

# Trends In Developing Country Trade 1980–2010

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## Abstract

This paper reviews trends and patterns in developing countries' trade from 1980 to 2010. During the 30-year span, world trade expanded rapidly, especially in developing countries in the last decade. A similar picture emerges in trade in services. These overall trends, however, mask different trade patterns during some of the time periods and among different developing countries and groups. For example, except for Asia, the 1980s were pretty much a “lost” decade for many developing countries and groups. But that changed in

the 1990s and 2000s, with trade by all major developing countries growing faster than developed countries. From 1980 to 2000, trade by Least Developed Countries grew much more slowly than that of developing countries as a whole. But those countries saw the fastest growth in trade in the following decade. This strong overall trade performance—with some exceptions (for example Sub-Saharan Africa in the manufacturing trade)—raises questions about sustainability, trade policy and the architecture of the trading system.

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# TRENDS IN DEVELOPING COUNTRY TRADE 1980-2010

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## **TRENDS IN DEVELOPING COUNTRY TRADE, 1980-2010**

### **INTRODUCTION**

The purpose of this paper is to review broad trends in developing countries' trade for the last thirty years. The study is part of a more detailed analysis of the factors affecting developing-country trade performance during this period, which considers developments in their own trade policies as well as market access issues for their exports.

The period covered by this study, 1980–2010, witnessed a rapid expansion of world trade, and an even more rapid expansion of developing countries' trade, especially in the last decade.<sup>1</sup> The share of developing-country trade in total world merchandise trade (exports plus imports) was appreciably higher at the end of the period than at the beginning, 31 percent as opposed to 39 percent (Tables 1 and 2). There was a sharp decline in world trade in 2009. But this was offset by an even larger increase in 2010. Trade growth has decelerated in 2011-2012, and there are many uncertainties about 2013, but this does not affect these broad overall trends.

A similar picture emerges, if one also considers trade in services. While the data on services are much less complete than for merchandise trade, there is little doubt about the overall trends: services trade grew even faster than merchandise trade; and there was a rise in the share of developing countries' exports.

As a consequence of these trends, the role developing countries play in the international trading system has changed radically; and this has been reflected in their participation in the moribund Doha Development Round negotiations.

GDP growth during this period was much less than the growth in trade for developed and developing countries alike. Using the ratio of total trade to GDP as an indicator of integration into world trade, on average developing countries were more integrated at the end of 2010 than twenty years earlier. This was the result of another long term trend in evidence over the past fifty years and an important dimension of the globalization process.

These overall trends however, disguise very different patterns during some of the sub-periods and among different developing countries and groups. Broadly speaking, the data show that, except for Asia, the 1980s were pretty much a 'lost' decade for many different developing countries and groups. By comparison, during the 1990s and 2000s trade for practically all major groupings of developing countries grew faster than trade of developed countries and, in many cases, very rapidly indeed. The Least Developed Countries (LDCs) deserve special mention: while growth in their merchandise trade was much slower than that of developing countries as a whole for the first twenty years (1980-2000), it was the most rapid during the decade 2001-2010. As a result, for the first time in many decades these countries showed an increase in their small share of total world trade.

**Table 1: World Merchandise Exports and Shares by Income Group and Region**

Country Group	1980		1990		2000		2010	
	Exports (\$ bill)	Share in %	Exports (\$ bill)	Share in %	Exports (\$ bill)	Share in %	Exports (\$ bill)	Share in %
<b>BY INCOME LEVEL</b>								
Developed economies	1,314	66.6	2,653	76.4	4,418	68.4	8,909	58.5
Developing economies	597	30.2	837	24.1	2,035	31.5	6,268	41.2
High income developing economies	254	12.9	363	10.5	854	13.2	2,108	13.8
Upper middle income economies	211	10.7	332	9.5	873	13.5	3,175	20.8
Lower middle income economies	120	6.1	128	3.7	285	4.4	908	6.0
Low income economies	12	0.6	14	0.4	23	0.4	77	0.5
Of which: Least developed countries	15	0.8	18	0.5	36	0.6	162	1.1
<b>Memo:</b>								
Developing econ, excl. China & India	570	28.9	757	21.8	1,744	27.0	4,471	29.4
Upper middle income, excl. China	193	9.8	269	7.8	624	9.7	1,597	10.5
Lower middle income, excl. India	112	5.7	110	3.2	243	3.8	689	4.5
<b>BY REGION</b>								
World	1,973	100.0	3,473	100.0	6,456	100.0	15,228	100.0
Developing economies	597	30.2	837	24.1	2,035	31.5	6,268	41.2
Asia	165	8.3	459	13.2	1,285	19.9	4,005	26.3
Latin America & Caribbean	104	5.3	145	4.2	362	5.6	886	5.8
Europe, Middle East & North Africa	250	12.7	165	4.8	293	4.5	1,035	6.8
Sub-Saharan Africa	78	3.9	68	2.0	94	1.5	341	2.2
<b>Memo:</b>								
BRICS 5 countries	72	3.7	203	5.8	482	7.5	2481	16.3
OPEC 12 members	280	14.2	174	5.0	311	4.8	1,077	7.1

Source: Based on UN COMTRADE database.

**Table 2: World Merchandise Imports and Shares by Income Group and Region**

Country Group	1980		1990		2000		2010	
	Imports (\$ bill)	Share in %	Imports (\$ bill)	Share in %	Imports (\$ bill)	Share in %	Imports (\$ bill)	Share in %
<b>BY INCOME LEVEL</b>								
Developed economies	1,465	72.9	2,775	78.2	4,792	72.0	9,508	62.0
Developing economies	485	24.2	784	22.1	1,863	28.0	5,764	37.6
High income developing economies	153	7.6	327	9.2	749	11.3	1,726	11.3
Upper middle income economies	202	10.1	298	8.4	808	12.1	2,859	18.7
Lower middle income economies	112	5.6	136	3.8	269	4.0	1,051	6.9
Low income economies	18	0.9	23	0.6	37	0.6	129	0.8
Of which: Least developed countries	25	1.2	26	0.7	43	0.6	170	1.1
<b>Memo:</b>								
Developing econ, excl. China & India	451	22.4	707	19.9	1,586	23.8	4,019	26.2
Upper middle income, excl. China	182	9.1	245	6.9	582	8.7	1,464	9.6
Lower middle income, excl. India	97	4.8	113	3.2	217	3.3	700	4.6
<b>BY REGION</b>								
World	2,009	100.0	3,550	100.0	6,659	100.0	15,326	100.0
Developing economies	485	24.2	784	22.1	1,863	28.0	5,764	37.6
Asia	181	9.0	476	13.4	1,216	18.3	3,873	25.3
Latin America & Caribbean	116	5.8	123	3.5	384	5.8	891	5.8
Europe, Middle East & North Africa	122	6.1	127	3.6	181	2.7	693	4.5
Sub-Saharan Africa	66	3.3	58	1.6	82	1.2	307	2.0
<b>Memo:</b>								
BRICS 5 countries	79	3.9	168	4.7	410	6.2	2,280	14.9
OPEC 12 members	122	6.1	100	2.8	148	2.2	595	3.9

Source: Based on UN COMTRADE database.

## **TRENDS IN MERCHANDISE TRADE**

Developing country merchandise exports grew at an annual rate of 8.2 percent for the period 1980-2010 compared with 6.6 percent for developed countries (Table 3). But the performance was very different in the 1980s compared to the 1990s and 2000s. In the 1980s, developing-country exports grew only at 3.4 percent while exports of developed countries expanded at over 7 percent per annum. This reflects in large part the slower growth of the world economy during this period as well as the debt problems encountered by many groups of developing countries especially in Latin America and Africa.

