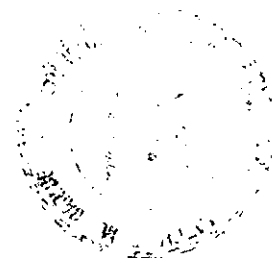# ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN

ECONOMIC RELATIONS BETWEEN LATIN AMERICA AND ASIA-PACIFIC
Recent trends and future challenges

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CONTENTS

INTRODUCTION

The evolution of the international economy in the last decade was marked by two major trends. One was the tendency towards increased interdependence, while the other pointed in the direction of the globalization of production, mostly through an acceleration of capital flows among the developed economies.

These changes, although based mainly in the developed world, also had some effects in the developing countries. Most notable was the effect of the change in parity rates between the dollar and the /yen after 1985 on the organization of production and trade patterns in Asia-Pacific (ANIES4, ASEAN4, Japan, China, Australia and New Zealand).[1] In this latter region, two groups of countries, comprising eight economies, emerged during the 1980s as stars of trade and economic growth. The so-called ANIES and ASEAN countries presented the world's highest average annual gross domestic product (GDP) growth rates. From representing only 1.3% of world GDP in 1970, they eventually more than duplicated this level in 1989, attaining 2.7%. Moreover, their combined proportion of world trade exceeded 10% in 1990 (see tables 1 and 2).

Meanwhile, Latin America's relative importance in the world economy stagnated or, worse, declined. The dynamics of its international trade and economic relations were concentrated in the "old" centres of the world (i.e., Europe and the United States), although these countries gradually shifted their attention towards the new, dynamic Asian economies. Both the European Economic Community (EEC) and the United States have attained a more assertive relationship with the region, albeit sometimes with some marked differences of opinion. To a large extent, Latin America has been overlooking, consciously or unconsciously, the possibilities raised by the emerging strong force in world trade and economies.

The need to reverse this trend is obvious, but the route to achieve this objective is not. The problem with Asia-Pacific is that this region is, as yet, unknown to most of Latin America. The key to solving this difficulty must include an effort by both regions towards increased cooperation. The primary focus of this paper is to analyse the behaviour of the economic relations between the two regions in the last decade, and to explore options for increasing mutual interchanges.

As mentioned previously, Latin America's importance in world trade decreased in the last decade. Moreover, world trade has become more global and interdependent, but also has an underlying tendency towards regionalization. This tendency is more evident in Europe, where the EEC is absorbing about 60% of its own total exports. But new trade structures are appearing in other parts of the world with a view to establishing more flexible and closer relations among neighbouring countries, which eventually may end up creating regional blocs. Therefore, in this respect past evidence is not necessarily a good indicator of future evolution.

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[1] Throughout this document, the term Latin America refers to the 11 members of the Latin American Integration Association (LAIA); Asian Newly Industrializing Economies (ANIES4); to Hong Kong, Republic of Korea, Singapore and Taiwan, Province of China; and Association of South East Asian Nations (ASEAN4), to Indonesia, Malaysia, the Philippines and Thailand, "South-east Asia" means ANIES4 and ASEAN4. "Asia-Pacific" refers to ANIES4, Japan, China, Australia and New Zealand. Developed Pacific countries are Japan, Australia, New Zealand, Canada and the United States.

In fact, world trade is in a process of accelerated transformation. In the period 1970-1989, world trade grew at an annual average rate of 12.7%. The share of developed countries in world imports was lower in 1990 than in 1970. Its import growth rate averaged the same as the increase in world trade.

On the other hand, in the developing world, imports increased faster than world trade in this 20-year span. However, neither Africa nor Latin America offered dynamic import markets to the world. Only two developing regions exceeded the world average: East Asia and South-east Asia. The latter region increased its imports in the period at an annual rate of 16.5% to achieve a 10% share of total world imports, compared to 4% in 1970 (see table 2).

The share of world exports of developed countries outside Asia-Pacific decreased by nine percentage points between 1970 and 1990. Meanwhile, developing areas of the world increased their share by 3.2% from 1970 to 1989. Yet, again, only one area of the developing world surpassed the

Table 1

THE EVOLUTION OF THE SHARES OF ASIA/PACIFIC AND LAIA IN WORLD GDP

(Percentages of world total)

	1970	1980	1989
ANIES3*	0.45	0.88	1.50
ASEAN4	0.85	1.46	1.22
ANIES + ASEAN	1.30	2.34	2.72
Other Pacific**	10.30	12.79	17.34
Asia-Pacific	11.60	15.13	20.06
LAIA***	4.23	6.52	4.61
Rest of world	84.17	78.35	75.33
World total	100	100	100

Source: United Nations, National Accounts Statistics: Analysis of Main Aggregates, 1988-1989, table 1.

* Excludes Taiwan, Province of China.
** Refers to Australia, New Zealand, Japan and China.
*** LAIA comprises Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela.

world average: South-east Asia. The annual average growth rate of its exports reached 18.3%, causing its share of world exports to jump from 4% to 10% in a period of 20 years (see table 2).

Table 2

THE EVOLUTION OF THE SHARES OF ASIA-PACIFIC AND LAIA		
IN WORLD TRADE*		
(Percentages of world trade)		
Participation in world imports		
	1970*	1980	1990

	1970*	1980	1990
ANIES4	3.07	4.27	7.42
ASEAN4	1.35	1.89	2.70
ANIES+ASEAN	4.41	6.16	10.12
Other Pacific**	8.50	9.12	9.40
Asia-Pacific	12.91	15.28	19.52
LAIA	4.06	4.15	2.68
Developed countries***	69.48	58.89	63.27
Rest of world	13.54	21.68	14.53
World total	100	100	100

Participation in world exports		

	1970*	1980	1990
ANIES4	2.09	3.75	7.66
ASEAN4	1.60	2.31	2.47
ANIES+ASEAN	3.69	6.07	10.14
Other Pacific**	8.92	8.64	11.42
Asia-Pacific	12.61	14.71	21.55
LAIA	4.51	4.07	3.68
Developed countries***	69.41	53.84	60.52
Rest of world	13.48	27.39	14.25
World total	100	100	100

Source: For 1970, COMTRADE and other official sources. For 1980 and 1990, GATT, El Comercio Internacional, 1990/1991, vol.II, tables A5 and A6.

* For 1970, data not available for China and Indonesia's imports and China's exports. World total according to the sum of available data.

** Refers to Australia, New Zealand, Japan and China.

*** Excludes Australia, New Zealand and Japan; refers to North America, EEC and EFTA.

The dynamics of Asia's foreign trade are centred in manufactured goods.[2] In the last two decades, world trade in manufactured products has grown twice as fast as the volume of basic commodities. The average annual growth rate for world exports of manufactures in this period was 6.3%. Exports of manufactures by developed countries represent over 90% of total world exports under this category, but their increase has been less than half the growth of exports of these products by ANIES4 and ASEAN4.[3] These economies' share of total world imports of products in this category escalated from 5.8% in 1970 to 10.8% in 1989. This suggests an average annual growth rate of 17.2%. Only its fuel imports grew faster, owing to price increases. Moreover South-east Asia's share of total world exports of manufactured goods showed an even more remarkable performance. The region's share increased from just 3.3% in 1970 to 12.7% in 1989. The average annual growth rate for South-east Asia's exports of manufactured products for this 20-year period was 21.9%.

The absence of any relation between Asia and Latin America among the 20 main interregional and intraregional trade flows indicates that Latin America has been overlooking this dynamic market, and that the region has a very limited relevance for Asian countries, especially in view of Asia's pervasive presence in these flows and the fact that it has been the world's most dynamic centre of trade and economic growth (see table 3).

Much has been said about the importance of the North American market to Latin American exports. However, the evidence of the 1980s is less than impressive. Latin America has lost importance as a source of United States imports, and as a place of destination for that country's exports.[4]

Another point worth considering is Latin America's external dependency. While the region has lost importance as a source and destination of the United States' foreign trade, the opposite has happened to the United States' share of Latin American trade (see figures 1 and 2). At the beginning of the decade 29% of Latin America's exports went to the United States; by 1989 this share reached 35.6%.[5] Meanwhile, Latin America's imports from the United States increased from 37% to 39% of the total. The European market up to now has not been a powerful option for Latin American exports. In 1989 its share was lower than in 1980, either as a source or a destination of trade. However, there are important differences among Latin American countries as to their degree of "dependence" on the North American market, as figures 3 and 4 clearly demonstrate.

It is against this background that Latin America should search for advantageous options to further its process of international expansion. Looking for additional partners does not preclude the process of regionalization, especially if it takes place in a framework of open regionalism. The option of closer collaboration with Asia-Pacific is a mutually profitable one. This region is in a process of fast transformation, and the possibility of increasingly closed regional markets in several areas of the world is a real threat to its process of industrial development at the present stage. On the other hand, Latin

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[2] Here as elsewhere in this paper, the classification of commodity groups follows the one used by UNCTAD, i.e.: All food items (SITC 0+1+22+4), Agricultural raw materials (SITC 2-22-27-28), Metals and minerals (SITC 27+28+68), Fuels (SITC 3), Manufactured goods (SITC 5 to 8 less 68).

[3] IDB, Progreso Económico y Social en América Latina - Informe 1992, Part II, Washington, D.C., October 1992, pp. 207-208.

[4] According to United Nations data, Latin America's share in the United States' total exports was 17.6% in 1980 and 14.0% in 1990. Correspondingly, its share in the United States' total imports was 14.5% in 1980 and 9.2% in 1990.

[5] If Mexican "maquiladora" industries are included, the share rises to over 50%.

America could profit enormously from the experience of intense and widespread transformation undergone by Asia-Pacific. It is difficult to duplicate Southern Asia's process of economic development but, with mutual collaboration, Latin America's transformation could follow a path that would suit both regions' interests.

Table 3
EVOLUTION OF THE MAJOR INTRAREGIONAL AND INTERREGIONAL TRADE FLOWS OF
MERCHANDISE EXPORTS, 1980-1990

Major trade flows	Percentage of world merchandise exports	Average annual variation	
	1990	1985-1990	1980-1990
From Asia to Western Europe	4.3	21.0	10.5
From Western Europe to Asia	3.4	19.0	11.5
Within Western Europe	33.4	18.0	8.0
Within Asia	10.3	16.5	10.5
From North America to Western Europe	3.6	15.0	5.0
From North America to Asia	3.8	15.0	8.0
From North America to Latin America	1.6	11.0	3.0
From Asia to North America	6.0	9.5	11.5
From Western Europe to North America	3.7	8.5	10.0
From Western Europe to Central, Eastern Europe/USSR	1.3	8.5	2.5
Within North America	5.1	8.0	8.0
From Latin America to Western Europe	1.0	8.0	2.2
Central, Eastern Europe/USSR to Western Europe	1.8	7.0	7.0
From Latin America to North America	2.0	6.5	5.0
From Western Europe to Africa	1.6	6.5	-0.5
From Middle East to Western Europe	1.0	4.0	-8.5
From Middle East to Asia	1.5	3.5	-3.0
From Western Europe to Middle East	1.3	3.5	0.5
From Africa to Western Europe	1.5	2.0	-0.5
Within Central, Eastern Europe/USSR	2.2	0.5	0.5
World exports	.100.0	12.5	5.5

Source: GATT, International Trade, 90-91, Table 6 in Volume 1 and Table III.4 in Volume II.

Notes: In this table, the major intra- and interregional trade flows that account the more than 1% in world total merchandise trade in 1990 are registered. The combined total o these twenty flows represents more than 90% of world total merchandise trade.

Figure 1

DESTINATION OF LAIA'S EXPORTS DURING THE EIGHTIES

SOURCES: UNSO COMTRADE & ECLAC BADECEL

Figure 2

ORIGIN OF LAIA'S IMPORTS DURING THE EIGHTIES

SOURCES: UNSO COMTRADE & ECLAC BADECEL

Figure 3

**THE U.S. SHARE OF LAIA COUNTRIES'
TOTAL EXPORTS IN 1990**

Source:UNSO-COMTRADE

*/ Excludes fuels

Figure 4

**THE U.S. SHARE OF LAIA COUNTRIES'
TOTAL IMPORTS IN 1990**

Source:UNSO-COMTRADE
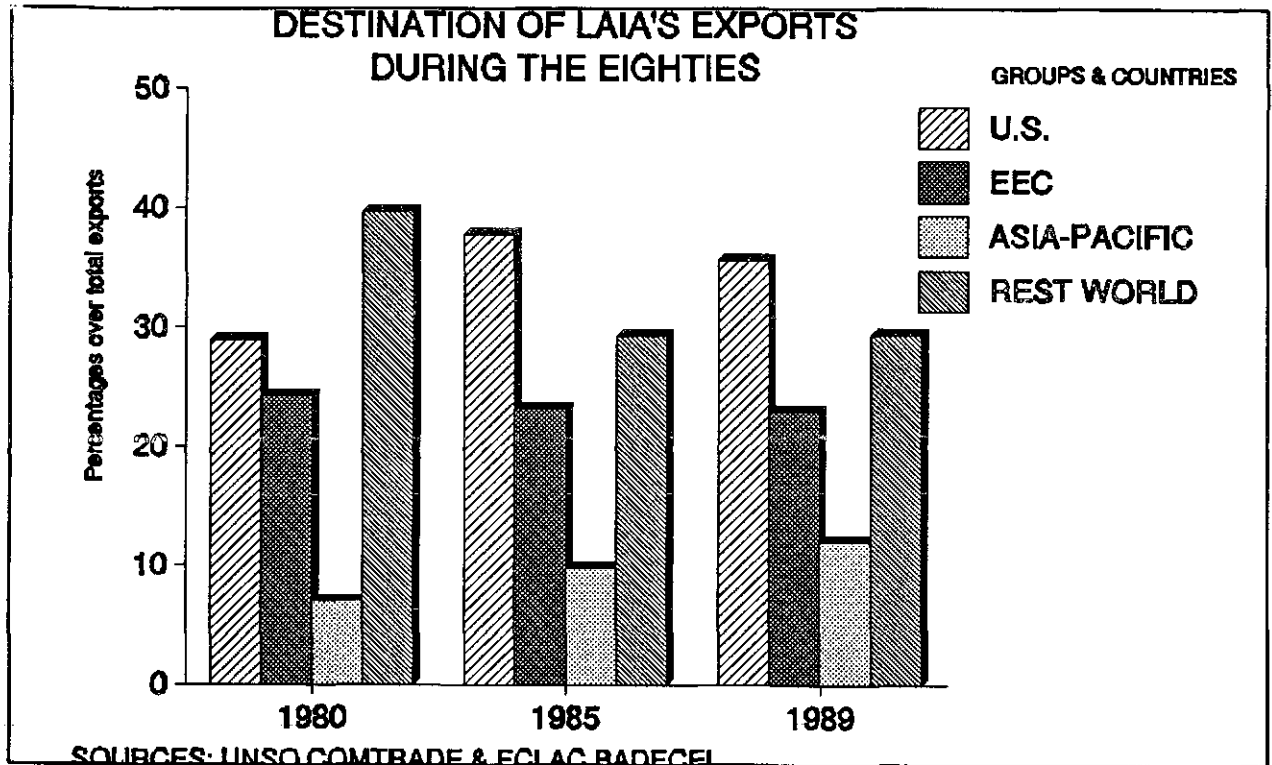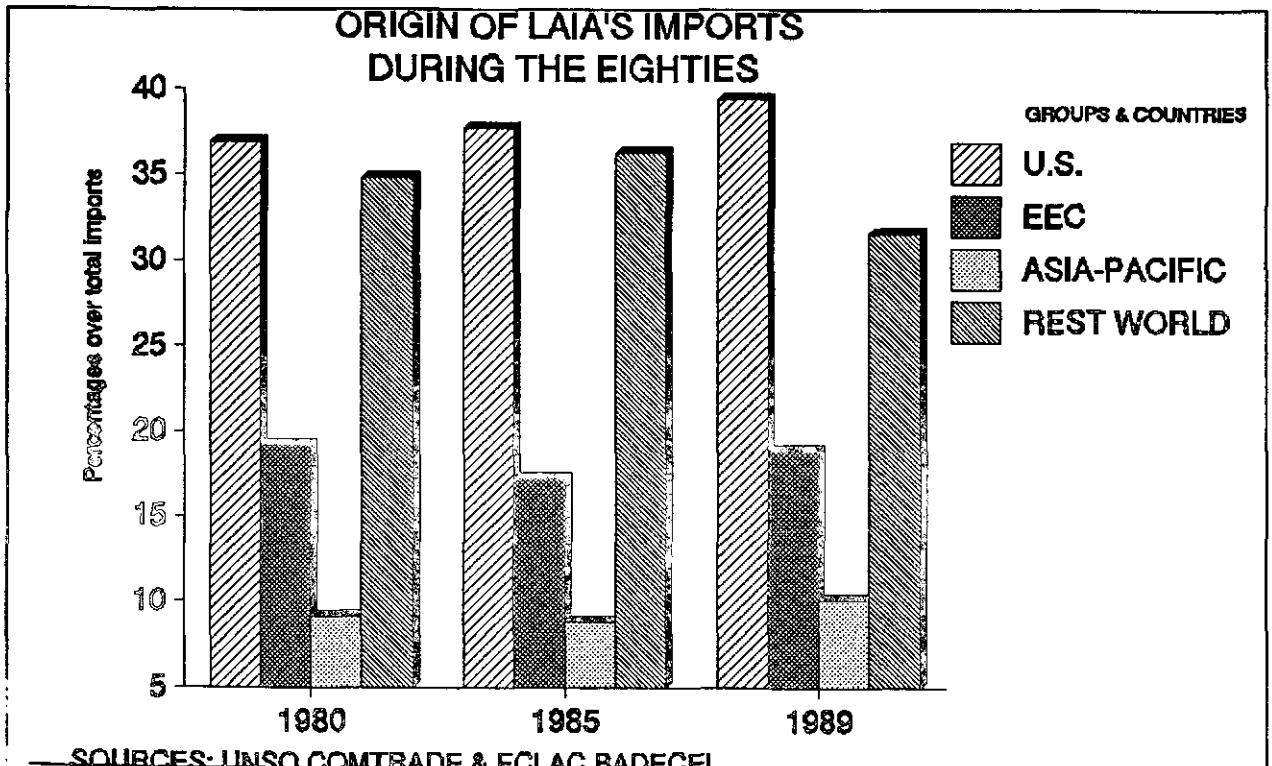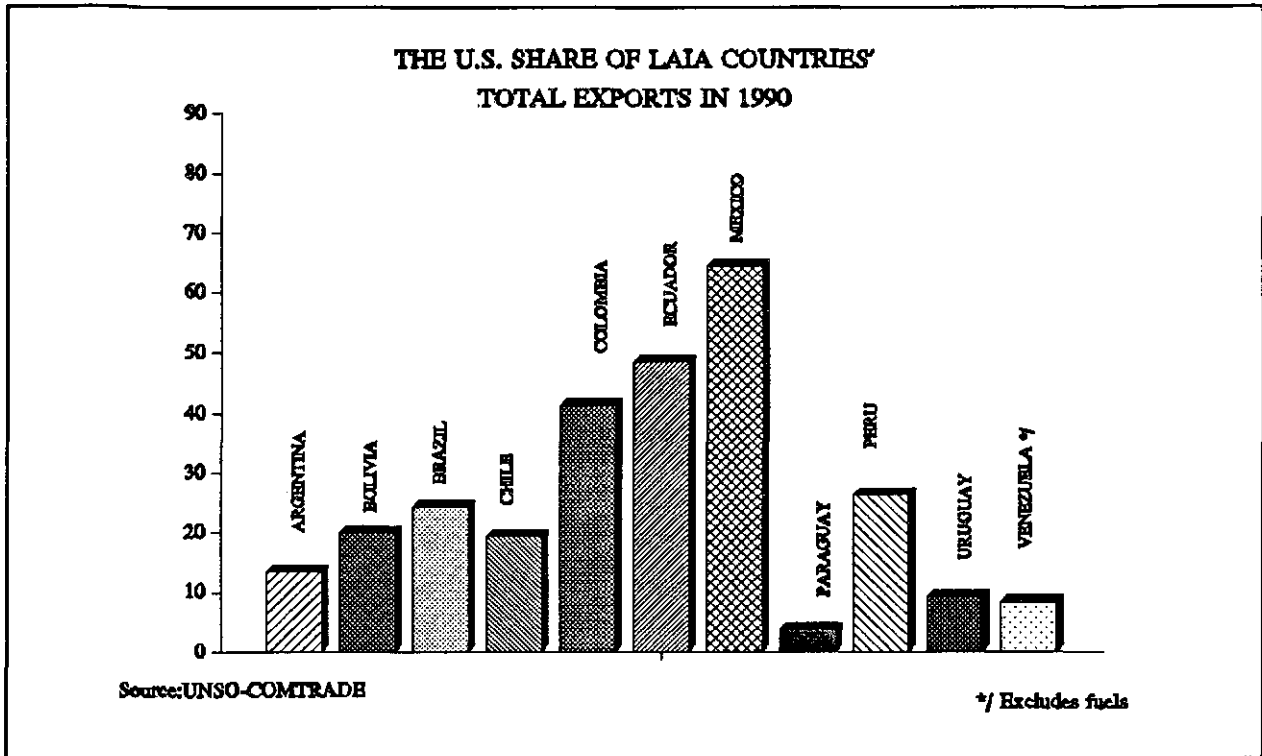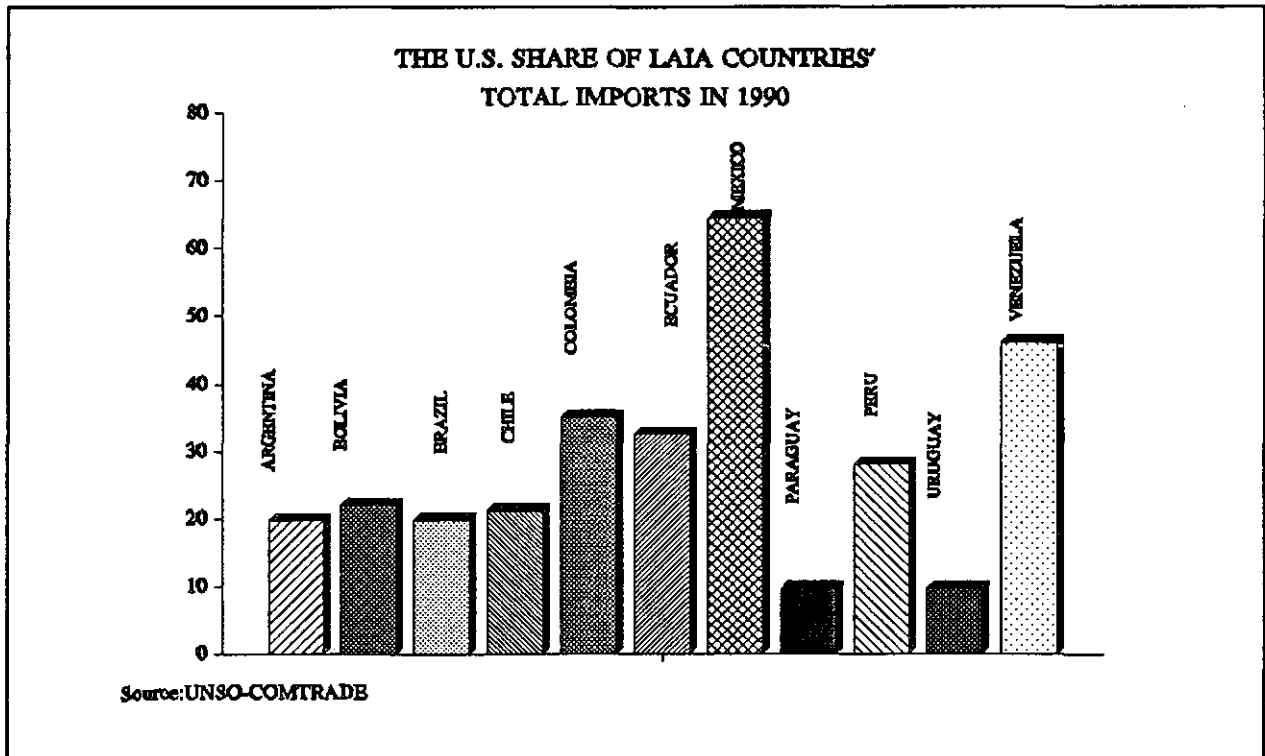
I. THE EVOLUTION OF TRADE RELATIONS BETWEEN LATIN AMERICA AND ASIA-PACIFIC DURING THE 1980s

This section will deal with the evolution of trade between Latin America and Asia-Pacific. First, a general overview of the values and shares of bilateral trade will be presented, from the point of view of both regions. Later, the composition of trade in terms of large groups will be examined. The objective will be to arrive at relevant conclusions from both aspects of bilateral trade relations and to shed some light on the implications for Latin America of its trade with Asia-Pacific.

