real value added	14.07 (2.27)	12.77 (5.65)	-1.31***	-30.30	14.21 (4.31)	12.77 (5.65)	-1.44**	-33.50	-10.40
(ln) Real turnover	14.1 (3.07)	13.5 (5.47)	-0.6**	-13.50	14.49 (4.5)	13.5 (5.47)	-0.99	-22.30	-65.50
(ln) Labor productivity	12.25 (1.66)	10.32 (4.42)	-1.93***	-57.80	11.57 (3.24)	10.32 (4.42)	-1.25**	-37.50	35.10
(ln) TFP	11.47 (1.89)	10 (4.55)	-1.46***	-42.00	11.19 (3.82)	10.00 (4.55)	-1.19**	-34.10	18.80

[a] This includes both cross section and time dimension. Without time dimension there are 3,153 potential controls. [b] All these variables entered analysis as a set of dummies (binary) variables for each of their values. For example, variable *year*, with values ranging from 2007 to 2016, entered analysis with a dummy variable for each specific year (*year2007*, *year2008*, …, *year2016*). Differences in these variables were tested using the χ^2 (chi-squared) test – test used to examine differences between categorical variables, such as these ones. * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$, two-sided p-values. The numbers presented in brackets are standard deviations.

Table S7. Result comparison between original model and other matching algorithms

Variables	NN (1) Original [1]	NN (2) [2]	NN (3) [3]	NN (4) [4]	NN (2) Caliper [5]	NN (3) Caliper [6]	NN (4) Caliper [7]	Radius Caliper [8]
Firm survival								
In *t + 1*	0.031**	0.029***	0.029***	0.031**	0.029***	0.029***	0.045***	0.031**
In *t + 2*	0.057	0.056	0.055	0.057	0.056	0.055	0.056*	0.057
In *t + 3*	0.057	0.050	0.048	0.057	0.05	0.048	0.064*	0.057
In *t + 4*	0.053	0.041	0.042	0.053	0.041	0.042	0.074*	0.053
In *t + 5*	0.009	0.012	0.015	0.009	0.012	0.015	0.039	0.009
Output growth								
In total assets at *t + 1*	0.088***	0.079***	0.086***	0.088***	0.079***	0.086***	0.123***	0.088***
In total assets at *t + 2*	0.175***	0.145***	0.150***	0.175***	0.145***	0.150***	0.198***	0.175***
In total assets at *t + 3*	0.191***	0.151**	0.162**	0.191***	0.151**	0.162**	0.217***	0.191***
In total assets at *t + 4*	0.163**	0.139*	0.157*	0.163**	0.139*	0.157*	0.296***	0.163**
In total assets at *t + 5*	0.135	0.163*	0.196*	0.135	0.163*	0.196*	0.337***	0.135
In sales at *t + 1*	0.101	0.059	0.119	0.101	0.059	0.119	0.337*	0.102
In sales at *t + 2*	1.330***	1.351***	1.343***	1.330***	1.351***	1.343***	1.898***	1.330***
In sales at *t + 3*	1.654***	1.688***	1.854***	1.654***	1.688***	1.854***	2.453***	1.654***
In sales at *t + 4*	2.074***	2.279***	2.374***	2.074***	2.279***	2.374***	2.769***	2.074***
In sales at *t + 5*	1.602***	2.010***	2.039***	1.602***	2.010***	2.039***	2.385***	1.602***
In value added at *t + 1*	0.642	0.693*	1.031**	0.642	0.693*	1.031**	1.623***	0.642
In value added at *t + 2*	0.726***	0.668***	0.699***	0.726***	0.668***	0.699***	1.183***	0.726***
In value added at *t + 3*	0.805**	0.893***	0.971***	0.805**	0.893***	0.971***	1.504***	0.805**
In value added at *t + 4*	1.248***	1.322***	1.298***	1.248***	1.322***	1.298***	1.686***	1.248***
In value added at *t + 5*	1.106**	1.311***	1.326***	1.106**	1.311***	1.326***	1.671***	1.106**
In profit at *t + 1*	0.831*	0.895**	1.029***	0.831*	0.895**	1.029***	1.46***	0.831*
In profit at *t + 2*	0.532***	0.451**	0.470**	0.532***	0.451**	0.470**	0.567***	0.532***
In profit at *t + 3*	0.117	0.078	0.052	0.117	0.078	0.052	0.354*	0.117
In profit at *t + 4*	0.414	0.368	0.394	0.414	0.368	0.394	0.351	0.414

