

Firm	Year	Month	FDI	Country	Industry
001	2000	1	0	China	
001	2000	2	0		
001					
001	2020	12	5000000	China	

ISIC

Host country \bar{i} , industry j , time t

$$\underline{FDI}_{\bar{i}jt} = \sum_{t=0}^{2021} \left(\beta_{\bar{i}jt}^{NNTR} \tau_{\bar{i}j}^{NNTR} + \beta_{\bar{i}jt}^{TW} \tau_{\bar{i}j}^{TW} \right) \mathbb{1}(\bar{i} = \text{China})$$

+ ... + Σ ——— (*)

balanced

① Build a panel of TW outward FDI.

② Transform tariff to the sector level.

Good g , sector j

$$\tau_{ijt}^k = \sum_{g \in \Omega_j} w_{gj} \tau_{igt}^k$$

Measure \rightarrow τ_{ijt}^k weight \rightarrow w_{gj} Data \rightarrow τ_{igt}^k (US import tariff on CN export)

, $k \in \{NNTR, TW\}$

$$w_{gj} = \begin{cases} \frac{1}{\#(\Omega_j)} \\ \frac{X_{g,2013}}{X_{j,2013}} \quad \left(X: \text{CN export to the US} \right) \end{cases}$$

③ Run reg. following (*)