1. The evolution of values and shares of bilateral trade relations

a)   A general overview from Asia-Pacific

One general aspect of Asia-Pacific trade relations that is worth immediate attention is the importance of the North American market to all three Asia-Pacific groups considered in this study (ANIES4, ASEAN4 and Other Pacific Countries) (see annex tables 2 to 10).

In the case of ANIES4 the relative importance of North America is more evident, since in 1989 the share of the North American market was over 30% of this regional subgroup's total exports, and provided over 18% of its total imports. Compared to the EEC, the North American market is twice as important as a buyer of ANIES4 products, and almost one and one half times, as a seller. The weight of Latin American trade for this subregional group is, up to the present, very limited, and even inferior to the LAIA share of world trade (see table 1 and annex table 2). None the less, with regard to growth rates, the evolution of trade between ANIES4 and Latin America shows greater strength. Particularly at the beginning of the 1980s the average growth rate of Latin America's exports to ANIES4 was much greater than those of the other regions considered. By the end of the decade, and the beginning of the 1990s, this strong growth gave way to a much slower pace, while the other regions renewed their export vigour towards the subregional group (see annex table 3).

The case of ASEAN4 countries is even more limited. The market share for imports from LAIA is small. But the average growth rates of these countries' exports to ASEAN, and their imports from the latter group, have been showing increasing vitality, especially since the mid-1980s, even surpassing the growth of the other regions under examination (see annex tables 5 and 6).

The group Other Pacific Countries (Japan, China, Australia and New Zealand) comprises some of the largest economies in Asia. The trade situation seems more favourable to Latin America, as opposed to the other subregional groups in Asia. Although the share is small, it is higher than in the other subgroups. On the other hand, the data for recent years show a very uneven evolution. The last five years of the past decade present signs of slowing Latin American exports to the subgroup, while the situation pertaining to the subgroup's exports to LAIA is the exact opposite. One conclusion from the analysis of these tables is that perhaps the region has reached its peak regarding its ability to export to some countries of this group, as the present state of exportable supply stands. To maintain the strength of the beginning of the decade, it would be necessary to make adjustments in the regional supply (see annex tables 8 and 9).

i) Latin America as destination and as source of imports. In the period 1980-1989, trade relations between the two regions showed some distinctive traits. In the first place, from the point of view of Asia-Pacific, Latin America has gained very little relevance as a source of imports. The share of imports from LAIA increased only 0.4% to represent 2.6% of total Asia-Pacific imports in 1989. On the other hand, the importance of Latin America as a destination for Asia-Pacific products dwindled during the 1980s going from almost 3% at first to less than half this level in 1989 (see table 4).

None the less, in terms of current values both exports and imports to and from LAIA increased, despite the economic crisis suffered by Latin America and the ensuing effects on the region's import-paying capacity. It is interesting to note that the value of Asia-Pacific exports to the latter region decreased significantly from 1983 to 1985, reaching in the former year less than half the nominal value of 1980. Yet by 1990, the value of Asia-Pacific exports was, in current terms, 17% higher than in 1980. Most remarkably, the current value of Asia-Pacific imports from Latin America showed an increase of 262% between 1980 and 1990.

ii) Some country-specific details. Asia-Pacific imports from some LAIA countries show that Brazil, Mexico, Chile and Venezuela had the highest participation in 1980. In 1985, the largest share of the region's imports from LAIA was concentrated in Brazil, Mexico, Chile and Argentina. By 1989, these countries continued to be the main sources of imports from Latin America. In that year, their combined share was 2.2% of total imports (see annex table 1). For instance, the importance of Brazil, and to a lesser degree Chile, increased during the decade. The former country's share of Asia-Pacific total imports jumped from 0.7% in 1980 to 1.2% in 1989, more than doubling Chile's share.

Brazil is undoubtedly the most important exporter to Asia-Pacific among the LAIA countries, although as an importer, its share of Asia-Pacific total exports is much lower and has decreased during the 1980s. Still, by 1989, it had the second highest percentage (after Mexico) among the LAIA countries as an export market for Asia-Pacific. In 1980, the four major importers of Asia-Pacific merchandise in Latin America were Mexico, Brazil, Argentina and Venezuela. In that year, these countries' combined share of Asia-Pacific exports reached 2%. By 1985, Colombia had joined this group, and Argentina had fallen back to sixth place. These four countries' share of total Asia-Pacific exports declined to only 0.8%. In 1989, Chile was the third biggest market in Latin America for Asia-Pacific exports. In that year, the combined share of Mexico, Brazil, Chile and Colombia in total Asia-Pacific exports reached 1.9% (see annex table 1).

iii) Growth rates in the 1980s. In terms of average growth rates it is interesting to divide the decade into three periods: the complete decade, and the first and second halves of the decade. On the Asia-Pacific export side, the average growth rate for trade with Latin America showed an annual increase of 4.3% for the decade, but the other two periods were very different (-5.6% and 14.2% for the first and second period, respectively). Therefore, it is not surprising that Latin America's importance as a market for Asia-Pacific has declined as the average growth of Asia-Pacific exports to the world for the decade was 9.8%, and the average growth for the first and second half of the decade were also very similar (9.9% and 9.7%, respectively). However, the fact that the last five years of the decade showed a higher growth for exports to Latin America than the average total growth rate for Asia-Pacific exports brightens the prospects for increasing the level of bilateral exchanges (see tables 5 and 6).

Table 4

LAIA SHARE OF ASIA-PACIFIC FOREIGN TRADE				
(Percentages of total)				
Share of total imports				
Reporting country	1980	1985	1988	1989	1990
China*	n.a.	4.28	3.39	3.68	2.22
Hong Kong	0.51	0.77	1.03	0.96	0.72
Rep. of Korea	1.44	4.26	2.56	2.30	2.24
Singapore	0.50	0.43	0.97	0.96	1.00
Taiwan (Prov. of	0.96	2.52	2.78	3.01	2.34
Philippines	1.57	1.20	1.95	2.29	2.61
Indonesia	0.60	1.42	1.59	2.65	2.28
Malaysia	0.54	0.87	1.65	1.50	1.68
Thailand	1.03	1.49	1.88	2.16	1.95
Japan	3.63	4.35	3.96	3.77	3.80
New Zealand	0.55	1.18	1.22	1.25	1.14
Australia	0.73	1.11	1.28	1.53	1.15
Total of above**	2.17	3.00	2.65	2.63	2.37

Share of total exports				
Reporting Country	1980	1985	1988	1989	1990
China*	n.a.	1.76	0.35	0.47	0.59
Hong Kong	1.93	0.55	0.51	0.62	0.92
Rep. of Korea	1.57	0.72	1.12	1.51	1.68
Singapore	1.22	0.65	0.70	0.58	0.52
Taiwan (Prov. of	2.31	0.64	0.76	0.93	1.13
Philippines	0.79	0.04	0.09	0.15	0.21
Indonesia	0.70	0.05	0.14	0.15	0.26
Malaysia	0.39	0.26	0.75	0.59	0.49
Thailand	0.43	0.14	0.08	0.26	0.51
Japan	4.56	1.81	1.85	1.85	1.87
New Zealand	1.54	1.64	2.18	2.07	2.37
Australia	0.87	0.79	0.89	0.87	1.02
Total of above**	2.81	1.09	1.21	1.24	1.30

Source: UNSO-COMTRADE, IMF and other official sources.
* Data not available for 1980.
** Refers to the LAIA share of total imports (exports) of the sum of the above countries.

Imports from LAIA showed a much more encouraging picture. These imports, in current values, in 1990 were 262% higher than in 1980. None the less, as mentioned earlier, these numbers hide a wide disparity of values and a strong concentration on four countries of the region, especially Brazil (see table 7). Also, in comparison with exports to LAIA, the average growth rate of Asia-Pacific imports from Latin America seems much more stable (10.8% and 12.5% in the first and second half, respectively) and at a level higher than the global regional average import growth rates (11.7% and 9.5%, respectively) (see tables 5 and 6).

iv) The evolution of the trade balance between Asia-Pacific and Latin America. As a consequence of the foregoing, the evolution of the Asia-Pacific trade balance with the region suffered a radical change during the 1980s. For the first two years of the decade, the trade balance was favourable to Asia. None the less, from 1982 onward the balance shifted drastically against it. The average growth of the Asia-Pacific trade deficit with Latin America for the period 1985-1990 was 17%. In fact, in 1990, Asia-Pacific imports from Latin America almost doubled its exports to that region, and since 1983 this has been a recurrent feature of their bilateral trade relations (see table 7).

b)   The Latin American point of view

i) Stable imports from Asia-Pacific; increased strength for exports to Asia-Pacific. The Latin American viewpoint gives us a different idea of the evolution of the trade relation. The share of Asia-Pacific in total imports of LAIA stayed somewhat stable throughout the 1980s, ranging from 8.5% in 1984, its lowest level in the decade, to 10.6% in 1987, its highest share (see table 8). However, the share is higher for countries like Paraguay, Chile, Ecuador and Bolivia, and lower for Mexico, Uruguay and Venezuela. For the rest of the LAIA countries, the average share of Asia-Pacific in their total imports is near 10%.[6]

On the other hand, the Asia-Pacific share of total Latin American exports showed increased strength during the last decade. The general share of Asia-Pacific in total LAIA exports jumped from 7% at the beginning of the decade to 11%-12% in 1989-1990. For countries like Brazil, Chile, Peru (1989) Uruguay and Argentina, the rise was very substantial, while the other LAIA countries saw the Asia-Pacific share in their total exports dwindle over the decade (see table 8).

c)   Trade diversification

Finally, one last area of interest concerns the changes in the relative importance of some Asian Pacific countries in total trade with LAIA. As becomes clear from figures 5 and 6, there has been a process of diversification in the trade flows between these regions. While at the beginning of the decade, Japan represented 80% of total imports and 77% of all exports to LAIA, its share, although still important, was substantially reduced by 1990. Meanwhile, the relative weight of other countries has increased, basically taking away from Japan's share (see figures 5 and 6).

One remarkable aspect of the trade diversification with Asia-Pacific is the unquestionable growth of China as a regional trading partner for Latin America. Its share of total regional imports from LAIA is close to Taiwan's, an outstanding performance that presents a hopeful perspective for Latin America.

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[6] Data for Peru in 1990 are not available, although the previous two years showed a decreasing proportion of imports from Asia.

Table 5

GROWTH RATES FOR ASIA-PACIFIC FOREIGN TRADE - WORLD TOTAL - ALL COMMODITIES												
(Percentages, based on current values)												
Total imports										Average growth		
	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1980-1990	1980-1985	1985-1990
China*	--	--	--	--	51.98	--	--	27.89	7.01	-9.80	--	--	--
Hong Kong	11.68	-4.91	2.34	18.98	3.59	19.51	37.03	31.93	12.91	17.36	15.04	6.34	23.75
Korea RP	17.02	-6.89	7.99	16.94	1.72	1.23	29.85	26.60	18.63	13.63	12.67	7.36	17.99
Singapore	14.87	2.16	-0.03	1.77	-8.27	-3.14	27.57	35.04	13.28	22.35	10.56	2.10	19.02
Taiwan (Prov.China)	7.16	-10.60	7.38	8.35	-9.02	19.70	39.95	32.67	17.66	4.21	11.75	0.65	22.84
Philippines**	2.20	-2.54	-3.45	-19.47	-15.24	-0.97	--	--	22.91	--	--	-7.70	--
Indonesia	20.06	27.08	-1.11	-15.18	-26.00	4.48	15.41	7.10	23.48	33.48	8.88	0.97	16.79
Malaysia***	6.92	7.43	7.00	5.47	-9.68	-14.85	17.31	31.41	36.26	--	9.70	3.43	17.53
Thailand	6.35	-15.20	20.55	2.33	-12.12	-1.29	41.99	56.58	27.00	29.53	15.57	0.38	30.76
Japan	0.22	-7.46	-4.07	7.39	-3.51	-7.81	22.29	28.28	12.54	11.36	5.92	-1.49	13.33
New Zealand	3.90	2.95	-9.72	16.02	-2.95	2.22	18.32	0.70	20.12	8.07	5.96	2.04	9.89
Australia	17.95	0.79	-19.24	18.53	2.20	5.10	10.25	23.87	20.39	0.14	8.00	4.05	11.95
Total Asia Pacific	6.52	-3.90	-1.47	16.20	-0.24	-11.92	37.89	31.06	15.34	5.23	9.47	3.42	15.52
Total exports										Average growth		
	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1980-1990	1980-1985	1985-1990
China*	--	--	--	--	3.06	--	--	20.49	10.57	18.18	--	--	--
Hong Kong	4.67	-4.51	4.36	23.69	-5.90	18.89	26.87	11.37	3.04	0.95	8.34	4.46	12.22
Korea RP	21.48	3.07	11.84	19.69	3.54	14.59	35.94	28.67	2.77	4.23	14.58	11.92	17.24
Singapore	8.22	-0.86	5.03	10.18	-5.03	-1.83	27.49	37.47	13.69	18.00	11.24	3.51	18.96
Taiwan (Prov.China)	14.19	-1.76	13.03	21.17	0.48	28.99	35.07	13.16	9.60	1.31	13.52	9.42	17.63
Philippines**	-0.67	-12.26	-0.90	6.02	215.22	-71.50	--	--	10.76	--	--	41.48	--
Indonesia	1.60	0.15	-5.15	3.51	38.36	-51.17	14.03	13.98	14.62	16.55	4.65	7.69	1.60
Malaysia***	-9.35	2.50	17.24	16.91	38.60	-39.46	29.50	17.95	18.85	--	10.30	13.18	6.71
Thailand	7.53	-0.76	-7.68	16.01	320.72	-71.31	32.36	36.75	25.86	14.94	37.44	67.16	7.72
Japan	17.03	-8.77	5.93	15.83	3.45	18.86	9.55	15.66	3.87	4.28	8.57	6.69	10.44
New Zealand	1.23	-2.02	-0.59	2.97	4.19	2.33	22.01	22.89	0.74	5.41	5.92	1.16	10.67
Australia	0.70	-2.27	-8.91	15.25	0.38	-5.19	14.81	31.87	10.99	9.31	6.69	1.03	12.36
Total Asia Pacific	11.21	-4.90	4.76	23.52	14.76	-8.30	26.84	20.83	7.31	1.65	9.77	9.87	9.67

Source: UNSO-COMTRADE, and other official sources. Own calculations.
* No data available for China from 1980 to 1983, or for 1986.
** No data available for the Philippines for 1987 or 1990.
*** No data available for Malaysia for 1990.

Table 6

GROWTH RATES FOR ASIA-PACIFIC FOREIGN TRADE WITH LAIA COUNTRIES													
(In percentages, based on current values)													
Imports from LAIA											Average growth rates		
	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1980-90	1980-85	1985-90
Argentina	-1.91	28.87	52.66	-0.72	20.76	-20.41	20.00	60.72	12.22	-0.40	17.18	19.93	14.43
Bolivia	46.87	16.38	47.05	-79.76	-36.33	31.20	31.47	92.78	-23.32	28.42	15.48	-1.16	32.11
Brazil	16.23	5.65	2.76	34.88	5.00	-22.06	30.73	62.31	16.46	-5.39	14.66	12.90	16.41
Chile	-11.59	2.38	-7.75	57.46	-8.92	-14.33	40.63	55.37	43.56	5.99	16.28	6.31	26.24
Colombia	-8.42	-12.64	22.68	23.50	-24.00	69.06	-7.95	31.53	0.68	-4.11	9.03	0.22	17.84
Ecuador	176.31	-30.74	-29.74	35.03	62.84	-46.85	-48.09	86.44	-44.18	-16.71	14.43	42.74	-13.9
Mexico	60.17	14.10	13.94	21.07	-19.19	-20.67	23.55	10.00	4.83	7.83	11.57	18.02	5.11
Paraguay	11.25	-22.27	-39.98	16.73	0.42	-26.30	110.06	137.39	-12.61	-20.02	15.47	-6.77	37.70
Peru	31.52	-2.63	-16.32	5.80	-8.88	-10.55	15.28	36.05	12.32	-1.48	6.11	1.90	10.32
Uruguay	45.48	28.22	21.44	112.05	-1.94	-43.26	99.39	62.65	-8.03	-25.26	29.07	41.05	17.10
Venezuela	31.86	-18.64	-21.95	-19.16	3.59	-29.02	14.25	21.93	23.26	44.79	5.09	-4.86	15.04
Total LAIA	29.30	0.63	1.95	22.57	-0.55	-21.35	22.28	46.36	14.57	0.73	11.65	10.78	12.52
Exports to LAIA											Average growth rates		
	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1980-90	1980-85	1985-90
Argentina	-25.61	-66.03	13.77	21.66	-41.44	66.87	29.27	-13.34	-21.92	19.94	-1.68	-19.53	16.16
Bolivia	52.26	-58.29	-65.56	763.51	-61.79	-33.72	76.43	-35.58	24.29	20.20	68.18	126.03	10.32
Brazil	16.64	-31.71	-16.73	38.54	-4.44	4.17	8.38	0.65	24.44	1.27	4.12	0.46	7.78
Chile	53.68	-67.81	-23.78	77.58	-32.30	60.45	36.11	6.03	54.10	-16.47	14.76	1.47	28.04
Colombia	-3.39	17.74	-20.48	-3.25	-7.33	-3.09	2.92	33.23	0.28	-8.14	0.85	-3.34	5.04
Ecuador	48.45	-46.06	-56.01	73.58	29.42	18.08	-18.46	-39.89	7.83	24.21	4.11	9.88	-1.65
Mexico	32.35	-39.99	-37.31	42.43	14.01	0.16	40.10	42.95	24.38	24.76	14.38	2.30	26.47
Paraguay	4.19	-47.81	1.02	31.70	-6.84	90.04	29.25	9.47	9.69	86.07	20.68	-3.55	44.90
Peru	21.33	-5.85	-47.60	-5.68	-12.26	77.97	5.21	-35.78	-30.23	21.92	-1.10	-10.01	7.82
Uruguay	33.35	-59.01	-61.95	25.60	2.04	81.85	36.75	6.53	9.06	8.81	8.30	-11.99	28.60
Venezuela	12.30	24.35	-69.78	5.65	7.74	26.72	10.70	16.78	-53.49	28.83	0.98	-3.95	5.91
Total LAIA	15.51	-31.77	-37.56	32.00	-6.32	17.49	19.09	11.45	10.52	12.20	4.26	-5.63	14.15

Source: UNSO-COMTRADE, IMF and other official sources. Own calculations.
  In this context Asia includes: China, Hong Kong, Rep. of Korea, Singapore, Taiwan Province of China, Philippines, Indonesia, Malaysia, Thailand, Japan, New Zealand and Australia.
.. No data available for China from 1980 to 1986. ... No data available for the Philippines for 1987.

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Table 7

ASIA-PACIFIC TRADE WITH LAIA COUNTRIES										
(Millions of current US dollars)										

Imports from LAIA

	1980*	1981*	1982*	1983*	1984*	1985*	1986*	1987**	1988	1989	1990
Argentina	409.6	401.8	517.8	790.5	784.8	947.7	754.3	905.2	1454.7	1632.5	1625.9
Bolivia	30.0	44.0	51.2	75.3	15.2	9.7	12.7	16.7	32.3	24.8	31.8
Brazil	2124.9	2469.9	2609.5	2681.5	3616.7	3797.4	2959.6	3869.2	6280.1	7313.7	6919.4
Chile	809.7	715.8	732.9	676.0	1064.5	969.5	830.6	1168.0	1814.8	2605.4	2761.5
Colombia	188.1	172.3	150.5	184.7	228.0	173.3	293.0	269.7	354.8	357.2	342.5
Ecuador	292.6	808.5	559.9	393.4	531.2	865.0	459.7	238.6	444.9	248.4	206.8
Mexico	1118.2	1791.1	2043.6	2328.5	2819.2	2278.3	1807.5	2233.3	2456.6	2575.3	2776.9
Paraguay	49.4	55.0	42.8	25.7	29.9	30.1	22.2	46.6	110.5	96.6	77.3
Peru	548.4	721.2	702.2	587.6	621.7	566.5	506.7	584.2	794.7	892.7	879.4
Uruguay	23.8	34.6	44.3	53.8	114.1	111.9	63.5	126.6	206.0	189.4	141.6
Venezuela	769.1	1014.1	825.1	643.9	520.5	539.2	382.7	437.3	533.2	657.2	951.6
Total LAIA	6363.8	8228.2	8279.8	8441.0	10346.1	10288.8	8092.6	9895.4	14482.6	16593.0	16714.7

Exports to LAIA

	1980*	1981*	1982*	1983*	1984*	1985*	1986*	1987**	1988	1989	1990
Argentina	1388.7	1033.0	350.9	399.2	485.7	284.4	474.6	613.5	531.7	415.2	497.9
Bolivia	72.4	110.3	46.0	15.8	136.8	52.3	34.6	61.1	39.4	48.9	58.8
Brazil	1453.0	1694.7	1157.4	963.7	1335.1	1275.8	1329.0	1440.4	1449.7	1804.1	1826.9
Chile	707.8	1087.7	550.2	266.9	474.0	320.9	514.8	700.8	743.0	1145.0	956.4
Colombia	568.3	549.0	646.5	514.0	497.4	460.9	446.7	459.7	612.5	614.2	564.2
Ecuador	339.7	504.3	272.0	119.7	207.7	268.8	317.4	258.8	155.6	167.8	208.4
Mexico	1520.6	2012.5	1207.8	757.2	1078.4	1229.6	1231.6	1725.4	2466.4	3067.7	3827.2
Paraguay	89.5	93.2	48.7	49.2	64.7	60.3	114.6	148.1	162.2	177.9	330.9
Peru	384.0	465.9	438.6	229.8	216.8	190.2	338.5	356.2	228.7	159.6	194.6
Uruguay	108.4	144.5	59.2	22.5	28.3	28.9	52.5	71.8	76.5	83.5	90.8
Venezuela	1067.6	1198.8	1490.7	450.5	476.0	512.8	649.8	719.3	840.1	390.7	503.3
Total LAIA	7699.8	8894.0	6068.0	3788.6	5000.9	4684.9	5504.3	6555.3	7305.8	8074.4	9059.5

Asia-Pacific trade balance with LAIA

	1980*	1981*	1982*	1983*	1984*	1985*	1986*	1987**	1988	1989	1990
Argentina	979.1	631.2	-166.9	-391.2	-299.0	-663.2	-279.7	-291.6	-923.0	-1217.3	-1128.0
Bolivia	42.5	66.3	-5.2	-59.5	121.6	42.6	21.9	44.4	7.1	24.2	27.0
Brazil	-671.9	-775.2	-1452.1	-1717.8	-2281.6	-2521.6	-1630.6	-2428.8	-4830.3	-5509.6	-5092.5
Chile	-101.9	371.8	-382.7	-409.2	-590.5	-648.7	-315.7	-467.3	-1071.8	-1460.4	-1805.1
Colombia	380.2	376.8	495.9	329.4	269.3	287.6	153.7	190.0	257.7	257.0	221.7
Ecuador	47.1	-304.2	-287.9	-273.7	-323.5	-596.2	-142.3	20.2	-289.4	-80.6	1.5
Mexico	402.4	221.4	-835.8	-1571.4	-1740.8	-1048.8	-575.9	-507.8	9.8	492.4	1050.3
Paraguay	40.0	38.2	5.9	23.5	34.8	30.2	92.4	101.6	51.6	81.3	253.7
Peru	-164.4	-255.3	-263.6	-357.8	-404.9	-376.3	-168.2	-228.0	-566.0	-733.1	-684.8
Uruguay	84.6	110.0	14.9	-31.3	-85.8	-83.0	-11.0	-54.8	-129.4	-106.0	-50.8
Venezuela	298.5	184.8	665.6	-193.4	-44.6	-26.4	267.1	282.1	306.9	-266.5	-448.3
Total LAIA	1336.0	665.8	-2211.8	-4652.4	-5345.2	-5603.9	-2588.3	-3340.1	-7176.8	-8518.6	-7655.2

Source: UNSO-COMTRADE, IMF and other official sources.
* No data available for China.
** No data available for the Philippines.

