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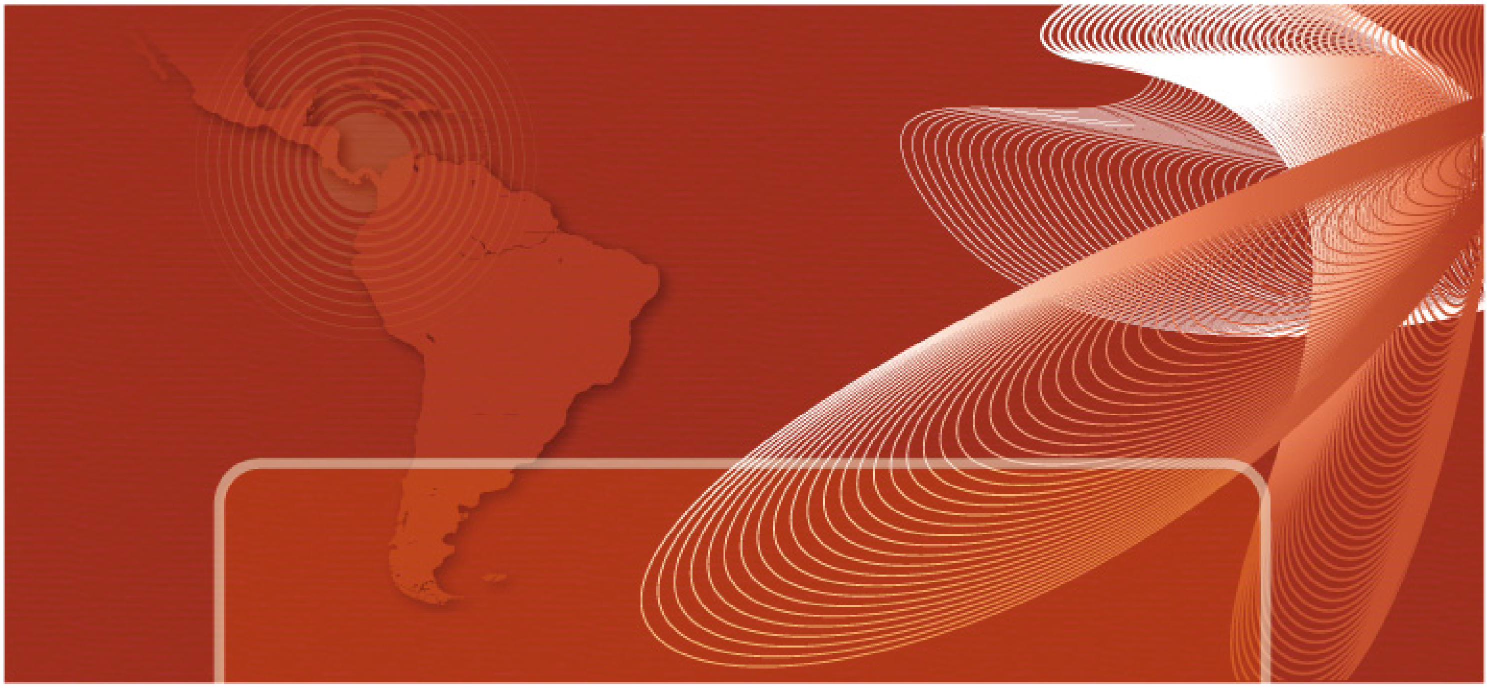
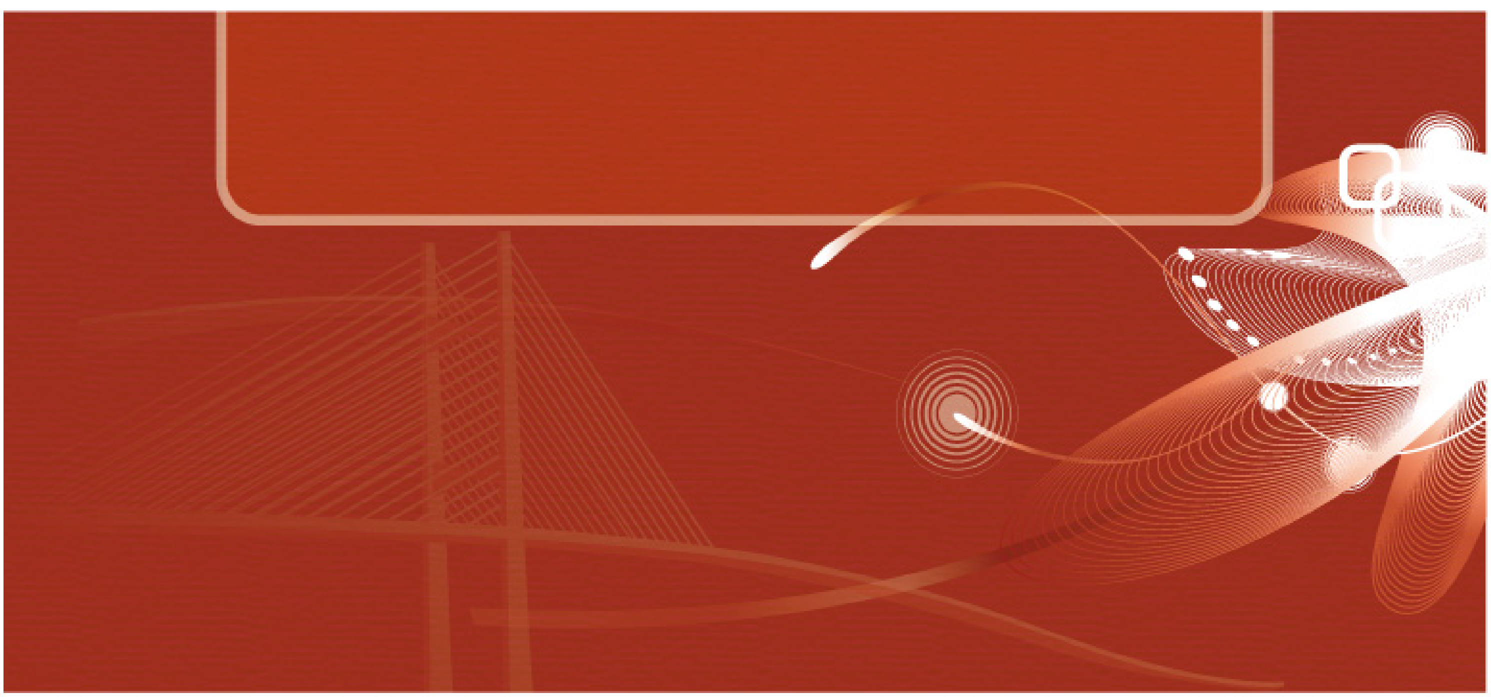


Integration Blocs



The Caribbean

33rd Regular Meeting of CARICOM Heads of Government

The Thirty-Third Regular Meeting of the Conference of Heads of Government of the Caribbean Community (CARICOM) was held in Gros Islet, St. Lucia, July 3-6.
The main item on the agenda was the coordination of foreign policy in CARICOM in the framework of the global, political, and economic changes, and there was discussion about the free flow of people across the Member States.
The Summit was chaired by the Prime Minister of Saint Lucia, Kenny D. Anthony, leader of the Community from July 1 to December 31, 2012, who replaced the President of Suriname, Désiré Bouterse.
The Suriname President highlighted the progress in the discussions on the transformation of the CARICOM Secretariat to make it a more efficient and effective instrument for the objectives of integration, while pointing up the importance of the principles of unity and solidarity for the success of the region. The Prime Minister of Saint Lucia, for his part, urged the Summit to redefine CARICOM's foreign policy postures and positions, against the background of the global changes and opportunities. In this respect, he pointed up the growing economic clout of China and other Asian countries, and the relatively strong performance of Latin America.
Last, CARICOM Secretary General, Irwin LaRocque, pointed out that the funds for developing the Community have been cut given the economic and financial difficulties of Europe, due both to the lower bilateral aid and to the diversion of resources from international financial institutions to those countries. Against this background, Mr. LaRocque stressed the need to make progress in regional integration including the CARICOM Single Market and Economy (CSME).

Related articles:

- IDB/INTAL. "CARICOM: guidelines for Secretariat reforms," in: *INTAL Monthly Newsletter No. 190*, June 2012.
- IDB/INTAL. "CARICOM promotes Secretariat reform," in: *INTAL Monthly Newsletter No. 187*, March 2012.

Caribbean Growth Forum

The Caribbean Growth Forum (CGF) was created by a joint initiative of the Inter-American Development Bank (IDB), the World Bank, and the Caribbean Development Bank.
This new platform for dialogue seeks to encourage sustainable and inclusive growth, and job creation in the Caribbean through the interaction of the public and private sectors, academia, and civil society over the course of a year.
As specific objectives, it was proposed to improve the business environment for new and existing investors, to develop proposals for greater competitiveness, to look at ways to reduce the public debt, and last, to establish recommendations for modernizing transport logistics.
The opening event was held in Kingston, Jamaica, June 18-19, and focused on three areas: competitiveness, innovation, and entrepreneurial spirit. The dynamics of the event were based on analytical presentations that served as a framework to share experiences of the different countries and case studies.
Between the 28 and June 30 was a work day on youth and employment in the Information and Communication Technologies (ICT) sector.
Two additional events are planned for the rest of the year at regional level for each issue to be developed, as well as meetings at national level (both face-to-face and virtual) and a closing event with the same format, organized by IDB.
It is hoped that the experience will generate three notes for policy recommendations, as well as the analytical papers to be worked on at the meetings, and videos of case studies on successful Caribbean businesses.

Click on the links to access the event's agenda and presentations.
For more information, click on the following links: [1], [2], [3].

Caribbean Conference on Trade Policy, Innovation Governance, and Small State Competitiveness

The Caribbean Conference on Trade Policy, Innovation Governance, and Small State Competitiveness was held in Christ Church, Barbados, June 11-13, and was organized by the Shridath Ramphal Centre for International Trade Law, Policy, and Services, the Institute for Sustainable Development and the Institute of International Relations at the University of the West Indies, under the auspices of the World Trade Organization (WTO).

The Caribbean countries are showing a loss of competitiveness and less diversified exports, a fact reflected both in markets and in products, as well as a high dependence on imports to meet fuel and food demands. Against this background of increasing challenges, the Conference proposed to review the design of trade policies that help to alleviate this situation, which has been aggravated by the deterioration in the international scenario.

Those attending the meeting focused on the theory and practice of trade policy for trade diversification, innovation, and competitiveness in small economies, taking into account the lessons learned in the Caribbean. The main issues discussed were: trade policy, negotiations and implementation agenda, trade diversification and global, regional and diaspora markets, and trade policy and innovation in strategic sectors.

Click on the links to access the event's agenda and presentations.

Central America

Central America signs Association Agreement with EU

The Central American countries made highly significant breakthroughs in the field of trade negotiations on June 29: in the framework of the 39th Regular Meeting of Heads of State and Government of the Countries of the Central American Integration System (SICA), the Association Agreement with the European Union (EU) and Panama's accession to the Central American Economic Integration Subsystem (SIECA) were signed.

The background to the negotiations with the EU dates back to the First Summit between the Heads of State and Government of Latin America and the Caribbean (LAC) and the EU in Rio de Janeiro in 1999 with the aim of strengthening biregional relations. Successive Summits reiterated the will to work together in promoting strategic association between the two regions. Specifically, at the 2001 Ibero-American Summit, the Presidents of Central America and the Head of the Spanish Government expressed the need to work intensively to create a free trade area with the EU. The groundwork for negotiation was done at the 2002 and 2004 LAC-EU Summits. At the 4th Biregional Summit in 2006, the Central American and European blocs pledged to launch negotiations subject to compliance with certain conditions, such as the ratification of the Central American Agreement on Investments and Services, and Panama's accession to the SIECA. The first round was held in San Jose, Costa Rica, in 2007, and despite being suspended during 2009,[1] the negotiations concluded in 2010 in the framework of the 6th LAC-EU Summit.[2]

The Association Agreement between Central America and the EU forms part of a broader European strategy: on the one hand, it seeks to replace the unilateral trade preferences granted to former colonies under the Generalized System of Preferences (GSP) with a more stable, predictable, and reciprocal framework; on the other, it proposes to expand bilateral relations beyond trade to the political sphere and cooperation. The political pillar seeks to strengthen dialogue, democratic values, respect for human rights, freedom of the individual, and the principles of the rule of law. The cooperation pillar extends to various sectors such as the economic and financial, science, technology and information, culture and education, and State reform and public administration. Last, the economic and trade pillar focuses on the progressive and reciprocal liberalization of market access for goods, services, and government procurement, the development of common disciplines for the better development of trade (customs cooperation, technical standards and regulations, sanitary and phytosanitary measures, safeguards, labor and environmental standards, etc.), the consolidation of an environment of trust for investors (liberalization of investment and related payments, protection of intellectual property rights, etc.), and the establishment of a dispute settlement mechanism.

So once the agreement enters into force, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama will all get better access to a market of 500 million consumers with a per capita GDP of US$33,948.[3] Central America is to liberalize 47% of the tariff sample with immediate effect, whereas the EU granted 91%. Tariffs on industrial goods and fish will be phased out in both regions within 15 years (96% of the items will be released in 10 years), while both regions will continue to protect agricultural goods regarded as sensitive. It should be remembered that Panama's elimination schedule will be different to the other Central American countries.

The agreement also provides for the simplification of customs procedures, once the Central American countries' commitment to unify the customs document within three years of the agreement's entry into force is manifested. In this sense, the EU's biregional agreement with Central America is broader than the document negotiated with CARIFORUM,[4] involving commitments to the associate bloc's regional integration. In this case, the Central American countries must work toward standardizing technical regulations for goods and services in the fields of health and safety rules for agricultural goods, and eliminate the double levying of the common external tariff (CET). To meet these requirements, the SIECA is working within the framework of six-monthly plans with meetings of specific negotiating tables.[5]

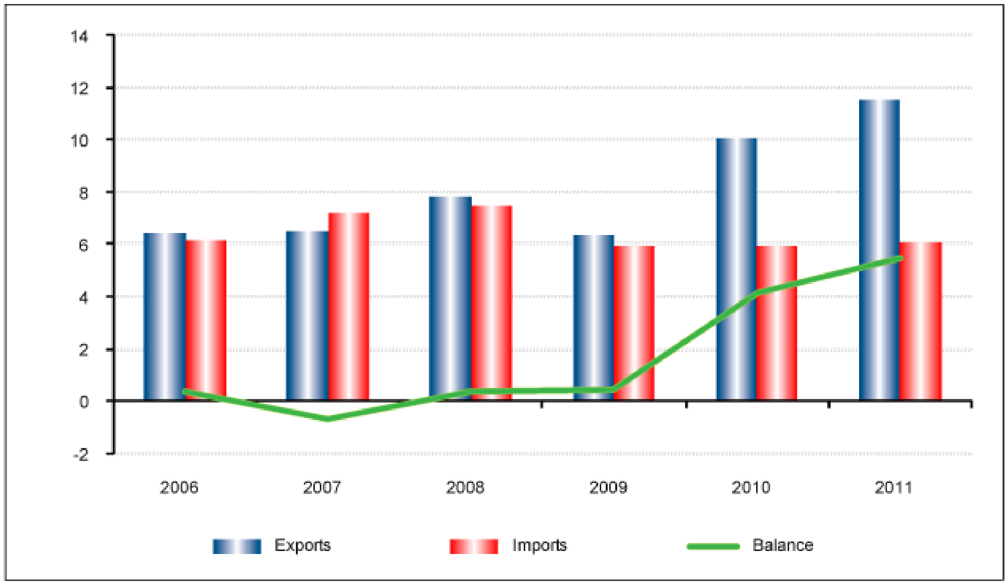
Barriers to trade in services and investment will also be removed, and will the same regulations will be applied in barriers to trade, government procurement, and intellectual property. It should be noted that the commitments undertaken in these areas are broader in scope than the ones agreed with the WTO. The agreement also includes strengthening labor and environmental standards.

According to the European Commissioner for Trade, Karel De Gucht, Guatemala and Nicaragua will benefit in sectors such as textiles and clothing, El Salvador and Honduras will have the opportunity to expand their auto parts exports, and the whole region—especially Panama and Costa Rica—will see an increase in its income from sales of fruits and vegetables. The implementation of the Agreement is also expected to help diversify the markets for Central American exports, which are highly concentrated in the United States.

The EU is one of the five main economies, both as a destination for the isthmus's exports, and as an origin for its imports (excluding Nicaragua). According to European Commission data, the EU was the origin of 6.9% of Central American purchases in 2010, and the destination of 11.9% of sales.[6] Trade flows between Central America and the European bloc reached a historic high of US$17.567 billion in 2011, about 15% up on 2008. Growth was concentrated in the isthmus's exports to the EU, while purchases from that origin have not recovered from the decline brought about by the international economic crisis. In 2010, sales to the EU were up by 58.1% year-on-year (YOY) and by 14.3% YOY the following year (Graph 1). This performance of trade resulted in a US$5.488 billion trade balance surplus for Central America in 2011, twelve times 2009 levels.

Graph 1. Evolution of Central America's trade with the EU

In billions of US$



Note: EU exports to Central America were considered for Central American imports from the EU, and EU imports from Central America were used for Central American exports to the EU.
Source: Based on European Commission and Federal Reserve data.

Shipments originating in Costa Rica accounted for 93.9% of the increase in the first year, whereas, in the second, Honduras's higher exports, accounting for nearly 30% of the increase, and to a lesser extent those of El Salvador, Guatemala, and Nicaragua, also made themselves felt. It should be noted that Panama's exports to Europe shrank in 2011 (Table 1).

