

International Trade

A shared document for teaching ideas and links to resources

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Challenges

Where to cover in the intro course

Data Sources

- **World Bank – Trade Data:** <https://wits.worldbank.org/countrystats.aspx>
- **FRED (Federal Reserve Economic Data):** <https://fred.stlouisfed.org>
- **Trade Data & Analysis:** <https://www.trade.gov/trade-data-analysis>

Teaching ideas

Recent news video clips

“What Economists Got Wrong on Tariffs” Bloomberg Originals 11/21/25

<https://www.youtube.com/watch?v=dn7sWfDo3go>

“Trump Used Century-High Tariffs to Reshape Trade. Is It Paying Off?” Wall Street Journal 12/22/25 <https://www.youtube.com/watch?v=URx6NtcQbtQ>

Instructional Videos

International Trade 101 | Economics Explained

<https://www.youtube.com/watch?v=YiZn5fpPHgY>

“This video introduces the benefits and costs of international trade. You’ll learn about how international trade usually benefits consumers using the example of a country opening to trade coffee with the rest of the world. The exchange can be imports or exports. You’ll also learn about the costs of international trade. In our example, domestic sellers must now compete with sellers from around the world who offer cheaper prices, and not everyone will be able to compete. This explains why sometimes governments enact trade measures like tariffs to protect their domestic businesses.”

Crash Course Economics #2: Specialization and Trade

<https://www.youtube.com/watch?v=NI9TLDIPVcs>

“... learn about things like comparative advantage, the production possibilities frontier and how to make pizza!”

Learn Liberty

https://www.youtube.com/watch?v=e0H7r_DI1CQ

“Prof. Carden is able to mow his lawn, build a fence, and install a faucet all at one time. How? He does it by employing others to do this work for him. He uses the money he earns doing what he does best and hires people to do this work for him because that is what they specialize in doing. This is an example of specialization through trade. In this example, Prof. Carden is made better off because he has more time to do what he does best or free time to spend doing things he enjoys. The people he hires are made better off because they are able to earn money doing the work they do best. Everybody wins. This shows some of the logic behind a key principle in economics: Trade creates wealth.”

International Trade Playlist - Marginal Revolution

https://www.youtube.com/watch?v=-CYwjq-LAHg&list=PL-uRhZ_p-BM6vqy0uBwWkO9Hb7dTlwPow

“This course takes a look at the basic theories of international trade and the consequences of trade in today's global economy. You'll have the opportunity to learn more about fundamental ideas such as comparative advantage, increasing returns to scale, factor endowments, and arbitrage across borders. The consequences we discuss include the effects of offshoring, how trade has shaped the economies of China, Mexico, and Korea, when foreign direct investment is desirable, and the history of free trade and tariffs, among other topics. Trade is a topic of increasing importance and this material will give you a better grasp on the theories and empirics as they have been developed by economists.”

Podcasts, Social Media, and Mass Media

Fair Trade: Does It Help Poor Workers?

<https://youtu.be/ui5ruDbppy0?si=FybP0VfagEcasB2o>

How Tariffs Work and the Lessons of the 1960s Chicken Tax

<https://www.wsj.com/video/series/news-explainers/why-economists-hate-donald-trump-tariff-plan/A833400E-2DAB-49D7-867C-4AA9E29B44C7>

“Tariffs are at the center of President Donald Trump’s economic plan, but how do they work? The 1960s chicken war is an example of what they mean for consumers.”

How do tariffs work? | CNBC Explains

<https://www.youtube.com/watch?v=LKCMnCZyxiQ>

“... how increased tariffs can impact an economy.”

More Resources Shared by Participants:

West Wing Talking Points

Outsourced: The Movie: First three minutes

<https://www.youtube.com/watch?v=LImhTTFu4b8>

Comparative Advantage: Trading Pizzas and Brownies: Federal Reserve Economics:
<https://www.federalreserveeducation.org/teaching-resources/economics/specialization/comparative-advantage-trading-brownies-and-pizza?f=Subject:Economics|Topic:Scarcity, Decision-Making, Specialization|Resource-Type:Curriculum,Lesson-Activity,Module|Grade-Level:High-School,College&s=relevance>

- 1) Who Shops Amazon/Walmart/Target
- 2) Comparing States Trade vs International Trade
- 3) Everyone go home and look at where your clothes are made.

A day without Mexican Movie

Discussion Prompts

1. “What’s one way you’ve helped students understand the concept of comparative advantage and gains from trade?”
2. “What’s a current event you’ve used to spark student interest in international trade and what was your impression of how effectively it worked?”

