

Africa's Exports

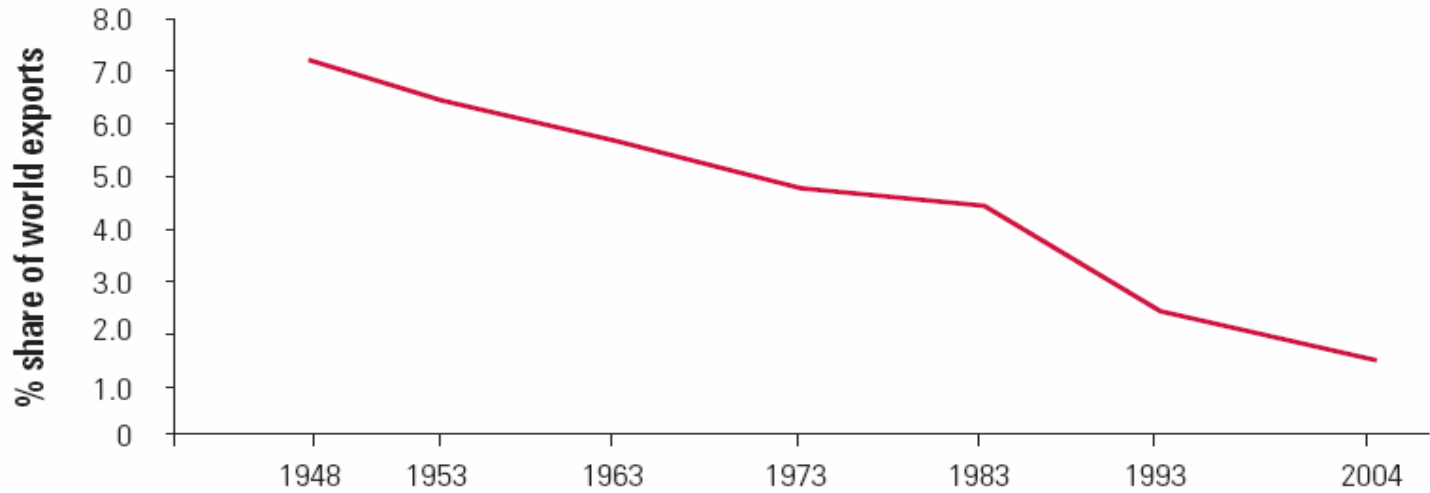
Shanta Devarajan*

World Bank

*with the assistance of Yutaka Yoshino

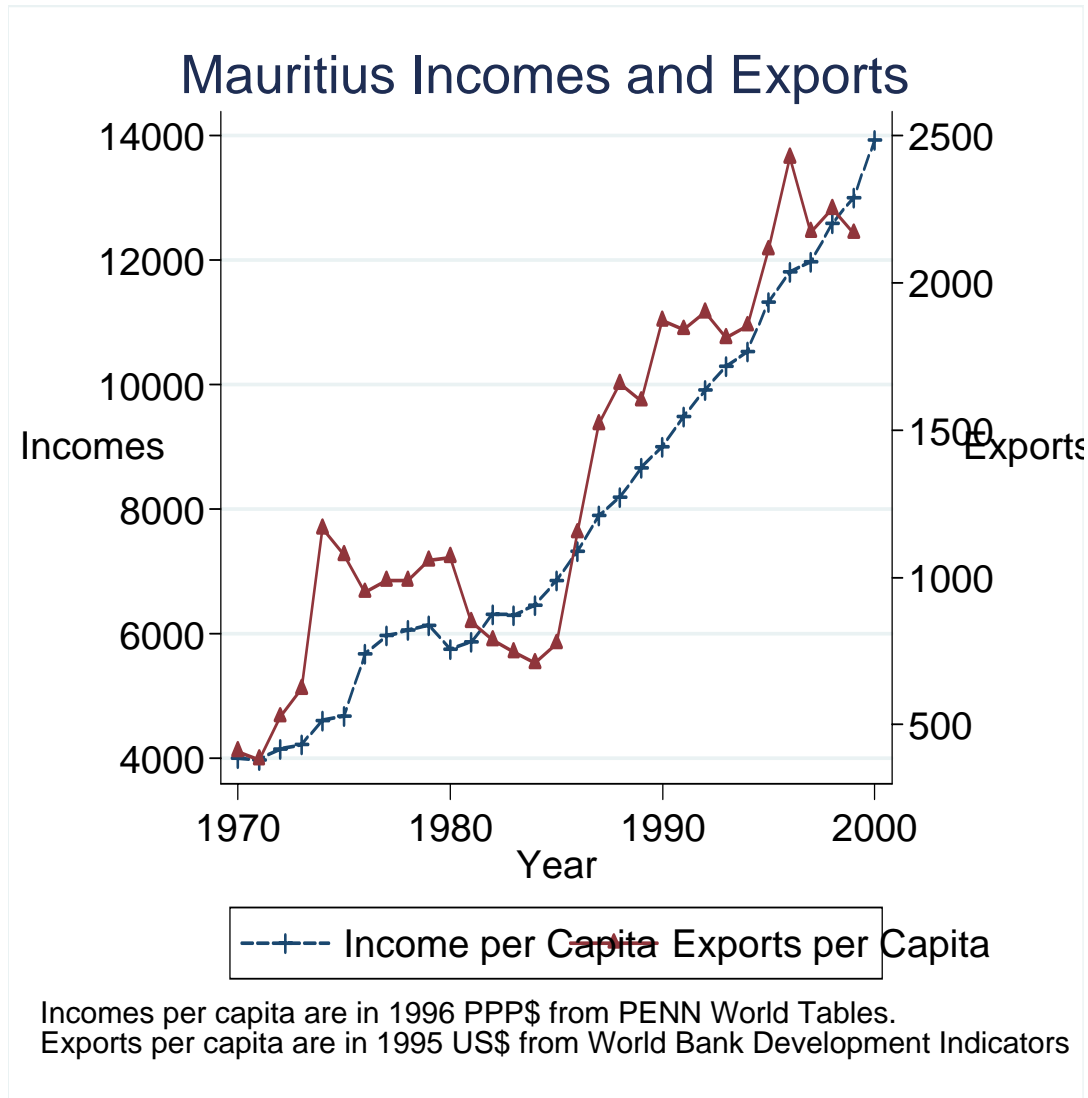
