

# Contents

<i>List of Figures</i>	vi
<i>List of Tables</i>	vii
<i>Notes on Contributors</i>	xi
<i>Foreword by Giovanni Andrea Cornia</i>	xiii
<i>Preface</i>	xv
1. Introduction <i>G. K. Helleiner</i>	1
<b>Part I: Non-African Experience and Issues</b>	
2. Selective Policies for Export Promotion: Lessons from the Asian Tigers <i>Sanjaya Lall</i>	23
3. Export Performance in Chile: Lessons for Africa <i>Manuel Agosin</i>	72
4. Costa Rica: Policies and Conditions for Export Diversification <i>Ennio Rodríguez</i>	107
5. Real Exchange Rate Policy and Non-Traditional Exports in Developing Countries <i>Ibrahim A. Elbadawi</i>	129
<b>Part II: Five African Countries' Experience</b>	
6. Promotion of Non-Traditional Exports in Kenya, 1980–96 <i>Francis M. Mwega</i>	159
7. The Role of Non-Traditional Exports in Mauritius <i>Beealasingh Dabee</i>	192
8. Growing Without Gold? South Africa's Non-Traditional Exports Since 1980 <i>Anthony Black and Brian Kahn</i>	217
9. Promoting Non-Traditional Exports in Tanzania <i>Benno Ndulu, Joseph Semboja and Ammon Mbelle</i>	253
10. Economic Reforms and Non-Traditional Exports in Zimbabwe: Is Anything Taking Shape? <i>Jesimen Chipika and Rob Davies</i>	290
<i>Index</i>	322

# 1

## Introduction

*G. K. Helleiner*

In the vast literature on economic growth and development around the world the role of international trade occupies a prominent place. Trade and trade policies are seen by many as among the most important determinants of overall economic performance; and these views are widely believed to be supported by both theory and empirical evidence. In actual fact, however, the relationships between trade, trade policies and economic development are complex, and the empirical record is not unambiguous (Helleiner, 1995; Rodriguez and Rodrik, 1999; Rodrik, 1999; Buffie, forthcoming). What is beyond dispute is that export performance matters significantly to development in small low-income countries (Berge, Daniel et al., 1994), and that, for exports to expand sufficiently to make reasonable development targets attainable in such countries, traditional primary product exports are unlikely to be enough. It is also generally agreed that export performance is likely to be profoundly influenced by government policies, although which policies and which policy instruments are most important in this respect remains in some dispute. In the Sub-Saharan African context, in which most countries are small and economically very poor, trade and appropriate trade policies have always been seen as critically important to growth and development.

International trade played a major role in nineteenth- and twentieth-century African development, and it will undoubtedly continue to do so in the twenty-first century. International exchange has created the opportunity for greater specialization, increased use of capacity, and the import of productivity-increasing goods and services. Many speak of the economic development of African and other low-income countries, particularly the smaller ones, as actually or potentially export-led. It would be more accurate, however, to speak of such development as investment-led. Whatever its other requisites, African growth and development will certainly require increased

investment. The key question is where such investment is likely to be privately and socially profitable. In small, poor countries, investment in production for export markets is obviously an area of greater potential than most. Hence the important historical and prospective roles of exports in African development.

Unfortunately trade and related policies must now be constructed in an international economic environment that is more hostile to many of Africa's traditional exports. Since Africa lost market shares in global markets for many of its traditional commodities in the past two decades, it could, with increased productivity and improved incentives, probably 'claw' some back. But the prospects for traditional export expansion, while certainly not zero, as is sometimes suggested, are somewhat limited, particularly in the important case of tropical beverages, which still make up over one-third of total exports in ten African countries, by low world price elasticities and the risks of rendering the already weak price prospects even bleaker. To make matters worse, traditional export markets are highly unstable and, in recent years, world market instability has even increased. The global economy seems likely to continue to be as turbulent as it was in the last two decades; possibly more so. African governments must probably learn to live within an even more unstable world.

## **Background**

In the next decade or two, growth and development in Sub-Saharan Africa, if it occurs, will be driven primarily by efficient and profitable investment, both in physical and in human capital. With such investment comes more rapid total factor productivity growth and the prospect of a self-sustaining process of increased growth, increased voluntary savings and further increases in investment. Voluntary private investment obviously must play a major role. At present, however, private investment rates in Africa are far below those of other developing areas, or those necessary to generate adequate rates of growth. Even in the relatively successful 'adjusters', real private investment – whether domestic or foreign – has remained at disappointingly low levels (World Bank, 1994, 2000; Hadjimichael et al., 1995). There are various explanations: the possible low credibility of the policies and incentive structures introduced by 'adjusting' governments and other uncertainties in the investment climate; the weakness and small size of local entrepreneurial groups; constraints imposed by other factors, e.g. infrastructure, legal systems, credit, etc. The determinants, potential sources and possible composition of private investment in Africa all need to be more clearly understood. To make matters worse, the productivity of much of Africa's investment, for related reasons, has been low.

In the export sphere, African 'adjusters' have typically done relatively better; but here too the record has been spotty and disappointing. Weak

export growth is linked to weak performance in private investment. In small, poor countries, opportunities for efficient and profitable investment in import-substituting or non-tradable activities are limited. Investment in production for export markets is an obvious area of greater longer-run potential. (Prospects in export-oriented mining – and, in some cases, forestry – depend heavily on the possibility of attracting fresh foreign direct investment which, in most instances, remains highly uncertain despite considerable current investment in exploration.)

Exporting provides foreign exchange with which to import capital goods, critical inputs, management and technology, all of which are likely to contribute to continuing growth in productivity. ‘Openness’ to international exchange may also stimulate increased efficiency via the competitive pressures that it typically brings. Exports have therefore played an important role in African economic progress in the past and they are bound to continue to do so in the future. Weak export performance, and consequent declining African market shares in traditional export markets, were important concomitants of the African crisis of the 1980s. Whatever else may divide current analysts of Africa’s economic problems, they are virtually at one in their recognition of the need quickly to achieve more rapid export growth if hopes for more acceptable levels of economic and social development are to be realized in the medium term (Lyakurwa, 1991; Helleiner, 1992; Rodrik, 1997, 1999; Sachs and Warner, 1997; Elbadawi and Helleiner, 1998; Oyejide, 1998; UNCTAD, 1998; Collier and Gunning, 1999; Mkandawire and Soludo, 1999).

Yet dependence on exports has also created problems, particularly when, as in the past two decades, traditional African exports have faced severe real price deterioration in world markets. Economies that are small, poor and dependent upon primary exports are highly vulnerable to external influences and external shocks, particularly those from sharp changes in the terms of trade. Shocks are always costly to growth (Easterly et al., 1993). These economies’ structural rigidity (or, in Killick’s (1995) terminology, ‘inflexibility’) and limited access to offsetting credit result in particularly heavy costs from temporary adverse shocks which hit them, in any case, on average more severely. Sub-Saharan African countries experienced enormous adverse trade shocks in the 1980s – larger than those suffered in the 1930s – and the costs to their progress have been severe (Elbadawi and Ndulu, 1996; World Bank, 2000: 20–2). Nor have African governments recently managed their commodity booms and busts well (Collier and Gunning, 1998). In the absence of international reforms to stabilize commodity prices and/or primary exporters’ import volumes (the prospects for such reforms at present look bleak), there must be increased attention to the management of shocks (both positive and negative), which seem likely to continue to be frequent as integration into the global economy proceeds, so as best to preserve prospects for longer-run development whatever the trend rates of export growth. Effective social institutions for mediating conflicts among social groups,

especially in societies characterized by social cleavages emanating from high income inequality or ethnic diversity such as are found in most of Africa, are likely to be helpful in such management of shocks (Rodrik, 1999).

African export performance in recent decades has been disappointing, but it is important to understand the overall context for such poor performance. African failures have been *developmental* failures, not *export* failures per se. Export shares of gross domestic product (GDP) in Africa are within the usual norms for countries of equivalent size and income levels; and their trade ties, both with industrial countries and with one another, are similarly 'normal' (Foroutan and Pritchett, 1993; Rodrik, 1997; Coe and Hoffmaister, 1998). 'If anything', one study finds, 'Africa overtrades compared with other developing country regions in the sense that its trade is higher than would be expected from the various determinants of bilateral trade' (Coe and Hoffmaister, 1998). African countries' declining shares of world trade reflect their relatively slow growth of GDP (and, to some degree, others' increasingly outward orientation), *not* a decline in their trade or export shares of GDP.

It is also important to emphasize that there is great intercountry variation in Africa both in overall economic performance and in export growth. Cross-African generalizations can therefore be quite misleading about individual countries' experiences. To be most useful, analysis is best conducted at the national level, where trade policy is made and most statistics are kept.

### **Non-traditional exports and their problems**

Steady deterioration in the terms of trade of the traditional export basket, such as was found in most Sub-Saharan African countries in the 1980s, *should* be met with a shift to new *non-traditional* activities, both exporting and efficiently import-substituting. In addition, with worldwide trade liberalization, market access for African non-traditional exports should be improving. Even temporary adverse shifts in the terms of trade, if handled well, may provide useful opportunities to restructure the economy towards non-traditional exports and other activities, as they did, for instance, in the case of Colombia's transition from primary exports to industrial development (Ocampo, 1991). Deterioration in the external terms of trade should, other things being equal, generate 'reverse Dutch disease' effects. As aggregate demand declines, the relative price of non-tradables should fall and there should follow some shift of resources into new exporting and import-competing activities.

Yet, despite an evidently increasing need for it, most Sub-Saharan African countries appear, at least until recently, to have achieved remarkably little diversification of their traditional primary export base. With a few obvious exceptions, e.g. Mauritius and South Africa (see Chapters 7 and 8), the shares of the top two or three traditional exports in individual African country export

bills altered very little over the 1980s. Diversification increased in more African countries, though by no means all, in the 1990s (World Bank, 2000: 215).

In some cases, manufactured exports did respond somewhat to real devaluation and domestic demand restraint, but this response often amounted only to a once-and-for-all diversion of production capacity, which had not itself expanded, from the meeting of domestic demand to export markets. In others, production expanded in consequence of increased availability of foreign exchange and thus increased capital utilization, and some of the increase was exported. What are the principal constraints on the development of non-traditional exports – whether primary or manufactured – in Africa? Can such improvements as there have been be sustained? What is required to attract more private *investment* in this sector?

Rapid growth of the global economy and ready access to its markets are fundamental to Africa's non-traditional export prospects and indeed, since African economies are so 'open' and 'dependent', to African development more generally. African access to Northern markets has generally been relatively open (Amjadi et al., 1996); but in specific instances, Northern protectionism has been and remains a serious impediment (Kaplan and Kaplinsky, 1999). Neither rapid global growth nor market access can be assured. Still, on the basis of experience elsewhere (see Chapters 2–4), one would think that there is much that policies within Africa can do to raise the prospects of export success and there are important issues of development strategy and tactics in this regard that need to be addressed.

Sub-Saharan Africa's endowments of relatively abundant natural resources and relatively scarce human skills appear to offer almost all its countries little hope of developing significant manufacturing for export in the near future, except in some unskilled-labour-intensive primary processing activities (Lall, 1995; Wangwe, 1995; Lall and Wangwe, 1998). This familiar proposition has been buttressed by empirical research by Adrian Wood and colleagues on the roots of comparative advantage in a world of mobile capital and immobile resources and labour of different skills (Wood, 1994; Wood and Berge, 1994; Wood and Mayer, 1998). Investment in human capital has a very long gestation period so that even if Africa could accelerate it – and, under current constraints, it is unable to do so – it would be many decades before its relative factor endowments could significantly alter. Sub-Saharan Africa's (static) comparative advantage therefore lies unquestionably with primary production – agricultural and, where possible, mineral (and petroleum) production and related unskilled-labour-intensive activities; and this will continue to be so for decades to come. Again, exceptions are Mauritius and South Africa.

But what does this imply for Africa's longer-run development and its future role in the global economy? Unskilled-labour-intensive activities can be a technological 'dead-end', uncondusive to the productivity enhancement and indigenous learning upon which ongoing development is now generally

believed to depend. Analysts from Adam Smith to Grossman and Helpmann (1991) have called attention to the risks attendant upon specialization in activities with few 'dynamizing' possibilities. Import-substituting industrialization, which has attracted so much opprobrium from mainstream economists, and was so imperfectly implemented, was motivated significantly by such theoretical (and practical) considerations. Yet we still know remarkably little about the potential 'dynamic' properties of different economic activities, and different degrees and forms of specialization. There is a corresponding vacuum in the theoretical and empirical literature on the appropriate government policy stance in circumstances where static comparative advantage clearly rests with primary activities, but where these activities are likely to be weak in 'development' effects.

To shed light on the possibilities of different 'dynamic' effects from different types of production the most obvious approach is the analysis of learning, productivity growth, externalities, scale economies and the like in industries and countries that have a history to analyse (Pack, 1992; ul Haque, 1995; Wangwe, 1995, 1998; Mayer, 1996; Mytelka and Tesfachew, 1998; Tybout, 1998; UNCTAD, 1998).

