

Intra-Industry Trade and Revealed Comparative Advantage: Empirical Analysis of New Members State's Economic Competitiveness (UE-8) on a Single Market between 2000 and 2007

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This article analyzes changes in the intensity of intra-industry trade between the new Member States (EU-8) and the EU-15 in the period of 2000-2007. The authors claimed that the results should help to assess adaptation processes which had taken place in these countries before and after the accession to the EU. By analysis of revealed comparative advantage and horizontal and vertical intra-industry trade further research examines the real adjustment processes in terms of EU-8 state economic competitiveness, which occurred during the pre- and post-accession period in order to prepare them to maximize the benefits of the Single European Market. Shares of intra-industry trade, and their dynamics was calculated on the basis of the Grubel and Lloyd's intra-industry trade (IIT) index. Analysis of the competitiveness of goods from EU-8 in a trade with the EU-15 was based on Balassa's revealed comparative advantage index, RCA. Three trade types (one-way, two-way trade in similar products, two-way trade in vertically differentiated products) indicators were calculated using the Freudenberg and Fontagné methodology.

Keywords: intra-industry trade, horizontal intra-industry trade, vertical intra-industry trade, comparative advantage, EU enlargement, state economic competitiveness