

Do friends follow each other?

The role of connections in FDI site selection - evidence from Europe

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Research question

- Are existing investments of connected firms make it more likely for a new FDI to locate close?
- Attracting FDI is an important policy goal.
- A rationale behind: indirect effects, as
 - knowledge spillovers to local firms (e.g. Javorcik, 2004)
 - **FDI attracts further FDI**. Policy tries attracting firms with high potential.
- Motivations for co-location:
 - information, supplier links, agglomeration externalities, BUT: higher competition for local resources.
- What we do:
 - look at all greenfield FDI to CEE5 (2003-2014),
 - find some evidence that investors choose a specific country with a higher probability if **related firms** already have FDI in the country.

Background and contribution

- FDI location choice literature
 - Blonigen-Ellis-Fausten (2005, JIE) and Head-Ries-Swenson (1995, JIE): role of the keiretsu in FDI of Japanese firms (supplier and info):
 - Cheng-Kwan (2000, JIE): strong reinforcing effect of FDI in China;
 - Gazaniol (2015, TWE): internat. experience of other affiliated firms;
 - Lefilleur-Maurel (2010, EcSys): access to suppliers in CEE matters.
- Our contribution:
 - Generalize Blonigen et al. (2005)
 - looking at all the multinationals doing investments in European countries.
 - Compare the effect for various forms of relationship:
 - heterogeneity by the strength of link within business group,
 - additional links outside the business groups
 - heterogeneity by the type of the business group (as planned).

Data

- fDiMarkets: crossborder investment monitor from the Financial Times.
 - Worldwide greenfield investment projects from 2003-2014.
 - Collected from press announcements.
 - Information on
 - local investing company (name, country, city)
 - parent company (name, country, city),
 - industry (NAICS 2-4) and activity,
 - capital investment and # workplaces created,
 - motivation and market coverage for a fraction of projects.
- Amadeus (Bureau van Dijk): firms in Europe.
 - balance sheet data,
 - country, city and industry,
 - global ultimate owners,
 - shareholders.

Identification

- If firm A invests in PL and firm B in HU in $t=1$, then are B-connected firms relatively more likely to invest in HU than A-connected?
- Conditional logit estimation,
 - following Blonigen et al. 2005.
 - Is the probability of investing in country C in period 2 higher if there is a connected firm which invested in country C in period 1?
- We focus on CEE5: HU, CZ, SK, RO, PL,
 - advantage: (1) lot of FDI previously but decreasing tendency, (2) can assume IIA.

Defining related firms

- Within business group:
 - (1) A and B have the same global ultimate owner;
 - (2) A and B are at most 2-steps away based on ownership links:
 - A is a direct shareholder of B (or vica versa),
 - A is an indirect shareholder of B (or vica versa),
 - A and B have a common direct shareholder,
 - A and B have a common indirect shareholder,
 - A and B have a common direct subsidiary,
 - A and B have a common indirect subsidiary;
 - (3) A and B are at most 2-steps away based on strong ownership links ($> 50\%$).
- Outside the business group:
 - same source country and industry,
 - both having previous FDI in the same country and within-country region.

Matching

- Primarily based on firm name within country.
 - Exact matching on the first part of the name.
 - Company forms are included in Amadeus but not in fDiMarkets.
 - Last part of the name trimmed in Amadeus if there is a special character.
 - Latin vs Cyrillic or Greek, w/wo special accents.
 - From multiple matches choose based on industry and city.
 - Exploit information on firm-parent links.
- Current version: 62% of all parent firms can be matched.
- Next step: allow for fuzzy matching.

Main estimation strategy

- Conditional logit estimation.
- For each FDI project going into CEE5 create 5 observations:
 - which country did the investor choose from the available?
- Estimate $FDI_{ict} = \alpha + \beta_1 DF_{ict} + \beta_2 DP_{ict} + X_{ict} + \epsilon_{ict}$
 - FDI_{ict} : firm i invested in country c in year t , conditional on investing in CEE5 in t .
 - DF_{ict} : same firm had an investment in c before t .
 - DP_{ict} : another connected firm had an investment in c before t .
 - X_{ict} : destination country FE, industry-specific FDI stock.
 - # obs. = # projects \cdot 5

Main results - industry links

Dep.var.: FDI locates in the country
Sample: All CEE5 FDI (2006-2014)