Table 1. Country contributions to Central America's rising exports to the EU

percentage of the 2010-2009 and 2011-2010 variation

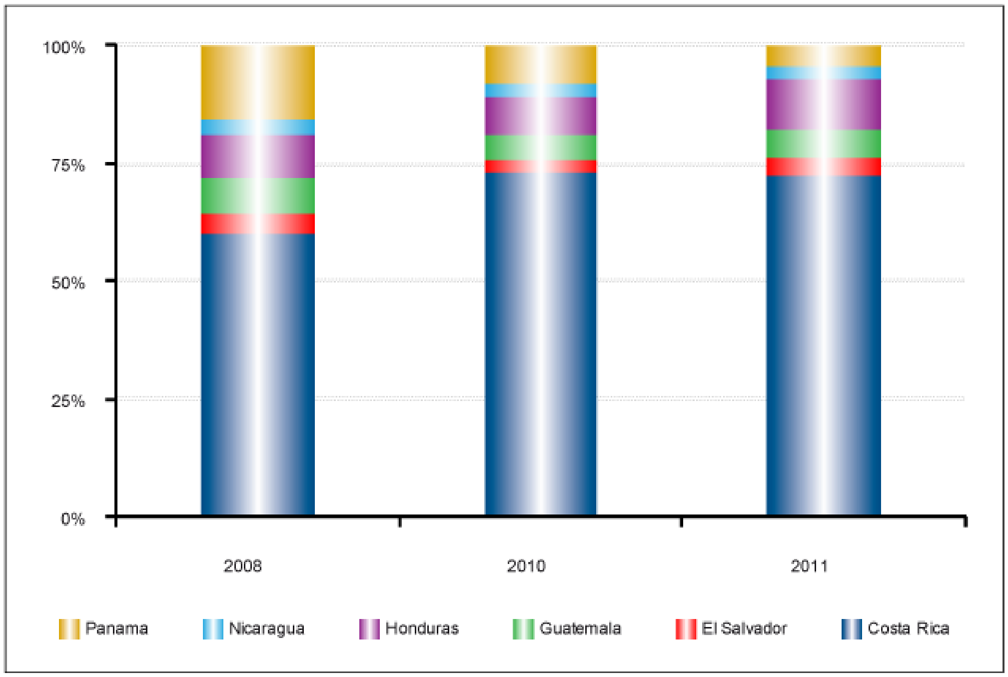
Country	2010-2009	2011-2010
Costa Rica	93.9%	67.8%
El Salvador	-0.2%	11.4%
Guatemala	0.9%	9.6%
Honduras	2.4%	29.1%
Nicaragua	0.6%	7.0%
Panama	2.5%	-24.9%
Total	100.0%	100.0%

Source: Based on European Commission data.

So Costa Rica continued as the subregion's main exporter to the EU, and its market share was up between 2008 and 2011 by over 12 percentage points (p.p.), while the other Central American countries lost ground (Graph 2).

Graph 2. Structure of Central America's exports to the EU by country of origin

As percentages, selected years.

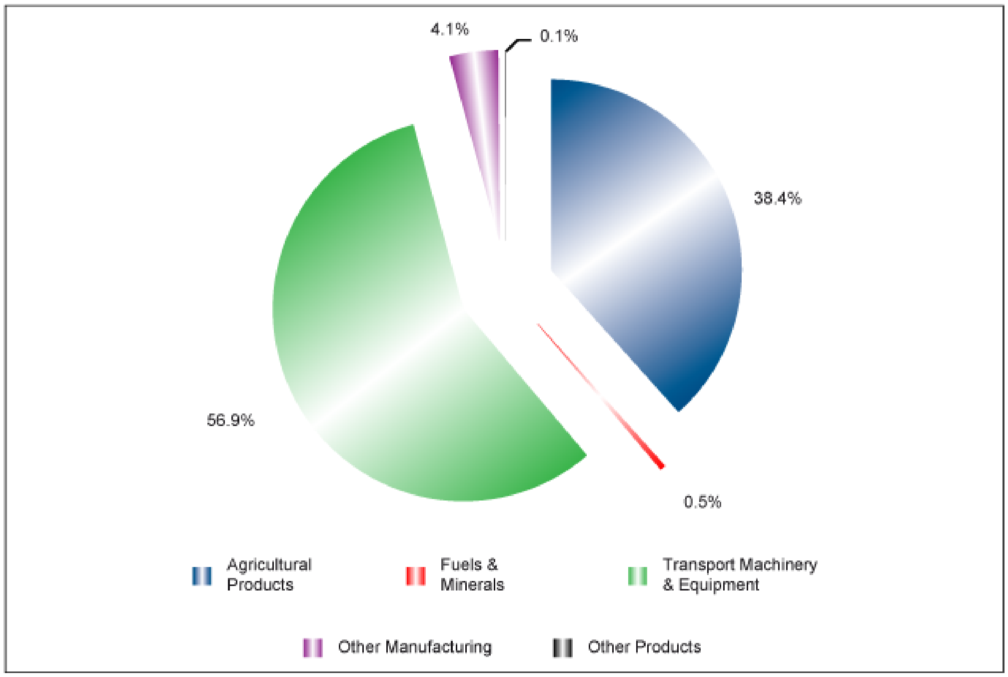


Source: Based on European Commission data.

More than half of the isthmus's exports to the European bloc in 2011 were in the transport machinery and equipment sector, while the share of agricultural products was around 40%. This pattern of external sales is marked by Costa Rican shipments, which account for almost all machinery exports and 40.6% of agricultural exports, in which also Honduras also has a large share (25.3%). It is worth mentioning that the transport machinery and equipment (specifically, office equipment and telecommunications) shipped by Costa Rica to the EU has tripled since 2008.[7]

Graph 3. Composition of Central America's exports to the EU, selected products, 2011

As percentages

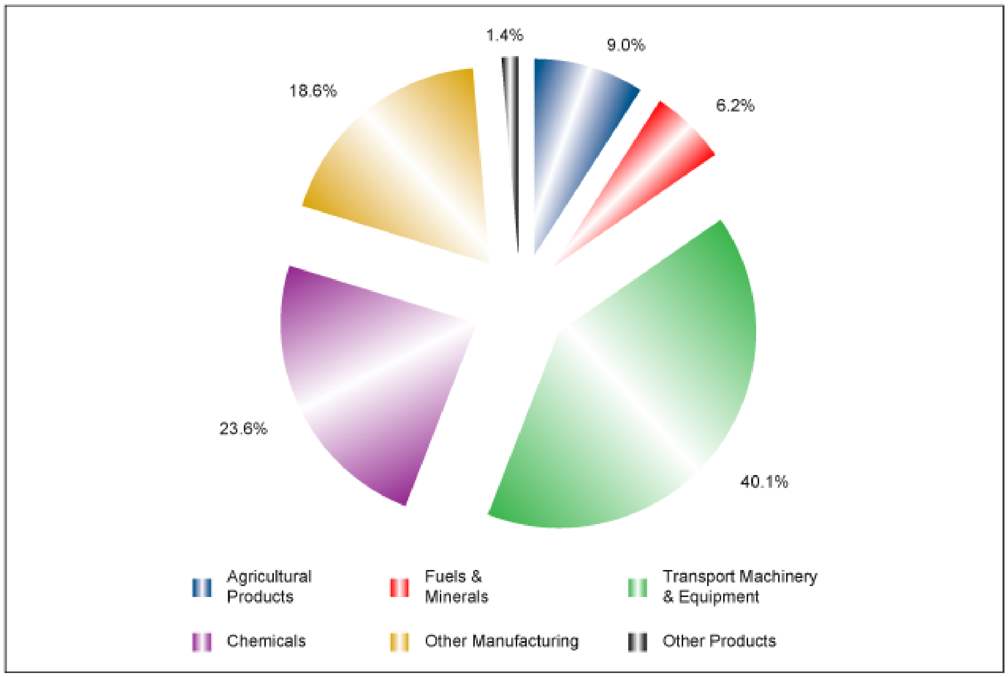


Note: EU exports to Central America were considered for Central American imports from the EU, and EU imports from Central America were used for Central American exports to the EU.
Source: Based on European Commission data.

Manufacturing accounts for 82.3% of imports from the European bloc, mainly machinery and transport equipment (40.1%), followed by chemicals (23.6%) and other manufacturing (18.6%).

Graph 4. Composition of Central America's imports from the EU, selected products, 2011

As percentages



Note: EU exports to Central America were considered for Central American imports from the EU, and EU imports from Central America were used for Central American exports to the EU.
Source: Based on European Commission data.

The ratifications of the laws of each signatory country are still pending before the Agreement can come into force.

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[1] The institutional breakdown in Honduras brought about the suspension of negotiations in 2009.
[2] For more information about the evolution of the negotiations between Central America and the EU, see IDB/INTAL's Legal Instruments of Integration here.
[3] World Bank data for 2010, consulted July 6, 2012.
[4] For more information on the negotiations between CARIFORUM and the EU IDB/INTAL's see Legal Instruments of Integration here.
[5] The results of the successive rounds of negotiation in the framework of the SIECA's six-month plans have been documented in various issues of the INTAL Monthly Newsletter.
[6] European Commission data for 2010.
[7] Costa Rica's exports of office and telecommunications equipment are explained mainly by intrafirm trade of multinational companies locating stages of production in different parts of the world in order to reduce costs and increase efficiency. This is particularly important in the electronic components sector.

Panama's accession to the SIECA

In the framework of the 39th Regular Meeting of Heads of State and Government of the countries of the Central American Integration System (SICA) Panama has gained the approval of the Protocol on Accession to the Central American Economic Integration Subsystem (SIECA). This fulfils the requirement requested by the European Union (EU) for Panama to be part of the Association Agreement signed by the EU with the current members of the SIECA: Costa Rica, El Salvador, Honduras, Guatemala, and Nicaragua.

The Protocol, whose negotiation process started in July 2010, defines terms, deadlines, conditions, and modalities for Panama's incorporation in the SIECA. Panama will seek gradually to meet the conditions governing the other five countries.

The next step toward its entry into force is consideration of the Protocol by the Congress of Panama. Once that approval has been obtained, Panama will adopt the main legal instruments of the SIECA with immediate effect, including: the General Treaty on Central American Economic Integration, the Central American Tariff and Customs Convention, the Dispute Settlement Mechanism, the Framework Convention for the Establishment of the Customs Union, Rules of Origin, Sanitary and Phytosanitary Measures, Unfair Trade Practices, and Safeguard Measures. Other legal instruments are to be adopted before 2017 at the latest.

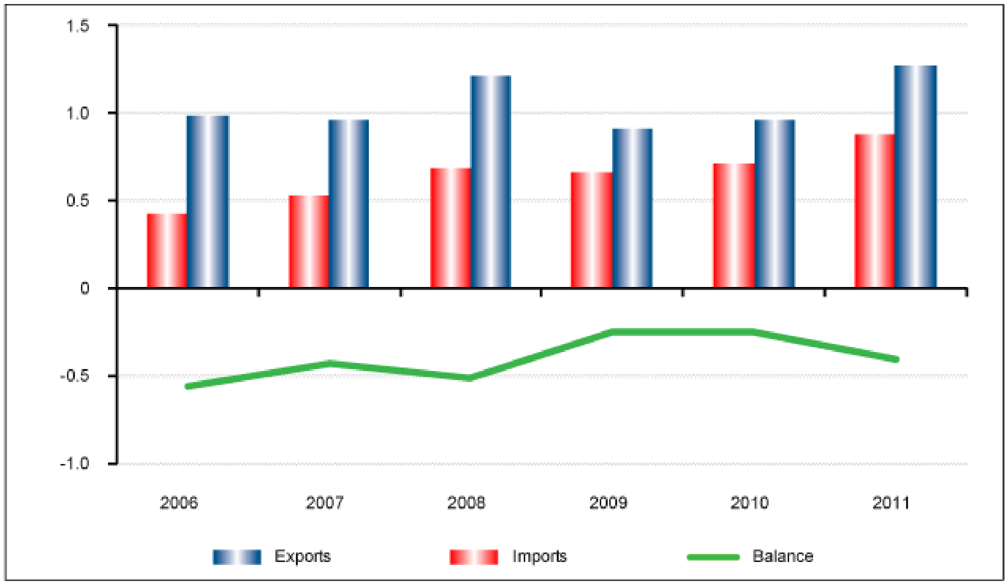
Two-year deadlines were also set for Panama to negotiate the elimination schedule to attain free trade with the region's other partners, taking into account certain sensitive goods for which protection will be maintained. The harmonization period for the common external tariff (CET) was also set at one year, to be applied in a maximum of two years. Central American rules of origin will be adopted by Panama as soon as the Protocol comes into force, though certain exceptions may be negotiated. The technical regulations will then be adopted in a six-month period, taking any exceptions into account, and accession to the Treaty on Central American Services and Investment is expected to be negotiated in the same timeframe.

In 2011, trade flows between Central America and Panama grew 27.9% year on year (YOY), reaching a historic high of US$2.1435 billion, doubling their value over a ten-year period. The higher growth of imports over exports led to a deterioration in the other Central American countries' trade balance with Panama, which had fallen slightly in 2009 and 2010 due to the international economic crisis (Graph 5).

In terms of the relative importance to total trade, Panama sent 8.7% of its total exports to its Central American partners in 2011, 3 p.p. down on 2006 levels. Purchases originating elsewhere in the isthmus have held steady in recent years, at around 4% of Panama's total imports. The relevance of the Panamanian market for the Central American economies is comparatively low with a share of around 2%, in both the subregion's total purchases and sales.

Graph 1. Evolution of Central America's trade with Panama

In billions of US$

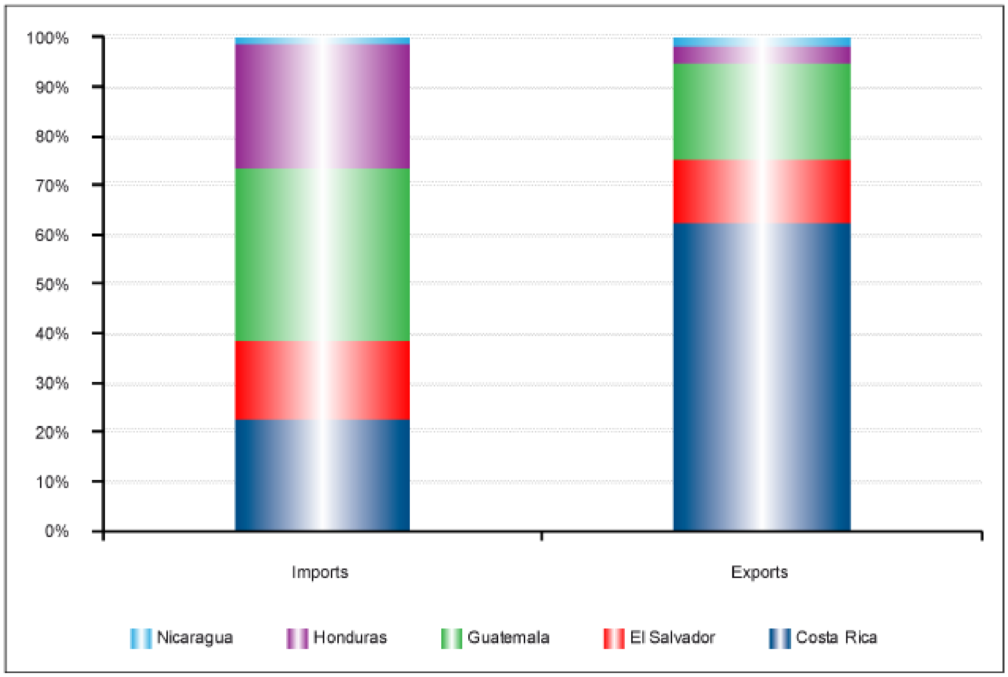


Note: Trade data do not include maquila. Source: Based on SIECA data.

Costa Rica was the subregion's main exporter to Panama in 2011, accounting for almost two-thirds of shipments, while Guatemala accounted for 19.6% and El Salvador 12.5% (Graph 2). In terms of purchases, Guatemala was Panama's biggest importer (35.0%) over the last year, followed by Honduras (25.2%), Costa Rica (22.5%) and El Salvador (15.9%).

Graph 2. Composition of Central America's trade with Panama in 2011 by country

As percentage



Source: Based on SIECA data.

Intraindustry trade in medicines is highly significant in the isthmus's trade, accounting for 17.5% of its total sales to Panama and 24.7% of Panama's purchases from this country in 2011 (Table 1).[1] In order of importance, Central America's exports to Panama include food preparations (4.5%), wires, cables and other electrical conductors (3.6%), insecticides and rodenticides (3.5%), and paper or cardboard boxes, bags, and other packaging (3.4%). Imports are also composed of petroleum and petroleum products, representing around 10%, and footwear and apparel, together accounting for 6.7% of the total. Both flows are relatively diversified and display true added value.

Table 1. Composition of Central America's trade with Panama, 2011

Share and accumulated, as percentage

Exports		
Description	**Share**	**Accumulated**
Medicines	17.5%	17.5%
Food preparations	4.5%	21.9%
Wires, cables, and other electrical conductors	3.6%	25.6%
Insecticides, rodenticides, fungicides, herbicides, etc.	3.5%	29.1%
Paper or cardboard boxes, bags, and other packaging	3.4%	32.4%
Human or animal blood for therapeutic uses	3.3%	35.7%
Articles for transport or plastic packaging	3.2%	38.9%
Petroleum or bituminous mineral oils	3.0%	41.9%
Toilet Paper, etc.	2.8%	44.6%
Mineral Water & Soft Water	2.4%	47.0%
Others	53.0%	100.0%
Imports		
Description	**Share**	**Accumulated**
Medicines	24.7%	24.7%
Crude petroleum or bituminous mineral oils	5.9%	30.6%
Petroleum or bituminous mineral oils, except crude	5.0%	35.6%

Footwear with rubber or plastic soles and uppers	2.6%	38.1%
Bulldozers	2.3%	40.4%
Monitors and projectors	1.8%	42.3%
Radio broadcast receivers	1.6%	43.9%
Footwear with rubber, plastic, or leather soles and textile uppers	1.5%	45.4%
Womens and childrenswear	1.3%	46.7%
Mens and childrenswear	1.3%	48.0%
Others	52.0%	100.0%

Source: Based on SIECA data.

