ABSTRACT

The dynamic changes experienced in international trade in terms of volumes, varieties and destinations in manufacturing goods suggests that a change in comparative advantage has occurred for industrial and developing countries. The present study analyzes the impact of the dynamism in international trade in the change of comparative advantage at sector, industry and commodity level for manufacturing sector using the case of Mexico and Indonesia for the period of 1989-2011.

It was found that the trade pattern of Mexico has change significantly in the last 23 years (1989-2011) turning into new industrial activities and directing export sector towards North American market, meaning a deep change in variety of products, but also a change in human capital and technology intensity at structural level.

As for Indonesia the change was found to be also significant even though at less degree than Mexico but with the particularity of keeping the traditional industries as the backbone of exports while developing some new industries. The degree of change at structural level (factor intensities) was found to be less deep but significant.

A good number of opportunities for trade expansion were found for Mexico and Indonesia since the pattern of trade appears to be full of opportunities for exchange of goods since both countries specialized in different variety of products under different factors intensities meaning the possibility to match the pattern of trade.