Leaving the precise nature of export specialization entirely to the market imparts a significant degree of randomness to the eventual export composition and overall product-mix in countries with comparative advantage in primary activities. Scale economies in processing, transport and marketing – even if such scale effects are weak in production – would generate locational decisions on the part of private investors, if they are left to make them alone, that concentrate investments and production in relatively few places rather than *wherever* the objective conditions would make them profitable (Krugman, 1989). Externalities may further encourage processes of concentration in the evolution of the 'geography' of international trade (Krugman, 1991). The literatures on the economics of infrastructure and on the locational decisions of transnational corporations (including that on investment incentives) are certainly relevant here.

There is therefore an *a priori* case, powerfully argued in Chapter 2, for conscious and selective governmental non-traditional export promotion. Successes and failures of others' efforts at encouraging non-traditional exports deserve analysis in Africa. From the standpoint of Africa's interests, experience in countries that, in relatively recent times, have successfully diversified their exports and thus their overall economies is likely to be most relevant; and that is the rationale for the non-African case material presented in Chapters 2–4 of this volume.

### **Concepts and definitions**

The basis for any statistical measurement of 'non-traditional exports' will vary depending on why one considers the non-traditional character of

exports to be important. One can, for instance, distinguish at least four different reasons for policy interest in non-traditional exports:

- The hope of finding new export products that are not as vulnerable to deteriorating terms of trade and/or declining world demand as are the traditional bundle of exports (e.g. Delgado, 1995)
- The hope that diversification in the export portfolio will reduce export instability and, more broadly, risk; diversification may, for these purposes, be achieved either through a new mix of products or via an expanded range of markets (e.g. Alwang and Siegel, 1994)
- The belief that certain new export products may generate greater 'dynamic' effects – learning, positive externalities, etc. – than traditional exports (e.g. Wangwe, 1995; Ernst et al., 1998)
- The prospect of exporting products that were previously produced within the country but not exported.

Clearly the search for more dynamic products (either in the sense of stronger world markets or broader productivity-raising effects) will require a different categorization of exports than the search for a more diversified export portfolio. No doubt this ambiguity as to the purposes of diversification into non-traditional exports helps to explain the fact that many different definitions of 'non-traditional exports' can be found in the literature. A great many studies have used the term 'non-traditional exports' in a qualitative way without defining it in precise quantitative terms. Such approaches can generate *ad hoc* and arbitrary lists of non-traditional exports; sometimes analyses of the same country can employ quite different lists of so-called non-traditional exports.

It is certainly desirable to try to identify products with different degrees of developmental and productivity-increasing effects (and some attempt has been made in what follows to do so) but these are difficult and controversial issues. Wood and Mayer's categorization of African exports, shown in Figures 1.1a and 1.1b, shows not only the standard broad trade and industrial categories (and how they differ) but also eight subcategories that are intended to shed light on these issues. Davies and Chipika, in their study of Zimbabwe (Chapter 10), express particular concern over these questions and argue that dynamism may be reflected in new markets as well as new products in the export bill.

Efforts to get at the 'dynamic' properties of different exports have typically been forced to resort to fairly crude categorizations, complicated further by the arbitrary and often inconsistent trade and industrial statistical systems in most frequent use (the SIC (Standard Industrial Classification) and SITC (Standard International Trade Classification) systems). (See Wood and Mayer, 1998, for a good discussion of these statistical issues.) Some have defined traditional exports of developing countries as food and raw materials

excluding fuels (SITC 1-digit commodity groups 0, 1, 2 and 4). Non-traditional exports, in this formulation, therefore consist of manufactures and machinery (SITC groups 6, 7, 8 and 9) (Love, 1983: 7–9). Such a categorization obviously excludes the possibility of non-traditional primary exports, and it categorizes fuels and chemicals (SITC groups 3 and 5) separately. UNCTAD’s recent analysis of the share of such ‘manufactures’ in African exports (it is unusually small by international standards) is obviously predicated upon the assumption that such exports have particularly desirable developmental characteristics (UNCTAD, 1998). In the end, since we were unable to shed much light on the possible developmental attributes of alternative forms of export production (this is an obvious area for further research), we abandoned the effort.

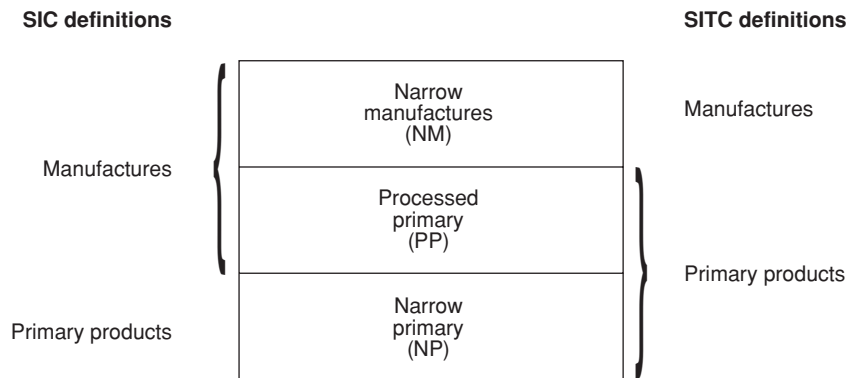


Figure 1.1a Alternative export categorizations: three export categories

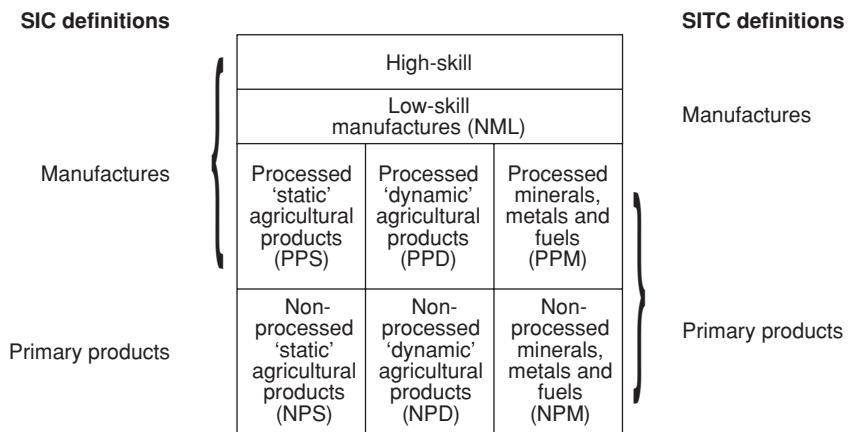


Figure 1.1b Alternative export categorizations: eight export categories

Other attempts have been made to derive the dynamic *market* characteristics of different products based upon the growth of the Organization for Economic Cooperation and Development's (OECD) demands for different products (e.g. UNCTAD, 1996). In this approach, the most 'dynamic' products are those with both the most rapidly increasing OECD import demands and an increasing share in OECD imports, while the most 'stagnant' products are those with both lower rates of growth in OECD demand and a declining share therein. Such a demand-based definition has the major disadvantage of neglecting entirely the frequently important (and growing) trade with non-OECD members, not least other African countries. After some experimentation with this approach, we therefore also abandoned it.

Much less difficult and less controversial, although obviously also less useful, is the focus upon 'newness' of export products and/or market destinations. In the absence of agreed methodologies for assessing developmental and dynamic attributes of non-traditional exports, it is on the latter that the common approaches to this volume's African studies are based. We are painfully aware that sheer 'newness' is far from the whole story when it comes to the motivation for non-traditional export promotion.

Because of this agreed common approach, the definitions of non-traditional exports employed therein overlap to some degree with others' definitions of so-called 'minor' exports. Most quantitative analysts have employed *export share* thresholds to distinguish statistically between 'traditional' and 'non-traditional' exports. Agreement on such an approach still leaves lots of room for variation in detailed methodology. For instance, recent authors have defined non-traditional exports as those accounting for less than 1 per cent (Labys and Lord, 1990: 268), 5 per cent (de Vries, 1967: 9), 2 per cent (Balassa, 1977: 17), and 3 per cent (Balassa et al. 1971: 49–50). Most recently, in the World Bank's measurement of export diversification in its compendium of 'development indicators' (World Bank, 1997, and subsequent), it defines 'traditional exports' as the ten largest three-digit commodity groups in the country's exports in the base year (1983–4), unless those 10 do not account for at least 75 per cent of those exports, in which case more three-digit groups are added as necessary until at least 75 per cent is reached (1997: 259). Non-traditional exports are, by implication, all of the rest.

Following discussion among the project participants, it was decided that it would be most feasible to employ the following three measures of non-traditional exports (NTX):

- NTX1 – the definition of non-traditional exports as defined in conventional usage by the government within each country
- NTX2 – the World Bank definition of non-traditional exports described above
- NTX3 (our own somewhat arbitrary definition) – all goods exports accounting for less than 3 per cent of total exports in 1979–80 or 1980

plus exports of non-factor services (notably tourism). (Items not domestically produced were not included unless there was significant domestic value added; and in the case of South Africa, for some purposes gold was excluded from total exports.)

African data are notoriously unreliable and trade statistics are unfortunately no exception (Yeats, 1990). Export data, as recorded in African exporting countries, have generally been considered less reliable than the statistics of OECD member countries on their imports from African countries (Yeats, 1995). Intra-African trade data have no such checks on their reliability and are considered especially dubious in quality.

Despite much general discussion and even advocacy of the expansion of 'non-traditional exports', then, it seems that the precise meaning of this term is not agreed and the reasons for interest in them are varied. An important early conclusion of this study is that greater effort should be made to generate standardized definitions and measurement procedures if this term is to continue to be used in international discourse on trade and development. In particular, a clear distinction is required between 'minor' exports (those which are not of great relative size but may have a considerable history) and 'new' exports (which have no prior history in the country in question). Within the category of 'new' exports it is also important to distinguish between those previously produced only for home consumption and those which are truly innovative and presumably require new investments and skills. More fundamentally, many see 'non-traditional' activities as innovative in a deeper sense – involving a switch from primary or primary-based production to 'higher value added' activities involving more complex technology and skills; in short, as incorporating a shift to manufacturing activities and industrialization, and/or to exports with more dynamic demand prospects. It is small wonder, then, that a literature search uncovers so limited a yield of international studies of the development of non-traditional exports. Trade and development economists have not yet agreed on what exactly they are.

### **Objectives**

The main objectives of the international research project of which this volume is the main product were twofold: (1) to draw on other developing countries' (specifically, East Asia, Chile and Costa Rica) experiences in the development of rapid and more diversified (non-traditional) export growth so as to inform today's African export policy discussion; and (2) to analyse recent experience in 'adjusting' Sub-Saharan African countries with a view to identifying key constraints on better export performance, particularly non-traditional export expansion, and policy requirements to overcome them. (There has been remarkably little written on individual African countries'

experience in non-traditional exporting. An exception is Jebuni et al., 1992, on Ghana.)

### **The African case studies**

With the limited availability of African data and the great variation in African experience it has proven extremely difficult to conduct detailed cross-country comparative analysis in the African context. Several proposed elements of the African country studies therefore had to be dropped.

Nine Sub-Saharan African countries were originally chosen for detailed analysis at the country level. Unfortunately, only five such analyses could be included in this volume. Burkina Faso had to be dropped because of severe data limitations there. Côte d'Ivoire, Ghana and Uganda were eventually dropped as well; in the case of Ghana, the existence of the earlier (Jebuni et al., 1992) study compensates somewhat for this.<sup>1</sup> The five countries retained for analysis in this volume are the following: Kenya, Mauritius, South Africa, Tanzania and Zimbabwe.

The basic characteristics of these economies are shown in Table 1.1. They are obviously *not* a random sample of African countries. They exclude countries severely affected by war or civil disturbance. They are all countries that have undertaken economic stabilization and structural adjustment to some degree, with a fairly wide range of success (or failure). Their initial conditions, e.g. per capita income, vary widely, with South Africa and Mauritius at the top and Tanzania at the low end. Total exports grew more rapidly in the 1990s than in the 1980s in three of the five countries; but gross national product (GNP) growth also fell in three of the five countries (obviously not the same three) in the 1990s. The quality of investment and savings data is often weak but it is clear that of these five countries only Mauritius had savings and investment rates that might sustain rapid economic growth.

