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**LATIN AMERICA AND ASIA-PACIFIC: EVOLUTION AND COMPOSITION
OF EXPORTS FROM BRASIL AND CHILE IN THE 1990s */**

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I. SUMMARY

The purpose of this document is to present an overview of the composition of the exports of two Latin American countries to the Asia-Pacific region. There is a wide range of studies about trade with that region of the world. But very few information exist on the products that comprise Latin American exports to Asia. The study is based on the information available at the United Nations-COMTRADE database. This database compiles information provided by individual countries. Therefore there may be some inconsistencies between data provided by the exporting country and the importing partner. However, they do not affect the general conclusions of the study. This document is a preliminary attempt to provide a better understanding of trade relations between Latin American countries and the Asia-Pacific region with a view to generate further studies.

A major challenge to the improvement of Latin American linkages to the international economy is to gain a larger share of growing Asian-Pacific markets.^{1/} A previous ECLAC document showed that during the 1980s, those markets were more important to Latin America than the reverse (Mattos, 1993). This assertion remains true. In 1993, Latin America accounted for just 1.8% of total Asia-Pacific imports whereas the Asia-Pacific market accounted for 9% of total Latin American Integration Association (LAIA) exports in that year. Moreover, when total trade figures (the sum of exports and imports) are considered, the share of Asia-Pacific in LAIA trade increases to roughly 12% (See Annex 1, Figure 1).

Figure 1 shows some dispersion around the above mentioned average values. Asia Pacific accounted for less than 10% of the total trade of four Latin American countries (Bolivia, Colombia, Mexico and Venezuela). One of the LAIA countries that presents the lowest share is Venezuela (approximately 5%). On the other side, the percentages for Chile and Peru are close to 20%.

In 1993, the value of Latin American exports to Asia (approximately US\$ 13.2 billion) was twice that for 1980 (US\$ 5.5 billion). Yet, the growth of LAIA's exports to Asia has been inferior to the total growth of its exports. Between 1985 and 1993 Latin American exports to the world increased at an average annual rate of 6.2% whereas exports to Asia-Pacific rose at a rate of 5.7%. This is entirely different from what occurred in the 1980s. At that period LAIA's exports to Asia tended to increase at a higher rate than that of their exports to the world. Between 1980 and 1990 LAIA's exports to Asia expanded at an annual average rate of 8.4% whereas those exports to the world increased at 3.5%. The declining trend continued in the early 1990s: total Latin American exports to the world expanded at an average annual rate of 8.6% whereas the rate for their exports to Asia-Pacific was only 2%. (See Annex 1, Table 1).

^{1/} Throughout this document, the term Latin America(n) refers to the 11 members of Latin American Integration Association (LAIA), Asian Newly Industrializing Economies (ANIES 4) to Hong Kong, Republic of Korea, Singapore and Taiwan Province of China, Association of South East Asia Nations (ASEAN 4) to Indonesia, Malaysia, the Philippines and Thailand. Southeast Asia indicates ANIES4 and ASEAN4. Asia and Asia-Pacific (ASPAC) refers to ANIES4, ASEAN4, Japan, China, Australia and New Zealand.

Data from Asia-Pacific imports present a similar, albeit remarkably more negative picture. From 1985 to 1993 Asia's imports from the world grew at an annual average rate of almost 15%, whereas their imports from LAIA increased at a rate of only 9%.^{2/} From 1990 to 1993 the average annual rate of growth of total Asia-Pacific imports from LAIA was only 0.3% whereas that of the imports from the world was 9.6%. This means that in current dollar values, in 1985 Asia-Pacific imported US\$ 300 billion from the world but only US\$ 8.6 billion from Latin America. Similarly, in 1993 total Asian imports were equal to US\$ 915 billion whereas those from LAIA countries were only US\$ 16.8 billion. If Japan is excluded from those totals, Asia-Pacific's total imports from Latin America rose from US\$ 4.7 billion to US\$ 9.5 billion, respectively. But, the share of the region in total Asia Pacific imports decreases from 2.2% in 1985 to 1.4% in 1993.

In addition to their small size, exports from Latin America to Asia-Pacific countries are characterized by three trends:

- (1) concentration on a few Latin American countries;
- (2) orientation towards few Asia-Pacific partners;
- (3) and, convergence on few product categories.

Two Latin American countries, Brazil and Chile, concentrate most of LAIA's exports to Asia-Pacific. Together, they represented almost 65% of total exports to that region in 1993 (See Annex 1, **Figure 2** and Table 1). LAIA members have been neglecting the dynamic Asia-Pacific markets, whereas Brazil and Chile increased their share in Latin American exports to that region. In fact, since the early 1990s Chile has shown an outstanding performance in those markets, as suggested in ANNEX 1 by **Figure 3**. Besides, Brazil and Chile have accumulated important surplus with the Asia-Pacific region. Conversely, Argentina and Mexico have accumulated increasing deficits with that region. (See Annex 1, **Figure 4**)

Latin American trade with Asia is still largely dominated by Japan, although recently the Republic of Korea, Taiwan (Province of China) and China have managed to reduce the share of Japan in that trade. Moreover, from 1990 to 1993, according to COMTRADE data for China and Taiwan (Province of China), imports from the world increased at higher rates (25%) than the average for the Asia-Pacific (9%). Consequently, particular attention should be given to the exports to both economies.

Figure 5 in Annex 1 shows that from 1992 on LAIA accumulated trade deficit with Japan, Hong Kong, New Zealand and Australia. In 1993, two other countries contributed to the overall trade deficit: the Republic of Korea and Singapore.

^{2/}Because there was no information for China's trade in 1985, the figures exclude this country from this average.

Latin America's exports to Asia Pacific countries are heavily concentrated in Metals and Minerals,^{3/} and in Primary products. In 1993, considering 247 lines of SITC (Revision 1) three digit-level of LAIA exports to the 12 Asia-Pacific countries only ten lines represented 59% of total exports, and twenty lines concentrated 76% of the total.^{4/} Just for comparison purposes, according to our classification, the twenty major lines accounted for only 59% of LAIA's exports to the world in that same year.^{5/} Furthermore, in 1993 exports of Manufactures accounted for less than 10% of the total the value of LAIA's exports to Asia-Pacific, while in that same year this group of products accounted for over 50% of LAIA's total exports to the world. (See Annex 1, figure 6)

The possibility to increase Manufactured exports to the Asian markets is linked to some extent to the opportunities presented by new forms of intra firm relations that shift the current pattern of interindustry trade towards higher levels of intra-industry trade. Up to now, the degree of intra-industry trade between both regions is limited.^{6/}

On the other hand, there has been increasing demand in Latin America for Asian products. Over the past three years the value of imports from Asia Pacific more than doubled. This is the result of the new trade liberalization policies in the region in the late 1980s and early 1990s. In 1993, that demand was concentrated in Mexico, Brazil, Argentina and, to a lesser extent, Chile and Colombia. Nonetheless, the trend of increasing imports has been more generalizing to the whole region. For instance, between 1985 and 1993 Latin American imports from Asia-Pacific expanded at an annual average rate of 17.3%, while their imports from the world increased at 14%. From 1990 to 1993, the trend became more pronounced: in that period, Latin American imports from the world increased on average at 22.6% a year, while those originating in Asia-Pacific did so at a rate of 29%. (See Annex 1, Table 2)

^{3/} We have excluded from Manufactures the SITC heading 67, **iron and steel**, in order to allow a better view of the exports of Manufactures to Asia. Therefore, the importance of Metals and Minerals is increased.

^{4/} Of the 20 lines, Metals and Minerals accounted for 8 lines and 46% of total exports. Primary Products accounted for another 18% and 6 lines, Manufactures and Fuels, 6% both, with 4 lines and one line, respectively.

^{5/} But, the composition was rather different: Manufactures - 27%; Primary Products - 10%; Fuels - 16% and Metals and Minerals - 6%. It is also interesting to compare the product lines themselves. While the 3 major lines of LAIA's exports to Asia-Pacific refer to Metals and Minerals (**iron & steel in primary forms, copper and iron ore concentrates**), the 3 main lines of LAIA's exports to the world include one important manufactured product (**road motor vehicles**) and two related to fuels (**crude petroleum, etc and petroleum products**). Furthermore, of the 20 major lines of LAIA's exports to the world, 10 lines correspond to manufactured products.

^{6/} An UN-ECLAC study found that in 1988 there existed a limited number of products at the SITC 3-digit level that presented a Grubel-Lloyd index of intraindustry trade above 0.5 of the total sectoral bilateral trade between Argentine, Brazil, Mexico, Chile, Colombia and Uruguay and the Asia-Pacific. However, perhaps even more important is that the number of products included in that year and similar to the ones in 1980 were very small, which supports the assumption of a different composition of exports, based on a new product specialization. (ECLAC, 1991).

This document tries to illustrate the nature of the exports of two of the most dynamic Latin American traders with the Asia-Pacific: Brazil and Chile. These two countries have been establishing strong relations with Asia-Pacific since the beginning of the 1980s. Nevertheless, they present different characteristics. In 1993, foreign trade accounted for over 49% of Chile's GDP whereas in Brazil that share reached 23%. On the other hand, it is important to bear in mind, throughout this document, that in 1993 the value of Chilean exports was only 24% of total Brazilian exports, and that Chile's GDP stood for only 13.5% of that of Brazil. These differences will influence the extent to which Chile can diversify its exports, particularly because of its export concentration in primary products. Simultaneously, Brazil presents a more diversified market and product composition of its exports.^{7/}

Four major elements seem to define both countries' export relations with the Asia-Pacific countries under study:

1. Trade is concentrated in primary products and in processed and semi-processed products based in natural resources.
2. Although in decreasing terms, Japan is still the dominant partner;
3. Despite their differences, by 1993 both Latin American countries seemed to have reached the upper limit of their exports to Japan. Between 1989 and 1993, the share of Brazil in total Japanese imports decreased from 1.42% to 1.18%. At the same time, the share of Chile increased from 0.63% to 0.76%, but this share was lower than those the country had achieved in 1991 and 1992. Future increases in the share of these countries' exports to Japan will depend on further promotion of both countries' exports.^{8/}
4. The growth of exports of both countries to Asia is below the average growth of Asia-Pacific total imports.

However, some contrasts are also noticeable between Brazil and Chile in relation to their exports to Asia-Pacific, which can be summarized in the following trends:

^{7/} In 1993, according to the COMTRADE database of the United Nations, the 10 major destinations of Brazilian exports accounted for 62% of total exports to the world, comprising 20% to the European Union - EU - (12), 21% to the United States, 15% to Latin America and 6% to Japan. Chilean 10 major destinations corresponded to 72% of total exports. Of these 10 countries, Asia absorbed almost 26% of total exports (Japan alone almost 17%), the EU accounted for 19%, the United States for 16% and Latin America 11%. The 10 major products exported by Brazil in 1993 (SITC 4 digits) accounted for 32% of total Brazilian exports to the world. In the case of Chile, the share of the 10 major products in total exports was 62% in that year.

^{8/} On the other hand, the recent important appreciation of the Japanese yen against the U.S. dollar (+12% from January to April 1995) presents a promising opportunity for increasing Latin American exports to Japan, and to other countries where yen denominated imports from Japan will mean higher expenditures in dollar terms. One of these opportunities is the so-called "reverse export" trend where Japanese firms search for foreign parts manufacturers that provide components for products assembled in Japan. (Business Week, April 10, 1995).

1. The share of Manufactures in total Brazilian exports to Asia-Pacific is higher than the share of Manufactures in total Chilean exports in to that region (18% and 10%, respectively). Nevertheless, those shares do not reflect the share of Manufactures in both countries' total exports (49% and 18%, respectively)
2. The growth rate of Chilean exports of Manufactures (11.7%) has been higher than that of Brazilian exports if we consider the period 1989-1993 (4.5%).
3. Moreover, while Asia-Pacific absorbs only 6% of total Brazilian exports of Manufactures, the region accounts for over 12% of total Chilean exports of these products.

There are few policy implications that can be drawn from those two countries' experiences. The composition of Brazilian and Chilean exports to the Asia-Pacific is not similar, and their behaviour over the recent years has also been distinct. Brazilian exports have a higher share of Manufactures, but these exports have been growing slowly. Chilean exports are concentrated in primary products, presenting a steady rate of growth. Countries wishing to increase their exports to Asia should consider these peculiarities carefully.

On the other hand, it is necessary to recognize the emergence of new importing countries in the region, like China, Hong Kong, Malaysia, Philippines, Taiwan (Province of China), Singapore and Indonesia. Hence, trade promotion policies should consider these new markets. The growth of LAIA countries' exports to these new importing countries in Asia from 1990 to 1993 has been slower than the growth of total imports of those Asia-Pacific countries.

The future of trade relations between Latin America and the Asia-Pacific region is uncertain. Latin American exports to Asia are still marginal to world trade flows, and concentrated on a few products of low complexity. Besides, in Latin America and Asia-Pacific relations, much has to be done in the area of trade creation and diversification. Latin America needs to invest heavily to upgrade its infrastructure, reinforce its social and educational basis and consolidate the economic reforms that have been implemented in the region over the past years, in order to improve its linkages with the Asia-Pacific, as well as to other parts of the world. Moreover, these measures are required to increase and upgrade Latin American exports of Manufactures.^{9/}

Moreover, beyond these problems in the supply side that hinder the expansion of Latin America and Asia-Pacific trade, there are also problems from the demand side. The Japanese economy has been suffering from a recession since 1991. Simultaneously, its GDP has been moving toward the tertiary sector, a trend shared with other advanced economies. Moreover, present productive processes are more efficient and tend to use fewer primary inputs, decreasing

^{9/} As ECLAC has already asserted, for becoming internationally competitive, the economies of the region will need to face the challenge of not only adjusting and liberalizing, but also of providing an environment (factor markets) where the enterprises may prosper. This implies not only correct macroeconomic policies, but also efficient meso- and micro-economic policies. (ECLAC, 1994b, p.18)

the demand for these products. Furthermore, as its further elaborated in Chapter I, import regimes in Asia present a bias against processed commodities.^{10/} Also, tariff escalation and non-trade barriers might be part of the obstacles to increase and diversify trade with that region.

The document has three chapters, and one annex. The first chapter will present a general description of the constraints that Latin American countries face to expand their exports to that Asian region. The second chapter will look at the export performance of Brazil and Chile to the Asia-Pacific region. In particular, the chapter examines the evolution of the ten major products exported by the two Latin American countries to four partners or group of partners: Japan, the ANIES4 countries, the ASEAN4 countries and China and the imports of Manufactures from Brazil and Chile by these four Asia-Pacific partners. Chapter III will look at the dynamics of (i) the products for which Asian countries have become important destinations and, (ii) the products for which Asia became relatively less important. The Annex 1 shows the figures and tables that illustrate this Introduction.

A NOTE ABOUT THE METHODOLOGY OF PRODUCT CLASSIFICATION USED IN THIS DOCUMENT

This document uses the following product classification:

Non-fuel Primary products: SITC, Rev.2 chapters 0+1+2+4+67+68

Subitem **Metals and Minerals:** 27+28+67+68

Fuels: SITC, Rev.2 chapter 3

Manufactures: SITC, Rev. 2 chapters 5+6+7+8+9-67-68.

^{10/} For instance, in 1990, Japan had an import share of domestic consumption of manufactures of only 6%, against 15% for the U.S. and Germany, 18% for the U.K., 14% for France and 13% for Italy. (U.S. Government, 1994, p.216).

II. ASIA-PACIFIC AND LATIN AMERICA SOME CONSTRAINTS TO THE EXPANSION OF THEIR TRADE

A. INTRODUCTION

During the last half decade Latin America has pursued a trade liberalization policy that resulted in increasing imports in the region. Between 1990 and 1993 Latin American imports from the world increased on average at 22.6% a year. (See Annex 1, Table 2). The figures for Brazil and Chile show that during 1994 the value of their imports from the world grew 24.5% and 7%, respectively. The lower figure for Chile is due to its earlier liberalization. In 1992 its imports grew 25.6% while those of Brazil decreased by -2.2% due to a domestic slowdown in that year. (ECLAC, 1994, table A.12, p.50)

Increasing trade relations with Asia-Pacific countries may be one clear example of the challenges presented by an open trade strategy, because of the strong export sector in those countries. In the period from 1990 to 1993, Latin American imports from Asia-Pacific increased at an yearly rate of 29%. Tensions may arise because domestic producers in Latin America will be challenged by the inflow of cheap imports, and may complain of unfair pricing. Trade officials should be prepared to deal with this kind of situation. National trade legislation must be strengthened to cope effectively with unfair trade practices. However, once these challenges are faced and the domestic effects are cancelled by sound production transformation policies, Latin American countries can expect to derive benefits from economic relations with Asia-Pacific not only in terms of increased trade, but also in terms of increased inflow of investments and technology.

Trade, investment and technology should be the guiding elements of any serious Latin American trade policy strategy towards the Asia-Pacific. To build a strong relationship with Asia, Latin America has first to show the vast opportunities of profits it presents to Asia-Pacific countries, and second, that the region is committed to improve the interregional ties. In other words, the problem of increased access to Asia is a long-term objective. It implies giving up some share of the domestic market for imports. Therefore, a concerted national effort to adjust the economy to the new competitive situation has to be developed. This effort will bring rewards to other sectors of the economy, and benefit those areas with competitive advantages.

This chapter will look briefly into two basic sets of constraints that Latin American exports face in the Asia-Pacific: trade barriers and transportation costs.

B. TRADE BARRIERS

Protectionism in Asia-Pacific is a major obstacle to access to those markets. A recent study has identified a bias in Asia-Pacific trade against processed commodity imports (Safadi and Yeats, 1993, p.6). Primary (unprocessed) commodities ^{11/} make up approximately 52% of Asian countries' commodity imports. According to that study high Asian import concentration occurs in all four product groups (i.e., foods and feeds, agricultural materials, ores and metals and energy products). However, this concentration is particularly pronounced in relation to imports of ores and metals. Japan and the Republic of Korea are the countries that present the highest degree of primary commodity import concentration. Their combined share of total Asian imports (including South Asia and Oceania) of primary and processed commodities is over 55%.

Another important point concerns tariff escalation. Tariff escalation occurs in most commodity processing chains. For some countries (Japan, Republic of Korea, Indonesia and Malaysia) tariff levels may reach over 30% for some processing chains. They mention that Korean import duties exceed 100 percent in several processing chains.

"In Japan, 89 percent of processed commodities have higher average applied tariffs than do primary stage components, and in several cases the spread in duties over a chain exceeds 30 percentage points (e.g., the cocoa and tobacco chains)". (Safadi and Yeats, p.18).

Furthermore, in some countries non-tariff trade barriers (NTBs) add to tariff barriers to increase the import bias against processed commodities. This is the case, for instance, of Indonesia, Japan, Republic of Korea, Malaysia and Thailand. (See Table 1). Most NTBs in Asia are concentrated in the foods and feeds and in agricultural material sectors.^{12/}

The Agreements reached at the conclusion of the Uruguay Round of Multilateral Trade Negotiations brought some relief at least for Japan's tariff levels. A recent document shows that for agricultural and fishery products the Most-Favoured-Nation tariff levels applied by Japan will be lowered by 38% and to non-agricultural products this reduction will reach 45.9 percent. (S. Saez, 1994, p.4, table 6).

Besides, also in relation to the post-Uruguay Round tariff level, 75% of the value of current Latin American exports to Japan will enter duty-free, as opposed to 41.5% in the pre-Uruguay Round period. Only about 6.2% of the value of current exports will have tariff levels above 10%. (S. Saez, 1994, p.13, table 5). The Republic of Korea also has recently taken new measures to open its market to foreign products.

^{11/} As classified by (Safadi and Yeats, 1993).

^{12/} According to the authors, by 1992 Japan used eight different types of NTBs to regulate food imports. (Safadi and Yeats, p.19).

Table 1**Trade Indicators for some Asia-Pacific countries during the 1980s**

	Frequency of NTBs <u>a/</u>	Import Duties <u>b/</u>
Rep. of Korea	14.2	22.7
Thailand	20.2	36.9
Malaysia	8.2	15.0

Source: Bekerman, Sirlin and Streb (1995), Table 4.

a/ Weighted Incidence of Non-tariff Barriers as a percentage of imports by the middle of the decade.

b/ Weighted Average of imports by the middle 1980s.

It is still too early to access the effects of the Uruguay Round on Latin American exports to other Asia-Pacific countries. If the results of the Uruguay Round are fully enforced, the access of Latin American exports to Japan will be facilitated. The following table presents the reductions in trade-weighted tariff averages for manufactured products. (See **Table 2**) Although, as the table illustrates, the reductions are not so important concerning some products of particular interest to developing countries, like *textiles*, *clothing* and *footwear*, there is clear progress in relation to *wood* and *leather*.

C. TRANSPORT BARRIERS

Traditionally the low-level of Latin American participation in the foreign trade of Asia-Pacific countries had been attributed to the absence of an adequate transport structure. On the other hand, in a circular argument, this lack of transport structure was said to stem from the reduced trade between both regions, which made the costs involved very high.

