

**Media Bias against Foreign Firms as a Veiled
Trade Barrier: Evidence from Chinese
Newspapers**

American Political Science Review

Online Appendix

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A1 Data Description

A1.1 Characteristics of Recalls Announced in China

Table A1 compares the characteristics of recalls across the three types of manufacturers. Among 472 recalls of passenger cars, excluding recalls of trucks or buses, 62% of recalls were by foreign automakers, 26% were by domestic-foreign joint-ventures, and 12% involved cars produced by domestic manufacturers. The number of cars affected varies considerably across the recall incidents, from a single car to 1,200,000 cars. In terms of average number of recalled cars, joint-venture producers report the highest number, followed by domestic producers and foreign automakers in descending order. The reason for the recalls also varies among the three types of producers to some degree, but defects in electrical systems, engines, or steering represent the three most common reasons, accounting for roughly 60% of recall cases for each type of producer.

Table A1: Summary Statistics of Recalls Announced in China

	Domestic Cars		Joint Venture Cars		Foreign Cars	
	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.
Recall Size						
Affected Cars	25,470	49,194	88,412	183,392	6,614	25,423
Recall Type						
Air Bag/Seat Belt	0.00	0.00	0.00	0.00	0.01	0.10
Brake	0.16	0.37	0.19	0.40	0.13	0.34
Electrical System	0.11	0.31	0.35	0.48	0.21	0.41
Engine	0.22	0.42	0.18	0.38	0.25	0.43
Powertrain	0.13	0.34	0.10	0.31	0.10	0.30
Steering	0.22	0.42	0.15	0.35	0.15	0.36
Structure/Body	0.16	0.37	0.08	0.27	0.16	0.37
Others	0.00	0.00	0.02	0.14	0.02	0.13
Observations	55		124		293	

Note: Recall type variables are binary indicators for whether the recall happened due to the specified reason (e.g. air bag/seat belt, brake, or electrical system). These variables are not mutually exclusive because one recall event could involve multiple reasons.

A1.2 List of Newspapers

Table A2 presents the list of newspapers included in the analysis along with their sponsoring institutions. Official newspapers are the ones sponsored by the party organizations at the central or the regional level and circulated among offices, classrooms, factory workshops, and government offices. Non-official newspapers include party evening papers that are sponsored by party organizations but that rely on sales at newsstands and subsidiary newspapers sponsored by other parent newspapers or press groups.

Table A2: List of Newspapers Included in the Analysis

Newspaper	Classification	Sponsor
Central-Level Newspapers		
<i>People's Daily (Renmin Ribao)</i>	Official	CCP Central
<i>Guangming Daily (Guangming Ribao)</i>	Official	CCP Central Propaganda Department
<i>Economic Daily (Jingji Ribao)</i>	Official	CCP Central Propaganda Department
<i>Legal Daily (Fazhi Ribao)</i>	Official	CCP Political and Law Commission
<i>Xinhua News Agency (Xinhua She)</i>	Official	State News Agency
<i>China Youth Daily (Zhongguo Qingnian Bao)</i>	Official	Central Communist Youth League
Anhui		
<i>Anhui Daily (Anhui Ribao)</i>	Official	CCP Anhui Provincial Party Committee
<i>Hefei Evening News (Hefei Wanbao)</i>	Non-Official	CCP Hefei Municipal Party Committee
<i>Anhui Commercial News (Anhui Shang Bao)</i>	Non-Official	Anhui Daily Press Group
<i>Jianghuai Morning Post (Jianghuai Chenbao)</i>	Non-Official	Hefei Evening News
Beijing		
<i>Beijing Daily (Beijing Ribao)</i>	Official	CCP Beijing Municipal Party Committee
<i>Beijing Youth Daily (Beijing Qingnian Bao)</i>	Official	Communist Youth League (Beijing)
<i>Beijing Times (Jinghua Shibao)</i>	Non-Official	People's Daily
<i>The Beijing News (Xin Jing Bao)</i>	Non-Official	Guangming Daily Press Group
<i>Beijing Evening News (Beijing Wanbao)</i>	Non-Official	Beijing Daily Press Group
<i>Beijing Daily Messenger (Beijing Yule Xin Bao)</i>	Non-Official	Beijing Daily Press Group
<i>Beijing Morning Post (Beijing Chenbao)</i>	Non-Official	Beijing Daily Press Group
<i>The First (Jing Bao)</i>	Non-Official	Beijing Daily Press Group
<i>The Mirror (Fazhi Wanbao)</i>	Non-Official	Beijing Youth Daily
Chongqing		
<i>Chongqing Economic Times (Chongqing Shang Bao)</i>	Non-Official	Chongqing News Center
<i>Chongqing Evening News (Chongqing Wanbao)</i>	Non-Official	Chongqing Daily Press Group
<i>Chongqing Morning Post (Chongqing Chenbao)</i>	Non-Official	Chongqing Daily Press Group
Fujian		
<i>Fujian Daily (Fujian Ribao)</i>	Official	CCP Fujian Provincial Party Committee
<i>Strait News (Haixia Dushi Bao)</i>	Non-Official	Fujian Daily Press Group
Gansu		
<i>Lanzhou Daily (Lanzhou Ribao)</i>	Official	CCP Lanzhou Municipal Party Committee
<i>Gan Su Daily (Gansu Ribao)</i>	Official	CCP Gansu Provincial Party Committee

Table A2 Continued

Newspaper	Classification	Sponsor
<i>Lanzhou Morning Post (Lanzhou Chenbao)</i>	Non-Official	Gansu Daily Press Group
<i>Xi Bu Business (Xibu Shang Bao)</i>	Non-Official	Gansu Daily Press Group
<i>Lanzhou Evening News (Lanzhou Wanbao)</i>	Non-Official	Lanzhou Daily
Guangdong		
<i>Shan Tou Daily (Shantou Ribao)</i>	Official	CCP Shan Tou Municipal Party Committee
<i>Shenzhen Special Zone Daily (Shenzhen Tequ Bao)</i>	Official	CCP Shenzhen Municipal Party Committee
<i>Guangzhou Daily (Guangzhou Ribao)</i>	Official	CCP Guangzhou Municipal Party Committee
<i>Nan Fang Daily (Nanfang Ribao)</i>	Official	CCP Guangdong Provincial Party Committee
<i>Yangcheng Evening News (Yangcheng Wanbao)</i>	Non-Official	CCP Guangdong Provincial Party Committee
<i>Shan Tou Te Qu Evening Post (Shantou Tequ Wanbao)</i>	Non-Official	CCP Shan Tou Municipal Party Committee
<i>Shantou City Daily (Shantou Dushi Bao)</i>	Non-Official	Shangtou SEZ Newspaper
<i>Southern Metropolis Daily (Nanfang Dushi Bao)</i>	Non-Official	Nan Fang Daily Press Group
<i>Daily Sunshine (Jing Bao)</i>	Non-Official	Shenzhen Press Group
<i>Shenzhen Evening News (Shenzhen Wanbao)</i>	Non-Official	Shenzhen Press Group
<i>Shenzhen Economic Daily (Shenzhen Shang Bao)</i>	Non-Official	Shenzhen Press Group
<i>New Express Daily (Xin Kuaibao)</i>	Non-Official	Yangcheng Evening Press Group
<i>Information Times (Xinxi Shibao)</i>	Non-Official	Guangzhou Daily Press Group
<i>Panyu Daily (Panyu Ribao)</i>	Non-Official	Guangzhou Daily Press Group
<i>Baoan Daily (Bao'an Ribao)</i>	Non-Official	Shenzhen Press Group
<i>Securities Times (Zhengquan Shibao)</i>	Non-Official	People's Daily
<i>Private Economy News (Minying Jingji Bao)</i>	Non-Official	Yangcheng Evening Press Group
Guangxi		
<i>Guangxi Daily (Guangxi Ribao)</i>	Official	CCP Guangxi Party Committee
<i>Southern China Morning Post (Nanguo Zaobao)</i>	Non-Official	Guangxi Daily
<i>Modern Life Daily (Dangdai Shenghuo Bao)</i>	Non-Official	Guangxi Daily
<i>Nan Guo Jin Bao (Nanguo Jin Bao)</i>	Non-Official	Guangxi Daily
Hainan		
<i>Hainan Daily (Hainan Ribao)</i>	Official	CCP Hainan Provincial Party Committee
<i>Haikou Evening News (Haikou Wanbao)</i>	Non-Official	CCP Haikou Municipal Party Committee
Hebei		
<i>Shijiazhuang Daily (Shijiazhuang Ribao)</i>	Official	CCP Shijiazhuang Municipal Party Committee
<i>Yanzhao Evening News (Yan Zhao Wanbao)</i>	Non-Official	Shijiazhuang Daily Press Group
Heilongjiang		
<i>Harbin Daily (Ha'erbin Ribao)</i>	Official	CCP Harbin Municipal Party Committee
<i>Modern Evening Times (Xin Wanbao)</i>	Non-Official	Harbin Daily Press Group
Henan		
<i>Henan Daily (Henan Ribao)</i>	Official	CCP Henan Provincial Party Committee
<i>Dahe Daily (Dahe Bao)</i>	Non-Official	Henan Daily Press Group
<i>Henan Business Daily (Henan Shang Bao)</i>	Non-Official	Henan Daily Press Group
Hubei		
<i>Changjiang Daily (Changjiang Ribao)</i>	Official	CCP Wuhan Municipal Party Committee
<i>Hubei Daily (Hubei Ribao)</i>	Official	CCP Hubei Provincial Party Committee
<i>Wuhan Evening News (Wuhan Wanbao)</i>	Non-Official	Changjiang Daily Press Group
<i>Wuhan Morning Post (Wuhan Chenbao)</i>	Non-Official	Changjiang Daily Press Group
<i>Chutian Metropolis Daily (Chu Tian Dushi Bao)</i>	Non-Official	Hubei Daily Press Group
<i>Sanxia Evening News (Sanxia Wanbao)</i>	Non-Official	Hubei Daily Press Group
<i>Chu Tian Golden Newspaper (Chu Tianjin Bao)</i>	Non-Official	Hubei Daily Press Group
Hunan		

