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Analysis Column

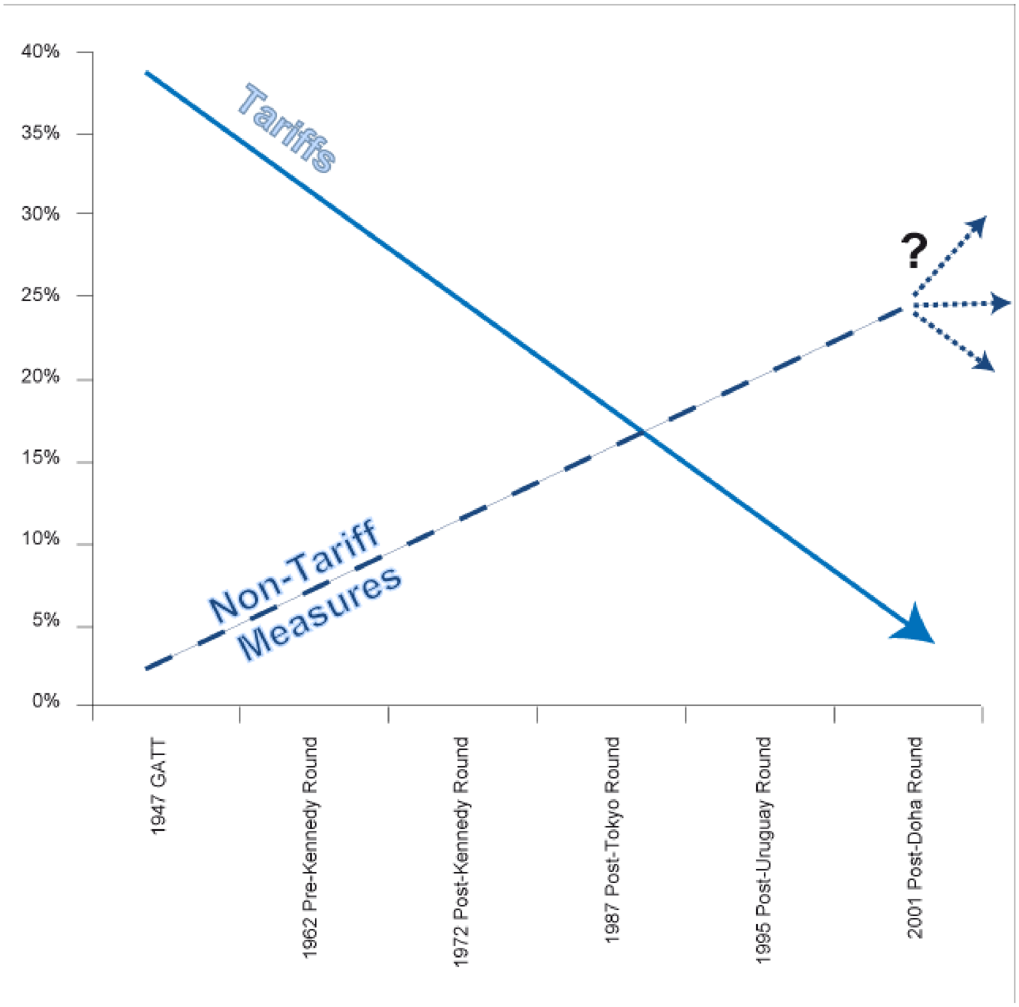
Technical barriers to trade

The Regional Workshop on Technical Barriers to Trade for Latin America took place in Rio de Janeiro, Brazil, September 15-17, 2014.[1] The workshop was organized by the Inter-American Development Bank (IDB) through the Integration and Trade Sector (INT) and its Institute for the Integration of Latin America and the Caribbean (INTAL), together with the World Trade Organization (WTO) and the collaboration of the Brazilian Government.[2]

The activity offered participants theoretical and applied knowledge on major policy issues to do with technical barriers to trade (TBTs), as well as on the provisions of the WTO Agreement on TBTs. The activity's aim was institutional strengthening in order to effectively implement the WTO's provisions in this area and to participate in the work of the WTO Committee on TBTs. The workshop lasted three days and was attended by representatives of seventeen Latin American and Caribbean countries.

TBTs are a form of non-tariff measure (NTM). Implemented as laws, policies, or practices governing market access for imports, these measures have been gaining importance in the field of negotiations—regional and multilateral—in a context where tariffs have lost relevance (Figure 1).

Figure 1: Evolution of tariffs and non-tariff measures



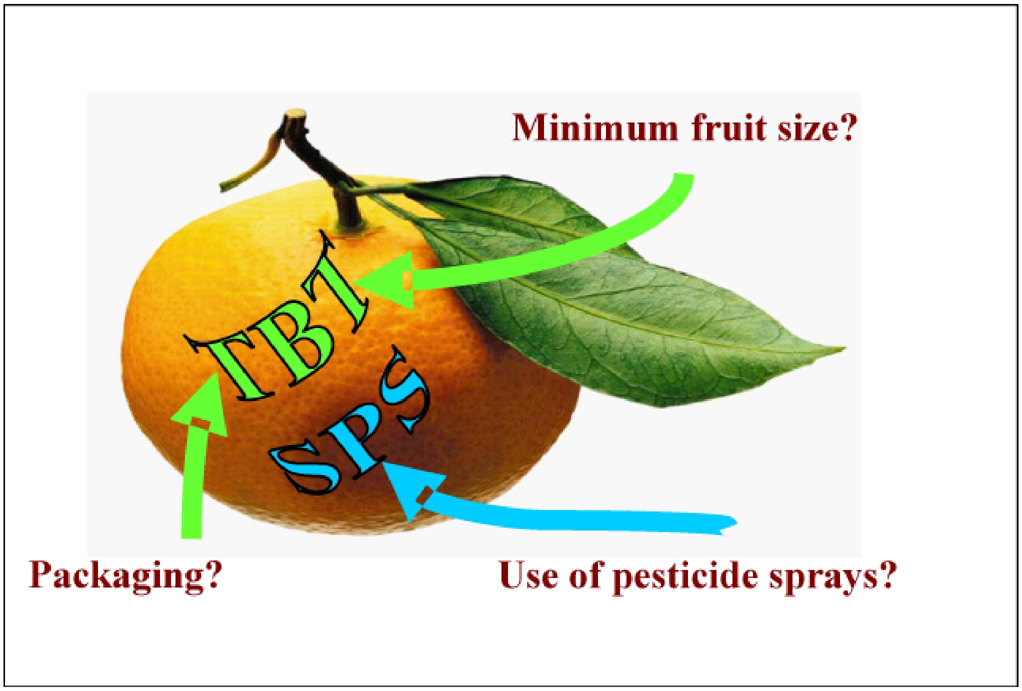
Source: Monteiro (2014a).

Some of the reasons for the proliferation of technical regulations and standards are, on the one hand, the better standard of living fostered by the demand for safer, higher quality goods, and, on the other, the growing problems of pollution that encourage the demand for environment friendly goods.[3]

In addition to TBTs, other NTMs include sanitary and phytosanitary (SPS) measures, import licensing, quotas and bans, restrictions on government procurement, intellectual property, and rules of origin.

Governments generally adopt NTMs with the aim of correcting market failures that could affect human, animal, or plant health, consumer safety, the environment, or emerging industries, or that could generate externalities (Monteiro, 2014a).
SPS measures, in particular, are related to the protection of health; while TBT technical regulations are to do with characteristics of the product such as size, shape, design, function, the way it is labeled or packaged, and so on, and with how the production process can affect its characteristics (Figure 1) (Stoler, 2011).

Figure 1: Difference between TBTs and SPS



Note: TBT = technical barriers to trade; SPS = sanitary and phytosanitary measures. Source: Locks (2014a).

Compared to tariffs, NTMs are more difficult to quantify, as there are generally few data available, what little there are are not very transparent. Whereas tariffs always have negative impacts on trade, NTMs can have positive effects. Thus, according to Martínez (2014), standards are a means of facilitating trade and economic efficiency by providing a common international language between buyer and seller, improving market transparency, enabling the interoperability and compatibility of complex technologies, protecting health and the environment, increasing security, and even making possible a degree of technical knowledge transfer.
The need to meet different standards and technical regulations means costs for producers and exporters. When there are no international disciplines, costs must be incurred for such activities as

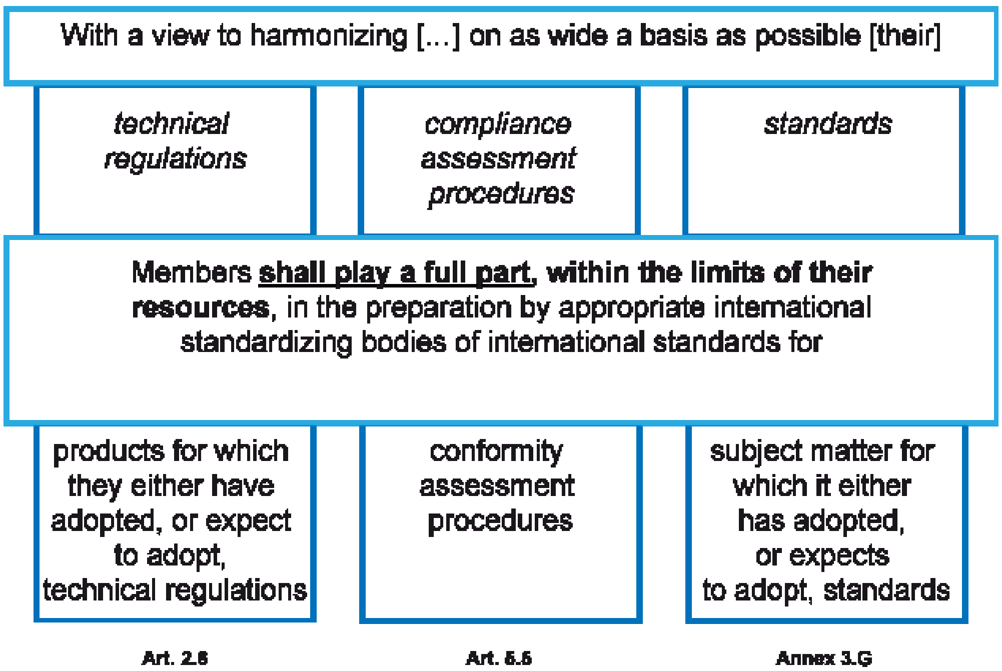
translating regulations, hiring experts, or adapting facilities. The harmonization of standards and regulations prevents producers having to produce to different standards to meet different markets, or having to test the same product several times. If producers have to adapt the good to different standards, unit costs tend to increase.

Standards can clearly also be used to protect domestic markets, creating unnecessary barriers to trade; they can also slow technological development and innovation, perpetuating old or inferior technologies (Martínez, 2014). NTMs have a negative impact on trade when they restrict it despite the achievement of some positive objectives. In these cases, NTMs act as protectionist measures. According to Monteiro (2014a), NTMs' contribution to the global restriction of trade is significant and can cause a great deal more trade restriction than tariffs. In particular, NTMs tend to be more trade restrictive in countries with higher levels of per capita GDP: the negative effects of TBTs and SPS measures are concentrated mainly in developing countries' exports to developed countries. In sectoral terms, NTMs applied in agriculture seem to be more restrictive and broader in scope than those applied in manufacturing; and what is more, the measures often have a positive effect on trade in the more technologically advanced sectors, but a negative one in agricultural sectors.

The WTO's agreements on NTMs, such as the TBT Agreement, try to prevent NTMs adopted for legitimate public policy goals being used for protectionist purposes or generating unwanted trade costs.

The TBT Agreement is limited to trade in goods and does not apply to services, government procurement, or SPS related issues, which are covered by the specific agreement on those areas. The TBT Agreement governs the preparation, adoption, and application of technical regulations, standards, and conformity assessment procedures; but these are not prepared within the WTO. There are institutions such as the International Standards Organization (ISO), the International Electrotechnical Commission (IEC), and the International Telecommunication Union (ITU), in which WTO member countries participate in the preparation of standards and conformity assessment procedures (Figure 2).

