

Advanced Empirical Economics II: Empirical International Trade

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1 General Issues

The course “Advanced Empirical Economics II: Empirical International Trade” addresses Master’s students of Business Administration, Economics, Internationale Wirtschaft und Governance, and Philosophy & Economics. Advanced interested Bachelor’s students may also participate.

The course focuses on empirical international trade. The aim is to introduce state-of-the art empirical methods which are used to (i) evaluate the determinants of trade flows and (ii) to quantify the effects of international policies, such as the effects of regional trade agreements, currency unions or sanctions.

The course consists of the following parts:

1. Our **compulsory introductory meeting** takes place on **17 April, 10–12** (ct), where we motivate the topics and discuss organisational issues.
2. In **preparation** for the seminar sessions, students **read the *Advanced Guide to Trade Policy Analysis*** by Yotov, Piermartini, Monteiro, and Larch (2016) and answer questions that are provided via e-learning. Therefore, please register in the **e-learning** for the course.

3. Two **compulsory interactive seminar sessions** cover recent methods and applications of empirical international trade. We discuss the contents of Yotov, Piermartini, Monteiro, and Larch (2016) and interactively answer questions that guided our preparatory reading. Additionally, we provide and work through codes implementing the latest methods in **computer tutorials**.
 - The **first session** on **30 April 2026, 9:00-17:00** (st) covers an introduction into the structural gravity model and partial equilibrium trade policy analysis (Chapter 1 in Yotov, Piermartini, Monteiro, and Larch, 2016). We cover the theory and questions in the morning. In the afternoon, we have a computer tutorial implementing the estimation stage in R.
 - The **second session** on **21 May 2026, 9:00-17:00** (st) covers general equilibrium trade policy analysis with structural gravity (Chapter 2 in Yotov, Piermartini, Monteiro, and Larch, 2016 and a model description hand-out). After covering the theory and questions in the morning, we develop a code to conduct general equilibrium analyses in R in the afternoon.
4. To practice the learned methods, students evaluate one specific international policy of their choice. Please approach us during the seminar sessions regarding the policy and topic you intend to evaluate. This will be the topic you present in the presentation session and write your term paper about. In the **presentation session** on **9 July 2026, times tba** (depending on the number of participants), students present their topic along with first results and obtain feedback.
5. Students write a **term paper** about the evaluation of their specific international policy, including the feedback obtained in the presentation session. Term papers, including all replication files, are to be submitted the latest by **30 September 2026** (of course an earlier submission is possible at any time).

For further questions concerning course details or the dates (we may be able

to accommodate other dates/times, depending on the group's availability) please contact Hanna Adam (hanna.adam@uni-bayreuth.de) or Mario Larch (mario.larch@uni-bayreuth.de).

2 Requirements and Assessed Course Work

Requirements

To participate in the course, interest in and good knowledge of empirical economics, ideally at the level of Advanced Empirical Economics I, is expected. This includes knowledge of R, the program to be used in this course. Further, knowledge of international trade theory, for example at the level of Advanced Trade Theory (Theorie und Empirie des internationalen Handels), is helpful.

Assessed Course Work

The course work consists of:

- Active course participation during the interactive seminar sessions and answering the provided questions on the reading material.
- The presentation of your allocated topic, including first results of your empirical analysis (of about 30 minutes). Each topic addresses one possible empirical, ex-ante analysis, such as TTIP, EU-Mercosur agreement, GREXIT, BREXIT, the effects of sanctions, ...

The specific topics for the term papers will be discussed during the seminar sessions. Please approach us with your ideas.

- A term paper on your allocated topic.

Language and Formal Requirements

The language of the course is English. All the literature is also in English. Your term paper can be written in German or in English, though we suggest to write it in English. For more details concerning the formal requirements for the term papers please see the documents available in German (Hinweis zur

Formatierung von Seminar- und Abschlussarbeiten) and in English (Formal requirements for term papers and Bachelor's/Master's theses).

3 Target Group

The course addresses students from the following degree courses:

- Betriebswirtschaftslehre (Master's): as "Advanced Empirical Economics II" (as part of the bloc "B 1 Forschungsmethoden" or as part of the bloc "V Empirische Wirtschaftsforschung").
- Economics (Master's): as "Advanced Empirical Economics II" (which is part of the specialization "Modelltheorie") or as substitute for "International Labor Markets" (which is part of the specialization "Internationale Wirtschaft") or as "Individueller Schwerpunkt".
- Internationale Wirtschaft und Governance (Master's): as "Advanced Empirical Economics II" (which is part of the specialization "Ökonomische Modellbildung und empirische Analyse") or as substitute for "International Labor Markets" (which is part of the bloc "Internationale Wirtschaft") or as "Individueller Schwerpunkt".
- Philosophy and Economics (Master's): as electives course.
- History and Economics (Master's): as specialization.

Additionally, interested advanced Bachelor's students may participate.

4 Reading List

In order to have a common base for discussion in class and to answer the questions, students are all required to read:

1. The necessary chapters in the *Advanced Guide to Trade Policy Analysis* by Yotov, Piermartini, Monteiro, and Larch (2016), which can be freely

downloaded from https://www.wto.org/english/res_e/publications_e/advancedguide2016_e.htm. The exact chapters to read are specified in the introductory session.

2. A hand-out with a model description and formulas used for the counterfactual analysis, provided via e-learning.

As further useful general background, students may refer to Head and Mayer (2014).

5 Overview of Important Dates

Participation in all sessions is compulsory. In case you have any issues regarding your participation, please contact us.

- 17 April 2026, 10–12 (ct): Introductory meeting.
- 30 April 2026, 9–17 (st): Morning: interactive seminar session, afternoon: computer tutorial.
- 21 May 2026, 9–17 (st): Morning: interactive seminar session, afternoon: computer tutorial.
- 30 May 2026: Registration deadline for seminar “examination” on cm-life (necessary for term paper submission).
- 9 July 2026, exact times to be discussed, depending on the number of participants: Student presentations.
- 30 September 2026: Submission deadline for term papers.

References

HEAD, K., AND T. MAYER (2014): “Gravity Equations: Workhorse, Toolkit, and Cookbook,” Chapter 3 in the Handbook of International Economics Vol. 4, eds. Gita Gopinath, Elhanan Helpman, and Kenneth S. Rogoff, Elsevier Ltd., Oxford, pp. 131–195.

YOTOV, Y. V., R. PIERMARTINI, J.-A. MONTEIRO, AND M. LARCH (2016): *An Advanced Guide to Trade Policy Analysis: The Structural Gravity Model*. World Trade Organization, Geneva.