I. The Problem

Africa's Share of World Trade is Falling

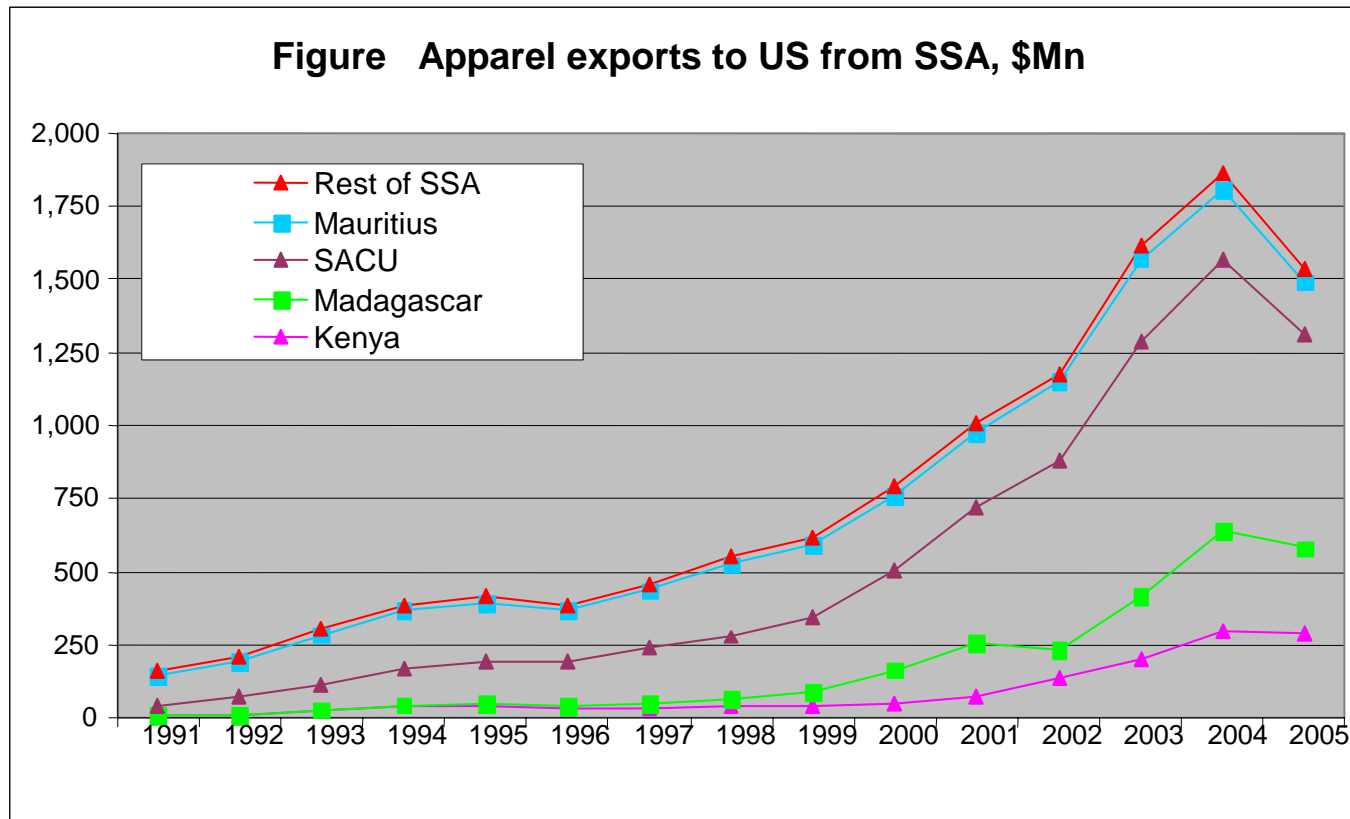


Source: Africa's Silk Road (2007)