Table A2 Continued

Newspaper	Classification	Sponsor
<i>Changsha Evening Newspaper (Changsha Wanbao)</i>	Non-Official	CCP Changsha Municipal Party Committee
Jiangsu		
<i>Nanjing Daily (Nanjing Ribao)</i>	Official	CCP Nanjing Municipal Party Committee
<i>Wuxi Daily (Wuxi Ribao)</i>	Official	CCP Wuxi Municipal Party Committee
<i>Jinling Evening News (Jinling Wanbao)</i>	Non-Official	Xinhua Daily Press Group
<i>Jiang Nan Evening News (Jiangnan Wanbao)</i>	Non-Official	Wuxi Daily
<i>YangTse Evening News (Yangzi Wanbao)</i>	Non-Official	Xinhua Daily Press Group
<i>Jiang Nan Times (Jiangnan Shibao)</i>	Non-Official	People's Daily
Jiangxi		
<i>Nanchang Daily (Nanchang Ribao)</i>	Official	CCP Nanchang Municipal Party Committee
<i>Jiangxi Daily (Jiangxi Ribao)</i>	Official	CCP Jiangxi Provincial Party Committee
<i>Information Daily (Xinxi Ribao)</i>	Non-Official	Jiangxi Daily
<i>Jiang Nan City Daily (Jiangnan Dushi Bao)</i>	Non-Official	Jiangxi Daily
Jilin		
<i>Cheng Shi Wan Bao (Chengshi Wanbao)</i>	Non-Official	Jilin Daily Press Group
Liaoning		
<i>Dalian Daily (Dalian Ribao)</i>	Official	CCP Dalian Municipal Party Committee
<i>Shenyang Daily (Chenyang Ribao)</i>	Official	CCP Shenyang Municipal Party Committee
<i>Liaoning Daily (Liaoning Ribao)</i>	Official	CCP Liaoning Provincial Party Committee
<i>Dalian Evening News (Dalian Wanbao)</i>	Non-Official	Dalian Daily Press Group
<i>Peninsula Morning (Bandao Chenbao)</i>	Non-Official	Liaoning Daily Press Group
<i>Liao Shen Evening News (Liao Chen Wanbao)</i>	Non-Official	Liaoning Daily Press Group
<i>Shenyang Evening News (Chenyang Wanbao)</i>	Non-Official	Shenyang Daily Press Group
Ningxia		
<i>Yinchuan Evening News (Yinchuan Wanbao)</i>	Non-Official	CCP Yinchuan Municipal Party Committee
Qinghai		
<i>Qinghai Daily (Qinghai Ribao)</i>	Official	CCP Qinghai Provincial Party Committee
<i>Xining Evening News (Xining Wanbao)</i>	Non-Official	CCP Xining Municipal Party Committee
<i>XiHai DuShi Bao (Xihai Dushi Bao)</i>	Non-Official	Qinghai Daily
Shaanxi		
<i>Xi An Daily (Xi'an Ribao)</i>	Official	CCP Xi'an Municipal Party Committee
<i>Xi'an Evening News (Xi'an Wanbao)</i>	Non-Official	CCP Xi'an Municipal Party Committee
<i>San Qin Du Shi Bao (San Qin Dushi Bao)</i>	Non-Official	Shaanxi Daily
Shandong		
<i>Jinan Daily (Jinan Ribao)</i>	Official	CCP Jinan Municipal Party Committee
<i>Qingdao Daily (Qingdao Ribao)</i>	Official	CCP Qingdao Municipal Party Daily
<i>Dazhong Daily (Dazhong Ribao)</i>	Official	CCP Shandong Provincial Party Committee
<i>QiLu Evening News (Qilu Wanbao)</i>	Non-Official	Dazhong Press Group
<i>Bandao Metropolis (Bandao Dushi Bao)</i>	Non-Official	Dazhong Press Group
Shanghai		
<i>Jiefang Daily (Jiefang Ribao)</i>	Official	CCP Shanghai Municipal Party Committee
<i>Youth Daily (Shanghai Qingnian Bao)</i>	Official	Shanghai Municipal Communist Youth League
<i>Oriental Morning Post (Dongfang Zaobao)</i>	Non-Official	Wenhui Xinmin United Press Group
<i>Shanghai Morning Post (Xinwen Chenbao)</i>	Non-Official	Jiefang Daily Press Group
<i>Shanghai Evening Post (Xinwen Wanbao)</i>	Non-Official	Jiefang Daily Press Group
<i>Wen Hui Daily (Wenhui Bao)</i>	Non-Official	Wenhui Xinmin United Press Group
<i>XinMin Evening News (Xinmin Wanbao)</i>	Non-Official	Wenhui Xinmin United Press Group
<i>News Times (Tiantian Xin Bao)</i>	Non-Official	Wenhui Xinmin United Press Group

Table A2 Continued

Newspaper	Classification	Sponsor
Shanxi		
<i>Shanxi Daily (Shanxi Ribao)</i>	Official	CCP Shanxi Provincial Party Committee
Sichuan		
<i>Chengdu Daily (Chengdu Ribao)</i>	Official	CCP Chengdu Municipal Party Committee
<i>Sichuan Daily (Sichuan Ribao)</i>	Official	CCP Sichuan Provincial Party Committee
<i>Chengdu Evening News (Chengdu Wanbao)</i>	Non-Official	Chengdu Daily Press Group
<i>Western China Metropolis Daily (Huaxi Dushi Bao)</i>	Non-Official	Sichuan Daily Press Group
<i>Chengdu Business Daily (Chengdu Shang Bao)</i>	Non-Official	Chengdu Daily Press Group
Tianjin		
<i>Tianjin Daily (Tian Jinribao)</i>	Official	CCP Tianjin Municipal Party Committee
<i>Today Evening Post (Jin Wanbao)</i>	Non-Official	Jinwan Media Group
<i>Morning Post (Mei Ri Xin Bao)</i>	Non-Official	Tianjin Daily Press Group
Yunnan		
<i>Kunming Daily (Kunming Ribao)</i>	Official	CCP Kunming Municipal Party Committee
<i>Yunnan Daily (Yunnan Ribao)</i>	Official	CCP Yunna Provincial Party Committee
<i>Chunchen Evening News (Chuncheng Wanbao)</i>	Non-Official	Yunnan Daily Press Group
<i>Du Shi Shi Bao (Dushi Shibao)</i>	Non-Official	Kunming Daily
Zhejiang		
<i>Zhejiang Daily (Zhejiang Ribao)</i>	Official	CCP Zhejiang Provincial Party Committee
<i>Qianjiang Evening News (Qian Jiang Wan Bao)</i>	Non-Official	Zhejiang Daily Press Group
<i>Morning Express (Jin Ri Zaobao)</i>	Non-Official	Zhejiang Daily Press Group

A1.3 Examples of Newspaper Articles Included in the Analysis

I present below two newspaper articles on auto recall incidents as examples of newspaper articles included in the analysis. The first article, published by *Beijing Daily (Beijing Ribao)* on May 15, 2009 is on a recall by Dongfeng Motor Corporation, a Chinese state-owned automotive firm. The second article, published by *Guangzhou Daily (Guangzhou Ribao)* on August 18, 2010 is on a recall by BMW, a Germany-based automotive firm.

- “Dongfeng to Recall 153,065 Teana Sedans, Starting Next Month (东风下月起召回15万辆天籁轿车),” *Beijing Daily (Beijing Ribao)*, May 15, 2009

In accordance to Administrative Regulation on Recall of Defective Motor Vehicles, Dongfeng Motor Co., Ltd. submitted a recall report to the General Administration of Quality Supervision, Inspection and Quarantine of the PRC (GAQSIQ). In the report, Dongfeng decided to recall 153,065 Teana sedans manufactured between July 1, 2004 and April 18, 2008 from June 12 onwards. Affected Teana sedans have defects in the engine. The air tube inside the VQ engines have substandard heat-resistance abilities which may cause it to be disconnected as a result of engine vibration during driving. This may lead to unstable running or flame-out of the engine, hence affect driving safety. Dongfeng promised to exchange engine air tubes and clasps of all defective sedans for free to eliminate risks. Due to the preparation of parts, this recall will take place from June 12 onwards. If malfunctioning occurs before this, owners may get their cars checked for free in Dongfeng workshops. Detailed information can be found on the website of GAQSIQ www.aqsiq.gov.cn or through the hotline of Defective Product Administrative Center 010-59799616.

记者昨天获悉，东风汽车有限公司按照《缺陷汽车产品召回管理规定》的要求，向国家质检总局递交了召回报告，决定从6月12日起，召回2004年7月1日至2008年4月18日期间生产

的153065辆天籁轿车。被召回的汽车发动机存在缺陷。本次召回的天籁轿车搭载的VQ发动机空气管材质耐热性能不足，可能导致空气管的接合部在行驶振动中松脱，从而发生怠速不稳或熄火，影响行车安全。东风汽车公司将对召回范围内的车辆免费更换发动机空气管道和卡箍，以消除故障隐患。因备件准备原因，本次召回自6月12日起实施，在此之前如用户车辆出现上述故障现象，可到东风日产专营店先进行车辆免费检修。可登录国家质检总局网站www.aqsiq.gov.cn或拨打国家质检总局缺陷产品管理中心的热线电话010-59799616了解召回详情。

- “Late Recall in China: BMW Made Recall Announcement in China One Month Later than in the US (跨国车企在华召回慢三拍 美国发出召回令后 宝马事隔近一个月后才知会中国车主),” *Guangzhou Daily (Guangzhou Ribao)*, August 18, 2010

Yesterday, BMW China Automotive Trading Ltd submitted a recall report to the General Administration of Quality Supervision, Inspection and Quarantine. It decided to recall part of the imported 2010 BMW 5 series GT cars (535i, 550i) built between January 12, 2010 and June 30, 2010. The action would start from August 20, 2010, and the number of affected cars in mainland China is 5,308, according to BMW’s estimation.

Does the car company treat the Chinese market differently? Owners of BMW series 5 cars in China have finally received the recall announcement from the company half a month after the same announcement was released in the US (reported by Guangzhou Daily on July 27, on Page AII7). Some owners question why multinational car companies always recall in other countries earlier than in China. If an accident happens because of the defect during this period of delay, can owners make the car company take responsibility? We have interviewed lawyers specializing in consumers’ right protection regarding this matter.

Same recall reason as in the US Yesterday, BMW China Automotive Trading Ltd submitted a recall report to the General Administration of Quality Supervision, Inspection and Quarantine to recall 5,308 affected cars in mainland China. As early as July 21, BMW had

made a recall announcement in the US for 6,080 series 5 cars, for the same reason as that in China. The reason for the recall is manufacture fault. The fuel level detector in the fuel tank could be obstructed by the air tube, hence not being able to detect a decrease in fuel level. As a result, the dashboard would not be able to signal accurately when the fuel will run out. This could stall the engine without warning and the engine might not restart following this flameout, causing safety risks.

