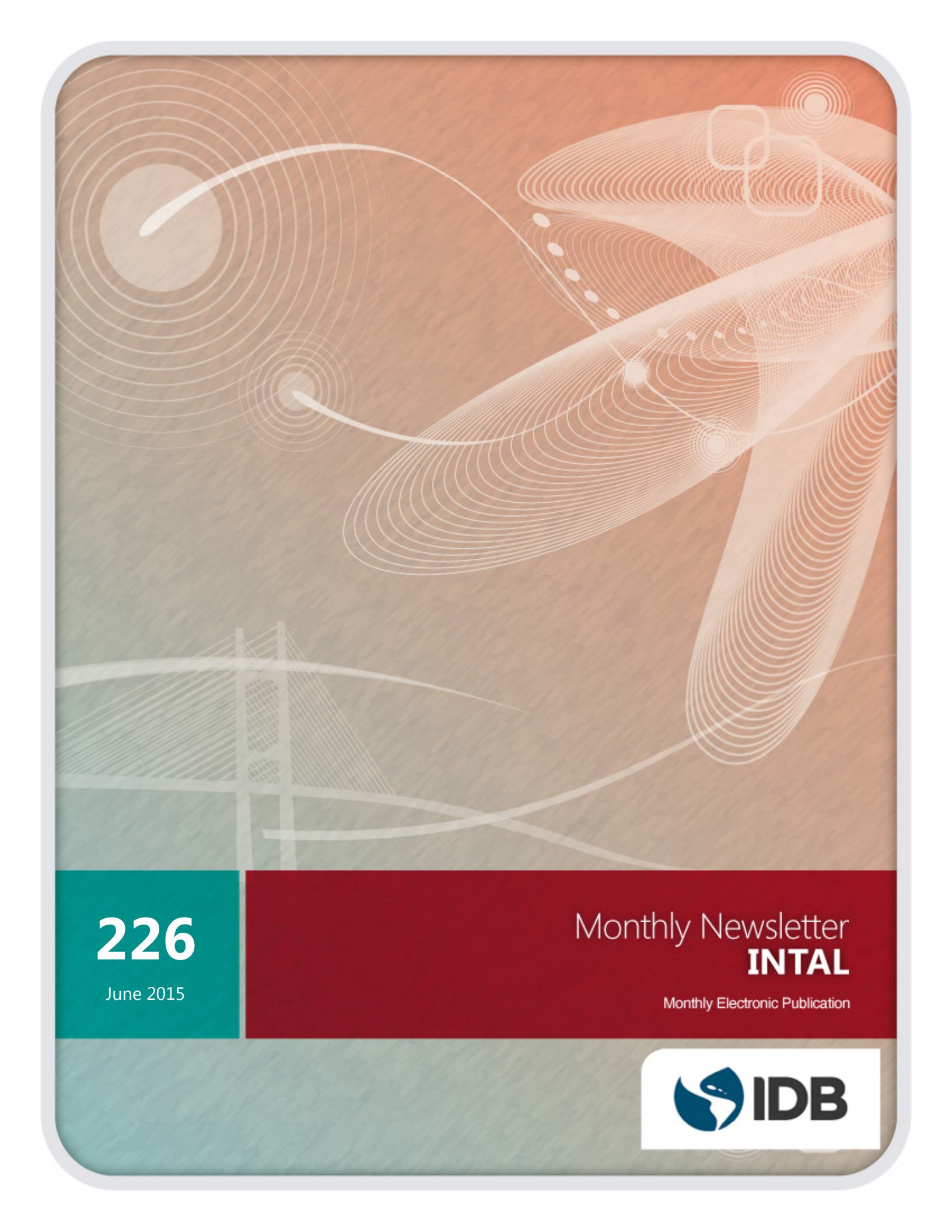




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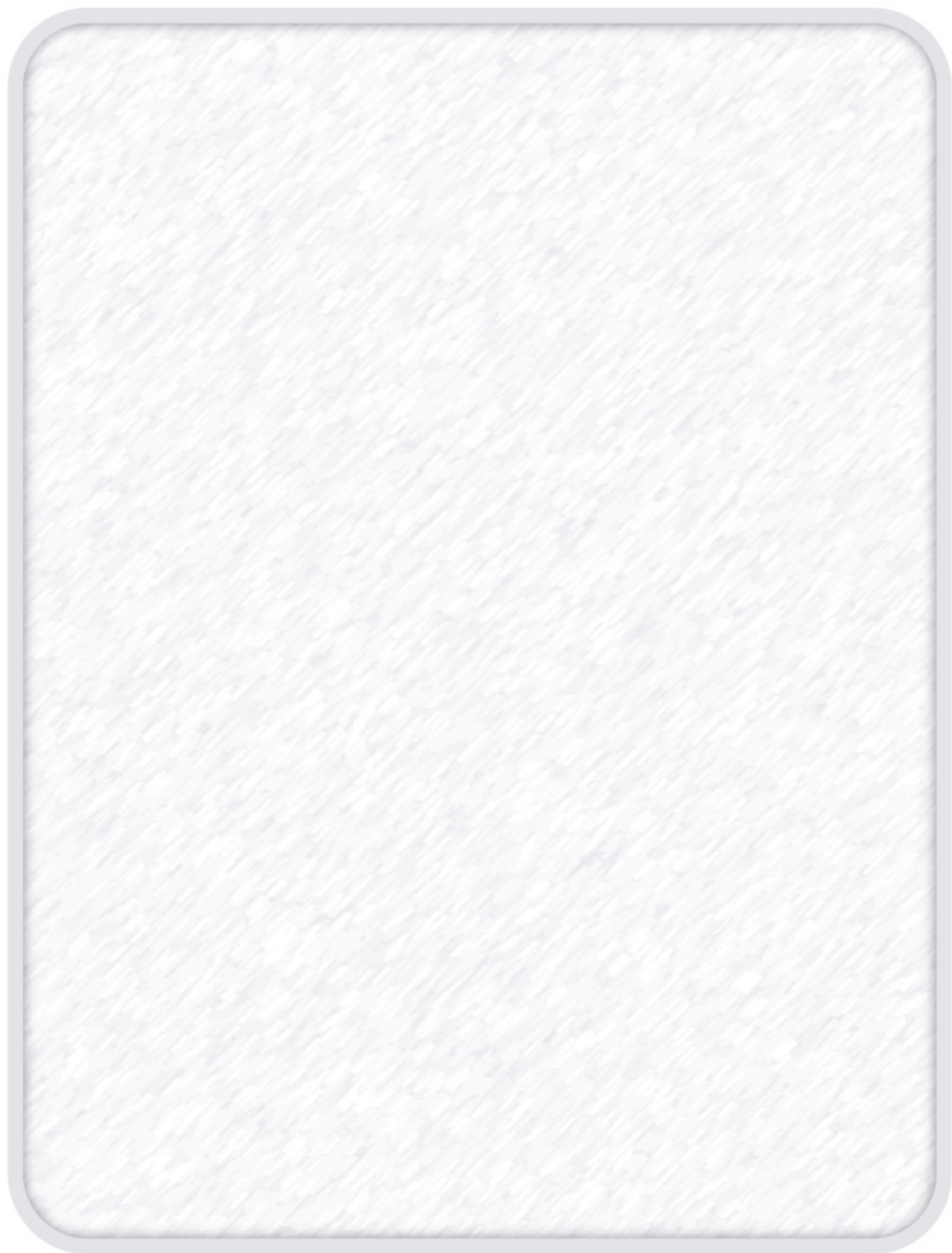


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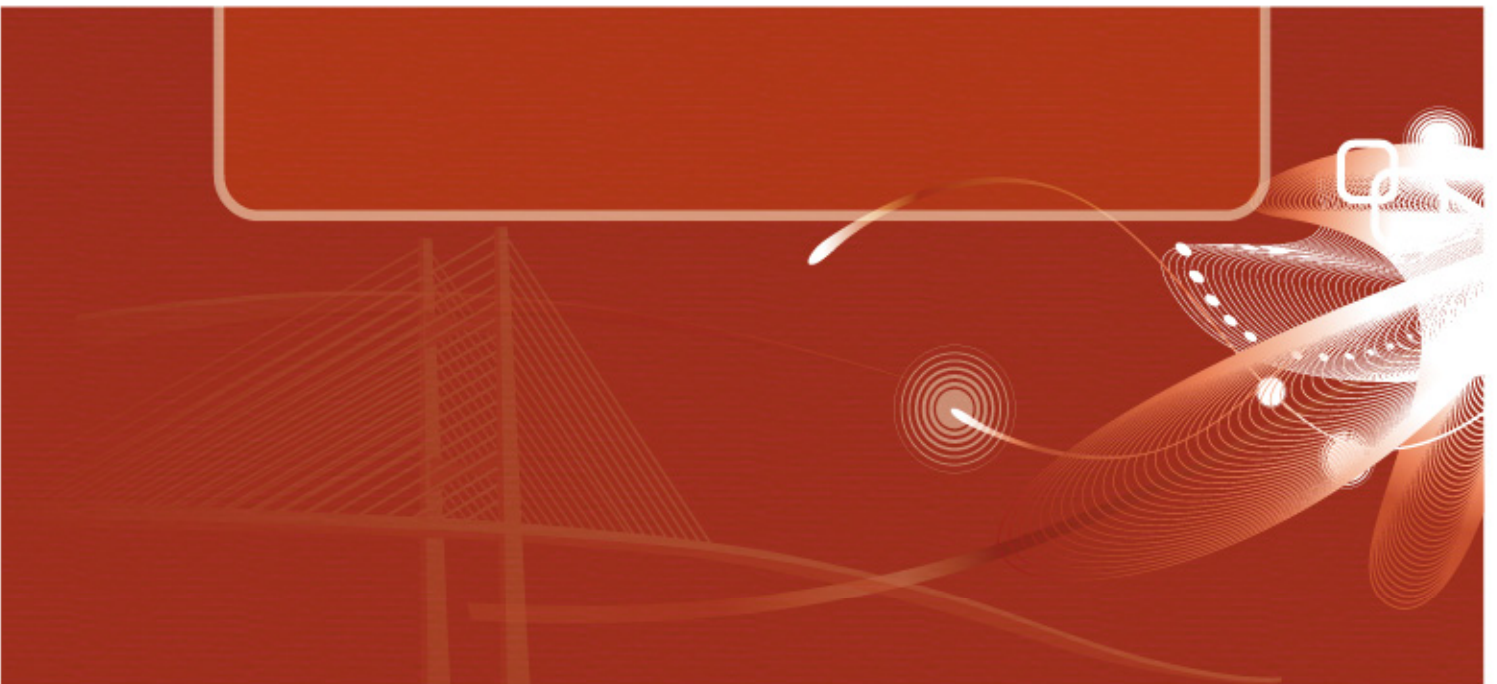
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Analysis Column





INTAL turns 50. Agrifood and Biotechnologies: The Potential of a New Productive Border

As part of its 50th Anniversary activities during 2015, the Institute for the Integration of Latin America and the Caribbean (INTAL), in conjunction with the Buenos Aires Interdisciplinary Institute for Political Economy of Buenos Aires (IIEP-BAIRES) of the University of Buenos Aires (UBA), has organized a series of four international seminars for 2015 under the heading “Productive Potential and Regional Export Performance: Policies and Business Strategy for External Positioning.”[1] The third in the series, “Agrifood and the bioeconomy: The potential of a new productive border,” was held at the Faculty of Economic Sciences at the University of Buenos Aires ([agenda](#)), May 27. The seminar provided an excellent opportunity to really think about bioeconomy as a “green industry” with enormous potential for some countries in Latin America. It stressed the leap in agribusiness output of several Southern Cone countries after a truly major technological transformation with positive impacts on the economy. Against this background, the experts stressed that agriculture must be regarded as a sector of biological transformation and industrialization with innovative network interactions, in contrast to the idea of “primary” in its usual sense. Linked to this, it stressed the need for convergence in agricultural and health policies in MERCOSUR, as well as the region’s countries’ broad integration in the world by participating—preferably jointly—in international negotiations for market access, taking advantage of the fact that together they constitute the main agricultural exporters. It also highlighted the need for trade facilitation and improvements in infrastructure and logistics.



At the opening of the seminar, IIEP-BAIRES Director **Daniel Heymann** stressed the importance of the subject matter under discussion for macroeconomic sustainability and the potential for growth

in the economies of Latin America, while Senior INTAL Economist **Alejandro Ramos** stressed that the region's international integration is framed in a global context of uncertainty and open questions. After the opening remarks, the seminar consisted of two panels moderated by Ricardo Carciofi of IIEP-BAIRES. The first panel, made up by Pedro Marcelo Arias of the United Nations Food and Agriculture Organization (FAO), José Botafogo Gonçalves of the Brazilian Center for International Relations (CEBRI), and Gonzalo Souto, an agricultural expert from the Eastern Republic of Uruguay, focused on the **global and regional agricultural outlook**.



The [presentation](#) by **Pedro Marcelo Arias** referred first to medium-term *agricultural prospects*, pointing out that the price elasticity of agricultural supply is high and that investment responds significantly to good prices. In comparison with previous years, the prices of agricultural commodities in 2015 are at low levels and, looking ahead, the fundamentals suggest a bearish scenario, with uncertainty about the possibility of extreme weather events driven by climate change. Furthermore, the additional consumption and production of meat will be dominated in the future by poultry farming, and also by fish due primarily to the development of aquaculture, which will far outstrip catch fishing. Second, he described the principles of *responsible* agricultural investment. Third, he referred to *family farming* and the link with poverty reduction and food security.

The talk by **Jose Botafogo Gonçalves** focused on a comparison of experiences between Argentina and Brazil in order to explore the real possibilities of agricultural integration in MERCOSUR, characterized historically by the existence of parallel paths without convergence. First, he pointed out that the agriculture sector has been the main driver of economic growth and development in both countries, which has brought in external resources and helped to finance domestic production in other sectors. Second, he noted the adoption in the past of *import substitution industrialization (ISI)* policies focused on growing the domestic market and high levels of protection with a degree of rivalry between the two countries: due the size of its territory and population, Brazilian industry was more developed, while Argentina feared a “Brazilian invasion” of industrial goods and supplied it with certain agricultural products, such as wheat and meat. Such interindustrial trade currently takes place with China.



Third, he emphasized the role of the *technology incorporation in the agricultural sector*. In Brazil, the creation of the Brazilian Agricultural Research Corporation (EMBRAPA), the cooperation with Japan, the expansion of the agricultural frontier, and the transfer of technology from Argentina brought about an agricultural revolution. In Argentina, the sector is more developed and has made enormous progress since the incorporation of science, technology, and management.

Fourth, he emphasized that in both countries *the industrial sector is losing competitiveness and dynamism* because the process of inward growth is non-sustainable and stressed the need for greater integration in the global economy and in global value chains (GVCs).

He pointed out that the reduction of Brazilian industry's share in GDP and the greater dependence on agricultural exports is often called "primarization." However, he demonstrated the lack of rigor of this terminology, since agricultural production is not necessarily "primary," occurring as it does, for example, in the framework of a vast technological transformation of rural Brazil. In the context of global and industrial crisis, food and agricultural exports have sustained foreign sales in the country. A peculiar feature of Brazil, unlike Argentina, is that there has been no State intervention in agricultural markets, and this has had positive effects. He concluded that there was a need to exit parallelism and move toward convergence through *a positive bilateral agenda between countries or in MERCOSUR* in terms of:

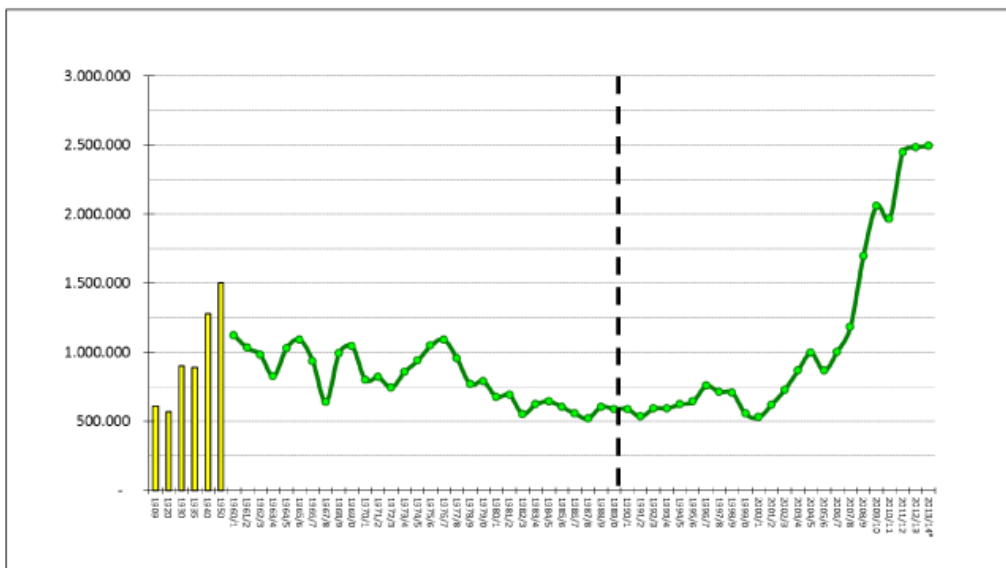
- Agriculture and health policies;
- The incorporation of technology and innovation in agricultural activity;
- Investment in logistics;
- Joint trade negotiations of the Southern Cone countries leading to efficiency gains;
- Eliminating the idea of "prevalence" and promoting the commercialization of the industrial agricultural product;
- "MERCOSUR is not enough," so there is a need to modify the ideas of regional integration with a far broader outlook, incorporating South America;
- Associating agricultural investments with energy production, based on the enormous potential for non-renewable energy generation.

