

Q1 UPDATE

TRADE TRENDS ESTIMATES
LATIN AMERICA
AND THE CARIBBEAN

2024 EDITION



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Coordinated by
Paolo Giordano



This report provides estimates of Latin America's international trade flows for 2023 and the first quarter of 2024. The data was prepared by the Integration and Trade Sector (INT) at the Inter-American Development Bank (IDB), in partnership with its Institute for the Integration of Latin America and the Caribbean (INTAL), under the overall supervision of Fabrizio Opertti, Sector Manager, Pablo García, Regional Integration Unit Chief, and Ana Basco, Director of INTAL. Technical supervision was provided by Christian Volpe Martincus, INT's Principal Economic Advisor.

This edition was coordinated by Paolo Giordano, INT Principal Economist, and written in collaboration with Kathia Michalczewsky, INT consultant. Jesica De Angelis, Carolina Barco, Aitana Endara, Facundo Rodríguez, Ivo Varela, Luisina Patrizio, and Valentina Paguegui assisted with data processing. The team is grateful to Mauricio Mesquita Moreira for his comments.

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The estimates in this report are based on the quarterly and monthly data available from official national and international sources for 18 Latin American countries for the first quarter of 2024. The information included in the report is current as of May 14, 2024.

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EXPORT THERMOMETER FOR LATIN AMERICA AND THE CARIBBEAN

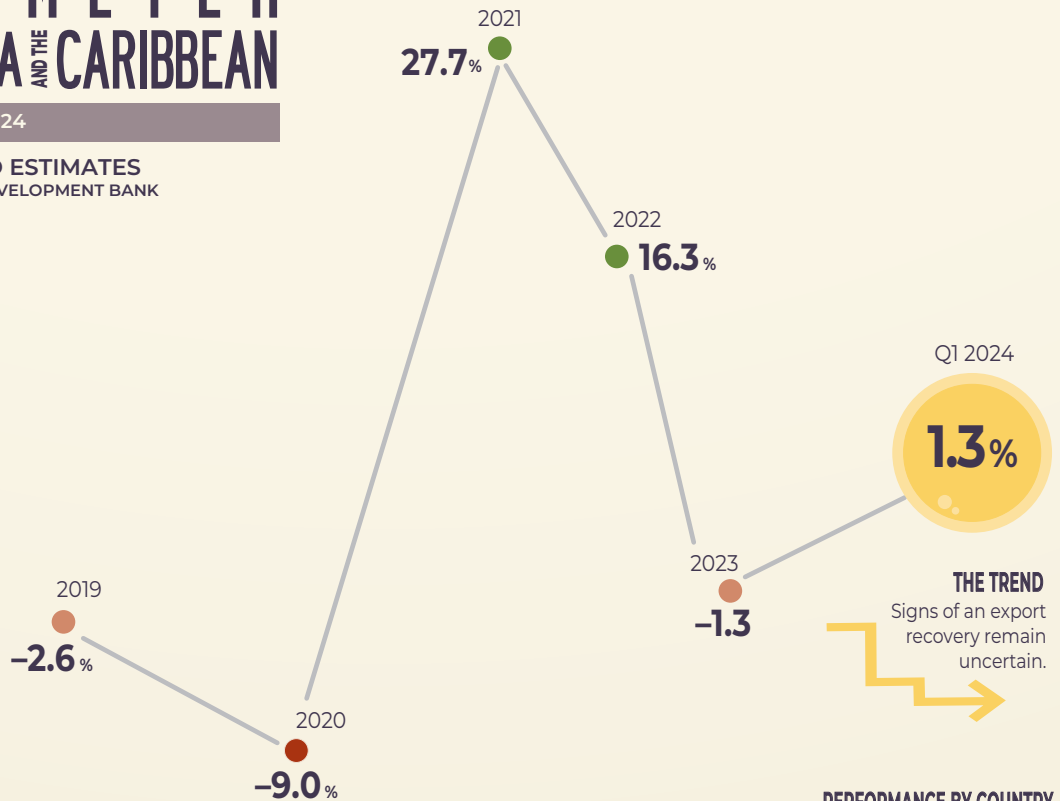
Q1 2024

TRADE TREND ESTIMATES
INTER-AMERICAN DEVELOPMENT BANK

THE REGION'S EXPORTS GREW SLIGHTLY

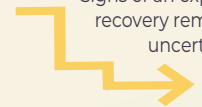
The value of goods exports from Latin America increased by 1.3% year-on-year in the first quarter of 2024.

Year-on-year growth rate, Q1 2024



THE TREND

Signs of an export recovery remain uncertain.



PERFORMANCE BY COUNTRY

The export performance varied at the subregional level.

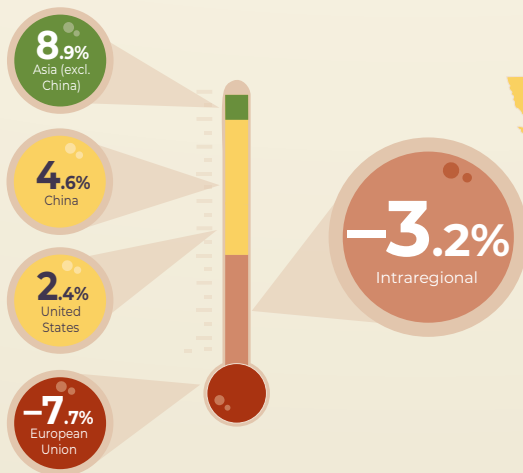
Year-on-year growth rate, Q1 2024



DEMAND RALLIED SLIGHTLY

The trend in demand from the region's main trading partners reversed, but only some got back on the track to growth.

