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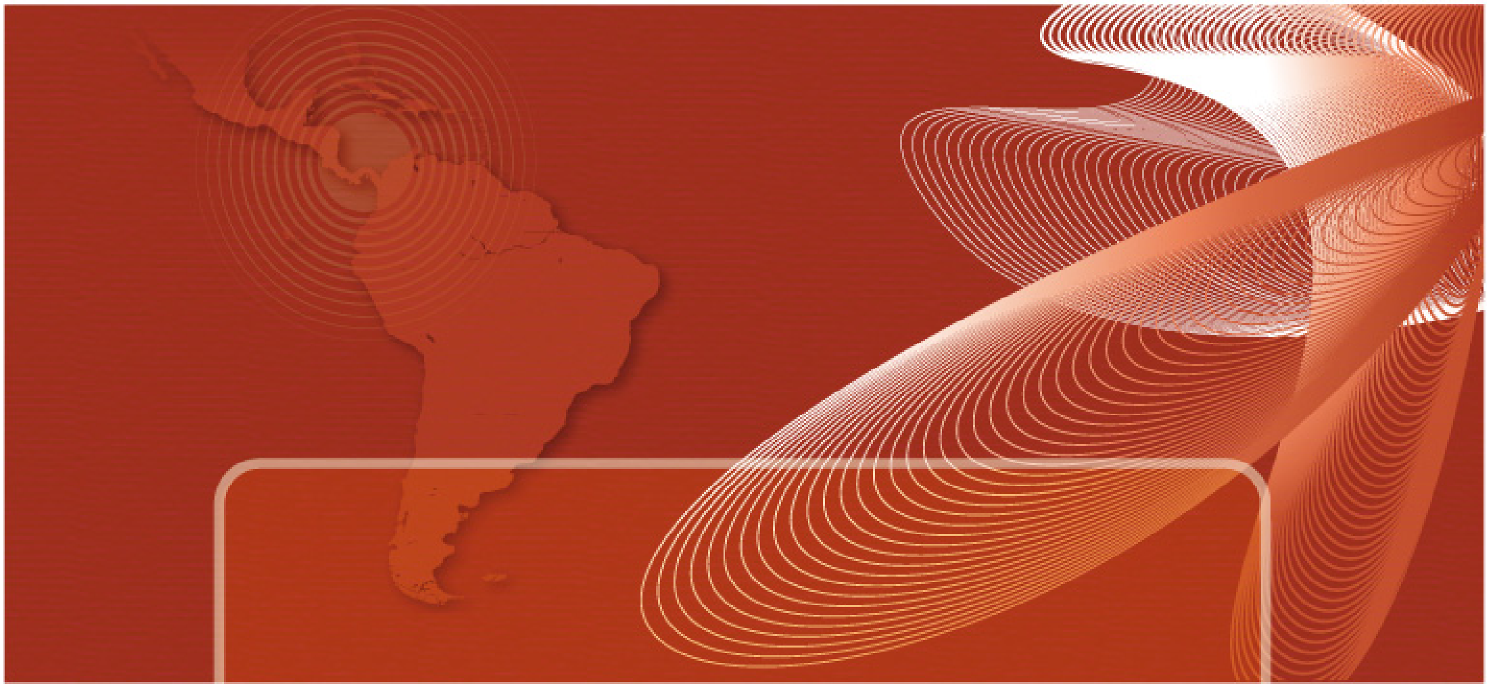
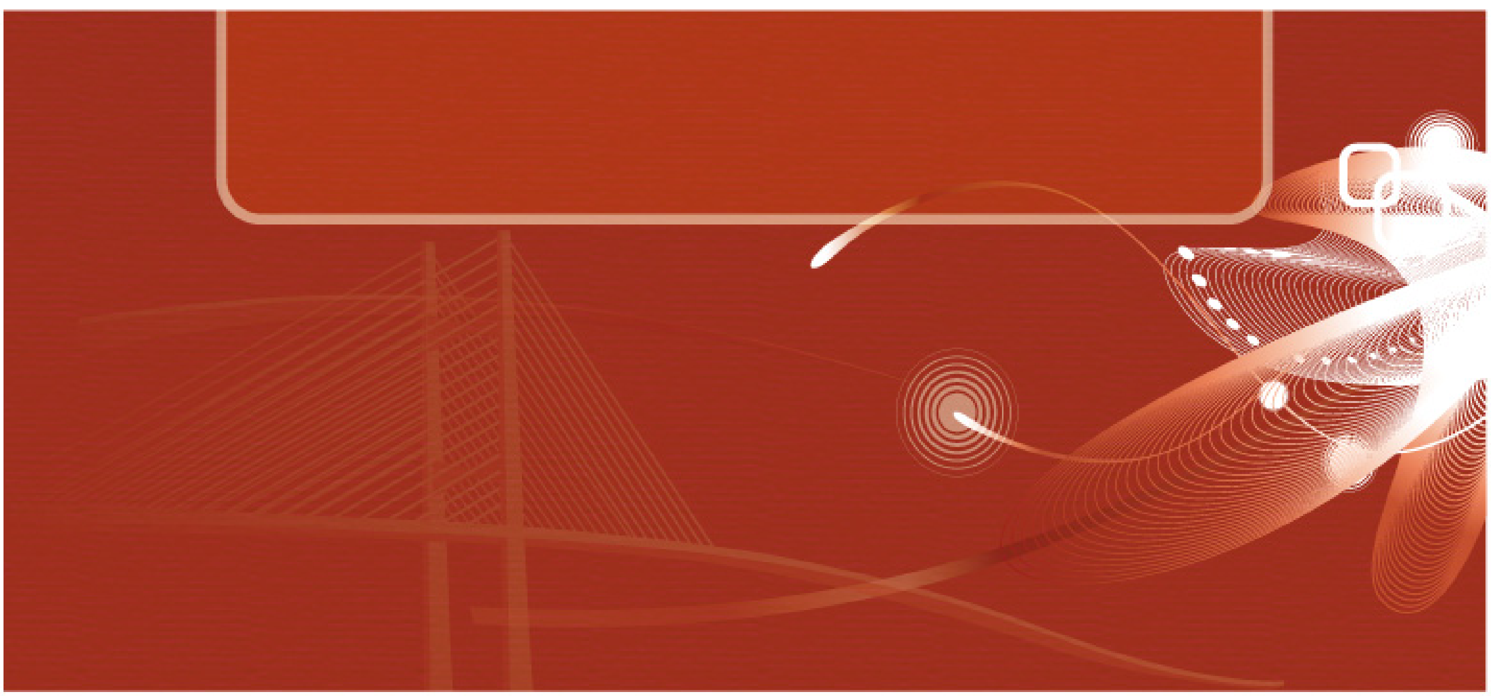


Analysis Column

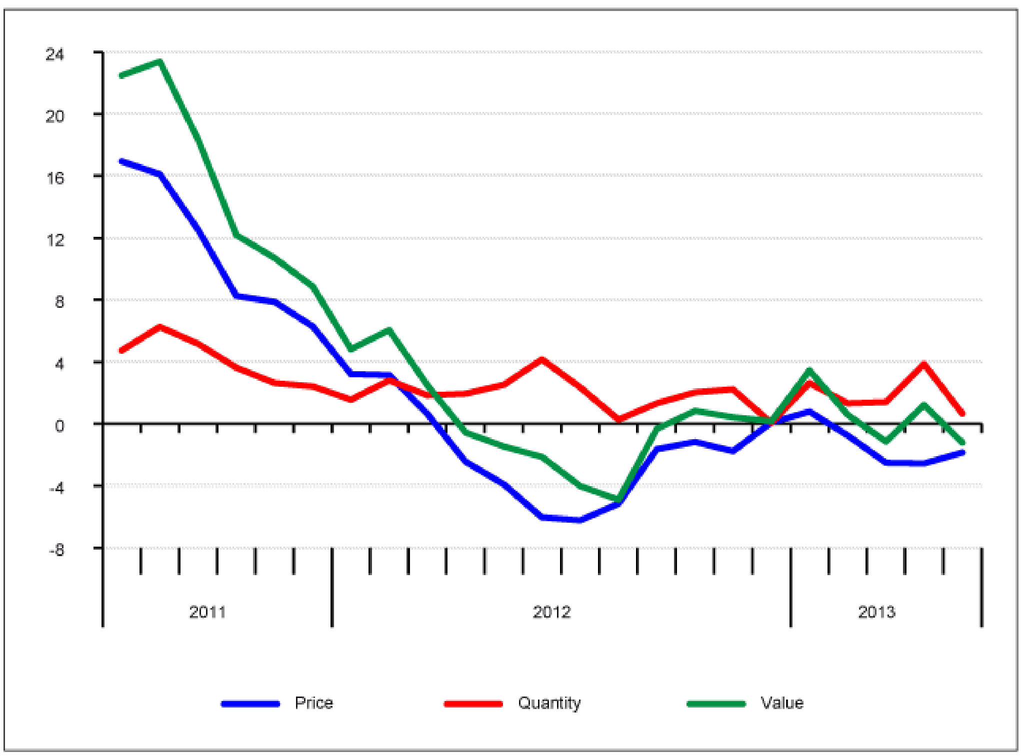


Mega-agreement negotiations: how will they influence Latin America?

In the framework of the uneven recovery of global economic activity after the international financial crisis, world trade weakened toward mid 2012 and has slowly expanded since (Figure 1). Projections indicate that the trends toward low volume growth and falling prices of raw materials (IMF, 2013) will continue, against the backdrop of recession in the eurozone, less dynamism in some emerging economies, and increased trade restrictions (Evenett, 2013).

Figure 1: World Trade: YOY variation in value, price, and quantity

Base indexes 2005 = 100. Seasonally adjusted series. Variation in percentage.



Source: Based on data from Netherlands Bureau for Economic Policy Analysis (CPB).

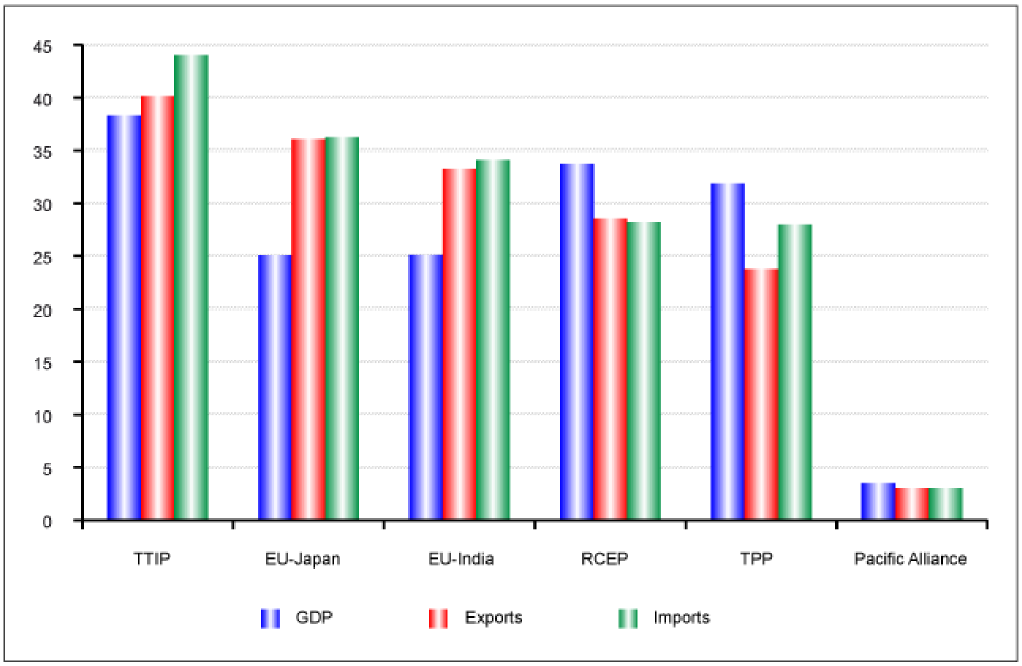
In this less favorable climate, and with no significant progress in the Doha talks, many countries are looking for new channels to promote trade and cooperation. Trade liberalization initiatives in particular have gained relevance at regional level: at present, nearly all the world's economies are holding negotiations to sign new regional trade agreements or expand existing ones; in fact, much of world trade takes place between countries with preferential schemes. During 2012, fourteen new regional agreements entered into force (one more than the annual average for the previous decade), and another eight came into force in the first seven months of 2013.[1]
A relatively new ingredient in the mix is the negotiation of so-called "mega-agreements"[2] involving the main actors in the economy and world trade (Figure 2).[3] The most relevant talks include:

- **Transatlantic Trade and Investment Partnership (TTIP):** United States and European Union (EU);
- **EU-Japan;**
- **EU-India Agreement;**
- **Trans-Pacific Partnership (TPP):** Australia, Brunei, Canada, Chile, United States, Japan (recently incorporated), Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam;
- **Regional Comprehensive Economic Partnership (RCEP):** ASEAN countries (Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam), Australia, China, South Korea, Japan, India, and New Zealand.[4]

In Latin America, the process most in tune with this trend toward mega-agreements is the **Pacific Alliance**, with the participation Chile, Colombia, Mexico, and Peru.

