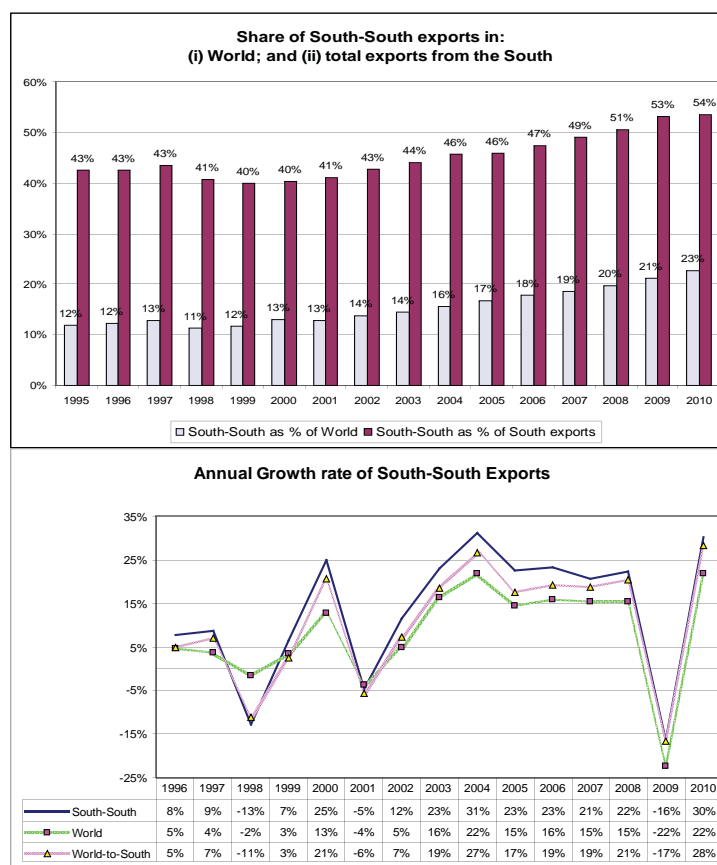


SOUTH-SOUTH TRADE MONITOR

No. 1
June 2012

1. South-South export rebounded faster than world trade after the 2008 crisis

- In 2010, South-South export reached \$3.5 billion, claiming **23 per cent of world trade**.
- As from 2008, developing countries as a whole exported more to the South than to the North.
- Between 2001 and 2010, South-South export grew on average by **19 per cent per year** compared to 12 per cent of the world export growth.
- After the 2008 global economic crisis, South-South exports rebounded much faster than world export growth. South-South exports grew by **30 per cent** between 2009 and 2010.



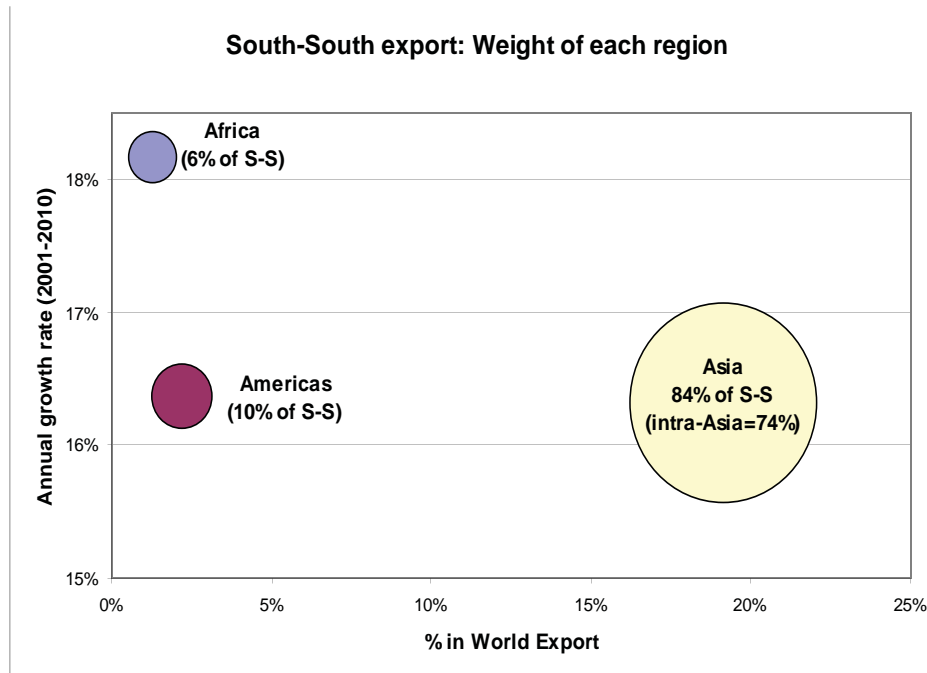
Source: UNCTAD statistics: UNCTAD STAT and SSTIS.

Note: This report can be freely cited provided appropriate acknowledgement is given to UNCTAD and UNCTAD's website is mentioned (www.unctad.org/tab).

Image: FreeDigitalPhotos.net

2. South–South trade is basically trade with and within Asia

- **Asia** claims over **80 per cent** of all South–South exports, of which **intra-Asia** exports account for around **74 per cent**. Asia’s dominance in South–South trade has been consistent throughout the studied period of the last 15 years.
- The shares of Africa and Americas in South–South exports in 2010 were **6 per cent** and **10 per cent**, respectively. For both regions, the North remains the main export destination.



- Asia’s “pull” of exports from other regions also increased: Africa’s exports to Asia accounted for **62 per cent** of its 2010 total southbound export (31 per cent in 1995); and in Americas **42 per cent** (24 per cent in 1995).

