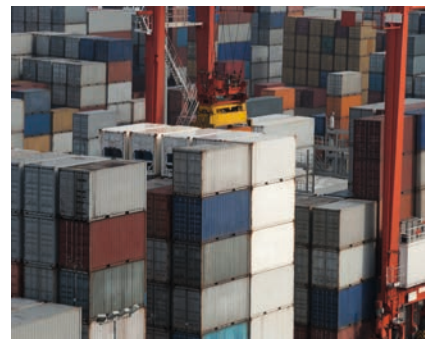


COMMONWEALTH TRADE

PROSPECTS FOR STRONGER COOPERATION



COMMONWEALTH TRADE

PROSPECTS FOR STRONGER
COOPERATION

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Study providing an overview of recent trends in export performances among the Commonwealth states with the view to identifying opportunities for closer economic cooperation – analyses export performance of the Commonwealth member states, recognising their differences in terms of levels of development in the context of the global financial crisis and during the subsequent recovery; reviews trade agreements and market access conditions among the Commonwealth members; seeks to identify opportunities to engage in closer intra-Commonwealth cooperation to enhance trade amongst members.

Descriptors: Commonwealth, Trade Agreements, Intraregional Trade, Market Access, Tariffs, Exports

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English

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The report is an update of a study which was initially produced in 2011 by the ITC in cooperation with the Commonwealth Secretariat. The purpose is to provide an overview on trade trends of Commonwealth member states with the aim of supporting an informed decision about possibilities for closer economic cooperation.

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Acronyms

Unless otherwise specified, all references to dollars (\$) are to United States dollars, and all references to tons are to metric tons.

The following abbreviations are used:

ASEAN	Association of Southeast Asian Nations
BRIC	Brazil, Russia, India and China
COMESA	Common Market for Eastern and Southern Africa
DBI	Doing Business Index
EU	European Union
FDI	Foreign direct investment
FTA	Free trade agreement
GCI	Global Competitiveness Index
GDP	Gross domestic product
GSP	Generalized System of Preferences
HDI	Human Development Index
HS	Harmonized System
ITC	International Trade Centre
LDC	Least developed country
LPI	Logistics Performance Index
OECD	Organisation for Economic Co-operation and Development
RTA	Regional Trade Agreement
SAARC	South Asian Association for Regional Cooperation
SADC	Southern Africa and Development Community
SIDS	Small island developing States
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
WEF	World Economic Forum

Executive summary

With transport costs continuing to be one of the major obstacles to greater regional integration, trade and economic cooperation agreements are traditionally sought among countries in relative geographical proximity. The Commonwealth comprises countries from all continents that are furthermore at very different stages of economic development. What they share is, however, English as a common language.

This study takes stock of the present export performances of the member states of the Commonwealth, recognising their differences in terms of levels of development and the business climate. Based on an assessment of the prevailing market access conditions, the study suggests that intra-Commonwealth cooperation should focus on technical and financial assistance for trade facilitation measures amongst Commonwealth countries.

Despite partial scope agreements, tariffs are still high and intra-Commonwealth trade remains unimproved

Commonwealth countries have experienced different performances in terms of exports over the last years. While Least developed countries (LDCs) were least affected by the 2008/2009 economic crisis, they have also benefited from the strongest recovery. However, their performance remains fragile because of their high dependence on few products many of which are exported without any value addition. Furthermore, while developing countries inside and outside the Commonwealth become more and more important as export destinations, intra-Commonwealth trade has not stepped up in the past years.

Even though Commonwealth member states are engaged in bilateral and plurilateral agreements as for instance Malaysia, Singapore and Brunei Darussalam as members of the Association of Southeast Asian Nations (ASEAN) and Cyprus, Malta and the United Kingdom as members of the European Union (EU), there is still ample scope for improving market access. This is a particular concern for the Commonwealth's LDCs that still face substantial tariffs when exporting to developing and least developed countries in the Commonwealth and for Commonwealth exporters of processed agricultural goods which are confronted with particularly high tariffs.

Enhanced intra-Commonwealth cooperation may be achieved through mutual assistance in trade facilitation

Current trade talks, if successful, could contribute to deepening trade integration within the Commonwealth. In particular, the EU, which comprises three Commonwealth countries, has been negotiating a trade agreement with Canada since October 2009. The EU is also negotiating trade agreements with India, Malaysia and Singapore. At the same time, a Trans-Pacific Partnership, if concluded among current negotiating parties, would involve a number of Commonwealth members, such as Canada, Malaysia, New Zealand and Singapore. Considering that Commonwealth countries are dispersed across the globe, the current strategy consisting in building partnerships with neighbours instead of seeking a specific trade liberalization within the Commonwealth is appropriate from a development perspective.

However, enhanced intra-Commonwealth cooperation may be achieved through the simultaneous implementation of various instruments and modalities. One instrument could be an economic cooperation agreement amongst selected developed and developing countries. The focus of such an agreement would be to ensure technical and financial assistance in the implementation of trade facilitation measures amongst Commonwealth countries. Some of the emerging economies among the Commonwealth countries, for example India, may contribute their trade facilitation expertise to be utilized under the agreement. Selected developed Commonwealth countries could make available technical and financial resources to a designated Commonwealth trade facilitation trust fund.

Introduction

With regional integration being back into vogue, all but a handful of countries have signed preferential trade agreements. The underlying trade potential implies opportunities for governments, firms, and the people, and may improve employment and eventually also welfare. Being spread across all continents and showing very different levels of economic development, the Commonwealth states are not the prime example of a promising trade bloc. Yet, there is room for enhancing market access and augmenting trade within the Commonwealth and therewith connecting countries and citizens of its member states. This study gives an overview over recent trends in export performances among Commonwealth states with a view towards identifying opportunities of closer economic cooperation.

Chapters 1 and 2 of this study take stock of the present export performance of Commonwealth member states, recognising their differences in terms of levels of development and the prevailing business climate. Commonwealth countries evidenced major differences in their economic and export performances in the context of the global financial crisis and during the subsequent recovery. While the Commonwealth's least developed countries (LDCs) were on average less affected and recovered better from the crisis than the Commonwealth's developing and developed countries, one of the major risks they face is the dependency on few markets and products. In addition, intra-Commonwealth exports as a share of total exports have basically been stagnant over the recent years.

Chapter 3 of this study also analyses the wide range of trade agreements which Commonwealth members have engaged in. Based on an assessment of the prevailing market access conditions, the study seeks to identify opportunities to engage in intra-Commonwealth agreements to enhance cooperation and trade amongst members. One approach could be trade-related cooperation within the Commonwealth, where countries can share their experience in overcoming difficulties that they face when engaging in international trade. Another approach could be trade initiatives involving some Commonwealth member states and external partners that could eventually also contribute to deepening trade integration within the Commonwealth.

Chapter 1 Diversity within the Commonwealth

1. Economic background

The Commonwealth, consisting of 54 countries ranging from Organisation for Economic Co-operation and Development (OECD) countries, emerging and developing countries to LDCs, exhibits a wide diversity of development levels and business climates. The overview of development and business indicators (table 1) shows the overall status of the Commonwealth member states as a group and of its subgroups, namely developed countries (six member states), 15 member states which belong to the United Nations' LDC group and a further 33 member states which are 'other' developing countries.¹ For instance, the United Nations Development Programme's (UNDP) Human Development Index (HDI) shows a large variation ranging from an average score of 0.88 for six developed countries to 0.47 for 15 LDCs (on a scale from 0 to 1). At the individual country level, Australia, one of the six developed countries, ranks second in terms of the HDI while Mozambique, one of the LDC member states, ranks 184th out of 187 countries. Similar diverging patterns are observed in other indicators across the subgroups, such as the World Economic Forum's (WEF) Competitiveness Index, the World Bank's Doing Business as well as the Logistics Index. As may be expected, the LDC group performs poorly in the area of trade facilitation factors such as trading across borders and logistics, which are highly correlated with export performance. This underscores the need to focus on economic cooperation in trade facilitation programmes.

Table 1. Overview of Commonwealth development and business climate indicators, 2011

Groups (no. of countries)	Human Development Index (HDI)		Global Competitiveness Index (GCI)		Doing Business Index (DBI)				Logistics Performance Index (LPI)	
	Rank (/187)	Score (/1.0)	Rank (/142)	Score (/7.0)	Rank (/183)	Trading across borders			Rank (/155)	Score (/5.0)
						Rank (/183)	Time to export (days)	Cost to export (US\$ per container)		
Overall (54)	102	0.64	79	4.11	82	91	20	1,274	91	2.75
Developed (6)	18	0.88	28	4.91	16	26	9	1,017	29	3.54
Developing (33)	96	0.67	80	4.08	80	86	18	1,122	98	2.67
LDCs (15)	153	0.47	113	3.63	110	123	27	1,625	118	2.39
<i>For reference</i>										
UN defined small islands (25)	87	0.70	74	4.20	74	75	17	1,082	104	2.64

Source: UNDP's Human Development Index, World Economic Forum's Global Competitiveness Index, World Bank's Doing Business and Logistics Performance Index.

Note: figures in the table are simple averages. Indicators are missing for some countries: HDI (one developing country and one LDC), GCI (13 developing countries and six LDCs), DBI (one developed country, two developing countries, one LDC) and LPI (14 developing countries and six LDCs). Countries are grouped according to the World Bank classification. Developed countries are high-income OECD countries, plus Monaco. Please refer to table A.1. in the appendix for a list of countries belonging to each subgroup. Figures for individual countries are presented in table A.2.

As with development and business climate indicators, a wide disparity is also observed among the member states concerning their key economic indicators. The overall economic growth of the 54 member states as a group was 2.1% p.a. between 2007 and 2011 (table 2). The Commonwealth LDCs attained the highest economic performance with 6.4% p.a. between 2007 and 2011, followed by developing countries with 5.4% during the same period. Countries benefiting from the most dynamic growth rates belong to these two groups: Ghana, India, Malawi, Rwanda and Uganda, with more than 7% growth p.a. between 2007 and 2011 grew faster than any other member.

¹ Please refer to table A.1. in the appendix for a list of countries belonging to each subgroup.

The total exports of the 54 member states amounted to US\$ 2,527 billion in 2011 with a positive growth of 7.7% p.a. between 2007 and 2011. Commonwealth developed and developing countries experienced a trade deficit of US\$ 159 billion and US\$ 53 billion, respectively. As a group, about 76% of total exports (goods and services) consisted of merchandise exports.

The inward foreign direct investment (FDI) stock (in nominal terms and in terms of growth) of an economy gives a good indication of the strength of the economic foundation and how the particular country is perceived by major international investors. The Commonwealth's developing and least developed countries experienced two digit annual growth rates (12.2% and 12.8%, respectively) between 2006 and 2010. Among the 54 member states, the Solomon Islands had the fastest growing FDI stock with a growth rate of 44% p.a. between 2006 and 2010, followed by Rwanda (43%), Samoa (35%) and Kiribati (35%).

Table 2. Overview of economic indicators, 2011

	Gross domestic product (GDP)			Exports					FDI	
	GDP (US\$ billion)	GDP growth (%)	GDP per capita	2010 value (US\$ billion)	2011 value (US\$ billion)	Trade balance (US\$ billion)	Goods export per GDP (%)	Goods exports per total exports (%)	In-stock (US\$ billion)	Growth rate (%)
Overall (54)	9,434	2.1	10,092	2,091	2,527	-231	26.8	75.7	3,352	6.9
Developed (6)	5,715	0.2	39,051	1,035	1,213	-159	21.2	73.1	2,184	4.5
Developing (33)	3,515	5.4	8,751	1,018	1,265	-53	36.0	78.1	1,129	12.2
LDCs (15)	203	6.4	1,370	38	50	-19	24.6	84.4	40	12.8
<i>For reference</i>										
United Nations defined small islands (25)	332	3.8	9,032	377	446	39	134.3	75.0	532	6.6

Source: World Bank's World Development Indicators, TradeMap, InvestmentMap.

Note: GDP and GDP per capita are expressed in current US\$. The GDP growth rate is computed for the period 2007–2011 on the basis of GDP in constant US\$ of 2000. Goods exports per total exports are based on 2011 and in-stock FDI are based on 2010 data. The FDI growth rate is calculated for the period 2006–2010. Figures for individual countries are presented in table A.3. in the appendix.

2. Global financial crisis recovery

The impact of the 2007–2008 financial crisis on world trade was tremendous; the shock of the crisis did not lock up only in rich countries, but had adverse effects also on developing countries. It is worth considering the Commonwealth member states' export performance during the economic crisis and the recovery thereafter. As table 3 indicates, with regard to the overall export performance, the Commonwealth states as a group experienced a decline by as much as 22% between 2008 and 2009 and an increase of 18% during the period starting from 2008 until 2011.

