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**THE EFFECTS OF THE GLOBAL FINANCIAL CRISIS ON SMALL  
LATIN AMERICAN AND CARIBBEAN ECONOMIES**

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This document was elaborated by the ECLAC Subregional Headquarters in Mexico for the FTAA-Consultative Group on Smaller Economies. The study is an updated, expanded and revised version of the document *The Effects of the East Asian Crisis on Small Economies. The Cases of Central America and the Caribbean*, presented at the second meeting of the FTAA-Consultative Group on Smaller Economies (Miami, 15-16 March 1999), and it has incorporated observations and comments received from participating countries.

The document has not undergone formal editing.

### Explanatory notes

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- Three dots (...) indicate that data are not available or are not separately reported.
- A dash (—) indicates that the amount is nil or negligible.
- A blank in a table indicates that the item is not applicable.
- A minus (-) sign indicates a deficit or decrease unless otherwise specified.
- A dot (.) is used for decimal points.
- A slash (/) indicates a crop year or financial year, e.g. 1989/90.
- Use of a hyphen (-) between dates representing years, e.g., 1981-1983, signifies the full period involved, including the beginning and end years.
- Reference to “tons” indicates metric tons, and to “dollars” United States dollars, unless otherwise stated.
- The term “billion” signifies a thousand million.
- Annual rates of growth or change, unless otherwise stated, refer to annual compound rates.
- Details and percentages in tables do not necessarily add to totals, because of rounding.

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## SUMMARY

This document has been prepared for the information of the participants to the fourth meeting of the Consultative Group on Smaller Economies (Miami, October 4-5, 1999). It analyses the potential impact of the global financial crisis on small Latin American and Caribbean countries by focussing on balance of payments, capital flows and fiscal effects.

The balance of trade effect comprises a real exchange rate effect that translates into increasing competition from East Asian countries in export markets and an external demand effect. A product-by-product analysis of the United States import market shows that Asian Countries did not pose a competitive threat to Latin American and Caribbean countries. Lower tariffs and preferential access to the United States import market compensated East Asia's increase in external competitiveness due to real exchange rate devaluations.

The external demand effect results in export losses or gains depending on the state of the economy of major trading partners of small countries. The effects are asymmetric. Brazil's forecasted output contraction will have negative effects of Uruguay and Paraguay. The United States continued expansion will benefit Central American and Caribbean countries.

The financial effects are centred in the reduction in the availability of capital inflows mostly due to the reduction in commercial bank lending. This places a significant constraint on the balance of payments of small economies. While some countries have let their exchange rates depreciate, monetary contraction is the preferred means to attain the required adjustment with the concomitant costs in terms of foregone output and employment.

Finally, the crisis, in its second stage, has reinforced the decrease in demand for basic export commodities. Through this channel it had an important fiscal impact for those countries in which government revenues depend on the price behaviour of these commodities. Oil exporting countries provide a case in point. Other economies such Central American ones have become, through trade liberalization, less vulnerable to this type of external shock.

The Free Trade Area of the Americas (FTAA) will inevitably lead in the future to a deepening of trade and financial integration among member countries. This could insulate member countries from external shocks. It is plausible, however, that in the absence of established and agreed-on mechanisms, further integration may aggravate economic fluctuations. It is thus important to bring to the discussion preventive measures to smooth out economic fluctuations in the short run.

## 1. Introduction

The financial global crisis began with an apparently minor event, the devaluation of Thailand's national currency, and spread by direct or indirect mechanisms to many parts of the world, affecting big and small economies alike.<sup>1</sup> The contagion effects were compounded, in some cases, by policy-induced macroeconomic adjustments decisions.

As with other regions, Latin American and Caribbean country performances were affected by the crisis. Latin America's GDP growth decreased during 1998 (from 5.2% in 1997 to 2.1% in 1998) and is expected to decline further in 1999 (to -1.5%). In 1998, small and big Latin American economies registered, on average, decreases of 1 and 4 percentage points respectively in GDP growth. In the same year Caribbean countries experienced close to a one percentage point decline in output growth.

While most analyses of the crisis in Latin America have centred on the larger economies, it becomes necessary, in light of the Free Trade Area of the Americas negotiation efforts, to examine the consequences of that phenomenon on small economies. Small economies have been affected mainly by decreases in the growth of trade, reduced access to international finance and declines in the price of basic commodities.

The Free Trade Area of the Americas (FTAA) on-going negotiations make it important to understand how small economies react to external shocks. The analysis of transmission and propagation mechanisms may facilitate the task of outlining potential policy options. Finally, the crisis has highlighted the fact that regional trade agreements are not immune from macroeconomic performance.

Exogenous or endogenous changes in macroeconomic variables affect the volume and direction of trade between commercial partners. As a result trade and policy reform commitments may change when the conditions that generated such agreements are liable to change, especially when these changes are felt asymmetrically among partners of a trade agreement.

Thus, if at an earlier stage during the present decade, regional agreements were able to make substantial progress in the reduction of trade barriers among members and engage in significant tariff reduction schedules with third countries it was, in part, the result of a favourable macroeconomic environment. This included capital inflow availability, investors' so called 'animal spirits', world economic stability and prospects of future growth. The global financial crisis has cast a shadow, precisely, over those elements which have allowed trade agreements to prosper.

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<sup>1</sup> The financial crisis has proceeded in a sequential fashion in four distinct but interrelated steps. The first one is the Asian crisis proper (July, 1997-November, 1997); the second is referred to as the terms of trade effect (December, 1997-July, 1998), the third is the Russian crisis (July, 1998-October, 1998) and finally the Brazilian crisis (December, 1998-February, 1999).

This paper presents the effects thus far of the global financial crisis on small Latin American and Caribbean economies and reviews other possible effects avoided up until now. Following this introduction the first section focuses on balance of trade effects. These comprise the increase in competition export market effect, noting in particular external direct and indirect demand effects. The second section centres on capital flows. Data on international debt issues and foreign direct investment for small economies is presented and analysed. Alternative policy options when external finance availability is curtailed are outlined. The third section examines the fiscal effect of the financial crisis. This effect depends mainly on the importance of trade taxes for fiscal revenues. The conclusion and final reflections are presented in the last section.<sup>2</sup>

## 2. Balance of trade effects

The small economies of Latin America and the Caribbean are open economies and as a result are dependent on balance of trade performance. In turn, trade performance depends on competitive positions in third markets and, more importantly, on changes in external demand. These are analysed in turn.

### a) Increased competition in export markets

Since the outbreak of the global crisis Asian Crisis countries<sup>3</sup> (ACC, hereafter) have experienced real exchange rate depreciations reaching in some cases more than 200%, i.e., Indonesia (see table 1). Additionally the national currencies of small Latin American countries and those of some Caribbean countries have maintained, for the most part, their dollar purchasing power (see table 2).