VARIABLES	Existence of FDI		Number of jobs created	
	(1)	(2)	(3)	(4)
Previous FDI in the same industry	3.803*** (0.325)	4.088*** (0.333)	0.416*** (0.020)	0.448*** (0.022)
Previous FDI in the buyer industry	0.421 (0.270)	0.392 (0.294)	0.038 (0.027)	0.026 (0.028)
Previous FDI in the supplier industry	0.219 (0.134)	0.174 (0.134)	0.033 (0.022)	0.023 (0.022)
Previous FDI in the same industry, from the same country		-0.580*** (0.093)		-0.071*** (0.021)
Previous FDI in the buyer industry, from the same country		0.066 (0.092)		0.015 (0.014)
Previous FDI in the supplier industry, from the same country		0.297*** (0.068)		0.030** (0.014)
Firm has previous FDI in the country	0.913*** (0.115)	0.988*** (0.102)	0.913*** (0.126)	0.982*** (0.114)
Destination country FE	YES	YES	YES	YES
Initial industry-spec. FDI stock in country	YES	YES	YES	YES
Observations	13,940	13,940	13,940	13,940

Robust standard errors in parentheses

*** p<0.01. ** p<0.05. * p<0.1

Main results - business groups

Dep.var.: FDI locates in the country

Sample: All CEE5 FDI (2006-2014)

Right-hand side: Existence of FDI

VARIABLES	(1)	(2)	(3)	(4)	(5)
Previous FDI by peers having the same global ultimate owner	0.361*** (0.137)	-0.061 (0.239)	0.371*** (0.130)	0.375*** (0.131)	0.372*** (0.129)
Previous FDI by far-away peers with same global ultimate owner		0.450* (0.236)			
Previous FDI by closely linked peers			0.478*** (0.127)	0.450*** (0.137)	0.478*** (0.128)
Previous FDI by closely linked peers, having majority shares				0.157 (0.226)	
Previous FDI by peers having closely located FDI outside CEE5					0.104 (0.114)
Firm has previous FDI in the country	0.980*** (0.101)	0.973*** (0.100)	0.970*** (0.102)	0.970*** (0.102)	0.970*** (0.102)
Country-industry-year FDI stock	YES	YES	YES	YES	YES
Country-related industry-year FDI stock	YES	YES	YES	YES	YES
Destination country FE	YES	YES	YES	YES	YES
Initial industry-spec. FDI stock in country	YES	YES	YES	YES	YES
Observations	13,940	13,940	13,940	13,940	13,940

Robust standard errors in parentheses

*** $p < 0.01$. ** $p < 0.05$. * $p < 0.1$

Heterogeneity - business groups by industry

Dep.var.: FDI locates in the country
Sample: All CEE5 FDI (2006-2014)

VARIABLES	Existence of FDI		# of jobs created	
	(1)	(2)	(1)	(2)
	Same ultimate owner	Close links	Same ultimate owner	Close links
Previous same-industry FDI	0.622** (0.283)	0.206*** (0.075)	0.141** (0.065)	0.002 (0.013)
Previous supplier-industry FDI	-1.299 (0.960)	0.083 (0.211)	-0.106 (0.224)	0.026 (0.034)
Previous buyer-industry FDI	1.199 (0.856)	0.187 (0.184)	0.163 (0.175)	0.037 (0.036)
Previous unrelated-industry FDI	-10.858*** (1.017)	-0.053 (0.124)	-1.601*** (0.166)	-0.007 (0.025)
Firm has previous FDI in the country	0.971*** (0.099)		0.965*** (0.107)	
Country-industry-year FDI stock	YES		YES	
Country-related industry-year FDI stock	YES		YES	
Destination country FE	YES		YES	
Initial industry-spec. FDI stock in country	YES		YES	
Observations	13,940		13,940	

Robust standard errors in parentheses

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Heterogeneity - business groups by strength of connection

Dep.var.: FDI locates in the country
Sample: All CEE5 FDI (2006-2014)

VARIABLES	Existence of FDI (1)		# of jobs created (2)	
	Any share	Majority link	Any share	Majority link
Previous FDI by peers having the same global ultimate owner	0.342*** (0.126)		0.106*** (0.025)	
Previous FDI by peers owning or being owned directly by the firm	-0.353 (0.216)	1.431*** (0.436)	-0.024 (0.032)	0.202** (0.080)
Previous FDI by peers owning or being owned indirectly by the firm	0.471*** (0.143)	-0.116 (0.243)	0.069*** (0.021)	-0.010 (0.039)
Previous FDI by peers having a joint direct owner	-0.115 (0.299)	0.194 (0.779)	-0.004 (0.042)	0.077 (0.141)
Previous FDI by peers having a joint direct subsidiary	-0.050 (0.346)	-0.140 (0.526)	0.010 (0.055)	0.012 (0.090)
Firm has previous FDI in the country	0.962*** (0.101)		0.956*** (0.110)	
Country-industry-year FDI stock	YES		YES	
Country-related industry-year FDI stock	YES		YES	
Destination country FE	YES		YES	
Initial industry-spec. FDI stock in country	YES		YES	
Observations	13,940		13,940	

