

# Two or Three Facts Better to Know About Trade Before Coming to Class

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Globalization is a highly debated issue everywhere in the world in the last years. I am sure most of you already have shaped ideas and beliefs about this topic. Nevertheless I expect you and me to come to class open-minded. I think it is a good thing if we share a bunch of data upon which each of us will add his on resources and base his arguments. Let's have a look at these two graphs. Fig. 1 ranks the biggest *traders* in the world.<sup>1</sup> As you see, the biggest trader in the world are the US though they are not the biggest exporter (Germany is though now China is overcoming both Germany and the States. Some countries, though very small, have huge exports and exports (Hong Kong, Singapore). Why? Some with very large populations instead do not appear in the Top 20 (India, Nigeria). A nice point to see is that European Union's countries are in the list though they are not so big. If I tell you that big part of their exports and imports is within the Union, what explanation would you give me for that? Fig. 2 is the history of world trade and international conflicts.<sup>2</sup> The *blue and red* line is World trade. Which tendencies do you see? Is it a linear history? The shaded black line is a measure of international conflicts. Do you see any correspondence between the two?

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<sup>1</sup>I have found this picture simply on wikipedia. Data obtained from: <http://comtrade.un.org/db>.

<sup>2</sup>From P. Martin, T. Mayer and M. Thoenig *Does globalization pacify international relations?* in [www.voxeu.org](http://www.voxeu.org), July 4th 2007.

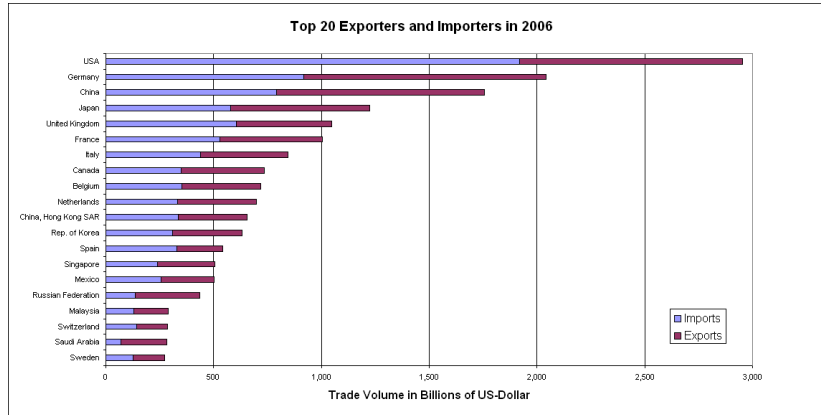


Figure 1: Top 20 *Traders*

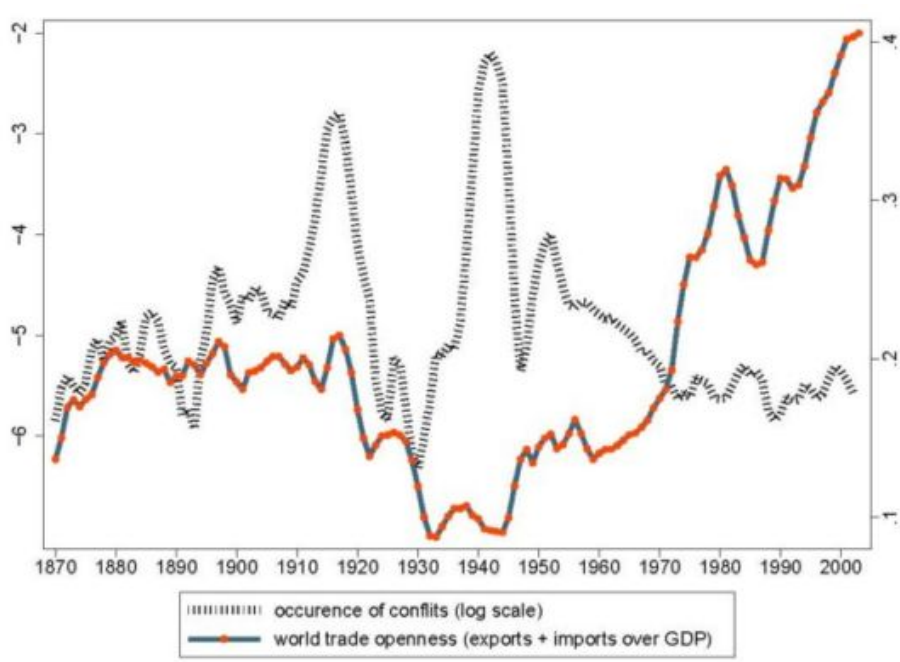


Figure 2: History of trade