In the last two decades the situation was reversed with developing-country export growth at more than 10 percent per annum compared with about 6 percent for the developed countries. The trends in merchandise imports parallel those in exports both for developed and developing countries alike. But in both periods, the developing countries' imports grew faster than their exports (Table 3).

China's exceptional trade performance throughout the period, and India's in the last two decades, are well known. What is not always understood is that other groups of developing countries' trade also grew very rapidly during the past twenty years, especially since 2000. Indeed, since the beginning of the 21<sup>st</sup> century, growth in the trade of all major developing country groupings whether classified by income level or by region was faster than that of developed countries. For the thirty years 1980-2010, only the developing countries in Sub-Saharan Africa and the group of developing countries in Europe, Middle and North Africa—whose exports are dominated by oil, experienced trade growth slower than that of developed countries.



Table 3 also shows the performance of different regions of developing countries. In practically all cases and periods, Asia as a region has shown the greatest growth with Latin America second. But Sub-Saharan Africa and Europe, Middle East and North Africa grew fastest in the last decade.

**Table 3: Growth in World Merchandise Exports and Imports by Income Group and Region**

Country Group	Annual Export Growth (in %)				Annual Import Growth (in %)			
	1980-90	1990-00	2000-10	1980-10	1980-90	1990-00	2000-10	1980-10
<b>BY INCOME LEVEL</b>								
Developed economies	7.3	5.2	7.3	6.6	6.6	5.6	7.1	6.4
Developing economies	3.4	9.3	11.9	8.2	4.9	9.0	12.0	8.6
High income developing economies	3.7	8.9	9.5	7.3	7.9	8.7	8.7	8.4
Upper middle income economies	4.6	10.2	13.8	9.5	4.0	10.5	13.5	9.2
Lower middle income economies	0.7	8.3	12.3	7.0	2.0	7.0	14.6	7.7
Low income economies	1.2	5.2	12.8	6.3	2.1	5.0	13.3	6.7
Of which: Least developed countries	1.9	7.1	16.2	8.2	0.4	5.3	14.6	6.6
<b>Memo:</b>								
Developing econ, excl. China & India	2.9	8.7	9.9	7.1	4.6	8.4	9.7	7.6
Upper middle income, excl. China	3.4	8.8	9.9	7.3	3.0	9.1	9.7	7.2
Lower middle income, excl. India	-0.1	8.2	11.0	6.3	1.5	6.8	12.4	6.8
<b>BY REGION</b>								
World	5.8	6.4	9.0	7.0	5.9	6.5	8.7	7.0
Developing economies	3.4	9.3	11.9	8.2	4.9	9.0	12.0	8.6
Asia	10.8	10.8	12.0	11.2	10.2	9.8	12.3	10.8
Latin America & Caribbean	3.3	9.6	9.4	7.4	0.6	12.0	8.8	7.0
Europe, Middle East & North Africa	-4.1	5.9	13.4	4.8	0.4	3.6	14.4	6.0
Sub-Saharan Africa	-1.3	3.3	13.7	5.1	-1.4	3.6	14.2	5.2
<b>Memo:</b>								
BRICS 5 countries	10.8	9.1	17.8	12.5	7.8	9.3	18.7	11.8
OPEC 12 members	-4.6	5.9	13.2	4.6	-2.0	3.9	15.0	5.4

Source: Based on UN COMTRADE database.

In the 1980s and 1990s, with the exception of China, trade grew fastest for the higher and middle income developing countries and more slowly for the lower income countries and the LDCs. This relationship however, did not hold up in the 2000s when LDC exports expanded very rapidly, indeed more rapidly than any other group, except for the upper middle income economies whose performance is dominated by China.

As noted in many studies, the trade performance of the various groups of developing countries depends very much on the composition of their exports as between manufactures and primary commodities and foodstuffs and the direction of their trade. Overall, growth of developing countries' manufacturing exports and imports has exceeded that of developed countries for practically all groupings of developing countries for last two decades and for the period as a whole (Table 4). The same holds true for non-manufacturing trade—except that in this case LDC exports of raw materials and minerals lagged those of developed countries in the 1990s. In the 2000s however, increased demand and rising prices of raw materials led to very rapid (14.6 percent per annum) increase of LDC non-manufacturing trade.

**Table 4: Growth in Manufacturing and Non-Manufacturing Trade by Income Group and Region**

Country Group	Annual Growth in Manuf. Trade (%)				Annual Growth in Non-Manuf. Trade (%)			
	1980-90	1990-00	2000-10	1980-10	1980-90	1990-00	2000-10	1980-10
<b>BY INCOME LEVEL</b>								
Developed economies	9.1	5.7	6.2	7.0	3.3	4.2	10.0	5.8
Developing economies	11.0	11.5	11.1	11.2	1.7	7.3	13.8	7.5
High income developing economies	14.9	9.6	8.1	10.8	0.6	7.3	13.0	6.9
Upper middle income economies	7.8	14.6	13.2	11.8	1.6	7.1	14.5	7.6
Lower middle income economies	8.7	9.8	12.7	10.4	3.5	7.9	13.5	8.2
Low income economies	5.8	7.0	12.4	8.4	2.5	4.3	14.1	6.8
Of which: Least developed countries	5.7	8.0	12.8	8.8	6.1	2.6	14.6	7.7
<b>Memo:</b>								
Developing econ, excl. China & India	11.1	10.9	8.5	10.1	1.5	6.9	12.3	6.8
Upper middle income, excl. China	6.7	13.8	8.1	9.5	1.5	6.3	12.1	6.5
Lower middle income, excl. India	8.4	10.1	10.9	9.8	3.4	7.8	11.2	7.4
<b>BY REGION</b>								
World	9.7	7.1	7.8	8.2	2.7	6.0	11.2	6.6
Developing economies	11.0	11.5	11.1	11.2	1.7	7.3	13.8	7.5
Asia	15.5	11.4	11.5	12.8	5.1	7.2	15.8	9.3
Latin America & Caribbean	3.7	16.6	7.6	9.2	2.4	7.0	11.9	7.0
Europe, Middle East & North Africa	3.3	6.0	15.1	8.0	-3.5	9.4	12.1	5.8
Sub-Saharan Africa	5.2	4.3	13.0	7.4	3.0	2.7	12.3	5.9
<b>Memo:</b>								
BRICS 5 countries	11.6	10.9	18.3	13.6	8.3	3.9	18.7	10.1
OPEC 12 members	1.8	5.7	15.9	7.7	-2.8	8.9	11.5	5.7

Note: The classification of manufacturing products in exports and imports is defined as SITC 5+6+7+8-68 in revision 3.

Source: Based on UN COMTRADE Statistics.

Within manufacturing, developing country export growth was especially rapid in machinery and transport as well as chemicals. Practically all developing country groups shared in this growth (Table 5) but it was especially rapid in the upper middle income countries—even excluding China, as well as the BRICS and Latin America.