Table 8

THE EVOLUTION OF THE ASIA-PACIFIC SHARE IN TOTAL IMPORTS OF LATIN AMERICAN COUNTRIES

(In percentages of total imports)

Year	Argentina	Bolivia	Brazil	Chile	Colombia	Ecuador	Mexico	Paraguay	Peru	Uruguay	Venezuela	LAIA Total
1980	13.46	11.68	7.11	12.38	10.35	15.74	6.17	10.78	13.96	6.28	10.11	9.11
81	15.00	14.50	9.36	16.05	10.67	16.98	6.62	11.11	13.28	7.26	10.40	10.26
82	10.77	12.94	6.75	9.89	13.14	17.92	7.02	7.71	16.48	4.87	12.92	9.71
83	9.55	7.99	8.49	8.91	11.84	12.91	5.29	5.86	13.35	4.16	7.65	8.52
84	11.61	7.85	8.36	13.52	10.47	10.60	5.53	12.96	12.07	3.23	6.75	8.47
85	9.69	10.51	9.49	9.96	11.22	13.13	6.30	7.06	13.38	3.95	8.38	8.84
86	10.49	10.88	11.94	14.94	10.27	17.84	7.07	11.47	14.40	4.10	9.09	10.35
87	10.94	12.59	10.61	17.10	10.54	20.29	8.11	10.81	13.51	6.27	8.54	10.61
88	10.77	14.51	10.14	14.15	14.74	17.50	8.55	12.74	9.32	6.39	8.41	10.22
89	10.69	11.85	10.86	17.90	10.93	12.03	7.48	20.20	8.39	6.47	6.50	9.99
90	11.64	11.70	10.64	13.27	10.55	12.89	8.45	30.27	N.A.	6.70	6.36	10.13

THE EVOLUTION OF THE ASIA-PACIFIC SHARE IN TOTAL EXPORTS OF LATIN AMERICAN COUNTRIES

(In percentages of total exports)

Year	Argentina	Bolivia	Brazil	Chile	Colombia	Ecuador	Mexico	Paraguay	Peru	Uruguay	Venezuela	LAIA Total
1980	5.94	0.93	8.59	16.33	4.09	12.76	5.69	5.19	13.28	2.43	4.07	7.02
81	4.08	2.09	8.92	15.16	4.64	26.73	8.75	10.43	21.56	2.75	5.65	8.44
82	7.45	1.84	10.75	16.27	4.69	20.32	9.17	9.70	20.96	4.67	3.58	9.00
83	14.30	1.92	11.99	14.77	5.22	16.85	8.24	2.77	16.62	5.56	2.93	9.42
84	6.32	1.07	10.72	19.01	4.97	17.40	9.03	4.06	14.67	11.40	2.59	8.72
85	9.89	0.42	11.76	18.72	4.64	6.21	9.10	3.03	14.01	11.28	7.24	9.83
86	12.28	0.50	13.05	17.66	5.23	4.83	7.01	1.13	16.21	11.00	4.17	9.68
87	10.74	1.20	12.80	19.49	4.60	5.28	8.31	3.04	16.74	9.57	3.12	9.83
88	11.80	1.15	15.55	21.09	6.06	5.24	8.26	7.15	21.40	14.43	5.02	12.10
89	11.89	1.34	16.88	26.13	5.36	5.12	6.94	2.68	19.12	8.45	4.51	12.01
90	9.99	0.80	17.38	26.66	4.43	5.74	6.79	3.75	N.A.	7.36	4.00	11.34

Source: UNSO-COMTRADE, and other official sources. Own calculations.

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Figure 5

THE IMPORTANCE OF ASIA-PACIFIC COUNTRIES IN TOTAL REGIONAL IMPORTS FROM LAIA

1990

1980

Japan 53.4%

Japan 80.1%

Rest Asia Pacif. 11.3%

Rest of Asia Pacific 11.9%

Rep.Korea 5%
Taiwan(P.of C.) 3%

Rep. Korea 9.3%

Singap 3.6

Taiwan
Pr. of China 7.7%

H.Kong 3.6%
Thailand
China 3.9%
7.1%

Total imports from LAIA:
US$ 6.36 billion

Total Imports from LAIA: US$ 16.71 billion

Sources: UN,COMTRADE and other sources.

Figure 6

THE IMPORTANCE OF ASIA-PACIFIC COUNTRIES IN TOTAL REGIONAL EXPORTS TO LAIA

1990

1980

Japan 59.1%

Japan 76.9%

Taiwan
(P.of C.) 6.9%
Rep.Korea 3.6%
Hong Kong 3.4%
Singapore 3.1%
Rest of Asia
Pacific 7.1%

Rep.
Korea 12.1%

Hong
Kong 2.9%
Singapore 3%
China 4%
Australia 4.4%

Taiwan
Pr. of China 8.3%
Rest Asia
Pacific 6.2%

Total exports to LAIA:
US$7.70 billion

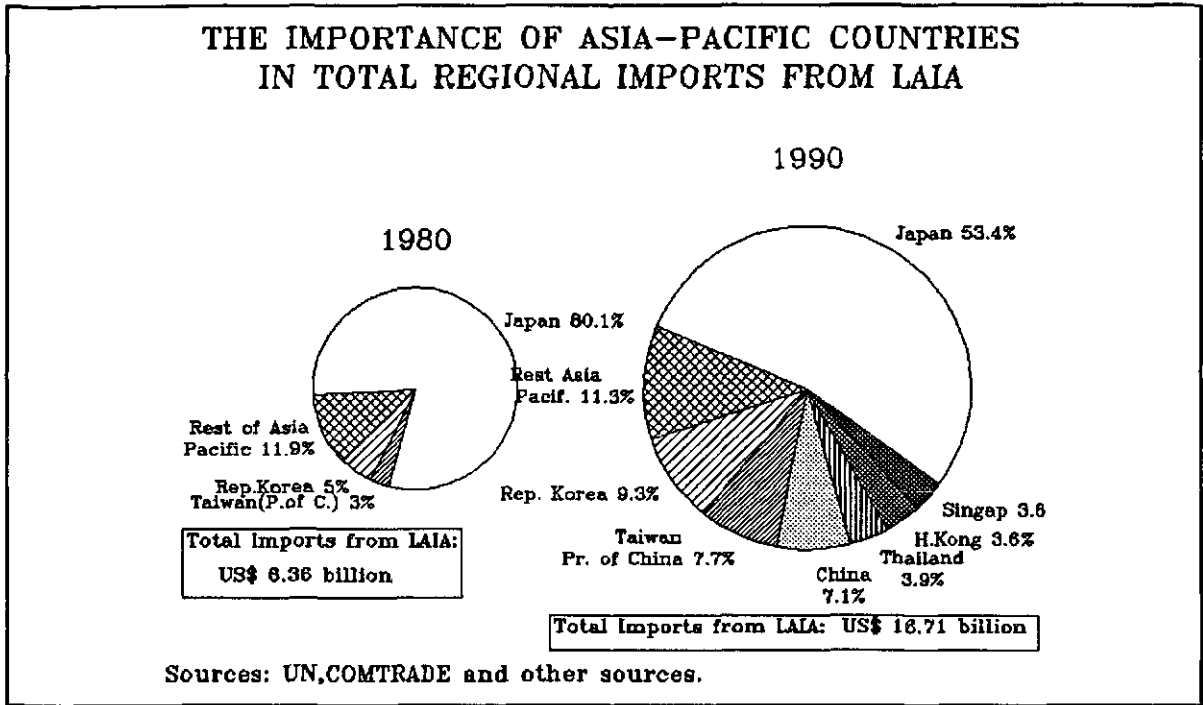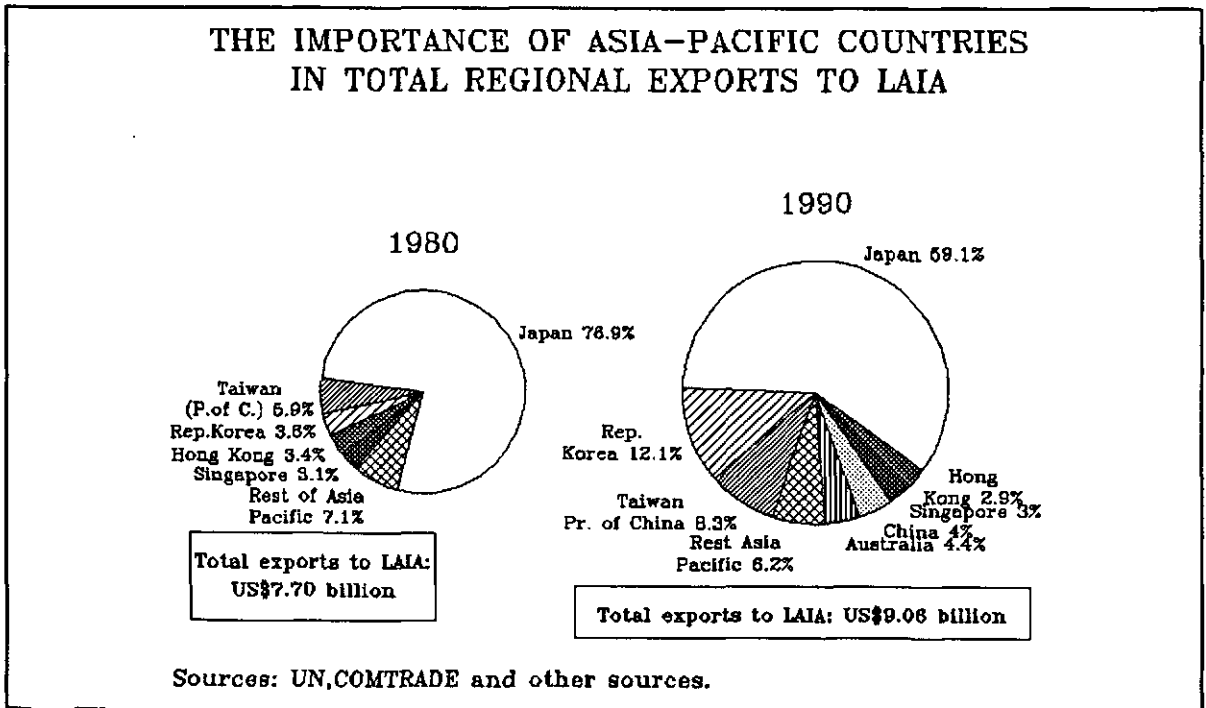Total exports to LAIA: US$9.06 billion

Sources: UN,COMTRADE and other sources.

The cases of Korea and Taiwan, Province of China are also worth noting. Their share of regional imports from LAIA increased two and a half times in the case of Taiwan, Province of China, and about 90% in the case of Korea. Simultaneously, their share of regional exports to Latin America also increased drastically.

Among the dynamic new industrializing countries of ASEAN, the arrival of Thailand as one of the region's main importers from Latin America is promising evidence that the process of industrialization in these countries may involve closer and more specific trade relations with the LAIA countries. In this respect, a major element of optimism is that most of Latin America's exports to Thailand consist of manufactured products.[7]

d)   Some relevant aspects of this section

From the analysis of the value of trade and its corresponding share in total bilateral trade it was possible to establish some main traits that marked the evolution of trade relations during the 1980s.

One conclusion that could be drawn from the data is that Latin America has limited weight as either a source or a destination of Asia-Pacific trade. Moreover, exports to Latin America lost importance during the decade, basically because of the debt crisis in Latin America that drastically reduced the availability of foreign reserves, and consequently affected the region's capacity to import.

Furthermore, splitting the decade in half reveals in different features for each five-year period. For instance, Asia-Pacific exports to Latin America declined in the first half of the decade, but surged in the last five years, although not enough to compensate for the earlier loss. On the other hand, imports from Latin America held steady, and surpassed the region's total average growth rate of imports for the decade.

Another relevant aspect of trade with Asia-Pacific is that, from the point of view of Latin America, not all countries benefited from increased sales to the eastern region. Of the 11 LAIA countries, only Brazil, Chile, Peru, Uruguay and Argentina saw the Asia-Pacific share of their total exports rise substantially during the 1980s; the rest showed a decrease during the period.

Finally, a curious and relevant element of the evolution of bilateral trade is the process of diversification of origin and destination of commercial exchanges between Asia-Pacific and Latin America. Promising new actors have emerged in trade with Latin America, chiefly China, Korea and Taiwan, Province of China, capturing some of Japan's share of total regional bilateral trade. At the beginning of the 1980s, Japan represented 77% of total regional exports to LAIA, and absorbed 80% of total regional imports from this group of countries. In 1990, its share was only 53% and 59%, respectively.

In the last section, some of the issues raised here will be examined in terms of their implications for the future of bilateral trade relations.

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[7] See next section.

2. The changing product composition of trade flows to Asia-Pacific: a Latin American perspective

a) The rising star of manufactures exports

A commonly held view in relation to Latin American trade with Asia-Pacific has been its asymmetric nature. The former region would import mainly manufactured products and concentrate its exports to the latter region in raw materials.

This was mostly correct up to the first five years of the past decade. But in the last five years of the 1980s, Latin American exports of manufactured products to Asia-Pacific showed an increasing weight. In fact, this category became the most important in the flow of exports from LAIA to the eastern region. This evolution has been achieved mainly through the decreasing importance of fuel exports, perhaps owing to the depressed price level of this commodity in international markets, and, although to a lesser degree, of non-food agricultural products (see table 9). In 1989, the Asia-Pacific region as a whole absorbed 12% of Latin America's total exports of manufactured products. This share was twice the level of 1980 (see table 10).

b) A closer look at individual countries' trade with Asia-Pacific

A closer look at the composition of specific Latin American countries' trade with Asia-Pacific reveals some interesting data. For instance, the share of manufactured products over total exports of Uruguay and Brazil to the latter region surpassed 50% in the period 1985-1990, reaching 68% in the case of the former country. For the same period only one country, Chile, showed a smaller percentage in manufactured products of its total exports to Asia-Pacific. Also, a large share of the exports of three countries —Bolivia (61%), Chile (63%) and Venezuela (67%)— was concentrated in metals and minerals (see table 9).

Examination of data pertaining to specific Latin American countries' imports from Asia-Pacific also reveals some noteworthy aspects. For example, only Brazil and Argentina have less than 80% of their imports concentrated in manufactured products. Although still large, the share of manufactured products over total imports from Asia-Pacific has decreased in relation to the period 1980-1985 for Argentina, Chile, Colombia and Venezuela. Besides the manufactured products sector, the two other categories that have some importance in Latin American imports from Asia-Pacific are fuels (20% for Brazil) and metals and minerals (13% for Argentina). For all other categories and countries, the share of merchandise other than manufactures is substantially lower than 10% (see table 9).

Moreover, considering the participation of Asia-Pacific in each product category of exports reveals that the share of this region in total exports of manufactured products reached over 18% in 1989 in the case of Argentina —over three times the level at the beginning of the decade. In Brazil this share reached over 17% at the end of the decade, while it was less than 7% at the beginning. For Chile, also in 1989, the share was over 16%, although in 1990 the growth of the share of agricultural non-food products drastically reduced it to only 6% (see table 10).

THE SHARE OF EACH PRODUCT CATEGORY IN TOTAL IMPORTS OF LAIA COUNTRIES FROM ASIA-PACIFIC												
(Average percentages of total imports from Asia-Pacific, by LAIA countries)												
Product Categories	Years	Argentina	Bolivia	Brazil	Chile	Colombia	Ecuador	Mexico	Paraguay	Peru	Uruguay	Venezuela	LAIA
Food Products	80-90	0.39	0.86	2.93	2.23	0.90	3.25	7.46	0.17	n.a.	7.17	6.25	4.31
	80-85	0.34	0.92	2.39	2.42	0.23	4.43	8.24	0.09	13.24	11.35	4.84	3.91
	85-90	0.38	0.71	3.54	2.00	1.47	2.26	7.51	0.26	n.a.	1.97	7.77	4.87
Non-food Agricultural Products	80-90	5.78	0.66	4.54	1.80	3.75	1.52	4.37	0.30	n.a.	7.58	3.73	3.77
	80-85	5.71	1.00	3.41	1.99	3.76	1.67	4.64	0.44	2.61	8.15	2.74	3.44
	85-90	5.79	0.33	5.57	1.75	3.92	1.41	3.76	0.14	n.a.	7.18	4.69	4.08
Fuels	80-90	1.53	0.06	26.73	5.54	0.26	2.06	0.74	0.06	n.a.	0.01	0.33	8.75
	80-85	0.44	0.08	35.09	3.83	0.14	2.77	0.87	0.08	3.49	0.01	0.28	10.85
	85-90	2.38	0.04	20.96	8.01	0.35	1.11	0.63	0.03	n.a.	0.01	0.48	7.51
Metals and Minerals	80-90	9.44	0.24	1.04	0.37	0.59	0.36	1.26	0.03	n.a.	0.34	2.14	1.66
	80-85	6.59	0.38	0.84	0.45	0.68	0.40	0.92	0.06	0.25	0.45	1.44	1.37
	85-90	13.16	0.11	1.23	0.27	0.47	0.36	1.49	0.00	n.a.	0.22	2.82	2.00
Manufactured Products	80-90	82.87	98.17	64.76	90.05	94.50	92.80	86.17	99.44	n.a.	84.89	87.55	81.52
	80-85	86.92	97.62	58.26	91.31	95.20	90.72	85.12	99.32	80.41	80.04	90.70	80.44
	85-90	78.29	98.80	68.70	87.97	93.79	94.86	86.61	99.57	n.a.	90.62	84.25	81.53

THE SHARE OF EACH PRODUCT CATEGORY IN TOTAL EXPORTS OF LAIA COUNTRIES TO ASIA-PACIFIC												
(Average percentages of total exports from Asia-Pacific, by LAIA countries)												
Product Categories	Years	Argentina	Bolivia	Brazil	Chile	Colombia	Ecuador	Mexico	Paraguay	Peru	Uruguay	Venezuela	LAIA
Food Products	80-90	49.46	10.32	19.50	16.97	68.58	30.84	3.91	12.42	n.a.	26.07	1.17	18.43
	80-85	53.23	14.51	21.26	15.66	74.03	10.63	3.25	12.28	11.28	29.92	1.06	17.13
	85-90	46.02	11.45	17.40	18.59	65.29	49.85	4.21	13.87	n.a.	22.27	1.51	19.38
Non-food Agricultural Products	80-90	10.44	5.91	5.96	15.23	1.79	1.29	4.34	81.79	n.a.	18.93	0.32	6.31
	80-85	12.93	3.77	6.44	15.53	2.30	0.73	6.29	84.03	3.98	27.58	0.11	6.55
	85-90	7.19	8.38	5.15	15.07	1.16	1.80	1.72	78.41	n.a.	8.63	0.52	5.62
Fuels	80-90	0.84	0.00	0.36	0.03	2.71	67.19	67.53	n.a.	n.a.	0.00	28.99	21.25
	80-85	1.28	0.00	0.40	0.04	0.49	88.47	71.36	n.a.	16.90	0.00	46.00	28.86
	85-90	0.27	0.00	0.29	0.03	4.66	47.25	65.95	n.a.	n.a.	0.00	9.14	14.02
Metals and Minerals	80-90	8.77	67.42	28.44	64.21	0.62	0.06	10.24	n.a.	n.a.	0.59	54.67	27.57
	80-85	10.72	69.96	31.30	65.24	0.69	0.11	11.18	n.a.	65.15	0.43	42.10	27.66
	85-90	6.96	61.15	24.92	62.98	0.54	0.00	8.72	0.01	n.a.	0.73	66.89	27.28
Manufactured Products	80-90	30.49	16.35	45.73	3.56	26.30	0.62	13.99	5.79	n.a.	54.41	14.85	26.44
	80-85	21.84	11.77	40.60	3.52	22.48	0.06	7.92	3.69	2.69	42.07	10.73	19.80
	85-90	39.56	19.02	52.25	3.34	28.36	1.10	19.41	7.71	n.a.	68.38	21.95	33.70

Source: UN-COMTRADE, UN-BADECEL, and other official sources.

Table 10

THE SHARE OF ASIA-PACIFIC IN TOTAL EXPORTS OF LAIA COUNTRIES, BY CATEGORIES												
(In percentages of total exports of each category)												
Product Categories	Year	Argentina	Bolivia	Brazil	Chile	Colombia	Ecuador	Mexico	Paraguay	Peru	Uruguay	Venezuela	LAIA
Food products	80	4.10	3.28	4.79	13.47	4.04	4.92	3.33	0.68	9.34	1.04	6.02	4.69
	81	2.83	5.63	5.27	10.41	4.62	5.10	2.93	2.04	7.71	1.47	5.07	4.42
	82	5.59	2.52	5.78	13.06	5.39	5.36	3.03	2.74	14.42	3.63	2.60	5.77
	83	15.04	0.61	6.12	14.93	6.36	4.86	3.06	1.16	13.75	4.35	3.89	8.69
	84	4.39	0.35	4.70	12.56	6.21	4.59	2.26	0.54	15.20	9.86	4.11	5.06
	85	7.69	4.79	5.52	14.49	6.28	4.56	1.85	1.37	12.02	6.98	5.85	6.27
	86	10.03	0.70	7.55	13.70	6.21	5.46	2.32	0.95	21.73	5.76	2.98	7.60
	87	8.76	0.58	7.27	14.18	7.22	5.47	2.52	0.61	21.14	7.24	3.50	7.49
	88	7.85	0.68	8.01	15.82	8.07	5.84	3.51	0.15	36.76	6.95	4.08	8.49
	89	7.16	0.22	10.50	19.62	7.46	6.34	2.58	0.19	27.99	5.19	1.27	9.10
	90	8.45	0.08	9.86	19.00	6.93	5.55	2.44	0.38	n.a.	3.96	2.69	8.33
Non-food agricultural products	80	22.16	1.65	16.90	24.82	2.68	12.09	47.27	9.43	10.13	4.50	24.66	20.02
	81	13.86	2.23	18.35	18.80	3.14	22.79	52.68	18.07	32.08	8.00	33.08	20.55
	82	27.30	3.02	19.38	24.11	1.63	9.08	33.55	17.87	34.99	9.38	32.28	21.31
	83	16.42	2.73	24.05	33.87	0.13	7.39	13.48	4.99	6.74	1.83	20.01	18.65
	84	20.85	2.29	21.21	32.87	2.89	7.13	8.42	7.97	6.97	5.09	21.50	17.42
	85	16.64	2.90	18.63	35.29	0.84	8.81	3.24	4.59	6.12	9.33	22.17	15.36
	86	25.44	0.29	19.14	34.71	0.43	7.90	5.56	1.36	9.39	11.68	19.92	17.13
	87	24.07	0.19	28.32	28.85	0.40	8.16	8.86	7.13	14.61	8.79	13.40	20.54
	88	29.66	1.70	21.16	30.12	0.65	7.39	15.06	15.42	28.49	9.74	9.04	20.49
	89	15.38	1.69	28.73	30.64	2.27	8.33	6.80	7.05	21.12	6.06	8.80	18.35
	90	17.03	2.24	27.29	41.03	2.66	6.84	6.30	8.28	n.a.	2.99	9.82	20.74
Fuels	80	1.55	0.00	0.03	1.09	0.00	17.34	3.98	n.a.	0.07	0.00	2.77	3.72
	81	1.30	0.00	0.02	0.68	0.00	39.87	7.40	0.00	27.84	0.00	3.93	8.90
	82	1.74	0.00	1.77	0.00	0.00	27.48	9.59	n.a.	23.85	0.00	1.81	6.75
	83	4.39	0.00	1.74	0.00	0.65	21.12	8.99	n.a.	17.41	0.00	1.37	6.11
	84	2.25	0.00	0.17	0.03	0.00	22.45	10.32	n.a.	0.08	0.00	1.19	6.31
	85	0.02	0.00	0.27	3.80	0.31	7.05	11.30	n.a.	7.51	0.00	1.08	6.00
	86	0.24	0.00	0.77	0.00	1.31	4.16	14.28	n.a.	0.28	0.00	1.08	6.17
	87	0.08	0.00	0.41	3.76	0.66	5.14	13.40	0.00	0.00	0.00	0.00	5.53
	88	0.11	0.00	2.27	0.05	1.28	4.53	13.43	n.a.	0.25	0.00	0.76	5.62
	89	4.07	0.00	4.04	2.10	1.30	3.94	12.30	n.a.	0.00	0.00	0.49	5.03
	90	0.39	0.00	2.11	0.01	0.64	5.95	13.30	n.a.	n.a.	0.00	0.00	5.85
Metals and minerals	80	28.44	0.48	33.09	16.90	26.48	43.41	15.74	n.a.	24.74	3.34	33.46	21.96
	81	30.22	2.91	32.24	17.89	31.01	18.18	24.24	0.00	29.61	1.99	40.76	25.29
	82	70.88	3.24	37.71	17.63	8.93	4.66	14.82	0.00	25.68	7.91	79.90	27.30
	83	66.39	4.12	36.26	13.24	6.29	7.66	14.40	0.00	21.29	14.34	59.98	23.53
	84	49.12	2.15	30.10	20.43	2.59	0.00	16.60	0.00	27.83	21.28	47.36	24.98
	85	54.94	0.49	30.11	19.78	6.77	1.46	13.44	0.00	22.13	23.59	50.47	26.62
	86	33.76	1.00	28.85	18.75	18.31	0.00	12.04	0.00	22.31	19.32	37.26	22.73
	87	28.11	2.53	35.03	22.78	15.93	0.00	12.29	0.00	23.86	18.34	40.59	26.22
	88	22.31	1.81	31.75	23.45	6.16	0.00	14.56	1.59	20.40	26.94	45.56	25.74
	89	28.87	2.12	29.39	29.93	14.31	0.00	12.00	0.00	24.06	22.39	42.75	27.17
	90	40.89	0.64	34.43	31.38	6.27	0.00	5.49	1.19	n.a.	25.45	34.71	28.68
Manufactured products	80	5.28	10.78	6.95	9.93	4.93	0.57	4.17	1.51	2.70	2.65	8.96	6.03
	81	4.47	5.66	7.65	2.94	5.13	0.18	4.88	1.00	1.30	1.17	9.12	6.35
	82	6.12	6.56	9.49	8.02	4.86	0.15	5.01	1.88	2.04	2.85	16.36	7.81
	83	9.16	10.23	12.26	8.82	6.42	0.48	4.91	2.58	3.57	8.55	12.75	9.85
	84	9.23	8.35	13.16	11.51	5.53	0.82	5.04	3.29	4.75	14.30	6.64	10.57
	85	15.50	3.56	14.35	5.23	4.25	1.06	4.46	2.58	4.17	15.63	25.80	12.44
	86	16.12	3.99	13.86	4.24	5.19	0.65	2.90	1.06	4.30	15.73	13.97	9.49
	87	12.28	7.64	11.66	4.84	6.34	1.74	4.11	2.03	5.97	11.09	12.77	9.03
	88	16.44	5.11	16.60	10.81	8.73	4.70	4.77	4.34	7.21	20.17	5.79	12.66
	89	18.44	3.22	17.13	16.21	8.07	3.71	3.72	3.21	4.19	11.26	6.90	12.11
	90	12.04	6.85	16.88	6.55	7.03	4.21	2.66	4.41	n.a.	10.74	6.20	10.45
Source: UNSO-COMTRADE, and other official sources. Own calculations.													

c)   <u>Stable behaviour of manufactures imports</u>

In 1989, 12% of total regional imports of manufactured products corresponded to trade with the Asia-Pacific region. However, contrary to regional exports, this share remained relatively stable during the 1980s. In the same year, imports of non-food agricultural products also attained the high level of 10% of the total imported by Latin America from all sources under this category. None the less, this category has been losing importance. At the beginning of the 1980s, 15% of Latin American imports of non-food agricultural products originated in the Asia-Pacific region (see table 11).

d)   <u>More evidence of the increasing importance of manufactures in bilateral trade</u>

A breakdown of Latin American exports to Asia-Pacific by countries of destination shows that in the period 1985-1990, the share of manufactures was high for Thailand (81%), followed by Australia (76%), Singapore (60%) and Hong Kong (59%). Most notably, the share of manufactured products in total exports to Japan was very modest, reaching only 17% in the last half decade, the region's lowest level (see table 12).