The base period for all of these African analyses is 1980, immediately after the second oil price shock and prior to the widespread adoption of structural adjustment programmes in Africa. Export promotion and trade liberalization have been prominent features of these programmes (Soludo, 1998). Each African country's analysis undertakes to explain the record of recent export performance, particularly performance in non-traditional exporting, in the context of this recent policy experience (as well as other elements of policy), and to analyse the current constraints on such performance. Particular attention is devoted to the distinction between incentive systems and other supports and supportive institutions, e.g. credit, for the expansion of non-traditional exports (Nissanke, 1998). Special efforts have been made to understand the role of new investment, if any, in such non-traditional export expansion as has taken place. (Among the important findings of this research

Table 1.1 Basic economic characteristics, selected African countries

	Annual average GNP per capita (constant US\$) <sup>a</sup>		Annual average GDP growth rate, real (%)		Annual average growth rate of total exports (constant US\$) (%)		Annual average GDP/GDP (%)		Annual average GDS/GDP (%)	
	1975-84	1990s	1975-84	1985-9	1980-90	1990-9	Total 1990-6	Private 1990-6	Total 1990-6	1990-6
Kenya	340	315	4.7	5.9	4.4	2.2	20.2	11.0	20	18.1
Mauritius	1,073	3,154	3.6	7.7	24.5 <sup>e, f</sup>	5.2 <sup>d</sup>	28.8	n.a.	19.2	24.2
South Africa	2,119	3,278	2.6	1.6	1.9	1.9	16.4	16	12.4 <sup>e</sup>	19.3
Tanzania	n.a.	178	n.a.	n.a.	1.6 <sup>e, f</sup>	3.1	23.4	18	n.a.	-0.5
Zimbabwe	865	750	3.0	4.2	4.3	2.4	22.2	18	19.3	15

Notes:

- a 1987 prices.
- b Gross domestic investment.
- c Gross domestic savings.
- d 1990-6.
- e 1985-9.
- f Current US\$.

Sources: World Bank, *African Development Indicators, 1998*; World Bank, *World Development Report, 2000*.

has been that data on such investment, or on firm-level performance in the export sector more generally, are very hard to come by.)

### **Organization of this volume**

The analysis of non-traditional export promotion and performance is presented in this volume in two parts. Part I begins with three chapters on non-African countries' experience and the key issues raised. In particular, attention is devoted to the lessons from the East Asian experience and those from Chile and Costa Rica. In these analyses, attention is directed not only to the general policy approaches to the encouragement of non-traditional exports but also, most importantly for the African debate today, the more selective policies for export promotion that have been pursued. Part I concludes with an original cross-country econometric analysis of the role of the real exchange rate and other influences in the development of non-traditional exports (NTX2) in a wide sample of developing countries.

Part II is devoted to the performance of five African countries in the export sector from 1980 onwards, with particular attention to policies and experience with respect to non-traditional exports. Here, local authors employ elements of a common framework developed through discussions among themselves, and discussed in part above, but also introduce particular country-specific elements to their individual chapters.

### **Summary and conclusions**

#### **Non-African experience**

What do the studies of other developing countries in Part I have to say that may be relevant to Sub-Saharan Africa's export, particularly non-traditional export, prospects? In East Asia, Chile, Costa Rica and other developing countries, non-traditional export success was associated with a number of aspects of economic experience and policy that are worth noting.

- An appropriate and stable real exchange rate, typically itself associated with relatively stable macroeconomic conditions, has been associated with rapid growth in non-traditional exports both in the East Asian and Latin American case studies and in the econometric analysis of the experience of a much larger sample of developing countries. (The same result was found in our analytically comparable analysis of *total* exports but the details are not reported here.) The need for this maintenance of an appropriate real exchange rate argues against complete capital account liberalization.
- The East Asian and Latin American case studies do not support the proposition that generalized import liberalization, of itself, is

necessarily important to non-traditional export success. The degree of anti-export bias, on the other hand, typically *is* important to such success. Special incentives to non-traditional exports, including import duty drawbacks or rebates, undoubtedly *were* usually associated with success.

- In East Asian, Chilean and Costa Rican experience, conscious governmental policies were implemented to strengthen indigenous capacities to produce potential new exports competitively. These took the forms both of general factor market interventions (e.g. strengthened infrastructure, technological training, research support, etc.) and of unique institutions, incentives and arrangements specifically to assist exporters, and particularly non-traditional exporters. The econometric investigation of a larger sample of developing countries also found evidence suggestive of the importance to non-traditional export success of supply-side (capability) factors, over which policy may have influence, such as the quality of human capital (schooling), investment in machinery and well-functioning factor markets.
- Selective governmental intervention in support of particular forms of non-traditional exporting activity – both through special incentives and through other types of encouragement and support, including specific training and research, credit, and marketing assistance – were important to the development of non-traditional exports in East Asia, Chile and Costa Rica.
- The role of multinational corporations and their direct investments varied greatly in the non-traditional export experience of the East Asian and Latin American cases studied in this volume. They played a major role in non-traditional export development in Malaysia, Singapore and Costa Rica. Foreign direct investment (FDI) played a part in Chile, Hong Kong, Indonesia and Thailand but was less important (though foreign buying firms still usually played an important role) in Korea and Taiwan. To attract FDI, governmental policies were ‘friendly’ but that is not to say that they were *laissez-faire*. Except in Hong Kong, governments were active in attempting to encourage FDI into ‘priority’ sectors while restricting it elsewhere.
- While non-traditional export experience in Asia and Latin America may be highly relevant to Africa’s future, clearly it offers no ‘quick and easy’ lessons. The initial conditions differ markedly across countries. The capabilities of potential exporters and the supportive infrastructure in Sub-Saharan African circumstances are often uniquely weak. Investment rates are typically low. Governmental capacity for sustained and effective economic development policymaking is also often lacking; and aid donors and international financial institutions, with agendas of their own, frequently ‘drive’ the development policy-making process.

### **African experience**

As noted above, the five African countries studied here are not intended to portray the full range of African experience.

- Non-traditional exports, however defined, grew at rapid rates in each of the five African countries studied here. Kenyan NTX3 grew at 20 per cent per annum from 1980 to 1996; NTX1 grew at 15.6 per cent annually in Mauritius from 1981 to 1997, and at 17 per cent annually in Tanzania from 1986 to 1997. Non-traditional exports increased significantly in relative importance, both in total exports and in total GDP, in each of these African countries from the early 1980s onward. By the second half of the 1990s, NTX3 was valued at 24.6 per cent of GDP in Kenya, 41 per cent in Mauritius and 14.1 to 16.8 per cent in South Africa (depending on whether gold is included in the export total in the definition of NTX3 in that country). (Value added in non-traditional exporting activity is much less than suggested in these numbers where, as in Mauritius, imports make up an important share of gross export value.) In Tanzania, however, NTX1 was still only 5.2 per cent of GDP in the 1990s. In South Africa and Zimbabwe NTX3 by this time made up half or more of total export value. Overall export concentration fell after 1980, both in terms of commodities and of country destinations, in all five countries.
- In Mauritius, South Africa and, to some extent, Zimbabwe there was considerable non-traditional exporting of manufactured products which may potentially have more 'dynamic' characteristics. The bulk of the non-traditional exporting in Kenya and Tanzania was found in primary production, primary processing and tourism.
- The real exchange rate was associated with successful non-traditional export performance in African countries as elsewhere. In the Tanzanian case study, time series econometric analysis found a statistically significant relationship between real devaluation (and also reduction in anti-export bias) and non-traditional export growth. In the other African countries (including Kenya, where no statistical relationship between the real exchange rate and non-traditional exports could be found) the real value of the currency was sustained at or near its 'fundamental' value throughout periods of non-traditional export growth. None of the five African countries could be said, however, to have engaged in conscious real currency undervaluation, as might be indicated, for instance, by accumulation of foreign exchange reserves.
- All of the five African countries offered general incentives specifically to encourage non-traditional exports. These took a variety of forms including direct subsidies, more liberal foreign exchange retention allowances, import duty rebates, income tax concessions, ready and/or

subsidized credit and the establishment of export processing zones (EPZs). Generalized import liberalization formed an element in all of these countries' adjustment programmes but, as elsewhere, it seems to have been, of itself, only sporadically important (e.g. in Kenya in 1993–5) to the creation of relevant incentives for non-traditional exports. More directed export incentives were typically of greater significance in this respect.

- African governments have typically *not* developed strong supply-side supports, either general or selective, to encourage *investment* in non-traditional exports, comparable to those employed in South-East Asia or Latin America. Overall investment rates, averaging 16–23 per cent of GDP in the 1990s, remain well below those necessary for sustained rapid overall economic growth in all of these African countries except Mauritius; and even in Mauritius the investment rate has recently fallen (to around 25 per cent of GDP). Weak infrastructure, limited access to credit, and limited support for relevant human capacity-building have undoubtedly inhibited African success with non-traditional exports, as with other dimensions of growth and development.
- Relative to the East Asian and Latin American cases studied in this volume, the five African countries do not appear to have made as much effort at *selective* non-traditional export promotion. But there are nevertheless, as noted above, examples of such selective promotion in these African studies, e.g. special supports for tourism in all five countries, for particular elements of processing and manufacturing in South Africa, etc. Again, limited resources and human capacities undoubtedly constrained the efficacy of public policies in Africa, whatever may have been governmental intentions; particularly was this so in such extremely poor countries as Tanzania.
- Export processing zones were *not* important contributors to non-traditional export success, except in the dramatic case of Mauritius where they were a dominant influence. Other constraints evidently limited their attraction to investors in the other four African countries, each of which experimented with EPZs (albeit somewhat hesitantly) with, at least so far, only very limited effect. It is possible to argue, however, as some do, that EPZs will have greater potential if they are given both more support and more time.
- When major non-traditional 'success' was realized, as in Mauritius, there was a long lag between the policy changes that appear to 'explain' it and their positive effects. In Mauritius it took many years from the initiation of the explicit 'export push' before rapid non-traditional export expansion began.
- Foreign direct investment has not as yet made a particularly important contribution to African non-traditional export expansion. Even in the Mauritius EPZ experience domestic investment was dominant.

Elsewhere there is little firm evidence of significant long-term private investment, whether domestic or foreign, in non-traditional exporting; but, as noted above, the absence of good firm-level investment data seriously inhibits analysis of this question.

From the experience described in Parts I and II of this volume, there is room for considerably greater optimism about African non-traditional export prospects than has customarily been expressed in analyses of Africa's economic problems. (A recent, more optimistic, assessment, however, may be found in World Bank, 2000: 212–21.) Non-traditional exports are obviously not a development panacea. Without minimizing the extent of the many current constraints on Africa's economic growth and development, or overstating the representativeness of the five African countries studied in this volume, it is possible to say not only that non-traditional exports *can* respond to official policies that support and promote them, but also that in many African countries they have already done so.

For the effective promotion of non-traditional exports African governments will have to pursue policies that are not merely 'permissive' – a stable macroeconomic framework, an appropriate level and stability of the real exchange rate, adequate export incentives, a friendly investment climate (but caution with capital account liberalization), etc. They will also have to pursue more 'activist' policies to overcome continuing weaknesses in infrastructure and human capital and, more particularly, to offer selective further support for those non-traditional exports with the most promising developmental and market prospects. Such activist policies require knowledge and resources; and in Africa these are both usually in short supply. To maximize effectiveness, it is likely to be fruitful for governments to work closely with potential investors in the private sector as they develop strategies and policies for non-traditional export expansion. African governments can also benefit from information-sharing and other forms of regional cooperation, including trade and exchange liberalization among themselves, at the regional or subregional levels. Needless to say, and as noted earlier, access for African export products on world markets will also be essential for sustained non-traditional export success.

With appropriate national and international policies, increased investments (both public and private) and improved overall domestic capacities, one should be able to expect better and more widespread non-traditional export success in Africa in the future. Sustained private investment will clearly be critical to long-run success. In the meantime it will be important for policymakers that more research be undertaken on the developmental advantages of different kinds of export activity so as to increase conceptual clarity as to what non-traditional exports it may be most efficacious to promote.

## Acknowledgements

For comments on earlier drafts I am grateful to Anthony Black, Ibrahim Elbadawi, Francis Mweha, and two anonymous WIDER-appointed referees, none of whom are responsible in any way for the contents of the final version.

