

Firm ownership and competitiveness in the European beverages industry^{*,**}

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Abstract

The food sector has been the object of much competition concern in the past decade, having seen many European Commission initiatives investigating the food supply chain. This study examines the ownership structure of beverages manufacturers active in the EU28 in 2007-2019. Several large US-based institutional investors are present in all major competitors with minority stakes, creating a high level of common ownership in the market. The “intensity” of investments is also quite high in this industry, with the average participation shares in all investors’ portfolios growing over time during the period of observation. The study assesses the potential impact of common ownership on firms’ competitive outcomes by the exogenous shock in ownership that followed the BlackRock-Barclays Global Investors merger of 2009. The empirical findings suggest a positive association between common shareholding and the market power of firms. Moreover, the impact of the merger is persistent through time, with the effect growing in the years after the merger, and then fading away as the market self-adjusts.

Keywords: Common ownership, corporate governance, competitiveness, beverages

JEL: D21, D22, G11, G32, K21, L40

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