Table 2
Reduction in Japan's Trade Weighted Tariff Averages for Imports ^{a/} of Manufactures
after the Uruguay Round
(Percentages)

MFN Tariff Average		Reduction ^{b/}	MFN/GSP ^{c/} tariff average		Reduction ^{b/}
A	B	%	A	B	%
Leather and rubber					
6.5	2.5	61.0	2.7	1.4	50.0
Cork and Wood					
14.3	6.7	53.1	11.9	5.8	51.6
Non-metallic mineral manufactures					
2.7	0.4	83.6	1.8	-	100.0
Manufactures of metal					
5.0	0.9	82.7	0.2	-	-
Office machines and telecommunications					
3.8	-	100.0	3.3	-	100.0
Other non-electrical machinery					
3.7	-	100.0	0.6	-	-
Electrical machinery					
3.3	0.4	87.7	2.2	-	100.0
Automotive products					
2.6	-	100.0	2.6	-	100.0
Textiles					
7.7	5.4	29.3	3.8	3.1	18.4
Clothing					
14.3	10.1	29.2	6.5	6.3	3.8
Sanitary, plumbing, heating, etc.					
4.7	0.3	93.6	-	-	-
Furniture					
5.1	0.7	87.2	-	-	-
Travel goods, handbags, etc.					
10.3	8.2	20.1	5.1	5.1	-
Footwear					
14.9	13.2	11.0	9.4	8.7	8.0
Professional, scientific, etc. instruments					
2.0	-	100.0	0.9	-	-

Source: UNCTAD, *Trade and Development Report, 1994*, (UNCTAD/TDR/14), UN sales No. E.94.II.D.26, Geneva, Switzerland, August 1994, Table 26. pp. 142-146.

Notes: A = Pre-Uruguay Round; B = Post-Uruguay Round.

^{a/} Including duty-free imports.

^{b/} For reasons of statistical significance, average reductions from the pre-Uruguay Round tariffs that were below 1 per cent ad valorem have not been calculated.

^{c/} Calculated by applying GSP tariff rates, where applicable, instead of MFN rates, to the entire imports of the item from the preference-receiving countries concerned.

Currently, the problem of transportation to the Asia-Pacific seems to be under control. In the past the problem existed because trade with Asia-Pacific was a one-way route. Latin American imports from Asia-Pacific were considerably less than its exports making it difficult to shipowners and operators to find adequate return trips. The recent trade liberalization in Latin America has solved that part of the problem. The competition among operators to generate return freights to Asia has in some cases reduced freight costs.^{13/} In addition, national flagship requirements were also loosened.^{14/}

The following table presents a brief view of past and expected load factors, in percentages for container ships in Transpacific transportation. The data seem to reflect the old pattern of Transpacific trade, where traffic was concentrated eastbound. However, these figures include trade between North America and Asia, and only present "expected" load factors for the period when Latin American imports most increased. If we consider that between 1990 and 1993 Latin America imports from Asia-Pacific increased 29% on average annually, while exports from Asia increased simultaneously only 2%, it is possible to confirm that the load factors for westbound traffic could be higher than the presented figures. (See Table 3)

Table 3
Transpacific container traffic

Vessel Capacity Utilization
(Observed and Expected Load Factors, in percent)

Year	Eastbound	Westbound
1991	71.7	60.7
1992	76.1	63.8
1993	77.9	64.9
1994	78.5	65.1
1995	79.1	65.5
1996	79.3	65.5

Source: Hans J. Peters, *The International Ocean Transport Industry in Crisis: Assessing the Reasons and Outlook*, The World Bank, Working Paper nr. 1128, April 1993, Table 5, p.23.

Note: For 1993-1996, expected load factors: "International Transport Journal," Issue 49, 1992, Basle

In addition to these favourable trends Latin American countries with no Pacific coasts have joined some countries of the region with access to the Pacific to create trade corridors to the Asia-Pacific. Savings in terms of transportation time will be considerable. These initiatives

^{13/} As a side effect of the reduction of shipping costs, the Brazil-Far East Freight Conference has been suspended.

^{14/} Presently only 9% of total Brazilian foreign trade uses national flag ships, incurring the country in a deficit under this item of the balance of payments.

are part of the new ongoing approach to regional economic integration in Latin America.^{15/} The objectives of these initiatives seem to fit the interests of the two most prominent proposers of the bi-oceanic corridors from the Pacific side: Peru and Chile, and of two of the most important economies of the Southern Cone: Brazil and Argentina. Studies have found feasible the use of Ilo, a port on the southern coast of Peru, and of other ports on the north, centre and south of the Chilean coast to be connected to Brazilian, Uruguayan and Argentinean ports on the Atlantic side, passing through Bolivian and Paraguayan territories. These new corridors will clearly benefit all the countries involved.

The reduction in the normal trip time is remarkable.^{16/} However, the implementation of these corridors will take some time, since Latin America still lacks the necessary road and railroad infrastructure. Moreover, it is still necessary to adopt measures to streamline many bureaucratic barriers that affect land transportation of goods through the countries involved in this process. Once these constraints are removed both Pacific and Atlantic coasts and the landlocked countries will benefit from the improvement of access to both oceans. Also, Asia-Pacific countries will find it easier to reach new markets in the Latin American continent.

Brazilian authorities and entrepreneurs have been searching for means to decrease the costs of transportation in the Asia-Pacific route. There is, for instance, a suggestion to install containers in the upper deck of bulk carrier ships, specially those for the transportation of iron ore or soybeans. The main problem with this solution is that most ports equipped to handle bulk cargo are not adequately furnished to receive other types of merchandise.^{17/}

A government source also explained that Brazil is negotiating air transportation agreements with Australia and New Zealand, and that similar agreements are in the implementation stage with Singapore, Malaysia and Macao, besides those that currently exist with Japan, Republic of Korea and China.

^{15/} Opening new passageways to the Pacific means new opportunities to landlocked countries like Bolivia, and to broad regions of Paraguay, Argentine and Brazil. These pathways have three main objectives: (1) to promote an active exchange of products that, at the same time, will improve the bilateral relations; (2) to provide access to the Pacific, as well as to the Atlantic, and (3) to develop and consolidate the mediterranean lands of the South Cone, whose governments have been mostly worried about the coast regions. (El Mercurio, March 19, 1995, p. D-29)

^{16/} For instance, it is estimated that by using the passageway through Antofagasta in the north of Chile, the transport of merchandise from Recife to Sidney, Australia would save 19.8 days in relation to using the Panama Canal. Also, using new this route instead of the Magellan straits would save 12.3 days. (El Mercúrio, p. D 29).

^{17/} This proposal was mentioned during the interview with Mr. Claudio Loureiro de Souza, Specialized Transport Coordinator, Vale do Rio Doce Navegação S.A. See the list of persons interviewed at the end of this document.

III. THE PERFORMANCE OF MAJOR EXPORTS OF BRAZIL AND CHILE TO ASIA-PACIFIC

The study of the behaviour of Brazilian and Chilean exports to Asia-Pacific in the 1990s requires some analytical classification. To simplify the presentation we will aggregate Asia-Pacific countries: (i) according to their stages of development and (ii) relevance in the total trade of the two countries under study. Therefore, this chapter will analyze four main areas of their trade with the Asia-Pacific:

- i) - Trade with Japan.
- ii) - Trade with the Asian Newly Industrializing Economies - ANIES4: Singapore, Taiwan (Province of China), Republic of Korea and Hong Kong.
- iii) - Trade with ASEAN4 countries: Indonesia, Malaysia, Thailand and the Philippines.
- iv) - Trade with People's Republic of China

A. BRAZIL: CONSOLIDATING AND EXPLORING NEW MARKETS IN THE ASIA-PACIFIC

1. Introduction

As Table 4 illustrates, Brazil has been increasing its share in total LAIA exports to Asia-Pacific. In 1980, the country accounted for 31% of total regional exports to Asia. By 1990, it already accounted for 42% of this total and in 1993 for over 44%. This is a remarkable performance, specially if one considers that the Brazilian share of total LAIA exports to the world has been stagnant at 27% since 1990. (See Table 4)

In 1980 Brazilian exports to the region totalled US\$ 1.7 billion. By 1990 Brazil exported US\$ 5.4 billion to all Asia-Pacific countries, and in 1993 over US\$ 6 billion worth of goods. Simultaneously, from 1980 to 1990 the share of Asia in total Brazilian exports increased from 8.5% to 17%, decreasing to 15.6% in 1993. This lower result may be explained by fewer exports to Japan, Thailand and Australia, but also by a higher increase in total Brazilian exports to the world, during the same period. Brazilian exports increased from US\$ 31.4 billion in 1990 to over US\$ 38.5 billion in 1993. (See Table 5)

Among Asia-Pacific countries, Japan is Brazilian main trade partner. Its share in Brazilian exports to Asia-Pacific was over 38% in 1993, and it represented almost 6% of total Brazilian exports. However, although impressive, those figures are lower than previous years' levels. In 1980, for instance, Japan accounted for over 71% of total Brazilian exports to Asia and for more than 6% of Brazil's global exports. In 1990, these shares were, respectively, 43.5% and 7.4%.

Countries as the People's Republic of China, Taiwan (Province of China), Republic of Korea and Hong Kong have increased their shares of total Brazilian exports to Asia-Pacific in the same period. It is also important to consider the increases in the shares of Malaysia (from 0.7% in 1980 to 4% in 1993) and of Thailand from 1.2% to 4.8% of total Brazilian exports to that region. But, those two countries account for less than 1% of total Brazilian exports to the world.

In 1993 the lowest values of Brazilian exports to the Asia-Pacific were those to New Zealand, (US\$ 30 million) and to Australia (less than US\$ 200 million). Yet, in 1980, Australia was the second most important destination for Brazilian products in Asia. Malaysia is an interesting case of a dynamic market for Brazilian exports. In 1980 Brazil exported roughly the same amount to Malaysia and New Zealand. But, in 1993 exports to Malaysia were over eight times the value of Brazilian exports to New Zealand.

These shifts in the relative importance of traditional destinations in Asia suggest that Brazil has been exploring new pathways to the Asia-Pacific region, and has found ways to diversify its partners in that region. In the following section we will look more in depth at some aspects of the Brazilian trade with the four countries and groups of countries already selected.

Table 4
Percentages of each country in total LAIA exports to Asia-Pacific countries

Percentages of each country in total LAIA exports to Asia-Pacific countries														
Year 1980														
	HKG	KOR	SGP	TWN	PHL	IDN	MYS	THA	CHN	JPN	NZL	AUS	WLD	ASPAC
ARGENTINA	24.06	3.71	5.77	10.86	0.84	8.39	24.43	10.36	38.95	5.08	4.18	5.04	10.08	8.55
BOLIVIA	0.02	0.00	0.00	0.01	0.00	0.00	0.00	0.01	0.00	0.23	0.00	0.20	1.30	0.17
BRAZIL	36.11	18.89	55.21	18.41	87.16	61.86	50.39	47.38	14.90	29.65	55.28	80.51	25.30	31.02
CHILE	11.87	36.13	4.54	25.48	3.56	0.30	0.56	3.37	10.94	12.22	0.18	0.83	5.76	13.40
COLOMBIA	0.82	1.82	1.17	0.21	0.64	0.00	0.10	0.32	1.08	3.55	0.62	0.87	4.96	2.89
ECUADOR	1.51	0.33	0.60	0.47	0.05	0.00	0.00	0.00	0.00	7.32	32.56	1.28	3.12	5.69
MEXICO	0.00	8.12	1.57	0.00	5.72	14.39	9.66	1.64	19.84	17.77	4.23	6.67	19.41	15.79
PARAGUAY	0.44	0.00	0.68	2.03	0.19	0.11	0.00	0.00	0.00	0.27	0.00	0.00	0.39	0.29
PERU	2.68	19.36	0.53	31.44	1.66	0.04	6.41	0.75	4.17	6.91	2.84	4.07	4.10	7.40
URUGUAY	7.24	0.08	0.28	4.65	0.19	0.00	0.44	0.00	0.13	0.22	0.10	0.37	1.33	0.46
VENEZUELA	15.25	11.57	29.65	6.45	0.00	14.91	0.00	36.17	0.00	16.77	0.00	0.17	24.25	14.34
LAIA	100.	100.	100.	100.	100.	100.	100.	100.	100.	100.	100.	100.	100.	100.
Year 1990														
(Percentages of each country in total LAIA exports to Asia-Pacific countries)														
Reporter:	HKG	KOR	SGP	TWN	PHL	IDN	MYS	THA	CHN	JPN	NZL	AUS	WLD	ASPAC
ARGENTINA	11.84	4.75	8.04	4.98	12.31	28.15	33.05	19.95	31.19	5.81	11.67	11.37	10.96	9.81
BOLIVIA	0.12	0.23	0.00	0.00	0.00	0.00	0.27	0.00	0.00	0.04	0.00	0.06	0.82	0.06
BRAZIL	55.30	50.23	51.93	45.91	65.35	49.16	61.33	60.10	39.10	34.30	48.79	70.45	27.87	42.64
CHILE	6.49	24.13	6.60	28.98	14.08	16.89	2.62	8.10	4.42	20.14	9.50	6.65	7.36	17.34
COLOMBIA	3.23	1.19	0.51	0.10	0.29	1.24	0.59	0.51	0.27	3.81	0.82	1.19	6.00	2.46
ECUADOR	0.10	2.17	0.00	6.76	0.00	0.12	0.09	0.30	0.00	0.75	16.52	0.40	2.41	1.24
MEXICO	8.28	9.52	6.56	0.00	1.03	2.30	0.75	2.72	8.47	21.21	11.21	6.43	23.29	13.91
PARAGUAY	0.68	0.53	0.37	1.91	0.00	0.42	0.38	0.23	0.03	0.04	0.00	0.00	0.85	0.29
PERU	3.85	6.10	0.08	5.16	5.90	0.65	0.32	0.17	7.18	6.18	1.39	0.69	2.94	5.03
URUGUAY	3.37	0.55	0.98	0.28	0.40	0.01	0.58	0.38	8.61	0.31	0.04	0.29	1.50	0.99
VENEZUELA	6.74	0.60	24.94	5.92	0.64	1.06	0.02	7.54	0.74	7.42	0.07	2.48	16.00	6.22
LAIA	100.	100.	100.	100.	100.	100.	100.	100.	100.	100.	100.	100.	100.	100.
Year 1993														
(Percentages of each country in total LAIA exports to Asia-Pacific countries)														
Reporter:	HKG	KOR	SGP	TWN	PHL	IDN	MYS	THA	CHN	JPN	NZL	AUS	WLD	ASPAC
ARGENTINA	23.25	3.80	9.11	4.66	2.04	16.51	18.11	7.23	11.05	7.56	13.22	15.07	9.39	8.77
BOLIVIA	0.04	0.16	0.00	0.01	0.00	0.00	0.68	0.04	0.00	0.04	0.00	0.04	0.53	0.06
BRAZIL	49.39	41.59	65.86	35.51	71.49	57.33	60.13	72.10	53.74	37.45	42.45	50.86	27.69	44.15
CHILE	0.00	32.60	9.60	24.97	15.40	11.09	7.36	16.25	12.41	24.98	6.27	7.18	6.49	20.62
COLOMBIA	3.71	2.00	2.32	0.00	0.10	0.13	0.74	1.02	0.05	4.02	0.00	2.01	5.20	1.38
ECUADOR	0.40	0.00	0.05	23.93	0.21	0.25	0.15	0.00	0.20	1.54	23.34	0.44	2.39	3.78
MEXICO	12.08	13.46	8.88	0.00	2.44	11.83	2.96	0.00	7.65	15.87	12.73	17.75	33.65	11.21
PARAGUAY	0.21	0.02	0.01	0.26	0.00	0.03	0.03	0.04	0.04	0.01	0.00	0.00	0.52	0.06
PERU	4.42	4.33	0.23	7.42	8.06	2.72	6.56	0.33	9.73	4.69	1.88	4.05	2.23	5.39
URUGUAY	6.13	0.35	0.96	0.61	0.17	0.01	0.11	0.31	5.96	0.22	0.04	0.43	1.15	1.21
VENEZUELA	0.36	1.69	2.98	2.64	0.10	0.10	3.17	2.59	0.18	3.62	0.07	2.18	10.76	2.48
LAIA	100.	100.	100.	100.	100.	100.	100.	100.	100.	100.	100.	100.	100.	100.

Source: UN-ECLAC, ITDFT Division.

Table 5

BRAZIL'S EXPORTS TO ASIA-PACIFIC (US\$ '000)														
	HKG	KOR	SGP	TWN	PHL	IDN	MYS	THA	CHN	JPN	NZL	AUS	WLD	ASPAC
1980	32,896	37,001	50,440	31,979	85,691	40,821	11,870	21,350	72,226	1,231,882	12,589	97,708	20,132,064	1,726,453
1985	122,928	124,677	55,081	92,478	34,271	62,291	34,533	55,121	817,584	1,397,792	22,121	163,377	25,638,744	2,982,254
1990	278,850	537,812	260,624	442,432	148,967	162,060	233,415	247,814	302,096	2,348,517	34,910	382,884	31,397,348	5,380,381
1991	275,983	672,135	234,722	609,175	135,806	198,806	230,134	269,029	226,406	2,557,247	24,518	218,929	31,610,434	5,652,890
1992	311,018	571,331	203,075	547,693	182,377	136,951	220,114	353,710	460,032	2,311,352	27,170	206,942	35,955,521	5,531,765
1993	331,119	537,629	267,132	587,623	204,918	256,938	243,721	289,633	779,395	2,313,004	30,014	197,719	38,679,359	6,038,845
SHARE OF BRAZIL'S TOTAL EXPORTS TO THE WORLD														
	HKG	KOR	SGP	TWN	PHL	IDN	MYS	THA	CHN	JPN	NZL	AUS	WLD	ASPAC
1980	0.16	0.18	0.25	0.16	0.43	0.20	0.06	0.11	0.36	6.12	0.06	0.49	100.00	8.58
1985	0.48	0.49	0.21	0.36	0.13	0.24	0.13	0.21	3.19	5.45	0.09	0.64	100.00	11.63
1990	0.89	1.71	0.83	1.41	0.47	0.52	0.74	0.79	0.96	7.48	0.11	1.22	100.00	17.13
1991	0.87	2.13	0.74	1.93	0.43	0.63	0.73	0.85	0.72	8.09	0.08	0.69	100.00	17.88
1992	0.87	1.59	0.56	1.52	0.51	0.38	0.61	0.98	1.28	6.43	0.08	0.58	100.00	15.39
1993	0.86	1.39	0.69	1.52	0.53	0.66	0.63	0.75	2.01	5.98	0.08	0.51	100.00	15.61
SHARE OF BRAZIL'S TOTAL EXPORTS TO THE ASIA-PACIFIC														
	HKG	KOR	SGP	TWN	PHL	IDN	MYS	THA	CHN	JPN	NZL	AUS	ASPAC	
1980	1.9	2.1	2.9	1.9	5.0	2.4	0.7	1.2	4.2	71.4	0.7	5.7	100	
1985	4.1	4.2	1.8	3.1	1.1	2.1	1.2	1.8	27.4	46.9	0.7	5.5	100	
1990	5.2	10.0	4.9	8.2	2.8	3.0	4.4	4.6	5.6	43.7	0.7	7.1	100	
1991	4.9	11.9	4.2	10.8	2.4	3.5	4.1	4.8	4.0	45.2	0.4	3.9	100	
1992	5.6	10.3	3.7	9.9	3.3	2.5	4.0	6.4	8.3	41.8	0.5	3.7	100	
1993	5.5	8.9	4.4	9.7	3.4	4.3	4.0	4.8	12.9	38.3	0.5	3.3	100	

Source: UN-ECLAC, ITDFT Division.

2. Brazilian exports to Japan

a) The overall picture

As mentioned, (see also **Figure 1**) Japan has decreased its share as a major destination for Brazilian exports in Asia. By 1993 Japan's share of total Brazilian exports was 6%, 1.2 percentage points below its previous four-year average. In 1980 over 6% of total Brazilian exports went to Japan. By 1990, that figure rose to 7.5% and 8.1% in the following year reached. However, in 1992 it fell to 6.5% and in 1993 (6%) it was below the 1980 level.

The composition of Brazilian exports to Japan has not changed much. On the contrary, it became further concentrated in Metals and Minerals, with over 55% of the total value exported in that direction in 1993.^{18/} In the beginning of the 1980s only 49% of total exports corresponded to these products but, in 1990, 65% of the value of Brazilian exports to Japan were concentrated in the same products. Compared to Metals and Minerals the behaviour of Manufactures has been more irregular. In 1980, these products accounted for 20% of total exports to Japan. That figure was reduced to only 9% in 1990, and to 18% in 1993. The share of Primary products in total Brazilian exports to Japan has been more constant, although it has decreased along the last decade. Primary products accounted for about 31% of Brazilian exports to Japan in 1980. By 1990, that share was limited to 26%, and in 1993 it almost did not change, staying at 27%.

