

Determinants of Overseas Laboratory Ownership by Japanese Multinationals

Tomoko IWASA

National Institute of Science and Technology Policy (NISTEP)

Ministry of Education, Culture, Sports, Science and Technology (MEXT)

Abstract

The objective of this paper is to study the presence of any systematic patterns in overseas laboratory ownership by using a sample of 526 Japanese manufacturing multinationals. Overseas laboratories are considered to play a major role in technological knowledge sourcing from research resources embodied within the host countries. Considering that their characteristics are distinctively different from those of local-support oriented Research & Development (R&D) units, we take into account not only the conventionally examined firm characteristics but also the managerial and technological characteristics in estimating the determinants. Our findings are consistent with the hypothesis that the ownership decision of overseas laboratories by firms is significantly affected by the corporate capabilities to utilise external research resources and the science-orientation of industries as well as R&D intensity, global sales, and overseas experience of firms.