

FDIs for catching up: what's the effect on targets?

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Roadmap



5Preliminary tendencies

0

Motivation and research questions

2

State of the art

3

Methodology and Data

4

What is strategic?

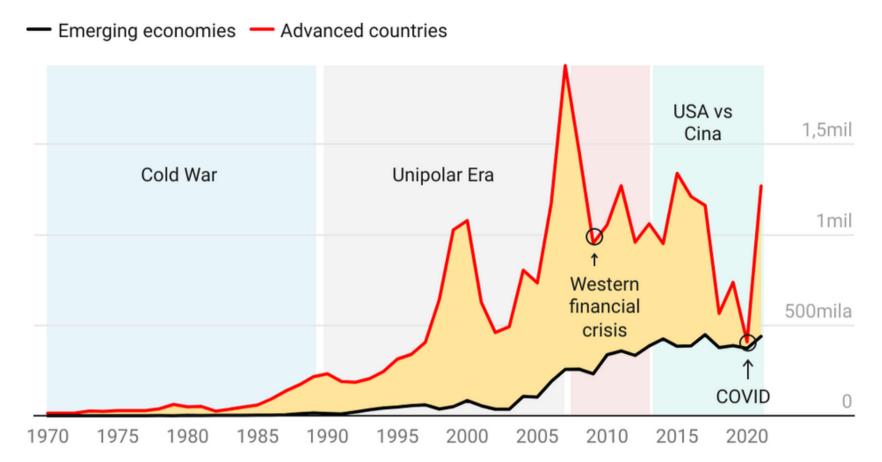


<<The post-Cold War era is over and there is now an intense competition underway to shape what comes next, with technology playing a major role.

Governments want to ensure they can monitor investments that may target strategic industries and firms and make decisions about whether to accept them or not.>>

Antony J. Blinken, 17 October 2022, Standford University

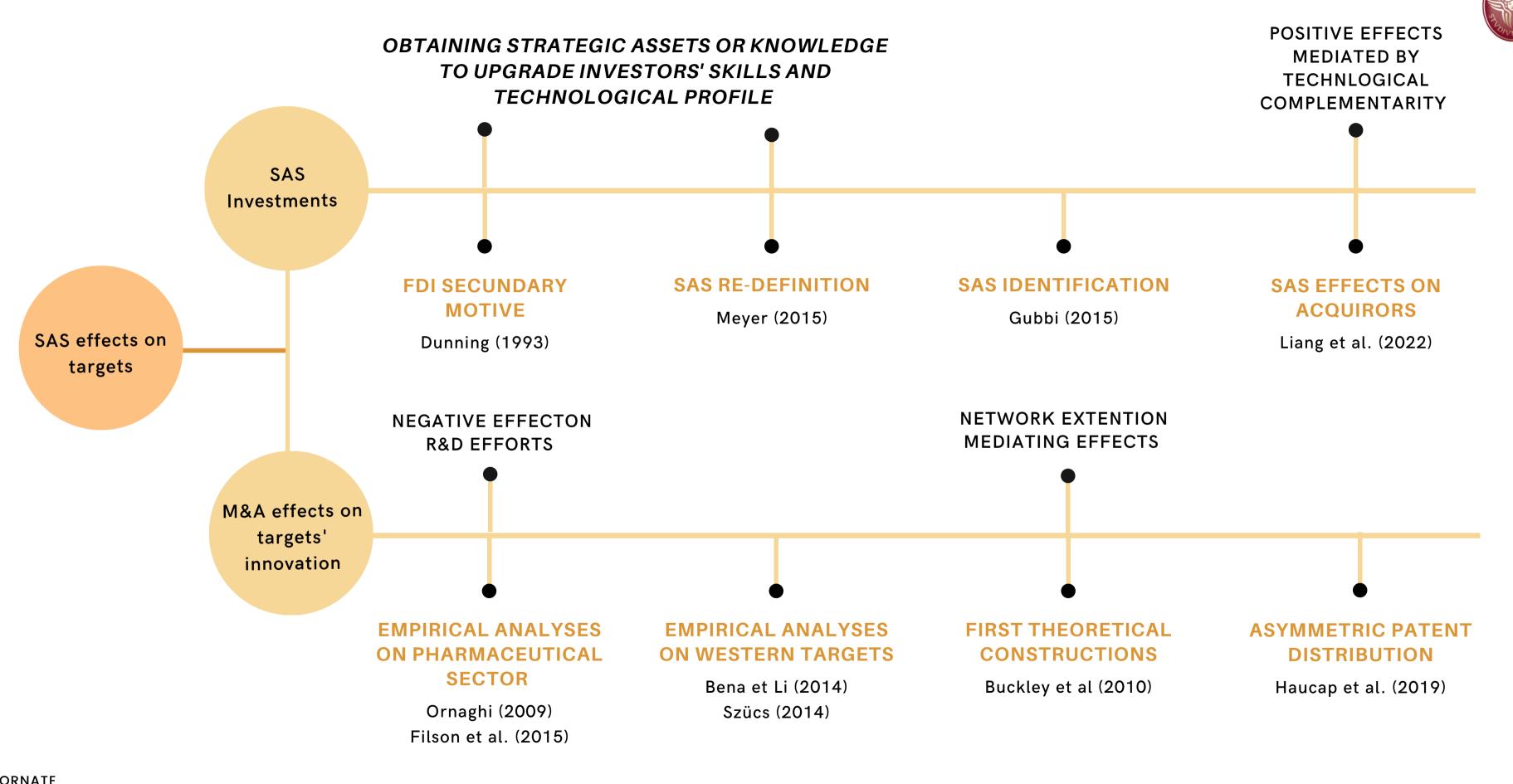
Outward Foreign Direct Investments (mln of \$)