The evolution of those exports can be contrasted with that of total Brazilian exports to the world. In 1980 Japan absorbed only 3.8% of Brazil's total exports of Primary Products. By 1990 that share increased to over 6% and in 1993 it was reduced to 5.6%. On the other hand, in the same period the composition of Brazilian exports to the world changed drastically. Primary Products accounted for over 50% of Brazil's total exports in 1980 but for only 28% in 1993.

The share of Japan in total exports of Metals and Minerals followed an opposite pattern. Over the last decade, the share of Japan in total Brazilian exports of that group of products was reduced, whereas they increased their importance in total Brazilian exports. In 1980, Japan absorbed almost 22% of total Brazilian exports of Metals and Minerals, but in 1993 its share was only 15%. The same occurred to the share of Manufactures. In 1980, Japan accounted for 3.6% of total Brazilian exports of Manufactures, and in 1993 its share was close to 2%. However, in 1980 those products accounted for 34% of total Brazilian exports, and in 1993 they represented almost 49% of total exports.^{19/} Brazilian exports of Manufactures to the world almost tripled in value between 1980 and 1993, from US\$ 6.9 to US\$ 18.8 billion. Meanwhile, exports to Japan

^{18/} As mentioned in the Summary and Introduction, we have included in the classification of Metals and Minerals also the exports of Iron and Steel in order to allow a better view of the exports of other Manufactures.

^{19/} Under the traditional classification of Manufactures, which includes SITC 67 (iron and steel), over 60% of Brazilian exports are of Manufactured products.

of these products during this period less than doubled in value, from US\$ 244.5 to US\$ 421.8 million.

From 1980 to 1990, total Brazilian exports to Japan increased at an average annual rate of 6.7%. However, this growth is mostly concentrated at the end of the period, because between 1980 and 1985 the average annual growth was only 2.6%. The first three years of the 1990s showed a negative growth of -0.5%, whereas total Brazilian exports to the world increased on average 7.2% in the same period. Only those products classified as Manufactured products showed positive average growth for the first years of the 1990s, with an annual average growth of almost 26%. In the 1980s, the average rate of growth of Brazilian exports of those goods to Japan was negative (-1.4%), whereas Brazilian exports to the world increased on average at 13% yearly.

The average growth of Brazilian exports of Primary products to Japan was only 0.4% in the beginning of the 1990s whereas during the 1980s that average was 4.8%. On the other hand, the rate of growth of Brazilian exports of Metals and Minerals in the present decade was negative (-5.9%). This contrasts with its positive evolution during the previous decade, when the average annual growth was almost 10% (9.7%).

b) The ten major exports to Japan

It is important to analyze the trends regarding the ten major products exported by Brazil to Japan. Although the products were selected using Brazilian export statistics, the trade figures correspond to Japan's import data.

Of the ten major products exported by Brazil to Japan in 1993, seven showed a negative variation compared with their past average. As for the other three products, the main increase referred to exports of *ships and boats*, in which Japan's share of total exports increased from 48% to 61% in 1993.^{20/} Another relevant and positive variation in 1993 in relation to its previous average was observed in *inorganic elements, oxides, etc.* Japan increased its share of Brazil's total exports of these products from an average of 23% to over 30% in 1993.

On the opposite side, in 1993 the highest negative variation was in "*seeds for 'soft' fixed oils.*" From 1989 to 1993, Japan's share of total Brazilian exports of this product decreased from an average of roughly 14% to 8%. Moreover, in the same period, Japan's share of Brazilian exports of *iron, steel in their primary forms* fell from a previous four-year average of almost 9% to close to 4.5%.

In terms of the ten major products that Brazil exported to Japan, the country is among the four leading exporters for eight products. Brazil is the main supplier of *coffee and substitutes*,

^{20/} It is important to place here a cautionary note, because although *ships and boats* appear on Brazilian exports statistics as one of the major exports to Japan in 1993, there is no mention of imports of these products from Brazil in the period 1989-1993 on Japanese statistics.

with almost 28% of the Japanese market in 1993. In addition, Brazil is the second most important supplier for *iron ore concentrates* (27% of the market) and *pig iron* (15% of total Japanese imports of this product); the third largest supplier of *aluminium, pulp and waste paper, seeds for 'soft' fixed oil and iron, steel in primary forms*. Moreover, Brazilian exports of *inorganic elements, oxides* accounted for 6.5% of total Japanese imports of these products, making the country the fourth major supplier. However, in 1993 for only two (*meat fresh, chilled, frozen* and *seeds for 'soft' fixed oil*) of those ten major products exported by Brazil to Japan, Japanese imports from the world presented positive growth rates. (See Table 6)

Brazil faces strong competition for those ten products in the Japanese market. For all the products, with the exception of *coffee*, the main suppliers are countries of the Asia-Pacific and North America. Moreover, Brazilian exports to Japan are concentrated in products with decreasing annual average growth. To put it differently, most of the products are "falling stars" defined as products with low dynamism in Japanese imports from the world and high dynamism in imports from Brazil. Furthermore, these ten products are mostly nature-based products, with only one exception (i.e., *inorganic elements, oxides, etc.*).^{21/}

The competitiveness of Brazilian exports in the Japanese market can be analyzed using the classification of ECLAC for the nine products under consideration here. ^{22/} In this sense, only one product can be termed a **rising star** or dynamic export: *meat, fresh, chilled, frozen*. Other four products can be classified as **falling stars**: *iron ore, aluminium, pig iron* and *inorganic elements, oxides*. One product can be called a **lost opportunity** (negative growth rates in Japanese imports from Brazil and positive growth rates of Japanese imports from the world): *seeds for "soft" fixed oil*. Finally, three products are **retreats** (Japanese imports from the world and from Brazil present negative growth rates): *coffee, pulp and waste paper* and *iron, steel in primary forms*.

^{21/}Since we have not found information on Japanese imports of **ships and boats** from Brazil, we have abstained from commenting on this product.

^{22/} The classification structure arranges the products according to the average growth of their shares in total imports. In this document we will classify the variations according to the following criteria: if average growth for imports from the world is positive and average growth for imports from Brazil (or Chile) is positive then we have a **rising star**; if growth from the world is negative but growth of imports from Brazil (or Chile) is positive we have a **falling star**; in case the rate of growth for imports from the world is positive but the one from Brazil (or Chile) is negative, then it is called a **lost opportunity**; when both rates are negative then the product is **retreating**. This is an adaptation of the original program, and therefore only serves to facilitate the analysis. For further details see: ECLAC, CAN: Análisis de la Competitividad de los Países, Versión 2.0, Manual de Uso (LC/G. 1863), Santiago, May 2, 1995.

Table 6
MAJOR BRAZILIAN EXPORTS TO JAPAN IN 1993: BEHAVIOUR OF THE JAPANESE MARKET IN RESPECT
TO THE FOUR PREVIOUS YEARS AND MAIN SUPPLIERS OF THESE PRODUCTS IN 1993

Value: Thousand US\$ and percentages

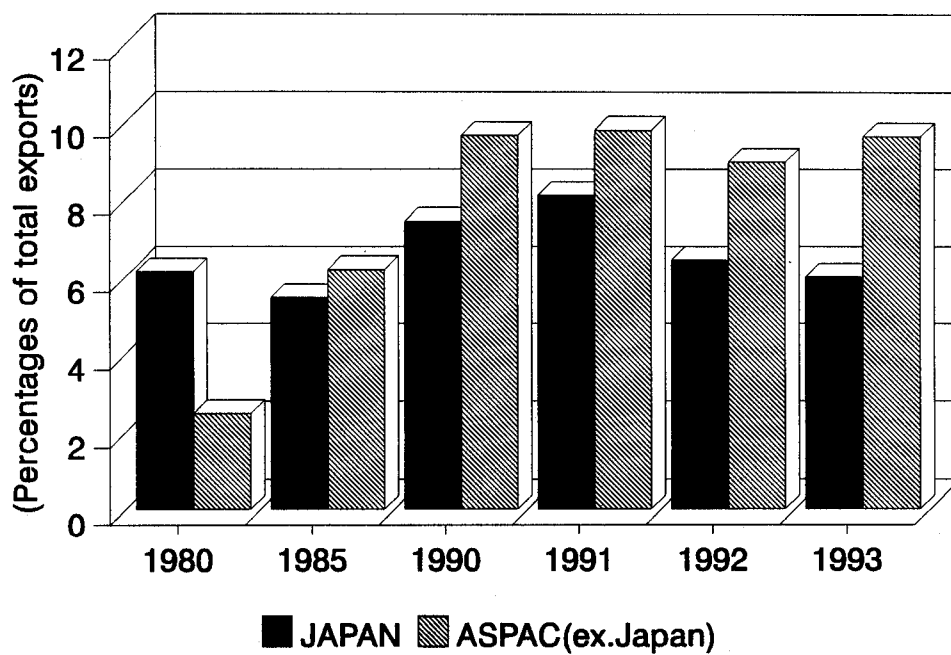
Partner: JAPAN Commodity	1	2	3	4	5	6	7	8	9	10	11	12	13
	Average Annual Growth of Japanese Imports		Total Imports from the World by JAPAN -- 1993-- (US\$000)	% share of total imports	Supplier 1		Supplier 2		Supplier 3		Supplier 4		Supplier 5
	World %	1989-1993			World %	Brazil %	%	%	%	%	%	%	
281 IRON ORE, CONCENTRATES	-0.91	0.98	3,033,994	41.9	AUS		BRA	13.5	IND	5.8	PHL	4.1	ZAF
684 ALUMINIUM	-9.21	8.52	3,451,450	15.6	USA		AUS	13.8	BRA	9.8	RUS	6.7	CAN
671 PIG IRON ETC	-7.69	-13.33	1,198,614	20.0	CHN		BRA	15.2	ZAF	8.1	RUS	5.6	IND
793 SHIPS AND BOATS ETC	-8.09	N.A.*	193,150	51.9	USA		PAN	5.9	CHN	5.0	TWN	3.4	NOR
071 COFFEE AND SUBSTITUTES	-8.54	-8.55	624,388	27.8	BRA		COL	12.2	IDN	6.4	ANZ	4.7	TZA
011 MEAT FRESH, CHILLD, FROZEN	8.52	8.24	6,477,220	36.7	USA		AUS	17.3	TWN	12.1	DNK	4.5	THA
251 PULP AND WASTE PAPER	-11.72	-3.80	1,572,670	42.7	USA		CAN	7.6	BRA	4.6	CHL	3.7	NZL
222 SEEDS FOR SOFTFIXED OIL	0.27	-5.94	2,057,486	54.3	USA		CAN	7.5	BRA	6.9	CHN	3.4	FRA
672 IRON, STEEL PRIMARY FORMS	-9.65	-17.11	1,034,460	45.2	KOR		TWN	8.6	BRA	4.5	AUS	3.9	ZAF
522 INORG ELEMENTS, OXIDES, ETC	-0.58	2.78	790,123	29.6	USA		CHN	9.7	GER	6.5	BRA	3.8	AUS

Source: UN-ECLAC, ITDFT division.

Notes: Column nr.1 refers to the annual average growth rate for the period 1989-1993 of total Japanese imports of the mentioned product.
Column nr.2 refers to the annual average growth rate for the period 1989-1993 of total Japanese imports from Brazil of the mentioned product.
Column nr. 3 refers to total imports of the product by Japan in 1993.
Columns nr.4 to 13 refer to the share of the main supplier countries on total imports of the product by Japan in 1993.
*/ No reference was found among Japanese import statistics of any of these products originating in Brazil during the period 1989-1993.

Figure 1

SHARE OF ASIA-PACIFIC & JAPAN ON TOTAL BRAZILIAN EXPORTS



Source: UN-ECLAC.

3. Brazilian exports to the Asian Newly Industrialized Economies (ANIES4)

a) The overall picture

In the period 1989-1992, the average share of ANIES4 in total Brazilian exports to the world was roughly 5%. In 1993 this share was slightly lower than the previous four-year average at 4.5%. Nonetheless, these figures are much higher than in the last decade, when the shares of ANIES4 of total Brazilian exports were 0.8% and 1.5% for 1980 and 1985, respectively.

In 1993, Brazilian exports to ANIES4 were concentrated in Metals and Minerals (58% of the total), followed by Manufactures (26%) and finally by Primary Products (15%). The change towards Metals and Minerals is remarkable if compared to the beginning of the 1980s. In 1980 Brazilian exports to the ANIES4 were concentrated in Primary Products (42%), followed by Manufactured Products (39%). The ANIES4 market for Metals and Minerals is also important for total Brazilian exports. In 1980, only 1% of Brazilian exports of these products went to the ANIES4. By 1985, that share had increased to 3% and to over 12% in 1993. In 1993, the ANIES4 absorbed 4.5% of total Brazilian exports, 2.4% of total exports of Primary products, 12% of Metals and Minerals and 2.4% of Manufactured Products.

In the period from 1990 to 1993 the yearly average rate of growth of Brazilian exports to the ANIES4 was 5%, below that of total Brazilian exports to the world (7.2%). However, in relation to total exports of Primary products and Metals and Minerals, the average annual growth of Brazilian exports in that direction (4.5% and 4%, respectively) was superior to that of total Brazilian exports in the period (4% and 2%, respectively). Brazilian exports of Manufactures to the world increased between 1990 and 1993 at a global annual rate of about 13%, whereas those exports to ANIES4 reached an annual average growth of only 8.5%, in that period.

b) The ten major exports to ANIES4

The ten major products exported by Brazil to these countries are classified mainly as primary products, metals and minerals, leather and photo supplies. In fact, Brazil has yet to establish itself as a main source of these products to the ANIES4. In the case of *leather*, it is not even among the five main suppliers, although these countries absorbed 20% of Brazil's total exports of this material.

Nonetheless, Brazil is the second main supplier of *iron ore concentrates* and of *pig iron* to the ANIES4, after Australia and People's Republic of China, respectively. It is also the third largest provider of *iron, steel in primary forms*, and also of *iron, steel universal, plates and sheets*. About the latter, it is interesting to notice that although Brazil's share of the ANIES4 import market is very limited (only 3.8%), these countries' share of total Brazilian exports of this product is almost 16%.

For the other five products Brazil is the fourth main supplier for four of them and the fifth supplier for *iron and steel shapes*. In this latter product, the ANIES4 showed a decreasing share

as a destination for Brazilian exports, although these countries still absorb 20% of total Brazilian exports. It is also worth mentioning the case of *photo and cinema supplies* because although the Brazilian share of the import market is limited to 4%, the ANIES4 consumes almost 30% of total exports of these products.

The evolution of the ANIES4 imports of these products from Brazil and from the world gives a good picture of the relative import dynamism of those products. Of the ten major Brazilian exports to ANIES4 only one product presented a negative rate of growth for the period 1989-1993 for imports from the world (*pulp and waste paper*). Imports from Brazil of those goods presented a high positive average rate of growth (+32.4%). For imports from Brazil, also only one product presented a negative variation (*iron, steel shapes, etc.*) The highest increase referred to *photo and cinema supplies*, followed by the *pulp and waste paper* and by exports of *leather*. (See Table 7)

In terms of the competitive position of Brazil, except for the Italian exports of *leather*, all the major providers of the ten products belong to the Pacific basin, including here the Russian exports of *Iron, steel in primary forms*. Classifying the competitive position of the ten products of the list we have: eight products are **rising stars**, because both rates of growth are positive, those from the world and from Brazil: *iron, steel in primary forms; iron ore, concentrates; iron, steel, universals, plates and sheets; pig iron, etc.; meat fresh, chilled, frozen; leather; photo and cinema supplies; fruit preserved, prepared*. One product can be termed **falling star**: *pulp and waste paper*, and another can be called **lost opportunity**: *iron, steel shapes, etc.*, because although imports from the world presented positive average growth rates, those from Brazil were negative.

Table 7
MAJOR BRAZILIAN EXPORTS TO ANIES4 IN 1993: BEHAVIOUR OF THE ANIES4 MARKET IN RESPECT
TO THE FOUR PREVIOUS YEARS AND MAIN SUPPLIERS OF THESE PRODUCTS IN 1993

Value: Thousand US\$ and percentages

	1	2	3	4	5	6	7	8	9	10	11	12	13
Partner:ANIES4 Commodity	Average Annual Growth of ANIES4 Imports		Total Imports from the World by ANIES4 countries (US\$000)	% share of total imports	Supplier 1	% <							

Source: UN-ECLAC, ITDFT division.

Notes: Column nr.1 refers to the annual average growth rate for the period 1989-1993 of total ANIES4 imports of the mentioned product.
Column nr.2 refers to the annual average growth rate for the period 1989-1993 of total ANIES4 imports from Brazil of the mentioned product.
Column nr. 3 refers to total imports of the product by ANIES4 in 1993.
Columns nrs.4 to 13 refer to the share of the main supplier countries on total imports of the product by ANIES4 in 1993.

4. Brazilian exports to ASEAN4 countries

a) The overall picture

The limited share of ASEAN4 countries in total Brazilian exports reflects the incipient nature of these trade relations. In 1980 only 0.8% of Brazilian exports went to the ASEAN4 countries. By 1990-1993, that share had risen to 2.6%.

Brazilian exports to ASEAN4 in 1993 were concentrated in Metals and Minerals which accounted for over 67% of the total. In 1980, they accounted for only 23% of the total. Conversely, in 1980 Primary products accounted for over 55% of total Brazilian exports to those countries, but only about 18% in 1993. Meanwhile the share of Manufactures, although with large annual fluctuations, has shown a declining tendency. In 1980 Manufactured products accounted for over 21% of total Brazilian exports to ASEAN4, whereas by 1985 that share had increased to almost 30%. In 1990 it declined to less than 20% and finally in 1993 it was only 14%.

In the period 1985-1993, the growth of total Brazilian exports to ASEAN4 reached 23% yearly showing a higher average growth than total Brazilian exports to the world (5.3%). However, that growth concentrated in the period 1985-1990 (33%). Between 1990 and 1993 the average growth rate of Brazilian exports to ASEAN4 was only 8% yearly, similar to that of exports to the world (7%). For the 1980s Brazilian average export growth rate to ASEAN4 was 17% yearly but, between 1980 and 1985 it was only 3%. In the first years of the 1990s the greatest dynamism was concentrated in the exports of Primary products that increased 17% between 1990 and 1993. It was followed by exports of Metals and Minerals with 9% average annual growth whereas exports of Manufactured products actually decreased by 2% annually during that period.

b) The ten major exports to ASEAN4

Although trade relations with ASEAN4 countries are still incipient, these countries accounted for a large share of Brazilian exports of *iron and steel in their primary forms* to the world (22%) and *paper mill machinery* (almost 23%). Moreover, this latter product had an unusual performance in 1993 since it increased from almost no participation in the four previous years. In 1993, *Pulp and waste paper* presented an increment of eight percentage points over the previous four-year average. Also *fixed vegetable oils* increased 3.3 percentage points over its previous average of 1%.

The relative importance of Brazil as a supplier of the ten most important products it exports to ASEAN4 countries reflects a similar picture. Brazil is the most important supplier of *iron and steel in primary forms* (18% of total imports come from Brazil) and of *iron ore concentrates* (38%). However, although Brazil is the third largest supplier of *pulp and waste paper* to these countries, and the fourth main provider of *universal iron and steel plates, feeding stuff for animals, tobacco unmanufactured, refuse and fixed vegetable oils, soft*, its market share

for all this ASEAN4 imports is less than 10%. For *iron, steel shapes, paper mill machinery* and *aluminium*, the country is not among the five main suppliers.

As it happens with exports to other groups of countries in the Asia-Pacific region, Brazil faces strong competition from other countries of the region in several of its exports, and in some cases from other regions. Particularly relevant is the presence of Argentina as the major supplier of *fixed vegetable oils, soft* to the ASEAN4 market in 1993, in which Brazil is the fourth main supplier, and of Chile as the third main source of *iron ore, concentrates* in which Brazil is the major supplier.

The average annual growth of ASEAN4 imports of the ten major Brazilian exports to those countries reflects the dynamics of those markets. Only one product showed negative average rates of growth (*fixed vegetable oils, soft*). However, two presented negative rates of growth concerning imports from Brazil of these products, whereas rates for imports from the world were positive. Hence they represent in terms of ECLAC classification "lost opportunities." These "lost opportunities" are compensated by the performance of Brazilian exports of *paper mill machinery*, of *aluminium* and of *pulp and waste paper*, which increased over the average growth of these imports from the world. (See Table 8)

The analysis of the competitive behaviour of the ten products in the list according to their import growth between 1989 and 1993 brings the following results: seven products can be classified as **rising stars**: *iron, steel, universals, plates, sheets; iron ore, concentrates; iron, steel, shapes, etc.; pulp and waste paper; feeding stuff for animals; paper, etc, mill machinery; aluminium*; two products as **lost opportunities** (*iron, steel in primary forms and tobacco unmanufactured*); one product as **retreat** (*fixed vegetable oils, soft*).

