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## **AFRICA IN THE GLOBAL ECONOMY: EXAMINING TRADE DIVERSIFICATION AND NEW PATTERNS OF TRADE IN SOME LARGE AFRICAN ECONOMIES**

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### **ABSTRACT**

The article investigates the extent of changes in trade patterns and diversification in selected African countries over the period 2001-2013. The trade intensity index, revealed trade barriers index, and the export concentration index were used. Examined over several years, each index gives insights into new trade patterns and diversification that emerge in each country. In some cases, the extent to which the countries trade intensively with some of their trading partners changed as they adopted new trading partners and diversified their trade. In some cases, the trade barriers indexes which serve as indicators of the possibility of trade barriers against a commodity from a particular country changed over the years in line with some of the emerging trading patterns. Since easier market access benefits both countries, this gives insights into which trade would provide more opportunities for trade benefits to accrue. Export diversification reduces risks and facilitates economic development. The export concentration indexes show a slow pace of trade diversification by Nigeria, while the patterns for South Africa and Kenya are more diversified.

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### **1. Introduction**

In this research three African countries were selected using their 2013 nominal gross domestic product (GDP) and their respective sizes in the regional groupings where they are members. Nigeria is the largest economy in West Africa, Kenya is the largest economy in East Africa, while South Africa is the largest economy in Southern Africa. Therefore, these are the countries used in this research.

### **2. Methodology**

In this research the trade data used was obtained from the International Trade Center tradebase available on the web link: [www.trademap.org](http://www.trademap.org). The trade data is for the period 2001-2013, although the period for which most recent trade data is available varies between countries. This trade data is used to compute the trade intensity indexes and the trade barrier indexes for each country. The trade concentration indexes computed by the United Nations Commission for Trade and Development (UNCTAD) and available at <http://unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx> are used instead of computing my own values. The models used to establish changes in the trade patterns of the selected countries are discussed below.

#### **2. 1. Export Concentration Index<sup>1</sup>**

This indicator reflects the Herfindahl-Hirschmann index (HHHI) measure of the degree of export concentration within a country and is

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<sup>1</sup> The import concentration index is calculated using the same method.

constructed using the sum of the squares of sectoral shares in total export. The Herfindahl-Hirschmann index is given by the following equation:

$$H^i = \frac{\sum (s_k^i)^2}{K} \quad [1]$$

Where:

Countries are shown by  $i$ , and sectors by  $k$ .

$(s_k^i)$  is the share of sector  $k$  in country  $i$ 's exports.

By construction,  $H^i$  ranges from  $1/K$  to 1, where  $K$  is the number of products exported.  $H^i = 1$  indicates that only a single product is exported, and therefore the country is completely focused on one sector. Higher values indicate that exports are concentrated in fewer sectors while lower values of the index indicate more diversification (WTO and UNCTAD, 2012, p. 23; Bebczuk and Berrettoni, 2006, p. 4; La, 2011, p. 37; Hoekman, *et al*, 2002, p. 587).

However, as noted by various authors, an inherent problem with this measure is that the results obtained with this method cannot be compared between countries since it is correlated with the number of products or sectors ( $K$ ) in a country. The lower limit of the HHI changes with the number of sectors ( $K$ ), and the number of products or sectors differs from country to country and from year to year. Thus, a country with more sectors will produce a lower value for the measure than a country with fewer sectors or sectors with equal shares.

Therefore, to avoid the spurious effect of the difference in the number of sectors in each year, the Herfindahl-Hirschmann index has been normalized to obtain values ranking from 0 to 1 regardless of the number of sectors ( $K$ ). The normalized Herfindahl-Hirschmann index is given by the following equation:

$$NH^i = \frac{(H^i - 1/K)}{(1 - 1/K)} \quad [2]$$

Where:

$NH^i$  is the normalized Herfindahl-Hirschmann index;

$H^i$  is the usual Herfindahl-Hirschmann index, which varies between  $1/K$  and 1; and  $K$  is the number of sectors (Lapteacru, 2012, p.83; Du, *et al*, 2013, pp.6-7; WTO and UNCTAD, 2012, p.23; Evans, 2014, pp.22-23).

However, it is important to note that the export concentration index as a type of concentration indicator tends to be quite vulnerable to cyclical fluctuations in relative-prices, in that commodity price increases make commodity exporters look more concentrated.

In this research, the number of products (or sectors) is based on SITC, Revision 3 commodity classification at 3-digit group level. This figure includes only those products that are greater than US\$100,000 or more than 0.3 percent of the country's total exports or imports. The maximum number of products is 261, although this varies from year to year in each country. The normalized Herfindahl-Hirschmann indexes used are provided by UNCTAD and available at <http://unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx>.

## 2. 2. Trade Intensity Index

The trade intensity index measures and analyzes bilateral trade flows and resistances. This is important because a country tends to benefit more from trade with those countries it trades with more intensively. By establishing the extent to which each of the selected African countries trades intensively with their trading partners, it is possible to see whether there have been any changes in trade patterns over the years, and the countries with which they can benefit more from trade.

The level of intensity shows the proportion of exports of country *i* that goes to country *j* weighted by the world share of imports for country *j*. The trade intensity index ( $I_{ij}$ ) is expressed as shown in the equation below.

$$I_{ij} = \frac{(X_{ij})}{(X_i)} \frac{M_j}{(M_w - M_i)} \text{-----} [3]$$

where

$X_{ij}$  is country *i*'s exports to country *j*;

$X_i$  is country *i*'s total exports;

$M_j$  is country *j*'s total imports;

$M_i$  is country *i*'s total imports; and

$M_w$  is total world imports (Weldemicael, 2010, pp.7, 8; Edmonds and Li, 2010, p.5; Drysdale and Garnaut, 1982, p.68; Foroutan, 1998, p.11).

$I_{ij}$  has values ranging from zero to an infinite positive number, and higher values indicate greater importance of the selected partner region/or country. If  $I_{ij} = 1$ , this means that the proportion of exports of country  $i$  that goes to country  $j$  is in exact proportion to country  $j$ 's world share of imports. In this case, therefore, the trade partners are trading without geographic bias. If  $I_{ij} > 1$ , this means that trade between two countries is more intensive than expected; and if  $I_{ij} < 1$ , this means that trade between two countries is less intensive than expected, thus indicative of a small flow of trade between countries  $i$  and  $j$  relative to country  $j$ 's trade with the rest of the world (Weldemicael, 2010, pp.7, 8; Foroutan, 1998, p. 11; Edmonds and Li, 2010, p. 5; Gilbert, 2010, p.18; Drysdale and Garnaut, 1982, p. 68).

The trade intensity index will not be decomposed into two indexes that separate the effects of the commodity composition (complementarity) from other factors influencing the intensity of trade because all we are interested in is the general insight into how intensely the selected countries trade with their respective major trading partners.

### 2. 3. Revealed Trade Barriers Index

Revealed trade barriers is an analysis of a country's trade patterns which can reveal barriers to trade that would not have been identified by simply looking at the official tariff rates. The revealed trade barrier index will indicate whether a particular product imported by a country is more or less important compared to that country's total imports of that commodity from all sources. The index therefore serves as an indicator of the possibility of trade barriers against importation of such a commodity from a particular country. The trade barriers could be in the form of tariffs or non-tariff barriers. The index would thus give insight into the ease of market access for products from the selected countries into the markets of their respective major trading partners. By examining this over a period of years, it is possible to see whether any new trade patterns through easier market access have emerged over the years.

Revealed trade barriers (RTB) seeks to establish whether the imports by country,  $j$ , of a particular commodity,  $k$ , from country,  $i$ , are

more or less important compared to country  $j$ 's total imports of that commodity for all sources. The index can thus be calculated using the following formula:

$$RTB_{ik}^j = \frac{M_{ik}^i / \sum M_i}{\sum M_k / \sum M} \text{-----}[4]$$

Where:

$M_{ik}^i / \sum M_i$  = the share of commodity  $k$  in country  $j$  imports from country  $i$

$\sum M_k / \sum M$  = the share of commodity  $k$  in world imports.

$M_{ik}^i$  = imports of commodity  $k$  from country  $i$  by country  $j$

$\sum M_i$  = total imports from country  $i$  by country  $j$

$\sum M_k$  = total world imports of commodity  $k$ ;  $\sum M$  = total world imports

The results can then be interpreted as follows:

$RTB_{ik}^j < 1$ , then we may conclude that country,  $i$ , is exporting relatively more of commodity,  $k$ , to the rest of the world than to country  $j$ . Thus, there is possibly discrimination against commodity,  $k$ , originating from country,  $i$ , going into country  $j$ .

$RTB_{ik}^j = 1$ , there is no discriminatory trade barrier against commodity,  $k$ , from  $i$  in  $j$

$RTB_{ik}^j > 1$ , Country,  $j$ , is importing more from country,  $i$ , than expected. There is possibly preferential treatment of commodity,  $k$ , originating from country,  $i$ , going into country,  $j$ . (TIPS, Date unknown; Willcox and van Seventer, 2005, p.200).

Easier market access accrues trade benefits to both the exporting and the importing countries. Therefore, by comparing market access for a country's products, one gets some insights into which trade would provide more opportunities for trade benefits to accrue.

### 3. Results and Findings on Trade Patterns in the Selected Countries

By using results of the various indexes obtained, the trade patterns and any changes thereof of the three countries are presented and discussed in Sections 3.1 to 3.3 below.

### 3.1. Nigeria's Trade Patterns (2001-2013)

Table 1 shows the level of concentration of Nigeria's exports and imports. For its export trade,  $NHI > 0.7$  throughout the period, which depicts a very high level of export concentration. This shows that Nigeria continues to rely heavily on few sectors for its exports, with such sectors dominating its exports. With regards to the import trade,  $NHI < 0.1$  for the early years of the 2000s, which depict a very low level of import concentration. While  $HHI > 0.1$  after 2006, in general, unlike its exports, Nigeria's import trade is spread over a wide range of imports, with no sector particularly dominating its imports.

Table 2 shows that the top imports are HS84, HS87 and HS85, in that order. In terms of factor intensity, Nigeria's major imports are mostly manufactures categorized as medium-skills and technology-intensive, high-skills and technology-intensive, and some low-skills and technology-intensive. The major export is HS27, while HS89 which used to rank second in the early 2000s, fell to fifth position by 2013. For most years, HS41 has been in the top five, while HS18 which was not even in the top 10 in the early 2000s, rose to be among the top four after 2006. In terms of factor intensity, while mineral fuels are the major exports with resource-intensive manufactures contributing a significant share, high-skill technology-intensive manufactures as well as medium-skills and technology-intensive manufactures also constitute a fair share of Nigeria's exports as evidenced by HS40 and HS84. This thus reflects positively on the country's levels of industrial development and initiatives to diversify its exports.

