

## Trade and Integration Monitor 2013

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# After the Boom

Prospects for Latin America and the Caribbean in South-South Trade

**Paolo Giordano**  
(Coordinator)





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The *Trade and Integration Monitor* is an annual report that tracks the state of Latin American and Caribbean integration into the global trading system. It draws on data publicly available through INTrade, the IDB Trade and Integration Information System ([www.iadb.org/intradebid](http://www.iadb.org/intradebid)).

The Monitor is the product of a collaborative research effort within the Integration and Trade Sector (INT) of the Inter-American Development Bank under the general supervision of Antoni Estevadeordal, Sector Manager.

This edition was coordinated by Paolo Giordano, INT Principal Economist, and written in collaboration with Jeremy Harris, Alejandro Ramos, and Barbara Ramos.

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# Prologue

The structure of the world economy has changed substantially in recent years and continues to evolve. Advanced economies have gradually recovered from the 2008–2009 financial crisis, but some instability persists and growth rates remain low. Developing countries, on the other hand, have emerged from the crisis showing strong economic performance and high growth rates. This changing economic landscape reinforced a decade-long trend of shifting trade patterns. Documenting these long-term trends and analyzing their impact on Latin America and the Caribbean (LAC) is a priority for the countries in the region.

The *Trade and Integration Monitor 2013* is the latest in a series of annual reports that monitor the state of LAC integration into the global trading system. These reports are produced by the Integration and Trade Sector of the Inter-American Development Bank, and draw on a vast amount of data publicly available through INTrade, the IDB Trade and Integration Information System.

This year's report analyzes extensive data on emerging opportunities provided by South-South trade. It finds that while LAC's trade with traditional partners in the North has suffered from declining growth in both volume and value, the region's trade with emerging economies in the South has grown and taken on a character that is qualitatively different from trade with developed countries. LAC exports to the South provide opportunities for more diversification and greater participation of manufactured goods. This potential is even more pronounced in the context of intra-LAC trade. Indeed, during the last decade the South-South trade route has been an avenue for much-needed export-led growth in the region.

The global economic outlook is still plagued by uncertainty, but it is unlikely that the long-term trend that points to a greater role for South-South trade will be completely reversed, although some of the drivers of South-South trade growth documented in this report might lose steam in the short term. In order to maintain momentum and harness trade opportunities with the South, the region's policymakers should focus on broadening and consolidating their countries' networks of free trade agreements and addressing bottlenecks that constrain trade, while strengthening their commitment to open and integrated markets and avoiding protectionist measures.

Through an array of knowledge products such as the *Trade and Integration Monitor*, the Inter-American Development Bank provides valuable information to support its member countries in seizing new trade and integration opportunities.

Antoni Estevadeordal  
Manager, Integration and Trade Sector





# Prólogo

La estructura de la economía mundial ha cambiado sustancialmente en los últimos años en un proceso que continúa en marcha. Las economías avanzadas se han recuperado gradualmente de la crisis aunque aún registran elementos de inestabilidad y tasas de crecimiento bajas. En cambio, los países en desarrollo han mantenido un sólido desempeño económico y alcanzado altas tasas de crecimiento. Este cambiante panorama económico ha reforzado una tendencia hacia la reorientación del patrón del comercio mundial observada a lo largo de la última década. Documentar esas tendencias de largo plazo y analizar su impacto sobre América Latina y el Caribe (ALC) es una prioridad para los países de la región.

El *Monitor de Comercio e Integración 2013* es el más reciente de una serie de informes anuales que estudian la evolución de la integración de ALC dentro del sistema global de comercio. Estos informes son elaborados por el Sector de Integración y Comercio del Banco Interamericano de Desarrollo haciendo uso del vasto volumen de datos disponible públicamente en INTrade, el sistema de información del BID especializado en esta materia.

El informe de este año se centra en las nuevas oportunidades que brinda el comercio Sur-Sur. Sobre la base de un amplio análisis de los datos, el Monitor da cuenta de cómo, mientras que el comercio de ALC con sus socios tradicionales en el Norte ha pasado por una etapa de desaceleración, tanto en volumen como en valor, el intercambio con las economías emergentes del Sur ha aumentado y adquirido una modalidad cualitativamente distinta de la que caracteriza los flujos dirigidos a los países desarrollados. Las exportaciones de ALC al Sur son más diversificadas y exhiben una mayor proporción de productos manufacturados. Este potencial es aún más marcado en el comercio intrarregional de ALC. De tal manera que en la última década las rutas comerciales Sur-Sur han sido vías para el crecimiento impulsado por las exportaciones que la región tanto requiere.

Si bien el panorama económico mundial sigue marcado por la incertidumbre, es improbable que la tendencia de largo plazo que señala un fortalecimiento del comercio Sur-Sur se revierta completamente aunque, en el corto plazo, algunos de los motores del comercio Sur-Sur documentados en este informe podrían perder fuerza. Para aprovechar y mantener abiertas las oportunidades comerciales con el Sur, las políticas en la región deberían enfocarse en la ampliación y consolidación de la red de acuerdos de libre comercio y en la eliminación de los diversos cuellos de botella que restringen el intercambio. De esta manera, los países fortalecerán su compromiso con la apertura y la integración de mercados y evitarán medidas proteccionistas.

Mediante varios productos de conocimiento como el *Monitor de Comercio e Integración*, el Banco Interamericano de Desarrollo brinda valiosa información para apoyar a los países miembros en su propósito de aprovechar las nuevas oportunidades para el comercio y la integración.

Antoni Estevadeordal  
Gerente, Sector de Integración y Comercio





# List of Abbreviations

COMTRADE	United Nations Commodity Trade Statistics Database
ECA	Export Credit Agency
EU	European Union
FDI	Foreign Direct Investment
FTA	Free Trade Agreement
GDP	Gross Domestic Product
GTA	Global Trade Alert
GVC	Global Value Chain
IDB	Inter-American Development Bank
IFS	International Financial Statistics
IIT	Intra-Industry Trade
IMF	International Monetary Fund
IMF DOTS	International Monetary Fund Direction of Trade Statistics
LAC	Latin America and the Caribbean
MFN	Most Favored Nation
NTB	Non-Tariff Barrier
OECD	Organization for Economic Cooperation and Development
P&C	Parts and Components
REER	Real Effective Exchange Rate
TNC	Transnational Corporation
US	United States
WEO	World Economic Outlook
WTO	World Trade Organization





# Executive Summary

During the last decade the patterns of global growth have shifted, with the developing South expanding at a faster pace than the developed North. For countries in Latin America and the Caribbean (LAC), this has translated into relatively lower demand in traditional export destinations, and provided an unprecedented opportunity to break into new markets and expand trade with emerging economies.

The *Trade and Integration Monitor 2013* illustrates and analyzes this long-term trend in the global economic and trade structure and its impact on LAC trade prospects. Part I of the report draws on a wealth of data systematized by the Integration and Trade Sector of the Inter-American Development Bank (IDB) and available to the public through INTrade ([www.iadb.org/intradebid](http://www.iadb.org/intradebid)). This set of data shows the following:

- **Shifting Patterns in Global Trade:** Exports originating in developing countries have been growing rapidly and should account for over 50% of world exports within the next few years. LAC exports, however, grew by a scant 1.1% in 2012, a rate lower than the region's average GDP growth of 3%. More recently, growth of trade volumes has been slowing down due to low demand in traditional markets, which had been formerly compensated by historically high commodity prices. But, in 2013, falling export prices have resulted in declining trade balances in some LAC countries.
- **The Rise of South-South Trade:** South-South trade has been growing faster than global trade, and already exceeds South-North exports. LAC currently controls a small share of global South-South trade, but exports to the South have been growing at a higher rate than exports to the North in nearly all LAC countries. These exports are also qualitatively different: they are more diverse and include more manufactures.

- **The Strategic Value of Intra-LAC Trade:** Intra-regional trade accounts for over half of LAC South-South trade, and the qualitatively distinct characteristics of South-South trade are even more pronounced in the case of intra-LAC trade.
- **Policy Obstacles to South-South Trade:** South countries face significantly higher overall trade costs, both in South-South and in South-North trade. Tariffs are higher for the South, but have fallen more rapidly as developing countries concluded South-South free trade agreements. Yet, while tariffs have been falling, they have been replaced by other trade restrictions that are less transparent and harder to quantify. Such restrictions have been implemented mostly by developing countries, including in LAC.
- **Opportunities for the Private Sector in South-South Trade:** The business model in international trade is shifting towards fragmentation of production along global and regional value chains. Among other issues, LAC needs to address credit and trade finance bottlenecks in

order to integrate its companies into new production networks.

- **Downside Risks:** Although growing South-South trade presents opportunities, the region should avoid excessive export concentration. While focusing on South-South trade is certainly a strategic option with much potential, policymakers are urged to place export diversification at the core of their trade and development policies. This is even more relevant as the current economic outlook points to downside risks in emerging markets, for example in China, which has been a central driver of South-South trade in the last decade.

The main findings in Part I are complemented by profiles for each of the twenty-six IDB borrowing member countries. The Countries Profiles summarize the most recent trade performance indicators available at the national level (Part II). The Agreement Profiles review the free trade agreements in force among LAC countries and their trading partners (Part III).



# Resumen Ejecutivo

**E**n la última década los países en desarrollo del Sur han crecido a un ritmo superior que el del Norte desarrollado provocando un cambio en el patrón de crecimiento global. Para los países de América Latina y el Caribe (ALC) esto ha significado una menor demanda relativa proveniente de sus socios tradicionales y una oportunidad sin precedentes de ingresar a nuevos mercados y expandir su comercio con las economías emergentes.

El *Monitor de Comercio e Integración 2013* ilustra y analiza la evolución de estas tendencias de largo plazo que caracterizan la estructura económica y comercial global y sus efectos sobre las perspectivas del comercio de ALC. La Parte I del informe emplea la rica variedad de datos sistematizados por el Sector de Integración y Comercio del Banco Interamericano de Desarrollo (BID) y disponibles públicamente en INTrade ([www.iadb.org/intradebid](http://www.iadb.org/intradebid)) para mostrar:

- **El patrón cambiante del comercio global:** Las exportaciones originadas en los países en desarrollo están creciendo rápidamente y deberían alcanzar más del 50% de las exportaciones mundiales en pocos años. A pesar de eso, las ventas externas de ALC crecieron apenas 1,1% en 2012, una tasa menor que el incremento del 3% de su PIB. Más recientemente, la desaceleración del crecimiento del volumen del comercio, debida a la debilidad de la demanda de los mercados tradicionales, venía siendo compensada por niveles históricamente altos de los precios de los productos básicos. Sin embargo, en 2013 en la medida que los precios de las exportaciones comenzaron a bajar, el saldo comercial de algunos países de ALC comenzó a reducirse.
- **El surgimiento del comercio Sur-Sur:** El comercio Sur-Sur ha crecido más rápido que el intercambio global y ya supera las exportaciones Sur-Norte. Actualmente, ALC da cuenta de una pequeña proporción del comercio Sur-Sur global, aunque en casi todos los países de ALC las

exportaciones al Sur crecen a una tasa mayor que las exportaciones al Norte. Esas exportaciones son también cualitativamente diferentes: son más diversas e incluyen más manufacturas.

- **El valor estratégico del comercio intra-ALC:** El comercio intrarregional no solo comprende cerca de la mitad del comercio Sur-Sur de ALC sino que, además, las características cualitativamente distintas del comercio Sur-Sur son más marcadas en este caso.
- **Los obstáculos de política al comercio Sur-Sur:** Los costos de comerciar son significativamente superiores para los países del Sur, tanto en la dirección Sur-Sur como en la Sur-Norte. Los aranceles son superiores en el Sur, aunque han caído rápidamente conforme se fueron acordando Tratados de Libre Comercio Sur-Sur. Sin embargo, los reducidos aranceles han sido reemplazados por otras restricciones, menos transparentes y más difíciles de cuantificar. Gran parte de estas restricciones han sido implementadas por los países en desarrollo, incluyendo algunos en ALC.
- **Las oportunidades para el sector privado en el comercio Sur-Sur:** El modelo de negocios del comercio internacional se ha desplazado hacia esquemas de fragmentación de la producción en cadenas de valor, globales y regionales. Para

integrar las empresas en esas nuevas redes de producción, entre otras cosas ALC necesita superar cuellos de botella en materia de crédito y financiación del comercio.

- **Riesgos de enfriamiento:** Si bien el crecimiento del comercio Sur-Sur presenta oportunidades, la región debería evitar una excesiva concentración de las exportaciones. Darle una prioridad elevada al comercio Sur-Sur es ciertamente una opción estratégica con gran potencial, pero es oportuno que las políticas comerciales y de desarrollo de los países de la región tengan como objetivo central la diversificación de las exportaciones. Esto se vuelve más importante ya que en el escenario económico mundial aparecen riesgos de enfriamiento en los países emergentes, por ejemplo en China que ha sido el principal motor del comercio Sur-Sur en la última década.

Los principales hallazgos examinados en la Parte I se complementan con perfiles de los 26 países miembros prestatarios del BID. Los Perfiles de País resumen indicadores del desempeño comercial reciente de los países de la región (Parte II). Los Perfiles de Acuerdos revisan los acuerdos de libre comercio vigentes entre los países de ALC y sus socios comerciales (Parte III).



# Overview

The 2008–2009 global financial crisis is now in the past, but the future of the global economy and the world trading system has been profoundly affected by the events of the last decade. With the South growing at a much faster rate than the North<sup>1</sup>, import demand in the South has become large enough to cause a major shift in trade patterns: the South is now trading more with itself than with the North. In addition, this South-South trade is becoming more diverse and complex. Although the South still relies heavily on commodity trade, some countries have been successfully moving up the value chain and integrating global and regional production networks.

For LAC countries, these emerging trends in South-South trade offer numerous opportunities. But they also pose many challenges. The next section describes recent trends in global output and trade growth and analyzes LAC trade performance within this changing context. Section 2 describes the growth of South-South trade over the past two decades, its growing significance for LAC, and its future prospects. Section 3 highlights projections for intra-LAC trade in the context of South-South trade. Section 4 reviews the policy context, including the adoption of liberalizing and protectionist measures

in South-South and intra-LAC trade. The last section takes the private sector perspective, focusing on recent trends in foreign direct investment, the operation of transnational companies, and the participation of South companies in global production sharing.

## Shifting Patterns in Global Trade

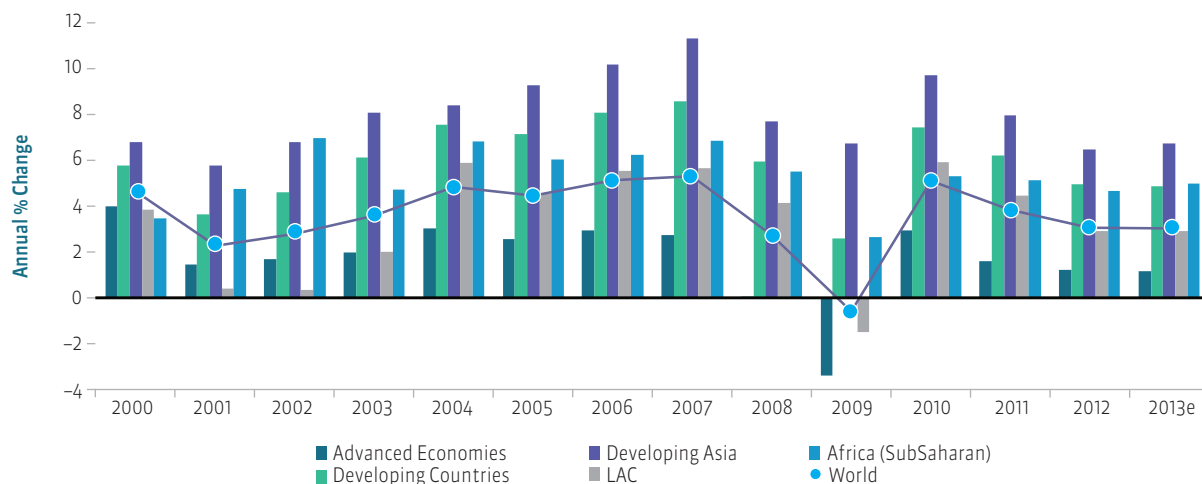
As countries moved past the post-crisis recovery stage and global output and trade rebounded to pre-crisis levels, a marked shift in the world economic structure became evident: the developing South outpaced the developed North in output growth. This difference in growth rates has translated into changing trade patterns, with developing countries refocusing their trade towards South-South exchanges. Although future prospects are uncertain, current projections point to a slowdown in emerging markets'

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<sup>1</sup> The definitions of “South” and “North” are based on the UN Standard Country Classification. The North encompasses the “developed” countries, including Japan in Asia, Canada and the United States in North America, Australia and New Zealand in Oceania, and Europe. The South encompasses developing Asia (including Middle East), Latin America, and Africa.

**FIGURE 1 GROSS DOMESTIC PRODUCT**

(Growth rates at constant prices, percentage, 2000–2013)



Source: IDB Integration and Trade Sector based on data from IMF WEO, July 2013.

Note: Average of national growth rates weighted by GDP in US dollars at purchasing power parity. 2013 values are estimated.

growth. The question is whether this slowdown constitutes a fluctuation around the observed long-term trend or marks the beginning of a new cycle.

Global growth has slowed down since the post-crisis recovery.

Global growth has slowed dramatically since the post-crisis recovery. From 2003 to 2007, the global economy experienced a sustained and widespread expansion of output and trade, with average annual growth rates of 4.8% and 7%, respectively.

Although a strong post-crisis recovery was staged in 2010, when global GDP growth averaged 5.2%, economic performance cooled down to about 3.9% in 2011 and 3.1% in 2012. For 2013, global output growth is expected to remain at the 2012 rate of 3.1% (Figure 1).

Although this deceleration in growth occurred across all income groups, developing countries have maintained relatively higher growth rates. In 2012, while advanced economies grew at an average of 1.2%,

in large part due to the recession in the Euro Zone, irregular growth in Japan, and tepid recovery in the United States, developing Asia<sup>2</sup> and Sub-Saharan Africa posted average growth rates of 6.5% and 4.9%, respectively. In the same year, LAC grew by only 3%, down from 6.1% in 2010, and is expected to maintain this rate of growth in 2013. As gathered from these figures, over half of global GDP growth in 2012 occurred in the developing South.

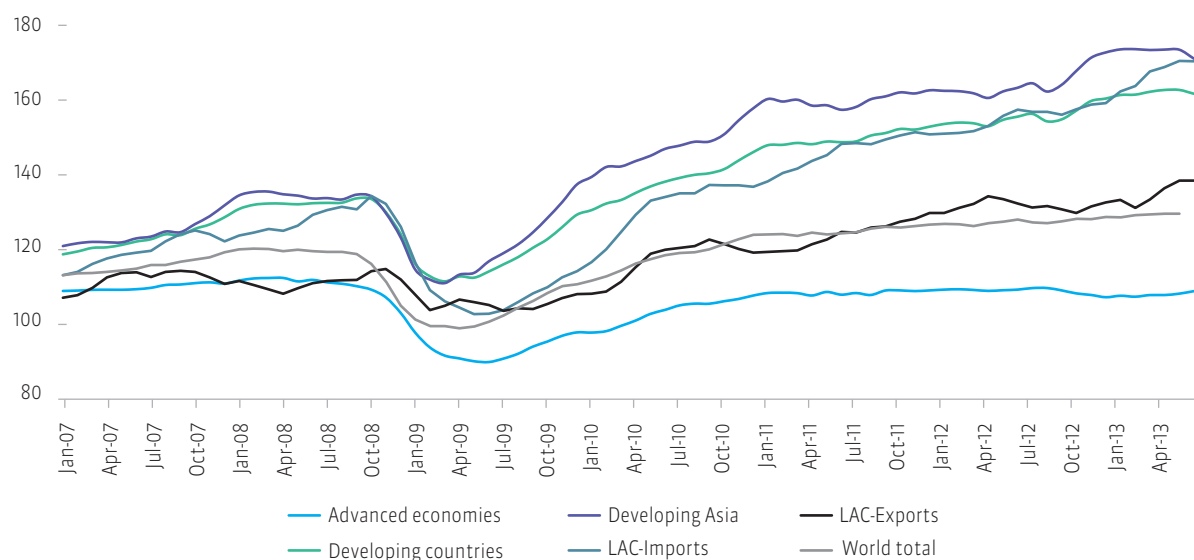
Developing countries have consistently grown faster.

The growth of trade flows reflects the diverging economic performances of North and South (Figure 2). In real terms, trade of advanced economies stabilized in 2011–2012 at a level below the pre-crisis peak, and began to decline in the second half of 2012. In fact, in June 2013, average imports and exports

<sup>2</sup> In the report, Asia refers to Asian countries that are defined as the South, i.e., Japan is excluded.

**FIGURE 2 WORLD TRADE FLOWS AT CONSTANT PRICES**

(Quarterly moving average of seasonally-adjusted indices, 2005=100, January 2007–June 2013)



Source: IDB Integration and Trade Sector based on Netherlands Bureau for Economic Policy Analysis.

Note: Growth calculated on the average of imports and exports, except for LAC, where these are presented separately.

of advanced economies remained 3.2% below the April 2008 level. In contrast, trade of developing countries, particularly those in Asia, is above pre-crisis levels by a wide margin and continues to follow a positive trend. Thus, the fact that world trade has been exceeding pre-crisis levels since 2010 is solely due to the performance of developing countries. With respect to LAC, at the beginning of 2013, real imports and exports were higher than their pre-crisis peaks.

However, while LAC imports have expanded at a faster pace than developing countries' trade, real exports have grown only on pace with total world trade.

The slowdown of trade with LAC's largest partners partially explains the region's weak export performance. Growth of exports to the US and EU (27 countries) decelerated

since mid-2011, turned negative in late 2012, and continued on a downward path in the first months of 2013 (Figure 3). First-half indicators pointing to an economic recovery in the US have not yet translated into a noticeable change in the country's global purchase trends, including goods from LAC. The lingering recession in the EU is unlikely to allow for growth in exports to that region in the short-term. In addition, growth in Chinese purchases from LAC also declined during most of 2012 and early 2013, along with slower Chinese growth, but posted a positive rate in June 2013 after ten months in negative territory.

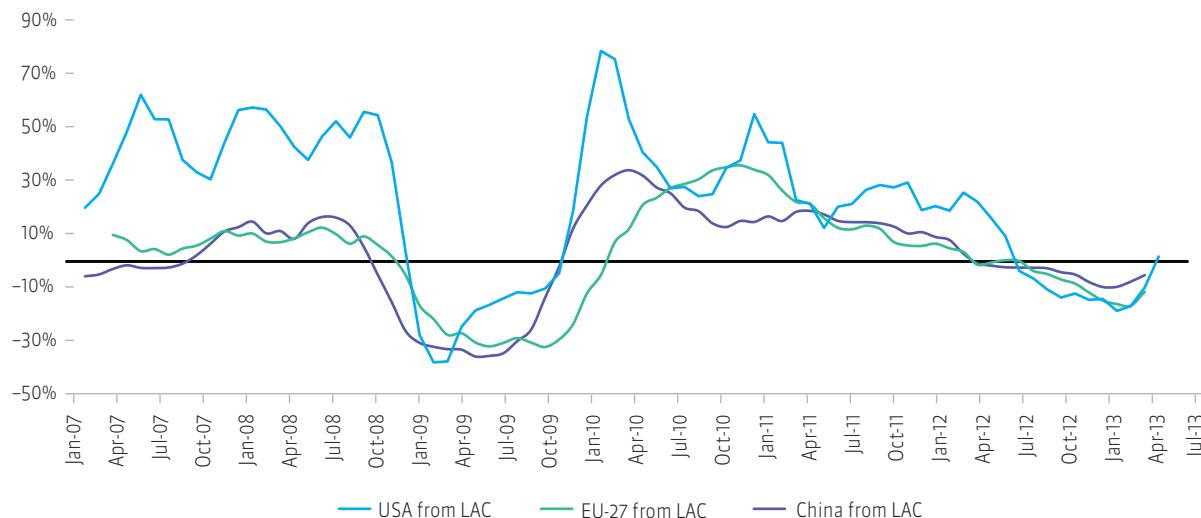
Despite the slowdown in export growth, large current account imbalances had been avoided due to high prices fetched by LAC exports. Although temporarily interrupted by the crisis, a commodity price boom (Figure 4) benefited LAC over most of

LAC's trade performance is suffering from declining import demand from its major partners.

High export prices buoyed LAC exports but have started to decline.

**FIGURE 3 MONTHLY US, EU, AND CHINESE IMPORTS**

(Three-month moving average of year-on-year growth rates, percentage, January 2007–June 2013)



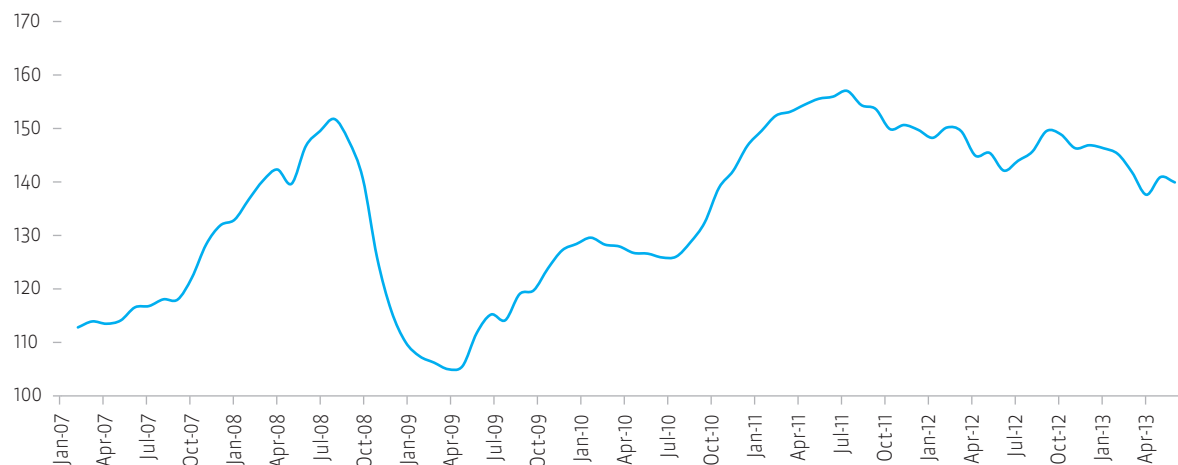
Source: IDB Integration and Trade Sector based on IMF, USITC, EuroStat, and national data. See Methodological Notes for further details.

last decade. This terms-of-trade bonanza partially masked the region's weak export performance, but is not expected to endure. In fact, this windfall income from exported commodities is already fading, leading to declining trade balances for some countries. The region's average export price index reached a peak

in mid-2011, but has started to decline since then. Although the 2012 export price index was about 3% below pre-crisis levels, by June 2013 it had lost 11% of its value compared to the mid-2011 peak. As relative prices readjust, monetary and exchange rate

**FIGURE 4 LAC EXPORT PRICE INDEX**

(Index, 2005=100, January 2007–June 2013)



Source: IDB Integration and Trade Sector based on Netherlands Bureau for Economic Policy Analysis.

policies have also encouraged a reorientation of LAC exports towards developing countries (Box 1).

The combination of lower growth in export volumes and declining export prices has translated into deteriorating trade balances for the region. In 2012, LAC exports approached US\$1.09 trillion, and imports amounted to nearly US\$1.07 trillion, with the region registering a small surplus of about US\$12 billion, equivalent to 0.2% of GDP. However, while exports grew a mere 1.1% compared to 2011, imports expanded 4.6%, further deteriorating

the regional merchandise trade balance (Table 1). Although the Southern Cone and Andean countries produced a surplus, they were also the source of the region's overall deteriorating trade balance, as their trade surpluses fell by 34% and 29%, respectively. Mexico's imports and exports were essentially balanced, while the countries of Central America and the Caribbean registered deficits of US\$49 billion

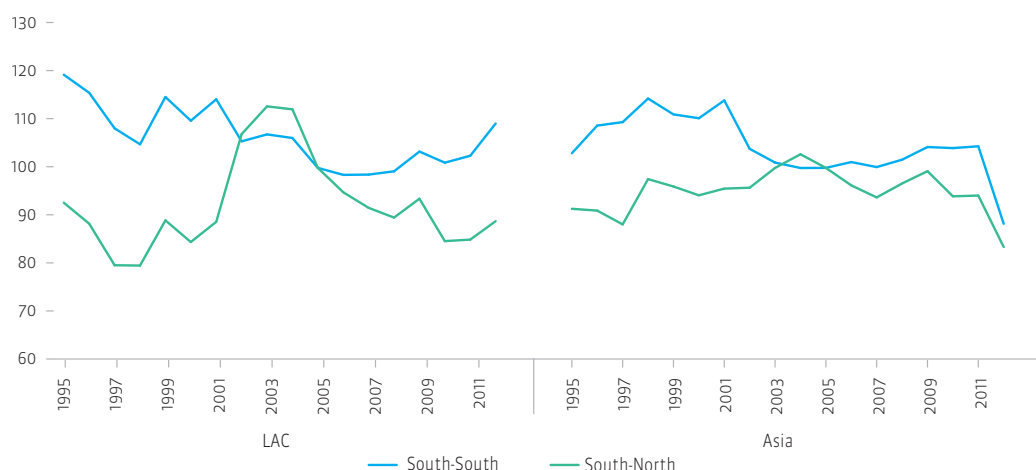
The overall LAC trade balance deteriorated in 2012.

### BOX 1 REAL EFFECTIVE EXCHANGE RATES AND SOUTH-SOUTH TRADE

LAC's real effective exchange rate (REER), which is a measure of price competitiveness, has been moving in different directions with respect to countries in the North and the South since before the 2008–2009 crisis. As seen in the chart below, LAC's average real exchange rate with countries in the North has appreciated significantly since about 2003, making LAC exports relatively more expensive to Northern importers. However, it has gradually depreciated in relation to countries in the South, making LAC exports relatively cheaper in these markets. These diverging trends partially explain the increase of LAC's share of exports destined to developing countries.

In comparison, Asia's REER has behaved similarly to that of LAC until the outset of the crisis. Since then, it has converged towards a real appreciation with respect to all partners, though this is more pronounced with respect to those in the North. This has made Asian exports relatively more expensive in all markets, and even more so in the North, which helps to explain the gap in growth rates between South-South and South-North trade.

**REAL EFFECTIVE EXCHANGE RATE FOR SOUTH-SOUTH AND SOUTH-NORTH TRADE**  
(Index 2005=100, LAC and Asia, 1995–2012)



Source: IDB Integration and Trade Sector based on COMTRADE and IMF data.

Note: GDP-weighted average of national REER. A decrease denotes appreciation.

**TABLE 1 MERCHANDISE TRADE BY COUNTRY AND SUB-REGION**

(Billions of US dollars and percentage change, 2010–2012)

	Exports (FOB)				Imports (CIF)				Balance of Goods			
	2010	2011	2012	2012 Growth Rate	2010	2011	2012	2012 Growth Rate	2010	2011	2012	2012 Growth Rate*
Argentina	68.1	83.9	80.9	-3.6%	56.5	73.9	68.5	-7.3%	11.6	10.0	12.4	23.9%
Bahamas	0.7	0.8	0.8	3.6%	2.6	3.0	3.6	21.6%	-1.9	-2.2	-2.8	-28.1%
Barbados	0.3	0.5	1.1	126.0%	1.2	1.8	3.6	97.7%	-0.9	-1.3	-2.4	-86.9%
Belize	0.3	0.4	0.3	-14.9%	0.7	0.8	0.9	10.2%	-0.4	-0.4	-0.5	-35.2%
Bolivia	7.0	9.1	11.6	27.8%	5.6	7.7	8.3	7.9%	1.4	1.4	3.4	133.7%
Brazil	201.9	256.0	242.6	-5.2%	181.6	226.2	223.2	-1.3%	20.3	29.8	19.4	-34.8%
Chile	67.4	80.8	76.7	-5.0%	52.8	66.4	70.7	6.5%	14.6	14.4	6.0	-58.1%
Colombia	39.8	57.0	60.1	5.5%	40.7	54.7	59.1	8.1%	-0.9	2.3	1.0	-55.9%
Costa Rica*	9.3	10.2	11.3	10.5%	13.4	15.9	18.4	15.5%	-4.1	-5.7	-7.1	-24.4%
Dom. Rep.*	5.4	6.4	6.9	8.2%	16.6	18.3	19.2	4.8%	-11.2	-11.9	-12.3	-2.9%
Ecuador	17.5	22.3	23.8	6.6%	20.6	24.3	25.2	3.7%	-3.1	-2.0	-1.4	28.7%
El Salvador*	4.5	5.3	5.3	0.6%	8.4	10.0	10.3	3.1%	-3.9	-4.7	-4.9	-5.9%
Guatemala*	8.5	10.5	10.1	-3.2%	13.8	16.6	17.0	2.3%	-5.4	-6.2	-6.9	-11.6%
Guyana	0.9	1.0	1.0	2.1%	1.5	1.7	2.0	15.9%	-0.6	-0.7	-0.9	-35.6%
Haiti	0.6	0.8	0.8	-1.9%	3.0	3.2	2.9	-10.0%	-2.4	-2.4	-2.1	12.7%
Honduras*	2.8	4.0	4.8	18.8%	7.1	9.0	7.9	-12.0%	-4.3	-5.0	-3.2	36.6%
Jamaica	1.3	1.6	1.6	2.6%	5.3	6.6	6.6	-0.3%	-4.0	-5.0	-5.0	-1.2%
Mexico	298.5	349.6	370.9	6.1%	301.5	350.9	370.8	5.7%	-3.0	-1.3	0.2	112.5%
Nicaragua*	1.9	2.3	2.7	18.3%	4.2	5.2	5.9	12.4%	-2.3	-2.9	-3.2	-8.0%
Panama*	0.7	0.8	0.8	2.7%	9.1	11.3	12.6	11.8%	-8.4	-10.5	-11.8	-12.5%
Paraguay	6.5	7.8	7.3	-6.4%	9.4	11.5	10.8	-6.9%	-2.9	-3.8	-3.5	7.9%
Peru	35.1	46.0	45.5	-1.2%	27.9	35.7	42.3	18.4%	7.2	10.3	3.2	-69.0%
Suriname	2.1	2.5	2.6	3.9%	1.4	1.7	1.8	6.2%	0.7	0.8	0.8	-0.8%
Trin. and Tob.	11.2	14.9	11.2	-24.6%	6.5	10.0	6.3	-36.8%	4.7	4.9	4.9	0.2%
Uruguay	6.7	8.0	8.7	9.3%	8.5	10.6	11.6	9.6%	-1.8	-2.6	-2.9	-10.4%
Venezuela	65.7	92.6	97.3	5.1%	42.2	50.7	65.4	28.9%	23.5	41.9	32.0	-23.7%
<b>Andean</b>	165.0	227.0	238.3	5.0%	137.0	173.1	200.2	15.7%	28.0	53.9	38.1	-29.3%
<b>Caribbean</b>	17.4	22.4	19.5	-13.0%	22.2	28.8	27.6	-4.0%	-4.8	-6.4	-8.1	-27.8%
<b>Cent. America</b>	33.0	39.4	41.9	6.3%	72.6	86.3	91.2	5.7%	-39.6	-46.9	-49.4	-5.2%
<b>Mexico</b>	298.5	349.6	370.9	6.1%	301.5	350.9	370.8	5.7%	-3.0	-1.3	0.2	112.5%
<b>South. Cone</b>	350.6	436.5	416.2	-4.6%	308.8	388.6	384.8	-1.0%	41.8	47.8	31.5	-34.2%
<b>LAC-26</b>	864.6	1,074.9	1,086.9	1.1%	842.2	1,027.7	1,074.6	4.6%	22.4	47.2	12.3	-73.9%

Source: IDB Integration and Trade Sector based on INTrade/DataINTAL.

Note: \* See Methodological Notes for coverage information. Positive values for the growth rate of the trade balance indicate an improvement of the trade balance (smaller deficit or larger surplus), while negative values indicate deterioration (a smaller surplus or larger deficit).

and US\$8 billion, equivalent to 20.3% and 11.6% of GDP, respectively.

Preliminary data for 2013 indicate that downside risks have become more prominent.

Preliminary data for 2013 point to a continuation of the negative trend observed in the last months of 2012. In the first half of 2013, exports from Latin-America<sup>3</sup> suffered a decline of 1.1% with respect to the same period in 2012, similar to the 1.2% decline in the second half of 2012, while

imports grew by 4.5% year-on-year. Exports from the Andean countries fell by 6.7%, mainly due to a contraction of mineral exports to the US and the EU as well as to other countries in the region. The exception was Bolivia, where gas exports increased to Brazil and Argentina. In the Southern Cone, exports expanded 0.3% in the first half, recovering from the 7.5% decline in the second half of 2012. Although Brazil's exports declined by 2.4%, due to lower petroleum sales to the EU and the US<sup>4</sup>, this was offset by growth in Argentina's sales to Mercosur and Asia (predominantly agricultural products). Mexico's exports grew 0.6%, held back by lower oil exports to the US, and worsening with respect to the second half of 2012 (4.8% growth). Exports from Central America increased 2.7% in the first half of 2013, slightly below the rate of the preceding semester (3.2%).

In summary, given the lukewarm growth performance of LAC's main extra-regional trading partners, real exports have stagnated and the merchandise trade balance has worsened for most countries. Moreover, high export prices that recently buoyed LAC exports have started to decline in early 2013. Looking forward, there is considerable uncertainty over the outlook for the world economy. A combination of an increasingly solid US recovery, lower expected activity in emerging markets, and anticipated changes in monetary policies worldwide cast a cloud over

prospects for LAC trade, and particularly over South-South trade which has been a major driver of LAC's trade performance. It is therefore important to understand which have been the main features of such trade, in order to leverage new and growing opportunities, while promoting export diversification.

## The Rise of South-South Trade

In recent years the sluggish growth rates and trade prospects of most developed countries gave developing countries a more prominent role in the global economy. While traditional export destinations in the North offered only moderate growth opportunities, markets in the South contributed to a structural transformation of LAC trade. South-South trade thus emerged as a main driver of LAC trade performance.

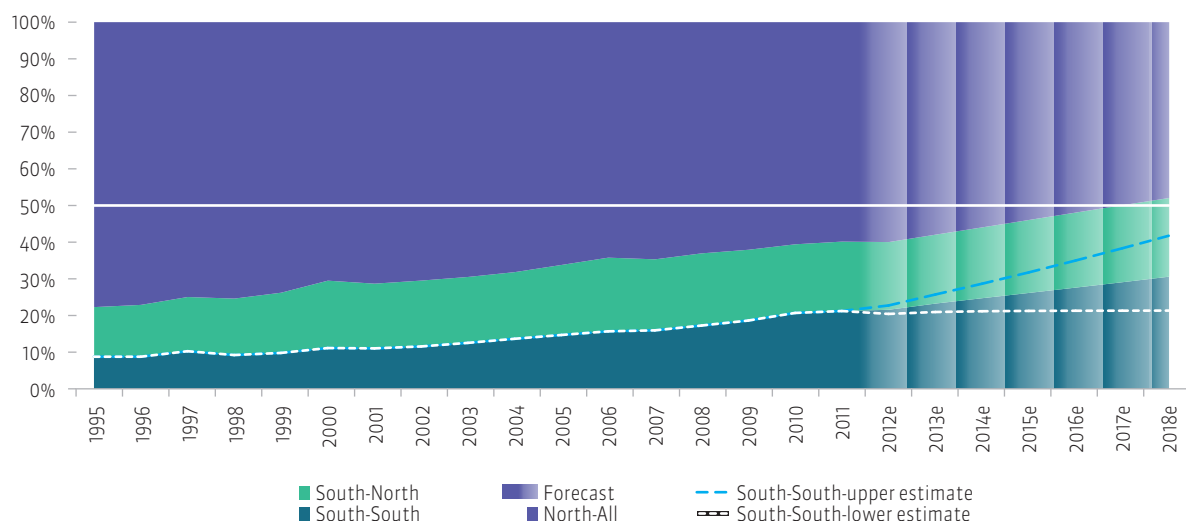
In five years the structure of world trade is expected to be substantially different from what it was ten years ago, with exports from the South accounting for more than half of global trade. By comparison, in the mid-1990s, South-South trade accounted for less than 10% of global trade, with South-North exports ac-

counting for slightly more, about 14%. Since 2001, South-South trade has grown at an average of 18% per year, as compared to only 11% for world trade. As a result, by 2011, the shares of South-South trade and South-North exports were 21% and 19%, respectively

Exports from the South are forecast to exceed half of global trade by the end of this decade.

<sup>3</sup> Based on a sample of 15 countries, which represented 97% of LAC exports in 2012: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Paraguay, Peru, Uruguay, and Venezuela.

<sup>4</sup> Oil exports fell due to transitory technical stoppages in refineries.

**FIGURE 5 GROWTH OF SOUTH-SOUTH TRADE****(Percentage of total world trade, 1995–2018)**

Source: IDB Integration and Trade Sector based on COMTRADE data and IMF WEO April 2013 (GDP forecasts).

Note: Trade values between 2012 and 2018 are forecasts.

(Figure 5). Forecasts of trade shares<sup>5</sup> indicate that the countries of the South may see their total exports exceed half of world trade by 2018, with South-South trade reaching between 21% (low forecast) and 42% (high forecast) of global trade, and South-North exports comprising about 21%. It is worth noting, however, that these projections are very sensitive to China's growth rate.

Developing countries' exports are already directed primarily to other South countries.

Another striking change is that South exports are currently directed primarily to other developing countries. As a share of their own total exports, South-South exports have increased steadily since the late 1990s (Figure 6). As

of 1999, this ratio stood at 37%, but exceeded 50% in 2010 and increased to nearly 55% in 2012. Despite some variation across regions and countries, the outlook is clear: the South may soon become the origin of

the largest share of world trade, and is already its own largest trade partner.

The majority of South-South trade originates in Asia, which in 2012 accounted for nearly 83% of total South-South exports. After reaching 16% in 1995, LAC's share of South-South trade now stands at 11%, while African South-South exports have remained virtually constant over the same period, at 6%. Asia's dominance can be partially

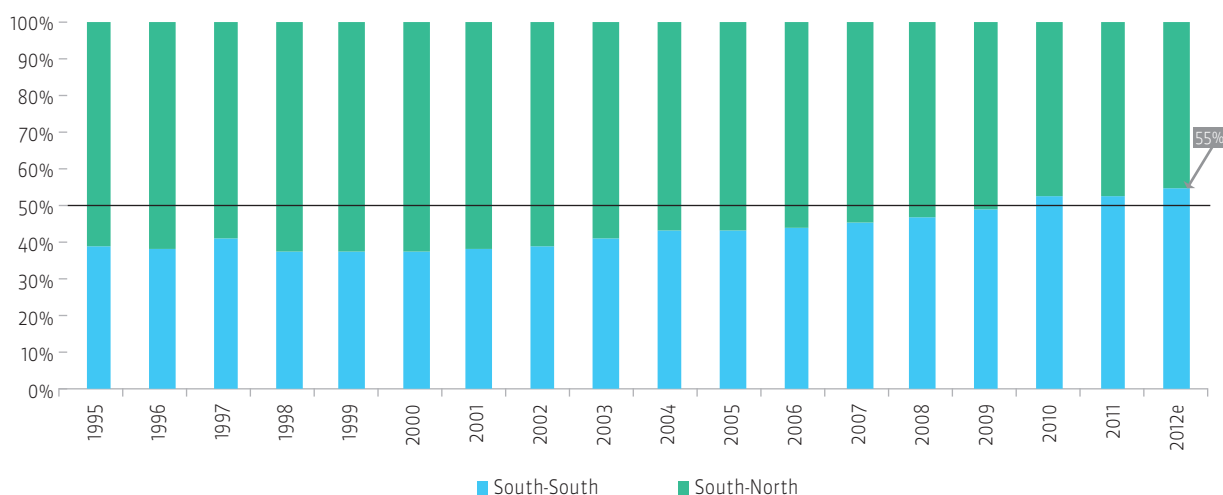
LAC commands only a small share of global South-South exports.

<sup>5</sup> Calculations based on economic growth rates forecast by the IMF (WEO, April 2013) using coefficients from a modified gravity model based on panel data covering 1990–2011 to extrapolate global trade patterns. At the time of the publication of this report, growth projections are being revised upwards for the North, particularly the US, and downward for the emerging markets, particularly China and Latin America. The projections for South-South trade therefore may be closer to the lower bound reported in Figure 5.



**FIGURE 6 SHARE OF SOUTH-SOUTH TRADE IN TOTAL SOUTH EXPORTS**

(Percentage of total South exports, 1995–2012)



Source: IDB Integration and Trade Sector, based on COMTRADE and IMF DOTS data.

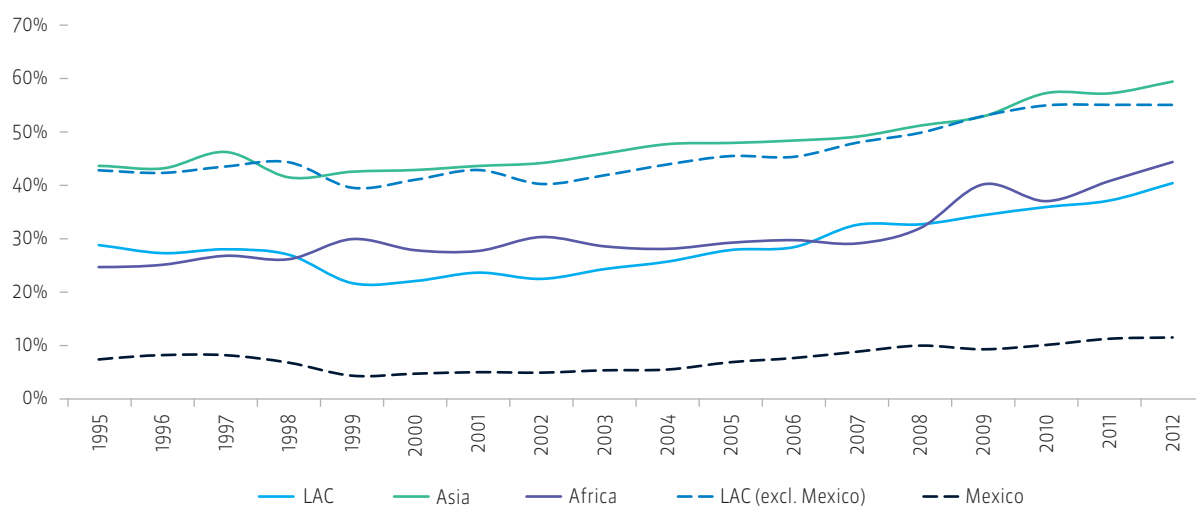
accounted for by its large and growing economies, especially China and India. But there are structural differences as well. In 2012, South-South exports constituted 59% of total Asian exports, but only 40% of LAC's. While both regions have seen their shares increase steadily, this 20-point gap

has remained fairly constant over the past 15 years (Figure 7).

These aggregate figures hide important differences among LAC countries. The relatively low share represented by LAC exports to the South is heavily

**FIGURE 7 SHARE OF SOUTH PARTNERS IN EACH REGION'S TOTAL EXPORTS**

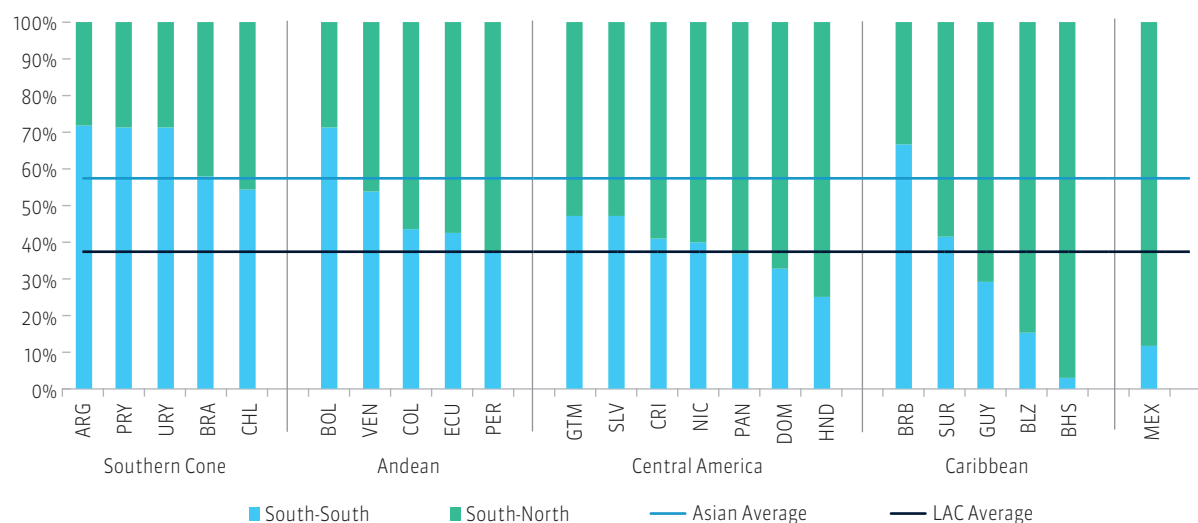
(Percentage, by South region, 1995–2012)



Source: IDB Integration and Trade Sector based on COMTRADE and IMF DOTS data.

**FIGURE 8 SHARE OF SOUTH-SOUTH EXPORTS IN TOTAL EXPORTS**

(Percentage, for selected LAC countries, 2012)



Source: IDB Integration and Trade Sector based on INTrade/DataINTAL, COMTRADE, and IMF DOTS.

Note: Due to lack of data availability, regional averages, Bahamas and Barbados refer to 2011. Bahamas, Guyana, Suriname and Venezuela data are estimated based on COMTRADE and IMF DOTS data.

Participation in South-South trade varies considerably in LAC.

influenced by Mexico's exports, which constitute the largest share of LAC exports and are primarily destined to the US. In fact, in 2012, Mexico accounted for 33% of total LAC exports, ranking as the largest exporter in the region. However, Mexico's exports to the South constituted only 11% of the country's total exports, which amounted to only 9% of LAC South-South trade. Thus, although in aggregate the share of South-South exports in total LAC exports is similar to that of Africa, the exclusion of Mexico brings the region's share much closer to that of Asia. Moreover, the share of South-South exports in total exports varies significantly across LAC countries (Figure 8)<sup>6</sup>. Exports to countries in the South account for more than 40% of total exports in over half of LAC countries, and five countries even exceed the Asian average. The countries of the Southern Cone have the highest South-South export shares, while

most Andean countries are at or above the regional average. Central America and the Caribbean, heavily oriented towards the US and Europe, are generally below the LAC average, and Mexico is indeed an outlier at the lower end.

The share of South-South exports in total LAC exports is expected to increase, as nearly all countries show a higher growth rate of exports to the South than to the North. Table 2 shows that since 2000, LAC exports to the South grew 8 percentage points faster than exports to the North. This amounts to an additional US\$228 billion in exports in 2012 that would have been forgone had exports to the South grown at a lower rate similar to that of exports to

South-South trade growth has exceeded that of South-North trade in nearly every LAC country.

<sup>6</sup> Data not available for Haiti, Jamaica, and Trinidad and Tobago.

**TABLE 2 LAC EXPORTS TO SOUTH AND NORTH**

(Millions of US dollars and growth rates, 2000–2012)

	Exports to North			Avg. Annual Export Growth to North	Exports to South			Avg. Annual Export Growth to South	South vs. North Excess Growth (percentage points)
	2000	2005	2012		2000	2005	2012		
<b>Southern Cone</b>									
Argentina	8,882	13,000	20,514	7%	16,045	24,705	52,503	10%	3
Brazil	32,854	58,747	91,819	9%	18,843	50,322	125,139	17%	8
Chile	10,569	21,448	33,452	10%	6,523	14,910	39,749	16%	6
Paraguay	157	372	1,957	23%	671	1,172	4,865	18%	–5
Uruguay	661	1,544	1,915	9%	1,503	1,569	4,681	10%	1
<b>Andean Countries</b>									
Bolivia	778	838	3,366	13%	660	2,080	8,271	23%	10
Colombia	8,893	12,168	32,380	11%	3,897	7,646	24,066	16%	5
Ecuador	2,660	6,789	14,628	15%	1,927	3,200	8,777	13%	–2
Peru	4,398	11,000	25,025	16%	2,149	6,329	19,119	20%	4
Venezuela	23,946	40,618	48,723	6%	7,544	7,652	40,951	15%	9
<b>Central America and Mexico</b>									
Costa Rica	3,994	3,802	6,378	4%	1,275	2,559	4,452	11%	7
Dom. Rep.	...	5,573	4,453	–3%	...	979	2,143	12%	15
El Salvador	2,105	2,048	2,808	2%	828	1,363	2,493	10%	8
Guatemala	1,439	1,406	5,113	11%	1,209	1,887	4,548	12%	1
Honduras	821	1,386	3,495	13%	234	529	1,176	14%	1
Mexico	158,356	198,115	325,990	6%	6,138	12,627	42,624	18%	12
Nicaragua	413	422	2,783	17%	200	380	1,825	20%	3
Panama	524	697	469	–1%	188	211	275	3%	4
<b>Caribbean</b>									
Bahamas	239	265	318	3%	5	6	9	5%	3
Barbados	92	96	142	4%	119	81	284	8%	4
Belize	184	172	285	4%	13	34	51	12%	8
Guyana	432	379	728	4%	87	145	299	11%	7
Jamaica	1,066	1,086	1,317	2%	76	194	180	7%	5
Suriname	473	806	1,391	9%	8	123	987	49%	40
Trin. and Tob.	2,302	5,951	...	21%	1,323	2,494	...	14%	–7
<b>Andean</b>	40,842	78,164	151,923	10%	15,467	27,298	74,963	17%	7
<b>Caribbean</b>	2,486	2,804	4,181	4%	309	582	1,810	16%	12
<b>Cent. America</b>	167,653	213,449	351,488	7%	10,072	20,535	59,536	18%	11
<b>South. Cone</b>	53,124	95,110	149,656	9%	43,585	92,677	226,936	15%	6
<b>LAC-26</b>	264,105	389,528	657,249	7%	69,433	141,092	363,245	15%	8

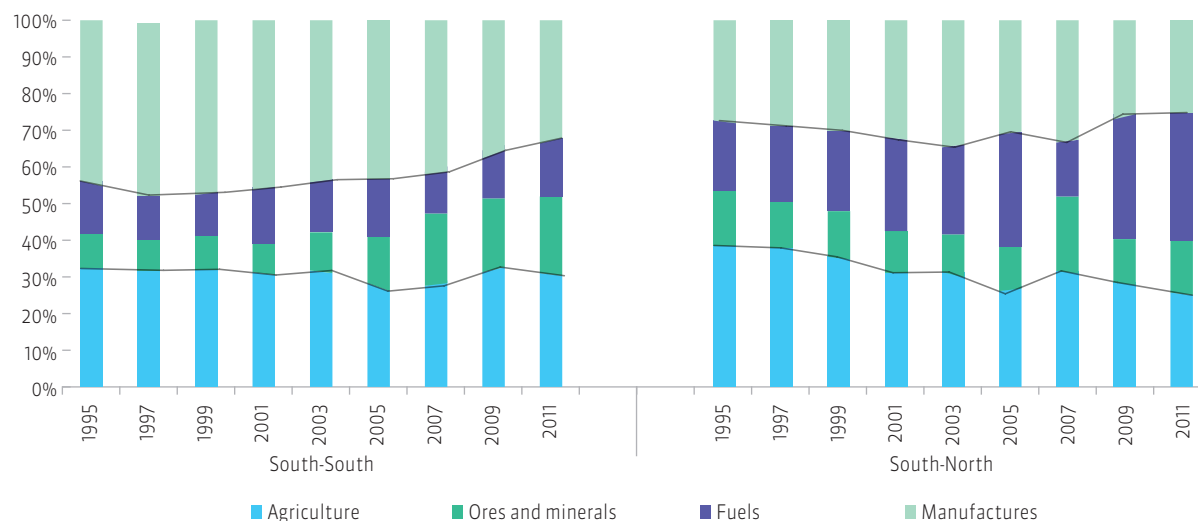
Source: IDB Integration and Trade Sector based on INTrade/DataINTAL.