**Table 5: Growth in Sectoral Exports by Income Group and Region during 1980-2010**

Country Group	Annual Average Growth Rate in Exports (%)							
					Of which in Total Manufacturing			
	Agric. & Feed	Ores & Metals	Fuels	All Manuf.	Chemical Products	Textiles & Clothing	Machinery & Transport	Other Manuf.
<b>BY INCOME GROUP</b>								
Developed economies	5.1	6.3	8.1	6.5	8.0	4.2	6.5	6.1
Developing economies	7.9	10.1	6.6	14.6	15.8	10.3	17.2	13.2
High income Developing economies	6.4	11.5	4.9	12.1	15.5	5.5	14.7	10.6
Upper Middle income economies	8.8	11.3	9.6	18.5	16.7	15.5	21.7	16.3
Lower Middle income economies	7.1	7.9	8.3	13.5	14.4	10.7	16.8	12.9
Low income economies	5.6	4.8	6.6	9.5	9.1	6.5	9.6	11.2
Of which: Least Developed countries	5.7	7.4	7.9	9.0	10.0	6.5	11.2	9.3
<b>Memo:</b>								
Developing econ, excl. China & India	7.5	9.7	6.4	12.8	14.8	7.4	15.5	11.2
Upper middle income, excl. China	8.1	10.8	9.3	14.1	14.1	8.6	17.5	11.8
Lower middle income, excl. India	6.9	6.8	7.7	14.6	13.5	11.5	19.0	13.3
<b>BY REGION</b>								
World	5.9	7.4	7.2	8.1	8.8	6.7	8.3	7.5
Developing economies	7.9	10.1	6.6	14.6	15.8	10.3	17.2	13.2
Asia	7.5	9.2	8.3	14.7	16.9	10.6	17.2	13.6
Latin America & Caribbean	9.7	12.6	11.5	16.6	14.8	9.4	20.6	14.5
Europe, Middle East & North Africa	8.9	7.9	5.2	14.1	15.3	8.1	13.9	16.5
Sub-Saharan Africa	4.8	8.7	10.0	8.0	8.1	5.2	11.7	6.7
<b>Memo:</b>								
BRICS 5 countries	12.1	14.0	21.6	19.2	18.5	16.6	24.8	16.7
OPEC 12 members	10.4	14.3	5.7	16.9	21.1	16.9	14.8	16.6

Notes: The classification of product groups is defined in SITC revision 2 as agriculture & feed (0+1+2+4-27-28), ores & metals (27+28+68) fuels (3), all manufactures (5+6+7+8-68), chemical products (5), textiles & clothing (26+65+84), machinery & transport (7), and other manufactures (6+8-65-68-84).

Export data in sectoral breakdown is based on 161 countries data available in 2010 from COMTRADE database. Where the aggregate merchandise export data is based on total 192 countries data available in Table 3 from World Development Indicators database.

Source: Based on UN COMTRADE Statistics.

Growth of manufactured exports in the developing world was in part prompted by the development of value chains which took advantage of labor cost differentials. Developing countries benefited from large investments by both multinationals and local entrepreneurs in assembly or production of final consumer goods based on the importation of intermediates. It is difficult to estimate how much of this happened in different parts of the developing world. One proxy for intermediates is given by an indicator consisting of 75 parts and component products at the SITC-2 to 5-digit level.<sup>2</sup> The results of this analysis are shown in Table 6.

In 1980 the share of parts and components in total manufacturing imports was only slightly higher in developed countries than in developing. In the next two decades this share grew in both groups of countries—but much faster in developing countries than in developed. The aggregate share of parts and components in total imports fell in the both developed and developing countries in the decade 2001 - 2010. At the end of 2010 the shares were higher the higher the developing country income grouping.

But not all groups of developing countries followed this pattern over time: for example, low income economies and the least developed did not see an increase in the share of parts and components until the decade of the 1990s. Sub-Saharan Africa, Europe, Middle East and North Africa (EMENA) as well as the LDCs actually had lower ratios of parts and components in their imports at the end of the thirty years than at the beginning. By contrast, the BRICS raised their share drastically –more than doubling in the decade of the 1980s and maintained their growth, almost uninterrupted until 2010. These findings suggest an obvious imbalance in the importance of the value chains in different developing countries:

lower income developing economies, Sub-Saharan Africa and the LDCs appear to have benefited much less than middle and higher income countries.

**Table 6: Growth and Share of Parts & Component Products in Manufacturing Imports by Income Group and Region**

Country Group	Share of Parts & Comp in Manuf. Imports (%)				Annual Growth in Parts & Comp Imports (%)				Annual Growth in Manuf. Imports (%)			
	1980	1990	2000	2010	1980-90	1990-00	2000-10	1980-10	1980-90	1990-00	2000-10	1980-10
<b>BY INCOME LEVEL</b>												
Developed economies	22.1	23.1	27.4	24.1	10.6	7.9	4.9	7.8	10.1	6.0	6.3	7.4
Developing economies	22.9	29.5	38.7	35.6	11.3	13.5	9.9	11.6	8.5	10.5	10.8	10.0
High income developing econ.	27.9	31.0	40.4	39.8	13.3	12.3	7.9	11.1	12.0	9.4	8.0	9.8
Upper middle income economies	20.3	30.2	39.0	35.9	10.2	16.0	11.2	12.4	6.0	13.1	12.1	10.3
Lower middle income economies	19.2	23.6	32.3	26.3	8.9	10.5	12.3	10.6	6.7	7.1	14.6	9.4
Low income economies	25.8	23.9	27.6	23.8	5.7	7.1	10.6	7.8	6.5	5.6	12.2	8.1
Of which: Least developed co.	25.4	24.1	27.7	23.8	6.2	7.6	11.0	8.3	6.8	6.2	12.7	8.5
<b>Memo:</b>												
Developing econ, excl China & India	24.8	28.9	38.7	34.7	10.2	13.4	7.8	10.4	8.5	10.1	9.0	9.2
Upper middle income, excl. China	23.7	27.7	38.2	31.7	6.9	16.1	6.7	9.8	5.2	12.4	8.7	8.8
Lower middle income, excl. India	20.1	24.0	34.6	28.1	8.2	11.3	10.5	10.0	6.4	7.3	12.8	8.8
<b>BY REGION</b>												
World	22.6	24.3	30.5	28.4	11.0	9.7	7.0	9.3	10.3	7.3	7.8	8.4
Developing economies	22.9	29.5	38.7	35.6	11.3	13.5	9.9	11.6	8.5	10.5	10.8	10.0
Asia	22.9	32.4	42.7	40.7	17.7	13.6	10.3	13.8	13.6	10.5	10.8	11.6
Latin America & Caribbean	21.9	20.5	33.2	29.6	1.8	21.8	7.1	9.9	2.5	16.1	8.4	8.8
Europe, Middle East & North Africa	24.3	26.9	27.1	20.6	2.4	5.9	11.5	6.5	1.3	5.8	14.5	7.1
Sub-Saharan Africa	21.8	22.9	22.9	20.9	6.4	2.3	13.4	7.3	5.9	2.3	14.4	7.4
<b>Memo:</b>												
BRICS 5 countries	13.3	28.2	35.6	34.3	18.8	12.3	17.5	16.1	10.2	9.6	17.9	12.5
OPEC 12 members	23.0	25.8	24.8	20.0	1.5	5.0	12.8	6.3	0.3	5.4	15.2	6.8

Note: The classification of parts and components items is based on 75 products at SITC 2 to 5-digit level in revision 2, including textiles & clothing (65+61), machinery & transport equipment (7), metal manufacturing (69), other misc. manufactured goods (8), and manufacturing products are defined as SITC 5+6+7+8-68 in revision 2.

Source: Based on UN COMTRADE Statistics.

A significant portion of the growth in developing countries' exports of manufactures as well as of commodities is the result of expanding trade among the developing countries themselves. China's growth has been instrumental in this but trade among developing countries has grown rapidly in other regions as well. Part of this growth may be the result of preferential regional arrangements, but part can be explained by the fact that during most of the 1990s and 2000s growth in incomes in most developing country groupings outpaced that of developed countries. Table 7 shows that South-South trade grew faster than any other trade over the last 30 years. Indeed the share of this trade in the total world quadrupled over this period.