Exports and Incomes in Mauritius

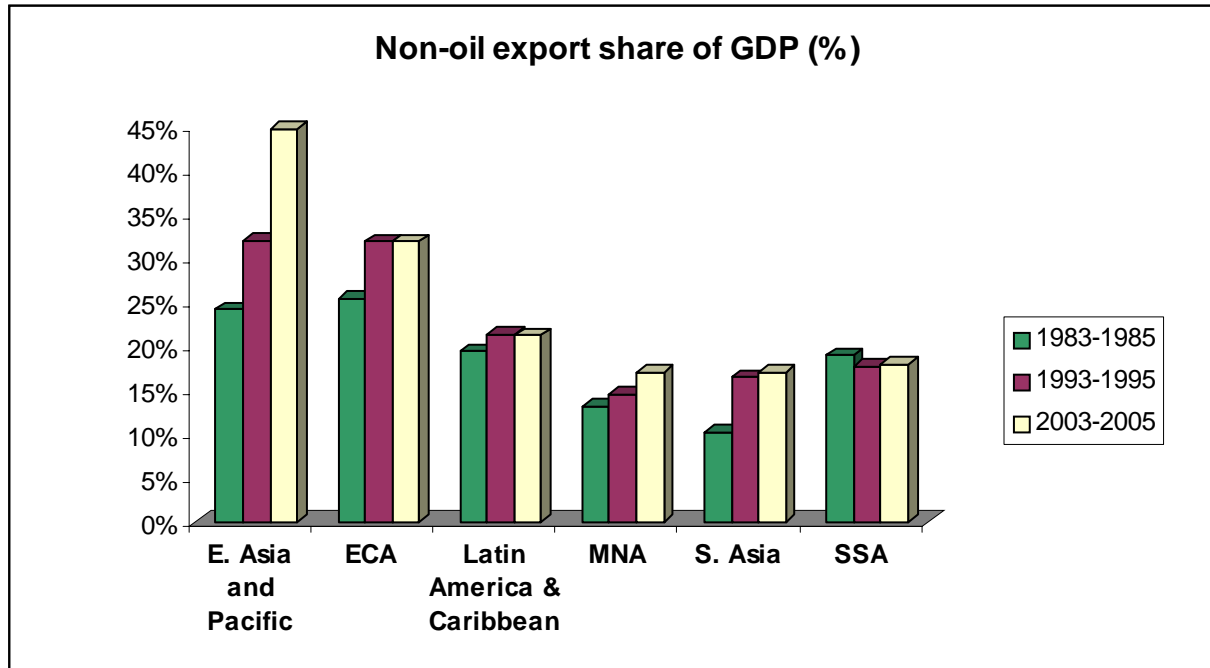


Other African countries are following Mauritius



Source: UN Comtrade

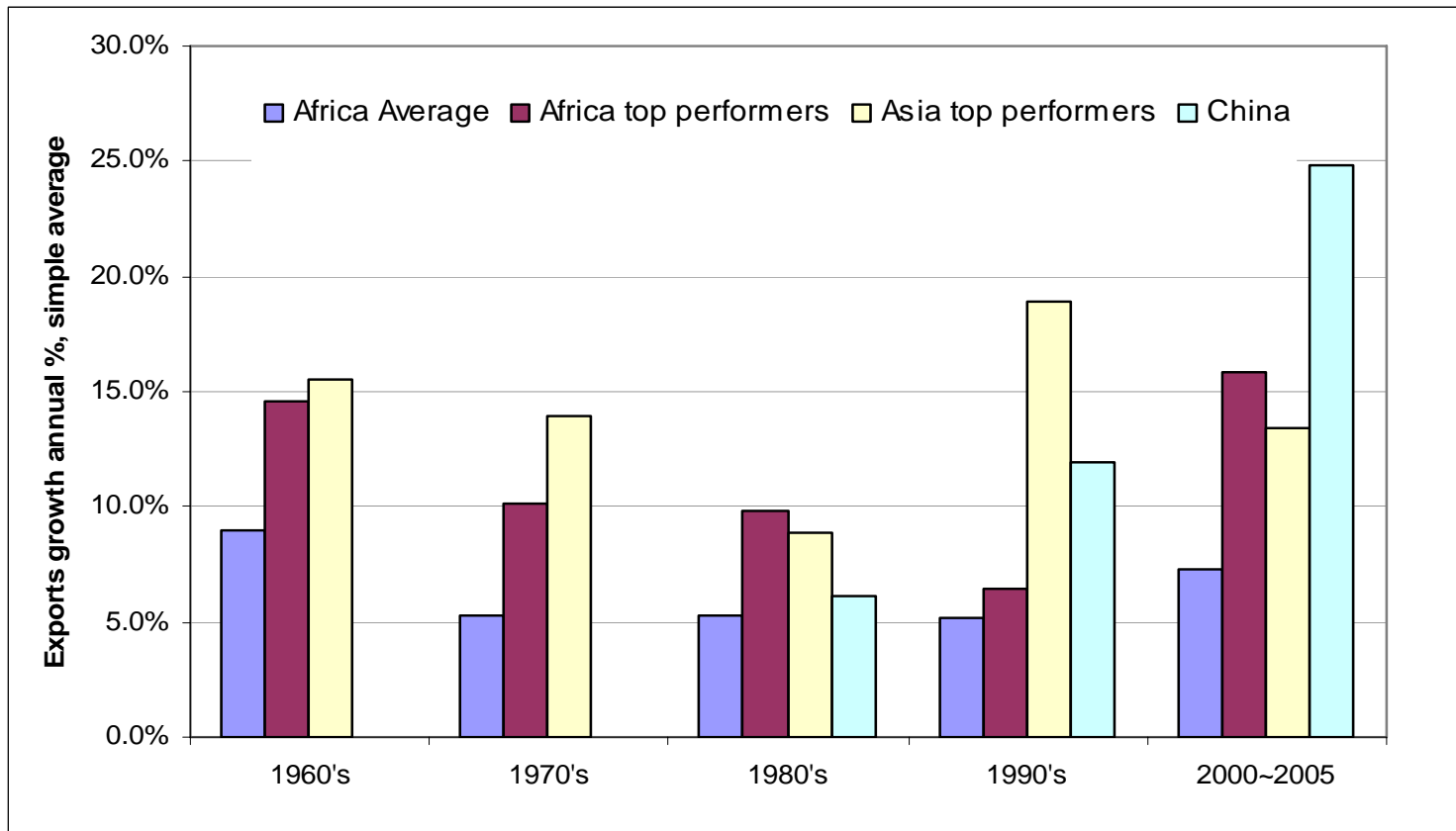
Exports are important ...



Source: IMF WEO database.