In summary, he urged that MERCOSUR be rebuilt on the two pillars of agriculture and energy, with joint efforts to ensure environmentally sustainable food production.

Gonzalo Souto's [presentation](#) centered on the major transformations of the agricultural and agribusiness sector in Uruguay in the past 25 years, characterized by increased production and productivity, innovation and technical change, and the planted area, which contrast with the previous stagnation (Figure 1).

Figure 1: Annual crop surface in Uruguay

In hectares



Source: Presentation by Gonzalo Souto.

The speaker commented on the changing composition and destination of exports: the loss of relevance of animal products (meat and leather) and the falling share of the European market (first MERCOSUR grows, then Asia). At present, external agribusiness sales are more diversified, including not only livestock (beef, wool, leather), but mainly crops (soybean, wheat, barley, rice) and forestry (pulp for cellulose and boards). In line with the dynamism of agricultural GDP, land prices rose, services linked to agriculture (rural contractors, logistics, technical assistance) were developed, and international trade in agrochemicals (herbicides, insecticides, fungicides, etc.) grew. The area devoted to the agricultural and forestry sectors, and the production of cereals and oilseeds increased. Production also grew, with a process of concentration due to the need for minimum scales. Beef production showed great dynamism in the 1990s, reaching an export high in 2006.

Among the *external factors* driving this momentum was the hike in commodity prices and technological developments for agricultural production. Among *internal factors*, he drew attention to the framework of appropriate policies, working in favor of the business environment, the availability of natural and human resources, available idle infrastructure capacities, and investment, innovation, and technical change. In particular, he pointed out that the trend toward openness and deregulation of the economy remained as State policy, with nuances across administrations. In this sense, he highlighted the role of *MERCOSUR membership as a huge catalyst*

for the agribusiness agricultural sector, as well as deregulation in the land market and the investment promotion act. There have been other positive elements, such as a neutral cross-sector tax policy, notably the export tax ban, a successful health policy (in foot-and-mouth, traceability), the design of a regulatory framework for biosecurity, and the promotion of the forestry sector. Among the *challenges*, he underlined the real appreciation of currency.

Among *positive impacts*, he pointed to the changes in the composition of agricultural production and the form of producing (Argentina's learning), business models and types of company, and employment in agribusiness chains, due to the increase in demand for services (inputs, financial, commercial, contractors, logistics, technical assistance). Among the *challenges*, he pointed to the impacts of productive intensification on the environment and implemented policy responses, such as plans for soil use and management, and waste management. Last, he observed that the local challenge faced with the *prospect* of a less favorable external scenario is to promote competitiveness through market access and diversification, the reduction of internal costs (exchange rate, fuels, wages), the need to train human resources and to improve road and port infrastructure.

The second panel focused on **productive potential and the window of opportunity for agrifood in the region**. It was moderated by Rodolfo Rossi of the Argentine Soybean Chain Association (ACSOJA), Martin Piñeiro of the Agricultural Affairs Committee of the Argentine Council for International Relations (CARI), Gustavo Idígoras of Agribusiness and International Negotiations, Faculty of Agronomy, University of Buenos Aires (FCA-UBA), and Roberto Bisang of IIEP-BAIRES.



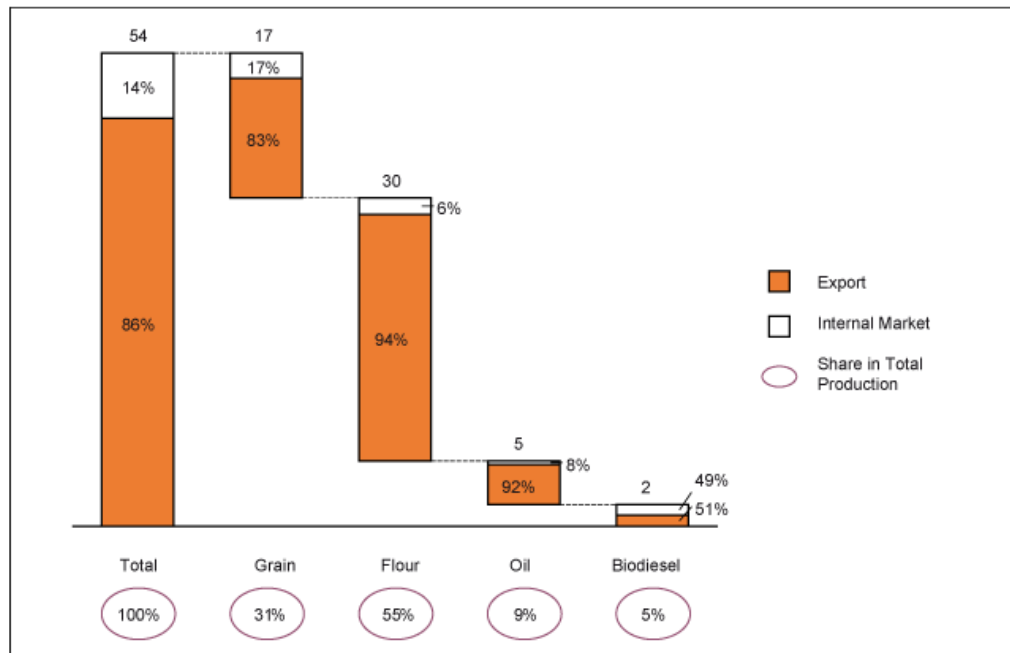


The [presentation](#) by **Rodolfo Rossi** referred first to the *competitiveness* of the soybean chain in Argentina, based on a leading-edge technological package (with the best varieties adapted to different areas), an efficient metallurgical industry, temporary storage systems (silobags), precision agriculture and direct seeding, which contributes to the reduction of carbon dioxide emissions and qualified human resources for the various stages of production. He stressed that the boom in grain production had an enormous impact on the country's interior, and on regional employment and tax revenue. He also stressed that agribusiness is modern, efficient, and internationally competitive, based on economies of scale, with an efficient waterway for transportation, and productive diversification. Second, he underlined its main *weaknesses*: underutilized processing industry capacity, the need for better roads, inadequate energy production for the chain's requirements, low funding, exclusion from the temporary admission regime that facilitated Paraguayan soybean processing, ignorance in civil society of the sector's benefits, and the need for a regulatory framework concerning intellectual property to encourage investment in seeds and biotechnology. Third, among *opportunities* he underlined the rising world population, the ability to contribute to reducing malnutrition, the sustained demand for vegetable meal for animal feeds, and the growing demand for biofuels. Fourth, among *threats* he showed the degradation of soils from the lack of rotation due to a disproportion between soy and corn arising from internal factors, such as the Register for Sworn Statements of Foreign Sales (ROE)[2] and export duties to discourage exports of corn. He also pointed up reduced competitiveness due to fiscal and foreign trade policies, the loss of markets due to non-certification of sustainability (biofuels), tariff and non-tariff barriers (NTBs), and the atomization of demand among a handful of actors.

In relation to *soybean production and international soybean trade*, he stressed the importance of the MERCOSUR countries and Bolivia as global exporters, jointly with United States. On the other hand, he emphasized that an increase in world demand is forecast, driven by *China*. Unlike other products (corn, wheat, rice), the Asian country is not replacing soybean imports with domestic production, but it does favor its oilseed industry through internal stimuli, tariffs, and NTBs. For its part, in *Argentina* soybean production has grown significantly (reaching a record 60 million tonnes in 2015), due both to greater surface area and better yields through the application of biotechnology. Most of the output is exported with high levels of processing, such as flour, oil, and biodiesel (Figure 2). However, while 46% of soybean production in United States is turned into animal protein (avian, porcine, bovine), in Brazil the proportion is 26% and in Argentina just 4%. A major challenge is that, the greater the degree of processing, the greater the barriers to trade, such as those imposed by the European Union in the case of biodiesel. Among the chain's main *concerns* are the need for better infrastructure, the erosion of competitiveness due to higher internal costs, and the absence of MERCOSUR at the negotiating table for so-called trade "mega-agreements."

Figure 2: Destination of Argentine soy production, 2014

In millions of tons and as percentage



Note: Figure translated. Source: Presentation by Rodolfo Rossi.

Against this background, the adoption of *responsible soy* production principles involves good agronomic practices for sustainability, and labor and social issues. On the other hand, supplying the future demand of poultry and pig meat requires greater soybean production, and *genetic improvement and biotechnology* are fundamental. It is necessary to achieve better yields, using fewer inputs and less land. Therefore biotechnological events of drought tolerance are relevant, as are efficient water use, thermal stress and disease tolerance. In this field, United States is the leader in the ownership of new genes from genetically modified organisms (GMOs), and the largest adopters are the countries of the Southern Cone. From a demand point of view, approval in the EU is slow in coming, while China is betting on transgenics, but there are administrative barriers before approval in the country of origin.



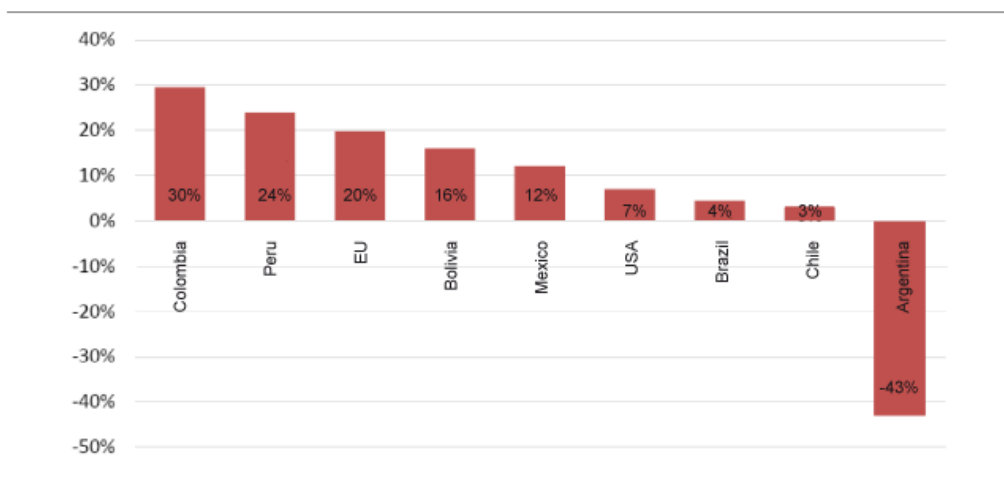
Martin Piñeiro's [presentation](#) highlighted, first and foremost, the extraordinary growth of *Argentina's agricultural output*, pointing to the incorporation of technology and the huge scale of productive transformation, with a change in the business model and technologically advanced, modern, qualified agricultural entrepreneurs. He focused on the definition of the *bioeconomy* or “green industry” as the full utilization of biological resources and processes for the production of goods and services. He underlined its five sources of growth:

1. Sustainable intensification;
2. Expansion of the agricultural frontier: land incorporation and irrigation water use;
3. Adding value;
4. Non-food uses: biofuels, plastics, medicines;
5. Production of inputs and industries supplying agricultural production: biotechnology, agricultural machinery, chemicals.

In this sense, the bioeconomy is a large and complex sector with great potential, and provides huge opportunities, albeit with certain obstacles in Argentina. First, he pointed to the need for a cultural change to recognize *the bioeconomy as a sector with potential as a development tool*. He showed the high vulnerability that exists in Argentina compared with other countries (see Figure 3). The product support estimate (PSE) is -43 %, which shows, on the one hand, that it is highly competitive and, on the other, that it is unsustainable given the fall in international prices evident in a sector in crisis and facing problems such as stagnation of the planted area and production, high levels of indebtedness, and the potential inability to repay debts. Why does Argentina have these policies? They originate in ISI, which restricted external purchasing in order to protect internationally uncompetitive industry, and are based on a concept of economic development associated with industrial development. However, a different development strategy has to be imagined, moving toward knowledge-intensive industries like biotechnology. An interesting model is Finland, with industries based on timber, pulp, and forestry machinery.

Figure 3: Estimated support to agricultural producers in selected countries, 2011

As percentage of sector's gross income



Note: Figure translated. Source: Presentation by Martin Piñeiro, based on Regúnaga & Tejeda Rodríguez (2015) and Malarin (2012).

Second, he focused on *international insertion and trade negotiations*, from the perspective of the bioeconomy. He highlighted the weakening of multilateralism and the rise of regionalism, where MERCOSUR's participation is extremely limited. Agreements are not required to export *commodities*, but they are in order to export processed products, which require negotiations on health and quality, not only through tariff reduction.

Third, he stressed that, given Argentina's size, it is not in its interests to negotiate alone, but to *line up with the MERCOSUR countries*, with similar outputs and interests. He stressed the fact that, together, the four founding members are the first or second largest exporter of several agribusiness products (the leading exporter of beef, poultry, soybean, soybean oil, oilseed meal, sugar, coffee, etc., and the second most important in meat preparations, peanuts, sunflower and corn oil), giving them enormous bargaining power, which is underutilized. Harmonization of sanitary standards, trade facilitation, and improvements to physical infrastructure for intraregional trade are required if this potential is to be harnessed.



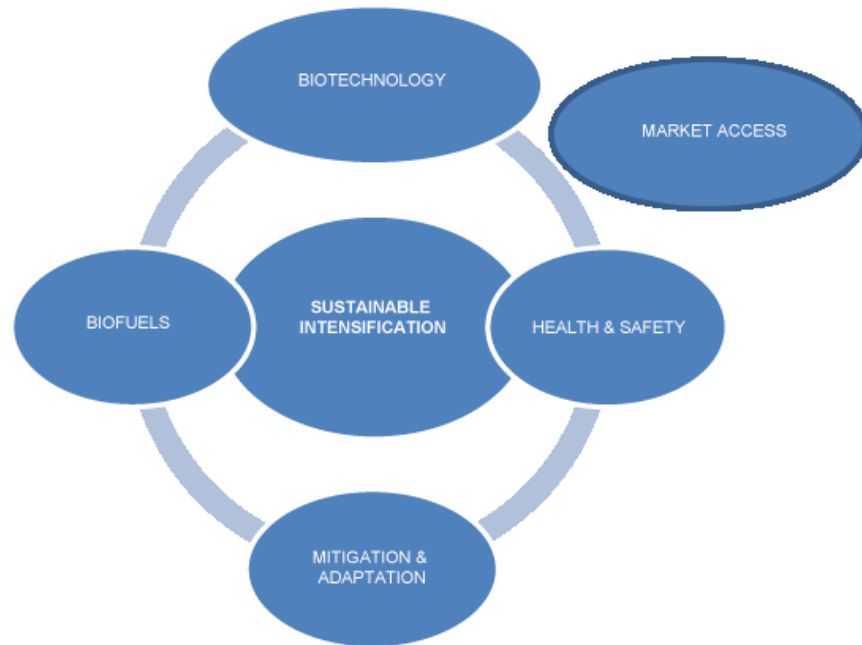
He concluded that any development strategy must include *integration to the world*, since the stage of inward growth is exhausted. Due to the very fact of global change, technology requires large markets, modernization, and internationally competitive sectors.

The [presentation](#) by **Gustavo Idígoras** focused on agribusiness and international negotiations. Among the various driving forces and actors on the multipolar international scene, he highlighted the US-China axis. Faced with the deadlock in the WTO negotiations and the progress in the mega-agreement negotiations, he underlined the need for a change of strategy by Argentina. Moreover, given the importance of retailers as the new player on global food markets, he called not only for negotiations between States, but also for the consideration of *private standards*, which tend to be more demanding than the rules negotiated in regional or multilateral agreements. He stressed that the bioeconomy is an opportunity that should be taken, but that it involves four challenges associated with “sustainable intensification” (Figure 4).

1. *Biotechnology*: The importance of the regulatory framework for the recognition of the intellectual property (transgenesis and others).
2. *Health and safety*: The presence of antibiotics or contaminants blocks market access, and both Argentina and MERCOSUR’s ability to work around this is poor.
3. *Climate change mitigation and adaptation*: The effects of agriculture, livestock, and subsequent processing practices are MERCOSUR’s main sources of greenhouse gas emissions (GHGs) and may be affected by a new agreement for emission reduction targets. To enter the global green market government and business emissions reduction policies are required, the advantage being that our agricultural practices are sustainable.
4. *Biofuels*: Argentina has a huge productive capacity.