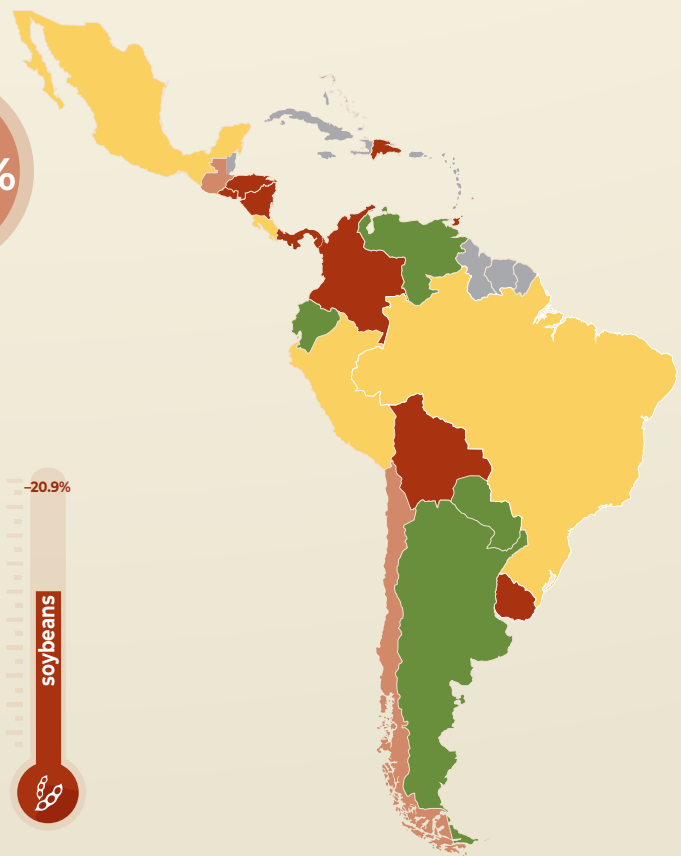
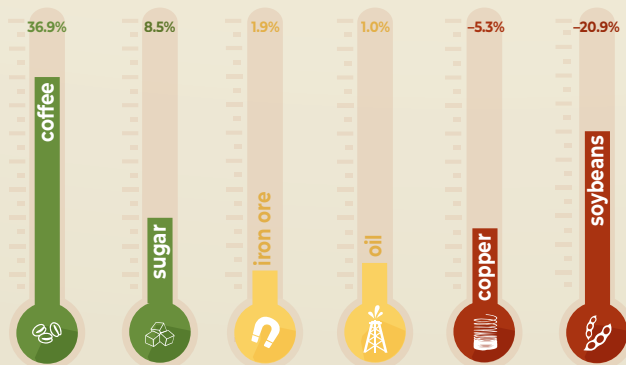
Year-on-year growth rate, Q1 2024



PRICES WERE HIGHLY VOLATILE

The prices of the region's main export commodities were affected by divergent dynamics.

Year-on-year growth rate, Q1 2024



LATIN AMERICAN EXPORTS SHOW UNCERTAIN SIGNS OF RECOVERY

Highlights

In the first quarter of 2024, the value of Latin American exports rose by 1.3% year-on-year after falling by 1.3% in 2023.

This growth was driven mainly by an increase in export volumes in South America, which offset a decline in prices. Mexico, on the other hand, benefited from rising prices while volumes contracted. Meanwhile, the decline in Central America intensified.

Although the outlook has improved significantly, there are still no signs that the region is firmly back on track for sustained trade growth.

The rebound in global economic growth could boost real demand. However, contrasting dynamics are affecting commodity prices, which are highly volatile in the context of an overall downward trend.

On the supply side, the risks of disruptive effects caused by climate change have intensified.

The trade outlook for Latin America has improved significantly since 2023.

In early 2024, exports began to grow again after almost an entire year of contraction. The dynamism of export volumes explained the growth in total external sales in a context of falling prices. On the import side, the downward trend has slowed but is ongoing.

The recovery in export values reflects the performances of some South American economies and Mexico due to the role of volumes in the former and an unusual increase in prices that offset the drop in volumes in the latter. In Central America, however, the downward trend accelerated.

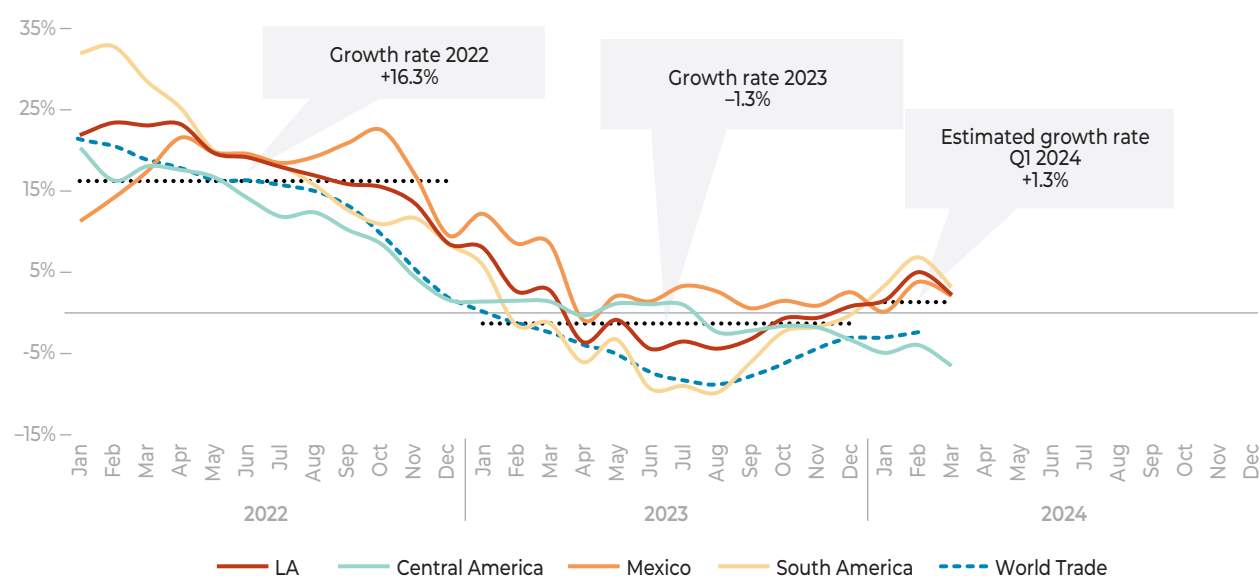
Although the recent data suggests that Latin America's recent export contraction has come to an end, there are still no signs that the region is firmly back on track to sustained trade growth. Looking ahead, the balance of risks to trade performance appears broadly neutral, although the forecast points to moderate growth and a high degree of uncertainty.

General Outlook



In the first quarter of 2024, the value of Latin America's goods exports is estimated to have grown by 1.3% year-on-year (Figure 1).¹ This performance is overwhelmingly due to growth in export volumes in a context of falling prices. According to the latest data, external sales fell by 1.3% in 2023.²

FIGURE 1 • VALUE OF EXPORTS FROM LATIN AMERICA AND WORLD TRADE
(Year-on-year growth rate, three-month moving average, percentages, 2022–2024)



Source: IDB Integration and Trade Sector with data from official sources and the Netherlands Bureau for Economic Policy Analysis (CPB) for world trade.

Note: LA includes 18 Latin American countries: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela. World trade is the average of global imports and exports.

Following the deterioration in export performance observed throughout 2023, some countries started to show signs of improvement between the end of the year and early 2024. However, the results varied between subregions. South America's external sales contracted sharply in 2023 via the price channel, but this trend began to reverse halfway through the year. Driven by a marked acceleration in volumes, export values moved onto positive ground in 2024. Mexico's export trend was less pronounced, and

¹ This estimate draws on data from 18 Latin American countries: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela. The Caribbean countries were not included due to a lack of up-to-date information. The data for Honduras and Panama does not include special trade regimes (STRs), which account for around 50% of total exports from Honduras and 80% of those from Panama. See the Methodological Note for additional information on the procedures, time periods, and sources for the data used in these estimates.

² The estimates presented in the January edition of this report predicted that Latin American exports would decline by 1.6% in 2023 and by 2.2% if the Caribbean is included. This edition does not include the Caribbean countries because up-to-date information was not available for the first quarter of 2024.

