



# Connexa

## Overview on integration and trade



EDITORIAL  
STATEMENT

This edition of Connexa<sup>1</sup> presents the recent dynamic of trade in goods and services of Latin America and the Caribbean (LAC), along with the evolution of investment flows towards the region. Additionally, some indicators are shared that provide a glimpse into the trade prospects for 2024, and dive into the policies that could affect the export dynamics of LAC, both at an aggregate level and particularly in sectors such as agriculture or those with high participation of women.

### SECTION 1 OVERVIEW OF INTERNATIONAL TRADE AND INVESTMENT

- The fall in exports of goods from LAC decelerates.
- In 2024, the impact of commodity prices on LAC's trade balance will be smaller.
- Global demand for goods from LAC will be less dynamic.
- Maritime freight costs are on the rise again.
- During 2023 some countries in the region continued to show good export performance.
- The automobile industry places Mexico as the leading supplier of goods to the United States.
- LAC has room to develop regional agrifood trade.
- Digital trade platforms increase the likelihood of export markets for women-led enterprises.
- LAC's service exports grow faster than global service exports.
- Foreign direct investment flows to the region stagnated in 2023.
- New industrial policy measures distort international trade.
- LAC's agricultural export performance is affected by agricultural support policies in other countries.
- The development of AI in the region paints a heterogenous picture.

### SECTION 2 OVERVIEW ON INTEGRATION AND INTERNATIONAL NEGOTIATIONS

- The 13<sup>th</sup> Ministerial Conference of the World Trade Organization (WTO) concluded with some progress and many outstanding issues.
- According to the World Economic Forum, international cooperation is decreasing.
- Asian countries stand out in the progress of international negotiations.
- Key developments in the agendas of integration processes of LAC are centered in the areas of trade facilitation and dissemination of information.

### SECTION 3 IDB INTAL NEWS

### SECTION 4 OTHER RECENT PUBLICATIONS ON TRADE AND INTEGRATION

1 • This latest edition of Connexa was prepared by: Kathia Michalczewsky, Sofía Sternberg, Jéssica De Angelis, Gustavo Svarzman and Ricardo Rozemberg (coordinator).

EXECUTIVE  
SUMMARY

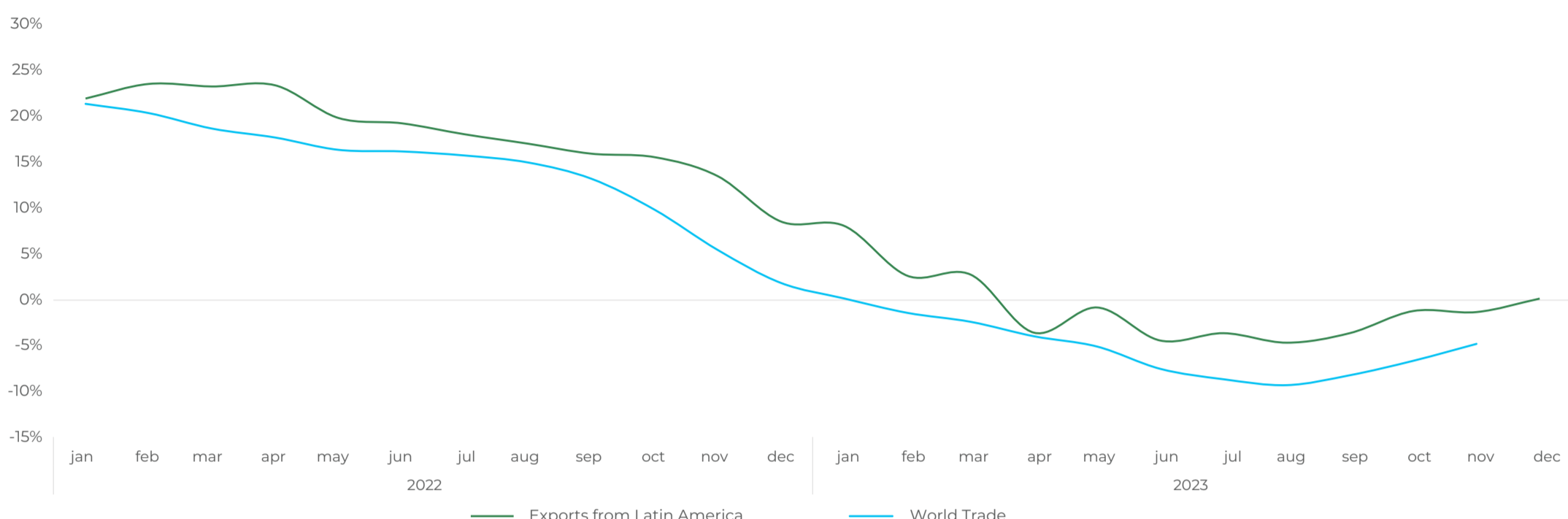
## SECTION 1

# OVERVIEW OF INTERNATIONAL TRADE AND INVESTMENT

### ● THE FALL IN EXPORTS OF GOODS FROM LAC DECELERATES.

During 2023, the contraction in global trade (-5.7%) was greater than that recorded in the region, due to the worse relative performance of global trade volumes. For 2024, the WTO projects a 3.3% growth in the volume of global goods exchange. However, according to the latest [Goods Trade Barometer](#), uncertainty remains high because downside risks persist. As anticipated in the [Trade Trends Estimates](#) published last January by the Inter-American Development Bank (IDB), the region's exports slowed their pace of decline towards the end of 2023 and closed the year with an accumulated contraction of 2.2%. The Caribbean countries and South American economies experienced the deepest contractions (-31.9% and -5.3%, respectively), mainly due to the reversal of commodity prices, while exports in Central America stagnated. Mexico stood apart from the rest of the region and showed a slight expansion in its exports for the year (+2.9%).

FIGURE 1  
EXPORTS FROM LATIN AMERICA AND WORLD TRADE  
Quarterly moving average of the year-on-year growth rate

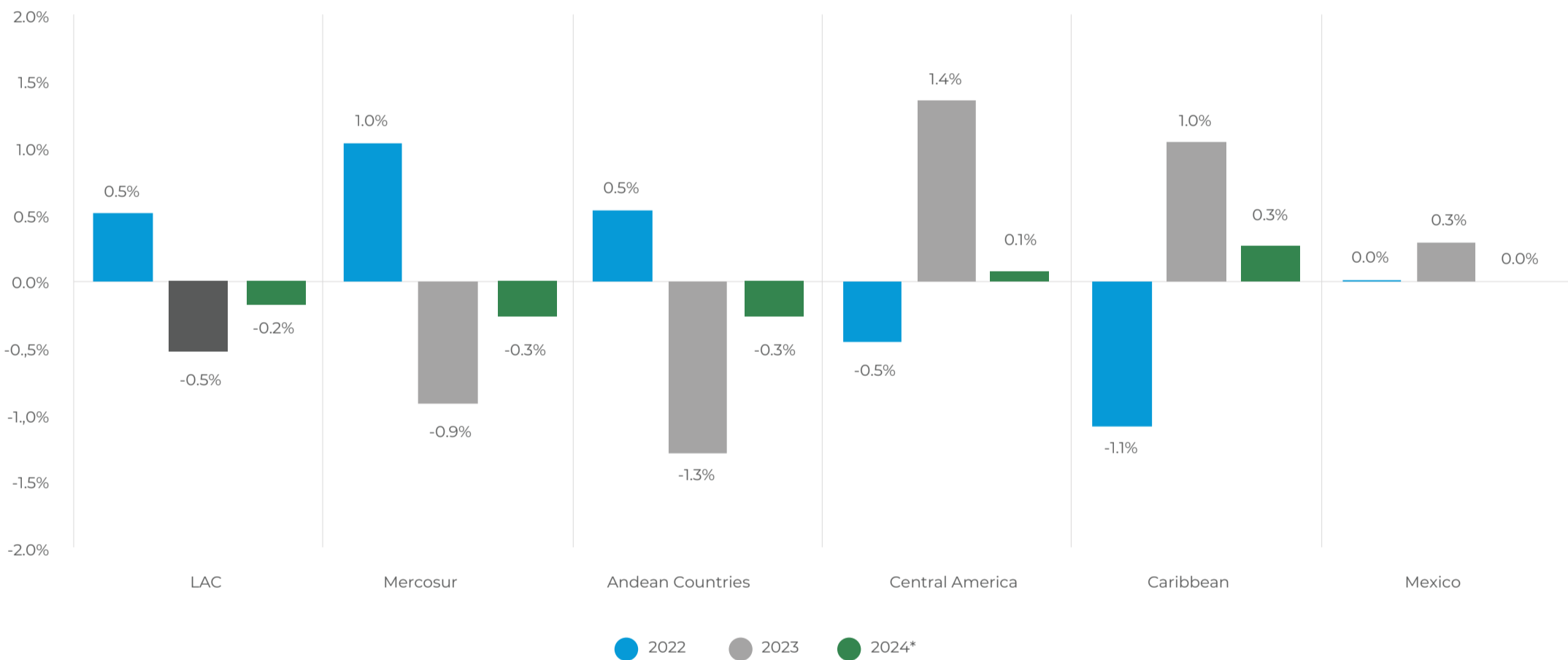


Source: IDB INTAL based on CPB data and official sources.

### ● IN 2024, THE IMPACT OF COMMODITY PRICES ON LAC'S TRADE BALANCE WILL BE SMALLER.

During the first two months of this year, prices of key commodities continued the downward trend that began in late 2022 and deepened throughout 2023. This had a negative effect on the external accounts of countries in LAC, as it pushed down the values of exports and imports. However, the net impact is heterogeneous across different subregions: it is negative for countries that rely heavily on exports of energy, minerals, and food products (such as the Andean nations and Mercosur), while there is net positive effect for the economies of Central America and the Caribbean, where the price contraction of their tradeable goods has been more than offset by the cheaper prices of some of their importable products of greater relevance (especially energy and oil).

