

INTERNATIONAL MERCHANDISE TRADE IN LATIN AMERICA AND THE CARIBBEAN



ECLAC Division of International Trade and Integration – www.eclac.cl/comercio

BULLETIN NUMBER 1

FOURTH QUARTER 2010

Main developments

- In 2010, the region's exports recovered from their strong contraction in the second half of 2008 following the global economic crisis. The recovery was a result of higher volume and better prices for Latin America and the Caribbean's (LAC) main natural resource exports, though with a heterogeneous effect across the subregions (Table 1 and Chart 1).
- LAC recent export growth is the lowest when compared to other emerging regions, but it higher than industrialized countries and above the global average (Table 2).
- Exports to China and the rest of Asia continued to be a source of growth for the region following their quick recovery in 2009 and having since surpassed their pre-crisis levels (Chart 2 and Table 3).
- In South America, export growth outpaced the rest of the region. This was due to the recovery in global prices of natural resources exported by the subregion, especially copper, oil and iron ore (Table 6). The price of the main agricultural, energy and mineral exports has returned to the levels previous to the 2008 crisis thanks in large part to the recovery in demand for natural resources in Asia, particularly in China.
- Mexico benefitted from a recovery in internal demand in the United States, its main trading partner.
- In Central America, where manufactures exports have a larger weight in the export basket, benefitted only by the increase in prices of bananas, coffee and sugar. The total exports of the subregion grew by 14%, less than the regional average. Only Nicaragua had higher export growth due to the greater importance of agricultural exports in its export basket (Table 1a).
- Imports are growing faster than exports. In addition to the pace of economic growth, one of the main reasons for this is the appreciation of most of the region's currencies in relation to the dollar. The region's commercial surplus is slowing deteriorating as imports from Asia continue to gain importance in the region's purchases.
- Intra-regional trade is recovering, lead by greater trade between Mercosur members and between Mexico and the rest of the region. In the case of Central American Common Market (CACM) countries, intra-subregional trade grew by less than the region's average (Table 4).

A – Trade according to origin and destination

Table 1. Evolution of Latin America and the Caribbean's international trade
(Millions of current dollars)

a) January to September accumulated totals and growth rates in percentages

	Exports			Imports		
	Jan-Sep 2009	Jan-Sep 2010	Growth	Jan-Sep 2009	Jan-Sep 2010	Growth
Argentina	41 178	50 356	22.3	27 875	40 573	45.6
Bolivia, Pl. St. of	3 905	4 982	27.6	3 164	3 833	21.1
Brazil	111 798	144 929	29.6	90 558	132 156	45.9
Chile	38 446	49 487	28.7	28 211	39 243	39.1
Colombia	23 784	28 727	20.8	24 043	29 273	21.8
Costa Rica	6 482	7 134	10.1	8 167	10 010	22.6
Ecuador	9 745	12 552	28.8	10 656	14 506	36.1
El Salvador	2 889	3 349	15.9	5 340	6 326	18.5
Guatemala	5 643	6 464	14.5	8 316	10 083	21.3
Honduras	1 831	2 069	13.0	4 576	5 214	13.9
Mexico	162 198	216 807	33.7	166 826	218 791	31.1
Nicaragua	1 086	1 412	30.0	2 526	3 062	21.2
Panama	610	569	-6.8	5 533	6 745	21.9
Paraguay	2 486	3 473	39.7	4 487	6 609	47.3
Peru	18 064	24 990	38.3	15 680	21 561	37.5
Dominican Republic	4 181	4 903	17.3	7 115	9 518	33.8
Uruguay	4 009	4 995	24.6	5 027	5 920	17.8
Venezuela, Bol. Rep.	40 845	48 026	17.6	30 032	30 290	0.9
Caribbean Countries	14 615	16 312	11.6	23 730	28 704	21.0
Latin America and the Caribbean	493 794	631 537	27.9	471 862	622 414	31.9
Andean Community	55 498	71 251	28.4	53 543	69 172	29.2
Southern Common Market (MERCOSUR)	159 471	203 754	27.8	127 947	185 257	44.8
Central American Common Market(CACM)	17 931	20 427	13.9	28 924	34 695	20.0