Developing economies broadly include Africa, Latin America and the Caribbean, Asia excluding Israel, Japan and the Republic of Korea, and Oceania excluding Australia and New Zealand.

Grafico: Alberto Maria Radici • Fonte: Nazioni Unite • Creato con Datawrapper

How can be Strategic Asset Seeking (SAS) identified?
What's their effect on targets' innovation performance?
Is the distribution of patents geographically asymmetric after an acquisition?



GIORNATE DELLA RICERCA



Acquirors from **BRICS+T** countries

Targets from 38

All deals concluded from 2015 to 2020 ("China shopping spree")

SAS IDENTIFICATION

Stake bound: 5% of shares.

>400 SAS **DEALS**

Dataset on 3718 deals of on crossboarder M&A.

OCSE members

Independent

variables:

networks'

extension

Patent publication as outcome variable

Panel annual dataset for both targets and acquirers performance

Retrieve names and IDs of targets and buyers.

Matching treated Difference-in-

with non-treated. Difference

GIORNATE **DELLA RICERCA**

Expand its foothold in/entry into a new market, expand our portofolio in a geographic area, launch of products in new markets.

Engineering, expertise,
knowledge, patent, patents,
R&D, scientific, sciences, absorb
technologies, key partner, new
labs, development, expansion,
optimization, complementary
offer, synergy, growth,
innovation, competitiveness

DEAL
COMMENTS,
PRESS,
MANAGERS'
INTERVIEWS

Financial-related investments

Debt repayment,
venture capital,
financial restructuring,
insolvency, liquidity
crisis, banking activities,
insurance activities.

Market Seeking Investments

Natural-resource seeking investments

Oil, gas, coal, platinum, palladium, zinc, nickel, uranium, cobalt, lithium, titanium, manganese, rare materials.

IV

Potential SAS

MANUAL CHOICE SAS M&A in our sample tend to concentrated in Chinese MNEs toward the USA (113/408);

State-owned enterprises as acquirors (89/408);

Manufacturing sector targets (201/408).

Descriptive statistics:

- 74,2% of patents published within the sample have inventors from BRICS+T countries;
- Acquirors outperform targets in patent publication performances and financial results.

Next steps

- Matching treated with non treated;
- Difference-in-difference.

