

INDUCTIVE GENERALIZATIONS ABOUT TRADE PATTERNS

On Thu 10 Jan 2013, students in TGEOG 349 began to build an inductive theory of trade. From students' responses to my questions from the Dicken reading, they generalized what kinds of countries export and import what kinds of products.

Countries with these characteristics	Tend to export lots of what kinds of products?
<i>Major importers of raw materials</i>	<i>Export lots of manufactures</i>
<i>Low-paid labor</i>	<i>Simple manufactures</i>
<i>Geographically large</i>	<i>Everything (not always services)</i>
<i>Low-paid labor</i>	<i>Agricultural products (note the US and African exceptions)</i>
<i>Under-developed</i>	<i>Few exports</i>
<i>Ocean access (among developed countries)</i>	<i>Everything</i>
<i>Entrepôts¹</i>	<i>Merchandise</i>
<i>Highly paid labor</i>	<i>Services</i>
<i>Former colonial powers</i>	<i>Services</i>
<i>Lots of outward FDI</i>	<i>Services</i>
<i>Large service importers</i>	<i>Services</i>
<i>Water availability</i>	<i>Agriculture</i>
<i>High land area per capita</i>	<i>Agriculture</i>

Countries with these characteristics	Tend to import lots of what kinds of products?
<i>Developed countries</i>	<i>oil</i>
<i>Entrepôts</i>	<i>Merchandise</i>
<i>Poor climate (or soils) for agriculture</i>	<i>Agriculture</i>
<i>Current account deficits</i>	<i>Services</i>
<i>Large service exporters</i>	<i>Services</i>
<i>Low land area per capita</i>	<i>Agriculture</i>

Countries with these characteristics tend to export more (by value), in general.
<i>Major resource advantages</i>
<i>Specialization in highly valued (priced) products or services</i>

¹ International transshipment points, where goods can be imported without paying tariffs, so long as they are re-exported rather than being consumed in the country; also called a Freeport. In many cases, some value-added (assembly, repackaging, or other manufacturing) is done on-site – the resultant products can be exported having paid no import tariff in the country where value was added, or can then enter the main part of the country under the tariff applied to the new, value-added product.