

Quantitative Trade Policy

ECTS: 4

This is a course on quantitative analysis of trade and investment. The course aims at providing students with the state of the art in quantitative techniques for the analysis of trade and investment policies. The course is structured in three parts. The first one deals with the topic of input-output techniques. The information and communications technology (ICT) revolution has changed the nature of international trade by allowing for the internationalization of production processes. One key-challenge for trade economics posed by the resulting emergence of global value chains (GVCs) is to keep track of the complex flows of intermediates, parts, and final goods across sectors and international borders. Multi-region input-output (MRIO) analysis has become the standard method in the field to track such flows. The second part analyzes the different techniques currently in use for the estimation of one of the most successful empirical econometric models, the gravity model. Notably, the main estimation techniques using either cross-sectional or panel data will be studied, paying attention to the concept and modelling of multilateral resistance and trade costs. The third part will work out modelling of trade and investment policies with an applied focus.