## Note

1. Draft studies of Côte d'Ivoire and Uganda can be obtained from WIDER on request.

## References

- Alwang, J. and Siegel, P. B. (1994) 'Portfolio Models and Planning for Export Diversification: Malawi, Tanzania and Zimbabwe', *Journal of Development Studies*, 30, 2 (January).
- Amjadi, A., Reinke, U. and Yeats, A. (1996) 'Did External Barriers Cause the Marginalization of Sub-Saharan Africa in World Trade?', Policy Research Working Paper 1586, World Bank International Economics Department (March).
- Balassa, B. (1977) *Export Incentives and Export Performance in Developing Countries: A Comparative Analysis*, World Bank Staff Working Paper No. 248, Washington, DC.
- Balassa, B. et al. (1971) *The Structure of Protection in Developing Countries*, Baltimore, MD: Johns Hopkins University Press.
- Berge, K., Daniel, P. et al. (1994) 'Trade and Development Strategy Options for the Poorest Countries: A Preliminary Investigation', Working Paper 12, Institute of Development Studies, Sussex (December).
- Buffie, E. (forthcoming) *Trade Policy in Developing Countries*.
- Coe, D. and Hoffmaister, A. W. (1998) 'North-South Trade: Is Africa Unusual?', IMF Working Paper 98/94, Washington, DC.
- Collier, P. and Gunning, J. W. with associates (1998) *Trade Shocks in Developing Countries: Theory and Evidence*, Oxford: Oxford University Press/Clarendon.
- Collier, P. and Gunning, J. W. (1999) 'Explaining African Economic Performance', *Journal of Economic Literature*, 37, 1 (March): 64-111.
- Delgado, C. L. (1995) 'Agricultural Diversification and Export Promotion in Sub-Saharan Africa', *Food Policy*, 20, 3 (June).
- de Vries, Barend A. (1967) *The Export Experience of Developing Countries*, World Bank Staff Occasional Papers No. 3, Washington, DC.
- Easterly, W., Kremer, M., Pritchett, L. and Summers, L. (1993) 'Good Policy or Good Luck? Country Growth Performance and Temporary Shocks', *Journal of Monetary Economics*, 32: 459-83.
- Elbadawi, I. and Helleiner, G. K. (1998) 'African Development in the Context of New World Trade and Financial Regimes: The Role of the WTO and its Relationship to the World Bank and the IMF', African Economic Research Consortium, Nairobi, mimeo.
- Elbadawi, I. and Ndulu, B. J. (1996) 'Long-Run Development and Sustainable Growth in Sub-Saharan Africa' in M. Lundahl and B. J. Ndulu (eds), *New Directions in Development Economics*, London: Routledge.
- Ernst, D., Ganiatsos, T. and Mytelka, L. (eds) (1998) *Technological Capabilities and Export Success in Asia*, London: Routledge.
- Foroutan, F. and Pritchett, L. (1993) 'Intra-Sub-Saharan Trade: Is it Little?' *Journal of African Economies*, 2, 1.

- Grossman, G. and Helpmann, E. (1991) *Innovation and Growth in the Global Economy*, Cambridge, MA: MIT Press.
- Hadjimichael, M. T., Ghura, D., Mühleisen, M., Nord, R. and Uçer, E. M. (1995) 'Sub-Saharan Africa: Growth, Savings and Investment', IMF Occasional Paper 118, Washington, DC.
- Helleiner, G. K. (1992) 'Structural Adjustment and Long-Term Development in Sub-Saharan Africa' in F. Stewart, S. Lall and S. Wangwe (eds), *Alternative Development Strategies in Sub-Saharan Africa*, London: Macmillan, pp. 48–78.
- Helleiner, G. K. (1995) 'Trade, Trade Policy and Industrialization Reconsidered', *World Development Studies*, 6, WIDER, Helsinki.
- Jebuni, C. D. et al. (1992) *Diversifying Exports, the Supply Response of Non-Traditional Exports to Ghana's Economic Recovery Programme*, Overseas Development Institute and University of Ghana.
- Kaplan, D. and Kaplinsky, R. (1999) 'Trade and Industrial Policy on an Uneven Playing Field: The Case of the Deciduous Fruit-Canning Industry in South Africa', *World Development* (October).
- Killick, T. (1995) 'Flexibility and Economic Progress', *World Development* (May).
- Krugman, P. (1989) 'New Trade Theory and the Less Developed Countries', in G. Calvo, R. Findlay, P. Kouri and J. De Macedo (eds), *Debt, Stabilization and Development, Essays in Memory of Carlos Diaz-Alejandro*, Oxford: Basil Blackwell and WIDER, pp. 347–65.
- Krugman, P. (1991) *Geography and Trade*, Cambridge, MA: MIT Press.
- Labys, W. C. and Lord, M. J. (1990) 'Portfolio Optimisation and the Design of Latin American Export Diversification Policies', *Journal of Development Studies*, 26, 2 (January): 260–77.
- Lall, S. (1995) 'Structural Adjustment and African Industry', *World Development*, 23, 12 (December).
- Lall, S. and Wangwe, S. (1998) 'Industrial Policy and Industrialization in Sub-Saharan Africa', *Journal of African Economies*, 7, supp. 1 (June).
- Love, J. (1986) 'Concentration, Diversification and Earnings Instability: Some Evidence on Developing Countries' Exports of Manufactures and Primary Products', *World Development*, 11, 9: 787–93.
- Lyakurwa, W. L. (1991) 'Trade Policy and Promotion in Sub-Saharan Africa', AERC Special Paper 12 (May), African Economic Research Consortium, Nairobi.
- Mayer, J. (1996) 'Implications of New Trade and Endogenous Growth Theory for Diversification Policies of Commodity-Dependent Countries' *UNCTAD Discussion Paper No. 122* (December).
- Mkandawire, T. and Soludo, C. C. (1999) *Our Continent, Our Future*, Dakar; Ottawa; Trenton, NJ: CODESRIA; IDRC; Africa World Press.
- Mytelka, L. K. and Tesfachew, T. (1998) 'The Role of Policy in Promoting Enterprise Learning During Early Industrialization: Lessons for African Countries', UNCTAD, African Development in a Comparative Perspective, Study No. 7 (September).
- Nissanke, M. K. (1998) 'Financing Enterprise Development and Export Diversification in Sub-Saharan Africa', UNCTAD, African Development in a Comparative Perspective, Study No. 8 (September).
- Ocampo, J. A. (1991) 'The Transition from Primary Exports to Industrial Development in Colombia' in M. Blomström and P. Meller (eds), *Diverging Paths, Comparing a Century of Scandinavian and Latin American Economic Development*, Washington, DC: Inter-American Development Bank.

- Oyejide, T. A. (1998) 'Using Trade and Industrial Policies to Foster African Development: Some Perspectives on Issues and Modalities', *Journal of African Economies*, 7, supp. 1 (June).
- Pack, H. (1992) 'Learning and Productivity Change in Developing Countries' in G. K. Helleiner (ed.), *Trade Policy, Industrialization and Development: New Perspectives*, Oxford: Clarendon Press, for World Institute for Development Economics Research, pp. 21–45.
- Rodriguez, F. and Rodrik, D. (1999) 'Trade Policy and Economic Growth: A Skeptic's Guide to the Cross-National Evidence', University of Maryland and Harvard University, mimeo.
- Rodrik, D. (1997) 'Trade Policy and Economic Performance in Sub-Saharan Africa', Harvard University. Paper prepared for the Division of International Cooperation of the Ministry for Foreign Affairs, Sweden (November).
- Rodrik, D. (1999) *The New Global Economy and Developing Countries: Making Openness Work*, Policy Essay No. 24, Washington, DC: Overseas Development Council; Baltimore, MD: Johns Hopkins University Press.
- Sachs, J. D. and Warner, A. M. (1997) 'Sources of Slow Growth in African Economies', *Journal of African Economies*, 6: 335–76.
- Soludo, C. C. (1998) 'Trade Policy Reforms and Supply Responses in Africa', UNCTAD, African Development in a Comparative Perspective, Study No. 6 (September).
- Tybout, J. (1998) 'Manufacturing Firms in Developing Countries: How Well Do They Do and Why?', Working Paper No. 97–19R, Georgetown University, Department of Economics (June).
- ul Haque, I. in collaboration with others (1995) *Trade Technology and International Competitiveness*, Economic Development Institute of the World Bank, Washington, DC.
- UNCTAD (1996) *Trade and Development Report*.
- UNCTAD (1998) *Trade and Development Report*.
- Wangwe, S. M. (1995) *Exporting Africa: Technology, Trade and Industrialization in Sub-Saharan Africa*, UNU/Intech Studies in New Technology, London and New York: Routledge.
- Wangwe, S. (1998) 'How African Manufacturing Industries Can Break Into Export Markets with Lessons from East Asia', UNCTAD, African Development in a Comparative Perspective, Study No. 5 (September).
- Wood, A. (1994) 'Skill, Land and Trade: A Simple Analytical Framework', IDS Working Paper 1 (February), Sussex.
- Wood, A. and Berge, K. (1994) 'Exporting Manufactures: Trade Policy or Human Resources?' IDS Working Paper 4 (July), Sussex.
- Wood, A. and Mayer, J. (1998) 'Africa's Economic Structure in Comparative Perspective', UNCTAD, African Development in a Comparative Perspective, Study No. 4 (September).
- World Bank (1994) *Adjustment in Africa: Reforms, Results, and the Road Ahead*, Oxford: Oxford University Press.
- World Bank (1997) *World Development Indicators, 1997*, Washington, DC.
- World Bank (1998) *African Development Indicators, 1998*, Washington, DC.
- World Bank (2000) *Can Africa Claim the Twenty-First Century?*, Washington, DC.
- Yeats, A. J. (1990) 'On the Accuracy of Economic Observations: Do Sub-Saharan Trade Statistics Mean Anything?', *World Bank Economic Review*, 4: 135–56.
- Yeats, A. J. (1995) 'Are Partner-Countries Statistics Useful for Estimating "Missing" Trade Data?', Policy Research Working Paper 1501, World Bank International Economics Department (August).

# Index

Compiled by Auriol Griffith-Jones

**Note:** Page numbers in bold refer to Tables and Figures

- Achurra, M. 92  
Africa xiii, 3–4, 17  
  case studies 11, **12**, 13  
  comparison with other developing countries 10–11  
  infrastructure weakness 14, 17  
  investment-led development 1–2  
  lessons from Chile 99–100  
  non-traditional export experience 15–17  
  perception as high risk area 183  
  response to world trade liberalization 4–6, 159  
  structural adjustment programmes 2, 11  
  unreliability of data 10, 257  
  *see also* Kenya; Mauritius; South Africa; Tanzania; Zimbabwe  
agency, factor in selective interventions 62  
Agosin, M.R. 72, 86, 88, 99, 113, 123, 130  
agriculture and agricultural products 5  
  Chile 79, **80**, **81**, 89, 91  
  classification of **8**  
  Costa Rica 117–18, 119, 125  
  Mauritius 205  
  Tanzania 253, 273  
  Zimbabwe 291–2, 299, 300  
airports, Chile 90  
Aksoy, A. 258  
Allende, Salvador, President of Chile 72, 82, 84  
Alonso, E. 120  
Alter, R. 193  
Alvarez, C. 121  
Alwang, J. 7  
Amjadi, A. 4  
Amsden, A. 66*n*, 76  
ANC (African National Congress) 234  
anti-export bias 24  
  Kenya 170  
  Mauritius 211–12  
  South Africa 220, 233–4, **234**, 235, **237**, 245–6, 250*n*  
  Tanzania **270–1**, 272, 273, 277  
APEC (Asia Pacific Economic Cooperation) 94  
Argentina, trade with Chile 94, **94**, 95  
armaments, South Africa 242  
Aron, J. 250*n*  
Arthur D. Little, consultants (in Taiwan) 42  
Asante, Y. 162, 184  
Asea, P.K. 188*n*  
Australia, trade with Kenya **161**, 162  
automotive industry  
  Chile 93  
  South Africa 240–1, **241**  
Bagachwa, M.S.D. 281, **282**  
Balassa, B. 9  
Ballivian, A. 231, 233, 234  
banana production, Costa Rica 108  
banks and banking  
  Chile 78, 84, 85, 91  
  Costa Rica 108, 115, 127*n*  
  development 76, 91  
  Kenya 189*n*  
  offshore (Mauritius) 192, 205, 212  
  Tanzania 258  
  Zimbabwe 296  
  *see also* IMF; World Bank  
Bautista, R.M. 291  
Bell, T. 234, 235, 243, 251*mn*  
Belli, P. 231, 233, 234  
Berge, K. 1, 5  
Biggs, T. 301  
Bigsten, A. 181, 185, 189*n*  
Black, A. 251*n*  
Blankley, W. 237  
Bol, D. 267, 281, **282**  
Bolivia, trade with Chile **94**  
Bordeu, E. 93