FIGURE 2  
ESTIMATION OF THE EFFECT OF COMMODITY PRICES ON THE TRADE BALANCE OF LATIN AMERICA AND THE CARIBBEAN  
Share of GDP, 2022-2024



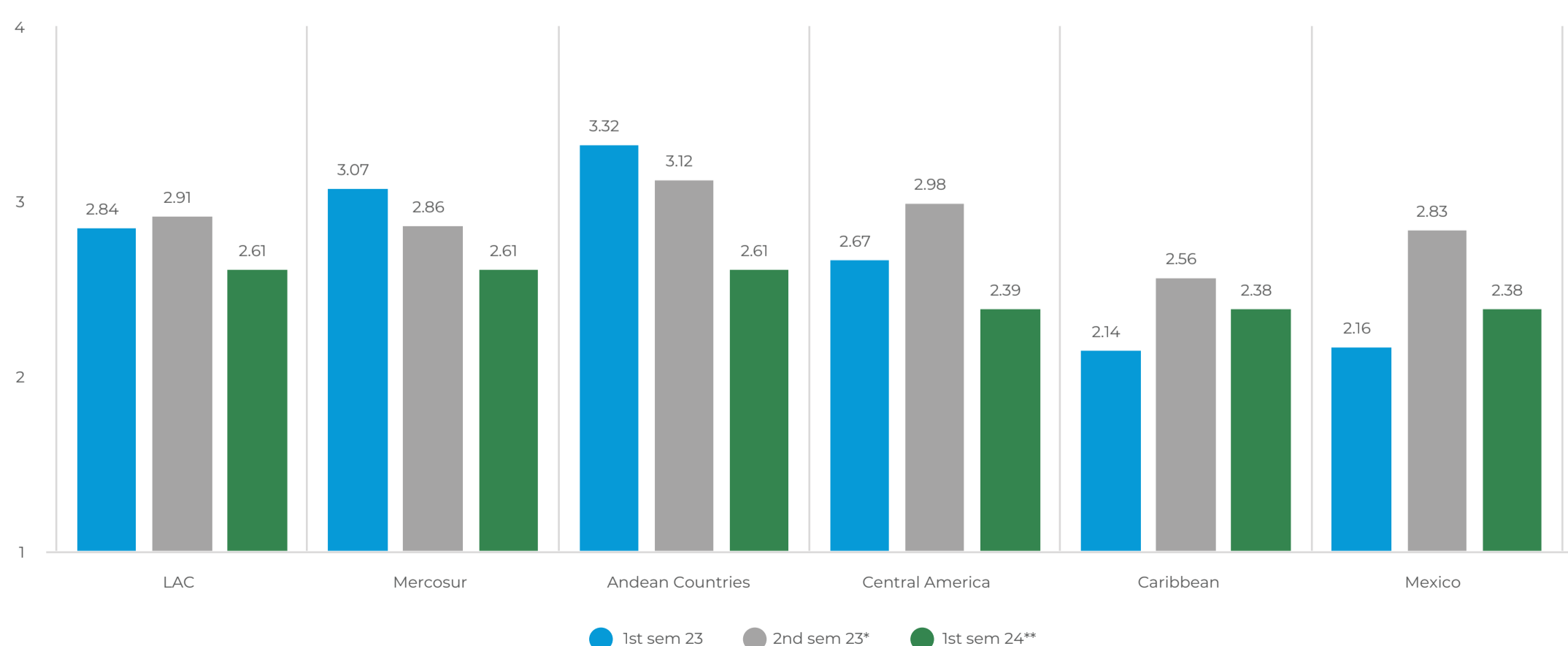
Note: Monthly commodity price indices from the World Bank were considered and weighted with the respective export structures of all 30 major LAC countries, corresponding to 2019/22. Energy, food, non-food agricultural products and minerals (SITC 1 digit) were considered. To aggregate the results of the different countries, a weighted average was made based on their respective GDP in current dollars for the year 2021 and 2022 (Source: World Bank). \* The values for 2024 are annualized, based on the information available for the period January-February of that year.

Source: IDB INTAL based on WTO and World Bank data.

### ● GLOBAL DEMAND FOR GOODS FROM LAC WILL BE LESS DYNAMIC.

Since early 2022, the rate of growth of the global economy has slowed, a trend that deepened throughout last year. This phenomenon is largely a result of monetary contraction policies implemented by major countries since mid-2023, compounded by other issues in specific regions (e.g., a slowing Chinese economy, challenges related to the energy transition in Europe, and difficulties in maritime transportation due to geopolitical tensions, among others). Looking ahead, global growth is projected to slow, with lower rates than those in the pre-pandemic period in the United States, Europe, East Asia, and LAC. In this context, a more complex scenario for the region's exports is expected, with slightly more favorable conditions for economies with a trade pattern oriented towards the Asian region (Andean countries and Mercosur) and less favorable for those more linked to the Eurozone and the United States (Central America and Mexico).

FIGURE 3  
LAC EXPORT DEMAND INDEX  
Year-on-year growth rate of trading partners, 2023-2024



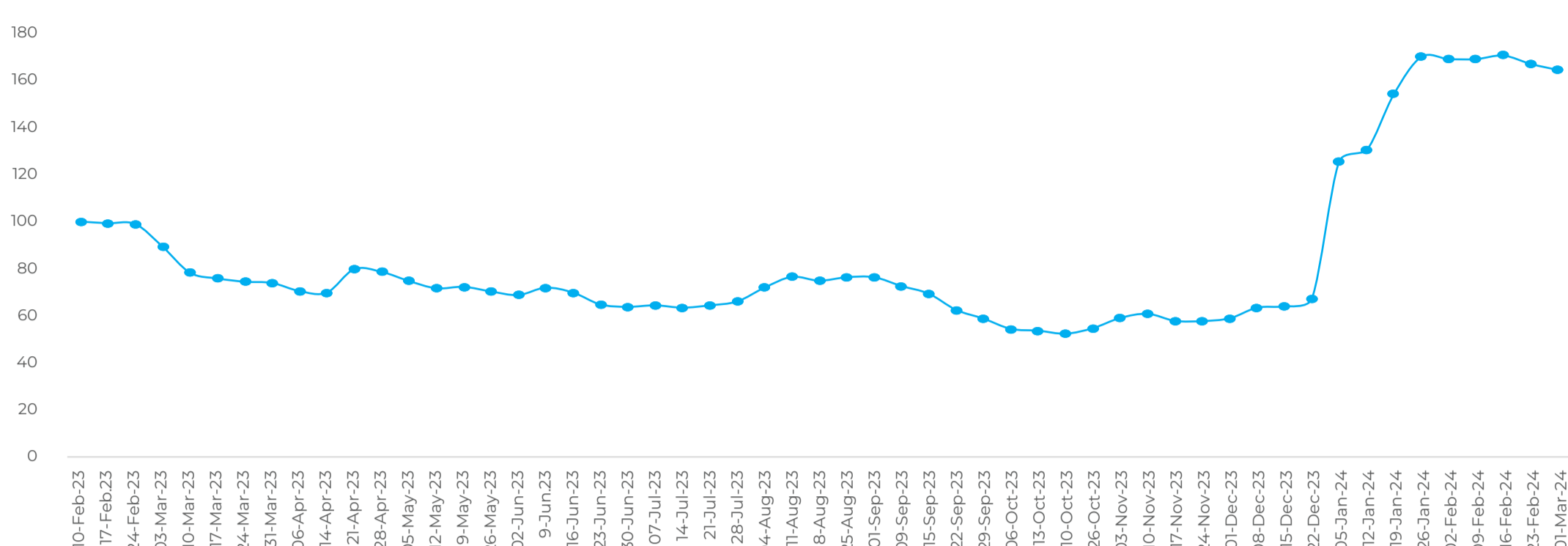
Note: The geographic structure of each of the countries of LAC exports for the year 2021/2 was considered and the year-on-year growth rates of their respective trading partners (representing 91.3% of LAC's weighted average trade) were weighted. To aggregate the results of the different countries, a weighted average was used based on their respective GDP in current dollars for the year 2022.

Source: IDB INTAL based on IMF and World Bank data. \*Preliminary estimate \*\* Data for 2024 were constructed using projections by the IMF, Investing.com and Latin Focus Consensus.

**MARITIME FREIGHT COSTS ARE ON THE RISE AGAIN.**

The severe drought affecting the Panama Canal and recent geopolitical tensions in the Red Sea are causing disruptions in major international maritime trade routes. Both phenomena have led shipping companies to incorporate longer alternative routes, prolonging transit times and consequently increasing shipping costs. Thus, since the second half of 2023, Panama Canal authorities have reduced daily vessel traffic by over 30% and imposed restrictions on ship sizes. Consequently, average congestion days for vessels without transit reservations peaked at 33 days in the northbound direction (Pacific-Atlantic)<sup>2</sup> and 16 days in the southbound direction (Atlantic-Pacific) during the first month of 2024. Meanwhile, the Red Sea, which connects the Asian continent with the Mediterranean Sea via the Suez Canal and accounts for approximately 15% of global maritime trade and 30% of global container transportation (UNCTAD, 2024), has been affected by attacks on American and European vessels since early 2024. As a result of all these factors, the downward trend in maritime freight costs for containers, which had returned to pre-pandemic levels, has reversed. Thus, in January of this year, these costs increased sharply before stabilizing.