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Heterogeneity - industry links by the region of the investor

Dep.var.: FDI locates in the country

Sample: All CEE5 FDI (2006-2014) from Europe, Asia-Pacific or America

Right-hand side: Existence of FDI

VARIABLES	(1)		
	Europe	Asia-Pacific	America
Previous FDI in the same industry	4.090*** (0.382)	17.261*** (0.354)	2.849*** (0.805)
Previous FDI in the buyer industry	0.332 (0.344)	-0.708*** (0.128)	0.679 (0.442)
Previous FDI in the supplier industry	0.138 (0.161)	0.656** (0.286)	-0.243 (0.403)
Previous FDI in the same industry, from the same country	-0.640*** (0.098)	-0.220 (0.351)	-0.402 (0.254)
Previous FDI in the buyer industry, from the same country	0.106 (0.117)	0.387** (0.180)	-0.237 (0.242)
Previous FDI in the supplier industry, from the same country	0.249*** (0.090)	0.599*** (0.183)	0.222 (0.202)
Firm has previous FDI in the country	0.958*** (0.129)	1.066*** (0.237)	0.985*** (0.224)
Destination country FE		YES	
Initial industry-spec. FDI stock in country		YES	
Observations		13,330	

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Heterogeneity - business groups by the region of the investor

Dep.var.: FDI locates in the country

Sample: All CEE5 FDI (2006-2014) from Europe, Asia-Pacific or America

VARIABLES	(1)		
	Europe	Asia-Pacific	America
Previous FDI by peers having the same global ultimate owner	0.458* (0.268)	0.996 (0.699)	-0.101 (0.354)
Previous FDI by closely linked peers	0.414*** (0.120)	0.724** (0.368)	0.850 (0.580)
Firm has previous FDI in the country	0.947*** (0.130)	1.078*** (0.241)	0.983*** (0.229)
Country-industry-year FDI stock		YES	
Country-related industry-year FDI stock		YES	
Destination country FE		YES	
Initial industry-spec. FDI stock in country		YES	
Observations		13,330	

Robust standard errors in parentheses

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Identification concerns

- What if observed patterns result from unobserved country characteristics?
 - A specific country can be attractive for investors from a certain country or industry.
 - FDI promotion policies might target connected firms of existing FDI.
- We have no information on FDI before 2003.
- Ownership groups imprecisely measured.
 - Information on the ultimate owner for a fraction of firms, using the parent company instead.
 - No matching if different versions of the same firm name, or firm missing in Amadeus.
 - No data for all the firms in Amadeus (only after 2007).
- FDIMarkets also includes some FDI planned but not carried out.

Alternative estimation strategies

- Linear probability or logit with fixed effects:
 - pro: can include more fixed effects (country-year, industry-year)
 - con: doesn't take into account the condition of having FDI in one of the countries.
- “Case study”:
 - Take pairs of FDI
 - going to different countries in the same year,
 - with parents from the same country and industry,
 - but from different business groups,
 - having no previous FDI in the other country.
 - Look at their related firms having no FDI in either countries:
 - Is the relative probability of making an FDI in the same country higher compared to the other country?

Conclusion

- There is tentative evidence on the role of related firms' existing FDI influencing FDI location choice.
 - The effect is noisy due to measurement issues.
 - There is heterogeneity by the type of the link within business group:
 - same-industry links matter more,
 - indirect links matter as well.
- Next steps:
 - Further refinement of the business group measurement.
 - Better measurement of FDI before 2003.
 - Heterogeneity by the type of the business group or by FDI characteristics.
 - Alternative identification strategies.
 - Include information on within-country location choice.