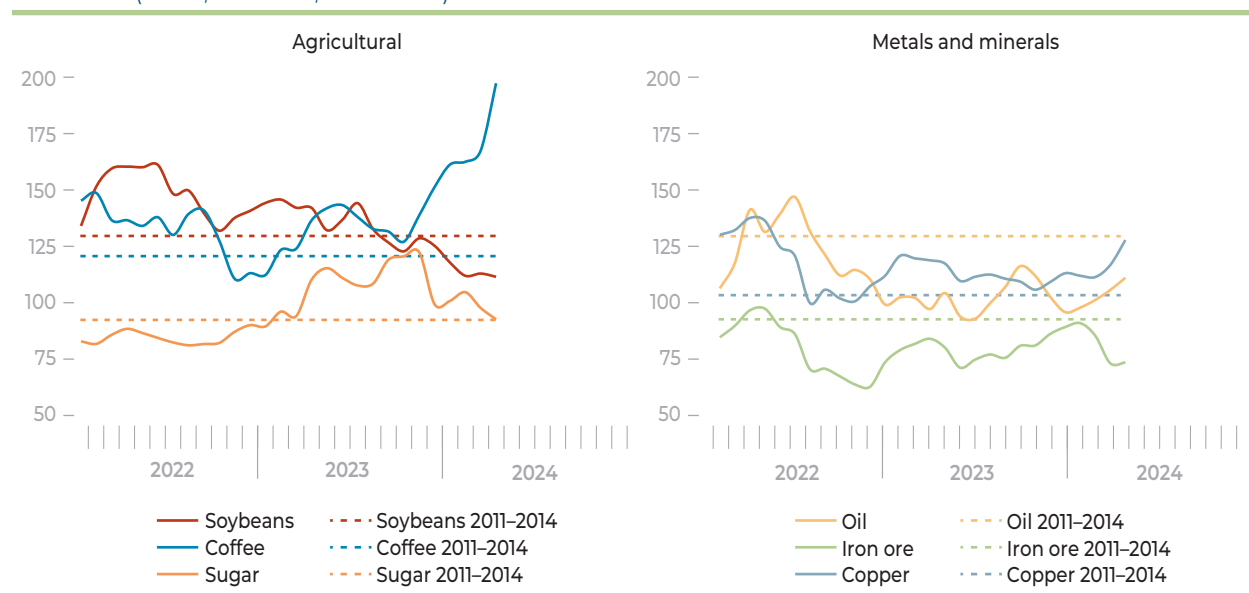
although external sales accelerated in the first quarter of 2024 due to rising prices, volumes began to contract. Exports from Central America were essentially flat in the first half of 2023 then entered negative territory in the second half of the year, a trend that deepened in early 2024.

The value of total Latin American imports contracted by 6.3% in 2023 and continued to fall in the first quarter of 2024, albeit at a slower pace (-2.1% year-on-year).

Prices

The prices of the main commodities exported by Latin America have proved extremely volatile in recent years. After rising sharply in the first half of 2022 due to Russia's invasion of Ukraine, the trend reversed in 2023 (Figure 2). The first months of 2024 brought increased volatility and divergent paths across commodities. Among the region's agricultural commodities, coffee rose exponentially, while soybeans and sugar fell sharply. Among the extractive commodities, copper and oil rallied, while iron ore prices fell.

FIGURE 2 • PRICES OF MAIN LATIN AMERICAN EXPORT PRODUCTS
(Index, 2010=100, 2022–2024)



Source: IDB Integration and Trade Sector with data from Bloomberg.

Note: Together, these six products account for about 31% of the region's total exports, or 64% if Mexico is excluded.

Arabica and robusta **coffee** prices remained flat, on average, in 2023 compared to 2022. However, increased demand was compounded by supply constraints caused by the impact of the El Niño phenomenon on the main producers, especially those specializing in robusta. Together, these factors resulted in an average increase of 36.9% year-on-year in the first quarter of 2024 (8.9% for arabica and 59.4% for robusta), reaching historic highs.

Soybean prices are on a downward trend due to an increase in supply resulting from a record harvest in Brazil and the recovery of production in Argentina after a severe drought, in a context of weakening demand, particularly from China. However, flooding in Brazil could push prices back up again. Soybean prices in the first quarter of 2024 were 20.9% lower than the same period in 2023.

In contrast, **sugar** prices rose sharply throughout 2023 in response to a drop in global supply. However, toward the end of the year, the increase in production and the 2024 forecasts for Brazil reversed this trend. Nevertheless, in the first three months of the year, prices were still 8.5% higher than the average for the same period in 2023 and remain at historically high levels.

Oil prices remained relatively stable until the third quarter of 2023, at which point they increased as a result of the conflict in the Middle East. In response, members of the Organization of the Petroleum Exporting Countries plus other oil-exporting countries (OPEC+) agreed to new production cuts starting in January, but this only helped prices recover marginally. As a result, oil prices rose by 1.0% year-on-year in the first quarter of 2024.

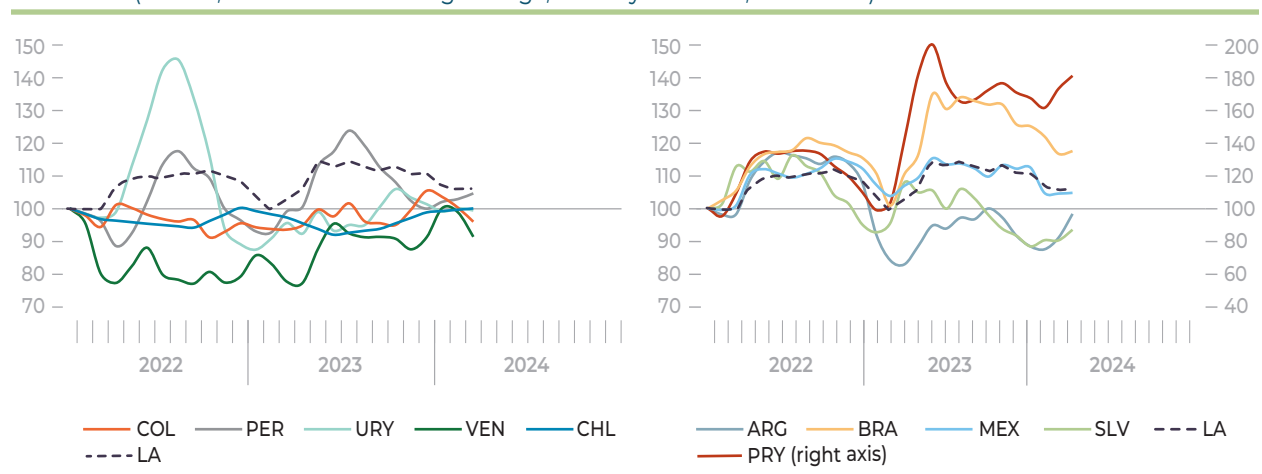
Copper prices trended slightly downward in 2023. However, this trend reversed in early 2024 due to improved economic activity in China and disruptions to production in South America. Nevertheless, the average price in the first quarter was still 5.3% below the level observed in the same period of 2023.

