192

August 2012

Monthly Newsletter INTAL

Monthly Electronic Publication

IDB Inter-American Development Bank

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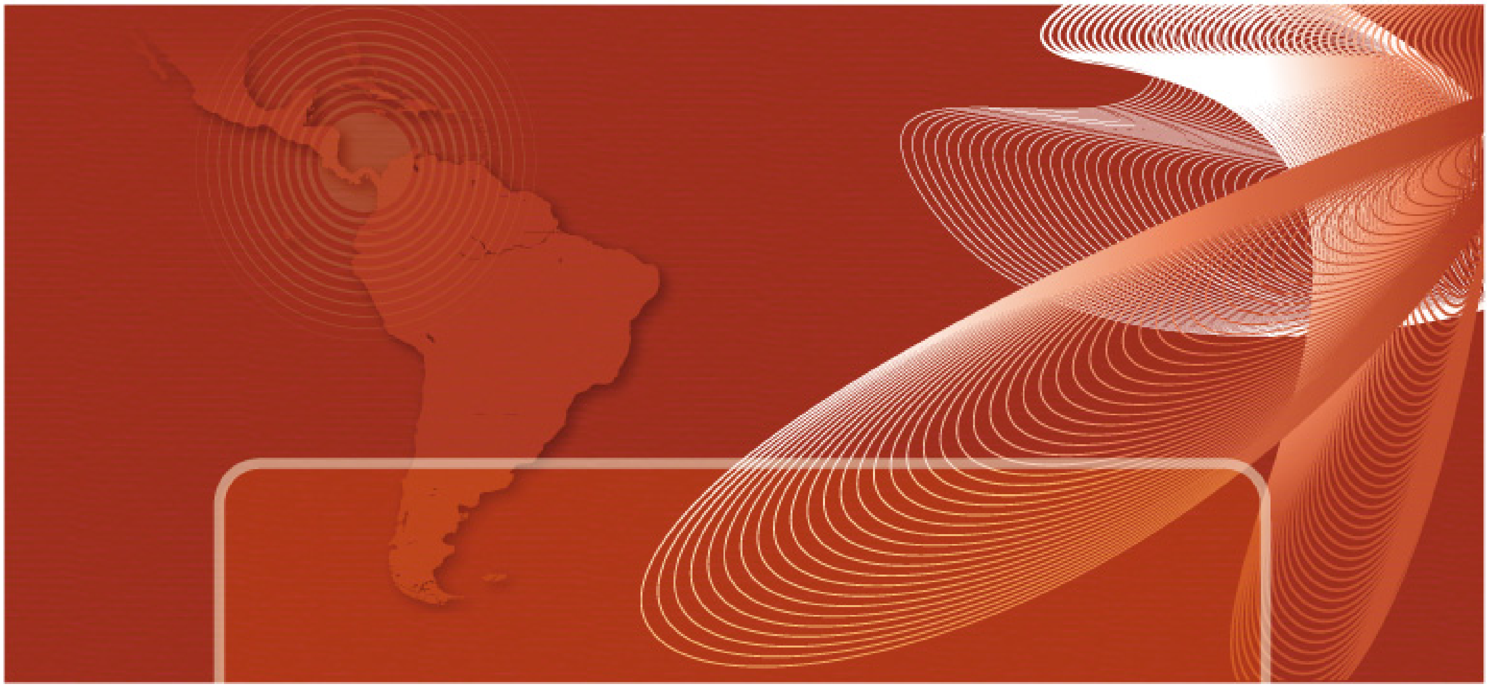
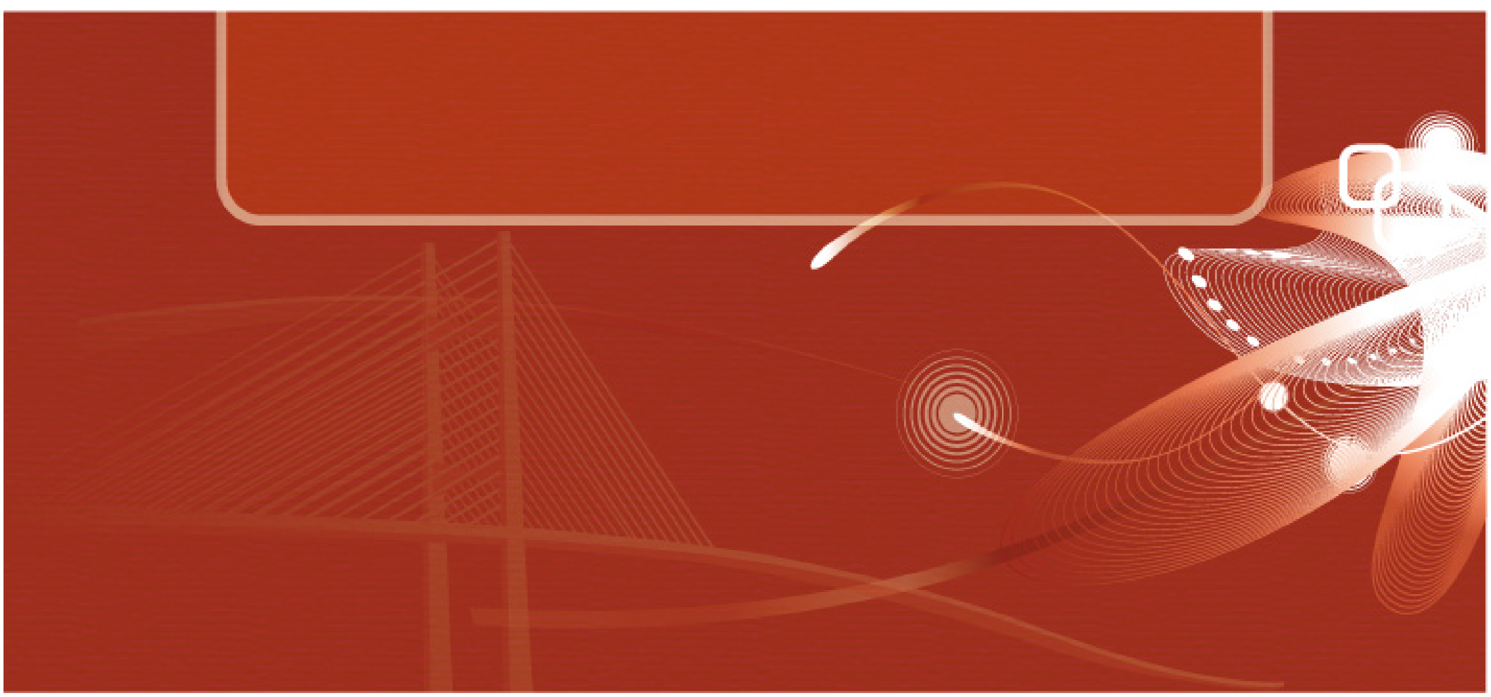


Integration Blocs



The Caribbean

Fourth negotiating round toward CARICOM-Canada Trade and Development Agreement

The fourth round of negotiations for a Trade and Development Agreement between the Caribbean Community and Common Market (CARICOM), and Canada was held in Barbados, July 17-20.
The meeting was to discuss the major issues on which the negotiation revolves: Trade in Goods and Services, Investment, Competition Policy and Transparency, and Government Procurement. CARICOM submitted its first draft proposal for Energy Cooperation, and Financial and Tourism Services.
For CARICOM, the agreement means special access to a goods-export market, which is already being enjoyed under the CARIBCAN System of Trade Preferences, after an exemption by the World Trade Organization (WTO) that originally expired in December 2011. This exemption, however, was extended by the WTO General Council for a two-year period while the two parties complete negotiations for a trade agreement consistent with WTO rules.
The Caribbean bloc also seeks to obtain access to the Canadian services market—a productive sector of particular importance for the CARICOM, which offers the region great development opportunities—and to successfully attract investments from Canada, which would allow it access to capital, technology, knowledge, innovation, and experience in best practices for production processes, product development, and business administration.
Last, it is a priority for CARICOM that any agreement negotiated should consider the dimension of development and be included in any measures to help the region boost its export capacity, develop its domestic market, and facilitate a level of cooperation with Canada that will help the region tackle any trade challenges that lie ahead.

Related articles:

- IDB/INTAL. "CARICOM prepares for the negotiation with Canada," in: *INTAL Monthly*

Newsletter No. 159. October 2009.
- IDB/INTAL. "1st round of CARICOM-Canada talks," in: *INTAL Monthly Newsletter No. 160*. November 2009.
- IDB/INTAL. "Progress in CARICOM's negotiations with Canada," in: *INTAL Monthly Newsletter No. 178*. June 2011.
- IDB/INTAL. "CARICOM strengthens integration with Canada and cooperation with Australia," in: *INTAL Monthly Newsletter No. 183*. November 2011.

Central America

Multifaceted Central American trade agenda

Guatemala makes official visits to Peru and Argentina

The Guatemalan Foreign Minister, Harold Caballeros, paid official visits to his counterparts in the Peruvian and Argentine Republics July 18-20 to deepen and strengthen the bilateral relationship with the two countries.
During the meeting with his Peruvian counterpart, Rafael Roncagliolo, the two foreign ministers signed a Joint Declaration and a Technical and Scientific Cooperation Agreement to promote and exchange experiences and information in areas of interest.
At the meeting with the Argentine Minister for Foreign Affairs and Worship, Hector Timerman, it was agreed to implement technology transfer initiatives in agriculture and exchange expertise on social assistance programs. To this end, they are to promote a meeting between the Ministers of the respective portfolios and the signing of an agreement on cooperation in agriculture. The Ministers also held the 2nd Meeting of the Guatemala-Argentina Political Consultation Mechanism, where they made commitments on the economy and trade, cultural diplomacy, cooperation, and tackling the problem of organized crime, while also signing the Convention on Academic Cooperation. Last, they held a preparatory meeting for the 1st Joint Cooperation Committee Meeting in early 2013. This meeting will present the call for technical cooperation projects (projects, scholarships, seminars, courses, and visits by experts) for both countries.

More information at the following links: [1]; [2]; [3]

Implementation of EU Association Agreement

The First Budget for the project, "Facilitating Guatemala's Participation in the Regional Integration Process and in the Association Agreement between Central America and the European Union," was

signed July 16. The project seeks to train and equip the Guatemalan Ministries with the necessary tools, and to inform civil society in order to achieve Guatemala's effective participation in the regional integration processes and the recently signed Association Agreement with the European Union.[1]
The total budget is US$10 million, US$8.5 million of which is to be provided by the European Union.

First negotiating round between El Salvador and Ecuador

The respective countries' negotiating teams met in San Salvador, El Salvador, July 4-6, for the 1st negotiating round toward a Partial Scope Economic Complementarity Agreement. This first meeting discussed normative texts in market access, rules of origin, customs procedures and trade facilitation, trade protection measures, sanitary and phytosanitary measures, technical barriers to trade, dispute settlement, and institutional arrangements. The Ministry of Economy of El Salvador stated that it had agreed 60% of the issues that will govern the bilateral relationship.
In 2011, the flow of trade between El Salvador and Ecuador totaled US$250 million. El Salvador's imports from Ecuador are mainly composed of crude oil, tuna, household appliances, ceramic articles, and medicines, while its main export products to that destination are paper and paperboard, iron and steel goods, and clothing.
The second round is scheduled to be held in Quito in September and the process is expected to be completed by the end of this year.
El Salvador also held the Meetings of Mid-Term Evaluation of the 2011-2013 Technical Cooperation Program with Ecuador and Argentina on 18 and 31 July respectively. The Program with Ecuador contains 25 technical cooperation projects agreed by the two countries, six of which have already been completed and the remaining 19 are running. The meeting with Argentina analyzed the 22 projects instigated by the two countries.