- Intra-regional trade is less significant for Africa and Americas. The share of **intra-Africa** exports fell from 63 per cent (1995) to **29 per cent** (2010) of its total southbound exports. For the **Americas**, the share fell from 71 per cent (1995) to **53 per cent** (2010) of the Americas’ total southbound exports. Trade between Africa and Americas remained just over **1 per cent** of total South–South exports throughout 1995–2010.

		Magnitude of South-South Exports – Regional Breakdown			
		1995	2000	2005	2010
South–South		43%	40%	46%	54%
Africa to South		34%	28%	30%	39%
Americas to South		28%	23%	29%	38%
Asia to South (as % region’s total exports to World)		47%	46%	51%	58%
From Africa	To Africa	63%	35%	31%	29%
	To Americas	6%	12%	13%	9%
	To Asia	31%	53%	56%	62%
From Americas	To Africa	5%	4%	6%	5%
	To Americas	71%	77%	64%	53%
	To Asia	24%	20%	30%	42%
From Asia	To Africa	4%	4%	5%	6%
	To Americas	5%	5%	4%	6%
	To Asia	91%	90%	91%	87%
(as % region’s total exports to South)					

3. Between Southern regions, trade shows the pattern of regional specialization

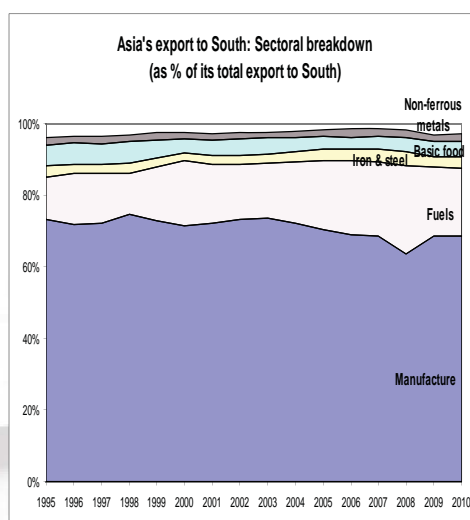
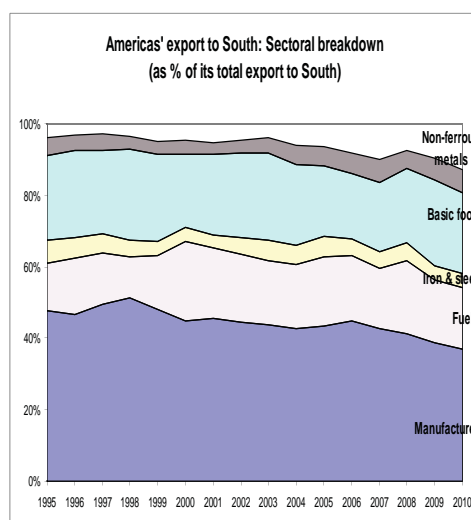
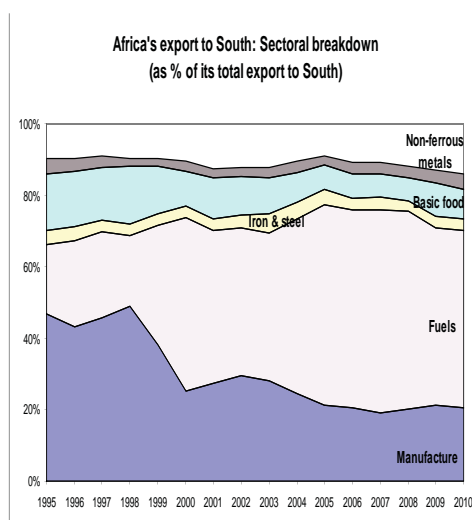
- Over **60 per cent** of South–South exports are in manufactures.

- The majority (over **90 per cent**) of South–South manufactures exports come from **Asia**. **Americas** claim **6 per cent** and **Africa's share is 2 per cent**. This has been a consistent pattern for the last decade.

- South–South trade as a whole is the case of regional specialization: Asia exports manufactured goods and Africa and the Americas export commodities to Asia. Fuels dominate Africa's exports to the Americas, while basic food items are the main exports from the Americas to Africa. (See Annex Table 1).