Table 3 shows that with regards to import sources, the United States has always been a major source, ranking first or second. China, which used to be the third important source, rose to rank first in 2007-2009, and 2012.

**Table 1: Nigeria's Concentration Indices of Merchandise Exports and Imports (2001-2013)**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Exports	0.88	0.84	0.88	0.89	0.89	0.88	0.85	0.83	0.84	0.80	0.79	0.77	0.77
Imports	0.06	0.07	0.07	0.13	0.08	0.09	0.10	0.12	0.10	0.10	0.12	0.11	0.10

Source: Indices computed by UNCTAD and available at <http://unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx>

Number of products is based on SITC, Revision 3 commodity classification at 3-digit group level. This figure includes only those products that are greater than US\$100 000 or more than 0.3 per cent of the country's total exports or imports. In the period given, the number of total export products ranged between 147 and 229, while the number of total import products ranged between 239 and 254.

Table 2: Nigeria's Top Ten Imports and Exports (2001-2013)

Imports	Factor Intensity [skill & technology intensity]	Period of Years										
		2001	2002	2003	2006	2007	2008	2009	2010	2011	2012	2013
HS84	Mainly MS & TI; some HT & TI; few LS & TI	1 <sup>st</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>					
HS87	Mainly MS & TI; some LS & TI	2 <sup>nd</sup>	3 <sup>rd</sup>	5 <sup>th</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	3 <sup>rd</sup>
HS85	Mainly MS & TI; some HT & TI; few LS & TI	4 <sup>th</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>					
HS10	Non fuel primary commodities	3 <sup>rd</sup>	4 <sup>th</sup>	7 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	7 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	5 <sup>th</sup>	3 <sup>rd</sup>	6 <sup>th</sup>
HS72	Low skill & technology intensive manufactures	5 <sup>th</sup>	8 <sup>th</sup>	8 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	11 <sup>th</sup>	13 <sup>th</sup>	8 <sup>th</sup>	8 <sup>th</sup>
HS39	Some MS & TI and HT & TI; few RI	7 <sup>th</sup>	6 <sup>th</sup>	6 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>	4 <sup>th</sup>	5 <sup>th</sup>	8 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>

Table 2 (continued): Nigeria's Top Ten Imports and Exports (2001-2013)

Imports	Factor Intensity [skill & technology intensity]	Period of Years										
		2001	2002	2003	2006	2007	2008	2009	2010	2011	2012	2013
HS03	Non fuel primary commodities (NFPC)	6 <sup>th</sup>	9 <sup>th</sup>	10 <sup>th</sup>	7 <sup>th</sup>	8 <sup>th</sup>	8 <sup>th</sup>	8 <sup>th</sup>	7 <sup>th</sup>	9 <sup>th</sup>	6 <sup>th</sup>	14 <sup>th</sup>
HS73	Low skill & technology intensive manufactures	16 <sup>th</sup>	7 <sup>th</sup>	9 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>	4 <sup>th</sup>	5 <sup>th</sup>	4 <sup>th</sup>	10 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>
HS27	Mineral fuels	12 <sup>th</sup>	16 <sup>th</sup>	2 <sup>nd</sup>	9 <sup>th</sup>	12 <sup>th</sup>	12 <sup>th</sup>	18 <sup>th</sup>	12 <sup>th</sup>	3 <sup>rd</sup>	10 <sup>th</sup>	1 <sup>st</sup>
HS89	Low skill & technology intensive manufactures	24 <sup>th</sup>	5 <sup>th</sup>	4 <sup>th</sup>	14 <sup>th</sup>	24 <sup>th</sup>	21 <sup>st</sup>	27 <sup>th</sup>	23 <sup>rd</sup>	15 <sup>th</sup>	24 <sup>th</sup>	9 <sup>th</sup>

Table 2 (continued): Nigeria's Top Ten Imports and Exports (2001-2013)

Exports	Factor Intensity [skill & technology intensity]	2001	2002	2003	2006	2007	2008	2009	2010	2011	2012	2013
HS27	Mineral fuels	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>				
HS89	Low skill & technology intensive manufactures	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	5 <sup>th</sup>	2 <sup>nd</sup>	6 <sup>th</sup>	7 <sup>th</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>
HS40	MS & TI; few NFPC; few RI	3 <sup>rd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	7 <sup>th</sup>	4 <sup>th</sup>	8 <sup>th</sup>	8 <sup>th</sup>	5 <sup>th</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	7 <sup>th</sup>
HS41	Mainly RI and few non-fuel primary commodities	4 <sup>th</sup>	14 <sup>th</sup>	6 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	5 <sup>th</sup>	5 <sup>th</sup>	4 <sup>th</sup>
HS84	Mainly MS & TI; some HT & TI; few LS & TI	7 <sup>th</sup>	6 <sup>th</sup>	3 <sup>rd</sup>	6 <sup>th</sup>	14 <sup>th</sup>	6 <sup>th</sup>	5 <sup>th</sup>	8 <sup>th</sup>	12 <sup>th</sup>	13 <sup>th</sup>	13 <sup>th</sup>
HS18	Non fuel primary commodities	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	9 <sup>th</sup>	2 <sup>nd</sup>	4 <sup>th</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>
HS12	Non fuel primary commodities	10 <sup>th</sup>	7 <sup>th</sup>	13 <sup>th</sup>	11 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>	4 <sup>th</sup>	6 <sup>th</sup>	8 <sup>th</sup>	3 <sup>rd</sup>

Table 2 (continued): Nigeria's Top Ten Imports and Exports (2001-2013)

Exports	Factor Intensity [skill & technology intensity]	2001	2002	2003	2006	2007	2008	2009	2010	2011	2012	2013
HS76	Non fuel primary commodities; some LS & TI	15 <sup>th</sup>	10 <sup>th</sup>	30 <sup>th</sup>	16 <sup>th</sup>	7 <sup>th</sup>	9 <sup>th</sup>	14 <sup>th</sup>	10 <sup>th</sup>	8 <sup>th</sup>	11 <sup>th</sup>	8 <sup>th</sup>
HS52	Mainly RI : few non-fuel primary commodities	8 <sup>th</sup>	9 <sup>th</sup>	12 <sup>th</sup>	13 <sup>th</sup>	11 <sup>th</sup>	11 <sup>th</sup>	10 <sup>th</sup>	6 <sup>th</sup>	11 <sup>th</sup>	9 <sup>th</sup>	12 <sup>th</sup>
HS39	Some MS & TI and HT & TI; few RI	17 <sup>th</sup>	13 <sup>th</sup>	9 <sup>th</sup>	10 <sup>th</sup>	8 <sup>th</sup>	5 <sup>th</sup>	10 <sup>th</sup>	9 <sup>th</sup>	10 <sup>th</sup>	14 <sup>th</sup>	22 <sup>nd</sup>

Sources: Own table derived from statistical data obtained from ITC trade database available on <http://www.trademap.org>

**Notes:**

ITC calculations are based on UN COMTRADE statistics. Statistical data for 2004 and 2005 were not available.

MS & TI = Medium skill and technology intensive manufactures

HS & TI = High skill and technology intensive manufactures

LS & TI = Low skill and technology intensive manufactures

RI = Resource intensive manufactures

NFPC = Non-fuel primary commodities

HS product classification skill and technology intensity available at

<http://www.unctad.info/en/Trade-Analysis-Branch/Data-And-Statistics/Other-Databases/>

**Table 3: Nigeria's Top Ten Trading Partners (2001-2012)**

	2001	2002	2003	2006	2007	2008	2009	2010	2011	2012
<b>Import Sources for Nigeria</b>										
United States	2 <sup>nd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	2 <sup>nd</sup>
United Kingdom	1 <sup>st</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	6 <sup>th</sup>	5 <sup>th</sup>	10 <sup>th</sup>	11 <sup>th</sup>	5 <sup>th</sup>
China	3 <sup>rd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>
Germany	4 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>	4 <sup>th</sup>	5 <sup>th</sup>	3 <sup>rd</sup>	18 <sup>th</sup>	22 <sup>nd</sup>	5 <sup>th</sup>	8 <sup>th</sup>
Belgium	5 <sup>th</sup>	6 <sup>th</sup>	6 <sup>th</sup>	5 <sup>th</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	9 <sup>th</sup>	8 <sup>th</sup>	9 <sup>th</sup>	6 <sup>th</sup>
France	7 <sup>th</sup>	8 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>	5 <sup>th</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	7 <sup>th</sup>	10 <sup>th</sup>
India	9 <sup>th</sup>	9 <sup>th</sup>	10 <sup>th</sup>	6 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>	5 <sup>th</sup>	8 <sup>th</sup>	3 <sup>rd</sup>
Brazil	13 <sup>th</sup>	14 <sup>th</sup>	14 <sup>th</sup>	14 <sup>th</sup>	8 <sup>th</sup>	14 <sup>th</sup>	8 <sup>th</sup>	9 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>
Japan	8 <sup>th</sup>	7 <sup>th</sup>	11 <sup>th</sup>	9 <sup>th</sup>	12 <sup>th</sup>	10 <sup>th</sup>	9 <sup>th</sup>	11 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>
Italy	12 <sup>th</sup>	12 <sup>th</sup>	5 <sup>th</sup>	8 <sup>th</sup>	10 <sup>th</sup>	11 <sup>th</sup>	11 <sup>th</sup>	6 <sup>th</sup>	10 <sup>th</sup>	9 <sup>th</sup>

