Sehr geehrte Abonnentinnen und Abonnenten,

wir freuen uns, Sie per Newsletter über die neuesten Entwicklungen des FIW-Projekts informieren zu dürfen.

Dieses Mal mit folgendem Inhalt:

- FIW Kurzbericht Nr. 11 (März 2013) veröffentlicht
- Neue FIW-Working Papers veröffentlicht

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Das FIW-Projekt veröffentlicht einmal im Quartal einen Kurzbericht über die aktuellen Entwicklungen der internationalen Rahmenbedingungen und des österreichischen Außenhandels.

Der FIW-Kurzbericht Nr. 11 kann unter folgendem Link kostenlos heruntergeladen werden: http://www.fiw.ac.at/index.php?id=637#c11845

**FIW-Working Paper Nr. 104 bis 117 veröffentlicht**

Die FIW Working Papers Nr. 104 bis Nr. 117 wurden veröffentlicht und können unter folgendem Link heruntergeladen werden: http://www.fiw.ac.at/index.php?id=545&L=1

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The article analyses patterns and country-specific determinants of Visegrad Countries’ (VC) agri-food trade with the European Union. Literature focusing on the country-specific determinants of vertical and horizontal intra-industry trade is rather limited and those analysing agricultural (or agri-food) trade are extremely rare. Therefore, the paper seeks to contribute to the literature by covering latest theory and data available on the topic to provide up to date results and suggestions. Moreover, it seeks to identify the determinants of horizontal and vertical intra-industry trade of the Visegrad Countries after EU accession. Results suggest that agri-food trade of the Visegrad Countries is mainly inter-industry in nature but intra-industry trade is dominated by vertical elements. Results verify that determinants of horizontal and vertical IIT differ and suggest that economic size is positively, while distance is negatively related to both sides of IIT. However, the relationship between vertical IIT and differences in factor endowments as well as FDI is ambiguous.


In a dynamic panel framework, I investigate the qualitative aspects of factors determining current account imbalances in (country groupings within) the European Union. I consider the standard determinants of current account positions discussed in the past literature, but additionally, I include a series of explanatory variables that refer to the sectoral composition of the European economies and that could have significantly contributed to the current account developments in the past decades. Independently of the econometric method used, the main finding suggests that the economic predominance of the construction sector might have played an important role in aggravating current account positions in the European economies. In parallel, some negative influence could be found for some other service sectors, but this shouldn’t be of much concern due to their role played in the growth process.

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The present paper contributes to the existing literature analyzing the relationship between intra EU trade in services and European Integration by taking into consideration a potential endogeneity bias of the EU dummy and a correct specification of multilateral resistance terms in a panel data set covering the years 2000-2010. Our results offer evidence for a high positive impact of European integration on aggregate services trade between member states while we find a negative effect of monetary integration. However, there exist notable differences at the sector level. According to our results, European integration has positive effects especially for business services, travel and EDV services. Analyzing the evolution of the sectoral EU-effects over time shows that exports of EDV and OBS have steadily increased due to European integration.

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This paper investigates empirically the role of Preferential Trade Agreements (PTAs) as determinants of migration inflows for 29 OECD countries in the period 1998-2008. By increasing information about signatory countries, PTAs are expected to drive migration flows towards member countries. Building on the empirical literature on the determinants of migration, I estimate a modified gravity model on migration flows providing evidence of a strong positive effect of PTAs on bilateral migration flows. I also consider the con-
tent of PTAs as a further determinant of migration, finding that visa-and-asylum and labour market related provisions, when included in PTAs, stimulate bilateral migration flows. Finally, by comparing the average effects of PTAs on migration flows and on trade, I show that PTAs stimulate bilateral migration flows more than trade in final goods. PTAs might be used by government to increase inflows of immigrant workers in the case of labour shortages or population ageing.

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We develop a comprehensive index of the transparency of central banks regarding their policy framework to promote financial stability for 110 countries from 2000 to 2011 and examine the determinants and effects of this transparency. We find that the degree of transparency increased in the 2000s, though it still varied greatly across the countries in our study. Our regression results suggest that more developed countries exhibit greater transparency, that episodes of high financial stress have a negative effect on transparency and that the legal origin matters, too. Importantly, we find that transparency regarding the level of financial stability is strongly affected by monetary policy transparency. The central banks that have a transparent monetary policy are more likely to show increased transparency in their framework for financial stability. Our results also suggest a non-linear effect of central bank financial stability transparency on financial stress. Unless the financial sector experiences severe distress, greater transparency is beneficial for financial stability.

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Technology is a key element for long-term growth and economic development. Given the stark concentration of innovation activities in a few countries most countries have to rely on the international diffusion of newly developed technologies. Some countries may fail to successfully perform the task of technology adaption leading to a tripartite segmentation of countries into an innovation club, an imitation club whose members are capable of absorbing technologies developed by the former and a stagnation group that lack the capability to absorb foreign technologies. We test the role of the technology gap for growth as suggested by the technology club hypothesis in a threshold regression framework using human capital as the threshold variable. Using this approach, which is related to Benhabib-Spiegel type growth regressions, we are able to identify two distinct thresholds giving rise to three country groupings. As suggested by the theory of technology clubs we find the strongest effects from the catch-up term on economic growth for the intermediate group (imitation club).

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Mit freundlichen Grüßen,
Pia Kranawetter
(FIW – Projektbüro)

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Im Rahmen der Internationalisierungsoffensive der Bundesregierung (BMWFJ)

Dear Sir or Madam,

we are pleased to inform you about the latest news of the FIW project.

In this issue:

- FIW Note No. 11 – March 2013 published
- New FIW-Working Papers

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FIW publishes quarterly FIW Notes. They present an overview of the most important Austrian and international developments regarding International Economics. The 11th issue is now available for free on the FIW-Website:
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Kind regards

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