

ONLINE APPENDIX

The Anticompetitive Effect of Minority Share Acquisitions: Evidence from the Introduction of National Leniency Programs

Sven Heim* Kai Hüschelrath[†]
Ulrich Laitenberger[‡] Yossi Spiegel[§]

April 16, 2019

Abstract

This appendix contains additional results not contained in the main paper.

*Mines ParisTech (CERNA), PSL Research University, Paris, and ZEW Centre for European Economic Research Mannheim, Germany; E-Mail: sven.heim@mines-paristech.fr

[†]Schmalkalden University of Applied Sciences, Faculty of Business and Economics, Germany, and ZEW; E-Mail: k.hueschelrath@hs-sm.de.

[‡]Telecom ParisTech, and ZEW, E-Mail: laitenberger@enst.fr.

[§]Coller School of Management, Tel Aviv University, CEPR, and ZEW; E-Mail: spiegel@post.tau.ac.il.

Tables from the main body of the paper

Tables 1-5 correspond to Tables 2-3 and 5-7 in the main body of the paper and report the full results of our estimations, including the coefficients of the macroeconomic and financial covariates and the estimations of the inflation equations, which were not reported in the main body of the paper. As in the paper, all estimations in this online Appendix include country and year fixed effects, standard errors are clustered at the country level and reported in paranthesis, and significance levels are *0.1, **0.05, and ***0.01.

Table 1 below is the equivalent of Table 2 in the paper.

Table 1: Zero-inflated negative binomial estimations estimation of the number of new domestic horizontal MS

	(1)	(2)	(3)	(4)	(5)	(6)
LP-3					0.03 (0.18)	0.06 (0.15)
LP-2					-0.01 (0.16)	0.02 (0.12)
LP-1			0.09 (0.13)	0.08 (0.13)	0.07 (0.17)	0.11 (0.11)
LP	0.22* (0.12)	0.33*** (0.12)	0.34** (0.14)	0.32** (0.14)	0.30* (0.18)	0.34*** (0.12)
LP+1	0.06 (0.15)	0.13 (0.16)	0.13 (0.17)	0.11 (0.17)	0.09 (0.23)	0.14 (0.13)
LP+2				0.14 (0.21)	0.13 (0.27)	0.17 (0.14)
LP+3				0.02 (0.21)	0.00 (0.28)	0.06 (0.13)
After LP+1	-0.04 (0.16)	0.06 (0.17)	0.05 (0.19)			
After LP+3				-0.02 (0.19)	-0.05 (0.26)	
GDP	0.16* (0.09)	0.24** (0.12)	0.25** (0.12)	0.24** (0.12)	0.23* (0.12)	0.22** (0.11)
GDP Growth	1.70 (1.22)	-0.71 (1.40)	-0.68 (1.39)	-0.66 (1.38)	-0.61 (1.36)	-0.32 (1.39)
Unemployment	-0.02 (0.02)	-0.02 (0.02)	-0.02 (0.02)	-0.02 (0.02)	-0.02 (0.02)	-0.02 (0.02)
Inflation	-0.00*** (0.00)	-0.01* (0.00)	-0.01* (0.00)	-0.01* (0.00)	-0.01** (0.00)	-0.01* (0.00)
PPPEX	0.00*** (0.00)	0.00** (0.00)	0.00** (0.00)	0.00** (0.00)	0.00** (0.00)	0.00** (0.00)
Exports	0.01 (0.01)	0.01 (0.01)	0.01 (0.01)	0.01 (0.01)	0.01 (0.01)	0.01 (0.01)
Imports	-0.01* (0.00)	-0.01* (0.00)	-0.01* (0.00)	-0.01* (0.00)	-0.01* (0.00)	-0.01* (0.00)
Credit Market		0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Interest rate		-0.02*** (0.01)	-0.02*** (0.01)	-0.02*** (0.01)	-0.02*** (0.01)	-0.02*** (0.00)
Stock Market		0.00** (0.00)	0.00** (0.00)	0.00** (0.00)	0.00** (0.00)	0.00** (0.00)
Trade		-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)
Inflation equation						

Years 1995 - 2000	-1.92*** (0.71)	-3.15 (2.03)	-3.22*** (1.06)	-3.20*** (1.06)	-3.94*** (1.26)	-3.81*** (1.38)
Year>2000	-17.67*** (1.43)	-6.08* (3.33)	-4.52* (2.58)	-4.51 (2.74)	-4.86*** (1.33)	-4.37** (1.96)
GDP	-0.72* (0.37)	-1.12* (0.63)	-0.97** (0.44)	-0.96** (0.46)	-1.14*** (0.42)	-1.07** (0.48)
Stock Market		-0.03** (0.01)	-0.03** (0.01)	-0.03** (0.01)	-0.03*** (0.01)	-0.02*** (0.01)
LP-3					2.05 (1.26)	1.24 (2.92)
LP-2					5.12*** (0.97)	4.76*** (1.19)
LP-1			3.88* (2.24)	3.89* (2.28)	4.45*** (1.50)	4.08** (1.82)
LP	3.72*** (0.85)	5.26* (2.94)	4.01* (2.36)	4.02 (2.51)	4.44*** (1.39)	3.90* (2.09)
LP+1	-12.04*** (1.89)	-9.27*** (3.07)	-10.80*** (2.47)	-9.36*** (2.69)	-10.44*** (2.05)	-10.41*** (2.04)
LP+2				3.93** (1.87)	4.52*** (1.43)	3.88* (2.04)
LP+3				3.52 (2.95)	4.12** (1.78)	3.10 (2.64)
After LP+1	-10.79*** (1.98)	5.36* (3.08)	4.04* (2.14)			
After LP+3				4.10 (2.51)	4.54*** (1.33)	
Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes	Yes
Log-Likelihood	-2863	-2244	-2242	-2241	-2235	2238
F-test	0.00	0.00	0.00	0.00	0.00	0.00
R ²	0.67	0.67	0.67	0.66	0.66	0.66
Observations	1368	1018	1018	1018	1018	1018

Table 2 below is the equivalent of Table 3 in the paper.

Table 2: Zero-inflated negative binomial estimations of the aggregate deal value of new domestic horizontal MS

	(1)	(2)	(3)	(4)	(5)	(6)
LP-3					0.22 (0.39)	0.10 (0.43)
LP-2					0.24 (0.36)	0.03 (0.35)
LP-1			-0.14 (0.42)	-0.16 (0.42)	-0.07 (0.45)	-0.30 (0.41)
LP	0.75** (0.38)	0.95** (0.41)	0.90**	0.88** (0.43)	0.98** (0.41)	0.72** (0.30)
LP+1	0.50 (0.34)	0.84*** (0.29)	0.80** (0.33)	0.79** (0.34)	0.90*** (0.33)	0.60*** (0.23)
LP+2				0.75* (0.43)	0.87* (0.45)	0.50* (0.26)
LP+3				0.54 (0.50)	0.64 (0.49)	0.35 (0.44)
After LP+1	0.44 (0.40)	0.61 (0.39)	0.57 (0.42)			
After LP+3				0.45 (0.49)	0.58 (0.48)	
GDP	0.87*** (0.11)	0.85*** (0.13)	0.85*** (0.13)	0.84*** (0.13)	0.85*** (0.13)	0.81*** (0.15)
GDP Growth	2.67 (4.30)	0.44 (4.04)	0.52 (4.03)	0.81 (4.12)	0.59 (4.22)	1.55 (3.88)
Unemployment	-0.02 (0.03)	-0.01 (0.04)	-0.01 (0.04)	-0.01 (0.04)	-0.01 (0.04)	-0.01 (0.04)
Inflation	-0.00*** (0.00)	-0.00 (0.01)	-0.00 (0.01)	-0.00 (0.01)	-0.00 (0.01)	-0.00 (0.01)
PPPEX	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Exports	0.02 (0.02)	0.01 (0.02)	0.01 (0.02)	0.01 (0.02)	0.01 (0.02)	0.01 (0.02)
Imports	-0.02 (0.02)	-0.02 (0.02)	-0.02 (0.02)	-0.02 (0.02)	-0.02 (0.02)	-0.01 (0.02)
Credit Market		0.00 (0.01)	0.00 (0.01)	0.00 (0.01)	0.00 (0.01)	0.00 (0.01)
Interest rate		0.00 (0.02)	0.00 (0.02)	0.00 (0.02)	0.00 (0.02)	0.00 (0.02)
Stock Market		0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Trade		0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	-0.00 (0.00)
Inflation equation						
Years 1995 - 2000	-0.59*** (0.21)	-0.56** (0.25)	-0.55** (0.25)	-0.55** (0.25)	-0.59** (0.25)	-0.54** (0.25)
Year>2000	-0.96*** (0.31)	-0.54 (0.33)	-0.51 (0.35)	-0.50 (0.34)	-0.62* (0.37)	-0.30 (0.35)
GDP	-0.93*** (0.14)	-0.80*** (0.14)	-0.80*** (0.14)	-0.79*** (0.14)	-0.80*** (0.14)	-0.76*** (0.14)
Stock Market		-0.02*** (0.00)	-0.02*** (0.00)	-0.02*** (0.00)	-0.02*** (0.00)	-0.02*** (0.00)
LP-3					0.17 (0.52)	-0.05 (0.50)
LP-2					0.81 (0.57)	0.54 (0.55)
LP-1			-0.35 (0.74)	-0.35 (0.74)	-0.24 (0.77)	-0.50 (0.71)
LP	0.21	0.01	-0.02	-0.02	0.09	-0.19

	(0.48)	(0.63)	(0.65)	(0.65)	(0.67)	(0.66)
LP+1	0.63	0.89**	0.85**	0.85**	0.98**	0.66*
	(0.42)	(0.40)	(0.42)	(0.41)	(0.45)	(0.39)
LP+2				1.38***	1.51***	1.16**
				(0.51)	(0.53)	(0.49)
LP+3				1.12**	1.25**	0.92**
				(0.46)	(0.50)	(0.40)
After LP+1	0.84**	0.98**	0.94**			
	(0.39)	(0.39)	(0.40)			
After LP+3				0.75	0.88*	
				(0.46)	(0.48)	
Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes	Yes
Log-Likelihood	-4881	-3801	-3801	-3800	-3799	-3802
F-test	0.00	0.00	0.00	0.00	0.00	0.00
R ²	0.33	0.36	0.36	0.36	0.36	0.36
Observations	1368	1018	1018	1018	1018	1018

Table 3 below is the equivalent of Table 4 in the paper.

