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**OPEN REGIONALISM: LATIN AMERICA AND THE
CARIBBEAN IN THE GLOBAL ECONOMY */**

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SUMMARY

The countries of Latin America and the Caribbean have made a difficult adjustment in light of the new global economic conditions, by applying macroeconomic policies on price stabilization and rearrangement of trade policies. However, the elimination of restrictive import policies has not been sufficient to expand the international trade linkages of the region as a whole. The countries of Latin America have recently experienced export growth, particularly of manufactures, but this growth has been absorbed within the region.

Studies of export performance have concentrated on factors which influence supply, on the assumption that demand is perfectly elastic and that no administrative measures are likely to have a negative impact on countries' exports. Nevertheless, the characteristics of the most dynamic markets in the global trade sphere raise many questions which require more in-depth research: these markets are concentrated in just a handful of countries and access to them is dependent upon the decisions of large transnational corporations. Hence the need to analyze the factors which explain global demand connected primarily to the internal decisions of large firms. This is all the more notable when the previously existing link between export growth and economic growth is weakened by the macroeconomic adjustment process itself.

ECLAC has put forth the concept of open regionalism as a means of reconciling the discipline required by economic liberalization with the preferential treatment accorded by intergovernmental agreements to the products of the region. In a global economy characterized by a strategic market penetration approach, the maintenance of preferential access to the markets of the region is justified, and countries reserve the right to penetrate the markets of third countries at some later stage.

I. INTRODUCTION

Trade data indicate that transactions between developing countries have acquired growing importance over the past ten years. Between 1985 and 1994, the growth of the value of such trade in current dollars (12%) was faster than that of transactions between the countries themselves and the industrialized economies (10%). This trade segment, which accounted for some 5% of world trade, reached 13% in 1994 (World Bank, 1996, p. 15). In particular, the economic buoyancy of Asian countries was reflected in the expansion of their intraregional trade, which represented about 48.5% of the region's total exports. In turn, the growing participation of Latin American countries in trade in their region is presented as evidence of the expansion of regional integration, in terms of trade and investments, promoted primarily by preferential agreements.

Data gathered by ECLAC shows that between 1990 and 1994, exports by the 11 states members of the Latin American Integration Association (LAIA) rose from US\$ 113 billion to US\$ 169 billion. This growth is attributable to the export performance in markets in the hemisphere, including those of the United States, and, to a lesser degree, in those of the emerging markets of Asia. However, the increasing role played by the United States as a destination for Latin American exports is limited basically to trade with Mexico. The increase in exports by other countries (up from US\$ 86 billion to US\$ 107 billion) is explained almost entirely by exports to the countries of Latin America and the Caribbean (up from US\$ 14 billion to US\$ 30 billion), there being very little variation in the absolute values of the other trade flows.

Exports of manufactured goods by this same group of countries are experiencing a similar trend.^{1/} Between 1990 and 1994, exports of manufactures by these countries climbed from US\$ 37 billion to US\$ 87 billion. If data on Mexican exports are excluded, the increase is a more modest one (up from US\$ 26 billion to US\$ 39 billion) and more than four-fifths of the rise is accounted for by the growth in exports toward the countries of the region (up from US\$ 7 billion to US\$ 17 billion), and, to a lesser degree, toward the United States (up from US\$ 7 billion to US\$ 10 billion).

None the less, between 1990 and 1994, the developing countries of South and South-East Asia increased their share of total world exports from 13% to 18%, while the share of the Latin American region remained virtually unchanged at about 4% (WTO, 1995, table A3). Similarly, between 1980 and 1994, eight Asian countries increased their share of the markets of OECD countries from 6.6% to 11.5%, but the share of the countries of Latin America and the Caribbean

^{1/} These are defined as the products included under sections 5-8 of the Standard International Trade Classification (SITC), excluding those referred to under division 68 (non-ferrous metals) but including iron and steel (division 67). Agroindustries are not included.

dropped from 5.3% to 4.8% (Alcorta and Peres, 1996, p. 16, table 2)^{2/}. Although between 1990 and 1994, there was a slight increase (from 4.5% to 4.8%), this was due to the growth of Mexican exports to the United States, and did not offset the fall in exports of the other countries of Latin America.

The loss of markets or the lackluster growth of Latin American exports, principally with regard to European markets, but also to the United States and Japan, is perceived as resulting from the lack of competitiveness of the regions' firms. This impression is backed up by an analysis of the pattern of Latin American exports; these are concentrated in low-growth categories, and consist mainly of raw materials involving little processing or natural resource-intensive manufactures.^{3/}

Furthermore, as a number of studies on trade between developing countries ("South-South" trade) have demonstrated, analyses of intra-Latin American exports reveal a different pattern from those destined for other markets. Documents published by ECLAC, the World Bank and the Inter-American Development Bank (IDB) emphasize the importance of manufactures in that direction of trade flow. As outlined above, exports by the countries of Latin America to Europe and Asia are made up largely of primary products and semimanufactures, whereas reciprocal trade within the region is based on manufactured goods with a greater skilled labour and technological content (see chapter II) (ECLAC, 1996a, pp. 12 and 13; IDB, 1996, p. 2; World Bank, 1996, pp. 15 and 16). Manufactures' share of trade between developing countries rose from 56% to 76% between 1970 and 1994 (World Bank, 1996, p. 15).

Consequently, the empirical results do not easily lend themselves to interpretation. The region's growing share of Latin American exports and imports may be interpreted as evidence of Latin American firms' low ability to compete in the markets of industrialized nations, or as evidence of changes in global trade patterns which confer new roles on regional markets. It should be noted that, although the various preferential agreements negotiated at the subregional and bilateral levels, associated with the natural advantages of proximity in terms of lower transport costs, have the potential to benefit the regions' firms, these same firms must compete with similar products from other firms in open markets.

In the late 1970s, the economic literature on South-South trade was characterized by two distinct schools of thought. One such school of thought was opposed to trade based on preferential agreements that distorted the price system, factor markets, and, as a consequence, countries' comparative advantages and the resulting resource allocation (Krueger, 1977; Havrylyshyn and Woolf, 1983, pp. 334-362). The other, promoted in the famous speech by Arthur Lewis, the Nobel prizewinning economist, identified major components of development

^{2/} The Asian countries referred to are Hong Kong, Taiwan Province of China, the Republic of Korea, Singapore, China, Indonesia, Malaysia and Thailand.

^{3/} Alcorta and Peres (1996, p.15) estimated that in 1994, just over 25% of Latin American exports were made up of products with a high technology content, versus a figure of more than 53% for the four Asian tigers.

in that direction of trade flows, precisely in order to facilitate learning economies in the production and trade of goods of a higher technological content (Lewis, 1980, pp. 555-564; Lall, 1984). At present, there appears to be greater consensus among economists as to the importance of the region's markets to the export performance of countries, against a background of trade liberalization and sluggish growth in demand in industrialized countries.

According to data provided by the International Monetary Fund (IMF), starting from the late 1980s, there was a discernible loosening of the correlation which traditionally existed between growth of the industrialized countries and that of the developing countries. In the 1990-1993 period, in spite of the slow-down in growth recorded in OECD countries, the developing countries' economies continued to expand strongly. Likewise, the dynamic of growth in world trade over that period was largely shaped by demand in non-OECD countries, for the most part Asian countries, but also including several Latin American countries. The IMF also concluded that the main reason for the decreased vulnerability of many developed countries to external shocks has been the diversification of the export base, especially the expansion of the manufactured goods sector, and market diversification, with regional markets taking a greater share of their trade (IMF, 1995, pp. 44 and 45).

In order to further understanding of the issue of regionalism, ECLAC has promoted the "open regionalism" approach, by which it refers to a combination of the market discipline of trade liberalization and the protection of preferential agreements which benefit the region's products. This sort of "regionalism" provides for firms to "learn by doing" in open markets, without the difficulties associated with a foreign language or unknown customs, thus fostering their future ability to penetrate extraregional markets.

The proposal also includes some strategic elements concerning the issue of market access. The fundamental assumption is that the vulnerability of Latin America's economies dictates the need for an international economic order characterized by transparent procedures and adherence to the regulations, rules and principles agreed upon. For this reason, the countries of Latin America supported the strengthening of multilateral rules agreed to at Marrakech and administered by the World Trade Organization (WTO). Thus, the principle behind regional and subregional agreements is that they are elements for the building of a more open, transparent economy. However, since the signals emitted by the most industrialized countries continue to be ambiguous, the defense of regional markets can assume a strategic role. This is all the more so in a global environment where access to the markets of the industrialized countries is hindered, on the one hand, by a long-term outlook of slow growth and high unemployment and, on the other, because such access becomes linked to access to the domestic markets of large multinational corporations.^{4/} Regional integration is justified as a defence mechanism that

^{4/} UNCTAD (1995, p. 193) emphasizes that "A TNC-system viewed as an internal but international market comprises three types of transactions: sales by the parent firm to its foreign affiliates; sales by foreign affiliates to their parent firms; and sales by affiliates in one country to affiliates of the same TNC system in another country. These transactions are not entirely determined by market forces or valued at market prices but represent the internationally integrated production and distribution operations of a TNC."

guarantees access to at least some major markets and helps countries adapt to the globalization process and not remain on the sidelines (ECLAC, 1994, pp. 23 and 24).