**Table 3 (continued): Nigeria's Top Ten Trading Partners (2001-2012)**

	2001	2002	2003	2006	2007	2008	2009	2010	2011	2012
<b>Export Destinations for Nigeria's Products</b>										
United States	1 <sup>st</sup>									
India	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>				
Brazil	5 <sup>th</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	5 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>				
Spain	3 <sup>rd</sup>	4 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	12 <sup>th</sup>	6 <sup>th</sup>	5 <sup>th</sup>	7 <sup>th</sup>	5 <sup>th</sup>	8 <sup>th</sup>
France	4 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>	4 <sup>th</sup>	5 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>	9 <sup>th</sup>
Netherlands	9 <sup>th</sup>	13 <sup>th</sup>	12 <sup>th</sup>	9 <sup>th</sup>	19 <sup>th</sup>	5 <sup>th</sup>	10 <sup>th</sup>	4 <sup>th</sup>	12 <sup>th</sup>	4 <sup>th</sup>
United Kingdom	21 <sup>st</sup>	22 <sup>nd</sup>	20 <sup>th</sup>	16 <sup>th</sup>	17 <sup>th</sup>	13 <sup>th</sup>	12 <sup>th</sup>	15 <sup>th</sup>	4 <sup>th</sup>	5 <sup>th</sup>
Italy	6 <sup>th</sup>	7 <sup>th</sup>	9 <sup>th</sup>	10 <sup>th</sup>	13 <sup>th</sup>	7 <sup>th</sup>	6 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	6 <sup>th</sup>
China	18 <sup>th</sup>	19 <sup>th</sup>	18 <sup>th</sup>	19 <sup>th</sup>	10 <sup>th</sup>	21 <sup>st</sup>	14 <sup>th</sup>	13 <sup>th</sup>	13 <sup>th</sup>	7 <sup>th</sup>
South Africa	15 <sup>th</sup>	10 <sup>th</sup>	10 <sup>th</sup>	13 <sup>th</sup>	6 <sup>th</sup>	8 <sup>th</sup>	6 <sup>th</sup>	12 <sup>th</sup>	11 <sup>th</sup>	10 <sup>th</sup>

Sources: Own table derived from statistical data obtained from ITC trade database available on <http://www.trademap.org>  
Notes: ITC calculations are based on UN COMTRADE statistics  
Statistical data for 2004 and 2005 were not available.  
The year 2012 is the most recent year for which Nigeria's trade data with various countries is available

The United Kingdom was in the top three import sources only up to 2006. In terms of export destinations, the U.S. and India, in that order, have always been the top two export destinations, with Brazil ranking third in most years. In Europe, Spain, France, Italy, the Netherlands and the United Kingdom, in that order, have been Nigeria's major export destinations. China's position as an export destination has been improving over the years to rank seventh by 20

With regards to trade intensity with its major trading partners, Table 4 below shows that Nigeria trades most intensively with Brazil, India, and the U.S., in that order. Trade intensity with Brazil overtook that with India after 2002, as evidenced by the size of the trade intensity index with Brazil compared with India. Nigeria also trades intensively with the Economic Community of West African States (ECOWAS), a regional grouping in which it is a member, with the trade intensity index with this grouping higher than that with the United States. Even though Europe is a major trading partner, Nigeria has not been trading intensively with the European Union. Also to note is that even though China is a major import source and has progressively improved as an export destination, Nigeria is yet to trade intensively with this country.

Table 5 shows indicators of the possibility of trade barriers against importation of Nigeria's major exports to its major trading partners. The U.S. is the top export destination for Nigeria, and out of the top ten exports to the U.S., it is only HS27 (these are mineral fuels) which received preferential treatment into the U.S. market. India is the second major export destination and of Nigeria's top ten exports it is only HS27<sup>2</sup>, HS78 and HS13 (both are non-fuel primary commodities), which received preferential treatment throughout the period. The category HS76 (non-fuel primary commodities and a few low-skills and technology-intensive manufactures) had preferential treatment in 2003-2005, while HS14, HS08, HS09 and HS26<sup>3</sup> (all are non-fuel primary commodities) only had preferential treatment in the early 2000s.

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<sup>2</sup> In Table 5, the  $RTB_{ik} = 0$  for the period 2001-2005 because the import values were less than US\$1000 and so were recorded as zero.

<sup>3</sup> HS26 has only one category of products classified as mineral fuels.

**Table 4: Trade Intensity between Nigeria and its Major Trading Partners**

	2001	2002	2003	2006	2007	2008	2009	2010	2011	2012
<b>Proportion of exports that goes to ECOWAS weighted by the world share of imports by ECOWAS</b>										
Iij	n/a	n/a	n/a	n/a	8.574	n/a	n/a	3.699	4.177	7.071
<b>Proportion of exports that goes to the USA weighted by the world share of imports by the USA</b>										
Iij	2.163	1.713	2.246	2.866	3.249	3.199	2.148	2.678	1.824	1.329
<b>Proportion of exports that goes to India weighted by the world share of imports by India</b>										
Iij	14.335	13.289	10.517	6.376	5.241	4.967	4.523	4.585	4.031	4.176
<b>Proportion of exports that goes to Brazil weighted by the world share of imports by Brazil</b>										
Iij	6.593	11.525	10.780	5.655	7.472	6.105	7.892	5.925	6.798	6.212
<b>Proportion of exports that goes to the EU weighted by the world share of imports by the EU</b>										
Iij	0.625	0.606	0.544	0.548	0.463	0.565	0.600	0.644	0.836	1.122
<b>Proportion of exports that goes to China weighted by the world share of imports by China</b>										
Iij	0.182	0.088	0.095	0.001	0.238	0.047	0.180	0.183	0.211	0.568

Sources: Own table derived from statistical data obtained from ITC trade database available on <http://www.trademap.org>

Notes: Nigeria's statistical data for 2004 and 2005 were not available.

The year 2012 is the most recent year for which Nigeria's trade data with various countries is available

Statistical data for total imports by ECOWAS are not available for 2001-2006 and 2008-2009.

ECOWAS = Economic Community of East African States.

**Table 5: Revealed Trade Barrier Indexes for Nigeria's Trade with its Major Export Destinations**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>RTB<sub>ik</sub> for trade with China</b>													
HS27	7.31	9.44	7.75	8.39	6.91	5.86	6.38	4.80	6.33	5.50	4.83	4.65	4.96
HS26	49.2	14.65	18.8	1.63	1.71	4.11	3.05	4.53	2.07	3.77	3.07	3.67	2.21
HS74	0.10	0.04	10.3	0.84	0.49	0.12	0.02	0	0.21	0.86	0.77	1.77	2.79
HS44	0.31	0.27	0.65	0.12	0.05	0.32	0.12	1.02	0.14	0.14	0.07	0.36	2.86
HS41	0.15	0.41	3.04	0.96	5.98	17.84	9.99	19.4	15.7	18.4	10.0	13.6	5.70
HS76	0	0.01	1.00	0.22	0.01	0.01	0	0.43	0.14	0.42	0.27	0.72	1.01
HS52	0	0.24	0.72	1.69	0.69	5.39	1.30	0.07	0.75	0.27	0.58	1.74	1.33

**Table 5 (continued): Revealed Trade Barrier Indexes for Nigeria's Trade with its Major Export Destinations**

<b>RTB<sub>ik</sub> for trade with India</b>													
HS27	0	0	0	0	0	6.63	6.90	5.60	6.72	6.28	5.48	5.25	5.54
HS76	0.31	0.54	1.58	11.3	12.6	0.20	0.21	0.15	0.26	0.15	0.21	0.29	0.27
HS78	1.64	10.2	36.5	79.9	166.9	2.95	3.15	3.38	3.46	2.46	1.40	3.15	2.23
HS44	61.4	39.4	24.9	18.2	16.3	0.11	0.33	0.22	0.32	0.23	0.26	0.27	0.12
HS08	5.32	21.12	23.2	40.3	36.0	0.47	0.28	0.24	0.32	0.10	0.19	0.35	0.15
HS09	3.24	0	3.51	24.8	44.2	0.19	0.23	0.13	0.10	0.20	0.14	0.10	0.29
HS13	127.1	81.6	82.7	214.9	323.3	5.07	3.06	2.12	3.30	1.66	1.18	0.73	1.26
HS26	0.62	1.16	2.35	4.61	17.33	0.20	0.03	0.04	0.05	0.02	0.02	0.03	0.03
<b>RTB<sub>ik</sub> for trade with Brazil</b>													
HS27	9.81	10.37	9.50	8.75	7.20	6.71	6.99	5.64	6.81	6.34	5.53	5.31	5.60
HS41	1.09	1.57	1.09	1.32	1.18	0.61	0.69	0.42	0.33	0.81	0.25	0.07	0.03

**Table 5 (continued): Revealed Trade Barrier Indexes for Nigeria's Trade with its Major Export Destinations**

<b>RTB<sub>ik</sub> for trade with the United Kingdom</b>													
HS27	3.62	4.18	2.10	4.73	4.91	5.09	5.43	5.04	6.30	5.94	5.36	5.22	5.51
HS18	126.4	132.8	73.60	67.5	56.5	44.7	50.3	17.5	7.10	3.12	2.07	1.44	2.22
HS40	3.33	1.16	3.29	2.85	1.58	2.66	2.20	1.39	1.19	1.79	1.21	0.36	0.29
HS88	1.30	1.03	1.58	3.24	2.40	0.88	0.31	0.14	0.48	0.20	0.05	0.04	0.11
HS22	2.99	5.28	5.72	5.56	4.33	5.42	4.10	5.81	1.54	0.94	0.39	0.16	0.19
HS99	0.66	1.40	1.43	1.09	1.22	1.33	0.98	1.18	0.56	0.37	0.14	0.06	0.06
<b>RTB<sub>ik</sub> for trade with the United States of America</b>													
HS27	9.81	10.36	9.47	8.75	7.20	6.71	6.99	5.61	6.77	6.33	5.51	5.27	5.55
HS18	0.07	0.62	1.52	0.04	1.01	0.03	0.11	0.47	0.85	0.49	0.71	1.26	1.10

Sources: Own table derived from statistical data obtained from ITC trade database available on <http://www.trademap.org>

Brazil is the third export destination. However, only HS27 had preferential treatment during the whole period, while HS41 (non-fuel primary commodities and some low-skill and technology-intensive manufactures) had preferential treatment from 2001 to 2005. While the United Kingdom does not rank favorably as Nigeria's export destination in Europe, it has given preferential treatment to more products from Nigeria's top ten exports to Europe, that is HS27 (mineral fuels products) and HS18 (non-fuel primary commodities) throughout the period; HS40 (medium-skills & technology-intensive manufactures, non-fuel primary commodities, and few resource-intensive manufactures) up to 2011; and HS22 (non-fuel primary commodities and few high-skills & technology-intensive manufactures) up to 2009. By 2012, China ranked seventh as an export destination for Nigeria, and it extended preferential treatment to HS27 (mineral fuels) and HS26 (non-fuel primary commodities with very few mineral fuels) during the whole period. The category HS41 (resource-intensive products with few non-fuel primary commodities) was offered preferential treatment after 2002, while for HS52 (resource-intensive products with few non-fuel primary commodities) it was only for selected years.

It can be said that, in general, Nigeria's top export destinations for its major exports do not necessarily offer much preferential treatment to its main exports into their markets. This is seen by the few and very narrow range of products with a narrow range of factor intensity levels which receive preferential treatment. Thus, the major exports by Nigeria into these countries are mainly due to demand and not necessarily preferential market access. The factor intensities for most of these few products being offered preferential access is mineral fuels, followed by non-fuel primary commodities, and then resource-intensive manufactures.