Table 3: Zero-inflated negative binomial estimations for the number of non-horizontal and cross-border MS acquisitions

	(1) DNH	(2) CBH LP in target country	(3) CBH LP in acquirer country	(4) CBNH LP in target country	(5) CBNH LP in acquirer country
LP-1	-0.04 (0.15)	-0.14 (0.19)	0.15 (0.11)	0.17 (0.14)	-0.05 (0.14)
LP	-0.08 (0.22)	-0.03 (0.14)	0.07 (0.15)	0.21 (0.16)	-0.02 (0.12)
LP+1	-0.06 (0.20)	-0.03 (0.16)	-0.02 (0.16)	0.08 (0.16)	-0.06 (0.15)
After LP+1	-0.26 (0.21)	-0.02 (0.18)	0.08 (0.19)	0.08 (0.16)	-0.03 (0.14)
GDP	0.07 (0.14)	0.29*** (0.05)	0.08 (0.08)	0.30*** (0.07)	-0.03 (0.12)
GDP Growth	1.33 (1.47)	1.89** (0.96)	1.98** (0.95)	0.36 (0.77)	4.93*** (1.55)
Unemployment	0.00 (0.02)	0.01 (0.02)	0.00 (0.02)	-0.02 (0.02)	-0.02 (0.02)
Inflation	-0.02*** (0.00)	-0.00 (0.00)	-0.01* (0.01)	-0.00** (0.00)	-0.01** (0.01)
PPPEX	0.00*** (0.00)	0.00*** (0.00)	0.00** (0.00)	0.00*** (0.00)	0.00 (0.00)
Exports	0.00 (0.01)	0.00 (0.00)	-0.01 (0.00)	-0.00 (0.00)	-0.01* (0.00)
Imports	0.00 (0.00)	-0.00 (0.00)	-0.00 (0.01)	0.00 (0.00)	-0.00 (0.01)
Credit Market	0.01 (0.01)	0.00 (0.00)	-0.00 (0.00)	0.00 (0.00)	0.00* (0.00)
Interest rate	0.00 (0.01)	0.01*** (0.00)	-0.01 (0.01)	0.00 (0.00)	0.01 (0.01)
Stock Market	0.00* (0.00)	0.00 (0.00)	0.00*** (0.00)	0.00** (0.00)	0.00*** (0.00)
Trade	-0.01** (0.00)	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)
Inflation equation					
Years 1995 - 2000	-2.83** (1.28)	-1.97 (1.67)	-1.85 (1.30)	-11.02** (5.36)	-0.36 (0.76)
Year>2000	-3.15*** (0.80)	-3.27 (3.68)	-2.73 (2.20)	6.63** (3.30)	-0.54 (0.92)
GDP	-5.27*** (1.16)	-0.68 (0.61)	-1.35*** (0.35)	-0.20 (0.29)	-0.72*** (0.12)
Stock Market	0.02*** (0.00)	-0.02** (0.01)	-0.02 (0.01)	-0.09** (0.04)	-0.04*** (0.01)
LP-1	-14.32*** (0.87)	3.51 (2.21)	-1.32 (12.35)	9.83 (30.00)	-0.46 (1.53)
LP	-1.83 (2.94)	4.51 (3.25)	1.74 (1.73)	13.97*** (1.78)	-0.00 (3.15)
LP+1	4.19*** (1.33)	2.40 (4.35)	-9.55 (20.90)	12.91*** (2.87)	0.20 (1.46)
After LP+1	1.80*** (0.56)	4.45 (3.61)	2.10 (2.34)	13.15*** (1.70)	1.25 (1.39)
Year FE	Yes	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes
Log-Likelihood	-2586	-2119	-1772	-1967	-1603
F-test	0.00	0.00	0.00	0.00	0.00
R ²	0.68	0.62	0.65	0.64	0.65
Observations	1018	1018	1018	1018	1018

Table 4 below is the equivalent of Table 5 in the paper.

Table 4: Zero-inflated negative binomial estimations of the number of new domestic horizontal MS acquisitions - LP effectiveness

	(1)		(2)		(3)	
LP × Effective Enforcement	0.45***	(0.16)				
After LP × Effective Enforcement	0.10	(0.17)				
LP × Ineffective Enforcement	-0.01	(0.19)				
After LP × Ineffective Enforcement	-0.08	(0.30)				
LP × Criminal Sanctions			0.60***	(0.22)		
After LP × Criminal Sanctions			0.32	(0.25)		
LP × No Criminal Sanctions			0.12	(0.20)		
After LP × No Criminal Sanctions			-0.16	(0.21)		
LP × Low Corruption					0.46***	(0.16)
After LP × Low Corruption					0.06	(0.18)
LP × High Corruption					0.10	(0.18)
After LP × High Corruption					0.07	(0.31)
GDP	0.25**	(0.11)	0.24**	(0.11)	0.24**	(0.12)
GDP Growth	-0.88	(1.37)	-0.51	(1.30)	-0.59	(1.40)
Unemployment	-0.02	(0.02)	-0.01	(0.03)	-0.02	(0.02)
Inflation	-0.01**	(0.00)	-0.01*	(0.00)	-0.01*	(0.00)
PPPEX	0.00	(0.00)	0.00**	(0.00)	0.00**	(0.00)
Exports	0.01	(0.01)	0.01	(0.01)	0.01	(0.01)
Imports	-0.01	(0.00)	-0.01**	(0.01)	-0.01*	(0.00)
Credit Market	0.00	(0.00)	0.00	(0.00)	0.00	(0.00)
Interest rate	-0.02***	(0.00)	-0.02***	(0.01)	-0.02***	(0.01)
Stock Market	0.00**	(0.00)	0.00*	(0.00)	0.00**	(0.00)
Trade	-0.00	(0.00)	-0.00	(0.00)	-0.00	(0.00)
Inflation equation						
Years 1995 - 2000 -2.81	(1.88)	-2.34**	(0.91)	-3.28	(3.16)	
Year>2000	-6.61**	(2.78)	-1.99	(1.99)	-5.87	(4.75)
GDP	-0.99	(0.67)	-0.95**	(0.48)	-1.09	(0.75)
Stock Market	-0.03**	(0.01)	-0.03*	(0.02)	-0.03**	(0.01)
LP × Effective Enforcement	5.82**	(2.45)				
After LP × Effective Enforcement	-9.43**	(4.43)				
LP × Ineffective Enforcement	4.69	(3.47)				
After LP × Ineffective Enforcement	6.00**	(2.59)				
LP × Criminal Sanctions			3.05	(2.29)		
After LP × Criminal Sanctions			1.83	(2.10)		
LP × No Criminal Sanctions			-0.11	(1.79)		
After LP × No Criminal Sanctions			0.58	(2.00)		
LP × Low Corruption					4.85	(4.84)
After LP × Low Corruption					2.79	(7.88)
LP × High Corruption					5.13	(4.11)
After LP × High Corruption					4.94	(4.65)
Year FE	Yes		Yes		Yes	
Country FE	Yes		Yes		Yes	
Log-Likelihood	-2213		-2239		-2245	
F-test	0.00		0.00		0.00	
R ²	0.67		0.667		0.66	
Observations	1018		1018		1018	

Table 5 below is the equivalent of Table 7 in the paper.

Table 5: Zero-inflated negative binomial estimations of the number of new domestic horizontal MS acquisitions by stake size

	(1)	(2)	(3)
	0-10%	10-25%	25-50%
LP-1	0.09 (0.20)	0.29 (0.18)	0.01 (0.14)
LP	0.38 (0.27)	0.42** (0.17)	0.12 (0.16)
LP+1	0.42 (0.27)	0.16 (0.22)	0.22 (0.16)
After LP+1	0.35 (0.29)	0.12 (0.25)	0.10 (0.19)
GDP	0.05 (0.18)	0.18 (0.15)	0.12 (0.12)
GDP Growth	0.37 (2.01)	-1.16 (1.94)	-1.06 (1.43)
Unemployment	-0.06 (0.04)	-0.02 (0.03)	-0.04 (0.02)
Inflation	-0.01** (0.01)	-0.01** (0.00)	-0.01 (0.01)
PPPEX	0.00*** (0.00)	0.00*** (0.00)	0.00** (0.00)
Exports	0.01 (0.01)	0.01 (0.01)	0.01 (0.01)
Imports	-0.01 (0.01)	-0.01 (0.01)	-0.01 (0.01)
Credit Market	-0.00 (0.00)	0.00 (0.01)	-0.00 (0.00)
Interest rate	-0.01 (0.01)	-0.01 (0.01)	-0.02*** (0.01)
Stock Market	0.00 (0.00)	0.00 (0.00)	0.00** (0.00)
Trade	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)
Inflation equation			
Years 1995 - 2000	-0.10 (1.03)	-0.80 (0.59)	-3.30*** (1.19)
Year>2000	-4.62*** (0.96)	-0.35 (0.92)	-5.11*** (1.85)
GDP	0.11 (0.56)	-0.68 (0.43)	-0.91** (0.42)
Stock Market	-0.00 (0.01)	-0.03*** (0.01)	-0.02** (0.01)
LP-1	0.68 (1.15)	1.66* (0.88)	3.47 (2.75)
LP	0.48 (1.09)	-0.29 (1.43)	4.43*** (1.43)
LP+1	0.91 (1.08)	1.48 (1.05)	-10.85*** (1.47)
After LP+1	-3.76*** (1.15)	0.24 (1.46)	4.19*** (1.33)
Year FE	Yes	Yes	Yes
Country FE	Yes	Yes	Yes
Log-Likelihood	-1148	-1524	-1700
F-test	0.00	0.00	0.00
R ²	0.57	0.59	0.60
Observations	1018	1018	1018

Table 6 below is the equivalent of Table 8 in the paper.

Table 6: Zero-inflated negative binomial estimations of the number of new domestic horizontal MS acquisitions by rival size (below or above median)

	(1)		(2)	
	Small Firms		Large Firms	
LP-1	0.14	(0.19)	-0.15	(0.17)
LP	0.02	(0.21)	0.45**	(0.19)
LP+1	0.08	(0.19)	0.48*	(0.25)
After LP+1	-0.04	(0.24)	0.16	(0.27)
GDP	0.01	(0.15)	0.06	(0.15)
GDP Growth	-2.21	(1.96)	0.65	(1.50)
Unemployment	-0.07**	(0.03)	-0.03	(0.03)
Inflation	-0.01	(0.01)	-0.01	(0.00)
PPPEX	0.00***	(0.00)	0.00	(0.00)
Exports	-0.00	(0.01)	0.00	(0.01)
Imports	-0.00	(0.01)	-0.01	(0.01)
Credit Market	-0.00	(0.00)	-0.00	(0.01)
Interest rate	-0.01	(0.01)	-0.01*	(0.01)
Stock Market	0.00	(0.00)	0.00**	(0.00)
Trade	-0.00	(0.00)	-0.00	(0.00)
Inflation equation				
Years 1995 - 2000	-0.49	(0.38)	-0.87***	(0.32)
Year>2000	-5.32***	(0.92)	-0.59	(0.55)
GDP	0.12	(0.28)	-0.30	(0.22)
Stock Market	-0.01*	(0.00)	-0.01**	(0.00)
LP-1	0.25	(0.61)	0.29	(0.69)
LP	1.10	(0.75)	0.29	(0.79)
LP+1	0.81	(0.80)	0.62	(0.49)
After LP+1	-4.10***	(0.54)	-0.02	(0.57)
Year FE	Yes		Yes	
Country FE	Yes		Yes	
Log-Likelihood	-1223		-1273	
F-test	0.00		0.00	
R ²	0.61		0.60	
Observations	1018		1018	

Figure 1 shows the placebo results for the aggregate deal values. The assignment of placebo LPs is restricted to pre-treatment years in the upper panels. The p-values exceed 0.1 in 94.6% and the true p-value of 0.032 in 99% of the 1,000 simulations. In the bottom panels the assignment of the placebo laws is not restricted to pre-treatment years anymore and countries that did not introduce an LP in our observation period also get a placebo LP assigned. The coefficients are again centered around zero and the p-values exceed 0.1 in 88.8% and the true p-value in 97.3% of the 1,000 simulations.

