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# A Descriptives

|  |  |  |
| --- | --- | --- |
| Table A1: | Mergers and Acquisitions: | Number of Deals |
|  | Country as target | as acquirer |
| 1 | Algeria 36 | 13 |
| 2 | Australia 2*,* 643 | 1*,* 557 |
| 3 | Austria 25 | 113 |
| 4 | Bahrain 5 | 61 |
| 5 | Belgium 23 | 80 |
| 6 | Brunei 2 | 5 |
| 7 | Bulgaria 4 | 0 |
| 8 | Cambodia 14 | 1 |
| 9 | Canada 232 | 624 |
| 10 | Chile 812 | 67 |
| 11 | China (Mainland) 762 | 295 |
| 12 | Colombia 268 | 35 |
| 13 | Costa Rica 64 | 10 |
| 14 | Croatia 204 | 9 |
| 15 | Cyprus 1 | 1 |
| 16 | Czech Republic 6 | 0 |
| 17 | Denmark 18 | 57 |
| 18 | Dominican Republic 27 | 0 |
| 19 | Egypt 112 | 18 |
| 20 | El Salvador 18 | 0 |
| 21 | Estonia 1 | 0 |
| 22 | Finland 13 | 40 |
| 23 | France 110 | 537 |
| 24 | Germany 185 | 428 |
| 25 | Greece 5 | 39 |
| 26 | Guatemala 30 | 3 |
| 27 | Honduras 18 | 0 |
| 28 | Hungary 3 | 0 |
| 29 | Iceland 0 | 6 |
| 30 | India 228 | 11 |
| 31 | Indonesia 312 | 48 |
| 32 | Ireland 16 | 62 |
| 33 | Israel 288 | 285 |
| 34 | Italy 62 | 158 |
| 35 | Japan 237 | 1*,* 302 |
| 36 | Jordan 31 | 11 |
| 37 | Laos 5 | 0 |
| 38 | Lebanon 0 | 18 |
| 39 | Luxembourg 17 | 66 |
| 40 | Malaysia 235 | 323 |
| 41 | Malta 0 | 7 |
| 42 | Mexico 513 | 96 |
| 43 | Morocco 147 | 16 |
| 44 | Myanmar 7 | 0 |
| 45 | Netherlands 67 | 327 |
| 46 | New Zealand 132 | 32 |
| 47 | Nicaragua 14 | 0 |
| 48 | Norway 42 | 43 |
| 49 | Pakistan 8 | 2 |
| 50 | Panama 72 | 16 |
| 51 | Peru 333 | 18 |
| 52 | Philippines 153 | 37 |
| 53 | Poland 12 | 0 |
| 54 | Portugal 8 | 21 |

|  |  |  |  |
| --- | --- | --- | --- |
| 55 | Romania | 6 | 0 |
| 56 | Singapore | 818 | 1*,* 571 |
| 57 | Slovakia | 4 | 0 |
| 58 | South Africa | 671 | 349 |
| 59 | South Korea | 749 | 459 |
| 60 | Spain | 151 | 411 |
| 61 | Sweden | 15 | 142 |
| 62 | Switzerland | 117 | 170 |
| 63 | Thailand | 268 | 64 |
| 64 | Tunisia | 71 | 7 |
| 65 | Turkey | 703 | 101 |
| 66 | United Kingdom | 347 | 884 |
| 67 | United States | 1*,* 836 | 3*,* 509 |
| 68 | Vietnam | 245 | 16 |

*Note:* Data from (Thomson Reuters, 2019)

**Table A2: AMNE Industries**

Industry Code Industry Description

1. Agriculture, Forestry and Fishing
2. Mining and Quarrying

C10T12 Food products, beverages, and tobacco

C13T15 Textiles, wearing apparel, leather, and related products C16 Wood and wood products

C17T18 Paper and paper products, printing and reproduction of recorded media C19 Coke and refined petroleum products

C20T21 Chemicals, chemical products, and pharmaceuticals C23 Other non-metallic mineral products

C24 Basic metals

C25 Fabricated metal products

C26 Computer, electronic, and optical products

C27 Electrical equipment

C28 Machinery and equipment n.e.c.