**Table 7: World Market Shares and Trade Growth in Developed and Developing Markets (North-North v.s. South-South Trade)**

Reporter	Partner	World Trade Market Share (in %)				Annual Trade Growth (in %)			
		1980	1990	2000	2010	1980-90	1990-00	2000-10	1980-10
Developed econ (48)	Developed econ (48)	55.8	61.4	53.7	42.9	8.2	5.4	6.4	6.7
Developed econ (48)	Developing economies	27.2	18.5	18.5	19.6	3.1	6.9	9.4	6.4
Developed econ (48)	World	82.9	79.9	72.2	62.5	6.8	5.8	7.2	6.6
Developing econ (ROW)	Developed econ (48)	11.4	11.8	15.5	15.8	7.6	9.7	9.0	8.8
Developing econ (ROW)	Developing economies	5.6	8.2	12.3	21.7	11.3	11.2	15.2	12.5
Developing econ (ROW)	World	17.1	20.1	27.8	37.5	8.9	10.4	12.1	10.5
World	Developed econ (48)	67.2	73.3	69.2	58.7	8.1	6.2	7.0	7.1
World	Developing economies	32.8	26.7	30.8	41.3	5.0	8.4	12.0	8.4
World	World	100.0	100.0	100.0	100.0	7.2	6.8	8.8	7.6

Source: Based on UN COMTRADE Statistics.

The improvement in the export performance of developing countries during the 1990s was due mainly to increased demand in the commodities they exported and to a much lesser extent to diversification or increases in the market shares of their traditional exports. While this is true for the developing countries as a whole, different regions had different experiences: both Asia and Latin America improved their competitive position. By contrast Sub-Saharan Africa experienced slow growth in world trade for its export basket, reflecting the continued decline in primary commodity prices and slow demand growth for these commodities. The same was true for the least developed (World Bank, 2000).

In the decade of the 2000s, the trends of the 1990s continued in many ways—except, of course, for the increase in African exports of raw materials, a relatively rapid growth of Latin America exports of foodstuffs and an expansion of exports of fuels from developed countries and the BRICS (See Appendix Tables B-1 and B-2). During this period practically developing income groups and regions improved their competitiveness with respect to developed countries overall and in most sectors (Hanson, 2011).

The overall weak export performance of the LDCs, in the 1980s and 1990s was largely due to their dependence upon a small range of primary commodities (usually two or three), for the bulk of their export earnings. On average the top three LDC export commodities account for over 70 percent of the each country's exports, and with the exception of Bangladesh, few countries have any significant exports of manufactures. On average, manufactures, mainly textiles and clothing, constituted about 20 percent of total LDC exports in the 1990s (WTO, 1997). Although these exports grew substantially over this period, it was not possible to overcome the weak



performance of primary commodities which accounted for the bulk of LDC merchandise exports.

The situation changed drastically in the 2000s: both the volume and the prices of their primary commodity exports rose very rapidly and, while their manufacturing exports also increased, the share of primary commodities in their total exports rose from 58% in 2000 to 75% in 2011 while clothing fell from 18% in 2000 to 11% in 2011. China was the main force in this growth and Sub-Saharan LDCs the main beneficiaries: China's share of LDC exports rose from 9% in 2000 to 22% in 2011, while the share of developed countries decreased by almost the exact same percentage (Ancharaz, 2012).

### **TRADE IN SERVICES**

Data on trade in services are far weaker than data on merchandise trade. Indeed many countries do not report data on certain service categories (Goswami, Mattoo and Saez, 2012; Mattoo, 2005; Whichard, 1999), and data are simply not available for a number of countries for certain periods.<sup>3</sup> Nonetheless, it is clear that growth of world trade in services in the thirty years 1980-2010 was faster than that for goods. Developing country service exports grew faster than those of developed countries for the period as a whole (9.7 percent compared to 7.7 percent) and for the last twenty years; their growth was only marginally lower in the 1980s. The same trends hold true for service imports except that the differences are less pronounced (see Tables 8-10).

**Table 8: World Commercial Service Exports and Shares by Income Group and Region**

Country Group	1980		1990		2000		2010	
	Exports (\$ bill)	Share (in %)	Exports (\$ bill)	Share (in %)	Exports (\$ bill)	Share (in %)	Exports (\$ bill)	Share (in %)
<b>BY INCOME LEVEL</b>								
Developed economies	290	75.0	669	80.6	1,182	77.1	2,650	70.0
Developing economies	63	16.2	141	17.0	303	19.7	1,000	26.4
High income developing economies	23	5.9	63	7.6	118	7.7	360	9.5
Upper middle income economies	25	6.5	48	5.8	126	8.2	390	10.3
Lower middle income economies	13	3.2	27	3.2	54	3.5	234	6.2
Low income economies	2	0.5	3	0.4	5	0.4	16	0.4
Of which: Least developed countries	2	0.5	3	0.4	6	0.4	17	0.4
<b>Memo:</b>								
Developing econ, excl. China & India	57	14.9	131	15.8	256	16.7	707	18.7
Upper middle income, excl. China	23	5.9	42	5.1	96	6.2	220	5.8
Lower middle income, excl. India	10	2.5	22	2.7	37	2.4	111	2.9
<b>BY REGION</b>								
World	387	100.0	830	100.0	1,535	100.0	3,784	100.0
Developing economies	63	16.2	141	17.0	303	19.7	1,000	26.4
Asia	26	6.6	87	10.5	196	12.8	742	19.6
Latin America & Caribbean	16	4.3	28	3.4	56	3.6	115	3.0
Europe, Middle East & North Africa	13	3.4	16	2.0	36	2.3	105	2.8
Sub-Saharan Africa	8	1.9	10	1.2	15	1.0	38	1.0
<b>Memo:</b>								
BRICS 5 countries	9	2.4	26	3.1	70	4.5	382	10.1
OPEC 12 members	10	2.5	8	0.9	15	1.0	30	0.8

Source: Based on World Bank World Development Indicator database.

**Table 9: World Commercial Service Imports and Shares by Income Group and Region**

Country Group	1980		1990		2000		2010	
	Imports (\$ bill)	Share (in %)	Imports (\$ bill)	Share (in %)	Imports (\$ bill)	Share (in %)	Imports (\$ bill)	Share (in %)
<b>BY INCOME LEVEL</b>								
Developed economies	275	66.6	661	78.7	1,102	74.2	2,263	65.5
Developing economies	106	25.6	163	19.4	352	23.7	1,098	31.8
High income developing economies	29	6.9	62	7.4	111	7.5	325	9.4
Upper middle income economies	47	11.4	60	7.2	152	10.3	478	13.8
Lower middle income economies	26	6.2	35	4.2	80	5.4	271	7.8
Low income economies	5	1.1	6	0.7	9	0.6	23	0.7
Of which: Least developed countries	6	1.4	8	1.0	12	0.8	44	1.3
<b>Memo:</b>								
Developing econ, excl. China & India	101	24.4	153	18.2	297	20.0	789	22.8
Upper middle income, excl. China	45	10.9	56	6.7	117	7.8	286	8.3
Lower middle income, excl. India	23	5.5	29	3.5	61	4.1	155	4.5
<b>BY REGION</b>								
World	413	100.0	839	100.0	1,486	100.0	3,456	100.0
Developing economies	106	25.6	163	19.4	352	23.7	1,098	31.8
Asia	27	6.5	80	9.5	209	14.1	705	20.4
Latin America & Caribbean	28	6.7	34	4.0	69	4.7	156	4.5
Europe, Middle East & North Africa	33	7.9	31	3.6	48	3.2	147	4.3
Sub-Saharan Africa	18	4.4	19	2.2	25	1.7	89	2.6
<b>Memo:</b>								
BRICS 5 countries	12	3.0	36	4.3	92	6.2	458	13.2
OPEC 12 members	38	9.1	28	3.3	38	2.6	137	4.0

Source: Based on World Bank World Development Indicator database.