More information at the following links: [1]; [2]; [3].

Costa Rica and Colombia launch FTA negotiation

The first negotiating round of the Free Trade Agreement (FTA) between Costa Rica and Colombia was held in Bogotá between July 30 and August 3.
The meeting saw the completion of 11 of the 22 chapters that will make up the document for the agreement. The completed chapters are: rules of origin and customs procedures, trade facilitation and customs procedures, technical barriers to trade, intellectual property, competition, border services, dispute settlement, initial provisions, transparency, administration of the agreement, and final provisions. Using the FTA signed by Costa Rica and Peru[2] as a basis for the negotiation enabled a very swift negotiation of regulatory texts.
The parties also conducted a first exchange of views on goods market access. They analyzed previously exchanged industrial offers and agricultural applications and agreed to exchange improved offers before the next round of talks.
Costa Rica's Foreign Trade Ministry published sectoral studies to help define the national position

in each one of them, while opportunities for Colombia according to its Ministry of Trade, Industry, and Tourism were defined in industry, agribusiness, and the agricultural sector.
The flow of trade between Costa Rica and Colombia doubled between 2002 and 2011, reaching US$503.9 million. In terms of composition, Costa Rica's exports to Colombia include food preparations, articles and appliances for prostheses, lead, vodka, medicines, plates, sheeting, plastic strips and sheeting, oilseeds and fruit, and tires, while its imports from Colombia are mainly composed of petroleum derivatives and some chemicals.
In addition to the similarities in their ways of doing business and their geographic proximity, the two countries share interests within the Pacific Alliance, which Costa Rica is applying to join.[3]
The second round will be held in Costa Rica, September 24-28.

More information at the following links: [1]; [2].

El Salvador-Cuba PSA comes into force

The Partial Scope Agreement (PSA) between El Salvador and Cuba comes into force as of August 1. The agreement provides for cuts in tariffs—and in some cases their complete elimination—on 618 headings by El Salvador for Cuban products and on 433 headings by Cuba for products from El Salvador. The PSA was signed in September 2011 after three rounds of negotiation.
El Salvador's exports to Cuba in 2011 totaled US$7.1 million, and imports US$3.4 million. Deliveries to the Caribbean country are composed primarily of cotton yarns, glass fiber goods, medicines, paper and paperboard products, metal window operators, and cement goods. Purchases from Cuba include mainly medicines, construction materials, diagnostic reagents, and rum.

More information at the following link: link.

[1] See *INTAL Monthly Newsletter No. 191*: "Central America signs Association Agreement with EU," July 2012.
[2] See *INTAL Monthly Newsletter No. 177*: "Costa Rica and Panamá close negotiations with Peru," May 2011.
[3] See *INTAL Monthly Newsletter No. 190*: "New dimensions in Asia-Latin America ties," June 2012.

Mexico to host Central America Security Strategy meeting

Mexico City played host July 24 to the 2nd Meeting of the Security Experts Group for the Crime-Fighting Component of the Central America Security Strategy (ESCA). The meeting was aimed at exchanging points of view and reviewing technical cooperation in Crime-Fighting.
Attending were Deputy Foreign Affairs Ministers from 19 countries and representatives of international organizations, including the Inter-American Development Bank (IDB), which pledged to make cooperation among the members of the Group of Friends of the ESCA and the Central American countries more efficient.

More information at the following links: [1]; [2]

Related articles:

- IDB/INTAL. "Forum on the Central America Security Strategy," in: *INTAL Monthly Newsletter No. 182*, October 2011.
- IDB/INTAL. "Commitment to the Central America Security Strategy," in: *INTAL Monthly Newsletter No. 187*, March 2012.
- IDB/INTAL. "Progress in implementing the Security Strategy," in: *INTAL Monthly Newsletter No. 180*, August 2011.
- IDB/INTAL. "IDB supports Regional Security Strategy in Central America," in: *INTAL Monthly Newsletter No. 174*, February 2011.
- IDB/INTAL. "Security and integration: the Summit of Regional Citizen Security in Central America," in: *INTAL Monthly Newsletter No. 179*, July 2011.

Andean Community

CAN Activities

Ecuador takes over CAN *Pro Tempore* Presidency

Ecuador took over the *Pro Tempore* Presidency of the Andean Community of Nations (CAN), July 31, for the next year, at the enlarged meeting of the Andean Council of CAN Foreign Ministers. During the ceremony, Ecuadorian Foreign Minister, Ricardo Patiño Aroca, stated the intention to give the bloc renewed dynamism that will redirect and strengthen it in the face of the challenges of the current international context. He pointed out that his country is strongly committed to continuing the process begun by Colombia to reengineer CAN in order to optimize coordination among the countries of the subregion.

For more information, see: [1].

Related articles:

- IDB/INTAL, "CAN presidents seek to energize Andean integration," in: *INTAL Monthly Newsletter No. 180*, August 2011.

Launch of Andean MSME Observatory

CAN members officially launched the Andean Observatory of Micro, Small, and Medium Enterprises (OBAPYME) July 4. The Observatory is designed to promote the development of MSMEs by disseminating up-to-date information, facilitating access to practical tools, and exchanging experiences in order to promote the sector's exports. In particular, it will seek to strengthen actions and information services in order to enhance associative practices and promote technological innovation.

For more information, see: [1].

MERCOSUR

Venezuela, a MERCOSUR member

The 10th Extraordinary Meeting of the Common Market Council (CMC), was held in Rio de Janeiro, Brazil, at the end of July. The meeting formalized the Bolivarian Republic of Venezuela's admission to MERCOSUR, six years after signing the Protocol of Accession to the bloc. Under CMC Decision No. 27/12, as August 12, 2012, Venezuela acquired the status of State Party and will participate in MERCOSUR with all rights and obligations.
The new member has a market of 27.7 million consumers, with an annual per capita income of US$11,945.[1] With Venezuela's accession, MERCOSUR will take in 47.5% of Latin America's population and 59.0% of its GDP, and will have a per capita income 24.4% higher than that for the whole region (Table 1). Furthermore, given that Venezuela is one of the world's leading oil producers and exporters, its incorporation is significant in terms of energy security, which complements the bloc's relevance in the area of food security.

Table 1: MERCOSUR population, GDPs, and per capita GDPs, 2011

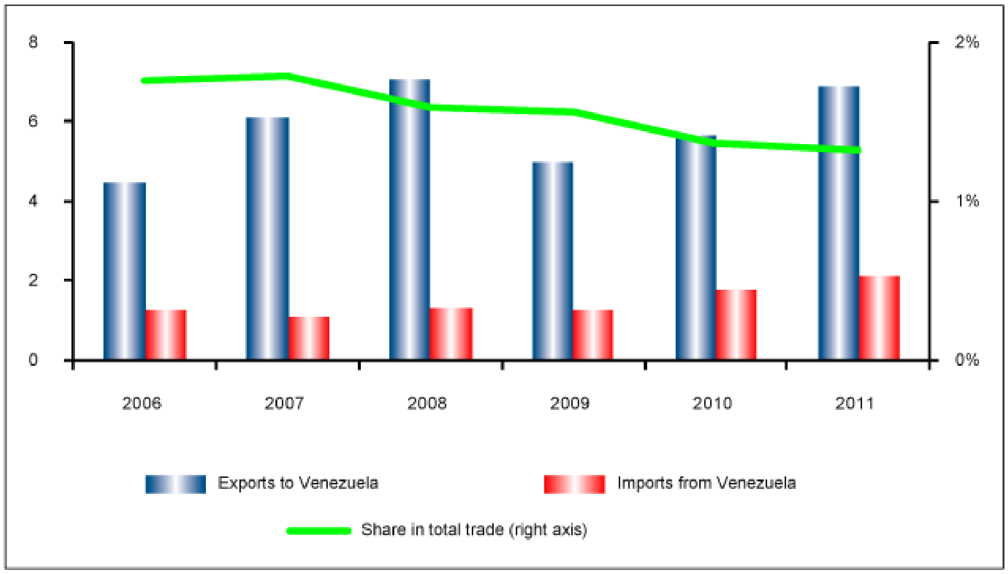
Country	Population (millions)	GDP (billions of current US$)	Per capita GDP (current US$)
Argentina	40.719	448.165	11,006
Brazil	196.812	2,476.648	12,584
Paraguay	6.567	23.397	3,563
Uruguay	3.384	46.710	13,803
Venezuela	29.492	313.601	10,633
MERCOSUR Total	**276.974**	**3,308.521**	**11,945**
As percentage of Latin American total	47.5%	59.0%	124.4%

Source: ECLAC/BADESTAT.

Over the past five years, MERCOSUR's exports to Venezuela grew at an average cumulative annual (c.a.) rate of 9.0%, to US$6.867 billion in 2011, while imports from that origin expanded at a rate of 10.9% (c.a.), reaching US$2.079 billion in the same year and giving rise to a US$4.788 billion surplus for the four original partners. It should be remembered that trade with Venezuela is of little relevance to the bloc, representing 1.9% of exports and 0.6% of imports. Notwithstanding the dynamism of trade flows between the original MERCOSUR partners and Venezuela, it has been less intense than the original bloc's internal flows and its flows with the rest of the world,[2] and the relative importance of the Venezuelan market has dwindled over the last five years (Graph 1). Brazil, with two-thirds of exports and 60.9% of imports, is Venezuela's main trading partner in the subregion.

Graph 1: MERCOSUR trade with Venezuela

In billions of US$ and as percentage of total, 2006-1011.



Source: INDEC, SECEX, BCP, and BDU.

Trade between the founding MERCOSUR members and Venezuela follows a typically interindustrial pattern: the main export items are food, and other agricultural and livestock products, while imports are composed mainly of oil and its derivatives. However, sales also notably include pharmaceutical products and some auto parts, while purchases include aluminum and some metal manufactures (Table 2).

Table 2: Composition of MERCOSUR's trade with Venezuela, 2011

By Standard International Trade Classification (SITC) Revision 4, to 3 digits. As percentage.

Exports	Share	Accumulated
Beef, fresh, chilled, or frozen	7.7%	7.7%
Sugar, molasses, and honey	7.6%	15.3%

Other meat and edible meat offal, fresh, frozen, or chilled	7.6%	22.9%
Fixed oils and fats of vegetable origin, soft, rough, refined or fractionated	6.0%	28.9%
Milk, cream and milk products, butter and cheese except	5.9%	34.8%
Live animals not included in Chapter 3	5.3%	40.1%
Automotive parts, pieces, and accessories	4.8%	44.9%
Medicines (including veterinary medicines)	3.0%	47.9%
Wholegrain corn (except sweet corn)	2.1%	50.0%
edible products and preparations, n.o.s.	2.0%	52.0%
Others	48.0%	100.0%
Imports	**Share**	**Accumulated**
Petroleum oils and bituminous mineral oils (excepting crudes); etc.	38.8%	38.8%
Petroleum oils or bituminous mineral oils, crudes	19.1%	57.9%
Residual petroleum-derived products, n.o.s., and related products	12.6%	70.4%
Aluminum	9.2%	79.6%
Flat-rolled iron or non-alloy steel products, not bathed, lined or coated	7.2%	86.8%
Alcohols, phenols, phenol-alcohols, and their halogenated, sulfonated, nitrated or nitrous derivatives	3.3%	90.1%
Soft coal, powdered or unpowdered, but unagglomerated	2.2%	92.3%
Electrical current	1.3%	93.6%
Flat-rolled iron or non-alloy steel products, bathed, lined or coated	0.9%	94.6%
Wire articles (excepting	0.8%	95.4%

insulated electricity cables) for fencing and trellising		
Others	4.6%	100.0%

Source: Based on COMTRADE data.

