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# Analysis Column





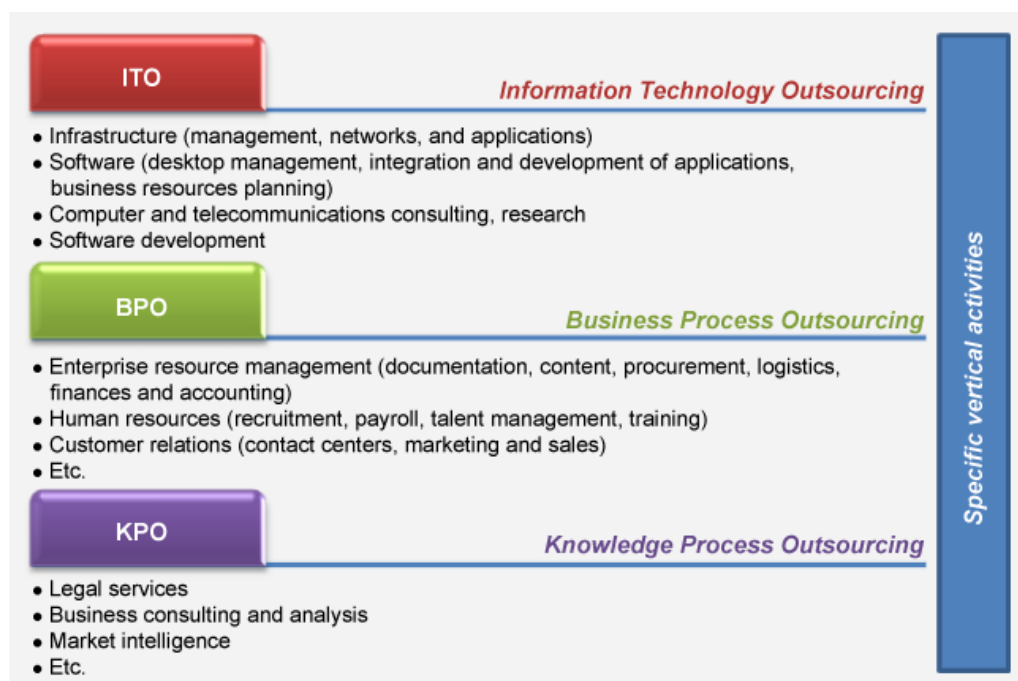


# Global Services in LAC

International trade in global services has been extremely dynamic over the last decade, and Latin America and the Caribbean (LAC) have been no strangers to the phenomenon.[1] This article focusing on the region's experience in this sector continues the [article](#) published in *INTAL Monthly Newsletter No. 212* about the characteristics of the global market of these services.

Global services exports are the result of a business model in which companies outsource activities and/or processes. As can be seen in Outline 1, there are various different segments within this industry, such as information technology outsourcing (ITO), business process outsourcing (BPO), and knowledge process outsourcing (KPO), as well as industry-specific vertical activities.[2]

## Outline 1: Segments of the global services industry



Source: Based on data from Gereffi & Fernández-Stark (2010) and García (2013).



## Latin American global services exports

While LAC has shown dynamism in the global services market, its share is still low (6% of the world total), which is still a great opportunity to position itself in a strong growth sector.[3] The main destinations of Latin American exports of these services are United States, the European Union (particularly Spain), and the rest of LAC. The growth of this sector in the region is explained both by the exploitation of these countries' comparative advantages by national and foreign companies, and the stimulus policies implemented by several governments.

### *National global services export profiles*

According to the information available,[4] the regional overview of global services displays significant heterogeneity across countries, both in terms of the time they entered the global services market in the sectors of specialization, and at subnational level. The most relevant characteristics of these activities in the region's economies are listed below.

The main participants of LAC in this market are the larger economies due to the importance of their scale. According to Kwacz, Ruiz, & Scasso (2013), Brazil and Mexico are the most attractive countries in terms of global services in Latin America, coming 5th and 11th respectively out of a ranking of 39 economies, due to a large extent to the availability of human capital (Table 1). However, some medium and small economies that have actively promoted their insertion in specific niches also stand out. Next in order of importance in the above ranking come Chile and Costa Rica, while Tholons (2014) also highlights the recent dynamism of Guatemala, Peru, Colombia, and Uruguay.



Table 1: Position of Latin American countries in ranking\* of attractiveness for global services

Country	Total	Human Capital	Cost Structure	Economic & Business Environment	Location Factors
Brazil	5	3	27	32	23
Mexico	11	6	13	20	30
Chile	19	17	33	2	15
Costa Rica	21	16	21	26	22
Argentina	29	19	26	35	18
Colombia	31	22	28	19	29
Peru	35	35	17	17	31
Panama	37	33	22	24	28
Ecuador	38	39	10	38	32
Venezuela	39	32	14	39	38

Note: \* Total 39 countries. The position in the total ranking is taken from the results of each of the components weighted as follows: human capital 40% (availability of labor, education, and innovation); cost structure 30% (compensatory costs, cost of living, and real estate); economic environment and business 15% (demography, economy, institutions, business legislation, labor flexibility, financial development, market attractiveness); and location factors 15% (transport and accessibility, development of computing and telecommunications, public services, natural environment, and health and safety). The colors reflect each country's level of attractiveness in terms of global services according to the index's criteria: green (high), yellow (middle), red (low). Source: Kwacz, Ruiz, & Scasso (2013).



Some English-speaking Caribbean countries were the first countries in the region to enter the market in the 1980s, in the context of the search for alternative income to tourism. They began with call centers and data logging, and then migrated to BPO. Notable among these were **Barbados**, which specialized in medical transcription activities with government financial support, and **Jamaica**, on the basis of tax exemptions on exports of BPO centers employing more than 10,000 people.[5]


**Mexico**, LAC's main exporter of global services, inserted itself into the market in the 1990s in the ITO segment, with a significant presence of national companies. Over the past few years, the country has actively promoted the development of ITO and BPO services of through various initiatives, such as stimulating the qualification of the labor force, granting tax incentives, and so on. While it has ample availability of human capital, wages are higher than in other Latin American countries, although, when it comes to other costs, it is the best positioned in the region (Table 2). The Mexican BPO market is the most highly developed in LAC, particularly in the areas of finance and accounting.[6] The growth of the Hispanic population in United States and the availability of English-speaking staff in Mexico have allowed this country to consolidate its position as an exporter of bilingual customer support services for the US market. It also displays a higher level of certification than other countries, which is an advantage for the export of ITO services. According to Tholons (2014), Mexico's Federal District is a consolidated destination for outsourcing, although, in the last year, it has dropped three places in the ranking of the most attractive cities and is currently located in 43rd place (Table 2). According to A.T. Kearney (2011), it has high concentrations of BPO and KPO exports. Mexico has a marked specialization at subnational level, with, among others, ITO activities clustered in Guadalajara and Monterrey (due to their advantages in infrastructure and qualified personnel), services for the aerospace industry in Querétaro, BPO in Ciudad Juárez (where proximity to the border has encouraged specialization in document digitization), and contact centers in Culiacán.



**Table 2: Main Latin American cities as outsourcing destinations**

Source: Tholons (2014).

City	Country	2014 ranking	Change (no. of positions)		Maturity
			2013	2010	
San José	Costa Rica	13	0	12	Consolidated
São Paulo	Brazil	20	-2	0	Consolidated
Santiago de Chile	Chile	24	-3	-11	Emerging
Curitiba	Brazil	27	0	-8	Emerging
Buenos Aires	Argentina	28	-4	-1	Emerging
Montevideo	Uruguay	36	1	2	Emerging
Rio de Janeiro	Brazil	39	-1	2	Consolidated
Monterrey	Mexico	41	1	-4	Emerging
Mexico City	Mexico	43	-3	1	Consolidated
Guadalajara	Mexico	46	2	1	Emerging
Bogotá	Colombia	48	1	0	Aspiring
Brasília	Brazil	49	-6	15	Emerging
Medellín	Colombia	51	2	1	Aspiring
Lima	Peru	57	6	-2	Aspiring
San Juan	Puerto Rico	71	-12	0	Aspiring
Córdoba	Argentina	73	-2	6	Aspiring
Bucaramanga	Colombia	77	3	-20	Aspiring
Recife	Brazil	80	-2	2	Aspiring
Valparaíso	Chile	86	-1	-6	Aspiring
Managua	Nicaragua	87	8	-6	N/D
Campinas	Brazil	88	3	2	Aspiring
Guatemala	Guatemala	92	4	5	Aspiring
Asunción	Paraguay	94	-4	6	Aspiring
Cali	Colombia	98	0	N/A	Recent



LAC's second most important player in the global services market is **Brazil**, which has, since the 1990s, significantly developed the sector on the basis of multinational and local corporations in call centers and ITO activities. Brazil is LAC's leading IT services exporter, but this is mainly due to its scale, as external sales are below those of other countries in the region in per capita terms. In fact, despite being an important outsourcing destination—especially the cities of São Paulo, Curitiba, Rio de Janeiro, Brasília, Recife, and Campinas—much of the investment is not geared to exports, but to supplying the domestic market. Several studies indicate the availability of human capital as one of Brazil's main strengths in the global services market,[7] although labor costs are damaging the country's competitiveness as an outsourcing destination (Tholons, 2014). As shown in Table 1, in terms of costs, business environment, and location related factors, Brazil's performance lags behind other countries in the region.

In the rest of South America, the development of global services has been gaining relevance since 2000, particularly alongside multinational companies, although **Uruguay** was a pioneer in the sector's development, through incentive mechanisms for ITO activities in the 1990s, and more recently for KPO. In that country, there are policies geared to sectoral development in IT, the pharmaceutical industry, the back office, and logistics, and Tholons (2014) highlights it as one of the most dynamic outsourcing destinations in the region.

**Argentina**, for its part, has gained importance in the global services market since the devaluation of its currency in 2002, making it one of the most competitive countries in the region in terms of costs—particularly skilled labor costs—although they have tended to rise in recent years. It entered the market through call centers and then migrated to ITO activities, where some small and medium enterprises are prominent. Key in the development of global services has been the software law promoting the sector, the European Commission's recognition of adequate personal data protection,[8] and the availability of modern infrastructure and human capital. From 2003 through 2009, Argentina was the region's main exporter of BPO services, although recently it has lost relevance and some of the back-office, and contact and calls center activities have been moved to Chile, Colombia, Peru, and Uruguay.[9] In this context, the two most important Argentine cities in terms of outsourcing, Buenos Aires and Córdoba, have dropped down the ranking in Tholons (2014) over the last year, although Argentina's capital is still among the top five destinations in Latin America (Table 2).

