

Wier, Ludvig; Reynolds, Hayley

Working Paper

Big and "unprofitable": How 10% of multinational firms do 98% of profit shifting

WIDER Working Paper, No. 2018/111

Provided in Cooperation with:

United Nations University (UNU), World Institute for Development Economics Research (WIDER)

Suggested Citation: Wier, Ludvig; Reynolds, Hayley (2018) : Big and "unprofitable": How 10% of multinational firms do 98% of profit shifting, WIDER Working Paper, No. 2018/111, ISBN 978-92-9256-553-4, The United Nations University World Institute for Development Economics Research (UNU-WIDER), Helsinki,
<https://doi.org/10.35188/UNU-WIDER/2018/553-4>

This Version is available at:

<https://hdl.handle.net/10419/211240>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

Appendix Table of Contents

Data for main figures in the paper

Figure	Data	Description
Figure 1/8/9	Data F1,8,9	Main results: Profit shifting across firm size in South Africa
Figure 2	Data F2	Equity earnings of foreign owned corporations in South Africa
Figure 3a,b,c,d	Data F3	What the raw data shows: discrepancies between economic activity and profits across size groups
Figure 4	Data F4	What the raw data shows: rough comparison of reported profits in haven-owned and non-haven owned firms
Figure 5	Data F5	The macro profitability gap between subsidiaries owned through a tax haven and those that are not
Figure 6a,b	Data F6	Disentangling the macro-profitability gap using firm-level data: Which firms contribute to the macro-profitability gap
Figure 7	Data F7	Disentangling the macro-profitability using firm-level data: Which tax havens contribute the most
Figure 10a,b	Data F10	Revisiting the OECD profit shifting estimate: Heterogeneity in OECD estimate across entity and group size

Appendix tables

Tables	Description
A1	Main results and robustness of these: Profit shifting across firm size in South Africa (Figure 1/8/9)
<i>A1a</i>	<i>Main regression specification (Figure 1/8/9)</i>
<i>A1b</i>	<i>Alternative specification: Size defined by turnover</i>
<i>A1c</i>	<i>Alternative specification: Inverse hyperbolic sine function used instead of log</i>
<i>A1d</i>	<i>Alternative specification: Tax differential to parent used as tax differential</i>
<i>A1bd</i>	<i>Alternative specification: Tax differential to parent used as tax differential & size defined by turnover</i>
<i>A1cd</i>	<i>Alternative specification: Tax differential to parent used as tax differential & IHS used instead of log</i>
<i>A1x</i>	<i>The robustness of the OLS results to more advanced matching procedures</i>
A2	Revisiting the OECD profit shifting estimate: Heterogeneity in OECD estimate across entity and group size
<i>A2a</i>	<i>Full regression results for figure 10a - Heterogeneity in OECD estimate across entity size</i>
<i>A2b</i>	<i>Full regression results for figure 10b - Heterogeneity in OECD estimate across MNE group size</i>

Data F1,F8,F9: Profit shifting across firm size

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]	[15]	[16]	[17]
	Taxable profits in haven-owned subsidiaries		Estimated profitability gap (flexible specification)							Estimated profitability gap (inflexible specification)							Weighted regression by firm size
Size decile (based on wagebill)	SA Rand	Share of tax base	Cocf.	S.E.	True profits as a share of reported	Absolute tax loss estimate	Share of tax loss estimate	Tax loss as share of total tax base	Accumulated tax loss as a share of tax base	Unweighted average effect	Difference to flexible	True profits as a share of reported	Absolute tax loss estimate (inflexible)	Share of tax loss estimate	Tax loss as share of true base	Accumulated tax loss as a share of tax base	Weighted average effect
0-10%	139628151	1%	-0.0499	0.5342	105%	7.33E+06	0%	0%	0%	-0.346	-0.2961	153%	7.39E+07	1%	0%	0%	-0.588
10-20%	171093498	1%	-0.2198	0.3808	128%	4.82E+07	0%	0%	0%	-0.346	-0.1262	153%	9.05E+07	1%	1%	1%	-0.588
20-30%	268457849	2%	0.12	0.2813	89%	-2.88E+07	0%	0%	0%	-0.346	-0.466	153%	1.42E+08	2%	1%	2%	-0.588
30-40%	874138654	5%	-0.0682	0.2395	107%	6.40E+07	0%	0%	1%	-0.346	-0.2778	153%	4.62E+08	5%	3%	5%	-0.588
40-50%	112418593	1%	-0.0853	0.1987	109%	1.05E+07	0%	0%	1%	-0.346	-0.2607	153%	5.95E+07	1%	0%	5%	-0.588
50-60%	-80837676	0%	-0.5456	0.2717	220%	-9.71E+07	0%	-1%	0%	-0.346	0.1996	153%	-4.28E+07	0%	0%	5%	-0.588
60-70%	-4.09E+08	-2%	-0.5366	0.2752	216%	-4.74E+08	-1%	-3%	-3%	-0.346	0.1906	153%	-2.16E+08	-2%	-1%	3%	-0.588
70-80%	1.12E+09	7%	-0.2116	0.2473	127%	3.02E+08	1%	2%	-1%	-0.346	-0.1344	153%	5.94E+08	7%	4%	7%	-0.588
80-90%	1.39E+09	8%	-0.4631	0.2161	186%	1.20E+09	2%	7%	6%	-0.346	0.1171	153%	7.35E+08	8%	4%	11%	-0.588
90-100%	1.34E+10	79%	-0.7801	0.4239	455%	4.74E+10	98%	280%	286%	-0.346	0.4341	153%	7.06E+09	79%	42%	53%	-0.588
Total	1.69E+10	100%		0.3246		4.84E+10							8.96E+09				

