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The Geoeconomic Footprint of Chinese Acquisitions: Micro-Evidence on Target Firms

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Abstract

Chinese acquisitions of Western firms have become central to debates over technology transfer, national security, and investment screening. Understanding their economic consequences requires evidence on how acquired firms perform and reorganize under Chinese ownership. Using linked Swedish firm and worker registers for 1997–2021 and a matched, stacked difference-in-differences design, we examine majority acquisitions by Chinese and other foreign owners. Other foreign acquisitions raise labor productivity by about 6 percent and employment by about 14 percent on average, alongside increases in total factor productivity, workforce skills, and trade intensity. They also reshape management, strengthen trade links with the acquirer’s home country, and increase workers’ mobility to multinational enterprises. For Chinese acquisitions, we find no statistically detectable improvements in firm performance or comparable evidence of management restructuring, worker mobility, or trade integration. Chinese acquisitions are also rare in industries classified as security-sensitive. These findings provide a detailed account of the economic footprint of Chinese ownership in an advanced host economy. The pattern is consistent with acquisitions seeking assets valuable to the parent group rather than gains through restructuring the target.

Keywords: Geoeconomics, Chinese Acquisitions, Foreign Direct Investment (FDI), Firm Performance, National Security

JEL Codes: F21, F23, G34, L25

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1 Introduction

Chinese cross-border acquisitions have moved to the center of debate over national security, technology transfer, and geopolitics (Li, Shapiro, Ufimtseva, and Zhang, 2024; Mohr and Trebesch, 2025). This trend reflects China’s broader economic ambitions and its strategic pursuit of key foreign assets, such as advanced technologies, established brands, and global distribution networks. From this perspective, Chinese takeovers of foreign firms can be interpreted not merely as market-driven investment decisions. They can also be read as the economic statecraft of a rising power that seeks to secure critical technologies, supply-chain positions, and political leverage abroad (Baldwin, 1985; Luttwak, 1990). Arguably, this is one of the clearest current examples of geoeconomics: the purposeful use of economic exchange to advance state power in a contested international order (Gehring, 2025; Mohr and Trebesch, 2025). Despite growing attention and tighter scrutiny of Chinese acquisitions in many countries, empirical evidence on the nature and effects of Chinese acquisitions remains limited.

These debates raise three economic questions. First, do the effects of foreign acquisitions depend on the acquirer’s country of origin? Second, are Chinese acquisitions best understood as target-centered investments, which should improve productivity, employment, trade, and organization in the acquired firm, or as parent-centered investments, where value may be realized elsewhere in the corporate group? Third, do the firm-level changes often assumed in investment-screening debates actually appear in acquired firms? Answering these questions requires micro-level evidence on what happens to target firms after acquisition, evidence that remains scarce for Chinese ownership.

The present study contributes to this discussion by offering a comparative analysis of Chinese acquisitions in Sweden. Sweden has typically been among the top 15 global recipients of foreign direct investment (FDI) in the last decades (UNCTAD, 2024), and was the sixth largest receiver of Chinese FDI in the European Union during the period 2000–2022. Most of these Chinese investments are in the form of acquisitions of Swedish companies (Kauppila and Cappelin, 2023).

Using detailed register data on Swedish firms from 1997 to 2021 and combining a matching and a difference-in-differences estimation approach, we investigate the extent and impact of

Chinese ownership on firm performance, with a particular emphasis on productivity, employment, and export and import intensities. This analysis provides novel insights into how foreign acquisitions by Chinese entities compare with those by other foreign investors. It also addresses the increasingly prominent question of whether these acquisitions differ in terms of their impact on host firms.

Our findings show that Chinese acquisitions are few. Despite being the second largest economy in the world, China ranks as number 15 in terms of acquisitions of Swedish companies. Moreover, the estimated effects of Chinese acquisitions on the targeted firms follow a different pattern from those of acquisitions by other countries. We find no statistically significant effects of Chinese acquisitions on firm productivity, employment, or trade intensity. This stands in contrast to acquisitions by other foreign owners, which raise labor productivity by about 6 percent and employment by about 14 percent on average, with the effects building up to roughly 10 and 25–30 percent several years after the takeover.

The results may reflect different motives behind Chinese acquisitions compared to acquisitions by other countries. One plausible explanation is that Chinese acquisitions are motivated by asset-seeking to increase the profitability of the firm group, rather than to improve the performance of the targeted firm. Our results are consistent with this explanation, although they cannot establish it: we detect few organizational changes in firms acquired by Chinese owners, compared with firms acquired by owners from other countries. Other foreign owners reduce the management layer, increase the target’s trade with their home country, and more of the target’s workers move to multinationals. We do not detect such effects after Chinese acquisitions. This interpretation is consistent with Bai, Laeven, Ke, and Ru (2026), who find that Chinese parent firms patent more after their first acquisition in a developed economy, while the targets do not.

One type of asset that could potentially be important is “sensitive” technology. This is a highly discussed issue, which for instance has made most western countries introduce screening of foreign investments. We find little evidence that Chinese acquisitions target sensitive industries. Few of them take place in such industries, suggesting that growing geopolitical concerns are not reflected in an increased Chinese presence in strategically important sectors.

Our paper contributes to an existing literature on Chinese foreign direct investment (FDI),

where the bulk of studies are within the field of international business. For example, previous research finds that Chinese companies engage in cross-border M&As to access strategic assets, such as advanced technologies, global distribution networks, and established brands, to overcome their competitive disadvantages (Li et al., 2024; Rabbiosi, Elia, and Bertoni, 2012; Deng, 2009). This could be one explanation for our finding of small or no effects on the targeted firms: firms are acquired to improve the parent firm rather than the acquired firm.

A large literature in international business argues that Chinese acquirers enjoy distinctive advantages (financial capital and state support, cost advantages, and growing technological capabilities). It also argues that home-country institutions help offset the liability of foreignness in cross-border M&As (Rui and Yip, 2008; Sun, Peng, Ren, and Yan, 2012). These advantages may well exist, but our results show both that Chinese acquisitions remain relatively scarce and that we cannot detect corresponding improvements in the acquired firms.

Some studies examine how Chinese overseas acquisitions affect the shareholder value of the acquiring firms. For example, Li, Li, and Wang (2016) use a sample of 367 Chinese overseas acquisitions between 2000 and 2011 and find a positive effect on the value of shares, particularly for acquisitions in countries with a culture relatively similar to China's. Moreover, Black, Doukas, Xing, and Guo (2015) compare Chinese domestic and foreign acquisitions and find a higher return on the latter, again indicating positive effects of foreign acquisitions. Our results suggest that these increased returns may materialize for reasons other than improvements in the targeted firms.

There is also a literature that examines the effects of Chinese FDI in the host country. More generally, FDI can reshape host-country industries through competition, entry, and linkages between multinational and domestic firms (Barrios, Görg, and Strobl, 2005). For example, Fu, Buckley, and Fu (2020) compare the aggregate growth effect of Chinese and US FDI in a cross-country study over the period 2004 to 2012. They find positive growth effects from both sources of FDI in developing host countries, but stronger effects for Chinese investment, especially in low-income countries. Our study, in contrast, detects no statistically significant productivity gain in acquired domestic firms.

The closest study is Bai et al. (2026), who trace the ultimate Chinese owners of large firms

in 159 countries over 2012–2021. Chinese-owned targets increase capital and R&D spending but do not patent more and become less profitable, while the Chinese parent firms patent more after their first acquisition in a developed economy. Our evidence complements theirs in three respects. First, we benchmark Chinese acquisitions against acquisitions by all other foreign owners in the same host country, pooled and by source country, each against matched Swedish control firms. This separates what is specific to Chinese owners from what follows any foreign takeover. Second, linked employer–employee registers let us observe margins that financial statements do not record: workforce skills, management turnover, trade with the acquirer’s home country, and where the target’s workers move next. Third, the registers cover the full population of Swedish firms, including small and medium-sized ones, and let us follow acquisitions of majority control over 1997–2021, a period that spans the entire rise of Chinese acquisitions in Sweden. Neither study finds performance gains in the target. Their evidence that patenting rises at the parent, and ours that we detect no change in the target’s management, trade links, or workforce mobility after Chinese acquisitions, are both consistent with acquisitions whose value is realized in the parent group.

The remainder of the paper is organized as follows. Section 2 discusses the changing global view on foreign acquisitions, with a special focus on Chinese acquisitions. Section 3 describes the data used in this study and presents some key descriptive statistics on foreign acquisitions in Sweden. Section 4 outlines the empirical strategy and model used to analyze the effects of Chinese acquisitions. In Section 5, we present the main results of our analysis, comparing Chinese acquisitions with other foreign takeovers. Finally, Section 6 concludes the paper with a discussion of the findings and their implications for both policymakers and future research.

2 The changing views on foreign acquisitions

The policy debate over foreign acquisitions has shifted markedly over the past decade. Cross-border takeovers were long viewed mainly through the lens of capital allocation, technology transfer, and productivity spillovers. They are now increasingly assessed through a security lens, especially when the acquirer is linked to a state viewed as a geopolitical rival. Chinese

acquisitions are central to this shift. Increased geopolitical tensions have led to restrictions on Chinese ownership being implemented around the world. These restrictions differ between industries and countries, partly as a consequence of differences in the political opposition to Chinese acquisitions (Tingley, Xu, Chilton, and Milner, 2015).

The European approach toward China has shifted from promoting a level playing field to increasingly putting up barriers to Chinese company acquisitions. A level playing field meant guaranteeing European companies the same access to the Chinese market as Chinese companies enjoy in Europe. In the mid-2010s, the EU and China were still negotiating an investment agreement intended to address investment barriers and improve market access for European firms in China. The negotiations were slow, however, and took place against growing concern over China's business practices, which the EU perceived as unfair. The investment agreement was concluded in principle in December 2020, but this proved to be the high point rather than a reversal of the more cautious turn. Relations deteriorated further in 2021. Attitudes toward China worsened in most EU countries, partly influenced by what the EU perceived as China's aggressive foreign policy (McElwee, 2023). A further complication was the sanctions against Chinese officials, imposed by the EU together with the United States, the United Kingdom, and Canada in March 2021 over human rights violations in Xinjiang. China's response, sanctions against European lawmakers and scholars, contributed to a further deterioration of diplomatic relations. This increased tension led to the decision of the EU Parliament to suspend the ratification of the investment agreement in May 2021.

Instead of an investment agreement with China, EU member states implemented a mechanism to scrutinize foreign investments to protect strategic assets and infrastructure. Regulation (EU) 2019/452, applicable since October 2020, establishes a framework for cooperation on investment screening. Member states share information on potentially sensitive transactions with one another and with the Commission, which may issue opinions. The member state where the investment takes place retains the decision on whether to allow or block it (European Union, 2019). Caution toward Chinese investment is particularly noticeable when it comes to strategically important areas, such as technology intensive industries and critical infrastructure (Babić and Dixon, 2022).

By the end of 2024, twenty-four of the twenty-seven EU member states had a national screening mechanism in place (European Commission, 2025), compared with only 11 a few years earlier (European Commission, 2023). The stringency of investment restrictions across countries appears to be positively correlated with the degree of interconnectedness with China and the size of the domestic high-tech industry (Bencivelli, Faubert, Le Gallo, and Négrin, 2023). Of the investments that member states formally screened in 2024, around one percent were prohibited and a further four percent were withdrawn (European Commission, 2025). When a member state screens a Chinese investment, it assesses whether the investment is likely to affect security or public order. Under the EU framework, the assessment may consider the sectors and assets involved, such as critical infrastructure and critical technologies, as well as the investor, including whether it is controlled directly or indirectly by the government of a third country (European Union, 2019).

Sweden is one of the last EU countries to have introduced screening, despite being a relatively large recipient of Chinese investment. The perception of the potential risks of these acquisitions has changed over time. Swedish military intelligence, as well as the Swedish Security Service, has warned that China is using acquisitions as a way to obtain sensitive technology (Swedish Armed Forces Intelligence and Security Service (MUST), 2024; Swedish Security Service (Säpo), 2024). As a result, an investigation into foreign company acquisitions issued a final report in 2021, and in December 2023, a regulatory framework for reviewing investments was introduced. The aim is to stop investments that threaten national security. The Swedish screening is more rigorous than in most other European countries. For instance, not only foreign investments (both greenfield and acquisitions) must be reported to the authorities, but also Swedish investments. The reason is to detect sensitive investments by foreign firms’ affiliates in Sweden.

3 Data and descriptive statistics

3.1 Data

We use detailed firm- and worker-level data from Statistics Sweden (SCB) covering the period 1997–2021. The main data set is the Swedish firm database, which provides annual information

on firm characteristics such as value added, employment, and capital intensity for all Swedish firms. The data exclude only the financial sector and sole proprietorships in agriculture, forestry, and fisheries. To identify foreign acquisitions and determine the nationality of ownership, we merge these firm-level data with SCB's register of foreign-owned firms. A firm is classified as foreign-owned if more than 50 percent of the voting rights are held by a foreign entity, directly or indirectly. The nationality of ownership is determined by the ultimate parent company. These definitions follow official Swedish and international statistical standards.

We also link firm-level customs data from the Swedish Customs Agency, which provide detailed export and import flows by product and destination. Finally, when studying workforce composition, we use administrative individual-level data from SCB. These data originate from the Longitudinal Integration Database for Health Insurance and Labor Market Studies and include detailed information on all Swedish individuals aged 16 or older.

In our econometric analysis we examine ownership in firms with at least five employees and restrict the sample to firms experiencing a single foreign acquisition. Hence, we exclude firms that change ownership status more than once.

Our focus is on Chinese acquisitions. An important question is how to treat Hong Kong investments. Historically, a substantial share of direct investment into and out of China has passed through Hong Kong (Lipsey and Sjöholm, 2011). Moreover, Chinese control over the former British colony has increased in recent years. Hong Kong has become increasingly integrated with mainland Chinese governance and is therefore relevant from a security-screening perspective. As a consequence, we choose to classify acquisitions from mainland China and Hong Kong as Chinese.

