Patterns in Trade Partners

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PATTERNS IN TRADE PATTERNS

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Abstract

This paper gives account of the pattern in bilateral trade flows using the tools of network analysis. The world trade network is far from being complete. In 2006 only 56% of the possible trade flows were active. Many countries are not yet trade partners. If this lives space to a prominent role of the extensive margin of trade, the evolution of trade partnership does not move only in one direction. In the last ten years the number of countries that interrupted their trade partnership equalizes the number of countries that established new partnerships. The paper studies the law of motion of this pattern testing the theory of “natural” trade partnership (Krishna, 2003).

Keywords: International Trade, Network Analysis, Extensive Margin of Trade.

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