According to various studies, **Chile** has the best business environment in LAC for global services.[10] It began to export in ITO segments and call centers and more recently has specialized in BPO and KPO, especially mining-related engineering services, and other research and development activities. Key in the growth of knowledge-intensive activities has been the specific support provided by the Chilean Economic Development Agency (CORFO). More recently, however, this dynamism has tailed off, explained partly by the shortage of technical and English-speaking personnel, making scalability difficult, and by the loss of relevance of the stimulus instruments for the sector.[11] During the past four years Santiago and Valparaíso have fallen several places in the ranking of Latin American cities most attractive to outsourcing (Table 2), though Santiago still ranks among the top three in the region.





**Colombia** and **Peru** entered the global services market later and are not yet targets of any great importance (Table 1). Recently, however, their dynamism has been notable. Both concentrate their exports in BPO, in the main call and contact centers, based on the comparative advantage provided by the neutral Spanish spoken there for exports to other Spanish-speaking countries. Colombia is second in the region in terms of the number of cities in the ranking most attractive for outsourcing (four locations, after Brazil, which has six) (Table 2)[12] and there is a steadily growing share of KPO, particularly in engineering services. Over the past few years efforts have made to foster the development of these sectors through various promotion mechanisms and other incentives.[13] Peru's potential stems from its cost structure and business environment (Table 1), and in addition to BPO, ITO services have gained relevance.[14]

**Costa Rica** offers the most conducive and most developed economic environment for global services. According to Tholons (2014), San José is the most attractive Latin American city for outsourcing (ranked 13th), and one of the region's consolidated destinations. It started out in the 1990s with ITO and BPO, and has been shifting to KPO and other research and development activities, especially policies implemented by Center for Integration and Development Studies (CINDE) to promote the sector.


Other Central American countries (El Salvador, Honduras, Guatemala, Nicaragua, and Panama) and **Dominican Republic** have numerous call centers and are migrating to more sophisticated BPO.[15] Some cities in these countries are emerging among the top 100 most attractive outsourcing locations in the world (Table 2).

#### *The profile of global services companies in LAC*

The relocation of manufacturing output to lower cost Asian countries in the 1990s contributed to the development of global services in LAC, given that some multinational companies based in these economies transformed their industrial plants into service centers to take advantage of the available infrastructure and human resources. The region also received substantial investments from US and European companies, particularly related to ITO and BPO activities, and, over the last decade, there has been the presence of Indian firms seeking to take advantage of LAC as a nearshoring destination to supply both the US and Latin American markets. Exports are made through captive centers of the multinational or companies providing services to third parties. More recently, some local companies have entered the market, mainly exporting to other LAC countries. The main Latin American companies in the sector are Brazilian, Mexican, and Chilean.[16]

#### *The role of public policy*

Global services development policies fall under the initiatives of many LAC countries' efforts to diversify their exports, which are usually concentrated in natural resources in the case of goods and tourism in the services sector. The decision to promote these activities is motivated by the growing opportunities offered by expansion of trade in global services at the global level and their lower volatility in relation to trade in traditional goods and services, their potential to attract foreign direct investment (FDI), their ability to create employment due to their being work-intensive



activities, and other positive externalities, such as the qualification of human capital and the possibility of encouraging technology transfer in high value added segments. The majority of countries in the region have adopted programs that include promotion, services, and support to investment and economic incentives (tax exemptions and human capital training subsidies). There are many initiatives that have benefited from these activities, though they are not always specifically geared to promoting the sector. These include: marketing and promotion programs in Brazil, Mexico, Argentina, and Central American countries; the creation of free zones in Colombia, Costa Rica, Dominican Republic, and Uruguay; investment promotion initiatives in various governmental agencies in Chile, Proexport (Colombia), and Uruguay XXI; English-language training programs (Chile, Guatemala, and Colombia), and technical education (Chile).[17] The case of Uruguay is striking owing to its specific incentives for the development of global services.

### Opportunities and Challenges

Global services show great dynamism at the global level, and LAC is no exception. Several countries in the region have performed well in this sector, and there is great potential for further development, particularly from opportunities as yet unexploited. Among the main strengths for global services exports in LAC are:

- **Similar time zone to United States and Canada**, providing the potential to make the region an important destination for nearshoring. The English-speaking Caribbean has the biggest advantages in customer service provision to United States, although the availability of bilingual personnel (especially in Mexico, Costa Rica, and Argentina) also offers opportunities for other countries.
- **Language and cultural affinities with European countries and the rest of LAC.** The Spanish-speaking countries are well positioned to export to the rest of LAC, Spain, and the Spanish-speaking market in United States, while Brazil has the potential to provide services to the Portuguese market.
- **Competitive costs** in various areas, such as real estate, telecommunications, infrastructure, and manpower. Though wages are higher than in several Asian countries more relevant in the global services sector, new opportunities are emerging from the boom in cloud-based solutions. This phenomenon implies major changes in the way that the industry operates, increasing the relative importance of optimal software and hardware use, thus enabling greater scalability.[18]
- Availability of **skilled manpower** for the export of services with higher added value in some countries (especially in the larger economies) and high value added market niches.
- **Quality telecommunications infrastructure** in some economies in the region (Argentina, Uruguay, Chile, Costa Rica, etc.)
- **Greater political stability and quality of life** than in other emerging locations.


Nevertheless, the region also faces major challenges in this area, which must be addressed for the successful development of global services:[19]



- **Problems of scalability** in many countries, particularly the smaller ones, but also in medium economies, like Chile, owing to a shortage of human capital. In this regard, it is key to identify the market niches with the greatest potential for development and promote the skills of the workforce in specific areas.
- **Lack of standards for processes:** In several segments of global services—most notably ITO—certification processes are crucial, and there is no extensive knowledge of them, so it is important to promote their spread and easy access.
- **Regulatory framework not always suitable for trade in services** (free trade agreements, double levying agreements, migration clauses, intellectual property). There is a need for greater flexibility in adapting to constant changes in the sector.

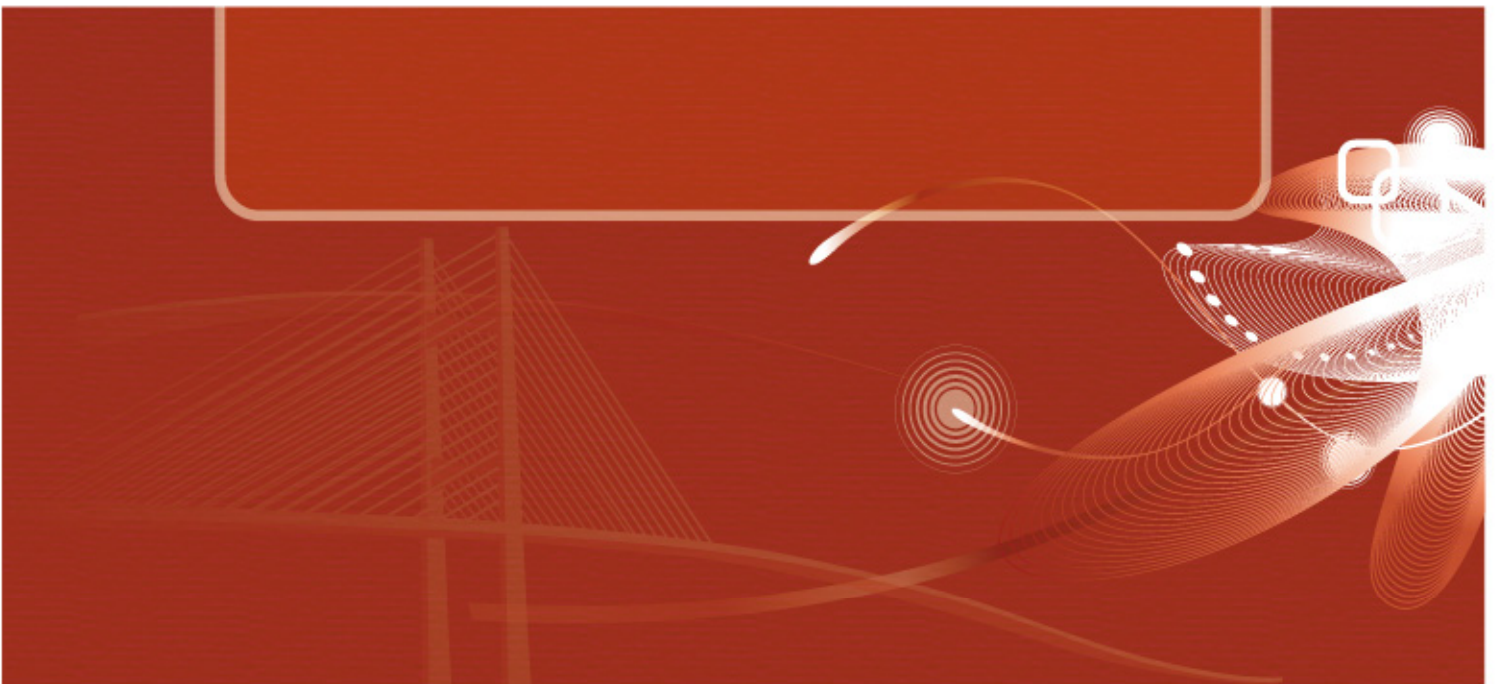
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- [1] This article has been produced by IDB-INTAL Consultant, Romina Gayá. We are grateful to Pablo García, a Specialist belonging to IDB's Integration and Trade Sector, for his valuable feedback.
- [2] For more information, see IDB-INTAL (2014).
- [3] See García (2013), Hernández *et al.* (2014), and Fernández-Stark (2012).
- [4] The innovative nature of these activities is reflected in the absence of information sources and standardized methodologies to develop them. While there are various indicators and rankings related to these activities, each looks at different aspects, and they are not always available for all LAC countries. Hence the need for caution when interpreting the various different indicators available in this area, some of which are used in the present article.
- [5] See García (2013) and Gereffi *et al.* (2009).
- [6] See Gereffi *et al.* (2009).
- [7] See Kearney (2011) and Kwacz, Ruiz, & Scasso (2013).
- [8] This recognition by the EC implies that the EU's data protection requirements are being met and enables personal data transfer from the EU to Argentina with no additional security requirements.
- [9] See García (2013), Gereffi *et al.* (2009), and García & Peña Capobianco (2012).
- [10] See Kearney (2011) and Kwacz, Ruiz, & Scasso (2013).
- [11] See García (2013), Gereffi *et al.* (2009), and Ammachchi (2013).
- [12] See Tholons (2014).
- [13] See García (2013) and Gereffi *et al.* (2009).
- [14] For more information, see Tholons (2011).
- [15] See García (2013) and Hernández *et al.* (2014),
- [16] See Gereffi *et al.* (2009).
- [17] See Gereffi *et al.* (2009).
- [18] See García (2013).
- [19] See García (2013).