As for the number of MS acquisitions this is again close to random chance in both placebo versions.

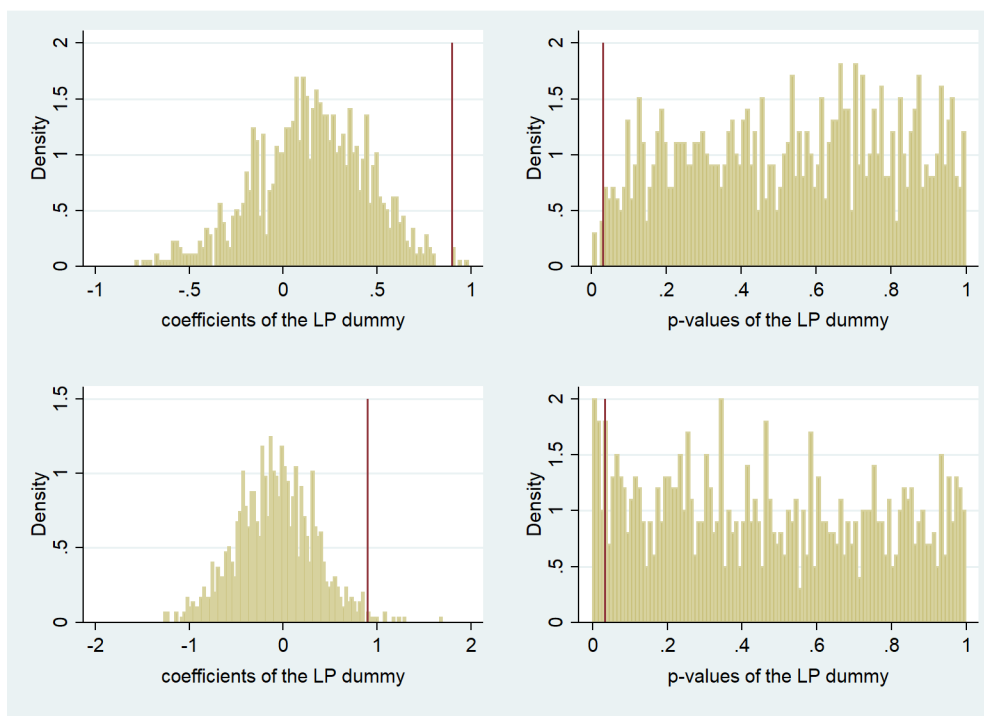


Figure 1: The LP coefficient and its p-value in the placebo tests for the aggregate value of new domestic horizontal MS acquisitions. Placebo LPs are either assigned only to pre-treatment years (the top panels) or to all years (the bottom panels)

Tables from the Appendix of the paper

Tables A1-A4 present the full results of the estimations presented in Tables A4-A7 in the Appendix of the paper, including the coefficients of the macroeconomic and financial covariates and the estimations of the inflation equations, which were not reported in the main body of the paper.

Table A1 is the equivalent of Table A4 in the paper.

Table A1: Zero-inflated negative binomial estimations of the number of new domestic horizontal MS acquisitions by stake size (below or above median)

	(1)		(2)	
	Small Stakes		Large Stakes	
LP-1	0.24	(0.17)	0.00	(0.14)
LP	0.46**	(0.20)	0.15	(0.16)
LP+1	0.29	(0.22)	0.20	(0.18)
After LP+1	0.14	(0.25)	0.11	(0.20)
GDP	0.19	(0.20)	0.15	(0.15)
GDP Growth	-1.06	(1.84)	-0.56	(1.57)
Unemployment	-0.02	(0.03)	-0.03	(0.03)
Inflation	-0.01*	(0.00)	-0.01	(0.01)
PPPEX	0.00*	(0.00)	0.00**	(0.00)
Exports	0.01	(0.01)	0.01	(0.01)
Imports	-0.01	(0.01)	-0.01*	(0.00)
Credit Market	0.00	(0.00)	0.00	(0.00)
Interest rate	-0.01	(0.01)	-0.02***	(0.01)
Stock Market	0.00	(0.00)	0.00	(0.00)
Trade	-0.00	(0.00)	-0.00	(0.00)
Inflation equation				
Years 1995 - 2000	-1.08	(1.19)	-3.70*	(2.18)
Year>2000	-0.65	(2.13)	-7.30	(6.31)
GDP	-0.52	(0.74)	-1.41	(1.60)
Stock Market	-0.04	(0.12)	-0.03***	(0.01)
LP-1	1.67	(1.73)	5.85	(5.65)
LP	0.81	(2.02)	6.01	(5.71)
LP+1	2.27	(2.38)	-9.93**	(4.12)
After LP+1	0.54	(2.57)	6.06	(6.23)
Year FE	Yes		Yes	
Country FE	Yes		Yes	
Log-Likelihood	-1811		-1707	
F-test	0.00		0.00	
R ²	0.59		0.64	
Observations	1018		1018	

Table A2 below is the equivalent of Table A5 in the paper.

Table A2: Zero-inflated negative binomial estimations for the number of new domestic horizontal MS acquisitions after dropping subsets of countries

Excluded countries:	LP in 2004	3 largest	EU	Non-OECD
LP-1	0.10 (0.15)	0.06 (0.14)	0.23 (0.19)	0.17 (0.18)
LP	0.26* (0.16)	0.28* (0.14)	0.55*** (0.18)	0.39* (0.24)
LP+1	0.19 (0.19)	-0.00 (0.15)	0.38 (0.25)	-0.03 (0.31)
After LP+1	0.03 (0.21)	-0.04 (0.18)	0.25 (0.28)	-0.11 (0.36)
GDP	0.23 (0.15)	0.30*** (0.10)	0.20 (0.16)	0.42*** (0.14)
GDP Growth	-0.74 (1.50)	-0.42 (1.29)	-2.70 (1.74)	3.84* (2.04)
Unemployment	-0.02 (0.03)	-0.02 (0.02)	-0.03 (0.03)	0.01 (0.05)
Inflation	-0.01* (0.00)	-0.01** (0.00)	-0.01 (0.00)	0.02 (0.02)
PPPEX	0.00* (0.00)	0.00*** (0.00)	0.00** (0.00)	0.00 (0.01)
Exports	0.01 (0.01)	0.00 (0.01)	0.02* (0.01)	0.01 (0.01)
Imports	-0.01 (0.01)	-0.01 (0.01)	-0.01 (0.01)	-0.01 (0.01)
Credit Market	0.00 (0.00)	0.01* (0.00)	0.00 (0.00)	-0.00 (0.00)
Interest rate	-0.02*** (0.01)	-0.02*** (0.00)	-0.02*** (0.01)	0.03 (0.03)
Stock Market	0.00** (0.00)	0.00*** (0.00)	0.00 (0.00)	0.00 (0.00)
Trade	-0.00 (0.00)	-0.00* (0.00)	-0.00 (0.00)	-0.01 (0.01)
Inflation equation				
Years 1995 - 2000	-2.41** (1.22)	-4.20 (6.33)	-1.35*** (0.45)	-1.08*** (0.36)
Year>2000	-2.79 (5.53)	-5.62 (8.25)	-3.15** (1.27)	-2.15*** (0.75)
GDP	-0.92* (0.50)	-0.93** (0.46)	-0.59 (0.80)	-0.27 (0.24)
Stock Market	-0.03** (0.01)	-0.03*** (0.01)	-0.01** (0.01)	-0.02 (0.02)
LP-1	2.59 (4.35)	4.93 (7.78)	2.79 (1.74)	1.62** (0.72)
LP	2.48 (5.67)	4.99 (8.20)	2.45* (1.41)	2.30*** (0.40)
LP+1	-11.98** (5.74)	-8.97 (8.36)	-1.47 (1.99)	-2.21* (1.20)
After LP+1	2.42 (5.13)	4.96 (7.97)	2.59 (2.22)	2.01* (1.09)
Year FE	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes
Log-Likelihood	-1987	-1932	-1521	-1404
F-test	0.00	0.00	0.00	0.00
R ²	0.65	0.65	0.66	0.64
Observations	875	958	645	560

Table A3 below is the equivalent of Table A6 in the paper.

Table A3: Zero-inflated negative binomial estimations of the number of new domestic horizontal MS acquisitions - controlling for reforms of competition and merger law

	(1)	(2)	(3)	(4)
LP-1	0.07 (0.14)	0.10 (0.14)	0.12 (0.13)	0.08 (0.18)
LP	0.32* (0.17)	0.27* (0.14)	0.32** (0.16)	0.31* (0.18)
LP+1	0.14 (0.19)	0.07 (0.17)	0.14 (0.19)	0.21 (0.19)
After LP+1	0.07 (0.23)	-0.02 (0.19)	0.05 (0.21)	0.12 (0.17)
First competition law	-0.16 (0.24)		-0.27 (0.25)	
Competition law reform 1	-0.02 (0.22)		-0.08 (0.21)	
Competition law reform 2	-0.23 (0.44)		0.27 (0.18)	
Merger law reform		0.26 (0.24)	0.22 (0.23)	
GDP	0.24* (0.14)	0.18 (0.14)	0.17 (0.16)	0.36*** (0.08)
GDP Growth	-0.89 (1.36)	-0.00 (1.32)	0.05 (1.23)	-1.17 (1.06)
Unemployment	-0.02 (0.02)	-0.02 (0.03)	-0.01 (0.03)	-0.05** (0.02)
Inflation	-0.01* (0.00)	-0.01 (0.01)	-0.01 (0.01)	-0.01 (0.01)
PPPEX	0.00* (0.00)	0.00 (0.00)	0.00** (0.00)	0.00*** (0.00)
Exports	0.01 (0.01)	0.01 (0.01)	0.01 (0.01)	0.00 (0.00)
Imports	-0.01* (0.00)	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.01)
Credit Market	0.00 (0.00)	0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)
Interest rate	-0.02*** (0.01)	-0.01 (0.01)	-0.01 (0.01)	-0.01 (0.01)
Stock Market	0.00** (0.00)	0.00* (0.00)	0.00 (0.00)	0.00** (0.00)
Trade	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)
Inflation equation				
Years 1995 - 2000	-2.58*** (0.86)	-2.66*** (0.86)	-2.71*** (0.89)	-3.00 (5.89)
Year>2000	-4.20 (2.60)	-18.63*** (1.12)	-18.68*** (1.13)	-3.31 (21.67)
GDP	-0.98* (0.51)	-0.75* (0.45)	-0.77* (0.45)	-1.91 (1.56)
Stock Market	-0.03** (0.01)	-0.03** (0.01)	-0.03** (0.01)	-0.03** (0.01)
LP-1	3.21 (2.41)	3.78*** (1.14)	3.83*** (1.15)	-10.84 (21.14)
LP	3.55 (2.46)	5.00*** (1.07)	5.05*** (1.09)	-10.51 (21.70)
LP+1	-10.85*** (2.70)	-10.98*** (2.36)	-10.89*** (2.39)	3.41 (21.03)
After LP+1	3.62* (2.15)	-8.92*** (2.19)	-8.87*** (2.23)	1.85 (17.92)
Year FE	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes
Log-Likelihood	-2177	-1932	-1920	-1323
F-test	0.01	0.02	0.01	0.00
R ²	0.66	0.66	0.66	0.69
Observations	939	769	760	574

Table A4 below is the equivalent of Table A7 in the paper. It follows a technical description of the Lewbel (2012) IV approach after that.