Figure 2: TBT Agreement: harmonization of technical regulations and conformity assessment procedures and standards



Source: Monteiro, 2014b.

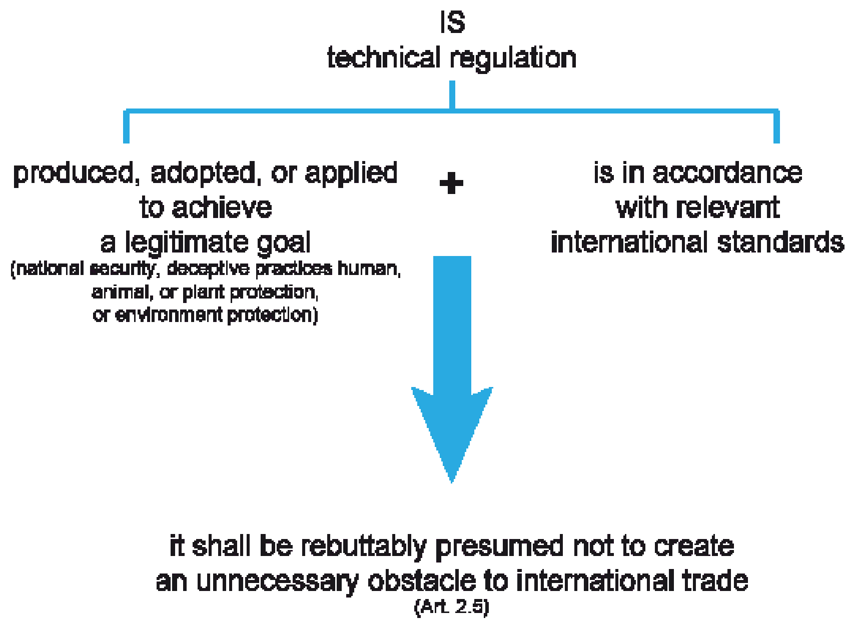
The Agreement encourages members to use the international recommendations as the basis for their national regulations, procedures, and standards, with certain exceptions (Figure 3).

Figure 3 : TBT Agreement: provisions for the preparation of technical regulations, conformity assessment procedures and standards

Source: Monteiro, 2014b.

Under certain circumstances, such as when a regulation is more restrictive than necessary in achieving a given policy objective, or if it does not pursue a legitimate objective, it may become a TBT (Figure 4).

Figure 4: Conditions for a technical regulation not to create a TBT

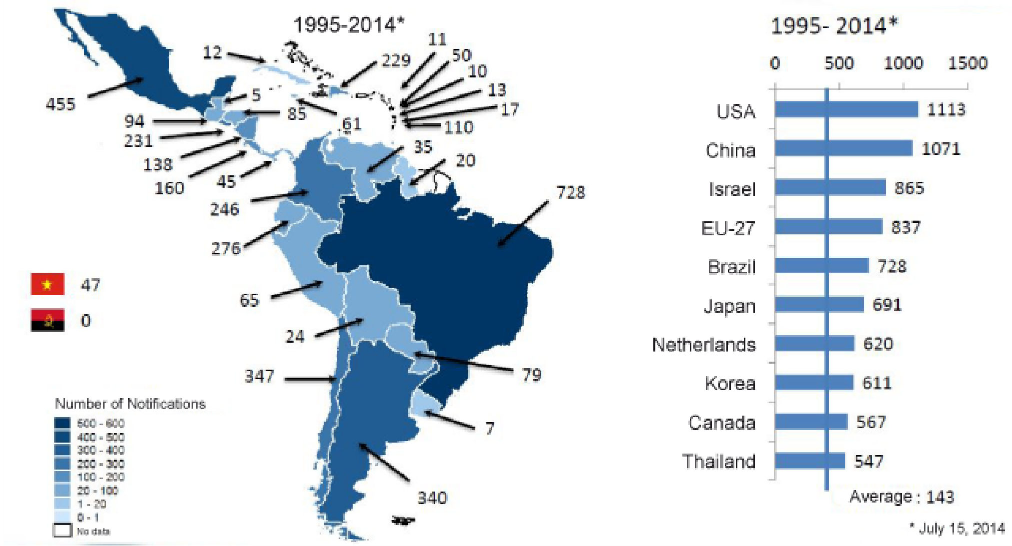


Source: Monteiro, 2014b.

Furthermore, the TBT Agreement is based on certain fundamental principles to prevent the application of standards, technical regulations, and conformity assessment procedures acting as barriers to trade. The first is nondiscrimination, i.e. most favored nation (MFN) and national treatment (TN) obligations must be applied. Next come harmonization, equivalence, and mutual recognition procedures: these seek to ensure that, when it proves impossible to use existing international standards, countries should recognize the technical regulations and procedures of their partners as equivalents. Last, the Agreement considers transparency in applying standards as fundamental. With this objective, countries must notify the WTO when applying standards that differ from international ones or the application of which may have an impact on international trade.

The WTO has a public database: the TBT Information Management System contains information submitted by members in connection with technical regulations, conformity assessment procedures, and standards. Figure 5 shows the notifications made by Latin American and Caribbean countries between 1995 and 2014.

Figure 5: Notifications under Article 10.6 of the TBT Agreement



Source: Monteiro, 2014c.

Finally, the TBT Agreement embodies the principle of technical assistance. This means that developing countries without the resources to prepare technical regulations, set up national standardization institutions, participate in national institutions, and so on, may request technical assistance from other members before the WTO Secretariat itself.

In cases where there are discrepancies in terms of the application of standards, technical regulations, or evaluation procedures, the TBT Agreement also contains a dispute settlement procedure. This is implemented through the WTO's Dispute Settlement Body (DSB). To date 49 disputes on TBTs have been recorded, mostly against developed countries. The US and Canada are the most frequent claimants (22), and almost half have been filed against the EU. Latin American countries were the main party in 21 of the 49 TBT disputes, Argentina (7) and Mexico (5) being the most active. They were claimants in 15 disputes, where the products that formed the subject of the claim were wines, shellfish, sardines, meat, tuna, matches, and biodiesel. Proceedings have been brought against just 2 countries (Argentina on 4 occasions and Mexico on 2) in 6 disputes over matches, pharmaceuticals, textiles, footwear, and live pigs. And just 2 of these were between Latin American countries (matches: Chile vs. Mexico; goods imports: Mexico vs. Argentina) (Locks, 2014b).

In conclusion, standards, regulations, and procedures can have a positive effect on trade by driving efficiency, quality, and innovation, and by protecting health and the environment. They can, however, become TBTs when they go beyond the fulfillment of legitimate objectives, or when the objectives are not legitimate. In these cases, transparency, harmonization, and mutual recognition are key tools in preventing unwanted costs and inefficiencies in trade incurred by the use of standards for protectionist ends. Member countries need to cooperate to identify what constitutes the legitimate and efficient use of NTMs.

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[1] This article was prepared by the consultant Kathia Michalczewsky.
[2] For the agenda, the list of participants, and the papers presented at the workshop click here.
[3] Technical Information on Technical barriers to trade. Consultation of October 16, 2014 http://www.wto.org/english/tratop_e/tbt_e/tbt_info_e.htm.

Trade Integration through Postal Services for MSMEs in South America

Facilitating the internationalization of MSMEs

The share of micro, small, and medium enterprises (MSMEs) in Latin American exports is much lower than in developed countries (ECLAC-OECD, 2012).[1] On the one hand, due to their size, MSMEs face major obstacles when participating in international trade, such as access to funding and information, high fixed costs of establishing and maintaining overseas trade networks, and constraints on management and technological capacity.

On the other hand, MSMEs' exposure to the international market brings with it significant benefits, driving growth in productivity, competitiveness, and innovation, and enabling employment creation in competitive activities at an international level. These benefits justify the existence of specific support policies.

Against this background, an efficient postal service is one mechanism to enhance these companies' international integration. In this framework, the work of the Initiative for the Integration of Regional Infrastructure in South America (IIRSA) has served to develop such a scheme, through the application of a project in several countries in the region.

The origin of the project

The use of the postal services platform with the aim of enhancing trade for South American micro, small, and medium enterprises (MSMEs) and promoting their insertion in the international market originates in the "Exports through Postal Services for MSMEs" project, implemented by the Brazilian Ministry of Communications in 1999, known as "Exporta Fácil."

On a results basis, this project was selected in 2004 as one of IIRSA's 31 and strategic priority projects. Since then, it has been implemented in five countries and work has been done with a view to implementation in four others.

Peru was the first country to implement the project, with initial funding from the World Bank. The experience in Peru formed the basis for Brazil to develop the technical cooperation methodology that went on to be used in the other IIRSA member countries, with Exporta Fácil specifically tailoring its services to each country.

In 2007, the Multilateral Investment Fund (MIF) of the Inter-American Development Bank (IDB) approved a non-reimbursable operation to develop the project in Colombia, Ecuador, and Uruguay. Exporta Fácil was launched in Peru in July 2007; in Uruguay in March 2009; in Colombia in December 2010; and in Ecuador in October 2011.

In addition, with the financial support of the Inter-American Development Bank (IDB), the Development Bank of Latin America (CAF), and the Financial Fund for the Development of the River Plate Basin (FONPLATA), work began toward implementing the project in Argentina, Chile, Bolivia, and Venezuela.

With the creation of UNASUR's South American Infrastructure and Planning Council (COSIPLAN) in 2009, IIRSA became the COSIPLAN's technical forum and, in 2011, the COSIPLAN decided to broaden the concept of postal exports to "Trade Integration through Postal Services" in order to allow for both foreign trade flows. This subject matter was incorporated into the COSIPLAN's Strategic Action Plan (PAE) 2012-2022 and is currently part of the Council's annual work plans.

IDB-INTAL's contribution

Through the Institute for the Integration of Latin America and the Caribbean (INTAL), IDB is currently executing a technical cooperation adopted in 2013 to support the "Trade Integration through Postal Services for MSMEs" work plan, agreed by the countries in the framework of COSIPLAN-IIRSA. During 2013 and 2014, monitoring visits were coordinated and funded to countries that have successfully implemented the project, in order to assess progress and results, as well as assisting national teams in identifying solutions to any obstacles that present themselves. This technical assistance will also support countries interested in implementing the program.

There follows a description of the project's progress in terms both of its export and import components.

Exports through Postal Services: regional objectives and progress

The project's objective is to develop a simplified export service for MSMEs through postal operators' infrastructure, whose physical infrastructure has several attributes enabling the development of an effective and efficient supply chain at the global level.

The project covers the simplification of processes and cost reduction in the export chain, and provides the possibility of exporting from any geographical point, given the designated postal operators' capillarity. This is not merely a postal project, but a Country Project that involves different institutions participating in the export process.

Against this background, the second meeting of the Executive Technical Group (GTE) on "Trade Integration through Postal Services" was held in Montevideo, Uruguay, September 18-19, in the framework of COSIPLAN-IIRSA. At the meeting, the countries that have already implemented the service (Brazil, Colombia, Ecuador, Peru, and Uruguay) submitted reports of their progress, obstacles, and results to date. Information about the project was presented, highlighting the significant growth in the number of firms using the system across all of these countries since its implementation (Tables 1 to 3). It should, nevertheless, be made clear that, due to the size of the companies involved, shipments through the project represent a very small portion of the countries' exports.

Table 1: Average annual growth rate of project export values by country

	Brazil	Colombia	Ecuador	Peru	Uruguay
Period	2000-2013	2010-2013	2012-2013	2009-2013	2009-2013
Average annual growth rate	26.3%	63.3%	67.5%	18.4%	24.6%

Source: Project information provided by countries.

Table 2: Major export destinations by country

	Brazil	Colombia	Ecuador	Peru	Uruguay
1	United States	Chile	United States	United States	Europe
2	Hong Kong	United States	Canada	United Kingdom	Rest of the World
3	Japan	Mexico	United Kingdom	Australia	United States
4	Argentina	Peru	Brazil	Japan	MERCOSUR
5	Bolivia	Spain	Germany	France	Rest of America

Source: Project information provided by countries.

