

**FOREIGN DIRECT INVESTMENT, R & D AND PATENT
PROTECTION : A CROSS-COUNTRY ANALYSIS**

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ABSTRACT

FOREIGN DIRECT INVESTMENT, R & D AND PATENT PROTECTION : A CROSS-COUNTRY ANALYSIS

This paper aimed to highlight and provide empirical investigations for the first five years after periods the implementation of TRIPS agreement involving cross country data for the mixed periods (1996-2000) to the impact of the inflow of foreign direct investment (FDI) with the interactions between the selected designed institutional factor viz. patent protection and domestic market conditions and the intensity of research and development (R&D) activity. Using the cross country pooled data analysis for selected 56 countries, we found that with stronger patent protection and R&D concentration ratio for the sample selected countries become one of the significant factors to invest in FDI. The investment in FDI is rather mixed in view of countries income classification, protection level, R&D intensity and domestic market transparency. For high income-OECD country, upper middle and lower middle income countries, the decision is mostly affected by the stronger patents right protection. For high income non-OECD country (i.e Singapore, Cyprus and Israel) investment in FDI significantly affected by lower BMI level and in the low income country, R&D concentration activity has outweigh other variables factor.

Keywords: Foreign direct investment; patents protection; Cross-country analysis

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