Figure 2: Relevance of selected negotiations in the product and global trade

As percentage of world total. Data for 2012.



Source: Based on data from the WTO and the IMF.

Broadly speaking, tariff elimination in industrial goods and many raw materials are of lower relevance in these negotiations, either because the countries have agreements among themselves (Table 1) or because the rates are relatively low. The most significant aspects are to do with technical and non-tariff barriers, trade in services, investment, government procurement, and intellectual property. Therefore, these agreements' greatest impact is not expected to originate in the elimination of tariffs, but in the regulatory aspects of trade, both in goods and other areas. However, the agricultural chapter is what generates the greatest uncertainty in terms of the degree of liberalization under these mega-agreements, as it is the sector where mainly the industrialized countries apply stronger protectionist devices in the form of tariffs, subsidies, sanitary standards, and other non-tariff barriers.

Table 1: Trade Negotiations and agreements in force between selected economies

Country	COL	CHI	MEX	PER	CAN	USA	AUS	BRU	JAP	MAL	NZE	SIN	VIE	CAM	CHN	KOR	PHIL	IND	INA	LAO	MYA	TAI	EU
COL		F	F	F	F	F			N							C							F
CHI	F		F	F	F	F	F	F	F	F	F	F	C		F	F		F*					F
MEX	F	F		F	F	F	N	N	F	N	N	N	N										F
PER	F	F	F		F	F	N	N	F	N	N	F	N		F	F						F	F
CAN	F	F	F	F		F	N	N	N	N	N	N	N										N
USA	F	F	F	F	F		F	N	N	N	N	F	N			F							N
AUS		F	N	N	N	F		F	N	F	F	F	F	F	N	N	F	N	F	F	F	F	
BRU		F	N	N	N	N	F		F	F	F	F	F	F	F	F	F	F	F	N	N	F	
JAP	N	F	F	F	N	N	N	F		F		F	F	F	N	N	F	F	F	F	F	F	N
MAL		F	N	N	N	N	F	F	F		F	F	F	F	F	F	F	F	F	N	N	F	N
NZE		F	N	N	N	N	F	F	0	F		F	F	F	F	N	F	N	F	F	F	F	
SIN		F	N	F	N	F	F	F	F	F	F		F	F	F	F	F	F	F	N	N	N	C
VIE		C	N	N	N	N	F	F	F	F	F	F		F	F	F	F	F	F	N	N	F	N
CAM							F	F	F	F	F	F	F		F	F	F	F	F	F	F	F	
CHN		F		F			N	F	N	F	F	F	F	F			F	S	F	F	F	F	S
KOR	C	F		F		F	N	F	N	F	N	F	F	F			F	F	F	F	F	F	F
PHIL							F	F	F	F	F	F	F	F	F	F		F	F	N	N	F	
IND		F*					N	F	F	F	N	F	F	F	S	F	F		F	F	F	F	N
INA							F	F	F	F	F	F	F	F	F	F	F	F		N	N	F	
LAO							F	N	F	N	F	N	N	F	F	F	N	F	N		F	F	
MYA							F	N	F	N	F	N	N	F	F	F	N	F	N	F		F	
TAI				F			F	F	F	F	F	N	F	F	F	F	F	F	F	F	F		N
EU	F	F	F	F	N	N			N	N		C	N		S	F		N				N	

Notes: * Partial scope agreement. F: Regional agreement in force. C: Negotiation completed or agreement signed but not yet in force. N: Regional agreement under negotiation. S: Regional agreement under study. COL: Colombia, CHI: Chile, MEX: Mexico, PER: Peru, CAN: Canada, USA: United States, AUS: Australia, BRU: Brunei Darussalam, JAPAN: Japan, MAL: Malaysia, NZE: New Zealand, SIN: Singapore, VIE: Vietnam, CAM: Cambodia, CHN: China, KOR: South Korea, PHIL: Philippines, IND: India, INA: Indonesia, LAO: Laos, MYA: Myanmar, TAI: Thailand, EU: European Union. Yellow: Pacific Alliance. Blue: TPP. Pink: RCEP. Orange: US-EU. Gray: Japan-EU. Brown: EU-India. Source: Based on IJI (INTrade-IDB) and national sources.

Given that the agreements are under negotiation (some, indeed, are only just under way, such as Japan's incorporation in the TPP, or the TTIP and the Pacific Alliance) and, in some cases, such as the TPP, the details of the talks are not known, it is difficult to tell what their exact consequences would be, should they come about. However, it is possible to predict some effects that will have an impact not only on the countries involved in the negotiations, but on the whole world.

The general fact that they have an ambitious agenda which, alongside tariff elimination includes regulatory issues, could involve the establishment of a higher threshold of standards than the current one, which will apply to trade relations with the rest of the world's economies, and probably to future negotiations.

In the particular case of the Latin American countries, the realization of these mega-agreements would have a very heterogeneous impact, although, to simplify the analysis, two groups of countries could be identified, depending on whether or not they have regional agreements with the economies involved in the negotiations.

Latin American countries advancing toward mega-agreements

Within this group of economies that have signed agreements with the United States, the EU and some Asian countries, there are two subgroups.

Pacific Alliance

With the creation of the **Pacific Alliance (PA)**, Chile, Colombia, Mexico and Peru seek to create a platform for economic and trade integration, and outreach to the world, with special emphasis on Asia Pacific. Except for Colombia, the other members also form part of the TPP negotiation. On the one hand, the bloc action could boost these countries' influence within the mega-agreement, and even promote Colombia's support for the negotiations, having already requested admission to that scheme.

On the other hand, in terms of the objectives of the PA (to expand and diversify market access, insert the economies in global value chains, and attract investments), countries have to overcome obstacles that go beyond tariff reductions, including regulations[5] and customs procedures, transport infrastructure, and others. The establishment of rules of origin common to all the partners and the implementation of a cumulation of origin mechanism could promote production and trade integration within block with a view to inserting it in the rest of the world.

At present, these countries' business relationship with other members of the TPP displays a high concentration in terms of destinations and is based on strong complementarities. United States is the destination of 90% of the PA's exports, and Mexico is the bloc's main supplier. The South American economies are efficient suppliers of primary and natural resource based commodities (oil, metals, fruit, and coffee), while Mexico[6] mainly exploits differentials in the cost of the labor force as a supplier of manufactures for the US market under the North American Free Trade Agreement (NAFTA). The other important destinations within the TPP (Japan, Canada, Australia, and Singapore) show demand for commodities from the PA.

Against this background, the main challenges for the PA are bound up with its insertion in global value chains. Given the above differences, one would expect negotiating interests in the TPP to be different: while Mexico would seek to improve entry conditions for its manufacturing in existing chains, other countries could focus on expanding access to derivatives of their raw materials with higher value added.

In terms of opportunities, the PA could take advantage of agreements – and greater geographical and cultural proximity – with the United States and the EU to act as a link in the trade flows between this bloc and the TPP, which would also act as a factor in attracting investment.

Central America

The Central American countries also have regional agreements with some of the major economies involved in the negotiations, but are not part of the TPP. These agreements are also built on significant complementarities, similar to those enjoyed by Mexico in NAFTA, or deriving from the availability of natural resources. These countries could benefit from the mega-agreements through indirect exports to countries involved in the negotiations with whom they have no regional agreements. This, of course, would depend on how flexible the rules of origin are in each case; its preferential access to these markets would, however, be eroded by the new integration processes. Some of the Central American economies have accordingly expressed their willingness to join the PA. Costa Rica is already in the process of accession, Panama now has the status of a candidate, and El Salvador, Guatemala, and Honduras are observers of the process.

Economies with greater uncertainty: the role of complementarity and trade policies

MERCOSUR has had a partial scope agreement with India in force since 2009, and has been negotiating an association agreement with the EU for several years without any significant progress. MERCOSUR as a bloc has recently applied to participate as an observer in the PA, a status already enjoyed by Paraguay and Uruguay.[7]

Yet the EU-MERCOSUR negotiation is an illustration of the South American bloc's uncertainty regarding mega-agreements. Given the nature of these countries' production structures, the difficulties involved in achieving a negotiating balance with the European bloc relative to other economies in Latin America are understandable. In terms of MERCOSUR's defensive interests, this is due to the fact that the bloc has higher levels of protection in industry and services, sectors that with greater economic influence in the biggest members, when compared to other countries in the region. Moreover, not having signed a regional agreement with United States[8] or other economies where these sectors are highly competitive - as Chile, Mexico, and the Andean and Central American countries did - the cost of opening up to European competition is potentially far higher for MERCOSUR.

In terms of its offensive interests, MERCOSUR has extensive comparative advantages in temperate agricultural goods, which are also produced in the EU under major protection schemes, as mentioned above. In contrast, the agricultural competitiveness of other Latin American economies is concentrated in tropical and subtropical products which compete with European agriculture to a very limited extent. Trade policies[9] therefore limit complementarity between MERCOSUR and the EU, and the same can be said of ties with United States and Japan.

In contrast, the MERCOSUR economies have, in recent years, increasingly shown complementarity with Asian countries, particularly China, which is involved in another mega-agreement that is in the pipeline: the RCEP. While so far there seems to have been a new closeness between the two integration schemes, this has not stood in way of a strong expansion of bilateral trade.

A hypothetical case where mega-agreements between industrialized countries would make progress in the agricultural chapter (e.g. defusing protectionist positions in the EU and Japan) could set a precedent for relaxation in this area to improve MERCOSUR's future access to agricultural markets in the developed countries. However, such an agreement could also "leave out" these countries, thus making access more problematic than it already is. Agricultural liberalization under

the TTIP or the TPP could, for example, mean that MERCOSUR countries would lose out in the European market, in terms of market share, to other major exporters of temperate agricultural products, such as United States, Canada, Australia, and New Zealand. This is particularly relevant in the case of processed foods, which has the highest amount of tariff and non-tariff barriers, export subsidies, and domestic support.

Furthermore, the incorporation of Latin American countries in the TPP would erode Argentine and Brazilian preferences for manufacturing exports in the face of competition from Asia.

In conclusion, the realization of mega-agreements would have major implications for the configuration of regional trade schemes, and the Latin American economies will not be exempt from this process, even those not directly participating in it. It is therefore crucial to deepen knowledge of negotiating agendas and to design strategies aimed at exploiting opportunities and minimizing the threats involved.