**Table 10: Growth in World Commercial Service Exports and Imports by Income Group and Region**

Country Group	Annual Export Growth (in %)				Annual Import Growth (in %)			
	1980-90	1990-00	2000-10	1980-10	1980-90	1990-00	2000-10	1980-10
<b>BY INCOME LEVEL</b>								
Developed economies	8.7	5.9	8.4	7.7	9.2	5.3	7.5	7.3
Developing economies	8.4	7.9	12.7	9.7	4.4	8.0	12.0	8.1
High income developing economies	10.7	6.4	11.8	9.6	8.0	6.1	11.3	8.4
Upper middle income economies	6.6	10.1	12.0	9.5	2.5	9.8	12.1	8.0
Lower middle income economies	7.9	7.2	15.9	10.3	3.2	8.5	13.0	8.2
Low income economies	4.8	5.8	11.0	7.2	2.6	3.9	10.7	5.6
Of which: Least developed countries	3.6	6.5	11.4	7.1	3.2	4.3	13.7	7.0
<b>Memo:</b>								
Developing econ, excl. China & India	8.6	7.0	10.7	8.7	4.2	6.9	10.3	7.1
Upper middle income, excl. China	6.3	8.5	8.7	7.8	2.2	7.6	9.4	6.4
Lower middle income, excl. India	8.6	5.5	11.5	8.5	2.6	7.6	9.8	6.6
<b>BY REGION</b>								
World	7.9	6.3	9.4	7.9	7.3	5.9	8.8	7.3
Developing economies	8.4	7.9	12.7	9.7	4.4	8.0	12.0	8.1
Asia	13.0	8.4	14.2	11.9	11.4	10.1	12.9	11.5
Latin America & Caribbean	5.4	7.1	7.6	6.7	2.0	7.5	8.5	5.9
Europe, Middle East & North Africa	2.2	8.2	11.3	7.2	-0.6	4.6	11.9	5.2
Sub-Saharan Africa	2.5	4.7	9.7	5.6	0.2	3.0	13.5	5.4
<b>Memo:</b>								
BRICS 5 countries	10.5	10.4	18.6	13.1	11.1	9.9	17.4	12.8
OPEC 12 members	-2.4	6.7	7.3	3.8	-3.1	3.3	13.6	4.4

Source: Based on World Bank World Development Indicator database.

The regional growth patterns in services trade were similar to those in goods. The Asian developing countries' trade grew the fastest, and Sub-Saharan Africa's the slowest with Latin America and the Europe, Middle East and North Africa the Mediterranean, in between (Table 10). Growth over the period as a whole was associated with the per capita income levels of the various developing country groups, especially if you take India out of the lower middle income group (Table 10).

Different developing countries have been successful in exporting different kinds of services: India is well known for its exports of software and business services. In Latin America, Brazil, Costa Rica, Chile, Mexico and Uruguay are among successful cases of exporters of information technology, communication and distribution services. Kenya and South Africa are among Sub-Saharan Africa countries exporting professional services to Europe; and a range of different countries in Asia, Latin America and the Middle East and North Africa are exporters of health services (Goswami, Mattoo and Saez, 2012).

Table 11 shows the growth rates of service exports by main sector for different developing country groupings. The growth in financial and insurance services in the 1990s for countries in Asia and the BRICS during the last decade is especially noteworthy. Similarly there was very large growth in the export of information technology exports in the period 2000-2010 in practically all developing country groups except for Sub-Saharan Africa.

**Table 11: Growth in Sectoral Exports of Commercial Services by Income Group and Region**

Country Group	Annual % Growth Rate in Service Exports (%)															
	Transport Service Exports				Travel Service Exports				Insurance & Financial Service Exp				Info, Tech & Other Service Exports			
	1980-90	1990-00	2000-10	1980-10	1980-90	1990-00	2000-10	1980-10	1980-90	1990-00	2000-10	1980-10	1980-90	1990-00	2000-10	1980-10
<b>BY INCOME LEVEL</b>																
Developed economies	4.1	5.2	7.2	5.5	10.5	5.9	4.9	7.1	18.6	10.5	11.4	13.4	7.5	8.9	10.6	9.0
Developing economies	4.7	10.1	11.8	8.8	8.1	9.1	11.3	9.5	1.4	19.8	15.2	11.9	5.1	12.5	16.3	11.2
High income Developing	3.9	19.6	10.4	11.1	8.4	7.9	14.8	10.3	2.4	49.6	15.5	20.9	1.4	14.5	13.5	9.6
Upper Middle income	5.8	5.0	12.5	7.7	8.3	9.5	9.9	9.2	1.0	10.2	11.2	7.3	4.9	14.9	16.8	12.1
Lower Middle income	3.7	3.6	15.1	7.4	7.2	9.9	10.9	9.3	2.5	11.8	23.2	12.2	11.5	7.6	20.0	12.9
Low income	1.4	3.4	12.5	5.7	6.7	6.6	10.8	8.1	9.1	2.5	18.1	9.7	5.4	5.2	9.5	6.7
Of which: Least developed co.	1.6	3.2	10.8	5.1	6.0	9.6	12.5	9.4	9.3	10.8	4.1	8.0	4.7	6.0	5.2	5.3
<b>Memo:</b>																
Developing econ, excl. China & India	4.3	10.8	10.0	8.3	8.5	7.7	11.2	9.1	1.1	21.2	13.5	11.6	4.5	10.9	12.6	9.3
Upper middle income, excl. China	5.4	5.3	7.6	6.1	8.2	6.9	9.5	8.2	1.0	11.3	8.7	6.9	4.0	12.3	11.1	9.1
Lower middle income, excl. India	3.1	2.8	12.8	6.2	10.0	10.2	9.9	10.0	-0.1	9.5	10.2	6.4	12.2	2.2	12.5	8.9
<b>BY REGION</b>																
World	5.0	4.8	8.3	6.0	10.6	5.1	7.1	7.6	12.6	9.4	12.0	11.3	7.7	8.3	11.3	9.1
Developing economies	4.7	10.1	11.8	8.8	8.1	9.1	11.3	9.5	1.4	19.8	15.2	11.9	5.1	12.5	16.3	11.2
Asia	8.0	14.8	12.4	11.7	13.0	11.1	12.3	12.1	3.1	33.5	16.9	17.2	8.7	14.6	17.5	13.5
Latin America & Caribbean	4.7	3.8	8.3	5.6	7.3	6.8	5.8	6.6	0.3	12.2	5.9	6.0	3.4	11.1	10.7	8.3
Europe, Middle East, & N. Africa	2.6	3.9	12.3	6.2	0.7	9.6	16.1	8.6	8.4	12.4	29.0	16.3	-4.3	3.6	17.6	5.2
Sub-Saharan Africa	-1.9	2.6	10.1	3.5	4.6	4.6	11.7	6.9	1.2	3.2	8.8	4.3	7.3	5.9	2.8	5.3
<b>Memo:</b>																
BRICS-5	6.1	7.5	19.3	10.8	5.6	15.5	11.7	10.9	2.6	9.2	23.2	11.4	8.6	20.7	22.4	17.1
OPEC-12	-4.5	4.0	11.9	3.6	-8.5	5.3	20.2	5.0	-8.6	11.4	19.2	6.7	-8.8	3.1	12.6	1.9

Source: Based on World Bank World Development Indicator database.