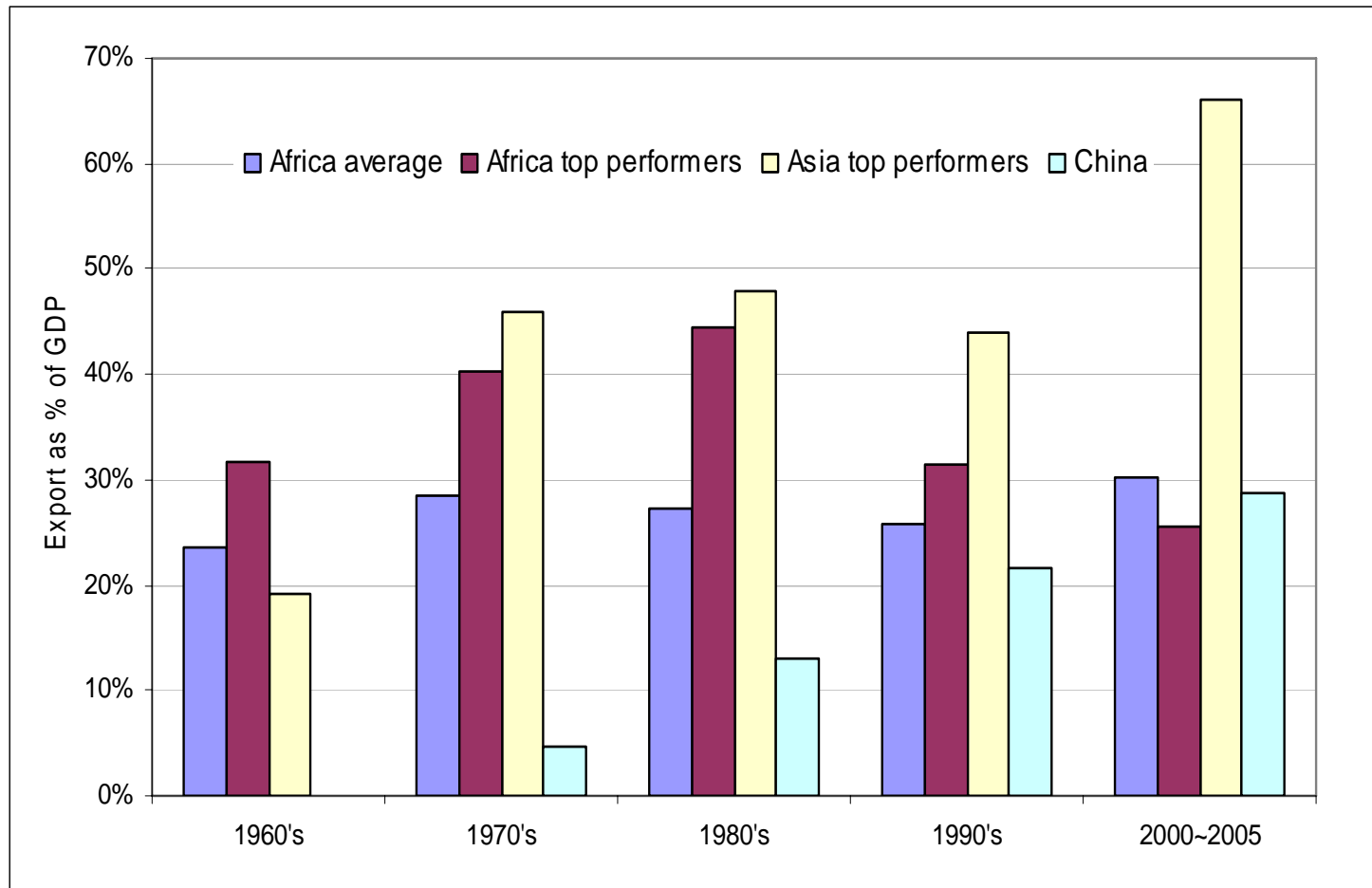
Note: export shares are unweighted average.

...but are growing slowly...