# Integration Blocs









## Pacific Alliance

### Pacific Alliance moves toward dialog with MERCOSUR

The presidents of Chile, Colombia, Mexico, and Peru signed the [Declaration of Punta Mita](#) at the Ninth Pacific Alliance (PA) Summit, June 20, in Punta Mita, Nayarit State, Mexico. Other relevant issues in the Declaration include, on the one hand, the acceptance of the Mexican Stock Exchange's incorporation by the Integrated Latin American Market (MILA) Executive Committee, and, on the other, the acknowledgment of IDB's technical and financial support and its commitment to continued cooperation. Colombia handed over the initiative's *Pro Tempore* Presidency to Mexico. The Eleventh Ministerial Meeting of the PA had been held in Mexico City, Mexico, May 30. In the [joint statement](#), the Foreign and Trade Ministers drew attention to the progress of the work of the technical panels and the fulfillment of commitments in the areas of trade and integration, movement of people, services and capital, and cooperation. Where the PA's external agenda is concerned, ministers accepted Trinidad & Tobago and Belgium as new Observer States. It was also agreed to hold an informative meeting with Foreign and Trade Ministers from the MERCOSUR countries in order to open dialog with the bloc. The Presidents' Summit noted that, in the same informative spirit, there will be a seminar of academics, entrepreneurs, and senior officials from the PA, MERCOSUR, and other Central American and Caribbean countries. On a related note, there was the recent publication of "[Pacific Alliance: Integration, growth and opportunities](#)," a work prepared by the PA explaining, among other things, its economic relevance, trade agreements, export sectors, major achievements, and next steps.



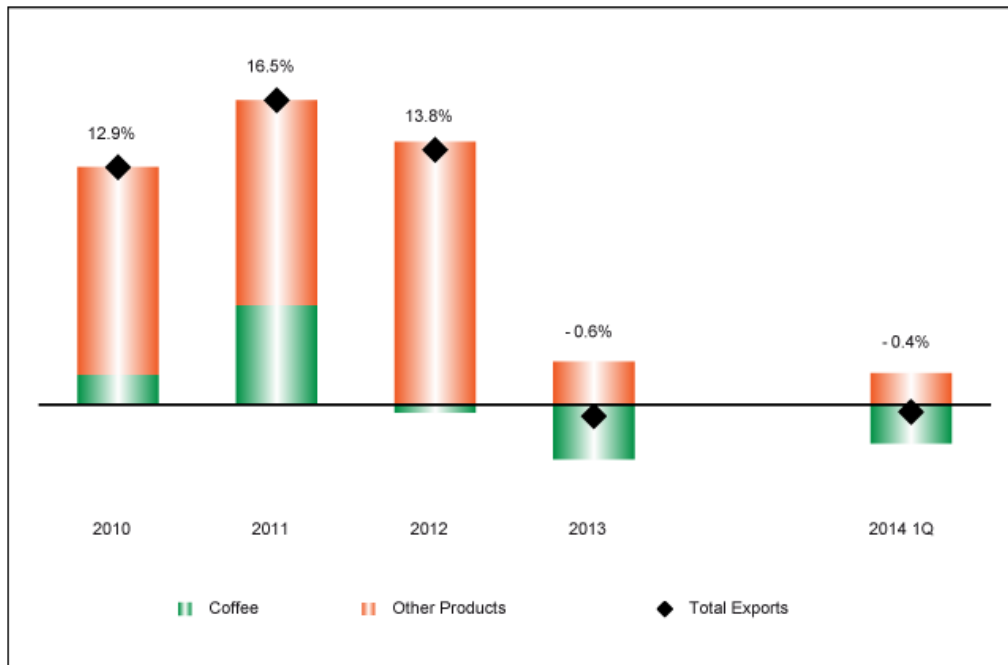
## Central America

### Coffee rust in Central America: the region continues to suffer

The outbreak of rust that has affected Central America for over a year now, and has struck as far afield as Peru, Colombia, and Mexico, has had serious consequences for the subregion's coffee output and exports.

In 2013, Central American global coffee sales fell 30.4%, reflected in a 0.6% contraction in total sales, with other products offsetting much of the fall (Figure 1). A similar performance can be seen in the first quarter of 2014.

Figure 1: Central American coffee exports and other products 2010-2013

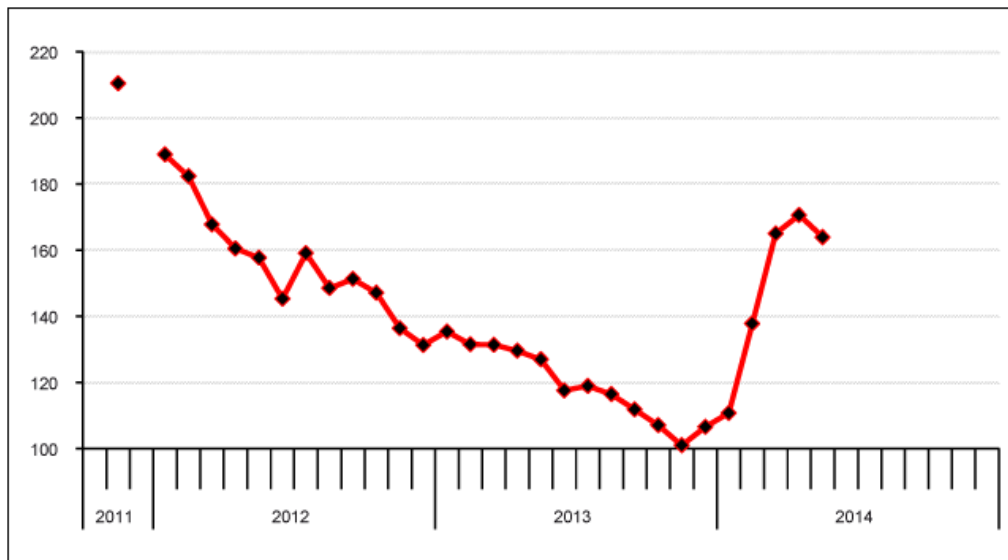


Note: Includes exports covered by special trade regimes. Source: Based on data from DATAINTAL.

The impact of the blight partly explains the lower volumes exported. Coffee production in Central America fell 16.1% in 2013. In El Salvador, the harvest was almost 40% down on last year, while in Nicaragua it contracted by 20%. Although the effect on Guatemala's production was less extreme (-16.4%), the fact that this economy represents almost a third of the Isthmus's grain exports has made a very sharp proportional impact on the Isthmus's total exports. Compounding this situation, the coffee price has tended to fall since the 2011 peak: the price in November 2013 was just half that level. But the drought in Brazil—the world's main coffee producer—in early 2014 has increased uncertainty over the next harvest, pushing up coffee prices by around 50% between December and May (Figure 2). However, the higher price is not yet reflected in Central American exports, which continued to shrink in the first quarter of 2014 due to limited supply and still relatively low prices (Figure 1).

Figure 2: Coffee price 2012-May 2014

In US\$ per pound

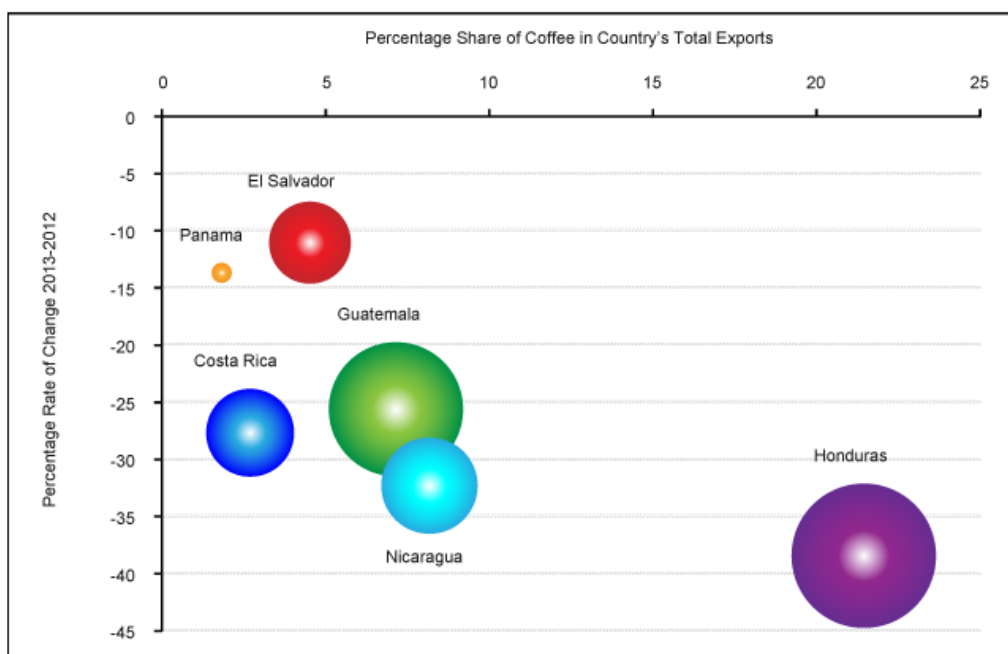


Note: Composite price of different varieties produced by the ICO. Source: Based on data from the International Coffee Organization (ICO).

The country hardest hit in its exports is Central America's main coffee exporter, Honduras, whose foreign sales fell 38.4% in 2013 (Figure 3). The gravity of the situation for this country is all the more significant considering that coffee makes up a fifth of its total exports (a third in 2011). The fall in coffee exports is also relevant in Nicaragua, Costa Rica, and Guatemala.



Figure 3: Coffee exports: rate of change 2013-2012, share in total exports by country and by country in total regional exports



Notes: Including special trade regimes. b/ The diameter of the circles represents the latter share. Source: Based on data from DATAINTAL.

Caused by changes in rainfall patterns, variations in the temperature range in 2012, the vulnerability of coffee trees, and the infective capacity of the pathogen, the rust outbreak make take up to three harvests to be eradicated.

IDB, together with other international organizations and foreign governments, have offered their support to develop and execute the regional strategy being implemented by the Agricultural Council of Central America.

#### Related article

- IDB-INTAL. "[Central America prepares regional actions to protect coffee plantations](#)", in: *INTAL Monthly Newsletter No. 199*, March 2013.