Table 3: Major exports by country

	Brazil	Colombia	Ecuador	Peru	Uruguay
1	Optical, photographic, and medical-surgical instruments	Manufactures	Leather goods	Bijouterie	Handicrafts
2	Articles of apparel and clothing accessories	Natural and organic products	Toquilla straw hats	Food supplements	Wool garments and yarns
3	Jewelry and precious metals	Metal drums	Handicrafts made of tagua	Articles of silver jewelry	Books
4	Assorted food preparations	Shampoo	Textiles	Toys representing animals	Amethyst stones
5	Books, newspapers and other products for the graphic industry	Hats	Incense and palo santo	Articles of apparel and accessories for babies	Motor parts

Source: Project information provided by countries.

The countries' representatives ratified the importance of the program as a public policy tool for the economic and social inclusion of MSMEs. The actions carried out contribute to its formalization, to promoting the exporter culture, and to facilitating exporters' access to international markets. One of the keys to the program's success lies in the coordination and synergy of the joint work by the institutions involved: customs, foreign trade development institutions, MSME business development institutions, ministries of economy and finance, and so on. Among the difficulties and critical points mentioned are budget allocation, the formalization of the working groups, the different conditions of the system across the different countries, and the need to facilitate the importing process at destination. The countries drew attention to the importance of the exchange of experiences and lessons learned at the regional level, as these help to improve the services provided and to generate a working network and horizontal cooperation.

A proposal for indicators was submitted as part of the agenda, to measure the results of the program in the COSIPLAN countries. The indicators will initially be geared to measuring the project's performance in each country and among the various different countries, and later to aggregating the results across all the countries where it has been implemented. The need was stressed for calculations to make use only of information available in the countries. The proposal is currently under consideration, with a view to defining an initial set of indicators to be submitted at the Fifth Regular Meeting of COSIPLAN Ministers in Montevideo, Uruguay, in December.

Imports through Postal Services: regional objectives and progress

In 2013, the countries commissioned the "Survey on the Best Practices in Customs Postal Import Processes" in South America, which includes a proposal for a simplified model. The aim is to move toward integrated management of the processes and the intensive use of technology in order to bring down costs and times and so improve the efficiency of the export-import process for MSMEs through postal services.

At the second meeting of the GTE, Brazil's Post Office—the Empresa Brasileira de Correios e Telégrafos—and its Secretariat of Federal Revenue presented the new postal import model, which they will implement during the first quarter of 2015. The objectives are to standardize and speed up the postal process and customs clearance for international packages, while providing security and transparency. They are based on digital information exchange among exporters, post offices, and customs houses. From a postal perspective, the new model seeks to simplify duty payments and cut delivery times. From a customs perspective, it seeks to improve risk analysis and simplify the process of taxation.

The countries presented the advance reports of their national plans to simplify the postal import process. The importance was underlined of pursuing this process of simplification, the flow of accurate, timely information, and the importance of formalizing the Customs-Mail Committee. For the delegations, the difficulties remaining to be worked on included the development of computer systems and web services suitable for the previous transmission of information, the training of exporters and importers, the definition and implementation of risk profiles, the specialization of collection and import duty centers, e-taxation, and the definition of new processes and their regulations.

Connect Americas promotes SMEs' foreign trade

The Connect Americas portal is an IDB initiative that has emerged from the Bank's work with SMEs in Latin America and the Caribbean, and more specifically, from a consultation process developed to establish the reasons behind SMEs' low share in the region's exports. The main causes are a lack of reliable contacts, information, and funding for companies to expand to foreign trade.

In order to counter these weaknesses, Connect Americas was developed as a business network for the region's companies, resting on three pillars: connect, learn, and finance.

The first enables users and businesses to connect up, participate in specific communities, and learn about upcoming events. In the second section, the platform aims to increase users' knowledge through articles, business support services provided by export promotion agencies and chambers of commerce in the region, online training courses, videos, and relevant statistical data. Last, the third

section provides access to information about financial products and services in the user's country through various associated banks, enabling the review and comparison of credit opportunities, and even the download of application forms.
Applications can also be made through this platform to the IDB Group's SME programs in Latin America and the Caribbean, identifying funding opportunities and technical assistance. In the framework of the actions being developed by COSIPLAN toward trade integration, this tool supports and amplifies the work done by export promotion agencies and post offices, during the actions' implementation and monitoring, in order to encourage SMEs' participation in Exporta Fácil in each country.
During the second GTE meeting, IDB provided countries with support when it comes to analyzing the best option for including this subject matter in the portal, as well as the creation of a specific community on exports through postal services, and the production of videos describing the service. This proposal was incorporated in the relevant action plan for the forthcoming year.

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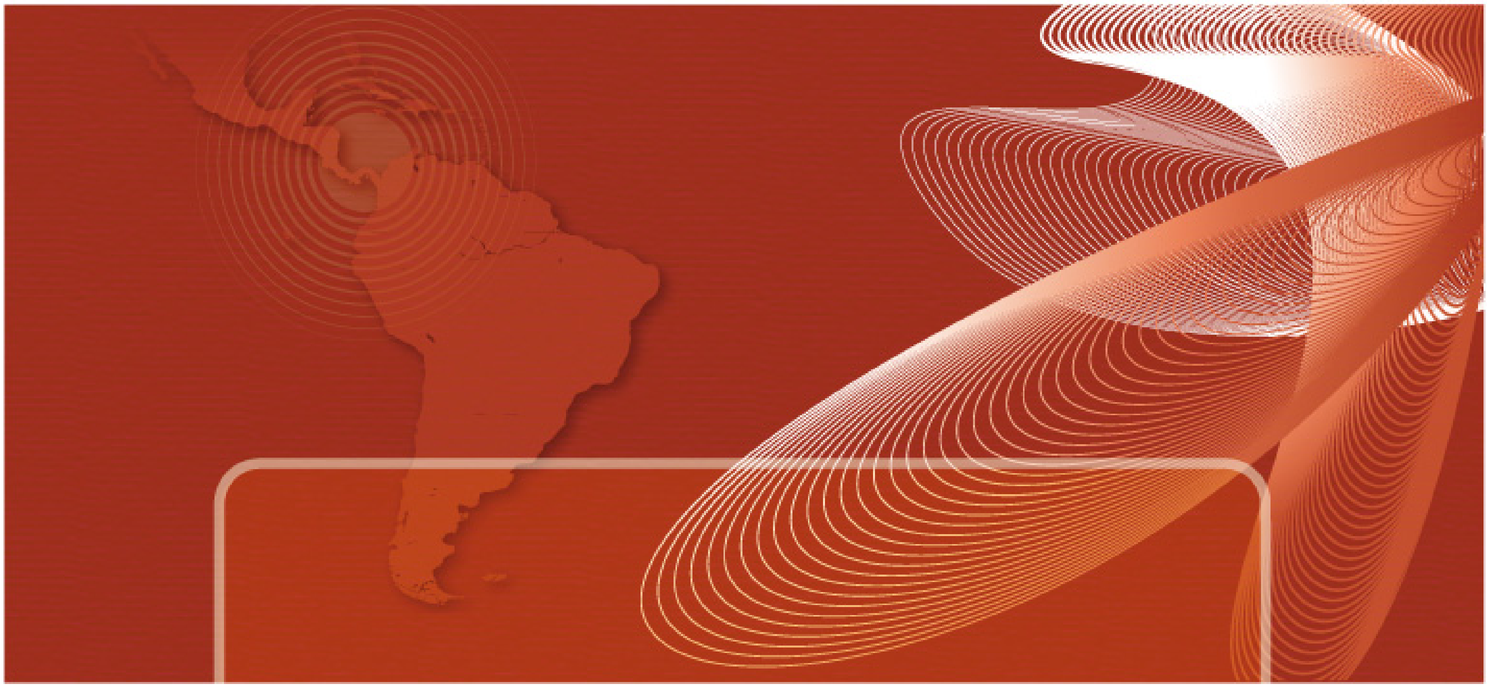
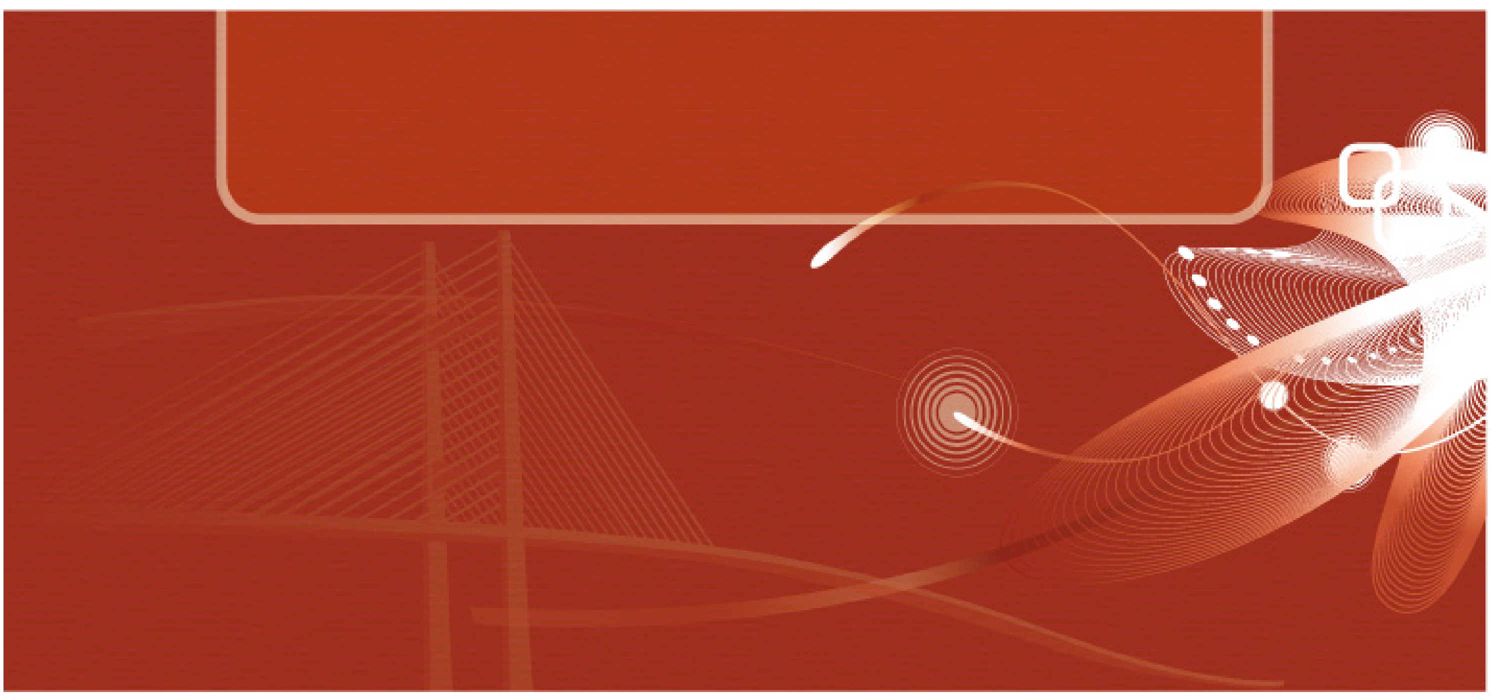
[1] This article was prepared by Ignacio Estévez and Alejandra Radl, with the collaboration of Rosario Campos.



Integration Blocs



PA authorities meet

The presidents of Chile, Colombia, Mexico, and Peru participated in the First Bloomberg Latin American Forum, "Backing the Pacific Alliance," which took place in New York City, USA, September 22. The purpose of the meeting was to publicize the business and investment opportunities provided by the integration mechanism. The Presidents also highlighted the PA's concrete achievements, as well as its potential and its goals. PA Investment Forums in China and Hong Kong were also announced for November.