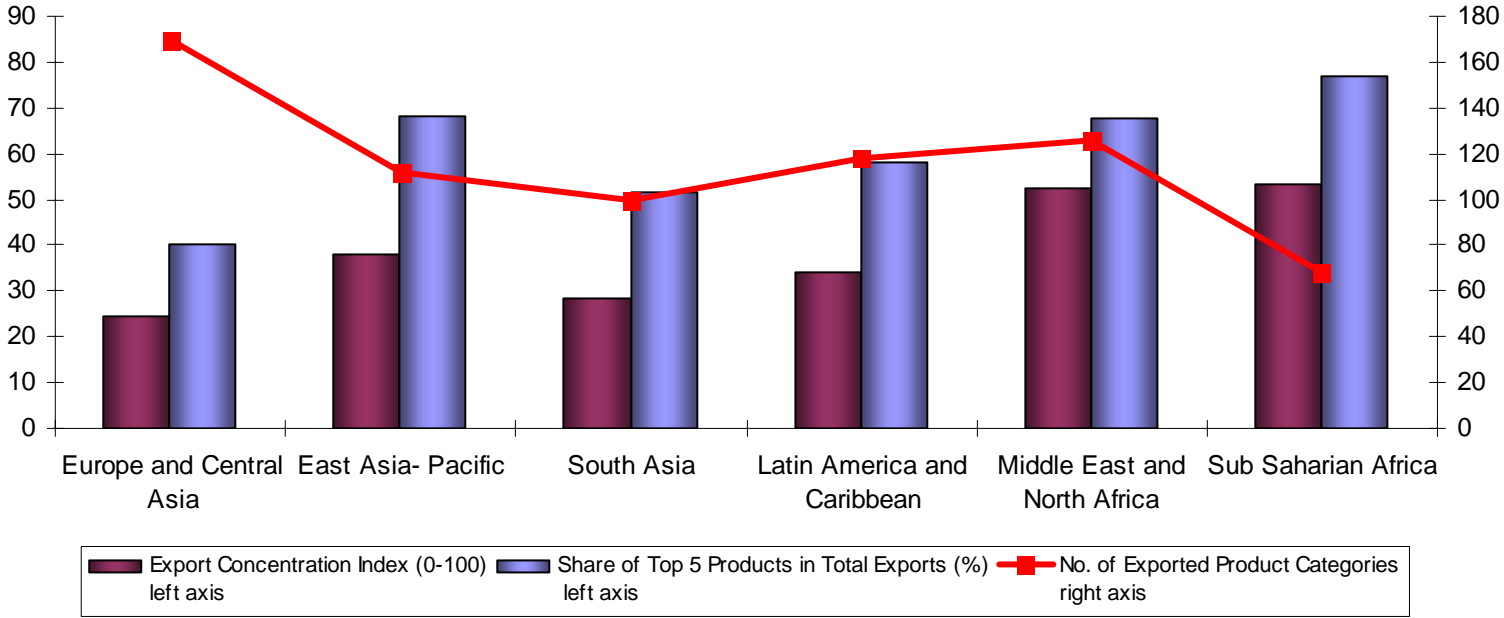
Creating an export push

...and are declining in importance for Africa's top performers



Africa's exports remain concentrated

Concentration and Diversification of Export: 2000-2004 Average

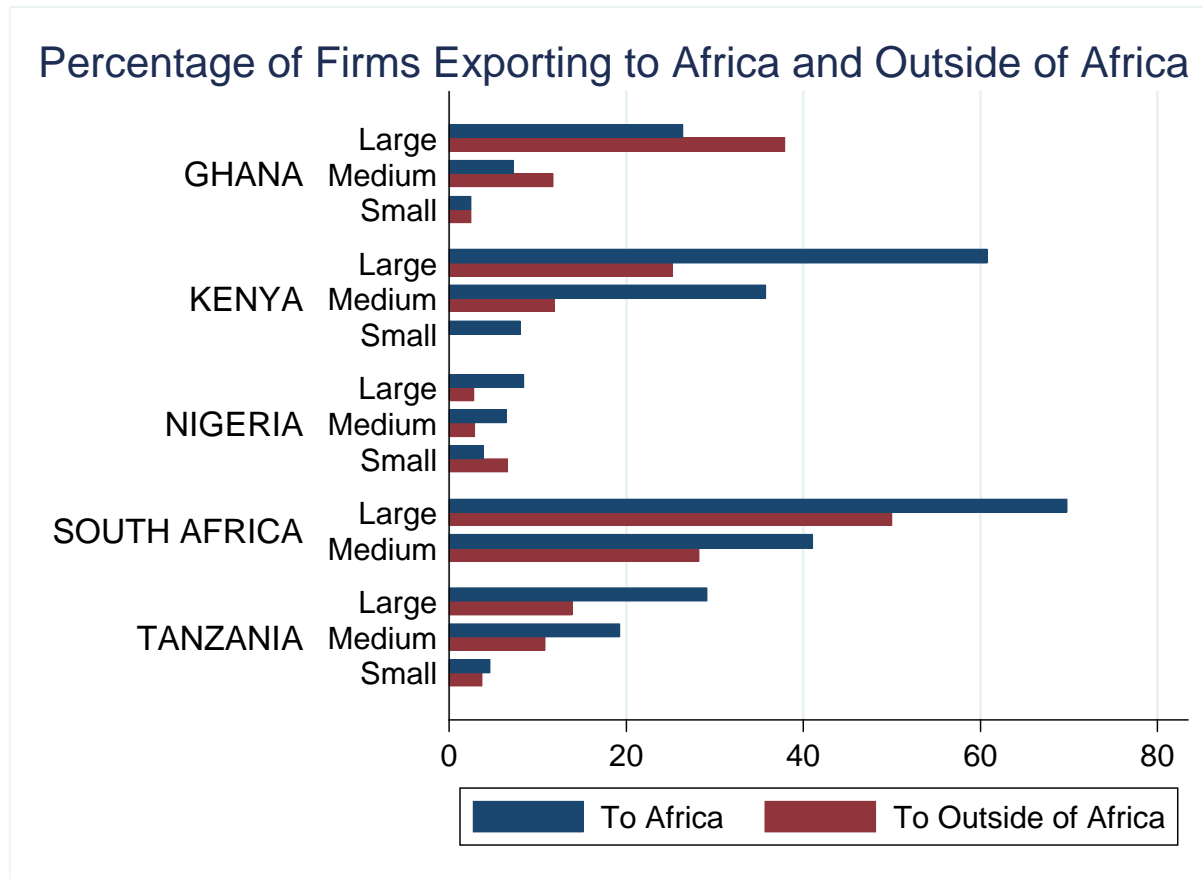


Source: World Bank World Trade Indicators

II. What do we know about solutions?

- Not much
 - Very little plant-level panel data (except for RPED and repeated ICAs)
- What we know about firms
 - Large firms export more

Exporting and firm size



Changes in the Size Distribution of Manufacturing Firms in Ghana

Size	1987				2003			
	Firms	%	Emp.	%	Firms	%	Emp.	%
1-4	2,884	35	7,400	5	14,352	55	35,834	15
5-9	3,391	41	21,264	14	7,829	30	48,982	20
10-19	1,101	13	14,306	9	2,427	9	30,784	13
20-29	310	4	7,235	5	541	2	12,405	5
30-49	232	3	8,594	5	401	2	14,538	6
50-99	191	2	13,116	8	287	1	18,270	8
100-199	114	1	15,866	10	124	0	16,819	7
200-499	74	1	22,596	14	87	0	26,240	11
500+	52	1	46,707	30	40	0	39,644	16
Total	8,351	100	157,084	100	26,088	100	243,516	100
Ave. Size	19				9			

Source: Ghana Statistical Service, *National Industrial Census 1987, Phase I Report*, and *2005 National Industrial Census Bulletin No. 1*.

Note: Size categories and average size refer to employees per establishment.