In terms of Latin American imports from Asia-Pacific countries, the pre-eminence of manufactured products was observed in Korea; 98% of LAIA countries' imports from this country were products included in this category. However, the shares of manufactures in total imports from Japan (97%), Hong Kong and Taiwan, Province of China (both 93%) were similarly overwhelming (see table 12).

e)   <u>Some lessons from the commodity composition of bilateral trade flows</u>

One consideration regarding the composition of bilateral trade flows is the importance that manufactured products have attained in total trade with some Asia-Pacific countries. The fact that over 50% of the region's exports to seven of the 12 Asia-Pacific countries consists of manufactures may denote two contrasting features of the Asia-Pacific market. On the one hand, it may be that the other categories of Latin America's exports do not fit the demand of Asia-Pacific, or that the regional supply overlaps with local production. On the other hand, it is a clear indication that conceivably, the new opportunities in the Asia-Pacific region are centred in manufactures rather than in raw materials. The share of Asia-Pacific in total exports of manufactures is not negligible. Moreover, considering that this share duplicated during the 1980s, the outlook is promising for the future of Latin America's manufactured products in that region.

Another good predictor of future opportunities is the importance that metals and minerals and, in a decreasing although still important way, non-food agricultural products attained in the bilateral flow of merchandise. Over one fourth of total exports of metals and minerals in 1990 was sent to Asia-Pacific, while one fifth of total exports of non-food agricultural products went to that region. In considering the possibilities for further expanding trade relations, the relatively high participation of Asia-Pacific in these categories is favourable to the process of complementarity between the two regions.

Table 11

THE SHARE OF ASIA-PACIFIC IN TOTAL IMPORTS OF LAIA COUNTRIES, BY CATEGORIES												
(In percentages of total imports in each category)												
Product categories	Year	Argentina	Bolivia	Brazil	Chile	Colombia	Ecuador	Mexico	Paraguay	Peru	Uruguay	Venezuela	LAIA
Food products	80	2.62	0.40	1.59	1.65	0.18	5.28	0.90	0.13	11.47	0.82	1.49	1.96
	81	1.23	0.82	3.88	0.36	0.13	6.92	1.79	0.04	6.69	7.24	1.25	2.30
	82	0.37	0.16	0.84	0.45	0.63	6.58	2.11	0.05	9.77	8.86	3.61	2.50
	83	0.38	0.18	3.56	2.37	0.11	5.47	2.80	0.02	9.00	11.06	2.94	3.26
	84	0.30	1.40	0.76	4.45	0.15	10.07	4.65	0.06	7.51	9.06	1.99	3.15
	85	0.16	0.21	3.58	2.29	0.33	7.11	6.05	0.17	7.36	0.59	3.51	4.13
	86	0.43	0.55	6.52	6.91	2.98	11.59	3.44	0.27	14.54	0.69	2.49	5.42
	87	1.81	0.36	3.89	9.61	2.63	2.14	1.73	0.30	14.84	4.58	6.04	4.75
	88	0.37	0.68	4.55	4.84	4.02	3.62	2.37	0.42	11.18	0.85	6.99	4.38
	89	1.55	0.29	2.76	2.35	0.63	4.41	2.65	0.44	9.53	1.35	4.85	3.12
	90	1.53	1.76	1.98	7.65	1.55	0.93	8.40	0.85	n.a.	0.89	5.55	5.71
Non-food agricultural products	80	12.77	6.45	27.72	12.12	15.47	12.91	12.89	9.39	15.34	14.30	9.48	15.14
	81	9.14	10.95	24.00	9.96	13.99	5.59	12.34	10.48	10.69	11.35	8.62	12.73
	82	10.68	15.35	19.03	6.74	14.48	10.32	10.45	7.25	14.43	6.29	7.20	11.35
	83	18.36	7.52	14.54	9.37	14.02	15.59	8.66	12.50	16.46	8.98	8.78	12.35
	84	17.90	1.44	19.78	10.26	11.28	4.82	4.62	5.11	16.48	6.40	6.81	10.29
	85	14.97	3.78	21.79	8.35	13.57	7.76	5.12	6.45	16.14	8.73	8.24	10.42
	86	13.73	1.81	20.98	6.13	8.63	8.55	7.04	8.70	11.24	9.73	8.62	11.22
	87	12.23	0.62	27.75	7.90	7.70	6.53	5.39	6.69	15.19	7.99	9.61	11.09
	88	19.05	3.24	28.76	8.70	17.97	4.18	6.48	7.75	20.22	10.05	10.04	13.31
	89	13.87	1.12	18.86	8.86	13.25	7.78	5.18	11.41	19.89	10.16	12.54	10.85
	90	20.26	2.32	20.04	10.47	8.27	5.53	6.44	10.59	n.a.	8.55	4.99	10.58
Fuels	80	0.99	7.62	3.53	2.97	0.08	8.38	0.88	0.02	37.11	0.00	2.49	3.16
	81	1.88	0.38	6.01	3.22	0.02	11.01	0.90	0.01	23.55	0.00	2.65	5.11
	82	0.08	0.01	3.33	0.92	0.03	6.85	0.97	0.06	24.29	0.00	0.56	2.77
	83	0.21	0.19	7.08	0.20	0.13	4.24	0.93	0.03	11.31	0.00	0.13	5.65
	84	0.08	0.05	7.08	2.29	0.49	0.80	3.82	0.00	2.58	0.00	0.17	5.52
	85	0.10	0.55	8.49	5.05	0.00	0.61	0.90	0.02	26.23	0.00	2.78	6.32
	86	1.23	0.40	9.76	7.93	1.50	3.69	1.40	0.01	15.85	0.00	1.87	7.49
	87	3.09	0.77	9.33	16.27	3.74	2.56	0.19	0.01	6.36	0.00	2.97	7.92
	88	3.67	0.88	4.40	10.53	0.01	9.22	1.93	0.02	0.07	0.01	2.28	4.21
	89	4.96	0.79	4.13	8.80	0.00	6.42	1.78	0.01	7.04	0.00	1.01	4.09
	90	3.49	1.78	3.93	2.70	0.70	1.76	0.98	0.08	n.a.	0.00	0.05	3.04
Metals and minerals	80	1.98	5.99	2.17	3.71	3.51	4.07	1.98	0.74	1.94	1.43	6.15	2.58
	81	1.32	5.55	2.26	6.89	3.25	1.05	1.73	3.27	2.48	1.09	5.19	2.50
	82	2.21	2.60	1.25	2.20	3.43	2.34	2.41	0.26	4.32	0.22	5.62	2.42
	83	18.63	3.11	1.96	2.41	1.80	2.15	1.48	0.20	1.38	0.70	3.10	4.72
	84	22.79	0.98	1.29	2.55	1.71	2.18	0.56	0.26	0.97	2.28	3.38	4.71
	85	23.96	4.51	2.25	1.18	1.66	3.55	0.82	0.03	1.82	0.46	3.62	4.33
	86	18.33	2.61	2.38	2.58	1.59	1.93	4.26	0.00	2.21	0.80	4.37	5.22
	87	14.16	3.22	2.90	3.82	1.23	4.85	3.06	0.02	1.96	0.24	4.61	4.58
	88	13.41	1.11	2.21	2.76	1.62	1.54	2.20	0.03	0.95	0.21	1.36	3.18
	89	26.79	0.45	2.08	2.51	1.17	1.15	3.01	0.04	2.05	0.63	1.68	4.97
	90	24.11	0.79	3.18	2.82	1.32	1.69	3.96	0.11	n.a.	0.82	10.62	6.11
Manufactured products	80	16.38	14.65	11.85	18.27	13.96	18.06	7.36	17.96	14.24	9.84	11.99	12.20
	81	18.41	17.46	15.16	21.97	14.57	19.35	7.66	17.00	14.83	11.06	12.64	13.32
	82	13.75	16.52	13.08	15.17	17.56	19.50	8.07	12.51	18.06	8.83	14.92	13.49
	83	10.03	10.26	12.34	14.66	16.17	14.25	6.33	9.38	15.22	6.17	9.50	11.06
	84	12.58	9.55	12.85	19.46	13.80	13.00	6.26	20.89	14.34	4.36	8.68	10.95
	85	10.48	13.20	12.37	12.73	14.89	16.59	7.23	11.65	14.80	7.37	10.02	10.71
	86	11.67	12.83	15.23	17.42	12.03	20.02	7.83	16.92	14.95	6.16	10.38	11.85
	87	12.40	15.80	12.55	18.39	12.19	22.76	10.05	16.43	13.80	7.97	9.19	12.26
	88	11.55	16.78	13.50	15.83	17.08	20.11	10.68	19.85	9.85	8.28	9.08	12.27
	89	9.75	14.78	16.06	20.63	12.98	13.78	9.41	29.69	8.82	8.25	6.87	12.44
	90	11.39	13.45	15.54	16.03	12.68	14.99	9.23	39.23	n.a.	9.10	6.54	12.29

Source: UNSO-COMTRADE, and other official sources. Own calculations.

Table 12

THE COMPOSITION OF LATIN AMERICAN EXPORTS TO ASIAN-PACIFIC COUNTRIES														
(Average percentages of total exports, by countries and overall)														
Product categories	Averages	Hong Kong	Korea	Singapore	Taiwan (Prov. of China)	Philippines	Indonesia	Malaysia	Thailand	China	Japan	N.Zealand	Australia	Others	Total
Food products	80-90	22.23	8.73	30.89	16.10	24.12	33.86	29.75	12.00	26.12	17.60	37.68	22.30	27.06	26.23
	80-85	22.97	7.92	33.55	15.29	30.51	36.20	28.97	19.26	25.24	15.48	34.08	25.37	26.69	25.87
	85-90	22.60	9.65	27.57	15.77	15.65	31.27	33.24	3.48	24.81	19.73	41.05	18.83	27.36	26.50
Non-food agricultural products	80-90	13.93	8.98	3.80	8.39	0.66	9.98	3.29	0.00	17.01	4.67	1.07	1.23	2.80	3.12
	80-85	16.13	9.31	3.57	9.69	0.43	8.59	3.68	0.00	23.07	4.57	1.19	1.04	2.57	2.90
	85-90	10.29	8.73	4.45	6.33	0.95	11.02	2.58	0.00	8.94	4.41	1.43	1.33	2.92	3.22
Fuels	80-90	n.a.	0.00	0.00	n.a.	0.00	0.00	0.00	0.00	n.a.	28.01	0.00	1.16	34.87	33.56
	80-85	n.a.	0.00	0.00	n.a.	0.00	0.00	0.00	0.00	n.a.	35.03	0.00	1.63	43.50	42.23
	85-90	1.80	0.00	3.80	8.37	0.00	0.00	0.00	0.00	n.a.	22.10	0.00	0.51	27.11	25.70
Metals and minerals	80-90	3.96	28.80	8.13	28.66	26.90	0.00	0.00	3.27	12.05	35.22	n.a.	2.82	8.67	10.49
	80-85	1.97	24.19	11.87	30.55	31.81	0.00	0.00	2.18	12.76	33.58	n.a.	2.51	7.90	9.60
	85-90	6.13	33.87	3.53	26.07	24.98	0.00	0.00	3.93	11.78	36.37	2.43	2.91	9.32	11.26
Manufactured products	80-90	58.89	25.66	51.42	33.93	36.27	40.77	46.59	70.39	44.60	14.49	55.74	72.50	26.60	26.59
	80-85	58.72	13.81	44.01	26.53	15.51	39.90	42.21	61.84	38.73	11.34	57.78	69.46	19.34	19.40
	85-90	59.18	37.37	60.64	43.46	56.72	41.81	47.84	81.28	54.25	17.39	54.34	76.42	33.29	33.33
THE COMPOSITION OF LATIN AMERICAN IMPORTS FROM ASIA-PACIFIC COUNTRIES														
(Average percentages over total imports, by countries and general)														
Product categories	Averages	Hong Kong	Korea	Singapore	Taiwan (Prov. of China)	Philippines	Indonesia	Malaysia	Thailand	China	Japan	N.Zealand	Australia	Others	Total
Food products	80-90	0.93	4.00	3.05	1.92	35.38	4.31	3.61	73.24	4.14	0.21	89.96	22.64	12.14	11.39
	80-85	0.78	6.68	3.74	3.27	44.97	2.24	1.30	80.12	1.62	0.26	89.37	26.43	12.93	12.11
	85-90	1.06	0.66	2.67	0.97	20.86	6.31	5.41	69.95	6.56	0.14	90.65	20.80	11.30	10.66
Non-food agricultural products	80-90	4.23	0.33	56.07	2.27	2.17	61.46	60.41	n.a.	0.68	0.50	3.92	7.39	3.06	3.12
	80-85	5.20	0.17	69.56	0.49	1.73	50.01	52.54	n.a.	0.52	0.56	5.20	7.30	2.55	2.63
	85-90	3.88	0.50	45.60	3.82	3.33	74.59	64.14	n.a.	0.83	0.49	2.38	7.29	3.58	3.63
Fuels	80-90	0.08	n.a.	n.a.	1.18	n.a.	n.a.	n.a.	n.a.	62.28	1.07	n.a.	26.96	17.33	16.51
	80-85	0.13	n.a.	n.a.	1.32	n.a.	n.a.	n.a.	n.a.	76.22	0.99	n.a.	18.35	21.28	20.31
	85-90	0.02	n.a.	1.35	0.87	n.a.	n.a.	n.a.	n.a.	52.41	1.11	n.a.	35.53	13.83	13.20
Metals and minerals	80-90	0.81	0.44	0.66	0.90	23.79	n.a.	n.a.	2.61	1.28	0.59	0.13	23.62	4.01	3.78
	80-85	0.15	0.72	1.11	0.74	27.91	n.a.	n.a.	3.75	0.96	0.52	0.07	18.21	3.55	3.35
	85-90	1.36	0.21	0.17	1.21	24.90	n.a.	n.a.	1.27	1.52	0.67	0.19	29.38	4.52	4.27
Manufactured products	80-90	93.95	95.12	39.43	93.73	38.65	20.31	8.84	18.51	31.62	97.62	5.99	19.40	63.46	65.19
	80-85	93.75	92.41	25.32	94.18	25.38	24.49	7.01	10.94	20.67	97.67	5.37	29.71	59.69	61.61
	85-90	93.67	98.42	50.22	93.14	50.92	16.83	10.21	23.64	38.68	97.60	6.78	7.00	66.77	68.25

Source: UNSO-COMTRADE, UN-ECLAC-BADECEL, and other official sources. Own calculations.

Because of rounding and the exclusion of some products, totals may not add up to 100.

Other conclusions can be drawn from this analysis. The first is that trade with Asia-Pacific is commonly viewed as difficult and, especially, that penetration of the Asian manufactures import market is reserved for Japanese and some other developed countries' exports. Although this opinion may be to a large extent true, it is not so indisputable as to discourage further efforts on the part of Latin American countries to increase their exports of manufactured products to Asia. If over 30% of regional exports to Asia-Pacific are already represented by manufactures, and this stands for the lion's share of total regional exports to the Asia-Pacific region, then there are possibilities of increasing our exports in this category to this area of the world.

However, in a large region such as Asia-Pacific, choosing partners may be confusing. An additional element that could help to orient Latin America's efforts to increase its trade with the region is their economies' degree of openness to foreign trade. As can be seen in figures 7 to 10, the relevance of foreign trade to some Asia-Pacific countries is outstanding, while to others it is declining. Part of the reason for this contrasting behaviour may be the high rates of growth of these countries' gross domestic product. Furthermore, the expansion of domestic markets also affects the importance of foreign trade for these economies. In this regard, it is worth noting the performance of these indexes in the cases of Malaysia and Thailand, among the so-called "new Asian tigers", and their sluggish tendencies in the cases of Korea and Taiwan, Province of China.

As could be expected, the participation of individual Latin American countries in total regional exports to Asia-Pacific, classified by categories, varies widely according to the geographical diversification of their exports and to their export-oriented production. In this regard, it is interesting to note that the two Latin American countries that present the highest concentration of their exports to Asia-Pacific in manufactures are very dissimilar in size (Brazil and Uruguay). This might imply that the Asia-Pacific market is not reserved for large countries, but that small countries also have an opportunity in it. From the perspective of regional expansion of manufactures exports, this may mean that Asia-Pacific is more likely to accept a broader universe of products than was previously assumed.

Figure 7

ANIES 4 Countries
Exports as % of GDP

Asia-Pacific

—— Hong Kong

— — — Korea, Rep. of

·········· Singapore

—·—·— Taiwán, Prov. of China

Source: ADB, Asian Development Outlook, 1990 & 1991.

*/ 1991 & 1992, Projections.

Figure 8

ASEAN4 Countries
Exports as % of GDP

Asia-Pacific

— — — Indonesia

—·····— Malaysia

····· Philippines

—··—··— Thailand

Source: ADB, Asian Development Outlook, 1990 & 1991.

*/ 1991 & 1992, Projections.

Figure 9

ANIES 4 Countries
Imports as % of GDP

Asia-Pacific

—— Hong Kong

– – – Korea, Rep. of

········· Singapore

–··–··– Taiwan, Prov. of China

Source: ADB, Asian Development Outlook, 1990 & 1991.
*/1991 & 1992, Projections.

Figure 10

ASEAN 4 Countries
Imports as % of GDP

Asia-Pacific

– – – Indonesia

–··–··– Malaysia

········· Philippines

–··–··– Thailand

Source: ADB, Asian Development Outlook, 1990 & 1991.
*/1991 & 1992, Projections.

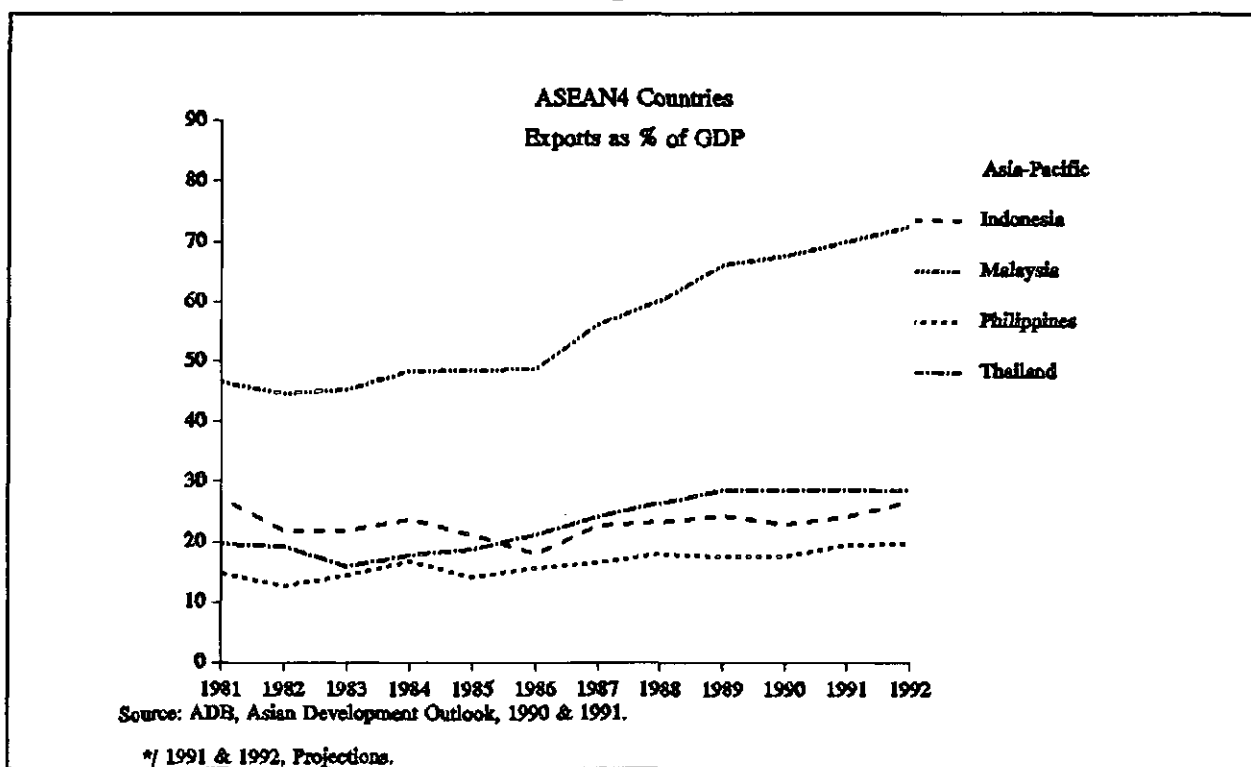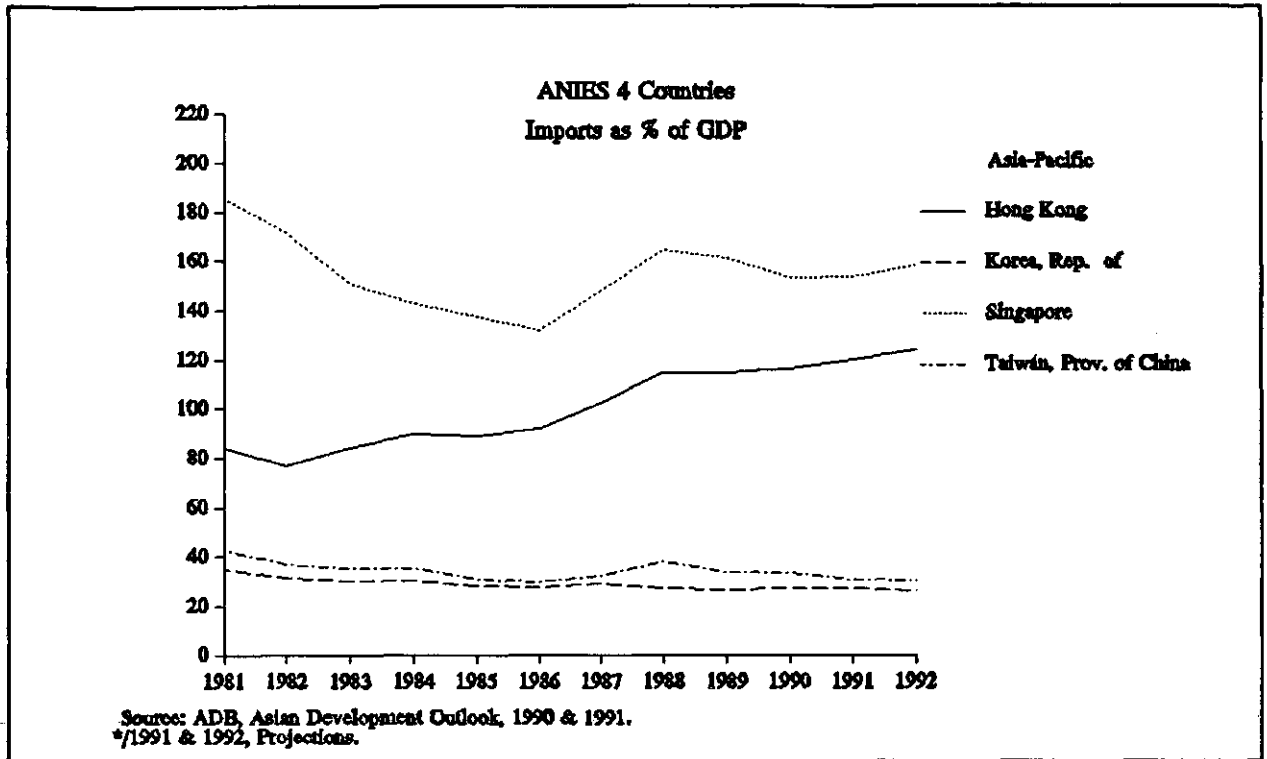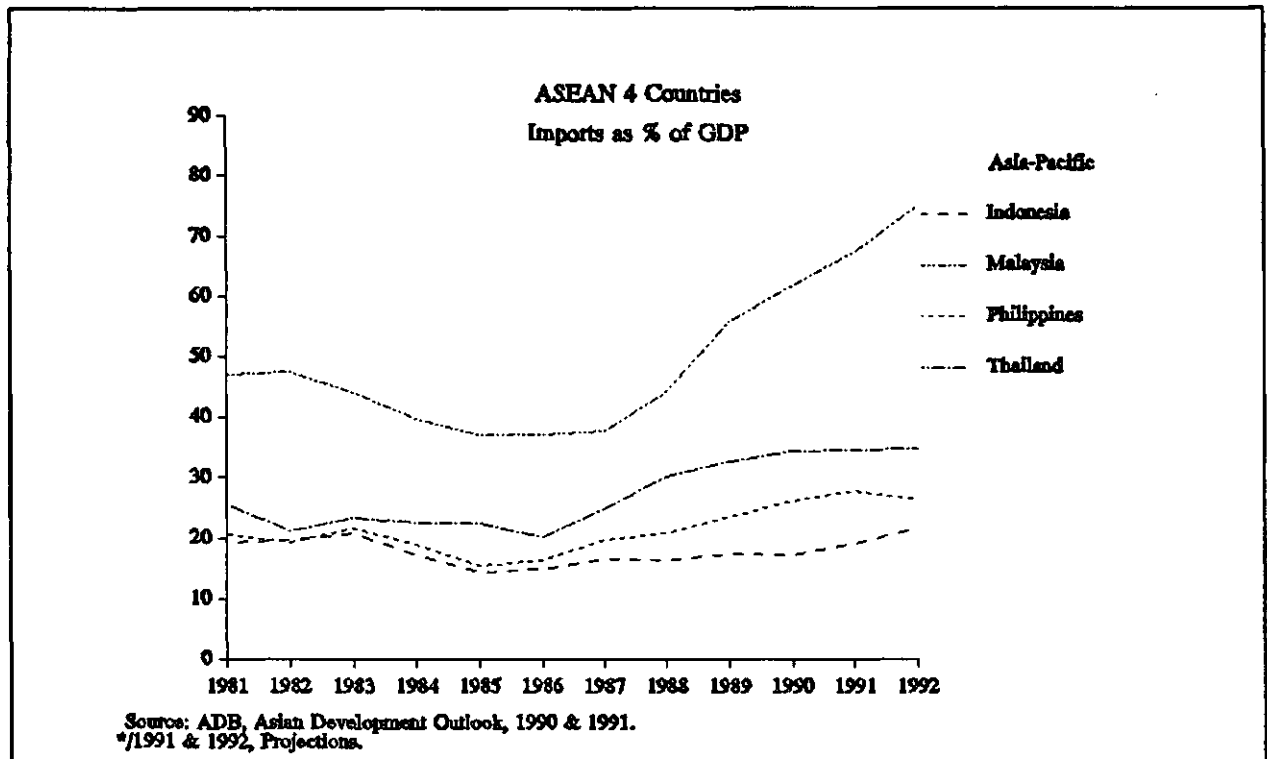## II. DIRECT INVESTMENTS AND INTRA-INDUSTRY TRADE - A LOOK AT THE FUTURE