The Foreign and Trade Ministers of the PA and the Association of Southeast Asian Nations (ASEAN) [1] met in the same city, September 26, to identify collaborative spaces to boost investment flows and trade between the two integration mechanisms. It should be remembered that one of the PA's objectives is to become a platform to the world, with special emphasis on the Asia-Pacific region. Of note here are Chile's bilateral trade agreements with Brunei Darussalam, Singapore, and Vietnam, and Peru's with Singapore and Thailand.

Last, the PA Technical Groups and the High Level Group (GAN), composed of Deputy Foreign and Foreign Trade Ministers, met in Viña del Mar, Chile, October 6-10, to review the progress of the integration process and compliance with presidential mandates.

[1] Brunei, Cambodia, Philippines, Indonesia, Laos, Malaysia, Myanmar, Singapore, Thailand, and Vietnam.

The Caribbean

Caribbean supports family farming

Under the heading, "Transforming Caribbean Agriculture through Family Farming" the 13 Caribbean Week of Agriculture was held in Paramaribo, Suriname, October 6-12. This is an annual event, organized jointly by the Inter-American Institute for Cooperation on Agriculture (IICA), the Food and Agriculture Organization (FAO), the Caribbean Agricultural Research and Development Institute (CARDI), and the Secretariat of the Caribbean Community and Common Market (CARICOM). The event aims to position agriculture and rural life as the central axis of regional integration.

Government representatives, and agricultural and technical experts debated the role of family farming in the Caribbean's agricultural productivity against the backdrop of difficulties for growth experienced by the agricultural sector. In this light, the workshop on "Policy and Strategy for Agricultural Revitalization and Food and Nutrition" during the Agriculture Week drew attention to the fact that, while this sector has been the driver of economic growth in Caribbean economy over the past few decades, it is currently in crisis because of falling sugar and banana exports, and an increase in food imports.[1] This has led to a drop in production with a consequent rise in rural unemployment. In response to this, the gathering underlined the importance of working strategically to revitalize the sector and was critical of the lack of specific policies for family farming.

Related Articles

- IDB-INTAL. "10th Caribbean Week of Agriculture," in: *INTAL Monthly Newsletter No. 195*, December 2012.

[1] See "*Workshop on Policy and Strategy for Agricultural Revitalization and Food and Nutrition Security*," Caribbean Week of Agriculture, 2014.

Central America

Extraregional negotiations and trade facilitation in the Central American agenda

The Meeting of the Council of Ministers of Foreign Affairs of the Member Countries of the Central American Integration System (SICA) was held in San Pedro Town, Belize, September 13. The Council's work plan for the second semester of 2014 deals with such issues as climate change, democratic security, the harmonization of regional cooperation, the strengthening of the SICA's relations with the Caribbean Community and Common Market (CARICOM), and the discussion around the Post-2015 Development Agenda.

The meeting also saw the presentation of the advance reports ahead of the First Meeting of the Joint Commission between Central America and the European Union (EU) under the Political Dialog and Cooperation Agreement, to be held in Tegucigalpa this October.

The Meeting of the Council of Ministers for Central American Economic Integration (COMIECO) in Managua, Nicaragua, was also held in September. Topics covered included the proposal for a Strategic Roadmap for Regional Economic Integration, the institutional framework of the Central American Economic Integration Subsystem (SIECA), free trade in originating products, customs union, productive and commercial complementarity, coordination of production policies, external trade policy, and the mandates of the Presidents' Summit in Punta Cana.

In particular, the Meeting addressed the instructions from the SICA Heads of State and Government in the Declaration of Punta Cana for the authorities of the institutions carrying out tasks at Central American border posts to submit proposals to harmonize common procedures and thus facilitate intra- and extraregional trade.

For more information, click on the following links: [1]; [2]; [3]; [4].

Andean Community

Peru and Ecuador resolve trade disputes

Peru and Ecuador signed an agreement on technical barriers to trade (TBTs) October 6 to facilitate commercial relations between the two nations. The agreement seeks both to reaffirm the two countries' commitments within the Andean Community of Nations (CAN) and to introduce new trade facilitation instruments. Relevant standards were set with regard to certificates of conformity for the products traded, technical regulations were defined, and a binational Trade Facilitation Committee was set up to look at TBTs in the coordination of joint activities.

Trade relations between Peru and Ecuador, it should be noted, have been affected since the end of 2013 by Resolution No. 116 of Ecuador's Foreign Trade Committee (COMEX). This required the submission of a "Certificate of Recognition" to demonstrate compliance with technical regulations as part of the controls prior to importing a set of articles (agroindustrials, cosmetics, hygiene and cleaning products, plastics and articles thereof, chemicals, toys, etc.).[1] As its exports were hit by the Resolution, Peru lodged a claim with the CAN Secretariat. After a lengthy investigation process, the Secretary General finally ruled last August that Resolution No. 116 was a "restriction on intraregional trade"[2] and gave Ecuador 15 days to suspend the Resolution, thus prompting the signing of the TBT agreement.

[1] See "Secretaría General de la CAN ratifica Resolución 1695 que calificó como "restricción al comercio intrasubregional" Resolución 116 del COMEX de Ecuador," Andean Community of Nations (CAN).
[2] "Secretaría General," CAN.

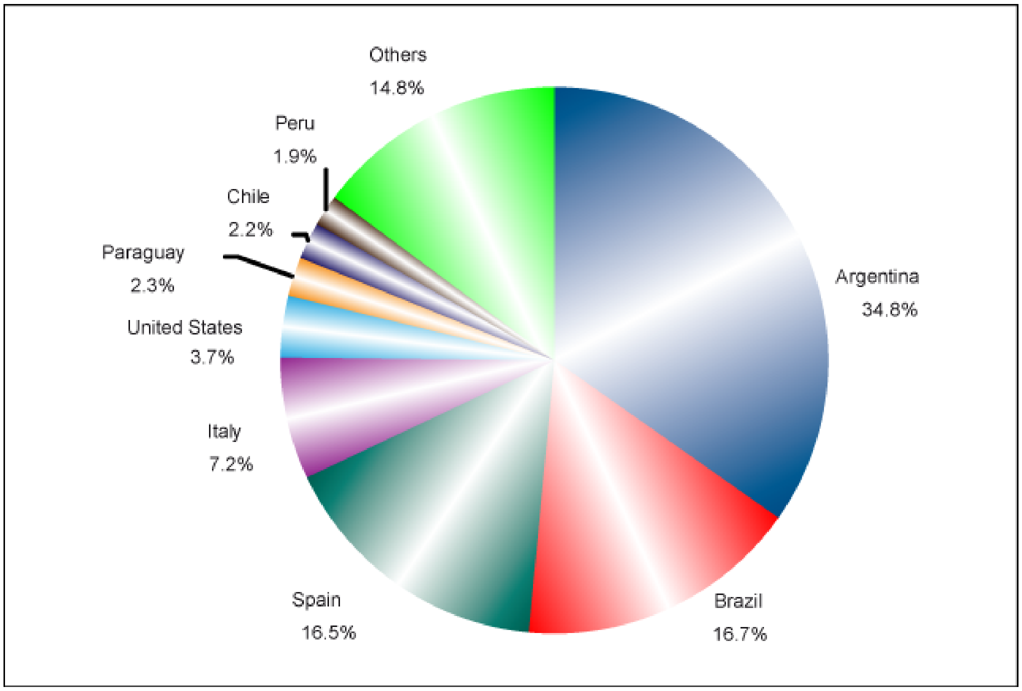
Uruguay to facilitate residency for MERCOSUR citizens

In September, Uruguay passed Act No. 19,254 facilitating permanent residency in the country for nationals from MERCOSUR and Associated States. The Act is in line with MERCOSUR's Residency Agreement signed in 2002. The Agreement facilitates temporary and permanent residency for these countries' nationals in the other members' territories, establishes national treatment for migrants, promotes the integration of families by extending rights to families of third-country nationals, and establishes the right, among other things, to transfer remittances. It also stipulates that member countries analyze the feasibility of signing reciprocity agreements on welfare. MERCOSUR also signed a similar agreement the same year with Associated States, Chile and Bolivia, and both instruments entered into force in 2009. In 2011, Ecuador and Peru acceded to the MERCOSUR and Associated States Residency Agreement, with Colombia joining the following year.

According to the latest census of Uruguay (2011), 2.4% of the population were born in another country, Argentina and Brazil are the main origins. As can be seen in Figure 1, more than half of the immigrants come from the founding members of MERCOSUR. Much of this immigration is recent: one in five people originating in Argentina, Brazil, Paraguay, Chile, and Peru arrived in Uruguay between 2005 and 2011.

Figure 1: Uruguay: Population born in another country of origin

2011 data



Source: Based on data from INE.

Brazil-US: cotton subsidies agreement

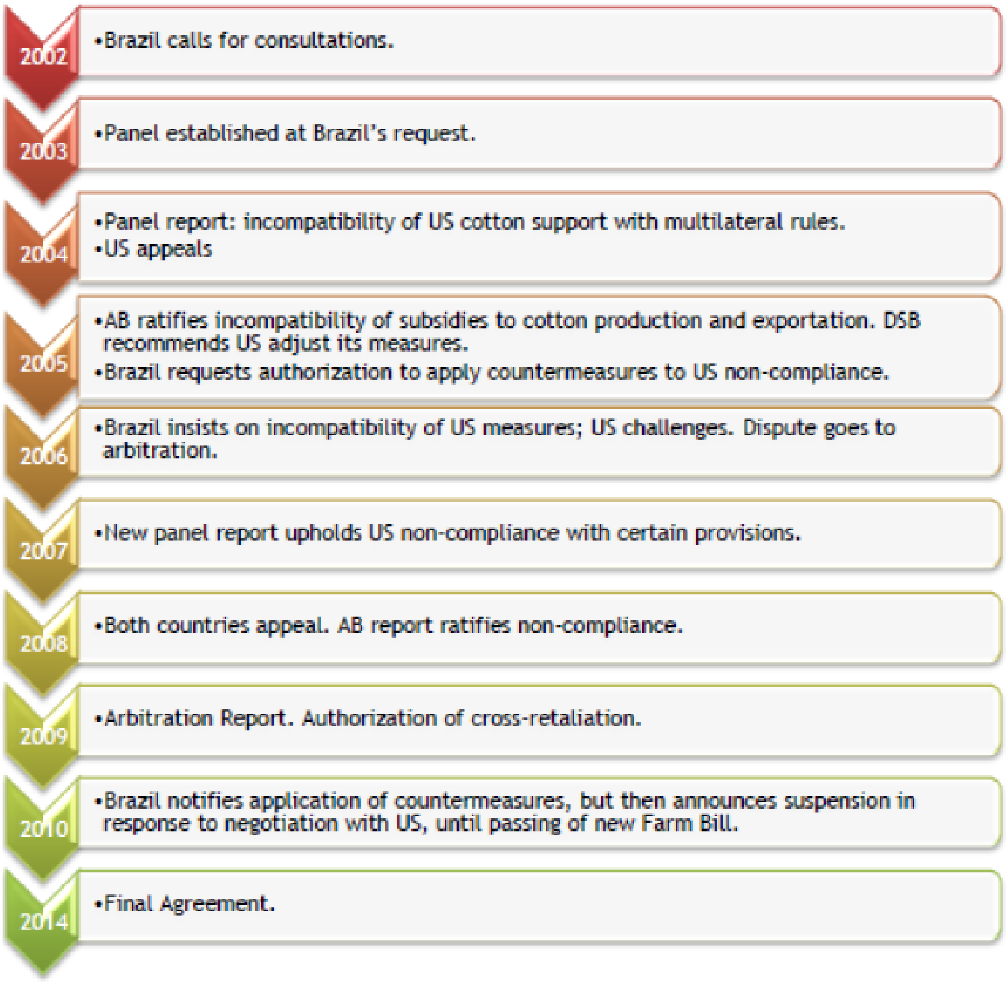
Brazil and United States have signed an agreement to end the dispute over US cotton subsidies. On the one hand, United States is to pay US$300 million to the Brazilian Cotton Institute (IBA) to offset any losses caused by the aid received by American cotton producers. These resources can be used to finance healthcare, technology, investment, promotion, training, and skills projects, storage infrastructure, conservation, and transportation projects for cotton and inputs, and so on. Similarly, United States will provide no guarantees for export credits for periods of more than 18 months (currently 24).