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- IDB-INTAL. "LAC-EU negotiations and Partnership Agreements," in: *INTAL Monthly Newsletter No. 165*, May 2010.
- IDB-INTAL. "5th round of talks toward a Trans-Pacific Partnership Agreement," in: *INTAL Monthly Newsletter No. 175*, March 2011.
- IDB-INTAL. "Trans-Pacific Partnership Agreement decides negotiating model," in: *INTAL Monthly Newsletter No. 184*, December 2011.
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- IDB-INTAL. "Banana dispute formally concluded," in: *INTAL Monthly Newsletter No. 195*, November 2012.
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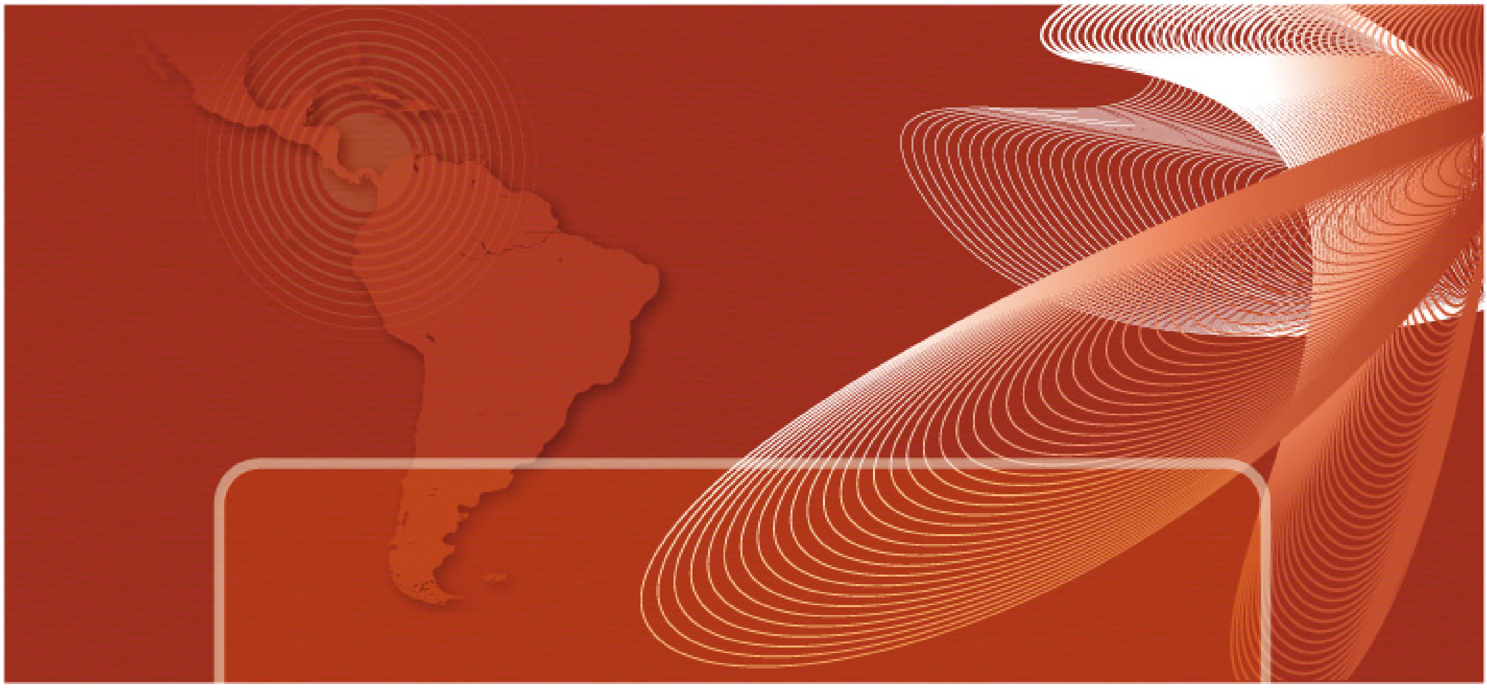
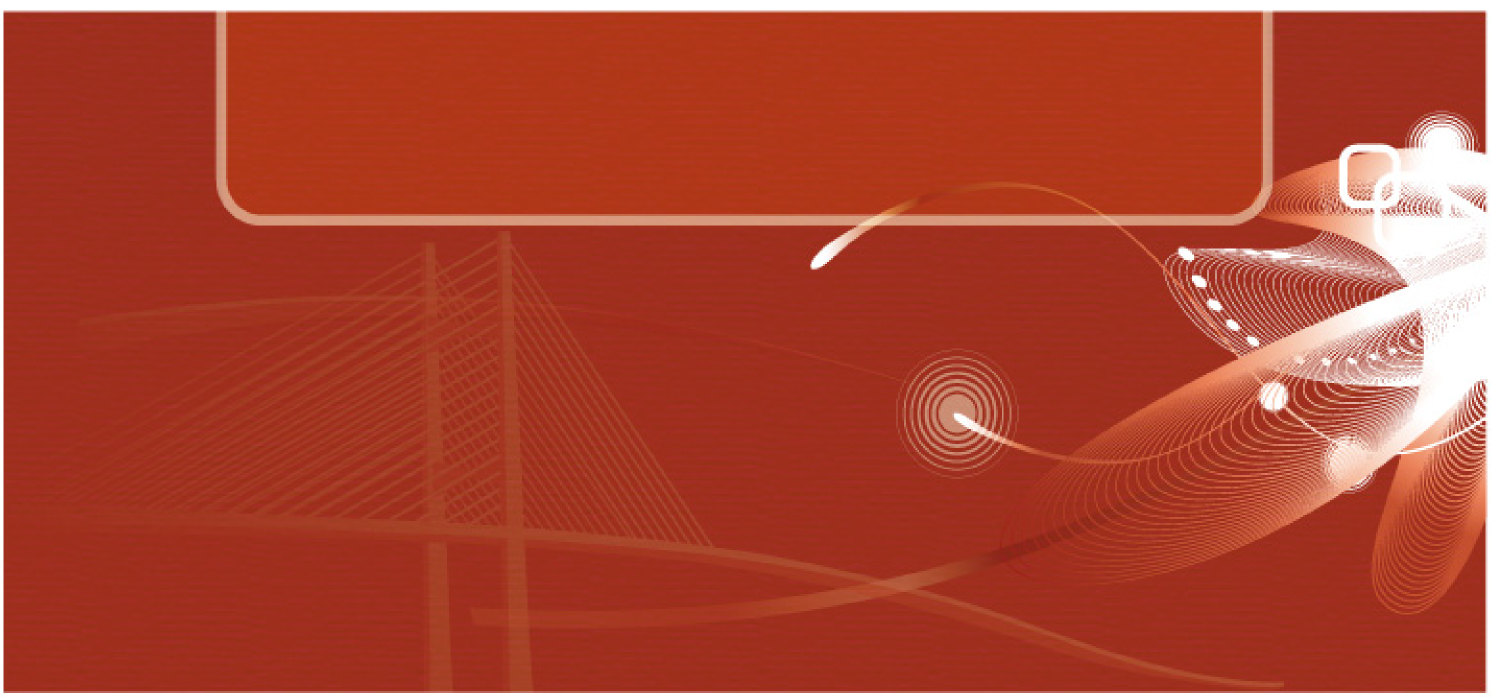
- IDB-INTAL. "17th negotiating round of the Trans-Pacific Partnership Agreement," in: *INTAL Monthly Newsletter No. 202*, June 2013.

[1] Source: WTO.
[2] See IDB-INTAL. "Integration scenarios in the Pacific," in: *INTAL Monthly Newsletter No. 200,* April 2013; and, IDB-INTAL. "Negotiating scenarios in the major economies," in: *INTAL Monthly Newsletter No. 201,* May 2013.
[3] An important precedent for these mega-agreements was the negotiation of the Free Trade Area of the Americas (FTAA) in the first half of the last decade, which involved all the countries in the Americas, except Cuba. Faced with the impossibility of reaching a hemispheric agreement, some countries signed new regional agreements or deepened existing ones. These include US agreements with Chile, Central America, and Dominican Republic (DR-CAFTA), and Colombia and Peru.
[4] See Menon (2013) for a discussion on the challenges of the RCEP.
[5] As shown in Table 1, the member countries already have trade agreements with each other (indeed, it is a prerequisite to enter the bloc), which would imply that additional tariff cuts will have no great impact on trade flows.
[6] Data for 2011. Source: COMTRADE.
[7] See IDB-INTAL. "Key aspects of MERCOSUR countries' external links," in: *INTAL Monthly Newsletter No. 201,* May 2013.
[8] The talks with United States in the framework of the FTAA were suspended in 2004. The main trade differences were similar to those in the negotiations with the EU.
[9] The length of the conflict arising from European protection of banana workers in Caribbean countries should, however, be borne in mind. See IDB-INTAL. "Banana dispute formally concluded," in: *INTAL Monthly Newsletter No. 195*, November 2012.



Integration Blocs



34th Regular Meeting of the CARICOM Conference of Heads of Government, and Donor Forum

The 34th Regular Meeting of the Conference of Heads of Government of the Caribbean Community (CARICOM) was held in Port of Spain, Trinidad & Tobago, July 3-6. The agenda included prominent issues in the region: the participation in CARICOM of new Member and Associated States, the deteriorating economic situation faced by the Caribbean, transport, and the progress of the bloc's reform. The meeting coincided with the 40th anniversary of the signing of the Treaty of Chaguaramas, July 4, 1973, which created the CARICOM and the CARICOM Single Market and Economy (CSME).
The anniversary finds the region in a process of comprehensive review, focusing on a five-year Strategic Plan for the Community, which analyzes the challenges and establishes priority areas for action in 2014-2018. The Plan was presented at the Twenty-Third Inter-Sessional Meeting of the Conference of Heads of Government of the Caribbean Community (CARICOM) in Paramaribo, Suriname, March 8-9, 2012. Part of this strategic vision is a guide to the institutional review of the bloc's General Secretariat.[1] A joint communiqué was issued.

Third High Level Forum on Donor Coordination

The representatives of CARICOM international development institutions met in Georgetown, Guyana, July 30. As well as a discussion on the results of the Regular Meeting of Heads of Government, the Forum addressed the priorities of CARICOM's Regional Aid for Trade Strategy.[2]

[1] See IDB-INTAL. "CARICOM: guidelines for Secretariat reforms," in: *INTAL Monthly Newsletter No. 190*, June 2012.

[2] See IDB-INTAL. "CARICOM launches Aid for Trade strategy," in: *INTAL Monthly Newsletter No. 203*, July 2013.

Central America

Restructuring and change in the SICA

Institutional Reform

The Secretariats Committee of the Central American Integration System (SICA) and the representatives of Panama, a country that currently holds the bloc's *Pro Tempore* Presidency (PPT) for a period of six months, met July 23.
The meeting discussed the five pillars of the integration process set out in the Summit to Relaunch the Central American Integration Process, in July 2010: institutional strengthening, democratic security, climate change, and economic and social integration. The aim was to coordinate the work priorities of regional integration for the second semester of 2013.[1]
Out of the meeting came the Regulations for the Adoption of SICA Decisions, which standardize the formal requirements for the development and adoption of any decisions and records issued by the System's institutions. It also saw: the creation of the Democratic Security Secretariat and the opening of the headquarters of the Central American Social Integration Secretariat (SISCA); the tabling of high-level meetings with Spain, Brazil, Russia, the European Union, and Germany in Panama; follow-up on the agricultural policy action plan; and promotion of the design of the 2014-2018 strategic plan for sustainable tourist development, among other topics.
In economic integration, regional actions will be promoted to implement the Partnership Agreement between Central America and the European Union; work will continue toward the Customs Union, and negotiations will be started as a result of the Protocol for Panama's Incorporation in the Central American Economic Integration System (SICA).

More information at the following links: [1];[2];[3];[4].

New SIECA Secretariat

As of July 15, the Central American Economic Integration Secretariat (SIECA) is in charge of Panama, represented by Carmen Gisela Vergara. Just days before, former Secretary, Ernesto Torres Chico, submitted a report setting out the highlights of his administration for the period 2011-2013.

More information at the following link: [1].

[1] The progress and prospects in each of these pillars, as detailed in the presentation given by SICA's Secretary General, are available here.

Central American external negotiations

Costa Rica-Mexico single FTA comes into force

The Single Free Trade Agreement (FTA) signed by the Central American countries with Costa Rica and Mexico in 2011 came into force as of July 1. Only Guatemala still has to complete the procedure, as El Salvador, Honduras, and Nicaragua implemented it in September 2012 and January 2013 respectively.
The most significant benefits of the new document are, first, the simplification of procedures regarding rules of origin, which involves the submission of a single certificate of origin for all countries. Second, regional cumulation will be allowed. This means that materials originating in any of the Agreement's member countries can be used for the production of final goods for export.
Central American imports from Mexico represent about 8% of the total, a fact that demonstrates this market's relevance as an origin of the Isthmus's purchases. Exports account for almost 3%. However, their importance is far lower when seen from the Mexican point of view: neither of the flows is above 1% of the country's total trade.