Note: Due to lack of data availability, Dominican Republic 2005 refers to 2006 data and Bahamas and Barbados 2012 refer to 2011 data. Bahamas, Guyana, Suriname and Venezuela data are estimated based on UN COMTRADE data. Caribbean total does not include Trinidad and Tobago. Central America total includes Mexico.

South vs. North Excess Growth is the difference in average growth rates of exports to the two groups of destination countries.

**FIGURE 9 SECTOR COMPOSITION OF SOUTH-SOUTH AND SOUTH-NORTH EXPORTS**

(LAC, excluding Mexico, percentage of total exports, 1995–2011)



Source: IDB Integration and Trade Sector based on COMTRADE data.

the North. The most significant exceptions to the faster growth in South-South trade are Ecuador and Trinidad and Tobago, whose exports of gas and petroleum to the North have outpaced other exports and affected their sub-regional aggregates<sup>7</sup>.

LAC South-South exports feature a greater proportion of manufactures than exports to the North.

The composition of products exported by LAC in South-South versus South-North trade is also different (Figure 9). Over the past two decades, exports from LAC (excluding Mexico) to partners in the South have contained a higher proportion of manufactures<sup>8</sup> than exports to partners in the North. (See Box 2 for a more

detailed breakdown of manufactured goods trade.) However, since the late 1990s this share has decreased in South-South exports from about 48% to less than 33%. In South-North exports, the share of manufactures peaked at 35% in 2003 and declined

to 25% in 2011. Thus, LAC South-South trade is more intensive in manufactures overall, whereas South-North trade relies more on primary goods.

The composition of South-South exports shows variation across LAC sub-regions (Figure 10). More than half of South-South exports from Mexico and Central America, both with significant *maquila* industries, are in the manufacturing sector. Meanwhile, South America's exports to South partners are mainly of natural resource-derived products: 60% of South-South trade in the Southern Cone is made up of agricultural goods and metals and one-third by manufactures. In the Andean

Trade composition varies across LAC sub-regions.

<sup>7</sup> Paraguay began the period with very low exports to North countries, exaggerating growth in that segment.

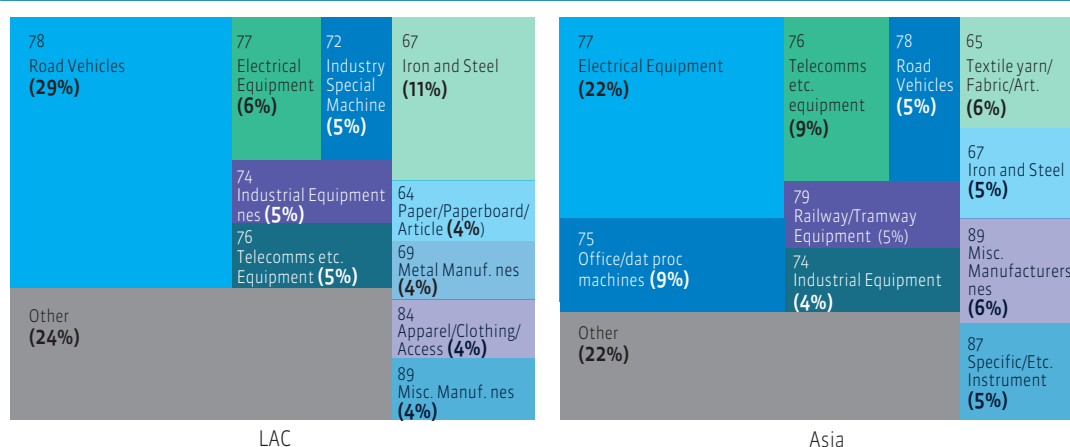
<sup>8</sup> Manufactures as defined here include the standard UNCTAD classifications covering chemicals, manufactures, and miscellaneous goods. Given the high dependence of Mexico on US (North) trade, Mexico is excluded from the LAC aggregates in this section.

## BOX 2 MANUFACTURES IN SOUTH-SOUTH TRADE

Within the manufactures category, the principal products making up LAC South-South exports are automobiles and iron and steel goods. These products, which account for 40% of total manufactures exports, are dominated by Mercosur's exports to Asia, especially to China and Republic of Korea. These are followed by a variety of more sophisticated electrical, telecommunications, and industrial equipment, each representing about 5% of the total and originating more broadly across the region.

Asia's manufactures exports are more diverse, with a greater share in electrical equipment, computers, and telecommunications equipment, followed by textiles. Due to its disproportionate size within Asia, China originates most of these exports.

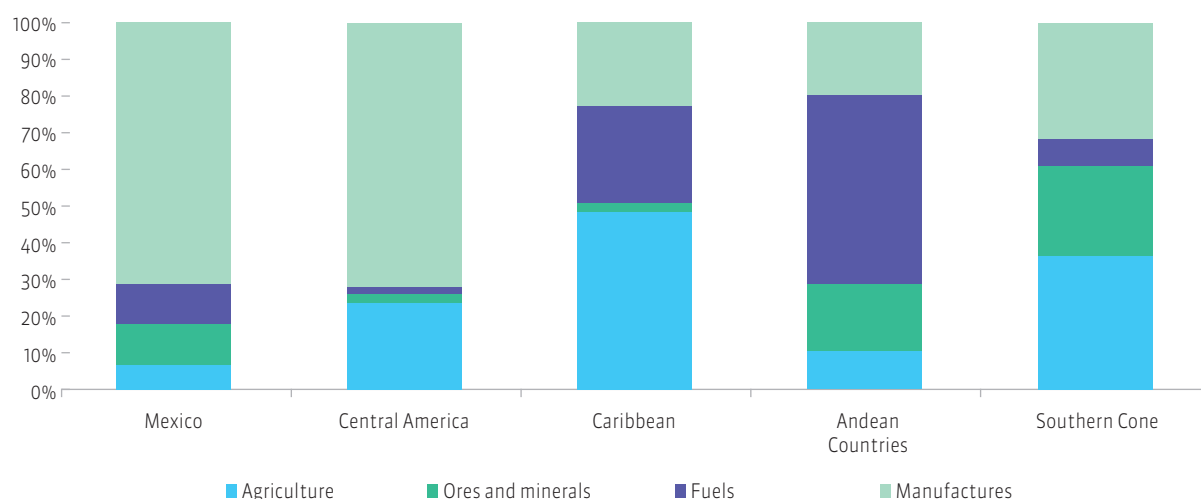
### PRINCIPAL PRODUCTS IN SOUTH-SOUTH EXPORTS OF MANUFACTURES (SITC Rev.3 2-digit Categories, 2011)



Source: IDB Integration and Trade Sector based on COMTRADE data.

## FIGURE 10 LAC SOUTH-SOUTH EXPORTS COMPOSITION BY SECTOR

(By sub-region, 2011)



Source: IDB Integration and Trade Sector based on COMTRADE data.

countries, fuels, ores, and metals dominate, while agriculture and fuels constitute 74% of Caribbean exports to South countries. Thus, the manufactures concentration in South-South exports is more pronounced in Mexico and Central America, and less in the Southern Cone.

This section has documented a long-term trend of South-South trade growth superior to that of total world trade, such that developing country exports to the South now exceed their exports to the North. Nearly all countries in LAC have participated in this trend. There are nevertheless clear regional differences in the type of goods exported by LAC to the South. Exports from Mexico and Central America are more intensive in processed goods and manufactures while the Andean, Caribbean, and Southern Cone countries are biased towards primary goods. The next section will examine intra-LAC trade as compared to LAC exports to South partners outside the region, highlighting the particular features of intra-regional trade.

## The Strategic Value of Intra-LAC Trade

Not all South-South trade is the same, and different regions present distinct trade prospects. Asia is larger, is growing faster than other developing regions and concentrates most of its South-South trade intra-regionally. LAC's exports to partners within the region account for over half of LAC South-South trade. These exports are more diverse, more stable in their composition, and more concentrated in manufactures than LAC exports to other regions.

Intra-regional trade predominates in both LAC and Asian South-South trade, although LAC exports to Asia have been increasing. Asia's share of intra-regional trade in South-South trade, although declining slightly over the last two decades from around 90%, stands at an impressive 85%. Nevertheless, LAC has

become a more significant destination for Asia's exports to other South regions, and currently absorbs about 8% of those exports, which is double its 4% share in 1995. In turn, LAC intra-regional trade shares are not as striking, but are still quite significant. Currently, intra-regional trade accounts for 50% of total LAC exports to South countries, roughly the same level as in 1990. After reaching its maximum of 75% in 1998–2000, the intra-LAC share of exports declined as exports to Asia, especially to China, expanded from around 20% to approximately 45% of LAC South-South flows (Figure 11). During the same period, the share directed to Africa has remained steady at around 5%.

The intra-regional South market is the most important for both LAC and Asia.

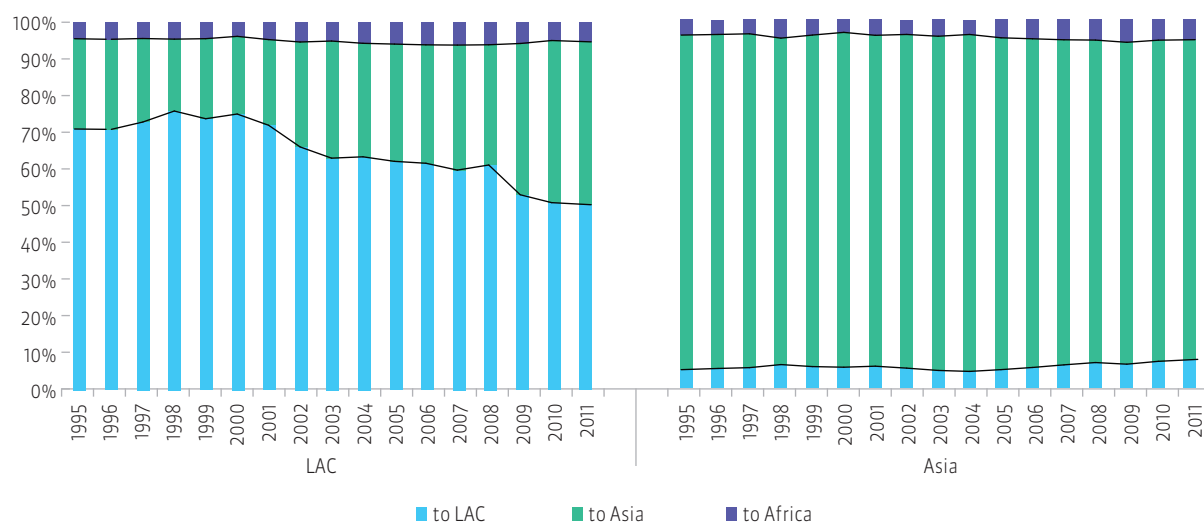
The rising share of exports to Asia in LAC's South-South trade reflects the increasing LAC-Asia complementarity and declining intra-LAC complementarity. Figure 12 highlights two notable trends: first, LAC exports (excluding Mexico) have seen the greatest increase in complementarity with Asia, mostly driven by China's demand for raw materials from South America. Mexico's complementarity with Asia has also increased, but not as much, and therefore did not experience the surge associated with the spike in commodity prices in 2006–2008 as did other LAC countries. Second, the trade complementarity of LAC countries' export supply with its own demand has been declining in the past decade, given that demand for commodities originates mostly outside the region.

LAC-Asia trade complementarity has increased while it declined within LAC.

The increasing complementarity between LAC's supply and Asia's demand comes at the cost of higher

**FIGURE 11 DESTINATIONS OF SOUTH-SOUTH EXPORTS**

(Percentage, 1995–2011)



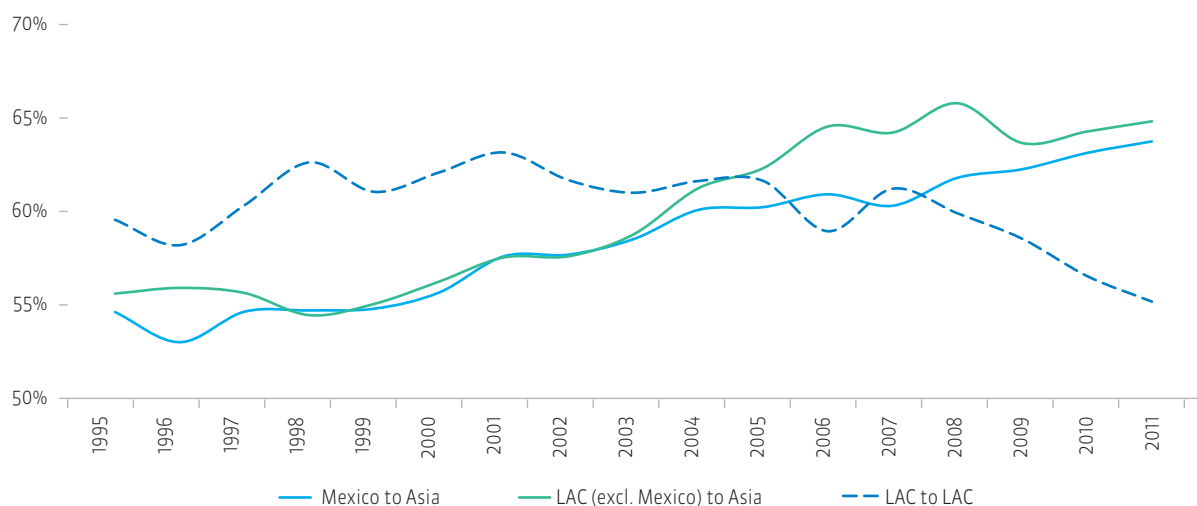
Source: IDB Integration and Trade Sector based on COMTRADE data.

product concentration (Figure 13). LAC exports to both Asia and the North have gradually become more concentrated, while product concentration in intra-LAC exports has increased only slightly. When

exports are highly concentrated, countries become vulnerable to price shocks, which create uncertainty and volatility in the current account. Thus, the lower concentration of intra-LAC trade makes it less prone

**FIGURE 12 TRADE COMPLEMENTARY INDEX OF SOUTH-SOUTH TRADE**

(Index, 100=perfect complementarity, 1995–2011)

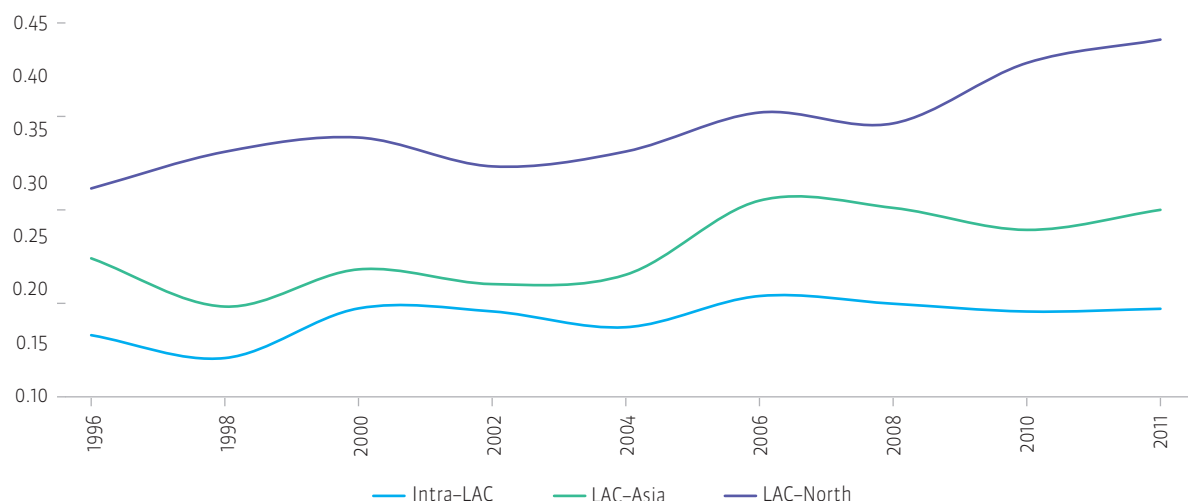


Source: IDB Integration and Trade Sector based on COMTRADE data.

Note: Calculated based on SITC Rev.3 3-digit products, Michaely (1996) TCI definition.

**FIGURE 13 CONCENTRATION OF LAC SOUTH-SOUTH AND SOUTH-NORTH TRADE**

(Hirschman-Herfindahl Index, LAC with selected partners, 1996–2011)



Source: IDB Integration and Trade Sector based on COMTRADE data.

Note: Trade-weighted average of individual country index values.

LAC-Asia trade is growing more concentrated.

to price shocks than trade with extra-regional partners, both in the South and the North.

Growth of LAC trade usually results from an increase in exports of the same products to the same partners (growth on the intensive margin), as opposed to diversification into exports of new products or to new partners (growth on the extensive margin). This lack of diversification helps to explain the high product concentration in LAC's export basket. However, export drops

Intra-regional trade has been key in preserving export diversification.

caused by external shocks tend to have different effects in terms of export diversification. In the late 1990s, the Asian financial crisis significantly reduced Asian imports. The pattern of trade, however, remained balanced as the decline affected most

products, while some new products were introduced. This contrasts with the financial crisis of the late 2000s, when the fall in exports to the North resulted in greater concentration as the flow of some products stopped completely. In this context, South-South trade, and particularly intra-LAC trade, provides greater extensive margin growth, and therefore greater diversification of exports<sup>9</sup> (Figure 14).

In addition to being less concentrated and more diversified, intra-LAC trade stands out as the export segment with the highest Intra-Industry Trade (IIT) index (Figure 15). This index measures the degree to which

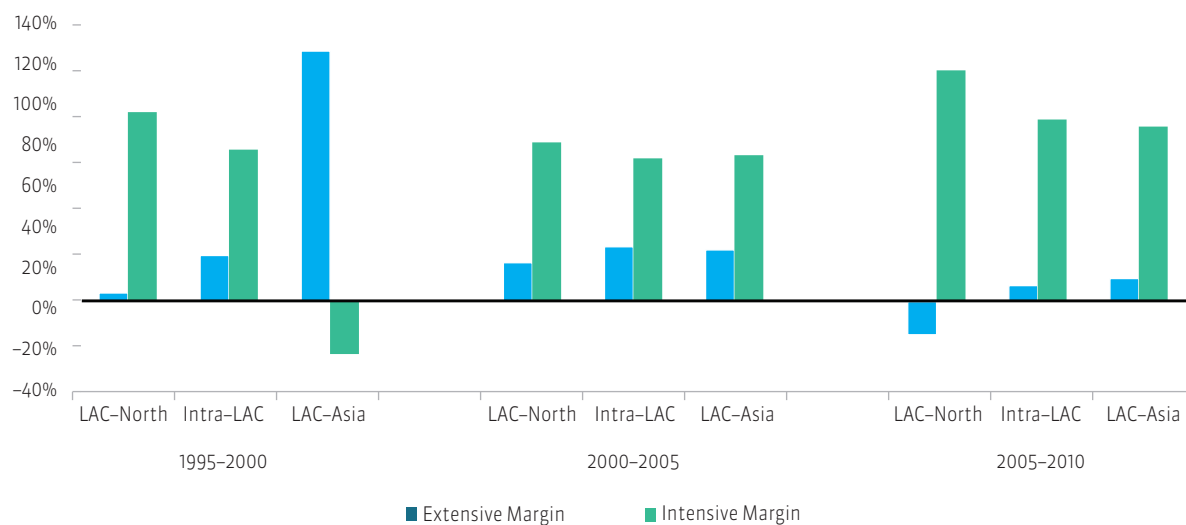
The regional market is crucial in supporting integration into complex value chains.

<sup>9</sup> This is not to say that LAC exports are particularly diverse in an absolute sense; in fact, this lack of diversity remains a challenge. But the diversification that exists has come more from the South than from the North.



**FIGURE 14 SOURCES OF GROWTH IN LAC EXPORTS – EXTENSIVE AND INTENSIVE MARGINS**

(Percentage of export growth, 1995–2010)



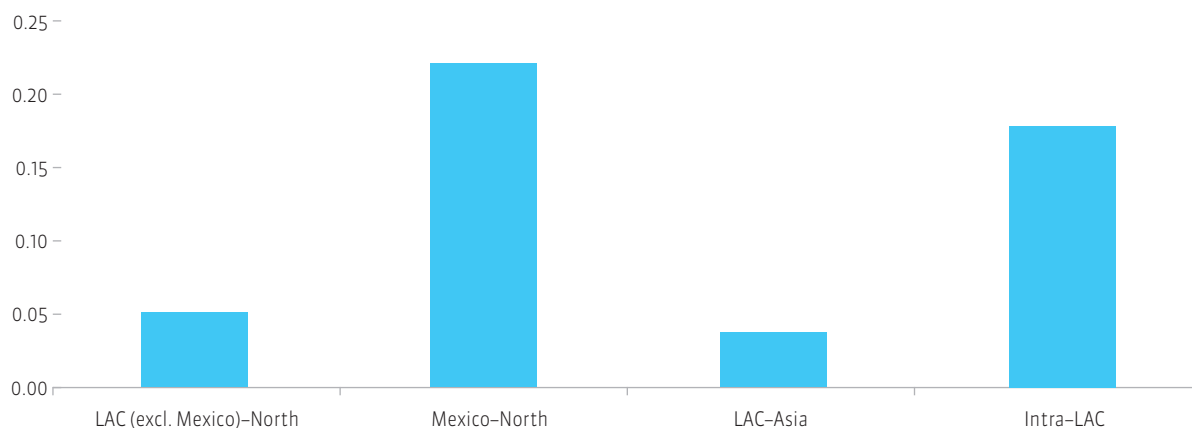
Source: IDB Integration and Trade Sector based on COMTRADE data.

countries trade similar goods, either through production sharing along international supply chains, or by trading more varieties of similar goods, both of which can have positive effects on local economies. Excluding the large share of South-North trade commanded by Mexico, which is deeply in-

tegrated with the North American economy, intra-LAC trade displays the highest IIT index, and LAC-Asia trade the lowest. It follows that intra-LAC trade, as currently structured, has more potential for development of modern, sophisticated supply chains than do other segments of LAC trade.

**FIGURE 15 LAC INTRA-INDUSTRY TRADE**

(Grubel-Lloyd Index, by partner region, 2001–2011 average)



Source: IDB Integration and Trade Sector based on COMTRADE data.

Note: Calculated using SITC Rev.3 3-digit trade data, Grubel and Lloyd (1975).

The regional market features a higher share of manufactures when compared to trade with the North and Asia.

Finally, intra-LAC trade has a much higher share of manufactures than LAC exports to Asia. While the share of manufactures in intra-LAC trade has been quite stable over the past two decades, fluctuating around 45%, the share of manufactures in exports to Asia has fallen from 32% in 1995 to around 10% in 2011. The share once held by manufactures has been taken by raw materials, principally metal ores and fuels (Figure 16). During the same period, exports of agricultural goods to Asia peaked at 52% in 1998, and have fallen over the rest of the period to only one third of exports in 2011.

Thus, while LAC exports to South partners are generally more diverse, intensive in manufactures, and with a greater degree of intra-industry

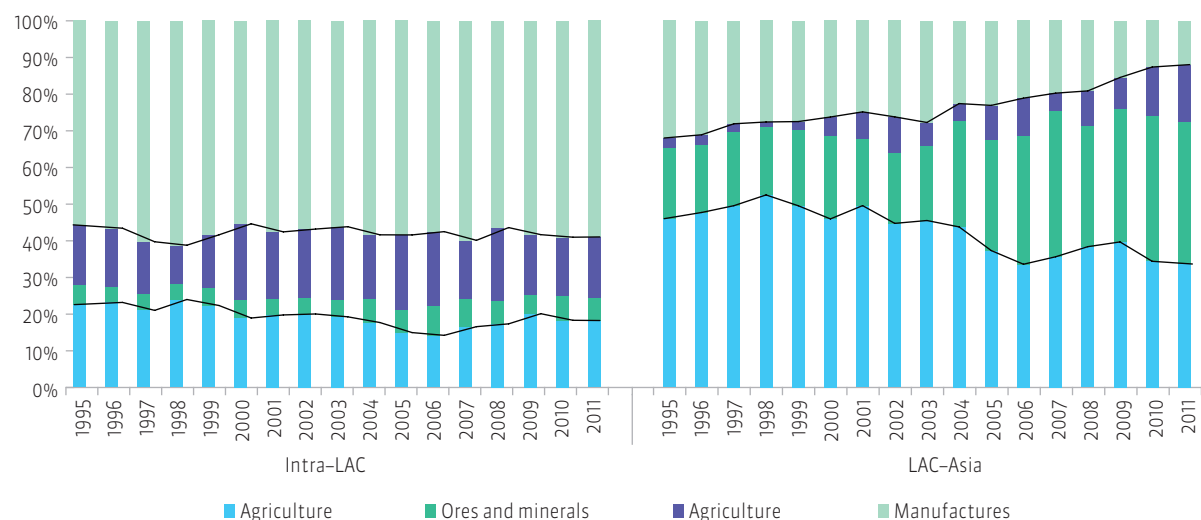
trade than LAC exports to the North, intra-LAC exports are even more advantageous in these respects than extra-regional South exports. As such, an increase in trade with partners in the South, and especially within LAC, is more likely to bring spillover benefits and macro stability, provided that it occurs in competitive markets and not under the protection of trade-distorting inefficient policy barriers.

### Policy Obstacles to South-South Trade

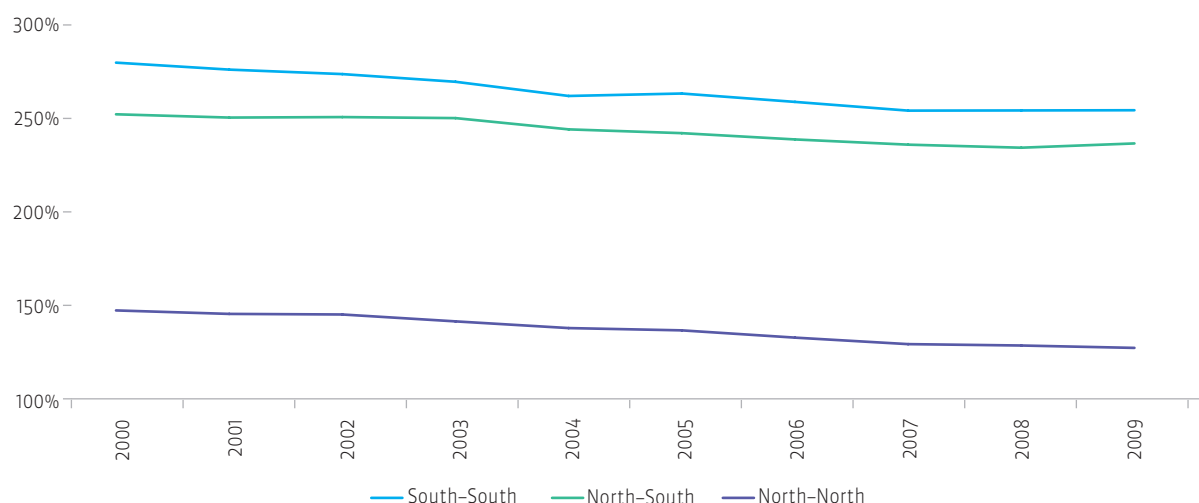
Expanding South-South trade creates new opportunities. However, seizing these opportunities requires the removal of policy barriers, which, although common to all trade, are often more prevalent in trade among developing countries. Thus, in order to exploit the opportunities of South-South trade, LAC policy-makers need a full understanding of the quantitative and qualitatively different obstacles to such trade, and avoid protectionist measures that limit their trade potential.

**FIGURE 16 SECTOR DECOMPOSITION OF LAC SOUTH-SOUTH EXPORTS**

(Intra-LAC vs. LAC-Asia, 1995–2011)



Source: IDB Integration and Trade Sector based on COMTRADE data.

**FIGURE 17 SOUTH-SOUTH, SOUTH-NORTH AND NORTH-NORTH TRADE COSTS****(Ad valorem equivalent, percentage, 2000–2009)**

Source: IDB Integration and Trade Sector based on World Bank Trade Cost Dataset.

Note: 40 countries of the North; 84 countries of the South.

Trade costs are significantly higher for South than for North countries.

South countries incur higher overall trade costs than their North counterparts. Estimates of bilateral trade costs indicate that South-South and South-North trade costs are almost double those of North-North trade<sup>10</sup>. While all these costs have fallen somewhat over the past ten years, the

gap has not closed in absolute terms (Figure 17). Additionally, as South countries incur relatively similar trade costs when exporting to other South countries and when exporting to the North, it is likely that such costs originate in the South.

For LAC countries, intra-LAC trade is the least costly segment of exports, followed by trade with North countries and exports to Asia (Figure 18). These costs are not only attributable to distance, but also to weak infrastructure and trade facilitation. Addressing these constraints has the potential of substantially spurring trade growth. Indeed, Moreira et al. (2008)

found that a 10% reduction in transport costs, on average, generates five times more trade and nine times more products exported than an equivalent reduction in tariffs. While measures to reduce transport costs can involve substantial expenditures on infrastructure, significant gains can still be achieved with simpler measures that facilitate trade, lower administrative costs, and reduce transit times<sup>11</sup>.

Intra-LAC trade is the least costly segment of trade for LAC countries.

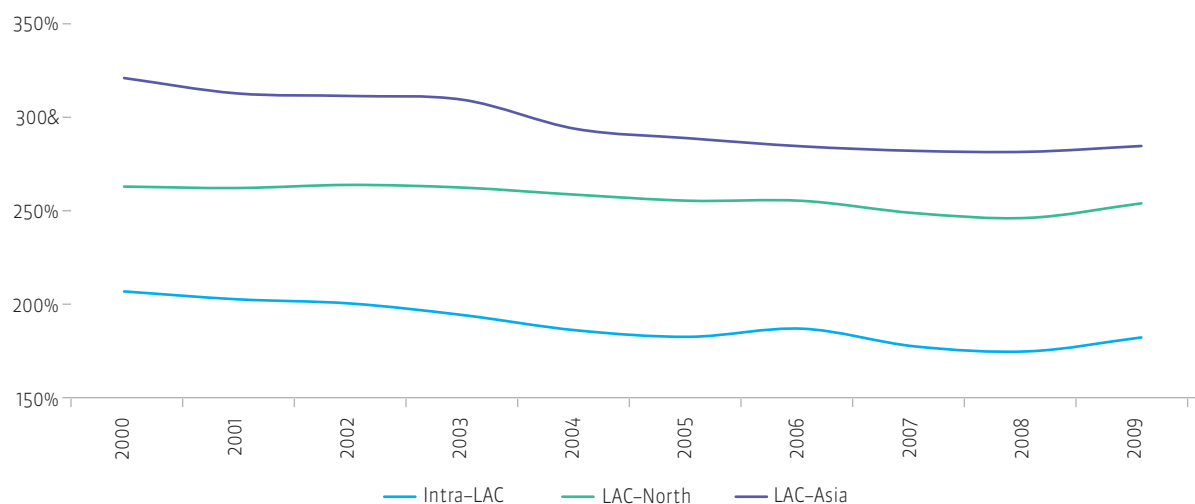
Decomposing the sources of trade costs provides useful insights for policy action. Tariffs are higher for

<sup>10</sup> See Arvis et al. (2013). The estimates are based on a simple economic model of international trade which allows extrapolation of trade costs estimates from realized trade flows. The measure of trade costs includes all aspects of trade costs including transport costs due to distance or weak infrastructure, policy costs such as tariffs and procedural inefficiencies, and other costs caused by unobservable factors, such as non-tariff measures.

<sup>11</sup> See also Giordano (2012).

**FIGURE 18 INTRA-REGION AND INTER-REGION TRADE COSTS**

(Ad valorem equivalent, percentage, 2000–2009)



Source: IDB Integration and Trade Sector based on World Bank Trade Cost Dataset.

Tariffs are higher for the South but have fallen more rapidly.

South-South and South-North than for North-North trade, but a marked decline has taken place in the former as compared to the levels of two decades ago. The strongest decline took place during the period 2000–2006, with no clear downward trend in the periods before and after (Figure 19). This trend illustrates the results of intense trade negotiations both at the multilateral and bilateral level in the first half of the decade.

LAC FTAs are increasingly focused on South trade.

This decline in tariffs applied to South-South trade is partially explained by the rapid proliferation of free trade agreements (FTAs) among developing countries<sup>12</sup>. It is true that the LAC FTA network has important North-South pillars, as many countries have signed agreements with the US, Canada, and more recently the EU. But it also has a traditional sub-regional component, which has been increasingly complemented by a broader

South-South focus. Table 3, which summarizes recent activity regarding LAC FTAs, shows that, while agreements that have recently gone into force include a mix of both North and South partners, newly signed agreements and agreements that are currently under negotiation are predominantly South-South. These include agreements to complete regional networks as well as to access new markets outside the region, particularly in Asia.

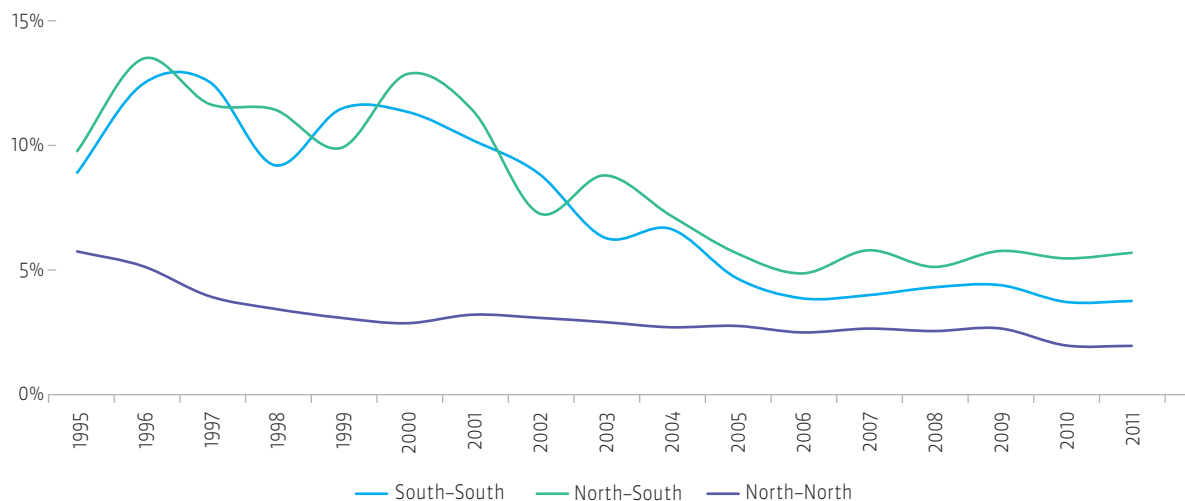
Of all LAC FTAs currently in force, most are reaching the point of full liberalization across a majority of products (Figure 20). FTAs with South partners have eliminated duties on 90% of tariff lines on average, while those with North partners have done so for about 80% of tariff lines.

South-South FTAs are more advanced in their tariff phase-out process.

<sup>12</sup> WTO (2013) cites the expansion of South-South FTAs as an important factor in the reduction of South-South trade barriers and attendant growing South-South trade.

**FIGURE 19 EFFECTIVE APPLIED TARIFFS INCLUDING PREFERENCES**

(Tariff faced, ad valorem equivalent, percentage, 1995–2011)



Source: IDB Integration and Trade Sector based on TRAINS and INTrade data.

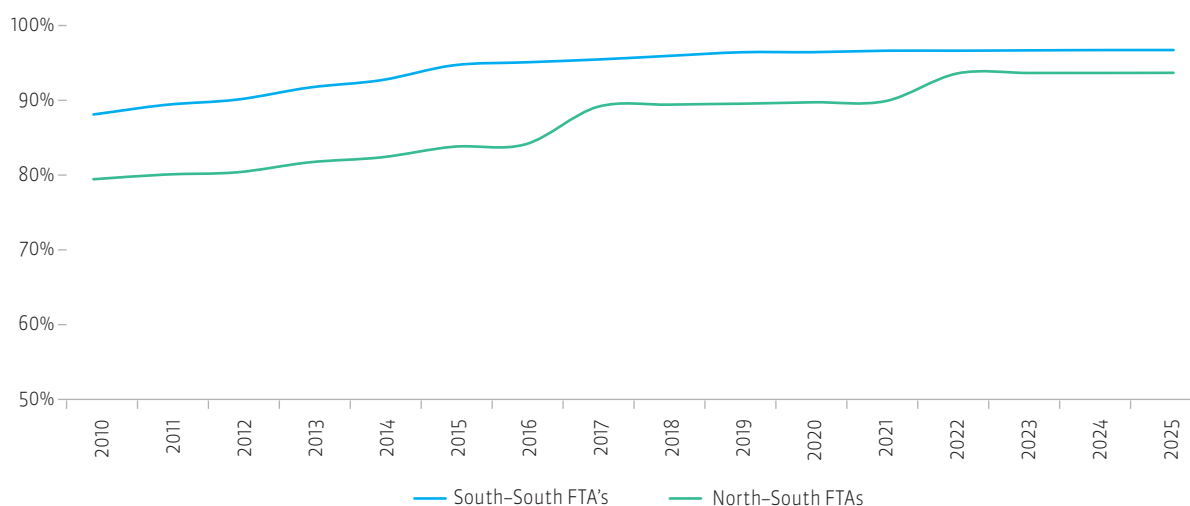
Note: Trade weighted average of tariff faced by exports.

In addition, in LAC FTAs with South countries, tariff reductions cover a larger percentage of traded goods than those with the North. These differences are due to two main factors: first, most South-South

FTAs are either mature or between countries whose intra-agreement trade is concentrated in a few products. Second, North-South agreements are more likely to include trade in sensitive products, whose tariff

**FIGURE 20 MATURITY OF TARIFF PHASE-OUT SCHEDULES IN FTAS OF THE AMERICAS**

(Average percentage of tariff lines duty free, 2010–2025)



Source: IDB Integration and Trade Sector based on INTrade.

**TABLE 3 FREE TRADE AGREEMENTS RECENTLY ENTERED IN FORCE, SIGNED, OR UNDER NEGOTIATION**

(January 2011 – present)

	In Force	Signed	Under Negotiation
North-South Agreements	Colombia–Canada (15/08/2011)	Central America–EU (29/06/2012)	Guatemala–Nicaragua–EFTA (01/03/2012)
	Colombia–EFTA (01/07/2011)	Colombia–Israel (10/06/2013)	Colombia–Japan (17/12/2012)
	Peru–Japan (01/03/2012)	Costa Rica–Panama–EFTA (24/06/2013)	
	Colombia–US (15/05/2012)		
	Peru–EFTA (01/07/2012)		
	Panama–US (31/10/2012)		
	Peru and Colombia–EU (01/03/2013)		
	Panama–Canada (01/04/2013)		
South-South Agreements	In Force	Signed	Under Negotiation
	Mexico–Peru (01/02/2012)	Pacific Alliance (06/06/2012)	Panama–Trinidad and Tobago (27/01/2011)
	Peru–Panama (01/05/2012)	Guatemala–Peru (06/12/2012)	Guatemala–Trinidad and Tobago (13/04/2012)
	Mexico–Central America (01/09/2012)	Colombia–Costa Rica (05/06/2012)	El Salvador–Belize (21/02/2013)
	Venezuela–Colombia (19/10/2012)		Ecuador–Turkey (17/06/2011)
	Chile–Turkey (01/03/2011)		
	Ecuador–Guatemala (19/02/2013)		
	Venezuela–Peru (01/08/2013)		
	Extra-Regional		
	Peru–South Korea (01/08/2011)	Chile–Vietnam (11/11/2011)	Colombia–China (08/05/2012)
	Costa Rica–China (01/08/2011)	Chile–Hong Kong (07/09/2012)	Chile–Thailand (11/04/2011)
	Peru–Thailand (31/12/2011)	Colombia–South Korea (21/02/2013)	
	Chile–Malaysia (18/04/2012)		

Source: IDB Integration and Trade Sector based on INTrade/IJI.

elimination tends to be more gradual. Differences aside, both groups of existing FTAs are expected to eliminate tariffs on 94%–97% of product lines within the next 10 years.

Progress on the tariff front may be jeopardized by the adoption of new protectionist measures.

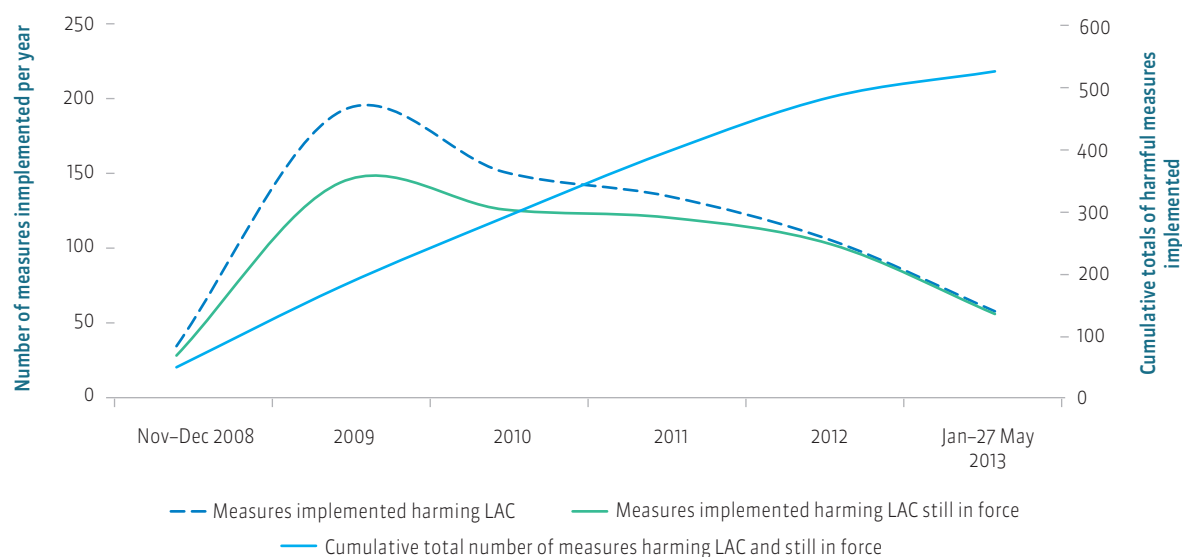
Despite progress in reducing tariffs and other trade costs, these gains may be partially undone by the adoption of policies that pose new obstacles to trade. As tariffs start falling, there is a tendency to replace them with a variety of non-tariff measures, which go far beyond

traditional barriers and are often less transparent. Indeed, a large number of protectionist measures affecting LAC exports have been implemented in the past few years (Figure 21). According to the Global Trade Alert database<sup>13</sup>, exports originating in LAC countries were subject to new protectionism nearly 200 times in 2009 alone. Although the number of new protectionist measures has been declining since then, few have been removed, which means that their cumulative number since 2008 currently stands at 545. In addition, because such measures are often

<sup>13</sup> Available online at [www.globaltradealert.org](http://www.globaltradealert.org). The last update of this database was completed at the end of May 2013. See also Evenett (2013).

**FIGURE 21 PROTECTIONIST MEASURES AFFECTING LAC EXPORTS**

(Number of measures implemented, November 2008-May 2013)



Source: IDB Integration and Trade Sector based on Global Trade Alert.

less transparent than tariffs, their full impact is harder to gauge.

Most protectionist measures faced by LAC have been imposed by South countries, including in LAC.

Both North and South countries impose these protectionist measures, but developing countries are responsible for a majority of them (Figure 22). With regard to measures harming LAC exports, 29% of them have been imposed by LAC countries. Another 29% have originated in eight prominent trading partners in developing Asia<sup>14</sup>,

and one quarter has been imposed by developed OECD countries. At a regionally disaggregated level, Andean and Southern Cone countries face the greatest protectionism from within LAC, while Central American and Caribbean countries are particularly exposed to protectionist measures from developing Asia. Only in Mexico is the percentage of measures

imposed by North countries higher than that from the developing Asian economies. Thus, the markets with the most potential for LAC export growth, where the region's FTA network is consolidating and expanding, are also those imposing a majority of new protectionist measures.

Although the region's trade interests have been harmed by restrictive trade provisions, LAC has also emerged as a source of new protectionist measures since the 2008–2009 financial crisis (Figure 23). Like many other developing countries, those in LAC were slow to start introducing protectionist measures in 2009,

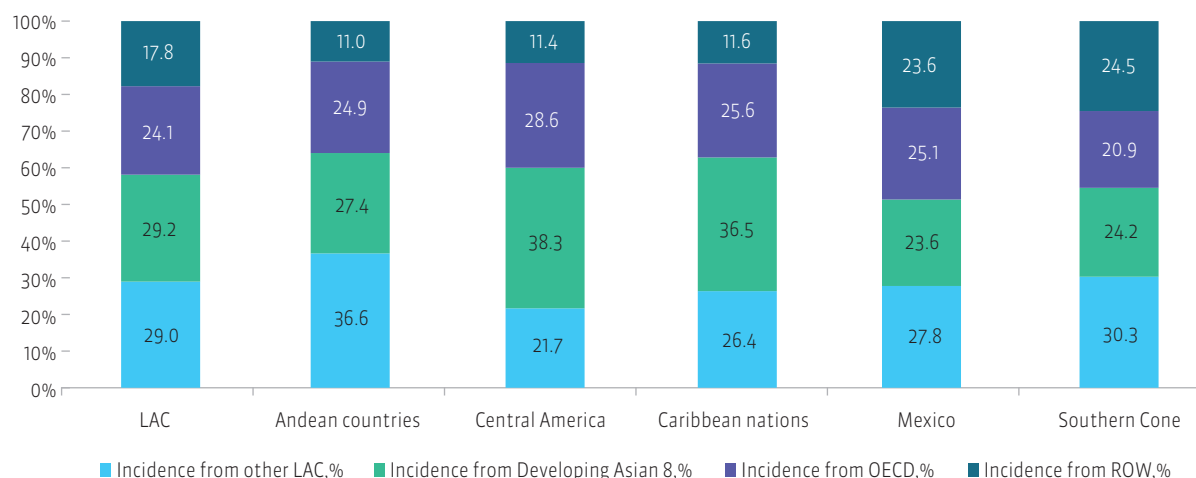
but then quickened their pace considerably in

LAC has adopted protectionist and liberalizing measures.

<sup>14</sup> China, Taipei China, India, Indonesia, Malaysia, Thailand, Republic of Korea, and Vietnam

**FIGURE 22 ORIGIN OF MEASURES AFFECTING LAC REGIONS**

(Percent of measures by implementing region, November 2008-May 2013)



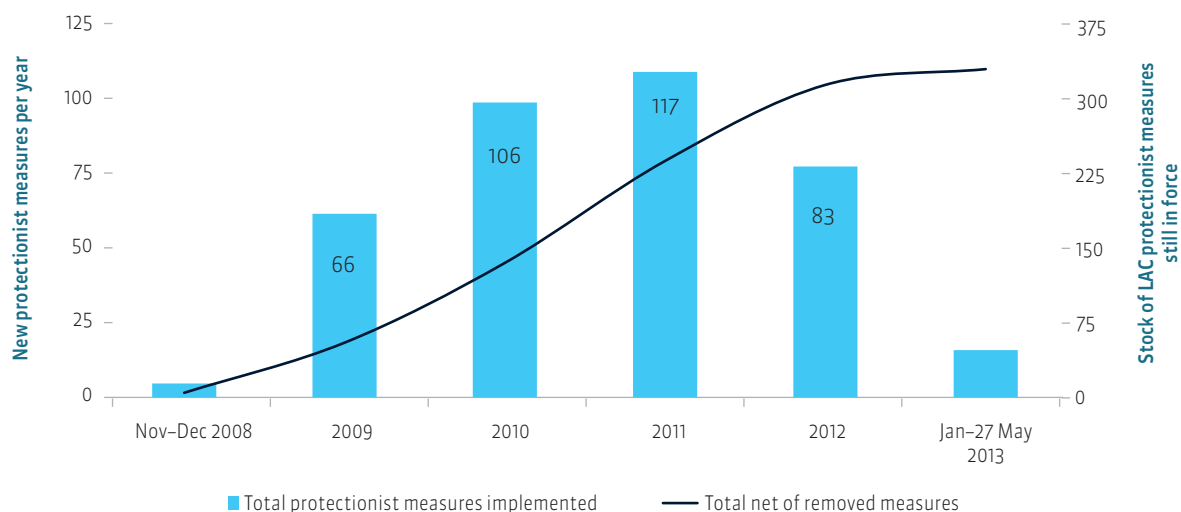
Source: IDB Integration and Trade Sector based on Global Trade Alert.

2010 and 2011. The introduction of new measures slowed in 2012 and does not seem to have accelerated in 2013. However, few measures have expired or have been repealed, with the result that the cumulative total of measures in force in LAC now stands at 354.

LAC's share of protectionist measures appears even greater when compared to the region's share of world trade. While representing only 6% of world trade, LAC has generated over 20% of protectionist measures from 2010–2012, and has had the lowest share of such measures removed since 2011 (Figure 24).

**FIGURE 23 NEW AND ACCUMULATED PROTECTIONIST MEASURES IN LAC**

(Number of measures, November 2008-May 2013)

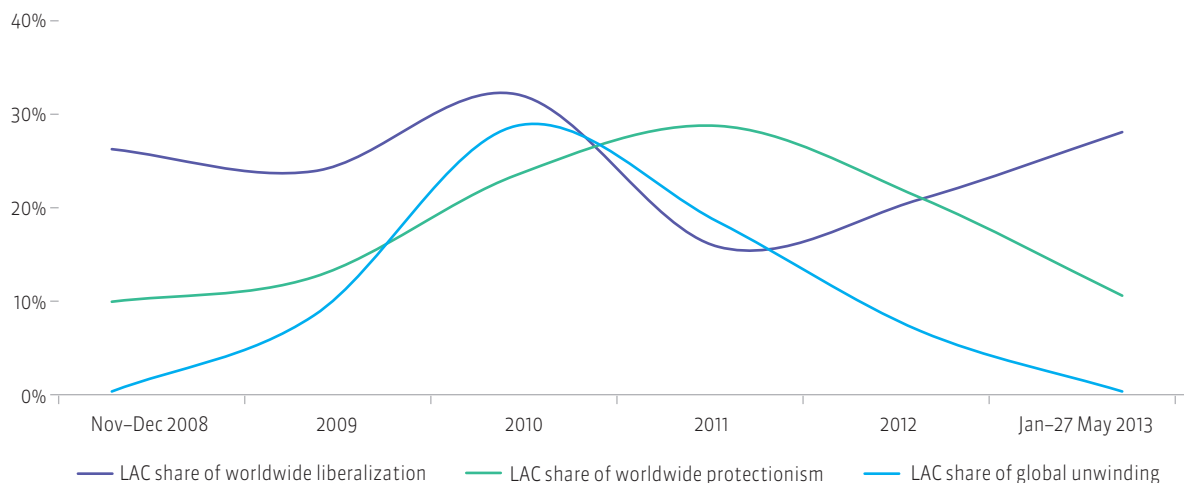


Source: IDB Integration and Trade Sector based on Global Trade Alert.



**FIGURE 24 LAC SHARE OF PROTECTIONIST AND LIBERALIZING MEASURES**

(Percentage of total world measures, November 2008-May 2013)



Source: IDB Integration and Trade Sector based on Global Trade Alert.

This is partially compensated by the fact that LAC's share of liberalizing measures is also higher than its share in world trade. However, the fact is that most of the crisis-era protectionism harming the commercial interests of LAC countries has been imposed by other LAC governments. These measures remain to be undone.

LAC has a tendency to adopt non-tariff barriers.

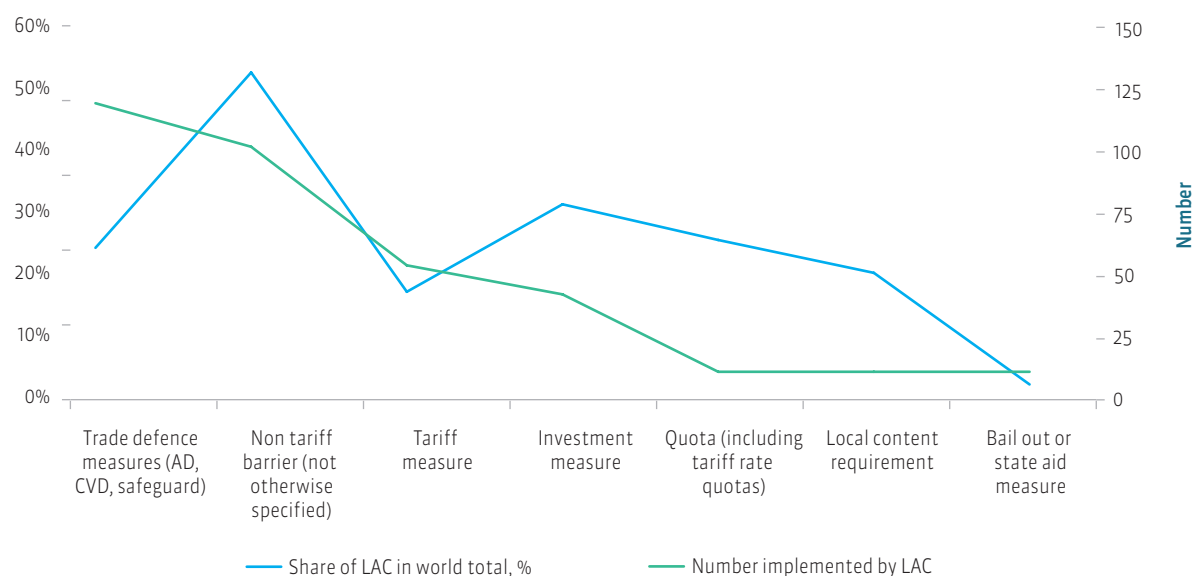
Protectionist measures implemented by LAC are skewed towards relatively less transparent non-tariff measures (Figure 25). Traditional trade defense measures such as anti-dumping, anti-subsidy, and safeguards against import surges head the list, followed by other non-specified types of non-tariff barriers (NTBs). Although trade defense measures are widely used elsewhere, NTBs used by LAC amount to over 50% of world total, meaning that the region's countries tend to disproportionately implement such measures as compared to countries in other regions. Giordano (2012) has found that the

gains from reducing NTBs are, on average, substantially larger than the gains from tariff reduction in LAC. As such, increasing the number of such measures causes harm to LAC trade, and predominantly affects South-South and intra-LAC trade.

