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South-South Trade: A Quantitative Assessment

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Executive Summary

The share of North-North trade in global trade declined from 55.5 percent in 1990 to around 32 percent in 2010. Such fall in North-North trade had been accompanied by rising trade involving the South countries. The South-North trade share increased from 13.9 percent to 16.5 percent during the same period. However, the most spectacular phenomenon was the rise in South-South trade, which increased from only 6.4 percent to 19.4 percent during this period.

Such rise in South-South trade has not been uniform across different South countries. During 1990 and 2010, though all categories of South countries (all South, LDCs, SVEs, advanced South and South excluding advanced South) experienced rises in their shares in global trade, trade involving the advanced South countries was the major contributor to the changing landscape in global trade, which resulted in the remarkable rise in the South-South trade.

When it comes to country-wise shares in South-South export, there are some gainers and losers. Out of the 135 South countries, 50 countries experienced rise in their shares in South-South export while 85 countries experienced fall in shares.

The structures of the export of the South countries are not uniform. Many of the South countries' export are agriculture based, many of them are extraction based and the rest are manufacturing oriented. The destinations of the export from South countries are primarily the developed countries.

A comparison among the sizes of coefficients of different variables under the basic gravity models suggests that as far as intra-South trade is concerned, among the continuous variables, the largest positive effect stems from the per capita GDP of the home country, and largest negative effect comes from the distance. Among the dummy variables, the common border dummy has the largest positive effect, whereas the island dummy of the partner country has the largest negative effect. However, these variables have differential effects when it comes to trade between different groups of South countries.

Gravity modeling results suggest that when considering South countries as the home, there are marked differences among different groups of countries as far as the impact of per capita GDP of home country (in this case the South countries) on exports from these groups of countries to the South countries are concerned. Per capita GDP of the South countries has the largest positive effect on the export from the North countries; and among different South countries such positive effect is the largest for the export from the Advanced south countries. For SVEs the effect is positive but is the smallest among all country groups. Now, while considering South as the source of export, the per capita GDP of the advanced south countries has the largest positive effect among all country groups on the export from South. Interesting, the per capita GDP of the North countries doesn't have any significant effect. Also, though the per capita GDP of LDCs has a positive effect on the export from South that of the SVEs doesn't have any statistically significant effect.

Gravity modeling results also suggest that, considering South as the home, the distance factor has the largest negative effects on exports from the Advanced south countries and SVEs to South countries;

and distance factor has the largest negative impact on South's export to Advanced south among all country groups as destinations for South's export. In the case of common language dummy, while considering exports to South from all country groups, this dummy has the largest positive effect on export from North countries, and while considering export from South, common language has the largest positive effect on the export to South Excluding Advanced south countries. In the case of land lock dummy for home country, considering South as the home, this dummy has mixed effects on exports from different country groups; for example, it has negative impacts on exports from LDCs and North, while it has a positive impact on export from South Excluding Advanced south. Also, this dummy has only negative effect on the export from South to North among all country groups as destinations for South's export. In the case of land lock dummy for partner country, when South is the home, among all country groups, this dummy has the largest negative effect on the export from the South; however, when South is the export source, this dummy has the largest negative effect on South's export to Advanced south countries. In the case of island dummy for home country, considering South as the home, the export from the island countries will be reduced, if those countries are either North or SVEs. Also, South's export to Advanced south countries will be reduced most of the South countries are the island countries. In the case of island dummy for partner country, considering South as the home, the export from LDCs is mostly affected among exports from all country groups if LDCs are island countries. Also, if South countries are island countries, then their export is mostly affected in the Advanced south countries. When South is the export destination, common border dummy has the largest positive effect on the export from South countries in general, and among different groups of South countries, this dummy has the largest positive effect on the export from LDCs. However, this dummy has a negative effect on the export from North to South.

Augmented gravity modeling results suggest that, in general, South's tariff rate has the largest negative effect on the export from SVEs. North's tariff is most restrictive on the export from South in general and South Excluding Advanced south in particular. LDCs' tariff rate affects mostly the export from SVEs and LDCs. SVEs' tariff rate affects mostly the export from South Excluding Advanced south counters. Tariff rates of Advanced south and South Excluding Advanced south have the largest negative effect on export from SVEs. As far as South is considered as the export destination, trade cost in South affect mostly the export from South. Trade cost in North has the largest negative effect on export from LDCs, and it seems that such negative effect is higher than the negative effect on export from North to LDCs due to trade cost in LDCs. While the trade costs between LDCs and Advanced south countries are compared, trade costs in Advanced south countries seem to be more restrictive on export from LDCs, as compared to the negative effect of trade cost in LDCs on the export from Advanced south. Similar observations are hold for SVEs, while comparing the restrictive effect of their trade cost with those of North and Advanced south.

CGE modeling results suggest that a scenario of LDCs and SVEs receiving duty-free market access in advanced south countries would lead to some significant rise in welfare for all LDCs and SVEs, which would, for some countries, in terms of the percent of their GDPs, be quite high. For example, for Nepal such welfare gain would be 3.2 of its GDP. The least benefitted country in this regard would be Botswana and its welfare gain would be only 0.01 percent of its GDP. All LDCs and SVEs would also experience rise in exports. However, different LDCs and SVEs would experience rise in export by different magnitudes. The largest rise in export, in terms of percentage change, would be for Nepal followed by Rest of South Asia. The lowest rise in export would be for Botswana. All LDCs and SVEs

would experience some re-direction of their exports towards the Advanced south countries. Such as scenario would not lead to large rise in export from LDCs and SVEs, which indicates to the fact that tariff preferences in the Advanced south countries alone would not be enough to help LDCs and SVEs to increase their export to the Advanced south countries. Such a scenario would lead to marginal effects on the export from other developing countries, some countries would experience very small rise and some counties would experience very small fall.

The CGE modeling results also suggest that the scenario of FTA among Advanced south, LDCs and SVEs and other developing countries would lead to some large welfare gains, both in terms of volume and percent share of GDP, for most of the Advanced south countries. There would be mixed effects among the other developing countries. LDCs and SVEs would also see mixed effects. Such a scenario would lead to some significant rise in exports from most of the Advanced south, other developing countries and LDCs and SVEs. Such a scenario would enhance South-South trade significantly. Most of the South countries would experience rise in export to other South countries. The incremental rises in exports of these countries would be destined to other South countries.

I. INTRODUCTION

In recent times the world economy has witnessed an unprecedented growth of developing countries with their share in global output doubling to almost 40 per cent over the last two decades. While between 1990 and 2000 merchandise exports from developing countries rose from about US$850 billion to US$ 2 trillion, the volume tripled further in the following decade. Their combined share in global export trade reached close to 40 per cent from just about 20 per cent in 1990.The trade between developing countries has expanded much faster: the average annual growth of South-South trade over the past decade was 16 per cent as against of world trade growth rate of just about 6 per cent. Although impressive growth performance has characterized many developing countries, it is the rise of such economies as Brazil, Russia, India, China and South Africa (known as BRICS nations) that has widely been recognized as the defining feature of the advanced south, paving the way for a world economy with an increasingly multi-polar character. With a combined GDP of US$8.7 trillion in 2010, the BRICS countries contributed 18 per cent of the world's GDP and 15 per cent of global trade, accounting for 30 per cent of global economic growth since 2000 (but 45 per cent since the beginning of the financial crisis). Moreover, according to available projections, the group of largest seven emerging economies (China, India, Brazil, Russia, Indonesia, Mexico and Turkey) is predicted to overtake the group of current G7 economies (France, Germany, Italy, Japan, United Kingdom, United States, and Canada) by 2020 in terms of gross domestic outputs measured in purchasing power parity exchange rates.

The rise of advanced south has important implications for the world's poorest and most vulnerable economies. Most of these countries have not been able to match the performance of the advanced south while continuing to suffer from significant challenges even when they managed to demonstrate an improved growth record. For them, trade with advanced south countries offers wide scope for specialization, efficiency gains, export market diversification, and a potential reason for investment flows. In response to the rise of the BRIC nations, there has been a recent resurgence in the interest of South-South trade and cooperation as a vehicle for promoting trade-led development in the weaker economies. For several African countries, advanced south has already become very important trade partners and has been source of growth despite the economic slowdown in advanced economies following the financial crisis. Emerging economies are now considered as vital development partners for the poorest and vulnerable countries. This has been reflected in the Istanbul Programme of Action for LDCs for the decade of 2011-2020, where the role of emerging economies in helping the poorest countries make progress has been particularly highlighted. Furthermore, under multilateral trade negotiations, emerging economies have been urged to provide improved market access to LDCs, in response to which some encouraging offers have been made by such countries as China, India, etc. Overtime many emerging developing countries have also become important sources of technical and financial assistance to many LDCs, SVEs

and SSA. Briefly, while South-South trade and cooperation has been a longstanding development issue, never in the past it could be more relevant and prominent than it is now.

The least developed countries (LDCs) and other Sub-Saharan African countries (SSA), generally regarded as countries suffering from severe structural handicaps to growth with weak human capital base, high economic vulnerability and weak integration with the global economy, over the past decade have, on the whole, achieved encouraging economic growth. Some of these countries' trade with Southern partners also increased rapidly. Nevertheless, sustainability of growth, lack of economic diversification, concentration of export trade - particularly with emerging economies - in primary commodities, and a majority of countries' not being able to participate effectively in South-South trade and investment flows, amongst others, remain important concerns about emerging-country led trade and development prospects. A third group of countries − known as the small, vulnerable economies (SVEs) − are also confronted with overriding developmental problems, some of which are unique because of their small size, geographic location and inherent characteristics, while others are comparable to those of LDCs. Like many LDCs, they overwhelmingly rely on a few primary commodities for their exports, remaining susceptible to significant fluctuations in the world prices of these products. SVEs as a group have registered the lowest economic growth over the past decade and their marginalization (in terms of declining relative significance) in global trade remains unabated.

The rapidly rising significance of a number of emerging economies in the backdrop of economic slowdown in the advanced economies provides an opportune moment to have a fresh look at the ongoing engagement between developing countries in trade and development cooperation to situate development interests of LDCs, SVEs and SSA in a right context. It is also timely as the collapse of the Doha Round of trade talks has been extremely frustrating for development to be supported through multilateralism trade, as envisaged when the Doha Development Agenda was launched more than 10 years ago in 2001, while the rise of emerging countries offers an opportunity to secure a productive engagement with them for the poorest and vulnerable countries.

Against this backdrop, this study intends to better understand the current state of South-South trade and collaboration so that appropriate recommendations can be put forward to make it most effective and beneficial for the poorest and most vulnerable countries. The broad objective of this study is to generate quantitative evidence on the trends and potential implications arising out of the developments taking place in merchandise and services trade between developing countries, and to develop an appropriate set of policy implications/recommendations for making such trade flows inclusive and beneficial for the least developed countries and small vulnerable economies.

II. REVIEW OF LITERATURE

Coulibalya and Fontagné (2006) highlighted the importance of geography in south-south trade. Examining the pattern of intra-sub-Saharan African trade, the authors argued that it was not the size of the exporting and the importing economies, rather geography was the main determinant of the 'missing trade' in that region. They argued that being landlocked and poor, those sub-sharan African countries experienced high trade costs.

Greenaway and Milner (1990) critically evaluated the arguments in favor of a relative expansion of South-South trade and reviewed the experience of developing countries with discriminatory regional trading arrangements. The authors contended that the case for specific policies to promote South-South trade was not convincing and that experience with discriminatory arrangements was not encouraging. The authors argued that the expansion of South-South trade could be expected to continue in the context of multilateral trade expansion, and the potential gains would likely to be greater if this process were allowed to evolve freely in a multilateral setting.

OECD (2006) argued that trade between developing countries (South-South trade) would offer wide scope for specialization and efficiency gains. At present, barriers to South-South trade are higher than hose governing South trade with other partners, and distance-related costs are higher. Recent OECD research shows that the potential benefit from freer South-South trade may indeed be at least as large as the gains that developing countries can obtain from better access to rich countries' markets (North-South trade). There is certainly room for South-South trade to develop – it is estimated that exports from one developing country to another account for just 6 percent of total world merchandise exports, while South-South trade in services overall makes up just 10 percent of world total.

South-South merchandise trade has expanded considerably in the past20 years, albeit from a very small base: it now makes up around 6 percent of world trade, compared with 3% in 1985. Over that period, South-South merchandise trade grew on average at the impressive rate of 12.5 percent a year, compared with 7 percent for North-North trade and 9.8% for North-South trade. But tariff barriers affecting South-South trade are still much higher than those affecting other trade, at an average 11.1 percent compared with 4.3 percent for North-North trade.

South-South trade has become relatively more important as a share of total merchandise trade involving the South, rising from less than 10 percent of the total to around 14 percent. But the bulk of total goods trade involving the South is still accounted for by trade with the North. South-South merchandise trade displays a significant geographical concentration in developing Asian countries. What is more, South-South trade mostly involves upper-middle- and lower-middle-income countries which account for between 3 percent and 5 percent of total world trade; exchanges involving low income countries make up barely 1 percent of total

world trade. This situation is unlikely to change since growth in the value of exchanges involving low income countries shows a significantly slower growth trend than for others. There are also significant differences in the products involved in South-South merchandise trade as compared to North-South and North-North trade. Broadly speaking, South-South trade seems to be more concentrated on raw materials and less processed products than either North-South or North-North trade, probably due to differences in factors affecting both the demand and the supply sides.

Research at the OECD suggests that the recent growth in South-South goods trade has not been brought about by the so-called "death of distance" – the large drop in the cost of moving people, objects and ideas around the globe observed in the 1980s and 1990s. The impact of distance-related trade costs has not noticeably diminished over the period and such costs continue to have a much more negative effect on South-South than on North-North trade. Whereas a 10 percent increase in distance between countries or regions tends to reduce North-North trade by about 10 percent, the comparable figure for South-South trade is 17 percent. In both cases, the figures estimated for 2002 were scarcely different from those for 1985. However, given that the distances facing South-South trade are broadly comparable (on average) to those facing North-North and North-South trade, there is considerable scope for increasing South-South trade by reducing distance-related trade costs to levels prevailing for other trade flows. It can also be demonstrated that the importance of a common language for South-South trade increased markedly in the early 1990s (e.g. trade among French-speaking Africa), but remained approximately constant for other trade f lows. Hence, ethno-cultural links may have been one factor in the observed growth of South-South trade around that time.

The evidence currently available suggests, however, that policy barriers are much more important for South-South merchandise trade than for other trade flows. On average, a 10 percent tariff cut is estimated to be associated with a 1.6 percent increase in exports. This could translate into an additional USD 5.7 billion in export earnings a year (based on2002 data). Interestingly, the data indicate that an equivalent reduction in North-North or North-South tariff barriers would have a lesser impact on trade flows. This suggests a considerable scope for trade policy to boost trade between low- and lower-middle-income countries, and thus help boost economic development and reduce poverty. Indeed, model simulations of tariff reductions performed by the OECD suggest that, from a development point of view, liberalizing South-South trade is at least as important as tariff-free market access to Northern markets. This seems to be particularly the case for agricultural products, but projected gains from liberalizing South-South trade in manufactured goods are also substantial.

The observed geographical patterns of South-South trade imply that about half of the gains from future South-South tariff liberalization would be realized by low and middle income countries in Asia. Additionally, most of the gains from South-South liberalization in Asia would

be regional. In other words, countries would benefit most from liberalized trade with their geographical neighbors. One prominent exception to this rule is China which is actually estimated to gain more than twice as much from liberalization of trade with Latin American, MENA and sub-Saharan countries than from liberalization with other Asian countries. The picture is slightly different in Latin America and sub-Saharan Africa where regional gains account for respectively 45 percent and 39 percent of gains from South-South trade – almost all the remaining gains can be attributed to trade with low and middle income countries in Asia.

It also appears, however, that only a part of the potential gains from South-South trade could be realized through regional agreements, mainly in Asia. More generally, many low and middle income countries benefit most from freer trade with similar countries in other regions. This points to multilateral negotiations as an important vehicle for realizing the gains from South-South goods trade.

According to UNCTAD (2011), one of the key features of the last decade or so has been the rising importance of some developing economies in the global economy and the intensification of South–South economic relationships. From the point of view of the LDCs, the multi-faceted process of reconfiguration of the world economy has translated, most notably, into a remarkable strengthening of their economic ties with Southern countries. As a consequence, although traditional Northern partners remain crucial, South–South relations now play an important and increasing role in LDCs' integration into the world economy. Further, they are likely to acquire an even greater prominence in the future, given the significant downside risks that loom on the recovery in developed economies, as well as the need for a global rebalancing. A critical development issue for LDCs is whether the dynamism of their intensifying relationships with Southern economies can serve as a springboard for developing their productive capacities, facilitating structural transformation, and providing more productive jobs and livelihoods, which are the necessary basis for substantial poverty reduction.

The intensification of economic ties between the LDCs and other developing countries is a complex and multifaceted process, encompassing not only trade and investment, but also migration and official financial flows. UNCTAD's analysis of international trade shows that, throughout the 2000s, the rapid expansion in LDCs' exports and imports has been driven by a mounting prominence of Southern markets and sources of supply. By 2009, LDCs' merchandise exports to Southern partners were worth $68.5 billion. This compares with $59.5 billion to developed and transition economies. In other words, developing countries in 2009 absorbed more than half of LDCs' merchandise exports, up from 40 per cent at the beginning of the decade. The above shift in LDCs' export destinations has been paralleled by the simultaneous evolution of their merchandise imports. In a decade during which the LDCs' imports bill rose from $42 billion in 2000 to almost $144 billion in 2009 (after the peak in

2008), developing countries expanded their market share by roughly 10 percentage points. As a result, nowadays they account for well over half of LDCs' total merchandise imports.

An important feature of LDCs' trade with Southern partners, however, is its geographic concentration. A few large developing countries (mostly in the Asian region) account for the overwhelming share of LDCs' exports to and imports from the South. Such a concentration is coupled with huge asymmetries between individual LDCs and their main Southern partners, in terms of economic size, as well as the dependency on each other's market. The two Asian giants, China and India, play a particularly prominent role in LDCs' growing integration with other developing countries. China and India became respectively the first and fourth largest markets for LDCs' exports, and the second and third source of LDCs' imports in 2009. Beyond them, though, a much broader array of countries is involved in the multifaceted process of South–South economic integration, ranging — just to name a few — from Brazil to South Africa, from Thailand to Saudi Arabia, and from Malaysia to Turkey.

A major feature of the composition of exports from LDCs to developing countries is the important role of commodity exports. Indeed, the growth of commodity exports has largely driven the expansion of LDCs' exports to the South while the growth of manufactures exports, often within the context of preferential market access schemes, has played a more prominent role in the expansion of LDCs' exports to the North. In 2009, only 15 per cent of LDCs' total manufactures exports went to Southern markets, while the latter received over half of LDC total exports of fuel and minerals. Besides, as much as 68 per cent of LDC agricultural raw materials exports (including products like cotton) were sent to Southern destinations. Manufactures imports, particularly from China, India, South Africa and Thailand, dominate the composition of imports of LDCs from developing countries.

Though less discussed in the literature, migration-related issues also deserve great attention in the context of the growing South–South economic relations. While data reliability is far from perfect, it is estimated that only one of four migrants coming from the LDCs moved to a developed country. One of five went to another LDC, and approximately half of all migrants went to other developing countries. Accordingly, it is estimated that in 2010 two thirds of the nearly $26 billion of remittances received by the LDCs originated in Southern countries, despite the fact that migrants working in developed nations tend to remit larger sums. In particular, Southern economies such as India, Saudi Arabia, Gulf Cooperation Council countries and South Africa play an important role for diasporas originating in many LDCs, including the largest recipients of remittances, namely Bangladesh, Nepal and Sudan.

Finally, there are increasing financial flows between LDCs and other developing countries, including both FDI and official financial flows. Between 2003 and 2010, when total FDI inflows to the LDCs were growing on average at nearly 20 per cent per year, the share of FDI projects accounted for by Southern investors climbed from 25 per cent to upwards of 40 per cent.

While these investments are still largely related to extractive industries, there are signs of incipient diversification to other economic sectors, such as finance, telecommunication, tourism and manufacturing, with promising implications in terms of innovation and technological transfers. Southern official flows to LDCs have also surged rapidly over the last few years. Though South–South official financial flows are rather small in relationship to traditional ODA disbursements to LDCs, their focus on infrastructure and productive sectors render them very conducive to developing productive capacities.

A rationale for trade integration of South-South goods and services can be made under both inward and outward-oriented development paradigms (e.g. Otsubo, 1998). Under the former, South-South trade is viewed as an alternative to North-South trade that would enable the South to reduce its dependence on the technologically dominant markets of the North and, through protection of "infant industries", break into higher value product markets. A political manifestation of this concept can be traced back to the mid-1970s and the beginnings of the Global System of Trade Preferences among Developing Countries (GSTP). Under the outward-oriented development paradigm, South-South trade integration is seen as complementary to North-South trade as Southern markets, with their high growth potential, may offer attractive export opportunities. This type of South-South integration can be achieved through non-discriminatory integration in the multilateral GATT/WTO system or through non-discriminatory regional trade agreements. Indeed, rules-based South-South integration is undoubtedly one important reason for increasing the participation of low- and middle-income countries in the GATT/WTO.

The so-called "new trade theory" emphasizes the existence of scale economies and differentiated products and posits that gains can be obtained from an exchange of varieties of similar products by similar countries. Moreover, the theory suggests that gains from intra-industry trade (IIT) (e.g. among similar low-income countries) may be realized through less significant adjustments of factor rewards that imply less marked structural adjustment than inter-industry North-South trade. If the conditions for South-South intra-industry trade exist or can be developed, such trade could offer an opportunity for learning by doing in a less competitive market environment and for developing externalities or economies of scale to break into the Norths markets for more technologically advanced products (Otsubo, 1998). Yet, the potential for trade based on economies of scale among the relatively small and poor economies of the South is uncertain. Additionally, some analysts argue that certain forms of integration between developing countries may result in divergence, not convergence, of per capita incomes (e.g. Venables, 1999).

It has generally been argued that regional trade agreements (RTAs) among developing countries may induce potential adverse effects on trade patterns among RTA members and between them and third countries. Cernat (2001), using an expanded gravity model, estimated for a number of regional trade arrangements among developing countries the gross

trade creation and diversion effects resulting from RTA formation. This paper brings evidence in favor of the idea that South-South RTAs, and African RTAs in particular, are not more trade diverting than other RTAs. This evidence suggests that increased trade with both regional partners and third countries in the case of South-South RTAs might be explained by the removal of “invisible” trade barriers as a result of trade facilitation measures favored by RTA formation.

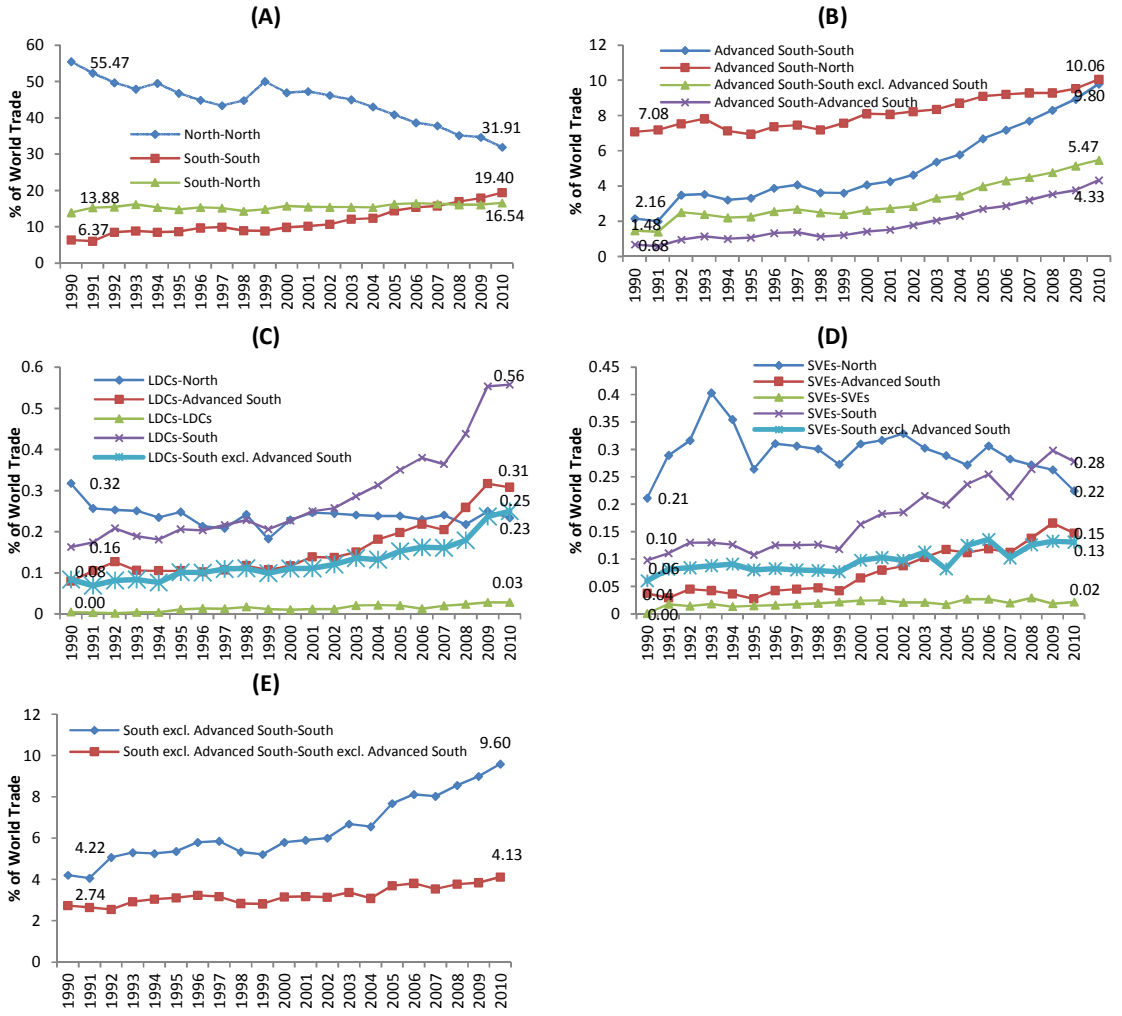
Mayda and Steinberg (2007) argued that South-South trade agreements are proliferating: Developing countries signed 70 new agreements between 1990 and 2003. Yet the impact of these agreements is largely unknown. This paper focuses on the static effects of South-South preferential trade agreements stemming from changes in trade patterns. Specifically, it estimates the impact of the Common Market for Eastern and Southern Africa (COMESA) on Uganda’s imports between 1994 and 2003.Detailed import and tariff data at the 6-digit harmonized system level are used for more than1,000 commodities. Based on a difference-in-difference estimation strategy, the paper finds that—in contrast to evidence from aggregate statistics—COMESA’s preferential tariff liberalization has not considerably increased Uganda’s trade with member countries, on average across sectors. The effect, however, is heterogeneous across sectors. Finally, the paper finds no evidence of trade-diversion effects.

III. CHANGING GLOBAL LANDSCAPE: THE RISE OF THE SOUTH

3.1. Share in Global Trade

Figure 1 shows the dynamics of the changes in global trade landscape over the past two decades. According to Figure 1-A, the share of North-North trade in global trade declined from 55.5 percent in 1990 to around 32 percent in 2010. Such fall in North-North trade had been accompanied by rising trade involving the South countries. The South-North trade share increased from 13.9 percent to 16.5 percent during the same time. However, the most spectacular phenomenon was the rise in South-South trade, which increased from only 6.4 percent to 19.4 percent during this period.

Figure 1: Share in world trade, 1990-2010



Note: The lists of countries according to different classifications (North, South, Advanced South, LDCs, SVEs and South excluding advanced South) are provided in Annex 1.
Data source: UNCOMTRADE

It should, however, be mentioned that such rise in South-South trade has not been uniform across different South countries. Here the South countries are further classified into Advanced South, LDCs, SVEs and South excluding Advanced South. Examining the panels in Figure 1, it becomes very clear that the major drivers of the South-South trade are the rising trade involving the advanced South countries. The trade between advanced South and all South countries as a share of world trade was only around 2.16 percent in 1990, which rose to 9.8 percent by 2010. Also, the trade among the advanced South countries was as low as only 0.7 percent of world trade in 1990 and it increased to 4.3 percent by 2010. Furthermore, the trade among the advanced South and South countries excluding the advanced South increased from 1.5 percent to 5.5 percent during the same period.

As far as the LDCs and SVEs are concerned, their shares in global trade were very low in 1990 (Figures 1-C and 1-D). The LDCs' trade with the North as a share of global trade was as low as 0.32 percent in 1990, which declined to 0.23 percent in 2010. However, LDCs' trade with the South as a share of global trade increased from 0.16 percent to 0.56 percent during this period, indicating the re-orientation of LDCs' trade from the North to the South over the past two decades. Such rise in trade share of LDCs has been primarily driven by LDCs' intensified trade with the advanced South countries, which was as low as 0.08 percent of global trade in 1990, but increased by almost four times to 0.31 percent in 2010. LDCs' trade with other South countries excluding the advanced South also increased during the same period. The intra-LDCs trade however remained very low; starting from close to zero percent of global trade in 1990 it increased to only 0.03 percent in 2010. Similar pattern is also observed for the SVEs, where the trade between SVEs and North as a percent of global trade, despite some fluctuations, remained at the same level during 1990 and 2010. The SVEs trade with South, especially the advanced South intensified and the intra-SVEs trade share remained very low.

Figure 1-E suggests that the trade between the South countries excluding the advanced South and all the South countries, as a share of global trade, increased from 4.2 percent in 1990 to 9.6 percent in 2010; and the pace of such rise in the share was lower than that of the rise in trade share involving advanced South and all South countries: from 2.2 percent to 9.8 percent as depicted in Figure 1-B. The intra-regional trade among the South countries excluding advanced South, as a share of global trade, also increased, from 2.7 percent to 4.1 percent during the same period.

The upshots of the above discussion point to the fact that during 1990 and 2010, though all categories of South countries (all South, LDCs, SVEs, advanced South and South excluding advanced South) experienced rises in their shares in global trade, trade involving the advanced South countries was the major contributor to the changing landscape in global trade, which resulted in remarkable rise in the South-South trade.

3.2. Share in South-South Export

When it comes to country-wise shares in South-South export, there are some gainers and losers. Annex 2 lists 135 South countries and their shares in South-South export during 2000 and 2010.[2] Annex 2 also compares the changes in average shares in South-South export for these 135 countries by comparing the averages of shares between 2000-2002 and 2008-2010. Table 1 presents a summary of the findings in Annex 2. It is clear from Table 1 that a group of only 13 advanced South countries accounts for more than three-fourth of the total South-South exports. During 2000 and 2010, their share slightly declined from 76.3 percent to 75.9 percent. The share of LDCs increased from 0.57 percent to 0.61 percent, while that of SVEs decline from 0.58 percent to 0.46 percent. The South countries excluding the advanced South could increase their shares from 23.7 percent to 24.1 percent. This suggests that there are some countries from the LDCs and other South countries (excluding the advanced South) who were able to increase their shares.

Table 1: Share of country groups in total South-South export

Country group	Average during 2000 and 2002 (%)	Average during 2008 and 2010 (%)
All South	100.00	100.00
LDCs	0.569	0.607
SVEs	0.584	0.458
Advanced South	76.337	75.900
South excluding advanced South	23.663	24.100

Note: Summarized from Annex 2

Data source: UNCOMTRADE

For example, from Annex 2 and summarized it Table 2, it appears that out of the 135 South countries, 50 countries experienced rise in their shares in South-South export while 85 countries experienced fall in shares. Out of 31 LDCs (listed in those 135 countries) 14 experienced rise and 17 experienced fall. 22 out of the 29 SVEs experienced fall in shares while only 7 experienced rise. Among the 13 advanced South countries, 4 experienced rise and 9 experienced fall in shares. Finally out of the 122 South countries excluding the advanced South, 46 experienced rise and 76 experienced fall in their shares.

Table 2: Comparison of average shares in South-South export (average of 2000-2002 and average of 2008-2010)

Country group	Number of countries experienced rise in share	Number of countries experienced fall in share	Total
All South	50	85	135
LDCs	14	17	31
SVEs	7	22	29
Advanced South	4	9	13
South excluding advanced South	46	76	122

Note: Summarized from Annex 2

Data source: UNCOMTRADE

[2] This analysis is limited to the 135 South countries and to the period of 2000 and 2010 to make the best use of the available data.

Table 3 lists the top 10 South countries in terms of their shares in South-South export. All these 10 countries belong to the advanced South countries. The names of the top 10 countries remained the same during 2000 and 2010, though their ranking changed. The total share of the top 10 South countries declined slightly from 73 percent to 72.08 percent during this period. China registered a remarkable rise in her share from 15.7 percent to 23.4 percent. While India and Brazil also experienced rises in their shares, India's gain was more prominent as she increased her share considerably from 2.7 percent to 4.3 percent, and Brazil could increase her share by 0.5 percentage points from 3.1 percent to 3.6 percent.

Table 3: Top 10 South countries in term of share in South-South export

	Average during 2000 and 2002			Average during 2008 and 2010	
Rank	**Country**	**%**	**Rank**	**Country**	**%**
1	China	15.7031	1	China	23.3587
2	China, Hong Kong SAR	13.9261	2	Rep. of Korea	9.2363
3	Rep. of Korea	10.1298	3	China, Hong Kong SAR	8.3273
4	Singapore	9.4251	4	Singapore	8.3133
5	Malaysia	5.8827	5	Russian Federation	4.6494
6	Russian Federation	5.0203	6	India	4.3346
7	Thailand	3.7187	7	Malaysia	3.8150
8	Indonesia	3.3361	8	Thailand	3.6328
9	Brazil	3.1133	9	Brazil	3.6188
10	India	2.7471	10	Indonesia	2.7968
	Total	**73.00**		**Total**	**72.08**

Note: Summarized from Annex 2

Data source: UNCOMTRADE

When it comes to the rise in the percentage share in South-South export during 2000 and 2010, China tops the list since she could increase her share by 7.7 percentage points (Table 4). The next country in this list is India. Some oil rich countries, such as Saudi Arabia, United Arab Emirates, Qatar, Iran and Oman are in such list of top 10 countries.

Table 4: Top 10 South countries in terms of rise in percentage share in South-South export

Country	**Comparison between average of 2000-2002 and average of 2008-2010**
China	7.6556
India	1.5875
Saudi Arabia	1.1661
Turkey	0.7718
United Arab Emirates	0.7087
Brazil	0.5056
Qatar	0.4383
Iran	0.2942
Oman	0.2576
Panama	0.2401

Note: Summarized from Annex 2

Data source: UNCOMTRADE

In the case of the LDCs, the aggregate share of the top five LDCs in South-South export increased from 0.28 percent to 0.36 percent during the period under consideration (Table 5). Bangladesh, Zambia, Cambodia, and Tanzania registered rises in their shares. Especially, Zambia could increase her share by around 100 percent and Tanzania by more than 100 percent. During this period, Cambodia's share increased by 25 percent and Bangladesh's

share increased by only 6.8 percent. Nepal, though she was among the top 5 LDCs during early 2000s, experienced fall in the share towards the end of the 2000s.

Table 5: Top 5 LDCs in term of share in South-South export

	Average during 2000 and 2002			Average during 2008 and 2010	
Rank	**Country**	**Share in total South-South export**	**Rank**	**Country**	**Share in total South-South export**
1	Bangladesh	0.073	1	Zambia	0.092
2	Cambodia	0.056	2	Bangladesh	0.078
3	Senegal	0.052	3	United Rep. of Tanzania	0.074
4	Zambia	0.049	4	Cambodia	0.070
5	Nepal	0.048	5	Senegal	0.050
	Total	**0.278**		**Total**	**0.364**

Note: Summarized from Annex 2

Data source: UNCOMTRADE

The overall performance the SVEs was dismal. The aggregate share of the top 5 SVEs declined from 0.44 percent to 0.38 percent during this period (Table 6). Among the top 5 SVEs in the early 2000s, only Gabon and Botswana could increase their shares.

Table 6: Top 5 SVEs in term of share in South-South export

	Average during 2000 and 2002			Average during 2008 and 2010	
Rank	**Country**	**Share in total South-South export**	**Rank**	**Country**	**Share in total South-South export**
1	Brunei Darussalam	0.171	1	Brunei Darussalam	0.125
2	Bahrain	0.131	2	Bahrain	0.112
3	Gabon	0.066	3	Gabon	0.076
4	Botswana	0.044	4	Botswana	0.052
5	Papua New Guinea	0.029	5	Bhutan	0.017
	Total	**0.441**		**Total**	**0.382**

Note: Summarized from Annex 2

Data source: UNCOMTRADE

3.3. Structure of South's Export

The structures of the export of the South countries are not uniform. Many of the South countries' export are agriculture based, many of them are extraction based and the rest are manufacturing oriented. Annex 3 provides structure of the export of 121 South countries during 2000s. During early 2000s, 61 countries, out of 122 South countries, had manufacturing export share at least 50 percent. By late 2000s, such number declined to 59. During this period, countries like Antigua and Barbuda, Benin, Brazil, Cape Verde, Fiji, Indonesia, Jamaica, Mongolia, Peru and Uruguay experienced fall in their manufacturing export share to less than 50 percent, while countries like Bahamas, Barbados, Comoros, Egypt, Mozambique, Tanzania, Vietnam and Zimbabwe could increase their manufacturing export share from less than 50 percent to at least 50 percent. The summary of this information is provided in Table 7. This table also suggests that among the 69 countries, who had at least 50 percent of the manufacturing export share either in early 2000s or late 2000s, only 29

countries experienced rise in their share of manufacturing export in total export, while the rest 40 countries experienced fall.

Table 7: Share of manufacturing in total exports (the countries with 50 percent or more shares)

		Early 2000s	Late 2000s	Out	Entry	Change in Share
1	Albania	86.47	66.4			Fall
2	Anguilla	83.94	51.72			Fall
3	Antigua and Barbuda	66.26	49.35	X		Fall
4	Armenia	68.24	53.77			Fall
5	Bahamas, The	43.89	63.35		X	Fall
6	Bangladesh	92.1	91.46			Fall
7	Barbados	48.64	59.51		X	Fall
8	Belarus	72.93	59.14			Fall
9	Benin	78.79	38.85	X		Fall
10	Botswana	96.85	91.85			Fall
11	Brazil	68.38	42.3	X		Fall
12	Burkina Faso	78	88.67			Rise
13	Cambodia	99.03	98.35			Fall
14	Cape Verde	89.84	18.39	X		Fall
15	Central African Republic	88.69	98.47			Rise
16	Chile	57.56	58.5			Rise
17	China	90.35	95.05			Rise
18	Comoros	11.51	86.22		X	Rise
19	Costa Rica	66.03	62.28			Fall
20	Croatia	77.89	74.4			Fall
21	Dominica	56.19	66.37			Rise
22	Egypt, Arab Rep.	48.5	51.21		X	Rise
23	El Salvador	77.65	78.92			Rise
24	Fiji	57.17	44.38	X		Fall
25	French Polynesia	93.17	82.08			Fall
26	Georgia	53.52	66.92			Rise
27	Ghana	61.86	76.07			Rise
28	Grenada	64.6	56.57			Fall
29	Hong Kong, China	97.97	93.92			Fall
30	India	80.73	70.33			Fall
31	Indonesia	62.47	48.43	X		Fall
32	Israel	96.84	95			Fall
33	Jamaica	70.01	37.74	X		Fall
34	Jordan	76.99	76.01			Fall
35	Korea, Rep.	92.75	91.73			Fall
36	Kyrgyz Republic	72.11	77.23			Rise
37	Lebanon	76.61	86.51			Rise
38	Macao	98.46	99.79			Rise
39	Madagascar	54.9	56.96			Rise
40	Malaysia	84.37	71.55			Fall
41	Mali	98.21	94.44			Fall
42	Mauritius	81.13	60.78			Fall
43	Mayotte	91.99	85.05			Fall
44	Mexico	85	79.37			Fall
45	Mongolia	54.31	29.01	x		Fall
46	Morocco	67.1	69.19			Rise
47	Mozambique	35.58	63.57		X	Rise
48	Namibia	59.16	57.78			Fall
49	Nepal	89.75	75.07			Fall
50	New Caledonia	74.83	75.7			Rise
51	Pakistan	85.96	73			Fall
52	Peru	56.81	44.83	X		Fall
53	Philippines	93.07	88.67			Fall
54	Singapore	90.27	81.83			Fall
55	South Africa	76.15	66.55			Fall
56	Sri Lanka	78.78	72.29			Fall
57	St. Kitts and Nevis	72.98	87.23			Rise
58	Suriname	96.49	84.51			Fall
59	Swaziland	64.85	76.88			Rise
60	Tanzania	41.23	50.02		X	Rise

		Early 2000s	Late 2000s	Out	Entry	Change in Share
61	Thailand	81.37	81.15			Fall
62	Tunisia	77.51	76.34			Fall
63	Turkey	83.59	82.36			Fall
64	Turks and Caicos Isl.	52.7	64.04			Rise
65	Ukraine	80.94	67.55			Fall
66	Uruguay	50.59	34.42	x		Fall
67	Vietnam	47.46	68.61		X	Rise
68	Zambia	83.64	85.04			Rise
69	Zimbabwe	43.82	68.53		X	Rise

Source: Calculated from Annex 3

Annex 3 also suggests that by the late 2000s, 32 South countries had extraction export at least 30 percent of their total export. The top ten of these countries are Montserrat, Algeria, Kuwait, Azerbaijan, Venezuela, Nigeria, Saudi Arabia, Gabon, Bahrain and Oman, while they all have more than 75 percent share of extraction export. It also appears that by late 2000s, 22 countries had agricultural export at least 30 percent of their total export. The top ten of these countries are Tonga, Maldives, Ethiopia, Vanuatu, Burundi, St. Vincent and the Grenadines, Gambia, Nicaragua, Uruguay and Uganda, where they all have more than 58 percent share of agricultural export.

The destinations of the export from South countries are primarily the developed countries (Table 8). As far as the Advanced south countries are concerned, their exports are also destined with some significant shares to other developing countries. In the case of other developing countries, some Latin American countries, like Argentina, Bolivia, Chile, Paraguay, and Uruguay, some middle Eastern oil rich countries like Iran and Oman, some African countries like Ghana, and Zimbabwe and some Asian countries like Kyrgyzstan, Mongolia and Philippines have large shares of their exports (25 percent or more) destined to the Advanced south countries. Among the LDCs and SVEs, only four countries (or region), such as Mozambique, Nepal, Rest of South Asia and South Central Africa, have such large shares of their exports destined to the Advanced south countries.

