

The Location Choice of US Foreign Direct Investment: How do Institutions Matter?

Supplementary Materials

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Supplementary Materials (Online)

Table 1S: Descriptive statistics

| Variables | Definitions of variables | Number of Observations | Mean | Standard Deviation | Minimum | Maximum |
|-----------|---|------------------------|----------|--------------------|---------|----------|
| FDI | US FDI outflows for sectors-mining and petroleum; food; chemicals; primary and fabricated metals; electrical equipments; appliances and computer transportation. Measured in logarithm, 1984-2010 | 5423 | 0.54 | 1.26 | -2.14 | 11.03 |
| LEB | Life expectancy at birth | 8101 | 1.86 | 0.04 | 1.66 | 1.93 |
| OPEN | Merchandise trade as % of GDP | 8095 | 1.71 | 0.26 | 0.99 | 2.56 |
| TEL | No. of telephones per hundred people | 8101 | 28.46 | 20.70 | 0.23 | 74.68 |
| INF | Inflation consumer prices | 7447 | 0.71 | 0.59 | -1.77 | 3.87 |
| POP | Population size of a country | 8101 | 7.30 | 0.63 | 6.06 | 9.12 |
| PCGDP | Real per capita GDP | 7788 | 16862.35 | 11545.7 | 727.07 | 52313.91 |
| GOVT | Govt. final consumption expenditure as a % of GDP | 8029 | 1.16 | 0.17 | 0.47 | 1.58 |
| PCEPC | Per capita electric power consumption | 8101 | 4637.01 | 4742.87 | 61.81 | 25590.69 |
| URBAN | Percentage of urban population | 8101 | 1.79 | 0.17 | 0.93 | 2 |

| | | | | | | |
|----------|---|------|------|------|------|------|
| | to total population | | | | | |
| CONTVIAB | It is an institutional variable and measures the risk of unilateral contract modification or cancellation and is constructed from two ICRG variables called repudiation of contracts and expropriation risk | 8101 | 8.26 | 1.83 | 1.25 | 10 |
| INVPRO | Investment profile measures institutional quality of different countries | 8059 | 7.95 | 2.47 | 2.5 | 12 |
| CONTINTS | Nun's measure of sector specific contract intensity | 8100 | 0.46 | 0.24 | 0.14 | 0.87 |