As a result the relative appreciation of the Latin American and Caribbean dollar exchange rate with respect to ACC could by itself have adverse consequences for those specific products with which these regions and the ACC compete in third product markets. Due to limitations in data availability this section focuses on the United States product market.

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<sup>2</sup> In all sections country data is presented according to its availability.

<sup>3</sup> These are Indonesia, Malaysia, Philippines, Thailand, South Korea.

Table 1

## ACC CURRENCIES REAL EXCHANGE RATES, 1996-1999

(1995 = 100)

Country	1996	1997	1998	1998 First Quarter	1999 First Quarter
Indonesia	99.25	118.06	262.24	312.2	...
Malaysia	99.88	111.38	149.97	153.77	143.01
Philippines	96.78	105.96	137.12	140.88	122.82
Thailand	98.93	118.57	147.04	169.54	132.12
South Korea	102.31	118.50	165.05	188.17	141.72

Source: ECLAC (1999); IMF (1999); Central Bank of Malaysia (1999).

Table 2

SELECTED LATIN AMERICAN AND CARIBBEAN COUNTRIES REAL EXCHANGE RATES,  
1996-1999

(1995 = 100)

Country	1996	1997	1998	1998 First Quarter	1999 First Quarter
Bolivia	96.8	97.9	96.9	95.5	99.4
Costa Rica	101.2	102.4	103.1	102.6	103.8
El Salvador	93.7	91.8	91.0	91.5	90.8
Guatemala	96.4	90.6	90.7	90.2	98.0
Haiti	88.7	79.8	73.8	78.1	70.7
Honduras	102.7	97.2	89.4	92.8	87.8
Jamaica	86.0	76.5	73.9	75.4	79.1
Nicaragua	102.7	107.7	108.4	109.3	108.3
Dominican Republic	98.9	96.8	100.4	97.1	101.7
Trinidad & Tobago	100.5	103.3	98.6	102.4	...
Uruguay	100.7	101.8	103.6	102.8	105.3

Source: ECLAC (1999); IMF (1999).

Note: The real exchange rates are bilateral country-United States exchange rates.

Specific products for which ACC and small Latin American and Caribbean countries compete were identified through a by-product analysis at the two digit level. The main export products of small Latin American and Caribbean Countries are shown in the appendix.

ACC compete with Latin American countries in the United States market in the textile market. These textile products, largely covered under chapter 61 and 62 of the harmonized code, have slightly increased their product share in the United States market. Chapter 61 has increased its market share from 2.1% of all United States imports in 1997 to 2.4%. In a similar fashion, chapter 62 has gone from representing 3% of all United States imports in 1997 to 3.1% in 1998 (see table 3).

Latin American countries that export textiles have for the most part at least maintained their market share between 1997 and 1998. Cases in point are El Salvador, the Dominican Republic and Guatemala. In addition, the implicit duty rate charged on the import value of these products is higher for Asian countries than for Latin American countries. As an example, while the duty rate for the Philippines and Indonesia for chapter 62 for the year 1998 is 16% and 18% respectively, it is 13% for Guatemala and 9% for the Dominican Republic.<sup>4</sup>

The global crisis has not resulted in an increase in the competitiveness of ACC countries at the expense of small Latin American economies. In fact, the latter have maintained or increased their market share in those products for which they compete with ACC countries. This is explained, in part, by lower tariff rates relative to ACC and by preferential access conditions to the United States market, such as the Special Access Program.

## **b) External demand**

When analysing the external demand effect of the financial crisis, it is important to distinguish between a direct and an indirect external demand effect. The former effect refers to the potential decrease in Central American and Caribbean exports to East Asian countries that have experienced substantial decreases in GDP. These are mainly ACC.

For 1998 the average GDP growth for ACC declined by -6.7%. In 1999 GDP growth is expected to reach -0.5%. However the effect on Latin American and Caribbean exports is not significant. The ACC average market share for the years 1992-1998 amounts to 0.14% for the Central American Common Market (CACM); 0.19% for the G-3; 1.43% for the Andean Community; 0.39% for CARICOM countries. In the cases of the Mercosur and NAFTA, the ACC share is higher, 3.22% and 5.11% respectively (see tables 3 and 4).

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<sup>4</sup> Mexico's share has increased from 12% to 13% for products belonging to both chapter 61 and 62. Needless to say, NAFTA has allowed important tariff reductions for Mexican products. The duty rate applied to Mexican textiles belonging to both chapters 61 and 62 categories does not surpass 1.5%.



Table 3

UNITED STATES IMPORT MARKET SHARE OF SELECTED PRODUCTS BY COUNTRY OF ORIGIN  
AND IMPLICIT DUTY RATES, 1993-1998

(Percentage)

	1993	1994	1995	1996	1997	1998
Articles of apparel, Chapter 61						
	1.8	1.8	1.9	1.9	2.1	2.4
Mexico	2.9	4.2	7.2	9.7	11.6	13.02
	5.5	2.8	1.4	0.6	0.5	0.5
Honduras	1.9	2.3	3.2	4.9	5.6	5.7
	13.4	11.5	9.9	7.9	7.2	6.8
Korea	6.7	6.0	4.5	3.6	3.6	4.2
	23.3	24.3	23.6	23.7	24.0	25.2
Thailand	3.4	3.4	3.4	3.3	3.4	3.8
	19.2	19.3	19.5	18.9	18.6	17.4
Dominican Republic	3.3	3.2	3.4	3.6	3.7	3.7
	8.3	8.1	7.3	6.0	5.1	5.2
El Salvador	1.1	1.6	2.1	2.6	3.5	3.6
	10.1	10.3	8.8	7.9	7.4	7.7
Articles of apparel, Chapter 62						
	3.4	3.2	3.0	2.9	3.0	3.1
Mexico	5.1	6.0	8.1	10.0	11.9	13.8
	6.6	5.8	1.9	1.2	1.3	1.2
Dominican Republic	5.1	5.5	5.6	5.2	5.8	5.4
	7.6	8.0	7.7	8.2	8.5	8.6
Indonesia	3.7	3.6	3.9	4.3	4.4	4.3
	19.7	19.4	18.6	17.7	17.4	17.5
Philippines	4.2	4.2	4.3	4.0	3.7	3.7
	15.96	15.68	15.25	15.87	15.9	16.2
South Korea	6.3	5.5	4.6	3.8	3.4	3.6
	16.24	16.5	16.7	16.12	15.9	16.1
Guatemala	2.2	2.3	2.4	2.7	2.7	2.7
	10.6	11.32	11.11	11.15	12.5	13.3

Source: MAGIC (1999). Note: Implicit duty rates are shown in the second row. The Module to Analyse the Growth of International Commerce (MAGIC) is a software programme developed by the ECLAC subregional headquarters in Mexico to analyse trade flows.

