

INTERNATIONAL MERCHANDISE TRADE IN LATIN AMERICA AND THE CARIBBEAN



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Main developments

- International trade data for the last quarter of 2010 confirmed a recovery in the region exports and imports, which grew by 27% for exports and 31% for imports in 2010 compared to 2009.
- Trade has recovered its losses due to the crisis, with the exception of Panama, which registered a drop in exports, and the Bolivarian Republic of Venezuela, where demand for imported goods registered only a slight recovery (Table 1).
- LAC recent export growth is the lowest when compared to other emerging regions, but it is higher than the growth of exports in industrialized countries and the global average (Table 2).
- In many countries, monthly trade flows in December were significantly higher than the monthly average for the previous 11 months, particularly in Brazil, Chile, Colombia, Ecuador and Peru (Tables 2 and 3).
- Two thirds of the growth of the region's exports are attributed to the increase in the price of the region's export basket (18%), with increases greater than 20% in South America, where it is worth noting that in Chile, while the volume of exports decreased slightly, the prices increased by 31%.
- In Mexico and Central America, on the other hand, the recovery in exports was more as a result of increases in volume. This behavior, with less dynamic export prices, follows from an export basket that is more intensive in manufactured products, which experienced slower growth in 2010 in comparison with natural resources, which are more important in the South American export basket.
- While the region's exports grew at a slower pace than its imports, in 2010 Latin America and the Caribbean registered a trade surplus of over US\$ 16 000 million (Table 1).
- Exports to Asia, in particular to China, grew at very high rates that were much higher than those seen during the pre-crisis period. Despite this, exports to China slowed down in November before recovering in December (Chart 2). China's future demand for primary products will depend in large part on that country's domestic inflation expectations. If Chinese authorities move to reduce such pressure with contractionary fiscal and monetary policies, Chinese economic activity will be reduced marginally, affecting the demand for natural resources.
- The data on international prices as of December 2010 show the significant increase in the prices of the main exports of the region. On average, food, drinks and agricultural products grew by slightly more than 17%, with an increase of more than 40% in agricultural products alone. This increase in prices will continue to impact the region's exports through the first months of 2011.

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		
	2009	2010	Growth	2009	2010	Growth
Argentina	55 669	67 307	20.9	38 781	56 443	45.5
Bolivia, Pl. St. of	5 366	6 871	28.0	4 176	4 991	19.5
Brazil	152 995	201 915	32.0	127 636	181 649	42.3
Chile	53 735	69 622	29.6	39 754	54 499	37.1
Colombia	32 781	39 820	21.5	32 898	40 683	23.7
Costa Rica	8 676	9 371	8.0	11 395	13 570	19.1
Ecuador	13 799	17 369	25.9	14 948	19 961	33.5
El Salvador	3 798	4 472	17.8	7 257	8 548	17.8
Guatemala	7 507	8 653	15.3	11 489	13 830	20.4
Honduras	2 304	2 749	19.3	6 122	7 133	16.5
Mexico	229 783	298 361	29.8	234 385	301 482	28.6
Nicaragua	1 391	1 850	33.0	3 454	4 220	22.2
Panama	821	725	-11.7	7 801	9 145	17.2
Paraguay	3 167	4 535	43.2	6 497	9 400	44.7
Peru	25 774	35 073	36.1	21 675	29 880	37.9
Dominican Republic	5 483	6 598	20.3	9 958	12 885	29.4
Uruguay	5 405	6 733	24.6	6 907	8 622	24.8
Venezuela, Bol. Rep.	57 595	66 259	15.0	38 442	38 967	1.4
Caribbean Countries	19 415	22 235	14.5	32 906	38 293	16.4
Latin America and the Caribbean	685 463	870 518	27.0	656 480	854 200	30.1
Andean Community	77 719	99 133	27.6	73 697	95 514	29.6
Southern Common Market (MERCOSUR)	217 236	280 490	29.1	179 821	256 114	42.4
Central American Common Market(CACM)	23 675	27 094	14.4	39 717	47 301	19.1