Data F2: Equity earnings of foreign owned corporations in South Africa

Year	[1]	[2]
	Total inward FDI income (USD)	Total inward equity FDI income (USD)
1960	1.20E+08	1.15E+08
1961	1.58E+08	1.53E+08
1962	1.26E+08	1.20E+08
1963	1.34E+08	1.29E+08
1964	1.69E+08	1.64E+08
1965	1.89E+08	1.83E+08
1966	1.95E+08	1.85E+08
1967	2.48E+08	2.35E+08
1968	3.00E+08	2.83E+08
1969	3.43E+08	3.26E+08
1970	3.56E+08	3.35E+08
1971	2.98E+08	2.73E+08
1972	3.33E+08	3.07E+08
1973	4.44E+08	4.15E+08
1974	3.70E+08	3.38E+08
1975	3.88E+08	3.36E+08
1976	4.26E+08	3.88E+08
1977	4.59E+08	4.06E+08
1978	5.87E+08	5.26E+08
1979	8.44E+08	7.33E+08
1980	1.01E+09	9.14E+08
1981	1.33E+09	1.26E+09
1982	9.83E+08	9.18E+08
1983	1.15E+09	1.06E+09
1984	7.53E+08	5.83E+08
1985	5.97E+08	3.76E+08
1986	8.13E+08	6.42E+08
1987	9.63E+08	8.56E+08
1988	8.67E+08	7.68E+08
1989	1.02E+09	8.85E+08
1990	9.62E+08	8.73E+08
1991	1.02E+09	9.14E+08
1992	8.87E+08	8.13E+08
1993	6.61E+08	5.87E+08
1994	6.59E+08	5.83E+08
1995	5.35E+08	4.37E+08
1996	6.82E+08	5.42E+08
1997	8.21E+08	5.82E+08
1998	8.05E+08	5.69E+08
1999	1.11E+09	9.19E+08
2000	2.33E+09	2.18E+09
2001	2.88E+09	2.76E+09
2002	2.03E+09	1.95E+09
2003	3.22E+09	3.13E+09
2004	3.26E+09	3.17E+09
2005	4.32E+09	4.22E+09
2006	4.84E+09	4.68E+09
2007	8.67E+09	8.46E+09
2008	8.03E+09	7.79E+09
2009	5.28E+09	5.13E+09
2010	6.17E+09	6.02E+09
2011	8.38E+09	8.24E+09
2012	8.49E+09	8.35E+09
2013	8.05E+09	7.92E+09
2014	8.71E+09	8.57E+09

Source: IMF indicator: BMIPID_BP6_USD IMF indicator: BMIPIDE_BP6_USD

Data F3: Discrepancies between economic activity and profits across size groups (Numbers are in Rands)

