

## DOES RECIPROCITY IN TRADE AGREEMENTS MATTER? – AN EMPIRICAL EVIDENCE FROM AFRICA

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### Abstract

This paper examines the impact of reciprocal versus non-reciprocal trade agreements on the export flow of African economies. It estimates a gravity model using a five-year interval panel dataset for 153 countries for the 1970-2010 period. The results show that reciprocal African trade agreements increased, while the non-reciprocal trade agreements decreased, member country export. In comparison to the non-African counterparts, African reciprocal trade agreements increased members export by half, lower than that of their non-African counterparts. Similarly, the non-reciprocal trade agreements decreased African exports twice more than the non-African counter parts. Reasons for this might be due to trade diversion as the Non-tariff barriers, like rule of origin and quality issues, are stiff for products for non-reciprocal trade agreements. The study suggests that focusing on the widening and deepening of reciprocal Preferential Trade Agreements is very essential to enhance export growth in Africa.

**Keywords:** Preferential Trade Agreement, Reciprocal Trade agreement , Non Reciprocal Trade Agreement, International Trade , North- South PTA , South-South PTA, RTA, Gravity Model, Macro Data and Africa.

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