BRYN MAWR
COLLEGE

International Trade

ECON B348

August 31st, 2026

Introduction

- Minuk Kim, Assistant Professor of Economics
  - Fields: International trade & industrial organization
  - mkim2@brynmawr.edu
- Office Hours
  - Dalton 202
  - MW 2:30pm-4pm
  - or by appointment (Zoom available – email me)

Student Introductions

Name:

Hometown:

Year:

Major and/or minor:

One trade issue/topic you want to learn more about:

Why study international trade?

Trade is Everywhere

- Your morning routine involves dozens of countries
  - Phone: designed in California, assembled in China using components from Korea, Japan, Taiwan
  - Clothes: cotton from India, manufactured in Bangladesh
  - Breakfast: avocados from Mexico, coffee from Colombia

- Trade Flow Map: https://atlas.hks.harvard.edu/explore/treemap

- Q: could you live without international trade?

Trade Shapes Our World

- Economic integration:
  - 60% of world GDP crosses borders
  - Global supply chains connect billions of workers
  - Technology and ideas flow across countries
- But also:
  - Political tensions (US-China trade war, Brexit)
  - Rising inequality within and across countries
  - Worker displacement and community disruption → discontent
  - Environmental concerns

- Q: is globalization good or bad?

True or False?

- Trade made the US richer on average
  - True. Almost all evidence supports positive gains from trade, “on average.”
  - Some workers and regions do lose significantly.
- The US trade deficit means we’re giving our money away to China
  - False (or at least misleading). Trade deficits reflect capital flows and savings patterns.
- China cost millions of US manufacturing jobs.
  - True. Research estimates 2-2.4 million jobs lost 1999-2011 due to Chinese import competition. But job losses were concentrated in specific regions.
- Tariffs protect American jobs.
  - Depends. Tariffs might protect some jobs in protected industries, but they destroy jobs in industries that use those products as inputs. Net effect is often job losses.
- Trade increases global pollution.
  - It depends! Scale effect (more production) increases pollution, but technique effect (richer countries regulate more) and composition effect (specialization) can reduce it.

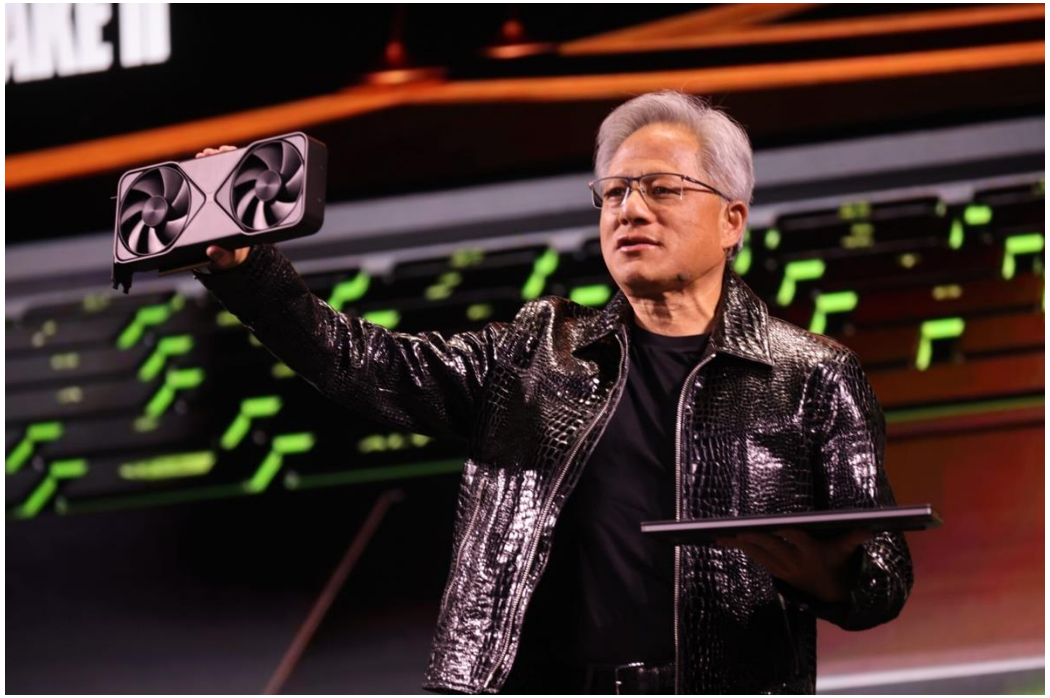
Current Events

- Trade is front and center of headlines
- Some recent examples
  - US industrial policy: CHIPS Act ($280B for semiconductor manufacturing)
  - US-China competition: technology restrictions, rare earths, EV tariffs
  - Global supply chains: post-pandemic restructuring, “friendshoring”
  - Populist politics: trade policy debates in US, Europe elections
  - US-Canada trade war

