

# THE RISING CONCENTRATION OF FOREIGN DIRECT INVESTMENT

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THIS VERSION: JUNE 30, 2024

The replication programs are divided into three different blocks. The first block (wp\_replication/prog/data) uploads the investment project data, both Greenfield data (source Financial Times *fDi Markets* database, historical extraction Jan 2003 - Dec 2022, excluding domestic investment projects) and M&A data (source is Thomson Reuters *Refinitiv* database, with same historical coverage and exclusion condition). The bilateral investment project data is proprietary. It cannot be included in the replication package. All other data used in the analysis are part of the input folder. The second block of the replication program is the preparation of all the graphs on the motivating facts on FDI (wp\_replication/prog/graphs). The third block of the replication program constructs the estimation sample and runs all the regressions that are included in the main text and in the appendix.

**1 Investment Data (prog/data):** *prep\_rawdata\_greenfieldFDI.do* This do file uploads the Greenfield FDI data and prepares the dataset to be used in the analysis: It adds the country income level indicator for both origin and destination, cleans up a few duplicates, and adds a flag for EU countries.

**2 Graphs (prog/graph):** In this folder, we provide the programs used to generate each of the graphs used in the main text as well as in the appendix. The names of the dofiles are the same as the numbering of the graphs in the main text.

**3 Empirical Analysis (prog/regression):** In this folder we provide the 3 programs needed to replicate the empirical analysis: 1.*data\_preparation\_controls.do* This file constructs all the control variables used in the regressions. The raw data needed for the controls are provided in the input folder. 2.*data\_preparation\_estimation\_samples.do* These files first construct the dependent variable from the bilateral investment data, then merge it with the controls, and place the estimating sample in the input folder. 3.*\_regressions.do* Runs the regressions and stores the tables of the paper in the output/tables folder.

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## Data Availability Statement

This study uses a mix of publicly available and confidential data sources. Below is a detailed list of the datasets used, including their sources, links for consultation, and the dates they were accessed:

1. **Deflators Data:**
  - **Filename:** deflators\_1960-2022.dta
  - **Source:** World Bank
  - **Date Consulted:** June 20, 2024
  - **Link:** [here](#)
2. **EU Members Data:**
  - **Filename:** eu\_members.dta
  - **Source:** Internal compilation based on official EU records
  - **Date Consulted:** June 17, 2024
3. **Gravity Data:**
  - **Filename:** gravity.zip
  - **Source:** CEPII Gravity Database
  - **Link:** [CEPII Gravity Database](#)
  - **Date Consulted:** September 26, 2023
4. **IFS Data:**
  - **Filename:** IFS\_10-12-2023\_14-30-09-97\_timeSeries.csv
  - **Source:** International Monetary Fund (IMF) International Financial Statistics (IFS)
  - **Link:** [IMF IFS](#)
  - **Date Consulted:** October 10, 2023
5. **Industry Labels Data:**
  - **Filename:** ind\_labels.dta
  - **Source:** Internal compilation based on standard industry classifications
  - **Date Consulted:** June 20, 2024
6. **World Development Indicators Extract:**
  - **Filename:** P\_Data\_Extract\_From\_World\_Development\_Indicators\_Service\_share\_gdp.xlsx
  - **Filename 2:** wb\_income\_hist\_2023.dta
  - **Source:** World Bank World Development Indicators
  - **Link:** [World Development Indicators](#)
  - **Date Consulted:** March 7, 2023
7. **Penn World Table Data:**
  - **Filename:** pwt1001.dta
  - **Source:** [Penn World Table \(PWT\) 10.0](#)
  - **Date Consulted:** March 13, 2023
8. **World Uncertainty Index Data:**
  - **Filename:** WUI\_Data.xlsx
  - **Source:** World Uncertainty Index (WUI)
  - **Link:** [World Uncertainty Index](#)
  - **Date Consulted:** May 11, 2023
  - **Source:** Thomson Reuters *Worldscope Global Database*.
  - **Historical Coverage:** 2003-2022
  - **Note:** This dataset is proprietary and cannot be included in the replication package.
  - **Date Consulted:** April 16, 2024
9. **EU KLEMS:**
  - **Filename:** euklems\_data.dta
  - **Source:** Luiss Lab of European Economics at Luiss University in Rome.
  - **Historical Coverage:** 2003-2022
  - **Link:** <https://euklems-intanprod-ilee.luiss.it>. Stata version can be downloaded from the 'National accounts' column.

- **Date Consulted:** April 25, 2024
10. **World Bank Country Classifications**
    - **Filename:** countryname\_fullconcordance2022.dta
    - **Source:** Internal compilation based on [World Bank Country Classifications](#)
  11. Crosswalk ISIC from NAICS
    - **Filename:** crosswalk\_naics2d\_to\_isic1d.dta
    - **Source:** Authors compilation
  12. International Standard Industrial Classification of All Economic Activities (ISIC)
    - **Filename:** acq\_industry\_key\_isic4.dta
    - Author's compilation based on ISIC codes.
    - **Link:** [here](#)
  13. **Greenfield Data:**
    - **Filename:** fdi\_markets\_2023\_raw.dta
    - **Source:** Financial Times fDi Markets database
    - **Historical Coverage:** January 2003 - December 2022
    - **Note:** This dataset is proprietary and cannot be included in the replication package.
  14. **M&A Data:**
    - **Filename:** MA\_2022\_raw.dta
    - **Source:** Thomson Reuters Refinitiv database
    - **Historical Coverage:** January 2003 - December 2022
    - **Note:** This dataset is proprietary and cannot be included in the replication package.
  15. **Worldscope:**
    - **Filename:** worldscope\_naics\_revenue\_top5.xlsx
    - **Source:** Thomson Reuters *Worldscope Global Database*.
    - **Historical Coverage:** 2003-2022
    - **Note:** This dataset is proprietary and cannot be included in the replication package.
    - **Date Consulted:** April 16, 2024

The bilateral investment project data is proprietary and cannot be included in the replication package. For further details or access requests, please contact the data providers directly.