



Export Growth by Developing Economies: Market Entry and Bilateral Trade

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We document the disappearance of numerous zeros in bilateral trade matrices since 1970. A novel decomposition of the growth of 23 developing economies' exports during 1970-97 reveals that approximately one third of this growth can be accounted for by sales of long-standing exportables to new trading partners. Product-line econometric analyses suggest that such export growth is often enhanced by market size and proximity, and also by experience gained in the destination and proximate markets. Three measures of the proximity of a potential export destination to foreign markets that are already being supplied by an exporting nation are employed. Their significance indicates the presence of a path dependent process of geographical spread of exports.

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