Late recall caused questioning As of yesterday, due to the time difference, BMW has yet to provide an explanation for the recall announcement being made in China one month later than in the US. As a matter of fact, the late action by BMW has caused anxiety among Chinese owners. This reporter checked the query records on the China Car Recall website where owners have expressed their concerns as early as July 29. One owner raised a question, “I’m an owner of a BMW series 5 car. I heard BMW has recalled series 5 cars in the US. But why has it not done so in China? Is it because the cars imported to China are of a better quality than those to the US?” In response to this, an expert from the website could only offer the following explanation, “if the defect impacts the Chinese market, BMW will surely make a recall in China too.” The Chinese market has already surpassed the US to become the largest automobile market in the world. For BMW, China is its third largest market in the world following Germany and North America. However, the delay in the recall announcement that was made only yesterday still exhibits discrimination against the Chinese market.

Lawyer: Unequal disclosure leading to accidents is considered as malicious behavior.

Beiyuan Chen, senior partner of Dacheng Law Offices in Guangzhou, who has been consistently following consumers’ right protection – from the incident of Toyota’s overseas recall to the recent BMW recall – says that there is a possibility of discrimination. “When there is a quality problem, oversea companies normally consider protecting the US consumers first. These incidents happen not only in the automobile industry, but also in the medical and

other industries. These companies have divided the world into several regions, and they prioritize these regions differently.” As the Chinese automobile market has developed quickly, these car companies should prioritize us. But in fact, due to the lack of consumers’ right protection and communication channels, multinational companies still overlook the Chinese market chronically. Chen adds, accidents that happen due to the late recall announcement could be considered to be the result of malicious behaviour by the car company. “The biggest pressure faced by the companies is not from consumers, but their reputation and actual sales records.” He suggests that efforts should be made to improve the consumers’ right protection system in China.

昨天，记者获悉，宝马（中国）汽车贸易有限公司已向国家质量监督检验检疫总局递交了召回报告，将自2010年8月20日起召回部分2010款进口宝马5系GT（535i、550i）轿车，车辆生产日期为2010年1月12日到2010年6月30日。据该公司统计，在中国大陆共涉及车辆5308台。

本报讯（文、图 记者刘俊）汽车召回也中外有别？在美国率先发出召回公布后的近半个月后（可见本报7月27日 A117版报道），中国宝马5系的车主终于盼来了宝马公司的一纸召回公告。有车主质疑，跨国车企为何总是先在国外发出召回消息？如果在这个时间差内自己驾驶的汽车因为缺陷出了事故，是否可以找厂家来负责？为此，本报采访了专门从事消费者权益保护的律师。

召回原因和美国一样 昨天，记者获悉，宝马（中国）汽车贸易有限公司已向国家质量监督检验检疫总局递交了召回报告，将在中国大陆共涉及车辆5308辆。记者了解到，早在7月21日宝马就在美国发出了召回6080辆5系轿车的公布，而且召回原因和昨日在中国公布的如出一辙。宝马召回主要是由于制造原因，车辆燃油箱内油位传感器浮臂可能被通气管卡住，造成浮臂不能随燃油箱内油面一同降低，当燃油耗尽时，仪表板仍然会错误地显示有一定的燃油余量，可能造成无预警情况下的发动机熄火，熄火后车辆无法重新启动，存在安全隐患。

召回姗姗来迟遭质疑 对于两国时间差，宝马昨日并未解释为何对中国消费者发出的召回令要比在美国市场慢了将近一个月。事实上，宝马慢三拍的做法已经造成了中国车主的忧虑。记者翻查中国汽车召回网的查询记录，早在7月29日已有车主不满而提出了疑虑。“我是宝马5系车主，今天看到宝马在美国召回了5系车，为什么没有在中国召回？是不是出口到中国的宝马比出口到美国的质量更好呢？”对于这位车主的质疑，该网的在线专家也只能安慰：“如果涉及中国市场，宝马公司也将会在中国发布召回令。”目前，中国汽车市场已超过美国成为全球第一大车市，对宝马来说中国目前的销量仅次于德国、北美，成为它全球第三大市场，但从昨天召回令发出的效率上还是有点“厚此薄彼”。

律师：没平等披露造成事故算恶意行为

从丰田大规模海外召回事件，再到宝马的这次召回，一直关注消费者权益的大成律师事务所广州分所高级合伙律师陈北元对记者说，当中存在歧视性处理的可能。“在产品出现质量问题后，企业较优先考虑美国的消费者利益，而且情况不只局限在汽车，包括在药品等多种消费领域，这些公司把世界市场划分了很多片区，他们有优先处理的区域。”

按理说中国车市地位不断崛起的这种气势应该让跨国车企更加重视我们的市场，但是实际上，出于国内消费者的保护渠道和信息获取渠道的短板考虑，跨国企业仍有漠视习惯。陈北元说，因为信息披露不及时导致了事故在此期间出现，属于车企恶意造成的行为，因为厂家没有做到平等披露和一视同仁。“商家最大的压力还不是消费者的压力，而是商誉，是对实际销售数字的关注。”他指出，我国对消费者的保护体系还应该更加完善。

A2 Full Results

This section reports the full results of regression analyses presented in the main manuscript. Due to space limitation, I reported the results for key variables without presenting the results for other control variables in the main manuscript. I below present the full results with all variables included in the analysis for readers' reference.

- Table A3 presents the full results of probit models estimating news coverage probability of auto recalls by foreign versus domestic producers. This table reports the full results for models in Table 2 presented in the main manuscript, by additionally reporting the coefficients and standard errors for recall-level control variables.
- Table A4 presents the full results of regression models estimating intensity and sentiment of news coverage. This table reports the full results for models in Table 3 presented in the main manuscript. The first two models do not include the estimation coefficients for *Airbag* binary variable due to collinearity.
- Table A5 presents the full results of probit models estimating effects of auto SOE ownership on recall news coverage. This table reports the full results for models in Table 4 presented in the main manuscript.
- Table A6 presents the full results of regression models examining recall-related web-query data. This table reports the full results for models in Table 6 presented in the main manuscript.

Table A3: Probit Models Estimating News Coverage Probability of Auto Recalls

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Foreign	0.037** (0.013)	0.027* (0.013)	0.027* (0.013)		0.037** (0.013)	0.028* (0.013)	0.026* (0.013)	
Official	-0.011** (0.004)	-0.029** (0.006)	-0.041** (0.006)					
Official * Foreign		0.031** (0.009)	0.030** (0.009)	0.034** (0.009)				
Central Party Official					0.021* (0.009)	-0.034** (0.012)	-0.131** (0.006)	
Central Party Official * Foreign						0.101** (0.021)	0.096** (0.020)	0.140** (0.033)
Regional Party Official					-0.017** (0.004)	-0.028** (0.006)	-0.010 (0.006)	
Regional Party Official * Foreign						0.019* (0.009)	0.021* (0.009)	0.021* (0.009)
Recall Size (Logged)	0.026** (0.002)	0.026** (0.002)	0.026** (0.002)		0.026** (0.002)	0.026** (0.002)	0.026** (0.002)	
Air Bag/Seat Belt	-0.072 (0.044)	-0.072 (0.044)	-0.023 (0.058)		-0.072 (0.044)	-0.071 (0.044)	-0.025 (0.058)	
Brake	-0.010 (0.019)	-0.010 (0.019)	-0.012 (0.017)		-0.010 (0.019)	-0.010 (0.019)	-0.012 (0.017)	
Electrical System	0.033* (0.016)	0.033* (0.016)	0.032* (0.016)		0.033* (0.016)	0.033* (0.016)	0.032* (0.016)	
Engine	0.017 (0.016)	0.017 (0.016)	0.020 (0.015)		0.017 (0.016)	0.017 (0.016)	0.020 (0.015)	
Powertrain	0.069** (0.026)	0.069** (0.026)	0.082** (0.029)		0.069** (0.026)	0.069** (0.026)	0.083** (0.029)	
Steering	0.008 (0.017)	0.008 (0.017)	0.004 (0.015)		0.008 (0.017)	0.008 (0.017)	0.004 (0.016)	
Province FE	No	No	Yes	No	No	No	Yes	No
Newspaper FE	No	No	No	Yes	No	No	No	Yes
Halfyear FE	No	No	Yes	No	No	No	Yes	No
Recall FE	No	No	No	Yes	No	No	No	Yes
Observations	35246	35246	35246	32758	35246	35246	35246	32758

Marginal effects; Standard errors clustered by recalls in parentheses

+ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$

Table A4: Length of Article as Dependent Variable

	(1)	(2)	(3)	(4)	(5)	(6)
	Central Party	Official	Regional Party	Official	Non-Official	
DV: Article Length						
Foreign	21.540 (15.507)	28.187 ⁺ (16.261)	14.890 (10.547)	12.453 (10.206)	7.498 (8.689)	6.180 (8.106)
Recall Size, logged	6.177 (5.324)	8.312 (6.010)	5.787* (2.625)	4.926 ⁺ (2.857)	6.995** (1.579)	6.836** (1.627)
Airbag			-2.403 (38.783)	-53.317 (61.442)	16.467 (23.363)	9.746 (29.511)
Brake	33.150 (24.346)	47.608 ⁺ (25.177)	8.615 (16.786)	-0.234 (17.191)	-7.820 (12.761)	-5.470 (12.128)
Electrical System	3.010 (18.199)	10.629 (17.567)	-0.472 (16.750)	-3.322 (16.887)	-0.351 (12.503)	10.397 (10.509)
Engine	26.498 (24.508)	26.059 (26.230)	-6.183 (15.007)	-10.810 (14.576)	-2.264 (12.785)	5.498 (12.006)
Powertrain	40.828 (49.053)	21.634 (38.491)	49.491 (34.245)	36.493 (28.914)	24.206 ⁺ (13.315)	26.319 ⁺ (13.925)
Steering	28.865 (36.534)	27.303 (32.815)	-10.237 (18.427)	-22.387 (16.456)	-6.835 (11.599)	-4.728 (11.035)
DV: Negative Sentiment						
Foreign	0.007* (0.004)	0.007 ⁺ (0.004)	0.012** (0.002)	0.011** (0.002)	0.012** (0.001)	0.012** (0.001)
Recall Size, logged	-0.001 (0.001)	-0.001 (0.001)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)
Airbag			0.017 (0.014)	0.027* (0.014)	0.003 (0.009)	0.007 (0.009)
Brake	0.001 (0.005)	0.003 (0.005)	-0.002 (0.003)	-0.001 (0.003)	0.002 (0.002)	0.002 (0.002)
Electrical System	0.009* (0.004)	0.009* (0.004)	0.003 (0.002)	0.004 (0.002)	0.003* (0.001)	0.003* (0.001)
Engine	0.016** (0.004)	0.016** (0.004)	0.016** (0.002)	0.016** (0.002)	0.013** (0.001)	0.012** (0.001)
Powertrain	0.014* (0.006)	0.016** (0.006)	0.007* (0.003)	0.011** (0.003)	0.008** (0.002)	0.007** (0.002)
Steering	0.008 ⁺ (0.005)	0.008 (0.005)	0.001 (0.002)	0.002 (0.003)	-0.000 (0.002)	-0.001 (0.002)
Newspaper FE	Yes	Yes	Yes	Yes	Yes	Yes
Halfyear FE	No	Yes	No	Yes	No	Yes
Observations	307	307	1234	1234	3193	3193