Table A4: Lewbel (2012) IV estimation of the log-number of new domestic horizontal MS acquisitions

	(1)	(2)	(3)	(4)	(5)
LP-3 to LP-1		0.06 (0.08)			
LP	0.11 (0.10)	0.19** (0.08)			
LP+1 to LP+3		0.08 (0.09)			
After LP	-0.14 (0.17)				
LP×Effective Enforcement			0.19** (0.08)		
LP×Ineffective Enforcement			0.12 (0.07)		
LP×Low Corruption				0.29*** (0.10)	
LP×High Corruption				0.19** (0.08)	
LP×Criminal sanctions					0.44*** (0.10)
LP×No criminal sanctions					0.01 (0.08)
GDP	0.67*** (0.18)	0.70*** (0.17)	0.57*** (0.18)	0.56*** (0.17)	0.63*** (0.18)
GDP Growth	-0.37 (0.97)	0.14 (0.91)	0.11 (1.01)	0.42 (0.97)	0.18 (0.97)
Unemployment	-0.00 (0.01)	-0.00 (0.01)	-0.00 (0.01)	0.01 (0.01)	-0.00 (0.01)
Inflation	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
PPPEX	0.00* (0.00)	0.00*** (0.00)	-0.00 (0.00)	0.00** (0.00)	0.00** (0.00)
Exports	0.01* (0.00)	0.01** (0.00)	0.01 (0.00)	0.01 (0.00)	0.01** (0.00)
Imports	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)	-0.01* (0.00)
Credit Market	0.00 (0.00)	0.00 (0.00)	-0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Interest Rate	-0.01*** (0.00)	-0.01*** (0.00)	-0.01** (0.00)	-0.01*** (0.00)	-0.01*** (0.00)
Stock Market	0.00*** (0.00)	0.00*** (0.00)	0.00*** (0.00)	0.00*** (0.00)	0.00*** (0.00)
Trade	-0.00* (0.00)	-0.00 (0.00)	-0.00*** (0.00)	-0.00** (0.00)	-0.00* (0.00)
Country FE	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes
Kleibergen-Paap <i>F</i> stat.	3.37	11.05	70.88	66.74	56.10
Hansen <i>J</i> stat. (p-val.)	0.41	0.63	0.12	0.25	0.51
Durbin-Wu-Hausman test for endogeneity (p-val.)	0.93	0.91	0.60	0.92	0.95
First-stage Wald test for group heteroskedasticity (p-val.)	0.00	0.00	0.00	0.00	0.00
First-stage Koenker score test for heteroskedasticity (p-val.)	0.00	0.00	0.00	0.00	0.00
Observations	739	739	731	739	739

The Lewbel (2012) Instrumental Variable Approach

Consider the linear relationship $Y = X\beta + Z\gamma + \varepsilon_1$, where Z is the potentially endogenous variable (the LP dummy in our case) and γ is the parameter we wish to estimate. The equation that determines Z is $Z = X\alpha + \varepsilon_2$, where ε_1 and ε_2 may be correlated and no element of X can be used as an instrument i.e. there is no outside instrument available. As usual, the requirement is that $E(X\varepsilon_1) = 0$, $E(X_i\varepsilon_2) = 0$, and that $E(XX')$ is nonsingular. The additional assumptions for the identification in the absence of an outside instrument are that $Cov(X, \varepsilon_1\varepsilon_2) = 0$ and that there is some heteroscedasticity in the error of the first-stage, $Cov(X, \varepsilon_2^2) \neq 0$. If these assumptions hold the variation in ε_2 can be used to identify the model parameters. γ (and β) can then be estimated consistently by using interactions of the mean-centered control variables and the residuals $((X - \bar{X}) \hat{\varepsilon}_2)$ to instrument for Z .

The estimation procedure is then as follows:

1. Estimate $\hat{\alpha}$ by OLS of Z on X to obtain $\hat{\varepsilon}_2 = Z - X\hat{\alpha}$.
2. Use the interactions of the residuals $\hat{\varepsilon}_2$ and the mean-centered covariates $(X - \bar{X})$ as instruments for Z and estimate $Z = X\alpha + \gamma(X - \bar{X}) \hat{\varepsilon}_2 + \varepsilon_3$.
3. Obtain $\hat{\beta}$ and $\hat{\gamma}$ by estimating $Y = X\beta + \hat{Z}\gamma + \varepsilon_4$.

Extra Tables

Tables E1-E9 show results from additional estimations which were not reported in the main body of the paper.

Tables E1 and E2 present results from ZINB estimations that are equivalent of the results reported in Tables 2 and 3 in the paper, except that here we also include increases in MS while in the paper we only took into account new MS acquisitions.

Table E1: Zero-inflated negative binomial estimations of the number of all domestic horizontal MS (including share increases)

	(1)	(2)	(3)	(4)	(5)	(6)
LP-3					-0.01 (0.17)	0.04 (0.12)
LP-2					-0.07 (0.18)	0.02 (0.11)
LP-1			0.09 (0.13)	0.08 (0.13)	0.05 (0.17)	0.13 (0.11)
LP	0.21* (0.13)	0.27* (0.14)	0.30* (0.16)	0.28* (0.15)	0.25 (0.19)	0.32** (0.13)
LP+1	0.07 (0.15)	0.07 (0.16)	0.10 (0.18)	0.07 (0.18)	0.03 (0.24)	0.12 (0.13)
LP+2				0.09 (0.22)	0.05 (0.29)	0.16 (0.15)
LP+3				-0.04 (0.23)	-0.08 (0.29)	0.04 (0.14)
After LP+1	-0.06 (0.18)	-0.04 (0.19)	-0.02 (0.21)			
After LP+3				-0.13 (0.21)	-0.19 (0.28)	
GDP	0.16* (0.09)	0.25** (0.12)	0.25** (0.12)	0.24** (0.12)	0.24* (0.12)	0.25** (0.12)
GDP Growth	1.70 (1.32)	-0.37 (1.45)	-0.44 (1.46)	-0.38 (1.44)	-0.37 (1.43)	-0.07 (1.46)
Unemployment	-0.01 (0.02)	-0.02 (0.02)	-0.02 (0.02)	-0.02 (0.02)	-0.02 (0.02)	-0.02 (0.02)
Inflation	-0.00*** (0.00)	-0.01* (0.00)	-0.01* (0.00)	-0.01* (0.00)	-0.01* (0.00)	-0.01* (0.00)
PPPEX	0.00** (0.00)	0.00** (0.00)	0.00** (0.00)	0.00** (0.00)	0.00** (0.00)	0.00** (0.00)
Exports	0.01 (0.01)	0.01 (0.01)	0.01 (0.01)	0.01 (0.01)	0.01 (0.01)	0.01 (0.01)
Imports	-0.01* (0.00)	-0.01* (0.00)	-0.01** (0.01)	-0.01* (0.00)	-0.01* (0.00)	-0.01* (0.00)
Credit Market		0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Interest rate		-0.02*** (0.01)	-0.02*** (0.01)	-0.02*** (0.01)	-0.02*** (0.01)	-0.02*** (0.00)
Stock Market		0.00* (0.00)	0.00* (0.00)	0.00* (0.00)	0.00* (0.00)	0.00* (0.00)
Trade		-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)
Inflation equation						
Years 1995 - 2000	-1.39** (0.56)	-2.09*** (0.66)	-3.09** (1.30)	-3.06** (1.34)	-3.84*** (1.34)	-2.41*** (0.65)
Year>2000	-2.08 (4.33)	-1.97 (2.41)	-4.27 (3.72)	-4.18 (3.90)	-4.48 (2.87)	-1.59 (1.37)

GDP	-1.14*	-0.99*	-1.03**	-1.03**	-1.08***	-1.10
	(0.64)	(0.52)	(0.41)	(0.43)	(0.37)	(0.68)
Stock Market		-0.02	-0.03**	-0.03**	-0.02**	-0.02
		(0.02)	(0.01)	(0.01)	(0.01)	(0.02)
LP-3					-9.60	-13.82***
					(7.14)	(2.57)
LP-2					4.40***	2.25*
					(1.23)	(1.36)
LP-1			3.87	3.82	4.36*	1.78
			(3.10)	(3.23)	(2.56)	(1.67)
LP	1.40	1.42	3.65	3.57	3.97	0.94
	(4.24)	(2.73)	(3.59)	(3.78)	(3.03)	(1.98)
LP+1	-10.87***	-12.18***	-10.01***	-10.10**	-9.34**	-12.62***
	(4.17)	(3.87)	(3.79)	(4.00)	(3.78)	(2.39)
LP+2				3.81	4.28*	1.46
				(3.05)	(2.58)	(1.10)
LP+3				3.46	3.91	0.84
				(3.92)	(3.10)	(1.86)
After LP+1	1.28	1.47	3.69			
	(3.31)	(2.43)	(3.25)			
After LP+3				3.53	3.93	
				(3.54)	(2.85)	
Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes	Yes
Log-Likelihood	-3044	-2383	-2379	-2378	-2373	-2376
F-test	0.00	0.02	0.01	0.01	0.00	0.00
R ²	0.68	0.67	0.67	0.67	0.67	0.67
Observations	1368	1018	1018	1018	1018	1018

Table E2: Zero-inflated negative binomial estimations of the aggregate deal value of all domestic horizontal MS (including share increases)