### **3. 2. South Africa's Trade Patterns (2001-2013)**

Table 6 shows the level of concentration of South Africa's exports and imports. For both its export and import trade,  $NHI < 0.2$  throughout the period. This shows that for both its import and export trade, the country has low levels of concentration, with its trade spread over a relatively wide range of sectors. Thus, none of its sectors particu-

larly dominates the country's trade, although the competition among sectors to participate in the country's trade is not as intense as it could be.

Table 7 shows that HS27 was the major import throughout the period followed by HS84, HS85 and HS87, respectively. In terms of factor intensity, South Africa's major imports are mostly manufactures categorized as medium-skills and technology-intensive, high-skills and technology-intensive, and some low-skills and technology-intensive. The HS71 category was the dominant export throughout the period followed by HS27 and HS72. Over the years, HS26 rose to be a significant export, rising from sixth position in the early 2000 to second position from 2010 onwards. In terms of factor intensity, while non-fuel primary commodities and mineral fuels are significant exports for South Africa, high-skill and technology-intensive manufactures as well as medium-skills and technology-intensive manufactures also constitute important exports as evidenced by HS84, HS87 and HS85. This composition of South Africa's exports thus reflects positively on the country's levels of industrial development and its initiatives to diversify its exports.

Table 8 shows that regarding import sources, Germany has always been South Africa's major source. The U. S., which used to rank second, was overtaken by China after 2004. China also proceeded to overtake Germany after 2008 to rank first. India rose to be among the top ten import sources after 2005 while Italy has always been among the top ten. In terms of export destinations, the U.S. has always been a major destination. Up until 2005, the United Kingdom ranked second, after which it continuously lost ground to emerge eighth by 2013. Japan has always been in the top four export destinations, and so was Germany until after 2010 when it fell to fifth position and eventually seventh in 2013. China rose to be among the top five export destinations after 2006, and proceeded to rank first from 2009 onwards; thereby replacing the U.S. as the top export destination. India rose to be among the top ten export destinations after 2007, while the Netherlands has always been among the top ten.

Table 6: South Africa's Concentration Indices of Merchandise Exports and Imports (2001-2013)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Exports</b>	0.14	0.12	0.13	0.13	0.14	0.15	0.16	0.16	0.14	0.15	0.18	0.18	0.17
<b>Imports</b>	0.10	0.10	0.10	0.11	0.11	0.13	0.12	0.42	0.13	0.12	0.11	0.13	0.13

Source: Indices computed by UNCTAD and available at: <http://unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx>

Notes: Number of products is based on SITC, Revision 3 commodity classification at 3-digit group level. This figure includes only those products that are greater than US\$100 000 dollars or more than 0.3 per cent of the country's total exports or imports. For the period given, the number of total export products ranged between 252 and 257, whilst the number of total import products ranged between 255 and 258.

Table 7: South Africa's Top Ten Imports and Exports (2001-2013)

Imports	Factor intensity [skill & technology intensity]	Period of years												
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
HS84	Mostly MS & TI; some HS & TI; few LS & TI	1 <sup>st</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	2 <sup>nd</sup>							
HS27	Mineral fuels	2 <sup>nd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>							
HS85	Mostly MS & TI; some HS & TI; few LS & TI	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	3 <sup>rd</sup>
HS99	Unclassified	4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	5 <sup>th</sup>								
HS87	Mostly MS & TI; some LS & TI	5 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
HS90	Mostly HS & TI; few MS & TI; few RI	7 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>						

Table 7 (continued): South Africa's Top Ten Imports and Exports (2001-2013)

Imports	Factor intensity [skill & techno logy intensity]	Period of years												
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
HS39	Some HS & TI; MS & TI; few RI	8 <sup>th</sup>	7 <sup>th</sup>	8 <sup>th</sup>	8 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>	8 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>	6 <sup>th</sup>	6 <sup>th</sup>
HS30	High skill & techno logy intensive manufactures	9 <sup>th</sup>	10 <sup>th</sup>	9 <sup>th</sup>	9 <sup>th</sup>	9 <sup>th</sup>	8 <sup>th</sup>	8 <sup>th</sup>	9 <sup>th</sup>	7 <sup>th</sup>	8 <sup>th</sup>	8 <sup>th</sup>	8 <sup>th</sup>	8 <sup>th</sup>
HS29	High skill & techno logy intensive manufactures	10 <sup>th</sup>	9 <sup>th</sup>	10 <sup>th</sup>	10 <sup>th</sup>	11 <sup>th</sup>	10 <sup>th</sup>	9 <sup>th</sup>	10 <sup>th</sup>	10 <sup>th</sup>	9 <sup>th</sup>	9 <sup>th</sup>	9 <sup>th</sup>	9 <sup>th</sup>
HS71	Mostly NFPC, few RI	11 <sup>th</sup>	10 <sup>th</sup>	11 <sup>th</sup>	11 <sup>th</sup>	10 <sup>th</sup>	9 <sup>th</sup>	10 <sup>th</sup>	14 <sup>th</sup>	18 <sup>th</sup>	17 <sup>th</sup>	19 <sup>th</sup>	20 <sup>th</sup>	19 <sup>th</sup>
HS38	Mostly HS & TI; few mineral fuels; few RI	12 <sup>th</sup>	12 <sup>th</sup>	12 <sup>th</sup>	13 <sup>th</sup>	13 <sup>th</sup>	15 <sup>th</sup>	16 <sup>th</sup>	13 <sup>th</sup>	10 <sup>th</sup>	10 <sup>th</sup>	12 <sup>th</sup>	11 <sup>th</sup>	10 <sup>th</sup>

Table 7 (continued): South Africa's Top Ten Imports and Exports (2001-2013)

Exports	Factor intensity [skill & technology intensity]	Period of years												
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
HS71	Mostly NFPC; few RI	1 <sup>st</sup>	5 <sup>th</sup>	1 <sup>st</sup>										
HS27	Mineral fuels	2 <sup>nd</sup>	1 <sup>st</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	5 <sup>th</sup>	2 <sup>nd</sup>	4 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>
HS72	Mostly LS & TI; few NFPC	3 <sup>rd</sup>	2 <sup>nd</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>						
HS84	Mostly MS & TI; some HS & TI; few LS & TI	4 <sup>th</sup>	4 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>	4 <sup>th</sup>	6 <sup>th</sup>	4 <sup>th</sup>					
HS87	Mostly MS & TI; some IS & TI	5 <sup>th</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	4 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>	3 <sup>rd</sup>	5 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>
HS26	Mostly NFPC; few mineral fuels	6 <sup>th</sup>	4 <sup>th</sup>	6 <sup>th</sup>	6 <sup>th</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>					

Table 7 (continued): South Africa's Top Ten Imports and Exports (2001-2013)

Exports	Factor intensity [skill & technology intensity]	Period of years												
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
HS76	Non-fuel primary commodities	7 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>	8 <sup>th</sup>	8 <sup>th</sup>	7 <sup>th</sup>	8 <sup>th</sup>	9 <sup>th</sup>
HS86	Mostly MS & TI; some HS & TI; few LS & TI	8 <sup>th</sup>	8 <sup>th</sup>	9 <sup>th</sup>	9 <sup>th</sup>	10 <sup>th</sup>	8 <sup>th</sup>	8 <sup>th</sup>	10 <sup>th</sup>	9 <sup>th</sup>	9 <sup>th</sup>	9 <sup>th</sup>	9 <sup>th</sup>	8 <sup>th</sup>
HS08	Non-fuel primary commodities	9 <sup>th</sup>	10 <sup>th</sup>	8 <sup>th</sup>	8 <sup>th</sup>	8 <sup>th</sup>	9 <sup>th</sup>	9 <sup>th</sup>	9 <sup>th</sup>	8 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>
HS28	Mostly HS & TI; few NFPC	9 <sup>th</sup>	9 <sup>th</sup>	11 <sup>th</sup>	10 <sup>th</sup>	9 <sup>th</sup>	10 <sup>th</sup>	10 <sup>th</sup>	8 <sup>th</sup>	11 <sup>th</sup>	12 <sup>th</sup>	10 <sup>th</sup>	14 <sup>th</sup>	16 <sup>th</sup>

Sources: Own table derived from statistical data obtained from ITC trade database available on <http://www.trademap.org>

Notes:

ITC calculations are based on UN COMTRADE statistics

MS & TI = Medium skill and technology intensive manufactures

HS & TI = High skill and technology intensive manufactures

LS & TI = Low skill and technology intensive manufactures

RI = Resource intensive manufactures

NFPC = Non-fuel primary commodities

HS product classification skill and technology intensity available at

<http://www.unctad.info/en/Trade-Analysis-Branch/Data-And-Statistics/Other-Databases/>

**Table 8: South Africa's Top Ten Trading Partners (2001-2013)**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Import sources for South Africa</b>													
Germany	1 <sup>st</sup>	2 <sup>nd</sup>											
United States	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	4 <sup>th</sup>						
United Kingdom	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	5 <sup>th</sup>	6 <sup>th</sup>	6 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>	6 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	8 <sup>th</sup>	8 <sup>th</sup>
Saudi Arabia	4 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>
Japan	5 <sup>th</sup>	4 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>					
China	6 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>				
France	7 <sup>th</sup>	7 <sup>th</sup>	6 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>	8 <sup>th</sup>	7 <sup>th</sup>	8 <sup>th</sup>	10 <sup>th</sup>	12 <sup>th</sup>	11 <sup>th</sup>
Italy	8 <sup>th</sup>	10 <sup>th</sup>	10 <sup>th</sup>	10 <sup>th</sup>	9 <sup>th</sup>	11 <sup>th</sup>	10 <sup>th</sup>						
India	20 <sup>th</sup>	19 <sup>th</sup>	19 <sup>th</sup>	14 <sup>th</sup>	12 <sup>th</sup>	10 <sup>th</sup>	10 <sup>th</sup>	9 <sup>th</sup>	9 <sup>th</sup>	7 <sup>th</sup>	6 <sup>th</sup>	6 <sup>th</sup>	5 <sup>th</sup>
Nigeria	20 <sup>th</sup>	15 <sup>th</sup>	20 <sup>th</sup>	12 <sup>th</sup>	21 <sup>st</sup>	11 <sup>th</sup>	11 <sup>th</sup>	11 <sup>th</sup>	8 <sup>th</sup>	9 <sup>th</sup>	8 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>