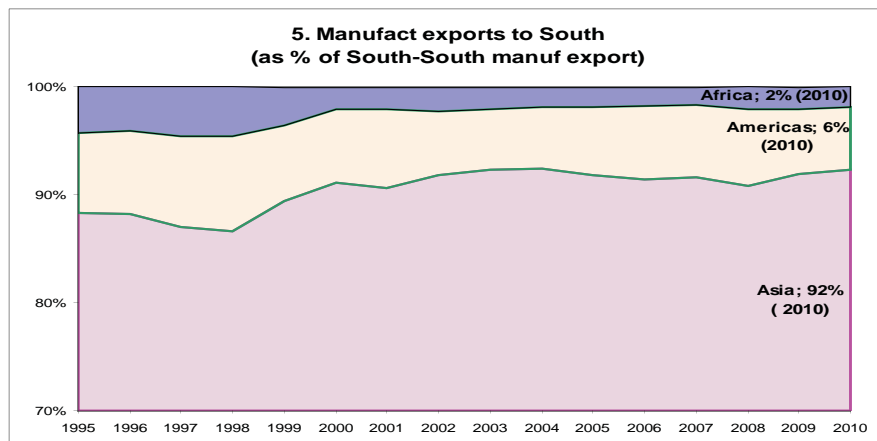
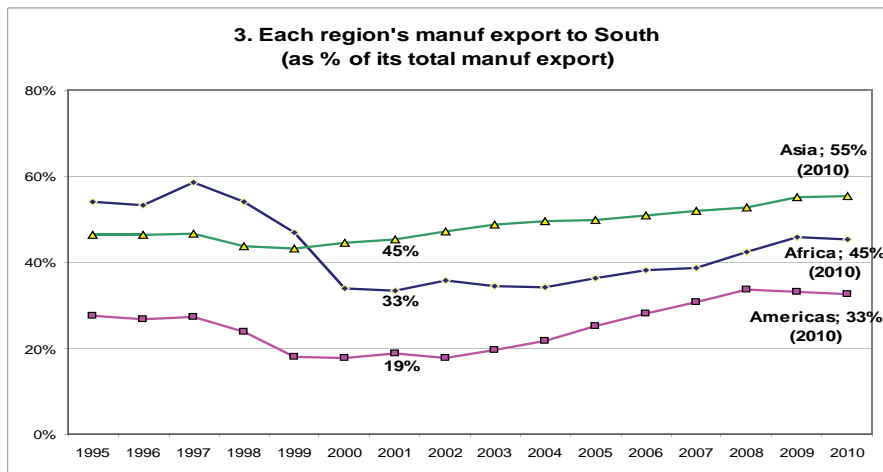
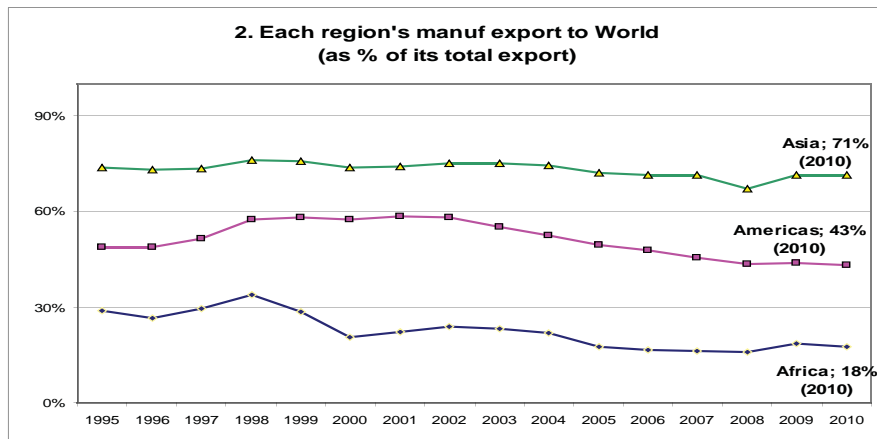
- In trade within a region, however, manufacture exports claim the highest share both in Africa and the Americas.

Main sectors of South–South exports				
South-South export: Main sectors (as % in total South-South export)	1995	2000	2005	2010
Manufactured goods (SITC 5 to 8 less 667 and 68)	69%	66%	65%	63%
Fuels (SITC 3)	13%	20%	21%	21%
Iron and steel (SITC 67)	3%	2%	3%	3%
Food, basic (SITC 0 + 22 + 4)	9%	6%	5%	6%
Non-ferrous metals (SITC 68)	2%	2%	2%	3%



4. Focus (a): South–South exports in manufactures

- In 2010, South–South exports in manufactures accounted for 21 per cent of the world manufactures exports. The share increased by 10 percentage points from the level in 1995.
- The share of manufactures in total exports is significantly different across developing regions. For the Americas and Africa, the share fell from the 2001 level by over 10 percentage points.
- During the same period, there has been a destinal change in manufacture exports of Africa and the Americas. Southbound manufacture export increased constantly.



5. Focus (b): South–South exports and increasing export value added

- Manufacture exports were grouped into five skill-intensity categories (See Annex Table 3 for the product groups in each category). Among manufactures, South–South exports in **TDRC** claimed **24 per cent** of the world, and **TDRE** claimed **26 per cent** of the world.
- Across all categories, the share of South–South manufacture exports has been on a constant rise since 2001. In 2010, South was the main destination of all categories of manufacture exports, except **TDRB** (labour-intensive and resource-based manufactures such as leather, textile and articles of apparel).

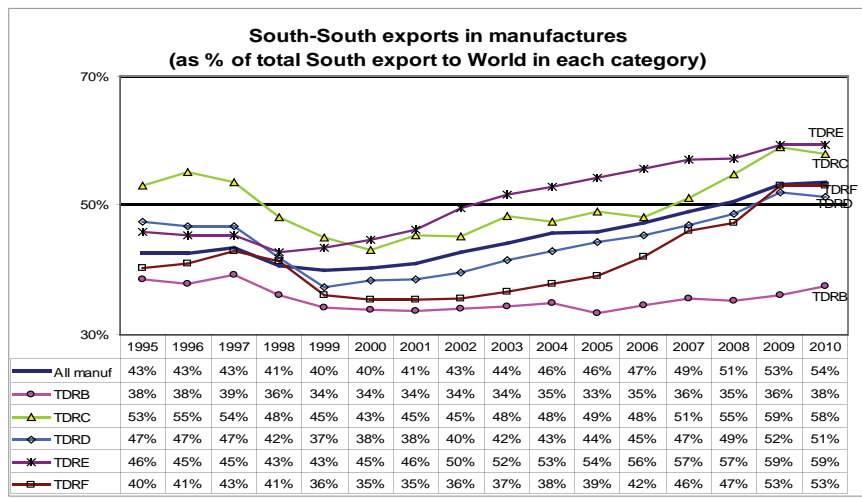
TDRB: Labour-intensive and resource-based manufactures

