

The Effect of Regional Trade Agreements on Technology Spillovers through International Trade

Naoto Jinji* Xingyuan Zhang[†] Shoji Haruna[‡]

Abstract

We investigate empirically how regional integration affects technology spillovers among trade partners. We measure the extent of technology spillovers by using patent citation data from the United States Patent and Trademark Office. Our main finding, from employing the gravity model, is that technology spillovers between trade partners are higher if these countries are signatories to the same regional free trade agreement. This suggests that regional integration has a positive effect on technology spillovers. Another finding is that the GATT/WTO has a positive effect on technology spillovers among member countries.

Keywords: regional trade agreement; technology spillovers; patent citations; gravity model.

JEL classification: F15; O33.

*Corresponding author. Faculty of Economics, Kyoto University, Yoshida-honmachi, Sakyo-ku, Kyoto 606-8501, Japan.

[†]Faculty of Economics, Okayama University, 3-1-1 Tsushima-Naka, Kita-Ku, Okayama 700-8530, Japan.

[‡]Faculty of Economics, Okayama University, 3-1-1 Tsushima-Naka, Kita-Ku, Okayama 700-8530, Japan.