

***Capital Market Integration and Innovation:
Firm-level Evidence from 43 Countries***

Professor Xu Xinpeng

ABSTRACT Using a novel firm-level panel data set covering 43 countries over two decades, we find that capital account liberalization is significantly associated with higher patenting activity. The effect is identified through a difference-in-difference-in-differences estimation strategy. We show that the effects of capital account liberalization are more pronounced among firms in R&D intensive sectors. We further find that the impact is stronger for firms that are located in economies that have a relatively better legal environment. Our results provide the first global evidence on the real effect of capital market integration.

SPEAKER BIO Professor Xinpeng Xu is Professor of Economics at Faculty of Business, Hong Kong Polytechnic University, Hong Kong. He is also Director of Faculty of Business – Belt and Road Centre, Hong Kong Polytechnic University and a Research Associate at the Australian National University, Australia. Prof. Xu was awarded recently two Hong Kong Research Grant Council's competitive research grants. He received Faculty Prize for Outstanding Performance in Teaching at Hong Kong Polytechnic University and has many years' experience in teaching at the level of MBA, EMBA, DBA and Doctor of Management in both Mainland China and Hong Kong. Prof. Xu has published many papers in reputable international refereed journals. He serves as Co-Editor of *Journal of Chinese Economic and Business Studies* and an Executive Committee member of the Hong Kong Economic Association. Professor Xu served as a consultant to international organizations such as OECD and APEC. He obtained his Ph.D. in Economics from the Australian National University, Australia.

Professor Xinpeng Xu gratefully acknowledges the support of the K. C. Wong Education Foundation.