Supplementary Materials

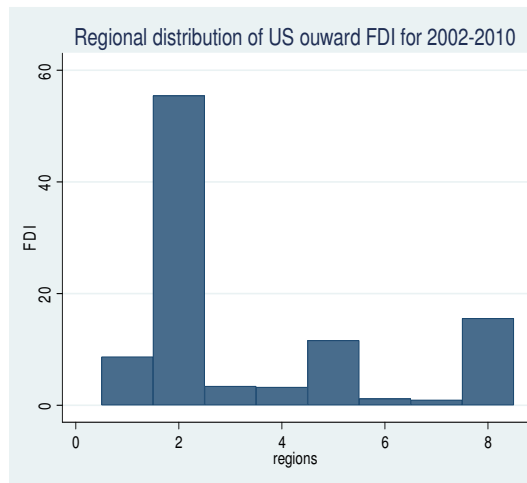
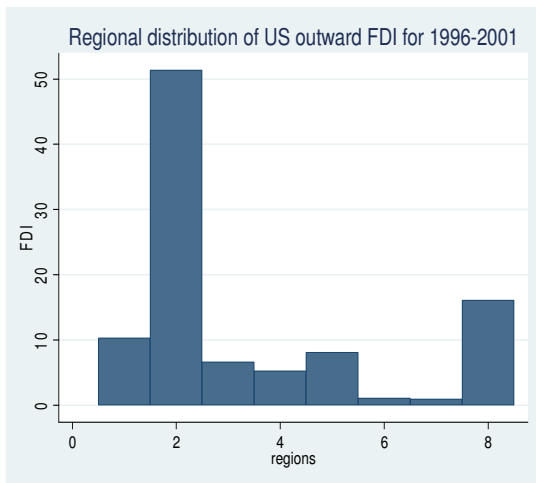
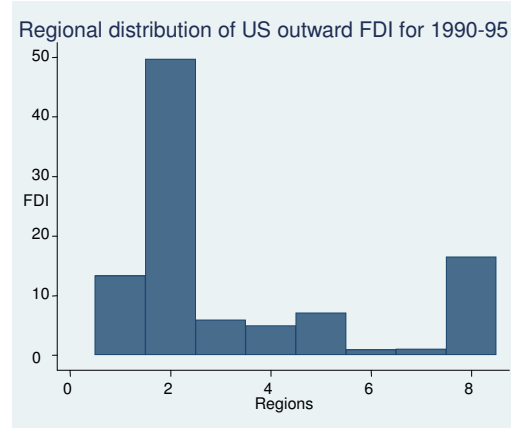
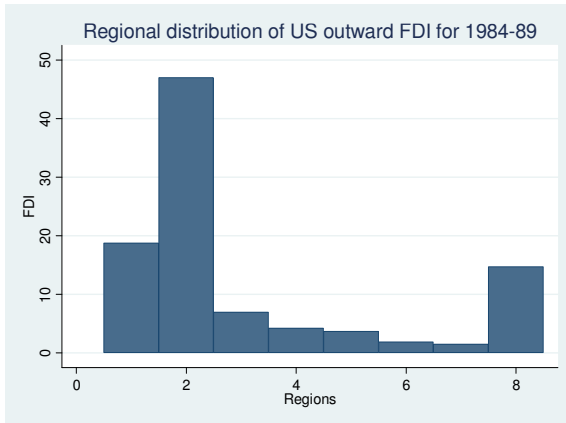


Figure 15. Regional distribution of US outward FDI for different time periods (in percentage)

Note: region 1,2,3,4,5,6,7,8 are respectively Canada, Europe, South-America, Central-America, Other Western Hemisphere, Africa, Middle East and Asia-Pacific

Source: Authors' calculation from U.S Bureau of Economic Analysis

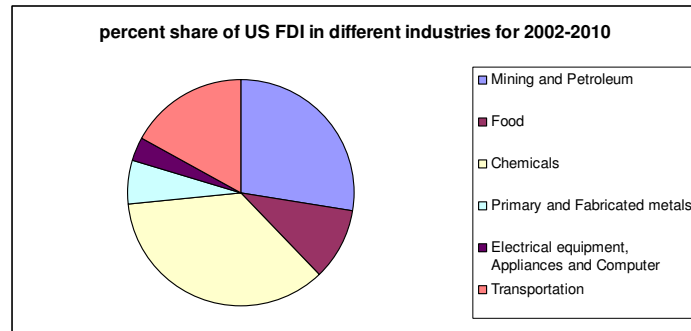
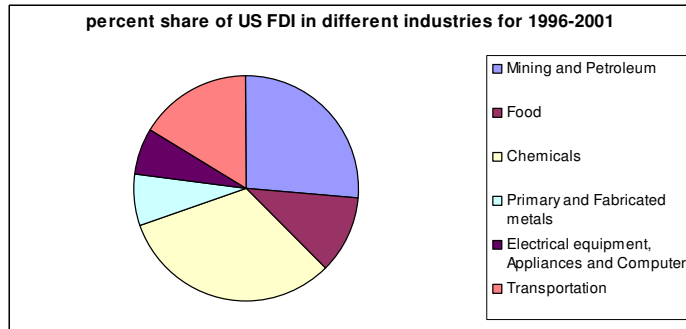
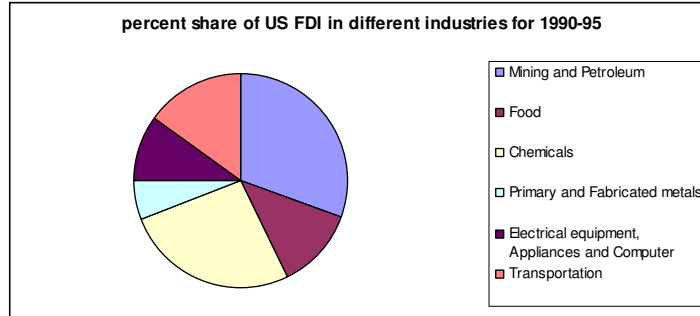
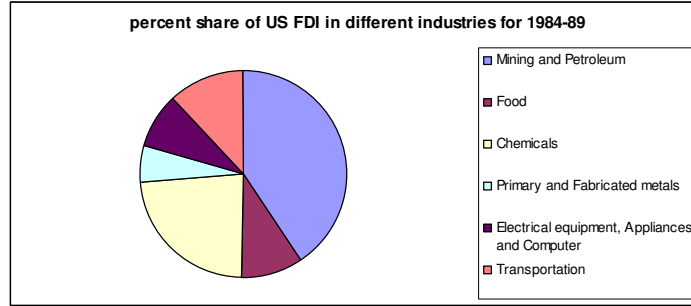