Marginal effects; Standard errors clustered by reporting weeks in parentheses

⁺ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$

Table A5: Probit Models Estimating Effect of Auto SOE Ownership on Recall News Coverage

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Foreign	0.034*	0.029*	0.028*	0.028*	0.023 ⁺	0.023 ⁺	
	(0.013)	(0.013)	(0.013)	(0.013)	(0.014)	(0.014)	
Officials with Auto	0.060**	0.037**	-0.002	-0.003	-0.006	-0.006	
	(0.005)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)	
Officials without Auto	-0.108**	-0.102**	-0.029**	-0.028**	-0.031**	-0.035**	
	(0.005)	(0.008)	(0.010)	(0.010)	(0.011)	(0.011)	
Officials with Auto * Foreign		0.036**	0.039**	0.039**	0.037**	0.037**	0.036**
		(0.010)	(0.010)	(0.010)	(0.011)	(0.011)	(0.012)
Officials without Auto * Foreign		-0.015	-0.011	-0.010	-0.009	-0.008	0.003
		(0.015)	(0.014)	(0.014)	(0.015)	(0.015)	(0.015)
Regional GDP, logged				0.143**	0.005	-0.077	-0.094
				(0.051)	(0.068)	(0.078)	(0.083)
Population				-0.001	-0.000	-0.020**	-0.010*
				(0.001)	(0.002)	(0.004)	(0.005)
FDI Inflows, % of GDP				0.000	0.003	0.004	0.003
				(0.004)	(0.005)	(0.005)	(0.005)
Advertising Revenue in Province, logged					0.003	0.000	0.001
					(0.003)	(0.003)	(0.003)
Car Ownership						0.014**	0.010**
						(0.003)	(0.003)
Retail Sales of Automobile, logged						-0.043*	-0.037*
						(0.017)	(0.018)
Passenger Cars Production, logged						0.024**	0.014 ⁺
						(0.008)	(0.008)
Recall Size (Logged)	0.026**	0.026**	0.027**	0.027**	0.028**	0.028**	
	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	
Air Bag/Seat Belt	-0.066	-0.067	-0.017	-0.016	-0.065**	-0.065**	
	(0.045)	(0.045)	(0.061)	(0.061)	(0.014)	(0.014)	
Brake	-0.013	-0.013	-0.014	-0.014	0.004	0.004	
	(0.019)	(0.019)	(0.017)	(0.017)	(0.020)	(0.020)	
Electrical System	0.033*	0.033*	0.031 ⁺	0.031 ⁺	0.034*	0.034*	
	(0.016)	(0.016)	(0.016)	(0.016)	(0.017)	(0.017)	
Engine	0.018	0.018	0.021	0.021	0.027	0.027	
	(0.016)	(0.016)	(0.015)	(0.015)	(0.017)	(0.017)	
Powertrain	0.071**	0.071**	0.084**	0.084**	0.027	0.028	
	(0.027)	(0.027)	(0.029)	(0.029)	(0.026)	(0.026)	
Steering	0.008	0.008	0.004	0.004	0.008	0.008	
	(0.017)	(0.017)	(0.016)	(0.016)	(0.018)	(0.018)	
Province FE	No	No	Yes	Yes	Yes	Yes	No
Newspaper FE	No	No	No	No	No	No	Yes
Halfyear FE	No	No	Yes	Yes	Yes	Yes	No
Recall FE	No	No	No	No	No	No	Yes
Observations	33455	33455	33455	33455	27575	27440	25353

Marginal effects; Standard errors clustered by recalls in parentheses

⁺ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$

Table A6: Regression Models Examining Recall-Related Web Query Data

	(1)	(2)	(3)	(4)	(5)	(6)
Foreign	0.657 ⁺ (0.349)	0.400 (0.331)	0.373 (0.329)	0.365 (0.331)	0.359 (0.332)	0.322 (0.334)
Central News Coverage		0.613 ^{**} (0.219)	0.551 [*] (0.221)	0.540 [*] (0.218)	0.555 [*] (0.223)	0.501 [*] (0.223)
Regional News Coverage			0.097 ^{**} (0.034)			
Regional Official News Coverage				0.224 [*] (0.088)		0.120 (0.079)
Regional Commercial News Coverage					0.109 ^{**} (0.040)	0.095 [*] (0.038)
Recall Size (Logged)	0.195 ^{**} (0.058)	0.173 ^{**} (0.058)	0.162 ^{**} (0.058)	0.158 ^{**} (0.057)	0.167 ^{**} (0.058)	0.155 ^{**} (0.059)
Airbag	-0.327 (0.828)	-0.282 (0.771)	-0.299 (0.762)	-0.343 (0.720)	-0.329 (0.769)	-0.399 (0.715)
Brake	0.015 (0.768)	-0.103 (0.684)	-0.034 (0.681)	-0.123 (0.682)	0.014 (0.682)	-0.024 (0.682)
Electrical System	0.311 (0.720)	-0.078 (0.656)	-0.041 (0.653)	-0.127 (0.652)	-0.010 (0.653)	-0.073 (0.648)
Engine	0.428 (0.754)	0.172 (0.698)	0.202 (0.694)	0.101 (0.691)	0.223 (0.692)	0.140 (0.684)
Powertrain	0.912 (0.790)	0.095 (0.765)	0.048 (0.757)	0.033 (0.751)	0.073 (0.761)	0.019 (0.749)
Steering	-0.211 (0.814)	-0.690 (0.757)	-0.661 (0.749)	-0.762 (0.746)	-0.636 (0.750)	-0.725 (0.740)
Structure	-0.190 (0.823)	-0.683 (0.797)	-0.666 (0.792)	-0.724 (0.790)	-0.580 (0.784)	-0.610 (0.774)
Province FE	Yes	Yes	Yes	Yes	Yes	Yes
Halfyear FE	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1358	1358	1358	1067	1177	886

Standard errors clustered by recalls in parentheses

⁺ $p < 0.10$, ^{*} $p < 0.05$, ^{**} $p < 0.01$

A3 Split-Sample Analysis

This section reports the results of split-sample analyses. While I analyzed the interactive effects of newspaper type and foreign recalls in the main analysis to capture the relative strength of government-driven versus demand-driven bias, I separately estimate the models for different types of newspapers to examine the degree of bias exhibited by each type of newspapers.

- Table A7 presents the full results of probit model estimated separately for regional-party officials in regions with automotive SOEs, regional-party officials in other regions without automotive SOEs, commercial newspapers in regions with automotive SOEs, and commercial newspapers in other regions without automotive SOEs. The degree of home bias, as indicated by the coefficient on *Foreign*, appears to be the highest in official newspapers in regions with automotive SOEs. Commercial newspapers in the same regions also appear to report more on recalls of imported products, as indicated by positive and statistically significant coefficient on *Foreign*. While the degree of bias is smaller for commercial newspapers, this suggests that commercial newspapers might be also encouraged to discriminate against foreign automakers due to indirect media control mechanisms available for the government to influence commercial newspapers, although to a lesser extent compared to official newspapers. Both types of newspapers in regions without auto SOEs do not discriminate against foreign automakers.
- Table A8 presents the full results of probit model estimated separately for central-party officials, regional-party officials and commercial newspapers. The results show that the effects of *Foreign* appears to be the largest for central-party officials, followed by regional-party officials and commercial newspapers. Commercial newspapers are also more likely to cover recalls of imported cars than domestic cars, but only to a marginal degree, as indicated by the small size of coefficients.

Table A7: Split-Sample Analysis by Newspaper Types and Automotive SOEs Ownership

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Official Newspapers				Non-Official Newspapers			
	Auto SOE		No Auto SOE		Auto SOE		No Auto SOE	
Foreign	0.071** (0.021)	0.070** (0.026)	0.020+ (0.010)	0.010 (0.010)	0.045* (0.019)	0.043* (0.019)	0.005 (0.013)	0.002 (0.013)
Recall Size (Logged)	0.034** (0.005)	0.035** (0.009)	0.017** (0.002)	0.016** (0.002)	0.036** (0.003)	0.037** (0.003)	0.022** (0.002)	0.022** (0.002)
Air Bag/Seat Belt					-0.095** (0.017)	-0.081** (0.023)	0.018 (0.016)	0.006 (0.017)
Brake	0.027 (0.033)	0.009 (0.032)	0.011 (0.018)	0.004 (0.016)	0.002 (0.029)	-0.007 (0.028)	0.018 (0.018)	0.017 (0.017)
Electrical System	0.038 (0.025)	0.023 (0.026)	0.033+ (0.017)	0.029+ (0.017)	0.066** (0.024)	0.061* (0.025)	0.005 (0.013)	0.010 (0.014)
Engine	0.049+ (0.026)	0.037 (0.027)	0.029+ (0.017)	0.029+ (0.016)	0.041+ (0.024)	0.039 (0.024)	0.002 (0.014)	0.006 (0.014)
Powertrain	0.003 (0.031)	0.006 (0.031)	0.015 (0.023)	0.025 (0.023)	0.055 (0.037)	0.044 (0.036)	0.016 (0.022)	0.020 (0.023)
Steering	0.018 (0.027)	0.008 (0.027)	0.011 (0.018)	0.010 (0.017)	0.030 (0.026)	0.019 (0.026)	-0.005 (0.014)	-0.005 (0.014)
Regional GDP, logged	-0.110 (0.121)	0.347 (0.309)	-0.025 (0.054)	-0.185+ (0.104)	-0.118 (0.072)	-0.613** (0.179)	-0.056 (0.054)	0.015 (0.102)
Population	0.005 (0.022)	0.043 (0.034)	0.014+ (0.008)	0.007 (0.008)	-0.005 (0.014)	-0.042* (0.019)	0.005 (0.006)	0.003 (0.006)
FDI Inflows, % of GDP	0.055* (0.025)	0.045+ (0.024)	-0.036** (0.010)	-0.031** (0.009)	0.025+ (0.014)	0.049** (0.015)	-0.017** (0.006)	-0.019** (0.006)
Advertising Revenue in Province, logged	-0.022** (0.006)	-0.016* (0.008)	0.001 (0.011)	-0.009 (0.012)	0.002 (0.005)	0.006 (0.005)	-0.005 (0.009)	-0.005 (0.008)
Car Ownership	-0.007 (0.014)	-0.029 (0.021)	-0.005 (0.004)	-0.004 (0.004)	0.011 (0.009)	0.035** (0.011)	-0.024** (0.006)	-0.021** (0.006)
Retail Sales of Automobile, logged	0.039 (0.059)	0.026 (0.064)	0.020 (0.024)	-0.029 (0.027)	-0.069+ (0.040)	-0.215** (0.046)	0.055* (0.023)	0.050* (0.025)
Passenger Cars Production, logged	0.152** (0.037)	0.177** (0.057)	0.012 (0.008)	0.001 (0.010)	0.105** (0.027)	-0.005 (0.029)	-0.018* (0.007)	-0.019** (0.007)
Newspaper FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Halfyear FE	No	Yes	No	Yes	No	Yes	No	Yes
Observations	4108	4108	3721	3721	11228	11228	7453	7453