Related Articles:

- IDB-INTAL. "Nicaragua, El Salvador, and Mexico implement single FTA," *INTAL Monthly Newsletter No. 193*, September 2012.
- IDB-INTAL. "Central America: new FTAs come into force," *INTAL Monthly Newsletter No. 197*, January 2013.

Honduras, Nicaragua, and Panama apply EU agreement trade pillar

The trade pillar of the EU-Central America Association Agreement (EU-CAAA) came into force August 1, for Honduras, Nicaragua, and Panama, countries that met the internal legal proceedings, including the registration of geographical indications. The other two pillars (political dialog and cooperation) will apply upon completion of the ratification procedures in the twenty-eight member states of the EU.[1]
For Costa Rica and El Salvador, the agreement will not come into force this month due to the fact that, according to national sources from these countries, Italy's opposition is preventing unanimous approval by the European Council, which required[2] under the procedures. The Italian position is based on the pending implementation of geographical indications by the two Central American countries, whose governments expect to apply the EU-CAAA in September.
Guatemala estimates a similar date, already scheduled, due to delays in the implementation of the register.
The EU-CAAA was signed in July 2012 after four years of negotiations.

More information at the following links: [1]; [2]; [3]; [4]; [5]

Related articles:

- IDB-INTAL. "Central America signs Association Agreement with EU," *INTAL Monthly Newsletter No. 191*, July 2012.

Panama and Mexico begin talks toward an FTA

The first round of negotiations between Panama and Mexico toward an FTA were held in Panama City, Panama, July 30-August 2.
These two countries have had a unilateral Partial Scope Agreement (PSA) in place since 1986, which only provides preferences for Panama. In 1996, negotiations had begun toward a new agreement, but these were suspended in 2002 due to fiscal differences. This obstacle was overcome with the signing of the Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital Gains signed in 2011. However, when negotiations were resumed, the two countries resolved to begin afresh without taking into account previous negotiations, in the conviction that the economies' external and internal contexts had significantly altered, and the contents of the agreement should therefore be adjusted to reflect the new conditions.
This first round discussed the coverage and scope of the FTA, and dealt with such topics as investments, services, and access.
The agreement is expected to be finalized in four rounds and the document signed in the first half of 2014. The next round is to be held in Mexico, September 17-20, 2013.
The agreement will facilitate Panama's entry to the Pacific Alliance (in which it has the status of Candidate Observer Member) when it meets one of the main requirements for membership: the validity of an FTA with each of the current members. Panama has had agreements in place with Chile and Peru since 2008 and 2012 respectively, and at the end of May concluded negotiations with Colombia.

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

Related articles:

- IDB-INTAL. "Central America looks to the Pacific," *INTAL Monthly Newsletter No. 202*, June 2013.

2nd negotiating round toward Belize-El Salvador PSA

Negotiations were launched in February this year and are aimed at achieving a Partial Scope Agreement (PSA) between Belize and El Salvador. In addition to tariffs, the agreement takes into account legal provisions and cooperation issues that will deepen trade relations between the two countries.

The round concluded the chapter on general rules of origin. The negotiations for specific rules of origin are set for November 2013, in Belize.

More information at the following link: [1]

Related articles:

- IDB-INTAL. "New Central American agreements and external negotiations," *INTAL Monthly Newsletter No. 200*, April 2013.

[1] Trade provisions fall within the competence of the European Union, and therefore, unlike the other pillars for which ratification at national level is needed, their entry into force is defined after approval by the European Parliament and Council.

[2] Costa Rica Ministry of Foreign Trade. "Atraso en entrada en vigor del AACUE," Press Release, July 2013; El Salvador Ministry of Economy. "Posición de Italia podría retrasar la entrada en vigor del Acuerdo de Asociación para Costa Rica y El Salvador," Press Release, July 24, 2013.

Andean Community

IDB and Andean energy interconnection

Physical integration is viewed as one of the key mechanisms in meeting the integration objectives of the Cartagena Agreement,[1] the foundational legal instrument of the Andean Community of Nations (CAN). Energy integration in particular plays a highly significant role in economic, social, and environmental development in the CAN countries to promote the rational and efficient use of natural resources, optimize the costs of power generation, and guarantee supply.

CAN's greatest developments to date in energy have been in the area of electrical integration. In 2002, Decision 536 established a legal electrical interconnection and exchange framework for Colombia, Ecuador, Peru, and Venezuela, laying down, among other things, the fundamental market rules, the role of the actors involved, and the harmonization of existing national regulations.

This Decision effectively gave rise to the energy exchange between Colombia and Ecuador in 2003, the first stage of which proved to be of great benefit to the parties. However, differences began to emerge over time regarding the scope and application of the rules in force, particularly where the distribution of congestion income was concerned,[2] and, in August 2009, the countries asked the CAN Commission to suspend Decision 536 until a comprehensive review of the legal framework applicable to the countries had been carried out. In the meantime, a transitional regime was approved for international energy transactions between Colombia and Ecuador, and between Ecuador and Peru (Decisions 720 and 757) and there were calls to establish a new legal framework by the end of 2013.

With a new vision of the CAN for the twenty-first century and the launch of the 2010 Andean Strategic Agenda (AEA)[3] the spectrum of priorities in energy integration has broadened and the following guidelines have been set:

- Promoting cooperation over hydrocarbons, mining, and hydroelectric power in the context of respect for and protection of the environment.

Strengthening the Council of Andean Community Ministers of Energy, Electricity, Hydrocarbons, and Mines, and the Andean Committee of Electricity Policy-Making and Regulating Agencies (CANREL).
Evaluating the importance of promoting change in the energy matrix.
Promoting renewable energy.
Facilitating energy integration processes.
Evaluating international electrical energy transactions and the scenarios for long-term supply and strategic planning.
Strengthening the definition of action to be taken in alternative electrical interconnection.

Along the same integrationist lines and with a view to enhancing electrical energy trading among the Andean countries, the Andean Electrical Interconnection System (SINEA) was formed in April 2011. The Foreign Ministers and electricity sector officials in Colombia, Chile (as a CAN associate), Ecuador, Peru, and Bolivia (as an observer) issued[4] the Galapagos Declaration, which envisages the development of an Andean Electrical Corridor. It was agreed that the SINEA Council of Ministers is the initiative's highest decision-making body and working groups were formed for planning and regulating. The groups' activities are concentrated in two blocks: the construction of infrastructure to generate regional electricity interconnection, on the one hand; and, on the other, the creation of a supranational regulatory framework to facilitate electrical energy exchanges and transactions. The Council met again in November 2011 to sign the Bogota Declaration and complete the hiring of a consultancy firm to analyze the feasibility of Andean electrical interconnection, financed with resources from the Inter-American Development Bank (IDB).
Through its Technical Cooperation, "Support to the Andean Electric Interconnection Studies," IDB provides support for SINEA toward three goals:

- To establish the principles and guidelines for the necessary regulatory harmonization of the countries involved in the initiative;
- To identify and evaluate possible alternatives for sustainable Andean electrical interconnection;
- To analyze the options of Andean electrical interconnection in terms of costs, timeframes, and socioenvironmental requirements.

The support program includes the definition of commitments, an activity schedule, and responsibilities for the creation of an Integration Roadmap; regulatory harmonization and regional planning studies for electrical infrastructure, as well as coordination tasks for the regional initiative. IDB's Infrastructure and Environment Department (INE/JAN) Energy Division is responsible for the technical side of this program.
A similar initiative is being developed in the Central American isthmus with the Central American Electrical Interconnection System (SIEPAC) project.

For more information on this initiative, see: "Energy integration in Central America: Full steam ahead."

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- IDB-INTAL. "Handover of CAN pro tempore presidency and results of Peru's term," in: *INTAL Monthly Newsletter No. 168*, August 2010.
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[1] Cartagena Agreement, Chapter XIII, Article 104: "*The Member Countries shall make a joint effort to improve the use of the physical space and reinforce the infrastructure and services that are needed to advance the subregion's economic integration. This effort shall be made primarily in the fields of energy, transportation, and communications and shall cover the necessary measures for facilitating cross-border traffic between the Member Countries.*"
[2] Congestion in an electricity transmission system occurs when the lines reach energy transmission capacity, causing more expensive generation than normal. The income from system congestion is an economic surplus originating in the existence of different prices between two points carrying out a transaction, when the difference stems from the restrictions imposed by the transmission network. See García & Gutiérrez (2008).
[3] The 2010 Andean Strategic Agenda sets out the guiding principles, and the priority programs and projects to steer the administration of the CAN Secretariat and the organs of the Andean Integration System in the twenty-first century.
[4] Bolivia is involved in the SINEA "*confirming its good intentions in regional cooperation, but at the same time demonstrating its low potential for electrical interconnection with the Andean countries,*" for technical, economic, and even diplomatic reasons. See Plazas Díaz (2011).

CAN: boost for rural development

The 4th Meeting of the Council of Agriculture Ministers of the Andean Community of Nations (CAN) approved guidelines and strategic objectives for regional rural and agricultural development, June 27.

In their Statement, the Ministers labeled as priorities the promotion of subregional food and nutrition security, national production complementarity, and the promotion of clean agriculture. They also agreed to call on CAN to amend Decision 436 to improve access to the direct import of pesticides for agricultural use by producers, and instructed the Andean Agricultural Committee to propose strategies to boost intra-Andean trade, diversify agricultural output, and improve productivity in the sector.

Andean trade agreements

The Trade Agreement between the European Union and Colombia entered into force August 1, 2013.

The Partial Scope Agreement between Peru and Venezuela entered into force August 1, 2013.

Related articles:

- IDB-INTAL. "EU-Colombia/Peru trade agreement signed," in: *INTAL Monthly Newsletter No. 191*, July 2012.
- IDB -INTAL. "Peru and Venezuela strengthen bilateral relations," in: *INTAL Monthly Newsletter No. 185*, January 2012.

Stages in Bolivia's incorporation in MERCOSUR

The last month has seen progress being made in Bolivia's accession process to MERCOSUR. First, its Accession Protocol, signed in December 2012, was ratified by Venezuela's National Assembly, making the first member country to meet this condition for Bolivia to become a fully fledged member of MERCOSUR.

Second, Bolivia signed a Framework Cooperation Agreement with the Latin American Integration Association (ALADI) that includes specific technical support actions for Bolivia's incorporation in MERCOSUR.

Third, work began on the adoption of the MERCOSUR Common Nomenclature (NCM) by Bolivia. The country will seek simultaneously to keep the NCM and the NANDINA Common Nomenclature of the Andean Community of Nations (CAN).

Related articles:

- IDB-INTAL. "MERCOSUR grows," in: *INTAL Monthly Newsletter No. 196*, December 2012.
- IDB-INTAL. "MERCOSUR: Progress in Bolivian membership and bilateral relations," in: *INTAL Monthly Newsletter No. 201*, May 2013.
- IDB-INTAL. "First meeting of working group for Bolivia's accession to MERCOSUR," in: *INTAL Monthly Newsletter No. 202*, June 2013.
- IDB-INTAL. "45th Common Market Council," in: *INTAL Monthly Newsletter No. 203*, July 2013.

Physical integration between Brazil and Guyana

The Foreign Ministers of Brazil and Guyana (which signed an agreement at the last MERCOSUR Summit to become an Associated State) emphasized the progress that has been made in physical integration (transport and energy) and their interest in developing new joint projects. They issued a statement that highlights the progress in the project portfolio of the South American Infrastructure and Planning Council (COSIPLAN) of the Union of South American Nations (UNASUR). This includes the opening of the bridge over the River Takutu and studies to improve the Lethem-Linden road. Once this project has been implemented, progress can be made in developing the deep water port in Guyana.
The Inter-American Development Bank (IDB) plays a relevant role in physical integration between the two countries via COSIPLAN's technical body, the Initiative for the Integration of Regional Infrastructure in South America (IIRSA).

Related articles:

- IDB-INTAL. "45th Common Market Council Summit," in: *INTAL Monthly Newsletter No. 203*, July 2013.