b) Exports January-December 2010

	Jan. 10	Feb. 10	Mar. 10	Apr. 10	May. 10	Jun. 10	Jul.10	Aug. 10	Sep.10	Oct. 10	Nov. 10	Dec. 10
Argentina	4 362	3 931	4 647	6 168	6 463	6 311	5 959	6 327	6 326	5 825	5 716	5 272
Bolivia, Pl. St. of	482	442	549	478	622	616	637	593	643	655	584	571
Brazil	11 305	12 197	15 727	15 161	17 703	17 094	17 673	19 236	18 833	18 380	17 687	20 918
Chile	5 912	4 724	5 370	5 436	5 362	5 379	6 012	5 545	6 640	5 281	6 546	7 415
Colombia	2 913	2 876	3 236	3 491	3 511	3 058	3 155	3 271	3 216	3 554	3 426	4 113
Costa Rica	727	745	930	783	848	784	774	745	746	762	789	737
Ecuador	1 334	1 283	1 511	1 572	1 356	1 462	1 390	1 317	1 379	1 602	1 457	1 708
El Salvador	328	365	391	351	368	382	421	379	364	387	358	377
Guatemala	808	646	870	718	751	750	686	627	608	652	643	894
Honduras	201	246	299	246	274	250	196	194	163	162	169	349
Mexico	19 190	21 303	26 104	24 866	24 803	24 996	23 328	26 916	25 301	26 503	28 150	26 901
Nicaragua	125	141	212	146	162	191	153	153	129	131	137	170
Panama	54	62	79	71	64	57	62	67	53	58	52	46
Paraguay	225	407	480	416	437	412	368	384	340	323	389	353
Peru	2 438	2 651	2 799	2 632	2 344	3 079	2 960	2 948	3 249	3 098	3 233	3 644
Dominican Republic	379	525	607	565	579	578	595	567	542	576	560	523
Uruguay	407	402	478	581	650	727	588	607	566	567	546	613
Venezuela, Bol. Rep.	5 070	5 771	5 670	5 231	5 547	5 287	5 167	5 652	5 175	5 897	5 897	5 897
Caribbean Countries	1 480	1 656	1 976	1 945	1 773	1 826	1 822	1 969	1 798	1 966	2 223	1 800
Andean Community	7 167	7 252	8 095	8 173	7 832	8 215	8 142	8 128	8 487	8 908	8 700	10 036
MERCOSUR	16 300	16 937	21 333	22 327	25 253	24 544	24 588	26 555	26 065	25 095	24 338	27 156
CACM	2 189	2 143	2 703	2 243	2 403	2 357	2 229	2 098	2 011	2 095	2 096	2 527

The region's exports increased by a significant amount in December, surpassing the average of the previous 11 months. The largest increases occurred in the exports of South American countries, particularly in Brazil, Chile, Colombia, and Ecuador. While export growth slowed in Argentina and Mexico during the last quarter of 2010, the recovery was consolidated at the regional level.