Brazil, on the other hand, pledged not to challenge the new cotton support programs before the World Trade Organization (WTO), under the new 2014 US Farm Bill, until it expires September 30, 2018.

Background to the dispute

At the level of the WTO, the dispute began in September 2002, when Brazil requested consultations over US subsidies to cotton producers, users, and exporters (Figure 1). In particular, Brazil questioned two types of stimulus measure: countercyclical subsidies to producers, aimed at protecting them from fluctuations in the cotton price, and a credit program for cotton exports. According to Brazil, the support went against the provisions of the General Agreement on Tariffs and Trade (GATT), the Agreement on Agriculture (AoA) and the Agreement on Subsidies and Countervailing Measures (SCM).

Figure 1: Chronology of Brazil-US cotton subsidies dispute



Notes: US: United States. AB: Appellate Body. DSB: Dispute Settlement Body. Source: Based on data from WTO.

The Dispute Settlement Body (DSB) found that the US subsidies were contrary to multilateral rules and urged Washington to bring them into line with its commitments under the WTO. As the measures were not removed, Brazil requested authorization in 2005 to take countermeasures; this was opposed by United States.

The dispute was submitted to arbitration in 2009 and Brazil was authorized to take retaliatory measures for an annual US$ 829 million, not only in trade in goods, but in the field of intellectual property (cross-retaliation). Countermeasures are aimed at ensuring measures conform to WTO rules.

Brazil subsequently announced it would apply surcharges on imports of a hundred US products for the equivalent of US$591 million, in both the cotton sector and other products of particular interest for United States (fish, milk, fruit, wheat, medicines, cosmetics, tires, automobiles, cell phones, and furniture). The remaining US$238 million correspond to the suspension of market access commitments in services and the protection of US intellectual property rights.
Shortly before Brazil began to implement the measures, the two countries agreed that the retaliation would be suspended until the adoption of the new US Farm Bill, which took place at the start of 2014. Meanwhile, United States would compensate Brazilian cotton producers with US$147.3 million a year.

Why are subsidies challenged?

Export and production subsidies can produce distortions in global trade, particularly when applied by countries whose relevance in a product's global supply or demand gives them the capacity to make a significant impact on prices and competition conditions for the product in question, as is the case with US cotton.
United States is the world's third largest producer and leading exporter of cotton; Brazil lies is the fifth largest in both cases.

Table 1: Major cotton producers and exporters by share of world total (2013/2014)

Producer Country	Share		Exporter Country	Share
China	27.0%		United States	25.7%
India	26.1%		India	23.0%
United States	10.9%		Australia	12.0%
Pakistan	8.0%		Uzbekistan	6.6%
Brazil	6.6%		Brazil	5.4%
Rest	21.5%		Rest	27.4%

Source: Based on data from USDA.

Production and export subsidies create an increase in global supply, which puts international prices below the level that would otherwise apply in the absence of distorting measures. Consequently, producers not receiving support are adversely affected, not only because they receive a lower price for their sales, but because they are at a disadvantage compared to the subsidized competition. These measures often have regressive effects on income distribution at the global level, as they benefit the producers of developed countries to the detriment of exporters in developing and least developed countries.

The Agreement on Agriculture (AoA) made in the Uruguay Round stipulates that domestic support (production subsidies) and export subsidies that have distorting effects on production and trade (i.e. those in the "amber box") must be eliminated, whereas domestic support with minimal impact on trade (green box) and that requiring the reduction of the quantity produced (blue box) are allowed. US cotton subsidies do not fall into the category of authorized support.

Related Articles

- IDB-INTAL "Cotton subsidies: Brazil poised to retaliate against the United States," in: *INTAL Monthly Newsletter No. 164*, April 2010.
- IDB-INTAL. "Active participation by LAC in WTO dispute settlement system in 2012," in: *INTAL Monthly Newsletter No.* 197, January 2013.

Regional And Global Overview

Difficulties implementing Bali Package

adopted by July 31. This deadline was not met, however, due to differences over public stockholding for food security purposes, with India making the amendment of the TFA Protocol and the other outcomes of the Bali Package conditional on the satisfactory solution to this issue.
No consensus was reached at recent meetings of the WTO's Agriculture and Trade Facilitation Committees over how the decisions in the Bali Package are to be applied.
On the one hand, there is debate over whether work after Bali can continue despite the non-adoption the revised draft of the TFA Protocol within the deadline provided.[1] It should be noted, however, that progress has been made, and that almost 50 developing countries have already notified which commitments in the TFA they will be able to implement. On the other hand, differences persist over the discussion space where public stockholding for food security purposes is to be dealt with: some members arguing that it should be the Agriculture Committee (AC), while others favor the Trade Negotiations Committee (TNC) given that the results are linked to outcomes in other areas.

Related Articles

- IDB-INTAL. "WTO: Looking ahead to the Bali Conference," in: *INTAL Monthly Newsletter No. 202,* June 2013.
- IDB-INTAL. "Least developed countries ahead of the Bali Conference," in: *INTAL Monthly Newsletter No. 205*, September 2013.
- IDB-INTAL. "Agriculture ahead of the Bali Conference," in: *INTAL Monthly Newsletter No. 206,* October 2013.
- IDB-INTAL. "WTO: First multilateral trade agreement," in: *INTAL Monthly Newsletter No. 208,* December 2013.
- IDB-INTAL. "WTO: Trade facilitation and food security," in: *INTAL Monthly Newsletter No. 216,* August 2014.

[1] The aim of the TFA is to help simplify customs procedures in order to bring down trade costs, to increase the speed, efficiency, and transparency of operations, and to reduce bureaucracy and corruption. It also includes provisions on goods in transit and supplies capacity building support for the least developed countries.

PA and MERCOSUR meet in November

The Foreign Ministers of the Pacific Alliance (PA) and MERCOSUR countries are to meet in Santiago, Chile, November 24, to promote closer biregional ties.
As noted in previous editions of the *INTAL Monthly Newsletter*, several trade agreements between the countries of both blocks are in place. Chile, Colombia, and Peru are MERCOSUR Associate States, while Paraguay and Uruguay participate in the PA as observers. Recently Brazil proposed to Colombia and Peru stepping up tariff elimination in such agreements, as well as extending their scope.

Related Articles

- IDB-INTAL. "Pacific Alliance and MERCOSUR trade profiles," in: *INTAL Monthly Newsletter No.* 215, July 2014.
- IDB-INTAL. "MERCOSUR-Pacific Alliance: Brazil seeks to step up free trade with Colombia and Peru," in: *INTAL Monthly Newsletter No.* 217, September 2014.

Climate Summit: Latin American countries redouble efforts to combat climate change

The Climate Summit 2014 was held at the United Nations (UN) headquarters in New York City, USA, September 23. Heads of State and Government, representatives of the private sector, financial institutions, and civil society, and climate experts were called upon by UN Secretary General, Ban Ki-Moon, to discuss climate, and to express clear political and financial commitments to help the global economy take a low-carbon path.
The Summit's central objective is to put the issue of climate change at the center of the world's agenda and to ensure that governments, investors, and financial institutions establish quantifiable commitments in the area of financing to combat climate change. In connection with this, a commitment from the Green Climate Fund was reached to capitalize US$2.3 billion, with additional increases promised by the end of 2014 and the mobilization of approximately US$200 billion by the end of 2015 was announced to support climate action.[1]
For their part, Latin American countries committed to significant actions to help curb emissions:[2]

- Barbados: 29% of electricity from renewable sources by 2029.
- Brazil: development of a National Change Adaptation Plan by 2015.
- Chile: 45% clean energy by 2025.
- Costa Rica: 100% clean energy by 2016.
- Ecuador: construction of 8 hydroelectric power stations by 2017, with the aim of steering the country's energy matrix toward clean energy.
- Nicaragua: coverage of 90% of energy demand with renewable sources by 2020.
- Paraguay: protection of 70,000 hectares of forests in 2014.
- Peru: establishment of regulations to control deforestation.
- Santa Lucia: 35% of electricity from renewable sources by 2020.
- Trinidad & Tobago: 100% of country's electricity from natural gas by end of the century.
- Uruguay: 85% reduction in carbon emissions by 2030.

For its part, the President of the Inter-American Development Bank (IDB), Luis Alberto Moreno, who was a panelist at the Summit, reaffirmed the Bank's objective of positioning 25% of loans in operations related to climate change and sustainability by the year 2015.[3]
The Twentieth Conference of the Parties (COP 20) of the United Nations Framework Convention on Climate Change (UNFCCC) is to be held in Lima, Peru, in December this year. COP 20 will seek to strengthen agreements in order to conclude with a grand climate agreement in Paris, France, in 2015, that includes binding commitments for states to reduce emissions.

Related Articles

- IDB-INTAL. "Doha Climate Change Summit reduces commitments," in: *INTAL Monthly Newsletter No. 196*, December 2012.
- IDB-INTAL. "The Copenhagen Summit," in: *INTAL Monthly Newsletter No. 160*, November 2009.
- IDB-INTAL. "Climate change: fears over COP 18," in: *INTAL Monthly Newsletter No. 195*, November 2012.
- IDB-INTAL. "Climate Change in Durban: agreements on key issues," in: *INTAL Monthly Newsletter No. 184*, December 2011.

[1] The Green Climate Fund is the main multilateral financing mechanism to support climate mitigation and adaptation actions in developing countries.
[2] See "US$102.5 trillion: the figure we need to invest by 2030 to ensure sustainable economic growth," in the IDB blog, LET'S TALK ABOUT CLIMATE CHANGE.
[3] See "Who promised what at the UN Climate Summit?," in the IDB blog, LET'S TALK ABOUT CLIMATE CHANGE.

Impact assessment

The impact of remittance fee discounts: a Central American study

This article draws attention to a work by Ambler, Aycinena, and Yang (2014) assessing the impact of fee discounts on remittances to two Central American countries.

Considering the contribution made by migrants to their countries of origin, remittances are relevant from an integration and development point of view. As several IDB studies have shown, these transfers are an essential tool in several Latin American and Caribbean countries, and in some account for a large part of GDP, while playing an important role in reducing poverty and promoting development.

The work points out that fees form a fixed amount for remittances up to a certain level, which can represent a high percentage if migrants are sending small amounts. The paper examines the short-term causal impact of discounts on the fees charged when migrants take the decision to send remittances. The authors designed a random experiment in order to avoid problems associated with omitted variables or reverse causality (i.e. whether the sending of larger amounts leads to reductions in fees). They worked with a money transfer company in Washington D.C., and migrants of Salvadoran and Guatemalan origin: half of the sample of the 946 randomly chosen customers was assigned a remittances fee discount for 10 weeks (the treatment group); the remaining half formed the control group. Random assignment ensured there were no significant differences between the two groups before performing the experiment.

The results show that customers in the treatment group sent remittances more frequently, the total of which was higher than that of the control group.

By working with a database of transactions provided by the company, the study avoided problems associated with the use of surveys. Using a rigorous methodology and a specific design, the work shows that fee discounts have a significant impact on the number of shipments and the amounts sent, a conclusion only to be expected. Put another way, it furnishes evidence in favor of subsidy policies to cut remittance cost throughout the region.

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Ambler K, Aycinena D., & Yang D. 2014. "The Impact of Fee Discounts on Remittances: A Field Experiment with Migrants from Central America." April.

Multilateral Investment Fund (MIF-BID). 2011. "Remittances to Latin America and the Caribbean in 2010: Stabilization after the Crisis."