Progress in Paraguay-Mexico talks

Talks between Paraguay and Mexico continued in July, toward the signing of an Economic Complementarity Agreement (ECA) aimed at a free trade agreement (FTA) between the two countries. The second round was held in Mexico City, July 23-24, and progress was made in the negotiations on market access, rules of origin, dispute settlement, and institutional aspects.
The negotiations between the two countries are being conducted under ECA-54, signed in 2002 and in effect since 2006, which lays the foundations for the creation of a free trade area between the MERCOSUR countries and Mexico. To date, Uruguay is the only country in the bloc that has an FTA with Mexico, signed in 2003 and in force since 2004.

Related articles:

- IDB-INTAL. "Key aspects of MERCOSUR countries' external links," in: *INTAL Monthly Newsletter No. 201*, May 2013.

IDB loans help boost MERCOSUR countries' competitiveness

The Inter-American Development Bank (IDB) recently announced that it will grant loans to improve infrastructure and increase the added value of certain MERCOSUR countries' exports.

The Bank is to grant a US$400 million loan to Ceará State, Brazil, to improve road and logistics infrastructure, and promote connectivity between producing regions and consumer markets, and regional ports and airports.

Although Ceará currently accounts for a minor portion of Brazil's foreign trade (around 1% of the total in 2012), the state's commercial relevance should increase over the next few years as a result of the expansion of the Port of Pecem, the creation of a high technology hub, a steel factory, an oil refinery, and a export processing area. Ceará is strategically located near the Panama Canal and is the Brazilian state closest in geographical distance to the United States and the EU. Improvements in infrastructure and logistics to reduce existing bottlenecks could help to make it a center of attraction for exports from northeastern Brazil.

IDB will also help to increase the value added of Paraguayan exports by promoting soybean industrialization and reducing greenhouse gas emissions associated soybean production in that country. To this end, IDB is to provide Complejo Agroindustrial Angostura S.A. (CAIASA) with a loan of up to US$92 million to finance a new soybean mill and related facilities.

UNASUR Energy Council meeting

The 15th Meeting of the UNASUR Energy Council's Energy Experts Group took place July 16.

More information here.

Regional And Global Overview

Trade facilitation at the upcoming Bali Conference

As mentioned in *INTAL Monthly Newsletter No. 202*, the Ministerial Conference of World Trade Organization (WTO) to be held in Bali, Indonesia, in December this year, will focus on three central issues: trade facilitation, agriculture, and treatment of the least developed countries (LDCs).

Background

Although the issue of trade facilitation was initially included in the WTO's agenda in 1996, formal negotiations only got under way in 2004. These had two objectives. First, to improve certain articles of the General Agreement on Tariffs and Trade (GATT) freedom of transit, rights, and formalities relating to import and export, and trade regulations. Second, it was proposed to enhance technical assistance and promote cooperation between customs authorities in order to build capacities in the area of trade facilitation.[1]

Trade facilitation involves not just streamlining and optimizing customs procedures in order to reduce costs (including border time), but also increasing transparency and predictability in applying it. Within the WTO's multilateral approach, of course, the negotiations are aimed at creating a common framework to regulate customs formalities for all members, on issues such as payment of customs duties, risk management, one-stop shops, e-payments, urgent shipments, and authorized operators.

Implications of a possible agreement

Significant progress on trade facilitation would imply greater productivity for customs in border collection of taxes and tariffs, and attract more foreign direct investment. It has been pointed out that halving the costs generated by trade barriers and bureaucratic procedures would have an impact on the world economy of about US$1 trillion (WTO, 2013a). The costs of border trade amount to US$2 billion per annum, which represents 15% of the total value of the global trade flows: 5 percentage points (p.p.) are from tariffs and the remaining 10 p.p. are costs related to customs procedures. A World Economic Forum study (2013) foresees the reduction of non-tariff barriers (especially those related to regulatory issues) having an effect on world GDP six times greater than total tariff elimination.

Trade facilitation would have a particular impact on the development of global value chains and developing countries' (DGCs) insertion in these chains. In the framework of the Fourth Global Review of Aid for Trade,[2] the governments stressed the importance of reaching an agreement on trade facilitation in the scope of the WTO to complement the financial assistance so far offered in the framework of this program. Many regions are implementing measures to facilitate trade. According to the World Bank report, *Doing Business 2013*, around 200 reforms that succeeded in reducing export times from 26 to 22 days were implemented globally between 2006 and 2013. Latin America is the second most prolific region after Africa when it comes to applying policies in this area (Bedano, 2013).

Prospects for an agreement for Bali

Although the draft agreement has reached an advanced stage, there are some points of disagreement among members, particularly with regard to Section 2 of the document, on the flexibilities that will be considered for Developing Countries (DGCs) and Least Advanced Countries (LACs). Taking into account the level of commitments that should be undertaken in the agreement regarding the adaptation of laws and procedures, as well as the generation of infrastructure (WTO, 2013b), there are proposals that seek to avoid the final fixing of implementation dates. In this sense, Developed Countries (DDCs) like United States contend that the agreement would not be binding if this proposal is accepted (Office of the United States Trade Representative, 2013), while DGCs consider that the commitments involve high costs for some countries. On the other hand, African representatives are calling for the inclusion of provisions discussed by DDCs, related to technical assistance and capacity-building in DGCs and LACs.

Other differences arise in areas such as customs cooperation, transit, preshipment inspection, customs agents, and consularization duties.

Although trade facilitation is one of the topics where agreement is expected to be reached for the Bali Conference, work still needs to be done to close the gaps between the different positions. Achieving commitments represents a test for the continuity of the Doha Round in a context where regional initiatives are proliferating and the relevance of the multilateral negotiations is being overshadowed.[3]

Through its Integration and Trade Sector (INT), the Inter-American Development Bank is channeling efforts to support trade facilitation initiatives by various countries via operational programs and training.

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[1] The modalities for the negotiations on trade facilitation can be found in Annex D of the decision adopted by the General Council in 2004 on the Doha Work Program ("the July Package"), in response to the Doha mandate of 2001.

[2] See IDB-INTAL. "CARICOM launches Aid for Trade strategy," in*: INTAL Monthly Newsletter No. 203*, July 2013.

[3] See "Mega-agreement negotiations: how will they influence Latin America?," in this month's *INTAL Monthly Newsletter*.

Trade Agreements within LAIA

Under the 1980 Treaty of Montevideo, the Partial Scope Economic Complementation Agreement No. 70 between Bolivia, Cuba, Venezuela, and Nicaragua, was signed at the headquarters of the Latin American Integration Association (LAIA), last July 16. This instrument is part of the implementation of the Economic Area of the Bolivarian Alliance for the Peoples of Our America (ALBA), made up, in addition to the signatory countries, by Ecuador, Dominica, Saint Vincent & the Grenadines, Antigua & Barbuda, Surinam, and Santa Lucia. After negotiation, these countries will be able to join the agreement.

The Agreement provides for the adoption of a programmatic regulatory regime for economic and trade linkage among the signatory countries, based primarily on three areas of action: stimulating trade growth, production complementation, and cooperation.

The 12th Summit of ALBA Heads of State and Government was subsequently held in Guayaquil, Ecuador, July 30. Its Statement proposes forming a commission of high level technicians to design a Complementary Economic Zone across the countries of ALBA, MERCOSUR, and Petrocaribe.

Elsewhere, in the framework of Nicaragua's accession to LAIA, the negotiations concluded, July 10 2013, for the opening of markets between Nicaragua and Brazil, Bolivia, Cuba, Panama, Uruguay, and Venezuela. Nicaragua is considered a less economically developed country (LEDC), along with Bolivia, Ecuador, and Paraguay, and will accordingly enjoy non-reciprocal trade preferences.

For more information on the legal aspects of the institutional evolution of ALBA, as well as other regional agreements, see the database Legal Instruments of Integration at INTrade IDB.

Related articles:

- IDB-INTAL. "Thirty years of LAIA: The roles of IDB and INTAL in the birth of LAIA," in: *INTAL Monthly Newsletter No. 168*, August 2010.
- IDB-INTAL. "Nicaragua joins LAIA," in: *INTAL Monthly Newsletter No. 188*, abril de 2012.
- IDB-INTAL. "Panama's Regional Tariff Preferences with Bolivia and Mexico," in: *INTAL Monthly Newsletter No. 193*, September 2012.
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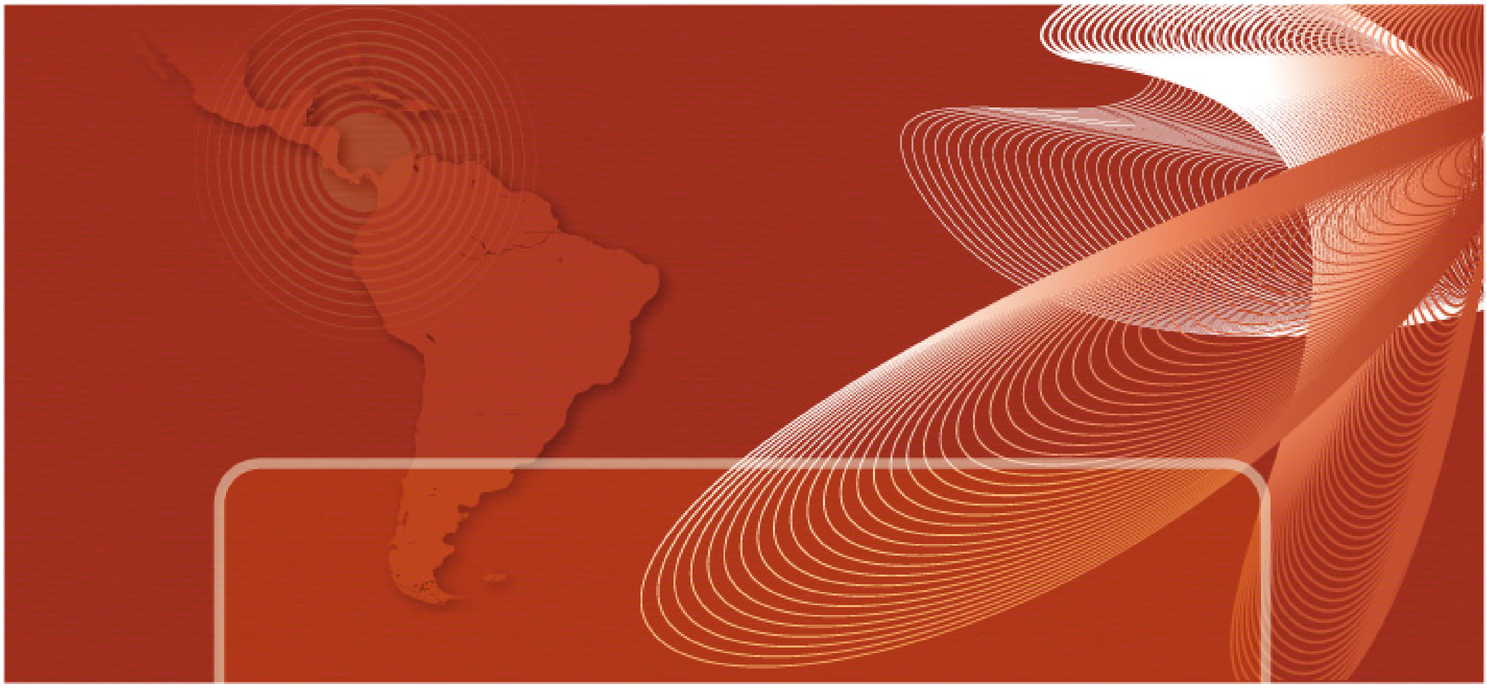

