

Economics 342: International Trade

Semester: Spring2020

Instructor: S. Easton

<http://www.sfu.ca/~easton/>

Textbook: The textbook for this course is the electronic edition of the first 12 chapters of Krugman, Obstfeld and Melitz, *International Economics: Theory and Policy*. (KOM) I have provided notes on my website (<http://www.sfu.ca/~easton/>) for various chapters that are also *required reading*.

Grading: There will be a midterm (25%) and a final exam (50%). The final is cumulative. Tutorial attendance and assignments are worth 25%.

Week 1: An Overview of World Trade

KOM Chapters 1 and 2 and start on Chapter 3

My posted notes (1a) on the gains from trade (1b).

Hume: <http://www.econlib.org/library/LFBooks/Hume/hmMPL28.html>

<http://www.econlib.org/library/LFBooks/Hume/hmMPL29.html#Part%20II,%20Essay%20VI,%20OF%20THE%20JEALOUSY%20OF%20TRADE>

Bastiat: <http://bastiat.org/en/petition.html>

Week 2: Chapter 3 – Technology Based Trade: The Ricardian Model

KOM: Chapter 3 – The Ricardian Model

My posted notes on Ricardo.

Ricardo: <http://www.econlib.org/library/Ricardo/ricP2a.html>; and an example:

<http://www.econlib.org/library/Columns/y2006/Robertscomparativeadvantage.html>

Week 3 and 4: Income Distribution: The Specific Factors Model

KOM: Chapter 4

My posted notes on the Specific Factors Model

Week 4 and 5: Factor Resource Based Trade: The Heckscher-Ohlin Model

KOM: Chapter 5

My posted notes on the HO Model

Week 6: **Midterm Exam (February 14)**

Week 7: The Standard Model and Factor Mobility
KOM: Chapter 6

My posted notes on Factor Mobility

Week 8 and 9: The Instruments of Trade Policy
KOM: Chapter 9

My posted notes on tariffs and other impediments to trade

Week 10: the Political Economy of Trade Policy
KOM: Chapter 10

William Watson, National Post September 13, 2012 p. FP 13.
<http://www.cbc.ca/news/politics/ceta-canada-eu-trade-deal-by-the-numbers-1.2125473>;
<http://www.cbc.ca/news2/interactives/canada-eu-ceta/>;
<http://ec.europa.eu/trade/policy/countries-and-regions/countries/canada/>

Week 11: Trade Policy in Developing Countries
KOM: Chapter 11

Week 12: Trade Policy Controversies
KOM: Chapter 12

Week 13: Economies of Scale and Firms in the Global Economy
KOM: Chapters 7 and 8 (as time permits)

Students should consult my web site: <http://www.sfu.ca/~easton/> for information about Econ 342 class and tutorial assignments, readings, practice examinations, office hours and other announcements relevant to the course.

Students need to be aware of current issues in trade policy. Get into the habit of looking at sources for trade related current events. Major newspapers such as *The National Post*, *Vancouver Sun* or the *Globe and Mail* in Canada or internationally at the *Wall Street Journal* and the *New York Times* or the *Financial Times* all cover trade related issues. *The Economist* is a news magazine that is likely to have regular coverage of important trade issues.

Detailed categories of Canadian Trade can be found at:
<http://cufts2.lib.sfu.ca/CRDB/BVAS/resource/5722>

The Directions of Trade gives a country by country listing of exports and imports:
<http://elibrary-data.imf.org/FindDataReports.aspx?d=33061&e=170921>

Among the many sources of data, the World Development Indicators stand out as an easily accessible online reference that is available through the library: The WDI has 246 countries and

some 1257 different series going back in some cases to 1960. This source may be useful in a wide variety of courses:

<http://cufts2.lib.sfu.ca/CRDB/BVAS/resource/5973>.

Other sources include the World Trade Organization: <http://www.wto.org/>

The WTO has a wealth of trade related data including ongoing negotiations over different agreements, dispute settlement arrangements, monitoring of past agreements, and so forth. If you are short of things to do with your time, you could do worse than browse through the Trade Topics section of the website:

http://www.wto.org/english/tratop_e/tratop_e.htm to get a sense of what is happening in the world of international/multinational trade.

http://www.wto.org/english/res_e/publications_e/wtr12_e.htm

http://www.wto.org/english/res_e/statistics_e/its2011_e/its11_appendix_e.htm

****NO TUTORIALS DURING THE FIRST WEEK OF CLASSES****

Students requiring accommodations as a result of a disability must contact the Centre for Students with Disabilities at 778-782-3112 or csdo@sfu.ca

All students are expected to read and understand SFU's policies with regard to academic dishonesty (S 10.02 and S 10.03). These policies are available at the following web address:

www.sfu.ca/policies

For more information about SFU Economics, please visit our website:

www.sfu.ca/economics