**FIGURE 4**  
**VALUES OF MARITIME FREIGHT CONTAINERS**  
Index January-2022=100, selected dates

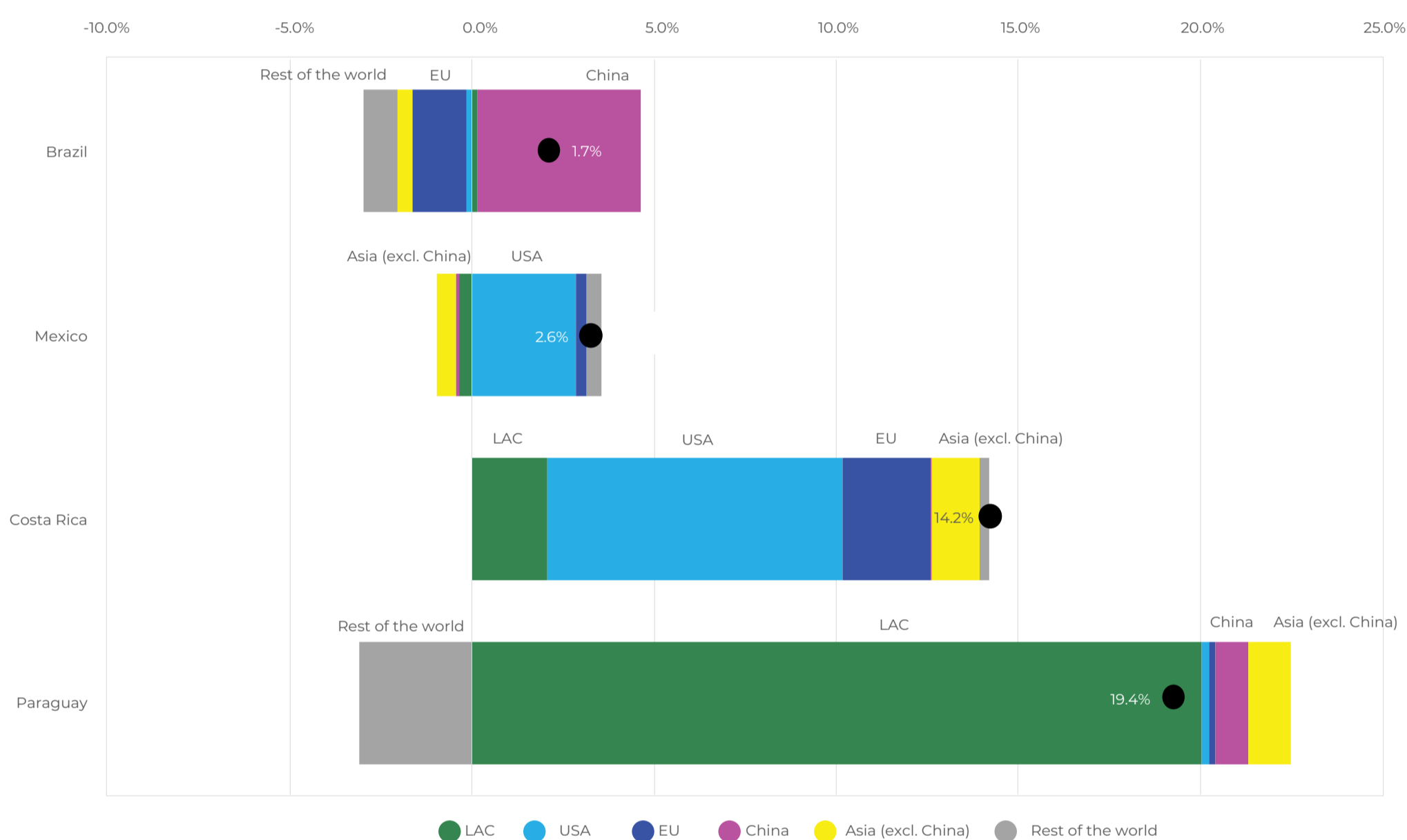


Source: IDB INTAL with Freightos data.

**DURING 2023 SOME COUNTRIES IN THE REGION CONTINUED TO SHOW GOOD EXPORT PERFORMANCE.**

According to data from the [Inter-American Development Bank's Trade Trends Estimates](#), some economies in the region managed to expand their goods exports in an adverse context of price reversals, deceleration of real demand, and widespread contraction of global trade flows. Brazil and Mexico, the largest economies in LAC, recorded growth in their external sales during 2023, albeit at a slower pace than the previous year. Meanwhile, Costa Rica and Paraguay improved their performance compared to 2022. The reasons for these performances differ in each case. Mexico's exports grew by 2.6%, mainly driven by automobile industry's exports to the United States<sup>3</sup>. On the other hand, Brazil's exports increased by 1.7% due to higher shipments of agricultural products to China (soybeans, corn, and sugar). The country made up part of the supply of its main competitors in these goods, such as Argentina in soybeans and Thailand and India in sugar, which were affected by adverse weather events. Costa Rica's external sales increased by 14.2% (above the 9.5% recorded in 2022) due to increased shipments to the United States and, to a lesser extent, the European Union; the country's exports mainly consisted of medical and dental instruments and supplies. Finally, in the case of Paraguay, exports increased by 19.4%, reflecting a recovery after the severe drought that affected its external sales in 2022 (-5.9%), especially in the soybean sector.

**FIGURE 5**  
**DESTINATIONS CONTRIBUTING TO THE CHANGE IN EXPORTS OF THE RELATIVELY BEST PERFORMING ECONOMIES IN LAC**  
Annual growth rate of change and percentage points, 2023

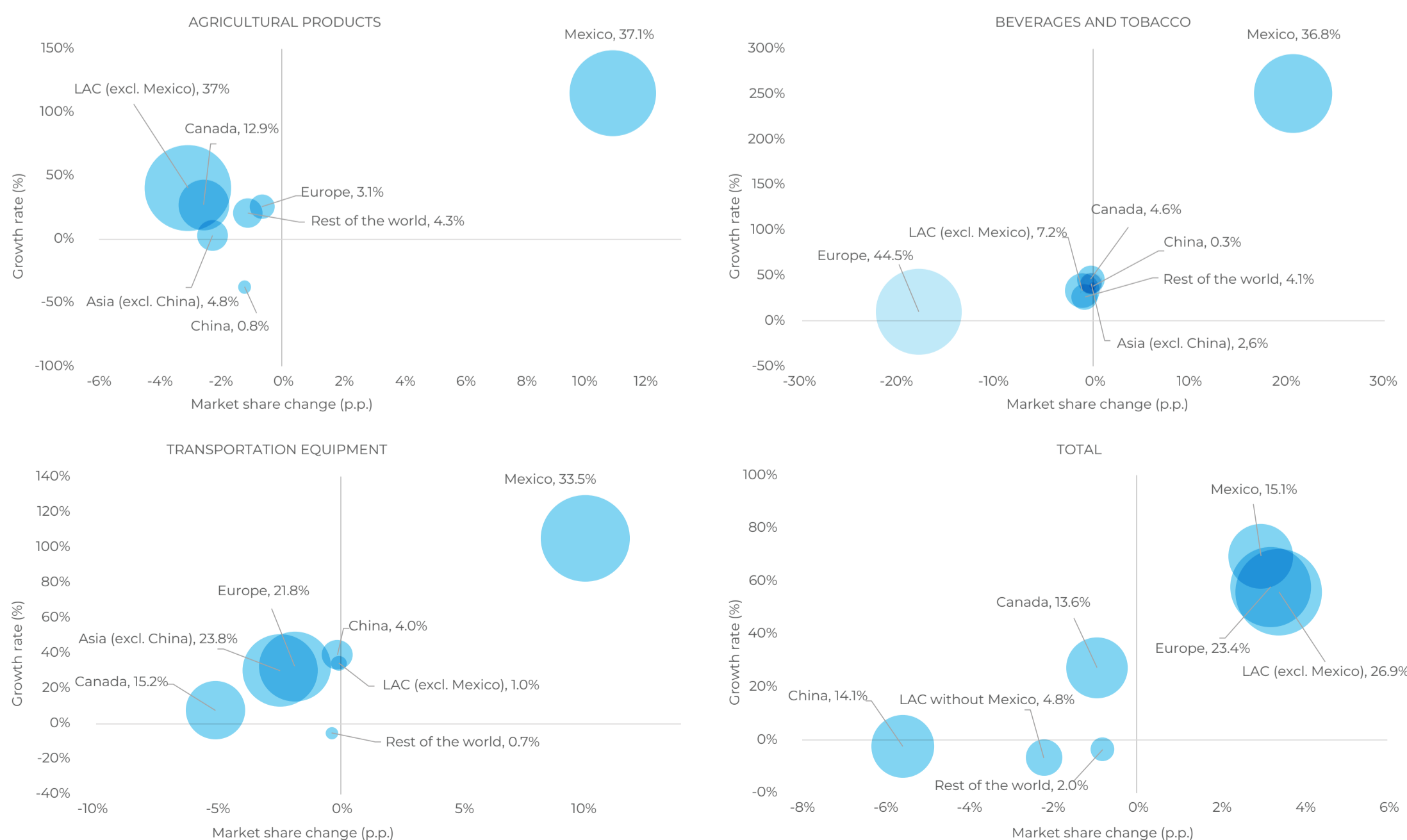


Source: IDB INTAL based on official sources data.

**THE AUTOMOBILE INDUSTRY PLACES MEXICO AS THE LEADING SUPPLIER OF GOODS TO THE UNITED STATES.**

In 2023, Mexico accounted for 15.1% of United States imports, making the country the leading supplier of the American economy and surpassing China and Canada (14.1% and 13.6%, respectively). Over the last 10 years, Mexico's share of total purchases by the United States grew by 3 percentage points (p.p.), while the other two largest trading partners lost 5.6 p.p. and 1 p.p., respectively. The growth of Mexico reflects an increase in the share of imports across 22 of 32 industries<sup>4</sup> in the US. The largest increases in market share were recorded in beverages and tobacco (+20.6 p.p.), agricultural products (+10.9 p.p.), and transportation equipment (+10.0 p.p.). The transportation equipment sector stands out for its significance in total imports from Mexico to the United States, which doubled between 2013 and 2023 (from US\$80 billion to over US\$160 billion). Thus, Mexico became responsible for one-third of US purchases in this industry, gaining share at the expense of Canada (-5.1 p.p.), China (-1.9 p.p.), and the rest of Asia (-2.5 p.p.). In the beverages and tobacco segment, Mexico's growth largely mirrored the loss of European market share, and in the agricultural sector, the decline in share was distributed among various economies, including Asia (including China) (-3.5 p.p.), LAC (-3.1 p.p.), and Canada (-2.6 p.p.).

**FIGURE 6**  
**U.S. IMPORTS, TOTAL AND BY SELECTED SECTORS AND ORIGINS**  
Growth rate, market share's size and change, in percentage points, 2013-2023



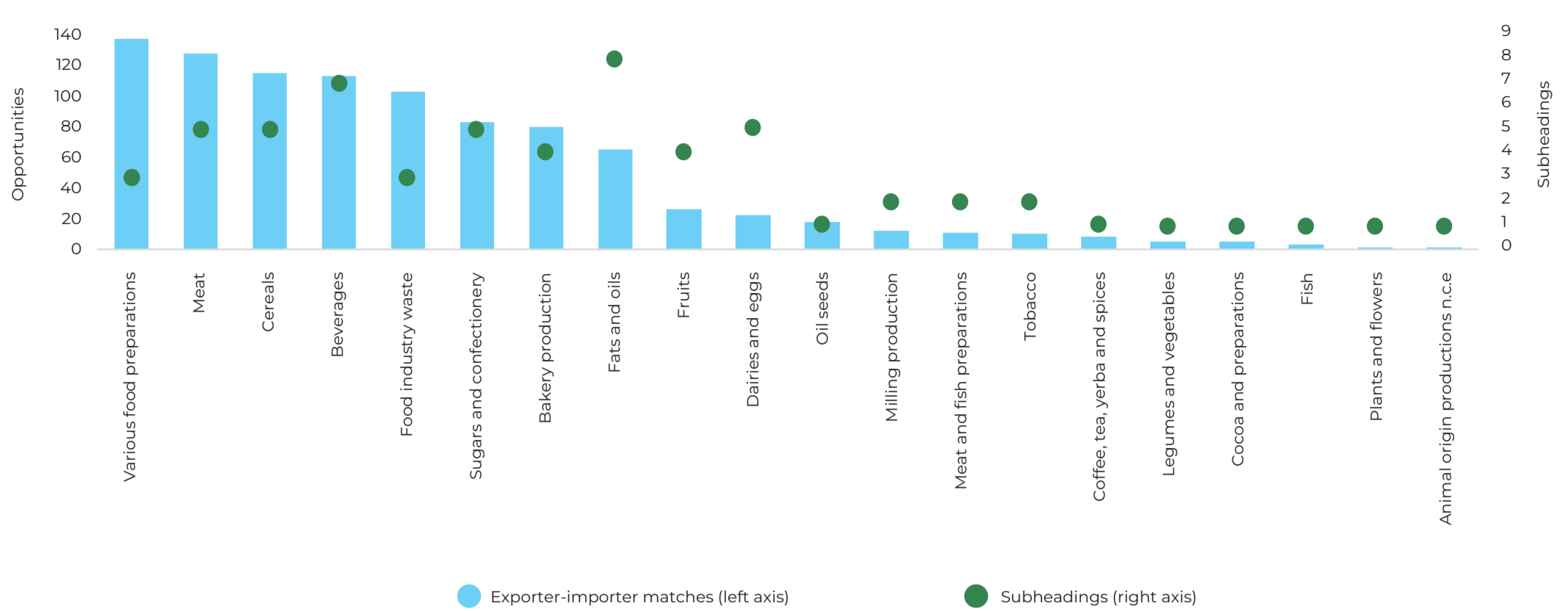
Source: IDB INTAL based on United States Census Bureau data.

