Essay on trade policy (100 points)

Please choose a country that you are interested in or you are familiar with and write a short essay on the country's trade policy.

You are expected to summarize the main features of the economy (GDP, trade statistics) and current policy practices, including tariffs and non-tariff barriers.

You should then pick one prominent feature of the policies documented and apply the theories we have studied in the course to analyze its (potential) effects and illustrate why or why not the policy is welfare enhancing. Be clear about the models used in your analysis and also discuss if the model assumptions are likely true in reality. You may use graphical or algebraic analysis, or provide a numerical example.

Alternatively, you may also document an episode of trade liberalization (such as joining the WTO or the inception of NAFTA), and analyze the effects on the economy (or economies).

The essay should be no more than 1000 words, not including the references. You will be graded on the clarity of your writing and the strength of your economic analysis.

You are encouraged to work in groups of 2 to 3. All students in the same group will receive a same grade for the essay.

To get started, you may find the following resources helpful:

WTO's Trade Policy Reviews
http://www.wto.org/english/tratop_e/tptr_e/tp_rep_e.htm

WTO's International trade and tariff data
http://www.wto.org/english/res_e/statist_e/statist_e.htm

You can also try google or wikipedia for specific countries. Make sure you document the references. You are welcome to talk with the preceptor in his office hours if you need help.