In sum, while trade costs pose significant obstacles to developing countries, intra-LAC trade is the least costly for the region. As developing countries have expanded their network of FTAs, especially with other developing countries, tariffs on South-South trade have declined substantially. However, the aftermath of the financial and economic crisis has witnessed an increase in protectionism worldwide. New protectionist measures in LAC have been disproportionately high and mostly based on non-tariff barriers, which are less transparent and potentially more harmful than a proportional increase in tariffs. As the bulk of NTBs affecting LAC have been implemented by developing countries, including LAC itself, it is the responsibility of the region's policymakers to preserve the ability of the private sector to take advantage of growing opportunities in South-South trade.

**FIGURE 25 TYPES OF MEASURES IMPLEMENTED BY LAC COUNTRIES**

(Number and percentage world total, November 2008-May 2013)



Source: IDB Integration and Trade Sector based on Global Trade Alert.

## Private Sector Opportunities in South-South Trade

Changes in the world trading system are not restricted to the emergence of new big players, but also include the reorganization of production and trade among them. The growing presence of transnational corporations originating and operating in the South, as evidenced by an increasing South-South flow of foreign direct investments, is one example of such reordering. A related phenomenon is the spread of global production sharing from the developed North to the developing South. In this context, access to finance must be increased to boost the participation of LAC companies in these emerging trade patterns.

The growing amount of foreign direct investments (FDI) originating in South countries currently accounts for nearly half of the inflows to other developing countries. Although detailed data on bilateral FDI is not available, and FDI flows tend to be rather volatile from year to year, estimates show that the

share of South-South FDI has grown from 16% in the early 1990s to an average of 45% in 2005–2011 (Figure 26). Recent reports also indicate that FDI flows to developing economies exceeded those to developed countries for the first time in 2012, by about US\$130 billion<sup>15</sup>. Consistent with the trend observed in goods trade, FDI growth may become an increasingly South-South phenomenon.

South-South FDI is an increasing share of South FDI inflows.

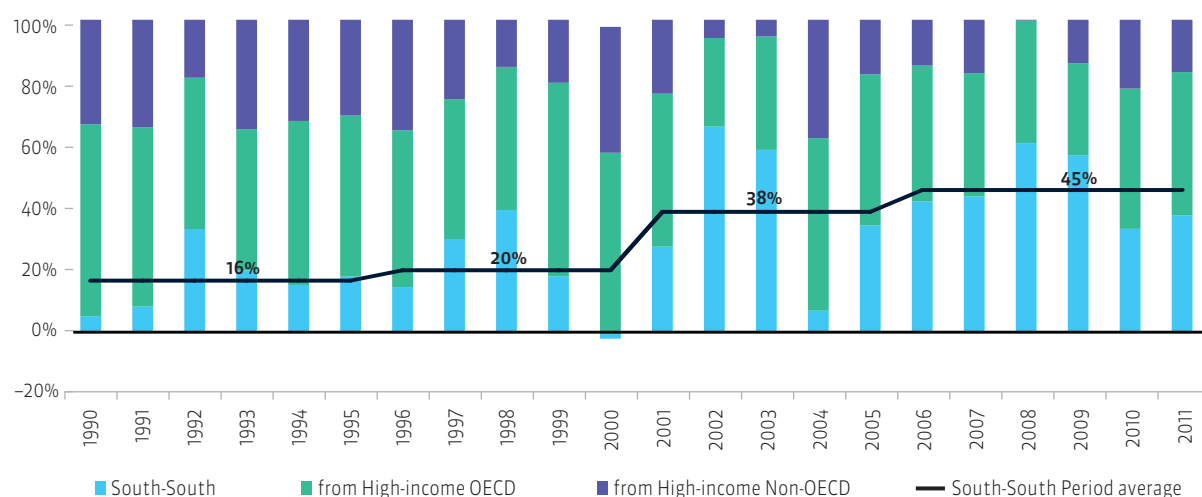
FDI inflows to Latin America have reached record levels, driven by high commodity prices and a steady growth of domestic markets. In 2012, they peaked at US\$173 billion, 6.7% above

LAC FDI inflows reached record levels in 2012.

<sup>15</sup> See UNCTAD (2013).

**FIGURE 26 FDI INFLOWS IN SOUTH COUNTRIES**

(Percent of total, 1990–2011)



Source: IDB Integration and Trade Sector based on UNCTAD, WDI, and OECD FDI statistics.

Note: South-South FDI is calculated here as a residual after accounting for North inflows and North-South flows. See methodological notes for more detail.

the 2011 mark, continuing an upward trend that began in 2010<sup>16</sup>. Brazil received the largest share of FDI flowing into the region (41%), while the largest increases were recorded in Peru (49%) and Chile (32%) due to high commodity prices that encouraged investments in these countries' extractive industries. Mining received the highest share of FDI in 2012 (51%), followed by services (37%) and manufacturing (12%). This sectorial distribution has been relatively stable, with the share going to sectors based on natural resources remaining the same in 2012 (26%) as in 2007–2011.

**LAC FDI outflows followed a similar trend.**

FDI outflow from LAC has followed a similar trajectory. The positive trend that began in 2010 reached a new peak in 2012, as FDI outflow reached US\$48.7 billion, an increase of 17% from the previous year. Although global FDI flows have declined, LAC firms have expanded their investments in part to take advantage of opportunities arising from asset divestments by European

companies. Top FDI sources in LAC are currently Mexico (US\$25.6 billion) and Chile (US\$21.1 billion), followed by Brazil and Colombia. Overall, intra-LAC FDI increased substantially in 2012, and currently represents a noteworthy 14% of all FDI in the region.

The upsurge of FDI flows in LAC is intimately related to the increasing presence of transnational corporations (TNCs) in the region. Given that a large share of LAC FDI is directed at the natural resources sector, it is not surprising that most of these

**Large international corporations have an important presence in LAC.**

TNCs export commodities, although some export manufactured products as well. In addition to traditional North-based TNCs (e.g., Spain's Repsol or Sweden-Finland's Stora Enso), LAC now hosts a new group of such corporations. These include South-based (often Chinese) transnationals (e.g., Shougang,

<sup>16</sup> See ECLAC (2012).

described in Box 3), as well as some large LAC-based companies (e.g., Bianchini S.A., a Brazilian soy bean producer that exports mostly to Europe, Southeast Asia, and to a lesser extent within Latin America).

Latin American TNCs are growing in number and reach.

The presence of LAC-based TNCs has been increasing not only in the region, but also abroad. For example, Brazilian meat companies such as JBS-Friboi, BRF Foods, Mafrig, and Minerva have acquired companies in the US and Australia, as well as in South America. This expansion has been supported by domestic financial institutions, such as Brazil's National Bank for Economic and Social Development, which has provided financing for the acquisition of companies abroad, domestic firms with foreign subsidiaries, and the creation of joint ventures.

TNC operations in the South increasingly involve vertical FDI, resulting in “global production sharing.” This business model is characterized by the fragmentation of production processes into discrete activities that are allocated across different countries according to their respective comparative advantages in order to reduce production costs. As expected, most TNCs operating in LAC aim to take advantage of the region's comparative advantage in commodity production. Production sharing in the region, however, is becoming more prevalent in terms of product coverage, with some companies moving up the value chain and integrating regional and global networks. Examples are textile and apparel firms that export products from Central American and

Some LAC TNCs are integrating into sophisticated value chains, but most still specialize in commodities.

### BOX 3 SHOUGANG HIERRO PERU

Shougang Hierro Peru SAA, ranked by *Latin Trade* magazine and *Latin Business Chronicle* in 2011 as the best firm in Latin America, is a prime example of a successful company exporting from Latin America to Asia. Part of the Shougang Group, one of the largest steel companies in China, the firm specializes in the prospection, extraction, processing and trading of iron ore. It runs mining operations in three sites on the southern coast of Peru: an exploitation site in Mine, a beneficiation site in San Nicolas, and a camp in San Juan, all in the Marcona district of the province of Nasca. According to *Latin Trade*, the company's earnings increased 123.9% in 2010, reaching US\$700 million. Overall, Peru's mining sector is responsible for an estimated 60% of Peru's export earnings.

The company's performance has benefited from favorable market conditions. For example, the Chinese steel industry has a growing demand for quality iron ore, but at the same time seeks to reduce its dependence on the top three iron ore producers (BHP Billiton, Rio Tinto, and Vale). The company has also benefited from higher commodity prices and reinvestment of past earnings, which resulted in rapid output growth.

However, structural factors also help explain the firm's remarkable performance, such as its position within the Shougang Group global value chain, the vertical character of its operations, and its location and investments, which allow it to keep production costs down. While costs in Peru tend to be lower overall, the company's location near the coast results in further savings on transportation, as it has been able to construct its own harbor and may soon have access to a highway to Brazil. Additionally, in order to avoid future cost spikes in energy, the company is planning to build a natural gas power plant to supply its own operations and, possibly, trade surplus energy.

The case of Shougang Hierro Peru SAA clearly demonstrates the potential benefits of South-South FDI both for the source and the recipient countries.

Andean countries to the US while importing inputs from the US, Colombia, China, and India; and automobile manufacturers in Mexico and Brazil that sell their output in Latin America as well as in Asia<sup>17</sup>.

Participation in production networks is crucial for trade growth.

The ability of companies to position themselves in global value chains (GVCs) determines their participation in global production sharing and, thus, in the so-called global network trade<sup>18</sup>. The

increasing participation of developing countries in global manufacturing trade in large part results from their participation in global network trade, as network exports currently account for over 50% of total manufacturing exports. The participation of developing countries in GVCs, as measured by their percentage share in world exports of network products (i.e., parts and components—P&C—and final assembly), increased from 15.5% in 1996–1997 to 33.7% in 2009–2010 (UNCTAD, 2013). Given that network trade is the fastest growing component of manufacturing trade, failure to more extensively engage in production sharing partially explains LAC's lower export growth as compared to Asia.

LAC participation in network trade remains marginal.

Despite opportunities opened up by global production sharing, the participation of LAC in GVCs remains marginal. Asian countries increased their participation in world exports of

network products from 10.8% to 26.5% from 1996–1997 to 2009–2010, while LAC's share only inched up from 4% to 5%. In addition, the shares have been unevenly distributed: Mexico and Brazil account for over 80% of total network trade within LAC. Moreover, South-South network trade is becoming more relevant as a share of global network trade. In 1996, about 37.5% of P&C and 36.9% of final

assembled goods produced in the South were destined to other South markets. By 2009–2010, these figures had increased to 57.3% and 48% respectively. These trends again are driven mostly by Asia: China alone controls 50% of South-South network exports, mostly in P&C, while LAC's share stands at 34%, predominantly exports of final assembled goods. Although figures on intra-LAC network trade are not available, data on P&C exports show that the share of intra-LAC P&C exports has remained relatively stable from 1995 to 2011, and higher than the share of P&C exports in LAC-Asia and Rest of LAC (excluding Mexico)-North trade (Figure 27). Thus, promoting intra-LAC trade is crucial for sustaining the region's participation in network trade.

Better access to finance for trade and investment is needed.

In order to expand LAC trade with the South, whether intra-LAC or with Asia, finding ways to increase firms' participation in GVCs has to be a priority. In this context, among other issues, it is important

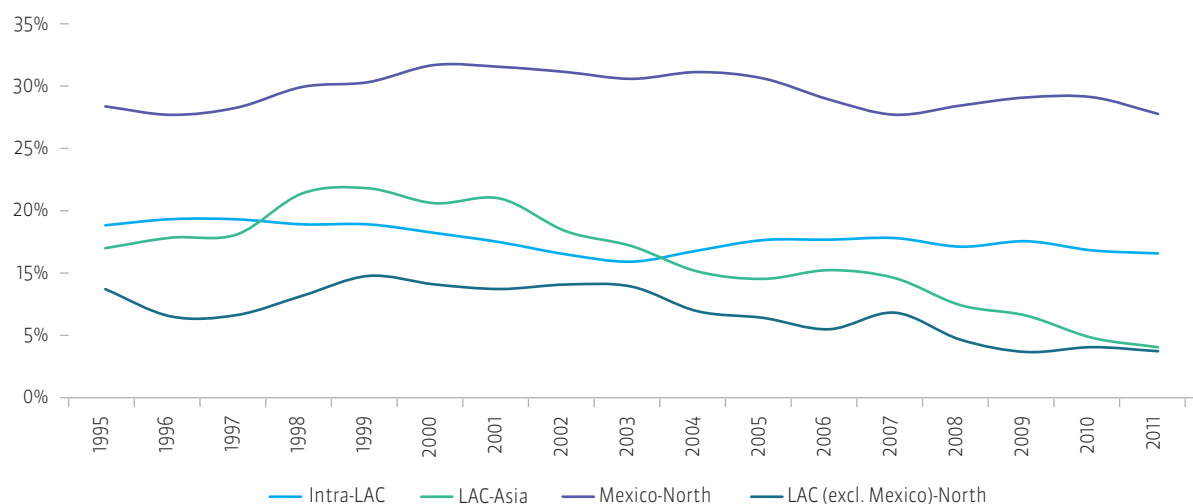
to channel credit to facilitate and increase trade and investment flows, both within LAC and between LAC and Asia. However, while a firm's performance is partially dependent on its access to credit, financial markets in LAC, as in other South countries, are often less sophisticated and lack sufficient depth to absorb global trade risks. Local commercial banks tend to offer only limited financing solutions for exporters. Moreover, international banks, which possess more appropriate products for supply chain finance, have limited experience in emerging markets.

<sup>17</sup> See also Blyde (Forthcoming).

<sup>18</sup> See Athukorala and Nasir (2012). Global network trade is defined as trade in parts and components and final assembly. The relative importance of each element varies among countries and over time in a given country. Therefore, data on parts and components trade alone is an incomplete indicator of network trade, and must be complemented by data on final assembly.

**FIGURE 27 SHARE OF PARTS AND COMPONENTS IN LAC EXPORTS**

(Percentage of total exports, by destination, 1995–2011)



Source: IDB Integration and Trade Sector based on INTrade/DataINTAL.

### Financing gaps limit the expansion of LAC-Asia trade.

A recent survey conducted by the Asian Development Bank identified the lack of relationships between Latin American and Asian commercial banks as a major obstacle to increasing trade with Asia<sup>19</sup>. Multilateral banks such as the IDB fund trade finance programs, which provide guarantees and loans to commercial banks to support increased trade. Although important, these are not sufficient to close the existing financing gaps. Strong inter-regional multilateral cooperation could prove instrumental in increasing confidence in and relationships among commercial banks.

A partial solution to such financing gaps may rest in the operation of regional export credit agencies (ECAs). Such schemes can constitute an important source of financing, in particular for less traditional or riskier markets. As credit risk profiles vary within and across regions, the use of credit and political risk guarantee products from ECAs can be helpful

in addressing financing constraints faced by emerging market borrowers. The global export credit and investment insurance industry provides a complementary approach. In a recent report by the Berne Union, LAC is described as an under-penetrated region for that industry<sup>20</sup>.

As such, greater availability of such insurance can offer a range of instruments to address the challenges of project financing in the region. Subscribers of credit insurance typically tend to be large companies, leaving plenty of room for growth in the small and medium-sized enterprise segment. Finally, for large undertakings, project finance has attracted increased interest as a tool to fund cross-border investment projects. This mechanism is particularly helpful as it structures financing based on

### Export credit, investment insurance, and project financing can foster South-South trade.

<sup>19</sup> Asian Development Bank (2013).

<sup>20</sup> Berne Union Yearbook (2013).

the project's operating cash flow and assets, thus alleviating investment risk for greenfield projects.

In summary, over the last decade, the South has not only been increasing its role in final goods trade, but has also been stepping up its participation in global production sharing and intermediate goods trade. As the developing South takes up a larger share of FDI flows, originates and hosts more TNCs, and integrates GVCs, new instruments must be developed to address the obstacles to greater global and regional integration. This is even more relevant to LAC countries, whose participation in these promising production and trade patterns still has much room to grow.

## Conclusion

Part I of this report analyzed long-term trends and future prospects for LAC trade in the context of a global economy whose center of gravity had been shifting towards the South. The identified trends, which are unlikely to be completely reversed despite the most recent projections pointing to a slowdown of growth in the South, provide compelling reasons for seeking better access to developing markets in Asia as well as deepening economic integration within LAC and forging new trade ties with Africa. Indeed, South-South trade holds the potential to become an important avenue for export development and diversification for the countries of the region.

In order to fully realize the growth potential of South-South trade, LAC exporters and policymakers need to focus on the potential of developing countries' markets, and especially those of their LAC neighbors. At the same time, it is necessary to understand and remove obstacles that limit the expansion of South-South trade. Such obstacles are located both within export countries (e.g., high trade costs caused by inadequate infrastructure and burdensome rules and regulations), as well as among them (e.g., the

imposition of tariffs and especially non-tariff measures that hurt trade interests in a severe and non-transparent manner).

From a private sector perspective, international trade is not only featuring a more balanced geographic orientation, but is also being driven by a new business model. These changes open new opportunities, from increased South-South FDI flows to insertion into global value chains. But, again, in order to harness these possibilities, LAC policymakers and exporters need to fully grasp and address the constraints that hamper South-South trade, notably financing mechanisms.

Going forward, the region should be wary of the risks of excessive export concentration and be ready to adjust to new risks looming over the world economy. China, which has been the principal driver of South-South trade, may not only be slowing down from the high growth rates of the past decade. It may also be shifting its development strategy from the export-led model that favored trade with emerging economies, including the commodity exporters of the region, to one based more on internal consumption. While focusing on South-South trade is certainly a valuable strategic option for LAC, it should be regarded as an additional component of a more comprehensive trade strategy that actively pursues export diversification, both in terms of products and destinations.

The remainder of this report complements the analysis and data presented in Part I with Country Profiles which summarize the most recent trade performance indicators (Part II), and Free Trade Agreement Profiles that review selected agreements in force among LAC countries and their trading partners (Part III). Data sources and methodological notes can be found in Part IV. The Annex, available only in electronic format, provides detailed downloadable country statistics for each of the twenty-six IDB borrowing member countries.

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# Country Profiles

Country Profiles in the following pages present an overview of the performance and structure of international trade for each country as well as its multilateral and preferential trade policies. These include:

- Economy Size. GDP, population, and recent GDP growth rate
- Broad Trade Indicators. Total Exports, Imports, and Current Account Balance
- Non-Preferential Tariffs. Most Favored Nation tariff summary including average tariff level, minimum and maximum tariffs, and the frequency of each.
- Direction of Trade. Top 10 principal trading partners for exports and imports.
- Concentration of Trade. Degree of concentration of exports both in terms of products and trading partners.
- Sectoral Breakdown and Technological Content of Exports. Recent evolution of exports categorized by technology content and by UNCTAD sector.
- Preferential Trade. Map of preferential trading partners, recent evolution of preferential vs. non-preferential trade flows, and the relative importance of preferential partners and the degree of liberalization under FTAs as of 2013.

## ARGENTINA

2012 Gross Domestic Product: US\$ 477B  
2012 Population: 40,764 Thousand

2012 GDP Growth: 1.9%  
GDP/Capita: US\$ 11,720

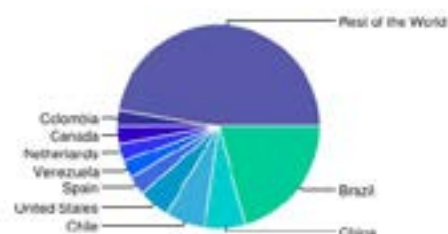
### Broad Trade Indicators

2012  
Total Exports: US\$ 78.4B (16.4% of GDP)  
Total Imports: US\$ 68.5B (14.3% of GDP)  
Current Acct. Bal: US\$ 0.5B (0.1% of GDP)  
Exports/Capita: US\$: 1,923

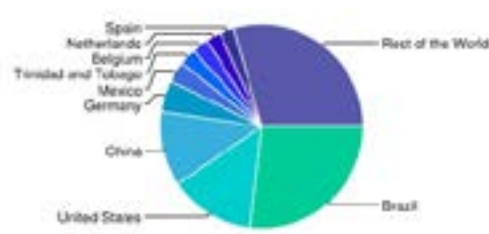
### MFN Tariffs

2012  
Average Applied MFN Tariff: 15.94%  
Maximum Applied MFN: 35% (2,493 Tariff Lines (7.934%))  
Number of Tariff Lines Duty-Free: 1,190 (3.8%)

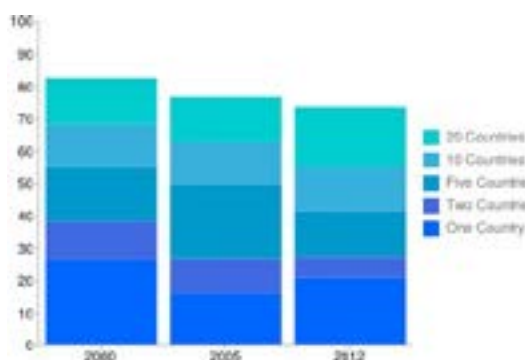
### Destination of Exports (2012)



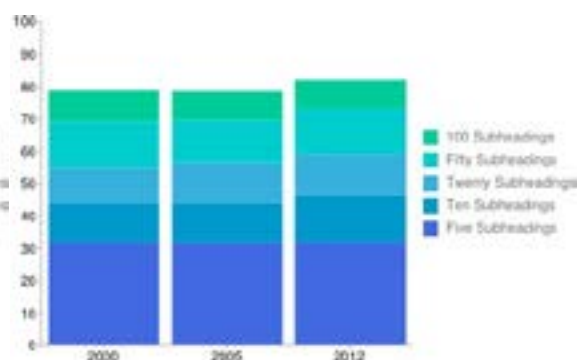
### Source of Imports (2012)



### Export Concentration by Markets (% of total; categories are cumulative)



### Export Concentration by Products (% of total; categories are cumulative)



#### 2012 % of Exports to:

Top 2 Markets: 27.2%  
Top 5 Markets: 41.6%  
Top 10 Markets: 55.0%

#### 2012 Number of Subheadings Exported: 3,865 (76.5%) % of Exports in:

Top 10 Subheadings: 46.2%  
Top 50 Subheadings: 73.1%  
Top 100 Subheadings: 81.9%

#### 2012 Top 3 Exported HS Chapters:

23: Residues from food industries (13.8%)  
87: Vehicles (12.1%)  
10: Cereals (12.1%)

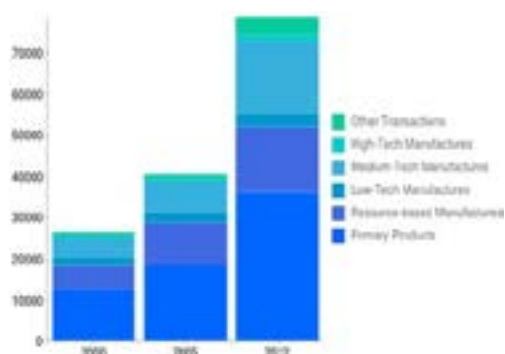
#### 2012 Top 5 Country/Chapter (LAC) Exports (%)

Brazil 87: Vehicles (9.3 %)  
Brazil 10: Cereals (2.1 %)  
Chile 27: Mineral fuels and oils (1.6 %)  
Brazil 27: Mineral fuels and oils (1.5 %)  
Colombia 10: Cereals (1.2 %)

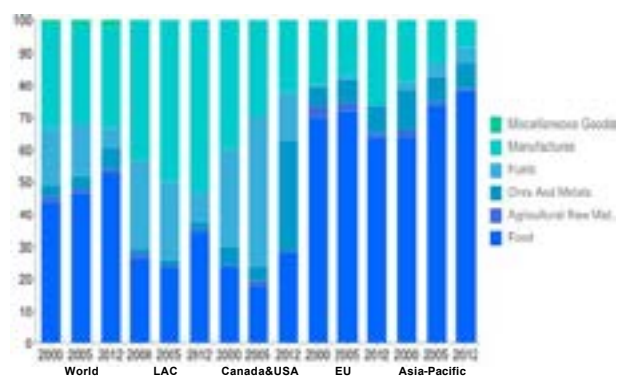
#### 2012 Top 5 Country/Chapter (ROW) Exports (%)

China 12: Oil seeds & oleaginous fruits (3.5 %)  
Canada 71: Precious metals and stones (2.2 %)  
Indonesia 23: Residues from food industries (1.7 %)  
India 15: Animal or veg. fats & oils (1.3 %)  
Spain 38: Miscellaneous chemicals (1.3 %)

**Technology Content of Merchandise Exports to World**  
(US\$ in millions)



**Sectoral Profile of Exports to World**  
(% of Total)

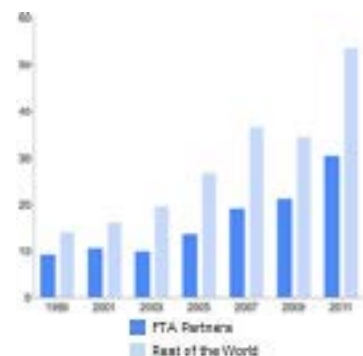


### Free Trade Agreements

**Free Trade Agreements Partners**



**Exports to FTA Partners vs. Rest of the World**  
(US\$ Billion)



FTA Partner	% of Total Trade		Tariff Lines Duty Free	
	Share of X (2012)	Share of M (2012)	Grants (2013)	Gets (2013)
Bolivia	1.0%	2.1%	100.0%	99.6%
Brazil	20.8%	26.8%	N.A.	N.A.
Chile	6.4%	1.8%	100.0%	100.0%
Colombia	2.6%	0.5%	93.4%	28.8%
Ecuador	0.5%	0.3%	93.7%	N.A.
Peru	2.3%	0.3%	99.8%	13.0%
Paraguay	1.7%	0.7%	N.A.	N.A.
Uruguay	2.4%	1.1%	N.A.	N.A.
Venezuela	2.8%	0.1%	93.1%	29.6%
<b>Total/Avg</b>	<b>40.5%</b>	<b>33.7%</b>	<b>96.7%</b>	<b>54.2%</b>

## BAHAMAS

2012 Gross Domestic Product: US\$ 8B  
2012 Population: 347 Thousand

2012 GDP Growth: 1.8%  
GDP/Capita: US\$ 23,472

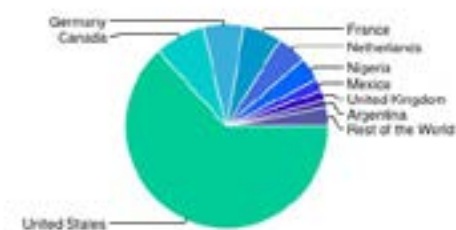
### Broad Trade Indicators

2008  
Total Exports: US\$ 0.4B (5.0% of GDP)  
Total Imports: US\$ 3.1B (37.5% of GDP)  
Current Acct. Bal: US\$ -1.2B (14.1% of GDP)  
Exports/Capita: US\$: 1,227

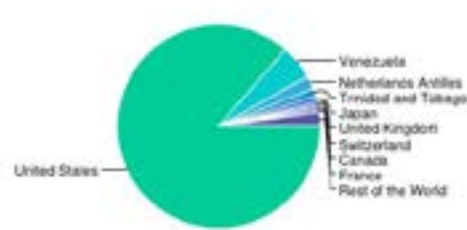
### MFN Tariffs

2013  
Average Applied MFN Tariff: 35.93%  
Maximum Applied MFN: 85% (7 Tariff Lines (0.139%))  
Number of Tariff Lines Duty-Free: 426 (8.4%)

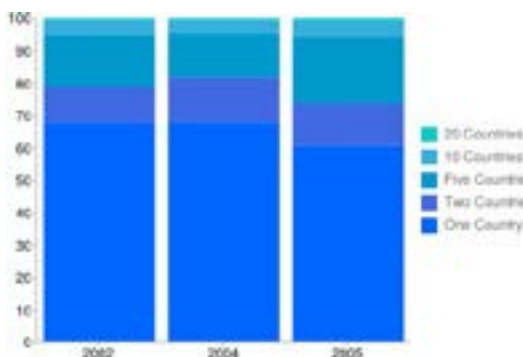
### Destination of Exports (2008)



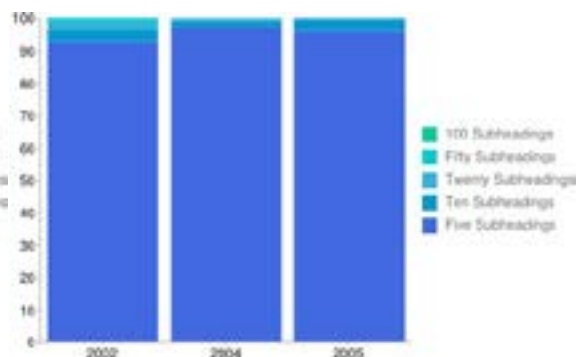
### Source of Imports (2008)



### Export Concentration by Markets (% of total; categories are cumulative)



### Export Concentration by Products (% of total; categories are cumulative)



#### 2008 % of Exports to:

Top 2 Markets: 71.2%  
Top 5 Markets: 88.5%  
Top 10 Markets: 97.7%

#### 2008 Number of Subheadings Exported: 1,253 (24.8%)

#### % of Exports in:

Top 10 Subheadings: 95.6%  
Top 50 Subheadings: 100.0%  
Top 100 Subheadings: 100.0%

#### 2008 Top 3 Exported HS Chapters:

39: Plastics & articles thereof (36.7%)  
03: Fish and crustaceans (19.9%)  
29: Organic chemicals (18.4%)

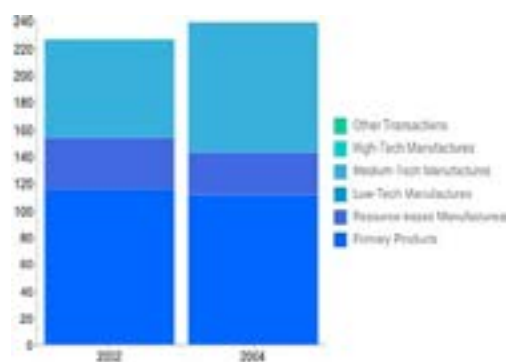
#### 2008 Top 5 Country/Chapter (LAC) Exports (%)

Mexico	22: Beverages, spirits and vinegar (1.9 %)
Argentina	39: Plastics & articles thereof (1.1 %)
Trinidad and Tobago	25: Salt, earths and stone (0.2 %)
Jamaica	25: Salt, earths and stone (0.2 %)
Haiti	24: Tobacco (0.0 %)

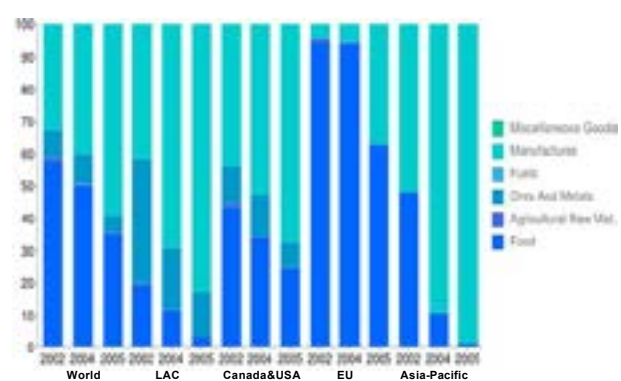
#### 2008 Top 5 Country/Chapter (ROW) Exports (%)

United States	39: Plastics & articles thereof (33.6 %)
United States	03: Fish and crustaceans (13.3 %)
United States	25: Salt, earths and stone (9.6 %)
Canada	29: Organic chemicals (7.4 %)
Germany	22: Beverages, spirits and vinegar (6.5 %)

**Technology Content of Merchandise Exports to World**  
(US\$ in millions)



**Sectoral Profile of Exports to World**  
(% of Total)



### Free Trade Agreements

#### Free Trade Agreements Partners



FTA Partner	% of Total Trade	
	Share of X (2008)	Share of M (2008)
European Union	19.4%	1.3%
<b>Total/Avg</b>	<b>19.4%</b>	<b>1.3%</b>

## BARBADOS

2010 Gross Domestic Product: US\$ 4B  
2010 Population: 274 Thousand

2010 GDP Growth: -0.5%  
GDP/Capita: US\$ 15,562

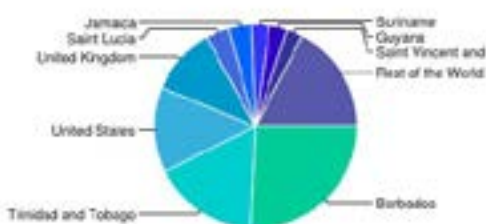
### Broad Trade Indicators

2011  
Total Exports: US\$ 0.5B (11.8% of GDP)  
Total Imports: US\$ 1.8B (41.2% of GDP)  
Current Acct. Bal: N.A.  
Exports/Capita: US\$: 1,855

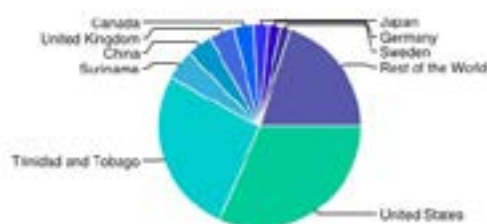
### MFN Tariffs

2013  
Average Applied MFN Tariff: 19.85%  
Maximum Applied MFN: 70% (10 Tariff Lines (0.159%))  
Number of Tariff Lines Duty-Free: 347 (5.5%)

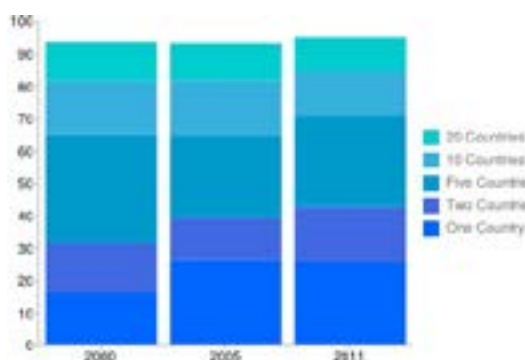
### Destination of Exports (2011)



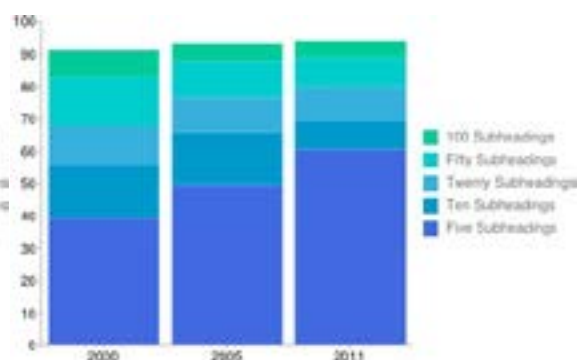
### Source of Imports (2011)



### Export Concentration by Markets (% of total; categories are cumulative)



### Export Concentration by Products (% of total; categories are cumulative)



#### 2011 % of Exports to:

Top 2 Markets: 42.7%  
Top 5 Markets: 70.7%  
Top 10 Markets: 84.4%

#### 2011 Number of Subheadings Exported: 1,686 (33.4%)

#### % of Exports in:

Top 10 Subheadings: 69.4%  
Top 50 Subheadings: 88.9%  
Top 100 Subheadings: 93.7%

#### 2011 Top 3 Exported HS Chapters:

27: Mineral fuels and oils (39.9%)  
30: Pharmaceutical products (14.2%)  
22: Beverages, spirits and vinegar (9.0%)

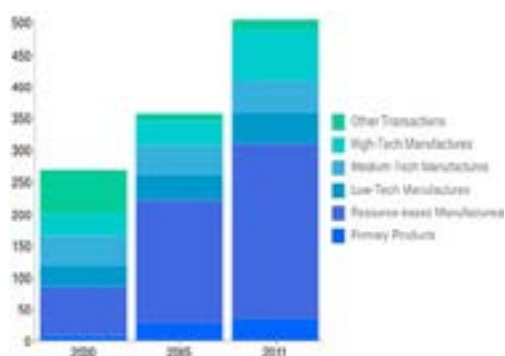
#### 2011 Top 5 Country/Chapter (LAC) Exports (%)

Trinidad and Tobago 27: Mineral fuels and oils (11.7 %)  
Suriname 27: Mineral fuels and oils (2.1 %)  
Trinidad and Tobago 30: Pharmaceutical products (1.6 %)  
Jamaica 30: Pharmaceutical products (1.2 %)  
Guyana 25: Salt, earths and stone (1.2 %)

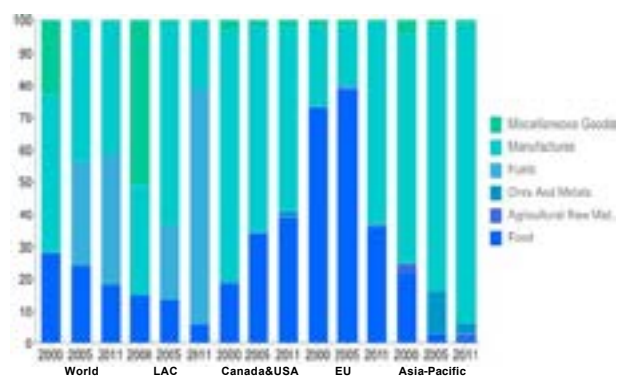
#### 2011 Top 5 Country/Chapter (ROW) Exports (%)

United Kingdom 30: Pharmaceutical products (6.5 %)  
United States 22: Beverages, spirits and vinegar (4.0 %)  
United Kingdom 17: Sugars and sugar confectionary (2.1 %)  
United States 71: Precious metals and stones (1.8 %)  
United States 85: Electrical machinery (1.3 %)

**Technology Content of Merchandise Exports to World**  
(US\$ in millions)



**Sectoral Profile of Exports to World**  
(% of Total)

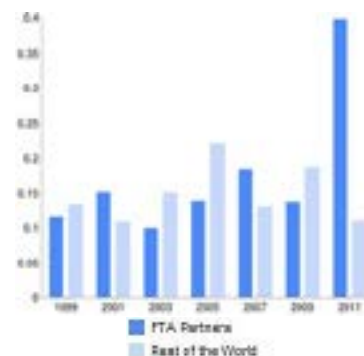


### Free Trade Agreements

**Free Trade Agreements Partners**



**Exports to FTA Partners vs. Rest of the World**  
(US\$ Billion)



FTA Partner	% of Total Trade		Tariff Lines Duty Free	
	Share of X (2011)	Share of M (2011)	Grants (2013)	Gets (2013)
Antigua and Barbuda	1.8%	--	100.0%	100.0%
Belize	0.3%	0.2%	100.0%	100.0%
Dominica	0.9%	0.1%	100.0%	100.0%
European Union	13.0%	12.5%	22.2%	100.0%
Grenada	1.9%	0.1%	100.0%	100.0%
Guyana	2.8%	0.9%	100.0%	100.0%
Jamaica	3.7%	0.5%	100.0%	100.0%
Saint Kitts and Nevis	0.9%	--	100.0%	100.0%
Saint Lucia	3.7%	0.4%	100.0%	100.0%
Montserrat	--	--	100.0%	100.0%
Suriname	2.8%	4.8%	100.0%	100.0%
Trinidad and Tobago	16.9%	26.5%	100.0%	100.0%
Saint Vincent and the Grenadines	2.6%	0.3%	100.0%	100.0%
<b>Total/Avg</b>	<b>51.3%</b>	<b>46.3%</b>	<b>94.0%</b>	<b>100.0%</b>

## BELIZE

2012 Gross Domestic Product: US\$ 1B  
2012 Population: 356 Thousand

2012 GDP Growth: 5.2%  
GDP/Capita: US\$ 4,271

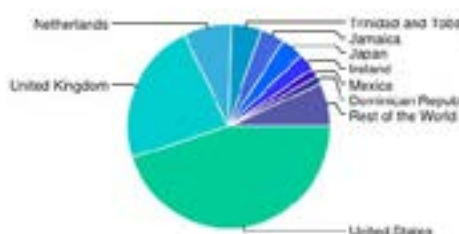
### Broad Trade Indicators

2012  
Total Exports: US\$ 0.3B (22.3% of GDP)  
Total Imports: US\$ 0.9B (57.9% of GDP)  
Current Acct. Bal: US\$ 0.0B (1.8% of GDP)  
Exports/Capita: US\$: 954

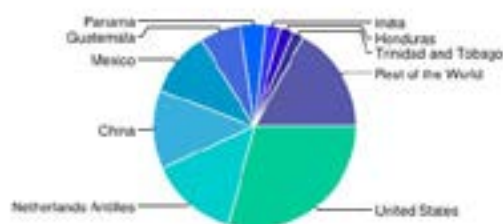
### MFN Tariffs

2013  
Average Applied MFN Tariff: 20.22%  
Maximum Applied MFN: 70% (10 Tariff Lines (0.159%))  
Number of Tariff Lines Duty-Free: 345 (5.5%)

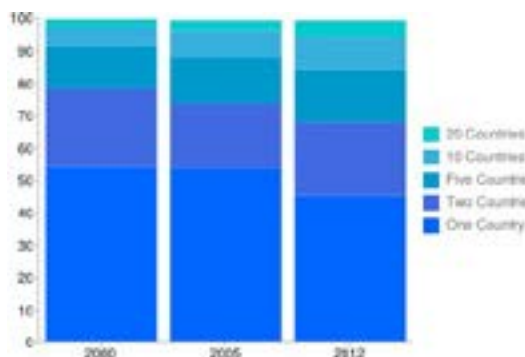
### Destination of Exports (2012)



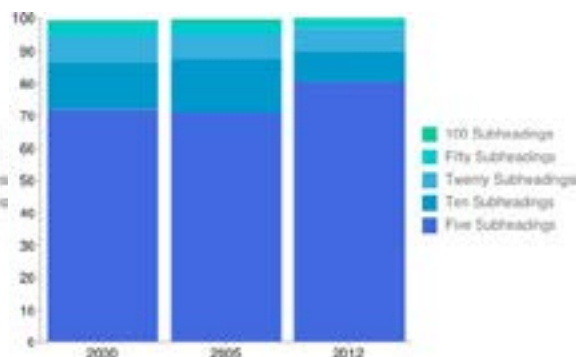
### Source of Imports (2012)



### Export Concentration by Markets (% of total; categories are cumulative)



### Export Concentration by Products (% of total; categories are cumulative)



#### 2012 % of Exports to:

Top 2 Markets: 67.9%  
Top 5 Markets: 84.1%  
Top 10 Markets: 94.4%

#### 2012 Number of Subheadings Exported: 167 (3.3%) % of Exports in:

Top 10 Subheadings: 90.1%  
Top 50 Subheadings: 99.5%  
Top 100 Subheadings: 100.0%

#### 2012 Top 3 Exported HS Chapters:

27: Mineral fuels and oils (27.4%)  
20: Preparations of vegetables (22.8%)  
17: Sugars and sugar confectionary (16.4%)

#### 2012 Top 5 Country/Chapter (LAC) Exports (%)

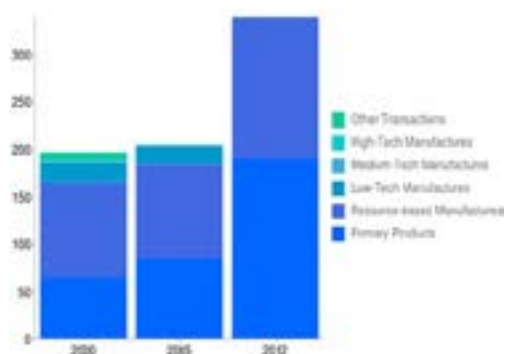
Trinidad and Tobago	20: Preparations of vegetables (3.1 %)
Mexico	03: Fish and crustaceans (1.3 %)
Dominican Republic	20: Preparations of vegetables (1.3 %)
Trinidad and Tobago	03: Fish and crustaceans (1.2 %)
Jamaica	20: Preparations of vegetables (1.1 %)

#### 2012 Top 5 Country/Chapter (ROW) Exports (%)

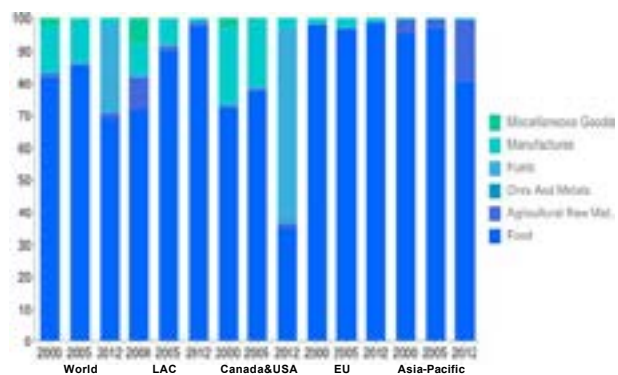
United States	27: Mineral fuels and oils (27.4 %)
United Kingdom	17: Sugars and sugar confectionary (12.0 %)
United Kingdom	08: Edible fruits and nuts (10.5 %)
Netherlands	20: Preparations of vegetables (7.3 %)
United States	20: Preparations of vegetables (4.5 %)



**Technology Content of Merchandise Exports to World**  
(US\$ in millions)



**Sectoral Profile of Exports to World**  
(% of Total)



### Free Trade Agreements

**Free Trade Agreements Partners**



**Exports to FTA Partners vs. Rest of the World**  
(US\$ Billion)



FTA Partner	% of Total Trade		Tariff Lines Duty Free	
	Share of X (2012)	Share of M (2012)	Grants (2013)	Gets (2013)
Antigua and Barbuda	--	--	100.0%	100.0%
Barbados	0.5%	0.1%	100.0%	100.0%
Dominica	--	--	100.0%	100.0%
European Union	34.4%	3.4%	22.1%	100.0%
Grenada	--	--	100.0%	100.0%
Guyana	0.9%	0.1%	100.0%	100.0%
Jamaica	3.9%	0.8%	100.0%	100.0%
Saint Kitts and Nevis	--	--	100.0%	100.0%
Saint Lucia	--	0.2%	100.0%	100.0%
Montserrat	--	--	100.0%	100.0%
Suriname	--	--	100.0%	100.0%
Trinidad and Tobago	4.8%	1.9%	100.0%	100.0%
Saint Vincent and the Grenadines	--	--	100.0%	100.0%
<b>Total/Avg</b>	<b>44.5%</b>	<b>6.5%</b>	<b>94.0%</b>	<b>100.0%</b>

## BOLIVIA

2012 Gross Domestic Product: US\$ 27B  
2012 Population: 10,088 Thousand

2012 GDP Growth: 5.2%  
GDP/Capita: US\$ 2,679

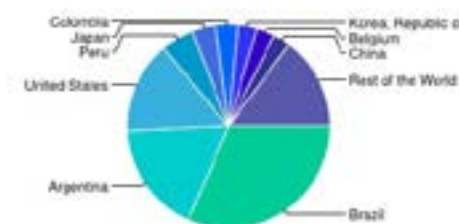
### Broad Trade Indicators

2012  
Total Exports: US\$ 11.6B (43.1% of GDP)  
Total Imports: US\$ 8.3B (30.6% of GDP)  
Current Acct. Bal: N.A.  
Exports/Capita: US\$: 1,154

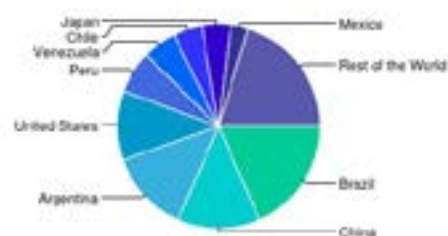
### MFN Tariffs

2012  
Average Applied MFN Tariff: 10.63%  
Maximum Applied MFN: 35% (327 Tariff Lines (4.437%))  
Number of Tariff Lines Duty-Free: 537 (7.3%)

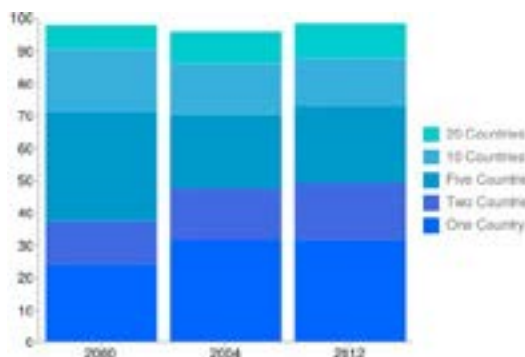
### Destination of Exports (2012)



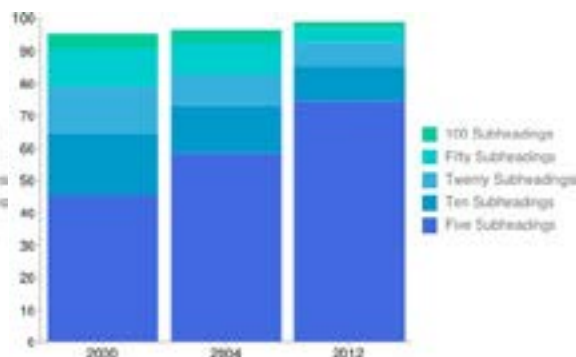
### Source of Imports (2012)



### Export Concentration by Markets (% of total; categories are cumulative)



### Export Concentration by Products (% of total; categories are cumulative)



#### 2012 % of Exports to:

Top 2 Markets: 49.2%  
Top 5 Markets: 73.0%  
Top 10 Markets: 87.7%

#### 2012 Number of Subheadings Exported: 894 (17.7%) % of Exports in:

Top 10 Subheadings: 85.1%  
Top 50 Subheadings: 97.0%  
Top 100 Subheadings: 98.8%

#### 2012 Top 3 Exported HS Chapters:

27: Mineral fuels and oils (49.9%)  
26: Ores, slag & ash (17.5%)  
71: Precious metals and stones (11.6%)

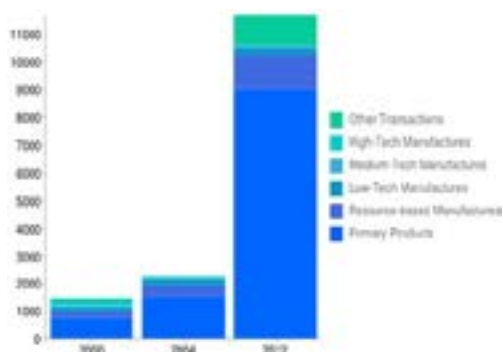
#### 2012 Top 5 Country/Chapter (LAC) Exports (%)

Brazil	27: Mineral fuels and oils (30.6 %)
Argentina	27: Mineral fuels and oils (17.3 %)
Peru	26: Ores, slag & ash (2.3 %)
Colombia	15: Animal or veg. fats & oils (1.7 %)
Peru	23: Residues from food industries (1.4 %)

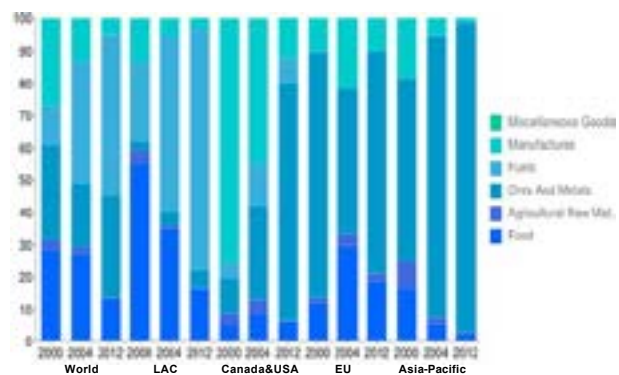
#### 2012 Top 5 Country/Chapter (ROW) Exports (%)

United States	71: Precious metals and stones (9.4 %)
Japan	26: Ores, slag & ash (3.7 %)
Korea, Republic of	26: Ores, slag & ash (3.0 %)
Belgium	26: Ores, slag & ash (2.7 %)
Switzerland	71: Precious metals and stones (2.0 %)

**Technology Content of Merchandise Exports to World**  
(US\$ in millions)



**Sectoral Profile of Exports to World**  
(% of Total)

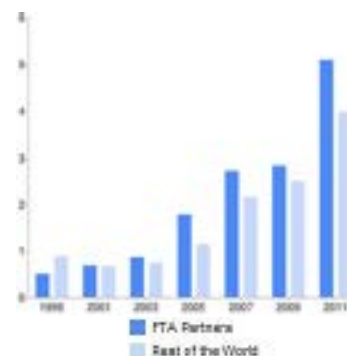


### Free Trade Agreements

**Free Trade Agreements Partners**



**Exports to FTA Partners vs. Rest of the World**  
(US\$ Billion)



FTA Partner	% of Total Trade		Tariff Lines Duty Free	
	Share of X (2012)	Share of M (2012)	Grants (2013)	Gets (2013)
Argentina	17.8%	13.1%	99.6%	100.0%
Brazil	31.5%	18.4%	99.6%	100.0%
Chile	1.7%	4.6%	N.A.	N.A.
Colombia	3.4%	2.0%	100.0%	100.0%
Ecuador	1.9%	0.4%	100.0%	100.0%
Mexico	0.3%	2.8%	97.5%	96.3%
Peru	5.3%	6.7%	100.0%	100.0%
Paraguay	0.2%	1.0%	99.6%	100.0%
Uruguay	--	0.4%	99.6%	100.0%
<b>Total/Avg</b>	<b>62.1%</b>	<b>49.4%</b>	<b>99.5%</b>	<b>99.5%</b>

## BRAZIL

2012 Gross Domestic Product: US\$ 2253B  
2012 Population: 196,655 Thousand

2012 GDP Growth: 0.9%  
GDP/Capita: US\$ 11,457

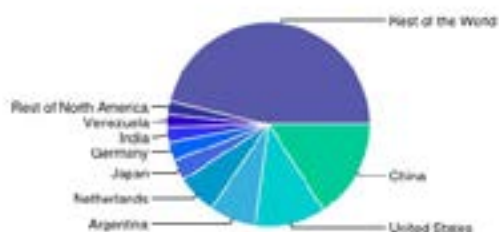
### Broad Trade Indicators

2012  
Total Exports: US\$ 239.5B (10.6% of GDP)  
Total Imports: US\$ 223.1B (9.9% of GDP)  
Current Acct. Bal: US\$ -54.2B (2.4% of GDP)  
Exports/Capita: US\$: 1,218

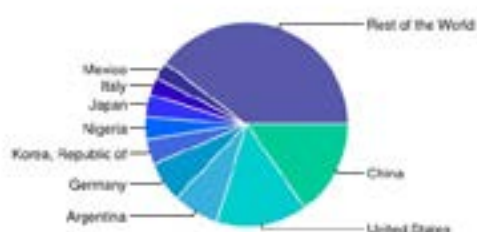
### MFN Tariffs

2013  
Average Applied MFN Tariff: 11.61%  
Maximum Applied MFN: 35% (439 Tariff Lines (4.378%))  
Number of Tariff Lines Duty-Free: 720 (7.2%)