Size group (according to wagebill)		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
Group #	Top x percent	Profits per decile		Turnover pr decile		Labour costs pr decile		Fixed assets pr decile		Number of affiliates	Total labor cost in tax haven	Share of labor costs	Simple profitability gap (haven vs. non-haven)	
		Parent not in tax haven	Parent in tax haven	Parent not in tax haven	Parent in tax haven	Parent not in tax haven	Parent in tax haven	Parent not in tax haven	Parent in tax haven				Rand	Share of total
1	0%	6.77E+06	-2.51E+05	1.36E+08	1.61E+07	5.44E+04	4.15E+04	3.74E+07	3.02E+07	20	829320	0%	1.41E+08	0%
2	2%	1.21E+05	3.25E+06	2.34E+07	1.01E+07	2.21E+05	2.11E+05	3.31E+07	5.21E+07	35	7381780	0%	-1.10E+08	0%
3	4%	8.57E+07	4.16E+05	4.10E+07	2.75E+07	4.96E+05	4.90E+05	1.57E+07	5.39E+07	47	23050257	0%	4.01E+09	9%
4	6%	4.07E+07	6.57E+05	7.45E+07	1.69E+07	8.27E+05	8.16E+05	2.29E+07	3.42E+07	46	37554998	0%	1.84E+09	4%
5	8%	-6.16E+05	-1.04E+06	4.11E+07	2.69E+07	1.19E+06	1.13E+06	8.86E+06	4.46E+07	32	36064000	0%	1.35E+07	0%
6	10%	1.92E+06	5.21E+05	4.08E+07	2.64E+07	1.51E+06	1.51E+06	3.28E+06	9.92E+06	25	37775000	0%	3.49E+07	0%
7	12%	2.13E+06	-2.38E+06	5.53E+07	3.37E+07	1.85E+06	1.83E+06	4.26E+06	1.06E+07	35	64050000	0%	1.58E+08	0%
8	14%	1.03E+07	-5.29E+05	6.31E+07	4.19E+07	2.16E+06	2.19E+06	1.31E+07	3.09E+07	29	63481000	0%	3.14E+08	1%
9	16%	7.04E+06	2.39E+06	5.30E+07	2.95E+07	2.49E+06	2.49E+06	6.92E+06	8.63E+06	22	54802000	0%	1.02E+08	0%
10	18%	2.11E+06	5.58E+06	3.79E+07	3.91E+07	2.81E+06	2.82E+06	1.78E+07	1.55E+07	31	87327000	0%	-1.07E+08	0%
11	20%	3.25E+06	4.70E+05	4.41E+07	3.24E+07	3.18E+06	3.15E+06	7.19E+06	1.63E+07	32	100704000	0%	8.90E+07	0%
12	22%	3.45E+06	-4.92E+05	7.41E+07	4.37E+07	3.58E+06	3.63E+06	2.20E+07	8.42E+06	29	105212000	0%	1.14E+08	0%
13	24%	4.04E+06	4.36E+06	6.07E+07	4.15E+07	3.98E+06	3.95E+06	1.12E+07	1.58E+07	22	86812000	0%	-6.86E+06	0%
14	26%	2.51E+06	-4.53E+05	6.25E+07	3.41E+07	4.36E+06	4.36E+06	4.56E+06	4.11E+07	19	82858000	0%	5.62E+07	0%
15	28%	1.17E+06	6.09E+06	7.48E+07	4.61E+07	4.75E+06	4.77E+06	2.42E+07	3.18E+07	28	133420000	0%	-1.21E+08	0%
16	30%	4.06E+06	6.39E+05	8.66E+07	7.11E+07	5.16E+06	5.13E+06	9.20E+06	1.30E+07	31	159154000	0%	1.06E+08	0%
17	32%	2.75E+06	7.72E+06	8.24E+07	4.08E+07	5.57E+06	5.59E+06	7.58E+06	4.20E+07	29	162110000	0%	-1.44E+08	0%
18	34%	5.40E+06	3.21E+06	8.91E+07	3.89E+07	6.03E+06	6.06E+06	1.28E+07	4.61E+06	28	169708000	0%	6.12E+07	0%
19	36%	8.73E+06	4.39E+06	1.13E+08	6.05E+07	6.49E+06	6.49E+06	1.06E+07	9.49E+06	24	155808000	0%	1.04E+08	0%
20	38%	1.18E+07	6.70E+06	7.74E+07	1.08E+08	7.01E+06	7.00E+06	6.21E+06	3.39E+07	25	174950000	0%	1.27E+08	0%
21	40%	4.64E+06	4.37E+06	1.05E+08	1.52E+08	7.59E+06	7.58E+06	1.22E+07	2.36E+07	26	197054000	0%	7.20E+06	0%
22	42%	6.12E+06	-1.89E+07	7.31E+07	9.01E+07	8.17E+06	8.19E+06	8.19E+06	1.35E+07	26	212888000	0%	6.51E+08	1%
23	44%	4.59E+06	3.45E+06	1.03E+08	5.00E+07	8.84E+06	8.80E+06	9.62E+06	8.30E+06	28	246260000	0%	3.18E+07	0%
24	46%	8.18E+06	5.15E+06	1.41E+08	9.41E+07	9.51E+06	9.48E+06	1.27E+07	3.82E+06	27	255906000	0%	8.18E+07	0%
25	48%	5.34E+06	5.08E+06	1.08E+08	9.52E+07	1.03E+07	1.03E+07	2.06E+07	3.40E+07	33	339240000	0%	8.45E+06	0%
26	50%	5.75E+06	1.98E+06	1.36E+08	9.32E+07	1.11E+07	1.10E+07	1.39E+07	3.25E+07	38	419140000	1%	1.43E+08	0%
27	52%	9.55E+06	2.02E+06	1.27E+08	7.94E+07	1.19E+07	1.20E+07	1.12E+07	1.46E+07	41	492410000	1%	3.09E+08	1%
28	54%	1.47E+06	-1.72E+05	1.07E+08	1.23E+08	1.29E+07	1.29E+07	1.07E+07	6.69E+07	33	424710000	1%	5.41E+07	0%
29	56%	2.13E+07	-7.94E+06	1.39E+08	1.35E+08	1.40E+07	1.40E+07	1.18E+07	3.66E+07	38	532380000	1%	1.11E+09	3%
30	58%	8.38E+06	3.31E+06	1.76E+08	2.10E+08	1.52E+07	1.51E+07	2.15E+07	2.08E+07	32	482880000	1%	1.62E+08	0%
31	60%	1.44E+07	2.10E+06	1.86E+08	1.81E+08	1.64E+07	1.63E+07	3.60E+07	3.24E+07	21	341250000	0%	2.59E+08	1%
32	62%	7.09E+06	4.87E+06	1.71E+08	1.52E+08	1.79E+07	1.79E+07	1.73E+07	1.30E+07	19	339150000	0%	4.22E+07	0%
33	64%	9.26E+06	-5.69E+06	2.19E+08	1.27E+08	1.94E+07	1.94E+07	3.31E+07	3.82E+07	30	581700000	1%	4.49E+08	1%
34	66%	9.10E+06	-4.86E+05	2.71E+08	1.22E+08	2.12E+07	2.12E+07	3.25E+07	2.31E+07	33	699600000	1%	3.16E+08	1%
35	68%	6.88E+06	5.29E+06	3.01E+08	1.78E+08	2.33E+07	2.34E+07	2.01E+07	3.76E+07	28	656320000	1%	4.45E+07	0%
36	70%	1.53E+07	9.84E+06	3.18E+08	3.30E+08	2.58E+07	2.59E+07	3.11E+07	1.99E+07	22	570240000	1%	1.20E+08	0%
37	72%	3.29E+07	1.71E+07	3.70E+08	2.43E+08	2.85E+07	2.87E+07	2.60E+07	1.14E+07	34	977160000	1%	5.37E+08	1%
38	74%	2.91E+07	-3.81E+06	3.64E+08	2.28E+08	3.16E+07	3.17E+07	3.80E+07	1.47E+07	34	1077460000	2%	1.12E+09	3%
39	76%	5.64E+07	1.78E+07	3.16E+08	1.96E+08	3.58E+07	3.54E+07	3.44E+07	2.19E+07	26	920400000	1%	1.00E+09	2%
40	78%	8.87E+07	1.87E+06	4.29E+08	4.98E+08	4.05E+07	4.04E+07	5.65E+07	9.14E+07	30	1210800000	2%	2.61E+09	6%
41	80%	2.95E+07	1.11E+06	4.06E+08	4.46E+08	4.53E+07	4.54E+07	5.03E+07	3.91E+07	40	1816000000	3%	1.13E+09	3%
42	82%	2.32E+07	8.14E+06	5.49E+08	2.93E+08	5.14E+07	5.17E+07	6.48E+07	3.59E+07	43	2223530000	3%	6.46E+08	1%
43	84%	1.90E+07	-8.66E+06	5.54E+08	3.94E+08	5.99E+07	6.03E+07	5.64E+07	1.16E+08	22	1326820000	2%	6.09E+08	1%
44	86%	1.84E+07	1.66E+07	5.35E+08	4.34E+08	7.23E+07	7.27E+07	6.24E+07	5.23E+07	28	2035880000	3%	5.10E+07	0%
45	88%	2.39E+07	2.12E+07	7.72E+08	4.85E+08	8.88E+07	8.84E+07	7.13E+07	8.93E+07	24	2122320000	3%	6.50E+07	0%
46	90%	5.40E+07	3.00E+07	7.82E+08	4.84E+08	1.09E+08	1.11E+08	9.13E+07	7.88E+07	22	2431000000	3%	5.27E+08	1%
47	92%	6.34E+07	3.59E+07	9.77E+08	1.15E+09	1.43E+08	1.42E+08	1.35E+08	1.42E+08	30	4272000000	6%	8.26E+08	2%
48	94%	8.72E+07	4.85E+07	1.47E+09	9.61E+08	1.94E+08	1.90E+08	1.58E+08	2.08E+08	30	5706000000	8%	1.16E+09	3%
49	96%	3.10E+08	7.83E+07	1.55E+09	1.28E+09	3.18E+08	3.05E+08	2.39E+08	2.85E+08	24	7329600000	10%	5.56E+09	13%
50	98%	1.03E+09	2.86E+08	2.59E+09	2.76E+09	1.17E+09	1.23E+09	4.23E+08	5.10E+08	24	29568000000	41%	1.79E+10	40%