Table 8: Export destination of countries (Share of total exports)

Country code	Country	Developed	Emerging south	Other developing	LDCs and SVEs	ROW	Total
	Developed countries (North)						
1	Australia	51.22	26.43	20.12	2.22	0	100
1	Austria	83.43	6.91	9.01	0.66	0	100
1	Belgium	83.55	7.15	8.3	1	0	100
1	Bulgaria	66.51	14.61	16.94	1.94	0	100
1	Canada	87.6	6.03	5.13	1.25	0	100
1	Czech Republic	87.95	5.48	6.19	0.38	0	100
1	Denmark	81.12	8.41	9.35	1.11	0	100
1	Estonia	79.11	12.59	7.53	0.77	0	100
1	Finland	70.07	18.18	10.8	0.95	0	100
1	France	77.53	8.46	12.27	1.74	0	100
1	Germany	78.07	11.77	9.42	0.74	0	100
1	Greece	71.15	8.49	16.12	4.24	0	100
1	Hungary	81.26	7.88	10.36	0.51	0	100
1	Ireland	86.9	5.75	6.67	0.67	0	100
1	Italy	75.83	9.3	13.62	1.25	0	100
1	Japan	48.9	25.45	24.57	1.07	0	100
1	Korea	39.72	35.63	23.4	1.24	0	100

Country code	Country	Developed	Emerging south	Other developing	LDCs and SVEs	ROW	Total
1	Latvia	79.42	10.58	9.47	0.53	0	100
1	Lithuania	75.93	11.58	11.76	0.73	0	100
1	Luxembourg	84.17	6.43	8.53	0.87	0	100
1	Malta	70.82	11.15	16.84	1.19	0	100
1	Netherlands	82.06	7.28	9.51	1.15	0	100
1	New Zealand	64.4	11.92	19.23	4.46	0	100
1	Norway	89.9	3.83	5.36	0.91	0	100
1	Poland	83.18	7.34	8.93	0.55	0	100
1	Portugal	82.06	4.71	8.43	4.8	0	100
1	Rest of EFTA	80.44	7.85	10.93	0.78	0	100
1	Romania	76.29	9.71	13.26	0.74	0	100
1	Slovakia	88.57	5.56	5.52	0.34	0	100
1	Slovenia	72.56	5.66	21.42	0.36	0	100
1	Spain	78.63	8.24	11.58	1.55	0	100
1	Sweden	81.04	9.69	8.36	0.91	0	100
1	Switzerland	75.48	11.83	11.83	0.86	0	100
1	United Kingdom	78.58	8.35	11.54	1.53	0	100
1	United States of America	56.96	21.39	19.53	2.12	0	100
	Advanced south						
2	Brazil	49.76	16.66	29.62	3.97	0	100
2	China	68.51	9.69	20.18	1.62	0	100
2	India	54.94	13.57	27.04	4.45	0	100
2	Indonesia	57.29	15.98	25.23	1.5	0	100
2	Mexico	88.84	3.01	6.88	1.28	0	100
2	Russian Federation	64.2	12.38	22.31	1.11	0	100
2	South Africa	56.43	14.3	18.08	11.19	0	100
2	Turkey	66.21	9.65	22.86	1.28	0	100
	Other Developing (Other South)						
3	Albania	77.67	9.5	11.7	1.13	0	100
3	Argentina	35.7	34.41	27.61	2.27	0	100
3	Armenia	60.09	12.81	24.82	2.29	0	100
3	Azerbaijan	80.97	5.73	12.86	0.44	0	100
3	Belarus	41.89	40.64	17.04	0.44	0	100
3	Bolivia	41.86	30.28	26.92	0.93	0	100
3	Cameroon	79.26	7.41	8.03	5.31	0	100
3	Chile	57.85	28.91	12.75	0.5	0	100
3	Colombia	56.38	8.7	30.43	4.49	0	100
3	Costa Rica	57.02	20.72	19.66	2.6	0	100
3	Cote d'Ivoire	61.95	7.23	24.49	6.33	0	100
3	Croatia	75.44	4.73	18.89	0.94	0	100
3	Ecuador	61.12	6.59	30.85	1.44	0	100
3	Egypt	63.89	12.87	20.42	2.81	0	100
3	El Salvador	62.77	4.55	30.35	2.33	0	100
3	Georgia	53.62	20.61	24.12	1.65	0	100
3	Ghana	46.18	30.65	21.95	1.22	0	100
3	Guatemala	58.03	9.68	29.11	3.18	0	100
3	Honduras	76.59	5.53	16.15	1.72	0	100
3	Hong Kong	51.84	33.9	13.18	1.09	0	100
3	Iran Islamic Republic of	48.07	25.95	24.9	1.08	0	100
3	Israel	76.3	12.12	9.47	2.11	0	100
3	Kazakhstan	46.26	29.7	22.91	1.12	0	100
3	Kenya	50.36	6.36	18.76	24.52	0	100
3	Kuwait	51.44	21.1	25.08	2.38	0	100
3	Kyrgyzstan	40.04	25.07	33.82	1.08	0	100
3	Malaysia	50.8	23.49	24.53	1.17	0	100
3	Mongolia	33.72	62.18	3.73	0.36	0	100
3	Morocco	75.66	11.79	10.87	1.68	0	100
3	Namibia	64.04	18.61	7.54	9.81	0	100
3	Nicaragua	56.62	6.93	34.65	1.8	0	100
3	Nigeria	69.64	22.56	5.87	1.94	0	100
3	Oman	36.64	35.29	27.3	0.77	0	100
3	Pakistan	58.39	12.49	21.54	7.57	0	100
3	Panama	74.42	7.69	15.39	2.51	0	100
3	Paraguay	23.77	33.72	38.43	4.08	0	100
3	Peru	63.46	18.97	16.72	0.85	0	100

Country code	Country	Developed	Emerging south	Other developing	LDCs and SVEs	ROW	Total
3	Philippines	46.95	34.02	18.44	0.6	0	100
3	Qatar	63.12	14.08	22.27	0.54	0	100
3	Rest of Central America	67.99	7.04	20.51	4.47	0	100
3	Rest of East Asia	67.14	15.58	15.64	1.64	0	100
3	Rest of Eastern Europe	53.23	23.78	21.55	1.45	0	100
3	Rest of Europe	68.71	6.57	23.8	0.93	0	100
3	Rest of Former Soviet Union	34.95	17.2	45.48	2.37	0	100
3	Rest of North Africa	82.86	13.11	3.54	0.49	0	100
3	Rest of North America	77.29	10.24	10.18	2.3	0	100
3	Rest of South America	80.57	5.04	7.55	6.85	0	100
3	Rest of Southeast Asia	50.01	24.59	24.75	0.65	0	100
3	Rest of Western Africa	40.23	37.25	21.37	1.15	0	100
3	Rest of Western Asia	59.92	21.25	16.93	1.9	0	100
3	Saudi Arabia	57.8	19.82	19.9	2.48	0	100
3	Singapore	43.88	24.71	29.96	1.44	0	100
3	Sri Lanka	71.51	12.31	14.18	2	0	100
3	Taiwan	42.11	41	16.17	0.72	0	100
3	Thailand	52.42	21.07	23.25	3.27	0	100
3	Tunisia	81.29	5.27	12.29	1.15	0	100
3	Ukraine	41.21	32.66	24.12	2	0	100
3	United Arab Emirates	54.4	11.07	32.43	2.11	0	100
3	Uruguay	45.31	26.27	26.23	2.19	0	100
3	Venezuela	78.97	8.19	8.44	4.4	0	100
3	Viet Nam	68.97	11.71	16.82	2.49	0	100
3	Zimbabwe	31.26	38.81	6.86	23.07	0	100
	LDCs and SVEs						
4	Bahrain	41.79	13	39.35	5.86	0	100
4	Bangladesh	85.41	6.19	7.54	0.86	0	100
4	Botswana	79.21	10.7	9.58	0.52	0	100
4	Cambodia	84.75	4.64	9.9	0.71	0	100
4	Caribbean	67.29	12.09	14.29	6.34	0	100
4	Central Africa	68.64	19.01	9.87	2.49	0	100
4	Cyprus	72.02	13.38	13	1.6	0	100
4	Ethiopia	59.48	9.93	21.72	8.87	0	100
4	Lao PDR	40.52	8.81	50	0.67	0	100
4	Madagascar	76.99	9.37	10.7	2.94	0	100
4	Malawi	54.51	15.78	25.07	4.63	0	100
4	Mauritius	76.19	8.94	10.01	4.86	0	100
4	Mozambique	53.28	34.05	10.29	2.38	0	100
4	Nepal	47.78	42.48	8.88	0.85	0	100
4	Rest of Eastern Africa	43.22	44.65	9.2	2.93	0	100
4	Rest of Oceania	69.8	14.2	13.54	2.46	0	100
4	Rest of South African Customs	66.54	10.2	13.42	9.85	0	100
4	Rest of South Asia	50.62	27.03	17.84	4.51	0	100
4	Senegal	50.76	9.74	37.36	2.14	0	100
4	South Central Africa	53.1	35.66	8.66	2.58	0	100
4	Tanzania	56.03	17.93	19.31	6.72	0	100
4	Uganda	57.03	10.56	18.57	13.84	0	100
4	Zambia	35.08	24.3	31.9	8.72	0	100
5	Rest of the World	72.62	17.72	8.82	0.84	0.00	100.00

Note: Country code 1=Developed countries; 2= Advanced south; 3= other developing; 4= LDCs and SVEs; 5=ROW GrainsCrops = Grains and Crops; MeatLstk = Livestock and Meat Products; Extraction = Mining and Extraction, ProcFood = Processed Food; TextWapp = Textiles and Clothing; LightMnfc = Light Manufacturing; HeavyMnfc = Heavy Manufacturing; Util_Cons = Utilities and Construction; TransComm = Transport and Communication; OthServices = Other Services

Source: GTAP database version 8. Data year 2007

IV. WHAT FACTORS DETERMINE SOUTH-SOUTH TRADE?

What are the factors which determine the pattern of South-South trade? It has already been highlighted in the previous sections that South countries are not homogenous, therefore, there could be differential effects of different variables on the patterns of trade among different groups of South countries. Empirically, such analysis can be done using the framework of gravity models. In the following sub-sections the basic gravity models and augmented gravity models are run to examine the effects of different factors on the bilateral trade among different country groups. The gravity model is one of the most widely used models in international economics and is capable of explaining patterns of international trade. Theoretical foundations for the gravity model have been provided by Bergstrand (1985, 1989, 1990), Leamer (1974), Anderson (1979), Helpman (1987), Deardorff (1998), Head and Ries (2005).

4.1. The basic gravity model

In this study, six groups of countries have been identified: South (group of developing countries), North (group of developed countries), LDCs (group of least developed countries), SVEs (group of small and vulnerable countries), Advanced south (group of advanced developing countries), and South Excluding Advanced south (group of developing countries excluding the advanced developing countries). The list of countries under different country groups are already presented in Annex 3. The basic gravity regressions for each of these country groups have been run considering all other groups including itself as partners. Thus, there are 36 different gravity regressions and for these 36 pairs (home-partner) the basic gravity model considered is shown in Equation 1:

$$\ln m_{hpt} = \beta_1 + \beta_2 \ln gdp\_pc_{ht} + \beta_3 \ln gdp\_pc_{pt} + \beta_4 \ln discap_{hp} + \beta_5 comlang_{hp} + \beta_6 landlock_h + \beta_7 landlock_p + \beta_8 island_h + \beta_9 island_p + \beta_{10} comborder_{hp} \quad \text{(Equation 1)}$$

Where,

$\ln m_{hpt}$	= Log of import of home country from partner country in year t (US$)
$\ln gdp\_pc_{ht}$	= Log of per capita GDP of home country at constant price of 2000 in year t (US $)
$\ln gdp\_pc_{pt}$	= Log of per capita GDP of partner country at constant price of 2000 in year t (US $)
$\ln discap_{hp}$	= log of distance between the capitals of home and partner countries
$comlang_{hp}$	= Common language dummy if home and partner countries have common language
$landlock_h$	= Land lock dummy for home country
$landlock_p$	= Land lock dummy for partner country
$island_h$	= Island dummy for home country
$island_p$	= Island dummy for partner country
$comborder_{hp}$	= Common border dummy if home and partner countries have common border

The basic gravity model, in Equation 1, uses an unbalanced panel dataset constructed for the period between 1988 and 2011. Bilateral import data are taken from UNCOMTRADE data

base. The data of per capita GDP are taken from the World Bank's World Development Indicators data base. The data on the distance between the capitals of home and partner countries, common language dummy and land lock dummy are taken from the "GeoDist" data base of CEPII. The data on island dummy and common border dummy are taken from Wikipedia. To estimate the gravity regressions fixed effect models are run by introducing country dummy and year dummy. Heteroskedasticity is also controlled for which could be apparent in a panel data with long time dimension.

Table 9 presents the results of six gravity models where South countries are the homes and all six country groups are partners. These results show how different factors affect exports from countries of different groups to the South countries. The regression involving South countries as home and also South countries as partner, i.e., the intra-South trade, suggests that per capita GDPs of both the home and partner countries have positive significant effects, distance between the capitals has a negative significant effect, common language has a positive significant effect, land lock dummy for partner country and island dummy for partner country have negative significant effects, and common border dummy has a positive significant effect. A comparison among the sizes of coefficients of different variables suggests that as far as intra-South trade is concerned, among the continuous variables, the largest positive effect stems from the per capita GDP of the home country, and largest negative effect comes from the distance. Among the dummy variables, the common border dummy has the largest positive effect, whereas the island dummy of the partner country has the largest negative effect. In the case of export from North to the South countries, all variables, except the common border dummy, have expected signs with statistical significance; and common language dummy has the largest positive significant effect and island dummy for home country has the largest negative significant effect. In the case of export from LDCs to the South countries, all variables, except per capita GDP of partner country and island dummy for home country, have expected signs with statistical significance. The per capita GDP of the LDCs has the negative significant effect, which indicates that the LDCs with higher per capita GDP tend to export less to the South countries. The common border dummy has the largest positive significant effect and island dummy for partner country has the largest negative significant effect on export from LDCs to the South countries. In the case of export from SVEs to the South countries, all variables, except two land lock dummies, have expected signs with statistical significance; and per capita GDP of the partner country has the largest positive significant effect and island dummy for home country has the largest negative significant effect. As far as export from Advanced south countries to South countries is concerned, per capita GDP of the partner country has a negative significant effect. This suggests that Advanced south countries with higher per capita GDP tend to trade less with the South countries. All other variables, except two land lack dummies and island dummy for home country, have expected signs with statistical significance. The per capita GDP of the home country has the largest positive significant effect and distance has the largest negative significant effect on the export from Advanced south countries to South countries. Finally, in

the case of export from South Excluding Advanced south countries to the south countries, all variables, except per capita GDP of the partner county, land lock dummy for home country and island dummy for home country, have expected signs with statistical significance. Land lock dummy for home country has the largest positive significant effect and island dummy for the partner country has the largest negative significant effect.

Table 9: Gravity regression for South countries as home
(Dependent variable: Log of Import of home country from partner country)

Partner	South	North	LDC	SVE	Advanced south	South exclu. advanced south
Explanatory variables	**Co-efficient**	**Co-efficient**	**Co-efficient**	**Co-efficient**	**Co-efficient**	**Co-efficient**
Log of per capita GDP of home country	0.738*** (0.074)	1.170*** (0.092)	0.875*** (0.242)	0.292* (0.168)	0.915*** (0.107)	0.748*** (0.075)
Log of per capita GDP of partner country	0.570*** (0.007)	1.018*** (0.036)	-0.142** (0.045)	0.726*** (0.019)	-0.299*** (0.008)	0.492 (0.007)
log of distance between the capitals of home and partner countries	-1.089*** (0.012)	-1.228*** (0.026)	-0.778*** (0.037)	-1.408*** (0.022)	-1.409*** (0.019)	-1.312*** (0.012)
Common language dummy	0.510*** (0.023)	1.393*** (0.034)	0.238** (0.072)	0.490*** (0.053)	0.811*** (0.035)	0.736*** (0.023)
Land lock dummy for home country	-0.865 (0.730)	-1.611** (0.793)	-2.095** (1.068)	0.127 (1.133)	-1.336 (1.231)	4.351*** (1.270)
Land lock dummy for partner country	-1.941*** (0.024)	-1.636*** (0.034)	-1.187*** (0.070)	0.002 (0.077)	(omitted)	-1.483*** (0.023)
Island dummy for home country	-1.527 (0.975)	-3.269*** (0.881)	-3.757 (3.250)	-3.017* (0.983)	-1.532 (1.080)	5.839 (3.224)
Island dummy for partner country	-2.086*** (0.024)	-0.446*** (0.031)	-2.219*** (0.068)	-0.323*** (0.049)	0.053 (0.024)**	-2.165*** (0.024)
Common border dummy	2.104*** (0.048)	-0.342** (0.167)	1.660*** (0.171)	0.356* (0.205)	0.653*** (0.067)	1.634*** (0.050)
Constant	12.354*** 0.710)	8.828*** (0.832)	14.874*** (1.906)	14.220*** (1.159)	22.575*** (1.089)	12.754*** (0.961)
Number of observations	148256	37613	12894	24429	18643	129613
R-squared	0.329	0.579	0.311	0.331	0.761	0.366
Root MSE	3.269	2.095	2.896	2.799	1.544	3.056
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes

Note: ***, ** and * denote significance at 1%, 5% and 10% level respectively.
Source: Gravity model results

Table 10 presents the results of the six gravity regressions considering North countries as the home and all six country groups as partners. The regression results for the South countries suggest that all variables, except per capita GDP of home country (here it is North), have expected signs with statistical significance. The largest positive significant effect on South's export to the North countries stems from the common border dummy and the largest negative significant effect comes from land lock dummy for home country. In the case of intra-North trade, per capita GDP of the home country has the largest positive significant effect, and land lock dummy for home country has the largest negative significant effect. In the case of LDCs' export to the North countries, per capita GDP of partner country (in this case, LDCs) has negative effect. Interestingly, distance has a positive effect on LDCs' export to the North countries. Island dummy of the partner country has the largest negative significant effect on LDCs' export to the North countries. In the case of SVEs' export to the North countries, the largest positive significant effect comes from the common language dummy and the largest negative effect comes from the land lock dummy for home country. Island dummy for home

country has the largest positive significant effect and distance has the largest negative significant effect on export from Advanced south countries to the North countries. Finally, common border dummy has the largest positive significant effect, and land lock dummy for home country has the largest negative significant effect on the export from South Excluding Advanced south countries to the North countries.

Table 10: Gravity regression for North countries as home
(Dependent variable: Log of Import of home country from partner country)

Partner	South	North	LDC	SVE	Advanced south	South exclu. advanced south
Explanatory variables	**Co-efficient**	**Co-efficient**	**Co-efficient**	**Co-efficient**	**Co-efficient**	**Co-efficient**
Log of per capita GDP of home country	0.409 (0.267)	1.379*** (0.305)	0.588 (0.759)	0.630 (0.514)	1.453*** (0.313)	0.387 0.260
Log of per capita GDP of partner country	0.570*** (0.011)	0.828*** (0.045)	-0.216*** (0.066)	0.807*** (0.026)	-0.156*** (0.010)	0.481*** (0.011)
log of distance between the capitals of home and partner countries	-0.647*** (0.022)	-0.765*** (0.018)	0.544*** (0.136)	-1.742*** (0.046)	-0.657*** (0.031)	-0.914*** (0.022)
Common language dummy	0.215*** (0.043)	0.652*** (0.046)	0.273** (0.131)	1.172*** (0.082)	0.336*** (0.058)	0.361*** (0.042)
Land lock dummy for home country	-4.746*** (0.406)	-4.883*** (0.463)	-2.450*** (0.457)	-4.428*** (0.285)	0.989*** (0.164)	-3.428*** (0.131)
Land lock dummy for partner country	-1.828*** (0.033)	-1.551*** (0.040)	-0.847*** (0.107)	-0.542*** (0.113)	(omitted)	-1.472*** (0.032)
Island dummy for home country	-0.532* (0.204)	0.397* (0.237)	-0.011 (0.522)	0.468 (0.353)	2.475*** (0.197)	1.020*** (0.169)
Island dummy for partner country	-2.895*** (0.038)	-0.429*** (0.043)	-2.309*** (0.097)	-0.484*** (0.064)	-0.051 (0.030)	-2.749*** (0.037)
Common border dummy	2.242*** (0.196)	0.936*** (0.049)	(omitted)	(omitted)	0.116 (0.132)	1.989*** (0.274)
Constant	13.915*** (2.430)	5.042* (2.810)	2.586 (7.962)	15.404*** (5.330)	9.825*** (3.247)	15.113*** (2.691)
Number of observations	56103	9089	6076	11092	4738	51365
R-squared	0.352	0.618	0.276	0.385	0.786	0.375
Root MSE	3.037	1.343	3.055	2.683	0.938	2.859
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes

Note: ***, ** and * denote significance at 1%, 5% and 10% level respectively.
Source: Gravity model results

Table 11 presents the results of the six gravity regressions considering LDCs as home and all six country groups as partners. As far as South's export to LDCs is concerned, all variables, except common language dummy, land lock dummy for home country and island dummy for home country, have expected signs with statistical significance. Interestingly common language dummy has a negative statically significant impact on export from South to LDCs. Common border dummy has the largest positive impact and land lock dummy for partner country has the largest negative significant effect on South's export to LDCs. In the case of North's export to LDCs the largest positive significant impact comes from per capita GDP of the partner country (in this case the North), and largest negative significant impact stems from the distance. In the case of the intra-LDCs trade, per capita GDPs of both home and partner countries do not have any impact; however, common border dummy has the largest positive significant impact and island dummy for partner country has the largest negative significant effect. For SVEs' export to LDCs, common border dummy has the largest positive significant impact and island dummy for home country has the largest negative significant

impact. The export from Advanced south countries to LDCs is affected positively, with statistical significance, by the per capita GDP of the home country (in this case, the LDCs') and land lock dummy for home country has the largest negative significant effect. Finally, in the case of export from South Excluding Advanced south countries, common border dummy has the largest positive significant effect and island dummy for partner country has the largest negative significant effect.

Table 11: Gravity regression for LDCs as home
(Dependent variable: Log of Import of home country from partner country)

Partner	**South**	**North**	**LDC**	**SVE**	**Advanced south**	**South exclu. advanced south**
Explanatory variables	**Co-efficient**	**Co-efficient**	**Co-efficient**	**Co-efficient**	**Co-efficient**	**Co-efficient**
Log of per capita GDP of home country	0.856*** (0.310)	1.100*** (0.363)	0.893 (0.875)	0.991 (0.758)	1.117** (0.458)	1.082*** (0.325)
Log of per capita GDP of partner country	0.446*** (0.026)	1.681*** (0.148)	0.013 (0.176)	0.398*** (0.077)	-0.428*** (0.034)	0.379*** (0.028)
log of distance between the capitals of home and partner countries	-1.127*** (0.050)	-2.529*** (0.134)	-0.498*** (0.139)	-0.866*** (0.129)	-2.109*** (0.096)	-1.255*** (0.051)
Common language dummy	-0.471*** (0.089)	1.156*** (0.131)	-0.560** (0.233)	0.672*** (0.199)	0.779*** (0.165)	-0.207** (0.089)
Land lock dummy for home country	-0.247 (0.739)	0.037 (0.864)	-1.513 (1.533)	-1.564 (1.146)	-3.243** (1.314)	0.585 (0.694)
Land lock dummy for partner country	-2.033*** (0.101)	-2.211*** (0.141)	-0.678** (0.275)	0.213 (0.341)	(omitted)	-1.599*** (0.101)
Island dummy for home country	-0.992 (0.683)	0.031 (0.691)	(omitted)	-3.113* (1.821)	-2.381* (1.407)	-1.465 (0.892)
Island dummy for partner country	-1.327*** (0.095)	-0.116 (0.115)	-0.955*** (0.314)	0.316 (0.200)	0.426*** (0.097)	-1.664*** (0.093)
Common border dummy	2.742*** (0.164)	(omitted)	3.649*** (0.446)	4.586*** (0.726)	-0.023 (0.235)	2.319*** (0.176)
Constant	13.702*** (1.784)	11.353*** (2.629)	9.450 (5.988)	11.539*** (3.811)	29.287*** (2.581)	12.808*** (1.881)
Number of observations	8987	2800	814	1309	1482	7505
R-squared	0.223	0.408	0.238	0.164	0.639	0.247
Root MSE	3.146	2.287	2.779	2.784	1.856	2.936
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes

Note: ***, ** and * denote significance at 1%, 5% and 10% level respectively.
Source: Gravity model results

In Table 12, the six gravity regression results, considering SVEs as home and all six country groups as partners, are presented. Common border dummy has the largest positive significant effect and land lock dummy for partner country has the largest negative significant effect on the export from South countries to SVEs. In the case of export from North countries to SVEs, per capita GDP of the partner country (in this case, the North) has the largest positive significant effect and island dummy for home country has the largest negative significant effect. LDCs' export to SVEs is not affected by the size of the GDPs; common border dummy has the largest positive significant effect and island dummy for partner country has the largest negative significant effect. Interestingly, land lock dummy for home country has the largest positive significant effect on the intra-SVEs trade; whereas distance has the largest negative significant effect. In the case of export from the Advanced south counties to SVEs, the largest positive significant effect comes from the common border dummy and largest negative effect stems from distance. Finally, in the case of export from South Excluding Advanced south

countries, the largest positive effect comes from common border dummy and the largest negative effect comes from island dummy for partner country.

Table 12: Gravity regression for SVEs as home
(Dependent variable: Log of Import of home country from partner country)

Partner	South	North	LDC	SVE	Advanced south	South exclu. advanced south
Explanatory variables	**Co-efficient**	**Co-efficient**	**Co-efficient**	**Co-efficient**	**Co-efficient**	**Co-efficient**
Log of per capita GDP of home country	-0.108 (0.244)	0.980*** (0.289)	0.298 (0.769)	0.852 (0.566)	0.309 (0.340)	-0.016 (0.248)
Log of per capita GDP of partner country	0.488*** (0.017)	1.185*** (0.091)	0.220 (0.141)	0.517*** (0.052)	-0.174*** (0.021)	0.411*** (0.017)
log of distance between the capitals of home and partner countries	-0.972*** (0.022)	-1.955*** (0.066)	-0.769*** (0.084)	-1.597*** (0.046)	-1.479*** (0.099)	-1.367*** (0.023)
Common language dummy	0.286*** (0.051)	1.334*** (0.083)	0.255 (0.183)	0.392*** (0.122)	0.390*** (0.085)	0.331*** (0.051)
Land lock dummy for home country	0.177 (0.472)	-0.311 (0.441)	0.455 (1.575)	2.974** (1.484)	0.417 (0.600)	-0.142 (0.291)
Land lock dummy for partner country	-2.089*** (0.066)	-1.753*** (0.085)	-1.213*** (0.217)	0.179 (0.206)	(omitted)	-1.505*** (0.065)
Island dummy for home country	-1.581** (0.731)	-2.791*** (0.345)	-1.908 (1.244)	-0.658 (0.615)	-0.999 (0.974)	-1.511*** (0.407)
Island dummy for partner country	-0.949*** (0.056)	0.053 (0.088)	-1.907*** (0.201)	-0.179 (0.128)	0.386*** (0.070)	-1.042*** (0.056)
Common border dummy	2.610*** (0.156)	(omitted)	4.435*** (0.265)	-0.067 (0.337)	1.098*** (0.254)	1.594*** (0.165)
Constant	17.972*** (1.647)	12.235*** (2.624)	15.042** (5.937)	12.476*** (4.653)	24.931*** (2.442)	20.535*** (1.882)
Number of observations	21186	6949	1304	3361	3640	17546
R-squared	0.234	0.473	0.268	0.347	0.546	0.299
Root MSE	3.012	2.248	2.546	2.591	1.852	2.732
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes

Note: ***, ** and * denote significance at 1%, 5% and 10% level respectively.
Source: Gravity model results

Table 13 presents the results of the six gravity regressions considering Advanced south countries as home and all six country groups as partners. In the case of export from Advanced south countries to South countries, interestingly, island dummy for home country has the largest positive significant impact, whereas, island dummy for partner country has the largest negative significant impact. As far as North's export to Advanced south countries is concerned, per capita GDP of the home country has the largest positive significant effect and common border dummy has the largest negative significant effect. In the case of export from LDCs to the Advanced south countries per capita GDP of the home country has the largest positive significant effect, and island dummy of the home country has the largest negative significant effect. Interestingly, the per capita GDP of the partner country (in this case, the LDCs) has negative significant effect on the export from LDCs to the Advanced south countries. This suggests that the LDCs with higher per capita GDP tend to trade less with the Advanced south countries. In the case of export from SVEs, island dummy for home country has the largest positive significant effect, whereas, distance has the largest negative significant effect. As far as the intra-Advanced south countries trade is concerned, common language dummy has the largest positive significant effect and island dummy for home country has the largest negative significant effect. Finally, in the case of export from South

Excluding Advanced south countries to Advanced south countries, per capita GDP of the home country has the largest positive significant effect and island dummy for the partner country has the largest negative significant effect.

Table 13: Gravity regression for Advanced south countries as home
(Dependent variable: Log of Import of home country from partner country)

Partner	South	North	LDC	SVE	Advanced south	South exclu. advanced south
Explanatory variables	**Co-efficient**	**Co-efficient**	**Co-efficient**	**Co-efficient**	**Co-efficient**	**Co-efficient**
Log of per capita GDP of home country	1.922*** (0.166)	1.173*** (0.222)	3.285*** (0.512)	1.390*** (0.385)	0.684*** (0.195)	1.994*** (0.166)
Log of per capita GDP of partner country	0.572*** (0.016)	1.066*** (0.085)	-0.375*** (0.106)	0.951*** (0.041)	-0.179*** (0.016)	0.488*** (0.016)
log of distance between the capitals of home and partner countries	-1.528*** (0.034)	-1.673*** (0.088)	-1.194*** (0.096)	-1.436*** (0.075)	-0.892*** (0.033)	-1.430*** (0.034)
Common language dummy	0.362*** (0.066)	1.108*** (0.097)	0.531** (0.210)	-0.110 (0.127)	1.009*** (0.064)	0.243*** (0.066)
Land lock dummy for home country	(omitted)	(omitted)	(omitted)	(omitted)	(omitted)	(omitted)
Land lock dummy for partner country	-2.345*** (0.053)	-0.991*** (0.077)	-1.726*** (0.156)	-1.358*** (0.188)	(omitted)	-1.995*** (0.053)
Island dummy for home country	3.035*** (0.274)	-1.783*** (0.416)	-5.818*** (0.986)	2.750*** (0.624)	-1.333*** (0.372)	-2.374*** (0.318)
Island dummy for partner country	-3.230*** (0.058)	-0.454*** (0.079)	-2.953*** (0.165)	-1.135*** (0.111)	0.150*** (0.046)	-3.207*** (0.056)
Common border dummy	0.816*** (0.125)	-2.280*** (0.193)	-0.308 (0.418)	-0.201 (0.357)	0.471*** (0.109)	0.732*** (0.129)
Constant	9.484*** (1.351)	14.671*** (2.152)	-0.139 (4.239)	5.469* (3.129)	22.690*** (1.583)	8.021*** (1.351)
Number of observations	26059	4734	2764	5065	2132	23927
R-squared	0.311	0.236	0.260	0.2153	0.689	0.298
Root MSE	3.252	1.860	3.165	3.015	1.027	3.106
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes

Note: ***, ** and * denote significance at 1%, 5% and 10% level respectively.
Source: Gravity model results

In Table 14, the six gravity regression results, considering South Excluding Advanced south countries as home and all six country groups as partners, are presented. In the case of export from South, the largest positive significant effect comes from common border dummy and largest negative significant effect comes from island dummy for partner country. As far as export from North countries is concerned, common language dummy has the largest positive significant effect and island dummy for home country has the largest negative significant effect. In the case of export from LDCs, per capita GDPs do not have any impact, and island dummy for home country has the largest positive significant effect and island dummy for partner country has the largest negative significant effect. Per capita GDP of the partner country has a negative significant effect on the export from Advanced south countries. This suggests that the Advanced south countries with higher per capita GDP tend to export less to the South Excluding Advanced south countries. Per capita GDP of the home country has the largest positive effect and land lock dummy for home country has the largest negative effect on the export from Advanced south countries to the South Excluding Advanced south countries. In the case of trade among South Excluding Advanced south countries, largest

positive effect comes from common border dummy and the largest negative effect comes from island dummy for partner country.

Table 14: Gravity regression for South Excluding Advanced south countries as home (Dependent variable: Log of Import of home country from partner country)

Partner	South	North	LDC	SVE	Advanced south	South exclu. advanced south
Explanatory variables	**Co-efficient**	**Co-efficient**	**Co-efficient**	**Co-efficient**	**Co-efficient**	**Co-efficient**
Log of per capita GDP of home country	0.230*** (0.084)	1.158*** (0.102)	-0.359 (0.263)	-0.286 (0.182)	0.981*** (0.120)	0.188** (0.085)
Log of per capita GDP of partner country	0.570*** (0.007)	0.994*** (0.039)	-0.052 0.049	0.650*** (0.020)	-0.314*** (0.009)	0.495*** (0.008)
log of distance between the capitals of home and partner countries	-1.016*** (0.012)	-1.203*** (0.028)	-0.675*** (0.040)	-1.419*** (0.023)	-1.506*** (0.023)	-1.278*** 0.013
Common language dummy	0.558*** (0.025)	1.438*** (0.036)	0.159** (0.076)	0.633*** (0.057)	0.797*** (0.040)	0.810*** (0.025)
Land lock dummy for home country	-0.899 (0.717)	-1.801** (0.794)	-0.687* (0.361)	1.979 (1.271)	-3.129*** (0.912)	-0.041 (0.102)
Land lock dummy for partner country	-1.855*** (0.026)	-1.726*** (0.038)	-0.996*** (0.077)	0.369*** (0.082)	(omitted)	-1.363*** (0.026)
Island dummy for home country	-0.008 (0.716)	-3.271*** (0.882)	2.436* (1.279)	-2.443* (1.335)	-2.820*** (1.090)	-4.124 (3.445)
Island dummy for partner country	-1.825*** (0.026)	-0.446*** (0.034)	-1.972*** (0.073)	-0.055 0.054	0.103*** (0.027)	-1.905*** (0.026)
Common border dummy	2.377*** (0.052)	0.162 (0.183)	2.225*** (0.178)	1.209*** (0.222)	0.827*** (0.078)	1.852*** (0.054)
Constant	14.424*** (0.776)	8.993 (0.925)	20.06*** (1.664)	17.984*** (1.760)	24.467*** (1.150)	19.676 (3.224)
Number of observations	122197	32879	10130	19364	16511	105686
R-squared	0.292	0.522	0.265	0.327	0.711	0.335
Root MSE	3.257	2.123	2.796	2.720	1.589	3.030
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes

Note: ***, ** and * denote significance at 1%, 5% and 10% level respectively.
Source: Gravity model results

4.2. Comparisons of coefficients across regressions of the basic gravity model

Though there are some technical issues while comparing coefficients from different regression equations, here an attempt is made to compare coefficients across regressions of the basic gravity models presented in Section 4.1, since the gravity equations in the Section 4.1 have all common set of variables as explanatory variables, therefore it is possible to compare the point estimates of the coefficients of these variables.

Table 15 compares the coefficients of per capita GDP of home country. The coefficients are organized in such a way so that comparison can be made considering a country group both as a home and a partner. When considering South countries as the home, there are marked differences among different groups of countries as far as the impact of per capita GDP of home country (in this case the South countries) on exports from these groups of countries to the South countries are concerned. Per capita GDP of the South countries has the largest positive effect on the export from the North countries; and among different South countries such positive effect is the largest for the export from the Advanced south countries. For SVEs

the effect is positive but is the smallest among all country groups. Now, while considering South as the source of export, Table 15 also suggests that the per capita GDP of the advanced south countries has the largest positive effect among all country groups on the export from South. Interesting, the per capita GDP of the North countries doesn't have any significant effect. Also, though the per capita GDP of LDCs has a positive effect on the export from South that of the SVEs doesn't have any statistically significant effect. In the case of North countries as a home, among different groups of South countries, the per capita GDP of the North countries only has a positive effect on the export from Advanced south countries, and there are no statistically significant effects on the export from South countries, LDCs, SVEs and South Excluding Advanced south countries. In the case of export from the North countries to other group of countries, the per capita GDP of North countries has the largest positive effect, followed by that of the Advanced south countries. While considering LDCs as home, the per capita GDP of LDCs has the largest positive effect on export from the Advanced south countries, though it doesn't have any effect on exports from LDCs and SVEs. For the LDCs' export to their partner countries, per capita GDPs of only South countries and Advanced south countries have positive significant effects with per capita GDP of the advanced south having the larger effect. In the case of SVEs as home, per capita GDP of SVEs has positive effect only on the export from the North countries. For the SVEs' export to their partner countries, per capita GDPs of only South and Advanced south countries have the positive effect. While considering Advanced south counties home, per capita GDP of the Advanced south has the largest positive effect on the export from the LDCs. However, among all the partner country groups, per capita GDP of the North countries has the largest positive effect on the exports from the Advanced south countries. Finally, the per capita GDP of the South Excluding Advanced south countries has the largest positive effect on the export from the North countries followed by the Advanced south countries, and among different country groups, per capita GDP of the Advanced south has the largest positive effect on the export from the South Excluding Advanced south countries.

Table 15: Comparison of coefficients of log of per capita GDP of home country (Dependent variable: Log of Import of home country from partner country)

Home \ Partner	South	North	LDC	SVE	Advanced south	South exclu. advanced south
South	0.738***	1.170***	0.875***	0.292*	0.915***	0.748***
North	0.409	1.379***	0.588	0.630	1.453***	0.387
LDC	0.856***	1.100***	0.893	0.991	1.117**	1.082***
SVE	-0.108	0.980***	0.298	0.852	0.309	-0.016
Advanced south	1.922***	1.173***	3.285***	1.390***	0.684***	1.994***
South excluding advanced south	0.230***	1.158***	-0.359	-0.286	0.981***	0.188**

Note: ***, ** and * denote significance at 1%, 5% and 10% level respectively.
Source: Gravity model results

Table 16 compares the coefficients of per capita GDPs of partner countries. While considering South as the home, then among the per capita GDPs of its partner countries, the per capita GDP of the North countries has the largest positive effect on the export from the North to South. While considering South as the partner, then per capita GDP of South has the largest

positive effect on the export from South to Advanced south countries among all country groups as destinations for South's export. Now, considering North as the home, the per capita GDP of North has the largest positive effect on the export from North to North. Among different groups of South countries, per capita GDP of SVEs has the largest positive impact on the export from SVEs to North. Furthermore, per capita GDP of North has the largest positive impact on the export from North to LDCs among all country groups as destinations for North's export. While considering LDCs as the home, per capita GDP of North has the largest positive impact on the export from North, though per capita GDP of Advanced south as negative impact on the export from Advanced south to LDCs. However, the per capita GDP of LDCs has a negative effect on the export from LDCs to South countries in general and to Advanced south countries in particular. LDCs per capita GDP also has a negative effect on the export from LDCs to the North. In the case of SVEs, per capita GDP of Advanced south has a negative effect on export from Advanced south countries to SVEs. The per capita GDP of SVEs has the largest positive effect on the export from SVEs to Advanced south countries among all country groups as destinations for SVEs' export. While considering Advanced south as the home, per capita GDP of the North has the largest positive effect on the export from North to Advanced south. LDC's per capita GDP has a negative effect on LDCs' export to Advanced south. Now, while considering export from Advanced south countries, per capita GDP of Advanced south has negative effect on export from Advanced south to all groups of countries. This suggests that In the case of South Excluding Advanced south as the home, per capita GDP of North has the largest positive effect on the export from North and among the South country groups, per capita GDPs of SVEs and South Excluding Advanced south have positive effects on the export from these group of countries to South Excluding Advanced south countries.

Table 16: Comparison of coefficients of log of per capita GDP of partner country (Dependent variable: Log of Import of home country from partner country)

Home \ Partner	South	North	LDC	SVE	Advanced south	South exclu. advanced south
South	0.570***	1.018***	-0.142**	0.726***	-0.299***	0.492
North	0.570***	0.828***	-0.216***	0.807***	-0.156***	0.481***
LDC	0.446***	1.681***	0.013	0.398***	-0.428***	0.379***
SVE	0.488***	1.185***	0.220	0.517***	-0.174***	0.411***
Advanced south	0.572***	1.066***	-0.375***	0.951***	-0.179***	0.488***
South excluding advanced south	0.570***	0.994***	-0.052	0.650***	-0.314***	0.495***

Note: ***, ** and * denote significance at 1%, 5% and 10% level respectively.
Source: Gravity model results

Table 17 compares the coefficients of distance between the capitals of the trading countries. Considering South as the home, the distance factor has the largest negative effects on exports from the Advanced south countries and SVEs to South countries; and distance factor has the largest negative impact on South's export to Advanced south among all country groups as destinations for South's export. In the case of North as the home, distance factor has the largest negative impact on export from SVEs to the North countries; and distance has the largest negative impact on North's export to LDCs among all country groups as destinations for North's export. While considering LDCs as the home, distance has the largest negative

effect on export from North to the LDCs; and distance has the largest negative effect on export from LDCs to the Advanced south countries among all country groups as destinations for LDCs' export. In the case of SVEs as the home, distance has the largest negative effect o export from the North followed by SVEs; and distance has the largest negative effect on export from SVEs to the North followed by SVEs. Considering Advanced south as the home, distance has the largest negative effect on export from North followed by South; and distance has the largest negative effect on export from Advanced south to LDCs among all country groups as destinations for Advanced south's export. Finally, in the case of South Excluding Advanced south as the home, distance has the largest negative effect on export from Advanced south; and distance has the largest negative effect on export from South Excluding Advanced south countries to Advanced south countries.

Table 17: Comparison of coefficients of log of distance between the capitals (Dependent variable: Log of Import of home country from partner country)

Home \ Partner	South	North	LDC	SVE	Advanced south	South exclu. advanced south
South	-1.089***	-1.228***	-0.778***	-1.408***	-1.409***	-1.312***
North	-0.647***	-0.765***	0.544***	-1.742***	-0.657***	-0.914***
LDC	-1.127***	-2.529***	-0.498***	-0.866***	-2.109***	-1.255***
SVE	-0.972***	-1.955***	-0.769***	-1.597***	-1.479***	-1.367***
Advanced south	-1.528***	-1.673***	-1.194***	-1.436***	-0.892***	-1.430***
South excluding advanced south	-1.016***	-1.203***	-0.675***	-1.419***	-1.506***	-1.278***

Note: ***, ** and * denote significance at 1%, 5% and 10% level respectively.
Source: Gravity model results

Table 18 compares the coefficients of common language dummy. While considering exports to South from all country groups, this dummy has the largest positive effect on export from North countries, and while considering export from South, common language has the largest positive effect on the export to South Excluding Advanced south countries. In the case of exports to North from all country groups, this dummy has the largest positive effect on export from SVEs, and for the export from North, this dummy has the largest positive effect on the export to South Excluding Advanced south. For exports coming from different country groups to LDCs, this dummy has mixed effects; exports from LDCs, South Excluding Advanced south and all South are negatively affected while those of North, SVEs and Advanced south are positively affected. Common language with the Advanced south has the largest positive effect on exports from LDCs among all country groups as destinations for LDCs' export. For the SVEs, this dummy has the largest positive effect on the export from North to SVEs and export from SVEs to North. In the case of Advanced south as the home, this dummy has the largest positive effect on the export from the North, and this dummy has the largest positive effect on the export from the Advanced south to Advanced south countries among all country groups as destinations for Advanced south's export. Finally, while considering South Excluding Advanced south as the home, common language dummy has the largest positive effect on the export from the North, and this dummy has the largest positive effect on the export from

South Excluding Advanced south to South Excluding Advanced south counties among all country groups as export destinations for South Excluding Advanced south countries.

Table 18: Comparison of coefficients of common language dummy
(Dependent variable: Log of Import of home country from partner country)

Home \ Partner	South	North	LDC	SVE	Advanced south	South exclu. advanced south
South	0.510***	1.393***	0.238**	0.490***	0.811***	0.736***
North	0.215***	0.652***	0.273**	1.172***	0.336***	0.361***
LDC	-0.471***	1.156***	-0.560**	0.672***	0.779***	-0.207**
SVE	0.286***	1.334***	0.255	0.392***	0.390***	0.331***
Advanced south	0.362***	1.108***	0.531**	-0.110	1.009***	0.243***
South excluding advanced south	0.558***	1.438***	0.159**	0.633***	0.797***	0.810***

Note: ***, ** and * denote significance at 1%, 5% and 10% level respectively.
Source: Gravity model results

Table 19 compares the coefficients of the land lock dummy for home country. Considering South as the home, this dummy has mixed effects on exports from different country groups; for example, it has negative impacts on exports from LDCs and North, while it has a positive impact on export from South Excluding Advanced south. Also, this dummy has only negative effect on the export from South to North among all country groups as destinations for South's export. In the case of North as the home, the largest negative effect on export is for the North itself. And North's export to South, North and South Excluding Advanced south countries are negatively affected by this dummy. For LDCs as the home, only export from Advanced south is negatively affected, while this dummy has negative effects as far as LDCs' export South, North and South Excluding Advanced south countries are concerned. In the case of SVEs as home, the export from SVEs is positively affected by this dummy; and this dummy has negative effect as far as SVEs' export to North countries is concerned. In the case of the South Excluding Advanced south countries as home, this dummy has the largest negative effect on the export from Advanced south countries; and this dummy has a positive effect on the export from South Excluding Advanced south countries to the South countries.

Table 19: Comparison of coefficients of land lock dummy for home country
(Dependent variable: Log of Import of home country from partner country)

Home \ Partner	South	North	LDC	SVE	Advanced south	South exclu. advanced south
South	-0.865	-1.611**	-2.095**	0.127	-1.336	4.351***
North	-4.746***	-4.883***	-2.450***	-4.428***	0.989***	-3.428***
LDC	-0.247	0.037	-1.513	-1.564	-3.243**	0.585
SVE	0.177	-0.311	0.455	2.974**	0.417	-0.142
Advanced south	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted
South excluding advanced south	-0.899	-1.801**	-0.687*	1.979	-3.129***	-0.041

Note: ***, ** and * denote significance at 1%, 5% and 10% level respectively.
Source: Gravity model results

Table 20 compares the coefficients of the land lock dummy for partner country. When South is the home, among all country groups, this dummy has the largest negative effect on the

export from the South; however, when South is the export source, this dummy has the largest negative effect on South's export to Advanced south countries. Considering North as the home, among all country groups, this dummy has the largest negative effect on the export from South; and when North is the export source, this dummy has the largest negative effect on North's export to LDCs. When LDCs are considered as the home, this dummy is most restrictive on the export from the North, and if LDCs are land locked, then their export is reduced most in the Advanced south countries. In the case of SVEs as the home, this dummy has the most restrictive impact on export from South countries, and if SVEs are land locked then their export is mostly restricted in the Advanced south countries. Among all country groups, this dummy has the largest negative effect on the export from South countries to the Advanced south countries. Finally, when South Excluding Advanced south is considered as the home, this dummy has the largest negative effect on the export from the South countries, and this dummy is most restrictive on the export from South Excluding Advanced south countries to Advanced south countries.

Table 20: Comparison of coefficients of land lock dummy for partner country (Dependent variable: Log of Import of home country from partner country)

Home \ Partner	South	North	LDC	SVE	Advanced south	South exclu. advanced south
South	-1.941***	-1.636***	-1.187***	0.002	(omitted)	-1.483***
North	-1.828***	-1.551***	-0.847***	-0.542***	(omitted)	-1.472***
LDC	-2.033***	-2.211***	-0.678**	0.213	(omitted)	-1.599***
SVE	-2.089***	-1.753***	-1.213***	0.179	(omitted)	-1.505***
Advanced south	-2.345***	-0.991***	-1.726***	-1.358***	(omitted)	-1.995***
South excluding advanced south	-1.855***	-1.726***	-0.996***	0.369***	(omitted)	-1.363***

Note: ***, ** and * denote significance at 1%, 5% and 10% level respectively.
Source: Gravity model results

Table 21 compares the coefficients of the island dummy for home country. Considering South as the home, it appears that the export from the island countries will be reduced, if those countries are either North or SVEs. Also, South's export to Advanced south countries will be reduced most of the South countries are the island countries. In the case of North as the home, the results are mixed, since island dummy has negative effect on export from South countries in general, but positive effects on export from North, Advanced south and South Excluding Advanced south. This dummy has the largest negative effect on export from North to South countries among all country groups as export destinations of North. In the case of LDCs as home, export from SVEs and Advanced south to LDCs are affected if LDCs are the island countries. LDCs' export to Advanced south is affected negatively if Advanced south countries are island countries, whereas, LDCs' export to South Excluding Advanced south countries is affected positively if the later group of countries are island countries. Considering SVEs as home, the largest negative effect of this dummy is observed for the export from North to SVEs. Also, export from South countries and South Excluding Advanced south countries to SVEs are negatively affected if SVEs are island countries. In the case of SVEs' export to different group of countries, this dummy has the largest negative effect if the export destination are the island SVEs. However, SVEs' export to Advanced south is positively

affected if Advanced south countries are island countries. While considering Advanced south as the home, export from South increases if Advanced south countries are the island countries, and this is primarily because of the effect of SVEs' export to Advanced south, since for the intra-trade between Advanced south and export from LDCs and South Excluding Advanced south to Advanced south countries are negatively affected if Advanced south countries are island countries. Furthermore, this dummy has the largest negative effect on the export from Advanced south countries to South Excluding Advanced south countries as far as different export destinations of Advanced south countries are concerned. However, if North countries are island countries, the export from Advanced south to North increases. Finally, considering South Excluding Advanced south as the home, this dummy has negative effects on export from the North, SVEs and Advanced south but has a positive effect on the export from LDCs; and the export from South Excluding Advanced south countries is restricted to Advanced south countries if the later group of countries have island countries.

Table 21: Comparison of coefficients of island dummy for home country (Dependent variable: Log of Import of home country from partner country)

Home \ Partner	South	North	LDC	SVE	Advanced south	South exclu. advanced south
South	-1.527	-3.269***	-3.757	-3.017*	-1.532	5.839
North	-0.532*	0.397*	-0.011	0.468	2.475***	1.020***
LDC	-0.992	0.031	(omitted)	-3.113*	-2.381*	-1.465
SVE	-1.581**	-2.791***	-1.908	-0.658	-0.999	-1.511***
Advanced south	3.035***	-1.783***	-5.818***	2.750***	-1.333***	-2.374***
South excluding advanced south	-0.008	-3.271***	2.436*	-2.443*	-2.820***	-4.124

Note: ***, ** and * denote significance at 1%, 5% and 10% level respectively.
Source: Gravity model results

Table 22 compares the coefficients of the island dummy for partner country. Considering South as the home, the export from LDCs is mostly affected among exports from all country groups if LDCs are island countries. Also, if South countries are island countries, then their export is mostly affected in the Advanced south countries. When North is the home, this dummy has the largest negative effect on the export from South countries. If North countries are the island countries, their export to Advanced south countries is reduced most. In the case of LDCs as the home, if countries of South in general and LDCs and South Excluding Advanced south in particular are island countries, their exports to LDCs are reduced. However, if Advanced south countries are island countries, their exports to LDCs increase. Similar pattern is hold for the SVEs. Now, if LDCs and SVEs are island countries, their exports are negatively affected most when they are destined to Advanced south countries. For the Advanced south countries as home, exports from all groups of countries, except Advanced south, are negatively affected if these country groups have island countries. However, if Advanced south countries are island countries, their exports to all groups of countries, except North, increase. Finally, considering South Excluding Advanced south as the home, this dummy has the largest negative effect on the export from LDCs.