Trade Patterns

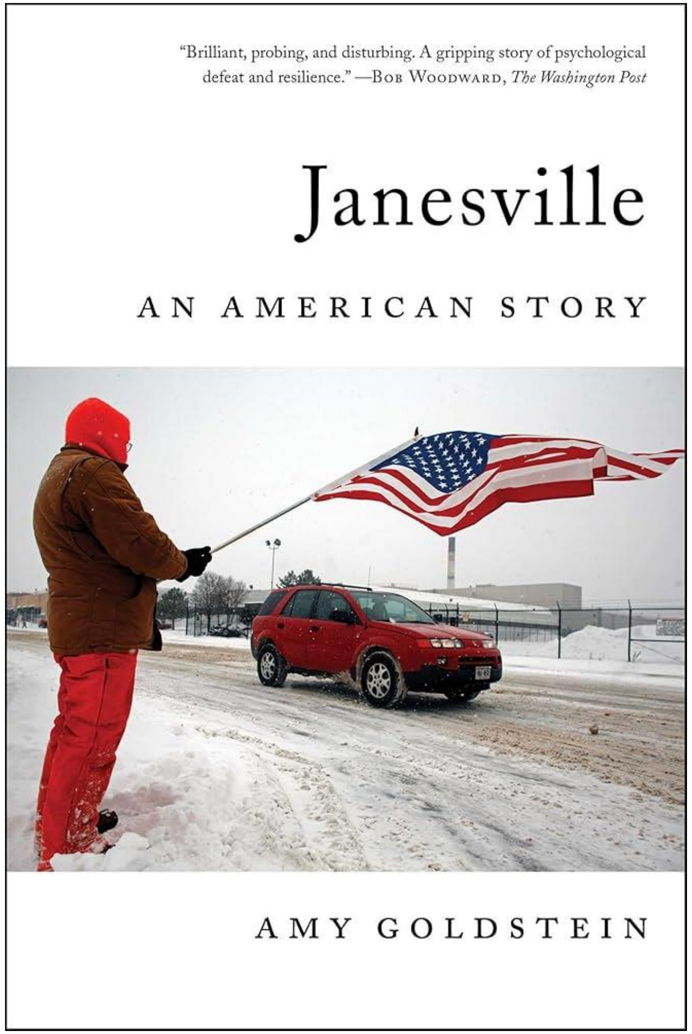
Why does the U.S.

- Export advanced chip design
- Import t-shirts



American Manufacturing

But didn't we lose a lot of good manufacturing jobs because of trade?



American Manufacturing

So let's bring manufacturing back!

Donald J. Trump
@realDonaldTrump

I have long ago informed Tim Cook of Apple that I expect their iPhone's that will be sold in the United States of America will be manufactured and built in the United States, not India, or anyplace else. If that is not the case, a Tariff of at least 25% must be paid by Apple to the U.S. Thank your for your attention to this matter!

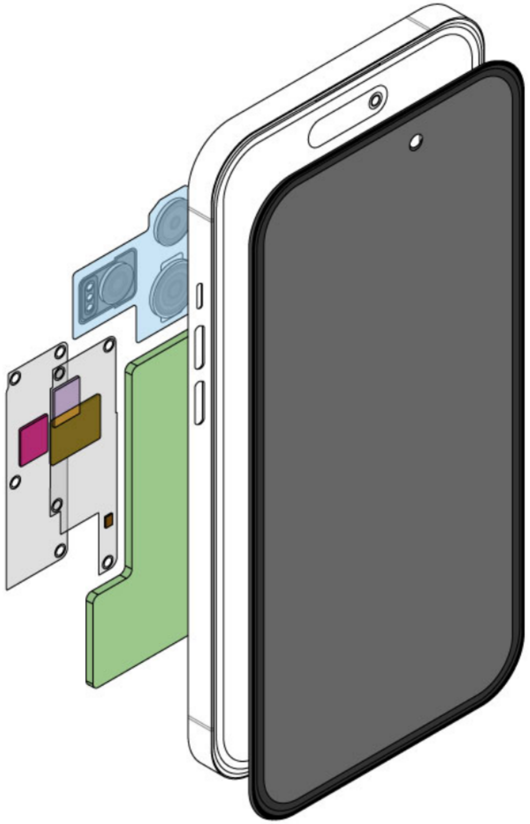
American iPhone?