Table 8 (continued): South Africa's Top Ten Trading Partners (2001-2013)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Export destinations for South Africa's Products</b>													
United States	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>
United Kingdom	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	4 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	8 <sup>th</sup>				
Germany	3 <sup>rd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	4 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>	7 <sup>th</sup>
Japan	4 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	4 <sup>th</sup>
Netherlands	5 <sup>th</sup>	6 <sup>th</sup>	6 <sup>th</sup>	8 <sup>th</sup>	15 <sup>th</sup>	11 <sup>th</sup>	8 <sup>th</sup>	9 <sup>th</sup>					
Belgium	6 <sup>th</sup>	6 <sup>th</sup>	6 <sup>th</sup>	8 <sup>th</sup>	6 <sup>th</sup>	8 <sup>th</sup>	8 <sup>th</sup>	8 <sup>th</sup>	12 <sup>th</sup>	11 <sup>th</sup>	13 <sup>th</sup>	12 <sup>th</sup>	15 <sup>th</sup>
China	13 <sup>th</sup>	15 <sup>th</sup>	7 <sup>th</sup>	11 <sup>th</sup>	9 <sup>th</sup>	6 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>	1 <sup>st</sup>				
India	16 <sup>th</sup>	17 <sup>th</sup>	17 <sup>th</sup>	17 <sup>th</sup>	11 <sup>th</sup>	16 <sup>th</sup>	13 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	6 <sup>th</sup>	10 <sup>th</sup>
Zimbabwe	9 <sup>th</sup>	8 <sup>th</sup>	8 <sup>th</sup>	12 <sup>th</sup>	12 <sup>th</sup>	13 <sup>th</sup>	15 <sup>th</sup>	11 <sup>th</sup>	9 <sup>th</sup>	9 <sup>th</sup>	10 <sup>th</sup>	10 <sup>th</sup>	13 <sup>th</sup>
Switzerland	13 <sup>th</sup>	20 <sup>th</sup>	10 <sup>th</sup>	9 <sup>th</sup>	10 <sup>th</sup>	7 <sup>th</sup>	12 <sup>th</sup>	13 <sup>th</sup>	6 <sup>th</sup>	8 <sup>th</sup>	9 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>

Sources: Own table derived from statistical data obtained from ITC trade database available on <http://www.trademap.org>

Notes: ITC calculations are based on UN COMTRADE statistics

Table 9: Trade Intensity between South Africa and its Major Trading Partners

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Proportion of exports that goes to SADC weighted by the world share of imports by SADC</b>													
Iij	9.883	8.948	n/a	n/a	n/a	n/a	n/a	6.052	5.887	6.405	5.959	6.196	10.77
<b>Proportion of exports that goes to the UK weighted by the world share of imports by the UK</b>													
Iij	2.026	1.925	1.816	1.942	2.125	1.742	1.579	1.527	1.271	1.262	1.093	1.030	0.986
<b>Proportion of exports that goes to the USA weighted by the world share of imports by the USA</b>													
Iij	0.743	0.577	0.712	0.712	0.634	0.730	0.817	0.810	0.709	0.768	0.726	0.687	0.581
<b>Proportion of exports that goes to India weighted by the world share of imports by India</b>													
Iij	1.757	1.740	1.268	1.328	1.866	1.017	1.351	1.585	1.814	1.821	1.434	1.588	1.262
<b>Proportion of exports that goes to Germany weighted by the world share of imports by Germany</b>													
Iij	1.171	1.092	0.980	1.04	0.959	0.990	1.055	1.048	0.875	1.108	0.856	0.752	0.629
<b>Proportion of exports that goes to Japan weighted by the world share of imports by Japan</b>													
Iij	1.594	1.255	1.983	2.092	2.242	2.488	2.475	2.338	1.734	1.980	1.761	1.291	1.311
<b>Proportion of exports that goes to the EU weighted by the world share of imports by the EU</b>													
Iij	0.967	1.013	0.899	0.912	0.939	0.919	0.846	0.842	0.712	0.753	0.657	0.633	0.563
<b>Proportion of exports that goes to China weighted by the world share of imports by China</b>													
Iij	0.457	0.434	0.520	0.434	0.466	0.616	0.954	0.836	1.318	1.246	1.401	1.178	1.213

Sources: Own table derived from statistical data obtained from ITC trade database available on <http://www.trademap.org>  
Notes: 2013 is the most recent year for which South Africa's trade data with various countries is available.  
Statistical data for total imports by SADC are not available for 2003-2007.  
SADC = Southern Africa Development Community.

With regard to trade intensity with its major trading partners, Table 9 shows that South Africa trades intensively with Japan, the UK, and India, respectively. However, South Africa trades most intensively with SADC, which is a regional grouping in which it is a member. Its trade intensity with Germany has fluctuated over the years and after 2010 South Africa ceased to trade intensively with Germany, although it remained among its top ten trading partners. South Africa began to trade intensively with China from 2009, the same year that China became South Africa's top trading partner. While the U.S. is a major trading partner for South Africa, South Africa does not trade intensively with the United States, as evidence by  $I_{ij} < 1$  throughout the period.

Table 10 shows indicators of possible trade barriers against importation of South Africa's major exports to its major trading partners. The U.S. has always been South Africa's major export destination, and seven of the top ten exports to the U.S. were given preferential treatment throughout the period: HS71<sup>4</sup>, HS26, HS76<sup>5</sup>, HS08 and HS22<sup>6</sup> (all mainly non-fuel primary commodities); HS28 (high-skills and technology-intensive manufactures); and HS72 (low-skills and technology-intensive manufactures). The HS87 (medium, low-skills and technology-intensive manufactures) and HS29 (high-skills and technology-intensive manufactures) experienced preferential treatment only in selected years. Germany, which is also a major export destination, extended preferential treatment to seven of South Africa's top ten exports to its market throughout the period: HS84 (mainly medium-skills with some high-skills and technology-intensive manufactures); HS26, HS71, HS08 and HS22 (all mainly non-fuel primary commodities); HS72 (low-skills and technology-intensive manufactures); and HS28 (high-skills and technology-intensive manufactures). For HS87 (medium, low-skills and technology-intensive manufactures), it was for selected years.

China, which emerged to be South Africa's major export destination, offered preferential treatment to six of South Africa's top ten exports to China. Categories HS26, HS47 (both non-fuel primary commod-

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<sup>4</sup> HS71 has a few products categorised as resource-intensive manufactures while others are unclassified.

<sup>5</sup> HS76 has a few products categorised as low-skills & technology-intensive manufactures.

<sup>6</sup> HS22 has very few products categorized as high-skills & technology-intensive manufactures.

ities); HS71, HS55 (both non-fuel primary commodities with few resource-intensive manufactures); and HS72 (low-skills & technology-intensive manufactures) experienced preferential treatment throughout the period. Categories HS74 (mainly non-fuel primary commodities with few low-skills & technology-intensive manufactures) and HS41 (mainly resource-intensive manufactures with some non fuel primary commodities) received preferential treatment in some of the years. India, which has also emerged to be a significant export destination, offered preferential treatment to five of the top ten exports throughout the period: HS71 (non-fuel primary commodities and few resource-intensive manufactures); HS72 (low-skills & technology-intensive manufactures); HS26 and HS47 (non fuel primary commodities); and HS28 (high-skills & technology-intensive manufactures). Category HS51 (non fuel primary commodities and resource-intensive manufactures) had preferential treatment after 2002, while HS27 (mineral fuels) and HS76 (non fuel primary commodities and some low-skills & technology manufactures) were for selected years.

South Africa trades intensively with the UK, and four of its major exports into this market had preferential treatment throughout the period: HS71 (non-fuel primary commodities and few resource-intensive manufactures); and HS08, HS26, HS22 (all non-fuel primary commodities). The HS87 (medium- and low-skills & technology-intensive manufactures) had preferential treatment in 2002-2006 with HS72 (low-skills & technology-intensive manufactures) in 2001-2005. South Africa also trades intensively with Japan, and seven of its major exports had preferential access into Japan's market throughout the period. These are categories HS71 and HS44 (non-fuel primary commodities and few resource-intensive manufactures); HS75, HS08 and HS26 (non fuel primary commodities); HS72 (low-skills & technology-intensive manufactures); and HS76 ((non-fuel primary commodities and some low-skills & technology-intensive manufactures). Category HS17 (non-fuel primary commodities with few resource-intensive manufactures) had preferential access in all years except 2011 and 2012. Category HS28 (high-skills & technology-intensive manufactures) only experienced preferential access in 2010-2013, while HS87 (medium and low-skills & technology-intensive manufactures) had preferential access in 2001-2007 only.

**Table 10: Revealed Trade Barrier Indexes for South Africa 's Trade with its Major Export Destinations**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	<b>RTB<sub>ik</sub> for trade with China</b>												
HS26	46.0	48.5	38.4	44.1	34.0	32.2	26.4	35.2	41.0	27.0	16.5	11.3	11.8
HS71	6.05	9.07	10.3	12.8	14.0	14.6	9.79	8.28	7.98	5.88	3.34	2.62	3.83
HS72	4.17	5.45	9.05	4.48	4.40	2.64	3.97	2.93	5.08	2.83	1.62	0.87	0.99
HS74	7.06	8.91	5.68	1.48	1.40	1.18	2.39	1.84	1.35	0.98	0.73	0.70	0.77
HS51	9.50	6.48	5.39	3.92	4.73	9.00	10.2	10.5	15.9	9.65	5.07	5.53	5.69
HS41	0.48	0.32	0.37	1.10	1.20	2.40	3.25	3.13	5.49	5.05	2.11	1.53	2.10
HS47	3.90	3.22	5.21	2.45	1.32	0.28	2.12	1.55	3.28	1.90	1.90	1.46	1.33

**Table 10 (continued): Revealed Trade Barrier Indexes for South Africa's Trade with its Major Export Destinations**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	<b>RTB<sub>ik</sub> for trade with India</b>												
HS71	35.8	39.6	41.7	36.9	35.4	32.8	25.7	23.1	22.7	23.2	21.8	18.5	17.9
HS27	0.84	0.64	0.32	0.16	0.51	0.38	1.39	0.97	1.57	1.28	0.87	1.15	1.51
HS72	1.59	0.72	0.77	1.30	2.62	2.11	1.55	1.42	1.66	1.36	1.60	3.20	3.11
HS26	2.01	0.27	0.49	1.89	0.55	0.62	0.09	4.78	4.28	3.23	1.53	3.12	2.94
HS76	0.51	0.88	1.02	1.53	0.71	0.97	0.29	2.74	1.63	1.15	1.11	1.51	2.31
HS28	9.74	6.44	7.48	11.3	8.92	11.3	8.99	14.2	6.78	3.46	3.19	1.85	2.02
HS47	3.37	0.26	3.41	8.82	5.14	3.55	4.67	2.80	2.22	1.49	2.42	2.93	4.31
HS51	0.61	0.80	1.33	1.00	1.75	2.31	4.62	4.18	4.47	5.72	3.74	5.49	4.28