b) Exports October 2009-September 2010

	Oct. 09	Nov. 09	Dec. 09	Jan. 10	Feb. 10	Mar. 10	Apr. 10	May. 10	Jun. 10	Jul.10	Aug. 10	Sep.10
Argentina	4 806	4 865	4 820	4 362	3 931	4 647	6 168	6 463	6 311	5 959	6 327	6 188
Bolivia, Pl. St. of	487	468	437	482	442	549	477	621	613	636	555	607
Brazil	14 082	12 653	14 463	11 305	12 197	15 727	15 161	17 703	17 094	17 673	19 236	18 833
Chile	4 747	4 973	5 570	5 900	4 752	5 323	5 351	5 269	5 201	5 792	5 397	6 502
Colombia	2 949	2 858	3 190	2 913	2 876	3 236	3 491	3 511	3 058	3 155	3 271	3 216
Costa Rica	786	753	690	742	779	947	787	852	784	755	746	742
Ecuador	1 358	1 244	1 452	1 332	1 278	1 505	1 563	1 346	1 457	1 389	1 313	1 368
El Salvador	330	284	294	328	365	391	350	368	382	421	379	364
Guatemala	673	662	528	808	646	870	718	751	750	686	627	608
Honduras	156	147	171	221	261	285	232	267	254	199	188	163
Mexico	22 118	22 364	23 103	19 190	21 303	26 104	24 866	24 803	24 996	23 328	26 916	25 301
Nicaragua	104	95	106	125	141	212	146	162	191	153	153	129
Panama	81	57	72	54	62	79	71	64	57	62	67	53
Paraguay	266	232	183	225	407	480	416	437	413	368	384	342
Peru	2 210	2 564	2 936	2 371	2 592	2 743	2 599	2 379	3 059	2 945	2 975	3 326
Dominican Republic	475	447	416	377	521	595	565	577	572	595	565	536
Uruguay	475	423	479	407	402	478	579	651	726	584	606	562
Venezuela, Bol. Rep.	5 293	5 247	6 210	5 054	5 754	5 653	5 233	5 546	5 295	5 164	5 164	5 164
Caribbean Countries	1 555	1 634	1 681	1 483	1 659	1 979	1 948	1 776	1 830	1 827	1 968	1 842
Andean Community	7 003	7 134	8 016	7 098	7 187	8 033	8 131	7 857	8 187	8 126	8 114	8 517
MERCOSUR	19 629	18 173	19 944	16 300	16 937	21 333	22 325	25 253	24 545	24 583	26 553	25 924
CACM	2 048	1 942	1 789	2 224	2 192	2 705	2 233	2 400	2 360	2 213	2 093	2 007

After reaching their lowest levels of the decade, the region's exports once again started growing in the first months of 2009. As a result, the region's exports grew by 28% between January and September 2010 compared to the same period in 2009. Argentina, Brazil and Mexico were responsible for 78% of this recovery.

Exports by the Central American Common Market countries grew by 14% during this period. In total, the region's exports surpassed US\$ 75 700 million in the August-September period, reaching pre-crisis levels but still below the record of July 2008, when exports reached US\$88 500 million.