The purpose of this document is to highlight some elements of the global panorama which influence the trade performance of the Latin American region, and to raise a number of questions. Chapter II presents descriptive statistics on the composition of trade in the region, by principal direction of trade flows, and draws attention to the importance of markets in the hemisphere, especially those of the United States. Chapter III analyses some of the most indicative trends in world trade, such as the declining share of developing countries in trade flows and the concentration of trade among the world's leading exporting nations. Chapter IV poses a series of questions concerning trade and growth in the context of the current process of increasing integration between national markets, which at the same time is leading to the marginalization of a large number of developing countries. Lastly, chapter V sums up the main issues and proposes topics for research at some later date.

II. COMPOSITION AND DIRECTION OF TRADE FLOWS IN LATIN AMERICA: 1990-1994

Trade in Latin America and the Caribbean increased steadily between 1992 and 1995, both in terms of volume and value, and in 1995 the region's exports exceeded US\$ 220 billion. This figure, which represented an increase of some 23% on the previous year, was due primarily to the performance of Mexico and Argentina (60% of the increase) as well as improved prices for export products. Between 1990 and 1994, imports grew at a faster rate than exports, though a decrease was witnessed in 1995, as a consequence of the strong contraction in Argentine and Mexican imports (table 1). Imports recorded growth of 12%, still a high figure, thanks to an increase in Brazil's imports of more than 50%, which alone accounted for more than 70% of the region's increase for the year.

Table 1
RATES OF GROWTH OF EXPORTS AND IMPORTS
LATIN AMERICA (1990-1995)
(Current values and volume)

	1990		1991		1992		1993		1994		1995	
	Value	Vol.	Value	Vol.	Value	Vol.	Value	Vol.	Value	Vol.	Value	Vol.
Exps.	9.7	6.1	-0.8	5.2	5.3	7.4	7.0	7.3	16.4	9.2	22.7	10.5
Imps.	13.0	7.7	18.3	17.4	22.9	20.2	9.7	9.9	18.5	14.3	12.1	2.8

Source: ECLAC, *Economic Survey of Latin America and the Caribbean, 1994-1995* (LC/G.1873-p), table IV-4, Santiago, Chile, 1995, p. 85. United Nations publication, Sales No. E.95.II.G.2; *Preliminary Overview of the Economy of Latin America and the Caribbean, 1995* (LC/G.1892-P), tables A.9 and A.10, Santiago, Chile, 1995, pp. 55 and 56. United Nations publication, Sales No. E.95.II.G.18.

Most of the countries of Latin America have consolidated the trade reforms begun in the mid-1980s, which encompassed the virtual elimination of non-tariff barriers, tariff restructuring, featuring a reduced deviation around a low average tariff, and tariff binding, in the World Trade Organization (WTO), as a result of the commitments undertaken at the Uruguay Round (ECLAC, 1995). For all that, in spite of reforms and efforts to adjust to the new global economic conditions, the region's exports consist essentially of products involving little processing and natural resource-intensive products. According to the ECLAC classification, as regards all the 16 countries analyzed in this document, only in Mexico (75%) and Brazil (49%) do manufactures account for more than 45% of exports; they are followed by Uruguay (41%), El Salvador (36.5%), Colombia (31.5%), Argentina (30%) and Guatemala (29%). In the other nine countries, the share of manufactures ranges from 24% (Costa Rica) to 6.5% (Ecuador) (table 2) (ECLAC, 1992).

Table 2
**COMPOSITION AND GROWTH OF EXPORTS OF SELECTED
 COUNTRIES OF LATIN AMERICA
 1990-1994**

Country	% Manufactures* (1994)	Growth of Exports**	Growth of manufactures +
Mexico	74.9	23.9	45.0
Brazil	48.9	8.4	10.1
Uruguay	41.4	3.1	6.1
El Salvador	36.5	18.7	23.3
Colombia	31.5	7.0	15.1
Argentina	30.3	6.4	11.9
Guatemala	28.6	6.6	13.0
Costa Rica	24.4	11.1	11.6
Bolivia	23.4	2.2	61.2
Paraguay	17.3	(3.9)	15.7
Peru	14.0	-5.1	(0.1)
Venezuela	11.7	(2.4)	3.4
Nicaragua	11.3	1.6	20.3
Honduras	9.7	2.6	11.8
Chile	9.3	7.5	22.5
Ecuador	6.5	7.8	50.6
Total	46.5	10.6	24.4

Source: ECLAC on the basis of the External Trade Data Bank for Latin America and the Caribbean (BADECEL). See Statistical Annex, Table A1, A2 and A4.

- * Percentage of the value of manufacturing exports over the total.
- ** Annual rate of growth in current value of exports
- + For the definition of manufactures, see Statistical annex, notes table A2.

The data indicate a positive relationship between the composition of exports and the countries' recent export performance, though the presence of manufactures is not an essential and sufficient condition for high rates of growth in total exports. Mexico is a model example, since all its indicators are high: the ratio of manufactures, and the growth rate of manufacturing and overall exports. It should be noted that in virtually all the countries (with the exception of Peru), growth of manufacturing exports has been significantly above that of total exports (table 2).

In addition, the countries show little diversity in the markets of their exports, but less concentration in terms of the composition of their international suppliers. Very few countries are characterized by a balanced composition of export markets, defined as when no direction shows

a share of greater than 40%. Only Brazil, Colombia, Chile and Peru fit this category, and Colombia presents a relative concentration (36%) in United States markets. All other countries send more than 40% of their exports in one direction, whether to other Latin American countries or the United States, with Mexico the extreme case, sending around 85% of its exports to its northern neighbor.

Table 3
COUNTRIES OF LATIN AMERICA WITH HOMOGENEOUS DISTRIBUTION
OF DESTINATION OF EXPORTS
1994

Country	Latin America and Caribbean	United States	Japan	European Union	Asia	Other
Brazil	23.5	20.5	6.0	28.0	9.0	13.0
Colombia	22.0	36.0	4.0	31.0	1.0	6.0
Chile	22.0	16.0	18.0	23.0	15.0	6.0
Peru	20.0	18.0	9.5	27.5	17.0	8.0

Source: ECLAC on the basis of the External Trade Data Bank for Latin America and the Caribbean (BADECEL). See Statistical Annex, table A1.

Note: For the composition of country groups, see Statistical annex, note table A1.

By contrast, where imports are concerned, at least six countries show greater diversity among their international suppliers. Mexico is the extreme case, with almost 70% of its imports sourced from the United States. The other countries have concentrations of imports, whether from countries of Latin America (Bolivia, Paraguay, Uruguay and Nicaragua) or from the United States (Venezuela, Costa Rica, El Salvador, Guatemala and Honduras) (table 6).

Table 4
COUNTRIES OF LATIN AMERICA WITH HOMOGENEOUS DISTRIBUTION
OF ORIGIN OF IMPORTS
1994

Country	Latin America and Caribbean	United States	Japan	European Union	Asia	Other
Argentina	31.3	22.8	2.9	30.0	8.8	4.2
Brazil	19.9	23.1	5.6	27.4	6.9	17.0
Colombia	23.4	32.0	9.5	20.4	5.0	9.7
Chile	26.3	23.7	9.5	21.1	10.2	9.7
Ecuador	29.7	25.6	16.3	15.6	6.1	6.8
Peru	32.4	28.1	8.7	16.5	8.9	5.4

Source: ECLAC on the basis of the External Trade Data Bank for Latin America and the Caribbean (BADECEL). See Statistical Annex, table 5.

Note: For the definition of country group, see Statistical Annex, table A5.

In 1980, sales to the United States accounted for about 70% of Mexico's exports. After the signing of the North American Free Trade Agreement (NAFTA), this percentage rose, reaching about 85% in 1994, with average annual growth of 30% between 1990 and 1994. Both European and Latin American markets recorded a relative decline in position as the destination for Mexican exports. None the less, exports towards Latin American countries recorded average annual growth of 13%, while those destined for European Union countries showed a decline of 6%. In 1994, each of these categories represented about 4% of the total (tables 5 and A1).

In 1994, markets in the Latin American region increased their share of exports of the countries members of the Central American Common Market (CACM). El Salvador recorded the largest percentage; almost half of its exports are destined for the markets of Latin America, followed by Guatemala (45%), Nicaragua (30%) and Costa Rica (21%). Honduras showed the lowest figure, at less than 10%. The United States is the chief destination of the exports of these countries (table 5).

As is borne out by table 5, the markets of the hemisphere (including the United States), represent the most significant destination of Latin American manufactures. These markets absorbed on average 83% of manufactures exported by the 16 countries, with a relatively low spread: a minimum of 65% in the case of Brazil's exports and 98.5% in the case of El Salvador's, though with reference to very distinct criteria. This is reflected in the fact that the share of manufactures in exports is higher than the general average for those markets (table 7). This notwithstanding, total imports of manufactures sourced from these same countries do not exceed 60% for all the countries of Latin America. Only the countries of Central America and Mexico, and, to a lesser extent, Nicaragua, concentrate more than 65% of their imports in those directions (tables 5 and 6).

The United States' share of exports of the countries comprising the Andean Group dipped from 46% in 1990 to 43% in 1994. Over this same period, the data reveal negative growth of this share in the case of Peru (-1.3%) and Venezuela (-1,8%), and below average growth for Ecuador (2%) and Colombia (1.4%). It should, however, be noted that approximately 42% of Ecuador's exports and 53% of those of Venezuela are destined for the United States (tables 5 and A1).