Table 4

## ACC MARKET SHARE OF SELECTED REGIONAL BLOC EXPORTS, 1990-1998

Region/ Country	1992	1993	1994	1995	1996	1997	1998 a/
NAFTA	4.91	5.08	5.33	6.20	6.11	4.92	3.24
CACM	0.27	0.14	0.17	0.15	0.12	0.06	0.06
G-3	0.15	0.24	0.17	0.23	0.25	0.15	0.14
Mercosur	3.31	3.26	3.19	3.91	4.03	2.92	1.95
Andean Community	0.66	1.73	1.76	1.71	1.59	1.24	1.32
CARICOM	0.90	0.70	0.65	0.33	0.10	0.04	0.04

Source: MAGIC (1997). ECLAC, Mexico City.

Note: ACC = Asian Crisis Countries.

a/ Preliminary, third quarter.

While the direct external demand effect of the crisis on the exports of these economies analysed in this paper is negligible, there is an indirect effect with real consequences. This indirect effect results from variations in a main trading partner's income. table 5 shows the main trading partners of small Latin American and selected Caribbean countries.

Looking at the trade relationship from the export side, table 5 indicates that these countries have important extra-regional and intra-regional partnerships. Extra-regionally the United States and Germany are Central America's and Panama's main trading partners and during 1991-1997 accounted on average for 40% and 15% of all external sales respectively. In the case of the selected Caribbean countries, and with the exception of the Dominican Republic, the United Kingdom is the leading trade partner followed by the United States (29% and 28% respectively of export market share). Finally, in the case of South American countries the United States account for 35% of all exports.

At an intra-regional level, there are significant bilateral trade relationships. These relationships shown in table 5 are further classified by regional trade agreement in table 6-8. Within Mercosur main trade partnerships include those of Paraguay-Brazil; Uruguay-Brazil; Paraguay-Argentina; Uruguay-Argentina. The Paraguayan and Uruguayan exports to Brazil account for 34% and 31% of their total. Paraguayan and Uruguayan exports to Argentina represent 11% and 13% of their total external sales (table 7).

In the Central American Common Market, Guatemala and El Salvador exhibit a strong relationship as their bilateral intra-regional exports account for 12% and 15% of the total (table 6). Finally, in the case of the Andean Community, the most important bilateral relationships is that of Bolivia-Peru (11% of all Bolivian exports are destined to the Peruvian market) (table 8). To a lesser extent the relationship between Bolivia and Colombia can also be taken into consideration.

Table 5

AVERAGE EXPORT SHARES OF SMALL LATIN AMERICAN AND CARIBBEAN MAIN TRADING PARTNERS, 1991-1997

Country	Main Trading Partners	Average Export Share (%)
Central America and Panama		
Costa Rica	United States	42
	Germany	9
	Belgium	6
	Italy	5
El Salvador	United States	25
	Germany	14
	Guatemala	21
	Costa Rica	9
Guatemala	United States	35
	El Salvador	14
	Costa Rica	6
Honduras	United States	54
	Germany	12
Nicaragua	United States	37
	Germany	10
	El Salvador	8
Panama	United States	41
	Germany	15
	Costa Rica	7
	Sweden	8
Selected South American Countries		
Paraguay	Brazil	44
	Argentina	11
	Netherlands	10
Uruguay	United States	28
	Brazil	35
	Argentina	11
	Germany	5
	People's Republic of China	5
Bolivia	United States	26
	United Kingdom	12
	Argentina	11
	Peru	10
	Colombia	10

/Continued

Table 5 (Continued)

Country	Main Trading Partners	Average Export Share (%)
Ecuador	United States	37
	Colombia	6
	Panama	6
	Germany	6
	South Korea	6
Selected Caribbean Countries		
Barbados	United States	19
	United Kingdom	22
	Trinidad & Tobago	12
	Santa Lucia	5
Belize	United States	49
	United Kingdom	38
Dominica	United Kingdom	44
	United States	7
	Jamaica	13
Jamaica	United States	36
	United Kingdom	15
	Canada	12
	Norway	9
Trinidad & Tobago	...	...
Dominican Republic	United States	84

Source: BADECEL. IMF, Direction of Trade Statistics (1997). In the case of South American countries export share was computed only for 1996.

Table 6

CENTRAL AMERICAN COMMON MARKET. INTRA-REGIONAL EXPORTS AS PERCENTAGE  
OF TOTAL EXPORTS, 1990-1998

	Costa Rica	El Salvador	Guatemala	Honduras	Nicaragua
Costa Rica	...	2.41	2.05	1.02	3.22
El Salvador	7.36	...	15.31	4.30	3.54
Guatemala	4.94	11.46	...	5.36	3.16
Honduras	0.59	1.20	2.37	...	0.71
Nicaragua	3.60	6.47	1.61	1.55	...

Source: IMF. Direction of Trade Statistics (1990-1998). Several issues.

Table 7

MERCOSUR: INTRA-REGIONAL EXPORTS AS PERCENTAGE OF TOTAL EXPORTS,  
1990-1998

	Argentina	Brazil	Paraguay	Uruguay
Argentina	...	24.32	1.67	3.01
Brazil	9.7	...	2.39	1.6
Paraguay	11.3	34.29	...	1.85
Uruguay	12.68	31.14	1.48	...

Source: IMF. Direction of Trade Statistics (1990-1998). Several issues.

Table 8

ANDEAN COMMUNITY. INTRA-REGIONAL EXPORTS AS A PERCENTAGE OF TOTAL  
EXPORTS, 1990-1998

	Bolivia	Colombia	Ecuador	Peru	Venezuela
Bolivia		5.76	0.5	10.90	0.27
Colombia	0.24		3.43	3.28	7.47
Ecuador	0.08	5.01		2.6	0.57
Peru	1.55	2.47	1.33		2.24
Venezuela	0.05	5.28	0.87	1.28	

Source: IMF. Direction of Trade Statistics (1990-1998). Several issues.

The effect that a variation in the demand of a major or important trading partner can have on the performance of small economies can be roughly approximated by obtaining an estimate of the percentage change in imports that would result from a given percent variation in a trading partner's output. This estimate is known as the import elasticity of income. It can be used to assess the effect of a slowdown in growth on trade flows among commercial partners due to the global crisis.

Table 9 shows the import elasticity of income for a set of countries that include two extra-regional (United Kingdom and the United States) and one intra-regional trading partners (Brazil). The import elasticity of income was computed for all imports. In the case of the United States, due to a wider range of data availability, the import elasticity of income was also computed for main products that the United States imports from both Central America and the Caribbean. There are 69 main products for both Central America and the Caribbean representing 60% of the United States imports from both regions (see table 9).