C29 Motor vehicles, trailers, and semi-trailers

C30 Other transport equipment

C31T33 Other manufacturing

*Notes:* Industries from the analytical AMNE Database (Cadestin et al., 2018), services excluded

Table A3: AMNE Country Pairs

Source Country Receiver Country

ASEAN Australia

ASEAN New Zealand

Australia Indonesia

Australia Malaysia

Australia Philippines

Australia Singapore

Australia Thailand

Australia Vietnam

Canada Colombia

Canada Iceland

Chile China

Chile Japan

China Chile

China Costa Rica

Colombia Canada

Colombia USA

Costa Rica China

EU Korea

India Japan

Indonesia Japan

Japan Chile

Japan India

Japan Indonesia

Japan Switzerland

Japan Thailand

Korea EU

Korea USA

Malaysia Australia

Switzerland Japan

Thailand Japan

USA Colombia

USA Korea

USA Singapore

*Notes:* Country pairs used in our analysis, from AMNE (Cadestin et al., 2018)

# B Robustness Checks

## A2.1 Alter Dependent Variable

Table A4: Robustness Check: Time to Zero instead of Tariff Cut as DV (H1)

*Dependent variable:*

0.489 0.218 0.202 0.059 0.042

   −

|  |  |  |  |
| --- | --- | --- | --- |
|  | Tariff=0 pre-PTA  *probit* |  | Time to Zero post-PTA  *felm* |
| (1) | (2) | (3) (4) (5) |
| Mergers & acquisitions |  |  |  |

(0.028) (0.032) (0.023) (0.036) (0.037)

 −  −  −  − 

Intermediates 0.415 0.210 0.204 0.249 0.289

(0.005) (0.009) (0.003) (0.022) (0.022)

−  − − −

IIT 0.606 0.093 0.054 0.096 0.065

(0.151) (0.121) (0.120) (0.123) (0.113)

−  −  −  −  −

IIT missing 0.384 0.253 0.200 0.239 0.098

(0.151) (0.121) (0.120) (0.122) (0.111)

−  −  −  

GDP per capita of A (ln) 0.064 0.389 0.324 0.036 1.077

(0.045) (0.002) (0.002) (0.022) (0.044)

−  −  −  −  − 

GDP per capita of B (ln) 0.010 0.050 0.052 0.016 1.016

(0.002) (0.001) (0.001) (0.001) (0.029)

 −  −   

GDP of A (ln) 0.597 0.003 0.023 0.454 0.950

(0.052) (0.001) (0.001) (0.042) (0.052)

− −  −  −  

GDP of B (ln) 0.001 0.010 0.011 0.002 2.893

(0.002) (0.001) (0.001) (0.001) (0.040)

  −  

Imports 0.019 0.007 0.004 0.020 0.029

(0.004) (0.003) (0.003) (0.003) (0.003)

 −  −   

Regime 0.015 0.011 0.015 0.006 0.015

(0.002) (0.0004) (0.0003) (0.001) (0.001)

 −  

WTO 0.040 0.002 0.094 0.059

(0.019) (0.005) (0.009) (0.007) (0.000)



Country competitiveness 0.120

(0.004)

   

Tariff pre-PTA 0.004 0.004 0.004 0.004

(0.001) (0.0001) (0.001) (0.001)

−  −  −  − 

Inverse Mills Ratio 0.092 0.075 0.193 0.328

(0.003) (0.002) (0.056) (0.057)

−  −  −  − −

M & A:Intermediates 0.335 0.108 0.132 0.053 0.045

(0.031) (0.033) (0.025) (0.034) (0.035)

−  

Constant 15.941 5.617

(0.969) (0.131)

Year FE Yes No Yes Yes Yes Country A FE Yes No No Yes Yes Country B FE Yes No No No Yes Clustered SE Yes Yes Yes Yes Yes Observations 691,991 464,503 464,503 464,503 464,503 R2

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 0.302 | 0.326 | 0.404 | 0.444 |
|  | 0.302 | 0.326 | 0.404 | 0.444 |

Adjusted R2

−

Log Likelihood 302,341.600

Akaike Inf. Crit. 604,827.100

Residual Std. Error 0.891 0.875 0.823 0.795

(df = 464488) (df = 464472) (df = 464432) (df = 464397)