**Table 10 (continued): Revealed Trade Barrier Indexes for South Africa's Trade with its Major Export Destinations**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	<b>RTB<sub>ik</sub> for trade with Germany</b>												
HS84	1.00	0.93	1.04	1.23	1.23	1.48	1.60	1.60	1.28	1.33	1.41	1.60	1.64
HS87	1.79	1.90	1.01	0.62	0.55	0.47	0.55	0.73	1.79	2.48	2.40	2.23	2.21
HS26	20.0	19.9	18.5	13.9	13.8	14.1	11.2	9.69	13.9	8.74	8.70	10.4	9.67
HS71	8.53	6.61	7.08	5.34	6.09	7.50	8.08	7.31	6.05	5.93	6.02	4.31	4.92
HS72	2.70	2.12	2.75	2.65	3.17	2.58	2.32	3.04	2.32	3.24	2.82	3.26	2.71
HS08	9.51	7.88	9.14	10.1	9.17	7.86	7.67	7.06	7.74	5.76	6.00	6.22	7.54
HS22	1.50	1.62	2.08	2.40	3.00	2.44	2.75	2.53	3.14	3.08	3.27	4.07	4.88
HS28	1.42	5.03	5.08	3.92	1.00	1.42	1.61	1.07	1.22	1.21	1.33	2.96	4.00

**Table 10 (continued): Revealed Trade Barrier Indexes for South Africa's Trade with its Major Export Destinations**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	<b>RTB<sub>ik</sub> for trade with the United States of America</b>												
HS71	22.9	20.0	20.9	21.5	22.1	24.2	25.8	18.1	14.4	15.4	12.0	9.99	10.1
HS87	0.91	0.95	1.23	1.14	0.59	0.80	0.72	2.57	3.63	2.81	3.36	3.30	3.74
HS72	3.58	3.92	3.20	4.50	3.18	3.52	3.73	3.63	2.73	3.60	3.47	3.86	3.91
HS26	11.3	13.3	10.3	6.9	6.56	5.22	3.85	3.58	3.90	2.96	2.56	5.15	4.62
HS29	0.99	1.01	1.12	0.95	1.36	1.13	1.11	1.44	1.36	1.40	1.54	1.73	1.63
HS76	2.12	2.38	2.19	2.68	5.29	4.53	3.49	1.95	3.46	2.49	2.58	2.99	3.35
HS28	3.43	4.41	3.49	3.22	4.29	2.91	2.12	3.31	3.90	3.76	4.42	4.00	4.13
HS08	2.01	2.28	2.74	2.57	2.76	2.67	1.72	1.43	1.84	2.19	1.84	2.18	2.48
HS22	1.08	1.21	1.41	1.51	2.01	1.85	1.41	1.37	1.72	1.63	1.28	1.68	1.83

**Table 10 (continued): Revealed Trade Barrier Indexes for South Africa's Trade with its Major Export Destinations**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	<b>RTB<sub>ik</sub> for trade with the United Kingdom</b>												
HS71	24.3	24.2	26.4	25.0	19.7	27.5	29.1	31.5	32.1	27.2	22.9	23.9	16.5
HS08	10.8	8.89	8.29	10.0	11.1	9.77	10.6	7.90	6.54	9.15	8.93	9.42	22.7
HS26	7.51	7.64	5.95	5.11	6.28	4.26	6.22	4.94	2.41	2.89	3.85	3.70	6.60
HS87	0.80	1.36	1.36	1.38	1.62	1.14	0.30	0.15	0.12	0.36	0.48	0.43	0.91
HS22	5.534	7.62	7.03	7.56	7.66	4.76	5.12	3.72	4.15	5.13	3.49	2.90	6.47
HS72	1.30	1.15	0.83	1.03	1.15	0.80	0.80	0.75	0.47	0.47	0.29	0.29	0.54

**Table 10 (continued): Revealed Trade Barrier Indexes for South Africa's Trade with its Major Export Destinations**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	<b>RTB<sub>ik</sub> for trade with Japan</b>												
HS71	19.9	17.0	14.6	17.6	18.1	24.2	23.9	23.2	20.1	19.1	17.0	14.0	14.8
HS26	21.1	19.7	15.7	11.1	11.0	8.21	8.60	10.1	12.9	9.74	8.60	13.8	13.7
HS87	1.18	1.67	2.52	2.04	2.13	1.74	1.29	0.88	0.81	0.84	0.78	0.94	1.37
HS72	3.53	3.07	3.54	3.38	4.04	2.45	2.37	3.01	3.74	3.03	2.51	3.21	2.68
HS76	5.70	8.38	8.38	7.89	5.58	5.74	6.04	6.85	5.56	7.07	5.54	5.20	4.77
HS44	8.05	9.22	9.66	8.94	8.26	6.88	5.72	6.18	7.49	5.60	5.09	5.78	4.38
HS28	0.64	0.53	0.82	1.03	0.96	0.57	0.53	0.68	0.66	0.89	2.43	3.75	2.75
HS75	5.32	6.85	10.6	11.1	9.43	7.43	10.7	6.63	5.39	8.63	8.91	10.1	7.88
HS08	2.68	2.51	3.03	3.04	2.67	1.75	1.92	1.37	2.07	1.50	1.64	1.87	1.36
HS17	6.00	4.42	3.48	3.54	4.25	3.98	2.21	2.72	3.93	2.65	0.99	0.99	1.65

Sources: Own table derived from statistical data obtained from ITC trade database available on <http://www.trademap.org>

It can be seen that South Africa's major export destinations have offered preferential treatment to most of South Africa's major exports to their markets. It should also be noted that South Africa has a very wide range of products covering a wide range of factor intensity levels being offered preferential treatment into these markets. Thus, apart from import demand, South Africa's major exports have benefitted from preferential access into these markets. South Africa's high-skills & technology-intensive manufactures (HS28) only receive preferential access into the U.S., Germany and India, with Japan only offering preferential access after 2009. Its medium-skills & technology-intensive products have preferential access only in selected years in the U.S. and Germany while in Japan it was only in the early-mid 2000s. The low-skills & technology-intensive manufactures have preferential access in the U.S., Germany, India, China, and Japan, while for the UK it was only during the early-mid 2000s. Its non fuel primary commodities and resource-intensive manufactures have preferential access into all the six markets.

### **3. 3. Kenya's Trade Patterns (2001-2013)**

Table 11 shows the level of concentration of Kenya's exports and imports. For its exports  $HHI > 0.2$  for most years. While this may not depict a high level of concentration, it shows that a dominant sector is present in its exports. Compared to the exports, the level of concentration is much lower in its imports, with  $HHI < 0.15$  in most years. Its import trade is spread over a relatively wide range of sectors. Thus, no sector particularly dominates its import trade, although the competition among sectors to participate in the country's import trade is not as intense as it could be.

Table 12 shows that HS27 was the major import throughout the period followed by HS84, HS87 and HS85, respectively. In terms of factor intensity, Kenya's major imports are mostly medium-skills & technology-intensive manufactures, high-skills & technology-intensive manufactures and some low-skills & technology-intensive manufactures. Category HS09 was the dominant export throughout the period followed by HS06, HS27 and HS07, respectively. Categories HS62 and HS61 which used to rank poorly as exports in the early 2000s improved greatly over the years to rank sixth and fifth, respectively, by 2013. In terms of factor intensity, Kenya's major exports are mostly non-fuel primary

commodities, with low ranking for high-skill & technology-intensive manufactures in the country's exports. This composition of Kenya's imports and exports thus reflects the country's relative lower levels of industrial development compared to its major trading partners.

Table 13 shows that in terms of import sources, the United Arab Emirates (UAE) has always been a major source for Kenya. After 2005, India replaced South Africa to become the second major import source. China rose to rank fourth in 2006 and third from 2007 onwards, except for 2010 when it ranked first. While South Africa lost its position to India and China, it remained in the top five import sources. The U.S., UK, Saudi Arabia and Japan have remained as top ten import sources.

With regards to export destinations, Uganda and the United Kingdom have always been the top two destinations. Tanzania and the Netherlands rank third and fourth, respectively. After 2004, the U.S. rose to be in the top five export destinations. While South Africa ranks fourth as an import source for Kenya, by 2011, it ranked 31<sup>st</sup> as an export destination, and China which has risen to be a very significant import source ranked 27<sup>th</sup> as an export destination.

Of its major trading partners, Table 14 shows that Kenya trades intensively with the UAE, the UK, South Africa and India, respectively. However, in 2001-2004, Kenya tended to trade more intensively with India compared to South Africa, as shown by the size of the trade intensity indexes. Kenya trades most intensively with the East African Community (EAC) the regional grouping in which it is a member, as shown by the extremely high levels of its trade intensity indexes with this regional grouping. While Europe is a significant trading partner, Kenya has not been trading intensively with the EU. While China has risen to be a significant import source, Kenya does not trade intensively with this country as yet.

Table 15 shows indicators of possible trade barriers against importation of Kenya's major exports to its major trading partners. In Europe, the United Kingdom is Kenya's major export destination, and four of its top ten exports into the UK receive preferential treatment throughout the period, and these are Categories HS09, HS07, HS06 and HS20 (all are non fuel primary commodities). The HS95 (resource-intensive manufactures) received preferential access after 2002, with HS08 and HS12 (both non fuel primary commodities) after 2003 and 2007, respectively.

Table 11: Kenya's Concentration Indices of Merchandise Exports and Imports (2001-2013)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Exports	0.25	0.24	0.23	0.22	0.21	0.20	0.18	0.19	0.20	0.22	0.20	0.20	0.19
Imports	0.14	0.09	0.10	0.11	0.13	0.15	0.12	0.15	0.11	0.13	0.16	0.16	0.16

Source: Indices computed by UNCTAD and available at <http://unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx>

Notes: Number of products is based on SITC, Revision 3 commodity classification at 3-digit group level. This figure includes only those products that are greater than US\$100 000 dollars or more than 0.3 per cent of the country's total exports or imports. In the period given, the number of total export products ranged between 206 and 240, while the number of import products ranged between 235 and 248.

