

Empirical Topics in International Trade

- BSc Seminar -

Johannes Gutenberg University Mainz

Winter 2024/25

Chair of International Finance, Prof. Philip Sauré

Seminar Description (German)

The seminar participants will apply empirical methods to investigate the influence of various events on international trade flows. Examples of such events (or ‘shocks’) are changes in trade policy, e.g. tariffs and countervailing duties, embargoes or establishment of free trade zones, but also changes in political conditions within countries, which affect the internal demand or supply of certain goods (e.g., carbon tax, subsidies). An introductory session provides an overview of the relevant empirical methods and gives a list of possible topics. Students subsequently select their individual seminar topics. After individually studying the relevant literature, students produce their own empirical work on their individual topics. The analysis is usually based on detailed UN data (comtrade) of trade flows in the period around specific events.

Seminar requirements

While no single course is required, the course “International Trade: Theory and Policy” will prove very helpful. Knowledge of basic trade theory as well as some econometric tools (panel estimations, instrumental variable estimations) is expected from seminar participants.

Organization

The seminar will take place in person. In the introductory meeting, we will discuss further organizational issues including formal requirements of the presentation and thesis.

Introductory meeting: Friday, 01. November 2024, 10:15 – 11:45, TBA

Assignments: Friday, 08. November 2024, noon, online

Hand-In Exposés: Tuesday, 26. November 2024, midnight, online

Presentations Exposés: Friday, 29. November 2024, 08:30 – 16:00, TBA

Registration: Friday, 06. December 2024, noon, Studienbüro

Regular Meetings: Tuesday, 10:00 – 11:00, online upon agreement

Hand-in Thesis: Friday, 31. January 2025, noon (Studienbüro!)

Literature:

Trade Flows: value of bilateral trade and the Gravity Equation

- Head, Keith, and Thierry Mayer. "Gravity equations: Workhorse, toolkit, and cookbook." Handbook of international economics. Vol. 4. Elsevier, 2014. 131-195.
- Balassa, B. 1967. Trade creation and trade diversion in the European Common Market. The Economic Journal
- Bown, C. P., and Crowley, M. A. 2007. Trade deflection and trade depression. Journal of International Economics
- Magee, C. S. (2008). New measures of trade creation and trade diversion. Journal of International Economics

Price Changes (Exchange Rate Pass-Through):

- Campa, J. M., and Goldberg, L. S. (2005). Exchange rate pass-through into import prices. Review of Economics and Statistics, 87(4), 679-690.
- Burstein, A., and Gopinath, G. (2014). International prices and exchange rates. In Handbook of international economics (Vol. 4, pp. 391-451).