

**Questions for PubPol/Econ 541**  
**Sep 6**

**The State of Play in International Trade and Trade Policy II:  
Other**

**KOM, Chs. 1-2:**

- How much has trade grown over time, and why? (The book doesn't say a lot about why, but you should think about it.)
- Who gains from trade? All countries? All people within a country?
- What does the Gravity Model say that trade between two countries depends on? Why is the model useful?
- Do national borders interfere with trade?
- Why is trade in services growing?

**BREXIT:**

**Kirkegaard, "The Brexit agreement: An economic guide for the perplexed," 2021.**

- What UK objectives are mentioned here as having been achieved by the agreement?
- What aspects of UK-EU interactions will be adversely affected by the agreement?
- What is the relevance of "rules of origin"? Of "minimal processing requirements"?
- Is the UK now free to make its own regulations?

**Economist, "Brexit and Northern Ireland: Explaining What Is in the Windsor Framework," *the Economist*, June 27, 2023.**

- What was disliked in the Northern Ireland Protocol, and by whom especially?
- How do "green lanes" help to fix this?
- Are there any products that were banned before that now are permitted to trade? How is the role of the European Court of Justice changed?
- What is the Stormont Brake?
- Does this "remove any sense of an Irish Sea border?"

**Economist, "Buyers' Remorse: As Britons Grow More Unhappy With Brexit, What Happens Next?" *the Economist*, Jun 27, 2023.**

- What are some reasons why public opinion in the UK has moved away from favoring Brexit?
- Are actions being discussed and taken to "soften" Brexit?
- Is the EU eager to make changes?

### **Optional to Read:**

#### **Economist, "The story of a divorce: How Brexit happened," 2021.**

- Why was the UK always more ambivalent about being in the EU than the continental countries?
- What role did immigration play in the decision to leave?
- How did the leavers and remainers compare in numbers and locations?
- What was the problem with the referendum's "binary choice"?
- What has been the most difficult issue to resolve and what was done?

#### **Booth, William, "Brexit is Boris Johnson's singular achievement. How well is it working?" *Washington Post*, August 15, 2022.**

- Is Johnson right in his claim that the UK has the G7's "fastest growing economy," and is that relevant?
- Do economists mostly see Brexit as having benefited the UK?
- Voters for Brexit wanted less immigration? How has that worked out?

### **CHINA TRADE ACTIONS:**

#### **Hille, Kathrin and William Langley, "China suspends 2,000 food products from Taiwan as Nancy Pelosi visits," *Financial Times*, August 2, 2022.**

- What prompted this action by China?
- How does this trade action compare to others that China has used against Taiwan in the past?
- Is the blockage said by China to be officially due to the Pelosi visit?
- Is sand important?
- Does Taiwan's ruling DPP party favor independence from China?

#### **Michaels, Daniel, "EU Sues China in WTO Over Trade Retaliation on Lithuania," *Wall Street Journal*, December 7, 2022.**

- Why did China cut off imports from Lithuania?
- Does the EU expect a finding in its favor in the WTO case?
- Does China's action apply only to its imports from Lithuania?

#### **Economist, "The Dragon Shows Its Claws: China hits back against Western sanctions", *the Economist*, July 23, 2023.**

- What are some of the Chinese actions mentioned here?
- Why is the foreign relations act "hazy"?
- Why does China "need to tread carefully"?

### **Optional to Read:**

#### **Economist, "Surviving the Dragon: Australia Has Faced Down China's Trade Bans and Emerged Stronger," *the Economist*, June 15, 2023.**

- What prompted China's actions against Australia?
- What were some of the actions taken by China?
- What allowed Australia to survive this better than most countries would have?
- Did Australia respond by backing off or taking other actions to please China?

## **RUSSIA SANCTIONS:**

**Bown, Chad P. "Russia's war on Ukraine: A sanctions timeline," Realtime Economic Issues Watch, Peterson Institute for International Economics, March 14, 2022, last updated June 21, 2023..**

- What prompted the sanctions to start and when?
- What are some of the countries that announced that they would not use sanctions on Russia?
- What were the most recent actions reported here, and by whom?

### **Optional to Read:**

**Funakoshi, Minami, Hugh Lawson, and Kannaki Deka, "Tracking sanctions against Russia," Reuters, March 9, 2022, updated July 7, 2022. Read "Sanctions by Countries" only, pp. 1-11.**

- Are sanctions reported by any poor countries or from Africa or Latin America?
- What are the most common targets of sanctions?