## Panama opens negotiations toward FTA with Israel

The first round of talks toward a free trade agreement (FTA) between Panama and Israel were held in Jerusalem, Israel, May 11-14.

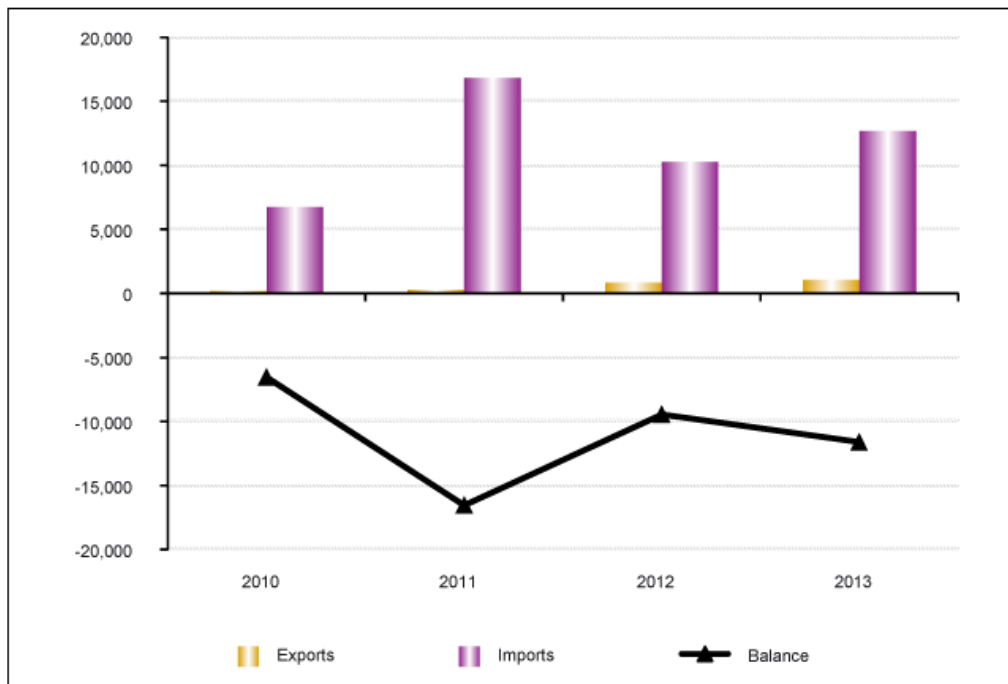
The FTA aims to deepen bilateral trade relations between the two economies, which have had a Trade and Economic Cooperation Agreement in place since 2010, and a Treaty to avoid double levying since 2012.

The first round made progress on market access, rules of origin, sanitary and phytosanitary measures, services, investment, and dispute settlement.

As can be seen in Figure 1, trade flows are currently relatively low: in 2013, Panama exported just US\$1 million to Israel, whereas purchases from Israel amounted to US\$12 million.

Figure 1: Evolution of Panama's trade with Israel 2010-2013

In thousands of US\$



Source: Based on data from DATAINTAL.

The main area of interest to Panama in the negotiations is agricultural products, such as pineapples, papayas, coffee and Panamanian coconut. At the same time, Panama will enjoy the entry of Israeli high tech goods.


The composition of trade is concentrated in just a few products (Table 1). Panama sends Israel mainly derivatives of animal products, and imports technology intensive goods such as data processing machines, phones, and semiconductors, as well as some chemicals such as insecticides.

**Table 1: Composition of Panama's trade with Israel 2013**

In thousands of US\$ and as %

Exports		
Product Description	Value	Share
Substances of animal origin used in the preparation of pharmaceutical products	907	86.7%
Products of animal origin, not elsewhere specified or included	109	10.4%
Wood sawn	23	2.2%
Waste, parings and scrap, of plastics	6	0.6%
Preparations for use on the hair	1	0.1%





Imports		
Product Description	Value	Share
Automatic data processing machines	3,184	25.1%
Telephones, including mobiles	1,574	12.4%
Insecticides, rodenticides, fungicides, herbicides, etc.	862	6.8%
Diodes, transistors and similar semi-conductor devices	757	6.0%
Electrical Capacitors	589	4.7%
All other products	5,696	45.0%

Source: Based on data from DATAINTAL.

For more information, click [here](#).



# Andean Community

## Third Round of Ecuador-EU talks

[Round 3 of the Negotiations between Ecuador and the European Union \(EU\)](#) was held in Brussels, Belgium, June 9-13. The negotiating teams worked on public procurement, services, market access in industrial and agricultural goods, and geographical indications.

The negotiations are of great importance for Ecuador, as the Tariff Preference System (GSP Plus), whereby some Ecuadorian products enter the European market tariff-free, expires in December 2014. In this regard, a [study](#) by the Ecuadorian Federation of Exporters (FEDEXPOR) claims that, should no agreement be reached with the EU before the GSP expires, there could be a loss of exports of around US\$400 million in the first year.

### Related articles

- IDB-INTAL. "[First Ecuador-EU negotiating round](#)," in *INTAL Monthly Newsletter No. 209*, January 2014.
- IDB-INTAL. "[Second round of Ecuador-EU talks](#)," in *INTAL Monthly Newsletter No. 212*, April 2014.

# Argentina-Brazil automotive agreement extended

Argentina and Brazil [have extended](#) the agreement regulating bilateral trade in automotive products from July 1, 2014, to June 30, 2015, and have reduced from 1.95 to 1.5 the flex coefficient fixing the proportion of tariff-free flows.[1] The changes to the automotive regime have resulted in the signing of the [40th Additional Protocol to Economic Complementation Agreement \(ECA\) No. 14](#), last June 11.

It is important to emphasize that the industry is undergoing a downturn in both countries characterized by a drop in output, exports (Table 1), and employment. During the first four months, the number of vehicles exported from Argentina to Brazil fell 19.1%, while the units imported from that source decreased by 7.8%.

**Table 1: Automotive Industry\* in Argentina and Brazil**

Number of vehicles produced and exported (in thousands). January-May

	Argentina			Brazil		
	2013	2014	Variation	2013	2014	Variation
Production	331.1	257.5	-22.2%	1,558.9	1,351.2	-13.3%
Exports	180.90	137.0	-24.3%	212.9	145.7	-31.6%

Note: \* Only finished vehicles. Not including auto parts, which are covered by the agreement between the two countries. Source: Based on data from the Association of Automotive Makers (ADEFA) and the National Association of Motor Vehicle Manufacturers (ANFAVEA).

## Background

The automotive sector has great relevance in trade between Argentina and Brazil, representing approximately 45% of bilateral exchange in manufacturing (IDB-INTAL, 2013).

The automotive industry—like the sugar industry—has been excluded from intrazone free trade since the creation of MERCOSUR, and flows are governed by bilateral agreements between member countries. Although bilateral trade liberalization was expected, a trade deviation coefficient of imports in relation to exports, known as flex, was established in 2001, stipulating the maximum value of purchases that a country can make from the partner without paying a tariff on the value of shipments to that destination.

The 31st Additional Protocol to ECA No. 14 (signed in November 2002 and retroactive to January 2001) established the flex at 1.6, meaning that, if automotive exports from Argentina to Brazil totaled US\$1 billion, tariff-free imports from that country could amount to a maximum of US\$1.6 billion (and vice versa); a growth model was also established that pushed the flex up to 2.6 in 2005.

Free trade should have begun to take hold in 2006, but the flex was reduced to 1.95 and was extended on several occasions at the request of Argentina, which shows a trade deficit in the sector due to the negative balance in auto parts. This flex expired in June 2013, which is why in practice there were no restrictions in terms of the proportion of bilateral trade that could take place tariff-free.[2]

## Features of the new agreement

The flex was reinstated through the recently signed Protocol and set at 1.5, thus bringing the proportion that can be imported tariff-free for each US dollar exported to its lowest historical level. Nevertheless, in the current situation, this amendment does not necessarily imply a drop in preferential trade, since the ratio has stayed below that level since the start of 2012: at the end of



2013 the observed flex stood at 1.25 (Dalmasso, 2014).

Though it was part of the negotiation, Argentina has been unsuccessful in getting national processes and auto parts to enjoy the tax incentives granted by Brazil for local production under the “[Inovar Auto](#)” regime[3] (Sica, 2014). The issue has been deferred and will be dealt with under the Automotive Committee’s work plan, which also provides for the amendment of the rule of origin in order to increase regional and auto parts content, and the design of a common auto parts industrial policy that takes into account the revision of the tariff structure, among other relevant aspects.

For their part, the bodies comprising the sector’s main companies— the Association of Automotive Makers (ADEFA), the Association of Argentine Auto Parts Manufacturers (AFAC), and the Association of Argentine Metallurgical Industrialists (ADIMRA) in Argentina and National Association of Motor Vehicle Manufacturers (ANFAVEA), and Sindipeças in Brazil—have made official their intention to maintain a minimum share of 11% of Argentine vehicles in Brazil and 44.3% of Brazilian vehicles in Argentina. With the objective of promoting the incorporation of auto parts originating in MERCOSUR, they will identify the parts and pieces imported—especially those not produced in the region—and the potential for competitive production, encourage investment in these activities, and stimulate interaction between auto parts, “systemists,”[4] and terminals.

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----- 2013a. [Informe MERCOSUR 18](#). Subregional Integration Reports. Buenos Aires. December.

----- 2013b. “[Brazil announces new measures to stimulate automotive industry](#),” in: *INTAL Monthly Newsletter 202*. Buenos Aires. June.

Dalmasso G. 2014. “Presionados por sus urgencias, Argentina y Brasil apuran las negociaciones del Acuerdo Automotriz Bilateral.” Buenos Aires, Argentina: Abeceb.

Sica D. 2014. “Acuerdo Automotriz con Brasil: mucho ruido y pocas nueces.” Buenos Aires, Argentina: Abeceb.

[1] See below.

[2] For more information, see IDB-INTAL (2013a).

[3] For more information about the scheme, see IDB-INTAL (2013b).

[4] Producers of items used in automobiles (airbags, leather seats, and accessories).



## Progress in MERCOSUR's bilateral integration

The last month has seen progress being made in bilateral integration between members of MERCOSUR.