Table 9

IMPORT ELASTICITY OF INCOME FOR SELECTED TRADING PARTNERS OF SMALL LATIN  
AMERICAN ECONOMIES

Country	Import elasticity of income
Brazil	1.48
United Kingdom	2.1
United States Total Imports	1.9
United States Main Import Products from Central America	3.6
United States Main Import Products from the Caribbean	1.1

Source: National Trade Data Bank, 1999; Bureau of Economic Analysis, 1999; ECLAC (1998); Bairam (1997).

In the case of Brazil, which accounts for 31% and 34% of Uruguayan and Paraguayan exports, a 1% decrease in Brazil's GDP would translate into a decrease of 2% in Uruguayan exports to Brazil. If, as initially forecasted after the devaluation, Brazil's GDP growth falls by 5%, then Uruguayan exports may decrease by 9%. For Paraguay these scenarios would yield decreases in export growth to Brazil of 1.6% and 8% respectively.

Other South American small economies outside the Mercosur, such as Ecuador and Bolivia do not have significant trade linkage with Brazil and are less likely to be affected by Brazil's economic problems. The share of total Ecuadorian and Bolivian exports destined to the Brazilian market is 0.5% and 2.9% respectively.

The United States and, in general, the other industrialized economies have fared well and their performances have not been affected by the global financial crisis. One exception is the United Kingdom. This country has registered a marked decrease in its rate of growth by more than one percentage point between the third quarter of 1997 and the third quarter of 1998. A 1% decrease in the United Kingdom's GDP would result into decreases in export growth of 2% for Bolivia and 1% for Barbados and Jamaica.

For the United States, given its favourable economic performance, it is more realistic to analyse the effects of an increase in output growth on import variation.

For the main products from Central America and the Caribbean the import elasticity of income is much higher for Central American (3.6) than for Caribbean products (1.1). This points to the fact that the Caribbean products as a whole are less prone to experiencing a rise due to an increase in United States output than Central American products (i.e., are less elastic). This may in turn be explained by the composition of the set of United States import products from Central America and the Caribbean. Close to 70% of the main products imported by the United States from the Caribbean are petroleum products. Central American countries exports to the United States consist in textiles and primary products (see appendix).

Given the share of Central American and Caribbean countries in United States imports, calculations were carried out which indicate that a 1% increase in United States GDP would translate into an increase of 7% for Central American and 5% for Caribbean exports to the United States.

The analysis so far shows that the real exchange rate and direct demand effects of the global crisis on small economies are nil. The indirect effect is important as it can result in significant export losses or gains depending on the state of the economy of major trading partners. This indicates, as noted above, that the vulnerability of a regional free trade agreement, involving big and small economies, to external shocks depends in part on the performance of big economies.

Two major trading partners of small economies, Brazil and the United States, exhibit opposite economic outlooks and affect asymmetrically those economies with which they have strong trade linkages. Central America and the Caribbean will benefit from the United States continued expansion while Uruguayan and Paraguayan exports will suffer from Brazil's output contraction.

Decreases in exports imply, other things being equal, widening current account deficits. Over the short run, domestic saving rates are unlikely to improve and deficit countries will be forced to rely on foreign capital flows to finance their external accounts. However, as will be shown in the next section, external finance has become more costly and difficult to obtain. As a result, some deficit countries and some of those with higher external vulnerability have relied on fiscal and monetary contraction to bring about the required adjustment.

### 3. Financial effects

#### a) Capital flows in Latin America

The financial crisis affected the behaviour of capital flows to emerging market economies. Private flows to Latin America estimated at 106 billion dollars in 1997 had decreased to 85 billion dollars by 1998. The forecast for 1999 points to a further decline of nearly 20 billion dollars. (See table 10).

The main explanation for the decrease in foreign flows to Latin America is the performance of two big economies, Brazil and Argentina.<sup>5</sup> Official flows will compensate part of this decline as these are expected to increase due to disbursements from international organizations. Within the small economies group, Ecuador will contribute to this increase in

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<sup>5</sup> In the case of Brazil, private net flows are expected to decrease from 36 billion dollars in 1998 to 14 in 1999. Argentina will also experience a decline in flows while Mexico will register a surge in capital flows. The decomposition of capital into its private and official components show that the decrease in bank lending is the main cause of the decrease in capital flows.

official flows. Ecuador was trying to reach an agreement with the IMF for a 400 million dollar loan before August 28, 1999.<sup>6</sup>

Table 10

## LATIN AMERICA'S EXTERNAL FINANCE 1995-1999

(Billions of Dollars)

	1995	1996	1997	1998	1999
Total external finance	71.4	93.7	102.0	105.1	87.8
Private net flows	45.4	104.4	105.9	85.4	66.3
Net Equity Investment	30.1	49.6	63.9	45.7	47.4
Net Direct Equity	24.5	36.5	50.9	50.7	40.2
Net Portfolio Equity	5.5	13.1	13.0	-4.7	7.3
Net Private Creditors	15.4	54.8	42	39.7	18.8
Net Commercial Banks	19.4	21.5	15.3	4.9	1.7
Net Non Banks	-4.0	33.3	26.7	34.8	17.1
Net Official Flows	26	-10.7	-3.9	19.7	21.5

Source: IIF (1999).

Variations in foreign capital flows and reduced access to external finance have concentrated their effects on big economies. Yet, they have also had an impact on small economies on both debt issues and foreign direct investment behaviour.

#### b) International debt market and foreign direct investment flows

The international debt market suffered with unprecedented rapidity the contagion effects of the financial crisis. Initially, as pointed out in the IMF International Capital Market Report (1998), the Asian crisis caused a virtual shutdown for new debt issues in the fourth quarter of 1997. The Russia crisis led to further fear of illiquidity and to a switch to more liquid instruments. The volume of issues was significantly affected by the Russian crisis as their level fell to that registered during the Mexican crisis. Fortunately, the decrease in the rate of discount in the United States and in Europe eased the situation somewhat.

<sup>6</sup> Peru, Mexico, Brazil and Argentina have requested support for further IMF financing. Argentina requested fund assistance to deal with the contagion effects of the Russian and Brazilian crises. Peru requested a three-year loan from the IMF amounting to 383 million SDR (June, 1999). In its letter of intent (May, 1999) Mexico's request to the IMF amounted to an equivalent of 3 109.3 million SDR in the form of a stand-by arrangement until the end of the year 2000 (June, 1999).



During the first months of 1999, the Brazilian crisis had important effects on Argentina leading this country to implicitly announce an increasing risk of debt default. This has had an impact on emerging market debt as Argentina's external debt is one of the biggest in the region (129.4 billion dollars).<sup>7</sup>

Small economies are not shielded from these global financial effects. As table 11 shows, international debt security flows for most small Latin American and Caribbean countries actually decreased in the third and fourth quarters of 1998.

