Has an inordinately low trade/GDP ratio held back South African Growth?

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Center for International Development’s *Project on South Africa: Performance and Prospects*, Harvard University, May 15, 2006
Frankel-Romer-Rose estimate (using gravity IV)

Every .01 increase in \((X+M)/\text{GDP}\) raises income over the subsequent 20 years by an estimated 3\%.
Is South Africa less open than one would expect from the geographical determinants? No.
South Africa’s Trade/GDP is in the range predicted by the gravity determinants, mid-way between equally remote Argentina & Mozambique, higher than larger or landlocked countries.