Last, *market access* is an independent variable: the private sector cannot define it, but it can influence it. The framework of regional integration is where there is most room for negotiation, and the emphasis must be on the development of agribusiness goods and services for export.

Figure 4: New areas of agribusiness



Note: Figure translated. Source: Presentation by Gustavo Idígoras.

The [presentation](#) by **Roberto Bisang** focused on the unprecedented revolution wrought by agriculture in Argentina's history, which he terms "Schumpeterian" and which, through technical change, added exports that shifted the external restriction of the economy. In the recent past, direct seeding and GMOs have brought about a quantum leap in agricultural production, with a tremendously high speed of technological diffusion. However, more recently monetary income has fallen due to stagnation in production and falling international prices. Looking to the future, there is uncertainty in the sector against a backdrop of technological maturity, with tight short-term financial conditions.

There are two models of agricultural business: by contract and by owning land. The first model faces the problem that the prices of rents and certain inputs are rising faster than productivity in the current context of falling prices, thus reducing margins. The second model faces the problem of how to grow in terms of surface area. Both models face higher tax burdens and falling international prices. It must be kept in mind that this type of agriculture becomes complex because weeds and insects become resistant, climate changes, and land is a finite resource. Looking ahead, certain alternatives can be envisaged. One is to refine the *contract farming model*, seeking optimal size given the wide disparity in yields. Another possibility is to add value on grains, both in a traditional industrial model (large extraction or grinding plants) and in a value-added-at-source model



(extruded by agricultural producers themselves, in feedlots). In this context, a step forward is to stop thinking about agriculture as a generator of foreign currency for an industrial sector that requires it, and to start thinking about the bioeconomy as a separate agribusiness sector based on *biological transformation and industrialization*: seeds, for example, are biological capital goods. Last, it is important to think about a *second technological leap*, with agriculture that is far more precise, making use of variable herbicides dosages and biologically sophisticated growth promoters. The common elements in these alternatives are the science, technology, and innovation involved in the process, with a gaming network that has a growing number of players. We raise some questions below:

1. *Is growth possible by expanding the agricultural frontier?* It is relatively limited, it may require many years, and there are infrastructure problems. Higher production levels are more likely to be achieved through the incorporation of technology.
2. *How much can be asked of technology?* The increase in yield is phenomenal, seeds are increasingly complex, and so are implantation processes. How far can productivity be increased? Cooperation between the public and private sectors is required to optimize the technology's potential: the private sector is quicker to identify opportunities and requires appropriate public policies.
3. *Is agriculture price-sensitive?* Yes, this is observed especially when there is market intervention: the amount of wheat produced is suboptimal in response to the ROE and export duties, which create idle installed capacity. The agricultural producer does not respond to prices but to profitability, which also involves costs more resilient to downward trends in a context of falling international prices.
4. *What can be expected from the new relative prices?* Negative effects of export duties and the ROE: should they be eliminated, a game of prices and relative activities would be rebalanced internally, allowing the rotation model (corn) and double-cropping (wheat-soy).
5. *The temporary nature of reactions* that are not insignificant in the final result of the game.

A video of the event can be viewed [here](#).

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[1] This article was prepared by IDB consultant, Rosario Campos.

[2] The Register for Sworn Statements of Foreign Sales (ROE) consists of a restriction on quantities of exported maize, wheat, and other agricultural products.

Cuba-LAC relations: A new era?

In December 2014, the presidents of United States, Barack Obama, and Cuba, Raúl Castro, announced the restoration of diplomatic ties between the two countries, interrupted for over half a century, and the start of dialogue to normalize relations.[1] This process would, among other things, include the relaxation of restrictions on trade and tourism (see [INTAL Monthly Newsletter No. 220](#)). The first meeting between the two leaders took place in the framework of the Seventh Summit of the Americas (see [INTAL Monthly Newsletter No. 224](#)).

Although Cuba's relations with other partners including the European Union and several Latin American and Caribbean (LAC) countries have begun to gain momentum, relations between the island and the rest of the region have been extremely active over the past decade, particularly in foreign trade. This article provides an overview of Cuba's international trade and, in particular, its ties with LAC now and in the future.

The process of opening and the importance of the external sector

As in any small economy, the external sector has always had great relevance for Cuba, particularly in its trade and investment relations with United States until the late 1950s, the Soviet Union until its collapse, and Venezuela in the last decade.

The recent announcement of the rapprochement with United States is part of a gradual process of reforms initiated by Cuba three decades ago and deepened during the “special period,” as the deep economic crisis that hit the island after the disappearance of the Soviet Union is known. Against this background, measures were set in motion, such as opening to foreign direct investment and tourism, decriminalization of the possession of foreign currency, the free-zone decree-law, the reorganization of the banking system, the introduction of the convertible peso, the decree-law on self-employment, and the amendment of the tariff act.

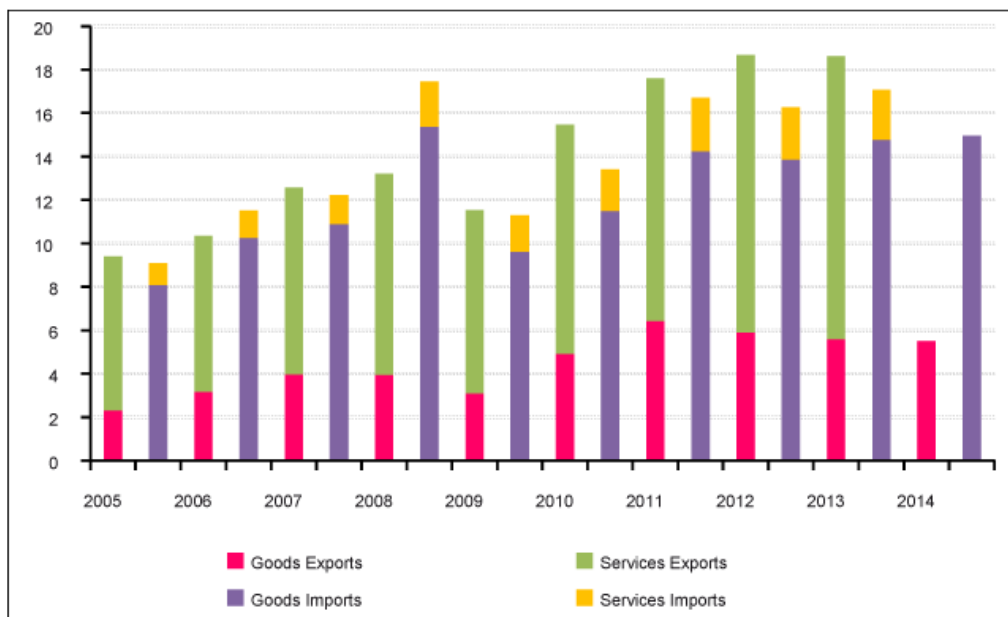
The 2009 international crisis and a series of natural disasters subsequently led to new changes, such as the creation of certain forms of private property (non-state enterprises, legal land ownership), the broadening of the self-employment act, instruments to promote access to the financial system for non-state entrepreneurs, the creation of a wholesale trading system, and so on.

General characteristics of Cuban trade

Between 2005 and 2013, Cuban exports of goods and services grew at an average cumulative annual (c.a.) rate of 8.9%, while imports grew at the rate of 8.2% (Figure 1). In 2013, external sales totaled US\$18.6 billion and foreign purchases, US\$17.1 billion. It is important to mention that Cuba has a significant deficit in its trade in goods (US\$9.2 billion in 2013), which has been wholly or partially offset over the last decade by a large surplus in trade in services (US\$10.7 billion in 2013).

Figure 1: Cuba's trade in goods and services*

In billions of US\$

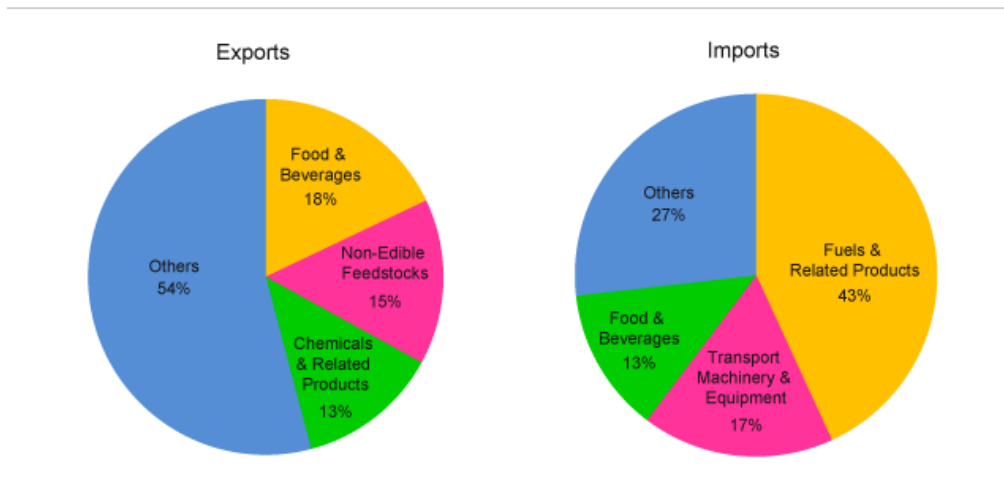


Note: * Services data not available for 2014. Source: Based on WTO data.

Cuba has historically been an exporter of commodities and commodity derivatives such as nickel, sugar, tobacco, rum, fish, vegetables, and fruit, plus significant diversification in pharmaceutical products, which currently even exceed some traditional goods (Figure 2). Furthermore, within the framework of the opening process external sales of services have become important, accounting at present for more than twice as much as goods (US\$13 billion and US\$5.6 billion in 2013 respectively). Particularly important are exports of qualified professional—mainly medical—services and tourism. In imports, sales of goods predominate—particularly intermediate inputs—notably foreign purchases of fuels and food.

Figure 2: Composition of Cuba's trade in goods

As percentage of total. 2013 data.



Source: Based on National Statistical Office (NSO) data.

Cuba has been a member of the multilateral trading system since its inception: it has been part of the General Agreement on Tariffs and Trade (GATT)[2] since 1948 and of its successor, the World Trade Organization (WTO), since 1995. In the WTO, it participates in various negotiating groups: among others, Africa, Caribbean, and Pacific (ACP),[3] the G-90,[4] the small, vulnerable economies group in agriculture and standards, the G-20,[5] and the G-33.[6] In the WTO dispute settlement system, it has only presented one claim, against Australia over geographical indications relating to tobacco, and has never experienced claims against it from the other members. It has applied an interested third party on 18 separate occasions, six of which involved LAC countries as claimants or complainants, in areas related to its main exports (tobacco, sugar, etc.).[7] It has various preferential trade agreements with LAC countries and other extraregional agreements with economies in Africa and the Middle East.[8]

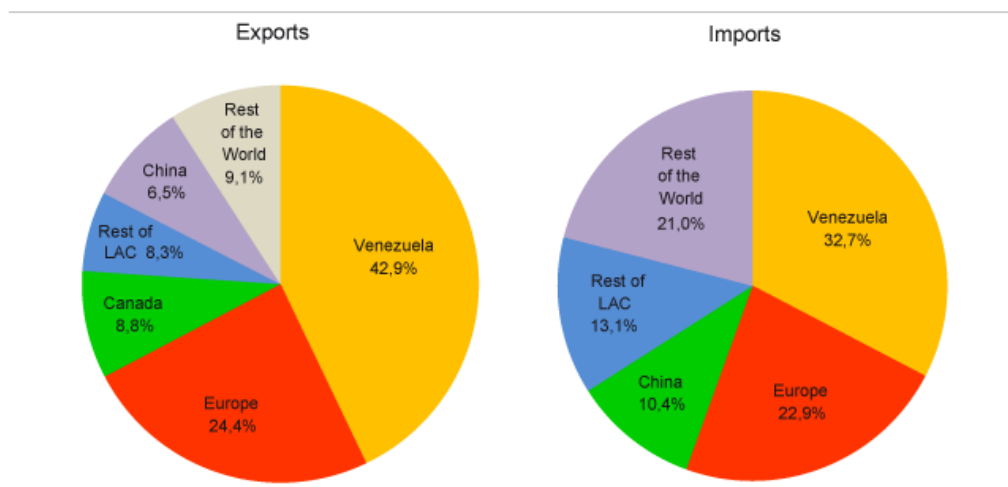
Cuba's trade in goods and services with LAC

LAC is a relevant partner for Cuba, representing over half of goods exports and 45.7% of goods imports, mainly due to its ties with Venezuela, which is the island's primary partner at world level, absorbing 42.9% of its goods exports and originating a third of its imports (Figure 3). Although there are no specific data, the Latin American and Caribbean Economic System (SELA) (2013) points out that Cuba's main sales to Venezuela in recent years included professional services, pharmaceuticals, and medical products, as well as multipurpose cargo ships for the

Venezuelan Navy. In exchange, Cuba imported oil and derivatives from Venezuela, with preferential financing, like other Petrocaribe countries. It should be remembered that only a part of fuel imports are destined for the Cuban market: any surplus is refined and exported, in particular, sales of petroleum oils to Dominican Republic, making this country one of the most important destinations in the region.

Figure 3: Cuba's main trading partners (goods)

Selected regions and countries. As percentage of total. 2013 data.



Source: Based on National Statistical Office (NSO) data.

Venezuela, together with Brazil, is also one of the main sources of funding for investments in oil infrastructure and transport. Other countries in the region are important in terms of tourism, most notably visitors from Mexico, Peru, Argentina, Chile, and Colombia, after Canada and European countries.

Excluding Venezuela, Cuba's principal sales of goods to LAC consist of medical and pharmaceutical products, petroleum oils, iron and non-alloy steel, and cigars. In imports from the rest of LAC agricultural products are prominent: corn, soya complex products, pet food, rice, milk, and poultry, originating mainly from Brazil, Mexico, and Argentina.

Cuba is part of various integration schemes in LAC: the Organization of American States (OAS), the Community of Latin American and Caribbean States (CELAC), the Latin American and the Caribbean Economic System (SELA), the Association of Caribbean States (ACS), the Latin American Integration Association (LAIA), and the Bolivarian Alliance for the Peoples of Our America-Peoples' Trade Treaty (ALBA-TCP).[9]

Cuba has in place various preferential trade agreements with the region, some of which also cover



regulation of non-tariff barriers, sanitary and phytosanitary standards, technical standards, and investments. Two plurilateral agreements are of importance: one with the Caribbean Community and Common Market (CARICOM); the other with the Southern Common Market (MERCOSUR). It also has partial scope agreements (PSAs) with Venezuela, Bolivia, Colombia, El Salvador, Guatemala, Mexico, Nicaragua, and Peru.

Under these agreements, some LAC products enter Cuba with preferential conditions. Imports from the rest of the world are subject to an average tariff of 10.3%, the highest levels being applied to certain agricultural products (e.g. beverages and tobacco, sugar and confectionery, coffee and tea, and dairy products), and some manufactured goods, mainly labor-intensive (e.g. apparel, leather and footwear, clothing, and electrical machinery).[10]

Cuba's relations with LAC: looking forward

The restoration of Cuba's relations with United States could have an impact on the rest of LAC, although it is still difficult to predict the effects, since the rapprochement between the two countries will be slow to take hold.

On the one hand, Presidents Obama and Castro's announcement has occasioned greater dynamism in Cuba's ties with other countries, including several in LAC. Recent advances include:

- *El Salvador*: The signing of a bilateral cooperation agreement in April to drive forward relations in trade and investment.
- *Mexico*: The establishment of negotiations to discuss the unresolved maritime boundary in the Gulf of Mexico, and the entry into force of the Mexico-Cuba extradition agreement, signed in 2013.
- *Nicaragua*: The start of negotiations for the implementation of the PSA that came into effect in February.
- *Peru*: The intention to expedite Economic Complementation Agreement (ECA) No. 50.

On the other hand, the restoration of economic ties with United States could have an impact on LAC exports and investments. First, with regard to the region's sales to Cuba, many of the main exports already face American competition. This is due to the fact that, in 2000, United States adopted an amendment to the law regulating trade sanctions against Cuba, whereby it allowed food exports to that destination. Imports initially had to be paid in cash prior to shipment. However, as of 2009, payment may be postponed until food arrives at a Cuban port. In this context, United States has become the main origin of Cuban food imports, aided by proximity, low transportation costs, and the quality of its products. Prominent among purchases from United States are soybean, frozen chicken, corn, frozen pork, wheat, and beans (SELA, 2013). The relaxation of restrictions, however, could further expand the participation of United States in the Cuban market, at the expense of other Latin American countries' sales. In other products, the threat is from manufactured products, mainly those deriving from petroleum. It should be mentioned however that, for the moment, United States should not constitute a risk for crude oil sales, since the country does not allow the export of this product.