Table 11

INTERNATIONAL DEBT SECURITY FLOWS BY NATIONALITY OF USER. SELECTED SMALL  
LATIN AMERICAN AND CARIBBEAN COUNTRIES

(Millions of US Dollars)

Country	1997	1998	1998 June- September	1998 September- December
Latin American Countries				
Costa Rica	-50	200	138	-6
Guatemala	126	-24	-12	0
Uruguay	402	367	-24	213
Ecuador	615	-6	-44	-73
Selected Caribbean countries				
Jamaica	195	250	250	0
Trinidad & Tobago	-100	0	1	-1
Dominican Republic	200	656	0	65

Source: BIS-IMF-OECD-World Bank statistics on external debt (1999).

More than concerned with short term capital flows, analysts have pointed to the possible effects of the crisis on foreign direct investment. This is due to the fact that direct foreign flows are often said to promote growth through investment spending and improve the standard of living in developing countries.<sup>8</sup>

Table 12 shows that, except for Guatemala, Ecuador and Paraguay, other small Latin American economies have registered marked decreases in the rate of growth of foreign direct

<sup>7</sup> By 1999, Argentina's external debt will represent 44% of GDP and the debt service 21% of its exports.

<sup>8</sup> Foreign direct investment may enable households to smooth their consumption over time and thus increase their welfare; it may also help countries to achieve a better diversification of their portfolio, and provide funds for the development of pension funds and wealth schemes (see, Calvo et al., 1996).

investment. With the exception of these three countries, foreign direct investment in these economies grew by 41% in 1997 and -0.3% in 1998.

Table 12

ANNUAL FOREIGN DIRECT INVESTMENT RATE OF GROWTH. SELECTED LATIN AMERICAN COUNTRIES, 1993-1998

Country	1993	1994	1995	1996	1997	1998
Costa Rica	9.9	20.1	33.1	8.2	14.2	7.9
El Salvador	6.7	...	...	-118.4	...	...
Guatemala	52.1	-54.5	15.4	2.7	10.4	605.9
Honduras	7.7	-19.2	64.3	30.4	42.2	-21.9
Nicaragua	160	2.6	75.	21.4	103.5	6.9
Bolivia	33	21.5	166.0	20.7	26.9	8.5
Ecuador	163.5	13.2	-11.5	-4.9	29.1	30
Paraguay	-38.3	31.1	60.8	57.7	-10.2	10.9
Uruguay	...	52.0	1.3	-12.7	16.8	-3.12

Source: ECLAC (1999). Note: the rate of growth was calculated on a dollar basis.

Small economies with important current account deficits, weak export performance, high services payment on their external debt as well as significant borrowing requirement are more vulnerable to variations in external finance availability. They are also more likely to apply restrictive measures that bring about the required adjustment but at the expense of output reductions.

Table 13 shows indicators of external vulnerability for selected Latin American and Caribbean economies. These include external debt and current accounts as a percentage of GDP and export growth.

Among Central American countries, Costa Rica and Nicaragua have increased their rates of export growth between the fourth quarter of 1998 and the first quarter of 1999. Guatemala is likely also to maintain its export performance. These countries have managed to maintain safe standards of external indebtedness coupled with current account deficits below the 5% "rule of thumb" threshold.

Within South American countries Bolivia and Ecuador have high current account deficits and Uruguay and Ecuador show signs of an export growth slowdown. Caribbean countries have so far, on average, increased their exports; however the current account and external debt figures is still an important restriction on their economic performance.

The most vulnerable countries in terms of all the said indicators are Bolivia, Ecuador, Panama, Belize, Dominica, Jamaica and Saint Vincent and the Grenadines.

Table 13

EXTERNAL PERFORMANCE INDICATORS. SELECTED LATIN AMERICAN AND CARIBBEAN COUNTRIES

Country	Stock of external debt Millions of US Dollars 1998	External debt as % of GDP 1998	Current account as % of GDP 1998	Export Growth	Export Growth
				1998 IVQ	1999 IQ
Costa Rica	3 156	34	-2.8	-18.5	9.8
El Salvador	1 754	22.4	-0.7	20.9	-0.09
Guatemala	2 393	12.6	-4.9	56.2	...
Honduras	1 847	80.9	-2.9	-1.8	...
Nicaragua	1 622	295.3	-37.8	18.8	15.9
Uruguay	7 206	29.2	-1.9	-1.1	6.0
Paraguay	998	45.8	-3.3	...	...
Bolivia	2 234	36.3	-7.9	...	...
Ecuador	11 590	67.4	-10.7	-3.2	-8.4
Haiti	748	31.5	-2.2	-6.2	50.4
Panama	39 723	56.2	-13.5	10.9	-0.30
Dominican Republic	2 525	21.3	-2.4	10.1	1.2
Barbados	7 516	15.3	...	-20.4	34.9
Belize	159	30.6	-6.2	-9.7	-18.7
Dominica	44	42.5	-9.8	...	...
Guyana	515	271.5	1.9	...	...
Jamaica	1 823	40.9	-5.6	-3.5	-3.2
Saint Vincent and Grenadines	339	35.3	-48.4 a/	-29.1	0

Source: BIS-IMF-OECD-World Bank statistics on external debt (1999); IMF (1999); ECLAC (1999).

a/ Refers to trade deficit as a % of GDP. Export data for the Dominican Republic are for January-June.

Latin American economies have, in general, responded to the existing and potential vulnerability by curtailing domestic spending avoiding in this way further balance of payments disequilibria. This has come about through monetary contraction rather than *via* interest rate increases (table 14). In some cases countries have also allowed depreciation in their exchange

rates (Costa Rica, Dominican Republic, Guatemala and Ecuador are cases in point). However, the brunt of the domestic adjustment has been carried out through monetary means.

Table 14

MONEY SUPPLY GROWTH AND LENDING RATES. SELECTED LATIN AMERICAN AND CARIBBEAN COUNTRIES

Country	Money Supply Growth		Interest rates		
	1998 IQ	1999 IQ	1998 IIIQ	1998 IVQ	1999 IQ
Costa Rica	60.1	17.6	22.83	23.42	24.78
El Salvador	1.9	-3.2	14.65	14.89	15.41
Guatemala	24.6	11.4	16.29	17.52	18.77
Honduras	37.2	8.3	30.07	30.84	31.23
Nicaragua	25.0	...	21.45	21.78	22.59
Uruguay	9.2	5.4	55.43	53.87	57.0
Paraguay	4.1	...	30.95	32.92	32.87
Bolivia	20.4	-0.7	41.73	32.80	38.80
Ecuador	24.6	...	52.40	60.02	70.36
Haiti	9.7	2.9	23.67	23.21	22.50
Panama	13.4	...	10.99	10.04	10.13
Dominican Republic	15.4	7.9	27.72	26.12	26.80
Barbados	14.98	13.4	9.75	9.75	9.75
Belize	...	11.9	16.51	16.39	16.28
Dominica	2.3	7.4	10.5	10.5	10.5
Guyana	-1.2	7.4	16.64	16.64	16.67
Jamaica	1.3	15.1	34.48	32.99	32.46
Saint Vincent and Grenadines	14.6	16.4	12.0	12.0	12.0

Source: IMF (1999).