Data F4: Avg. difference in taxable profits haven vs. non-haven haven owned (Rands)			
Size group (according to wagebill)		(1)	(2)
Group #	Top x percent	Basic difference in profits: Haven owned minus non-haven owned	Difference corrected for systematic industry differences
0	0%	-7026000	-47290000
1	2%	3129000	8966000
2	4%	-85250000	-66150000
3	6%	-40030000	-35210000
4	8%	-421374	-8884000
5	10%	-1394000	-31130000
6	12%	-4507000	-2164000
7	14%	-10840000	-2129000
8	16%	-4650000	-12410000
9	18%	3461000	-2037000
10	20%	-2781000	-3019000
11	22%	-3945000	1362000
12	24%	311561	-9751000
13	26%	-2960000	-17750000
14	28%	4330000	-11660000
15	30%	-3416000	6877000
16	32%	4971000	-6693000
17	34%	-2184000	-1086000
18	36%	-4338000	2426000
19	38%	-5072000	-9447000
20	40%	-276939	4597000
21	42%	-25020000	-18740000
22	44%	-1137000	-11750000
23	46%	-3028000	-1797000
24	48%	-256329	-5429000
25	50%	-3775000	3525000
26	52%	-7534000	-5489000
27	54%	-1638000	-22160000
28	56%	-29230000	-15340000
29	58%	-5074000	-22340000
30	60%	-12320000	-23910000
31	62%	-2221000	13390000
32	64%	-14960000	-14470000
33	66%	-9585000	14520000
34	68%	-1590000	5601000
35	70%	-5451000	1056000
36	72%	-15780000	2747000
37	74%	-32930000	-30970000
38	76%	-38600000	-25290000
39	78%	-86840000	-82960000
40	80%	-28350000	-13920000
41	82%	-15020000	-3956000
42	84%	-27660000	-14600000
43	86%	-1814000	-9525000
44	88%	-2705000	3223000
45	90%	-23960000	-23100000
46	92%	-27530000	-34090000
47	94%	-38740000	-20200000
48	96%	-231600000	-219200000
49	98%	-746000000	-763600000

Data F5: Profitability of foreign owned subsidiaries in South Africa across ownership

	[1]	[2]
	Subsidiary owned by tax haven	Subsidiary owned by non-tax haven
Profits divided by labor costs	19%	85%
Profits divided by fixed assets	20%	78%
Profits divided by turnover	3%	8%
Profits divided by assets	3%	7%

Data for F6 is classified

Data F7: Predicted vs. actual profits across different tax havens

	[1]	[2]	[3]	[4]	[5]
	Per year (Million South African Rands)				
Tax haven:	Taxable profits reported	Labor costs	Profits pr. wage paid	Taxable profits if normal profitability	Estimated tax base loss
Switz.	1786	8540	21%	7219	5434
Ireland	576	1925	30%	1627	1051
B. Virgin Islands	826	1423	58%	1203	378
Bermuda	32	1026	3%	867	835
British dependencies	-38	767	-5%	649	687
Isle of Man	59	761	8%	643	584
Luxembourg	102	533	19%	450	348
Malta	353	479	74%	405	52
Liechtenstein	17	469	4%	396	379
Cayman Islands	20	436	5%	369	348
Mauritius	-313	420	-75%	355	668
Singapore	-16	314	-5%	265	281
Cyprus	-51	177	-29%	150	201
Hong Kong	-8	72	-11%	61	69
Seychelles	9	45	21%	38	28
Turks & Caicos	7	28	25%	24	17
Barbados	13	19	70%	16	3
Antilles	15	9	164%	8	-7
Bahamas	-1	0	-3863%	0	1
Total	3388	17444	19%	14745	11356

Data F10: Revisiting the OECD profit shifting estimate - Heterogeneity in OECD estimate across size