- Brazil 40, 94  
 Bretton Woods regime 136  
 Buffie, E. 1  
 Bulmer-Thomas, V. 110  
 bureaucracies  
   capabilities of 61–2  
   as constraint 282  
   Zimbabwe 293, 301  
 Burkina Faso 11
- Caballero, R. 153*n*  
 CACM (Central American Common Market) 109–11, 113, 127*n*  
 Camacho, E. 117, 118  
 CAN (Competitiveness Analysis of Nations), applied to Costa Rica 121–5  
 Canada 94, 161  
 capacity *see* excess capacity; local capacities  
 capital  
   formation (Zimbabwe) 298–9  
   initial 278  
   repatriation (Mauritius) 208  
 capital account  
   influence on RER 141, 143  
   variables (nki and nfi) 140  
 capital account liberalization 17  
   Chile 84, 98, 99  
   South Africa 222  
   Zimbabwe 297  
 capital inflows  
   Kenya 183–4, 187, 188–9*n*  
   long-term (Chile) 86–7, 99  
   net private 140, 151  
   private (Zimbabwe) 299, 299  
   and RER competitiveness 140, 141, 143, 145  
   South Africa 221, 223  
   *see also* FDI; investment  
 capital markets 53, 76, 84  
   policy reforms on (East Asia) 38  
   *see also* financial markets  
 Caribbean Basin Initiative 114  
 Cattaneo, N. 243, 251*n*  
 Céspedes, V.H. 121  
 Chibanda, S. 303, 304  
 Chile 10, 13–14, 72–4, 104*n*, 129  
   adaptability index 125  
   agriculture 79, 80, 81, 89, 91  
   comparative advantage 88–9, 91, 104*n*  
   competitiveness 124  
   debt-equity swap programme 89  
   Decree Law 600 (1974) 88  
   economy 77, 78, 135  
     GDP growth 73, 77–9, 77, 78  
     general economic policy 86–91, 130  
   ERER/RERMIS/RERVAR indexes 144  
   exchange rate depreciation 73, 82–4, 83, 85  
   exchange rate policy 86–7, 145  
   export destinations 94  
   export growth 73, 78–9, 79, 80, 81, 81, 85  
   export volumes 79, 102–3, 104*n*  
   exports 72–3  
   FDI 14, 84, 86, 88–9  
   fiscal adjustment 79, 81  
   import-substitution 72  
   inflation 83–4, 84  
   investment ratio 133  
   manufacturing exports 96–8  
   manufacturing sector 79, 80, 81, 82  
   and Mercosur agreement 94, 95–6  
   as model for Africa 99–100  
   NTX growth 132, 133  
   ProChile trade promotion office 89–90  
   sectoral policies 91–3, 99  
   socialist experiment (under Allende) 77, 82, 84  
   tariff reduction 73, 75, 82–4, 83  
   technological development 90, 99  
   trade agreements 93–6  
   trade liberalization policies 72–4, 82–5, 98  
 Chilean Development Corporation 90  
 China, links with Mauritius 208  
 China External Trade Development Council (Taiwan) 39  
 Chipika, J.T. 7, 303, 304  
 choice  
   and decision-making 60  
   of interventions 58, 60  
 cloves, Zanzibar 263, 273  
 Coe, D. 4  
 coffee  
   Costa Rica 107–8, 127*n*  
   exports (Kenya) 160, 161, 187  
   Tanzania 253, 254, 261

- Collier, P. 3, 183
- COMESA (Common Market for Eastern and Southern Africa) 162, 175, 186, 201
- comparative advantage  
Chile 88–9, 91  
development of 23, 25  
Mauritius 214, 215  
Sub-Saharan Africa 5
- compensatory depreciation 82, 100–1
- competition  
as constraint 213, 282  
perfect 66*n*
- competitiveness 65, 124  
CAN analysis 121–5  
RER 140, 141, 143, 145, 149  
Tanzania 270–1, 272–3, 276, 285
- constraints  
on enterprise growth (Tanzania) 281  
on export performance 10, 17  
on government interventions 59–63  
of information 130  
on NTX growth (Kenya) 182–4, 188  
on NTX growth (Mauritius) 212–15  
on NTX growth (Tanzania) 281–2, 282  
on trade (Zimbabwe) 304–5
- consumption levels, government 137, 151
- Corbo, V. 153*n*
- Corrales, J. 127*n*
- corruption 63
- COSATU (Confederation of South African Trade Unions) 234
- Costa Rica 10, 13–14, 107  
adaptability index 125  
banking and credit 108, 115  
CAAP (Agricultural and Agroindustrial Council) 117–18  
CAT (tax certificates) subsidies 111, 113–15  
CINDE (coalition for development initiatives) 116–17  
coffee production 107–8  
competitiveness 121–5, 124, 126  
currency overvaluation 111  
economy 107–8, 135  
ERER/RERMIS/RERVAR indexes 144, 145  
export diversification 125–6  
competitiveness analysis 121–5, 124, 126  
results 118–20  
and structural change 112–21  
Export Promotion Law (1972) 111  
FDI 116–17, 126  
import-substituting industrialization 109–11, 119–20, 125  
industrial production (structural change) 119–20, 126  
institutional development 116–18  
investment ratio 133  
Law of Protection and Industrial Development 109  
*maquila* exports 111, 117, 119, 126  
member of WTO 116  
membership of CACM 109–11  
NTX growth 132, 133  
poverty reduction 120–1  
Public Sector Financial Equilibrium Law (1984) 113  
regional trade 109–11, 114, 115–16  
sectoral analysis 122, 123–4, 124  
trade with US 114, 115–16, 120, 127*n*
- Côte d'Ivoire 11
- 'country image' creation 76  
Chile 90
- credit, access to 15–16, 38, 44–5  
Chile 84  
Costa Rica 108, 115  
insurance 184  
provided by development banks 76, 91  
Tanzania 281, 282  
Zimbabwe 304, 304
- Crespi, G. 99
- currency  
devaluation (South Africa) 244–5  
overvaluation 111, 138  
revaluation 15
- currency depreciation  
Kenya 165  
Tanzania 274, 285  
Zimbabwe 296  
*see also* real currency depreciation
- current account  
balance (Zimbabwe) 295  
sustainable deficit (Mauritius) 197  
variables 141
- Dabee, B. 213
- Daniel, P. 1

- data, unreliability of 10, 257  
 Davies, R. 7, 291, 295  
 De Gregorio, J. 96  
 De la Cuadra, S. 105*n*  
 de Rosa, D. 255  
 de Vries, B. 9  
 debt crises  
     1981 Costa Rica 108, 109, 111, 125  
     South Africa 218, 222  
 declining stars, in competitiveness  
     analysis 122, 123–4  
 deindustrialization, Zimbabwe 296  
 Delgado, C.L. 7  
 destinations (of exports)  
     Chile 94  
     Kenya 161–2, 161, 186  
     Mauritius 201  
     South Africa 228–30, 229, 238–9, 246  
     Tanzania 267, 268  
     Zimbabwe 314, 315, 316–17, 316,  
         317, 318  
 DEVAL variable 140, 141  
 developing countries  
     Africa compared with other 10–11  
     economic variables 134–5  
     non-traditional export performance  
         analysis 131–6, 133, 134–5  
     non-traditional exports 133  
     weakness of capital markets 76  
 development  
     investment-led 1–2  
     technological 34, 35  
     theory of 6  
     *see also* human resource development  
 development banks 76, 91  
 development finance 131  
 DFIs (development finance institutions),  
     Kenya 178, 189*n*  
 Díaz-Alejandro, C.F. 76, 104*n*, 153*n*  
 differentiated activities, manufacturing  
     27, 29  
 diversification 4–5, 7, 129  
     Chile 79  
     Costa Rica 96, 108, 112–26, 124  
     Kenya 162, 186  
     Mauritius 213  
     South Africa 227, 239  
     Tanzania 266, 266  
     Zimbabwe 293, 305, 312, 313, 314,  
         315, 317–18  
 Dlamini, A.T. 173  
 drawback schemes  
     Chile 87–8, 99, 105*n*  
     Costa Rica 111, 113  
     South Africa 234, 235  
     Tanzania 279–80, 282  
     Zimbabwe 294  
 drought  
     Kenya 165  
     Zimbabwe 291, 293, 310  
 dynamic effects *see* export dynamism  
 East African Community 170  
 East African Cooperation, Treaty for  
     (1993) 175  
 East Asia 10, 13–14  
     export promotion policies 26–53  
         export growth and structure 26–35  
         export promotion 35–53  
     permissive policies 36–7  
     positive functional policies 37–9  
     positive selective policies 39–40, 41,  
         42–52  
     selective interventions 53, 57–8  
         degree of 63–5  
         limitations to 58–63  
     trade with Kenya 161, 162  
     World Bank study of policies 35–6  
     *see also* Hong Kong; Indonesia; Korea;  
         Malaysia; Singapore; Taiwan;  
         Thailand  
 Easterly, W. 3  
 econometric analysis  
     competitiveness (Costa Rica) 121–5  
     empirical framework of NTX2 138  
     ERER indexes 143, 144, 145  
     Kenyan trade liberalization 179–82,  
         187  
     of manufacturing exports (Chile)  
         96–8  
     non-traditional exports 131–6, 133,  
         134–5  
     Paredes' model 136–7  
     regressions (random effects) 146–8,  
         147  
     of RER 139–43, 149–50  
     Rodrik's model 137–8  
 economic crises 165  
     Chile (1982) 78  
     Tanzania 267, 278

- economic theory  
 evolutionary/capability approach 54–7  
 neoclassical 24, 25, 53–4
- economies of scale 6, 53, 66*n*
- education 14  
 Chile 90–1  
 enrolment rates (East Asia) 33–4, 33  
 policy reforms (East Asia) 37–8  
 South Africa 220, 236  
 as variable 146, 149  
 Zimbabwe 301–2  
*see also* training
- Edwards, S. 130, 138, 139, 140, 143, 175
- Elbadawi, I. 3, 139, 146, 153*n*, 154*m*,  
 164, 177, 250*n*, 270, 276
- electronics, Costa Rica 119, 126
- EPZs (export processing zones) 16  
 East Asia 43, 50  
 Kenya 175  
 Mauritius 16, 192, 193, 194–5  
 Tanzania 280  
 Zimbabwe 297–8, 299, 300
- ERER (equilibrium RER) index 131, 138,  
 143, 144, 145, 149
- Ernst, D. 7
- Europe (European Union), trade 94, 161,  
 229, 267, 268, 317
- evolutionary/capability approach, and  
 selective intervention 54–7
- excess capacity  
 Chile 73–4, 81, 96–8  
 Kenya 185–6, 187
- exchange rate depreciation  
 Chile 73, 82–4, 83, 85, 98  
 in econometric analysis 140  
 in trade liberalization analysis 75
- exchange rate policy 129–30  
 Chile 86–7, 145  
 Costa Rica 112, 125  
 Kenya 166, 175–7, 176  
 Mauritius 211  
 South Africa 222–3, 244–5  
 Tanzania 275, 285
- exchange rate risk, role in export supply  
 137
- exchange rates 74  
 South Africa 220–3, 221  
 Tanzania 255, 270  
 Zimbabwe 296  
*see also* foreign exchange
- export concentration 15  
 Kenya 171–2, 172, 187  
 Mauritius 212–13  
 South Africa 227, 228  
 Tanzania 254, 262, 286*n*  
 Zimbabwe 312, 313, 314
- export credit insurance 184
- export dynamism 7, 9  
 technology as factor in 26, 27, 27, 28
- export financing 36, 100  
 entry costs (East Asia) 50  
 Kenya 175, 184, 187, 188
- export licences, Tanzania 278, 280
- export market information  
 Chile 89–90  
 East Asia 38–9, 50–2
- export markets, niche 92, 100
- export performance  
 constraints on 10, 17  
 Paredes' model 136–7  
 Rodrik's model 137–8
- export promotion policies 11, 129–31  
 Chile 89–90  
 Costa Rica 111  
 evaluation (CAN analysis) 121–5  
 Kenya 174–5  
 South Africa 231–3, 232  
 Tanzania 269, 277–81, 283, 284
- export promotion policies, selective 16  
 in Asia 26–53  
*see also* EPZs; incentives
- export share  
 of new exports 9  
 Tanzania 267, 269–70, 270
- exporters  
 associations 76, 130  
 characteristics (Zimbabwe) 303–5,  
 303, 304  
 Kenya 185–6, 189*nm*  
 South Africa 242
- exports xiii, 10  
 classification of 7–8, 8  
*see also* destinations; diversification;  
 manufactured exports; merchandise  
 NTXs; non-factor services exports;  
 NTXs; traditional exports
- externalities 6, 66*n*, 130
- factor markets, and selective  
 intervention 57–8

