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## Course description

# Advanced International Trade

### Course objectives

This course will deal with several aspects of international trade. After having passed this course successfully, you will be able to understand modern trade theory, and you will have gained access to the most recent research in this area. If you consider to start your own research in this area, this course will enable you to set up your own research agenda. A good knowledge of microeconomics is essential, and you should not have a natural aversion to applying mathematical tools to economic problems, as we will use these quite often.

It is helpful if you are already familiar with international trade theory on an intermediate level, but this is not a must. If you do not have any international trade background, it might be helpful for you to read Part 1 of Krugman, Obstfeld, Melitz, *International Economics*, Addison Wesley. The most recent edition is # 9, but older editions will do the job as well. This course will follow the textbook of Robert Feenstra, *Advanced International Trade*, Princeton University Press. A link to the manuscript (not the book) is <http://phamtrung.wikispaces.com/file/view/Advanced+International+Trade+Theory+and+Evidence.pdf>, and a link to the first chapter of the book is [http://stevereads.com/papers\\_to\\_read/feenstra\\_advanced\\_international\\_trade\\_chapter\\_1.pdf](http://stevereads.com/papers_to_read/feenstra_advanced_international_trade_chapter_1.pdf).

We will discuss mainly the theory parts of the relevant chapters. For a better understanding, however, I strongly advise you to read these chapters as a whole.

### Classes

The detailed schedule of the course can be found at [lsf.uni-heidelberg.de](http://lsf.uni-heidelberg.de)

### Course outline

1. Preliminaries: Two-Sector Models

2. The Heckscher-Ohlin Model
3. Many Goods and Factors
4. Trade in Intermediate Inputs and Wages
5. Increasing Returns and the Gravity Equation
6. Gains from Trade and Regional Agreements
7. Import Tariffs and Dumping
8. Import Quotas and Export Subsidies (time permitting)