The picture regarding service imports is very similar to that of service exports with only one interesting difference: LDC service imports for the period as a whole as well as for all sub-periods tended to grow much faster than for non-LDC low income economies. This is probably due to very rapid expansion of service imports by Bangladesh.

The overall conclusion that emerges from these findings, are that the patterns of growth both for exports and imports of merchandise trade and commercial services have been very similar for different developing country groupings whether by region or by income level. There is particularly striking similarity in their growth performance in the 2000s which far outpaces that of developed countries during this period.

### **INTEGRATION IN WORLD TRADE**

A key indicator of a country's integration into world trade is the ratio of the total trade in both goods and services (exports plus imports) to GDP. Essentially it shows how much of a country's economy is directly affected by international trade. This indicator is especially useful in determining the links between a country's economy and international trade over time, but it has to be used with caution when making comparisons between countries. This is because large countries tend to have smaller ratios of trade to GDP than small economies. Also, the existence of large enclave type export sectors in some developing countries may give the false impression that the economy is well integrated into the world trading system, while in practice the bulk of economic activity may be subsistence domestic production.

Tables 12 and 13 show the evolution of this indicator of integration in developing countries, grouped by income level and over time for the period 1980-2010. After stagnating during the 1980s (and declining for some groups), the trade/GDP ratio recovered, rose rapidly and was substantially higher for all developing country income groupings by the end of the 1990s and increased further in the last decade. Since 2000 the ratio is higher for all developing country groups than for developed countries.

One study (Frankel and Romer, 1999) using earlier data estimated that the ratio of trade to GDP is strongly and positively related to growth in incomes: an increase in the ratio by one percent can raise the level of income by anywhere between 0.5 and 2 percent. It is unclear whether the experience of the last decade would support this finding, as a number of very large countries with relatively low ratios of trade to GDP grew very rapidly—as did some small and poor countries.

Interestingly, with the exception of the high income developing countries, the data show an inverse relationship between the level of per capita income and the share of trade to GDP. As noted earlier however, inter-country comparisons of this indicator are risky: some of the most rapid growth in the LDCs resulted from booming commodity exports which had little impact on the rest of their economies. The only thing can be stated definitively is the very strong evidence of globalization at every developing country income level and grouping.



**Table 12: Growth Rates in Total Trade (X+M) and Output by Income Group and Region**

Country Group	Annual Trade (g+s) Growth (in %)				Annual GDP Growth (in %)			
	1980-90	1990-00	2000-10	1980-10	1980-90	1990-00	2000-10	1980-10
<b>BY INCOME LEVEL</b>								
Developed economies	7.8	5.2	7.3	6.8	8.4	3.4	5.3	5.7
Developing economies	5.4	9.4	12.0	8.9	5.0	6.5	11.6	7.7
High income developing economies	6.6	9.6	9.4	8.5	7.1	7.9	7.1	7.3
Upper middle income economies	5.4	10.1	13.4	9.6	4.9	7.0	12.7	8.1
Lower middle income economies	3.4	7.7	14.0	8.2	3.8	4.4	12.8	6.9
Low income economies	3.1	4.1	12.0	6.3	4.1	1.5	9.9	5.1
Of which: Least developed countries	2.7	5.8	14.6	7.6	4.2	1.7	12.8	6.1
<b>Memo:</b>								
Developing econ, excl. China & India	5.2	8.7	9.9	7.9	4.8	5.7	9.4	6.6
Upper middle income, excl. China	4.8	8.2	9.7	7.6	4.6	5.1	9.7	6.5
Lower middle income, excl. India	3.0	7.2	11.5	7.2	2.7	4.8	12.4	6.6
<b>BY REGION</b>								
World	6.5	6.2	8.8	7.2	7.1	3.9	6.9	6.0
Developing economies	5.4	9.4	12.0	8.9	5.0	6.5	11.6	7.7
Asia	10.1	10.8	12.3	11.1	7.9	7.8	12.8	9.5
Latin America & Caribbean	3.9	9.8	9.2	7.6	4.1	6.3	9.3	6.6
Europe, Middle East & North Africa	0.1	5.4	13.5	6.2	2.1	4.8	10.9	5.9
Sub-Saharan Africa	0.0	3.9	12.9	5.5	1.3	1.3	12.5	4.9
<b>Memo:</b>								
BRICS 5 countries	10.6	8.6	18.2	12.4	9.8	4.3	15.7	9.8
OPEC 12 members	-1.9	6.2	14.2	6.0	-0.6	5.0	12.1	5.4

Source: Computations based on World Bank World Development Indicator database.

**Table 13: World Total Trade (X+M) and Share in Output by Income Group**

Country Group	World Trade (g+s) in \$ billion				Output (GDP) in \$ billion				Total Trade as % of GDP			
	1980	1990	2000	2010	1980	1990	2000	2010	1980	1990	2000	2010
Developed economies	3,198	6,775	11,275	22,758	8,206	18,329	25,491	42,813	39.0	37.0	44.2	53.2
Developing economies	1,094	1,856	4,561	14,108	2,188	3,569	6,700	19,995	50.0	52.0	68.1	70.6
High income developing	401	762	1,914	4,693	365	723	1,543	3,057	110.1	105.4	124.1	153.5
Upper middle income	437	740	1,935	6,822	1,198	1,935	3,801	12,517	36.5	38.2	50.9	54.5
Lower middle income	220	307	642	2,374	542	788	1,212	4,050	40.6	39.0	53.0	58.6
Low income	35	47	70	219	83	124	144	370	41.4	37.9	48.7	59.1
Of which: LDCs	41	53	93	366	95	143	169	562	43.0	37.1	55.3	65.1
World	4,671	8,747	15,989	37,198	11,021	21,977	32,329	63,136	42.4	39.8	49.5	58.9
<b>Memo:</b>												
Developing econ, excl. China & India	1,024	1,702	3,905	9,998	1,809	2,886	5,026	12,380	56.6	59.0	77.7	80.8
Upper middle income, excl. China	396	636	1,404	3,549	1,008	1,578	2,603	6,587	39.3	40.3	54.0	53.9
Lower middle income, excl. India	192	257	516	1,537	352	461	737	2,366	54.4	55.8	70.0	65.0
BRICS 5 countries	168	459	1,043	5,563	695	1,774	2,710	11,609	24.2	25.8	38.5	47.9

Source: World Bank WDI database.

## POLICY ISSUES

This strong overall trade performance—with some exceptions, for example Sub-Saharan Africa in manufactures-- raises a lot of questions about the factors responsible, the implications for the architecture of the trading system as well as its sustainability.

How much of this growth was due to the developing countries own policies? To what extent improved market access resulted from the implementation of multilateral trade liberalization following the Uruguay Round Agreements as well as the establishment of numerous regional preferential arrangements? Following the

2008 crisis, protectionism has reared its ugly head again—but much less than had been feared (Wolf, 2011; Dadush, Ali and Odell, 2011).

To what extent does the robust developing country performance reflect the strengthening of their capacity to export, although weaknesses in trade institutions and infrastructure continue to be a problem in many low income developing countries and the least developed? And what does about the impact of this growth on poverty and income inequality?