c) Imports January-December 2010

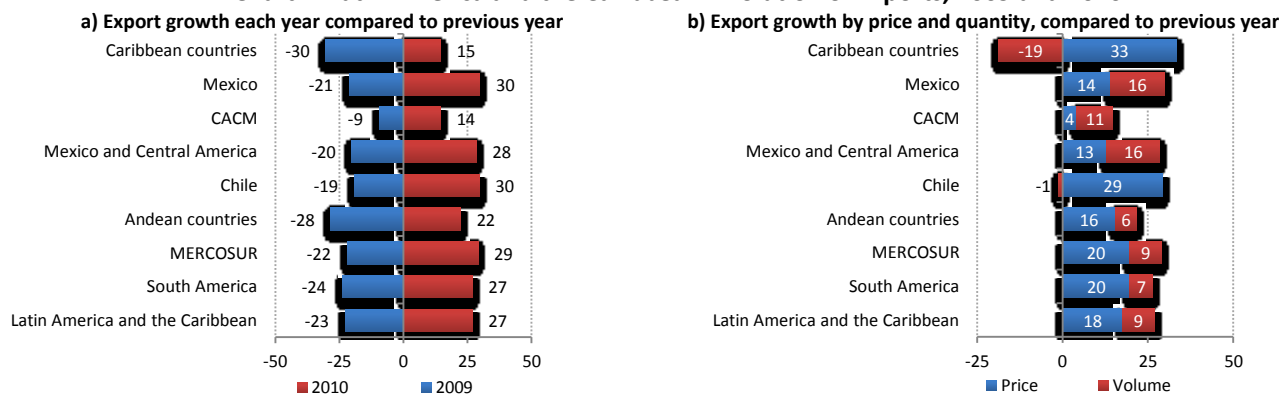
	Jan. 10	Feb. 10	Mar. 10	Apr. 10	May. 10	Jun. 10	Jul. 10	Aug. 10	Sep. 10	Oct. 10	Nov. 10	Dec. 10
Argentina	3 206	3 456	4 403	4 101	4 574	5 062	5 121	5 315	5 334	4 953	5 574	5 344
Bolivia, Pl. St. of	366	307	416	389	428	391	416	400	476	426	472	504
Brazil	11 485	11 808	15 056	13 878	14 256	14 822	16 318	16 823	17 746	16 529	17 379	15 551
Chile	3 884	3 566	4 212	4 254	4 792	4 286	4 885	4 874	4 688	5 066	4 969	5 022
Colombia	2 697	2 793	3 320	3 182	3 184	3 120	3 438	3 606	3 932	3 624	3 803	3 983
Costa Rica	1 055	954	1 161	1 128	1 109	1 118	1 221	1 127	1 150	1 193	1 146	1 208
Ecuador	1 402	1 250	1 561	1 585	1 589	1 618	1 758	1 976	1 603	1 795	1 941	1 884
El Salvador	650	622	716	728	681	792	733	684	721	717	739	766
Guatemala	934	979	1 142	1 166	1 130	1 171	1 240	1 189	1 132	1 198	1 270	1 278
Honduras	497	545	687	634	561	598	554	569	570	648	642	630
Mexico	19 634	20 880	25 711	24 764	24 624	25 337	24 364	27 615	25 861	27 318	28 254	27 119
Nicaragua	330	293	342	325	357	354	389	358	314	401	381	376
Panama	730	587	752	760	702	900	706	806	800	729	821	851
Paraguay	630	634	706	702	755	744	755	851	831	894	927	971
Peru	2 128	1 938	2 480	2 295	2 180	2 391	2 641	2 685	2 817	2 782	2 808	2 735
Dominican Republic	847	831	1 034	1 182	1 045	1 108	1 153	1 133	1 062	1 082	1 170	1 240
Uruguay	513	459	784	629	670	746	684	678	756	750	901	1 052
Venezuela, Bol. Rep.	2 419	2 122	2 931	3 359	3 417	3 229	3 359	3 414	3 520	3 732	3 732	3 732
Caribbean Countries	2 801	3 034	3 393	3 172	3 010	3 950	2 757	2 956	3 000	3 220	3 467	3 534
Andean Community	6 593	6 287	7 777	7 451	7 381	7 520	8 253	8 667	8 828	8 627	9 024	9 106
MERCOSUR	15 834	16 357	20 948	19 310	20 255	21 374	22 877	23 667	24 666	23 126	24 780	22 918
CACM	3 466	3 392	4 047	3 981	3 839	4 031	4 137	3 927	3 887	4 158	4 178	4 258

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 grew at a faster pace than exports, continuing the tendency seen since September. The Bolivarian Republic of Venezuela continues with its slow growing imports, which saw an increase of just 1.4%. The imports of the MERCOSUR countries grew by 42.4% in 2010 compared with 2009.

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

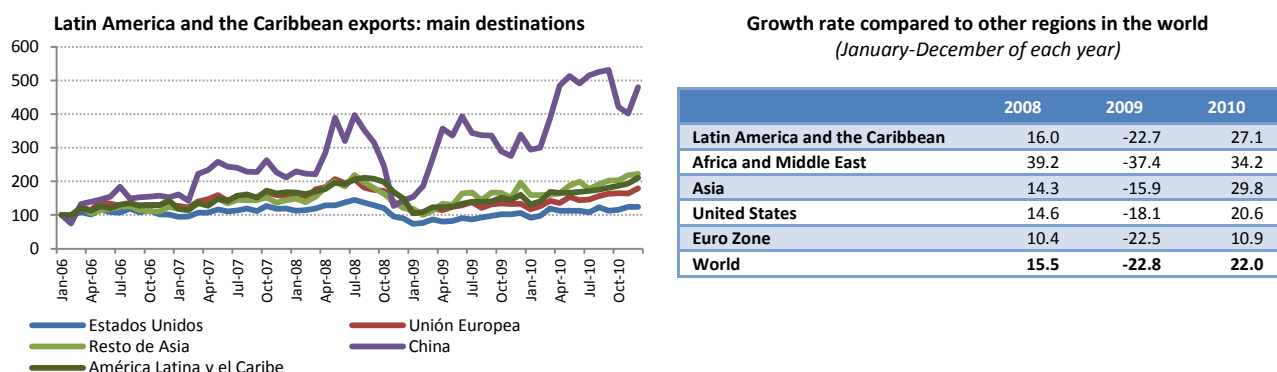


Source: ECLAC based on statistical offices, central banks, export promotion organizations, United States International Trade Commission (USITC), European Union's EUROSTAT and the IMF's Direction of Trade Statistics (DOTS).

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. Does not include Panama.

Looking at the individual sub-regions, the growth in exports was more pronounced in MERCOSUR and in the Andean countries than in the Central American Common Market (CACM). By decomposing the growth of exports by price and volume, it is evident that the recovery was led by a strong increase in prices (18%), while volume growth was 9% (Chart 1b). In Chile and in the Caribbean countries, the volume growth of exports was negative but was more than compensated by strong growth in export prices.

