B.E. International Program

Faculty of Economics, Thammasat University

Course Syllabus

EE459 Seminar in International Trade Theory and Policy

(Section 046401)

Semester 2/2017 (January 8 – May 20, 2018)

Number of credits: 3 credits (3-0-6)

Lecture Time: Friday, 14.00 - 17.00 PM

Lecture Venue: Room 203, Faculty of Economics, Tha Prachan campus

Instructor: Dr. Nattapong Puttanapong

Office: Room No.3 , 4th Floor, 60Years(2) Building,

Faculty of Economics, ThaPrachan campus

Office Hours: Wednesday: 11.00am – 12.00pm or by appointment

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Course Descriptions and Objectives:

More globalized world implies more unstable and volatile markets. As a result, the probability of experiencing fluctuation in both global trade and international financial markets gets higher. This course is aimed at broadening students' insight of international economics through various approaches, including lecture, class discussion, term paper, and seminars with guest speakers. Particularly, practices of applying analytical frameworks to the current issues and data of both global trade and international finance would enhance students' in-depth analytical skills towards more understanding of the global volatilities.

Prerequisite: EE451 and EE452

Teaching Materials and Resources

Please see the list of suggested readings in the teaching plans.

Teaching Plans

Week 1 (12 Jan 2018): Introduction and Global Trade Database

Readings

- Timmer, M., et. al. (2012), The World Input-Output Database (WIOD): Contents, Sources and Methods, the European Commission.(http://www.wiod.org/publications/memoabstract.htm?id=10)
- International Trade Centre UNCTAD/WTO. (2009), Trade Map – Trade Statistics for International Business Development, (http://legacy.intracen.org/marketanalysis/Docs/Trademap/TradeMap-Userguide-EN.pdf)

Week 2 (19 Jan 2018): Global Trade – Basic Analysis

Readings

- Schaffer, W. A.(2010), Regional Impact Models, Georgia Institute of Technology, School of Economics. (http://www.rri.wvu.edu/WebBook/Schaffer/chap05.html)
- De Backer, K. and Yamano, N. (2008) The Measurement of Globalisation using International Input-Output Tables, STI WORKING PAPER 2007/8Statistical Analysis of Science, Technology and Industry, Organisation for Economic Co-operation and Development (OECD)
- Yamano N., andMengB. (2011) Measuring Global Fragmentation using Harmonized International Input-Output Database (http://www.iioa.org/files/conference-2/588_20110512061_yamano-mengIIOA2011.pdf)

Week 3 (9 Feb 2018) – Introduction to Network Analysis

Readings

- del Río-Chanona RM, Grujić J, Jeldtoft Jensen H (2017) Trends of the World Input and Output Network of Global Trade. PLoS ONE 12(1): e0170817. https://doi.org/10.1371/journal.pone.0170817 (https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5270329/pdf/pone.0170817.pdf)

Week 4 (16 Feb 2018): Review of Global Trade Policy Analyses

Readings

- Hertel (ed.),T.W. (1997), Global Trade Analysis: Modeling and Applications, , Cambridge University Press (https://www.gtap.agecon.purdue.edu/products/gtap_book.asp.)
- Peter, P., Plummer, M. G. and Zhai, F. (2011), The Economics of the ASEAN Economic Community.

- Lee, H. and Plummer, M. G. (2011),Assessing the Impact of the ASEAN Economic Community, Discussion Paper: DP-2011-E-002, Osaka School of International Public Policy, Osaka University

Week 5 (23 Feb 2018): Global Trade – Current Issues

Readings

- Rogoff K. (2006), " Impact of Globalization on Monetary Policy," paper presented to the annual Jackson Hole symposium of the Federal Reserve Bank of Kansas City,(August) (http://www.kc.frb.org/PUBLICAT/SYMPOS/2006/pdf/rogoff.paper.0829.pdf)
- Blinder A. (2006), " Offshoring: The Next Industrial Revolution?, Foreign Affairs, 85, pp. 113-128 (http://www.internationaltraderelations.com/Blinder.Offshoring%20(Foreign%20Affairs,%20March-April%202006).pdf)
- Shahid Y., Nabashima K. and Perkins D. (2006), " China and India Reshape the Global Industrial Geography,in World Bank, Dancing with Giants: China, India and the Global Economy, Washington, D.C.: The World Bank, pp. 27-56, (http://siteresources.worldbank.org/INTCHIINDGLOECO/Resources/CE_Ch02pp.027-56_FINAL.pdf)
- Eichengreen B. and Tong H. (2006), " How China is Reorganizing the WorldEconomy," Asian Economic Policy Review 1, pp.73-101, (http://www.aeaweb.org/annual_mtg_papers/2006/0106_1430_1702.pdf)

Week 6 (2 March 2018): Students' Presentation - Case Analysis I

Week 7 (9 March 2018): International Finance – Financial Liberalization and Economic Development

Readings

- Tressel, T. and Detragiache E. (2008), Do Financial Sector Reforms Lead to Financial Development? Evidence from a New Dataset, IMF Working Paper, No 265, WP/08/265 (http://www.imf.org/external/pubs/ft/wp/2008/wp08265.pdf)
- Geert B., Harvey, C.R. and Lundblad C. (2001), Does Financial Liberalization Spur Growth?, NBER Working Paper, No. 8245, Cambridge, Massachusetts. (http://www.nber.org/papers/W8245)