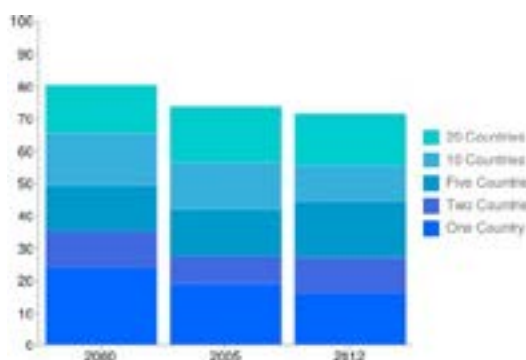
### Destination of Exports (2012)



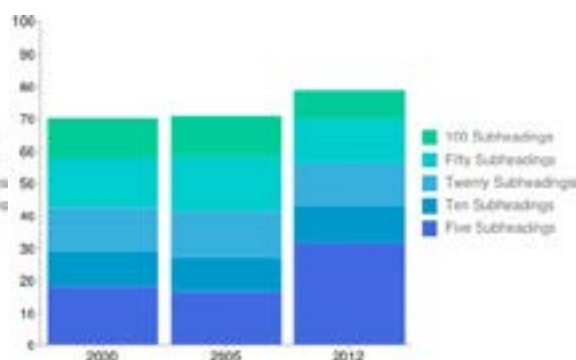
### Source of Imports (2012)



### Export Concentration by Markets (% of total; categories are cumulative)



### Export Concentration by Products (% of total; categories are cumulative)



#### 2012 % of Exports to:

Top 2 Markets: 27.1%  
Top 5 Markets: 44.2%  
Top 10 Markets: 55.6%

#### 2012 Number of Subheadings Exported: 4,449 (88.1%) % of Exports in:

Top 10 Subheadings: 43.0%  
Top 50 Subheadings: 69.6%  
Top 100 Subheadings: 78.8%

#### 2012 Top 3 Exported HS Chapters:

26: Ores, slag & ash (13.9%)  
27: Mineral fuels and oils (11.1%)  
12: Oil seeds & oleaginous fruits (6.1%)

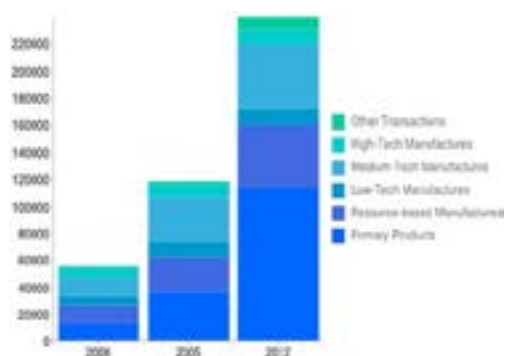
#### 2012 Top 5 Country/Chapter (LAC) Exports (%)

Argentina 87: Vehicles (2.9 %)  
Argentina 84: Machinery and appliances (0.8 %)  
Chile 27: Mineral fuels and oils (0.4 %)  
Mexico 84: Machinery and appliances (0.4 %)  
Argentina 85: Electrical machinery (0.4 %)

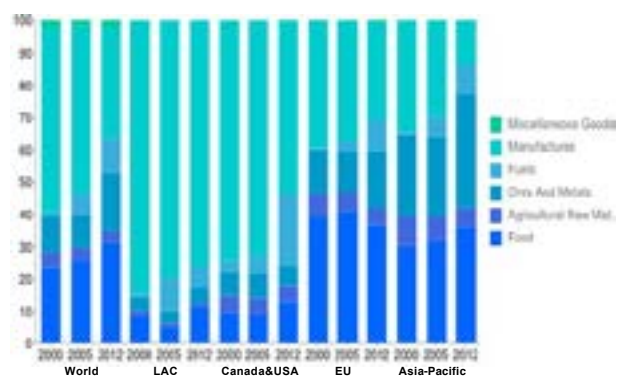
#### 2012 Top 5 Country/Chapter (ROW) Exports (%)

China 26: Ores, slag & ash (6.4 %)  
China 12: Oil seeds & oleaginous fruits (3.8 %)  
United States 27: Mineral fuels and oils (2.4 %)  
China 27: Mineral fuels and oils (2.0 %)  
United States 72: Iron and steel (1.5 %)

**Technology Content of Merchandise Exports to World**  
(US\$ in millions)



**Sectoral Profile of Exports to World**  
(% of Total)



### Free Trade Agreements

**Free Trade Agreements Partners**



**Exports to FTA Partners vs. Rest of the World**  
(US\$ Billion)



FTA Partner	% of Total Trade		Tariff Lines Duty Free	
	Share of X (2012)	Share of M (2012)	Grants (2013)	Gets (2013)
Argentina	7.5%	7.4%	N.A.	N.A.
Bolivia	0.6%	1.5%	100.0%	99.6%
Chile	1.9%	1.9%	100.0%	100.0%
Colombia	1.2%	0.6%	86.1%	54.2%
Ecuador	0.4%	0.1%	93.0%	38.1%
Peru	1.0%	0.6%	99.8%	12.5%
Paraguay	1.1%	0.4%	N.A.	N.A.
Uruguay	0.9%	0.8%	N.A.	N.A.
Venezuela	2.1%	0.4%	92.4%	44.9%
<b>Total/Avg</b>	<b>16.7%</b>	<b>13.7%</b>	<b>95.2%</b>	<b>58.2%</b>

## CHILE

2012 Gross Domestic Product: US\$ 268B  
2012 Population: 17,269 Thousand

2012 GDP Growth: 5.6%  
GDP/Capita: US\$ 15,543

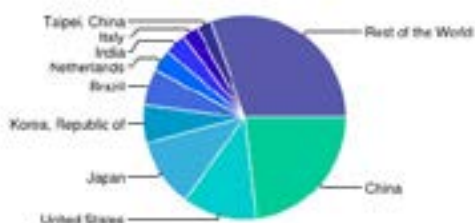
### Broad Trade Indicators

2012  
Total Exports: US\$ 76.7B (28.6% of GDP)  
Total Imports: US\$ 70.7B (26.3% of GDP)  
Current Acct. Bal: US\$ -9.5B (3.5% of GDP)  
Exports/Capita: US\$: 4,443

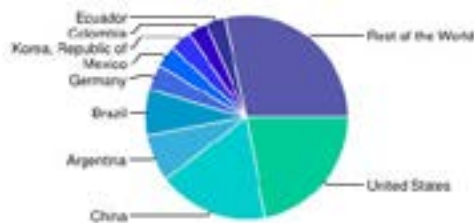
### MFN Tariffs

2013  
Average Applied MFN Tariff: 5.98%  
Maximum Applied MFN: 13% (12 Tariff Lines (0.167%))  
Number of Tariff Lines Duty-Free: 35 (0.5%)

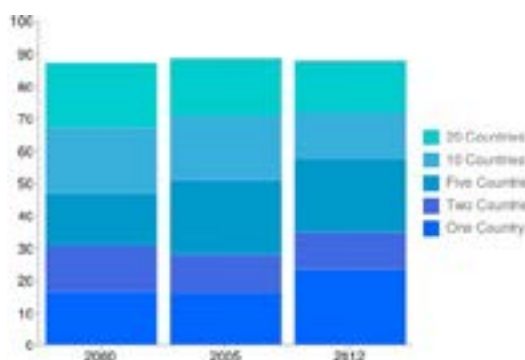
### Destination of Exports (2012)



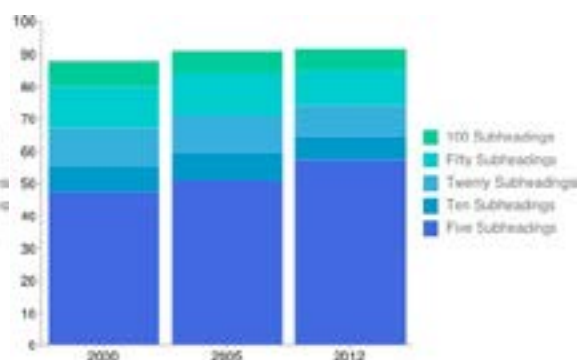
### Source of Imports (2012)



### Export Concentration by Markets (% of total; categories are cumulative)



### Export Concentration by Products (% of total; categories are cumulative)



#### 2012 % of Exports to:

Top 2 Markets: 34.9%  
Top 5 Markets: 57.7%  
Top 10 Markets: 71.9%

#### 2012 Number of Subheadings Exported: 3,493 (69.1%) % of Exports in:

Top 10 Subheadings: 64.6%  
Top 50 Subheadings: 84.7%  
Top 100 Subheadings: 91.4%

#### 2012 Top 3 Exported HS Chapters:

74: Copper & articles thereof (34.4%)  
26: Ores, slag & ash (24.7%)  
08: Edible fruits and nuts (5.1%)

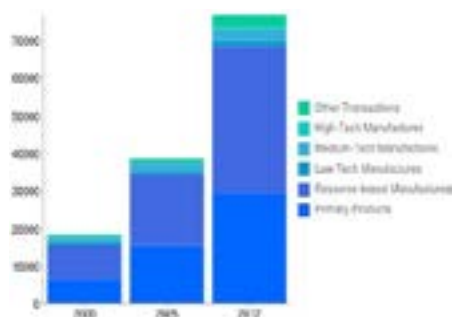
#### 2012 Top 5 Country/Chapter (LAC) Exports (%)

Brazil 74: Copper & articles thereof (2.4 %)  
Brazil 26: Ores, slag & ash (0.9 %)  
Brazil 03: Fish and crustaceans (0.4 %)  
Brazil 31: Fertilizers (0.3 %)  
Peru 00: Reserved for national use (0.3 %)

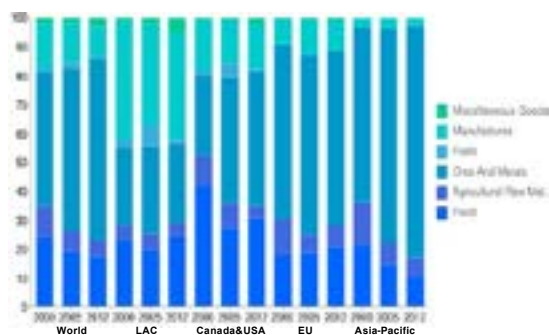
#### 2012 Top 5 Country/Chapter (ROW) Exports (%)

China 74: Copper & articles thereof (13.4 %)  
Japan 26: Ores, slag & ash (7.4 %)  
China 26: Ores, slag & ash (6.9 %)  
United States 74: Copper & articles thereof (4.3 %)  
India 26: Ores, slag & ash (3.2 %)

**Technology Content of Merchandise Exports to World  
(US\$ in millions)**



**Sectoral Profile of Exports to World  
(% of Total)**

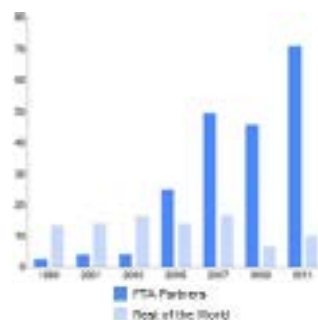


### Free Trade Agreements

**Free Trade Agreements Partners**



**Exports to FTA Partners vs. Rest of the World  
(US\$ Billion)**



FTA Partner	% of Total Trade		Tariff Lines Duty Free	
	Share of X (2012)	Share of M (2012)	Grants (2013)	Gets (2013)
Argentina	1.6%	7.5%	100.0%	100.0%
Australia	1.6%	0.6%	87.5%	90.8%
Bolivia	0.6%	0.4%	100.0%	N.A.
Brazil	5.7%	7.3%	100.0%	100.0%
Brunei Darussalam	--	--	97.1%	74.2%
Canada	1.6%	1.4%	98.9%	100.0%
China	23.2%	17.6%	87.8%	75.8%
Colombia	1.3%	3.1%	97.9%	97.2%
Costa Rica	0.3%	--	95.5%	95.3%
Ecuador	0.7%	3.0%	96.8%	96.8%
EFTA	1.6%	0.6%	N.A.	N.A.
European Union	15.2%	13.9%	99.7%	99.7%
Guatemala	0.1%	0.2%	66.8%	52.3%
Honduras	0.1%	--	99.4%	88.8%
Japan	11.0%	3.0%	N.A.	N.A.
Korea, Republic of	6.0%	3.5%	75.9%	93.4%
Mexico	1.8%	3.5%	98.7%	98.8%
Malaysia	0.3%	0.3%	N.A.	N.A.
New Zealand	0.1%	0.1%	97.1%	83.9%
Panama	0.2%	0.1%	98.3%	73.8%
Peru	2.1%	2.9%	83.5%	83.4%
Paraguay	0.2%	0.3%	100.0%	100.0%
Singapore	0.1%	0.1%	74.6%	100.0%
El Salvador	--	0.1%	83.2%	95.0%
Turkey	0.6%	0.3%	94.3%	N.A.
Uruguay	0.2%	0.4%	100.0%	100.0%
United States	11.7%	22.1%	97.6%	97.4%
<b>Total/Avg</b>	<b>87.9%</b>	<b>92.3%</b>	<b>92.9%</b>	<b>90.8%</b>



## COLOMBIA

2012 Gross Domestic Product: US\$ 369B  
2012 Population: 46,927 Thousand

2012 GDP Growth: 4.0%  
GDP/Capita: US\$ 7,881

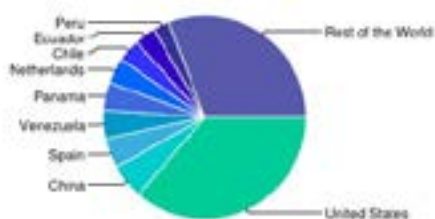
### Broad Trade Indicators

2012  
Total Exports: US\$ 60.0B (16.2% of GDP)  
Total Imports: US\$ 58.5B (15.8% of GDP)  
Current Acct. Bal: US\$ -11.4B (3.1% of GDP)  
Exports/Capita: US\$: 1,277

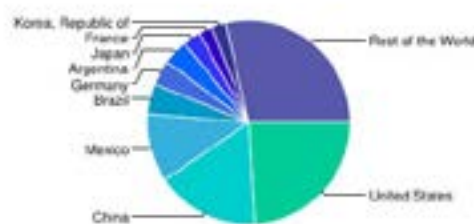
### MFN Tariffs

2012  
Average Applied MFN Tariff: 6.51%  
Maximum Applied MFN: 98% (14 Tariff Lines (0.188%))  
Number of Tariff Lines Duty-Free: 3,438 (46.1%)

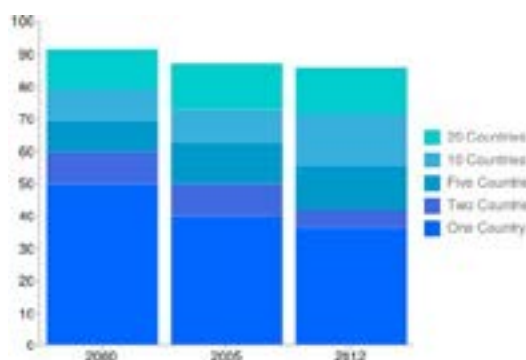
### Destination of Exports (2012)



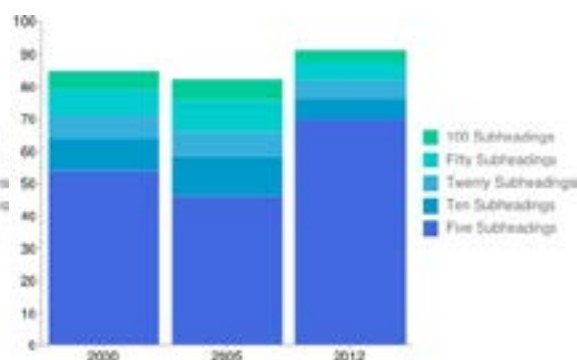
### Source of Imports (2012)



### Export Concentration by Markets (% of total; categories are cumulative)



### Export Concentration by Products (% of total; categories are cumulative)



#### 2012 % of Exports to:

Top 2 Markets: 41.8%  
Top 5 Markets: 55.5%  
Top 10 Markets: 71.5%

#### 2012 Number of Subheadings Exported: 3,635 (72.0%) % of Exports in:

Top 10 Subheadings: 76.1%  
Top 50 Subheadings: 87.5%  
Top 100 Subheadings: 91.0%

#### 2012 Top 3 Exported HS Chapters:

27: Mineral fuels and oils (64.9%)  
71: Precious metals and stones (6.1%)  
09: Coffee, tea, mate and spices (3.3%)

#### 2012 Top 5 Country/Chapter (LAC) Exports (%)

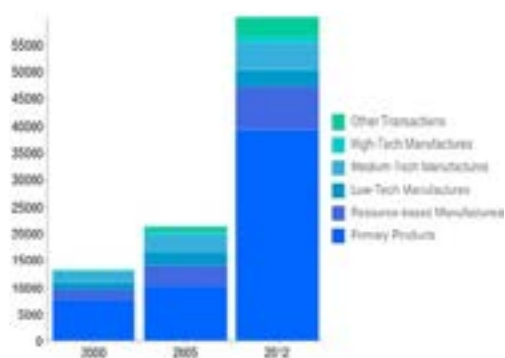
Panama 27: Mineral fuels and oils (3.8 %)  
Chile 27: Mineral fuels and oils (2.8 %)  
Venezuela 27: Mineral fuels and oils (0.9 %)  
Bahamas 27: Mineral fuels and oils (0.9 %)  
Brazil 27: Mineral fuels and oils (0.9 %)

#### 2012 Top 5 Country/Chapter (ROW) Exports (%)

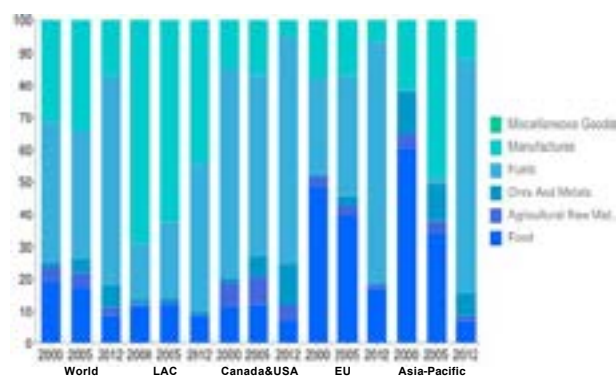
United States 27: Mineral fuels and oils (25.7 %)  
United States 71: Precious metals and stones (4.7 %)  
Spain 27: Mineral fuels and oils (4.4 %)  
China 27: Mineral fuels and oils (4.4 %)  
Netherlands 27: Mineral fuels and oils (3.3 %)



**Technology Content of Merchandise Exports to World**  
(US\$ in millions)



**Sectoral Profile of Exports to World**  
(% of Total)

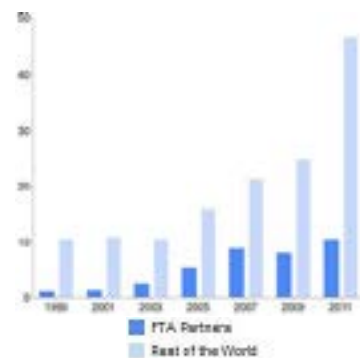


### Free Trade Agreements

**Free Trade Agreements Partners**



**Exports to FTA Partners vs. Rest of the World**  
(US\$ Billion)



FTA Partner	% of Total Trade		Tariff Lines Duty Free	
	Share of X (2012)	Share of M (2012)	Grants (2013)	Gets (2013)
Argentina	0.5%	4.0%	28.8%	93.4%
Bolivia	0.2%	0.5%	100.0%	100.0%
Brazil	2.2%	4.8%	54.2%	86.1%
Canada	0.8%	1.9%	67.6%	96.8%
Chile	3.6%	1.6%	97.2%	97.9%
Ecuador	3.4%	1.8%	100.0%	100.0%
EFTA	1.2%	1.0%	N.A.	N.A.
European Union	14.8%	12.8%	N.A.	N.A.
Guatemala	1.0%	0.1%	87.0%	78.3%
Honduras	0.3%	--	87.8%	65.8%
Mexico	1.4%	10.9%	94.8%	95.6%
Peru	2.6%	1.6%	100.0%	100.0%
Paraguay	--	0.2%	92.0%	16.6%
El Salvador	0.3%	--	87.9%	77.9%
Uruguay	--	0.1%	56.3%	38.8%
United States	36.2%	24.1%	76.3%	97.6%
Venezuela	4.5%	1.0%	N.A.	N.A.
<b>Total/Avg</b>	<b>73.0%</b>	<b>66.4%</b>	<b>80.7%</b>	<b>81.8%</b>

## COSTA RICA

2012 Gross Domestic Product: US\$ 45B  
2012 Population: 4,726 Thousand

2012 GDP Growth: 5.7%  
GDP/Capita: US\$ 9,547

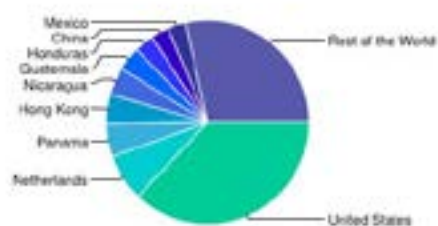
### Broad Trade Indicators

2012  
Total Exports: US\$ 11.3B (25.0% of GDP)  
Total Imports: US\$ 18.4B (40.7% of GDP)  
Current Acct. Bal: N.A.  
Exports/Capita: US\$: 2,383

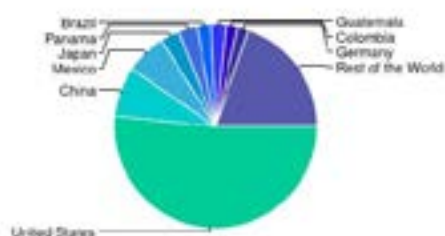
### MFN Tariffs

2012  
Average Applied MFN Tariff: 6.36%  
Maximum Applied MFN: 150% (14 Tariff Lines (0.202%))  
Number of Tariff Lines Duty-Free: 3,402 (49.0%)

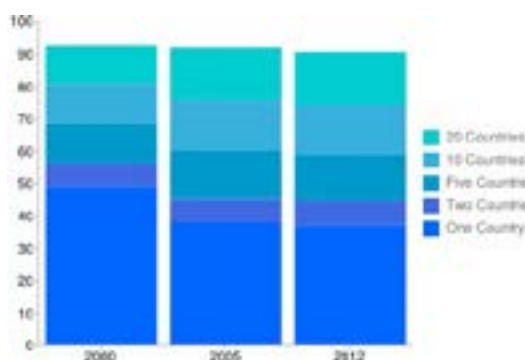
### Destination of Exports (2012)



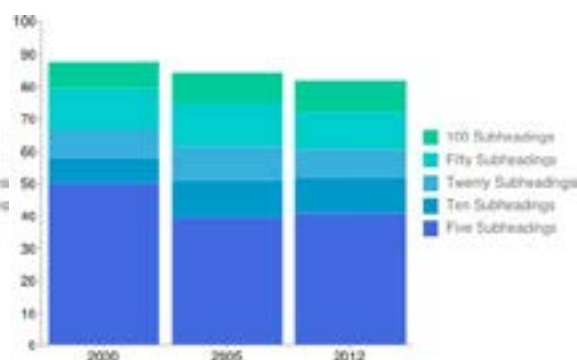
### Source of Imports (2012)



### Export Concentration by Markets (% of total; categories are cumulative)



### Export Concentration by Products (% of total; categories are cumulative)



#### 2012 % of Exports to:

Top 2 Markets: 44.5%  
Top 5 Markets: 58.9%  
Top 10 Markets: 74.2%

#### 2012 Number of Subheadings Exported: 3,224 (63.8%) % of Exports in:

Top 10 Subheadings: 51.8%  
Top 50 Subheadings: 72.2%  
Top 100 Subheadings: 81.7%

#### 2012 Top 3 Exported HS Chapters:

85: Electrical machinery (24.9%)  
08: Edible fruits and nuts (14.5%)  
90: Precision instruments (12.1%)

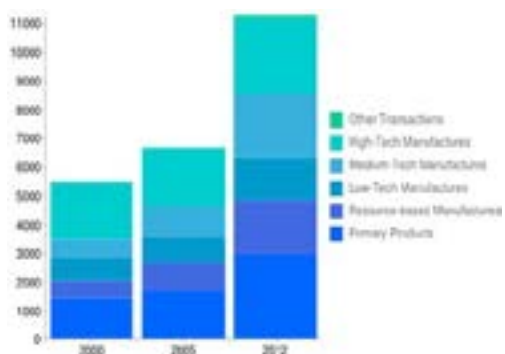
#### 2012 Top 5 Country/Chapter (LAC) Exports (%)

Mexico	15: Animal or veg. fats & oils (1.3 %)
Guatemala	21: Misc. edible preparations (0.7 %)
Honduras	21: Misc. edible preparations (0.6 %)
Panama	30: Pharmaceutical products (0.6 %)
Panama	39: Plastics & articles thereof (0.5 %)

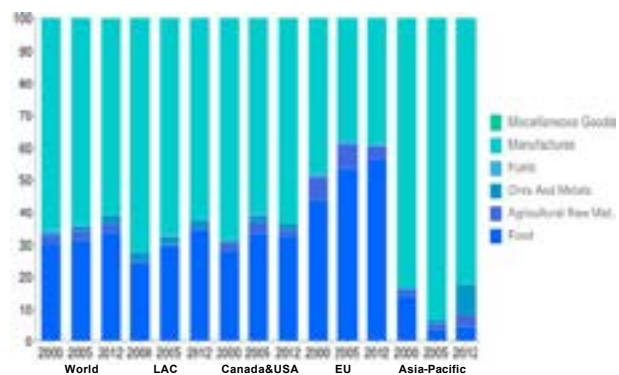
#### 2012 Top 5 Country/Chapter (ROW) Exports (%)

United States	85: Electrical machinery (8.8 %)
United States	90: Precision instruments (8.5 %)
United States	08: Edible fruits and nuts (6.4 %)
Hong Kong	85: Electrical machinery (4.2 %)
Netherlands	85: Electrical machinery (3.6 %)

**Technology Content of Merchandise Exports to World**  
(US\$ in millions)



**Sectoral Profile of Exports to World**  
(% of Total)

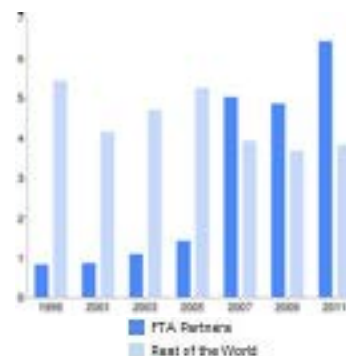


### Free Trade Agreements

**Free Trade Agreements Partners**



**Exports to FTA Partners vs. Rest of the World**  
(US\$ Billion)



FTA Partner	% of Total Trade		Tariff Lines Duty Free	
	Share of X (2012)	Share of M (2012)	Grants (2013)	Gets (2013)
Canada	0.6%	1.3%	84.0%	98.2%
Chile	0.2%	1.6%	95.3%	95.5%
China	2.9%	7.9%	63.1%	65.3%
Dominican Republic	2.3%	0.2%	N.A.	N.A.
Guatemala	3.8%	2.3%	99.8%	99.8%
Honduras	3.1%	0.8%	99.8%	99.8%
Mexico	2.8%	6.5%	98.3%	98.5%
Nicaragua	4.4%	0.8%	99.8%	99.8%
Panama	5.2%	2.9%	91.2%	87.4%
Peru	0.2%	0.8%	N.A.	N.A.
El Salvador	2.7%	1.2%	99.8%	99.8%
United States	37.0%	51.7%	76.3%	99.9%
<b>Total/Avg</b>	<b>65.2%</b>	<b>78.0%</b>	<b>90.7%</b>	<b>94.4%</b>

## DOMINICAN REPUBLIC

2012 Gross Domestic Product: US\$ 58B  
2012 Population: 10,056 Thousand

2012 GDP Growth: 3.9%  
GDP/Capita: US\$ 5,857

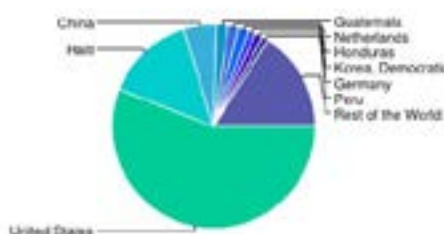
### Broad Trade Indicators

2012  
Total Exports: US\$ 11.3B (19.1% of GDP)  
Total Imports: US\$ 18.4B (31.2% of GDP)  
Current Acct. Bal: N.A.  
Exports/Capita: US\$: 1,120

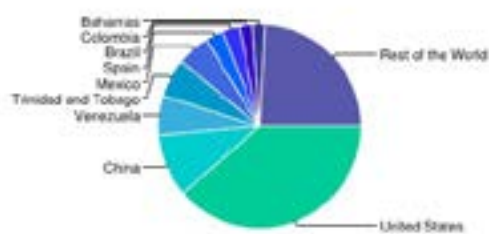
### MFN Tariffs

2013  
Average Applied MFN Tariff: 7.55%  
Maximum Applied MFN: 40% (32 Tariff Lines (0.455%))  
Number of Tariff Lines Duty-Free: 3,758 (53.5%)

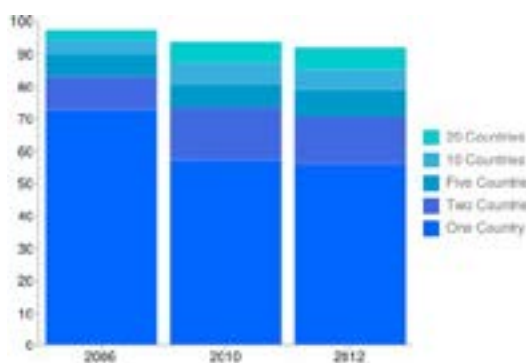
### Destination of Exports (2012)



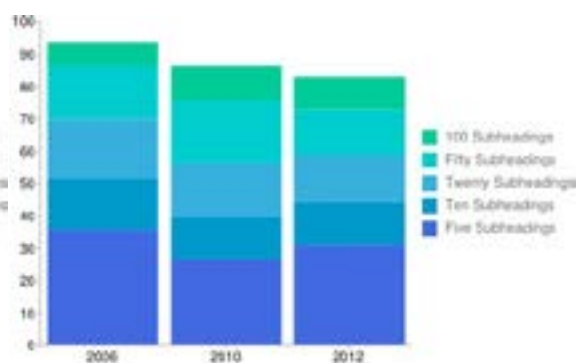
### Source of Imports (2012)



### Export Concentration by Markets (% of total; categories are cumulative)



### Export Concentration by Products (% of total; categories are cumulative)



#### 2012 % of Exports to:

Top 2 Markets: 70.3%  
Top 5 Markets: 79.1%  
Top 10 Markets: 85.0%

#### 2012 Number of Subheadings Exported: 2,722 (53.9%) % of Exports in:

Top 10 Subheadings: 44.2%  
Top 50 Subheadings: 72.8%  
Top 100 Subheadings: 82.8%

#### 2012 Top 3 Exported HS Chapters:

90: Precision instruments (10.3%)  
24: Tobacco (7.4%)  
85: Electrical machinery (7.4%)

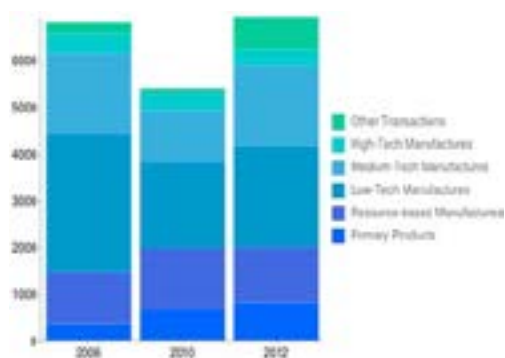
#### 2012 Top 5 Country/Chapter (LAC) Exports (%)

Haiti 52: Cotton (3.1 %)  
Haiti 61: Knitted apparel (2.1 %)  
Haiti 39: Plastics & articles thereof (1.0 %)  
Haiti 72: Iron and steel (0.9 %)  
Haiti 25: Salt, earths and stone (0.8 %)

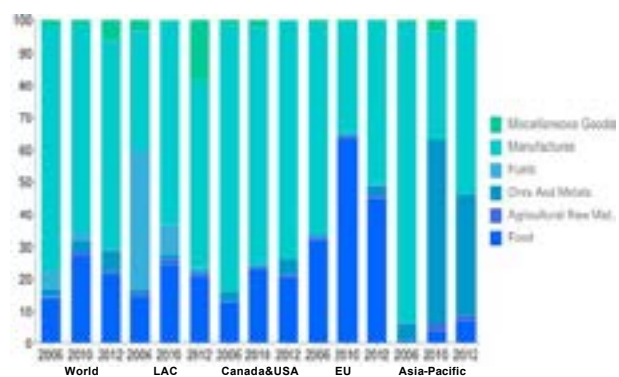
#### 2012 Top 5 Country/Chapter (ROW) Exports (%)

United States 90: Precision instruments (9.3 %)  
United States 85: Electrical machinery (6.9 %)  
United States 24: Tobacco (5.9 %)  
United States 61: Knitted apparel (4.3 %)  
United States 71: Precious metals and stones (4.1 %)

**Technology Content of Merchandise Exports to World**  
(US\$ in millions)



**Sectoral Profile of Exports to World**  
(% of Total)

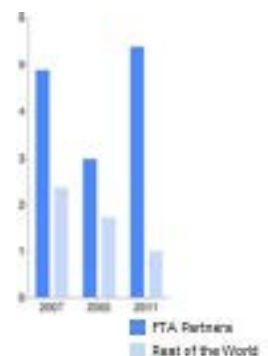


### Free Trade Agreements

**Free Trade Agreements Partners**



**Exports to FTA Partners vs. Rest of the World**  
(US\$ Billion)



FTA Partner	% of Total Trade		Tariff Lines Duty Free	
	Share of X (2012)	Share of M (2012)	Grants (2013)	Gets (2013)
Costa Rica	0.4%	1.3%	N.A.	N.A.
European Union	6.5%	9.9%	22.1%	100.0%
Guatemala	1.9%	0.7%	N.A.	N.A.
Honduras	1.6%	0.2%	N.A.	N.A.
Nicaragua	0.2%	0.1%	N.A.	N.A.
El Salvador	0.1%	0.4%	N.A.	N.A.
United States	56.0%	38.6%	82.4%	98.4%
<b>Total/Avg</b>	<b>66.7%</b>	<b>51.2%</b>	<b>52.3%</b>	<b>99.2%</b>

## ECUADOR

2012 Gross Domestic Product: US\$ 84B  
2012 Population: 14,666 Thousand

2012 GDP Growth: 3.6%  
GDP/Capita: US\$ 5,763

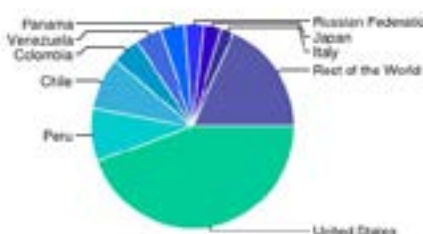
### Broad Trade Indicators

2012  
Total Exports: US\$ 23.8B (28.2% of GDP)  
Total Imports: US\$ 17.8B (21.0% of GDP)  
Current Acct. Bal: N.A.  
Exports/Capita: US\$: 1,623

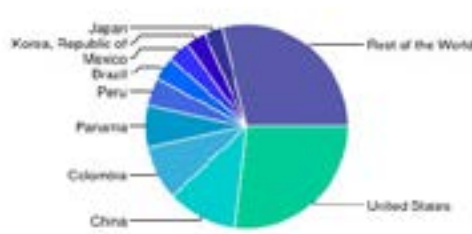
### MFN Tariffs

2013  
Average Applied MFN Tariff: 10.04%  
Maximum Applied MFN: 675% (4 Tariff Lines (0.027%))  
Number of Tariff Lines Duty-Free: 6,844 (45.6%)

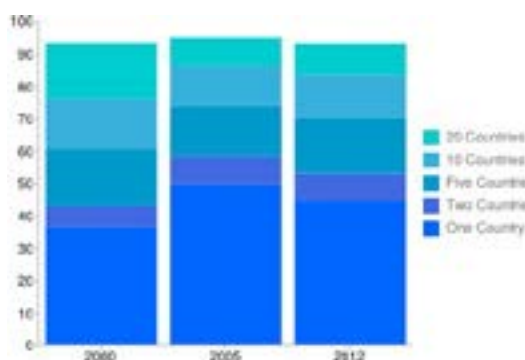
### Destination of Exports (2012)



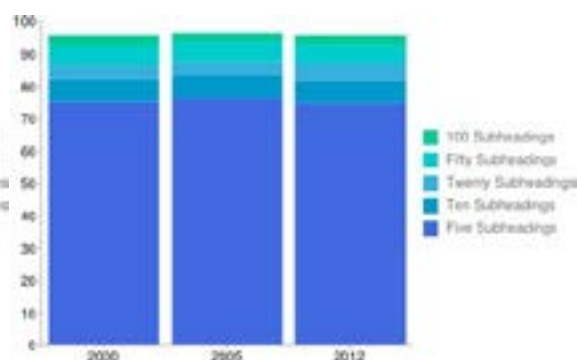
### Source of Imports (2012)



### Export Concentration by Markets (% of total; categories are cumulative)



### Export Concentration by Products (% of total; categories are cumulative)



#### 2012 % of Exports to:

Top 2 Markets: 52.9%  
Top 5 Markets: 70.0%  
Top 10 Markets: 83.5%

#### 2012 Number of Subheadings Exported: 2,480 (49.1%) % of Exports in:

Top 10 Subheadings: 81.8%  
Top 50 Subheadings: 92.5%  
Top 100 Subheadings: 95.8%

#### 2012 Top 3 Exported HS Chapters:

27: Mineral fuels and oils (58.0%)  
08: Edible fruits and nuts (9.2%)  
03: Fish and crustaceans (6.8%)

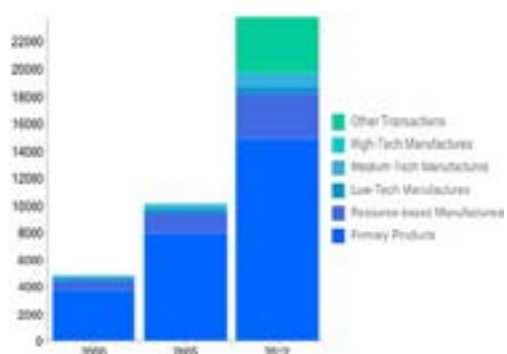
#### 2012 Top 5 Country/Chapter (LAC) Exports (%)

Peru	27: Mineral fuels and oils (7.0 %)
Chile	27: Mineral fuels and oils (7.0 %)
Panama	27: Mineral fuels and oils (3.7 %)
Venezuela	87: Vehicles (1.1 %)
Colombia	87: Vehicles (1.0 %)

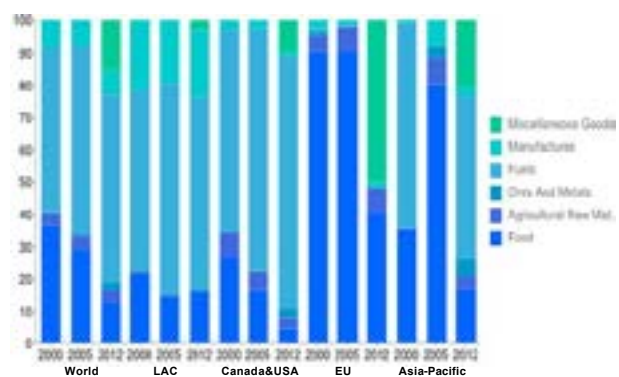
#### 2012 Top 5 Country/Chapter (ROW) Exports (%)

United States	27: Mineral fuels and oils (35.2 %)
United States	03: Fish and crustaceans (3.0 %)
Japan	27: Mineral fuels and oils (2.1 %)
Russian Federation	08: Edible fruits and nuts (1.9 %)
United States	08: Edible fruits and nuts (1.8 %)

**Technology Content of Merchandise Exports to World**  
(US\$ in millions)



**Sectoral Profile of Exports to World**  
(% of Total)

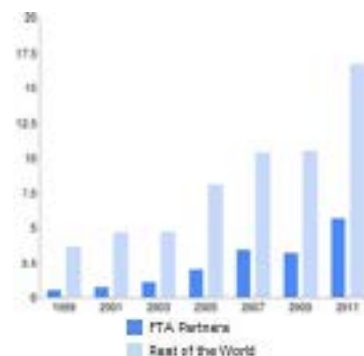


### Free Trade Agreements

**Free Trade Agreements Partners**



**Exports to FTA Partners vs. Rest of the World**  
(US\$ Billion)



FTA Partner	% of Total Trade		Tariff Lines Duty Free	
	Share of X (2012)	Share of M (2012)	Grants (2013)	Gets (2013)
Argentina	0.4%	1.9%	N.A.	N.A.
Bolivia	0.1%	0.1%	100.0%	100.0%
Brazil	0.6%	3.7%	38.1%	93.0%
Chile	8.4%	2.5%	96.8%	96.8%
Colombia	4.5%	8.7%	100.0%	100.0%
Guatemala	0.4%	0.1%	N.A.	N.A.
Peru	8.4%	4.5%	100.0%	100.0%
Paraguay	--	--	80.5%	81.7%
Uruguay	0.1%	0.3%	69.9%	72.9%
Venezuela	4.2%	0.9%	100.0%	100.0%
<b>Total/Avg</b>	<b>27.1%</b>	<b>22.7%</b>	<b>85.7%</b>	<b>93.1%</b>



## EL SALVADOR

2012 Gross Domestic Product: US\$ 23B  
2012 Population: 6,227 Thousand

2012 GDP Growth: 1.6%  
GDP/Capita: US\$ 3,819

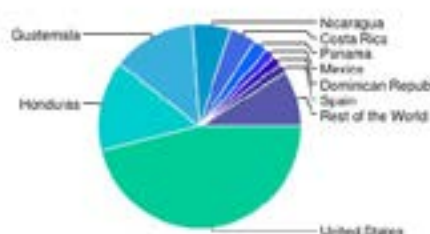
### Broad Trade Indicators

2012  
Total Exports: US\$ 5.3B (22.4% of GDP)  
Total Imports: US\$ 10.3B (43.2% of GDP)  
Current Acct. Bal: US\$ -1.3B (5.3% of GDP)  
Exports/Capita: US\$: 857

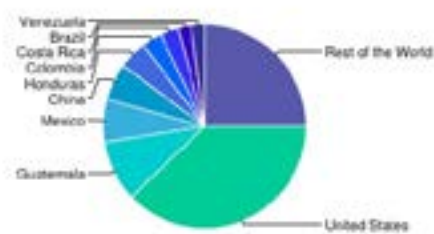
### MFN Tariffs

2012  
Average Applied MFN Tariff: 6.19%  
Maximum Applied MFN: 164% (6 Tariff Lines (0.086%))  
Number of Tariff Lines Duty-Free: 3,305 (47.6%)

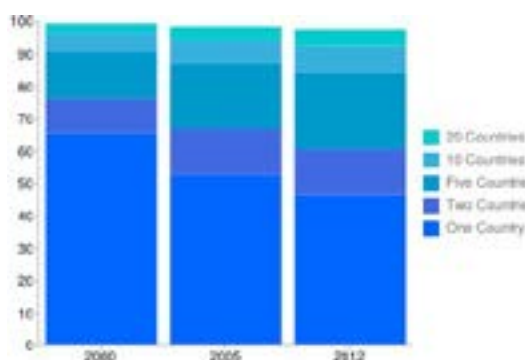
### Destination of Exports (2012)



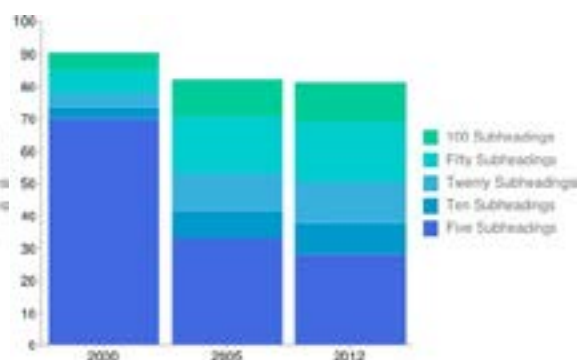
### Source of Imports (2012)



### Export Concentration by Markets (% of total; categories are cumulative)



### Export Concentration by Products (% of total; categories are cumulative)



#### 2012 % of Exports to:

Top 2 Markets: 60.5%  
Top 5 Markets: 84.2%  
Top 10 Markets: 92.4%

#### 2012 Number of Subheadings Exported: 2,745 (54.3%) % of Exports in:

Top 10 Subheadings: 37.7%  
Top 50 Subheadings: 68.8%  
Top 100 Subheadings: 81.2%

#### 2012 Top 3 Exported HS Chapters:

61: Knitted apparel (30.9%)  
39: Plastics & articles thereof (5.7%)  
09: Coffee, tea, mate and spices (5.6%)

#### 2012 Top 5 Country/Chapter (LAC) Exports (%)

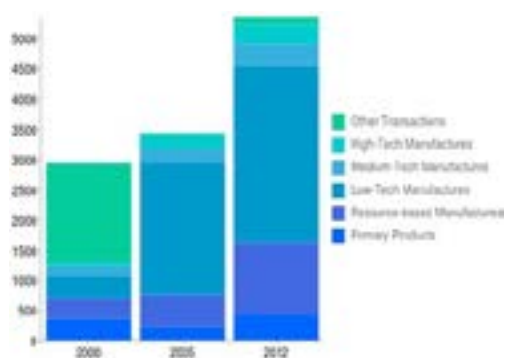
Honduras	61: Knitted apparel (3.1 %)
Guatemala	39: Plastics & articles thereof (1.6 %)
Honduras	39: Plastics & articles thereof (1.5 %)
Guatemala	48: Paper and articles of paper (1.4 %)
Guatemala	19: Preparations of cereals (1.2 %)

#### 2012 Top 5 Country/Chapter (ROW) Exports (%)

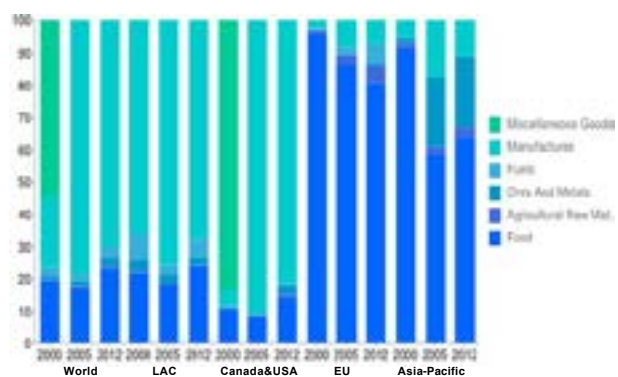
United States	61: Knitted apparel (26.7 %)
United States	62: Woven apparel (4.6 %)
United States	85: Electrical machinery (3.3 %)
United States	17: Sugars and sugar confectionary (2.9 %)
United States	09: Coffee, tea, mate and spices (1.9 %)



**Technology Content of Merchandise Exports to World**  
(US\$ in millions)



**Sectoral Profile of Exports to World**  
(% of Total)



### Free Trade Agreements

**Free Trade Agreements Partners**



**Exports to FTA Partners vs. Rest of the World**  
(US\$ Billion)



FTA Partner	% of Total Trade		Tariff Lines Duty Free	
	Share of X (2012)	Share of M (2012)	Grants (2013)	Gets (2013)
Chile	0.9%	0.5%	95.0%	83.2%
Colombia	0.1%	3.2%	77.9%	87.9%
Costa Rica	4.3%	2.9%	99.8%	99.8%
Dominican Republic	1.5%	0.7%	N.A.	N.A.
Guatemala	13.4%	9.7%	99.9%	99.9%
Honduras	14.3%	4.5%	99.1%	99.1%
Mexico	1.6%	6.8%	95.7%	97.2%
Nicaragua	6.0%	2.0%	99.9%	99.9%
Panama	2.3%	1.7%	81.7%	80.4%
Taipei, China	0.1%	1.5%	60.5%	66.4%
United States	46.3%	37.8%	84.6%	98.4%
<b>Total/Avg</b>	<b>90.8%</b>	<b>71.3%</b>	<b>89.4%</b>	<b>91.2%</b>

# GUATEMALA

2012 Gross Domestic Product: US\$ 50B  
2012 Population: 14,707 Thousand

2012 GDP Growth: 3.0%  
GDP/Capita: US\$ 3,425

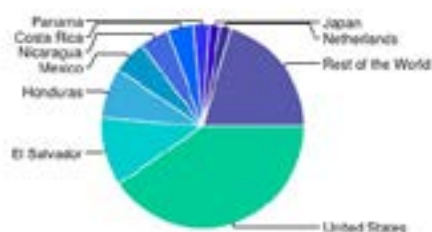
## Broad Trade Indicators

2012  
Total Exports: US\$ 10.1B (20.1% of GDP)  
Total Imports: US\$ 17.0B (33.7% of GDP)  
Current Acct. Bal: US\$ -1.4B (2.9% of GDP)  
Exports/Capita: US\$: 688

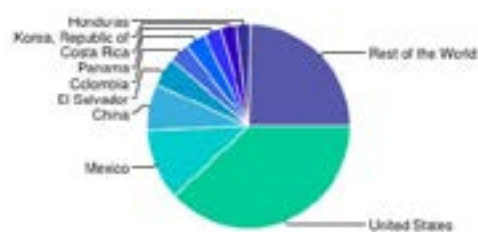
## MFN Tariffs

2012  
Average Applied MFN Tariff: 5.93%  
Maximum Applied MFN: 201% (1 Tariff Lines (0.014%))  
Number of Tariff Lines Duty-Free: 3,331 (48.0%)

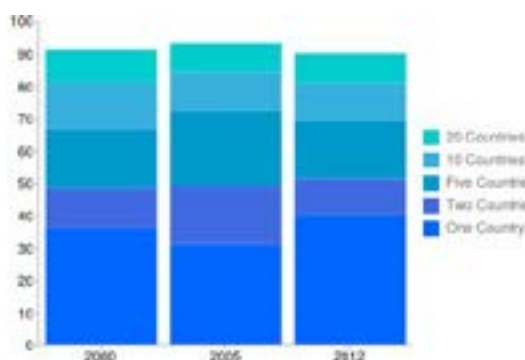
## Destination of Exports (2012)



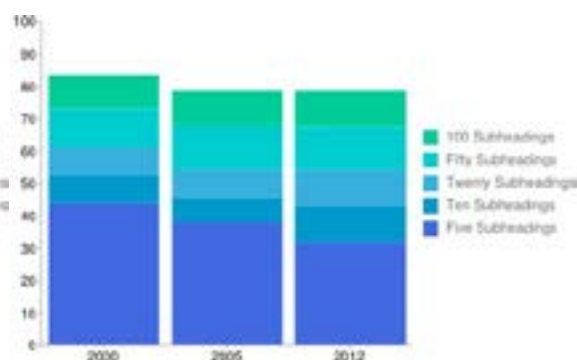
## Source of Imports (2012)



## Export Concentration by Markets (% of total; categories are cumulative)



## Export Concentration by Products (% of total; categories are cumulative)



### 2012 % of Exports to:

Top 2 Markets: 51.4%  
Top 5 Markets: 69.4%  
Top 10 Markets: 81.0%

### 2012 Number of Subheadings Exported: 3,514 (69.6%) % of Exports in:

Top 10 Subheadings: 43.0%  
Top 50 Subheadings: 67.4%  
Top 100 Subheadings: 78.7%

### 2012 Top 3 Exported HS Chapters:

09: Coffee, tea, mate and spices (12.0%)  
61: Knitted apparel (9.1%)  
17: Sugars and sugar confectionary (8.9%)

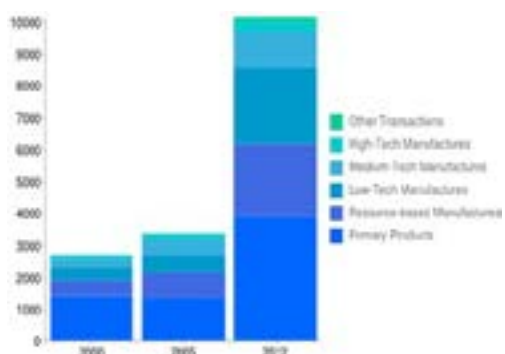
### 2012 Top 5 Country/Chapter (LAC) Exports (%)

Mexico 15: Animal or veg. fats & oils (1.8 %)  
El Salvador 15: Animal or veg. fats & oils (0.9 %)  
Mexico 40: Rubber & articles thereof (0.9 %)  
Chile 17: Sugars and sugar confectionary (0.9 %)  
El Salvador 27: Mineral fuels and oils (0.7 %)

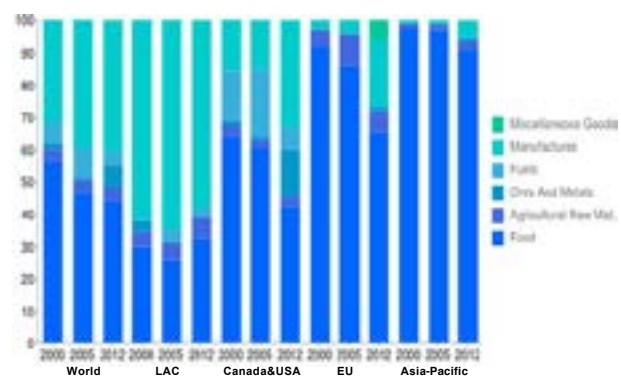
### 2012 Top 5 Country/Chapter (ROW) Exports (%)

United States 61: Knitted apparel (8.6 %)  
United States 08: Edible fruits and nuts (8.1 %)  
United States 26: Ores, slag & ash (5.6 %)  
United States 09: Coffee, tea, mate and spices (4.3 %)  
United States 27: Mineral fuels and oils (2.9 %)

**Technology Content of Merchandise Exports to World**  
(US\$ in millions)



**Sectoral Profile of Exports to World**  
(% of Total)

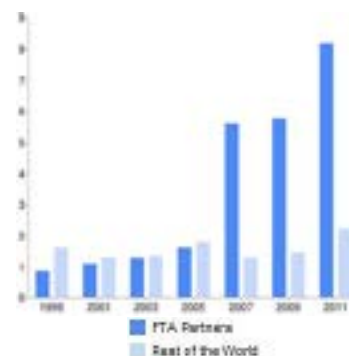


### Free Trade Agreements

**Free Trade Agreements Partners**



**Exports to FTA Partners vs. Rest of the World**  
(US\$ Billion)



FTA Partner	% of Total Trade		Tariff Lines Duty Free	
	Share of X (2012)	Share of M (2012)	Grants (2013)	Gets (2013)
Chile	1.3%	0.8%	52.3%	66.8%
Colombia	0.6%	3.2%	78.3%	87.0%
Costa Rica	4.2%	2.8%	99.8%	99.8%
Dominican Republic	1.1%	0.7%	N.A.	N.A.
Ecuador	0.2%	1.3%	N.A.	N.A.
Honduras	7.9%	2.2%	99.9%	99.9%
Mexico	5.4%	11.3%	94.9%	97.2%
Nicaragua	4.7%	0.6%	99.9%	99.9%
Panama	2.4%	3.2%	96.7%	96.2%
El Salvador	11.0%	4.6%	99.9%	99.9%
Taipei, China	0.5%	0.8%	63.4%	78.9%
United States	40.5%	38.0%	83.4%	98.4%
<b>Total/Avg</b>	<b>79.8%</b>	<b>69.5%</b>	<b>86.9%</b>	<b>92.4%</b>