	[1]		[2]		[3]		[4]		[5]	
Percentile in the asset distribution	Unweighted regression		Size defined as assets at the entity level				Size defined as assets at the group level			
	Unweighted average effect	s.e.	Weighted average effect	s.e.	Within decile effect	s.e.	Weighted average effect	s.e.	Within decile effect	s.e.
0-5%	-7.1%	(0.0356)	-11.5%	(0.0645)	-4%	(0.0496)	-25.4%	(0.157)	-0.0773	(0.0645)
5-10%	-7.1%	(0.0356)	-11.5%	(0.0743)	-1%	(0.0690)	74.6%	(0.157)	-0.0575	(0.0743)
10-15%	-7.1%	(0.0356)	-11.5%	(0.0370)	0%	(0.0583)	174.6%	(0.157)	-0.00841	(0.0370)
15-20%	-7.1%	(0.0356)	-11.5%	(0.0411)	0%	(0.0504)	274.6%	(0.157)	0.0153	(0.0411)
20-25%	-7.1%	(0.0356)	-11.5%	(0.0448)	-7%	(0.0410)	374.6%	(0.157)	-0.0281	(0.0448)
25-30%	-7.1%	(0.0356)	-11.5%	(0.0327)	-4%	(0.0425)	474.6%	(0.157)	-0.0681	(0.0327)
30-35%	-7.1%	(0.0356)	-11.5%	(0.0417)	-4%	(0.0377)	574.6%	(0.157)	-0.101	(0.0417)
35-40%	-7.1%	(0.0356)	-11.5%	(0.0544)	-14%	(0.0355)	674.6%	(0.157)	-0.00794	(0.0544)
40-45%	-7.1%	(0.0356)	-11.5%	(0.0286)	-12%	(0.0333)	774.6%	(0.157)	-0.0878	(0.0286)
45-50%	-7.1%	(0.0356)	-11.5%	(0.0360)	-9%	(0.0360)	874.6%	(0.157)	-0.115	(0.0360)
50-55%	-7.1%	(0.0356)	-11.5%	(0.0255)	-5%	(0.0318)	974.6%	(0.157)	-0.0973	(0.0255)
55-60%	-7.1%	(0.0356)	-11.5%	(0.0444)	-11%	(0.0307)	1074.6%	(0.157)	-0.139	(0.0444)
60-65%	-7.1%	(0.0356)	-11.5%	(0.0330)	-9%	(0.0284)	1174.6%	(0.157)	-0.0886	(0.0330)
65-70%	-7.1%	(0.0356)	-11.5%	(0.0780)	-9%	(0.0293)	1274.6%	(0.157)	-0.0922	(0.0780)
70-75%	-7.1%	(0.0356)	-11.5%	(0.139)	-5%	(0.0258)	1374.6%	(0.157)	-0.0317	(0.139)
75-80%	-7.1%	(0.0356)	-11.5%	(0.0739)	-8%	(0.0269)	1474.6%	(0.157)	-0.263	(0.0739)
80-85%	-7.1%	(0.0356)	-11.5%	(0.0640)	-9%	(0.0263)	1574.6%	(0.157)	-0.164	(0.0640)
85-90%	-7.1%	(0.0356)	-11.5%	(0.111)	-11%	(0.0256)	1674.6%	(0.157)	-0.0972	(0.111)
90-95%	-7.1%	(0.0356)	-11.5%	(0.0685)	-8%	(0.0278)	1774.6%	(0.157)	-0.199	(0.0685)
95-100%	-7.1%	(0.0356)	-11.5%	(0.132)	-11%	(0.0264)	1874.6%	(0.157)	-0.158	(0.132)

Table A1a: Full regression results for main regression specification (Figure 1/8/9)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<i>Dependent variable: Log(Reported taxable profits)</i>												
<i>Explanatory variables</i>												
Parent in tax haven	-0.0499	-0.220	0.120	-0.0682	-0.0853	-0.546**	-0.537*	-0.212	-0.463**	-0.780*	-0.354***	-0.588**
	(0.689)	(0.520)	(0.303)	(0.204)	(0.203)	(0.205)	(0.268)	(0.211)	(0.198)	(0.404)	(0.0893)	(0.237)
Log(Labor costs)	-0.116	0.762*	-0.587	-0.0487	0.586	0.495	0.885	0.554	0.346	0.601***	0.482***	0.607***
	(0.305)	(0.406)	(0.369)	(0.593)	(0.605)	(0.680)	(0.588)	(0.448)	(0.236)	(0.108)	(0.0299)	(0.0400)
Log(Fixed assets)	0.126	0.200***	0.121**	0.216***	0.106**	0.257***	0.225***	0.214***	0.125***	0.220***	0.226***	0.225***
	(0.142)	(0.0715)	(0.0530)	(0.0494)	(0.0515)	(0.0363)	(0.0327)	(0.0629)	(0.0372)	(0.0681)	(0.0190)	(0.0302)
Constant	14.32**	0.933	22.23***	12.96	4.560	3.859	-2.265	3.694	8.845**	2.874	4.668***	2.618***
	(5.629)	(6.273)	(5.650)	(9.194)	(9.966)	(11.01)	(9.816)	(7.713)	(4.049)	(2.659)	(0.385)	(0.696)
<i>Fixed effects</i>												
Industry (2 dig)#year	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>Sample:</i>												
Decile in wage bill distribution	0-10%	10-20%	20-30%	30-40%	40-50%	50-60%	60-70%	70-80%	80-90%	90-100%	All	All
Weighted according to wagebill	No	No	No	No	No	No	No	No	No	No	No	Yes
Observations	276	484	618	652	663	677	666	680	681	645	6,042	6,042
R-squared	0.534	0.429	0.373	0.403	0.388	0.415	0.365	0.433	0.402	0.470	0.458	0.609

Note: This Figure shows the differential impact of having a parent in a tax haven. Size deciles are constructed using wage bill; 0-10% being the smallest 10% of firms and 90-100% being the largest 10%. The model is estimated using OLS. Sample period is 2010-2014. Sample is foreign owned subsidiaries in South Africa. Robust standard errors in parentheses clustered at the industry level.

Table A1b: Alternative specification for main regression (Figure 1/8/9) - deciles defined using turnover												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	<i>Dependent variable: Log(Reported taxable profits)</i>											
<i>Explanatory variables</i>												
Parent in tax haven	-0.608	-0.111	0.0817	0.105	-0.171	0.0910	-0.533*	-0.192	-0.438*	-1.213**	-0.354***	-0.824***
	(0.521)	(0.164)	(0.217)	(0.215)	(0.197)	(0.179)	(0.288)	(0.216)	(0.239)	(0.540)	(0.0893)	(0.237)
Log(Labor costs)	0.531***	0.311**	0.314**	0.0766	0.0283	0.228	0.175	0.0993	0.173**	0.225**	0.482***	0.386***
	(0.0782)	(0.149)	(0.127)	(0.105)	(0.0776)	(0.138)	(0.114)	(0.0758)	(0.0670)	(0.104)	(0.0299)	(0.0590)
Log(Fixed assets)	0.251	0.208***	0.0173	0.104***	0.0507	0.0218	0.0602	0.136***	0.0906*	0.177***	0.226***	0.224***
	(0.160)	(0.0587)	(0.0496)	(0.0373)	(0.0468)	(0.0585)	(0.0570)	(0.0476)	(0.0534)	(0.0413)	(0.0190)	(0.0277)
Constant	3.373**	6.665**	9.308***	12.25***	14.18***	11.67***	12.30***	12.70***	12.53***	10.96***	4.668***	6.963***
	(1.490)	(2.583)	(1.972)	(1.668)	(1.140)	(2.017)	(1.504)	(1.174)	(1.326)	(1.581)	(0.385)	(0.849)
Fixed effects												
<i>Industry (2 dig)#year</i>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sample:												
<i>Decile in turnover distribution</i>	0-10%	10-20%	20-30%	30-40%	40-50%	50-60%	60-70%	70-80%	80-90%	90-100%	All	All
Weighted according to turnover	No	No	No	No	No	No	No	No	No	No	No	Yes
Observations	287	304	532	628	644	689	695	696	757	686	6,042	5,634
R-squared	0.630	0.448	0.382	0.366	0.321	0.349	0.324	0.352	0.374	0.366	0.458	0.467