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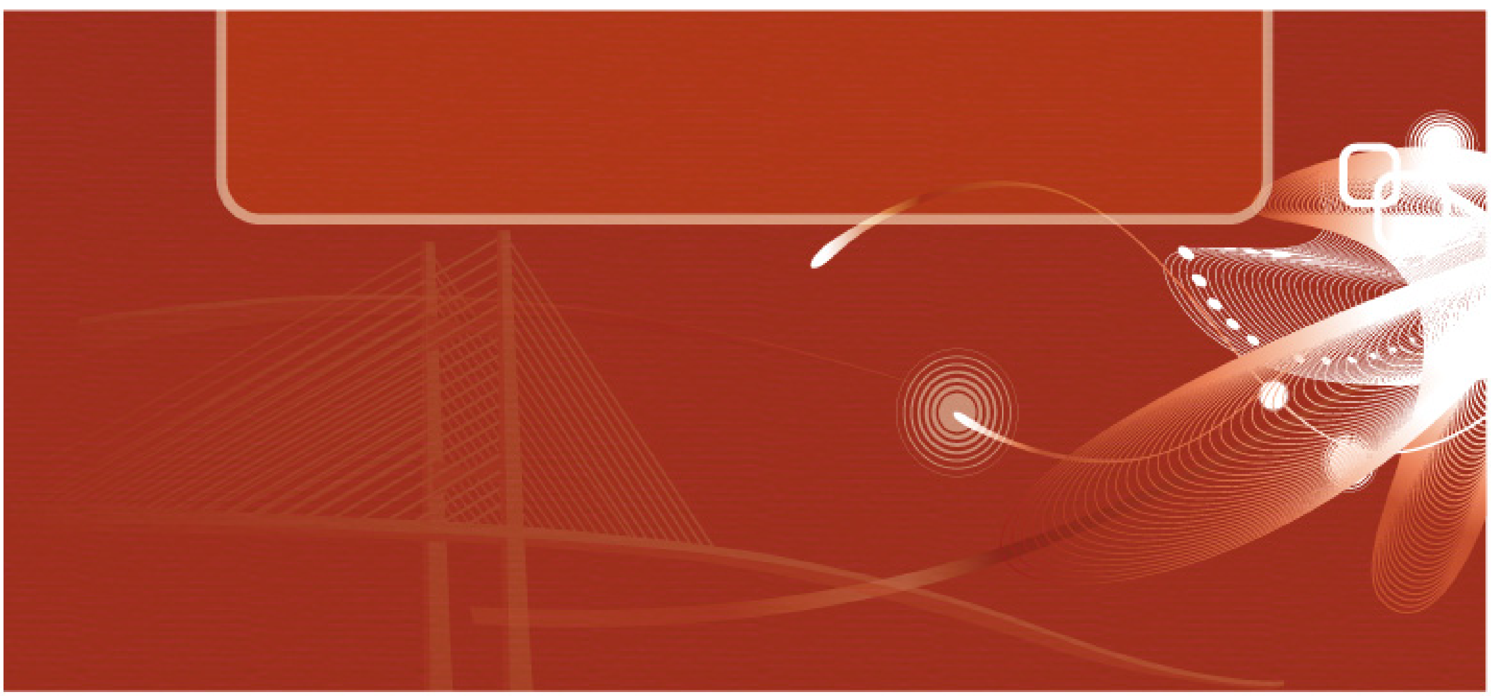

Integration & Trade Journal Nº 36 (January-June 2013)

Integration & Trade Journal Nº 36 (January-June 2013)

South-South and Triangular Cooperation in LAC

"...South-South cooperation, rather than being much ado about nothing, is actually tangible and about more than meets the eye, reflecting new avenues of delivery, innovative ways of thinking, and ongoing economic realignment." (Introduction. Shearer and Tres, 2013).

Featured contributions about:

- The role of institutions in the provision of public goods and their implications for sustainable development
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Click here to access *Integration & Trade Journal 36* (also available in the Spanish version).

Integration & Trade Journal 37 Call for Papers

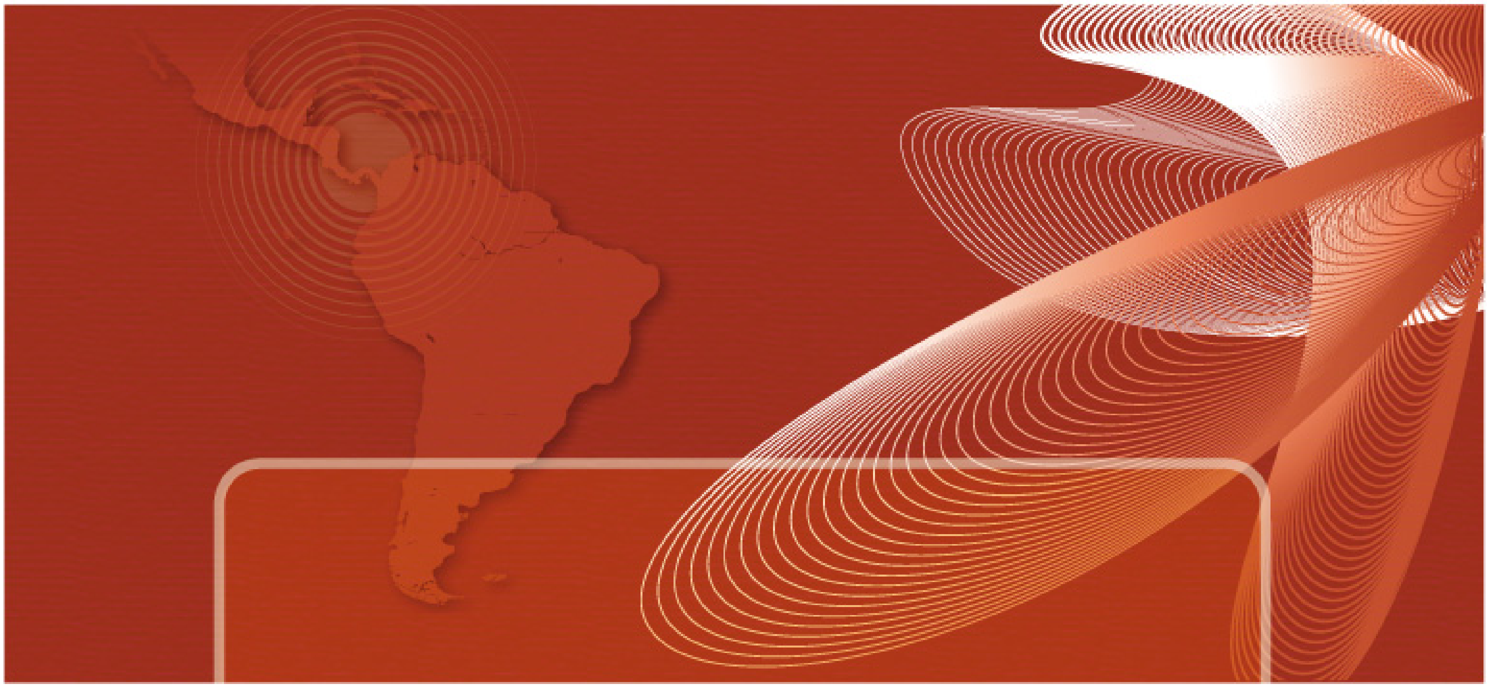
Integration & Trade Journal is now accepting submissions of papers examining the patterns and determinants of the internationalization of small and medium sized enterprises (SMEs) in Latin America and the Caribbean (LAC).
Both theoretical and empirical contributions will be considered, but in all cases priority will be given to papers identifying and shedding light on relevant policy questions (link), including case studies of policies followed by national or international organizations, in particular. Furthermore, submission of papers that explicitly contrast successful and failed cases while comparing countries within the region will be specially considered. Important lessons are expected to be drawn from these contributions for Latin American and Caribbean countries.

The closing date for submissions is **October 15th, 2013**.
Papers should be sent to intintaljournal@iadb.org.
The works selected by the Editorial Committee will be published in Issue 37 of the *Integration & Trade Journal* in **December 2013**.

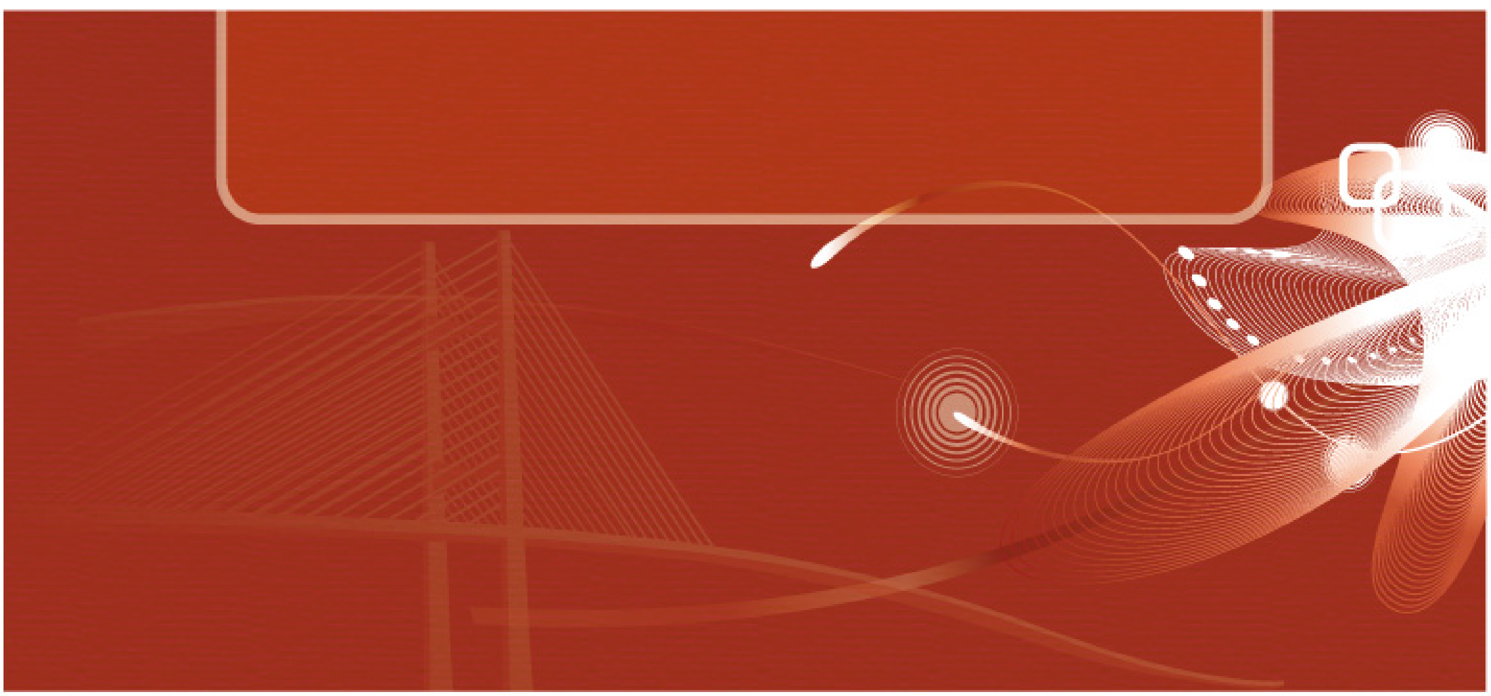
Click here to see the guidelines.

LAC Flavors 2013: a Buyers-Sellers Meeting

LAC Flavors 2013: a Buyers-Sellers Meeting, to be held in Granada, Nicaragua, July 25-26, 2013 is organized by the Official Investment and Export Promotion Agency of Nicaragua (ProNicaragua), the Superior Council of the Private Enterprise (COSEP), and the Inter-American Development Bank (IDB) via the Trade and Investment Unit (TIU) of the Integration and Trade Sector (INT), and the Country Department for Central America (CID), Mexico, Panama and the Dominican Republic, through its Mesoamerica Project (link).