Iron ore prices rose in 2023, also as a result of the recovery in the Chinese economy, but then reversed course in early 2024 and began a downward trend due to increased supply from Australia and Brazil. All the same, prices in the first quarter averaged 1.9% higher than the same period in 2023.

Volumes

In the first quarter of 2024, Latin American export volumes are estimated to have increased by 3.2% year-on-year, up from the 2.1% average of 2023 (Figure 3).³ This increase was mainly due to the behavior of volumes shipped by the South American countries.

FIGURE 3 • EXPORT VOLUMES FOR SELECTED COUNTRIES
(Indices, three-month moving average, January 2022=100, 2022–2024)



Source: IDB Integration and Trade Sector with data from official sources, the United States Bureau of Labor Statistics (BLS), and OPEC.
Note: The value of exports from Mexico and El Salvador were deflated using BLS indices, and the volume of Venezuela's exports was estimated using OPEC data. LA is the average of national indices weighted by the value of each country's exports in 2015. The sample represents 92% of Latin America's external sales for that year. See the Methodological Note for more details.

³ Estimates of the volumes exported by Latin America are based on official data for Argentina, Brazil, Chile, Colombia, Peru, and Uruguay. In-house estimates were calculated for El Salvador, Mexico, Paraguay, and Venezuela, as detailed in the Methodological Note.

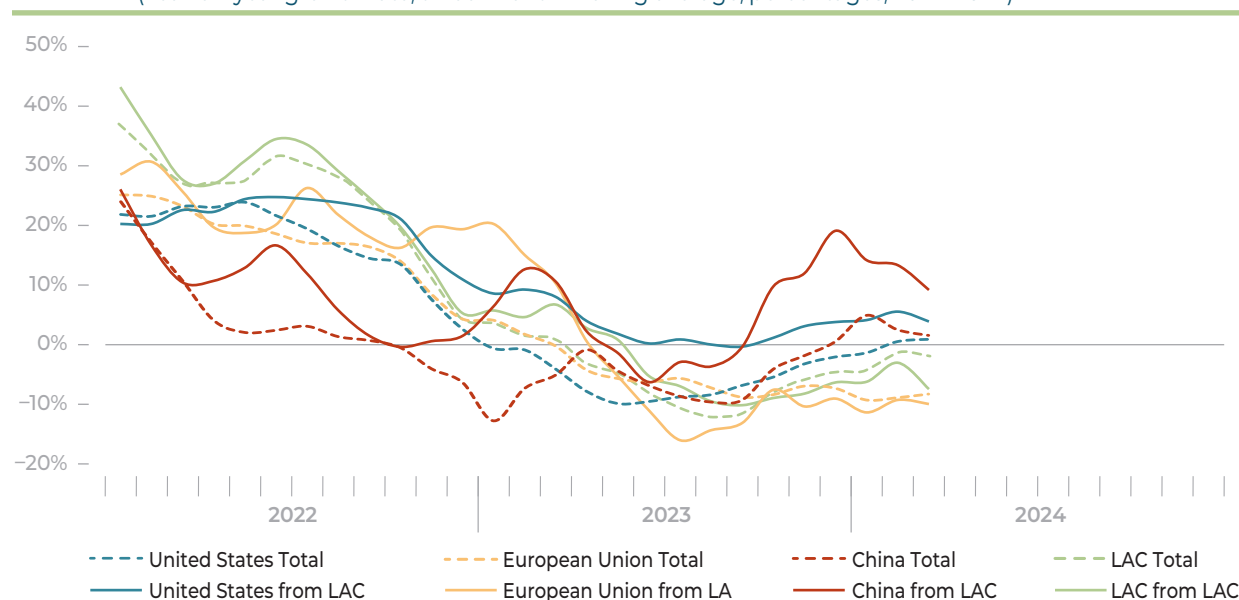
In the first quarter of 2024, Mexico's real exports fell by an estimated 2.0% year-on-year and El Salvador's by 13.4%. South America's export volumes grew by 8.3% year-on-year, with increases in Paraguay (27.8%), Argentina (18.6%), Venezuela (17.6%), Peru (6.5%), Brazil (6.4%), Uruguay (4.0%), Chile (2.9%), and Colombia (2.6%). However, exports from Argentina, Colombia, Peru, and Venezuela remain below prepandemic levels.

Markets

The improvement in Latin America's export performance reflects the behavior of demand from its main trading partners since mid-2023 (Figure 4). However, the United States and China were the only markets where imports from Latin America and the Caribbean (LAC) experienced positive growth in the first quarter of 2024.⁴

FIGURE 4 • VALUE OF MAIN TRADING PARTNERS' IMPORTS FROM LATIN AMERICA AND THE CARIBBEAN AND THE WORLD

(Year-on-year growth rate, three-month moving average, percentages, 2022–2024)



Source: IDB Integration and Trade Sector with data from the International Monetary Fund (IMF), the US International Trade Commission (USITC), Eurostat, China Customs, and national sources.

Note: The import series for all economies are valued in US dollars.

After slowing dramatically in mid-2023, imports by the **United States** from the region returned to an expansionary path in the final quarter of the year. US purchases from LAC grew by 2.7% in 2023, in contrast to its total imports, which contracted by 5.9%. As a result, LAC's share of total US purchases increased by 1.7 percentage points (p.p.), going from 18.3% in 2022 to 20.0% in 2023. This trend continued into 2024 as purchases from LAC grew 3.4% year-on-year, which contrasts with weak growth in total US imports (0.7%).

⁴ This section is based on an analysis of total imports by trading partner as reported by the statistical authorities in the destination countries. Exports recorded by national sources for Latin American countries for bilateral flows are analyzed in the next section. Any discrepancies are due not only to the sources used but also to the lag between the times that exports and imports are recorded. This section includes data for all LAC countries as reported by trading partners.

China's imports from LAC grew by 4.7% in 2023, while the country's total purchases fell by 5.6%. As a result, LAC's market share climbed from 8.6% in 2022 to 9.5% in 2023. In the last quarter, imports from the region began to accelerate, a trend that continued into the early months of 2024. Between January and March, purchases from LAC increased by 9.2% year-on-year, while the country's total purchases expanded by only 1.2%.