2 · In July 2023, before the Canal imposed transit restrictions due to the drought, the average wait time was 5.56 days for southbound and 6.55 days for northbound.  
3 · See the following section for a detailed analysis on the subject.  
4 · According to the "North American Industry Classification System".

## LAC HAS ROOM TO DEVELOP REGIONAL AGRIFOOD TRADE.

Two recent joint publications by the Inter-American Development Bank (IDB) and the Food and Agriculture Organization of the United Nations (FAO)<sup>5</sup> highlight the importance of intraregional agricultural trade in LAC, which accounted for 24.4% of total goods exports and 9.5% of imports in 2021. The first study emphasizes opportunities to intensify trade within the region for cereals, meats, fats and oils, various food preparations, oilseeds, beverages, and dairy products, among others (Figure 7). Regarding trade in agrifood products between the countries of the Central American Integration System (SICA) and the Caribbean Community (Caricom), potential was identified for primary products such as beef, dairy, tomatoes, cauliflower, broccoli, beans, bananas, and coffee. Meanwhile, in the processed products segment, products such as vegetable oil mixtures, sausages, canned tuna, sugar, pasta, cereal-based products, pineapple juice, sauces and seasonings and animal feed stand out. These products collectively represent a potential market of US\$2.8 billion.

**FIGURE 7**  
**OPPORTUNITIES FOR INTENSIFYING AGRIFOOD TRADE BETWEEN LAC COUNTRIES**  
Exporter-importer-product combinations\* and number of Harmonized System subheadings.

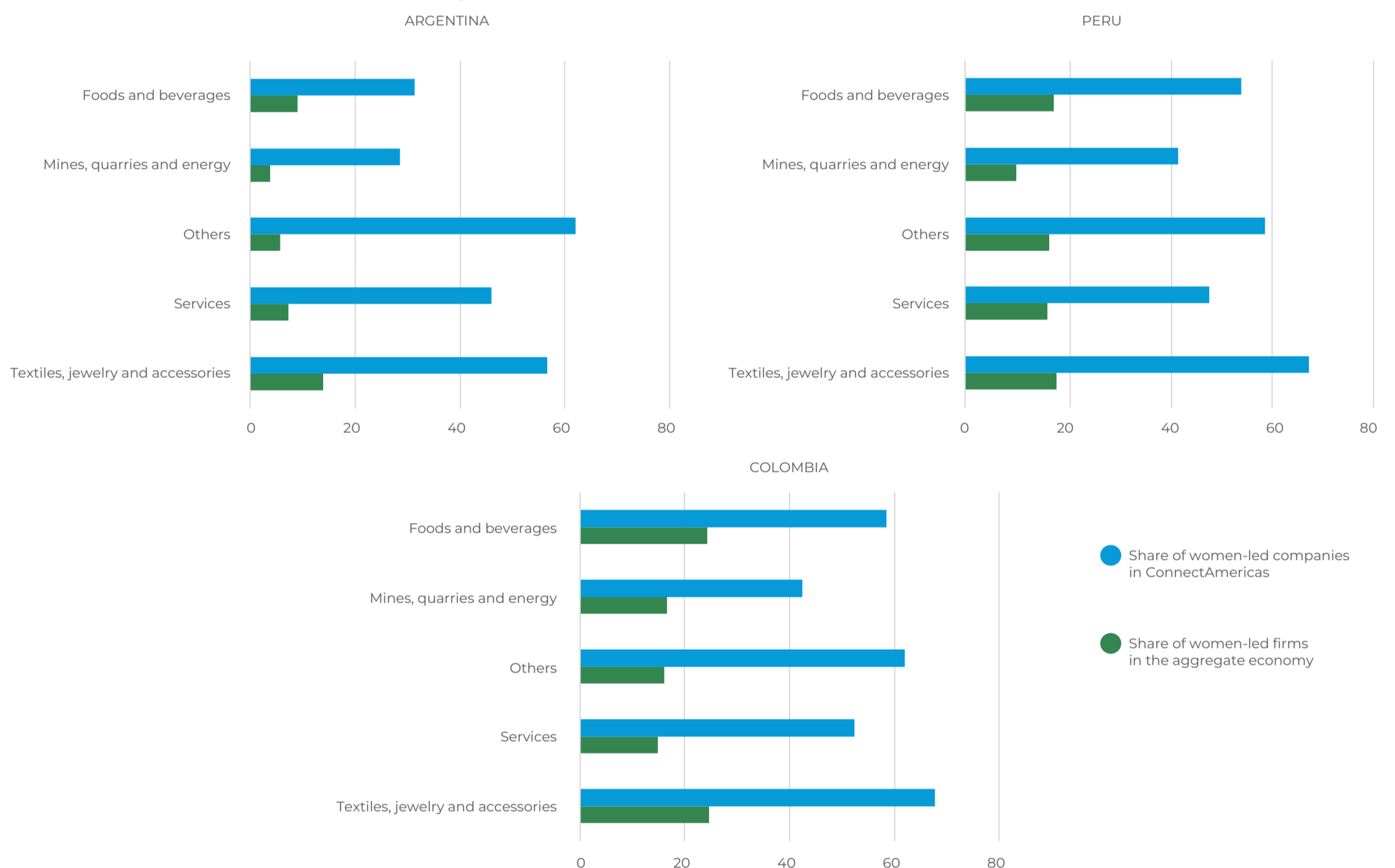


Source: "Opportunities to promote intra-regional agrifood trade in Latin America and the Caribbean," IDB and FAO (2024).  
\* Total: 946 combinations

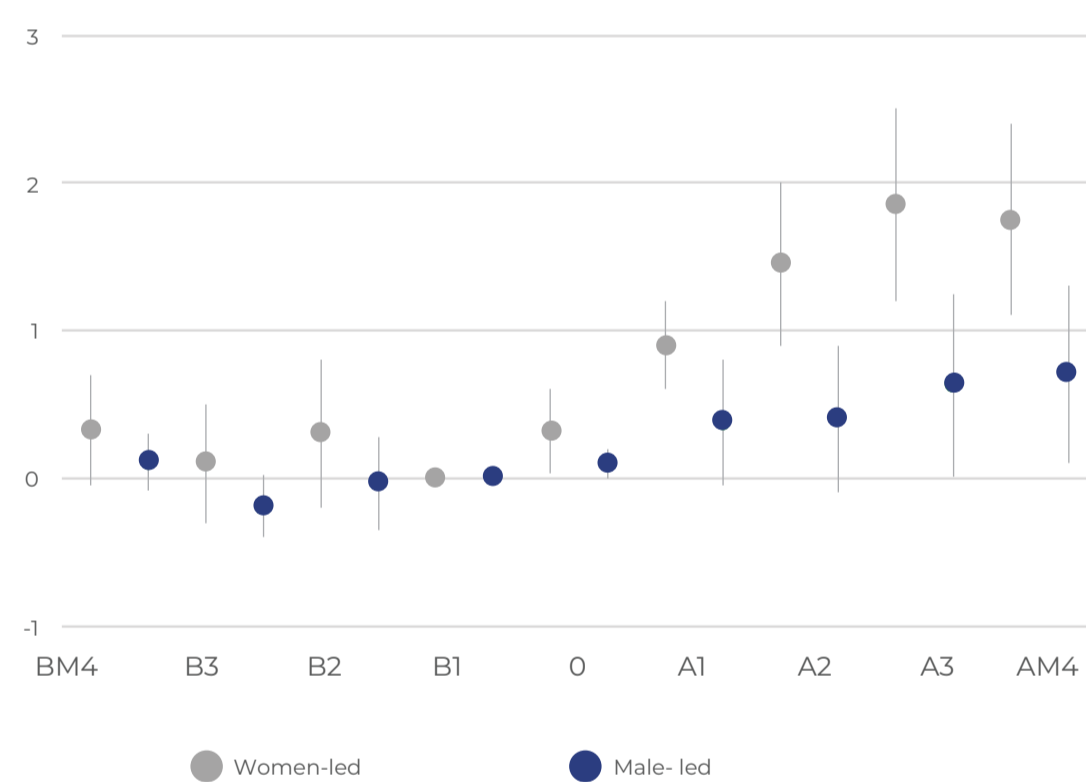
## DIGITAL TRADE PLATFORMS ENHANCE ACCESS TO EXPORT MARKETS FOR WOMEN-LED ENTERPRISES.

The IDB study "[Can Online Platforms Promote Women-Led Exporting Firms?](#)" examines whether online platforms contribute to reducing the information barriers to exporting faced by companies, especially those led by women. The analysis reveals that the proportion of women led businesses - among those participating in the [IDB's ConnectAmericas](#) digital platform - is higher than that observed in the respective economies, even within given sectors (Figure 8a). More specifically, estimates indicate that participation in this platform is associated with a greater increase in exports for women-led firms compared to those managed by men in given markets (combinations of products and destinations) (Figure 8b). The study concludes that policies promoting women's participation in online environments to reduce information-related issues associated with activities in external markets have the potential to promote gender equality.