Table 8

MAJOR BRAZILIAN EXPORTS TO ASEAN4 IN 1993: BEHAVIOUR OF THE ASEAN4 MARKET IN RESPECT
TO THE FOUR PREVIOUS YEARS AND MAIN SUPPLIERS OF THESE PRODUCTS IN 1993

Value: Thousand US\$ and percentages

	1	2	3	4	5	6	7	8	9	10	11	12	13
Partner:ASEAN4 Commodity	Average Annual Growth of ASEAN4 Imports		Total Imports from the World by ASEAN4 countries (US\$000)	% share of total imports	Supplier 1	%	Supplier 2	%	Supplier 3	%	Supplier 4	%	Supplier 5
	1989-1993												
	World %/	Brazil %/											
672 IRON,STEEL PRIMARY FORMS	9.89	-2.49	2,270,469	18.4	BRA	14.5	RUS	11.9	KOR	11.4	JPN	6.6	AUS
674 IRN,STL UNIV,PLATE,SHEET	10.89	7.00	3,054,777	58.7	JPN	13.0	KOR	5.4	TWN	3.8	BRA	2.1	RUS
281 IRON ORE,CONCENTRATES	10.81	3.71	189,047	37.6	BRA	28.4	SWE	11.8	CHL	7.6	IND	6.0	BHR
673 IRON,STEEL SHAPES ETC	14.67	2.92	1,176,641	28.6	JPN	8.2	GBR	6.2	KOR	6.1	IDN	4.6	TWN
251 PULP AND WASTE PAPER	10.62	129.68	812,761	29.1	USA	11.6	CAN	8.2	BRA	6.9	NZL	5.7	TWN
081 FEEDING STUFF FOR ANIMALS	13.85	1.41	1,199,228	31.9	IND	17.1	USA	6.4	CHN	5.5	BRA	5.3	DNK
725 PAPER ETC MILL MACHINERY	37.50	137.61	874,138	27.8	SWE	19.4	FIN	9.6	JPN	8.7	GER	6.8	TWN
684 ALUMINIUM	12.05	85.71	932,889	28.9	AUS	18.4	JPN	6.9	USA	4.6	SGP	4.6	ARE
121 TOBACCO UNMNFCTRD,REFUSE	8.81	-0.41	220,067	46.9	USA	19.0	ZWE	11.7	CHN	7.1	BRA	3.6	TUR
423 FIXED VEG OILS,SOFT	-11.21	-2.01	51,108	27.2	ARG	19.0	SGP	17.6	MYS	7.8	BRA	6.7	NLD

Source: UN-ECLAC, ITDFT division.

Notes: Column nr.1 refers to the annual average growth rate for the period 1989-1993 of total ASEAN4 imports of the mentioned product.
Column nr.2 refers to the annual average growth rate for the period 1989-1993 of total ASEAN4 imports from Brazil of the mentioned product.
Column nr. 3 refers to total imports of the product by ASEAN4 in 1993.
Columns nr.4 to 13 refer to the share of the main supplier countries on total imports of the product by ASEAN4.

5. Brazilian exports to the People's Republic of China

a) The overall picture

China's share of total Brazilian exports increased slightly in 1993 in relation to the previous four-year average. In 1980 only 0.4% of Brazilian exports had China as declared destination. By 1985 that figure had increased to 3.2% and in 1993 it dropped to 2%.

The composition of Brazilian exports to China showed in 1993 a heavy concentration in Metals and Minerals. That concentration, although present in previous years, had never been so pronounced. In 1985 it had reached 79%, but since then had stabilized around 45-55%. However, in 1992 it increased to 68% and in 1993 to over 87% of the total. Manufactured products, the second most important category of Brazilian exports to China in 1993, reached only 9% of the total, while in 1989 it had accounted for almost 22%.

In spite of the great importance of Metals and Minerals in Brazilian exports to China, the country only absorbed 8% of total Brazilian exports of these products to the world in 1993. The presence of China concerning total exports of Primary products and Manufactures was still limited to less than 0.5%. In fact those shares are inferior to the shares reached by middle 1980s. China accounted for 14% of total Brazilian exports of Metals and Minerals in 1985, and for 1.4% of exports of Manufactured products.

These figures reflect the average annual growth rates. Between 1990 and 1993 exports of Metals and Minerals increased 58% on average annually, while exports of Manufactures increased 13% and those of Primary products actually decreased on a 44% annual average. The total value of Brazilian exports to China increased annually at a 26% average, which is superior to the growth of Brazilian exports to the world at 7%.

b) The ten major exports to China

Of the ten main products exported by Brazil to China in 1993, seven showed a positive variation compared with their previous four-year average share, while three had a negative variation. Of the ten products, the most positive evolution was in relation to *iron and steel in their primary forms*, which jumped 16 points from an average of only 1.2% of total exports to the world to represent 17.4% of total Brazilian exports of these products. In addition, China's share of total Brazilian exports of *iron and steel shapes* also moved from an average of less than 3% in the previous four years to almost 20% in 1993. Additionally, Brazilian exports to China of *copper, excluding cement copper* and *non-electric, machinery tools* improved from representing 4% and 3% of total Brazilian shipments worldwide to 11% and 10%, respectively.

On the opposite side, *fixed vegetable oils* presented the most marked negative variation in China's share among the ten major products exported by Brazil in that direction. The Chinese market, which in the previous four-year period had absorbed about 22% of total Brazilian exports of this product, accounted for only 3% in 1993. Nonetheless, Brazil was still the second largest

source of supply for this product according to Chinese statistics, providing 18% of all Chinese imports of this product. Brazil was also the second largest provider of *iron ores concentrates* to China, the third most important source of *pig iron* and the fourth biggest supplier of *iron and steel in primary forms*. For the other six major products exported by Brazil to China, the country is not among the five major providers.

However, of the ten major suppliers of the products in the list, eight correspond to countries of the Pacific Basin. Therefore, Brazil will face strong competition in the Chinese market. It is also important to notice that there are Latin American countries among the major suppliers of these ten products, such as Peru for *iron ore concentrates*, Chile for *copper, excluded cement copper* and Argentina for *fixed vegetable oils, soft*. (See Table 9)

The evaluation of the import market according to the competitive analysis parameters allows for the following conclusions: of the ten products in the list six products can be graded as **rising stars**: *iron, steel in primary forms; iron, steel shapes, etc.; iron ore concentrates; copper, excluded cement copper; pig iron, etc.; leather*; three products can be classified as **retreats** (*iron, steel, universal plate; aluminium and fixed vegetable oils, soft*) and one product can be classified as a **lost opportunity**: *nonelectric machinery, tools*.

Table 9
MAJOR BRAZILIAN EXPORTS TO CHINA IN 1993: BEHAVIOUR OF THE CHINESE MARKET IN RESPECT
TO THE FOUR PREVIOUS YEARS AND MAIN SUPPLIERS OF THESE PRODUCTS

Value: Thousand US\$ and percentages

	1	2	3	4	5	6	7	8	9	10	11	12	13
Partner: CHINA Commodity	Average Annual Growth of Chinese Imports		Total Imports from the World by CHINA --1993-- (US\$000)	% share of total imports	Supplier 1	%	Supplier 2	%	Supplier 3	%	Supplier 4	%	Supplier 5
	1989-1993												
	World %/	Brazil %/											
672 IRON,STEEL PRIMARY FORMS	187.38	211.36	3,481,362	22.1	RUS	20.1	JPN	8.8	KOR	8.6	BRA	5.9	GER
673 IRON,STEEL SHAPES ETC	56.74	30.55	4,543,983	19.3	RUS	14.1	JPN	9.4	TUR	7.7	KOR	5.8	ITA
281 IRON ORE,CONCENTRATES	29.47	19.11	926,981	52.3	AUS	15.3	BRA	10.8	ZAF	10.0	IND	6.3	PER
674 IRN,STL UNIV,PLATE,SHEET	-2.36	-27.79	3,315,300	49.7	JPN	12.7	KOR	8.7	RUS	3.6	GER	2.8	TWN
682 COPPER EXC CEMENT COPPER	39.26	306.67	1,211,555	18.1	JPN	17.9	CHL	12.4	TWN	9.8	HKG	8.8	USA
745 NONELEC MACHY,TOOLS NES	24.82	-51.15 */	570,880	22.5	GER	21.4	TWN	13.8	JPN	10.3	ITA	9.1	USA
671 PIG IRON ETC	10.27	0.75	165,059	27.5	RUS	16.0	IND	14.0	BRA	8.6	MYS	6.8	UKR
684 ALUMINIUM	-5.99	-15.03	492,531	15.6	USA	13.9	JPN	12.9	AUS	10.1	TWN	9.6	HKG
423 FIXED VEG OILS,SOFT	-30.33	-34.26	117,439	50.6	GER	18.2	BRA	9.0	ARG	6.7	HKG	3.5	NLD
611 LEATHER	72.89	109.94	1,465,010	38.4	TWN	22.7	KOR	9.2	HKG	6.7	ITA	5.4	USA

Source: UN-ECLAC, ITDFT division.

Notes: Column nr.1 refers to the annual average growth rate for the period 1989-1993 of total Chinese imports of the mentioned product.
Column nr.2 refers to the annual average growth rate for the period 1989-1993 of total Chinese imports from Brazil of the mentioned product.
Column nr. 3 refers to total imports of the product by China in 1993.
Columns nr.4 to 13 refer to the share of the main supplier countries on total imports of the product by China in 1993.
*/ 1989-1992 average, no imports recorded in 1993.

B. CHILE: THE EXPERIENCE OF A LATECOMER

1. Introduction

The case of Chile is worth examining in detail because of its very dynamic behaviour. In 1980 the country exported to Asia-Pacific only US\$ 745 million. By 1990 the value exported had tripled to US\$ 2.2 billion and in 1993 total Chilean exports attained US\$ 2.8 billion (excluding Hong Kong, for which there was no available information). (See Annex 1, Table 1)

That performance is also reflected in the share of Chile in total LAIA exports to the Asia-Pacific, which increased from 13% in 1980 to 17% in 1990 and to almost 21% in 1993. This trend reflects Chile's general trade expansion. From 1980 to 1990, the share of the country's exports in total LAIA's exports increased from 5.8% to 7.4%, although in 1993, the share of Chilean exports was reduced to 6.5% (See Table 4) ^{23/}

The following table tries to summarize the evolution of Chile's exports to Asia-Pacific. The figures show the decreasing share of Japan in total Chilean exports to Asia, whereas its share of total Chilean exports to the world increased. This reflects, at least until the beginning of the 1990s, the increasing relevance of other Asia-Pacific countries in total Chilean exports to the world. Three periods can be identified. First, from 1980 to 1985, when Japan's share of total Chilean exports to Asia-Pacific decreased. Second, in 1990, it rose to drop later in 1992 and 1993. Meanwhile, Japan's share of Chilean exports to the world continued to increase from 1980 to 1991. After that it began to decrease. (See Table 10)

Furthermore, it is worthwhile to look at the increasing share of other Asian countries in total Chilean exports to the region. In 1980 China was the second most important market in the Asia-Pacific for Chile's exports but, by 1990 it had descended to the fifth place, after Japan, Taiwan (Province of China), Republic of Korea and Indonesia. In 1993 it occupied the fourth place, after Japan, Republic of Korea and Taiwan (Province of China). Indonesia moved to the sixth place in that year, overtaken by Thailand which absorbed 2.3% of total Chilean exports to Asia-Pacific.

Hence, Asia-Pacific represented only 16% of total Chilean exports to the world in 1980 and 31% by 1993. Table 10 shows the expanding share of the Republic of Korea and of Taiwan (Province of China) in total Chilean exports. In fact, from 1980 to 1993, the share of each individual Asia-Pacific country of total Chilean exports increased. However, their shares of total Chilean exports usually are under 1%, excepting Japan, Republic of Korea, Taiwan (Province of China), and China.

^{23/} However, that result includes changes in the trade statistics of Mexico that affected the relative sizes of the other countries.

Table 10

CHILE'S EXPORTS TO ASIA-PACIFIC (US\$ '000)												
	HKG	KOR	SGP	TWN	PHL	IDN	MYS	THA	CHN	JPN	NZL	ASPAC
1980	10,813	70,738	4,144	44,251	3,499	195	114	1,520	101,487	507,821	40	4,583,915
1985	N.A.	90,101	7,622	38,250	668	10,156	1,994	4,342	124,740	398,965	2,293	3,674,122
1990	32,722	258,271	33,109	279,323	32,105	55,662	9,978	33,405	34,132	1,369,319	6,796	8,292,102
1991	54,047	270,351	37,603	398,351	39,585	29,508	17,639	31,803	80,426	1,662,717	5,632	8,551,957
1992	N.A.	242,963	57,398	478,534	43,117	45,969	17,741	34,621	221,297	1,708,300	4,708	9,646,403
1993	N.A.	421,396	38,939	413,247	44,132	49,707	29,820	65,173	183,334	1,542,898	4,433	9,068,686
SHARE OF CHILE'S TOTAL EXPORTS TO THE WORLD												
	HKG	KOR	SGP	TWN	PHL	IDN	MYS	THA	CHN	JPN	NZL	ASPAC
1980	0.24	1.54	0.09	0.97	0.08	0.00	0.00	0.03	2.21	11.08	0.00	100.00
1985	N.A.	2.45	0.21	1.04	0.02	0.28	0.05	0.12	3.40	10.86	0.06	100.00
1990	0.39	3.11	0.40	3.37	0.39	0.67	0.12	0.40	0.41	16.51	0.08	100.00
1991	0.63	3.16	0.44	4.66	0.46	0.35	0.21	0.37	0.94	19.44	0.07	100.00
1992	N.A.	2.52	0.60	4.96	0.45	0.48	0.18	0.36	2.29	17.71	0.05	100.00
1993	N.A.	4.65	0.43	4.56	0.49	0.55	0.33	0.72	2.02	17.01	0.05	100.00
SHARE OF CHILE'S TOTAL EXPORTS TO THE ASIA-PACIFIC												
	HKG	KOR	SGP	TWN	PHL	IDN	MYS	THA	CHN	JPN	NZL	ASPAC
1980	1.5	9.5	0.6	5.9	0.5	0.0	0.0	0.2	13.6	68.1	0.0	100
1985	N.A.	13.2	1.1	5.6	0.1	1.5	0.3	0.6	18.3	58.5	0.3	100
1990	1.5	11.8	1.5	12.8	1.5	2.6	0.5	1.5	1.6	62.8	0.3	100
1991	2.0	10.2	1.4	15.0	1.5	1.1	0.7	1.2	3.0	62.6	0.2	100
1992	N.A.	8.4	2.0	16.6	1.5	1.6	0.6	1.2	7.7	59.4	0.2	100
1993	N.A.	14.9	1.4	14.6	1.6	1.8	1.1	2.3	6.5	54.7	0.2	100

Source: UN-ECLAC, ITDFT Division.

2. Chilean exports to Japan in 1993

a) The overall picture

Japan is the major single importer country for Chilean products. For the past five years its share of total Chilean exports has been over 16%, keeping pace with the expansion of Chile's exports. From 1989 to 1993, Chilean exports to Japan increased from US\$ 1,125 to US\$ 1,543 million.

In 1993, Chilean exports to Japan was heavily concentrated in Metals and Minerals, which comprised over 52% of total exports to Japan. However, the share of those products has decreased as compared with previous years. In 1980, Metals and Minerals accounted for 73% of Chilean exports to Japan. In 1985, that share rose to 75%, and to almost 65% in 1990. The declining importance of Metals and Minerals has been compensated by the increasing share of Primary products and of Manufactures. The share of Primary products rose from 20% in 1980 to over 26% in 1990 and more than 37% in 1993. The share of Manufactures in total Chilean exports to Japan increased from 6% in 1980 to 9% in 1990 and to 10% in 1993. Comparing those shares to the composition of Chilean exports to the world we have the following results: in 1993 the share of Manufactures in Chile's exports to Japan was 10% against 17% of total exports, the share of Metals and Minerals was 52% against a global share of total exports of 43%, and Primary products accounted for 37% of total Chilean exports to Japan against 38% of total exports.

As mentioned before, Japan's share of total Chilean exports has been over 16% since the beginning of the 1990s. Actually, in 1991 it reached 19% to decrease to 17.8% in the following year and in 1993 it stood at 17%. (See Table 10) In 1993 Japan absorbed 20% of Chilean total exports of Metals and Minerals, over 16% of total exports of Primary products and almost 10% of the exports of Manufactures to the world. Compared to the beginning of the past decade, Japan's share of total Chilean exports has greatly increased in relation to Primary products (from 9% to 16%) and to Metals and Minerals (from 12% to 20%). However, its share of total exports of Manufactures has increased only from 7.5% to 10% from 1980 to 1993, although in 1991 it had exceeded 14%.

Similar results can be drawn from the analysis of the average annual growth rates of Chilean exports to Japan between 1990 and 1993. Primary products present the highest annual average rate of growth (16%). They are followed by Manufactures with average annual growth of 8%. In the same period the exports of Metals and Minerals presented a negative rate of growth of almost 3% annually. As shown above, there is some coincidence between these trends and those related to the general behaviour of Chilean exports to the world. Total Chilean exports of Primary Products increased on average 9% between 1990 and 1993, Manufactured exports increased 18% annually and Metals and Minerals decreased almost 5% during the period. In the same period, total Chilean exports to Japan increased at a rate higher than that of Chilean exports to the world (4% against 3%).

b) The ten major exports to Japan

Japan absorbs a large share of some of the main products exported by Chile. In 1993, 96% of total Chilean exports of *pulpwood, chips and woodpaste*, 73% of Chile's exports of *precious metal ores, waste* and 59% of *iron ores concentrates* were shipped to Japan. Moreover, in 1993, Japan increased its share as a destination for six of the ten main Chilean products, in relation to its average share for the four previous years. The most important increase was in *wood shaped sleepers* with a growth of over 13 percentage points. On the opposite side, the major decrease happened in relation to *other wood, rough, squared* for 9.7 percentage points.

Furthermore, Chile is among the six major suppliers for eight of those ten main products. In 1993, Chile was the main provider of *copper* with a share of almost 25% of the Japanese import market for this product. Chile is the third main supplier of *base metal ores* and of *pulpwood, chips and woodwaste*, and the fourth main source for Japanese imports of *pulp and wastepaper*. Chile is also the fifth major exporter to Japan of *feeding stuff for animals* and *precious metal ores*. And, the sixth primary origin of the *wood shaped sleepers* (2.4% of total Japanese imports) and *iron ores concentrates* (3.8% of the total imported by Japan).

The following can be mentioned regarding the competition in those ten products in the Japanese market: the United States is the major supplier for six of them, and the second most important source for a seventh; competition from Latin American sources in those markets comes from: Brazil, as the second most important supplier of *iron ore concentrates* and in *pulp and waste paper* (with a market share of 7.6% against Chile's 4.6%), and Peru, as an important source of *copper* for Japan, after Chile and Zambia, with a market share of almost 13%.

The performance of Japanese imports of those ten major products is mixed. Between 1989 and 1993 five products presented negative average growth rates in relation to imports from the world, and one was stable, although with an average growth rate slightly negative. Three products showed a negative evolution in relation to imports of these products from Chile. Although the general evolution of Japanese imports of some products of the list presented negative results, they were positive in relation to imports from Chile. This is case of: *base metal ores, concentrated* and of *pulp and waste paper*. However, there is also one example for which Japanese imports from the world presented a positive sign, while the average growth of imports from Chile was negative: the case of *other wood, rough, squared*. (See Table 11)

Those ten products could be classified as follows. Four products are **rising stars**: *fish, fresh, chilled, frozen; pulpwood, chips, woodwaste; feeding stuff for animals* and *wood shaped sleepers*. In this case, Chile increased its share of Japanese markets in products that have presented positive rates of growth in the Japanese import market. One is a **lost opportunity**: *other wood, rough, squared*. These products had positive rates of growth in the Japanese market, but imports from Chile had negative rates of growth. There are also two cases of **falling stars**: *base metal ores* and *pulp and waste paper*. In this case, average rates of growth of imports from the world were negative, but average rates of growth for imports from Chile were positive. Also two cases of **retreats**: *copper, excluded cement copper* and *iron ore concentrates* were present.

In this case, these products presented negative rates of growth for imports from the world and from Chile. Finally, for one product no information was available for a conclusive classification: *precious metal ores*.^{24/}

^{24/} See footnote 22.

