

## Accepted Manuscript

Title: The impact of commodity price shocks on commodity dependent countries (Burkina Faso, Ethiopia and Mozambique)

Authors: Rudiger von Arnim, Bernhard Tröster, Cornelia Staritz, Werner Raza



PII: S0161-8938(18)30041-3  
DOI: <https://doi.org/10.1016/j.jpolmod.2018.02.008>  
Reference: JPO 6422

To appear in: *Journal of Policy Modeling*

Received date: 12-11-2017  
Revised date: 22-1-2018  
Accepted date: 28-2-2018

Please cite this article as: von Arnim, Rudiger., Tröster, Bernhard., Staritz, Cornelia., & Raza, Werner., The impact of commodity price shocks on commodity dependent countries (Burkina Faso, Ethiopia and Mozambique). *Journal of Policy Modeling* <https://doi.org/10.1016/j.jpolmod.2018.02.008>

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.

# The impact of commodity price shocks on commodity dependent countries (Burkina Faso, Ethiopia and Mozambique)

von Arnim, Rudi; University of Utah (corresponding author), Department of Economics, 260 Central Campus Drive, Orson Spencer Hall, Room 339A, Salt Lake City, UT 84112-9155, USA; rudiger.vonarnim@economics.utah.edu

Tröster, Bernhard; Austrian Foundation for Development Research (ÖFSE), Sensengasse 3, 1090 Vienna, Austria; b.troester@oefse.at

Staritz, Cornelia; Austrian Foundation for Development Research (ÖFSE), Sensengasse 3, 1090 Vienna, Austria; c.staritz@oefse.at

Raza, Werner; Austrian Foundation for Development Research (ÖFSE), Sensengasse 3, 1090 Vienna, Austria; w.raza@oesfse.at

## **Abstract**

Many least developed countries (LDCs) face commodity dependence on the export and import side. This paper develops a structuralist computable general equilibrium model for commodity-dependent LDCs and simulates global commodity price shocks for Burkina Faso, Ethiopia and Mozambique. Results show important macroeconomic and distributional effects. Although increasing export commodity prices are beneficial, the high correlation with import commodity prices causes low or even negative combined effects. The magnitude of effects depends on the degree of import and export dependence, the production structure of the key commodity sectors and policies that determine the distribution of windfall profits.

**Keywords:** Economic Development; Primary Commodities; Commodity Dependence; Price Volatility; Africa

**JEL Classification:** E12, E27, F41

## 1. Introduction

Commodity dependence remains an important issue in many least developed countries (LDCs). In total, 91 developing countries are considered as commodity dependent in 2014/15, as the ratio of primary commodity exports to the value of total merchandise exports exceeds 60 per cent (UNCTAD 2017).

Download English Version:

<https://daneshyari.com/en/article/7369098>

Download Persian Version:

<https://daneshyari.com/article/7369098>

[Daneshyari.com](https://daneshyari.com)