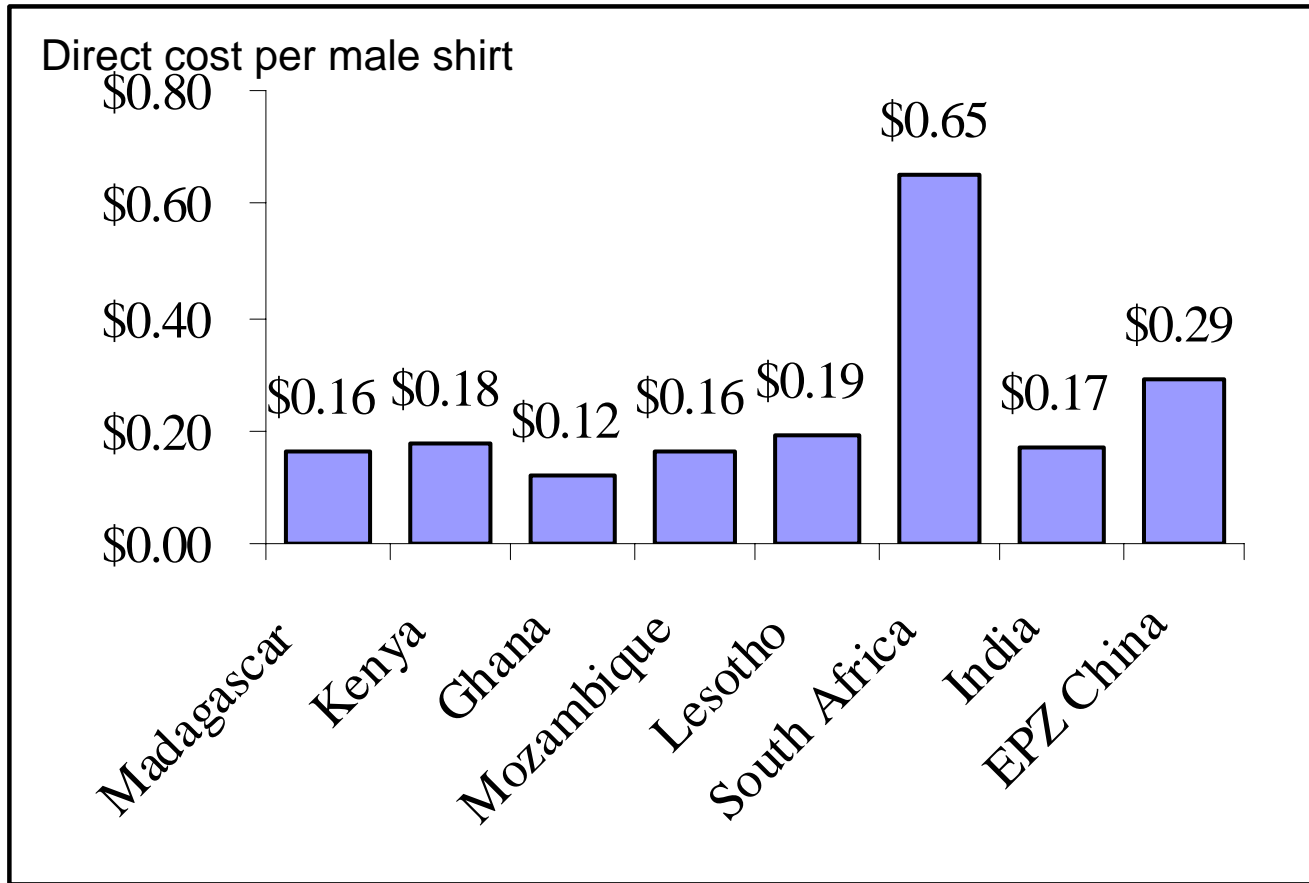
II. What do we know about solutions?

- Not much
 - Very little plant-level panel data (except for RPED, repeated ICAs)
- What we know about firms
 - Large firms export more
 - Foreign-owned firms export more (but very few of them, compared to large number of domestic, informal firms)
 - Positive correlation between export orientation and productivity (self-selection or learning?)

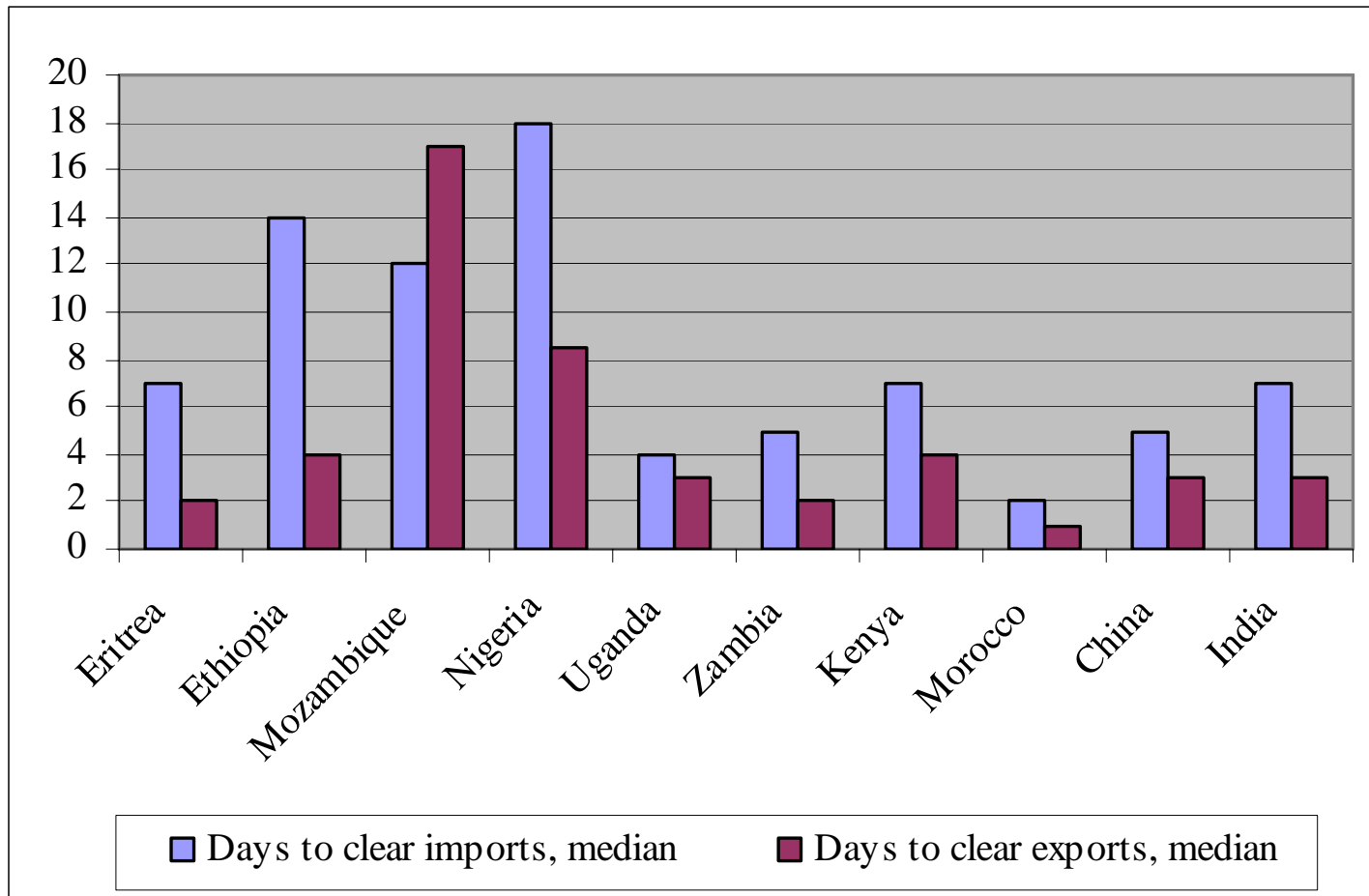
II. What do we know about solutions?