c) Imports October 2009-September 2010

	Oct. 09	Nov. 09	Dec. 09	Jan. 10	Feb. 10	Mar. 10	Apr. 10	May. 10	Jun. 10	Jul.10	Aug. 10	Sep.10
Argentina	2 760	2 663	2 888	2 777	2 660	3 619	3 586	3 255	3 666	3 656	3 651	3 599
Bolivia, Pl. St. of	383	309	360	326	323	328	380	361	393	448	409	445
Brazil	10 309	7 821	10 038	8 627	9 344	9 863	11 229	10 776	12 550	12 753	12 040	12 286
Chile	3 090	2 824	2 945	3 236	2 800	3 023	3 758	3 268	3 267	3 821	3 831	3 890
Colombia	2 783	2 527	2 662	2 668	2 448	2 486	3 178	2 542	2 749	2 967	2 826	3 061
Costa Rica	859	831	841	839	887	1 015	973	983	940	1 067	1 105	1 056
Ecuador	1 369	1 097	1 203	1 009	1 121	1 113	1 231	1 182	1 332	1 370	1 380	1 542
El Salvador	580	578	605	550	604	624	657	554	588	626	681	608
Guatemala	842	884	904	877	883	986	1 090	933	917	1 121	968	1 083
Honduras	507	507	522	531	486	557	505	495	466	495	518	545
Mexico	16 789	16 613	18 554	17 204	16 789	19 570	19 255	20 234	21 818	21 881	22 493	23 185
Nicaragua	261	260	283	271	273	329	288	288	272	321	299	308
Panama	605	529	665	588	573	617	692	611	654	795	681	791
Paraguay	478	466	496	458	399	514	531	571	574	670	655	685
Peru	1 862	1 600	1 623	1 712	1 532	1 731	1 928	1 790	1 902	2 031	2 096	1 868
Dominican Republic	733	628	820	800	765	826	924	830	790	908	901	1 034
Uruguay	475	511	499	507	524	625	672	645	569	594	612	673
Venezuela, Bol. Rep.	3 819	3 130	4 206	3 394	3 415	3 246	2 742	2 893	3 187	2 833	2 860	2 717
Caribbean Countries	2 373	2 391	2 525	2 558	2 533	2 587	2 997	3 170	2 596	3 290	3 099	3 320
Andean Community	6 397	5 533	5 849	5 714	5 424	5 658	6 718	5 874	6 376	6 816	6 712	6 916
MERCOSUR	14 022	11 461	13 922	12 368	12 928	14 622	16 019	15 247	17 359	17 674	16 958	17 242
CACM	3 048	3 060	3 155	3 068	3 132	3 511	3 514	3 252	3 183	3 630	3 570	3 600

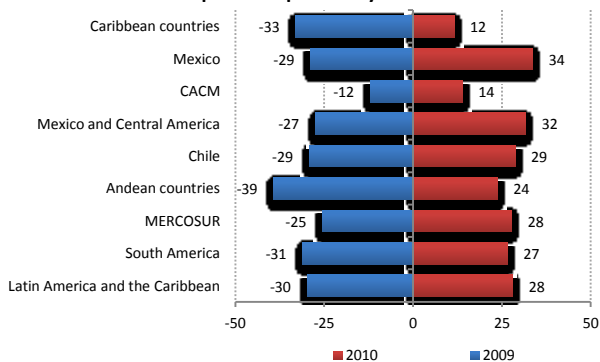
Source: ECLAC based on statistical offices, central banks, export promotion organizations, United States International Trade Commission (USITC), European Union's EUROSTAT and the IMF's Direction of Trade Statistics (DOTS).

Note: Data for Venezuela are calculated by applying the monthly tendency reported in DOTS over official quarterly data. Data for Caribbean Countries are mirror statistics.

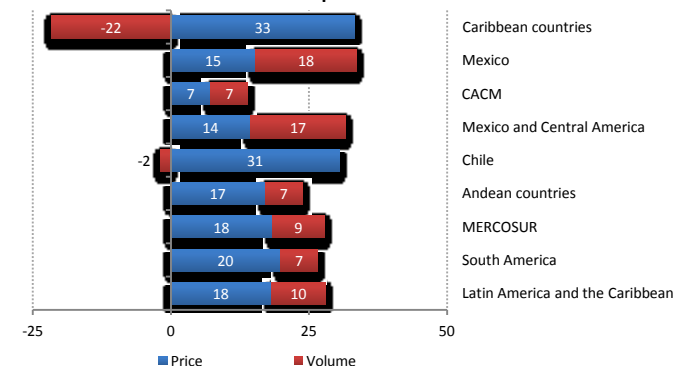
Imports followed the same pattern as exports, except in the case of the Bolivarian Republic of Venezuela which slowed down considerably to a growth rate of only 1% in the period in consideration. The countries of Latin America and the Caribbean imported 32% more than in the same period in 2009, led by strong import growth by Mercosur (45%).