Note: This table shows the differential impact of having a parent in a tax haven. Size deciles are constructed using turnover; 0-10% being the smallest 10% of firms and 90-100% being the largest 10%. The model is estimated using OLS. Sample period is 2010-2014. Sample is foreign owned subsidiaries in South Africa. Robust standard errors in parentheses clustered at the industry level. *** p<0.01, ** p<0.05, * p<0.1

Table A1b: Alternative specification for main regression (Figure 1/8/9) - Inverse hyperbolic sine transformation used instead of log												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	<i>Dependent variable: Inverse Hyperbolic Sine Transformation of Reported Taxable Profits</i>											
<i>Explanatory variables</i>												
Parent in tax haven	-2.904	-4.653*	-1.301	-2.175	-1.826	-4.966*	-0.0777	-1.822	-1.435	-5.188***	-2.451***	-3.463**
	(2.705)	(2.465)	(2.291)	(1.867)	(2.797)	(2.663)	(2.428)	(2.713)	(1.945)	(1.859)	(0.759)	(1.418)
Log(Labor costs)	-0.675	3.3	-2.328	7.114	13.18***	-1.583	0.0401	6.209	1.296	1.393	2.069***	2.039***
	(1.191)	(3.28)	(3.859)	(5.402)	(4.108)	(8.276)	(4.406)	(3.875)	(3.153)	(1.155)	(0.228)	(0.397)
Log(Fixed assets)	-0.273	-0.428	-0.624	-0.982**	0.154	0.0606	0.392	0.242	-0.760**	0.105	-0.268	-0.12
	(0.427)	(0.372)	(0.427)	(0.426)	(0.426)	(0.544)	(0.468)	(0.628)	(0.336)	(0.373)	(0.161)	(0.162)
Constant	13.88	-37.78	50.83	-89.02	-204.4***	34.37	1.864	-101.6	0.209	-14.51	-21.31***	-22.97***
	(18.35)	(47.65)	(56.82)	(84.91)	(63.82)	(136.9)	(72.33)	(72.16)	(55.07)	(21.92)	(2.8)	(6.934)
<i>Fixed effects</i>												
Industry (2 dig)#year	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>Sample:</i>												
Decile in wage bill distribution	0-10%	10-20%	20-30%	30-40%	40-50%	50-60%	60-70%	70-80%	80-90%	90-100%	All	All
Weighted according to wagebill	No	No	No	No	No	No	No	No	No	No	No	Yes
Observations	551	784	878	887	882	899	885	894	860	769	8	289
R-squared	0.379	0.346	0.294	0.314	0.278	0.29	0.276	0.304	0.288	0.261	0.107	0.175

Note: This table shows the differential impact of having a parent in a tax haven. Size deciles are constructed using wage bill; 0-10% being the smallest 10% of firms and 90-100% being the largest 10%. The model is estimated using OLS. Sample period is 2010-2014. Sample is foreign owned subsidiaries in South Africa. Robust standard errors in parentheses clustered at the industry level. *** p<0.01, ** p<0.05, * p<0.1

Table A1d: Alternative specification for main regression (Figure 1/8/9) - Tax differential to parent used as tax differential												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	<i>Dependent variable: Log(Reported taxable profits)</i>											
<i>Explanatory variables</i>												
Tax differential to parent:	1.168	2.706*	0.956	0.916	1.287*	1.112*	2.272*	2.239***	2.348**	2.778*	1.759***	2.169**
Parent tax rate - S.A. tax rate	(2.644)	(1.450)	(0.892)	(0.798)	(0.712)	(0.651)	(1.155)	(0.748)	(1.043)	(1.483)	(0.344)	(0.903)
Log(Labor costs)	-0.203	0.689	-0.589	-0.0651	0.437	0.559	0.801	0.524	0.269	0.638***	0.479***	0.616***
	(0.324)	(0.417)	(0.369)	(0.605)	(0.596)	(0.699)	(0.558)	(0.449)	(0.230)	(0.0978)	(0.0293)	(0.0378)
Log(Fixed assets)	0.130	0.210***	0.124**	0.217***	0.110**	0.254***	0.229***	0.212***	0.121***	0.206***	0.228***	0.222***
	(0.137)	(0.0781)	(0.0538)	(0.0493)	(0.0508)	(0.0374)	(0.0302)	(0.0580)	(0.0408)	(0.0717)	(0.0191)	(0.0315)
Constant	15.09***	1.053	21.95***	12.94	6.483	2.445	-1.651	3.533	9.505**	1.487	4.130***	1.798***
	(5.234)	(6.537)	(5.659)	(9.241)	(9.822)	(11.38)	(9.441)	(7.863)	(3.995)	(2.347)	(0.415)	(0.626)
<i>Fixed effects</i>												
Industry (2 dig)#year	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>Sample:</i>												
Decile in wage bill distribution	0-10%	10-20%	20-30%	30-40%	40-50%	50-60%	60-70%	70-80%	80-90%	90-100%	All	All
Weighted according to wagebill	No	No	No	No	No	No	No	No	No	No	No	Yes
Observations	268	481	616	647	656	673	665	675	678	644	6,003	6,003
R-squared	0.543	0.442	0.374	0.406	0.393	0.409	0.369	0.448	0.410	0.466	0.461	0.608

Note: This table shows the differential impact of having a parent in a tax haven. Size deciles are constructed using wage bill; 0-10% being the smallest 10% of firms and 90-100% being the largest 10%. The model is estimated using OLS. Sample period is 2010-2014. Sample is foreign owned subsidiaries in South Africa. Robust standard errors in parentheses clustered at the industry level. *** p<0.01, ** p<0.05, * p<0.1