TDRC: Manufactures with low skill and technology intensity

TDRD: Manufactures with medium skill and technology intensity

TDRE: Manufactures with high skill and technology intensity

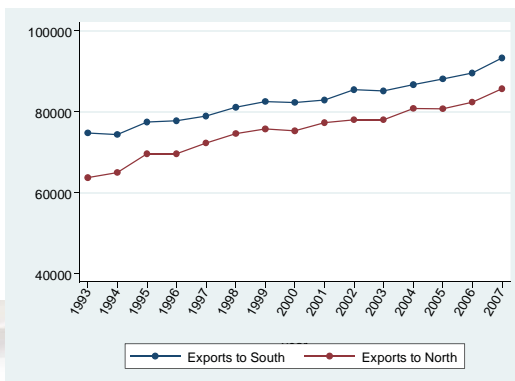
TDRF: Unclassified (e.g. arms, printed matters, jewelries, etc.)



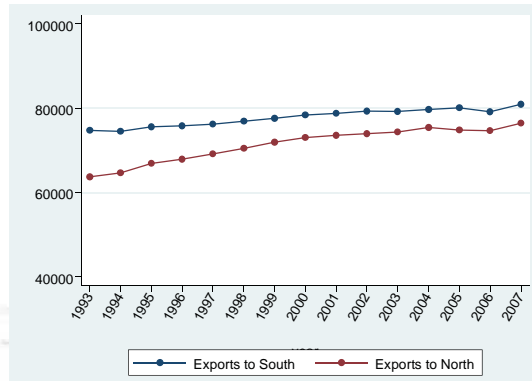
- Skill intensity of manufacture exports to the South is generally higher than those to North, except in the case of America. (See Annex Table 2.)
- UNCTAD research revealed that there is a tendency that South–South exports show a higher factor-intensity (measured in terms of revealed physical capital intensity¹) than South exports to North. (Table shows changes of revealed capital intensity of exported products, by destination.)

Evolution of RCI index by export destination, 1993–2007

a. At current RFII



b. At base year RFII



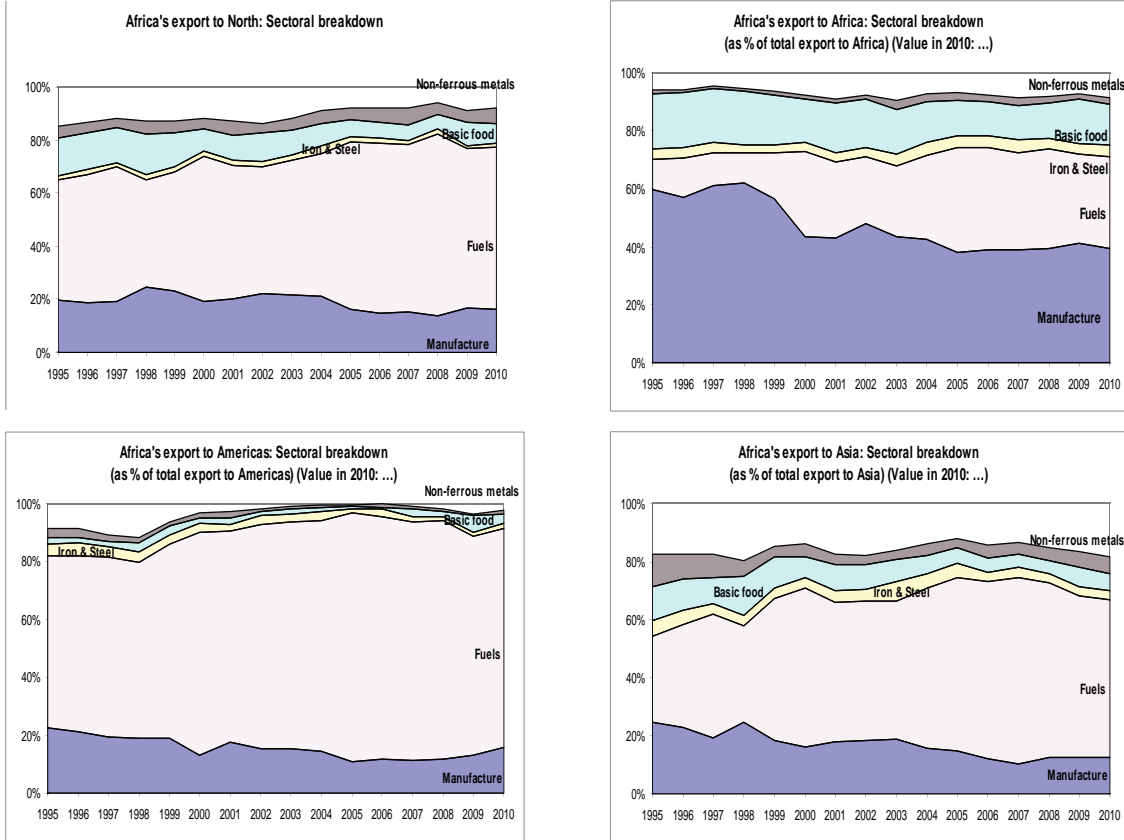
Source: UNCTAD staff calculation based on SSTIS database.

¹ The theoretical architecture of the Revealed Factor Intensity Indices (RFII), the indices and the data on national factor endowments are available at the following UNCTAD website: <http://www.unctad.info/en/Trade-Analysis-Branch/Data-And-Statistics/Other-Databases/>.

