

Bachelor Seminar: Empirical Topics in International Trade

April 2021

The aim of the seminar and the subsequent bachelor thesis is to apply standard econometric tools to assess the effects of trade policy on trade flows. To that aim, seminar participants use publicly available data on international trade flows and analyze them based on the gravity equation of international trade, linear regressions of cost-pass-through, or similar frameworks. Typical topics include

- (i) The evaluation of specific Trade Agreements (FTA, PTA) on trade flows among signing countries (trade creation) as well as trade between each signing country and third countries (trade diversion).
- (ii) The evaluation of trade embargos as a form of negative trade agreement.
- (iii) The impact of Anti-Dumping tariffs on the import price of affected goods and the resulting welfare losses for the affected countries.
- (iv) The impact of trade policy uncertainty on trade flows.

Dates

Kick-off meeting: 16 April 2021, 8:30 – 10:00 via MS Teams (link in Moodle)

Assignment of papers: 23. April 2021

Student presentations: 7 May 2021, exact time TBA

Hand-in Thesis: 9 July 2021

Course requirements

No specific course from the master program is required for attending the seminar. However, good knowledge of trade theory (as acquired, e.g., the course "International Trade – Theory and Policy") as well as standard econometric methods (in particular, panel estimations) are very helpful for a successful attendance.

Literature

1. Baier, Scott L., and Jeffrey H. Bergstrand. "Do free trade agreements actually increase members' international trade?." *Journal of international Economics* 71.1 (2007): 72-95.
2. Bown, C. P., and Crowley, M. A. 2007. Trade deflection and trade depression. *Journal of International Economics*
3. Campa, J. M., and Goldberg, L. S. (2005). Exchange rate pass-through into import prices. *Review of Economics and Statistics*, 87(4), 679-690.
4. Magee, C. S. 2008. New measures of trade creation and trade diversion. *Journal of International Economics*
5. Feenstra, Robert C. and Taylor, Alan M. *International economics*, 2nd edition. New York, NY: Worth Publishers, 2016 – Chapter 7