1. Title of Seminar:
   Hitotsubashi-Sogang Conference on Trade

   (date) (date)
   ___________ 2 ______ days

3. Place of Seminar: Seoul, Korea
   (city) (country)

4. Total Budget
   a. Financial Support by JSPS: Total amount: 266.07 thousand yen
   b. Other Financial Support : Total amount: 1,700 thousand yen

5. Co-Organizers
   a. Japanese Organizer
   Name | Taiji Furusawa
   Institution / Department | Hitotsubashi University/Graduate School of Economics
   Position | Professor

   b. Korean Organizer
   Name | E. Young Song
   Institution / Department | Sogang University/Department of Economics
   Position | Professor
6. Participants

a. **List of Japanese-side Participants** (Except for Organizer)

<table>
<thead>
<tr>
<th>Name</th>
<th>Institution/Department</th>
<th>Position</th>
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<tbody>
<tr>
<td>Jota Ishikawa</td>
<td>Hitotsubashi University/Economics</td>
<td>Professor</td>
</tr>
<tr>
<td>Hyeog Ug Kwon</td>
<td>Nihon University/Economics</td>
<td>Associate Professor</td>
</tr>
<tr>
<td>Tran Lam Anh Duong</td>
<td>Hitotsubashi University/Economics</td>
<td>Graduate student</td>
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<tr>
<td>Hayato Kato</td>
<td>Hitotsubashi University/Economics</td>
<td>Graduate student</td>
</tr>
<tr>
<td>Gang Li</td>
<td>Hitotsubashi University/Economics</td>
<td>Graduate Student</td>
</tr>
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b. **List of Korean-side Participants** (Except for Organizer)

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<tr>
<th>Name</th>
<th>Institution/Department</th>
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<tbody>
<tr>
<td>Janghee Cho</td>
<td>Sogang University/Economics</td>
<td>Graduate student</td>
</tr>
<tr>
<td>Jung Hur</td>
<td>Sogang University/Economics</td>
<td>Professor</td>
</tr>
<tr>
<td>Jieun Jung</td>
<td>Sogang University/Economics</td>
<td>Graduate student</td>
</tr>
<tr>
<td>Sanghack Lee</td>
<td>Kookmin University</td>
<td>Professor</td>
</tr>
<tr>
<td>Jee-Hyeong Park</td>
<td>Seoul National University</td>
<td>Professor</td>
</tr>
</tbody>
</table>

c. **List of Other Countries’ Participants**

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<thead>
<tr>
<th>Name</th>
<th>Institution/Department</th>
<th>Position</th>
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<tbody>
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<td>N.A.</td>
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**Number of Participants:**

Japanese: 6  |  | Korean: 6  |  | Others: 0  |
7. Objective of Seminar

1. **Exchanging ideas on the new trade theory with heterogeneous firms:** Trade theory is undergoing a revolutionary change as the field begins to focus on firm-level heterogeneity as the main driver of international trade. Theoretical and empirical works in this new line of research are exploding around the world, and trade economists in Japan and Korea also are responding to this new trend in their own ways. Japan and Korea have different growth experience and industrial organization, and scholars in the two countries potentially have different evaluations and perspectives on the relevance of the new trade theory. A purpose of the seminar was to exchange ideas on the new trade theory with heterogeneous firms, and discuss which lines of research will be fruitful given the research environment of the two countries.

2. **Understanding trade policies in a new world economy:** The world trade environment is changing. The globalization of value chains through outsourcing and multinational enterprises, increased protection of intellectual property rights and the prevalence of international oligopoly are just a few examples. The new environment requires new models and new empirical methods to analyze the effects of trade policies. Some of our participants have long experience in applying microeconomic theories to the analysis of trade policies, while others are experts in applying econometrics to firm-level data. We expected to exchange information about the recent literature and discuss research directions that are likely to be fruitful.

3. **Exchanging information on trade databases in the two countries:** As research on firm-level heterogeneity flourishes, the need for firm-level data increases. Both the Japanese and the Korean government have been developing firm-level trade and financial databases that can be utilized in academic research. We expected to exchange information about databases that can be used in each country and their strengths and shortcomings. We were also to seek the possibility of combining these databases or developing new ones to raise the level of empirical research that can be implemented.

4. **Promoting the education of young researchers:** The number of Ph.D. students is increasing in Japan and Korea, and they have to compete in the international arena to be productive scholars. However, compared to students in the United States and Europe, they have less chance to participate in international workshops and conferences (or to present their works in English, which of course is an important international language). An important purpose of this seminar is to increase their international exposure and help them develop their communication skills and international research networks.

5. **Having personal communications with each other:** In a small scale seminar in intimate environment, we can engage in more direct and frank communication and discover each other’s interests and capacity in more detail. This joint seminar was expected to be a very fruitful way of developing academic partnership.

6. **Improving works in progress and developing ideas for future joint projects:** Exchanging frank opinions in a small scale seminar are very helpful in getting ideas about how to improve our works in progress and are conducive to generating ideas on future works.

7. **Internationalizing our graduate courses:** The seminar will give young researchers an opportunity to take part in an international seminar at an early stage of their careers. After the seminar, we expected that they would participate in other international conferences more actively and become more productive researchers.
8. Schedule and Topics of Seminar

**K103, Saturday, November 23**

8:50-9:00  Opening speech by the Korean organizer

9:00-10:30  Sanghack Lee (Kookmin University), “The Determinants of Intra-firm Trade by Overseas Affiliates of Korean Firms”
Hayato Kato (Hitotsubashi University), “The Importance of Government Commitment in Attracting Firms: A Dynamic Analysis of Tax Competition in an Agglomeration Economy”

10:30-10:50  Coffee break

10:50-12:20  Jung Hur (Sogang University), “Industrial Agglomeration of Korea’s Foreign Direct Investment: Large vs. Small-and-Medium Firms”
Janghee Cho (Sogang University), “An Analysis of Complementarity between Export and FDI: Evidence from Korean Firms”

12:20-14:00  Lunch

14:00-15:30  Jota Ishkawa (Hitotsubashi University), “Trade Liberalization and Aftermarket Services for Imports”

15:30-15:50  Coffee break

15:50-17:20  Taiji Furusawa (Hitotsubashi University), “Globalization under Financial Imperfection”
Tran Lam Anh Duong (Hitotsubashi University), “An Analysis of Changes in Wealth Distribution upon the Entrance of Foreign Direct Investment Firms”

**K103, Sunday, November 24**

9:00-10:30  Gang Li (Hitotsubashi University), “Does Clean or Dirty Matter? Trade, Capital Accumulation, and the Environment”
Ji-eun Jung (Sogang University), “Differential Effects of Bilateral Investment Treaties on FDI Promotion: A Comparative Analysis between Developed and Developing Countries”

10:30-10:50  Coffee break

10:50-12:20  Hyeog Ug Kwon (Nihon University), “Plant Productivity Dynamics and Private and Public R&D Spillovers: Technological, Geographic and Relational Proximity”
E. Young Song (Sogang University), “Trade Finance and Trade Collapse during the Global Financial Crisis: Evidence from the Republic of Korea”

12:20-12:25  Closing speech by the Japanese organizer

Topics: All of the papers presented carefully examine the interactions between trade and firm behavior, although specific topics vary reflecting heterogeneous interests of the participants. Firms' foreign direct investment (FDI) and financial aspect of firms and international trade are the topics discussed intensively among others.