**Determinants of Export Competitiveness: Evidence from OECD Manufacturing**

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**Abstract**

Many of the OECD countries are known for having a substantial share of manufactures in their exports. This study aims to analyze the determinants of export competitiveness in manufacturing sector of 12 OECD countries over the period 1999-2010. For this purpose, firstly RCA index for manufactures exports is calculated. Then panel data techniques are employed to test the effects of physical capital, labor cost, infrastructure, R&D, the share of high-tech exports and FDI inflows on export competitiveness of manufactures. The results of the study indicate that conventional variables, namely physical capital, labor cost, and infrastructure mostly determine the export competitiveness of manufacturing sector in OECD countries. Furthermore, FDI inflows to the manufacturing sector has not contributed positively to the export competitiveness of OECD countries for the last decade. On the other hand, R&D variable and the share of high-tech exports have shown positive effects on export competitiveness of manufacturing sector.

**Keywords:** Export Competitiveness, Manufacturing Sector, OECD

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