



Nanyang Technological University
ECONOMICS AND ECONOMIC GROWTH CENTRE Seminar Series

Economics and Economic Growth Centre invite you to a seminar by
Prof Larry QIU

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- Speaker** : **Prof Larry QIU**
Professor of Economics
School of Economics and Finance
Faculty of Business and Economics
The University of Hong Kong
Hong Kong
- Topic** : **"Trade Liberalization and Domestic Vertical Integration: Evidence from China"**
- Chairperson** : **Prof TAN Kong Yam**
Professor
Division of Economics
School of Social Sciences
- Date** : **17 November 2017 (Friday)**
- Time** : **2.30pm to 3.30pm**
- Venue** : **HSS Meeting Room 4 (HSS-04-71)**
School of Social Sciences
14 Nanyang Drive, Singapore 637332
Nanyang Technological University

About the Speaker:

Larry received his B.A. in Mathematics from Zhongshan University, and both M.A. and PhD (in 1993) in Economics from University of British Columbia, Canada.

Larry is currently Associated Dean (Teaching & Learning) of the Faculty of Business and Economics; Chung Hon-Dak Professor in Economic Development; Associate Director of the Institute of China and Global Development at the University of Hong Kong. He is also an honorary member of the Advisory Body, Guru Nanak Business School, Hyderabad, India.

He was a visiting professor of Kobe University, a distinguished visiting professor of Tsinghua University, and a research fellow of Hong Kong Institute of Monetary Research.

His research interests include international trade and policy, foreign direct investment, mergers and acquisitions, and industrial organization. He has taught undergraduate, graduate, MBA, EMBA, and executive training courses on various topics.

Larry serves on the editorial board of various journals: East-West Journal of Economics and Business; Korean Journal of Trade; Frontiers of Economics in China; Pacific Economic Review; China Journal of Economics; Journal of International Trade Law and Policy. Also as associate editor of International Economics; board member of Asia-Pacific Trade Seminar, the president of Hong Kong Economic Association, and the founding president of China Trade Research Group.

He is currently a member of the PRN Advisor Group of the United Nations. He received interviews from many media companies including Voice of America, BBC, TVB (Hong Kong), ATV (Hong Kong), Phoenix TV (Hong Kong), Wall Street Journal, Bloomberg, China Science and Technology Daily, China Daily, People's Daily and Xinhua News Agency.

Abstract:

In this study we examine the effects of trade liberalization on domestic mergers and acquisitions (M&As) in China. In particular, we focus on domestic backward vertical integrations in which a domestic upstream firm (target) is acquired by a domestic downstream firm. Our analysis takes China's accession to the WTO (2001) as a quasi-natural experiment for trade liberalization. We find that a decrease in tariffs on the target industry's outputs reduces vertical integrations, but a decrease in tariffs on the target industry's inputs increases vertical integrations. The result is obtained using the difference-in-differences technique and is robust to various specifications of the model and measurement. We build a hold-up model with an upstream supplier and a downstream buyer to provide insights to the empirical finding that the existence of underinvestment is the key to understanding the effects of tariff reductions on firms' organizational choices.

Reservation:

Admission is free. Please reply to e-egc@ntu.edu.sg for any enquiries.