



Trade Finance and the Great Trade Collapse

JaeBin Ahn

Mary Amiti

David E. Weinstein

AMERICAN ECONOMIC REVIEW

VOL. 101, NO. 3, MAY 2011

(pp. 298-302)

Download Full Text PDF

Article Information

Abstract

Economic models that do not incorporate financial frictions only explain about 70 to 80 percent of the decline in world trade that occurred in the 2008-2009 crisis. We review evidence that shows financial factors also contributed to the great trade collapse and uncover two new stylized facts in support of it. First, we show that the prices of manufactured exports rose relative to domestic prices during the crisis. Second, we show that US seaborne exports and imports, which are likely to be more sensitive to trade finance problems, saw their prices rise relative to goods shipped by air or land.

This website uses cookies.

By clicking the "Accept" button or continuing to browse our site, you agree to first-party and session-only cookies being stored on your device to enhance site navigation and analyze site performance and traffic. For more information on our use of cookies, please see our [Privacy Policy](#).

DOI: 10.1257/aer.101.3.298

Accept

Choose Format:



Additional Materials

Data Set (10.45 KB)

JEL Classification

E32 Business Fluctuations; Cycles

F14 Country and Industry Studies of Trade

F44 International Business Cycles

G01 Financial Crises

Find us on Facebook and Twitter:



@AEAJournals



@AEAJournals



@AEAInformation



@ASSAMeeting



@JOE_listings

Copyright 2022 American Economic Association. All rights reserved.

[Terms of Use & Privacy Policy](#)

This website uses cookies.

By clicking the "Accept" button or continuing to browse our site, you agree to first-party and session-only cookies being stored on your device to enhance site navigation and analyze site performance and traffic. For more information on our use of cookies, please see our [Privacy Policy](#).

Accept