### Second Plenary Meeting of the Brazil-Uruguay High Level Group

The [Second Plenary Meeting of the Brazil-Uruguay High Level Group](#) was held in Montevideo, Uruguay, May 16, in the framework of the new scheme of bilateral links launched in 2012. The highlights of the meeting were:

- The update of the Uruguay-Brazil Sustainable Development and Integration Action Plan, including topics related to production integration, science, technology, and innovation, communication and information, transport infrastructure integration, the free movement of goods and services, and the free movement of persons.
- The creation of the Uruguay-Brazil Bilateral Trade Commission, which seeks solutions to legal, regulatory, and operational difficulties and develops initiatives to boost trade in goods and services.
- The signing of the Naval and Offshore Agreement<sup>[1]</sup> between the Eastern Republic of Uruguay and the Federative Republic of Brazil (74th Additional Protocol to Economic Complementation Agreement No. 2) geared to promoting production integration in these sectors by viewing their partner's goods and services as domestic content.
- The signing of a memorandum of understanding between the two countries' social welfare institutions, with the aim of improving the exchange of information ahead of the eventual recognition of pension rights for migrant workers in both countries.

### Related article

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

## The Brazil-Paraguay Bridge

Brazil's tender committee [approved](#) the business consortium's offer to carry out the construction work on the international bridge to link the cities of Foz do Iguaçu in Brazil and Presidente Franco in Paraguay, at an estimated cost of US\$103 million. The objective of the [project](#), which is part of a COSIPLAN Project Portfolio and the Integration Priority Project Agenda (API), is to speed up the flow of freight between the two countries and ease traffic over the Foz do Iguaçu-Ciudad del Este Friendship Bridge. The new bridge and the complementary works in Brazil (estimated at US\$40 million) are to be funded by the Brazilian government, while the Paraguayan government has requested resources (estimated at US\$ 172 million) from MERCOSUR Structural Convergence Fund (FOCEM). IDB provided Paraguay with US\$720,000 in [technical cooperation](#), through the [Fund for Integration Infrastructures \(FIRII\)](#), for feasibility studies and designs of new access roads to the international bridge. The work is scheduled for completion by 2017.

## Meeting of Paraguay-Uruguay Foreign Ministers

The [meeting between the Foreign Ministers of Paraguay and Uruguay](#) was held June 5, ahead of the meeting of the two countries' presidents in July. There are plans to create a high level group establishing priorities and following up the bilateral relationship, to develop an action plan for integration and sustainable development, to sign a memorandum of understanding defining Paraguay's participation in the deepwater port planned on the Uruguayan coast, and an agreement for securities operations, settlement, and custody between the Montevideo and Asunción stock exchanges.

[1] Offshore hydrocarbons exploitation.

## Brazil promotes trade in services

Since 2003, the growth of Brazilian exports in services has nearly doubled the increase in world trade in these activities (292% and 150% respectively). With the objective of strengthening this sector, Brazil is implementing a series of initiatives.

On the one hand, various stimulus tools were announced in the framework of the [Fifth National Meeting of Foreign Trade in Services](#). These include:

- A basic guide to trade in services: This provides information about strategic export planning and the major support mechanisms available.
- A survey to identify services export opportunities: The aim of this is to ascertain the profile of exporting firms with the potential to sell in the international marketplace, as well as establishing the main obstacles they face, both locally and abroad.
- [Statistics system \(Siscoserv\)](#): starting in August the statistics on intangible services exports and imports will systematically be made available. Preliminary data have been submitted: exports from these services amounted to US\$16.951 billion in 2013, especially professional, financial management and complementary services. Notable in terms of imports (US\$31.556 billion) were the operational commercial leasing or machinery, equipment, and ship rental, and navigation services. Service provision mode 1 (crossborder consumption)[1] is the most relevant, representing 72.8% of exports and 64.2% of imports. Next in importance in external sales is mode 2 (consumption abroad),[2] whereas in foreign purchases mode 4 (movement of natural persons)[3] is the second most relevant.[4]

United States, Netherlands, Germany, and United Kingdom are Brazil's main trading partners in intangible services, in both exports and imports.

On the other hand, the Trade and Services Secretary of the Ministry of Development, Industry, and Trade (MDIC), Humberto Ribeiro, has held meetings with representatives of [Australia](#) and [China](#) to promote trade in services with those countries, and it was agreed to draw up a memorandum of understanding to promote bilateral trade in these activities. According to the MDIC, the sectors with the most potential are sports services, computing and telecommunications, audiovisual, tourism, outsourcing, and research and development.

[1] This service is provided from one country's territory to another's.

[2] The service consumer moves to the country where the service is provided.

[3] The service provider moves to the country where the service is consumed.

[4] Mode 3 (not included here) involves the commercial presence of the service provider in the country where the service is consumed (foreign direct investment in services).

## Rail integration in South America: the Central Bioceanic Rail Corridor

The II Meeting of the Working Group on South American Rail Integration was held in Montevideo, Uruguay, May 21, in the framework of COSIPLAN-UNASUR. The country representatives[1] agreed to move forward in producing a map of the rail network in South America, as well as improving the quality of the information on rail projects in the [COSIPLAN Project Information System](#). They also submitted their national rail plans, focusing on interconnections. Last, they agreed to move forward in the terms of reference and discussed the possible sources of financing for a consultancy study with the aim of providing technical support to facilitate rail integration in the region and, at the same time, increase the share of multimodal transport.

For more information on the meeting, click [here](#).


### Central Bioceanic Rail Corridor (CFBC)

Against this background stands the notable progress of the preinvestment studies for the Central Bioceanic Rail Corridor (CFBC), a project of great importance for South America's rail integration. The CFBC seeks to interconnect of Bolivia's Andean and Eastern rail networks—currently separated by the lack of infrastructure in the center of the country—thus completing connectivity with Brazil and Peru. The project would reduce the costs and times of freight and passenger transport, and open up these countries' ports to provide access to the Atlantic and the Pacific, thus improving the landlocked country's competitiveness.

In regional terms, the CFBC is part of the COSIPLAN Project Portfolio and the Integration Priority Project Agenda (API) (see [project sheet](#)).

The feasibility studies for rail interconnection and the CCBF are financed by IDB via a [loan](#) to the Plurinational State of Bolivia, and include technical aspects of layout alternative, and construction and operation costs; business and market foresight analysis; and strategic and environmental assessment aspects.





The rail component of the loan consists of US\$6.7 million and is part of a US\$15.8 million program to provide Bolivia with quality information to make informed decisions regarding investments in transport infrastructure, including road infrastructure. Through its Deputy Transport Minister, Bolivia's Ministry of Public Works, Services, and Housing is the executing agency of the loan.

[1] The meeting was attended by delegations from Argentina, Brazil, Chile, Ecuador, Paraguay, Peru, Uruguay, and Venezuela, and representatives of UNASUR's General Secretariat and IIRSA's Technical Coordination Committee.



## UNASUR Integral Planning Workshop

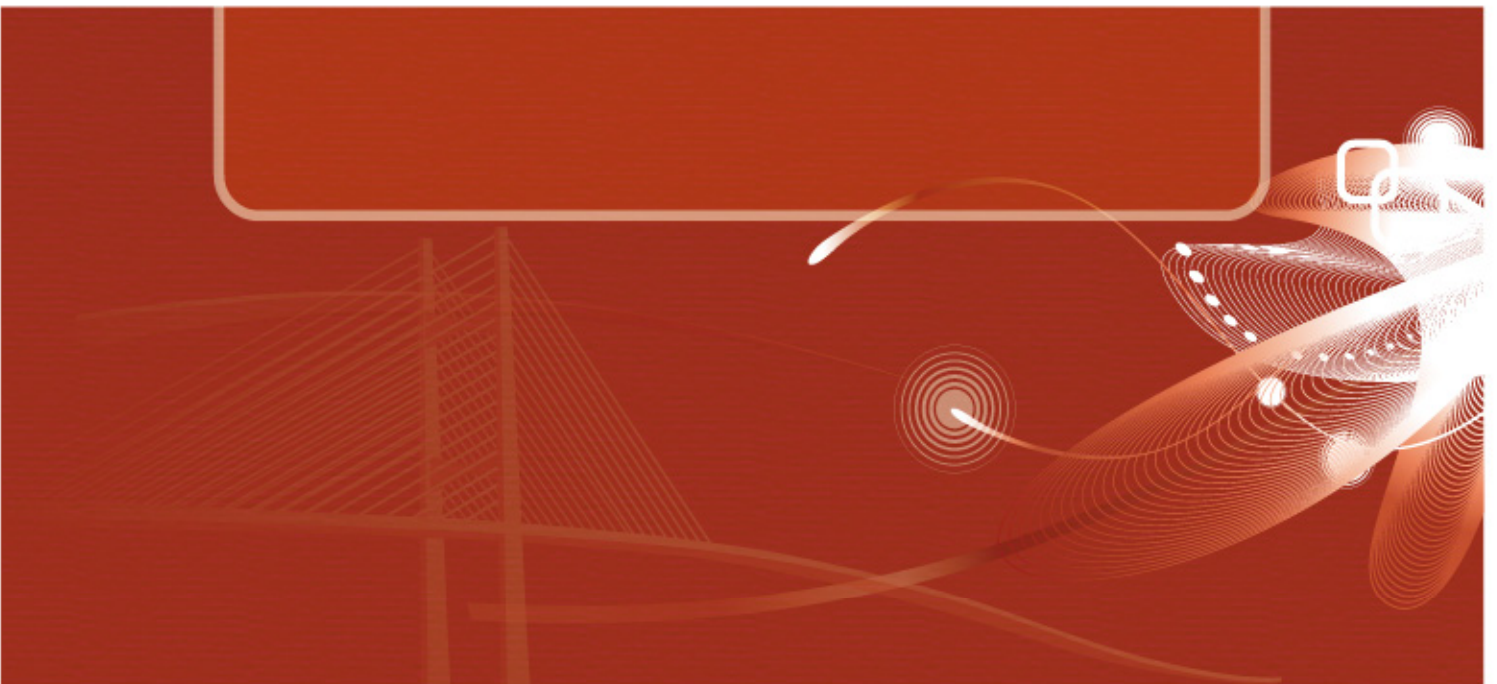
The “[First Integral Planning Workshop](#)” was held in Quito, Ecuador, June 5-6, in the framework of UNASUR’s South American Infrastructure and Planning Council (COSIPLAN).

The representatives of the bloc’s member countries discussed various issues relating to regional integration, such as UNASUR’s role as an integration mechanism in the context of regional and global geopolitics, planning experiences for border integration, and the challenges and opportunities facing UNASUR institutions when it comes to setting an integral South American planning agenda.





