



## 6.5

## Direction of trade of developing economies

	Exports						Imports					
	% of total merchandise exports						% of total merchandise imports					
	To developing economies		Outside region		To high-income economies		From developing economies		Outside region		From high-income economies	
	1997	2007	1997	2007	1997	2007	1997	2007	1997	2007	1997	2007
<b>East Asia &amp; Pacific</b>	<b>8.5</b>	<b>10.6</b>	<b>6.9</b>	<b>14.6</b>	<b>84.6</b>	<b>74.8</b>	<b>9.4</b>	<b>16.9</b>	<b>7.5</b>	<b>13.2</b>	<b>84.6</b>	<b>69.9</b>
Cambodia	55.5	7.3	1.0	1.9	43.5	90.8	34.3	59.7	0.8	1.4	43.5	38.9
China	4.9	5.5	8.4	17.0	86.6	77.5	6.0	10.7	10.1	17.0	86.6	72.3
Indonesia	11.2	18.9	6.7	12.7	82.1	68.4	8.6	27.8	8.3	10.3	82.1	61.9
Korea, Dem. Rep.	16.8	40.7	33.5	49.6	49.7	9.6	43.0	51.9	18.7	38.6	49.7	9.5
Lao PDR	26.2	71.0	0.0	1.2	73.8	27.8	91.7	85.5	0.1	0.7	73.8	13.8
Malaysia	10.1	19.7	6.5	9.8	83.5	70.5	10.2	26.1	4.4	5.4	83.5	68.5
Mongolia	22.5	72.0	10.8	3.9	66.6	24.1	14.5	34.5	38.9	34.7	66.6	30.8
Myanmar	15.4	61.3	20.2	19.1	64.4	19.6	42.6	63.9	3.0	4.7	64.4	31.4
Papua New Guinea	11.2	15.3	0.7	2.4	88.2	82.2	7.2	18.0	1.0	1.3	88.2	80.7
Philippines	8.4	21.1	1.2	2.2	90.4	76.6	10.4	19.5	5.1	3.4	90.4	77.2
Thailand	13.6	25.1	5.4	11.0	81.0	64.0	11.6	25.6	7.3	7.3	81.0	67.0
Vietnam	14.4	19.8	5.4	3.4	80.2	76.8	13.4	33.9	3.6	4.6	80.2	61.4
<b>Europe &amp; Central Asia</b>	<b>32.1</b>	<b>28.3</b>	<b>10.0</b>	<b>10.2</b>	<b>57.8</b>	<b>61.5</b>	<b>27.7</b>	<b>27.5</b>	<b>7.9</b>	<b>14.0</b>	<b>57.8</b>	<b>58.4</b>
Albania	8.1	8.6	0.1	3.9	91.8	87.6	10.5	23.4	0.5	10.7	91.8	65.9
Armenia	44.1	36.0	21.8	4.9	34.2	59.2	41.4	42.6	12.1	15.1	34.2	42.3
Azerbaijan	55.0	38.2	25.0	21.3	20.0	40.5	69.0	45.3	7.7	11.6	20.0	43.1
Belarus	80.7	58.9	7.3	6.7	12.0	34.4	73.5	72.6	3.3	5.1	12.0	22.3
Bosnia and Herzegovina	39.3	26.9	4.9	2.3	55.9	70.8	33.7	37.2	0.1	1.1	55.9	61.7
Bulgaria	36.3	29.5	9.1	5.9	54.6	64.6	38.2	35.7	9.3	7.7	54.6	56.6
Croatia	23.6	22.9	4.8	2.8	71.6	74.4	9.0	20.3	7.4	9.7	71.6	70.0
Georgia	77.3	46.8	5.6	5.6	17.1	47.6	55.8	56.8	2.5	8.1	17.1	35.2
Kazakhstan	49.2	26.2	11.7	22.3	39.1	51.5	61.1	48.4	3.0	23.5	39.1	28.0
Kyrgyz Republic	54.7	56.6	7.5	17.2	37.8	26.1	68.7	66.5	7.0	16.4	37.8	17.1
Latvia	38.4	37.0	2.3	2.3	59.3	60.7	30.1	35.4	1.6	3.2	59.3	61.4
