IMESS DISSERTATION

Note: Please email the completed mark sheet to Year 2 coordinator (jiri.vykoukal@post.cz)

Please note that IMESS students are <u>not</u> required to use a particular set of methods (e.g. qualitative, quantitative, or comparative) in their dissertation.

Student:	Chao Dan
Dissertation title:	Analysis of EU Enlargement on China-EU trade: Based on Gravity Model

	70+	69-65	64-60	59-55	54-50	<50
	A	B	C	D	E	F
Knowledge *Knowledge of problems involved, e.g. historical and social context, specialist literature on the topic. Evidence of capacity to gather information through a wide and appropriate range of reading, and to digest and process knowledge.*	75					
Analysis & Interpretation *Demonstrates a clear grasp of concepts. Application of appropriate methodology and understanding; willingness to apply an independent approach or interpretation recognition of alternative interpretations; Use of precise terminology and avoidance of ambiguity; avoidance of excessive generalisations or gross oversimplifications.*	70					
Structure & Argument *Demonstrates ability to structure work with clarity, relevance and coherence. Ability to argue a case; clear evidence of analysis and logical thought; recognition of an argument´s limitation or alternative views; Ability to use other evidence to support arguments and structure appropriately.*			64			
Presentation & Documentation *Accurate and consistently presented footnotes and bibliographic references; accuracy of grammar and spelling; correct and clear presentation of charts/graphs/tables or other data. Appropriate and correct referencing throughout. Correct and contextually correct handling of quotations.*		67				
Methodology *Understanding of techniques applicable to the chosen field of research, showing an ability to engage in sustained independent research.*	71					

ECTS Mark:	A/71	**Charles Mark:**	A/91	**Marker:**	Vilém Semerák
Deducted for late submission:		*No*		**Signed:**	Electronically signed, Vilém Semerák
Deducted for inadequate referencing:				**Date:**	September 9th, 2024

MARKING GUIDELINES

A (UCL mark 70+) = A (Charles mark 91-100 - excellent): *Note: marks of over 80 are given rarely and only for truly exceptional pieces of work.*
Distinctively sophisticated and focused analysis, critical use of sources and insightful interpretation. Comprehensive understanding of techniques applicable to the chosen field of research, showing an ability to engage in sustained independent research.

B (UCL mark 69-65) = B (Charles mark 81-90– very good)
C (UCL mark 64-60) = C (Charles mark 71-80 – good): A high level of analysis, critical use of sources and insightful interpretation. Good understanding of techniques applicable to the chosen field of research, showing an ability to engage in sustained independent research. 65 or over equates to a B grade.

D (UCL mark 59-55) = D (Charles mark 61-70 – satisfactory)
E (UCL mark 54-50) = E (Charles mark 51-60 – sufficient): Demonstration of a critical use of sources and ability to engage in systematic inquiry. An ability to engage in sustained research work, demonstrating methodological awareness. 55 or over equates to a D grade.

F (UCL mark less than 50) = F (Charles mark 0-50 - insufficient): Demonstrates failure to use sources and an inadequate ability to engage in systematic inquiry. Inadequate evidence of ability to engage in sustained research work and poor understanding of appropriate research techniques.

Please provide substantive and detailed feedback!

Comments, explaining strengths and weaknesses (_at least 300 words_):

The author (Ms Chao Dan) submitted a thesis which attempts to provide not just the tests of the effects of EU enlargement on trade between EU countries and China, as promised in the title of the thesis, but, in fact, also a rather comprehensive description of trade environment and analysis of trade relations between EU and China. The thesis thus includes more than an expected literature review and econometric tests of the trade creation/diversion effects; it also includes analysis of commodity patterns, identification of crucial commodities in which the EU appears to be critically dependent on China, as well as discussion of the role of global value chains in mutual (and indirect) trade, and even tests based on disaggregated data.

The main part of the empirical analysis presented in the thesis is based on a gravity model. This model can be considered a standard approach usable for tests of the presence of trade creation and trade diversion effects. The author demonstrates that she is aware of the importance of the micro-founded version of the model and of its implications for the econometric specification of the model. The choice of the model and the form of its implementations can be thus considered adequate for the level and type of study program. In addition to this, the author not only extensions of the gravity model but also provides a rudimentary dependency analysis – which is technically simple, but it is based on a large volume of detailed trade data, as well as additional calculations of selected GVC-related indicators (calculated with the use of the ICIO module in Stata).

The resulting text is a bit long and contains too many details, which means that some readers might get overwhelmed by the sheer number of charts, tables and regression output presented in the thesis. It would have been relatively easy to reduce the length of the text if only the main regression results were left in the core text. Similarly, some of the charts used in the appendix (some of which are based on the visualisations from the Observatory of Economic Complexity), might have been omitted from the final version of the text.
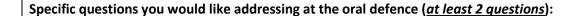
Nevertheless, I believe that Ms Chao Dan clearly demonstrated that she is capable of independent economic analysis and research, and her thesis deserves to be defended with a very good grade.

Positive features:

- Unlike many students (and in fact, also some researchers), the author did realise that accession to the EU does not imply a simple one-off liberalisation that would take place in May 2004. Instead, she correctly discusses the role of association agreements, GSP (p. 10), and the transition to common external tariff (p. 9).

- Own empirical analysis based on the gravity model. Several specifications are tested, including specifications which explicitly account for the presence of trade creation and trade diversion effects.

- The gravity dataset also includes data on FTAs, which might reduce the risk of omitted variable biases.

- Analysis of dependencies is based on very detailed (HS6) trade data (section 4.3).

Weaker features:

- Formatting (including equations) and organisation of the text.

- The resulting text includes almost too much. If this were a journal submission, significant streamlining (or division into shorter texts) would be recommended.

Specific questions you would like addressing at the oral defence (_at least 2 questions_):

1. What are the advantages of relying on the PPML estimator instead of the traditional fixed effects (or least squares dummy variable approach)?

2. Can you think of other channels that might lead to significant effects of EU accession on trade between new members (but also of the old EU members) and countries such as China? I.e., are there other aspects of the traditional Vinerian trade creation and trade diversion related to trade policy changes?