**FIGURE 8a**  
**SHARE OF CONNECTAMERICAS FIRMS LED BY WOMEN COMPARED TO THE TOTAL SHARE OF FIRMS LED BY WOMEN, IN ALL SECTORS.**



**FIGURE 8b**  
**THE IMPACT OF CONNECTAMERICAS ON THE VALUE OF COMPANY EXPORTS, BY GENDER OF MANAGERS**



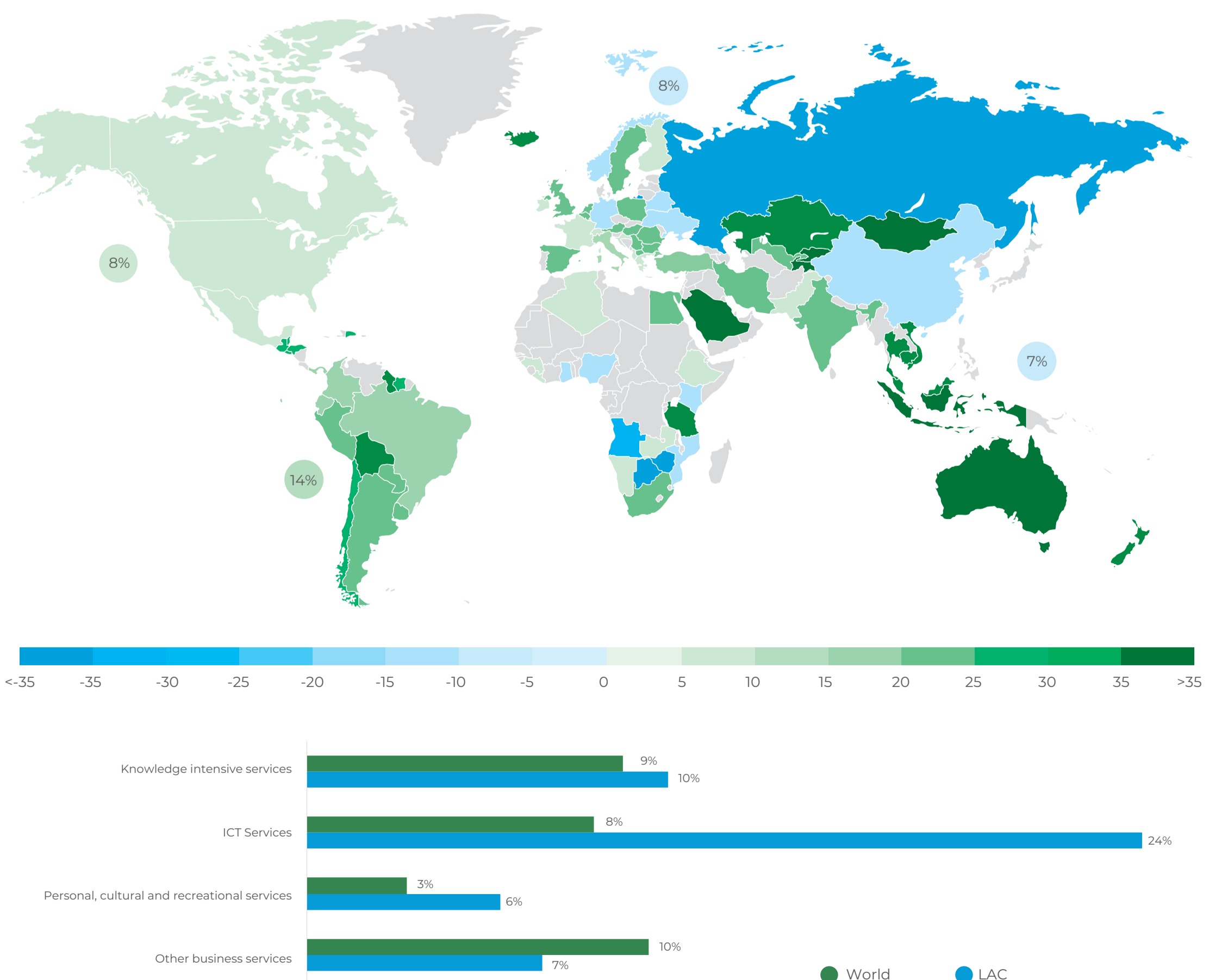
Source: "Can Online Platforms Promote Women-Led Exporting Firms?".

Note: the horizontal axes show the B points corresponding to the periods before each firm joined ConnectAmericas and the A points correspond to the periods after this event.

## LAC'S SERVICE EXPORTS GREW FASTER THAN GLOBAL SERVICE EXPORTS.

According to data up to the third quarter of 2023, service exports from LAC increased by around 14% year-on-year, exceeding the growth of global exports (8%). This was due to the differential performance of transportation services, which declined by 13% globally but increased by 3% in the region; and "other services", which grew by 8% globally and 10% in LAC. However, worldwide travel exports grew almost twice as much as in the region. Preliminary estimates for the third quarter of 2023 show that knowledge-intensive services in LAC (including personal services, cultural services, ICTs, business services, etc.) increased by 10%, one point above the global performance. In particular, the dynamism of ICT exports from LAC stands out, with their expansion tripling the global growth rate.

**FIGURE 9**  
**GROWTH OF SERVICES EXPORTS BY REGION**  
Year-on-year growth rate of change, January-September 2023

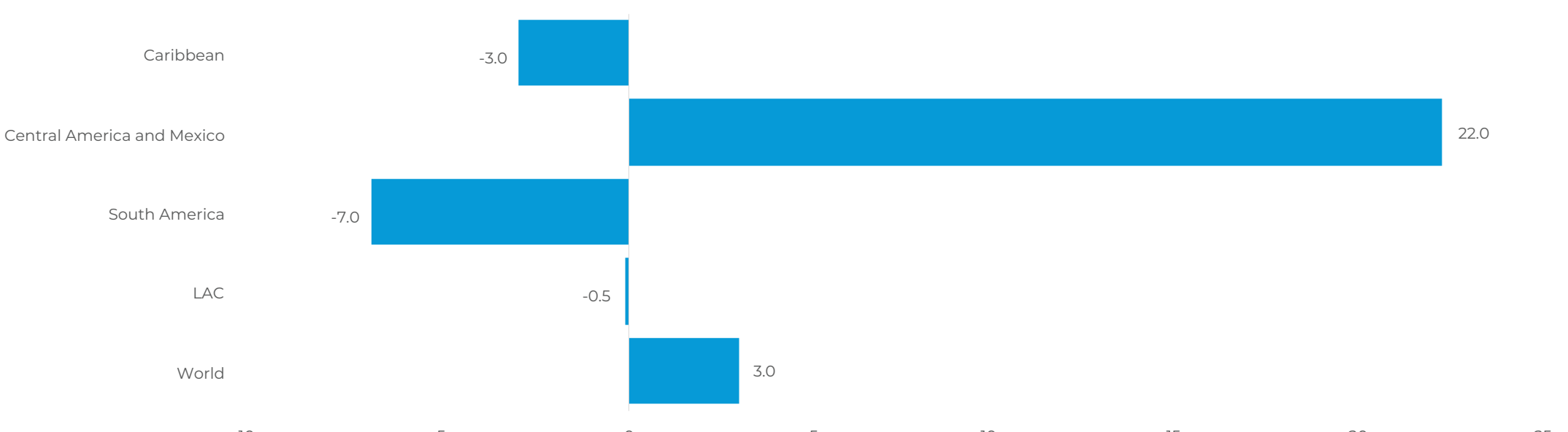


Source: IDB INTAL based on Integra and UNCTAD data.

## ● FOREIGN DIRECT INVESTMENT FLOWS TO THE REGION STAGNATED IN 2023.

Global FDI grew by 3% in 2023, a positive figure considering the 17% contraction recorded the previous year<sup>6</sup>. In LAC, FDI inflows in 2023 only managed to maintain previous levels, which had grown by 50% during 2022. The contractions of 7% and 3% in South America and the Caribbean, respectively, were offset by the strong performance in Central America and Mexico, where FDI inflows increased by 22%.

FIGURE 10  
DYNAMIC OF WORLDWIDE FOREIGN DIRECT INVESTMENT AND FDI RECEIVED BY LAC  
Year on year variation rate 2023, in percentages

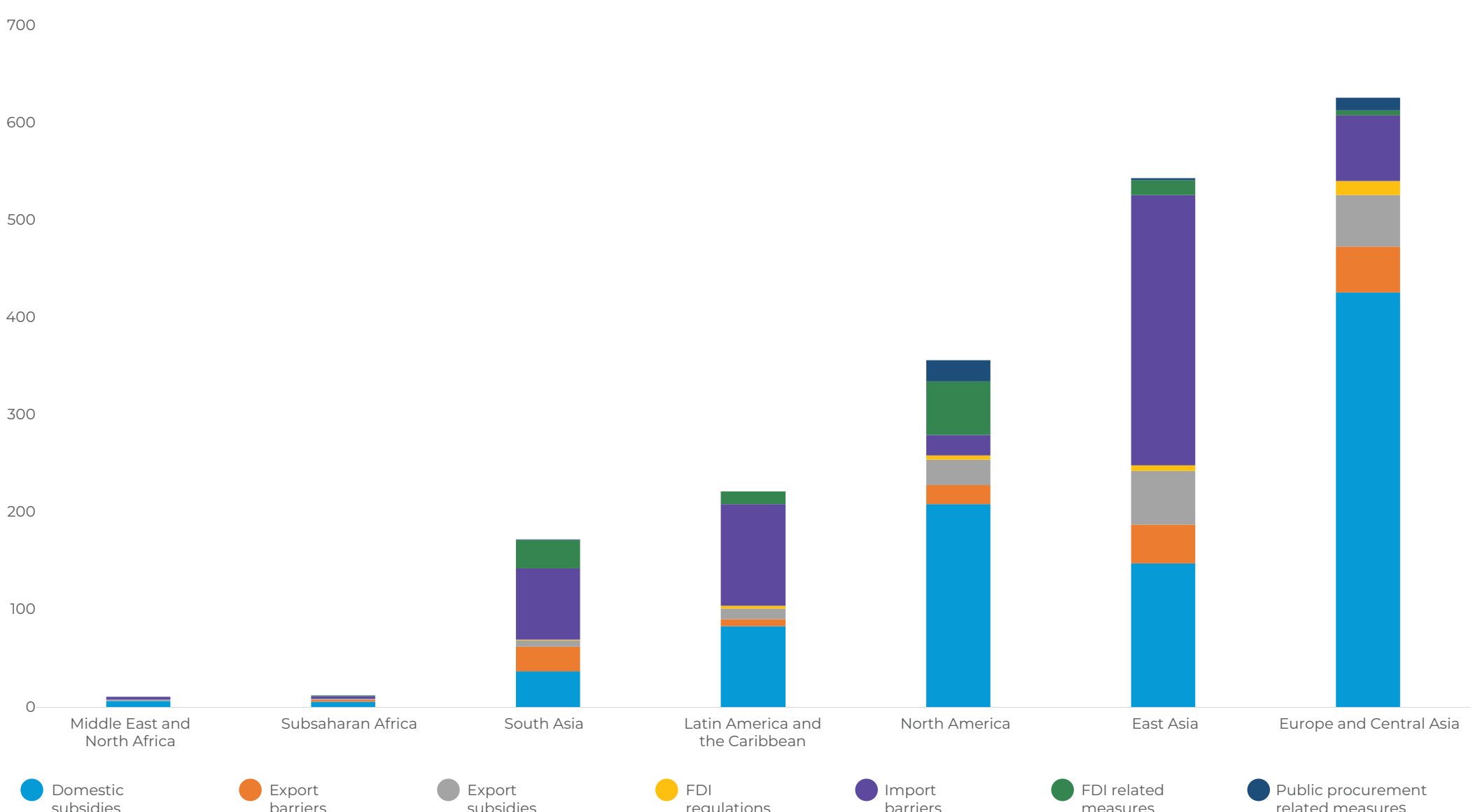


Source: IDB INTAL based on UNCTAD data.