3.2 Descriptive statistics

For completeness, the descriptive picture in this section covers all firms with at least one employee. Foreign-owned companies are crucial to the Swedish economy and have grown in importance over time. The number of foreign-owned firms in Sweden more than doubled between 2000 and 2021, from 4,251 to 8,942, and the number of employees in these firms rose by about 60 percent, from 413,754 to 664,016. However, the number of Swedish-owned companies also

increased. As a result, the foreign shares of both firms and employees rose steeply until the early 2000s and have been broadly stable since (Figure 1). The proportion of foreign companies climbed from about 1.5 percent in 1997 to around 3 percent by 2003 and has stayed close to that level. The foreign share of employees increased substantially over the same years and has since remained between about 23 and 25 percent. The fact that the foreign share of the workforce is larger than the share of firms indicates that foreign-owned firms differ from domestically owned ones. Foreign-owned firms tend to be larger than Swedish-owned firms.

[Figure 1 about here]

Figure 2 shows the 20 largest acquirers of Swedish companies. The major source countries can be divided into three groups: neighboring countries, large economies, and tax havens. The neighboring countries Norway, Finland, and Denmark are large acquirers of Swedish companies, Norway the largest with close to 2,500 acquisitions over our studied period. The second group of major investors consists of large economies such as the US, the UK, Germany, and France. The third group of major investors includes Switzerland, the Netherlands, and Luxembourg. These countries stand out for hosting a large number of foreign multinational companies due to favorable tax legislation. Acquisitions from these countries are also substantial.

[Figure 2 about here]

There are, as seen in the figure, relatively few Chinese acquisitions of Swedish companies. Specifically, China is only the 15th largest source country. For comparison, there are around 16 times more Norwegian than Chinese acquisitions. Figure 3 shows the number of Chinese acquisitions per year, and Figure 4 shows the share of foreign acquisitions. Between 1998 and 2021, Chinese owners acquired 152 Swedish companies. However, the number of annual acquisitions increases with time. Specifically, an average of about three Swedish companies per year were acquired by Chinese owners up until 2010, which was only a fraction of a percent of all foreign corporate acquisitions. The number rose after 2010 to about nine acquisitions per year, or just under two percent of all acquisitions. The last year for which we have data, 2021,

saw a sharp increase, with 28 Swedish companies being acquired, or over four percent of all foreign acquisitions.

[Figure 3 about here]

[Figure 4 about here]

In addition to acquisitions, there are Chinese investments in Sweden through the establishment of entirely new operations. There may also be Swedish companies that were acquired before 1997 and are not included in the figures above. Table 1 shows the total number of Chinese companies. The number has increased from only 7 in 2000 to 126 in 2021.

[Table 1 about here]

It is clear that the Chinese presence has increased but remains relatively modest: the Chinese share of foreign companies increased during the period from 0.2 to 1.4 percent. The share of employees is considerably higher, reaching 4.9 percent in 2021.

Finally, we examine whether Chinese firms differ from other firms along a range of characteristics. An initial answer is given in Figure 5, which shows ratios of firm characteristics between Chinese-owned and Swedish-owned firms. A ratio above one means that the characteristic is higher in Chinese than in Swedish firms. The main difference between these two groups is the size: the mean number of employees is many times higher in Chinese firms than in Swedish firms. Chinese firms are also, on average, much more trade and capital intensive. The differences in other firm characteristics are substantially smaller.

[Figure 5 about here]

The differences in firm characteristics are not surprising. Foreign multinationals typically differ from local firms. A related and perhaps more interesting question is whether Chinese firms differ from other foreign-owned Swedish firms. This is examined in Figure 6, which again shows ratios of firm characteristics, this time between Chinese and other foreign firms. Chinese firms are substantially larger than other foreign firms, although the gap is far smaller than against

Swedish-owned firms. They also have a considerably more educated workforce, somewhat higher labor productivity, and a somewhat larger share of women. Other foreign firms are, in turn, more trade intensive on both the export and the import side. Capital intensity, labor costs per employee, and the age and experience of the workforce differ only marginally between the two groups.

[Figure 6 about here]

These descriptive differences, between Chinese-owned firms and both Swedish-owned and other foreign-owned firms, motivate the central comparison in the rest of the paper: throughout, we contrast the effects of Chinese acquisitions with those of acquisitions by all other foreign owners, rather than with domestic firms alone, so as to isolate what is distinctive about Chinese ownership.

4 Empirical strategy and model

4.1 Empirical strategy

We examine the economic effects of Chinese acquisitions of Swedish firms. Because acquisitions are not random, comparing acquired firms with all non-acquired firms is likely to be biased. We therefore combine matching with a difference-in-differences design: each acquired firm is compared with a similar Swedish-owned control firm, and outcomes are then compared before and after acquisition.

Treatment occurs in different years, and acquisition effects may vary over time. We therefore use a stacked difference-in-differences design with matched controls, following recent work on staggered treatments (e.g. Callaway and Sant’Anna, 2021; De Chaisemartin and d’Haultfoeuille, 2020; Goodman-Bacon, 2021; Sun and Abraham, 2021; Baker, Larcker, and Wang, 2022; Roth, Sant’Anna, Bilinski, and Poe, 2023). The design measures event time j from the acquisition year ($j = 0$), follows treated and matched control firms over a common event window, and excludes firms that are later treated from the control group (Cengiz, Dube, Lindner, and Zipperer, 2019).

This avoids the problematic comparisons and weighting that can arise in two-way fixed-effects models when treatment effects are heterogeneous over time or across firms.

4.2 Constructing the control group

To address the inherent selection bias in acquisitions, we use a propensity score matching method to establish a control group of Swedish-owned firms that match the acquired firms' characteristics in the years before the acquisition. Specifically, we construct the control group through a one-to-one matching process, conducted without replacement. Thus, each control firm uniquely corresponds to one treated firm, ensuring an equal number of firms in both the control and treated groups within the same year. Matching uses the nearest-neighbor algorithm. Hence, control firms are selected so that their characteristics are similar to those of the treated firms in the two years before the acquisition.¹ To maintain the integrity of the control group, we exclude any firms that are acquired in subsequent years.

We estimate the propensity score with a logit model in which the dependent variable equals one if a firm is acquired in year t and zero otherwise. The model is estimated separately for each acquisition year, so that treated firms are compared only with control firms observed in the same year:

$$\Pr(\text{acquisition}_{ft} = 1) = \Lambda(\lambda_1 X_{f,t-1} + \lambda_2 X_{f,t-2} + \delta_{s(f)}), \quad (1)$$

where $\Lambda(\cdot)$ is the logistic function and $X_{f,t-1}$ and $X_{f,t-2}$ are vectors of firm characteristics one and two years before the acquisition. We match on eight firm characteristics (log employment, log sales, value added per employee, capital per employee, export intensity, profits, an indicator for Swedish locally owned firms (as opposed to Swedish multinationals), and firm age, the last measured at $t - 1$ only) together with one-digit industry fixed effects $\delta_{s(f)}$. Matching within each acquisition year removes the need for separate year effects.

Figure 7 shows the standardized bias in firm characteristics between treated and control

¹For example, we start with all firms treated in 1999 and find control firms that match their 1998 characteristics. Then we look at all firms treated in 2000 and find control firms that match their 1999 characteristics, and so on. We also make sure that the firms that serve as control firms in, say, 1999 do not end up as control firms in, say, 2000.

firms, in both the unmatched and the matched samples, expressed in percent. A value close to zero means the two groups are balanced on that characteristic, whereas high values indicate large differences. Because acquired (treated) firms tend to be larger and to have higher sales, a more skilled labor force, and higher productivity than non-acquired firms, the differences are relatively large in the unmatched sample. Matching, in contrast, reduces these differences substantially: the mean absolute standardized bias across the fifteen covariate-by-lag combinations falls from 25.1 percent before matching to 1.4 percent after.

[Figure 7 about here]

4.3 Empirical set-up

We examine the effect of acquisitions on six firm-level outcomes, in the order in which they appear in Tables 2 and 3. Labor productivity is value added per employee (in logs). Total factor productivity (TFP) is the residual from an estimated production function.² Firm size is the number of employees (in logs). The share of high-educated workers is the fraction of employees with at least an undergraduate degree. Export intensity and import intensity are the shares of exports and of imports in total sales. For each outcome we estimate the same specification for firms acquired by Chinese owners and for firms acquired by all other foreign owners.

More specifically, we estimate the following equation for the outcome Y of firm i at event time j and in calendar year t :

$$Y_{ijt} = b_0 AFTER_j + b_1 TREATED_i + b_2 DiD_{ij} + \gamma X_{i,-1} + \omega_t + \phi_{s(i)} + \varepsilon_{ijt}, \quad (2)$$

where event time j is defined relative to the acquisition year ($j = 0$). $AFTER_j$ marks the post-acquisition period, $TREATED_i$ identifies acquired firms, and DiD_{ij} is their interaction; b_2 is therefore the average post-acquisition effect. The vector $X_{i,-1}$ contains firm characteristics

²We estimate a Cobb–Douglas production function for gross output with the method of Levinsohn and Petrin (2003), using intermediate inputs as the proxy variable, and the correction of Akerberg, Caves, and Frazer (2015). The inputs are employment, tangible fixed assets, and intermediate inputs. We drop the top and bottom 0.5 percent of the TFP distribution.

measured in the year before the acquisition, so that they cannot be affected by it. These are firm age, capital per employee, export intensity, and either log employment (for labor productivity and TFP) or log labor productivity (for firm size and the high-educated share). The trade outcomes omit export intensity. The specification includes year fixed effects (ω_t) and one-digit industry fixed effects ($\phi_{s(i)}$).

To trace the dynamics around acquisition, we also estimate an event-study version of equation (2):

$$Y_{ijt} = \sum_{j=-4, j \neq -1}^9 \beta_j^0 T_j + b_1 TREATED_i + \sum_{j=-4, j \neq -1}^9 \beta_j (T_j \times TREATED_i) + \gamma X_{i,-1} + \omega_t + \phi_{s(i)} + \varepsilon_{ijt}, \quad (3)$$

where T_j are event-time indicators from four years before to nine years after the acquisition. The estimation sample is restricted to that window, and the year before the acquisition ($j = -1$) is omitted, so the coefficients β_j trace treatment effects relative to the last year before the takeover. The acquisition year ($j = 0$) is the first year in which the firm is recorded as foreign-owned, having been Swedish-owned the year before. Because the takeover may occur during that year, $j = 0$ can itself be partly affected, and it is estimated rather than used as the reference. We test for common pre-acquisition trends with a joint F -test that the three remaining pre-acquisition coefficients ($j = -4, -3, -2$) are zero. Its p-value is reported with the event-study results in Section 5.1. All firm-level specifications cluster standard errors at the industry-by-year level (Moulton, 1986). Clustering instead on the firm, or on the matched pair of acquired and control firm, does not change the significance of any of the main difference-in-differences estimates (Online Appendix Tables OA1 and OA2).

Three features of our estimation sample deserve comment. First, we restrict our sample to firms with at least five employees. This threshold removes micro-firms, whose value added and productivity are volatile and frequently mismeasured, and for which a foreign takeover is rarely economically meaningful. Our main results are robust to lowering the threshold to firms with at least one employee (available on request). Second, the sample period 1997–2021 is determined by data availability and spans the entire rise of Chinese acquisitions in Sweden, including the

marked increase after 2010 and the sharp rise in the final year. Third, our main estimates keep Chinese and other foreign acquisitions apart; only the formal tests of their difference in Sections 5.1 and 5.2 pool them. We estimate equations (2) and (3) separately for Chinese-acquired firms and for firms acquired by all other foreign owners, each against its own matched control group of never-acquired Swedish firms.

Identification rests on matched control firms providing the counterfactual path for acquired firms. We assess the parallel-trends assumption in the event-study figures below, which show whether treated and control firms followed similar pre-acquisition trajectories. The design also invokes the stable unit treatment value assumption (SUTVA): that an acquisition does not directly affect the outcomes of control firms. This could fail if treated and control firms are close competitors, so that an acquisition triggers a strategic response (in hiring or pricing, say) among the controls. To reduce this concern, we draw controls from the broader population of Swedish-owned firms rather than only from close competitors in the same industry or region.

5 Results

5.1 The effect on acquired firms

Figure 8 shows the effect on labor productivity (Panels A and B) and total factor productivity (Panels C and D), with Chinese acquisitions on the left and other acquisitions on the right. The figure plots the stacked difference-in-differences estimates of β_j from equation (3), measured relative to the year before the acquisition ($j = -1$), with 95% confidence intervals. For both outcomes and both groups, the pre-acquisition coefficients are small, and the joint test does not reject that they are zero (p between 0.48 and 0.98), consistent with common trends over the four years before the takeover. For Chinese acquisitions the pre-acquisition intervals are wide, so this evidence is weaker than for other acquisitions.

[Figure 8 about here]

For acquisitions by other foreign owners, labor productivity rises steadily after the takeover, becomes statistically significant after two years, and levels off around ten percent above the

matched control group.³ Total factor productivity (Panels C and D) follows the same trajectory and stabilizes around ten to twelve percent above control. Because TFP nets out the firm’s use of labor and capital, this suggests that the gain in measured productivity is not driven only by input expansion, although a revenue-based TFP measure can also reflect prices and markups. These gains echo earlier evidence that foreign acquisitions raise the productivity of Swedish target firms (Heyman, Norbäck, and Hammarberg, 2019; Kommerskollegium, 2023) and a wider international literature on the productivity and performance gains from foreign ownership (Arnold and Javorcik, 2009; Javorcik, 2004; Guadalupe, Kuzmina, and Thomas, 2012; Fons-Rosen, Kalemli-Özcan, Sørensen, Villegas-Sanchez, and Volosovych, 2021). For Chinese acquisitions we find no such effect. The point estimates are positive in some years and negative in others, the confidence intervals are wide, and no estimate is statistically significant at the five percent level. We cannot reject the hypothesis that Chinese ownership leaves the productivity of the acquired firm unchanged. Given the width of the intervals, however, we cannot reject gains of the size that follow other foreign acquisitions either.

