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TITLE: THE COMPARATIVE ADVANTAGES OF TRADE OF THE REGIONS NORTHEAST, SOUTHEAST AND SOUTH OF BRAZIL IN THE MERCOSUL

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ABSTRACT:

This article analyzes the characteristics of the Brazilian trade flow from the Northeast, Southeast and South Regions in MERCOSUL in terms of factorial intensity within the principles of traditional trade theory. The analysis is performed for the period between 1990 and 2004 and the input-output technique is used. The classification of products according to factors' intensity is performed using the Endowment Triangles method developed by Leamer (1987) and adapted by Londero and Teitel (1992). Considering that there are regional disparities in Brazil, it is natural to investigate the patterns of the international trade of Brazilian Regions, particularly the Northeast, Southeast and South, which together account for more than 90.0% of the Brazilian international trade and 95.0% for MERCOSUL. The results show that in exports from the Northeast, there is a paradoxical behavior in the use of comparative advantages once there is greater share of goods intensive in capital and less in natural resources and labor. Concerning South and Southeast Regions, exports are more intensive in capital than the imports, therefore consistent with the precepts of comparative advantages if recognized that these two regions are relatively well endowed with more capital than the partners of MERCOSUL.