Marginal effects; Standard errors clustered by recalls in parentheses

+ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$

Table A8: Split-Sample Analysis by Newspaper Types

	(1)	(2)	(3)	(4)	(5)	(6)
	Central Party	Official	Regional Party	Official	Non-Official	
Foreign	0.086** (0.021)	0.076** (0.017)	0.047** (0.014)	0.045** (0.013)	0.026+ (0.014)	0.031* (0.013)
Recall Size (Logged)	0.014** (0.004)	0.019** (0.004)	0.025** (0.003)	0.026** (0.003)	0.025** (0.003)	0.029** (0.003)
Air Bag/Seat Belt			-0.076+ (0.044)	-0.036 (0.066)	-0.079* (0.038)	-0.013 (0.066)
Brake	0.014 (0.037)	0.005 (0.029)	-0.008 (0.022)	-0.014 (0.021)	-0.023 (0.019)	-0.015 (0.019)
Electrical System	0.021 (0.029)	0.060+ (0.033)	0.042* (0.019)	0.034+ (0.019)	0.024 (0.017)	0.031+ (0.017)
Engine	-0.011 (0.028)	-0.005 (0.025)	0.028 (0.020)	0.028 (0.019)	0.011 (0.017)	0.018 (0.017)
Powertrain	0.030 (0.037)	0.063 (0.044)	0.063* (0.029)	0.078* (0.031)	0.078** (0.030)	0.095** (0.033)
Steering	-0.006 (0.030)	0.002 (0.029)	0.008 (0.020)	0.004 (0.019)	0.003 (0.017)	0.004 (0.017)
Newspaper FE	Yes	Yes	Yes	Yes	Yes	Yes
Halfyear FE	No	Yes	No	Yes	No	Yes
Observations	1782	1782	9425	9425	22949	22949

Marginal effects; Standard errors clustered by recalls in parentheses

+ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$

A4 Aggregate-Level Analysis

This section reports the results from an aggregate-level analysis with each newspaper as a unit of observation. For each newspaper, I calculated a proportion of foreign recall-related reports out of all recall-related reports during the period under examination. While the aggregate-level analysis cannot take into account of recall-level differences, it provides an overview of a general reporting pattern at the aggregate level.

Table A9 presents the results. In Model 1, I estimate a regression model with central-party officials and regional-party officials as explanatory variables with a sample of 110 newspapers, excluding 11 newspapers that never reported on auto recalls. The proportion of foreign recall reports appears to be higher by 0.13 in central-party official newspapers and by 0.05 in regional-party official newspapers, compared to non-official newspapers. The coefficient on regional party officials is not statistically significant, which is in part due to the variation in the degree of home bias across regions. Model 2 focuses on 104 regional newspapers, excluding six central-party official newspapers. The proportion of foreign recall reports is higher by 0.06 for regional official newspapers in provinces with auto SOEs and by 0.04 for regional official newspapers in other provinces although the estimated coefficient is not statistically significant at the conventional level due to a small sample size.

Table A9: Regression Models Examining Reporting Pattern at the Aggregate Level

	(1)	(2)
Central Party Official	0.125 ⁺ (0.074)	
Regional Party Official	0.050 (0.038)	
Officials with Auto		0.064 (0.056)
Officials without Auto		0.041 (0.046)
Observations	110	104

Standard errors in parentheses

⁺ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$

A5 Robustness

This section presents the robustness analyses, which are variations of the original Models 3 and 7 from Table 2 and Model 6 from Table 4 in the main manuscript. Each table contains three sub-tables: the first sub-table presents the results of the models that distinguish official newspapers from non-official ones; the second sub-table presents the results of the models that make a distinction between central party-controlled official newspapers and regional party-controlled official newspapers, and the final sub-table presents the results of the models that estimate the effect of regional governmental stake in the automobile industry.

- In Table A10, I account for automobile prices. Imported cars are more expensive than domestic cars on average, and this price difference may account for the reporting pattern. I thus control for the price of recalled cars (Model 1), luxury models (Model 2), and exclude luxury models from the observations (Model 3). I collected information on automobile prices from <http://car.bitauto.com/>. As prices vary depending on different options within the same car model, I use the lowest price for each model. When one recall involves several car models, I take the average of the lowest prices of all involved models. As the prices of recalled cars are not always available, I additionally created a binary variable indicating luxury cars.¹
- In Table A11, I account for the difference in the frequency of recalls between domestic and foreign automakers. Foreign automakers have announced recalls more frequently than domestic or joint-venture automakers. This difference does not explain the empirical pattern by itself, because my empirical focus is on the probability that a given newspaper will report a recall, not the absolute number of news reports on foreign versus domestic recalls. However, newspapers may find recalls by foreign automakers

¹Luxury cars include automobiles manufactured by the following makers: Aston Martin, Audi, Bentley, BMW, Cadillac, Ferrari, Infiniti, Land Rover, Lamborghini, Lexus, Maserati, Mercedes-Benz, Porsche, Rolls-Royce, and Volvo.

more newsworthy due to the repeated occurrences of these recalls. In order to account for the difference in the frequency of recalls, I control for the cumulative number of recalls by each manufacturer from 2005 to the time of recall under analysis.

- In Table A12, I exclude a subset of observations in order to ensure that the main results are not driven by a small set of observations, by successively excluding all newspapers with headquarters in the specific region, from Beijing, Guangdong, Hubei, and Shanghai to Sichuan, one by one.
- Table A13 estimates the models successively excluding recalls of manufacturers of specific countries, from France, Germany, Japan, and the U.K. to the U.S., one by one.
- Table A14 estimates the models successively excluding central-party official newspapers, one by one, from *China Youth Daily*, *Economic Daily*, *Guangming Daily*, *Legal Daily*, and *People's Daily*, to *Xinhua News Agency*. I do not re-estimate the models for the effects of automotive SOE ownership because the models do not include central party officials.
- Table A15 presents the estimation results of the models with alternative clustering strategy: clustering by province and recalls. I follow a standard approach for estimating standard errors clustered by multiple dimensions (Petersen, 2009).
- In Table A16, I experiment with different coding of official newspapers by treating semi-official newspapers as official newspapers. I originally treated evening newspapers sponsored by party organizations as non-official papers because they mainly rely on newsstand sales. As these newspapers are conventionally considered to be semi-official, under less government control than official newspapers but more government control than fully commercial newspapers, I revised the coding scheme.

A5.1 Auto Prices Control

Table A10: Robustness Analysis of Recall Reporting with Auto Price Control

	(1)	(2)	(3)
	Auto Price Control	Luxury Model Control	Non-Luxury Only
<i>The Effect of Government Control over Newspapers on Recall Reporting</i>			
Foreign	0.031*	0.026*	0.015
	(0.014)	(0.013)	(0.016)
Official	-0.041**	-0.041**	-0.045**
	(0.007)	(0.006)	(0.006)
Official * Foreign	0.027**	0.030**	0.032**
	(0.010)	(0.009)	(0.011)
Observations	29834	35246	23168
<i>The Effect of Central Party Control over Newspapers on Recall Reporting</i>			
Foreign	0.031*	0.025 ⁺	0.014
	(0.014)	(0.013)	(0.016)
Central Party Official	-0.138**	-0.131**	-0.136**
	(0.006)	(0.006)	(0.007)
Regional Party Official	-0.009	-0.010	-0.014*
	(0.007)	(0.006)	(0.007)
Central Party Official * Foreign	0.094**	0.096**	0.111**
	(0.022)	(0.020)	(0.027)
Regional Party Official * Foreign	0.018 ⁺	0.021*	0.020 ⁺
	(0.010)	(0.009)	(0.012)
Observations	29834	35246	23168
<i>The Effect of Regional Party Interest in Auto Industry on Recall Reporting</i>			
Foreign	0.026	0.023	0.012
	(0.016)	(0.014)	(0.018)
Officials with Auto	-0.003	-0.006	-0.006
	(0.008)	(0.007)	(0.008)
Officials without Auto	-0.039**	-0.035**	-0.047**
	(0.012)	(0.011)	(0.011)
Officials with Auto * Foreign	0.033**	0.037**	0.033*
	(0.012)	(0.011)	(0.015)
Officials without Auto * Foreign	-0.007	-0.008	-0.014
	(0.017)	(0.015)	(0.020)
Observations	23051	27440	17502

Marginal effects; Standard errors clustered by recall in parentheses

⁺ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$

All models include fixed effects for province and half year as well as recall-level controls: the logarithm of recall size and binary indicators for recall type. Models for estimating the effect of regional party interest in the auto industry include additional province-level controls as in the Model (6) of Table 4.

A5.2 Recall Frequency Control

Table A11: Robustness Analysis of Recall Reporting with Recall Frequency Control

(1)	
Recall Frequency Control	
<i>The Effect of Government Control over Newspapers on Recall Reporting</i>	
Foreign	0.022 ⁺ (0.013)
Official	-0.041 ^{**} (0.006)
Official * Foreign	0.030 ^{**} (0.009)
Observations	35246
<i>The Effect of Central Party Control over Newspapers on Recall Reporting</i>	
Foreign	0.022 (0.013)
Central Party Official	-0.131 ^{**} (0.006)
Regional Party Official	-0.010 (0.006)
Central Party Official * Foreign	0.096 ^{**} (0.020)
Regional Party Official * Foreign	0.021 [*] (0.009)
Observations	35246
<i>The Effect of Regional Party Interest in Auto Industry on Recall Reporting</i>	
Foreign	0.012 (0.015)
Officials with Auto	-0.054 ^{**} (0.006)
Officials without Auto	-0.036 ^{**} (0.011)
Officials with Auto * Foreign	0.049 ^{**} (0.011)
Officials without Auto * Foreign	-0.008 (0.016)
Observations	28937

Marginal effects; Standard errors clustered by recall in parentheses

⁺ $p < 0.10$, ^{*} $p < 0.05$, ^{**} $p < 0.01$

All models include fixed effects for province and half year as well as recall-level controls: the logarithm of recall size and binary indicators for recall type. Models for estimating the effect of regional party interest in the auto industry include additional province-level controls as in the Model (6) of Table 4.