Figure 9 turns to firm size (Panels A and B) and the share of high-educated workers (Panels C and D). After acquisitions by other foreign owners, employment grows steadily to about 25 to 30 percent above the control group, and the share of high-educated workers rises by about two percentage points, consistent with foreign owners expanding and upgrading the firms they acquire. After Chinese acquisitions, employment point estimates decline in later years, to about 70 percent below the control group nine years after the acquisition. The confidence intervals are very wide, however, and no estimate is statistically significant. The skill share is flat. As with productivity, the outcomes that respond to other foreign acquisitions show no statistically detectable response after Chinese ones.

[Figure 9 about here]

China is the world’s largest trading nation, so one might expect Chinese acquisitions to reorient the target’s trade. Export intensity in Figure 10 (Panels A and B) rises by around three percentage points and import intensity (Panels C and D) by around five to six percentage

³For outcomes in logs, we convert a coefficient b to a percentage change as $100 \times (e^b - 1)$.

points after acquisitions by other foreign owners. Export intensity becomes significant two years after the takeover, and import intensity after six. For the import intensity of other acquirers the pre-trend test is marginal ($p = 0.08$), reflecting a lower value four years before the acquisition. For Chinese acquisitions neither margin shows a statistically significant response. The import-intensity point estimates turn positive five to six years after the acquisition (just under 0.2 in year six), but the intervals are very wide. We therefore find no evidence that Chinese ownership integrates Swedish targets more tightly into international trade, in contrast to other foreign owners.

[Figure 10 about here]

Table 2 condenses these dynamics into a single static difference-in-differences estimate per outcome (equation (2)), which can be read as the average post-acquisition effect and conveys the magnitudes involved. For other foreign acquisitions every estimate is positive and significant: labor productivity rises by about 6 percent, TFP by about 7 percent, employment by about 14 percent, export intensity by 1.4 and import intensity by 3.5 percentage points, and the share of high-educated workers by 1.4 percentage points. Not one of the corresponding Chinese estimates reaches significance, and the Chinese standard errors are roughly an order of magnitude larger. Nor are the differences between the Chinese and the other estimates statistically significant. We test them formally in one regression per outcome in which every term is interacted with an indicator for Chinese acquisitions. None of the six differences is significant, with p-values between 0.28 and 0.97 whether standard errors are clustered by industry and year or by firm.⁴ Figure 11 shows the same estimates in standardized form: the effects of other foreign acquisitions form a tight band away from zero, while the Chinese estimates scatter around zero.

[Table 2 about here]

[Figure 11 about here]

⁴The interacted regression reproduces the point estimates in Table 2 exactly for both groups; the difference between them is the coefficient on the interaction between the China indicator and the difference-in-differences term, and it is this coefficient that is tested.

The estimates for Chinese acquisitions are substantially less precise than those for other foreign acquisitions. Table 3 examines how the estimated post-acquisition outcomes vary across major source countries. These country-specific estimates describe the pattern across acquirers, but they do not test whether the effect of Chinese acquisitions differs from that of acquisitions by other foreign owners.

Panel A reports labor productivity: acquisitions from the United States raise it by about 20 percent and from Germany by about 11 percent, with a smaller significant gain for the EU-15. The Chinese estimate is an insignificant 14 percent with a standard error larger than the coefficient itself. Panel B, total factor productivity, gives the sharpest contrast: every comparison country raises TFP significantly, by between five and eleven percent, whereas the Chinese estimate is negative and insignificant. Panel C turns to firm size, where almost every source country expands the firms it acquires (employment rises by about 22 percent after British and 17 percent after German acquisitions, for instance). The Chinese point estimate is negative (−13 percent) and insignificant, the only negative point estimate among the source countries. Panel D, the share of high-educated workers, shows modest but significant skill upgrading for several European acquirers (about 3.3 percentage points after French acquisitions and around one percentage point for the EU-15, the Nordic countries, and Norway), with an insignificant Chinese estimate. Panel E, export intensity, shows significant gains of around one to just over two percentage points for the United States, the EU-15, the Nordic countries, France, and Norway, and again an insignificant, negative estimate for China. Panel F, import intensity, tells the same story on the other trade margin. Imports rise as a share of sales by between four and five percentage points after acquisitions from the EU-15, the Nordic countries, and Germany, by a little over three after British and Finnish ones, and by a smaller, weakly significant amount for Norway. The Chinese estimate is an insignificant 3.1 percentage points.

Across the six outcomes, the estimates for several other source countries are positive and statistically distinguishable from zero, particularly for total factor productivity and firm size. The corresponding Chinese estimates are imprecise. The country-specific results therefore show which effects can be detected within each group; they do not establish that the effects differ between China and the other source countries.

[Table 3 about here]

Figure 12 presents the productivity result visually, plotting the by-country coefficient from Panel A of Table 3 with its 95% confidence interval. The pattern for labor productivity is less uniform than for the other outcomes: the United States, Germany, and the EU-15 sit clearly above zero, but several comparison countries are individually insignificant. The Chinese estimate is positive but imprecise. Labor productivity is in fact the outcome where the by-country contrast is weakest. The contrast is clearest in total factor productivity and firm size. For TFP every one of the eight comparison countries records a positive, significant effect while China is negative and insignificant (Online Appendix Figure OA1, Panel A), and for firm size all but one do (Panel B). Across the fuller set of outcomes, China is thus the only major source country without positive, statistically significant estimates.

[Figure 12 about here]

The estimates for the other five outcomes in Table 3 are collected in Online Appendix Figure OA1, one panel each: total factor productivity (Panel A), firm size (Panel B), the share of high-educated workers (Panel C), export intensity (Panel D), and import intensity (Panel E). Each panel plots the difference-in-differences coefficient and its 95% confidence interval for every source country, exactly as Figure 12 does for labor productivity. The same result recurs across all five outcomes: the comparison countries lie above zero with relatively tight intervals, most clearly for total factor productivity, where every one of them is positive and significant. Table 3 reports all six by-country outcomes numerically; Figure 12 and Online Appendix Figure OA1 are its visual counterpart.

5.2 Mechanisms and extensions

Target-centered versus parent-centered value creation Section 5.1 leaves us with a pattern to interpret: acquisitions by other foreign owners are followed by clear changes in the firms they acquire, while we detect no such changes after Chinese acquisitions. We organize the explanation around two channels of value creation, which are not mutually exclusive. Under

target-centered value creation, the acquirer raises profitability by changing the target itself: replacing its management, integrating it into the group’s supply chain, and redeploying its workers within the multinational network. Under *parent-centered* value creation, the acquirer instead realizes value at the group level by gaining control of strategic assets (technologies, brands, or tacit know-how) and leaves the target’s operations largely intact. The two logics make opposite predictions for what we should observe inside the target: visible restructuring under the first, relative stability under the second.

We test three margins along which target-centered ownership would leave a trace: the restructuring of management, the integration of the target into the acquirer’s supply chain, and the reallocation of workers into the multinational network. A muted response on all three would be consistent with asset-seeking motives, although it could also reflect integration frictions or the limited precision of the Chinese estimates. That Chinese owners may be less able or less inclined to restructure the target is consistent with theories in which institutional and cultural distance, and the liability of foreignness, raise the cost of post-merger integration (Kogut and Singh, 1988; Zaheer, 1995). It is equally consistent with the view that Chinese cross-border acquisitions are strategic-asset-seeking (Deng, 2009; Rui and Yip, 2008; Luo and Zhang, 2016).

Each margin compares Chinese acquisitions with acquisitions by other foreign owners, as in Section 5.1. Management restructuring is estimated at the firm level with the difference-in-differences specification in equation (2), separately for Chinese and other acquisitions. Supply-chain integration uses the same specification, estimated by source country. Worker mobility is defined for individual workers rather than firms, and we use the worker-level analogue introduced below.

Management restructuring The first margin is the firm’s leadership. An owner who intends to run the target differently installs its own executives, replaces managers, and brings in new expertise, so the management team should turn over after the acquisition. An owner who seeks control of assets rather than operational change has no comparable reason to disturb it. We measure the management layer with the Swedish standard classification of occupations (SSYK), the national implementation of the international ISCO scheme: SSYK 96 follows ISCO-88 and

SSYK 2012 follows ISCO-08, so the occupational groups used here have direct international counterparts. We distinguish the firm’s chief executive, its managers, and its professionals.⁵ Table 4 reports difference-in-differences estimates of equation (2) for three measures of restructuring built from these groups, estimated separately for Chinese and other foreign acquisitions with the same controls and fixed effects in both. Each measure appears twice: as the number of people entering or leaving per year (columns 1–2) and as a rate that divides the same flow by the firm’s own managerial or professional stock (columns 3–4). The rate ensures that an estimated effect cannot simply reflect larger firms having more people to move. Occupational codes are recorded from 2001, so the estimates cover 2001–2021. All specifications include firm-level controls together with year and industry fixed effects, with standard errors clustered at the industry-by-year level. Flows of this kind have long right tails, and a handful of very large firms might otherwise drive the estimates, so those in Panels B and C are winsorized at the pooled 95th percentile. Winsorizing rather than trimming retains every observation, and it makes the decomposition exact: entries plus exits equal turnover, and entries minus exits the net change, in the estimates as well as in the data. Panel A is a probability whereas Panels B and C are numbers of people and rates, so magnitudes are not comparable across panels.

[Table 4 about here]

Panel A reports the probability that the firm’s chief executive is replaced, among firms with a single identified chief executive. It rises by 3.1 percentage points after Chinese acquisitions and by 0.8 percentage points after other foreign acquisitions, and neither estimate is significant. The Chinese estimate rests on 87 firm-years and has a standard error of 0.109, more than three times the coefficient, so it is consistent both with a large effect and with no effect at all.

Panel B turns from the chief executive to the management layer as a whole, and here the two acquirer groups diverge. After acquisitions by other foreign owners, manager turnover rises by 0.199 managers per year. Both flows contribute, but not equally: exits rise by 0.134 and entries by only 0.066, so the net change in the managerial stock is -0.068 . Managers thus leave faster

⁵Chief executives are the three-digit group 112 in SSYK 2012 and 121 in SSYK 96; managers are major group 1 and professionals major group 2 in both vintages. Two vintages are needed because Statistics Sweden moved from SSYK 96 to SSYK 2012 in 2014.

than they are replaced, and the management layer shrinks. The rate columns give the same answer on the firm’s own scale (turnover 0.033, net -0.014), which argues against a mechanical size effect. For Chinese acquisitions every estimate in the panel is small and insignificant, in numbers and in rates alike.

Panel C shows that this contraction is specific to the management layer. Under other foreign owners professional turnover rises by a similar amount, 0.208 per year, but here entries (0.087) and exits (0.121) are close to balanced and the net change, -0.034 , is not significant. Within the same firms and under the same owners, managers are replaced and their ranks reduced while professionals are replaced at an unchanged number. The reorganization is thus concentrated in the management layer rather than spread across the workforce. Two Chinese estimates in this panel are significant: professional turnover rises by 1.070 per year (at the five percent level), mainly through exits (0.548, at the ten percent level). The corresponding rate estimates are negative and insignificant; they cover 231 of the 344 firm-years, because a firm-year without professionals in either year has no rate.

Read together, the panels show that acquisitions by other foreign owners are followed by a reorganization of the target’s management: managers leave and are not fully replaced, while professionals are replaced at an unchanged number. This matches earlier evidence on ownership changes. After an ownership change, employment in the central office grows more slowly than in the firm’s plants (Lichtenberg and Siegel, 1990). Acquired firms also adopt new organizational practices alongside new technology (Guadalupe et al., 2012), and the wage premium after a foreign acquisition is linked mainly to firm-level changes such as higher management pay and worker training (Roesch, Gerritse, Karreman, van Oort, and Loog, 2025). We find no comparable change in the management layer after Chinese acquisitions. The only significant Chinese estimates, higher turnover and exits among professionals, are not confirmed by the rate measures. Given the small Chinese sample, we read this as an absence of detectable restructuring rather than as evidence that management is left unchanged. The pattern is consistent with value being sought at the group level rather than through restructuring of the target.

Supply-chain integration A second margin is the target’s place in the acquirer’s production network. When an acquisition is motivated by efficiency or market access, the new owner may route the target’s trade through the group, sourcing inputs from its home country and selling output there. Trade between the target and the acquirer’s home country should then rise. We estimate equation (2) by source country for two outcomes: the share of the target’s exports that goes to the acquirer’s home country, and the share of its imports that comes from it. Estimating by source country is necessary because the prediction concerns trade with each acquirer’s own home market; a pooled estimate would average over different home countries. This is the same by-country approach used for productivity in Section 5.1 (Table 3 and Figure 12). These trade shares differ from the export and import intensities in Table 2, which are measured relative to total sales.

Figure 13 plots the estimates, with the export share in Panel A and the import share in Panel B. The clearest case is Norway, the largest acquirer of Swedish firms: a Norwegian acquisition raises the target’s export share to Norway by about eight percentage points and its import share from Norway by about thirteen percentage points. The import share rises significantly for every source country except China: by about twelve percentage points for the Nordic countries, ten for Germany, nine for the EU-15 and Finland, six for France, and five and three for the United States and the United Kingdom (the latter at the ten percent level). The export effects are smaller and more concentrated. Alongside Norway, the export share rises by about seven percentage points after Nordic acquisitions and by about three after acquisitions from the EU-15 and Finland. For the remaining source countries the effects are two percentage points or less, and significant for France, Germany, and the United States (the latter two at the ten percent level).

