

SUPPLEMENTAL MATERIALS for:

George Symeonidis, 'In Which Industries is Collusion more Likely? Evidence from the UK'.

Tables VI and VII contain results using alternative proxies for advertising effectiveness and technological opportunity. In particular, *ADV12* and *RD12* take the values 0, 1 or 2 according to whether an industry's advertising intensity and R&D intensity, respectively, are lower than 1%, between 1% and 2%, or higher than 2%. The results are very similar to those reported in Tables III and IV of the paper.

Table VIII presents the first-stage results for the two-stage model of Table VII.

Table IX reports results separately for producer-good and consumer-good industries (using *COLL1* – similar results are obtained using *COLL2*). These are for the one-step model, so they should be compared with the results in Tables III and VI. Only regressions without sector dummies are presented. Regressions with sector dummies are not reliable in this case: as the samples are rather small, some of these dummies are dropped due to perfect collinearity, and this distorts the results.

Finally, Table X presents results for the whole sample using an alternative definition of the collusion variable. In particular, to construct *COLL3* "ambiguous" industries were regarded as "intermediate", with $COLL3 = 1/2$ for these industries, 0 for "competitive" industries, and 1 for "collusive" industries. Results are reported for a two-stage ordered probit model, so they should be compared with the results given in Tables IV and VII.

Table VI. Additional results for the determinants of collusion: Probit estimation.

	Dependent variable: COLL1		Dependent variable: COLL2	
GROWTH	4.99 (2.38)	6.35 (3.02)	1.59 (0.78)	3.41 (1.63)
GROWTH ²	-1.96 (-2.73)	-2.45 (-3.42)	-0.89 (-1.25)	-1.45 (-2.04)
ADV12	-0.76 (-3.29)	-0.68 (-3.09)	-0.93 (-3.32)	-0.88 (-3.51)
RD12	-0.39 (-1.34)	-0.14 (-0.50)	-0.51 (-1.46)	-0.21 (-0.66)
lnCAPINT1	0.66 (3.65)	-	0.70 (4.01)	-
lnCAPINT2	-	0.76 (3.24)	-	0.85 (3.59)
CONC5	8.51 (2.79)	8.31 (2.84)	5.67 (1.88)	5.21 (1.87)
CONC5 ²	-7.63 (-3.00)	-6.92 (-2.78)	-5.16 (-2.02)	-4.07 (-1.70)
FOREIGN	-0.56 (-1.27)	-0.59 (-1.40)	-0.40 (-0.87)	-0.38 (-0.86)
constant	-4.82 (-2.61)	-7.06 (-4.08)	-1.63 (-0.93)	-4.29 (-2.57)
sector dummies	Yes	Yes	Yes	Yes
% correct predictions	80.8	81.5	80.1	78.1
1 - lnL / lnL ₀	0.439	0.399	0.436	0.394
No. of observations	151	151	140	140

Note: t-statistics based on robust standard errors in parentheses.

Table VII. Additional results for the determinants of collusion: Two-stage probit.

	Dependent variable: COLL1		Dependent variable: COLL2	
GROWTH	5.21 (2.46)	7.06 (3.23)	1.76 (0.87)	4.02 (1.84)
GROWTH ²	-2.04 (-2.85)	-2.61 (-3.65)	-0.95 (-1.34)	-1.56 (-2.17)
ADV12	-0.78 (-3.48)	-0.65 (-3.03)	-0.92 (-3.08)	-0.82 (-3.00)
RD12	-0.43 (-1.43)	-0.07 (-0.25)	-0.43 (-1.31)	-0.10 (-0.30)
lnCAPINT1	0.70 (2.85)	-	0.83 (3.14)	-
lnCAPINT2	-	1.12 (2.97)	-	1.32 (3.41)
CONC5	1.22 (0.37)	-0.48 (-0.13)	1.98 (0.50)	2.00 (0.41)
CONC5 ²	-1.78 (-0.68)	-1.54 (-0.55)	-3.14 (-0.99)	-4.06 (-1.02)
FOREIGN	-0.49 (-1.20)	-0.46 (-1.17)	-0.36 (-0.81)	-0.25 (-0.56)
constant	-3.06 (-1.54)	-4.94 (-2.52)	-0.35 (-0.17)	-3.30 (-1.57)
sector dummies	Yes	Yes	Yes	Yes
% correct predictions	80.1	78.8	82.1	77.5
1 - lnL / lnL ₀	0.406	0.399	0.427	0.398
No. of observations	151	151	140	140

Note: t-statistics based on robust standard errors in parentheses.