In the most relevant headings of MERCOSUR's sales to Venezuela, the main bloc's competitors are United States, New Zealand, China, Mexico, Canada, Germany, and other Latin American countries (Table 3).

Table 3: Venezuelan imports from MERCOSUR. Main MERCOSUR sections and competitors in the Venezuelan market, 2011

Sector's share of Venezuelan imports from MERCOSUR; MERCOSUR's share of Venezuelan imports in the sector; and major competitors and their respective share of Venezuelan imports in the sector. As percentage.

Type of Product	Share in Imports from MERCOSUR	MERCOSUR's Share in Sector's Imports	Main Competitors & Share
Live animals and animal products	23.8%	72.7%	New Zealand 13.2% Nicaragua 7.3% Chile 1.8%
Products of the Chemical or Allied Industries	16.4%	10.4%	USA 28.7% Mexico 8.6% Germany 5.2%
Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	13.8%	5.8%	USA 37.7% China 20.1% Panama 5.8%
Base metals and articles thereof	8.1%	17.1%	China 23.4% USA 20.9% Mexico 5.1%
Vegetable products	7.3%	23.3%	USA 24.6% Canada 21.2%

			Mexico 4.5%
Prepared foodstuffs; beverages, spirits, and vinegar; tobacco and manufactured tobacco substitutes	6.8%	18.8%	USA 22.5% Bolivia 15.2% Colombia 9.7%
Plastics and articles thereof; rubber and articles thereof	6.2%	18.4%	China 16.0% USA 21.6% Mexico 7.3%
Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes	5.0%	38.9%	USA 28.3% Ecuador 17.4% Bolivia 8.5%

Source: Based on COMTRADE data.

The first meeting of the Ad Hoc Working Group responsible for Venezuela's accession was held in Montevideo, Uruguay, August 13-15. The main issues up for discussion included Venezuela's incorporation of MERCOSUR regulations, the adaptation of its tariff structure to the Common External Tariff (CET) and its adherence to the MERCOSUR Common Nomenclature (NCM), the timetable for intrabloc trade relief, and relations with the rest of the world.

Venezuela's adaptation to MERCOSUR regulations will be gradual and flexible. Under the Accession Protocol, the adoption of the NCM and the CET must be complete within a 4-year period, while trade liberalization between Venezuela and the four founding members will take place over different periods, depending on the countries involved: Argentina and Brazil are to eliminate tariffs on the entry of Venezuelan products by August 2016, and Paraguay and Uruguay are expected to do so three years later. Venezuela, for its part, is to allow the duty-free entry of goods originating in the original member countries by August 2018. However, tariffs on some sensitive products will not be eliminated until 2024.

Table 4: MFN tariffs applied by MERCOSUR and Venezuela

Average tariff for subheadings of each section of the Harmonized System, 2011

Section	MERCOSUR	Venezuela
TOTAL	12.0	12.5
I. Live animals and animal products	9.4	17.5
II. Vegetable products	8.3	13.4

III. Animal or vegetable fats and oils	10.0	18.5
IV. Food, beverages, and tobacco	14.8	18.5
IX. Wood, coal, cork, and articles thereof	8.2	12.6
V. Mineral products	2.6	5.7
VI. Chemical and related products	7.4	7.4
VII. Plastic, rubber, and articles thereof	12.2	13.2
VIII. Raw hides, skins, furskins, and articles thereof	12.6	11.9
X. Paper and cardboard	10.7	12.9
XI. Textiles	21.7	18.2
XII. Footwear	23.3	18.9
XIII. Articles of stone, plaster, cement, asbestos, mica, or similar materials	11.1	14.3
XIV. Pearls, precious or semi-precious stones, precious metals, and articles thereof	9.9	12.3
XIX. Arms and ammunition; parts and accessories thereof	20.0	14.9
XV. Base metals and articles thereof	11.8	10.7
XVI. Electrical and electronic machines and equipment	9.1	10.0
XVII. Transport equipment	12.0	13.7
XVIII. Precision instruments	12.3	7.2
XX. Merchandise and sundry products	18.0	18.2
XXI. Works of art, collectors' pieces and antiques	4.0	8.6

Note: The tariff applied by MERCOSUR is the simple average of the tariff applied by Argentina, Brazil, Paraguay, and Uruguay (not always the same for the four countries). 2011 data, with the exception of Paraguay (2010). MFN: Most-Favored-Nation treatment Source: Based on WTO data.

It is important to remember that Venezuela's adaptation to the CET is no minor issue. As shown in Table 4, although the average MFN tariff is relatively similar, there is a significant dispersion between the tariffs applied by MERCOSUR and Venezuela in the various product categories. For example, the bloc levies high tariffs on textiles, footwear, weapons, and precision instruments, whereas Venezuela's tariffs are higher for the remaining sections, notably the stiffer protection it attaches to agricultural articles (especially, live animals and animal products, and fats and oils).

Bilateral relations with Venezuela

The agenda with Venezuela has also been extremely active in terms of bilateral issues. On the one hand, there are two important agreements in the field of energy. First, the **Argentine** and Venezuelan Presidents, Cristina Fernández and Hugo Chávez Frías, signed an energy cooperation agreement between the state-owned oil companies, Fiscal Oilfields (YPF) and Petroleums of Venezuela plc (PdVSA), to promote joint planning across the two countries' hydrocarbons value chain. YPF may also join the Orinoco Oil Belt Joint Venture and PdVSA in projects to exploit oil and shale gas in Argentina, among other relevant areas. Second, the Presidents of the National Administration of Fuels, Alcohol, and Portland (ANCAP) of **Uruguay** and PdVSA signed an agreement to write off the Uruguayan company's approximately US$860 million debt with its Venezuelan counterpart over a 15-year period, in return for the purchase of crude oil. ANCAP could also take part in Venezuelan oil production.
On the other hand, the Venezuelan government agreed the purchase of six aircraft manufactured by Embraer with **Brazil**, valued at US$270 million. The contract also provides for an option to buy fourteen additional aircraft, which could bring the total to US$900 million.

Related articles:

- IDB/INTAL "Active trade and policy agenda at 43rd CMC Council Meeting," in: *INTAL Monthly Newsletter No. 191*, July 2012.
- IDB/INTAL. *MERCOSUR No. 16*. (Executive Summary.) Subregional Integration Reports Series. Buenos Aires, December 2011.

[1] Source: ECLAC. 2011 data. *Per capita* GDP at current prices.
[2] In the period in question, the original partners' intrazone trade grew by 16.0%, whereas their exports and imports to and from the rest of the world grew by 12.4% and 20.0% respectively.

Activity in bilateral agendas against a backdrop of trade cooling

The MERCOSUR countries have, over the past month, kept up a busy agenda, despite some loss of momentum in trade, caused by a less favorable external and internal macroeconomic context. The dynamism of the relationship was reflected in both intrabloc relations and at bilateral level, among the member countries and with other Latin American economies.

Intra-MERCOSUR Relations

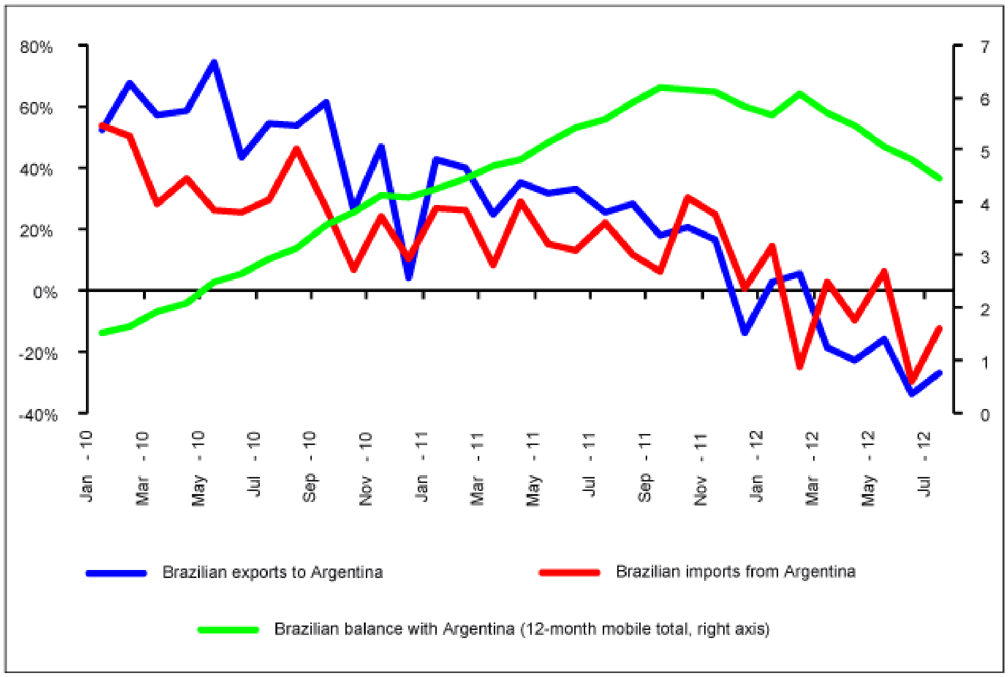
The 10th Extraordinary Meeting of the Common Market Council (CMC), was held in Rio de Janeiro, Brazil, at the end of July. In addition to formalizing Venezuela's admission to the bloc, the meeting approved the CMC Decision No. 28/12, regulating the working of MERCOSUR organs during Paraguay's suspension, and CMC Decision No. 29/12, appointing the Brazilian, Ivan Ramalho, to the post of MERCOSUR High Representative, until the end of the term of his predecessor (Samuel Pinheiro Gimarães, who resigned last June), February 1, 2014.
In other business, Brazil laid out the priorities of its Presidency *Pro Tempore* (PPT) of the bloc. These include the speeding up of Venezuela's incorporation; the organization of a MERCOSUR Business Forum; the possible creation of a Regional Customs Office to deal with customs valuation, an academic mobility program, a body designed to strengthen sectoral competitiveness in various areas of technology, MERCOSUR centers of excellence on climate and natural disaster prevention, and water-related studies; a fiber optic interconnection project among member countries; stimulus to the training of technicians in information and communication; etc.

Bilateral trade between Argentina and Brazil

The Argentine and Brazilian Foreign Trade Secretaries, Beatriz Paglieri and Tatiana Lacerda Prazeres, met to monitor the commercial trade between the two countries, after it was decided by the Mendoza Summit at the end of June to expedite administrative procedures to boost the predictability of bilateral trade.
In a context of economic slowdown between the two countries, bilateral trade declined and saw greater tensions over various trading restrictions, performing worse compared to total trade. Between January and July 2012, Brazil's total sales fell 1.7%, while its shipments to Argentina declined 18.2%. Argentina's total exports fell 1.1% year-on-year (YOY) during the first semester, while its exports to Brazil shrank 7.6%.

