

THE ACQUIRING FIRM VALUE CREATION IN THE FIRST INTERNATIONAL MERGER WAVE

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ABSTRACT

This paper provides evidence concerning the U.S. firms engaged in international acquisitions during the first real international merger wave. In contrast to the existing studies focusing on cross-border takeovers prior to this merger wave, market reactions to international acquisitions are generally much more favorable. A closer look at the general pattern of these M&A transactions reveals the acquiring firm value creation is most consistent with the needs and benefits for the acquirers to internalize intangible and information-intensive assets as well as locate targets with better compatibility and superior investor protection tradition.

Keywords: *M&A; FDI; Cross-Border Acquisition; Globalization; Cross-Border Diversification; International Takeover; Merger Wave; International Merger Wave; Acquiring Firm Wealth; Acquiring Firm Value*