Lithuania	58.6	45.2	1.0	2.0	40.4	52.9	38.4	39.1	2.9	4.3	40.4	56.6
Macedonia, FYR	20.4	42.4	1.2	0.5	78.4	57.1	28.5	37.5	6.2	4.7	78.4	57.8
Moldova	80.5	65.0	0.5	2.0	19.0	32.9	69.1	67.0	1.6	2.9	19.0	30.2
Poland	27.8	34.4	6.1	10.6	66.1	55.0	21.4	36.5	7.6	23.0	66.1	40.5
Romania	13.6	19.5	14.4	5.8	72.0	74.7	19.0	20.9	7.7	7.1	72.0	72.1
Russian Federation	30.4	28.7	9.9	10.5	59.7	60.8	33.3	20.8	9.2	19.9	59.7	59.3
Tajikistan	43.3	50.9	2.7	6.7	53.9	42.4	66.6	70.3	2.3	17.5	53.9	12.1
Turkey	18.4	19.1	11.7	14.8	69.9	66.1	9.7	22.8	12.6	22.8	69.9	54.5
Turkmenistan	48.2	64.6	31.7	22.9	20.2	12.4	71.5	41.4	4.7	17.7	20.2	40.9
Ukraine	51.2	51.1	22.5	20.1	26.3	28.7	65.4	45.4	3.2	12.1	26.3	42.5
Uzbekistan	62.8	62.8	10.1	14.1	27.1	23.1	46.5	52.4	6.1	14.9	27.1	32.7
<b>Latin America &amp; Carib.</b>	<b>19.5</b>	<b>18.2</b>	<b>5.8</b>	<b>11.1</b>	<b>74.7</b>	<b>70.7</b>	<b>17.7</b>	<b>20.4</b>	<b>5.4</b>	<b>16.9</b>	<b>74.7</b>	<b>62.6</b>
Argentina	50.8	41.1	17.6	27.2	31.6	31.7	31.6	44.5	7.5	18.3	31.6	37.2
Bolivia	43.5	65.2	0.3	2.5	56.2	32.3	43.8	71.3	1.0	4.8	56.2	23.8
Brazil	28.7	25.3	13.0	20.5	58.2	54.2	22.1	17.3	10.2	27.9	58.2	54.8
Chile	21.5	16.9	7.6	23.2	70.9	59.9	29.4	35.8	8.4	21.1	70.9	43.0
Colombia	27.7	35.4	1.9	4.6	70.4	60.0	25.8	31.5	3.7	15.3	70.4	53.2
Costa Rica	26.1	19.5	2.1	18.2	71.8	62.3	32.4	27.6	4.1	7.6	71.8	64.8
Cuba	6.1	13.0	42.7	36.8	51.2	50.2	10.9	39.9	24.7	18.6	51.2	41.5
Dominican Republic	2.9	6.4	0.4	2.8	96.7	90.8	21.2	28.2	1.4	6.2	96.7	65.7
Ecuador	25.9	28.3	7.3	9.4	66.8	62.3	34.2	36.1	4.5	13.4	66.8	50.6
El Salvador	48.0	40.3	0.8	1.4	51.2	58.3	38.9	42.1	1.8	7.1	51.2	50.8
Guatemala	30.1	39.6	3.5	3.0	66.4	57.4	31.2	33.1	2.4	9.5	66.4	57.4
Haiti	0.4	11.9	0.0	3.7	99.6	84.3	14.9	16.8	4.5	10.4	99.6	72.8
Honduras	17.8	17.5	0.0	0.8	82.2	81.7	30.5	27.1	0.0	5.9	82.2	66.9
Jamaica	4.3	2.0	8.1	9.1	87.6	88.9	10.5	29.1	2.3	5.4	87.6	65.5
Mexico	5.1	6.0	0.3	1.6	94.6	92.4	2.3	5.1	3.2	15.4	94.6	79.5
Nicaragua	28.6	44.6	0.1	0.8	71.3	54.6	46.9	58.8	0.5	0.8	71.3	40.4
Panama	23.6	16.9	0.2	8.1	76.2	75.1	30.0	24.2	1.6	7.3	76.2	68.6
Paraguay	61.0	70.0	0.4	8.1	38.6	21.9	53.9	53.6	2.9	10.6	38.6	35.8
Peru	17.9	20.5	13.5	15.9	68.6	63.6	30.4	38.4	2.6	18.3	68.6	43.3
Uruguay	56.6	41.9	9.6	18.6	33.9	39.5	50.7	48.2	7.6	21.3	33.9	30.5
Venezuela, RB	21.9	13.3	0.6	4.8	77.4	81.9	22.2	43.4	1.4	10.2	77.4	46.5