Appendix

Main results - business groups

Dep.var.: FDI locates in the country

Sample: All CEE5 FDI (2006-2014)

Right-hand side: Number of jobs created

VARIABLES	(1)	(2)	(3)	(4)	(5)
Previous FDI by peers having the same global ultimate owner	0.109*** (0.027)	0.040 (0.036)	0.110*** (0.026)	0.111*** (0.027)	0.110*** (0.026)
Previous FDI by far-away peers with same global ultimate owner		0.074** (0.034)			
Previous FDI by closely linked peers			0.070*** (0.019)	0.065*** (0.021)	0.070*** (0.019)
Previous FDI by closely linked peers, having majority shares				0.045 (0.033)	
Previous FDI by peers having closely located FDI outside CEE5					0.000 (0.000)
Firm has previous FDI in the country	0.969*** (0.111)	0.967*** (0.111)	0.964*** (0.111)	0.964*** (0.112)	0.963*** (0.111)
Country-industry-year FDI stock	YES	YES	YES	YES	YES
Country-related industry-year FDI stock	YES	YES	YES	YES	YES
Destination country FE	YES	YES	YES	YES	YES
Initial industry-spec. FDI stock in country	YES	YES	YES	YES	YES
Observations	13,940	13,940	13,940	13,940	13,940

Robust standard errors in parentheses

*** p<0.01. ** p<0.05. * p<0.1

First investors - industry links

Dep.var.: FDI locates in the country

Sample: FDI by first-ever investors in CEE5 (2006-2014)

VARIABLES	Existence of FDI		Number of jobs created	
	(1)	(2)	(3)	(4)
Previous FDI in the same industry	1.204*** (0.400)	1.223*** (0.402)	0.191*** (0.051)	0.199*** (0.052)
Previous FDI in the buyer industry	0.371 (0.561)	0.442 (0.507)	0.103 (0.066)	0.111* (0.062)
Previous FDI in the supplier industry	-0.007 (0.259)	-0.020 (0.255)	0.007 (0.050)	-0.003 (0.051)
Previous FDI in the same industry, from the same country		-0.148 (0.128)		-0.060** (0.028)
Previous FDI in the buyer industry, from the same country		0.062 (0.339)		-0.036 (0.057)
Previous FDI in the supplier industry, from the same country		0.336* (0.172)		0.067 (0.041)
Destination country FE	YES	YES	YES	YES
Initial industry-spec. FDI stock in country	YES	YES	YES	YES
Observations	601	601	601	601

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

First investors - business groups

Dep.var.: FDI locates in the country

Sample: FDI by first-ever investors in CEE5 (2006-2014)

Right-hand side: Existence of FDI

VARIABLES	(1)	(2)	(3)	(5)
Previous FDI by peers having the same global ultimate owner	0.222 (0.336)	-0.093 (0.196)	0.209 (0.314)	0.242 (0.310)
Previous FDI by peers having the same global ultimate owner but not closely linked		0.361 (0.453)		
Previous FDI by closely linked peers			0.869 (0.692)	0.879 (0.709)
Previous FDI by peers having closely located FDI outside CEE5				-0.495* (0.285)
Country-industry-year FDI stock	YES	YES	YES	YES
Country-related industry-year FDI stock	YES	YES	YES	YES
Destination country FE	YES	YES	YES	YES
Initial industry-spec. FDI stock in country	YES	YES	YES	YES
Observations	601	601	601	601

Robust standard errors in parentheses

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

First investors - business groups

Dep.var.: FDI locates in the country

Sample: FDI by first-ever investors in CEE5 (2006-2014)

Right-hand side: Number of jobs created

VARIABLES	(1)	(2)	(3)	(5)
Previous FDI by peers having the same global ultimate owner	0.058 (0.056)	-0.021 (0.036)	0.060 (0.056)	0.071 (0.050)
Previous FDI by peers having the same global ultimate owner but not closely linked		0.091 (0.056)		
Previous FDI by closely linked peers			0.160* (0.086)	0.154* (0.087)
Previous FDI by peers having closely located FDI outside CEE5				0.000** (0.000)
Country-industry-year FDI stock	YES	YES	YES	YES
Country-related industry-year FDI stock	YES	YES	YES	YES
Destination country FE	YES	YES	YES	YES
Initial industry-spec. FDI stock in country	YES	YES	YES	YES
Observations	601	601	601	601

Robust standard errors in parentheses

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Recent FDI (prev 3 years) - industry links

Dep.var.: FDI locates in the country

Sample: All CEE5 FDI (2006-2014)