## GUYANA

2012 Gross Domestic Product: US\$ 2B  
2012 Population: 756 Thousand

2012 GDP Growth: 4.8%  
GDP/Capita: US\$ 3,771

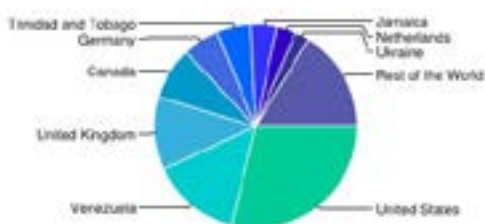
### Broad Trade Indicators

2012  
Total Exports: US\$ 1.0B (35.8% of GDP)  
Total Imports: US\$ 1.9B (65.8% of GDP)  
Current Acct. Bal: N.A.  
Exports/Capita: US\$: 1,349

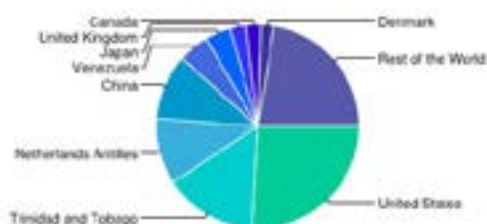
### MFN Tariffs

2013  
Average Applied MFN Tariff: 21.38%  
Maximum Applied MFN: 100% (34 Tariff Lines (0.540%))  
Number of Tariff Lines Duty-Free: 319 (5.1%)

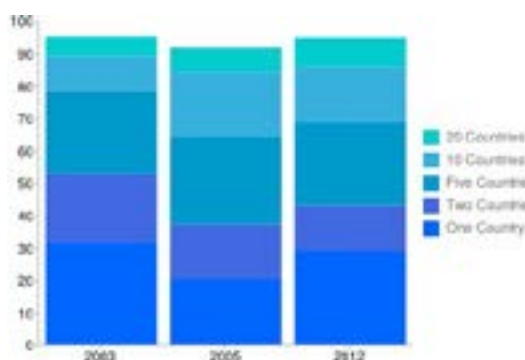
### Destination of Exports (2012)



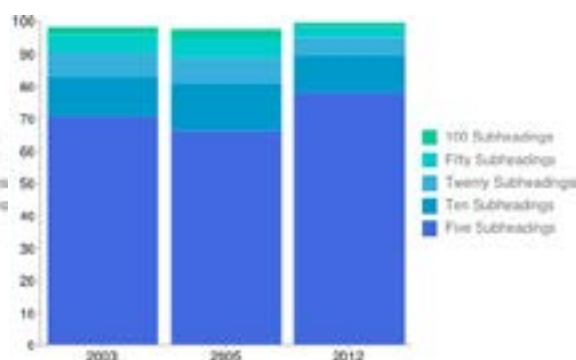
### Source of Imports (2012)



### Export Concentration by Markets (% of total; categories are cumulative)



### Export Concentration by Products (% of total; categories are cumulative)



#### 2012 % of Exports to:

Top 2 Markets: 43.2%  
Top 5 Markets: 69.0%  
Top 10 Markets: 85.7%

#### 2012 Number of Subheadings Exported: 717 (14.2%)

##### % of Exports in:

Top 10 Subheadings: 89.5%  
Top 50 Subheadings: 98.3%  
Top 100 Subheadings: 99.5%

#### 2012 Top 3 Exported HS Chapters:

71: Precious metals and stones (24.6%)  
10: Cereals (19.2%)  
17: Sugars and sugar confectionary (17.0%)

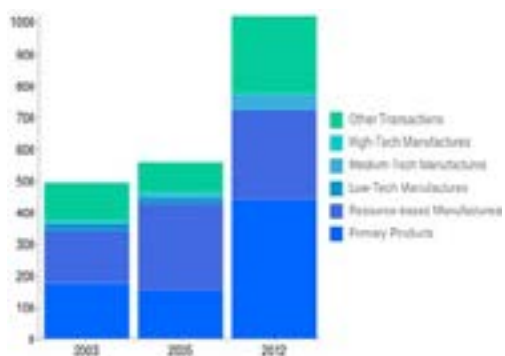
#### 2012 Top 5 Country/Chapter (LAC) Exports (%)

Venezuela 10: Cereals (13.2 %)  
Jamaica 10: Cereals (2.4 %)  
Trinidad and Tobago 86: Railway cars and locomotives (1.5 %)  
Trinidad and Tobago 17: Sugars and sugar confectionary (1.4 %)  
Trinidad and Tobago 10: Cereals (1.2 %)

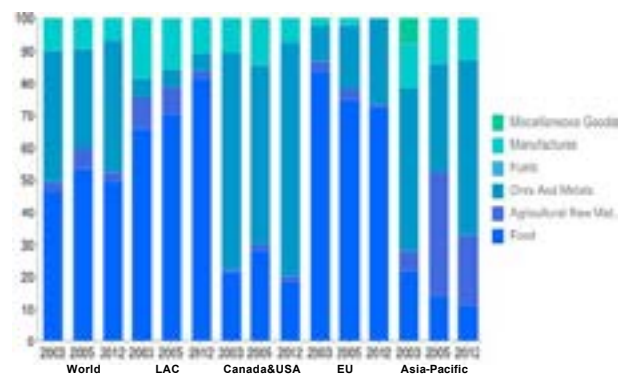
#### 2012 Top 5 Country/Chapter (ROW) Exports (%)

United States 71: Precious metals and stones (16.3 %)  
United Kingdom 17: Sugars and sugar confectionary (10.8 %)  
Canada 71: Precious metals and stones (6.7 %)  
Germany 26: Ores, slag & ash (5.7 %)  
United States 03: Fish and crustaceans (4.2 %)

**Technology Content of Merchandise Exports to World**  
(US\$ in millions)



**Sectoral Profile of Exports to World**  
(% of Total)

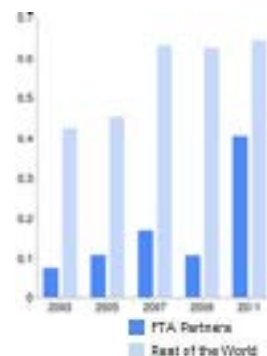


### Free Trade Agreements

**Free Trade Agreements Partners**



**Exports to FTA Partners vs. Rest of the World**  
(US\$ Billion)



FTA Partner	% of Total Trade		Tariff Lines Duty Free	
	Share of X (2012)	Share of M (2012)	Grants (2013)	Gets (2013)
Antigua and Barbuda	0.4%	0.2%	100.0%	100.0%
Belize	--	0.2%	100.0%	100.0%
Barbados	1.6%	0.8%	100.0%	100.0%
Dominica	0.2%	0.1%	100.0%	100.0%
European Union	23.9%	7.8%	22.1%	100.0%
Grenada	0.4%	--	100.0%	100.0%
Jamaica	4.2%	0.8%	100.0%	100.0%
Saint Kitts and Nevis	0.2%	--	100.0%	100.0%
Saint Lucia	0.4%	0.2%	100.0%	100.0%
Montserrat	--	--	100.0%	100.0%
Suriname	1.4%	2.0%	100.0%	100.0%
Trinidad and Tobago	5.4%	14.9%	100.0%	100.0%
Saint Vincent and the Grenadines	0.4%	--	100.0%	100.0%
<b>Total/Avg</b>	<b>38.5%</b>	<b>27.0%</b>	<b>94.0%</b>	<b>100.0%</b>

## HAITI

2012 Gross Domestic Product: US\$ 7B  
2012 Population: 10,123 Thousand

2012 GDP Growth: 2.8%  
GDP/Capita: US\$ 774

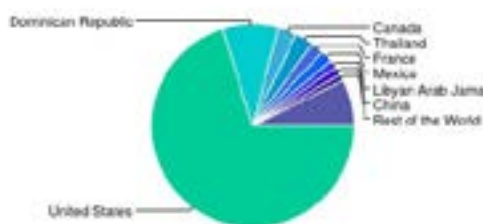
### Broad Trade Indicators

2008  
Total Exports: US\$ 0.6B (9.2% of GDP)  
Total Imports: US\$ 0.6B (9.2% of GDP)  
Current Acct. Bal: US\$ -0.3B (4.4% of GDP)  
Exports/Capita: US\$: 61

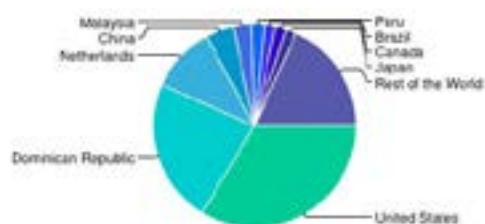
### MFN Tariffs

2013  
Average Applied MFN Tariff: 2.75%  
Maximum Applied MFN: 15% (355 Tariff Lines (7.027%))  
Number of Tariff Lines Duty-Free: 3,453 (68.3%)

### Destination of Exports (2008)



### Source of Imports (2008)





# HONDURAS

2012 Gross Domestic Product: US\$ 17B  
2012 Population: 8,195 Thousand

2012 GDP Growth: 3.5%  
GDP/Capita: US\$ 2,192

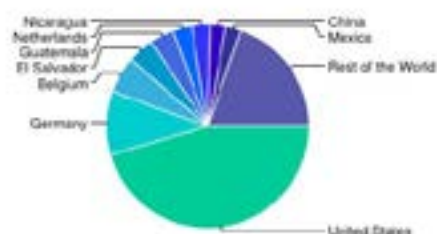
## Broad Trade Indicators

2012  
Total Exports: US\$ 4.8B (26.5% of GDP)  
Total Imports: US\$ 7.9B (44.2% of GDP)  
Current Acct. Bal: US\$ -1.7B (9.7% of GDP)  
Exports/Capita: US\$: 580

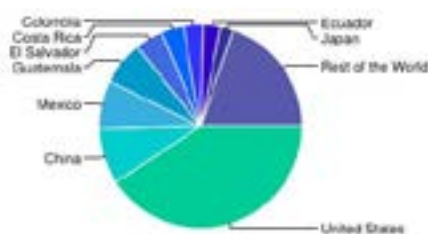
## MFN Tariffs

2012  
Average Applied MFN Tariff: 6.08%  
Maximum Applied MFN: 164% (5 Tariff Lines (0.072%))  
Number of Tariff Lines Duty-Free: 3,323 (47.8%)

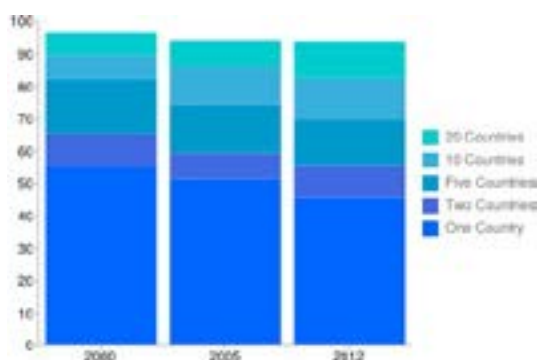
## Destination of Exports (2012)



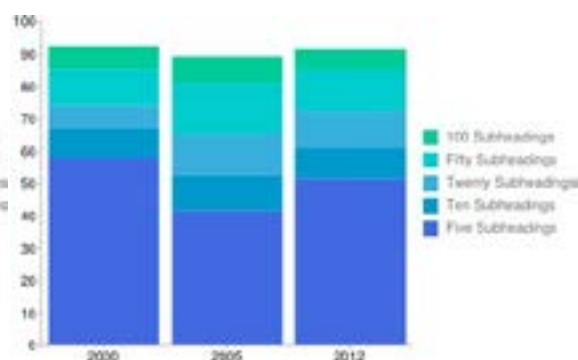
## Source of Imports (2012)



## Export Concentration by Markets (% of total; categories are cumulative)



## Export Concentration by Products (% of total; categories are cumulative)



### 2012 % of Exports to:

Top 2 Markets: 55.6%  
Top 5 Markets: 69.5%  
Top 10 Markets: 82.5%

### 2012 Number of Subheadings Exported: 2,193 (43.4%) % of Exports in:

Top 10 Subheadings: 60.9%  
Top 50 Subheadings: 84.8%  
Top 100 Subheadings: 91.4%

### 2012 Top 3 Exported HS Chapters:

09: Coffee, tea, mate and spices (28.6%)  
85: Electrical machinery (11.2%)  
08: Edible fruits and nuts (9.2%)

### 2012 Top 5 Country/Chapter (LAC) Exports (%)

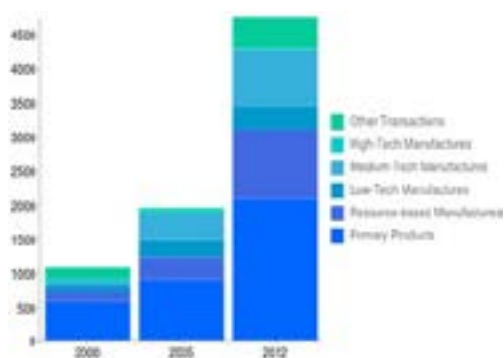
Mexico	15: Animal or veg. fats & oils (1.6 %)
El Salvador	15: Animal or veg. fats & oils (1.0 %)
Venezuela	09: Coffee, tea, mate and spices (0.9 %)
Guatemala	15: Animal or veg. fats & oils (0.6 %)
El Salvador	39: Plastics & articles thereof (0.5 %)

### 2012 Top 5 Country/Chapter (ROW) Exports (%)

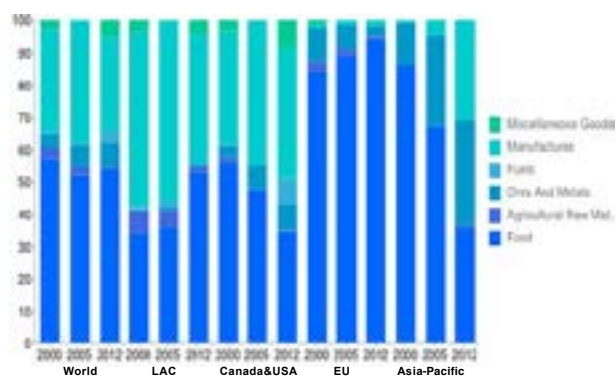
United States	85: Electrical machinery (10.4 %)
Germany	09: Coffee, tea, mate and spices (9.0 %)
United States	08: Edible fruits and nuts (7.5 %)
Belgium	09: Coffee, tea, mate and spices (5.4 %)
United States	09: Coffee, tea, mate and spices (5.0 %)



**Technology Content of Merchandise Exports to World**  
(US\$ in millions)



**Sectoral Profile of Exports to World**  
(% of Total)

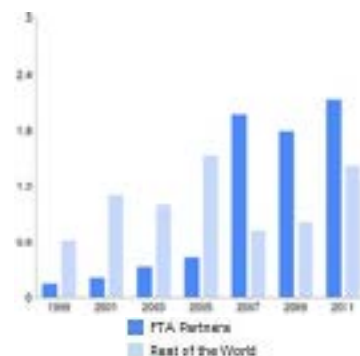


### Free Trade Agreements

**Free Trade Agreements Partners**



**Exports to FTA Partners vs. Rest of the World**  
(US\$ Billion)



FTA Partner	% of Total Trade		Tariff Lines Duty Free	
	Share of X (2012)	Share of M (2012)	Grants (2013)	Gets (2013)
Chile	0.1%	0.7%	88.8%	99.4%
Colombia	0.3%	3.1%	65.8%	87.8%
Costa Rica	2.3%	3.5%	99.8%	99.8%
Dominican Republic	0.8%	0.7%	N.A.	N.A.
Guatemala	3.9%	7.0%	99.9%	99.9%
Mexico	2.4%	7.7%	80.9%	86.7%
Nicaragua	2.9%	0.6%	99.9%	99.9%
Panama	0.5%	0.3%	70.4%	65.1%
El Salvador	4.2%	4.5%	99.1%	99.1%
Taipei, China	0.5%	0.6%	87.8%	71.5%
United States	45.5%	40.8%	80.7%	98.4%
<b>Total/Avg</b>	<b>63.4%</b>	<b>69.5%</b>	<b>87.3%</b>	<b>90.8%</b>

# JAMAICA

2012 Gross Domestic Product: US\$ 14B  
2012 Population: 2,709 Thousand

2012 GDP Growth: -0.3%  
GDP/Capita: US\$ 5,477

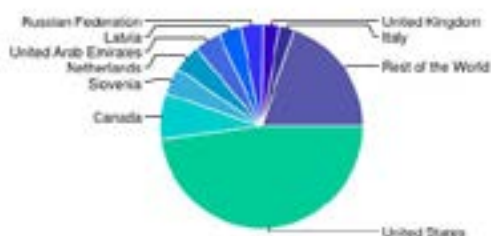
## Broad Trade Indicators

2012  
Total Exports: US\$ 1.6B (11.1% of GDP)  
Total Imports: US\$ 6.6B (44.4% of GDP)  
Current Acct. Bal: N.A.  
Exports/Capita: US\$: 606

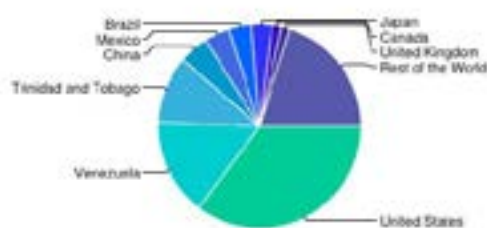
## MFN Tariffs

2013  
Average Applied MFN Tariff: 19.48%  
Maximum Applied MFN: 40% (425 Tariff Lines (6.754%))  
Number of Tariff Lines Duty-Free: 330 (5.2%)

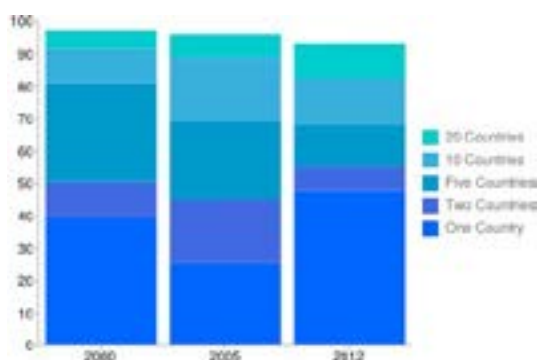
## Destination of Exports (2012)



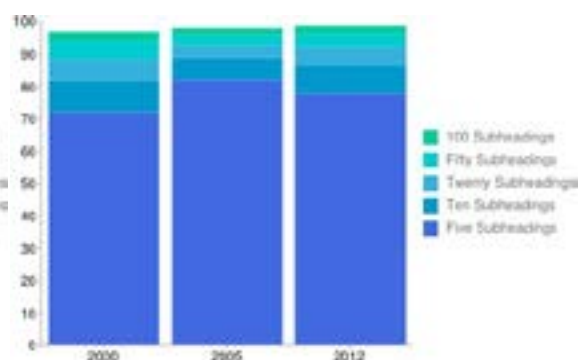
## Source of Imports (2012)



## Export Concentration by Markets (% of total; categories are cumulative)



## Export Concentration by Products (% of total; categories are cumulative)



### 2012 % of Exports to:

Top 2 Markets: 55.2%  
Top 5 Markets: 68.0%  
Top 10 Markets: 82.4%

### 2012 Number of Subheadings Exported: 915 (18.1%)

#### % of Exports in:

Top 10 Subheadings: 86.4%  
Top 50 Subheadings: 96.4%  
Top 100 Subheadings: 98.6%

### 2012 Top 3 Exported HS Chapters:

28: Inorganic chemicals (31.5%)  
27: Mineral fuels and oils (23.6%)  
22: Beverages, spirits and vinegar (17.0%)

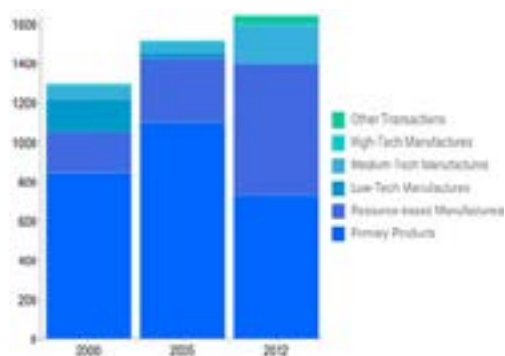
### 2012 Top 5 Country/Chapter (LAC) Exports (%)

Bahamas 27: Mineral fuels and oils (1.2 %)  
Barbados 27: Mineral fuels and oils (0.8 %)  
Brazil 28: Inorganic chemicals (0.5 %)  
Suriname 23: Residues from food industries (0.2 %)  
Trinidad and Tobago 19: Preparations of cereals (0.2 %)

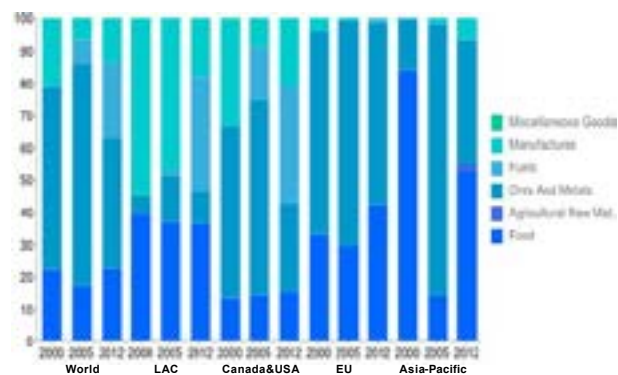
### 2012 Top 5 Country/Chapter (ROW) Exports (%)

United States 27: Mineral fuels and oils (20.2 %)  
United States 22: Beverages, spirits and vinegar (12.7 %)  
United States 26: Ores, slag & ash (7.8 %)  
Canada 28: Inorganic chemicals (5.3 %)  
Slovenia 28: Inorganic chemicals (4.3 %)

**Technology Content of Merchandise Exports to World**  
(US\$ in millions)



**Sectoral Profile of Exports to World**  
(% of Total)

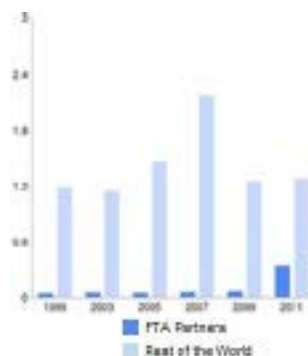


### Free Trade Agreements

**Free Trade Agreements Partners**



**Exports to FTA Partners vs. Rest of the World**  
(US\$ Billion)



FTA Partner	% of Total Trade		Tariff Lines Duty Free	
	Share of X (2012)	Share of M (2012)	Grants (2013)	Gets (2013)
Antigua and Barbuda	0.3%	--	100.0%	100.0%
Belize	0.2%	0.3%	100.0%	100.0%
Barbados	1.3%	0.4%	100.0%	100.0%
Dominica	0.2%	0.3%	100.0%	100.0%
European Union	19.1%	5.6%	22.1%	100.0%
Grenada	0.1%	--	100.0%	100.0%
Guyana	0.5%	0.6%	100.0%	100.0%
Saint Kitts and Nevis	--	--	100.0%	100.0%
Saint Lucia	0.3%	--	100.0%	100.0%
Montserrat	--	--	100.0%	100.0%
Suriname	0.3%	0.7%	100.0%	100.0%
Trinidad and Tobago	0.9%	10.6%	100.0%	100.0%
Saint Vincent and the Grenadines	0.1%	--	100.0%	100.0%
<b>Total/Avg</b>	<b>23.3%</b>	<b>18.5%</b>	<b>94.0%</b>	<b>100.0%</b>

## MEXICO

2012 Gross Domestic Product: US\$ 1178B  
2012 Population: 114,793 Thousand

2012 GDP Growth: 3.8%  
GDP/Capita: US\$ 10,262

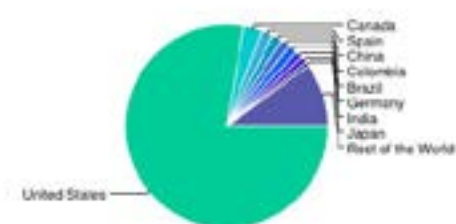
### Broad Trade Indicators

2012  
Total Exports: US\$ 370.9B (31.5% of GDP)  
Total Imports: US\$ 370.7B (31.5% of GDP)  
Current Acct. Bal: US\$ -9.2B (0.8% of GDP)  
Exports/Capita: US\$ 3,230

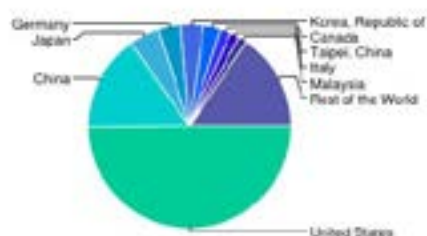
### MFN Tariffs

2012  
Average Applied MFN Tariff: 6.05%  
Maximum Applied MFN: 254% (4 Tariff Lines (0.033%))  
Number of Tariff Lines Duty-Free: 7,103 (58.5%)

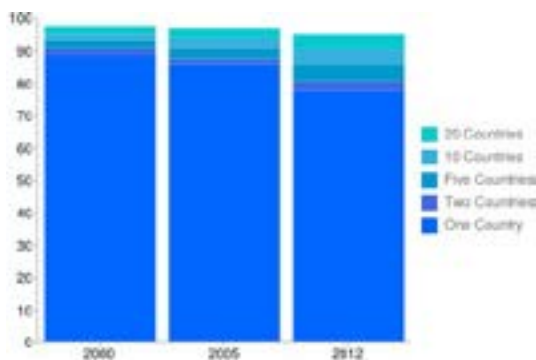
### Destination of Exports (2012)



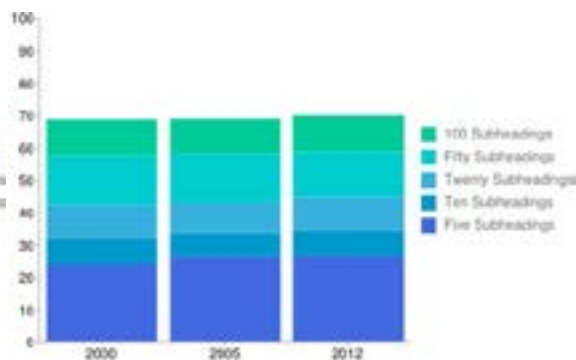
### Source of Imports (2012)



### Export Concentration by Markets (% of total; categories are cumulative)



### Export Concentration by Products (% of total; categories are cumulative)



#### 2012 % of Exports to:

Top 2 Markets: 80.6%  
Top 5 Markets: 85.5%  
Top 10 Markets: 90.6%

#### 2012 Number of Subheadings Exported: 4,757 (94.2%)

#### % of Exports in:

Top 10 Subheadings: 34.6%  
Top 50 Subheadings: 58.8%  
Top 100 Subheadings: 69.9%

#### 2012 Top 3 Exported HS Chapters:

85: Electrical machinery (20.2%)  
87: Vehicles (18.9%)  
84: Machinery and appliances (14.5%)

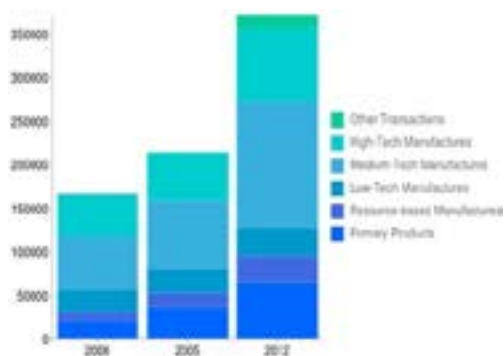
#### 2012 Top 5 Country/Chapter (LAC) Exports (%)

Brazil 87: Vehicles (0.8 %)  
Colombia 87: Vehicles (0.4 %)  
Colombia 27: Mineral fuels and oils (0.3 %)  
Argentina 87: Vehicles (0.2 %)  
Colombia 85: Electrical machinery (0.2 %)

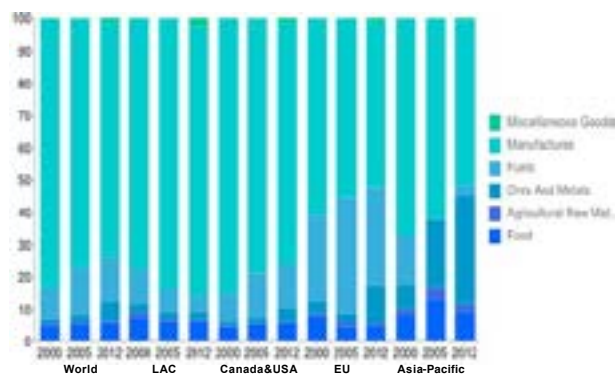
#### 2012 Top 5 Country/Chapter (ROW) Exports (%)

United States 85: Electrical machinery (17.0 %)  
United States 87: Vehicles (14.4 %)  
United States 84: Machinery and appliances (12.7 %)  
United States 27: Mineral fuels and oils (10.6 %)  
United States 90: Precision instruments (2.9 %)

**Technology Content of Merchandise Exports to World**  
(US\$ in millions)



**Sectoral Profile of Exports to World**  
(% of Total)

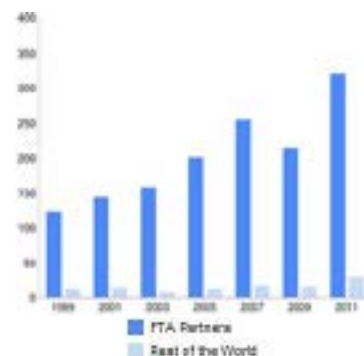


### Free Trade Agreements

**Free Trade Agreements Partners**



**Exports to FTA Partners vs. Rest of the World**  
(US\$ Billion)



FTA Partner	% of Total Trade		Tariff Lines Duty Free	
	Share of X (2012)	Share of M (2012)	Grants (2013)	Gets (2013)
Bolivia	--	--	96.3%	97.5%
Canada	2.9%	2.7%	99.0%	99.1%
Chile	0.6%	0.4%	98.8%	98.7%
Colombia	1.5%	0.2%	95.6%	94.8%
Costa Rica	0.3%	0.9%	98.5%	98.3%
EFTA	0.2%	0.4%	N.A.	N.A.
European Union	5.8%	10.8%	100.0%	98.1%
Guatemala	0.5%	0.2%	97.2%	94.9%
Honduras	0.2%	0.1%	86.7%	80.9%
Israel	--	0.2%	N.A.	N.A.
Japan	0.7%	4.8%	52.1%	86.9%
Nicaragua	0.2%	--	99.2%	99.3%
El Salvador	0.2%	--	97.2%	95.7%
Uruguay	0.1%	0.1%	97.6%	10.6%
United States	77.6%	49.9%	93.9%	100.0%
<b>Total/Avg</b>	<b>90.8%</b>	<b>70.7%</b>	<b>93.2%</b>	<b>88.8%</b>

# NICARAGUA

2012 Gross Domestic Product: US\$ 10B  
2012 Population: 5,869 Thousand

2012 GDP Growth: 7.0%  
GDP/Capita: US\$ 1,790

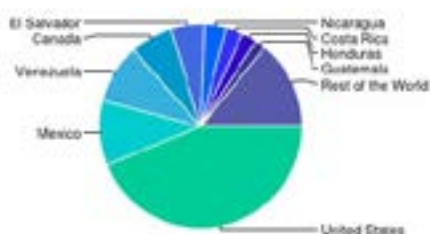
## Broad Trade Indicators

2012  
Total Exports: US\$ 4.7B (44.9% of GDP)  
Total Imports: US\$ 5.9B (56.4% of GDP)  
Current Acct. Bal: US\$ -1.4B (12.8% of GDP)  
Exports/Capita: US\$: 804

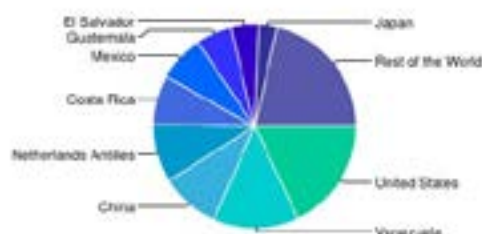
## MFN Tariffs

2012  
Average Applied MFN Tariff: 6.04%  
Maximum Applied MFN: 453% (1 Tariff Lines (0.014%))  
Number of Tariff Lines Duty-Free: 3,355 (48.3%)

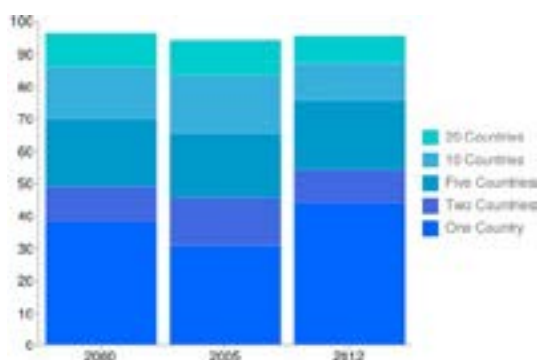
## Destination of Exports (2012)



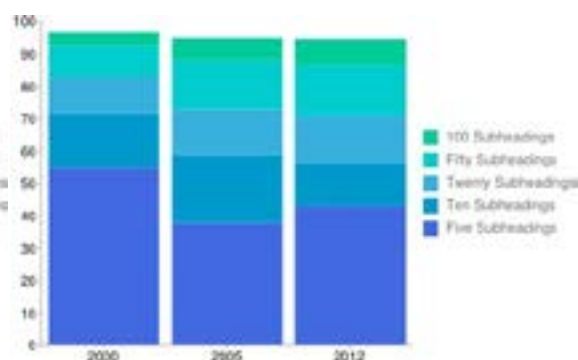
## Source of Imports (2012)



## Export Concentration by Markets (% of total; categories are cumulative)



## Export Concentration by Products (% of total; categories are cumulative)



### 2012 % of Exports to:

Top 2 Markets: 54.0%  
Top 5 Markets: 75.5%  
Top 10 Markets: 87.3%

### 2012 Number of Subheadings Exported: 2,147 (42.5%)

#### % of Exports in:

Top 10 Subheadings: 56.3%  
Top 50 Subheadings: 86.5%  
Top 100 Subheadings: 94.7%

### 2012 Top 3 Exported HS Chapters:

62: Woven apparel (13.7%)  
09: Coffee, tea, mate and spices (11.1%)  
61: Knitted apparel (10.5%)

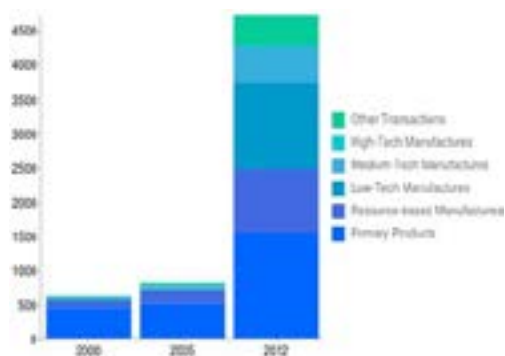
### 2012 Top 5 Country/Chapter (LAC) Exports (%)

Mexico 85: Electrical machinery (8.6 %)  
Venezuela 02: Meat and edible meat offal (4.4 %)  
Venezuela 09: Coffee, tea, mate and spices (2.1 %)  
El Salvador 04: Dairy produce, eggs and honey (1.8 %)  
Mexico 12: Oil seeds & oleaginous fruits (1.1 %)

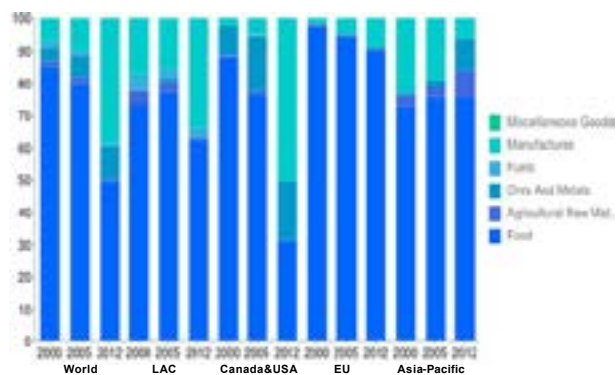
### 2012 Top 5 Country/Chapter (ROW) Exports (%)

United States 62: Woven apparel (12.9 %)  
United States 61: Knitted apparel (10.0 %)  
Canada 71: Precious metals and stones (5.7 %)  
United States 09: Coffee, tea, mate and spices (4.2 %)  
United States 71: Precious metals and stones (3.7 %)

**Technology Content of Merchandise Exports to World**  
(US\$ in millions)



**Sectoral Profile of Exports to World**  
(% of Total)

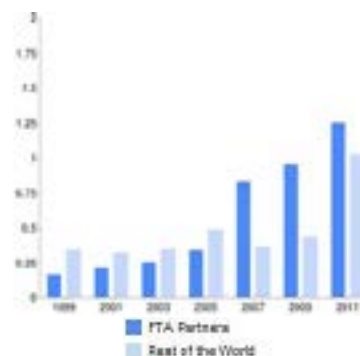


### Free Trade Agreements

**Free Trade Agreements Partners**



**Exports to FTA Partners vs. Rest of the World**  
(US\$ Billion)



FTA Partner	% of Total Trade		Tariff Lines Duty Free	
	Share of X (2012)	Share of M (2012)	Grants (2013)	Gets (2013)
Costa Rica	2.7%	7.8%	99.8%	99.8%
Dominican Republic	0.6%	0.2%	N.A.	N.A.
Guatemala	1.7%	5.7%	99.9%	99.9%
Honduras	2.4%	2.7%	99.9%	99.9%
Mexico	10.3%	7.4%	99.3%	99.2%
Panama	0.4%	0.2%	91.2%	88.3%
El Salvador	5.3%	4.4%	99.9%	99.9%
Taipei, China	1.0%	0.4%	67.1%	99.9%
United States	43.8%	18.0%	79.7%	98.4%
<b>Total/Avg</b>	<b>68.2%</b>	<b>46.8%</b>	<b>92.1%</b>	<b>98.2%</b>



## PANAMA

2012 Gross Domestic Product: US\$ 36B  
2012 Population: 3,571 Thousand

2012 GDP Growth: 10.8%  
GDP/Capita: US\$ 10,151

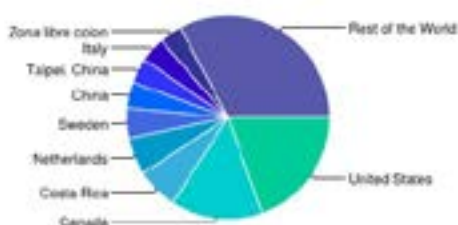
### Broad Trade Indicators

2012  
Total Exports: US\$ 0.8B (2.3% of GDP)  
Total Imports: US\$ 12.6B (34.8% of GDP)  
Current Acct. Bal: US\$ -3.3B (9.0% of GDP)  
Exports/Capita: US\$: 230

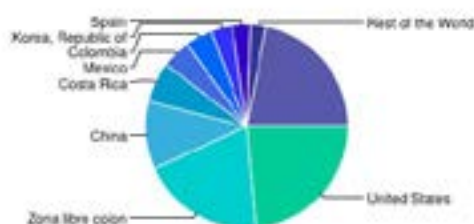
### MFN Tariffs

2013  
Average Applied MFN Tariff: 7.84%  
Maximum Applied MFN: 260% (6 Tariff Lines (0.068%))  
Number of Tariff Lines Duty-Free: 2,946 (33.6%)

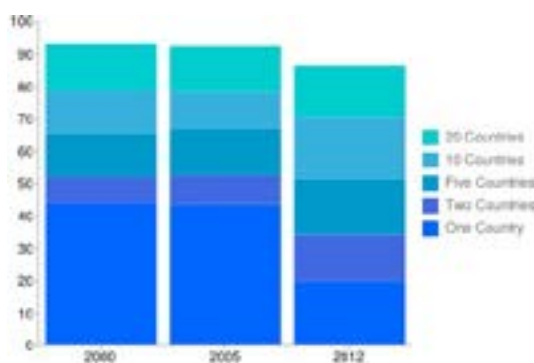
### Destination of Exports (2012)



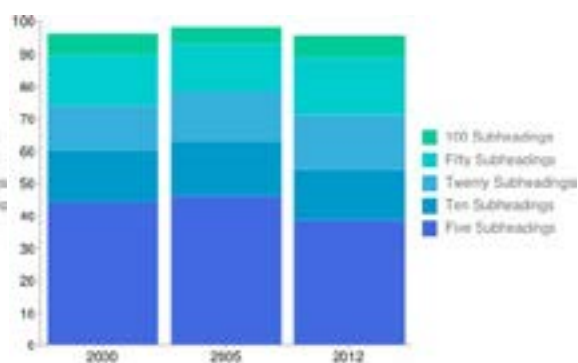
### Source of Imports (2012)



### Export Concentration by Markets (% of total; categories are cumulative)



### Export Concentration by Products (% of total; categories are cumulative)



#### 2012 % of Exports to:

Top 2 Markets: 34.2%  
Top 5 Markets: 51.4%  
Top 10 Markets: 70.2%

#### 2012 Number of Subheadings Exported: 495 (9.8%)

##### % of Exports in:

Top 10 Subheadings: 54.0%  
Top 50 Subheadings: 88.8%  
Top 100 Subheadings: 95.7%

#### 2012 Top 3 Exported HS Chapters:

08: Edible fruits and nuts (18.1%)  
71: Precious metals and stones (15.7%)  
03: Fish and crustaceans (12.7%)

#### 2012 Top 5 Country/Chapter (LAC) Exports (%)

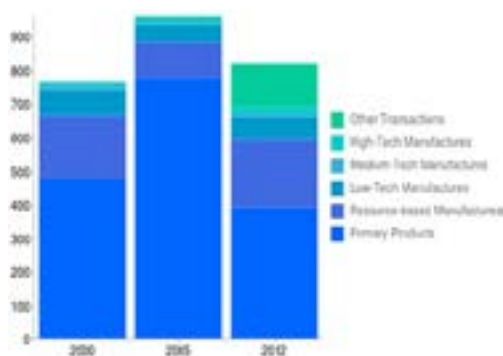
Costa Rica 04: Dairy produce, eggs and honey (1.4 %)  
Suriname 48: Paper and articles of paper (1.1 %)  
Chile 22: Beverages, spirits and vinegar (0.7 %)  
Costa Rica 76: Aluminium & articles thereof (0.7 %)  
Costa Rica 03: Fish and crustaceans (0.7 %)

#### 2012 Top 5 Country/Chapter (ROW) Exports (%)

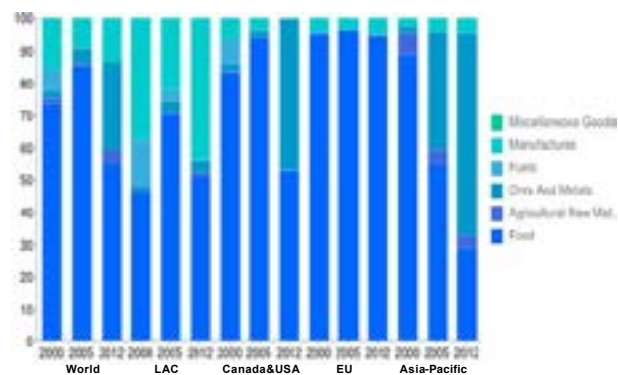
Canada 71: Precious metals and stones (14.4 %)  
United States 03: Fish and crustaceans (7.3 %)  
Sweden 08: Edible fruits and nuts (4.8 %)  
Netherlands 08: Edible fruits and nuts (4.6 %)  
United States 08: Edible fruits and nuts (4.3 %)



**Technology Content of Merchandise Exports to World**  
(US\$ in millions)



**Sectoral Profile of Exports to World**  
(% of Total)

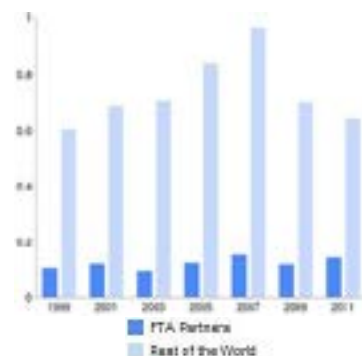


### Free Trade Agreements

**Free Trade Agreements Partners**



**Exports to FTA Partners vs. Rest of the World**  
(US\$ Billion)



FTA Partner	% of Total Trade		Tariff Lines Duty Free	
	Share of X (2012)	Share of M (2012)	Grants (2013)	Gets (2013)
Canada	14.6%	0.5%	N.A.	N.A.
Chile	0.9%	0.6%	73.8%	98.3%
Costa Rica	6.6%	4.6%	87.4%	91.2%
Guatemala	0.8%	1.7%	96.2%	96.7%
Honduras	1.6%	0.3%	65.1%	70.4%
Nicaragua	1.7%	0.2%	88.3%	91.2%
Peru	0.5%	0.8%	N.A.	N.A.
Singapore	--	0.1%	76.2%	100.0%
El Salvador	1.3%	0.9%	80.4%	81.7%
Taipei, China	4.0%	0.4%	95.1%	97.8%
United States	19.6%	23.6%	99.2%	98.6%
<b>Total/Avg</b>	<b>51.6%</b>	<b>33.7%</b>	<b>84.6%</b>	<b>91.8%</b>

## PARAGUAY

2012 Gross Domestic Product: US\$ 25B  
2012 Population: 6,568 Thousand

2012 GDP Growth: 13.3%  
GDP/Capita: US\$ 3,882

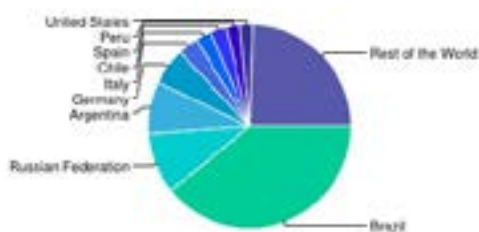
### Broad Trade Indicators

2012  
Total Exports: US\$ 7.3B (28.6% of GDP)  
Total Imports: US\$ 10.8B (42.2% of GDP)  
Current Acct. Bal: N.A.  
Exports/Capita: US\$: 1,108

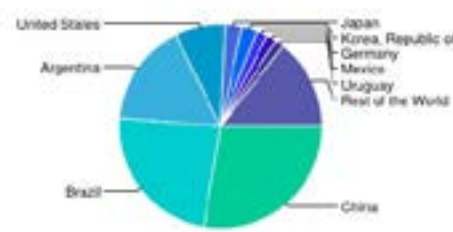
### MFN Tariffs

2012  
Average Applied MFN Tariff: 8.81%  
Maximum Applied MFN: 30% (4 Tariff Lines (0.041%))  
Number of Tariff Lines Duty-Free: 1,608 (16.3%)

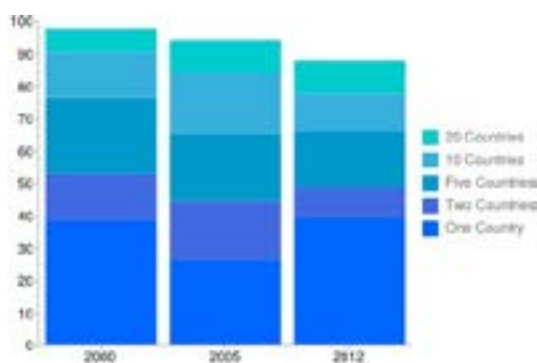
### Destination of Exports (2012)



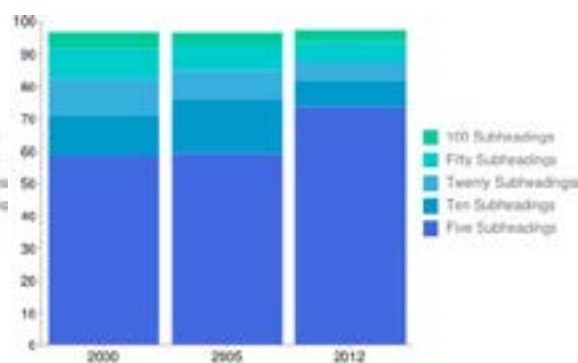
### Source of Imports (2012)



### Export Concentration by Markets (% of total; categories are cumulative)



### Export Concentration by Products (% of total; categories are cumulative)



#### 2012 % of Exports to:

Top 2 Markets: 48.8%  
Top 5 Markets: 66.3%  
Top 10 Markets: 77.5%

#### 2012 Number of Subheadings Exported: 1,242 (24.6%)

#### % of Exports in:

Top 10 Subheadings: 81.7%  
Top 50 Subheadings: 93.5%  
Top 100 Subheadings: 97.3%

#### 2012 Top 3 Exported HS Chapters:

27: Mineral fuels and oils (31.2%)  
12: Oil seeds & oleaginous fruits (22.9%)  
10: Cereals (14.3%)

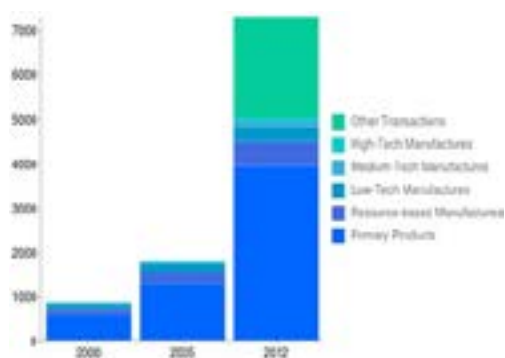
#### 2012 Top 5 Country/Chapter (LAC) Exports (%)

Brazil 27: Mineral fuels and oils (24.4 %)  
Brazil 10: Cereals (6.6 %)  
Argentina 27: Mineral fuels and oils (6.3 %)  
Brazil 12: Oil seeds & oleaginous fruits (1.8 %)  
Chile 10: Cereals (1.7 %)

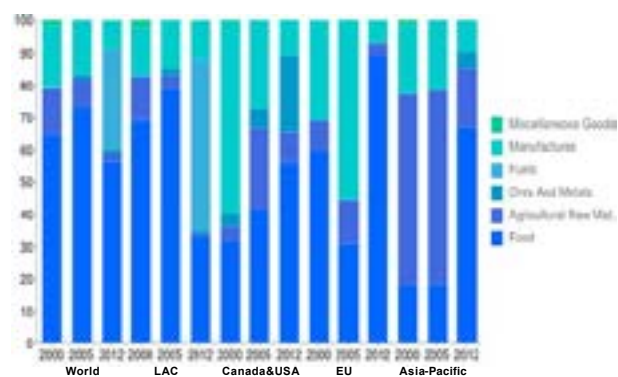
#### 2012 Top 5 Country/Chapter (ROW) Exports (%)

Russian Federation 02: Meat and edible meat offal (7.3 %)  
Germany 12: Oil seeds & oleaginous fruits (5.5 %)  
Russian Federation 12: Oil seeds & oleaginous fruits (2.3 %)  
Spain 12: Oil seeds & oleaginous fruits (1.6 %)  
Italy 12: Oil seeds & oleaginous fruits (1.6 %)

**Technology Content of Merchandise Exports to World**  
(US\$ in millions)



**Sectoral Profile of Exports to World**  
(% of Total)

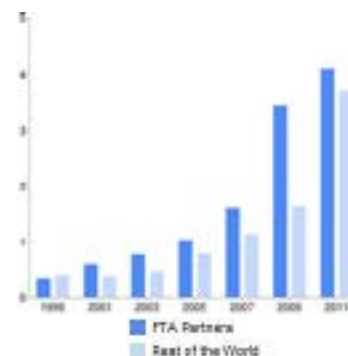


### Free Trade Agreements

**Free Trade Agreements Partners**



**Exports to FTA Partners vs. Rest of the World**  
(US\$ Billion)



FTA Partner	% of Total Trade		Tariff Lines Duty Free	
	Share of X (2012)	Share of M (2012)	Grants (2013)	Gets (2013)
Argentina	8.3%	16.4%	N.A.	N.A.
Bolivia	1.2%	0.2%	100.0%	99.6%
Brazil	39.1%	23.7%	N.A.	N.A.
Chile	2.6%	1.3%	100.0%	100.0%
Colombia	0.7%	0.2%	16.6%	92.0%
Ecuador	0.2%	--	81.7%	80.5%
Peru	2.2%	0.1%	95.1%	87.0%
Uruguay	1.4%	1.4%	N.A.	N.A.
Venezuela	0.8%	1.1%	17.6%	87.9%
<b>Total/Avg</b>	<b>56.5%</b>	<b>44.4%</b>	<b>68.5%</b>	<b>91.2%</b>

## PERU

2012 Gross Domestic Product: US\$ 199B  
2012 Population: 29,399 Thousand

2012 GDP Growth: 6.2%  
GDP/Capita: US\$ 6,785

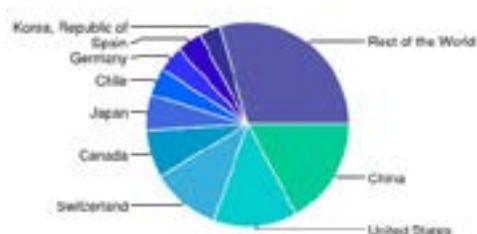
### Broad Trade Indicators

2012  
Total Exports: US\$ 45.5B (22.8% of GDP)  
Total Imports: US\$ 42.3B (21.2% of GDP)  
Current Acct. Bal: N.A.  
Exports/Capita: US\$ 1,546

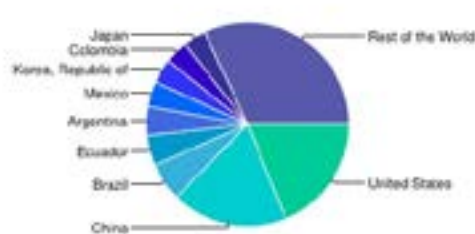
### MFN Tariffs

2013  
Average Applied MFN Tariff: 3.17%  
Maximum Applied MFN: 11% (1,584 Tariff Lines (10.472%))  
Number of Tariff Lines Duty-Free: 8,464 (56.0%)

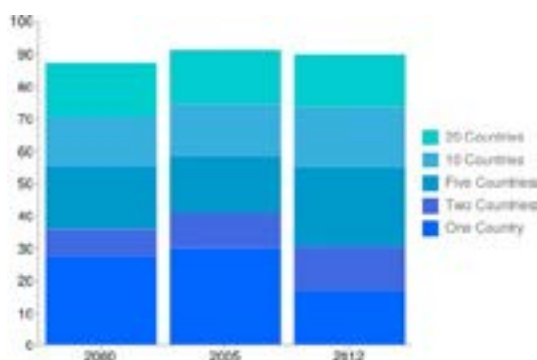
### Destination of Exports (2012)



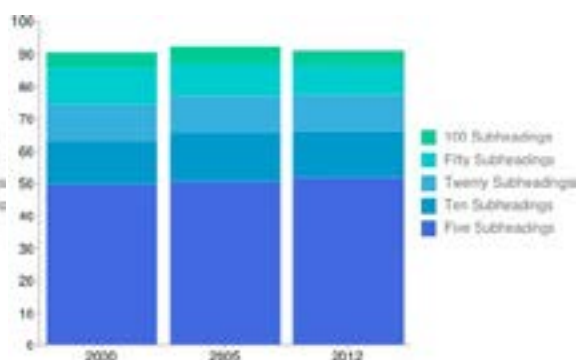
### Source of Imports (2012)



