

**Abstract**

Constructing a comprehensive data set covering Dutch firms over the years 2002-2008 I am the first to investigate the relationship between trade status, firm size and firm-level productivity in the Netherlands, thereby focusing particularly on small and medium sized enterprises (SMEs). The empirical evidence can be summarized in four stylized facts. The productivity ranking by trade status of Dutch manufacturing firms in increasing order of productivity is: non-traders, importers, exporters and two-way traders. Firm size and being controlled by a company located abroad are positively associated with firm-level productivity. The results point in the direction of self-selection of more productive manufacturing firms into importing, particularly for firms that did not trade altogether prior to the import start and for build-up periods of two and three years towards the import start. I do not find evidence that firms become more productive after an import start because of learning effects. I find considerable heterogeneity in the productivity premia of trade along the firm size distribution. The results suggest that exporting is more complex than sourcing inputs internationally for small firms relative to larger firms.