Table 22: Comparison of coefficients of island dummy for partner country (Dependent variable: Log of Import of home country from partner country)

Home \ Partner	South	North	LDC	SVE	Advanced south	South exclu. advanced south
South	-2.086***	-0.446***	-2.219***	-0.323***	0.053**	-2.165***
North	-2.895***	-0.429***	-2.309***	-0.484***	-0.051	-2.749***
LDC	-1.327***	-0.116	-0.955***	0.316	0.426***	-1.664***
SVE	-0.949***	0.053	-1.907***	-0.179	0.386***	-1.042***
Advanced south	-3.230***	-0.454***	-2.953***	-1.135***	0.150***	-3.207***
South excluding advanced south	-1.825***	-0.446***	-1.972***	-0.055	0.103***	-1.905***

Note: ***, ** and * denote significance at 1%, 5% and 10% level respectively.
Source: Gravity model results

Table 23 compares the coefficients of the common border dummy. When South is the export destination, common border dummy has the largest positive effect on the export from South countries in general, and among different groups of South countries, this dummy has the largest positive effect on the export from LDCs. However, this dummy has a negative effect on the export from North to South. Considering North as the export destination, common border has the largest positive effect on export from South. In the case of LDCs as the export destination, common border has the largest positive effect on the export from the SVEs. Considering SVEs as the export destination, this dummy has the largest positive effect on the export from LDCs. In the case of Advanced south as the export destination, common border has larger positive effect on the export from South Excluding Advanced south than that of the Advanced south, though it has a negative effect on the export from North. Finally, in considering South Excluding Advanced south as the export destination, common border has the largest positive effect on the export from South countries. Among different groups of South countries, the largest positive effect is observed for the export from LDCs.

Table 23: Comparison of coefficients of common border dummy (Dependent variable: Log of Import of home country from partner country)

Home \ Partner	South	North	LDC	SVE	Advanced south	South exclu. advanced south
South	2.104***	-0.342**	1.660***	0.356*	0.653***	1.634***
North	2.242***	0.936***	(omitted)	(omitted)	0.116	1.989***
LDC	2.742***	(omitted)	3.649***	4.586***	-0.023	2.319***
SVE	2.610***	(omitted)	4.435***	-0.067	1.098***	1.594***
Advanced south	0.816***	-2.280***	-0.308	-0.201	0.471***	0.732***
South excluding advanced south	2.377***	0.162	2.225***	1.209***	0.827***	1.852***

Note: ***, ** and * denote significance at 1%, 5% and 10% level respectively.
Source: Gravity model results

4.3. The augmented gravity model for tariff and trade cost

In order to see the impact of tariff and different trade costs on bilateral trade, the augmented gravity model is constructed considering the basic gravity model in Equation 1 and adding variables related to tariff and non-tariff barriers. The model is shown Equation 2:

$$\ln m_{hpt} = \beta_1 + \beta_2 \ln gdp\_pc_{ht} + \beta_3 \ln gdp\_pc_{pt} + \beta_4 \ln discap_{hp} + \beta_5 comlang_{hp} + \beta_6 landlock_h + \beta_7 landlock_p + \beta_8 island_h + \beta_9 island_p + \beta_{10} comborder_{hp} + \beta_{10} \ln t_{hp} \quad \text{(Equation 2)}$$

Where,

$\ln m_{hpt}$	= Log of import of home country from partner country in year t (US$)
$\ln gdp\_pc_{ht}$	= Log of per capita GDP of home country at constant price of 2000 in year t (US $)
$\ln gdp\_pc_{pt}$	= Log of per capita GDP of partner country at constant price of 2000 in year t (US $)
$\ln discap_{hp}$	= log of distance between the capitals of home and partner countries
$comlang_{hp}$	= Common language dummy if home and partner countries have common language
$landlock_h$	= Land lock dummy for home country
$landlock_p$	= Land lock dummy for partner country
$island_h$	= Island dummy for home country
$island_p$	= Island dummy for partner country
$comborder_{hp}$	= Common border dummy if home and partner countries have common border
$\ln t_{hp}$	= Log of tariff or trade cost in home country while importing from partner country

Six tariff variables are considered: (1) Log of simple average MFN tariff of home country, (2) Log of weighted average tariff of home country, (3) Log of simple tariff line average of home country, (4) Log of simple average effectively applied tariff in home country, (5) Log of weighted average effectively applied tariff in home country, (6) Log of simple Tariff line average effectively applied tariff in home country. The source of bilateral tariff data is TRAINS and the data is form 1988 to 2011.

Five trade cost variables are considered: (1) Log of tariff equivalent trade costs in percent: sigma=8, (2) Log of tij with interpolated, (3) Log of geometric average of tariff_ij and tariff_ji, (4) Log of tariff equivalent trade costs excl. tariff in percent: sigma=8, and (5) Log of nontariff_tij with interpolated. Trade cost data are taken from the data base constructed by ARTNeT and the data is from 2005 to 2010.

Now, there are in total 396 gravity regressions since 11 tariff and trade cost variables are added separately in 36 basic gravity models. The results of these gravity models are presented in Annex 4.

It appears from Table A4.1 that, as far as export from South to South countries is concerned, five out of the six tariff variables have negative signs with statistical significance. Furthermore, all five trade cost variables have negative signs with statistical significance. This clearly shows

that tariff and trade costs in South countries reduce intra-South export. Table A4.2 suggests that, as far as export from North to South countries is concerned, all tariff variables have positive signs with statistical significance. These are quite interesting results, which show that tariff in the South doesn't have any restrictive impact on the export from North to the South. However, all five trade cost variables have negative signs with statistical significance. Table A4.3 shows that, as far as export from LDCs to South countries is concerned, all tariff variables have negative signs with five having statistical significance. Also, all five trade cost variables have negative signs with statistical significance. This clearly shows that tariff and trade costs in South countries reduce export from LDCs to the South countries. Table A4.4 indicates that, as far as export from SVEs to South countries is concerned, all tariff and trade costs variables have negative signs with statistical significance. This clearly shows that tariff and trade costs in South countries reduce export from SVEs to the South countries. Table A4.5 suggests that, as far as export from Advanced south to South countries is concerned, all tariff variables have positive signs with statistical significance. Like in Table A4.2, these results show that tariff in the South doesn't have any restrictive impact on the export from Advanced south to the South countries. However, all five trade cost variables have negative signs with statistical significance. Table A4.6 shows that, as far as export from South Excluding Advanced south to South countries is concerned, all tariff and trade costs variables have negative signs with statistical significance. This indicates that tariff and trade costs in South countries reduce export from South Excluding Advanced south countries to the South countries.

It appears from Table A4.7 that, as far as export from South to North countries is concerned, five out of the six tariff variables have negative signs with statistical significance. Furthermore, three out of five trade cost variables have negative signs with statistical significance. This shows that tariff and trade costs in North countries reduce export from South countries. Table A4.8 shows that, as far as export from North to North countries is concerned, four out of the six tariff variables have positive signs with statistical significance. This suggests that tariff in the North doesn't have any restrictive impact on the intra-North export. However, all trade cost variables have negative signs with statistical significance. Table A.4.9 indicates that, as far as export from LDCs to North countries is concerned, the simple average MFN tariff or simple tariff line average in the North show positive effect, which is counter intuitive. This may be due to the fact that many LDC receive duty-free market access in many of the North countries, and therefore, these tariff rates are not relevant for the LDCs. However, the weighted average effectively applied tariff in the North has a negative effect on LDCs' export to the North, and this variable is statistically significant. Furthermore, all trade cost variables have negative signs with statistical significance. Similarly, Table A.4.10 shows that, as far as export from SVEs to North countries is concerned, the simple average tariff variables in the North show positive effect, which is counter intuitive. Many SVEs also receive tariff preferences in many of the North countries. However, two weighted average tariffs in the North have negative effects on SVEs' export to the North, and they are statistically significant. All trade cost variables also have negative signs with statistical significance. Table A4.11

suggests that, as far as export from Advanced south to North countries is concerned, four out of the six tariff variables have negative signs with statistical significance. This suggests that tariffs in the North restrict export from the Advanced south countries. Also, all trade cost variables have negative signs with statistical significance. As in the cases of LDCs and SVEs, Table A.4.12 shows that, as far as export from South Excluding Advanced south to North countries is concerned, the simple average tariff variables in the North show positive effect and weighted average tariffs in the North have negative effects. All trade cost variables also have negative signs with statistical significance.

Table A4.13 suggests that while considering export from South to the LDCs, two out of the six tariff variables have negative signs with statistical significance. All trade cost variables also have negative signs with statistical significance. Table A4.14 shows that in the case of export from North to the LDCs, four out of the six tariff variables have positive signs with statistical significance, which suggests that the tariff rates in the LDCs do not have any restrictive impact on the export from North to the LDCs. However, all trade cost variables have negative signs with statistical significance. Table A4.15 suggests that as far as the intra-LDCs export is concerned, all six tariff rates in LDCs have negative signs with statistical significance. However, none of the trade cost variables appear to be statistically significant. The later result may be driven by very low number of observations in the regressions. According to Table A4.16, as far as the export from SVEs to LDCs is concerned, five tariff variables and two trade cost variables appear to have negative effects with statistical significance. While considering export from Advanced south to LDCs (Table A4.17), none of the tariff variables appear to be statistically significant, indicating that the tariff rates in the LDCs are not restrictive in this case. However, all trade cost variables have negative coefficients with statistical significance. In the case of export from South Excluding Advanced south to LDCs (Table A4.18), five tariff variables and all trade cost variables have negative coefficients with statistical significance.

Table A.4.19 suggests that, as far as export from South to SVEs is concerned, all tariff and trade cost variables have negative signs with statistical significance. In the case of export from North to the SVEs (Table A4.20), four tariff variables have positive signs with statistical significance, indicating that tariff rates in the SVEs do not have any restrictive impact on export from the North; however four trade cost variables have statistically significant negative impacts. Table A4.21 shows that, while considering LDCs export to SVEs, three tariff variables and three trade cost variables have negative signs with statistical significance. In the case of intra-SVEs export (Table A4.22), four tariff variables and four trade cost variables have negative signs with statistical significance. Table A4.23 suggests that as far as export from Advanced south to SVEs is concerned, none of the tariff variables is statistically significant, though all trade cost variables have negative signs with statistical significance. Finally, Table A4.24 indicates that, in the case of export from South Excluding Advanced south to SVEs, all tariff variables and all trade cost variables have statistically significant negative impacts.

It appears from Table A4.25 that, in the case of export from South to the Advanced south countries, all tariff and trade cost variables have negative effects. For the export from North to Advanced south countries (Table A4.26), tariff rates in the Advanced south countries do not have restrictive effect, though the trade cost variables have statistically significant negative coefficients. Table A4.27 suggests that as far as export from LDCs to the Advanced south countries is concerned, four tariff rates and all trade cost variables have statistically significant negative effects. In the case of export from SVEs to the Advanced south countries (Table A4.28), all tariff rates and trade cost variables have negative coefficients with statistical significance. Table A4.29 suggests that, while considering the intra-Advanced south export, four tariff variables and four trade cost variables have statistically significant negative coefficients. Finally, in the case of export from South Excluding Advanced south to the Advanced south countries (Table A4.30), four tariff variables and all trade cost variables have negative signs with statistical significance.

Table A4.31 suggests that, in the case of export from South to South Excluding Advanced south countries, four tariff variables and all trade cost variables have negative signs with statistical significance. While considering export from North to South Excluding Advanced south countries (Table A4.32), all tariff variables have positive signs with statistical significance, suggesting tariff is not an issue. However, all trade cost variables have negative signs with statistical significance. Table A4.33 indicates that, in the case of export from LDCs to South Excluding Advanced south countries, all tariff and four trade cost variables have statistically significant negative effects. Table A4.34 shows that, as far as the export from SVEs to South Excluding Advanced south countries is concerned, all tariff variables and all trade cost variables have statistically significant negative coefficients. In the case of export from Advanced south to South Excluding Advanced south countries (Table A4.35), all tariff variables have positive significant coefficients, though the trade costs variables have negative significant coefficients. Finally, as far as the intra-South Excluding Advanced south export is concerned, all tariff and trade cost variables have statistically significant negative coefficients.

4.4. Comparisons of tariff and trade cost coefficients across regressions of the augmented gravity models

As in Section 4.2, comparisons are made on the tariff and trade costs coefficients across regressions of the augmented gravity models. Regression coefficients of the models involving all six tariff variables are compared, since there are some marked differences in the results, while regression coefficients of models involving two of the five trade cost variables are compared, since they show consistent results.

Table 24 presents the comparison of the coefficients of the simple average MFN tariff in home country. While South is the export destination, this tariff rate seems to be most restrictive on the export from SVEs. The tariff rate in North affects mostly the export from Advanced south

countries. The tariff rate in LDCs affects mostly the export from LDCs and SVEs. SVEs' tariff rate has the largest negative effect on export from South Excluding Advanced south countries. Advanced south's tariff affects mostly the export from SVEs, followed by LDCs. Finally, tariff rate in the South Excluding Advanced south affect mostly the SVEs and LDCs.

Table 24: Comparison of the coefficients of simple average MFN tariff in home country

Home \ Partner	South	North	LDC	SVE	Advanced south	South exclu. advanced south
South	-0.055*	0.376***	-0.034*	-0.387***	0.195***	-0.058***
North	0.306***	0.020	0.892***	0.222***	-1.043***	0.292***
LDC	-0.060	1.399***	-0.945***	-0.932***	0.223	-0.334***
SVE	-0.142***	0.317***	-0.226	-0.038	0.015	-0.215***
Advanced south	0.206***	0.990***	-0.281**	-0.378***	-0.247*	0.062
South excluding advanced south	0.019	0.353***	-0.118*	-0.365***	0.253***	-0.086***

Note: ***, ** and * denote significance at 1%, 5% and 10% level respectively.
Source: Gravity model results

Table 25 presents the comparison of the coefficients of the weighted average MFN tariff in home country. South's and North's tariff rate seem to be most restrictive on the export from SVEs. The tariff rate in LDCs affects mostly the export from SVEs and South Excluding Advanced south countries. SVEs' tariff rate has the largest negative effect on export from LDCs. Advanced south's tariff rate affects mostly the export from SVEs. Finally, tariff rate in the South Excluding Advanced south affect mostly the SVEs and LDCs.

Table 25: Comparison of the coefficients of weighted average MFN tariff in home country

Home \ Partner	South	North	LDC	SVE	Advanced south	South exclu. advanced south
South	-0.340***	0.165***	-0.386***	-0.525***	0.139***	-0.440***
North	-0.177***	-0.132***	0.033	-0.335***	-0.158***	-0.260***
LDC	-0.632***	0.261	-0.658***	-0.939***	-0.238	-0.718***
SVE	-0.260***	0.207***	-0.472***	-0.196***	0.06	-0.352***
Advanced south	-0.318***	0.136	-0.268***	-0.579***	-0.05	-0.409***
South excluding advanced south	-0.342***	0.167***	-0.458***	-0.487***	0.171***	-0.447***

Note: ***, ** and * denote significance at 1%, 5% and 10% level respectively.
Source: Gravity model results

Table 26 presents the comparison of the coefficients of the simple tariff line average in home country. South's tariff rate seems to be most restrictive on the export from SVEs. North's tariff is most restrictive on the export from Advanced south. LDCs' tariff rate affects mostly the export from LDCs and SVEs. SVEs' tariff rate affects mostly the export from South Excluding Advanced south counters. Tariff rate of Advanced south has the largest negative effect on export from SVEs. Finally, tariff rate in the South Excluding Advanced south affect mostly the SVEs.

Table 26: Comparison of the coefficients of simple tariff line average in home country

Home \ Partner	South	North	LDC	SVE	Advanced south	South exclu. advanced south
South	0.037	0.462***	-0.073	-0.434***	0.241***	-0.066***
North	0.413***	0.246*	0.811***	0.215***	-0.808***	0.367***
LDC	0.091	1.289***	-0.818***	-0.770***	0.507	-0.165
SVE	-0.124**	0.455***	-0.225	-0.144	0.068	-0.222***
Advanced south	0.099**	1.028***	0.149	-0.516***	-0.054	-0.037
South excluding advanced south	0.028	0.437***	-0.114	-0.383***	0.286***	-0.064**

Note: ***, ** and * denote significance at 1%, 5% and 10% level respectively.
Source: Gravity model results

Table 27 presents the comparison of the coefficients of the simple average effectively applied tariff in home country. Again, South's tariff rate has the largest negative effect on the export from SVEs. North's tariff is most restrictive on the export from South in general and South Excluding Advanced south in particular. LDCs' tariff rate affects mostly the export from SVEs and LDCs. SVEs' tariff rate affects mostly the export from South Excluding Advanced south counters. Tariff rates of Advanced south and South Excluding Advanced south have the largest negative effect on export from SVEs.

Table 27: Comparison of the coefficients of simple average effectively applied tariff in home country

Home \ Partner	South	North	LDC	SVE	Advanced south	South exclu. advanced south
South	-0.240***	0.150***	-0.217***	-0.468***	0.049*	-0.272***
North	-0.138***	0.189***	-0.084	-0.058	-0.067*	-0.119***
LDC	-0.149	1.399***	-0.703***	-0.868***	0.231	-0.392***
SVE	-0.215***	0.098	-0.253*	-0.214**	0.009	-0.278***
Advanced south	-0.176***	0.168**	-0.15	-0.483***	-0.204***	-0.247***
South excluding advanced south	-0.248***	0.166***	-0.190***	-0.448***	0.085***	-0.272***

Note: ***, ** and * denote significance at 1%, 5% and 10% level respectively.
Source: Gravity model results

Table 28 presents the comparison of the coefficients of the weighted average effectively applied tariff in home country. South's, North's and LDCs' tariff rates have the largest negative effect on the export from SVEs. SVEs' tariff rate affects mostly the export from LDCs. Tariff rate of Advanced south affect mostly the export from SVEs and tariff rate of South Excluding Advanced south affect mostly the export from LDCs.

Table 28: Comparison of the coefficients of weighted average effectively applied tariff in home country

Home \ Partner	South	North	LDC	SVE	Advanced south	South exclu. advanced south
South	-0.392***	0.113***	-0.415***	-0.517***	0.102***	-0.473***
North	-0.171***	-0.028	-0.215***	-0.262***	0.018	-0.258***
LDC	-0.633***	0.261	-0.583***	-0.914***	-0.234	-0.718***
SVE	-0.278***	0.17	-0.447***	-0.207***	0.055	-0.369***
Advanced south	-0.356***	0.05	-0.272***	-0.578***	-0.131**	-0.434***
South excluding advanced south	-0.400***	0.129***	-0.490***	-0.477***	0.128***	-0.481***

Note: ***, ** and * denote significance at 1%, 5% and 10% level respectively.
Source: Gravity model results

Table 29 presents the comparison of the coefficients of the simple tariff line average of effectively applied tariff in home country. South's tariff rate has the largest negative effect on the export from SVEs. North's tariff rate doesn't affect negatively export from any groups of countries. LDCs' tariff is most restrictive on the export from SVEs. SVEs' tariff rate affects mostly the export from SVEs. Tariff rates of Advanced south and South Excluding Advanced south have the largest negative effect on export from SVEs.

Table 29: Comparison of coefficients of simple tariff line average of effectively applied tariff in home country

Home \ Partner	South	North	LDC	SVE	Advanced south	South exclu. advanced south
South	-0.235***	0.224***	-0.241***	-0.489***	0.074**	-0.269***
North	-0.022	0.220***	-0.052	-0.063	-0.048	-0.037
LDC	0.006	1.289***	-0.609***	-0.721***	0.511	-0.225**
SVE	-0.201***	0.209**	-0.235	-0.290***	0.055	-0.281***
Advanced south	-0.197***	0.243***	-0.271**	-0.562***	-0.176***	-0.275***
South excluding advanced south	-0.235***	0.242***	-0.173**	-0.449***	0.105***	-0.258***

Note: ***, ** and * denote significance at 1%, 5% and 10% level respectively.
Source: Gravity model results

Table 30 presents the comparison of the coefficients of the tariff equivalent trade cost in percent in home country. As far as South is considered as the export destination, trade cost in South affect mostly the export from South. Trade cost in North has the largest negative effect on export from LDCs, and it seems that such negative effect is higher than the negative effect on export from North due to trade cost in LDCs. While the trade costs between LDCs and Advanced south countries are compared, trade costs in Advanced south countries seem to be more restrictive on export from LDCs, as compared to the negative effect of trade cost in LDCs on the export from Advanced south. Similar observations are hold for SVEs, while comparing the restrictive effect of their trade cost with those of North and Advanced south.

Table 30: Comparison of the coefficients of tariff equivalent trade cost in percent in home country

Home \ Partner	South	North	LDC	SVE	Advanced south	South exclu. advanced south
South	-5.004***	-3.777***	-4.028***	-3.477***	-2.741***	-4.607***
North	-5.692***	-2.454***	-5.937***	-4.157***	-2.407***	-5.326***
LDC	-4.928***	-3.590***	-3.247	-0.637	-2.607***	-4.623***
SVE	-3.611***	-3.092***	-2.552***	-2.841***	-2.388***	-3.102***
Advanced south	-5.648***	-4.740***	-4.696***	-4.552***	-2.441***	-5.305***
South excluding advanced south	-4.858***	-3.658***	-3.769***	-2.894***	-2.796***	-4.436***

Note: ***, ** and * denote significance at 1%, 5% and 10% level respectively.
Source: Gravity model results

Table 31 presents the comparison of the coefficients of the nontariff tij with interpolation in home country. The interpretations are very similar to the ones described for Table 30.

Table 31: Comparison of the coefficients of nontariff tij with interpolation in home country

Home \ Partner	South	North	LDC	SVE	Advanced south	South exclu. advanced south
South	-4.675***	-3.684***	-3.843***	-2.972***	-2.458***	-4.286***
North	-5.443***	-3.168***	-5.712***	-3.740***	-2.335***	-5.097***
LDC	-3.839***	-3.694***	0.258	-1.419	-2.086***	-3.728***
SVE	-3.335***	-3.001***	-4.589***	-2.545***	-2.179***	-2.799***
Advanced south	-5.148***	-4.483***	-5.299***	-4.499***	-1.974***	-4.885***
South excluding advanced south	-4.566***	-3.583***	-3.223***	-2.328***	-2.555***	-4.136***

Note: ***, ** and * denote significance at 1%, 5% and 10% level respectively.
Source: Gravity model results

V. WELFARE EFFECTS OF PREFERENTIAL AND FREE TRADE SCENARIOS AMONG SOUTH

5.1. CGE Model Specification

This study explores different preferential and free trade scenarios among South countries. To do this exercise, the global general equilibrium model, namely the GTAP model is applied. The CGE modelling framework of the Global Trade Analysis Project (GTAP) is the best possible way for the *ex ante* analysis of the economic and trade consequences of multilateral or bilateral trade agreements (Hertel, 1997). The GTAP model is a comparative static model, and is based on neoclassical theories.[3] The GTAP model is linear, and it uses a common global database for the CGE analysis. The model assumes perfect competition in all markets, constant returns to scale in all production and trade activities, and profits and utility maximising behaviour of firms and households respectively. The model is solved using the software GEMPACK (Harrison and Pearson, 1996).

In the GTAP model, each region has a single representative household, termed as the regional household. The income of the regional household is generated through factor payments and tax revenues (including export and import taxes) net of subsidies. The regional household allocates expenditure over private household expenditures, government expenditures and savings based on a Cobb Douglas per capita utility function.[4] Thus, each component of final demand maintains a constant share of total regional income.

The private household buys commodity bundles to maximise utility subject to its expenditure constraints. The constrained optimising behaviour of the private household is represented in the GTAP model by a Constant Difference of Elasticity (CDE) expenditure function. The private household spends its income on consumption of both domestic and imported commodities and pays taxes. The consumption bundles are Constant Elasticity of Substitution (CES) aggregates of domestic and imported goods, where the imported goods are also CES

[3] Full documentation of the GTAP model and the database can be found in Hertel (1997) and also in Dimaranan and McDougall (2002).
[4] Savings enter in the static utility function as a proxy for future consumption.

aggregates of imports from different regions. Taxes paid by the private household cover commodity taxes for domestically produced and imported goods and the income tax net of subsidies. The government also spends its income on domestic and imported commodities and also pays taxes. For the government, taxes consist of commodity taxes for domestically produced and imported commodities. Like the private household, government consumption is a CES composition of domestically produced goods and imports.

The GTAP model considers the demand for investment in a particular region as savings-driven. In the multi country setting, the model is closed by assuming that regional savings are homogenous and contribute to a global pool of savings (global savings). This is then allocated among regions for investment in response to the changes in the expected rates of return in different regions. If all other markets in the multi-regional model are in equilibrium, if all firms earn zero profits, and if all households are on their budget constraints, such a treatment of savings and investment will lead to a situation where global investment must equal global savings. These conditions help satisfy the Walrus' Law. In the GTAP model, producers receive payments for selling consumption goods and intermediate inputs both in the domestic market and to the rest of the world. Under the zero profit assumption employed in the model, these revenues must be precisely exhausted by spending on domestic intermediate inputs, imported intermediate inputs, factor income and taxes paid to regional household (taxes on both domestic and imported intermediate inputs and production taxes net of subsidies).

The GTAP model considers a nested production technology with the assumption that every industry produces a single output, and constant returns to scale prevail in all markets. Industries have a Leontief production technology to produce their outputs. Industries maximise profits by choosing two broad categories of inputs, namely, a composite of factors (value added) and a composite of intermediate inputs. The factor composite is a CES function of labour, capital, land and natural resources. The intermediate composite is a Leontief function of material inputs, which are in turn a CES composition of domestically produced goods and imports. Imports are sourced from all regions.

The GTAP model employs the Armington assumption which provides the possibility to distinguish imports by their origin and explains intra-industry trade of similar products. Following the Armington approach, import shares of different regions depend on relative prices and on the substitution elasticity between domestically and imported commodities.

This study explores different scenarios of market access by the LDC and SVEs in the advanced southern countries. The version 8 of the GTAP database has 2007 as the base year. The version 8 of GTAP database covers 57 commodities, 129 regions/countries, and 5 factors of production. The current study has kept the 129 country classification but has aggregated 57 commodities into 10 as shown in Tables 32 and 33 respectively.

Table 32: Country Classification in this Study from the GTAP model

Sl. No.	Country Code	Description	Country development code
1	Aus	Australia	1
2	Nzl	New Zealand	1
3	Xoc	Rest of Oceania	4
4	Chn	China	2
5	Hkg	Hong Kong	3
6	Jpn	Japan	1
7	Kor	Korea	1
8	Mng	Mongolia	3
9	Twn	Taiwan	3
10	Xea	Rest of East Asia	3
11	Khm	Cambodia	4
12	Idn	Indonesia	2
13	Lao	Lao People's Democratic Republ	4
14	Mys	Malaysia	3
15	Phl	Philippines	3
16	Sgp	Singapore	3
17	Tha	Thailand	3
18	Vnm	Viet Nam	3
19	Xse	Rest of Southeast Asia	3
20	Bgd	Bangladesh	4
21	Ind	India	2
22	Npl	Nepal	4
23	Pak	Pakistan	3
24	Lka	Sri Lanka	3
25	Xsa	Rest of South Asia	4
26	Can	Canada	1
27	Usa	United States of America	1
28	Mex	Mexico	2
29	Xna	Rest of North America	3
30	Arg	Argentina	3
31	Bol	Bolivia	3
32	Bra	Brazil	2
33	Chl	Chile	3
34	Col	Colombia	3
35	Ecu	Ecuador	3
36	Pry	Paraguay	3
37	Per	Peru	3
38	Ury	Uruguay	3
39	Ven	Venezuela	3
40	Xsm	Rest of South America	3
41	Cri	Costa Rica	3
42	Gtm	Guatemala	3
43	Hnd	Honduras	3
44	Nic	Nicaragua	3
45	Pan	Panama	3
46	Slv	El Salvador	3
47	Xca	Rest of Central America	3
48	Xcb	Caribbean	4
49	Aut	Austria	1
50	Bel	Belgium	1
51	Cyp	Cyprus	4
52	Cze	Czech Republic	1
53	Dnk	Denmark	1
54	Est	Estonia	1
55	Fin	Finland	1
56	Fra	France	1
57	Deu	Germany	1
58	Grc	Greece	1
59	Hun	Hungary	1
60	Irl	Ireland	1
61	Ita	Italy	1
62	Lva	Latvia	1
63	Ltu	Lithuania	1
64	Lux	Luxembourg	1
65	Mlt	Malta	1

Sl. No.	Country Code	Description	Country development code
66	Nld	Netherlands	1
67	Pol	Poland	1
68	Prt	Portugal	1
69	Svk	Slovakia	1
70	Svn	Slovenia	1
71	Esp	Spain	1
72	Swe	Sweden	1
73	Gbr	United Kingdom	1
74	Che	Switzerland	1
75	Nor	Norway	1
76	Xef	Rest of EFTA	1
77	Alb	Albania	3
78	Bgr	Bulgaria	1
79	Blr	Belarus	3
80	Hrv	Croatia	3
81	Rou	Romania	1
82	Rus	Russian Federation	2
83	Ukr	Ukraine	3
84	Xee	Rest of Eastern Europe	3
85	Xer	Rest of Europe	3
86	Kaz	Kazakhstan	3
87	Kgz	Kyrgyztan	3
88	Xsu	Rest of Former Soviet Union	3
89	Arm	Armenia	3
90	Aze	Azerbaijan	3
91	Geo	Georgia	3
92	Bhr	Bahrain	4
93	Irn	Iran Islamic Republic of	3
94	Isr	Israel	3
95	Kwt	Kuwait	3
96	Omn	Oman	3
97	Qat	Qatar	3
98	Sau	Saudi Arabia	3
99	Tur	Turkey	2
100	Are	United Arab Emirates	3
101	Xws	Rest of Western Asia	3
102	Egy	Egypt	3
103	Mar	Morocco	3
104	Tun	Tunisia	3
105	Xnf	Rest of North Africa	3
106	Cmr	Cameroon	3
107	Civ	Cote d'Ivoire	3
108	Gha	Ghana	3
109	Nga	Nigeria	3
110	Sen	Senegal	4
111	Xwf	Rest of Western Africa	3
112	Xcf	Central Africa	4
113	Xac	South Central Africa	4
114	Eth	Ethiopia	4
115	Ken	Kenya	3
116	Mdg	Madagascar	4
117	Mwi	Malawi	4
118	Mus	Mauritius	4
119	Moz	Mozambique	4
120	Tza	Tanzania	4
121	Uga	Uganda	4
122	Zmb	Zambia	4
123	Zwe	Zimbabwe	3
124	Xec	Rest of Eastern Africa	4
125	Bwa	Botswana	4
126	Nam	Namibia	3
127	Zaf	South Africa	2
128	Xsc	Rest of South African Customs	4
129	Xtw	Rest of the World	5

Note: 1=Developed countries; 2= Advanced south; 3= other developing; 4= LDCs and SVEs; 5=ROW

Source: GTAP database 8.1

Table 33: GTAP Commodity Classification in the Present Study

No.	New Code	Sector description	Comprising old sectors
1	GrainsCrops	Grains and Crops	Paddy rice; Wheat; Cereal grains nec; Vegetables, fruit, nuts; Oil seeds; Sugar cane, sugar beet; Plant-based fibers; Crops nec; Processed rice.
2	MeatLstk	Livestock and Meat Products	Cattle,sheep,goats,horses; Animal products nec; Raw milk; Wool, silk-worm cocoons; Meat: cattle,sheep,goats,horse; Meat products nec.
3	Extraction	Mining and Extraction	Forestry; Fishing; Coal; Oil; Gas; Minerals nec.
4	ProcFood	Processed Food	Vegetable oils and fats; Dairy products; Sugar; Food products nec; Beverages and tobacco products.
5	TextWapp	Textiles and Clothing	Textiles; Wearing apparel.
6	LightMnfc	Light Manufacturing	Leather products; Wood products; Paper products, publishing; Metal products; Motor vehicles and parts; Transport equipment nec; Manufactures nec.
7	HeavyMnfc	Heavy Manufacturing	Petroleum, coal products; Chemical,rubber,plastic prods; Mineral products nec; Ferrous metals; Metals nec; Electronic equipment; Machinery and equipment nec.
8	Util_Cons	Utilities and Construction	Electricity; Gas manufacture, distribution; Water; Construction.
9	TransComm	Transport and Communication	Trade; Transport nec; Sea transport; Air transport; Communication.
10	OthServices	Other Services	Financial services nec; Insurance; Business services nec; Recreation and other services; PubAdmin/Defence/Health/Education; Dwellings.

Source: GTAP database 8.1

This study explores two different scenarios:

- Scenario 1: LDCs and SVEs receive duty-free market access in advanced south countries
- Scenario 2: FTA among advanced south, LDCs and SVEs, other developing countries

Impacts on these scenarios on the welfare and export of the countries are discussed in the next sections.

5.2. Simulation results of Scenario 1: LDCs and SVEs receive duty-free market access in advanced south countries

Welfare effects of Scenario 1 are presented in Table 34. All LDCs and SVEs would experience some significant rise in welfare, which would, for some countries, in terms of the percent of their GDPs, be quite high. For example, for Nepal such welfare gain would be 3.2 of its GDP. The least benefitted country in this regard would be Botswana and its welfare gain would be only 0.01 percent of its GDP. Some Advanced south countries, such as Brazil, China, India, Indonesia and South Africa would experience welfare loss under this scenario. However, such welfare losses, in terms of percent of their GDPs, would be very small. For example, India's welfare loss would be 0.04 percent of its GDP. In contrast, Advanced south countries like Mexico, Russian Federation and Turkey would experience some welfare gains. There would be some negative welfare effects on other developing countries and North countries; but such negative effects would have very small shares in their respective GDPs.

Table 34: Welfare Effects of Scenario 1

Code	Country	EV	% of GDP
1	Australia	-26.51	-0.003
1	New Zealand	-1.39	-0.001
1	Japan	-262.56	-0.006
1	Korea	-79.23	-0.008
1	Canada	-8.53	-0.001
1	United States of America	-674.23	-0.005
1	Austria	-9.67	-0.003
1	Belgium	-52.81	-0.012
1	Czech Republic	-6.13	-0.004
1	Denmark	-3.06	-0.001
1	Estonia	-0.35	-0.002
1	Finland	-13.22	-0.005
1	France	-98.64	-0.004
1	Germany	-142.92	-0.004
1	Greece	1.4	0.000
1	Hungary	-4.66	-0.003
1	Ireland	-7.97	-0.003
1	Italy	-64.65	-0.003
1	Latvia	-0.35	-0.001
1	Lithuania	-1.22	-0.003
1	Luxembourg	0.1	0.000
1	Malta	0.17	0.002
1	Netherlands	-16.32	-0.002
1	Poland	-13.26	-0.003
1	Portugal	-14.66	-0.006
1	Slovakia	-3.44	-0.004
1	Slovenia	-1.08	-0.002
1	Spain	-46.14	-0.003
1	Sweden	-16.42	-0.004
1	United Kingdom	-89.32	-0.003
1	Switzerland	-30.2	-0.007
1	Norway	11.46	0.003
1	Rest of EFTA	-1.93	-0.008
1	Bulgaria	-2.8	-0.007
1	Romania	-27.61	-0.016
2	China	-322	-0.009
2	Indonesia	-23.64	-0.005
2	India	-545.39	-0.044
2	Mexico	54.92	0.005
2	Brazil	-38	-0.003
2	Russian Federation	47.06	0.004
2	Turkey	9.06	0.001
2	South Africa	-40.21	-0.014
3	Hong Kong	6.17	0.003
3	Mongolia	0.69	0.018
3	Taiwan	-46.03	-0.012
3	Rest of East Asia	0.54	0.002
3	Malaysia	-31.58	-0.017
3	Philippines	-4.85	-0.003
3	Singapore	-7.68	-0.004
3	Thailand	-13.66	-0.006
3	Viet Nam	8.62	0.013
3	Rest of Southeast Asia	-5.38	-0.019
3	Pakistan	6.14	0.004
3	Sri Lanka	3.66	0.011
3	Rest of North America	-1.09	-0.013
3	Argentina	-25.07	-0.010
3	Bolivia	0.41	0.003
3	Chile	-20.37	-0.012
3	Colombia	3.92	0.002
3	Ecuador	6.18	0.013
3	Paraguay	2.1	0.017
3	Peru	1.31	0.001
3	Uruguay	-1.11	-0.005
3	Venezuela	16.74	0.007

Code	Country	EV	% of GDP
3	Rest of South America	-0.3	-0.005
3	Costa Rica	0.39	0.001
3	Guatemala	1.15	0.003
3	Honduras	-0.1	-0.001
3	Nicaragua	-0.11	-0.002
3	Panama	-31.24	-0.158
3	El Salvador	0.57	0.003
3	Rest of Central America	0.03	0.002
3	Albania	0.1	0.001
3	Belarus	-21.51	-0.048
3	Croatia	-0.76	-0.001
3	Ukraine	-10.48	-0.007
3	Rest of Eastern Europe	-1.05	-0.024
3	Rest of Europe	-3.17	-0.003
3	Kazakhstan	5.37	0.005
3	Kyrgyzstan	-0.49	-0.013
3	Rest of Former Soviet Union	1.78	0.005
3	Armenia	-0.63	-0.007
3	Azerbaijan	4.39	0.013
3	Georgia	-0.9	-0.009
3	Iran Islamic Republic of	32.09	0.011
3	Israel	-1.44	-0.001
3	Kuwait	-25.96	-0.023
3	Oman	2.55	0.006
3	Qatar	-6.08	-0.008
3	Saudi Arabia	-17.76	-0.005
3	United Arab Emirates	22.09	0.011
3	Rest of Western Asia	-21.66	-0.016
3	Egypt	-1.2	-0.001
3	Morocco	2.05	0.003
3	Tunisia	1.87	0.005
3	Rest of North Africa	12.07	0.006
3	Cameroon	0.01	0.000
3	Cote d'Ivoire	-1.49	-0.008
3	Ghana	-27.87	-0.113
3	Nigeria	-4.46	-0.003
3	Rest of Western Africa	-33.86	-0.089
3	Kenya	14.06	0.052
3	Zimbabwe	-7.19	-0.163
3	Namibia	1.71	0.019
4	Rest of Oceania	142.05	0.446
4	Cambodia	57.24	0.685
4	Lao PDR	10.46	0.244
4	Bangladesh	212.17	0.310
4	Nepal	331.71	3.226
4	Rest of South Asia	214.76	1.787
4	Caribbean	1322.72	0.502
4	Cyprus	27.72	0.129
4	Bahrain	157.68	0.854
4	Senegal	112.54	0.993
4	Central Africa	26.23	0.063
4	South Central Africa	259.66	0.375
4	Ethiopia	36.49	0.190
4	Madagascar	26.19	0.357
4	Malawi	20.62	0.575
4	Mauritius	16.9	0.225
4	Mozambique	34.6	0.431
4	Tanzania	66.7	0.396
4	Uganda	29.37	0.247
4	Zambia	19.63	0.170
4	Rest of Eastern Africa	340.01	0.581
4	Botswana	1.63	0.013
4	Rest of South African Customs	7.35	0.162
5	Rest of the World	0	0.000

Note: 1=Developed countries; 2= Advanced south; 3= other developing; 4= LDCs and SVEs; 5=ROW

Source: GTAP simulation

The impacts on the export of the countries under Scenario 1 are presented in Table 35. All LDCs and SVEs would experience rise in exports. However, different LDCs and SVEs would experience rise in export by different magnitudes. The largest rise in export, in terms of percentage change, would be for Nepal followed by Rest of South Asia. The lowest rise in export would be for Botswana. It should however be mentioned that such as scenario would not lead to large rise in export from LDCs and SVEs, which indicates to the fact that tariff preferences in the Advanced south countries alone would not be enough to help LDCs and SVEs to increase their export to the Advanced south countries. Such a scenario would lead to marginal effects on the export from other developing countries, some countries would experience very small rise and some counties would experience very small fall.

Table 35: Impact on export of Scenario 1 (% change from base)

Code	Country	% change
1	Australia	-0.02
1	New Zealand	0.00
1	Japan	0.02
1	Korea	-0.02
1	Canada	0.00
1	United States of America	0.01
1	Austria	-0.02
1	Belgium	-0.02
1	Czech Republic	-0.02
1	Denmark	-0.01
1	Estonia	-0.03
1	Finland	-0.01
1	France	0.00
1	Germany	-0.02
1	Greece	0.01
1	Hungary	-0.01
1	Ireland	-0.01
1	Italy	0.00
1	Latvia	-0.02
1	Lithuania	-0.02
1	Luxembourg	0.00
1	Malta	0.00
1	Netherlands	-0.01
1	Poland	-0.01
1	Portugal	0.02
1	Slovakia	-0.02
1	Slovenia	-0.02
1	Spain	0.00
1	Sweden	-0.01
1	United Kingdom	-0.01
1	Switzerland	-0.02
1	Norway	0.00
1	Rest of EFTA	-0.01
1	Bulgaria	-0.01
1	Romania	0.20
2	China	0.04
2	Indonesia	-0.01
2	India	0.67
2	Mexico	0.12
2	Brazil	0.05
2	Russian Federation	0.04
2	Turkey	0.22
2	South Africa	0.10
3	Hong Kong	-0.02
3	Mongolia	-0.01

Code	Country	% change
3	Taiwan	-0.03
3	Rest of East Asia	0.00
3	Malaysia	-0.04
3	Philippines	-0.02
3	Singapore	-0.04
3	Thailand	-0.02
3	Viet Nam	-0.01
3	Rest of Southeast Asia	-0.14
3	Pakistan	0.04
3	Sri Lanka	-0.02
3	Rest of North America	-0.01
3	Argentina	-0.02
3	Bolivia	0.02
3	Chile	-0.06
3	Colombia	0.02
3	Ecuador	0.03
3	Paraguay	0.03
3	Peru	0.01
3	Uruguay	-0.02
3	Venezuela	0.03
3	Rest of South America	0.03
3	Costa Rica	0.01
3	Guatemala	0.02
3	Honduras	-0.01
3	Nicaragua	0.02
3	Panama	0.24
3	El Salvador	0.03
3	Rest of Central America	0.03
3	Albania	-0.02
3	Belarus	-0.02
3	Croatia	-0.01
3	Ukraine	-0.03
3	Rest of Eastern Europe	-0.03
3	Rest of Europe	0.00
3	Kazakhstan	0.00
3	Kyrgyzstan	-0.02
3	Rest of Former Soviet Union	-0.01
3	Armenia	0.02
3	Azerbaijan	0.01
3	Georgia	-0.01
3	Iran Islamic Republic of	0.03
3	Israel	-0.03
3	Kuwait	-0.04
3	Oman	0.01
3	Qatar	-0.03
3	Saudi Arabia	0.00
3	United Arab Emirates	0.00
3	Rest of Western Asia	-0.04
3	Egypt	-0.01
3	Morocco	0.00
3	Tunisia	-0.01
3	Rest of North Africa	0.01
3	Cameroon	0.01
3	Cote d'Ivoire	0.01
3	Ghana	0.71
3	Nigeria	-0.01
3	Rest of Western Africa	-0.03
3	Kenya	0.07
3	Zimbabwe	-0.05
3	Namibia	0.02
4	Rest of Oceania	1.33
4	Cambodia	0.99
4	Lao PDR	0.91
4	Bangladesh	1.66
4	Nepal	16.27
4	Rest of South Asia	5.71

Code	Country	% change
4	Caribbean	0.90
4	Cyprus	0.35
4	Bahrain	3.83
4	Senegal	2.82
4	Central Africa	0.30
4	South Central Africa	0.57
4	Ethiopia	0.63
4	Madagascar	2.27
4	Malawi	1.64
4	Mauritius	0.38
4	Mozambique	0.29
4	Tanzania	1.88
4	Uganda	1.18
4	Zambia	0.75
4	Rest of Eastern Africa	3.44
4	Botswana	0.03
4	Rest of South African Customs	0.53
5	Rest of the World	-0.01

Note: 1=Developed countries; 2= Advanced south; 3= other developing; 4= LDCs and SVEs; 5=ROW
Source: GTAP simulation

Table 36 presents the change in the export destination of the countries under Scenario 1. All LDCs and SVEs would experience some re-direction of their exports towards the Advanced south countries.