### Export Concentration by Markets (% of total; categories are cumulative)



### Export Concentration by Products (% of total; categories are cumulative)



#### 2012 % of Exports to:

Top 2 Markets: 30.4%  
Top 5 Markets: 54.8%  
Top 10 Markets: 73.7%

#### 2012 Number of Subheadings Exported: 3,588 (71.0%)

#### % of Exports in:

Top 10 Subheadings: 66.1%  
Top 50 Subheadings: 86.1%  
Top 100 Subheadings: 90.9%

#### 2012 Top 3 Exported HS Chapters:

26: Ores, slag & ash (29.0%)  
71: Precious metals and stones (22.3%)  
27: Mineral fuels and oils (11.7%)

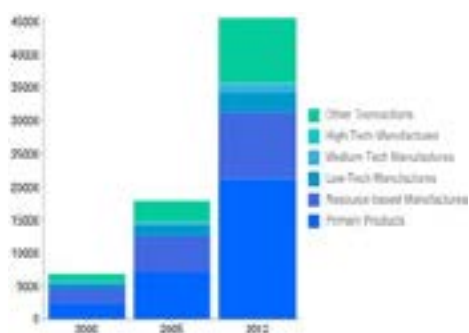
#### 2012 Top 5 Country/Chapter (LAC) Exports (%)

Chile 26: Ores, slag & ash (1.4 %)  
Chile 27: Mineral fuels and oils (1.2 %)  
Venezuela 61: Knitted apparel (1.0 %)  
Brazil 74: Copper & articles thereof (0.9 %)  
Panama 27: Mineral fuels and oils (0.8 %)

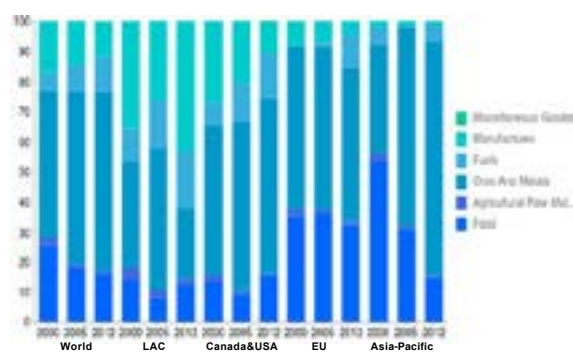
#### 2012 Top 5 Country/Chapter (ROW) Exports (%)

China 26: Ores, slag & ash (12.1 %)  
Switzerland 71: Precious metals and stones (11.1 %)  
Canada 71: Precious metals and stones (6.0 %)  
Japan 26: Ores, slag & ash (3.7 %)  
United States 71: Precious metals and stones (3.6 %)

**Technology Content of Merchandise Exports to World**  
(US\$ in millions)



**Sectoral Profile of Exports to World**  
(% of Total)

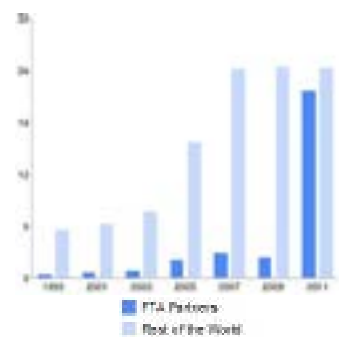


### Free Trade Agreements

**Free Trade Agreements Partners**



**Exports to FTA Partners vs. Rest of the World**  
(US\$ Billion)



FTA Partner	% of Total Trade		Tariff Lines Duty Free	
	Share of X (2012)	Share of M (2012)	Grants (2013)	Gets (2013)
Argentina	0.4%	4.6%	13.0%	99.8%
Bolivia	1.2%	1.2%	100.0%	100.0%
Brazil	3.1%	6.1%	12.5%	99.8%
Canada	7.5%	1.4%	77.8%	98.4%
Chile	4.4%	2.9%	83.4%	83.5%
China	17.1%	18.5%	62.7%	61.2%
Colombia	2.0%	3.7%	100.0%	100.0%
Costa Rica	0.1%	0.1%	N.A.	N.A.
Ecuador	2.0%	4.8%	100.0%	100.0%
EFTA	11.2%	0.4%	N.A.	N.A.
European Union	16.3%	11.8%	N.A.	N.A.
Japan	5.7%	3.6%	77.6%	81.7%
Korea, Republic of	3.4%	3.9%	67.8%	84.5%
Panama	1.1%	0.1%	N.A.	N.A.
Paraguay	--	0.5%	87.0%	95.1%
Singapore	--	0.1%	53.2%	100.0%
Thailand	0.5%	1.1%	78.4%	80.1%
Uruguay	0.1%	0.4%	82.7%	88.7%
United States	13.3%	18.9%	89.6%	99.1%
Venezuela	2.7%	0.5%	N.A.	N.A.
<b>Total/Avg</b>	<b>92.1%</b>	<b>84.6%</b>	<b>72.4%</b>	<b>91.5%</b>

## SURINAME

2012 Gross Domestic Product: US\$ 4B  
2012 Population: 529 Thousand

2012 GDP Growth: 4.5%  
GDP/Capita: US\$ 8,949

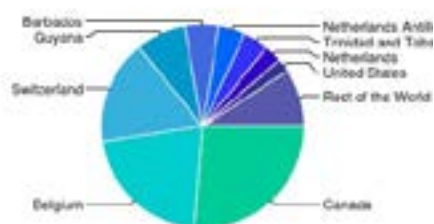
### Broad Trade Indicators

2008  
Total Exports: N.A.  
Total Imports: N.A.  
Current Acct. Bal: US\$ 0.3B (9.6% of GDP)  
Exports/Capita: N.A.

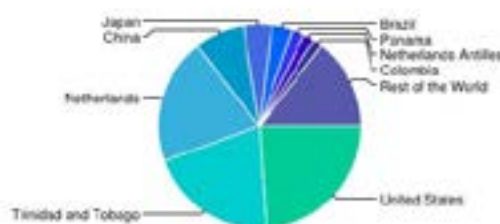
### MFN Tariffs

2013  
Average Applied MFN Tariff: 19.42%  
Maximum Applied MFN: 50% (35 Tariff Lines (0.556%))  
Number of Tariff Lines Duty-Free: 313 (5.0%)

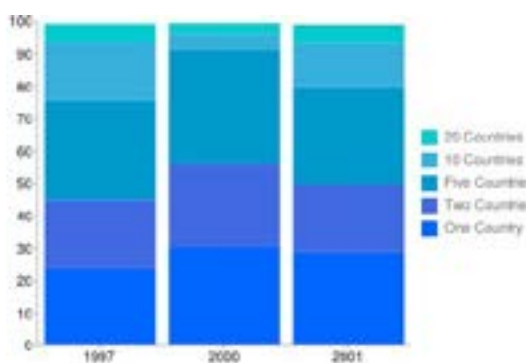
### Destination of Exports (2008)



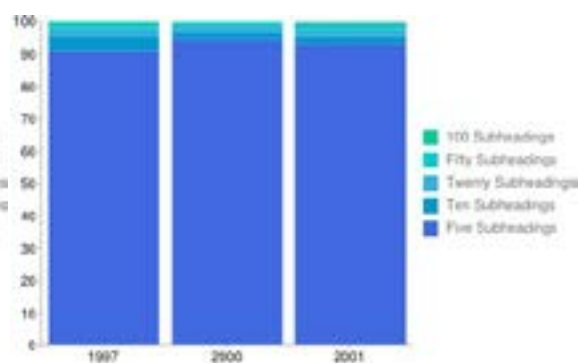
### Source of Imports (2008)



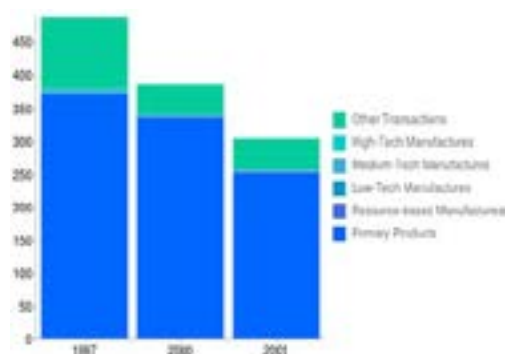
### Export Concentration by Markets (% of total; categories are cumulative)



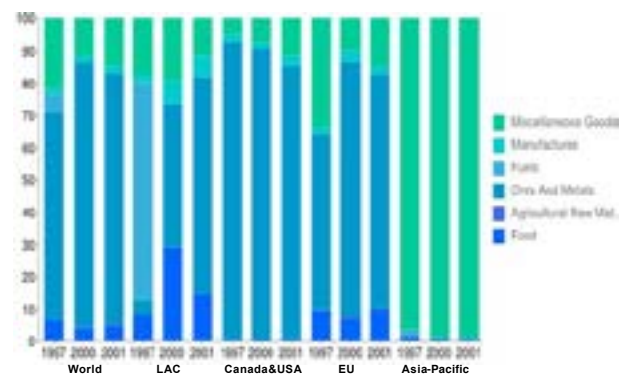
### Export Concentration by Products (% of total; categories are cumulative)



**Technology Content of Merchandise Exports to World**  
(US\$ in millions)



**Sectoral Profile of Exports to World**  
(% of Total)

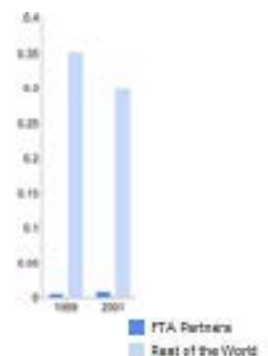


### Free Trade Agreements

**Free Trade Agreements Partners**



**Exports to FTA Partners vs. Rest of the World**  
(US\$ Billion)



FTA Partner	% of Total Trade		Tariff Lines Duty Free	
	Share of X (2008)	Share of M (2008)	Grants (2013)	Gets (2013)
Antigua and Barbuda	--	1.0%	100.0%	100.0%
Belize	--	--	100.0%	100.0%
Barbados	3.1%	0.4%	100.0%	100.0%
Dominica	--	0.1%	100.0%	100.0%
European Union	14.4%	23.2%	21.5%	100.0%
Grenada	--	--	100.0%	100.0%
Guyana	4.5%	0.4%	100.0%	100.0%
Jamaica	0.3%	0.3%	100.0%	100.0%
Saint Kitts and Nevis	--	--	100.0%	100.0%
Saint Lucia	0.2%	--	100.0%	100.0%
Montserrat	--	--	100.0%	100.0%
Trinidad and Tobago	2.3%	20.6%	100.0%	100.0%
Saint Vincent and the Grenadines	--	--	100.0%	100.0%
<b>Total/Avg</b>	<b>24.8%</b>	<b>46.0%</b>	<b>94.0%</b>	<b>100.0%</b>



## TRINIDAD AND TOBAGO

2012 Gross Domestic Product: US\$ 23B  
2012 Population: 1,346 Thousand

2012 GDP Growth: 1.2%  
GDP/Capita: US\$ 17,815

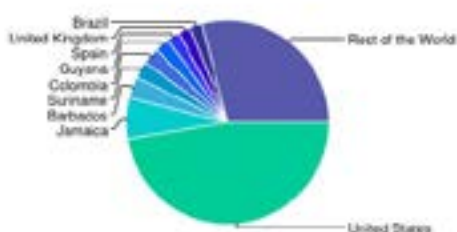
### Broad Trade Indicators

2010  
Total Exports: US\$ 10.9B (52.3% of GDP)  
Total Imports: US\$ 10.9B (52.3% of GDP)  
Current Acct. Bal: US\$ 3.6B (17.4% of GDP)  
Exports/Capita: US\$ 8,144

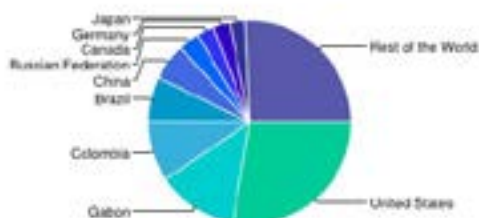
### MFN Tariffs

2013  
Average Applied MFN Tariff: 19.78%  
Maximum Applied MFN: 40% (411 Tariff Lines (6.531%))  
Number of Tariff Lines Duty-Free: 325 (5.2%)

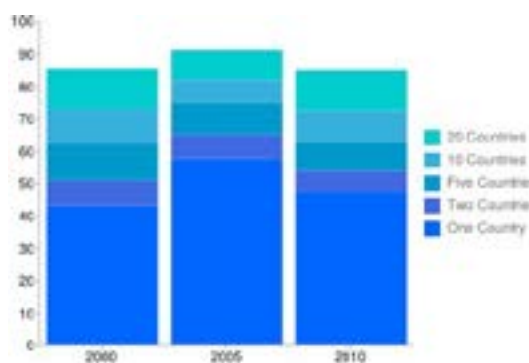
### Destination of Exports (2010)



### Source of Imports (2010)



### Export Concentration by Markets (% of total; categories are cumulative)



#### 2010 % of Exports to:

Top 2 Markets: 53.8%  
Top 5 Markets: 62.6%  
Top 10 Markets: 72.5%

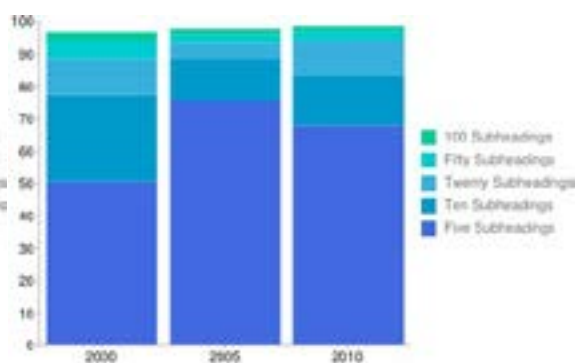
#### 2010 Number of Subheadings Exported: 2,389 (47.3%) % of Exports in:

Top 10 Subheadings: 83.3%  
Top 50 Subheadings: 97.0%  
Top 100 Subheadings: 98.5%

#### 2010 Top 3 Exported HS Chapters:

27: Mineral fuels and oils (60.9%)  
28: Inorganic chemicals (13.4%)  
29: Organic chemicals (5.8%)

### Export Concentration by Products (% of total; categories are cumulative)



#### 2010 Top 5 Country/Chapter (LAC) Exports (%)

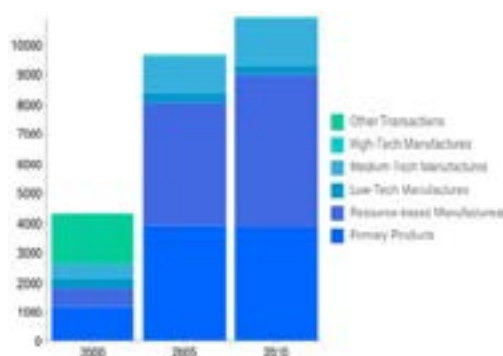
Jamaica 27: Mineral fuels and oils (5.5 %)  
Barbados 27: Mineral fuels and oils (2.9 %)  
Suriname 27: Mineral fuels and oils (2.3 %)  
Colombia 27: Mineral fuels and oils (2.0 %)  
Guyana 27: Mineral fuels and oils (1.7 %)

#### 2010 Top 5 Country/Chapter (ROW) Exports (%)

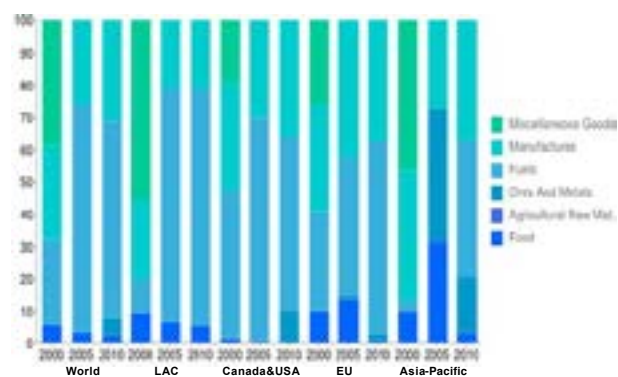
United States 27: Mineral fuels and oils (26.0 %)  
United States 28: Inorganic chemicals (11.2 %)  
United States 26: Ores, slag & ash (4.7 %)  
United States 29: Organic chemicals (3.2 %)  
United Kingdom 27: Mineral fuels and oils (1.6 %)



**Technology Content of Merchandise Exports to World**  
(US\$ in millions)



**Sectoral Profile of Exports to World**  
(% of Total)

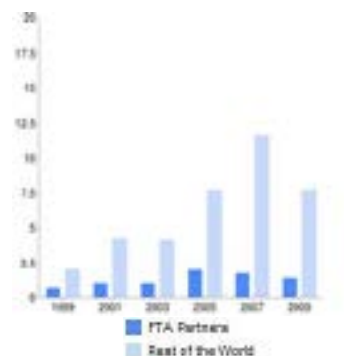


### Free Trade Agreements

**Free Trade Agreements Partners**



**Exports to FTA Partners vs. Rest of the World**  
(US\$ Billion)



FTA Partner	% of Total Trade		Tariff Lines Duty Free	
	Share of X (2010)	Share of M (2010)	Grants (2013)	Gets (2013)
Antigua and Barbuda	1.1%	--	100.0%	100.0%
Belize	0.1%	0.2%	100.0%	100.0%
Barbados	3.4%	0.6%	100.0%	100.0%
Dominica	0.3%	0.1%	100.0%	100.0%
European Union	7.5%	9.0%	22.1%	100.0%
Grenada	0.5%	--	100.0%	100.0%
Guyana	2.4%	0.4%	100.0%	100.0%
Jamaica	6.5%	0.2%	100.0%	100.0%
Saint Kitts and Nevis	0.2%	--	100.0%	100.0%
Saint Lucia	0.9%	0.1%	100.0%	100.0%
Montserrat	--	--	100.0%	100.0%
Suriname	2.7%	0.1%	100.0%	100.0%
Saint Vincent and the Grenadines	0.5%	0.1%	100.0%	100.0%
<b>Total/Avg</b>	<b>26.1%</b>	<b>10.8%</b>	<b>94.0%</b>	<b>100.0%</b>

## URUGUAY

2012 Gross Domestic Product: US\$ 49B  
2012 Population: 3,368 Thousand

2012 GDP Growth: 4.6%  
GDP/Capita: US\$ 14,563

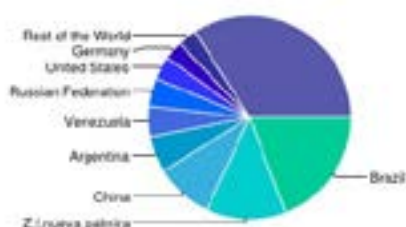
### Broad Trade Indicators

2012  
Total Exports: US\$ 8.7B (17.8% of GDP)  
Total Imports: US\$ 11.6B (23.7% of GDP)  
Current Acct. Bal: N.A.  
Exports/Capita: US\$: 2,595

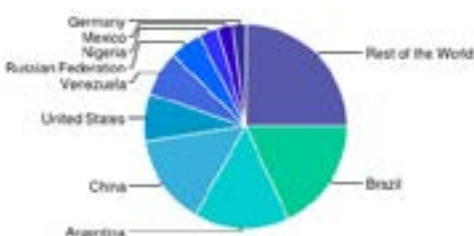
### MFN Tariffs

2013  
Average Applied MFN Tariff: 9.43%  
Maximum Applied MFN: 35% (70 Tariff Lines (0.302%))  
Number of Tariff Lines Duty-Free: 3,362 (14.5%)

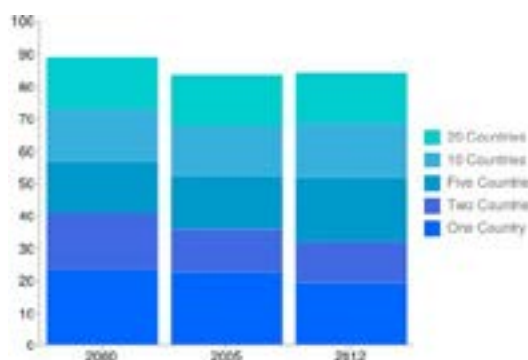
### Destination of Exports (2012)



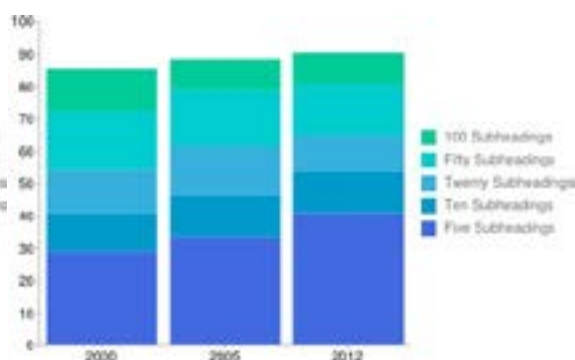
### Source of Imports (2012)



### Export Concentration by Markets (% of total; categories are cumulative)



### Export Concentration by Products (% of total; categories are cumulative)



#### 2012 % of Exports to:

Top 2 Markets: 32.1%  
Top 5 Markets: 51.8%  
Top 10 Markets: 68.3%

#### 2012 Number of Subheadings Exported: 1,899 (37.6%)

#### % of Exports in:

Top 10 Subheadings: 53.6%  
Top 50 Subheadings: 80.5%  
Top 100 Subheadings: 90.3%

#### 2012 Top 3 Exported HS Chapters:

02: Meat and edible meat offal (18.2%)  
12: Oil seeds & oleaginous fruits (16.0%)  
10: Cereals (12.3%)

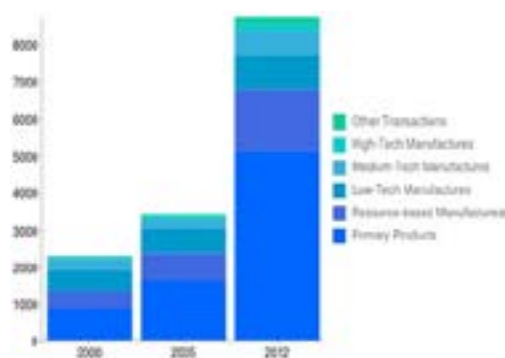
#### 2012 Top 5 Country/Chapter (LAC) Exports (%)

Venezuela 04: Dairy produce, eggs and honey (2.9 %)  
Brazil 04: Dairy produce, eggs and honey (2.8 %)  
Brazil 39: Plastics & articles thereof (2.5 %)  
Brazil 11: Products of milling (2.3 %)  
Brazil 10: Cereals (2.3 %)

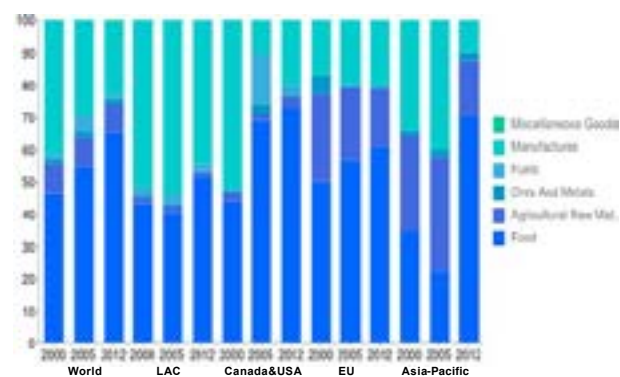
#### 2012 Top 5 Country/Chapter (ROW) Exports (%)

Z.f.nueva palmira 12: Oil seeds & oleaginous fruits (8.9 %)  
China 12: Oil seeds & oleaginous fruits (5.3 %)  
Z.f.nueva palmira 10: Cereals (3.7 %)  
Russian Federation 02: Meat and edible meat offal (3.4 %)

**Technology Content of Merchandise Exports to World**  
(US\$ in millions)



**Sectoral Profile of Exports to World**  
(% of Total)



### Free Trade Agreements

**Free Trade Agreements Partners**



**Exports to FTA Partners vs. Rest of the World**  
(US\$ Billion)



FTA Partner	% of Total Trade		Tariff Lines Duty Free	
	Share of X (2012)	Share of M (2012)	Grants (2013)	Gets (2013)
Argentina	5.8%	15.0%	N.A.	N.A.
Bolivia	0.2%	0.1%	100.0%	99.6%
Brazil	19.3%	18.0%	N.A.	N.A.
Chile	2.4%	1.2%	100.0%	100.0%
Colombia	0.4%	0.3%	38.8%	56.3%
Ecuador	0.1%	0.2%	72.9%	69.9%
Mexico	1.7%	2.5%	10.6%	97.6%
Peru	1.6%	0.2%	88.7%	82.7%
Paraguay	1.7%	0.7%	N.A.	N.A.
Venezuela	4.8%	7.1%	11.8%	22.0%
<b>Total/Avg</b>	<b>38.0%</b>	<b>45.3%</b>	<b>60.4%</b>	<b>75.4%</b>

## VENEZUELA

2012 Gross Domestic Product: US\$ 382B  
2012 Population: 29,278 Thousand

2012 GDP Growth: 5.8%  
GDP/Capita: US\$ 13,061

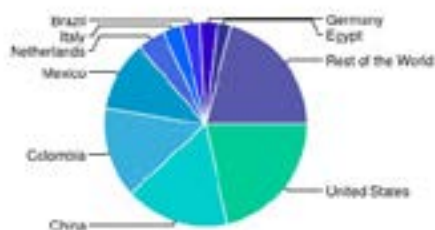
### Broad Trade Indicators

2009  
Total Exports: US\$ 1.6B (0.5% of GDP)  
Total Imports: US\$ 1.6B (0.5% of GDP)  
Current Acct. Bal: US\$ 8.6B (2.6% of GDP)  
Exports/Capita: US\$: 57

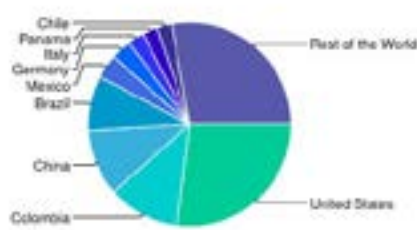
### MFN Tariffs

2012  
Average Applied MFN Tariff: 11.90%  
Maximum Applied MFN: 40% (19 Tariff Lines (0.272%))  
Number of Tariff Lines Duty-Free: 41 (0.6%)

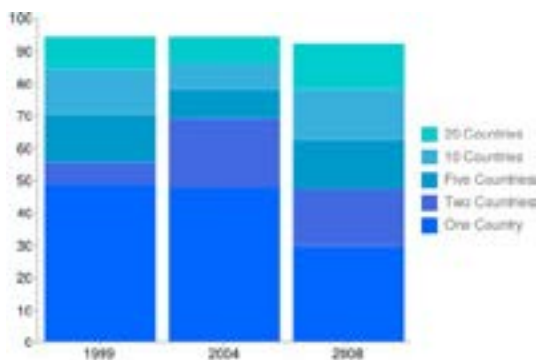
### Destination of Exports (2009)



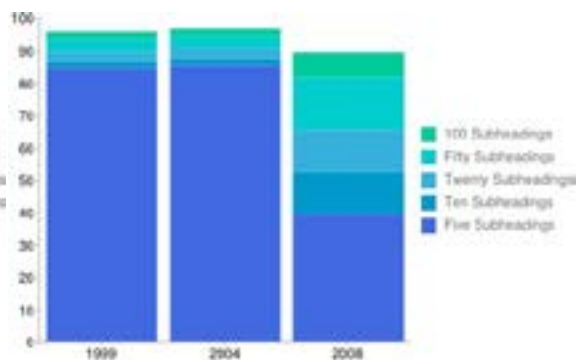
### Source of Imports (2009)



### Export Concentration by Markets (% of total; categories are cumulative)



### Export Concentration by Products (% of total; categories are cumulative)



#### 2009 % of Exports to:

Top 2 Markets: 38.1%  
Top 5 Markets: 68.1%  
Top 10 Markets: 81.1%

#### 2009 Number of Subheadings Exported: 1,804 (35.7%) % of Exports in:

Top 10 Subheadings: 58.0%  
Top 50 Subheadings: 79.2%  
Top 100 Subheadings: 88.1%

#### 2009 Top 3 Exported HS Chapters:

76: Aluminium & articles thereof (25.8%)  
72: Iron and steel (25.8%)  
26: Ores, slag & ash (10.4%)

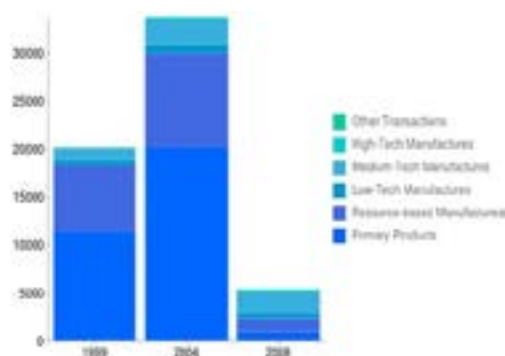
#### 2009 Top 5 Country/Chapter (LAC) Exports (%)

Mexico	76: Aluminium & articles thereof (8.7 %)
Colombia	72: Iron and steel (4.1 %)
Colombia	76: Aluminium & articles thereof (1.4 %)
Mexico	72: Iron and steel (1.3 %)
Colombia	84: Machinery and appliances (1.1 %)

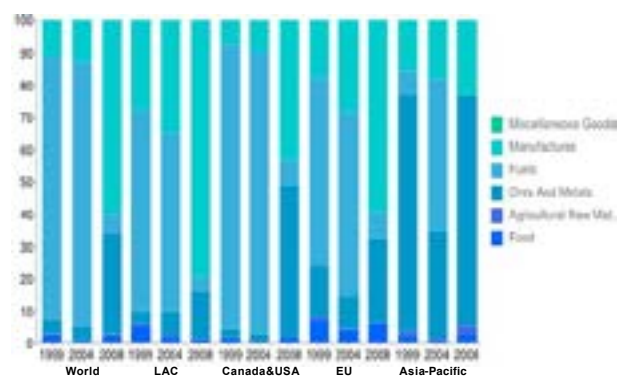
#### 2009 Top 5 Country/Chapter (ROW) Exports (%)

United States	76: Aluminium & articles thereof (11.6 %)
China	72: Iron and steel (7.8 %)
China	26: Ores, slag & ash (7.1 %)
United States	72: Iron and steel (3.7 %)
Germany	72: Iron and steel (2.3 %)

**Technology Content of Merchandise Exports to World  
(US\$ in millions)**



**Sectoral Profile of Exports to World  
(% of Total)**

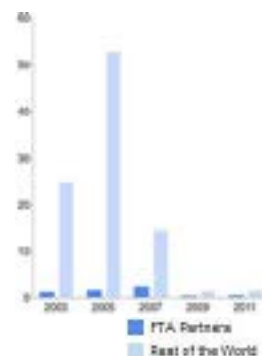


### Free Trade Agreements

**Free Trade Agreements Partners**



**Exports to FTA Partners vs. Rest of the World  
(US\$ Billion)**



FTA Partner	% of Total Trade		Tariff Lines Duty Free	
	Share of X (2009)	Share of M (2009)	Grants (2013)	Gets (2013)
Argentina	0.2%	2.3%	29.6%	93.1%
Brazil	3.0%	8.8%	44.9%	92.4%
Colombia	14.4%	11.5%	N.A.	N.A.
Ecuador	1.7%	1.6%	100.0%	100.0%
Peru	1.0%	1.4%	N.A.	N.A.
Paraguay	--	0.2%	87.9%	17.6%
Uruguay	0.1%	0.8%	22.0%	11.8%
<b>Total/Avg</b>	<b>20.4%</b>	<b>26.6%</b>	<b>56.9%</b>	<b>63.0%</b>



## Agreement Profiles

The Agreement Profiles in the following pages present a summary of the prominent aspects of each agreement for a selected set of Free Trade Agreements in force in Latin America and the Caribbean, including the following:

- Agreement Members. List of agreement signatories for which the agreement is in force.
- Members' Non-preferential tariff level. The average MFN tariff level for each member, indicating the average level of preference granted to other members.
- Entry into Force. Date on which the agreement became effective for each member.
- Intra-Agreement Trade. The recent evolution of trade flows between members of the agreement, as well as the share in each member's total exports represented by intra-agreement exports.
- Product Coverage. Percent of products (tariff lines) and of trade with tariffs completely eliminated at different points over the coming years, or excluded from coverage.
- Agreement in the context of the regional "Spaghetti Bowl". A map identifying agreement members, as well as all other countries with which some or all members have FTAs in force.
- Tariff Rate Quotas and Rules of Origin. Summary of the number and coverage of tariff rate quotas and the criteria used in the rules of origin.
- Top Traded Products. Identifies the principal products exported by each member country to agreement partners.
- Exclusions. Identifies HS Chapters containing the most trade excluded from tariff liberalization under the agreement.

## Andean Community

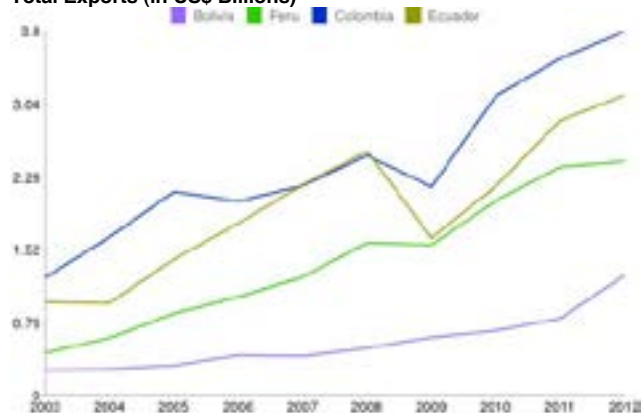
### Partners in the Agreement (Average MFN Tariff)

■ Bolivia (10.63%) 
 ■ Colombia (6.51%) 
 ■ Ecuador (10.04%) 
 ■ Peru (3.17%)

Signature: May 26, 1969 | Entry into Force: October 25, 1969

### Intra Agreement Trade

#### Total Exports (in US\$ Billions)

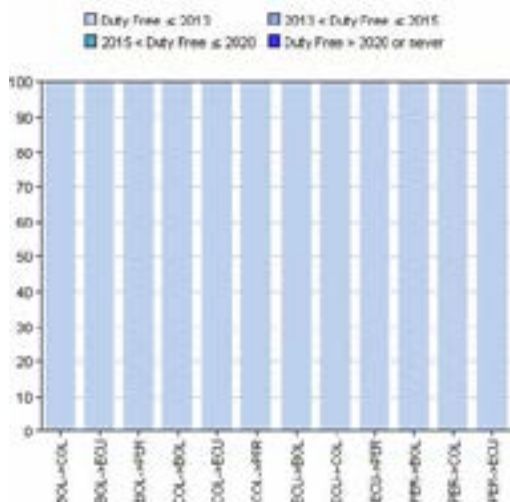


#### Exports to Agreement Members as % of Total Exports

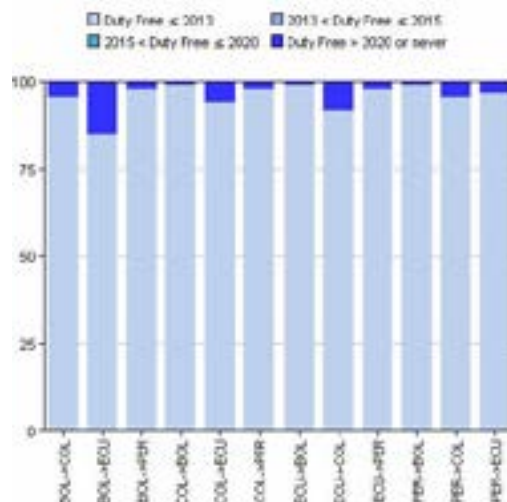
	(1995)	(2012)
Bolivia	18.47%	10.56%
Colombia	10.26%	6.21%
Ecuador	7.45%	12.92%
Peru	3.71%	5.27%
Total	8.39%	7.40%

### Tariff Liberalization

#### % of Tariff Lines



#### % of Trade (2012 Imports)







### Overlapping Agreements in the Spaghetti Bowl

	Share of World GDP
Agreement Partners	0.71%
Third parties in common to all	3.60%
Third parties in common to one or more	77.06%

### Tariff Rate Quotas

Country	Number of TRQ	Total Tariff Lines
---------	---------------	--------------------

None

### Rules of Origin Qualification Criteria

Criteria	Percentage of Subheadings
----------	---------------------------

Change of Tariff Classification	95.29%
Value Requirement	1.38%
Other Requirements	2.29%

### Principal Products Traded Intra-Agreement (2012)

Country	Chapter	Description (% of Total Intra-Agreement Exports)
Bolivia	23	Residues from food industries (28.93%)
Colombia	27	Mineral fuels and oils (14.01%)
Ecuador	27	Mineral fuels and oils (54.29%)
Peru	39	Plastics & articles thereof (9.62%)

### Top Excluded Chapter (2012)

#### Rep.->Partner Chapter Description (% of Total Imports)

BOL->COL	38	Miscellaneous chemicals (2.43%)
BOL->ECU	44	Wood & articles of wood (6.69%)
BOL->PER	38	Miscellaneous chemicals (0.74%)
COL->BOL	44	Wood & articles of wood (0.15%)
COL->ECU	44	Wood & articles of wood (3.96%)
COL->PER	68	Articles of stone (0.72%)
ECU->BOL	84	Machinery and appliances (0.01%)
ECU->COL	38	Miscellaneous chemicals (5.07%)
ECU->PER	03	Fish and crustaceans (0.36%)
PER->BOL	74	Copper & articles thereof (0.52%)
PER->COL	38	Miscellaneous chemicals (2.13%)
PER->ECU	44	Wood & articles of wood (1.69%)

## Canada-Costa Rica

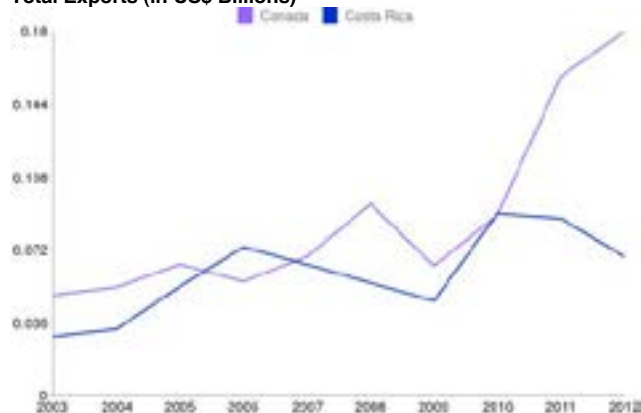
Partners in the Agreement (Average MFN Tariff)

Canada (2.73%) Costa Rica (6.36%)

Signature: April 23, 2001 | Entry into Force: November 1, 2002

### Intra Agreement Trade

Total Exports (in US\$ Billions)

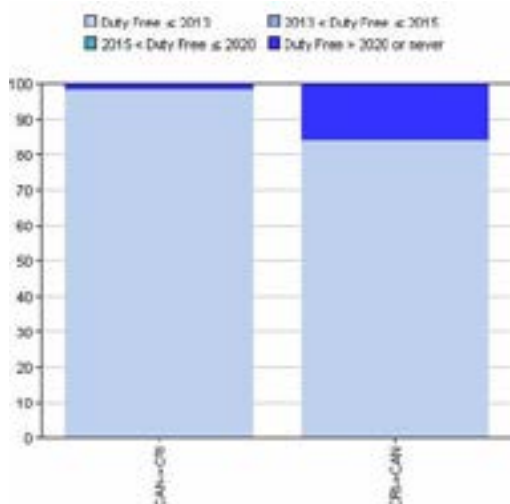


Exports to Agreement Members as  
% of Total Exports (2001) (2012)

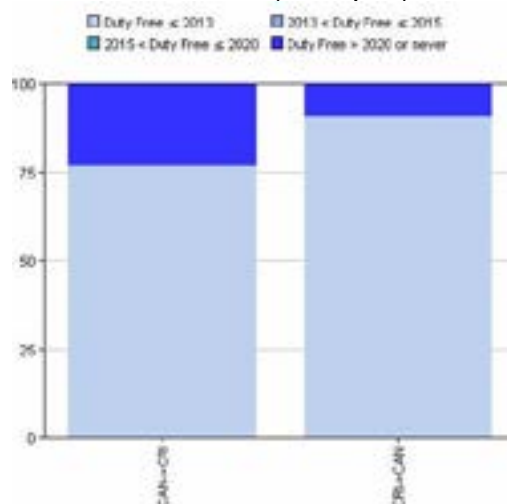
Costa Rica	0.61%	0.61%
Canada	0.02%	0.04%
Total	0.03%	0.06%

### Tariff Liberalization

% of Tariff Lines



% of Trade (2012 Imports)





#### Overlapping Agreements in the Spaghetti Bowl

Agreement Partners	Share of World GDP
Third parties in common to both	25.65%
Third parties in common to one	7.97%

Tariff Rate Quotas		
Country	Number of TRQ	Total Tariff Lines
Canada	1	11
Costa Rica	7	35

Rules of Origin Qualification Criteria	
Criteria	Percentage of Subheadings
Change of Tariff Classification	100%
Exception to the Tariff Change	23.2%
Value Requirement	3.49%
Other Requirements	6.26%

#### Principal Products Traded Intra-Agreement (2012)

Country	Chapter	Description (% of Total Intra-Agreement Exports)
Canada	72	Iron and steel (19.84%)
Costa Rica	90	Precision instruments (17.59%)

#### Top Excluded Chapter (2012)

Rep.->Partner	Chapter	Description (% of Total Imports)
CAN->CRI	85	Electrical machinery (17.24%)
CRI->CAN	85	Electrical machinery (3.67%)

## Caribbean Community Single Market and Economy

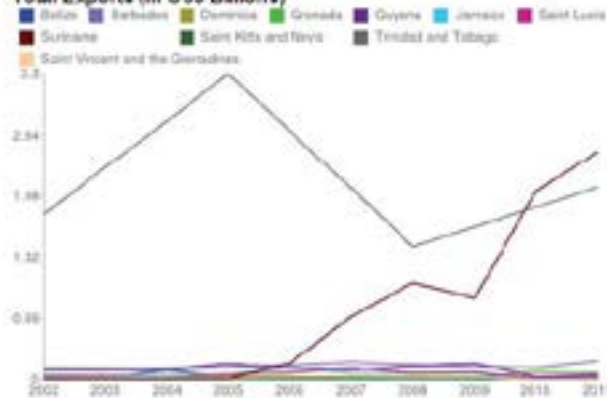
### Partners in the Agreement (Average MFN Tariff)

Antigua and Barbuda (19.71%)	Barbados (19.85%)	Belize (20.22%)	Dominica (19.13%)
Grenada (19.53%)	Guyana (21.38%)	Jamaica (19.48%)	Saint Kitts and Nevis (19.33%)
Saint Lucia (19.30%)	Saint Vincent and the Grenadines (18.89%)	Suriname (19.42%)	Trinidad and Tobago (19.78%)

Signature: July 4, 1973 | Entry into Force: August 1, 1973

### Intra Agreement Trade

#### Total Exports (in US\$ Billions)

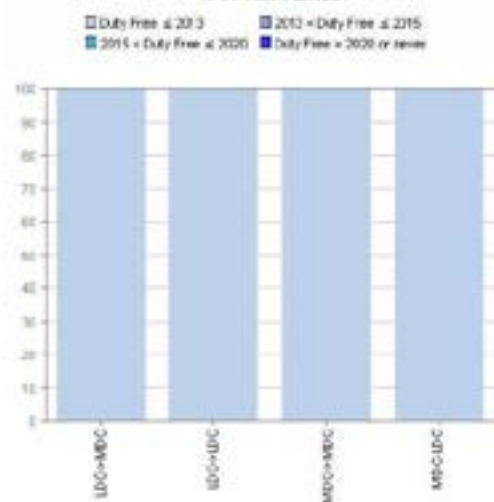


#### Exports to Agreement Members as % of Total Exports

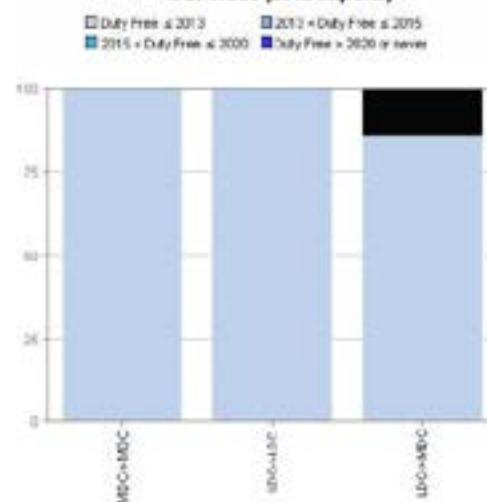
	(1995)	(2012)
Antigua and Barbuda	N.A.	27.48%
Belize	3.39%	10.17%
Dominica	N.A.	78.82%
Grenada	28.94%	23.80%
Guyana	N.A.	14.54%
Jamaica	4.09%	4.36%
Saint Kitts and Nevis	10.16%	10.24%
Total	N.A.	9.36%

### Tariff Liberalization

#### % of Tariff Lines



#### % of Trade (2012 Imports)





### Overlapping Agreements in the Spaghetti Bowl

Agreement Partners	Share of World GDP
Third parties in common to all	0.00%
Third parties in common to one or more	29.67%
	—%

### Tariff Rate Quotas

Country	Number of TRQ	Total Tariff Lines
---------	---------------	--------------------

None

### Rules of Origin Qualification Criteria

Criteria	Percentage of Subheadings
Change of Tariff Classification	56.15%
Exception to the Tariff Change	1.58%
Value Requirement	25.87%
Other Requirements	12.64%
Wholly Obtained	5.62%

### Principal Products Traded Intra-Agreement (2012)

Country	Chapter	Description (% of Total Intra-Agreement Exports)
Antigua and Barbuda	22	Beverages, spirits and vinegar (46.77%)
Dominica	34	Soap, organic surfactants (60.62%)
Grenada	48	Paper and articles of paper (24.03%)
Guyana	10	Cereals (29.46%)
Saint Kitts and Nevis	22	Beverages, spirits and vinegar (62.23%)

### Top Excluded Chapter (2012)

Rep. → Partner	Chapter	Description (% of Total Imports)
LDC → MDC	03	Fish and crustaceans

## Central American Common Market

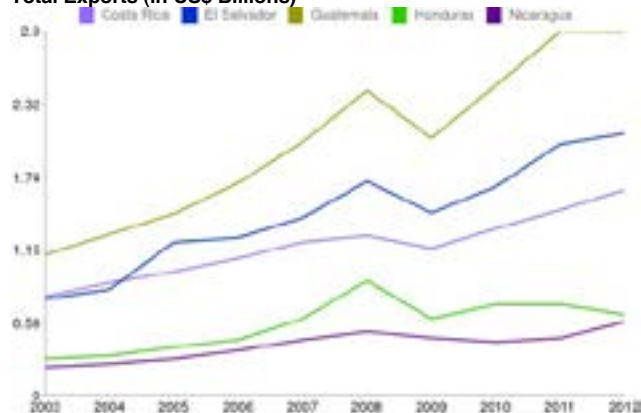
### Partners in the Agreement (Average MFN Tariff)

Costa Rica (6.36%)	El Salvador (6.19%)	Guatemala (5.93%)	Honduras (6.08%)
Nicaragua (6.04%)			

Signature: December 13, 1960 | Entry into Force: December 13, 1960

### Intra Agreement Trade

#### Total Exports (in US\$ Billions)

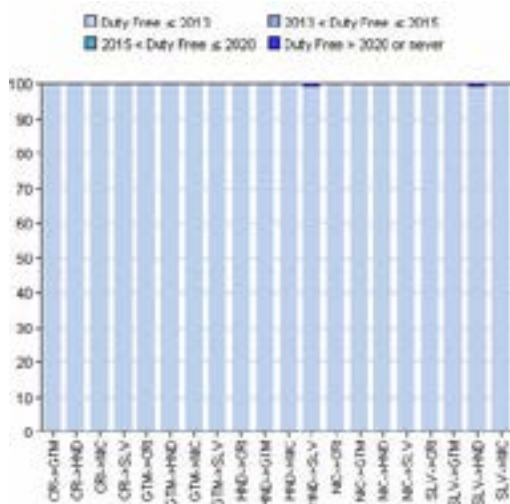


#### Exports to Agreement Members as % of Total Exports

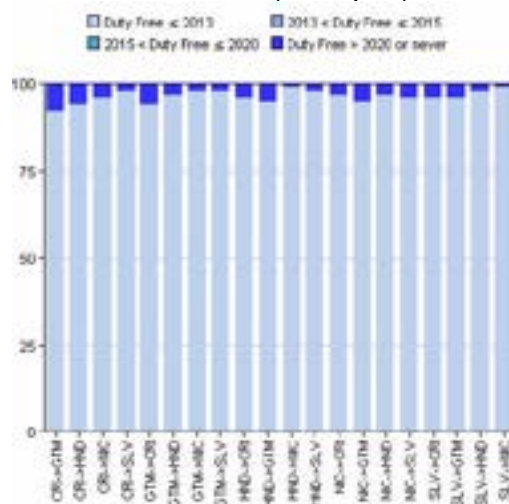
	(1995)	(2012)
Costa Rica	12.53%	14.10%
Guatemala	29.23%	27.68%
Honduras	5.61%	13.22%
Nicaragua	16.25%	12.53%
El Salvador	25.87%	37.95%
Total	19.41%	21.13%

### Tariff Liberalization

#### % of Tariff Lines



#### % of Trade (2012 Imports)





### Overlapping Agreements in the Spaghetti Bowl

	Share of World GDP
Agreement Partners	0.18%
Third parties in common to all	25.22%
Third parties in common to one or more	10.80%

### Tariff Rate Quotas

Country	Number of TRQ	Total Tariff Lines
---------	---------------	--------------------

None

### Rules of Origin Qualification Criteria

Criteria	Percentage of Subheadings
----------	---------------------------

Change of Tariff Classification	99.98%
Exception to the Tariff Change	9.54%
Other Requirements	1.48%

### Principal Products Traded Intra-Agreement (2012)

Country	Chapter	Description (% of Total Intra-Agreement Exports)
Costa Rica	21	Misc. edible preparations (14.04%)
El Salvador	39	Plastics & articles thereof (11.76%)
Guatemala	39	Plastics & articles thereof (7.27%)
Honduras	15	Animal or veg. fats & oils (15.03%)
Nicaragua	04	Dairy produce, eggs and honey (22.76%)

### Top Excluded Chapter (2012)

#### Rep.->Partner Chapter Description (% of Total Imports)

CRI->GTM	38	Miscellaneous chemicals (3.96%)
CRI->HND	73	Articles of iron or steel (1.90%)
CRI->NIC	09	Coffee, tea, mate and spices (1.46%)
CRI->SLV	73	Articles of iron or steel (0.40%)
GTM->CRI	38	Miscellaneous chemicals (4.03%)
GTM->HND	38	Miscellaneous chemicals (0.98%)
GTM->NIC	85	Electrical machinery (0.51%)
GTM->SLV	85	Electrical machinery (0.56%)
HND->CRI	38	Miscellaneous chemicals (3.18%)
HND->GTM	38	Miscellaneous chemicals (2.89%)
HND->NIC	38	Miscellaneous chemicals (0.17%)
HND->SLV	73	Articles of iron or steel (0.35%)
NIC->CRI	38	Miscellaneous chemicals (1.57%)
NIC->GTM	38	Miscellaneous chemicals (3.01%)
NIC->HND	01	Live animals (0.69%)
NIC->SLV	68	Articles of stone (1.73%)
SLV->CRI	38	Miscellaneous chemicals (1.83%)
SLV->GTM	38	Miscellaneous chemicals (1.79%)
SLV->HND	44	Wood & articles of wood (0.65%)
SLV->NIC	38	Miscellaneous chemicals (0.20%)

## Chile-Australia

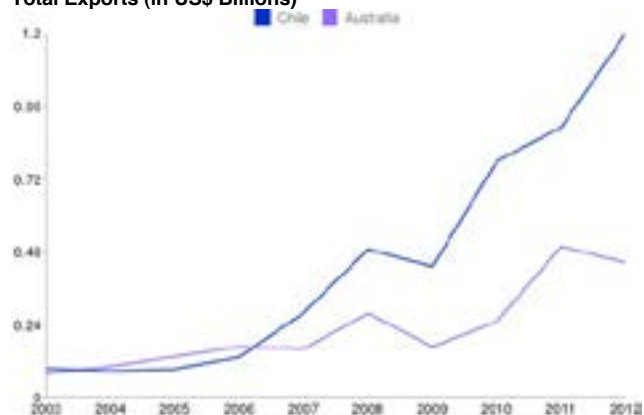
### Partners in the Agreement (Average MFN Tariff)

Australia (2.78%)   Chile (5.98%)

Signature: July 30, 2008 | Entry into Force: March 6, 2009

### Intra Agreement Trade

#### Total Exports (in US\$ Billions)

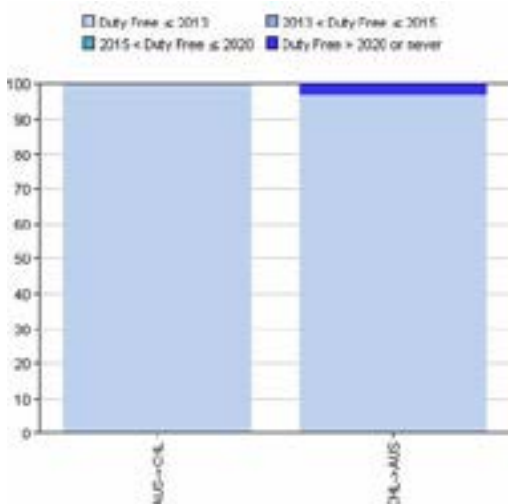


#### Exports to Agreement Members as % of Total Exports

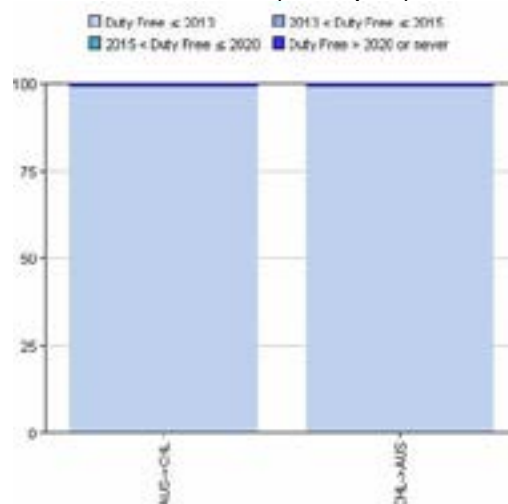
	(2008)	(2012)
Chile	0.70%	1.56%
Australia	0.16%	0.09%
Total	0.31%	0.28%

### Tariff Liberalization

#### % of Tariff Lines



#### % of Trade (2012 Imports)






**Overlapping Agreements in the Spaghetti Bowl**

	Share of World GDP
Agreement Partners	2.02%
Third parties in common to both	24.24%
Third parties in common to one	59.44%