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)

	Jan. 10	Feb. 10	Mar. 10	Apr. 10	May. 10	Jun. 10	Jul. 10	Aug. 10	Sep. 10	Oct. 10	Nov. 10	Dec. 10
Exports	57 307	59 787	71 250	70 220	72 973	72 604	71 288	76 863	75 478	75 745	77 949	81 731
United States	24 105	25 593	31 308	29 586	29 471	29 568	28 251	32 109	29 409	30 105	32 302	32 310
European Union	7 439	7 972	8 967	8 502	9 652	9 012	9 176	9 902	10 192	10 360	10 266	11 215
Asia	8 897	8 969	10 231	11 692	12 811	12 923	12 617	13 138	13 500	11 964	12 557	13 704
China	3 924	4 000	5 174	6 482	6 873	6 604	6 913	6 884	6 821	5 611	5 753	6 792
Others Asia	4 973	4 969	5 057	5 211	5 939	6 319	5 704	6 255	6 679	6 354	6 804	6 912
Latin America and the Caribbean	10 575	11 172	13 457	13 315	13 378	13 582	13 809	14 073	14 496	14 493	14 878	16 219
Rest of the World	6 291	6 081	7 287	7 125	7 660	7 519	7 435	7 640	7 882	8 822	7 946	8 283
Imports	54 630	55 638	69 020	66 292	67 318	69 727	70 632	75 120	74 451	75 247	78 404	75 689
United States	16 960	17 925	22 431	21 721	21 343	20 684	21 018	22 723	21 701	22 771	23 788	23 363
European Union	8 137	7 804	10 090	8 978	9 329	10 346	9 913	11 065	10 846	10 438	11 292	10 685
Asia	14 217	14 085	17 942	16 644	17 771	18 935	19 474	20 972	21 265	21 443	21 717	19 385
China	6 905	6 699	8 379	7 558	8 192	9 350	10 037	10 622	11 049	11 057	11 236	9 977
Others Asia	7 312	7 386	9 563	9 086	9 579	9 585	9 436	10 350	10 216	10 387	10 481	9 408
Latin America and the Caribbean	10 814	11 503	13 529	13 230	13 280	13 702	13 642	14 204	14 475	14 522	15 425	15 643
Rest of the World	4 425	4 317	5 026	5 725	5 597	6 071	6 569	6 170	6 187	6 072	6 182	6 614

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).

According to destination, exports continued to show signs of recovery, particularly those directed to the European Union and the United States, which reached their highest levels of the year in December. The most dynamic destination for the region's exports continued to be Asia and China, though exports to the latter showed some signs of deceleration in October and November of 2010. Despite this, China continues to be the market to which the region's exports grew the most in the year. At the same time, intraregional exports increased significantly, reaching nearly 20% of the region's total exports during December. The region's imports, which also grew in the last quarter of 2010, did so at a slower pace than in the beginning of the year, with the exception of intraregional imports, which continued accelerating (Table 3).

At the end of the year the region accumulated a trade balance surplus of US\$ 16 000 million, broken down into a large deficit with Asia (slightly more than US\$ 81 000 million) and a large surplus of US\$ 97 000 million with the United States, the main trading partner for Latin America and the Caribbean.

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

	Jan. 10	Feb. 10	Mar. 10	Apr. 10	May. 10	Jun. 10	Jul.10	Aug. 10	Sep.10	Oct. 10	Nov. 10	Dec. 10	2010 ^a
Intra CAN	7.6	7.1	8.0	7.7	8.5	7.5	8.5	7.9	8.5	8.9	6.7	8.0	24.0
Intra MERCOSUR	15.8	17.5	16.5	15.3	14.2	14.8	15.3	14.7	15.8	15.2	16.8	16.6	34.2
Intra CACM	21.9	24.8	22.4	24.1	24.3	24.8	26.6	26.4	28.3	27.3	27.9	23.5	22.5
Chile to LAC	16.1	16.8	16.4	17.4	19.4	20.5	18.6	19.8	18.8	21.2	20.0	16.7	25.2
Mexico to LAC	6.5	6.6	6.6	7.0	6.4	7.7	7.9	6.9	6.8	7.6	6.5	7.0	41.9
Venezuela(B.R.) to LAC	16.7	15.1	15.5	15.1	14.6	15.5	15.0	13.5	14.5	15.9	14.1	14.4	9.3
Intra LAC	18.5	18.7	18.9	19.0	18.3	18.7	19.4	18.3	19.2	19.1	19.1	19.8	27.1