Table 36: Change in export destination of Scenario 1 (% change from base)

		Export to					
Code	Country	Developed	Advanced south	Other developing	LDCs and SVEs	ROW	Total
1	Australia	0.13	-0.55	0.03	2.34	-0.02	-0.02
1	New Zealand	-0.01	-0.72	-0.03	2.27	-0.05	0.00
1	Japan	0.04	-0.13	0.04	2.49	0.04	0.02
1	Korea	0.02	-0.17	0.01	2.25	0.01	-0.02
1	Canada	-0.01	-0.56	0.01	2.92	-0.06	0.00
1	United States of America	0.03	-0.42	0.06	3.04	0.00	0.01
1	Austria	-0.02	-0.22	-0.01	2.20	-0.03	-0.02
1	Belgium	0.01	-0.80	0.13	1.87	-0.01	-0.02
1	Czech Republic	-0.01	-0.25	-0.01	2.28	-0.02	-0.02
1	Denmark	-0.02	-0.23	-0.01	2.38	-0.05	-0.01
1	Estonia	-0.01	-0.31	-0.01	2.51	-0.01	-0.03
1	Finland	0.01	-0.20	0.01	2.14	-0.01	-0.01
1	France	-0.01	-0.28	-0.02	1.98	-0.04	0.00
1	Germany	0.00	-0.25	-0.01	2.17	-0.02	-0.02
1	Greece	0.00	-0.34	0.00	0.84	-0.04	0.01
1	Hungary	-0.01	-0.20	-0.01	1.99	0.09	-0.01
1	Ireland	-0.01	-0.18	-0.01	2.32	-0.05	-0.01
1	Italy	0.00	-0.34	0.00	2.11	-0.03	0.00
1	Latvia	0.01	-0.34	-0.02	2.30	-0.01	-0.02
1	Lithuania	0.01	-0.41	-0.04	2.93	-0.01	-0.02
1	Luxembourg	-0.02	-0.07	0.00	2.02	-0.05	0.00
1	Malta	-0.01	-0.15	-0.03	2.00	0.00	0.00
1	Netherlands	-0.02	-0.26	-0.02	2.30	-0.05	-0.01
1	Poland	0.00	-0.27	-0.03	2.46	-0.02	-0.01
1	Portugal	-0.04	-0.32	-0.04	1.53	-0.09	0.02
1	Slovakia	-0.02	-0.23	-0.02	2.35	-0.02	-0.02
1	Slovenia	-0.02	-0.20	-0.02	2.16	-0.02	-0.02
1	Spain	0.00	-0.42	-0.01	2.35	-0.05	0.00
1	Sweden	-0.01	-0.26	0.02	1.98	-0.04	-0.01
1	United Kingdom	0.00	-0.41	-0.01	1.92	-0.03	-0.01
1	Switzerland	0.01	-0.43	0.01	2.29	-0.01	-0.02
1	Norway	0.00	-0.47	-0.03	2.11	-0.08	0.00
1	Rest of EFTA	0.02	-0.47	-0.02	2.23	0.02	-0.01

Code	Country	Export to					
		Developed	Advanced south	Other developing	LDCs and SVEs	ROW	Total
1	Bulgaria	0.02	-0.42	0.00	2.19	-0.02	-0.01
1	Romania	0.23	-0.23	0.19	2.45	0.19	0.20
2	China	0.06	-0.54	0.04	2.51	0.04	0.04
2	Indonesia	0.18	-0.99	0.06	2.23	0.06	-0.01
2	India	0.42	0.65	0.61	4.15	0.58	0.67
2	Mexico	0.11	-0.66	0.09	2.44	0.07	0.12
2	Brazil	0.06	-0.46	0.08	1.84	0.02	0.05
2	Russian Federation	0.07	-0.24	0.03	1.79	0.06	0.04
2	Turkey	0.23	-0.12	0.18	2.74	0.17	0.22
2	South Africa	0.09	-0.46	0.09	0.89	0.07	0.10
3	Hong Kong	0.00	-0.12	-0.01	2.24	-0.05	-0.02
3	Mongolia	-0.01	-0.03	-0.02	2.75	0.00	-0.01
3	Taiwan	0.03	-0.14	0.01	2.06	0.02	-0.03
3	Rest of East Asia	0.01	-0.28	-0.01	2.70	0.08	0.00
3	Malaysia	0.10	-0.56	0.06	2.25	0.05	-0.04
3	Philippines	0.03	-0.13	0.00	2.21	0.00	-0.02
3	Singapore	0.00	-0.23	-0.03	1.78	-0.03	-0.04
3	Thailand	-0.01	-0.28	-0.04	1.79	-0.03	-0.02
3	Viet Nam	0.02	-0.55	-0.14	2.40	-0.06	-0.01
3	Rest of Southeast Asia	0.51	-2.01	0.33	2.65	0.19	-0.14
3	Pakistan	-0.12	-1.13	-0.18	3.79	-0.13	0.04
3	Sri Lanka	0.09	-1.49	0.08	4.12	0.02	-0.02
3	Rest of North America	0.00	-0.42	0.02	1.58	0.00	-0.01
3	Argentina	0.13	-0.48	0.12	2.73	0.04	-0.02
3	Bolivia	0.01	0.04	-0.02	1.59	-0.11	0.02
3	Chile	0.14	-0.57	0.05	3.39	0.00	-0.06
3	Colombia	0.03	-0.84	-0.03	1.81	-0.11	0.02
3	Ecuador	0.08	-1.16	0.07	2.03	-0.15	0.03
3	Paraguay	-0.11	-0.27	-0.16	5.13	-0.10	0.03
3	Peru	0.06	-0.47	0.22	2.92	-0.04	0.01
3	Uruguay	0.04	-0.52	0.04	4.04	0.00	-0.02
3	Venezuela	0.07	-0.79	-0.04	1.04	-0.15	0.03
3	Rest of South America	-0.23	-0.61	-0.11	3.65	-0.14	0.03
3	Costa Rica	-0.05	-0.32	0.11	3.23	-0.11	0.01
3	Guatemala	0.00	-1.01	0.03	3.35	-0.12	0.02
3	Honduras	0.00	-1.24	-0.01	3.74	-0.10	-0.01
3	Nicaragua	-0.01	-0.71	0.02	4.08	0.00	0.02
3	Panama	0.18	0.01	0.17	3.32	0.16	0.24
3	El Salvador	0.01	-1.47	0.04	3.39	-0.10	0.03
3	Rest of Central America	-0.11	-0.41	-0.16	3.75	0.00	0.03
3	Albania	-0.01	-0.36	0.01	2.27	-0.04	-0.02
3	Belarus	0.13	-0.24	0.10	2.45	0.13	-0.02
3	Croatia	-0.02	-0.26	-0.03	2.29	-0.06	-0.01
3	Ukraine	0.05	-0.32	0.02	2.66	0.02	-0.03
3	Rest of Eastern Europe	0.13	-0.54	0.04	1.73	0.20	-0.03
3	Rest of Europe	0.01	-0.40	-0.01	2.14	-0.01	0.00
3	Kazakhstan	0.11	-0.16	-0.15	2.43	-0.01	0.00
3	Kyrgyzstan	0.09	-0.44	0.06	3.09	0.23	-0.02
3	Rest of Former Soviet Union	0.02	-0.42	0.02	2.03	0.01	-0.01
3	Armenia	0.06	-0.40	0.03	1.17	0.04	0.02
3	Azerbaijan	0.08	-0.77	-0.20	1.76	-0.10	0.01
3	Georgia	0.13	-0.68	0.06	2.59	0.08	-0.01
3	Iran Islamic Republic of	0.09	-0.17	-0.01	3.43	-0.13	0.03
3	Israel	0.02	-0.59	0.04	1.18	-0.01	-0.03
3	Kuwait	0.59	-2.19	0.33	1.39	0.10	-0.04
3	Oman	0.18	-0.18	-0.03	2.21	-0.11	0.01
3	Qatar	0.46	-2.63	0.15	2.50	0.01	-0.03
3	Saudi Arabia	0.32	-1.56	0.03	4.57	-0.05	0.00
3	United Arab Emirates	0.13	-0.84	-0.07	2.35	-0.04	0.00
3	Rest of Western Asia	0.59	-2.22	0.20	2.30	0.11	-0.04
3	Egypt	0.09	-1.11	0.03	2.53	-0.01	-0.01
3	Morocco	0.03	-0.50	-0.01	2.00	-0.06	0.00
3	Tunisia	0.00	-0.50	-0.03	2.06	-0.06	-0.01
3	Rest of North Africa	0.12	-0.69	-0.05	1.29	-0.09	0.01

Code	Country	Export to					
		Developed	Advanced south	Other developing	LDCs and SVEs	ROW	Total
3	Cameroon	-0.01	-0.56	-0.07	1.31	-0.13	0.01
3	Cote d'Ivoire	0.10	-2.53	0.09	1.66	-0.01	0.01
3	Ghana	0.85	0.31	0.85	3.04	0.86	0.71
3	Nigeria	0.61	-2.29	0.58	2.21	-0.01	-0.01
3	Rest of Western Africa	0.78	-1.21	0.31	3.47	0.24	-0.03
3	Kenya	-0.51	-1.76	-0.55	2.22	-0.66	0.07
3	Zimbabwe	0.00	-0.23	-0.08	0.22	0.00	-0.05
3	Namibia	-0.06	-0.29	-0.18	1.33	-0.14	0.02
4	Rest of Oceania	-4.44	35.03	-3.75	-1.61	-3.08	1.33
4	Cambodia	-3.73	97.24	-3.62	-0.39	-3.67	0.99
4	Lao PDR	-2.98	38.74	-2.59	-0.04	-2.15	0.91
4	Bangladesh	-4.66	96.09	-3.98	-1.33	-4.54	1.66
4	Nepal	-30.21	78.42	-26.90	-25.94	-25.12	16.27
4	Rest of South Asia	-14.84	61.36	-15.65	-12.71	-13.19	5.71
4	Caribbean	-5.72	47.50	-5.47	-3.25	-6.27	0.90
4	Cyprus	-0.69	6.82	-0.69	1.44	-1.02	0.35
4	Bahrain	-6.36	75.65	-7.65	-5.72	-6.57	3.83
4	Senegal	-6.26	87.91	-6.57	-5.04	-7.02	2.82
4	Central Africa	-1.68	8.35	-1.84	1.75	-2.13	0.30
4	South Central Africa	-4.96	10.47	-4.70	-4.88	-3.05	0.57
4	Ethiopia	-1.99	21.05	-2.42	2.76	-2.42	0.63
4	Madagascar	-4.22	64.15	-4.10	-1.82	-3.55	2.27
4	Malawi	-4.46	33.28	-4.24	-2.57	-2.45	1.64
4	Mauritius	-1.19	15.46	-0.96	-0.04	-1.20	0.38
4	Mozambique	-3.47	7.01	-1.99	-1.84	-2.65	0.29
4	Tanzania	-5.06	32.58	-4.89	-2.75	-4.48	1.88
4	Uganda	-3.25	38.07	-3.71	-2.17	-3.57	1.18
4	Zambia	-3.25	11.94	-2.90	-1.03	-2.63	0.75
4	Rest of Eastern Africa	-15.80	24.98	-7.70	-5.82	-7.78	3.44
4	Botswana	-0.02	0.35	0.00	1.67	-0.12	0.03
4	Rest of South African Customs	-2.11	23.15	-2.47	-0.97	-1.61	0.53
5	Rest of the World	0.04	-0.37	0.04	2.41	0.00	-0.01

Note: 1=Developed countries; 2= Advanced south; 3= other developing; 4= LDCs and SVEs; 5=ROW
Source: GTAP simulation

5.3. Scenario 2: FTA among Advanced south, LDCs and SVEs and other developing countries

The welfare effects of a scenario of FTA among Advanced south, LDCs and SVEs and other developing countries are presented in Table 37. This scenario would lead to some large welfare gains, both in terms of volume and percent share of GDP, for most of the Advanced south countries. There would be mixed effects among the other developing countries. Some countries, such as Rest of South America, Zimbabwe, Argentina, Thailand, Armenia and Malaysia would experience large welfare gains in terms of their respective GDPs, whereas some countries, such as Belarus, Nicaragua, Pakistan, Albania, Philippines would experience some sizeable welfare loss as percent of their GDPs. LDCs and SVEs would also see mixed effects. Some countries such as Malawi, South Central Africa, Senegal, Bahrain, Central Africa, Rest of Oceania, Nepal, Rest of South African Customs, Mozambique and Caribbean would experience some significant rise in welfare as percent of their GDPs, whereas countries like Cambodia, Bangladesh, Lao PDR, Botswana, Ethiopia and Madagascar would experience some negative welfare driven mostly by the trade diversion effect.

Table 37: Welfare Effects of Scenario 2

Code	Country	EV	% of GDP
1	Australia	-124.82	-0.015
1	New Zealand	-231.66	-0.167
1	Japan	-11189.6	-0.256
1	Korea	-7234.48	-0.690
1	Canada	767.18	0.054
1	United States of America	-18718.9	-0.133
1	Austria	-246.33	-0.066
1	Belgium	-1947.13	-0.425
1	Czech Republic	-222.21	-0.128
1	Denmark	-163.65	-0.053
1	Estonia	-29.63	-0.139
1	Finland	-677.88	-0.275
1	France	-3297.49	-0.125
1	Germany	-5648.87	-0.170
1	Greece	-735.81	-0.237
1	Hungary	-296.59	-0.214
1	Ireland	-77.93	-0.030
1	Italy	-4061.87	-0.192
1	Latvia	-25.81	-0.090
1	Lithuania	-133.81	-0.342
1	Luxembourg	95.53	0.186
1	Malta	-27.44	-0.368
1	Netherlands	-1079.17	-0.139
1	Poland	-687.06	-0.162
1	Portugal	-637.9	-0.276
1	Slovakia	-147.28	-0.175
1	Slovenia	-98.56	-0.208
1	Spain	-2493.95	-0.173
1	Sweden	-450.91	-0.097
1	United Kingdom	-2586.26	-0.092
1	Switzerland	-670.72	-0.155
1	Norway	1143.42	0.295
1	Rest of EFTA	-30.31	-0.122
1	Bulgaria	-330.88	-0.786
1	Romania	-1501.69	-0.887
2	China	31811.57	0.910
2	Indonesia	2627.79	0.608
2	India	6397.18	0.519
2	Mexico	3064.66	0.299
2	Brazil	6302.54	0.461
2	Russian Federation	6395.08	0.492
2	Turkey	3282.89	0.507
2	South Africa	2350.43	0.821
3	Hong Kong	482.35	0.233
3	Mongolia	53.33	1.357
3	Taiwan	6188.03	1.572
3	Rest of East Asia	290.81	0.882
3	Malaysia	5600.25	3.001
3	Philippines	-428.76	-0.298
3	Singapore	3138.72	1.776
3	Thailand	12983.45	5.254
3	Viet Nam	1249.56	1.826
3	Rest of Southeast Asia	216.85	0.758
3	Pakistan	-756.42	-0.528
3	Sri Lanka	262.03	0.810
3	Rest of North America	166.57	2.031
3	Argentina	23616.96	9.056
3	Bolivia	66.96	0.510
3	Chile	-263.04	-0.160
3	Colombia	-252.96	-0.122
3	Ecuador	334.43	0.730
3	Paraguay	334.13	2.734
3	Peru	8.88	0.008
3	Uruguay	406.02	1.695
3	Venezuela	2170.05	0.957

Code	Country	EV	% of GDP
3	Rest of South America	4220.61	71.263
3	Costa Rica	-22.82	-0.087
3	Guatemala	4.82	0.014
3	Honduras	22.08	0.178
3	Nicaragua	-95.63	-1.702
3	Panama	20.51	0.104
3	El Salvador	75.64	0.371
3	Rest of Central America	1.11	0.087
3	Albania	-35.95	-0.332
3	Belarus	-1808.17	-3.994
3	Croatia	274.44	0.469
3	Ukraine	1049.98	0.736
3	Rest of Eastern Europe	-2.89	-0.066
3	Rest of Europe	608.36	0.662
3	Kazakhstan	219.11	0.209
3	Kyrgyzstan	20.41	0.537
3	Rest of Former Soviet Union	392.95	1.016
3	Armenia	390.96	4.247
3	Azerbaijan	309.33	0.936
3	Georgia	-13.68	-0.134
3	Iran Islamic Republic of	2515.25	0.879
3	Israel	913.9	0.547
3	Kuwait	1124.54	0.980
3	Oman	324.66	0.775
3	Qatar	581.76	0.720
3	Saudi Arabia	3238.12	0.843
3	United Arab Emirates	2965.04	1.428
3	Rest of Western Asia	1153.73	0.866
3	Egypt	2977.44	2.282
3	Morocco	126.29	0.168
3	Tunisia	151.4	0.425
3	Rest of North Africa	1384.85	0.665
3	Cameroon	136.13	0.658
3	Cote d'Ivoire	175.74	0.888
3	Ghana	639.32	2.595
3	Nigeria	1414.95	0.853
3	Rest of Western Africa	116.96	0.307
3	Kenya	66.25	0.244
3	Zimbabwe	1164.09	26.315
3	Namibia	4.82	0.055
4	Rest of Oceania	207.47	0.652
4	Cambodia	-72.57	-0.868
4	Lao PDR	-14.78	-0.345
4	Bangladesh	-407.59	-0.596
4	Nepal	64.78	0.630
4	Rest of South Asia	14.6	0.121
4	Caribbean	1324.96	0.502
4	Cyprus	37.07	0.173
4	Bahrain	174.68	0.946
4	Senegal	112.79	0.995
4	Central Africa	346.15	0.837
4	South Central Africa	1124.86	1.625
4	Ethiopia	-25.02	-0.130
4	Madagascar	-8.03	-0.109
4	Malawi	147.23	4.106
4	Mauritius	7.83	0.104
4	Mozambique	46.95	0.585
4	Tanzania	31.34	0.186
4	Uganda	57.3	0.482
4	Zambia	29.35	0.254
4	Rest of Eastern Africa	204.06	0.349
4	Botswana	-30.8	-0.249
4	Rest of South African Customs	26.51	0.586
5	Rest of the World	-0.08	-0.065

Note: 1=Developed countries; 2= Advanced south; 3= other developing; 4= LDCs and SVEs; 5=ROW

Source: GTAP simulation

Table 38 presents the impacts on exports of the countries under Scenario 2. Such a scenario would lead to some significant rise in exports from most of the Advanced south, other developing countries and LDCs and SVEs. Among the Advanced south countries, the largest rise in export, in percent term, would be for India where its rise in export would be by more than 17 percent. Among the other developing countries, the leading countries with large rise in exports would be Rest of South America, Argentina, Armenia, Pakistan, Venezuela, Morocco and Vietnam. However, countries like Ghana and Zimbabwe would experience fall in export. In the case of LDCs and SVEs, countries like Nepal, Bangladesh, Ethiopia, Malawi, Senegal, Rest of Eastern Africa, Tanzania and Rest of South Asia would experience some significant rise in their exports.

Table 38: Impact on export of Scenario 2 (% change from base)

Code	Country	Total
1	Australia	-1.12
1	New Zealand	-1.43
1	Japan	-1.11
1	Korea	-2.45
1	Canada	-0.66
1	United States of America	-1.02
1	Austria	-1.20
1	Belgium	-1.21
1	Czech Republic	-1.06
1	Denmark	-1.04
1	Estonia	-1.55
1	Finland	-1.20
1	France	-1.08
1	Germany	-1.18
1	Greece	-0.18
1	Hungary	-1.01
1	Ireland	-0.71
1	Italy	-1.08
1	Latvia	-1.61
1	Lithuania	-1.79
1	Luxembourg	-0.55
1	Malta	-0.96
1	Netherlands	-1.15
1	Poland	-1.10
1	Portugal	-0.95
1	Slovakia	-1.13
1	Slovenia	-1.31
1	Spain	-1.05
1	Sweden	-1.15
1	United Kingdom	-1.03
1	Switzerland	-1.12
1	Norway	-0.84
1	Rest of EFTA	-0.86
1	Bulgaria	-0.65
1	Romania	8.39
2	China	7.46
2	Indonesia	6.50
2	India	17.71
2	Mexico	1.70
2	Brazil	6.24
2	Russian Federation	4.45
2	Turkey	6.46
2	South Africa	7.19
3	Hong Kong	-0.17
3	Mongolia	1.20

Code	Country	Total
3	Taiwan	5.54
3	Rest of East Asia	2.98
3	Malaysia	3.54
3	Philippines	1.44
3	Singapore	2.00
3	Thailand	6.96
3	Viet Nam	12.49
3	Rest of Southeast Asia	3.96
3	Pakistan	19.83
3	Sri Lanka	9.51
3	Rest of North America	11.28
3	Argentina	93.36
3	Bolivia	7.31
3	Chile	-0.20
3	Colombia	3.96
3	Ecuador	5.26
3	Paraguay	8.57
3	Peru	2.80
3	Uruguay	7.22
3	Venezuela	18.76
3	Rest of South America	229.12
3	Costa Rica	0.33
3	Guatemala	4.29
3	Honduras	10.70
3	Nicaragua	8.94
3	Panama	2.87
3	El Salvador	6.92
3	Rest of Central America	8.52
3	Albania	1.51
3	Belarus	8.69
3	Croatia	1.21
3	Ukraine	3.73
3	Rest of Eastern Europe	0.93
3	Rest of Europe	2.72
3	Kazakhstan	4.31
3	Kyrgyzstan	1.73
3	Rest of Former Soviet Union	2.05
3	Armenia	21.83
3	Azerbaijan	0.93
3	Georgia	1.40
3	Iran Islamic Republic of	9.54
3	Israel	0.85
3	Kuwait	2.57
3	Oman	1.66
3	Qatar	2.23
3	Saudi Arabia	1.49
3	United Arab Emirates	5.72
3	Rest of Western Asia	3.71
3	Egypt	6.32
3	Morocco	16.66
3	Tunisia	7.60
3	Rest of North Africa	1.58
3	Cameroon	8.41
3	Cote d'Ivoire	6.93
3	Ghana	-12.34
3	Nigeria	2.16
3	Rest of Western Africa	10.74
3	Kenya	10.58
3	Zimbabwe	-1.15
3	Namibia	1.40
4	Rest of Oceania	2.93
4	Cambodia	6.27
4	Lao PDR	2.39
4	Bangladesh	16.73
4	Nepal	30.23
4	Rest of South Asia	10.98

Code	Country	Total
4	Caribbean	5.83
4	Cyprus	0.64
4	Bahrain	3.50
4	Senegal	14.41
4	Central Africa	1.60
4	South Central Africa	1.98
4	Ethiopia	15.61
4	Madagascar	7.25
4	Malawi	15.60
4	Mauritius	0.34
4	Mozambique	4.91
4	Tanzania	11.31
4	Uganda	5.61
4	Zambia	6.25
4	Rest of Eastern Africa	13.57
4	Botswana	-0.04
4	Rest of South African Customs	2.28
5	Rest of the World	-0.91

Note: 1=Developed countries; 2= Advanced south; 3= other developing; 4= LDCs and SVEs; 5=ROW
Source: GTAP simulation

Table 39 suggests that such a scenario would enhance South-South trade significantly. Most of the South countries would experience rise in export to other South countries. The incremental rises in exports of these countries would be destined to other South countries. For example, India's rise in total export by 17.7 percent would be a result of rise in its export to Advanced south countries by 43.3 percent, to other developing countries by 33.8 percent, and to LDCs and SVEs by 46.7 percent.

Table 39: Change in export destination of Scenario 2 (% change from base)

		Export to					
Code	Country	Developed	Advanced south	Other developing	LDCs and SVEs	ROW	Total
1	Australia	2.37	-8.40	0.23	-7.44	-0.23	-1.12
1	New Zealand	2.08	-3.35	-8.49	-16.57	1.21	-1.43
1	Japan	3.42	-9.15	-1.54	-7.12	3.39	-1.11
1	Korea	4.32	-9.81	-2.29	-10.52	4.16	-2.45
1	Canada	-0.06	-7.55	-1.05	-7.64	-1.07	-0.66
1	United States of America	0.44	-6.20	1.02	-6.82	0.68	-1.02
1	Austria	-0.68	-5.52	-2.39	-6.14	-0.17	-1.20
1	Belgium	0.09	-13.87	-2.05	-12.66	0.33	-1.21
1	Czech Republic	-0.55	-6.97	-2.62	-6.89	0.01	-1.06
1	Denmark	-0.73	-3.65	-0.72	-7.05	-0.63	-1.04
1	Estonia	-0.69	-6.30	-2.55	-2.29	-0.18	-1.55
1	Finland	0.44	-5.45	-3.81	-10.55	0.81	-1.20
1	France	0.33	-4.44	-6.30	-10.69	0.64	-1.08
1	Germany	0.04	-7.02	-3.55	-6.98	0.33	-1.18
1	Greece	-0.06	-1.11	-0.16	-0.55	0.58	-0.18
1	Hungary	-0.52	-3.70	-2.51	-5.77	3.95	-1.01
1	Ireland	-0.76	-1.66	0.98	-3.84	-0.94	-0.71
1	Italy	0.55	-7.39	-5.09	-9.04	0.84	-1.08
1	Latvia	-0.14	-7.54	-7.30	-2.19	0.37	-1.61
1	Lithuania	-0.09	-7.77	-6.06	-14.82	0.10	-1.79
1	Luxembourg	-1.12	0.99	3.75	0.69	-1.10	-0.55
1	Malta	-0.14	-7.95	0.54	-5.14	0.21	-0.96
1	Netherlands	-0.64	-3.50	-2.87	-8.17	-0.70	-1.15
1	Poland	-0.19	-6.68	-4.87	-3.23	0.23	-1.10
1	Portugal	-0.26	-0.18	-1.53	-12.52	-0.30	-0.95
1	Slovakia	-0.86	-5.03	-1.13	-7.38	-0.09	-1.13
1	Slovenia	-0.60	-5.23	-2.64	-2.80	0.23	-1.31
1	Spain	-0.36	-4.70	-2.47	-6.30	-0.31	-1.05

Code	Country	Export to					
		Developed	Advanced south	Other developing	LDCs and SVEs	ROW	Total
1	Sweden	-0.33	-6.08	-2.46	-9.64	-0.32	-1.15
1	United Kingdom	-0.35	-6.06	-1.30	-6.42	-0.28	-1.03
1	Switzerland	0.45	-9.67	-2.30	-4.97	0.63	-1.12
1	Norway	-0.54	-8.71	1.28	-10.20	-2.38	-0.84
1	Rest of EFTA	0.10	-5.05	-4.72	-3.79	3.28	-0.86
1	Bulgaria	0.64	-4.47	-1.54	-8.49	0.64	-0.65
1	Romania	9.88	3.44	3.61	4.57	10.04	8.39
2	China	-5.92	47.44	31.07	40.22	-5.37	7.46
2	Indonesia	-8.85	67.98	1.01	30.29	-11.68	6.50
2	India	1.11	43.26	33.84	46.71	5.40	17.71
2	Mexico	-1.67	22.51	34.48	10.41	-2.59	1.70
2	Brazil	-15.52	19.17	30.13	46.39	-16.98	6.24
2	Russian Federation	-2.06	17.93	16.09	-3.31	-3.29	4.45
2	Turkey	-6.96	33.71	32.66	27.22	-6.89	6.46
2	South Africa	-12.63	40.25	38.73	13.95	-12.54	7.19
3	Hong Kong	-3.81	0.42	12.17	5.69	-4.07	-0.17
3	Mongolia	-8.25	5.69	11.21	6.21	-6.93	1.20
3	Taiwan	-13.83	20.88	16.63	15.33	-13.77	5.54
3	Rest of East Asia	-7.93	8.90	36.24	76.30	-15.22	2.98
3	Malaysia	-6.02	13.11	12.82	31.66	-6.76	3.54
3	Philippines	1.19	-4.61	12.84	13.93	0.55	1.44
3	Singapore	-8.90	8.00	12.66	9.36	-10.00	2.00
3	Thailand	-6.83	16.94	25.56	31.63	-5.94	6.96
3	Viet Nam	2.44	49.21	25.32	31.49	-9.63	12.49
3	Rest of Southeast Asia	-0.22	14.52	1.97	2.42	-5.58	3.96
3	Pakistan	3.50	48.47	45.25	26.16	15.83	19.83
3	Sri Lanka	-5.99	82.96	12.50	90.49	0.02	9.51
3	Rest of North America	1.22	47.15	22.65	139.39	-4.42	11.28
3	Argentina	-71.77	398.13	-60.60	-56.78	-81.12	93.36
3	Bolivia	-28.34	-37.94	113.19	19.86	-21.38	7.31
3	Chile	-1.20	-6.10	17.44	7.60	-3.23	-0.20
3	Colombia	1.46	5.76	5.70	20.03	0.24	3.96
3	Ecuador	-3.30	111.80	-0.05	-5.43	-7.34	5.26
3	Paraguay	-21.93	9.71	15.75	109.28	-28.44	8.57
3	Peru	-0.03	4.38	11.23	12.35	-1.77	2.80
3	Uruguay	-27.09	13.58	54.49	74.21	-21.43	7.22
3	Venezuela	-12.19	-12.43	351.89	-6.55	-31.13	18.76
3	Rest of South America	-103.29	6484.77	-98.36	-98.36	-97.84	229.12
3	Costa Rica	-0.31	-11.68	12.48	18.20	-0.86	0.33
3	Guatemala	-1.30	22.29	8.91	9.33	-2.54	4.29
3	Honduras	-0.46	35.21	52.28	38.22	-5.62	10.70
3	Nicaragua	5.39	38.92	8.92	5.81	4.28	8.94
3	Panama	-1.42	19.16	14.73	7.64	-3.06	2.87
3	El Salvador	-5.03	52.80	23.60	22.16	-5.64	6.92
3	Rest of Central America	-1.18	27.91	39.62	-17.05	-1.34	8.52
3	Albania	-0.66	7.32	10.45	8.64	-0.81	1.51
3	Belarus	10.38	2.63	18.93	11.23	8.67	8.69
3	Croatia	-4.61	19.72	19.59	5.73	-5.16	1.21
3	Ukraine	-6.68	1.27	24.69	5.75	-6.78	3.73
3	Rest of Eastern Europe	-2.36	-8.37	18.20	17.42	-3.59	0.93
3	Rest of Europe	-6.74	57.36	14.70	9.57	-7.08	2.72
3	Kazakhstan	2.84	4.62	7.47	-7.97	2.35	4.31
3	Kyrgyzstan	-5.33	-2.34	13.39	-6.59	-4.30	1.73
3	Rest of Former Soviet Union	-4.38	16.51	2.76	-21.53	-4.45	2.05
3	Armenia	16.39	15.59	39.70	5.55	12.83	21.83
3	Azerbaijan	0.22	5.06	3.87	-7.97	-4.01	0.93
3	Georgia	-0.37	4.94	1.64	11.37	-1.74	1.40
3	Iran Islamic Republic of	2.20	9.08	23.34	28.46	7.51	9.54
3	Israel	-4.34	23.27	12.55	7.13	-3.89	0.85
3	Kuwait	-8.51	14.24	8.85	72.57	-10.99	2.57
3	Oman	0.93	1.20	2.94	12.42	-5.85	1.66
3	Qatar	-2.47	24.44	2.01	-19.62	-5.92	2.23
3	Saudi Arabia	-1.93	15.18	-0.81	-9.76	-5.53	1.49
3	United Arab Emirates	-4.44	42.66	10.25	4.44	-12.82	5.72

Code	Country	Export to					
		Developed	Advanced south	Other developing	LDCs and SVEs	ROW	Total
3	Rest of Western Asia	-2.69	15.82	12.39	-7.28	-4.70	3.71
3	Egypt	-0.34	32.33	12.02	-2.77	-1.02	6.32
3	Morocco	10.02	36.05	35.33	59.27	7.96	16.66
3	Tunisia	4.40	25.84	16.29	57.32	3.16	7.60
3	Rest of North Africa	-1.50	21.30	1.46	-4.92	-4.54	1.58
3	Cameroon	1.30	61.64	37.12	-3.07	-0.66	8.41
3	Cote d'Ivoire	-5.99	27.78	26.33	34.44	-7.61	6.93
3	Ghana	-18.67	-10.07	-3.06	2.97	-21.81	-12.34
3	Nigeria	-2.88	14.59	17.67	-8.78	-0.80	2.16
3	Rest of Western Africa	-5.27	22.50	20.81	2.85	-5.59	10.74
3	Kenya	3.20	47.67	23.82	5.99	3.51	10.58
3	Zimbabwe	-14.33	-1.56	122.33	-19.35	-15.97	-1.15
3	Namibia	-6.16	-3.47	6.13	56.38	-6.97	1.40
4	Rest of Oceania	-2.35	21.29	5.05	34.90	-3.96	2.93
4	Cambodia	1.00	53.43	28.09	22.40	1.24	6.27
4	Lao PDR	-0.05	31.44	-0.65	-5.13	3.53	2.39
4	Bangladesh	12.69	53.16	29.19	46.86	4.61	16.73
4	Nepal	-2.98	73.34	5.07	5.06	18.84	30.23
4	Rest of South Asia	-2.65	23.85	18.91	55.47	3.20	10.98
4	Caribbean	-4.05	33.67	28.37	6.82	-5.53	5.83
4	Cyprus	-2.06	5.46	10.20	4.10	-3.10	0.64
4	Bahrain	-8.40	40.62	3.60	5.24	-8.49	3.50
4	Senegal	-12.74	43.12	42.60	35.54	-13.66	14.41
4	Central Africa	-0.23	-0.13	14.19	15.42	-5.39	1.60
4	South Central Africa	-5.55	-7.03	29.94	187.78	-6.03	1.98
4	Ethiopia	6.12	13.25	19.29	72.96	11.23	15.61
4	Madagascar	6.09	18.66	4.99	9.59	-1.26	7.25
4	Malawi	-21.76	-17.85	123.76	-16.26	-10.61	15.60
4	Mauritius	0.04	-0.24	6.07	-5.69	0.53	0.34
4	Mozambique	-8.83	2.87	76.33	32.58	-8.21	4.91
4	Tanzania	3.20	19.43	13.67	50.44	4.83	11.31
4	Uganda	2.94	6.93	4.45	17.14	2.17	5.61
4	Zambia	-6.26	0.82	9.85	58.57	-6.54	6.25
4	Rest of Eastern Africa	-4.03	23.98	42.38	23.92	10.82	13.57
4	Botswana	0.29	-11.14	8.97	11.71	-2.89	-0.04
4	Rest of South African Customs	-5.41	-0.32	19.97	32.87	-5.48	2.28
5	Rest of the World	-0.27	-7.23	7.59	-11.80	0.00	-0.91

Note: 1=Developed countries; 2= Advanced south; 3= other developing; 4= LDCs and SVEs; 5=ROW
Source: GTAP simulation

VI. CONCLUSION

This paper has analyzed the patterns of the South-South trade, its determinants and the potentials for rise in South-South trade under different trade policy interventions. The major findings are as follows:

- The share of North-North trade in global trade declined from 55.5 percent in 1990 to around 32 percent in 2010. Such fall in North-North trade had been accompanied by rising trade involving the South countries. The South-North trade share increased from 13.9 percent to 16.5 percent during the same time. However, the most spectacular phenomenon was the rise in South-South trade, which increased from only 6.4 percent to 19.4 percent during this period.

- Such rise in South-South trade has not been uniform across different South countries. During 1990 and 2010, though all categories of South countries (all South, LDCs, SVEs, advanced South and South excluding advanced South) experienced rises in their shares in global trade, trade involving the advanced South countries was the major contributor to the changing landscape in global trade, which resulted in remarkable rise in the South-South trade.

- When it comes to country-wise shares in South-South export, there are some gainers and losers. Out of the 135 South countries, 50 countries experienced rise in their shares in South-South export while 85 countries experienced fall in shares.

- The structures of the export of the South countries are not uniform. Many of the South countries' export are agriculture based, many of them are extraction based and the rest are manufacturing oriented. The destinations of the export from South countries are primarily the developed countries.

- A comparison among the sizes of coefficients of different variables under the basic gravity models suggests that as far as intra-South trade is concerned, among the continuous variables, the largest positive effect stems from the per capita GDP of the home country, and largest negative effect comes from the distance. Among the dummy variables, the common border dummy has the largest positive effect, whereas the island dummy of the partner country has the largest negative effect. However, these variables have differential effects when it comes to trade between different groups of South countries.

- Gravity modeling results suggest that when considering South countries as the home, there are marked differences among different groups of countries as far as the impact of per capita GDP of home country (in this case the South countries) on exports from these groups of countries to the South countries are concerned. Per capita GDP of the South countries has the largest positive effect on the export from the North countries; and among different South countries such positive effect is the largest for the export from the Advanced south countries. For SVEs the effect is positive but is the smallest among all country groups. Now, while considering South as the source of export, the per capita GDP of the advanced south countries has the largest positive effect among all country groups on the export from South. Interesting, the per capita GDP of the North countries doesn't have any significant effect. Also, though the per capita GDP of LDCs has a positive effect on the export from South that of the SVEs doesn't have any statistically significant effect.

- Gravity modeling results suggest that, considering South as the home, the distance factor has the largest negative effects on exports from the Advanced south countries

and SVEs to South countries; and distance factor has the largest negative impact on South's export to Advanced south among all country groups as destinations for South's export.

- Gravity modeling results suggest that, in the case of common language dummy, while considering exports to South from all country groups, this dummy has the largest positive effect on export from North countries, and while considering export from South, common language has the largest positive effect on the export to South Excluding Advanced south countries.

- Gravity modeling results suggests that, in the case of land lock dummy for home country, considering South as the home, this dummy has mixed effects on exports from different country groups; for example, it has negative impacts on exports from LDCs and North, while it has a positive impact on export from South Excluding Advanced south. Also, this dummy has only negative effect on the export from South to North among all country groups as destinations for South's export.

- Gravity modeling results suggest that, in the case of land lock dummy for partner country, when South is the home, among all country groups, this dummy has the largest negative effect on the export from the South; however, when South is the export source, this dummy has the largest negative effect on South's export to Advanced south countries.

- Gravity modeling results suggest that, in the case of island dummy for home country, considering South as the home, the export from the island countries will be reduced, if those countries are either North or SVEs. Also, South's export to Advanced south countries will be reduced most of the South countries are the island countries.

- Gravity modeling results suggest that, in the case of island dummy for partner country, considering South as the home, the export from LDCs is mostly affected among exports from all country groups if LDCs are island countries. Also, if South countries are island countries, then their export is mostly affected in the Advanced south countries.

- Gravity modeling results suggest that, when South is the export destination, common border dummy has the largest positive effect on the export from South countries in general, and among different groups of South countries, this dummy has the largest positive effect on the export from LDCs. However, this dummy has a negative effect on the export from North to South.

- Augmented gravity modeling results suggest that, in general, South's tariff rate has the largest negative effect on the export from SVEs. North's tariff is most restrictive on the export from South in general and South Excluding Advanced south in particular. LDCs' tariff rate affects mostly the export from SVEs and LDCs. SVEs' tariff rate affects mostly the export from South Excluding Advanced south counters. Tariff rates of Advanced south and South Excluding Advanced south have the largest negative effect on export from SVEs.

- Augmented gravity modeling results also suggest that, as far as South is considered as the export destination, trade cost in South affect mostly the export from South. Trade cost in North has the largest negative effect on export from LDCs, and it seems that such negative effect is higher than the negative effect on export from North to LDCs due to trade cost in LDCs. While the trade costs between LDCs and Advanced south countries are compared, trade costs in Advanced south countries seem to be more restrictive on export from LDCs, as compared to the negative effect of trade cost in LDCs on the export from Advanced south. Similar observations are hold for SVEs, while comparing the restrictive effect of their trade cost with those of North and Advanced south.

- CGE modeling results suggest that a scenario of LDCs and SVEs receiving duty-free market access in advanced south countries would lead to some significant rise in welfare for all LDCs and SVEs, which would, for some countries, in terms of the percent of their GDPs, be quite high. For example, for Nepal such welfare gain would be 3.2 of its GDP. The least benefitted country in this regard would be Botswana and its welfare gain would be only 0.01 percent of its GDP. All LDCs and SVEs would also experience rise in exports. However, different LDCs and SVEs would experience rise in export by different magnitudes. The largest rise in export, in terms of percentage change, would be for Nepal followed by Rest of South Asia. The lowest rise in export would be for Botswana. . All LDCs and SVEs would experience some re-direction of their exports towards the Advanced south countries. Such as scenario would not lead to large rise in export from LDCs and SVEs, which indicates to the fact that tariff preferences in the Advanced south countries alone would not be enough to help LDCs and SVEs to increase their export to the Advanced south countries. Such a scenario would lead to marginal effects on the export from other developing countries, some countries would experience very small rise and some counties would experience very small fall.

- The CGE modeling results also suggest that the welfare effects of a scenario of FTA among Advanced south, LDCs and SVEs and other developing countries would lead to some large welfare gains, both in terms of volume and percent share of GDP, for most of the Advanced south countries. There would be mixed effects among the other developing countries. LDCs and SVEs would also see mixed effects. Such a scenario

would lead to some significant rise in exports from most of the Advanced south, other developing countries and LDCs and SVEs. Such a scenario would enhance South-South trade significantly. Most of the South countries would experience rise in export to other South countries. The incremental rises in exports of these countries would be destined to other South countries.

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ANNEX 1: LIST OF SOUTH COUNTRIES, NORTH COUNTRIES, ADVANCED SOUTH COUNTRIES, LDCS, SVES

Table A1.1. List of South Countries

1	Afghanistan	48	Cuba	95	Macao, China	142	Samoa
2	Albania	49	DPR of Korea	96	Madagascar	143	Sao Tome and Principe
3	Algeria	50	Dem. Rep. of the Congo	97	Malawi	144	Saudi Arabia
4	American Samoa	51	Djibouti	98	Malaysia	145	Senegal
5	Angola	52	Dominica	99	Maldives	146	Seychelles
6	Anguilla	53	Dominican Republic	100	Mali	147	Sierra Leone
7	Antigua and Barbuda	54	Ecuador	101	Marshall Islands	148	Singapore
8	Argentina	55	Egypt	102	Mauritania	149	Solomon Islands
9	Armenia	56	El Salvador	103	Mauritius	150	Somalia
10	Aruba	57	Equatorial Guinea	104	Mayotte	151	South Africa
11	Azerbaijan	58	Eritrea	105	Mexico	152	Sri Lanka
12	Bahamas	59	Ethiopia	106	Micronesia	153	St. Pierre and Miquelon
13	Bahrain	60	Falkland Islands (Malvinas)	107	Mongolia	154	Sudan
14	Bangladesh	61	Fiji	108	Montenegro	155	Suriname
15	Barbados	62	French Polynesia	109	Montserrat	156	Swaziland
16	Belarus	63	Fr. South Antarctic Territories	110	Morocco	157	Syrian Arab Republic
17	Belize	64	Gabon	111	Mozambique	158	Tajikistan
18	Benin	65	Gambia	112	Myanmar	159	Thailand
19	Bermuda	66	Georgia	113	Namibia	160	FYR of Macedonia
20	Bhutan	67	Ghana	114	Nauru	161	Timor-Leste
21	Bolivia	68	Greenland	115	Nepal	162	Togo
22	Bosnia and Herzegovina	69	Grenada	116	Netherland Antilles	163	Tokelau
23	Botswana	70	Guam	117	New Caledonia	164	Tonga
24	Brazil	71	Guatemala	118	Nicaragua	165	Trinidad and Tobago
25	British Antarctic Territories	72	Guinea	119	Niger	166	Tunisia
26	British Indian Ocean Territories	73	Guinea-Bissau	120	Nigeria	167	Turkey
27	British Virgin Islands	74	Guyana	121	Niue	168	Turkmenistan
28	Brunei Darussalam	75	Haiti	122	Norfolk Island	169	Turks and Caicos Islands
29	Burkina Faso	76	Honduras	123	Northern Mariana Islands	170	Tuvalu
30	Burundi	77	Hong Kong, China	124	Oman	171	Uganda
31	Cambodia	78	India	125	Pakistan	172	Ukraine
32	Cameroon	79	Indonesia	126	Palau	173	United Arab Emirates
33	Cape Verde	80	Iran (Islamic Republic of)	127	Panama	174	United Republic of Tanzania
34	Cayman Islands	81	Iraq	128	Papua New Guinea	175	US. Minor Outlying Islands
35	Central African Republic	82	Israel	129	Paraguay	176	Uruguay
36	Chad	83	Jamaica	130	Peru	177	Uzbekistan
37	Chile	84	Jordan	131	Philippines	178	Vanuatu
38	China	85	Kazakhstan	132	Pitcairn	179	Venezuela
39	Christmas Islands	86	Kenya	133	Qatar	180	Viet Nam
40	Cocos (Keeling) Islands	87	Kiribati	134	Republic of Korea	181	Wallis and Futuna Islands
41	Colombia	88	Kuwait	135	Republic of Moldova	182	Western Sahara
42	Comoros	89	Kyrgyzstan	136	Russian Federation	183	Yemen
43	Congo	90	Lao PDR	137	Rwanda	184	Zambia
44	Cook Islands	91	Lebanon	138	Saint Helena	185	Zimbabwe
45	Costa Rica	92	Lesotho	139	Saint Kitts and Nevis		
46	Côte d'Ivoire	93	Liberia	140	Saint Lucia		
47	Croatia	94	Libya	141	Saint Vincent & Grenadines		

Table A1.2. List of North Countries

1	Australia
2	Austria
3	Belgium
4	Canada
5	Denmark
6	Finland
7	France
8	Germany
9	Greece
10	Iceland
11	Ireland
12	Italy
13	Japan
14	Luxembourg
15	Netherlands
16	New Zealand
17	Norway
18	Portugal
19	Spain
20	Sweden
21	Switzerland
22	United Kingdom
23	United States of America

Table A1.3. List of Advanced South Countries

1	Brazil
2	China
3	Hong Kong
4	India
5	Indonesia
6	Malaysia
7	Mexico
8	Russia
9	Singapore
10	South Africa
11	South Korea
12	Thailand
13	Turkey

Table A1.4. List of LDCs

1	Afghanistan
2	Angola
3	Bangladesh
4	Benin
5	Bhutan
6	Burkina Faso
7	Burundi
8	Cambodia
9	Cape Verde
10	Central African Republic
11	Chad
12	Comoros
13	Congo, Dem. Rep. of the
14	Djibouti
15	Equatorial Guinea
16	Eritrea
17	Ethiopia
18	Gambia
19	Guinea
20	Guinea-Bissau
21	Haiti
22	Kiribati
23	Lao PDR
24	Lesotho
25	Liberia
26	Madagascar
27	Malawi
28	Maldives
29	Mali
30	Mauritania
31	Mozambique
32	Myanmar
33	Nepal
34	Niger
35	Rwanda
36	Samoa
37	Sao Tome and Principe
38	Senegal
39	Sierra Leone
40	Solomon Islands
41	Somalia
42	Sudan
43	Tanzania
44	Timor-Leste
45	Togo
46	Tuvalu
47	Uganda
48	Vanuatu
49	Yemen
50	Zambia

Table A1.5. List of SVEs

1	Antigua and Barbuda
2	Bahamas
3	Bahrain
4	Barbados
5	Belize
6	Bhutan
7	Botswana
8	Brunei
9	Cape Verde
10	Comoros
11	Cook Islands
12	Cyprus
13	Djibouti
14	Dominica
15	Equatorial Guinea
16	Fiji
17	Gabon
18	Gambia
19	Grenada
20	Guyana
21	Jamaica
22	Kiribati
23	Lesotho
24	Maldives
25	Malta
26	Marshall Islands
27	Mauritius
28	Micronesia
29	Montenegro
30	Nauru
31	Niue
32	Palau
33	Papua New Guinea
34	Samoa
35	Sao Tome Principe
36	Seychelles
37	Solomon Islands
38	St Kitts and Nevis
39	St Lucia
40	St Vincent and the Grenadines
41	Suriname
42	Swaziland
43	Timor-Leste
44	Tonga
45	Trinidad and Tobago
46	Tuvalu
47	Vanuatu