Press articles:

- Costa Rican Ministry of Foreign Trade. "Costa Rica celebra firma del Acuerdo de Asociación con la Unión Europea." June 29, 2012.
- SIECA. "La región suscribe Acuerdo de Asociación con la Unión Europea y Panamá se incorpora a la integración económica centroamericana." Press Release No. 13.

[1] The presence of pharmaceutical multinationals with subsidiaries in several Central American countries partly explains the great importance of trade in medicines within the region.

Central America-Canada negotiations

The last few weeks have seen fresh impetus in the relations of Central America[1] with Canada. The fourth round of the modernization process of the free trade agreement (FTA) that Costa Rica has had with Canada since 2002 was held in San José, Costa Rica, June 11-14. This agreement did not include provisions in areas such as general and financial services, investment, or government procurement, which have been part of the current negotiations. Efforts will also be made to adjust the rules to the current productive reality, renegotiating market access for certain products and including issues such as e-commerce.

The same round saw the conclusion of the negotiation on the content of the chapter on e-commerce, in which agreed it was agreed not to apply tariffs on the import or export of electronically transmitted digital products, such as software. It was also agreed to work on cooperation to facilitate e-commerce among small and medium enterprises.

The negotiations on institutional arrangements have also been completed and will be added to the chapters on dispute settlement and technical barriers to trade closed in previous rounds.

The negotiations over the next few weeks will attempt to make the breakthroughs necessary for the completion of the FTA during the last round, which will be held in September in Ottawa, Canada. Among the outstanding issues is Costa Rica's position in relation, on the one hand, to rules of origin for the textile sector, which call for greater flexibility, and, on the other, to the extension of tariff preferences for exports from free trade zones.

Canada has also submitted requests for improvements in entry conditions—especially for its agricultural products—and the relaxation of rules of origin for certain fishery products, sausages, and plastics.

As noted in *INTAL Monthly Newsletter No. 181*, Canada's negotiations with the isthmus are part of a broader strategy for deepening its ties with Latin America and the Caribbean (LAC), launched in 2007. This strategy is based on three axes: democratic governance, security, and economic prosperity. Canada has so far signed agreements with Peru, Colombia, Panama, and Honduras.[2]

As an open economy highly dependent on foreign trade, with nearly 35 million inhabitants and a per capita Gross Domestic Product of US$39,600, the Canadian market represents a great opportunity for the isthmus.

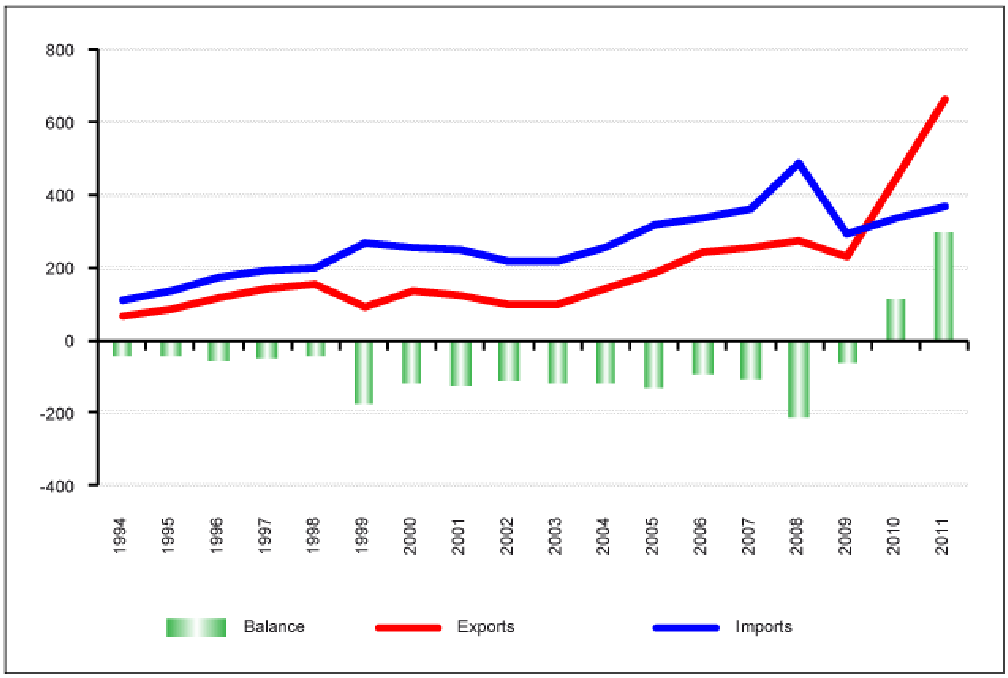
Central America's trade with Canada

Between 2003 and 2008 the flow of trade between Central America and Canada expanded at an annual cumulative average (c.a.) rate of 19.5%. The isthmus's imports from Canada grew faster than its exports to that destination, resulting in a continued deficit in the trade balance. This trend was interrupted in 2009 as a result of the international crisis, and the recovery showed a different pattern. In 2010 and 2011, shipments grew faster than purchases, leading to a reversal of the bilateral trade deficit (Graph 1).

Imports grew by around 10% year-on year (YOY) in 2010 and 2011, without regaining levels prior to the fall, whereas external sales more than doubled in the year after the crisis and prices were up almost 50% in 2011. In the last year, the total trade surplus was US$1.0338 billion, 32.1% higher than in 2010 and 3.3 times what it was in 2003.

Graph 1. Evolution of Central America's trade with Canada, 1994-2011

In millions of US$



Note: Data do not include maquila exports. Source: Based on SIECA data.

This has boosted Central America's market share in Canada, although it still remains low. In 2008, the isthmus's share of exports in Canada's total purchases stood at 0.06%, rising to 0.15% in 2011. Canada's importance is slightly greater for Central America, with this market accounting for 2.4% of the isthmus's total exports in 2011. Just 0.7% of total imports are from Canada.

Table 1. Composition of the trade in Central America with Canada, 2011

Share of total and accumulated, as percentage

Exports		
Description	**Share**	**Accumulated**
Gold	34.9%	34.9%
Coffee	31.3%	66.2%
Cane or beet sugar	15.2%	81.4%
Bananas	2.5%	83.9%
Melons, watermelons & papayas	2.1%	86.0%
Orthopedic appliances & apparatus	1.7%	87.7%
Tires	1.0%	88.7%
Dates, figs, pineapples, avocados, guavas, mangoes	0.9%	89.6%
Live plants	0.9%	90.5%
Silver	0.8%	91.3%
Others	8.7%	100.0%
Imports		
Description	**Share**	**Accumulated**
Mineral or chemical fertilizers, potassic	13.9%	13.9%
Newsprint	10.0%	23.9%
Wheat	5.0%	28.9%
Processed animal or vegetable	4.3%	33.2%

fats and oils		
Semifinished products of iron or non-alloy steel	4.2%	37.4%
Prepared or conserved vegetables	3.7%	41.0%
Malt	3.4%	44.5%
Mineral or chemical fertilizers with fertilizers	3.0%	47.4%
Postage stamps	2.4%	49.8%
Bovine, ovine, or caprine animal fats	2.4%	52.2%
Others	47.8%	100.0%

Note: Data do not include maquila exports. Source: Based on SIECA data.

Gold was the isthmus's main export to Canada in 2011, and, together with coffee and sugar, accounted for 81.4% of total sales to that destination (Table 1). Imports were more highly diversified: the top 10 products, representing half of purchases, include chemicals, livestock farming, and some paper-related manufacturing.

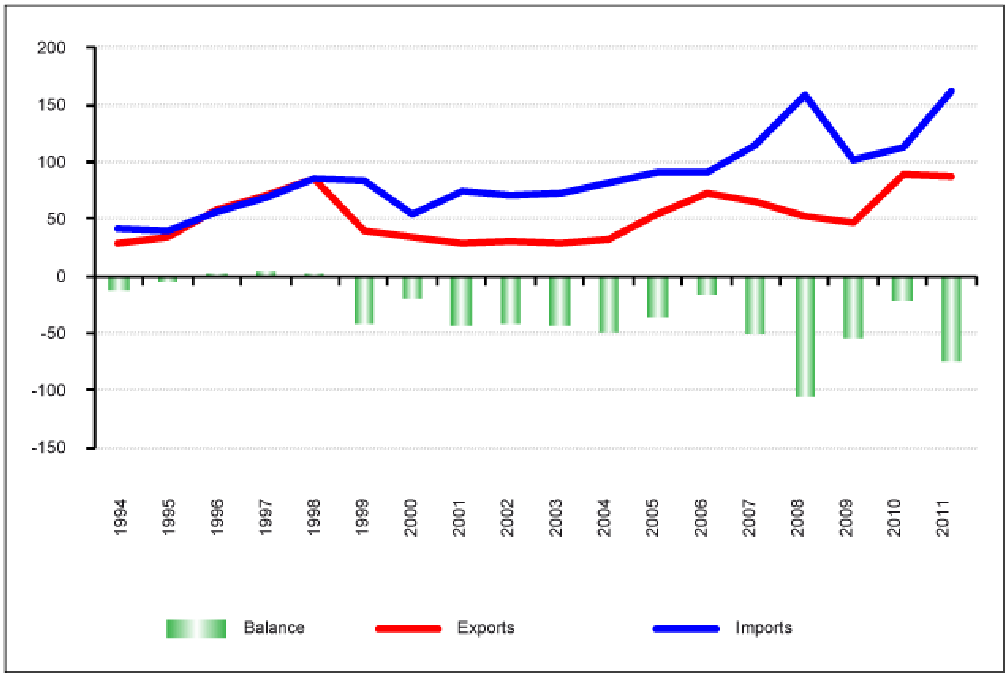
Nicaragua accounted for half of the increase in sales to Canada in 2010 and 2011, and its main export was gold. Nicaragua thus replaced Guatemala as the region's main exporter to Canada. Indeed, only Nicaragua made gold shipments to Canada, accounting for all exports. In 2010, the volume of external sales of gold grew by 147.2% YOY, while the price rose by just 2.4% YOY. However, in 2011, the volume of gold exported fell slightly (-3.8% YOY), but the price rose 56.7% YOY, accounting for almost the entire increase.

Nicaragua's negotiations with Canada have been at standstill since 2009, but several press agencies have in recent months mentioned the Central American government's intentions to restart them.

Similarly, Costa Rica has become the main buyer, also replacing Guatemala. In 2011, only Costa Rica and Nicaragua increased their imports from Canada, while they contracted in the other countries. This year Costa Rica accounted for almost half the region's purchases from Canada.

Graph 2. Evolution of Costa Rica's trade with Canada, 1994-2011

In millions of US$



Note: Data do not include maquila exports. Source: SIECA.

Costa Rica's shipments to Canada bounced back in 2010, doubling their value (Graph 2). They did not keep up the pace of expansion, however, and even contracted slightly in 2011. Imports, on the other hand, which had only expanded 10.3% in 2010, grew 45.1% in 2011, tripling the bilateral deficit in relation to the previous year.

Table 2. Composition of Costa Rica's trade with Canada

Share of total and accumulated, as percentage

Exports		
Description	Share	Accumulated

Cane or beet sugar	20.6%	20.6%
Orthopedic appliances & apparatus	12.7%	33.3%
Coffee	12.3%	45.6%
Tires	7.9%	53.5%
Dates, figs & pineapples	6.0%	59.4%
Roots & tubers	4.5%	63.9%
Live plants	4.4%	68.3%
Medical instruments & apparatus	3.9%	72.2%
Wires & cables	2.9%	75.0%
Pencils	2.7%	77.7%
Others	22.3%	100.0%
Imports		
Description	**Share**	**Accumulated**
Wheat	11.3%	11.3%
Iron & steel products	9.5%	20.8%
Processed vegetables	7.3%	28.1%
Newsprint	6.5%	34.6%
Mineral or chemical fertilizers with fertilizers	6.3%	41.0%
Malt	5.1%	46.1%
Passenger Automobiles	4.2%	50.3%
Mineral or chemical fertilizers, potassic	4.0%	54.3%
Medicines	3.0%	57.3%
Processed animal or vegetable fats and oils	2.6%	59.9%
Others	40.1%	100.0%

Note: Data do not include maquila exports. Source: SIECA.

Unlike the other countries of the isthmus, Costa Rica exports certain mainly health-related manufactured products to Canada, such as orthopedic appliances or medical instruments (Table 2). Agricultural products are nevertheless of great importance in trade with Canada. Imports have a composition similar to that of the whole isthmus.

Related articles:

- IDB/INTAL. "Central America's external ties," in: *INTAL Monthly Newsletter No. 184*, December 2011.
- IDB/NTAL. "Progress in CARICOM's negotiations with Canada," in: *INTAL Monthly Newsletter No. 178*, June 2011.

Press articles:

- El Nuevo Diario. "Gobierno retomará TLC con Canadá," June 13, 2012.

[1] Costa Rica, El Salvador, Nicaragua, Guatemala, and Honduras.
[2] For more details about Canada's agreements with the region, see IDB/INTAL's Legal Instruments of Integration here.

Andean Community

EU-Colombia/Peru trade agreement signed

The Trade Agreement between the European Union, and Peru and Colombia was signed in Brussels, Belgium, on June 26, 2012. This will not only contribute to the opening of markets, but will also generate new opportunities for trade and investment, and promote stability and predictability in the parties' economic relations.

The Association Agreement between the European Union (EU), Peru, and Colombia was signed in Brussels, Belgium, June 26. Attending the event were the Colombian Trade Minister Sergio Díaz Granados, the Peruvian Foreign Trade Minister, José Luis Silva Martinot, the European Commission's Commissioner for Trade Karel Gutch, and the Danish Ambassador, Jonas Bering Liisberg.

Background

The origin of the Agreement can be placed in the context of 30 years of political and economic relations between the Andean Community of Nations (CAN) and the EU. Thus, in April 2007 emerged the parties' intention to form an Association Agreement between the two blocs. However, due to the lack of common approaches and positions between the Andean bloc countries, biregional negotiations were suspended in June 2008.

Faced with this situation, Colombia, Peru, and Ecuador resumed negotiations with a view to establishing a Multiparty Trade Agreement. A few months later, Ecuador withdrew from the negotiation due to disagreements with the EU over social security and labor rights of migrant workers legally employed in the EU, the Ecuadorian "buy national" policy, the bilateral investment agreements with the EU countries, and the banana dispute.[1]

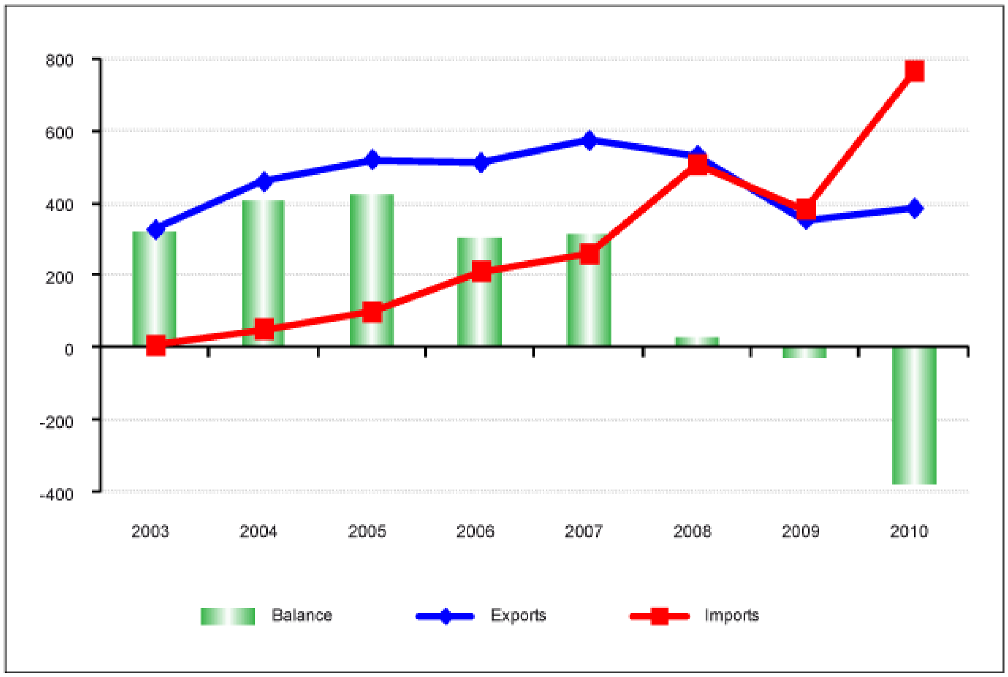
As a result of this, only the negotiations Colombia and Peru continued, concluding February 28, 2010, after nine rounds. With the signing of the Agreement last June, there remain the formal procedures of ratification by the respective parliaments before it comes into force. In the meantime, the two Latin American countries will continue to enjoy the benefits granted by the EU under the Generalized System of Preferences Plus (GSP+).[2]

EU-Colombia/Peru relations

The trading relationship between Colombia and the EU has been growing over the past 12 years. Colombia's exports to the EU increased by an annual cumulative average (c.a.) rate of 6.6% between 1998 and 2008, while imports grew at a rate of 5.9% (c.a.). The 2009 crisis reduced both trade flows, which, over the following two years, recovered at an average rate of 36.6% and 21.0% (c.a.) respectively (Graph 1).