	(1)	(2)	(3)	(4)	(5)	(6)
LP-3					0.13 (0.36)	0.02 (0.39)
LP-2					0.22 (0.35)	0.05 (0.36)
LP-1			0.32 (0.51)	0.31 (0.50)	0.37 (0.51)	0.19 (0.48)
LP	0.32 (0.29)	0.57* (0.31)	0.68* (0.36)	0.67* (0.37)	0.74** (0.35)	0.52* (0.28)
LP+1	0.18 (0.33)	0.49 (0.31)	0.57* (0.34)	0.58 (0.35)	0.65* (0.34)	0.40* (0.23)
LP+2				0.61 (0.42)	0.69 (0.42)	0.40 (0.26)
LP+3				0.32 (0.41)	0.39 (0.39)	0.12 (0.25)
After LP+1	0.16 (0.37)	0.35 (0.39)	0.45 (0.41)			
After LP+3				0.40 (0.50)	0.50 (0.49)	
GDP	0.91*** (0.10)	0.90*** (0.12)	0.90*** (0.12)	0.90*** (0.12)	0.90*** (0.12)	0.88*** (0.14)
GDP Growth	4.94 (3.52)	2.61 (3.22)	2.60 (3.22)	2.66 (3.35)	2.51 (3.33)	3.15 (3.17)
Unemployment	-0.03 (0.03)	-0.02 (0.04)	-0.02 (0.04)	-0.02 (0.04)	-0.02 (0.04)	-0.02 (0.04)
Inflation	-0.00*** (0.00)	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)
PPPEX	0.00*** (0.00)	0.00* (0.00)	0.00* (0.00)	0.00 (0.00)	0.00* (0.00)	0.00 (0.00)
Exports	0.01 (0.02)	0.00 (0.01)	0.00 (0.01)	0.01 (0.01)	0.00 (0.01)	0.00 (0.01)
Imports	-0.03* (0.02)	-0.03* (0.02)	-0.03* (0.02)	-0.03* (0.02)	-0.03* (0.02)	-0.02 (0.02)
Credit Market		-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.01)
Interest rate		-0.00 (0.01)	-0.00 (0.01)	-0.00 (0.01)	-0.00 (0.01)	-0.00 (0.01)
Stock Market		0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Trade		-0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	-0.00 (0.00)
Inflation equation						
Years 1995 - 2000	-0.58*** (0.20)	-0.57** (0.26)	-0.57** (0.26)	-0.58** (0.26)	-0.61** (0.25)	-0.56** (0.25)
Year>2000	-0.85*** (0.28)	-0.57* (0.34)	-0.56 (0.35)	-0.56 (0.35)	-0.67* (0.38)	-0.35 (0.36)
GDP	-0.89*** (0.13)	-0.79*** (0.14)	-0.79*** (0.14)	-0.79*** (0.14)	-0.79*** (0.14)	-0.76*** (0.14)
Stock Market		-0.02*** (0.00)	-0.02*** (0.00)	-0.02*** (0.00)	-0.02*** (0.00)	-0.02*** (0.00)
LP-3					0.15 (0.50)	-0.08 (0.46)
LP-2					0.78 (0.59)	0.52 (0.54)
LP-1			-0.17 (0.58)	-0.17 (0.58)	-0.07 (0.62)	-0.32 (0.56)
LP	-0.09 (0.48)	-0.29 (0.65)	-0.29 (0.67)	-0.30 (0.67)	-0.19 (0.68)	-0.46 (0.67)
LP+1	0.23 (0.37)	0.58 (0.40)	0.57 (0.42)	0.57 (0.42)	0.69 (0.46)	0.37 (0.38)

LP+2				1.08**	1.20**	0.86*
				(0.49)	(0.53)	(0.45)
LP+3				1.19***	1.31***	0.97**
				(0.43)	(0.47)	(0.38)
After LP+1	0.66**	0.89**	0.88**			
	(0.33)	(0.35)	(0.36)			
After LP+3				0.73*	0.85*	
				(0.40)	(0.44)	
Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes	Yes
Log-Likelihood	-5196	-4063	-4063	-4062	-4061	-4064
F-test	0.00	0.00	0.00	0.00	0.00	0.00
R ²	0.34	0.36	0.36	0.36	0.36	0.36
Observations	1368	1018	1018	1018	1018	1018

Table E3 below is the equivalent of Table 7 in the paper, but estimated only for the subset of developed countries. A country is defined as a developed country if its Human Development Index (HDI) lies below the median of all countries included in our dataset. The HDI is a measure for a country's development status by the United Nations.

Table E3: Zero-inflated negative binomial estimations of the number of new domestic horizontal MS acquisitions - LP effectiveness; only developed countries considered

	(1)		(2)		(3)	
LP × Effective Enforcement	0.37**	(0.18)				
After LP × Effective Enforcement	-0.01	(0.26)				
LP × Ineffective Enforcement	-0.20	(0.61)				
After LP × Ineffective Enforcement	-0.71*	(0.37)				
LP × Criminal Sanctions			0.68***	(0.26)		
After LP × Criminal Sanctions			0.11	(0.29)		
LP × No Criminal Sanctions			-0.18	(0.32)		
After LP × No Criminal Sanctions			-0.35	(0.35)		
LP × Low Corruption					0.33**	(0.17)
After LP × Low Corruption					-0.08	(0.27)
LP × High Corruption					-0.36	(0.29)
After LP × High Corruption					-0.22	(0.43)
GDP	0.50***	(0.11)	0.47***	(0.12)	0.46***	(0.12)
GDP Growth	0.97	(1.87)	0.87	(1.82)	1.37	(1.98)
Unemployment	-0.01	(0.04)	-0.00	(0.04)	-0.00	(0.04)
Inflation	-0.01	(0.04)	0.01	(0.03)	0.01	(0.04)
PPPEX	-0.00	(0.02)	-0.00	(0.02)	-0.01	(0.02)
Exports	0.01	(0.01)	0.01	(0.01)	0.01	(0.01)
Imports	-0.00	(0.01)	-0.01	(0.01)	-0.00	(0.01)
Credit Market	-0.00	(0.00)	-0.00	(0.00)	-0.00	(0.00)
Interest rate	0.02	(0.03)	0.02	(0.03)	0.02	(0.03)
Stock Market	0.00	(0.00)	-0.00	(0.00)	0.00	(0.00)
Trade	-0.00	(0.00)	-0.00	(0.00)	-0.00	(0.00)
Inflation equation						
Years 1995 - 2000	-0.75	(0.69)	-0.81	(0.68)	-0.97	(0.65)
Year > 2000	-14.36***	(4.76)	-3.11**	(1.28)	-28.67***	(1.64)
GDP	-0.51	(0.54)	-0.53	(0.45)	-0.53	(0.58)
Stock Market	-0.04	(0.03)	-0.05	(0.03)	-0.03	(0.03)
LP × Effective Enforcement	4.34***	(1.18)				
After LP × Effective Enforcement	-10.74***	(2.25)				
LP × Ineffective Enforcement	13.75*	(7.33)				
After LP × Ineffective Enforcement	-1.57	(4.81)				
LP × Criminal Sanctions			4.81***	(1.33)		
After LP × Criminal Sanctions			-11.15***	(2.77)		
LP × No Criminal Sanctions			-12.56***	(1.24)		
After LP × No Criminal Sanctions			-11.82***	(1.34)		
LP × Low Corruption					-9.70***	(2.36)
After LP × Low Corruption					-11.09***	(2.67)
LP × High Corruption					15.94***	(0.83)
After LP × High Corruption					-13.82***	(2.30)
Year FE	Yes		Yes		Yes	
Country FE	Yes		Yes		Yes	
Log-Likelihood	-1366		-1364		-1368	
F-test	0.00		0.00		0.00	
R ²	0.63		0.63		0.63	
Observations	506		506		506	

Tables E4 and E5 are equivalents of Tables 2 and 3 in the paper, except that horizontal MS are defined as MS where acquirer and target have an overlap in at least one 3-digit SIC code industry, while in the paper horizontal MS are defined as MS with an overlap in at least one 4-digit SIC code industry.

Table E4: Zero-inflated negative binomial estimations of the number of new domestic horizontal MS – 3-digit SIC codes

	(1)	(2)	(3)	(4)	(5)	(6)
LP-3					0.04 (0.19)	0.08 (0.15)
LP-2					-0.02 (0.17)	0.04 (0.12)
LP-1			0.08 (0.14)	0.07 (0.14)	0.05 (0.17)	0.12 (0.11)
LP	0.19 (0.12)	0.30** (0.13)	0.31** (0.15)	0.29* (0.15)	0.26 (0.19)	0.33*** (0.11)
LP+1	0.04 (0.16)	0.09 (0.17)	0.10 (0.19)	0.07 (0.18)	0.05 (0.25)	0.13 (0.13)
LP+2				0.12 (0.22)	0.10 (0.28)	0.18 (0.15)
LP+3				0.00 (0.23)	-0.02 (0.29)	0.08 (0.14)
After LP+1	-0.05 (0.17)	0.02 (0.18)	0.02 (0.20)			
After LP+3				-0.08 (0.21)	-0.11 (0.28)	
GDP	0.16* (0.09)	0.24* (0.12)	0.24** (0.12)	0.23* (0.12)	0.23* (0.12)	0.22* (0.12)
GDP Growth	1.91 (1.19)	-0.39 (1.43)	-0.36 (1.43)	-0.33 (1.42)	-0.27 (1.39)	0.04 (1.41)
Unemployment	-0.02 (0.02)	-0.02 (0.02)	-0.02 (0.02)	-0.02 (0.02)	-0.02 (0.02)	-0.02 (0.02)
Inflation	-0.00*** (0.00)	-0.01* (0.00)	-0.01* (0.00)	-0.01* (0.00)	-0.01** (0.00)	-0.01* (0.00)
PPPEX	0.00*** (0.00)	0.00** (0.00)	0.00** (0.00)	0.00** (0.00)	0.00** (0.00)	0.00** (0.00)
Exports	0.01 (0.01)	0.01 (0.01)	0.01 (0.01)	0.01 (0.01)	0.01 (0.01)	0.01 (0.01)
Imports	-0.01 (0.00)	-0.01* (0.00)	-0.01* (0.00)	-0.01* (0.00)	-0.01* (0.00)	-0.01* (0.00)
Credit Market		0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Interest rate		-0.02*** (0.01)	-0.02*** (0.01)	-0.02*** (0.01)	-0.02*** (0.01)	-0.02*** (0.01)
Stock Market		0.00** (0.00)	0.00** (0.00)	0.00** (0.00)	0.00** (0.00)	0.00** (0.00)
Trade		-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)
Inflation equation						
Years 1995 - 2000	-1.95*** (0.64)	-2.85 (2.01)	-3.16*** (1.07)	-3.13*** (1.06)	-3.88*** (1.27)	-3.59*** (1.29)
Year>2000	-17.23*** (2.19)	-5.56 (3.42)	-4.50* (2.53)	-4.47* (2.69)	-4.77*** (1.38)	-4.12** (2.09)
GDP	-0.77** (0.39)	-1.04 (0.66)	-0.93** (0.44)	-0.91** (0.45)	-1.11*** (0.41)	-1.03** (0.46)
Stock Market		-0.03** (0.01)	-0.03** (0.01)	-0.03** (0.01)	-0.03*** (0.01)	-0.02** (0.01)
LP-3					2.20*	1.42