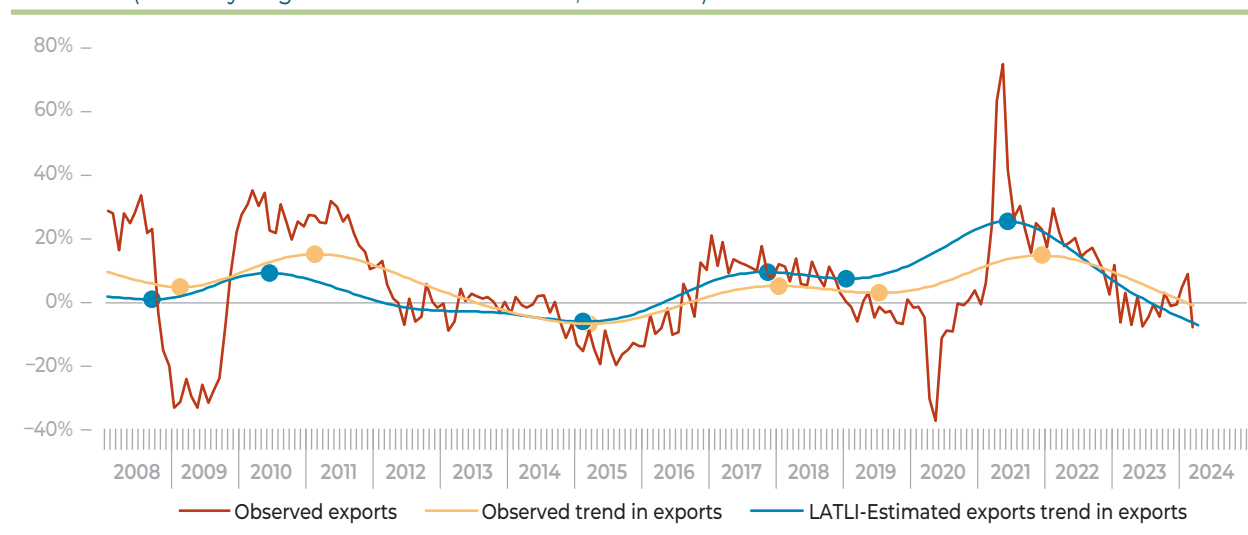
LAC's performance in the **European Union** ran counter to that of the bloc's other trading partners in 2023. The region's share in total imports decreased from 1.9% to 1.8% as a result of EU purchases from LAC declining more than total purchases (–6.8% and –5.7%, respectively). This trend continued into the first quarter of 2024, when imports from LAC fell by 10.2%, more than the aggregate decline (–8.4%).

Meanwhile, **Latin America's** intraregional imports fell less than its total imports in 2023 (–4.3% and –6.2%, respectively). As a result, intraregional trade increased from 14.8% in 2022 to 15.1% in 2023. This trend is estimated to have reversed in the first quarter of 2024 as the fall in intraregional imports continued (–3.2% year-on-year) while total purchases decreased less (–2.1%).

Prospects

The purpose of the IDB's Latin American Trade Leading Index (LATLI) is to forecast a possible turning point in the growth trend for the value of Latin American exports (Figure 5). Moreover, the growth rate of export values can be estimated in real time using a prediction methodology known as nowcasting, which is expressed by the Latin American Trade Nowcasting Index (LATNI).⁵

FIGURE 5 • CHANGES IN THE TREND IN THE VALUE OF GOODS EXPORTS FROM LATIN AMERICA
(Year-on-year growth rate and LATLI index, 2008–2024)



Source: IDB Integration and Trade Sector estimations.

Note: The leading index series shows the trend after the Hodrick-Prescott filter was applied. The circles indicate the turning points in the trend for the series estimated through the index and the observed value of Latin American exports.

⁵ For a detailed description of the two indicators, the data used, and the estimation methodology, see Giordano et al. (2021), "Metodología de las estimaciones de las tendencias comerciales de América Latina," IDB-TN-02223, Inter-American Development Bank.

The LATLI does not anticipate a change in the export value trend. Although the average year-on-year growth was slightly positive in the first quarter of 2024, the latest estimate of the indicator predicts that the downward phase in the cycle will continue and does not anticipate a turning point occurring in the five months following the last observation of official data in March 2024.

The LATNI makes it possible to estimate the year-on-year growth in Latin America for April 2024, even though official data for the month was not available for all countries at the time of publication. There is a high degree of uncertainty around this estimate, and the range of the year-on-year growth rate expected for April is particularly wide—between -1% and 7%. This forecast reinforces the considerable volatility observed between February and March 2024, when exports expanded by 9.8% and contracted by 8.4% year-on-year, respectively.

The predictive capacity of analytical models is unusually limited in the current context, especially given the divergent dynamics in commodity markets, where exogenous factors have influenced price volatility lately. Moreover, the leading indicators of demand from different trading partners are showing asymmetric trends, and are highly dependent on the policy measures that may be implemented in the coming months.

Nevertheless, the results of the two models allow the likely future behavior of exports to be gauged. The estimates reveal that there are still no signs that the region is firmly back on track to sustained trade growth.

Performance by Subregion























The downturn in Latin American exports came to an end in the first quarter of 2024, following the contraction observed in 2023 (Table 1). However, performances varied significantly across countries in the region. The countries that experienced growth in export values were Venezuela, Argentina, Ecuador, Paraguay, Costa Rica, Peru, Brazil, and Mexico.

The following section analyzes the primary factors and destination markets that explain how external sales evolved in the different subregions in the first quarter of 2024 (Figure 6). The Annex contains detailed data on each country and main export products.

In **South America**, exports are estimated to have increased by 1.9% in the first quarter of 2024, following an average drop of 4.5% in 2023. The decline in external sales in Bolivia, Chile, Colombia, and Uruguay was offset by increases in Argentina, Brazil, Ecuador, Paraguay, Peru, and Venezuela. South America's weak performance owes to the reversal in commodity price trends, as volumes are estimated to have increased by 8.3% year-on-year in the first quarter of 2024, driven by higher shipments from all the subregion's economies. Overall, declines in shipments to the European Union and the rest of South America offset higher exports to China, the rest of Asia, and, to a lesser extent, the United States.

Exports from **Mesoamerica** slowed dramatically to an estimated 0.7% year-on-year increase in the first quarter of 2024 after averaging 2.3% growth in 2023. There was a 1.7% increase in exports from **Mexico** in the first quarter of 2024. This was almost entirely explained by the increase in the value of shipments to the United States, driven by higher export prices, especially in the automotive and fruit and vegetable sectors, as volumes declined. In contrast, exports from **Central America** fell by 7.1%. Costa Rica was the only country to post a positive growth rate in the first quarter of 2024, although this was lower than in 2023. The increase in Central American shipments to China fell short of offsetting the drop in sales to all other destinations.

