## WORKSTREAM 3: Research Pipeline

| Project | Institution | Title | Authors | Short disription | Status |
|---|---|---|---|---|---|
| 1 | ECB | Computing REER based on VA trade | Buelens, Christian and Martin Schmitz | | *Not Started* |
| 2 | ECB, OeNB, MNB | Stylised facts of value added trade and gross export decomposition: CEEC | Buelens, Christian, Marianna Endrész and Julia Wörz | | *Not Started* |
| 4 | ECB | Sectoral spillover effects - a GVAR analysis | Al-Haschimi, Alexander and Georgios Georgiadis | This project looks at interlinkages using global VAR model based on cross-country sectoral data. The project aims to examine spillovers from sectoral shocks across sectors both within and across countries. The spillover analysis could be used to identify systematically important sectors, similar to a network approach. | *Ongoing* |
| 5 | ECB, OeNB, MNB | Did GVCs change the impact of ER and demand elasticities on real trade at the global level? | Al-Haschimi, Alexander, Frauke Skudelny and Julia Wörz | Assess the impact of GVCs on global (G20) on trade, using a bilateral import demand equation for all available G20 data and taking into account third country substitution effects resulting from GVC integration. | *Ongoing* |
| 6 | Bocconi University | Trade in Value Added and the Anatomy of Multinational Business Groups | Altomonte, Carlo , Italo Colantone and Armando Rungi | We provide a microfoundation of the patterns of trade in value added by relating them to the underlying distribution of multinational business groups across countries. Using the world input-output tables from WIOD, we exploit a decomposition of trade flows as in Koopman et al. (2014) to compute several indicators of domestic and foreign value added content of bilateral exports for 40 countries and 35 industries, spanning the period 1995-2011. For each country-industry pair we also compute bilateral indexes of participation and positioning along the global value chains. Using firm-level data on property linkages from ORBIS, we then identify all the co-affiliates of business groups that are jointly present in each country-industry and in any given trading partner (and industry) over time. Based on such information, we replicate the country-industry structure of input-output tables, populating it with the corresponding bilateral indicators for the joint presence of business groups across countries and industries. We also add to this information the characteristics of business groups in terms of size and ownership, as well as geographical and industrial diversification. Finally, we analyze econometrically the relation between the different indexes of bilateral trade in value added and the indicators of joint presence and characteristics of business groups. We find both the indicators of domestic and foreign value added content to be positively related to the bilateral presence of co-affiliates, with rich patterns emerging as we move to considering also the characteristics of the corresponding business groups. The anatomy of business groups is also found to influence, in several ways, the indexes of participation and positioning along the global value chains. | *Ongoing* |
| 7 | BdP | Mapping global production networks: a new algorithm | Amador, Joao and Sonia Cabral | total sales and exports and inputs (labour costs, intermediates); and intermediates split into imported and domestic; -> one could come up with domestic value added in firm level data (using proportionality assumption) | *Ongoing* |
| 9 | BdI | How does foreign demand activate domestic value added? A comparison among the major euro-area economies | Cappariello, R. and R. Felettigh | Global value chains pose measurement challenges to the evaluation of a country's exposure to foreign shocks. As intermediates travel to their final destination by an indirect, possibly multi-country route, it becomes more complex to associate a country's exports and their "domestic-value-added content" with the final demand that activated them. We use the global input-output database WIOD and the approach developed by Koopman et al. (2012) in order to trace out how final internal demand around the world is diffused along global value chains and ultimately affects the creation of domestic value added across Italian sectors and the ranking among its sources (countries, sectors, components of demand). | *Ongoing* |
| 10 | ECB, MNB | The role of trade network in propagating the crisis | Endrész, Marianna and Frauke Skudelny | Compute network indicators based on value added trade; explain cross-country heterogeneity during the recession adding these network measures | *Ongoing* |
| 11 | BdI | Fragmentation and Macroeconomic Performance | Formai and Vergara Caffarelli | | *Ongoing* |
| 12 | ECB | GVCs and protectionism | Georgiadis, Georgios and Johannes Gräb | This project aims at analysing protectionism at a sectoral level, using WIOD data in order to create indicators of integration in global value chain. In particular, the project aims to understand whether the extent of integration in global value chains as well as the position in global value chains affects the strength of protectionist activity at the sectoral level. For example, sectors that are integrated strongly in global value chains should be expected to demand less protectionism against foreign competition, as they themselves heavily depend on inputs from abroad. The project is a follow-up on a previous paper which examined the relationship between growth, competitiveness and trade protectionism at the cross-country level. | *Ongoing* |
| 13 | World bank | Distributional Aspects of Global Value Chains | Hollweg, C. and D. Taglioni | | *Ongoing* |
| 14 | European Commission | Sectorial Analysis: European automotive industry | Leonte, A. and L. Orszaghova | use three ´novel´ approaches (IIT, GVC and network analysis) to describe internalisation of the automobile sector and possible implications of this process | *Ongoing* |
| 15 | BuBa, WIIW | The dog that did bark? Changes in global value chains during the great trade collapse | Nagengast, Arne and Robert Steherer | Did sourcing structure of countries change in recent years? | *Ongoing* |
| 16 | WIIW, Groningen University | The Occupational structure of manufactures GVCs | Robert Stehrer and Marcel Timmer | | *Ongoing* |
| 17 | COM | Tradable vs. non-tradable: an empirical approach to the classification of sectors | Zeugner, Stefan | Change of environment and expectations with the crisis requires reallocation of labour, capital, and output; reallocation from non-tradable to tradable activity | *Ongoing* |
| 18 | World bank, OECD | Joining, Upgrading and Being Competitive in Global Value Chains: A Strategic Framework | Gereffi, Cattaneo and Daria Taglioni and Sébastien Moroudot | In recent years, global value chains have played an increasing role in business strategies, profoundly affecting international trade and development paradigms. Global value chains now represent a major source of socio-upgrading opportunities and a new path for development. Trade, competitiveness and development policies should be reshaped accordingly to seize these opportunities and avoid the risks associated with greater participation in global value chains. This paper provides a framework and analytical tools for measuring and improving a country's performance with respect to participation in global value chains. With a clear operational focus, it provides guidance for countries willing to join, maintain participation, and/or move up global value chains. With the ultimate objective to increase the value (the development content) for trade, it also offers strategies to maximize the benefits and minimize the risks of developing countries' participation in global value chains. | *Almost Finished* |