- Behind-the-border factors
 - Trade facilitation

Factory floor costs compare well with India & China



The time to clear goods at port is several days in many countries in Africa

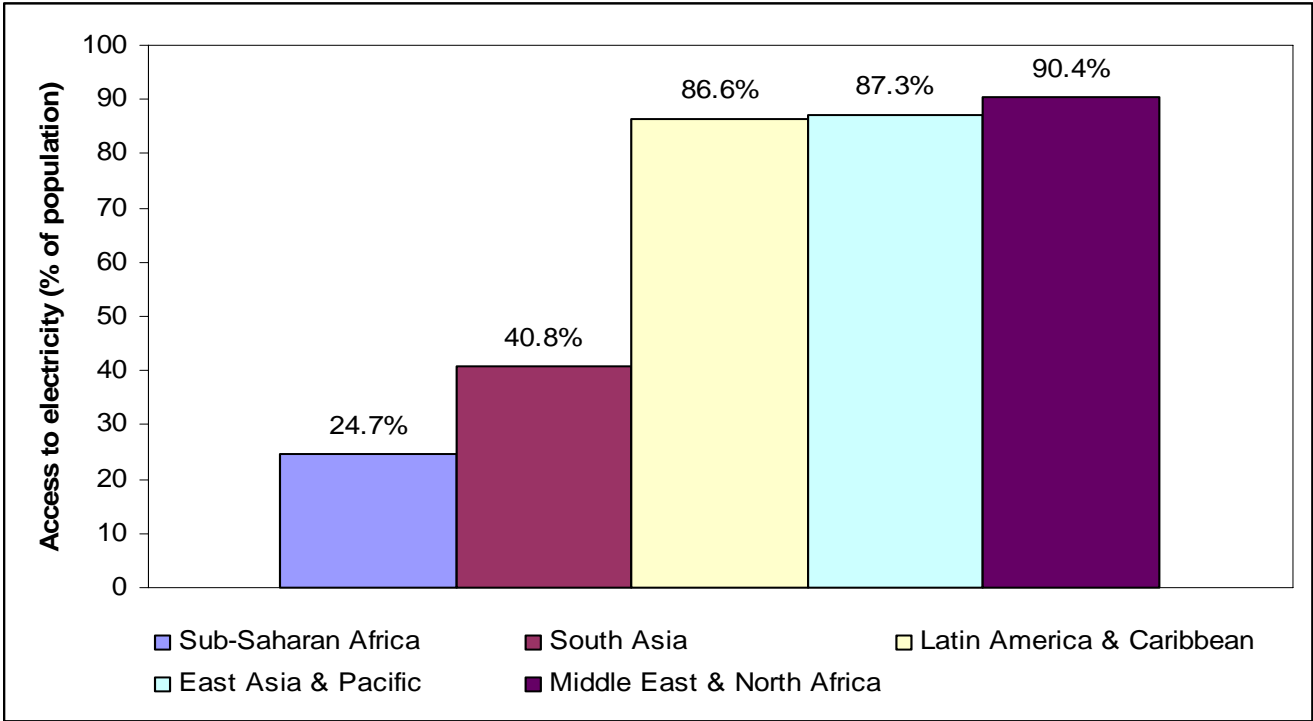


II. What do we know about solutions?

- Behind-the-border factors
 - Trade facilitation
 - Domestic supply constraints

Africa lags in access to infrastructure

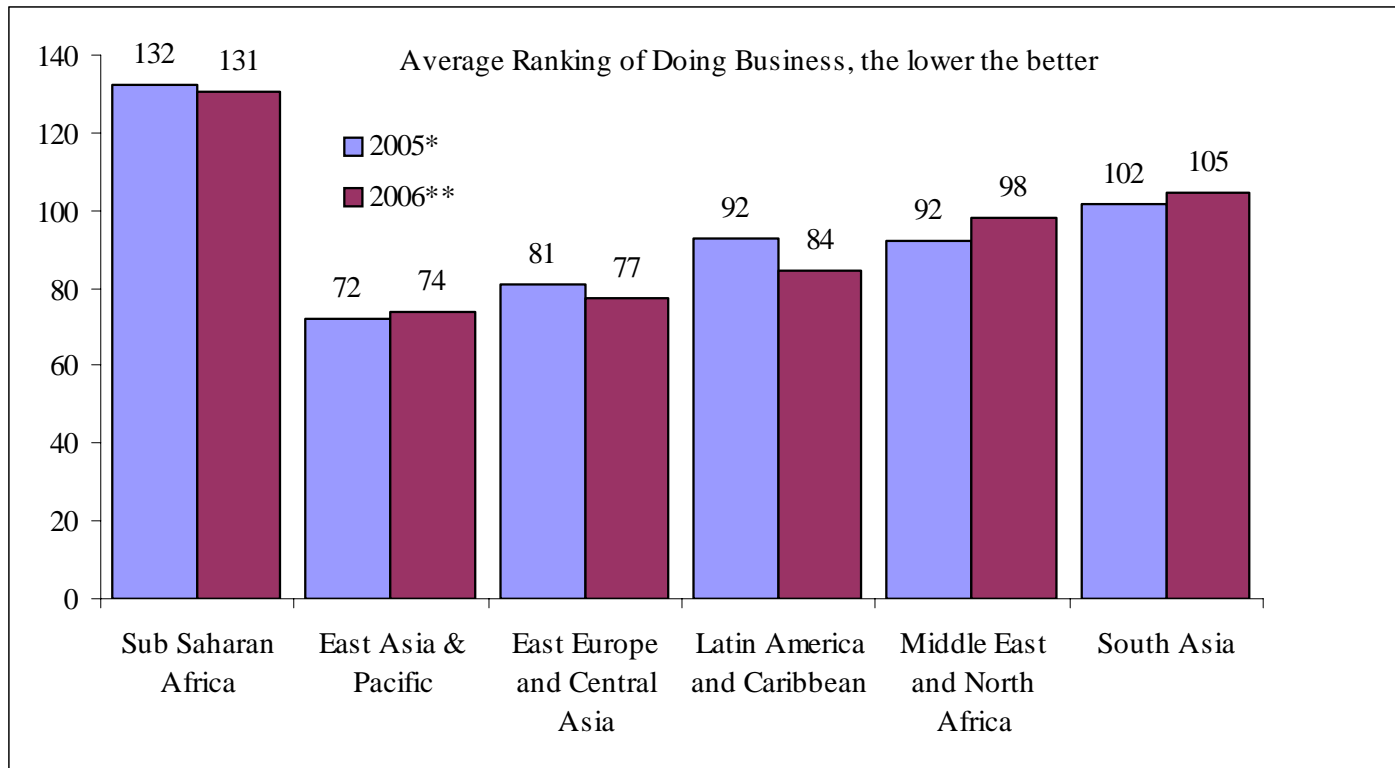
Access to electricity by region



Data sources: The World Bank WDI database, April 2006.

Africa lags other regions in the cost of doing business ...

Ease of doing business rank, Simple average by region