*Note:* \*p < 0.1; \*\*p < 0.05; \*\*\*p < 0.01

**Model 5**

Estimated marginal coefficient

0.00

|  |  |
| --- | --- |
|  | |
|  |  |
| ● | ●  ● |
|  | |

0 1

−0.10

−0.05

Intermediate goods

Figure A1: Robustness Check (Time to Zero instead of Tariff Cut as DV): Horizontal versus Vertical Investment (Model 5)

Table A5: Robustness Check: Time to Zero instead of Tariff Cut as DV (H2)

*Dependent variable:*

Tariff=0 pre-PTA Tariff Cut post-PTA

*probit felm*

(1) (2) (3) (4) (5)

 −    

MNC imports (ln) 0.110 0.088 −0.102 −0.077 −0.077

(0.003) (0.036) (0.029) (0.029) (0.030)

− − − − −

IIT 0.534 0.134 0.153 0.290 0.288

(0.366) (0.390) (0.367) (0.381) (0.384)

− − − − −

IIT missing 0.282 0.254 0.255 0.339 0.338

(0.366) (0.386) (0.356) (0.356) (0.358)

 −  

GDP per capita of A (ln) 5.039 0.208 −0.185 0.639

(2.282) (0.049) (0.055) (5.829) (0.000)

− − − −

GDP per capita of B (ln) 0.013 0.026 0.065 0.018

(0.012) (0.021) (0.057) (0.023) (0.000)

−  

GDP of A (ln) 1.522 −0.088 −0.044 −0.125

(1.254) (0.050) (0.022) (3.209) (0.000)

−  

GDP of B (ln) 0.007 0.054 0.110 0.119

(0.012) (0.060) (0.018) (0.057) (0.000)

   

Imports 0.014 0.052 0.058 0.079 0.079

(0.009) (0.026) (0.027) (0.018) (0.018)

−   

Regime 0.013 0.009 −0.016 −0.052 −0.052

(0.009) (0.007) (0.007) (0.029) (0.020)

WTO

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| (0.000)  (0.011)  Tariff pre-PTA 0.008 | | | (0.000)  0.008 | (0.000)  0.008 | (0.000)  0.008 (0.002) |
| Inverse Mills Ratio −0.397 | | | −0.373 | −0.107 | −0.107  (0.276) |
| Constant | −11.992 | 4.862 |  |  |  |
| Year FE | Yes | No | Yes | Yes | Yes |
| Country A FE | Yes | No | No | Yes | Yes |
| Country B FE | Yes | No | No | No | Yes |
| Clustered SE | Yes | Yes | Yes | Yes | Yes |
| Observations | 131,332 | 85,254 | 85,254 | 85,254 | 85,254 |

Country competitiveness 0.426\*\*\*

(0.002) (0.002) (0.002)

(0.048) (0.077) (0.275)

(13.004) (2.751)

R2

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 0.218 | 0.226 | 0.267 | 0.267 |
|  | 0.218 | 0.226 | 0.267 | 0.267 |

Adjusted R2

−

Log Likelihood 51,157.470

Akaike Inf. Crit. 102,374.900

Residual Std. Error 0.919 0.915 0.890 0.890

(df = 85242) (df = 85238) (df = 85225) (df = 85217)

*Note:* \*p < 0.1; \*\*p < 0.05; \*\*\*p < 0.01

## A2.2 Alter period to count M&A deals

Table A6: Robustness Check: Count M&A deals within a period of three years

*Dependent variable:*

Tariff=0 pre-PTA Tariff Cut post-PTA

*probit felm*

(1) (2) (3) (4) (5)

 −     −

Mergers & acquisitions 0.627 16.190 −15.242 −16.421 −7.198

(0.035) (1.442) (1.128) (1.813) (1.812)

    

Intermediates 0.415 8.045 7.889 7.556 9.824

(0.005) (0.347) (0.122) (0.797) (0.811)

−  − − − −

IIT 0.603 4.733 4.965 1.317 4.541

(0.151) (4.194) (4.782) (4.311) (3.995)

−  −

IIT missing 0.383 0.982 0.192 3.142 0.028

(0.151) (4.194) (4.781) (4.248) (3.927)

    − 

GDP per capita of A (ln) 0.074 20.601 17.596 18.723 17.396

(0.045) (0.088) (0.073) (0.846) (1.731)