Graph 1: Evolution of Colombia-EU27 trade, 1995-2011

In billions of US$

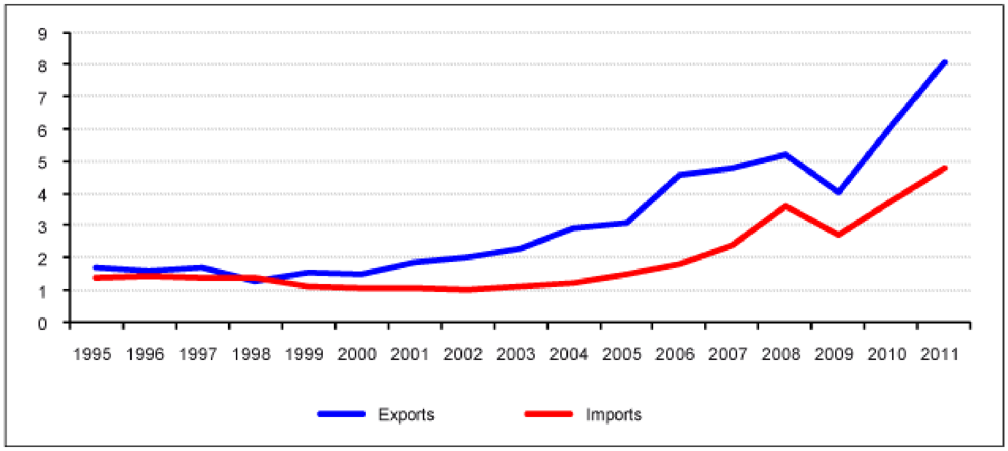


Source: LAIA, CAN.

On the other hand, between 1998 and 2008, Peru's exports to the EU rose 15.1% (c.a.), while its imports expanded by 10.1% (c.a.). The crisis reduced Peru's trade flows faster than Colombia's (22.3% in the case of shipments to the EU and 24% for purchases from that origin). In 2010 and 2011, these flows rose 41.0% (c.a.) in the case of exports and 32.5% (c.a.) in the case of imports.

Graph 2: Evolution of Peru-EU27 trade, 1995- 2011

In billions of US$



Source: LAIA, CAN.

The EU is a major trading partner for both countries. It is Colombia's second largest trading partner, representing 13.4% of total trade, and Peru's third, with a share of 15.4% (Table 1).

Table 1: Colombia and Peru: top five trading partners (exports and imports), 2010

Colombia			Peru		
Trading Partner	**Billions of US$**	**%**	**Trading Partner**	**Billions of US$**	**%**
United States	27.545	**34.5%**	United States	12.303	**20.4%**
European Union (27)	10.673	**13.4%**	China	9.487	**15.7%**
China	7.507	**9.4%**	European Union (27)	9.313	**15.4%**
Mexico	4.514	**5.6%**	Canada	4.051	**6.7%**
Brazil	3.414	**4.3%**	Brazil	3.143	**5.2%**
Subtotal	53.653	**67.1%**	Subtotal	38.297	**63.4%**
Rest of the World	26.247	32.9%	Rest of the World	22.093	36.6%
TOTAL	**79.900**	**100.0%**	TOTAL	**60.390**	**100.0%**

Source: EUROSTAT.

In terms of the main products traded, Table 2 shows that most of the products exported to the EU by the two Andean countries are primary commodities, including fuels and mineral products. In terms of industrial products, Peru is notable for its chemical export and Colombia for its iron and steel manufactures.

Table 2: Composition of Colombia and Peru's exports to the EU, 2011.

Products	**Peru's exports to the EU**		**Colombia's exports to the EU**	
	In billions of US$	%	In billions of US$	%
Total	8.8315	100.0%	9.6082	100.0%
Primary commodities	7.9431	89.9%	8.8118	91.7%
Agricultural	2.7811	31.5%	2.4148	25.1%

commodities				
Fuels and mineral commodities	5.1620	58.5%	6.3970	66.6%
Manufacturing	0.5099	5.8%	0.6698	7.0%
Iron & steel	0,0	0.0%	0.3093	3.2%
Chemicals	0.2431	2.8%	0.0856	0.9%
Other semimanufactured goods	0.0259	0.3%	0.1211	1.3%
Transport machinery & equipment	0.0355	0.4%	0.0554	0.6%
Textiles	0.0456	0.5%	0.0230	0.2%
Clothing	0.1385	1.6%	0.0403	0.4%
Other manufacturing	0.0213	0.2%	0.0353	0.4%
Other commodities	0.3685	4.2%	0.1178	1.2%
Agricultural commodities	2.0494	23.2%	2.2884	23.8%
Non-agricultural commodities	6.7045	75.9%	7.2982	76.0%
Other commodities	0.0768	0.9%	0.0216	0.2%

Source: EUROSTAT.

In both cases, imports from the EU are composed mainly of manufactured goods with high added value and higher technological content, such as machinery and chemicals (Table 3).

Table 3: Composition of Colombia and Peru's imports from the EU, 2011

Products	Peru's exports to the EU		Colombia's imports to the EU	
	In billions of US$	%	In billions of US$	%
Total	3.9129	100.0%	6.9463	100.0%
Primary commodities	0.2504	6.4%	0.4196	6.0%
Agricultural commodities	0.1650	4.2%	0.2389	3.4%
Fuels and mineral commodities	0.0854	2.2%	0.1807	2.6%
Manufacturing	3.3982	86.8%	6.2664	90.2%
Iron & steel	0.1333	3.4%	0.1774	2.6%
Chemicals	0.5338	13.6%	1.5599	22.5%
Other semimanufactured goods	0.3663	9.4%	0.4787	6.9%
Transport machinery & equipment	2.0716	52.9%	3.3333	48.0%
Textiles	0.0284	0.7%	0.0950	1.4%
Clothing	0.0165	0.4%	0.0802	1.2%
Other manufacturing	0.2476	6.3%	0.5420	7.8%

Other commodities	0.0509	1.3%	0.1348	1.9%
Agricultural commodities	0.1636	4.2%	0.2271	3.3%
Non-agricultural commodities	3.5001	89.4%	6.5049	93.6%
Other commodities	0.2492	6.4%	0.2143	3.1%

Source: EUROSTAT.

Characteristics of the Association Agreements with the EU

Association Agreements with the EU have three pillars: political dialogue, cooperation, and free trade. The latter contains provisions on market access, rules of origin, customs affairs and trade facilitation, technical barriers to trade, sanitary and phytosanitary measures, trade defense, capital services, establishment, and movement, government procurement, intellectual property, competition, dispute settlement, horizontal and institutional affairs; trade and sustainable development, and technical assistance and capacity-building. These issues include questions relating to the protection of human rights and the rule of law, as well as commitments on labor rights and environmental protection.

The Agreement grants both Peru and Colombia access to a market of over 503 million consumers, with a GDP of 17.5 billion dollars and the highest per capita income levels in the world (US$32,000 per year).[3] The long-term gains are expected to be 1.3% of GDP for Colombia and 0.7% for Peru. Among the agreement's most positive aspects for Peru and Colombia, one should highlight the EU's tariff concessions granted to agriculture. As noted in *INTAL Monthly Newsletter No. 165*, benefits reaped in the negotiations include improved access conditions for bananas, a particularly sore point. The EU agreed to cut the tariff on this product from €176/tonnes to €75/tonnes in 2020, while for other countries it will be cut to just €114/tonnes. A most-favored-nation (MFN) clause was also included, under which the EU must extend to these countries any concessions on bananas granted to Brazil, Costa Rica, Guatemala, Honduras, Nicaragua, Panama, El Salvador, Venezuela, or other Andean countries. Other sensitive products for which Colombia and Peru obtained substantial improvements in access to the European market are sugar and its derivatives, although they will not be completely liberalized, but will enter the EU through tariff quotas. Where coffee—a priority issue for Colombia—was concerned, the free tariff was reached for roasted coffee and coffee preparations, and a rule of origin was agreed, by which all roasted coffee beans are considered as originating if they have been harvested and cultivated by the countries party to the agreement. However, certain Andean products, such as rice, chicken, corn, and pork were excluded from the liberalization, while tariffs on dairy products will be eliminated over a longer period and may be protected by a special safeguard.

Industrial and fisheries products, for their part, will be liberalized immediately upon the

Agreement's entry into force. In addition, rules of origin were relaxed for products with more restrictive provisions within GSP Plus, thus enabling Colombia and Peru to better exploit tariff preferences with the EU.

The Agreement will also create market opportunities for the EU for its major export industries, notably the automotive, chemicals, pharmaceuticals, and telecommunications sectors.[4] Colombia will eliminate levies on 65% of imports from the EU upon the Agreement's entry into force, while the other products will be liberalized over a period of between 5 and 10 years. Peru will immediately cut tariffs on 80% of industrial goods originating in the EU.

The Agreement also includes a chapter on cooperation in order to promote competitiveness and innovation, modernize production, and facilitate trade and technology transfer among the Parties. Last, an accession clause is envisaged that will leave the door open to other CAN member countries.

[1] IDB/INTAL. "5th round of talks with the EU," in: *INTAL Monthly Newsletter No. 153*, July 2009.
[2] See Sistema Generalizado de Preferencias de Preferencias de la Unión Europea.
[3] Colombian Ministry of Industry, Tourism, and Trade, Office of Economic Studies (link).
[4] See "EU signs comprehensive trade agreement with Colombia and Peru".

MERCOSUR

Active trade and policy agenda at 43rd CMC Council Meeting

The 43rd Meeting of the Common Market Council (CMC) was held in Mendoza, Argentina, June 29, 2012, and saw the host country hand over the Pro Tempore Presidency (PPT) of the bloc to Brazil. On the one hand, Argentina, Brazil, and Uruguay agreed to **Paraguay's suspension** from the bloc after the impeachment that led to the dismissal of President Fernando Lugo, based on the Ushuaia Protocol on Democratic Commitment, signed in 1998. The decision suspends Paraguay's right to vote and veto, or to participate in the organs and deliberations of MERCOSUR until the "full restoration of democratic order," as stated in Article 7 of the Protocol. Elections in landlocked Paraguay are planned for April 2013. No economic sanctions will be applied and tariff preferences will be maintained. In Mendoza, there was also an extraordinary meeting of the Council of Heads of State and Government of the Union of South American Nations (UNASUR), at which it was decided to suspend Paraguay's right to participate in UNASUR organs and bodies. Paraguay's PPT was also terminated, passing instead to Peru for a one-year period. The Paraguayan government, for its part, rejected the measures taken by both blocs.

In other matters, it was decided **to incorporate the Bolivarian Republic of Venezuela**, July 31, at a meeting in Rio de Janeiro, Brazil. Venezuela's Accession Protocol was signed in 2006, but entry had not been completed due to its non-ratification by the Paraguayan Senate. According to what was approved at the Summit, Paraguay's suspension will enable Venezuela to become a full member. For this reason, the Caribbean country will have to adjust its tariff structure to MERCOSUR's and incorporate into its legislation the bloc's normative acquis, as well as international treaties under the Treaty of Asunción.

Ambassador Samuel Pinheiro Gimarães also submitted to the CMC his resignation from the office of **High General Representative of MERCOSUR**, to which he had been appointed for a period of three years as of February 1, 2011. He also submitted a report to the Council of Ministers that describes the challenges ahead of MERCOSUR, which looks at the international context and the asymmetries between member countries, and proposes measures that could contribute to strengthening the bloc.

In trade, there was the adoption of CMC Decision No. 25/12, which brings to 200 the number of tariff lines whose aliquots may **exceed the CET and reach the maximum consolidated** before the World Trade Organization (WTO) for imports originating in extrazone. It had been agreed at last December's Summit that each country could raise tariffs on 100 products, a rule that had only been internalized by Argentina and Brazil. Those countries that decide to raise aliquots must notify the remaining partners, who will have fifteen working days to submit any objections.
In the framework of the Summit, there was also a bilateral meeting between Argentine and Brazilian authorities which set a working agenda that includes the discussion at the end of July of the Common Automotive Policy that will come into force as of 2013, Argentine companies' access to Brazilian government procurement, and the creation of a Ministerial Coordination Unit to deepen productive integration between the two countries. The authorities also agreed to take steps to unblock bilateral trade.
In regard to the external relations, the bloc's countries stressed the importance of developing **joint trade promotion** actions. A MERCOSUR trade mission to Indonesia and China will be carried out in the second semester. A joint declaration was signed with China, under which the countries pledged to increase cooperation in the economic and trade fields. They also highlighted the dialogue with Canada to examine the feasibility of a free trade agreement between it and MERCOSUR, as well as the need to reach an equitable agreement with the European Union (EU).
As is customary at this type of summit, participants reaffirmed the need for the successful completion of the WTO's Doha Round, whose mandate is focused on development. They particularly stressed the need to move forward with the liberalization of agricultural trade and expressed their concern about the rise of protectionism in this sector, through measures inconsistent with WTO agreements, such as labeling requirements and the use of private standards.
Leaders also stressed the need to deepen **macroeconomic coordination** in the bloc to tackle the challenges facing the region as a result of the international crisis, and underlined the importance of moving forward in **productive complementarity** and increased competitiveness.
Where the MERCOSUR Structural Convergence Fund (**FOCEM**) was concerned, the CMC approved the project "Construction of the North Riverside Avenue - 2nd Stage (11.522 Km)" for almost US$60 million, two-thirds of which will be provided by the Fund.

Related articles:

- IDB/INTAL. "External context behind temporary exceptions to Common External Tariff," in *INTAL Monthly Newsletter No. 185*, January 2012.

More trade measures in MERCOSUR countries

The MERCOSUR continue to attempt to mitigate the negative impact of the global crisis via trade by adopting various trade measures. Recently implemented policies include the stimulus plan for Brazilian industry through government procurement, the suspension of the agreement with Mexico for automotive by Argentina, and active participation in multilateral talks.

Government procurement to stimulate the Brazilian economy

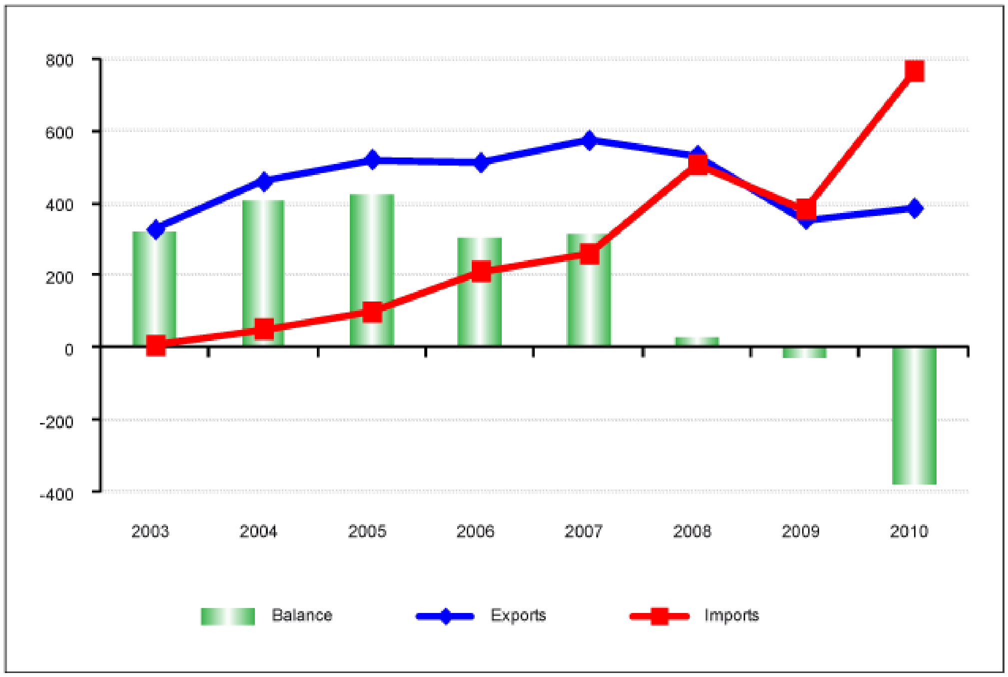
In the framework of the Growth Acceleration Program (PAC) Equipment, the Brazilian government announced that it will invest approximately US$4.1 billion to stimulate Brazilian industry. As result, the PAC's resources will total some US$25 billion.[1] This program provides for the acquisition of vehicles, agricultural machinery, and school and hospital furniture and equipment, among other products. Goods manufactured in Brazil will have a 25% preference, i.e. the Brazilian State will take on domestic suppliers when the price offered is up to 25% higher than foreign competitors.
It should be noted that one of Argentina's major claims against Brazil is the participation of MERCOSUR suppliers in Brazilian tenders on an equal footing to local bidders.

Suspension of Automotive Agreement between Argentina and Mexico

Bilateral trade with Mexico, in surplus for Argentina until 2007, reversed into deficit in 2008, when the international crisis impacted negatively on exports to Mexico, which have not managed to exceed pre-crisis highs since. Despite the recovery in the two economies, Argentina's deficit with Mexico has deepened, reaching US$724 million in 2010. Over half this result is explained by trade in the automobile sector, covered by Economic Complementation Agreement No. 55 (ECA-55). In 2010, Argentine exports to Mexico under ECA-55 totaled US$385 million, accounting for 35.2% of Argentina's total shipments to Mexico (Graph 1). The imports covered by the agreement reached US$765 million, 42.1% of purchases from that origin (Graph 2).