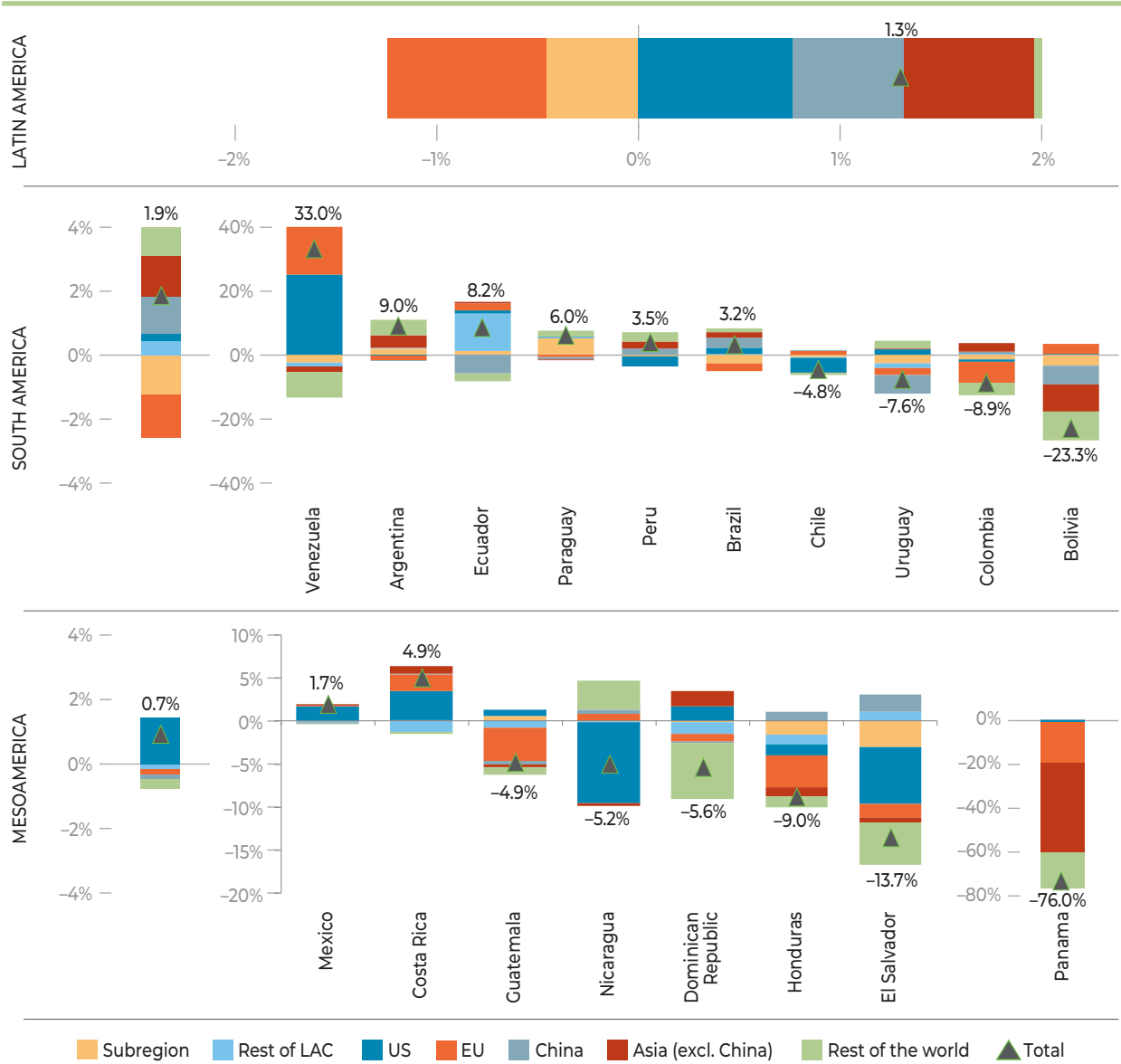
TABLE 1 • VALUE OF GOODS EXPORTS FROM LATIN AMERICA BY SELECTED DESTINATIONS
(Annual growth rate, percentages, Q1 2024 and 2023)

Exporting subregion/ country	1Q 2024 vs 1Q 2023							2023 vs 2022 World
	Subregion	Latin America and the Caribbean	United States	Asia (excl. China)	China	European Union	World	
SOUTH AMERICA	-8.4	-3.5	5.4	10.8	5.4	-9.3	 1.9	-4.5
Argentina	5.7	5.5	-3.3	26.7	-5.1	-12.8	 9.0	-24.5
Bolivia	-8.2	-7.9	10.8	-37.6	-42.7	54.8	 -23.3	-20.6
Brazil	-21.2	-14.4	19.3	12.3	9.9	-17.3	 3.2	1.7
Chile	-6.2	-8.1	-29.2	-0.8	0.8	14.2	 -4.8	-4.1
Colombia	-10.1	-4.0	-2.4	56.8	15.4	-47.0	 -8.9	-13.0
Ecuador	11.9	50.0	3.5	5.9	-31.3	16.1	 8.2	-4.7
Paraguay	6.8	6.9	18.0	-3.7	-46.2	-17.5	 6.0	19.3
Peru	-5.2	-3.9	-21.4	15.4	5.8	0.2	 3.5	1.4
Uruguay	-8.5	-11.0	20.2	14.0	-33.5	-23.1	 -7.6	-17.7
Venezuela	-39.9	-8.4	79.8	-74.7	64.5	143.8	 33.0	-8.0
MESOAMERICA	0.4	-2.1	1.9	0.5	-8.1	-3.3	 0.7	2.3
Mexico	2.7	-1.0	2.1	8.2	-10.0	0.6	 1.7	2.6
Central America	-1.2	-3.4	-1.1	-28.3	36.1	-14.5	 -7.1	-0.8
Costa Rica	0.8	-4.2	7.4	13.0	64.3	10.7	 4.9	15.5
El Salvador	-3.5	-3.3	-18.4	-49.8	910.4	-46.9	 -13.7	-8.7
Guatemala	1.9	-0.3	2.2	-12.0	-60.5	-38.7	 -4.9	-9.4
Honduras	-7.8	-7.7	-3.8	-46.8	344.5	-20.0	 -9.0	-2.7
Nicaragua	0.2	-0.7	-18.8	-26.9	74.3	16.4	 -5.2	0.3
Panama	-4.3	3.6	-13.3	-87.9	300.0	-70.8	 -76.0	-7.8
Dominican Republic	-20.1	-17.6	2.9	28.8	-10.5	-11.6	 -5.6	-3.7
LATIN AMERICA	-3.5	-3.2	2.4	8.9	4.6	-7.7	 1.3	-1.3

Source: IDB Integration and Trade Sector, estimations based on official sources, except for Venezuela, which is based on estimates using data from OPEC and the IMF.

Notes: The table does not include the growth rates or absolute changes for nonselected destinations. As a result, the sum of the absolute changes for the selected destinations does not match the total. Data for Costa Rica, the Dominican Republic, El Salvador, Guatemala, and Nicaragua includes exports under special trade regimes (STRs). For individual Central American countries, the subregional growth rates are for Mesoamerica. Mexico is excluded from the aggregate for Central America, thus the subregional total only represents trade within Central America. See the Methodological Note for additional information on the procedures, time periods, and data sources used in the estimates. The arrows show the change in trend in comparison with the previous year.

FIGURE 6 • CONTRIBUTION OF THE MAIN TRADING PARTNERS TO THE TOTAL VARIATION IN THE VALUE OF LATIN AMERICAN GOODS EXPORTS
(Year-on-year growth rate and percentage points, Q1 2024)



Source: IDB Integration and Trade Sector estimations based on official sources.