At what cost?

THE WALL STREET JOURNAL.

An American-Made iPhone: Just Expensive or Completely Impossible?

Trump's tariffs aim to bring manufacturing back to the U.S. So what—besides magic—would it take to make iPhones here?



The Sum of an iPhone's Parts

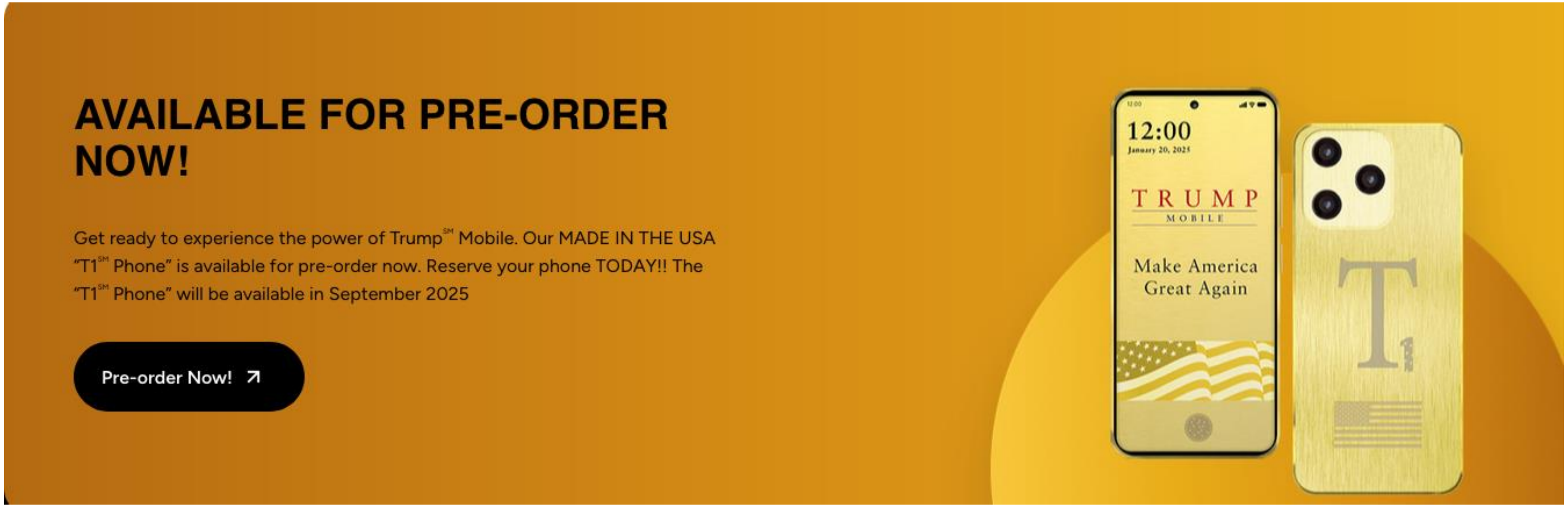
Processor	Taiwan	$90.85
Display	South Korea	$37.97
Battery	China	$4.10
5G cellular modem		$26.62
Memory	U.S.	$21.80
Storage	Japan	$20.59
Rear camera array		$126.95
Main enclosure		$20.79
All other components		$200.06
Total		**$549.73**

Source: TechInsights, iFixit
Note: The iPhone 16 Pro starts with 128 GB of storage but this pricing reflects the 256 GB upgrade. Some components have multiple suppliers from different countries of origin.
Adrienne Tong/WSJ