Chart 1. Latin America and the Caribbean: Evolution of Exports, 2009 and 2010

a) Export growth January-September each year compared to same period in previous year



b) Export growth by price and quantity, January-September 2010 compared to same period in 2009

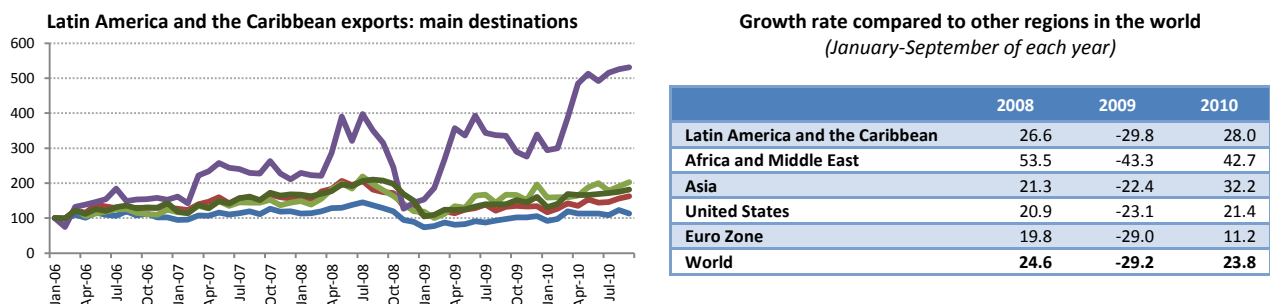


Source: ECLAC based on statistical offices, central banks, export promotion organizations, United States International Trade Commission (USITC), European Union's EUROSTAT and the IMF's Direction of Trade Statistics (DOTS).

Note: Data for Venezuela are calculated by applying the monthly tendency reported in DOTS over official quarterly data. Does not include Panama.

The recovery varies across subregions, with Mexico, Chile and Mercosur leading the region (Chart 1a). Analyzing the export performance by variation in quantity and price shows that the region benefitted more from higher prices for its exports (18% growth), while volume growth was 10% (Chart 1b). The effect of prices was more pronounced in the Caribbean and in Chile, where the quantity effect was negative.

Chart 2 and Table 2. Evolution of Exports in Latin America and the Caribbean and selected regions
(January 2006 = 100)



Source: ECLAC based on statistical offices, central banks, export promotion organizations, United States International Trade Commission (USITC), European Union's EUROSTAT, the IMF's Direction of Trade Statistics (DOTS) and the Netherlands Bureau for Economic Policy Analysis.
Note: Data for Venezuela are calculated by applying the monthly tendency reported in DOTS over official quarterly data. Data for Caribbean Countries are mirror statistics. Does not include Panama.

Table 3. Latin America and the Caribbean main trading partners
(Millions of current dollars)

	Oct. 09	Nov. 09	Dec. 09	Jan. 10	Feb. 10	Mar. 10	Apr. 10	May. 10	Jun. 10	Jul.10	Aug. 10	Sep.10
Exports	62 393	61 467	66 313	57 250	59 784	71 129	70 087	72 906	72 415	71 032	76 205	75 257
United States	26 568	26 572	27 692	24 055	25 525	31 266	29 539	29 466	29 543	28 227	32 066	29 390
European Union	8 431	8 332	8 382	7 338	7 919	8 891	8 478	9 626	9 006	9 156	9 805	10 204
Asia	9 075	8 408	10 681	8 907	8 988	10 188	11 617	12 722	12 811	12 447	12 997	13 428
China	3 868	3 676	4 517	3 922	3 997	5 172	6 461	6 838	6 557	6 875	7 005	7 089
Others Asia	5 207	4 732	6 164	4 985	4 991	5 017	5 156	5 884	6 253	5 572	5 992	6 339
Latin America and the Caribbean	11 785	11 289	12 443	10 228	10 891	13 072	12 881	12 903	13 105	13 304	13 616	14 076
Rest of the World	6 533	6 865	7 115	6 723	6 461	7 711	7 573	8 189	7 950	7 898	7 722	8 159
Imports	59 945	59 524	60 871	55 004	55 841	69 200	66 961	67 772	70 114	70 894	75 457	74 908
United States	18 849	18 579	19 076	16 941	17 851	22 344	21 815	21 346	20 622	20 965	22 721	21 687
European Union	8 460	8 893	9 511	8 040	7 707	9 911	8 899	9 283	10 312	9 857	11 008	10 744
Asia	15 405	15 554	15 292	14 233	14 073	17 916	16 741	17 786	18 942	19 425	20 987	21 172
China	7 642	7 524	7 446	6 927	6 727	8 383	7 599	8 232	9 381	10 032	10 666	11 049
Others Asia	7 763	8 030	7 847	7 307	7 346	9 534	9 142	9 554	9 561	9 394	10 320	10 123
Latin America and the Caribbean	12 241	11 934	12 358	11 000	11 429	13 487	13 315	13 389	13 780	13 765	14 356	14 768
Rest of the World	4 990	4 564	4 633	4 789	4 781	5 542	6 190	5 968	6 459	6 882	6 387	6 536

Source: ECLAC based on statistical offices, central banks, export promotion organizations, United States International Trade Commission (USITC), European Union's EUROSTAT and the IMF's Direction of Trade Statistics (DOTS).