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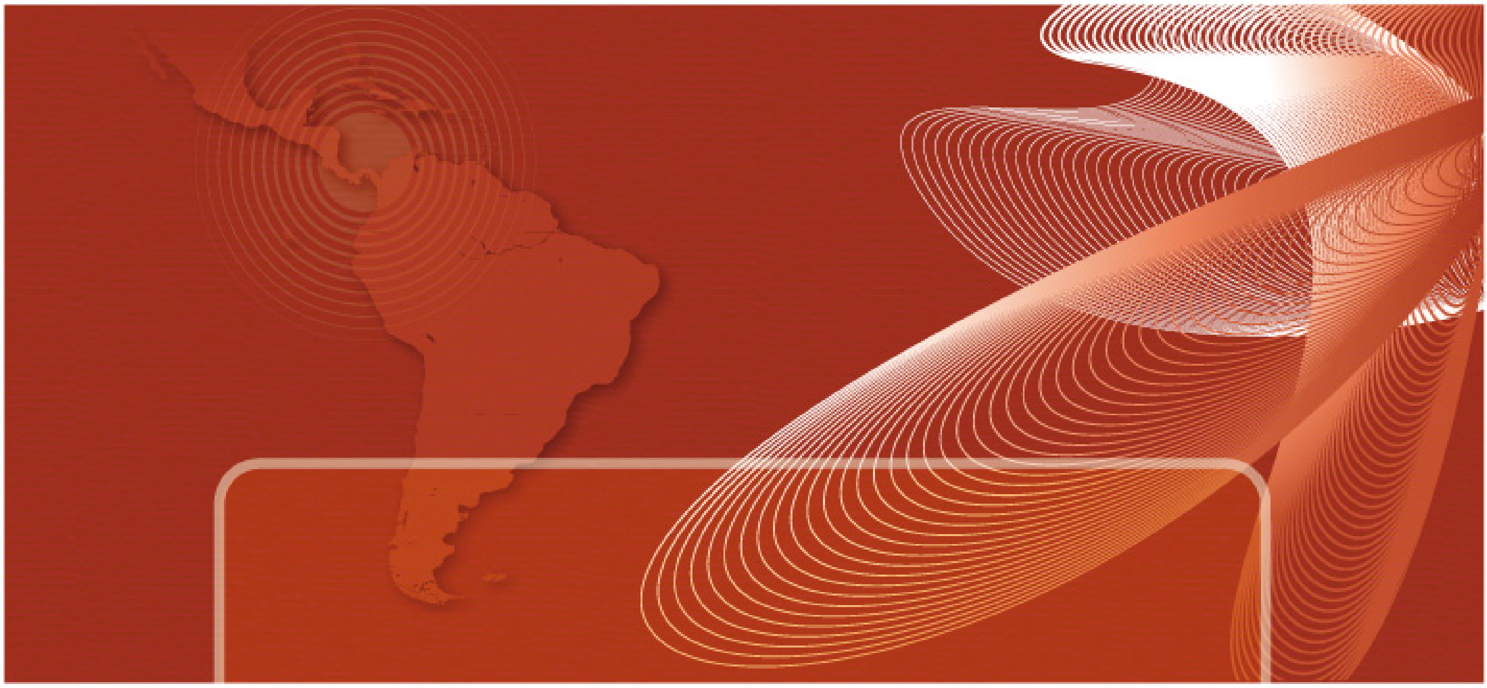
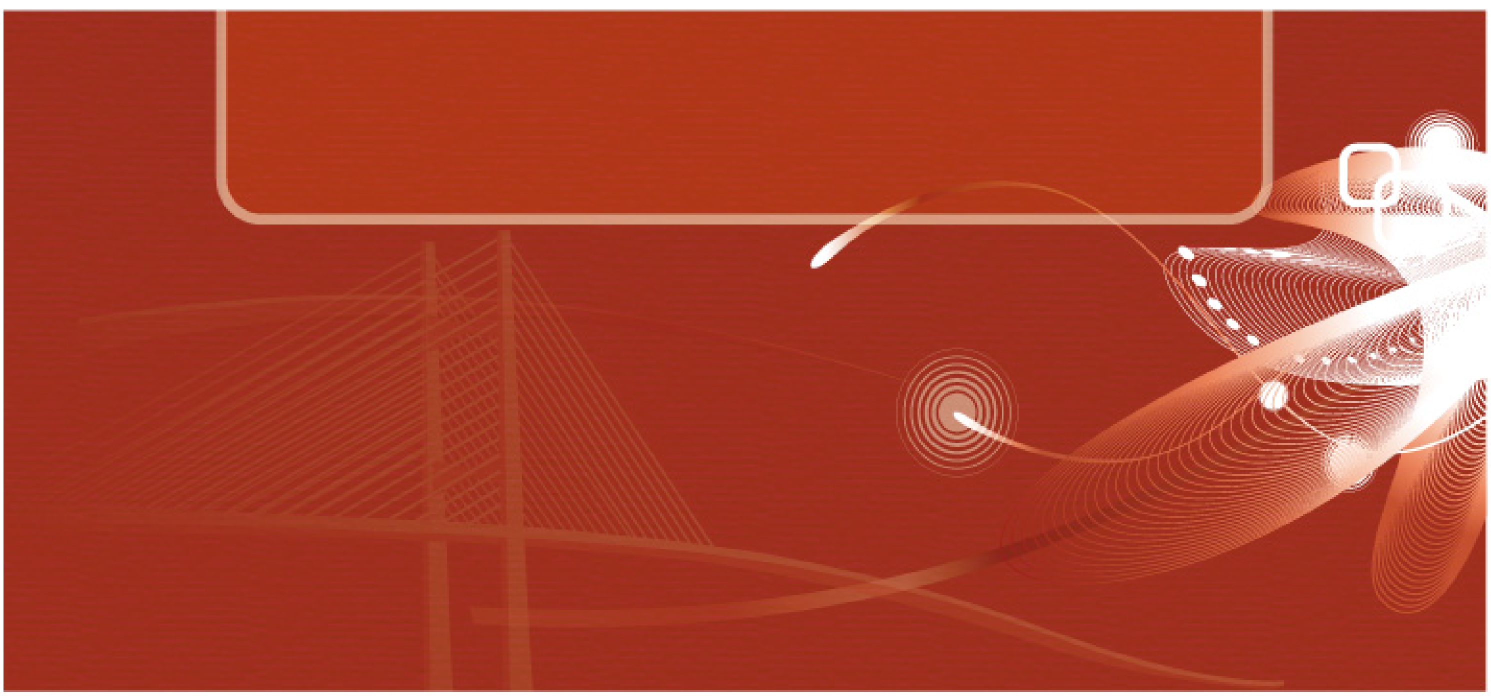


Integration and Trade Sector



Trade and Integration Monitor 2014

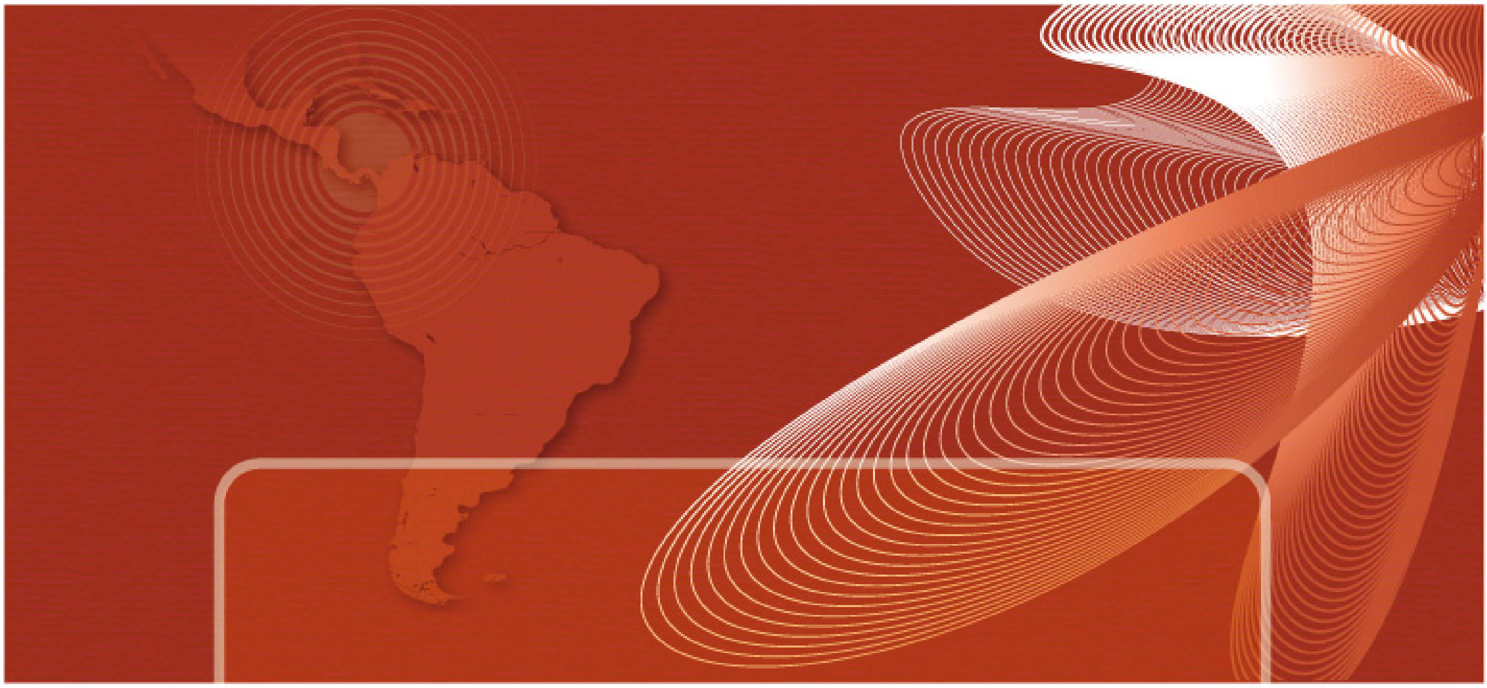
The Inter-American Development Bank (IDB) has published the *Trade and Integration Monitor 2014: "Facing Headwinds: Policies to Support a Trade Recovery in the Post-Crisis Era."*
The report is the result of a research effort by IDB's Trade and Integration Sector, carried out in collaboration with the Institute for the Integration of Latin America and the Caribbean (INTAL).
The work explores the situation of regional exports over the past three years, weakened by a series of variables that have had an adverse effect post-crisis, and addresses the state of trade facilitation measures in existing regional agreements. The *Monitor* also features several trade performance indicators for the 26 member countries borrowing from IDB, as well as profiles of the free trade agreements.

For more information, click on the following links: [press article] and [pdf].

