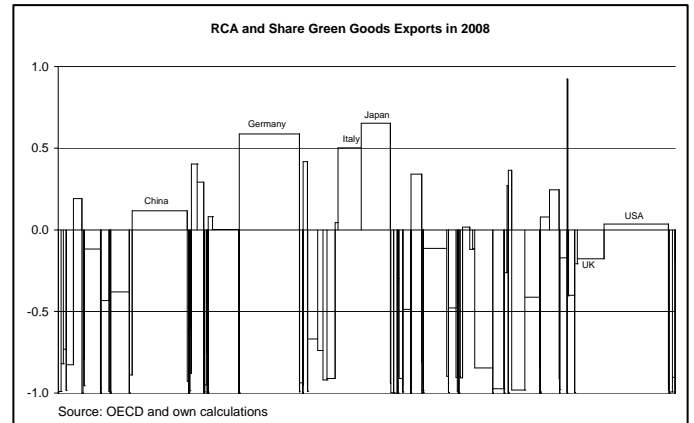
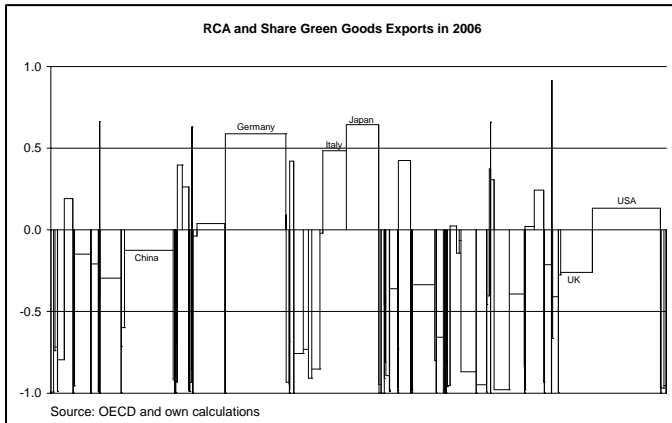




EIIW News

Green Growth

Bulletin 2011



Analysis:

A comparison of the most important countries concerning green sustainable growth in regard of their share of world exports in green exports and the corresponding RCA indicators reveal that from 2006 to 2008 mostly only marginal changes have occurred.

The most pronounced changes are the switch of the Republic of China from formerly significantly comparative disadvantages to significant positive advantages in 2008. In contrast to this the US advantage has diminished over the two years.

It seems reasonable to surmise that more products formerly being produced in the US have reached a stage where it was possible to produce them more cost efficiently in China.

From an European perspective especially for the EU it is a mayor insight that the three member states are among there leading state in regard of export shares and Germany and Italy are two of the top 3 regarding comparative advantages a field where the UK is also rising.

This shows that the European Union is well specialized in a sustainable future oriented industry branch and still gains influence.

Green Goods:

Green goods, also called environmental goods are goods that are related to the facilitation of environment oriented production as in the generation of renewable energy.

The exports of green goods can be seen as a measure of a country's potential to produce sustainable growth on a high technological level. These exports also represent positive environmental spillover effects. As the importing country will use the goods to become more green itself.

Definition RCA: (Vertical)

(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 Export Shares: (Horizontal)

(Country c)

$$\text{Export Share}_c = \frac{\text{Exports}_c \text{ (in Euro)}}{\sum_{n=1}^N \text{Exports}_n \text{ (in Euro)}}$$