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## What's New in the Twelfth Edition

We have thoroughly updated the content and extensively revised several chapters. These revisions responded both to users' suggestions and to some important developments on the theoretical and empirical sides of international economics. The most far-reaching changes are the following:

- **Chapter 2, World Trade: An Overview** The world attained a high degree of economic interdependence by the eve of World War I, but governments retreated behind trade barriers amid the Great Depression of the interwar period. A renewed trend toward economic opening—the “second great globalization”—commenced after World War II. This revised chapter uses new data to provide a better picture of long-term trends in globalization, highlighting how the world reached historically unprecedented levels of economic interconnection after 1990.
- **Chapter 4, Specific Factors and Income Distribution** Import competition from developing countries—especially from China—is often singled out in the press and by politicians as the main culprit for declines in manufacturing employment in the United States. This chapter updates our case study on the potential links between these two trends. It also updates our discussion of the politics of restrictions on trade in sugar. A new box introduces our coverage of the restrictive trade policies of the U.S. Trump administration starting in 2017—President Trump’s trade war.
- **Chapter 6, The Standard Trade Model** The chapter includes a new case study on the gains to U.S. consumers from Chinese imports. A new box covers the impact of terms of trade shocks on developing countries and in particular the experience during the COVID-19 pandemic.
- **Chapter 7, External Economies of Scale and the International Location of Production** Featured in this revised chapter is a new emphasis on financial centers (notably New York and London), along with discussion of the impacts of Brexit and COVID-19.
- **Chapter 8, Firms in the Global Economy: Export and Foreign Sourcing Decisions, and Multinational Enterprises** Increasingly, the goods we consume are produced in “Global Value Chains” that stretch around the world. The chapter features an extended firm-level trade model that describes how firms make global sourcing decisions. A related new empirical box details the foreign sourcing decisions of U.S. manufacturing firms.