Graph 1. Argentina-Mexico bilateral trade under ECA-55

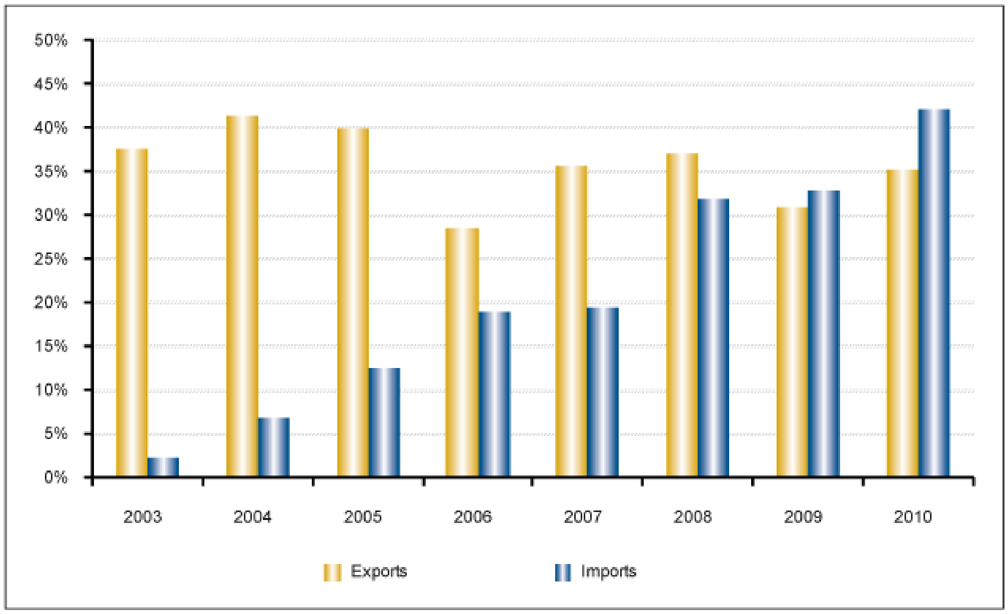
In millions of US$.



Source: LAIA.

Graph 2. Argentina-Mexico bilateral trade under ECA-55

As percentage of total bilateral trade



Source: LAIA.

In line with other measures adopted to protect its trade surplus, Argentina decided to suspend the implementation of ECA-55 faced with a deepening bilateral trade imbalance in the sector, after trying unsuccessfully to renegotiate the agreement with Mexico, as Brazil had in March.[2] In the reasoning of the suspension decree, Argentina justified its decision by stating that the bilateral negotiation between Brazil and Mexico does not conform to the provisions of either ECA-54[3] or ECA-55, and that the conditions agreed by Brazil and Mexico damage its interests. The Mexican government rejected the Argentine measure, deeming it contrary to the rules of the Latin American Integration Association (LAIA), which serves as a framework to ECA-55, and based its decision to negotiate with Brazil and not with Argentina on the fact that the growth of its exports to the biggest economy in MERCOSUR was considerably higher than its shipments to the Argentinian market.
As of the agreement's suspension, Mexican vehicles will pay a 35% tariff when entering the Argentine market, while imports of Argentine cars will face a 30% levy in Mexico.
It should be noted that a significant share of trade covered under the agreement is intrafirm (i.e. between subsidiaries of the same company).[4]

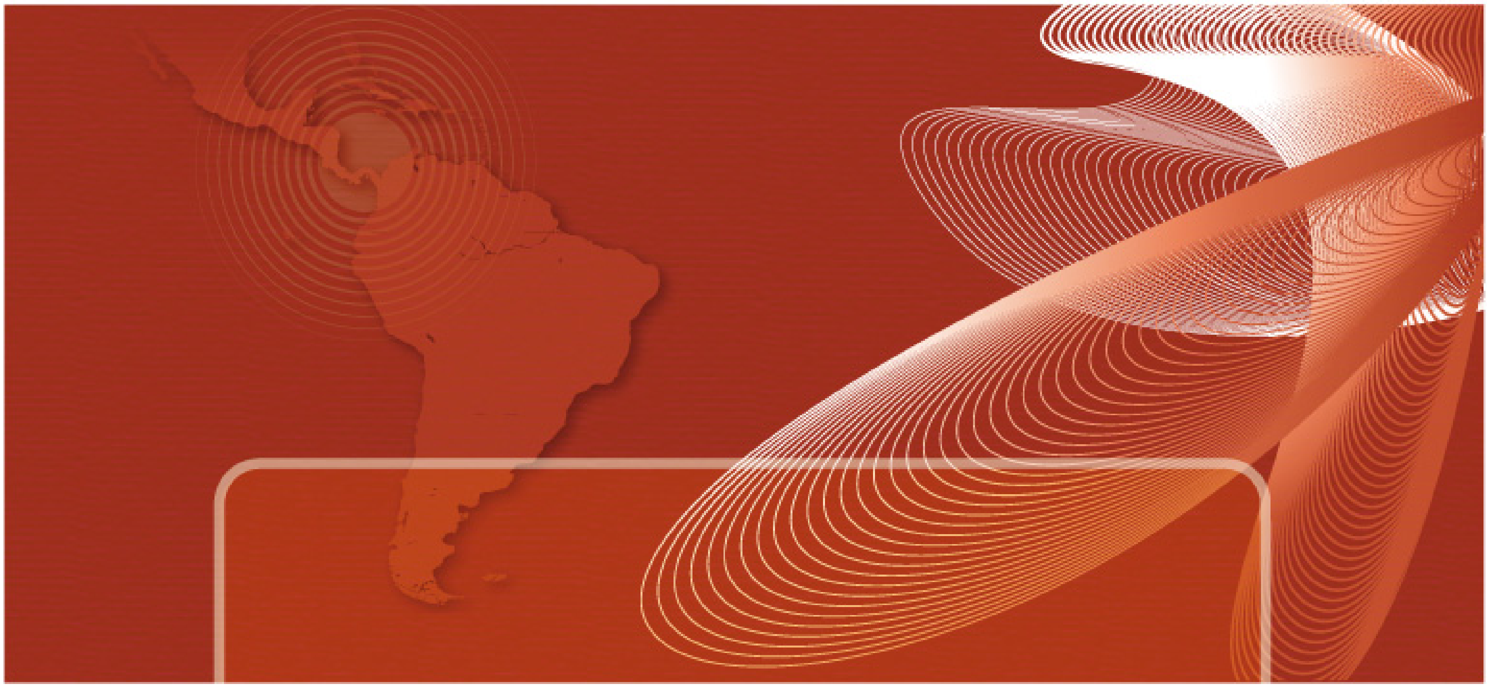
Argentina, Brazil, and Uruguay in the WTO

Recently the MERCOSUR countries have also been active in the multilateral sphere. Regarding barriers to exports from the region's countries, it must be mentioned that, at the meeting of the Council for Trade in Goods of the World Trade Organization (WTO) June 22, 2012, Argentina, together with Indonesia, expressed its concern over Spain's restriction on biodiesel imports (Argentina had already relayed its concerns to the European Commission), arguing that this measure adversely affects the participation of developing countries in the global production chain of this fuel. The statement was supported by Uruguay and Cuba, while Brazil argued that further investigation into the matter was needed. Argentina, Uruguay, Canada, Mexico, and United States also expressed their concern at a ruling of the European Court of Justice that affects honey imports containing pollen from genetically modified corn. Argentina also raised its claim before the Sanitary and Phytosanitary Committee over the persistence of barriers to the entry of lemons to United States, and of meat to that country and to Japan. Brazil, for its part, requested a consultation with South Africa over the imposition by that country of provisional anti-dumping duties on frozen chickens, whole birds and boned pieces, originating in Brazil.
In regard to the measures imposed by the MERCOSUR countries, United States, the European Union, Japan, Turkey, Switzerland, Australia, Colombia, New Zealand, Israel, Malaysia, Chinese Taipei, and Hong Kong, China expressed its concern about the barriers to imports in Argentina.

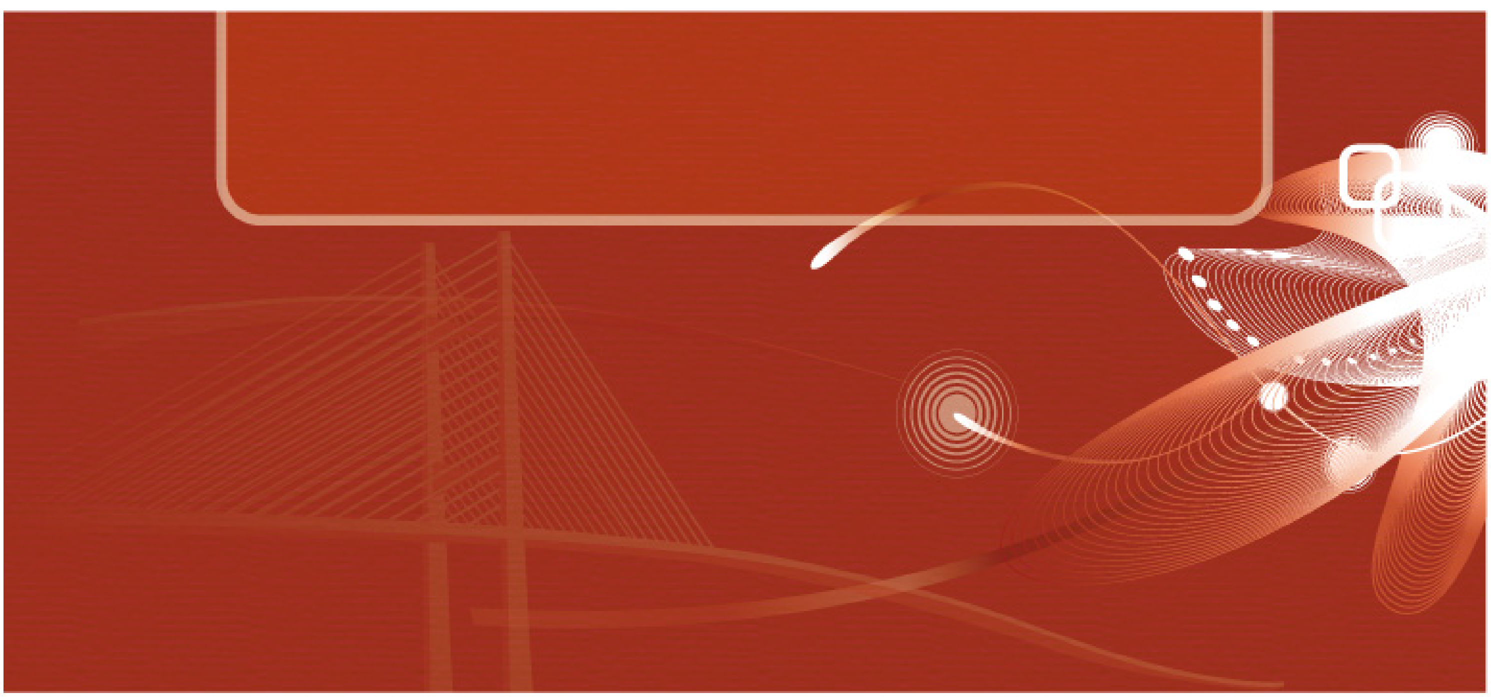
Related articles:

- IDB/INTAL. "Following up the internal and external agendas," in: *INTAL Monthly Newsletter No.187*, March 2012.
- IDB/INTAL. "Active trade policies in MERCOSUR countries in response to international slowdown," in: *INTAL Monthly Newsletter No.188*, April 2012.
- IDB/INTAL. "Trade measures stepped up in MERCOSUR," in: *INTAL Monthly Newsletter No.190*, June 2012.

[1] Average exchange rate for June 2012 (R$/US$=2.0492). Source: IPEA.
[2] Brazil and Mexico agreed an incremental regime for a period of three years for trade in light vehicles only to return to the situation of free trade, increased the regional content requirements, and decided to carry out consultations to achieve reciprocal access to the endorsement of environmental and technical standards relating to trade in heavy vehicles.
[3] Framework agreement for the establishment of a free trade area between MERCOSUR and Mexico.
[4] This is partly explained by the relevance of the internal economies of scale in the automotive industry (the reduction of the average cost of production depends on the size of the firm): it is more efficient for individual plants to specialize in the production of a few models and replenish the regional market on that basis, rather than all plants in the region manufacturing the same models to meet domestic demand.



Regional And Global Overview



Southern Cone strengthens ties with China

Over the past few years, the ties between Latin American and Asian countries have strengthened considerably. In particular, the relationship with China, which has become one of the most important trading partners for Latin America and the Caribbean (LAC), and also one of the main sources of foreign direct investment (FDI) in the region. Against this background, the Chinese Prime Minister, Wen Jiabao, recently visited the Southern Cone.

In Argentina, he met with President Cristina Fernández, and the two leaders held a videoconference with the Presidents of Brazil and Uruguay, Dilma Rousseff and José Mujica, in which they discussed a strategic cooperation agreement between the bloc and the Asian country. The presidents of Argentina and China took part in a ceremony to mark the fourteenth anniversary of diplomatic relations between the two countries.[1] They also signed a series of general agreements on agricultural cooperation, and on grains and seeds in particular. Among other things, these conventions establish a framework for cooperation for the strengthening of trade, investment promotion, research and technology transfer, animal health, animal husbandry, dairy farming, fisheries, aquaculture, direct seeding, statistics swaps, participation in conferences and workshops, genetic resources swaps, agricultural biotechnology, and cooperation between companies from both countries. Also agreed was Argentina's purchase from China of locomotives and wagons for the Belgrano Cargas railway, which may be funded on preferential terms by the Asian country.

In Chile, President Sebastián Piñera and the Chinese official signed a declaration on the completion of negotiations for the supplementary investment agreement of the FTA between the two countries. They also signed several agreements on farming and forestry issues. It should be noted that, among other aspects, the conventions will seek to strengthen trade and will enable the entry of Chilean beef, sheep, and goat to the Chinese market.

In Santiago de Chile, the Prime Minister also visited the headquarters of the Economic Commission for Latin America and the Caribbean (ECLAC), where the creation of a forum for cooperation between China and LAC was proposed, along with the establishment of a regular dialogue mechanism with the foreign ministers of the Community of Latin American and Caribbean States (CELAC). He also announced the creation of a US$5 billion fund to promote cooperation with the region, and a US$10 billion credit line to drive cooperation on infrastructure, while making proposals for mutual collaboration on various issues, such as food security, innovation, science and technology, and sustainable development.

Links between China and Southern Cone countries

Against this background, it is important to highlight some of China's economic characteristics, as well as its growing trade and investment links with Latin American countries,[2] notably Argentina, Brazil, Chile, Paraguay, and Uruguay.

China is the leading exporter and second largest importer of goods, with 13.4% and 11.6% of the total in 2011 respectively. The growth of its commercial trading has been extremely rapid: in 2000 it was ranked 7th among exporters, and 8th among importers, both headed at the time by United States.

China's share of LAC trade has grown significantly in recent years: in 2011, it was the destination for 8.9% of the region's exports and the origin of 13.8% of its imports, and it currently ranks among the several countries' top trading partners.

The increase in China's relative influence for the five countries analyzed has been highly significant. Between 2000 and 2011, these economies' trade flows with China grew rapidly, with the exception of Paraguayan exports, although China's lower share in Paraguayan exports may be due to the fact that part of the shipments go first to the MERCOSUR countries, and are shipped from there to other destinations.[3] China has thus become the main market for external sales in Brazil and Chile, and the second in the case of Argentina and Uruguay. It is also the main source of Paraguayan imports and the second most important for Argentine, Brazilian, and Chilean exports (Tables 1 and 2).

Table 1. China's share of trade in selected countries

	Exports					Imports				
	Argentina	Brazil	Paraguay	Uruguay	Chile	Argentina	Brazil	Paraguay	Uruguay	Chile
2000	3.0%	2.0%	0.7%	4.0%	5.0%	4.6%	2.2%	11.5%	3.2%	5.7%
2011	7.4%	17.3%	0.5%	6.7%	22.8%	15.1%	14.5%	29.6%	13.1%	16.9%

Source: COMTRADE, Uruguay 2011 Central Bank of Uruguay.

Table 2. China's position in trade with selected countries

	Exports					Imports				
	Argentina	Brazil	Paraguay	Uruguay	Chile	Argentina	Brazil	Paraguay	Uruguay	Chile
2000	6	12	15	4	5	4	11	3	7	4
2011	2	1	23	2	1	2	2	1	3	2

Source: COMTRADE, Uruguay 2011 Central Bank of Uruguay.

China's economic growth has driven the demand for primary and processed natural resources, dynamizing trade with the LAC countries that export goods of this type. Indeed, these two items represent nearly all shipments from Argentina, Brazil, and Chile to China, and over two thirds in Uruguay's case (Table 3). It should be noted, moreover, that sales to China are concentrated in a few products: the three main items exported account for between 70% and 90% of the total in the countries analyzed (Table 4). China, for its part, exports high, medium, and low technology manufactures to the region's countries, forming an intraindustrial-type trade (Table 3). The increasing penetration of Chinese manufacturing is the main challenge for LAC's industrial sectors. According to ECLAC data, Chinese FDI in LAC mainly targets the financial centers (the British Virgin Islands and Cayman Islands). In any event, FDI has recently grown in some large Chinese public companies in the natural resources and manufacturing sectors. Notable in 2011 were the acquisitions in the Brazilian and Argentine oil and gas sectors (Proyecto Peregrino acquired by Sinochem for US$3.07 billion and Occidental Argentina by Sinopec for US$2.45 billion).