Figure 2S. Sectoral distribution of US outbound FDI for different time periods

Source: Authors' calculation from U.S Bureau of Economic Analysis

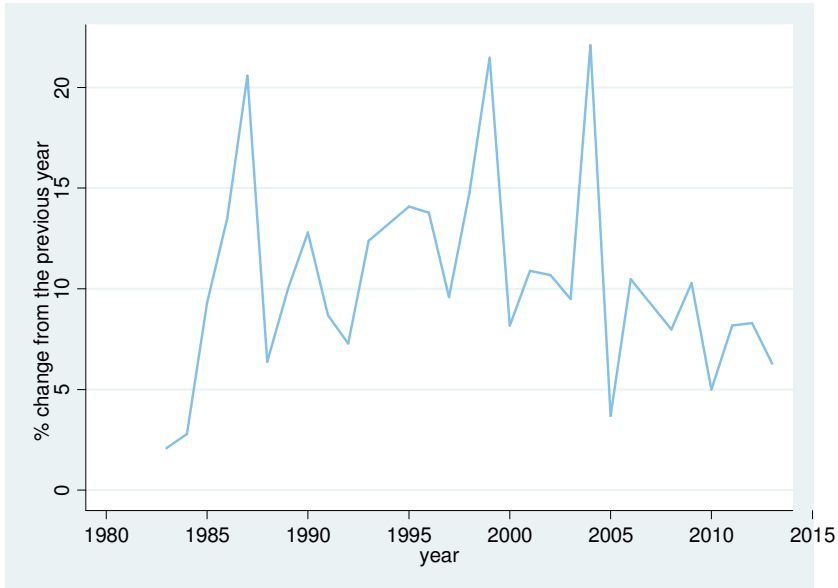
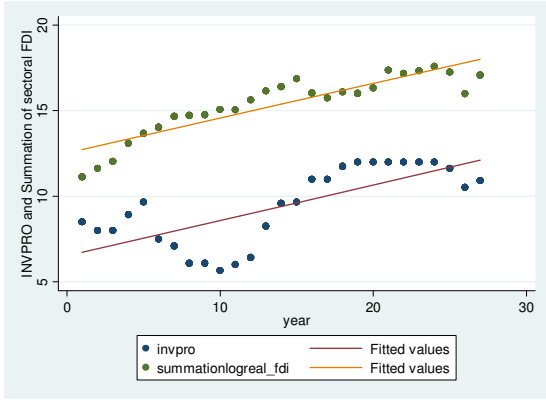
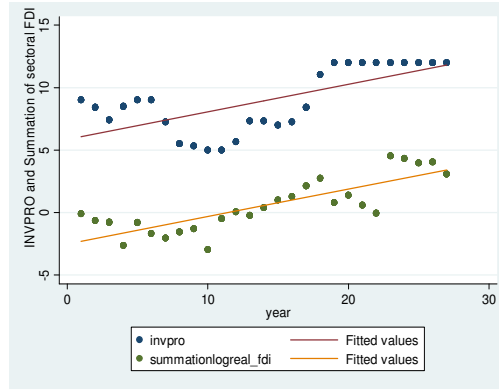