Graph 1: Trade in goods between Brazil and Argentina: year-on-year variation of exports and imports, and balance

As percentage and as 12-month mobile, in billions of US$.



Source: MDIC.

Notable in the contraction of bilateral trade is the decline in automotive sector flows, which accounted for 14.2% of the decrease in Brazilian exports to the Argentine market, and almost 40% of Brazil's purchases from Argentina in the first half of the year.
The Argentine Industry Minister, Débora Giorgi, and the Brazilian Industry and Trade Development Minister, Fernando Pimentel, agreed to move forward in negotiating a new automotive protocol between the two countries to replace the current one after it expires in June 2013. Argentina proposed increasing the regional content requirements in order to replace extrazone auto parts imports.

Brazil-Uruguay bilateral meeting

The Brazilian and Uruguayan Presidents, Dilma Rousseff and José Mujica, held a meeting, at which they agreed to step up efforts to strengthen the bilateral relationship. They agreed the creation of a

High-Level Group and Action Plan for Sustainable Development and Integration, which will seek to consolidate a Brazil-Uruguay Action Plan for Sustainable Development and Integration with particular emphasis on:

- *Productive integration* (particularly in oil and gas, shipbuilding, wind energy and biotechnology, and harmonization of rules and procedures for quality and certification);
- *Science, technology, and innovation*;
- *Communication and information*;
- *Transport infrastructure integration* (new bridge over the River Jaguarão/Yaguarón, restoration of the Baron de Mauá International Bridge, restoration of the Rivera-Santana do Livramento rail connection, and implementation of the Uruguay-Brazil Waterway);
- *Free movement of goods and services* (strengthening of bilateral trade consultation and facilitation mechanisms, equivalence of sanitary and phytosanitary measures, mutual recognition between conformity assessment bodies, and other relevant areas);
- *Free movement of persons* (implementation of procedures to facilitate the transit of nationals between the two countries);
- *Energy integration* (consolidation of a proposal to integrate the both countries' electrical energy systems.

Brazil and Uruguay also concluded negotiations for the Agreement on Tax Information Exchange and pledged to sign a Treaty to Avoid the Double Levying of Income and Wealth Tax. It should be remembered that Uruguay signed a similar treaty with Argentina last May.

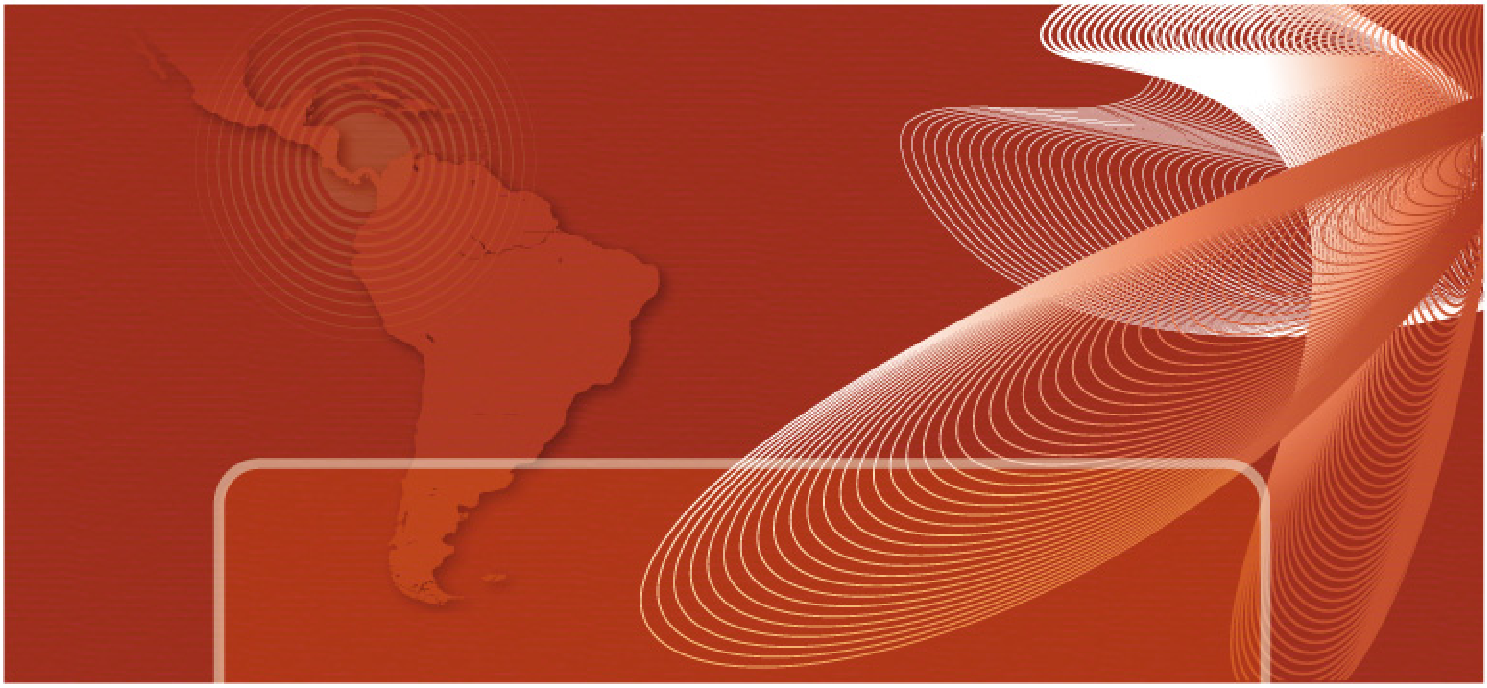
Regional links

Agreements between Argentina and Bolivia

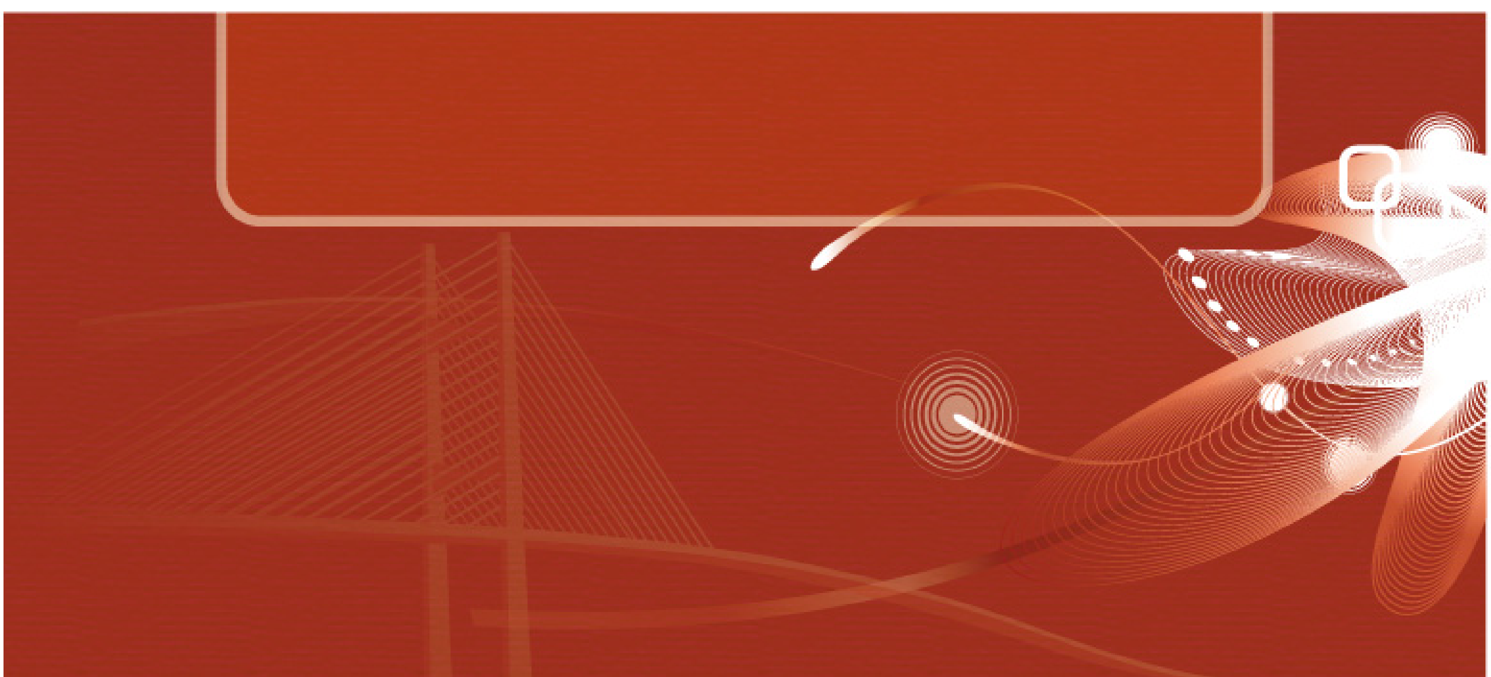
The Argentine and Bolivian Presidents, Cristina Fernández and Evo Morales, signed a series of bilateral agreements. In the field of energy, there is a convention that lays the groundwork for the purchase of propane, butane, and/or liquefied gas by Argentine Energy plc (ENARSA) from Bolivian Fiscal Oilfields (YPFB) as of the second half of 2014, as well as a non-binding contract for trade in natural gas between the two companies, subject to availability and transport capacity.
The presidents also signed a cooperation agreement on digital inclusion, telecommunications, and educational and cultural content, and a further agreement establishing the mutual recognition of higher education qualifications.

Uruguay-Peru Relations

Uruguayan Foreign Minister, Luis Almagro, made an official visit to Lima, where he met with his Peruvian counterpart, Rafael Roncagliolo, to discuss issues of relevance on the bilateral agenda. Uruguay accepted Peru's proposal to take part in the Pacific Alliance as an observer. This mechanism pursues economic integration among the countries of Latin America and the Asia-Pacific region. The Latin American economies that are members of the Alliance are Mexico, Chile, Colombia, and Peru, while Costa Rica and Panama take part as observers.



