

# The evolution of world trade and the Italian ‘anomaly’: a new look.

*Michele Di Maio, Federico Tamagni*

## Abstract

This work provides an empirical assessment of the ‘sophistication’ of the Italian international specialization pattern and of its evolution during the period 1980–2000. In particular we analyse the well-known Italian trade ‘anomaly’ combining the information coming from the PRODY index (Hausmann et al. (2005)) with the RCA index. Our results show that in the last two decades, the world trade has been rapidly changing with Italy becoming increasingly more competitive and specialized in products that are characterized by decreasing income/productivity levels. Thus, while the Italian ‘anomaly’ was not a problem in the past, it may have become an obstacle to future growth.

**JEL codes:** C14, F14

**keywords:** Specialization pattern, RCA, *PRODY* index

*Michele Di Maio*, Università di Macerata.

E-mail: m.dimaio@unimc.it.

*Federico Tamagni*, Sant’Anna School of Advanced Studies.

E-mail: f.tamagni@sssup.it.