Conclusions



After rallying in the aftermath of the pandemic, Latin America's goods exports entered a contraction at the beginning of 2023, accumulating an average decline of 1.3% over the year. However, the pace of this decline began to slow in the third quarter, and the region's external sales are estimated to have returned to positive ground at the beginning of 2024, after accumulating a 1.3% year-on-year increase in January–March.

South America was adversely affected by the continued deterioration in the prices of some of its main export commodities. Nevertheless, the subregion's export volumes accelerated markedly and were a determining factor in Latin America's overall trade performance. The increase in the value of exports to Asia and the United States offset the decline in sales to the European Union and the rest of the region.

In contrast, the growth in Mexico's export values slowed: the ongoing expansion in the early months of 2024 owed exclusively to higher prices, while volumes began to contract. The increase was largely explained by higher sales to the United States.

The value of exports from Central America continued to contract in the first quarter of 2024, doing so at a pace that outstripped the 2023 average, as a result of the decline in shipments to all destinations except China.

Looking ahead, the balance of risks to the region's trade performance appears broadly neutral, although the forecast points to a moderate growth path and a high degree of uncertainty.

In real terms, global economic growth is expected to pick up over the course of 2024 as inflation returns to expected levels and interest rates trend lower, particularly in advanced economies. However, the continued improvement in the outlook for US growth is offset by the prospect of a slowdown in China, where growth rates are expected to remain near 30-year lows. Similarly, the low level of activity in Europe and the slowdown in Latin America suggest that the trend in real demand for the region's exports will be lower than before the pandemic, which was itself significantly lower than in previous decades.

This outlook is also subject to growing supply-side risks, particularly in connection with the impact of climate change. In recent years, extreme weather events have had devastating consequences for the agricultural export supply in several countries. Although the impacts of the flooding in Rio Grande do Sul in Brazil are still uncertain, they are expected to affect cereal crops more than soybeans, which have already produced a record harvest. The effects of climate change are also manifest in the drought that continues to push up transit costs through the Panama Canal.

In nominal terms, commodity prices have shown divergent trends in response to several factors. These have had idiosyncratic effects on specific markets and economies, although high volatility is

a common pattern. While prices remain at historically high levels, they are on an overall downward trend that is expected to continue in the coming quarters, albeit less intensely than in 2023.

In this context, the main risks are associated with the ongoing war in Ukraine and developments in the armed conflicts in the Middle East, which could disrupt global supply chains, increase transportation costs, and lead to further increases in commodity prices, especially oil. Regardless of the expansionary effect that these dynamics may have on some Latin American economies depending on their trade patterns, these geopolitical events could overshadow disinflation and global economic recovery and negatively affect real demand for the region's exports.

However, even without such geopolitical shocks, a possible reduction in US interest rates could lead to shifts in the value of the US dollar, which would have a knock-on effect on commodity prices. If there are no climate-related shocks, agricultural prices may fall, given that the production of crops like soybeans or coffee is back up in several key countries following the weather events that limited their supply in 2023. Meanwhile, weakness in China's real-estate sector is expected to put particular pressure on metals like copper and iron ore.

This increased uncertainty in the global trading environment is compounded by the proliferation of restrictive trade policies and more active industrial policies, the increasing fragmentation of the global trading system, and the dynamics that may be ushered in by the electoral cycles in several countries this year.

In sum, at the beginning of 2024, the trade outlook for Latin America has improved significantly compared to 2023. However, although the recent data suggests that Latin America's recent export contraction has come to an end, there are still no signs that the region is firmly back on track to sustained trade growth.

Addressing these trends through reforms and investments that seek to boost competitiveness in foreign markets will be essential to bolstering the region's economic recovery. Moreover, the moderate, uncertain prospects for trade in goods underscore the region's need to diversify its export pattern in the services sector.

At a time when Latin America's domestic markets remain weak, driving growth through international trade will be essential to overcoming the series of crises that have hit the global economy in recent years.

Annex: Export Performance by Country



This annex analyzes the growth of export values for each Latin American country for which data is available (Table 1) and assesses how trading partners contributed to this performance (Figure 6), describing the main drivers in each sector.

South America

Venezuela's exports rose by 33.0% year-on-year in the first quarter of 2024 after falling by an average of 8.0% in 2023. The recovery in oil prices coincided with an increase in volumes shipped (17.6%), mainly to the United States, the European Union, and China.

Exports from **Argentina** grew by 9.0% year-on-year in the first quarter of 2024 after the 24.5% decline of 2023, brought on by a severe drought that affected agricultural production. Lower prices offset the recovery in export volumes (18.6%). Shipments to Asia (excl. China) and Brazil recovered the most, while exports to the European Union, China, and the United States continued to decline. The products that accounted for the increase were wheat, soybean oil residues, crude petroleum oil, maize, and carbonates.

During the first quarter of 2024, **Ecuador's** exports increased by 8.2% compared to the same period in 2023. Over that year, they contracted by 4.7% on average. The increase was driven by shipments to the rest of the region, particularly Panama.⁶ Sales to the European Union and Asia (excl. China) also increased, albeit to a lesser extent. Crude oil and oil derivatives, cocoa, and seafood were the main drivers of this growth.

In 2023, **Paraguay** experienced a 19.3% increase in exports. In the first quarter of 2024, the country's export growth stood at 6.0%, mainly due to the increase in shipments to the rest of the region, particularly Brazil and Argentina.⁷ This performance was mainly driven by sales of soybeans and rice. Export volumes were higher (27.8%) than the previous year, when the country experienced a severe drought, but were offset by plummeting prices.

Peru's exports grew by 3.5% year-on-year in the first quarter of 2024 compared to the same period in 2023, faster than the growth rate recorded for that year as a whole (1.4%). The decline in export prices offset the growth in volumes. China and the rest of Asia were the destinations that contributed most to Peru's export growth, while shipments to the United States and the rest of the region declined. Gold, copper ore, and fruit were among the products that contributed most to the increase in total exports, while natural gas, grapes, and mollusks had a negative effect.

⁶ Strictly speaking, most exports posted as directed to Panama will subsequently be shipped on to extraregional destination markets. However, trade records only allow the first destination of exports to be identified.

⁷ This share may be overestimated: Paraguay is landlocked, so many of the exports posted as directed to Argentina and Brazil are in fact destined outside the region.

Brazil's exports grew by 3.2% year-on-year in the first quarter of 2024, up from the 2023 average of 1.7%. Volumes continued to drive export growth in a context of falling prices. The increase in export values was driven by higher sales to China, the United States, and the rest of Asia, offset by lower sales to the rest of the region, particularly Argentina, and the European Union. The most significant increases were in sugar, iron ore and its derivatives, oil, and cotton. Conversely, the most significant decreases were in exports of maize (to Asia—excl. China—and the rest of LAC), soybeans (to China), and soybean oil (to India and Bangladesh).

Exports from **Chile** fell by 4.1% in 2023 and remained in negative ground in the first quarter of 2024, contracting by 4.8% year-on-year as lower prices offset an increase in volumes. The drop in shipments to the United States accounted for almost the entire decline in total exports, which were primarily concentrated in chemicals, industrial products, and lithium.