Monetary contraction, coupled in some cases with decreases in export growth, will translate into decreases in the growth perspectives of these economies. So far, the available growth projections for 1999 indicate that both Uruguay and Paraguay will exhibit negative growth rates (-0.5 and -1% respectively).<sup>9</sup> Central American Isthmus countries with the exception

<sup>9</sup> The same is true in the case of Ecuador (-5.0%). However, in the case of Ecuador the causes are more difficult to ascertain as they responds to both economic and political factors.

of Honduras, whose GDP growth will be negative due to the effects brought about by hurricane Mitch-will maintain on average their 1998 GDP growth rates (4.5 in 1998 and 4.4 in 1999).

Contrary to the general trend Caribbean countries, seem so far, with a few exceptions, to have opted for demand expansion. Demand expansion may result in GDP growth and employment increases in the short run but may exacerbate rather than cure possible macroeconomic disequilibria resulting from balance of payment constraints. Nonetheless as GDP estimates for 1999 are not yet available these outcomes remain only possible conjectures.

#### 4. Fiscal effects

An important effect of the financial crisis is its deflationary impact on the price of basic commodities. The slack in Asian demand in combination with other factors have reinforced the tendency of the price of basic commodities to decrease (see table 15). In 1999, however, some basic commodities are starting to recoup pre-crisis prices.

Table 15

#### BASIC EXPORT COMMODITY PRICE INDEXES, 1994-1999

(1995 = 100)

Product	1994	1995	1996	1997	1998	1999 a/
Sugar	95.6	100	95.3	89.7	75.4	60.3
Banana	99.4	100	106.9	112.3	107.9	108.3
Meat	109.0	100	79.8	85.8	112.3	101.2
Coffee	99.4	100	80.5	123.8	88.6	70.9
Cotton	77.7	100	83.2	74.6	71.1	60.5
Wood	103.8	100	105.3	95.6	82.1	83.0
Petroleum	92.8	100	119.9	112.7	74.6	65.9(88.8)

Source: IMF (1999).

a/ First quarter. The figure in parenthesis in the line corresponding to petroleum products for 1999 corresponds to the month of May.

The decrease in the prices of basic commodities may possibly result in a contraction of output growth *via* a terms-of-trade effect. However, for small economies and in terms of averages, the terms of trade show an improvement between 1997 and 1998.<sup>10</sup> More importantly the fall in commodity prices may alter the equilibrium of the fiscal accounts; especially in those cases where

<sup>10</sup> The small economies here considered are Costa Rica, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, Panama, Paraguay, Dominican Republic and Uruguay (See, ECLAC, 1999).

governmental budget equilibrium relies largely on the export price behaviour of these goods. In addition, decreases in income that have resulted from the financial crisis, can have important fiscal effects when governmental revenues depend to a large extent of import taxes.

Table 16, shows the weight of total trade tax revenue, import tax revenue and export tax revenue as a percentage of total tax revenue at three points in time for Latin American and Caribbean countries.

In most cases the importance of trade taxes for fiscal revenue has decreased. Exceptions to this trend are Nicaragua and Paraguay. In some cases trade taxes have registered only slight decreases. Cases in point are the Bahamas, Guatemala and the Dominican Republic.

Table 16

TOTAL TRADE TAX REVENUE, IMPORT TAX REVENUE, EXPORT TAX REVENUE AS A  
PERCENTAGE OF TOTAL FISCAL REVENUE FOR THREE REFERENCE  
YEARS BY COUNTRY

Country/reference years	Reference year 1			Reference year 2			Reference year 3		
	TTT	IMT	EXT	TTT	IMT	EXT	TTT	IMT	EXT
Bahamas (85/90/93)	59.61	55.48	0.86	64.62	57.94	1.26	58.98	47.48	1.54
Bolivia (87/90/96)	15.44	11.65	3.73	6.88	6.88	-	5.76	5.76	-
Costa Rica (86/90/95)	21.06	13.01	7.95	22.95	15.53	6.86	14.89	11.55	2.60
Ecuador (85/90/94) a/	17.46	14.29	1.06	13.29	11.81	0.34	11.27	10.41	-
El Salvador (87/90/96) a/	26.13	9.62	16.48	21.77	14.10	7.62	12.33	12.22	-
Guatemala (86/90/95) a/	27.99	9.88	15.19	19.58	19.34	0.17	22.96	22.29	-
Grenada (91/93/95) a/	24.51	18.56	0.01	19.69	16.81	0.01	16.77	16.77	-
Nicaragua (85/90/95)	6.90	4.68	0.12	18.61	18.59	0.02	20.56	20.56	-
Panama (86/90/95)	11.69	10.76	0.77	11.97	10.92	0.93	...	...	0.52
Paraguay (85/90/93)	11.33	9.86	0.01	20.01	14.01	-	12.46	12.46	-
Trinidad & Tobago (93/94/95)	8.83	4.59		7.32	7.32		5.58	5.58	
Uruguay (87/90/96)	11.90	9.11	0.25	9.43	7.70	0.54	3.48	3.20	0.03
Dominican Republic (85/90/95)	30.2	26.4	2.1	32.1	20.4	0.1	27.7	26.8	0.4
Total Average	21.00	15.22	4.04	20.63	17.03	1.79	17.73	16.26	1.02

Source: Government Finance Statistics, IMF (1997).

a/ Related to the budgetary central government; all the rest are related to the consolidated central government.

... Nnot available; (-) zero; a blank means absence of data.

Among trade taxes the most significant reduction is without doubt the decline in export taxes. In the case of Central American countries export taxes, that represented at the start of 1980 close to 2% of GDP and 40% of all tax revenues, declined by 1997 to 0.07% of GDP and 0.02% of all tax revenues. In this sense the decline in basic commodity prices does not pose a danger to fiscal equilibrium.

For its part import taxes have declined but represent still a significant percentage of all tax revenues. These account, on average, for 17% and 7% of all tax revenues for Central American and small Andean Community countries and 16.8%, 47.5%, and 26.7% in the cases of Grenada, Bahamas and the Dominican Republic.