Table 12: Kenya's Top Ten Imports and Exports (2001-2013)

Imports	Factor intensity [skill & technology intensity]	Period of Years												
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
HS27	Mineral fuels	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>								
HS84	Mostly MS & TI; some HS & TI; few LS & TI	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>
HS87	Mostly MS & TI; some LS & TI	5 <sup>th</sup>	4 <sup>th</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>
HS86	Mostly MS & TI; some HS & TI; few LS & TI	4 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>	4 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	4 <sup>th</sup>
HS72	Mostly LS & TI; few NFPC	8 <sup>th</sup>	7 <sup>th</sup>	6 <sup>th</sup>	5 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>	6 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>
HS39	Mostly HS & TI; few RI	7 <sup>th</sup>	8 <sup>th</sup>	8 <sup>th</sup>	6 <sup>th</sup>	6 <sup>th</sup>	6 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>	6 <sup>th</sup>	8 <sup>th</sup>	8 <sup>th</sup>	7 <sup>th</sup>
HS10	Non-fuel primary commodities	6 <sup>th</sup>	9 <sup>th</sup>	9 <sup>th</sup>	7 <sup>th</sup>	9 <sup>th</sup>	10 <sup>th</sup>	9 <sup>th</sup>	8 <sup>th</sup>	5 <sup>th</sup>	8 <sup>th</sup>	6 <sup>th</sup>	6 <sup>th</sup>	6 <sup>th</sup>
HS15	Mostly NFPC; Few HS & TI	9 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	10 <sup>th</sup>	8 <sup>th</sup>	8 <sup>th</sup>	8 <sup>th</sup>	5 <sup>th</sup>	8 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>
HS88	High skill & technology intensive manufactures	2 <sup>nd</sup>	2 <sup>nd</sup>	4 <sup>th</sup>	11 <sup>th</sup>	2 <sup>nd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	11 <sup>th</sup>	9 <sup>th</sup>	5 <sup>th</sup>	12 <sup>th</sup>	9 <sup>th</sup>	9 <sup>th</sup>
HS30	High skill & technology intensive manufactures	11 <sup>th</sup>	10 <sup>th</sup>	10 <sup>th</sup>	9 <sup>th</sup>	10 <sup>th</sup>	9 <sup>th</sup>	10 <sup>th</sup>	9 <sup>th</sup>	10 <sup>th</sup>	9 <sup>th</sup>	9 <sup>th</sup>	7 <sup>th</sup>	8 <sup>th</sup>

**Table 12 (continued): Kenya's Top Ten Imports and Exports (2001-2013)**

Exports	Factor intensity [skill & technology intensity]	Period of Years												
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
HS09	Non-fuel primary commodities	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>
HS06	Non-fuel primary commodities	2 <sup>nd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>
HS07	Non-fuel primary commodities	3 <sup>rd</sup>	4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>
HS20	Non-fuel primary commodities	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	8 <sup>th</sup>	10 <sup>th</sup>	8 <sup>th</sup>	11 <sup>th</sup>	14 <sup>th</sup>	11 <sup>th</sup>	12 <sup>th</sup>	12 <sup>th</sup>	7 <sup>th</sup>
HS25	Non-fuel primary commodities; few RI	5 <sup>th</sup>	7 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>	10 <sup>th</sup>	9 <sup>th</sup>	7 <sup>th</sup>	6 <sup>th</sup>	5 <sup>th</sup>	7 <sup>th</sup>	6 <sup>th</sup>	5 <sup>th</sup>	8 <sup>th</sup>
HS27	Mineral Fuels	29 <sup>th</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>

Table 12 (continued): Kenya's Top Ten Imports and Exports (2001-2013)

Exports	Factor intensity [skill & technology intensity]	Period of Years												
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
HS72	Mostly LS & TI; few NFPC	7 <sup>th</sup>	9 <sup>th</sup>	8 <sup>th</sup>	6 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	9 <sup>th</sup>	8 <sup>th</sup>	10 <sup>th</sup>	9 <sup>th</sup>	8 <sup>th</sup>	15 <sup>th</sup>	11 <sup>th</sup>
HS24	Non-fuel primary commodities	9 <sup>th</sup>	8 <sup>th</sup>	9 <sup>th</sup>	12 <sup>th</sup>	11 <sup>th</sup>	6 <sup>th</sup>	6 <sup>th</sup>	9 <sup>th</sup>	6 <sup>th</sup>	8 <sup>th</sup>	5 <sup>th</sup>	7 <sup>th</sup>	10 <sup>th</sup>
HS39	Mostly HS & TI; few RI	8 <sup>th</sup>	17 <sup>th</sup>	10 <sup>th</sup>	8 <sup>th</sup>	9 <sup>th</sup>	8 <sup>th</sup>	10 <sup>th</sup>	10 <sup>th</sup>	8 <sup>th</sup>	6 <sup>th</sup>	10 <sup>th</sup>	9 <sup>th</sup>	14 <sup>th</sup>
HS28	Mostly HS & TI; few NFPC	27 <sup>th</sup>	23 <sup>rd</sup>	27 <sup>th</sup>	25 <sup>th</sup>	7 <sup>th</sup>	11 <sup>th</sup>	11 <sup>th</sup>	4 <sup>th</sup>	7 <sup>th</sup>	10 <sup>th</sup>	9 <sup>th</sup>	13 <sup>th</sup>	9 <sup>th</sup>
HS62	Resource intensive manufactures	28 <sup>th</sup>	30 <sup>th</sup>	30 <sup>th</sup>	26 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>	7 <sup>th</sup>	13 <sup>th</sup>	16 <sup>th</sup>	14 <sup>th</sup>	6 <sup>th</sup>	6 <sup>th</sup>
HS61	Resource intensive manufactures	26 <sup>th</sup>	25 <sup>th</sup>	29 <sup>th</sup>	27 <sup>th</sup>	15 <sup>th</sup>	12 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	12 <sup>th</sup>	12 <sup>th</sup>	11 <sup>th</sup>	10 <sup>th</sup>	5 <sup>th</sup>

Sources: Own table derived from statistical data obtained from ITC trade database available on <http://www.trademap.org>

Notes: ITC calculations are based on UN COMTRADE statistics until January 2011

ITC calculations are based on Kenya National Bureau of Statistics data since January 2011

MS & TI = Medium skill and technology intensive manufactures

HS & TI = High skill and technology intensive manufactures

LS & TI = Low skill and technology intensive manufactures

RI = Resource intensive manufactures

NFPC = Non-fuel primary commodities

**Table 13: Kenya's Top Ten Trading Partners (2001-2011)**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Import sources for Kenya</b>											
UAE	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>						
USA	2 <sup>nd</sup>	4 <sup>th</sup>	4 <sup>th</sup>	8 <sup>th</sup>	3 <sup>rd</sup>	9 <sup>th</sup>	4 <sup>th</sup>	7 <sup>th</sup>	5 <sup>th</sup>	7 <sup>th</sup>	8 <sup>th</sup>
UK	3 <sup>rd</sup>	1 <sup>st</sup>	5 <sup>th</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	6 <sup>th</sup>	9 <sup>th</sup>
South Africa	4 <sup>th</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	6 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>
Saudi Arabia	5 <sup>th</sup>	8 <sup>th</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	7 <sup>th</sup>	10 <sup>th</sup>	8 <sup>th</sup>	8 <sup>th</sup>	8 <sup>th</sup>	6 <sup>th</sup>
Japan	6 <sup>th</sup>	6 <sup>th</sup>	6 <sup>th</sup>	5 <sup>th</sup>	7 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>
India	7 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>	6 <sup>th</sup>	6 <sup>th</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>
Germany	8 <sup>th</sup>	9 <sup>th</sup>	10 <sup>th</sup>	10 <sup>th</sup>	9 <sup>th</sup>	10 <sup>th</sup>	8 <sup>th</sup>	9 <sup>th</sup>	10 <sup>th</sup>	11 <sup>th</sup>	11 <sup>th</sup>
China	12 <sup>th</sup>	12 <sup>th</sup>	11 <sup>th</sup>	9 <sup>th</sup>	8 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	1 <sup>st</sup>	3 <sup>rd</sup>
Indonesia	11 <sup>th</sup>	10 <sup>th</sup>	8 <sup>th</sup>	13 <sup>th</sup>	11 <sup>th</sup>	11 <sup>th</sup>	9 <sup>th</sup>	11 <sup>th</sup>	11 <sup>th</sup>	10 <sup>th</sup>	7 <sup>th</sup>

Table 13 (continued): Kenya's Top Ten Trading Partners (2001-2011)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Export Destinations for Kenya's Products</b>											
Uganda	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	1 <sup>st</sup>						
United Kingdom	1 <sup>st</sup>	2 <sup>nd</sup>									
Tanzania	5 <sup>th</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	5 <sup>th</sup>	3 <sup>rd</sup>				
Netherland	3 <sup>rd</sup>	4 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	4 <sup>th</sup>						
Pakistan	4 <sup>th</sup>	9 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>	6 <sup>th</sup>	6 <sup>th</sup>	8 <sup>th</sup>	6 <sup>th</sup>	9 <sup>th</sup>	8 <sup>th</sup>
United States	8 <sup>th</sup>	14 <sup>th</sup>	12 <sup>th</sup>	12 <sup>th</sup>	5 <sup>th</sup>	3 <sup>rd</sup>	5 <sup>th</sup>				
Egypt	6 <sup>th</sup>	11 <sup>th</sup>	7 <sup>th</sup>	6 <sup>th</sup>	8 <sup>th</sup>	8 <sup>th</sup>	8 <sup>th</sup>	6 <sup>th</sup>	8 <sup>th</sup>	8 <sup>th</sup>	8 <sup>th</sup>
Sudan (N&S)	16 <sup>th</sup>	12 <sup>th</sup>	10 <sup>th</sup>	10 <sup>th</sup>	11 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>	7 <sup>th</sup>
UAE	9 <sup>th</sup>	19 <sup>th</sup>	18 <sup>th</sup>	16 <sup>th</sup>	14 <sup>th</sup>	12 <sup>th</sup>	9 <sup>th</sup>	12 <sup>th</sup>	11 <sup>th</sup>	6 <sup>th</sup>	9 <sup>th</sup>
Democratic Republic of Congo	11 <sup>th</sup>	7 <sup>th</sup>	29 <sup>th</sup>	29 <sup>th</sup>	7 <sup>th</sup>	10 <sup>th</sup>	11 <sup>th</sup>	10 <sup>th</sup>	9 <sup>th</sup>	11 <sup>th</sup>	11 <sup>th</sup>

Sources: Own table derived from statistical data obtained from ITC trade database available on <http://www.trademap.org>

Notes: ITC calculations are based on UN COMTRADE statistics until January 2011

ITC calculations are based on Kenya National Bureau of Statistics data since January 2011

2011 is the most recent year for which Kenya's trade data with various countries is available