American Manufacturing

American manufacturing.. harder than it would appear

June 2025

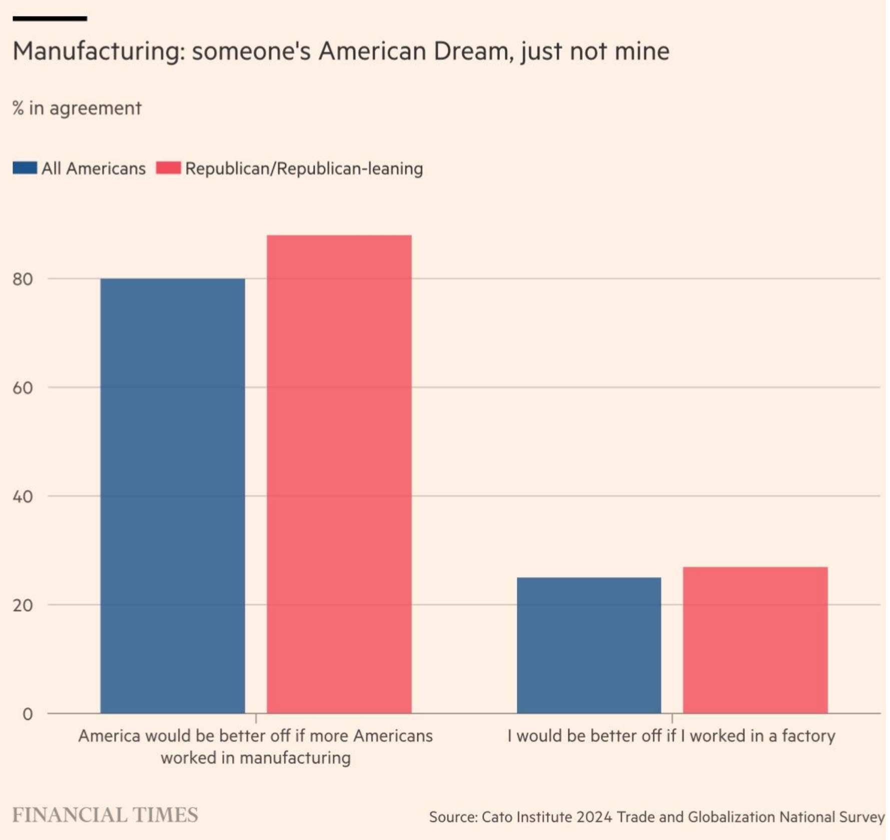


Source: Web Archive

Today?
Made where?

American Manufacturing

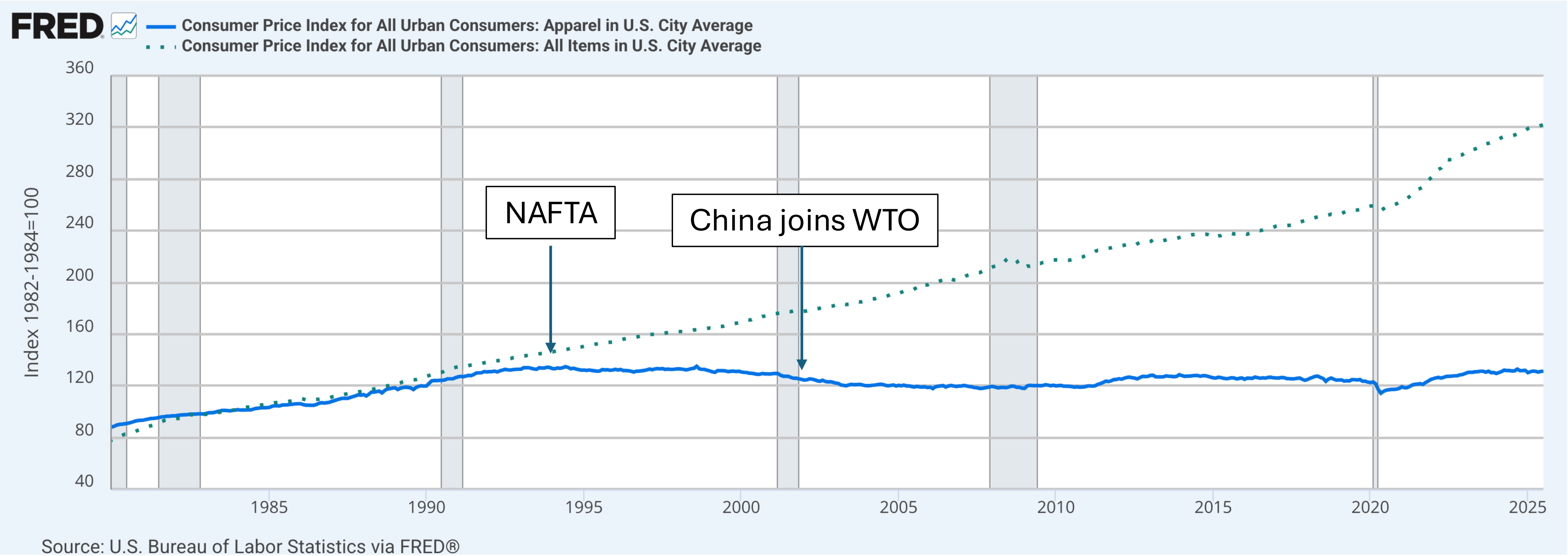
- America would be better off if more Americans worked in manufacturing. Agree or disagree?
- I would be better off if I worked in a factory. Agree or disagree?