Research

Jensen, S. (2016). Motivating the study of international trade: A classroom activity. *The Journal of Economic Education*, 47(4), 311–316.
<https://doi.org/10.1080/00220485.2016.1213680>

“In this article, the author describes a classroom activity for use in introductory economics courses to motivate the study of international trade. The learning activity highlights the importance of international trade in students’ everyday lives by having students inventory their on-hand belongings and identify where the items were manufactured. Students find that even among the relatively few possessions they have with them in the classroom, dozens of countries are represented. Further, the activity can be used to prompt discussions on the benefits of trade, trade patterns, comparative advantage, specialization, and trade regulations, as well as welfare effects of those regulations.”

Azzimonti, Marina; Edwards, Zachary; Waddell, Sonya; and Wyckoff, Acacia. (April 2025) "Tariffs Update: Potential Effects of the April 2 Announcements." *Federal Reserve Bank of Richmond Economic Brief*, No. 25-13.

“The analysis quantified the fiscal and trade effects of newly proposed tariffs through a series of counterfactual scenarios. These included tariffs on aluminum and steel, renewed duties on Chinese imports, and new levies on products from Canada, Mexico and the European Union (EU). The study showed that the AETR could rise significantly, moving up from a benchmark of 2.3 percent to as high as 15.0 percent under proposed policies.

In this article, we build on this framework by incorporating the [April 2 announcement of a global tariff plan.](#)

Williams, A. T. (1997). Estimating the Cost to Consumers of the U.S. Sugar Quota: An Exercise for Introductory Economics Classes. *The Journal of Economic Education*, 28(2), 173–181. <https://doi.org/10.1080/00220489709595918>

“With the passage of NAFTA, the opening of the U.S. economy, and the formation of large regional trading blocks, it has become increasingly important to include issues from international trade in the introductory course in economics. The degree of protection afforded some domestic producers, however, is still substantial. This article provides a classroom exercise based on one of those products, sugar, complete with a hands-on calculation of the economic impact of the quota on consumers.”

Watts, M., & Highsmith, R. (1992). International Economics in U. S. High Schools: Results from a National Survey. *The Journal of Economic Education*, 23(4), 291–315. <https://doi.org/10.2307/1183306>

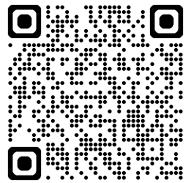
“Economics and social studies teachers show interest in and support for inclusion of material on the international economy in their classes. They are, however, more comfortable in discussing broad issues such as interdependence and development than in covering more formal and technical concepts such as comparative advantage and international finance.”

Yamarik, S. (2018). The automobile industry and new trade theory: A classroom experiment. *The Journal of Economic Education*, 49(3), 252–259. <https://www.jstor.org/stable/48542422>

“In this study, the author describes a classroom experiment on new trade theory appropriate for undergraduate international economics and trade courses. Students portray U.S. and Japanese automobile manufacturers with different average cost schedules. There are five rounds in the experiment, starting with autarky in the 1960s and ending with the Great Recession of 2008–9. In each round, the instructor announces a market price and quantity and then each producer calculates its market share, average cost and profit; and makes its shutdown decision. By varying the market price and size, the experiment illustrates the gains from intra-industry trade and also how efficiency gains and economic recession impact individual firm performance.”

Active Learning Activities and Resources

[Reuters Tarde Interactive](#)



This interactive teaches about U.S. trade partners by asking questions like:

Beyond beauty and fashion, this nation is well known for its food and wine. Thirty-eight percent of U.S. wine imports and nearly all of its brandy imports come from here.



Students select the answers, there are multiple choice, and drag and drop questions.

[Why do Nations Trade Infographic](#)

Taken from [FRE.org](#), this international trade infographic gives an overview of key trade terminology and why we trade. It also highlights foundational concepts such as production possibilities frontiers, absolute and comparative advantage, trade barriers, and free trade versus protectionism.

[Classroom Candy Trade Activity](#)

Students trade candy with different groups of students to see how increasing trade affects welfare. Students first receive a piece of candy randomly. They then have the opportunity to trade that candy first with “elbow partners” (their borders) and then the whole class (globally). After each trade, satisfaction points are tallied. Professor shows that trade is not zero sum game.

Trade Lessons and Activities

This Foundation for Teaching Economics webpage offers a series of examples and classroom activities that help students build a foundation for economic thinking on the topic of trade.

Comparative Advantage Slides

This series of slides presents the production possibilities frontiers for Alphatown and Omegaville and illustrates their comparative advantage in the production of apples and potatoes, leading to specialization and trade.

Econiful Gains from Trade in Santa's Workshop

It is a holiday themed worksheet, adapted from Mandzik, A. (2023). All I Want for Christmas is an A on My Econ Final: A Holiday-Themed Review Class. *Journal of Economics Teaching*, 8(2), 72-86.

<https://journalofeconomicsteaching.org/all-i-want-for-christmas-is-an-a-on-my-econ-final-a-holiday-themed-review-class-mandzik/>

Resource Scarcity and Trade activity -

https://web.centre.edu/econed/Subpages/resource_scarcity_game.htm