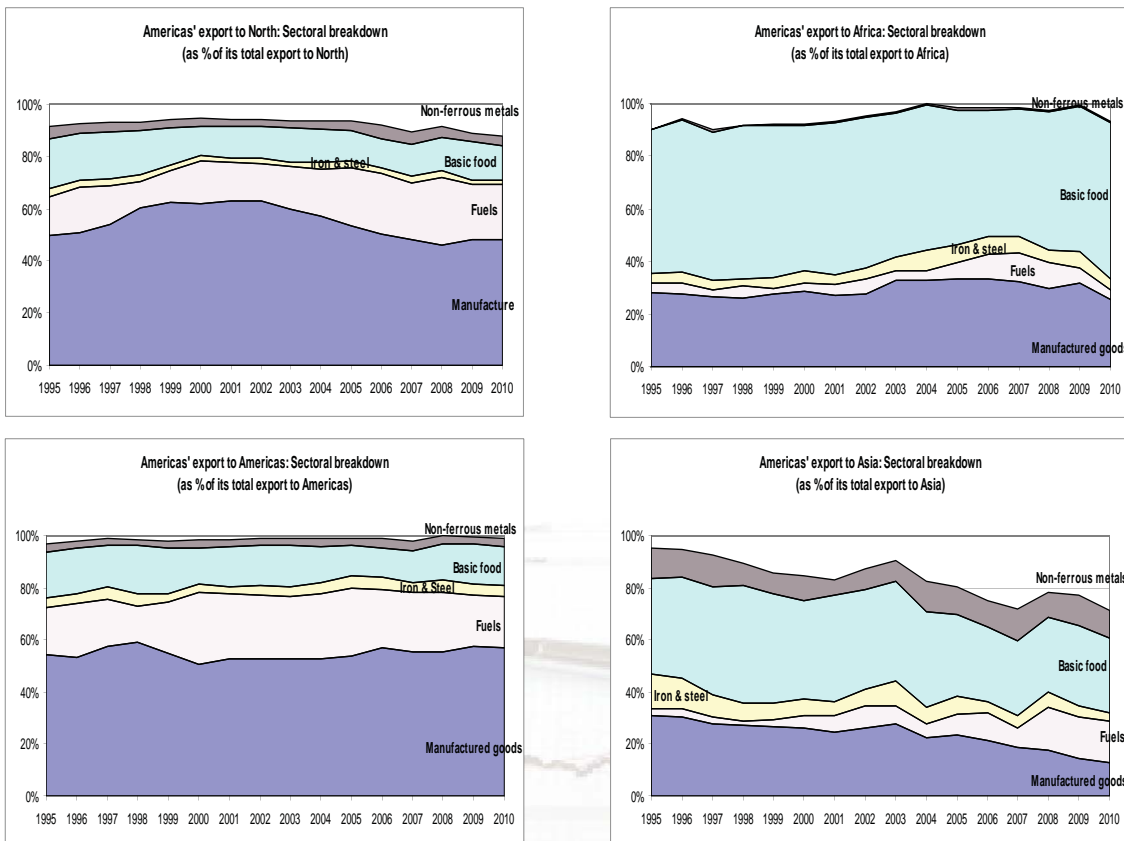
ANNEX

Table 1: Sectoral breakdown of South-South export, by destination

AFRICA:



AMERICAS:



ASIA:

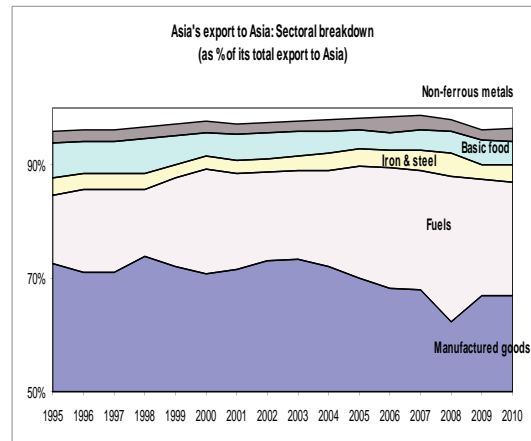
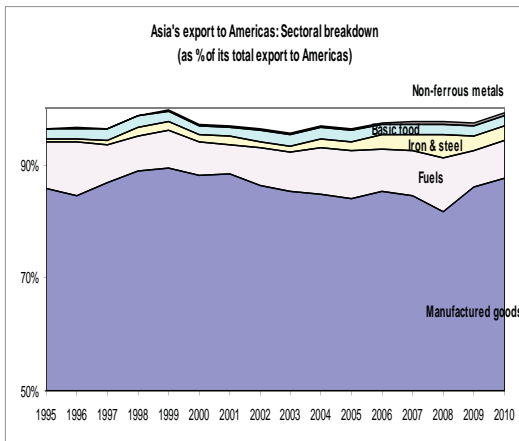
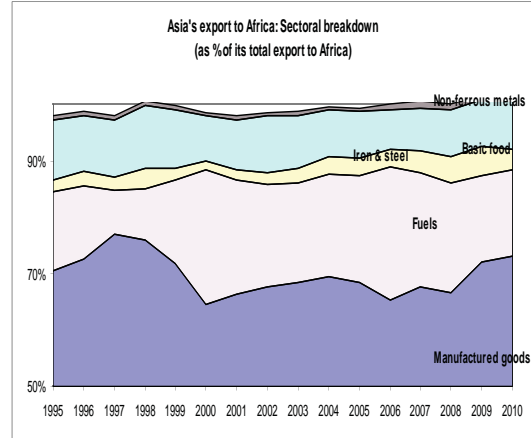
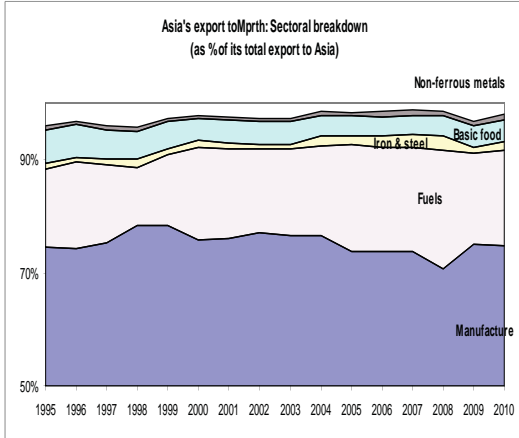
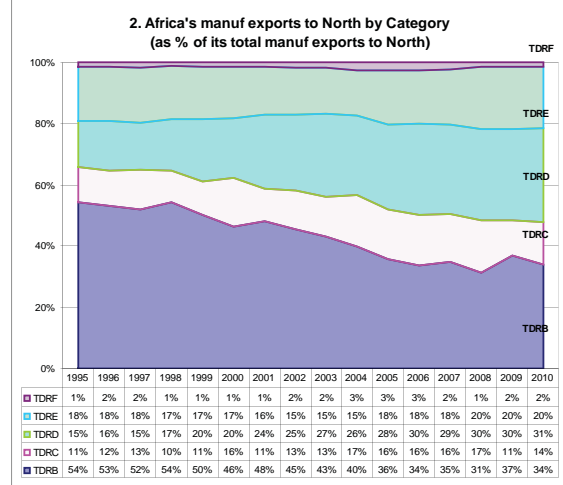
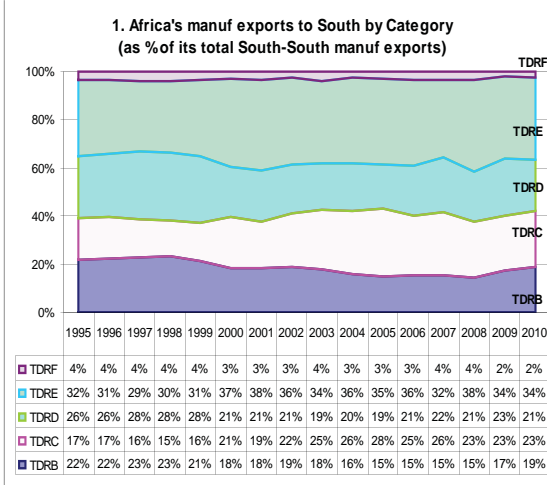
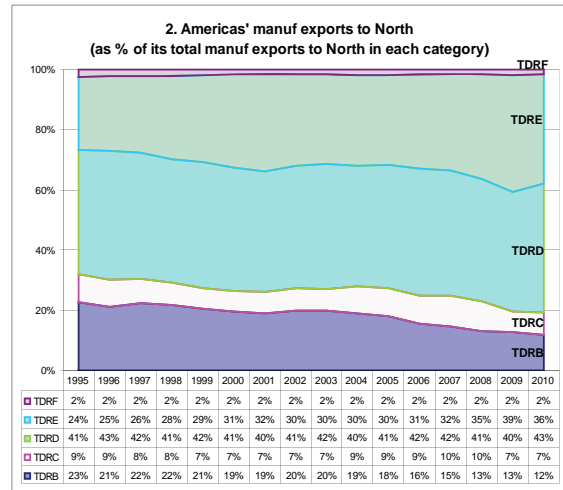
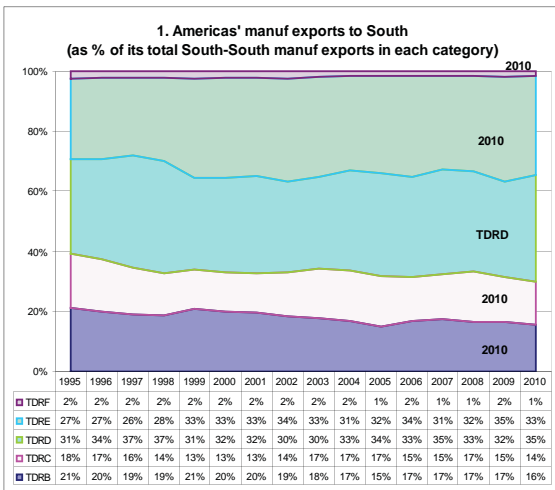


Table 2: Breakdown of manufacture exports into skill-intensity category, by destination

AFRICA:



AMERICAS:



ASIA:

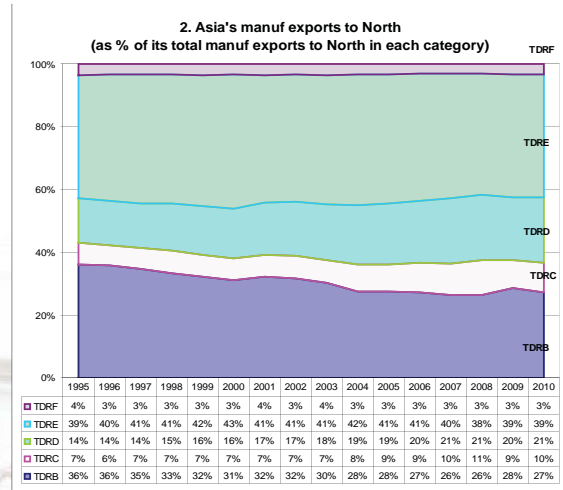
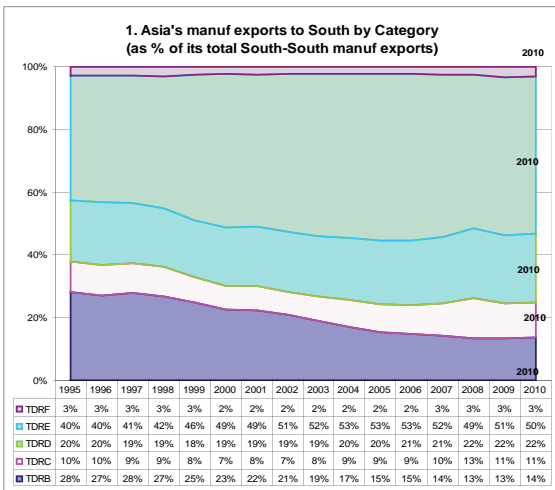