In absolute terms, the Commonwealth developed country group's decline was largest with US\$ 287 billion, followed by the Commonwealth developing country group with US\$ 189 billion and the Commonwealth LDC group with US\$ 1.8 billion during the period observed. Among the three groups, developed countries experienced the sharpest decline of 25%. The Commonwealth developing countries and LDCs registered a less pronounced decline in exports (19% for 34 developing countries and 5% for 16 LDCs) and a stronger recovery with an increase of exports of 29% and 54%, respectively, between 2008 and 2011. This reflects the fact that developing countries bounced back faster than developed countries and confirms the global trend of shifting weights away from stagnating developed and towards dynamic emerging economies.

When excluding petroleum and minerals (HS 27), the decline of Commonwealth exports was lower – most prominently, in the Commonwealth developing country group the decline was 14% without oil as opposed to 19% with oil. Among the LDCs, there is no significant exporter of oil, implying no dramatic change between all exports and non-oil exports. Nonetheless, when analysing the change between 2008 and 2011 without oil, it seems that developed countries performed better. By contrast, the exclusion of oil did not significantly affect the export growth of developing countries.

Table 3. Export performance during the crisis and the recovery

	All products			All products excluding oil		
	2008 exports (US\$ billion)	Change 2008–2009 (%)	Change 2008–2011 (%)	2008 exports (US\$ billion)	Change 2008–2009 (%)	Change 2008–2011 (%)
World	15,998	-22.9	11.6	13,158	-19.7	12.2
Developed countries	9,044	-22.6	4.3	8,244	-21.3	3.9
Developing countries	6,658	-22.8	23.5	4,827	-17.2	26.2
Commonwealth States (54)	2,140	-22.3	18.1	1,643	-18.1	18.2
Developed (6)	1,136	-25.3	6.8	885	-22.0	8.4
Developing (33)	972	-19.5	30.1	727	-13.9	28.6
LDCs (15)	32	-5.4	53.1	32	-5.7	53.5
<i>For reference</i>						
United Nations defined small islands (25)	373	-21.9	19.6	294	-18.0	19.2
<i>Commonwealth Secretariat</i>						
<i>East Asia (3)</i>	548	-20.8	7.7	438	-17.2	6.0
<i>South Asia (5)</i>	227	-3.8	18.4	193	0.4	17.5
<i>Africa (19)</i>	198	-28.1	14.8	112	-20.7	11.2
<i>Caribbean (12)</i>	24	-46.0	6.8	10	-45.8	7.5
<i>Pacific (9)</i>	8	-22.5	13.5	6	-17.7	17.1

Source: TradeMap.

Table 4. Export performance of selected countries during the crisis and the recovery

Selected countries	All products			All products excluding oil		
	2008 exports (US\$ million)	Change 2008–2009 (%)	Change 2008–2011 (%)	2008 exports (US\$ million)	Change 2008–2009 (%)	Change 2008–2011 (%)
Developed country group						
Canada	455,632	-30.8	-1.1	329,773	-26.3	1.4
United Kingdom	457,743	-23.3	3.1	395,025	-21.2	3.0
Australia	186,853	-17.7	31.5	126,985	-14.6	39.4
Developing country group						
Singapore	338,176	-20.2	21.1	275,689	-17.0	19.2
Malaysia	198,702	-20.9	14.2	162,223	-17.4	15.1
India	181,861	-2.8	65.8	148,993	2.5	64.4
LDC group						
Bangladesh	16,467	2.1	57.2	16,307	2.1	58.2
Zambia	5,099	-15.4	76.5	5,063	-15.6	77.0
Tanzania, United Rep. of	3,121	-4.4	51.7	3,051	-3.0	54.0
United Nations defined small islands						
Trinidad and Tobago	18,650	-51.1	1.4	5,596	-60.9	31.8
Papua New Guinea	6,028	-15.6	37.6	4,553	-8.2	47.7
Mauritius	2,401	-26.5	-6.1	2,401	-26.5	-6.2

Source: TradeMap.

Note: countries selected on the basis of largest absolute change between 2009 and 2011.

At the individual country level, serious shocks to exports become visible. In absolute terms, Canada experienced the most significant decline between 2008 and 2009, followed by the United Kingdom and Singapore (table 4). As compared to the average of the developed countries' group in table 3, Canada experienced also a larger decline of its exports in relative terms, and did not reach the average growth rates of its reference group during the period of economic upturn.

By contrast, other countries were less affected by the crisis and have greatly benefited from the recovery, notably in the developing country and the LDC group. For instance, Bangladesh did not experience an export slowdown between 2008 and 2009. In addition, its growth from 2008 to 2011 was larger than that of its reference group. The same holds for India.

Table 5. Export performance of major products during the crisis and the recovery

	Product groups (HS 2-digit level)	2008 exports (US\$ million)	Change 2008–2009 (%)	Change 2008–2011 (%)	2011 share (%)
Overall	Electrical, electronic equipment (HS 85)	228,593	-15.6	9.4	10.3
	Machinery, nuclear reactors, boilers (HS 84)	215,621	-21.6	-4.1	8.5
	Pearls, precious stones, metals, coins, etc. (HS 71)	96,092	-0.3	67.3	6.6
	Vehicles other than railway, tramway (HS 87)	118,875	-32.1	6.2	5.2
	Ores, slag and ash (HS 26)	60,519	-14.2	80.2	4.5
Developed	Machinery, nuclear reactors, boilers, etc. (HS 84)	109,831	-22.5	-3.1	8.7
	Vehicles other than railway, tramway (HS 87)	99,054	-34.9	2.4	8.3
	Ores, slag and ash (HS 26)	41,925	-13.1	101.5	6.9
	Pearls, precious stones, metals, coins, etc. (HS 71)	46,565	-22.0	36.7	5.2
	Electrical, electronic equipment (HS 85)	58,877	-19.3	-7.8	4.5
Developing	Electrical, electronic equipment (HS 85)	169,336	-14.4	15.3	16.8
	Machinery, nuclear reactors, boilers (HS 84)	105,494	-20.7	-5.2	8.6
	Pearls, precious stones, metals, coins, etc. (HS 71)	48,232	20.9	96.1	8.1
	Organic chemicals (HS 29)	25,412	-10.7	60.9	3.5
	Plastic and thereof (HS 39)	19,826	-19.0	44.7	2.5
LDCs	Articles of apparel, accessories, knit or crochet (HS 61)	7,539	2.5	57.2	24.7
	Articles of apparel, accessories, not knit or crochet (HS 62)	6,065	6.1	63.7	20.7
	Copper and articles thereof (HS 74)	3,321	-11.3	106.7	14.3
	Pearls, precious stones, metals, coins, etc. (HS 71)	1,294	-9.9	93.6	5.2
	Ores, slag and ash (HS 26)	1,391	-14.1	34.0	3.9

Source: TradeMap. Note: "HS" stands for Harmonized System.

The top 5 product groups (excluding HS 27) are presented in table 5, they accounted together for more than one third of total Commonwealth exports in 2011. The most adversely affected product group by the 2008–2009 crisis were the machineries (HS 84) with a US\$ 47 billion decline, followed by vehicles (HS 87) with a US\$ 38 billion decline. Ores, slag and ash (HS 26) experienced the strongest recovery between 2008 and 2011 with an 80% increase, followed by pearls, precious stones, metals, coins, etc. (HS 71). Despite the recovery, machinery exports (HS 84) did, in 2011, not reach their pre-crisis level.

Within the LDC group, the five most exported products accounted for more than 68% of total exports. The most crisis-affected product group was ores, slag and ash (HS 26) with a decrease of 14% between 2008 and 2009. In 2011, however, exports had caught up with the initial level.

Chapter 2 Export performance

1. Merchandise goods

Over the past 10 years, the Commonwealth states' export values showed a dramatic increase from approximately US\$ 900 billion in 2001 to more than US\$ 2,100 billion in 2008, which came to halt in the light of the 2008 economic crisis (table 6). Since 2010, export growth of the 54 Commonwealth states – in absolute terms – has been on the mend again. During the whole period, an average of more than 56% of total exports were generated by the Commonwealth's six developed countries, followed by the developing country group with a share of 42% and the LDC group which contributed not even 2%. As table 6 illustrates, when excluding developed countries from all member states, the total export value is cut by approximately half, yet still showing an increasing trend over time. Among developing countries, however, the increase of exports was mainly driven by Singapore, India and Malaysia, accounting in 2011 for more than 71% of total exports of the 48 Commonwealth countries, which do not belong to the developed country group (DC-wide group).² The share of LDC exports within the DC-wide group is still limited in spite of its gradual increase from 1% in 2001 to 2% in 2011. Overall, there is a high variation of export performances among countries in the DC-wide group, which must be kept in mind when analysing aggregated data.

In terms of exports growth rates, the Commonwealth member states followed the global trend as shown in figure 1. Despite low export levels, the LDC group showed the fastest growth, reaching 17% p.a. respectively between 2007 and 2011. Developed and developing country groups grew more slowly with 4% and 8% p.a. between 2007 and 2011. LDCs were affected to a lesser extent by the crisis: their loss of 5% in 2008–2009 appears low against the loss of 19% for developing countries and the loss of 22% for developed countries. Furthermore, although export growth rebounded largely in all countries, the recovery was stronger for LDCs. Yet, their high level of export specialization makes them fragile.

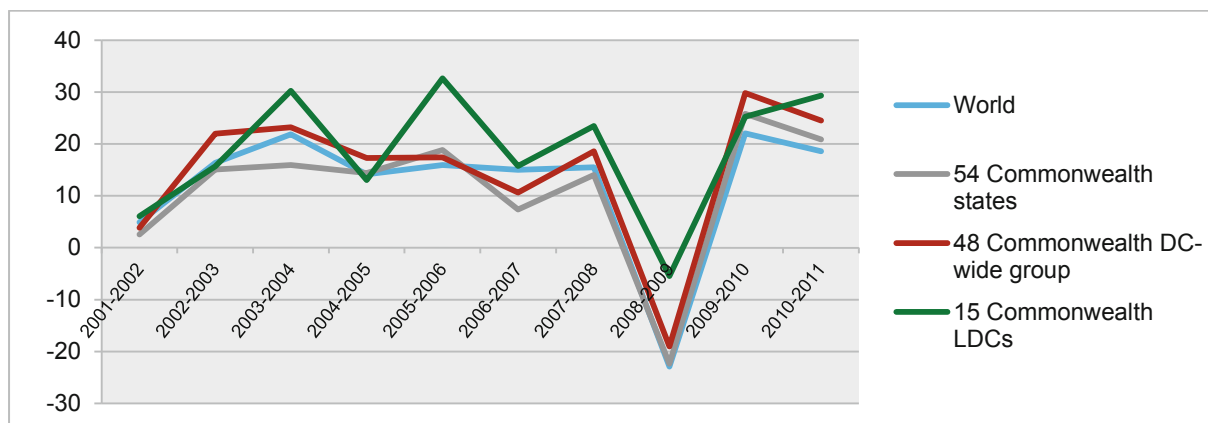
Table 6. Evolution of export performance for Commonwealth states and the world (US\$ billion)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
World	6,119	6,420	7,471	9,101	10,388	12,043	13,849	15,998	12,340	15,055	17,856
<i>Commonwealth Secretariat</i>											
Overall (54)	940	964	1,109	1,286	1,471	1,748	1,877	2,140	1,663	2,091	2,527
DC-wide (48)	326	348	439	509	595	765	847	1,005	814	1,056	1,314
LDCs (15)	4	10	12	15	17	23	26	32	31	38	50
<i>East Asia (3)</i>	210	223	269	330	371	440	483	548	434	559	649
<i>South Asia (5)</i>	49	60	83	103	132	157	185	227	218	270	363
<i>Africa (19)</i>	58	56	77	62	74	145	155	198	143	203	269
<i>Caribbean (12)</i>	8	6	8	10	13	18	18	24	13	15	23
<i>Pacific (9)</i>	2	3	3	4	5	5	6	8	6	8	10

Source: TradeMap.

Note: the Commonwealth's DC-wide group comprises 33 developing countries and 15 LDCs.

² The Commonwealth's DC-wide group is composed of 34 developing countries and 16 LDCs.

Figure 1. Evolution of the export growth rate for Commonwealth states and the world (in %)

Source: TradeMap.

2. Direction of exports

Market access to developed countries and also emerging markets (in particular Brazil, Russia, India and China – BRIC) is of critical importance to many developing countries among the Commonwealth states. Demand from developing countries grew rapidly at 12% p.a. in 2007–2011, reflecting the economic growth of emerging markets. Among developing countries, the leading destinations in 2011, as shown in table 7, were concentrated in East Asia and the Pacific with exports amounting to US\$ 468 billion, followed by BRIC (US\$ 297 billion).

Table 7. Export destinations of Commonwealth members

	Export value (US\$ billion)	Growth rate p.a. 2007–2011 (%)	Share in total exports (%)	
	2011		2007	2011
Developed countries	1,228	1.1	63.5	53.2
Developing countries	1,080	12.4	36.5	46.8
<i>of which</i>				
<i>BRIC</i>	297	16.7	8.6	12.8
<i>East Asia and Pacific</i>	468	10.1	17.2	20.3
<i>Europe and Central Asia</i>	23	10.5	0.8	1.0
<i>Latin America and Caribbean</i>	51	11.6	1.8	2.2
<i>Middle East and North Africa</i>	118	11.8	4.0	5.1
<i>South Asia</i>	34	16.7	1.0	1.5
<i>Sub-Saharan Africa</i>	90	12.2	3.1	3.9
Grand Total	2,342 (2,308)‡	5.6	100.0	100.0

Source: TradeMap.

