

OVERSEAS TRANSFER OF PRODUCTION AND
SIMULTANEOUS HOLDINGS OF CASH AND DEBT

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《SUMMARY》

Using the propensity score matching, this study measures the impact of overseas transfer of production on the debt and cash policy of firms. As a result of analyses, we find that firms which move production offshore face the divided capital market and tend to hold more debt and cash simultaneously. From a standpoint of capital efficiency, simultaneous holdings are not necessarily good for firms. So, government should implement appropriate measures to alleviate an incompleteness of the capital market.