## ● NEW INDUSTRIAL POLICY MEASURES DISTORT INTERNATIONAL TRADE.

According to data from the New Industrial Policy Observatory (NIPO) compiled by Global Trade Alert (GTA), approximately 1,800 measures of industrial policy with distortive effects on international trade were implemented worldwide in 2023. The data indicate that advanced economies were responsible for 70% of the trade policy tools implemented, while the remaining 30% corresponded to developing countries. Approximately 50% of distortive trade measures were adopted by China, the European Union, and the United States. At the regional level, there are differences in the array of selected policies and choice of instruments. While countries in Europe, Central Asia, and North America comparatively use more domestic subsidies than other regions, Asia-Pacific, LAC, and South Asia implement import barriers more frequently. Regarding export restrictions, Asia-Pacific, Europe, and Central Asia are the most active users of such measures. These three regions also stand out for the adoption of export subsidies. Lastly, in North America, measures related to FDI stand out.

FIGURE 11  
DISTORTIVE INDUSTRIAL POLICIES  
In absolute number of measures, by instrument and region, implemented in 2023

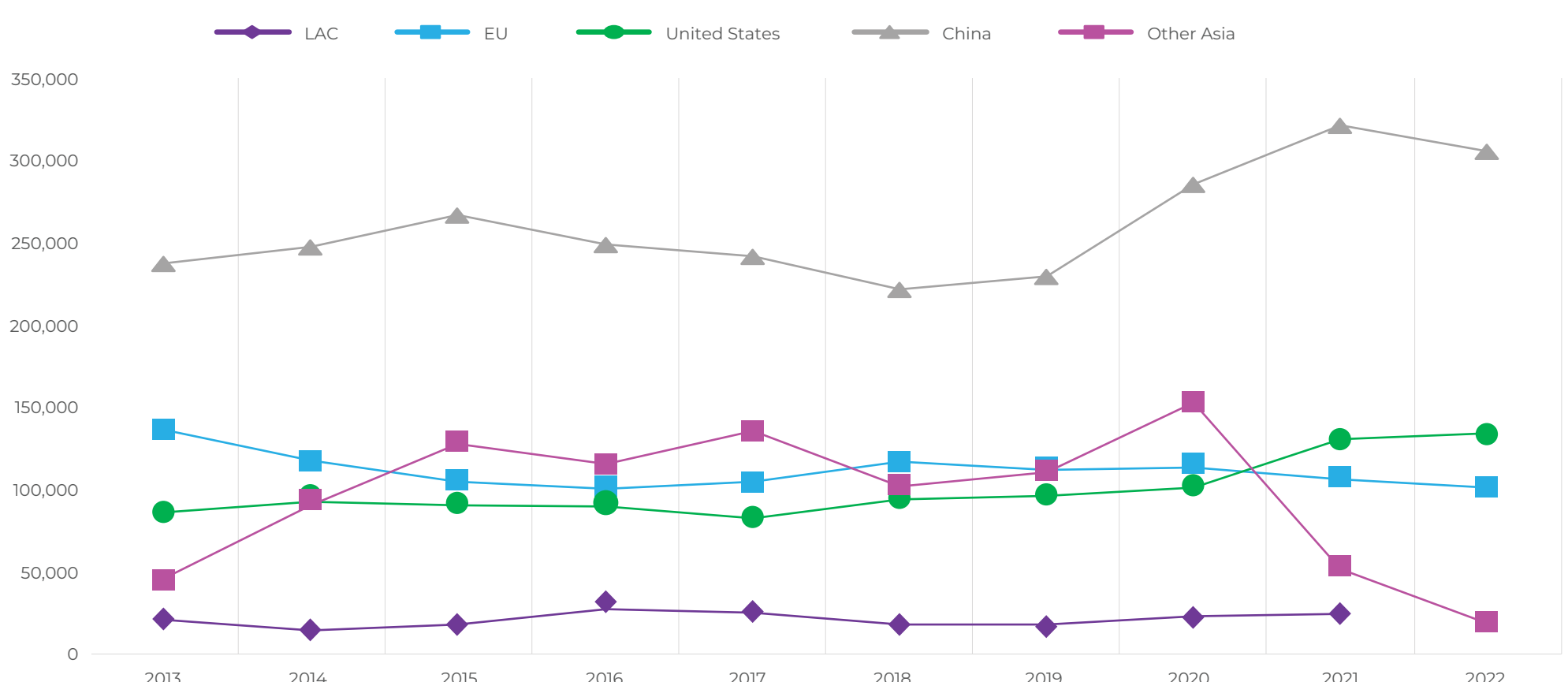


Source: IDB INTAL based on NIPO - Global Trade Alert data.

## ● LAC'S AGRICULTURAL EXPORT PERFORMANCE IS AFFECTED BY AGRICULTURAL SUPPORT POLICIES IN OTHER COUNTRIES.

According to the OECD's annual report on Agricultural Policy Monitoring and Evaluation for 2023, during the period 2020-2022, agricultural support reached a historic high equivalent to US\$851 billion for the 54 countries included in the study. This value is 2.5 times higher than that recorded in the period 2000-2002. The largest increases were observed in the United States and China, which is of utmost importance for the region considering that the Asian economy constitutes the main destination for LAC's agricultural exports. The Total Support Estimate to the agricultural sector consists of measures such as support to producers, consumers, and general services; with producer support being the most distortive, as it can affect competition and, in some cases, the environment, health, and global food security. According to the OECD, much of the assistance to the agricultural sector is inequitable as the benefits tilt towards large producers and detrimental to the environment as it damages water quality and biodiversity and increases resource use and greenhouse gas emissions. According to the OECD<sup>7</sup>, price support measures, in particular, can harm food security by impeding efficient resource allocation, hindering trade between regions, and increasing price volatility in international food markets.

FIGURE 12  
ESTIMATED TOTAL AGRICULTURAL AID IN SELECTED ECONOMIES  
In million US\$, 2013-2022



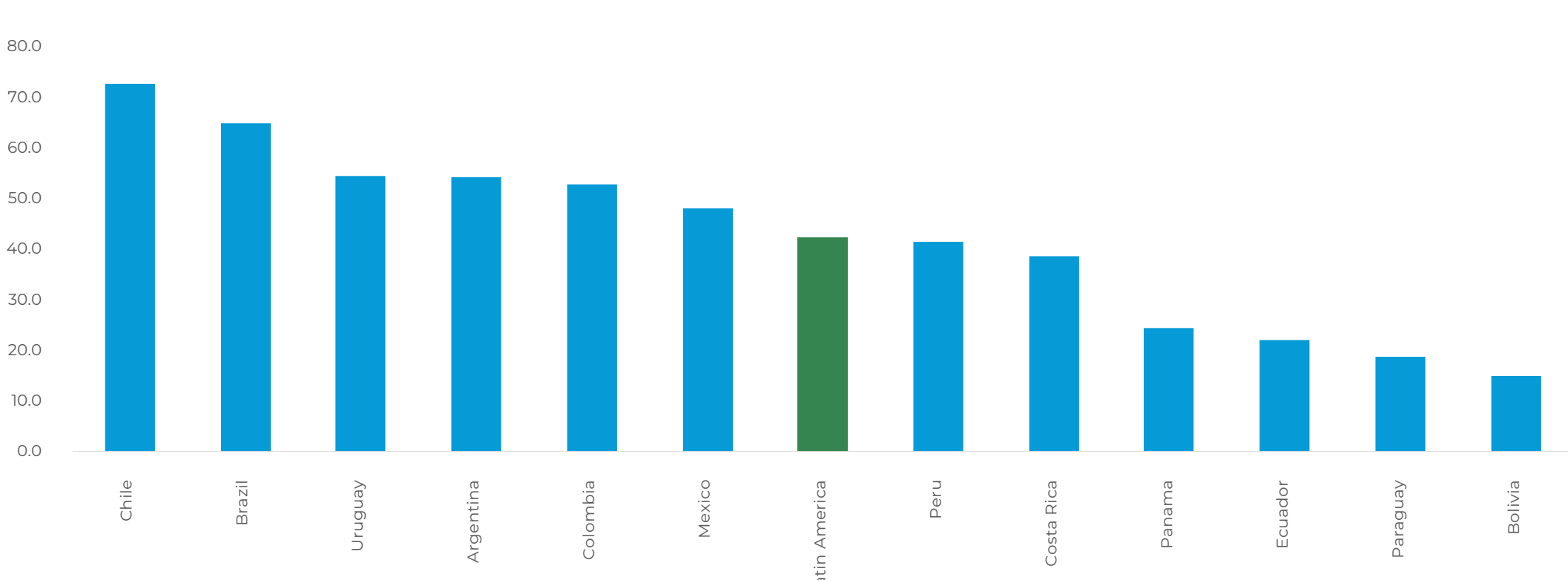
Note: LAC includes Argentina, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Guyana, Jamaica, Mexico, Panama, Paraguay, Peru, Dominican Republic, Surinam and Uruguay, available in the Agrimonitor IDB base. For those countries without available data for most recent years, we imputed the data according to the last available year.

Source: IDB INTAL based on OECD and Agrimonitor data.