Partly as a consequence of the strong trade performance, in the last decade the role developing countries play in global trade relations has changed dramatically; and they have become increasingly assertive in global trade negotiations in the WTO. What does this mean for the future of the WTO?

Finally, to what extent are these trends sustainable? The slow-down in China's and India's growth, Europe's continued problems with the euro and US's slow recovery pose obvious dangers. Commodity trade booms are often followed by busts. While protectionism has not been as bad as it has been feared, the cumulative effect of protective measures may have an impact over time.

All these issues create obvious risks for the sustainability of the surge in developing country trade. But we should not allow these risks to overshadow what has been accomplished in the last thirty years. The world tomorrow will be very different from the world of the 1980s and developing countries will play a much more important role in the future trading system because of what they have accomplished already.

Overall averages disguise stagnation in many countries. On the other hand, the successful performance of many countries, several of which are low income,

suggests that marginalization, stagnation and poverty are not inevitable. Countries can integrate in the world economy, grow and alleviate poverty. The key questions have to do with the policies and institutions both in the countries themselves and in the international environment that can support this objective; and in this context, the role played by international trade and the WTO.

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**Endnotes:**

<sup>1</sup> For a description of developing country and group coverage, see Appendix A.

<sup>2</sup> For a list of parts and component products, see Appendix B Table 3.

<sup>3</sup> For example: countries of the former Soviet Union in the period before 1995.

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## APPENDIX A

### COUNTRY GROUPINGS

There is no formal ‘developing country’ definition in any of the major international organizations such as the World Bank or the World Trade Organization. The former uses for statistical purposes a per capita income grouping which does not distinguish between developed and developing countries which is used in part in this analysis. The WTO has no official breakdown of developed versus developing countries. For operational purposes ‘developing’ countries use the principle of self selection. The breakdown between developed and developing countries used in this analysis follows roughly the breakdown used by the WTO for statistical purposes with a few changes to be noted below.

Developed countries in our analysis include 47 countries in all of Europe (including Belarus, Kazakhstan, Russia and Ukraine, but not Armenia, Azerbaijan, Georgia, or Moldova), Australia, Canada, Israel, Japan, New Zealand, Turkey and the US. This is pretty close to the WTO definition with the exception that South Africa, which the WTO classifies as ‘developed’ in our case is in the developing country group—while Turkey, classified by WTO as developing is in our analysis with the developed—as it is applying for association with the EU. Also, Armenia, Georgia and the Kyrgyz Republic classify themselves in the WTO as ‘transition’ economies- a category that had been used in the past but which is of doubtful usefulness in this analysis. All three countries are classified as ‘developing’ as is Moldova, Tajikistan, Turkmenistan and Uzbekistan.

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All remaining countries and territories are considered developing. For merchandise trade, the analysis has data for 145 countries. 46 are in Sub-Saharan Africa, 42 in Asia, 35 in Latin America and Caribbean, and 22 in Europe, Middle East and North Africa. The latter region includes the five North Africa countries (Morocco, Algeria, Tunisia, Libya and Egypt) and stretches all the way East to include Iraq and Iran (but not Afghanistan -- which is in Asia). It also includes Armenia, Azerbaijan, Georgia and Moldova. Far less service data are available for developing countries. In this case our analysis includes information for 132 developing countries, 46 in Sub-Saharan Africa, 33 in Latin America and the Caribbean, 33 in Asia, and 20 in Europe, Middle East and North Africa.

OPEC consists of 12 members as follows: Algeria, Angola, Libya, Nigeria, Indonesia, Iran, Iraq, Venezuela, Kuwait, Qatar, Saudi Arabia, United Arab Emirates.

The income level analysis uses the same definition for developed countries as above. Developing and transition economies are then grouped into five categories using basically the World Bank definitions of groupings and per capita income in 2012 for 192 economies/countries, except that the Least Developed countries (LDCs) which are the 48 countries in the UN list are shown as a separate category; Low income countries -- those with per capita income less than \$1,025 (except the LDCs); Lower Middle Income \$1,026-4,035; Upper Middle Income \$4,036-12,475; and High Income \$12,476 or more.

For merchandise trade sectoral breakdown data are available for 161 countries from UN COMTRADE with 42 LDCs (6 LDCs are missing data); but information



Developing econ, excl China, India	1990	13.3	4.0	26.1	55.6	4.4	13.0	21.5	17.5
Upper Mid-income, excl. China	1990	23.9	8.1	30.4	36.8	4.0	6.2	15.2	12.2
Lower Mid-income, excl. India	1990	19.4	5.4	40.9	30.3	3.6	15.7	2.5	10.3
Developed economies	2000	8.5	2.8	5.9	77.4	10.6	4.0	43.8	19.3
Developing economies	2000	8.2	2.7	19.2	68.3	5.0	10.9	36.1	16.7
High income Developing	2000	2.4	1.3	19.5	75.3	5.9	9.6	43.4	16.6
Upper Middle income	2000	11.6	3.7	15.5	67.8	4.5	10.0	35.6	17.9
Lower Middle income	2000	13.6	3.4	31.3	49.6	3.9	15.4	17.2	13.8
Low income	2000	33.2	6.9	3.6	50.6	2.2	42.6	2.0	9.2
Of which: LDCs	2000	21.5	6.3	25.9	41.7	1.8	35.4	1.9	6.1
World	2000	8.4	2.8	10.1	74.6	8.8	6.1	41.4	18.5
<b>Memo:</b>									
Developing econ, excl China, India	2000	8.3	2.8	22.0	65.1	4.9	8.9	37.3	14.4
Upper Mid-income, excl. China	2000	13.7	4.5	20.6	59.3	4.4	5.2	36.7	13.2
Lower Mid-income, excl. India	2000	13.5	3.5	36.5	44.3	2.7	13.1	19.0	10.2
Developed economies	2010	9.4	4.4	10.7	68.9	14.0	2.8	34.0	18.4
Developing economies	2010	8.0	4.3	19.2	65.4	6.6	6.7	35.6	16.7
High income Developing	2010	1.9	1.7	24.6	65.7	8.3	3.2	39.9	14.5
Upper Middle income	2010	9.8	5.5	12.5	71.0	5.7	8.1	38.8	18.7
Lower Middle income	2010	16.0	6.3	31.3	44.4	5.9	10.5	13.8	15.0
Low income	2010	33.4	9.9	9.6	34.3	2.3	14.1	3.6	16.9
Of which: LDCs	2010	21.4	15.7	28.6	23.9	1.7	9.8	3.1	11.0
World	2010	8.8	4.3	14.2	67.5	11.0	4.4	34.6	17.7
<b>Memo:</b>									
Developing econ, excl China, India	2010	9.7	5.2	25.8	55.0	6.8	4.0	31.5	12.9
Upper Mid-income, excl. China	2010	16.6	9.8	23.8	47.3	5.9	2.6	27.4	11.6
Lower Mid-income, excl. India	2010	18.1	5.9	36.7	37.5	4.0	9.6	13.6	10.7

Note: The classification of product groups is defined in SITC revision 2 as All goods (0 to 9), Agriculture & feed (0+1+2+4-27-28), Ores & metals (27+28+68), fuels (3), All manufactures (5+6+7+8-68), Chemical products (5), Textiles & clothing (26+65+84), Machinery & transport (7), Other manufactures (6+8-65-68-84).

Source: Based on UN COMTRADE Statistics.