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 grew significantly, especially in MERCOSUR, where it returned to levels seen prior to the crisis. The countries in the Central American Common Market (CACM) recovered part of their dynamism lost during the crisis. Despite this, the coefficient of intra-subregional trade in December for this group fell from 23.5%, from 28% in November. This places this subregion as the most important in terms of reciprocal trade, followed by MERCOSUR and the Andean Community (CAN), where the same coefficient increased in 2010. Mexico and Chile expanded their trade with the rest of the Latin America and the Caribbean countries. Trade by the Bolivarian Republic of Venezuela continued to show signs of lower dynamism. It is notable that between January and December of 2010, the increase in intraregional trade was of more than one percentage point, higher than the increase in most of the individual integration schemes.

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)

	Jan. 10	Feb. 10	Mar. 10	Apr. 10	May. 10	Jun. 10	Jul.10	Aug. 10	Sep.10	Oct. 10	Nov. 10	Dec. 10
EXPORTS	56 192	58 121	69 418	68 416	71 224	71 031	69 717	75 263	74 574	72 636	76 811	80 836
Agricultural and pecuary products	7 313	7 374	8 850	8 976	9 708	9 527	9 207	9 397	9 107	7 814	8 971	9 181
Mining and oil	19 733	18 884	21 326	20 998	22 188	20 949	21 524	22 962	23 789	22 595	25 039	28 631
Manufactures	29 146	31 863	39 242	38 443	39 328	40 555	38 985	42 904	41 678	42 227	42 801	43 025
IMPORTS	52 991	54 121	66 463	64 664	65 847	67 328	68 904	73 606	72 632	73 714	76 444	73 729
Capital goods	9 837	9 074	11 261	10 447	11 191	11 552	12 463	13 373	13 735	13 150	13 872	14 281
Intermediate goods	26 934	29 230	36 018	33 978	34 473	35 965	36 248	39 128	38 022	38 708	39 820	36 574
Consumer goods	9 890	9 856	12 062	11 900	11 914	11 830	12 297	13 252	13 566	14 196	14 613	14 550
Fuels	6 330	5 961	7 123	8 340	8 269	7 982	7 895	7 853	7 309	7 660	8 138	8 325

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.).

Exports by product showed generalized increases in all product categories. The largest increases were in mining products and oil. This is precisely the group which, in the last quarter of 2010, saw its exports reach their highest levels. At the same time, exports of food and agricultural products recovered due to the increase in international prices. As for the performance of imports, fuels, consumer goods and capital goods had the highest increases, while imports of intermediate goods showed a strong decrease in December.

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	
		2009	2010	Value growth	Dec.	2009	2010		Price growth
Sugar	2%	23 630	34 014	43.9	342.1	221.9	260.2	17.3	26.7
Banana	2%	64 639	68 646	6.2	214.0	202.6	210.0	3.7	2.5
Drinks	5%	18 723	25 558	36.5	244.3	163.6	205.0	25.4	11.2
Meat	1%	28 936	31 546	9.0	197.0	136.3	173.8	27.5	-18.5
Copper	8%	33 576	48 845	45.5	504.5	282.8	415.6	47.0	-1.5
Natural gas	1%	2 103	2 981	41.7	98.3	91.7	101.7	11.0	30.7
Iron / Steel	4%	10 472	13 959	33.3	233.5	227.1	229.7	1.2	32.1
Oil	21%	86 724	107 897	24.4	320.5	221.7	283.9	28.0	-3.6
Soy beans	3%	16 318	20 822	27.6	258.2	205.9	212.4	3.1	24.5
Sub-total	49%	285 122	354 269	24.3	156.4	107.0	135.5	26.6	-2.4

	Prices				
	(C)	2009	2010	Price Growth	Dec.
Food	10%	173.1	190.1	9.9	227.2
Drinks	5%	163.6	205.0	25.4	244.3
Oils and meals	8%	215.2	222.7	3.5	269.6
Other agro	9%	111.2	157.1	41.3	176.2
Minerals and metals	37%	247.3	292.8	18.4	323.9
Energy	31%	210.7	269.5	27.9	303.5
Total (C)	100%	209.3	252.7	20.7	285.9

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, except in gas, where it represents 56%; 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 main exports of primary products by the region ended 2010 with an increase of 26.6% in prices and a slight decrease in volume (-2.4%). While the largest increases in prices were largely due to copper and oil, it is notable that food and agropecuary products increased by 17% and represent a third of the total export basket of the region. Such an increase benefits exporters of primary products, but also has a negative impact in Central American economies that are net importers of food products.

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