Second, some LAC countries might see falling services exports as a result of US tourism being diverted to Cuba. This is especially relevant for countries competing in the relatively standardized segment of all-inclusive beach tourism, as well as those offering differentiated services, such as

medical tourism. The greatest threats are to the Caribbean and, to a lesser extent, Central America. Third, due to United States allowing capital flows to Cuba, certain US investments in the rest of LAC could be diverted. Of all ways, Cuba's rapprochement with United States may also provide opportunities for Latin American companies, either for the development of new investments or the better utilization of existing ones.

Related Articles

- IDB-INTAL. "[US and Cuba normalize relations](#)," in: *INTAL Monthly Newsletter No. 220*, December 2014.
- IDB-INTAL. "[The Seventh Summit of the Americas](#)," in: *INTAL Monthly Newsletter No. 224*, April 2015.

Bibliography

Latin American and Caribbean Economic System (SELA). 2013. [*Análisis y recomendaciones para fomentar el comercio entre la República de Cuba y los países de América Latina y el Caribe*](#). Caracas.

[1] This article was prepared by IDB consultants, Linda Curran and Romina Gayá.

[2] The 1947 GATT text was agreed at a conference in Havana.

[3] ACP countries that enjoy EU tariff preferences.

[4] ACP + African Group + Least Developed Countries (LDCs).

[5] Countries demanding agricultural reforms in developed countries. Not to be confused with the G-20, which brings together officials from the world's leading economies.

[6] "Friends of special products" in agriculture: a group of developing countries seeking to introduce limited reforms in its agriculture.

[7] Source: WTO.

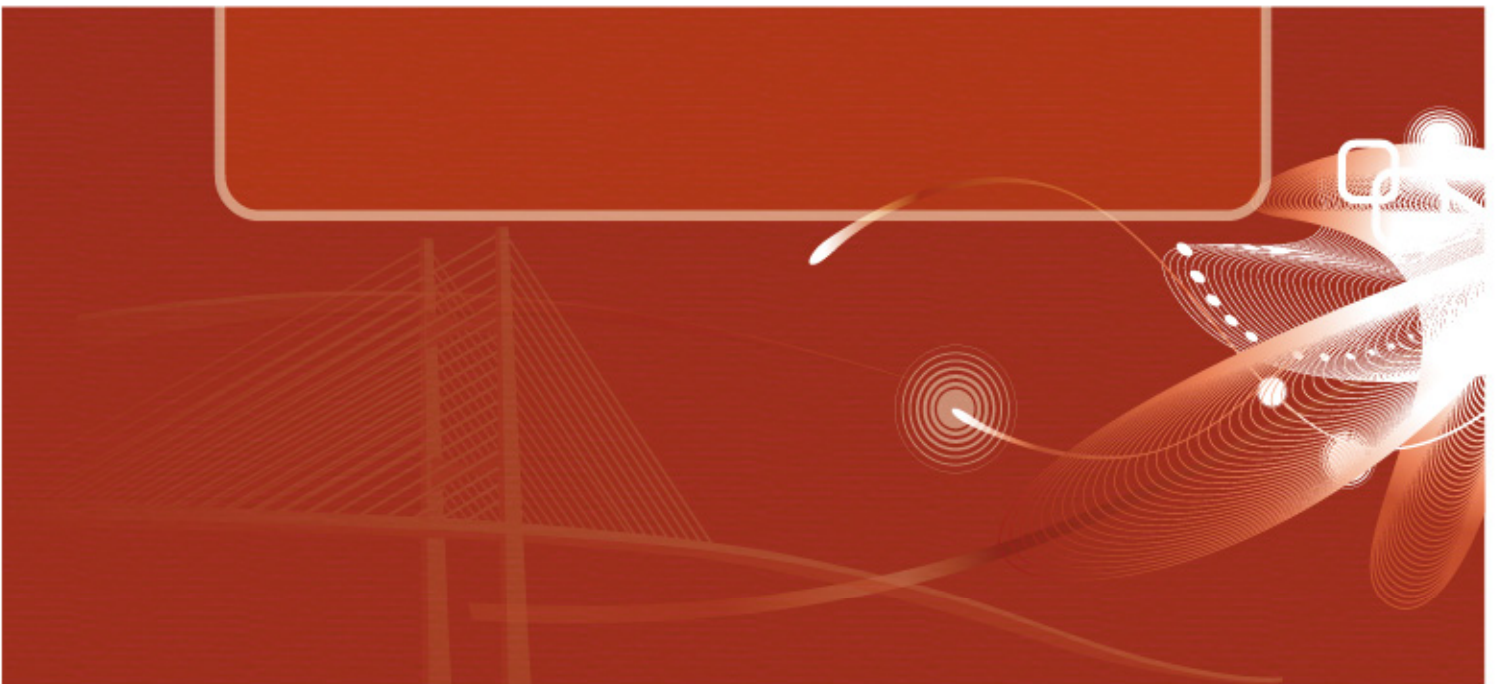
[8] Saudi Arabia, Algeria, Egypt, Tunisia, Angola, Botswana, Burkina Faso, Cape Verde, Republic of the Congo, Ethiopia, Gambia, Ghana, Guinea Bissau, Republic of Guinea, Iran, Iraq, Lebanon, Mali, Mozambique, Namibia, Niger, Nigeria, Qatar, Seychelles, Syria South Africa, Tanzania, Uganda, Yemen, Zambia, and Zimbabwe.

[9] SELA (2013).

[10] Source: WTO. 2013 data.



Integration Blocs







Pacific Alliance

Pacific Alliance Macro Business Round

The Third Macro Business Round of the Pacific Alliance was held in Paraca, Peru, June 17-18. With the participation of trade promotion agencies, and nearly 800 exporter and importer companies of the initiative's four countries, the gathering sought to promote intraregional trade. It was attended by companies in sectors identified with the greatest potential for trade and productive integration, such as food products, clothing, and manufactured goods and services. The guest country was China, with the aim of promoting the initiative's extraregional trade, particularly in Asia Pacific. Also, a seminar was held June 18, attended by officials from Mexico, which currently holds the pro tempore presidency, and Panama, as an observer country. The aim was to analyze issues central to the Pacific Alliance and the possibility of incorporating Panama as a full member.



Central America

Peru and Honduras sign bilateral FTA

Peru and Honduras announced the signing of a [free trade agreement \(FTA\)](#) between the two countries, May 29. The negotiations for the agreement opened in 2010 between Peru and Costa Rica, El Salvador, Honduras, Guatemala, and Panama. Although originally bilateral in nature, the negotiations were held on a joint basis.

In 2011, negotiations between Honduras and Peru stagnated over differences in market access, rules of origin, and public procurement. These disputes were overcome in 2014, when negotiations were reopened, reaching completion in May this year.

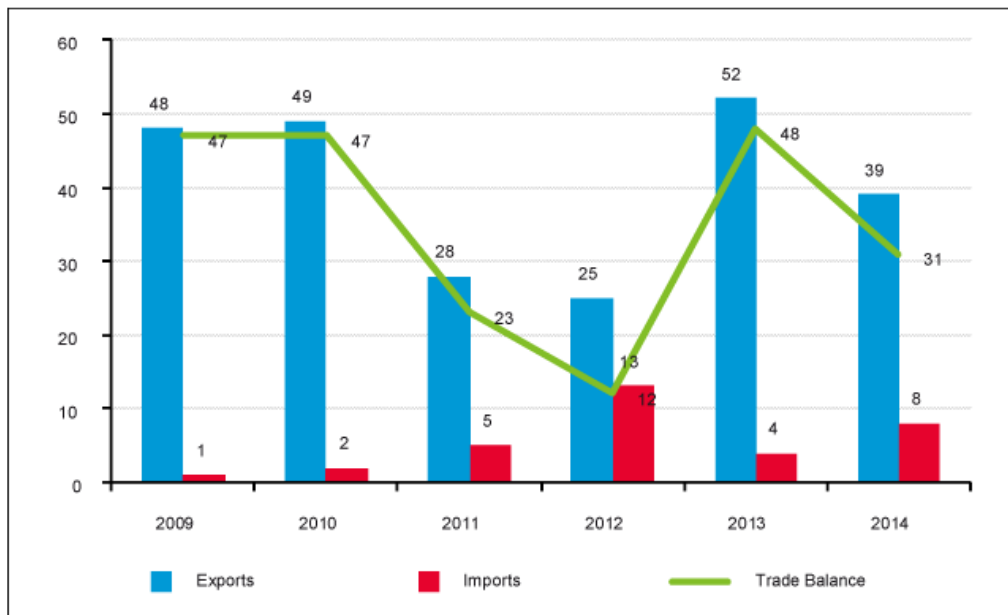
With the signing of the FTA, Honduras meets the requirement of having an agreement in place with all the countries of the Pacific Alliance and is now in a position to start negotiating membership. Honduras has had valid agreements with Chile since 2008, Colombia since 2010, and Mexico since 2013.

The FTA also dovetails with Peru's foreign trade policy of closer ties with Central America. Peru has valid FTAs with Panama, Costa Rica, and Guatemala.

Trade between Peru and Honduras is very slender, with Peruvian exports to Honduras in 2014 standing at a lowly US\$47 million. 92% of exported products were in non-traditional exports, such as animal fodder, plastic sheeting, plastic preforms, cardboard boxes and packaging, fresh grapes, books and printed brochures, aluminum sheeting, baby hygiene articles, and paper and cardboard notebooks. Peruvian imports from Honduras, on the other hand, stood at approximately US\$8 million, notably in construction articles, and iron and steel, as well as clothing, metal crown caps, brooms and brushes, yarns, etc.

Figure 1: Peru's trade with Honduras

In millions of US\$



Source: MINCETUR.

Related Articles

- IDB-INTAL. "[Central America-Peru Free Trade Agreement: Mini Negotiating Round](#)," in: *INTAL Monthly Newsletter No. 176*, April 2011.
- IDB-INTAL. "[Colombia and Peru in 2012: Progress in external trade agenda](#)," in: *INTAL Monthly Newsletter No. 197*, January 2013.
- IDB-INTAL. "[Honduras resumes FTA negotiations with Peru](#)," in: *INTAL Monthly Newsletter No. 212*, April 2014.
- IDB-INTAL. "[Peru and Honduras seek trade agreement](#)," in: *INTAL Monthly Newsletter No. 216*, August 2014.



IDB participates in trade facilitation projects in Mesoamerica

Looking to improve the safety and efficiency of the mobility of people and goods in Central America, the Mesoamerican countries (Belize, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, and Dominican Republic) set up a [Geographic Information System \(SIG\)](#) May 25. The SIG maps the safest routes between the region's 10 countries with the objective of facilitating trade and promoting tourism between the countries. The project has technical support from the Inter-American Development Bank (IDB) and the Economic Commission for Latin America and the Caribbean (ECLAC), and collaboration from the Secretariat for Central American Economic Integration (SIECA).

IDB and the Georgia Tech Panama Logistics Innovation and Research Center, held a workshop June 4-5 aimed at laying the groundwork for the impending Mesoamerican Observatory on Freight Transport and Logistics.

In December 2011, IDB approved a cooperation for the [Mesoamerican Observatory on Freight Transport and Logistics](#). This is a regional public good (RPG) that seeks to cover information and analysis needs in freight transport and logistics in those countries.

The creation of the Observatory aims to improve the quality of the information available among public and private sector users and providers, to close the information and analysis gap in freight transport and logistics, and to contribute to enhancing international competitiveness via improved efficiency and performance in freight transport and logistics.



Andean Community

Ecuador and Colombia implement TIM system with IDB support

With the support of the Inter-American Development Bank (IDB), Colombia and Ecuador have put into operation the new Transit System of Merchandise (TIM Andino) to facilitate trade between the countries. The system has been implemented at the Tulcán–IpiALES border crossing to facilitate trade between the two countries and has required work from the Directorate of National Taxes and Customs (DIAN) of Colombia, the National Customs Service of Ecuador (SENAE), and the two countries' Trade Ministries, as well as other public and private entities involved in integrated border control.

The System establishes a technological platform to standardize customs procedures between countries and is expected to lead to an 80% reduction in time spent on foreign trade formalities. The System operates successfully along the 3,200 km of the Pacific Corridor, from Puebla, Mexico, to Panama, at the crossroads of seven countries (Mexico, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, and Panama) and six borders, and represents the primary instrument of trade facilitation, customs control and security on Central American borders.

Colombia and Ecuador are the first South American countries to implement the TIM Andino, although the intention is to extend it in the medium term to the other Andean countries.

For more information, see [TIM Andino System for Colombia and Ecuador](#).

Related Articles

- IDB-INTAL. "[IDB supports full implementation of Transit of Goods in Central America](#)," in: *INTAL Monthly Newsletter No. 186*, February 2012.

Argentina-Uruguay Local Currency Payment System

The governors of the Central Banks of Argentina and Uruguay [agreed](#) June 5 to set up a local currency payment system (SML) based on the letter of intent signed in 2012. The scheme will enable natural and legal persons in Argentina and Uruguay to make and receive payments in their respective currencies in operations in the goods and services trade, related expenses, retirement, pensions, and remittances. The SML, whose use will be optional and will complement existing payment systems, seeks to cut transaction costs and deadlines for processing operations, as well as to promote financial inclusion.

The Argentina-Uruguay SML is based on Decision No. 25/07 of the Common Market Council (CMC) establishing the framework for the SML in MERCOSUR, which is governed by bilateral agreements between the member countries (Figure 1). Argentina and Uruguay have SMLs with Brazil, the first coming into operation in October 2008. The SML has been increasingly used in exports from Brazil to Argentina against the backdrop of restrictions on the acquisition of foreign currency in Argentina, and has, since 2012, represented between 6% and 7% of Argentina's goods imports from Brazil. The use of the SML in the opposite direction has, however, been more limited, standing at 0.02% of Brazilian purchases from Argentina in 2014. The Uruguay-Brazil SML came into operation in December 2014.

Figure 1: Chronology of the SML in MERCOSUR



Notes: ECA: Economic Complementation Agreement. BCB: Central Bank of Brazil. BCRA: Central Bank of Argentina. BCU: Central Bank of Uruguay. MECON: Ministry of Economy of Argentina. MF: Ministry of Finance (Brazil), Source: Based on BCU data.

Table 1: Argentina-Brazil SML use

Number of transactions and share in bilateral goods flows

Period	Brazil-Argentina Exports		Argentina-Brazil Exports	
	No. of operations	Share in total export value	No. of operations	Share in total export value
2009	1,163	1.8%	72	0.02%
2010	3,353	3.8%	40	0.04%
2011	4,870	4.3%	50	0.03%
2012	7,431	6.5%	83	0.05%
2013	9,041	6.1%	47	0.03%
2014	9,190	6.9%	38	0.02%
2015 (Jan-May)	4,297	6.5%	9	0.01%

Source: Based on BCB data.

Related Articles

- IDB-INTAL. "[Latin America explores alternatives to boost trade in local currencies](#)," in: *INTAL Monthly Newsletter No. 153*, April 2009.
- IDB-INTAL. "[37th Ordinary Meeting of the Common Market Council](#)," in: *INTAL Monthly Newsletter No. 156*, July 2009.
- IDB-INTAL. "[Currency swap agreement between Argentina and Brazil](#)," in: *INTAL Monthly Newsletter No. 157*, August 2009.
- IDB-INTAL. "[Argentina-Brazil bilateral agreements and developments in the Local Currency Payment System](#)," in: *INTAL Monthly Newsletter No. 160*, November 2009.
- IDB-INTAL. "[The Local Currency Payment System in MERCOSUR](#)," in: *INTAL Monthly Newsletter No. 175*, March 2011.
- IDB-INTAL. "[Developments in the MERCOSUR agenda trade](#)," in: *INTAL Monthly Newsletter No. 200*, April 2013.
- IDB-INTAL. "[Challenges and initiatives for SMEs' international insertion in the region](#)," in: *INTAL Monthly Newsletter No. 202*, June 2013.
- IDB-INTAL. "[Brazil-Uruguay local currency payment system and Argentina-China currency swap](#)," in: *INTAL Monthly Newsletter No. 219*, November 2014.

Bioceanic Railway Corridors in South America

The meetings of the Paranaguá-Antofagasta (Argentina-Brazil-Chile-Paraguay) Bioceanic Railway Corridor Subgroup and of the Central Bioceanic Rail Corridor (Brazil-Bolivia-Peru) Subgroup were held in Santa Cruz, Bolivia, June 10-11, in the framework of the 2015 Work Plan of the South American Infrastructure and Planning Council (COSIPLAN).[1] At the meetings the status reports were presented on the railway corridors and the progress of ongoing studies, and the next steps were defined. The meetings were attended by delegations from Argentina, Bolivia, Brazil, Chile, Paraguay, and Peru.