Table 3. Trade with China by technological content

As percentage. 2011 (Uruguay 2008)

Trade with China by technological content	Argentina		Brazil		Paraguaya/		Uruguayb/		Chile	
	X	M	X	M	X	M	X	M	X	M
Primary commodities	85.0%	0.5%	85.0%	1.6%	9.4%	0.3%	61.5%	0.5%	30.2%	0.3%
NR-based manufacturing	10.7%	9.0%	9.0%	11.2%	19.7%	5.4%	6.6%	10.1%	69.4%	7.3%
Low technology manufacturing	2.2%	19.2%	1.1%	21.5%	66.4%	26.5%	30.9%	26.3%	0.2%	43.4%
Medium technology manufacturing	1.9%	32.1%	3.1%	32.2%	4.0%	28.2%	0.5%	39.6%	0.2%	24.2%
High technology manufacturing	0.2%	38.9%	1.8%	33.4%	0.5%	39.7%	0.4%	23.4%	0.0%	24.7%
Others	0.0%	0.3%	0.1%	0.2%	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes: a/ See footnote 3 in text. b/ 2008 data. X=Exports, M=Imports, NR=Natural Resources.
Source: COMTRADE

Table 4. Main export products of the selected countries to China

As percentage of total. By Harmonized System chapter. 2011 (Uruguay 2008)

Argentina		Brazil		Paraguay		Uruguay1/		Chile	
Oilseeds	70.6%	Metal ores	45.5%	Raw hides & skins & leather	66.2%	Wool & fine or coarse animal hair	45.3%	Refined copper and copper alloys, unwrought	55.7%
Fats & oils	8.9%	Oilseeds	24.7%	Wood, coal & wood manufactures	19.4%	Oilseeds	19.4%	Copper ores & concentrates	19.7%
Fuels	6.8%	Fuels	11.0%	Meat & edible meat offal	4.8%	Fish & crustaceans	8.9%	Iron ores & concentrates	5.5%
Others	13.8%	Others	18.7%	Others	9.5%	Others	26.5%	Others	19.1%

Note: a/ 2008 data. Source: COMTRADE.

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- ECLAC. *La República Popular China y América Latina y el Caribe: Dialogo y Cooperación ante los nuevos desafíos de la economía global*. Santiago de Chile, June 2012.
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- IDB/INTAL. "New trends in China's trade and production policies," in: INTAL Monthly Newsletter No.*166*, June 2010.
- IDB/INTAL. "Recent dynamism in the LAC/Asia-Pacific trade relationship," in: INTAL Monthly Newsletter No.*159*, October 2009.

[1] Paraguay, it must be remembered, is the only country among those analyzed that maintains no diplomatic links with China and recognizes Taiwan as an independent country.
[2] The information is based on ECLAC (2012) and COMTRADE.
[3] The possible underreporting of sales to China may also be linked to the fact that Paraguay has no diplomatic relations with the Asian country (CADEP-OBEI, 2012).

Rio+20: a weak outcome

The United Nations Conference on Sustainable Development (UNCSD) was held in Rio de Janeiro, Brazil, June 20-22.[1] The Summit, known as Rio+20, was the biggest in the history of the United Nations (UN), bringing together leaders and representatives from 193 countries, including 79 Heads of State. Its main objective was to renew countries' political commitment to sustainable development and poverty eradication. Over 3000 unofficial parallel events were organized by civil movements, companies, and environmental groups to draw attention to the social and environmental dimensions of the problems surrounding the issue.

The Future We Want

The Conference culminated with the adoption by the representatives of a non-binding 59-page document entitled "The Future We Want." This is divided into 6 parts: the first establishes a common vision for countries' commitment to sustainable development and poverty eradication, and notes the importance of the three pillars of sustainable development (economic, environmental, and social). The second part contains countries' commitment to the Rio Declaration on Environment and Development, signed at the 1992 Earth Summit and the action plans associated with it, established over the past 20 years. Here, the progress made by countries in pursuit of sustainable development is acknowledged to be uneven and inadequate. The third part, which revolves around the question of green economy, points out that this is one of the most important tools available for sustainable development and policy-making. In this respect, it is important that each country should be able to choose an appropriate approach in accordance with national plans, strategies, and priorities in the field of sustainable development. The fourth part highlights the importance of improving the institutional framework for sustainable development and promoting coordination between all UN organizations. The fifth part identifies the most important thematic areas in which governments are encouraged to take action. These include poverty eradication, food security and sustainable agriculture, energy, and water and sanitation. This section affirms the will to establish a set of Sustainable Development Objectives (SDOs) to assess in a concrete and objective way countries' progress toward sustainable development. To do this, it was decided to form a working group to make a proposal of SDOs at the 68th General Assembly, in October 2013, for the Assembly to consider and approve them. The sixth and last part deals with the means of execution and stresses that, while each country should assume the primary responsibility for its own economic and social progress, developing countries need additional resources to be able to meet their sustainable development objectives. To this end an Intergovernmental Committee will be set up, which will submit a report to the General Assembly, proposing options for an effective financing strategy for sustainable development.

The results on balance

In spite of the large turnout, there were few concrete results from the Summit. The main criticisms from non-governmental organizations (NGOS) and the specialist media pointed to a lack of precise commitments expressed in the final document.[2] The initial idea that the green economy could be affirmed during the Conference as the new paradigm for economic development over the next few decades was reduced to a mere general mention with no associated commitments. The current context of economic crisis, aggravated by fears that this will encourage protectionism among developed countries, has conspired against it. This is compounded by a lack of determination regarding substantive reforms to the institutional framework. The problem of improving coordination among a large number of overlapping organizations, forums, and conventions for sustainable development was, then, left unresolved.

Of course, it was not all negative. For one thing, the Summit's large turnout and the importance of this type of forum for society to debate and set out its ideas on this issue should be valued. Another facet to be valued was the acceptance of a proposal by Colombia and Guatemala to establish a set of SDOs. If approved, these would be launched in 2015, complementing the Millennium Development Goals (MDGs),[3] and would serve as an instrument to enable countries to measure their progress in reaching the proposed objectives. Another positive was that, during the Summit, governments, members of the private sector, and NGOS adopted voluntary sustainable development commitments. The UNCSD Secretariat received 715 voluntary commitments in Rio de Janeiro, mobilizing more than US$500 billion in actions toward sustainable development.[4] These commitments fall within various different areas, such as education, energy, and private sector development.

In synthesis, and as several NGOs have pointed out,[5] Rio+20's lack of specific commitments left a sense of failure and a squandered opportunity. However, this could be remedied if the SDOs are approved, as these may become one of the most important parameters in the international and national development agendas for the coming decades.

[1] See IDB/INTAL. "Latin America prepares for Rio+20," in*: INTAL Monthly Newsletter No. 188*, April 2012.
[2] International Institute for Sustainable Development. "Life after Rio," June 2012.
[3] The MDGs are eight human development goals set in the year 2000 that the 189 member countries of the United Nations agreed to achieve by 2015. For more information, click here.
[4] For more information, click here.
[5] ICSTD "Críticas en torno a la conclusión de Rio," in: *Puentes Quincenal*, June 2012.

G20 committed to combating protectionism despite growing trade restrictions

The 7th G20 Leaders' Summit was held in Los Cabos, Mexico, June 18-19. The discussions focused on **the challenges facing the world economy**, in particular the Eurozone. As is evident from the statement, there was great concern among the G20 Leaders over the prospects for growth, employment, trade, development, and the environment. The major fiscal and external imbalances were identified as one of the most significant vulnerabilities of the global economy. The leaders stressed the importance of multilateralism in addressing the challenges and signed the Los Cabos Growth and Jobs Action Plan. Under the Action Plan, policy actions are geared to tackling the banking crisis and sovereign debt in the Eurozone, ensuring financial stability, stimulating demand and economic growth, reducing unemployment, ensuring fiscal consolidation consistent with the recovery of the economy, properly managing any eventual pronounced rise in oil prices, ensuring the solid and sustainable growth of the emerging economies, and upholding trade openness. To ensure compliance with these commitments, they launched an Accountability Mechanism for G20 Objectives.

At the meeting it was also agreed to move forward in **global financial governance**. The most relevant point in this area is the agreement to increase the financial resources of the International Monetary Fund (IMF) by more than US$450 billion, the largest capitalization in the Fund's history. It should be noted that some developing countries, such as Brazil, Russia, India, and China, have made their contributions conditional on the reform agreed in 2010 being carried through, thus enhancing the influence of the emerging economies in IMF decisions.

With respect to **trade**, the need was stressed to prevent a protectionist spiral that could aggravate the delicate situation of the world economy and trade facilitation measures were agreed. The extension of the standstill clause to 2014 is of particular note. This clause commits countries to refrain from implementing trade- and investment-related protectionist measures, and to seek a successful outcome to the Doha Round negotiations. Also stressed was the importance of global value chains in promoting growth, employment, and development through trade, for which a need was felt to stimulate developing countries' participation in these chains. Trade measures were also addressed in the discussion on food security, in which the G20 leaders pledged to eliminate restrictions on exports and windfall duties on food.

Against such a background, it should be noted that trade restrictions have increased in recent years. In spite of commitments to combat protectionism, many of the barriers have originated in G20 countries. According to The 11th GTA Report on Protectionism,[1] the G20 implemented 89 of the 110 trade restrictive measures introduced since the 6th Leaders' Summit. These economies' share in the use of trade barriers has risen from 60% in 2009 to 79% in 2012. Within the G20, EU27, the Russian Federation, Argentina, United States, India, and China are the economies that have implemented most restrictions (Table 1).

Table 1. Trade restrictive measures implemented by G20 economiesa/ November 2008-June 2012

November 2008-June 2012

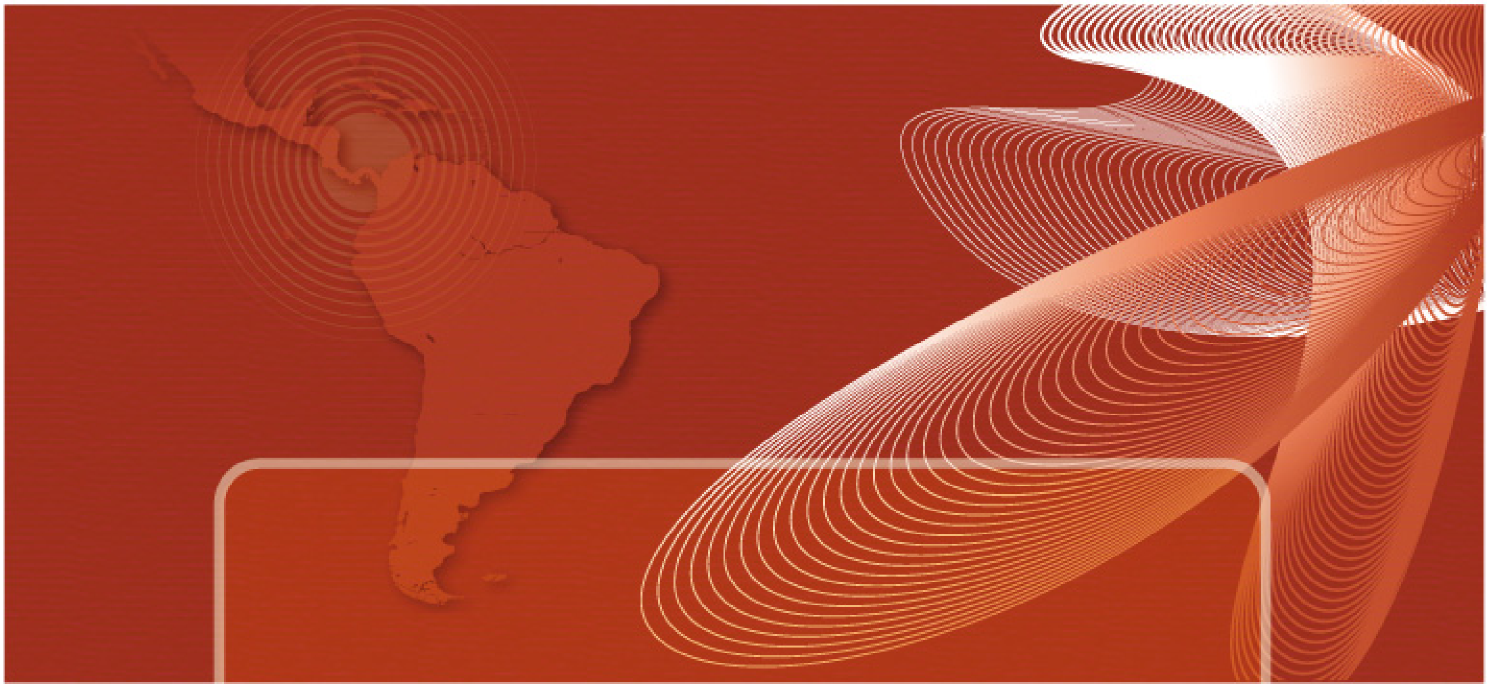
Economy	Red & Yellow Measuresb/	Number of tariff lines affected by red measures	Number of sectors affected by red measures	Number of trading partners affected by red measures
EU27	338	656	57	187
Russian Federation	193	446	45	144
Argentina	173	467	63	151
United States	123	155	43	124
India	109	401	33	153
China	102	701	52	193
Brazil	91	256	33	132
United Kingdom	91	161	27	151
France	87	118	30	150
Germany	86	61	44	155
Italy	76	70	27	144

Indonesia	68	398	40	153
Canada	49	29	16	50
South Africa	40	61	18	133
Turkey	36	41	18	60
South Korea	32	195	34	122
Australia	31	24	22	64
Japan	30	141	15	116
Mexico	24	89	26	37
Saudi Arabia	11	22	6	37

a/ Information to June 25, 2012, by number of restrictive measures implemented. b/ Red measures are measures that have already been implemented and almost certainly restrict trade. Yellow measures are measures already implemented that may be discriminatory in nature or that are being considered and, if implemented, would almost certainly restrict trade. Source: Global Trade Alert (GTA).

The 8th G20 Leaders' Summit will be held in St. Petersburg in the Russian Federation in early December.

[1] It should be noted that this database has significant limitations. First and foremost, the information is not available for all countries and, since the economies did not all begin to be monitored at the same time, the conclusions drawn may be biased to the detriment of the countries with a longer history in the database.



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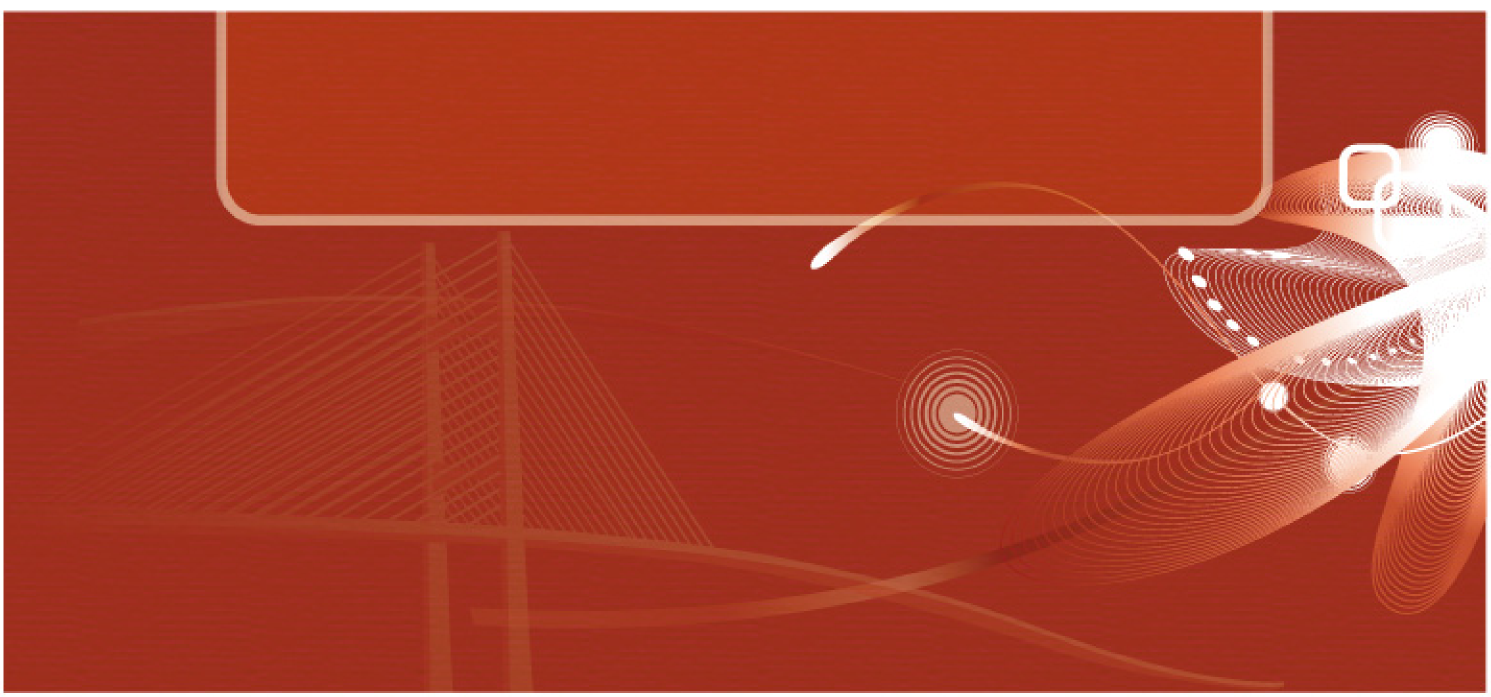