Note: ‡ US\$ 34 billion of exports are classified as “not elsewhere classified”, and this value is not taken into account into income and regional groups. Countries are grouped according to the United Nations Conference on Trade and Development (UNCTAD) geographical classification.

The relative importance of developed countries keeps declining, as evidenced by the falling share of Commonwealth exports to developed countries (from 63% to 53% between 2007 and 2011). Among developing countries, demand from BRIC grew particularly fast so that their share in total exports of the Commonwealth increased from 9% in 2007 to 13% in 2011. Even though in terms of size of exports, the developed country group still remains important, there is an on-going diversification into faster growing markets.

3. Composition of exports

Exports from the Commonwealth states as a group were in 2011 mainly composed by non-agricultural products, accounting for more than 90% of total exports following a 7.3% p.a. growth rate between 2007 and 2011 (table 8). Industrial goods represented approximately 62% of total non-agricultural exports and included mineral and precious products, non-electric machinery, electronic equipment, metals and chemicals. In terms of export value, the level of oil exports stood at US\$ 584 billion in 2011 (27% of total non-agricultural exports) further to an annual growth of 14.8% between 2007 and 2011.

Non-agricultural products also dominated the exports of each country group. Whereas developed and developing countries mainly exported industrial goods in 2011, the LDC group's exports mainly focused on clothing. This is likely due to the fact that the LDC group includes major clothing exporters, namely Bangladesh and Lesotho. The relative importance of the clothing sector for the LDC group increased from 37% in 2007 to 44% in 2011.

Examining the composition of exports by different levels of processing gives an indication of the level of industrial development. Table 9 shows the composition of Commonwealth states' exported products by processing stage, classified as raw materials, semi-processed and fully processed products. In 2011, member states' exports as a group concentrated on fully processed products, which accounted for 55% of its total exports, while about 28% and 17% of total exports were composed of raw materials and semi-processed products, respectively.

Approximately 55% of agricultural exports were fully processed products, followed by raw materials (40% of agricultural exports). A similar pattern is also observed in non-agricultural products. The composition of the Commonwealth developed and developing countries' exports is similar to the overall group. However, LDCs' agricultural exports mainly comprised raw materials, which accounted for 75% of total LDCs' agricultural exports (mainly tobacco and tea/coffee). In terms of non-agriculture products, LDCs' exports concentrated on fully processed products, accounting for 60% of total non-agriculture exports (mainly driven by apparels from Bangladesh). If one removes apparel from LDCs' exports, the amount of fully processed product exports becomes negligible. This illustrates the weak situation of the processing industry in LDCs.

Table 8. Composition of Commonwealth exports

	Export value (US\$ billion)	Growth rate p.a. 2007-2011 (%)	Share in total exports (%)	
	2011		2007	2011
Total (54)	2,425‡	7.7	100.0	100.0
Agriculture	231	12.4	8.0	9.5
Non-agriculture	2,194	7.3	92.0	90.5
<i>Industrial goods</i>	1,513	4.9	69.3	62.4
<i>Oil</i>	584	14.8	18.7	24.1
<i>Clothing</i>	55	9.8	2.1	2.3
<i>Textile</i>	41	5.9	1.8	1.7
<i>Other</i>	1	6.4	0.1	0.1
Developed country group (6)	1,159‡	4.3	100.0	100.0
Agriculture	124	8.9	9.0	10.7
Non-agriculture	1,035	3.8	91.0	89.3
<i>Industrial goods</i>	763	2.0	72.1	65.8
<i>Oil</i>	254	11.1	17.0	21.9
<i>Clothing</i>	8	0.7	0.8	0.7
<i>Textile</i>	9	-2.5	1.0	0.8
<i>Other</i>	1	86.4	0.1	0.1
Developing country group (33)	1,217‡	11.2	100.0	100.0
Agriculture	101	17.7	6.6	8.3
Non-agriculture	1,116	10.7	93.4	91.7
<i>Industrial goods</i>	730	8.2	66.8	60.0
<i>Oil</i>	330	18.0	21.3	27.1
<i>Clothing</i>	26	5.6	2.6	2.1
<i>Textile</i>	30	8.9	2.7	2.5
<i>Other</i>	0	133.0	0.0	0.0
LDC group (15)	50‡	17.3	100.0	100.0
Agriculture	5	13.0	12.8	11.0
Non-agriculture	45	17.9	87.2	89.0
<i>Industrial goods</i>	20	15.0	42.6	39.6
<i>Oil</i>	1	6.8	2.7	1.8
<i>Clothing</i>	22	22.1	37.4	43.9
<i>Textile</i>	2	12.1	4.5	3.7
<i>Other</i>	0	209.4	0.0	0.0
<i>For reference</i>				
UN defined small islands (25)	413‡	7.7	100.0	100.0
Agriculture	13	12.4	2.6	3.1
Non-agriculture	400	7.6	97.4	96.9
<i>Industrial goods</i>	302	5.6	79.0	73.2
<i>Oil</i>	95	15.9	17.1	22.9
<i>Clothing</i>	2	-6.2	0.9	0.5
<i>Textile</i>	1	0.6	0.4	0.3
<i>Other</i>	0	54.2	0.0	0.0

Source: TradeMap.

Note: ‡ total exports for each group do not correspond to table 2 because products under HS 99 and HS 98 are excluded from calculations. There are missing export values for some countries: three developing countries and one LDC (Seychelles, Rwanda, Tonga and Antigua and Barbuda).

**Table 9. Composition of Commonwealth exports by processing stage, 2011
(% of total exports)**

	Raw materials	Semi-processed	Fully processed
Total (54)	28	17	55
Agriculture	40	5	55
Non-agriculture	27	19	54
Developed country group (6)	32	18	50
Agriculture	38	2	60
Non-agriculture	31	20	49
Developing country group (33)	25	16	59
Agriculture	41	7	52
Non-agriculture	23	17	60
LDC group (15)	18	27	55
Agriculture	75	13	12
Non-agriculture	11	29	60
East Asia (3)	9	13	78
Agriculture	6	5	89
Non-agriculture	9	14	77
South Asia (5)	21	17	62
Agriculture	66	8	26
Non-agriculture	15	18	67
Africa (19)	62	22	16
Agriculture	69	8	23
Non-agriculture	62	23	15
Caribbean (12)	39	36	25
Agriculture	22	21	57
Non-agriculture	40	37	23
Pacific (9)	53	29	18
Agriculture	38	6	56
Non-agriculture	56	34	10

Source: International Trade Centre (ITC) classification and TradeMap.

Note: there are missing export values for some countries: three developing countries and one LDC (Seychelles, Rwanda, Tonga and Antigua and Barbuda).

4. Intra-Commonwealth trade

In 2011, the Commonwealth states exported US\$ 413 billion worth of goods to other member countries and hence 16% of their total exports. This is slightly more than the share of intra-group exports among the member states of *La Francophonie*³ (15%). Recent trends between 2007 and 2011 show, however, that intra-group exports among the Commonwealth States remained in the range of 16%–18%, implying no improvement in terms of regional integration.

Commonwealth developing countries have become important as export destinations. The Commonwealth states exported in 2011 mainly to Commonwealth developing countries with an export value of US\$ 253 billion, accounting for approximately 25% of their total exports towards all developing countries (table 10). The relative importance of the developing country group as a destination increased therewith from 59% in 2007 to 61% in 2011 while the share of exports to the Commonwealth developed country group declined from 37% in 2007 to 33% in 2011. This pattern applied to all three subgroups, namely developed, developing and least developed countries. For instance, the share of Commonwealth developed country exports to Commonwealth developing countries slightly grew from 49% in 2007 to 50% in 2011. This situation may result from the composition of developing member states which includes dynamic emerging markets such as Singapore, India, Malaysia and South Africa.

**Table 10. Intra-Commonwealth exports by subgroup in US\$ billion, 2011
(share in total exports of each group in %)**

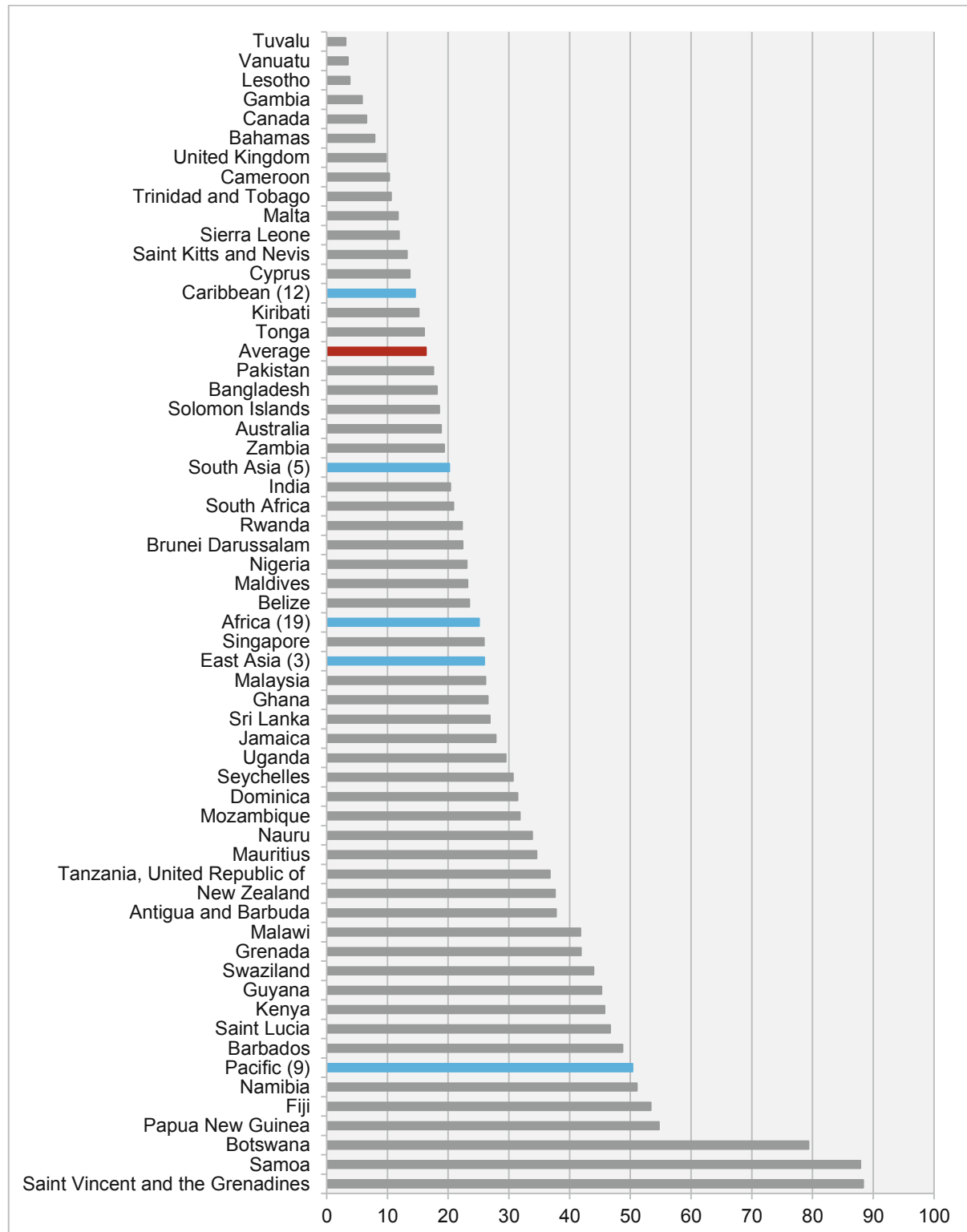
Exporters	Export destinations			
	Overall (54)	Developed countries (6)	Developing countries (33)	LDCs (15)
Overall (54)	413 (100%)	135 (33%)	253 (61%)	25 (6%)
Developed countries (6)	137 (100%)	64 (47%)	69 (50%)	4 (3%)
Developing countries (33)	270 (100%)	70 (26%)	179 (66%)	21 (8%)
LDCs (15)	6 (100%)	1 (16%)	4 (67%)	1 (17%)
<i>East Asia</i> (3)	125 (100%)	34 (27%)	89 (71%)	2 (2%)
<i>South Asia</i> (5)	69 (100%)	17 (25%)	44 (64%)	8 (11%)
<i>Africa</i> (19)	41 (100%)	13 (32%)	19 (46%)	9 (22%)
<i>Caribbean</i> (12)	0.9 (100%)	0.5 (56%)	0.4 (44%)	0 (0%)

Source: TradeMap.