Globalization Winners & Losers

Winners

- Consumers who can purchase products for much cheaper than before

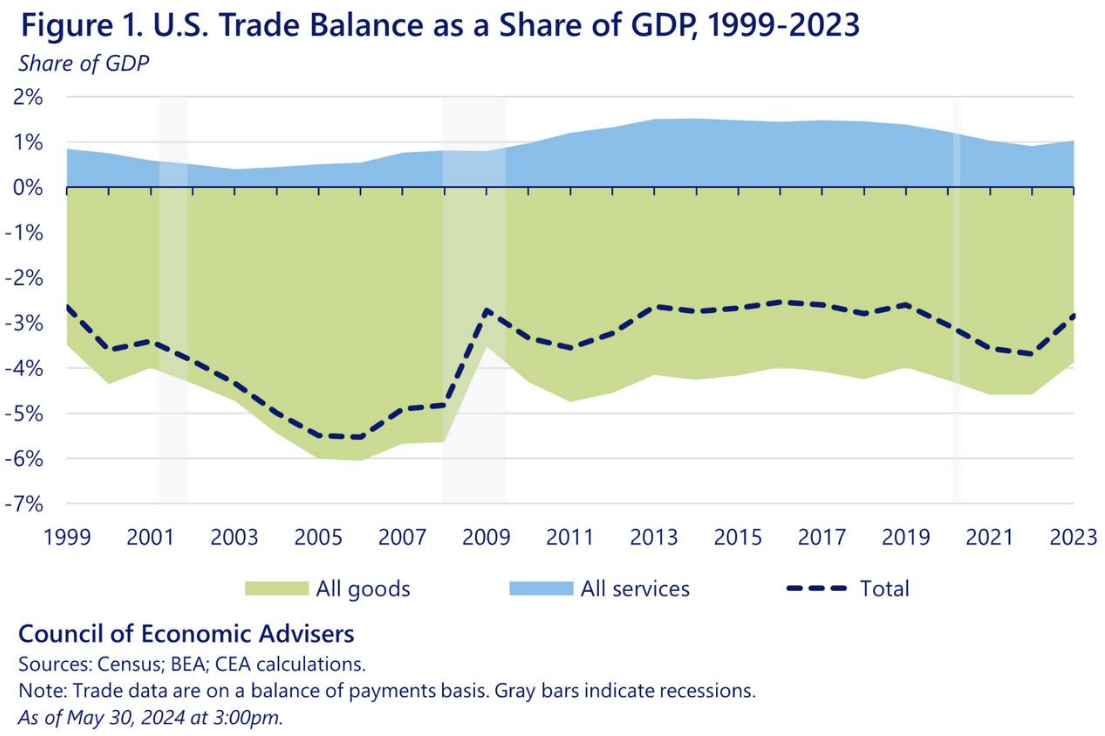


- Corporations that benefit from cheaper intermediate good

Globalization Winners & Losers

Winners

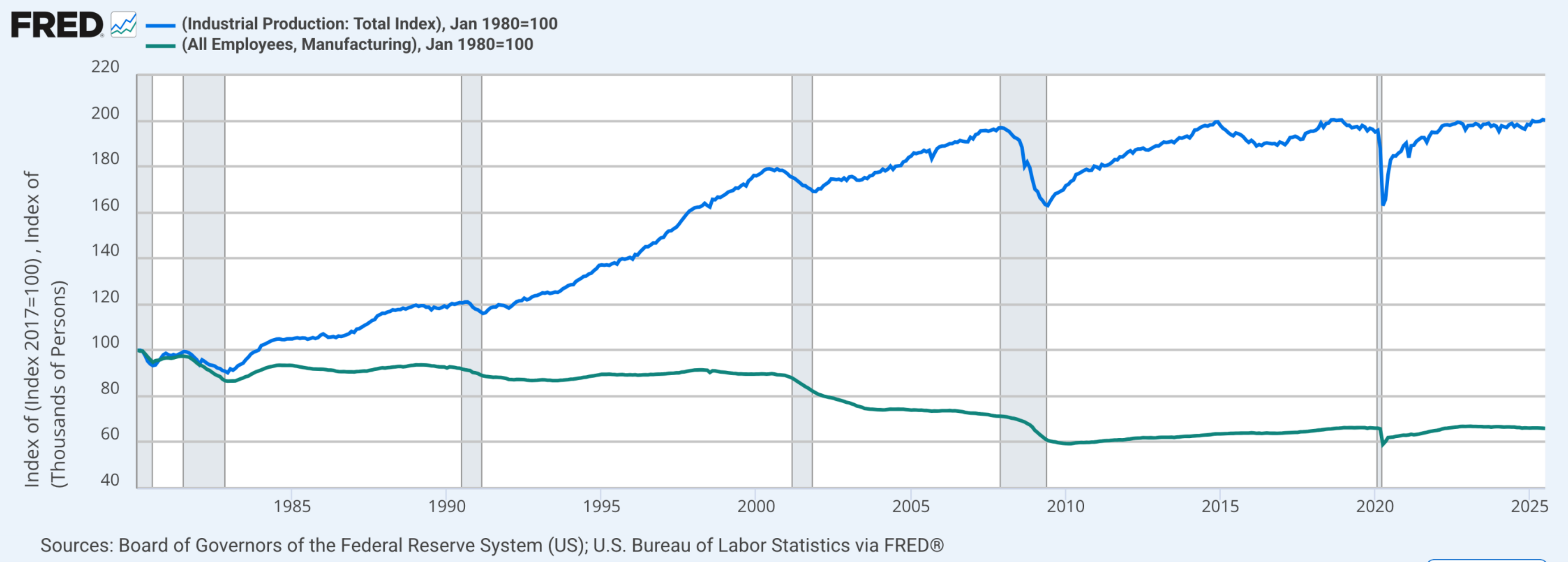
- Workers in knowledge-intensive sectors (GPUs, tech, financial services, etc.)



Globalization Winners & Losers

<u>Losers</u>

- Manufacturing workers in industries that have been off-shored
- But..



- Leads to debate: if not off-shored, would jobs have been automated anyways?

Big Questions

- Why do countries trade?
- Who wins and loses from trade?
  - Why do some communities thrive while others decline?
- How should governments respond?
  - Tariffs, quotas, trade agreements, industrial policy
  - Can we make globalization work better?
- What is the future of the global economy?
  - Populist backlash, climate policy, supply chain resilience
  - Deglobalization or new forms of integration?