Direct investment is one major vehicle for advancing the process of interdependence and globalization that has been the key to the evolution of the world economy in the last decade. The importance of the flow of investment capital between countries goes far beyond its value, to become a multiplier of trade and technological innovation. In that context, the role of direct investment as an agent of development has many aspects that call for careful analysis.

Some analysts of the international economy identify three stages of growing international linkage after World War II.[8] The first was directed by trade, through the dismantling of protectionist barriers in the 1950s and 1960s. The second was governed by financial integration, initiated after the commodity and oil shock of the 1970s. This process was accelerated in the 1980s through deregulation, privatization, the information and communication revolution, and finally by the explosion of the Japanese current account surplus. Now, the world seems to be starting a new stage of interconnection, based on the expansion of foreign direct investment and the acceleration of the process of technological change. This new phase, called globalization, has as its main agent the transnational corporations. But in contrast to the earlier periods, when the United States was the principal investor, today the investments that make up this process of globalization do not originate solely in the United States, but in a myriad of countries, which have been grouped under the name of Triad (United States, Japan and Europe).

Our main purpose in this section is to analyse the main traits of Asia-Pacific foreign direct investment (FDI) and their possible implications for Latin America. One important aspect of present-day foreign direct investment by Asia-Pacific countries, especially newly industrializing economies such as ANIES4, is the increased degree of technology transfer embodied in their FDI, particularly those technologies more appropriate to developing economies. Moreover, current Asia-Pacific FDI is usually one way of transferring industries to the next tier of countries in the "flying geese"[9] pattern of industrial development in the region. As a result, intraregional investment has increased drastically in the last five years in Asia-Pacific, as has intraregional trade. That Latin America could profit immensely by taking part in this process may be obvious but, contrary to what could be supposed, the means of achieving this has much more to do with Latin America's domestic performance than with the geographical and policy orientation of Asian FDI.

The motivation for ANIES4's FDI abroad stems basically from five factors: i) currency appreciation in the home economy; ii) increase in real labour cost; iii) attempts to enter major markets, including local markets; iv) seeking competitive advantage by upgrading technology, increasing flexibility

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[8] See, for instance, Sylvia Ostry, Technology and the Global Economy, International Responses, International Policy Conference, Industry, Science and Technology Canada, OECD, Montreal, 3-6 February 1991.

[9] This analogy refers to the fact that migration geese fly in a V-formation. In the case of Asia, a group of economies in different stages of development have organized themselves for a mutually beneficial, purposeful migration towards rapid industrialization. This implies that Japan leads, followed by the ANIES4 countries and then the new NIES (ASEAN4) and China. The pattern is purposeful, well-ordered and coordinated. (See Terutomo Ozawa, "The Dynamics of Pacific Rim Industrialization: How Mexico Can Join the Asian Flock of 'Flying Geese'" in Riordan Roett (ed.), Mexico's External Relations in the 1990's, Lynne Rienner Publishers, London, 1991, p. 129.)

and improving industry reputation; and v) procurement of raw materials.[10] The first wave of these countries' FDI in the late 1970s concentrated on import-substitution ventures and on procurement of raw materials. However, as their current account surplus increased, the ANIES countries looked beyond their borders for the means to counterbalance the excess of foreign exchange reserves that was, on the one hand, pushing their inflation upwards, and, on the other, increasing their trade surplus, creating friction with their main trading partner (the United States). None the less, in the cases of Hong Kong, Korea and Taiwan, Province of China, the major cause for their early active FDI was the threat to their export market share in the textile and garment industries posed by the restrictive Multifibre Arrangement (MFA) quotas on their exports to developed countries. By relocating in countries with unused portions of their quotas, they were able to avoid these restrictions.

More recently, the need for access to new technology has become the primary motive for increasing FDI.[11] However, this has not kept ANIES4 investments abroad from also targeting developing countries. The internationalization of firms in Asian NIEs has resulted in a wave of investments abroad, mainly in neighbour countries. In this respect, intra-Asian investment presented a changing profile during the 1980s. The flow of Japanese FDI to South-east Asia decreased from 25.3% in 1980 to 12.4% of the total in 1990 (ANIES4, 5.9% and ASEAN4, 5.7%) and increased towards the United States and Europe (two-thirds of the total annual outflow). Meanwhile, Korea and Taiwan, Province of China substantially increased their outflow of FDI to ASEAN countries.[12]

The ANIES4 firms' long-term strategy seems to be to acquire international expertise before turning to developed markets. Contrary to what has been the norm, the outflow of investments by small and medium-sized firms has soared in Asia. For instance, the share of these companies in the outflow of FDI reached 14.5% of total Korean FDI in 1991, from only 2.8% in 1985.[13] The way these firms do business differs somewhat from the traditional forms of FDI. According to the latest trends in flexibilization of FDI abroad, now Asian companies have greater access to foreign markets, and the forms available for investments have undergone sweeping changes, including, among others, subcontracting, licencing, product-sharing, franchising, management contracts and turnkey projects. Gone are the days when FDI meant wholly or majority-owned subsidiaries. This also allows host countries to adjust the supply of FDI to the real needs of the domestic economy, acquiring or accepting only those items that are necessary for a given industry, and not locally available.[14] Therefore, these trends tend to ensure that FDIs today are more likely to support national interests in accordance with foreign companies' economic considerations. However, one aspect that has been intensifying its relevance in terms of the

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[10] OECD, The Dynamic Asian Economies and International Direct Investment (SG/IW/CIME(92)4), Paris, 6 March 1992, p. 27.

[11] Ibid.

[12] Taiwan's FDI in Malaysia grew 266 times from 1980 to 1990, accounting for 36% of Malaysia's receipt of FDI in 1990. Thailand received US$0.5 billion from ANIES4, which represented 31% of the total FDI inflow in that year. The biggest investor in China in 1989 was Hong Kong-Macao with US$2.3 billion. (See Takashi Nohara and Mitsuhiro Kagami, Development of Asian-Pacific Trade and its Implications for NAFTA, paper presented at the seminar "The Free Trade Agreement between Mexico, the United States and Canada and its Possible Effects on the Pacific Basin", El Colegio de México, Mexico City, 25-27 November 1991, p. 11.)

[13] See Korea Trade and Business Review, vol. 10, No. 8, Seoul, August 1992, p. 48.

[14] See Mikio Kuwayama, The Role of New Forms of Investment (NFI) in the Latin American-United States Trade Relations, mimeo, Santiago, Chile, 20 May 1992, p. 5.

international flow of direct investments is the increasing demand for equal treatment for foreign-owned and domestic investments. These new trends are particularly relevant for Latin American countries, since they liberalize the economic environment, making it more secure for foreign investors and, therefore, amplifying the possibilities for Asian investments in the region. Today, these investments can take a variety of forms, and can be customized to suit the needs of the region, and also the priorities of foreign investors.[15]

In choosing the location of their investments abroad, Asian firms seem to consider basically five conditions: i) familiarity and geographical proximity; ii) labour cost, supply and quality; iii) ethnic and cultural ties; iv) local sales potential; and v) stable macroeconomic environment and favourable investment incentives. However, although cultural and linguistic considerations seem to dominate Hong Kong and Taiwanese investments abroad, Korean companies, whose executives do not belong to this ethnic group, are more inclined to choose their locations according to commercial considerations. This implies that their FDI destinations may well include developing regions outside Asia.[16]

One implication of the foregoing observation on the different resource endowments of Latin America and Asia is that the evolution of trade among Asia-Pacific countries would take the form of inter-industry specialization. However, events related to the fluctuation of currencies among developed countries after late 1985, and the consequent changes in the comparative advantages of Japanese and ANIES4 industries, have exerted pressure for the development of intra-industry trade linkages among Asia-Pacific economies. Data on the level of intra-industry trade among these countries have shown a marked increase between 1979 and 1988.[17] This has been understood as a new form of trade interdependence among the economies of the region. However, since intra-industry trade specialization between ASEAN and the United States has also increased, there is an inclination towards greater integration between these regions as well.

Another important aspect of the economic scene in Asia-Pacific is the magnitude of the inflow of FDI, and its consequences for the process of economic development. One aspect worth noting is the prevalence of export-oriented investments in the region. Until recently, both Japanese and American investors directed most of their FDI in South-east Asia towards the world market, most notably to the United States and Europe. However, as the per capita income of the region increases, some of the production has started to be absorbed locally. This is the case particularly in Korea and Taiwan, Province of China.

As illustrated in figure 11, United States investments in Asia changed during the 1980s, leading to a reversal of the relative positions of petroleum and manufacturing, with the latter increasing drastically in eight years (see figure 11). An interesting aspect of the behaviour of American companies in Asia is

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[15] Governments of countries in both regions seem to be increasingly aware of possibilities for boosting investments. In early 1992, Mexico and Thailand signed a trade and investment expansion agreement and, at the time of writing, Chile and Malaysia were about to sign a treaty to protect bilateral investments. (See Ken Stier, "Thai-Mexico Pact Aims to Exploit Nafta Advantages", The Journal of Commerce, 12 March 1992 and El Mercurio, "Chile y Malasia Negocian Protección de Inversiones", 11 September 1992.)

[16] OECD, The Dynamic Asian..., op. cit., p. 35.

[17] See Kiichiro Fukasaku, "Economic Regionalisation and Intra-Industry Trade: Pacific-Asian Perspectives", OECD, Technical Papers No. 53, Paris, 1992.

that, according to the Department of Commerce, the sales of majority-owned foreign affiliates (MOFAs) have been changing their destination from intra-firm sales to sales to unaffiliated firms and, most importantly, sales to the United States market have been losing ground in comparison with sales to other countries.[18]

An examination of United States investments in developing regions shows that Latin America has a different profile from that of Asia, though both have manufacturing as the dominant sector. As illustrated in figures 11 and 12, United States investment in Asia has increased about 82% in eight years, while its investment in Latin America has grown only 26%. Furthermore, while in Asia there is marked investment in other industries, including services such as insurance, banking and transportation, in Latin America the weight of these sectors in United States' total stock of investments in the region is modest. Also, regarding sales in Latin America by United States MOFAs, 64% of total sales was absorbed by the local market in 1989, compared to 53% in developing Asia. Even more significant is the fact that sales in Latin America to third-country markets are a meagre 14%, compared to 24% for Asia. This reveals a different pattern of production and of internationalization by United States multinationals. Therefore, it is desirable for Latin American countries wishing to increase export-oriented investment to adapt their policies to attract FDI that has the same goal. This could be the case for Asian FDI abroad.[19]

Closely related to the discussion on FDI is the question of technology transfer and inter and intra-industry trade. The sectors in which a high incidence of intra-industry trade with the United States is observed are rather similar in Asia and Latin America,[20] except in the case of apparel and clothing (Standard International Trade Classification (SITC), section 84) for Latin America and general industrial machinery (SITC, section 74) for Asia. In Japan, the sectors most active in intra-industry trade coincide completely with those in these two regions.[21] As mentioned previously, the importance of Latin America's manufactured exports to Asia-Pacific may come as a surprise, since it was formerly assumed that exchanges were basically inter-sectoral, with little evidence of intra-industry trade.[22]

Because Asia-Pacific foreign direct investment in Latin America is still in an incipient stage, and data are scarce, no exhaustive study has yet been done on the subject. However, information on Japanese FDI in Latin America points out the importance of the raw materials sector over the manufacturing

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[18] Mikio Kuwayama, op. cit., table 3, p. 31.

[19] In the case of some Latin American countries, particularly Brazil and Argentina, a large part of the stock of capital belonging to foreigners is of European origin, which may have different implications.

[20] See ECLAC, Division of Statistics and Projections, Intraindustry Trade: A Comparison between Latin America and some Industrial Countries (LC/R.1101), Santiago, Chile, 21 November 1991, table 5, p. 18.

[21] These sectors are, according to SITC, Revision 2: *(section 65)* Textile yarn, fabrics, made-up articles, n.e.s, and related products; *(section 66)* Non-metallic mineral manufactures, n.e.s.; *(section 67)* Iron and steel; *(section 69)* Manufactures of metal, n.e.s.; and *(section 89)* Miscellaneous manufactured articles, n.e.s. (ibid., table 5 and annex 2).

[22] An ECLAC study shows that the number of SITC 3-digit product groups with a Grubel-Lloyd index of intra-industry trade (ITT) over 0.5 of total bilateral sectoral trade in 1988 by Argentina, Brazil, Mexico, Chile, Colombia and Uruguay with South-east Asia showed some degree of intra-industry trade, but most importantly, that the number of product groups in 1988 that were similar to those in 1980 was very limited, reinforcing the idea of a new form of trade based on a different set of product groups. Ibid., table 1, p. 6.

Figure 11

U.S. Direct Investments in Developing Asia-Pacific
(Percentages over regional total)

US$13,491 millions   US$24,647 millions

Industries
- Petroleum
- Manufacturing
- Wholesale Trade
- Banking
- Finance (exc.Banking)
- Other

1983   1991

(1991=Historical-Cost Basis at Yearend)

Source:Survey of Current Business, various issues.

Figure 12

U.S. Direct Investments in Latin America
(Percentages over regional total)

US$29,674 millions   US$37,568 millions

Industries
- Petroleum
- Manufacturing
- Wholesale Trade
- Banking
- Finance (exc.Banking)
- Other

1983   1991

(1991=Historical-Cost Basis at Yearend)
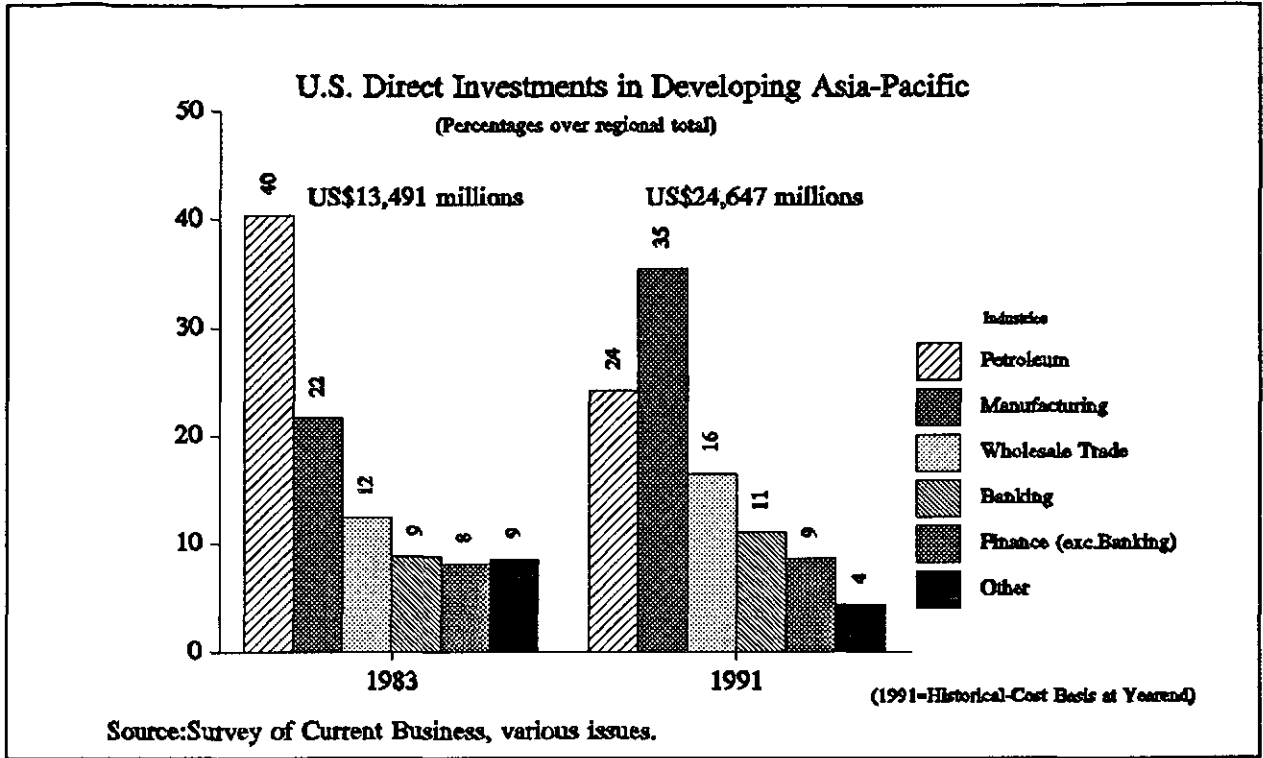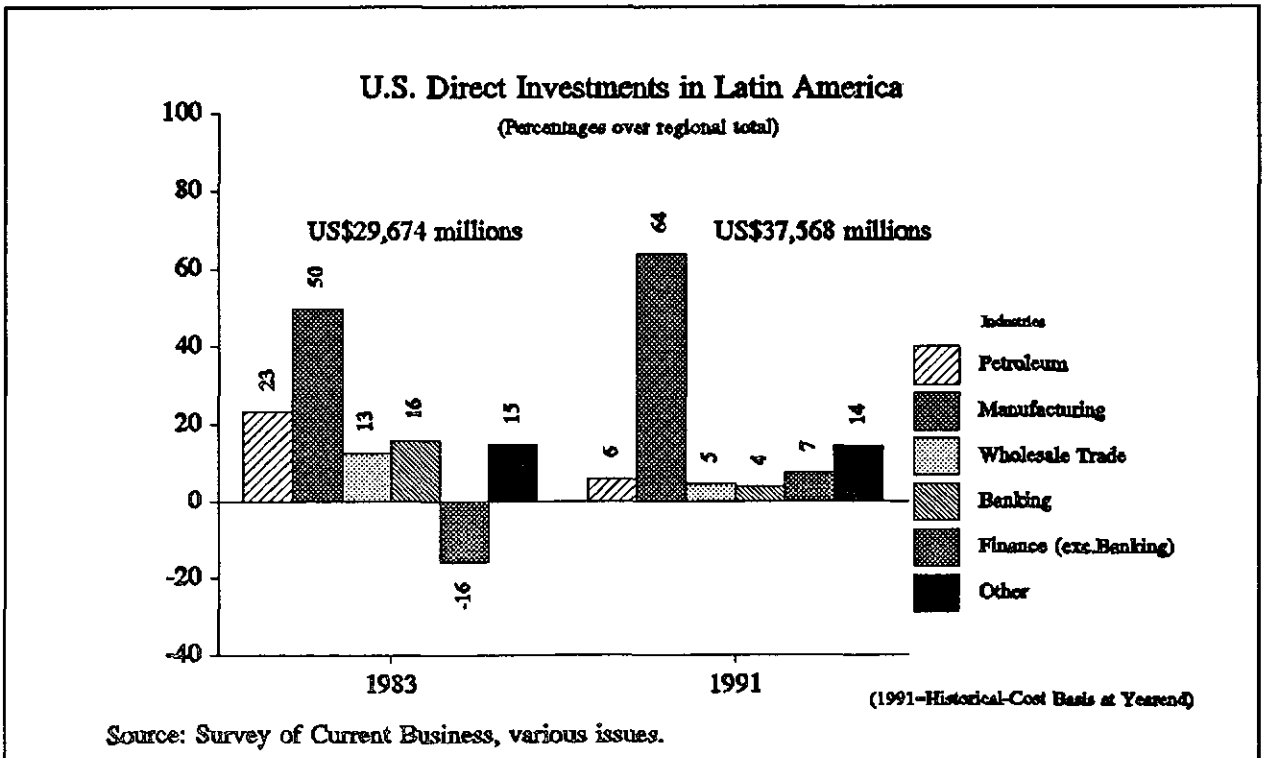
Source: Survey of Current Business, various issues.

sector, in contrast to Japan's position in Asia-Pacific (see table 13).[23] Moreover, Latin America has lost ground as a destination of Japanese FDI in general as well as in manufacturing (see figure 13). It is also true that, although to a much more limited extent, ANIES FDI in Latin America has other goals besides access to natural resources.[24] For instance, the Government of Taiwan, Province of China recently established a new programme called "Guidelines on Subsidies for Encouraging Private-Sector Investment in Friendly Nations in Central and South America" which, in addition to existing investment programmes: ("Keys to Financing Investment"; "Keys to Financing Turn-Key Projects"; and "Keys to Overseas Investment Insurance") specifically targets the Western hemisphere market.[25] Table 14 illustrates the current state of Korean investment in Latin America. Although the accumulated investment is small in comparison to total Korean FDI, it is a promising indication of that country's interest. A salient feature of these investments in Latin America is that because of the high value of the flow of capital to tax havens in the region, and of the sums committed to investments such as flag-of-convenience shipping, the regional total reaches a striking figure in contrast to the limited value shown for individual countries (see table 14).