## ● THE DEVELOPMENT OF AI IN THE REGION IS HETEROGENEOUS.

Artificial Intelligence (AI) offers tools to achieve productivity and competitiveness improvements in key sectors for the region's productive and export profile. For example, AI and precision agriculture technologies enable the use of applications to increase crop yields, and exports from the knowledge economy sectors can increase through the provision of specialized human capital, as well as the development and adoption of AI-based tools<sup>8</sup>. In this context, the National AI Center of Chile, along with the IDB, CAF, OAS, UNESCO, and with the support of Amazon Web Services and Google, published the Latin American Artificial Intelligence Index (ILIA) in August 2023. This indicator allows for the evaluation and comparison of AI development in the countries of the region, considering three dimensions: i) factors driving growth of the AI system, such as digital infrastructure, data availability and processing capacity, and the development of human talent in this technology; ii) the level of maturity reflected by research, development, and technology adoption, and iii) the governance surrounding these systems. In its first release, the ILIA shows that the reality of AI in Latin America is heterogeneous. While the regional average stands at 42.6 (out of a maximum of 100), countries like Chile (72.2) and Brazil (65.3) lead the ranking. Conversely, Ecuador (22.2), Paraguay (18.8), and Bolivia (15.1) present underdeveloped ecosystems and are well below the regional average.

FIGURE 13  
LATINAMERICAN ARTIFICIAL INTELLIGENCE INDEX, BY COUNTRY, 2023



Source: IDB INTAL based on Centro Nacional de Inteligencia Artificial (CENIA) data.

6 - It is worth noting that, if economies considered global "conduits" were not taken into account, the figure would have remained in negative territory (-18%). These conduits are jurisdictions through which a disproportionate amount of value moves to economies considered tax havens.

7 - Evaluation and Monitoring of Agricultural Policies 2021, OECD.

8 - The IDB has a project in Argentina called "Support Program for Knowledge Economy Exports", whose objective is to contribute to the increase of exports of this sector through the provision of specialized human capital, the development and adoption of AI-based technologies, and the promotion of its international insertion. The specific objectives are: (i) to strengthen the training of human capital required by the sectors of the Knowledge Economy (KE); (ii) to increase collaboration between the scientific and technological system and the productive sector in AI-based technologies; and (iii) to contribute to the internationalization of companies in the KE sectors. <https://publications.iadb.org/es/travesia-40-hacia-la-transformacion-industrial-argentina>.

## OVERVIEW ON INTEGRATION AND INTERNATIONAL NEGOTIATIONS

### ● THE 13<sup>TH</sup> MINISTERIAL CONFERENCE OF THE WORLD TRADE ORGANIZATION (WTO) CONCLUDED WITH SOME PROGRESS AND MANY OUTSTANDING ISSUES.

Below is a brief summary of some of the key points outlined in the Ministerial Declaration, among which the extension of the moratorium to prevent the imposition of tariffs on electronic transmissions stands out.

FIGURE 14  
KEY DEVELOPMENTS FROM THE WTO'S 13TH MINISTERIAL CONFERENCE

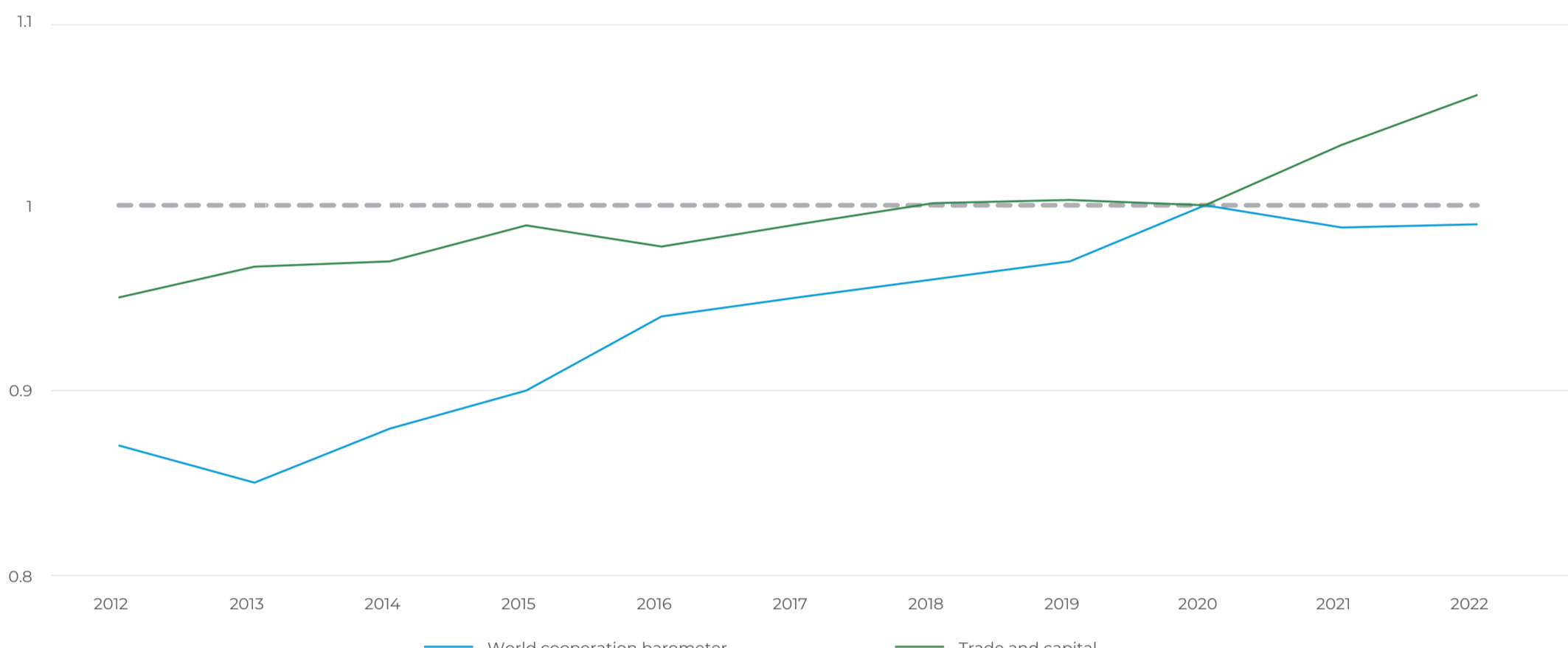
Accessions	Two new members joined the WTO (Comoros and Timor-Leste), marking the first accessions in eight years.
E-commerce	The moratorium on e-commerce (and its work program) to prevent the imposition of tariffs on electronic transmissions was extended for two years.
Services	New rules under the Joint Initiative on Services Domestic Regulation entered into force, with 72 member states committed to their implementation. Notably, the WTO adopted its first provision to prevent gender discrimination in service provision permits.
Dispute settlement	Progress was recognized in discussions to improve the dispute settlement system, with ministers instructed to expedite these discussions, although an agreement remains far off.
Intellectual property	At MC12, a historic agreement was reached for the waiver of certain obligations for COVID-19 vaccine licenses. Due to the lack of consensus on how to expand this decision, the moratorium was extended at MC13.
Fishing subsidies	At MC12, WTO members reached an Agreement on Fisheries Subsidies for Ocean Sustainability, aiming to eliminate public subsidies for illegal, unreported, and unregulated fishing, and for overfished or depleted stocks. Negotiations are ongoing in two parts, with 71 members depositing their acceptance of part 1 of the fishing agreement at MC13. Regarding part 2 (which includes other significant provisions on overfishing and special and differential treatment for least developed countries), there are still issues to negotiate, with the agreement expected at the next ministerial conference.
Agriculture	Despite partial progress in Bali, Nairobi, and Geneva (2013, 2015, and 2022), there was no convergence in negotiations. Differences persist regarding the formation of public food stocks for food security purposes and export restrictions affecting vulnerable food-importing countries. Proposals were presented before MC13 regarding domestic support and market access, but no agreements were reached.
Facilitation of investment for development	Negotiations for the FID agreement began in 2020; the text was concluded by late 2023, and at the beginning of 2024, 123 participating countries presented it as a plurilateral agreement. However, consensus was not achieved to recognize the FID at MC13 and include it in the annex of WTO plurilateral agreements.

Notas: MC: Ministerial Conference.  
Source: IDB INTAL based on WTO.

### ● ACCORDING TO THE WORLD ECONOMIC FORUM, INTERNATIONAL COOPERATION IS DECREASING.

At the 54<sup>th</sup> annual meeting of the World Economic Forum (WEF), the Global Cooperation Barometer was launched, measuring international cooperation in five areas: trade and capital, innovation and technology, climate and natural capital, health and wellness, and peace and security. In this inaugural edition, the indicator shows that cooperation remained stable from 2012 to 2020 but experienced a 2% decline between 2020 and 2022. Cooperation measured as flows of trade and capital experienced moderate growth between 2012 and 2020 (averaging 0.9% annually) and a significant rebound during the 2020-2022 period (averaging 3.3% annually), driven by post-pandemic recovery. Although the rest of the areas showed signs of strength in the last three years, the peace and security dimension declined, on average, by 10% between 2020 and 2022 due to escalating tensions and geopolitical conflicts.

FIGURE 15  
EVOLUTION OF THE WORLD COOPERATION BAROMETER  
Base 2020 = 1



Source: IDB INTAL based on WEF data.

### ● GLOBAL AND REGIONAL NEGOTIATIONS.

Between late 2023 and the first months of 2024, countries in Latin America and the Caribbean (LAC) made progress in extra-regional negotiations, particularly with several Asian countries. Additionally, the negotiating activity of China and India stood out in the rest of the world.

FIGURE 16  
PROGRESS IN INTERNATIONAL NEGOTIATIONS DECEMBER 2023 - FEBRUARY 2024

REGIONS	AGREEMENTS	DATE	EVENT	
LATIN AMERICA AND THE CARIBBEAN	Chile	European Union	December 2023	Signing of the Advanced Framework Agreement and the Interim Trade Agreement. Together, they constitute an updated version of the Partnership Agreement.
	Honduras	China	December 2023	Third round of negotiations for an FTA
	MERCOSUR	Singapore	December 2023	Signing of FTA
	Colombia	United Arab Emirates	December 2023	Conclusion of negotiations for an FTA
	Guatemala	Republic of Korea	January 2024	Signing of FTA between Central America and the Republic of Korea
	Nicaragua	China	January 2024	FTA enters into force
	Ecuador	China	January 2024	Ecuador ratifies FTA
REST OF THE WORLD	Peru	India	January 2024	Sixth round of negotiations for an FTA
	Republic of Korea	Gulf Cooperation Council	December 2023	Signing of FTA
		Indonesia	December 2023	First round for the modernization of FTA
	Ukraine	Belarus	December 2023	Initiation of the FTA termination process
	China	Serbia	December 2023	Serbia ratifies FTA
		Asean	February 2024	Fifth round of negotiations for an FTA
		Switzerland	February 2024	Announcement of negotiations for the update of FTA
		Republic of Korea	January 2024	Fifth round of negotiations for an FTA
		Iran	January 2024	Signing of FTA
		United Kingdom	January 2024	Singapore ratifies the UK's entry into the CPTPP
REST OF THE WORLD	Thailand	Sri Lanka	February 2024	Signing of FTA
	United Kingdom	Gulf Cooperation Council	February 2024	Sixth round of negotiations for an FTA
		Nigeria	February 2024	Signing of the Enhanced Trade Investment Partnership (ETIP) Agreement
	India	Switzerland	January 2024	Conclusion of negotiations for an FTA
		European Free Trade Association	February 2024	Conclusion of negotiations for an FTA
		Oman	January 2024	Third round of negotiations for an FTA
		Asean	February 2024	Third meeting for FTA review
		European Union	February 2024	Seventh round of negotiations for an FTA
	Philippines	Australia and New Zealand	February 2024	Signing of the protocol for the improvement of the ASEAN-Australia-New Zealand FTA
		Hong Kong	February 2024	Signing of protocol to the ASEAN-Hong Kong FTA

Nota: For progress in negotiations in previous months see previous editions of [Connexa](#).  
Source: IDB INTAL with information from official sites and press.

