

Explaining Export Growth

World Bank Course

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Why is export growth important?

- Income
 - More open counties have higher income and higher income growth.
- Employment
 - Exporters provide official employment and pay better.

Top Ten Developing Countries Accounting for Export Growth 1994-2004

1. China
2. Mexico
3. Malaysia
4. Russia
5. Thailand
6. Brazil
7. India
8. Philippines
9. Poland
10. Czech Republic

Industries Accounting for Export Growth in Developing Countries

1. PETROL.OILS & CRUDE OILS OBT.FROM BITUMIN.MINERALS
2. ELECTRONIC MICROCIRCUITS
3. PERIPHERAL UNITS,INCL.CONTROL & ADAPTING UNITS
4. PARTS OF AND ACCESSORIES SUITABLE FOR 751.2-,752-
5. RADIOTELEGRAPHIC & RADIOTELEPHONIC TRANSMITTERS
6. PASSENGER MOTOR CARS,FOR TRANSPORT OF PASS.& GOOD
7. OTHER SOUND RECORDERS AND REPRODUCERS
8. PARTS OF APPARATUS OF DIVISION 76-
8. COMPLETE DIGITAL DATA PROCESSING MACHINES
10. CHILDRENS TOYS,INDOOR GAMES,ETC.

Industries Accounting for Export Growth, Developing Countries Excluding China

1. **PETROL.OILS & CRUDE OILS OBT.FROM BITUMIN.MINERALS**
2. ELECTRONIC MICROCIRCUITS
3. PASSENGER MOTOR CARS, FOR TRANSPORT OF PASS.& GOOD
4. PERIPHERAL UNITS, INCL. CONTROL & ADAPTING UNITS
5. OTHER PARTS & ACCESSORIES OF MOTOR VEHICLES
6. **PETROLEUM GASES AND OTHER GASEOUS HYDROCARBONS**
7. PARTS OF AND ACCESSORIES SUITABLE FOR 751.2-, 752-
8. RADIOTELEGRAPHIC & RADIOTELEPHONIC TRANSMITTERS
9. TELEVISION RECEIVERS, COLOUR
10. MOTOR VEHICLES FOR TRANSPORT OF GOODS/MATERIALS

Industries Accounting for Export Growth, Developing Countries Low Income Countries

1. PETROL.OILS & CRUDE OILS OBT.FROM BITUMIN.MINERALS
2. DIAMONDS,UNWORK.CUT/OTHERWISE WORK.NOT MOUNTED/S
3. FOOTWEAR
4. JERSEYS,PULL-OVERS,TWINSETS,CARDIGANS,KNITTED
5. IRON ORE AND CONCENTRATES,NOT AGGLOMERATED
6. OTHER OUTER GARMENTS OF TEXTILE FABRICS
7. UNDER GARMENTS,KNITTED OF COTTON
8. BED LINEN,TABLE LINEN,TOILET & KITCHEN LINEN ETC.
9. TROUSERS,BREECHES ETC.OF TEXTILE FABRICS
10. OTHER OUTER GARMENTS & CLOTHING,KNITTED

Intensive or Extensive Margin

- About 70 percent of export growth happens along the intensive margin—existing partners in existing products. New Partners are more important than new products.
 - Amurgo-Pacheco and Pierola (2007)
 - Brenton and Newfarmer (2007)
 - Besedes and Prusa (2008)
 - Amiti and Freund (2008)

Specialization

- Out of total of 786 at 4-digit SITC level, on average 355 products are produced by developing countries and 247 by low income.
- Top 10 products on average account for 70 percent of exports in developing countries and 77 percent of exports in low income countries.

Summarizing Basic Facts

- Hi-tech products account for much of export growth in middle income countries
- Low income countries rely on natural resources and textiles and apparel
- The bulk of export growth is along the intensive margin
- Countries tend to be highly specialized, with just 10 products accounting for 70-80 percent of exports.

Implications

- Industry data points to importance of growth of existing products and specialization. But, there can be a lot of action at the firm level that is overlooked.

Session 1 : What Can We Learn About Export Growth From Firm Evidence?

Do incumbent or new firms account for most of export growth?

Are exporters more productive?

How important are foreign firms?

What policies can facilitate export growth at the firm level?

Lessons

- Industry data points to importance of growth of existing products and specialization. But, there can be a lot of action at the firm level that is overlooked.
- Policies to “pick” new export products unlikely to succeed. What can countries do to stimulate exports?

Session 2: Regional Experiences

- East Asia—How Important was industrial Policy? What conditions led to the export boom?
- Panel Session on regional successes and failures. What can we learn from these?