Table 11
MAJOR CHILEAN EXPORTS TO JAPAN IN 1993: BEHAVIOUR OF THE JAPANESE MARKET IN RESPECT
TO THE FOUR PREVIOUS YEARS AND MAIN SUPPLIERS OF THESE PRODUCTS IN 1993

Value: Thousand US\$ and percentages

Partner: JAPAN Commodity	1	2	3	4	5	6	7	8	9	10	11	12	13
	Average Annual Growth of Japanese Imports		Total Imports from the World by JAPAN -- 1993-- (US\$000)	% share of total imports	Supplier 1		Supplier 2		Supplier 3		Supplier 4		Supplier 5
	World %	Chile %			%	%	%	%	%	%	%	%	
287 BASE METAL ORES, CONC NES	-10.84	19.46	2,929,350	18.2	IDN	16.3	AUS	15.9	CHL	12.1	CAN	7.1	PNG
682 COPPER EXC CEMENT COPPER	-11.44	-12.33	1,044,151	24.9	CHL	17.8	ZMB	12.9	PER	12.6	USA	7.2	PHL
034 FISH, FRESH, CHILLED, FROZN	10.30	38.41	6,074,412	25.1	USA	15.1	TWN	8.9	KOR	6.5	RUS	5.4	NOR
246 PULPWOOD, CHIPS, WOODWASTE	4.67	21.21	1,629,802	35.8	USA	25.5	AUS	14.3	CHL	6.0	ZAF	5.1	CAN
081 FEEDING STUFF FOR ANIMALS	9.90	15.46	1,817,974	44.8	USA	8.8	AUS	7.7	CAN	6.9	THA	6.1	CHL
248 WOOD SHAPED, SLEEPERS	8.86	15.79	4,279,951	45.2	CAN	22.8	USA	10.1	MYS	7.7	IDN	2.7	CHN
281 IRON ORE, CONCENTRATES	-0.91	-3.47	3,033,994	41.9	AUS	27.0	BRA	13.5	IND	5.8	PHL	4.1	ZAF
251 PULP AND WASTE PAPER	-11.72	16.87	1,572,670	42.7	USA	32.8	CAN	7.6	BRA	4.6	CHL	3.7	NZL
247 OTH WOOD ROUGH, SQUARED	2.85	-8.79	5,652,293	40.4	USA	29.1	MYS	9.9	RUS	7.0	PNG	4.2	NZL
289 PREC MTAL ORES, WASTE NES	6.07	N.A.	96,732	48.9	USA	37.2	CAN	3.6	COL	3.5	TWN	3.2	CHL

Source: UN-ECLAC, ITDFT division.

Notes: Column nr.1 refers to the annual average growth rate for the period 1989-1993 of total Japanese imports of the mentioned product.
Column nr.2 refers to the annual average growth rate for the period 1989-1993 of total Japanese imports from Chile of the mentioned product.
Column nr. 3 refers to total imports of the product by Japan in 1993.
Columns nr.4 to 13 refer to the share of the main supplier countries on total imports of the product by Japan in 1993.

3. Chilean Exports to the Asian Newly Industrialized Economies (ANIES4)

a) The overall picture

In the period 1989-1992, the average share of these Asian countries in the Chilean total exports was above 8%. In 1993 the share of those countries increased 1.3 percentage points (9.4%). From 1989 to 1993, the current value of those exports increased from more than US\$ 740 to over US\$ 873 million.

In 1993 more than 58% of total Chilean exports to the ANIES4 countries were composed of Metals and Minerals. This implies an important change in the composition of exports to these countries as compared to the beginning of the 1980s when Primary products accounted for 50% of those exports. However, this share has decreased along the decade down to 19% in 1989 to increase later to 37% in 1993. In 1980, the share of Manufactures was 6%, but it has since decreased to roughly 4% in 1993.

In 1980 the ANIES4 countries accounted for only 2.8% of total Chilean exports and less than 2% of Chile's exports of Metals and Minerals. In 1993, exports to ANIES4 corresponded to over 12% of total Chilean exports of these products. In that same year, the ANIES4 accounted for over 9% of total Chilean exports of Primary products, whereas in 1980 that share was restricted to less than 6%. However, the participation of these countries in Chile's total exports of Manufactures has not changed much. In 1993 they accounted for only 2.1% of total Chilean exports to the world, whereas their share was close to 1.9% in 1980.

Between 1990 and 1993 the average growth rates of Chilean exports to the ANIES4 countries was 13% annually. Although Manufactures as a group is still marginal to total Chilean exports to ANIES4, its average growth was the highest among the product categories of exports (33%), followed by that of Primary products (almost 29%). During that period, Metals and Minerals increased on average at 5.5% yearly. Therefore, both total Chilean exports and each of their components increased at higher rates than that of Chilean exports to the world, in the same period (3%).

b) The ten major exports to ANIES4

In 1993, of the ten most important products exported by Chile to the ANIES4 countries only three presented lower shares as compared to their past average participation in total Chilean exports: *base metal ores*, *iron ore concentrates* and *fruits, nuts, fresh, dried*. On the other hand, two products showed increases in their share for 1993 of 20 percentage points over their previous four-year average: *other wood rough, squared* and *fish, etc., prepared, preserved, n.e.s.*

Chile is one of the five main suppliers of at least seven of the ten major products it exports to the ANIES4. In spite of the distance, Chile managed to be the second main supplier of *copper and base metal ores* to these countries. Chile is also the third main provider of *pulp and waste* and *fish prepared and preserved*, the fourth major source of *feeding stuff for animals*,

the fifth main supplier of *other wood rough, squared* and the sixth main source (not shown) of ANIES4 imports of *iron ore concentrates* with 1.8% of total imports by these countries. (See Table 12)

In 1993, the ANIES4 market absorbed 58% of Chile's total exports of *wood*, but this was only enough to give Chile a market share of 6.4% of total imports of this product by ANIES4. Moreover, in 1993 these countries absorbed 17% of Chile's total exports of *paper and paperboard*, but that share was not enough to convert the country one of the six main suppliers of these products to those countries.

Looking at the average annual growth of ANIES4 imports of these products from the world it is easy to notice that only two products had negative rates for the period 1989-1993: *pulp and waste paper* and *base metal ores*. On the other hand, of these ten products only one presented negative rates in relation to imports from Chile: *base metal ores*. In terms of average annual growth of imports from Chile some products had a remarkable performance. That was the case, for instance, of imports of *wood shaped sleepers* that increased over 500% on average or, of *paper and paperboard*, with over 91%.

The competitive picture is dominated by suppliers of the Pacific basin, although from Latin America, Brazil and Peru appear as main suppliers of two of these products each. Most of these products can be classified as "**rising stars**" in relation to ANIES4 imports, except *pulp and waste paper* (**falling star**), *base metal ores* (**retreat**) and *copper, excluding cement copper* (**lost opportunity**).

It is also interesting to point out that all products in the list have a high component of natural resource-based inputs.

Table 12

MAJOR CHILEAN EXPORTS TO ANIES 4 IN 1993: BEHAVIOUR OF THE ANIES4 MARKET IN RESPECT

TO THE FOUR PREVIOUS YEARS AND MAIN SUPPLIERS OF THESE PRODUCTS IN 1993

Value: Thousand US\$ and percentages

	1	2	3	4	5	6	7	8	9	10	11	12	13
Partner:ANIES4 Commodity	Average Annual Growth of ANIES4 Imports		Total Imports from the World by ANIES4 countries - 1993-- (US\$000)	% share of total imports	Supplier 1	%	Supplier 2	%	Supplier 3	%	Supplier 4	%	Supplier 5
	1989-1993												
	World 0/%	Chile 0/%											
682 COPPER EXC CEMENT COPPER	9.30	2.04	3,650,090	25.3	JPN	17.1	CHL	9.6	USA	7.9	TWN	5.2	AUS
081 FEEDING STUFF FOR ANIMLS	2.75	22.98	976,970	18.3	USA	17.5	IND	13.5	CHN	13.4	CHL	6.5	PER
247 OTH WOOD ROUGH,SQUARED	2.98	35.97	1,707,518	30.4	MYS	19.9	USA	13.9	NZL	10.7	PNG	6.4	CHL
251 PULP AND WASTE PAPER	-3.14	42.20	1,358,690	52.0	USA	17.2	CAN	6.1	CHL	4.6	BRA	4.1	ZAF
037 FISH ETC PREPD,PRSVD NES	17.13	27.42	289,387	12.3	AUS	11.8	NZL	11.1	CHL	10.1	JPN	8.2	CHN
287 BASE METAL ORES,CONC NES	-12.92	-10.22	749,456	25.5	AUS	10.3	CHL	9.9	USA	9.7	IDN	8.9	PNG
641 PAPER AND PAPERBOARD	10.25	91.24	3,409,587	20.6	JPN	20.0	USA	6.2	KOR	6.2	SWE	6.0	CAN
248 WOOD SHAPED,SLEEPERS	22.07	519.60	1,601,103	50.0	MYS	13.5	IDN	12.1	USA	7.3	CAN	4.7	CHN
281 IRON ORE,CONCENTRATES	12.34	78.83	1,122,853	48.9	AUS	29.3	BRA	11.4	IND	3.4	PER	2.4	CAN
057 FRUIT,NUTS,FRESH,DRIED	9.41	10.64	1,416,219	38.3	USA	12.4	CHN	8.0	THA	7.6	MYS	7.2	AUS

Source: UN-ECLAC, ITDFT division.

Notes: Column nr.1 refers to the annual average growth rate for the period 1989-1993 of total ANIES4 imports of the mentioned product.

Column nr.2 refers to the annual average growth rate for the period 1989-1993 of total ANIES4 imports from Chile of the mentioned product.

Column nr. 3 refers to total imports of the product by ANIES4 in 1993.

Columns nrs.4 to 13 refer to the share of the main supplier countries on total imports of the product by ANIES4.

4. Chilean exports to the ASEAN4 countries

a) The overall picture

Trade with the ASEAN4 countries is still of a much more limited nature than trade with the ANIES4. The situation in 1993 shows an increase of 0.7 percentage points over the average share of these countries in the period 1989-92, from almost US\$ 68 million in 1989 to about US\$ 189 million in 1993. In 1993 the ASEAN4 countries accounted for 2% of total Chilean exports to the world.

The concentration of Chilean exports to the ASEAN4 countries in Metals and Minerals is similar to the cases of Japan and ANIES4. In 1993 those products accounted for over 52% of Chilean exports in that direction. However, until 1985 most of Chilean exports were composed of Primary products (81% of the total in that year), whereas Metals and Minerals accounted for only 3%. This was inferior even to the share of Manufactures (more than 11% of the total). In 1993 Manufactures accounted for only 1.4% of total Chilean exports to ASEAN4, whereas Primary products accounted for 46%.

The limited value of Chile's exports to ASEAN4 is reflected in the share of these countries in total Chilean exports of each product category. In 1993 ASEAN4 countries absorbed less than 0.2% of Chile's exports of Manufactures, and about 2.5% of total exports of Primary products and Metals and Minerals. However, as late as 1990 those share were below 2%.

In the period 1990-1993, Chile's exports to ASEAN4 grew at a 13% annual rate, whereas that of exports of Primary products was 28%, that of Manufactures 16% and that of Metals and Minerals 4%. However, looking at a longer period (from 1985-1993), the share of Metals and Minerals increased at an average of 92%, Primary products 26% and Manufactures only 4%. In that same period, Chilean total exports to ASEAN4 increased at an average of 35% yearly.

b) The ten major exports to ASEAN4

Of the ten major products exported by Chile to the ASEAN4 countries in 1993, seven increased their share of total Chilean exports of these products to the world, whereas three decreased. This fall was most noticeable in relation to *base metal manufactures*, which lost over 18% in 1993. ASEAN4 countries absorbed 10% of total Chilean exports of *iron ore concentrates* in this year, from practically no trade in the preceding four years. Chile is one of the six main providers for seven of those products. However, the country is neither the first nor the second major provider for any of its ten main exports to that region. Only in *copper* and *iron ore concentrates* does Chile appear to have more than 10% of total ASEAN4 imports. Nonetheless, given the previous absence of trade, it is worth remarking that the country has managed to become the third largest provider of *iron ore*. (See Table 13).

Moreover, it is also interesting to notice that ASEAN4 countries absorbed in 1993 almost 12% of Chilean exports of *feeding stuff for animals* giving to Chile a 5% share of a market

dominated by the United States. Previously, the average share of ASEAN4 in total Chilean exports of these products was only 4%.

The average annual growth rates of ASEAN4 imports of those ten products may indicate the future possibilities for these Chilean exports. Only three products presented negative growth rates in relation to ASEAN4 imports from the world: *base metal ores, fish prepared preserved n.e.s. and inorganic elements, oxides*. In terms of imports from Chile, except for two products: *base metal manufactures and fish, prepared, preserved*, all the other presented positive variations.^{25/}

Classifying these products according to the behaviour of the import market, we would arrive at the following list: of the ten products, five are **rising stars**: *copper, excluded cement copper; feeding stuff for animals; pulp and waste paper; crude vegetable materials, n.e.s and fruit, nuts, fresh, dried*, two are **falling stars**: *base metal ores, concentrated and inorganic elements, oxides, etc.*, one is a **lost opportunity**: *base metal manufactures, n.e.s.*, one is a **retreat**: *fish, etc., prepared, preserved n.e.s.* and one was not classified: *iron, ore, concentrates*. However, eight products of the list refer to natural resource-based products, and only two: *base metal manufactures and inorganic elements, oxides*, belong to our classification of Manufactures.

^{25/} We have not considered the case of **iron ore concentrates**.

Table 13

MAJOR CHILEAN EXPORTS TO ASEAN4 IN 1993: BEHAVIOUR OF THE ASEAN4 MARKET IN RESPECT
TO THE FOUR PREVIOUS YEARS AND MAIN SUPPLIERS OF THESE PRODUCTS IN 1993

Value: Thousand US\$ and percentages

	1	2	3	4	5	6	7	8	9	10	11	12	13
Partner:ASEAN4 Commodity	Average Annual Growth of ASEAN4 Imports		Total Imports from the World by ASEAN4 countries --1993-- (US\$000)	% share of total imports	Supplier 1	%	Supplier 2	%	Supplier 3	%	Supplier 4	%	Supplier 5
	1989-1993												
	World % /	Chile % /											
682 COPPER EXC CEMENT COPPER	11.65	7.90	1,177,472	23.4	JPN	20.0	ZMB	13.0	CHL	8.2	AUS	7.6	TWN
081 FEEDING STUFF FOR ANIMALS	13.85	30.77	1,199,228	31.9	IND	17.1	USA	6.4	CHN	5.5	BRA	5.3	DNK
287 BASE METAL ORES,CONC NES	-4.20	0.95	481,439	22.2	AUS	18.8	IDN	11.2	PNG	6.8	CHL	6.0	CAN
251 PULP AND WASTE PAPER	10.62	48.13	812,761	29.1	USA	11.6	CAN	8.2	BRA	6.9	NZL	5.7	TWN
281 IRON ORE,CONCENTRATES	10.81	N.A.	189,047	37.6	BRA	28.4	SWE	11.8	CHL	7.6	IND	6.0	BHR
292 CRUDE VEG MATERIALS NES	10.23	18.52	174,514	19.2	CHN	12.1	USA	7.4	THA	7.3	JPN	5.6	CHL
057 FRUIT,NUTS,FRESH,DRIED	21.80	24.33	286,289	39.0	USA	16.2	AUS	13.1	CHN	6.0	THA	3.8	FRA
037 FISH ETC PREPDP,PRSV D NES	-5.81	-1.19	43,836	35.4	THA	14.2	JPN	14.1	CHN	5.6	KOR	5.0	CHL
699 BASE METAL MFRS NES	24.38	-48.61	1,229,483	35.5	JPN	12.8	TWN	12.0	USA	11.7	SGP	3.8	KOR
522 INORG ELEMNTS,OXIDES,ETC	-1.18	62.71	566,918	24.9	JPN	13.0	CHN	11.9	USA	7.1	GER	4.9	SGP

Source: UN-ECLAC, ITDFT division.

Notes: Column nr.1 refers to the annual average growth rate for the period 1989-1993 of total ASEAN4 imports of the mentioned product.
Column nr.2 refers to the annual average growth rate for the period 1989-1993 of total ASEAN4 imports from Chile of the mentioned product.
Column nr. 3 refers to total imports of the product by ASEAN4 in 1993.
Columns nr.4 to 13 refer to the share of the main supplier countries on total imports of the product by ASEAN4.

5. Chilean Exports to the People's Republic of China

a) The overall picture

In 1993 China absorbed less than 2% of total Chilean exports to the world, increasing its share over the four year average by 0.73%. In 1989 Chile exported only US\$ 106 million to China and US\$ 183 million in 1993.

China presents the highest concentration of its imports in Metals and Minerals of all the Asian partners. In 1993 those products accounted for more than 81% of the total exported by Chile to China, followed by 18% of Primary products and only 0.6% of Manufactures. In the early 1990s, Metals and Minerals has been the most important product category of Chile's exports, although during the 1980s it occasionally switched places with Primary products. However, in 1993 China accounted for less than 4% of total Chilean Metals and Minerals exports, for less than 1% of total exports of Primary products and for only 0.07% of Manufactures.

Furthermore, between 1990 and 1993 Chilean exports to China presented a high annual average growth reaching 75% annually, although from a reduced basis. Between 1985 and 1993 the annual rate of growth was on average 5%, much lower than the global 12% for all Chilean destinations. Between 1990 and 1993 growth in Metals and Minerals was high, with an average rate of 137%, while exports of Primary products increased at a 15% rate. The annual rate for Manufactures was only 6.6%, compared to 18% for Chilean exports to the world.

b) The ten major products exported to China

Of the ten major products exported by Chile to China, six presented an increase in their share compared with the average for the preceding four years, while four showed a decrease. Perhaps the most remarkable case refers to *crude fertilizers*, since in 1993 China absorbed over 21% of total Chilean exports of this product to the world, an increment of 14 percentage points over the average for the period 1989-1992. Moreover, this increase placed Chile as the leading supplier of this product to the Chinese market, with a market share of over 50%. In spite of the limited value of Chilean exports to China, the country also managed in 1993 to be the second source of imports for *copper, excluded cement copper* and also the fourth major supplier of *pulp and waste paper*. (See Table 14)

Most products are classified as Metals and Minerals or Primary products, with the exception of *textile yarn* and *paper and paperboard*. However, for these two products the average annual growth of imports from Chile was negative, against positive rates for imports from the world.

Of the ten products, only three presented negative rates of growth for imports from the world. Meanwhile, due to ample variations in the totals imported from Chile, it was not possible to establish averages for two products. However, of the other eight products, five presented

negative growth rates for the period 1989-1993, with a particular decline in relation to *paper and paperboard*.

Of the eight products that can be analyzed, two can be classified as **rising stars**: *copper* and *crude vegetable materials*. One product can be rated as a **falling star**: *pulp and waste paper*. Furthermore, three other products can be ranked as **lost opportunities**: *base metal ores*, *textile yarn* and *paper and paperboard* and two products may be evaluated as **retreats**: *feeding stuff for animals* and *other inorganic chemicals etc.*

Table 14

MAJOR CHILEAN EXPORTS TO CHINA IN 1993: BEHAVIOUR OF THE CHINESE MARKET IN RESPECT

TO THE FOUR PREVIOUS YEARS AND MAIN SUPPLIERS OF THESE PRODUCTS IN 1993

Value: Thousand US\$ and percentages

Partner: CHINA Commodity	1	2	3	4	5	6	7	8	9	10	11	12	13
	Average Annual Growth of Chinese Imports		Total Imports from the World by CHINA --1993-- (US\$000)	% share of total imports	Supplier 1		Supplier 2		Supplier 3		Supplier 4		Supplier 5
	World %/	Chile %/			%	%	%	%	%	%	%	%	
682 COPPER EXC CEMENT COPPER	39.26	64.82	1,211,555	18.1	JPN	17.9	CHL	12.4	TWN	9.8	HKG	8.8	USA
251 PULP AND WASTE PAPER	-8.77	5.36	294,053	32.1	CAN	26.5	USA	11.0	HKG	7.1	CHL	4.6	NZL
287 BASE METAL ORES, CONC NES	2.33	-21.17	453,216	36.7	AUS	8.3	HKG	8.1	IND	6.4	CAN	5.6	GAB
271 FERTILIZERS, CRUDE	7.25	N.A.*/	16,155	50.6	CHL	15.6	SEN	9.8	MAR	6.4	RUS	5.4	TGO
081 FEEDING STUFF FOR ANIMALS	-8.34	-34.28	308,164	54.1	PER	10.2	USA	6.5	TWN	5.4	JPN	4.1	HKG
651 TEXTILE YARN	17.91	-7.40	1,719,224	23.3	TWN	21.0	HKG	12.9	NSP	10.2	JPN	6.6	USA
281 IRON ORE, CONCENTRATES	29.47	N.A.*/	926,981	52.3	AUS	15.3	BRA	10.8	ZAF	10.0	IND	6.3	PER
641 PAPER AND PAPERBOARD	23.91	-100.00	1,246,271	21.8	USA	19.6	TWN	10.3	KOR	10.1	JPN	10.0	HKG
292 CRUDE VEG MATERIALS NES	13.25	241.58	134,910	26.6	USA	12.4	TWN	10.7	IDN	7.2	JPN	6.7	VNM
523 OTHER INORG CHEMICALS ETC	-16.84	-77.46	143,561	16.9	USA	16.7	RUS	14.0	HKG	11.2	JPN	9.6	GER

Source: UN-ECLAC, IIDFT division.