Table VIII. First-stage results for the two-stage model of Table VII.

	Dependent variable: CONC5	
GROWTH	0.31 (1.98)	0.44 (2.47)
GROWTH ²	-0.09 (-1.95)	-0.12 (-2.34)
ADV12	0.01 (0.30)	0.02 (0.85)
RD12	0.02 (0.62)	0.05 (1.66)
lnCAPINT1	0.13 (11.43)	-
lnCAPINT2	-	0.16 (8.08)
lnSALES	-0.13 (-8.13)	-0.10 (-5.76)
FOREIGN	0.06 (1.67)	0.04 (0.91)
constant	1.71 (8.98)	1.10 (5.28)
sector dummies	Yes	Yes
R ²	0.71	0.61

Note: t-statistics in parentheses.

Table IX. Regression results for the determinants of collusion separately in producer-good and consumer-good industries: Probit estimation.

	Dependent variable: COLL1			
	Producer-good industries		Consumer-good industries	
GROWTH	7.41 (1.93)	9.47 (2.52)	0.85 (0.26)	1.82 (0.55)
GROWTH ²	-3.14 (-1.99)	-3.91 (-2.51)	-0.61 (-0.56)	-0.97 (-0.89)
ADV1	-	-	-0.89 (-1.95)	-0.85 (-1.86)
RD1	-0.44 (-1.00)	-0.20 (-0.43)	-1.08 (-1.92)	-0.91 (-1.76)
lnCAPINT1	0.55 (2.74)	-	0.54 (2.48)	-
lnCAPINT2	-	0.21 (0.81)	-	0.86 (3.07)
CONC5	9.22 (2.19)	9.34 (2.29)	10.95 (2.44)	12.66 (2.84)
CONC5 ²	-8.54 (-2.37)	-7.81 (-2.26)	-8.94 (-2.29)	-10.09 (-2.60)
FOREIGN	0.07 (0.17)	0.06 (0.14)	-1.24 (-3.08)	-1.46 (-3.53)
constant	-5.52 (-2.24)	-7.63 (-3.24)	-1.69 (-0.63)	-3.88 (-1.50)
sector dummies	No	No	No	No
1 - lnL / lnL ₀	0.292	0.215	0.330	0.330
No. of observations	77	77	73	73

Notes: *ADV1* dropped and one observation not used in producer-good regressions (this observation has *ADV1* = 1 and *COLL1* = 0). t-statistics based on robust standard errors in parentheses.

Table X. Regression results using COLL3. Two-stage ordered probit.

Dependent variable: COLL3						
GROWTH	2.62 (1.55)	4.09 (2.41)	3.28 (1.86)	4.52 (2.52)	3.16 (1.84)	4.36 (2.49)
GROWTH ²	-1.03 (-1.66)	-1.38 (-2.25)	-1.28 (-2.03)	-1.60 (-2.52)	-1.25 (-2.04)	-1.55 (-2.52)
ADV1	-0.65 (-2.91)	-0.44 (-1.91)	-0.74 (-2.93)	-0.48 (-1.90)	-	-
RD1	-0.72 (-3.07)	-0.30 (-1.27)	-0.57 (-1.69)	-0.08 (-0.22)	-	-
ADV12	-	-	-	-	-0.45 (-2.89)	-0.32 (-2.06)
RD12	-	-	-	-	-0.36 (-1.65)	-0.05 (-0.22)
lnCAPINT1	0.50 (4.27)	-	0.62 (4.33)	-	0.56 (3.94)	-
lnCAPINT2	-	0.75 (4.03)	-	0.95 (4.17)	-	0.89 (3.85)
CONC5	3.83 (1.56)	4.78 (1.52)	2.91 (1.14)	1.32 (0.43)	2.94 (1.16)	1.56 (0.51)
CONC5 ²	-4.08 (-1.93)	-6.03 (-2.27)	-3.73 (-1.77)	-3.44 (-1.42)	-3.43 (-1.64)	-3.37 (-1.38)
FOREIGN	-0.43 (-2.12)	-0.44 (-2.16)	-0.41 (-1.37)	-0.34 (-1.17)	-0.40 (-1.36)	-0.33 (-1.13)
sector dummies	No	No	Yes	Yes	Yes	Yes
1 - lnL / lnL ₀	0.170	0.145	0.231	0.209	0.224	0.206
No. of observations	194	194	194	194	194	194

Note: t-statistics in parentheses.