China is the exception on both margins. The export-share effect is just under one percentage point and the import-share effect 2.7 percentage points, and neither is significant; the confidence intervals run from about -10 to $+12$ and from -16 to $+21$ percentage points. We therefore detect no integration of the target into the Chinese acquirer’s supply chain, either as a supplier to China or as a buyer of Chinese inputs.

Our trade results should be read alongside Bai et al. (2026), who find that acquisitions by private Chinese investors can increase the probability that a target becomes a supplier to a Chinese firm. Our measure is different: it captures the share of a Swedish target’s aggregate exports or imports involving the acquirer’s home country, rather than the existence of a link to an identified firm. A new supplier relationship need not produce a detectable change in that aggregate share. The studies therefore examine related but non-equivalent margins.

[Figure 13 about here]

Worker mobility and integration into multinational networks The third margin is where the target’s workers go after the acquisition. A core feature of multinational ownership is an internal labor market: the parent moves people across its affiliates. Workers who gain experience inside a multinational become more valuable to other multinationals, and more likely to move to them (Davidson, Heyman, Matusz, Sjöholm, and Zhu, 2026; Roesch, Gerritse, and Karreman, 2026). If the new owner integrates the target into such a network, the mobility of its workers into multinationals should rise after the acquisition; if it holds the target at arm’s length, it should not.

We test this at the worker level. For each worker w we define a binary indicator M_{wt} equal to one if the worker moves to a new employer of a given type in year t (a multinational enterprise in one specification, a Swedish locally owned firm in another) and zero otherwise:

$$M_{wt} = b_0 Post_t + b_1 Treated_w + b_2 (Post_t \times Treated_w) + X_w \delta + \omega_t + \phi_{s(w)} + \varepsilon_{wt}, \quad (4)$$

where $Post_t$ marks the post-acquisition period, measured from the acquisition year of the firm the worker was employed by in that year, $Treated_w$ indicates workers in acquired firms, X_w are worker and firm controls, ω_t are year fixed effects, and $\phi_{s(w)}$ are fixed effects for the two-digit industry of the worker’s pre-acquisition employer. The worker-level data come from the individual register described in Section 3 and cover 1997–2021, the same period as the firm-level analysis. The controls comprise the worker’s pre-acquisition characteristics and those of the employing firm, all measured in the year before the acquisition. In words, the equation

compares the change in a worker’s mobility after the acquisition, relative to before, for workers in acquired firms against the same change for workers in matched control firms. The interaction term $Post_t \times Treated_w$ is this difference-in-differences. It is estimated separately for Chinese and other foreign acquisitions, with standard errors clustered at the firm-by-year level.

Table 5 reports the results in four columns: mobility to a multinational for China (column 1) and for other owners (column 2), and mobility to a local firm for China (column 3) and for other owners (column 4). Within each column the *Treated* and *Post* rows capture the pre-acquisition difference between treated and control workers and the common post-period change, while the *DiD* row is the treatment effect of interest. After acquisitions by other foreign owners, workers become 5.3 percentage points more likely in a given year to move to a multinational enterprise (column 2, significant at one percent). At the same time, they become 1.4 percentage points less likely to move to a Swedish locally owned firm (column 4, significant at one percent). This is consistent with integration into the multinational network: the acquirer may move workers across its affiliates, and experience in a multinational may raise workers’ value to other multinationals relative to Swedish locally owned firms. For Chinese acquisitions neither margin moves: the estimate for mobility to multinationals is negative and insignificant (-0.039 , column 1), and that for mobility to local firms is likewise insignificant (column 3). A triple-difference specification that pools workers from both groups shows that the gap in mobility to multinationals is statistically significant: the difference is -0.089 , significant at the five percent level (Online Appendix Table OA3).

[Table 5 about here]

Taken together, the three margins point the same way. After other foreign acquisitions, the management layer shrinks, trade with the acquirer’s home country rises, and more workers move to multinationals. After Chinese acquisitions we detect no corresponding change on any of the three margins. Together with the absence of detectable effects on productivity, size, and trade intensity in Section 5.1, this pattern is consistent with parent-centered value creation. Under that interpretation, Chinese acquisitions are motivated by control over strategic assets that are valuable to the parent rather than to the Swedish target (Deng, 2009; Rui and Yip,

2008; Chen and Young, 2010). The changes after other foreign acquisitions are in turn consistent with acquisitions motivated by efficiency or market access, where integration and redeployment take place in the target (Andrade, Mitchell, and Stafford, 2001; Gugler, Mueller, Yurtoglu, and Zulehner, 2003). Integration frictions and the limited precision of the Chinese estimates are alternative explanations that our data cannot rule out.

5.3 Chinese acquisitions in sensitive industries

The mechanism evidence in Section 5.2 raises a related policy question: are the assets involved in Chinese acquisitions of a kind that bears on national security? Political and geoeconomic considerations may shape investment decisions (Babić and Dixon, 2022; Gehringer, 2025; Mohr and Trebesch, 2025), so that some transactions reflect state-level objectives rather than firm-level efficiency gains. This view resonates with the literature on economic statecraft (Baldwin, 1985; Luttwak, 1990). Consistent with the worldwide rise in caution toward foreign acquisitions in so-called sensitive industries, we therefore ask whether Chinese acquisitions in Sweden concentrate in such industries.

A sensitive industry has no precise definition, but the term generally covers high-technology sectors, defense-related activities, and various forms of critical infrastructure. We draw on two complementary classifications of Swedish industries. Kommerskollegium (2023) combines information from the Swedish Civil Contingencies Agency (MSB), a 2021 government inquiry, and the United Kingdom’s screening classification. It flags industries involving any of seven types of activity: vital societal functions; security-sensitive operations; the extraction or processing of raw materials critical to the EU or to Swedish supply; the handling of sensitive personal or location data; emerging and strategically sensitive technologies; dual-use (civilian and military) products; and weapons-related production. Bauerle Danzman and Meunier (2023) instead classify industries by whether they are covered by investment-screening legislation across OECD countries (the PRISM dataset) translated to the Swedish SNI 2007 classification. The two classifications overlap partly, so we treat an industry as *clearly* sensitive only when both studies agree. These are predominantly mining, infrastructure, and military-related production.

Acquisitions in sensitive industries are rare. Among firms with at least five employees, the

annual number of foreign acquisitions in these industries peaked at 37 in 2003 and fell to 6 in 2013. Over the full period they accounted for under 6 percent of all foreign acquisitions.

Chinese acquisitions in sensitive industries are few. Under the broader Kommerskollegium (2023) measure, only 14 Chinese acquisitions of firms with at least five employees occurred in such industries over 2000–2021, fewer than one per year. Under the more conservative Bauerle Danzman and Meunier (2023) measure, or the combination of the two, the number falls to a single acquisition.

Figure 14 shows the total number of Chinese-owned firms (acquisitions and greenfield establishments alike) split into clearly sensitive industries (sensitive under both studies), mixed industries (sensitive under one), and non-sensitive industries. The three series cover all Chinese-owned firms with at least one employee and therefore match Table 1 in the years reported there. An overwhelming majority operate in non-sensitive industries: of the 126 Chinese-owned firms in 2021, 103 are in non-sensitive industries and 19 in mixed ones, leaving four in clearly sensitive industries. That number never exceeds eight in any year of the period.

[Figure 14 about here]

In sum, we find no indication that Chinese acquisitions in Sweden are concentrated in security-sensitive industries.

6 Concluding remarks

Chinese acquisitions of Western firms have become a focus of geoeconomic anxiety, prompting a wave of investment screening across Europe on the premise that they are strategically motivated and economically distinctive. Yet remarkably little is known about what these acquisitions do to the targeted firms. This paper has examined that question for Sweden, where 152 firms passed into Chinese ownership between 1998 and 2021. We compare Chinese acquisitions with acquisitions by other major source countries through a stacked difference-in-differences design, each group set against its own propensity-score-matched control group of never-acquired Swedish firms.

Acquisitions by other foreign owners are followed by detectable gains in several outcomes of Swedish target firms. For Chinese acquisitions, the corresponding estimates are much less precise, and we do not detect comparable gains in these outcomes.

A natural next question is whether this pattern bears on national security. On that issue, our evidence is descriptive rather than causal. Chinese acquisitions in Sweden are rare in sensitive industries. On the most conservative classification, a single Chinese acquisition over two decades falls in a clearly sensitive industry. The heightened geopolitical concern that has spread investment screening across Europe is, at least in the Swedish data through 2021, not yet matched by a rising Chinese presence in sensitive sectors.

Recent global evidence shows that Chinese acquisitions can increase investment and R&D at target firms without corresponding gains in, for instance, patenting and profitability (Bai et al., 2026). We add a host-country perspective using Swedish administrative registers to follow acquired firms across a wider range of sizes and over a longer period. Alongside productivity and employment, we examine management turnover, trade with the acquirer’s home country, and worker mobility. The estimates for other foreign acquisitions show substantial adjustment on several of these margins, while the Chinese estimates show no similarly consistent pattern of statistically detectable gains. Examining these outcomes within the same institutional setting brings the consequences for target firms into sharper focus and provides evidence directly relevant to debates about foreign acquisitions and investment screening.

Two limits temper these conclusions. Because Chinese acquisitions are so few, our estimates capture the absence of the effects other owners produce, not a precise zero. This applies most sharply to management restructuring, where the samples are smallest and the estimates least certain. And because our data end in 2021, just as Chinese activity accelerates, we observe the onset of this wave, not where it leads.

For policy, our results are neither reassuring nor alarming. Europe screens Chinese acquisitions on the premise that they are economically distinctive and strategically motivated. Our firm-level evidence shows neither the gains that follow other foreign acquisitions nor detectable harm to the acquired firms, and it cannot speak to strategic motives. Any case for screening therefore rests on considerations that firm-level data do not capture.

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Tables

Table 1: Chinese firms in Sweden

Year	Number of Chinese-owned firms	Chinese share of foreign-owned firms (%)	Chinese share of employees in foreign-owned firms (%)
2000	7	0.2	0.0
2010	51	0.6	0.3
2021	126	1.4	4.9

Note: The table reports the number of Chinese-owned firms in Sweden and their share of all foreign-owned firms and of employment in foreign-owned firms, in selected years. Chinese ownership includes mainland China and Hong Kong. Figures include both acquisitions and greenfield investments and are based on Statistics Sweden's register of foreign-owned firms. The high employee share in 2021 reflects a small number of large firms, notably Geely's ownership of Volvo Cars.

Table 2: The effect of acquisitions on firm outcomes, China versus other countries

	VA/L		TFP		Firm size		High edu.		Export int.		Import int.	
	China	Other	China	Other	China	Other	China	Other	China	Other	China	Other
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
After	0.236**	0.014*	0.046	0.018***	−0.104	0.146***	0.103***	−0.010***	0.025	−0.001	0.028	0.011**
	(0.093)	(0.008)	(0.096)	(0.007)	(0.270)	(0.021)	(0.036)	(0.002)	(0.018)	(0.002)	(0.023)	(0.005)
Treated	−0.022	0.048***	0.053	0.029***	−0.205	0.034**	0.133**	0.044***	0.056*	0.002	0.078***	0.057***
	(0.147)	(0.011)	(0.139)	(0.008)	(0.274)	(0.014)	(0.052)	(0.003)	(0.030)	(0.002)	(0.028)	(0.010)
DiD	0.127	0.058***	−0.080	0.067***	−0.143	0.131***	0.016	0.014***	−0.018	0.014***	0.031	0.035***
	(0.143)	(0.013)	(0.164)	(0.009)	(0.308)	(0.015)	(0.057)	(0.003)	(0.034)	(0.003)	(0.038)	(0.012)
Pre-trend p-value	0.560	0.481	0.913	0.979	0.997	0.807	0.844	0.812	0.850	0.870	0.607	0.081
Observations	348	100,935	280	81,487	344	101,213	342	99,872	371	103,855	371	103,855
R-squared	0.153	0.125	0.169	0.087	0.174	0.131	0.412	0.321	0.178	0.255	0.190	0.183
Control variables	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES

Note: This table reports difference-in-differences estimates of equation (2) for firms acquired by China (odd columns) and by all other foreign countries (even columns), over the period 1997–2021 (event time $t - 4$ to $t + 9$). Outcomes are labor productivity (VA/L; value added per employee, in logs), total factor productivity (TFP), firm size (log employment), the share of high-educated workers, export intensity (exports/sales), and import intensity (imports/sales), in the order in which they appear in the columns. *DiD* is $After \times Treated$. All specifications control for firm characteristics, year fixed effects, and industry fixed effects. Standard errors clustered at the industry-by-year level in parentheses. The row *Pre-trend p-value* reports the p-value of a joint F-test that the pre-acquisition coefficients ($j = -4, -3, -2$, measured relative to $j = -1$) in the event-study specification, equation (3), are all zero; the event-study samples are identical to those in this table. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Table 3: The effect of acquisitions on firm outcomes, by source country

