

SUPPLEMENTARY MATERIALS

Table S1 | List of countries

Code	Country	Code	Country	Code	Country
1	Angola	16	Gambia	31	Nigeria
2	Benin	17	Ghana	32	Rwanda
3	Botswana	18	Guinea	33	Senegal
4	Burkina Faso	19	Guinea Bissau	34	Seychelles
5	Burundi	20	Kenya	35	Sierra Leone
6	Cabo Verde	21	Lesotho	36	South Africa
7	Cameroon	22	Liberia	37	Sudan
8	CAR	23	Madagascar	38	Swaziland
9	Chad	24	Malawi	39	Tanzania
10	Congo	25	Mali	40	Togo
11	Côte d'Ivoire	26	Mauritania	41	Uganda
12	DRC	27	Mauritius	42	Zambia
13	Equatorial Guinea	28	Mozambique	43	Zimbabwe
14	Eritrea	29	Namibia		
15	Gabon	30	Niger		

Table S2 | Definition of variables and data source

Variables and acronym	Definition	Expected relationship	Source
Export Sophistication Index (<i>Expy</i>)	Export competitiveness index is constructed by considering the productivity level associated with a country's exports	Dependent variable	UNCTAD (2016) database
Revealed Comparative Advantage (RCA)	A commodity's share in the country's total exports relative to its share in world exports	Alternative measure of the dependent variable	United Nations Conference on Trade and Development (UNCTAD 2016) database
Export Value Index (<i>Evi</i>)	EVI measures the average value changes of different units of exports	Alternative measure of the dependent variable	UNCTAD (2016) database
Foreign Direct Investment (FDI)	FDI as a percentage of GDP	Positive	UNCTAD (2016) database
Domestic Private Investment (<i>dpi</i>)	Gross fixed capital formation as a percentage of Gross Domestic Product (GDP)	Positive	World Development Indicators (WDI)
Productivity (<i>Prod</i>)	GDP per person employed	Positive	UNIDO
Unit labour Costs (<i>Ulc</i>)	Average compensation of employees as a percentage of total expenses in a country	Negative	WDI
Technological Progress (<i>Techp</i>)	Share of high-tech exports in total manufactured exports	Positive	WDI
Export Demand (<i>XD</i>)	World GDP	Positive	WDI
Foreign Market Access (<i>fma</i>)	The most favored nations and effectively applied import tariff rates on manufactured goods	Negative	UNCTAD (2016) database
Human capital (<i>hc</i>)	Gross primary school enrolment ratio	Positive	WDI
Macroeconomic environment (<i>Macro</i>)	GDP growth of a country	Positive	WDI
GDPpc	GDP per capita	Positive	WDI
Institutional quality (<i>Inst</i>)	Regulatory efficiency index computed using data from Heritage Foundation on three aspects; business freedom, labor freedom, and monetary freedom	Positive	Heritage Foundation
Capital goods imports (<i>cgiti</i>)	Share of imported capital goods in total imports	Positive	UNCTAD (2016) database

Table S3 | Summary statistics

Variables ²⁰	Number of observations	Mean	Standard deviation	Minimum	Maximum
RCA	903	1.6	0.4	0.5	2.4
<i>Expy</i>	903	2007.7	323.7	538.5	2516.6
<i>Evi</i>	850	323.1	828.1	11.6	14,708.3
FDI	860	5.2	9.0	0.0	90.5
<i>Prod</i>	882	8.7	1.0	6.1	11.3
<i>Techp</i>	757	3.4	1.9	1.6	9.2
<i>XD</i>	903	10.8	0.3	10.3	11.3
<i>Macro</i>	893	6.0	8.0	0.0	150.0
<i>Ulc</i>	321	35.0	11.0	10.2	59.8
<i>hc</i>	701	94.3	24.8	29.0	152.3
<i>fma</i>	903	12.7	4.9	1.1	41.7
<i>Inst</i>	903	52.8	8.7	21.4	77.0
<i>cgiti</i>	899	0.3	0.1	0.1	0.9
<i>dpi</i>	704	14.7	10.8	0.0	125.2