UAE = United Arab Emirates

Table 14: Trade Intensity between Kenya and its Major Export Destination Countries

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Proportion of exports that goes to the EAC weighted by the world share of imports by the EAC</b>											
Iij	168.58	351.18	292.44	301.73	256.17	168.98	168.57	158.70	147.76	143.76	143.55
<b>Proportion of exports that goes to the UK weighted by the world share of imports by the UK</b>											
Iij	2.944	2.354	2.214	1.959	1.844	2.161	2.171	2.547	2.556	2.400	2.343
<b>Proportion of exports that goes to the USA weighted by the world share of imports by the USA</b>											
Iij	0.142	0.077	0.094	0.110	0.408	0.530	0.489	0.452	0.400	0.430	0.406
<b>Proportion of exports that goes to the UAE weighted by the world share of imports by the UAE</b>											
Iij	n/a	n/a	n/a	n/a	2.067	n/a	3.482	2.042	2.752	4.373	3.614
<b>Proportion of exports that goes to India weighted by the world share of imports by India</b>											
Iij	2.379	2.822	1.480	1.802	1.169	1.024	1.369	1.015	0.707	0.907	0.729
<b>Proportion of exports that goes to South Africa weighted by the world share of imports by South Africa</b>											
Iij	0.796	1.580	1.405	1.544	1.598	1.709	1.506	1.971	2.057	1.142	1.020
<b>Proportion of exports that goes to the EU weighted by the world share of imports by the EU</b>											
Iij	0.953	0.751	0.703	0.703	0.638	0.690	0.681	0.686	0.710	0.689	0.665
<b>Proportion of exports that goes to China weighted by the world share of imports by China</b>											
Iij	0.052	0.059	0.056	0.66	0.080	0.095	0.079	0.085	0.091	0.067	0.078

Sources: Own table derived from statistical data obtained from ITC trade database available on <http://www.trademap.org>

Notes: Statistical data for total imports by the UAE are not available for 2001-2004 and 2006.

The year 2011 is the most recent year for which Kenya's trade data with various countries is available.

EAC = East African Community

**Table 15: Revealed Trade Barrier Indexes for Kenya's Trade with its Major Export Destinations**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	<b>RTB<sub>ik</sub> for trade with India</b>												
HS28	43.1	38.7	33.9	47.5	38.2	46.5	29.8	45.8	42.62	22.5	34.1	47.7	44.1
HS07	13.7	37.2	35.5	1.24	4.57	1.25	56.8	5.41	1.83	81.8	9.03	18.7	64.5
HS09	48.1	55.1	51.7	78.0	80.0	61.0	42.2	59.9	52.3	54.0	35.9	45.9	70.2
HS41	29.5	26.3	36.3	46.9	55.9	55.5	40.6	55.0	51.1	60.5	56.3	76.0	55.4
HS51	7.11	9.14	11.6	18.5	30.6	34.3	16.0	23.7	28.2	23.3	21.3	30.9	38.7
HS47	0	0	0	0	0	0	0	0	1.62	4.23	3.01	7.82	6.63
HS25	8.87	13.5	30.7	27.6	22.5	26.8	62.6	23.5	76.4	21.4	42.3	29.1	6.35
HS53	21.7	31.9	28.7	31.2	56.2	62.5	77.0	88.6	68.0	57.7	63.6	91.1	76.2
HS26	2.39	1.38	1.27	0.55	0.89	1.30	0.60	0.41	0.52	0.90	0.68	0.68	0.88

**Table 15 (continued): Revealed Trade Barrier Indexes for Kenya's Trade with its Major Export Destinations**

<b>RTB<sub>ik</sub> for trade with United Arab Emirates</b>													
HS02	5.56	5.59	6.05	6.41	6.00	6.65	3.14	5.13	2.62	2.71	6.11	n/a	n/a
HS03	3.13	1.38	9.77	4.70	6.76	7.38	2.70	4.55	2.05	1.39	1.16	n/a	n/a
HS06	14.14	20.68	22.44	34.08	33.69	38.49	27.18	43.62	24.93	16.12	20.07	n/a	n/a
HS07	8.84	9.17	7.04	11.63	10.60	9.88	8.00	8.76	5.34	4.62	6.98	n/a	n/a
HS08	15.71	29.34	30.14	33.39	15.01	16.23	8.63	11.32	8.84	8.15	11.84	n/a	n/a
HS09	209.3	183.6	205.9	230.6	191.7	174.3	107.9	171.3	119.4	108.5	99.25	n/a	n/a
HS17	12.29	2.85	19.26	27.60	22.95	20.49	15.61	17.10	6.39	3.62	4.36	n/a	n/a
HS24	2.91	0	0	0	45.76	45.99	14.95	0.97	2.94	3.74	10.90	n/a	n/a
HS28	0	0	0.04	0	7.30	4.54	1.61	6.08	6.68	3.68	4.91	n/a	n/a
HS71	11.90	11.03	6.25	1.70	4.67	4.99	20.74	3.27	7.92	12.69	9.70	n/a	n/a

**Table 15 (continued): Revealed Trade Barrier Indexes for Kenya's Trade with its Major Export Destinations**

<b>RTB<sub>ik</sub> for trade with the United Kingdom</b>													
HS09	209.5	204.7	187.4	209.0	176.1	192.4	166.6	174.5	170.4	195.4	161.2	157.2	154.9
HS07	72.88	74.85	80.80	92.52	99.44	101.0	95.36	88.73	60.26	67.65	77.87	90.57	78.05
HS06	107.0	104.3	115.2	160.6	188.8	188.6	217.3	222.9	157.2	144.0	160.9	186.8	196.6
HS12	0.24	0.04	0.17	0.22	0.35	0.44	0.32	2.87	3.84	6.80	6.38	4.89	10.4
HS20	8.27	6.66	8.44	5.73	6.14	5.11	5.33	3.40	1.60	2.87	4.60	3.68	7.02
HS95	0.66	0.93	1.27	1.48	1.46	1.61	1.42	1.51	1.75	2.04	2.67	2.29	3.16
HS08	0.27	0.54	0.89	1.22	1.21	1.52	1.64	1.54	1.07	1.56	1.37	1.45	1.36
<b>RTB<sub>ik</sub> for trade with the United States of America</b>													
HS61	0.09	8.70	14.68	17.70	18.0	16.58	22.56	27.04	27.75	30.15	35.70	29.62	32.47
HS62	29.27	32.04	33.83	37.82	40.07	42.46	41.85	39.78	27.98	28.32	28.55	34.15	31.27
HS09	91.03	61.95	43.38	29.73	41.19	44.33	50.35	62.34	57.01	53.47	41.80	54.64	37.39
HS08	1.36	1.70	3.98	7.13	4.73	4.10	2.52	3.49	2.91	10.42	14.35	15.77	11.38
HS21	6.77	3.33	4.92	3.67	3.37	6.31	6.17	6.50	6.88	10.84	9.70	7.86	7.29
HS06	2.99	5.37	5.38	4.13	4.93	5.48	5.25	5.61	7.11	8.11	8.87	8.84	12.84
HS95	1.52	0.65	0.58	0.42	0.50	1.16	1.56	1.94	0.82	1.11	0.89	1.29	1.15

Sources: Own table derived from statistical data obtained from ITC trade database available on <http://www.trademap.org>. Notes: In cases where  $RTB_{ik} = 0$ , the value of imports for those years was less than US\$1000 and as such was recorded as 0.

While Kenya does not trade intensively with the U.S., it is a major export destination and has provided preferential treatment to five of the top ten exports throughout the period, that is HS62 (resource-intensive manufactures), and HS09, HS08, HS21, HS06 (all non fuel primary commodities). The category HS61 (resource-intensive manufactures) received preferential treatment after 2001 and with HS95 (resource-intensive manufactures) in selected years.

The United Arab Emirates with which Kenya trades intensively and as such a major trading partner has provided preferential treatment to eight of the top ten exports throughout the period. These are categories HS02, HS03, HS06, HS07, HS08, HS09 (all non fuel primary commodities); HS17 (mainly non fuel primary commodities with few high-skills & technology-intensive manufactures) and HS71 (non fuel primary commodities with few resource-intensive manufactures). Kenya traded intensively with India and over the period, eight of its major exports to India received preferential access. These products are HS28 (high-skills & technology-intensive manufactures); HS07, HS09 and HS47 (all non fuel primary commodities); HS41, HS51, HS25 and HS53 (all non fuel primary commodities with some resource-intensive manufactures). HS26 (non fuel primary commodities with few mineral fuels) was accorded preferential access during the early 2000s only.

Given the above results, it can be stated that in general, Kenya's major exports have received preferential treatment in entering its major export markets. It can also be seen that Kenya has a narrow range of products receiving preferential access and that according to their factor intensities, most of these products are categorized as non fuel primary commodities, followed by those categorized as resource-intensive manufactures. Category HS28 is its only high-skills & technology-intensive manufactures and this has preferential access into India.

#### **4. Conclusion**

Of the three countries examined, Nigeria's trade remains highly concentrated in a few sectors, with its exports dominated by fuel commodities. South Africa's trade is the least concentrated and spreads over a wide range of sectors. While Kenya's trade is not as highly con-

centrated as Nigeria's, the indexes show that dominant sectors are present, especially in exports, and these are non fuel primary commodities.

Regarding the factor intensities of products traded by the three countries, imports continue to be dominated by manufactures categorized as high-skills & technology-intensive, medium-skills & technology-intensive, and low-skills & technology-intensive. The exports are mainly non fuel primary commodities for all the three countries while for South Africa and Nigeria fuel commodities are also important exports. Manufactured exports categorized as high-skills & technology-intensive and medium-skills & technology-intensive are gaining importance in South Africa and Nigeria, but especially in South Africa.

With regards to trading partners, Europe and the U.S. continue to be the major trading partners for South Africa and Nigeria, with Asia becoming increasingly more significant. For Kenya, Asia is the major import source ahead of Europe and the U.S., while Africa is its major export destination followed by Europe and then Asia. The Asian countries which are significant trading partners for the three countries are China, India and Japan, while for Kenya the UAE, Saudi Arabia, and Indonesia are also important.

Each of the three countries trades most intensively with the regional grouping in which it is a member. Each of the three countries trades intensively with India. Although China is emerging as an important trading partner to all three countries, Kenya and Nigeria are yet to trade intensively with China, while South Africa only started to trade intensively with the country in 2009. The U.S. is an important trading partner to all the three countries, but it is only Nigeria which trades intensively with the United States. While the European Union is a key trading partner to all three countries, none of the countries trade intensively with the EU. However, all three countries trade intensively with the United Kingdom.

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