−     

GDP per capita of B (ln) 0.010 1.860 1.628 0.513 49.848

(0.002) (0.045) (0.056) (0.051) (1.167)

 −    

GDP of A (ln) 0.594 2.361 −1.999 −66.826 −81.299

(0.052) (0.048) (0.047) (1.604) (2.111)

−    

GDP of B (ln) 0.0002 0.085 −0.486 0.308 −149.533

(0.002) (0.036) (0.042) (0.031) (1.685)

 −     −

Imports 0.019 0.755 −0.390 −0.612 −0.923

(0.004) (0.128) (0.110) (0.129) (0.125)

   − 

Regime 0.015 0.453 0.621 0.038 −0.096

(0.002) (0.014) (0.011) (0.053) (0.052)

   

WTO 0.042 2.491 4.585 1.242

(0.019) (0.207) (0.361) (0.319) (0.000)



Country competitiveness 0.121

(0.004)

−    

Tariff pre-PTA 0.131 −0.140 −0.128 −0.139

(0.020) (0.002) (0.020) (0.022)

  

Inverse Mills Ratio 5.124 4.775 3.190 10.626

(0.109) (0.086) (2.020) (2.064)

−     

M & A:Intermediates 0.469 9.044 9.882 11.614 8.667

(0.037) (1.537) (1.219) (1.751) (1.730)

−  

Constant 15.966 −93.413

(0.969) (4.623)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Year FE Country A FE | Yes Yes | No No | Yes No | Yes Yes | Yes Yes |
| Country B FE | Yes | No | No | No | Yes |
| Clustered SE | Yes | Yes | Yes | Yes | Yes |
| Observations | 691,991 | 464,503 | 464,503 | 464,503 | 464,503 |

R2

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 0.360 | 0.385 | 0.450 | 0.498 |
|  | 0.360 | 0.385 | 0.450 | 0.498 |

Adjusted R2

−

Log Likelihood 302,353.300

Akaike Inf. Crit. 604,850.700

Residual Std. Error 35.519 34.799 32.914 31.444

(df = 464488) (df = 464472) (df = 464432) (df = 464397)

*Note:* \*p < 0.1; \*\*p < 0.05; \*\*\*p < 0.01

Model 5

−4

−2

0

2

0 1

●

●

Estimated marginal coefficient

−10

−8

−6

Intermediate goods

Figure A2: Robustness Check (M&As of last three years): Horizontal versus Vertical Investment (Model 5)

Table A7: Robustness Check: Count M&A deals within a period of ten years

*Dependent variable:*

Tariff=0 pre-PTA Tariff Cut post-PTA

*probit felm*

(1) (2) (3) (4) (5)

 −    

Mergers & acquisitions 0.408 9.485 −8.604 −8.580 −2.917

(0.025) (1.018) (0.748) (1.152) (1.225)

    

Intermediates 0.417 8.110 7.935 7.751 9.995

(0.005) (0.347) (0.122) (0.805) (0.819)

−  − − − −

IIT 0.603 4.683 4.914 1.452 4.716

(0.151) (4.196) (4.782) (4.308) (3.996)

−  −

IIT missing 0.382 0.967 0.200 3.032 0.141

(0.151) (4.196) (4.781) (4.245) (3.928)

   − 

GDP per capita of A (ln) 0.065 20.624 17.618 18.519 17.239

(0.045) (0.088) (0.073) (0.848) (1.728)

−     

GDP per capita of B (ln) 0.010 1.861 1.635 0.531 49.861

(0.002) (0.045) (0.056) (0.051) (1.166)

 −    

GDP of A (ln) 0.600 2.312 −1.958 −66.250 −81.130

(0.052) (0.049) (0.047) (1.617) (2.121)

−    

GDP of B (ln) 0.001 0.129 −0.446 0.374 −149.537

(0.002) (0.036) (0.042) (0.032) (1.680)

 −    

Imports 0.019 0.776 −0.403 −0.614 −0.919

(0.004) (0.128) (0.110) (0.129) (0.125)

   − 

Regime 0.015 0.452 0.620 0.037 −0.090

(0.002) (0.014) (0.011) (0.053) (0.052)

   

WTO 0.040 2.584 4.635 1.332

(0.019) (0.206) (0.361) (0.321)



