Abstract: How does the sectoral relationship specificity affect the market thickness? How does the market thickness respond to opening international trade? To address these questions, we develop a dynamic industry model in which the relationship specificity endogenously pins down the market thickness in a general-equilibrium setting. Downstream firms match with upstream firms to obtain a customized component, and matched pairs can produce higher quality products relative to unmatched counterparts in industries that rely on relationship specific investments to raise the quality of a final good. We find that in a closed economy, an industry with higher relationship specificity has a thinner market. In an open economy, opening trade (or the reduction of trade costs) in final goods leads to a thinner market, and this effect is greater the higher is the relationship specificity.