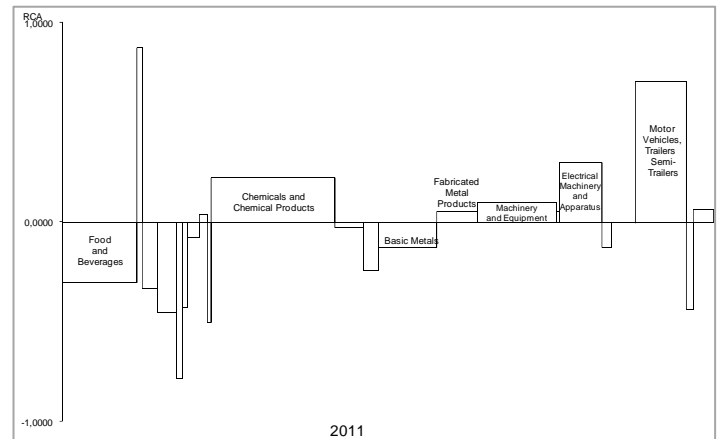
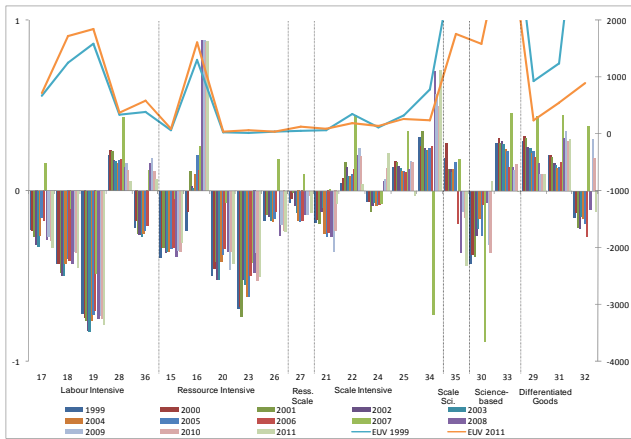




EIIW News RCA Bulletin 2011 Germany



RCA Analysis:

Overall, Germany reports relatively low comparative advantages. Even though, the disadvantages are comparatively low as well, thereby showing that Germany has a RCA structure typical for an advanced industrialized country.

Furthermore, it is shown that the established German export sectors like motor vehicles (34), medical, precision and optical instruments (32), machinery (29) and electrical machinery (31) report consistently distinct positive RCA indicator values. From a dynamic point of view it is interesting to note, that Germany is gaining a more competitive position in the field of other transport equipment, which might be due to cluster-political measures taken to expand this sector in Germany.

EUV Analysis:

While Germany reports a stable structure of positive RCA indicator values it shows losses concerning the quality of exported products. This is especially true in the automotive industry where EUVs were reduced by half, which might be due to the crisis in the automotive industry, starting in 2008.

Vol RCA Analysis:

Germany exports a large share in sectors where it is specialized, it also exports a lot in sectors like the chemicals sector where it has no distinct positive advantage or even those sectors where it reports a pronounced disadvantage like food products and beverages or basic metals.

In general it can be stated that Germany in 2008 exports those goods that it has a positive advantage in and which show a rising quality.

Definition RCA:

(Revealed Comparative Advantage / country c, sector s)

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

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)

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