**Appendix Table 2: Structural Changes in Sectoral Shares of Exports by Region from 1980 to 2010**

Region	Year	Share in Total Exports (%)							
		Agric. & Feed	Ores & Metals	Fuels	All Manuf.	Of which in Total Manufacturing			
						Chemical Products	Textiles & Clothing	Machinery & Transp.	Other Manuf.
World	1980	14.9	4.7	16.4	61.1	8.0	5.9	29.2	18.9
Developing economies	1980	15.5	4.5	53.3	20.9	1.5	6.8	5.7	7.7
Asia	1980	23.3	5.6	21.6	46.8	2.4	15.2	13.8	16.1
Latin America & Caribbean	1980	44.3	13.2	27.1	15.1	3.0	5.4	3.2	6.0
Europe, Middle East & N. Africa	1980	1.8	1.1	94.9	2.2	0.5	1.2	0.6	0.4
Sub-Saharan Africa	1980	23.1	7.7	15.2	14.9	1.8	2.7	1.8	10.3
<b>Memo:</b>									
BRICS 5 countries	1980	16.2	7.1	3.0	27.3	2.7	7.2	3.4	15.4
OPEC 12 members	1980	1.0	0.1	98.1	0.8	0.1	0.0	0.4	0.3
World	1990	12.2	3.5	8.6	73.6	8.9	7.4	37.2	20.7
Developing economies	1990	13.7	3.8	23.9	57.3	4.6	14.8	20.8	18.1
Asia	1990	11.8	1.9	8.1	76.7	4.4	20.5	28.7	23.9
Latin America & Caribbean	1990	28.1	12.4	26.3	32.2	5.0	4.3	11.6	12.7
Europe, Middle East & N. Africa	1990	4.3	2.1	77.9	15.4	5.8	4.9	2.3	2.9
Sub-Saharan Africa	1990	17.9	3.5	69.7	8.6	1.1	5.3	1.1	2.9
<b>Memo:</b>									
BRICS 5 countries	1990	20.9	6.0	5.8	65.6	6.2	22.0	16.1	22.9
OPEC 12 members	1990	2.7	2.0	86.7	8.3	3.4	0.9	1.6	2.5
World	2000	8.4	2.8	10.1	74.6	8.8	6.1	41.4	18.5
Developing economies	2000	8.2	2.7	19.2	68.3	5.0	10.9	36.1	16.7
Asia	2000	6.1	1.7	5.4	85.7	5.5	14.4	45.3	20.7
Latin America & Caribbean	2000	17.4	6.3	17.3	57.1	4.7	4.7	34.8	13.2
Europe, Middle East & N. Africa	2000	3.0	1.5	81.1	12.3	3.4	3.9	2.5	2.7
Sub-Saharan Africa	2000	17.2	6.2	42.9	27.3	3.4	4.8	6.3	14.3
<b>Memo:</b>									
BRICS 5 countries	2000	9.5	5.0	13.7	67.9	5.9	14.2	23.5	24.5
OPEC 12 members	2000	2.0	0.9	89.6	7.2	2.7	1.1	1.4	2.0
World	2010	8.8	4.3	14.2	67.5	11.0	4.4	34.6	17.7
Developing economies	2010	8.0	4.3	19.2	65.4	6.6	6.7	35.6	16.7
Asia	2010	5.9	2.3	6.7	83.5	7.3	9.0	46.4	21.0
Latin America & Caribbean	2010	20.6	13.2	20.3	43.0	5.4	2.3	25.4	10.1
Europe, Middle East & N. Africa	2010	3.6	1.6	67.3	17.7	5.8	2.0	4.6	5.4
Sub-Saharan Africa	2010	14.9	15.0	42.3	23.5	3.1	2.0	7.9	11.4

<b>Memo:</b>									
BRICS 5 countries	2010	6.7	4.9	14.2	72.1	5.8	9.8	35.4	21.4
OPEC 12 members	2010	2.7	0.9	74.7	12.9	4.3	0.6	3.4	4.6

Note: The classification of product groups is defined in SITC revision 2 as All goods (0 to 9), Agriculture & feed (0+1+2+4-27-28), Ores & metals (27+28+68), fuels (3), All manufactures (5+6+7+8-68), Chemical products (5), Textiles & clothing (26+65+84), Machinery & transport (7), Other manufactures (6+8-65-68-84).

Source: Based on UN COMTRADE Statistics.

### Appendix Table 3: Products of Parts and Components

SITC	Product of Parts and Components (75) in Rev. 2
65	Textile yarn, fabrics & made-up materials
6112	Leather fiber composition
691	Parts of structure in iron and steel
69733	Parts of cooking and heating apparatus
69911	Locks and parts
6992	Chain and parts
69971	Anchors and parts
7119	Parts of boilers and auxiliary plants
7129	Parts of steam power units
71319	Parts of aircraft internal comb engines
7132	Internal combustion engines for vehicles
7133	Internal combustion engines for marine
7139	Parts of internal combustion engines
7149	Parts of other engines and motors
7169	Parts of rotating electric motors
71889	Parts of water and hydraulic motors
72119	Parts of cultivating equipment
72129	Parts of harvesting machinery
72139	Parts of dairy machinery
72198	Parts of wine making machinery
72199	Parts of other agricultural machinery
7239	Parts of construction machinery
72449	Parts of spinning and extruding machinery
72469	Parts & loom and knitting machinery
72479	Parts of textile machinery
7259	Parts of paper making machinery
72689	Parts of book binding machinery
7269	Parts of printing & typesetting machinery
72719	Parts of grain milling machinery
72729	Parts of the food processing machinery
72819	Parts of machine tools for special industry
72839	Parts of mineral working machinery
72849	Parts of machines for other special industry
7369	Parts of machine tools for metal industry

73719	Parts of foundry equipment
73729	Parts of rolling mills
74149	Parts of refrigerating equipment
7429	Parts of the pumps for liquids
7439	Parts of centrifuges and filters
74419	Parts of fork lift trucks
7449	Parts of lifting and loading machinery
74519	Parts of power hand tools
74523	Parts of packing machinery
7499	Parts of other non-electric machinery
759	Parts of office and adding machinery
764	Parts of telecommunication equipment
77129	Parts of other electric power machinery
772	Parts of switchgear
77579	Parts of domestic electrical equipment
77589	Parts of electrothermic appliances
776	Parts of electronic components
77819	Parts of electronic accumulators
77829	Parts of electric lamps and bulbs
7783	Internal electric equipment for automotives
77889	Parts of other electrical machinery
784	Parts & motor vehicles and accessories
625	Rubber tyres for wheels
78539	Parts of carriages and cycles
78689	Parts of trailers and non-motor vehicles
79199	Parts of railway vehicles and equipment
7929	Parts of aircraft
81242	Parts of lighting fittings and base metals
82119	Parts of chairs and seats
82122	Mattress supports and cushion for furniture
82199	Parts of other furniture materials
87429	Parts of measuring and drawing machines
8749	Parts of instruments and accessories
88119	Parts of still cameras and apparatus
88121	Parts of cameras under 16mm
88129	Parts of other cameras under/over 16mm
88411	Parts of un-mounted optical elements
88514	Watch cases and parts
88529	Parts of clocks and watches
8989	Parts of musical instrument & accessories
89949	Parts of umbrellas and cans

Note: Parts and components items are defined as those products with official description of "Parts of ....." and other noble components in SITC revision 2, including textiles and clothing (65+61), machinery and transport equipment (7), metal manufacturing (69), and other miscellaneous manufactured goods (8). See details in the papers – Aminian, N., KC Fung, and F. Ng (2009) and Fung, KC, I. Korhonen, K. Li, and F. Ng (2009).

Source: Based on UN COMTRADE Statistics.

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