# Regional And Global Overview







## Fifth round of US-EU negotiations

[Round 5 of the negotiations](#) toward a Transatlantic Partnership Agreement on Trade and Investment (TTIP) was held in Arlington, United States, May 19-23. The discussions dealt with trade in goods and services, investments (excluding protection of investors, an area with some of the deepest differences), sanitary and phytosanitary measures, government procurement, intellectual property rights, e-commerce and telecommunications, the environment, small and medium enterprises, labor, and energy and raw materials.

As pointed out in previous editions of the *INTAL Monthly Newsletter*, the TTIP is the largest of the mega-agreements currently under negotiation: United States and the EU represent almost half of the global economy and approximately 30% of world trade. Given that nontariff barriers to bilateral trade are low, with the exception of agriculture, the biggest impact of the agreement would not come from the elimination of tariffs, but from regulatory standards concluded between the parties, which would have a major impact on trade and negotiations around the world. According to the Round 5 press conference, the most important points of the discussion on regulatory compatibility include medical devices, pharmaceuticals, cosmetics, information and communications technology, cars, pesticides, and chemicals. ([Link to video](#))

### Related articles

- IDB-INTAL. "[Mega-agreement negotiations: how will they influence Latin America?](#)," in *INTAL Monthly Newsletter No. 204*, August 2013.
- IDB-INTAL. "[2nd round of TTIP negotiations](#)," in *INTAL Monthly Newsletter No. 208*, December 2013.
- IDB-INTAL. "[Transatlantic negotiations and the outlook for LAC](#)," in *INTAL Monthly Newsletter No. 209*, January 2014.
- IDB-INTAL. "[EU-US: fourth round of talks](#)," in *INTAL Monthly Newsletter No. 211*, March 2014.



## Group of 77 at 50

At the [Extraordinary Summit of Heads of State and Government of the G77 + China](#) in Santa Cruz de la Sierra, Bolivia, June 14-15, the Group of 77 celebrated its 50th anniversary since its creation in the framework of the United Nations Conference on Trade and Development (UNCTAD).

The Summit was organized by the Bolivian government, which has held the *Pro Tempore* Presidency of the G77 since the start of 2014. The meeting focused on “Towards a new world order to live well” and gave rise to the [Declaration of Santa Cruz](#).

The G77 holds positions with regard to the multilateral negotiations of the World Trade Organization (WTO). At the launch of the Doha Round in 2001, the G77 made a declaration in relation to the topics proposed for negotiation, and later, in the framework of the Fifth WTO Ministerial Conference in Cancún, Mexico, it signed a new document calling for a multilateral trading system that was more sensitive to developing countries' needs.

The Declaration of Santa Cruz devotes a subsection to trade issues, highlighting the G77's support for the multilateral trading system, and calling for a satisfactory conclusion to the Doha Round. The members of the G77 expressed their concern over developed countries' lack of willingness to eliminate or reduce protectionism in their agricultural sectors. They also requested the provision of technical assistance to the more advanced economies, on the one hand, in order to implement the WTO's Agreement on Trade Facilitation, and, on the other hand, the strengthening of special and differential treatment for developing countries.

## Brazil: technical assistance on trade facilitation to African countries

Brazil's Secretariat of Foreign Trade (SECEX) and the Brazilian Trade and Investment Promotion Agency (APEX) [signed](#) a memorandum of understanding with the International Trade Center (ITC) to provide technical assistance in trade facilitation in Africa.

Support for capacity-building in these areas in the least developed countries (LDCs) was one of the points agreed at the last ministerial conference of the World Trade Organization (WTO), in Bali, Indonesia, last December.

### Related article

- IDB-INTAL. "[WTO: First multilateral trade agreement](#)," in: *INTAL Monthly Newsletter No. 203*, July 2013.



## EU helps fight climate change in Latin America

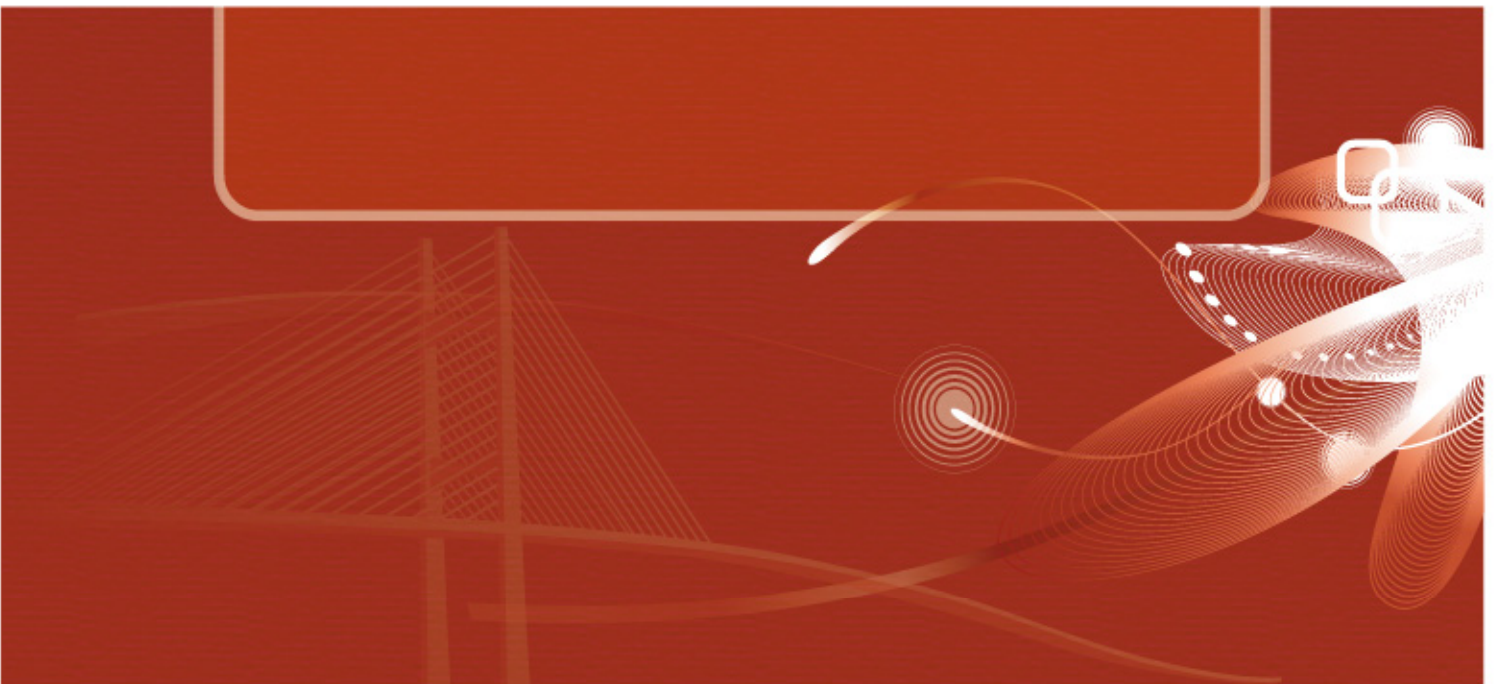
In the framework of the EUROCLIMA Program, an [agreement](#) was announced June 4 between the European Union (EU) and the United Nations Environment Program (UNEP) to contribute €1 million for actions to reduce Latin American countries' vulnerability to climate change and to boost resistance.

EUROCLIMA aims to facilitate the implementation of climate change mitigation and adaptation strategies and measures in Latin American countries. The Program three main foci:

1. Strengthening the institutional capacity, knowledge, and visibility of the issue of climate change at the national, subregional, and regional levels.
2. Designing and implementing adaptation and mitigation plans.
3. Supporting sustainable agriculture, including measures against desertification and land degradation.



# Integration and Trade Sector







## New IJI update: Negotiations with nontraditional markets mark agenda

Latin America's negotiating activity over May 2014 has been marked by fresh rounds of trade negotiations with nontraditional markets, such as Indonesia, Israel, and Japan. To summarize, progress was made over the course of the month in 8 trade negotiations (2 new, 3 advanced, and 3 concluded) and there are new developments in 20 existing agreements, which can be found in the database ([Legal Instruments of Integration \(LII\)](#)).

The **new negotiating rounds** are [Panama-Israel](#) (Jerusalem, Israel, May 11-14) and [Chile-Indonesia](#) (Santiago de Chile, Chile, May 26-27). Israel currently has agreements with the Southern Common Market (MERCOSUR) and Mexico, while Indonesia has no agreements with any country in the region. In terms of business opportunities, there agricultural products in [Panama](#) of great interest to Israel, such as pineapples, papayas, coffee, and coconuts, while Panama hopes to capitalize on the technological advances of its counterpart's agricultural sector. On the other side, in [Chile](#) opportunities are anticipated for farming and livestock products, such as blueberries, plums, peaches, and raspberries.

The following events were held in connection with the **advanced negotiations**:

- The [fifth negotiating round toward a trade agreement between Colombia and Japan](#) (Tokyo, Japan, May 12-16). The goal of these negotiations is to create new export opportunities, especially for Colombia in the field of agriculture and agroindustry, while attracting investment and creating employment opportunities.
- The [Meeting of Foreign Trade Ministers of the Trans-Pacific Partnership Agreement \(TPP\)](#) (of which Chile, Mexico, and Peru are part) in Singapore, May 19-20. The gathering reviewed the United States-Japan negotiations and the results of the TPP's [Meeting of the Negotiating Heads and Technical Groups](#) in Ho Chi Minh City, Vietnam, May 12-18. The meeting focused on making breakthroughs in the issue of market access and the outstanding issues in rules.
- The [XI Ministerial Meeting of the Alliance of the Pacific](#), held in Mexico City, Mexico, May 30, and attended by the foreign and trade ministers of Chile, Colombia, Mexico, and Peru to review progress in the work of the technical groups and set the agenda for the forthcoming summit in June.



As far as **concluded negotiations** were concerned:

- There was progress in Croatia's accession to the [EU-Central America Association Agreement \(EU-CAAA\)](#), which establishes the possibility of new members of the European Union (EU) also acceding.[1]
- The [Free Trade Agreement \(FTA\) between Colombia and Costa Rica](#) was ratified May 5 by the Costa Rican Presidency as part of the course of action aspired to by this country in order to move toward the Pacific Alliance.

Notable among other developments in **current trade agreements** are:

- The [Second Plenary Meeting of the Uruguay-Brazil High Level Group \(GAN\)](#), May 19, which saw the signing of two Additional Protocols to LAIA's Economic Complementation Agreement (ECA) No. 2, relating to the Regulation of Expedited Trade Administrative Procedures and the Naval and Offshore Agreement between the two countries.
- The submission of the [Strategic Plan of the General Secretariat of the Central American Integration System \(SICA\) \(2014-2017\)](#). The plan's areas of action are: governance, articulation, agenda, legitimacy, sustainability, and effectiveness.