Figure 3S. U.S Outbound Direct Investment Positions on Historical Cost Basis, 1982-2013, percentage change from year to year

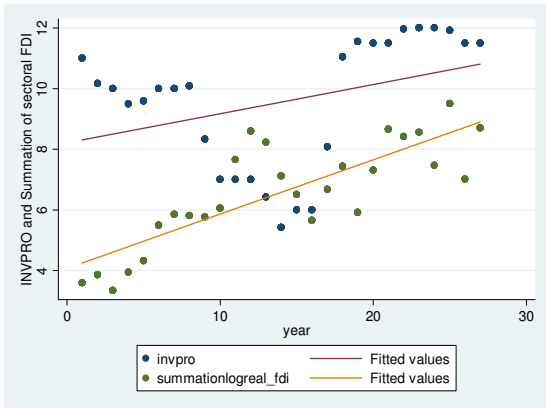
Source. U.S Bureau of Economic Analysis and Authors' calculation



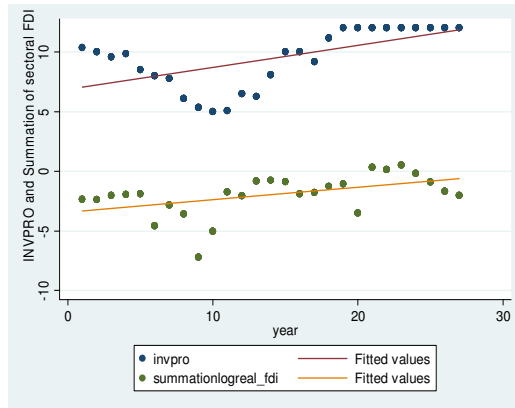
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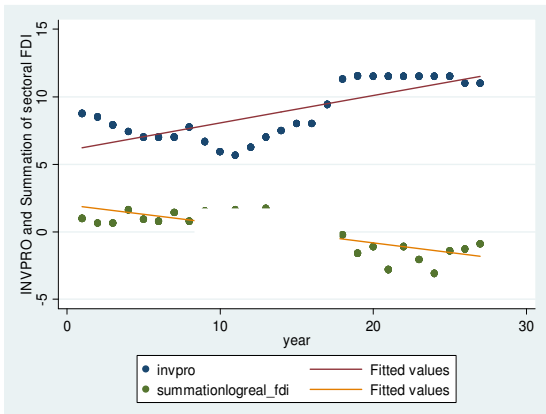
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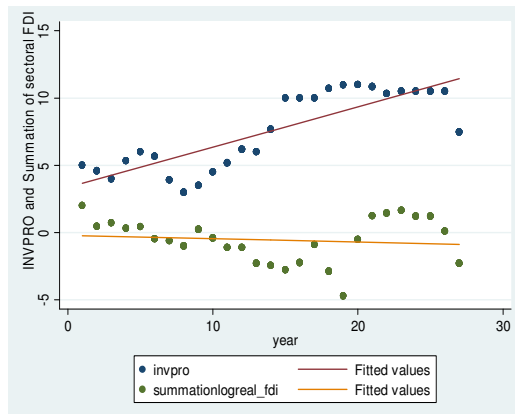
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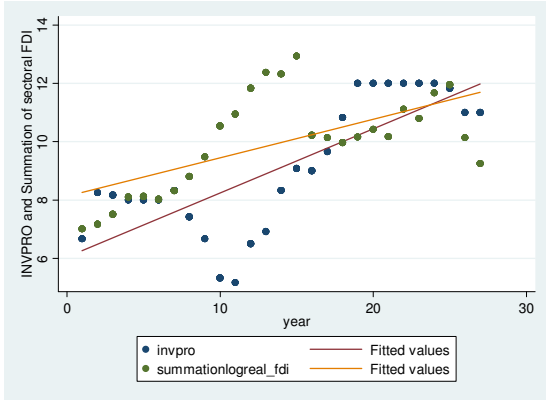
