UNIVERSITY COLLEGE LONDON
Department of Economics

ECON0023 INTERNATIONAL TRADE

Overview

This course provides an introduction to standard topics in international trade. It is targeted at students with some knowledge of economic theory (ECON0013) and econometrics (ECON0019).

The aim is to develop a systematic understanding of both the causes and consequences of international trade. In doing so, we will discuss a series of influential theories (e.g. Ricardian, Specific Factors, Heckscher-Ohlin, among others). We will also cover why and how governments may use trade policy (e.g. tariffs and quotas) to achieve certain objectives. Finally, we will discuss some recent controversies, such as the so-called “China shock” and the US-China trade war.

Class Details

The course is primarily delivered through weekly lectures. In addition, there are four tutorials.

Typical assessments

- Final quiz which counts for 50% of the module mark. The content will cover the entire term and there will be MCQ as well as other types of questions.
- Independent research project on a topic in international trade and migration. The assessment for this project is usually based on a 1500 word (not including tables, graphs and references) report and counts for 50% of the module mark.

Readings

Weeks 1-7 of the course will follow closely the textbook “International Economics: Theory and Policy” by Krugman, Obstfeld and Melitz (Pearson, 11th/12th edition). For the remaining topics on the so-called “China shock” and the US-China trade war, here is a list of journal articles we will discuss:


**Typical Weekly Topics**

• Week 1: World Trade: An Overview (Chapter 2)
• Week 2: Labour Productivity and Comparative Advantage: The Ricardian Model (Chapter 3)
• Week 3: Specific Factors and Income Distribution (Chapter 4)
• Week 4: Resources and Trade: The Heckscher-Ohlin Model (Chapter 5)
• Week 5: The Standard Trade Model (Chapter 6)
• Week 6: External Economies of Scale and the International Location of Production (Chapter 7)
• Week 7: The Instruments of Trade Policy (Chapter 9)
• Week 8: Causes and Consequences of the “China Shock”
• Week 9: The US-China Trade War