Geography 349
Winter 2014

Learning from Paper 1

Name:			

As you think about your country's major trading partners (for imports and exports), how would you describe the roles of *each* of the following in influencing which countries have the strongest trade linkages with your country?

- Proximity (our simple model of trade ignored transportation costs, but they certainly exist and can affect the feasibility of trade)
- Complementarity (very different factor proportions from your country basic trade theory implies that most trade will be between countries with very different mixes of resource and labor)
- Specialization (new trade theory suggests that some trade occurs between similar countries because of specialization within economic sectors)
- Trade policy (many trade flows are influenced by bilateral or regional free trade agreements, or preferential trade policy that results from former colonial relationships)

