Description Notes: You are expected to refer to your textbooks to discuss the trade theories /concepts and critically discuss the empirical studies on these theories. Look up journal articles for the empirical studies. For the second part of the essay, you should conduct your own analysis on selected trade data for a country of your choice. Some sources of trade data www.ons.gov.uk for UK balance of payment https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/bulletins/unitedkingdom balanceofpaymentsthepinkbook/2019 for UK Pink Book 2019 [available as a PDF] UK productivity data.

Explain how the concept of comparative advantage forms the basis of international trade by referring to the trade theories of David Ricardo and Heckscher-Ohlin and discuss the validity of these theories. Pick a country of your choice and discuss whether the concept of comparative advantage can explain this country’s trade patterns

https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/bulletins /labourproductivity/julytoseptember2019 http://stats.oecd.org/ for trade data for all countries http://www.wto.org/english/res\_e/statis\_e/statis\_maps\_e.htm# for WTO data WTO’s database holds trade profiles for each member country, for example EU’s trade profile is available at: Please note that 75% of your answer should discuss the first part on the theory and critical discussion and 25% should be on the second part, i.e. your own analysis. https://www.wto.org/english/res\_e/statis\_e/statis\_maps\_e.htm Penn’s world tables on capital stock /Labour: https://fred.stlouisfed.org/release?rid=285 Data on merchandise trade https://www.wto.org/english/res\_e/statis\_e/merch\_trade\_stat\_e.htm Terms of trade data https://data.oecd.org/trade/terms-of-trade.htm Some UK industries Car industry https://www.smmt.co.uk/industry-topics/brexit/key-exports-data/ Whisky https://www.scotch-whisky.org.uk/insights/facts-figures/ Space Industry https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment \_data/file/774450/LESHUKSI\_2018-SUMMARY\_REPORT-FINAL-Issue4- S2C250119.pdf Services sector https://www.ons.gov.uk/businessindustryandtrade/internationaltrade/bulletins/internationaltradei nservices/2017 IMPORTANT!!!: for the first part of the essay I have attached the 2 files of reading material. chapter 3 of the book and chapter 5. This is the textbook we have to refer to but I have extracted the ages for u and uploaded the files. For the second part I have also added some website sources that can extra help you ... they are in the above notes.