

ABSTRACT:

Estimates of Capital Movements from African Countries to the U.S. through Trade Mispricing

Simon J. Pak

Academic Division Head of Management and Associate Professor of Finance

Great Valley School of Graduate Professional Studies

The Pennsylvania State University

Tel: (610)725-5343 email: SimonPak@psu.edu

This study attempts to estimate the magnitude of capital outflows from every country in Africa to the U.S. by evaluating every reported import and export transactions between African countries and the United States during the ten year period 1996 -2005. The capital outflows from Africa to the U.S. grew significantly, from \$1.9 billion in 1996 to \$4.9 billion in 2005, through both low-priced export and high-priced import. For some countries such as South Africa, Morocco, Ghana, Gabon, Botswana, Lesotho, Madagascar, Swaziland, and Namibia, capital outflows took place more through low-priced export than through high-priced import. For some other countries such as Egypt, Algeria, Nigeria, Kenya, Ethiopia, Cameroon, Senegal, Guinea and Uganda, capital outflows took place more through high-priced import than through low-priced export.