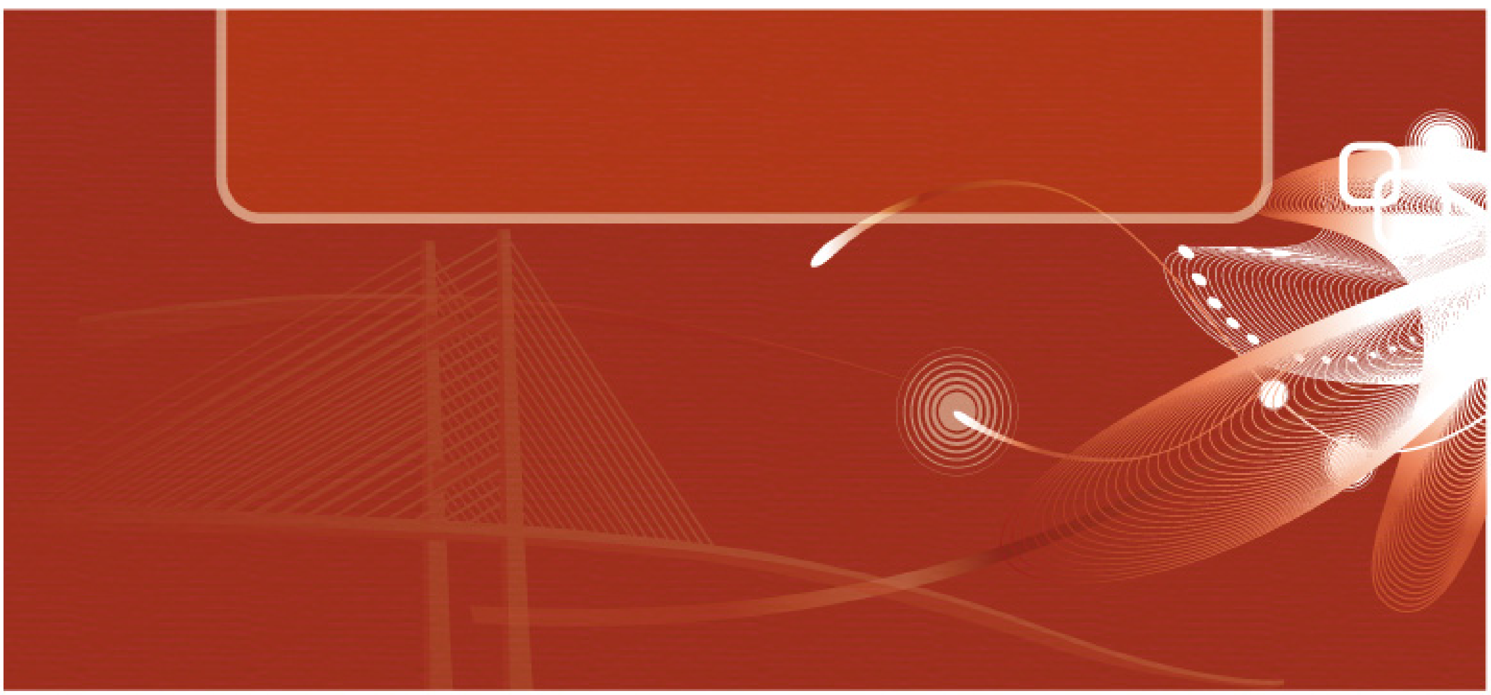
Regional Workshop on Technical Barriers to Trade for Latin American Countries

The Inter-American Development Bank (IDB), through the Integration and Trade Sector (INT) and its Institute for the Integration of Latin America and the Caribbean (INTAL), jointly with the World Trade Organization (WTO) and collaboration from the Brazilian Government, conducted a Regional Workshop in Rio de Janeiro, Brazil, September 15-17, on "Technical Barriers to Trade for Latin America."
The workshop provided participants with the knowledge and skills to reach a clearer understanding of the major policy issues surrounding technical barriers to trade (TBTs) and of the provisions of the WTO Agreement on Technical Barriers to Trade. To this effect, the activity sought the institutional strengthening of the capacity to effectively implement WTO provisions in this area and to participate in the work of the WTO Committee on Technical Barriers to Trade.

For more information, click here.



Other IDB Activities



IDB, EU and Spain reaffirm commitment to renewable and efficient energy in the Caribbean

Representatives of the European Union (EU), the Kingdom of Spain and the Inter-American Development Bank (IDB) today signed a joint declaration reinforcing their collaboration in the field of renewable energy and energy efficiency in the Caribbean. (Link)

IDB selects 16 most innovative startups to take part in Demand Solutions

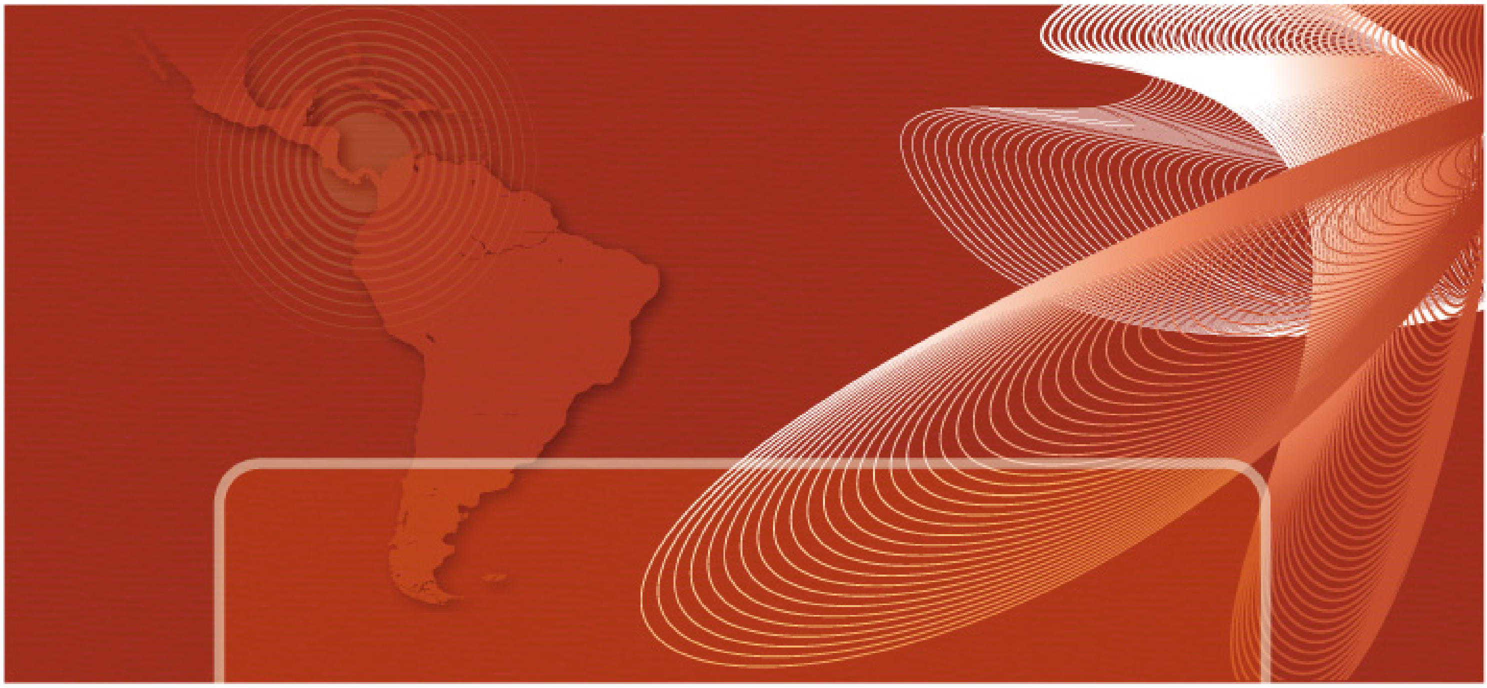
Ideas for Improving Quality of Life, which will be held December 2, 2014 at IDB headquarters, aims to bring together creative minds offering innovative solutions to development challenges around the world. (Link)

IDB study proposes a new generation of productive development policies to boost growth in Latin America and the Caribbean

Report provides conceptual framework to help policymakers transform industrial policies into successful tools to increase productivity. (Link)

Arizona State University and the Inter-American Development join forces to better manage natural and developed resources in Latin American and the Caribbean

Arizona State University (ASU) President Michael M. Crow and Inter-American Development Bank (IDB) President Luis Alberto Moreno met in Washington, D.C. to solidify in a Memorandum of Understanding a water resources-focused partnership that began in 2011. The alliance is expected to apply the data visualization, modeling and simulation methodology of ASU's Decision Theater Network to areas including energy, mining, climate change and emerging cities, among others. (Link)



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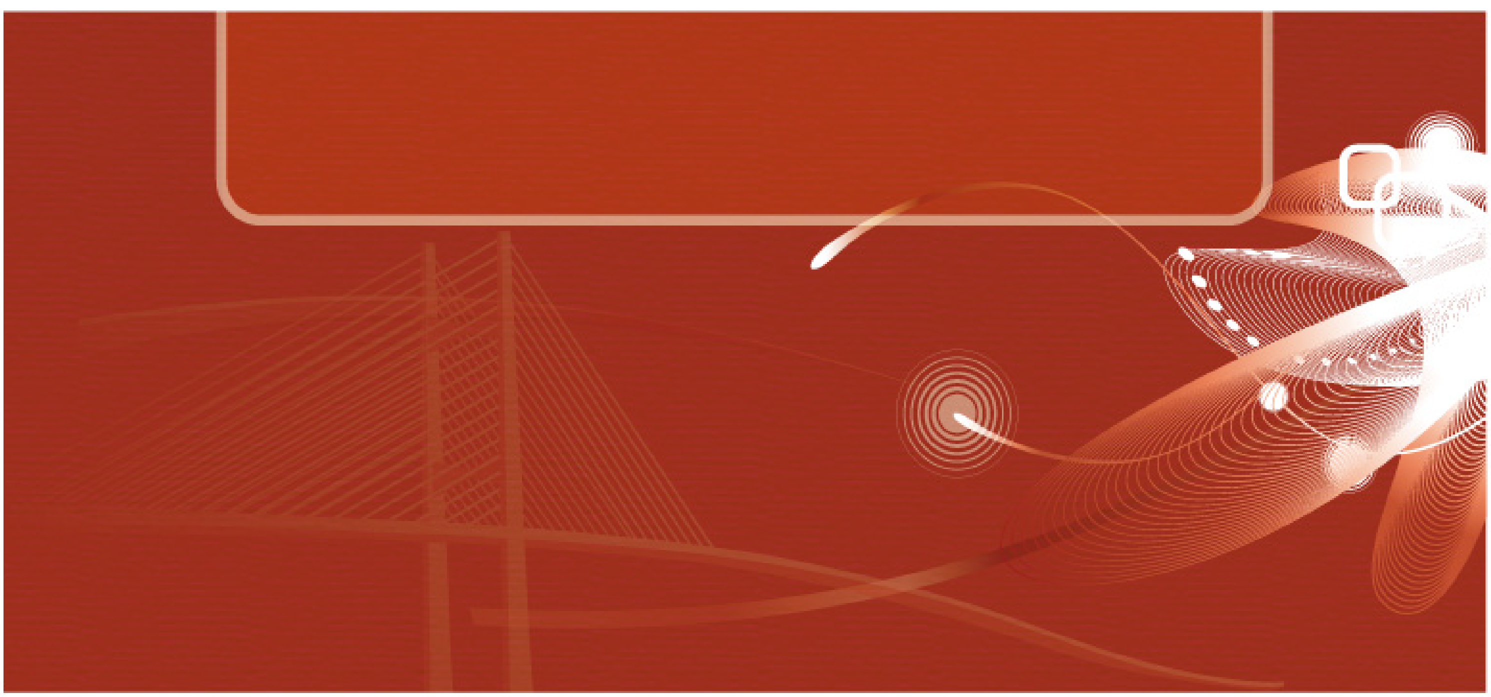

Reviews

Hernández, René A.; Martínez-Piva, Jorge Mario; & Mulder, Nanno (eds.). Global value chains and world trade: Prospects and challenges for Latin America. Santiago de Chile: ECLAC. August 2014. [282 pages]

This book focuses on how the Latin American economies are involved in different segments of global value chains (GVCs), characterized by fragmentation of the productive processes across countries and trade in intermediates. The publication brings together theoretical and empirical work by various authors and tries to answer questions about the impact on the region's share of GVCs in information and communication technologies (ICTs) and the signing of free trade agreements with Northern and Asian countries, as well as the participation of small and medium enterprises (SMEs) in GVCs.

Chapter 1 provides an overview of GVCs at the global level, pointing out that they have been driven by technological change and falling trade costs, especially over the last two decades. It analyzes a series of indicators to gauge the countries' positions within international production networks, making use of a database from the Organization for Economic Cooperation and Development (OECD) in collaboration with the World Trade Organization (WTO), which estimates trade flows in value-added terms.

Chapter 2 stresses that countries in Latin America and the Caribbean (LAC) participate in GVCs in natural resource sectors, extractive industries, and new export-oriented industries. It points out that they face the challenge and opportunity of enhancing their participation in GVCs by shifting toward sophisticated export products and services.