					(1.32)	(2.32)
LP-2					5.29***	4.82***
					(1.05)	(1.33)
LP-1			3.80*	3.81*	4.26***	3.70*
			(2.11)	(2.17)	(1.43)	(1.96)
LP	3.80***	4.87*	4.08*	4.07*	4.45***	3.74*
	(0.84)	(2.96)	(2.17)	(2.31)	(1.37)	(2.18)
LP+1	-12.02***	-8.90***	-9.06***	-9.04***	-9.47***	-9.70***
	(1.92)	(3.06)	(2.20)	(2.40)	(1.84)	(2.04)
LP+2				4.00**	4.57***	3.79*
				(1.86)	(1.53)	(2.19)
LP+3				3.67	4.23**	3.12
				(2.85)	(1.81)	(2.68)
After LP+1	-10.39***	4.98	4.13**			
	(1.99)	(3.15)	(2.00)			
After LP+3				4.15*	4.54***	
				(2.31)	(1.32)	
Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes	Yes
Log-Likelihood	-2941	-2307	-2305	-2304	-2297	2301
F-test	0.00	0.01	0.00	0.00	0.00	0.00
R ²	0.68	0.67	0.66	0.66	0.66	0.66
Observations	1368	1018	1018	1018	1018	1018

Table E5: Zero-inflated negative binomial estimations of the aggregate deal value of new domestic horizontal MS – 3-digit SIC codes

	(1)	(2)	(3)	(4)	(5)	(6)
LP-3					0.21	0.08
					(0.38)	(0.42)
LP-2					0.37	0.16
					(0.36)	(0.34)
LP-1			-0.10	-0.11	0.02	-0.22
			(0.38)	(0.38)	(0.42)	(0.37)
LP	0.77**	1.00***	0.97**	0.96**	1.08***	0.79***
	(0.36)	(0.38)	(0.40)	(0.41)	(0.40)	(0.28)
LP+1	0.45	0.71**	0.68**	0.68**	0.83**	0.52**
	(0.33)	(0.28)	(0.31)	(0.33)	(0.33)	(0.22)
LP+2				0.64	0.80*	0.42
				(0.43)	(0.48)	(0.29)
LP+3				0.43	0.58	0.26
				(0.45)	(0.48)	(0.40)
After LP+1	0.38	0.52	0.49			
	(0.36)	(0.38)	(0.41)			
After LP+3				0.43	0.60	
				(0.48)	(0.48)	
GDP	0.86***	0.85***	0.84***	0.84***	0.85***	0.81***
	(0.11)	(0.13)	(0.13)	(0.13)	(0.13)	(0.15)
GDP Growth	2.33	-0.76	-0.69	-0.54	-0.75	0.35
	(4.23)	(4.17)	(4.16)	(4.23)	(4.33)	(3.95)
Unemployment	-0.02	-0.01	-0.01	-0.01	-0.01	-0.01
	(0.03)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)
Inflation	-0.00***	-0.00	-0.00	-0.00	-0.00	-0.00
	(0.00)	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)
PPPEX	0.00*	0.00	0.00	0.00	0.00*	0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Exports	0.02	0.01	0.01	0.01	0.01	0.01
	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Imports	-0.02	-0.02	-0.02	-0.02	-0.02	-0.01
	(0.02)	(0.02)	(0.01)	(0.02)	(0.02)	(0.01)
Credit Market		-0.00	-0.00	-0.00	0.00	0.00

		(0.00)	(0.01)	(0.01)	(0.01)	(0.01)
Interest rate		-0.00	-0.00	-0.00	-0.00	0.00
		(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Stock Market		0.00	0.00	0.00	0.00	0.00
		(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Trade		-0.00	-0.00	-0.00	0.00	-0.00
		(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
<hr/>						
Inflation equation						
Years 1995 - 2000	-0.58**	-0.55**	-0.53**	-0.54**	-0.60**	-0.53**
	(0.20)	(0.24)	(0.24)	(0.24)	(0.24)	(0.23)
Year>2000	-1.05**	-0.64*	-0.60*	-0.59*	-0.76*	-0.32
	(0.31)	(0.34)	(0.36)	(0.36)	(0.39)	(0.34)
GDP	-0.93**	-0.77**	-0.77**	-0.77**	-0.78**	-0.74**
	(0.13)	(0.13)	(0.13)	(0.13)	(0.13)	(0.13)
Stock Market		-0.02**	-0.02**	-0.02**	-0.02**	-0.02**
		(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
LP-3					0.14	-0.17
					(0.52)	(0.48)
LP-2					1.15**	0.80
					(0.55)	(0.52)
LP-1			-0.42	-0.42	-0.27	-0.61
			(0.79)	(0.78)	(0.82)	(0.74)
LP	0.24	0.04	0.00	-0.00	0.15	-0.25
	(0.47)	(0.58)	(0.61)	(0.61)	(0.64)	(0.62)
LP+1	0.63	0.85*	0.81*	0.81*	0.98**	0.55
	(0.43)	(0.44)	(0.45)	(0.45)	(0.48)	(0.38)
LP+2				1.53**	1.71**	1.24**
				(0.51)	(0.53)	(0.48)
LP+3				1.27**	1.45**	1.00**
				(0.46)	(0.51)	(0.39)
After LP+1	0.96**	1.15**	1.11**			
	(0.39)	(0.39)	(0.40)			
After LP+3				0.94**	1.12**	
				(0.44)	(0.48)	
Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes	Yes
Log-Likelihood	-4948	-3851	-3851	-3850	-3847	-3852
F-test	0.00	0.00	0.00	0.00	0.00	0.00
R ²	0.33	0.36	0.36	0.36	0.36	0.36
Observations	1368	1018	1018	1018	1018	1018

Table E6 is the equivalent of Table 4 in the paper, but with the aggregate value as the dependent variable.

Table E6: Zero-inflated negative binomial estimations of the aggregate value of non-horizontal and cross-border MS acquisitions

	(1) DNH	(2) CBH LP in target country	(3) CBH LP in acquirer country	(4) CBNH LP in target country	(5) CBNH LP in acquirer country
LP-1	-0.17 (0.31)	-0.53 (0.42)	-0.38 (0.25)	0.08 (0.42)	-0.00 (0.56)
LP	0.53 (0.55)	0.77 (0.50)	-0.44 (0.38)	-0.56 (0.38)	-0.49 (0.40)
LP+1	0.35 (0.45)	-0.21 (0.35)	0.07 (0.36)	-0.13 (0.43)	-0.36 (0.59)
After LP	0.02 (0.41)	-0.18 (0.39)	0.09 (0.32)	-0.16 (0.36)	-0.41 (0.39)
GDP	0.76*** (0.15)	1.10*** (0.12)	0.55*** (0.13)	0.66*** (0.11)	0.41** (0.19)
GDP Growth	-1.45 (3.59)	-0.96 (2.26)	-0.77 (4.83)	6.09* (3.53)	3.11 (4.22)
Unemployment	-0.00 (0.04)	0.00 (0.04)	0.06 (0.04)	0.03 (0.04)	0.01 (0.05)
Inflation	-0.02** (0.01)	-0.00*** (0.00)	-0.01 (0.03)	-0.00* (0.00)	-0.02 (0.04)
PPPEX	0.00 (0.00)	0.00 (0.00)	-0.00 (0.00)	0.00 (0.00)	-0.00 (0.00)
Exports	-0.01 (0.02)	0.02** (0.01)	-0.01 (0.02)	0.00 (0.01)	-0.03 (0.02)
Imports	0.02 (0.01)	-0.02 (0.01)	-0.00 (0.02)	0.00 (0.01)	-0.01 (0.02)
Credit Market	-0.00 (0.01)	0.00 (0.00)	-0.01** (0.00)	0.00 (0.01)	0.00 (0.01)
Interest rate	0.02 (0.01)	-0.01 (0.01)	-0.00 (0.01)	0.03** (0.01)	-0.04 (0.03)
Stock Market	-0.00 (0.00)	-0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00** (0.00)
Trade	0.00 (0.00)	0.01 (0.00)	0.00 (0.00)	0.00 (0.00)	-0.01 (0.01)
Inflation equation					
Years 1995 - 2000	-0.63** (0.30)	-0.93*** (0.36)	-0.40 (0.29)	-0.41 (0.31)	-0.16 (0.33)
Year>2000	-0.21 (0.45)	0.41 (0.41)	0.37 (0.31)	0.26 (0.34)	0.17 (0.41)
GDP	-0.64*** (0.15)	-0.94*** (0.10)	-1.07*** (0.16)	-0.76*** (0.10)	-0.78*** (0.18)
Stock Market	-0.02*** (0.01)	-0.01** (0.00)	-0.03*** (0.01)	-0.01** (0.00)	-0.03*** (0.01)
LP-1	-0.18 (0.59)	-0.11 (0.89)	-0.25 (0.64)	-0.10 (0.51)	-0.80 (1.59)
LP	0.50 (0.65)	0.22 (0.55)	-0.76 (0.72)	-0.16 (0.65)	0.95 (0.69)
LP+1	-0.09 (0.86)	0.18 (0.49)	0.81 (0.58)	0.01 (0.65)	0.60 (0.80)
After LP	0.28 (0.44)	0.64* (0.36)	0.46 (0.35)	-0.02 (0.37)	0.94* (0.49)
Year FE	Yes	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes
Log-Likelihood	-4027	-4637	-3823	-3860	-3108
F-test	0.00	0.00	0.00	0.00	0.00

R ²	0.35	0.27	0.44	0.28	0.44
Observations	1018	1018	1018	1018	1018

Table E7 is the equivalent of Column (1) of Table 5 in the paper, but the effectiveness of antimonopoly policy is divided into terciles. The results suggest that the effect of an LP on new domestic horizontal MS acquisitions is present only when antimonopoly policy is very effective.