The Subgroups form part of the [Railway Integration Work Group](#), created at the Second Regular Meeting of COSIPLAN Ministers (Brasília, November 2011). The creation of this Work Group is in response to the countries' commitment to promoting the integrity and complementarity of rail policies and projects to further economic and social development. Since 2012, the activity has been coordinated by the Eastern Republic of Uruguay.

The COSIPLAN's Railway Integration Work Group is set to meet in November in Asunción, Paraguay.

Paranaguá-Antofagasta Bioceanic Railway Corridor

This corridor is part of the Integration Priority Project Agenda (API) (see [project sheet](#) in the COSIPLAN Project Information System (SIP)). With an investment of US\$5.325 billion, it aims to provide a multilateral rail connection for freight transport in the Capricorn Integration and Development Hub, in an arc running from the port of Antofagasta in Chile, through the north of Argentina and Paraguay and on through Brazilian territory as far as the port of Paranaguá. The nine individual projects making up this structured project are aimed at rehabilitating existing railway lines, making operative missing link sections, and strengthening or optimizing bridges and loading bays, resulting in a 1-metre gauge railway to interconnect all four countries, and the Pacific and Atlantic oceans.

Map 1: Extent of the Paranaguá-Antofagasta Bioceanic Railway Corridor



Source: COSIPLAN SIP.
[Full-size map.](#)

Central Bioceanic Rail Corridor (CFBC)

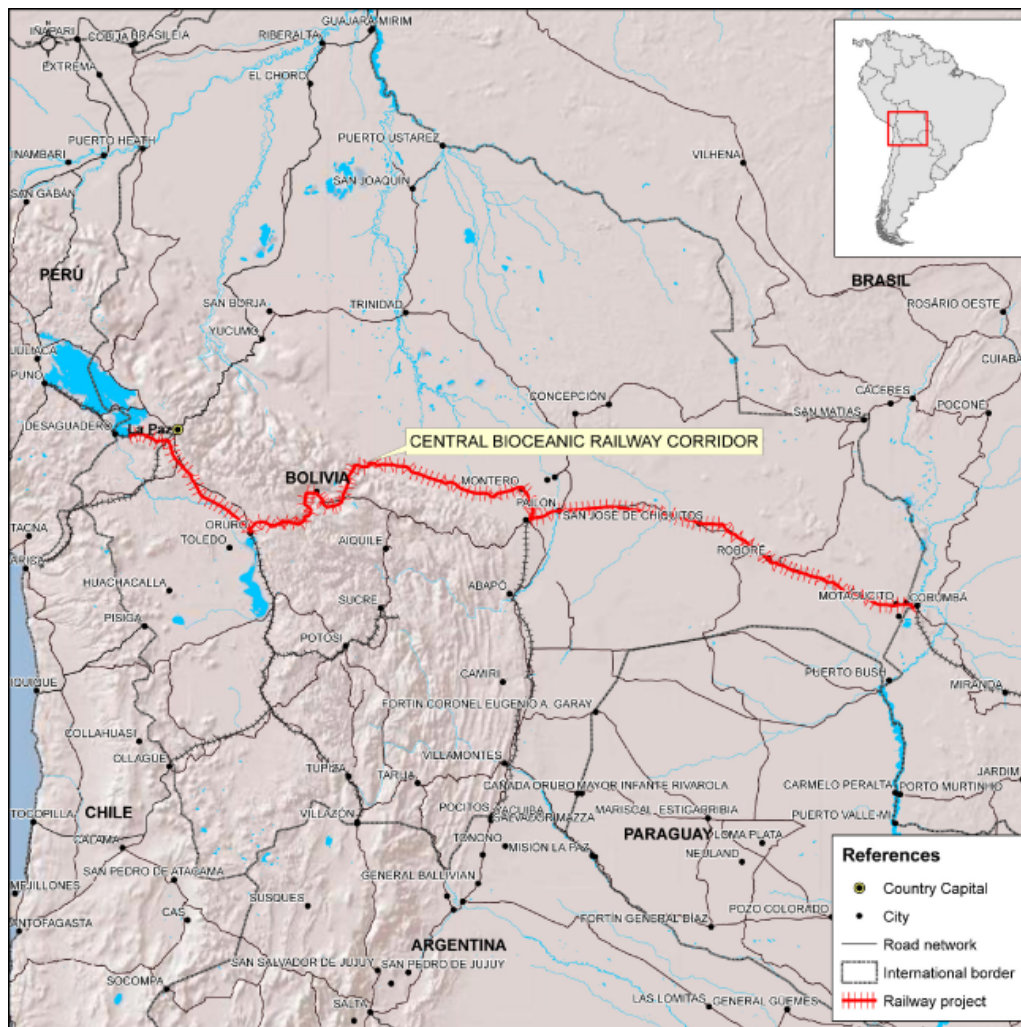
The Central Bioceanic Rail Corridor (CFBC) is part of the COSIPLAN's Project Portfolio and the API (see [project sheet](#) in the COSIPLAN's Project Information System (SIP)). The aim is to construct a corridor to connect the existing railway lines in the East and West of Bolivia internally (currently separated by a lack of infrastructure in the central part) and to link the country with Brazil and



Peru, using both countries' ports to gain access to the Atlantic and Pacific Oceans, and thus to global markets, cutting freight and passenger transport costs and times.

The feasibility studies for the railway interconnection and the CBCF are financed by IDB through the loan [BO-L1056: Preinvestment Program for Strategic Transportation Projects](#). The rail component of the loan consists of a series of studies in Strategic Transport Projects costing US\$6.7 million and is part of a US\$15.8 million program with the aim of providing Bolivia with quality information to make informed decisions regarding investments in transport infrastructure, including road infrastructure. Bolivia's Ministry of Public Works, Services, and Housing, through the Deputy Minister of Transport, is the implementing agency for the loan.

Map 2: Extent of the Central Bioceanic Rail Corridor (CFBC)



Source: COSIPLAN SIP.
[Full-size map.](#)

[1] The South American Council of Infrastructure and Planning (COSIPLAN) is a forum for political and strategic discussion aimed at implementing the integration of regional infrastructure in the Member States of the Union of South American Nations (UNASUR). For more information about the COSIPLAN go to: <http://www.iirsa.org/Page/Detail?menuItemId=45>.

Paraguay: Trade Integration through Postal Services for MSMEs

The pre-diagnostic survey visit and the seed workshop for the implementation of a [trade integration through postal services model in Paraguay](#) took place June 8-19. Taking part were 23 public and private sector institutions, as well as representatives of the Institute for the Integration of Latin America and the Caribbean, Inter-American Development Bank (IDB-INTAL) and the Universal Postal Union (UPU). This activity is part of the 2014 Work Plan of the South American Infrastructure and Planning Council (COSIPLAN).[1]

The purpose of the visit was to cooperate with Paraguay's institutions through the development of a pre-diagnostic survey of conditions toward an import-export simplification service, using the postal operator's logistics platform. They also shared experiences acquired during the project's development in Brazil and Uruguay, and elsewhere in the region, thus consolidating horizontal cooperation among them.

On the first day, the opening meeting was attended by authorities from the main Paraguayan institutions involved,[2] expressing their commitment to and expectations of the program's implementation. Activities were also held with the technical working group to identify actions already implemented in line with the project's needs.

40 survey meetings were held in Asunción and Ciudad del Este, June 9-19. These meetings, in addition to the meetings with the authorities and their work teams, included field visits to post offices in Paraguay, airports, and potential users. The different actors stressed the importance of the project being user-focused (MSMEs), while taking into account previous experiences in simplifying import-export processes.

As a result of the exercise, several institutions strengthened joint work on actions under implementation[3] and identified opportunities for strengthening those participating in the project, such as the National Secretariat for Information and Communication Technologies (SENATICS) and the National Directorate of Post Offices of Paraguay (DINACOPA).

The visit ended June 19 with a meeting in the Ministry of Industry and Trade (MIC), at which the representatives of the institutions involved resolved to move forward with the formation of an interinstitutional work group. The final report of the visit is to be submitted in August.

Related Articles

- IDB-INTAL. "[Trade Integration through Postal Services for MSMEs in South America](#)," in: *INTAL Monthly Newsletter No. 218*, October 2014.



[1] The South American Council of Infrastructure and Planning (COSIPLAN) is a forum for political and strategic discussion aimed at implementing the integration of regional infrastructure in the Member States of the Union of South American Nations (UNASUR). For more information about the COSIPLAN go to: <http://www.iirsa.org/Page/Detail?menuItem=45>.

[2] The Vice-Ministry of MSME Industry and Trade (MIC), the Ministry of Public Works, the Civil Cabinet of the Presidency of the Republic of Paraguay, the National Directorate of Customs (DNA), the National Directorate of Post Offices of Paraguay (DINACOPA), the National Directorate of Civil Aviation (DINAC), the Paraguayan Institute of Crafts (IPA), the Central Bank, the Ministry of Justice and Labor, and the National Secretariat of Tourism.

[3] Especially in programs relating to the simplification of import-export processes and MSME training.



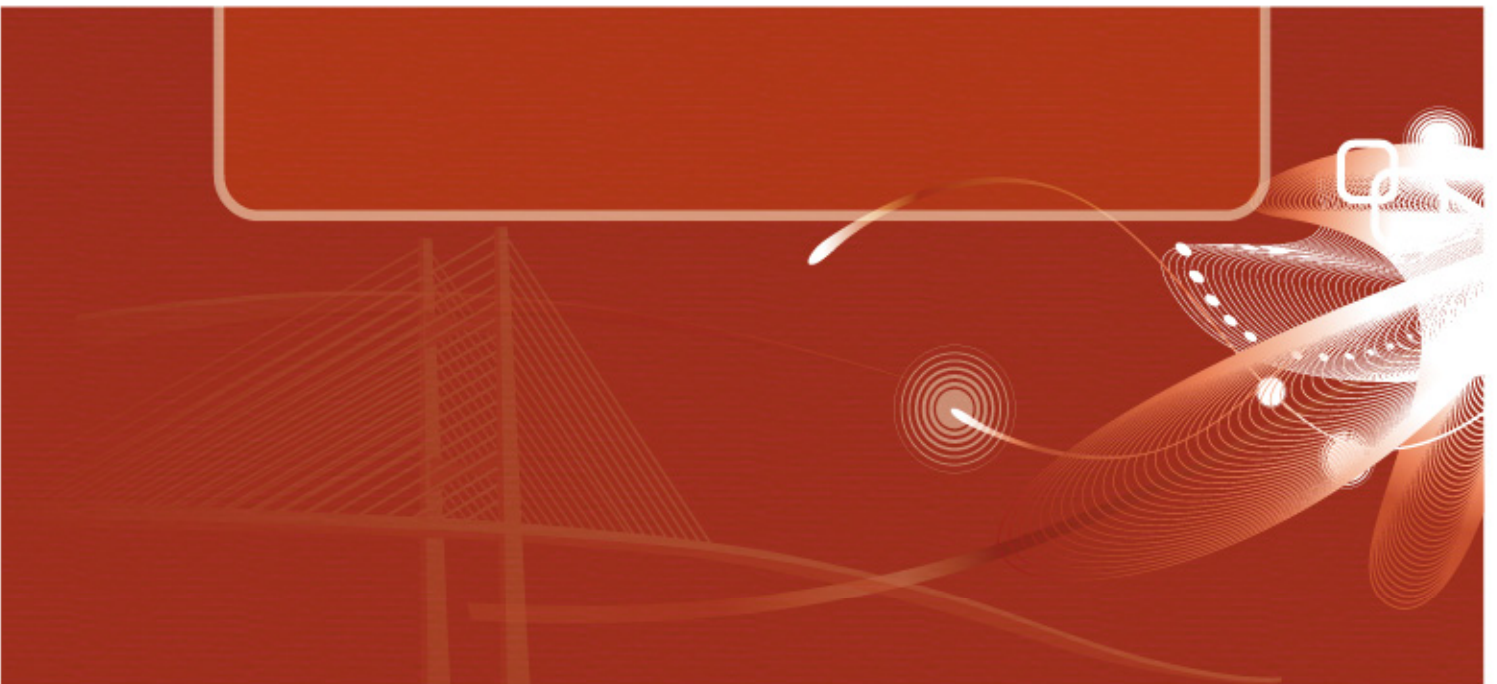
Argentina and Bolivia: Energy agreements

The Hydrocarbons and Energy Minister of [Bolivia](#) and the Federal Planning, Public Investment, and Services Minister of [Argentina](#) signed a Memorandum of Understanding June 17 for trade in electric power and natural gas between the two countries.

The countries agreed to the construction of the 500kV “Juana Azurduy de Padilla” transmission line, linking the Tarija town of Yaguacua in Bolivia to the town of Tartagal in Argentina, and reaffirmed negotiations between “Treasury Petroleum Fields” (YPF) S.A. and Bolivian Fiscal Oilfields (YPFB) for the joint exploration and exploitation of hydrocarbons in Bolivia.



Regional And Global Overview





Second EU-CELAC Summit

The Second [Summit](#) of the Community of Latin American and Caribbean States (CELAC) and the European Union (EU) was held in Brussels, Belgium, June 10-11, under the slogan “Shaping our common future: working for a prosperous cohesive and sustainable societies for our citizens.” In terms of the most relevant points for biregional economic integration, the Summit’s [political declaration](#) emphasized the growth of trade between the two sides and the importance of the European investment stock in Latin America and the Caribbean (LAC). It stressed the progress made since the previous Summit (Santiago de Chile, 2013) in, among other areas, partnership agreements, national and regional cooperation programs for Central and South America, and the opening of negotiations toward an agreement on political dialogue and cooperation with Cuba. The most recent breakthroughs include the signing of agreements on short-stay visa exemption with Colombia, Dominica, Grenada, Peru, Saint Lucia, Saint Vincent & the Grenadines, and Trinidad & Tobago.

Furthermore, the two sides highlighted the fact that the EU investment mechanisms in LAC may contribute to the mobilization of financial resources for development in areas such as climate change adaptation and mitigation, infrastructure, small and medium enterprises, and so forth. It is estimated that support from the European Investment Bank will provide European investments of €2.3 billion in LAC between 2014 and 2020.

They also highlighted the progress in the joint research and innovation initiative. Regarding information and communication technologies, they underlined the importance of enhancing transatlantic connections through new fiber optic cables, one of which is to be laid by the EU. The Action Plan foresees ten areas of cooperation, based on what was agreed at the Santiago and Brussels Summits. These include science and technology, environment, regional integration and social cohesion, migration, education, and gender (Diagram 1). In science, technology, and innovation, the Plan seeks to develop an “EU-CELAC Knowledge Area” through biregional cooperation, capacity building, and scientific and technological infrastructure, sustainable innovation, optimization of the use of existing and new technologies, technology transfer, and other relevant tools. It also seeks to enhance regional integration and social cohesion in order to contribute to the eradication of poverty by promoting investment in infrastructure that encourages the creation of decent dignified jobs, interconnectivity, and the development of social and economic networks.

Diagram 1: Areas of cooperation in the EU-CELAC Action Plan



Source: European Commission.

EU-LAC summits have been held every two years since 1999. The 2013 summit was the first in which LAC took part under the CELAC institutional framework. The next meeting is tabled for 2017 in the country holding the CELAC pro tempore presidency.

In parallel to the Brussels Summit, bilateral meetings were held between the EU and authorities from the two countries with which it has strategic partnership agreements ([Mexico](#) and [Brazil](#)), and with the [Caribbean Forum of African, Caribbean, and Pacific States \(CARIFORUM\)](#). It should be noted here that the EU [announced](#) a €346 million regional financing program for the Caribbean up to 2020, more than doubling the resources available in previous years. The program was designed jointly with CARIFORUM and will be used to finance priority biregional cooperation projects.

EU-LAC trade and investment flows

Trade in goods between the EU and LAC has almost doubled in the last decade, totaling €209.2 billion in 2014. The EU is LAC's second largest trading partner, after United States, with levels of trade similar to those of China. LAC, for its part, accounts for 6.2% of the EU's total trade. In services, bilateral flows reached €72.2 billion in 2013.

LAC's exports to the EU consist mainly of agricultural products and commodities, while imports from the EU are mainly machinery, transportation equipment, and chemicals.

The EU is the main direct investor in LAC, with a €505.7 billion accumulated stock in 2013, more



than a third of all foreign direct investment (FDI) in the CELAC countries and more than a tenth of total direct investment outside the EU, outstripping the stock invested by the EU in Russia, China, and India together. LAC's cumulative direct investment in the EU reached €135.5 billion in 2013, 42.9% of which comes from Brazil and 16.7% from Mexico. The two largest LAC economies, they are also the main recipients of European FDI and the EU's most relevant trading partners in the region.[1]

The EU has trade agreements with 26 of the 33 countries that make up CELAC (Table 1).