In profit at *t + 5*	-0.388	-0.297	-0.114	-0.388	-0.297	-0.114	-0.108	-0.388
Employees growth								
In employees at *t + 1*	0.354	0.243	0.232	0.354	0.243	0.232	0.323	0.354
In employees at *t + 2*	0.269***	0.261***	0.249***	0.269***	0.261***	0.249***	0.291***	0.269***
In employees at *t + 3*	0.329***	0.327***	0.333***	0.329***	0.327***	0.333***	0.334***	0.329***
In employees at *t + 4*	0.425***	0.436***	0.443***	0.425***	0.436***	0.443***	0.375***	0.425***
In employees at *t + 5*	0.416***	0.428***	0.44***	0.416***	0.428***	0.440***	0.389***	0.416***
In average wage at *t + 1*	0.360	0.295	0.322	0.360	0.295	0.322	0.261	0.360
In average wage at *t + 2*	0.024	-0.008	0.001	0.024	-0.008	0.001	0.079*	0.024
In average wage at *t + 3*	-0.087	-0.126*	-0.104	-0.087	-0.126*	-0.104	0.095*	-0.087
In average wage at *t + 4*	-0.116	-0.186*	-0.138	-0.116	-0.186*	-0.138	-0.001	-0.116
In average wage at *t + 5*	-0.145	-0.150	-0.088	-0.145	-0.15	-0.088	0.001	-0.145
Capital growth								
In capital at *t + 1*	-0.447**	-0.478**	-0.384**	-0.447**	-0.478**	-0.384**	-0.243*	-0.447**
In capital at *t + 2*	0.633***	0.636***	0.619***	0.633***	0.636***	0.619***	0.629***	0.633***
In capital at *t + 3*	0.605***	0.517***	0.612***	0.605***	0.517***	0.612***	0.756***	0.605***
In capital at *t + 4*	0.553**	0.510**	0.838***	0.553**	0.510**	0.838***	0.980***	0.553**
In capital at *t + 5*	0.575*	0.587*	0.872**	0.575*	0.587*	0.872**	1.093***	0.575*
In bank loans at *t + 1*	0.841	0.753	0.776	0.841	0.753	0.776	1.246**	0.841
In bank loans at *t + 2*	0.397	0.457	0.431	0.397	0.457	0.431	0.548**	0.397
In bank loans at *t + 3*	0.586	0.552	0.462	0.586	0.552	0.462	0.422	0.586
In bank loans at *t + 4*	1.099*	1.116**	0.990**	1.099*	1.116**	0.990**	1.123***	1.099*
In bank loans at *t + 5*	2.271***	2.195***	1.899***	2.271***	2.195***	1.899***	1.549***	2.271***
Intermediate inputs growth								
In intermediate input costs at *t + 1*	3.689***	3.182***	3.111***	3.689***	3.182***	3.111***	3.024***	3.689***
In intermediate input costs at *t + 2*	0.979***	0.941***	0.898***	0.979***	0.941***	0.898***	0.990***	0.979***
In intermediate input costs at *t + 3*	0.791***	0.769***	0.800***	0.791***	0.769***	0.800***	0.860***	0.791***
In intermediate input costs at *t + 4*	0.793***	0.820***	0.819***	0.793***	0.820***	0.819***	0.942***	0.793***
In intermediate input costs at *t + 5*	0.752***	0.839***	0.861***	0.752***	0.839***	0.861***	1.014***	0.752***
Productivity growth								