A wide disparity is observed across individual member states in terms of intra-group exports as shown in figure 2. In 2011, at the country level, Saint Vincent and the Grenadines' exports to 54 Commonwealth states represented approximately 88% of its total exports, followed by Samoa (88%) and Botswana (79%), illustrating their high dependence on the Commonwealth states as export markets. In absolute terms, Singapore was the leading exporter to other members, accounting for 26% of total Commonwealth states' intraregional exports, followed by India (15%) and Malaysia (14%). On the other hand, Tuvalu destined only 3% of its total exports to Commonwealth member countries, meaning that it exported mainly to outside of the Commonwealth states, in particular to Thailand and Japan.

³ *La Francophonie* is composed of 53 countries, out of which six are developed countries, 24 developing countries and 23 LDCs.

Figure 2. Intra-Commonwealth states' exports as a share of total exports, 2011 (in %)



Source: TradeMap.

Note: for some countries for which 2011 data was not available, we used mirror data.

5. Product and market diversification

Many Commonwealth developing countries are heavily concentrated on a limited number of products as well as markets in terms of diversification. Table 11 illustrates the concentration of markets and products by displaying the shares of the top 3 export products and the top 3 export markets in total exports. The top 3 export products and markets accounted for more than 60% of LDCs' exports and thus for substantially more than in case of the developed and developing country group. At the individual country level, 13 LDCs out of 15 were above the overall average of 51.2% in terms of the share of the top 3 export products and 9 out of 15 were above the average share of the top 5 markets of 56.6%; for example, Samoa's top 3 exported products and markets represent 77% and 86% of its total exports, respectively. Table A.4. in the appendix shows each country's position in terms of diversification.

Table 11. Top 3 exported products and markets per total exports by each group, 2011

	Share of top 3 exported products (%)	Share of top 3 export markets (%)
Overall (54)	52.1	56.4
Developed countries (6)	34.6	49.6
Developing countries (33)	51.5	53.7
LDCs (15)	60.3	65.1
<i>East Asia (3)</i>	<i>55.4</i>	<i>48.2</i>
<i>South Asia (5)</i>	<i>34.2</i>	<i>39.2</i>
<i>Africa (19)</i>	<i>55.8</i>	<i>52.4</i>
<i>Caribbean (12)</i>	<i>52.3</i>	<i>62.3</i>
<i>Pacific (9)</i>	<i>68.0</i>	<i>76.2</i>

Source: Trade Competitiveness Map.

Note: we considered total trade (to the world) at the HS 6-digit level (including oil).

Efforts towards greater export diversification are usually given importance on the agendas of policy makers in many developing countries. We adopt the inverse of the Herfindahl index (which measures concentration) to derive the number of *equivalent* markets and products *if each market and product absorbed the same amount of trade*. Based on this indicator, the average degree of market concentration of the Commonwealth's DC-wide group was in 2011 equivalent to the market concentration of a country exporting the same value to 8.2 markets (table 12). This figure is slightly higher than that of the overall developing country group (7.8 equivalent markets). The Commonwealth LDCs as a group exported to 6.8 equivalent markets and hence again to more markets than LDCs in general (5.9 equivalent markets) and LDCs from *La Francophonie* (5.8 equivalent markets). Even though the top 3 markets absorbed a high share of the Commonwealth's exports, they were relatively well diversified with respect to the number of equivalent markets.

Table 12. Market and exported product diversification, 2011

	Market diversification	Product diversification
OECD	12.5	91.8
Developing countries	7.8	17.1
LDCs	5.9	6.9
Commonwealth states (54)	8.5	14.3
Commonwealth DC-wide (48)	8.2	12.2
Commonwealth LDCs (15)	6.8	6.8
<i>Commonwealth Secretariat</i>		
<i>East Asia (3)</i>	<i>23.4</i>	<i>10.9</i>
<i>South Asia (5)</i>	<i>31.5</i>	<i>14.2</i>
<i>Africa (19)</i>	<i>10.4</i>	<i>9.8</i>
<i>Caribbean (12)</i>	<i>8.7</i>	<i>5.9</i>
<i>Pacific (9)</i>	<i>6.3</i>	<i>3.8</i>
La Francophonie	8.3	22.4
<i>La Francophonie DC-wide</i>	<i>9.7</i>	<i>13.2</i>
<i>La Francophonie LDCs</i>	<i>5.8</i>	<i>6.5</i>

Source: Trade Competitiveness Map.

Note: diversification indices are calculated as simple averages of the inverse of the Herfindahl index. Data is not available for Saint Kitts and Nevis and Saint Lucia. Figures for individual countries are presented in table A.5. in the appendix.

In terms of product diversification, the Commonwealth developing states perform less well; the entire group of Commonwealth developing states exported in 2011 12.2 equivalent products, which is below the value of developing countries in general (17.1 equivalent products) and of developing countries belonging to *La Francophonie* (13.2 equivalent products). The Commonwealth LDC group exported 6.8 equivalent products while the overall LDC group and *La Francophonie* LDCs exported 6.9 and 6.5 equivalent products, respectively. Taking into account the current economic environment (with prevailing economic risks and price volatility), policies towards increased product diversification for Commonwealth developing states are crucial for reducing their vulnerability to trade shocks and losses of export revenues.

6. Trade in services

Trade in services grew rapidly and surpassed the growth of trade in goods. The importance of the service sector is increasingly emphasized as a way to contribute to developing countries' export diversification (World Bank 2010).⁴

The Commonwealth states' service exports increased from approximately US\$ 667 billion in 2007 to US\$ 805 billion in 2011. The Commonwealth states' service exports as a whole represented approximately 19% of the world's service exports as illustrated in table 13. Commonwealth developed countries' exports amounted to US\$ 446 billion in 2011 and accounted for nearly 55% of the Commonwealth's total service exports. They were mainly driven by the United Kingdom's exports, representing 37% of total Commonwealth service exports. On the other hand, the size of LDC exports in the member states is minimal; its amount was about US\$ 9 billion in 2011, accounting only for 1% of the Commonwealth's total service exports.

The overall group's share in the world remained stable between 2007 and 2011. However, it declined for the Commonwealth developed country group from 12% to 10%. On the other hand, the Commonwealth developing country group improved its export share from 7% in 2007 to 8% in 2011. The major players in the developing country group were India and Singapore, accounting for more than 76% of the Commonwealth developing countries' total service exports.

Despite the fact that LDCs' export size remains small in terms of value, the Commonwealth LDC group showed the fastest growth, reaching 12% p.a. between 2007 and 2011, which was a bit above the

⁴ World Bank. 2010. *New Trends and Opportunities for Developing Countries*. In: *International Trade in Services*. World Bank publication (June). Washington, D.C.: World Bank.

developing country group's growth rate and significantly higher than the Commonwealth developed country group with a 2% p.a. growth rate over the same period.

Table 13. Service exports of Commonwealth countries

		Service exports in 2011 (US\$ billion)	Share in the world		Growth rate 2007–2011 ‡ (%)	Service exports as a share of total goods and services (%)
			2007 (%)	2011 (%)		
Commonwealth States	Overall (54)	805	19.2	18.9	4.9	24.3
	Developed country group (6)	446	12.0	10.5	1.7	26.9
	DC-wide ^a	359	7.2	8.4	9.7	21.8
	Developing country group (33)	350	7.1	8.2	9.6	22.0
	LDCs (15)	9	0.2	0.2	12.2	15.7
Global	World	4,260			5.6	19.7
	Developed country group	2,950	72.0	69.3	4.2	23.9
	DC-wide ^b	1,310	28.0	30.7	9.0	14.1
	Developing country group	1,292	27.5	30.3	9.0	14.0
	LDCs	18	0.5	0.4	12.3	19.8

Source: TradeMap.

Note: ‡ growth rates refer to the annual growth rate between 2007 and 2011. a: there are no data for nine Commonwealth states in 2011 (four developing countries and five LDCs). b: there are missing values for five developed countries (out of 44), 17 developing countries (out of 105) and 26 LDCs (out of 45).

Exports of services (as opposed to exports of goods) are becoming increasingly prominent; the 54 Commonwealth states' exports of services represented approximately 24% of their total exports of goods and services in 2011, which was slightly above the world average of 20%. In particular, the Commonwealth developing countries' exports of services accounted for approximately 22% of its total exports of goods and services, again well above the average of all developing countries (14%).

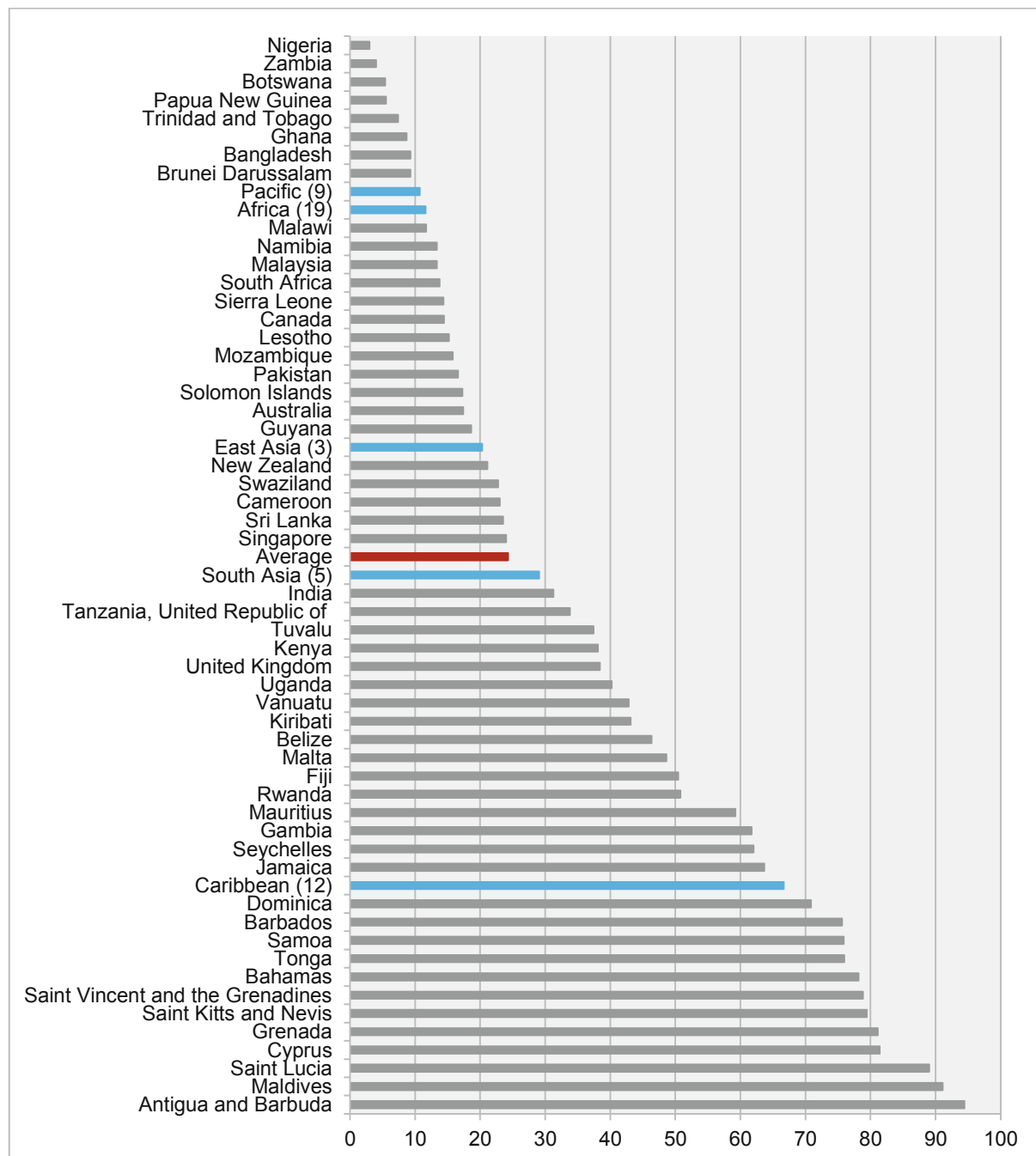
When examining individual countries, a wide disparity is observed across individual member states in terms of the importance of service exports as a share of total exports. First, 12 Commonwealth states are heavily dependent on service exports. Service exports represented more than 70% of these countries' total goods and services exports in 2011 (figure 3). More than half of the Commonwealth member states had export levels which exceeded the Commonwealth average (24%). Second, those 12 countries (except Cyprus), which heavily depended on service exports, are part of UN's Small island developing States (SIDS). For instance, in Antigua and Barbuda service exports represented approximately 94% of its total exports, followed by Maldives (91%) and Saint Lucia (89%). Other countries, like Zambia or oil-exporting Nigeria realized only 4% or less of their export earnings from trading services.

Nevertheless, in absolute terms, the United Kingdom was the largest service exporter, accounting for 37% of total Commonwealth service exports in 2011. India, the second largest exporter, accounted for 17% of total Commonwealth service exports, followed by Singapore (16%). This confirms that emerging countries are becoming important players in the market for services.

In order to examine the intra-group trade among member states, service trade data from the ITC TradeMap database is employed. Very few countries compile statistics broken down by trading partner for trade in services. Only seven countries among the reporting countries are Commonwealth member states. They are mainly developed countries, namely Australia, Canada, Cyprus, Malta, Singapore, Swaziland and the United Kingdom. The limited data availability requires us to use mirror statistics of reporting countries in order to analyse the direction of trade in services. Here, we employ 2010 data (instead of 2011) simply because it covers more data reporting countries. It is also important to note that those reporting countries, which provide data by partner, represented approximately 70% of total imports in services in 2010.