Syllabus

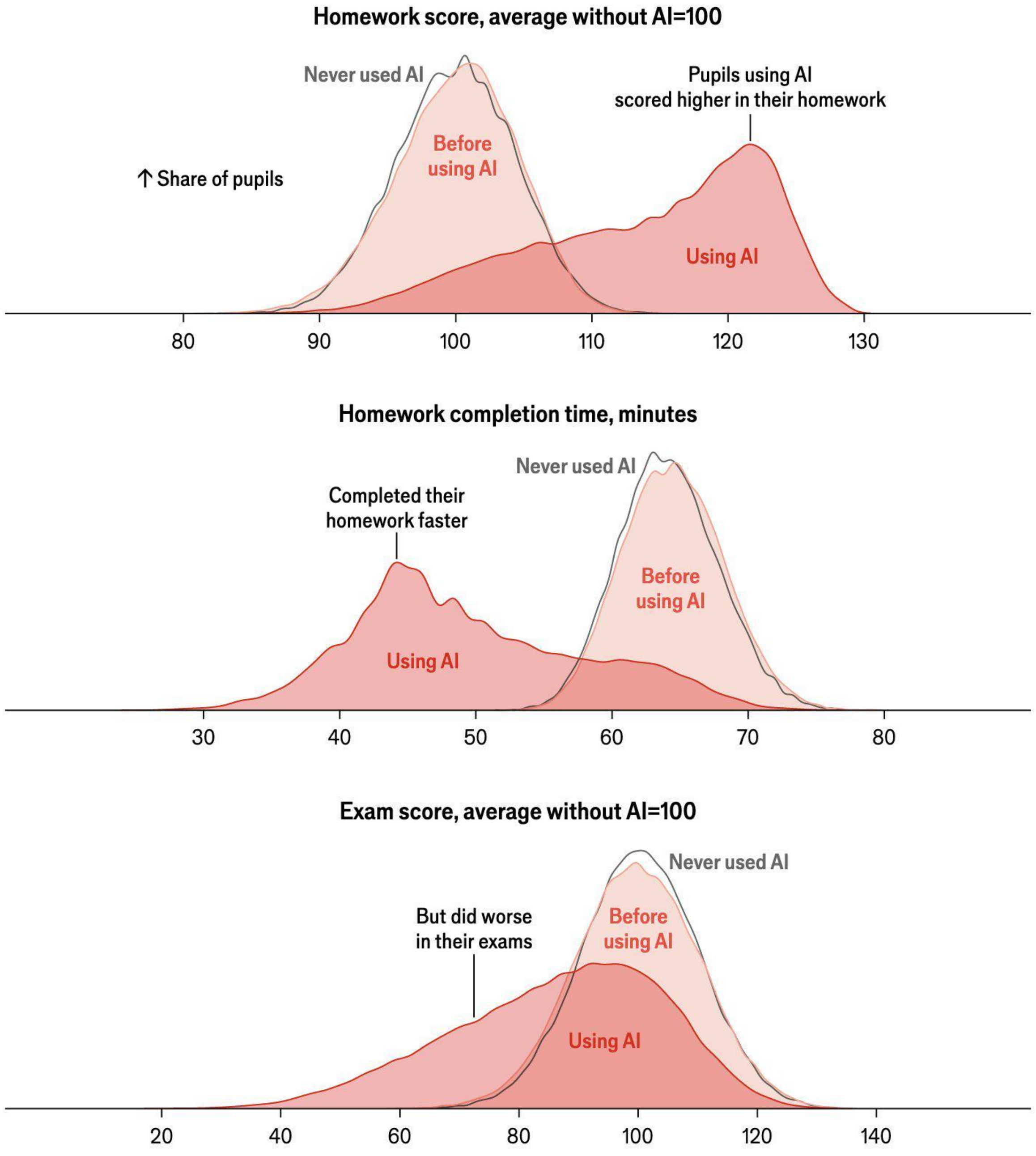
Grading

- Problem sets (5%)
  - 6 problem sets
  - Graded based on completion
  - Collaboration encouraged but must submit individually (and no copying)
- Three midterms (20% each)
  - Non-cumulative
- One paper presentation (10%)
- One paper discussant (5%)
- Participation (10%)
- Policy Brief (10%)

AI Policy

- Good use case:
  - Understanding concepts you're struggling with
  - Checking your work after solving problems yourself
  - Brainstorming feasibility of project topics

- Bad use case:
  - Generating answers to problem sets
  - Writing papers for you
  - *Replacing your own thinking and analysis*



Source: “The generative AI learning penalty: evidence from Chinese secondary education”, by D. Strömberg et al., preprint June 2026

*26,811 pupils aged 12-18

Course Logistics

- Readings
  - *International Economics* by Krugman, Obstfeld, and Melitz
    - On reserve at the library
  - Policy briefs, newspaper articles, etc.
- Optional readings
  - *Free Trade Under Fire* by Rodrik
  - *Straight Talk on Trade* by Irwin

- Moodle
  - Check frequently for announcements
  - All assignments and readings posted

Electronic Devices Policy

- Laptops, tablets, or phones during class *discouraged*
  - Improved learning
  - Distracting both for you and others
  - Seminar – we need engagement

Course Philosophy

- International trade is very contentious
  - Economists often argue that trade is good
  - But trade creates real winners and losers
  - Populist backlash has real economic roots

- In this course
  - Theory and evidence based
  - Consider the distribution of the pie, not just the size of the pie
  - Debate policy options, both from the right and left
  - No predetermined conclusions

Next Class

We’ll start with an overview of globalization and trade

<u>Assignments</u>

- Readings (required)
  - Chapter 2 (World Trade: An Overview)
  - Goldberg and Reed (2023) – to be posted to Moodle