**Tariff Rate Quotas**  
**Country Number of TRQ Total Tariff Lines**

None

**Rules of Origin Qualification Criteria**

Not yet available

**Principal Products Traded Intra-Agreement (2012)**

Country	Chapter	Description (% of Total Intra-Agreement Exports)
Chile	74	Copper & articles thereof (82.13%)

**Top Excluded Chapter (2012)**

Rep.->Partner Chapter	Description (% of Total Imports)
CHL->AUS 39	Plastics & articles thereof (0.30%)

## Chile - Canada

### Partners in the Agreement (Average MFN Tariff)

Canada (2.73%) Chile (5.98%)

Signature: December 5, 1996 | Entry into Force: July 5, 1997

### Intra Agreement Trade

#### Total Exports (in US\$ Billions)

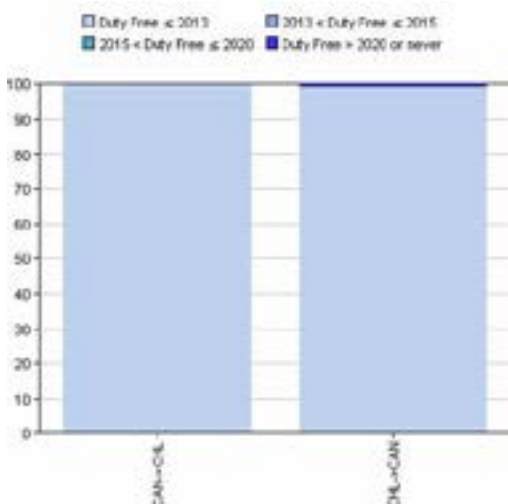


#### Exports to Agreement Members as % of Total Exports

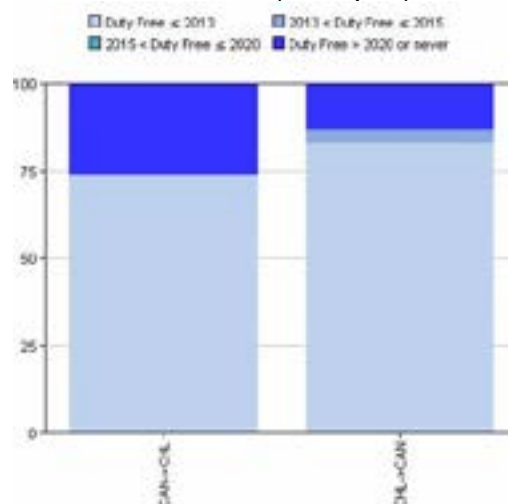
	(1996)	(2012)
Chile	0.93%	1.62%
Canada	N.A.	0.17%
Total	0.93%	0.40%

### Tariff Liberalization

#### % of Tariff Lines



#### % of Trade (2012 Imports)





### Overlapping Agreements in the Spaghetti Bowl Share of World GDP

Agreement Partners	2.75%
Third parties in common to both	25.79%
Third parties in common to one	55.39%

### Tariff Rate Quotas Country Number of TRQ Total Tariff Lines

Chile	4	15
-------	---	----

### Rules of Origin Qualification Criteria Criteria Percentage of Subheadings

Change of Tariff Classification	99.96%
Exception to the Tariff Change	38.99%
Value Requirement	4.05%
Other Requirements	6.16%
Wholly Obtained	0.02%

Principal Products Traded Intra-Agreement (2012)		
Country	Chapter	Description (% of Total Intra-Agreement Exports)
Canada	84	Nuclear reactors, boilers, machinery and mechanical appliances; parts... (21.37%)
Chile	71	Precious metals and stones (51.22%)

### Top Excluded Chapter (2012) Rep.->Partner Chapter Description (% of Total Imports)

CAN->CHL	71	Precious metals and stones (15.14%)
CHL->CAN	15	Animal or veg. fats & oils (4.99%)

## Chile-Central American Common Market

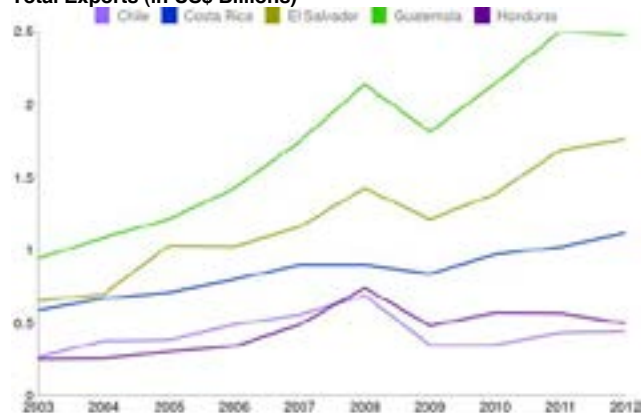
### Partners in the Agreement (Average MFN Tariff)

■ Chile (5.98%) 
 ■ Costa Rica (6.36%) 
 ■ El Salvador (6.19%) 
 ■ Guatemala (5.93%) 
 ■ Honduras (6.08%)

**Signature:** October 18, 1999 | **Entry into Force:** Honduras: July 18, 2008; El Salvador: June 3, 2002; Costa Rica: February 15, 2002; Guatemala: March 23, 2010

### Intra Agreement Trade

#### Total Exports (in US\$ Billions)

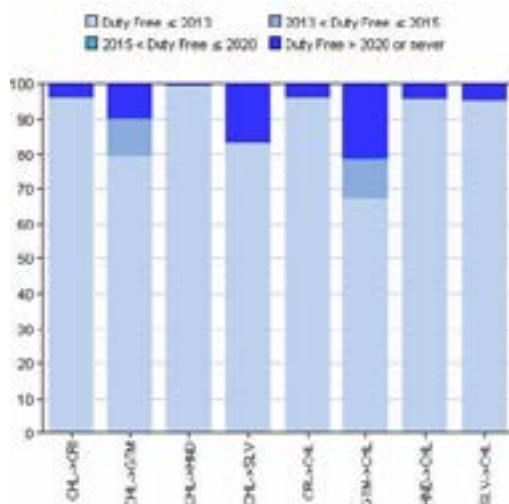


#### Exports to Agreement Members as % of Total Exports

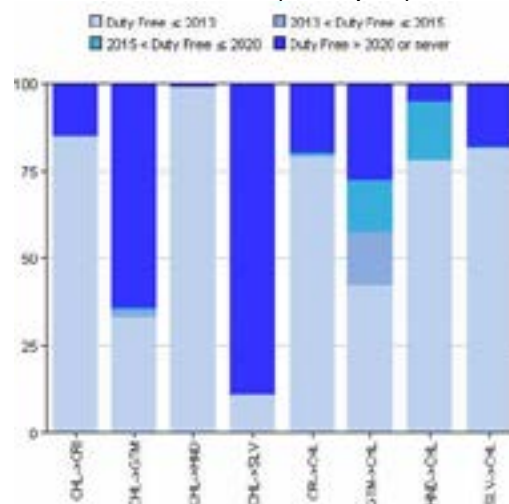
	(2009)	(2012)
Chile	0.67%	0.57%
Costa Rica	9.81%	9.87%
Guatemala	24.99%	24.29%
Honduras	18.42%	10.38%
El Salvador	31.19%	32.82%
Total	6.30%	5.78%

### Tariff Liberalization

#### % of Tariff Lines



#### % of Trade (2012 Imports)





### Overlapping Agreements in the Spaghetti Bowl

	Share of World GDP
Agreement Partners	0.46%
Third parties in common to all	25.15%
Third parties in common to one or more	58.40%

### Tariff Rate Quotas

Country	Number of TRQ	Total Tariff Lines
Chile	9	21
Guatemala	9	13
Honduras	1	3

### Rules of Origin Qualification Criteria

Criteria	Percentage of Subheadings
Change of Tariff Classification	90.04%
Exception to the Tariff Change	0.77%
Value Requirement	0.14%
Other Requirements	8.81%
Wholly Obtained	1.66%

### Principal Products Traded Intra-Agreement (2012)

Country	Chapter	Description (% of Total Intra-Agreement Exports)
Chile	74	Copper & articles thereof (24.98%)
Costa Rica	21	Misc. edible preparations (16.66%)
El Salvador	39	Plastics & articles thereof (11.01%)
Guatemala	39	Plastics & articles thereof (6.77%)
Honduras	15	Animal or veg. fats & oils (15.41%)

### Top Excluded Chapter (2012)

#### Rep.->Partner Chapter Description (% of Total Imports)

CHL->CRI	85	Electrical machinery (8.03%)
CHL->GTM	17	Sugars and sugar confectionary (63.86%)
CHL->HND	63	Other textile articles (0.31%)
CHL->SLV	17	Sugars and sugar confectionary (69.65%)
CRI->CHL	44	Wood & articles of wood (13.85%)
GTM->CHL	44	Wood & articles of wood (17.56%)
HND->CHL	44	Wood & articles of wood (4.01%)
SLV->CHL	48	Paper and articles of paper (8.66%)

## Chile-China

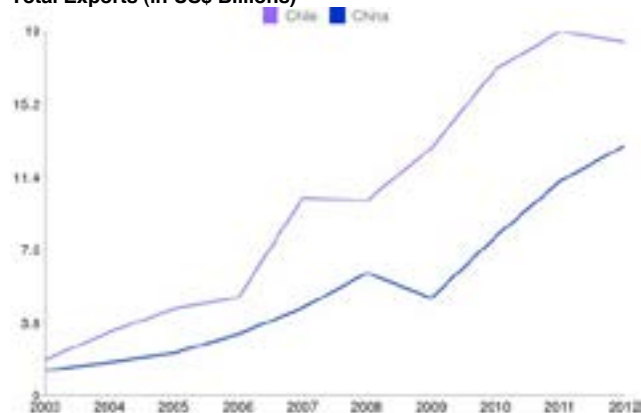
### Partners in the Agreement (Average MFN Tariff)

Chile (5.98%)   China (9.69%)

Signature: November 18, 2005 | Entry into Force: October 1, 2006

### Intra Agreement Trade

#### Total Exports (in US\$ Billions)

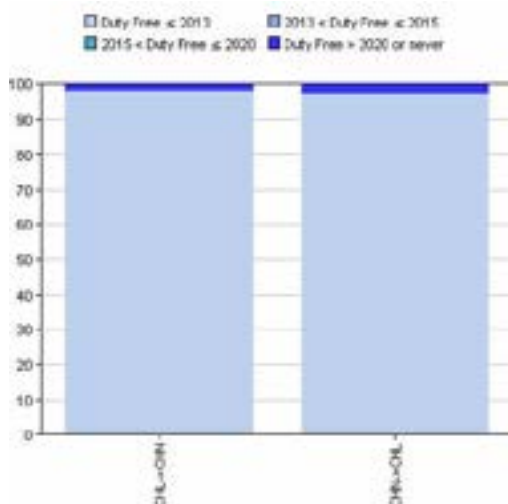


#### Exports to Agreement Members as % of Total Exports

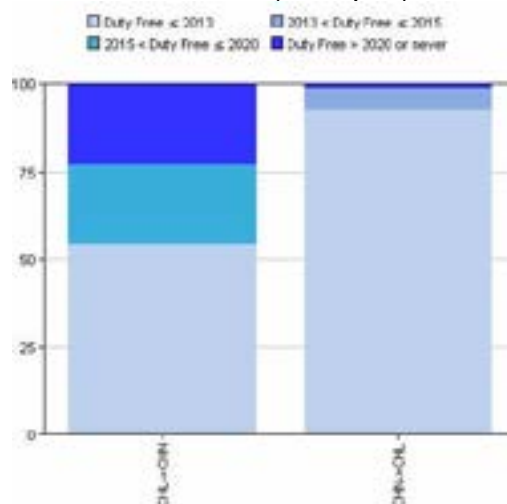
	(2005)	(2012)
Chile	11.37%	23.22%
China	0.28%	0.62%
Total	0.82%	1.43%

### Tariff Liberalization

#### % of Tariff Lines



#### % of Trade (2012 Imports)





### Overlapping Agreements in the Spaghetti Bowl

	Share of World GDP
Agreement Partners	7.67%
Third parties in common to both	0.95%
Third parties in common to one	77.08%

### Tariff Rate Quotas

Country	Number of TRQ	Total Tariff Lines
---------	---------------	--------------------

None

### Rules of Origin Qualification Criteria

Criteria	Percentage of Subheadings
----------	---------------------------

Change of Tariff Classification	12.04%
Value Requirement	87.96%

### Principal Products Traded Intra-Agreement (2012)

Country	Chapter	Description (% of Total Intra-Agreement Exports)
Chile	74	Copper & articles thereof (57.54%)
China	85	Electrical machinery and equipment and parts thereof; sound recorders... (13.01%)

### Top Excluded Chapter (2012)

#### Rep.->Partner Chapter Description (% of Total Imports)

CHL->CHN	85	Electrical machinery (16.41%)
CHN->CHL	28	Inorganic chemicals (0.55%)

## Chile-European Union

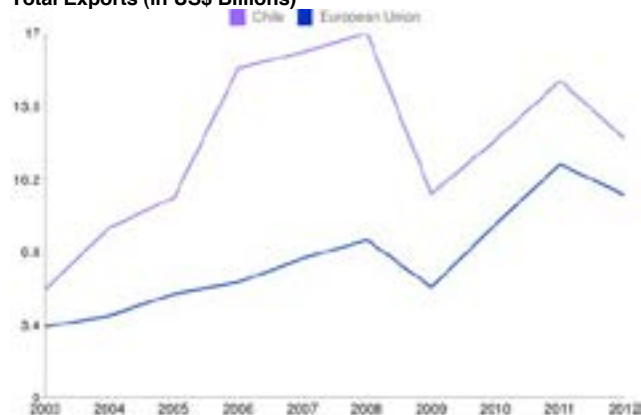
### Partners in the Agreement (Average MFN Tariff)

Chile (5.98%) European Union (4.95%)

Signature: November 18, 2002 | Entry into Force: February 1, 2003

### Intra Agreement Trade

#### Total Exports (in US\$ Billions)

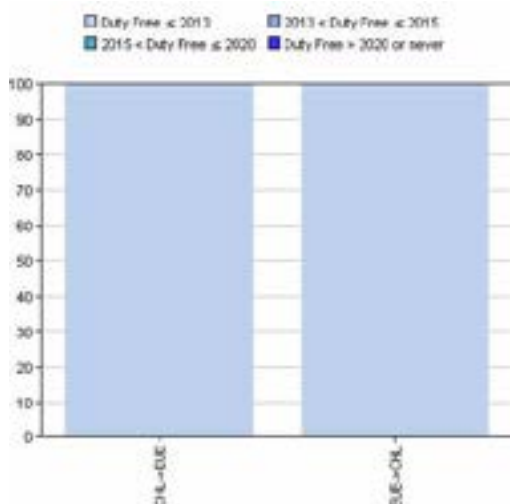


#### Exports to Agreement Members as % of Total Exports

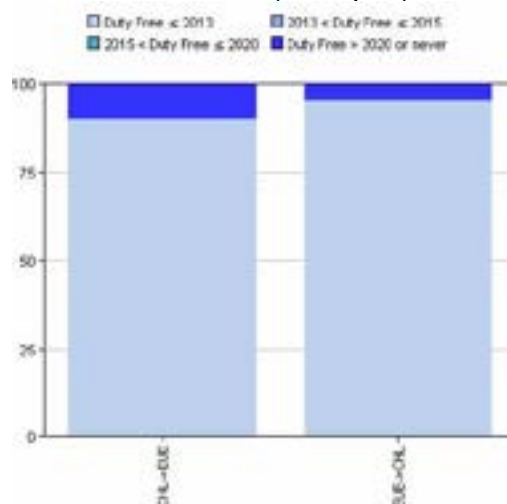
	(2002)	(2012)
Chile	24.44%	15.29%
European Union	0.36%	0.49%
Total	0.87%	1.06%

### Tariff Liberalization

#### % of Tariff Lines



#### % of Trade (2012 Imports)







### Overlapping Agreements in the Spaghetti Bowl

#### Share of World GDP

Agreement Partners	29.87%
Third parties in common to all	2.38%
Third parties in common to one or more	53.68%

Country	Tariff Rate Quotas	
	Number of TRQ	Total Tariff Lines
Chile	5	32
European Union	13	293

Rules of Origin Qualification Criteria	
Criteria	Percentage of Subheadings
Change of Tariff Classification	57.65%
Exception to the Tariff Change	2.92%
Value Requirement	29.29%
Other Requirements	15.82%
Wholly Obtained	7.48%

### Principal Products Traded Intra-Agreement (2012)

Country	Chapter	Description (% of Total Intra-Agreement Exports)
Chile	74	Copper & articles thereof (39.01%)

### Top Excluded Chapter (2012)

#### Rep.->Partner Chapter Description (% of Total Imports)

CHL->EUE	27	Mineral fuels and oils (2.97%)
EUE->CHL	03	Fish and crustaceans (2.55%)

## Chile–Republic of Korea

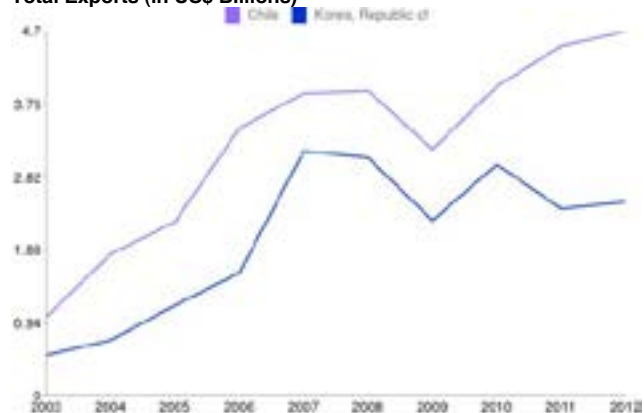
### Partners in the Agreement (Average MFN Tariff)

■ Chile (5.98%) ■ Korea, Republic of (12.15%)

**Signature:** February 15, 2003 | **Entry into Force:** April 1, 2004

### Intra Agreement Trade

#### Total Exports (in US\$ Billions)

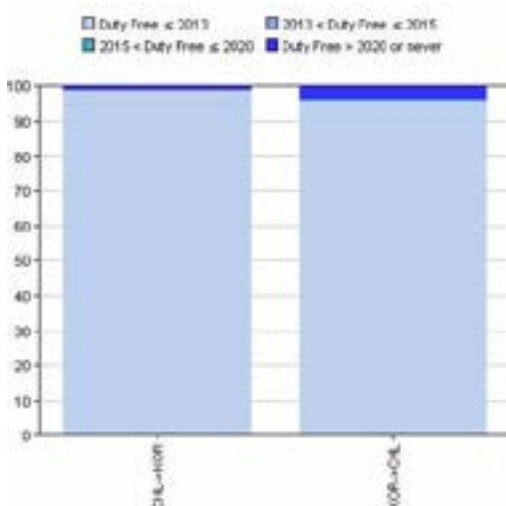


#### Exports to Agreement Members as % of Total Exports

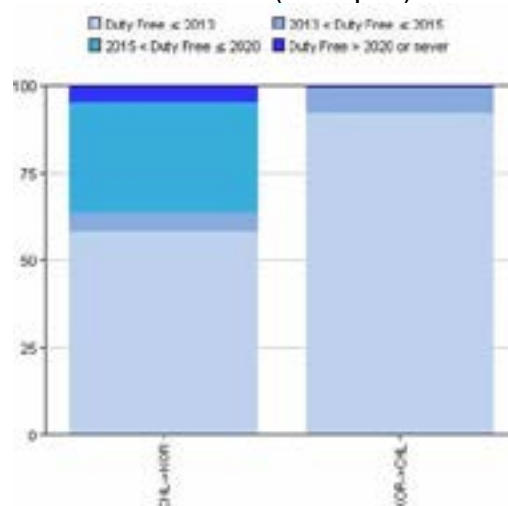
	(2003)	(2012)
Chile	5.01%	6.04%
Korea, Republic of	0.27%	0.45%
Total	0.71%	1.14%

### Tariff Liberalization

#### % of Tariff Lines



#### % of Trade (2012 Imports)





### Overlapping Agreements in the Spaghetti Bowl

Agreement Partners	Share of World GDP
Third parties in common to both	53.80%
Third parties in common to one	32.14%

Country	Tariff Rate Quotas	
	Number of TRQ	Total Tariff Lines
Korea, Republic of	7	25

Rules of Origin Qualification Criteria	
Criteria	Percentage of Subheadings
Change of Tariff Classification	99.41%
Exception to the Tariff Change	22.26%
Value Requirement	9.43%
Other Requirements	5.77%

Principal Products Traded Intra-Agreement (2012)		
Country	Chapter	Description (% of Total Intra-Agreement Exports)
Chile	74	Copper & articles thereof (41.86%)
Korea, Republic of	87	Vehicles other than railway or tramway rolling- stock,and parts and ac... (53.65%)

Top Excluded Chapter (2012)		
Rep.->Partner	Chapter	Description (% of Total Imports)
CHL->KOR	85	Electrical machinery (1.98%)
KOR->CHL	08	Edible fruits and nuts (0.09%)

## Chile - Mexico

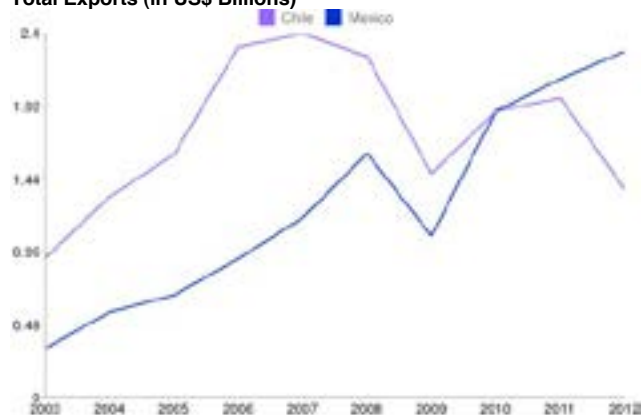
### Partners in the Agreement (Average MFN Tariff)

Chile (5.98%) Mexico (6.05%)

Signature: April 17, 1998 | Entry into Force: August 1, 1999

### Intra Agreement Trade

#### Total Exports (in US\$ Billions)

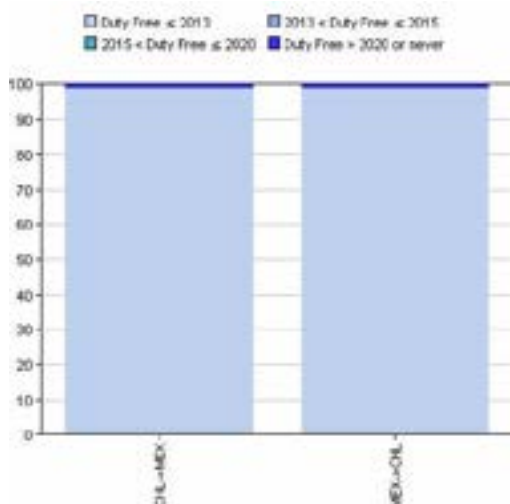


#### Exports to Agreement Members as % of Total Exports

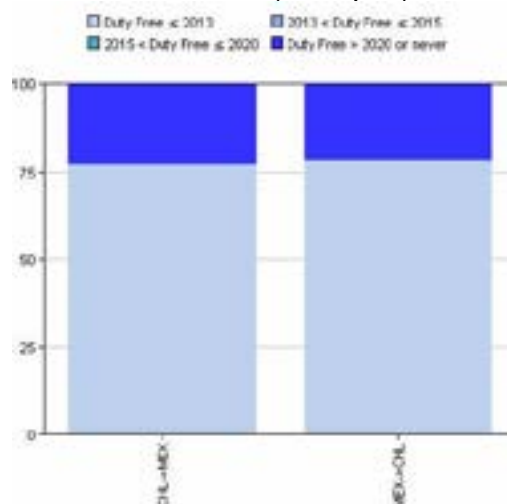
	(1998)	(2012)
Chile	3.31%	1.77%
Mexico	0.53%	0.61%
Total	0.84%	0.81%

### Tariff Liberalization

#### % of Tariff Lines



#### % of Trade (2012 Imports)




**Overlapping Agreements in the Spaghetti Bowl**

	Share of World GDP
Agreement Partners	2.08%
Third parties in common to both	65.53%
Third parties in common to one	16.66%

**Tariff Rate Quotas**  
**Country Number of TRQ Total Tariff Lines**

None

**Rules of Origin Qualification Criteria**  
**Criteria Percentage of Subheadings**

Change of Tariff Classification	99.36%
Exception to the Tariff Change	19.73%
Value Requirement	2.76%
Other Requirements	0.12%

**Principal Products Traded Intra-Agreement (2012)**

Country	Chapter	Description (% of Total Intra-Agreement Exports)
Chile	44	Wood & articles of wood (16.89%)
Mexico	85	Electrical machinery (25.39%)

**Top Excluded Chapter (2012)**
**Rep.->Partner Chapter Description (% of Total Imports)**

CHL->MEX	85	Electrical machinery (21.21%)
MEX->CHL	44	Wood & articles of wood (9.54%)

## Chile-USA

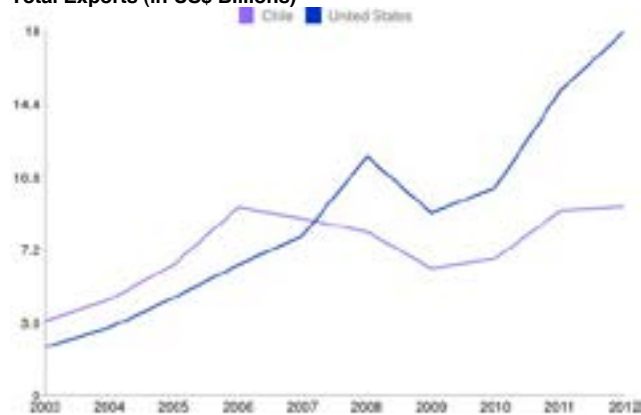
### Partners in the Agreement (Average MFN Tariff)

Chile (5.98%) United States (4.29%)

Signature: June 6, 2003 | Entry into Force: January 1, 2004

### Intra Agreement Trade

#### Total Exports (in US\$ Billions)

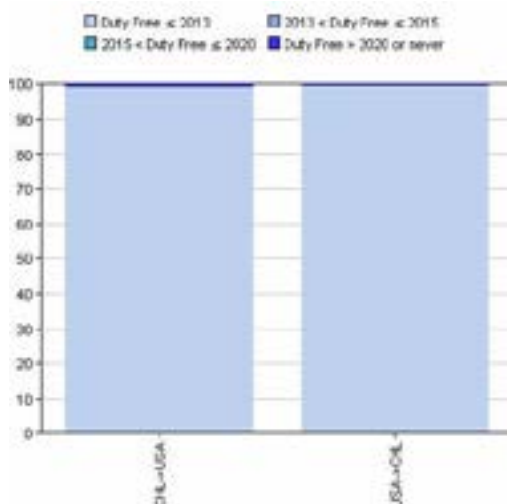


#### Exports to Agreement Members as % of Total Exports

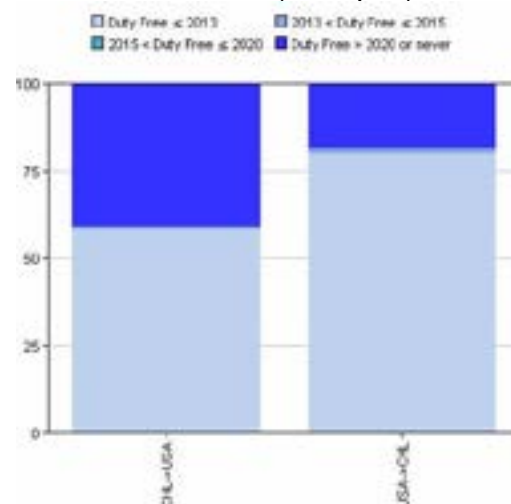
	(2003)	(2012)
Chile	17.78%	11.71%
United States	0.37%	1.28%
Total	0.91%	1.84%

### Tariff Liberalization

#### % of Tariff Lines



#### % of Trade (2012 Imports)





### Overlapping Agreements in the Spaghetti Bowl

Agreement Partners	Share of World GDP
Third parties in common to both	8.60%
Third parties in common to one	52.44%

Country	Tariff Rate Quotas	
	Number of TRQ	Total Tariff Lines
Chile	2	10
United States	17	186

Rules of Origin Qualification Criteria	
Criteria	Percentage of Subheadings
Change of Tariff Classification	99.98%
Exception to the Tariff Change	32.43%
Value Requirement	2.75%
Other Requirements	8.27%
Wholly Obtained	0.02%

### Principal Products Traded Intra-Agreement (2012)

Country	Chapter	Description (% of Total Intra-Agreement Exports)
Chile	74	Copper & articles thereof (36.89%)
United States	27	Mineral fuels and oils (34.84%)

### Top Excluded Chapter (2012)

Rep.->Partner	Chapter	Description (% of Total Imports)
CHL->USA	27	Mineral fuels and oils (35.11%)
USA->CHL	03	Fish and crustaceans (10.04%)

## Colombia-Chile

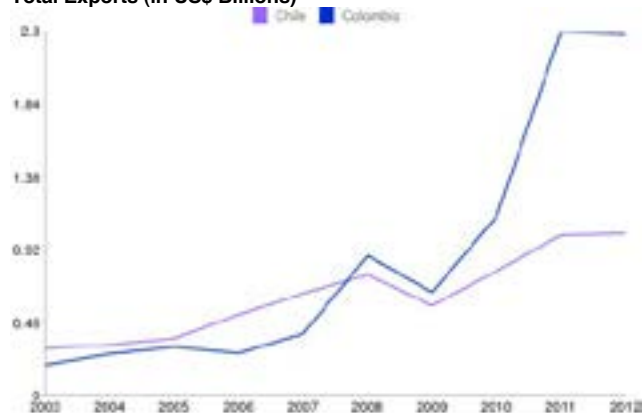
### Partners in the Agreement (Average MFN Tariff)

Chile (5.98%) Colombia (6.51%)

Signature: December 6, 1993 | Entry into Force: December 6, 1993

### Intra Agreement Trade

#### Total Exports (in US\$ Billions)

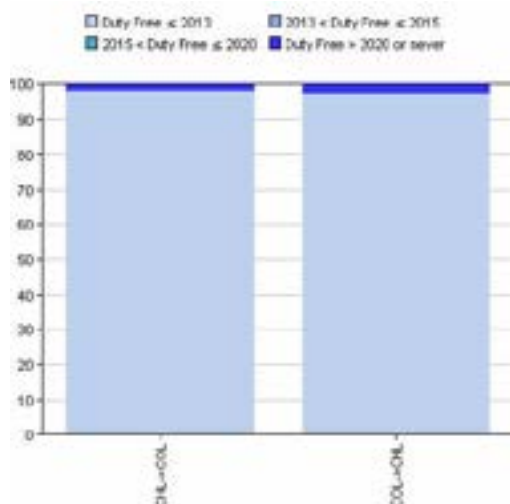


#### Exports to Agreement Members as % of Total Exports

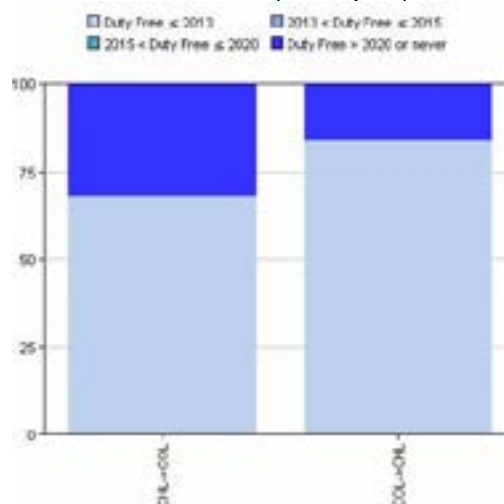
	(1995)	(2012)
Chile	1.15%	1.28%
Colombia	1.42%	3.65%
Total	1.25%	2.32%

### Tariff Liberalization

#### % of Tariff Lines



#### % of Trade (2012 Imports)







### Overlapping Agreements in the Spaghetti Bowl

	Share of World GDP
Agreement Partners	0.68%
Third parties in common to both	62.47%
Third parties in common to one	21.30%

### Tariff Rate Quotas

Country	Number of TRQ	Total Tariff Lines
---------	---------------	--------------------

None

### Rules of Origin Qualification Criteria

Criteria	Percentage of Subheadings
----------	---------------------------

Change of Tariff Classification	98.26%
Exception to the Tariff Change	2.41%
Value Requirement	0.36%
Other Requirements	1.55%

### Principal Products Traded Intra-Agreement (2012)

Country	Chapter	Description (% of Total Intra-Agreement Exports)
Chile	08	Edible fruits and nuts (13.83%)
Colombia	27	Mineral fuels and oils (76.89%)

### Top Excluded Chapter (2012)

#### Rep.->Partner Chapter Description (% of Total Imports)

CHL->COL	27	Mineral fuels and oils (22.97%)
COL->CHL	44	Wood & articles of wood (5.01%)

## Colombia-Northern Triangle

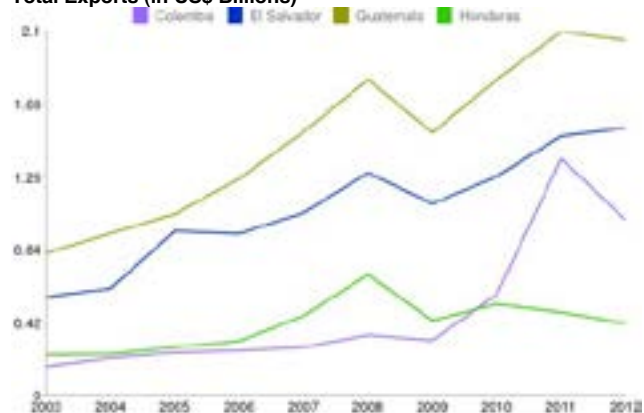
### Partners in the Agreement (Average MFN Tariff)

Colombia (6.51%) El Salvador (6.19%) Guatemala (5.93%) Honduras (6.08%)

Signature: August 9, 2007 | Entry into Force: Not yet into force

### Intra Agreement Trade

#### Total Exports (in US\$ Billions)

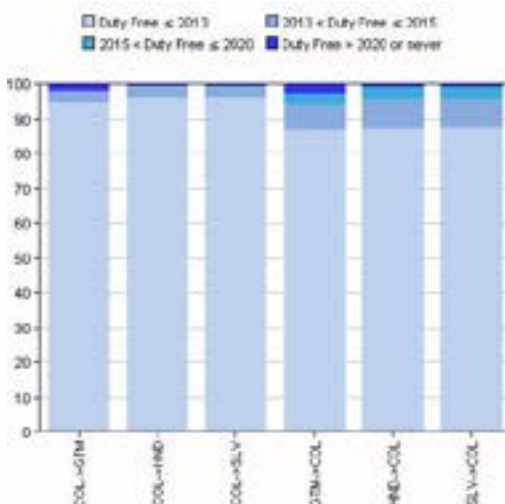


#### Exports to Agreement Members as % of Total Exports

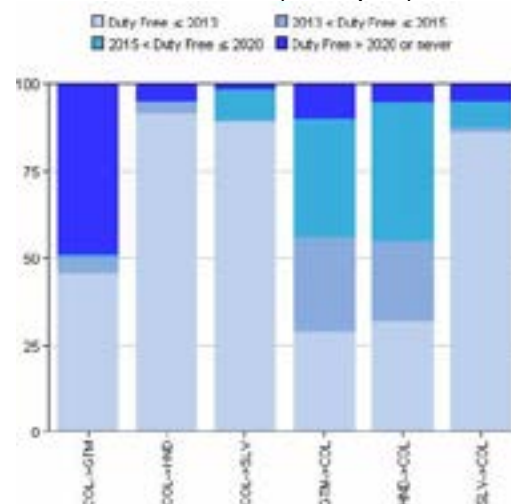
	(1995)	(2012)
Colombia	0.73%	1.62%
Guatemala	20.70%	19.42%
Honduras	2.33%	8.41%
El Salvador	18.20%	27.76%
Total	5.63%	6.01%

### Tariff Liberalization

#### % of Tariff Lines



#### % of Trade (2012 Imports)





### Overlapping Agreements in the Spaghetti Bowl

#### Share of World GDP

Agreement Partners	0.51%
Third parties in common to all	25.40%
Third parties in common to one or more	37.92%

### Tariff Rate Quotas

Country	Number of TRQ	Total Tariff Lines
---------	---------------	--------------------

None

### Rules of Origin Qualification Criteria

Criteria	Percentage of Subheadings
Change of Tariff Classification	98.1%
Exception to the Tariff Change	6.46%
Value Requirement	0.7%
Other Requirements	1.11%

### Principal Products Traded Intra-Agreement (2012)

Country	Chapter	Description (% of Total Intra-Agreement Exports)
Colombia	27	Mineral fuels and oils (54.43%)
El Salvador	61	Knitted apparel (11.45%)
Guatemala	39	Plastics & articles thereof (6.59%)
Honduras	15	Animal or veg. fats & oils (17.99%)

### Top Excluded Chapter (2012)

Rep.->Partner	Chapter	Description (% of Total Imports)
COL->GTM	40	Rubber & articles thereof (46.82%)
COL->HND	68	Articles of stone (2.60%)
COL->SLV	85	Electrical machinery (0.54%)
GTM->COL	38	Miscellaneous chemicals (3.24%)
HND->COL	38	Miscellaneous chemicals (3.69%)
SLV->COL	38	Miscellaneous chemicals (1.31%)

## Common Market of the South-Bolivia

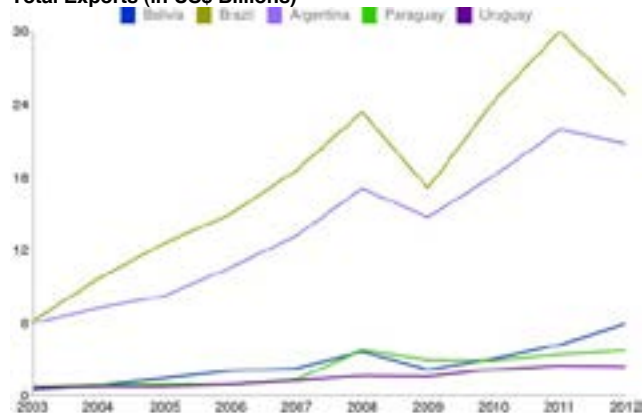
### Partners in the Agreement (Average MFN Tariff)

Argentina (15.94%)   Bolivia (10.63%)   Brazil (11.61%)   Paraguay (8.81%)  
Uruguay (9.43%)

Signature: December 17, 1996 | Entry into Force: February 28, 1997

### Intra Agreement Trade

#### Total Exports (in US\$ Billions)

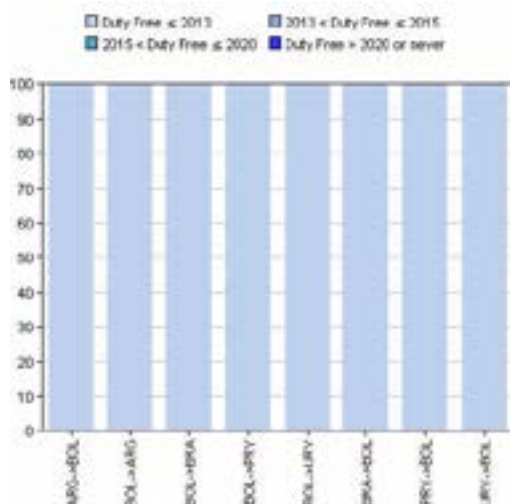


#### Exports to Agreement Members as % of Total Exports

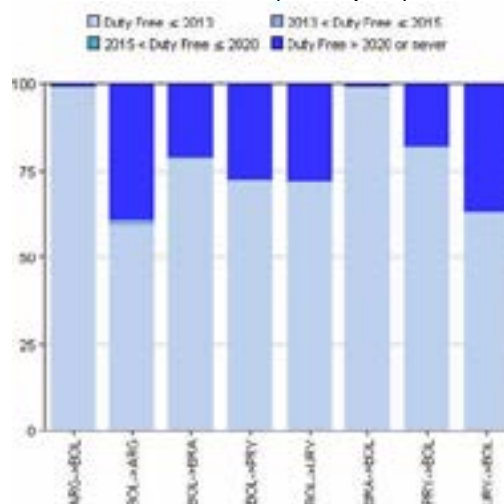
	(1996)	(2012)
Argentina	34.50%	25.94%
Bolivia	15.18%	49.51%
Brazil	16.41%	10.13%
Paraguay	63.59%	50.03%
Uruguay	48.06%	27.01%
Total	23.69%	16.31%

### Tariff Liberalization

#### % of Tariff Lines



#### % of Trade (2012 Imports)





### Overlapping Agreements in the Spaghetti Bowl

	Share of World GDP
Agreement Partners	3.33%
Third parties in common to all	0.97%
Third parties in common to one or more	2.30%

Tariff Rate Quotas		
Country	Number of TRQ	Total Tariff Lines
Argentina	2	2

Rules of Origin Qualification Criteria	
Criteria	Percentage of Subheadings
Change of Tariff Classification	57.86%
Value Requirement	32.93%
Other Requirements	21.94%

### Principal Products Traded Intra-Agreement (2012)

Country	Chapter	Description (% of Total Intra-Agreement Exports)
Argentina	87	Vehicles (36.93%)
Bolivia	27	Mineral fuels and oils (96.84%)
Brazil	87	Vehicles (30.88%)
Paraguay	27	Mineral fuels and oils (62.32%)
Uruguay	39	Plastics & articles thereof (11.44%)

### Top Excluded Chapter (2012)

Rep.->Partner	Chapter	Description (% of Total Imports)
ARG->BOL	44	Wood & articles of wood (0.16%)
BOL->ARG	27	Mineral fuels and oils (24.03%)
BOL->BRA	27	Mineral fuels and oils (9.60%)
BOL->PRY	38	Miscellaneous chemicals (14.82%)
BOL->URY	38	Miscellaneous chemicals (22.47%)
BRA->BOL	08	Edible fruits and nuts (0.05%)
PRY->BOL	19	Preparations of cereals (7.55%)
URY->BOL	44	Wood & articles of wood (17.92%)

## Common Market of the South-Chile

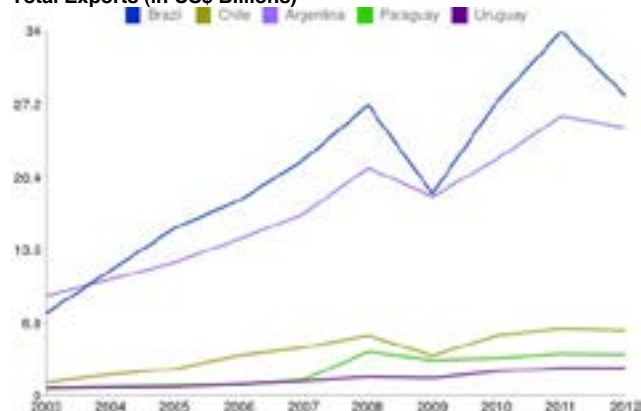
### Partners in the Agreement (Average MFN Tariff)

Argentina (15.94%)	Brazil (11.61%)	Chile (5.98%)	Paraguay (8.81%)
Uruguay (9.43%)			

**Signature:** June 25, 1996 | **Entry into Force:** October 1, 1996

### Intra Agreement Trade

#### Total Exports (in US\$ Billions)

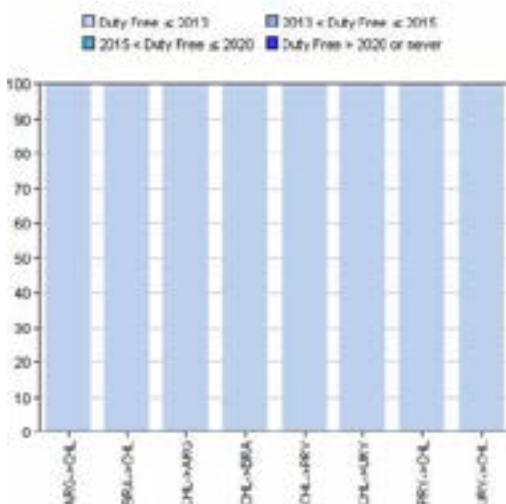


#### Exports to Agreement Members as % of Total Exports

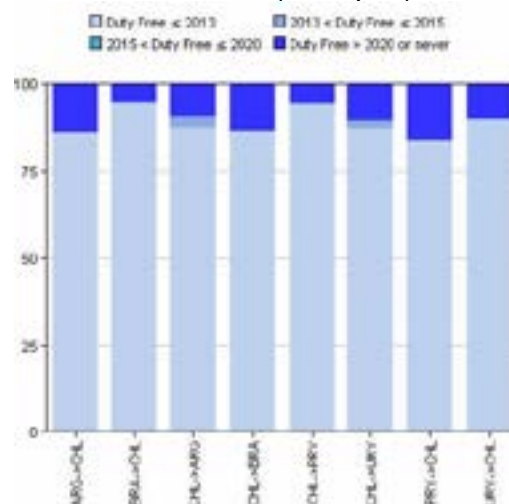
	(1995)	(2012)
Argentina	39.33%	31.27%
Brazil	15.83%	11.44%
Chile	10.79%	7.76%
Paraguay	60.82%	51.38%
Uruguay	48.94%	29.14%
Total	21.83%	15.62%

### Tariff Liberalization

#### % of Tariff Lines



#### % of Trade (2012 Imports)





### Overlapping Agreements in the Spaghetti Bowl

	Share of World GDP
Agreement Partners	3.60%
Third parties in common to all	0.71%
Third parties in common to one or more	80.14%

### Tariff Rate Quotas

Country	Number of TRQ	Total Tariff Lines
---------	---------------	--------------------

Argentina	4	4
Brazil	12	19
Chile	22	67
Paraguay	2	2
Uruguay	1	1

### Rules of Origin Qualification Criteria

Criteria	Percentage of Subheadings
----------	---------------------------

Change of Tariff Classification	56.51%
Value Requirement	32.95%
Other Requirements	21.29%

### Principal Products Traded Intra-Agreement (2012)

Country	Chapter	Description (% of Total Intra-Agreement Exports)
Argentina	87	Vehicles (31.31%)
Brazil	87	Vehicles (30.06%)
Chile	74	Copper & articles thereof (32.88%)
Paraguay	27	Mineral fuels and oils (59.68%)
Uruguay	39	Plastics & articles thereof (10.95%)

### Top Excluded Chapter (2012)

Rep.->Partner	Chapter	Description (% of Total Imports)
ARG->CHL	48	Paper and articles of paper (4.94%)
BRA->CHL	03	Fish and crustaceans (1.62%)
CHL->ARG	38	Miscellaneous chemicals (1.41%)
CHL->BRA	85	Electrical machinery (2.79%)
CHL->PRY	44	Wood & articles of wood (3.32%)
CHL->URY	44	Wood & articles of wood (4.62%)
PRY->CHL	27	Mineral fuels and oils (4.90%)
URY->CHL	48	Paper and articles of paper (2.20%)

## Dominican Republic-Central American Free Trade Agreement

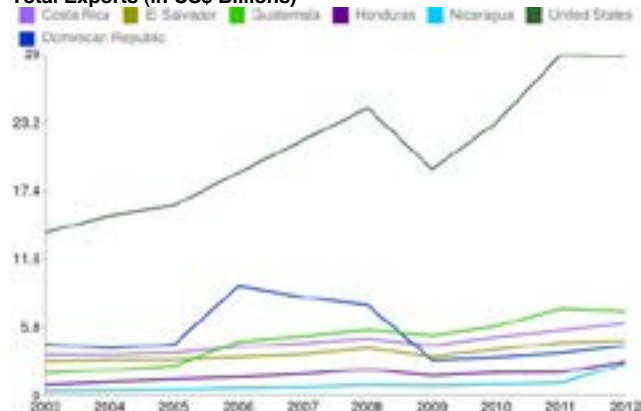
### Partners in the Agreement (Average MFN Tariff)

Costa Rica (6.36%)	Dominican Republic (7.55%)	El Salvador (6.19%)	Guatemala (5.93%)
Honduras (6.08%)	Nicaragua (6.04%)	United States (4.29%)	

**Signature:** August 5, 2004 | **Entry into Force:** Costa Rica: July 3, 2007; El Salvador: December 17, 2004; United States: June 30, 2005; Guatemala: March 10, 2005; Honduras: March 3, 2005; Dominican Republic: 2006

### Intra Agreement Trade

#### Total Exports (in US\$ Billions)

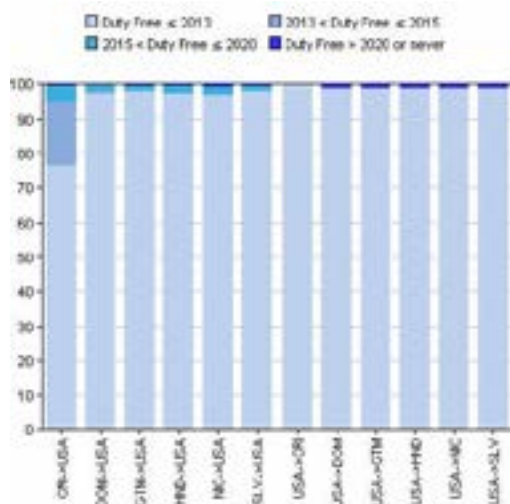


#### Exports to Agreement Members as % of Total Exports (2005) (2012)

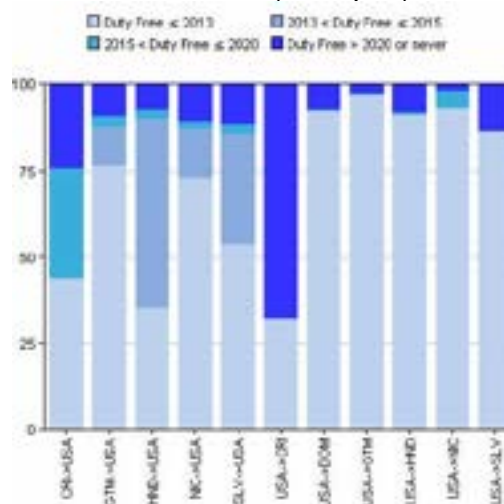
Costa Rica	53.72%	53.39%
Dominican Republic	37.28%	60.20%
Guatemala	73.61%	69.29%
Honduras	71.12%	59.54%
Nicaragua	66.39%	58.54%
El Salvador	88.28%	85.71%
United States	1.97%	2.08%
<b>Total</b>	<b>3.75%</b>	<b>3.97%</b>

### Tariff Liberalization

#### % of Tariff Lines



#### % of Trade (2012 Imports)







### Overlapping Agreements in the Spaghetti Bowl

#### Share of World GDP

Agreement Partners	23.58%
Third parties in common to all	–%
Third parties in common to one or more	46.53%

Country	Tariff Rate Quotas	
	Number of TRQ	Total Tariff Lines
Costa Rica	12	36
Dominican Republic	20	48
El Salvador	15	42
Guatemala	12	40
Honduras	11	32
Nicaragua	11	34
United States	42	918

Rules of Origin Qualification Criteria	
Criteria	Percentage of Subheadings
Change of Tariff Classification	98.93%
Exception to the Tariff Change	28.75%
Value Requirement	2.24%
Other Requirements	8.76%

### Principal Products Traded Intra-Agreement (2012)

Country	Chapter	Description (% of Total Intra-Agreement Exports)
Costa Rica	85	Electrical machinery (19.07%)
El Salvador	61	Knitted apparel (35.10%)
Guatemala	61	Knitted apparel (12.70%)
Honduras	85	Electrical machinery (17.89%)
Nicaragua	62	Woven apparel (23.85%)
United States	27	Mineral fuels and oils (26.22%)



### Top Excluded Chapter (2012)

#### Rep.->Partner Chapter Description (% of Total Imports)

CRI->USA	85	Electrical machinery (18.48%)
GTM->USA	85	Electrical machinery (4.80%)
HND->USA	10	Cereals (3.96%)
NIC->USA	10	Cereals (5.10%)
SLV->USA	85	Electrical machinery (3.88%)
USA->CRI	85	Electrical machinery (63.09%)
USA->DOM	30	Pharmaceutical products (1.03%)
USA->GTM	44	Wood & articles of wood (0.26%)
USA->HND	61	Knitted apparel (3.80%)
USA->NIC	04	Dairy produce, eggs and honey (0.52%)
USA->SLV	61	Knitted apparel (9.42%)

## Mexico - Bolivia

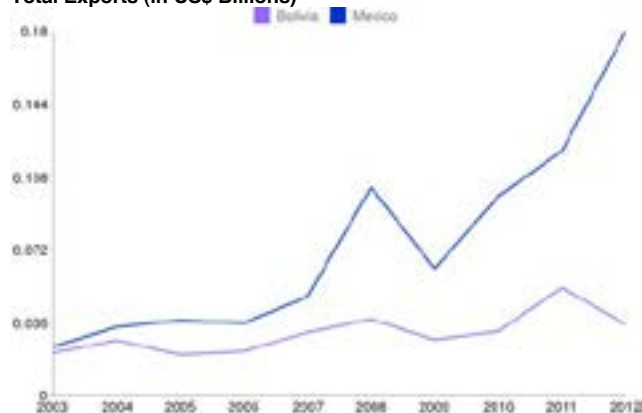
### Partners in the Agreement (Average MFN Tariff)

 Bolivia (10.63%)
  Mexico (6.05%)

Signature: September 10, 1994 | Entry into Force: January 1, 1995

### Intra Agreement Trade

#### Total Exports (in US\$ Billions)

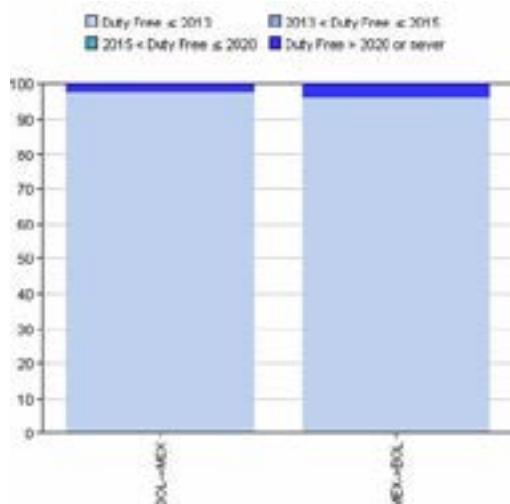


#### Exports to Agreement Members as % of Total Exports

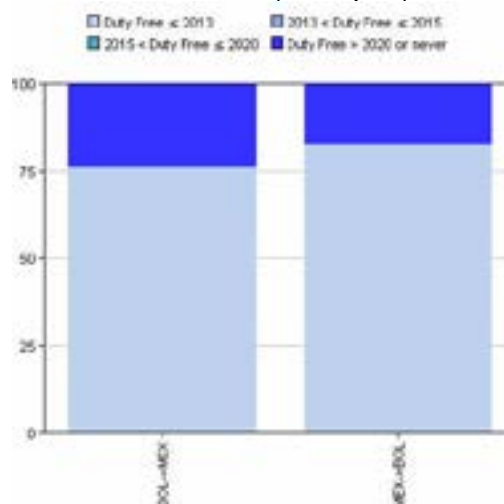
	(1995)	(2012)
Bolivia	0.10%	0.30%
Mexico	0.03%	0.05%
Total	0.03%	0.06%