IJI is a compilation of normative texts, comments, and follow-up on the basic legal commitments of the various integration processes of Latin America and the Caribbean. For more information, visit the [IJI website](#).

[1] Croatia acceded to the EU on July 1, 2013, to become the bloc's 28th member.

## World Environment Day

World Environment Day (WED), June 5, is one of the United Nations' main tools to promote raise awareness and promote action over the environment around the world. This year WED revolved around Small Island Developing States (SIDS) in support of the naming of the United Nations as International Year of Small Island Developing States, linking the issue to climate change. The slogan that was chosen to reflect the issue is: "Raise your voice, not the sea level." A presentation on the current state of climate change ([PPT](#)) was given as part of the WED celebrations at IDB-INTAL's offices, and related videos were shown. ([Link to videos](#))

The meeting was attended by the entire INTAL staff, who contributed their views and suggestions to become a part of their daily working lives.









## Other IDB Activities







## IDB warns of financial burden from demand for health care services in Latin America

Demand for health care services in Latin America will overwhelm the financial capacity of the region's governments to provide coverage and services in an equitable and effective manner over the next decade, according to a study released today by the Inter-American Development Bank (IDB). ([Link](#))







# INTAL Documentation Center









## Reviews


### **ECLAC. Migración internacional en América Latina y el Caribe. Nuevas tendencias, nuevos enfoques. Jorge Martínez Pizarro (ed.). May 2011. 436 pages.**

This review continues with our analysis of the linkage between integration agreements and mobility of labor across the countries of Latin America and the Caribbean (LAC) over the last two issues of the *INTAL Monthly Newsletter*. Those works analyzed this issue in the subregions of South and Central America.[1]

This book from ECLAC examines the dynamics of migration, the regulatory situation, and the policies of certain LAC countries.[2] The present review examines only the fifth chapter, by Marcela Ferrer, looking at the subregion of the Caribbean, which has received less attention in publications on the subject. The chapter first shows migratory statistics and then discusses the institutional arrangements in this field within the Caribbean Community (CARICOM).

The author shows that the CARICOM countries have a pattern of net emigration, mainly to developed countries, although there are also intensive intraregional exchanges. According to United Nations data, the average rate of net emigration for CARICOM member countries was 3 per thousand in the period 2005-2010, while the rate in Central America stood at 4.3 per thousand, and in South America, 0.8 per thousand. While, in absolute terms, the number of migrants is low, the displacements in some cases represent substantial proportions of national populations, which are also small. [3]

Based on the 1991 census, the work points out that the majority of international immigrants in the subregion came from other Caribbean countries. The main intraregional flows have been linked to the growth of a particular sector, such as oil in Trinidad & Tobago or tourism in the United States Virgin Islands, the Bahamas, and the Cayman Islands. An additional factor has been natural hazards and disasters or those with environmental risk, such as when Montserrat was hit by volcanic eruptions in the latter half of the 1990s. Intraregional migration is extremely dynamic and the direction of the flows depends on a focus of growth and the resulting labor force requirements: immigrants from Guyana, Dominican Republic, and Jamaica have settled in countries with a significant tourism industry, such as Barbados, Antigua & Barbuda, Saint Kitts & Nevis, Anguilla, the British Virgin Islands, and United States.



On the other hand, extraregional migrations have been linked to historical, cultural, and family ties of former colonies, such as United Kingdom or Netherlands. Since the mid twentieth century, English-speaking Caribbeans have been heading to United States and Canada.

The work highlights two particular features of the Caribbean: return migration and emigration of skilled resources. The first reflects intense circular mobility from the return to their countries of origin of migrants who left the subregion in the 1950s and 1960s.

The second arises from the fact that a significant proportion of extraregional emigration involves skilled human resources, such as teachers, nurses, and health professionals, with a high percentage of women. The work warns that this may threaten achievements in health and education in the countries of origin, and thus constitutes a long-term risk due to the inability to provide accessible high quality social services. Indeed, some Caribbean countries have developed incentive programs to encourage the return of qualified nationals and, in some cases, to create opportunities for young professionals to avoid the brain drain.

The author argues that the CARICOM Single Market and Economy (CSME) has made progress in defining institutional arrangements to address the issue of immigration, but their implementation has been slower than expected. The CARICOM countries have expressed their intention to promote the free movement of their nationals in the subregion: a step in this direction was the recognition of this as a CSME objective in the revised Treaty of Chaguaramas of 2001. This is, however, restricted to certain labor categories, such as university graduates, media workers, sportsmen, artists, and musicians. The Treaty also sets forth the procedures for the movement of people, including the elimination of the requirement of passports and work permits. It also saw the creation of additional protocols to the same end. Another breakthrough was the single travel document known as CARIPASS, which seeks to facilitate the movement of persons. However, one area in which no progress has been made is the harmonization of social security.

Despite such breakthroughs, the author contends that the CSME should gear itself to problems such as undocumented and irregular migration, heading primarily out of the region and exposing migrants to situations of extreme vulnerability. Other topics on the agenda for the CSME are the impact and management of remittances, the free movement of persons in CARICOM countries, and especially the aforementioned emigration of skilled resources. The author also points out that accurate, up-to-date information on Caribbean migration is limited, which poses a challenge for policy-making geared to migration management. For this reason, Ferrer suggests encouraging the development of registration systems tailored to the particular dynamics of migration, and specifically proposes the development of integrated information systems, with the coordinated participation of the various national agencies.

The chapter's value lies in its summary of the state of knowledge regarding the statistics and institutional treatment of migration in CARICOM, as well as its policy recommendations for prioritizing the issue on Caribbean and CARICOM government agendas at regional level.

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## Related articles

- IDB-INTAL. "[Flujos migratorios laborales intrarregionales: situación actual, retos y oportunidades en Centroamérica y República Dominicana: Informe regional. San José: IOM; ILO; SICA, November 2011 \[188 pages.\]](#)," in *INTAL Monthly Newsletter No. 213*, May 2014.
- IDB-INTAL. "[International Organization for Migration \(IOM\). Regional Office for South America. Migration Panorama for South America 2012. Ezequiel Texidó, Jorge Gurrieri, & Juan Artola. October 2012.](#)," in *INTAL Monthly Newsletter No. 212*, April 2014.

*Martínez Pizarro J. (ed.) (2011). Migración internacional en América Latina y el Caribe : Nuevas tendencias, nuevos enfoques. Santiago: ECLAC. ([Link](#))*

[1] See IDB-INTAL (2014a) and IDB-INTAL (2014b).

[2] The chapters deal with Argentina, Chile, Colombia, Ecuador, Mexico, El Salvador, Costa Rica, and the Caribbean.

[3] Based on Elizabeth Thomas-Hope (2005, 2001).



## 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](#)

## Monthly Highlights

**\*Gayá, R. y Michalczewsky, K. (2014). El comercio intrarregional sudamericano : Patrón exportador y flujos intraindustriales. Washington: BID.**



**Autor:**Gayá, Romina; Michalczewsky, Kathia

**Título:**El comercio intrarregional sudamericano : Patrón exportador y flujos intraindustriales

**Edición:**Washington: BID, mayo de 2014 [102 p.]

**Serie:**Technical Notes; 583

**Temas:**<COMERCIO INTRARREGIONAL><EXPORTACIONES><INTEGRACION REGIONAL><EMPRESAS><MERCADO DE PRODUCTOS MANUFACTURADOS><RECURSOS NATURALES>

**JEL:**F1; F15; R1

**Geográficos:**<AMERICA DEL SUR>

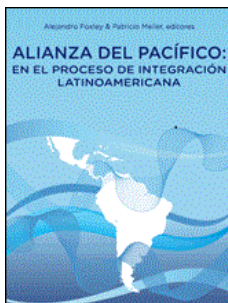
**Resumen:**Entre 2003 y 2011, el comercio entre los países sudamericanos tuvo un muy buen desempeño, que superó el dinamismo de las exportaciones mundiales y de la región hacia el resto del mundo. Este estudio examina los atributos más relevantes del intercambio intrasudamericano durante el período mencionado y analiza en detalle los flujos de comercio intraindustrial, tanto de manufacturas como de productos basados en recursos naturales. Los resultados obtenidos contribuyen al debate sobre la integración sudamericana y permiten extraer conclusiones relevantes tanto para los hacedores de política como para el sector privado.

**Accesos al documento:**HM BID-TN 583 [2014]

Documento Electrónico

[texto completo](#). Si no pudo acceder haga click [aquí](#)

\*Foxley, A., ed. y Meller, P., ed. (2014). Alianza del Pacífico : En el proceso de integración latinoamericana. Santiago de Chile: CIEPLAN; BID.



**Autor:** Foxley, Alejandro, ed.; Meller, Patricio, ed.

**Título:** Alianza del Pacífico : En el proceso de integración latinoamericana

**Edición:** Santiago de Chile: CIEPLAN; BID, 2014 [142 p.]

**Temas:** <INTEGRACION REGIONAL><REGIONALISMO><DESARROLLO ECONOMICO><INTEGRACION ECONOMICA><INTEGRACION HEMISFERICA><ARCO DEL PACIFICO>

**Geográficos:** <AMERICA LATINA><ASIA Y EL PACIFICO>

**Resumen:** Texto elaborado a partir de un workshop internacional organizado por CIEPLAN y patrocinado por el Banco Interamericano de Desarrollo (BID) que se llevó a cabo en Santiago de Chile. Incluye 10 análisis de investigadores hispanoamericanos que colaboraron en la misión de aportar al debate sobre cómo avanzar en la integración regional y enfrentar el desafío de las economías asiáticas.