Table E7: Zero-inflated negative binomial estimations of the number of new domestic horizontal MS acquisitions - LP effectiveness for different terciles of the AMPI

	(1)	
LP×Very Effective Enforcement	0.369**	(0.152)
After LP×Very Effective Enforcement	0.0393	(0.184)
LP×Average Effective Enforcement	0.530	(0.358)
After LP×Average Effective Enforcement	0.0677	(0.356)
LP×Ineffective Enforcement	-0.0506	(0.181)
After LP×Ineffective Enforcement	0.0162	(0.365)
GDP	0.239**	(0.114)
GDP Growth	-0.883	(1.376)
Unemployment	-0.0196	(0.0244)
Inflation	-0.00635*	(0.00336)
PPPEX	0.000211	(0.000160)
Exports	0.00804	(0.00641)
Imports	-0.00708	(0.00461)
Credit Market	0.000494	(0.00412)
Interest rate	-0.0163***	(0.00554)
Stock Market	0.00225**	(0.000899)
Trade	-0.00445	(0.00300)
Inflation equation		
GDP	-0.866	(0.552)
Stock Market	-0.0293*	(0.0165)
LP×Very Effective Enforcement	-10.13***	(3.890)
After LP×Very Effective Enforcement	-9.265**	(4.494)
LP×Average Effective Enforcement	4.787	(3.573)
After LP×Average Effective Enforcement	3.428	(3.354)
LP×Ineffective Enforcement	1.513	(5.970)
After LPLP×Ineffective Enforcement	3.386	(4.674)
Observations	1008	

Table E8 below is the equivalent of Table A7 in the paper, but estimated as OLS instead of Lewbel IV.

Table E8: OLS estimation of the log-number of new domestic horizontal MS acquisitions

	(1)	(2)	(3)	(4)	(5)
LP-3 to LP-1		0.06 (0.08)			
LP	0.11 (0.10)	0.19** (0.08)			
LP+1 to LP+3		0.08 (0.09)			
After LP	-0.14 (0.17)				
LP×Effective Enforcement			0.19** (0.08)		
LP×Ineffective Enforcement			0.12 (0.07)		
LP×Low Corruption				0.29*** (0.10)	
LP×High Corruption				0.19** (0.08)	
LP×Criminal sanctions					0.44*** (0.10)
LP×No criminal sanctions					0.01 (0.08)
GDP	0.67*** (0.18)	0.70*** (0.17)	0.57*** (0.18)	0.56*** (0.17)	0.63*** (0.18)
GDP Growth	-0.37 (0.97)	0.14 (0.91)	0.11 (1.01)	0.42 (0.97)	0.18 (0.97)
Unemployment	-0.00 (0.01)	-0.00 (0.01)	-0.00 (0.01)	0.01 (0.01)	-0.00 (0.01)
Inflation	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
PPPEX	0.00* (0.00)	0.00*** (0.00)	-0.00 (0.00)	0.00** (0.00)	0.00** (0.00)
Exports	0.01* (0.00)	0.01** (0.00)	0.01 (0.00)	0.01 (0.00)	0.01** (0.00)
Imports	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)	-0.01* (0.00)
Credit Market	0.00 (0.00)	0.00 (0.00)	-0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Interest Rate	-0.01*** (0.00)	-0.01*** (0.00)	-0.01** (0.00)	-0.01*** (0.00)	-0.01*** (0.00)
Stock Market	0.00*** (0.00)	0.00*** (0.00)	0.00*** (0.00)	0.00*** (0.00)	0.00*** (0.00)
Trade	-0.00* (0.00)	-0.00 (0.00)	-0.00*** (0.00)	-0.00** (0.00)	-0.00* (0.00)
Country FE	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes
Macroeconomic covariates	Yes	Yes	Yes	Yes	Yes
Financial covariates	Yes	Yes	Yes	Yes	Yes
Observations	739	739	731	739	739

Table E9 below is the equivalent of Table A7 in the paper, but estimated as ZINB instead of Lewbel IV.

Table E9: ZINB estimation of the number of new domestic horizontal MS acquisitions

	(1)	(2)	(3)	(4)	(5)
LP-3 to LP-1		0.02 (0.10)			
LP	0.33*** (0.12)	0.33*** (0.12)			
LP+1 to LP+3		0.11 (0.12)			
After LP	0.07 (0.16)				
LP×Effective Enforcement			0.40*** (0.13)		
LP×Ineffective Enforcement			-0.01 (0.18)		
LP×Low Corruption				0.42*** (0.14)	
LP×High Corruption				0.02 (0.24)	
GDP	0.24** (0.12)	0.23** (0.11)	0.22** (0.11)	0.23** (0.12)	0.24** (0.12)
GDP Growth	-0.63 (1.40)	-0.41 (1.38)	-0.70 (1.40)	-0.43 (1.35)	-0.52 (1.35)
Unemployment	-0.02 (0.02)	-0.02 (0.02)	-0.02 (0.02)	-0.02 (0.03)	-0.02 (0.02)
linfl	-0.01* (0.00)	-0.01* (0.00)	-0.01 (0.00)	-0.01* (0.00)	-0.01* (0.00)
PPPEX	0.00** (0.00)	0.00** (0.00)	0.00 (0.00)	0.00** (0.00)	0.00** (0.00)
Exports	0.01 (0.01)	0.01 (0.01)	0.01 (0.01)	0.01 (0.01)	0.01 (0.01)
Imports	-0.01* (0.00)	-0.01* (0.00)	-0.01 (0.00)	-0.01* (0.00)	-0.01* (0.00)
Credit Market	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Interest Rate	-0.02*** (0.01)	-0.02*** (0.01)	-0.02*** (0.00)	-0.02*** (0.00)	-0.02*** (0.00)
Stock Market	0.00** (0.00)	0.00** (0.00)	0.00** (0.00)	0.00** (0.00)	0.00** (0.00)
Trade	-0.00 (0.00)	-0.00 (0.00)	-0.00* (0.00)	-0.00 (0.00)	-0.00 (0.00)
Inflation Equation					
Years 1995 - 2000	-3.05 (2.24)	-3.66** (1.63)	-2.44* (1.29)	-2.14 (1.45)	-2.10** (0.92)
Years>2000	-5.73 (3.72)	-7.00* (3.64)	-12.75 (76.47)	-1.39 (1.27)	-1.36 (1.18)
GDP	-1.05 (0.68)	-1.01* (0.56)	-0.79 (0.62)	-0.88 (0.73)	-0.83 (0.61)
Stock Market	-0.03** (0.01)	-0.03*** (0.01)	-0.02** (0.01)	-0.03** (0.01)	-0.03** (0.01)
LP-3 to LP-1		3.39*** (0.91)			
LP	4.94 (3.23)	6.04** (2.42)			
LP+1 to LP+3		-7.45** (3.55)			
After LP	4.32 (3.50)				

LP×Effective Enforcement				5.33***	
				(1.86)	
LP×Ineffective Enforcement				-13.82***	
				(2.57)	
LP×Low Corruption				0.79	
				(1.66)	
LP×High Corruption				0.92	
				(2.39)	
LP×Criminal sanctions				2.43	
				(1.53)	
LP×No criminal sanctions				-1.09	
				(2.68)	
Country FE	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes
Macroeconomic covariates	Yes	Yes	Yes	Yes	Yes
Financial covariates	Yes	Yes	Yes	Yes	Yes
Observations	1018	1018	1008	1018	1018

Tables E10-E11 correspond to Tables 1-2 in the paper, but in addition, also include two dummies reflecting the introduction of the EU LP in 1996 and its modification in 2002. The EU LP 1996 dummy equals 1 for the EU member states after 1995 and 0 otherwise (we consider only states that were EU members in 1996). The EU LP 2002 dummy equals 1 for the EU member states after 2001 and 0 otherwise (we consider only states that were EU members in 2002). The estimations include a quadratic trend for the EU member states to control for coincidental different developments of EU countries and non-EU countries (see Figure E1 below). The results remain stable after controlling for the EU LP 1996 and the EU LP 2002 modification.

Table E10: Zero-inflated negative binomial estimations of the number of new domestic horizontal MS (including EU LP)

	(1)	(2)	(3)	(4)	(5)	(6)
LP-3					0.09 (0.21)	0.05 (0.16)
LP-2					0.05 (0.20)	0.06 (0.14)
LP-1			0.13 (0.15)	0.12 (0.14)	0.14 (0.20)	0.13 (0.15)
LP	0.26** (0.12)	0.33** (0.14)	0.36** (0.15)	0.34** (0.15)	0.36* (0.20)	0.33** (0.16)
LP+1	0.13 (0.15)	0.15 (0.16)	0.19 (0.18)	0.17 (0.18)	0.18 (0.26)	0.16 (0.15)
LP+2				0.21 (0.22)	0.23 (0.29)	0.20 (0.15)
LP+3				0.09 (0.21)	0.11 (0.29)	0.09 (0.14)
After LP+1	0.07 (0.16)	0.10 (0.18)	0.13 (0.20)			
After LP+3				0.05 (0.20)	0.06 (0.28)	
EU LP 1996	-0.29 (0.23)	-0.30 (0.24)	-0.32 (0.23)	-0.34 (0.24)	-0.32 (0.24)	-0.34 (0.24)
EU LP 2002	-0.09 (0.22)	-0.05 (0.35)	-0.04 (0.35)	-0.02 (0.35)	0.02 (0.36)	0.05 (0.37)
EU Trend	-0.03 (0.07)	-0.04 (0.08)	-0.04 (0.08)	-0.03 (0.08)	-0.04 (0.08)	-0.04 (0.08)
EU Trend ²	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)
GDP	0.08 (0.09)	0.18 (0.13)	0.18 (0.13)	0.18 (0.13)	0.17 (0.13)	0.16 (0.13)
GDP Growth	0.90 (1.25)	-0.78 (1.53)	-0.79 (1.49)	-0.76 (1.49)	-0.67 (1.49)	-0.34 (1.48)
Unemployment	-0.02 (0.02)	-0.03 (0.02)	-0.03 (0.02)	-0.03 (0.02)	-0.03 (0.02)	-0.03 (0.02)
Inflation	-0.00** (0.00)	-0.01* (0.00)	-0.01* (0.00)	-0.01* (0.00)	-0.01** (0.00)	-0.01* (0.00)
PPPEX	0.00** (0.00)	0.00 (0.00)	0.00* (0.00)	0.00* (0.00)	0.00** (0.00)	0.00 (0.00)
Exports	0.01 (0.01)	0.01* (0.01)	0.01* (0.01)	0.01* (0.01)	0.01* (0.01)	0.01* (0.01)
Imports	-0.01 (0.00)	-0.01* (0.00)	-0.01* (0.00)	-0.01* (0.00)	-0.01* (0.00)	-0.01* (0.00)
Credit Market		0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)