	China (1)	US (2)	EU-15 (3)	Nordic (4)	UK (5)	Germany (6)	France (7)	Norway (8)	Finland (9)
<i>Panel A: Labor productivity (VA/L)</i>									
DiD	0.127 (0.143)	0.181*** (0.034)	0.038** (0.016)	0.021 (0.014)	−0.003 (0.031)	0.100*** (0.031)	0.012 (0.037)	0.015 (0.023)	0.012 (0.025)
Observations	348	10,227	59,100	39,785	7,643	8,107	4,723	17,107	9,844
<i>Panel B: Total factor productivity (TFP)</i>									
DiD	−0.080 (0.164)	0.103*** (0.026)	0.063*** (0.011)	0.060*** (0.013)	0.079*** (0.026)	0.107*** (0.024)	0.094*** (0.035)	0.065*** (0.017)	0.054** (0.026)
Observations	280	7,852	47,884	32,173	6,276	6,664	3,798	13,883	7,975
<i>Panel C: Firm size (log employment)</i>									
DiD	−0.143 (0.308)	0.081 (0.050)	0.143*** (0.022)	0.118*** (0.026)	0.203*** (0.062)	0.156** (0.069)	0.318*** (0.077)	0.143*** (0.043)	0.178*** (0.050)
Observations	344	10,249	59,291	39,882	7,659	8,098	4,674	17,140	9,904
<i>Panel D: Share of high-educated workers</i>									
DiD	0.016 (0.057)	0.012 (0.009)	0.014*** (0.004)	0.010** (0.004)	0.012 (0.010)	0.008 (0.010)	0.033*** (0.012)	0.011* (0.007)	0.013 (0.008)
Observations	342	10,123	58,486	39,378	7,570	8,007	4,625	16,929	9,761
<i>Panel E: Export intensity (exports/sales)</i>									
DiD	−0.018 (0.034)	0.022** (0.010)	0.010*** (0.003)	0.013*** (0.003)	0.002 (0.009)	0.009 (0.007)	0.020* (0.011)	0.020*** (0.005)	0.011 (0.007)
Observations	371	10,599	60,734	40,707	7,840	8,317	4,841	17,521	10,073
<i>Panel F: Import intensity (imports/sales)</i>									
DiD	0.031 (0.038)	0.016 (0.019)	0.047*** (0.014)	0.041*** (0.012)	0.033*** (0.012)	0.041*** (0.016)	0.027 (0.017)	0.016* (0.009)	0.033*** (0.012)
Observations	371	10,599	60,734	40,707	7,840	8,317	4,841	17,521	10,073
Control variables	YES	YES	YES	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES	YES	YES	YES	YES	YES

Note: The difference-in-differences coefficient ($DiD = After \times Treated$) from equation (2), estimated separately by the source country of foreign acquirers, over 1997–2021 (event time $t - 4$ to $t + 9$). Each panel is a separate outcome, in the same order as in Table 2. All specifications control for firm characteristics, year fixed effects, and industry fixed effects. Standard errors clustered at the industry-by-year level in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Table 4: The effect of acquisitions on management restructuring, Chinese versus other acquisitions

	Total no.		Rates	
	China (1)	Other (2)	China (3)	Other (4)
<i>Panel A: Replacement of top management</i>				
CEO change (switch CEO)	0.031 (0.109)	0.008 (0.006)	—	—
Observations	87	20,665	—	—
<i>Panel B: Manager turnover</i>				
Manager turnover	0.062 (0.257)	0.199*** (0.022)	−0.001 (0.083)	0.033*** (0.006)
of which: entries	0.027 (0.162)	0.066*** (0.013)	−0.008 (0.061)	0.009** (0.004)
of which: exits	0.035 (0.172)	0.134*** (0.014)	0.007 (0.063)	0.024*** (0.004)
Net (entries − exits)	−0.008 (0.214)	−0.068*** (0.014)	−0.014 (0.091)	−0.014*** (0.005)
Observations	344	87,842	301	72,651
<i>Panel C: Professional turnover</i>				
Professional turnover	1.070** (0.538)	0.208*** (0.063)	−0.240 (0.193)	0.022* (0.012)
of which: entries	0.523 (0.380)	0.087** (0.035)	−0.215 (0.206)	0.009 (0.011)
of which: exits	0.548* (0.305)	0.121*** (0.033)	−0.025 (0.075)	0.013** (0.006)
Net (entries − exits)	−0.025 (0.431)	−0.034 (0.024)	−0.190 (0.243)	−0.004 (0.012)
Observations	344	87,842	231	54,453
Control variables	YES	YES	YES	YES
Year FE	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES

Note: Difference-in-differences estimates ($DiD = After \times Treated$) of equation (2), estimated separately for Chinese and other foreign acquisitions with firm-level controls and year and industry fixed effects throughout. *CEO change* (Panel A) indicates a year in which the firm's chief executive is replaced, and is estimated on firms with a single identified chief executive; *manager turnover* (Panel B) is the annual number of manager entries plus exits, shown decomposed, with the net change in the managerial stock in the final row; *professional turnover* (Panel C) is the same for professionals. Occupational groups are defined in Section 5.2. Data on occupations are available from 2001, so the estimates cover 2001–2021 (event time $t - 4$ to $t + 9$). Columns 1–2 are numbers of people; columns 3–4 divide the same flows by the average of the opening and closing stock, giving rates bounded in $[0, 2]$, and in $[-2, 2]$ for the net change. A firm-year whose stock is zero in both years has no denominator and hence no rate: it stays in columns 1–2 but leaves columns 3–4, which is why the two pairs of columns differ in observations. Panel A is binary and has no rate counterpart. The flows in Panels B and C are winsorized at the pooled 95th percentile so that a few very large firms do not drive the estimates; no observation is dropped, and entries plus exits equal turnover exactly (the uncapped estimates are available on request). Magnitudes are not comparable across panels. Standard errors clustered at the industry-by-year level in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Table 5: The effect of acquisitions on worker job mobility, Chinese versus other acquisitions

	Mover to MNEs		Mover to local firms	
	China (1)	Other (2)	China (3)	Other (4)
Treated	0.001 (0.036)	0.003 (0.002)	−0.083*** (0.030)	0.009*** (0.002)
Post	0.008 (0.027)	0.014*** (0.003)	−0.006 (0.015)	0.012*** (0.002)
DiD	−0.039 (0.032)	0.053*** (0.005)	0.023 (0.018)	−0.014*** (0.002)
Observations	14,549	4,632,660	14,549	4,632,660
R-squared	0.412	0.059	0.264	0.037
Control variables	YES	YES	YES	YES
Year FE	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES

Note: This table reports difference-in-differences estimates of equation (4) for the effect of acquisitions on worker job mobility over 1997–2021 (event time $t - 4$ to $t + 9$), estimated separately for firms acquired by Chinese owners and by all other foreign owners. The dependent variable equals one if a worker moves to a multinational enterprise (columns 1–2) or to a Swedish locally owned firm (columns 3–4), and zero otherwise. *DiD* is $Post \times Treated$. All specifications include worker and firm controls and year and industry fixed effects; the industry fixed effects are for the worker’s pre-acquisition two-digit industry (SNI 2007) and enter through the control set. Standard errors clustered at the firm-by-year level in parentheses. A triple-difference test confirms that the mobility-to-MNE effect of Chinese acquisitions differs significantly from that of other acquisitions (Online Appendix Table OA3). *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Figures



Figure 1: Share of foreign-owned firms and share of employees in foreign-owned firms, 1997–2021

Note: The figure shows the share of firms that are foreign-owned and the share of employees working in foreign-owned firms, Sweden 1997–2021. A firm is classified as foreign-owned if more than 50 percent of the voting rights are held, directly or indirectly, by a foreign ultimate owner (SCB register of foreign-owned firms). Both shares rise steeply until the early 2000s and are broadly flat thereafter: the firm share from 1.5 percent in 1997 to a peak of 3.6 percent in 2009 and 2.6 percent in 2021, and the employee share from 13.5 percent to about 25 percent by 2003 and 22.9 percent in 2021. That the employee share is roughly nine times the firm share reflects the larger average size of foreign-owned firms.

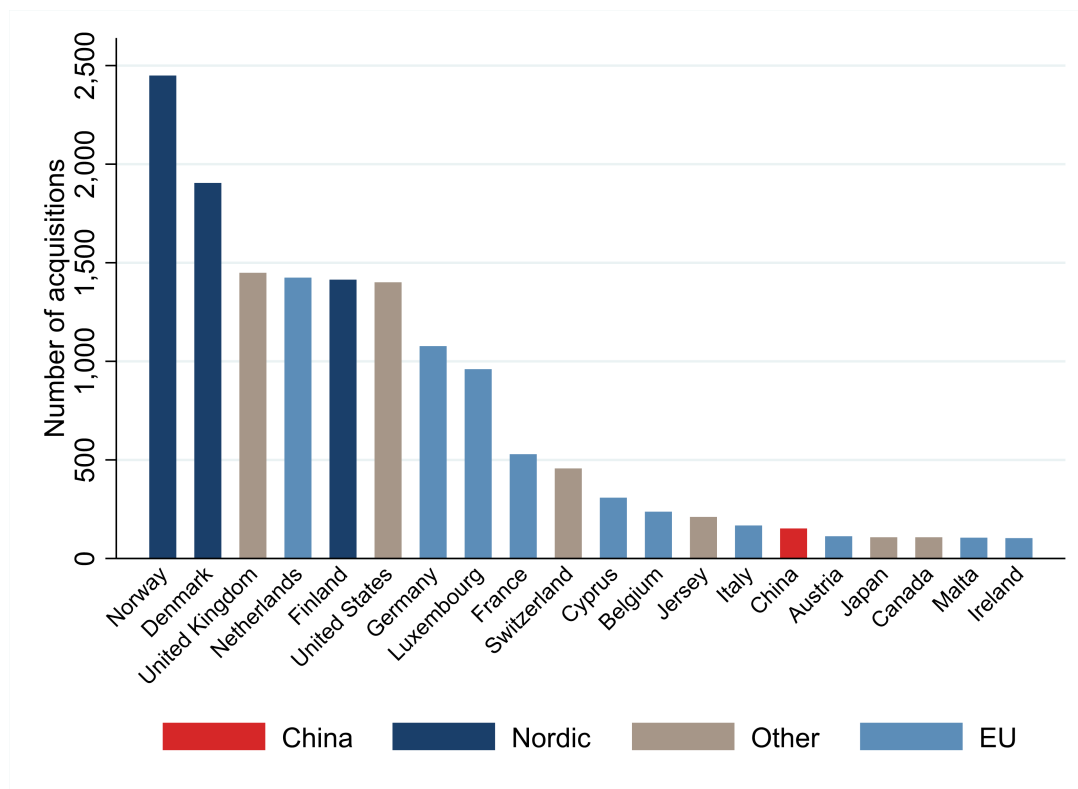


Figure 2: The number of foreign acquisitions of Swedish firms by source country (1997–2021)

Note: The figure shows the total number of foreign acquisitions of Swedish firms over 1997–2021 for the twenty largest source countries, identified from the SCB register of foreign-owned firms linked to the firm database.

The source country is the country of the ultimate owner. Bars are colored by country group. Because the United Kingdom left the EU during the period covered, it is counted among the other countries in every year, so that the grouping is consistent over time. China ranks fifteenth among source countries, with 152 acquisitions.

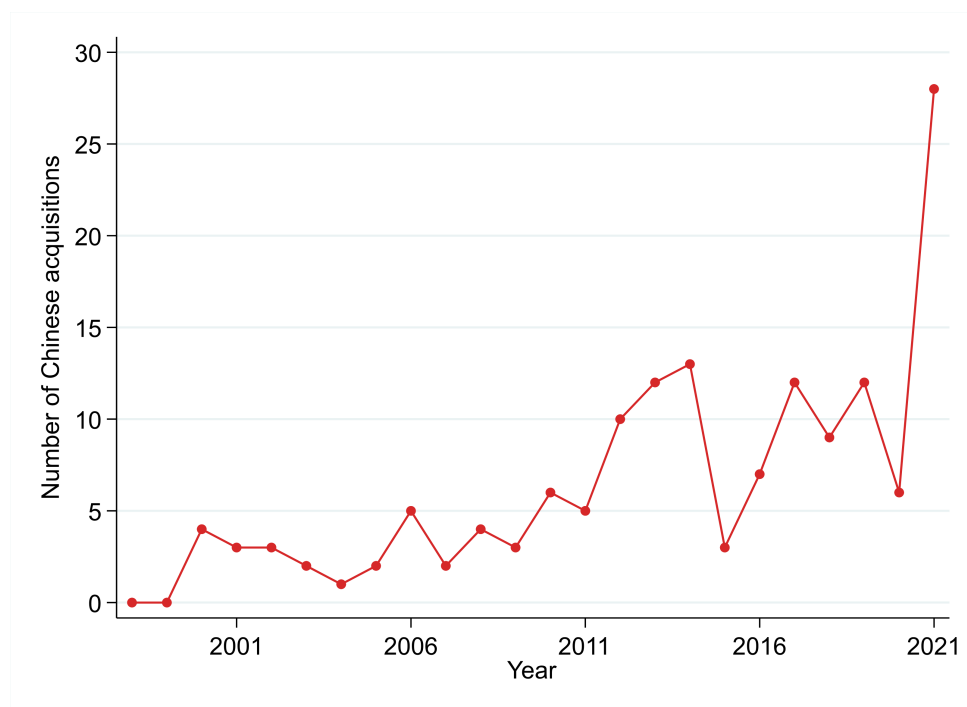


Figure 3: The number of Chinese acquisitions of Swedish firms, 1998–2021

Note: The figure shows the annual number of Chinese acquisitions of Swedish firms, 1998–2021. Chinese ownership comprises mainland China and Hong Kong. The number rises from about three acquisitions per year before 2010 to about nine per year in the 2010s, and to 28 in 2021.