Chapter 3 looks at the impact of SMEs' interaction with larger firms on the possibilities of access to financing, both direct and in terms of improving their capacity for bank credit, either by receiving guarantees or reducing information asymmetries. The research is based on case studies of agribusiness in Argentina, furniture in Brazil, and ITCs in Costa Rica. The work finds that the SMEs links with larger companies improves their access to credit, although the effect is not homogeneous across the various different sectors.

Chapter 4 discusses what elements should be present in programs that seek solutions to the constraints on small and medium agricultural producers participating in value chains, through different projects promoted by IDB's Multilateral Investment Fund (MIF). The restrictions include market access, training, and funding.

Chapter 5 looks at the creation of value chains as a result of the Central American integration process, focusing on the dairy sector. It shows that vertical integration and FDI are an essential link in this chain in Central American countries, a chain that has benefitted from regional integration mechanisms.

Chapter 6 describes a program implemented in Ecuador's cocoa sector and focused on the sustainable management of natural resources with the aim of increasing rural families' incomes.

Chapter 7 focuses on the fragmentation of production in the electronic, automotive, and aeronautics industries in Brazil, and on the implications of productive integration policy in the region.

Chapter 8 assesses the degree of backward linkages in the value chains of Colombian exports to the European Union (EU) and their capacity to generate employment, as well as the possible effects of the partnership agreement between the two parties.

The publication's value lies in a dual focus on Latin America and on SMEs—less widely studied in the literature on GVCs—based on case studies.

On the one hand, being a compilation of contributions from different authors, in some cases the introduction on the role of GVCs in the global economy is repeated, although the variety of approach is enriching.

On the other, Chapter 2 contains a striking description of sectors where the region has a comparative advantage: those linked with natural resources (agriculture, mining, or forestry), as against others, such as manufacturing or services. Considering these activities as traditional, primary, or of low value-added seems to ignore the fact that they currently bring in significant investments in research, development, and leading-edge technology. While the chapter highlights specific cases, such as Uruguay's traceability system for cattle, or copper-related engineering services in Chile, the sector is seen as less suited for improving the region's integration in these GVCs. In contrast, Chapters 4 and 6 highlight the agrifood sector's potential for insertion in GVCs, pointing out the main obstacles and how these may be tackled.

Hernandez R., Martinez-Piva J., & Mulder N. (eds.). (2014). Global value chains and world trade : Prospects and challenges for Latin America. *Santiago de Chile: ECLAC. (link)*

Bibliographic alert

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Monthly Highlights

*The Complete Issue. (2014). Integration and Trade. 18(38). p. 1 -156.

Título: The Complete Issue
Otros responsables: Instituto para la Integración de América Latina y el Caribe, INTAL
Serie: Integration and Trade (2014) ; 18 (38) : p. 1-156
Temas: ‹ACCESO A LA INFORMACION›‹ACUERDOS SOBRE MEDIDAS SANITARIAS Y FITOSANITARIAS, MSF›‹ADUANAS›‹ARMONIZACION DE POLITICAS›‹ASPECTOS SOCIALES›‹BARRERAS COMERCIALES›‹COHESION SOCIAL›‹COMERCIO BILATERAL›‹COMERCIO INTERNACIONAL›‹COMPETITIVIDAD›‹COOPERACION POLITICA›‹COOPERACION REGIONAL›‹ECONOMIAS REGIONALES›‹EMPRESAS›‹ESTADISTICAS›‹ESTUDIOS DE CASOS›‹EXPORTACIONES›‹FACILITACION DEL COMERCIO›‹INFRAESTRUCTURA›‹INFRAESTRUCTURA DEL TRANSPORTE›‹INTEGRACION FISICA›‹INTEGRACION FRONTERIZA›‹LEGISLACION ADUANERA›‹NARCOTRAFICO›‹PASOS DE FRONTERA›‹POLITICA COMERCIAL›‹POLITICA DE DESARROLLO›‹POLITICA FISCAL›‹POLITICA REGIONAL›‹POLITICAS PUBLICAS EN GENERAL›‹REGIONALISMO›‹SECTOR PUBLICO›‹SEGURIDAD INTERNACIONAL›‹TECNOLOGIAS DE LA INFORMACION›‹TERRORISMO›‹TRANSPORTE DE CARGA›‹TRANSPORTE POR CARRETERA›‹TURISMO›
JEL: A13; C1; E62; F; F1; F13; F15; F2; F5; F52; H1; H54; L9; L91; L92; O1; O18; O4; O54; R1; R11; Y3; Y10
Geográficos: ‹AMERICA LATINA›‹CARIBE›‹ARGENTINA›‹BOLIVIA›‹CHILE›‹COLOMBIA›‹COSTA RICA›‹ECUADOR›‹ESTADOS UNIDOS›‹MEXICO›

Resumen: Tariff barriers have diminished substantially in recent decades as a consequence of multilateral trade negotiations and regional free trade agreements. In this context, other trade obstacles have taken on greater relative importance. Such is the case of domestic and international transport costs (see, for example, Mesquita Moreira et al., 2008; and Mesquita Moreira, 2013). These obstacles are not limited to those associated with physical infrastructure and corresponding regulations, but include those related to public interventions different from tariffs and non-tariff measures with an equivalent effect. In this respect, government control actions on international trade transactions stand out. These actions can result in an increase in shipping times for goods and, consequently, of trade costs. Recent studies suggest that border crossing costs can represent up to 15 per cent of the value of marketable goods, and that 75 per cent of delays observed at border crossings can be attributed to inefficient processes (United Nations Economic Commission for Europe - UNECE). These costs can significantly affect trade levels and patterns. Available evidence indicates that each additional day of delay can reduce trade by over 1 per cent, and in the case of time-sensitive products -especially those subject to quarantine controls- the impact can be up to 7 per cent (see, for example, Djankov et al., 2010; Hummels & Schaur, 2013; Volpe Martincus et al., 2014). The abovementioned costs are particularly relevant due to the process of spatial fragmentation of production which has taken place in recent decades and the spreading of practices such as just-in-time manufacturing and lean retailing ...

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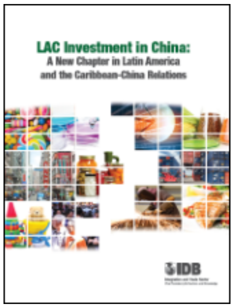
*Estevadeordal, A., coord.; Mesquita Moreira, M., coord. y Kahn, T., coord. (2014). LAC investment in China : A new chapter in Latin America and the Caribbean-China relations. Washington: BID.



Autor: Estevadeordal, Antoni, coord.; Mesquita Moreira, Mauricio, coord.; Kahn, Theodore, coord.
Título:LAC investment in China : A new chapter in Latin America and the Caribbean-China relations
Edición: Washington: BID, september 2014 [39 p.]
Temas:‹EMPRESAS›‹ACCESO A LOS MERCADOS›‹ECONOMIA INTERNACIONAL›‹COMERCIO INTERNACIONAL›‹RELACIONES COMERCIALES›‹INVERSION EXTRANJERA DIRECTA, IED›
JEL:F15; F21; F23; O54
Geográficos:‹AMERICA LATINA›‹CARIBE›‹CHINA›

Resumen: This current study considers a large sample of LAC firms and analyzes in more detail how their strategies follow distinct patterns in different sectors. In doing so, we shed new light on how firms in the region have come to establish themselves in the Chinese market and draw policy recommendations for supporting private sector initiatives to penetrate the Chinese market. This report takes one step further in trying to fill a gap in our understanding of a potentially important avenue for achieving a more balanced LAC-China economic relationship. It proceeds as follows. Part I gives a brief macro overview of LAC-China trade and investment. The following section analyzes the presence of Latin American firms in China using an original dataset of 98 firms from the region and presents a typology of internationalization strategies employed. To conclude, Part III offers policy recommendations for supporting the private sector's efforts to enter the Chinese market, and area of increasing interest among LAC governments.

Nota de contenido:

Accesos al documento:334.7 / EST-LAC / 2014
Documento Electrónico. texto completo. Si no pudo acceder haga click aqui

*Cordero, M. (2014). Logística y facilitación del comercio entre la Comunidad del Caribe y Centroamérica. Santiago de Chile: CEPAL.

Autor: Cordero, Martha
Título: Logística y facilitación del comercio entre la Comunidad del Caribe y Centroamérica = Logistics and trade facilitation between CARICOM and Central America
Edición: Santiago de Chile: CEPAL, julio de 2014 [31 p.]
Serie: Documento de Proyecto; 612
Temas: <FACILITACION DEL COMERCIO><RELACIONES COMERCIALES><NEGOCIACIONES COMERCIALES><ACUERDOS DE COMPLEMENTACION ECONOMICA><COOPERACION REGIONAL><BARRERAS COMERCIALES><CARIBBEAN COMMUNITY, CARICOM>
Geográficos: <CARIBE><AMERICA CENTRAL>

Resumen: El presente artículo tiene como objetivo analizar los avances y los retos en las relaciones comerciales entre la CARICOM y Centroamérica. En una primera parte, se destaca el aumento en la dinámica comercial entre ambas regiones, sus avances en materia de inversión, así como sus complementariedades económicas y sus acercamientos institucionales y de negociaciones comerciales. Seguidamente, se pone énfasis en los elementos que frenan una mayor dinámica comercial y de inversión entre la CARICOM y Centroamérica. Entre estos elementos se encuentran las altas protecciones arancelarias existentes en los países de la CARICOM, la baja disponibilidad de rutas de transporte y sus altos costos, la heterogeneidad en la política de concesión de visado, así como los costos relacionados con el comercio transfronterizo. Adicionalmente, se hace un somero acercamiento a la ayuda que estos países reciben para el comercio y el desarrollo, enfatizando en los proyectos relacionados con la facilitación del comercio. Ambas regiones tienen una potencialidad para beneficiarse mutuamente a través de una complementariedad económica, no obstante se requieren hacer avances conjuntos para atenuar los elementos que restringen su comercio.

Nota de contenido:

Accesos al documento: HM CEPAL-DP 612 [2014]

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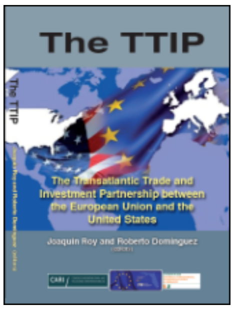
English version. Si no pudo acceder haga click aqui

*Roy, J., ed. y Domínguez, R., ed. (2014). The Transatlantic Trade and Investment Partnership between the European Union and the United States. Miami: University of Miami.



Autor: Roy, Joaquín, ed.; Domínguez, Roberto, ed.
Título: The Transatlantic Trade and Investment Partnership between the European Union and the United States
Edición: Miami: University of Miami, 2014 [270 p.]
Temas:<INTEGRACION ECONOMICA><ACUERDOS DE LIBRE COMERCIO, TLC><UNION EUROPEA, UE><RELACIONES ENTRE BLOQUES><POLITICA COMERCIAL>
Geográficos:<EUROPA><ESTADOS UNIDOS>

Resumen: The Transatlantic Trade and Investment Partnership (TTIP) is the agreement currently under consideration between the European Union and the United States. It has the objective of removing trade barriers, tariffs and other restrictions on economic exchange between the two formidable blocs. The plan is nothing new. In effect, it can be traced back to the beginning of the EU and its relations with the US. It has been the subject of discussions and research on both sides of the Atlantic. Today, the EU-US economic relationship accounts for more than 30 percent of global trade in goods and 40 percent of global trade in services. The two actors are each other's main trading partners for goods and services, and together they control the largest bilateral trade relationship in the world. The overall transatlantic workforce is estimated to be 15 million workers - about half in the US and half in the EU - who owe their jobs directly or indirectly to companies across the Atlantic. The two economies also provide each other with the most important source for foreign direct investment. In fact, the US invests three times more in Europe than in all of Asia combined. This volume studies the plan of the TTIP in depth and points out the impact on other regions of the world. It also discusses similar alliances made by the two partners.

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