

**“Did NAFTA Spur Texas Exports” *FRBD Southwest Economy*
March/April 2006, “Doing Doha Down” &
“Asian Trade: The Noodle Bowl” *The Economist* 09-03-2009**

1. What did proponents predict, versus what did critics warn, that effects of NAFTA would be?
2. Why might a trade deal such as NAFTA have a different effect on some states than on the nation as a whole?
3. Explain how a regional trade agreement could reduce overall economic welfare.
4. Did NAFTA increase Texas exports to Mexico by more than the nation as a whole, as might expect due to sharing a long border with Mexico? How did the growth in Texas exports to Mexico compare to the growth in US exports to Mexico in the periods before and after NAFTA?

5. How did NAFTA affect Texas exports to Canada? Why is that surprising?

How about Texas exports to Asia, Europe and Latin America? Since NAFTA did not open up markets outside North America, how could it have affected Texas exports to the rest of the world?

6. Have all exporting industries in Texas shared equally in the expansion?

7. Controlling for other factors affecting the volume of exports, how much of the 111% increase in Texas exports to Mexico between 1993 and 2000 does NAFTA account for?

And how much credit does NAFTA receive for the 131% gain in Texas exports to Canada over that same period?

8. Why do many fear bilateral and regional trade agreements are stumbling blocks that obstruct prospects for multilateral agreements, rather than stepping stones toward goal of free trade?