Table 5
**SHARE OF LATIN AMERICA AND UNITED STATES
 IN EXPORTS OF LATIN AMERICA
 1994**

Country	Latin America and the Caribbean		United States		Latin America and the Caribbean and the United States	
	Total	Manufactures	Total	Manufactures	Total	Manufactures
Argentina	45.1	55.1	10.9	20.6	56.0	75.7
Bolivia	43.6	17.4	35.9	78.5	79.5	95.9
Brazil	23.7	37.5	20.6	27.5	44.3	65.0
Colombia	22.2	51.3	35.8	29.3	58.0	80.6
Chile	21.9	71.8	15.5	16.0	37.4	87.8
Ecuador	23.1	78.3	42.5	11.2	65.6	89.5
Mexico	4.2	4.3	85.2	88.2	89.4	92.5
Paraguay	57.7	55.0	7.0	13.4	64.7	68.4
Peru	20.3	28.7	17.9	40.9	38.2	69.6
Uruguay	54.0	66.4	6.8	11.2	60.8	77.6
Venezuela	26.6	63.0	52.8	25.6	79.4	78.6
Costa Rica	21.0	55.3	43.4	38.6	64.4	93.9
El Salvador	49.9	78.7	22.6	19.8	72.5	98.5
Guatemala	45.1	89.0	32.2	8.4	77.3	97.4
Honduras	9.3	39.0	53.8	55.0	63.1	94.0
Nicaragua	30.1	53.7	42.9	40.6	73.0	94.3
Total	19.5	22.1	47.0	61.3	66.5	83.4

Source: ECLAC on the basis of the External Trade Data Bank for Latin America and the Caribbean (BADECEL). See Statistical annex, tables A1 and A3.

Note: For the classification of manufactures, see Statistical annex, notes table A2.

Table 6
**SHARE OF LATIN AMERICA AND UNITED STATES
 IN IMPORTS OF LATIN AMERICA
 1994**

Country	Latin America and the Caribbean		United States		Latin America and the Caribbean and the United States	
	Total	Manufactures	Total	Manufactures	Total	Manufactures
Argentina	31.3	27.3	22.8	24.5	54.1	51.8
Bolivia	44.6	38.7	18.8	18.8	63.4	57.5
Brazil	19.9	11.1	23.1	28.2	43.0	39.3
Colombia	23.4	18.7	32.0	34.8	55.4	53.5
Chile	26.3	17.9	23.7	27.3	50.0	45.2
Ecuador	29.7	26.6	25.6	25.6	55.3	52.2
Mexico	3.6	2.4	69.2	68.9	72.8	71.3
Paraguay	45.9	39.2	11.7	11.4	57.6	50.6
Peru	32.4	23.6	28.1	29.1	60.5	52.7
Uruguay	55.3	48.1	9.7	11.6	65.0	59.7
Venezuela	17.0	12.8	46.1	48.7	63.1	61.5
Costa Rica	29.5	23.2	44.0	43.3	73.5	66.5
El Salvador	35.4	32.5	41.5	40.1	76.9	72.6
Guatemala	30.6	27.4	44.2	46.5	74.8	73.9
Honduras	21.7	23.4	47.5	48.0	69.2	71.4
Nicaragua	43.4	36.1	25.2	26.2	68.6	62.3
Total	17.0	13.1	44.5	46.1	61.5	59.2

Source: ECLAC on the basis of the External Trade Data Bank (BADECEL). See Statistical annex, tables A5 and A7.

The markets of Latin America have been more dynamic than those of the United States for manufacturing exports of MERCOSUR countries: sales by Argentina to the markets of the region grew by some 21% per annum while sales to the United States rose by 18%; for Brazil, the respective rates of growth were 31% and 6% for Paraguay, 28% and -0.4%; and for Uruguay 17% and -7% (see statistical annex table A4).

Table 7
**SHARE OF MANUFACTURES IN INTRA-LATIN
 AMERICAN EXPORTS AND IMPORTS**
 1994

Country	Exports		Imports	
	Latin America and the Caribbean	United States	Latin America and the Caribbean	United States
Argentina	37.5	57.5	74.0	87.7
Bolivia	9.3	51.2	71.5	80.0
Brazil	76.6	25.2	59.8	76.5
Colombia	71.1	25.2	59.8	76.5
Chile	30.0	9.5	53.5	85.3
Ecuador	22.1	1.7	76.6	82.6
Mexico	68.9	78.3	58.0	81.6
Paraguay	16.5	33.3	68.0	76.5
Peru	19.9	32.0	55.2	74.0
Uruguay	50.4	67.3	67.1	85.5
Venezuela	27.7	5.7	63.7	78.5
Costa Rica	61.3	23.2	58.1	67.9
El Salvador	57.7	32.0	66.2	69.0
Guatemala	56.6	7.5	66.4	72.1
Honduras	40.6	9.9	77.7	69.3
Nicaragua	19.7	10.8	59.1	73.2
Total	51.7	61.3	59.7	79.9

Source: ECLAC on the basis of the External Trade Data Bank for Latin America and the Caribbean (BADECEL). See Statistical annex, tables A2 and A6

Note: For the definition of manufactures, see Statistical annex, notes table A2.

Table 8
**SHARE OF LATIN AMERICA AND THE UNITED STATES
 IN EXPORTS AND IMPORTS OF PRIMARY PRODUCTS
 1994**

Country	Exports			Imports		
	Latin America and the Caribbean	United States	Total	Latin America and the Caribbean	United States	Total
Argentina	47.1	4.9	52.0	65.5	10.3	75.8
Bolivia	52.1	5.6	57.7	52.7	21.3	74.0
Brazil	5.6	10.9	16.5	36.5	10.3	46.8
Colombia	3.5	41.6	45.1	29.9	29.5	59.4
Chile	17.3	48.4	62.2	29.2	18.2	47.4
Ecuador	13.8	48.4	62.2	29.2	18.2	47.4
Mexico	2.7	77.4	80.1	6.4	76.9	83.3
Paraguay	58.9	4.0	62.9	75.2	0.9	76.1
Peru	13.8	11.1	24.9	59.2	22.4	81.6
Uruguay	28.4	4.0	32.4	71.6	4.8	76.4
Venezuela	11.8	64.5	76.3	20.3	47.9	68.2
Costa Rica	1.5	44.2	45.7	40.1	49.2	89.3
El Salvador	5.0	28.9	33.9	56.1	38.5	94.6
Guatemala	7.1	55.8	62.9	56.2	36.9	93.1
Honduras	1.8	54.2	56.0	17.7	58.7	76.4
Nicaragua	25.1	41.5	66.6	70.5	20.5	91.0
Total	13.2	40.8	54.0	33.2	33.0	66.2

Source: ECLAC on the basis of the External Trade Data Bank for Latin America and the Caribbean (BADECEL). See Statistical annex, table A3.

Note: For the definition of primary products, see Statistical annex, notes table A2.

Manufactures make up 37.5% of Argentina's intraregional exports compared with less than 30% of its total exports; they represent about 77% of Brazil's exports to the region compared with around 41% of its total exports; and they account for 51% of Uruguay's exports to the region versus 41% of its overall exports. Only in Paraguay do manufactures account for roughly the same proportion of intraregional exports as they do for total exports. Similarly, manufactures accounted for barely 9% of Chile's exports in 1994, but more than 30% of its intraregional exports. However, in 1994, in the four MERCOSUR countries, exports destined for the United States revealed the largest share of manufactures: 57.5%, for Argentina, 65% for Brazil, 33% for Paraguay, and 67% for Uruguay (table 7).

It is an established fact that Latin American imports generally contain a high proportion of manufactures: 76% on average, with a relatively low spread (a minimum of 60% in the case of Brazil and a maximum of 83% in the case of Mexico). Intra-Latin American purchases show a below-average percentage of manufactures, both from the region and in trade between developing countries (76%), as well as a homogeneous distribution if Brazil (39%) is excluded: an average of 60%, a minimum of 53.5% in the case of Chile and a maximum of 78% in the case of Honduras.

Lastly, it is useful to compare the general figures for the hemisphere's markets with those of trade in commodities, or primary products, which make up the bulk of the exports of Latin American countries and a small proportion of their imports. In the case of a few countries, such as Brazil, Colombia, Costa Rica, and El Salvador, European Union countries are the destination of more than 40% of their exports. The countries which show the most balanced distribution are Chile and Peru, with significant diversification into Asian markets (see statistical annex, table A3). With the exception of Argentina, Bolivia and Paraguay, the countries do not send a significant proportion of their commodity exports to other countries within the region. Colombia, Ecuador, Mexico, Venezuela, Costa Rica, Guatemala, Honduras and Nicaragua all send more than 40% of their commodity exports to the United States. In spite of the weight of the two large economies, Mexico and Brazil, the region as a whole takes 13% of the exports of commodities, and this is a significantly low figure (table 8).

Nevertheless, the region and the United States together account on average for more than 66% of imports of commodities, with Brazil and Ecuador representing the lowest percentages (47%), and El Salvador, Guatemala and Nicaragua the highest. Chile imports some 60% of its primary products from its neighbours in the region (table 8). Other Latin American countries account for 65.5% of Argentina's imports of commodities and almost 40% of its imports of semimanufactures. Paraguay imports some 75% of its commodities and 68% of its semimanufactures from the region. Uruguay sources roughly 72% of its imports of primary products and 70% of its semimanufactures from the region. Brazil, for its part, sources a lower percentage of its imports of primary products from the region (36.5%) (tables 8 and A7).