Regional And Global Overview



Volatility and new price highs in agricultural commodities

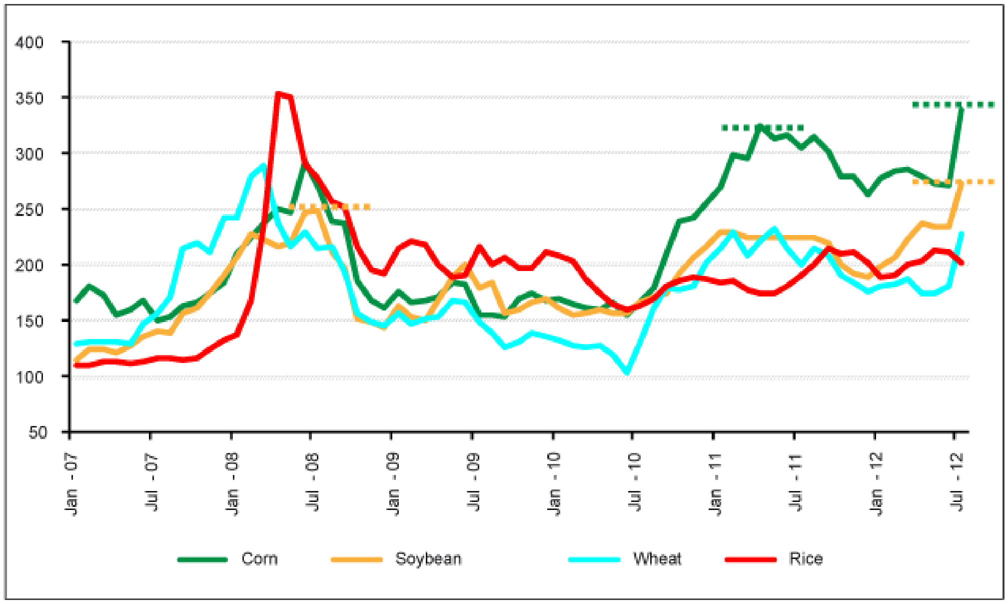
The drought in the United States has been driving a rise in the price of agricultural commodities during July and early August 2012, against a background of high volatility. The behavior of these prices is of great relevance to the global economy, given their importance in terms of food security and their impact on global inflation. In fact, some members of the G20 (France, United States, and Mexico, currently holder of the Group's presidency) are assessing whether to call a meeting to coordinate responses to the increase in food prices.[1] This would be the first meeting of the Rapid Response Forum, a mechanism set up by the G20 in 2011 based on the Agricultural Market Information System (AMIS). It would seek agreement to avoid policies such as export restrictions, implemented in the 2007-2008 crisis that could add to volatility.

The issue is of great relevance to Latin America and the Caribbean (LAC). Rising agricultural commodity prices have differentiated impacts on the region's countries, benefiting net exporters of these products (e.g. Southern Cone economies) by boosting exported values, improving the balance of payments current account and the terms of trade, and increasing tax revenues, while adversely affecting net importers in Central America and the Caribbean with the opposite effects. The recent IDB publication, *How Will the Food Price Shock Affect Inflation in Latin America and the Caribbean?*, finds that the speed and scope of transfer to domestic prices of the international price rises in food commodities differ greatly from one economy to another in the region. In Brazil, Colombia, Mexico, and Uruguay the impact is insignificant, owing to these countries' revaluation of nominal exchange rates; Bolivia, Honduras, Dominican Republic, and some Caribbean countries see a very significant transfer of international prices to domestic prices, depending on the share of foodstuffs in the basket of consumption.

Against a background of high volatility, the soybean price in July was 10.0% above the relative maximum reached in July 2008 (prior to the global crisis), while that of maize was 4.4% higher than April 2011 (Graph1). These record prices were driven by the drought in the United States, which significantly damaged crops. The lower yields and output expected also mean a drop in the already narrow stock/consumption ratio, especially in the case of corn, due its use in ethanol production.[2]

Graph 1: Chart 1. Evolution of main agricultural commodity prices

Indexes 2005=100



Note: The dotted lines show the highs reached in July 2008 (soy) and April 2011 (corn), and their levels in July 2012. Source: IMF

United States is the world's largest corn producer and exporter, with 38.1% and 51.0% of total global output in 2010/2011 respectively, and one of the leading players in the soybean market, where its importance is relatively minor, due to the significant share of the Southern Cone countries.[3] The wheat price also rose sharply in July (25.2% up on the previous month), due to the expected fall in output from Russia and other countries, such as Kazakhstan and Ukraine, but did not reach the high of March 2008. It is important to mention that the three products' prices are closely interrelated, in part because they are to some extent interchangeable in their use as fodder. The most distinctive feature of agricultural markets today is their volatility, which is linked to various factors and makes it very difficult to envisage the future evolution of prices. First, the "financialization" (the spread of financial instruments associated with commodity prices) contributes to instability by amplifying any movements: in the event of highs, profit-taking depresses prices. The participation of agricultural goods in investment portfolios is due in part to the context of low interest rates and the search for alternatives to traditional financial assets. Second, commodity prices stand in negative relation to the value of the US dollar against other currencies, so changes in the values of currencies have a direct impact on the prices of these products.

Third, the shifts in the decisions of the major global importers (e.g. China) can bring about sudden changes if, for example, they choose to delay purchases in order not to validate high prices. There are longer-term factors to be taken into account that also have an impact on the volatility of agricultural commodity prices, such as the evolution of inflation and interest rate in United States, the growth of GDP in emerging countries, and stocks.[4]
While the structural factors behind the upward trend in agricultural commodity prices in 2007-2008 are still in place, there are some discrete features. For one thing, the world economy was, at the time, still in a phase of great global dynamism, which came to an end with the financial crisis. In 2007, developed countries grew 2.8% and emerging countries, 8.7%, while an increase in GDP of 1.4% and 5.6% respectively is expected for 2012.[5] For another thing, while there were serious climate-related phenomena in 2007-2008,[6] they did not affect the main actor in the agricultural commodities market to such an extent. According to the National Oceanic and Atmospheric Administration (NOAA), one has to go back to 1956 to find records of a drought as serious as the current one in United States. Last, in 2007-2008, the price of rice saw the highest rise. Today, though the price of this cereal remains high, particularly the rises in the prices of corn, soybean, and wheat are also significant.

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Related articles:

- IDB/INTAL. "Food prices at record levels: 2008 déjà vu? ," in: *INTAL Monthly Newsletter No. 174*, February 2011.
- IDB/INTAL. "The outlook for food prices over the coming decade," in: *INTAL Monthly Newsletter No. 167*, July 2010.
- IDB/INTAL. "Commodity prices and the international crisis: Recent evolution and outlook," in: *INTAL Monthly Newsletter No. 155*, June 2009.
- IDB/INTAL. "Food prices and the erosion of the bases for agricultural protectionism," in: *INTAL Monthly Newsletter No. 139*, February 2008.

[1] Blas (2012).
[2] August 10, the United States Department of Agriculture (USDA) published its report, *World Agricultural Supply and Demand Estimates* (WASDE), reaffirming the general picture of reduction in output, and maintenance of demand and inventories at minimum levels.
[3] Together, Argentina and Brazil sold 42.2% of world soybean exports, 70.1 % of soybean meal, and 65.1 % of soybean oil in the 2010-2011 campaign. United States' share in the exports of these products was 44.1%, 14.0%, and 15.4% respectively. Source: USDA. World Agricultural Supply and Demand Estimates (WASDE), August 2012.
[4] Doporto Miguez, I. & Michelena G. (2011).
[5] Source: IMF World Economic Outlook Update, July 2012.
[6] Drought in Australia and Argentina.

Russian Federation's historic entry to WTO

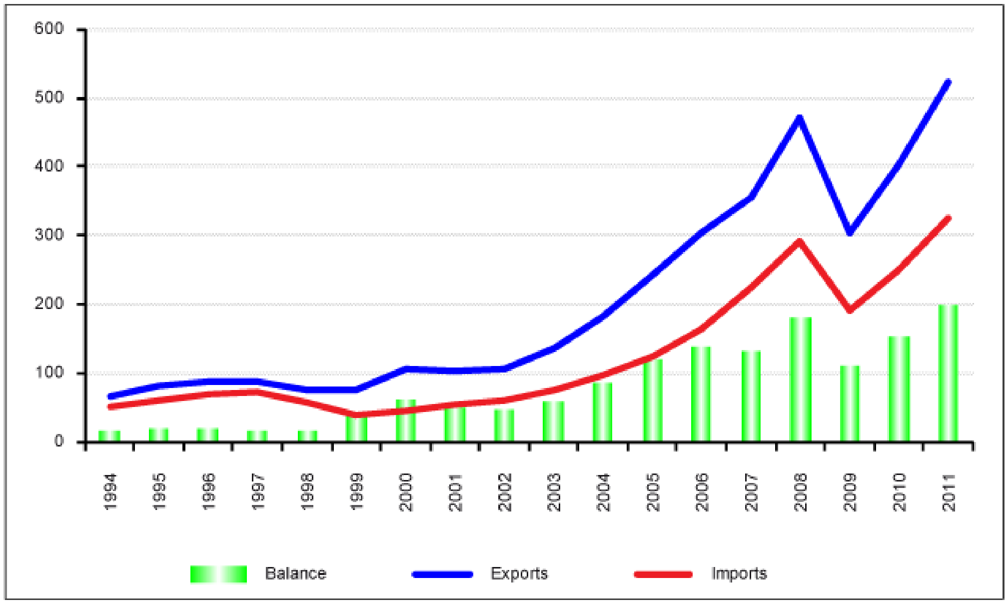
More than nineteen years after applying for membership, the Russian Federation became the 156th member of the World Trade Organization (WTO) August 22. Its incorporation came 30 days after President Vladimir Putin ratified the regulations approved by the Russian Parliament adjusting Russian trade laws to WTO norms. The conditions for membership were agreed upon at the 8th Ministerial Conference in Geneva last December.
The Russian Federation's incorporation is especially relevant for the multilateral trading system because, since China incorporation in 2001, the country was the only large world economy that did not belong to the WTO.

The Russian Federation's trade profile

Russian Federation is, alongside Brazil, India, and China, one of the most dynamic and significant emerging countries in the global economy. It has a market of 138.1 million inhabitants, with a *per capita* GDP of US$17,000 per annum (p.a.).[1] Over the last decade, its exports grew at an average cumulative annual (c.a.) rate of 17.7% and its imports at 19.7% (c.a.), totaling US$522 billion and US$324 billion in 2011 respectively (Graph 1). In the same year, it was the world's 9th largest exporter (2.9% of the total), and the 18th largest importer (1.8% of the total).[2]

Graph 1: Russian Federation: exports, imports, and trade balance in goods

In billions of US$



Source: WTO.

In 2011, fuels accounted for almost US$6 of every US$10 exported by the Russian Federation, making the country the world's leading fuel exporter (10.8% of the total in 2010, going by WTO data). Its imports are more diversified, including machinery, land vehicles and their parts, pharmaceuticals, and plastics and articles thereof (Table 1).

Table 1: Russian Federation: composition of trade flows in goods by product type

By chapters of the Harmonized System (HS), 2011. As percentage.

Exports	Share	Accumulated
Fuels	59.1%	59.1%
Reserved for possible future use	13.9%	72.9%
Iron and steel	4.6%	77.5%
Fertilizers	2.1%	79.6%
Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal and articles thereof; imitation jewelry; coin	2.0%	81.7%
Others	18.3%	100.0%
Imports	**Share**	**Accumulated**
Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	18.2%	18.2%
Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	13.3%	31.4%
Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	10.9%	42.3%
Pharmaceutical products	4.6%	46.9%
Plastics and articles thereof	3.5%	50.5%
Others	49.5%	100.0%

Source: Comtrade.

In terms of the geographical composition of the trade, the Russian Federation's most relevant partners are the EU and the Asia-Pacific countries. Latin America and the Caribbean (LAC) absorbs just 1.6% of Russian exports and provide 3.3% of the country's imports.

Table 2: Russian Federation: composition of flows of trade in goods by trading partner

Share in total of selected economies, 2011. As percentage

Partner	Exports	Imports
European Union	48.4%	43.4%
Asia-Pacific	16.2%	30.4%
United States	3.4%	4.5%
Latin America & the Caribbean	1.6%	3.3%
Rest of the World	30.4%	18.4%
Total	**100.0%**	**100.0%**

Source: Comtrade.