Based on the limited availability of data, approximately 8% of Commonwealth states' exports in services were destined to other member states. We find very different percentages when we disaggregate into the three subgroups, namely developed countries, developing countries and LDCs. Developing countries exported 15.1% of their total exports in services to other member states. Commonwealth LDCs exported 24.1% of total services to other member states. On the other hand, Commonwealth developed countries exported only 5.8% of the service exports to other Commonwealth countries. As figure 4 shows, some members are highly dependent on the Commonwealth for their service exports (particularly the Caribbean countries), while others export substantially to non-Commonwealth destinations.

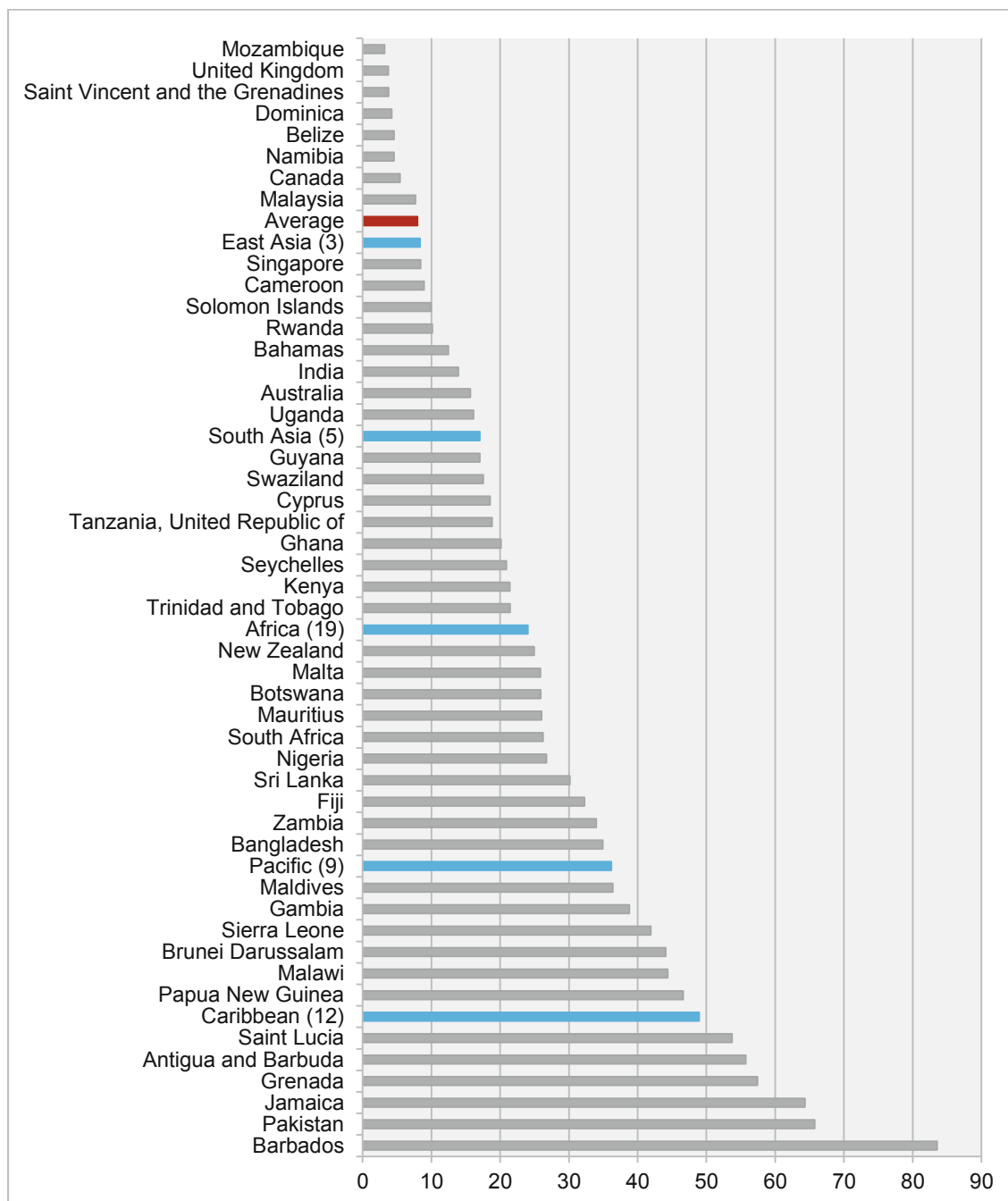
Figure 3. Exports of services as a share of total exports of goods and services, 2011 (in %)



Source: TradeMap.

Note: for Tuvalu and Kiribati, figures are based on 2008 and 2009, respectively. For Cameroon, Fiji, Lesotho, Malawi, Sierra Leone, Swaziland and Trinidad and Tobago, figures are based on 2010 data.

Figure 4. Service exports to the Commonwealth as a share of total service exports, 2010 (%)



Source: TradeMap.

Note: No data for Nauru, Kiribati, Lesotho, Vanuatu, Saint Kitts and Nevis, Tonga, Tuvalu and Samoa. Data are driven by mirror statistics.

Chapter 3 Market access and trade agreements

1. Scope for Commonwealth economic cooperation

Conventional thinking among trade policy experts and policy makers suggests that a free trade area of the Commonwealth would be an utter impossibility for legal and political reasons.

From a legal point of view, it is frequently observed that several of the developed Commonwealth countries have entered into deep regional integration, most notably the United Kingdom as a member of the European Union (EU). Any member of the EU has taken on obligations in accordance with the “Acquis Communautaire”. One particularly important aspect is that the EU represents the United Kingdom and its other members on issues of international trade at the multilateral level, because international trade is the competence of the EU, not of the individual member state. Therefore, it is often argued that the United Kingdom cannot enter into any kind of trade agreement. This is not entirely correct. While trade is the competence of the EU, economic cooperation remains within the competence and responsibility of the individual member states. Hence, there is ample scope for the United Kingdom and other EU members to enter into specific international economic cooperation agreements, provided that these are fully compatible with the other international obligations of the United Kingdom.

From a political perspective, it is often argued that any agreement between countries at different stages of development and with different standards in terms of public policy formulation and political and administrative governance is not feasible. Although there is ample evidence of difficulties in the political and economic relations between divergent countries, the specific advantage of the Commonwealth is precisely that its members have an underlying homogeneity. This is most directly reflected through the use of the same language – English – and similarity of their administrative and judicial systems.

In summary, it should be emphasized that this study is not advocating any free trade agreement (FTA) for the Commonwealth. Nevertheless, ‘partial scope agreements’ aiming at an enhanced and facilitated economic cooperation between some (or all) of the member countries of the Commonwealth could be an instrument to improve trade relations. Such partial scope agreement may even be bilateral or trilateral, involving merely two or three countries. They could also be partial in the sense that they would deal with trade facilitation issues in the broad sense, not with trade in the narrow sense.

The scope and desirability of economic cooperation agreements and programmes keeps being brought to the fore by the ComSec. A background paper of the 2011 meeting of Commonwealth Senior Finance Official concluded:⁵

Regional collaboration also provides opportunities to strengthen economic, trade and investment links and it can be more cost effective than administering cooperation programmes on other continents. [...] The Commonwealth Secretariat provides a forum for both intraregional and interregional cooperation of its member states.

The potential for strengthening economic cooperation has been pursued in certain elements of the Commonwealth work programme, e.g. the ComSec / Asian Development Bank Pacific Plan.⁶

2. Preferential trade agreements

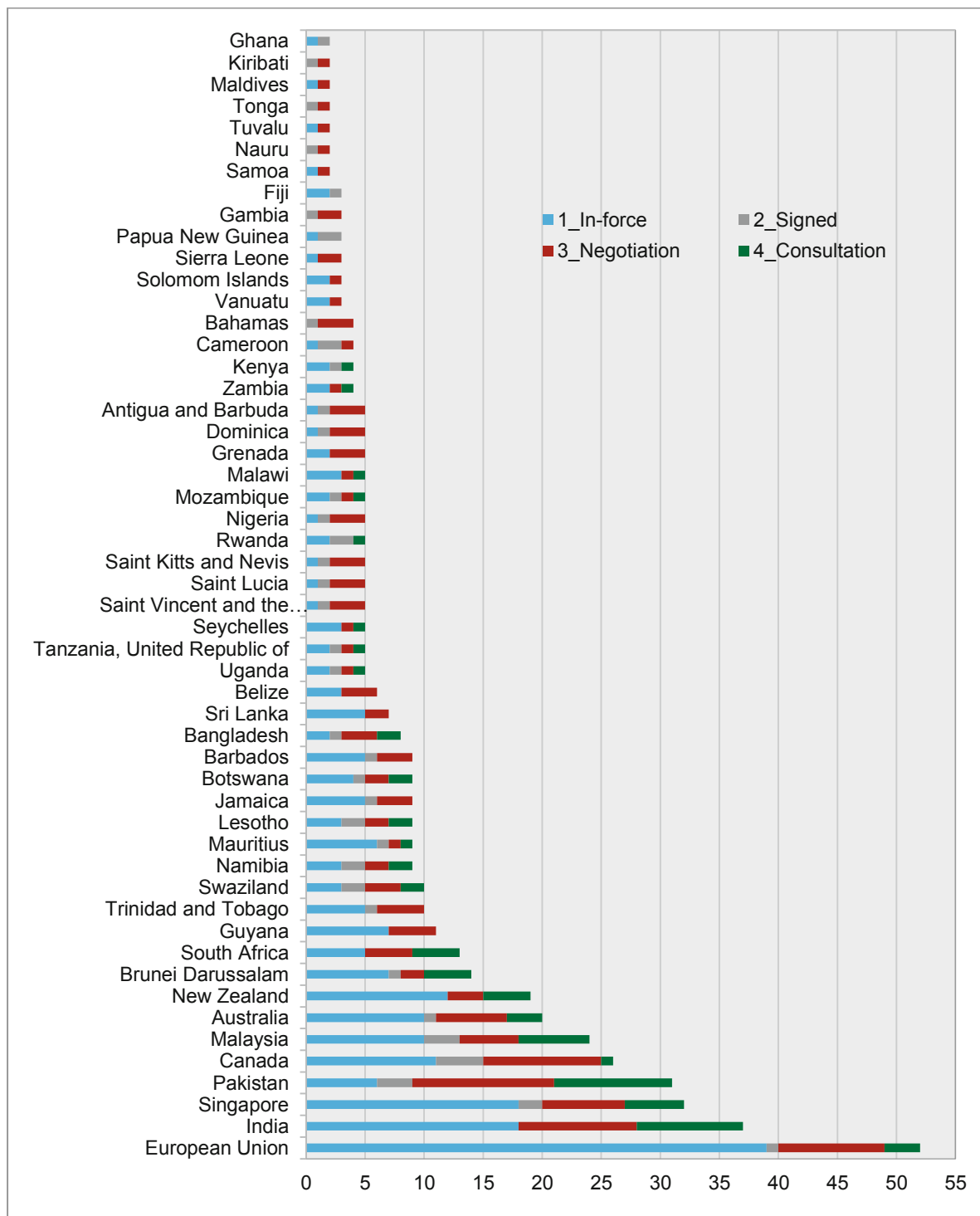
Preferential tariff agreements become an increasingly prominent feature of the global trade system and this is not exceptional for the Commonwealth state members. As illustrated in figure 5 almost all member states have engaged in one or several preferential tariff agreements. Out of 487 preferential tariff agreements that were identified by the ITC as of July 2012, 276 agreements are already in force or have been signed. The most active Commonwealth countries are the EU members, namely Cyprus, Malta and the United Kingdom. The EU has 39 agreements in-force with its trading partners including non-reciprocal tariff

⁵ Johnson. 2011. *Strengthening South-South Cooperation within the Commonwealth*.

⁶ Further work is envisaged drawing from the ASEAN economic cooperation model.

treatments under the Generalized System of Preferences (GSP). Other developed countries, such as Canada, Australia and New Zealand, have also engaged in a large number of preferential agreements. While Asian countries such as India, Malaysia, Pakistan and Singapore have been active in negotiating or concluding preferential tariff agreements, African countries are less engaged in such agreements.

Figure 5. Number of preferential trade agreements by country, 2012



Source: MACMap.

Note: preferential trade agreements include both reciprocal and non-reciprocal tariff arrangements. Situation as of July 2012.

