

Market Integration in the ECCAS Sub-Region

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Abstract : This work assesses the trade potential of countries in the Economic Community of Central Africa States (ECCAS). The gravity model of trade is used to evaluate the trade flows of member countries, and to compute the trade potential index of ECCAS during 1995-2010. The focus is on the removal of tariffs and non-tariff barriers in the sub-region. Estimates from the gravity model are used for the calculation of the sub-region's commercial potential. Its three main findings are: (i) the background research shows a low level of integration in the sub-region and open economies; (ii) a low level of industrialization and diversification are the main factors reducing trade potential in the sub-region; (iii) the trade creation predominate on the deflections of trade between member countries.

Keywords : gravity model, ECCAS, trade flows, trade potential, regional cooperation

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