Commitments

As a result of his accession, the Russian Federation has undertaken the commitment to adopt WTO rules. Most significantly, the maximum tariff it may apply will be 7.8% on average, as against 10% in 2011. The tariff applied will be equal to the one consolidated as of membership for more than a third of products, while a quarter of the cuts will come into force after three years. The longest implementation periods are for poultry (8 years), and for motor vehicles, helicopters, and civil aircraft (7 years). Some agricultural products (e.g. sugar) will be subject to specific tariffs, and others (beef, pork, etc.), to tariff quotas.

Table 3: Russian Federation: average maximum tariff, pre- and post-WTO membership

Selected sectors. As percentage.

Sector	Pre-Membership	Post-Membership
Average total	10.0%	7.8%
Agricultural Products	13.2%	10.8%
-Dairy produce	19.8%	14.9%
-Cereals	15.1%	10.0%
-Oilseeds	9.0%	7.1%
Manufacturing	9.5%	7.3%
-Chemicals	6.5%	5.2%
-Automobiles	15.5%	12.0%
-Electrical Machinery	8.2%	6.2%
-Wood & Paper	13.4%	8.0%

Source: WTO.

The Russian Federation will also eliminate or modify industrial subsidy schemes in order to ensure consistency with WTO rules. In the case of agriculture, total aid with trade-distorting effects may not exceed US$9 billion in 2012 and will be gradually reduced to US$4.4 billion within six years. In services, the Russian Federation has undertaken specific commitments in 11 sectors and 116 subsectors, including telecommunications, insurance, banking, transport, and distribution services. In some cases, liberalization will be immediate, while in others it will take place over the next few years.

[1] Purchasing power parity (PPP) exchange rate. Source: CIA World Factbook.
[2] Source: WTO.

Regional and subregional integration mechanisms meet

The first Meeting of Regional and Subregional Integration Mechanisms was held at the headquarters of the Latin American Integration Association (LAIA), August 16-17. The meeting was held in compliance with the mandate received by Heads of State and Government of the Community of Latin American and Caribbean States (CELAC), and aims to strengthen complementarity and cooperation across the region's integration mechanisms. It is worth mentioning that CELAC, created in 2010 after an initiative by Brazil, is an intergovernmental organization of all the countries in Latin America and the Caribbean to form a forum for solidarity, cooperation, complementarity, and political consensus.

During the meeting, LAIA authorities, the Bolivarian Alliance for the Peoples of Our America (ALBA), the Andean Community of Nations (CAN), the Andean Development Corporation (CAF), the Economic Commission for Latin America and the Caribbean (ECLAC) ,the Southern Common Market (MERCOSUR), the Latin American Energy Organization (OLADE), the Association of Caribbean States (ACS), the Latin American and Caribbean Economic System (SELA), the Union of South American Nations (UNASUR), and other mechanisms, pledged to prevent the dispersion, fragmentation, and duplication of tasks, and to work toward building Latin American citizenship, the expansion of regional trade, the overcoming of asymmetries, energy integration, the modernization of infrastructure, and social inclusion in the region. It was also agreed to implement a common webpage with information from all the organizations' agendas and to hold biannual meetings to coordinate tasks in common.

Related articles:

- IDB/INTAL, "1st Summit of the Community of Latin American and Caribbean States (CELAC)," in *INTAL Monthly Newsletter No. 184*, December 2011.

"Connect Americas Summit 2012:" broadband development in the region

The "Connect Americas Summit 2012," organized by the International Telecommunications Union (ITU) and the Panamanian Government, was held in Panama, July 17-19, to discuss the development of broadband in the region, an issue spreading rapidly across Latin America and the Caribbean.

The meeting is part of the ITU's "Connect the World" program, which hosts a series of events that focus on various different regional priorities.

The Summit aims to mobilize the human, financial, and technological resources needed to reduce the gap in information and communication technologies in the region. The event provides an opportunity to meet in order to establish new partnerships between public and private sector representatives and regional development agencies.

During the first session, entitled "Towards a Future Built on Broadband," the members of the Americas Broadband Commission, addressed the issue of the initiatives' importance in encouraging the inclusion of broadband in the region.

The interactive panel, "Bankrolling Broadband: Is Government Back?," explored the wealth of options open to government participation as facilitators of broadband development through subsidies for end users, market reforms, and competition and fiscal policies, or public-private partnerships that provide financing for infrastructure, a key goal toward digital inclusion and enabling access to universal, sustainable, widespread, and affordable information and communication technologies (ICTs).

The second interactive panel, "Digital Inclusion: Giving Voice to the Voiceless," stressed the importance of digital inclusion in building inclusive societies that enable the social economic development of indigenous peoples, persons with disabilities, women, girls, youth, and children.

The third and last interactive panel, "ICTs for Public Safety: Emergency Telecommunications and Climate Change" addressed the issue of the critical role of emergency telecommunications in disaster risk reduction and disaster management, thus making an immense contribution to saving lives.

The Inter-American Development Bank (IDB) is deeply committed to helping its member countries in Latin America and the Caribbean, with the challenge of developing such key technology infrastructure, supporting the design of national broadband plans, and encouraging public-private partnerships needed to expand their coverage. IDB's Competitiveness, Technology and Innovation Division promotes the creation and growth of dynamic companies in the region. Its Office of Outreach and Partnerships (ORP) creates links and opens dialogues with allies who share its development goals.

With this objective, the Bank developed the report, "*Bridging Gaps, Building Opportunities: Broadband as a Catalyst for Economic Growth and Social Progress in Latin America and the Caribbean*," which includes a joint statement with recommendations on how to accelerate the deployment and use of fixed-line and mobile broadband services in Latin America and the Caribbean.

For more information, see the following links: [1], [2], [3], [4]

Compilation of the main articles of the 2012 first semester

IDB-INTAL. Southern Cone strengthens ties with China, in: *Monthly Newsletter No. 191*, July 2012.

IDB-INTAL. G20 committed to combating protectionism despite growing trade restrictions, in: *Monthly Newsletter No. 191*, July 2012.

IDB-INTAL. EU-Colombia/Peru trade agreement signed, in: *Monthly Newsletter No. 191*, July 2012.

IDB-INTAL. CARICOM: guidelines for Secretariat reforms, in: *Monthly Newsletter No. 190*, June 2012.

IDB-INTAL. New dimensions in Asia-Latin America ties, in: *Monthly Newsletter No. 190*, June 2012.

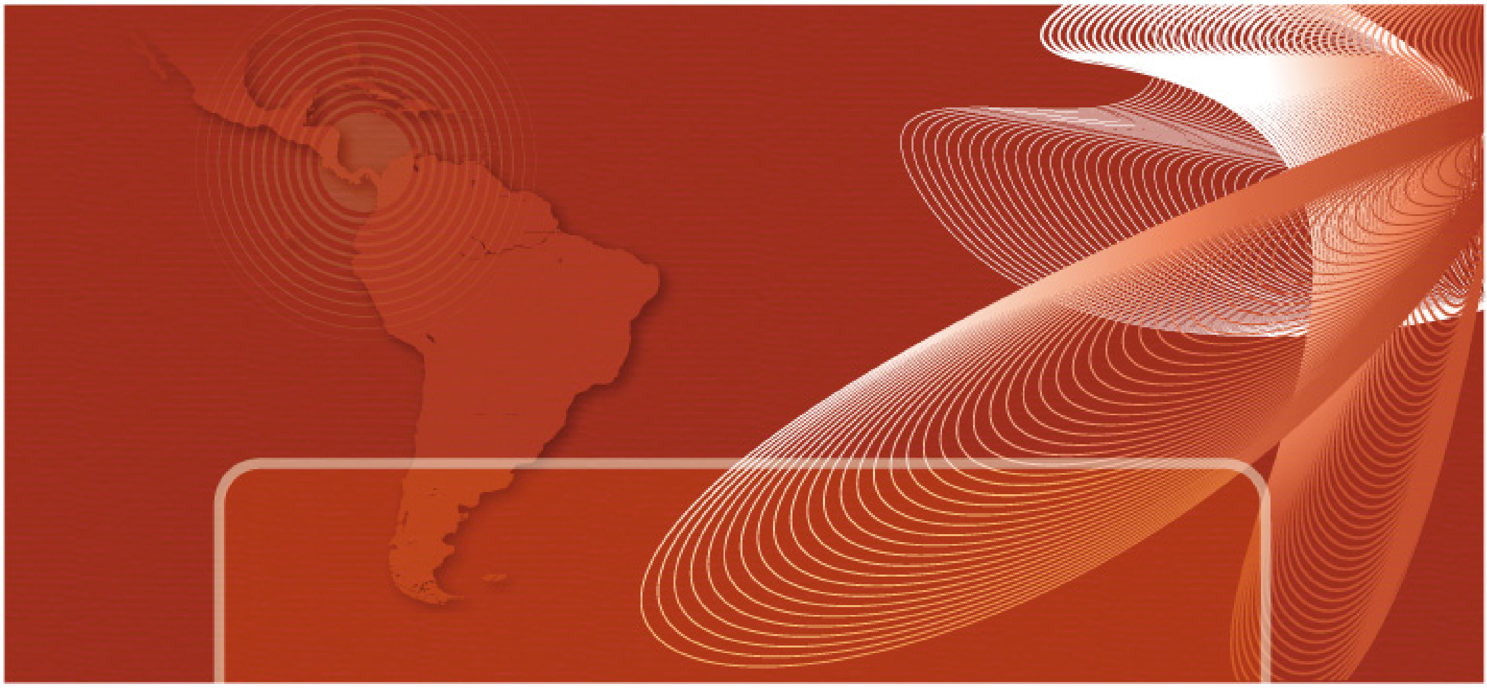
IDB-INTAL. Last-minute preparations for Rio+20 , in: *Monthly Newsletter No. 190*, June 2012.

IDB-INTAL. Climate change in Latin American blocs' agendas, in: *Monthly Newsletter No. 189*, May 2012.