As a matter of fact, the importance of ANIES4 investments in Latin America[26] stems principally from the proximity of this region to the North American market, and from the process of "graduation" observed in these countries' exports to the United States. This, and the availability of cheap labour and locational incentives, explain in great part the migration of ANIES4 textile and apparel manufacturers to Central America.

a)   Some possible implications for Latin America of Asia-Pacific FDI

As mentioned previously, economic interdependence and globalization are the key elements of the world economy's recent evolution. The instrument for this process is the increase in capital movements among countries. This instrument was made possible by the fast technological development of telecommunications and by the resolute process of liberalization of international financial transactions

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[23] Of total Japanese FDI in manufacturing, Latin America absorbed 7.7%, while Asia received almost 23% in the period 1951-1990. The only two areas where Latin America seems to have higher relevance than Asia are in finance and insurance, and transportation. However, these figures may present serious distortions. Cayman and Panama concentrate 58% of the stock of Japanese investments in Latin America. This seems to imply that both categories of Japanese investments in the region correspond to investments in offshore banking and in flag-of-convenience shipping. (See Japan Institute for Social and Economic Affairs, Japan - 1992 - An International Comparison, 1st edition, Tokyo, 20 December 1991, table 6-6, p. 56.)

[24] Recent examples of Korean investments in Latin America include: *Mexico:* US$30 million from Hyundai in a container factory; US$18 million from Daewoo Electronics in a TV assembly factory; *Chile*: US$30 million from Lucky Goldstar in "Los Pelambres" copper mine; *Venezuela:* Undefined sum in a joint-venture aluminium refinery between Samsung and the Cisneros group. Source: América Economía, No. 51, June 1991, p. 35.

[25] Source: The EXIM Bank of Taiwan, Province of China.

[26] For an appraisal of the situation of Korean investments in Central America, see Dae Won Choi, La Cuenca del Pacífico y América Latina - De la Inserción Comercial hacia una Integración Productiva (LC/L.704), ECLAC, International Trade and Transport Division, Santiago, Chile, 30 September 1992, chapter III-C.

Table 13

	Asia	Latin America
JAPAN'S FOREIGN DIRECT INVESTMENTS BY REGION AND INDUSTRY		
A comparison between Asia and Latin America		
(Stocks as at 31 March 1991, millions of US dollars)		
Irons & non-ferrous metals	2804	2074
Chemicals	2641	775
Electrical machinery	4175	638
Transportation equipment	1699	1284
Textiles	1867	452
General machinery	1649	424
Lumber & pulp	525	205
Total Manufacturing	18659	6281
Mining	7357	1605
Commerce	3792	2179
Finance & insurance	4231	14651
Transportation services	1095	12201
TOTAL	47519	40483

Source: Ministry of Finance, Japan.

that spread to the world's financial centres, multiplying by many times the previous level of capital flows.[27]

However, although investments and capital flow are intertwined, the case of South-east Asia is particularly meaningful, since it presents specific features that make it a good illustration of the efficient uses of FDI. In that region, contrary to common knowledge, the flow of FDI suffered with the imposition of tight restrictions. Even today, except in Hong Kong and Singapore, investments in the service sector are either restricted or regulated. The long-term goal of these countries in attracting FDI was to gain access to technology transfer, know-how and skill development, access to foreign markets and job

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[27] Agosin and Tussie affirm that the internationalization of finance has been a driving force behind the process of globalization. Yilmaz Akyuz, cited by them, gives data on the percentage of international bank loans in relation to world output (from 0.7% in 1964 to 14.8% in 1987), world trade (from 6.4% to 72.9%) and as a percentage of world gross fixed investment (from 4% to 78.2%). (See Manuel Agosin and Diana Tussie, Globalization, Regionalization and New Dilemmas in Trade Policy for Development, mimeo, March 1992, p. 9 and table 3, p. 10.)

creation.[28] Although the role of financial resources was important, it was secondary to the above-mentioned objectives.

Once the process of accelerated development was initiated, the ANIES4 countries had to face the problems of increasing wage levels, raising the value of their national currencies and increasing restrictions on their exports to the developed markets. This gave rise to the policy of intraregional investments, as endangered industries were relocated in ASEAN countries. At the same time, ANIES4 continued to seek increased technology transfer from the developed countries, as well as know-how and skill development and other major elements for attracting export-oriented FDI. Another consideration is the characteristic export orientation of FDI in South-east Asia. As noted by Nohara and Kagami, "investment-cum-export development sparked the economic success in the East Asian region".[29] Furthermore, as mentioned earlier, recent trends have revealed an increase in small and medium firms in Asian FDI abroad.

Table 14

THE VALUE AND SHARE IN TOTAL STOCKS OF KOREAN INVESTMENT IN LATIN AMERICA

(In millions of US dollars and %, on 6/30/90)

	US$ mill.	% over total
Mexico	11.4	0.59
Argentina	9.7	0.51
Chile	5.5	0.29
Colombia	2.6	0.14
Paraguay	2.3	0.12
Brazil	2.2	0.11
Total Central & South America	172.2	9.10
WORLD TOTAL	1,920.1	100

Source: EXIM Bank of Korea

For developing countries, foreign investments are the basis for technological innovation, and at the present stage of globalization, FDI is considered the best means of graduating from earlier stages of development. However, as the Asian case clearly demonstrates, Governments wishing to attract FDI should take into account three basic aspects: securing a stable macroeconomic environment, with low inflation and high growth; offering reasonable and dependable infrastructure to firms; and ensuring the availability of a skilled workforce, through training. In this context, these conditions entail the use of a long-term strategy that requires the cooperation of both public and private sectors.

These lessons are drawn from the experience of South-east Asian countries, and are probably universally applicable. The implications of Asia-Pacific FDI in Latin America lie basically in these lessons, although some further comments may be appropriate.

Two features of the present state of Asia-Pacific FDI are of particular relevance for Latin America: the tendency towards the creation of regional trading blocs, and the internationalization of small and medium-sized firms.

The regional trading bloc trend presents an opportunity for Latin America in relation to Asia-Pacific FDI because it points towards closed or at least more restricted access to these markets. This is particularly true in the case of the North American Free Trade Agreement (NAFTA). The inclusion of

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[28] OECD, The Dynamic Asian..., op. cit., p. 6.

[29] Takashi Nohara and Mitsuhiro Kagami, Development of Asian-Pacific..., op. cit., p. 15.

Figure 13

Japanese FDI outflows by region

(Percentages over total)

1987 - U$ 33,364 millions

1991 - U$ 41,584 millions

Regions   Asia-Pacific   Latin America   North America   Europe   Others

Source: EXIM Bank and MOF, Japan
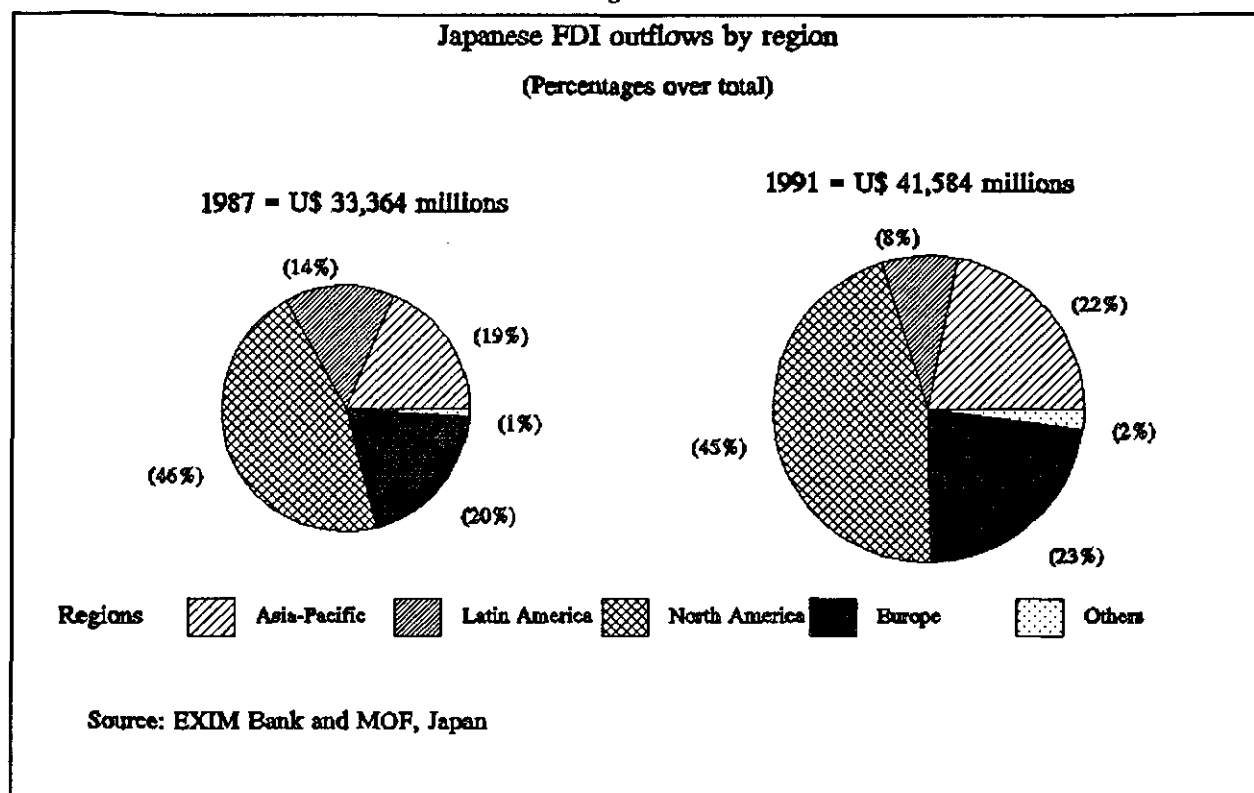
Mexico stands to bring the country investments from other regions that have an interest in the unified market. But despite current concerns in Asia-Pacific, the possibilities of a protectionist regional trading bloc emerging from NAFTA are limited. Since economies on both sides of the Pacific are also becoming increasingly integrated, the threat of increased protectionism in the United States through the establishment of a trading bloc with Canada and Mexico seems out of context. By the same token, the idea of creating an Asia-Pacific trading bloc is also counterproductive. To date, all initiatives for Asian integration, except the proposal to create the East Asian Economic Caucus (EAEC),[30] have been strictly attentive to the concept of "open regionalism" as a means of avoiding any insinuation of protectionism on the part of their members. In the case of NAFTA, only one thing is assured: that intraregional trade will have preference over trade with outsiders. Nevertheless, the possibilities look attractive and the flow of FDI probably will turn in this direction. The Korean Government is persuading national companies to start investing in Mexico, and some Japanese companies are already shifting their production facilities there.[31] For Mexico and the rest of Latin America, this is a unique opportunity to profit from the inflow of technology and managerial skills to graduate to a higher level of development.

A second feature of Asia-Pacific FDI that is especially important to Latin America is the rise of small and medium-sized firms (SMF) as foreign investors on the international scene. These newcomers offer an opportunity to establish innovative links between the two regions. One barrier to SMF

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[30] See next section.

[31] See Business Week, "Why Some Asian Companies are Gung Ho about NAFTA", 31 August 1992, p. 39.

investments abroad was their limited access to financial resources, and the other was the existence of restrictions on remittances out of the countries. These constraints were greatly reduced recently and, as mentioned earlier, Asia-Pacific SMFs have started a rush of FDI.

Despite the reduction of previous restrictions, SMFs still have a limited supply of financial resources. Therefore, these firms tend to resort to new forms of FDI which tend to be more favourable to host countries, in terms of the transfer of technology and the transmittal of know-how. In this sense, Latin American countries should aim at providing a propitious environment for these companies. One possibility could be the development of export-processing zones (EPZs).[32] According to Kuwayama, "EPZs are an efficient means to allocate scarce infrastructural and other resources and to shield local industry from the competitive effects of EPZ enterprises."[33] Furthermore, fully-owned foreign subsidiaries of big transnational corporations represent a minority of the enterprises in EPZs. The combined share of domestically-owned firms and their participation in joint ventures comprise 44% of all EPZ enterprises.[34]

These new opportunities present a considerable challenge to Latin America. They require full-fledged transformations that have been postponed up to now in the region. Moreover, they imply a break with past practices of political corporativism and unequal income distribution, since a cornerstone of South-east Asian development has been the process of achieving social equity and ample integration in the production system.

III. THE INSTITUTIONAL FRAMEWORK OF COOPERATION IN ASIA-PACIFIC

The main cooperation institutions in the Asia-Pacific basin are the Asia-Pacific Economic Cooperation Council (APEC), the Pacific Economic Cooperation Conference (PECC) and the Pacific Basin Economic Council (PBEC). There are also subregional institutions of cooperation such as the Association of South East Asian Nations (ASEAN) and the proposed East Asian Economic Caucus (EAEC).

However, the only two purely intergovernmental forums are APEC and ASEAN, as all the others include, in addition to Governments, the participation of members of the business and academic sectors.[35]

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[32] EPZ is a polemical subject. Among the fiercest criticisms of EPZ is that it lacks linkages to the rest of the economy that are not conducive to the industrialization of the country. This may have been the case in Mexico, but much less so in Asia-Pacific. For interesting comparisons see, for instance, the article by Joseph Grunwald, "Assembly Industries, Technology Transfer, and Enterprise Zones" in Roy E. Green (ed.), Enterprise Zones: New Directions in Economic Development, Sage Publications, Newbury Park, California, 1991 and the article by Víctor M. Castillo and Ramón de Jesús Ramírez Acosta, "La subcontratación en la industria maquiladora de Asia y México", Revista Comercio Exterior, vol. 42, No. 1, Mexico, January 1992, pp. 33-41.

[33] Mikio Kuwayama, The Role of New..., op. cit., p. 21.

[34] Ibid., footnote 6, p. 13.

[35] In the event of a successful EAEC, it would become the region's third intergovernmental forum.

In terms of age, the oldest organization is ASEAN. Its creation dates from 1967, when the five original members signed the Bangkok Declaration. The objectives of the Association include the acceleration of economic growth, social progress, and cultural development in the region, and the promotion of active collaboration and mutual economic, social and cultural assistance, etc. The "machinery" of this institution consists of an annual meeting of ministers of foreign affairs, a permanent committee with revolving headquarters, a group of specialized committees (permanent or ad hoc), and a national secretary in each member state.[36] Later, a General Secretariat was created, with headquarters in Indonesia, but limitations on its power and personnel make it dependent on national Governments rather than autonomous.

In their Singapore meeting of January 1992, the ministers of economic affairs of the ASEAN countries signed a framework agreement to create an ASEAN Free Trade Area (AFTA) starting in 2008. Moreover, beginning in January 1993 these countries will have a Common Effective Preferential Tariff (CEPT), which later will serve as a cornerstone of the AFTA, and will include capital goods, manufactured products and processed agricultural products.[37]

After ASEAN, the oldest institution is PBEC, established in 1969. It is a businessmen's organization that cooperates with Governments and international organizations for the general development of the countries in the Pacific region. The organization seeks to improve the living conditions of the populations of member countries, and collaborates with developing countries in their efforts to achieve self-sustaining economic growth. There are about 600 member corporations of PBEC in nine countries.[38]

PECC was founded in 1980 in Canberra. It consists of representatives of Governments, the business sector and academic circles, all of whom take part on a personal basis. There are 18 member countries. Each country joins the Conference by designating a National Tripartite Commission, composed in equal parts of members of the above-mentioned sectors. There are many study groups and task forces covering a wide range of subjects, including agriculture and fisheries, natural resources and energy, trade, transportation, telecommunications and tourism, science and technology, human resources development and economic projections. The main purpose of the Conference is to recognize and coordinate economic interchanges among the member countries, and to establish guidelines to promote regional cooperation. Since its status as a non-governmental organization gives it greater flexibility than an official bureaucracy and enables it to identify relevant issues much more effectively, its work has served already as a basis for the operation of APEC.[39]

In January 1989, the Australian prime minister, Mr. Bob Hawke, introduced the idea of creating APEC. In November of that same year, the first ministerial meeting took place in Canberra. It is the region's only intergovernmental organization other than ASEAN, and its main purpose is to provide the region with a formal forum at this level for consultation and cooperation in economic matters. At the

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[36] See Hernán Gutiérrez Bermedo and Manfred Wilhelmy von Wolff, "Concepciones Latinoamericanas y Asiáticas sobre Cooperación Regional", in Estudios Internacionales, year XXIV, N° 96, Santiago, Chile, October-December 1991, pp. 472-517.

[37] Rafeeuddin Ahmed, Note for the Secretary-General - Major Economic Developments, United Nations, New York, January 1992.

[38] Linda Low, "The East Asian Economic Grouping", The Pacific Review, vol. 4, No. 4.

[39] Ibid.

second meeting of APEC, held in Singapore in July 1990, seven working groups were established, covering the following subjects: trade and investment information, trade promotion, expansion of investments and transfers of technology, development of human resources, regional energy cooperation, conservation of marine resources, and telecommunications. As the previous list shows, there is a consistent duplication of the work areas of PECC. Furthermore, preliminary work has started in the field of fisheries, transportation and tourism.[40] At the third ministerial meeting of APEC, held in Seoul in November 1991, it was decided to include Hong Kong, China and Taiwan, Province of China as members of this institution. At the end of June 1992, high-level authorities of APEC discussed and approved the creation of a Permanent Secretariat.[41] This decision was ratified by the ministers at their fourth annual meeting, held in Bangkok in September 1992. Therefore, the forum for discussion that APEC initially sought to provide will become a permanent institution, with a Secretariat established in Singapore. One development of particular interest to Latin America is the fact that the inclusion of Mexico and Chile is now under consideration by the 15-member group.[42] If accepted, they would be the first Latin American countries to join the institution.

Finally, the concept of EAEC, introduced by the Malaysian prime minister at the end of 1990, has as its primary goal the establishment of a regional trading bloc that would comprise all the South-east Asian countries, in response to the growing efforts in other regions to form free regional trade areas. Although the idea has not yet been completely assimilated by the other countries that would make up the EAEC, it is a tempting option in view of the possibility of increased protectionism in Europe and North America. The final word probably will depend on the evolution of the free trade areas of these two regions. On the other hand, the proposal cannot be effective without Japan's support, which has not been forthcoming up to now. Japan's stance is not very clear. It worries that a regional bloc that would exclude the United States could generate further trade conflicts between the two countries. But on the other hand, the creation of trading blocs in other areas of the world threatens Japan's world trade position, especially if these blocs adopt a restrictive posture towards outsider countries.

In any case, even if the Malaysian prime ministers proposal does not prosper, Asia-Pacific countries seem to have begun to understand the importance of the interdependencies that have been formed inside the region, and of the dynamism they have given to interregional flows.

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[40] Ibid.

[41] The Nikkei Weekly, 4 July 1992, p. 24.

[42] See The Nikkei Weekly, 19 September 1992, and El Diario, 15 October 1992, p. 21.

a)   Latin America and the major Pacific cooperation organizations

The presence of some Latin American countries in some Pacific cooperation arrangements is worth noting. The value of this presence is remarkable, since it enhances mutual knowledge and promotes a comprehensive understanding of each region's idiosyncrasies. Moreover, the effort is much more meaningful because it extends beyond the public sector to include the private and academic fields.

Nevertheless, the presence of Latin American countries in these organizations is still limited. Only Chile and Mexico belong to both PECC and PBEC. Peru is a member of PECC, and its membership in PBEC is under consideration. Given the relevance of these organizations to the future of Latin America-Asia-Pacific relations, other Governments of the region should give high priority to achieving full membership in them.

The aspiration of some Latin American countries to belong to APEC is also extraordinarily pertinent. The importance of this institution has grown and the recent approval of the creation of a permanent secretariat suggests that its significance in terms of Asia-Pacific probably will intensify in the coming years.

Figure 14

THE DIAGRAM OF COOPERATION ORGANIZATIONS
IN THE PACIFIC BASIN

APEC=ASIA PACIFIC ECONOMIC COOPERATION   EAEC=EAST ASIA ECONOMIC CAUCUS
PBEC=PACIFIC BASIN ECONOMIC COUNCIL
PECC=PACIFIC ECONOMIC COOPERATION CONFERENCE
ASEAN=ASSOCIATION OF SOUTH EAST ASIAN NATIONS
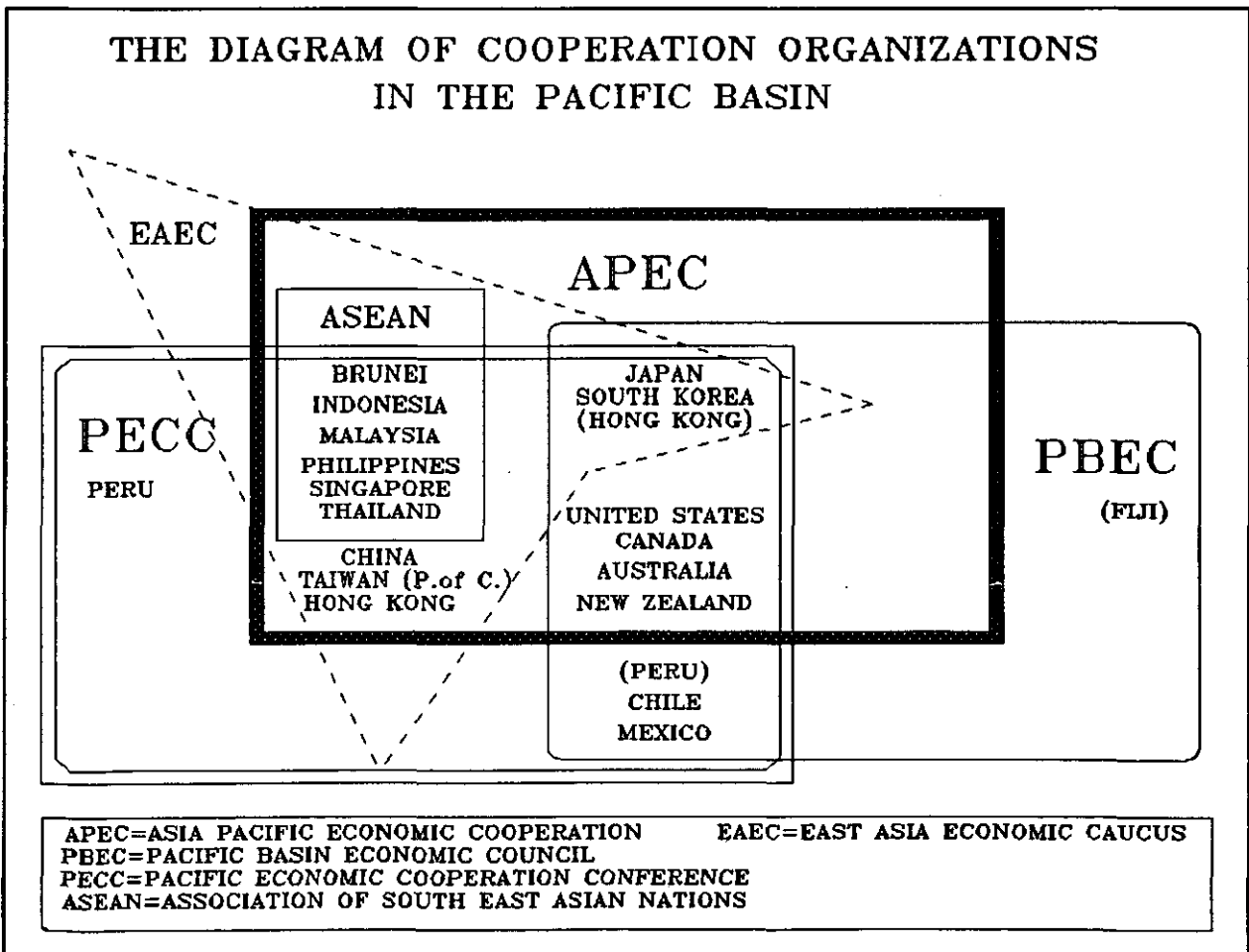
IV. ECONOMIC RELATIONS BETWEEN LATIN AMERICA AND ASIA-PACIFIC: FUTURE CHALLENGES

The previous sections tried to give an overview of economic relations between Latin America and Asia-Pacific in the 1980s. This section will go beyond the present to explore the possible future of these relations.

Looking into the future is a difficult task in these days of uncertainty and fast transformation on the international scene. This is especially true in the case of Latin America and Asia-Pacific because the road has not been trod before, and the options at the crossroads are not known. However, the previous sections provide some ground for speculation on future avenues in these regions' bilateral relations.

Section I, based on trade data from the 1980s, illustrated the movement of goods between Latin America and Asia-Pacific. Latin America has managed to increase its exports, even of manufactures, to Asia-Pacific, though its imports have lagged behind. The composition of the interregional trade is biased towards manufactures, although the share of these products in Asia-Pacific exports to Latin America is much higher than the latter's exports to Asia-Pacific.

The prospects for the 1990s augur favourable trends for interregional trade and economic relations. Three factors support this optimistic view of the future of these relations. First, Latin America is once again increasing its imports. The projected expansion of regional imports for 1992 is 18%, similar to the 1991 level. Owing mainly to lower international interest rates, the debt problem appears to be reasonably under control. The ratio of interest payments on accumulated debt to regional exports of goods and services is expected to attain 18%, the lowest level since 1982.[43]

Second, one of the region's first tasks is to update its manufacturing sector, to prepare for the competition of imports in a more open regional trade environment. This implies renewed access to appropriate sources of technology and managerial know-how. In this regard, the newly industrialized countries of Asia-Pacific have proved to be reliable providers of suitable technology to developing countries.