In the cases of some small economies, particularly for Central American countries, the overall reduction in the vulnerability of fiscal revenues to external shocks has to a greater extent resulted from a trade liberalization strategy. This strategy has, in fact, helped to isolate these economies from external shocks and decreased the probability of fiscal adjustment through means that may affect trade flows. In this sense, for these countries, trade liberalization has increased the degree of preparation to participate in a hemispheric free trade agreement.

## 5. Conclusions

The global financial crisis which started in Asia has registered unprecedented contagion effects throughout the world.

Regional trade agreements have shown, despite their renewed impetus in the early 1990's, to be vulnerable to macroeconomic fluctuations, especially when shocks are asymmetric. Through direct or indirect transmission mechanisms these can alter the volume and direction of trade among partners. Also commercial liberalization commitments may suffer when the external conditions that propitiated these commitments are prone to unforeseen alterations.<sup>11</sup>

It is thus important, in the stages of formalizing a trade agreement that would involve the entire region and in particular small economies that are highly dependent on international trade, to analyse the effects of the global financial crisis in order to assess the potential risks in the future. The effects here analysed are threefold: balance of trade effects, financial effects and fiscal effects.

Of these the most important are, so far, balance of trade and financial effects. The balance of trade effects depend on the state of the economy of major trading partners of small countries.

Central American and Caribbean economies will benefit from the United States expansion. On the contrary, economies that have strong trade linkages with Brazil will experience decreases in export growth placing a constraint on their balance of payments, such as Mercosur partners.

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<sup>11</sup> This has recently been the case with Mercosur.

When access to international capital markets becomes more difficult countries can let their exchange rate depreciate, putting in danger inflation targets, or can contract output. Most small economies that have decided to undertake economic adjustment have opted for the contraction of output through monetary means. Decreases in output and employment may impede trade agreements to come to full fruition since a decrease in the imports of one member implies a decrease in the export of its trading partners.

The Free Trade Area of the Americas will inevitably lead in the future to a deepening of trade and financial integration among member countries. This could insulate member countries from external shocks. Alternatively it is plausible, that in the absence of established and agreed-on mechanisms, economic effects could generate important disequilibria. This time these have been avoided, in part, due to absence of developed capital markets. In this sense it is important to bring to the discussion and to think about preventive measures such as fiscal and quasi-fiscal reserves, commodity intervention funds or improved supervision of capital and liquidity coefficients especially when commercial banks can manage short term external funds. Measures of this type can smooth out fluctuations in the short run and avoid further consequences of external shocks.



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## Appendix

## UNITED STATES MARKET SHARE IMPORT STRUCTURE

Table 17

MAIN UNITED STATES MARKET SHARE IMPORT STRUCTURE FROM ACC, 1993-1998  
IN PERCENTAGE OF COUNTRIES' TOTAL EXPORTS

Product	1998	1997	1996	1995	1994	1993
Electrical machinery	34.13	37.18	38.16	39.95	36.49	33.61
Nuclear reactors	21.92	16.64	18.08	16.34	14.25	12.99
Articles of apparel	5.50	5.42	5.47	5.68	6.57	7.93
Articles of apparel	4.15	3.66	3.21	3.30	3.69	4.08
Rubber and related articles	3.06	3.21	3.74	3.84	3.15	3.41
Vehicles	2.67	3.05	3.18	2.85	3.13	2.09
Furniture bedding	1.77	1.71	1.66	1.59	1.75	1.69

Source: Magic (1999).

Note: ACC stands for Asian Crisis Countries.

Table 18

UNITED STATES MARKET SHARE IMPORT STRUCTURE FROM CACM, 1993-1998  
IN PERCENTAGE OF COUNTRIES' TOTAL EXPORTS

Product	1998	1997	1996	1995	1994	1993
Articles of apparel	29.87	27.97	23.42	20.01	16.58	14.40
Articles of apparel	27.02	28.20	29.02	31.6	32.332	31.63
Nuts and fruits	8.55	9.26	11.39	12.81	13.27	14.60
Coffee	7.57	8.73	6.49	8.85	7.69	7.61
Electrical machinery	4.02	3.89	2.92	2.76	2.65	2.66
Nuclear reactors	3.93	0.10	0.10	0.11	0.20	0.5
Fish products	1.62	2.37	3.23	2.08	2.53	.70

Source: Magic (1999).

CACM stands for Central American Common Market.

Table 19

UNITED STATES MARKET SHARE IMPORT STRUCTURE FROM G-3 COUNTRIES, 1993-1998  
IN PERCENTAGE OF COUNTRY'S TOTAL EXPORTS

Product	1998	1997	1996	1995	1994	1993
Electrical machinery	23.76	21.07	20.77	21.96	23.60	21.65
Vehicles	15.55	14.92	15.73	13.87	11.84	12.02
Mineral fruits	14.04	21.57	22.35	20.79	21.71	26.17
Nuclear reactors	10.72	9.63	8.73	8.44	8.87	7.12
Articles of apparel	3.78	3.18	2.79	2.72	2.49	2.47
Optical photography	3.06	2.53	2.60	2.84	3.04	2.64
Special classification	2.93	2.62	2.61	2.86	2.84	2.83
Articles of apparel	2.72	2.20	1.71	1.47	1.03	0.74

Source: Magic (1999).

G-3 countries are Colombia, Mexico and Venezuela.

Table 20

UNITED STATES MARKET SHARE IMPORT STRUCTURE FROM THE ANDEAN  
COMMUNITY, 1993-1998  
IN PERCENTAGE OF COUNTRY'S TOTAL EXPORTS

Product	1998	1997	1996	1995	1994	1993
Mineral fuels and oils	59.09	67.50	69.75	64.0	61.0	67.43
Pearls	5.15	2.73	3.32	3.65	3.46	3.31
Coffee tea	4.77	4.60	3.38	4.61	4.98	2.66
Fish products	4.40	3.81	2.81	3.91	4.45	3.77
Fruit and nuts	3.0	2.27	2.10	2.72	3.25	3.33
Live tress	2.54	2.01	2.12	2.24	2.08	2.02
Articles of apparel	2.08	1.45	1.14	1.57	1.56	1.14
Aluminium	1.53	1.36	1.40	1.93	1.87	1.00

Source: Magic (1999).