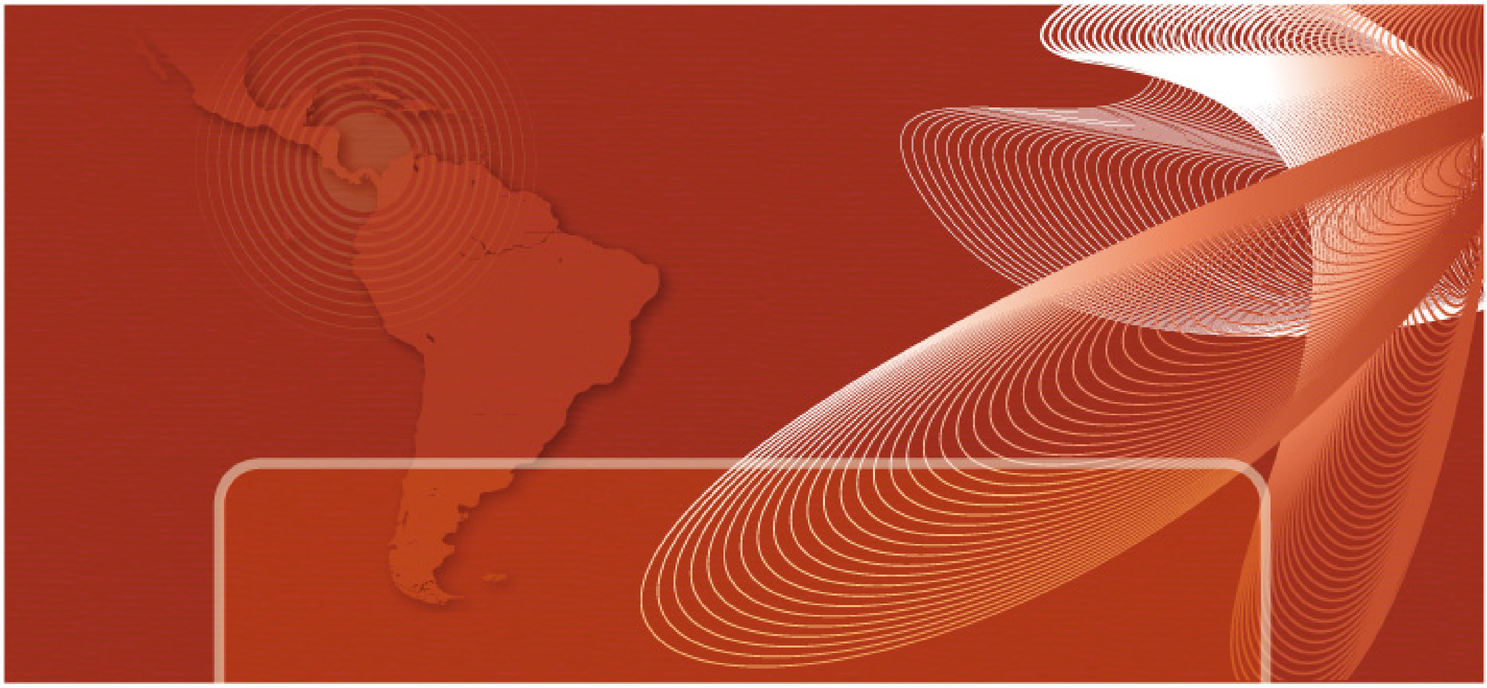


Other IDB Activities



IDB announces new commitments to road safety

Inter-American Development Bank President Luis Alberto Moreno today renewed the IDB's commitments to road safety and announced that road safety will be given priority treatment in all Bank-financed transportation projects. As part of the new commitments, Moreno also announced a two-year extension of IDB financial support for Latin NCAP (link).



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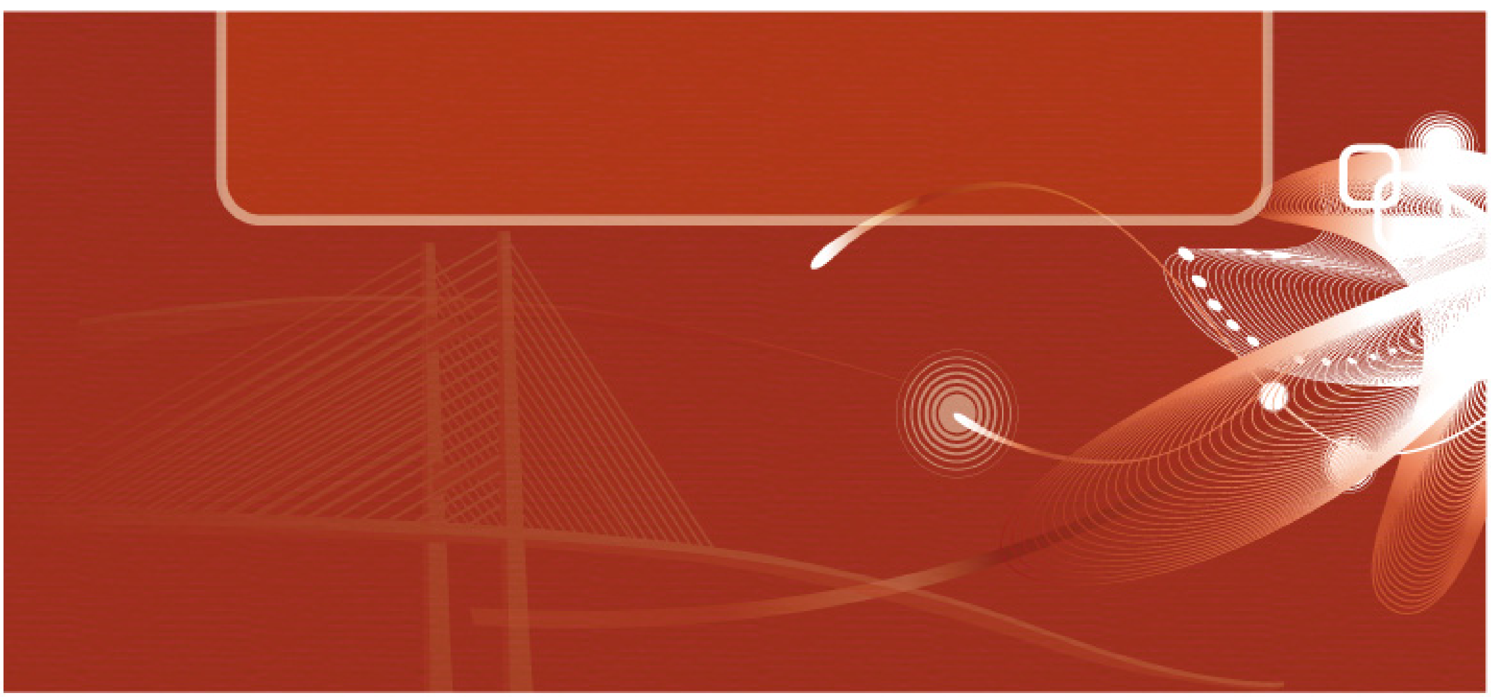

Reviews

Bonilla, Adrián & Ortiz, María Salvadora, (comps.) De Madrid a Santiago: Retos y oportunidades: Balances y perspectivas de las relaciones entre la Unión Europea, América Latina y el Caribe. San José de Costa Rica: FLACSO, 2012. [369 pages.]

This publication is a compilation of various presentations by Latin American and European diplomats and academics as part of a seminar held at the Ibero-American General Secretariat (SEGIB) in mid 2012. The event focused on the prospects and challenges of European-Latin American relations ahead of the 7th Latin America-European Union (LAC-EU) Biregional Summit and the 1st Community of Latin American and Caribbean States (CELAC)-EU Summit, held in Santiago de Chile in January 2013.

The paper highlights that the EU is LAC's largest investor, its largest contributor of funds, and its second largest trading partner, although there is a downward trend in trade and investment, due mainly to Asia's increased role in the region.

The book has a prologue and epilogue by **Enrique V. Iglesias**, Secretary General of the Ibero-American General Secretariat (SEGIB) and former President of the Inter-American Development Bank (IDB), who makes a contribution, ordering the ideas and make forecasts. The SEGIB General Secretary pointed out that relations between the two regions are old, deep, rich, and complex. Although he emphasizes recent the advances in Latin American growth and macroeconomic management, he also draws attention to significant deficits in infrastructure, the economies' trends toward "reprimarization," vulnerability to the economic cycle, and the persistence of social inequality. On the other hand, he shows that, while Europe is in crisis, it continues to be a leading world power, thanks to the size of its market, its productive and investment capacity, the richness of its human capital, and its institutional soundness. Iglesias is optimistic about the progress of the biregional relations, based on political dialog, cooperation and integration, and development. The challenges are, on the one hand, to improve the forms of cooperation between the two regions, and on the other, to get Latin America to assume greater responsibility in shaping a new world in which there are palpable increasing difficulties.

The introduction, by **Adrian Bonilla**, provides a historical overview of EU-LAC summits from their inception in 1999 to the present day, highlighting the mechanism's effect as a space for the institutionalization of biregional relations.

The first section brings together various different views on the international context in which the Summits have taken place. The EU Secretary of State, **Íñigo Méndez de Vigo,** tells us that, in the context of the economic and financial crisis in the EU, the main danger is of the bloc closing in on itself. The former president of Chile, **Ricardo Lagos**, lists six key issues on the biregional agenda: security; trade; international financial architecture; migration; the "green paradigm," linked to climate change; renewable energy sources, and drug trafficking and the war against drugs. Former president of Uruguay, **Julio Maria Sanguinetti**, points to the stagnation of MERCOSUR and the internal divisions in UNASUR as negative aspects, highlighting the need for joint work between Mexico and Brazil to promote the biregional agenda. CARICOM Secretary General, **Edwin W. Carrington**, highlights the Caribbean's interests in the relationship with the EU, showing that they sometimes diverge from Latin America's.

The second section delves into the mechanism of biregional summits and their evolution up to the Santiago Summit. President of the Standard Bank Foundation, **Felix Peña**, discusses the benefits that the conclusion of a MERCOSUR-EU agreement would bring, while emphasizing the existence of several obstacles toward it: the agricultural issue, a certain decline in the two integration processes and political leaders' difficulties in advancing toward an agreement with certain short-term costs. Autonomous Secretary on Relations with the State and the European Union at the Generalitat de Valencia, **Rafael Ripoll Navarro**, describes LAC-EU relations over the last decade, which he claims are based on "Summit diplomacy" and progress in biregional cooperation like EUROLAT, the Euro-Latin American parliamentary institution for biregional association, and EUROSOCIAL, which promotes social cohesion. Deputy Director General for Bilateral Affairs of the Chilean Foreign Ministry, **Rodrigo Gaete**, welcomed the creation of the Community of Latin American and Caribbean States (CELAC) as an space for consensus between countries with a variety of views and plans of action driven and deepened by their successive pro tempore presidencies.

The third section discusses specific aspects linking CELAC and the EU. Here, ECLAC Executive Secretary, **Alicia Barcena**, analyzes the effects of the different propagation channels of the international crisis on LAC (particularly through the real channel: lower external demand that has led to decreased domestic economic activity) and on the EU (with particular emphasis on the financial channel), the policies implemented in the two regions, and the major challenges in terms of the current situation.

The fourth section discusses overall achievements in LAC-EU relations. Professor of International Relations at the Complutense University of Madrid, **José Antonio Sanahuja**, looks at the changing cycle of Latin American integration since the mid 2000s, which is leading to what he calls "postliberal regionalism," through the creation of the Union of South American Nations (UNASUR) and CELAC, entities that can solicit regional consensus in such areas as infrastructure, energy, and finance. Deputy Director of the German Institute for International and Security Affairs, **Günther Maihold**, points out the divergence between the "inflation" of biregional agendas (with their sweeping declarations and weak programs when it comes to implementing them) and the difficulty of implementing them due to the very dynamics of presidential diplomacy and summits. He suggests putting the large agendas aside and focusing on areas where it is possible to produce results.

The fifth section examines the main opportunities and challenges. Director for the Americas of the EU European External Action Service, **Tomás Duplá del Moral**, highlights the asymmetry of the EU-LAC relationship and the difficulty of referring to LAC as a whole, given that it is not a homogeneous region. He also contends that there varying degrees of convergence have been achieved in such areas as democracy and human rights, and in some macroeconomic concepts, but that social convergence is difficult due to the different points of departure, particularly where education is concerned.
The sixth section brings together various contributions from the Latin American School of Social Sciences (FLACSO) on the subject, including the main contributions of the Summit Diplomacy, such as the intensification of political communication and trust at the highest level.
The publication is a heterogeneous compilation of the views of various specialists on the biregional strategic partnership. Some of the papers set out a current view of various aspects of the biregional relationship, with major contributions, while proposing ideas for Summits to enable concrete progress beyond the declarations issued.