In TFP at *t + 1*	0.452	0.297	0.371	0.452	0.297	0.371	0.672**	0.452
In TFP at *t + 2*	1.462***	1.454***	1.466***	1.462***	1.454***	1.466***	2.115***	1.462***
In TFP at *t + 3*	1.852***	1.833***	1.895***	1.852***	1.833***	1.895***	2.545***	1.852***
In TFP at *t + 4*	1.984***	2.038***	2.096***	1.984***	2.038***	2.096***	2.537***	1.984***
In TFP at *t + 5*	1.694***	1.920***	1.867***	1.694***	1.920***	1.867***	2.218***	1.694***
In labor productivity at *t + 1*	0.377	0.583	0.684	0.377	0.583	0.684	1.357**	0.377
In labor productivity at *t + 2*	0.504**	0.464**	0.501**	0.504**	0.464**	0.501**	0.93***	0.504**
In labor productivity at *t + 3*	0.520*	0.593**	0.664**	0.520*	0.593**	0.664**	1.176***	0.520*
In labor productivity at *t + 4*	0.806**	0.851**	0.856**	0.806**	0.851**	0.856**	1.296***	0.806**
In labor productivity at *t + 5*	0.662*	0.825**	0.820**	0.662*	0.825**	0.820**	1.230***	0.662*
Debt growth								
In debt ratio at *t + 1*	0.399	0.513	0.618**	0.399	0.513	0.618**	1.124***	0.399
In debt ratio at *t + 2*	-0.061*	-0.052	-0.058*	-0.061*	-0.052	-0.058*	-0.136***	-0.061*
In debt ratio at *t + 3*	0.015	0.038	-0.006	0.015	0.038	-0.006	-0.084**	0.015
In debt ratio at *t + 4*	0.041	0.074	0.058	0.041	0.074	0.058	-0.063*	0.041
In debt ratio at *t + 5*	0.141*	0.126*	0.093	0.141*	0.126*	0.093	-0.005	0.141*
In Z-score at *t + 1*	0.134	0.154	0.124	0.134	0.154	0.124	0.041	0.134
In Z-score at *t + 2*	0.043	0.047	0.026	0.043	0.047	0.026	0.119	0.043
In Z-score at *t + 3*	-0.055	-0.017	-0.019	-0.055	-0.017	-0.019	0.036	-0.055
In Z-score at *t + 4*	0.037	0.154	0.125	0.037	0.154	0.125	0.058	0.037
In Z-score at *t + 5*	-0.143	-0.108	-0.067	-0.143	-0.108	-0.067	-0.045	-0.143

Column [1] presents our initial (original) results. Columns [2 to 4] use nearest neighbor matching with 2, 3, and 4 control firms for each treated firm. Columns [5 to 7] perform nearest neighbor matching using 2, 3, and 4 control firms for each treated firm within a caliper defined as 10% of the standard deviation of the estimated propensity score. Column [8] performs radius matching within the same caliper. * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$, one-sided *p*-values. Standard errors are based on Abadie & Imbens (2008] but are omitted to conserve space. They are available on request.

Table S9. Heterogeneous ATET estimations according to firm size and trade orientation

	Firm size				Firm trade orientation			
	Micro firms N_T = 56[a]	**Small firms** N_T = 36	**Medium firms** N_T = 17	**Large firms** N_T = 5	**Domestic only** N_T = 57	**Importer only** N_T = 14	**Exporter only** N_T = 10	**Exporter and importer** N_T = 33
Firm survival								
In *t + 1*	0.089***	0.056*	0	0	0.053**	0	0.100	0.03
In *t + 2*	0.071	0.056	0	0	0.070	0	0. 100	0.061
In *t + 3*	0.107	0.056	-0.059	-0.2	0.105	0	0. 100	0.03
In *t + 4*	0.089	0.083	-0.059	-0.2	0.070	0	0. 100	0.03
In *t + 5*	0.018	0.056	0	0	0	-0.071	0. 100	0.03
Output growth								
In total assets at *t + 1*	0.510**	0.028	0.120**	0.075	0.397**	0.251**	-0.073	0.180**
In total assets at *t + 2*	0.362***	0.050	0.115	0.014	0.201*	0.571**	-0.071	0.173*
In total assets at *t + 3*	0.384**	-0.048	0.128	-0.089	0.220	0.771*	0.042	0.138
In total assets at *t + 4*	0.427*	-0.023	0.148	-0.063	0.135	0.701**	0.119	0.037
In total assets at *t + 5*	1.269*	-0.053	0.289	0	0.287	0.466**	0.213	0.094
In sales at *t + 1*	2.816***	0.049	0.218**	0.202**	2.125***	2.212**	0.640	0.460***
In sales at *t + 2*	3.025***	0.176	0.489*	0.302**	2.202**	2.237**	2.766*	0.633***
In sales at *t + 3*	3.946***	0.199	0.763**	0.242*	2.807**	2.752**	1.932*	0.377***
In sales at *t + 4*	2.891**	0.473*	0.776	0.281*	2.215*	0.887***	4.224*	0.532**
In sales at *t + 5*	4.141*	0.547	0.415	0	0.317	1.767***	5.663	0.785*
In value added at *t + 1*	1.036**	0.225	0.420*	0.357*	0.856	0.861**	0.697	0.701***
In value added at *t + 2*	1.117	0.345	0.548	0.639***	0.382	1.762**	1.214**	0.771***
In value added at *t + 3*	1.789*	0.352	0.552*	0.262	0.855	1.718*	1.204	0.871***
In value added at *t + 4*	1.534	1.096**	0.419	0.321*	0.101	2.175*	1.352	0.797**
In value added at *t + 5*	2.183**	0.973*	1.091	0	-0.264	3.067**	0.515	1.474***
In profit at *t + 1*	1.26***	-0.095	0.519	0.176	1.066***	0.213	1.293**	0.994**
In profit at *t + 2*	1.062**	-0.675*	0.290	-0.388	0.347	0.211	-0.005	0.223
In profit at *t + 3*	1.637*	-0.393	-0.837	-0.581	1.048	-0.243	-0.313	0.719*