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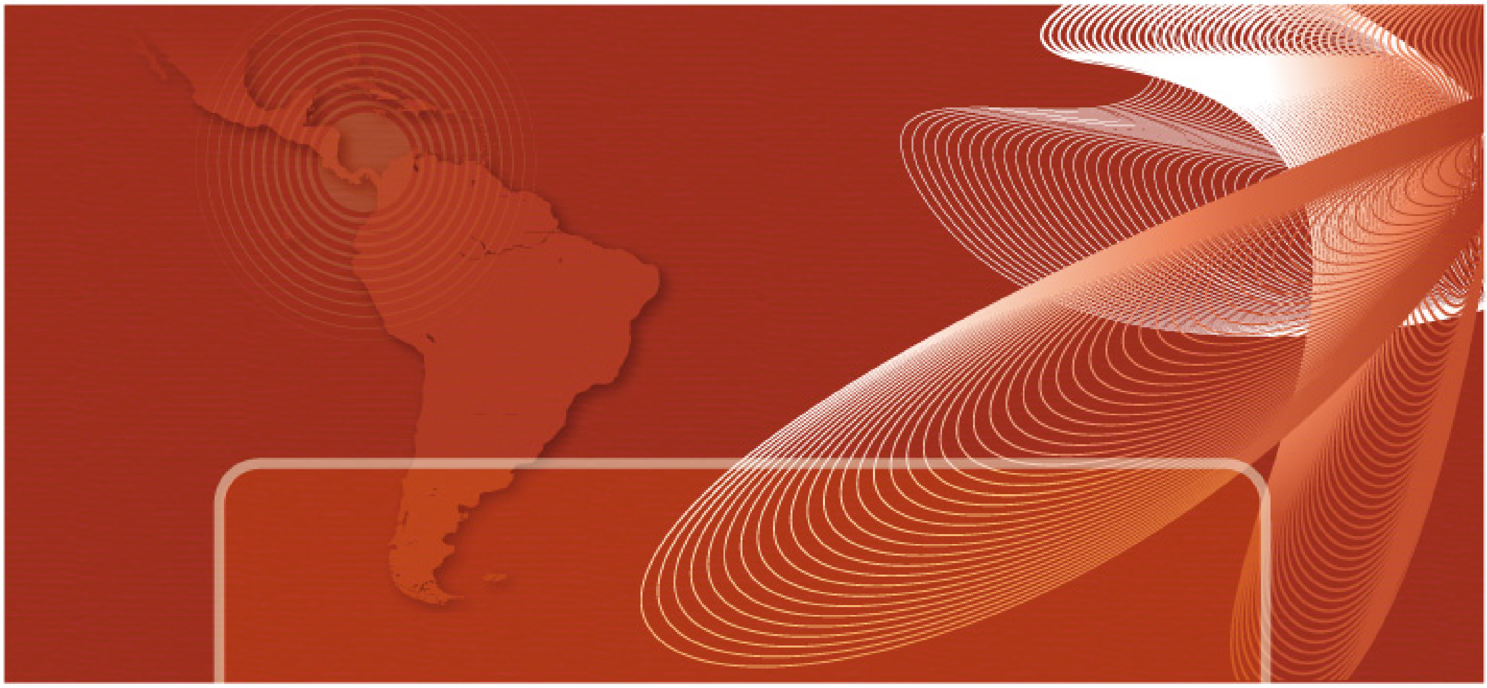
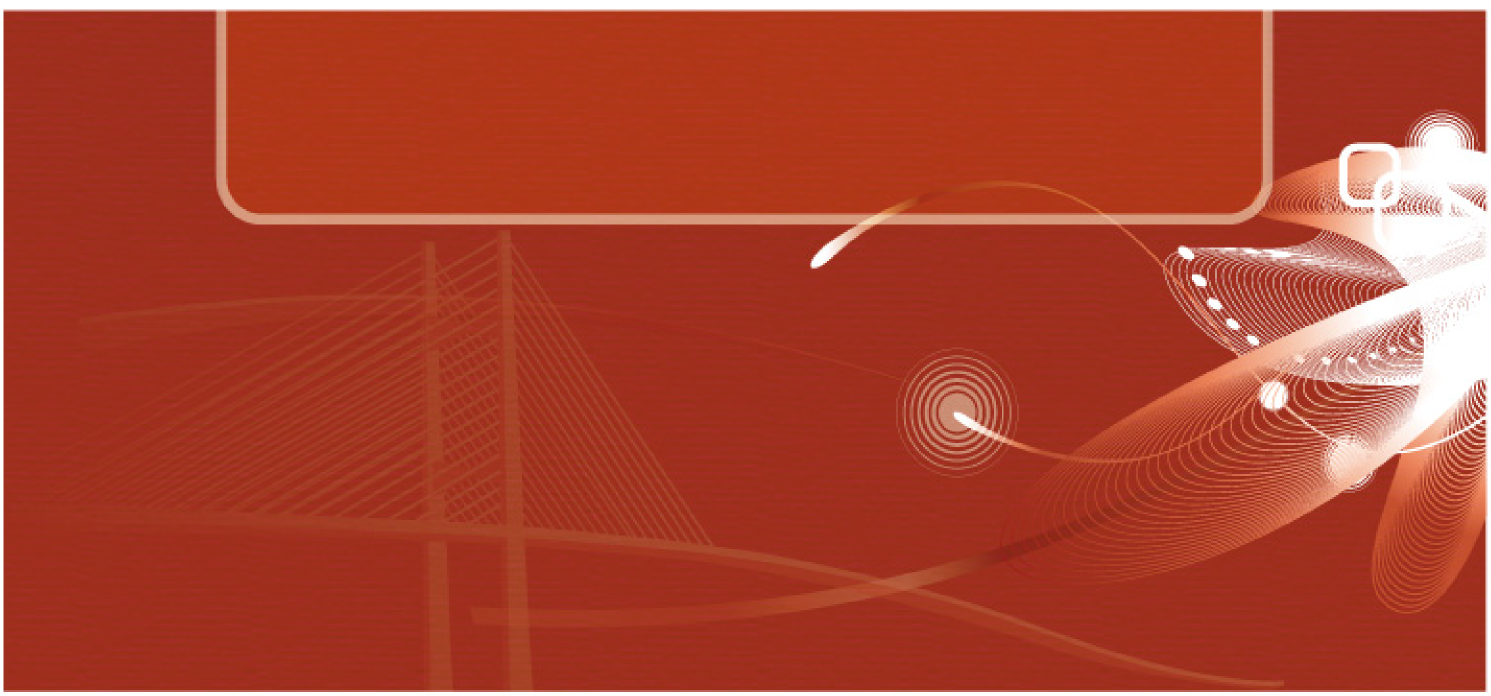


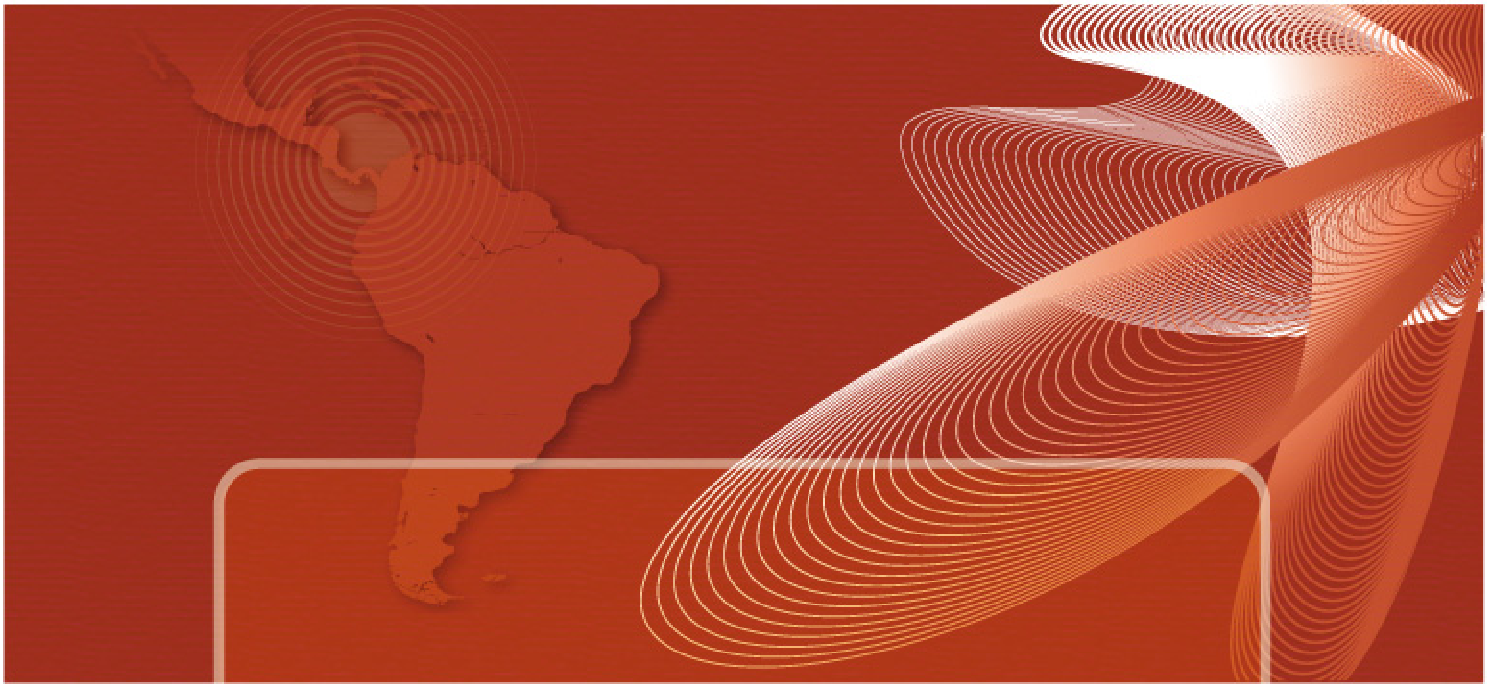
Other IDB activities



IDB at Rio+20

On the occasion of the United Nations Conference on Sustainable Development (UNCSD), Rio+20, in Rio de Janeiro, Brazil, the Inter-American Development Bank (IDB) held a series of events to promote dialogue and collaboration in key areas for Latin America and the Caribbean, such as climate change adaptation and mitigation measures, low-carbon development, biodiversity, and sustainable energy. Click here to access the full schedule of activities.
Against this background, IDB, alongside other multilateral development banks, issued a Joint Statement joint expressing its commitment to sustainable development and its support for a transition toward a greener and more inclusive model of growth.

For more information on Rio+20, see "Rio+20: a lame outcome" in the current Monthly Newsletter and "Last-minute preparations for Rio+20" in *INTAL Monthly Newsletter No. 190*.



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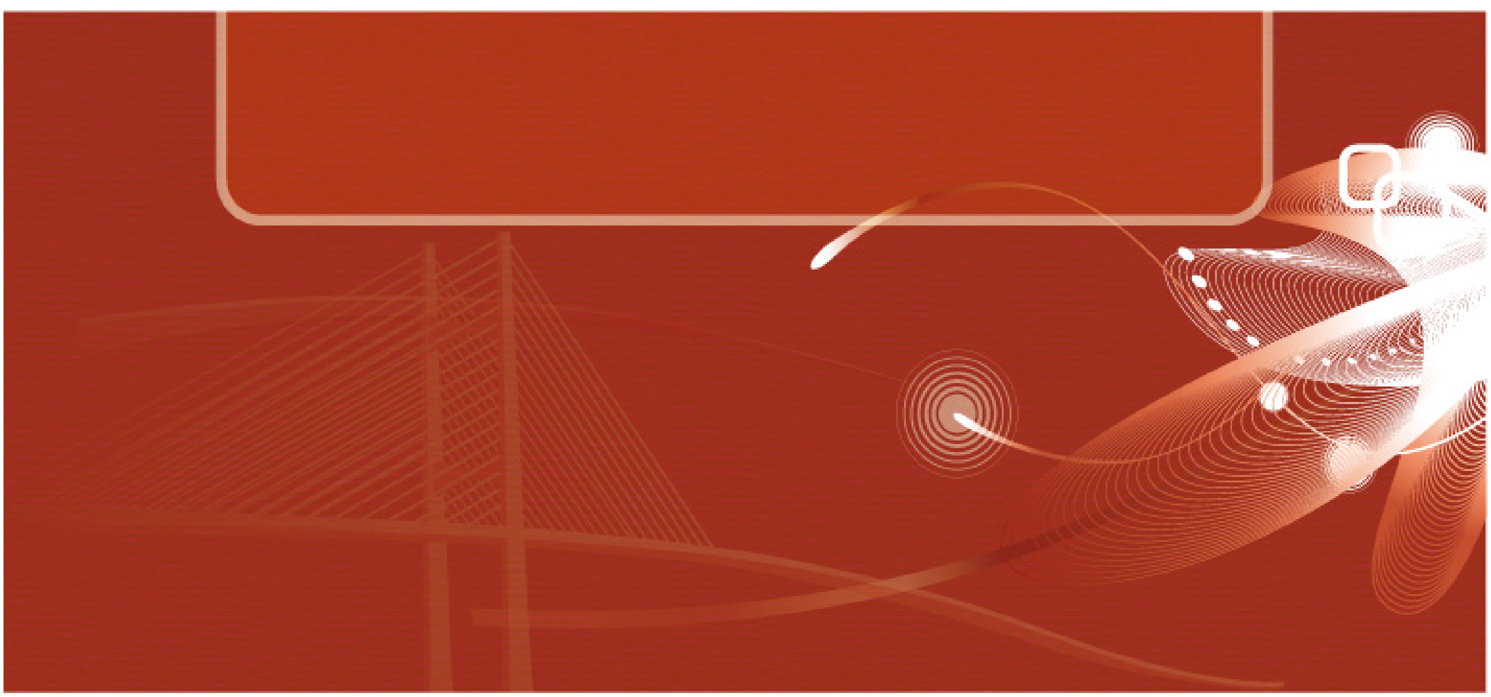

Reviews

Campos R., Estevez I., & Carciofi R. (2012) Metodología de análisis de potencial de integración productiva y desarrollo de servicios logísticos de valor agregado. La experiencia de IIRSA. Washington D.C.: IDB/INTAL.

The objective of this technical note is to bring together in a single text and disseminate the conceptual foundations and main results of the work developed in the application of the Methodology of Analysis of the Productive Integration Potential and Development of Value Added Logistics Services produced by the Initiative for the Integration of Regional Infrastructure in South America (IIRSA). The initiative forms part of the 2012-2022 Strategic Action Plan (PAE) of the South American Infrastructure and Planning Council (COSIPLAN) of the Union of South American Nations (UNASUR).

According to the theoretical literature on the spatial location of economic activities, their *agglomeration* enables access to the larger-scale markets and to the inputs needed for production; this fits in with the idea of back and forth links in the theory of development. In the presence of economies of scale, firms have clear incentives to supply the market from a single location, with the minimum cost for the spatial distribution of the output. The New Economic Geography (NEG) illustrates the tension between these centripetal forces, which promote the geographical concentration of economic activities, and centrifugal forces, which operate in the opposite direction.

International trade has, in the past 30 years, grown faster than world output. The greater dynamism is due to trade in intermediate inputs, giving rise to the phenomenon known as global value chains (GVCs), which is based on the international fragmentation of production and involves countries' specialization at some point in the chain of production.

In IIRSA's approach, the development of infrastructure to increase or facilitate contact between countries can stimulate productive integration because it brings economic spaces closer together, reduces the physical barriers to trade and transport costs, and expands the size of the markets. Productive integration, in this sense, deepens regional integration, which requires the overcoming of physical, bureaucratic, and institutional obstacles.

The Methodology's purpose is to contribute to the deepening of the integration of South American countries, focusing on physical and productive integration, mainly through the development of infrastructure projects that are capable of generating the possibility of higher density of regional productive chains, complementarities between countries, greater addition of value to the region's products, and investment opportunities made viable by new investments in infrastructure.

The methodology presented in the work seeks to identify the potential contribution of the IIRSA project groups to productive integration, and to the development and diversification of logistics services that add value to output in their area of influence. The methodology consists: first, of a survey of the information on the basis of which hypotheses can be formulated about the potential of a project group to contribute to productive integration and the development of logistics services; second, of the validation or adaptation of hypotheses through consultations with the relevant players; and last, of the analysis of the information garnered and the coordination of the infrastructure projects, the solution of any barriers identified, and the exploitation of any business opportunities using a methodology that requires several steps. As a result, governments are provided with tools to enable them to improve the process of territorial infrastructure planning.

The applications have yielded both positive and negative results, implying that the project groups' hypotheses contributing to productive integration have been validated in some cases and rejected in others.

In the case of the grains and poultry chains, Project Group 3 (GP3) of the Capricorn Hub (Brazil-Paraguay), the expansion of productive integration can be driven both by governments, through regulatory changes and investments in transportation infrastructure, and by the private sector through exploiting the various different investment opportunities. In GP5 of the Central Interoceanic Hub (Bolivia-Chile-Peru), greater productive integration could be achieved by improving Bolivia's productive processes to meet the quality standards required by its trading partners. Bolivia also needs to improve its internal infrastructure network. In order to deepen productive integration in GP5 of the Andean Hub (Colombia-Ecuador-Peru) transaction costs have to be reduced by actions that cut transportation times and costs. The introduction of specialized logistics infrastructure could also contribute to the generation of formal jobs in the transshipment areas. On the basis of this exercise and by identifying the existing maritime dynamics, Colombia included in the Portfolio a project to further develop maritime cabotage between the ports of Buenaventura and Callao.

Improving infrastructure between the countries could feed a virtuous circle and lead to greater productive integration.

However, the applications show that the infrastructure may not be able to start up or enhance the development process of a geographic area on its own. Its contribution to the area of influence depends on the actions, behaviors, and responses of other actors (private sectors, jurisdictional governments, and local communities) to the stimuli of the effective improvements or expectations of improvements in the quantity and quality of infrastructure. There are also regulatory and other aspects that may modify economic relations between the countries and affect productive integration. Consequently, the infrastructure-integration relationship is not necessarily a direct one, but is mediated by the presence of other factors and circumstances that interfere with the progress of integration. By incorporating these elements, it is possible to obtain an adequate overview of the present situation and an estimate of infrastructure's future relationship with productive integration.