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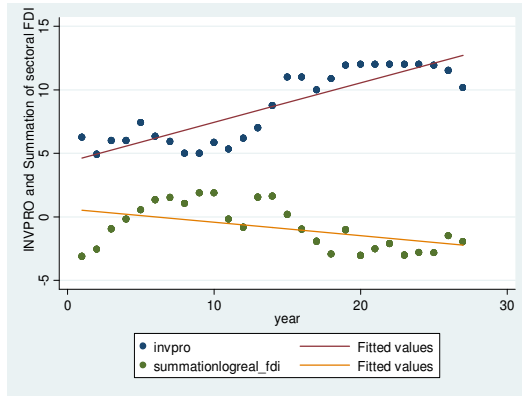
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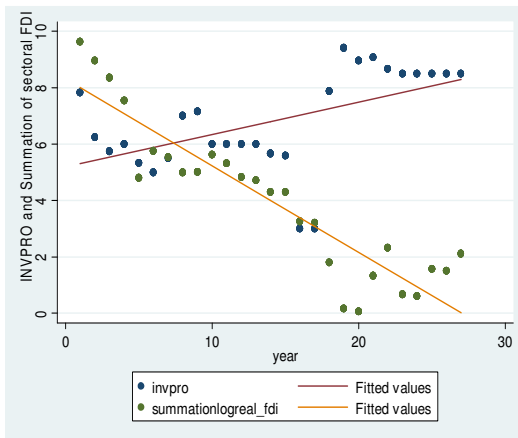
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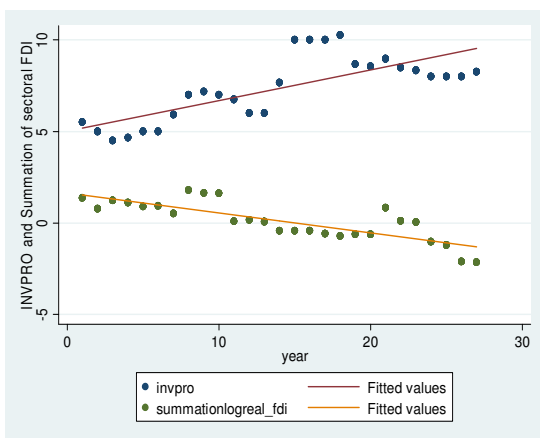
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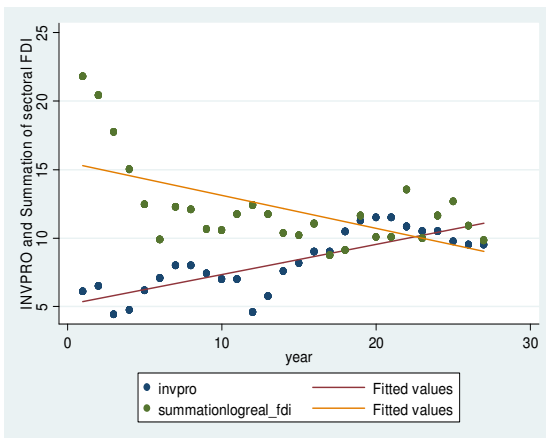
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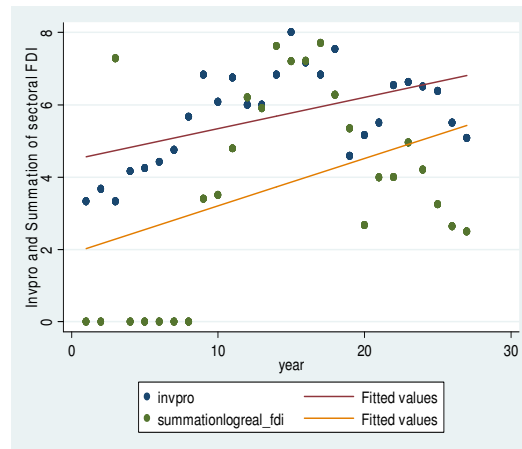
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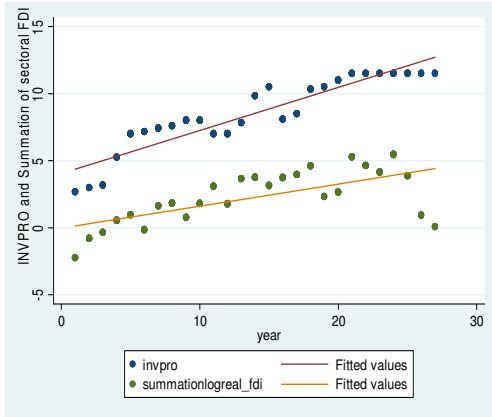