--------------------------------- *Mid-Term Exam* ------------------------------------

Week 8 (23 March 2018): Students' Presentation - Case Analysis II

Week 9 (30 March 2018): International Finance – Financial Liberalization and Economic Development

Readings

- Flood R.P and Marion, N.P. (1998), Perspectives on the Recent Currency Crisis Literature, IMF Working Paper WP/98/130 (http://www.imf.org/external/pubs/ft/wp/wp98130.pdf)
- Flood, R. P. and Rose, A.K. (2001). Uncovered Interest Parity in Crisis: The Interest Rate Defense in the 1990s, unpublished manuscript, April (http://www.internationalmonetaryfund.com/external/pubs/ft/wp/2001/wp01207.pdf)

Week 10 (20 April 2018): International Finance – Financial Liberalization and Economic Development

Readings

- Kalemli-Ozcan S., Alfaro L., and Volosovich V. (2005), Why Doesn't Capital Flow from Rich to Poor Countries? NBER Working Paper no. 11901, http://papers.nber.org/papers/w11901.
- Rajan R. (2006), " Foreign Capital and Economic Growth, unpublished manuscript, International Monetary Fund, (August), http://www.kansascityfed.org/publicat/Sympos/2006/pdf/PrasadRajanSubramanian.0811.pdf

Week 11(27 April 2018): Global Imbalance International Finance – Economic Crises and Contagion

[NOTE: 27 April 2018 is the submission date for assignment #3 (the first draft of research paper)]

Readings

- Eichengreen B. (2006), " Global Imbalances: The Blind Men and the Elephant," Brookings Policy Brief 1, (January) http://www.brookings.edu/views/papers/200601_iiep_eichengreen.pdf
- Eichengreen, B. (2006). Global Imbalances and the Asian Economies: Implications for Regional Cooperation, ADB Working Paper Series on Regional Economic Integration, No. 4, August. (http://ideas.repec.org/p/ris/adbrei/0004.html)
- Borio C. and Disyatat P.(2011), Global Imbalances and the Financial Crisis: Link or no link?, BIS Working PapersNo. 346 (www.bis.org/publ/work346.pdf)
- Baig, T and Goldfajn, I (1998), Financial Market Contagion in the Asian Crisis, IMF Working paper, WP/98/155 (http://www.imf.org/external/pubs/ft/staffp/1999/06-99/pdf/baig.pdf)
- Rigobon, R (2000). Contagion: How to Measure it, NBER Working Paper Series No 8118, Cambridge, MA (http://papers.nber.org/papers/w8118.pdf)

Week 12 (4 May 2018): External Wealth of Nations

Readings

- Lane, P.R. and Milesi-Ferretti G.M. (2006). The External Wealth of Nations Mark II : Revised and Extended Estimates of Foreign Assets and Liabilities, 1970–2004 (https://www.imf.org/en/Publications/WP/Issues/2016/12/31/The-External-Wealth-of-Nations-Mark-II-Revised-and-Extended-Estimates-of-Foreign-Assets-and-18942)
- Lane, P.R. and Milesi-Ferretti G.M. (2001). THE EXTERNAL WEALTH OF NATIONS: Measures of Foreign Assets and Liabilities For Industrial and Developing Countries (https://ideas.repec.org/p/tcd/tcduee/20014.html)

Week 13 (11 May 2018) – Students' Presentation – Final Paper

Week 14 (18 May 2018) – Students' Presentation – Final Paper

Evaluation Methods

Case analysis I	15%
Case analysis II	15%
First draft of research paper	20%
Final version of research paper	30%
Class participation	20%

<u>Case analysis I & II</u> – students will be assigned to analyze and present the policy recommendations of current issues in international economics. The main objective of these assignments is to introduce the practical implementation of theoretical frameworks in analyzing impacts of the international trade in both micro and macro levels.

<u>First draft of research paper</u>– as a preparation toward developing individual's final paper, the student has to write a 5-page draft which describes the background, literature review, overview of research methodology and the preliminary result of his/her research paper. Also the student has to present the summary in class in order to share and discuss main contents of this proposed research with other students.

<u>Final version of research paper</u> –The final paper is an individual work and should not be longer than 12 pages, double-space, excluding tables and figures; it should contain only the main points and written succinctly. The paper is to be submitted a week before class presentation. It is strongly advised that students make their plans early for the topic of the paper. The idea is, during the semester students can raise issues and questions related to their selected topic such that the treatment of the topic will provide more materials for them to write about. The extensive uses of statistical and econometrical analyses in the paper will carry extra credits.

Class policies (if any)

Student must attend all sessions.

Remarks:

♦ Semester 2/2017 begins	January 8, 2018
♦ Adding and Dropping Courses W/O Record	January 8 - 22, 2018
♦ *The University Sports of Thailand**	January 22 - February 3, 2018
♦ *Makha Bucha Day**	March 1, 2018
♦ **Midterm Examination Period**	**March 12 - 17, 2018**
♦ Course withdrawal with "W"	March 28 – April 2, 2018
♦ *Chakri Memorial Day**	April 6, 2018
♦ *Songkran Festival Day**	April 11-17, 2018
♦ *Royal Ploughing Ceremony Day**	May 14, 2018
♦ Last day of class	May 20, 2018
♦ **Final Examination Period**	**May 21 – June 2, 2018**

* *Holiday, No classes during this period*