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Neha Jaiswal
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Impact of Mergers and Acquisitions on Innovation: Evidence from a Panel of Indian Pharmaceutical Firms

Neha Jaiswal will present findings from her paper, "Impact of Mergers and Acquisitions on Innovation: Evidence from a Panel of Indian Pharmaceutical Firms" co-authored with Prof. Rakesh Basant.

Abstract: Based on the literature, the paper identifies processes that get initiated post an M&A event and affect the acquiring firm's innovation efforts. We apply panel fixed effects to analyze the individual impact of mergers and acquisitions on R&D intensity of acquiring firms using data for 217 publicly listed Indian pharmaceutical firms (both acquirers and non-acquirers) during 1999-2018. The study finds that acquisitions rather than mergers provide impetus to R&D in the acquiring firms. This suggests that these two combinations – mergers and acquisitions - do not unleash the same type of innovation activity related processes in the acquiring firm. Results also indicate that purchase of assets when combined with M&A seem to provide access to relevant complementary assets that makes R&D activity profitable for the acquirer post the merger or acquisition event. The paper shows that the impact of M&A on R&D takes time and it is useful to analyze the impact of mergers and acquisitions separately, rather than combining them together.



DATE
February 16th

TIME
6.00-7.00 p.m.