

Effects of September 11th

Many studies have already tried to examine the economic effect of September 11th on business and trade.⁵⁰ It was initially feared that the terrorists attacks would wreak havoc on the global economy as the U.S. economy virtually shut down for several days and stock markets plummeted worldwide. It did not. While, the third quarter GDP in the U.S. was knocked down by perhaps as much as one percentage point, with airlines, civilian aircraft manufacturers, hotel, tourism, retail trade, insurance, and postal services suffering the most, stock markets rebounded sharply and part of third quarter decline in economic activity was recouped in the fourth; globally, the short-term effects were more muted. Overall, the global economy after September 11th has proved to be remarkably resilient. To the extent that global growth has been disappointingly weak, it is widely thought that other factors (including, for example, the erosion in confidence due to events such as the accounting scandals in the United States) were largely responsible.

Effects of Potential Future Terrorist Disruption

Other studies have examined the question as to whether goods and services will continue to be able to move across national borders safely and dependably in the event of a further terrorist disruption.

Danielle Goldfarb and William Robson have ventured some first guesses on how border closures and other disruptions related to a future terrorist attack would likely affect key sectors

⁵⁰ See for example, Dean C. Alexander and Yonah Alexander, *Terrorism and Business: The Impact of September 11, 2001* (Ardsley, NY: Transnational Publishers, 2002), Patrick Lenain, Marcos Bonturi and Vincent Koen, *The Economic Consequences of Terrorism*, Economics Department Working Papers No. 224, Organization of Economic Cooperation and Development (July 17th, 2002) and a series of commentaries by Dan Ciuriak, "The Economic and Trade Impacts of September 11", Trade and Economic Analysis Division, Department of Foreign Affairs and International Trade (2001).