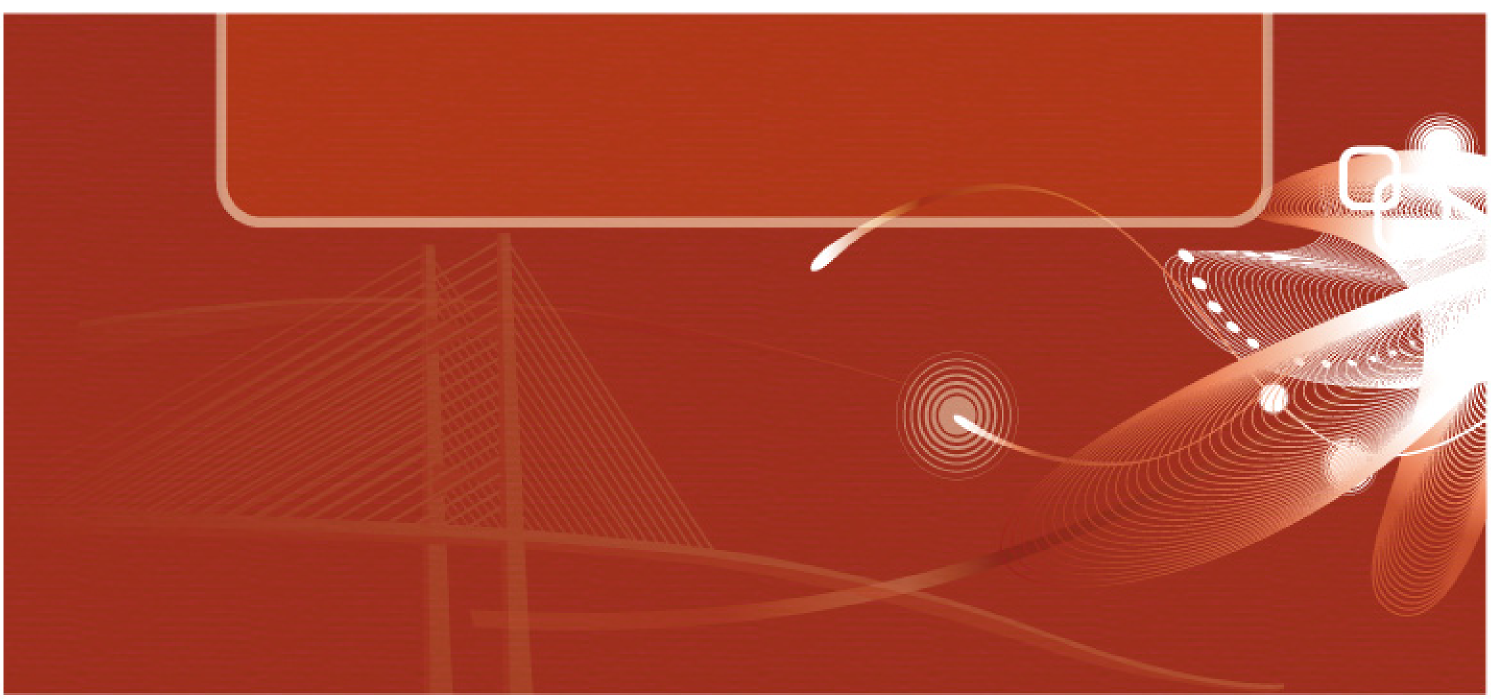
IDB-INTAL. Progress in Andean countries' regional agreements, in: *Monthly Newsletter No. 189*, May 2012.

IDB-INTAL. 6th Summit of the Americas, in: *Monthly Newsletter No. 188*, April 2012.

IDB-INTAL. Active trade policies in MERCOSUR countries in response to international slowdown*, in: Monthly Newsletter No. 188*, Abril de 2012.

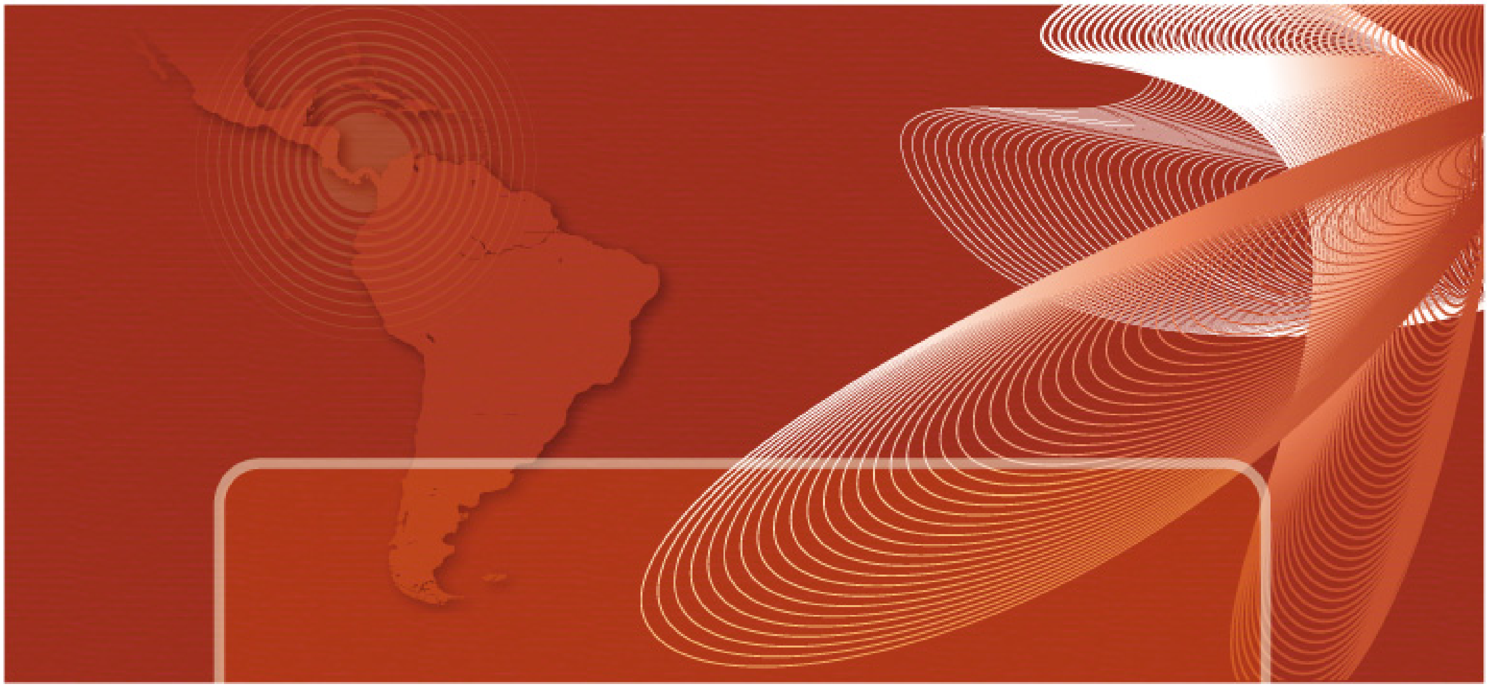


INT Newsletter



Integration and Trade Sector

Check the latest issue of the Integration and Trade Sector Newsletter for more activities/events/publications (link)



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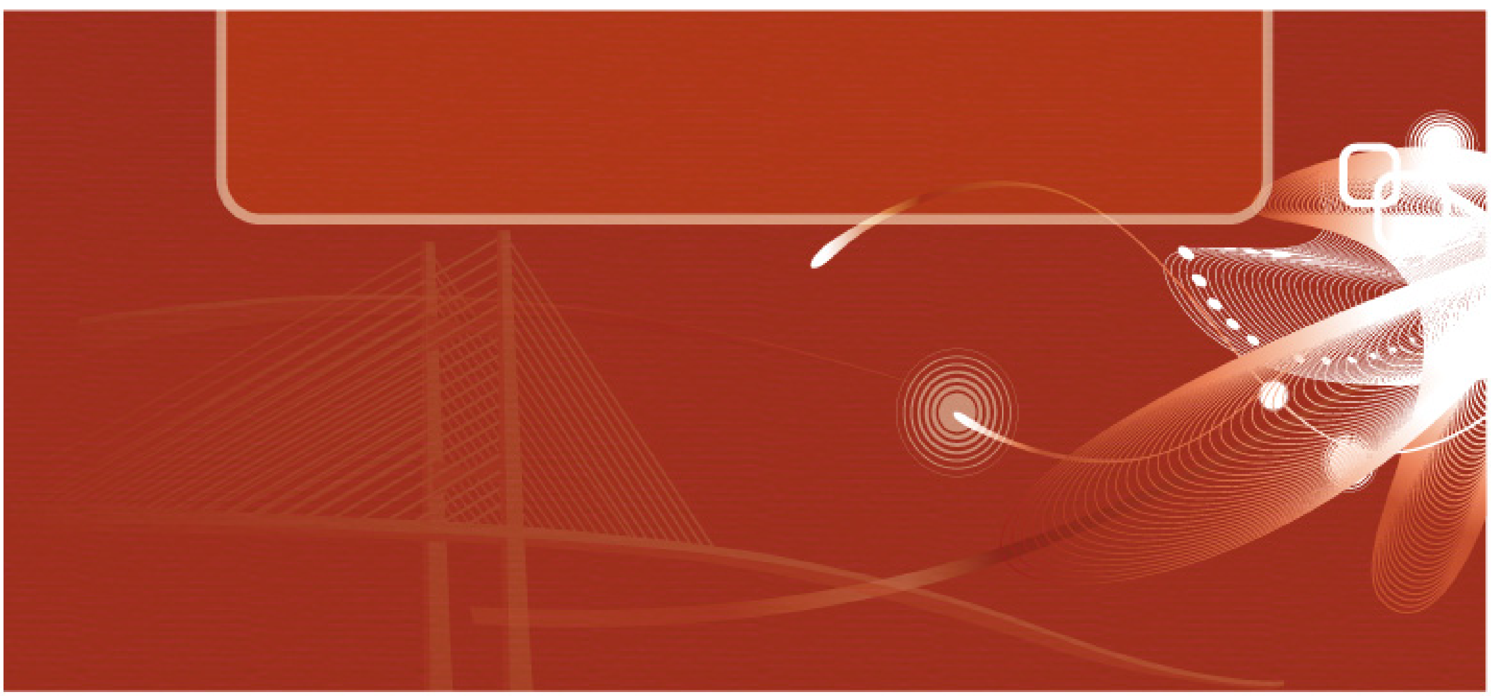

Reviews

Ramos Martínez A., Gayá R., Campos R., Michalczewsy K., & Carciofi R. (2012). Marcos teóricos para el análisis de las zonas de procesamiento de exportaciones en América Latina y el Caribe. Technical Notes No. 432. IDB/INTAL.

This work looks at various different theoretical frameworks useful to a general understanding of the potential effects of establishing export processing zones (EPZs) on economies that implement them, usually to enhance their profile in terms of international insertion. These analytical aspects are rarely considered because discussion on EPZs quickly switches to their concrete implications for the balance of payments, employment, investment and tax accounts, etc. The approaches examined lend a certain theoretical basis to the debate and, therefore, indirectly to studies of the behavior, performance, and effects of the EPZs in countries that have chosen them as a policy to promote external sales.

The research opens with a historical review of the conception of EPZs as a public policy instrument in Latin America and the Caribbean, and highlights the limits and challenges they face globally and under the multilateral regulatory framework. A look at the literature shows clearly that there is no specific or organic theory about EPZs, but applications of other approaches that, while designed to explain different phenomena, help to examine the economic features of EPZs.

First, the work presents an outline of the theories that focus on the relationship between EPZs and the welfare of the host economy. In this category, neoclassically-rooted models study EPZs' impact on national income. In the new theories of international growth and trade, EPZs make sense as an instrument to promote productive development through export diversification, technology transfer, and linkages to the rest of the economy, thus affecting indirectly wellbeing. Cost-benefit analysis, for its part, is an answer to the interest in measuring the effectiveness of EPZs through analysis that is similar to the way investment projects are assessed.

Second, it examines theories that conceive of EPZs as spaces of incentives that are differentiated from the rest of the territory in order to attract investment and encourage the establishment of businesses (focusing on foreign direct investment and multinational enterprises).

Last, it looks back at the contributions to the understanding of EPZs by gravity models of international trade. In this instance, EPZs function as facilitators of trade flows and so reduce the

economic distance between countries.
A point to stress is that the different analyses of EPZs arrive at widely differing conclusions, with some authors arguing that they have a negative impact on their host economies, and others who claim they are beneficial tools for the countries that use them.

