Wiener Institut für Internationale Wirtschaftsvergleiche The Vienna Institute for International Economic Studies

## **List of Projects**

## Javier Flórez Mendoza

EU-Asia relations: technological competition and trade policies in an era of regionalisation Anniversary Fund of the Oesterreichische Nationalbank June 2023 - May 2026

This project analyses various aspects of EU-Asia relationships (with a focus on East and Southeast Asia; E-SE Asia). It addresses two main aspects which characterise current global economic developments: a tendency towards competing regional integration ('regionalisation') and fiercer technological competition. It analyses intra- and interregional research collaborations of firms, the positioning of EU and E-SE Asian countries in terms of the functional specialisation of global value chains, technology spillovers from eMNCs (multinationals from emerging E-SE Asian economies) and aMNCs (multinationals from advanced economies) to domestic EU firms, the roles of competing trade policy arrangements and technological complementarity in regional vs. inter-regional integration processes, the impact of different trade policy designs on trade structures in the context of industry-specific technology catching-up and leap-frogging, and global and regional competition between regulatory standards.

Funded by the Anniversary Fund of the Oesterreichische Nationalbank (Project No. 18833).

How can economic instruments of climate policy be directed through foreign direct investment? Anniversary Fund of the Oesterreichische Nationalbank October 2022 - March 2025

The mechanism through which the policy maker can foster novel green and environmental technologies via FDI is the main focus of the project. It comprehensively studies this by analysing in three work packages how FDI is determined in the EU and how it can help to diffuse technology. The first work package analyses which factors at the three levels of region, industry and firm determine FDI in firms located in the EU. The second work package analyses how FDI affects productivity growth and employment growth at both the firm level and the regional sector level. In the third work package the diffusion of knowledge, technology and know-how of FDI is analysed, which could lead to green and environmental innovation and finally patenting of these technologies. In both the second and the third work package the indirect impact of FDI on domestically owned firms is analysed separately from the impact of FDI on the whole regional sector, including foreign-owned firms.

Funded by the Anniversary Fund of the Oesterreichische Nationalbank (Project No. 18800).

## Spend, transfer, or repay. What to do with all the money from the EU carbon border tax? Anniversary Fund of the Oesterreichische Nationalbank October 2022 - September 2024

The project addresses the expenditure side of the European carbon border adjustment (CBA) mechanism. Currently, there are intensive discussions concerning the design of the CBA mechanism. The use of revenue is a sensitive issue that can have far-reaching implications on the effectiveness and legality of the CBA. While different expenditure options have been proposed, there is a lack of research contrasting the economic effects of the said revenue options. Therefore, the priority of the research project is to explore the economic implications of different spending options for the revenues generated by the CBA. It estimates the effects of a carbon border tax on trade, GDP, and welfare for alternative spending scenarios for the carbon border tax revenues. This is explored with two different carbon border adjustment designs. The research will strive to contribute to the policy debate on the design of the CBA, and on the future of the EU budget in the context of new own resources.

Funded by the Anniversary Fund of the Oesterreichische Nationalbank (Project No. 18815).

## **Export diversification strategy for Venezuela**

United Nations Conference on Trade and Development (UNCTAD) October 2023 - February 2024

This project aims to design a sustainable diversification strategy for Venezuela and industrial policies to support the identified products and processes. In the framework of this project, wiiw will analyse the export structure of Venezuela using the product space methodology and identify new export opportunities through a thorough analysis that involves the product space metrics and additional indicators on linkages, employment, export markets, and foreign exchange.