# Direction of trade of developing economies

# 6.5

GLOBAL LINKS

	Exports						Imports					
	% of total merchandise exports						% of total merchandise imports					
	To developing economies				To high-income economies		From developing economies				From high-income economies	
	Within region	Outside region			1997	2007	Within region	Outside region			1997	2007
1997	2007	1997	2007	1997	2007	1997	2007	1997	2007	1997	2007	
<b>Middle East &amp; N. Africa</b>	<b>4.6</b>	<b>7.5</b>	<b>16.9</b>	<b>18.5</b>	<b>78.5</b>	<b>74.0</b>	<b>4.8</b>	<b>8.3</b>	<b>20.7</b>	<b>31.5</b>	<b>78.5</b>	<b>60.2</b>
Algeria	1.2	2.5	13.5	11.2	85.3	86.4	3.6	3.3	15.6	31.6	85.3	65.1
Egypt, Arab Rep.	7.0	14.7	12.9	15.3	80.1	70.1	1.3	4.1	24.3	33.6	80.1	62.3
Iran, Islamic Rep.	0.3	2.7	19.6	38.0	80.1	59.3	0.8	0.8	29.4	46.0	80.1	53.2
Iraq	20.2	3.0	17.2	7.0	62.6	90.0	25.8	39.2	28.7	31.9	62.6	28.9
Jordan	28.4	27.5	25.4	17.1	46.3	55.4	17.7	8.6	19.5	25.9	46.3	65.4
Lebanon	16.9	39.6	14.7	11.9	68.4	48.5	7.0	16.5	16.7	22.2	68.4	61.3
Libya	3.5	3.1	10.9	7.1	85.7	89.8	9.2	11.4	10.7	25.5	85.7	63.1
Morocco	6.2	2.7	19.4	21.1	74.4	76.2	4.6	6.3	21.3	20.0	74.4	73.8
Syrian Arab Republic	13.5	53.4	15.6	4.3	70.9	42.3	4.4	21.2	26.9	30.4	70.9	48.5
Tunisia	7.3	9.5	8.3	6.5	84.4	84.0	4.8	7.0	11.8	15.3	84.4	77.7
Yemen, Rep.	0.3	2.1	56.5	66.8	43.2	31.1	3.6	3.3	25.5	34.7	43.2	62.0
<b>South Asia</b>	<b>4.4</b>	<b>6.4</b>	<b>17.5</b>	<b>26.5</b>	<b>78.1</b>	<b>67.1</b>	<b>3.9</b>	<b>4.9</b>	<b>21.7</b>	<b>32.3</b>	<b>78.1</b>	<b>62.8</b>
Afghanistan	24.0	45.9	20.6	21.1	55.4	33.0	9.7	41.8	33.3	28.1	55.4	30.0
Bangladesh	2.5	2.8	9.9	7.1	87.6	90.1	15.0	16.9	23.2	31.3	87.6	51.9
India	4.8	5.2	19.6	29.2	75.5	65.6	0.6	1.1	22.1	33.0	75.5	65.9
Nepal	25.9	72.8	0.4	2.8	73.8	24.4	28.2	66.2	8.2	18.6	73.8	15.2
Pakistan	2.9	13.0	14.1	21.3	83.0	65.7	2.3	3.0	21.3	33.9	83.0	63.1
Sri Lanka	2.8	9.3	15.1	14.3	82.0	76.4	12.1	25.6	21.2	24.9	82.0	49.5
<b>Sub-Saharan Africa</b>	<b>12.3</b>	<b>12.3</b>	<b>12.4</b>	<b>23.3</b>	<b>75.4</b>	<b>64.4</b>	<b>13.3</b>	<b>12.2</b>	<b>13.5</b>	<b>28.9</b>	<b>75.4</b>	<b>59.0</b>
Angola	1.3	4.6	16.4	38.4	82.3	57.0	9.6	7.4	7.7	27.6	82.3	65.0
Benin	7.8	31.5	61.1	44.6	31.1	23.9	15.4	9.0	15.8	59.8	31.1	31.2
Burkina Faso	19.9	16.3	11.0	50.1	69.1	33.6	26.2	41.7	12.0	15.6	69.1	42.7