Right-hand side: FDI in the previous 3 years

VARIABLES

	Existence of FDI		Number of jobs created	
	(1)	(2)	(3)	(4)
Previous FDI in the same industry	3.095*** (0.253)	3.145*** (0.253)	0.371*** (0.017)	0.383*** (0.018)
Previous FDI in the buyer industry	0.384** (0.158)	0.340** (0.163)	0.036 (0.027)	0.025 (0.028)
Previous FDI in the supplier industry	0.196 (0.133)	0.165 (0.133)	0.042** (0.021)	0.036* (0.021)
Previous FDI in the same industry, from the same country		-0.115* (0.068)		-0.025* (0.015)
Previous FDI in the buyer industry, from the same country		0.143* (0.073)		0.027** (0.012)
Previous FDI in the supplier industry, from the same country		0.170*** (0.064)		0.016 (0.013)
Firm has previous FDI in the country	0.926*** (0.113)	0.935*** (0.104)	0.929*** (0.122)	0.949*** (0.108)
Destination country FE	YES	YES	YES	YES
Initial industry-spec. FDI stock in country	YES	YES	YES	YES
Observations	13,940	13,940	13,940	13,940

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Recent FDI (prev 3 years) - business groups

Dep.var.: FDI locates in the country

Sample: All CEE5 FDI (2006-2014)

Right-hand side: Existence of FDI in the previous 3 years					
VARIABLES	(1)	(2)	(3)	(4)	(5)
Previous FDI by peers having the same global ultimate owner	0.189 (0.198)	-0.166 (0.249)	0.196 (0.196)	0.197 (0.196)	0.198 (0.194)
Previous FDI by far-away peers with same global ultimate owner		0.376* (0.205)			
Previous FDI by closely linked peers			0.217 (0.134)	0.203 (0.134)	0.217* (0.132)
Previous FDI by closely linked peers, having majority shares				0.147 (0.186)	
Previous FDI by peers having closely located FDI outside CEE5					0.066 (0.095)
Firm has previous FDI in the country	0.933*** (0.104)	0.930*** (0.104)	0.932*** (0.105)	0.931*** (0.106)	0.931*** (0.105)
Country-industry-year FDI stock	YES	YES	YES	YES	YES
Country-related industry-year FDI stock	YES	YES	YES	YES	YES
Destination country FE	YES	YES	YES	YES	YES
Initial industry-spec. FDI stock in country	YES	YES	YES	YES	YES
Observations	13,940	13,940	13,940	13,940	13,940

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Heterogeneity - business groups by the investor's continent

Dep.var.: FDI locates in the country

Sample: All CEE5 FDI (2006-2014)

Right-hand side: Number of jobs created in the previous 3 years VARIABLES	(1)	(2)	(3)	(4)	(5)
Previous FDI by peers having the same global ultimate owner	0.083** (0.038)	0.004 (0.044)	0.085** (0.037)	0.086** (0.037)	0.085** (0.037)
Previous FDI by far-away peers with same global ultimate ownerd		0.084** (0.035)			
Previous FDI by closely linked peers			0.046** (0.021)	0.042** (0.021)	0.046** (0.021)
Previous FDI by closely linked peers, having majority shares				0.052 (0.033)	
Previous FDI by peers having closely located FDI outside CEE5					-0.000 (0.000)
Firm has previous FDI in the country	0.945*** (0.107)	0.943*** (0.107)	0.946*** (0.108)	0.946*** (0.109)	0.946*** (0.108)
Country-industry-year FDI stock	YES	YES	YES	YES	YES
Country-related industry-year FDI stock	YES	YES	YES	YES	YES
Destination country FE	YES	YES	YES	YES	YES
Initial industry-spec. FDI stock in country	YES	YES	YES	YES	YES
Observations	13,940	13,940	13,940	13,940	13,940

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

FDI by country and by the continent of the investor

Number of FDI (2006-2014)

Continent of the investor	Destination country					Total
	Czech Republic	Hungary	Poland	Romania	Slovakia	
America	62	38	123	61	30	314
Asia	49	30	71	34	31	215
Europe	297	318	748	588	186	2137
Other	9	22	44	41	6	122
Total	417	408	986	724	253	

FDI by country and year

Number of FDI

Year	Destination country					Total
	Czech Republic	Hungary	Poland	Romania	Slovakia	
2006	74	71	130	119	48	442
2007	58	78	153	133	57	479
2008	46	55	161	136	31	429
2009	30	31	101	66	20	248
2010	61	51	107	53	30	302
2011	47	49	95	67	21	279
2012	35	21	95	57	8	216
2013	43	32	73	60	25	233
2014	23	20	71	33	13	160
Total	417	408	986	724	253	