III. RECENT DEVELOPMENTS IN WORLD TRADE

The volume of world merchandise trade recorded fast rates of growth throughout the post-war period, with the exception of 1981-1982, when there was a severe global economic recession. In recent years, economic growth has recovered to the spectacular levels witnessed in the 1960s. The World Trade Organization (WTO) estimates that in 1994, the volume of world merchandise exports increased by 9.5% (the strongest annual increase since 1976, and triple the rate of growth in 1993) (WTO, 1995, pp. 1-3).^{5/} In 1995, the growth rate declined to about 8%, and was projected to drop in 1996 to 7%, which is still a very high rate. If the forecasts are proved correct, the volume of world exports will have expanded in four years (1992-1996) by as much as, or more than, in the previous eight-year period (1984-1991). As of early 1996, the value of world merchandise exports was estimated at US\$ 5 billion, a figure which rises to over US\$ 6 billion if trade in goods and commercial services is included.

The strong growth in world exports has been spurred since 1993 by a combination of growth in import volumes of the countries of North America, Asia (including Japan) and Latin America. In 1995, the growth of imports of Japan (14.2%), the countries of North America (11.3%) and, among the developing countries, the impressive import growth of the countries of South and South-East Asia (18.1%) provided for sustained overall trade growth (see table 9). In 1994, Latin America recorded the highest growth rate (14%-15% according to estimates), but, as has been mentioned above, balance-of-payments problems aggravated by the Mexican crisis resulted in lower growth in 1995.

Countries are at different stages of development, and this means that averages do not reflect the trends evident in various countries and groups of countries participating in world trade. The concentration of trade among the leading exporters and importers, together with developing countries' low share of trade in fast growing products, needs to be underlined. In 1995, more than 53% of world exports and more than 51% of world imports were accounted for by eight countries (United States, Germany, Japan, France, the United Kingdom, Italy, the Netherlands and Canada), with the first three accounting for some 30% of the total. The list of the 30 leading exporters includes a very small number of developing countries: Hong Kong, China, the Republic of Korea, Singapore, Taiwan Province of China, Mexico, Malaysia, Thailand, Saudi Arabia and Brazil (the list thus includes six Asian countries and two Latin American ones, excluding Saudi Arabia's petroleum exports). The top 30 exporters' share of the most dynamic trade sectors is becoming increasingly concentrated, with growing proportions distributed among the 15 leading exporters.

Consequently, while there is no need to revive the pessimism that surrounded exports in the 1960s, the optimism with which developments on the export front have been greeted in the 1990s should be viewed with caution, since the characteristics of the world economy are such that

^{5/} The Department for Economic and Social Information and Policy Analysis of the United Nations estimated growth rates of 10.4% for 1994, 9.6% for 1995 and 7.75% for 1996 (United Nations, 1996).

researchers need to increase their efforts to understand the dynamic of trade flows and the capacity for inclusion which trade growth can entail.

Table 9
GROWTH IN VOLUMES OF WORLD EXPORTS
AND IMPORTS BY REGION (1986-1996)
(Rates of growth)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
World Trade	5.4	8.8	7.6	4.8	5.3	6.0	4.2	10.4	9.8	7 3/4
EXPORTS										
Industrialized Countries	4.2	8.2	7.1	5.0	3.4	4.2	1.8	9.5	8.0	7 1/2
Japan	0.3	5.9	4.3	5.3	2.5	1.5	-2.4	1.7	1.4	2 2/3
North America	6.5	17.6	8.4	6.9	6.1	8.2	7.0	11.6	12.0	7 3/4
Europe	4.1	6.0	7.4	4.2	2.2*	3.3	0.4	10.2	7.7	8 1/4
Developing Countries	7.5	10.0	8.9	4.6	11.3	9.6	11.7	11.8	12.6	9 1/4
Latin America	4.8	5.7	7.1	2.8	4.9	3.9	8.7	9.2	7.4	6 1/2
South and South-East Asia	16.3	12.6	10.4	8.4	16.4	10.7	14.0	15.8	16.2	11 1/4
IMPORTS										
Industrialized Countries	6.6	7.6	7.2	4.6	2.9	4.8	1.0	10.8	8.9	5 3/5
Japan	9.3	17.9	7.9	5.7	4.0	-0.4	2.9	13.6	14.2	8 1/4
North America	3.6	6.1	4.4	1.5	1.2	10.4	12.4	14.1	11.3	6 3/4
Europe	7.8	6.8	8.0	6.1	3.6*	3.1	-4.5	8.4	6.5	4 3/4
Developing Countries	2.0	13.5	8.8	4.9	12.8	11.3	11.3	10.4	13.5	11.0
Latin America	0.0	4.7	4.3	5.6	18.3	19.7	11.6	15.3	3.7	5 1/2
South and South-East Asia	10.4	21.1	12.1	6.3	15.3	11.3	15.3	13.4	18.1	13 1/2

Source: United Nations, "The World Economy at the Beginning of 1996. Note by the Secretary-General", document prepared for the Organizational Session of the 1996 Session of the Economic and Social Council, table A7, p. 25, New York, United Nations, Department for social Information and Policy Analysis (DESIPA), 1996, unpublished.

* Indicates discontinuity in the series.

A. MERCHANDISE TRADE BY REGION

The developing countries of South and South-East Asia represent the most dynamic sector of world trade, both in terms of exports and imports. In recent years, this group of countries has recorded export growth well in excess of the world average. Between 1960 and 1980, their volume of exports increased fourfold and, between 1980 and 1993, the volume has doubled every

7 years (see table 10). WTO data indicate that this group of countries increased its share of the value of world exports from 11% in 1984 to 13% in 1990 and to 18% in 1994. The countries of East Asia accounted for 15% of the value of world exports and the same proportion of imports, in 1994. China alone accounted for 20% of exports and 18% of imports; the four leading exporters (Taiwan Province of China, Hong Kong, the Republic of Korea and Singapore) were responsible for 52% of exports and 53% of imports, and Malaysia and Thailand were responsible for a further 17% of exports and 18% of imports. Thus, the seven leading exporters account for 89% of total exports and imports, with the remaining 11% divided up among the other countries (WTO, 1995, p. 74).

Table 10
INDEX OF THE VOLUME OF WORLD EXPORTS,
BY REGION (1960-1994)

	1960	1970	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
World	35	77	81	100	113	125	130	140	148	152	155	163	168	183
Indust. Countries	24	54	73	100	118	121	128	137	147	155	159	166	164	179
Latin America	71	96	75	100	118	115	123	133	141	139	141	144	161	177
S/SE Asia	24	51	58	100	149	175	206	237	264	276	320	360	397	453

Source: United Nations Conference on Trade and Development (UNCTAD), *Handbook of International Trade and Development Statistics, 1994* (TD/STAT.22), table 2.1, p. 38. Geneva, 1995. United Nations publication, Sales No. E/F.95.II.D.15.

Note: Includes countries members of ASEA, the Bangkok Agreement, and other countries of South and South-East Asia. Base 1980=100.

In contrast with these data, the average growth in trade volumes of the countries of Latin America and the Caribbean has been consistently below the world average for the past ten years, with the exception of 1993. In addition, this group of countries has recorded export growth well below that of the developing countries, a situation which is attributable to the increase in exports of Asian countries. Consequently, the countries of Latin America have been losing ground in the world trade stakes: their exports accounted for 6% of the world total in 1984, 4.2% in 1990 and 4.4% in 1994. In 1995, the year of Latin American countries' best trade performance, though the growth of export volumes was slightly above the world average, the significant increase in export unit values, owing to favourable trends in prices for the region's exports of commodities and semimanufactures, contributed to the above-average increase in export values (23%) (see table 1).^{6/}

^{6/} United Nations data (1996) indicate that the region's export volumes grew by some 9.2% (with respect to the previous year), compared with an increase in volumes of 10.4% for the world and almost 16% for Asian countries (see table 9). WTO data put the region's export growth at 10%, versus 9.5% for the world and 15% for the six countries of East Asia (WTO, p.7).

The performance of the other developing countries has been even more discouraging. In the 1990-1994 period, the countries of Africa and the Middle East posted negative rates of export growth: -7% and -2% respectively. In 1994, the value of exports of these countries was just above where it had stood in 1984; between 1984 and 1990, the countries recorded a modest improvement, though they still lagged behind the world economy in terms of growth. Thus, the share of these countries in world exports fell from 10% in 1984 to 7% in 1990 and again to 5% in 1994; African countries' share of world trade fell from 4% to 3% to 2%, while the countries of the Middle East saw their share drop from 6% to 4% to 3%, over the same period. The share of these regional groupings in world exports has thus halved in recent years, while world trade has recorded explosive growth (WTO, 1995, table A3, pp. 138-140).