Note: Includes data for Argentina, Bolivia (Pl. St. of), Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Paraguay, Peru, Uruguay, Venezuela (Bol. Rep.), and the Caribbean Countries (estimated using mirror statistics from the United States, the European Union and the rest of Latin America).

Analyzing the region's exports according to destination between January 2006 and September 2010, sales to China and the rest of Asia show a notable performance, growing by 49% and 29% respectively and surpassing pre-crisis levels (Chart 2). The relative weight of these regions is still less than that of the United States, which has lost some ground but remains as the most important trade partner for Latin America and the Caribbean. The region itself is the second most important destination for its exports (intraregional trade), while the most important source of imports is Asia. The most recent data shows that the growth of imports has outpaced that of exports, particularly those that originated in Asia. This accelerates the deterioration of merchandise trade balances in the region.

In the first nine months of 2010, Latin America's trade balance with Asia reached a deficit of over US\$ 57 000 million. 44% of the deficit is due to the subregion's trade with China. Fortunately, the recovery of exports to the United States and the resulting surplus of US\$ 73 000 million helped offset the trade deficit with Asia.

Table 4. Intra-subregional trade in Latin America in 2009 and 2010
(Share of total exports and growth rates)

	Oct. 09	Nov. 09	Dec. 09	Jan. 10	Feb. 10	Mar. 10	Apr. 10	May. 10	Jun. 10	Jul.10	Aug. 10	Sep.10	Jan-Sep 2010 ^a
Intra CAN	7.9	7.8	7.7	8.1	7.5	8.4	8.1	8.8	7.9	9.0	8.5	9.0	29.7
Intra MERCOSUR	17.1	17.7	19.5	15.8	17.5	16.5	15.3	14.2	14.8	15.3	14.7	15.8	41.3
Intra CACM	23.7	21.0	22.8	20.2	22.8	21.0	22.8	22.9	23.2	25.1	24.8	26.7	11.5
Chile to LAC	18.8	19.1	16.6	15.7	16.9	16.6	17.6	19.6	20.6	19.0	20.7	19.4	22.2
Mexico to LAC	6.8	6.4	6.1	6.5	6.6	6.6	7.0	6.4	7.7	7.9	6.9	6.8	46.2
Venezuela(B.R.) to LAC	15.0	15.4	12.7	16.7	15.1	15.5	15.1	14.6	15.5	15.3	15.2	15.3	10.1

Source: ECLAC based on statistical offices, central banks, export promotion organizations, United States International Trade Commission (USITC), European Union's EUROSTAT and the IMF's Direction of Trade Statistics (DOTS).

a Growth rate relative to same period in the previous year.

Intra-subregional trade within the different integration schemes was particularly dynamic in the Andean Community, in Mercosur and in the Central American Common Market. Within the latter group, trade is still suffering the effects of the crisis. In Mexico and Chile, for their part, have recovered trade dynamism with their respective partners in Latin America and the Caribbean, especially with members of the Latin American Integration Association (LAIA). Venezuela's (Bol. Rep.) trade with other countries in the region has been less dynamic.

B – Trade according to main products and categories

Table 5. Main categories of traded products by Latin America and the Caribbean in 2009 and 2010
(Millions of current dollars)