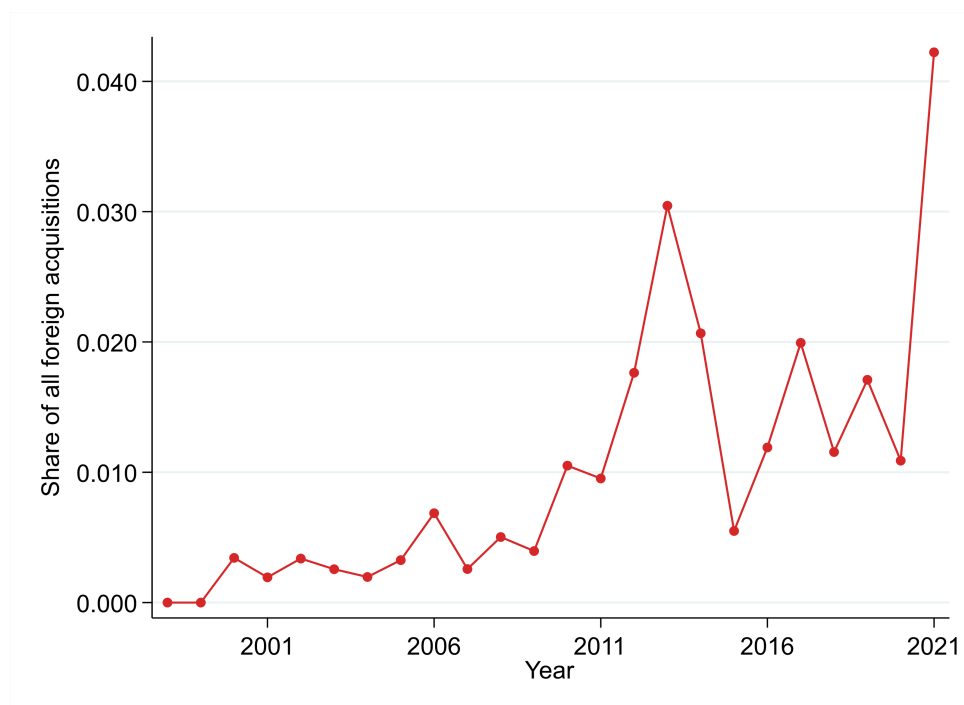


Figure 4: Chinese acquisitions as a share of total foreign acquisitions, 1998–2021

Note: The figure shows Chinese acquisitions as a share of all foreign acquisitions of Swedish firms, 1998–2021 (mainland China and Hong Kong). The share rises from a fraction of a percent before 2010 to just over four percent in 2021.

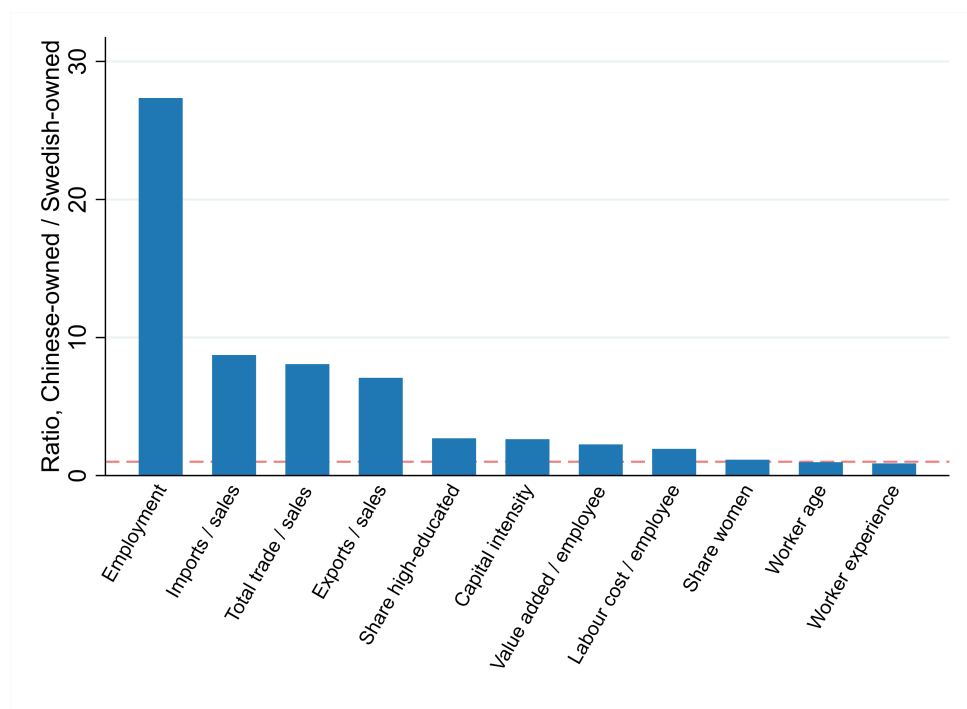


Figure 5: Ratios of firm characteristics between Chinese-owned and Swedish-owned firms

Note: The figure shows ratios of mean firm characteristics between Chinese-owned and Swedish-owned firms, pooled over 1997–2021. A ratio above one indicates a higher mean value among Chinese-owned firms. Chinese-owned firms are far larger (by employment) and more trade- and capital-intensive than the average Swedish-owned firm.

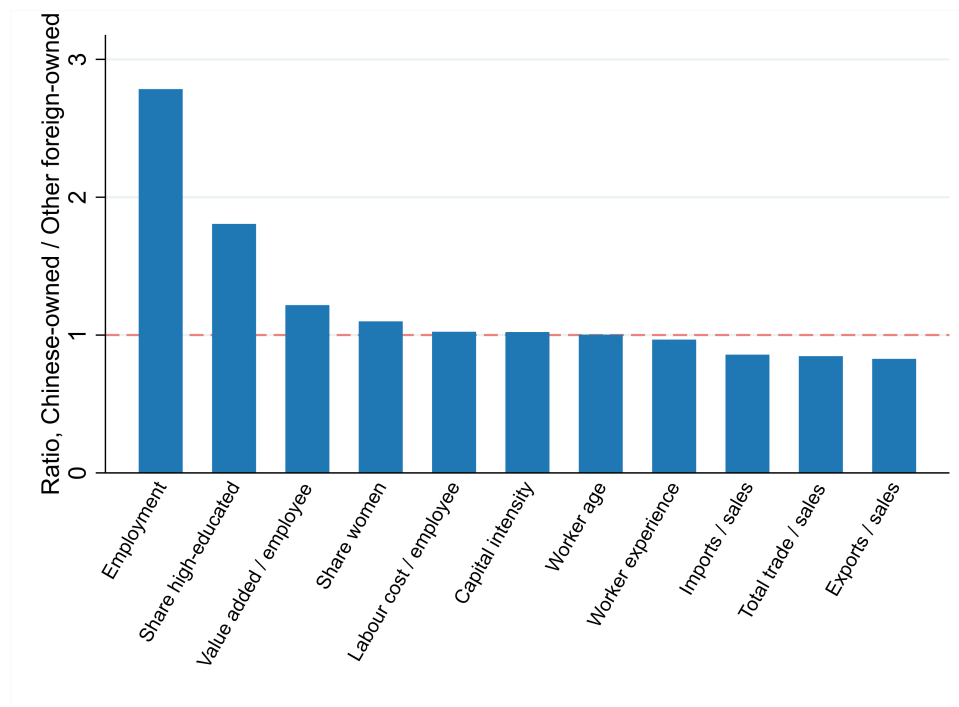


Figure 6: Ratios of firm characteristics between Chinese-owned and other foreign-owned firms

Note: The figure shows ratios of mean firm characteristics between Chinese-owned and other foreign-owned firms, pooled over 1997–2021. A ratio above one indicates a higher mean value among Chinese-owned firms. Chinese-owned firms are larger and have a more educated workforce than other foreign-owned firms, but are less trade intensive on both the export and the import side.

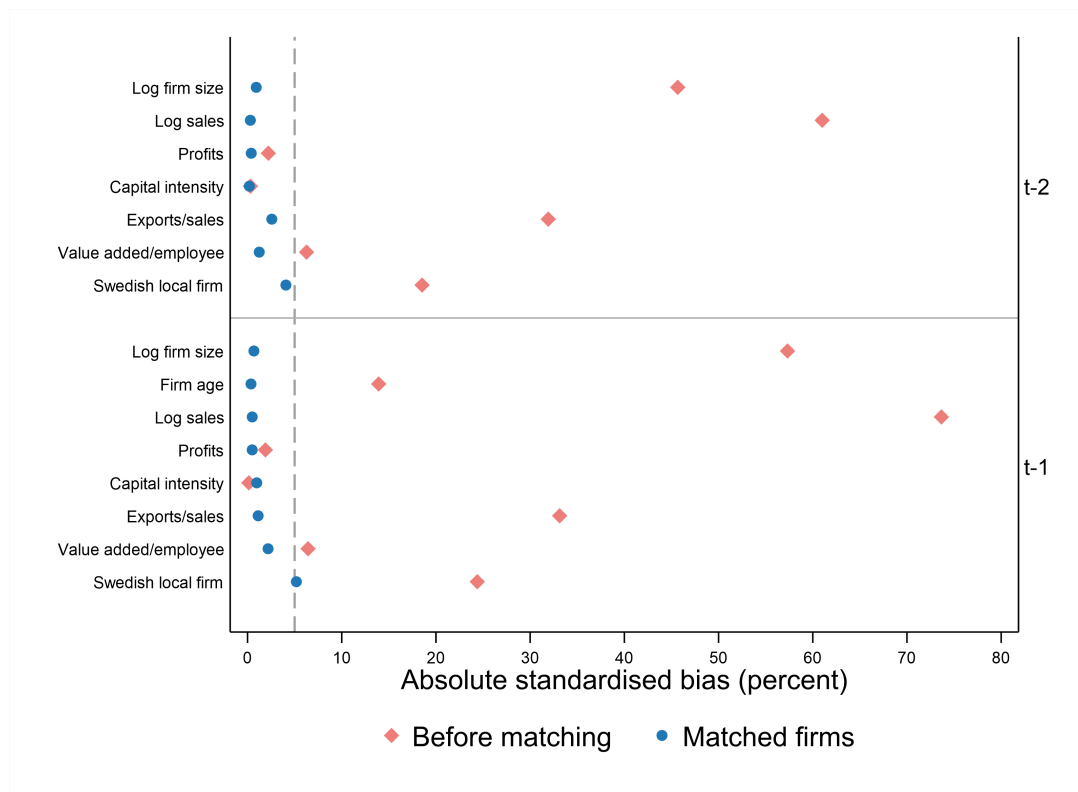
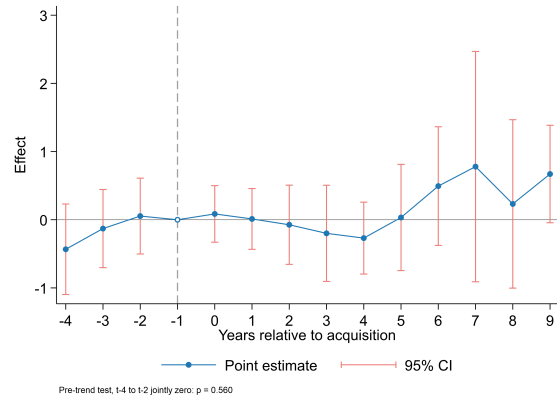
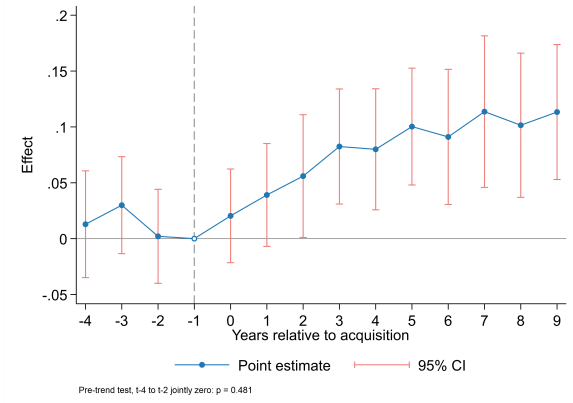


Figure 7: Standardized bias between treated and control firms, before and after matching

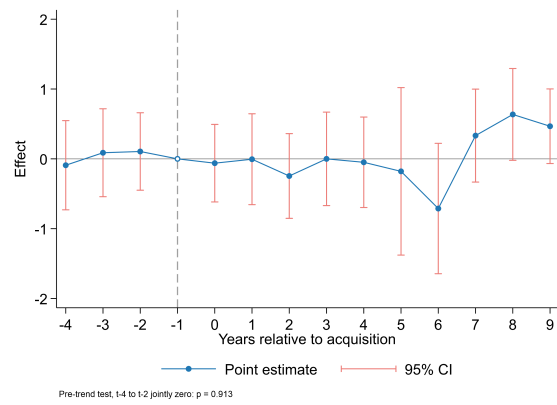
Note: The figure shows the absolute standardized bias between treated and control firms in the unmatched and matched samples, measured one and two years before the acquisition and pooled over all acquisition years (Austin, 2009). Treated firms are Swedish firms acquired by foreign owners; control firms are matched never-acquired Swedish firms (one-to-one nearest-neighbor matching on the propensity score from equation (1)). Matching reduces the mean absolute bias across the fifteen covariate-by-lag combinations from 25.1 to 1.4 percent; the largest single bias falls from 73.7 to 5.2 percent.