A5.3 Regional Exclusions

Table A12: Robustness Analysis of Recall Reporting with Region Exclusions

	(1)	(2)	(3)	(4)	(5)
	Beijing	Guangdong	Hubei	Shanghai	Sichuan
<i>The Effect of Government Control over Newspapers on Recall Reporting</i>					
Foreign	0.015 (0.012)	0.023* (0.012)	0.029* (0.013)	0.023+ (0.012)	0.028* (0.013)
Official	-0.001 (0.006)	-0.084** (0.006)	-0.040** (0.006)	-0.040** (0.006)	-0.038** (0.006)
Official * Foreign	0.039** (0.009)	0.024* (0.009)	0.031** (0.009)	0.028** (0.009)	0.029** (0.009)
Observations	31741	27874	32814	31819	32996
<i>The Effect of Central Party Control over Newspapers on Recall Reporting</i>					
Foreign	0.015 (0.012)	0.023+ (0.012)	0.029* (0.013)	0.023+ (0.013)	0.027* (0.013)
Central Party Official	0.424** (0.066)	-0.119** (0.005)	-0.134** (0.006)	-0.129** (0.006)	-0.132** (0.006)
Regional Party Official	0.005 (0.006)	-0.053** (0.006)	-0.006 (0.006)	-0.007 (0.007)	-0.003 (0.007)
Central Party Official * Foreign	0.100** (0.019)	0.091** (0.019)	0.093** (0.020)	0.095** (0.020)	0.096** (0.020)
Regional Party Official * Foreign	0.028** (0.009)	0.009 (0.010)	0.022* (0.009)	0.017+ (0.009)	0.019* (0.009)
Observations	31741	27874	32814	31819	32996
<i>The Effect of Regional Party Interest in the Auto Industry on Recall Reporting</i>					
Foreign	0.014 (0.013)	0.020 (0.013)	0.026+ (0.014)	0.020 (0.014)	0.025+ (0.014)
Officials with Auto	0.026** (0.008)	-0.072** (0.007)	-0.004 (0.008)	0.001 (0.008)	-0.006 (0.007)
Officials without Auto	-0.035** (0.009)	-0.035** (0.009)	-0.037** (0.012)	-0.034** (0.011)	-0.020 (0.013)
Officials with Auto * Foreign	0.039** (0.011)	0.034* (0.015)	0.034** (0.011)	0.032** (0.011)	0.036** (0.011)
Officials without Auto * Foreign	0.001 (0.014)	-0.002 (0.014)	-0.003 (0.017)	-0.008 (0.015)	-0.021 (0.016)
Observations	24621	21636	25596	24699	25680

Marginal effects; Standard errors clustered by recall in parentheses

+ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$

All models include fixed effects for province and half year as well as recall-level controls: the logarithm of recall size and binary indicators for recall type. Models for estimating the effect of regional party interest in the auto industry include additional province-level controls as in the Model (6) of Table 4.

A5.4 Country Exclusions

Table A13: Robustness Analysis of Recall Reporting with Country Exclusions

	(1) France	(2) Germany	(3) Japan	(4) UK	(5) US
<i>The Effect of Government Control over Newspapers on Recall Reporting</i>					
Foreign	0.030*	0.008	0.023	0.028*	0.029*
	(0.013)	(0.013)	(0.014)	(0.013)	(0.013)
Official	-0.041**	-0.042**	-0.041**	-0.042**	-0.040**
	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)
Official * Foreign	0.032**	0.033**	0.032**	0.031**	0.027**
	(0.009)	(0.010)	(0.009)	(0.009)	(0.009)
Observations	33604	29364	28750	33460	32224
<i>The Effect of Central Party Control over Newspapers on Recall Reporting</i>					
Foreign	0.029*	0.007	0.023	0.028*	0.029*
	(0.013)	(0.014)	(0.014)	(0.013)	(0.013)
Central Party Official	-0.132**	-0.133**	-0.132**	-0.134**	-0.130**
	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)
Regional Party Official	-0.010	-0.010 ⁺	-0.010	-0.011 ⁺	-0.010
	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)
Central Party Official * Foreign	0.102**	0.108**	0.088**	0.097**	0.097**
	(0.021)	(0.022)	(0.021)	(0.021)	(0.021)
Regional Party Official * Foreign	0.021*	0.023*	0.024*	0.021*	0.016 ⁺
	(0.009)	(0.010)	(0.010)	(0.009)	(0.009)
Observations	33604	29364	28750	33460	32224
<i>The Effect of Regional Party Interest in Auto Industry on Recall Reporting</i>					
Foreign	0.024 ⁺	0.015	0.016	0.026 ⁺	0.025 ⁺
	(0.014)	(0.016)	(0.016)	(0.015)	(0.014)
Officials with Auto	-0.005	-0.006	-0.006	-0.007	-0.005
	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)
Officials without Auto	-0.036**	-0.036**	-0.034**	-0.037**	-0.036**
	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)
Officials with Auto * Foreign	0.034**	0.040**	0.042**	0.036**	0.036**
	(0.011)	(0.012)	(0.012)	(0.011)	(0.011)
Officials without Auto * Foreign	-0.005	-0.004	-0.006	-0.007	-0.019
	(0.016)	(0.017)	(0.017)	(0.016)	(0.015)
Observations	26064	23033	22398	25869	25120

Marginal effects; Standard errors clustered by recall in parentheses

⁺ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$

All models include fixed effects for province and half year as well as recall-level controls: the logarithm of recall size and binary indicators for recall type. Models for estimating the effect of regional party interest in the auto industry include additional province-level controls as in the Model (6) of Table 4.

A5.5 Newspaper Exclusions

Table A14: Robustness Analysis of Recall Reporting with Newspaper Exclusions

	(1)	(2)	(3)	(4)	(5)	(6)
	Youth	Economic	Guangming	Legal	People's	Xinhua
<i>The Effect of Government Control over Newspapers on Recall Reporting</i>						
Official	-0.039**	-0.031**	-0.031**	-0.040**	-0.040**	-0.041**
	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)
Foreign	0.026*	0.027*	0.027*	0.026*	0.027*	0.027*
	(0.013)	(0.013)	(0.013)	(0.013)	(0.013)	(0.013)
Official * Foreign	0.031**	0.029**	0.030**	0.030**	0.030**	0.030**
	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)
Observations	35127	34774	34774	35118	35118	35246
<i>The Effect of Central Party Control over Newspapers on Recall Reporting</i>						
Foreign	0.026*	0.027*	0.027*	0.026*	0.026*	0.026*
	(0.013)	(0.013)	(0.013)	(0.013)	(0.013)	(0.013)
Central Party Official	-0.129**	-0.113**	-0.114**	-0.131**	-0.131**	-0.131**
	(0.006)	(0.007)	(0.007)	(0.006)	(0.006)	(0.006)
Regional Party Official	-0.010	-0.010	-0.010	-0.010	-0.010	-0.010
	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)
Central Party Official * Foreign	0.102**	0.097**	0.106**	0.093**	0.095**	0.096**
	(0.021)	(0.022)	(0.024)	(0.020)	(0.020)	(0.020)
Regional Party Official * Foreign	0.021*	0.021*	0.021*	0.021*	0.021*	0.021*
	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)
Observations	35127	34774	34774	35118	35118	35246

Marginal effects; Standard errors clustered by recall in parentheses

+ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$

All models include fixed effects for province and half year as well as recall-level controls: the logarithm of recall size and binary indicators for recall type.

A5.6 Different Clustering

Table A15: Robustness Analysis of Recall Reporting with Different Clustering

	(1) Two-way Clustering
<i>The Effect of Government Control over Newspapers on Recall Reporting</i>	
Foreign	0.027* (0.013)
Official	-0.041 (0.055)
Official * Foreign	0.030** (0.006)
Observations	35246
<i>The Effect of Central Party Control over Newspapers on Recall Reporting</i>	
Foreign	0.026* (0.014)
Central Party Official	-0.132** (0.009)
Regional Party Official	-0.010 (0.042)
Central Party Official * Foreign	0.096** (0.001)
Regional Party Official * Foreign	0.021 (0.006)
Observations	35246
<i>The Effect of Regional Party Interest in Auto Industry on Recall Reporting</i>	
Foreign	0.023 (0.015)
Officials with Auto	-0.006 (0.060)
Officials without Auto	-0.035 (0.021)
Officials with Auto * Foreign	0.037** (0.009)
Officials without Auto * Foreign	-0.008 (0.019)
Observations	27440

Marginal effects; Standard errors clustered by recall-newspaper in parentheses

+ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$

All models include fixed effects for province and half year as well as recall-level controls: the logarithm of recall size and binary indicators for recall type. Models for estimating the effect of regional party interest in the auto industry include additional province-level controls as in the Model (6) of Table 4.

A5.7 Different Coding of Official Newspapers

Table A16: Robustness Analysis of Recall Reporting with Different Coding

(1)	
Different Coding of Official Newspapers	
<i>The Effect of Government Control over Newspapers on Recall Reporting</i>	
Foreign	0.027* (0.013)
Official	-0.037** (0.006)
Official * Foreign	0.023** (0.008)
Observations	35246
<i>The Effect of Central Party Control over Newspapers on Recall Reporting</i>	
Foreign	0.027* (0.013)
Central Party Official	-0.131** (0.006)
Regional Party Official	-0.007 (0.006)
Central Party Official * Foreign	0.095** (0.020)
Regional Party Official * Foreign	0.015+ (0.008)
Observations	35246
<i>The Effect of Regional Party Interest in Auto Industry on Recall Reporting</i>	
Foreign	0.025+ (0.014)
Officials with Auto	-0.007 (0.007)
Officials without Auto	-0.035** (0.011)
Officials with Auto * Foreign	0.024* (0.010)
Officials without Auto * Foreign	-0.011 (0.014)
Observations	27440

Marginal effects; Standard errors clustered by recall in parentheses

+ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$

All models include fixed effects for province and half year as well as recall-level controls: the logarithm of recall size and binary indicators for recall type. Models for estimating the effect of regional party interest in the auto industry include additional province-level controls as in the Model (6) of Table 4.

A6 Distinguishing Joint-Venture from Domestic Automakers

In the main analysis, I broadly classified automobiles into two categories: domestic and foreign. The domestic category includes cars produced by China's indigenous brands as well as joint-venture companies. Here, I examine if and how newspapers treat joint-venture automobiles differently from domestic ones. I do so by creating a separate binary indicator for joint-venture cars and an interaction variable of this indicator and official newspapers.

In Table A17, I present the estimation results for the sample of all newspapers including central-party and regional-party controlled officials and non-official newspaper in Models (1) and (2), for a subset of regional newspapers located in provinces where regional governments have their own automotive SOEs in Models (3) and (4), and for a subset of newspapers in the rest of regions in Models (5) and (6).