Notes: Column nr.1 refers to the annual average growth rate for the period 1989-1993 of total Chinese imports of the mentioned product.
 Column nr.2 refers to the annual average growth rate for the period 1989-1993 of total Chinese imports from Chile of the mentioned product.
 Column nr. 3 refers to total imports of the product by China in 1993.
 Columns nr.4 to 13 refer to the share of the main supplier countries on total imports of the product by China.
 */ Imports of these products are new or variable, do not allow for an average.

C. ASIA-PACIFIC IMPORTS OF MANUFACTURES: SOME INFORMATION FROM THE OTHER SIDE OF THE PACIFIC

Manufactures is the single most important group of products imported by the countries considered in this study, except for Japan. In order to put into perspective the importance of Manufactures to Asia-Pacific trade, this section presents trade information on imports of Manufactures from the world compared with those from Brazil and Chile (based on data from the Asian countries).

1. Japanese imports of Manufactures

The nominal value of total Japanese imports increased from US\$ 210.8 billion in 1989 to US\$ 240.7 billion in 1993 with an average rate of growth of 3.5%. Imports of Manufactures increased from US\$ 89.3 billion in 1989 to US\$ 112.7 billion in 1993 with an average rate of increase of 6%. In 1993, Manufactures accounted for almost 47% of total Japanese imports from the World, over four percentage points higher than in 1989. (See Table 15)

Table 15
JAPAN: Total Imports and Total Imports of Manufactures

Trade flow: Imports

Partner: World

(Values: US\$ '000, and %)					
	1989	1990	1991	1992	1993
TOTAL ALL COMMODITIES	210,846,628	234,798,639	236,736,729	233,021,535	240,670,207
MANUF. 5 to 9 -67-68	89,347,574	101,740,254	103,456,474	104,567,605	112,701,642
Share Manuf./tot.imports	42.38	43.33	43.70	44.87	46.83

Source: UN-ECLAC, ITDFT Division.

Japan's imports of Manufactures from Brazil and Chile do not reflect those positive variations. In fact, the average growth of total imports from Brazil was negative. Japanese imports from this country dropped from US\$ 3 billion in 1989 to US\$ 2.8 billion in 1993. Meanwhile, the average increase for imports of Manufactures was very small, from US\$ 274 million in 1989 to only US\$ 281 million in 1993, with an average rate of growth of 0.7%. (See Table 16)

Table 16**JAPAN: Total Imports and Total Imports of Manufactures from Brazil**

Trade flow: Imports

Partner: Brazil

Imports from Brazil					
(Values: US\$ '000, and %)					
	1989	1990	1991	1992	1993
TOTAL ALL COMMODITIES	2,999,286	3,173,250	3,179,938	2,844,640	2,841,474
MANUF. 5 to 9 -67-68	273,890	246,170	288,797	258,772	281,384
Share Manuf./tot.imp.	9.13	7.76	9.08	9.10	9.90

Source: UN-ECLAC. ITDFT Division.

In the same period, imports from Chile showed an average growth rate of 8%. The total value of Japanese imports from Chile increased from US\$ 1.3 billion to US\$ 1.8 billion. However, the value of imports of Manufactures dropped from US\$ 49 million in 1989 to only US\$ 27 million in 1993, with an average negative variation of 14%. (See Table 17)

The share of Manufactures in total Japanese imports from Brazil increased from 9.1% to 9.9% between 1989 and 1993. However, the share of Manufactures in total imports from Chile actually decreased from close to 4% to only 1.5% in 1993.

Table 17**JAPAN: Total Imports and Total Imports of Manufactures from Chile**

Trade flow: Imports

Partner: Chile

Imports from Chile					
(Values: US\$ '000, and %)					
	1989	1990	1991	1992	1993
TOTAL ALL COMMODITIES	1,322,062	1,621,611	1,887,871	1,886,323	1,820,741
MANUF. 5 to 9 -67-68	49,720	48,990	44,804	22,432	26,971
Share Manuf./tot.imp.	3.76	3.02	2.37	1.19	1.48

Source: UN-ECLAC. ITDFT Division.

2. ANIES4 countries' imports of Manufactures

In the period 1989-1993 the value of total imports of the ANIES4 increased from US\$ 235.8 billion to US\$ 387.4 billion, which represents an average yearly increase of 13% for this period. During the same period, the value of imports of Manufactures by the ANIES4 increased from US\$ 166.8 billion to US\$ 294 billion (average growth rate of 15%). By 1993 almost 76% of total imports of those economies were composed by Manufactures. (See Table 18)

Table 18
ANIES4: Total Imports and Total Imports of Manufactures

Trade flow: Imports

Partner: World

	(Values: US\$ '000, and %)				
	1989	1990	1991	1992	1993
TOTAL ALL COMMODITIES	235,829,085	270,054,392	314,514,738	353,349,549	387,411,266
MANUF. 5 to 9 -67-68	166,779,894	192,948,692	227,933,389	263,799,077	294,017,166
Share Manuf./tot. imp.	70.72	71.45	72.47	74.66	75.89

Source: UN-ECLAC, ITDFT division.

However, trade figures for imports from Brazil do not reflect this favorable trend. Total imports from Brazil increased at only 4%. Moreover, the average increase for imports of Manufactures was only 3%. In recent years (1990-1991 and 1991-1992) these increases were much higher both for total imports (13% and 15%, respectively) and for the imports of Manufactures (18% and 16%). (See Table 19)

Table 19**ANIES4: Total Imports and Total Imports of Manufactures from Brazil**

Trade flow: Imports

Partner: Brazil

Imports from Brazil					
(Values: US\$ '000, and %)					
	1989	1990	1991	1992	1993
TOTAL ALL COMMODITIES	1,944,929	1,873,014	2,338,278	2,213,186	2,238,177
MANUF. 5 to 9 -67-68	441,583	433,246	489,977	562,041	490,695
Share Manuf./tot.imp.	22.70	23.13	20.95	25.40	21.92

Source: UN-ECLAC. ITDFT Division.

The case of Chile is different. The average increase of ANIES4 imports from this country for the period 1989-1993 was only about 8%, but the rate of increase for the imports of Manufactures was 37% yearly. Nonetheless, the values of those imports are still very small, adding to only US\$ 67 million in 1993. Also, the share of Manufactures in total imports was roughly 5.5% in that year, as opposed to the share of Manufactures in total imports from Brazil by these Asian countries (almost 22%). (See Table 20)

Table 20**ANIES4: Total Imports and Total Imports of Manufactures from Chile**

Trade flow: Imports

Partner: Chile

Imports from Chile					
(Values: US\$ '000, and %)					
	1989	1990	1991	1992	1993
TOTAL ALL COMMODITIES	890,936	832,509	1,021,669	1,179,476	1,220,705
MANUF. 5 to 9 -67-68	19,024	30,364	42,785	57,443	67,581
Share Manuf./tot.imp.	2.14	3.65	4.19	4.87	5.54

Source: UN-ECLAC. ITDFT Division.

3. ASEAN4 countries' imports of Manufactures

These Asian countries showed an important increase in the value of their total imports: from US\$ 75.8 billion in 1989 to US\$ 138.7 billion in 1993. This represents an average of 16.5% yearly. At the same time, the imports of Manufactures by ASEAN4 countries almost doubled from US\$ 52.4 billion in 1989 to US\$ 103.8 billion in 1993. The average rate of increase for these products reached 19% yearly for this period. (See Table 21)

Table 21
ASEAN4: Total Imports and Total Imports of Manufactures

Trade flow: Imports

Partner: World

(Values: US\$ '000, and %)					
	1989	1990	1991	1992	1993
TOTAL ALL COMMODITIES	75,834,596	97,497,618	112,865,898	123,285,973	138,668,920
MANUF. 5 to 9 -67-68	52,353,806	69,709,395	81,832,269	90,270,325	103,820,203
Share Manuf./tot.imports	69.04	71.50	72.50	73.22	74.87

Source: UN-ECLAC, ITDFT Division.

Nonetheless, these high rates of growth are not reflected in the imports from Brazil and, as it happens with ANIES4, those for Chile still are of reduced size. Imports from Brazil increased only 0.3% against the global 16.5% and 15% for Chile. In 1989 Brazil exported US\$ 1.142 billion and in 1993 only US\$ 1.150 to the ASEAN4 countries. The share of Manufactures in total imports from Brazil increased from 16% in 1989 to 19% in 1993, which is far lower than the share of Manufactures in total Brazilian exports of 47%.^{26/} Moreover, in the period 1989-1993, total imports of Manufactures from Brazil increased on average only 4.6% against the total average of 19% and 6% for imports of Manufactures from Chile. However, the limited value of the imports of Manufactures from Chile is at issue here, because it corresponds to only 3% of total imports of Manufactures from Brazil. (See Tables 22 and 23)

^{26/} According to our classification of Manufactures, that excludes iron and steel.

Table 22**ASEAN4: Total Imports and Total Imports of Manufactures from Brazil**

Trade flow: Imports

Partner: Brazil

Imports from Brazil					
(Values: US\$ '000, and %)					
	1989	1990	1991	1992	1993
TOTAL ALL COMMODITIES	1,142,148	1,075,666	1,130,567	1,115,693	1,150,915
MANUF. 5 to 9 -67-68	186,840	275,722	215,154	205,094	223,753
Share Manuf./tot.imp.	16.36	25.63	19.03	18.38	19.44

Source: UN-ECLAC. ITDFT Division.

Moreover, the share of Manufactures in total imports from Brazil is much higher than the same share of total imports from Chile (19% against only 2%), although those share for both countries had been higher in previous years. (almost 26% in 1990 for Brazil and over 5% in 1991 for Chile).

Table 23**ASEAN4: Total Imports and Total Imports of Manufactures from Chile**

Trade flow: Imports

Partner: Chile

Imports from Chile					
(Values: US\$ '000, and %)					
	1989	1990	1991	1992	1993
TOTAL ALL COMMODITIES	191,309	221,498	255,288	266,167	335,970
MANUF. 5 to 9 -67-68	5,327	4,405	13,041	11,495	6,751
Share Manuf./tot.imp.	2.78	1.99	5.11	4.32	2.01

Source: UN-ECLAC. ITDFT Division.

4. People's Republic of China imports of Manufactures

Chinese imports increased from US\$ 59 billion in 1989 to US\$ 104 billion in 1993, with an average growth of 15%. Imports of Manufactures totalled US\$ 75.3 billion in 1993 as compared to US\$ 40.4 billion in 1989, increasing 17% on average in the period. Manufactures accounted for 72% of total Chinese imports in 1993, a little below the 1992 level (75%) and the 1991 level (77%). (See Table 24)

Table 24

CHINA: Total Imports and Total Imports of Manufactures

Trade flow: Imports

Partner: World

(Values: US\$ '000, and %)					
	1989	1990	1991	1992	1993
TOTAL ALL COMMODITIES	59,140,128	53,345,133	63,790,634	80,585,333	103,958,979
MANUF. 5 to 9 -67-68	40,362,841	39,938,476	49,286,228	60,992,735	75,297,701
Share Manuf./tot.imports	68.25	74.87	77.26	75.69	72.43

Source: UN-ECLAC, ITDFT Division.

This decrease in the share of manufactures in total imports is also reflected in China's total imports from Brazil and Chile. While in 1989 the share of Manufactures in total imports from Brazil was 21%, that share was only 11% in 1993. The result for the Chilean case are even worse, because that share fell from 8% in 1989 to only 0.4% in 1993. In terms of current values this implies that whereas in 1989 China imported US\$ 14.3 million in Manufactures from Chile, in 1993 those imports added to only US\$ 1 million. In 1989 China imported US\$ 198 million in Manufactures from Brazil whereas in 1993 those imports decreased to US\$ 92 million. (See Tables 25 and 26)

The performance of imports from Chile and Brazil differ in the same period. Chinese imports from Brazil decreased at an average rate of 2%, and imports of Manufactures at a negative average growth of 17.4%. Imports from Chile reached an average growth of 12% and average imports of Manufactures a negative 48%. However, Chile presented high percentages of growth in the period 1990-1992 whereas Chinese imports of Manufactures from Chile never reached the 1989 level in the 1990s.

Table 25**CHINA: Total Imports and Total Imports of Manufactures from Brazil**

Trade flow: Imports

Partner: Brazil

Imports from Brazil					
(Values: US\$ '000, and %)					
	1989	1990	1991	1992	1993
TOTAL ALL COMMODITIES	939,975	525,983	345,736	519,322	863,085
MANUF. 5 to 9 -67-68	197,979	68,913	73,889	91,078	92,275
Share Manuf./tot.imp.	21.06	13.10	21.37	17.54	10.69

Source: UN-ECLAC. ITDFT Division.

Table 26**CHINA: Total Imports and Total Imports of Manufactures from Chile**

Trade flow: Imports

Partner: Chile

Imports from Chile					
(Values: US\$ '000, and %)					
	1989	1990	1991	1992	1993
TOTAL ALL COMMODITIES	179,242	34,292	106,990	409,642	281,660
MANUF. 5 to 9 -67-68	14,276	1,283	9,809	4,830	1,010
Share Manuf./tot.imp.	7.96	3.74	9.17	1.18	0.36

Source: UN-ECLAC. ITDFT Division.

IV. CHANGES IN THE COMPOSITION OF BRAZILIAN AND CHILEAN EXPORTS TO THE ASIA-PACIFIC

The previous chapter looked at the dynamics of the ten most significant products exported by Brazil and Chile to Asia-Pacific in 1993. The present chapter analyses the products that presented the highest positive and negative variations in the share of each Asia-Pacific country or group of countries in Brazilian and Chilean exports from 1993 to the previous four-year average.

The purpose is to verify if there are new and promising sectors in each country's exports, and their relation to the previous export levels. We will look at the main increases and declines, and use them to see what are the new manufactured products that both Brazil and Chile are exporting to Asia-Pacific.

A. BRAZILIAN EXPORTS: THE MAJOR VARIATIONS IN 1993 IN RELATION TO:

1. Japan

Following the classification of manufactures employed in this study, 27/ it is possible to identify three products for which Japan increased its importance as a market for Brazilian exports of Manufactures (*radioactive material; other inorganic chemicals and ships and boats*) 28/ and three manufactured products for which Japan lost importance as an import market: *sound records and phonographs; lime, cement, building products and automatic data processing equipments*.

27/ SITC chapters 5 to 9 less 67 and 68.

28/ Trade data from Japan do not confirm the exports of ships and boats.

Table 27
Brazilian Exports: Ten major variations of JAPAN's share
as a destination to each product

Partner: JAPAN	BRAZIL'S TOTAL EXPORTS 1993 ^{a/}	JAPAN'S SHARE		JAPAN, 1993 CHANGE FROM AVERAGE:89-92 (Percentage Points) ^{b/}
		Average 89/92 %	1993 %	
TOTAL ALL COMMODITIES	38,679,359	7.21	5.98	-1.23
Ten top positive variations in 1993				
524 RADIOACTIVE ETC. MATERIAL	114	50.35	83.33	32.98
523 OTHR INORG CHEMICALS ETC	75,695	8.65	37.76	29.11
683 NICKEL	26,201	18.05	44.07	26.02
271 FERTILIZERS,CRUDE	97	4.12	22.68	18.56
034 FISH,FRESH,CHILLED,FROZN	57,899	4.55	18.59	14.05
793 SHIPS AND BOATS ETC	223,565	48.44	61.03	12.59
681 SILVER,PLATINUM,ETC.	5,777	0.11	12.26	12.15
288 NONFERR METAL SCRAP NES	187	0.32	8.56	8.24
056 VEGTBLES ETC PRSVD,PREPD	6,279	5.87	14.09	8.22
273 STONE,SAND AND GRAVEL	6,594	4.78	12.91	8.13
Ten top negative variations in 1993				
292 CRUDE VEG MATERIALS NES	40,331	6.97	2.56	-4.40
672 IRON,STEEL PRIMARY FORMS	1,743,235	8.87	4.43	-4.45
752 AUTOMTIC DATA PROC EQUIP	85,507	16.88	11.44	-5.44
661 LIME,CEMENT,BLDG PRODS	125,477	8.25	2.67	-5.58
222 SEEDS FOR'SOFT'FIXED OIL	948,394	13.85	8.16	-5.69
073 CHOCOLATE AND PRODUCTS	41,983	9.38	1.73	-7.65
763 SOUND RECORDRS,PHONOGRPH	1,722	12.73	2.90	-9.83
025 EGGS,BIRDS,FRESH,PRSVD	5,049	46.95	36.74	-10.21
112 ALCOHOLIC BEVERAGES	64,666	26.09	0.49	-25.61
282 IRON AND STEEL SCRAP	2,168	31.06	0.00	-31.06

Source: UN-ECLAC, ITDFT Division.

^{a/} In thousands of current US dollars.

^{b/} Refers to the difference between the 1993 share and the average share for 1989-1992.

2. The ANIES4

It is important to underline that in terms of total value, the sum of the ten decreases in Brazilian exports to those countries exceeded those of the ten major increases, a concerning fact in view of the need to expand the Brazilian presence in that area of the world. According to our classification of Manufactures, of the ten most positive variations, five fall under this category: *nitrogen fractioning compounds; dyes, tanning products; leather; organic-inorganic compounds, etc.* and *photo apparatus, equipments n.e.s.*, of which exports of *leather* was the second highest increase in terms of value. In relation to the ten most negative variations in 1993, four products were classified as Manufactures: *manufactured fertilizers; watches and clocks; hydrocarbons; and television receivers*. Of those, the share loss of *hydrocarbons* was also the second most important.

Table 28
Brazilian Exports: Ten major variations of the ANIES4's share
as a destination to each product

Partner: ANIES4	BRAZIL'S TOTAL EXPORTS 1993 ^{a/}	ANIES4 shares		ANIES4, 1993 CHANGE FROM AVERAGE 89-92 (Percentage points) ^{b/}
		AVERAGE 89-92 %	1993 %	
TOTAL ALL COMMODITIES	38,679,359	4.81	4.45	-0.36
Ten top positive variations in 1993				
232 NATURAL RUBBER,GUMS	35	20.18	74.29	54.10
247 OTH WOOD ROUGH,SQUARED	9,899	0.00	21.30	21.30
514 NITROGEN-FUNCTN COMPOUNDS	173,254	6.81	13.85	7.04
532 DYES NES,TANNING PROD	35,146	3.61	8.62	5.01
034 FISH,FRESH,CHILLED,FROZN	57,899	0.24	5.23	4.98
671 PIG IRON ETC	625,664	13.31	17.39	4.07
611 LEATHER	401,252	15.93	19.99	4.06
515 ORG-INORG COMPOUNDS ETC	74,950	4.25	8.12	3.87
291 CRUDE ANIMAL MTRIALS NES	50,616	9.41	13.22	3.80
881 PHOTO APPARAT,EQUIPT NES	6,248	2.04	5.76	3.72
Ten top negative variations in 1993				
056 VEGTBLES ETC PRSVD,PREPD	6,279	5.93	0.32	-5.61
562 FERTILIZERS,MANUFACTURED	45,927	5.98	0.03	-5.96
673 IRON,STEEL SHAPES ETC	713,405	27.05	20.82	-6.23
885 WATCHES AND CLOCKS	5,561	9.63	2.63	-7.01
511 HYDROCARBONS NES,DERIVS	210,781	17.93	10.53	-7.40
261 SILK	12,302	24.04	14.84	-9.20
211 HIDES,SKINS,EXC FURS,RAW	656	9.57	0.30	-9.27
761 TELEVISION RECEIVERS	937	9.93	0.64	-9.29
288 NONFERR METAL SCRAP NES	187	16.56	0.00	-16.56
263 COTTON	7,048	33.37	1.43	-31.94

Source: UN-ECLAC, ITDFT Division.

^{a/} In thousands of current US dollars.

^{b/} Refers to the difference between the 1993 share and the average share for 1989-1992.