Third, in addition to the reduced capacity to import, trade policy in Latin America has been traditionally restrictive. Until recently, most countries followed import-substitution strategies that limited imports. Furthermore, foreign investments were treated with caution, highly regulated and sometimes even obstructed. In some cases, whole sectors were banned to foreign investors, and the role of the State in critical areas of the economy produced inefficiencies and prevented modernization. This languishing scenario has radically changed in the region. Governments have adopted new market-oriented policies, liberalizing foreign trade and investment rules and approving new programmes to privatize State enterprises. This process of economic liberalization in Latin America has gone hand in hand with the region's political democratization, which has left very few countries under authoritarian rule. This implies that, once the conditions of economic stability, adequate infrastructure and skilled labour are present, Latin America will certainly be a very attractive partner for Asia-Pacific countries.

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[43] See ECLAC, Panorama económico de América Latina, 1992 (LC/G.1742), Santiago, Chile, September 1992.

This partnership could take different forms. One would be an increase in trade relations. As mentioned earlier, Latin America needs to complement its present production sector with new technology to compete with ever more sophisticated imports. And Asia-Pacific needs to diversify its export markets because of persistent protectionist tendencies.

Another means of strengthening links would be through investments. Section II of this document alluded to direct investments and intra-industry trade. Recent evidence confirms the existence of both features in interregional relations. Moreover, the recent support for Mexico's inclusion in NAFTA will certainly increase intra-industry trade between the two regions, and will be an additional incentive for potential investors from Asia-Pacific to invest in Latin America. Furthermore, given the advantages that the region possesses over Asia regarding the United States market (geographical proximity, the United States' preferential treatment of some products in some countries, etc.), it is possible for Latin America to redirect some of the United States' export-oriented FDI from Asia to itself. The same incentives also make it likely that Asian investments in Latin America will increase substantially in the future.

These investments may take different forms, involving the new forms of FDI that have started to prevail in the world economy. Latin America is a region where financial resources are scarce, and its access to the international financial market is limited. On the other hand, Asia-Pacific is a surplus region, with booming financial markets, but mostly unknown to Latin America. The new forms of FDI present a convenient way for Asia-Pacific firms to access to Latin American markets. Also, through these new forms of FDI, Latin America may gain entry to the prosperous market of Asia-Pacific, and at the same time could obtain technology more appropriate to its own needs.

The problem of access to technology is of major relevance for Latin America. However, given the equally important problem of the abundant supply of labour, Latin America should combine an extensive use of technology with a prudent policy of job creation. In this regard, developed countries' labour-saving technology may not be the most appropriate for the region. In this respect, it is worth noting that ANIES4 investments tend to concentrate in sectors where the cost of labour is an essential element of the competitive advantage. Therefore, the experience of South-east Asia is an alternative that merits further investigation. In this case, one area of cooperation could be the promotion of joint efforts on research and development (R&D) to create technologies suited to the needs of the Latin American market.

These joint efforts require the existence of some kind of institutional framework for cooperation. Section III described the existing layout of cooperation in Asia-Pacific. There is a tendency among some Latin American countries to belong to Pacific cooperation institutions. Membership in such organizations should be further encouraged by Governments. To assess the possibilities of the Asia-Pacific market, and to understand the functioning of the "flying geese" pattern of development, Latin America should seriously seek membership in these institutions, and should spread the Asia-Pacific standards of business and culture throughout the private sector. The same applies to Asia-Pacific countries. To understand Latin America, it is of unquestionable value to create points of contact provided by interregional cooperation organizations. The strengthening of these contacts will certainly lead to an increase in mutual understanding, intensifying mutual confidence and multiplying the chances for the establishment of joint efforts to expand economic relations.

An undeniable ambition of Latin American countries in terms of membership in Asia-Pacific institutions relates to APEC. The increasing relevance of this forum for the countries of the region is indisputable. Its possible inclusion of some Latin American countries may pave the way for the rest of

the region, and Latin America should direct its efforts to this end. The future of interregional relations may well depend on the future of Latin America in this organization.

Thus far, the evolution of economic relations between Latin America and Asia-Pacific has reflected the unfolding of the development process in the latter region and the protectionist threat in its main export market, the United States, and a possibly similar outcome in the EEC. Recent Asia-Pacific concern with Latin America stems from the need of ANIES4 countries to find, in a very short period, new channels to the American market after their graduation from the United States Generalized System of Preferences (GSP).

As mentioned earlier, things will certainly change after the recent enlargement of NAFTA. But perhaps recent trends and the future of interregional relations are best explained by the reorganization of the international economy. The acceleration of the process of economic interdependence and the intensification of international exchanges of capital and technology have modified forever the patterns of global trade and investment flows. These new aspects of the world economy appear more favourable to Latin America, since they tend to make companies shift their locational priorities. The increased mobility of capital and production facilities, the flexibilization of production systems and the new advances in telecommunications allow for greater freedom in terms of production sites. Therefore, Latin America now has the opportunity to attract more investments based on important new regional factors such as political stability, macroeconomic balance and the availability of a skilled workforce. Furthermore, the use of locational incentives, investment in the improvement of basic infrastructure, the existence of a large regional market with satisfactory income levels and the geographical proximity of North America should be policy elements to attract investments from Asia-Pacific.

The pending questions facing the world economy pose challenges to interregional relations, but also offer opportunities for bilateral economic relations. The decreasing growth rates of the developed countries might lead to a drop in the growth of their demand for imports. Asia-Pacific and Latin American countries depend heavily on these markets for their exports. Therefore, both regions will be hard pressed to shift their focus from developed to developing countries. In this case, the possibilities for cooperation between Latin America and Asia-Pacific are ample. Unlike developed countries, both regions have a high growth potential, and in Latin America there is even a latent demand for consumer and capital goods. This potential is illustrated by the probable size of the Latin American population at the end of the century (530 million) and its anticipated regional purchasing power (US$1 trillion).[44] The Asia-Pacific region includes the world's largest developing country —China— which is also the largest potential market. Latin America has a wealth of natural resources that are of interest to many Asia-Pacific countries. Furthermore, the value of its potential market is difficult to imagine.

Moreover, if the Uruguay Round ends with limited results, the world trade system may become more regionalized and protectionist. In that case, the Asia-Pacific countries will need to establish production bases in other regions, to sustain their exports as inputs to local production. In Latin America, new subregional cooperation efforts and a new pattern of intraregional trade may present difficulties to outside suppliers in the future. For instance, intra-MERCOSUR trade increased 36% between 1990 and 1991, reaching US$4 billion. Foreign investors have until December 1994 to put themselves in a position to benefit from this high-growth market. The possible signing of a free trade agreement between the

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[44] Livia Ferrari, "América Latina terá poder de compra de US$1 trilhão até o final do século", Gazeta Mercantil, São Paulo, 6 June 1992, p. 6.

United States and Chile also offers an opportunity for profits from the probable preferential access of this country to the North American market.

Up to now, mutual knowledge has been scarce, and restricted to selected experts. The key to overcoming this obstacle lies in the growth of mutual cooperation. Latin America's only chance of increasing its international exposure is through the multiplication of linkages with other economic regions. This goal should be pursued through a strategy that is open-minded about the destination of such efforts. And, most importantly, commitments made with one region should not preclude the strengthening of ties with others. Thus, the possibility of further cooperation with Asia-Pacific should be a permanent option in the region's foreign relations. These comments also apply to Asia-Pacific; its commitment to diversification heightens its need to better understand Latin America.

The immense transformations that the world has undergone in the last half decade suggest that from now on, Asia-Pacific will play a different role in the world system, in both political and economic terms. The new world order so hastily proposed by some may not be the one that ultimately prevails. Although the balance of military power may be favourable to the "old centres", this sort of power is less and less important in an interdependent world. On the contrary, the new world system resembles the Asia-Pacific model, in which interdependencies explain the dynamics of growth, and the instruments of leadership are education, technological innovation, trade and investment. Latin America should be an active participant in this dynamic process.

ANNEX TABLES
1 TO 10

ANNEX-TABLE 1

The market share for LAIA trade in the Asia-Pacific countries

(In percentages)

1980 imports

	Argentina	Bolivia	Brazil	Chile	Colombia	Ecuador	Mexico	Paraguay	Peru	Uruguay	Venezuela
CHINA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
HONG KONG	0.12	0.00	0.17	0.03	0.01	0.00	0.06	0.01	0.01	0.03	0.06
KOREA RP	0.06	0.00	0.20	0.39	0.02	0.11	0.29	0.02	0.24	0.00	0.11
SINGAPORE	0.03	0.00	0.33	0.02	0.02	0.00	0.06	0.01	0.00	0.00	0.02
TAIWAN (PROV. OF CHINA)	0.21	0.00	0.22	0.27	0.00	0.00	0.17	0.01	0.05	0.03	0.02
PHILIPPINES	0.01	0.00	1.34	0.06	0.01	0.00	0.11	0.01	0.02	0.00	0.00
INDONESIA	0.08	0.00	0.39	0.01	0.00	0.00	0.12	0.01	0.00	0.00	0.00
MALAYSIA	0.08	0.00	0.37	0.01	0.00	0.00	0.02	0.05	0.01	0.00	0.00
THAILAND	0.08	0.00	0.48	0.01	0.00	0.00	0.13	0.00	0.01	0.00	0.32
JAPAN	0.20	0.02	1.11	0.46	0.12	0.18	0.66	0.02	0.34	0.01	0.49
NEW ZEALAND	0.02	0.00	0.28	0.00	0.00	0.18	0.04	0.00	0.01	0.00	0.00
AUSTRALIA	0.04	0.00	0.53	0.03	0.01	0.01	0.09	0.00	0.01	0.00	0.00
TOTAL ASIA-PACIFIC	0.14	0.01	0.72	0.28	0.06	0.10	0.38	0.02	0.19	0.01	0.26

1985 imports

	Argentina	Bolivia	Brazil	Chile	Colombia	Ecuador	Mexico	Paraguay	Peru	Uruguay	Venezuela
CHINA	0.77	0.00	2.32	0.43	0.00	0.01	0.18	0.00	0.18	0.09	0.30
HONG KONG	0.01	0.00	0.52	0.04	0.00	0.00	0.08	0.00	0.02	0.04	0.04
KOREA RP	0.10	0.00	0.69	0.48	0.04	2.10	0.45	0.01	0.35	0.02	0.03
SINGAPORE	0.05	0.00	0.28	0.04	0.00	0.00	0.03	0.01	0.00	0.01	0.00
TAIWAN (PROV. OF CHINA)	0.15	0.00	0.71	0.22	0.00	0.71	0.35	0.07	0.16	0.14	0.01
PHILIPPINES	0.02	0.00	0.97	0.03	0.00	0.00	0.08	0.01	0.09	0.01	0.00
INDONESIA	0.40	0.00	0.71	0.19	0.00	0.01	0.06	0.00	0.04	0.00	0.00
MALAYSIA	0.30	0.00	0.44	0.08	0.00	0.01	0.03	0.01	0.01	0.00	0.00
THAILAND	0.16	0.00	0.68	0.08	0.07	0.00	0.30	0.00	0.00	0.00	0.20
JAPAN	0.34	0.01	1.42	0.41	0.12	0.04	1.44	0.01	0.26	0.02	0.28
NEW ZEALAND	0.06	0.00	0.51	0.04	0.00	0.20	0.21	0.00	0.00	0.00	0.14
AUSTRALIA	0.09	0.00	0.76	0.02	0.01	0.01	0.18	0.00	0.01	0.02	0.00
TOTAL ASIA-PACIFIC	0.28	0.00	1.11	0.28	0.05	0.25	0.66	0.01	0.17	0.03	0.16

1989 imports

	Argentina	Bolivia	Brazil	Chile	Colombia	Ecuador	Mexico	Paraguay	Peru	Uruguay	Venezuela
CHINA	0.96	0.00	1.59	0.30	0.01	0.00	0.25	0.04	0.31	0.19	0.03
HONG KONG	0.15	0.00	0.54	0.04	0.05	0.00	0.10	0.00	0.02	0.04	0.02
KOREA RP	0.11	0.00	1.06	0.54	0.02	0.09	0.27	0.01	0.16	0.01	0.01
SINGAPORE	0.08	0.00	0.53	0.17	0.01	0.00	0.08	0.00	0.00	0.01	0.06
TAIWAN (PROV. OF CHINA)	0.26	0.00	1.22	0.84	0.00	0.10	0.34	0.07	0.15	0.00	0.02
PHILIPPINES	0.22	0.00	1.80	0.05	0.00	0.00	0.06	0.00	0.12	0.01	0.02
INDONESIA	0.11	0.00	1.77	0.42	0.00	0.01	0.32	0.00	0.01	0.00	0.00
MALAYSIA	0.14	0.03	0.98	0.25	0.00	0.00	0.06	0.01	0.01	0.00	0.00
THAILAND	0.26	0.00	1.40	0.10	0.01	0.01	0.29	0.00	0.00	0.00	0.09
JAPAN	0.20	0.01	1.42	0.63	0.14	0.05	0.82	0.01	0.23	0.01	0.25
NEW ZEALAND	0.19	0.00	0.47	0.11	0.01	0.22	0.24	0.00	0.02	0.00	0.00
AUSTRALIA	0.34	0.00	0.82	0.11	0.01	0.01	0.19	0.00	0.01	0.01	0.02
TOTAL ASIA-PACIFIC	0.26	0.00	1.16	0.41	0.06	0.04	0.41	0.02	0.14	0.03	0.10

ANNEX-TABLE I

The market share for LAIA trade in the Asia-Pacific countries

(In percentages)

-- CONTINUED

1980 exports

	Argentina	Bolivia	Brazil	Chile	Colombia	Ecuador	Mexico	Paraguay	Peru	Uruguay	Venezuela
CHINA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
HONG KONG	0.61	0.01	0.09	0.32	0.04	0.05	0.23	0.10	0.03	0.03	0.42
KOREA RP	0.44	0.01	0.02	0.35	0.12	0.11	0.26	0.01	0.04	0.04	0.17
SINGAPORE	0.24	0.00	0.39	0.07	0.10	0.02	0.22	0.00	0.05	0.03	0.10
TAIWAN (PROV. OF CHINA)	0.47	0.02	0.07	0.50	0.10	0.13	0.35	0.02	0.09	0.06	0.49
PHILIPPINES	0.01	0.00	0.40	0.02	0.01	0.00	0.30	0.00	0.01	0.00	0.04
INDONESIA	0.00	0.00	0.63	0.00	0.00	0.00	0.07	0.00	0.00	0.00	0.00
MALAYSIA	0.10	0.00	0.13	0.02	0.02	0.01	0.06	0.00	0.01	0.01	0.03
THAILAND	0.00	0.00	0.38	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JAPAN	0.77	0.05	0.86	0.36	0.38	0.21	0.94	0.05	0.24	0.06	0.64
NEW ZEALAND	0.12	0.00	0.02	0.02	0.00	0.02	0.67	0.00	0.47	0.01	0.22
AUSTRALIA	0.33	0.00	0.13	0.09	0.01	0.03	0.16	0.00	0.05	0.01	0.06
TOTAL ASIA-PACIFIC	0.51	0.03	0.53	0.26	0.21	0.12	0.56	0.03	0.14	0.04	0.39

1985 exports

	Argentina	Bolivia	Brazil	Chile	Colombia	Ecuador	Mexico	Paraguay	Peru	Uruguay	Venezuela
CHINA	0.00	0.00	1.57	0.03	0.00	0.01	0.08	0.01	0.01	0.00	0.04
HONG KONG	0.01	0.00	0.07	0.10	0.00	0.01	0.10	0.08	0.01	0.01	0.15
KOREA RP	0.04	0.01	0.05	0.21	0.02	0.17	0.09	0.01	0.02	0.01	0.10
SINGAPORE	0.09	0.00	0.28	0.03	0.06	0.04	0.08	0.00	0.02	0.01	0.05
TAIWAN (PROV. OF CHINA)	0.03	0.00	0.08	0.12	0.01	0.06	0.12	0.03	0.02	0.01	0.16
PHILIPPINES	0.00	0.00	0.01	0.02	0.00	0.00	0.01	0.00	0.00	0.00	0.01
INDONESIA	0.00	0.00	0.03	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00
MALAYSIA	0.04	0.00	0.14	0.01	0.02	0.01	0.03	0.00	0.00	0.00	0.01
THAILAND	0.00	0.00	0.11	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00
JAPAN	0.13	0.03	0.35	0.10	0.24	0.10	0.57	0.02	0.08	0.01	0.20
NEW ZEALAND	0.00	0.00	0.06	0.10	0.04	0.08	0.59	0.00	0.29	0.00	0.47
AUSTRALIA	0.01	0.00	0.30	0.03	0.04	0.04	0.29	0.00	0.05	0.01	0.02
TOTAL ASIA-PACIFIC	0.07	0.01	0.30	0.07	0.11	0.06	0.29	0.01	0.04	0.01	0.12

1989 exports

	Argentina	Bolivia	Brazil	Chile	Colombia	Ecuador	Mexico	Paraguay	Peru	Uruguay	Venezuela
CHINA	0.02	0.01	0.16	0.12	0.01	0.02	0.08	0.01	0.04	0.01	0.01
HONG KONG	0.01	0.00	0.10	0.12	0.01	0.00	0.24	0.08	0.00	0.01	0.04
KOREA RP	0.12	0.01	0.13	0.30	0.08	0.02	0.74	0.04	0.01	0.02	0.06
SINGAPORE	0.08	0.00	0.21	0.06	0.05	0.00	0.13	0.00	0.02	0.02	0.02
TAIWAN (PROV. OF CHINA)	0.02	0.00	0.09	0.17	0.04	0.03	0.46	0.04	0.01	0.02	0.06
PHILIPPINES	0.01	0.00	0.04	0.06	0.00	0.00	0.04	0.00	0.00	0.01	0.00
INDONESIA	0.00	0.00	0.01	0.01	0.01	0.00	0.12	0.00	0.00	0.00	0.00
MALAYSIA	0.04	0.00	0.21	0.20	0.01	0.01	0.09	0.00	0.00	0.01	0.01
THAILAND	0.00	0.00	0.02	0.02	0.00	0.00	0.11	0.00	0.10	0.00	0.00
JAPAN	0.06	0.01	0.48	0.23	0.18	0.04	0.69	0.04	0.03	0.01	0.08
NEW ZEALAND	0.01	0.00	0.08	0.08	0.00	0.01	1.44	0.00	0.16	0.01	0.28
AUSTRALIA	0.27	0.00	0.22	0.06	0.05	0.02	0.08	0.00	0.02	0.01	0.14
TOTAL ASIA-PACIFIC	0.06	0.01	0.28	0.18	0.09	0.03	0.47	0.03	0.02	0.01	0.06

Source: UNSO-COMTRADE and other official sources.

ANNEX - TABLE 2

ANIES 4 TRADE WITH LAIA, EEC, THE UNITED STATES AND CANADA
(% share of total trade)

Reporting Country	IMPORTS 1980					EXPORTS 1980			
	% LAIA	% EEC	% U.S.A	% CANADA		% LAIA	% EEC	% U.S.A	% CANADA
Hong Kong	0.51	12.46	12.00	0.71		1.93	29.51	33.14	2.61
Korea	1.44	7.25	21.96	1.70		1.57	15.55	26.44	1.97
Singapore	0.50	11.04	14.10	0.53		1.22	12.80	12.72	0.68
Taiwan (Prov. of China)	0.96	8.16	23.73	1.26		2.31	14.60	34.32	2.32
TOTAL ANIES4	0.84	9.79	17.72	1.03		1.75	17.24	26.19	1.84

Reporting Country	IMPORTS 1985					EXPORTS 1985			
	% LAIA	% EEC	% U.S.A	% CANADA		% LAIA	% EEC	% U.S.A	% CANADA
Hong Kong	0.77	11.59	9.13	0.67		0.55	18.40	44.45	3.39
Korea	4.26	9.81	20.83	2.02		0.72	10.72	35.64	4.06
Singapore	0.43	11.32	15.18	0.34		0.65	10.59	21.16	0.71
Taiwan (Prov. of China)	2.52	10.19	23.75	1.83		0.64	8.85	48.43	3.06
TOTAL ANIES4	2.03	10.75	16.76	1.20		0.65	11.39	37.70	2.88

Reporting Country	IMPORTS 1988					EXPORTS 1988			
	% LAIA	% EEC	% U.S.A	% CANADA		% LAIA	% EEC	% U.S.A	% CANADA
Hong Kong	1.03	10.38	8.50	0.54		0.51	22.08	33.51	2.75
Korea	2.56	11.66	24.63	2.31		1.12	13.43	35.39	2.79
Singapore	0.97	12.03	15.55	0.61		0.70	12.97	23.84	0.91
Taiwan (Prov. of China)	2.78	12.99	22.95	2.07		0.76	14.60	38.86	2.61
TOTAL ANIES4	1.79	11.63	17.26	1.34		0.83	14.99	33.81	2.33

Reporting Country	IMPORTS 1989					EXPORTS 1989			
	% LAIA	% EEC	% U.S.A	% CANADA		% LAIA	% EEC	% U.S.A	% CANADA
Hong Kong	0.96	9.96	8.34	0.49		0.62	20.15	32.25	2.81
Korea	2.30	10.56	25.89	2.73		1.51	11.88	33.18	3.02
Singapore	0.96	12.47	17.15	0.53		0.58	13.38	23.33	0.89
Taiwan (Prov. of China)	3.01	12.52	23.05	1.89		0.93	14.59	36.37	2.66
TOTAL ANIES4	1.77	11.22	18.05	1.40		0.99	14.27	31.91	2.40

Reporting Country	IMPORTS 1990					EXPORTS 1990			
	% LAIA	% EEC	% U.S.A	% CANADA		% LAIA	% EEC	% U.S.A	% CANADA
Hong Kong	0.72	9.90	8.45	0.62		0.92	20.42	29.42	2.38
Korea	2.24	12.04	24.26	2.10		1.68	13.64	29.87	2.66
Singapore	1.00	12.83	16.03	0.59		0.52	14.37	21.31	0.86
Taiwan (Prov. of China)	2.34	13.27	23.10	1.52		1.13	15.98	32.47	2.31
TOTAL ANIES4	1.50	11.80	17.21	1.18		1.12	15.47	28.51	2.07

Source: UNSO-COMTRADE and other official sources.

ANNEX-TABLE 3

ANIES 4 TRADE WITH LAIA, EEC, THE UNITED STATES AND CANADA									
(Annual averages, in percentages)									

Reporting Country	IMPORTS ANNUAL AVERAGE 1980-85					EXPORTS ANNUAL AVERAGE 1980-85			
	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
Hong Kong	12.48	3.74	0.33	3.91		-16.24	-4.53	8.47	7.87
Korea	26.72	11.24	4.84	8.88		-3.66	3.03	15.22	23.69
Singapore	-0.92	1.96	2.79	-5.86		-7.61	-0.42	11.89	3.54
Taiwan (Prov. of China)	17.65	4.02	0.25	6.72		-13.13	-1.11	13.85	12.60
TOTAL ANIES4	19.60	4.92	2.35	5.88		-10.02	-0.98	12.75	14.36

Reporting Country	IMPORTS ANNUAL AVERAGE 1988-90					EXPORTS ANNUAL AVERAGE 1988-90			
	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
Hong Kong	-2.55	8.12	9.59	15.54		23.53	-1.29	-2.98	-3.49
Korea	5.65	11.66	9.92	6.98		17.27	2.85	-3.30	0.75
Singapore	12.67	13.90	12.61	10.44		-0.37	14.12	6.23	8.34
Taiwan (Prov. of China)	1.07	7.81	7.28	-3.56		17.97	6.72	-2.47	-0.53
TOTAL ANIES4	3.62	10.28	9.65	5.24		15.36	5.44	-1.44	0.25

Reporting Country	IMPORTS ANNUAL AVERAGE 1989-90					EXPORTS ANNUAL AVERAGE 1989-90			
	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
Hong Kong	-6.28	7.99	9.00	21.86		22.09	1.14	-4.03	-7.63
Korea	5.06	13.82	3.18	-6.61		7.72	9.41	-3.13	-4.11
Singapore	12.70	12.17	6.93	16.55		2.32	12.58	3.80	6.78
Taiwan (Prov. of China)	-9.96	5.09	2.21	-8.50		10.51	5.34	-4.90	-6.06
TOTAL ANIES4	-1.30	9.73	4.51	-1.66		9.26	7.12	-2.75	-4.44

Reporting Country	IMPORTS ANNUAL AVERAGE 1980-90					EXPORTS ANNUAL AVERAGE 1980-90			
	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
Hong Kong	16.66	10.66	9.45	11.69		0.06	3.55	5.92	6.15
Korea	15.49	16.20	11.97	13.10		13.40	11.37	13.96	15.85
Singapore	15.96	10.31	10.09	9.86		1.28	10.69	14.79	11.84
Taiwan (Prov. of China)	18.90	14.64	9.41	11.56		4.64	12.63	11.14	11.69
TOTAL ANIES4	16.71	12.61	10.42	12.04		6.18	9.55	11.49	11.83

Reporting Country	IMPORTS ANNUAL AVERAGE 1985-90					EXPORTS ANNUAL AVERAGE 1985-90			
	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
Hong Kong	17.92	16.06	17.62	17.85		19.52	11.67	2.45	3.42
Korea	2.77	18.38	17.36	15.10		30.71	18.24	10.29	5.88
Singapore	32.41	17.41	16.04	26.21		10.80	20.96	15.09	18.58
Taiwan (Prov. of China)	16.75	23.50	17.64	14.51		25.10	25.75	6.61	8.75
TOTAL ANIES4	10.99	18.49	17.19	16.33		24.05	19.38	8.27	7.34

Source: UNSO-COMTRADE and other official sources.