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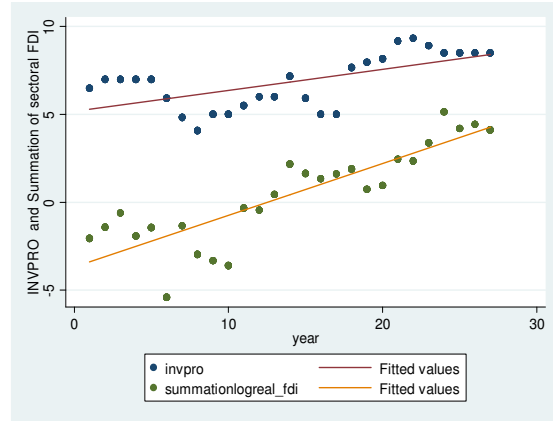
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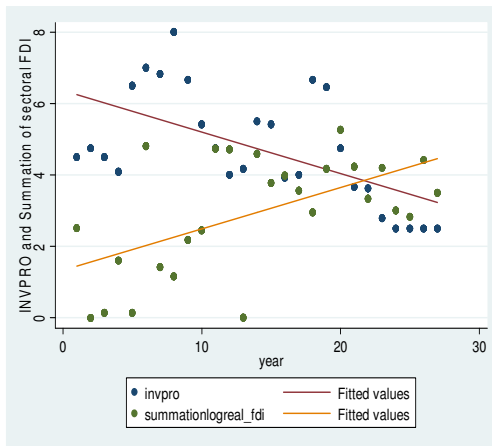
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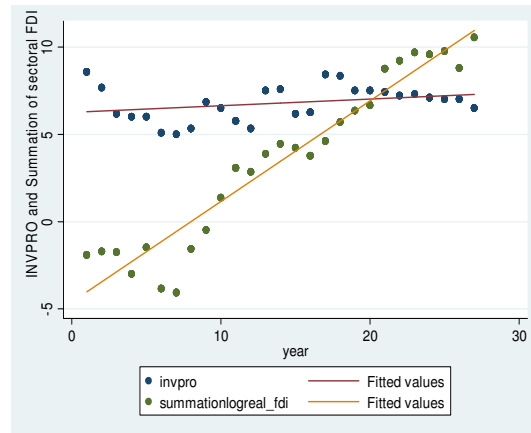
Chile



India



Venezuela



China

Figure 4S. Relationship between country specific INVPRO and aggregate FDI for different countries over 1984-2008

Source: Authors' calculations from US Bureau of Economic Analysis