

R&D, TECHNOLOGY SPILLOVERS AND SHARES OF THE UE IMPORT MARKET: EMPIRICAL EVIDENCE FOR G7 COUNTRIES

P. Hanel

Université de Sherbrooke

Québec, Canada, J1K 2R1

S. Zorgati

Université du Québec à Montréal

Québec, Canada

The paper tests a model of trade in manufacturing products of major G7 countries for the period 1974-1990. Earlier studies (Hanel, 1976; Soete, 1981; Magnier and Toujas-Bernate (1994) demonstrated that market shares are a function of relative export prices (unit export values) and of a proxy for the comparative technological advantage (Share of international R&D expenditures or of patent counts). The present paper extends this approach by including in addition to direct R&D expenditures and other variables also an indicator of R&D spillovers. The indicator for interindustry flows of R&D spillovers is based on input-output matrices of patents using the cross-classification of Canadian patents (PATDAT) according to the most likely 2 digit SIC industry of manufacture and of use of the patented invention. The preliminary results suggest that technology spillovers received by an industry (sector) of the exporting country are rarely a significant determinant of its share of CEE imports.