Table 3: Product groups under each factor-intensity level

TDRB – Labour-intensive and resource-based manufactures		TDRC - Manufactures with low-skill and low-technology intensity	
TDRB	[611] Leather	TDRC	[671] Pig iron & spiegeleisen, sponge iron, powder & granu
TDRB	[612] Manufactures of leather, n.e.s.; saddlery & harness	TDRC	[672] Ingots, primary forms, of iron or steel; semi-finis.
TDRB	[613] Furskins, tanned or dressed, excluding those of 8483	TDRC	[673] Flat-rolled prod., iron, non-alloy steel, not coated
TDRB	[633] Cork manufactures	TDRC	[674] Flat-rolled prod., iron, non-alloy steel, coated, clad
TDRB	[634] Veneers, plywood, and other wood, worked, n.e.s.	TDRC	[675] Flat-rolled products of alloy steel
TDRB	[635] Wood manufacture, n.e.s.	TDRC	[676] Iron & steel bars, rods, angles, shapes & sections
TDRB	[641] Paper and paperboard	TDRC	[677] Rails & railway track construction mat., iron, steel
TDRB	[642] Paper & paperboard, cut to shape or size, articles	TDRC	[678] Wire of iron or steel
TDRB	[651] Textile yarn	TDRC	[679] Tubes, pipes & hollow profiles, fittings, iron, steel
TDRB	[652] Cotton fabrics, woven	TDRC	[691] Structures & parts, n.e.s., of iron, steel, aluminium
TDRB	[653] Fabrics, woven, of man-made fabrics	TDRC	[692] Metal containers for storage or transport
TDRB	[654] Other textile fabrics, woven	TDRC	[693] Wire products (excluding electrical) and fencing grills
TDRB	[655] Knitted or crocheted fabrics, n.e.s.	TDRC	[694] Nails, screws, nuts, bolts, rivets & the like, of metal
TDRB	[656] Tullies, trimmings, lace, ribbons & other small wares	TDRC	[695] Tools for use in the hand or in machine
TDRB	[657] Special yarn, special textile fabrics & related	TDRC	[696] Cutlery
TDRB	[658] Made-up articles, of textile materials, n.e.s.	TDRC	[697] Household equipment of base metal, n.e.s.
TDRB	[659] Floor coverings, etc.	TDRC	[699] Manufactures of base metal, n.e.s.
TDRB	[661] Lime, cement, fabrica. constr. mat. (excluding glass, clay)	TDRC	[785] Motorcycles & cycles
TDRB	[662] Clay construction, refracto. construction materials	TDRC	[786] Trailers & semi-trailers
TDRB	[663] Mineral manufactures, n.e.s.	TDRC	[791] Railway vehicles & associated equipment
TDRB	[664] Glass	TDRC	[793] Ships, boats & floating structures
TDRB	[665] Glassware	TDRC	[812] Sanitary, plumbing, heating fixtures, fittings, n.e.s.
TDRB	[666] Pottery	TDRC	[813] Lighting fixtures & fittings, n.e.s.
TDRB	[821] Furniture & parts		
TDRB	[831] Travel goods, handbags & similar containers		
TDRB	[841] Men's clothing of textile fabrics, not knitted		
TDRB	[842] Women's clothing, of textile fabrics		
TDRB	[843] Men's or boy's clothing, of textile, knitted, croche.		
TDRB	[844] Women's clothing, of textile, knitted or crocheted		
TDRB	[845] Articles of apparel, of textile fabrics, n.e.s.		
TDRB	[846] Clothing accessories, of textile fabrics		
TDRB	[848] Articles of apparel, clothing access., excluding textile		
TDRB	[851] Footwear		
TDRB	[894] Baby carriages, toys, games & sporting goods		

/...

Table 3 (continued)