ln profit at *t + 4*	0.322	-0.568	-0.950	-1.162	0.313	1.070	-2.011	0.255
ln profit at *t + 5*	0.909	0.211	-1.337	0	-0.965	1.765*	-1.421	1.711**
Labor inputs growth								
ln employees at *t + 1*	0.398***	0.163*	0	0.229*	0.411***	0.264***	-0.106	0.326***
ln employees at *t + 2*	0.408**	0.220	0.306	0.183	0.346**	0.412***	-0.061	0.391***
ln employees at *t + 3*	0.404**	0.383*	0.384	0.276	0.456**	0.640***	0.109	0.317***
ln employees at *t + 4*	0.278	0.493**	0.598	0.394	0.117	0.650***	0.069	0.696***
ln employees at *t + 5*	0.710	0.357	0.085	0	-0.332	0.886**	-0.052	0.689
ln average wage at *t + 1*	0.015	-0.112*	0.056	-0.054**	-0.132	-0.035	0.116	0.069
ln average wage at *t + 2*	-0.510**	-0.046	0.046	0.032	-0.508**	0.151*	0.742**	0.232**
ln average wage at *t + 3*	-0.584**	-0.025	0.088	0.097**	-0.626***	0.244**	0.741	0.313**
ln average wage at *t + 4*	-0.414	-0.199*	-0.052	0.048	-0.611**	0.147	0.949*	0.035
ln average wage at *t + 5*	-0.285	-0.353	-0.298*	0	-0.781*	0.178	0.550	0.088
Capital inputs growth								
ln capital at *t + 1*	1.489***	0.062	0.160*	0.095	1.104***	0.281*	0.004	0.289*
ln capital at *t + 2*	1.436***	0.017	0.049	0.114	0.844**	1.413*	0.017	0.257
ln capital at *t + 3*	1.267**	-0.081	0.201	0.457*	0.944**	1.631*	0.156	0.058
ln capital at *t + 4*	1.451*	-0.229	1.147	0.426*	1.048*	0.730*	0.172	-0.059
ln capital at *t + 5*	4.038	-0.224	2.694	0	1.748	0.402*	-0.104	0.148
ln bank loans at *t + 1*	-0.296	-0.471	0.471**	-2.305	0.204	-0.374	1.329	0.516
ln bank loans at *t + 2*	-0.730	-1.873*	0.592*	-3.051	-0.464	-0.621	2.441	1.437*
ln bank loans at *t + 3*	-0.328	-0.958	0.745*	0.264**	0.274	0.727	3.490	0.565
ln bank loans at *t + 4*	1.496	-1.021	2.710*	0.207	1.577	1.353	3.463	0.492
ln bank loans at *t + 5*	7.031**	-1.686	3.354	0	6.061**	0.508	7.185	4.481**
Intermediate inputs growth								
ln intermediate input costs at *t + 1*	1.620***	0.132	0.185**	0.205*	1.414***	0.781***	1.54**	0.516**
ln intermediate input costs at *t + 2*	1.150***	0.110	0.408*	0.187	0.957***	1.157**	1.238*	0.573**
ln intermediate input costs at *t + 3*	0.937**	0.172	0.683*	0.181	0.984**	1.712***	1.381*	0.307**