Therefore, total share of developing countries in world exports remained unchanged at about 27% between 1984 and 1994, with a low of 24% in 1990, when export growth of Asian countries did not manage to offset the decline recorded in other regions; however, Asian growth was able to compensate for the slowdown in other regions in the following four-year period. Put differently, this means that while the share of the other three regions slipped from 16% to 11% between 1984 and 1990, Asia's share rose by just 2 percentage points. In contrast, between 1990 and 1994, when the share of the other regions dropped from 11% to 9%, the countries of South and South-East Asia increased their share by 5 percentage points. The net result was that the share of the developing countries, as a group, shrank, while there was a redistribution within the group.

In addition to this loss of relative position, the countries of Central and Eastern Europe, which were previously termed "the centrally planned economies", saw their share of world exports decline; whereas they accounted for approximately 9% of world exports in 1984, this figure slipped to 3% by 1990 and to 2.8% by 1994 (WTO, 1995, table A3, pp. 138-140).

The growth in industrialized countries' share of exports is in marked contrast to these figures, though it should be noted that there were some changes in the ranking of the industrialized countries, primarily in terms of the relative position of European countries. According to WTO data, industrialized countries' share rose from 64% in 1984 to 73% in 1990, before slipping back to 70% in 1994.

Research shows that the industrialized countries conduct the bulk of their trade with other industrialized countries -around 72% in 1994. This does not exclude major variations among the countries as regards the composition of their trading partners. Obviously, the European countries, which conduct more than 68% of their trade within their own region, record the highest percentage (79%) of trade with other industrialized countries. Trade between the United States and Canada represents about 37% of their total trade, 66.5% of which is with other industrialized nations.^{7/} Japan is the country which conducts the lowest percentage of its trade with other industrialized countries (50.5%), since 40% of its trade is with the developing countries of Asia (WTO, 1995, table A2, pp. 136-137).

^{7/} If Mexico is included, trade among the NAFTA partners accounts for 44.5% of industrialized countries' trade.

Table 11
WORLD MERCHANDISE EXPORTS BY REGION
1984-1994
(Million dollars)

Region	1984		1990		1994	
	Value	%	Value	%	Value	%
North America	314,470	16.0	521,775	15.3	678,335	16.1
Western Europe	736,505	37.7	1,635,565	47.8	1,797,100	42.6
Japan, Australia y New Zealand	198,329	10.1	336,821	9.8	456,758	10.8
Industrialized Countries	1,251,288	64.0	2,496,151	73.0	2,934,187	69.6
Latin America and the Caribbean	116,600	6.0	145,600	4.3	183,900	4.4
Africa	80,900	4.1	84,800	2.5	91,100	2.2
Middle East	114,500	5.9	132,900	3.9	120,600	2.9
South and South-East Asia	212,671	10.9	455,579	13.3	769,142	18.3
Developing Countries	524,671	26.9	818,879	23.9	1,164,742	27.6
Central and Eastern Europe and the Russian Confederation	177,720	9.1	105,420	3.1	118,280	2.8
Total	1,953,679	100.0	3,420,450	100.0	4,217,209	100.0

Source: ECLAC on the basis of World Trade Organization (WTO), The International Trade 1995. Trends and Statistics, table A3, Geneva, 1995.

B. MERCHANDISE TRADE BY PRODUCT

In the short term, all product groups have shared in the growth in volumes of world exports (table 12). As has been mentioned, the marked increase in commodity prices has meant that the value of agricultural products has increased at a faster pace than volumes. Similarly, agricultural products recorded a relatively major expansion in relation to 1993, when they had grown slightly in volume (0.5%) but declined in terms of value (-4%). Manufactures continued to be the fastest growing trade sector, with increases in value (14.5%) and volume (11%) above the average (13% and 9.5% respectively). That said, for the 1990-1994 period, the three product groups have enjoyed a similar rate of growth in world export volumes; 4.5% for agricultural products, 4.0% for mining products (including fuels) and 5.5% for manufactures, resulting in overall growth of 5% (WTO, 1995, pp. 3-4). As a result, the share of agricultural products in the value of world exports remained relatively stable at about 12%, while that of mining products recorded a drop

from 14% to 11%; manufactures, for their part, increased their share of world exports from 71% to 74% (WTO, 1995, table IV.1, p. 77).

Table 12
INDEX OF THE VOLUME OF WORLD MERCHANDISE EXPORTS
(1984-1994)

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Total	73	75	78	83	89	95	100	104	108	112	123
Agrp	91	90	89	94	96	99	100	105	110	111	119
Min	80	79	86	88	93	97	100	102	106	108	116
Man	69	72	75	80	87	94	100	104	108	112	124

Source: World Trade Organization (WTO), *The International Trade 1995, Trends and Statistics*, table A1, Geneva, 1995, p. 1350.

Notes: Agrp: agricultural products; Min: mining products; Man: manufactures (SITC sections 5 to 8, excluding 68 and group 891)
Base: 1990=100

The most striking change to have occurred over the last 10 years concerns the relative position of trade in mining products, both in terms of volumes and value, due to the drop in petroleum prices (see table 12). In 1994, the average price of petroleum, deflated by an index of the average world export price for manufactures, declined to its lowest level since 1973, and was one third of its 1981-1982 peak (WTO, 1995, p. 4). This product group's share in the value of world exports fell from some 28% in 1980 to 11% in 1994. This trend was offset by the growth in manufactures, whose share of the total value climbed from 54% to 74% (table 13).^{8/}

Another highlight is the growth in the "office and telecommunications equipment" product group. In 1994, the total value of exports of these products (US\$ 469 billion) moved ahead of mining products (US\$ 436 billion) for the first time, and nearly matched the value of agricultural products (US\$ 487 billion). This product group accounted for 4% of the value of world exports in 1980, and by 1994 had increased its share to 11.5% of the total value of exports and more than 15% of the value of total manufacturing exports. The "machinery and transport equipment" product group increased its share of world trade from 26% in 1980 to 39% in 1994, to represent more than 53% of total manufacturing exports. Over the same period, manufactures and semimanufactures -groups such as textiles, clothing, iron and steel and other semimanufactures in which most of the countries of Latin America specialize- slightly increased their share of world trade from 15% to 17%, but fell back in terms of relative share of manufacturing exports (from 28% to 23% respectively) (table 13).

^{8/} The figures do not add up to 100%, as unspecified products account for some 3% of the total.

Table 13
CLASSIFICATION OF WORLD MANUFACTURING EXPORTS BY PRODUCT
1980-1994

(Share of value in current dollars)

Products	1980		1984		1994	
	% Total	% Man.	% Total	% Man.	% Total	% Man.
Machinery and transport equipment	25.8	48.1	35.9	50.8	38.8	52.2
Office and telecom equipment	4.2	7.8	8.8	12.6	11.5	15.5
Automotive products	6.5	12.1	9.4	13.3	9.6	12.9
Other machinery	15.2	28.2	17.6	24.9	17.7	23.8
Textiles	2.7	5.0	3.1	4.4	3.1	4.2
Clothing	2.0	3.7	3.2	4.5	3.4	4.5
Other consumer goods	5.8	10.8	8.9	12.6	9.1	12.2
Iron and steel	3.8	7.1	3.1	4.4	2.9	3.9
Chemicals	7.0	13.0	8.7	12.3	9.3	12.5
Other semimanufactures	6.7	12.3	7.8	11.0	7.8	10.5
Total Manufactures	53.9	100.0	70.7	100.0	74.3	100.0

Source: ECLAC on the basis of World Trade Organization (WTO), *The International Trade 1995. Trends and Statistics*, table IV.1, Geneva, 1995, p. 770.

The markets for the most dynamic products are more concentrated than the average for those in which the countries of Latin America and other developing countries compete (see table 14). The 15 leading exporters account for nearly 90% of total exports of office and telecommunications equipment, but less than 70% of clothing exports. In addition, the fastest growing product groups are dominated by the top three exporters, and this is reflected in their share of total world exports. The top three account for between 30% and 40% of the total, while in textiles and clothing, the top two account for somewhat in excess of 20% of exports, with a more even distribution among the other exporters.

This group of large exporters of dynamic products includes a small number of developing countries, basically the four Asian tigers (Singapore, Hong Kong, the Republic of Korea and Taiwan Province of China) and Malaysia. Mexico has increased its share significantly thanks to its inbond assembly ("maquila") industries. Mexico's share of total exports of machinery and transport equipment rose from 0.1% in 1980 to 2.1% in 1994, though its share of exports of office and telecommunications equipment has remained constant over the same period (2%). The rise in Mexico's overall share of exports is due to its expanding share of exports of automotive products (up from 0.3% in 1980 to 2.7% in 1994). Brazil is the only other Latin American

country which exports automotive products; its share of such exports decreased from 1.1% in 1980 to 0.6% in 1990, rebounding slightly to 0.8% in 1994.

Table 14
**SHARE OF THE 15 LEADING EXPORTERS IN SELECTED
 WORLD EXPORT PRODUCTS
 1980-1994**

Products	1980	1990	1994
Machinery and transport equipment	78.9	83.4	85.4
Office and telecom equipment	83.6	88.4	88.7
Automotive products	93.2	95.2	95.9
Textiles	74.9	77.9	78.3
Clothing	66.9	71.9	69.8

Source: World Trade Organization (WTO), The International Trade 1995. Trends and Statistics, tables IV.31, IV.36, IV.43, IV.51 and IV.59, Geneva, 1995.

