

Figure 1 - Sequence of actions

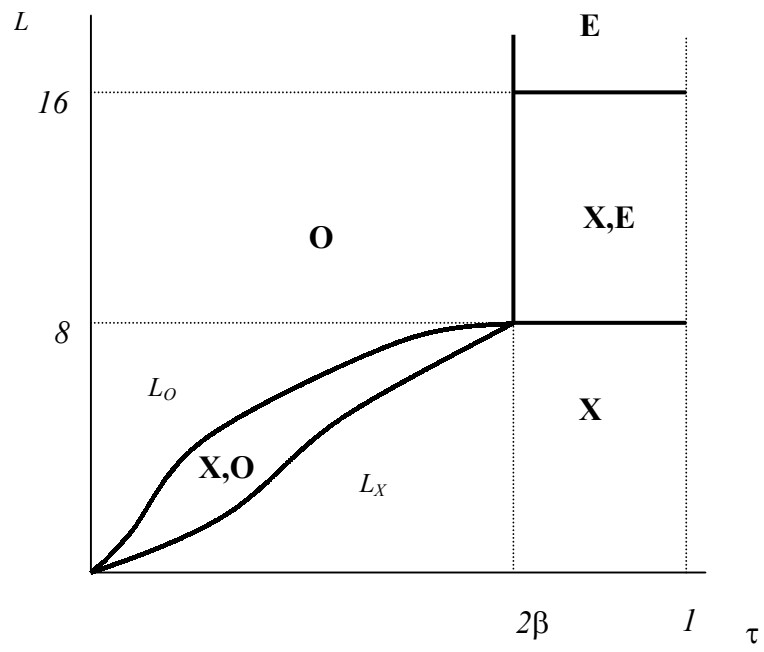


Figure 2.a - The choice between exports and FDI ($\beta < 1/2$)

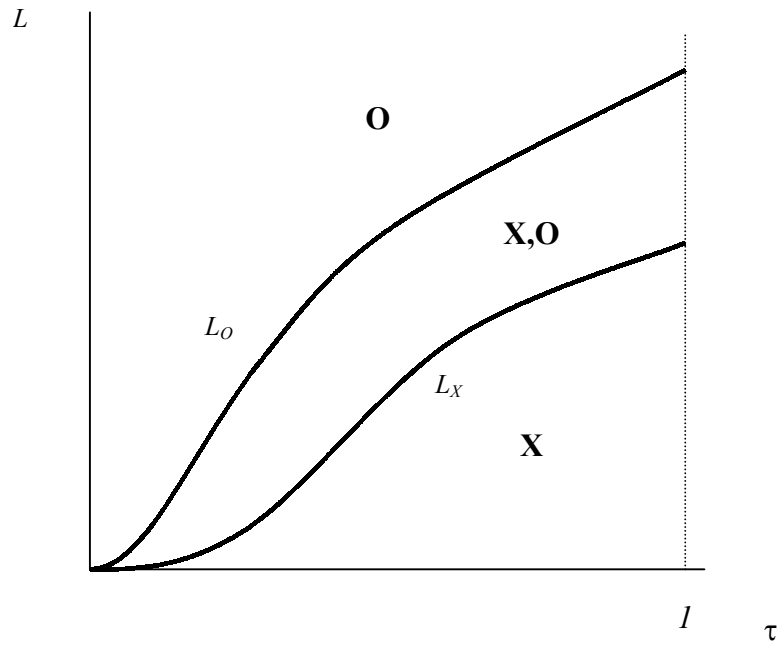


Figure 2.b - The choice between exports and FDI ($1/2 < \beta < 3/4$)

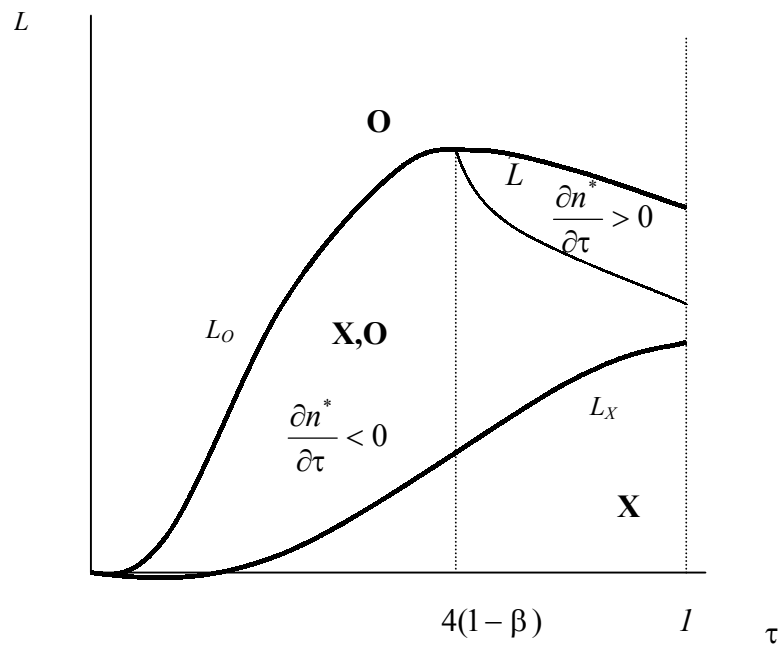


Figure 2.c - The choice between exports and FDI ($\beta > 3/4$)

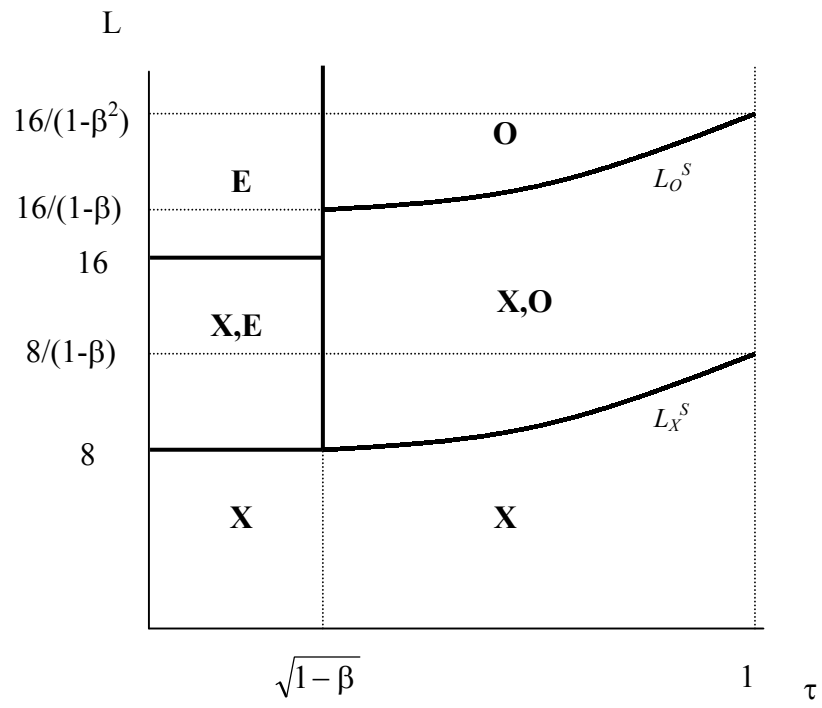


Figure 3 - Exports and FDI under complete contracts