TDRD - Manufactures with medium-skill and medium-technology intensity		TDRE - Manufactures with high-skill and high-technology intensity	
TDRD	[621] Materials of rubber (pastes, plates, sheets, etc.)	TDRE	[511] Hydrocarbons, n.e.s., & halogenated, nitr. derivative
TDRD	[625] Rubber tyres, tyre treads or flaps & inner tubes	TDRE	[512] Alcohols, phenols, halogenat., sulfonat., nitrat. der.
TDRD	[629] Articles of rubber, n.e.s.	TDRE	[513] Carboxylic acids, anhydrides, halides, per.; derivati.
TDRD	[711] Vapour generating boilers, auxiliary plant; parts	TDRE	[514] Nitrogen-function compounds
TDRD	[712] Steam turbines & other vapour turbin., parts, n.e.s.	TDRE	[515] Organo-inorganic, heterocycl. compounds, nucl. acids
TDRD	[713] Internal combustion piston engines, parts, n.e.s.	TDRE	[516] Other organic chemicals
TDRD	[714] Engines & motors, non-electric; parts, n.e.s.	TDRE	[522] Inorganic chemical elements, oxides & halogen salts
TDRD	[716] Rotating electric plant & parts thereof, n.e.s.	TDRE	[523] Metallic salts & peroxy salts, of inorganic acids
TDRD	[718] Other power generating machinery & parts, n.e.s.	TDRE	[524] Other inorganic chemicals
TDRD	[721] Agricultural machinery (excluding tractors) & parts	TDRE	[525] Radio-actives and associated materials
TDRD	[722] Tractors (excluding those of 71414 & 74415)	TDRE	[531] Synth. organic colouring matter & colouring lakes
TDRD	[723] Civil engineering & contractors' plant & equipment	TDRE	[532] Dyeing & tanning extracts, synth. tanning materials
TDRD	[724] Textile & leather machinery, & parts thereof, n.e.s.	TDRE	[533] Pigments, paints, varnishes and related materials
TDRD	[725] Paper mill, pulp mill machinery; paper articles man.	TDRE	[541] Medicinal and pharmaceutical products, excluding 542
TDRD	[726] Printing & bookbinding machinery, & parts thereof	TDRE	[542] Medicaments (incl. veterinary medicaments)
TDRD	[727] Food-processing machines (excluding domestic)	TDRE	[551] Essential oils, perfume & flavour materials
TDRD	[728] Other machinery for particular industries, n.e.s.	TDRE	[553] Perfumery, cosmetics or toilet prepar. (excluding soaps)
TDRD	[731] Machine-tools working by removing material	TDRE	[554] Soaps, cleansing and polishing preparations
TDRD	[733] Mach.-tools for working metal, excluding removing mate.	TDRE	[562] Fertilizers (other than those of group 272)
TDRD	[735] Parts, n.e.s., & accessories for machines of 731, 733	TDRE	[571] Polymers of ethylene, in primary forms
TDRD	[737] Metalworking machinery (excluding machine-tools) & parts	TDRE	[572] Polymers of styrene, in primary forms
TDRD	[741] Heating & cooling equipment & parts thereof, n.e.s.	TDRE	[573] Polymers of vinyl chloride or halogenated olefins
TDRD	[742] Pumps for liquids	TDRE	[574] Polyethers, epoxide resins; polycarbonat., polyesters
TDRD	[743] Pumps (excluding liquid), gas compressors & fans; centr.	TDRE	[575] Other plastics, in primary forms
TDRD	[744] Mechanical handling equipment, & parts, n.e.s.	TDRE	[579] Waste, parings and scrap, of plastics
TDRD	[745] Other non-electr. machinery, tools & mechan. appar.	TDRE	[581] Tubes, pipes and hoses of plastics
TDRD	[746] Ball or roller bearings	TDRE	[582] Plates, sheets, films, foil & strip, of plastics
TDRD	[747] Appliances for pipes, boiler shells, tanks, vats, etc.	TDRE	[583] Monofilaments, of plastics, cross-section > 1mm
TDRD	[748] Transmis. shafts	TDRE	[591] Insecticides & similar products, for retail sale
TDRD	[749] Non-electric parts & accessor. of machinery, n.e.s.	TDRE	[592] Starch, wheat gluten; albuminoidal substances; glues
TDRD	[771] Electric power machinery, and parts thereof	TDRE	[593] Explosives and pyrotechnic products
TDRD	[772] Apparatus for electrical circuits; board, panels	TDRE	[597] Prepared addit. for miner. oils; lubricat., de-icing
TDRD	[773] Equipment for distributing electricity, n.e.s.	TDRE	[598] Miscellaneous chemical products, n.e.s.
TDRD	[774] Electro-diagnostic appa. for medical sciences, etc.	TDRE	[751] Office machines
TDRD	[778] Electrical machinery & apparatus, n.e.s.	TDRE	[752] Automatic data processing machines, n.e.s.
TDRD	[781] Motor vehicles for the transport of persons	TDRE	[759] Parts, accessories for machines of groups 751, 752
TDRD	[782] Motor vehic. for transport of goods, special purpose.	TDRE	[761] Television receivers, whether or not combined
TDRD	[783] Road motor vehicles, n.e.s.	TDRE	[762] Radio-broadcast receivers, whether or not combined
TDRD	[784] Parts & accessories of vehicles of 722, 781, 782, 783	TDRE	[763] Sound recorders or reproducers
TDRD	[811] Prefabricated buildings	TDRE	[764] Telecommunication equipment, n.e.s.; & parts, n.e.s.
TDRD	[893] Articles, n.e.s., of plastics	TDRE	[776] Cathode valves & tubes
		TDRE	[792] Aircraft & associated equipment; spacecraft, etc.
		TDRE	[871] Optical instruments & apparatus, n.e.s.
		TDRE	[872] Instruments & appliances, n.e.s., for medical, etc.
		TDRE	[873] Meters & counters, n.e.s.
		TDRE	[874] Measuring, analysing & controlling apparatus, n.e.s.
		TDRE	[881] Photographic apparatus & equipment, n.e.s.
		TDRE	[882] Cinematographic & photographic supplies
		TDRE	[883] Cinematograph films, exposed & developed
		TDRE	[884] Optical goods, n.e.s.
		TDRE	[885] Watches & clocks

Table 3 (continued)

TDRF - unclassified			
TDRF	[891] Arms & ammunition		
TDRF	[892] Printed matter		
TDRF	[895] Office & stationery supplies, n.e.s.		
TDRF	[896] Works of art, collectors' pieces & antiques		
TDRF	[897] Jewellery & articles of precious material., n.e.s.		
TDRF	[898] Musical instruments, parts; records, tapes & similar		
TDRF	[899] Miscellaneous manufactured articles, n.e.s.		