Table 21  
 UNITED STATES MARKET SHARE IMPORT STRUCTURE FROM  
 MERCOSUR, 1993-1998  
 IN PERCENTAGE OF COUNTRY'S TOTAL EXPORTS

Product	1998	1997	1996	1995	1994	1993
Nuclear reactors	10.82	10.63	11.11	11.70	10.48	9.69
Iron and steel	9.55	9.5	9.94	9.92	9.0	5.99
Footwear	8.25	9.63	10.75	10.66	12.20	16.35
Aircraft	6.48	2.56	1.25	0.84	0.64	1.30
Mineral fuels	6.28	5.92	8.51	4.56	5.72	5.85
Electrical machinery	4.01	4.45	2.53	2.44	2.30	2.61
Vehicles	3.62	3.25	3.27	3.73	3.32	3.66
Pearls	3.56	3.88	3.28	3.13	4.62	2.47
Coffee and tea	3.52	4.20	2.59	4.25	4.42	2.80

Source: Magic (1999).

Table 22  
 UNITED STATES MARKET SHARE IMPORT STRUCTURE FROM  
 CARICOM, 1993-1998  
 IN PERCENTAGE OF COUNTRY'S TOTAL EXPORTS

Product	1998	1997	1996	1995	1994	1993
Mineral fuels	20.91	23.95	18.76	18.15	26.45	30.62
Articles of apparel	16.04	16.49	17.56	19.03	14.92	14.04
Inorganic chemicals	14.80	13.09	16.32	17.21	12.39	8.30
Fish products	6.48	5.34	4.93	4.59	4.00	3.51
Ores	6.43	4.82	6.20	6.01	6.04	8.22
Articles of apparel	5.62	5.47	6.34	7.05	7.18	7.11
Organic chemicals	4.35	6.62	5.85	5.7	7.14	9.42
Special classification products	4.19	4.20	3.22	3.38	5.13	3.67
Iron and Steel	3.98	3.95	3.30	3.63	2.99	1.36

Source: Magic (1999).

Table 23

UNITED STATES MARKET SHARE IMPORT STRUCTURE FROM SMALL LATIN AMERICAN  
COUNTRIES, 1993-1998  
IN PERCENTAGE OF COUNTRIES' TOTAL EXPORTS

Product	1998	1997	1996	1995	1994	1993
Articles of apparel	19.82	17.73	13.97	11.73	9.31	8.49
Articles of apparel	17.82	17.91	17.45	18.57	17.92	18.36
Edible fruits and nuts	11.17	11.58	13.31	13.36	13.82	15.05
Fish products	10.03	10.31	9.45	10.92	11.71	11.12
Coffee Tea	5.48	6.51	4.66	6.61	6.41	4.99

Source: The Latin American countries here selected include: Guatemala, El Salvador, Honduras, Costa Rica, Panama, Nicaragua, Ecuador, Paraguay, Uruguay, Bolivia. Magic (1999).

Cuadro 59

## GUATEMALA: PRECIOS PAGADOS AL PRODUCTOR DE LOS PRINCIPALES PRODUCTOS AGRÍCOLAS

	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998 a/
Quetzales por quintal															
Arroz	12.8	12.4	27.0	33.3	38.9	51.7	71.1	80.0	65.0	64.1	47.8	54.8	64.4	...	...
Frijol negro	32.7	37.0	50.1	49.9	68.0	73.0	91.4	114.4	115.7	177.7	172.6	211.3	245.2	176.4	176.8
Maíz blanco	9.8	10.2	17.8	18.5	17.9	23.7	39.3	34.5	39.3	36.3	58.7	49.4	78.4	71.2	58.2
Sorgo	8.5	9.1	15.7	17.1	18.5	19.6	26.6	31.0	33.6	41.3	48.1	56.3	65.9	62.1	55.1
Trigo	12.0	14.0	18.7	22.6	25.1	26.8	33.8	41.7	41.8	48.3	53.4	52.3	...	...	...
Algodón oro	57.2	103.7	67.7	122.4	152.1	158.9	319.2	354.9	275.6	319.2	...	...	...	...	...
Banano b/	4.6	8.2	16.1	19.3	26.0	27.4	41.8	48.7	53.6	53.2	58.6	53.7	...	...	...
Café oro	79.6	243.4	245.4	247.8	202.8	188.4	307.3	233.7	214.5	347.9	569.4	511.4	...	...	...
Caña de azúcar	0.6	0.7	1.0	1.1	1.1	1.3	2.5	2.6	2.8	3.1	3.3	4.1	...	...	...
Quetzales por tonelada															
Arroz	277	268	587	724	847	1 123	1 546	1 739	1 413	1 394	1 039	1 192	1 399	...	...
Frijol negro	712	805	1 089	1 085	1 478	1 587	1 986	2 487	2 516	3 863	3 752	4 594	5 330	3 834	3 844
Maíz blanco	213	221	387	402	389	515	855	749	854	789	1 276	1 073	1 703	1 547	1 266
Sorgo	184	198	341	372	402	426	578	674	731	897	1 046	1 224	1 433	1 350	1 199
Trigo	261	304	407	491	546	582	735	907	910	1 050	1 162	1 136	...	...	...
Algodón oro	1 243	2 255	1 472	2 660	3 307	3 453	6 940	7 716	5 991	6 940	...	...	...	...	...
Banano	100	179	350	418	566	595	908	1 058	1 165	1 157	1 273	1 167	...	...	...
Café oro	1 729	5 292	5 336	5 386	4 410	4 095	6 680	5 081	4 662	7 564	12 377	11 118	...	...	...
Caña de azúcar	14	15	22	24	24	29	54	57	61	68	71	90	...	...	...
Dólares por tonelada c/															
Arroz	275	151	312	290	323	397	344	349	274	249	181	205	230	...	...
Frijol negro	705	452	579	434	564	561	441	498	489	690	653	791	875	631	600
Maíz blanco	211	124	206	161	149	182	190	150	166	141	222	185	280	255	198
Sorgo	182	111	181	149	153	151	129	135	142	160	182	211	235	222	187
Trigo	258	171	217	196	208	206	163	182	177	188	202	196	...	...	...
Algodón oro	1 230	1 267	783	1 064	1 262	1 220	1 542	1 546	1 163	1 239	...	...	...	...	...
Banano	99	101	186	167	216	210	202	212	226	207	221	201	...	...	...
Café oro	1 712	2 973	2 838	2 155	1 683	1 447	1 484	1 018	905	1 351	2 153	1 915	...	...	...
Caña de azúcar	14	9	12	10	9	10	12	11	12	12	12	15	...	...	...

Fuente: Banco de Guatemala y Unidad Sectorial de Planificación Agropecuaria y de Alimentación (USPADA), Ministerio de Agricultura, Ganadería y Alimentación (MAGA) y Consejo Regional de Cooperación Agrícola de Centroamérica, México y República Dominicana (CORECA), Comportamiento de los Precios de los Productos e Insumos Agropecuarios en los países del CORECA, enero de 1998.

a/ Cifras preliminares.

b/ De exportación.

c/ Sobre la base de cifras del Banco de Guatemala y del Fondo Monetario Internacional.



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