- Fallon, P. 220  
 Faruqee, H. 139  
 FDI (foreign direct investment) 3, 100  
   in Africa 16–17  
   and capital repatriation 208  
   East Asia 30–1, 31, 300  
   East Asian net export of 43  
   and market failure 56–7  
   *see also* individual countries; TNCs  
 Ffrench-Davis, R. 72, 81, 86, 88, 89, 104*nn*  
 FIAS (Foreign Investment Advisory Service), *cited* 119, 120  
 finance, export *see* credit; export finance  
 financial markets 131  
   Chile 72, 84  
   South Africa 237  
   *see also* capital; capital markets  
 Finger, M. 231, 233, 234  
 fish and fish products, Chile 79  
 flexibility  
   in East Asian policies 36  
   and selective intervention 63  
 foreign aid, as variable 141  
 foreign direct investment *see* FDI  
 foreign exchange 3  
   reserves (Mauritius) 197–8  
   Tanzania 278  
   *see also* exchange rate depreciation; exchange rates  
 foreign exchange retention 15, 174, 187  
   Tanzania 278, 280  
   Zimbabwe 293, 294  
 forestry 3  
   Chile 77, 91–2  
 Foroutan, F. 4  
 France 32  
   and Mauritius 201, 208, 209  
 free markets, government belief in 52, 65  
 free ports, Mauritius 192, 205, 212, 215  
 Free Trade for the Americas (FTAA) 116  
 free trade zones  
   Costa Rica 118, 119  
   *see also* EPZs  
 Friedrich-Naumann-Stiftung 170  
 fruit production, Chile 89  
 Fundación Chile 90, 92, 105*n*  
 Ganiatsos, T. 7  
 GATT (General Agreement on Tariffs and Trade) 84, 234  
 GDP, export shares of 4  
   investment share 133, 134–5  
 GEAR, *cited* 245  
 Gelb, S. 220  
 Germany 32, 161, 201, 209  
 Ghana 11, 276  
 Ghura, D. 2, 177  
 Gitli, E. 113, 123  
 GNP growth 11  
 gold  
   price volatility 218  
   South Africa 217, 222, 223, 224, 225, 226  
 Goldenberg International 188*n*  
 Gonzales, C. 115  
 government failure 26, 65  
 government policies 23, 53, 148, 150  
   Africa 14, 17  
   East Asia 14, 35, 52–3  
   *see also* policy reforms; selective interventions  
 governments  
   access to information 59–61, 75  
   capabilities of 63–4  
   constraints on interventions 59–63  
   coordination with private sector 62–3  
   decision-making 60  
   institutional setting (East Asia) 52–3  
   role of 130, 148, 150  
 Great Britain 32, 161, 208, 209  
 Greenaway, D. 211  
 Grennes, T.J. 177  
 Grinspan, R. 116  
 Grossman, G. 6  
 Gulati, S. 180  
 Gulhati, R. 215*n*  
 Gunning, J.W. 3  
 Hachette, D. 95, 105*n*  
 Hadjimichael, M.T. 2  
 health, primary, Zimbabwe 301  
 Hein, P. 193  
 Helleiner, G. 1, 3, 25, 66*nn*, 130, 138, 272  
 Helpmann, E. 6  
 Hendry, D.F. 180  
 Hirsch, A. 233  
 Hobday, M.G. 70*n*

- Hodge, J. 230  
Hoffmaister, A.W. 4, 114  
Hong Kong 34, 45  
    education and literacy rates 33–4, 33  
    export decline 26, 27, 34  
    export promotion 38, 50  
    exports 28, 29, 30  
    FDI 30, 31, 31, 41  
    investment in Mauritius 195–6, 208, 209  
    R&D 32  
    selective interventions 40, 41  
    SMEs 38, 45  
Hong Kong Productivity Centre 47  
Hong Kong Trade Development Council 38–9  
House, B. 233  
human capital 37, 76, 138  
    Costa Rica 119, 125  
    investment as long-term 5, 17  
human resource development 100  
    Chile 79, 90–1, 99  
    East Asia 33–4, 46–7
- ideology, in East Asian governments 52  
IFIs (international financial institutions) 14  
IMF (International Monetary Fund) 112, 274  
import duties  
    rebates 15  
    South Africa 234  
    Tanzania 254–5  
    Zimbabwe 294  
import liberalization 295  
    South Africa 244–5  
    Tanzania 280  
import licensing  
    Kenya 173–4  
    Tanzania 280  
    Zimbabwe 294  
import-substituting industrialization 6, 57–8  
    Costa Rica 109–11, 119–20, 125  
    Tanzania 254  
import-substitution 4, 35, 40  
    Chile 72  
    Costa Rica 109–11, 125  
    Kenya 163  
    Mauritius 194  
    South Africa 217, 220  
    Zimbabwe 292  
imports, access to 36  
incentives 14  
    Africa 15–16  
    Costa Rica 109–10, 111, 127  
    East Asia 37  
    influence on supply response 276–7  
    Mauritius 194–5, 208–11  
    role of 148, 150  
    South Africa 233–8, 236, 237  
    Tanzania 276–7, 277, 279, 282, 283  
    *see also* credit; drawbacks; EPZs; subsidies  
income, net factor, as variable 151  
income distribution, as variable 138  
income elasticity of demand 129, 311  
India 40, 208, 239  
Indonesia  
    economy 46, 135  
    education and literacy rates 33, 33  
    ERER/RERMIS/RERVAR indexes 144, 145  
    export growth 26, 27  
    exports 28, 29  
    FDI 30–1, 31  
    human capital base 37  
    NTX growth 132, 133  
    R&D 32  
    selective export marketing 52  
    selective industrial promotion 43–4, 45  
    technological development 35  
industrial parks, in EPZs (Zimbabwe) 298  
industrial promotion, selective (East Asia) 40, 41, 42–4  
industrial structure, East Asia 45–6  
industrialization  
    Mauritius 193  
    Tanzania 253  
    *see also* import-substituting industrialization  
inflation 23, 132, 152  
    as economic variable 134–5  
    Kenya 166, 174  
    Tanzania 257, 285  
    Zimbabwe 293–4, 296  
information  
    about export markets 38–9, 281–2  
    access to 59–61, 75–6

- nature of 75, 102*n*, 104*n*  
*see also* export market information
- information-gathering, subsidies for 99
- information-sharing 17, 52–3
- infrastructure 6, 76, 100, 134–5
  - Chile 90, 99
  - Kenya 184, 188
  - Mauritius 193, 215
  - policy reforms on 24, 37
  - Tanzania 281
  - as variable 138
  - weakness of African 14, 17
  - Zimbabwe 304–5, 310
- institutions
  - associations of exporters 76, 130
  - design of 130, 138
  - development (Costa Rica) 116–18
  - export support (Zimbabwe) 300–2
  - international financial (IFIs) 14
  - Mauritius 210
  - social 3–4
  - Tanzania 280–1
  - see also* banks and banking; DFIs; IFIs
- insurance, export credit 184
- interbank market
  - Kenya 177
  - Tanzania 275
- interest rates 23, 74, 100
  - Chile 85
  - and investment (Kenya) 177–8
  - South Africa 222, 237
  - Zimbabwe 293–4, 296, 296, 298, 302
- international reserves, as variable 151
- investment
  - Chile 74, 81, 133
  - for development 1–2
  - in econometric analysis 137, 149
  - in human capital 5, 17
  - Kenya 170, 177–8, 183, 185, 187
  - and market failure 53
  - in Mauritius 194–5, 196–7, 208, 209
  - private 2–3, 17, 258
  - promotion (Costa Rica) 116–18
  - role of new 11
  - share to GDP 133, 134–5
  - South Africa 237
  - Tanzania 133, 258, 283
  - by TNCs (direct) 14
  - Zimbabwe 292, 297–300
  - see also* FDI; private investment
- investment, domestic 16–17
  - gross 134–5, 151
- Italy 201
- Japan 40, 51, 94
  - R&D 32, 32
- Japan External Trade Research Organization 39
- Jebuni, C.D. 11, 162, 184
- Jenkins, C. 232
- Jiménez, R. 121
- Joffe, A. 250*n*
- Kadenge, P.G. 303, 304
- Kahn, B. 218, 222, 223, 231, 250*n*
- Kaplan, D. 5, 237, 242, 250*n*
- Kaplinsky, R. 5, 243, 250*n*
- Katz, M. 168
- Kaufmann, D. 286*n*
- Kearney, R.C. 193
- Keesing, D.B. 37, 38, 39
- Kenya 11, 178, 186
  - Development Plan (1997–2001) 175, 179
  - ERER/RERMIS/RERVAR indexes 144, 176–7
  - exchange rate policy 166, 175–7, 176
  - export concentration 171–2, 172, 187
  - export destinations 161–2, 161, 186
  - export performance 159–60, 160, 161, 187–8
  - Export Promotion Council 175
  - FDI 182–3, 183, 187
  - financial institutions 189*n*
  - Import Management Committee 173
  - infrastructure 184, 188
  - initial conditions 163–4
  - investment 170, 177–8, 183, 185, 187
  - macroeconomic performance 163, 164–6, 164, 182
    - economic characteristics 12, 134
    - economic reforms 164, 170–1
    - response to policies 179–82, 181
  - manufactured exports 169–71, 171, 182, 185–6, 187
  - merchandise NTXs 168–9, 168, 169, 170, 171, 187
  - non-factor services exports 167, 172, 173
  - NTX definition 166–7

- Kenya *continued*  
 NTX growth 15, 132, 133  
   constraints to 182–4, 188  
   ownership of firms 185, 189*n*  
   political instability 165, 170  
   Regional Programme on Enterprise  
   Development (RPED) 184, 185  
   regional trade agreements 162, 175,  
   186  
   tourism 167, 172, 173, 187, 188*n*  
   trade liberalization 179–81, 187, 189*n*  
   trade with Tanzania 267
- Khan, M. 272
- Killick, T. 3
- Kim, K.S. 42, 46
- Kim, L. 32
- Knight, J. 301, 302
- Knight, M. 272
- Korea  
 adaptability index 125  
*chaebols* 31, 34, 46, 49–50, 51, 68–9*n*  
 competitiveness 124  
 credit subsidies 38, 44  
 econometric analysis 137  
 education and training policy 33–4,  
 33, 46–7  
 export growth 26, 27  
 export promotion 51  
 FDI 30, 31, 31, 41  
 Heavy and Chemical Industry drive  
 42  
 industrial structure (nationalistic)  
 45–6, 48  
 manufactured exports 29, 30  
 R&D 30, 32, 32, 45–6, 48, 69*n*  
 selective industrial promotion 40, 41,  
 42, 64  
 SMEs 38, 49–50  
 technology support 34, 48–50, 67*n*,  
 68–9*n*  
 use of *chaebols* as agents 62
- Korea Advanced Institute of Science and  
 Technology 47
- Korea Federation of Small Business  
 49–50
- Korea Institute of Science and  
 Technology (KIST) 48–9
- Korea Institute of Technology 47
- Korean Trade Promotion Council  
 (KOTRA) 39
- Kremer, M. 3
- Krugman, P. 6
- labour costs  
   South Africa 220, 236–7  
   Zimbabwe 302  
   *see also* wages
- labour force 151–2  
   Kenya 163  
   South Africa 236  
   *see also* human resource development
- labour markets 24  
   Zimbabwe 292
- labour-intensive activities  
   manufacturing 27, 28, 29  
   primary processing 5–6
- Labys, W.C. 9
- Lagos Plan of Action 175
- Lall, S. 5, 30, 32, 40, 48, 66*n*, 69*n*, 75,  
 209, 211, 213, 295, 302
- Lamussse, R. 215*n*
- Landell-Mills, J. 168
- Lanza, K.E. 117
- Latin America *see* Chile; Costa Rica
- Leape, J.I. 218
- Leiva, P. 72
- Lewis, D. 250*n*
- Lewis, S.R. 170
- liberalization *see* capital account liberal-  
 ization; trade liberalization
- Lipsey, R.G. 66*n*
- local capacities 14  
   and choice of intervention 60–1  
   Kenya 180  
   levels of (East Asia) 31, 35
- local enterprises, and market failure 56
- Lomé Convention 196, 201, 208
- Lord, M.J. 9
- lost opportunities, in competitiveness  
 analysis 122, 124
- Love, J. 8
- Lyakurwa, W.L. 3
- McDougall, R. 311
- machinery exports, South Africa 226,  
 231, 239, 240, 242
- machinery imports 146, 148, 152
- McKay, A. 215*n*
- MACRO variable 140, 141
- macroeconomic stability 132, 138, 143