**Talley, Ian, Annie Linskey, and Joe Wallace, "U.S. Plans to Expand Sanctions, Export Controls on Russia," *Wall Street Journal*, May 19, 2023.**

- What is said to be the main purpose of the sanctions?
- Do the sanctions seem to be working?

## **GREEN SUBSIDIES:**

**Wall Street Journal Editorial Board, "The Green Subsidy War Accelerates," *Wall Street Journal*, February 5, 2023.**

- In what sense was the IRA a response to what the EU was doing?
- What does the IRA do that the EU objects to?
- What is the name of the proposed EU policy, and what will it do?
- Do the Wall Street Journal editors approve?

**Economist, "Green Protectionism: How the EU Should Respond to American Subsidies," *the Economist*, March 23, 2023.**

- What two actions is the EU considering to respond to the US subsidies that the Economist mentions, and how do they view them?
- Is the EU right to think that US subsidies will hurt the EU, according to The Economist?
- What does this say the EU can and should do?

## **Optional to Read:**

**Ewing, Jack and Melissa Eddy, "As U.S. Races Ahead, Europe Frets About Battery Factory Subsidies," *New York Times*, May 31, 2023.**

- What is Northvolt, and what is the issue here?
- Instead of engaging in a "subsidy race," what does the former EU trade commissioner say should be done? Can you tell what that would mean?
- How does the US respond to criticism from the EU?
- Is there a way mentioned that this dispute might be resolved, at least partially?
- What is the Critical Raw Materials Act?

## **OTHER DISPUTES AND ACTIONS:**

### ***Japan-South Korea Trade Dispute:***

**Davies, Christian and Kana Inagaki, "Japan and South Korea Resolve Trade Dispute as Leaders Hail 'New Era'," *Financial Times*, March 16, 2023.**

- What were the disputes in 2015 and 2019 about?
- What actions had South Korea and Japan taken in the 2019 dispute?
- How has this dispute been resolved?

### ***US-Mexico on GM Corn:***

**Swanson, Ana and Linda Qiu "U.S. To Challenge Mexican Ban on Genetically Modified Corn," *New York Times*, March 6, 2023.**

- Has it been legal to grow GM corn in Mexico?
- Is GM corn safe?
- Is the herbicide that GM corn depends on safe?
- Why can the US challenge this ban, and under what international agreement? What will happen if it does?
- Is the reason for Mexico's ban that it disagrees with the science?
- How has Mexico responded, so far?
- What is likely to happen to the Mexican corn market from this?

### ***EU-China Green Tech:***

**Bounds, Andy and Alice Hancock, "Brussels to Curb Imports of Chinese Green Tech," *Financial Times*, March 15, 2023.**

- What imports from China are to be curbed?
- How is the curb implemented?
- Are all such imports from China targeted?
- Is this action permitted by the WTO?
- How has China responded to this proposal?

### ***EU Carbon Tariff:***

**Hancock, Alice and Harry Dempsey, "Aluminium Companies Complain About EU Carbon Border Tax Loophole," *Financial Times*, July 9, 2023.**

- What is CBAM?
- What is the loophole that aluminum producers are complaining about?
- What are some other concerns and might they apply more broadly than aluminum?
- Will CBAM go into effect, and if so when and how?

### **Optional to Read:**

**Financial Times Editorial Board, "The EU's Pioneering Carbon Border Tax," *Financial Times*, January 11, 2023.**

- What does CBAM plan to do?
- What is "carbon leakage," and how would CBAM stop it?
- What are its purposes?
- What are some objections to CBAM?
- How might companies avoid the tax in ways that undermine its benefits?

### ***Japan-Australia LNG:***

**Lebrun, Sylvan, "Japan Accuses Australia of Betrayal in Fight Over Natural-Gas Exports", *Wall Street Journal*, July 11, 2023.**

- Is this a case of either country imposing a trade barrier or otherwise using a trade policy?
- Why does Japan care so much about this? Is it just defending the financial needs of its companies?
- Does Australia agree that this imposes a hardship on Japan?

### ***India laptops:***

**Roy, Rajesh, "Importing Laptops into India Will Now Require a Permit," *Wall Street Journal*, August 4, 2023**

- How does this policy discourage imports?
- What are the acknowledged motives for this policy?
- At whom is the policy aimed?

### ***US-EU cheese beef:***

**Peterson, Kristina, "The U.S. Has a Beef with Europe—Over Cheese," *Wall Street Journal*, August 8, 2023.**

- What is a protected geographical indication?
- Does the US reject the legitimacy of these restrictions?
- What does the US object to?

- What other disputes between the US and EU are mentioned?