Table A1b: Alternative specification for main regression (Figure 1/8/9) - deciles defined using turnover & tax differential to parent												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	<i>Dependent variable: Log(Reported taxable profits)</i>											
<i>Explanatory variables</i>												
Tax differential to parent:	1.306	0.395	1.197	0.602	-0.0716	0.618	1.856	0.276	2.550**	5.171***	1.759***	3.820***
Parent tax rate - S.A. tax rate	(0.944)	(1.000)	(0.922)	(1.126)	(0.558)	(0.981)	(1.116)	(0.869)	(0.990)	(1.739)	(0.344)	(0.830)
Log(Labor costs)	0.533*** (0.0727)	0.328** (0.149)	0.320** (0.123)	0.0779 (0.103)	0.0328 (0.0810)	0.227 (0.137)	0.190* (0.107)	0.0919 (0.0770)	0.149** (0.0680)	0.266*** (0.0974)	0.479*** (0.0293)	0.407*** (0.0569)
Log(Fixed assets)	0.237 (0.147)	0.207*** (0.0587)	0.0274 (0.0491)	0.107*** (0.0365)	0.0483 (0.0472)	0.0281 (0.0610)	0.0484 (0.0573)	0.137*** (0.0484)	0.101** (0.0488)	0.152*** (0.0392)	0.228*** (0.0191)	0.219*** (0.0287)
Constant	3.058* (1.643)	6.293** (2.645)	8.754*** (1.862)	12.02*** (1.678)	14.15*** (1.159)	11.42*** (2.151)	11.61*** (1.419)	12.70*** (1.247)	11.94*** (1.330)	8.969*** (1.590)	4.130*** (0.415)	5.421*** (0.815)
<i>Fixed effects</i>												
Industry (2 dig)#year	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>Sample:</i>												
Decile in turnover distribution	0-10%	10-20%	20-30%	30-40%	40-50%	50-60%	60-70%	70-80%	80-90%	90-100%	All	All
Weighted according to turnover	No	No	No	No	No	No	No	No	No	No	No	Yes
Observations	287	301	528	624	637	679	692	692	754	685	6,003	5,595
R-squared	0.624	0.438	0.390	0.367	0.324	0.356	0.321	0.347	0.379	0.377	0.461	0.478

Note: This table shows the differential impact of having a parent in a tax haven. Size deciles are constructed using turnover; 0-10% being the smallest 10% of firms and 90-100% being the largest 10%. The model is estimated using OLS. Sample period is 2010-2014. Sample is foreign owned subsidiaries in South Africa. Robust standard errors in parentheses clustered at the industry level. *** p<0.01, ** p<0.05, * p<0.1

Table A1cd: Alternative specification for main regression (Figure 1/8/9) - Tax differential to parent & IHS instead of log												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	<i>Dependent variable: Inverse Hyperbolic Sine Transformation of Reported Taxable Profits</i>											
<i>Explanatory variables</i>												
Tax differential to parent:	9.502	24.06**	7.244	6.423	6.177	14.42	13.86*	15.71**	5.771	18.44*	12.19***	15.58**
Parent tax rate - S.A. tax rate	(6.951)	(9.082)	(8.724)	(8.095)	(6.531)	(10.88)	(7.875)	(7.452)	(9.775)	(10.02)	(3.145)	(6.101)
Log(Labor costs)	-0.380	2.602	-2.450	8.102	12.20***	-1.145	0.164	5.844	1.159	1.655	2.044***	2.058***
	(1.241)	(3.196)	(3.696)	(5.135)	(3.907)	(8.075)	(4.582)	(3.808)	(3.221)	(1.189)	(0.228)	(0.373)
Log(Fixed assets)	-0.237	-0.412	-0.606	-0.934**	0.162	0.0671	0.386	0.226	-0.717**	0.0366	-0.250	-0.140
	(0.419)	(0.375)	(0.431)	(0.466)	(0.420)	(0.554)	(0.466)	(0.636)	(0.334)	(0.369)	(0.165)	(0.157)
Constant	6.230	-35.36	50.13	-107.3	-190.8***	22.18	-4.232	-99.90	-0.0129	-24.37	-25.05***	-28.00***
	(20.03)	(48.08)	(56.19)	(80.86)	(61.26)	(132.2)	(74.65)	(71.41)	(55.18)	(22.11)	(3.181)	(6.413)
<i>Fixed effects</i>												
Industry (2 dig)#year	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>Sample:</i>												
Decile in wage bill distribution	0-10%	10-20%	20-30%	30-40%	40-50%	50-60%	60-70%	70-80%	80-90%	90-100%	All	All
Weighted according to wagebill	No	No	No	No	No	No	No	No	No	No	No	Yes
Observations	536	778	876	878	870	890	883	887	857	768	8,223	8,223
R-squared	0.375	0.351	0.294	0.320	0.270	0.276	0.280	0.309	0.290	0.259	0.107	0.177

Note: This table shows the differential impact of having a parent in a tax haven. Size deciles are constructed using wage bill; 0-10% being the smallest 10% of firms and 90-100% being the largest 10%. The model is estimated using OLS. Sample period is 2010-2014. Sample is foreign owned subsidiaries in South Africa. Robust standard errors in parentheses clustered at the industry level. *** p<0.01, ** p<0.05, * p<0.1

Table A1x: The robustness of the OLS results to more advanced matching procedures

	(1)	(2)	(3)
	Dependent variable: Log(Reported taxable profits)		
<i>Explanatory variables</i>			
Parent in tax haven	-0.354*** (0.0893)	-0.349*** (0.0944)	-0.296*** (0.0908)
Log(Labor costs)	0.482*** (0.0299)	0.448*** (0.0336)	0.485*** (0.0363)
Log(Fixed assets)	0.226*** (0.0190)	0.236*** (0.0228)	0.218*** (0.0190)
Constant	4.668*** (0.385)	5.091*** (0.396)	4.652*** (0.468)
<i>Fixed effects</i>			
Industry (2 dig)#year	Yes	Yes	Yes
<i>Sample:</i>			
Decile in wage bill distribution	All	All	All
Weighted according to wagebill	No	No	No
Matched according to:	Unmatched	Matched within 20 turnover bins	Matched within 20 turnover bins
Observations	6,042	6,042	5,631
R-squared	0.458	0.453	0.443

