



University of Sussex

Business & Management

Seminar series

Date: Wednesday 31 October

Speaker: Surendranath Jory (Sussex)

Title: A comparison of bidders of State-Owned Enterprises (SOEs) with bidders of non-SOEs: Deal Structure Decisions and Wealth Effects

Abstract: Bidders are more likely to buy non-state/government-owned corporations (non-SOEs) as opposed to SOEs in countries that rate favorably in economic freedom, government influence, law and order, access to sound money, freedom to trade and in the regulation of credit, labor and business. In countries that rate less favorably along these dimensions (i.e., less-free or repressed economies), bidders are more likely to bid for state-owned enterprises (SOEs). Unlike the case of bidders of non-SOEs, investors do not reward bidders of SOEs. This investor skepticism toward bidders of SOEs seems justified as their operating performance lag the performance of bidders of non-SOEs in the long-run. Furthermore, mostly unfree and repressed target countries adversely affect bidders' stock and operating performances.