FDI by country - 10 most frequent industry (2006-2014)

Top 10 NACE2

Czech Republic		Hungary		Poland		Romania		Slovakia	
Industry	Share (%)	Industry	Share (%)	Industry	Share (%)	Industry	Share (%)	Industry	Share (%)
29	15.59	29	9.07	41	10.85	41	13.26	29	15.42
64	11.51	41	8.09	29	7.81	64	8.84	28	8.3
41	6.47	64	5.88	49	5.38	29	8.7	22	7.91
49	6	26	5.64	28	5.07	35	6.08	41	7.51
28	5.52	20	5.64	64	4.97	23	5.11	49	7.51
27	4.8	35	4.9	22	4.67	49	4.7	27	6.72
26	4.56	28	4.66	20	4.26	28	3.87	26	5.14
22	3.84	49	4.66	35	4.06	22	3.45	64	5.14
58	3.12	22	4.17	27	3.96	26	2.9	35	4.74
35	2.88	27	3.68	62	3.65	10,27,62	2.76	25	3.16

FDI by country - 10 most frequent source country (2006-2014)

Top 10 country

Czech Republic		Hungary		Poland		Romania		Slovakia	
Country	Share (%)	Country	Share (%)	Country	Share (%)	Country	Share (%)	Country	Share (%)
DE	20.38	DE	17.16	US	15.42	DE	15.75	DE	21.74
US	17.03	AT	15.93	DE	14.6	AT	10.08	AT	17
AT	10.55	US	15.93	GB	8.32	US	9.94	US	12.65
JP	10.07	GB	6.13	FR	7.3	FR	9.25	KR	5.53
GB	5.52	CH	5.39	NL	6.19	ES	6.63	IT	4.74
IT	5.52	FR	4.41	AT	5.27	GB	6.63	JP	4.74
SE	4.32	IT	3.92	SE	4.97	NL	5.39	FR	4.35
ES	3.84	DK	3.43	ES	4.56	GR	4.97	GB	4.35
NL	3.36	NL	3.43	JP	4.26	IT	4.56	LU	3.95
LU	3.12	JP	3.19	DK	4.16	BE	4.28	NL	3.95

Descriptive statistics

Variable	All previous FDI		FDI in previous 3 years	
	All obs.	With FDI	All obs.	With FDI
Firm has previous FDI in the country	0.238	0.369		
Previous FDI in buyer industry	0.580	0.674	0.562	0.659
Previous FDI in buyer industry, from same country	0.337	0.392	0.265	0.319
Previous FDI in supplier industry	0.655	0.755	0.618	0.723
Previous FDI in supplier industry, from same country	0.378	0.458	0.291	0.360
Previous FDI in same industry	0.781	0.989	0.770	0.976
Previous FDI in same industry, from same country	0.649	0.760	0.544	0.660
Previous FDI by peers having closely located FDI outside CEE5	0.307	0.333	0.248	0.275
Previous FDI by peers having the same global ultimate owner but not closely linked	0.039	0.055	0.023	0.032
Previous FDI by peers having the same global ultimate owner	0.019	0.030	0.011	0.016
Previous FDI in same industry by peers having the same global ultimate owner	0.002	0.002	0.001	0.001
Previous FDI in supplier industry by peers having the same global ultimate owner	0.001	0.001	0.001	0.001
Previous FDI in buyer industry by peers having the same global ultimate owner	0.001	0.002	0.001	0.001
Previous FDI in non-related industry by peers having the same global ultimate owner	0.000	0.000	0.000	0.000
Previous same-industry FDI by closely linked peers, with majority shares	0.013	0.020	0.008	0.013
Previous supplier-industry FDI by closely linked peers, with majority shares	0.000	0.000	0.000	0.000
Previous buyer-industry FDI by closely linked peers, with majority shares	0.001	0.000	0.000	0.000
Previous unrelated-industry FDI by closely linked peers, with majority shares	0.000	0.000	0.000	0.000
Previous FDI by closely linked peers, with majority shares	0.019	0.024	0.012	0.016
Previous same-industry FDI by closely linked peers	0.200	0.219	0.159	0.179
Previous supplier-industry FDI by closely linked peers	0.090	0.102	0.068	0.084
Previous buyer-industry FDI by closely linked peers	0.077	0.089	0.062	0.078
Previous unrelated-industry FDI by closely linked peers	0.064	0.070	0.044	0.050
Previous FDI by closely linked peers	0.363	0.386	0.335	0.354