Burundi	2.5	18.4	0.0	16.6	97.5	65.0	27.0	27.2	6.6	16.5	97.5	56.3
Cameroon	6.6	9.6	9.3	9.5	84.1	80.9	19.2	19.8	10.0	25.1	84.1	55.1
Central African Republic	17.0	8.7	0.1	33.3	82.9	58.0	23.1	24.9	6.8	10.9	82.9	64.2
Chad	6.5	0.5	27.9	4.6	65.7	95.0	22.8	22.0	7.5	14.3	65.7	63.7
Congo, Dem. Rep.	8.6	10.5	4.6	34.1	86.9	55.3	40.6	53.9	9.4	6.7	86.9	39.4
Congo, Rep.	1.1	1.4	11.6	43.1	87.3	55.5	12.2	4.8	6.5	27.8	87.3	67.4
Ethiopia	3.0	2.4	15.3	30.1	81.7	67.4	2.3	2.4	18.7	42.4	81.7	55.2
Gabon	1.0	3.1	11.2	31.1	87.8	65.8	16.0	9.3	5.1	13.0	87.8	77.7
Gambia, The	8.5	8.4	15.3	57.4	76.2	34.2	10.5	21.8	19.7	51.9	76.2	26.3
Ghana	8.2	11.6	13.0	20.3	78.8	68.1	22.9	24.8	13.1	33.2	78.8	42.1
Guinea	5.7	1.9	0.5	35.3	93.8	62.8	12.5	12.2	16.4	33.1	93.8	54.6
Guinea-Bissau	1.6	8.9	55.0	90.2	43.4	0.9	13.3	25.8	20.7	19.7	43.4	54.5
Kenya	41.5	42.8	13.5	16.1	45.0	41.1	13.5	9.1	14.7	29.2	45.0	61.7
Liberia	1.4	2.3	14.0	57.6	84.5	40.0	1.1	2.4	9.1	17.7	84.5	79.9
Madagascar	7.5	2.7	6.3	5.8	86.2	91.6	11.8	14.4	25.0	37.8	86.2	47.8
Malawi	21.6	26.1	13.1	29.1	65.3	44.8	68.0	55.1	5.2	18.0	65.3	27.0
Mali	4.0	6.6	42.7	62.4	53.3	31.0	36.1	43.2	6.5	14.3	53.3	42.5
Mauritania	9.6	13.0	4.6	37.2	85.8	49.8	4.1	6.0	26.2	35.3	85.8	58.7
Mauritius	5.8	12.1	1.2	3.1	93.0	84.9	15.2	10.5	22.1	44.2	93.0	45.3
Mozambique	31.0	21.0	8.0	9.8	61.0	69.2	64.1	47.1	7.2	19.3	61.0	33.5
Niger	28.5	32.8	0.3	2.8	71.2	64.3	27.2	23.3	16.9	17.0	71.2	59.6
Nigeria	8.1	10.2	13.7	14.0	78.2	75.8	3.3	6.0	20.9	28.6	78.2	65.4
Rwanda	5.8	5.5	14.2	40.0	80.0	54.4	30.9	46.6	7.7	11.4	80.0	42.0
Senegal	29.6	49.6	19.5	12.2	51.0	38.2	11.8	9.3	20.8	27.7	51.0	63.0
Sierra Leone	0.0	2.9	0.0	6.2	100.0	90.9	21.2	19.5	9.3	33.6	100.0	46.9
Somalia	0.3	4.0	13.1	29.3	86.6	66.7	13.6	10.9	66.7	66.7	86.6	22.4
South Africa	14.2	14.2	11.7	16.0	74.0	69.8	3.7	6.2	11.6	27.9	74.0	65.9
Sudan	1.3	0.3	30.5	84.2	68.2	15.5	3.2	2.4	41.6	52.8	68.2	44.8
Tanzania	14.6	18.7	25.8	32.4	59.5	48.9	16.5	20.1	23.3	30.5	59.5	49.3
Togo	17.4	55.7	37.5	17.3	45.1	27.0	23.9	6.1	8.9	47.7	45.1	46.2
Uganda	2.4	23.4	7.0	11.1	90.6	65.5	44.2	40.2	9.4	17.4	90.6	42.4
Zambia	13.7	24.1	25.8	18.5	60.5	57.5	55.6	59.1	5.8	11.6	60.5	29.2
Zimbabwe	35.1	55.7	9.6	11.6	55.4	32.7	50.6	67.8	5.6	11.6	55.4	20.7