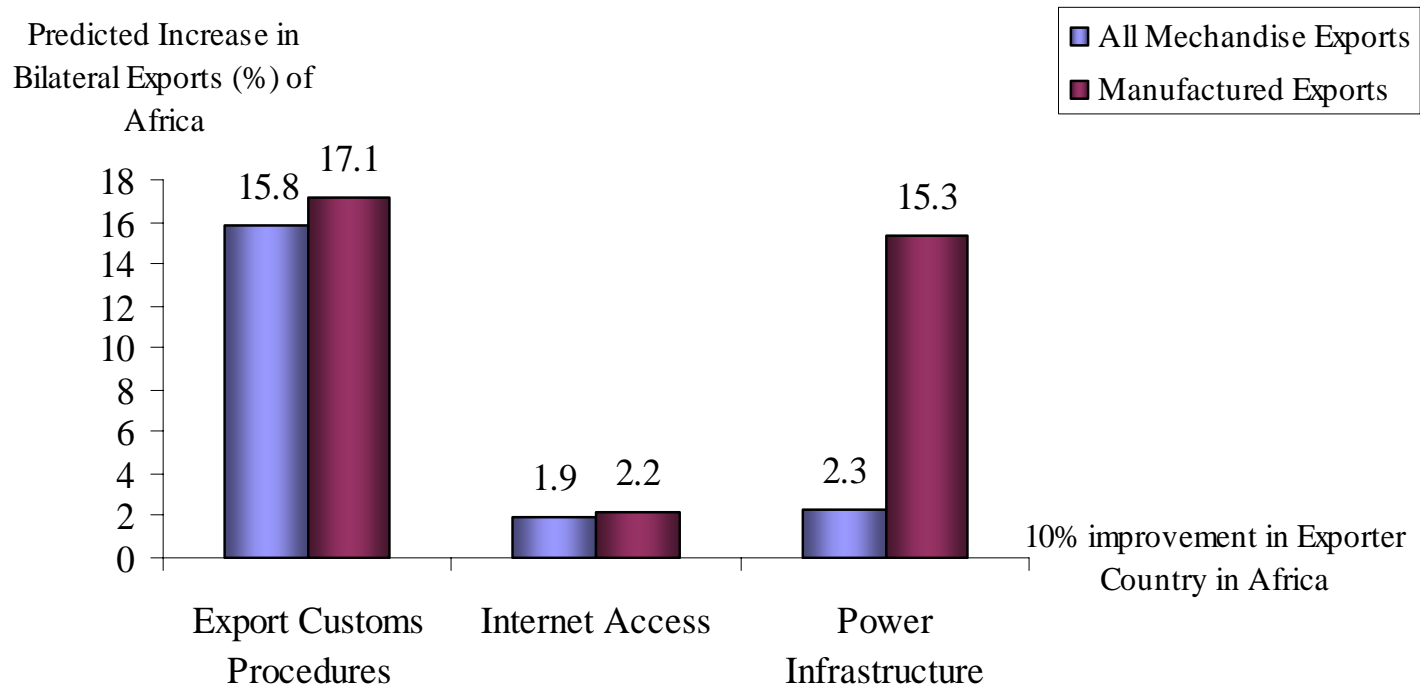


Data sources: World Bank Doing Business Database as of November 2006..

*Normalized ranking from Doing Business 2006.

** Ranking from Doing Business 2007.

Alleviating domestic constraints could increase exports in African, particularly for manufactured products



Source: Africa's Silk Road (2007)

II. What do we know about solutions?

- Behind-the-border factors
 - Trade facilitation
 - Domestic supply constraints
- Geography and institutions
 - Affect *number* of exporters rather than how much each exporter sells in foreign markets (Elbadawi, Mengistae and Zeufack, 2006)