ANNEX 2: % SHARE IN TOTAL SOUTH-SOUTH EXPORT

Table A.2: % Share in total South-South export

South	Advanc-ed South code	LDC code	SVE code	Country	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Average (2000-2002)	Average (2008-2010)	% point Change	change dummy
1	0	0	0	Albania	0.002	0.003	0.002	0.002	0.004	0.004	0.004	0.007	0.009	0.005	0.012	0.002	0.009	0.006	Rise
2	0	0	0	Algeria	0.526	0.469	0.383	0.354	0.381	0.452	0.365	0.457	0.428	0.328	0.361	0.459	0.372	-0.087	Fall
3	0	0	0	Anguilla	0.000	0.000	0.000	0.000	0.000	0.000	0.001	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Rise
4	0	0	1	Antigua and Barbuda	0.002	0.004	0.005	0.005	0.005	0.005	0.004	0.003	0.002	0.001	0.000	0.003	0.001	-0.002	Fall
5	0	0	0	Argentina	2.413	2.573	2.055	1.875	1.712	1.677	1.623	1.663	1.643	1.466	1.523	2.347	1.544	-0.803	Fall
6	0	0	0	Armenia	0.018	0.023	0.029	0.031	0.025	0.024	0.018	0.019	0.013	0.009	0.011	0.023	0.011	-0.012	Fall
7	0	0	0	Aruba	0.015	0.015	0.009	0.004	0.003	0.003	0.003	0.003	0.003	0.004	0.003	0.013	0.003	-0.010	Fall
8	0	0	0	Azerbaijan	0.076	0.082	0.070	0.074	0.123	0.127	0.132	0.174	0.467	0.195	0.279	0.076	0.314	0.238	Rise
9	0	0	1	Bahamas	0.006	0.001	0.001	0.001	0.001	0.000	0.001	0.002	0.002	0.002	0.002	0.003	0.002	-0.001	Fall
10	0	0	1	Bahrain	0.127	0.145	0.121	0.122	0.090	0.106	0.089	0.085	0.120	0.095	0.120	0.131	0.112	-0.019	Fall
11	0	1	0	Bangladesh	0.076	0.075	0.068	0.050	0.063	0.072	0.101	0.089	0.074	0.085	0.074	0.073	0.078	0.005	Rise
12	0	0	1	Barbados	0.014	0.014	0.011	0.009	0.006	0.008	0.007	0.006	0.005	0.005	0.004	0.013	0.005	-0.008	Fall
13	0	0	0	Belarus	0.718	0.740	0.641	0.610	0.634	0.526	0.509	0.561	0.617	0.448	0.538	0.700	0.534	-0.165	Fall
14	0	0	1	Belize	0.002	0.001	0.001	0.002	0.002	0.002	0.003	0.004	0.002	0.002	0.001	0.001	0.002	0.000	Rise
15	0	1	0	Benin	0.021	0.021	0.025	0.022	0.021	0.016	0.010	0.010	0.012	0.014	0.013	0.022	0.013	-0.009	Fall
16	0	1	1	Bhutan	0.020	0.023	0.023	0.021	0.018	0.016	0.021	0.029	0.018	0.019	0.013	0.022	0.017	-0.006	Fall
17	0	0	0	Bolivia	0.094	0.117	0.106	0.110	0.122	0.122	0.148	0.143	0.190	0.146	0.152	0.106	0.162	0.057	Rise
18	0	0	0	Bosnia Herzegovina	0.036	0.036	0.032	0.025	0.050	0.059	0.060	0.068	0.068	0.061	0.060	0.035	0.063	0.028	Rise
19	0	0	1	Botswana	0.047	0.039	0.046	0.042	0.041	0.039	0.033	0.046	0.059	0.057	0.040	0.044	0.052	0.008	Rise
20	1	0	0	Brazil	2.946	3.382	3.012	3.110	3.348	3.617	3.559	3.491	3.618	3.432	3.807	3.113	3.619	0.506	Rise
21	0	0	1	Brunei Darussalam	0.131	0.201	0.182	0.166	0.155	0.175	0.184	0.155	0.124	0.137	0.114	0.171	0.125	-0.046	Fall
22	0	1	0	Burkina Faso	0.008	0.007	0.006	0.028	0.024	0.016	0.011	0.007	0.006	0.010	0.011	0.007	0.009	0.002	Rise
23	0	1	0	Burundi	0.001	0.002	0.001	0.001	0.001	0.003	0.009	0.005	0.003	0.003	0.002	0.001	0.003	0.002	Rise
24	0	1	0	Cambodia	0.053	0.044	0.070	0.046	0.058	0.045	0.043	0.033	0.044	0.092	0.074	0.056	0.070	0.014	Rise
25	0	0	0	Cameroon	0.046	0.049	0.045	0.051	0.038	0.039	0.029	0.050	0.029	0.045	0.048	0.046	0.041	-0.006	Fall
26	0	1	1	Cape Verde	0.000	0.000	0.000	0.000	0.000	0.002	0.002	0.002	0.001	0.000	0.000	0.000	0.000	0.000	Rise
27	0	1	0	Central African Rep.	0.000	0.001	0.000	0.000	0.004	0.002	0.001	0.002	0.001	0.001	0.001	0.000	0.001	0.001	Rise
28	0	0	0	Chile	0.938	0.990	0.799	0.875	1.030	1.082	1.210	1.366	1.033	1.143	1.230	0.909	1.136	0.227	Rise
29	1	0	0	China	14.307	15.634	17.168	18.299	19.199	20.177	21.715	24.430	23.632	22.025	24.419	15.703	23.359	7.656	Rise
30	1	0	0	China, Hong Kong SAR	14.130	14.009	13.639	12.829	11.828	10.655	9.911	9.456	8.158	8.156	8.668	13.926	8.327	-5.599	Fall
31	0	0	0	China, Macao SAR	0.069	0.069	0.070	0.058	0.051	0.042	0.037	0.034	0.025	0.022	0.013	0.069	0.020	-0.049	Fall
32	0	0	0	Colombia	0.560	0.646	0.521	0.416	0.480	0.501	0.457	0.524	0.530	0.476	0.476	0.576	0.494	-0.081	Fall
33	0	1	1	Comoros	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Fall
34	0	0	0	Congo	0.255	0.309	0.315	0.285	0.246	0.222	0.200	0.183	0.181	0.169	0.113	0.293	0.155	-0.138	Fall
35	0	0	1	Cook Isds	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Fall
36	0	0	0	Costa Rica	0.187	0.208	0.183	0.184	0.160	0.163	0.134	0.172	0.137	0.139	0.117	0.192	0.131	-0.062	Fall
37	0	0	0	Côte d'Ivoire	0.221	0.221	0.243	0.189	0.182	0.189	0.157	0.139	0.135	0.149	0.137	0.228	0.140	-0.088	Fall
38	0	0	0	Croatia	0.165	0.184	0.179	0.157	0.179	0.169	0.158	0.180	0.167	0.138	0.123	0.176	0.143	-0.033	Fall
39	0	0	0	Cuba	0.097	0.097	0.074	0.061	0.061	0.052	0.039	0.033	0.026	0.029	0.024	0.089	0.027	-0.062	Fall
40	0	0	1	Dominica	0.004	0.004	0.003	0.002	0.002	0.001	0.001	0.001	0.001	0.001	0.001	0.003	0.001	-0.003	Fall
41	0	0	0	Dominican Rep.	0.023	0.025	0.031	0.032	0.030	0.027	0.040	0.049	0.043	0.042	0.045	0.026	0.043	0.017	Rise

South	Advanc-ed South code	LDC code	SVE code	Country	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Average (2000-2002)	Average (2008-2010)	% point Change	change dummy
42	0	0	0	Ecuador	0.294	0.279	0.248	0.236	0.243	0.215	0.213	0.247	0.272	0.259	0.269	0.274	0.267	-0.007	Fall
43	0	0	0	Egypt	0.209	0.214	0.232	0.222	0.217	0.230	0.235	0.260	0.414	0.500	0.448	0.218	0.454	0.236	Rise
44	0	0	0	El Salvador	0.120	0.129	0.112	0.092	0.076	0.087	0.076	0.073	0.069	0.067	0.064	0.120	0.067	-0.053	Fall
45	0	1	0	Ethiopia	0.026	0.030	0.023	0.026	0.016	0.027	0.023	0.023	0.023	0.032	0.037	0.026	0.031	0.005	Rise
46	0	0	1	Fiji	0.007	0.008	0.008	0.006	0.005	0.016	0.006	0.012	0.010	0.009	0.007	0.008	0.009	0.001	Rise
47	0	0	0	French Polynesia	0.010	0.009	0.008	0.005	0.005	0.005	0.004	0.003	0.003	0.002	0.002	0.009	0.003	-0.006	Fall
48	0	0	1	Gabon	0.066	0.065	0.068	0.017	0.035	0.051	0.081	0.059	0.095	0.073	0.060	0.066	0.076	0.009	Rise
49	0	1	1	Gambia	0.002	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.001	0.001	0.000	0.000	Fall
50	0	0	0	Georgia	0.031	0.033	0.030	0.033	0.036	0.036	0.030	0.031	0.032	0.028	0.032	0.031	0.031	-0.001	Fall
51	0	0	0	Ghana	0.048	0.047	0.042	0.033	0.025	0.095	0.093	0.088	0.088	0.124	0.124	0.046	0.112	0.066	Rise
52	0	0	0	Greenland	0.001	0.001	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Fall
53	0	0	1	Grenada	0.002	0.002	0.001	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.000	0.002	0.001	-0.001	Fall
54	0	0	0	Guatemala	0.178	0.215	0.167	0.161	0.137	0.135	0.088	0.143	0.135	0.135	0.136	0.187	0.135	-0.051	Fall
55	0	1	0	Guinea	0.009	0.013	0.009	0.006	0.003	0.005	0.003	0.007	0.010	0.006	0.005	0.010	0.007	-0.003	Fall
56	0	0	1	Guyana	0.010	0.011	0.011	0.009	0.009	0.008	0.007	0.009	0.007	0.006	0.007	0.011	0.007	-0.004	Fall
57	0	0	0	Honduras	0.047	0.073	0.037	0.034	0.030	0.026	0.021	0.036	0.028	0.031	0.026	0.053	0.028	-0.024	Fall
58	1	0	0	India	2.493	2.806	2.942	3.025	3.120	3.423	3.521	3.678	3.787	4.775	4.441	2.747	4.335	1.587	Rise
59	1	0	0	Indonesia	3.642	3.275	3.091	2.690	2.455	2.595	2.496	2.494	2.463	3.080	2.847	3.336	2.797	-0.539	Fall
60	0	0	0	Iran	0.328	0.409	0.402	0.405	0.366	0.469	0.524	0.574	0.565	0.743	0.714	0.380	0.674	0.294	Rise
61	0	0	0	Israel	0.934	0.877	0.771	0.690	0.681	0.609	0.559	0.570	0.595	0.506	0.587	0.861	0.563	-0.298	Fall
62	0	0	1	Jamaica	0.013	0.020	0.018	0.019	0.019	0.020	0.021	0.011	0.009	0.005	0.006	0.017	0.007	-0.010	Fall
63	0	0	0	Jordan	0.102	0.233	0.228	0.176	0.178	0.163	0.149	0.152	0.185	0.168	0.156	0.188	0.170	-0.018	Fall
64	0	0	0	Kazakhstan	0.819	0.825	0.826	0.856	0.661	0.587	0.675	0.839	0.945	0.657	0.676	0.824	0.759	-0.064	Fall
65	0	0	0	Kenya	0.127	0.120	0.100	0.143	0.117	0.127	0.097	0.103	0.105	0.106	0.103	0.116	0.105	-0.011	Fall
66	0	1	1	Kiribati	0.001	0.001	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.001	0.000	-0.001	Fall
67	0	0	0	Kuwait	0.142	0.154	0.142	0.146	0.129	0.127	0.121	0.127	0.137	0.118	0.098	0.146	0.118	-0.028	Fall
68	0	0	0	Kyrgyzstan	0.039	0.031	0.039	0.039	0.041	0.034	0.028	0.035	0.034	0.026	0.029	0.036	0.030	-0.007	Fall
69	0	0	0	Lebanon	0.060	0.075	0.082	0.086	0.098	0.088	0.073	0.081	0.084	0.080	0.089	0.072	0.085	0.012	Rise
70	0	1	1	Lesotho	0.013	0.022	0.019	0.009	0.014	0.011	0.010	0.009	0.007	0.008	0.007	0.018	0.007	-0.011	Fall
71	0	1	0	Madagascar	0.015	0.025	0.012	0.014	0.009	0.010	0.007	0.008	0.007	0.008	0.012	0.017	0.009	-0.008	Fall
72	0	1	0	Malawi	0.019	0.027	0.018	0.022	0.016	0.013	0.017	0.020	0.013	0.024	0.015	0.022	0.017	-0.004	Fall
73	1	0	0	Malaysia	6.229	5.711	5.708	5.215	4.912	4.563	4.303	4.147	3.951	3.643	3.851	5.883	3.815	-2.068	Fall
74	0	1	1	Maldives	0.003	0.004	0.004	0.005	0.007	0.006	0.004	0.003	0.003	0.001	0.001	0.004	0.002	-0.002	Fall
75	0	0	0	Mali	0.053	0.054	0.018	0.027	0.052	0.042	0.072	0.055	0.062	0.063	0.048	0.042	0.057	0.016	Rise
76	0	1	0	Mauritania	0.009	0.007	0.004	0.004	0.003	0.003	0.008	0.011	0.006	0.010	0.010	0.007	0.009	0.002	Rise
77	0	0	1	Mauritius	0.020	0.023	0.026	0.025	0.021	0.027	0.027	0.018	0.015	0.013	0.012	0.023	0.014	-0.009	Fall
78	0	0	0	Mayotte	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Fall
79	1	0	0	Mexico	1.229	1.246	1.060	0.930	0.788	0.910	0.959	1.034	1.000	0.812	0.956	1.178	0.923	-0.255	Fall
80	0	0	0	Mongolia	0.047	0.042	0.038	0.038	0.036	0.039	0.058	0.065	0.052	0.058	0.048	0.042	0.053	0.011	Rise
81	0	0	0	Montserrat	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Fall
82	0	0	0	Morocco	0.156	0.161	0.159	0.135	0.128	0.130	0.127	0.127	0.208	0.220	0.174	0.159	0.201	0.042	Rise
83	0	1	0	Mozambique	0.023	0.026	0.034	0.029	0.030	0.030	0.031	0.029	0.021	0.027	0.026	0.028	0.025	-0.003	Fall
84	0	0	0	Namibia	0.068	0.081	0.071	0.082	0.085	0.079	0.075	0.080	0.087	0.139	0.090	0.073	0.105	0.032	Rise
85	0	1	0	Nepal	0.047	0.050	0.046	0.038	0.033	0.030	0.027	0.025	0.022	0.027	0.022	0.048	0.024	-0.024	Fall
86	0	0	0	New Caledonia	0.011	0.005	0.007	0.013	0.022	0.020	0.012	0.013	0.008	0.020	0.008	0.008	0.012	0.004	Rise
87	0	0	0	Nicaragua	0.029	0.038	0.044	0.028	0.024	0.025	0.010	0.024	0.027	0.026	0.026	0.037	0.026	-0.010	Fall

South	Advanc-ed South code	LDC code	SVE code	Country	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Average (2000-2002)	Average (2008-2010)	% point Change	change dummy
88	0	1	0	Niger	0.015	0.012	0.011	0.010	0.008	0.007	0.005	0.004	0.008	0.008	0.005	0.013	0.007	-0.006	Fall
89	0	0	0	Nigeria	1.167	0.774	0.896	0.730	0.796	0.842	0.846	0.604	0.852	0.856	1.039	0.946	0.915	-0.030	Fall
90	0	0	0	Oman	1.101	0.374	0.386	0.124	0.710	0.741	0.846	0.742	0.897	0.963	0.773	0.620	0.878	0.258	Rise
91	0	0	0	Pakistan	0.727	0.738	0.645	0.512	0.426	0.443	0.375	0.366	0.367	0.356	0.370	0.703	0.365	-0.339	Fall
92	0	0	0	Panama	0.030	0.033	0.027	0.016	0.015	0.014	0.343	0.317	0.278	0.272	0.259	0.030	0.270	0.240	Rise
93	0	0	1	Papua New Guinea	0.040	0.041	0.006	0.023	0.031	0.014	0.012	0.010	0.008	0.009	0.007	0.029	0.008	-0.021	Fall
94	0	0	0	Paraguay	0.099	0.114	0.097	0.105	0.100	0.091	0.082	0.102	0.132	0.106	0.165	0.103	0.134	0.031	Rise
95	0	0	0	Peru	0.314	0.322	0.291	0.269	0.327	0.375	0.417	0.446	0.403	0.368	0.423	0.309	0.398	0.089	Rise
96	0	0	0	Philippines	1.498	1.314	1.439	1.386	1.117	1.053	0.977	0.989	0.754	0.915	0.825	1.417	0.831	-0.585	Fall
97	0	0	0	Qatar	0.646	0.640	0.590	0.564	0.623	0.674	0.723	0.888	1.105	0.843	1.242	0.625	1.064	0.438	Rise
98	1	0	0	Rep. of Korea	10.546	10.065	9.778	9.984	10.109	9.598	9.268	9.425	9.082	8.997	9.631	10.130	9.236	-0.894	Fall
99	0	0	0	Rep. of Moldova	0.041	0.051	0.046	0.044	0.041	0.037	0.024	0.026	0.024	0.022	0.024	0.046	0.023	-0.023	Fall
100	1	0	0	Russian Federation	4.872	5.184	5.004	4.946	5.041	4.942	4.921	4.745	5.634	4.317	3.997	5.020	4.649	-0.371	Fall
101	0	1	0	Rwanda	0.007	0.007	0.004	0.005	0.006	0.004	0.003	0.004	0.005	0.007	0.004	0.006	0.005	-0.001	Fall
102	0	0	0	Saint Kitts and Nevis	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Fall
103	0	0	0	Saint Lucia	0.002	0.002	0.002	0.002	0.003	0.001	0.001	0.001	0.001	0.001	0.001	0.002	0.001	-0.001	Fall
104	0	0	0	Saint Vincent & the Grenadines	0.003	0.003	0.002	0.002	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.003	0.001	-0.002	Fall
105	0	1	1	Samoa	0.000	0.000	0.002	0.001	0.001	0.001	0.001	0.000	0.000	0.000	0.000	0.001	0.000	-0.001	Fall
106	0	1	1	Sao Tome and Principe	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Rise
107	0	0	0	Saudi Arabia	0.713	0.773	3.110	4.404	5.064	5.502	5.400	1.667	2.672	2.962	2.459	1.532	2.698	1.166	Rise
108	0	1	0	Senegal	0.043	0.050	0.062	0.063	0.057	0.054	0.042	0.043	0.047	0.055	0.047	0.052	0.050	-0.002	Fall
109	0	0	1	Seychelles	0.010	0.001	0.007	0.006	0.007	0.008	0.009	0.007	0.004	0.006	0.005	0.006	0.005	-0.002	Fall
110	1	0	0	Singapore	10.101	9.434	8.740	9.566	9.189	9.022	8.919	8.603	8.010	9.135	7.795	9.425	8.313	-1.112	Fall
111	0	1	1	Solomon Isds	0.004	0.004	0.003	0.004	0.004	0.004	0.004	0.005	0.006	0.006	0.005	0.003	0.006	0.002	Rise
112	1	0	0	South Africa	1.148	1.172	1.018	1.025	0.954	0.970	0.870	0.989	0.982	1.186	1.066	1.113	1.078	-0.035	Fall
113	0	0	0	Sri Lanka	0.169	0.159	0.149	0.131	0.115	0.112	0.096	0.095	0.088	0.087	0.095	0.159	0.090	-0.069	Fall
114	0	0	0	Suriname	0.003	0.003	0.006	0.011	0.009	0.009	0.006	0.004	0.009	0.016	0.018	0.004	0.014	0.010	Rise
115	0	0	0	Swaziland	0.104	0.108	0.120	0.080	0.102	0.039	0.070	0.041	0.034	0.038	0.031	0.111	0.034	-0.076	Fall
116	0	0	0	Syria	0.000	0.197	0.277	0.182	0.170	0.119	0.250	0.259	0.291	0.276	0.190	0.158	0.252	0.094	Rise
117	0	0	0	TFYR of Macedonia	0.065	0.056	0.048	0.046	0.044	0.051	0.046	0.047	0.039	0.045	0.039	0.056	0.041	-0.015	Fall
118	1	0	0	Thailand	3.807	3.736	3.613	3.589	3.479	3.404	3.328	3.500	3.333	3.997	3.568	3.719	3.633	-0.086	Fall
119	0	1	0	Togo	0.020	0.025	0.023	0.032	0.023	0.019	0.013	0.009	0.025	0.025	0.019	0.023	0.023	0.000	Rise
120	0	0	1	Tonga	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Fall
121	0	0	0	Tunisia	0.116	0.131	0.128	0.100	0.085	0.094	0.090	0.098	0.134	0.133	0.097	0.125	0.121	-0.004	Fall
122	1	0	0	Turkey	0.913	1.127	1.091	1.234	1.289	1.335	1.319	1.524	1.864	1.992	1.592	1.044	1.816	0.772	Rise
123	0	0	0	Turks and Caicos Isds	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Fall
124	0	1	0	Uganda	0.023	0.028	0.024	0.023	0.022	0.024	0.025	0.030	0.027	0.032	0.028	0.025	0.029	0.004	Rise
125	0	0	0	Ukraine	1.208	1.382	1.298	1.287	1.447	1.384	1.234	1.444	1.562	1.563	1.157	1.296	1.427	0.131	Rise
126	0	0	0	United Arab Emirates	0.994	1.198	1.432	1.273	1.462	1.571	1.413	1.628	1.682	2.111	1.957	1.208	1.917	0.709	Rise
127	0	1	0	United Rep. of Tanzania	0.034	0.032	0.035	0.035	0.052	0.059	0.050	0.049	0.059	0.081	0.080	0.034	0.074	0.040	Rise
128	0	0	0	Uruguay	0.224	0.198	0.150	0.128	0.114	0.108	0.121	0.115	0.130	0.112	0.093	0.190	0.112	-0.079	Fall
129	0	1	1	Vanuatu	0.002	0.002	0.002	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.002	0.001	-0.001	Fall
130	0	0	0	Venezuela	1.145	0.982	0.841	0.808	0.406	0.456	0.487	0.616	0.658	0.413	0.080	0.989	0.383	-0.606	Fall
131	0	0	0	Viet Nam	0.818	0.847	0.753	0.672	0.736	0.763	0.699	0.732	0.820	1.039	0.970	0.806	0.943	0.137	Rise
132	0	0	0	Yemen	0.517	0.525	0.458	0.364	0.279	0.280	0.265	0.216	0.236	0.241	0.184	0.500	0.220	-0.280	Fall
133	0	1	0	Zambia	0.041	0.053	0.053	0.054	0.064	0.050	0.100	0.099	0.074	0.102	0.101	0.049	0.092	0.043	Rise

South	Advanc-ed South code	LDC code	SVE code	Country	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Average (2000-2002)	Average (2008-2010)	% point Change	change dummy
134	0	0	0	Zimbabwe	0.171	0.064	0.149	0.115	0.086	0.059	0.235	0.108	0.043	0.076	0.087	0.128	0.069	-0.059	Fall
135	0	0	0	Other South Countries	0.420	0.100	0.102	0.122	0.120	0.112	0.143	0.391	0.408	0.436	0.568	0.207	0.471	0.263	Rise
				Total Export (US$ Billion)	704.74	694.19	794.73	1000.54	1306.85	1604.76	1962.47	2327.18	2907.48	2622.40	3159.09				
				Growth in total South-South export	-1.50	14.48	25.90	30.61	22.80	22.29	18.58	24.94	-9.81	20.47	-1.50				

Source: Calculated from the UNCOMTRADE Data

ANNEX 3: STRUCTURE OF EXPORT (% SHARE OF TOTAL EXPORTS)

Table A3: Structure of export (% share of total exports)

South code	South Excluding Advanced South code	Advanced South code	SVE code	LDC code	Name	Share in total export in early 2000s				Share in total export in late 2000s			
						Agriculture	Processed food	Extraction	Manufacturing	Agriculture	Processed food	Extraction	Manufacturing
1	1	0	0	0	Albania	5.41	5.28	2.84	86.47	3.5	2.26	27.84	66.4
2	1	0	0	0	Algeria	0.11	0.05	98.2	1.64	0.09	0.47	98.42	1.02
3	1	0	0	0	Anguilla	0.15	15.81	0.1	83.94	0.71	46.41	1.16	51.72
4	1	0	1	0	Antigua and Barbuda	5.84	21.43	6.46	66.26	16.44	34.21	0	49.35
5	1	0	0	0	Argentina	29.95	13.85	18.96	37.25	32.24	17.66	10.73	39.37
6	1	0	0	0	Armenia	0.4	13.13	18.23	68.24	2.22	14.01	30	53.77
7	1	0	0	0	Aruba	12.35	71.32	0	16.33	0.59	81.79	0.11	17.5
8	1	0	0	0	Azerbaijan	1.86	1.39	85.11	11.64	1.78	1.01	94.56	2.66
9	1	0	1	0	Bahamas, The	37.28	13.05	5.77	43.89	25.15	0.47	11.03	63.35
10	1	0	1	0	Bahrain	0.41	0.23	76.54	22.83	0.9	0.95	82.04	16.11
11	1	0	0	1	Bangladesh	7.58	0.08	0.23	92.1	6.48	0.42	1.64	91.46
12	1	0	1	0	Barbados	5.77	32.2	13.39	48.64	7.3	25.83	7.37	59.51
13	1	0	0	0	Belarus	3.65	3.21	20.21	72.93	9.65	3.04	28.16	59.14
14	1	0	1	0	Belize	34.73	52.55	0.01	12.71	33.56	27.37	36.15	2.92
15	1	0	0	1	Benin	17.26	2.83	1.11	78.79	57.59	3.47	0.09	38.85
16	1	0	0	0	Bolivia	17.08	11.73	30.11	41.08	9.13	6.73	69.98	14.16
17	1	0	1	0	Botswana	2.11	0.69	0.35	96.85	3.9	1.16	3.09	91.85
18	0	1	0	0	Brazil	12.28	11.27	8.07	68.38	17.96	13.7	26.04	42.3
19	1	0	0	1	Burkina Faso	16.03	2.8	3.17	78	9.31	1.35	0.68	88.67
20	1	0	0	1	Burundi	81.09	5.06	0.73	13.13	69.43	3.22	4.97	22.38
21	1	0	0	1	Cambodia	0.76	0.21	0	99.03	1.01	0.63	0.01	98.35
22	1	0	0	0	Cameroon	8.39	6.67	54.64	30.3	4.42	20.06	49.63	25.9
23	1	0	1	1	Cape Verde	7.36	2.8	0	89.84	40.74	40.87	0	18.39
24	1	0	0	1	Central African Republic	10.7	0.15	0.46	88.69	1.11	0.41	0.01	98.47
25	1	0	0	0	Chile	17.24	8.18	17.02	57.56	12.25	5.08	24.17	58.5
26	0	1	0	0	China	3.89	2.07	3.69	90.35	1.79	1.23	1.93	95.05
27	1	0	0	0	Colombia	19.04	4.49	43.77	32.7	11.14	3.37	57.38	28.11
28	1	0	1	1	Comoros	88.45	0.04	0	11.51	13.78	0	0	86.22
29	1	0	0	0	Costa Rica	27.13	5.96	0.88	66.03	27.39	9.48	0.85	62.28
30	1	0	0	0	Cote d'Ivoire	14.12	35.79	21.5	28.59	8.99	39.72	24.19	27.09
31	1	0	0	0	Croatia	3.07	6.09	12.95	77.89	4.29	7.19	14.12	74.4
32	1	0	0	0	Cuba	7.72	42.63	4.83	44.82	NA	NA	NA	0
33	1	0	1	0	Dominica	35.71	3.88	4.22	56.19	24.31	2.83	6.48	66.37
34	1	0	0	0	Ecuador	30.17	9.72	50.69	9.41	24.17	9.39	55.41	11.02
35	1	0	0	0	Egypt, Arab Rep.	7.42	1.22	42.86	48.5	13.47	4.84	30.48	51.21

South code	South Excluding Advanced South code	Advanced South code	SVE code	LDC code	Name	Share in total export in early 2000s				Share in total export in late 2000s			
						Agriculture	Processed food	Extraction	Manufacturing	Agriculture	Processed food	Extraction	Manufacturing
36	1	0	0	0	El Salvador	13.37	6.21	2.76	77.65	7.54	10.33	3.21	78.92
37	1	0	0	1	Ethiopia(excludes Eritrea)	79.34	2.29	0.02	18.36	81.82	0.52	0.75	16.91
38	1	0	1	0	Fiji	13.79	28.49	0.55	57.17	27.44	27.37	0.81	44.38
39	1	0	0	0	French Polynesia	5.05	1.68	0.1	93.17	11.56	6.31	0.06	82.08
40	1	0	1	0	Gabon	0.51	0.34	85.04	14.11	0.25	0.39	86.96	12.4
41	1	0	1	1	Gambia, The	74.97	6.38	0.08	18.58	68.05	9.45	8.13	14.37
42	1	0	0	0	Georgia	10.87	17.83	17.78	53.52	10.15	10.69	12.24	66.92
43	1	0	0	0	Ghana	5.43	25.73	6.98	61.86	2.24	19.63	2.06	76.07
44	1	0	0	0	Greenland	69.51	26.08	0.03	4.37	55.32	27.96	0.72	16
45	1	0	1	0	Grenada	30.99	4.41	0	64.6	34.94	8.21	0.28	56.57
46	1	0	0	0	Guatemala	42.75	15.79	6.35	35.11	25.77	18.1	10.59	45.53
47	1	0	0	1	Guinea	2.13	0.37	51.7	45.79	1.84	1.42	68.82	27.92
48	1	0	1	0	Guyana	18.41	25.17	15.22	41.2	24.14	15.67	13.04	47.16
49	1	0	0	0	Honduras	59.53	12.38	2.08	26.01	46.08	8.38	11.44	34.1
50	0	1	0	0	Hong Kong, China	0.15	1.4	0.48	97.97	0.14	3.95	1.99	93.92
51	0	1	0	0	India	11.5	2.32	5.45	80.73	6.39	2.41	20.88	70.33
52	0	1	0	0	Indonesia	7.48	1.74	28.31	62.47	13.83	2.83	34.91	48.43
53	1	0	0	0	Iran, Islamic Rep.	2.38	0.66	89.32	7.64	5.12	1.23	73.27	20.38
54	1	0	0	0	Israel	2.08	0.83	0.26	96.84	2.66	1.19	1.15	95
55	1	0	1	0	Jamaica	8.36	17.38	4.25	70.01	7.01	21.53	33.72	37.74
56	1	0	0	0	Jordan	13.13	2.99	6.89	76.99	11	5.27	7.72	76.01
57	1	0	0	0	Kazakhstan	6.61	0.38	55.36	37.65	3.07	0.33	76.02	20.58
58	1	0	0	0	Kenya	59.05	7.7	11.88	21.37	48.79	8.62	6.93	35.66
59	0	1	0	0	Korea, Rep.	0.98	0.71	5.56	92.75	0.5	0.67	7.1	91.73
60	1	0	0	0	Kuwait	0.1	0.14	94.52	5.24	0.07	0.12	96.3	3.51
61	1	0	0	0	Kyrgyz Republic	3.3	7.39	17.2	72.11	11.43	3.27	8.07	77.23
62	1	0	0	0	Lebanon	8.62	10.15	4.62	76.61	4.56	7.62	1.31	86.51
63	1	0	0	0	Macao	0.13	0.79	0.62	98.46	0	0.21	0	99.79
64	1	0	0	1	Madagascar	34.68	4.58	5.84	54.9	19.41	8.81	14.82	56.96
65	1	0	0	1	Malawi	18.26	71.17	0.22	10.35	14.41	62.4	11.26	11.93
66	0	1	0	0	Malaysia	4.75	1.14	9.74	84.37	9.97	2.32	16.17	71.55
67	1	0	1	1	Maldives	38.39	15.32	0	46.29	87.25	8.91	0.02	3.83
68	1	0	0	0	Mali	1.4	0.31	0.09	98.21	5.02	0.48	0.05	94.44
69	1	0	0	1	Mauritania	40.52	2.7	56.55	0.22	34.89	3.4	19.79	41.92
70	1	0	1	0	Mauritius	1.66	17.19	0.02	81.13	3.11	36.11	0	60.78
71	1	0	0	0	Mayotte	6.99	0.72	0.3	91.99	11.71	2.47	0.76	85.05
72	0	1	0	0	Mexico	3.19	1.77	10.04	85	3.32	2.71	14.59	79.37
73	1	0	0	0	Moldova	20.07	43.27	0.63	36.04	38.64	33.59	1.34	26.44
74	1	0	0	0	Mongolia	5.02	0.25	40.42	54.31	1.57	0.44	68.97	29.01

South code	South Excluding Advanced South code	Advanced South code	SVE code	LDC code	Name	Share in total export in early 2000s				Share in total export in late 2000s			
						Agriculture	Processed food	Extraction	Manufacturing	Agriculture	Processed food	Extraction	Manufacturing
75	1	0	0	0	Montserrat	54.04	8.16	0.08	37.71	0	0	99.85	0.15
76	1	0	0	0	Morocco	17.48	4.88	10.54	67.1	13.65	6.06	11.1	69.19
77	1	0	0	1	Mozambique	37.77	5.24	21.41	35.58	8.33	7.43	20.66	63.57
78	1	0	0	0	Namibia	21.66	7.28	11.9	59.16	19.35	5.58	17.3	57.78
79	1	0	0	1	Nepal	8.61	1.46	0.18	89.75	17.72	5.92	1.28	75.07
80	1	0	0	0	New Caledonia	3.89	0.19	21.09	74.83	1.75	0.1	22.45	75.7
81	1	0	0	0	Nicaragua	73.68	11.88	1.73	12.72	63.6	14.46	1.36	20.59
82	1	0	0	1	Niger	40.42	4.62	42.3	12.66	15.25	3.17	51.79	29.8
83	1	0	0	0	Nigeria	0.13	0.01	99.64	0.22	1.81	1.85	87.75	8.59
84	1	0	0	0	Oman	2.06	1.62	82.88	13.44	2.05	0.54	78.53	18.88
85	1	0	0	0	Pakistan	10.05	1.37	2.62	85.96	16	2.04	8.96	73
86	1	0	0	0	Panama	63.11	12.22	6.75	17.92	56.22	10.2	0.33	33.24
87	1	0	1	0	Papua New Guinea	14.34	1.01	80.03	4.62	NA	NA	NA	0
88	1	0	0	0	Paraguay	52.35	13.08	0.2	34.37	53.28	6.86	30.62	9.24
89	1	0	0	0	Peru	9.54	16.32	17.33	56.81	8.68	7.57	38.92	44.83
90	1	0	0	0	Philippines	3.59	1.39	1.95	93.07	5.03	2.67	3.63	88.67
91	1	0	0	0	Qatar	0.05	0	91.4	8.54	0.05	0.01	76.65	23.29
92	0	1	0	0	Russian Federation	0.89	0.37	51.46	47.28	1.44	0.46	66.41	31.68
93	1	0	1	1	Sao Tome and Principe	5.69	91.25	0	3.06	6.28	88.81	0	4.92
94	1	0	0	0	Saudi Arabia	0.4	0.19	92.21	7.19	0.7	0.5	87.65	11.16
95	1	0	0	1	Senegal	46.69	6.17	19.04	28.1	18.08	8	34.7	39.23
96	1	0	1	0	Seychelles	5.77	89.15	0	5.09	3.54	94.24	0	2.21
97	0	1	0	0	Singapore	0.99	1.33	7.41	90.27	0.52	1.5	16.15	81.83
98	0	1	0	0	South Africa	4.74	4.24	14.87	76.15	5.41	3.77	24.27	66.55
99	1	0	0	0	Sri Lanka	19.48	1.15	0.59	78.78	24.1	3.18	0.43	72.29
100	1	0	0	0	St. Kitts and Nevis	2.57	24.43	0.02	72.98	2.92	9.72	0.13	87.23
101	1	0	0	0	St. Lucia	58.01	21.49	0.01	20.5	26.65	39.02	2.84	31.48
102	1	0	0	0	St. Vincent and the Grenadines	81.45	6.98	0.07	11.5	69.16	13.19	1.28	16.37
103	1	0	0	0	Suriname	2.82	0.14	0.56	96.49	2.09	0.38	13.02	84.51
104	1	0	0	0	Swaziland	4.67	29.43	1.05	64.85	1.8	20.06	1.26	76.88
105	1	0	0	1	Tanzania	50.3	7.73	0.74	41.23	20.5	5.49	24	50.02
106	0	1	0	0	Thailand	7.95	6.88	3.81	81.37	6.18	7.2	5.48	81.15
107	1	0	0	1	Togo	15	5.29	41.25	38.46	4.53	9.67	37.23	48.57
108	1	0	1	0	Tonga	95.03	0.08	0	4.89	89.55	1.1	0	9.35
109	0	0	1	0	Trinidad and Tobago	0.85	4.85	65.7	28.6	0.29	2.26	66.39	31.07
110	1	0	0	0	Tunisia	7.06	1.77	13.66	77.51	6.16	1.84	15.66	76.34
111	0	1	0	0	Turkey	7.35	5.74	3.33	83.59	6.48	4.11	7.05	82.36
112	1	0	0	0	Turks and Caicos Isl.	20.21	26.81	0.28	52.7	18.34	17.59	0.03	64.04
113	1	0	0	1	Uganda	58.24	8.2	9.36	24.2	58.75	13.32	7.93	20.01

South code	South Excluding Advanced South code	Advanced South code	SVE code	LDC code	Name	Share in total export in early 2000s				Share in total export in late 2000s			
						Agriculture	Processed food	Extraction	Manufacturing	Agriculture	Processed food	Extraction	Manufacturing
114	1	0	0	0	Ukraine	6.69	2.77	9.61	80.94	14.36	5	13.09	67.55
115	1	0	0	0	United Arab Emirates	0.37	0.24	94.06	5.32	0.32	1.07	50.27	48.34
116	1	0	0	0	Uruguay	42.31	5	2.1	50.59	59.21	2.99	3.38	34.42
117	1	0	1	1	Vanuatu	72.98	4.78	0.06	22.18	70.79	13.82	0.24	15.16
118	1	0	0	0	Venezuela	0.87	0.64	86.84	11.65	0.07	0.13	94.5	5.31
119	1	0	0	0	Vietnam	24.52	1.34	26.69	47.46	16.99	2.88	11.52	68.61
120	1	0	0	1	Zambia	7.35	4.7	4.32	83.64	1.61	4.35	9	85.04
121	1	0	0	0	Zimbabwe	10.85	38.06	7.27	43.82	1.9	17.25	12.33	68.53

Source: Calculated from WITS/COMTRADE

ANNEX 4: AUGMENTED GRAVITY MODEL REGRESSIONS RESULTS

Table A4.1: Home: South. Partner: South

Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	1.442*** (0.122)	1.118*** (0.121)	1.434*** (0.122)	1.213*** (0.124)	0.948*** (0.123)	1.221*** (0.124)	0.417 (0.304)	0.374 (0.294)	0.474 (0.403)	0.543* (0.323)	0.563* (0.312)
Log of per capita GDP of partner country	0.592*** (0.010)	0.593*** (0.010)	0.592*** (0.010)	0.590*** (0.010)	0.593*** (0.010)	0.590*** (0.010)	0.282*** (0.012)	0.275*** (0.012)	0.519*** (0.016)	0.363*** (0.013)	0.357*** (0.012)
log of distance between the capitals of home and partner countries	-0.930*** (0.017)	-0.923*** (0.017)	-0.930*** (0.017)	-0.856*** (0.018)	-0.826*** (0.018)	-0.859*** (0.018)	0.748*** (0.024)	0.748*** (0.023)	-0.637*** (0.028)	0.628*** (0.026)	0.631*** (0.025)
Common language dummy	0.637*** (0.033)	0.633*** (0.033)	0.637*** (0.033)	0.626*** (0.034)	0.588*** (0.034)	0.623*** (0.034)	-0.534*** (0.042)	-0.470*** (0.040)	0.312*** (0.054)	-0.471*** (0.044)	-0.416 (0.043)
Land lock dummy for home country	2.156 (885.347)	3.780*** (0.642)	2.143 (.)	3.314*** (0.709)	2.316*** (0.723)	3.325*** (0.708)	2.419 (1.682)	2.127 (1.634)	-0.905 (1.904)	2.803* (1.734)	2.852* (1.683)
Land lock dummy for partner country	-1.925*** (0.034)	-1.937*** (0.033)	-1.926*** (0.034)	-2.040*** (0.034)	-2.049*** (0.033)	-2.036*** (0.034)	-0.773*** (0.049)	-0.736*** (0.0470	-2.218*** (0.060)	-0.732*** (0.053)	-0.705*** (0.051)
Island dummy for home country	-0.996 (855.679)	3.542*** (0.548)	-0.993 (.)	0.322 (0.686)	-0.188 (0.684)	0.342 (0.686)	-0.283 (1.519)	-0.509 (1.491)	-0.530 (1.440)	2.643** (1.333)	1.030 (1.151)
Island dummy for partner country	-2.158*** (0.035)	-2.093*** (0.0350	-2.158*** (0.035)	-2.138*** (0.035)	-2.071*** (0.0350	-2.140*** (0.035)	-0.363*** (0.045)	-0.373*** (0.044)	-0.836*** (0.060)	-0.230*** (0.047)	-0.252*** (0.046)
Common border dummy	2.210*** (0.063)	2.294*** (0.063)	2.211*** (0.0630	2.255*** (0.067)	2.309*** (0.067)	2.263*** (0.067)	0.132* (0.074)	0.163* (0.074)	2.066*** (0.095)	0.317*** (0.078)	0.335*** (0.077)
Simple average MFN tariff of home country	-0.055* (0.0230										
Weighted average tariff of home country		-0.340*** (0.011)									
Simple tariff line average of home country			0.037 (0.022)								
Simple average effectively applied tariff in home country				-0.240*** (0.017)							
Weighted average effectively applied tariff in home country					-0.392*** (0.010)						
Simple Tariff line average effective applied tariff in home country						-0.235*** (0.017)					
Tariff equivalent trade costs in percent: sigma=8							-5.004*** (0.040)				
tij with interpolation								-4.990*** (0.038)			
Geometric average of tariff_ij and tariff_ji									-6.632*** (0.493)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-4.680*** (0.048)	
Nontariff_tij with interpolation											-4.675*** (0.044)
Constant	6.572 (926.893)	6.733*** (1.228)	6.680 (1.678)	7.108*** (1.258)	9.710*** (1.251)	7.062*** (1.258)	29.765 (3.184)	30.772*** (3.119)	13.345*** (4.272)	27.215*** (3.431)	26.461*** (3.275)
Number of obs	73181	72734	73181	71136	70485	71137	22245	24724	23249	21072	23247
F(130,148088)	275.79	265.89	245.39	246.56	256.860	246.100	252.29	286.26	83.61	198.63	227.84
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.317	0.325	0.317	0.314	0.324	0.314	0.624	0.619	0.289	0.605	0.604
Root MSE	3.248	3.228	3.248	3.246	3.220	3.246	2.063	2.138	2.891	2.093	2.157
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.2: Home: South. Partner: North

Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	1.468*** (0.146)	1.345*** (0.143)	1.510*** (0.146)	1.321*** (0.143)	1.302*** (0.143)	1.357*** (0.143)	0.338 (0.313)	0.510* (0.314)	0.777* (0.404)	0.404 (0.317)	0.454 (0.316)
Log of per capita GDP of partner country	0.932*** (0.049)	0.909*** (0.048)	0.930*** (0.048)	0.911*** (0.048)	0.911*** (0.048)	0.917*** (0.048)	0.462*** (0.049)	0.394*** (0.049)	0.294*** (0.072)	0.468*** (0.050)	0.406*** (0.049)
log of distance between the capitals of home and partner countries	-1.013*** (0.035)	-1.021*** (0.035)	-1.013*** (0.035)	-1.047*** (0.035)	-1.042*** (0.035)	-1.048*** (0.035)	0.183*** (0.046)	0.210*** (0.046)	-0.957*** (0.057)	0.152*** (0.046)	0.180*** (0.047)
Common language dummy	1.312*** (0.045)	1.327*** (0.045)	1.309*** (0.045)	1.313*** (0.045)	1.322*** (0.045)	1.312*** (0.045)	0.043 (0.047)	0.047 (0.047)	0.993*** (0.067)	0.043 (0.048)	0.041 (0.048)
Land lock dummy for home country	-1.080* (0.674)	1.317 (0.953)	-1.157* (0.677)	-0.750 (0.670)	-0.114 (0.606)	1.336 (0.951)	-2.372** (1.051)	-1.563 (3.301)	-0.128 (0.658)	-2.676 (3.012)	-0.141 (0.460)
Land lock dummy for partner country	-1.628*** (0.045)	-1.625*** (0.046)	-1.622*** (0.045)	-1.623*** (0.045)	-1.621*** (0.045)	-1.622*** (0.045)	-0.613*** (0.048)	-0.621*** (0.049)	-1.348*** (0.061)	-0.614*** (0.049)	-0.616*** (0.049)
Island dummy for home country	-2.105*** (0.712)	-1.039* (0.612)	-2.182*** (0.714)	2.736*** (0.981)	3.313*** (0.461)	3.607*** (0.480)	-0.833 (0.813)	0.181 (1.204)	-4.975*** (1.065)	-2.067*** (0.799)	-2.403*** (0.790)
Island dummy for partner country	-0.503*** (0.041)	-0.520*** (0.041)	-0.502*** (0.0410	-0.505*** (0.041)	-0.513*** (0.041)	-0.505*** (0.041)	0.232*** (0.039)	0.195*** (0.039)	-0.044 (0.060)	0.173*** (0.040)	0.129*** (0.041)
Common border dummy	-0.104 (0.215)	-0.124 (0.212)	-0.102 (0.214)	-0.166 (0.213)	-0.178 (0.213)	-0.171 (0.213)	-0.218* (0.133)	-0.244* (0.133)	-0.080 (0.296)	-0.256* (0.137)	-0.275** (0.136)
Simple average MFN tariff of home country	0.376*** (0.052)										
Weighted average tariff of home country		0.165*** (0.025)									
Simple tariff line average of home country			0.462*** (0.054)								
Simple average effectively applied tariff in home country				0.150*** (0.027)							
Weighted average effectively applied tariff in home country					0.113*** (0.020)						
Simple Tariff line average effective applied tariff in home country						0.224*** (0.030)					
Tariff equivalent trade costs in percent: sigma=8							-3.777*** (0.058)				
tij with interpolation								-3.851*** (0.057)			
Geometric average of tariff_ij and tariff_ji									-9.945*** (1.237)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-3.622*** (0.059)	
Nontariff_tij with interpolation											-3.684*** (0.057)
Constant	2.981*** (1.161)	3.820** (1.571)	2.497** (1.158)	4.904*** (1.096)	4.498*** (1.553)	3.678** (1.560)	29.040*** (1.935)	27.817*** (3.381)	17.217*** (2.435)	27.763*** (1.942)	27.731*** (1.888)
Number of obs	19876	19863	19876	19846	19811	19845	8621	8996	8723	8386	8723
F(130,148088)	177.26	176.40	177.48	175.81	176.00	176.440	177.48	183.64	96.640	193.64	205.36
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.555	0.554	0.555	0.554	0.555	0.555	0.766	0.766	0.548	0.758	0.759
Root MSE	1.999	2.000	1.997	2.001	2.000	1.999	1.305	1.349	1.852	1.314	1.351
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.3: Home: South. Partner: LDC

Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	2.074***	1.379***	2.048***	2.140***	1.229***	2.136***	0.226	0.283	1.522	0.663	1.412
	(0.418)	(0.406)	(0.418)	(0.425)	(0.412)	(0.425)	(1.397)	(1.430)	(2.371)	(1.882)	(1.978)
Log of per capita GDP of partner country	-0.169**	-0.241***	-0.171**	-0.188***	-0.246***	-0.187***	-0.829***	-0.764***	-1.537***	-1.060***	-1.006***
	(0.067)	(0.064)	(0.067)	(0.067)	(0.064)	(0.067)	(0.268)	(0.274)	(0.465)	(0.366)	(0.352)
log of distance between the capitals of home and partner countries	-0.727***	-0.726***	-0.724***	-0.650***	-0.642***	-0.644***	0.754***	0.780***	-0.756***	0.626*	0.742***
	(0.055)	(0.054)	(0.055)	(0.056)	(0.055)	(0.056)	(0.181)	(0.179)	(0.235)	(0.258)	(0.245)
Common language dummy	0.276**	0.113	0.271**	0.257**	0.075	0.256**	0.479**	0.649***	0.189	0.064	0.220
	(0.116)	(0.111)	(0.116)	(0.118)	(0.113)	(0.118)	(0.222)	(0.221)	(0.379)	(0.328)	(0.316)
Land lock dummy for home country	9.109***	6.428***	9.098***	-1.967***	-2.496***	-1.991***	-1.868	-2.511*	-0.656	0.871	4.890
	(1.375)	(1.645)	(1.374)	(0.443)	(0.419)	(0.442)	(4.463)	(1.343)	(5.053)	(3.732)	(4.241)
Land lock dummy for partner country	-1.173***	-1.271***	-1.178***	-1.205***	-1.278***	-1.204***	-1.175***	-1.000***	-3.041***	-1.708***	-1.459***
	(0.106)	(0.103)	(0.105)	(0.106)	(0.103)	(0.106)	(0.305)	(0.310)	(0.404)	(0.352)	(0.351)
Island dummy for home country	6.503***	5.938***	6.458***	-3.516***	-2.034	-3.534***	1.292	0.820	2.349	2.055	3.622
	(0.708)	(1.317)	(0.706)	(0.418)	(1.627)	(0.417)	(3.035)	(2.780)	(5.129)	(1.612)	(4.294)
Island dummy for partner country	-2.383***	-2.238***	-2.379***	-2.388***	-2.232***	-2.381***	-1.171**	-0.629	0.355	0.473	1.183
	(0.100)	(0.098)	(0.100)	(0.102)	(0.099)	(0.102)	(0.524)	(0.534)	(1.121)	(0.998)	(0.976)
Common border dummy	1.756***	1.969***	1.767***	1.816***	1.907***	1.823***	0.311	0.345	1.412*	0.462	0.564
	(0.263)	(0.258)	(0.263)	(0.272)	(0.261)	(0.272)	(0.457)	(0.448)	(0.746)	(0.578)	(0.545)
Simple average MFN tariff of home country	-0.034*										
	(0.003)										
Weighted average tariff of home country		-0.386***									
		(0.034)									
Simple tariff line average of home country			-0.073								
			(0.064)								
Simple average effectively applied tariff in home country				-0.217***							
				(0.060)							
Weighted average effectively applied tariff in home country					-0.415***						
					(0.032)						
Simple Tariff line average effective applied tariff in home country						-0.241***					
						(0.060)					
Tariff equivalent trade costs in percent: sigma=8							-4.028***				
							(0.261)				
tij with interpolation								-4.204***			
								(0.254)			
Geometric average of tariff_ij and tariff_ji									-9.621***		
									(3.648)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-3.617***	
										(0.317)	
Nontariff_tij with interpolation											-3.843***
											(0.310)
Constant	-0.788	6.962*	-0.487	9.725***	16.047***	9.782***	32.985**	33.696***	14.715	30.238**	20.298
	(4.138)	(3.999)	(4.134)	(2.874)	(2.763)	(2.866)	(14.761)	(9.324)	(24.950)	(12.366)	(20.937)
Number of obs	5896	5819	5896	5727	5635	5727	852	982	633	556	633
F(130,148088)	147.83	147.11	148.01	146.62	146.7	147.15	148.01	153.15	80.59	161.49	171.27
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.315	0.325	0.315	0.319	0.331	0.320	0.598	0.558	0.455	0.605	0.581
Root MSE	2.909	2.838	2.909	2.903	2.816	2.902	2.012	2.180	2.505	2.085	2.196
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.4: Home: South. Partner: SVE

Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	0.754*** (0.291)	0.332 (0.276)	0.717** (0.290)	0.865*** (0.295)	0.483* (0.281)	0.849*** (0.294)	1.238 (0.924)	1.246 (0.900)	1.257 (1.119)	1.243 (0.951)	0.995 (0.922)
Log of per capita GDP of partner country	0.745*** (0.027)	0.700*** (0.026)	0.742*** (0.027)	0.751*** (0.027)	0.709*** (0.027)	0.748*** (0.027)	0.696*** (0.079)	0.734*** (0.075)	0.904*** (0.094)	0.718*** (0.090)	0.748*** (0.085)
log of distance between the capitals of home and partner countries	-1.323*** (0.032)	-1.313*** (0.031)	-1.324*** (0.032)	-1.253*** (0.033)	-1.225*** (0.032)	-1.253*** (0.033)	-0.062 (0.093)	-0.016 (0.088)	-1.077*** (0.079)	-0.193* (0.1110	-0.121 (0.101)
Common language dummy	0.356*** (0.079)	0.345*** (0.078)	0.356*** (0.079)	0.253*** (0.081)	0.244*** (0.080)	0.254*** (0.081)	-0.196 (0.142)	-0.053 (0.137)	0.698*** (0.149)	0.011 (0.153)	0.142 (0.145)
Land lock dummy for home country	-2.364* (1.259)	-2.662** (1.238)	-2.477** (1.267)	-2.538* (1.509)	-3.774** (1.488)	-2.557** (1.499)	-3.613*** (0.398)	6.405* (3.905)	4.207 (3.346)	2.051 (4.349)	-2.901*** (0.410)
Land lock dummy for partner country	0.390*** (0.104)	0.494*** (0.102)	0.404*** (0.104)	0.430*** (0.105)	0.519*** (0.104)	0.444*** (0.105)	-0.540** (0.260)	-0.336 (0.241)	-0.984*** (0.273)	-0.526* (0.276)	-0.251 (0.255)
Island dummy for home country	-0.477 (1.757)	-0.508 (1.740)	-0.561 (1.765)	-1.499 (1.869)	-0.908 (2.045)	-1.329 (1.882)	0.026 (1.065)	5.963* (3.367)	2.718 (3.201)	4.898* (2.781)	0.320 (1.822)
Island dummy for partner country	-0.161** (0.071)	-0.006 (0.069)	-0.150** (0.071)	-0.150** (0.072)	-0.011 (0.070)	-0.142** (0.072)	-0.283* (0.164)	-0.258* (0.159)	-0.313 (0.198)	-0.109 (0.188)	-0.089 (0.178)
Common border dummy	0.002 (0.253)	0.056 (0.245)	0.012 (0.253)	0.281 (0.271)	0.371 (0.267)	0.298 (0.271)	-0.832** (0.346)	-0.661* (0.349)	0.818* (0.483)	-0.561 (0.386)	-0.400 (0.386)
Simple average MFN tariff of home country	-0.387*** (0.044)										
Weighted average tariff of home country		-0.525*** (0.023)									
Simple tariff line average of home country			-0.434*** (0.043)								
Simple average effectively applied tariff in home country				-0.468*** (0.038)							
Weighted average effectively applied tariff in home country					-0.517*** (0.023)						
Simple Tariff line average effective applied tariff in home country						-0.489*** (0.037)					
Tariff equivalent trade costs in percent: sigma=8							-3.477*** (0.147)				
tij with interpolation								-3.492*** (0.138)			
Geometric average of tariff_ij and tariff_ji									-7.803*** (1.437)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-2.895*** (0.2090	
Nontariff_tij with interpolation											-2.972*** (0.190)
Constant	15.352*** (2.396)	18.623 (2.283)	15.865*** (2.395)	14.208 (2.546)	17.047*** (2.453)	14.423 (2.536)	20.511*** (5.375)	13.690 (9.438)	1.771 (11.775)	12.249 (10.060)	18.264*** 95.320)
Number of obs	11434	11354	11434	11005	10904	11005	2230	2582	2344	2031	2343
F(130,148088)	88.630	88.200	88.740	87.905	88.000	88.220	88.740	91.820	48.320	96.820	102.680
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.3329	0.3604	0.3348	0.3312	0.3547	0.3331	0.5259	0.5144	0.385	0.4944	0.4875
Root MSE	2.7167	2.6439	2.7128	2.7014	2.6312	2.6976	2.1081	2.2084	2.4443	2.1496	2.2318
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.5: Home: South. Partner: Advanced south

Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	0.997*** (0.161)	0.991*** (0.160)	1.011*** (0.160)	0.921*** (0.159)	0.969*** (0.159)	0.934*** (0.159)	0.985** (0.435)	1.158*** (0.416)	0.969* (0.498)	0.918 (0.460)	1.104 (0.439)
Log of per capita GDP of partner country	-0.320*** (0.011)	-0.321*** (0.011)	-9.319*** (0.011)	-0.321*** (0.011)	-0.320*** (0.011)	-0.321*** (0.011)	-0.353*** (0.016)	-0.365*** (0.016)	-0.497*** (0.022)	-0.297*** (0.017)	-0.308*** (0.016)
log of distance between the capitals of home and partner countries	-1.367*** (0.026)	-1.362*** (0.026)	-1.364*** (0.025)	-1.372*** (0.027)	-1.376*** (0.026)	-1.374*** (0.026)	-0.333*** (0.040)	-0.353*** (0.040)	-1.144*** (0.038)	-0.427*** (0.041)	-0.447*** (0.040)
Common language dummy	0.664*** (0.047)	0.666*** (0.047)	0.664*** (0.047)	0.651*** (0.047)	0.662*** (0.047)	0.653*** (0.047)	0.353*** (0.057)	0.385*** (0.057)	0.896*** (0.067)	0.402*** (0.059)	0.429*** (0.060)
Land lock dummy for home country	-2.324** (1.077)	-2.218** (1.085)	-2.377** (1.074)	-1.254 (1.235)	-1.242 (1.237)	-1.253 (1.234)	1.776 (1.914)	2.776* (1.673)	-0.583 (2.179)	1.233 (2.185)	2.151 (1.922)
Land lock dummy for partner country	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted
Island dummy for home country	2.563* (1.334)	2.197 (1.345)	2.639** (1.330)	2.243* (1.326)	2.154 (1.347)	2.277* (1.326)	-1.945 (1.397)	-1.477 (1.330)	-2.204*** (0.651)	-0.819 (0.640)	-0.158 (0.700)
Island dummy for partner country	-0.036 (0.032)	-0.024 (0.032)	-0.034 (0.031)	-0.029 (0.032)	-0.023 (0.032)	-0.029 (0.032)	0.457*** (0.050)	0.445*** (0.050)	-0.266*** (0.054)	0.539*** (0.052)	0.526*** (0.052)
Common border dummy	0.814*** (0.086)	0.799*** (0.085)	0.813*** (0.085)	0.751*** (0.088)	0.754*** (0.086)	0.762*** (0.088)	0.324*** (0.117)	0.284** (0.118)	0.568*** (0.137)	0.406*** (0.122)	0.352*** (0.123)
Simple average MFN tariff of home country	0.195*** (0.061)										
Weighted average tariff of home country		0.139*** (0.033)									
Simple tariff line average of home country			0.241*** (0.059)								
Simple average effectively applied tariff in home country				0.049* (0.028)							
Weighted average effectively applied tariff in home country					0.102*** (0.026)						
Simple Tariff line average effective applied tariff in home country						0.074** (0.030)					
Tariff equivalent trade costs in percent: sigma=8							-2.741*** (0.084)				
tij with interpolation								-2.688*** (0.079)			
Geometric average of tariff_ij and tariff_ji									-5.841*** (1.032)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-2.493*** (0.089)	
Nontariff_tij with interpolation											-2.458*** (0.084)
Constant	21.529*** (1.316)	21.727*** (1.287)	21.300*** (1.310)	22.407*** (1.274)	22.059*** (1.275)	22.289*** (1.275)	28.733*** (4.613)	26.982*** (4.409)	22.970*** (5.231)	27.632*** (4.824)	25.773*** (4.609)
Number of obs	9669	9666	9669	9641	9638	9641	4545	4808	4647	4406	4647
F(130,148088)	227.510	227.08	228.16	228.420	226.660	227.600	124.236	128.548	67.648	135.548	143.752
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.742	0.743	0.743	0.741	0.741	0.741	0.785	0.786	0.705	0.777	0.779
Root MSE	1.464	1.463	1.463	1.465	1.464	1.465	1.223	1.244	1.453	1.236	1.257
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.6: Home: South. Partner: South Excluding Advanced south
Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	1.505*** (0.124)	1.138*** (0.122)	1.501*** (0.124)	1.327*** (0.125)	0.991*** (0.124)	1.333*** (0.125)	0.181 (0.328)	0.128 (0.319)	0.327 (0.426)	0.338 (0.348)	0.338 (0.338)
Log of per capita GDP of partner country	0.509*** (0.010)	0.505*** (0.010)	0.509*** (0.010)	0.506*** (0.010)	0.505*** (0.010)	0.507*** (0.010)	0.320*** (0.014)	0.313*** (0.013)	0.509*** (0.018)	0.388*** (0.014)	0.384*** (0.014)
log of distance between the capitals of home and partner countries	-1.214*** (0.017)	-1.202*** (0.017)	-1.214*** (0.017)	-1.134*** (0.018)	-1.094*** (0.018)	-1.136*** (0.018)	0.473*** (0.027)	0.470*** (0.027)	-0.889*** (0.031)	0.361*** (0.029)	0.360*** (0.028)
Common language dummy	0.897*** (0.034)	0.901*** (0.034)	0.896*** (0.034)	0.857*** (0.035)	0.816*** (0.034)	0.854*** (0.035)	-0.338*** (0.046)	-0.266*** (0.045)	0.638*** (0.057)	-0.253*** (0.050)	-0.195*** (0.048)
Land lock dummy for home country	-0.353 (--)	1.687 (--)	-0.355*** (1487.354)	1.336 (--)	-0.057 (1439.502)	0.092 (0.622)	1.333 (1.747)	1.640** (0.658)	-0.519 (0.864)	1.805 (1.790)	1.771 (1.741)
Land lock dummy for partner country	-1.457*** (0.033)	-1.444*** (0.032)	-1.456*** (0.033)	-1.548*** (0.033)	-1.535*** (0.033)	-1.544*** (0.033)	-0.602*** (0.049)	-0.576*** (0.047)	-1.652*** (0.059)	-0.574*** (0.053)	-0.559*** (0.050)
Island dummy for home country	-2.118*** (0.780)	0.987 (--)	-2.116*** (0.780)	-0.873 (--)	-3.243 (4337.216)	-2.107*** (0.783)	1.105 (--)	-1.107 (1.149)	-2.084 (1.317)	-0.915 (1.617)	-0.926 (1.595)
Island dummy for partner country	-2.253*** (0.034)	-2.148*** (0.034)	-2.253*** (0.034)	-2.237*** (0.035)	-2.130*** (0.034)	-2.238*** (0.035)	-0.844*** (0.050)	-0.836*** (0.048)	-1.133*** (0.064)	-0.763*** (0.052)	-0.761*** (0.050)
Common border dummy	1.658*** (0.066)	1.752*** (0.065)	1.660*** (0.066)	1.677*** (0.070)	1.729*** (0.070)	1.688*** (0.070)	-0.085 (0.077)	-0.057 (0.077)	1.724*** (0.102)	0.100 (0.082)	0.112 (0.081)
Simple average MFN tariff of home country	-0.058*** (0.022)										
Weighted average tariff of home country		-0.440*** (0.011)									
Simple tariff line average of home country			-0.066*** (0.021)								
Simple average effectively applied tariff in home country				-0.272*** (0.016)							
Weighted average effectively applied tariff in home country					-0.473*** (0.010)						
Simple Tariff line average effective applied tariff in home country						-0.269*** (0.016)					
Tariff equivalent trade costs in percent: sigma=8							-4.607*** (0.045)				
tij with interpolation								-4.590*** (0.042)			
Geometric average of tariff_ij and tariff_ji									-5.249*** (0.491)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-4.288*** (0.056)	
Nontariff_tij with interpolation											-4.286*** (0.051)
Constant	9.710*** (0.957)	11.922 (--)	9.765*** (0.957)	9.717 (--)	14.824 (4944.184)	10.940*** (0.959)	32.016*** (3.474)	31.998*** (1.839)	16.767*** (2.460)	28.770*** (3.695)	28.854*** (3.587)
Number of obs	63512	63068	63512	61495	60847	61496	17700	19916	18602	16666	18600
F(130,148088)	194.986	194.040	195.228	193.391	193.600	194.084	195.228	202.004	106.304	213.004	225.896
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.3506	0.376	0.358	0.354	0.372	0.354	0.610	0.60112	0.327	0.591	0.5865
Root MSE	3.0329	2.988	3.032	3.024	2.973	3.024	2.028	2.112	2.718	2.061	2.1321
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.7: Home: North. Partner: South.

Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	1.947*** (0.675)	1.100* (0.674)	2.236*** (0.672)	2.025*** (0.711)	2.097*** (0.725)	2.390*** (0.712)	0.098 (1.329)	-0.168 (1.349)	2.216 (2.114)	-0.087 (1.340)	-0.341 (1.361)
Log of per capita GDP of partner country	0.665*** (0.022)	0.663*** (0.022)	0.667*** (0.022)	0.508*** (0.024)	0.504*** (0.025)	0.505*** (0.024)	-0.012 (0.019)	-0.016 (0.019)	0.460*** (0.025)	0.064*** (0.019)	0.066*** (0.019)
log of distance between the capitals of home and partner countries	-1.128*** (0.052)	-1.192*** (0.053)	-1.129*** (0.052)	-0.969*** (0.057)	-1.013*** (0.059)	-0.993*** (0.057)	0.517*** (0.029)	0.490*** (0.029)	-0.379*** (0.044)	0.467*** (0.028)	0.451*** (0.028)
Common language dummy	-0.211** (0.091)	-0.467*** (0.090)	-0.201** (0.090)	-0.488*** (0.098)	-0.582*** (0.101)	-0.421*** (0.098)	-0.828*** (0.068)	-0.811*** (0.068)	-0.133 (0.102)	-0.884*** (0.070)	-0.862*** (0.069)
Land lock dummy for home country	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	-1.792*** (0.391)	-1.320 (2.046)	-3.045*** (0.604)	-1.273 (2.036)	-1.618*** (0.397)
Land lock dummy for partner country	-2.150*** (0.067)	-2.144*** (0.067)	-2.143*** (0.067)	-2.519*** (0.074)	-2.586*** (0.074)	-2.539*** (0.074)	-0.686*** (0.060)	-0.702*** (0.058)	-2.372*** (0.075)	-0.691*** (0.062)	-0.692*** (0.060)
Island dummy for home country	1.815*** (0.371)	1.323*** (0.305)	1.951*** (0.370)	1.283*** (0.304)	1.080 (1.144)	0.312 (0.633)	-0.426 (0.700)	-0.077 (0.991)	1.772 (1.116)	-0.093 (0.984)	-0.584 (0.716)
Island dummy for partner country	-2.275*** (0.074)	-2.190*** (0.076)	-2.259*** (0.074)	-1.944*** (0.081)	-1.867*** (0.083)	-1.949*** (0.081)	-0.623*** (0.059)	-0.689*** (0.060)	-1.851*** (0.103)	-0.576*** (0.063)	-0.685*** (0.064)
Common border dummy	3.220*** (0.139)	2.554*** (0.142)	3.391*** (0.146)	3.048*** (0.141)	2.576*** (0.152)	2.956*** (0.139)	-0.371 (0.443)	-0.313 (0.445)	2.799*** (0.419)	-0.241 (0.426)	-0.213 (0.429)
Simple average MFN tariff of home country	-0.306*** (0.037)										
Weighted average tariff of home country		-0.177*** (0.014)									
Simple tariff line average of home country			-0.413*** (0.035)								
Simple average effectively applied tariff in home country				-0.138*** (0.025)							
Weighted average effectively applied tariff in home country					-0.171*** (0.014)						
Simple Tariff line average effective applied tariff in home country						-0.022 (0.025)					
Tariff equivalent trade costs in percent: sigma=8							-5.692*** (0.067)				
tij with interpolation								-5.633*** (0.065)			
Geometric average of tariff_ij and tariff_ji									0.111 (0.958)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-5.470*** (0.065)	
Nontariff_tij with interpolation											-5.443*** (0.064)
Constant	0.354 (6.989)	10.503 (6.650)	-2.792 (6.958)	0.565 (7.014)	0.388 (7.557)	-1.978 (7.348)	42.522*** (14.113)	44.908*** (12.603)	-6.928 (22.387)	42.500*** (12.549)	45.395*** (14.405)
Number of obs	13123	12825	13123	10654	10133	10670	8749	9340	9081	8529	9081
F(130,148088)	323.150	357.800	305.310	278.200	262.240	281.810	522.940	573.690	171.410	513.910	565.910
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.352	0.356	0.355	0.357	0.367	0.356	0.724	0.719	0.353	0.720	0.717
Root MSE	2.953	2.951	2.946	2.816	2.820	2.818	1.730	1.812	2.744	1.737	1.816
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.8: Home: North. Partner: North

Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	2.541*** (0.840)	2.400*** (0.832)	2.852*** (0.848)	3.489*** (0.850)	2.813*** (0.849)	3.581*** (0.849)	1.860 (1.783)	1.787 (1.781)	2.240 (2.246)	2.067 (1.774)	1.449 (1.672)
Log of per capita GDP of partner country	1.168*** (0.109)	1.043*** (0.111)	1.252*** (0.106)	1.218*** (0.097)	1.185*** (0.100)	1.201*** (0.097)	0.207*** (0.075)	0.205*** (0.075)	0.095 (0.110)	0.150** (0.074)	0.140** (0.069)
log of distance between the capitals of home and partner countries	-0.923*** (0.047)	-0.976*** (0.049)	-0.910*** (0.046)	-0.998*** (0.051)	-0.936*** (0.051)	-0.994*** (0.051)	0.060 (0.129)	0.059 (0.128)	-0.829*** (0.061)	-0.001 (0.116)	0.187*** (0.066)
Common language dummy	0.943*** (0.113)	0.907*** (0.114)	0.956*** (0.113)	0.985*** (0.115)	0.880*** (0.115)	0.991*** (0.114)	0.107 (0.091)	0.101 (0.090)	0.520*** (0.094)	0.074 (0.091)	0.047 (0.089)
Land lock dummy for home country	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	-1.592 (1.453)	0.599 (0.792)	0.840 (1.002)	-1.776 (1.445)	-3.536 (2.544)
Land lock dummy for partner country	-1.562*** (0.095)	-1.547*** (0.094)	-1.567*** (0.094)	-1.455*** (0.093)	-1.446*** (0.093)	-1.463*** (0.092)	-0.717*** (0.119)	-0.715*** (0.119)	-1.486*** (0.078)	-0.702*** (0.119)	-0.515*** (0.072)
Island dummy for home country	2.849*** (0.475)	3.097*** (0.472)	2.834*** (0.466)	2.925*** (0.473)	2.879*** (0.477)	1.941*** (0.344)	-0.636 (1.294)	1.545 (0.975)	2.665** (1.195)	-0.830 (1.289)	-0.562 (1.223)
Island dummy for partner country	-0.449*** (0.100)	-0.457*** (0.101)	-0.447*** (0.100)	-0.452*** (0.104)	-0.431*** (0.107)	-0.445*** (0.104)	-0.295*** (0.076)	-0.295*** (0.076)	-0.304*** (0.094)	-0.287*** (0.075)	-0.274*** (0.070)
Common border dummy	-0.536*** (0.110)	-0.588*** (0.112)	-0.546*** (0.110)	-0.675*** (0.108)	-0.608*** (0.107)	-0.663*** (0.110)	0.407** (0.162)	0.407** (0.160)	1.076*** (0.095)	0.364** (0.165)	0.118 (0.094)
Simple average MFN tariff of home country	0.020 (0.138)										
Weighted average tariff of home country		0.132*** (0.050)									
Simple tariff line average of home country			0.246* (0.142)								
Simple average effectively applied tariff in home country				0.189*** (0.040)							
Weighted average effectively applied tariff in home country					-0.028 (0.028)						
Simple Tariff line average effective applied tariff in home country						0.220*** (0.044)					
Tariff equivalent trade costs in percent: sigma=8							-2.454*** (0.428)				
tij with interpolation								-2.446*** (0.424)			
Geometric average of tariff_ij and tariff_ji									-5.606* (3.129)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-2.445*** (0.417)	
Nontariff_tij with interpolation											-3.168*** (0.200)
Constant	-10.622 (8.824)	-7.483 (8.693)	-15.034* (8.957)	-20.140** (8.821)	-13.267 (8.842)	-19.958** (8.427)	12.127 (16.896)	10.679 (19.148)	2.380 (23.898)	11.187 (16.825)	18.956 (15.748)
Number of obs	2363	2363	2363	2303	2268	2309	1961	1965	1965	1961	1963
F(130,148088)	93.110	93.450	91.580	93.740	96.730	91.780	118.020	118.740	96.680	118.670	117.000
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.493	0.495	0.494	0.487	0.488	0.485	0.722	0.723	0.603	0.724	0.761
Root MSE	1.441	1.438	1.440	1.425	1.423	1.427	1.125	1.125	1.347	1.122	1.043
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.9: Home: North. Partner: LDC

Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	4.022** (2.200)	3.220 (2.198)	3.895* (2.193)	3.212 (3.290)	2.582 (3.495)	3.245 (3.319)	4.062 (6.132)	4.578 (6.074)	-3.705 (10.608)	-1.608 (8.164)	-0.567 (7.957)
Log of per capita GDP of partner country	-0.241 (0.188)	-0.954*** (0.157)	-0.264 (0.187)	-0.910*** (0.303)	-1.009*** (0.278)	-0.916*** (0.302)	-0.900*** (0.188)	-0.998*** (0.172)	-1.936*** (0.265)	-0.619** (0.260)	-0.658** (0.243)
log of distance between the capitals of home and partner countries	-1.068*** (0.221)	-1.462*** (0.231)	-1.101*** (0.222)	-1.642*** (0.276)	-1.820*** (0.286)	-1.656*** (0.274)	2.386*** (0.297)	2.338*** (0.278)	1.726*** (0.471)	2.313*** (0.357)	2.238*** (0.334)
Common language dummy	-0.599* (0.362)	-1.355*** (0.359)	-0.689* (0.366)	-1.794*** (0.531)	-2.206*** (0.527)	-1.757*** (0.526)	-1.148*** (0.265)	-1.030*** (0.244)	-0.017 (0.570)	-1.570*** (0.366)	-1.339*** (0.317)
Land lock dummy for home country	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	-3.160* (1.726)	-8.546 (9.191)	0.381 (4.764)	0.582 (12.411)	1.117 (3.626)
Land lock dummy for partner country	-1.031*** (0.242)	-1.147*** (0.250)	-1.104*** (0.242)	-1.630*** (0.353)	-1.983*** (0.342)	-1.627*** (0.354)	-0.161 (0.247)	-0.394* (0.234)	-4.312*** (0.329)	-0.391 (0.322)	-0.685** (0.290)
Island dummy for home country	1.983 (1.267)	2.115* (1.272)	1.957 (1.271)	0.560 (0.997)	0.177 (1.367)	0.443 (0.974)	0.325 (3.311)	-4.614 (4.438)	-1.282 (5.643)	-0.568 (5.968)	-2.397 (4.270)
Island dummy for partner country	-1.966*** (0.203)	-1.637*** (0.192)	-1.991*** (0.202)	-2.223*** (0.296)	-2.021*** (0.302)	-2.229*** (0.296)	0.281 (0.330)	0.290 (0.297)	-0.936 (0.629)	-0.023 (0.501)	-0.188 (0.449)
Common border dummy	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted
Simple average MFN tariff of home country	0.892*** (0.115)										
Weighted average tariff of home country		0.033 (0.052)									
Simple tariff line average of home country			0.811*** (0.116)								
Simple average effectively applied tariff in home country				-0.084 (0.113)							
Weighted average effectively applied tariff in home country					-0.215*** (0.069)						
Simple Tariff line average effective applied tariff in home country						-0.052 (0.114)					
Tariff equivalent trade costs in percent: sigma=8							-5.937*** (0.272)				
tij with interpolation								-5.822*** (0.241)			
Geometric average of tariff_ij and tariff_ji									-30.703*** (8.593)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-5.865*** (0.308)	
Nontariff_tij with interpolation											-5.712*** (0.268)
Constant	-18.919 (22.557)	-1.361 (22.580)	-17.074 (22.492)	2.269 (32.285)	11.471 (33.801)	2.148 (32.564)	-9.833 (65.070)	-9.819 (56.920)	52.075 (112.337)	44.958 (76.417)	36.607 (84.295)
Number of obs	1169	1138	1169	530	499	530	498	543	414	375	414
F(130,148088)	19.100	15.460	18.840	15.260	13.370	15.070	36.360	43.400	11.920	35.820	43.110
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.297	0.273	0.290	0.337	0.348	0.336	0.733	0.732	0.445	0.730	0.732
Root MSE	2.987	2.958	3.002	2.742	2.699	2.743	1.699	1.735	2.669	1.845	1.855
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.10: Home: North. Partner: SVE

Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	0.405 (1.393)	-0.504 (1.361)	0.405 (1.393)	1.083 (1.558)	1.478 (1.551)	0.936 (1.563)	3.559 (3.670)	3.995 (3.600)	8.000* (4.421)	3.727 (3.867)	3.691 (3.786)
Log of per capita GDP of partner country	0.650*** (0.055)	0.691*** (0.052)	0.654*** (0.055)	0.491*** (0.067)	0.579*** (0.066)	0.497*** (0.067)	0.610*** (0.079)	0.627*** (0.077)	1.420*** (0.089)	0.737*** (0.087)	0.786*** (0.083)
log of distance between the capitals of home and partner countries	-1.867*** (0.101)	-1.777*** (0.097)	-1.859*** (0.101)	-1.786*** (0.132)	-1.619*** (0.129)	-1.821*** (0.130)	0.245*** (0.091)	0.154* (0.090)	-0.942*** (0.120)	0.074 (0.098)	-0.017 (0.096)
Common language dummy	0.841*** (0.193)	0.728*** (0.182)	0.836*** (0.193)	0.006 (0.220)	0.028 (0.208)	0.009 (0.220)	0.034 (0.173)	0.111 (0.162)	0.986*** (0.207)	0.045 (0.184)	0.117 (0.173)
Land lock dummy for home country	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	-7.128 (5.582)	-3.098 (2.920)	-16.512** (6.739)	-2.962 (3.155)	-6.981 (5.790)
Land lock dummy for partner country	-0.957*** (0.268)	-0.153 (0.259)	-0.944*** (0.270)	-0.822** (0.342)	-0.239 (0.360)	-0.818** (0.345)	-0.538** (0.219)	-0.531*** (0.204)	-1.427*** (0.268)	-0.457** (0.224)	-0.415** (0.209)
Island dummy for home country	1.246 (0.851)	1.357* (0.777)	1.268 (0.852)	1.488* (0.846)	1.738** (0.882)	1.520* (0.848)	-2.739 (2.700)	-2.955 (2.646)	-6.604** (3.271)	-2.974 (2.850)	-2.798 (2.788)
Island dummy for partner country	-0.571*** (0.152)	0.052 (0.136)	-0.562*** (0.151)	-0.507*** (0.175)	-0.043 (0.165)	-0.516*** (0.174)	-0.749*** (0.143)	-0.709*** (0.139)	-1.223*** (0.181)	-0.810*** (0.153)	-0.859*** (0.150)
Common border dummy	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted
Simple average MFN tariff of home country	0.222*** (0.070)										
Weighted average tariff of home country		-0.335*** (0.036)									
Simple tariff line average of home country			0.215*** (0.072)								
Simple average effectively applied tariff in home country				-0.058 (0.060)							
Weighted average effectively applied tariff in home country					-0.262*** (0.036)						
Simple Tariff line average effective applied tariff in home country						-0.063 (0.059)					
Tariff equivalent trade costs in percent: sigma=8							-4.157*** (0.172)				
tij with interpolation								-3.945*** (0.161)			
Geometric average of tariff_ij and tariff_ji									-15.137*** (3.272)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-3.891*** (0.180)	
Nontariff_tij with interpolation											-3.740*** (0.170)
Constant	19.545 (13.690)	27.553** (13.351)	19.426 (13.697)	14.063 (15.338)	7.351 (16.015)	15.793 (15.373)	-2.524 (34.260)	-7.259 (33.595)	-61.942 (41.285)	-5.435 (36.235)	-5.500 (35.351)
Number of obs	2441	2373	2441	1706	1608	1708	1333	1498	1366	1218	1366
F(130,148088)	32.990	38.090	32.970	19.650	22.340	20.320	90.650	103.700	54.290	72.960	88.310
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.330	0.370	0.329	0.288	0.331	0.291	0.664	0.655	0.497	0.639	0.637
Root MSE	2.649	2.540	2.649	2.510	2.423	2.503	1.805	1.873	2.266	1.867	1.924
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.11: Home: North. Partner: Advanced south

Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	1.500* (0.821)	2.414*** (0.850)	1.376 (0.852)	2.167** (0.855)	2.370*** (0.866)	2.212*** (0.861)	1.194 (1.810)	1.135 (1.803)	1.729 (2.002)	1.243 (1.762)	1.175 (1.757)
Log of per capita GDP of partner country	-0.211*** (0.024)	-0.185*** (0.024)	-0.186*** (0.023)	-0.179*** (0.023)	-0.172*** (0.023)	-0.175*** (0.023)	-0.326*** (0.025)	-0.340*** (0.025)	-0.086*** (0.031)	-0.264*** (0.024)	-0.282*** (0.024)
log of distance between the capitals of home and partner countries	-1.187*** (0.071)	-1.240*** (0.077)	-1.178*** (0.073)	-1.116*** (0.080)	-1.130*** (0.079)	-1.137*** (0.080)	-0.349*** (0.055)	-0.364*** (0.054)	-0.994*** (0.066)	-0.429*** (0.051)	-0.439*** (0.051)
Common language dummy	-0.219*** (0.075)	-0.159** (0.077)	-0.212*** (0.075)	-0.241*** (0.075)	-0.254*** (0.078)	-0.247*** (0.075)	0.012 (0.131)	-0.009 (0.130)	0.173 (0.136)	-0.014 (0.130)	-0.034 (0.129)
Land lock dummy for home country	Omitted	Omitted	Omitted	Omitted	1.918*** (0.553)	Omitted	-3.665 (2.740)	-0.600 (1.464)	-0.788 (1.626)	-3.699 (2.667)	-0.633 (1.427)
Land lock dummy for partner country	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted
Island dummy for home country	3.539*** (0.447)	2.838*** (0.350)	3.202*** (0.459)	2.817*** (0.341)	2.890*** (0.345)	2.668*** (0.518)	1.331 (0.317)	0.406 (1.326)	0.897 (1.475)	0.194 (1.296)	0.292 (1.292)
Island dummy for partner country	0.207*** (0.058)	0.174*** (0.058)	0.217*** (0.058)	0.162*** (0.059)	0.164*** (0.060)	0.166*** (0.059)	0.406*** (0.076)	0.390*** (0.077)	-0.157** (0.069)	0.512*** (0.076)	0.494*** (0.077)
Common border dummy	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	-0.056 (0.204)	0.009 (0.200)	0.352* (0.205)	-0.125 (0.200)	-0.057 (0.195)
Simple average MFN tariff of home country	-1.043*** (0.126)										
Weighted average tariff of home country		-0.158*** (0.043)									
Simple tariff line average of home country			-0.808*** (0.134)								
Simple average effectively applied tariff in home country				-0.067* (0.035)							
Weighted average effectively applied tariff in home country					0.018 (0.029)						
Simple Tariff line average effective applied tariff in home country						-0.048 (0.035)					
Tariff equivalent trade costs in percent: sigma=8							-2.407*** (0.160)				
tij with interpolation								-2.292*** (0.151)			
Geometric average of tariff_ij and tariff_ji									-10.096*** (1.385)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-2.446*** (0.152)	
Nontariff_tij with interpolation											-2.335*** (0.143)
Constant	16.564* (8.629)	6.557 (8.493)	17.207* (8.964)	7.648 (8.524)	5.514 (8.645)	7.470 (8.949)	26.503 (16.950)	26.419 (16.908)	12.245 (18.781)	26.214 (16.494)	26.260 (16.477)
Number of obs	1234	1233	1234	1222	1199	1225	1122	1138	1138	1122	1138
F(130,148088)	130.00	118.370	123.670	112.830	114.710	113.31	151.000	150.170	106.700	156.510	155.570
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.786	0.772	0.778	0.770	0.767	0.770	0.814	0.809	0.763	0.822	0.817
Root MSE	1.005	1.038	1.024	1.038	1.042	1.039	0.850	0.857	0.956	0.832	0.840
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.12: Home: North. Partner: South Excluding Advanced south

Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	2.104*** (0.662)	1.208* (0.654)	2.319*** (0.660)	2.078*** (0.699)	1.974*** (0.705)	2.317*** (0.701)	0.188 (1.417)	0.027 (1.437)	2.179 (2.101)	-0.050 (1.430)	-0.205 (1.452)
Log of per capita GDP of partner country	0.589*** (0.022)	0.575*** (0.022)	0.592*** (0.022)	0.474*** (0.024)	0.469*** (0.025)	0.470*** (0.024)	0.006 (0.020)	0.009 (0.020)	0.363*** (0.026)	0.067*** (0.020)	0.078*** (0.020)
log of distance between the capitals of home and partner countries	-1.138*** (0.052)	-1.212*** (0.052)	-1.142*** (0.052)	-0.964*** (0.057)	-0.986*** (0.059)	-0.981*** (0.057)	0.351*** (0.031)	0.322*** (0.031)	-0.721*** (0.044)	0.305*** (0.030)	0.290*** (0.030)
Common language dummy	-0.128 (0.089)	-0.462*** (0.087)	-0.127 (0.088)	-0.405*** (0.097)	-0.619*** (0.098)	-0.345*** (0.096)	-0.703*** (0.069)	-0.682*** (0.069)	-0.035 (0.099)	-0.766*** (0.070)	-0.743*** (0.069)
Land lock dummy for home country	Omitted	Omitted	Omitted	0.668 (0.670)	-0.702 (0.806)	Omitted	0.260 (1.153)	-2.031*** (0.423)	-6.668** (3.183)	-1.611 (2.176)	-1.514 (2.205)
Land lock dummy for partner country	-1.734*** (0.066)	-1.690*** (0.065)	-1.728*** (0.066)	-2.008*** (0.072)	-2.004*** (0.072)	-2.025*** (0.072)	-0.658*** (0.059)	-0.668*** (0.058)	-1.942*** (0.073)	-0.676*** (0.061)	-0.670*** (0.059)
Island dummy for home country	1.912*** (0.363)	1.771*** (0.362)	2.021*** (0.363)	1.155*** (0.308)	1.092*** (0.307)	0.318 (0.632)	-0.171 (1.040)	-0.267 (0.757)	-1.512 (1.540)	-0.018 (1.050)	-0.002 (1.066)
Island dummy for partner country	-2.228*** (0.071)	-2.059*** (0.072)	-2.215*** (0.071)	-1.971*** (0.078)	-1.811*** (0.080)	-1.980*** (0.078)	-0.990*** (0.061)	-1.043*** (0.062)	0.104*** (-1.906)	-0.981*** (0.065)	-1.081*** (0.066)
Common border dummy	3.816*** (0.140)	2.939*** (0.142)	3.955*** (0.145)	3.699*** (0.138)	3.084*** (0.153)	3.626*** (0.137)	-0.560 (0.556)	-0.493 (0.564)	2.482*** (0.571)	-0.484 (0.522)	-0.453 (0.531)
Simple average MFN tariff of home country	0.292*** (0.035)										
Weighted average tariff of home country		-0.260*** (0.014)									
Simple tariff line average of home country			0.367*** (0.034)								
Simple average effectively applied tariff in home country				-0.119*** (0.025)							
Weighted average effectively applied tariff in home country					-0.258*** (0.014)						
Simple Tariff line average effective applied tariff in home country						-0.037 (0.025)					
Tariff equivalent trade costs in percent: sigma=8							-5.326*** (0.073)				
tij with interpolation								-5.270*** (0.071)			
Geometric average of tariff_ij and tariff_ji									-3.029*** (0.972)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-5.112*** (0.072)	
Nontariff_tij with interpolation											-5.097*** (0.071)
Constant	-1.166 (6.855)	9.289 (6.772)	-3.479 (6.830)	-0.262 (6.904)	1.006 (6.957)	-1.707 (7.237)	40.611*** (13.278)	42.442*** (15.244)	-0.297 (19.639)	41.187*** (13.411)	
Number of obs	11889	11592	11889	9432	8934	9445	7627	8202	7943	7407	7943
F(130,148088)	311.370	345.410	296.720	297.970	264.510	300.240	437.55	482.060	158.52	424.080	472.070
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.363	0.376	0.365	0.380	0.406	0.379	0.698	0.693	0.380	0.695	0.692
Root MSE	2.747	2.713	2.741	2.599	2.558	2.602	1.715	1.800	2.557	1.720	1.802
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.13: Home: LDC. Partner: South.

Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	-1.406*	-1.557*	-1.380	-1.173	-1.103	-1.181	2.790	2.143	0.197	4.796	4.210
	(0.845)	(0.837)	(0.845)	(0.846)	(0.839)	(0.846)	(1.948)	(1.788)	(4.195)	(3.959)	(3.913)
Log of per capita GDP of partner country	0.455***	0.468***	0.454***	0.459***	0.473***	0.459***	0.212***	0.216***	0.251***	0.250***	0.208***
	(0.043)	(0.042)	(0.043)	(0.043)	(0.043)	(0.043)	(0.059)	(0.055)	(0.095)	(0.075)	(0.072)
log of distance between the capitals of home and partner countries	-1.300***	-1.349***	-1.296***	-1.245***	-1.272***	-1.246***	0.319**	0.281**	-1.290***	-0.106	-0.136
	(0.080)	(0.079)	(0.080)	(0.082)	(0.081)	(0.082)	(0.146)	(0.134)	(0.183)	(0.195)	(0.180)
Common language dummy	-0.598***	-0.617***	-0.600***	-0.568***	-0.624***	-0.563***	-0.601***	-0.501***	-1.352***	-1.748***	-1.412***
	(0.151)	(0.150)	(0.151)	(0.152)	(0.149)	(0.152)	(0.210)	(0.193)	(0.355)	(0.356)	(0.325)
Land lock dummy for home country	-2.086	-2.338	-2.002	-1.730	2.282	-1.675	-1.351	-0.378	-0.671	6.194	5.415
	(1.655)	(1.628)	(1.658)	(1.656)	(1.775)	(1.660)	(1.954)	(1.101)	(4.689)	(4.458)	(4.398)
Land lock dummy for partner country	-2.215***	-2.383***	-2.201***	-2.253***	-2.444***	-2.235***	-1.425***	-1.136***	-2.650***	-1.678***	-1.602***
	(0.169)	(0.162)	(0.169)	(0.170)	(0.163)	(0.170)	(0.350)	(0.316)	(0.546)	(0.548)	(0.506)
Island dummy for home country	Omitted	Omitted	Omitted	Omitted	1.378	Omitted	-3.746**	Omitted	-0.695	-5.378	-4.104
					(2.073)		(1.751)		(5.955)	(5.614)	(5.532)
Island dummy for partner country	-1.549***	-1.363***	-1.557***	-1.591***	-1.414***	-1.599***	0.297	0.187	-0.299	0.643*	0.475
	(0.166)	(0.166)	(0.166)	(0.168)	(0.167)	(0.168)	(0.248)	(0.241)	(0.405)	(0.337)	(0.333)
Common border dummy	2.280***	2.382***	2.266***	2.365***	2.304***	2.376***	0.071	0.077	2.036***	0.255	0.268
	(0.237)	(0.237)	(0.237)	(0.239)	(0.241)	(0.240)	(0.387)	(0.382)	(0.441)	(0.501)	(0.481)
Simple average MFN tariff of home country	-0.060										
	(0.124)										
Weighted average tariff of home country		-0.632***									
		(0.054)									
Simple tariff line average of home country			0.091								
			(0.115)								
Simple average effectively applied tariff in home country				-0.149							
				(0.116)							
Weighted average effectively applied tariff in home country					-0.633***						
					(0.053)						
Simple Tariff line average effective applied tariff in home country						0.006					
						(0.111)					
Tariff equivalent trade costs in percent: sigma=8							-4.928***				
							(0.214)				
tij with interpolation								-4.878***			
								(0.197)			
Geometric average of tariff_ij and tariff_ji									-6.037***		
									(2.418)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-3.921***	
										(0.267)	
Nontariff_tij with interpolation											-3.839***
											(0.244)
Constant	28.542***	32.627***	27.686***	26.820***	26.389***	26.412***	19.932*	23.770*	24.292	5.808	9.021
	(5.950)	(5.873)	(5.955)	(5.998)	(4.176)	(6.008)	(12.055)	(13.507)	(25.835)	(24.042)	(23.961)
Number of obs	3715	3690	3715	3679	3654	3679	950	1088	675	604	675
F(130,148088)	44.680	50.680	44.910	44.860	50.500	44.870	55.700	61.660	15.150	32.870	37.350
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.226	0.254	0.226	0.227	0.257	0.226	0.557	0.537	0.304	0.516	0.502
Root MSE	3.236	3.179	3.236	3.235	3.176	3.236	2.196	2.243	2.750	2.295	2.326
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.14: Home: LDC. Partner: North

Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	0.225 (1.004)	0.398 (1.017)	0.476 (1.001)	0.225 (1.004)	0.398 (1.017)	0.476 (1.001)	0.819 (1.857)	1.696 (1.996)	-1.231 (2.969)	-0.002 (2.442)	0.265 (2.349)
Log of per capita GDP of partner country	1.333*** (0.224)	1.383*** (0.226)	1.260*** (0.225)	1.333*** (0.224)	1.383*** (0.226)	1.260*** (0.225)	0.791*** (0.221)	0.526** (0.247)	0.977*** (0.381)	0.808*** (0.259)	0.693*** (0.251)
log of distance between the capitals of home and partner countries	-1.698*** (0.209)	-1.762*** (0.212)	-1.720*** (0.207)	-1.698*** (0.209)	-1.762*** (0.212)	-1.720*** (0.207)	-0.289 (0.246)	-0.075 (0.253)	-1.594*** (0.325)	-0.138 (0.287)	-0.035 (0.280)
Common language dummy	0.979*** (0.197)	1.035*** (0.194)	0.994*** (0.196)	0.979*** (0.197)	1.035*** (0.194)	0.994*** (0.196)	-0.380* (0.200)	-0.490*** (0.205)	0.738* (0.424)	-0.607* (0.326)	-0.838*** (0.299)
Land lock dummy for home country	1.234 (1.924)	1.240 (1.940)	0.907 (1.924)	1.234 (1.924)	1.240 (1.940)	0.907 (1.924)	-1.439 (1.863)	-2.322 (2.025)	-0.389 (2.960)	-0.968 (2.443)	-0.921 (1.015)
Land lock dummy for partner country	-2.551*** (0.208)	-2.538*** (0.210)	-2.529*** (0.208)	-2.551*** (0.208)	-2.538*** (0.210)	-2.529*** (0.208)	-0.617*** (0.227)	-0.797*** (0.248)	-1.410*** (0.319)	-0.571** (0.265)	-0.603** (0.253)
Island dummy for home country	1.701 (2.347)	1.462 (2.376)	1.101 (2.345)	1.701 (2.347)	1.462 (2.376)	1.101 (2.345)	-1.693 (1.391)	-2.313 (1.528)	1.792 (4.180)	0.171 (3.426)	Omitted
Island dummy for partner country	-0.304* (0.175)	-0.366** (0.183)	-0.285 (0.174)	-0.304* (0.175)	-0.366** (0.183)	-0.285* (0.174)	0.695*** (0.156)	0.662*** (0.157)	0.285 (0.271)	0.566*** (0.180)	0.504*** (0.175)
Common border dummy	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted
Simple average MFN tariff of home country	1.399*** (0.403)										
Weighted average tariff of home country		0.261 (0.179)									
Simple tariff line average of home country			1.289*** (0.338)								
Simple average effectively applied tariff in home country				1.399*** (0.403)							
Weighted average effectively applied tariff in home country					0.261 (0.179)						
Simple Tariff line average effective applied tariff in home country						1.289*** (0.338)					
Tariff equivalent trade costs in percent: sigma=8							-3.590*** (0.227)				
tij with interpolation								-3.816*** (0.211)			
Geometric average of tariff_ij and tariff_ji									-15.395* (8.524)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-3.463*** (0.280)	
Nontariff_tij with interpolation											-3.694*** (0.245)
Constant	8.016 (6.130)	10.489* (6.048)	7.873 (6.109)	8.016 (6.130)	10.489* (6.048)	7.873 (6.109)	26.038** (12.032)	22.818* (12.519)	28.411 (18.064)	28.667* (15.103)	28.520* (17.772)
Number of obs	1215	1215	1215	1215	1215	1215	515	546	410	385	410
F(130,148088)	25.220	25.350	25.270	25.220	25.350	25.270	28.320	26.472	14.430	41.710	44.720
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.356	0.344	0.356	0.356	0.344	0.356	0.669	0.644	0.343	0.644	0.652
Root MSE	2.172	2.193	2.172	2.172	2.193	2.172	1.317	1.425	1.836	1.327	1.336
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.15: Home: LDC. Partner: LDC

Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	-2.367 (2.758)	-2.240 (2.653)	-2.159 (2.752)	-1.707 (2.769)	-1.246 (2.718)	-1.717 (2.758)	-12.638 (17.415)	-9.644 (15.578)	32.502 (44.056)	22.656 (48.602)	22.656 (48.602)
Log of per capita GDP of partner country	-0.698*** (0.228)	-0.710*** (0.226)	-0.697*** (0.230)	-0.655*** (0.231)	-0.670*** (0.229)	-0.656*** (0.232)	-1.684 (2.447)	-2.427 (2.112)	11.127 (9.106)	2.820 (6.352)	2.820 (6.352)
log of distance between the capitals of home and partner countries	-0.725*** (0.209)	-0.965*** (0.212)	-0.727*** (0.210)	-0.715*** (0.212)	-0.951*** (0.212)	-0.717*** (0.212)	1.910 (1.254)	1.634 (1.179)	8.439 (6.314)	3.165 (3.312)	3.165 (3.312)
Common language dummy	-1.306*** (0.382)	-1.519*** (0.389)	-1.337*** (0.387)	-1.181*** (0.378)	-1.387*** (0.383)	-1.206*** (0.382)	6.616* (3.816)	5.445 (3.667)	Omitted	Omitted	Omitted
Land lock dummy for home country	-6.471 (5.414)	-5.906 (5.215)	-6.026 (5.399)	-5.465 (5.414)	Omitted	-5.377 (5.399)	-9.309 (18.882)	-6.354 (16.648)	24.203 (53.429)	23.264 (58.824)	23.264 (58.824)
Land lock dummy for partner country	-0.993** (0.462)	-1.448*** (0.450)	-0.962** (0.465)	-0.909* (0.467)	-1.394*** (0.455	-0.890* (0.469)	-3.218 (2.487)	-3.179 (2.448	-4.488 (4.100)	-1.795 (3.885)	-1.795 (3.885)
Island dummy for home country	Omitted	0.089 (2.129)	Omitted	Omitted	-1.723 (1.578	-0.446 (2.239)	6.458 (12.874)	4.279 (11.499)	Omitted	Omitted	Omitted
Island dummy for partner country	-1.333*** (0.444)	-0.912** (0.456)	-1.325*** (0.445)	-1.355*** (0.445)	-0.975** (0.452)	-1.347*** (0.446)	-0.168 (2.694)	0.926 (2.264)	Omitted	Omitted	Omitted
Common border dummy	3.982*** (0.694)	3.745*** (0.698)	4.008*** (0.697)	3.807*** (0.704)	3.458*** (0.714)	3.856*** (0.703)	Omitted	Omitted	27.518 (17.452)	13.017 (10.189)	13.017 (10.189)
Simple average MFN tariff of home country	-0.945*** (0.334)										
Weighted average tariff of home country		-0.658*** (0.131)									
Simple tariff line average of home country			-0.818** (0.323)								
Simple average effectively applied tariff in home country				-0.703** (0.314)							
Weighted average effectively applied tariff in home country					-0.583*** (0.123)						
Simple Tariff line average effective applied tariff in home country						-0.609** (0.307)					
Tariff equivalent trade costs in percent: sigma=8							-3.247 (2.732)				
tij with interpolation								-3.401 (2.423)			
Geometric average of tariff_ij and tariff_ji									119.251 (135.619)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										0.258 (3.460)	
Nontariff_tij with interpolation											0.258 (3.460)
Constant	38.390** (17.774)	38.953** (16.872)	36.465** (17.667)	33.178* (17.659)	33.337* (17.629)	32.734* (17.577)	97.952 (106.115)	87.641 (99.436)	-343.481 (316.782)	-171.742 (319.254)	-171.742 (319.254)
Number of obs	309	298	309	308	297	308	33	38	20	20	20
F(130,148088)	141.808	141.120	141.984	140.648	140.800	141.152	.	.	.	.	.
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	.	.	.	.	.
R-squared	0.386	0.426	0.382	0.378	0.418	0.375	0.683	0.670	0.808	0.780	0.780
Root MSE	2.749	2.637	2.759	2.758	2.645	2.764	2.859	2.742	2.983	3.190	3.190
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.16: Home: LDC. Partner: SVE

Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	-1.663 (2.245)	-1.957 (2.207)	-1.685 (2.241)	-1.187 (2.282)	-1.491 (2.239)	-1.213 (2.281)	4.363 (4.719)	3.869 (5.647)	14.851 (11.761)	5.957 (8.767)	5.096 (9.855)
Log of per capita GDP of partner country	0.618*** (0.132)	0.550*** (0.130)	0.599*** (0.130)	0.606*** (0.132)	0.540*** (0.130)	0.588*** (0.130)	0.926* (0.536)	0.954** (0.442)	0.880 (0.591)	0.753 (0.866)	0.947 (0.659)
log of distance between the capitals of home and partner countries	-1.204*** (0.214)	-1.199*** (0.208)	-1.205*** (0.214)	-1.195*** (0.215)	-1.189*** (0.209)	-1.201*** (0.215)	1.777* (0.876)	1.892** (0.768)	-0.316 (1.211)	0.910 (1.017)	1.309 (0.877)
Common language dummy	-0.088 (0.362)	-0.196 (0.347)	-0.075 (0.364)	-0.138 (0.367)	-0.243 (0.352)	-0.119 (0.368)	0.014 (1.230)	0.032 (1.061)	Omitted	8.675 (8.500)	Omitted
Land lock dummy for home country	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	5.680 (5.901)	7.262 (7.288)	8.908* (5.023)	Omitted	Omitted
Land lock dummy for partner country	0.670 (0.556)	0.616 (0.537)	0.705 (0.558)	0.642 (0.554)	0.581 (0.535)	0.671 (0.556)	-2.079 (1.988)	-1.796 (1.737)	-4.430** (1.803)	-4.804** (1.996)	-3.769* (2.016)
Island dummy for home country	Omitted	Omitted	Omitted	Omitted	Omitted	2.511 (5.827)	0.104 (3.742)	5.706* (3.254)	Omitted	Omitted	Omitted
Island dummy for partner country	0.494 (0.350)	0.486 (0.345)	0.485 (0.351)	0.437 (0.349)	0.428 (0.345)	0.426 (0.350)	1.039 (1.313)	1.024 (1.169)	-0.435 (1.348)	0.285 (1.646)	0.478 (1.294)
Common border dummy	4.181*** (1.385)	4.221*** (1.315)	4.112*** (1.373)	4.060*** (1.399)	4.107*** (1.332)	3.994*** (1.386)	Omitted	Omitted	Omitted	Omitted	Omitted
Simple average MFN tariff of home country	-0.932*** (0.311)										
Weighted average tariff of home country		-0.939*** (0.164)									
Simple tariff line average of home country			-0.770*** (0.290)								
Simple average effectively applied tariff in home country				-0.868*** (0.302)							
Weighted average effectively applied tariff in home country					-0.914*** (0.162)						
Simple Tariff line average effective applied tariff in home country						-0.721** (0.282)					
Tariff equivalent trade costs in percent: sigma=8							-2.428* (1.350)				
tij with interpolation								-2.926** (1.191)			
Geometric average of tariff_ij and tariff_ji									-36.638 (21.889)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-0.637 (1.709)	
Nontariff_tij with interpolation											-1.419 (1.379)
Constant	28.493* (15.633)	31.113** (15.379)	28.169* (15.627)	22.666** (10.177)	24.817** (10.035)	22.411** (10.188)	-23.432 (31.029)	-20.811 (36.864)	-77.873 (70.027)	-37.434 (60.059)	-22.858 (57.731)
Number of obs	481	481	481	476	476	476	50	62	39	31	39
F(130,148088)	4.990	5.660	4.900	4.790	5.500	4.710	6.230	5.361	5.560	4.190	3.880
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.201	0.228	0.197	0.199	0.226	0.195	0.737	0.697	0.716	0.740	0.697
Root MSE	2.944	2.895	2.952	2.945	2.894	2.951	2.013	1.946	2.062	2.193	2.129
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.17: Home: LDC. Partner: Advanced south

Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	-0.480 (1.232)	-0.582 (1.230)	-0.421 (1.227)	-0.427 (1.235)	-0.612 (1.230)	-0.297 (1.230)	3.092 (2.626)	2.191 (2.389)	-4.078 (6.089)	1.962 (4.728)	-0.932 (5.470)
Log of per capita GDP of partner country	-0.505*** (0.054)	-0.506*** (0.054)	-0.501*** (0.054)	-0.504*** (0.054)	-0.506*** (0.054)	-0.499*** (0.054)	-0.551*** (0.070)	-0.602*** (0.069)	-0.657*** (0.107)	-0.487*** (0.091)	-0.542*** (0.092)
log of distance between the capitals of home and partner countries	-1.961*** (0.136)	-2.000*** (0.132)	-1.938*** (0.138)	-1.970*** (0.132)	-1.995*** (0.131)	-1.959*** (0.134)	-1.018*** (0.164)	-1.061*** (0.160)	-1.894*** (0.170)	-1.167*** (0.173)	-1.222*** (0.169)
Common language dummy	0.233 (0.278)	0.208 (0.273)	0.248 (0.279)	0.230 (0.278)	0.210 (0.273)	0.241 (0.278)	-0.428 (0.262)	-0.246 (0.258)	-0.017 (0.525)	-0.552 (0.637)	0.041 (0.587)
Land lock dummy for home country	-0.049 (0.759)	-0.026 (0.741)	-0.107 (0.767)	-0.074 (0.761)	-0.012 (0.741)	-0.160 (0.767)	-1.591 (1.378)	5.207 (4.488)	-6.492 (6.940)	3.513 (11.935)	-1.317 (6.243)
Land lock dummy for partner country	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted
Island dummy for home country	0.562 (1.042)	0.571 (1.035)	Omitted	0.527 (1.041)	Omitted	0.445 (1.038)	Omitted	Omitted	4.855 (8.418)	Omitted	2.412 (7.566)
Island dummy for partner country	0.282* (0.151)	0.261* (0.146)	0.296* (0.152)	0.289* (0.152)	0.259* (0.146)	0.311** (0.153)	0.645*** (0.237)	0.656*** (0.230)	0.084 (0.334)	1.120*** (0.246)	1.091*** (0.256)
Common border dummy	-0.684** (0.267)	-0.741*** (0.263)	-0.645** (0.267)	-0.672** (0.268)	-0.745*** (0.263)	-0.624** (0.268)	0.047 (0.347)	0.008 (0.352)	-0.183 (0.347)	0.153 (0.383)	0.078 (0.392)
Simple average MFN tariff of home country	0.223 (0.454)										
Weighted average tariff of home country		-0.238 (0.163)									
Simple tariff line average of home country			0.507 (0.408)								
Simple average effectively applied tariff in home country				0.231 (0.429)							
Weighted average effectively applied tariff in home country					-0.234 (0.162)						
Simple Tariff line average effective applied tariff in home country						0.511 (0.392)					
Tariff equivalent trade costs in percent: sigma=8							-2.607*** (0.306)				
tij with interpolation								-2.565*** (0.298)			
Geometric average of tariff_ij and tariff_ji									-8.702*** (2.944)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-2.101*** (0.311)	
Nontariff_tij with interpolation											-2.086*** (0.314)
Constant	35.132*** (7.953)	38.322*** (7.653)	33.169*** (7.905)	34.836*** (8.113)	38.450*** (7.674)	32.541*** (8.074)	22.531 (19.605)	28.573* (16.498)	65.625* (37.635)	28.238 (35.414)	48.622 (33.735)
Number of obs	603	603	603	603	603	603	255	276	193	177	193
F(130,148088)	52.12	53.98	52.54	51.950	54.040	51.990	49.500	51.450	44.580	36.920	37.170
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.603	0.604	0.604	0.603	0.604	0.604	0.769	0.758	0.684	0.754	0.738
Root MSE	1.814	1.810	1.810	1.814	1.811	1.810	1.286	1.344	1.604	1.382	1.461
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.18: Home: LDC. Partner: South Excluding Advanced south

Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	-0.914 (0.829)	-1.054 (0.818)	-0.922 (0.830)	-0.497 (0.828)	-0.372 (0.817)	-0.563 (0.829)	1.823 (2.191)	1.131 (2.019)	1.647 (4.895)	6.407 (4.536)	5.726 (4.353)
Log of per capita GDP of partner country	0.364*** (0.045)	0.378*** (0.045)	0.366*** (0.045)	0.369*** (0.045)	0.383*** (0.045)	0.370*** (0.045)	0.295*** (0.068)	0.310*** (0.061)	0.183 (0.116)	0.283*** (0.095)	0.245*** (0.089)
log of distance between the capitals of home and partner countries	-1.463*** (0.083)	-1.500*** (0.080)	-1.457*** (0.083)	-1.389*** (0.085)	-1.405*** (0.083)	-1.388*** (0.085)	0.170 (0.207)	0.107 (0.186)	-1.113*** (0.255)	-0.088 (0.279)	-0.160 (0.252)
Common language dummy	-0.333*** (0.147)	-0.353** (0.144)	-0.334** (0.147)	-0.296** (0.146)	-0.345** (0.144)	-0.288** (0.147)	-0.493** (0.237)	-0.437** (0.215)	-1.303*** (0.360)	-1.712*** (0.374)	-1.506*** (0.343)
Land lock dummy for home country	1.084 (0.753)	-1.716 (2.121)	0.979 (0.759)	3.194* (1.818)	-0.387 (2.118)	3.278* (1.823)	Omitted	2.396** (1.162)	Omitted	Omitted	Omitted
Land lock dummy for partner country	-1.820*** (0.167)	-1.940*** (0.160)	-1.801*** (0.167)	-1.845*** (0.168)	-1.987*** (0.161)	-1.822*** (0.168)	-1.079*** (0.353)	-0.791** (0.318)	-2.107*** (0.544)	-1.231** (0.564)	-1.190** (0.521)
Island dummy for home country	Omitted	Omitted	Omitted	Omitted	Omitted	2.080 (2.082)	-6.107 (4.166)	Omitted	-4.933 (12.336)	Omitted	-14.613 (11.003)
Island dummy for partner country	-1.874*** (0.160)	-1.616*** (0.161)	-1.893*** (0.161)	-1.942*** (0.161)	-1.692*** (0.162)	-1.962*** (0.162)	-0.319 (0.305)	-0.460 (0.285)	-0.940** (0.424)	0.049 (0.393)	-0.202 (0.378)
Common border dummy	1.980*** (0.250)	2.082*** (0.248)	1.970*** (0.250)	2.030*** (0.251)	1.959*** (0.252)	2.049*** (0.252)	-0.498 (0.439)	-0.590 (0.428)	2.057*** (0.665)	-0.669 (0.685)	-0.693 (0.648)
Simple average MFN tariff of home country	-0.334*** (0.121)										
Weighted average tariff of home country		-0.718*** (0.054)									
Simple tariff line average of home country			-0.165 (0.113)								
Simple average effectively applied tariff in home country				-0.392*** (0.113)							
Weighted average effectively applied tariff in home country					-0.718*** (0.052)						
Simple Tariff line average effective applied tariff in home country						-0.225** (0.108)					
Tariff equivalent trade costs in percent: sigma=8							-4.623*** (0.248)				
tij with interpolation								-4.565*** (0.225)			
Geometric average of tariff_ij and tariff_ji									-4.584* (2.732)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-3.884*** (0.327)	
Nontariff_tij with interpolation											-3.728*** (0.301)
Constant	27.177*** (5.893)	30.452*** (5.747)	26.669*** (5.901)	21.950*** (4.146)	25.042*** (5.725)	21.678*** (4.158)	27.335** (11.255)	26.445* (14.041)	14.547 (24.683)	-13.637 (34.053)	5.486 (21.888)
Number of obs	3112	3087	3112	3076	3051	3076	695	812	482	427	482
F(130,148088)	45.230	53.910	44.940	45.620	53.080	45.170	41.910	46.360	10.380	21.780	24.530
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.259	0.301	0.258	0.262	0.305	0.260	0.518	0.494	0.286	0.466	0.452
Root MSE	3.011	2.926	3.014	3.003	2.915	3.007	2.201	2.237	2.685	2.338	2.351
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.19: Home: SVEs Partner: South.

Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	-1.236** (0.528)	-1.386*** (0.524)	-1.200** (0.527)	-1.359** (0.544)	-1.458*** (0.541)	-1.318** (0.543)	-0.144 (1.066)	0.098 (0.914)	1.552 (1.171)	-0.832 (1.146)	0.058 (0.959)
Log of per capita GDP of partner country	0.494*** (0.027)	0.501*** (0.027)	0.495*** (0.027)	0.503*** (0.028)	0.511*** (0.028)	0.504*** (0.028)	0.185*** (0.037)	0.208*** (0.036)	0.427*** (0.044)	0.249*** (0.040)	0.281*** (0.038)
log of distance between the capitals of home and partner countries	-0.911*** (0.034)	-0.901*** (0.034)	-0.912*** (0.034)	-0.898*** (0.036)	-0.877*** (0.036)	-0.901*** (0.036)	0.615*** (0.063)	0.582*** (0.062)	-0.373*** (0.062)	0.516*** (0.069)	0.483*** (0.067)
Common language dummy	0.128* (0.081)	0.095 (0.081)	0.129 (0.081)	0.128 (0.084)	0.088 (0.084)	0.130 (0.084)	-0.597*** (0.113)	-0.622*** (0.110)	0.202 (0.134)	-0.465*** (0.122)	-0.550*** (0.119)
Land lock dummy for home country	0.599 (0.634)	-1.169 (0.979)	0.592 (0.634)	-0.399 (0.658)	-1.188 (1.016)	0.585 (0.638)	-0.578 (2.491)	1.389 (0.917)	2.971*** (1.128)	2.910** (1.394)	1.567 (0.964)
Land lock dummy for partner country	-2.190*** (0.113)	-2.256*** (0.111)	-2.187*** (0.113)	-2.276*** (0.114)	-2.338*** (0.113)	-2.270*** (0.114)	-1.584*** (0.208)	-1.522*** (0.198)	-2.377*** (0.250)	-1.548*** (0.233)	-1.541*** (0.221)
Island dummy for home country	1.529 (1.434)	0.880 (0.881)	1.441 (1.432)	0.817 (0.915)	1.002 (0.911)	1.711 (1.474)	-0.143 (1.306)	-0.694 (1.127)	-1.640 (1.376)	2.782 (3.462)	-0.648 (1.176)
Island dummy for partner country	-0.890*** (0.090)	-0.845*** (0.090)	-0.892*** (0.090)	-0.849*** (0.093)	-0.809*** (0.093)	-0.850*** (0.093)	-0.784*** (0.130)	-0.743*** (0.126)	-0.672*** (0.152)	-0.743*** (0.140)	-0.708*** (0.135)
Common border dummy	1.849*** (0.182)	1.869*** (0.183)	1.852*** (0.182)	1.939*** (0.203)	1.910*** (0.209)	1.948*** (0.202)	0.716*** (0.238)	0.675*** (0.237)	2.412*** (0.233)	0.902*** (0.243)	0.839*** (0.242)
Simple average MFN tariff of home country	-0.142*** (0.054)										
Weighted average tariff of home country		-0.260*** (0.029)									
Simple tariff line average of home country			-0.124** (0.054)								
Simple average effectively applied tariff in home country				-0.215*** (0.048)							
Weighted average effectively applied tariff in home country					-0.278*** (0.029)						
Simple Tariff line average effective applied tariff in home country						-0.201*** (0.048)					
Tariff equivalent trade costs in percent: sigma=8							-3.611*** (0.120)				
tij with interpolation								-3.721*** (0.114)			
Geometric average of tariff_ij and tariff_ji									0.558 (0.774)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-3.220*** (0.157)	
Nontariff_tij with interpolation											-3.335*** (0.145)
Constant	25.820*** (3.491)	28.254*** (3.927)	25.500*** (3.481)	27.828*** (4.228)	28.694*** (4.048)	26.527*** (3.715)	29.732*** (8.831)	29.644*** (7.657)	1.403 (9.780)	30.747*** (7.413)	26.432*** (7.980)
Number of obs	7523.000	7471.000	7523.000	7247.000	7185.000	7247.000	2361.000	2774.000	2470.000	2128.000	2469.000
F(130,148088)	66.910	70.000	66.790	59.930	62.330	59.830	47.380	59.790	17.690	31.240	39.460
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.249	0.257	0.249	0.240	0.247	0.240	0.408	0.411	0.177	0.394	0.405
Root MSE	2.886	2.875	2.886	2.904	2.893	2.904	2.129	2.234	2.622	2.153	2.231
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.20: Home: SVEs. Partner: North

Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	1.222** 90.596)	1.109* (0.591)	1.352** (0.596)	1.042* (0.598)	1.013* (0.597)	1.162* (0.599)	-1.517* (0.794)	-1.141 (0.703)	0.790 (0.954)	-1.736** (0.845)	-1.149 (0.731)
Log of per capita GDP of partner country	1.080*** (0.141)	1.038*** (0.141)	1.067*** (0.140)	1.082*** (0.141)	1.058*** (0.141)	1.079*** (0.141)	0.714*** (0.190)	0.699*** (0.180)	0.613*** (0.220)	0.690*** (0.198)	0.667*** (0.188)
log of distance between the capitals of home and partner countries	-1.454*** (0.114)	-1.450*** (0.115)	-1.431*** (0.115)	-1.499*** (0.113)	-1.484*** (0.113)	-1.489*** (0.113)	-0.543*** (0.105)	-0.481*** (0.104)	-1.524*** (0.148)	-0.531*** (0.113)	-0.483*** (0.112)
Common language dummy	1.264*** (0.123)	1.290*** (0.124)	1.261*** (0.124)	1.264*** (0.124)	1.291*** (0.125)	1.269*** (0.124)	0.101 (0.119)	0.061 (0.117)	0.644*** (0.173)	0.073 (0.128)	0.027 (0.125)
Land lock dummy for home country	0.806 (0.673)	0.813 (0.672)	0.819 (0.675)	0.773 (0.670)	1.125 (0.848)	0.764 (1.117)	-4.418 (3.528)	-0.994 (0.941)	-2.523 (3.495)	-1.310 (1.086)	-1.915 (3.074)
Land lock dummy for partner country	-1.836*** (0.126)	-1.831*** (0.126)	-1.818*** (0.125)	-1.803*** (0.125)	-1.806*** (0.126)	-1.801*** (0.125)	-0.573*** (0.146)	-0.541*** (0.140)	-1.515*** (0.157)	-0.507*** (0.145)	-0.512*** (0.141)
Island dummy for home country	-2.537 (1.678)	-2.286 (1.671)	-2.824* (1.679)	-2.194 (1.686)	-2.068 (1.686)	-2.819*** (1.023)	3.323*** (0.950)	2.992*** (0.860)	-1.166 (2.863)	3.538*** (0.995)	4.568** (2.192)
Island dummy for partner country	-0.065 (0.136)	-0.082 (0.136)	-0.063 (0.136)	-0.059 (0.136)	-0.079 (0.137)	-0.064 (0.137)	0.584*** (0.127)	0.550*** (0.122)	0.574*** (0.169)	0.544*** (0.135)	0.516*** (0.131)
Common border dummy	0.000 (omitted)	0.000 (omitted)	0.000 (omitted)	0.000 (omitted)	0.000 (omitted)	0.000 (omitted)	0.000 (omitted)	0.000 (omitted)	0.000 (omitted)	0.000 (omitted)	0.000 (omitted)
Simple average MFN tariff of home country	0.317*** (0.107)										
Weighted average tariff of home country		0.207*** (0.054)									
Simple tariff line average of home country			0.455*** (0.111)								
Simple average effectively applied tariff in home country				0.098 (0.078)							
Weighted average effectively applied tariff in home country					0.170 (0.051)						
Simple Tariff line average effective applied tariff in home country						0.209** (0.088)					
Tariff equivalent trade costs in percent: sigma=8							-3.092*** (0.132)				
tij with interpolation								-3.240*** (0.128)			
Geometric average of tariff_ij and tariff_ji									-0.992 (3.821)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-2.919*** (0.142)	
Nontariff_tij with interpolation											-3.001*** (0.133)
Constant	5.826 (4.539)	7.282* (4.416)	4.457 (4.520)	8.439* (4.357)	8.141* (4.437)	7.220 (5.006)	41.333*** (7.222)	38.690*** (6.444)	16.012** (6.723)	42.110*** (7.551)	35.938*** (5.299)
Number of obs	2827.000	2824.000	2827.000	2816.000	2806.000	2815.000	1332.000	1464.000	1329.000	1211.000	1329.000
F(130,148088)	43.390	43.330	44.580	42.500	42.370	42.930	33.132	33.320	33.550	62.760	70.310
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.398	0.400	0.400	0.398	0.399	0.399	0.630	0.642	0.427	0.609	0.618
Root MSE	2.119	2.116	2.115	2.121	2.117	2.119	1.513		1.875	1.503	1.532
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.21: Home: SVEs. Partner: LDC

Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	0.475 (1.646)	-0.265 (1.565)	0.458 (1.656)	1.469 (1.715)	0.449 (1.668)	1.475 (1.728)	4.848 (3.806)	7.290 (4.335)	-3.150 (5.688)	-2.129 (3.955)	5.830 (4.873)
Log of per capita GDP of partner country	-0.240 (0.218)	-0.216 (0.206)	-0.240 (0.219)	-0.306 (0.232)	-0.262 (0.220)	-0.305 (0.233)	-2.011 (1.302)	-4.773 (3.350)	6.219 (14.806)	3.887 (5.101)	7.828 (8.514)
log of distance between the capitals of home and partner countries	-1.052*** (0.134)	-1.081*** (0.132)	-1.056*** (0.134)	-1.023*** (0.142)	-1.024*** (0.142)	-1.028*** (0.142)	-2.883*** (0.822)	-3.485** (1.356)	-4.945 (2.900)	-10.419*** (1.379)	-6.027*** (1.726)
Common language dummy	0.031 (0.292)	-0.080 (0.279)	0.035 (0.291)	-0.001 (0.314)	-0.122 (0.302)	0.000 (0.314)	0.127 (0.661)	1.906* (0.977)	3.770 (3.185)	3.087*** (0.903)	2.534 (1.674)
Land lock dummy for home country	1.460 (1.829)	0.917 (1.724)	1.426 (1.828)	2.684 (1.933)	1.965 (3.162)	2.628 (1.933)	-6.015** (2.836)	-7.023 (4.556)	-2.835 (6.920)	1.733 (4.919)	13.839* (6.973)
Land lock dummy for partner country	-1.802*** (0.383)	-1.959*** (0.367)	-1.804*** (0.383)	-1.907*** (0.384)	-2.020*** (0.370)	-1.902*** (0.384)	-4.384*** (1.095)	-7.331*** (2.606)	-1.820 (7.701)	2.761 (3.121)	2.705 (4.830)
Island dummy for home country	-1.910 (2.592)	-0.719 (2.442)	-1.906 (2.610)	-3.103 (2.677)	-1.536 (2.597)	-3.160 (2.700)	-0.122 (1.217)	-18.385 (11.399)	0.000 (omitted)	0.000 (omitted)	0.000 (omitted)
Island dummy for partner country	-2.061*** (0.312)	-1.931*** (0.309)	-2.051*** (0.314)	-2.083*** (0.333)	-1.992*** (0.330)	-2.074*** (0.335)	-8.426*** (0.889)	-9.350*** (1.385)	0.000 (omitted)	0.000 (omitted)	0.000 (omitted)
Common border dummy	5.118** (2.059)	0.000 (omitted)	0.000 (omitted)	6.306*** (2.175)	5.249** (2.083)	6.251*** (2.177)	0.000 (omitted)	0.000 (omitted)	0.000 (omitted)	0.000 (omitted)	0.000 (omitted)
Simple average MFN tariff of home country	-0.226 (0.153)										
Weighted average tariff of home country		-0.472*** (0.116)									
Simple tariff line average of home country			-0.225 (0.158)								
Simple average effectively applied tariff in home country				-0.253* (0.152)							
Weighted average effectively applied tariff in home country					-0.447*** (0.121)						
Simple Tariff line average effective applied tariff in home country						-0.235 (0.153)					
Tariff equivalent trade costs in percent: sigma=8							-2.552*** (0.900)				
tij with interpolation								-0.908 (1.640)			
Geometric average of tariff_ij and tariff_ji									5.515 (20.583)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-2.181* (0.961)	
Nontariff_tij with interpolation											-4.589*** (1.252)
Constant	18.888 (13.099)	25.253** (12.538)	19.054 (13.192)	11.206 (13.559)	19.302 (13.224)	11.183 (13.664)	30.596 (27.812)	27.298 (29.663)	45.410 (86.614)	112.159*** (32.608)	-12.854 (56.922)
Number of obs	394.000	391.000	394.000	372.000	369.000	372.000	47.000	60.000	33.000	26.000	33.000
F(130,148088)	141.808	141.120	141.984	140.648	140.800	141.152	141.984	146.912	77.312	154.912	164.288
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.389	0.421	0.389	0.398	0.419	0.397	0.881	0.722	0.855	0.985	0.934
Root MSE	2.140	2.062	2.140	2.155	2.092	2.157	1.000	1.676	1.319	0.513	0.892
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.22: Home: SVEs. Partner: SVE

Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	0.305 (1.080)	0.060 (1.070)	0.211 (1.075)	0.013 (1.149)	-0.108 (1.142)	-0.067 (1.143)	-0.523 (2.527)	-0.038 (2.379)	2.795 (2.452)	0.863 (2.698)	0.780 (2.439)
Log of per capita GDP of partner country	0.669*** (0.081)	0.655*** (0.080)	0.673*** (0.081)	0.676*** (0.086)	0.662*** (0.085)	0.678*** (0.086)	0.843*** (0.259)	0.879*** (0.254)	0.642* (0.367)	0.538 (0.383)	0.609* (0.330)
log of distance between the capitals of home and partner countries	-1.595*** (0.070)	-1.585*** (0.069)	-1.600*** (0.070)	-1.597*** (0.077)	-1.567*** (0.077)	-1.591*** (0.077)	-0.499* (0.293)	-0.359 (0.262)	-1.436*** (0.235)	-0.756** (0.316)	-0.544** (0.267)
Common language dummy	0.295 (0.191)	0.318* (0.193)	0.300 (0.191)	0.287 (0.205)	0.304 (0.207)	0.279 (0.205)	-0.142 (0.481)	0.020 (0.433)	0.700 (0.496)	-0.283 (0.512)	-0.216 (0.449)
Land lock dummy for home country	0.000 (omitted)	0.655 (2.171)	0.000 (omitted)	0.000 (omitted)	0.250 (2.215)	0.000 (omitted)	2.701 (3.674)	0.828 (5.020)	4.421** (2.180)	0.087 (2.537)	6.094*** (2.100)
Land lock dummy for partner country	-0.239 (0.339)	-0.305 (0.336)	-0.250 (0.337)	-0.082 (0.353)	-0.179 (0.359)	-0.085 (0.351)	-0.738 (0.932)	0.002 (0.864)	-1.275 (0.935)	-0.146 (0.952)	0.367 (0.884)
Island dummy for home country	-0.554 (3.482)	-0.010 (3.455)	-0.346 (3.465)	-0.478 (3.789)	0.479 (3.603)	-0.189 (3.772)	2.317 (7.918)	1.251 (2.826)	-2.363 (2.838)	-2.051 (8.495)	1.125 (2.789)
Island dummy for partner country	-0.669*** (0.205)	-0.646*** (0.203)	-0.669*** (0.205)	-0.416* (0.221)	-0.391* (0.218)	-0.400* (0.220)	-1.472** (0.729)	-0.887 (0.626)	-0.943 (0.806)	-1.114 (0.889)	-0.706 (0.758)
Common border dummy	-0.200 (0.434)	-0.117 (0.438)	-0.180 (0.435)	-0.569 (0.459)	-0.501 (0.471)	-0.550 (0.465)	-0.132 (0.790)	0.636 (0.797)	1.130 (0.911)	-0.258 (0.807)	0.407 (0.738)
Simple average MFN tariff of home country	-0.038 (0.116)										
Weighted average tariff of home country		-0.196*** (0.060)									
Simple tariff line average of home country			-0.144 (0.116)								
Simple average effectively applied tariff in home country				-0.214** (0.096)							
Weighted average effectively applied tariff in home country					-0.207*** (0.062)						
Simple Tariff line average effective applied tariff in home country						-0.290*** (0.092)					
Tariff equivalent trade costs in percent: sigma=8							-2.841*** (0.502)				
tij with interpolation								-2.903*** (0.438)			
Geometric average of tariff_ij and tariff_ji									-4.068 (2.934)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-2.375*** (0.455)	
Nontariff_tij with interpolation											-2.545*** (0.391)
Constant	16.563** (7.725)	18.971*** (7.316)	17.550** (7.680)	19.748*** (6.815)	19.828** (7.764)	20.411*** (6.783)	28.761* (16.855)	23.892 (20.241)	-5.395 (20.680)	21.373 (17.966)	17.812 (20.614)
Number of obs	1145.000	1137.000	1145.000	1029.000	1017.000	1029.000	301.000	355.000	300.000	255.000	300.000
F(130,148088)	53.178	52.920	53.244	52.743	52.800	52.932	53.244	55.092	28.992	58.092	61.608
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.416	0.422	0.417	0.407	0.409	0.410	0.432	0.435	0.313	0.418	0.409
Root MSE	2.395	2.376	2.393	2.431	2.414	2.425	2.084	2.164	2.339	2.156	2.170
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.23: Home: SVEs. Partner: Advanced south

Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	-0.010 (0.745)	0.033 (0.720)	0.033 (0.745)	0.005 (0.745)	0.050 (0.722)	0.044 (0.745)	-0.674 (1.086)	-0.416 (0.918)	-0.357 (0.975)	-1.559 (1.193)	-1.060 (0.966)
Log of per capita GDP of partner country	-0.209*** (0.033)	-0.208*** (0.033)	-0.208*** (0.033)	-0.208*** (0.033)	-0.208*** (0.033)	-0.208*** (0.033)	-0.211*** (0.039)	-0.221*** (0.037)	-0.301*** (0.052)	-0.173*** (0.039)	-0.186*** (0.038)
log of distance between the capitals of home and partner countries	-1.298*** (0.157)	-1.301*** (0.158)	-1.298*** (0.157)	-1.281*** (0.161)	-1.285*** (0.162)	-1.282*** (0.161)	-0.319*** (0.095)	-0.338*** (0.091)	-0.819*** (0.128)	-0.285*** (0.094)	-0.308*** (0.090)
Common language dummy	0.145 (0.134)	0.144 (0.132)	0.146 (0.133)	0.135 (0.136)	0.135 (0.134)	0.137 (0.135)	-0.042 (0.124)	-0.006 (0.121)	0.306* (0.158)	-0.070 (0.131)	-0.037 (0.128)
Land lock dummy for home country	-1.610** (0.805)	-1.589** (0.811)	-1.606** (0.806)	0.526 (1.002)	0.570 (0.952)	0.586 (0.996)	-0.409 (1.822)	-2.660 (1.969)	-0.082 (1.279)	2.461 (1.972)	-0.500 (1.305)
Land lock dummy for partner country	(omitted)	(omitted)	(omitted)	(omitted)	(omitted)	(omitted)	(omitted)	(omitted)	(omitted)	(omitted)	(omitted)
Island dummy for home country	-1.481 (1.249)	-1.556 (1.206)	-1.556 (1.246)	-0.125 (1.984)	-0.227 (1.944)	-0.208 (1.984)	0.278 (1.374)	-0.261 (1.194)	-0.175 (1.327)	4.926 (3.659)	0.522 (1.243)
Island dummy for partner country	0.150 (0.109)	0.148 (0.110)	0.149 (0.109)	0.150 (0.109)	0.147 (0.110)	0.148 (0.109)	0.588*** (0.146)	0.566*** (0.140)	0.166 (0.166)	0.651*** (0.151)	0.640*** (0.145)
Common border dummy	0.297 (0.325)	0.291 (0.329)	0.300 (0.326)	0.125 (0.294)	0.122 (0.294)	0.127 (0.293)	1.180*** (0.263)	1.160*** (0.252)	1.028*** (0.325)	1.286*** (0.266)	1.268*** (0.256)
Simple average MFN tariff of home country	0.015 (0.195)										
Weighted average tariff of home country		0.060 (0.111)									
Simple tariff line average of home country			0.068 (0.206)								
Simple average effectively applied tariff in home country				0.009 (0.184)							
Weighted average effectively applied tariff in home country					0.055 (0.111)						
Simple Tariff line average effective applied tariff in home country						0.055 (0.194)					
Tariff equivalent trade costs in percent: sigma=8							-2.388*** (0.154)				
tij with interpolation								-2.382*** (0.145)			
Geometric average of tariff_ij and tariff_ji									-6.787*** (2.038)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-2.173*** (0.157)	
Nontariff_tij with interpolation											-2.179*** (0.148)
Constant	28.302*** (6.068)	27.378*** (5.731)	27.815*** (6.112)	26.416*** (5.296)	25.948*** (5.019)	25.934*** (5.342)	39.587*** (8.871)	37.884*** (7.531)	29.933*** (8.298)	41.943*** (7.720)	42.027*** (8.064)
Number of obs	1395	1395	1395	1393	1393	1393	665	729	650	595	650
F(130,148088)	39.940	39.840	39.900	39.500	39.350	39.420	26.622	27.546	14.496	29.046	30.804
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.512	0.512	0.512	0.509	0.509	0.509	0.608	0.606	0.430	0.587	0.589
Root MSE	1.750	1.749	1.750	1.750	1.750	1.750	1.219	1.220	1.421	1.203	1.206
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.24: Home: SVEs. Partner: South Excluding Advanced south
Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	-1.009*	-1.252**	-0.983*	-1.142	-1.355	-1.108**	-0.306	0.136	1.508	-0.458	0.381
	(0.532)	(0.525)	(0.531)	(0.552)	(0.545)	(0.551)	(1.283)	(1.089)	(1.317)	(1.360)	(1.134)
Log of per capita GDP of partner country	0.429***	0.432***	0.431***	0.439***	0.444***	0.441***	0.231***	0.250***	0.429***	0.277***	0.308***
	(0.028)	(0.028)	(0.028)	(0.029)	(0.029)	(0.029)	(0.042)	(0.041)	(0.051)	(0.045)	(0.044)
log of distance between the capitals of home and partner countries	-1.341***	-1.328***	-1.343***	-1.324***	-1.294***	-1.326***	0.010	-0.022	-1.003***	-0.116	-0.140
	(0.036)	(0.036)	(0.036)	(0.038)	(0.038)	(0.038)	(0.079)	(0.079)	(0.073)	(0.089)	(0.087)
Common language dummy	0.185**	0.146*	0.185**	0.157*	0.105	0.156*	-0.378***	-0.396***	0.351**	-0.251*	-0.374***
	(0.083)	(0.082)	(0.083)	(0.086)	(0.086)	(0.086)	(0.136)	(0.134)	(0.153)	(0.149)	(0.144)
Land lock dummy for home country	-0.378	-0.576	-0.371	-0.141	-0.466	-0.165	-0.114	-0.146	-0.930	0.896	0.596
	(0.737)	(0.730)	(0.735)	(0.744)	(0.907)	(0.742)	(0.924)	(2.431)	(1.041)	(1.005)	(2.500)
Land lock dummy for partner country	-1.571***	-1.621***	-1.566***	-1.633***	-1.676***	-1.627***	-1.348***	-1.315***	-1.914***	-1.323***	-1.358***
	(0.111)	(0.108)	(0.111)	(0.112)	(0.110)	(0.112)	(0.206)	(0.197)	(0.242)	(0.229)	(0.217)
Island dummy for home country	0.893	1.524	0.824	1.194	1.065	1.105	0.603	-0.864	-5.446	1.106	-1.240
	(1.467)	(1.452)	(1.465)	(1.517)	(0.920)	(1.515)	(3.838)	(1.318)	(3.925)	(4.096)	(1.369)
Island dummy for partner country	-0.952***	-0.877***	-0.950***	-0.898***	-0.828***	-0.897***	-1.186***	-1.144***	-0.916***	-1.147***	-1.099***
	(0.090)	(0.090)	(0.090)	(0.094)	(0.094)	(0.094)	(0.148)	(0.142)	(0.165)	(0.154)	(0.148)
Common border dummy	1.249***	1.274***	1.252***	1.278***	1.252***	1.283***	-0.102	-0.149***	1.511***	0.067	-0.067
	(0.197)	(0.198)	(0.197)	(0.227)	(0.236)	(0.226)	(0.264)	(0.259)	(0.289)	(0.274)	(0.271)
Simple average MFN tariff of home country	-0.215***										
	(0.050)										
Weighted average tariff of home country		-0.352***									
		(0.027)									
Simple tariff line average of home country			-0.222***								
			(0.050)								
Simple average effectively applied tariff in home country				-0.278***							
				(0.045)							
Weighted average effectively applied tariff in home country					-0.369***						
					(0.027)						
Simple Tariff line average effective applied tariff in home country						-0.281***					
						(0.044)					
Tariff equivalent trade costs in percent: sigma=8							-3.102***				
							(0.148)				
tij with interpolation								-3.147***			
								(0.143)			
Geometric average of tariff_ij and tariff_ji									-1.690**		
									(0.694)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-2.700***	
										(0.184)	
Nontariff_tij with interpolation											-2.799***
											(0.171)
Constant	28.269***	30.398***	28.112***	29.085***	31.625***	28.855***	32.119***	29.820***	9.077	30.885***	25.591***
	(3.524)	(3.458)	(3.512)	(3.785)	(4.075)	(3.776)	(8.390)	(9.115)	(8.595)	(8.898)	(9.457)
Number of obs	6128	6076	6128	5854	5792	5854	1696	2045	1820	1533	1819
F(130,148088)	75.040	79.410	74.910	64.580	67.330	64.540	40.012	50.780	19.960	27.800	34.100
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.323	0.338	0.323	0.305	0.319	0.305	0.406	0.396	0.242	0.396	0.396
Root MSE	2.605	2.576	2.605	2.618	2.589	2.618	2.061	2.186	2.441	2.088	2.179
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.25: Home: Advanced south. Partner: South.
Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	2.622***	2.150***	2.555***	2.389***	2.082***	2.392***	0.487	0.440	0.580	0.641	0.557
	(0.205)	(0.203)	(0.205)	(0.204)	(0.204)	(0.203)	(0.578)	(0.577)	(0.879)	(0.603)	(0.600)
Log of per capita GDP of partner country	0.591***	0.624***	0.595***	0.609***	0.633***	0.611***	0.216***	0.204***	0.532***	0.309***	0.301***
	(0.023)	(0.023)	(0.023)	(0.023)	(0.023)	(0.023)	(0.027)	(0.027)	(0.037)	(0.028)	(0.027)
log of distance between the capitals of home and partner countries	-1.292***	-1.322***	-1.298***	-1.293***	-1.282***	-1.292***	0.551***	0.544***	-1.247***	0.422***	0.404***
	(0.048)	(0.049)	(0.048)	(0.048)	(0.049)	(0.048)	(0.054)	(0.055)	(0.072)	(0.056)	(0.056)
Common language dummy	0.333***	0.286**	0.326***	0.343***	0.255**	0.336***	-0.988***	-0.922***	0.240*	-0.908***	-0.832***
	(0.114)	(0.116)	(0.114)	(0.115)	(0.116)	(0.115)	(0.102)	(0.098)	(0.142)	(0.107)	(0.104)
Land lock dummy for home country	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted
Land lock dummy for partner country	-2.038***	-1.995***	-2.047***	-2.025***	-1.954***	-2.021***	-0.106	-0.130	-2.477***	-0.109	-0.143
	(0.073)	(0.072)	(0.073)	(0.073)	(0.072)	(0.073)	(0.093)	(0.090)	(0.111)	(0.101)	(0.097)
Island dummy for home country	4.557***	-2.494***	4.381***	-2.488***	3.264***	-2.450***	0.883	1.125	-0.579	1.248	1.339
	(0.344)	(0.579)	(0.342)	(0.545)	(0.339)	(0.544)	(0.844)	(1.127)	(1.719)	(0.880)	(1.173)
Island dummy for partner country	-3.292***	-3.194***	-3.295***	-3.251***	-3.129***	-3.250***	-0.543***	-0.609***	-1.479***	-0.477***	-0.563***
	(0.084)	(0.084)	(0.084)	(0.084)	(0.085)	(0.084)	(0.092)	(0.092)	(0.151)	(0.101)	(0.100)
Common border dummy	0.836***	0.875***	0.838***	0.938***	0.914***	0.944***	-0.467***	-0.462***	0.754***	-0.279	-0.314
	(0.149)	(0.149)	(0.150)	(0.149)	(0.150)	(0.149)	(0.178)	(0.176)	(0.281)	(0.192)	(0.190)
Simple average MFN tariff of home country	-0.206***										
	(0.048)										
Weighted average tariff of home country		-0.318***									
		(0.018)									
Simple tariff line average of home country			-0.099**								
			(0.042)								
Simple average effectively applied tariff in home country				-0.176***							
				(0.035)							
Weighted average effectively applied tariff in home country					-0.356***						
					(0.018)						
Simple Tariff line average effective applied tariff in home country						-0.197***					
						(0.032)					
Tariff equivalent trade costs in percent: sigma=8							-5.648***				
							(0.095)				
tij with interpolation								-5.525***			
								(0.090)			
Geometric average of tariff_ij and tariff_ji									-6.186***		
									(1.137)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-5.272***	
										(0.102)	
Nontariff_tij with interpolation											-5.148***
											(0.096)
Constant	1.450	6.702***	2.376	4.186**	6.878***	4.197**	36.497***	36.695***	20.681***	33.207***	33.453***
	(1.743)	(1.703)	(1.734)	(1.683)	(1.706)	(1.681)	(4.837)	(4.908)	(7.462)	(5.145)	(5.106)
Number of obs	13219	13028	13219	13079	12815	13079	4399	4774	4625	4276	4625
F(130,148088)	161.540	167.420	160.710	159.990	168.600	160.140	297.950	317.410	101.190	248.260	271.020
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.301	0.313	0.300	0.304	0.320	0.304	0.699	0.690	0.305	0.678	0.673
Root MSE	3.266	3.241	3.268	3.251	3.218	3.250	1.891	1.961	2.919	1.943	2.003
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.26: Home: Advanced south. Partner: North

Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	1.740*** (0.299)	1.211*** (0.268)	1.675*** (0.287)	1.101*** (0.258)	1.085*** (0.259)	1.084*** (0.258)	0.956 (0.619)	0.943 (0.623)	0.782 (1.093)	1.038* (0.621)	1.023 (0.625)
Log of per capita GDP of partner country	1.074*** (0.123)	0.936*** (0.117)	1.047*** (0.120)	0.956*** (0.118)	0.954*** (0.118)	0.964*** (0.118)	-0.098 (0.090)	-0.098 (0.090)	-0.118 (0.185)	-0.060 (0.091)	-0.061 (0.090)
log of distance between the capitals of home and partner countries	-1.475*** (0.115)	-1.508*** (0.116)	-1.495*** (0.116)	-1.583*** (0.117)	-1.552*** (0.117)	-1.590*** (0.117)	0.034 (0.186)	-0.031 (0.185)	-1.707*** (0.271)	-0.085 (0.181)	-0.147 (0.180)
Common language dummy	0.904*** (0.151)	0.950*** (0.152)	0.902*** (0.153)	0.929*** (0.152)	0.950*** (0.152)	0.924*** (0.153)	-0.227* (0.134)	-0.212 (0.132)	0.839*** (0.210)	-0.184 (0.135)	-0.168 (0.133)
Land lock dummy for home country	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted
Land lock dummy for partner country	-1.153*** (0.104)	-1.146*** (0.104)	-1.145*** (0.104)	-1.141*** (0.103)	-1.116*** (0.103)	-1.144*** (0.103)	-0.069 (0.091)	-0.076 (0.090)	-0.904*** (0.140)	-0.061 (0.091)	-0.068 (0.090)
Island dummy for home country	Omitted	1.412*** (0.454)	Omitted	-0.704 (0.671)	-1.211 (0.633)	-0.419 (0.653)	1.202 (0.903)	-0.295 (1.217)	-2.733 (2.134)	1.604* (0.906)	0.031 (1.222)
Island dummy for partner country	-0.398*** (0.096)	-0.403*** (0.097)	-0.413*** (0.096)	-0.419*** (0.097)	-0.412*** (0.097)	-0.427*** (0.097)	0.063 (0.085)	0.060 (0.085)	-0.033 (0.174)	-0.012 (0.087)	-0.015 (0.087)
Common border dummy	-1.996*** (0.241)	-1.969*** (0.246)	-2.032*** (0.231)	-2.159*** (0.263)	-2.120*** (0.257)	-2.189*** (0.251)	-0.920*** (0.229)	-0.997*** (0.228)	-2.829*** (0.378)	-1.028*** (0.227)	-1.102*** (0.226)
Simple average MFN tariff of home country	0.990*** (0.261)										
Weighted average tariff of home country		0.136 (0.091)									
Simple tariff line average of home country			1.028*** (0.238)								
Simple average effectively applied tariff in home country				0.168** (0.067)							
Weighted average effectively applied tariff in home country					0.050 (0.052)						
Simple Tariff line average effective applied tariff in home country						0.243*** (0.071)					
Tariff equivalent trade costs in percent: sigma=8							-4.740*** (0.190)				
tij with interpolation								-4.641*** (0.184)			
Geometric average of tariff_ij and tariff_ji									-25.967*** (6.110)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-4.578*** (0.188)	
Nontariff_tij with interpolation											-4.483*** (0.183)
Constant	5.366 (3.667)	13.874*** (2.833)	6.302* (3.339)	14.939*** (2.674)	15.229*** (2.680)	14.820*** (2.678)	36.638*** (5.672)	36.527*** 5.621	32.745*** (9.760)	35.185*** (5.675)	35.150*** (5.622)
Number of obs	2587	2587	2587	2582	2575	2582	1066	1088	1088	1066	1088
F(130,148088)	27.650	26.780	27.920	27.470	27.700	27.710	74.710	74.780	14.310	73.240	73.440
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.250	0.240	0.254	0.242	0.243	0.245	0.731	0.726	0.237	0.725	0.720
Root MSE	1.841	1.853	1.837	1.850	1.851	1.847	1.073	1.082	1.807	1.085	1.093
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.27: Home: Advanced south. Partner: LDC

Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	4.510*** (0.654)	3.660*** (0.654)	4.393*** (0.654)	4.298*** (0.665)	3.516*** (0.670)	4.207*** (0.662)	0.950 (2.169)	-1.157 (2.261)	-0.432 (3.700)	-0.337 (2.714)	-2.423 (2.761)
Log of per capita GDP of partner country	-0.020 (0.145)	-0.288** (0.134)	-0.037 (0.143)	-0.077 (0.142)	-0.306** (0.135)	-0.082 (0.141)	-0.435 (0.266)	-0.258 (0.287)	-1.159* (0.609)	-0.585 (0.399)	-0.588 (0.392)
log of distance between the capitals of home and partner countries	-0.782*** (0.152)	-0.959*** (0.152)	-0.810*** (0.152)	-0.814*** (0.152)	-0.941*** (0.150)	-0.793*** (0.151)	0.524** (0.263)	0.808*** (0.281)	-1.226*** (0.343)	0.428 (0.394)	0.805** (0.394)
Common language dummy	0.695** (0.364)	0.154 (0.342)	0.649 (0.361)	0.616* (0.358)	0.227 (0.339)	0.618* (0.355)	0.322 (0.351)	0.721* (0.375)	-0.247 (0.634)	0.143 (0.581)	0.887 (0.631)
Land lock dummy for home country	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted
Land lock dummy for partner country	-1.330*** (0.220)	-1.393*** (0.217)	-1.361*** (0.220)	-1.423*** (0.220)	-1.357*** (0.217)	-1.419*** (0.219)	-0.489 (0.330)	-0.065 (0.358)	-2.661*** (0.509)	-0.510 (0.467)	0.078 (0.484)
Island dummy for home country	-3.559** (1.516)	5.795*** (1.093)	-3.821 (1.510)	-4.435*** (1.517)	-3.091** (1.538)	-4.484*** (1.517)	2.152 (3.229)	0.182 (3.321)	5.921 (7.335)	-0.746 (4.139)	7.753 (5.423)
Island dummy for partner country	-3.446*** (0.242)	-3.075*** (0.235)	-3.440*** (0.243)	-3.345*** (0.243)	-2.961*** (0.236)	-3.306*** (0.244)	-0.133 (0.548)	0.457 (0.690)	0.832 (1.663)	0.269 (0.999)	1.043 (1.291)
Common border dummy	-0.469 (0.657)	-0.090 (0.612)	-0.466 (0.661)	-0.471 (0.668)	-0.251 (0.614)	-0.417 (0.672)	-0.624 (0.642)	-0.428 (0.681)	-0.047 (1.246)	-0.746 (0.745)	-0.368 (0.764)
Simple average MFN tariff of home country	-0.281** (0.128)										
Weighted average tariff of home country		-0.268*** (0.061)									
Simple tariff line average of home country			0.149 (0.125)								
Simple average effectively applied tariff in home country				-0.150 (0.123)							
Weighted average effectively applied tariff in home country					-0.272*** (0.058)						
Simple Tariff line average effective applied tariff in home country						-0.271** (0.119)					
Tariff equivalent trade costs in percent: sigma=8							-4.696*** (0.418)				
tij with interpolation								-5.291*** (0.448)			
Geometric average of tariff_ij and tariff_ji									-30.639*** (9.354)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-4.631* (0.483)	
Nontariff_tij with interpolation											-5.299*** (0.535)
Constant	-16.618*** (5.650)	-5.261 (5.624)	-14.922*** (5.611)	-12.970** (5.744)	-4.180 (5.727)	-12.069** (5.657)	30.389* 18.362	47.429** (19.320)	29.750 (30.940)	41.884* (23.297)	58.092** (23.579)
Number of obs	1293	1245	1293	1275	1216	1275	234	258	182	163	182
F(130,148088)	15.953	15.876	15.973	15.823	15.840	15.880	15.973	16.528	8.698	17.428	18.482
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.271	0.270	0.269	0.274	0.272	0.276	0.604	0.577	0.398	0.612	0.582
Root MSE	3.152	3.037	3.157	3.139	3.000	3.134	1.865	2.121	2.749	2.041	2.292
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.28: Home: Advanced south. Partner: SVE

Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	1.772*** (0.474)	1.171*** (0.443)	1.715*** (0.469)	1.724*** (0.474)	1.092** (0.446)	1.718*** (0.468)	1.627 (1.528)	1.381 (1.500)	2.184 (2.248)	1.212 (1.669)	0.511 (1.622)
Log of per capita GDP of partner country	1.008*** (0.061)	0.958*** (0.058)	1.013*** (0.060)	0.995*** (0.061)	0.952*** (0.059)	0.997*** (0.060)	0.471*** (0.124)	0.516*** (0.124)	0.971*** (0.163)	0.703*** (0.149)	0.724*** (0.145)
log of distance between the capitals of home and partner countries	-1.314*** (0.106)	-1.299*** (0.104)	-1.309*** (0.106)	-1.297*** (0.105)	-1.266*** (0.104)	-1.291*** (0.104)	0.283 (0.249)	0.334 (0.245)	-1.119*** (0.228)	0.362 (0.267)	0.396 (0.261)
Common language dummy	-0.165 (0.204)	-0.194 (0.210)	-0.152 (0.204)	-0.117 (0.199)	-0.137 (0.206)	-0.100 (0.199)	-1.231*** (0.277)	-0.972*** (0.276)	-0.622** (0.283)	-1.033*** (0.300)	-0.745** (0.293)
Land lock dummy for home country	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted
Land lock dummy for partner country	-0.326 (0.242)	0.007 (0.233)	-0.244 (0.242)	-0.121 (0.246)	0.213 (0.244)	-0.066 (0.247)	-0.101 (0.403)	0.292 (0.369)	-0.999** (0.444)	-0.132 (0.412)	0.319 (0.378)
Island dummy for home country	0.628 (1.167)	0.826 (1.425)	0.390 (1.198)	3.541*** (0.789)	0.981 (1.429)	3.528*** (0.777)	1.893 (2.252)	-0.274 (2.982)	3.265 (3.257)	1.212 (2.459)	0.733 (2.384)
Island dummy for partner country	-1.111*** (0.160)	-0.705*** (0.151)	-1.064*** (0.158)	-1.038*** (0.159)	-0.652*** (0.153)	-1.007*** (0.158)	-0.301 (0.281)	-0.155 (0.283)	-1.086*** (0.381)	-0.433 (0.332)	-0.318 (0.327)
Common border dummy	-0.871** (0.418)	-0.808** (0.404)	-0.840** (0.418)	-0.496 (0.429)	-0.316 (0.419)	-0.462 (0.428)	-1.209* (0.675)	-0.832 (0.696)	-1.148 (1.006)	-0.980 (0.692)	-0.715 (0.707)
Simple average MFN tariff of home country	-0.378*** (0.098)										
Weighted average tariff of home country		-0.579*** (0.041)									
Simple tariff line average of home country			-0.516*** (0.089)								
Simple average effectively applied tariff in home country				-0.483*** (0.086)							
Weighted average effectively applied tariff in home country					-0.578*** (0.040)						
Simple Tariff line average effective applied tariff in home country						-0.562*** (0.077)					
Tariff equivalent trade costs in percent: sigma=8							-4.552*** (0.244)				
tij with interpolation								-4.512*** (0.231)			
Geometric average of tariff_ij and tariff_ji									-20.635*** (3.099)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-4.506*** (0.269)	
Nontariff_tij with interpolation											-4.499*** (0.255)
Constant	2.847 (3.985)	8.917** (3.738)	3.599 (3.923)	3.385 (3.954)	8.201** (3.689)	3.581 (3.891)	20.074 (12.882)	20.039 (12.947)	-0.187 (19.106)	19.882 (14.368)	24.688* (13.977)
Number of obs	2457	2414	2457	2395	2344	2395	633	712	639	572	639
F(130,148088)	21.450	28.570	21.84	22.410	27.240	22.970	43.66	45.610	17.750	35.750	37.180
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.233	0.283	0.240	0.239	0.285	0.247	0.539	0.519	0.302	0.516	0.501
Root MSE	2.940	2.799	2.927	2.907	2.770	2.893	2.113	2.234	2.698	2.170	2.280
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.29: Home: Advanced south. Partner: Advanced south

Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	0.353 (0.248)	0.451** (0.239)	0.475** (0.242)	0.281 (0.241)	0.329 (0.240)	0.328 (0.242)	1.486* (0.886)	1.594* (0.880)	1.402 (0.928)	1.779** (0.900)	1.871** (0.889)
Log of per capita GDP of partner country	-0.202*** (0.023)	-0.199*** (0.022)	-0.199*** (0.022)	-0.199*** (0.022)	-0.199*** (0.022)	-0.198*** (0.022)	-0.376*** (0.037)	-0.382*** (0.036)	-0.355*** (0.050)	-0.329*** (0.037)	-0.336*** (0.036)
log of distance between the capitals of home and partner countries	-0.885*** (0.051)	-0.879*** (0.051)	-0.876*** (0.051)	-0.839*** (0.051)	-0.864*** (0.050)	-0.847*** (0.051)	-0.207** (0.104)	-0.246** (0.097)	-0.968*** (0.073)	-0.353*** (0.104)	-0.382*** (0.095)
Common language dummy	0.956*** (0.095)	0.950*** (0.097)	0.956*** (0.096)	0.969*** (0.096)	0.950*** (0.097)	0.969*** (0.096)	0.378*** (0.108)	0.384*** (0.106)	1.012*** (0.129)	0.451*** (0.111)	0.454*** (0.109)
Land lock dummy for home country	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted
Land lock dummy for partner country	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted
Island dummy for home country	-1.780** (0.869)	Omitted	-1.004 (0.821)	-1.435** (0.637)	-0.066 (0.415)	-1.303** (0.645)	1.959 (1.273)	2.061 (1.263)	1.342 (1.376)	2.413* (1.286)	2.491** (1.272)
Island dummy for partner country	0.162*** (0.060)	0.153*** (0.060)	0.157*** (0.060)	0.133** (0.060)	0.140** (0.060)	0.136** (0.060)	0.708*** (0.110)	0.709*** (0.110)	0.067 (0.120)	0.742*** (0.118)	0.742*** (0.115)
Common border dummy	0.166 (0.135)	0.169 (0.135)	0.164 (0.135)	0.128 (0.135)	0.133 (0.138)	0.125 (0.135)	-0.570** (0.232)	-0.595*** (0.223)	0.215 (0.234)	-0.556** (0.230)	-0.577*** (0.221)
Simple average MFN tariff of home country	-0.247* (0.147)										
Weighted average tariff of home country		-0.050 (0.063)									
Simple tariff line average of home country			-0.054 (0.134)								
Simple average effectively applied tariff in home country				-0.204*** (0.051)							
Weighted average effectively applied tariff in home country					-0.131** (0.052)						
Simple Tariff line average effective applied tariff in home country						-0.176*** (0.057)					
Tariff equivalent trade costs in percent: sigma=8							-2.441*** (0.256)				
tij with interpolation								-2.311*** (0.233)			
Geometric average of tariff_ij and tariff_ji									0.255 (2.879)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-2.081*** (0.264)	
Nontariff_tij with interpolation											-1.974*** (0.231)
Constant	26.602*** (2.322)	25.110*** (2.081)	24.912*** (2.218)	26.591*** (2.027)	26.187*** (2.021)	26.185*** (2.041)	25.437*** (7.455)	24.164*** (7.396)	21.136*** (7.814)	21.813*** (7.570)	20.737*** (7.460)
Number of obs	1160	1159	1160	1160	1159	1160	548	562	562	548	562
F(130,148088)	72.420	71.180	71.740	79.030	70.480	78.990	72.170	73.450	56.210	73.710	74.760
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.648	0.647	0.648	0.651	0.648	0.649	0.705	0.701	0.586	0.695	0.692
Root MSE	1.038	1.040	1.040	1.035	1.038	1.037	0.877	0.886	1.044	0.892	0.900
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.30: Home: Advanced south. Partner: South Excluding Advanced south
Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	2.621*** (0.205)	2.130*** (0.201)	2.563*** (0.205)	2.448*** (0.203)	2.089*** (0.201)	2.454*** (0.203)	0.387 (0.587)	0.311 (0.586)	0.634 (0.883)	0.457 (0.600)	0.335 (0.599)
Log of per capita GDP of partner country	0.505*** (0.023)	0.531*** (0.023)	0.509*** (0.023)	0.520*** (0.023)	0.539*** (0.023)	0.522*** (0.023)	0.228*** (0.028)	0.219*** (0.027)	0.453*** (0.039)	0.309*** (0.028)	0.306*** (0.028)
log of distance between the capitals of home and partner countries	0.023*** (0.049)	-1.355*** (0.049)	-1.341*** (0.049)	-1.327*** (0.049)	-1.307*** (0.049)	-1.324*** (0.049)	0.458*** (0.057)	0.467*** (0.057)	-1.213*** (0.073)	0.359*** (0.057)	0.352*** (0.057)
Common language dummy	0.241** (0.114)	0.179 (0.115)	0.234** (0.114)	0.238** (0.114)	0.119 (0.114)	0.224** (0.114)	-0.957*** (0.105)	-0.869*** (0.100)	0.058 (0.142)	-0.889*** (0.110)	-0.789*** (0.105)
Land lock dummy for home country	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted
Land lock dummy for partner country	-1.713*** (0.072)	-1.614*** (0.071)	-1.715*** (0.072)	-1.688*** (0.072)	-1.566*** (0.071)	-1.681*** (0.072)	-0.092 (0.091)	-0.114 (0.089)	-2.030*** (0.109)	-0.085 (0.099)	-0.115 (0.095)
Island dummy for home country	-1.509** (0.590)	3.301*** (0.334)	-1.759*** (0.579)	-2.366*** (0.573)	3.255*** (0.334)	-2.289*** (0.577)	0.794 (0.860)	0.716 (0.858)	0.975 (1.290)	1.518 (1.171)	0.868 (0.877)
Island dummy for partner country	-3.344*** (0.081)	-3.185*** (0.081)	-3.345*** (0.081)	-3.295*** (0.081)	-3.116*** (0.081)	-3.292*** (0.081)	-0.949*** (0.097)	-1.006*** (0.096)	-1.718*** (0.152)	-0.949*** (0.105)	-1.027*** (0.104)
Common border dummy	0.817*** (0.155)	0.846*** (0.153)	0.826*** (0.155)	0.900*** (0.154)	0.875*** (0.153)	0.911*** (0.154)	-0.229 (0.181)	-0.186 (0.177)	0.724** (0.305)	-0.019 (0.191)	-0.018 (0.186)
Simple average MFN tariff of home country	0.062 (0.046)										
Weighted average tariff of home country		-0.409*** (0.018)									
Simple tariff line average of home country			-0.037 (0.041)								
Simple average effectively applied tariff in home country				-0.247*** (0.034)							
Weighted average effectively applied tariff in home country					-0.434*** (0.017)						
Simple Tariff line average effective applied tariff in home country						-0.275*** (0.032)					
Tariff equivalent trade costs in percent: sigma=8							-5.305*** (0.099)				
tij with interpolation								-5.208*** (0.094)			
Geometric average of tariff_ij and tariff_ji									-3.904*** (1.043)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-4.982*** (0.102)	
Nontariff_tij with interpolation											-4.885*** (0.096)
Constant	2.460 (1.744)	7.494*** (1.686)	3.250* (1.735)	4.609*** (1.711)	7.076*** (1.659)	4.583*** (1.709)	36.026*** (4.903)	36.011*** (4.891)	19.481*** (7.483)	33.548*** (5.109)	34.077*** (5.088)
Number of obs	12059	11869	12059	11919	11656	11919	3851	4212	4063	3728	4063
F(130,148088)	144.850	158.740	144.290	145.750	160.020	146.320	276.040	293.110	72.570	249.460	272.780
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.306	0.332	0.306	0.312	0.339	0.313	0.652	0.642	0.278	0.632	0.626
Root MSE	3.098	3.038	3.098	3.077	3.009	3.074	1.876	1.947	2.746	1.916	1.976
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.31: Home: South Excluding Advanced south. Partner: South.
Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	0.449*** (0.163)	0.273** (0.163)	0.451*** (0.163)	0.119 (0.167)	-0. 031 (0.167)	0.126 (0.167)	0.350 (0.351)	0.341 (0.337)	0.462 (0.452)	0.512 (0.379)	0.594* (0.361)
Log of per capita GDP of partner country	0.595*** (0.011)	0.590*** (0.010)	0.595*** (0.010)	0.587*** (0.010)	0.586*** (0.010)	0.588*** (0.010)	0.293*** (0.013)	0.288*** (0.013)	0.517*** (0.018)	0.372*** (0.014)	0.368*** (0.014)
log of distance between the capitals of home and partner countries	-0.873*** (0.018)	-0.860*** (0.018)	-0.872*** (0.018)	-0.786** (0.019)	-0.752*** (0.019)	-0.790*** (0.019)	0.776*** (0.027)	0.776*** (0.026)	-0.520*** (0.031)	0.660*** (0.029)	0.665*** (0.028)
Common language dummy	0.675*** (0.035)	0.677*** (0.035)	0.675*** (0.035)	0.670*** (0.036)	0. 637*** (0.036)	0.668*** (0.036)	-0.411*** (0.046)	-0.352*** (0.044)	0.373*** (0.058)	-0.351*** (0.048)	-0.303*** (0.047)
Land lock dummy for home country	-0.064 (647.315)	0.058 (0.921)	0.068 (.)	0.796 (0.857)	-1. 641* (0.848)	0.491 (1154.234)	1.073 (1.110)	1.997 (1.793)	-0.941 (2.090)	2.672 (1.942)	1.907** (0.940)
Land lock dummy for partner country	-1.902*** (0.038)	-1.929*** (0.037)	-1.901*** (0.037)	-2.059*** (0.038)	-2.089*** (0.037)	-2.055*** (0.038)	-0.959*** (0.057)	-0.911*** (0.055)	-2.103*** (0.071)	-0.911*** (0.063)	-0.876*** (0.060)
Island dummy for home country	-2.540*** (0.392)	-1.262 (0.969)	-2.556*** (0.391)	0.988 (0.956)	-3.418*** (0. 413)	-1.287 (1071.894)	-1.697 (1.116)	-0.109 (1.099)	-0.615 (1.561)	2.506* (1.456)	-0.499 (1.086)
Island dummy for partner country	-1.881*** (0.038)	-1.830*** (0.038)	-1.881*** (0.037)	-1.867*** (0.038)	-1.819*** (0.038)	-1.870*** (0.038)	-0.299*** (0.050)	-0.298*** (0.049)	-0.705*** (0.064)	-0.162*** (0.053)	-0.170*** (0.051)
Common border dummy	2.568*** (0.068)	2.654*** (0.068)	2.567*** (0.068)	2.605*** (0.073)	2.677*** (0.074)	2.615*** (0.073)	0.280*** (0.080)	0.309*** (0.080)	2.345*** (0.097)	0.470*** (0.085)	0.489*** (0.084)
Simple average MFN tariff of home country	0.019 (0.026)										
Weighted average tariff of home country		-0.342*** (0.013)									
Simple tariff line average of home country			0.028 (0.026)								
Simple average effectively applied tariff in home country				-0.248*** (0.019)							
Weighted average effectively applied tariff in home country					-0.400*** (0.012)						
Simple Tariff line average effective applied tariff in home country						-0.235*** (0.019)					
Tariff equivalent trade costs in percent: sigma=8							-4.858*** (0.044)				
tij with interpolation								-4.869*** (0.042)			
Geometric average of tariff_ij and tariff_ji									-6.600*** (0.541)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-4.541*** (0.054)	
Nontariff_tij with interpolation											-4.566*** (0.050)
Constant	11.886*** (1.591)	15.123*** (1.120)	11.845*** (1.591)	14.844*** (1.117)	18.278*** (1.634)	15.104 (270.423)	30.835*** (2.046)	29.508*** (3.525)	12.477*** (4.793)	25.872*** (3.963)	26.817*** (2.065)
Number of obs	59962	59706	59962	58057	57670	58058	17846	19950	18624	16796	18622
F(130,148088)	217.34	216.19	187.33	193.03	200.85	203.46	205.24	235.65	66.43	156.17	181.55
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.287	0.296	0.287	0.278	0.289	0.278	0.589	0.584	0.251	0.568	0.568
Root MSE	3.230	3.212	3.230	3.229	3.206	3.23	2.090	2.167	2.875	2.117	2.184
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.32: Home: South Excluding Advanced south. Partner: North
Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	1.422*** (0.180)	1.337*** (0.178)	1.460*** (0.180)	1.347*** (0.178)	1.333*** (0.178)	1.390*** (0.178)	0.245 (0.342	0.454 (0.342)	0.745* (0.435)	0.315 (0.348)	0.384 (0.346)
Log of per capita GDP of partner country	0.903*** (0.053)	0.887*** (0.053)	0.901*** (0.053)	0.887*** (0.053)	0.890*** (0.053)	0.893*** (0.053)	0.530*** (0.054)	0.448*** (0.054)	0.321*** (0.078)	0.533*** (0.056)	0.458*** (0.055)
log of distance between the capitals of home and partner countries	-0.975*** (0.037)	-0.981*** (0.037)	-0.974*** (0.037)	-1.007*** (0.037)	-1.001*** (0.037)	-1.008*** (0.037)	0.143*** (0.047)	0.184*** (0.048)	-0.924*** (0.059)	0.119** (0.049)	0.160*** (0.049)
Common language dummy	1.348*** (0.047)	1.361*** (0.047)	1.345*** (0.047)	1.348*** (0.047)	1.357*** (0.047)	1.347*** (0.047)	0.084* (0.049)	0.087* (0.049)	1.020*** (0.071)	0.088* (0.051)	0.083* (0.051)
Land lock dummy for home country	-0.026 (0.707)	-0.075 (0.703)	-0.011 (0.707)	-0.799 (0.697)	-0.039 (0.703)	-0.883 (0.699)	-2.343* (1.334)	-0.145 (0.464)	-0.164 (0.659)	-2.252** (1.080)	-0.149 (0.463)
Land lock dummy for partner country	-1.695*** (0.050)	-1.693*** (0.050)	-1.688*** (0.050)	-1.691*** (0.050)	-1.692*** (0.050)	-1.690*** (0.050)	-0.692*** (0.054)	-0.698*** (0.054)	-1.411*** (0.067)	-0.696*** (0.054)	-0.695*** (0.054)
Island dummy for home country	2.931 (0.793)	-5.782*** (0.368)	3.002*** (0.790)	1.813*** (0.673)	-5.712*** (0.367)	-6.768*** (1.202)	-0.847 (1.309)	-1.022 (0.847)	-2.932*** (0.983)	-1.968** (0.845)	-2.451*** (0.818)
Island dummy for partner country	-0.523*** (0.045)	-0.543*** (0.045)	-0.521*** (0.045)	-0.523*** (0.045)	-0.534*** (0.045)	-0.523*** (0.045)	0.261*** (0.042)	0.215*** (0.043)	-0.036 (0.064)	0.200*** (0.044)	0.147*** (0.045)
Common border dummy	0.309 (0.237)	0.273 (0.237)	0.313 (0.237)	0.255 (0.234)	0.240 (0.235)	0.254 (0.234)	-0.191 (0.156)	-0.217 (0.155)	0.234 (0.304)	-0.225 (0.161)	-0.243 (0.158)
Simple average MFN tariff of home country	0.353*** (0.053)										
Weighted average tariff of home country		0.167*** (0.027)									
Simple tariff line average of home country			0.437*** (0.055)								
Simple average effectively applied tariff in home country				0.166*** (0.031)							
Weighted average effectively applied tariff in home country					0.129*** (0.022)						
Simple Tariff line average effective applied tariff in home country						0.242*** (0.034)					
Tariff equivalent trade costs in percent: sigma=8							-3.658*** (0.061)				
tij with interpolation								-3.756*** (0.060)			
Geometric average of tariff_ij and tariff_ji									-9.312*** (1.252)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-3.499*** (0.061)	
Nontariff_tij with interpolation											-3.583*** (0.060)
Constant	2.311 (1.931)	3.814** (1.881)	1.764 (1.923)	4.659*** (1.218)	4.077** (1.870)	4.155*** (1.222)	28.239*** (3.664)	28.447*** (2.082)	16.802*** (2.612)	26.693*** (2.081)	27.199*** (2.056)
Number of obs	17289	17276	17289	17264	17236	17263	7555	7908	7635	7320	7635
F(130,148088)	136.39	135.98	136.58	135.59	136.06	136.00	166.26	173.64	73.74	149.25	158.84
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.497	0.496	0.498	0.497	0.497	0.497	0.722	0.722	0.481	0.713	0.714
Root MSE	2.019	2.019	2.017	2.020	2.020	2.018	1.325	1.375	1.853	1.334	1.377
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.33: Home: South Excluding Advanced south. Partner: LDC

Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	-0.418 (0.531)	-0.631 (0.522)	-0.422 (0.531)	-0.265 (0.550)	-0.607 (0.534)	-0.267 (0.551)	-0.839 (1.888)	0.086** (1.882)	2.320 (2.895)	0.108 (2.698)	2.488 (2.728)
Log of per capita GDP of partner country	-0.180** (0.074)	-0.191*** (0.072)	-0.180** (0.074)	-0.197*** (0.075)	-0.195*** (0.073)	-0.197*** (0.075)	-1.347** (0.530)	-1.409*** (0.520)	-2.312*** (0.707)	-2.246*** (0.663)	-2.210*** (0.616)
log of distance between the capitals of home and partner countries	-0.679*** (0.059)	-0.651*** (0.058)	-0.680*** (0.059)	-0.601*** (0.061)	-0.551*** (0.060)	-0.604*** (0.061)	0.895*** (0.240)	0.791*** (0.231)	-0.436 (0.290)	0.735** (0.302)	0.716** (0.282)
Common language dummy	0.163 (0.121)	0.069 (0.117)	0.163 (0.121)	0.155 (0.123)	0.018 (0.119)	0.156 (0.123)	0.663** (0.287)	0.734*** (0.276)	0.369 (0.455)	0.419 (0.445)	0.423 (0.416)
Land lock dummy for home country	-0.785 (2.147)	0.026 (0.387)	-0.803 (2.148)	-0.415 (0.400)	-0.036 (0.389)	-0.414 (0.400)	4.671** (1.873)	-2.770 (6.024)	0.993 (6.197)	0.879 (5.748)	6.168 (5.803)
Land lock dummy for partner country	-1.089*** (0.119)	-1.203*** (0.116)	-1.089*** (0.119)	-1.105*** (0.119)	-1.228*** (0.116)	-1.103*** (0.119)	-1.735*** (0.565)	-1.763*** (0.554)	-3.815*** (0.637)	-3.027*** (0.587)	-2.874*** (0.556)
Island dummy for home country	-0.179 (1.699)	-1.724*** (0.437)	-0.197 (1.699)	-11.429*** (0.402)	-11.107*** (0.390)	-11.417*** (0.402)	-3.857*** (0.763)	-4.695 (7.020)	4.110 (6.308)	0.293 (5.863)	5.400 (5.920)
Island dummy for partner country	-2.065*** (0.108)	-1.973*** (0.107)	-2.063*** (0.108)	-2.091*** (0.111)	-2.001*** (0.109)	-2.090*** (0.111)	-1.404* (0.815)	-0.936 (0.816)	1.470 (1.654)	1.729 (1.632)	2.388* (1.479)
Common border dummy	2.345*** (0.268)	2.528*** (0.269)	2.342*** (0.267)	2.421*** (0.277)	2.458*** (0.274)	2.425*** (0.277)	0.896 (0.560)	0.858 (0.539)	2.691*** (0.710)	1.463** (0.718)	1.425** (0.658)
Simple average MFN tariff of home country	-0.118* (0.071)										
Weighted average tariff of home country		-0.458*** (0.039)									
Simple tariff line average of home country			-0.114 (0.073)								
Simple average effectively applied tariff in home country				-0.190*** (0.067)							
Weighted average effectively applied tariff in home country					-0.490*** (0.039)						
Simple Tariff line average effective applied tariff in home country						-0.173** (0.068)					
Tariff equivalent trade costs in percent: sigma=8							-3.769*** (0.308)				
tij with interpolation								-3.818*** (0.296)			
Geometric average of tariff_ij and tariff_ji									3.080 (3.652)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-3.143*** (0.370)	
Nontariff_tij with interpolation											-3.223*** (0.342)
Constant	22.239*** (5.161)	26.183*** (3.383)	22.284*** (5.165)	22.864*** (3.565)	25.662*** (3.448)	22.836*** (3.568)	40.667*** (12.592)	37.096* (20.098)	8.122 (30.870)	37.620 (28.873)	13.033 (28.964)
Number of obs	4603	4574	4603	4452	4419	4452	618	724	451	393	451
F(130,148088)	124.082	123.480	124.236	123.067	123.200	123.508	124.236	128.548	67.648	135.548	143.752
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.269	0.290	0.269	0.269	0.297	0.269	0.546	0.502	0.461	0.572	0.559
Root MSE	2.813	2.764	2.813	2.811	2.748	2.812	2.054	2.184	2.320	2.062	2.098
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.34: Home: South Excluding Advanced south. Partner: SVE

Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	-0.358 (0.369)	-0.519 (0.365)	-0.388 (0.369)	-0.258 (0.379)	-0.345 (0.376)	-0.285 (0.380)	1.042 (1.116)	1.245 (1.089)	0.899 (1.102)	1.102 (1.055)	1.169 (1.030)
Log of per capita GDP of partner country	0.644*** (0.029)	0.610*** (0.029)	0.641*** (0.029)	0.655*** (0.030)	0.624*** (0.030)	0.651*** (0.030)	0.768*** (0.104)	0.806*** (0.096)	0.769*** (0.116)	0.643*** (0.118)	0.690*** (0.108)
log of distance between the capitals of home and partner countries	-1.347*** (0.033)	-1.332*** (0.033)	-1.349*** (0.033)	-1.274*** (0.035)	-1.242*** (0.034)	-1.275*** (0.035)	-0.236** (0.107)	-0.170* (0.100)	-1.056*** (0.085)	-0.435*** (0.127)	-0.327*** (0.115)
Common language dummy	0.471*** (0.085)	0.457*** (0.084)	0.470*** (0.085)	0.349*** (0.088)	0.333*** (0.087)	0.348*** (0.088)	0.284* (0.173)	0.372** (0.166)	1.093*** (0.173)	0.484*** (0.184)	0.562*** (0.175)
Land lock dummy for home country	-2.174* (1.286)	-2.421* (1.410)	-2.309* (1.299)	1.326 (1.953)	-0.978 (1.908)	1.295 (1.942)	0.162 (0.723)	5.987 (4.726)	-4.637*** (0.531)	-3.140 (0.478)	5.185* (3.079)
Land lock dummy for partner country	0.606*** (0.113)	0.650*** (0.112)	0.613*** (0.113)	0.591*** (0.115)	0.615*** (0.115)	0.599*** (0.115)	-0.778** (0.342)	-0.697** (0.321)	-0.960*** (0.347)	-0.609* (0.368)	-0.468 (0.345)
Island dummy for home country	-3.316* (1.907)	-0.936 (1.755)	-3.247* (1.912)	2.770 (2.283)	2.889 (2.276)	2.801 (2.268)	0.502 (1.280)	6.097 (4.073)	-3.806* (2.373)	-0.435 (2.092)	4.593 (2.995)
Island dummy for partner country	0.164** (0.078)	0.239*** (0.077)	0.170** (0.078)	0.154** (0.080)	0.211*** (0.078)	0.159** (0.080)	-0.155 (0.214)	-0.205 (0.203)	0.111 (0.240)	0.246 (0.242)	0.181 (0.226)
Common border dummy	1.143*** (0.283)	1.237*** (0.281)	1.139*** (0.284)	1.048*** (0.337)	1.108*** (0.338)	1.050*** (0.339)	-0.187 (0.367)	-0.139 (0.370)	1.974*** (0.418)	0.253 (0.421)	0.317 (0.424)
Simple average MFN tariff of home country	-0.365*** (0.049)										
Weighted average tariff of home country		-0.487*** (0.028)									
Simple tariff line average of home country			-0.383*** (0.048)								
Simple average effectively applied tariff in home country				-0.448*** (0.043)							
Weighted average effectively applied tariff in home country					-0.477*** (0.027)						
Simple Tariff line average effective applied tariff in home country						-0.449*** (0.042)					
Tariff equivalent trade costs in percent: sigma=8							-2.894*** (0.181)				
tij with interpolation								-2.974*** (0.169)			
Geometric average of tariff_ij and tariff_ji									-6.267*** (1.315)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-2.172*** (0.240)	
Nontariff_tij with interpolation											-2.328*** (0.222)
Constant	23.116*** (2.822)	24.597*** (2.775)	23.494*** (2.829)	18.552*** (3.080)	19.152*** (3.054)	18.777*** (3.073)	18.758 *** (6.351)	11.277 (11.421)	10.735 * (6.216)	16.471 *** (6.099)	10.409 (10.723)
Number of obs	8977	8940	8977	8610	8560	8610	1597	1870	1705	1459	1704
F(130,148088)	63.814	63.504	63.893	63.292	63.360	63.518	63.893	66.110	34.790	69.710	73.930
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.338	0.360	0.339	0.326	0.344	0.326	0.518	0.505	0.417	0.491	0.479
Root MSE	2.634	2.587	2.633	2.627	2.582	2.627	2.075	2.174	2.295	2.084	2.169
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.35: Home: South Excluding Advanced south. Partner: Advanced south
Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	1.145*** (0.204)	1.122*** (0.203)	1.148*** (0.203)	1.066*** (0.202)	1.089*** (1.089)	1.069*** (0.202)	0.913* (0.474)	1.077** (0.447)	0.951* (0.552)	0.764 (0.501)	0.948** (0.472)
Log of per capita GDP of partner country	-0.334*** (0.012)	-0.336*** (0.012)	-0.334*** (0.012)	-0.335*** (0.012)	-0.335*** (0.012)	-0.335*** (0.012)	-0.343*** (0.017)	-0.356*** (0.017)	-0.507*** (0.024)	-0.284*** (0.017)	-0.295*** (0.017)
log of distance between the capitals of home and partner countries	-1.446*** (0.029)	-1.441*** (0.029)	-1.443*** (0.029)	-1.456*** (0.030)	-1.458*** (0.029)	-1.456*** (0.029)	-0.353*** (0.043)	-0.365*** (0.042)	-1.190*** (0.043)	-0.434*** (0.043)	-0.447*** (0.042)
Common language dummy	0.627*** (0.051)	0.627*** (0.051)	0.627*** (0.051)	0.616*** (0.052)	0.627*** (0.052)	0.617*** (0.052)	0.379*** (0.064)	0.423*** (0.064)	0.882*** (0.077)	0.432*** (0.067)	0.472*** (0.067)
Land lock dummy for home country	-1.300 (1.234)	-1.278 (1.241)	-1.300 (1.232)	-1.285 (1.239)	-0.689 (0.642)	-1.284 (1.239)	-1.604 (1.927)	2.141 (1.963)	0.231 (1.987)	0.873 (2.201)	1.986 (1.822)
Land lock dummy for partner country	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted
Island dummy for home country	-7.383*** (1.524)	-7.234*** (1.523)	-7.413*** (1.520)	-6.847*** (1.520)	2.461*** (0.548)	-6.874*** (1.519)	-5.254*** (0.929)	0.768 (0.856)	-0.778 (1.023)	-0.901 (0.691)	0.395 (0.895)
Island dummy for partner country	-0.008 (0.036)	0.007 (0.036)	-0.006 (0.036)	-0.003 (0.036)	0.006 (0.036)	-0.002 (0.036)	0.464*** (0.056)	0.450*** (0.055)	-0.264*** (0.060)	0.553*** (0.058)	0.539*** (0.057)
Common border dummy	1.003*** (0.094)	0.983*** (0.093)	1.000*** (0.093)	0.955*** (0.098)	0.945*** (0.096	0.964*** (0.098)	0.661*** (0.105)	0.646*** (0.105)	0.724*** (0.161)	0.774*** (0.106)	0.748*** (0.107)
Simple average MFN tariff of home country	0.253*** (0.065)										
Weighted average tariff of home country		0.171*** (0.036)									
Simple tariff line average of home country			0.286*** (0.064)								
Simple average effectively applied tariff in home country				0.085*** (0.031)							
Weighted average effectively applied tariff in home country					0.128*** (0.028)						
Simple Tariff line average effective applied tariff in home country						0.105*** (0.033)					
Tariff equivalent trade costs in percent: sigma=8							-2.796*** (0.084)				
tij with interpolation								-2.756*** (0.079)			
Geometric average of tariff_ij and tariff_ji									-5.994*** (1.083)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-2.577*** (0.085)	
Nontariff_tij with interpolation											-2.555*** (0.081)
Constant	21.624*** (1.434)	21.988*** (1.409)	21.493*** (1.429)	22.627*** (1.397)	20.542*** (1.385)	22.555*** (1.397)	32.382*** (2.699)	28.210*** (4.738)	24.383*** (5.860)	29.582*** (5.250)	28.482*** (5.007)
Number of obs	8509	8507	8509	8481	8479	8481	3997	4246	4085	3858	4085
F(130,148088)	186.123	185.220	186.354	184.601	184.800	185.262	186.354	192.822	101.472	203.322	215.628
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.697	0.697	0.697	0.694	0.695	0.694	0.730	0.732	0.626	0.720	0.724
Root MSE	1.502	1.502	1.502	1.505	1.503	1.504	1.255	1.275	1.498	1.268	1.288
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results

Table A4.36: Home: South Excluding Advanced south. Partner: South Excluding Advanced south
Dependent variable: Log of Import of home country from partner country (US$)

	1	2	3	4	5	6	7	8	9	10	11
Log of per capita GDP of home country	0.465*** (0.167)	0.258 (0.166)	0.471*** (0.167)	0.136 (0.171)	-0.065 (0.170)	0.141 (0.171)	0.048 (0.387)	0.040 (0.373)	0.231 (0.484)	0.283 (0.419)	0.360 (0.402)
Log of per capita GDP of partner country	0.514*** (0.011)	0.503*** (0.011)	0.514*** (0.011)	0.507*** (0.011)	0.501*** (0.011)	0.507*** (0.011)	0.343*** (0.015)	0.337*** (0.015)	0.529*** (0.020)	0.410*** (0.016)	0.405*** (0.015)
log of distance between the capitals of home and partner countries	-1.184*** (0.018)	-1.168*** (0.018)	-1.184*** (0.018)	-1.094*** (0.019)	-1.050*** (0.019)	-1.098*** (0.019)	0.471*** (0.031)	0.464*** (0.030)	-0.807*** (0.034)	0.358*** (0.034)	0.356*** (0.032)
Common language dummy	0.953*** (0.036)	0.965*** (0.035)	0.952*** (0.036)	0.920*** (0.036)	0.887*** (0.036)	0.917*** (0.036)	-0.187*** (0.051)	-0.122** (0.050)	0.756*** (0.062)	-0.099* (0.055)	-0.053 (0.053)
Land lock dummy for home country	0.620 (.)	-0.781 (.)	0.632 (3729.333)	1.537** (0.774)	1.669 (1.110)	1.440* (0.816)	1.268 (1.388)	1.775** (0.711)	0.240 (1.783)	1.281* (0.760)	1.448 (0.998)
Land lock dummy for partner country	-1.398*** (0.037)	-1.408*** (0.036)	-1.396*** (0.037)	-1.526*** (0.038)	-1.545*** (0.037)	-1.522*** (0.038)	-0.740*** (0.057)	-0.703*** (0.055)	-1.517*** (0.070)	-0.707*** (0.063)	-0.685*** (0.060)
Island dummy for home country	-0.480 (.)	-0.913 (.)	-0.472 (3839.074)	-1.218*** (0.421)	0.963 (1.180)	-1.261*** (0.424)	-0.569 (1.235)	-1.112 (1.127)	-1.301 (1.893)	-1.228 (1.405)	-0.889 (1.238)
Island dummy for partner country	-1.969*** (0.037)	-1.884*** (0.037)	-1.970*** (0.037)	-1.958*** (0.038)	-1.877*** (0.037)	-1.961*** (0.038)	-0.764*** (0.057)	-0.742*** (0.055)	-0.963*** (0.069)	-0.674*** (0.058)	-0.655*** (0.056)
Common border dummy	1.908*** (0.070)	2.014*** (0.070)	1.907*** (0.070)	1.903*** (0.076)	1.974*** (0.077)	1.915*** (0.076)	0.004 (0.083)	0.017 (0.083)	1.965*** (0.104)	0.189** (0.089)	0.189** (0.088)
Simple average MFN tariff of home country	-0.086*** (0.025)										
Weighted average tariff of home country		-0.447*** (0.013)									
Simple tariff line average of home country			-0.064** (0.025)								
Simple average effectively applied tariff in home country				-0.272*** (0.019)							
Weighted average effectively applied tariff in home country					-0.481*** (0.012)						
Simple Tariff line average effective applied tariff in home country						-0.258*** (0.019)					
Tariff equivalent trade costs in percent: sigma=8							-4.436*** (0..050)				
tij with interpolation								-4.438*** (0.047)			
Geometric average of tariff_ij and tariff_ji									-5.356*** (0.551)		
Tariff equivalent trade costs excl. tariff in percent: sigma=8										-4.114 *** (0.064)	
Nontariff_tij with interpolation											-4.136*** (0.059)
Constant	15.266 (43.445)	18.039 (55.344)	15.163 (3730.8)	16.461 (1.660)	17.414*** (1.316)	16.445*** (1.661)	31.828*** (4.054)	31.464*** (2.136)	15.211*** (5.069)	27.784*** (2.393)	28.017*** (2.346)
Number of obs	51453	51199	51453	49576	49191	49577	13849	15704	14539	12938	14537
F(130,148088)	173.094	172.255	173.309	194.27	204.78	193.74	189.47	158.65	68.18	129.13	148.76
Prob> F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
R-squared	0.331	0.348	0.331	0.317	0.335	0.316	0.580	0.568	0.302	0.559	0.553
Root MSE	3.002	2.965	3.003	2.997	2.952	2.998	2.057	2.144	2.704	2.089	2.164
Time Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Gravity model results