Table 1: LAC-EU trade agreements

Agreement Status	Country/Bloc
Existing	- CARIFORUM (Antigua & Barbuda, Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, St. Lucia, St. Vincent & the Grenadines, St. Kitts & Nevis, Suriname, Trinidad & Tobago): Economic Partnership Agreement (EPA) signed in 2008 (Haiti, 2009). - Chile: current partnership agreement since 2003. - Colombia and Peru in force since 2013. - Central America (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama) in force since 2013. - Mexico: overall agreement in force since 2000.
Signed/not in force	- Ecuador: accession to EU partnership agreement with Colombia and Peru in 2014.
Under negotiation	- MERCOSUR (Argentina, Brazil, Paraguay, Uruguay): negotiating partnership agreement since 1999.
No trade agreement or negotiation	- Bolivia: negotiation suspended in 2008. - Cuba - Venezuela

Source: Own elaboration.

Related Articles

- IDB-INTAL. "[LAC-EU negotiations and Partnership Agreements](#)," in: *INTAL Monthly Newsletter No. 165*, May 2010.
- IDB-INTAL. "[CARICOM at the CELAC Summit](#)," in: *INTAL Monthly Newsletter No. 198*, February 2013.

[1] Source: European Commission.





Climate Change takes center stage at G7 Summit

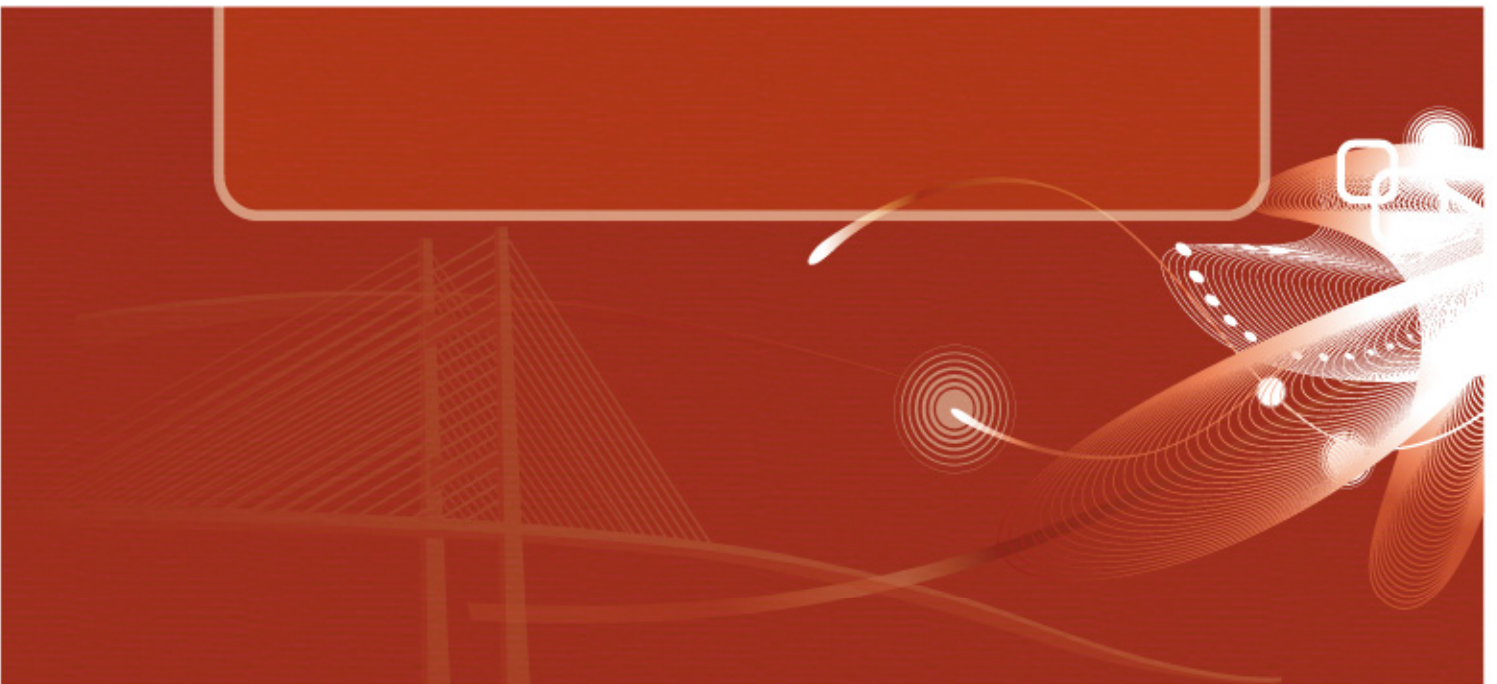
The Forty-First Summit of the G7 countries (Germany, Canada, United States, France, Italy, Japan, United Kingdom), held at the Schloss Elmau in Bavaria, Germany, June 7-8, discussed issues such as climate change, energy, and development. The meeting's agenda was aimed at commitments to reducing carbon emissions in the global economy and to agreeing a common position ahead of the Paris Climate Change Conference in December 2015. It also reaffirmed the intention to mobilize US\$100 billion in public and private resources annually by 2020 in order to help the poorest nations on climate change.

In the summit's [Final Declaration](#), the G7 countries supported the target set by the United Nations Framework Convention on Climate Change (UNFCCC) to cut emissions by 40% and 70% by 2050 compared to 2010 values, and pledged to developing long-term national low-carbon consumption strategies. They also stressed the urgency of adopting a new climate change protocol to establish binding rules for all countries. Support was noted for the negotiations toward the Transatlantic Trade and Investment Partnership (TTIP) Agreement between United States and the European Union (EU) in order to reach a conclusion by the end of the current year.

In trade, the G7 leaders pointed out the importance of trade and investment to boost economic growth, employment, and sustainable development, and reiterated their commitment to reducing barriers to trade and supporting the multilateral trading system.



Impact assessment





Impact assessment of customs delays on imports

The aim of this article is to disseminate and discuss the work by Fernandes, Hillberry, and Mendoza Alcántara (2015) assessing the impact of measures for the reduction of international trade costs, one of the main objectives of the Trade Facilitation Agreement (TFA) within the framework of the World Trade Organization (WTO). An overview of impact assessment can be found in the article in [*INTAL Monthly Newsletter No. 216*](#) explaining the objective and methodologies used.

It is common knowledge that time implies a cost for international trade. Accordingly, it is important to reduce waiting times at customs. One option is the adoption of risk management: selecting only certain loads for inspection, concentrating on suspicious cargo, and releasing low-risk cargo more quickly. This is done by assessing certain variables (type of good, companies involved, country of origin) in the import declaration. This study focuses on the case of Albania, which, until 2006, inspected all shipments. With the aim of improving its border management and coming up to European Union (EU) standards, between 2007 and 2012, it reduced the likelihood of physical inspection of imported cargo from 43% to 12%. The research is based on data at the import transaction level, including country of origin, customs delay times, and value and quantity of the goods at the Harmonized System level (6-digit disaggregation).

Following Volpe *et al.* (2015), the exogenous source of variation implied by customs risk management is exploited, which consists of only inspecting a certain proportion of cargo. The red channel, which involves random checks, (as opposed to the green channel, which involves no checks) is used as an instrumental variable. This enables identification of the causal impact of reduced waiting times at customs on the value of imports.

The results show that the lower import inspection rate (a shift from a +50% rate to a -50% inspection rate for shipments) brings about a 7% reduction in the median and lower variability in the number of days the goods spend in customs. The shift in inspection rate is equivalent to a 0.36% reduction in the average ad valorem tariff. The impact is higher for wealthier countries of origin and for those where a preferential agreement is in place, especially EU countries. The shift in inspection rate also has the effect of increasing the unit prices of the goods (value over quantity), which can be interpreted as higher quality of imported products, as well as average quantities per shipment, the number of shipments, and the number of importing companies.

This work's contribution is to provide empirical evidence, based on a rigorous methodology, of the positive effects of measures to reduce waiting times at customs. In particular, the study brings out the benefits of risk-based physical inspections, as opposed to controlling all loads. As the authors note, an important precondition is that average tariffs were low prior to the application of the measure. This reduced the incentives to evade tariff payments with the lower rates of physical inspection.



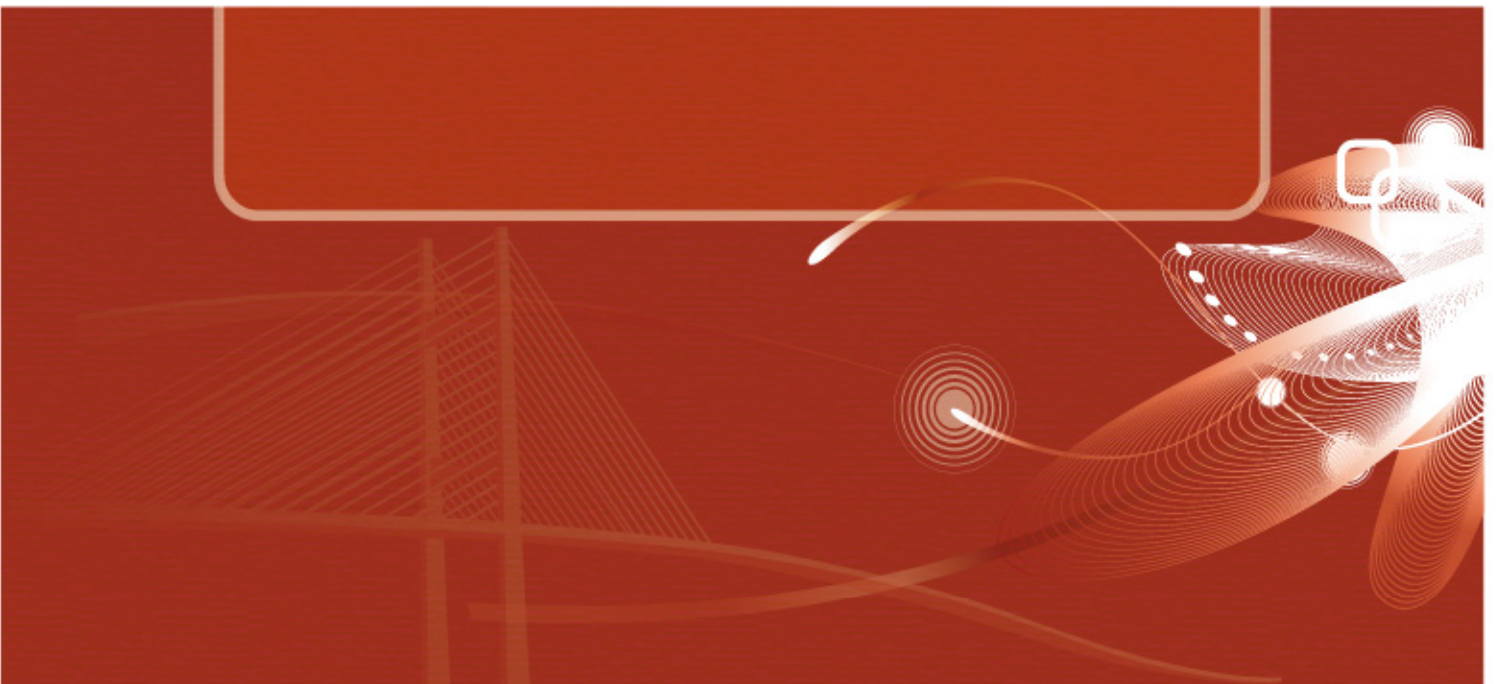
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Fernandes A.M., Hillberry R., & Mendoza Alcántara A. 2015. "[Trade effects of customs reform: evidence from Albania](#)." World Bank Policy Research Working Paper 7210.

Volpe Martincus C., Carballo J., & Graziano A. 2015. "[Customs](#)." Montevideo: RIDGE. January.



Integration and Trade Sector





Legal Instruments of Integration (IJI)

Observatory

Trend of the month

In the period May-June 2015, regional trade policy was characterized by highly dynamic activity in existing agreements and, in particular, in the regional agreements of Chile, Central America, Colombia, Mexico, and Peru with intra- and extraregional partners, and of certain specific Cuban sectoral initiatives with regional partners. There was also progress in advanced and concluded negotiations, and new negotiations were announced.

360° view

The month saw the Peru-Honduras and Colombia-Costa Rica free trade agreements (FTAs) come into force, the announcement of fresh intraregional negotiations with extraregional partners like the European Union (EU) and Singapore, and progress in 37 existing agreements and 10 trade negotiations (5 advanced and 5 concluded).

New agreements

- [Peru and Honduras sign FTA during President Hernández visit](#)
- [Colombia approves trade agreement with Costa Rica](#)

Concluded negotiations

- [EU signs a €346 million regional aid package with CARIFORUM](#)
- [Panama and Colombia negotiate agreement](#)
- [Chile and Thailand prepare for FTA to come into force](#)

Advanced negotiations

- [European Union and CELAC hold second summit in Brussels](#)
- [Experts rule out MERCOSUR-EU trade agreement in 2015](#)
- [Pacific trade pact returns to US Senate for second test](#)

New negotiations

- [Cuba and Singapore sign visa-free agreement and strengthen economic and trade ties](#)
- [MERCOSUR-SICA agreement: Uruguay requests Panama's collaboration](#)
- [Negotiations toward Central America-South Korea FTA get under way in Houston](#)
- [Cuba and Europe move toward trade agreement](#)

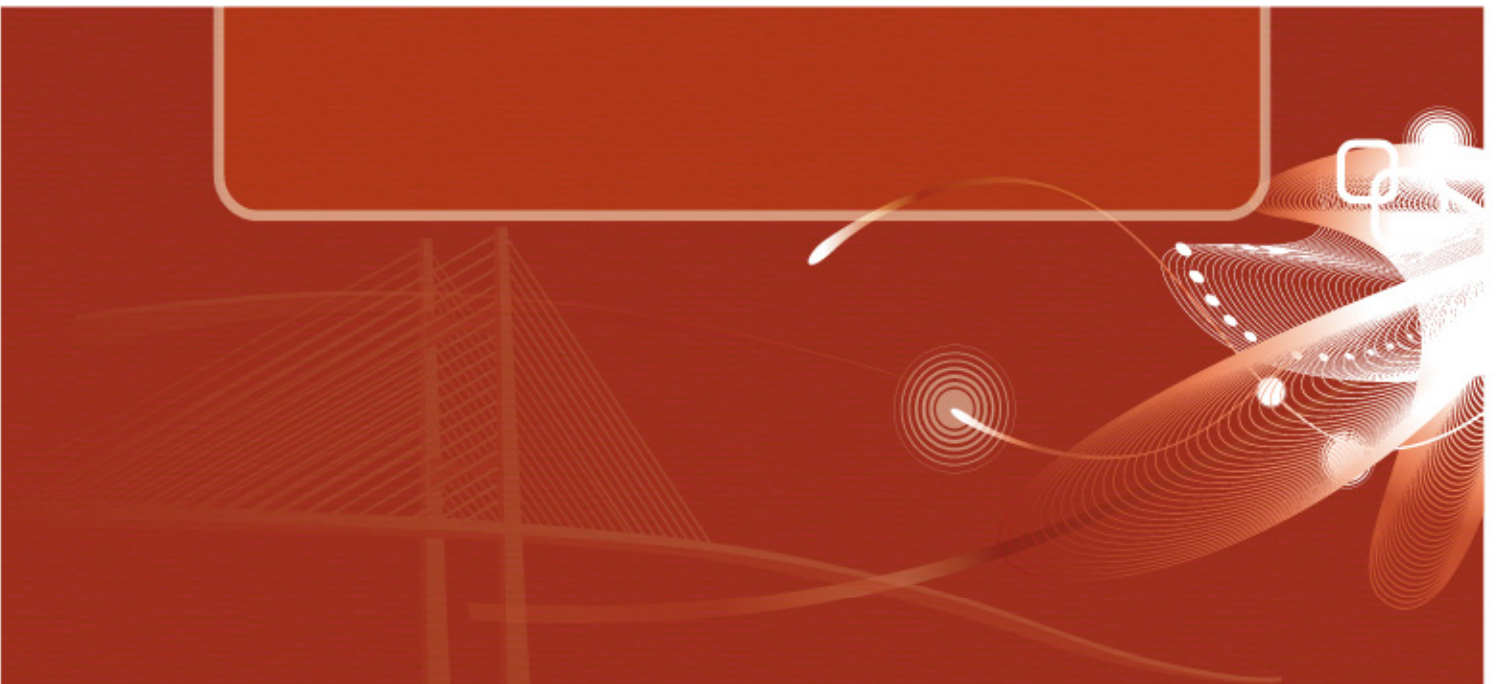
Current trade agreements

- Chile-Central America: [Costa Rica and Chile approve six new South-South cooperation projects](#)
- [Chile and Honduras look to modernize and expand trade agreement](#)
- [Chile and China sign ten cooperation agreements](#)
- [EU to modernize agreements with Mexico and Chile](#)
- [Colombia and Peru celebrate results of Trade Agreement with EU](#)
- [CAN authorizes safeguards implemented by Ecuador](#)
- [Guatemala to lodge claim with WTO over Ecuador sugar blockade](#)
- [Uruguay seeks to take advantage of Brazilian slump for greater opening of MERCOSUR](#)
- [Agreement published to export automobiles to Brazil](#)
- [Mexico and Japan analyze possible review of trade agreement](#)
- [Peru ratifies strategic partnership agreement with Mexico](#)
- [Modernization of Mexico-EU FTA a step in the right direction](#)
- [Peru and China sign development agreements including Bioceanic Rail Connection](#)
- [Peru and Thailand agree to keep moving toward FTA](#)
- [Dominican Republic has political interest in closer ties with CARICOM](#)
- [Facing the challenges of CAFTA-DR](#)
- [WB advocates Caribbean entry to NAFTA](#)

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. To learn more about advances and developments in trade agreements and negotiations visit the [IJI website](#).