The coefficients for all models in *Foreign* and for *Joint Venture* appear to be positive and statistically significant. This suggests that both foreign and joint-venture automotive manufactures, compared to domestic ones, are discriminated by Chinese newspapers in their recall coverage. When it comes to official newspapers with stakes in the automotive industry (Models 1-4), foreign automotive companies are subject to even more biased coverage, as demonstrated by positive and statistically significant coefficients on the interaction term *Official * Foreign*. However, joint-venture companies are not subject to this additional bias from official newspapers, given that coefficients on the interaction term *Official * Joint* are close to zero and far from being significant at the conventional level. Official newspapers' bias against foreign companies is also not found in regions where governments do not own automotive SOEs (Models 5 and 6).

Table A17: Distinguishing Joint Venture from Domestic Automakers

	(1)	(2)	(3)	(4)	(5)	(6)
	All Newspapers		Regions with Auto		Regions without Auto	
Foreign	0.058** (0.019)	0.059** (0.018)	0.080** (0.023)	0.087** (0.023)	0.028+ (0.016)	0.025+ (0.015)
Joint Venture	0.048* (0.021)	0.053* (0.021)	0.063* (0.027)	0.068* (0.027)	0.024 (0.018)	0.030+ (0.017)
Official	-0.023* (0.010)	-0.036** (0.010)	0.016 (0.018)	0.021 (0.019)	-0.041** (0.012)	-0.034** (0.012)
Official * Foreign	0.024* (0.012)	0.025* (0.012)	0.013 (0.019)	0.017 (0.020)	0.013 (0.016)	0.015 (0.016)
Official * Joint Venture	-0.009 (0.013)	-0.007 (0.012)	-0.020 (0.019)	-0.020 (0.019)	0.007 (0.017)	0.009 (0.016)
Province FE	No	Yes	No	Yes	No	Yes
Halfyear FE	No	Yes	No	Yes	No	Yes
Observations	35246	35246	19317	19317	14138	14138

Marginal effects; Standard errors clustered by recalls in parentheses

+ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$

All models control for the logarithm of recall size and binary indicators for recall type.

A7 Comparison of Newspaper Readership: Official vs. Non-Official

I describe the readership characteristics of official and non-official newspapers in order to provide counter-evidence to an alternative mechanism that official newspapers exhibit home bias because their readers are more nationalistic than readers of non-official newspapers. Using the 2004 Beijing Area Studies survey data, I compare nationalistic attitudes as well as socio-economic characteristics of individuals of different newspapers. I analyze the 2004 survey data because the questions about respondents' news consumption pattern were included only in 2004 but removed from the following years.

Table A18 describes the characteristics of survey respondents by news media consumption pattern. Based on the list of newspapers each individual reads, I classify individuals into four groups: 1) those who only read official newspapers, 2) those who only read non-official newspapers, 3) those who read both types of newspapers, and 4) those who do not read newspapers at all. Individuals do not differ in age or education level across different types of newspapers although official newspaper readers, on average, have higher income and include more members of the Chinese Communist Party (CCP). Most importantly, on the two questions measuring nationalistic attitudes of respondents, readers of different types of newspapers do not show distinctive difference. When respondents were asked to choose from 1 (strongly disagree) to 4 (strongly agree) to the statement that they want to be born again as Chinese citizens, the average score appears to be very similar across different groups, ranging from 3.4 to 3.6. To the statement that China is a better country than most of other countries, the average score again appears to be very similar across different groups, ranging from 3.2 to 3.3. This demonstrates that nationalistic attitudes are quite prevalent among Chinese citizens regardless of their news consumption pattern. Thus, differences between official and non-official newspaper readers are unlikely to account for the reporting pattern of official and non-official newspapers presented in the main analysis.

Table A18: Descriptive Statistics of Beijing Citizens by Media Consumption Pattern

	Official Newspapers	Non-Official Newspapers	Both Types	Do Not Read Newspapers
Age	50.2	47.7	48.2	47.4
Years of Education	11.9	11.0	12.4	10.0
Monthly Income (Yuan)	2038.5	1248.7	2336.5	1356.4
Female (%)	47.4%	42.3%	39.4%	50.4%
CCP Members (%)	36.8%	23.7%	36.9%	11.8%
Nationalism, Born Again as PRC Citizen (1-4)	3.6	3.5	3.5	3.4
Nationalism, China Better than Others (1-4)	3.3	3.2	3.2	3.2
Number of Respondents	57	241	198	119

A8 WTO Dispute and Media Bias in Recall Reporting

This section explores whether China's first loss in a WTO dispute led to an increasing trend of home bias in the media. The legal measures that China introduced to protect its automobile industry were challenged at the WTO in 2006, and were ruled to have violated its WTO commitments. China agreed to implement the WTO recommendations and ruling on January 12, 2009. This case provides a good opportunity to examine whether increasing constraints from trade regimes lead to more extensive uses of hidden protectionist measures.

I test this by estimating the same models from Tables 2 and 4 separately for the pre-dispute ruling period (the period until January 12, 2009) and the post-dispute ruling period. The results presented in Tables A19 – A21 demonstrate that the WTO dispute actually increased China's home bias, especially from government-controlled media.

Table A19 examines the existence of home bias in official versus non-official newspapers for the pre-dispute period in columns (1)-(4) and for the post-dispute period in columns (5)-(8). As the coefficient on *Foreign* indicates, the degree of home bias increased after the dispute, for both official and non-official newspapers. This increase in biased tendency is more pronounced in official newspapers as indicated by the coefficient on the interaction term, *Official*Foreign*.

Table A20 distinguishes central-party-controlled-newspapers from regional-party-controlled-newspapers. The estimation results suggest that the difference between the pre- and the post-period is more stark for regional-party-controlled-newspapers. I further delve into the analysis of regional papers in Table A21 and find that the increase in bias is mainly observed in newspapers that are controlled by regional parties with direct stakes in the automobile industry.

Table A19: WTO Dispute and News Coverage of Auto Recalls

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Before WTO Dispute				After WTO Dispute			
Foreign	-0.014 (0.020)	-0.025 (0.021)	-0.026 (0.019)		0.067** (0.017)	0.055** (0.017)	0.058** (0.016)	
Official	-0.039** (0.006)	-0.058** (0.008)	-0.068** (0.008)		0.009+ (0.005)	-0.013+ (0.007)	-0.027** (0.008)	
Official * Foreign		0.034** (0.012)	0.031** (0.011)	0.026* (0.012)		0.038** (0.011)	0.039** (0.011)	0.040** (0.013)
Recall Size (Logged)	0.019** (0.004)	0.019** (0.004)	0.018** (0.003)		0.029** (0.003)	0.029** (0.003)	0.032** (0.003)	
Air Bag/Seat Belt					-0.094* (0.044)	-0.094* (0.044)	-0.036 (0.064)	
Brake	0.041+ (0.024)	0.041+ (0.024)	0.029 (0.023)		-0.042+ (0.024)	-0.042+ (0.024)	-0.037 (0.023)	
Electrical System	0.037 (0.023)	0.037 (0.023)	0.042+ (0.023)		0.018 (0.021)	0.018 (0.021)	0.019 (0.021)	
Engine	0.041+ (0.023)	0.041+ (0.023)	0.044+ (0.023)		-0.005 (0.020)	-0.005 (0.020)	0.000 (0.019)	
Powertrain	0.024 (0.036)	0.024 (0.036)	0.032 (0.035)		0.081* (0.035)	0.081* (0.035)	0.103** (0.039)	
Steering	0.005 (0.025)	0.005 (0.025)	-0.002 (0.023)		0.009 (0.022)	0.009 (0.022)	0.012 (0.021)	
Province FE	No	No	Yes	No	No	No	Yes	No
Newspaper FE	No	No	No	Yes	No	No	No	Yes
Halfyear FE	No	No	Yes	No	No	No	Yes	No
Recall FE	No	No	No	Yes	No	No	No	Yes
Observations	13430	13430	13300	11944	21816	21816	21779	20489

Marginal effects; Standard errors clustered by recalls in parentheses

+ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$

Table A20: WTO Dispute and News Coverage of Auto Recalls, Central vs. Regional

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Before WTO Dispute			After WTO Dispute				
Foreign	-0.014 (0.020)	-0.024 (0.021)	-0.027 (0.019)		0.067** (0.017)	0.055** (0.017)	0.058** (0.016)	
Central Party Official	0.056** (0.014)	-0.011 (0.017)	-0.101** (0.007)		-0.008 (0.010)	-0.054** (0.015)	-0.152** (0.008)	
Central Party Official * Foreign		0.110** (0.031)	0.109** (0.029)	0.121* (0.047)		0.093** (0.027)	0.094** (0.027)	0.132** (0.043)
Regional Party Official	-0.058** (0.005)	-0.066** (0.008)	-0.044** (0.008)		0.012* (0.005)	-0.005 (0.007)	0.010 (0.008)	
Regional Party Official * Foreign		0.015 (0.012)	0.015 (0.012)	0.011 (0.011)		0.031** (0.011)	0.032** (0.011)	0.031* (0.013)
Recall Size (Logged)	0.019** (0.004)	0.019** (0.004)	0.019** (0.003)		0.029** (0.003)	0.029** (0.003)	0.032** (0.003)	
Air Bag/Seat Belt					-0.094* (0.044)	-0.094* (0.044)	-0.037 (0.064)	
Brake	0.041+ (0.025)	0.041+ (0.025)	0.029 (0.023)		-0.042+ (0.024)	-0.042+ (0.024)	-0.037 (0.023)	
Electrical System	0.038+ (0.023)	0.038+ (0.023)	0.043+ (0.023)		0.018 (0.021)	0.018 (0.021)	0.019 (0.021)	
Engine	0.041+ (0.024)	0.041+ (0.024)	0.044+ (0.023)		-0.005 (0.020)	-0.005 (0.020)	0.000 (0.019)	
Powertrain	0.025 (0.036)	0.025 (0.036)	0.032 (0.035)		0.081* (0.035)	0.081* (0.035)	0.103** (0.040)	
Steering	0.005 (0.025)	0.005 (0.025)	-0.002 (0.024)		0.009 (0.022)	0.009 (0.022)	0.012 (0.021)	
Province FE	No	No	Yes	No	No	No	Yes	No
Newspaper FE	No	No	No	Yes	No	No	No	Yes
Halfyear FE	No	No	Yes	No	No	No	Yes	No
Recall FE	No	No	No	Yes	No	No	No	Yes
Observations	13430	13430	13300	11944	21816	21816	21779	20489

