

セッション名：産業組織と金融

An empirical analysis of R&D externalities¹

HIRONOBU MIYAZAKI

School of Economics, North Asia University, Akita 010-8515 Akita, Japan

E-mail: miyazaki@nau.ac.jp

HIROYUKI AMAN

School of Economics, Nagasaki University, Nagasaki 850-8506 Nagasaki, Japan

E-mail: aman@nagasaki-u.ac.jp

Abstract:

R&D is generally considered as a public good. It provides positive externalities to other firms. Using an event study methodology, this paper investigates how the stock prices of the rival firms respond to an increase in the R&D expenditures of a firm. Examining firms in the pharmaceutical industries, we found that some firms benefit from R&D externalities. Moreover, the regression analysis indicated that R&D-intensive firms are greatly benefiting from them. This suggests that these firms have the full potential to absorb new R&D knowledge.

Key word: R&D externalities, rival firms, event study

JEL classification: L25, G30, O33

¹ We acknowledge the financial support from THE MURATA SCIENCE FOUNDATION.