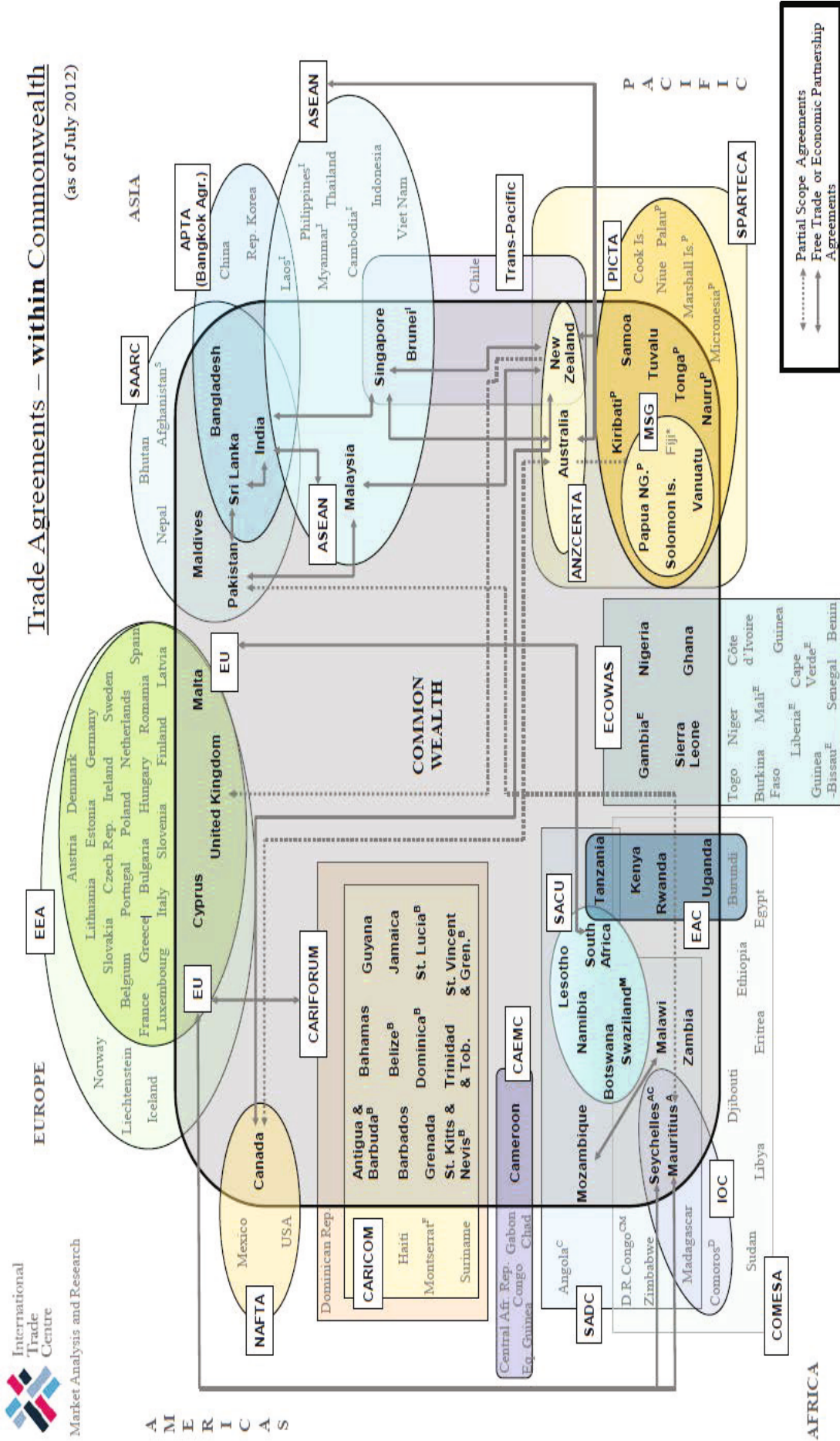
The diagram on trade agreements within the Commonwealth (figure 6) shows the inter-connectedness of the member states through their participation in FTAs and Regional Trade Agreements (RTAs). Commonwealth developed member states offer non-reciprocal tariff treatments such as the GSP to products from beneficiary developing countries. For instance, the EU member states offer duty-free and quota-free status to all products from LDCs. Canada also provides free access to all products from LDCs, with the exception of over-quota access for supply-managed products in the dairy, poultry and eggs sectors.

Despite the existence of quite a number of preferential trade agreements involving Commonwealth states, there are some member states, which have not engaged in many agreements of either form (i.e. non-reciprocal or reciprocal). For example, South Africa receives non-reciprocal preferential market access from Canada, and it has established an FTA with the EU. At the regional level, South Africa actively participates in RTAs with its neighbouring countries – namely with the Common Market for Eastern and Southern Africa (COMESA) and the Southern Africa and Development Community (SADC). Yet, South Africa does not have any kind of preferential trade agreement with Australia, New Zealand, nor with the Association of South East Asian Nations (ASEAN) or the South Asian Association for Regional Cooperation (SAARC). South Africa could consider expanding preferential trade agreements beyond its neighbouring countries. Given South Africa's established logistics, supply capacity and economic size, South Africa could play a key role in facilitating trade within the Commonwealth.

Current trade talks, if successful, could also contribute to deepening trade integration within the Commonwealth. In particular, the EU, which comprises three Commonwealth countries, has been negotiating a trade agreement with Canada since October 2009. The EU is furthermore negotiating trade agreements with India, Malaysia and Singapore. At the same time, a Trans-Pacific Partnership, if concluded among current negotiating parties, would involve a number of Commonwealth members, such as Canada, Malaysia, New Zealand and Singapore.

Considering that Commonwealth countries are dispersed across the globe, the current strategy consisting in building partnerships with neighbours and strategic partners instead of seeking a specific trade liberalization within the Commonwealth is appropriate from a development perspective. However, there is still room for trade-related cooperation within the Commonwealth, as countries can share their experience in overcoming difficulties that they face when engaging in international trade.

Figure 6. Trade agreements within the Commonwealth, 2012



ABBREVIATIONS

APTA	Asia-Pacific Trade Agreement	EU	European Union
ASEAN	Association of South-East Asian Nations	IOC	Indian Ocean Commission
ANZCERTA	Australia New Zealand Closer Economic Relations Trade Agreement	MERCOSUR	Southern Common Market
CAEMIC	Central African Economic and Monetary Community	MSC	Malasian Spearhead Group
CARICOM	Caribbean Common Market	NAFTA	North American Free Trade Area
COMESA	Common Market for Eastern and Southern Africa	PICTA	Pacific Island Countries Trade Agreement
EAC	East African Community	SAARC	South-Asian Association for Regional Cooperation
ECOWAS	Economic Community of West African States	SACU	Southern African Customs Union
EEA	European Economic Area	SADC	Southern African Development Community
EFTA	European Free Trade Association	SPARTECA	South Pacific Agreement on Regional Trade and Economic Cooperation

FOOTNOTES TO THE SLIDE

* Fiji Islands are suspended from membership of the Commonwealth on 1 Sep 2009

^A in the framework of the Economic Partnership Agreement ESA-EU

^B does not apply preferences under CARICOM-Colombia, CARICOM-Cuba, CARICOM-Costa Rica, CARICOM-Dominican Republic

^C country is member of SADC but not yet applying preferential tariff

^D country is member of IOC but not yet applying preferential tariff

^E country is member of ECOWAS but not yet applying preferential tariff

^F is not part of Cairforum

^I country is party to ASEAN – India but not yet applying preferential tariff

^M country is member of COMESA but not yet applying preferential tariff

^P country is party to PICTA but not yet applying preferential tariff

NOTES

This graph reflects, to the best of ITC's knowledge, the situation as of July 2012. Included are (implemented) agreements between Commonwealth members concerning trade in goods only. The number and list of products to which preferences are granted varies from country to country. With some exceptions, only agreements with reciprocal preferences are shown. It should be borne in mind that Commonwealth members may be granted preferential tariffs resulting from trade regimes such as the General System of Preferences (GSP), that is, from countries providing non-reciprocal preferential tariffs to developing and least developed countries.

3. Intra- and extra-Commonwealth tariffs

Commonwealth members face tariff barriers in different importing markets (table 14). Average applied duties are calculated based on the assumption that countries fully utilise the available programmes for all products.

At the global level, the Commonwealth states faced an average weighted applied tariff rate of 4.6% in 2012. LDCs were subject to the same tariff rate. This shows that there is no preference margin for Commonwealth LDCs when exporting to the world. However, LDCs enjoyed favourable tariff conditions in Commonwealth countries, particularly in the markets of the six developed countries. By contrast, they continued to face considerable tariff barriers in other Commonwealth developing countries and LDCs. In fact, intra-LDC tariffs were still as high as 11.1% (trade weighted average) and tariffs in developing countries of the Commonwealth amounted to 5.9% for LDC exports. This shows that there is still ample opportunity to reduce applied tariffs on exports from LDCs to other Commonwealth developing countries.

**Table 14. Applied tariffs faced by Commonwealth member states, 2012
(average weighted tariffs, %)**

Exporters	Importers					
	World	Non Commonwealth states	Commonwealth states			
			All (54)	Developed (6)	Developing (33)	LDC (15)
Overall (54)	4.6	4.6	4.5	2	6.8	11.6
Developed (6)	4.4	4.3	5.2	2.8	7.1	12.1
Developing (33)	4.6	4.6	4.7	2.2	7.1	11.8
LDCs (15)	4.6	4.7	3.8	1.4	5.9	11.1
<i>East Asia (3)</i>	4.3	4.1	5.4	3.0	8.0	12.1
<i>South Asia (5)</i>	4.2	4.2	3.8	2.3	5.2	12.0
<i>Africa (19)</i>	4.3	4.3	4.2	1.8	6.4	10.4
<i>Caribbean (12)</i>	4.7	4.7	4.6	1.8	7.3	12.4
<i>Pacific (9)</i>	5.8	6.0	4.6	1.8	7.1	12.7

Source: MAcMap.

Note: figures for individual countries are presented in table A.6. in the appendix.

In addition to reducing overall tariffs, there seems to be scope for reducing tariff escalation amongst Commonwealth countries. Tariff escalation implies that higher tariffs are set on products which are further processed and to which value is added as compared to the raw product. This may hinder developing countries from setting up processing industries and force them to rely on the exports of raw materials which are subject to greater price volatility.

Commonwealth countries generally faced higher tariffs for their processed than for their non-processed exports in 2012 (tables 15 and 16).⁷ Furthermore, the tariffs that Commonwealth countries applied to imports from within the Commonwealth were on average higher than the tariffs applied by the rest of the world. For example, processed agricultural exports of the 33 developing countries faced stiff tariffs of 20.3% (trade-weighted) within the Commonwealth (as compared to 16.6% in the rest of the world). Tariff liberalization amongst the Commonwealth countries would therefore be in particular beneficial for developing countries and LDCs whose export pattern is dominated by processed agricultural goods.

⁷ While tariff escalation normally refers to the increase in tariffs along the value chain of one individual product (for example from tomatoes to tomato sauce), we present here trade-weighted tariff averages for the different processing stages and hence, do not analyse tariff escalation in the strict sense.

**Table 15. Applied tariffs by Commonwealth to Commonwealth states, 2012
(by stage of processing, average weighted tariffs, %)**

Exporters	Overall			Agriculture			Industry		
	Primary	Semi-processed	Processed	Primary	Semi-processed	Processed	Primary	Semi-processed	Processed
Overall (54)	3.3	4.5	5.7	10.7	9.9	19.6	1.6	4.3	4.7
Developed (6)	3.9	4.9	6.5	12.1	11.2	21.1	1.9	4.7	5.5
Developing (33)	3.4	4.6	6.0	11.1	10.1	20.3	1.6	4.4	5.0
LDCs (15)	2.9	4.0	4.8	9.2	8.9	17.8	1.4	3.8	3.9

Source: MAcMap.

**Table 16. Applied tariffs by the rest of the world to Commonwealth states, 2012
(by stage of processing, average weighted tariffs, %)**

Exporters	Overall			Agriculture			Industry		
	Primary	Semi-processed	Processed	Primary	Semi-processed	Processed	Primary	Semi-processed	Processed
Overall (54)	3.0	3.6	5.3	12.7	15.2	15.8	1.1	3.3	4.6
Developed (6)	2.9	3.5	4.9	12.7	16.8	17.4	1.0	3.2	4.1
Developing (33)	3.0	3.7	5.3	13.0	15.7	16.6	1.1	3.3	4.6
LDCs (15)	2.9	3.6	5.5	11.9	13.5	13.5	1.2	3.3	4.9

Source: MAcMap.

Conclusions

This paper has observed that considerable scope exists for intensifying and enhancing trade amongst Commonwealth countries. Commonwealth countries have experienced different performances in terms of exports these last years. While LDCs were the least affected country group of the 2008–2009 economic crisis, they have also benefited from the strongest recovery over recent years. However, their performance remains fragile because of their high dependence on few products, many of which are exported without any value addition.

Regarding the level of intra-Commonwealth trade, there was very little change between 2007 and 2011. The major recent trend is the greater attractiveness of developing countries in trade with all three subgroups. On the contrary, Commonwealth developed countries' exports towards LDCs are still low and their overall importance as a destination for other Commonwealth countries' exports is rather declining.

Prevailing tariffs suggest that there is still room for improving market access among Commonwealth states. Considering that Commonwealth countries are dispersed across the globe, the current strategy consisting in building partnerships with neighbours and strategic partners instead of seeking specific trade liberalization within the Commonwealth seems appropriate. However, there is still room for trade-related cooperation within the Commonwealth, as countries can share their experience in overcoming difficulties that they face when engaging in international trade.