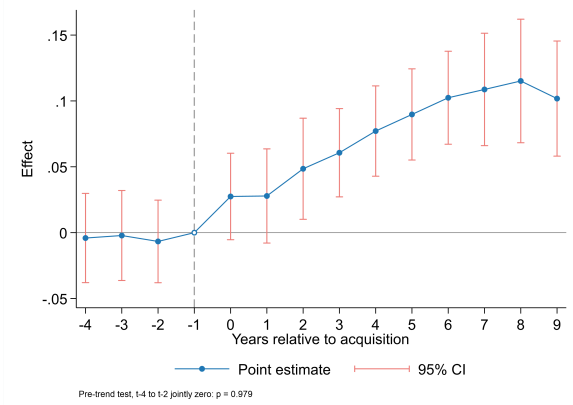
(A) Labor productivity, Chinese acquisitions



(B) Labor productivity, other foreign acquisitions



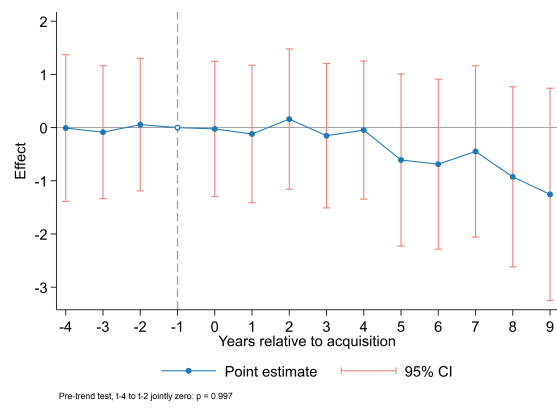
(C) TFP, Chinese acquisitions



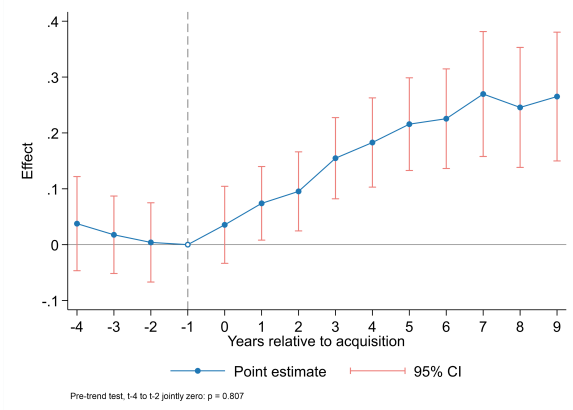
(D) TFP, other foreign acquisitions

Figure 8: Event study — the effect of acquisitions on labor productivity and TFP

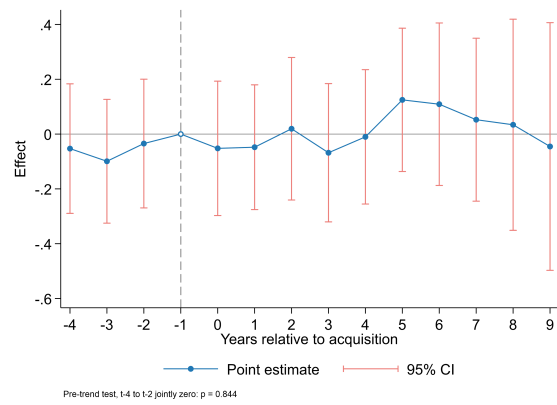
Note: The figure plots the stacked difference-in-differences estimates of β_j from the event-study specification, equation (3), for labor productivity ($\log VA/L$, Panels A and B) and total factor productivity (Panels C and D), measured relative to the year before the acquisition ($j = -1$), shown as a hollow point at zero on the dashed line, with 95% confidence intervals. Chinese acquisitions are shown in the left column and acquisitions by all other foreign owners in the right. The sample covers 1997–2021 and firms with at least five employees; all specifications include firm controls and year and industry fixed effects, with standard errors clustered at the industry-by-year level. Below each panel is the p-value of a joint F-test that the pre-acquisition coefficients ($j = -4, -3, -2$) are zero.



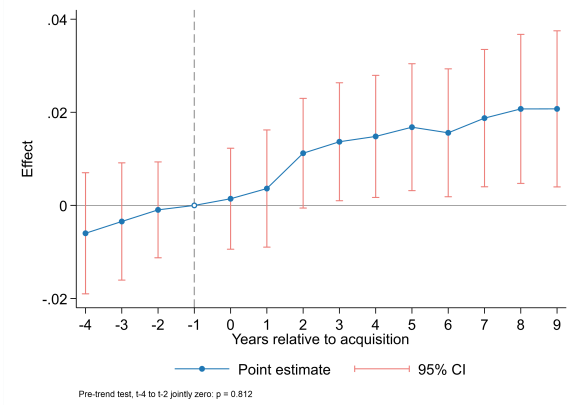
(A) Firm size, Chinese acquisitions



(B) Firm size, other foreign acquisitions



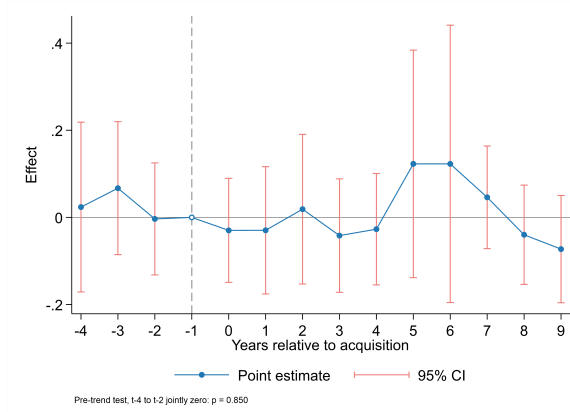
(C) Share high-educated, Chinese acquisitions



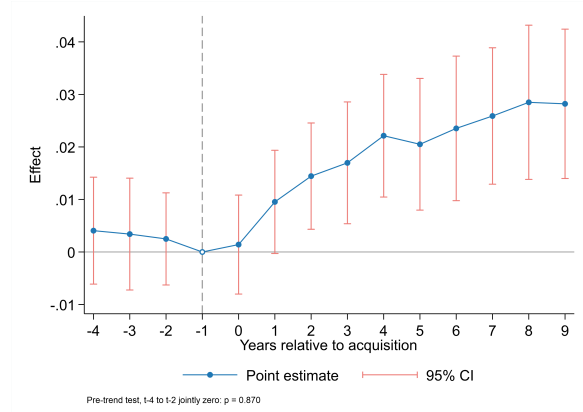
(D) Share high-educated, other foreign acquisitions

Figure 9: Event study — the effect of acquisitions on firm size and skill composition

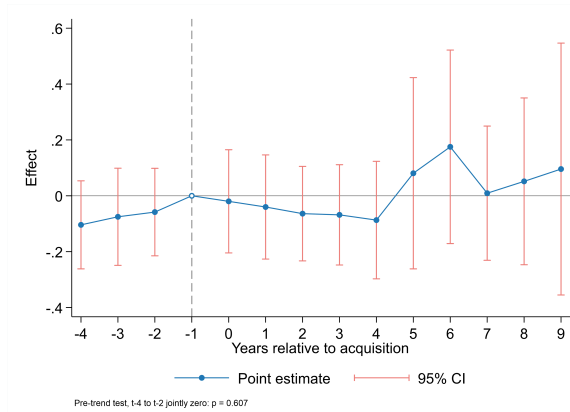
Note: The figure plots the event-study estimates of β_j from equation (3) for firm size (log employment, Panels A and B) and the share of high-educated workers (Panels C and D), relative to the year before the acquisition ($j = -1$), with 95% confidence intervals; Chinese acquisitions in the left column and other foreign acquisitions in the right. Sample, specification, fixed effects, and clustering are as in Figure 8. The p-value of the joint pre-trend test is reported below each panel, as in Figure 8.



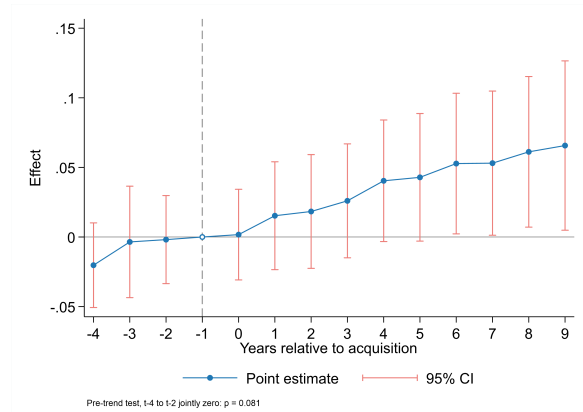
(A) Export intensity, Chinese acquisitions



(B) Export intensity, other foreign acquisitions



(C) Import intensity, Chinese acquisitions



(D) Import intensity, other foreign acquisitions

Figure 10: Event study — the effect of acquisitions on export and import intensity

Note: The figure plots the event-study estimates of β_j from equation (3) for export intensity (exports/sales, Panels A and B) and import intensity (imports/sales, Panels C and D), relative to the year before the acquisition ($j = -1$), with 95% confidence intervals; Chinese acquisitions in the left column and other foreign acquisitions in the right. Sample, specification, fixed effects, and clustering are as in Figure 8. The p-value of the joint pre-trend test is reported below each panel, as in Figure 8.

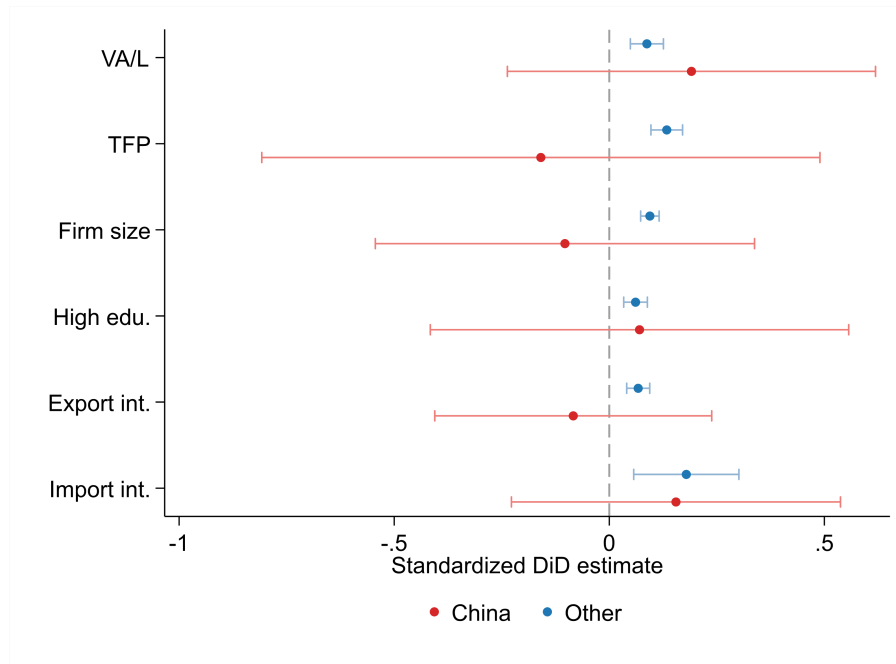


Figure 11: Standardized difference-in-differences estimates on firm outcomes, China versus other countries

Note: The figure shows standardized difference-in-differences estimates from equation (2) for firms acquired by China and by all other foreign owners, across the six firm outcomes, with 95% confidence intervals, 1997–2021 (firms with at least five employees). Each estimate is standardized to unit standard deviation so that magnitudes are comparable across outcomes, using the standard deviation of each outcome in the full estimation panel (Chinese and other acquisitions, treated and control firms, all years); standardization rescales the coefficient but not its t -statistic, so which estimates are significant is unchanged. All specifications include firm controls and year and industry fixed effects, with standard errors clustered at the industry-by-year level.

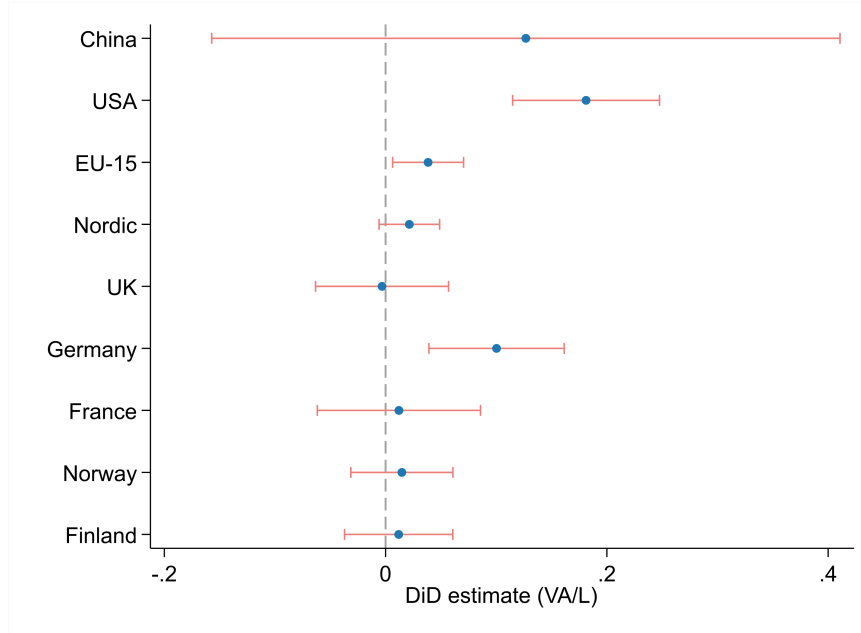


Figure 12: Difference-in-differences estimates of the effect of acquisitions on labor productivity, by source country

Note: The figure shows difference-in-differences estimates of the effect of acquisitions on labor productivity (log VA/L) from equation (2), estimated separately by the source country of the acquirer, with 95% confidence intervals, 1997–2021 (firms with at least five employees). All specifications include firm controls and year and industry fixed effects, with standard errors clustered at the industry-by-year level. By-country estimates for the other five outcomes are reported in Online Appendix Figure OA1, and the corresponding coefficients for all six outcomes are tabulated in Table 3.