Bibliographic alert

This weekly alert disseminates information on the highlighted documents recently uploaded in the INTAL Documentation Center Data Base (CDI). It also provides links to open access bulletins and journals in Spanish, Portuguese and English. Click here

*Emprendimientos en América Latina : desde la subsistencia hacia la transformación productiva. (2013). Bogotá: CAF

Emprendimientos en América Latina : desde la subsistencia hacia la transformación productiva. (2013). Bogotá: CAF

Título: Emprendimientos en América Latina : desde la subsistencia hacia la transformación productiva

Otros responsables: Corporación Andina de Fomento, CAF

Edición: Bogotá: CAF, Junio de 2013 [270 p.]

Serie: Reporte de Economía y Desarrollo

Temas: ‹FINANZAS›‹POLITICA FINANCIERA›‹FINANCIAMIENTO DEL DESARROLLO›‹PRODUCTIVIDAD›‹MICROEMPRESAS, MIPYMES›‹DESARROLLO ECONOMICO›

Geográficos: ‹AMERICA LATINA›

Resumen: Esta nueva entrega del Reporte de Economía y Desarrollo (RED) enfatiza el rol del emprendimiento, esto es, la creación de empresas que generen aumentos sostenidos del empleo y de la productividad, como un factor central en el desarrollo de América Latina. En este contexto, un contraste importante entre América Latina y las naciones más desarrolladas es el hecho de que, de un lado, existe en la región un número muy significativo de empresas pequeñas y microemprendimientos informales y, de otro lado, las empresas formales que se crean tienen una débil dinámica de crecimiento...

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· Emprendimiento y desarrollo: América Latina en el contexto global
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· Marco conceptual: talento empresarial, capacidades laborales y la decisión de emprender
· Quiénes son los emprendedores en América Latina?
· El panorama ocupacional en América Latina: la decisión de emprender y el tamaño de los emprendimientos
· Quiénes son los emprendedores en la región y cómo es su desempeño?
· La dinámica ocupacional de los emprendedores: resulta fácil entrar pero difícil salir

Capítulo 3: Microempresas: fuente de crecimiento o refugio del desempleo?

· Características de las microempresas: autoempleo y pequeña escala en América Latina
· Cuántos microempresarios de la región son emprendedores de subsistencia y cuántos tienen potencial para crecer?
· Por qué ser microempresario en lugar de empresario o trabajador asalariado?

Capítulo 4: Transformación productiva y empresas de calidad

· El emprendedor, la empresa creadora de valor y el desarrollo económico
· Talento empresarial y otros determinantes internos de la creación y evolución de las unidades productivas
· La importancia de los factores del individuo: rasgos psicológicos, experiencia, motivaciones y percepciones
· Un ambiente desfavorable para emprendimientos de calidad ¿Vale la pena crecer en América Latina?

Capítulo 5: Políticas para el emprendimiento, el empleo y la productividad

· Un sistema de apoyo al emprendimiento y la productividad
· Emprendimiento y talento emprendedor
· Innovación
· Capacidades laborales y empleabilidad
· Financiamiento
· El entorno para el emprendimiento
· Un mapa de políticas de América Latina

· Impacto y eficiencia en el apoyo al emprendimiento
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Serie: World Investment Report

Temas: <CADENAS DE VALOR><INVERSION EXTRANJERA DIRECTA, IED><INVERSIONES><DESARROLLO ECONOMICO><COMERCIO INTERNACIONAL>

Resumen: The 2013 World Investment Report comes at an important moment. The international community is making a final push to achieve the Millennium Development Goals by the target date of 2015. At the same time, the United Nations is working to forge a vision for the post-2015 development agenda. Credible and objective information on foreign direct investment (FDI) can contribute to success in these twin endeavours. Global FDI declined in 2012, mainly due to continued macroeconomic fragility and policy uncertainty for investors, and it is forecast to rise only moderately over the next two years. Yet as this report reveals, the global picture masks a number of major dynamic developments. In 2012 û for the first time ever û developing economies absorbed more FDI than developed countries, with four developing economies ranked among the five largest recipients in the world. Developing countries also generated almost one third of global FDI outflows, continuing an upward trend that looks set to continue. This year's World Investment Report provides an in-depth analysis, strategic development options and practical advice for policymakers and others on how to maximize the benefits and minimize

the risks associated with global value chains. This is essential to ensure more inclusive growth and sustainable development.

Nota de contenido:

Accesos al documento: eHM UNCTAD-WORLD.INVEST.REP. [2013]

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Temas: <INTEGRACION REGIONAL><COOPERACION PARA EL DESARROLLO><COOPERACION REGIONAL><RELACIONES BILATERALES><COMERCIO BILATERAL><INVERSIONES>

Geográficos: <AMERICA LATINA><ASIA DEL ESTE>

Resumen: The increasing prominence of developing countries in the world economy reects not only their economic dynamism but also stronger links through increased South-South trade, investment and cooperation. Developing countries in both Latin America and East Asia must act proactively to prepare themselves for this new scenario, adjusting their policies and strategies so as to take advantage of the growing potential of South-South links. In this regard, authorities from both regions should redouble their efforts to identify and capitalize upon their potential complementarities, by creating biregional business alliances, enhancing cooperation in innovation and human capital, improving the quality of trade and investment ows, and helping create more stable conditions for growth. In sum, events surrounding the global economy in recent years require developing countries in both regions to rethink their strategic alliances both globally and regionally. These sustained efforts on either side should be complemented by biregional cooperation on different fronts. There is a wealth of potential for mutually advantageous cooperation between East Asia and Latin America, on issues such as food and energy security, sustainable development (including green growth and climate change), infrastructure, science and technology, and trade facilitation. The Forum for East Asia-Latin America Cooperation (FEALAC) can and must play a leading role as a focal point for structuring a biregional cooperation agenda.

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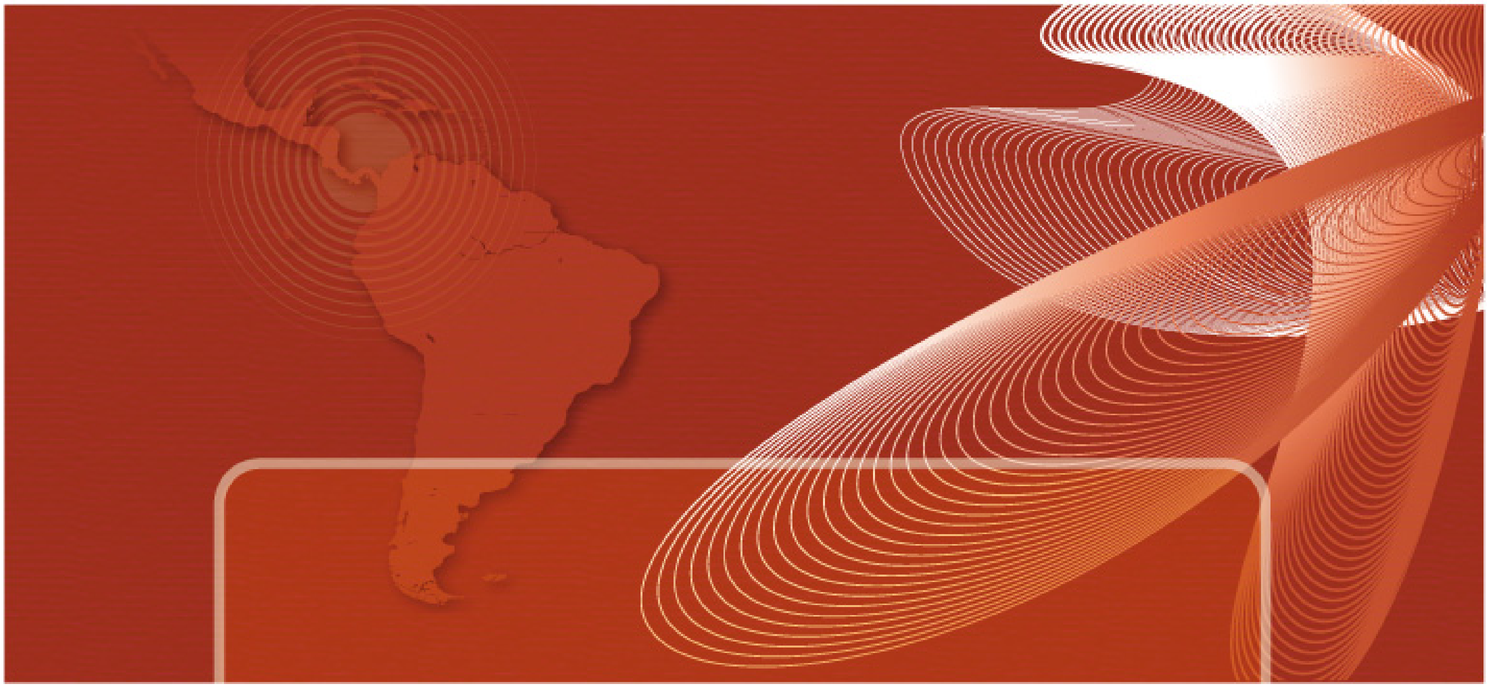

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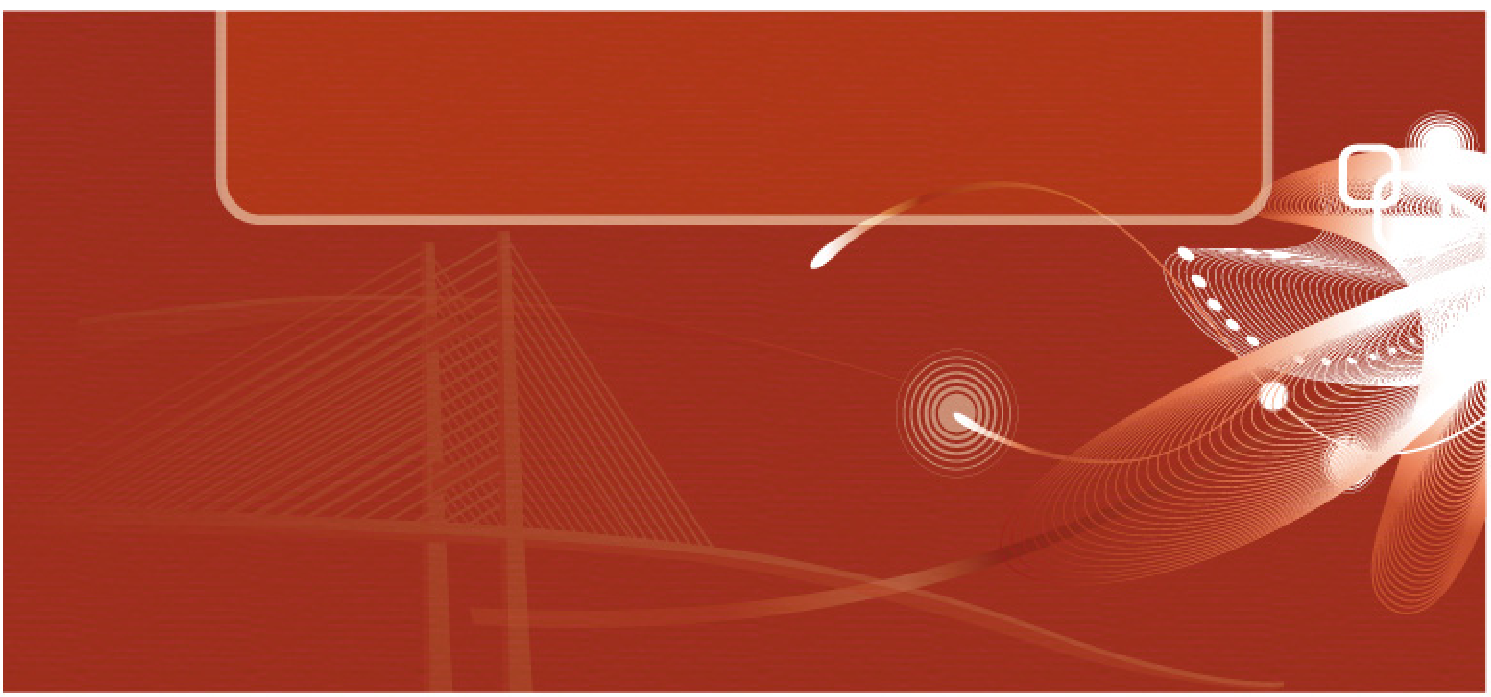

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