IV. ECONOMIC INTEGRATION AND GROWTH: THE LOST LINK

The growth of trade has systematically exceeded the growth of output, and as a consequence the share of exports and imports in countries' overall level of economic activity has been rising (table 15). This result has been interpreted as evidence of economies' growing interdependence. According to the World Bank, the proportion of merchandise exports in world output rose from 11% in 1980 to some 18% today, while the proportion of non-factor services grew from 1.65% to almost 4%, as a result of which the proportion of exports of goods and services in world output rose from 12.7% to about 22% during the same period (World Bank, 1995, table 1, p. 78).

Table 15
GROWTH IN THE VOLUME OF WORLD MERCHANDISE
EXPORTS AND PRODUCTION
1984-1995

Year	Growth		Year	Growth	
	Trade	Production		Trade	Production
1984	8.5	7.0	1990	5.0	0.2
1985	3.5	3.0	1991	3.1	0.1
1986	4.5	2.5	1992	4.5	-0.5
1987	5.5	3.0	1993	3.5	0.5
1988	8.5	4.5	1994	9.5	3.5
1989	7.0	3.5	1995	7.0	2.8

Source: World Trade Organization (WTO), *International Trade 1995. Trends and Statistics*, Geneva, various issues.

These figures illustrate the trend towards global integration, both in respect of trade in goods and services and capital flows, which has come about largely due to the growing internationalization of firms' production and distribution strategies, and has been assisted by continuous technological innovation in the transport and communications fields. This process, popularly referred to as **globalization**, has itself been sustained by the profound changes made to national policies by Governments, with the aim of deregulating and liberalizing most product and factor markets. The interconnection of financial markets represents an additional challenge for Governments since they must maintain domestic and foreign investors' confidence in local institutions.

However, some economists have raised questions regarding long-term aspects of the integration process currently under way. A recent study by Pritchett calculated that exports' share

of the GDP of 17 industrialized countries had doubled between 1950 and 1991, but was only 1.5 percentage points higher than in 1913 (Mazumdar, 1996, p. 72).

The World Bank has developed an indicator to measure the speed of countries' integration in the world economy, which is equal to the sum of the growth rates of export and import volumes minus the growth rate of output. The greater the difference between the growth rate and that of output, the faster the speed of the national economy's integration into the global economy. The difference will be more pronounced the greater the rate of growth of exports and imports in relation to that of output. However, the value of the difference does not indicate whether this is the result of high rates of trade and output growth or, on the contrary, average rates of trade growth and low output growth. Hence, the indicator does not reveal information about the relationship between integration and growth. An economy may be undergoing rapid integration, without this integration having an impact on output growth.

Table 16
INTEGRATION AND GROWTH OF THE WORLD ECONOMY
 (Annual rates of growth, in percentages)

	1971-1985	1986-1990	1991-1993	1994-1996	1997-2004
World Trade	3.7	6.1	3.9	7.7	6.0
World Output	3.2	3.3	1.1	3.0	3.3
Speed of Integration	0.5	2.8	2.9	4.7	2.7
OECD	0.8	3.2	0.8	4.2	2.7
East Asia	1.0	1.4	5.8	5.1	1.7
Latin America/Caribbean	-1.6	2.0	9.6	2.8	2.2

Source: World Bank (1995), Global Economic Prospects and the Developing Countries 1995, Washington, D.C., table 1-4, p. 15.

As an example, table 16 indicates that in the 1991-1993 period, the speed of integration was 2.9%, compared with trade growth and output growth of 3.9% and 1.1%, respectively. Integration thus proceeded at a faster pace than in 1986-1990, when trade grew at 6.1% and output grew at 3.3%.^{9/} The consequences for national economies differed in each case. Moreover, in Latin America, strong pent-up demand for imports together with tariff reduction and the elimination of administrative measures were responsible for the impressive expansion of external purchases recorded in 1991-1993. As a consequence, Latin America had the highest World Bank indicator (9.6%), and this illustrates the region's integration through import growth.

^{9/} Discrepancies are the result of rounding.

However, during the same period, Latin America's output expanded at an average rate of about 3%, which barely enabled per capita income to increase by about 1% (ECLAC, 1995, pp. 47-48).

Economic forecasts are not very encouraging. According to the World Bank study, the process of integrating the developing countries into the world economy will continue throughout the 1994-2004 period. Provided that the developing countries continue on the economic reform path, with a view to opening up to international trade and foreign investment, it is estimated that the average annual growth in GDP of the developing countries, as a whole, will be about 4.9% versus 2.8% for the industrialized countries; these forecasts are based on the assumption that world trade volumes will increase by 6% (World Bank, 1995, p. 6). These were the average figures for 1994-1995, and were in large part a reflection of the high growth rates recorded by China (in the double digits between 1992-1995) and the countries of South and East Asia (up by around 7%) (United Nations, 1996, p. 23). Average increases in GDP have not been sufficient to improve social equity in Latin America.^{10/}

The relationship between trade and growth has been the subject of academic debate in previous decades, yet the extensive literature produced has not managed to provide any conclusive evidence as to the direction of the causality. In the view of many analysts, there is not sufficient evidence to show whether trade determines the growth of economic activity (trade as the engine of growth) or whether economic growth determines growth in trade (trade as a factor contributing to growth [*handmaiden*]). There is a general consensus that trade tends to stimulate growth in aggregated demand (the multiplier effect). However, the current expansion in trade is taking place in a context of particular concern about inflation and macroeconomic policies which restrict the behaviour of the components of aggregate demand.

Economic growth is the consequence of micro-decisions involving technological innovation, capital formation, domestic investment, expenditure and public-sector investment. As Charles Kindleberger pointed out, over three decades ago, the nature of the products countries export is important, since these have different effects on the demand for labour, transportation and machinery, and on income distribution, technological innovation and the fostering of entrepreneurship. His analysis of various historical situations, comparing theory with empirical evidence, led him to conclude that the effect of external trade on growth was indeterminate over a broad range of behaviours of the factors of supply and demand. There is little doubt that trade has the potential to promote growth when both foreign demand and domestic supply are going in the correct direction. When the inverse occurs, i.e. when foreign demand and domestic supply are moving in opposite directions, trade can put a brake on economic growth. However, with the exception of these extreme cases, economists are unable to provide any answers regarding the relationship between trade and growth over the range of intermediate cases (Kindleberger, 1962, p. 211).

^{10/} ECLAC estimates that GDP growth on the order of 6% per annum is required if Latin America is to overcome the barriers to improved productivity and higher employment (ECLAC, 1996b).

V. CONCLUDING REMARKS

ECLAC uses the term "open regionalism" to refer to the process which results from reconciling two major phenomena: the interdependence which stems from special, preferential agreements, and that which basically arises from market signals. Under open regionalism, the integration agreements that Governments sign must be in keeping with the objectives of enhancing the countries' international competitiveness. The opportunities which the region provides in terms of geographical closeness and cultural and linguistic affinities should not be presented as alternatives to more robust linkages with the global economy, but rather as components of a complementary process for achieving that goal (ECLAC, 1994, p. 12).

Data compiled for recent years confirm that Latin America has recovered its relative importance as the destination of the exports and origin of the imports of the region's countries. Along with this, an improvement is observable in the distribution of these countries' purchases and sales among a range of geographical markets, with the emerging markets of Asia accounting for a greater share in the case of several countries. The trend toward a greater concentration on manufactures in trade in this direction, which has already been noted in the literature on trade between developing countries, is also evident in the data on intraregional trade. Nevertheless, many of the countries show an excessive concentration on the United States market.

The fact that Latin America has a major presence in the region's trade does not necessarily imply that this economic integration process is promoted by policies and not by the market ("de facto" integration). As was outlined by ECLAC in recent documents, the economic integration of the countries of Latin America has been bolstered by the creation of similar conditions in a growing and preponderant number of countries in the region. Economic interdependence has intensified owing to a combination of factors, including the shared trend toward the creation of a consistent, stable macroeconomic framework associated with a process of gradual trade liberalization.

However, the global economy is characterized by highly concentrated markets, with production divided among a number of interlinked firms, under the control of a few large corporations. The factors that determine these trade flows are internal to the firms and are part of a hierarchial, administrative process lacking the transparency of market transactions. There is a need for complementary studies that shed light on the current process of economic integration spearheaded by the large transnational corporations, its local, regional and global components and the new ways in which of regional and extraregional trade can access these markets. Such studies could determine whether these new demand conditions facilitate the output growth in the region permitted by the factors of supply.

