

Comparative Advantage and Economic Performance of East African Community (EAC) Member States

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ABSTRACT The researchers have investigated comparative advantage in the East African Community member states. They have also investigated economic performance of the member states. Balassa's Revealed Comparative Advantage (RCA) index was used to establish member states' comparative advantage. An analysis of real GDP, employment levels and stability of exchange rates was used to measure their economic performance. The results show Kenya has comparative advantage in 471 product codes, Tanzania in 471 products, Uganda in 437 product codes, Rwanda in 275 products codes and Burundi in 152 product codes. There is therefore evidence that the member states have revealed comparative advantage although in limited products and that economic indicators show they have performed well. However, there is a need that GDP growth rates should exceed population growth rates in order to have sustainable economic growth.