### ● MAJOR DEVELOPMENTS IN THE INTEGRATION PROCESSES AGENDA OF LAC.

Over the past three months, Central America's progress in trade facilitation has stood out, along with the launches of various digital information dissemination platforms, public procurement, and social platforms in the Pacific Alliance (PA), and the approval of a new regulation to promote electrical interconnection in the Andean Community (AC).

FIGURE 17  
PROGRESS IN THE REGION'S BLOCS DECEMBER 2023- FEBRUARY 2024

BLOC	DEVELOPMENTS
PA	The PA Digital platform was launched, created jointly with the IDB. It is a space aimed at developing a business social network to access procurement announcements in companies and governments, business contacts, courses, articles, videos, and other content aimed at promoting the growth and internationalization of SMEs. Through PA Digital, the business community will be able to become acquainted with and make contact with the supply and demand of goods and services at the national and international levels, both for finished products and for complementary inputs and services. The Social Observatory and the Public Procurement Observatory of the Pacific Alliance were launched. The first is a virtual instrument whose objective is to collect, systematize, manage, and publish updated information from the social sector that contributes to the design and strengthening of public policies. The second aims to generate relevant knowledge through the collection of data and to carry out analysis, studies, or diagnoses and other actions on topics related to public procurement that are of interest to the private sector, academia, and civil society.
AC	The AC Commission approved a community regulatory framework that gives new impetus to electrical interconnection in the region and modifies Decision 816, which will provide member countries of that organization with a transition period to adapt that regulatory framework and its standards to their internal legal framework to progress towards full regional electrical interconnection.
CARICOM	The 46th Ordinary Meeting of the Conference of Heads of Government of CARICOM was held. Progress in the common market was addressed, such as the free movement of people - expected to materialize in the coming months - harmonization of business laws and mutual recognition, digital transformation, food security, and matters related to air and maritime transport.
MERCOSUR	Paraguay presented the priority objectives agreed upon under the current Pro Tempore Presidency of Mercosur: strengthening the integration process; the development of physical, digital, and energy integration; compliance with and expansion of the current agenda; the continuation of external negotiations, and the development of women's economic empowerment within the bloc. Additionally, it decided to carry out the 12th edition of the Mercosur Business Forum with an emphasis on SMEs; continue with the deepening of integration between border towns; promote instruments of macroeconomic coordination; emphasize activities related to security, and promote actions aimed at valuing the heritage and cultural values of the States that make up the bloc. A meeting of Foreign Affairs Ministers of the States that make up Mercosur and Bolivia was held, where it was established that concluding pending aspects of negotiations with the European Union and reaching the signing of a balanced agreement for both parties as soon as possible will be a priority. It was also agreed to continue the negotiating process with the European Free Trade Association and prioritize the promotion of negotiations with the United Arab Emirates. Additionally, it was committed to provide technical support for the process of incorporating Bolivia into Mercosur in the terms of the provisions of the Accession Protocol and the regulations related to the process of incorporating Member States into the bloc.
SICA/SIECA	The Integrated Control Center at Paso Canoas between Costa Rica and Panama was inaugurated, financed by the IDB. Paso Canoas is an integrated control center, with digitized and optimized processes, and a dual facility system where both countries carry out joint and simultaneous control at a single point. This arrangement slashes average cargo transit times from hours to minutes, reduces passenger transit times by 50%, lowers transportation costs, and promotes integration. Within the framework of the Central American Trade Facilitation and Competitiveness Strategy, launched in December and financed by the IDB, the Central American Trade Digital Platform was launched, which provides a technological infrastructure hosted and managed by SIECA and facilitates trade and its related paperwork in the region. One of the main advances is that, starting from March, sanitary and phytosanitary certificates will be transmitted electronically between the Member States, and their physical presentation at Integrated Border Posts will be replaced. Within the framework of the Deep Integration Process, the authorities of El Salvador and Honduras initiated the operations of the Integrated Border Post (IBP) El Amatillo.

Source: IDB INTAL based on MERCOSUR, CAN, AP, SIECA and CARICOM. Based on information of official sites as of February 2024.

## SECTION 3

# IDB INTAL NEWS<sup>9</sup>



## LAUNCHES

### • GENDER WEBSITE

As part of #WomensMonth, a specialized website on trade and gender was launched, featuring publications, events, and testimonies related to the subject.

[LINK](#)

### • INSTITUTIONAL BROCHURE

Presents the actions carried out by the IDB INTAL during 2023 to promote the benefits of regional integration and trade in Latin America and the Caribbean

[LINK](#)

### • AUDIOBOOK

IDB INTAL, ConnectAmericas, and Foro del Sur prepared their first audiobook, featuring the experiences of 24 women from companies and cooperatives in the region who have faced various challenges when promoting exports.

[LINK](#)

### • INTEGRA

The specialized platform on integration, trade, and investment data is now available. It gathers information on the main statistics regarding the movement of goods, services, and investments in the region, identifies the main integration initiatives in the region, and provides detailed tracking of their activities.

[LINK](#)

## PUBLICATIONS

### • MERCOSUR REPORT

Analyzes the situation of the bloc between January 2022 and June 2023. It also examines the region's potential for the development of biotechnology.

[LINK](#)

### • TRADE TRENDS ESTIMATES

Presents estimates of international trade flows for Latin America and the Caribbean for 2023. The document was prepared by the Integration and Trade Sector of the IDB, in collaboration with its Institute for the Integration of Latin America and the Caribbean.

[LINK](#)

## TRAINING

### • Knowledge-Based Services Trade for Peru

The course was organized by IDB INTAL from November 13th to 23rd last year, in partnership with the Ministry of Foreign Trade and Tourism of Peru, aiming to promote a better understanding of knowledge-based services and to analyze Peru's challenges for strengthening this sector.

[LINK](#)

### • Trade and Environment for the Brazilian Industry

The aim of the training was to analyze the links between trade and sustainable development, as well as the convergence between environmental policy and trade, to contribute to economic development in Brazil.

[POR](#)

### • Cross-Border E-commerce for Mercosur Countries

The course was organized by IDB INTAL and the Ministry of Foreign Relations, International Trade, and Worship of the Argentine Republic. Its objective was to analyze the reality of cross-border e-commerce, its potential, and its challenges as a driver of development.

[ESP](#)  
[POR](#)

## INTAL Talks

### • Regional and Extra-regional Trends in Infrastructure for Trade Dynamism

In this virtual session, Ana María Ruiz Rivadeneira, responsible for the Public-Private Partnership (PPP) and Infrastructure Governance Network of the OECD, participated alongside José Barbero, professor and researcher at the Universidad Nacional de San Martín.

[ESP](#)  
[ING](#)

## INTegrad@s network

### • Panel Discussion on AI and New Skills

The global framework in which technologies such as AI develop was analyzed, along with the implications of these trends in terms of governance and integration agreements.

[ESP](#)  
[ING](#)

## SECTION 4

### OTHER RECENT PUBLICATIONS ON TRADE AND INTEGRATION

- The IDB, jointly with FAO, published two documents on the agri-food trade in the region. The first one, ["Opportunities to Promote Intra-regional Agri-food Trade in Latin America and the Caribbean,"](#) analyzes the intra-regional trade of agri-food products in the region, evaluates its scope and limitations, and formulates recommendations to capitalize on expansion opportunities. The second one, ["Opportunities and Challenges of Agri-food Trade between the Countries of the Central American Integration System and the Caribbean Community,"](#) aims to identify opportunities to enhance the trade of agri-food products between the countries of Central America and the Caribbean, to contribute to reducing food insecurity, generating more employment opportunities, revitalizing economies, and overall, achieving better living conditions for the inhabitants of these regions.
- The ["Report on the Current Status of Central American Integration"](#) is an annual publication by the Secretariat of Central American Economic Integration, aimed at disseminating trade figures and other relevant aspects of the integration process..
- The ["ECLAC FAL Bulletin on Trends in Transportation Costs in International Trade: Analysis of US Imports from Latin America and the Caribbean and Other Regions or Countries"](#) utilizes data from the US Census Bureau from 2000 to 2021 to analyze transportation costs according to the mode of transportation used.
- The European Commission, in its study ["Cumulative Economic Impact of Upcoming Trade Agreements on EU Agriculture,"](#) investigates the potential effects of 10 upcoming free trade agreements within the current EU trade agenda. It quantifies the cumulative sectoral impacts in terms of bilateral trade, production, demand, and price developments. Additionally, it provides insights into the evolution of supply, demand, and prices of the most important agricultural commodities in the EU.
- The ["Central American Trade Facilitation and Competitiveness Strategy,"](#) with an emphasis on coordinated border management, published by the Secretariat of Central American Economic Integration, frames measures prioritized through the consultation process in the countries: reducing costs and time for cross-border trade, ports and airports, expediting movement of people, and implementing effective coordinated controls to improve regional logistics efficiency and competitiveness.
- The article from the World Economic Forum ["These are the world's most vital waterways for global trade"](#) profiles the five most relevant international maritime passages for global trade.
- The World Economic Forum's report ["TradeTech: Catalysing Innovation"](#) explores the transformative potential of global trade through innovative technologies such as robotics, artificial intelligence, automation, and the Internet of Things.
- The Economist Intelligence Unit presented the report ["Infrastructure Opportunities in Latin America,"](#) which shows that Latin America's infrastructure still falls below international standards, limiting competitiveness and growth.
- The Latin American Integration Institute presented the book ["Latin American Integration: Multidimensional Convergences and Divergences,"](#) which showcases some of the presentations given at the symposium that led to this publication, organized by the Latin American Integration Institute of the School of Legal and Social Sciences of the Universidad Nacional de La Plata.

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