The document is available here (only in Spanish).

Latin American Integration Association, LAIA; Economic Commission of Latin America and the Caribbean, ECLAC. (2012). 30 años de integración comercial en la ALADI. Montevideo: LAIA.

Chapter 1 of this study describes the evolution of the Latin American economies against the background of globalization over the past 30 years, as seen in increasing trade and financial integration among countries. According to the authors,[1] various different factors have contributed to this process, such as technological changes in computing and communications, or transport. Trade flows have increased accordingly, driven by multilateral and preferential negotiations. Between 1980 and 2008, the Latin American Integration Association (LAIA) took a small step forward in its share of world trade in goods. The region's progress has been most dramatic in manufacturing exports, explained largely by the increase in Mexican industrial exports. In this context, LAIA performed more poorly in terms of GDP growth and FDI income than other emerging economies, such as ASEAN, China, or India. The work suggests that the most important challenges for the region lie in deepening its links with Asia and the Pacific, adapting production and trade to mitigate climate change, and stepping up the regional integration process.

Chapter 2 is about the integration process in the framework of LAIA. This is characterized by three elements: unilateral trade liberalization, commitment to the multilateral trading system, and the development of regional agreements. The research argues that, from its inception, LAIA's approach was pragmatic and flexible, with the aim of establishing an area of economic preferences that included any agreements the member countries might sign with each other. It describes the different types of preferential agreements and highlights the increased use of partial scope mechanisms during the 1980s, albeit with limited impact on trade flows in "the debt crisis." The authors note the spread of Economic Complementation Agreements (ECAs) during the 1990s. These had greater regulatory scope and increased the percentage of totally tariff-free items in intraregional trade. The Agreement on Reciprocal Payments and Credits (ARPC), which had been very important in the previous decade due to the shortage of foreign exchange, lost share in intraregional trade during this stage. Last, third countries agreements began to spread during this period, mainly with Mexico and Chile. The publication contends that the economic crisis of the late 1990s interrupted the dynamism in the integration process. In the stage beginning in 2003-2004, when countries began to recover growth, sound macroeconomic performance drove the process forward again, as evinced by an increased share of tariff-free trade in the intraregional total. LAIA is viewed by the authors as a dynamic and useful body for negotiations between member countries, as reflected in the large number of agreements concluded under it.

Chapter 3 deals with the evolution of trade among countries in the region. It shows that their exports have grown 7.3% over the last 30 years, while world trade grew by 6.1%. This increase is due more to volumes than to export prices throughout the period, although prices have been the main growth factor since 2003. The work also shows the evolution of the geographical distribution of LAIA's trade, with a growing role in Asia and a loss of share in Europe. LAIA's intraregional trade grew at a faster cumulative annual (c.a.) rate (8.3%) than extrazone purchases (6.8% c.a). This meant that, by 2008-2009, the coefficient of intraregional imports stood at 18.6%. Intraregional trade, which behaves in cycles, relatively more important if Mexico is excluded from the analysis.

Chapter 4 describes the main trends in the performance of foreign trade by sector. While the added

value of LAIA's exports initially grew, there has been a tendency in the last five years toward refocusing the region's exports toward primary commodities, explained by sales of energy and non-ferrous metals to the rest of the world. In contrast, LAIA's exports to the region itself have more added value, due mainly to a higher share of chemicals and vehicles. Indicators for revealed comparative advantages and intraindustry trade are set out, showing that, for most LAIA countries, two-way trade is greater in interregional than extraregional trade.

Chapter 5 describes the evolution of trade in services, both globally and within LAIA, and highlights the recent increase in Other Services (business, telecommunications, financial, computing, etc.) compared with transportation and travel. It also paints a picture of the state of multilateral, regional, and non-regional negotiations in the sector.

In terms of multilateral negotiations, it claims that the inclusion of services in the Uruguay Round has not translated into a significant degree of liberalization in trade in that area. The ongoing negotiations have not demonstrated much progress and have been held up in order to see what might happen in the negotiations on agriculture and non-agricultural market access. It also contends that the different levels (bilateral, subregional, and extraregional) of the regional negotiations are at cross purposes due to the dichotomy between the GATS and NAFTA models. Last, most of LAIA's extraregional trade agreements over the last decade include chapters on trade in services

The publication's value lies in its historical overview of the scope and limitations of LAIA. It also contains a detailed and comprehensive analysis of trade flows in goods and services over a longer period than those usually presented in this type of work, which allows deeper historical insights.

The document is available here (only in Spanish).

[1] The document is a joint production by LAIA and ECLAC. Chapters II, III, and IV were drafted by Gabriel Arimón, Fernando Correa, and Diego Fernández, with the help of Florence Cóppola. Mercedes Baraibar, Sandra de Leon and Mercedes Rial read through the materials and their comments provided a significant contribution. The team worked under the supervision of Diego Fernández, Head of LAIA's Cooperation and Training Department.Chapters I and V were drafted by Mariano Alvárez, José Durán Lima, Sebastián Herreros, and Nanno Mulder, officials of ECLAC's International Trade and Integration Division, under the supervision of Osvaldo Rosales, the Division's Director.

Bibliographic alert

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Monthly Highlights

* World Investment Report 2012 : Towards a new generation of investment policies. (2012). New York: UNCTAD.

Título: World Investment Report 2012 : Towards a new generation of investment policies
Otros responsables: Conferencia de las Naciones Unidas sobre Comercio y Desarrollo, UNCTAD
Edición: New York: UNCTAD, 2012 [236 p.]
ISBN:978-92-1-112843-7
Serie: World Investment Report
Temas:<DESARROLLO ECONOMICO><REGIONALISMO><DESARROLLO SOSTENIBLE><POLITICA DE INTEGRACION>
Geográficos:<MUNDIAL>

Resumen: Prospects for foreign direct investment (FDI) continue to be fraught with risks and uncertainties. At $1.5 trillion, flows of global FDI exceeded pre-financial crisis levels in 2011, but the recovery is expected to level off in 2012 at an estimated $1.6 trillion. Despite record cash holdings, transnational corporations have yet to convert available cash into new and sustained FDI, and are unlikely to do so while instability remains in international financial markets. Even so, half of the global total will flow to developing and transition economies, underlining the important development role that FDI can play, including in least developed countries. A broader development policy agenda is emerging that has inclusive and sustainable development goals at its core. For investment policy, this new paradigm poses specific challenges. At the national level they include integrating investment policy into development strategy, incorporating sustainable development objectives, and ensuring relevance and effectiveness. At the international level it is necessary to strengthen the development dimension of international investment

agreements, manage their complexity, and balance the rights and obligations of States and investors. Against this background, this year's World Investment Report unveils the UNCTAD Investment Policy Framework for Sustainable Development. Mobilizing investment for sustainable development is essential in this era of persistent crises and pressing social and environmental challenges. As we look ahead to the post-2015 development framework, I commend this important tool for the international investment community.

Nota de contenido:
Preface, Key Messages and Overview
Chapter I: Global Investment Trends
Chapter II: Regional Trands in FDI
Chapter III: Recent Policy Developments
Chapter IV: Investment Policy Framework for Sustainable Development
References
Annexes

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* Informe sobre el Comercio Mundial 2012 : Comercio y políticas públicas. Análisis de las medidas no arancelarias en el siglo XXI. (2012). Ginebra: OMC.

Título: Informe sobre el Comercio Mundial 2012 : Comercio y políticas públicas. Análisis de las medidas no arancelarias en el siglo XXI
Otros responsables: Organización Mundial del Comercio, OMC
Edición: Ginebra: OMC, 2012 [252 p.]
ISBN:9-789287-038173
Serie: Informe sobre el Comercio Mundial = World Trade Report
Temas:‹ORGANIZACION MUNDIAL DEL COMERCIO, OMC›‹COMMODITIES›‹COMERCIO INTERNACIONAL›‹POLITICA AMBIENTAL›‹POLITICA COMERCIAL INTERNACIONAL›‹RECURSOS NATURALES›‹ACUERDOS PREFERENCIALES DE COMERCIO›‹INTEGRACION ECONOMICA›

Resumen: Este año, el Informe sobre el Comercio Mundial va más allá de los aranceles para examinar otras medidas de política que pueden afectar al comercio. Al haber disminuido los aranceles durante los años transcurridos desde la creación del Acuerdo General sobre Aranceles Aduaneros y Comercio (GATT) en 1948, la atención se ha desplazado paulatinamente a las medidas no arancelarias (MNA). La gama de esas medidas es vasta y compleja, obedece a múltiples motivos de política, y está en constante transformación. Los objetivos de política pública en que se basan las MNA han evolucionado. Son muchos los factores que impulsan el cambio, entre ellos la mayor interdependencia en un mundo globalizado, la conciencia social y la preocupación creciente por la salud, la seguridad y la calidad del medio ambiente. Muchos de estos factores exigen una integración más profunda, lo que ha desviado la atención de las formas más tradicionales y superficiales de cooperación. El comercio de servicios, que forma parte de este fenómeno, ha sido objeto de un examen más minucioso, junto con las políticas que afectan a este comercio.

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* Meléndez-Ortiz, R. (2012). The Future and the WTO : Confronting the Challenges. A Collection of Short Essays. Ginebra: ICTSD.

Autor: Meléndez-Ortiz, Ricardo; Bellmann, Christophe; Rodriguez Mendoza, Miguel
Título: The Future and the WTO : Confronting the Challenges. A Collection of Short Essays
Edición: Ginebra: ICTSD, July 2012 [220 p.]
Temas:<COMERCIO INTERNACIONAL><ORGANIZACION MUNDIAL DEL COMERCIO, OMC><ACUERDOS REGIONALES DE COMERCIO><PAISES EN DESARROLLO><MARCO INSTITUCIONAL>

Resumen: The essays included in this book deal with a variety of topics, ranging from the functioning of the World Trade Organization (WTO) and the role of emerging economies to regional agreements and institutional challenges. They were written by a set of distinguished academics, policymakers, and practitioners, which, together, offer a very rich and enlightened perspective on the tasks ahead. The essays were originally commissioned by the International Centre on Trade and Sustainable Development (ICTSD) to provide participants at the Eighth WTO Ministerial Conference in 2011 and the Trade and Development Symposium (TDS) that took place in parallel with it, with up-to-date analysis on the most pressing issues that the multilateral trading system currently faces. No unified views can be found in this volume. The challenges as well as the opportunities that the multilateral trading system is confronted with are of a diverse nature and can be - indeed are - subject to different interpretations. Uniform and eventually consensus solutions have yet to be found, and the aim of this volume is to help in the search for them by providing brief, but thorough analyses on the most pressing issues in todayns global trade environment.

Accesos al documento:
E 339.1 / MEL-FUT / 2012
Documento Electrónico

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Editorial Staff

This Monthly Newsletter follows the alphabetical order of the contents of the Spanish version. It is published electronically and can be freely accessed at the IDB-INTAL homepage.

R.P.I.: 836372
ISSN: 1027-2550

Information sources: Press releases and clippings from: LAIA; IDB; CARICOM; Andean Community; Euro-Lat; Group of 77; ACS; Group of Rio; MERCOSUR; PARLATINO; LAES; SG-SICA; SIECA. Official and International Agencies. INTAL Press.

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Links to original information sources in this number:

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