

Trade Integration and Revealed Comparative Advantages of Sub-Saharan Africa and Middle East and North Africa Merchandize Export

Abstract

To provide an input for policy makers on issues of economic integration, this study has been conducted to assess the “revealed comparative advantage” (RCA) of the two regions: sub-Saharan Africa (SSA) and Middle East & North Africa (MENA), on merchandise goods export (Manufactures, Ores & Metals, Fuels, Agricultural Raw Materials, and Food) for the period 1995 to 2012.

It is disclosed that SSA has revealed comparative advantage in ores & metals, fuels, food, and agricultural raw materials ranked in order of their strength of competitiveness. However, SSA region’s economic integration through merchandise trade in the world is lower than the average economic integration of low and middle income countries. MENA has revealed disadvantage in all sub-products except in fuel export, while MENA has stronger integration in the world. In contrast to MENA, the population growth in SSA is not accompanied by commensurate economic integration in the world. The study uncovers the existence of immense potential for the two regions to integrate each other in food, ores & metals, and agricultural raw materials trade.

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Keywords: economic integration, merchandise export, Middle East & North Africa, revealed comparative advantage, sub-Saharan Africa, trade share

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