3. The ASEAN4

Although the share of ASEAN4 countries in Brazil's total exports has increased slightly in 1993 in comparison to its previous four-year average, there have been important changes in the composition of those exports. Of the ten most important increases three correspond to our classification of Manufactures: *paper mill machinery, office machines and rotating electric plant*. The exports of *paper mill machinery* were, as already mentioned, the second most important increase in value. On the other hand, four manufactured products are among the heaviest losses: *toys, sporting goods, etc.; other power generating machinery; dyes, tanning products and meters and counters, n.e.s.*

Table 29
Brazilian Exports: Ten major variations of the ASEAN4's share
as a destination to each product

Partner: ASEAN4	BRAZIL'S TOTAL EXPORTS 1993 g/	ASEAN4 SHARE		ASEAN4 1993 CHANGE FROM AVERAGE 89-92 (Percentage points) b/
		AVERAGE 89-92 %	1993 %	
TOTAL ALL COMMODITIES	38,679,359	2.55	2.57	0.03
Ten top positive variations in 1993				
725 PAPER ETC MILL MACHINERY	80,058	0.07	22.87	22.81
424 FIXED VEG OIL NONSOFT	11,982	1.55	11.60	10.05
251 PULP AND WASTE PAPER	718,439	0.92	9.03	8.11
267 OTHER MAN-MADE FIBRES	8,005	1.65	8.32	6.67
288 NONFERR METAL SCRAP NES	187	0.02	5.88	5.86
751 OFFICE MACHINES	39,188	4.77	10.60	5.83
261 SILK	12,302	2.04	7.58	5.55
716 ROTATING ELECTRIC PLANT	154,698	0.60	4.32	3.72
248 WOOD SHAPED,SLEEPERS	248,180	0.01	3.41	3.40
423 FIXED VEG OILS,SOFT	334,173	1.13	4.43	3.30
Ten top negative variations in 1993				
894 TOYS,SPORTING GOODS,ETC	126,123	3.55	1.23	-2.32
718 OTH POWER GENERATG MACHY	15,340	2.95	0.58	-2.37
532 DYES NES,TANNING PROD	35,146	4.20	1.28	-2.92
678 IRON,STL TUBES,PIPES,ETC	192,644	4.19	0.32	-3.87
211 HIDES,SKINS,EXC FURS,RAW	656	6.63	2.29	-4.35
263 COTTON	7,048	46.03	41.08	-4.96
679 IRN,STL CASTINGS UNWORKD	17,780	7.45	1.24	-6.21
873 METERS AND COUNTERS NES	26,471	7.65	0.82	-6.83
685 LEAD	477	10.27	0.00	-10.27
001 LIVE ANIMALS FOR FOOD	10,501	22.71	0.01	-22.70

Source: UN-ECLAC, IITDFT Division

g/ In thousands of current US dollars.

b/ Refers to the difference between the 1993 share and the average share for 1989-1992.

4. The People's Republic of China

The total increases were over three times superior to total declines in terms of value. As to the composition of the changes, according to our classification of Manufactures China increased its importance for exports of five products: *steam engines, turbines; metalworking machinery; optical instruments; nonelectric machinery tools and metalworking machinery tools*. On the opposite side China also diminished its share as a market for exports of five manufactures: *carboxylic acids; alcohols, phenols; road motor vehicles, n.e.s.; polymerization products and manufactured fertilizers*.

Table 30
Brazilian Exports: Ten major variations of China's share
as a destination to each product

Partner: CHINA	BRAZIL'S TOTAL EXPORTS 1993 ^{a/}	CHINA'S SHARE		CHINA 1993 CHANGE FROM AVERAGE 89-92 (Percentage points) ^{b/}
		AVERAGE 89-92 %	1993 %	
TOTAL ALL COMMODITIES	38,679,359	1.16	2.01	0.85
Ten top positive variations in 1993				
282 IRON AND STEEL SCRAP	2,168	0.00	84.82	84.82
712 STEAM ENGINES, TURBINES	1,353	0.00	50.18	50.18
673 IRON, STEEL SHAPES ETC	713,405	2.99	19.55	16.56
672 IRON, STEEL PRIMARY FORMS	1,743,235	1.21	17.38	16.17
737 METALWORKING MACHINERY NES	30,525	0.43	14.63	14.20
871 OPTICAL INSTRUMENTS	6,842	3.14	10.27	7.13
745 NONELECTRIC MACHINERY, TOOLS NES	145,018	3.18	10.16	6.98
682 COPPER EXCEPT CEMENT COPPER	206,251	4.38	11.28	6.90
736 METALWORKING MACHINERY-TOOLS	96,150	0.02	6.24	6.22
681 SILVER, PLATINUM, ETC	5,777	0.13	3.15	3.02
Ten top negative variations in 1993				
684 ALUMINIUM	1,068,513	2.76	1.11	-1.65
513 CARBOXYLIC ACIDS ETC	102,708	1.79	0.00	-1.79
512 ALCOHOLS, PHENOLS ETC	153,516	1.95	0.00	-1.95
783 ROAD MOTOR VEHICLES NES	382,587	4.09	0.00	-4.09
583 POLYMERIZATION ETC PRODUCTS	494,949	4.74	0.58	-4.16
263 COTTON	7,048	4.26	0.00	-4.26
423 FIXED VEGETABLE OILS, SOFT	334,173	22.29	3.28	-19.01
562 FERTILIZERS, MANUFACTURED	45,927	23.97	0.00	-23.97
267 OTHER MAN-MADE FIBRES	8,005	28.26	0.00	-28.26
266 SYNTHETIC FIBRES TO SPIN	12,940	40.48	2.17	-38.31

Source: UN-ECLAC, ITDFT Division.

^{a/} In thousands of current US dollars.

^{b/} Refers to the difference between the 1993 share and the average share for 1989-1992.

**B. CHILEAN EXPORTS - THE MAJOR VARIATIONS IN 1993
IN RELATION TO:**

1. Japan

The balance of Chile's trade with Japan seems to confirm the need to expand the scope of that trade. Most of the products that showed important variations (either positive or negative) are based in natural resources, both in the mineral and agricultural field. The exceptions are *sound records* on the positive side and, on the negative side, *alcohols*, *veneers* and *plastic materials n.e.s.* The case of *sound records* is worth remarking because it is the only manufactured export for which Japan increased its share as a destination among the ten most dynamic exports of Chile in that direction.

Table 31
Chilean Exports: Ten major variations of JAPAN's share
as a destination to each product

Partner: JAPAN	CHILE'S TOTAL EXPORTS 1993 <u>a/</u>	JAPAN'S SHARE		JAPAN, 1993 CHANGE FROM AVERAGE:89-92 (Percentage points) <u>b/</u>
		AVERAGE 89/92 %	1993 %	
TOTAL ALL COMMODITIES	9,068,686	16.58	17.01	0.4
Ten top positive variations in 1993				
245 FUEL WOOD NES, CHARCOAL	7	0.00	100.00	100.0
282 IRON AND STEEL SCRAP	887	0.00	80.61	80.6
676 RAILWY RAILS ETC IRN,STL	2	0.00	50.00	50.0
763 SOUND RECORDRS,PHONOGRPH	22	2.65	36.36	33.7
288 NONFERR METAL SCRAP NES	1,273	0.22	32.36	32.1
121 TOBACCO UNMNFCTRD,REFUSE	13,453	30.62	46.70	16.1
248 WOOD SHAPED,SLEEPERS	192,180	22.41	35.70	13.3
036 SHELL FISH FRESH,FROZEN	53,608	40.11	52.68	12.6
671 PIG IRON ETC	14,659	21.23	31.63	10.4
287 BASE METAL ORES,CONC NES	953,120	31.63	41.53	9.9
Ten top negative variations in 1993				
045 CEREALS NES UNMILLED	384	14.00	0.00	-14.0
512 ALCOHOLS,PHENOLS ETC	63,153	15.67	0.28	-15.4
011 MEAT FRESH,CHILLED,FROZEN	21,908	28.99	9.09	-19.9
634 VENEERS,PLYWOOD,ETC	22,271	55.27	28.35	-26.9
585 PLASTIC MATERIAL NES	2,151	83.88	55.88	-28.0
431 PROCESD ANML VEG OIL,ETC	880	39.98	6.93	-33.0
685 LEAD	604	46.11	0.00	-46.1
014 MEAT PREPD,PRSTD,NES ETC	1,994	59.28	2.71	-56.6
233 RUBBER,SYNTHTIC,RECLAIMD	84	99.05	0.00	-99.1
012 MEAT DRIED,SALTED,SMOKED	51	99.61	0.00	-99.6

Source: UN-ECLAC, ITDFT Division.

a/ In thousands of current US dollars.

b/ Refers to the difference between the 1993 share and the average share for 1989-1992.

2. The ANIES4

It is interesting to underline that of the ten major increases in Chile's exports to the ANIES4, three refer to products in relation to which the ANIES4 had nonexistent or very limited participation in total exports. Those increases referred to: *plastic materials n.e.s.*, *works of art*, and *wood shaped sleepers*. Of the ten most important increases, three referred to our classification of Manufactures: the already mentioned *plastic material n.e.s.* and *works of art* and, *paper and paperboard*. Only two of the ten most important decreases belonged to this classification: *electrical machinery* and *base metal manufactures*.

Table 32
Chilean Exports: Ten major variations of ANIES4's share
as a destination to each product

Partner: ANIES4	CHILE'S TOTAL EXPORTS 1993 ^{a/}	ANIES4's SHARE		ANIES4, 1993 CHANGE FROM AVERAGE 89-92 (Percentage points) ^{b/}
		AVERAGE 89-92 %	1993 %	
TOTAL ALL COMMODITIES	9,068,686	8.13	9.39	1.3
Ten top positive variations in 1993				
247 OTH WOOD ROUGH,SQUARED	149,890	35.22	58.20	23.0
037 FISH ETC PREPD,PRSVD NES	173,867	13.34	33.48	20.1
585 PLASTIC MATERIAL NES	2,151	0.00	18.60	18.6
896 WORKS OF ART ETC	151	0.46	11.26	10.8
641 PAPER AND PAPERBOARD	115,972	8.18	17.16	9.0
424 FIXED VEG OIL NONSOFT	767	7.41	15.12	7.7
081 FEEDING STUFF FOR ANIMLS	386,810	16.75	23.55	6.8
248 WOOD SHAPED,SLEEPERS	192,180	0.86	5.46	4.6
251 PULP AND WASTE PAPER	468,894	9.04	13.40	4.4
682 COPPER EXC CEMENT COPPER	2,646,062	13.02	17.06	4.0
Ten top negative variations in 1993				
281 IRON ORE,CONCENTRATES	114,732	11.35	7.54	-3.8
778 ELECTRICAL MACHINERY NES	17,839	6.12	1.59	-4.5
011 MEAT FRESH,CHILLED,FROZEN	21,908	4.86	0.00	-4.9
268 WOOL(EXC TOPS),ANML HAIR	6,720	5.89	0.61	-5.3
699 BASE METAL MFRS NES	18,041	6.47	0.28	-6.2
122 TOBACCO,MANUFACTURED	2,598	8.99	1.00	-8.0
036 SHELL FISH FRESH,FROZEN	53,608	11.95	1.02	-10.9
232 NATURAL RUBBER,GUMS	7	13.21	0.00	-13.2
273 STONE,SAND AND GRAVEL	97	15.54	0.00	-15.5
071 COFFEE AND SUBSTITUTES	3,985	31.06	4.14	-26.9

Source: UN-ECLAC, ITDFT Division.

^{a/} In thousands of current US dollars.

^{b/} Refers to the difference between the 1993 share and the average share for 1989-1992.

3. The ASEAN4

According to our classification of Manufactures, ASEAN4 increased their share of Chilean exports of four manufactured products: *transistors, valves, etc.; leather manufactures; leather and other woven textile fabrics*. ASEAN4 also lost participation on exports of four manufactured products: *household type equipment; other machinery for special industries; musical instruments and base metal manufactures*.

Table 33
Chilean Exports: Ten major variations of ASEAN4's share
as a destination to each product

Partner: ASEAN4	CHILE'S TOTAL EXPORTS 1993 a/	ASEAN4's SHARE		ASEAN4 1993 CHANGE FROM AVERAGE 89-92 (Percentage points) b/
		AVERAGE 89-92	1993	
TOTAL ALL COMMODITIES	9,068,686	1.29	2.03	0.7
Ten top positive variations in 1993				
776 TRANSISTORS, VALVES, ETC	80	0.00	11.25	11.3
281 IRON ORE, CONCENTRATES	114,732	0.00	10.29	10.3
612 LEATHER ETC MANUFACTURES	1,459	0.09	8.50	8.4
081 FEEDING STUFF FOR ANIMALS	386,810	4.02	11.82	7.8
611 LEATHER	528	0.04	7.20	7.2
678 IRON, STL TUBES, PIPES, ETC	3,450	0.00	5.83	5.8
251 PULP AND WASTE PAPER	468,894	3.14	5.97	2.8
679 IRON, STL CASTINGS UNWORKED	3,247	0.00	2.34	2.3
671 PIG IRON ETC	14,659	0.17	1.94	1.8
654 OTH WOVEN TEXTILE FABRIC	14,495	0.00	1.69	1.7
Ten top negative variations in 1993				
056 VEGETABLES ETC PREPARED	38,972	0.27	0.00	-0.3
424 FIXED VEG OIL NONSOFT	767	2.32	1.17	-1.1
775 HOUSEHOLD TYPE EQUIPMENT	9,006	2.26	1.11	-1.1
037 FISH ETC PREPARED, PRESERVED	173,867	1.93	0.76	-1.2
061 SUGAR AND HONEY	1,317	1.33	0.00	-1.3
728 OTH MACHINERY FOR SPECIAL INDUSTRIES	4,656	1.55	0.15	-1.4
512 ALCOHOLS, PHENOLS ETC	63,153	1.70	0.10	-1.6
898 MUSICAL INSTRUMENTS, PARTS	10,220	3.40	0.71	-2.7
699 BASE METAL MFRS NES	18,041	22.90	4.47	-18.4
323 BRIQUETS, COKE, SEMI-COKE	663	49.21	0.00	-49.2

Source: UN-ECLAC, ITDFT Division.

a/ In thousands of current US dollars.

b/ Refers to the difference between the 1993 share and the average share for 1989-1992.

4. The People's Republic of China

There is a positive difference between increases and decreases. In relation to the classification of the products, of the nine increases three corresponded to manufactured products: *textile yarn; medical instruments* and *paper and paperboard*. However, of the ten decreases six are Manufactures: *heating cooling equipment; other inorganic chemicals; metalworking machinery tools; civil engineering equipments; manufactured fertilizers* and *tools*.

Table 34
Chilean Exports: Major variations of CHINA's share
as a destination to each product

Partner: CHINA	CHILE'S TOTAL EXPORTS 1993 <u>a/</u>	CHINA's SHARE		CHINA 1993 CHANGE FROM AVERAGE 89-92 (Percentage points) <u>b/</u>
		AVERAGE 89-92 %	1993 %	
TOTAL ALL COMMODITIES	9,068,686	1.24	1.97	0.73
Nine top positive variations in 1993				
271 FERTILIZERS,CRUDE	51,588	7.36	21.53	14.17
651 TEXTILE YARN	13,402	16.33	24.87	8.54
872 MEDICAL INSTRUMENTS NES	812	0.00	3.82	3.82
682 COPPER EXC CEMENT COPPER	2,646,062	0.97	4.39	3.42
281 IRON ORE,CONCENTRATES	114,732	0.16	2.54	2.38
641 PAPER AND PAPERBOARD	115,972	0.00	0.88	0.88
288 NONFERR METAL SCRAP NES	1,273	0.41	0.86	0.45
411 ANIMAL OILS AND FATS	19,483	0.00	0.40	0.40
292 CRUDE VEG MATERIALS NES	103,989	0.00	0.20	0.20
Ten top negative variations in 1993				
741 HEATING,COOLING EQUIPMNT	8,556	0.64	0.00	-0.64
523 OTHR INORG CHEMICALS ETC	110,011	0.91	0.10	-0.81
247 OTH WOOD ROUGH,SQUARED	149,890	1.18	0.00	-1.18
287 BASE METAL ORES,CONC NES	953,120	3.37	1.97	-1.40
736 METALWORKING MACH-TOOLS	209	2.15	0.00	-2.15
081 FEEDING STUFF FOR ANIMLS	386,810	3.71	1.27	-2.44
723 CIVIL ENGINEERG EQUIP ETC	10,893	3.79	0.00	-3.79
562 FERTILIZERS,MANUFACTURED	25,024	4.05	0.00	-4.05
695 TOOLS	2,301	4.37	0.00	-4.37
268 WOOL(EXC TOPS),ANML HAIR	6,720	7.00	0.00	-7.00

Source: UN-ECLAC, ITDFT Division.

a/ In thousands of current US dollars.

b/ Refers to the difference between the 1993 share and the average share for 1989-1992.

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List of Persons Interviewed

We would like to thank the following persons for dedicating their time to answer some questions during the elaboration of this study.

São Paulo:

Campinas University: Prof. Gilson Schwartz, Sociedade Brasileira para o Estudo do Japão e Pacífico.

JETRO, São Paulo: Mr. Atushi Okubo, Director, Mr. Yoshinobu Waki, Manager.

Cotia Trading: Mr. Pedro Carlos de Brito, Vice President Administration Board.

Federação das Indústrias do Estado de São Paulo: Mr. Maurice Costin, Director, Departamento de Comercio Exterior.

Brasília:

Foreign Relations Ministry: Min. Celso Marcos Vieira de Souza, Chief Commercial Promotion Dept.; Min. Sérgio Barbosa Serra, Chief Asia & Oceania Dept.; Cons. Regis Arslanian, Chief International Trade Division.; Secretary Paulo César de Camargo, Commercial Promotion Programmes Division,

Industry, Commerce and Telecommunications Ministry: Sr. Luis Fernando de Lara Resende, Director of Planning and Commercial Policy, Foreign Trade Secretary, (SECEX-MICT).

Rio de Janeiro:

Associação de Comércio Exterior do Brasil - AEB: Sr. Jovelino de Gomes Pires, Secretário Geral Adjunto y Sr. Gerson da Rocha Tristão, Assessor Técnico.

World Trade Center - Rio de Janeiro: Sr. Paulo Manuel Protásio, President.

Vale do Rio Doce Navegação S.A.,- DOCENAVE : Sr. Claudio Loureiro de Souza, Coordenador de Transporte Especializado.

Frota Oceânica Brasileira S.A.: Comandante Luiz Joaquim Campos Alhanati, Vice-President, Sr. José Martins Cardoso, Diretor Comercial.