	Oct. 09	Nov. 09	Dec. 09	Jan. 10	Feb. 10	Mar. 10	Apr. 10	May. 10	Jun. 10	Jul.10	Aug. 10	Sep.10
EXPORTS	61 435	60 370	64 386	56 350	58 339	69 577	68 725	71 390	71 078	69 671	73 879	73 833
Agricultural and pecuary products	6 815	7 113	7 681	7 290	7 356	8 825	8 959	9 682	9 527	9 178	9 343	9 075
Mining and oil	19 113	18 837	20 315	19 527	18 743	21 048	20 697	21 864	20 501	21 122	21 986	23 278
Manufactures	35 507	34 419	36 390	29 533	32 241	39 704	39 068	39 844	41 051	39 370	42 550	41 481
IMPORTS	57 958	57 781	58 901	53 033	53 895	66 290	64 458	65 633	67 120	68 949	73 583	72 624
Capital goods	10 701	10 758	11 434	10 122	9 166	11 449	10 768	11 504	11 853	12 605	13 511	13 764
Intermediate goods	30 572	30 474	29 488	26 939	29 068	36 070	33 732	34 187	35 910	36 143	39 233	37 933
Consumer goods	10 834	11 008	11 613	9 888	9 847	12 053	11 887	11 902	11 844	12 324	13 249	13 527
Fuels	5 851	5 541	6 366	6 084	5 814	6 718	8 071	8 039	7 513	7 877	7 590	7 401

Source: ECLAC based on statistical offices, central banks, export promotion organizations, United States International Trade Commission (USITC) and European Union's EUROSTAT.

Note: Includes data for Argentina, Bolivia (Pl. St. of), Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Paraguay (exports only), Peru, Uruguay and Venezuela (Bol. Rep.).

The product category with the greatest export performance during the period in question was mining and oil, which grew by an average of 50% relative to the previous year. Manufactured exports followed with growth of 24%, while exports of agricultural and pecuary products grew by 18%. As for imports, the highest growth was in fuels (60%), followed by consumer goods imports, which benefitted from the widespread currency appreciation in the region. Imports of intermediate goods grew at 29% but had the greatest contribution to the region's total import bill due to this category's significant weight in the basket of imports.

Table 6. Main products traded by Latin America and the Caribbean in 2010
(Millions of current dollars, percentages and price indices 2000=100)

Products (A)	(B)	Value			Prices				Volume Growth
		Jan-Sep 2009	Jan-Sep 2010	Value growth	Sep.	Jan-Sep 2009	Jan-Sep 2010	Price growth	
Sugar	2%	10 442	29 931	186.6	275.2	202.9	239.7	18.2	168.5
Banana	2%	44 633	51 912	16.3	210.7	205.3	207.8	1.2	15.1
Drinks	5%	16 065	21 049	31.0	221.1	159.1	196.5	23.5	7.5
Meat	1%	20 746	22 990	10.8	173.7	134.5	170.4	26.7	-15.9
Copper	8%	22 734	34 052	49.8	425.2	254.8	395.4	55.1	-5.4
Natural gas	1%	1 642	2 207	34.4	90.6	88.5	106.3	20.1	14.3
Iron / Steel	4%	7 603	9 751	28.3	235.0	233.6	228.3	-2.2	30.5
Oil	21%	60 582	77 793	28.4	270.6	205.2	277.4	35.2	-6.8
Soy beans	3%	14 993	18 395	22.7	221.9	205.5	201.0	-2.2	24.9
Sub-total	49%	199 440	268 080	34.4	135.0	100.7	131.1	30.2	4.3

	(C)	Prices			
		Jan-Sep 2009	Jan-Sep 2010	Price Growth	Sep.
Food	10%	204.3	169.6	180.5	6.5
Drinks	5%	221.1	159.1	196.5	23.5
Oils and meals	8%	231.3	213.1	210.7	-1.1
Other agro	9%	154.4	104.2	152.6	46.4
Minerals and metals	37%	298.7	240.9	285.1	18.3
Energy	31%	256.6	196.3	263.9	34.4
Total (C)	100%	253.6	201.2	245.4	22.0

Source: ECLAC based on statistical offices, central banks, export promotion organizations, CEPALSTAT and The World Bank. See description of each product and category in the online annex.

Note: the statistics for the products are calculated using data for the main exporters of each product. In each case the total represents more than 70% of the region's total exports, while the coverage averages 80%. In the case of prices, the index is calculated by ECLAC.

(A) Drinks represents an aggregate of coffee and tea; Iron / Steel represents manufactured products. (B) Weight of each product in the total exports of the region; (C) Weight of each products in the region's total exports of natural resources.

The region's natural resource exports (49% of total regional exports in 2010) benefitted from a 30% average increase in prices. This affected exports from South America disproportionately. Price increases were most significant in exports of copper, natural gas, drinks and oil (Table 6).

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