Country competitiveness 0.120

(0.004)

−    

Tariff pre-PTA 0.131 −0.141 −0.128 −0.139

(0.020) (0.002) (0.020) (0.022)

   

Inverse Mills Ratio 5.114 4.759 3.555 11.086

(0.109) (0.086) (2.029) (2.073)

−     

M & A:Intermediates 0.338 2.940 3.589 3.482 3.217

(0.027) (1.096) (0.809) (1.151) (1.195)

−  

Constant 16.024 -96.158

(0.970) (4.630)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Year FE Country A FE | Yes Yes | No No | Yes No | Yes Yes | Yes Yes |
| Country B FE | Yes | No | No | No | Yes |
| Clustered SE | Yes | Yes | Yes | Yes | Yes |
| Observations | 691,991 | 464,503 | 464,503 | 464,503 | 464,503 |

R2

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 0.360 | 0.385 | 0.450 | 0.498 |
|  | 0.360 | 0.385 | 0.450 | 0.498 |

Adjusted R2

−

Log Likelihood 302,414.900

Akaike Inf. Crit. 604,973.900

Residual Std. Error 35.514 34.797 32.913 31.446

(df = 464488) (df = 464472) (df = 464432) (df = 464397)

*Note:* \*p < 0.1; \*\*p < 0.05; \*\*\*p < 0.01

**Model 5**

−2

−1

0

1

0 1

●

●

Estimated marginal coefficient

−5

−4

−3

Intermediate goods

Figure A3: Robustness Check (M&As of last ten years): Horizontal versus Vertical Investment (Model 5)

Table A8: Robustness Check: Using all past M&As as measure

*Dependent variable:*

Tariff=0 pre-PTA Tariff Cut post-PTA

*probit felm*

(1) (2) (3) (4) (5)

 −    

Mergers & acquisitions 0.393 8.674 −8.122 −8.210 −2.881

(0.023) (0.897) (0.692) (1.062) (1.121)

    

Intermediates 0.417 8.076 7.906 7.682 9.933

(0.005) (0.347) (0.123) (0.808) (0.821)

−  − − − −

IIT 0.605 4.691 4.908 1.384 4.714

(0.151) (4.195) (4.782) (4.310) (3.998)

−  −

IIT missing 0.384 0.982 0.215 3.089 0.145

(0.151) (4.195) (4.781) (4.246) (3.928)

   − 

GDP per capita of A (ln) 0.072 20.627 17.622 18.480 17.336

(0.045) (0.088) (0.073) (0.850) (1.731)

−     

GDP per capita of B (ln) 0.010 1.863 1.632 0.528 49.849

(0.002) (0.045) (0.056) (0.051) (1.166)

 −    

GDP of A (ln) 0.596 2.319 −1.962 −66.383 −81.097

(0.052) (0.049) (0.047) (1.615) (2.121)

−    

GDP of B (ln) 0.002 0.124 −0.447 0.372 −149.590

(0.002) (0.037) (0.042) (0.032) (1.681)

 −    

Imports 0.019 0.778 −0.405 −0.616 −0.920

(0.004) (0.128) (0.110) (0.129) (0.125)

   − 

Regime 0.016 0.451 0.618 0.043 −0.094

(0.002) (0.015) (0.011) (0.053) (0.052)

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WTO 0.040 2.577 4.633 1.274

(0.019) (0.206) (0.361) (0.321)



Country competitiveness 0.119

(0.004)

−    

Tariff pre-PTA 0.131 −0.141 −0.128 −0.139

(0.020) (0.002) (0.020) (0.022)

   

Inverse Mills Ratio 5.112 4.761 3.437 11.033

(0.109) (0.086) (2.037) (2.081)

−     

M & A:Intermediates 0.305 3.600 4.168 4.076 4.081

(0.025) (0.966) (0.748) (1.043) (1.075)

−  

Constant 15.942 −95.853

(0.970) (4.628)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Year FE Country A FE | Yes Yes | No No | Yes No | Yes Yes | Yes Yes |
| Country B FE | Yes | No | No | No | Yes |
| Clustered SE | Yes | Yes | Yes | Yes | Yes |
| Observations | 691,991 | 464,503 | 464,503 | 464,503 | 464,503 |