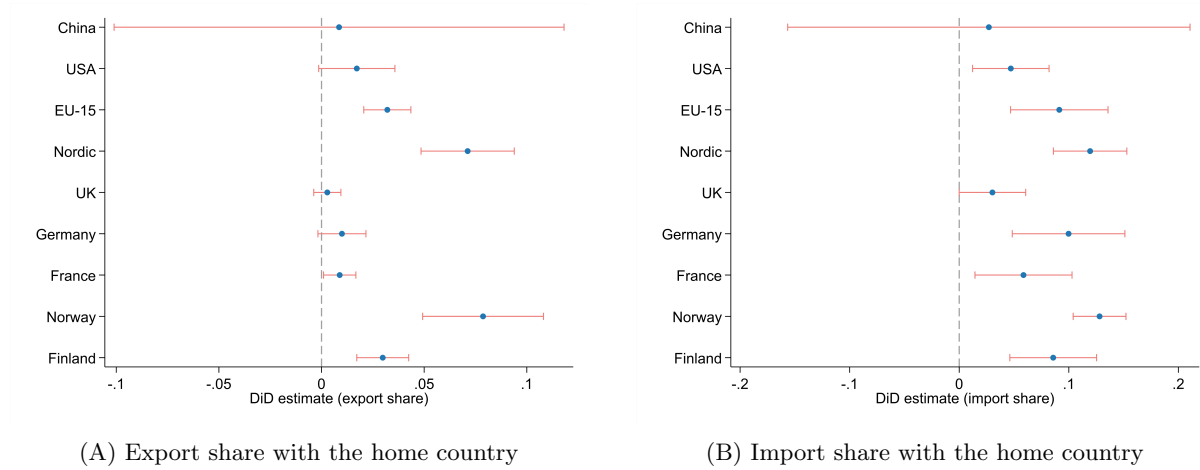


Figure 13: Difference-in-differences estimates of the effect of acquisitions on the trade share with the acquirer's home country, by source country

Note: The figure shows difference-in-differences estimates from equation (2), estimated separately by source country, of the share of the target firm's exports going to the acquirer's home country (Panel A) and the share of its imports coming from the acquirer's home country (Panel B), with 95% confidence intervals, 1997–2021 (firms with at least five employees). This trade share with the home country measures supply-chain integration and is distinct from the export and import intensity (over total sales) reported in Table 2. All specifications include firm controls and year and industry fixed effects, with standard errors clustered at the industry-by-year level.

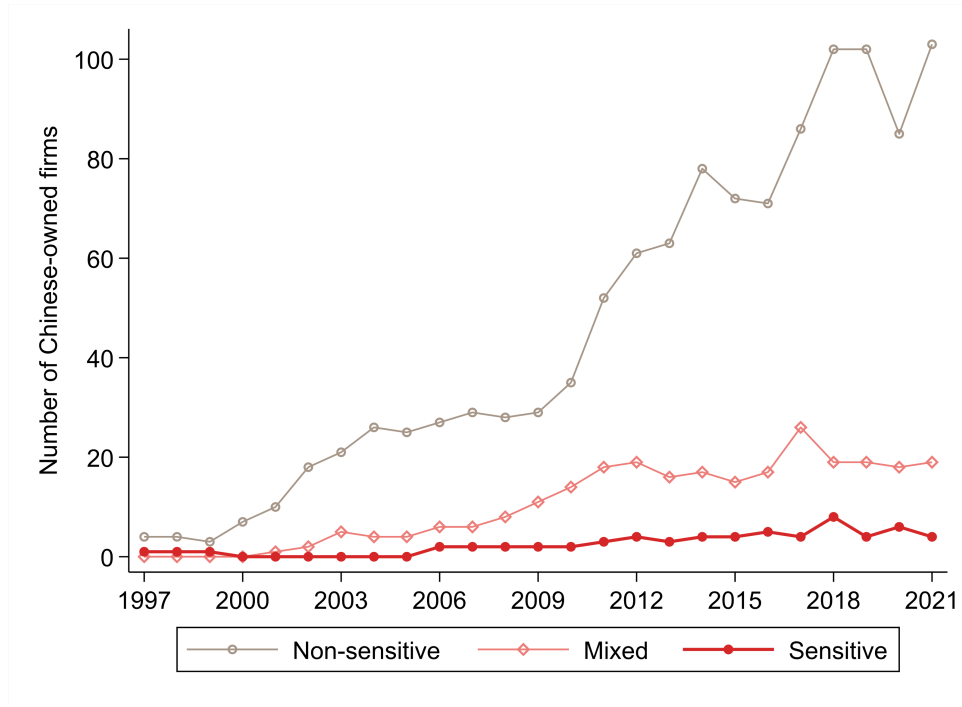


Figure 14: Chinese-owned firms in sensitive and non-sensitive industries

Note: The figure shows the number of Chinese-owned firms in Sweden (acquisitions and greenfield establishments) in sensitive, mixed, and non-sensitive industries, 1997–2021. An industry is classified as sensitive when it is classified as such by both Kommerskollegium (2023) and Bauerle Danzman and Meunier (2023), as mixed when only one study classifies it as sensitive, and as non-sensitive otherwise. The classification is applied to each firm directly, not aggregated to the two-digit industry level. Chinese ownership covers mainland China and Hong Kong, as in Table 1 and Figures 2–4, and the annual totals equal the number of Chinese-owned firms reported in Table 1 for the years shown there. The overwhelming majority of Chinese-owned firms operate in non-sensitive industries.

Online Appendix

The Geoeconomic Footprint of Chinese Acquisitions: Micro-Evidence on Target Firms

Fredrik Heyman and Fredrik Sjöholm

Table OA1: Difference-in-differences estimates of Table 2 under alternative clustering

	China				Other foreign			
	DiD	Ind.×year	Firm	Pair	DiD	Ind.×year	Firm	Pair
<i>Panel A: Estimate and standard error under each clustering</i>								
Log VA/L	0.127	(0.143)	(0.206)	(0.221)	0.058	(0.013)***	(0.010)***	(0.010)***
TFP	−0.080	(0.164)	(0.152)	(0.168)	0.067	(0.009)***	(0.008)***	(0.008)***
Log employment	−0.143	(0.308)	(0.268)	(0.300)	0.131	(0.015)***	(0.018)***	(0.018)***
High-educated share	0.016	(0.057)	(0.045)	(0.048)	0.014	(0.003)***	(0.003)***	(0.003)***
Export intensity	−0.018	(0.034)	(0.037)	(0.033)	0.014	(0.003)***	(0.003)***	(0.003)***
Import intensity	0.031	(0.038)	(0.048)	(0.056)	0.035	(0.012)***	(0.003)***	(0.003)***
<i>Panel B: Number of clusters</i>								
Log VA/L		106	38	19		247	10,064	5,046
TFP		93	35	19		247	9,232	5,007
Log employment		108	35	19		247	9,791	5,038
High-educated share		108	35	19		247	9,774	5,038
Export intensity		110	38	19		250	10,092	5,046
Import intensity		110	38	19		250	10,092	5,046

Note: The difference-in-differences estimate of equation (2) in the paper, as in Table 2, with its standard error under three clusterings: industry by year (as in the paper), the firm (all years of a firm in one cluster), and the matched pair (the acquired firm and its matched control firm, all years). Controls are matched without replacement, so each firm belongs to exactly one pair. Clustering changes the standard errors only; the estimates are identical across columns and equal those in Table 2. *** p<0.01, ** p<0.05, * p<0.1, marked on the standard error of each clustering.

Table OA2: Pre-trend tests of the event studies under alternative clustering

	China			Other foreign		
	Ind.×year	Firm	Pair	Ind.×year	Firm	Pair
Log VA/L	0.560	0.319	0.352	0.481	0.088	0.089
TFP	0.913	0.575	0.369	0.979	0.895	0.897
Log employment	0.997	0.891	0.899	0.807	0.341	0.307
High-educated share	0.844	0.445	0.435	0.812	0.372	0.360
Export intensity	0.850	0.323	0.450	0.870	0.460	0.453
Import intensity	0.607	0.446	0.430	0.081	<0.001	<0.001

Note: p-values of the joint F-test that the pre-acquisition coefficients β_{-4} , β_{-3} and β_{-2} in the event-study specification, equation (3) in the paper, are zero, with the year before the acquisition ($j = -1$) as the omitted reference year. The industry-by-year column is the test reported in Table 2 and under each panel of Figures 8–10. The rejection for the import intensity of other acquirers under firm and pair clustering comes from $j = -4$, where the coefficient is -0.020 ; the coefficients at $j = -3$ and $j = -2$ are close to zero. The numbers of clusters are those of Table OA1, Panel B.

Table OA3: Job mobility after acquisition — triple difference, China versus other

	Mover to MNEs (1)	Mover to local firms (2)
FoF China	−0.024** (0.012)	0.000 (0.009)
Treated	0.003 (0.002)	0.009*** (0.002)
FoF China × Treated	0.072** (0.034)	−0.003 (0.012)
Post	0.014*** (0.003)	0.012*** (0.002)
FoF China × Post	−0.004 (0.020)	−0.010 (0.011)
Treated × Post	0.053*** (0.005)	−0.014*** (0.002)
FoF China × Treated × Post	−0.089** (0.042)	0.014 (0.014)
Observations	4,647,209	4,647,209
R-squared	0.059	0.037
Control variables	YES	YES
Year FE	YES	YES
Industry FE	YES	YES

Note: Estimates from a triple-difference specification that augments the worker-level difference-in-differences model, equation (4) in the paper, with a Chinese-acquirer indicator (*FoF China*, where FoF denotes a foreign-owned firm; it equals one for workers in the Chinese acquisition cohort, i.e. in firms acquired by Chinese owners and in their matched control firms) and its full set of interactions, over 1997–2021. The dependent variable equals one if a worker moves to a multinational enterprise (column 1) or to a Swedish locally owned firm (column 2), and zero otherwise. The coefficient of interest is the triple interaction *FoF China* × *Treated* × *Post*, which measures how the mobility effect of Chinese acquisitions differs from that of other foreign acquisitions. This table is the formal test underlying the contrast in Table 5 in the paper, and uses the same worker and firm controls and the same year and industry fixed effects as that table. Estimated without controls, the triple interaction is −0.105 (s.e. 0.040); that specification is available on request. Standard errors clustered at the firm-by-year level in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

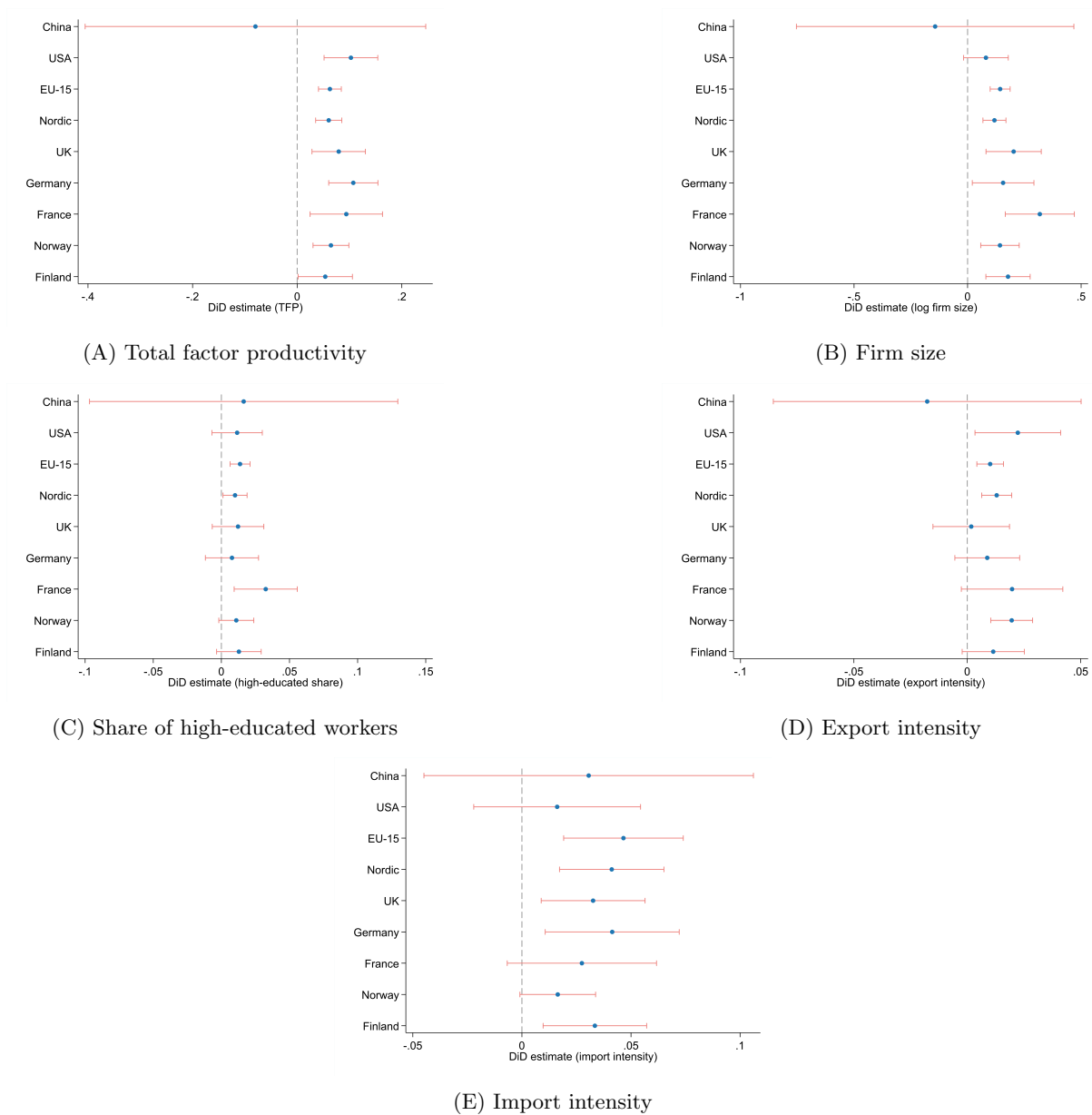


Figure OA1: Difference-in-differences estimates by source country — remaining firm outcomes

Note: The figure shows difference-in-differences estimates from equation (2) in the paper, estimated separately by source country, for the five firm outcomes not shown in Figure 12 of the paper: total factor productivity (Panel A), firm size (Panel B), the share of high-educated workers (Panel C), export intensity (Panel D), and import intensity (Panel E), with 95% confidence intervals, 1997–2021 (firms with at least five employees). They complement Figure 12, which reports labor productivity, and show the estimates tabulated in Table 3 of the paper with their confidence intervals. All specifications include firm controls and year and industry fixed effects, with standard errors clustered at the industry-by-year level.