One instrument could be an economic cooperation agreement that ensures technical and financial assistance in trade facilitation among Commonwealth countries. Measures should aim at improving transparency regarding the implementation of non-tariff measures. Some of the emerging economies amongst the Commonwealth countries, for example India, may contribute trade facilitation expertise to be utilized under the agreement. Selected developed Commonwealth countries could make available technical and financial resources.

Appendix Additional tables and figures

Table A.1. Commonwealth member states

Commonwealth states	Country group	UN defined small islands	Geographic group
Botswana	Developing		Africa
Cameroon	Developing		Africa
Ghana	Developing		Africa
Kenya	Developing		Africa
Mauritius	Developing	x	Africa
Namibia	Developing		Africa
Nigeria	Developing		Africa
Seychelles	Developing	x	Africa
Swaziland	Developing		Africa
South Africa	Developing		Africa
Antigua and Barbuda	Developing	x	Caribbean
Bahamas	Developing	x	Caribbean
Barbados	Developing	x	Caribbean
Belize	Developing	x	Caribbean
Dominica	Developing	x	Caribbean
Grenada	Developing	x	Caribbean
Guyana	Developing	x	Caribbean
Jamaica	Developing	x	Caribbean
Saint Kitts and Nevis	Developing	x	Caribbean
Saint Lucia	Developing	x	Caribbean
Saint Vincent and the Grenadines	Developing	x	Caribbean
Trinidad and Tobago	Developing	x	Caribbean
Brunei Darussalam	Developing		East Asia
Malaysia	Developing		East Asia
Singapore	Developing	x	East Asia

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Commonwealth states	Country group	UN defined small islands	Geographic group
Fiji	Developing	x	Pacific
Nauru	Developing	x	Pacific
Papua New Guinea	Developing	x	Pacific
Tonga	Developing	x	Pacific
India	Developing		South Asia
Pakistan	Developing		South Asia
Sri Lanka	Developing		South Asia
Maldives	Developing	x	South Asia
Cyprus	Developed		
Malta	Developed		
Australia	Developed		
Canada	Developed		
New Zealand	Developed		
United Kingdom	Developed		
Gambia	LDC		Africa
Lesotho	LDC		Africa
Malawi	LDC		Africa
Mozambique	LDC		Africa
Rwanda	LDC		Africa
Sierra Leone	LDC		Africa
Uganda	LDC		Africa
Tanzania, United Republic of	LDC		Africa
Zambia	LDC		Africa
Kiribati	LDC	x	Pacific
Samoa	LDC	x	Pacific
Solomon Islands	LDC	x	Pacific
Tuvalu	LDC	x	Pacific
Vanuatu	LDC	x	Pacific
Bangladesh	LDC		South Asia

Source: World Bank classification.

Table A.2. Development and business climate indicators, 2011

Commonwealth states	Population 2010 (in '000)	Human Development Index (HDI)		Global Competitiveness Index (CGI)		Doing Business Index				Logistics Performance Indicators (LPI)	
		Rank (/187)	Score (/1.0)	Rank (/142)	Score (/7.0)	Rank (/183)	Trading across borders			Rank (/155)	Score (/5.0)
							Rank (/183)	Time to export (days)	Cost to export (US\$ per container)		
Antigua and Barbuda	90	60	0.764			57	71	16	1,202		
Bahamas	347	53	0.771			85	48	19	930	78	2.75
Barbados	274	47	0.793	42	4.44						
Belize	357	93	0.699	123	3.52	93	107	21	1,505		
Botswana	2,031	118	0.633	80	4.05	54	150	28	3,185	134	2.32
Brunei Darussalam	406	33	0.838	28	4.78	83	35	19	680		
Cameroon	20,030	150	0.482	116	3.61	161	156	23	1,379	105	2.55
Cyprus	1,117	31	0.840	47	4.36	40	19	7	790	46	3.13
Dominica	68	81	0.724			65	88	13	1,340		
Fiji	868	100	0.688			77	113	22	655	144	2.24
Ghana	24,966	135	0.541	114	3.65	63	90	19	1,013	117	2.47
Grenada	105	67	0.748			73	40	10	876		
Guyana	756	117	0.633	109	3.73	114	82	19	730	140	2.27
India	1,241,492	134	0.547	56	4.30	132	109	16	1,095	47	3.12
Jamaica	2,709	79	0.727	107	3.76	88	97	21	1,410	108	2.53
Kenya	41,610	143	0.509	102	3.82	109	141	26	2,055	99	2.59
Malaysia	28,859	61	0.761	21	5.08	18	29	17	450	29	3.44
Malta	419	36	0.832	51	4.33			0		64	2.82
Mauritius	1,286	77	0.728	54	4.31	23	21	13	737	82	2.72
Namibia	2,324	120	0.625	83	4.00	78	142	29	1,800	152	2.02
Nauru											
Nigeria	162,471	156	0.459	127	3.45	133	149	24	1,263	100	2.59

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Commonwealth states	Population 2010 (in '000)	Human Development Index (HDI)		Global Competitiveness Index (CGI)		Doing Business Index				Logistics Performance Indicators (LPI)	
		Rank (/187)	Score (/1.0)	Rank (/142)	Score (/7.0)	Rank (/183)	Trading across borders			Rank (/155)	Score (/5.0)
							Rank (/183)	Time to export (days)	Cost to export (US\$ per container)		
Pakistan	176,745	145	0.504	118	3.58	105	75	21	660	110	2.53
Papua New Guinea	7,014	153	0.466			101	99	26	664	124	2.41
Saint Kitts and Nevis	53	72	0.735			95	44	11	850		
Saint Lucia	176	82	0.723			52	110	14	1,700		
Saint Vincent and the Grenadines	109	85	0.717			75	38	12	1,075		
Seychelles	86	52	0.773			103	33	16	876		
Sri Lanka	20,869	97	0.691	52	4.33	89	53	21	715	137	2.29
Swaziland	1,068	140	0.522	134	3.30	124	148	18	1,855		
Tonga	105	90	0.704			58	77	20	775		
Trinidad and Tobago	1,346	62	0.760	81	4.00	68	52	14	843		
Singapore	5,184	26	0.866	2	5.63	1	1	5	456	2	4.09
South Africa	50,587	123	0.619	50	4.34	35	144	30	1,531	28	3.46
Australia	22,621	2	0.929	20	5.11	15	30	9	1,060	18	3.84
Canada	34,483	6	0.908	12	5.33	13	42	7	1,610	14	3.87
New Zealand	4,405	5	0.908	25	4.93	3	27	10	855	21	3.65
United Kingdom	62,641	28	0.863	10	5.39	7	13	7	950	8	3.95
Bangladesh	150,494	146	0.500	108	3.73	122	115	25	965	79	2.74
Gambia	1,776	168	0.420	99	3.84	149	78	23	831	113	2.49
Kiribati	101	122	0.624			115	85	21	1,120		
Lesotho	2,194	160	0.450	135	3.26	143	147	31	1,680		
Malawi	15,381	171	0.400	117	3.58	145	164	41	1,675		
Maldives	320	109	0.661			79	137	21	1,550	125	2.40
Mozambique	23,930	184	0.322	133	3.31	139	136	23	1,100	136	2.29
Rwanda	10,943	166	0.429	70	4.19	45	155	29	3,275	151	2.04

Commonwealth states	Population 2010 (in '000)	Human Development Index (HDI)		Global Competitiveness Index (CGI)		Doing Business Index				Logistics Performance Indicators (LPI)	
		Rank (/187)	Score (/1.0)	Rank (/142)	Score (/7.0)	Rank (/183)	Trading across borders			Rank (/155)	Score (/5.0)
							Rank (/183)	Time to export (days)	Cost to export (US\$ per container)		
Samoa	184	99	0.688			60	96	27	820		
Sierra Leone	5,997	180	0.336			141	132	24	1,573	153	1.97
Solomon Islands	552	142	0.510			74	86	24	1,030	135	2.31
Tuvalu	10										
Uganda	34,509	161	0.446	121	3.56	123	158	37	2,880	66	2.82
Tanzania, United Republic of	46,218	152	0.466	120	3.56	127	92	18	1,255	95	2.60
Vanuatu	246	125	0.617			76	128	21	1,690		
Zambia	13,475	164	0.430	113	3.67	84	153	44	2,678	138	2.28

Source: UNDP's Human Development Index, World Economic Forum's Global Competitiveness Index, World Bank's Doing Business and Logistics Performance Index (2011).

Note: figures in the table are simple averages. Indicators are missing for some countries: HDI (one developing country and one LDC), GCI (12 developing countries and seven LDCs), DBI (three developing countries and one LDC) and LPI (14 developing countries and six LDCs).

Table A.3 Economic indicators, 2011

Commonwealth states	GDP			Exports					FDI	
	GDP (US\$ million)	GDP growth (%)	GDP per capita	2010 value (US\$ million)	2011 value (US\$ million)	Trade balance (US\$ million)	Goods export per GDP (%)	Goods export per total exports (%)	In-stock (US\$ million)	Growth rate (%)
Australia	1,371,764	2.3	60,642	206,705	245,631	11,312	17.9	80.7	305,519	1.8
Canada	1,736,051	0.9	50,345	386,580	450,430	-150	25.9	87.4	441,638	8.8
Cyprus	24,690	0.9	30,670	1,506	1,958	-6,761	7.9	15	21,066	25.5
Malta	8,887	1.6	21,209	3,717	5,279	-2,117	59.4	45.3	8,226	19.3
New Zealand	142,477	0.0	32,620	30,932	37,633	1,522	26.4	77.4	51,979	0.2
United Kingdom	2,431,589	-0.7	38,818	405,869	472,096	-162,317	19.4	61.8	980,920	8.7
Antigua and Barbuda	1,129	-5.6	12,596	0	29	-442	2.6	12.8	2,233	18.3
Barbados	3,685	-1.3	13,453	314	508	-1,267	13.8		1,486	32
Belize	1,474	2.1	4,133	282	398	-440	27.0	55	1,058	21.3
Botswana	17,627	2.4	8,680	4,693	5,882	-1,390	33.4	84.3	885	-2.6
Brunei Darussalam	12,370	-0.3	31,008	8,774	12,272	6,619	99.2	92.4	10,361	3.2
Cameroon	25,465	3.0	1,271	3,878	4,956	414	19.5	79.7	4,065	8.1
Dominica	482	2.1	7,126	34	55	-174	11.4	23.8	526	8.7
Fiji	3,813	0.4	4,391	847	734	-1,124	19.2	46.8	1,926	22.3
Ghana	39,200	8.6	1,570	5,233	18,401	4,827	46.9	74.5	4,886	24.6
Grenada	816	-1.1	7,780	27	34	-135	4.2	17.3	1,085	14.6
Guyana	2,259	2.4	2,994	937	1,049	-635	46.4	78.8	1,422	11.7
India	1,847,982	7.1	1,489	220,408	301,483	-160,920	16.3	64.6	123,294	34.2
Jamaica	15,070	-0.9	5,562	1,328	1,517	-2,583	10.1	47.2	10,104	15.2
Kenya	33,621	3.5	808	5,169	5,853	-9,174	17.4	60.8	1,989	16.2
Malaysia	278,671	3.8	9,656	198,791	226,993	39,420	81.5	86.8	73,262	14.2
Mauritius	11,313	4.2	8,797	1,850	2,255	-2,903	19.9	48.5	1,632	20.9
Namibia	12,301	3.3	5,293	5,848	5,901	-556	48.0	84.9	3,472	-4.2
Nauru				57	75	46				