R2

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 0.360 | 0.385 | 0.450 | 0.498 |
|  | 0.360 | 0.385 | 0.450 | 0.498 |

Adjusted R2

−

Log Likelihood 302,382.100

Akaike Inf. Crit. 604,908.100

Residual Std. Error 35.518 34.799 32.914 31.445

(df = 464488) (df = 464472) (df = 464432) (df = 464397)

*Note:* \*p < 0.1; \*\*p < 0.05; \*\*\*p < 0.01

**Model 5**

−2

−1

0

1

2

0 1

●

●

Estimated marginal coefficient

−5

−4

−3

Intermediate goods

Figure A4: Robustness Check (M&As of last three years): Horizontal versus Vertical Investment (Model 5)

Table A9: Robustness Check: Count instead of dummy for M&A deals

*Dependent variable:*

Tariff=0 pre-PTA Tariff Cut post-PTA

*probit felm*

(1) (2) (3) (4) (5)

 −  −  −  −

Mergers & acquisitions 0.178 7.894 6.464 5.314 0.083

(0.036) (2.939) (2.710) (2.939) (2.712)

    

Intermediates 0.409 8.059 7.926 7.573 9.908

(0.005) (0.350) (0.121) (0.794) (0.807)

−  − − − −

IIT 0.598 4.954 5.172 1.451 4.599

(0.151) (4.198) (4.784) (4.317) (3.997)

−  −

IIT missing 0.378 0.856 0.042 3.032 0.068

(0.151) (4.198) (4.783) (4.256) (3.930)

   − 

GDP per capita of A (ln) 0.065 20.573 17.575 18.190 18.477

(0.045) (0.088) (0.073) (0.849) (1.733)

−     

GDP per capita of B (ln) 0.010 1.860 1.628 0.501 49.508

(0.002) (0.045) (0.056) (0.051) (1.163)

 −  −  −  − 

GDP of A (ln) 0.608 2.417 2.031 66.688 80.077

(0.052) (0.048) (0.047) (1.623) (2.127)

−   − 

GDP of B (ln) 0.001 0.039 0.513 0.269 149.236

(0.002) (0.036) (0.042) (0.031) (1.680)

 −  −  −  − 

Imports 0.019 0.758 0.392 0.616 0.927

(0.004) (0.128) (0.110) (0.129) (0.125)

   − − 

Regime 0.016 0.455 0.622 0.051 0.101

(0.002) (0.014) (0.011) (0.053) (0.053)

   

WTO 0.047 2.403 4.552 0.955

(0.019) (0.208) (0.361) (0.323) (0.000)



Country competitiveness 0.120

(0.004)

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Tariff pre-PTA 0.130 0.140 0.127 0.139

(0.020) (0.002) (0.020) (0.022)

  

Inverse Mills Ratio 5.126 4.788 3.102 10.766

(0.109) (0.086) (2.024) (2.072)

−     

M & A:Intermediates 0.139 5.479 5.540 5.961 4.532

(0.037) (2.994) (2.813) (2.979) (2.747)

−  − 

Constant 16.265 90.313

(0.969) (4.631)

Year FE Yes No Yes Yes Yes Country A FE Yes No No Yes Yes Country B FE Yes No No No Yes Clustered SE Yes Yes Yes Yes Yes Observations 691,991 464,503 464,503 464,503 464,503 R2

Adjusted R2

−

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 0.359 | 0.385 | 0.450 | 0.498 |
|  | 0.359 | 0.385 | 0.450 | 0.498 |

Log Likelihood 302,541.000

Akaike Inf. Crit. 605,225.900

Residual Std. Error 35.537 34.814 32.929 31.448

(df = 464488) (df = 464472) (df = 464432) (df = 464397)

*Note:* \*p < 0.1; \*\*p < 0.05; \*\*\*p < 0.01

**Model 5**

0

2

4

6

0 1

●

●

Estimated marginal coefficient

−4

−2

Intermediate goods

Figure A5: Robustness Check (M&As count instead of dummy): Horizontal versus Vertical Investment (Model 5)

# References

Cadestin, C., K. De Backer, I. Desnoyers-James, S. Miroudot, D. Rigo, and M. Ye. 2018. “Multinational enterprises and global value chains: the OECD analytical AMNE database.” OECD Trade Policy Paper No. 211.

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