Cross-Border Mergers and Acquisitions

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One of the most consequential events in any firm’s lifetime is a major acquisition. Because of their importance, mergers and acquisitions (M&As) have been an enormous area of research. However, the vast majority of this research and survey papers summarizing this research have focused on domestic deals. Cross-border ones, however, constitute about 30% of the total number and 37% of the total volume of M&As around the world since the early 1990s. We survey the literature on cross-border M&As, focusing on international factors that can lead firms to acquire a firm in another country. Such factors include differences in economic development, laws, institutions, culture, labor rights, protection of intellectual property, taxes, and corporate governance.

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