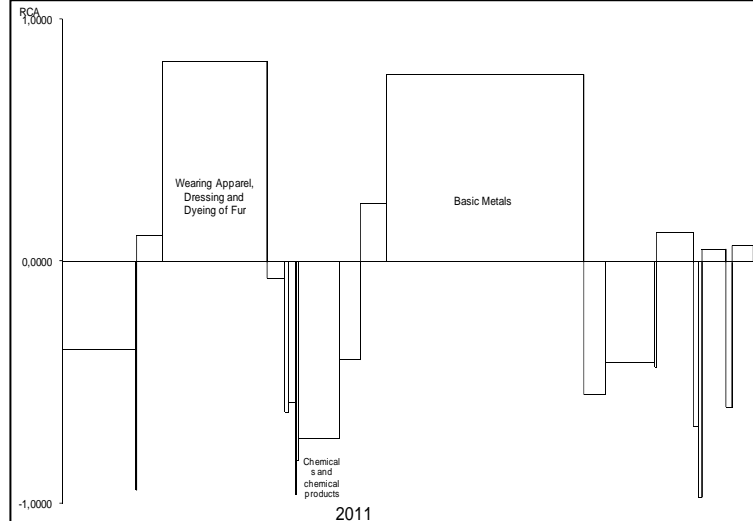
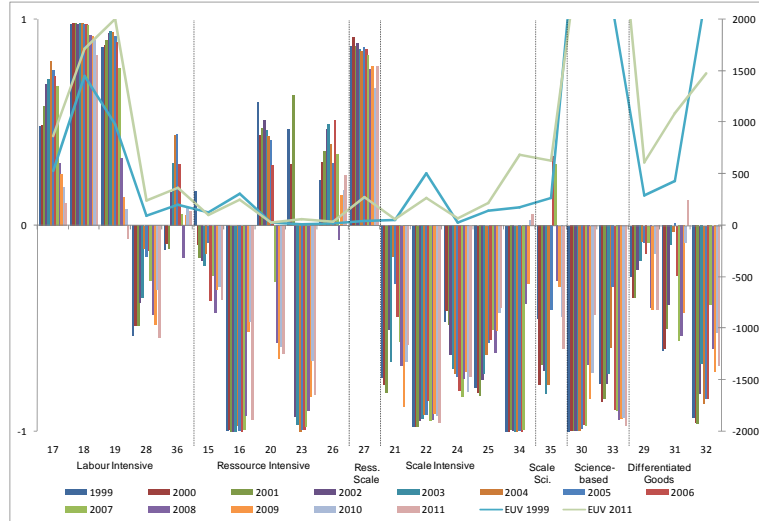


EIIW News RCA Bulletin 2011 Bulgaria



RCA Analysis:

The Bulgarian export structure across the last eleven years shows consistent positive comparative advantages in the labor intensive sectors, such as the manufacture of textiles (17), the manufacture of wearing apparel (18) and the tanning and dressing of leather, the manufacture of luggage, handbags, saddlery, harness and footwear (19). The export structure of the country also shows distinct comparative advantages in the manufacturing of basic metals (27) and other non-metallic mineral products (26). While most other sectors show distinct disadvantages, the sector of wood and wood products (20) only has lost its advantages in the recent years.

EUV Analysis:

A remarkable aspect is that all sectors with distinct comparative advantages show a rise in EUVs which might be interpreted as an improvement of product quality.

This rise is also visible in machinery and equipment (29) and electrical machinery and apparatus (31).

Vol RCA Analysis:

The figure above shows the sectoral RCAs of Bulgaria in comparison to the share of total Bulgarian exports.

There are two major export sectors (18, 27) that also show reasonable significantly positive RCAs.

As an exemplary sector with a negative RCA but a significant share in exports chemicals and chemical products (24) can be named. Combined, this leads to the conclusion that concerning trade with the European Union Bulgaria's trade structure orients on the labour intensive and resource intensive sectors.

Definition RCA:

(Revealed Comparative Advantage / country c, sector s)

$$RCA_{c,s} = \tanh \left(\ln \left(\frac{\text{Exports}_{c,s}}{\sum_{s=1}^n \text{Exports}_{c,s}} \right) - \ln \left(\frac{\text{Exports}_{Ref,s}}{\sum_{s=1}^n \text{Exports}_{Ref,s}} \right) \right)$$

Definition Vol RCA:

(Volume Weighted RCA)

$$\text{Vol RCA}_{c,s} = \frac{\text{Exports}_s}{\text{Total Exports}_c} RCA_{c,s}$$

Definition EUV:

(Export Unit Value)

$$EUV_{c,s} = \frac{\text{Exports}_{c,s} \text{ (in Euro)}}{\text{Exports}_{c,s} \text{ (in kg)}}$$