STATISTICAL ANNEX

Table A.1
DESTINATION OF EXPORTS OF LATIN AMERICAN COUNTRIES MEMBERS OF LAIA AND CACM - 1990-1994
 (percentages/growth rates and value in millions of dollars)

Reporting Country	D E S T I N A T I O N O F E X P O R T S													
	Latin America and the Caribbean		United States		Japan		European Union		Asia		Other		World	
	Market*	90-94**	Market*	90-94**	Market*	90-94**	Market*	90-94**	Market*	90-94**	Market*	90-94**	Total Value	90-94**
Argentina	45.1	21.9	10.9	0.3	2.8	3.0	24.9	0.8	7.0	7.2	9.4	-11.3	15 803	6.4
Bolivia	43.6	1.4	35.9	18.2	0.2	-9.3	17.2	-10.4	0.8	15.1	2.4	-16.0	1 005	2.2
Brazil	23.7	30.3	20.6	3.6	6.0	2.4	28.0	4.6	8.9	7.5	12.9	4.3	43 355	8.4
Chile	21.9	22.5	15.5	6.4	17.8	9.5	23.0	-5.1	15.3	20.1	6.4	6.6	11 060	7.5
Colombia	22.2	16.0	35.8	1.4	4.0	8.1	30.7	10.2	1.3	23.4	6.0	1.2	8 880	7.0
Ecuador	23.1	15.2	42.5	2.0	1.9	8.0	17.4	23.2	1.5	-15.4	13.7	8.4	3 658	7.8
Mexico	4.2	13.2	85.2	29.9	1.6	-8.8	4.3	-5.9	0.8	11.2	4.0	23.4	61 882	23.9
Paraguay	57.7	-1.6	7.0	8.6	0.1	-20.6	27.8	-7.1	1.5	-22.0	6.0	-10.3	817	-3.9
Peru	20.3	14.1	17.9	-1.3	9.5	-2.2	27.5	0.8	17.1	34.4	7.7	-3.0	4 048	5.1
Uruguay	54.0	11.3	6.8	-5.0	1.1	-0.2	20.9	-1.7	9.1	14.1	8.1	-15.8	1 918	3.1
Venezuela	26.6	19.2	52.8	-1.8	1.7	-13.5	7.4	-16.6	0.4	-30.0	11.1	-13.8	16 377	-2.4
Costa Rica	21.0	17.8	43.4	10.0	0.9	6.1	28.2	9.9	0.9	-1.0	5.6	7.5	2 217	11.1
El Salvador	49.9	29.0	22.6	7.1	0.8	10.3	25.0	15.8	0.1	5.9	1.7	24.8	813	18.7
Guatemala	45.1	13.9	32.2	1.1	2.6	2.9	12.1	3.7	0.9	-4.7	7.1	4.9	1 502	6.6
Honduras	9.3	10.6	53.8	3.7	4.1	-3.0	27.9	2.3	0.2	-38.3	4.7	-6.0	613	2.6
Nicaragua	30.1	8.9	42.9	60.6	0.4	-48.0	24.5	-6.9	0.3	-48.1	1.9	-47.5	348	1.6
TOTAL	19.5	20.5	47.0	15.7	4.1	1.0	16.6	0.7	4.8	9.9	8.0	-0.1	174 297	10.6

Source: ECLAC on the basis of the External Trade Data Bank for Latin America and the Caribbean (BADECEL).

* Share of each direction of trade flow in each country's total exports.

** Annual growth rate of the share of the direction of trade flow in each country's total exports.

Note: Latin America and the Caribbean include in addition to the 16: Haiti, Panama, Dominican Republic, Antigua and Barbuda, Bahamas, Barbados, Belize, Grenada, Guyana, Dominica, Jamaica, St. Kitts and Nevis, St. Vincent/Grenadines, St. Lucia, Suriname and Trinidad and Tobago.

European Union includes: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom.

Asia includes: China, Hong Kong, the Republic of Korea, Singapore, Taiwan Province of China, Philippines, Indonesia, Malaysia, Thailand, New Zealand and Australia.

Table A.2
COMPOSITION OF EXPORTS OF LATIN AMERICAN COUNTRIES MEMBERS OF LAIA AND CACM, BY DESTINATION - 1994
(Percentages)

Reporting Country	Latin America and the Caribbean			United States			Japan			European Union			Asia			Other			World		
	PPs	Semi	Man	PPs	Semi	Man	PPs	Semi	Man	PPs	Semi	Man	PPs	Semi	Man	PPs	Semi	Man	PPs	Semi	Man
Argentina	38.0	24.9	37.1	16.4	26.1	57.5	52.8	43.8	3.4	45.8	40.6	13.7	40.7	28.3	31.1	18.6	63.3	18.1	36.4	33.3	30.3
Bolivia	47.1	43.5	9.3	6.2	42.7	51.2	41.6	34.7	23.7	81.6	15.4	2.9	85.5	3.8	10.7	77.9	8.5	13.7	39.4	37.2	23.4
Brazil	4.7	18.7	76.6	10.7	24.5	64.8	42.8	40.7	16.5	35.4	38.9	25.7	16.9	29.9	53.2	23.2	42.9	33.8	20.2	30.9	48.9
Chile	24.9	44.8	30.3	39.3	51.1	9.5	51.7	47.8	0.5	27.7	70.2	2.2	90.7	81.0	1.7	30.4	64.2	5.3	31.8	58.9	9.3
Colombia	8.8	20.1	71.1	64.5	10.3	25.2	86.4	9.3	4.2	79.8	5.2	15.0	76.3	6.5	17.2	57.9	21.9	20.2	56.9	11.6	31.5
Ecuador	48.5	29.5	22.1	92.3	6.0	1.7	84.3	14.5	1.2	88.4	8.7	2.9	90.7	8.2	1.0	90.1	8.9	1.1	81.0	12.5	6.5
Mexico	9.8	21.3	68.9	15.7	6.1	78.3	61.0	16.9	22.1	41.2	17.9	40.8	6.5	41.6	51.9	12.7	11.5	75.7	17.1	8.0	74.9
Paraguay	60.5	23.0	16.5	33.9	32.8	33.3	62.9	16.1	21.0	61.0	23.0	16.1	0.8	65.5	33.8	83.7	8.4	7.9	59.2	23.4	17.3
Peru	18.7	61.4	19.9	17.0	51.0	32.0	42.0	53.1	5.0	31.7	57.8	10.5	25.0	73.3	1.6	46.9	45.0	8.2	27.4	58.5	14.0
Uruguay	15.3	34.3	50.4	17.2	15.5	67.3	48.1	33.5	18.4	54.7	20.2	25.1	22.7	56.0	21.3	69.7	8.2	22.1	29.1	29.9	41.0
Venezuela	23.0	49.3	27.7	63.3	31.0	5.7	11.3	80.0	8.7	70.5	23.2	6.3	21.2	32.6	46.1	62.2	32.9	4.9	51.9	36.4	11.7
Costa Rica	4.1	34.6	61.3	65.9	10.8	23.2	69.2	30.6	0.2	91.4	6.3	2.3	75.8	0.4	23.8	73.9	16.6	9.4	60.5	15.2	24.4
El Salvador	4.0	38.3	57.7	50.6	17.4	32.0	79.3	16.2	4.5	95.5	3.0	1.5	69.4	14.0	16.6	83.7	8.5	7.8	39.5	24.0	36.5
Guatemala	7.6	35.8	56.6	83.1	9.5	7.5	98.8	0.3	0.9	94.3	3.0	2.7	29.1	68.5	2.5	49.5	45.4	5.1	48.0	23.4	28.6
Honduras	15.0	44.4	40.6	79.8	10.3	9.9	99.4	0.6	0.1	95.5	3.1	1.5	99.7	0.0	0.3	86.2	10.4	3.4	79.3	11.0	9.7
Nicaragua	63.0	17.3	19.7	75.7	13.4	10.8	97.4	2.4	0.1	97.1	1.6	1.2	85.7	0.4	13.9	75.3	9.0	15.7	77.2	11.6	11.3
TOTAL	19.3	29.0	51.7	25.6	13.1	61.3	49.6	40.2	10.2	46.4	34.3	19.4	21.7	44.7	33.6	32.6	36.1	31.3	29.2	24.3	46.5

Source: ECLAC in the basis of the External Trade Data Bank for Latin America and the Caribbean.

Note: PPs = share of primary products in exports by destination.

Semi = share of semimanufactures in exports by destination.

Man = share of manufactures in exports by destination.

For the definition of country groups, see note Table A1.

For the classification of products see ECLAC (1992), "El comercio de manufacturas en América Latina, evolución y estructura, 1962-1989", Estudios e Informes de la CEPAL series, No.88 (L/C/G.1731-P), Santiago, Chile, November, United Nations publication, Sales No. S.92.H.6.12

TABLE A.3
 DESTINATION OF EXPORTS OF LATIN AMERICAN COUNTRIES MEMBERS OF LAIA AND CACM, CLASSIFIED BY PRODUCT - 1994
 (Percentages, value in millions of dollars)

