

[← Working Papers](#)

Off the Cliff and Back? Credit Conditions and International Trade during the Global Financial Crisis

Davin Chor & Kalina Manova

SHARE



WORKING PAPER 16174

DOI 10.3386/w16174

ISSUE DATE July 2010

REVISION DATE December 2011

We study the collapse of international trade flows during the global financial crisis using detailed data on monthly US imports. We show that credit conditions were an important channel through which the crisis affected trade volumes, by exploiting the variation in the cost of capital across countries and over time, as well as the variation in financial vulnerability across sectors. Countries with higher interbank rates and thus tighter credit markets exported less to the US during the peak of the crisis. This effect was especially pronounced in sectors that require extensive external financing, have limited access to trade credit, or have few collateralizable assets. Exports of financially vulnerable industries were thus more sensitive to the cost of external capital than exports of less vulnerable industries, and this sensitivity rose during the financial crisis. The quantitative implications of our estimates for trade volumes highlight the large real effects of financial crises and the potential gains from policy intervention.

[Download a PDF](#)

[Information on access](#)

Acknowledgements and Disclosures

Citation and Citation Data

Other Versions

Non-Technical Summaries

Credit Conditions and International Trade during the Global Financial Crisis

AUTHOR(S): [Davin Chor](#) [Kalina Manova](#)

Adverse credit conditions were an important channel through which the global economic and financial crisis of 2008-9 affected trade...

Published Versions

Chor, Davin & Manova, Kalina, 2012. "Off the cliff and back? Credit conditions and international trade during the global financial crisis," Journal of International Economics, Elsevier, vol. 87(1), pages 117-133. citation courtesy of [RePEc](#)

Related

TOPICS

International Economics
Trade

More from the NBER

In addition to [working papers](#), the NBER disseminates affiliates' latest findings through a range of free periodicals — the [NBER Reporter](#), the [NBER Digest](#), the [Bulletin on Health](#), and the [Bulletin on Entrepreneurship](#) — as well as online [conference reports](#), [video lectures](#), and [interviews](#).



Martin Feldstein Lecture, Summer Institute 2025 **The Fiscal Future**

N. Gregory Mankiw, Harvard University and NBER
July 10, 2025

2025, 17th Annual Feldstein Lecture, N. Gregory Mankiw, "The Fiscal Future"

FELDSTEIN LECTURE

PRESENTER: [N. GREGORY MANKIW](#)

N. Gregory Mankiw, Robert M. Beren Professor of Economics at Harvard University, presented the 2025 Martin Feldstein...



Methods Lecture, Summer Institute 2025

Uncovering Causal Mechanisms: Mediation Analysis and Surrogate Indices



Raj Chetty, Harvard University and NBER
Kosuke Imai, Harvard University
July 24, 2025

2025, Methods Lecture, Raj Chetty and Kosuke Imai, "Uncovering Causal Mechanisms: Mediation Analysis and Surrogate Indices"

METHODS LECTURES

PRESENTERS: [RAJ CHETTY](#) & [KOSUKE IMAI](#)

SlidesBackground materials on mediation
Imai, Kosuke, Dustin Tingley, and Teppei Yamamoto. (2013). “Experimental Designs...



International Trade and Macroeconomics, Summer Institute 2025

Panel on The Future of the Global Economy

Oleg Itskhoki, Harvard University and NBER
Paul Krugman, City University of New York and NBER
Linda Tesar, University of Michigan and NBER
July 8, 2025

2025, International Trade and Macroeconomics, "Panel on The Future of the Global Economy"

PRESENTERS: [OLEG ITSKHOKI](#), [PAUL R. KRUGMAN](#) & [LINDA TESAR](#)

Supported by the Alfred P. Sloan Foundation grant #G-2023-19633, the Lynde and Harry Bradley Foundation grant #20251294...

National Bureau of Economic Research

Contact Us

1050 Massachusetts Avenue
Cambridge, MA 02138
[617-868-3900](tel:617-868-3900)
info@nber.org
webaccessibility@nber.org

Homepage

[Accessibility Policy](#)
[Diversity Policy](#)
[Privacy Policy](#)

FOLLOW



© 2026 NATIONAL BUREAU OF ECONOMIC RESEARCH. ALL RIGHTS RESERVED.