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Abstract

Since the inception of the Everything But Arms (EBA) trade scheme, Least Developed Countries (LDCs) have experienced a surge in exports, particularly in the apparel sector. However, existing studies do not conclusively show whether this export boom can only be attributed to the EBA or if there are other underlying reasons. This paper aims to address this gap by examining the impacts of trade liberalization, factor endowments, and global demand on the export shock. The study confirms that exports increased with the implementation of the EBA scheme; it also acknowledges that additional factors played a crucial role in this export expansion. The paper has policy-making implications, suggesting that the elimination of tariffs alone may be insufficient in stimulating exports in developing nations and emphasizes the importance of addressing various external factors that play a role in export boom.

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*The code and data is available at <https://github.com/AhnaAlam1/Europe-and-apparel-export> and replicated files are available at <https://www.socialsciencereproduction.org/reproductions/8b22209f-2847-4ed8-ac83-2222520c6b5a/index>