Interest rate	-0.02***	-0.02***	-0.02***	-0.02***	-0.02***	-0.02***
	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Stock Market	0.00*	0.00*	0.00*	0.00	0.00	0.00*
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Trade	-0.00	-0.00	-0.00	-0.00	-0.00	-0.00*
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
<hr/>						
Inflation equation						
Years 1995 - 2000	-1.77**	-1.81**	-2.74	-2.73	-3.75***	-2.69***
	(0.78)	(0.89)	(2.13)	(2.14)	(1.26)	(1.01)
Year>2000	-16.11***	-1.85	-3.56	-3.57	-4.64***	-1.75
	(1.30)	(5.27)	(5.71)	(5.92)	(1.45)	(4.84)
GDP	-0.65*	-0.70	-0.77	-0.75	-1.06**	-0.93
	(0.37)	(0.75)	(0.72)	(0.68)	(0.48)	(0.67)
Stock Market		-0.05	-0.05	-0.05	-0.04*	-0.03*
		(0.07)	(0.05)	(0.05)	(0.02)	(0.02)
LP-3					2.21	-12.98
					(1.36)	(12.50)
LP-2					5.19***	3.03
					(1.07)	(3.51)
LP-1			3.58	3.60	4.54***	2.17
			(4.05)	(4.17)	(1.66)	(4.50)
LP	3.65***	1.92	3.51	3.54	4.50***	1.50
	(0.93)	(5.31)	(4.92)	(5.16)	(1.64)	(5.52)
LP+1	-13.72***	-10.56**	-10.22**	-10.45**	-9.21***	-13.55***
	(1.94)	(5.15)	(4.08)	(4.41)	(3.34)	(4.96)
LP+2				3.45	4.58***	1.55
				(4.41)	(1.61)	(4.34)
LP+3				3.25	4.34**	1.04
				(5.30)	(1.95)	(4.41)
After LP+1	-9.16***	2.08	3.66			
	(2.06)	(5.00)	(4.63)			
After LP+3				3.75	4.72***	
				(5.05)	(1.62)	
<hr/>						
Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes	Yes
Log-Likelihood	-2833	-2226	-2223	-2223	-2216	2221
F-test	0.00	0.03	0.01	0.01	0.00	0.01
R ²	0.69	0.67	0.67	0.67	0.67	0.67
Observations	1368	1018	1018	1018	1018	1018
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Table E11: Zero-inflated negative binomial estimations of the aggregate deal value of new domestic horizontal MS (including EU LP)

	(1)	(2)	(3)	(4)	(5)	(6)
LP-3					0.41 (0.44)	0.23 (0.47)
LP-2					0.34 (0.37)	0.09 (0.36)
LP-1			-0.07 (0.40)	-0.09 (0.40)	0.07 (0.44)	-0.21 (0.40)
LP	0.83** (0.37)	0.99** (0.39)	0.97** (0.40)	0.96** (0.41)	1.11*** (0.40)	0.79*** (0.30)
LP+1	0.50 (0.33)	0.84*** (0.28)	0.82*** (0.31)	0.80** (0.33)	0.97*** (0.32)	0.62*** (0.23)
LP+2				0.79* (0.41)	0.98** (0.44)	0.54** (0.27)
LP+3				0.63 (0.47)	0.81* (0.47)	0.44 (0.42)
After LP+1	0.54 (0.36)	0.64* (0.36)	0.62 (0.39)			
After LP+3				0.47 (0.47)	0.70 (0.45)	
EU LP 1996	0.91 (0.70)	0.62 (0.85)	0.63 (0.85)	0.60 (0.86)	0.76 (0.93)	0.63 (0.92)
EU LP 2002	1.17 (0.86)	1.54** (0.66)	1.52** (0.66)	1.55** (0.66)	1.67** (0.67)	1.57** (0.66)
EU Trend	-0.20 (0.18)	-0.26* (0.15)	-0.26* (0.16)	-0.25 (0.16)	-0.31* (0.19)	-0.28 (0.18)
EU Trend ²	0.00 (0.01)	0.00 (0.01)	0.00 (0.01)	0.00 (0.01)	0.00 (0.01)	0.00 (0.01)
GDP	0.76*** (0.13)	0.72*** (0.14)	0.72*** (0.14)	0.71*** (0.14)	0.71*** (0.14)	0.66*** (0.16)
GDP Growth	2.20 (4.17)	0.63 (4.21)	0.69 (4.20)	1.03 (4.27)	0.78 (4.35)	1.83 (4.02)
Unemployment	-0.01 (0.03)	0.01 (0.04)	0.01 (0.04)	0.01 (0.04)	0.01 (0.04)	0.01 (0.04)
Inflation	-0.00** (0.00)	-0.00 (0.01)	-0.00 (0.01)	-0.00 (0.01)	-0.00 (0.01)	-0.00 (0.01)
PPPEX	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Exports	0.02 (0.02)	0.01 (0.02)	0.01 (0.02)	0.01 (0.02)	0.01 (0.02)	0.01 (0.02)
Imports	-0.03 (0.02)	-0.02 (0.02)	-0.02 (0.02)	-0.02 (0.02)	-0.02 (0.02)	-0.01 (0.02)
Credit Market		0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.01)
Interest rate		0.00 (0.02)	0.00 (0.02)	0.00 (0.02)	0.00 (0.02)	0.00 (0.02)
Stock Market		0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Trade		0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	-0.00 (0.00)
Inflation equation						
Years 1995 - 2000	-0.58*** (0.20)	-0.54** (0.24)	-0.53** (0.24)	-0.54** (0.25)	-0.58** (0.24)	-0.53** (0.24)
Year>2000	-0.96*** (0.30)	-0.54 (0.33)	-0.51 (0.34)	-0.50 (0.34)	-0.62* (0.37)	-0.30 (0.34)
GDP	-0.92*** (0.13)	-0.79*** (0.14)	-0.79*** (0.14)	-0.79*** (0.14)	-0.79*** (0.14)	-0.75*** (0.14)
Stock Market		-0.02*** (0.00)	-0.02*** (0.00)	-0.02*** (0.00)	-0.02*** (0.00)	-0.02*** (0.00)
LP-3					0.20 (0.50)	-0.03 (0.49)

LP-2					0.81 (0.56)	0.54 (0.54)
LP-1			-0.34 (0.73)	-0.35 (0.73)	-0.22 (0.76)	-0.49 (0.70)
LP	0.25 (0.46)	0.07 (0.60)	0.03 (0.62)	0.03 (0.62)	0.15 (0.63)	-0.13 (0.63)
LP+1	0.64 (0.41)	0.88** (0.40)	0.85** (0.41)	0.85** (0.41)	0.98** (0.45)	0.66* (0.38)
LP+2				1.37*** (0.50)	1.51*** (0.53)	1.16** (0.48)
LP+3				1.12** (0.45)	1.26*** (0.49)	0.93** (0.39)
After LP+1	0.84** (0.38)	0.97** (0.39)	0.94** (0.40)			
After LP+3				0.74 (0.45)	0.88* (0.48)	
Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes	Yes
Log-Likelihood	-4876	-3797	-3797	-3796	-3794	-3798
F-test	0.00	0.00	0.00	0.00	0.00	0.00
R ²	0.33	0.36	0.36	0.36	0.36	0.36
Observations	1368	1018	1018	1018	1018	1018

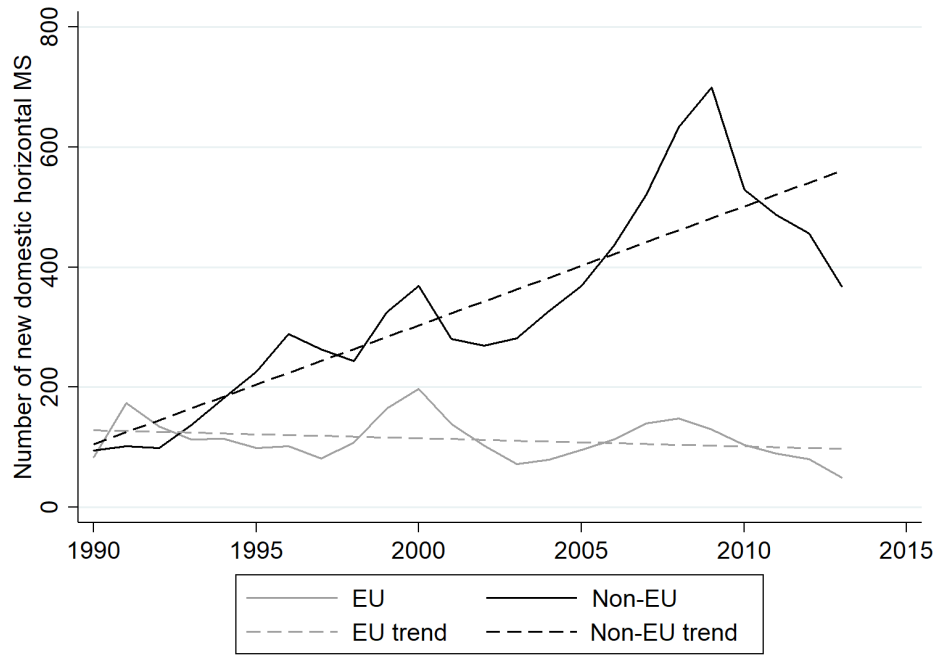


Figure E1: Development of MS acquisitions in EU and non-EU countries

Figure E2 is the equivalent of Figure 3 in the paper but with longer before and after LP periods.

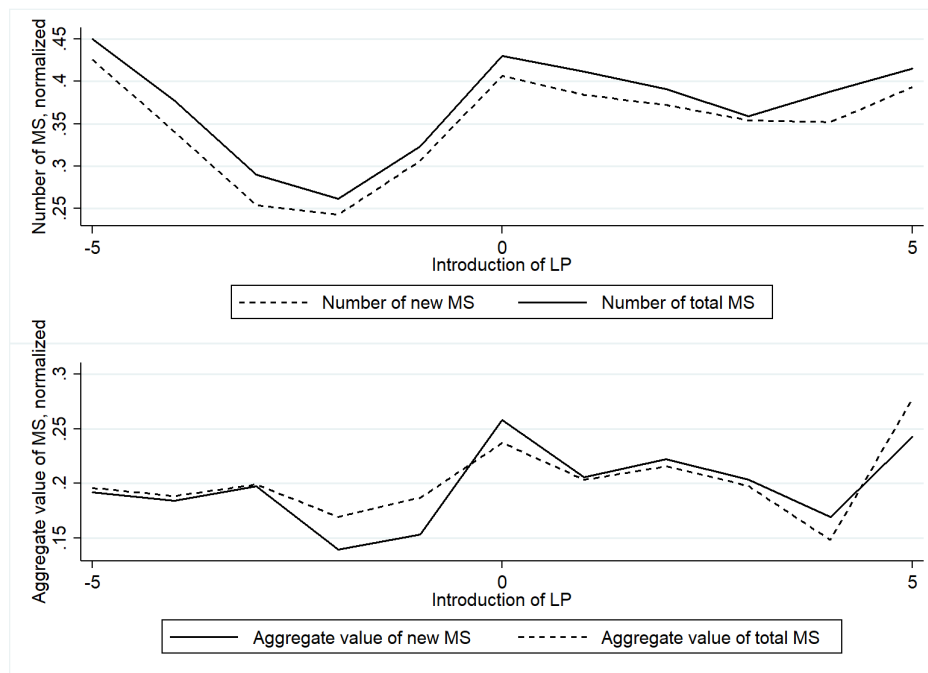


Figure E2: Evolution of domestic horizontal MS acquisitions in the five years before and after the introduction of national leniency programs (normalized by country, 0-1)