Note: Bilateral trade data are not available for Timor-Leste, Serbia, West Bank and Gaza, Botswana, Côte d'Ivoire, Eritrea, Lesotho, Namibia, and Swaziland.



# 6.5

## Direction of trade of developing economies

### About the data

Developing economies are an increasingly important part of the global trading system. Their share of world trade rose from 18 percent in 1990 to 28 percent in 2007. And trade between high-income economies and low- and middle-income economies has grown faster than trade between high-income economies. This increased trade benefits both producers and consumers in developing and high-income economies.

The table shows trade in goods between developing economies in the same region and other regions and between developing economies and high-income economies. Data on exports and imports are from the International Monetary Fund's (IMF) Direction of Trade database and should be broadly consistent with data from other sources, such as the United Nations Statistics Division's Commodity Trade (Comtrade) database. Generally, data on trade between developing and high-income economies are complete. But trade flows between many developing economies—particularly those in Sub-Saharan Africa—are not well recorded, and the value of trade among developing economies may be understated. The table does not include some developing economies because data on their bilateral trade flows are not available. Data on the direction of trade between selected high-income economies are presented and discussed in tables 6.3 and 6.4.

At the regional level most exports from developing economies are to high-income economies, but the

share of intraregional trade is increasing. Geographic patterns of trade vary widely by country and commodity. Larger shares of exports from oil- and resource-rich economies are to high-income economies.

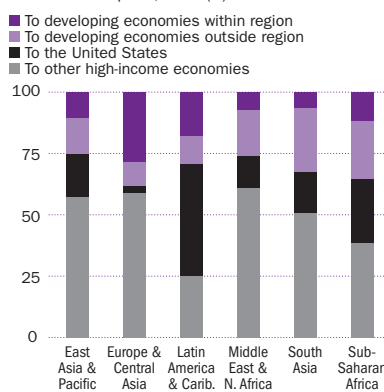
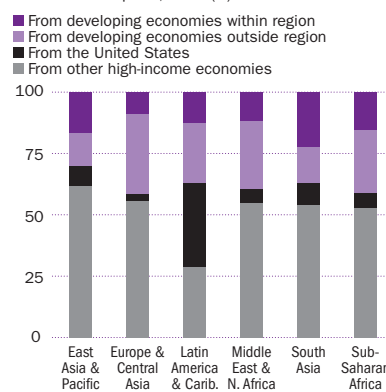
The relative importance of intraregional trade is higher for both landlocked countries and small countries with close trade links to the largest regional economy. For most developing economies—especially smaller ones—there is a “geographic bias” favoring intraregional trade. Despite the broad trend toward globalization and the reduction of trade barriers, the relative share of intraregional trade increased for most economies between 1997 and 2007. This is due partly to trade-related advantages, such as proximity, lower transport costs, increased knowledge from repeated interaction, and cultural and historical affinity. The direction of trade is also influenced by preferential trade agreements that a country has made with other economies. Though formal agreements on trade liberalization do not automatically increase trade, they nevertheless affect the direction of trade between the participating economies. Table 6.7 illustrates the size of existing regional trade blocs that have formal preferential trade agreements.

Although global integration has increased, developing economies still face trade barriers when accessing other markets (see table 6.8).

### Definitions

• **Exports to developing economies within region** are the sum of merchandise exports from the reporting economy to other developing economies in the same World Bank region as a percentage of total merchandise exports by the economy. • **Exports to developing economies outside region** are the sum of merchandise exports from the reporting economy to other developing economies in other World Bank regions as a percentage of total merchandise exports by the economy. • **Exports to high-income economies** are the sum of merchandise exports from the reporting economy to high-income economies as a percentage of total merchandise exports by the economy. • **Imports from developing economies within region** are the sum of merchandise imports by the reporting economy from other developing economies in the same World Bank region as a percentage of total merchandise imports by the economy. • **Imports from developing economies outside region** are the sum of merchandise imports by the reporting economy from other developing economies in other World Bank regions as a percentage of total merchandise imports by the economy. • **Imports from high-income economies** are the sum of merchandise imports by the reporting economy from high-income economies as a percentage of total merchandise imports by the economy.

### Trading partners vary by region

**6.5a****Merchandise exports, 2007 (%)****Merchandise imports, 2007 (%)**

In 2007 most developing economy merchandise trade was with high-income partners, but the degree of dependence varied by region. Latin America and Caribbean is highly integrated with the United States and most likely to be affected by the U.S. recession. Most merchandise exports of Latin America and Caribbean and Europe and Central Asia to developing economies stayed within the same region. Most merchandise imports of East Asia and Pacific and South Asia from developing economies were from within the same region, reflecting strong presence of large regional economies such as China and India.

Source: World Bank staff calculations based on data from International Monetary Fund's Direction of Trade database.

### Data sources

Data on merchandise trade flows are published in the IMF's *Direction of Trade Statistics Yearbook* and *Direction of Trade Statistics Quarterly*; the data in the table were calculated using the IMF's Direction of Trade database. Regional and income group classifications are according to the World Bank classification of economies as of July 1, 2008 and are as shown on the inside covers of this report.