ln intermediate input costs at *t + 4*	1.222*	0.370*	0.667	0.311*	0.812*	0.547***	2.121*	0.391*
ln intermediate input costs at *t + 5*	2.145	0.407	0.152	0	-0.192	1.243**	1.660	0.783*
Productivity growth								
ln TFP at *t + 1*	2.504***	0.512	0.397*	0.243	1.772**	3.132***	0.714	0.525**
ln TFP at *t + 2*	2.477***	1.638**	0.414	0.559***	1.475*	3.944***	2.619**	1.601**
ln TFP at *t + 3*	3.283***	1.429**	-0.249	0.111	1.765*	3.112*	1.392	1.37**
ln TFP at *t + 4*	3.133**	1.562	-0.645	0.125	1.162	2.356	3.324	1.252*
ln TFP at *t + 5*	1.346***	0.885	0.850	0	-1.870*	6.112**	4.207	0.879*
ln labor productivity at *t + 1*	0.734	0.044	0.419**	0.128	0.547	0.668*	0.802	0.349*
ln labor productivity at *t + 2*	0.746	0.191	0.241	0.456**	0.077	1.559**	1.524**	0.405*
ln labor productivity at *t + 3*	1.393	-0.085	0.175	-0.014	0.404	1.281	1.095	0.519*
ln labor productivity at *t + 4*	1.320	0.372	-0.168	-0.073	-0.015	1.626	1.456	0.059
ln labor productivity at *t + 5*	1.473***	0.358	1.005*	0	-0.122	2.636**	0.769	0.698**
Debt growth								
ln debt ratio at *t + 1*	-0.473**	-0.073	0.093	0.034	-0.350*	-0.049	-0.277**	0.081
ln debt ratio at *t + 2*	-0.194***	-0.023	0.115	-0.029	-0.052	0.232	-0.161	0.070
ln debt ratio at *t + 3*	-0.042	-0.094	0.097	0.024	0.040	-0.021	-0.358	0.018
ln debt ratio at *t + 4*	0.071	-0.1	0.136	0.165	0.243*	0.188	-0.348*	0.105
ln debt ratio at *t + 5*	0.080	-0.137	-0.178	0	0.249	-0.259	-0.302	0.104
ln Z-score at *t + 1*	0.041	-0.023	0.154*	0.043	-0.133	-0.031	0.961*	0.233*
ln Z-score at *t + 2*	0.274	-0.186	0.397	0.272*	-0.515**	0.192	1.027	0.241*
ln Z-score at *t + 3*	0.057	0.137	-0.192	0.125	-0.558*	0.540	0.262	0.104
ln Z-score at *t + 4*	-0.855**	0.326**	-0.089	0.054	-1.019**	-0.048	0.382*	0.233*
ln Z-score at *t + 5*	-0.314	0.585*	0.034	0	-1.148**	1.664	0.866	0.377**

[a] This represents number of treated observations. * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$, one-sided *p*-values. Standard errors are based on Abadie & Imbens (2008] but are omitted to conserve space. They are available on request. Balancing property after matching is satisfied in each group; for the sake of brevity we do not report the results, but they are available on request.

