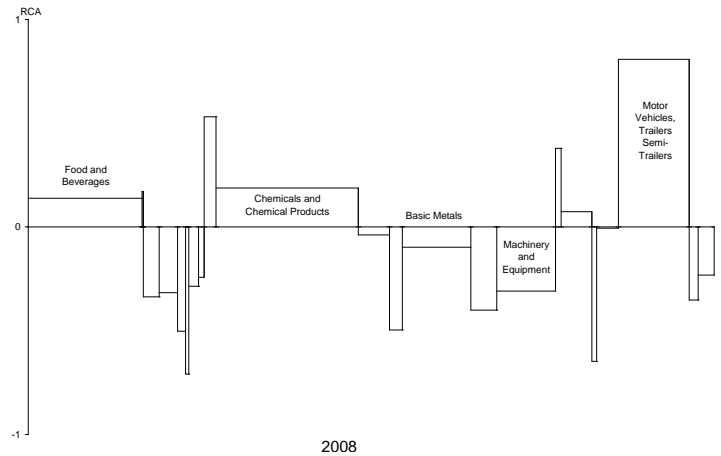
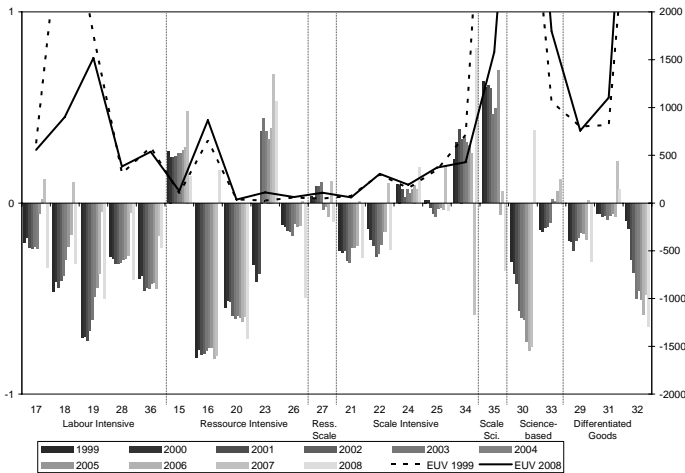


EIIW News RCA Bulletin 2010 France



RCA Analysis:

The comparative advantages of the French economy are concentrated in the manufacturing of food products and beverages (15) and motor vehicles (34) as well as other transport equipment (35). In recent years the production of coke, refined petroleum products and nuclear fuel (23) is gaining a more important position.

An area with a consistent positive profile that also shows a slight upwards trend is the sector of chemicals and chemical products (24)

EUV Analysis:

Contrary to Germany as another well established industrial centre with the exception of the manufacture of other transport equipment France does not report diminishing export unit values. Instead the export unit values of those sectors where France reports positive RCA indicator values stay constant as in the sector 15 or even rises as in the chemicals industry. The slightly diminished export unit values in the motor vehicles sector might be early signs of the crisis in the automotives industry, that started in 2008.

Vol RCA Analysis:

With the high export shares of the food and beverages sector as well as the motor vehicles sector France's comparative advantages are also well represented by its export structure. The large share of its chemicals sector is also the reason for its relatively high RCAs in this sector, which might be due to mergers activities in the field of pharmaceuticals.

The only two sector with a disadvantage on the EU 27 market are basic metals and machinery.

Definition RCA:

(Revealed Comparative Advantage / country c, sector s)

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

Definition Vol RCA:

(Volume Weighted RCA)

$$\text{Vol RCA}_{c,s} = \frac{\text{Exports}_s}{\text{Total Exports}_c} RCA_{c,s}$$

Definition EUV:

(Export Unit Value)

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