- Madagascar 203, 214  
 Madrid, R. 72  
 Malawi, trade with South Africa 229  
 Malaysia  
   compared with Zimbabwe 300  
   economic variables 135  
   education and literacy rates 33–4, 33  
   ERER/RERMIS/RERVAR indexes 144, 145  
   export growth 26, 27  
   FDI 30, 31, 31, 35  
   high-tech exports 28  
   industrial structure 38, 46  
   manufactured exports 29  
   NTX growth 132, 133  
   R&D 32, 33  
   selective export marketing 52  
   selective industrial promotion 43–4  
   skills training 37  
   technological development 35  
 Manda, D.M. 163, 179  
 Mange, R. 113, 115, 127*n*  
 manufactured exports 5, 15, 129  
   Chile 79, 80, 81, 96  
   classification of 8, 8  
   East Asia 29, 30  
   econometric analysis (Chile) 96–8  
   Kenya 169–71, 171, 182, 185–6, 187  
   South Africa 224, 226, 226, 238–9, 241–2, 247, 248  
   technological basis of 27, 29  
   Zimbabwe 300, 310–12, 310, 311  
 manufacturing 27, 29  
   employment (South Africa) 244  
   excess capacity (Chile) 73–4, 81, 96–8  
   Tanzania 283  
   Zimbabwe 291, 299–300  
 manufacturing-under-bond, Kenya 175, 187  
 market access 4  
   Kenya 184, 188  
   trade development councils 38–9  
 market (de)regulation 130, 184, 188  
 market failures 23, 24, 57, 66*n*, 130  
   and selective interventions 53–8  
   and supply response 73  
 market interventions 14  
 market penetration, East Asia 36  
 market-friendly approach (positive policy reforms) 24–5, 35  
 marketing  
   boards (Kenya) 163  
   South Africa 242  
   Tanzania 279, 281  
   Zimbabwe 310  
 markets, global 2, 254  
 Mauritius 11, 192–3, 215*n*  
   constraints on NTX growth 212–15  
   Development Bank of Mauritius 210  
   Development Certificate scheme 211  
   economic characteristics 12, 134, 196  
   EPZ 16, 192, 193, 194–5, 196–7  
     performance 201, 202, 203, 204, 205  
   ERER/RERMIS/RERVAR indexes 144  
   exchange rate policy 211  
   Export Development and Investment Agency (MEDIA) 210  
   export policy analysis 207–12  
   Export Processing Zone Development Authority (EPZDA) 210–11  
 exports  
   composition 200–1, 202  
   destinations 201  
   performance 198–207, 199  
   FDI 195, 208–9, 209  
   full employment 193, 195, 197, 203  
   initial conditions 193–5  
   investment ratio 16, 133  
   macroeconomic performance 192–3, 195–8, 196, 203  
   non-factor services exports 205–7, 206, 207  
   NTX1 growth 15, 198  
   NTX2 growth 132, 133, 198–9  
   role of incentives 208–12  
   skill base 213–14  
   structural changes 197  
   tariffs 211–12  
   tourism 192, 195, 199, 205–6  
   trade liberalization 212  
   trade with South Africa 208, 229  
 Mayer, J. 5, 6, 7, 162  
 Mbelle, A. 272, 277, 281, 282, 286*n*  
 Meade, J.E. 192  
 Meller, P. 72, 91  
 merchandise NTXs  
   Kenya 168–9, 168, 169, 170, 171, 187  
   South Africa 223, 224, 225, 249  
   Tanzania 259–60, 259, 261, 264, 264, 265–6, 265, 266

- Mercosur (customs union) 94, 95–6  
 Mexico 40, 116  
 Milner, C. 211, 213, 215*n*  
 minerals 3, 5  
   classification of **8**  
   comparative advantage (Chile) 88–9, 104*n*  
   copper (Chile) 77, 79, **80**, **81**, 88  
   Tanzania 254, 263, 266, 283, **284**  
   Zimbabwe 291, 298, 299–300  
   *see also* gold  
 Mkandawire, T. 3  
 Moguillansky, G. 96  
 molasses, Mauritius 198, 200  
 moral hazard, in banking 84  
 Morley, S. 121  
 Mosley, P. 163  
 Mozambique, trade with South Africa 229, 239  
 Mühleisen, M. 2  
 multinational corporations *see* TNCs  
 Mussa, M.L. 130  
 Muzulu, J. 310  
 Mwega, F.M. 159, 166, 173, 177, 180, 188*n*  
 Mytelka, L. 6, 7
- NAFTA (North American Free Trade Agreement) 94  
 Nallari, R. 215*n*  
 Ndulu, B.J. 3, 267, 272, 274, 276, 277, 282, 286*n*  
 Ndung'u, N.S. 166, 177, 188*n*  
 neoclassical economic theory 24, 25  
   market failures 53–4, 69*n*  
 NFA (net foreign assets) 139  
 Nissanke, M.K. 11  
 Nogues, J. 180  
 non-factor services exports  
   Chile 79  
   Kenya 167, 172, **173**  
   Mauritius 205–7, **206**, **207**  
   South Africa 223, **224**, **225**, 227  
   *see also* tourism  
 non-tradables  
   in empirical model 141  
   in liberalization models 74  
 non-traditional exports  
   Africa 15–17  
   agricultural (Costa Rica) 118–19, 125  
   concepts and definitions 6–10, 152  
   econometric analysis 131–6, **133**, **134–5**  
   empirical analysis (RER) 138, 139–43  
   Kenya 167–8, **168**  
   problems of 4–6  
   subsidies to (Costa Rica) 113–15  
   Tanzania 259–60, **259**, 261, 262–7, **264**, 265–6, **265**, **266**  
   Zimbabwe 306, 307–8, **307**, **308**, 309  
   *see also* merchandise NTXs; non-factor services exports; NTX measures  
 Nord, R. 2  
 NTX measures  
   aggregation of 306  
   defined 9–10, 166–7, 198, 262–3  
   NTX1 (government definition) 9  
   NTX2 (World Bank definition) 9, 138  
   empirical model for developing countries 131, 132–3, **133**, 136  
   NTX3 (authors' definition) 9–10  
   NTX4 (true) (Zimbabwe) 308, **308**  
   *see also* constraints; individual countries; non-traditional exports
- Ocampo, J.A. 4  
 O'Connell, S. 286*n*  
 ODA (official development assistance) 139, 140, 151  
 Oduro, A. 162, 184  
 OECD (Organization for Economic Cooperation and Development) 9, 53  
 OEM (original equipment manufacture) 50, 57  
 Oyejide, T.A. 3
- Pack, H. 6, 66*n*  
 Pakistan 40  
 Papageorgiou, D. 244  
 Paraguay 94  
 parastatals  
   Tanzania 283  
   Zimbabwe 292  
 Paredes, C. 131, 136–7, 149, 153*n*  
 Paredes' model of export performance 136–7  
 Pereira da Silva, L.A. 220  
 Peru **94**

- petroleum 5
  - exports (Kenya) 159–60, 161
  - see also* minerals
- Pinto, B. 255, 273
- policy reforms
  - market-friendly approach 24–5, 35
  - permissive 23–4, 36–7
  - positive
    - functional 24–6, 37–9
    - selective interventions 24, 39–40, 41, 42–52
    - for skills 37–8, 61–2
- political instability
  - Kenya 165, 170
  - South Africa 218, 220
- population
  - Kenya 163
  - Mauritius 193–4
  - Tanzania 257
  - Zimbabwe 291
- ports, Chile 90
- poverty
  - reduction (Costa Rica) 120–1
  - Tanzania 257
- Prebisch, R. 254
- price elasticity of demand 129
- prices
  - controls (Kenya) 178
  - distortions (East Asia) 40
  - importance of 36
  - world market (share of) 273
- primary exports
  - classification of 8
  - vulnerability 3
  - Zimbabwe 310–12, 310, 311
- primary processing activities
  - classification of 8
  - labour-intensive 5–6
  - South Africa 217–18, 224, 226, 242
  - Tanzania 254
  - Zimbabwe 298
- primary products
  - comparative advantage in 5
  - random effects (Kenya) 181
- principal-agent theory 62
- Pritchett, L. 3, 4
- privatization 130
- productivity 141
  - aggregate 137–8
- profitability, export 138, 148
- protection
  - import 5, 36
  - of infant industries (East Asia) 40, 50, 55–6
- pulp and paper, Chile 79, 80, 81
- Pursell, G. 51, 69*n*
- quantitative restrictions, tariffication of (Kenya) 179, 182
- R&D (research and development) 14, 56–7, 69*n*
  - East Asia 32–3, 32, 48
  - Korea 30, 32, 32, 45–6, 48, 69*n*
  - local capability 56–7, 68–9*n*
  - subsidies for 99
  - Zimbabwe 300–1
- Ramstetter, E. 31
- random effects
  - and Kenyan NTX models 181, 182, 187
  - regressions 146–8, 147
- Rattsø, J. 295
- real currency depreciation
  - Chile 75, 83, 96–8
  - factor in econometric analysis 96–8, 140
  - and NTX growth 132
  - and trade liberalization 141
  - see also* currency depreciation
- real exchange rate *see* ERER; REER; RER; RERMIS; RERVAR
- rebates *see* drawback schemes
- REER (real effective exchange rate), Tanzania 270–1, 273
- regional cooperation 17, 100
  - Chile 93–6
  - COMESA 186
  - Costa Rica 109–11, 113–14, 115–16
  - Kenya 162, 175, 186
- regressions
  - in empirical model 141
  - random effects 146–8, 147
- Reinhart, C.M. 188*n*, 254, 286*n*
- Reinikka, R. 182
- Reinke, U. 4
- RER (real exchange rate) 130, 152, 153*n*
  - calculation of 104–5*n*
  - Chile 104*mn*
  - competitiveness 140, 141, 143, 145, 149
  - crawling pegs 84, 112, 176
  - econometric analysis 139–43, 149–50

- RER (real exchange rate) *continued*  
 as economic variable 134–5  
 empirical model 142  
 Kenya 176, 188*n*  
 role of xiii–xiv, 15  
 stability of 13, 143, 144, 145  
 Tanzania 270–1  
*see also* ERER; exchange rate depreciation; RERMIS; RERVAR
- RERMIS (RER misalignment) index 131, 138, 143, 144, 145  
 elasticity 147, 149  
 Kenya 175, 181, 187
- RERVAR (RER variability) measure 131, 136, 143, 144, 145  
 negative effect of 147
- resource-intensive activities, manufacturing 27, 29
- resources, constraints on selective interventions 62
- ‘reverse Dutch disease’ 4, 238
- Rhee, Y.W. 51, 69*n*
- Rhodesia and Nyasaland, Federation of 290
- Richardson, G.B. 66*n*, 69*n*
- rising stars, in competitiveness analysis 122, 123, 124
- risk reduction 7, 183
- Riveros, L.A. 88
- roads  
 Chile 90  
 as variable 134–5, 152
- Robinson, P. 295, 302
- Rodríguez, E. 108, 116, 127*n*
- Rodríguez, F. 1
- Rodrik, D., export model 131, 136, 137–8  
*cited* 1, 3, 4, 56, 66*nn*, 69*n*, 76, 129, 130, 131, 136, 137, 149, 153*n*, 254
- Romer, P.M. 193, 208
- Ross-Larson, B. 51, 69*n*
- Rossi, I. 91
- rules of trade, international 26, 53  
 WTO 53, 88, 214, 285–6
- Sachs, J.D. 3
- SACU (South African Customs Union) 229, 238–9
- SADC (Southern African Development Community) 238, 239, 246
- Sáez, R.E. 88, 104*n*
- Salmones Antártica (Chile) 92
- sanctions  
 on South Africa 218, 222, 231–2, 239  
 on Zimbabwe 290, 292
- scale intensive activities, manufacturing 27, 29
- Schmidt-Hebbel, K. 164
- Schwartz, H. 251*n*
- science-based activities, manufacturing 27, 29
- sectional interests 63
- Sekkat, K. 129, 153*n*
- selective interventions  
 case for 57–8, 65, 66*n*  
 Costa Rica 117–18, 119–20  
 degree of 63–5  
 evolutionary/capability approach 54–7  
 export promotion policies (East Asia) 50–2  
 industrial promotion 40, 41, 42–4  
 limitations to 58–63  
 and market failures 53–8  
 positive policy reforms 24, 39–40, 41, 42–52  
 protection 55–6
- Sellek, M. 295, 302
- Selvaratnam, V. 46
- Semboja, J. 267, 272, 274, 276, 277, 282, 286*n*
- services, Mauritius 213–15
- setbacks, in competitiveness analysis 122, 124
- Shah, M. 301
- Shapiro, H. 25
- Sharpley, J. 170
- SIC (Standard Industrial Classification) 7, 8
- Siegel, P.B. 7
- Singapore 40, 46, 208  
 credit subsidies 45  
 Economic Development Board (EDB) 43, 47–8  
 education and literacy rates 33–4, 33, 46, 66*n*  
 export growth 26, 27  
 FDI 30, 31, 31, 41, 46, 67*n*  
 Innovation Development Scheme 48  
 manufactured exports 29, 30

