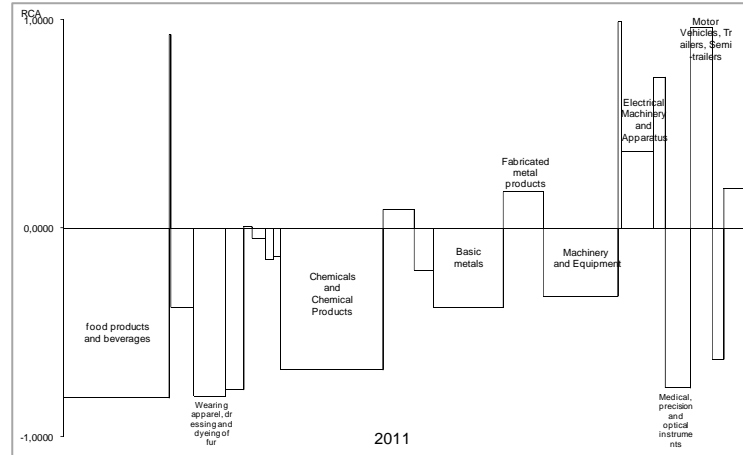
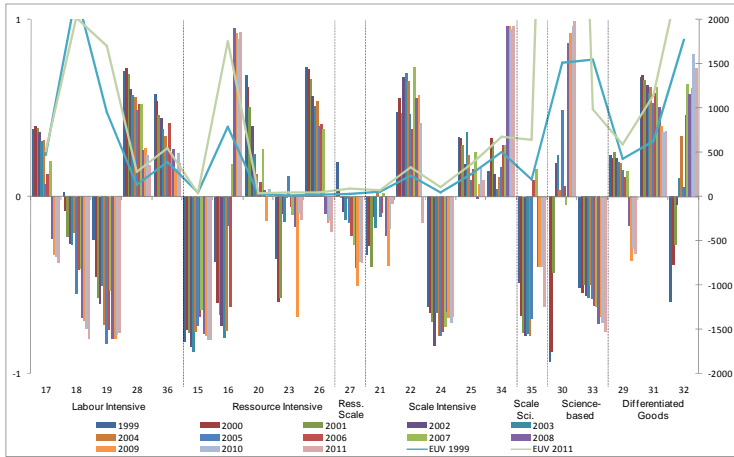


EIIW News RCA Bulletin 2011 Czech Republic



RCA Analysis:

The specialization structure of the Czech Republic across the last eleven years shows consistent positive comparative advantages in the sectors of fabricated metal products (28) and the manufacturing of furniture (36). Just in the last year – 2011 – the publishing, printing and reproduction of record media (22) lost its advantages. The manufacturing of other non-metallic mineral products (26), the manufacturing of machinery and equipment (29) and of wood and wood products (20) also lost their comparative advantages in recent years.

The manufacture of electrical machinery and apparatus n.e.c. (31), as well as the manufacture of radio, television and communication equipment and apparatus (32) has been showing a distinct upwards movement and a rise of specialization trade, especially since 2003. This also concerns the manufacturing of motor vehicles, trailers and semi-trailers (34) but since 2008.

Sectors with distinct comparative disadvantages can be found in the wearing apparel (18), the tanning and dressing of leather (19), food and beverage products (15), the chemicals (24), the medical, precision optical instruments (33) sectors.

EUV Analysis:

The values of the EUVs almost doubled in the scale- and science based sectors, such the manufacture of other transport equipment (35) and the manufacture of office machinery and computers (30). There is also a visible increase of EUVs in the sectors of electrical machinery and apparatus n.e.c. (31), radio, television and communication equipment and apparatus (32) and automotive (34).

Vol RCA Analysis:

The figure above shows the sectoral RCAs of the Czech Republic in comparison to the share of total exports.

There are three major export sectors (28, 31, 34) that report a significantly positive RCA and still make up a decent share of the whole export portfolio. On the other hand there are four to five sectors that make up a large of total exports though report distinctly negative RCA value (15, 18, 24, 29).

Consequently, the Czech Republic has a broad spectrum of exported goods – which is broader than would be expected from a developing economy – therefore being an indicator that the Czech Republic is structurally changing into an established industrialized economy.

Definition RCA:

(Revealed Comparative Advantage / country c, sector s)

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

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)

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