Marginal effects; Standard errors clustered by recalls in parentheses

+ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$

Table A21: WTO Dispute and News Coverage of Auto Recalls, By Auto SOE Ownership

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Before WTO Dispute			After WTO Dispute				
Foreign	-0.021 (0.018)	-0.021 (0.018)	-0.022 (0.018)		0.060** (0.017)	0.071** (0.020)	0.071** (0.020)	
Officials with Auto	-0.022** (0.008)	-0.022** (0.008)	-0.022** (0.008)		0.013 (0.009)	0.009 (0.011)	0.009 (0.011)	
Officials without Auto	-0.065** (0.011)	-0.065** (0.011)	-0.065** (0.011)		-0.010 (0.014)	-0.003 (0.017)	-0.004 (0.017)	
Officials with Auto * Foreign	0.022+ (0.012)	0.021+ (0.012)	0.021+ (0.012)	0.019 (0.013)	0.051** (0.014)	0.053** (0.017)	0.053** (0.017)	0.060** (0.021)
Officials without Auto * Foreign	-0.005 (0.020)	-0.005 (0.020)	-0.004 (0.020)	-0.000 (0.020)	-0.001 (0.017)	0.007 (0.022)	0.008 (0.022)	0.010 (0.024)
Recall Size (Logged)	0.018** (0.003)	0.018** (0.003)	0.018** (0.003)		0.033** (0.003)	0.040** (0.004)	0.040** (0.004)	
Air Bag/Seat Belt					-0.028 (0.068)	-0.089** (0.017)	-0.089** (0.018)	
Brake	0.026 (0.024)	0.026 (0.024)	0.027 (0.024)		-0.037 (0.023)	-0.016 (0.029)	-0.016 (0.029)	
Electrical System	0.041+ (0.024)	0.041+ (0.024)	0.042+ (0.024)		0.018 (0.021)	0.023 (0.025)	0.023 (0.025)	
Engine	0.046* (0.023)	0.046* (0.023)	0.048* (0.023)		0.001 (0.019)	0.006 (0.023)	0.006 (0.023)	
Powertrain	0.035 (0.035)	0.035 (0.035)	0.036 (0.036)		0.104* (0.040)	0.013 (0.037)	0.013 (0.037)	
Steering	-0.001 (0.023)	-0.001 (0.023)	-0.001 (0.023)		0.011 (0.021)	0.025 (0.026)	0.025 (0.026)	
Regional GDP, logged	-0.312* (0.132)	-0.311* (0.136)	-0.480** (0.150)	-0.525** (0.150)	0.252* (0.103)	0.238 (0.170)	0.210 (0.183)	0.306 (0.194)
Population	0.001 (0.003)	-0.001 (0.003)	-0.027* (0.012)	-0.023+ (0.012)	-0.005 (0.004)	-0.008 (0.006)	-0.025* (0.010)	-0.031** (0.011)
FDI Inflows, % of GDP	0.004 (0.007)	0.004 (0.007)	0.004 (0.007)	0.007 (0.007)	-0.025** (0.009)	-0.042** (0.012)	-0.042** (0.014)	-0.061** (0.015)
Advertising Revenue in Province, logged		-0.022+ (0.014)	-0.030+ (0.016)	-0.038* (0.017)		0.007 (0.005)	0.005 (0.005)	0.007 (0.006)
Car Ownership			0.021* (0.008)	0.016+ (0.008)			0.011* (0.005)	0.017** (0.005)
Retail Sales of Automobile, logged			-0.011 (0.022)	-0.016 (0.023)			-0.039 (0.036)	-0.030 (0.039)
Passenger Cars Production, logged			-0.014 (0.014)	0.001 (0.015)			0.018 (0.019)	0.008 (0.021)
Province FE	Yes	Yes	Yes	No	Yes	Yes	Yes	No
Newspaper FE	No	No	No	Yes	No	No	No	Yes
Halfyear FE	Yes	Yes	Yes	No	Yes	Yes	Yes	No
Recall FE	No	No	No	Yes	No	No	No	Yes
Observations	12535	12535	12400	11032	20753	14873	14873	13765

Marginal effects; Standard errors clustered by recalls in parentheses

+ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$

A9 Estimation of Structural Topic Model

I collected additional news articles on all auto-related issues, and estimated the Structural Topic Model (STM) (Roberts et al., 2014). This section provides a detailed description on data collection, model estimation, and estimation result.

A9.1 Data Collection

To explore the existence of media bias beyond recall reporting, I collected additional news articles that contain the names of automakers with at least 0.5% of market share according to the sales data in the 2014 *China Auto Market Almanac* (*Zhongguo qiche shichang nianjian*). I used 55 keywords containing the name of automakers and searched for newspaper articles that have these keywords in their headlines through *WiseNews*. I did not use the names of joint-ventures as keywords when the part of their names is already included in other keywords (e.g. FAW-Toyota (一汽丰田, *yiqi fengtian*), Shanghai Volkswagen (上海大众, *shanghai dazhong*), or Dongfeng Honda (东风本田, *dongfeng bentian*)). Due to the large number of articles that satisfy this condition, I restricted the sample of newspapers to four newspapers with headquarters in Beijing (*Beijing Daily*, *Beijing Youth Daily*, *Beijing Morning Post*, and *Beijing Evening News*) that *WiseNews* provides a full coverage of from 2000 to 2014. Also, I restricted the sample to those news articles that contain the word car (车, *che*) or the measure word that counts cars (辆, *liang*) to sort out auto-related news articles because some automakers' brand names are not unique proper nouns in Chinese (e.g. Great Wall (长城, *changcheng*), or Hyundai (现代, *xiandai*), which means modern in Chinese).

A9.2 Model Estimation

With 15,141 collected newspaper articles, I estimated the STM with 25 topics. Before estimating the model, I preprocessed texts following a standard approach (see Lucas et al. (2015) for detailed information on processing and analyzing textual data). I segmented texts into words using the Stanford Word Segmenter (Chang, Galley, and Manning, 2008) because

Chinese language does not have spaces between words. I then removed punctuation and stop words that frequently occur but do not convey important meaning to the text such as 的 (*de*, of) or 是 (*shi*, be). I additionally removed the name of automakers in order to avoid text being classified according to automobile brands. Once I completed all preprocessing, I constructed a document-term matrix (DTM) where each row represents a document and each column represents a unique word, with each cell indicates the number of times the word occurs in the document. To build the DTM, I used the Python/Lucene-based application `txtorg` developed by Lucas et al. (2015).

With the constructed DTM, I estimated a range of STM models using a varying number of topics from 10, 15, 20, 25, to 30. I present the estimation results with 25 topics. The models with the lower number of topics do not capture distinct topics, while the model with 30 topics does not provide additional categories that are meaningful for interpretation when compared to the model with 25 topics. One key difference of the STM from other topic models is its ability to incorporate structural information into the analysis. As I am interested in exploring the difference between domestic and foreign automobiles in the news coverage, I included a binary indicator in the analysis as well as the year of news publication that may influence the proportion of topics in news articles.

A9.3 Estimation Result

I present the expected topic proportions of selected topics and words highly associated with each topic. Among 25 topics, I only present the results for topics that are relevant to automobile products. I excluded topics that are irrelevant to automobile products. These are topics that are not relevant to automobiles at all but included in the sample due to the non-unique name of automaker. I also excluded topics that are related to automobiles but not to automobile products such as car accidents, transportation, or car racing as well as topics on company-related news (i.e. company mergers, establishment of joint-venture).

Figure A1: Structural Topic Model Estimation Results

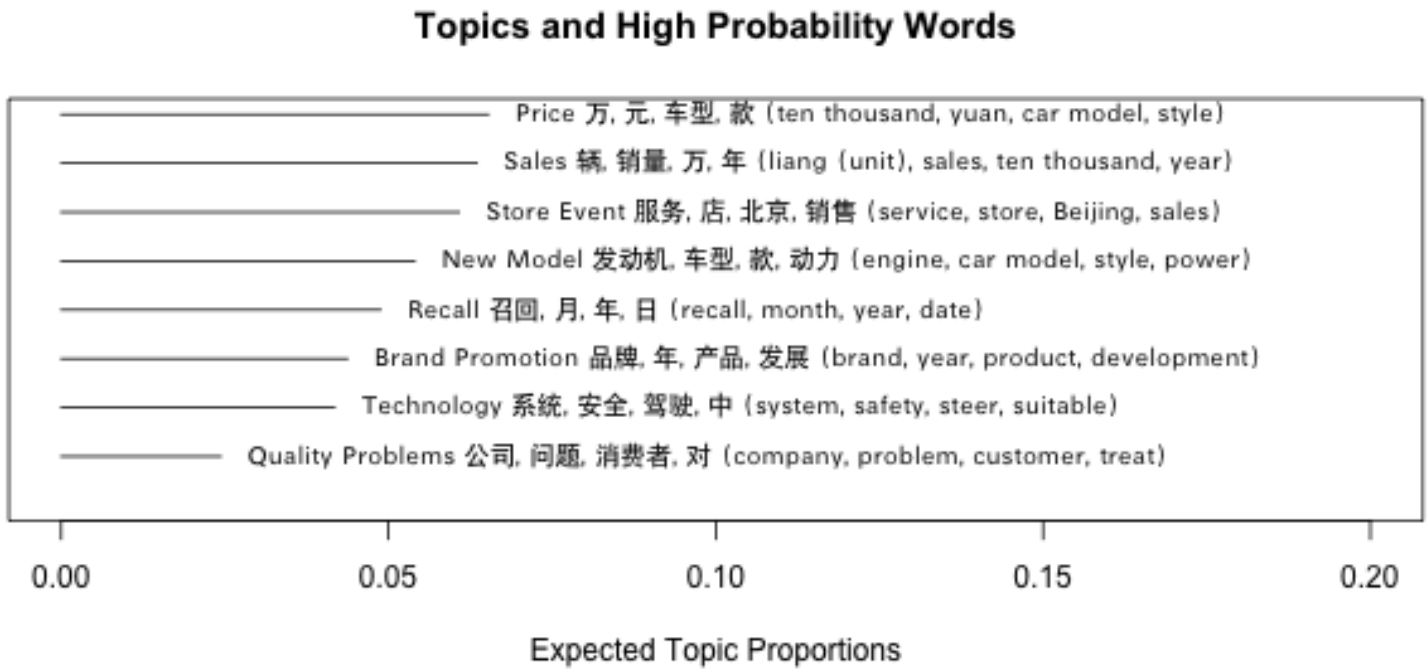


Figure A1 presents the expected topic proportions of eight selected topics. Most frequent topics are price or sales-related news. These news articles do not explicitly convey positive or negative implication about automobile companies, but could contribute to improving brand awareness. While other topics also could contribute to promoting company products, two topics – recalls and quality problems – have negative implications on products. The calculated effect of being foreign on topic proportions is presented in Figure 2 in the main paper.

Online Appendix: References

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