Research Statement

Yao Amber Li

My research is anchored in international trade and draws on international macroeconomics, finance, and development economics. I study how firms build the capabilities they need to compete in global markets, how workers are affected when firms adjust, and how trade rules shape the outcomes of economic integration. Much of my empirical work uses firm-level data from China, with complementary evidence from India on labor markets and infrastructure. Since 2019, nine of my papers have appeared in the *Review of Economics and Statistics*, the *Journal of International Economics*, the *American Economic Journal: Macroeconomics*, and the *Journal of Development Economics*, five of them since 2024.

Global sourcing, supplier networks, and firm capabilities

In *Trade Liberalization, Quality, and Export Prices*, my coauthors and I examine how access to imported inputs changes what firms can produce and sell abroad. We find that lower input tariffs can lead exporters to upgrade product quality, with implications for how we interpret export prices and measure the gains from trade. The 2023 U.S. *Economic Report of the President* cited this study when discussing the benefits of global sourcing in its section on supply chain resilience (p. 113, "Resilience during Global Supply Shocks").

In more recent work, I ask how firms build the capacity to expand across markets. In *Bilateral Economies of Scope*, we find that experience importing from a country lowers the cost of entering that same country as an exporter, and vice versa. In *Equity Financing and Exports: Evidence from IPO Approvals in China*, we find that firms receiving IPO approval expand their exports mainly by entering new product and destination combinations. The two studies identify distinct ways firms expand abroad, through experience in a particular market and through access to financing for new investment.

Market power, frictions, and the distributional effects of globalization

I study how workers' employment options shape employer wage-setting power and how that power affects labor's share of income. In *Exploitation of Labor? Classical Monopsony Power and Labor's Share*, my coauthors and I develop a framework for measuring wage markdowns and apply it to manufacturing firms in China and India. In *Infrastructure Investment and Labor Monopsony Power* and *Trade Liberalization and Labor Monopsony: Evidence from Chinese Firms*, we show that highway expansion in India and lower input tariffs in China reduced employer market power in the settings we study. In *Who Bears the Cost: Financial Frictions and Labor Markdown*, we trace a different mechanism. Greater concentration in local banking markets increases wage markdowns, with little corresponding change in product markups or profitability. These studies connect the incidence of trade and financial shocks to conditions in local labor markets.

Knowledge diffusion, networks, and innovation returns

In *Borders and Distance in Knowledge Spillovers: Dying over Time or Dying with Age?—Evidence from Patent Citations*, I distinguish how geographic barriers change as an invention ages from how they change over time for inventions of the same age.

In *Geography, Ties, and Knowledge Flows: Evidence from Citations in Mathematics*, my coauthors and I use mathematicians' career histories and citations to show how shared training and past colocation facilitate knowledge flows. In *Tickets to the Global Market: First U.S. Patent Award and Chinese Firm Exports*, we find that a Chinese firm's first U.S. patent grant increases its exports to destinations beyond the United States. That geographic pattern points to a role for patents in making firms' technological capabilities visible to foreign buyers.

Current Research Agenda

In *The Demographic–Technological Reversal: Population Aging, Agentic Artificial Intelligence, and Comparative Advantage*, Hiroyuki Kasahara and I ask whether agentic AI can reverse the effects of population aging on comparative advantage. We study how AI interacts with workers' skills across age groups and with the tasks performed in different industries, and how these interactions may shift production and trade across countries. I am also a co-principal investigator on *Agentic AI for Innovation Research*, which received HK$2 million in total project funding from the HKUST Business School Strategic Fund for Futuristic Business Research.

My current work on global sourcing examines how firms find suppliers, negotiate with them, and adjust their sourcing across products and countries. One question is whether an urgent need to replace suppliers in one part of a network draws resources away from maintaining relationships elsewhere in the firm. I am also studying how U.S. monetary policy affects production costs abroad and how trade policy uncertainty changes employment and the wage distribution.

My interdisciplinary collaborations examine the design and consequences of international trade institutions. One project uses the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) to study how differences among member economies shape the emissions consequences of regional trade agreements. A separate project examines how the bargaining power of Global South economies in international trade negotiations has evolved.

At HKUST, I serve as Program Leader for *AI for Innovation, Firm Competitiveness and Regional Growth* at the IAS Center for AI for Scientific Discoveries.

Publications in Selected Journals

Journal	Since 2010	Since 2019	Since 2021	Since 2024
Review of Economics and Statistics	3	2	1	1
Journal of International Economics	5	4	3	3
American Economic Journal: Macroeconomics	1	1	1	0
Journal of Development Economics	2	2	2	1
Total	**11**	**9**	**7**	**5**

Counts are cumulative as of November 2026 and include articles published online ahead of issue assignment.