After falling by 17.7% in 2023, **Uruguay's** exports decreased by 7.6% in the first quarter of 2024 compared to the same period the previous year. Although export volumes increased (4.0%), prices offset this growth. This decline was strongly influenced by notable decreases in shipments to China and the rest of the region, especially Argentina. Increases in exports to the United States, Asia (excl. China), and the rest of the world were not enough to reverse this performance. Food products contributed most to the downturn, particularly meat and dairy products.

In the first quarter of 2024, **Colombia's** exports fell by 8.9% compared to the same period in 2023, following a decline of 13.0% over that entire year. Falling prices offset the weak increase in export volumes (2.6%). The drop in exports to the European Union accounted for most of the decline. In product terms, the drop in bituminous coal export values explained most of the country's overall downturn. Coffee and gold exports also fell.

In 2023, **Bolivia** posted a 20.6% drop in exports. This performance worsened in the first quarter of 2024, when exports fell by 23.3% year-on-year. This outcome was largely explained by the decrease in shipments of gold to China and the rest of Asia.

Mesoamerica

Mexico's exports grew 2.6% in 2023, slowing to 1.7% year-on-year in the first quarter of 2024 due to a decline in volumes amid price improvements. Increased sales to the United States largely explained the overall growth but were offset by declines in shipments to the rest of the region and China. The products that contributed most to the increase in exports were land vehicles, medical instruments, electrical equipment, beverages, and fruits and vegetables, largely due to price increases, while data processing machines had a negative effect.

Costa Rica experienced a 15.5% increase in exports in 2023, which slowed to 4.9% year-on-year in the first quarter of 2024. Still, it was the only Central American economy to experience export growth in this period. Growth was driven by shipments to the United States and, to a lesser extent, the European Union. Sales from the national customs territory (NCT) increased by 0.9% year-on-year, driven by exports of some fruits and sugar, while the decline in the value of exports such as bananas and coffee had a negative impact. Shipments from special trade regimes (STRs) increased 7.2% year-on-year, driven by higher sales of medical and dental instruments and supplies.

Guatemala's exports fell by 9.4% in 2023 and 4.9% year-on-year in the first quarter of 2024. The destination that contributed most to this downturn was the European Union, and the products that

accounted for it were edible fats and oils, sugar, and coffee, as export volumes plummeted. NCT exports fell by 8.7%, while STR sales contracted by 3.5%.

In the first quarter of 2024, exports from **Nicaragua** shrank by 5.2% year-on-year after remaining flat in 2023. The steep decline in exports to the United States explained the contraction in the country's total foreign sales. The value of NCT exports decreased by 3.9%, while STR sales fell by 6.9%. The largest drops were in exports of coffee and automotive harnesses, mainly in real terms.

After a 3.7% decline in 2023, exports from the **Dominican Republic** continued to fall in the first quarter of 2024 (-5.6% year-on-year). Increased sales to the United States and Asia (excl. China) were offset by lower shipments to all other destinations. Shipments from STRs were flat (0.4%), while shipments from the NCT decreased by 16.9%. The main reduction in exports was observed in pharmaceuticals, precious metals, and iron and steel castings.

Exports from **Honduras** declined by 9.0% year-on-year in the first quarter of 2024, following a 2.7% average contraction in 2023.⁸ This downturn owed mainly to the drop in shipments to the European Union, the region itself, and the United States, albeit to a lesser extent. The main products that contributed to this performance were coffee, animal feed preparations, and palm oil, primarily via the volume channel.

In the first quarter of 2024, **El Salvador** experienced a 13.7% year-on-year decline in exports, further deepening the average contraction over 2023 (-8.7%). This performance was largely explained by less trade with the United States and Canada. Exports from STRs fell more than exports from NCTs (-26.7% and -11.1%, respectively). The products that contributed most to the downturn were textiles and clothing, followed by sugar and coffee, mainly due to smaller volumes.

Panama's exports declined steeply (-76.0%) in the first quarter of 2024 compared to the same period in 2023.⁹ The reductions in copper shipments to Asia (excl. China) and, to a lesser extent, the European Union explained this drop.

⁸ STR exports are not included as no up-to-date official information was available.

⁹ STR exports are not included.

Methodological Note



The estimates of Latin American exports for 2023 and the first quarter of 2024 were calculated using data available through May 14, 2024. The Caribbean countries were not included in this edition as an up-to-date, consistent data sample was not available.

The data used was for the following periods: January–February for Bolivia; January–March for Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, and Uruguay. The figures for Costa Rica, the Dominican Republic, El Salvador, Guatemala, and Nicaragua include STR exports. Venezuela’s exports were estimated by combining data from the Merrey-type oil price series and import data from the country’s main trading partners.

The aggregate volume index for Latin America comprises ten countries: Argentina, Brazil, Chile, Colombia, El Salvador, Mexico, Paraguay, Peru, Uruguay, and Venezuela. The export volume indices were calculated using data from official sources for Argentina (National Institute of Statistics and Censuses), Brazil (Ministry of the Economy), Chile (Central Bank of Chile), Colombia (Bank of the Republic), Peru (Ministry of Foreign Trade and Tourism), and Uruguay (Central Bank). The series for Paraguay was calculated using data on export volumes for the country’s main export products as reported by the Central Bank and aggregated according to the export structure in 2015. For Mexico and El Salvador, the series of exports in US dollars were deflated using the import price index published by the US Bureau of Labor Statistics (BLS). Venezuela’s export volumes were calculated using data from OPEC on Merrey-type oil prices and production. The national series were aggregated based on countries’ shares in total exports in 2015, valued in US dollars.

The following official data sources were used. Argentina: National Institute of Statistics and Censuses; Bolivia: National Institute of Statistics; Brazil: Ministry of Industry, Foreign Trade, and Services; Chile: Central Bank of Chile; China: China Customs Statistics; Colombia: National Administrative Department of Statistics; Costa Rica: Foreign Trade Promotion Agency (PROCOMER); Dominican Republic: Customs Authority; Ecuador: Central Bank of Ecuador; El Salvador: Central Reserve Bank of El Salvador; European Union (27 countries, excl. the United Kingdom): Eurostat; Guatemala: Bank of Guatemala; Honduras: Central Bank of Honduras; Mexico: Bank of Mexico; Nicaragua: Central Bank of Nicaragua and Ministry of Development, Industry, and Commerce; Panama: National Institute of Statistics and Censuses; Paraguay: Central Bank of Paraguay; Peru: Ministry of Foreign Trade and Tourism; United States: US Census Bureau; Uruguay: Central Bank of Uruguay; Venezuela: OPEC and IMF.

The following abbreviations are used in this document: BLS—US Bureau of Labor Statistics; CPB—Netherlands Bureau for Economic Policy Analysis; IMF—International Monetary Fund; LA—Latin America; LAC—Latin America and the Caribbean; NCT—national customs territory; OPEC—Organization of the Petroleum Exporting Countries; STRs—special trade regimes; USITC—United States International Trade Commission.