ANNEX-TABLE 4

ANIES 4 TRADE WITH LAIA, EEC, THE UNITED STATES AND CANADA								
(Millions of US current dollars)								

Reporting Country	IMPORTS 1980					EXPORTS 1980			
	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
Hong Kong	111.9	2,752.2	2,650.4	157.0		263.9	4,033.9	4,530.7	357.4
Korea	320.4	1,612.8	4,884.8	378.3		274.3	2,713.5	4,614.1	343.0
Singapore	118.9	2,649.5	3,383.2	127.6		237.3	2,480.0	2,464.2	132.3
Taiwan (Prov. of China)	190.8	1,615.0	6,697.0	249.2		458.1	2,896.7	6,808.8	459.9
TOTAL ANIES4	742.0	8,629.5	15,615.4	912.1		1,233.6	12,124.1	18,417.8	1,292.7

Reporting Country	IMPORTS 1985					EXPORTS 1985			
	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
Hong Kong	226.7	3,430.8	2,702.6	197.6		91.1	3,054.3	7,377.8	562.9
Korea	1,326.2	3,055.8	6,486.7	630.1		219.2	3,246.0	10,793.1	1,228.7
Singapore	112.4	2,976.1	3,989.6	88.8		147.6	2,418.6	4,834.7	163.0
Taiwan (Prov. of China)	506.1	2,045.8	4,767.8	368.2		196.9	2,709.3	14,831.1	937.6
TOTAL ANIES4	2,171.5	11,508.4	17,946.7	1,284.8		654.9	11,428.2	37,836.6	2,892.2

Reporting Country	IMPORTS 1988					EXPORTS 1988			
	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
Hong Kong	658.8	6,635.2	5,437.5	343.3		140.9	6,156.5	9,343.5	766.5
Korea	1,324.8	6,042.2	12,759.2	1,196.8		677.9	8,152.4	21,478.0	1,692.3
Singapore	423.5	5,276.2	6,822.2	266.5		276.1	5,097.8	9,371.3	356.1
Taiwan (Prov. of China)	1,241.4	5,793.9	10,235.5	925.6		459.7	8,813.5	23,465.7	1,575.9
TOTAL ANIES4	3,648.5	23,747.6	35,254.5	2,732.2		1,554.6	28,220.1	63,658.5	4,390.9

Reporting Country	IMPORTS 1989					EXPORTS 1989			
	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
Hong Kong	694.2	7,191.3	6,023.0	356.6		178.2	5,789.0	9,264.6	807.5
Korea	1,415.4	6,492.7	15,916.2	1,680.1		942.1	7,408.4	20,694.5	1,882.3
Singapore	477.0	6,197.3	8,520.8	264.3		260.8	5,977.2	10,427.1	397.2
Taiwan (Prov. of China)	1,580.6	6,572.6	12,096.8	991.8		618.1	9,654.3	24,068.2	1,757.8
TOTAL ANIES4	4,167.2	26,453.9	42,556.8	3,292.8		1,999.2	28,829.0	64,454.5	4,844.8

Reporting Country	IMPORTS 1990					EXPORTS 1990			
	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
Hong Kong	609.7	8,386.5	7,156.0	529.5		265.6	5,922.1	8,532.6	689.0
Korea	1,562.4	8,410.9	16,945.9	1,465.4		1,093.3	8,868.8	19,419.8	1,730.8
Singapore	605.9	7,796.9	9,742.7	359.0		273.1	7,576.3	11,234.5	453.0
Taiwan (Prov. of China)	1,281.6	7,259.4	12,637.3	830.3		754.8	10,712.8	21,769.2	1,551.2
TOTAL ANIES4	4,059.5	31,853.7	46,481.9	3,184.2		2,386.7	33,080.0	60,956.1	4,424.0

Source: UNSO-COMTRADE, and other official sources.

ANNEX-TABLE 5

ASEAN 4 TRADE WITH LAIA, EEC, THE UNITED STATES AND CANADA								
(% share of total trade)								

	IMPORTS	1980				EXPORTS	1980		
Reporting	%	%	%	%		%	%	%	%
Country	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
Philippines	1.57	10.70	23.59	0.97		0.79	17.55	27.64	1.11
Indonesia	0.60	13.57	13.01	0.89		0.70	6.54	19.64	0.13
Malaysia	0.54	15.68	15.07	1.09		0.39	17.61	16.36	0.48
Thailand	1.03	13.01	16.65	1.40		0.43	26.42	12.81	0.36
TOTAL ASEAN 4	0.89	13.41	16.68	1.08		0.59	13.64	18.79	0.38

	IMPORTS	1985				EXPORTS	1985		
Reporting	%	%	%	%		%	%	%	%
Country	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
Philippines	1.20	8.47	25.26	0.68		0.14	15.80	35.89	1.61
Indonesia	1.42	17.56	16.77	1.93		0.08	6.24	21.74	0.25
Malaysia	0.87	14.45	15.20	1.15		0.38	14.60	12.97	0.69
Thailand	1.49	14.81	11.40	1.23		0.59	19.17	19.79	1.23
TOTAL ASEAN 4	1.22	14.52	16.16	1.32		0.27	12.03	19.86	0.69

	IMPORTS	1988				EXPORTS	1988		
Reporting	%	%	%	%		%	%	%	%
Country	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
Philippines	1.95	12.64	21.20	1.04		0.09	17.71	35.87	1.54
Indonesia	1.59	18.94	13.10	2.07		0.14	11.19	15.99	0.52
Malaysia	1.65	13.38	17.67	1.24		0.75	14.45	17.39	0.75
Thailand	1.88	15.47	13.56	1.32		0.08	20.80	20.12	1.79
TOTAL ASEAN 4	1.76	15.24	15.75	1.42		0.32	15.42	19.70	1.03

	IMPORTS	1989				EXPORTS	1989		
Reporting	%	%	%	%		%	%	%	%
Country	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
Philippines	2.29	11.50	23.42	1.18		0.15	19.22	40.96	1.14
Indonesia	2.65	15.74	13.56	1.90		0.15	10.49	15.77	0.48
Malaysia	1.50	13.72	16.59	0.95		0.59	14.95	18.16	0.73
Thailand	2.16	13.94	11.28	1.35		0.26	19.14	21.75	1.49
TOTAL ASEAN 4	2.09	13.92	15.09	1.32		0.33	15.20	20.77	0.90

	IMPORTS	1990				EXPORTS	1990		
Reporting	%	%	%	%		%	%	%	%
Country	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
Philippines	2.62	11.16	19.54	1.42		0.21	17.78	37.98	1.50
Indonesia	2.28	18.59	11.54	1.86		0.26	11.79	13.10	0.54
Malaysia	1.68	14.58	16.90	0.97		0.49	14.94	16.95	0.78
Thailand	1.95	14.47	10.80	1.12		0.51	21.57	22.77	1.33
TOTAL ASEAN 4	2.03	14.99	13.96	1.28		0.40	16.04	19.35	0.92

Source: UNSO-COMTRADE and other official sources.

ANNEX-TABLE 6

ASEAN 4 TRADE WITH LAIA, EEC, THE UNITED STATES AND CANADA
(Annual averages, in percentages)

Reporting Country	IMPORTS					EXPORTS			
	ANNUAL AVERAGE 1980-85					ANNUAL AVERAGE 1980-85			
	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
Philippines	-10.89	-10.33	-5.70	-12.18		-27.42	-5.37	0.59	2.41
Indonesia	14.22	3.45	3.39	12.67		-32.90	-3.48	-1.05	8.99
Malaysia	11.10	1.27	2.82	3.64		2.91	0.02	-0.72	9.49
Thailand	5.97	1.80	-6.47	-2.41		7.09	-3.57	9.37	24.84
TOTAL ASEAN 4	4.51	0.55	-1.30	2.49		-12.76	-2.45	0.53	10.06

Reporting Country	IMPORTS					EXPORTS			
	ANNUAL AVERAGE 1988-90					ANNUAL AVERAGE 1988-90			
	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
Philippines	25.89	9.51	11.10	26.76		40.21	5.45	7.35	4.50
Indonesia	33.14	17.40	13.24	14.07		35.71	12.07	3.06	11.26
Malaysia	21.53	24.43	19.15	11.53		-3.40	12.91	10.71	13.08
Thailand	19.57	15.46	9.43	11.78		105.80	14.47	17.85	2.42
TOTAL ASEAN 4	24.11	17.66	13.69	14.28		18.88	12.37	10.25	6.93

Reporting Country	IMPORTS					EXPORTS			
	ANNUAL AVERAGE 1989-90					ANNUAL AVERAGE 1989-90			
	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
Philippines	17.54	8.38	0.50	20.94		21.49	-1.22	-1.10	18.01
Indonesia	7.27	25.57	6.60	14.47		41.54	14.46	-1.58	14.60
Malaysia	20.44	17.40	14.98	15.23		-1.52	8.22	4.56	11.90
Thailand	8.09	15.98	11.39	3.68		51.16	13.79	9.69	1.31
TOTAL ASEAN 4	12.13	17.97	9.37	11.88		18.86	10.25	3.58	8.64

Reporting Country	IMPORTS					EXPORTS			
	ANNUAL AVERAGE 1980-90					ANNUAL AVERAGE 1980-90			
	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
Philippines	9.09	4.56	2.39	7.90		-8.39	3.36	6.27	6.10
Indonesia	20.27	9.67	5.43	13.94		-7.25	7.03	-2.21	15.81
Malaysia	21.31	8.79	10.66	8.40		10.01	6.15	8.10	12.51
Thailand	18.89	13.24	7.82	9.89		14.06	10.33	18.41	26.52
TOTAL ASEAN 4	17.01	9.70	6.86	10.27		2.03	7.25	5.96	14.63

Reporting Country	IMPORTS					EXPORTS			
	ANNUAL AVERAGE 1985-90					ANNUAL AVERAGE 1985-90			
	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
Philippines	31.64	21.02	10.75	30.90		17.34	12.28	11.14	8.84
Indonesia	22.80	14.50	6.56	12.74		29.81	17.35	-3.00	20.09
Malaysia	28.27	15.24	17.12	11.87		15.74	11.54	16.17	13.38
Thailand	29.59	23.39	22.75	21.82		18.85	24.18	24.65	23.30
TOTAL ASEAN 4	27.62	17.85	14.41	16.72		18.93	16.55	10.62	16.71

Source: UNSO-COMTRADE, and other official sources.

ANNEX-TABLE 7

ASEAN 4 TRADE WITH LAIA, EEC, THE UNITED STATES AND CANADA								
(Millions of US current dollars)								

Reporting Country	IMPORTS 1980					EXPORTS 1980			
	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
Philippines	130.5	887.7	1,956.6	80.2		45.4	1,009.5	1,589.6	64.1
Indonesia	65.4	1,470.5	1,409.2	96.8		153.3	1,433.8	4,303.3	27.6
Malaysia	58.5	1,687.8	1,621.8	117.4		50.1	2,280.0	2,117.7	62.6
Thailand	97.1	1,229.8	1,574.1	132.2		27.6	1,682.8	816.1	23.0
TOTAL ASEAN 4	351.6	5,275.8	6,561.6	426.5		276.3	6,406.1	8,826.8	177.3

Reporting Country	IMPORTS 1985					EXPORTS 1985			
	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
Philippines	65.3	461.4	1,375.6	36.8		6.6	725.0	1,647.1	73.9
Indonesia	145.3	1,801.9	1,720.9	198.1		14.0	1,159.4	4,040.2	46.2
Malaysia	110.0	1,820.7	1,915.9	145.4		59.5	2,282.6	2,028.1	107.8
Thailand	137.6	1,368.5	1,053.9	114.1		41.7	1,353.1	1,396.6	87.1
TOTAL ASEAN 4	458.3	5,452.5	6,066.3	494.4		121.8	5,520.1	9,112.0	315.0

Reporting Country	IMPORTS 1988					EXPORTS 1988			
	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
Philippines	170.4	1,103.7	1,850.9	90.9		6.3	1,238.9	2,508.7	107.7
Indonesia	211.2	2,509.7	1,735.7	274.1		26.8	2,151.5	3,073.7	100.6
Malaysia	273.0	2,213.4	2,922.7	205.4		158.6	3,053.3	3,674.0	158.4
Thailand	381.2	3,138.2	2,751.5	267.1		13.5	3,307.4	3,199.9	284.7
TOTAL ASEAN 4	1,035.8	8,965.0	9,260.7	837.5		205.2	9,751.1	12,456.4	651.3

Reporting Country	IMPORTS 1989					EXPORTS 1989			
	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
Philippines	246.1	1,234.1	2,513.1	126.5		11.7	1,488.8	3,172.8	88.3
Indonesia	433.1	2,575.4	2,217.9	310.5		33.4	2,311.5	3,473.4	105.5
Malaysia	337.8	3,093.6	3,739.7	214.6		147.5	3,753.0	4,560.4	182.9
Thailand	557.7	3,590.9	2,905.6	347.1		51.4	3,831.7	4,352.9	298.0
TOTAL ASEAN 4	1,574.7	10,494.0	11,376.3	998.7		244.0	11,385.1	15,559.4	674.6

Reporting Country	IMPORTS 1990					EXPORTS 1990			
	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
Philippines	340.0	1,449.6	2,538.4	185.1		17.3	1,452.6	3,103.6	122.9
Indonesia	498.4	4,060.6	2,520.1	406.8		67.0	3,028.4	3,364.6	138.5
Malaysia	490.0	4,264.0	4,944.0	285.0		143.0	4,395.0	4,986.0	229.0
Thailand	651.6	4,830.1	3,605.3	373.1		117.5	4,961.5	5,237.8	305.9
TOTAL ASEAN 4	1,979.9	14,604.3	13,607.8	1,250.0		344.7	13,837.5	16,692.0	796.3

Source: UNSO-COMTRADE, and other official sources.

ANNEX-TABLE 8

OTHER PACIFIC COUNTRIES TRADE WITH LAIA, EEC, THE UNITED STATES AND CANADA
(% share of total trade)

Reporting Country	IMPORTS 1980 %					EXPORTS 1980 %			
	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
China	N.A.	N.A.	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.
Japan	3.63	5.92	17.40	3.36		4.56	13.96	24.45	1.88
New Zealand	0.55	20.17	13.77	2.43		1.54	24.06	13.05	2.23
Australia	0.73	22.57	21.71	2.73		0.87	13.52	9.89	1.97
TOTAL OTHER PACIFIC	3.18	8.39	17.80	3.26		3.96	14.24	22.08	1.90

Reporting Country	IMPORTS 1985 %					EXPORTS 1985 %			
	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
China	4.28	14.56	11.91	2.69		1.76	8.35	8.55	0.85
Japan	4.35	7.18	20.00	3.68		1.81	11.96	37.54	2.57
New Zealand	1.18	22.15	15.97	2.65		1.64	20.42	14.66	1.84
Australia	1.11	22.45	21.60	2.00		0.79	12.55	7.87	0.78
TOTAL OTHER PACIFIC	3.86	10.89	18.44	3.26		1.70	11.81	30.87	2.19

Reporting Country	IMPORTS 1988 %					EXPORTS 1988 %			
	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
China	3.39	14.59	12.03	3.34		0.35	9.98	7.07	0.82
Japan	3.96	12.90	22.57	4.43		1.85	17.80	34.06	2.42
New Zealand	1.22	20.34	16.68	1.94		2.18	18.22	13.61	1.75
Australia	1.28	23.52	21.66	2.27		0.89	14.50	10.49	1.82
TOTAL OTHER PACIFIC	3.46	14.67	20.25	3.90		1.57	16.46	27.80	2.14

Reporting Country	IMPORTS 1989 %					EXPORTS 1989 %			
	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
China	3.68	15.42	13.25	1.79		0.47	9.29	8.38	0.78
Japan	3.77	13.41	23.04	4.10		1.85	17.51	34.05	2.47
New Zealand	1.25	19.43	16.79	1.97		2.07	16.58	13.19	1.69
Australia	1.53	22.05	22.66	2.40		0.87	13.96	10.51	1.33
TOTAL OTHER PACIFIC	3.40	15.04	21.00	3.40		1.57	15.99	27.70	2.11

Reporting Country	IMPORTS 1990 %					EXPORTS 1990 %			
	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
China	2.22	15.03	12.32	2.73		0.59	9.14	8.34	0.69
Japan	3.80	14.97	22.48	3.57		1.87	18.77	31.67	2.34
New Zealand	1.14	19.11	17.88	1.96		2.37	15.90	13.23	1.67
Australia	1.15	22.54	24.38	2.09		1.02	13.23	11.07	1.58
TOTAL OTHER PACIFIC	3.16	15.99	20.97	3.22		1.59	16.65	25.59	2.00

Source: UNSO-COMTRADE, and other official sources.

ANNEX-TABLE 9

OTHER PACIFIC COUNTRIES TRADE WITH LAIA, EEC, THE UNITED STATES AND CANADA								
(Annual averages, in percentages)								

Reporting Country	IMPORTS				EXPORTS			
	ANNUAL AVERAGE 1980-85				ANNUAL AVERAGE 1980-85			
	LAIA	EEC	U.S.A.	CANADA	LAIA	EEC	U.S.A.	CANADA
China	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Japan	1.67	1.87	0.96	0.17	-9.80	2.51	12.99	10.87
New Zealand	15.26	3.00	3.95	2.88	2.05	-1.78	2.92	-2.25
Australia	10.04	2.45	2.46	-2.66	-0.97	-0.63	-3.15	-13.80
TOTAL OTHER PACIFIC	6.43	7.60	3.64	3.04	-7.38	3.31	12.70	9.10

Reporting Country	IMPORTS				EXPORTS			
	ANNUAL AVERAGE 1988-90				ANNUAL AVERAGE 1988-90			
	LAIA	EEC	U.S.A.	CANADA	LAIA	EEC	U.S.A.	CANADA
China	-14.08	-0.19	-0.39	-7.65	29.31	6.17	15.51	3.33
Japan	6.37	13.29	7.68	0.34	2.95	4.51	0.24	1.55
New Zealand	6.48	6.84	11.65	9.44	4.90	-2.51	1.07	0.59
Australia	2.69	4.93	10.71	3.52	11.58	3.44	8.59	1.80
TOTAL OTHER PACIFIC	2.90	9.14	7.29	-0.55	4.49	4.39	1.15	1.64

Reporting Country	IMPORTS				EXPORTS			
	ANNUAL AVERAGE 1989-90				ANNUAL AVERAGE 1989-90			
	LAIA	EEC	U.S.A.	CANADA	LAIA	EEC	U.S.A.	CANADA
China	-26.21	-6.23	-8.44	17.10	21.39	7.84	8.39	2.28
Japan	5.91	11.47	4.25	-1.47	2.48	5.70	-1.52	-0.59
New Zealand	-0.83	3.09	7.30	3.78	9.88	0.52	2.83	2.04
Australia	-13.04	1.17	3.81	-6.61	13.18	1.77	7.34	13.99
TOTAL OTHER PACIFIC	-0.81	6.15	2.85	0.15	4.17	5.44	-0.69	0.54

Reporting Country	IMPORTS				EXPORTS			
	ANNUAL AVERAGE 1980-90				ANNUAL AVERAGE 1980-90			
	LAIA	EEC	U.S.A.	CANADA	LAIA	EEC	U.S.A.	CANADA
China	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Japan	5.22	13.99	7.25	5.36	-0.91	10.41	10.03	9.67
New Zealand	12.33	4.54	7.58	3.01	9.27	1.19	5.21	2.37
Australia	11.11	6.55	7.69	3.98	7.10	5.31	6.62	3.43
TOTAL OTHER PACIFIC	6.63	13.11	8.28	6.56	0.20	10.39	10.30	9.31

Reporting Country	IMPORTS				EXPORTS			
	ANNUAL AVERAGE 1985-90				ANNUAL AVERAGE 1985-90			
	LAIA	EEC	U.S.A.	CANADA	LAIA	EEC	U.S.A.	CANADA
China	-5.84	5.57	5.60	5.24	-3.49	17.65	15.39	11.96
Japan	7.97	24.81	12.60	9.86	9.01	16.96	5.47	6.83
New Zealand	7.37	5.31	9.98	2.62	15.29	4.05	6.64	6.80
Australia	10.24	9.65	11.80	10.36	14.52	10.65	16.12	23.41
TOTAL OTHER PACIFIC	5.69	16.49	11.63	9.04	8.36	16.02	6.19	7.90
TOTAL EXCL. CHINA	3.64	13.41	9.83	6.46	7.30	14.30	5.27	6.90

Source: UNSO-COMTRADE, and other official sources.

ANNEX-TABLE 10

OTHER PACIFIC COUNTRIES TRADE WITH LAIA, EEC, THE UNITED STATES AND CANADA
(Millions of US current dollars)

Reporting Country	IMPORTS 1980					EXPORTS 1980			
	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
China	N.A.	N.A.	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.
Japan	5,095.3	8,322.3	24,451.4	4,724.2		5,923.2	18,119.7	31,742.5	2,436.6
New Zealand	30.1	1,112.6	759.4	134.2		81.0	1,267.0	687.2	117.3
Australia	144.8	4,494.4	4,323.4	543.9		185.8	2,894.2	2,116.2	421.8
TOTAL OTHER PACIFIC	5,270.2	13,929.2	29,534.2	5,402.4		6,189.9	22,280.9	34,546.0	2,975.7

Reporting Country	IMPORTS 1985					EXPORTS 1985			
	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
China	1,702.8	5,792.9	4,738.7	1,070.8		450.9	2,139.1	2,192.0	218.1
Japan	5,628.6	9,298.2	25,901.3	4,772.9		3,190.6	21,029.5	66,041.5	4,524.5
New Zealand	70.5	1,328.4	958.1	159.1		91.5	1,137.3	816.6	102.4
Australia	257.2	5,197.9	5,002.6	462.7		175.2	2,786.3	1,746.2	173.1
TOTAL OTHER PACIFIC	7,659.0	21,617.4	36,600.7	6,465.6		3,908.2	27,092.2	70,796.4	5,018.0

Reporting Country	IMPORTS 1988					EXPORTS 1988			
	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
China	1,871.2	8,063.5	6,649.4	1,847.5		168.5	4,741.3	3,357.9	389.5
Japan	7,411.3	24,170.1	42,285.1	8,308.1		4,907.1	47,168.1	90,239.6	6,424.1
New Zealand	89.5	1,485.9	1,218.6	141.8		186.0	1,557.3	1,163.3	149.2
Australia	426.3	7,818.1	7,200.2	753.5		284.5	4,621.6	3,343.5	579.5
TOTAL OTHER PACIFIC	9,798.3	41,537.6	57,353.2	11,050.9		5,546.1	58,088.2	98,104.3	7,542.2

Reporting Country	IMPORTS 1989					EXPORTS 1989			
	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
China	2,179.3	9,119.9	7,838.7	1,061.1		247.2	4,878.5	4,404.9	410.7
Japan	7,951.5	28,279.3	48,572.0	8,645.0		5,097.5	48,191.2	93,703.3	6,806.9
New Zealand	109.8	1,705.1	1,473.0	172.6		177.9	1,427.9	1,135.8	145.9
Australia	610.5	8,824.5	9,066.1	958.5		308.6	4,938.3	3,716.0	470.4
TOTAL OTHER PACIFIC	10,851.2	47,928.7	66,949.8	10,837.2		5,831.2	59,435.9	102,960.0	7,833.9

Reporting Country	IMPORTS 1990					EXPORTS 1990			
	LAIA	EEC	U.S.A.	CANADA		LAIA	EEC	U.S.A.	CANADA
China	1,186.7	8,018.7	6,570.9	1,455.1		364.3	5,673.8	5,175.3	429.6
Japan	8,919.4	35,141.6	52,788.3	8,392.2		5,353.8	53,846.0	90,881.5	6,726.5
New Zealand	108.0	1,812.2	1,695.9	185.9		214.7	1,442.9	1,201.0	151.9
Australia	461.7	9,033.0	9,769.9	836.0		395.3	5,115.1	4,281.4	611.2
TOTAL OTHER PACIFIC	10,675.8	54,005.5	70,825.0	10,869.1		6,328.1	66,077.8	101,539.3	7,919.2

Source: UNSO-COMTRADE, and other official sources.