

AN APPLICATION OF THE EXPORT-SOPHISTICATION CONCEPT TO THE “MADE IN ITALY” AGRI-FOOD SECTOR

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Abstract

The paper assesses the performance of the so-called agri-food *Made in Italy* exports in recent years. The concept of export *sophistication* and the related indicators, recently proposed in literature (Lall *et al.*, 2006; Hausmann *et al.*, 2007; Minondo, 2007), are used here, together with traditional trade indicators such as normalised trade balances, Balassa’s revealed competitive advantage index and exports flow dynamics, to analyse the specialisation and potential competitiveness of this specific component of Italian agri-food exports on international markets. Results show that overall Made in Italy agri-food exports are in good health and that their level of sophistication is actually an important element of the capacity to be competitive on the international markets. Nonetheless, there are also some elements highlighting potential weaknesses with respect to products that have a low and decreasing sophistication score and for which Italy increases its international specialisation, thus, indicating the need to face an intensification in price competition as opposed to competition on attributes that increases products value.

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