Tickets to the Global Market: 
First U.S. Patents and Firm Export in China

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Abstract

We investigate whether successful first U.S. patent applications affect the export performance of Chinese firms. We manually match Chinese exporting firms with first-time U.S. patent applicants and leverage the quasi-random assignment of patent applications to examiners to identify the causal effect of first U.S. patents on the firms’ subsequent exporting activities. We find firms that succeed in their first U.S. patent applications achieve higher export growth, largely because they add more new product-destination pairs and retain more existing product-destination pairs in their portfolios. Further investigation suggests that the first U.S. patents may serve as signaling devices that mitigate information frictions in international trade.

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