Commonwealth states	GDP			Exports				FDI		
	GDP (US\$ million)	GDP growth (%)	GDP per capita	2010 value (US\$ million)	2011 value (US\$ million)	Trade balance (US\$ million)	Goods export per GDP (%)	Goods export per total exports (%)	In-stock (US\$ million)	Growth rate (%)
Nigeria	235,923	6.9	1,452	86,568	109,116	61,950	46.3	97.7	63,238	19.1
Pakistan	211,092	2.9	1,194	21,413	25,344	-18,234	12.0	83.8	16,473	21.3
Papua New Guinea	12,937	7.3	1,845	6,371	8,297	2,185	64.1		2,312	1
Seychelles	1,007	2.7	11,711	397	376	-222	37.3		557	-6.3
Singapore	239,700	4.9	46,241	351,867	409,504	43,733	170.8	80.5	326,790	17.8
South Africa	408,237	2.0	8,070	71,484	92,976	-6,750	22.8	87.1	68,007	1.4
Sri Lanka	59,172	6.4	2,835	8,304	10,011	-9,685	16.9	80.2	4,283	18.5
Saint Kitts and Nevis	709	-1.1	13,364	32	45	-202	6.3	24.7	1,317	13.2
Saint Lucia	1,232	-2.0	7,001	99	47	-3,475	3.8	33.6	1,938	13.2
Saint Vincent and the Grenadines	688	-1.2	6,291	42	38	-345	5.6	27	1,114	13.3
Swaziland	3,978	1.7	3,725	914	761	447	19.1		542	-12.6
Bahamas	7,788	-1.4	22,431	620	727	-2,683	9.3	27.3	7,732	12.2
Tonga	436	0.8	4,168	8	17	-96	3.9		84	37.9
Trinidad and Tobago	22,483	-0.5	16,699	10,982	18,921	11,718	84.2		16,166	10.8
Bangladesh	110,612	6.2	735	19,956	25,891	-4,991	23.4	88.9	4,816	11.7
Kiribati	178	0.5	1,760	4	9	-83	4.8		141	1.3
Lesotho	2,426	4.9	1,106	542	790	539	32.6	92.9	934	18.1
Malawi	5,700	7.1	371	1,066	1,425	-1,002	25.0		760	7.8
Maldives	2,050	5.0	6,405	74	83	-1,328	4.1	31.9	221	6.7
Mozambique	12,798	6.8	535	2,243	3,604	-2,702	28.2	82.7	3,808	11.8
Rwanda	6,377	7.7	583	0	417	-939	6.5	38.6	293	43.6
Samoa	649	-0.4	3,532	60	54	-292	8.4		80	8.6
Sierra Leone	2,243	4.9	374	358	437	-944	19.5	82	426	3.3
Solomon Islands	838	5.4	1,517	412	611	216	72.9		700	17.1
Tanzania, United Republic of	23,705	6.7	529	4,051	4,735	-6,449	20.0	58.3	6,621	8.6

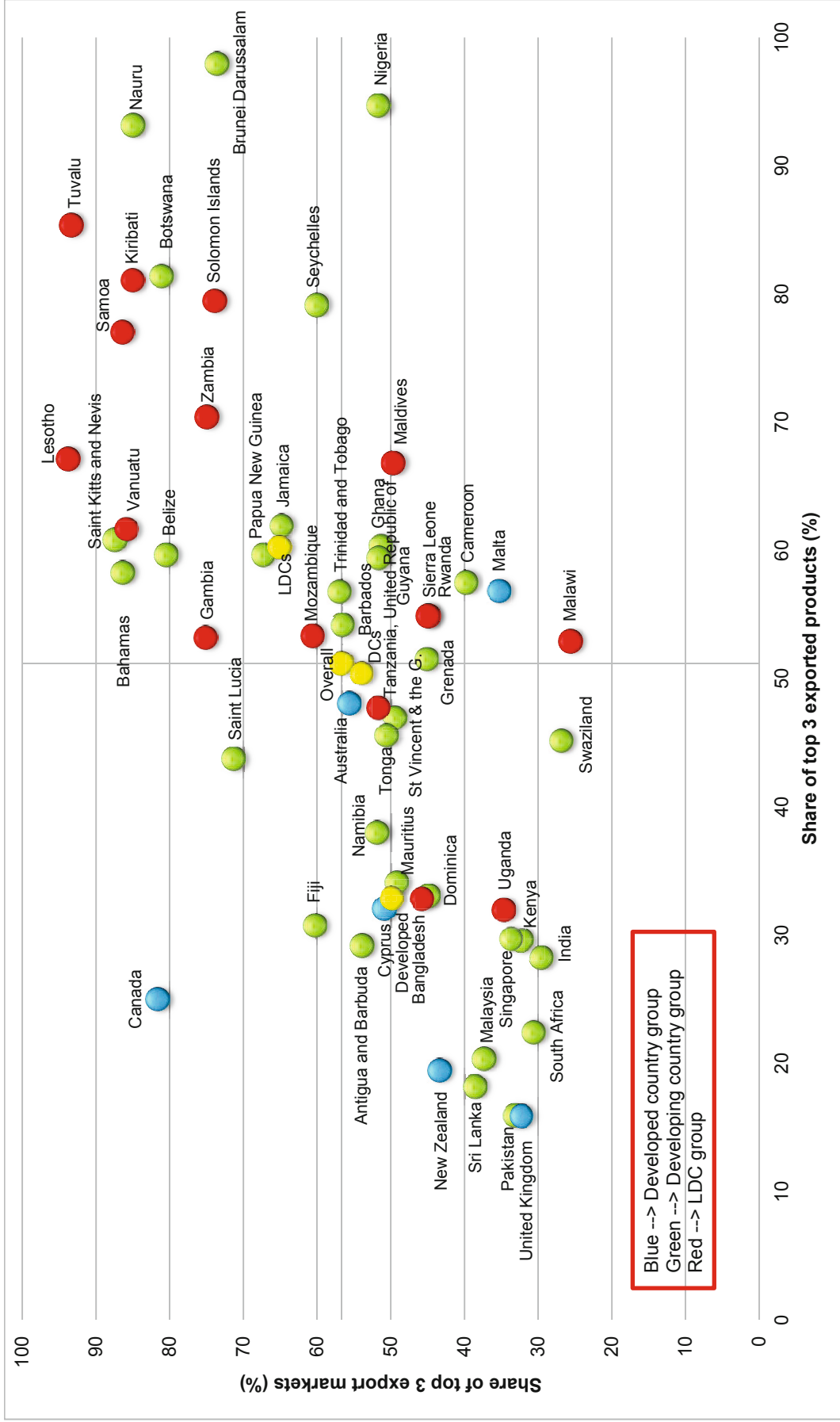
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Commonwealth states	GDP			Exports				FDI		
	GDP (US\$ million)	GDP growth (%)	GDP per capita	2010 value (US\$ million)	2011 value (US\$ million)	Trade balance (US\$ million)	Goods export per GDP (%)	Goods export per total exports (%)	In-stock (US\$ million)	Growth rate (%)
Gambia	1,109	6.0	625	35	95	-249	8.5	54.5	590	15.8
Tuvalu	36	0.4	3,634	15	13	-51	36.6		32	5.9
Uganda	16,810	7.1	487	1,619	2,159	-3,472	12.8	78.9	4,189	26.3
Vanuatu	819	4.2	3,335	505	382	-100	46.7		1,019	14.6
Zambia	19,206	6.4	1,425	7,200	9,001	1,823	46.9	94.3	8,545	14

Source: World Bank's World Development Indicators, TradeMap, Balance of Payments (BoP), Investment Map.

Note: these economic indicators are calculated for 2011 (except for FDI, 2010). GDP and GDP per capita are expressed in current US\$. The GDP growth rate is computed for the period 2007–2011 on the basis of GDP expressed in constant value (US\$) of 2000. Goods exports per total exports and in-stock FDI are based on 2010 data. The FDI growth rate is calculated for the period 2006–2010.

Figure A.1. Product and market diversification, 2011



Source: Trade Competitiveness Map.

Table A.4. Product and market diversification, 2011

Exporters	Product diversification (equiv. number, HS-6)	Rank: product diversification	Market diversification (equiv. number)	Rank: market diversification
Antigua and Barbuda	15	18	5.4	34
Australia	8	28	7.3	29
Bahamas	6.9	31	1.6	53
Bangladesh	16	16	10.8	15
Barbados	6.9	32	7.5	28
Belize	5.1	40	2.5	45
Botswana	2.4	48	2.4	48
Brunei Darussalam	2.2	51	3.7	41
Cameroon	5.1	41	11.2	14
Canada	28.4	8	1.8	52
Cyprus	19.7	13	9.5	19
Dominica	16.9	15	10.3	17
Fiji	21.5	10	6.5	33
Gambia	5	42	4.5	39
Ghana	7.1	30	8.6	24
Grenada	8.8	24	10.7	16
Guyana	6.4	35	8.4	25
India	30.5	7	20.7	1
Jamaica	4.4	43	4.9	36
Kenya	20	11	17.5	7
Kiribati	2	52	2.5	46
Lesotho	3.8	44	2.3	49
Malawi	8.5	25	20.6	3
Malaysia	44.5	4	14.7	8
Maldives	5.7	39	8.7	23
Malta	5.7	38	14.1	10
Mauritius	19.8	12	9.1	21
Mozambique	6.1	36	5.2	35

Exporters	Product diversification (equiv. number, HS-6)	Rank: product diversification	Market diversification (equiv. number)	Rank: market diversification
Namibia	17	14	7.1	31
Nauru	1.6	53	2.5	47
New Zealand	38.1	6	11.2	13
Nigeria	1.4	54	7.3	30
Pakistan	57.7	2	17.6	6
Papua New Guinea	7.2	29	4	40
Rwanda	8.4	26	9.1	22
Saint Kitts and Nevis	6.8	33	1.5	54
Saint Lucia	11.6	19	4.8	37
Saint Vincent and the Grenadines	9.3	23	8.3	26
Samoa	2.6	47	2.3	50
Seychelles	2.4	49	6.7	32
Sierra Leone	8.3	27	9.6	18
Singapore	23.4	9	14.2	9
Solomon Islands	2.4	50	2.9	44
South Africa	40.9	5	18.2	4
Sri Lanka	47.7	3	13	12
Swaziland	11.2	20	20.7	2
Tonga	10.2	22	8.2	27
Trinidad and Tobago	6.6	34	4.5	38
Tuvalu	3.1	46	2.1	51
Uganda	15.5	17	13.7	11
United Kingdom	88.3	1	18.1	5
Tanzania, United Republic of	10.7	21	9.4	20
Vanuatu	6.1	37	3.6	42
Zambia	3.3	45	3.4	43

Source: TradeMap.

Note: equivalent numbers of products or markets are calculated as the inverse of the corresponding Herfindahl index.

Table A.5. Tariffs faced by Commonwealth states, 2012

	Exporters		Importers			
	World		Commonwealth states			LDC
			All	Developed	Developing	
Antigua and Barbuda	5.7		5.7	2.9	7.3	12.4
Australia	6.2		6.2	2.9	7.3	12.1
Bahamas	5.7		5.7	2.8	7.3	12.2
Bangladesh	4.1		4.1	2.2	5.2	10.5
Barbados	5.7		5.7	2.9	7.3	12.4
Belize	5.7		5.7	2.9	7.2	12.4
Botswana	5.4		5.4	3.3	6.6	9.6
Brunei Darussalam	5.9		5.9	3.3	7.3	12.2
Cameroon	6.1		6.1	3.4	7.6	12.8
Canada	6.8		6.8	3.6	7.3	12.1
Cyprus	5.8		5.8	3.6	7.0	12.1
Dominica	5.7		5.7	2.9	7.2	12.4
Fiji	6.0		6.0	3.3	7.4	12.9
Gambia	5.7		5.7	2.3	7.5	12.4
Ghana	6.1		6.1	3.4	7.5	12.4
Grenada	5.7		5.7	2.9	7.2	12.4
Guyana	5.7		5.7	2.9	7.3	12.4
India	4.7		4.7	3.3	5.5	12.1
Jamaica	5.7		5.7	2.9	7.3	12.4
Kenya	5.8		5.8	3.3	7.3	8.9
Kiribati	5.6		5.6	2.2	7.5	12.9
Lesotho	5.0		5.0	2.2	6.6	9.7
Malawi	3.6		3.6	2.2	4.3	9.0
Malaysia	5.9		5.9	3.3	7.8	12.2
Maldives	4.2		4.2	2.2	5.2	12.1
Malta	5.8		5.8	3.6	7.0	12.1
Mauritius	5.4		5.4	3.3	6.6	8.9

Exporters	Importers					
	World	Commonwealth states				LDC
		All	Developed	Developing		
Mozambique	3.7	2.2	4.3		10.4	
Namibia	5.4	3.3	6.6		9.6	
Nauru	6.0	3.3	7.4		12.3	
New Zealand	6.0	3.5	7.3		12.1	
Nigeria	5.8	3.4	7.1		12.4	
Pakistan	5.1	3.3	5.9		12.1	
Papua New Guinea	6.0	3.3	7.5		12.9	
Rwanda	4.0	2.2	4.9		9.0	
Saint Kitts and Nevis	5.7	2.9	7.2		12.4	
Saint Lucia	5.7	2.9	7.2		12.4	
Saint Vincent and the Grenadines	5.7	2.9	7.2		12.4	
Samoa	4.2	2.3	5.1		12.3	
Seychelles	5.9	3.3	7.3		12.2	
Sierra Leone	5.7	2.3	7.5		12.4	
Singapore	6.5	3.2	8.9		12.2	
Solomon Islands	5.6	2.2	7.5		12.9	
South Africa	5.8	3.3	7.3		9.7	
Sri Lanka	4.2	3.3	4.4		12.1	
Swaziland	5.4	3.3	6.6		9.6	
Tanzania, United Republic of	3.6	2.2	4.3		9.1	
Tonga	6.0	3.3	7.5		12.9	
Trinidad and Tobago	5.8	2.9	7.4		12.4	
Tuvalu	5.6	2.3	7.4		12.3	
Uganda	4.0	2.2	4.9		9.8	
United Kingdom	5.8	3.6	7.0		12.1	
Vanuatu	5.6	2.2	7.5		12.9	
Zambia	5.0	2.2	6.6		10.5	

Source: MACMap.



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The International Trade Centre (ITC) is the joint agency of the World Trade Organization and the United Nations.