

## Syllabus

# International Trade Theory and Policy

Michael Pfaffermayr and

Andrea Leiter-Scheiring

February 2018

This course provides an introduction to international economics, concentrating on trade theory and policy. In the lecture we will discuss the main theoretical approaches that explain the structure and volume of trade as well as important issues in trade policy. The proseminar provides a deeper insight in trade related issues by discussing empirical papers which refer to the concepts introduced in the lecture.

At the end of the course, there will be a final exam. This will include all topics covered in the course (lecture + proseminar). Details on this exam will be given in the lecture and seminar sessions.

For students in the Bachelor programme and students of International Economics and Business Studies (IWW) the final grade is a weighted average of the evaluations in the final exam **and** the seminar based on the credits of the lecture and the seminar. Students of Law and Economics will have an exam on the material covered in the lecture.

## Programme – Lecture

Michael Pfaffermayr

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The course starts on Monday March 5th, 2018, 8:00, HS 3 with a short introductory session. Afterwards the lecture takes place from 8:30 to 10.45. We will use the book by *van Marrewijk, Ch. (2012): International Economics - Theory, Application, and Policy. Oxford University Press. Second edition.* Additional material (slides) will be provided in the e-campus. There is also a web-site for the book (see <http://global.oup.com/uk/orc/busecon/economics/vanmarrewijk2e/>).

### Course outline

Date	Content	Chapter
Mo, Mar 5, 8 pm	Introduction and Organization	
Mo, Mar 12	Stylized facts on trade and the gravity Model	
Mo, Mar 19	Classical Trade: Technology	Ch 3
Mo, Apr 9	Production Structure	Ch 4
Mo, Apr 16	Factor prices & production	Ch 5
Mo, Apr 23	Factor abundance	Ch 6
Mo, Apr 30	Trade policy	Ch 7
Mo, May 7	Economic integration	Ch 12
Mo, May 14	Imperfect competition	Ch 8
Mo, May 28	Intra-industry trade	Ch 9
Mo, Jun 4	Heterogeneous firms	Ch 16

## Programme – Seminar

Andrea Leiter-Scheiring

Email: andrea.leiter-scheiring@uibk.ac.at

### Group 1 – LV-Nr. 432047

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Day	Date	Time	Room	Subject
Fr	Mar 9	08.00-10.30	SR 9	Introduction & Tutorial
Fr	Apr 27	08.00-11.30	SR 9	Module 1
Fr	May 4	08.00-11.30	SR 9	Module 2
Fr	May 18	08.00-12.30	SR 9	Module 3 and 1st test
Fr	May 25	08.00-11.30	SR 9	Module 4
Wed	Jun 6	08.00-08.30	SR 9	2nd test

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### Group 2 – LV-Nr. 432048

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Day	Date	Time	Room	Subject
Fr	Mar 9	11.00-13.30	SR 9	Introduction & Tutorial
Fr	Apr 27	13.00-16.30	SR 9	Module 1
Fr	May 4	13.00-16.30	SR 9	Module 2
Fr	May 18	13.00-17.30	SR 9	Module 3 and 1st test
Fr	May 25	13.00-16.30	SR 9	Module 4
Wed	Jun 6	09.00-09.30	SR 9	2nd test

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## **How to “get through”**

Determinants of grade:

- Two thirds according to tests
- One third according to presentation

## **Necessary conditions:**

1. Pass the short tests (it is necessary to get at least 50 % of the total points to pass the PS).
2. Present your chosen topic (it is necessary to give an acceptable presentation to pass the PS).
3. Presence

## **Some additional information:**

To 1.:

- Each test takes approx. 30 minutes.
- Each test contains 6 questions.
- The answer to each question is worth up to 2 points.
- All in all there are 24 points achievable, from 12 on you are graded positively.

To 2.:

- On each bloc day two topics will be presented and worked on.
- The texts are available online (PDF) on OLAT at ‘ordner – articles’.

- You may form groups of two to present a particular topic (length of presentation: about 60 minutes).
- The use of additional literature is appreciated.
- Send the presentation until Friday one week before the topic has to be presented via e-mail to [andrea.leiter-scheiring@uibk.ac.at](mailto:andrea.leiter-scheiring@uibk.ac.at). The presentation slides will be considered in the grade.
- I reserve the right to choose WHO is going to present WHICH part and will inform you about this decision about 48 hours before the seminar starts.
- 12 points are achievable at the most, 6 points are necessary to be graded positively.

To 3.:

- You may miss one of the modules but have to apologize in advance, if you are not able to participate in a session.

## Topics and Literature

Date	Topic	Literature
	Technology	Kerr, W. R. (2017). Heterogeneous technology diffusion and Ricardian trade patterns. <i>The World Bank Economic Review</i> , 1–20.
Apr. 27	Factor prices & production	Arezki, R., Fetzner, T., Pisch, F. (2017). On the comparative advantage of US manufacturing: evidence from the shale gas revolution. <i>Journal of International Economics</i> , <b>107</b> , 34–59.
May 4	Trade policy	Hakobyan, S. (2016). Export competitiveness of developing countries and US trade policy. <i>The World Economy</i> . Orefice, G. (2016). Non-Tariff-Measures, Specific Trade Concerns and Tariff Reduction. <i>The World Economy</i> .
May 18	Economic integration	Jean, S., Bureau, J. C. (2016). Do regional trade agreements really boost trade? Evidence from agricultural products. <i>Review of World Economics</i> , <b>152</b> (3), 477-499. Magee, C. S. (2016). Trade creation, trade diversion, and the general equilibrium effects of regional trade agreements: a study of the European Community-Turkey customs union. <i>Review of World Economics</i> , <b>152</b> (2), 383-399.
May 25	Intra-industry trade	Jambor, A. (2014). Country-Specific Determinants of Horizontal and Vertical Intra-industry Agri-food Trade: The Case of the EU New Member States. <i>Journal of Agricultural Economics</i> , <b>17</b> (1), 663-682.
	Trade policy & heterogeneous firms	Fontagné, L., Orefice, G., Piermartini, R. (2016). Making (Small) Firms Happy. The Heterogeneous Effect of Trade Facilitation Measures. <i>CEPR Working Paper Series</i> No. 5899.