Other IDB Activities







Nicaragua will improve its competitiveness in foreign trade with IDB support

Nicaragua will carry out a program to improve the operations of its border posts and strengthen the competitiveness of its foreign trade, with US\$55 million in financing from the Inter-American Development Bank (IDB). ([Link](#))

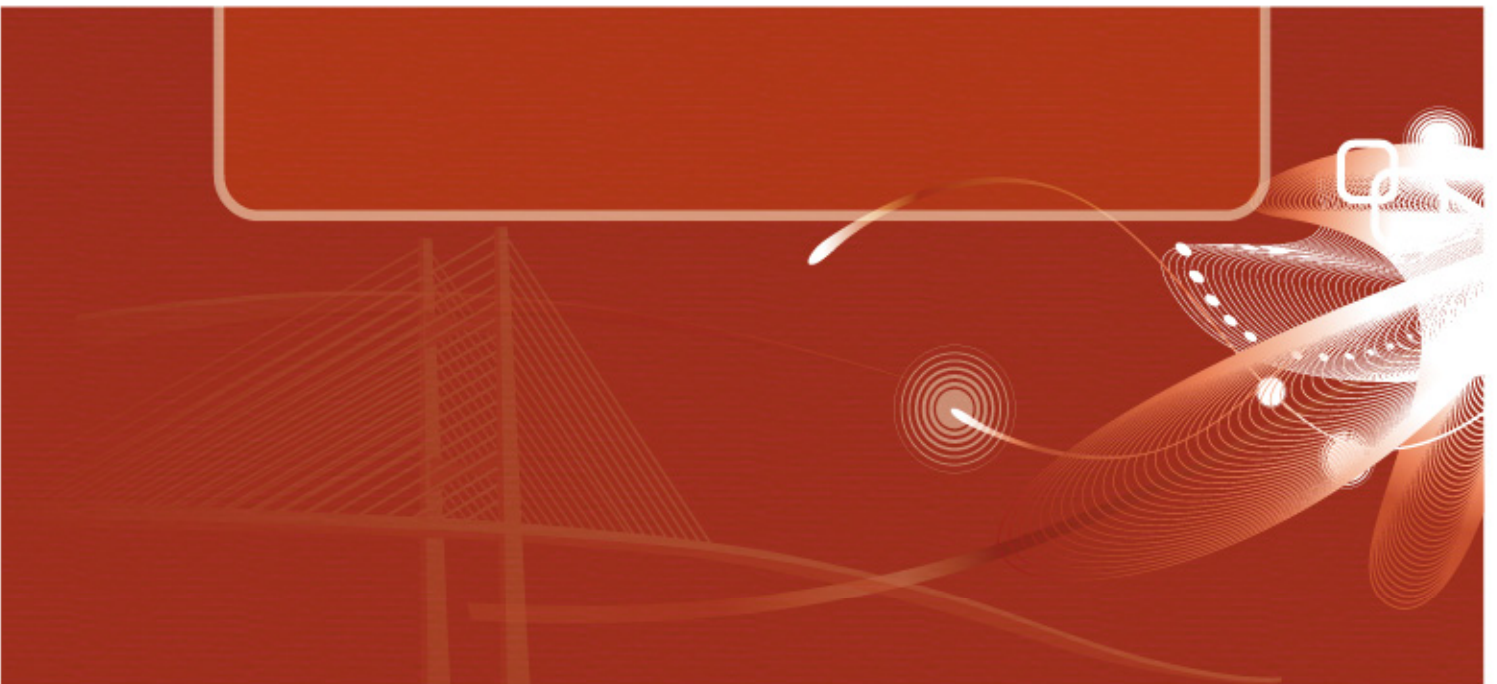


IDB approves financing for modernizing Costa Rica's border crossings

The Inter-American Development Bank (IDB) has approved a \$100 million loan to the Costa Rican government to finance its Border Integration Program. ([Link](#))



Events of interest







► **This section contains information on events related to regional and global integration and trade.**

Fifth Global Review of Aid for Trade: “Reducing Trade Costs for Inclusive, Sustainable Growth”. Organized by WTO. Geneva: 30 June to 2 July, 2015

Fifth Global Review of Aid for Trade: “Reducing Trade Costs for Inclusive, Sustainable Growth”. Organized by WTO. Geneva: 30 June to 2 July, 2015. ([Link](#))

**Aid for Trade in support of Sustainable Development Goals.
Organized by ICSTD and The Government of Canada. Geneva: 2
July, 2015.**

Aid for Trade in support of Sustainable Development Goals. Organized by ICSTD and The Government of Canada. Geneva: 2 July, 2015. ([Link](#))

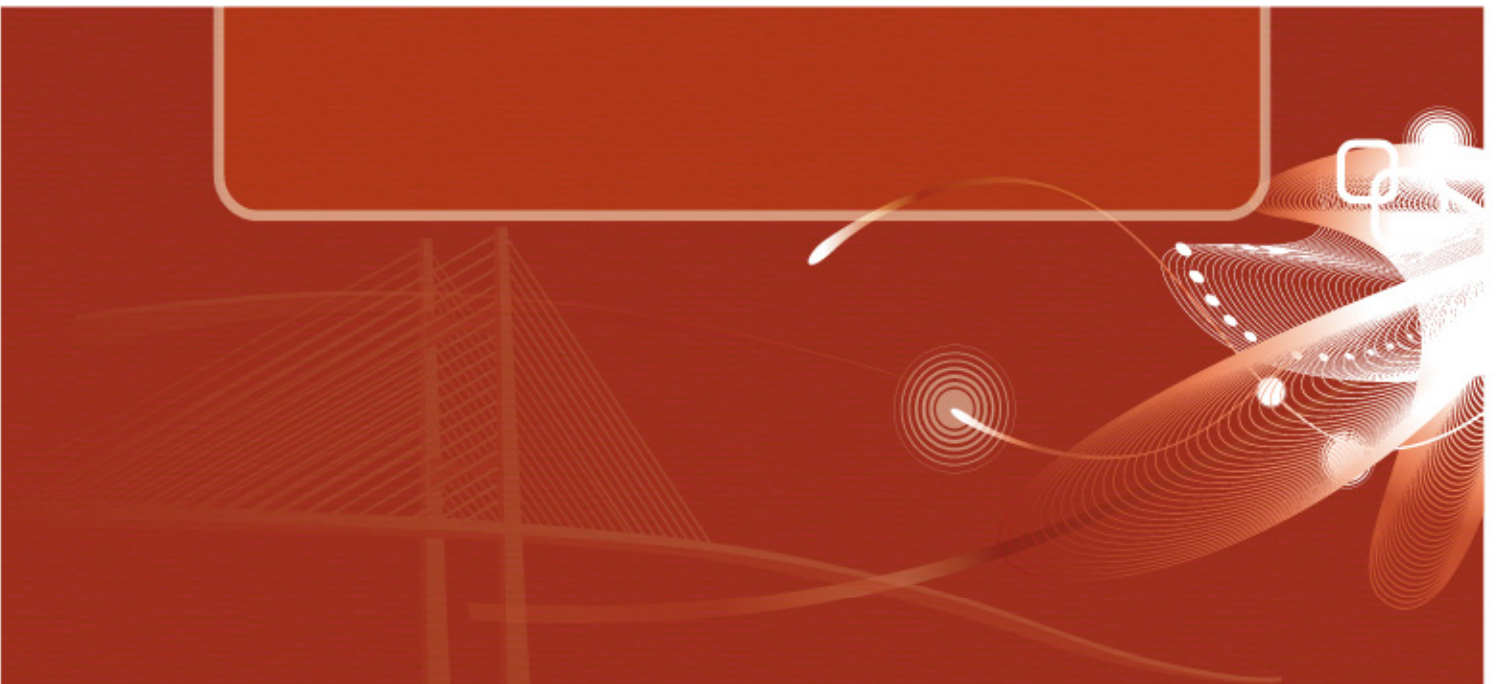


Seminar “Infraestructura y Desarrollo Económico”. Organized by Instituto de Desarrollo Regional. Rosario: 2 July, 2015.

Seminar “Infraestructura y Desarrollo Económico”. Organized by Instituto de Desarrollo Regional. Rosario: 2 July, 2015. ([Link](#))



INTAL Documentation Center







Reviews

The World Bank. Latin America and the Rising South: Changing World, Changing Priorities. Washington, D.C.: World Bank, 2015.

The aim of this report is to explore the growing influence of the emerging countries in the global economy, and its implications for development and policies in Latin America and the Caribbean (LAC). The South is understood as comprising all the developing countries, as opposed to the developed North.

The work points out that, following the lead of China, the South has a growing role in the global economy, accounting for more than half of global GDP, world trade, and international capital flows in 2012. Moreover, South-South linkages expanded more rapidly than North-South linkages in the last decade, underpinned by the development of regional global value chains (GVCs), which is evident in the trade of intermediate goods and the fragmentation of production processes.

The work points to the heterogeneity within the South. In particular, it shows that East Asia far outstrips LAC in the density of its regional trade networks and in GVCs. On the other hand, they differ in the relative importance of domestic versus external demand in macroeconomic aggregates, with low savings rates and trade deficits in LAC, as against high savings rates and trade surpluses in East Asia.

According to the research, the South's growing importance has had three major impacts on LAC since 2000. First, greater international competition and falling prices in the manufacturing industry has had a negative impact on Mexico and Central America. Second, the growing demand for agricultural commodities, metals, and fuels, and the increase in their prices have had a positive effect on most South American countries. Third, the accumulation of international reserves and trade surpluses in Asia with impacts on global capital flows, and falling interest rates have reduced financing costs for several LAC countries.

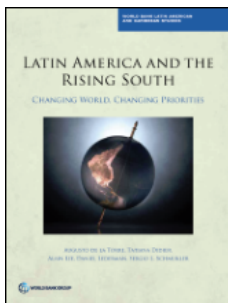
The document argues that the economic structure of the LAC countries, characterized by low levels of participation in GVCs, intraindustry trade and savings rates, has a negative impact on their economic growth. In this sense, the document reviews the theoretical arguments about the channels of impact of trade integration on economic growth. Among the positives, it broadens markets, competition, and the dissemination of knowledge, technology, and learning. Among the negatives is the greater volatility resulting from external shocks. The work identifies some of the barriers to trade integration in several LAC countries, such as the quality of trade policies and

regional agreements, as well as cross-border transaction costs, both through so-called “software” (policy and regulatory frameworks for the movement of goods, including customs) and so-called “hardware” (physical infrastructure, transportation). The research shows that, faced with the weakening of multilateralism and the rise of regionalism, North-South agreements are deeper in terms of tariff elimination and cover more ground than South-South agreements, a case in point being the liberalization of trade in services.

In addition, the paper suggests that the emergence of China involves changes that cause friction in LAC labor markets, especially in those countries where the manufacturing industry employs a significant fraction of the labor force.

On the one hand, it highlights the growing participation of LAC in global financial transactions. However, FDI flows to LAC appear not to increase productivity, as occurs with North-North flows, partly because they are further from the technological frontier, which may interfere with their absorption of new technologies, know-how, and intangible assets of foreign firms. On the other hand, it shows that the low domestic savings rate in LAC may negatively impact its potential for economic growth in the future.

The publication’s value lies in setting out the main characteristics and challenges of LAC in macroeconomic and trade issues in response to the new global role of China and other countries of the South. The information is presented in maps, graphs, and other novel visual tools.



Torre, A.; Didier, T.; Ize, A.; Lederman, D. y Schmukler, S. (2015). [Latin America and the rising South : changing world, changing priorities](#). Washington: BM.



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

*Giordano, P.; Michalczewsky, K. y Ramos, A. (2015).
Estimaciones de las tendencias comerciales América Latina
2015. Washington: BID.



Autor: Giordano, Paolo; Michalczewsky, Kathia; Ramos, Alejandro

Título: Estimaciones de las tendencias comerciales
América Latina 2015 = Latin American trade trend
estimates 2015

Otros responsables: Galeazzi, Clara; Harris, Jeremy;
Iannuzzi, Patricia; Oliveira, Mauro de; Crotto, Manuel;
Mesquita Moreira, Mauricio; Vodusek, Ziga; González,
Cristina; Osorio, Carolina; Smith, Geri

Edición: Washington: BID, junio de 2015 [19 p.]

Serie: Estimaciones de las tendencias comerciales = Trade
trend estimates

Temas:<COMERCIO INTRARREGIONAL><COMERCIO
INTERNACIONAL><DESARROLLO
ECONOMICO><CRECIMIENTO
ECONOMICO><EXPORTACIONES><IMPORTACIONES><E
STADISTICAS>

Geográficos:<AMERICA LATINA>

Accesos al documento:HM INT-INTRADE.EST. [2015]
Documento Electrónico

[Versión en español](#). Si no pudo acceder haga click [aquí](#)

[English version](#). Si no pudo acceder haga click [aquí](#)

Documentos de caracterización socioeconómica y Ambiental de 5 Ejes de Integración y desarrollo



Caracterización socioeconómica y ambiental : Eje del Amazonas. (2015). Buenos Aires: IIRSA.

Título: Caracterización socioeconómica y ambiental : Eje del Amazonas

Edición: Buenos Aires: IIRSA, 2015 [82 p.]

Temas: <CUENCA DEL AMAZONAS> <DEMOGRAFIA> <INFRAESTRUCTURA> <ECONOMIAS REGIONALES> <ASPECTOS SOCIALES> <MEDIO AMBIENTE> <PUEBLOS INDIGENAS> <CONSEJO SURAMERICANO DE INFRAESTRUCTURA Y PLANEAMIENTO, COSIPLAN> <INICIATIVA PARA LA INTEGRACION DE LA INFRAESTRUCTURA REGIONAL SURAMERICANA, IIRSA>

Geográficos:

<BRASIL> <COLOMBIA> <ECUADOR> <PERU>

Resumen: El Plan de Trabajo 2013-2014, aprobado por los Ministros del COSIPLAN, establece entre otras acciones la actualización de los antecedentes de orden social, económico, ambiental e infraestructura, que caracterizan a los Ejes de Integración y Desarrollo (EID) de la Cartera de Proyectos identificados mediante la aplicación de la Metodología de Planificación Territorial Indicativa (PTI). El presente documento tiene como finalidad cumplir con dicha actualización en lo concerniente al EID Amazonas ...

Accesos al documento: 624.1 / IIRSA-AMA / 2015

Documento Electrónico

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

Caracterización socioeconómica y ambiental : Eje Andino. (2015). Buenos Aires: IIRSA.

Título: Caracterización socioeconómica y ambiental : Eje Andino

Edición: Buenos Aires: IIRSA, 2015 [84 p.]

Temas:



<DEMOGRAFIA><INFRAESTRUCTURA><ECONOMIAS REGIONALES><ASPECTOS SOCIALES><MEDIO AMBIENTE><PUEBLOS INDIGENAS><CONSEJO SURAMERICANO DE INFRAESTRUCTURA Y PLANEAMIENTO, COSIPLAN><INICIATIVA PARA LA INTEGRACION DE LA INFRAESTRUCTURA REGIONAL SURAMERICANA, IIRSA>

Geográficos:

<BOLIVIA><COLOMBIA><ECUADOR><PERU><VENEZUELA>

Resumen: El Plan de Trabajo 2013-2014, aprobado por los Ministros del COSIPLAN, señala la voluntad de los países en actualizar los antecedentes de orden social, económico, ambiental e infraestructura, que caracterizan a los Ejes de Integración y Desarrollo (EID) de la Cartera de Proyectos identificados mediante la aplicación de la Metodología de Planificación Territorial Indicativa (PTI). El presente documento tiene como finalidad cumplir con la actualización de la caracterización socioeconómica y ambiental del Eje Andino. Este EID integra una porción importante de las unidades administrativas (UA) de Venezuela, Perú, Colombia, la totalidad de Ecuador Continental y en menor medida de Bolivia ...