- R&D 32, 48, 68*n*  
 selective industrial promotion 41  
 selective targeting 31, 61  
 SME support 38, 47–8  
 technological development 34, 68*n*  
 technology support policy 47–8  
 training structure 47, 68*n*  
 Vocational and Industrial Training Board 68*n*  
 Singapore Trade Development Board 39  
 Singer, H. 254  
 sisal, Tanzania 253, 254, 261, 262  
 Sisiwa, N. 232  
 SITC (Standard International Trade Classification) 7, 8  
 skills  
 acquisition of 54–5  
 and classification of exports 8  
 Mauritius 213–14  
 policy reforms for 37–8, 61–2  
 scarcity of 5  
 South Africa 220  
 Zimbabwe 301  
*see also* education; technology; training  
 SMEs (small and medium-sized enterprises) 38, 39, 45  
 Kenya 185–6  
 Korea 49–50  
 Taiwan 32, 34, 45  
 technology support (East Asia) 47–8, 49–50  
 Zimbabwe 297  
 Soludo, C.C. 3, 11  
 Soon, Teck-Wong 68*n*  
 Soto, R. 139, 154*nn*, 177  
 South Africa 11, 306  
 anti-export bias 220, 233–4, 234, 235, 237, 245–6, 250*n*  
 automotive industry 240–1, 241  
 balance of payments 221–2  
 dependence on gold 217–18, 222, 223, 224, 225, 226  
 domestic demand 239, 243  
 Duty Credit Scheme 235  
 effect of sanctions 218, 222, 231–2, 239  
 employment policies 243, 244, 246  
 ERER/RERMIS/RERVAR indexes 144  
 exchange rates 220–3, 221  
 export performance 223–30, 245–6, 247  
 export and trade policy 231–8  
 exports  
 destinations 228–30, 229, 238–9, 246  
 manufactured 224, 226, 226, 238–9, 241–2, 247, 248  
 merchandise NTXs 223, 224, 225, 249  
 non-factor services 223, 224, 225, 227  
 supply response 238–45  
 traditional 250  
 FDI 239–40  
 General Export Incentive Scheme (GEIS) 231, 233–4, 234, 235, 245  
 Growth, Employment and Redistribution (GEAR) strategy 235, 245  
 import liberalization 244–5  
 Industrial Development Corporation 234, 235  
 infrastructure 235–7  
 macroeconomic performance 12, 134, 217, 218–23, 219  
 and Mauritius 208, 229  
 Motor Industry Development Programme 235  
 National Economic Development and Labour Council 237–8  
 NTX1 performance 223–4, 224, 225, 226, 226  
 NTX2 growth 132, 133, 226, 227  
 NTX3 growth 15, 227, 228  
 Reserve Bank 222–3  
 structural adjustment programmes 231  
 trade liberalization 231–3, 232, 234–5  
 trade with Zimbabwe 317  
 South American Free Trade Association, proposed 105*n*  
 Srivastava, P. 301  
 Stanford Research Institute, export promotion in Taiwan 42  
 Stiglitz, J.E. 38, 44, 59–60, 66*nn*, 69*n*, 76, 105*n*, 130  
 structural adjustment programmes 2, 11  
 Kenya 165  
 South Africa 231  
 Tanzania 274  
 Zimbabwe 290, 293–302

- subsidies
  - CAT (direct) (Costa Rica) 111, 113–15
  - for credit access 38, 44–5
  - direct 15, 113
  - export
    - Kenya 174–5
    - South Africa 231, 234
  - to exports 66*n*
  - temporary 99
- sugar, Mauritius 192, 194–5, 200, 201
- Summers, L. 3
- supply responses 73, 74, 137
  - Chile 99
  - and inadequate capital markets 76
  - South Africa 238–45
  - Tanzania 276–7, 277
  - Zimbabwe 296
- Syrquin, M. 163
- Taiwan
  - credit subsidies 38, 44–5
  - econometric analysis 137
  - education policy 33–4, 33, 46–7
  - export growth 26, 27
  - export promotion policy 51–2, 61
  - FDI 30, 31, 31, 41
  - industrial structure 45
  - investment in Mauritius 208, 209
  - manufactured exports 29, 30
  - R&D 32, 32
  - Science and Technology Development Plan (1986–95) 50
  - selective industrial promotion 41, 42–3
  - semiconductor production 67*n*
  - SMEs 32, 34, 38, 67*n*
  - technological development 34, 50
- Takahasi, M. 177
- Tanzania 11, 274, 281
  - anti-export bias 270–1, 272, 273, 277
  - Bank of Tanzania Act (1995) 257
  - Board of External Trade 279, 280
  - competitiveness 270–1, 272–3, 276
  - constraints 281–2, 282
  - and Cross-Border Initiative 280
  - data problems 257, 259, 263, 269
  - economic characteristics 12, 134, 255, 256, 257
  - economic crisis 267, 278
  - effect of WTO rules 285–6
  - ERER/RERMIS/RERVAR indexes 144
  - exchange rate policy 275, 276
  - export concentration 254, 262, 286*n*
  - export destinations 267, 268
  - export promotion
    - incentives 276–7, 277, 279, 282, 283
    - institutions 280–1
    - measures 269, 277–81
  - exports
    - composition 261–2, 262
    - merchandise NTXs 259–60, 259, 261, 264, 264, 265–6, 265, 266
    - non-traditional 262–7, 264, 265, 266, 288–9
    - share of non-traditional products 267, 269–70, 270
    - traditional 259, 260, 261–2, 262, 263, 288–9
  - General Retention Scheme 273, 274–5
  - initial conditions 253–5
  - investment 133, 258, 283
  - macroeconomic policy 274, 276, 281, 283, 285–6
    - changes (1986–97) 255, 256, 257–8
  - National Economic Survival Programme 254, 267, 278
  - non-traditional export policies 275–83
  - NTX1 growth 15, 264
  - NTX2 growth 132, 133, 271
  - Parastatal Sector Reform Commission 283
  - pattern of NTX performance change 267, 269–71
  - tariff reduction 257–8
  - trade and export performance 258–62, 259, 260, 262, 271–5
  - trade with Kenya 162, 170
  - trade policy 257–8
- Tanzania Investment Centre 280, 283
- tariff reductions
  - Chile 73, 75, 82–4, 96–8
  - factor in econometric analysis 96–8
  - South Africa 233, 234–5, 244, 245–6
- tariffs 62, 95
  - and compensatory depreciation 82, 100–1
  - Costa Rica 112–13
  - Kenya 172–3, 179, 187

- Mauritius 211–12
  - regional 95, 109–10
  - South Africa 234
  - Tanzania 257–8, 285–6
  - Zimbabwe 290, 294–5
- tax concessions 15, 208
- Taylor, L. 25
- tea
  - exports (Kenya) 160, 161
  - Mauritius 198, 200
- technological training *see* education; training
- technology
  - acquisition of 54–5
  - level of 28, 30
  - local capabilities 32–3, 56–7
  - see also* information; R&D
- technology support
  - Chile 90, 92, 93, 99
  - Costa Rica 116
  - East Asia 47–50
  - South Africa 237
- technology transfer, Zimbabwe 297
- telecommunications
  - Mauritius 214
  - South Africa 240, 241–2
  - as variable 134–5, 152
  - Zimbabwe 310
- terms of trade
  - deterioration in 4, 7
  - as economic variable 134–5, 141, 146, 147–8, 149
  - Kenya 165
- Tesfachew, T. 6
- textiles and clothing
  - Hong Kong/Mauritius 195–6, 203
  - Mauritius 208, 213
  - Taiwan 51, 67*n*
  - Zimbabwe 302
- Thailand 46, 300
  - economic variables 135
  - education and literacy rates 33, 33
  - ERER/RERMIS/RERVAR indexes 144, 145
  - export growth 26, 27
  - FDI 14, 30, 31
  - indigenous capacity 35
  - manufactured exports 28, 29, 30
  - NTX growth 132, 133
  - R&D 32
  - selective industrial promotion 43–4
- Thomas, M. 291
- Tiger economies *see* Hong Kong; Indonesia; Korea; Malaysia; Singapore; Taiwan; Thailand
- Titelman, D. 96
- TNCs (transnational corporations) 6, 14
  - in East Asia 30–1, 31
  - Korean 45–6
  - and local R&D capability 56–7
  - role of 14, 30–1, 31
  - and technological exports 28, 30
  - see also* FDI
- tourism
  - Costa Rica 117, 119, 126
  - incentives (Mauritius) 209–10, 211
  - Kenya 167, 172, 173, 187, 188*n*
  - Mauritius 192, 195, 199, 205–6, 207
  - South Africa 225, 227, 230, 230, 306
  - Tanzania 263–4, 264, 265, 265, 283
  - Zimbabwe 291, 300, 306
- trade
  - and economic development 1
  - illegal (Tanzania) 273, 275, 286*n*
  - international rules 26, 53
  - shocks 3
  - see also* regional cooperation; WTO
- trade liberalization 130, 141
  - analytical framework 74–7
  - Chile 72–4, 93–6
  - Kenya 179–81, 187, 189*n*
  - Mauritius 212, 213, 214
  - role of 13–14, 76–7
  - South Africa 231–3, 232
  - Tanzania 279–80
  - world 4, 65
  - Zimbabwe 294–6, 305
- trade policy, market friendly approach 25, 66*n*
- trading houses, East Asia 50, 51
- traditional exports 7–8
  - Kenya 167, 167
  - South Africa 250
  - Tanzania 259, 260, 261–2, 262, 263, 286*n*
  - Zimbabwe 306, 307–8, 307, 308, 309
- training 62
  - CINDE programme (Costa Rica) 117
  - Mauritius 211
  - policies (East Asia) 14, 37, 46–7
  - Singapore 47, 68*n*

- training *continued*  
 South Africa 236  
 Zimbabwe 301–2, 303–4  
*see also* education
- transportation  
 Kenya 172, 173  
 Mauritius 205–6, 206
- Tsikata, G.K. 162, 184  
 Tsikata, Y.M. 245, 246  
 Tussie, D. 99  
 Tybout, J. 6
- Uçer, E.M. 2  
 Uganda 11, 162, 267  
 ul Haque, Irfan 6  
 UN Economic Commission for Latin America (ECLAC) 109  
 CAN analysis 121–5  
 UNCTAD, *cited* 3, 6, 8, 9  
 UNDP/World Bank, *cited* 159, 173, 174  
 unemployment  
 Kenya 163  
 Mauritius 192, 193  
 South Africa 217, 220, 243  
 UNESCO, *cited* 301  
 UNIDO, *cited* 302  
 United States  
 Caribbean Basin Recovery Act (1984)  
 114, 115–16  
 R&D 32, 32  
 trade with Costa Rica 114, 115–16,  
 120, 127*n*  
 trade with Kenya 161  
*see also* NAFTA  
 Uruguay 94  
 USAID, for Costa Rican exports 112, 116  
 Uy, M. 38, 44, 105*n*
- Valdés, A. 138  
 van Wijnbergen, S. 130  
 Vargas, L. 113, 123  
 Varoudakis, A. 129, 153*n*  
 Vatter, J. 88  
 Venezuela 40
- Wade, R. 43, 44–5, 51, 66*n*, 67*n*, 76
- wages  
 Mauritius 195  
 regulation (Kenya) 178–9, 179  
 Zimbabwe 302
- Wangwe, S.M. 5, 6, 7, 281  
 Warner, A.M. 3  
 Washington consensus 64, 130, 152–3*n*  
 Weiss, A. 76, 130  
 Wellings, P. 251*n*  
 West Africa, as market 246  
 Westphal, L.E. 42, 66*n*  
 Wickham, P. 254, 286*n*  
 Wignaraja, G. 209, 211, 213, 295, 302  
 Williamson, J. 143, 145, 152–3*n*  
 Willmore, L. 114
- wine production  
 Chile 89, 92–3  
 South Africa 239
- Wood, A. 5, 7  
 wood and wood products, Chile 79, 80,  
 81
- World Bank 9  
 East Asian policies 35–6  
 and Kenya 172  
 loan to Zimbabwe 292  
 support for Costa Rica 112  
*cited* 2, 3, 5, 9, 17, 33, 36–7, 38, 40,  
 43, 44, 45, 53, 56, 62, 77, 131, 150,  
 152, 159, 174, 193, 292, 302, 310  
 World Tourism Organization, *cited* 173  
 WTO (World Trade Organization) 64, 245  
 prohibition on export subsidies 99, 234  
 rules 53, 88, 214, 285–6  
 trade-related investment measures  
 (TRIMs) 93
- Yaounde Convention *see* Lomé  
 Convention
- Yeats, A.J. 4, 10  
 Yin, P. 209
- Zaire 229  
 Zambia 229  
 Zimbabwe 11, 290–1  
 agriculture 291–2, 299, 300  
 commodity exports 305–17  
 Customs Department 295, 304  
 diversification 293, 305, 312, 313,  
 314, 315, 317–18  
 economic characteristics 12, 134,  
 291–2, 292  
 education and training 301–2, 303–4  
 ERER/RERMIS/RERVAR indexes 144  
 exchange rate policy 296

- export concentration 312, **313**, 314
- export destinations 314, **315**, 316–17, **316**, **317**, **318**, 319
- export support institutions 300–2
- exports **295**, **307**
  - traditional 306, 307–8, **307**, **308**, 309
- FDI 297–300
- imports 291, 294–5, **295**, 296
- industrialization 296
- infrastructure 301–2
- interest rates 293–4, 296, **296**, 298, 302
- macroeconomic performance 293–4, 297
  - current account balance **295**
  - structural adjustment programme 290, 293–302
- non-traditional exports **307**, **308**, 319
  - alternative definitions 309–10, **309**
  - NTX2 growth 132, **133**, 305, 306–7, **307**, 308, 309–10
  - NTX3 growth 15, 308, **309**
- Open General Import Licence 294, 295
- Reserve Bank 296
- trade policy changes 292–3
  - liberalization 294–6, 305
- trade regulations 290
- trade with South Africa 229, 230, 238–9
- Zimbabwe Export Promotion Council 293
- Zimbabwe Export Promotion Programme 300
- Zimbabwe Investment Centre 297, 299
- Zimbabwe Manpower Development Fund 302
- Zimbabwe Tourism Authority 300
- ZimTrade 300