

The IER Seminar in Empirical Economics

We would like to invite you to the **Empirical Seminar** series organized by the Institute of Economic Research, Slovak Academy of Sciences, Šancová 56 that will be held in hybrid form (online and at the library of the Institute of Economic Research, Slovak Academy of Sciences). The seminar will take place on **April 22nd, 2025 at 13.00 (CET)**.

The speaker will be **Kamil Yilmaz** (Koç University, Turkey).

The topic of the seminar is: ***Inflation and Output Spillovers in Production Networks***

Authors: Nuriye Melisa Bilgin (University of Turin) and Kamil Yilmaz (Koç University)

Abstract:

This paper examines the transmission of inflation and output shocks across the U.S. manufacturing industries, with a particular focus on the role of production networks. Using variance decompositions from a vector autoregression (VAR) model, the study quantifies sectoral producer price inflation and output spillovers stemming from industry-specific and aggregate shocks. The analysis reveals that upstream industries are pivotal in the diffusion of producer price inflation shocks, with transmission intensifying during significant supply-side disruptions. Conversely, output spillovers are characterized by a weak yet consistently negative association with upstream positioning, indicating distinct propagation mechanisms for supply- and demand- driven shocks. Finally, the paper assesses the inflationary impact of tariffs, demonstrating that protectionist trade policies targeting upstream sectors can amplify inflation transmission throughout interconnected supply chains. These findings provide valuable policy insights into the broader economic consequences of tariff-induced shocks.

The seminar will be co-chaired by Filip Ostrihoň.

Link:

<https://teams.microsoft.com/l/meetup-join/19%3aN1DbFP4xWw8up59Qx5Y-CJmz8Q-Y4jniJZWjqs6Q9RA1%40thread.tacv2/1743765523229?context=%7b%22Tid%22%3a%2217c92093-1286-4bb4-b6ea-02f3119dd49c%22%2c%22Oid%22%3a%22dab7fd44-1715-4397-8059-4adfa112d04a%22%7d>