ANNEX 1

FIGURES AND TABLES FROM THE SUMMARY

Figure 1

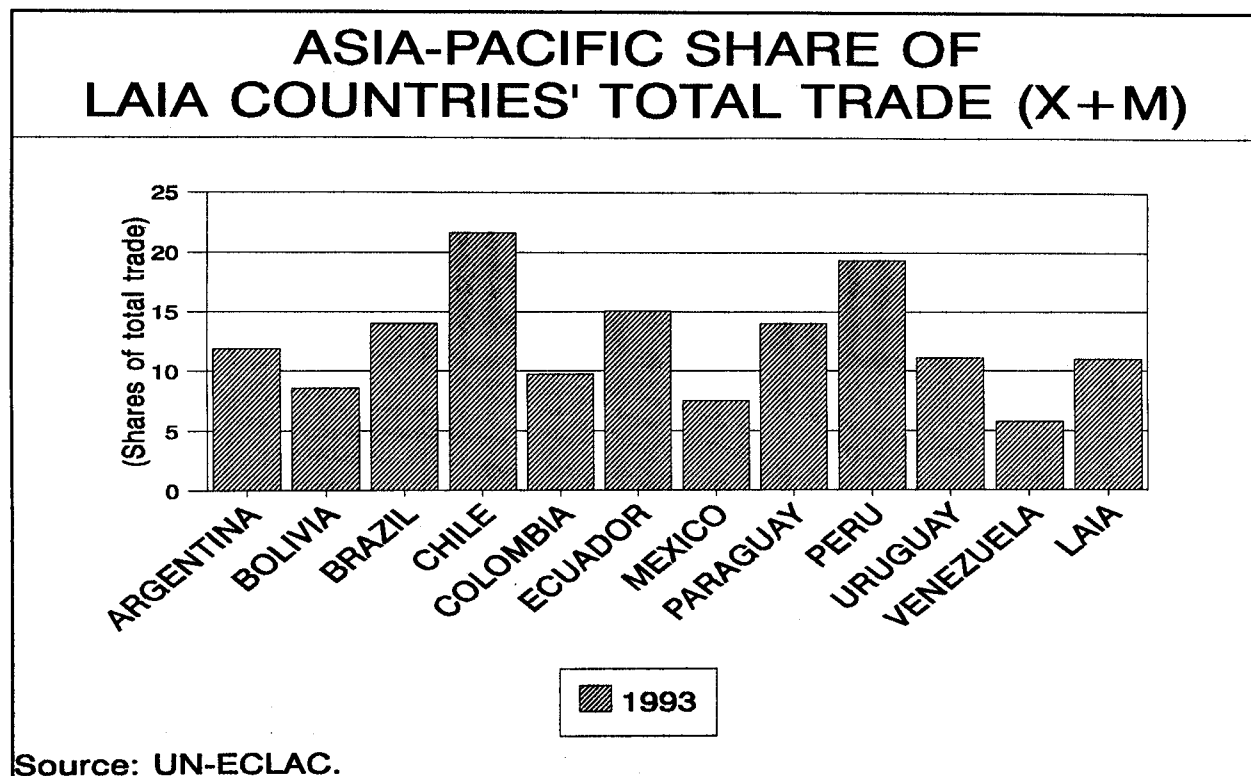


Figure 2

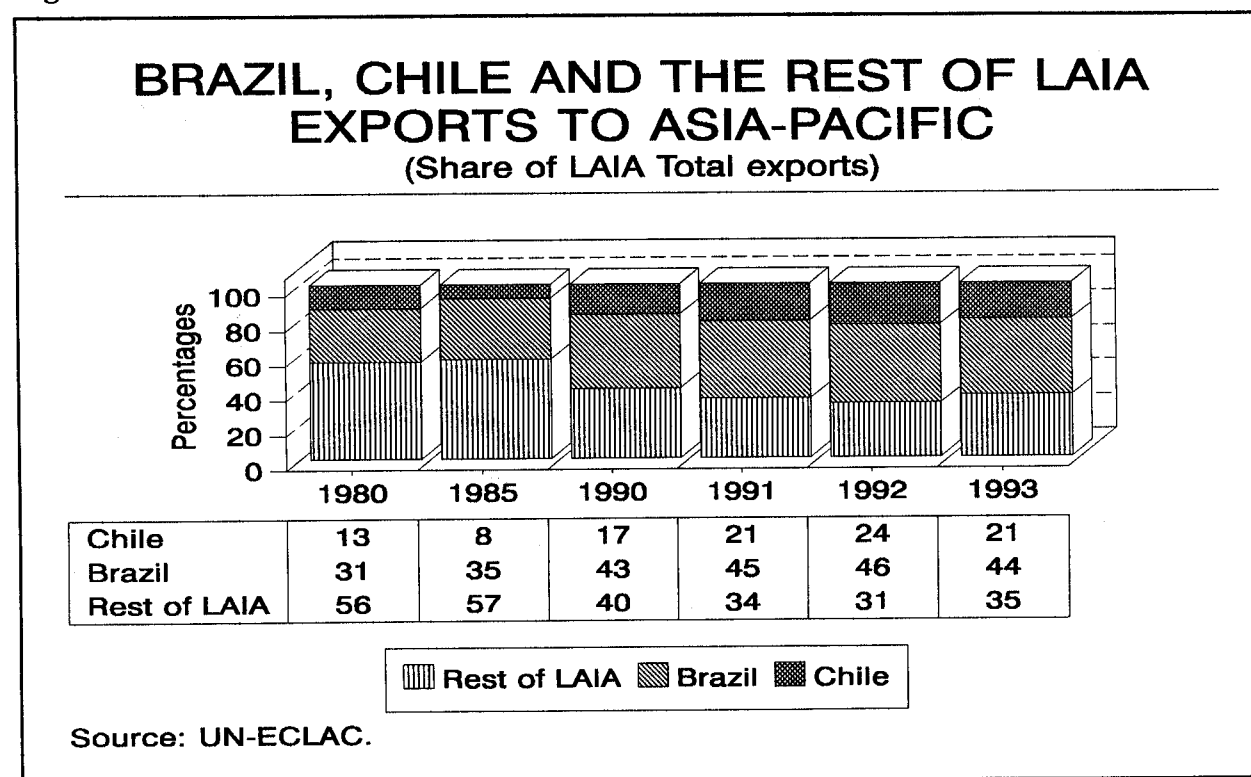


Figure 3

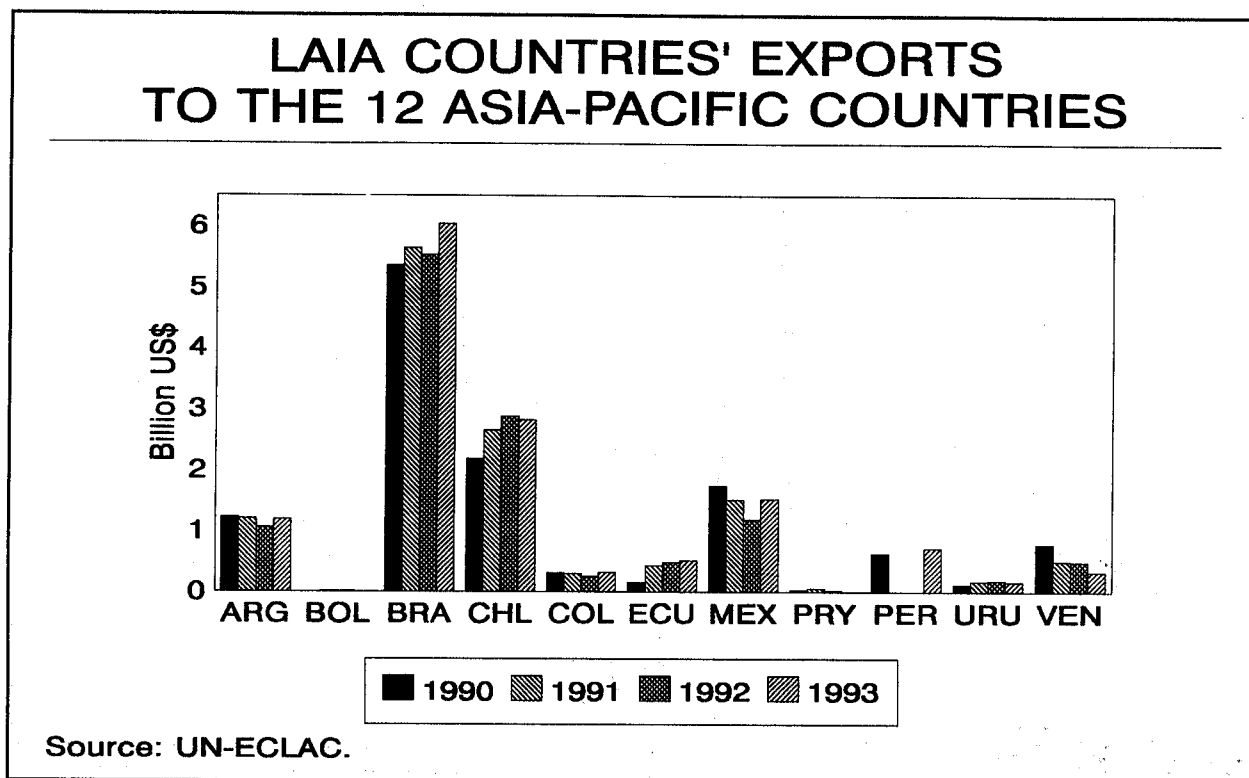


Figure 4

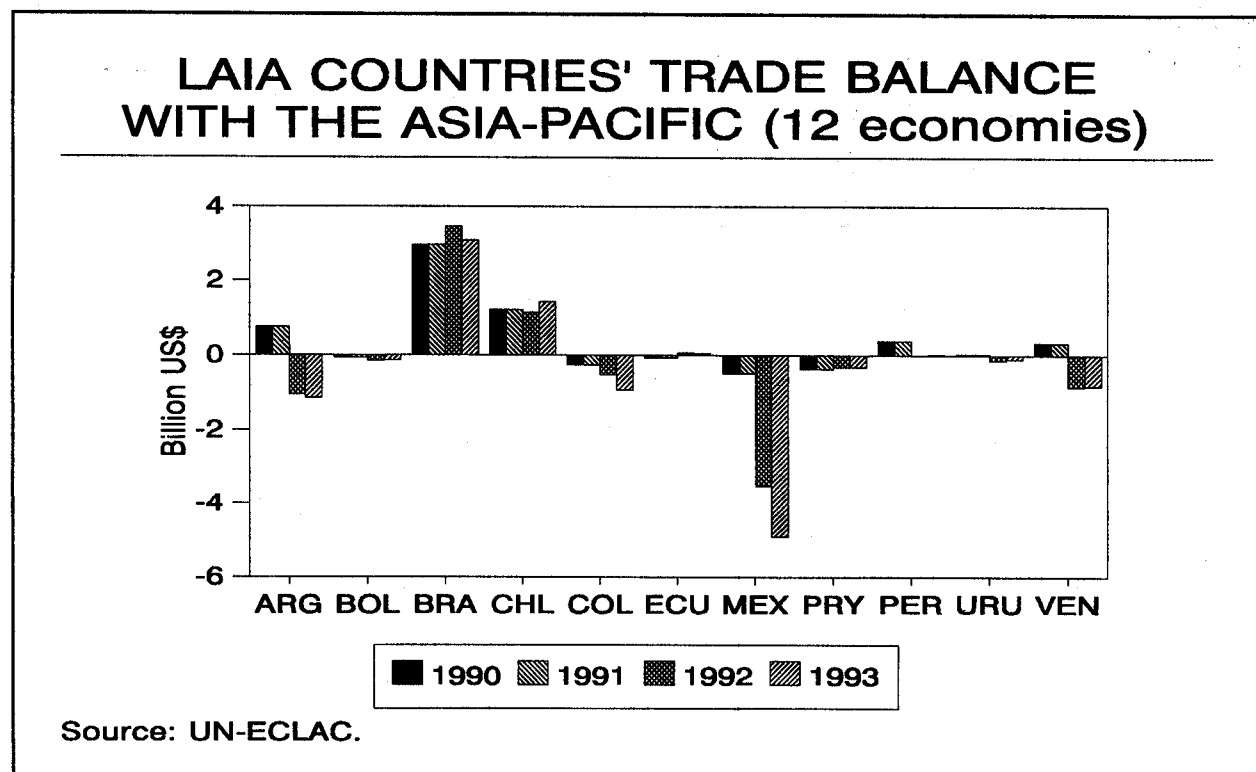


Figure 5

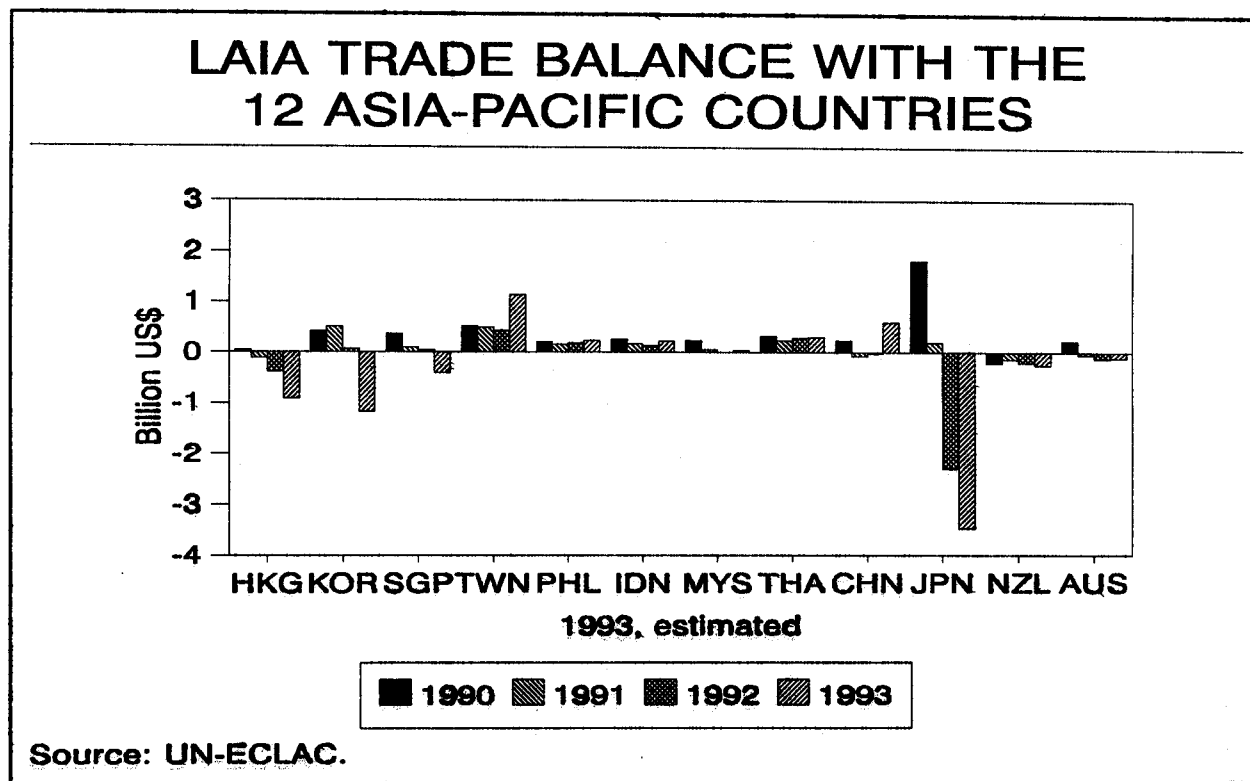


Figure 6

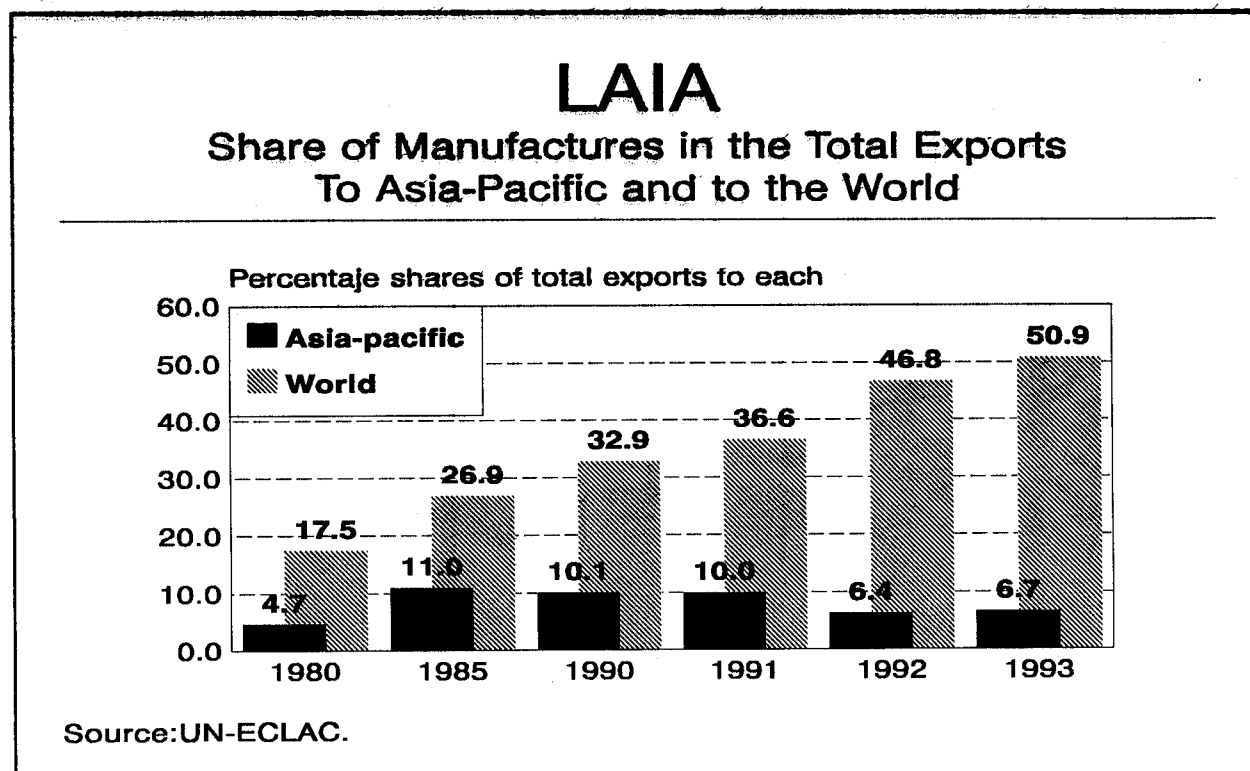


Table 1

LAIA COUNTRIES EXPORTS TO JAPAN, WORLD AND ASIA-PACIFIC (ASPAC)

(Value of trade: Thousand US\$)

	1980			1985			1990			1992			1993		
	JAPAN	WORLD	ASPAC	JAPAN	WORLD	ASPAC	JAPAN	WORLD	ASPAC	JAPAN	WORLD	ASPAC	JAPAN	WORLD	ASPAC
Argentina	210 867	8 019 180	476 050	360 890	8 395 991	829 994	394 911	12 351 529	1 233 764	374 972	12 234 948	1 057 969	466 792	13 114 404	1 199 276
Bolivia	9 383	1 036 157	9 663	2 860	672 766	2 866	3 053	922 919	7 455	1 628	763 441	9 412	2 312	737 326	7 837
Brazil	1 231 882	20 132 064	1 726 452	1 397 792	25 638 744	2 982 253	2 348 517	31 397 348	5 243 820	2 311 352	35 955 521	5 531 764	2 313 004	38 679 359	6 038 845
Chile	507 821	4 583 915	745 626	398 965	3 674 122	682 430	1 369 319	8 292 102	2 180 947	1 708 300	9 646 403	2 878 042	1 542 898	9 068 686	2 820 990
Colombia	147 600	3 945 048	160 557	149 892	3 551 886	168 302	259 035	6 765 029	309 884	197 432	6 915 787	260 696	237 962	7 454 693	349 004
Ecuador	304 109	2 480 804	316 496	59 365	2 902 848	180 296	50 786	2 713 401	155 609	62 419	3 036 114	490 423	51 317	2 960 618	383 012
Mexico	738 224	15 442 040	878 613	1 722 879	24 364 503	1 994 310	1 442 278	26 247 404	1 751 265	845 528	46 152 648	1 254 111	704 969	51 831 914	1 175 467
Paraguay	11 296	310 230	16 101	3 169	303 902	9 211	2 604	958 681	35 976	2 449	656 555	24 447	755	725 218	7 734
Peru	287 236	3 265 502	411 763	233 322	2 852 436	399 508	420 074	3 312 750	632 625	277 249	2 975 928	658 986	298 833	3 133 697	728 221
Uruguay	9 273	1 058 991	25 748	17 911	852 661	95 710	21 036	1 695 694	124 494	20 151	1 620 189	184 266	13 668	1 603 271	165 099
Venezuela	696 619	19 292 824	797 808	726 828	16 022 735	1 160 190	504 709	18 037 182	782 734	361 114	14 224 942	496 119	223 680	15 022 863	338 832
LAIA	4 154 310	79 566 755	5 564 877	5 073 873	89 232 294	8 505 070	6 816 323	112 694 038	12 458 564	6 162 596	134 182 476	12 846 236	5 856 190	144 332 048	13 214 317

Source: UN-ECLAC.

Table 2

LAIA COUNTRIES IMPORTS FROM JAPAN, WORLD AND ASIA-PACIFIC (ASPAC)

(Value of trade: Thousand US\$)

	1980			1985			1990			1992			1993		
	JAPAN	WORLD	ASPAC	JAPAN	WORLD	ASPAC	JAPAN	WORLD	ASPAC	JAPAN	WORLD	ASPAC	JAPAN	WORLD	ASPAC
Argentina	977 211	10 539 232	1 418 317	265 580	3 814 133	369 712	181 225	4 076 665	473 577	697 176	14 863 687	2 104 588	668 488	16 772 934	2 347 924
Bolivia	60 225	654 565	76 480	66 208	690 867	72 442	69 317	693 829	81 145	135 419	1 101 601	163 164	128 865	1 159 340	154 263
Brazil	1 191 464	24 948 828	1 731 481	612 693	14 329 184	1 357 961	1 611 071	22 457 696	2 390 147	1 260 402	22 337 980	2 079 040	1 664 174	27 700 340	3 520 803
Chile	417 334	5 123 135	622 896	188 565	2 742 492	283 265	568 382	7 022 294	963 931	964 664	9 455 511	1 744 545	882 641	10 541 879	1 879 499
Colombia	434 107	4 662 604	478 938	428 602	4 130 677	454 222	496 157	5 588 534	577 635	583 739	6 683 944	789 518	1 096 089	9 840 820	1 491 513
Ecuador	307 446	2 215 317	378 589	189 121	1 808 337	237 394	170 517	1 803 875	232 278	326 769	2 501 308	412 536	344 703	2 552 722	452 737
Mexico	1 107 015	19 591 150	1 388 221	842 601	16 151 843	1 212 363	1 283 099	29 556 381	2 246 747	2 819 026	61 914 219	4 735 198	3 056 523	65 187 561	5 034 131
Paraguay	55 448	614 702	66 232	24 559	501 531	35 362	208 480	1 348 627	407 778	174 236	1 420 431	333 457	204 155	1 688 027	420 495
Peru	267 586	2 573 348	366 057	180 499	1 767 380	236 504	90 537	2 633 973	249 032	267 728	3 554 851	483 735	330 758	4 230 704	698 873
Uruguay	67 926	1 651 851	106 588	15 766	707 762	26 962	44 958	1 414 529	94 825	100 218	2 009 851	330 737	124 954	2 332 866	270 922
Venezuela	851 155	10 669 157	1 078 833	427 218	7 418 171	629 511	254 189	6 600 708	452 873	944 075	12 667 625	1 343 052	860 822	11 266 486	1 306 125
LAIA	5 736 917	83 243 888	7 712 631	3 241 411	54 062 378	4 915 698	4 977 932	83 197 110	8 169 967	8 273 450	138 511 007	14 519 571	9 362 171	153 273 680	17 577 286

Source: UN-ECLAC.