This course will be organized in two parts. The first part will cover the basic theory of international trade, spanning from neoclassical theory where trade is the result of comparative advantage (Ricardo, Hecksher-Ohlin), to the “New Trade Theory” where trade is generated by imperfect competition and increasing returns to scale. Particular emphasis will be placed on the implications of the different theories concerning the aggregate gains or losses from trade and the distributional implications of trade liberalization. The second part will explore new advances in the field. It will cover the Eaton-Kortum (2002) and Melitz (2003) models; extensions of these models with many countries, multi-product firms and many sectors; methods of quantitative trade analysis to revisit classic questions (gains from trade, distributional effects of trade, trade policy); and new advances in dynamic trade theory.