Accesos al documento:624.1 / IIRSA-AND / 2015

Documento Electrónico

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Caracterización socioeconómica y ambiental : Eje de Capricornio. (2015). Buenos Aires: IIRSA.

Título: Caracterización socioeconómica y ambiental : Eje de Capricornio

Edición: Buenos Aires: IIRSA, 2015 [70 p.]

Temas:

<DEMOGRAFIA><INFRAESTRUCTURA><ECONOMIAS REGIONALES><ASPECTOS SOCIALES><MEDIO AMBIENTE><PUEBLOS INDIGENAS><CONSEJO SURAMERICANO DE INFRAESTRUCTURA Y PLANEAMIENTO, COSIPLAN><INICIATIVA PARA LA INTEGRACION DE LA INFRAESTRUCTURA REGIONAL SURAMERICANA, IIRSA>

Geográficos:

<ARGENTINA> <BOLIVIA> <BRASIL> <CHILE> <PARAGUAY>
>

Resumen: Este trabajo forma parte del Plan de Acción Estratégico de COSIPLAN-IIRSA para el período 2013-2014 que considera actualizar los antecedentes de orden social, económico, ambiental y de la infraestructura de integración, que caracterizan a cada uno de los EID de la Cartera de Proyectos identificados mediante la aplicación de la Metodología de Planificación Territorial Indicativa (PTI). Se identifica en primera instancia el área de influencia (AI) del Eje Capricornio, un territorio de 2.722.534 km², habitado por 53.509.280 personas el cual se extiende desde la costa del Pacífico en las regiones de Atacama, Antofagasta y Tarapacá en Chile, atravesando la región andina de Bolivia comprendida por las provincias de Potosí y Tarija, avanzando por las macro regiones del Noroeste (NOA) y Noreste de Argentina, incorporando toda la República de Paraguay y arribando a los Estados de Brasil correspondientes a Mato Grosso do Sul, Paraná, Santa Catarina y Rio Grande do Sul, estos últimos en la costa atlántica ...

Accesos al documento: 624.1 / IIRSA-CAP / 2015

Documento Electrónico

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Caracterización socioeconómica y ambiental : Eje de la Hidrovía Paraguay-Paraná. (2015). Buenos Aires: IIRSA.

Título: Caracterización socioeconómica y ambiental : Eje de la Hidrovía Paraguay-Paraná

Edición: Buenos Aires: IIRSA, 2015 [76 p.]

Temas: <HIDROVIA PARAGUAY - PARANA> <DEMOGRAFIA> <INFRAESTRUCTURA> <ECONOMIAS REGIONALES> <ASPECTOS SOCIALES> <MEDIO AMBIENTE> <PUEBLOS INDIGENAS> <CONSEJO SURAMERICANO DE INFRAESTRUCTURA Y PLANEAMIENTO, COSIPLAN> <INICIATIVA PARA LA INTEGRACION DE LA INFRAESTRUCTURA REGIONAL SURAMERICANA, IIRSA>

Geográficos:

<ARGENTINA> <BOLIVIA> <BRASIL> <PARAGUAY> <URUGUAY>

Resumen: Este trabajo forma parte del Plan de Acción Estratégico de COSIPLAN-IIRSA para el período 2013-2014 que considera actualizar los antecedentes de orden social, económico, ambiental y de la infraestructura de integración, que caracterizan a cada uno de los Ejes de Integración y Desarrollo (EID) de la Cartera de Proyectos de COSIPLAN-IIRSA identificados mediante la aplicación de la Metodología de Planificación Territorial Indicativa (PTI). Se identifica en primera instancia el área de influencia (AI) del EID Hidrovía Paraguay Paraná (HPP) un territorio de 4.036.541 km², el cual se estructura en torno a las cuencas de los ríos Paraguay, Paraná, y Uruguay, todas tributarias de la gran Cuenca del Río de la Plata, que desemboca en el estuario del mismo nombre ...

Accesos al documento: 624.1 / IIRSA-HPP / 2015

Documento Electrónico

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Caracterización socioeconómica y ambiental : Eje MERCOSUR-Chile. (2015). Buenos Aires: IIRSA.

Título: Caracterización socioeconómica y ambiental : Eje MERCOSUR-Chile

Edición: Buenos Aires: IIRSA, 2015 [72 p.]

Temas:

<DEMOGRAFIA> <INFRAESTRUCTURA> <ECONOMIAS REGIONALES> <ASPECTOS SOCIALES> <MEDIO AMBIENTE> <PUEBLOS INDIGENAS> <MERCADO COMUN DEL SUR, MERCOSUR> <CONSEJO SURAMERICANO DE INFRAESTRUCTURA Y PLANEAMIENTO, COSIPLAN> <INICIATIVA PARA LA INTEGRACION DE LA INFRAESTRUCTURA REGIONAL SURAMERICANA, IIRSA>

Geográficos:

<ARGENTINA> <BOLIVIA> <BRASIL> <PARAGUAY> <URUGUAY>

Resumen: El Plan de Trabajo 2013-2014, aprobado por los Ministros del COSIPLAN, señala la voluntad de los países en actualizar los antecedentes de orden social, económico, ambiental e infraestructura, que caracterizan a los Ejes de Integración y Desarrollo (EID) de la Cartera de Proyectos identificados mediante la aplicación de la Metodología de



Planificación Territorial Indicativa (PTI). El presente documento tiene como finalidad cumplir con la actualización de la caracterización socioeconómica y ambiental del Eje MERCOSUR-Chile. Este integra una porción importante de las unidades administrativas (UA) de Argentina, Brasil y Paraguay, la totalidad de Uruguay y la zona central de Chile ...

Accesos al documento:624.1 / IIRSA-MCC / 2015

Documento Electrónico

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

*La Unión Europea y América Latina y el Caribe ante la nueva coyuntura económica y social. (2015). Santiago de Chile: CEPAL.



Título: La Unión Europea y América Latina y el Caribe ante la nueva coyuntura económica y social

Edición: Santiago de Chile: CEPAL, mayo de 2015 [87 p.]

Temas:<ECONOMIA INTERNACIONAL><COYUNTURA ECONOMICA><CRECIMIENTO ECONOMICO><PRODUCTIVIDAD><MERCADO DE TRABAJO><INCLUSION SOCIAL><PROTECCION AMBIENTAL><COMERCIO INTERNACIONAL><INVERSION EXTRANJERA DIRECTA, IED><PEQUEÑAS Y MEDIANAS EMPRESAS, PYMES><UNION EUROPEA, UE><COMUNIDAD DE ESTADOS LATINOAMERICANOS Y CARIBEÑOS, CELAC>

Geográficos:<AMERICA LATINA><CARIBE><EUROPA>

Resumen: La presente publicación es un aporte de la Comisión Económica para América Latina y el Caribe (CEPAL) a la Cumbre de Jefes de Estado y de Gobierno de la Comunidad de Estados Latinoamericanos y Caribeños (CELAC) y la Unión Europea (UE), que tendrá lugar en Bruselas los días 10 y 11 de junio de 2015. La Segunda Cumbre UE-CELAC y la Octava Cumbre UE-ALC se celebrarán bajo la premisa "Modelar nuestro futuro común: trabajar por unas sociedades prósperas, cohesivas y sostenibles para nuestros ciudadanos" ...

Accesos al documento:339.9 / CEPAL-UNI / 2015

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

*América Latina y el Caribe y China : hacia una nueva era de cooperación económica. (2015). Santiago de Chile: CEPAL.



Título: América Latina y el Caribe y China : hacia una nueva era de cooperación económica

Edición: Santiago de Chile: CEPAL, mayo de 2015 [83 p.]

Temas:<ECONOMIA INTERNACIONAL><COOPERACION ECONOMICA><COYUNTURA ECONOMICA><RELACIONES COMERCIALES><COMERCIO INTERNACIONAL><INVERSIONES>

Geográficos:<AMERICA LATINA><CARIBE><CHINA>

Resumen: En el presente documento, preparado por la CEPAL en ocasión de la visita a su sede en Santiago de Li Keqiang, Primer Ministro de China (25 de mayo de 2015), se analizan los principales elementos del contexto económico internacional en que se insertan hoy América Latina y el Caribe y China, se examinan los avances y desafíos del proceso de reformas económicas en curso en este país y se presenta un panorama de las relaciones comerciales y de inversión entre la región y China. Las páginas finales ofrecen algunas reflexiones y recomendaciones para elevar la calidad de los vínculos económicos entre ambos actores.

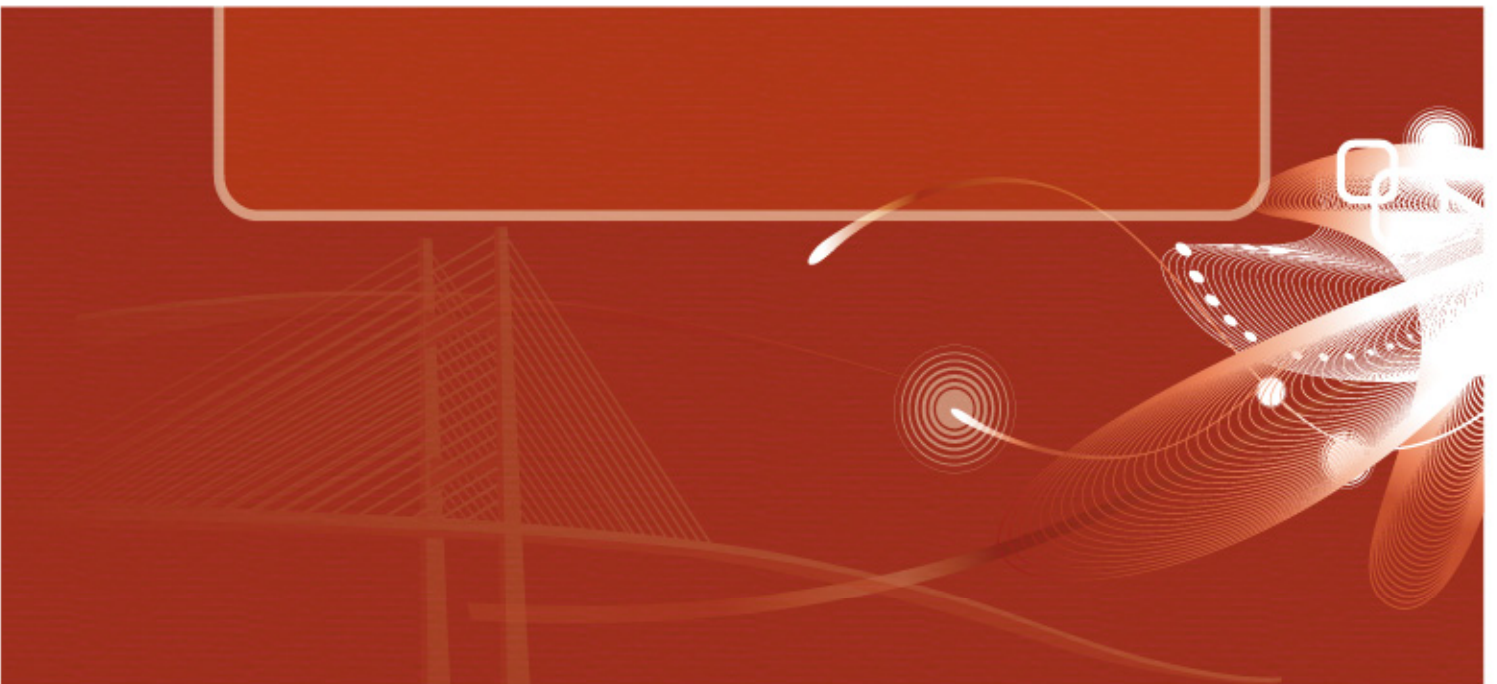
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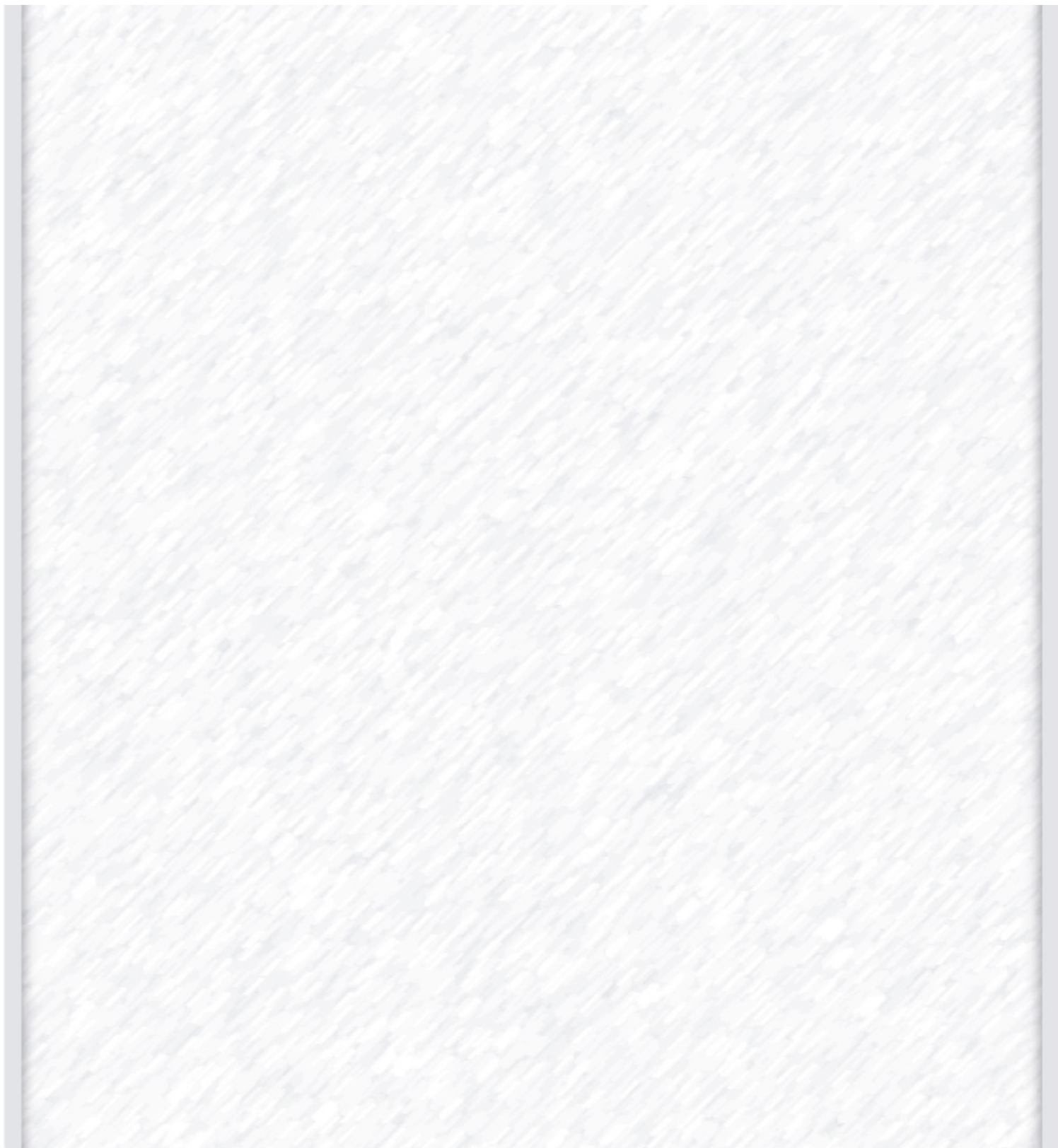


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Links to original information sources in this issue:

- Ana M. Fernandes, A.; Hillberry, R. y Mendoza Alcántara, A. (2015). Trade effects of customs reform : evidence from Albania. Washington: World Bank. [Link](#).
- Análisis y recomendaciones para fomentar el comercio entre la República de Cuba y los países de América Latina y el Caribe. (2013). San José: SELA. [Link](#).
- Caracterización socioeconómica y ambiental : Eje Andino. (2015). Buenos Aires: IIRSA. [Link](#).
- Caracterización socioeconómica y ambiental : Eje de Capricornio. (2015). Buenos Aires: IIRSA. [Link](#).
- Caracterización socioeconómica y ambiental : Eje de la Hidrovía Paraguay-Paraná. (2015). Buenos Aires: IIRSA. [Link](#).
- Caracterización socioeconómica y ambiental : Eje del Amazonas. (2015). Buenos Aires: IIRSA. [Link](#).
- Caracterización socioeconómica y ambiental : Eje MERCOSUR-Chile. (2015). Buenos Aires: IIRSA. [Link](#).
- Group of 7, G7. (2015). Leaders' Declaration G7 Summit [7-8 June 2015]. G7. [Link](#).
- Unión Europea, UE y Comunidad de Estados Latinoamericanos y Caribeños, CELAC. (2015). Declaración de Bruselas. Bruselas: UE, CELAC. [Link](#).





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