Note: This table shows the robustness of the initial unweighted OLS result. In particular we match firms according to wagebill and turnover and run the regression on the matched sample as described in Dinardo et al. 1996 and Boserup et al. 2016. Sample period is 2010-2014. Sample is foreign owned subsidiaries in South Africa. Robust standard errors in parentheses clustered at the industry level. *** p<0.01, ** p<0.05, * p<0.1

Table A2a: Full regression results for figure 10a - revisiting the OECD BEPS Estimate																				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Dependent variable: Return on Assets																				
<i>Variable:</i>																				
Unweighted tax differential to rest of MNE group	-0.0147 (0.0496)	-0.0301 (0.0690)	0.0397 (0.0583)	0.000165 (0.0504)	-0.0490 (0.0410)	-0.0705* (0.0425)	-0.0659* (0.0377)	-0.151*** (0.0355)	-0.0987*** (0.0333)	-0.0639* (0.0360)	-0.0787** (0.0318)	-0.111*** (0.0307)	-0.105*** (0.0284)	-0.0296 (0.0293)	-0.101*** (0.0258)	-0.0765*** (0.0269)	-0.0924*** (0.0263)	-0.109*** (0.0256)	-0.0701** (0.0278)	-0.114*** (0.0264)
Constant	0.110*** (0.0216)	0.156*** (0.0341)	0.146*** (0.0231)	0.169*** (0.0210)	0.142*** (0.0174)	0.158*** (0.0185)	0.128*** (0.0145)	0.149*** (0.0163)	0.131*** (0.0160)	0.141*** (0.0137)	0.155*** (0.0180)	0.133*** (0.0115)	0.152*** (0.0147)	0.171*** (0.0147)	0.138*** (0.0118)	0.142*** (0.0125)	0.122*** (0.0129)	0.118*** (0.0131)	0.0783*** (0.00724)	0.120*** (0.0131)
<i>Fixed effects:</i>																				
Country-year	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry (NACE) - Income group	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>Sample:</i>																				
Size percentile (entity assets)	0-5%	5-10%	10-15%	15-20%	20-25%	25-30%	30-35%	35-40%	40-45%	45-50%	50-55%	55-60%	60-65%	65-70%	70-75%	75-80%	80-85%	85-90%	90-95%	95-100%
Observations	2,986	2,357	2,580	3,396	4,085	4,503	5,132	5,641	6,152	6,455	6,820	7,232	7,834	8,610	9,079	9,327	9,436	9,753	10,150	10,296
R-squared	0.149	0.114	0.102	0.081	0.047	0.047	0.046	0.050	0.057	0.039	0.047	0.041	0.040	0.043	0.037	0.044	0.031	0.040	0.040	0.102

Note: This table revisits the OECD BEPS report estimate of profit shifting. Size deciles are constructed using total assets at the entity/subsidiary level and the model is then estimated within size groups. 0-5% being the smallest five percent of firms and 95-100% being the largest 5 percent. The sample is the global sample of MNE subsidiaries in ORBIS in 2010 that are profitable (to replicate equation 2 in the OECD BEPS measurement report). Robust standard errors in parentheses clustered at the country-level. *** p<0.01, ** p<0.05, * p<0.1

Table A2b: Full regression results for figure 10b - revisiting the OECD BEPS Estimate																				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Dependent variable: Return on Assets																				
<i>Variable:</i>																				
Unweighted tax differential to rest of MNE group	-0.0773 (0.0645)	-0.0575 (0.0743)	-0.00841 (0.0370)	0.0153 (0.0411)	-0.0281 (0.0448)	-0.0681** (0.0327)	-0.101** (0.0417)	-0.00794 (0.0544)	-0.0878*** (0.0286)	-0.115*** (0.0360)	-0.0973*** (0.0255)	-0.139*** (0.0444)	-0.0886*** (0.0330)	-0.0922 (0.0780)	-0.0317 (0.139)	-0.263*** (0.0739)	-0.164** (0.0640)	-0.0972 (0.111)	-0.199*** (0.0685)	-0.158 (0.132)
Constant	0.137*** (0.0178)	0.143*** (0.0171)	0.136*** (0.0186)	0.117*** (0.0138)	0.0978*** (0.00859)	0.137*** (0.0146)	0.104*** (0.0147)	0.153*** (0.0157)	0.115*** (0.0146)	0.124*** (0.0132)	0.124*** (0.0115)	0.135*** (0.0157)	0.134*** (0.0114)	0.149*** (0.0190)	0.177*** (0.0160)	0.190*** (0.0170)	0.158*** (0.0128)	0.150*** (0.0145)	0.166*** (0.0128)	0.0861*** (0.0121)
<i>Fixed effects:</i>																				
Country-year	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry (NACE) - Income group	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>Sample:</i>																				
Size percentile (group assets)	0-5%	5-10%	10-15%	15-20%	20-25%	25-30%	30-35%	35-40%	40-45%	45-50%	50-55%	55-60%	60-65%	65-70%	70-75%	75-80%	80-85%	85-90%	90-95%	95-100%
Observations	2,253	3,601	4,619	4,802	5,167	5,257	5,558	5,863	6,062	5,945	6,349	6,805	7,713	7,941	8,623	9,444	9,944	10,860	7,712	7,306
R-squared	0.082	0.083	0.073	0.073	0.054	0.050	0.052	0.061	0.040	0.042	0.041	0.044	0.038	0.033	0.027	0.037	0.030	0.030	0.029	0.051

Note: This table revisits the OECD BEPS report estimate of profit shifting. Size deciles are constructed using total assets at the MNE group level and the model is then estimated within size groups. 0-5% being the smallest five percent of firms and 95-100% being the largest 5 percent. The sample is the global sample of MNE subsidiaries in ORBIS in 2010 that are profitable (to replicate equation 2 in the OECD BEPS measurement report). Robust standard errors in parentheses clustered at the country-level. *** p<0.01, ** p<0.05, * p<0.1