Table S10. Heterogeneous ATET estimations according to firm region and sector

	Firm region					**Firm sector**		
	Zagreb	**Western Croatia**	**Eastern Croatia**	**Central Croatia**	**Southern Croatia**	**Agriculture**	**Food Manuf.**	**Beverage Manuf.**
	N_T [a] **= 16**	N_T **= 8**	N_T **= 37**	N_T **= 38**	N_T **= 15**	N_T **= 83**	N_T **= 27**	N_T **= 4**
Firm survival								
In *t + 1*	0	0.125	0.027	0.079**	0	0.048**	0.074*	0
In *t + 2*	0.063	0.250*	0.054	0.053	0	0.048	0.111	0.250
In *t + 3*	0	0.125	0	0.079	0.067	0.036	0.111	0
In *t + 4*	0	0.125	0	0.079	0.133	0.012	0.148	0
In *t + 5*	0	0.125	0	-0.026	0	0	0	0
Output growth								
In total assets at *t + 1*	0.028	0.246*	0.116*	0.257**	0.164	0.111*	0.251***	-0.241
In total assets at *t + 2*	-0.030	0.242*	0.122*	0.171	0.265*	0.098	0.304***	-0.387*
In total assets at *t + 3*	-0.137	0.484**	0.132	0.160	0.282*	0.100	0.338***	-1.185***
In total assets at *t + 4*	-0.390**	0.553**	0.147	0.216	0.144	0.049	0.288**	-1.187
In total assets at *t + 5*	-0.254	0.348	0.032	0.499	0.126	0.235	0.305	-1.921
In sales at *t + 1*	0.725	0.251	0.963**	2.306***	1.290	1.317**	1.018**	-0.905
In sales at *t + 2*	1.905	0.033	0.861	2.676**	1.766	1.706***	1.367**	-1.275*
In sales at *t + 3*	1.215	0.266	-0.309	3.424**	4.025***	1.982**	1.823**	-2.869***
In sales at *t + 4*	-0.774	1.169	0.051	2.906**	2.249*	1.611*	0.873**	-2.336
In sales at *t + 5*	-0.050	1.569	0.588	2.902*	0.297	1.784*	0.726	-2.968
In value added at *t + 1*	-0.681	0.111	0.633	1.910***	0.501	0.737*	0.480*	0.163
In value added at *t + 2*	-0.219	0.232	0.199	2.404**	0.324	0.882*	0.786***	-0.046
In value added at *t + 3*	-0.488	0.534	-0.531	3.882***	1.986**	1.447**	1.422***	-0.525
In value added at *t + 4*	-1.040	1.227	-1.221	3.552***	1.390**	1.313*	0.756*	4.352
In value added at *t + 5*	-0.094	2.020*	0.206	2.677**	0.939**	1.259**	1.047**	0
In profit at *t + 1*	-0.328	0.054	0.764*	1.138***	0.667	1.009***	0.134	-1.243
In profit at *t + 2*	-0.777	-0.248	0.449	0.632	-0.546	0.410	-0.233	-1.631**
In profit at *t + 3*	-0.443	0.213	0.546	0.523	0.488	0.624	0.044	-1.939*
In profit at *t + 4*	-0.663	-0.107	0.476	-0.239	-1.683**	-0.206	-0.918**	0.107

ln profit at *t + 5*	1.736	0.756	0.112	0.964	-0.080	0.390	0.682	1.459
Labor inputs growth								
ln employees at *t + 1*	0.162	0.099	0.384**	0.231**	0.361***	0.241***	0.367***	0.089
ln employees at *t + 2*	0.005	0.128	0.530**	0.48**	0.419*	0.258**	0.773***	-0.512
ln employees at *t + 3*	0.228	0.648	0.425*	0.564**	0.637*	0.278**	1.078***	-1.501
ln employees at *t + 4*	-0.166	1.163	0.358	0.464*	0.481**	0.234	0.723**	0.511
ln employees at *t + 5*	0.513	1.736	-0.852*	1.071**	0.656*	0.228	0.738	-0.087
ln average wage at *t + 1*	0.209	-0.007	-0.064	-0.026	0.188	-0.031	0.047	-0.116
ln average wage at *t + 2*	-0.087	-0.326	-0.001	-0.421*	0.414**	-0.127	0.002	-0.425
ln average wage at *t + 3*	-0.288	-0.150	-0.190*	-0.293	0.449**	-0.261*	0.249*	-0.769
ln average wage at *t + 4*	-0.362	-0.237	-0.091	-0.160	0.166	-0.229	0.152	-0.388
ln average wage at *t + 5*	0.084	-0.018	-0.675	-0.433	-0.127***	-0.439*	-0.009	-1.533
Capital inputs growth								
ln capital at *t + 1*	0.899	0.586***	0.278***	0.670*	0.275	0.594**	0.372**	-0.179
ln capital at *t + 2*	0.229	0.462**	0.199*	0.781	0.526*	0.593**	0.235	-0.428*
ln capital at *t + 3*	0.063	0.743***	0.189	0.921	0.715**	0.751**	0.299*	-1.561***
ln capital at *t + 4*	-0.030	0.630**	0.073	1.196	-0.049	0.705	0.232	-1.108
ln capital at *t + 5*	-0.431*	0.133	0.105	2.245	-0.077	1.048	0.151	-1.964
ln bank loans at *t + 1*	0.502	0.910	0.121	-0.116	-2.059	-0.380	0.498	1.004
ln bank loans at *t + 2*	-0.431**	0.512	0.215	-0.945	-0.568	-1.087**	2.247*	-3.534
ln bank loans at *t + 3*	-2.134*	1.435	1.358	-1.895*	0.491	-0.743	1.314	-7.637
ln bank loans at *t + 4*	-0.788	3.267	1.756	0.608	2.033	-0.046	3.995**	-1.653
ln bank loans at *t + 5*	-1.434**	4.566	4.637*	0.163	3.160	0.892	6.529**	-15.239
Intermediate inputs growth								
ln intermediate input costs at *t + 1*	-0.022	-0.253	0.755**	2.056***	0.643*	1.009***	0.798**	-0.820
ln intermediate input costs at *t + 2*	-0.168	-0.375*	0.917**	1.161***	1.063***	0.707***	0.947**	-1.230**
ln intermediate input costs at *t + 3*	-0.336	0.435	0.393	1.708***	0.843**	0.670**	1.249***	-2.362***
ln intermediate input costs at *t + 4*	-1.315	1.116	0.783*	1.368**	0.656	0.761*	0.787*	-2.121
ln intermediate input costs at *t + 5*	0.204	1.675	-0.411	2.351*	0.230	0.982*	0.713	-1.905