When the infrastructure provided in the Portfolio is combined with other elements that interfere with the productive integration process, a chain of events can be built that enables the public and private actions that create good conditions for the development or deepening of the productive integration process to be ordered in time, with a logic of physical and economic precedence. This succession of events helps to provide guidance about what is needed most urgently, and to facilitate and enhance the action of the private sector and open the way for the exploration of business opportunities, which is an important input for public policy planning.

We must mention the contribution of this kind of exercise to the creation of multidisciplinary teams, who can work together to facilitate the methodology's process of application and display the results, and send proposals to the decision makers in various areas of government.

Santa Gadea, R., ed. (2012). Integración física sudamericana diez años después: impacto e implementación en el Perú. Lima: University of the Pacific; IDB/INTAL; Peruvian Center for International Studies (CEPEI). March 2012.

Santa Gadea's book compiles the presentations and debates of the event, "Integración física sudamericana diez años después: Impacto e implementación en el Perú," held in Lima, November 30 and December 1, 2010, by the University of the Pacific and the Peruvian Center for International Studies (CEPEI), with the support of the Inter-American Development Bank through its Institute for the Integration of Latin America and the Caribbean (IDB-INTAL).

The book's contribution is to bring together the event's expositions in a single concise and orderly volume, thus helping to disseminate its discussions and conclusions. The work contributes to an understanding of the importance of physical integration for Peru as a space for bioceanic interconnection, given its Pacific coastline and its location in South America. In Peru's view, physical integration contributes, among other objectives, to increasing the competitiveness and the development of the country's interior.

The publication consists of three modules. The first describes the presentations on IIRSA's work in its first ten years. Ricardo Carciofi, Director of IDB-INTAL, explains IIRSA's strategic vision, pillars, and the major challenges that lie ahead. Next, Mauro Marcondes Rodrigues, IDB's former IIRSA coordinator, examines the concept of Integration and Development Hub (EID), analyzing its evolution from the idea of corridors to its fundamental relevance for indicative territorial planning as employed by IIRSA. Jorge Kogan, advisor to the CAF Vice President of Infrastructure, points out the importance of infrastructure for competitiveness through the reduction of transport costs and especially emphasizes the role of private investment. Ariel Pares, former IIRSA national coordinator for Brazil, shows the relevance of IIRSA for the coordination of central South America with the dynamic spaces of the subcontinent's Atlantic and Pacific coasts. Augusto Arzubiaga, former IIRSA director of national affairs for the Peruvian Foreign Ministry, explains the transition from IIRSA to UNASUR as the technical planning body for South American physical infrastructure.

The second module brings together various different presentations that look at the costs and benefits of IIRSA implementation in Peru. Rosario Santa Gadea, former IIRSA national coordinator for Peru, describes how impetus was given to the implementation of IIRSA projects in that country, while demonstrating the objective of increasing the levels and diversification of trade with Brazil. Henry Zaira, Director General of Planning and Budget of the Peruvian Transport and Communications Ministry, tackles the question of how the restrictions on financing were overcome through public resources and the use of public-private partnerships. Rafael Farromeque, Director of Europraxis-ALG Consulting Andina, addresses the development of logistics platforms in the IIRSA Hubs. Roberto Urrunaga and José Luis Bonifaz, from the University of the Pacific Research Center, present estimates of the economic benefits of the North Amazon and Peru-Brazil-Bolivia Hubs, and their trade potential. Rosario Gómez, former Deputy Minister for Strategic Development of Natural Resources of the Peruvian Environment Ministry, provides an ex ante analysis of environmental issues associated with the infrastructure of the IIRSA Hubs.

The third module is about the methodological contribution and the challenges that lie ahead of

Peru in physical integration and territorial development. José Paulo Silveira, Director of Macroplan-Prospectiva y Estrategia, describes the methodology of indicative territorial planning and its results for Brazil in the area of influence of the Peru-Brazil-Bolivia Hub. Rinaldo Barcia Fonseca from the State University of Campinas (UNICAMP) explains the methodology that seeks to identify the IIRSA project groups' potential contribution to productive integration. Marcel Barceló (CLC Consultores en Logística, Uruguay) compares interoceanic routes between South America and Asia Pacific in terms of transport and logistics. Guillermo Vega Alvear, Director of the Peruvian National Port Authority, describes the importance of infrastructure and ports in development of the country's regions. Oscar Zapata, former President of the National Chamber of Commerce, Production and Services, provides the business perspective on Peru's regions within the various different EIDs, emphasizing the potential for integration between Brazil and Peru through commercial trading, investment, and economic cooperation.
The book concludes with final statements and conclusions from Rosario Santa Gadea.

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Monthly Highlights

* Santa Gadea, R., ed. (2012). Integración física sudamericana diez años después : impacto e implementación en el Perú. Lima: Universidad del Pacífico; BID-INTAL; CEPEI.

Título: Informe macroeconómico de América Latina y el Caribe - junio de 2012
Otros responsables: Comisión Económica para América Latina y el Caribe, CEPAL
Edición: Santiago de Chile: CEPAL, Junio de 2012 [86 p.]
ISBN:978-92-1-221091-9
Serie: Informe macroeconómico de América Latina y el Caribe
Temas:<COORDINACION DE POLITICAS MACROECONOMICAS><DESARROLLO ECONOMICO><ECONOMIAS REGIONALES><POLITICA MACROECONOMICA><MACROECONOMIA><COYUNTURA ECONOMICA><CRECIMIENTO ECONOMICO>
Geográficos:<AMERICA LATINA><CARIBE>

Resumen: El presente Informe macroeconómico de América Latina y el Caribe es una nueva publicación de la CEPAL, diseñada para responder a la demanda de un análisis actualizado del desempeño macroeconómico de la región ante coyunturas cambiantes. De esta manera se intenta complementar el Estudio económico de América Latina y el Caribe y el Balance preliminar de las economías de América Latina y el Caribe, informes que la CEPAL continuará publicando anualmente junto con informes macroeconómicos periódicos como este. La publicación es parte de un esfuerzo para poner a disposición de las instituciones públicas, los medios de comunicación, el mundo académico, los analistas privados y el público en general un enfoque informativo y analítico integrado, que tome en cuenta tanto las dimensiones coyunturales como las estructurales del desarrollo macroeconómico de la región.Este informe está acompañado de notas de análisis de las economías de todos los países de América Latina y el Caribe en 2011 y durante los primeros meses de 2012.

Accesos al documento:eHM CEPAL-MACRO.LAC. [2012]
Documento Electrónico

Versión español (texto completo). Si no pudo acceder haga click aqui
English version (texto completo). Si no pudo acceder haga click aqui
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* La República Popular China y América Latina y el Caribe : Diálogo y cooperación ante los nuevos desafíos de la economía global. (2012). Santiago de Chile: CEPAL.

Título: La República Popular China y América Latina y el Caribe : Diálogo y cooperación ante los nuevos desafíos de la economía global
Edición: Santiago de Chile: CEPAL, Junio de 2012 [54 p.]
Temas:<COOPERACION INTERNACIONALCOMERCIO INTERNACIONAL><RELACIONES COMERCIALES><EXPORTACIONES><COMMODITIES><MERCADOS FINANCIEROS EMERGENTES><ECONOMIA INTERNACIONAL>
Geográficos:<CHINA>

Resumen: En las últimas décadas, China - junto con las demás economías emergentes de Asia - se ha convertido en factor clave para entender la evolución y las perspectivas de la globalización. Por su destacado desempeño en cuanto a crecimiento económico, comercio internacional, inversión extranjera directa e innovación tecnológica y su papel como fuente de financiamiento internacional, China está modificando aceleradamente el mapa de la economía mundial. De esta forma, está potenciando los vínculos entre las economías en desarrollo y favoreciendo un ciclo inédito de crecimiento, comercio, inversión, reducción de la pobreza y avances en la internacionalización de las economías emergentes. Gracias a ello se está reduciendo la brecha de ingresos entre esas economías y los países industrializados. Varias décadas de crecimiento chino en torno al 10 por ciento anual han redefinido el contexto de las cadenas asiáticas de valor. Estas tienden a estructurarse cada vez más en torno a China, país que se desempeña como actor principal de la "fábrica Asia". De este modo, la acelerada dinámica de crecimiento de la economía china contribuye a potenciar los vínculos entre las economías asiáticas y estimula el comercio intraindustrial y las inversiones cruzadas. Por ello, en una adecuada estrategia de acercamiento a China no puede obviarse este fuerte lazo con Asia oriental y sudoriental. El impetuoso crecimiento chino se expresa en una activa demanda de materias primas y recursos naturales, que en muchos casos provienen de países de América Latina y el Caribe. Desde la pasada década, el comercio de China con la región viene creciendo a tasas muy elevadas y en pocos años dicho país se ha convertido en un actor central de su comercio exterior, lo que ha favorecido el crecimiento de los países exportadores de materias primas de la región.

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* Fondo Multilateral de Inversiones, FOMIN. (2012). Recuperando el Crecimiento : Las remesas en América Latina y el Caribe en 2011. Buenos Aires: FOMIN.

Autor inst.: Fondo Multilateral de Inversiones, FOMIN
Título: Recuperando el Crecimiento : Las remesas en América Latina y el Caribe en 2011
Edición: Buenos Aires: FOMIN, 2012 [26 p.]
Temas:<CRISIS><DESEMPLEO><MERCADO DE TRABAJO><MIGRACIONES INTERNACIONALES><REMESAS>
Geográficos:<AMERICA LATINA><CARIBE>

Resumen: Hace una década, el FOMIN reveló la verdadera magnitud de las remesas, que durante mucho tiempo habían sido relegadas a la columna de "errores y omisiones" de los estados de balanzas de pagos. El FOMIN percibió, más allá de la medición de estos importantes flujos de dinero, que las remesas podían ofrecer una clave de acceso a la actividad bancaria para quienes carecieran de él, puesto que la mayoría de esas transferencias correspondía a personas pobres, tradicionalmente excluidas de los sistemas financieros formales. Las remesas son compatibles con la agenda más vasta del FOMIN, que promueve la inclusión financiera por medio de distintas clases de pagos y transferencias, incluyendo pagos internos y transferencias monetarias condicionadas, con objeto de ampliar el acceso a servicios financieros concebidos de acuerdo con las necesidades de los pobres. Para la consecución de ese objetivo, el FOMIN financia proyectos y estudios, presta servicios de asesoramiento y organiza reuniones, a fin de difundir ideas nuevas acerca de la forma en que las remesas pueden convertirse en un instrumento de superación de la pobreza. Durante 2011, el ingreso por remesas de la región de América Latina y el Caribe mostró una importante recuperación, alcanzando tasas anuales de crecimiento cercanas a las registradas antes del inicio de la crisis económica global. Desde el último trimestre del 2008, los incrementos en las tasas de desempleo en los países tradicionales de envío, como Estados Unidos, España y Japón, y la consecuente reducción del ingreso de los migrantes latinoamericanos ocasionaron una disminución sin precedente en el volumen de remesas enviado a la región.

Accesos al documento:
E 336.71 / FOMIN-REM / 2012
Documento Electrónico

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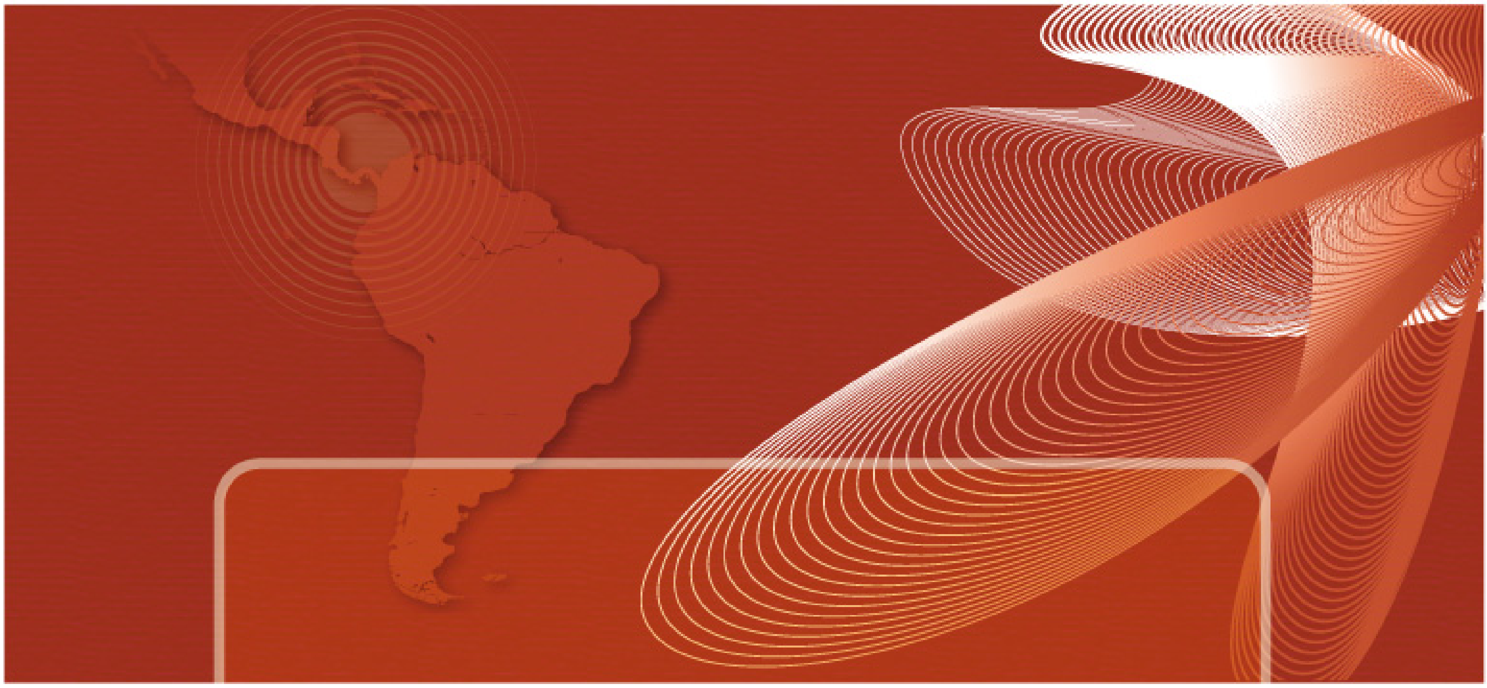

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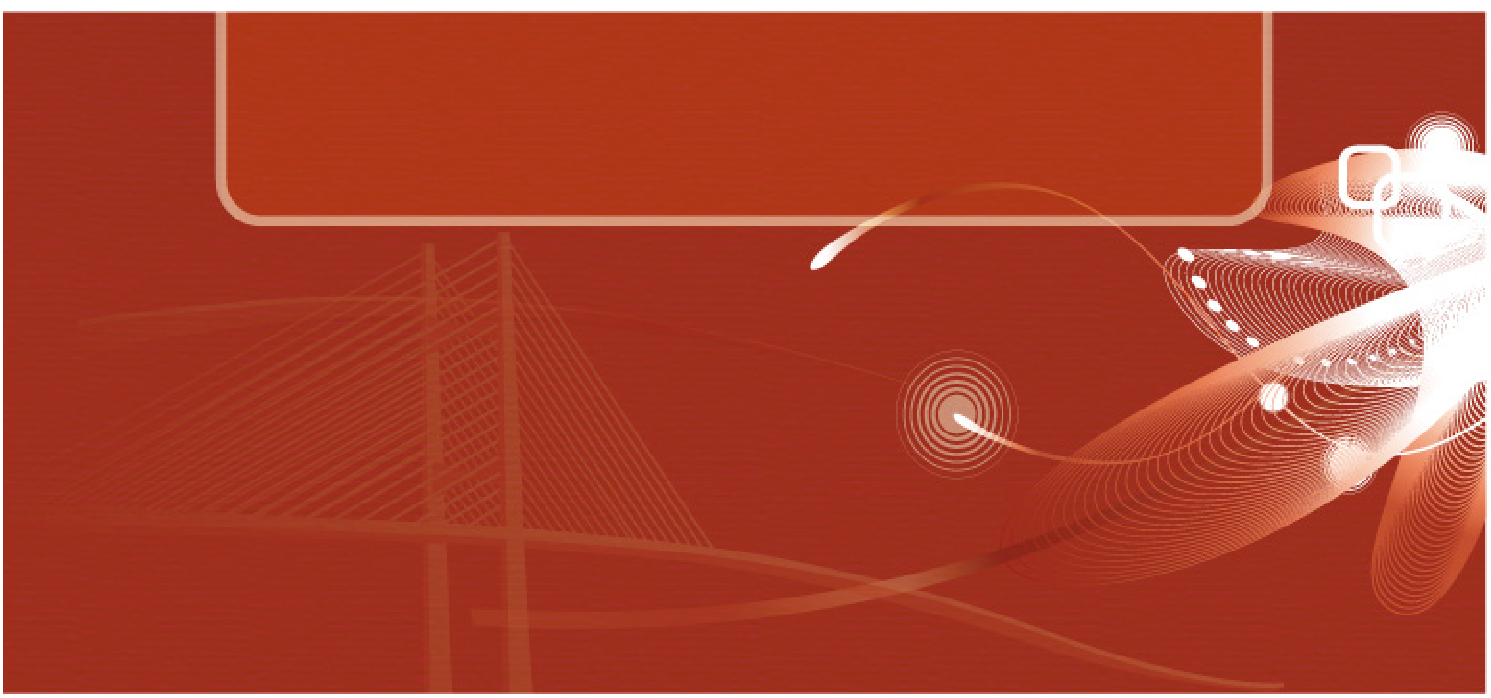

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