**Nota de contenido:**

**Prólogo.**

**Primera Parte:** Las claves de la integración

· NUEVO DESAFIO PARA AMERICA LATINA: INTEGRACION PRODUCTIVA / Foxley, Alejandro

· ALIANZA DEL PACIFICO: UN NUEVO MOTOR DE INTEGRACION REGIONAL / Echebarría, Luis Estanislao; Estevadeordal, Antoni

**Segunda Parte:** Perspectiva Regional

· MEXICO: UNA MIRADA AL IMPACTO DE LOS ACUERDOS DE LIBRE COMERCIO / Granados, Otto

· ALIANZA DEL PACIFICO: MAS QUE UN TRATADO DE LIBRE COMERCIO / Posada, Carlos

· BRASIL FRENTE A LA INTEGRACION REGIONAL Y LA ALIANZA DEL PACIFICO / Motta Veiga, Pedro da

· MERCOSUR Y LA ALIANZA DEL PACIFICO: TAREAS PENDIENTES / Peña, Félix


**Tercera Parte:** Visión chilena

· ALIANZA DEL PACIFICO: PERSPECTIVA DE CHILE / Francke, Mathias

· HACIA UNA CONVERGENCIA ENTRE MERCOSUR Y LA ALIANZA DEL PACIFICO / Furche, Carlos

· ALIANZA DEL PACIFICO: UNA OPORTUNIDAD PARA EL SECTOR PRIVADO / Santa Cruz, Andrés





· ALIANZA DEL PACIFICO: UN PROYECTO A LARGO PLAZO / Wilhelmy,  
Manfred

**Accesos al documento:332.315 / FOX-ALI / 2014**

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**\*George, S. (2014). The Pacific Pumas : An Emerging Model for Emerging Markets. Washington: Bertelsmann Foundation.**



**Autor:**George, Samuel

**Título:**The Pacific Pumas : An Emerging Model for Emerging Markets

**Edición:**Washington: Bertelsmann Foundation, march 2014 [56 p.]


**Temas:**<ARCO DEL PACIFICO><INTEGRACION REGIONAL><INTEGRACION ECONOMICA><CRECIMIENTO ECONOMICO><ESTABILIZACION ECONOMICA><RELACIONES MULTILATERALES>

**Geográficos:**<CHILE><COLOMBIA><MEXICO><PERU>

**Resumen:**... This is the story of the advancement of Mexico, Colombia, Peru and Chile -the Pacific Pumas- and of the opportunities they have moving forward. The text is divided into two sections. The first section considers the emergence of the Pumas individually. It begins with an overview of the four large Latin American countries that have matured economically and politically precisely as their region, the Pacific, has become a cauldron of global growth. The second chapter highlights the macroeconomic stability of the four, while the third considers their democratic maturation. The section concludes with a chapter on the Pumas' embrace of globalization, suggesting their preparedness for a 21st century economy. The second section analyzes the Pumas' global opportunities. Through the Pacific Alliance, Mexico, Colombia, Peru and Chile can leverage their individual success through a pact large enough to attract international attention. Chapter 5 debates the importance of the Alliance, while Chapter 6 considers its ramifications throughout Latin America. Chapter 7 examines the importance of the Pumas in greater trans-Atlantic relations, and Chapter 8 reviews the opportunities and challenges the Pumas face in dealing with China. Together, the two sections outline a golden opportunity for the Pacific Pumas to achieve internal prosperity and stability, while emerging as regional leaders and strategic partners of the US, Europe, and East Asia. Significant challenges remain: Violence, corruption and inequality still plague parts of these countries, while the four countries' macroeconomic foundations will be tested in the coming years. Yet the text is optimistic, arguing that hard work and propitious timing have put the Pumas in a position to finally achieve their potential. The Pacific Pumas have much ground to gain, but if they can continue along their current path, they may well be forging an emerging model for emerging markets.

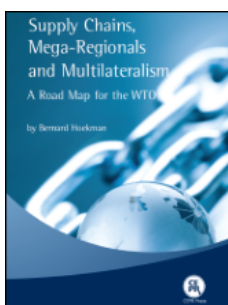
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## \*Hoekman, B. (2014). Supply Chains, Mega-Regionals and Multilateralism : A Road Map for the WTO. London: CEPR.



**Autor:**Hoekman, Bernard

**Título:**Supply Chains, Mega-Regionals and Multilateralism : A Road Map for the WTO

**Edición:**London: CEPR, april 2014 [80 p.]

**Temas:**<CADENAS DE VALOR><COMERCIO INTERNACIONAL><ACUERDOS REGIONALES DE COMERCIO><NEGOCIACIONES COMERCIALES><RELACIONES MULTILATERALES><FACILITACION DEL COMERCIO><ACUERDOS DE LIBRE COMERCIO, TLC>

**Resumen:**The market access dimension of the WTO Doha Round has been deadlocked since 2008. The US, EU and likeminded countries increasingly have turned their attention towards the negotiation of preferential trade agreements, including so-called 'mega-regional' initiatives such as the Trans-Pacific Partnership. So far there are no regional initiatives to liberalise trade and investment that include all of the major players, and there is a danger of the world economy splitting into separate blocs. The shift towards regional approaches by large trading countries is not in the interest of the majority of nations that are not part of them. In the 2013 Ministerial Conference in Bali, ministers directed their WTO negotiators to develop a work programme by the end of 2014 that offers a road map for agreements to liberalise trade on a multilateral basis. A premise of this report is that any such road map should internalise and leverage the fact that the structure and organisation of international trade has changed. Goods and services are increasingly produced in international supply chains, with suppliers in one country producing inputs that are processed in another and then shipped to one or more other countries. Each stage of the supply chain requires efficient logistics and other services to move products across borders. Supply chain production implies that trade negotiations today need to focus on a much broader range of policies ...

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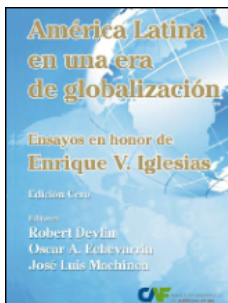
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\*Devlin, R., ed.; Echevarría, O., ed. y Machinea, J., ed. (2014).  
América Latina en una era de globalización : Ensayos en honor a  
Enrique V. Iglesias. Caracas: CAF.



**Autor:**Devlin, Robert, ed.; Echevarría, Oscar A., ed.; Machinea, José Luis, ed.

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SOSTENIBLE><MACROECONOMIA><DEMOCRACIA><SISTEMA FINANCIERO

INTERNACIONAL>

**Geográficos:**<AMERICA LATINA>

**Resumen:**Esta publicación reúne una serie de ensayos de reconocidas personalidades vinculadas con el desarrollo de América Latina, cuyo objetivo en común es rendir un merecido homenaje a Enrique Iglesias, quien se ha desempeñado como Presidente del Banco Central y Ministro de Relaciones Exteriores de Uruguay, Secretario Ejecutivo de la Comisión Económica para América Latina y el Caribe, Presidente del Banco Interamericano de Desarrollo y Secretario General de la Secretaría General Iberoamericana.

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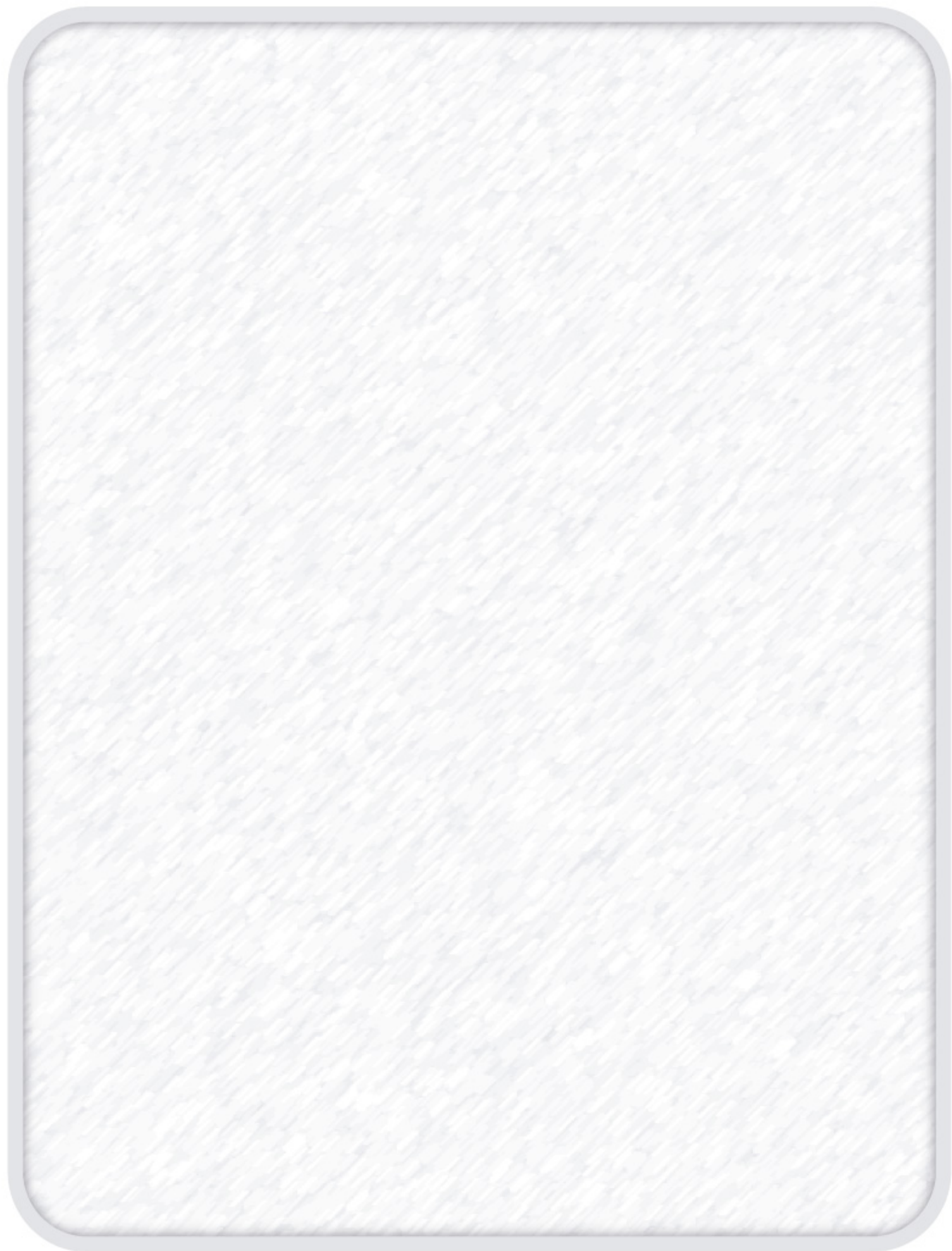
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#### Links to original information sources in this issue:

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- Fifth round of the Transatlantic Trade and Investment Partnership negotiations: joint press conference by Dan Mullaney, Chief US Negotiator for the TTIP, and Ignacio Garcia Bercero, Chief EU Negotiator for the TTIP. [Link](#).
- Kwacz, Y.; Ruiz, M. y Scasso, J. (2014). Services Offshoring Ranking: A comparative analysis of emerging economies. New York: Towers Watson. [Link](#).
- Offshoring Opportunities Amid Economic Turbulence. (2011). Chicago: A.T. Kearney. [Link](#).
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- UNEP - A Bottle's Odyssey. [Link](#).





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