### Tariff Liberalization

#### % of Tariff Lines



#### % of Trade (2012 Imports)





### Overlapping Agreements in the Spaghetti Bowl

	Share of World GDP
Agreement Partners	1.81%
Third parties in common to both	0.73%
Third parties in common to one	68.96%

### Tariff Rate Quotas

Country	Number of TRQ	Total Tariff Lines
---------	---------------	--------------------

None

### Rules of Origin Qualification Criteria

Criteria	Percentage of Subheadings
----------	---------------------------

Change of Tariff Classification	99.98%
Exception to the Tariff Change	34.67%
Value Requirement	7.92%
Other Requirements	6.09%

### Principal Products Traded Intra-Agreement (2012)

Country	Chapter	Description (% of Total Intra-Agreement Exports)
Bolivia	26	Ores, slag & ash (56.09%)
Mexico	87	Vehicles (23.45%)

### Top Excluded Chapter (2012)

#### Rep.->Partner Chapter Description (% of Total Imports)

BOL->MEX	84	Machinery and appliances (7.89%)
MEX->BOL	15	Animal or veg. fats & oils (8.47%)

## Mexico-European Union

Partners in the Agreement (Average MFN Tariff)

European Union (4.95%) Mexico (6.05%)

Signature: December 8, 2000 | Entry into Force: July 1, 2001

### Intra Agreement Trade

Total Exports (in US\$ Billions)

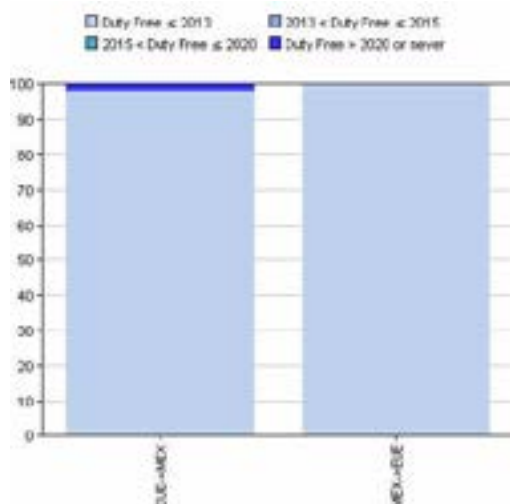


Exports to Agreement Members as  
% of Total Exports (2000) (2012)

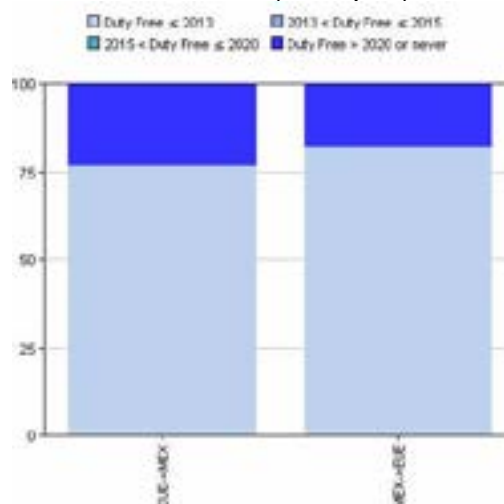
Mexico	3.47%	5.92%
European Union	1.68%	1.58%
Total	2.00%	2.29%

### Tariff Liberalization

% of Tariff Lines



% of Trade (2012 Imports)




**Overlapping Agreements in the Spaghetti Bowl**
**Share of World GDP**

Agreement Partners	31.36%
Third parties in common to all	0.68%
Third parties in common to one or more	40.49%

Country	Tariff Rate Quotas	
	Number of TRQ	Total Tariff Lines
European Union	18	54
Mexico	2	42

**Rules of Origin Qualification Criteria**

Not yet available

**Principal Products Traded Intra-Agreement (2012)**

Country	Chapter	Description (% of Total Intra-Agreement Exports)
Mexico	27	Mineral fuels and oils (30.73%)

**Top Excluded Chapter (2012)**

Rep.->Partner	Chapter	Description (% of Total Imports)
EUE->MEX	85	Electrical machinery (16.56%)
MEX->EUE	27	Mineral fuels and oils (7.83%)

## North American Free Trade Agreement

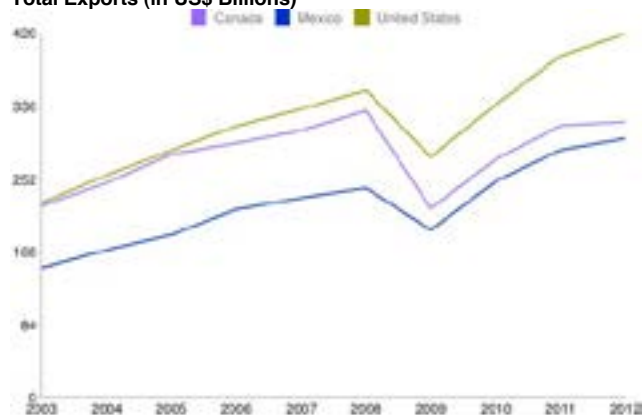
### Partners in the Agreement (Average MFN Tariff)

Canada (2.73%) Mexico (6.05%) United States (4.29%)

Signature: December 17, 1992 | Entry into Force: January 1, 1994

### Intra Agreement Trade

#### Total Exports (in US\$ Billions)

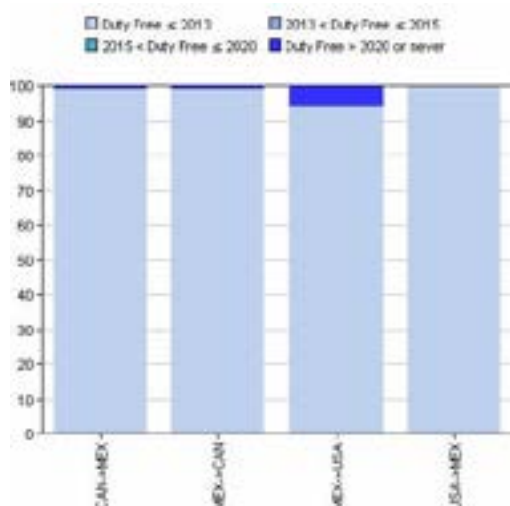


#### Exports to Agreement Members as % of Total Exports (1995) (2012)

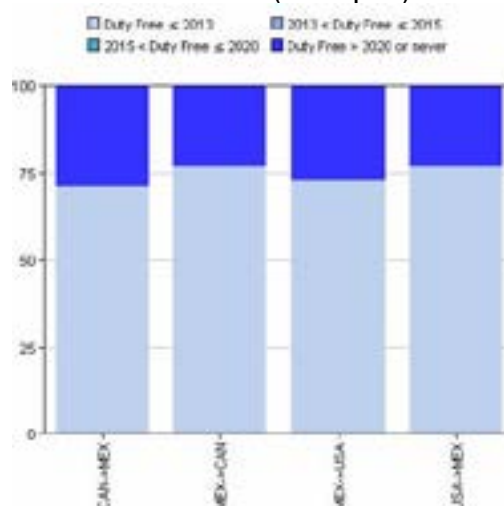
Mexico	85.93%	80.55%
United States	29.67%	30.99%
Canada	N.A.	75.36%
Total	36.42%	48.28%

### Tariff Liberalization

#### % of Tariff Lines



#### % of Trade (2012 Imports)





### Overlapping Agreements in the Spaghetti Bowl

	Share of World GDP
Agreement Partners	27.56%
Third parties in common to all	0.73%
Third parties in common to one or more	43.85%

Country	Tariff Rate Quotas	
	Number of TRQ	Total Tariff Lines
Canada	7	8
Mexico	33	53
United States	18	166

Rules of Origin Qualification Criteria	
Criteria	Percentage of Subheadings
Change of Tariff Classification	99.61%
Exception to the Tariff Change	39.25%
Value Requirement	4.41%
Other Requirements	6.75%
Wholly Obtained	0.02%

Principal Products Traded Intra-Agreement (2012)		
Country	Chapter	Description (% of Total Intra-Agreement Exports)
Canada	27	Mineral fuels, mineral oils and products of their distillation; bitumi... (33.33%)
Mexico	85	Electrical machinery (21.89%)
United States	87	Vehicles (15.36%)

Top Excluded Chapter (2012)		
Rep.->Partner Chapter		Description (% of Total Imports)
CAN->MEX	85	Electrical machinery (19.91%)
MEX->CAN	12	Oil seeds & oleaginous fruits (9.16%)
MEX->USA	27	Mineral fuels and oils (12.09%)
USA->MEX	85	Electrical machinery (10.22%)

## Panama-Chile

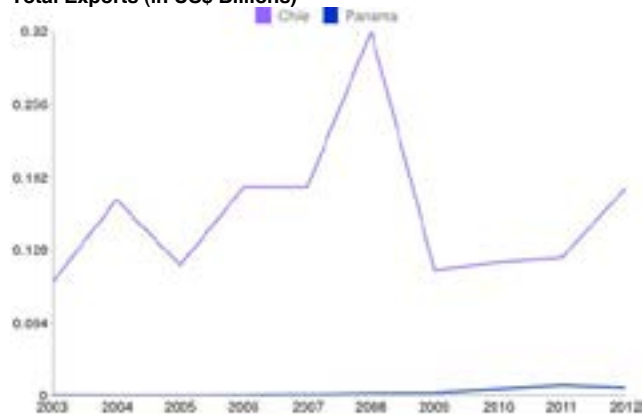
### Partners in the Agreement (Average MFN Tariff)

Chile (5.98%) Panama (7.84%)

Signature: June 27, 2006 | Entry into Force: March 27, 2008

### Intra Agreement Trade

#### Total Exports (in US\$ Billions)

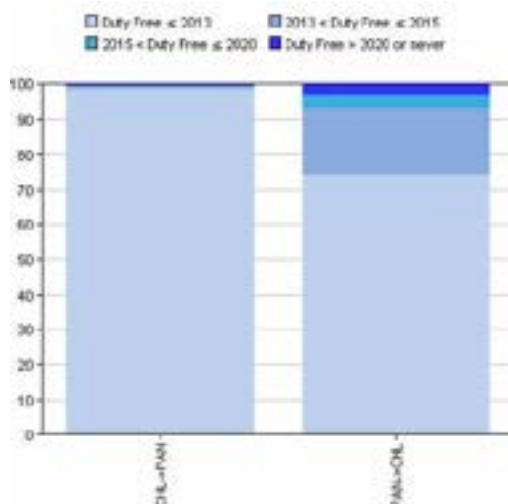


#### Exports to Agreement Members as % of Total Exports

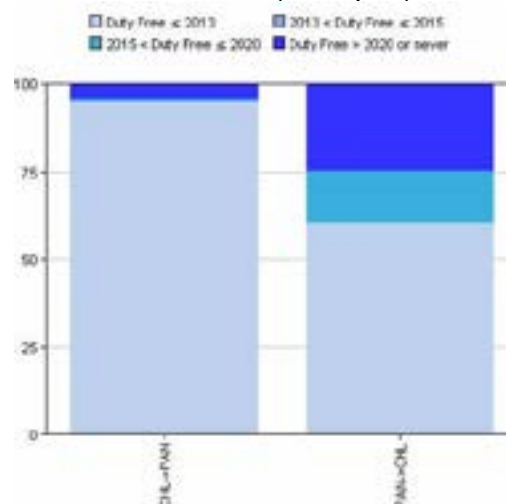
	(2007)	(2012)
Chile	0.27%	0.23%
Panama	0.14%	0.88%
Total	0.27%	0.24%

### Tariff Liberalization

#### % of Tariff Lines



#### % of Trade (2012 Imports)







### Overlapping Agreements in the Spaghetti Bowl

	Share of World GDP
Agreement Partners	0.33%
Third parties in common to both	26.46%
Third parties in common to one	57.14%

### Tariff Rate Quotas

Country	Number of TRQ	Total Tariff Lines
---------	---------------	--------------------

None

### Rules of Origin Qualification Criteria

Criteria	Percentage of Subheadings
----------	---------------------------

Change of Tariff Classification	99.92%
Exception to the Tariff Change	5.39%
Value Requirement	1.15%
Other Requirements	5.64%

### Principal Products Traded Intra-Agreement (2012)

Country	Chapter	Description (% of Total Intra-Agreement Exports)
Chile	27	Mineral fuels and oils (19.90%)
Panama	22	Beverages, spirits and vinegar (83.69%)

### Top Excluded Chapter (2012)

#### Rep.->Partner Chapter Description (% of Total Imports)

CHL->PAN	85	Electrical machinery (2.53%)
PAN->CHL	19	Preparations of cereals (5.51%)

## Panama-Singapur

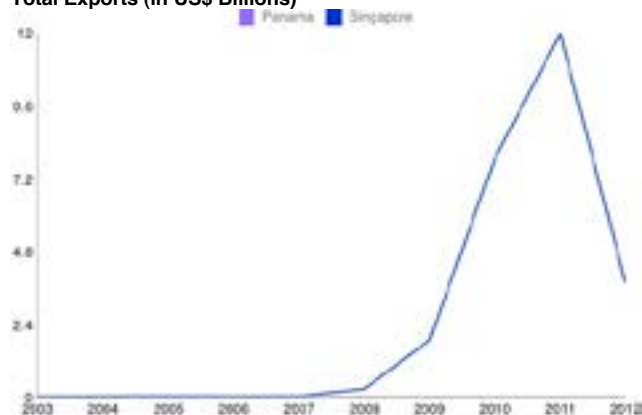
### Partners in the Agreement (Average MFN Tariff)

■ Panama (7.84%) ■ Singapore (0.00%)

Signature: | Entry into Force: July 24, 2006

### Intra Agreement Trade

#### Total Exports (in US\$ Billions)

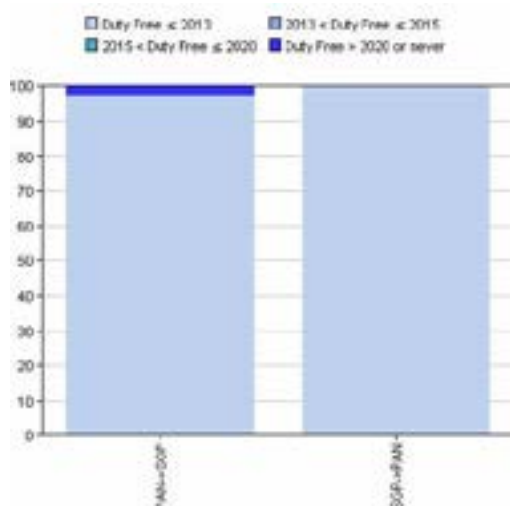


#### Exports to Agreement Members as % of Total Exports

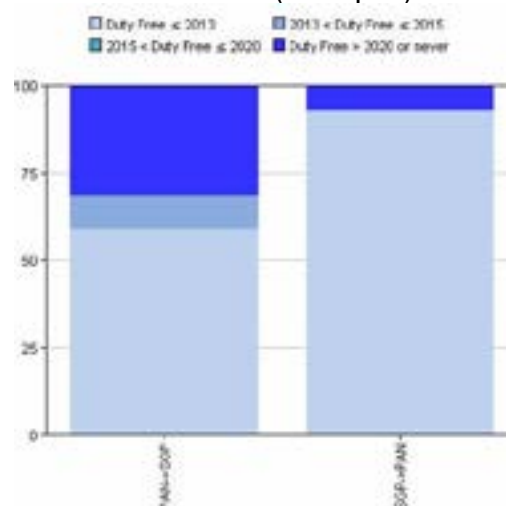
	(2005)	(2012)
Panama	0.01%	0.01%
Singapore	0.03%	0.96%
Total	0.03%	0.96%

### Tariff Liberalization

#### % of Tariff Lines



#### % of Trade (2012 Imports)




**Overlapping Agreements in the Spaghetti Bowl**

	Share of World GDP
Agreement Partners	0.35%
Third parties in common to both	23.83%
Third parties in common to one	27.24%

**Tariff Rate Quotas**  
**Country Number of TRQ Total Tariff Lines**

None

**Rules of Origin Qualification Criteria**  
 Not yet available

**Principal Products Traded Intra-Agreement (2012)**

Country	Chapter	Description (% of Total Intra-Agreement Exports)
Panama	44	Wood & articles of wood (90.91%)
Singapore	29	Organic chemicals (98.83%)

**Top Excluded Chapter (2012)**

Rep.->Partner	Chapter	Description (% of Total Imports)
PAN->SGP	85	Electrical machinery (28.81%)
SGP->PAN	85	Electrical machinery (3.56%)

## USA-Peru

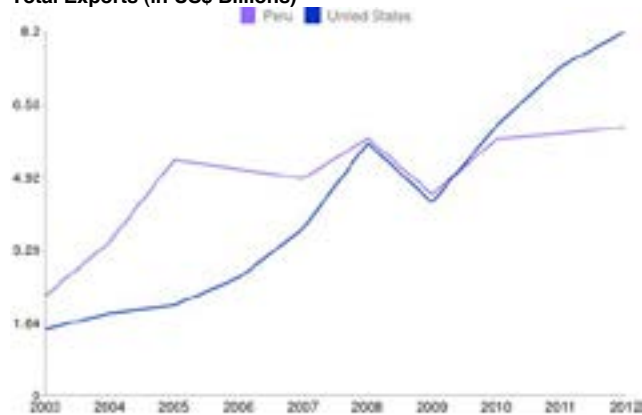
### Partners in the Agreement (Average MFN Tariff)

Peru (3.17%) United States (4.29%)

Signature: April 12, 2006 | Entry into Force: February 1, 2009

### Intra Agreement Trade

#### Total Exports (in US\$ Billions)

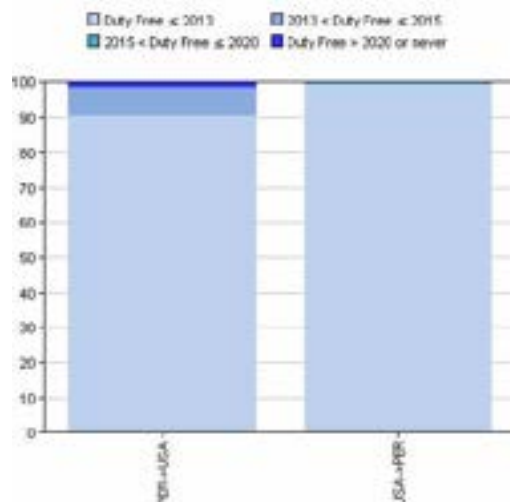


#### Exports to Agreement Members as % of Total Exports

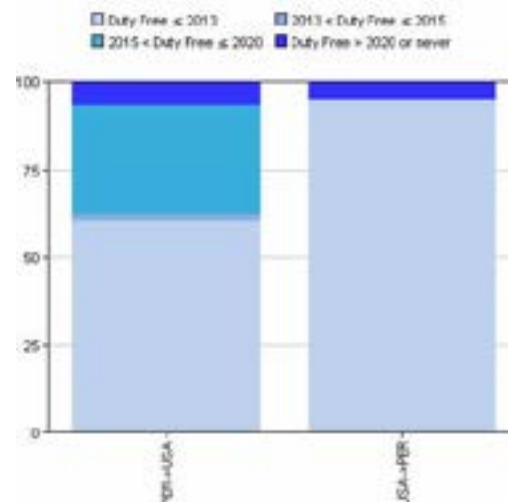
	(2008)	(2012)
Peru	18.52%	13.31%
United States	0.49%	0.61%
Total	0.96%	1.02%

### Tariff Liberalization

#### % of Tariff Lines



#### % of Trade (2012 Imports)





### Overlapping Agreements in the Spaghetti Bowl

	Share of World GDP
Agreement Partners	23.53%
Third parties in common to both	5.05%
Third parties in common to one	55.25%

Country	Tariff Rate Quotas	
	Number of TRQ	Total Tariff Lines
Peru	12	47
United States	4	129

Rules of Origin Qualification Criteria	
Criteria	Percentage of Subheadings
Change of Tariff Classification	98.94%
Exception to the Tariff Change	24.42%
Value Requirement	2.8%
Other Requirements	7.77%

### Principal Products Traded Intra-Agreement (2012)

Country	Chapter	Description (% of Total Intra-Agreement Exports)
Peru	71	Precious metals and stones (27.00%)
United States	27	Mineral fuels and oils (27.64%)

### Top Excluded Chapter (2012)

Rep.->Partner	Chapter	Description (% of Total Imports)
PER->USA	85	Electrical machinery (1.58%)
USA->PER	20	Preparations of vegetables (1.71%)

## Peru-Canada

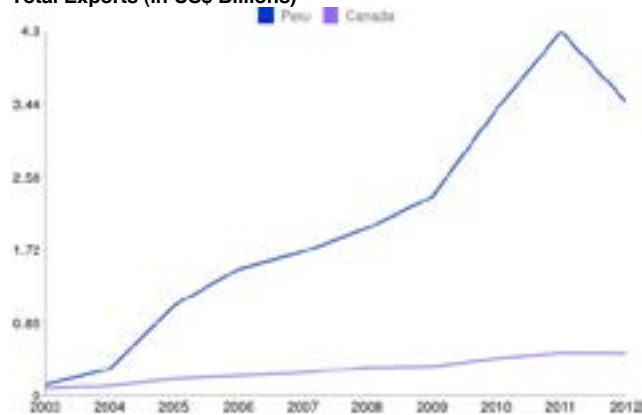
### Partners in the Agreement (Average MFN Tariff)

Canada (2.73%) Peru (3.17%)

Signature: May 29, 2008 | Entry into Force: Peru: not yet into force; Canada: August 1, 2009

### Intra Agreement Trade

#### Total Exports (in US\$ Billions)

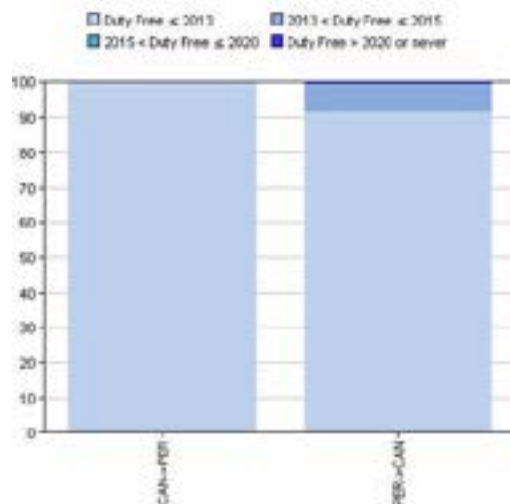


#### Exports to Agreement Members as % of Total Exports

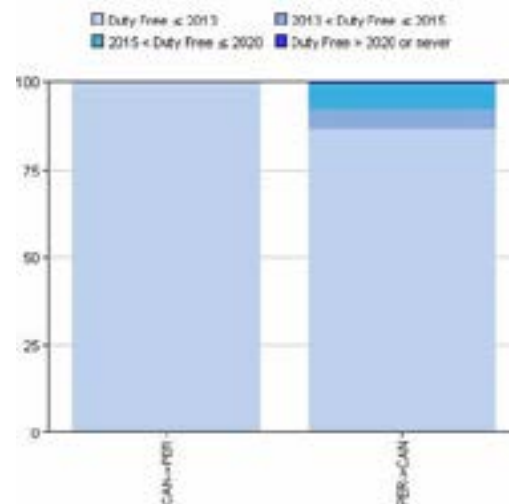
	(2008)	(2012)
Peru	6.23%	7.54%
Canada	0.08%	0.12%
Total	0.50%	0.84%

### Tariff Liberalization

#### % of Tariff Lines



#### % of Trade (2012 Imports)





### Overlapping Agreements in the Spaghetti Bowl

	Share of World GDP
Agreement Partners	2.66%
Third parties in common to both	24.09%
Third parties in common to one	54.49%

### Tariff Rate Quotas

Country	Number of TRQ	Total Tariff Lines
---------	---------------	--------------------

Canada	1	13
Peru	4	28

### Rules of Origin Qualification Criteria

Not yet available

### Principal Products Traded Intra-Agreement (2012)

Country	Chapter	Description (% of Total Intra-Agreement Exports)
Canada	10	Cereals (35.20%)
Peru	71	Precious metals and stones (78.95%)

### Top Excluded Chapter (2012)

#### Rep.->Partner Chapter Description (% of Total Imports)

CAN->PER	17	Sugars and sugar confectionary (0.00%)
PER->CAN	02	Meat and edible meat offal (0.02%)

## Trans-Pacific Strategic Economic Partnership (P4)

### Partners in the Agreement (Average MFN Tariff)

Brunei Darussalam (2.52%) Chile (5.98%) New Zealand (2.13%) Singapore (0.00%)

Signature: July 18, 2005 | Entry into Force: May 1, 2006

### Intra Agreement Trade

#### Total Exports (in US\$ Billions)

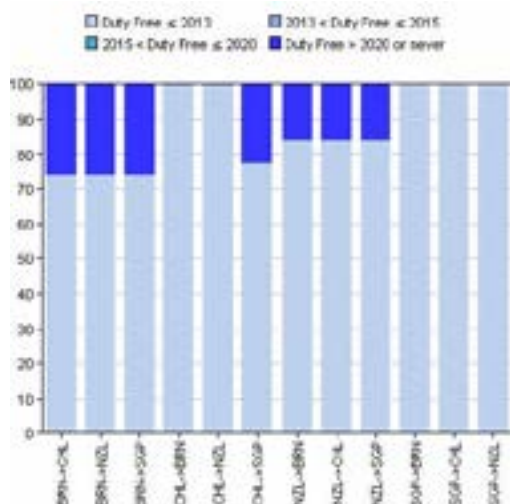


#### Exports to Agreement Members as % of Total Exports

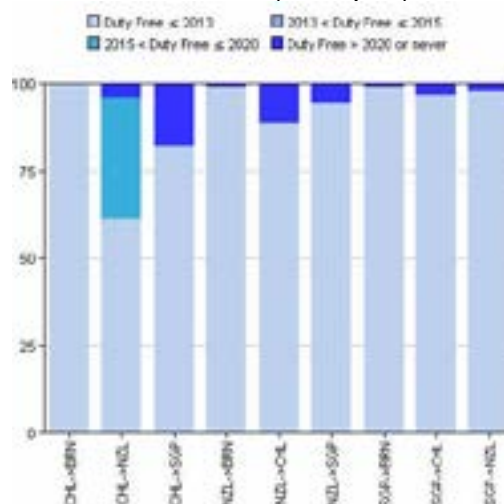
	(2005)	(2012)
Chile	0.26%	0.13%
New Zealand	1.54%	1.97%
Singapore	0.75%	0.97%
Total	0.74%	0.91%

### Tariff Liberalization

#### % of Tariff Lines



#### % of Trade (2012 Imports)







### Overlapping Agreements in the Spaghetti Bowl

	Share of World GDP
Agreement Partners	0.84%
Third parties in common to all	2.09%
Third parties in common to one or more	84.82%

### Tariff Rate Quotas

Country	Number of TRQ	Total Tariff Lines
---------	---------------	--------------------

None

### Rules of Origin Qualification Criteria

Criteria	Percentage of Subheadings
----------	---------------------------

Change of Tariff Classification	100%
Exception to the Tariff Change	6.11%
Value Requirement	16.37%
Other Requirements	5.57%

### Principal Products Traded Intra-Agreement (2012)

Country	Chapter	Description (% of Total Intra-Agreement Exports)
Chile	16	Preparations of meat or fish (18.65%)
New Zealand	27	Mineral fuels, mineral oils and products of their distillation; bitumi... (10.54%)
Singapore	27	Mineral fuels, mineral oils and products of their distillation; bitumi... (33.65%)

### Top Excluded Chapter (2012)

Rep.->Partner	Chapter	Description (% of Total Imports)
CHL->NZL	85	Electrical machinery (2.03%)
CHL->SGP	85	Electrical machinery (9.32%)
NZL->BRN	65	Headgear (0.01%)
NZL->CHL	38	Miscellaneous chemicals (3.46%)
NZL->SGP	85	Electrical machinery (3.17%)
SGP->BRN	73	Articles of iron or steel (0.12%)
SGP->CHL	03	Fish and crustaceans (1.84%)
SGP->NZL	85	Electrical machinery (0.73%)



# Data Sources and Methodological Notes

## Overview

### Figures

#### Figure 1: Gross Domestic Product

(Growth rates at constant prices, percentage, 2000–2013)

Source: IDB Integration and Trade Sector based on data from IMF-IFS.

Note: Average of national growth rates weighted by GDP in US dollars at purchasing power parity. 2013 values are estimated.

#### Figure 2: World Trade Flows at Constant Prices

(Quarterly moving average of seasonally-adjusted indices, 2005=100, January 2007–June 2013)

Source: IDB Integration and Trade Sector based on Netherlands Bureau for Economic Policy Analysis.

Note: Growth calculated on the average of imports and exports, except for LAC, where these are presented separately.

#### Figure 3: Monthly USA, EU, and Chinese Imports

(Three-month moving average of year-on-year growth rates, percentage, January 2001–July 2013)

Source: IDB Integration and Trade Sector based on IMF, USITC, EuroStat, and national data.

Chinese imports from LAC estimated based on data for 20 LAC countries selected by the IMF, and for April–June 2013 are based on INT estimation based on national data.

#### Figure 4: LAC Export Price Index

(2005=100, January 2007–June 2013)

Source: IDB Integration and Trade Sector based on Netherlands Bureau for Economic Policy Analysis.

**Figure 5: Growth of South-South Trade**

(Percentage of total world trade, 1995–2018)

Starting from bilateral exports data  $EX_{ijt}$ , which denotes exports of country  $i$  to country  $j$  at year  $t$ , where  $t \in [1995, 2011]$ , we aggregate bilateral exports as following, exports of South to country  $j$  at year  $t$ :  $EX_{Sjt} = \sum_i EX_{ijt}$  for all country  $i$  that is defined as South; exports of North to country  $j$  at year  $t$ :  $EX_{Njt} = \sum_i EX_{ijt}$  for all country  $i$  that is defined as North.

Then we calculate  $g_{djt}^{EX}$ , the growth rate of  $EX_{djt}$ , where  $d = \{S, N\}$ .

The empirical model we adopt is the following,

$$g_{djt}^{EX} = \beta_0 + \beta_1 * g_{jt}^{GDP} + \beta_2 * D_{SS} + \beta_3 * D_{SS} * g_{jt}^{GDP} + \beta_4 * D_{NN} + \beta_5 * D_{NN} * g_{jt}^{GDP} + \beta_6 * D_{NS} + \beta_7 * D_{NS} * g_{jt}^{GDP} + \epsilon_{ijt}$$

where  $g_{jt}^{GDP}$  denotes the growth rate of GDP of country  $j$  at year  $t$ ;

$D_{SS}$  is a dummy variable that is equal to 1 if region  $i$  is South and country  $j$  is a South country;

$D_{NN}$  is a dummy variable that is equal to 1 if region  $i$  is North and country  $j$  is a North country;

$D_{NS}$  is a dummy variable that is equal to 1 if region  $i$  is North and country  $j$  is a South country.

Dummy variables for each year are also included in the regression.

After estimating the above model using data from 1995 to 2011, we forecast  $g_{ijt}^{EX}$  from year 2012 to 2018 using IMF World Economic Outlook (WEO) predicted value of  $g_{ij}^{GDP}$ . Based on the forecasted exports growth rate, we calculate the export level  $EX_{ijt}$  recursively for each year between 2012 and 2018. Last, we aggregate  $EX_{ijt}$  to  $EX_{SSt}$ ,  $EX_{Snt}$ ,  $EX_{NSt}$ , and  $EX_{Nnt}$ .

Source: IDB Integration and Trade Sector based on COMTRADE data and IMF WEO (for GDP growth figures).

Note: Trade values between 2012 and 2018 are forecasts.

**Figure 6: Share of South-South Trade in Total South Exports**

(Percentage of total exports, 1995–2012)

Source: IDB Integration and Trade Sector based on COMTRADE data.

**Figure 7: Share of South Partners in Each Region's Total Exports**

(Percentage, by South region, 1995–2012)

Source: IDB Integration and Trade Sector based on COMTRADE data.

**Figure 8: Share of South-South Exports in Total Exports**

(Percentage, for selected LAC countries, 2012)

Source: IDB Integration and Trade Sector based on COMTRADE data.

**Figure 9: Sector Composition of South-South and South-North Exports**

(Percent of total exports, 1995–2011)

Sector is defined according to UNCTAD classification based on SITC Rev. 3 classification at 3-digit group level.

*Source:* IDB Integration and Trade Sector based on COMTRADE data.

**Figure 10: LAC South-South Exports Composition by Sector**

(By sub-region, 2011)

Sector is defined according to UNCTAD classification based on SITC Rev. 3 classification at 3-digit group level.

*Source:* IDB Integration and Trade Sector based on COMTRADE data.

**Figure 11: Destinations of South-South Exports**

(Percentage, 1995–2011)

*Source:* IDB Integration and Trade Sector based on COMTRADE data.

**Figure 12: Trade Complementary Index of South-South Trade**

(Index, 100=perfect complementarity, 1995–2011)

Trade complementarity index is based on the methodology in Michaely (1996). It is a measure of the potential trade between two partners by comparing the export portfolio of country  $j$  to the import portfolio of country  $i$ ,

$$TCI_{ij} = 100 * \left[ 1 - \sum_{r=1}^R \left( \frac{|m_{ri} - x_{rj}|}{2} \right) \right]$$

where  $m_{ri}$  is the share of goods  $r$  in global imports of country  $i$ ,  $x_{rj}$  is the share of goods  $r$  in global exports of country  $j$ .

The index is zero when no goods are exported by one country or imported by the other and 100 when the export and import shares exactly match.

The index is calculated on SITC Rev. 3 classification at 3-digit group level.

*Source:* IDB Integration and Trade Sector based on COMTRADE data.

*Note:* Calculated based on SITC Rev.3 3-digit products, Michaely (1996) TCI definition.

**Figure 13: Concentration of LAC South-South and South-North Trade**

(Hirschman-Herfindahl Index, LAC with selected partners, 1996–2011)

The Herfindahl Index is the simplest measure of export diversification. It is calculated as

$$h^j = \sum_{r=1}^R (S_r^j)^2$$

where  $S_r^j$  is the share of goods  $r$  in country  $j$ 's exports, and  $R$  is the number of products exported or imported.

By construction,  $h^j$  ranges from  $1/R$  to one. Following the UNCTAD's methodology, the index can be normalized to range from zero to one, in which case it is referred to as the normalized Herfindahl Index:

$$nh^j = \frac{\sqrt{h^j} - \sqrt{1/R}}{1 - \sqrt{1/R}}$$

The normalized Herfindahl Index of each country is calculated on SITC Rev. 3 classification at 3-digit group level.

*Source:* IDB Integration and Trade Sector based on COMTRADE data.

*Note:* Trade-weighted average of individual country index values.

**Figure 14: Sources of Growth in LAC Exports - Extensive and Intensive Margins**

(Percentage of export growth, 1995–2010)

In this analysis, we focus on IDB26 LAC countries. The trade data we use for this calculation is HS 6-digit bilateral export data.

We can decompose exports into the extensive and the intensive margins. The change in aggregate exports between periods  $t-1$  and  $t$ ,  $\Delta EX$  can be decomposed into two extensive margins and one intensive margin.

$$\Delta EX_t = \sum_{j \in N} EX_{j,t} - \sum_{j \in D} EX_{j,t-1} + \sum_{j \in I} \Delta EX_{j,t}$$

where  $j$  indexes HS6digit-exporter-importer trade relationships,  $N$  is the set of HS6digit-exporter-importer trade relationships newly added at period  $t$ , and  $I$  is the set of HS6digit-exporter-importer trade relationships dropped at period  $t$ , and  $D$  is the set of HS6digit-exporter-importer trade relationships kept from period  $t-1$  to  $t$ . The extensive margin is constituted by the first two terms and the intensive margin is represented by the third term.

*Source:* IDB Integration and Trade Sector based on COMTRADE data.

**Figure 15: LAC Intra-Industry Trade**

(Grubel-Lloyd Index, by partner region, 2001–2011 average)

Intra-industry trade index measures the degree to which countries import and export products of the same industry. The formula follows the standard Grubel and Lloyd Index (1975):

$$GL\_IIT_r^{ij} = 1 - \frac{|X_r^{ij} - M_r^{ij}|}{X_r^{ij} + M_r^{ij}}$$

where  $GL\_IIT_r^{ij}$  is the index of goods country-pair  $i-j$ ,  $X_r^{ij}$  is  $i$ 's exports to  $j$  of goods  $r$ , and  $M_r^{ij}$  is  $i$ 's imports from  $j$  of goods  $r$ .

Then we aggregate the index to country-pair level using trade share of each industry as weights. Last, we aggregate the index from country-pair level to region level using trade share of each country-pair as weights.

The index is calculated on SITC Rev. 3 classification at 3-digit group level.

*Source:* IDB Integration and Trade Sector based on COMTRADE data.

*Note:* Calculated using SITC Rev.3 3dig trade data, Grubel and Lloyd (1975).

**Figure 16: Sector Decomposition of LAC South-South Exports**

(Intra-LAC vs. LAC-Asia, 1995–2011)

Sector is defined according to UNCTAD classification based on SITC Rev. 3 classification at 3-digit group level.

*Source:* IDB Integration and Trade Sector based on COMTRADE data.

**Figure 17: South-South, South-North and North-North Trade Costs**

(Ad valorem equivalent, percentage, 2000–2009)

The World Bank International Trade Costs dataset provides estimates of bilateral trade costs between 178 countries for the 1990–2010 period. Limiting to countries that have data of trade costs for the 2000–2009 period gives us 40 countries belong to the North and 84 countries to the South.

Arvis et al. (2013) obtain the “top down” estimates of trade costs by inferring them from the observed pattern of production and trade across countries. They include a wide range of both developing and developed countries (178) for the 1990–2010 period in the estimation.

The bilateral trade costs converted to an ad valorem equivalent is calculated by:

$$t_{ij} = t_{ji} = \left( \frac{\tau_{ij} \tau_{ji}}{\tau_{ii} \tau_{jj}} \right)^{\frac{1}{2}} - 1 = \left( \frac{X_{ii} X_{jj}}{X_{ij} X_{ji}} \right)^{\frac{1}{2(\sigma-1)}} - 1,$$

where  $X$  represents trade between two countries ( $i$  to  $j$  or  $j$  to  $i$ ) or within countries (goods produced and sold in  $i$  and goods produced and sold in  $j$ ).  $\sigma$  is the elasticity of substitution and  $\tau$  represents “ice-berg” trade costs.

The measure of trade cost  $t_{ij}$  represents the geometric average of international trade costs between countries  $i$  and  $j$  relative to domestic trade costs within each country. Intuitively, trade costs are higher when countries tend to trade more with themselves than with each other. It is an all-inclusive measure in the sense that it uses theory to infer trade costs from the observed pattern of trade and production across countries. It includes both observable and unobservable factors. Tariffs and traditional non-tariff measures are only one component of the overall measure. It also includes transport costs, behind-the border barriers, and costs linked to the performance of trade logistics and facilitation services.

The regression analyses in Arvis et al. (2013) show that the observable trade cost proxies only account for around 50% to 60% of the observed variation in trade costs. The rest is due to unobservable factors. The magnitude of trade costs is not unique of this dataset. Indeed, Anderson and Van Wincoop (2004) estimate that the representative level of trade costs of a typical developed country is 170%, which consists of 21% transportation costs, 44% border-related trade barriers, and 55% wholesale and retail distribution costs ( $2.70 = 1.21 \times 1.44 \times 1.55$ ).

Source: IDB Integration and Trade Sector based on WB Trade Cost Dataset.

Note: 40 countries of the North; 84 countries of the South.

**Figure 18: Intra-region and Inter-region Trade Costs**

(Ad valorem equivalent, percentage, 2000–2009)

Source: IDB Integration and Trade Sector based on World Bank Trade Cost Dataset.

**Figure 19: Effective Applied Tariff Including Preferences**

(Tariff faced, ad valorem equivalent, percentage, 1995–2011)

Source: IDB Integration and Trade Sector based on TRAINS data.

Note: Trade-weighted average of tariff faced by exports.



**Figure 20: Maturity of Tariff Phase-out Schedules in FTAs of the Americas**

(Average percentage of tariff lines duty free, 2010–2025)

Source: IDB Integration and Trade Sector based on INTrade.

**Figure 21: Protectionist Measures Affecting LAC Exports**

(Number of measures implemented, November 2008–May 2013)

Source: IDB Integration and Trade Sector based on Global Trade Alert.

**Figure 22: Origin of Measures Affecting LAC Regions**

(Percent of measures by implementing region)

Source: IDB Integration and Trade Sector based on Global Trade Alert.

**Figure 23: New and Accumulated Protectionist Measures in LAC**

(Number of measures, November 2008–May 2013)

Source: IDB Integration and Trade Sector based on Global Trade Alert.

**Figure 24: LAC Share of Protectionist and Liberalizing Measures**

(Percentage of total world measures, November 2008–May 2013)

Source: IDB Integration and Trade Sector based on Global Trade Alert.

**Figure 25: Types of Measures Implemented by LAC Countries**

(Number and percentage world total, November 2008–May 2013)

Source: IDB Integration and Trade Sector based on Global Trade Alert.

**Figure 26: FDI Inflows in South Countries**

(Percent of total, 1990–2011)

As in Aykut and Ratha (2003), we calculate South-South FDI flows using the following equation,

$$F_{33} = I_3 - F_{13} - F_{23},$$

where  $F_{33}$  represents total FDI inflows from South country group to South country group;  $I_3$  denotes total FDI inflows to South country group from the whole world;  $F_{13}$  is total FDI inflows from high-income OECD countries to South country group; and  $F_{23}$  is total FDI inflows from high-income non-OECD countries to South country group.

The World Development Indicators (WDI) database of the World Bank provides total FDI inflows for each developing country, but it does not identify the source countries. The OECD's International Direct Investment database provides FDI outflows from OECD member countries to the South country group ( $F_{13}$ ). FDI inflows from high-income non-OECD countries ( $F_{23}$ ) are not readily available. They are approximated using the difference between total outflows of high-income non-OECD countries reported in the UNCTAD Statistics, and total inflows to high-income OECD from high-income non-OECD countries reported in the OECD database.

The South country group includes 31 developing countries for which reasonably detailed FDI data are available. These countries account for almost 90% of the total flows to developing countries. The North country group comprises 22 high-income OECD member countries. The high-income non-OECD group comprises the 30 high-income economies that are not members of the OECD.

This methodology can only measure the South-South FDI flows very roughly. It may suffer from several accuracy issues. For the detailed discussion of these problems, please refer to Aykut and Ratha (2003).

Source: IDB Integration and Trade Sector based on UNCTAD, WDI, and OECD FDI statistics.

**Figure 27: Share of Parts and Components in LAC Exports**

(Percentage of total exports, by destination, 1995–2011)

Share of parts and components in exports provides a general idea of a country's participation in international production sharing. Specially, it measures the parts and components exports (with any partner country) as a percentage of the country's total exports. It can show whether the country has a comparative advantage in the production of components.

Trade in parts and components implies that the production of a product is finished in different countries and thus can be adopted to gauge the magnitude of international production sharing. The crucial step in defining this indicator is to identify which goods belong to parts and components. For this purpose, we borrowed the list of parts and components from the academic literature and made an extra effort to make it more complete. We combined the list of parts and components from Ng and Yeats (2001), Kimura et al. (2007), and Fung et al. (2009). We also included goods that are obvious parts and components but were missed by the three studies, goods that are processed materials, and goods that can be used as both final products and parts and components.

Source: IDB Integration and Trade Sector based on INTrade/DataINTAL.

## Tables

### Table 1: Merchandise Trade by Country and Sub-region

(Billions of US dollars and percentage change, 2010–2012)

Data of Costa Rica, Dominican Republic, El Salvador, and Guatemala include special trade regime.

Data of Honduras and Nicaragua exclude special trade regime.

Data of Panama only include domestic exports and imports.

Export series of Paraguay are reviewed by the Paraguay Central Bank.

Source: IDB Integration and Trade Sector based on INTrade/DataINTAL.

Note: Positive values for the growth rate of the trade balance indicate an improvement of the trade balance (smaller deficit or larger surplus), while negative values indicate deterioration (a smaller surplus or larger deficit). This is equivalent to using the absolute value of the initial value in a standard growth rate calculation.

### Table 2: LAC Exports to South and North

(Millions of US dollars and growth rates, 2000–2012)

Source: IDB Integration and Trade Sector based on INTrade/DataINTAL.

Note: Due to lack of data availability, Dominican Republic 2005 refers to 2006 data and Bahamas and Barbados 2012 refer to 2011 data. Bahamas, Guyana, Suriname and Venezuela data are estimated based on UN COMTRADE data. Caribbean total does not include Trinidad and Tobago.

South vs. North Excess Growth is the difference in average growth rates to the two groups of destination countries.

### Table 3: Free Trade Agreements Recently in Force, Signed, or Under Negotiation

(January 2011-present)

Source: IDB Integration and Trade Sector based on INTrade/IJI.

## Boxes

### Box 1: Real Effective Exchange Rates and South-South Trade

(Index 2005=100, LAC and Asia, 1995–2012)

The Real Effective Exchange Rate is defined as,

$$REER_t^i = \sum_j \alpha_j BRER_t^{ij},$$

where  $\alpha_j$  is the share of trade with country  $j$  in country  $i$ 's total trade (average of the recently four years).

$BRER_t^{ij}$  is the bilateral real exchange rate between country  $i$  and country  $j$ ,

$$BRER_t^{ij} = \frac{E_t^i / P_t^i}{E_t^j / P_t^j}$$

where  $E_t^i$  is the nominal exchange rate, which is denoted as country  $i$ 's currency per unit of US dollar, and  $P_t^i$  is the consumer price index of country  $i$ .

By this definition, the increase of the index of  $REER_t^i$  indicates the depreciation of the currency of country  $i$ , and the decrease indicates the appreciation of the currency of country  $i$ . The index of year 2005 for each country,  $REER_{2005}^i$ , is normalized to 100.

Using GDP as weights, we aggregate the  $REER_t^i$  to regional level.

The nominal exchange rate and the consumer price index are from IMF IFS. The GDP data are from World Bank WDI. The trade data are from COMTRADE.

Source: IDB Integration and Trade Sector based on COMTRADE and IMF data.

Note: GDP-weighted average of national REER. A decrease denotes appreciation.

### Box 2: Manufactures in South-South Trade

Based on 2011 Export Data for SITC Rev. 3 2-Digit categories in sections 6–8.

Source: IDB Integration and Trade Sector based on COMTRADE data.

### Box 3: Shouang Hierro Peru

Data in Box 3 drawn from <http://www.shougang.com.pe> and Las Mejores Empresas de América Latina. Latin Trade, 11/23/2011. <http://es.latintrade.com/2011/11/las-mejores-empresas-de-america-latina/>.

## Country Profiles

**GDP and population** figures are from World Bank World Development Indicators and IMF International Financial Statistics. MFN Tariff data are from INTrade.

**Destination of exports/source of imports** is based on 2012 figures from INTrade/DataINTAL. Trade with unidentified partners included in “Rest of the World.”

**Exports to FTA partners** include total exports to countries with which the reporting country has an FTA in force. FTAs are defined as trade agreements that fully eliminate tariffs on 80 percent or more of Harmonized System subheadings. Changes over time reflect both the growth of exports to preferential FTA partners and the entry into force of FTAs with new partners.

**Partner countries with FTAs in force** defined as of September 1, 2013.

**Preferential trade agreements** based on INTrade. Share of total Exports (X) and Imports (M) are total flows, not necessarily trade flows benefiting from preferences.

## Agreement Profiles

**Trade agreement data** from INTrade.

**GDP and population figures** are from World Bank World Development Indicators and IMF International Financial Statistics. **MFN tariff data** are from INTrade.

**Intra-agreement trade flows** based on figures from INTrade/DataINTAL.

**Percent of tariff lines duty free** calculations are based on INTrade. **Percent of trade duty free calculations** are based on the structure of trade in 2009. Where agreement tariff elimination schedules were negotiated in a nomenclature different from the 2009 trade figures, the year in which trade in a given subheading is considered duty free is the maximum of the duty-free years of all of the tariff lines from the agreement annex that correlate to that subheading. Thus, the methodology gives a conservative estimate of when the tariffs on that trade will be eliminated.

**Overlapping trade agreements.** The map indicates which additional countries are covered by FTAs with one or more of the members of the FTA in question. Members of the agreement in question are colored light blue; countries that have FTAs with any, but not all, of the FTA members are colored dark blue; and countries that also have FTAs with all members of the FTA in question are colored medium blue.

**Tariff rate quotas and rules of origin qualification criteria based on INTrade.** Percentages of origin qualification criteria do not add up to 100 percent because the rule for a given product may apply more than one criterion simultaneously. Where the rules offer more than one alternative method for demonstrating origin, the criteria of the first alternative is used.

**Principal products traded intra-agreement.** The Harmonized System (HS) chapter with the greatest amount of intraregional exports is identified.

**Top excluded chapter.** The HS chapter with the greatest amount of trade in products excluded from tariff liberalization (or phased out after 2020) is identified. The value in parenthesis is the value of trade in excluded products (not the entire HS chapter).

*Notes:* Some trade data for the Bahamas, Belize, the Dominican Republic, Haiti, Jamaica, Suriname, and Trinidad and Tobago, as well as data for countries outside the Western hemisphere, have been obtained from UN COMTRADE and the IMF Direction of Trade Statistics.

Use of the phrase "Taipei China," or of the ISO country code "TWN", does not in any way reflect a position by the Bank or any of its member countries regarding issues of national sovereignty or diplomatic recognition.

## Annex: Country Tables

The following section contains statistical tables for all IDB borrowing members for which data are available. These include:

### Table 1: Geographic Profile of Exports

2003–2012

In thousands of US dollars, and as percentage share of world exports.

Source: INTrade.

### Table 2: Sectoral Profile of Exports

2003–2012

In thousands of US dollars, and as percentage share of total.

Sectors as defined in the UNCTAD *Handbook of Statistics* based on SITC Rev. 3 3-digit Groups as follows:

- Food (0 + 1 + 22 + 4)
- Agricultural raw materials (2–22–27–28)
- Metals (27 + 28 + 68 + 667 + 971)
- Fuels (3)
- Manufactures (5 + 6 + 7 + 8–667–68)
- Other (9–971)

Source: INTrade.

### Table 3: Top 10 Exported Products

Average 2009–2012.

In thousands of US dollars, and as percentage share of total exports.

Products defined as 2-digit Chapters of the Harmonized System.

Source: INTrade.

### Table 4: Technology Content of Merchandise Exports to the World

2003–2012.

In thousands of US dollars, and as percentage share of total exports.

Categories are based upon SITC Rev. 2 3-digit Groups, and follow Sanjaya Lall (2000), *Export Performance, Technological Upgrading and FDI Strategies in Asian NIEs: with special reference to Singapore*.

Source: INTrade.

**Table 5: Revealed Comparative Advantage (RCA)**

2010.

Index from 0 to infinity; values greater than one reflect comparative advantage, and values less than one reflect a comparative disadvantage.

RCA measures the relative advantage of a given country in the production of a given good. This index can vary from 0 to infinity, with values greater than one reflecting a comparative advantage, and values less than one reflecting a comparative disadvantage. The RCA of country product is defined as:

$$RCA(X_{ik}) = \frac{X_{ik} / \sum_k X_{ik}}{W_k / W},$$

where  $X_{ik}$  are the exports of country  $i$  to the world in product  $k$ ; and  $(W_k/W)$  is the share of product  $k$  in world trade, for all products corresponding to each SITC Division.

Based on 2-digit SITC Chapters.

Source: INTrade.

**Table 6: Intra-Industry Trade (IIT)**

2012.

Index from 0 to 1; higher values reflect a greater degree of intra-industry trade in a sector.

This indicator measures the degree to which countries import and export products of the same industry. The formula follows the standard Grubel and Lloyd Index (1975):

$$IIT = \left( 1 - \frac{|X_j - M_j|}{X_j + M_j} \right),$$

where  $M_j$  and  $X_j$  are imports and exports in product  $j$  respectively.

Based on the 2-digit SITC Chapters for IIT with the world.

Source: INTrade.



**Table 7: Trade Complementarity Index**

2003–2011.

This indicator measures the compatibility of the product composition of exports in one country, with the product composition of imports in another country:

$$C_{ij} = \sum_k \left[ (RCA_{ik}) \times (RCD_{jk}) \times W \left( \frac{W_k}{W} \right) \right],$$

where  $RCA_{ik}$  is the Revealed Comparative Advantage (RCA: see notes for Table 5) index of country  $i$  in product  $k$ .  $RCD_{jk}$  is the Revealed Comparative Disadvantage (RCD) of country  $j$  in product  $k$ :

$$RCD(M_{ijk}) = \frac{M_{ijk} / \sum_k M_{ijk}}{W_k / W}.$$

Source: INTrade.

**Table 8: MFN Tariff Profile**

2013.

This indicator shows a profile with descriptive statistics of the MFN tariffs of the selected country, by section of the Harmonized System.

Source: INTrade.



## Annex: Country Tables

The Country Tables are an annex to this report, available at <http://www.iadb.org/en/publications/publication-detail,7101.html?id=70763>



The following section contains statistical tables for all IDB borrowing members for which data are available. These include:

### Table 1. Geographic Profile of Exports

The table provides exports to ten destinations in thousands of dollars and in percent for the period 2003–2012, with the change in distribution and average annual growth rate over the past decade.

### Table 2. Sectoral Profile of Exports

The table provides total exports disaggregated by UNCTAD sector in thousands of dollars and in percent for the period 2003–2012, with the change in distribution and average annual growth rate over the past decade.

### Table 3. Top 10 Exported Products

The table identifies the ten principal products exported at the HS 2-digit (Chapter) level.

### Table 4. Technology Content of Merchandise Exports to the World

The table provides total exports disaggregated by technological content in thousands of dollars and in percent for the period 2003–2012

### Table 5. Revealed Comparative Advantage (RCA)

The Table ranks 2-digit SITC (Revision 2) products in descending order of revealed comparative advantage of the country's exports. RCA values above one indicate a comparative advantage in the production and export of the product relative to the world average. RCA values below one indicate a relative lack of comparative advantage.

### Table 6. Intra-Industry Trade

The table ranks 2-digit SITC (Revision 2) products in descending order of intra-industry trade with the world. IIT takes values between zero and one, with zero indicating that the product is either imported or exported, but not both. An IIT value of one implies equal values for imports and exports of the product.

**Table 7. Trade Complementarity Index**

The Trade Complementarity index measures the propensity of the partner country to import what the reporting country exports. The index can take values from zero to infinity. Values above one imply a relative complementarity between the exports of the reporting country and the imports of the partner country.

**Table 8. MFN Tariff Profile**

The profile provides a series of statistics for the applied MFN tariffs of the country, including minimum, maximum, types, and variability of MFN tariffs, at the HS Section level.