Table S4 | Correlation matrix

	FDI	RCA	<i>Expy</i>	<i>Evi</i>	<i>Macro</i>	<i>Techp</i>	<i>Ulc</i>	<i>hc</i>	<i>fma</i>	<i>dpi</i>	<i>cgiti</i>	<i>XD</i>	<i>Inst</i>	<i>Prod</i>
FDI	1.00													
RCA	-0.07	1.00												
<i>Expy</i>	0.09	-0.36	1.00											
<i>Evi</i>	0.04	-0.12	0.24	1.00										
<i>Macro</i>	0.36	0.07	-0.04	0.05	1.00									
<i>Techp</i>	-0.09	-0.14	0.13	-0.01	-0.05	1.00								
<i>Ulc</i>	-0.05	-0.06	0.00	-0.04	-0.05	-0.37	1.00							
<i>hc</i>	0.09	-0.28	0.30	0.10	0.04	0.05	-0.17	1.00						
<i>fma</i>	-0.05	0.21	-0.15	-0.01	0.04	-0.13	0.03	-0.02	1.00					
<i>dpi</i>	0.54	-0.06	0.07	0.03	0.39	-0.04	0.01	0.15	0.08	1.00				
<i>cgiti</i>	0.43	0.08	-0.08	-0.05	0.27	0.10	-0.21	0.01	0.10	0.12	1.00			
<i>XD</i>	0.10	-0.56	0.83	0.29	-0.07	0.13	0.02	0.30	-0.16	0.06	-0.10	1.00		
<i>Inst</i>	-0.12	-0.24	0.08	-0.02	-0.12	0.17	0.03	0.28	-0.08	0.11	-0.12	0.13	1.00	
<i>Prod</i>	-0.01	-0.08	0.14	0.01	-0.03	0.29	-0.11	0.20	-0.07	0.28	0.17	0.10	0.27	1

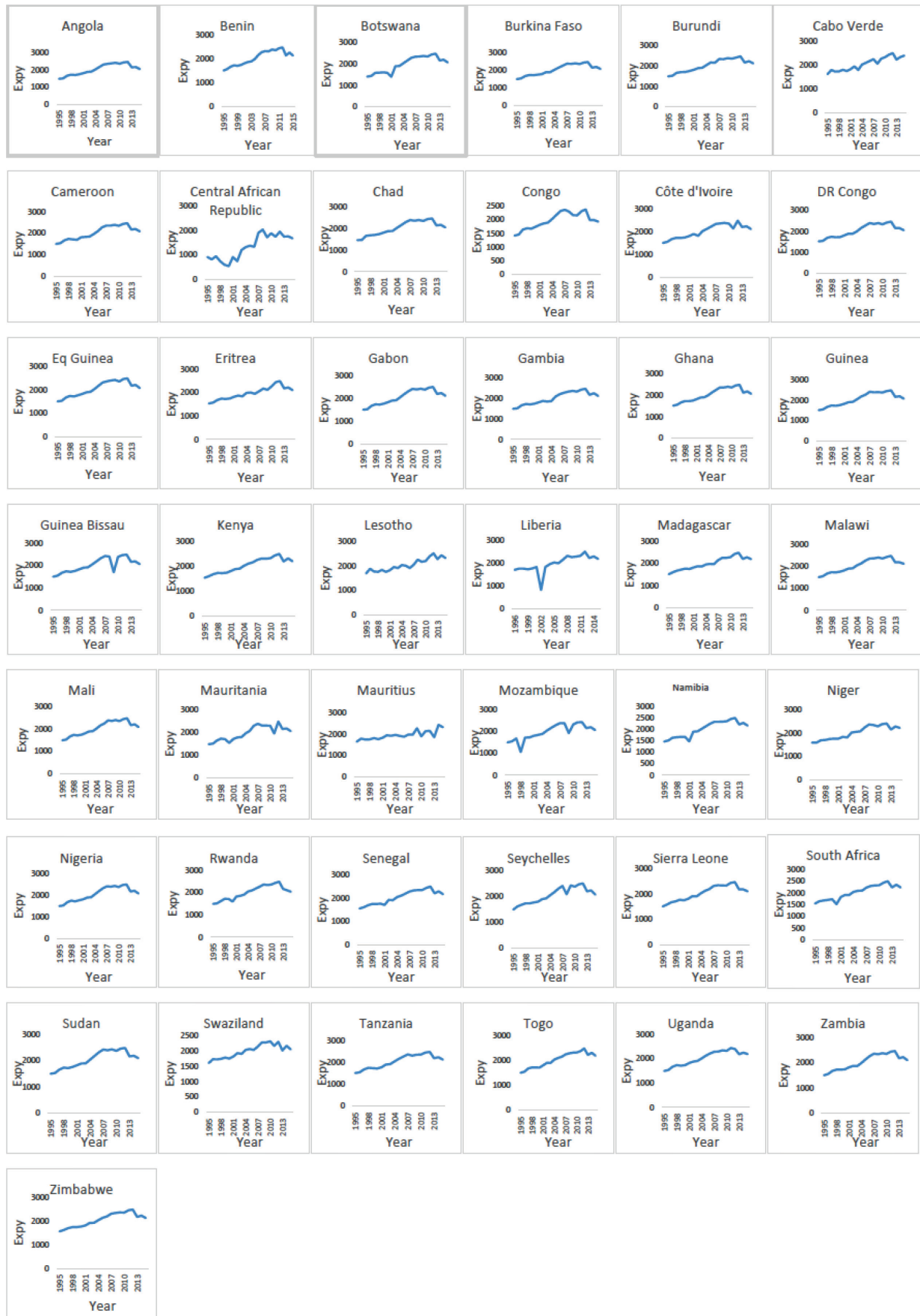


Figure A1 | Expy for each country: 1995-2015. Source: Authors' calculations using UNCTAD Export Database 2016.