Productivity growth								
ln TFP at *t + 1*	0.737	0.049	1.330**	2.130***	2.588*	1.346***	1.193**	0.278
ln TFP at *t + 2*	1.128	0.153	0.307	3.680***	2.821*	1.640***	2.137**	0.345
ln TFP at *t + 3*	1.289	0.266	-0.107	3.919***	2.528*	1.633**	2.142***	0.535
ln TFP at *t + 4*	-0.97*	0.790	-1.179	4.172***	2.736**	1.212	1.294*	13.243
ln TFP at *t + 5*	-0.182	1.500**	-1.096	0.309	3.946*	0.134	2.237*	-7.301
ln labor productivity at *t + 1*	-0.747	0.012	0.329	1.600***	0.193	0.512	0.110	0.072
ln labor productivity at *t + 2*	-0.170	0.104	-0.299	1.833**	0.253	0.572	0.185	0.464
ln labor productivity at *t + 3*	-0.672	-0.113	-0.922*	3.113***	1.296*	1.072*	0.306	0.972
ln labor productivity at *t + 4*	-0.874	0.065	-1.699*	2.984***	0.968	0.922	0.047	4.121
ln labor productivity at *t + 5*	-0.606	0.285	0.813	1.413*	0.360	0.831**	0.334	0
Debt growth								
ln debt ratio at *t + 1*	-0.062	0.368	-0.024	-0.263***	-0.106	-0.128***	0.025	0.439
ln debt ratio at *t + 2*	-0.101	0.194	0.113	-0.170***	-0.057	-0.066	0.153	0.121
ln debt ratio at *t + 3*	-0.160*	0.126	0.194**	-0.204**	0.284	0.037	0.109	-0.041
ln debt ratio at *t + 4*	-0.182	-0.018	0.404***	0.006	0.426*	0.128	0.328**	0.054
ln debt ratio at *t + 5*	-0.366	0.168	0.583**	-0.256	0.339	-0.098	0.540*	0.044
ln Z-score at *t + 1*	-0.557	0.043	-0.074	0.067	-0.112	0.028	-0.047	-1.182*
ln Z-score at *t + 2*	-0.058	0.748	-0.476*	0.272	-0.438**	0.017	-0.140	-0.942*
ln Z-score at *t + 3*	0.015	-0.628*	0.297	0.143	-0.327	0.106	-0.002	-0.973*
ln Z-score at *t + 4*	0.082	-0.393	0.248	-0.438	-0.252	-0.226	-0.136	0.360
ln Z-score at *t + 5*	-0.006	-0.219	-0.384*	0.432*	-0.088	-0.157	0.055	0.722

[a] This represents number of treated observations. * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$, one-sided *p*-values. Standard errors are based on Abadie & Imbens (2008] but are omitted to conserve space. They are available on request. Balancing property after matching is satisfied in each group; for the sake of brevity we do not report the results, but they are available on request.