Reporting Country	Latin America and the Caribbean			United States			Japan			European Union			Asia			Other			World*		
	PPs	Semi	Man	PPs	Semi	Man	PPs	Semi	Man	PPs	Semi	Man	PPs	Semi	Man	PPs	Semi	Man	PPs	Semi	Man
Argentina	47.1	33.7	55.1	4.9	8.5	20.6	4.1	3.7	0.3	31.3	30.3	11.2	7.8	6.0	7.2	4.8	17.8	5.6	5 748	5 255	4 793
Bolivia	52.1	50.9	17.4	5.6	41.2	78.5	0.2	0.2	0.2	35.6	7.1	2.1	1.7	0.1	0.4	4.8	0.6	1.4	395	373	235
Brazil	5.6	14.5	37.5	10.9	16.4	27.5	12.7	7.9	2.0	49.4	35.6	14.8	7.5	8.7	9.8	13.9	16.9	8.4	8 653	13 200	20 908
Chile	17.3	16.8	71.8	19.5	13.7	16.0	29.5	14.7	1.0	20.4	27.9	5.4	8.4	21.4	2.9	4.9	5.5	2.9	3 452	6 400	1 015
Colombia	3.5	39.5	51.3	41.6	32.7	29.3	4.6	2.4	0.4	43.2	13.8	14.7	1.3	0.5	0.5	5.9	11.0	3.7	4 749	966	2 629
Ecuador	13.8	54.5	78.3	48.4	20.4	11.2	2.0	2.2	0.4	18.9	12.1	7.6	1.6	1.0	0.2	15.3	9.8	2.3	2 964	456	238
Mexico	2.7	12.5	4.3	77.4	64.0	88.2	5.5	3.2	0.5	11.2	10.4	2.5	0.3	4.1	0.5	3.0	5.7	4.0	10 285	4 799	45 078
Paraguay	58.9	56.6	55.0	4.0	9.8	13.4	0.1	0.1	0.2	28.6	27.2	25.7	0.0	4.2	2.9	8.4	2.1	2.7	484	192	141
Peru	13.8	21.2	28.7	11.1	15.6	40.9	14.5	8.6	3.4	31.7	27.1	20.6	15.7	21.5	2.0	13.2	5.9	4.5	1 110	2 369	568
Uruguay	28.4	61.8	66.4	4.0	3.5	11.2	1.8	1.2	0.5	39.3	14.1	12.8	7.2	17.1	4.8	19.3	2.2	4.3	556	572	783
Venezuela	11.8	36.0	63.0	64.5	45.1	25.6	0.4	3.8	1.3	9.9	4.7	3.9	0.2	0.4	1.6	13.3	10.0	4.6	8 490	5 945	1 912
Costa Rica	1.5	50.3	55.3	44.2	29.0	38.6	1.1	1.9	0.0	44.9	12.4	2.8	1.2	0.0	0.9	7.2	6.4	2.3	1 269	318	511
El Salvador	5.0	79.4	78.7	28.9	16.3	19.8	1.5	0.5	0.1	60.8	3.2	1.0	0.1	0.0	0.0	3.6	0.6	0.4	319	194	295
Guatemala	7.1	68.9	89.0	55.8	13.0	8.4	5.3	0.0	0.1	23.9	1.5	1.2	0.5	2.6	0.1	7.4	13.9	1.3	720	351	429
Honduras	1.8	37.5	39.0	54.2	50.1	55.0	5.1	0.2	0.0	33.6	7.7	4.3	0.3	0.0	0.0	5.1	4.5	1.7	486	67	59
Nicaragua	25.1	45.9	53.7	41.5	49.1	40.6	0.4	0.1	0.0	30.9	3.4	2.7	0.3	0.0	0.3	1.9	1.5	2.7	261	39	38
TOTAL	13.2	23.8	22.1	40.8	25.2	61.3	7.0	6.8	0.9	26.9	23.9	7.0	3.6	8.9	3.5	8.6	11.5	5.2	49 940	41 496	79 632

Source: ECLAC on the basis of the External Trade Data Bank for Latin America and the Caribbean (BADECEL).

* Value of exports, by product group.

PPs - primary products - share of each destination in primary products exports of each country.

Semi - semimanufactured - share of each destination in exports of semimanufactures of each country.

Man - manufactures - share of each destination in manufacturing exports of each country.

For the definition of country groups, see note Table A.1

For the classification of products, see note Table A.2

Table A.4
COMPOSITION OF EXPORTS OF COUNTRIES MEMBERS OF LAIA AND CACM, BY DESTINATION AND PRODUCT GROUP
CHANGES IN MARKET SHARE - 1990-1994

Reporting Country	Latin America and the Caribbean			United States			Japan			European Union			Asia			Other			World		
	PPs	Semi	Man	PPs	Semi	Man	PPs	Semi	Man	PPs	Semi	Man	PPs	Semi	Man	PPs	Semi	Man	PPs	Semi	Man
Argentina	32.1	12.3	21.4	15.2	-18.5	17.6	19.0	-0.3	-34.1	1.1	1.3	-1.5	6.3	13.8	3.6	-24.3	-5.4	-6.2	8.9	0.3	11.9
Bolivia	-10.0	19.9	50.0	-7.5	1.6	108.6	-9.3	-12.7	-1.3	-12.1	9.8	-22.3	25.2	14.6	-14.7	-16.1	-32.4	33.8	-10.7	8.9	61.2
Brazil	14.4	31.3	31.4	3.3	-2.1	6.3	3.0	6.9	-6.9	9.8	3.6	0.1	0.9	22.1	4.1	5.4	8.5	0.4	6.9	7.2	10.1
Colombia	-11.0	24.3	19.8	-0.4	-11.2	13.6	13.8	11.1	-6.3	7.9	22.7	10.5	21.7	-10.7	0.0	-6.1	21.2	0.8	2.5	4.8	15.1
Chile	15.0	20.5	35.3	4.7	8.5	2.3	20.3	1.9	8.4	2.4	-7.6	1.8	13.5	21.6	34.6	14.5	2.1	13.0	10.6	4.2	22.5
Ecuador	1.5	38.7	60.7	4.2	-18.0	21.3	9.3	0.6	28.9	22.1	33.1	42.3	-16.4	-1.8	11.3	6.4	46.9	52.9	6.0	9.7	50.6
Mexico	-10.3	12.4	25.2	-0.1	6.7	49.1	-17.9	0.4	41.5	-15.5	5.9	13.0	-23.3	21.3	17.4	-2.8	5.9	38.1	-4.4	7.4	45.0
Paraguay	-9.2	19.3	27.7	36.2	4.0	-0.4	3.0	-45.0	0.8	-14.7	28.9	10.3	-76.2	132.9	2.0	-12.3	-3.3	19.8	-11.4	19.1	15.7
Peru	10.8	17.4	8.8	-11.8	0.5	4.0	-7.1	1.3	17.7	2.9	1.1	-5.8	40.5	33.2	15.5	18.1	-7.0	-27.0	3.8	7.3	-0.1
Uruguay	-0.1	11.3	16.6	8.5	-6.8	-6.7	11.1	-4.4	-10.9	3.3	-5.7	-6.8	17.2	8.7	32.5	-11.6	-33.2	-16.3	-0.6	3.4	6.1
Venezuela	-6.5	69.1	19.9	-10.1	75.8	-5.9	-27.4	-10.4	-10.6	-19.5	-4.5	-18.8	-43.5	-5.9	-27.6	-22.1	70.9	-11.0	-13.3	45.6	3.4
Costa Rica	20.6	26.1	16.6	11.9	2.1	10.9	-2.2	163.6	-40.4	9.3	49.8	1.5	2.8	-55.8	32.3	26.0	16.7	-21.5	11.2	17.1	11.6
El Salvador	60.5	32.4	25.8	0.5	13.3	18.4	4.5	83.4	62.2	15.6	46.2	-0.9	-3.3	0.0	202.3	33.6	70.0	-13.6	11.1	28.6	23.3
Guatemala	-1.6	18.0	14.7	1.8	-3.4	-0.1	3.5	-32.2	-9.6	3.9	-5.5	9.1	-18.7	6.6	7.7	1.5	7.3	28.7	1.9	11.3	13.0
Honduras	-8.5	24.9	10.6	3.1	1.6	12.8	0.7	-56.6	0.0	5.7	-31.5	12.3	-32.3	0.0	94.6	-8.4	33.3	7.6	2.4	-2.2	11.8
Nicaragua	17.2	-6.9	6.5	159.5	-1.0	332.9	-49.4	-31.5	0.0	-7.6	-11.4	38.9	-50.8	0.0	0.0	-47.2	-59.6	-15.3	2.1	-12.9	20.3
TOTAL	7.2	25.0	25.8	-2.4	6.4	34.6	0.4	1.9	-2.0	0.3	0.6	1.9	2.0	21.2	4.4	-10.0	5.9	7.9	-1.2	8.5	24.4

Source: ECLAC on the basis of the External Trade Data Bank for Latin America and the Caribbean (BADECEL).

Note: Annual growth rates of each destination's share in exports classified by product group.

PPs - primary products.

Semi - semifinances.

Man - manufactures.

For the definition of country groups, see note Table A.1

For the classification of products, see note Table A.2

Table A.5
ORIGIN OF IMPORTS OF LATIN AMERICAN COUNTRIES MEMBERS OF LAIA AND CACM - 1990-1994
 *(Percentages, growth rates and value in millions of dollars)

Reporting Country	O r i g i n o f I m p o r t s											Total Value \$B.94**		
	Latin America and the Caribbean		United States		Japan		European Union		Asia		Other			
	Supplier*	90-94**	Supplier*	90-94**	Supplier*	90-94**	Supplier*	90-94**	Supplier*	90-94**	Supplier*		90-94**	
Argentina	31.3	49.6	22.8	56.6	2.9	36.0	30.0	55.1	8.8	59.6	4.2	30.3	21 581	51.7
Bolivia	44.6	12.4	18.8	9.7	15.4	27.3	14.6	12.4	3.9	40.4	2.7	11.9	1 182	14.3
Brazil	19.9	16.3	23.1	16.2	5.6	5.3	27.4	18.9	6.9	33.1	17.0	-2.9	35 548	12.2
Colombia	23.4	25.7	32.0	17.8	9.5	22.9	20.4	17.9	5.0	64.1	9.7	14.8	11 889	20.8
Chile	26.3	14.0	23.7	17.7	9.0	15.4	21.1	5.7	10.2	30.3	9.7	0.4	11 149	12.3
Ecuador	29.7	26.4	25.6	11.5	16.3	35.8	15.6	6.5	6.1	36.7	6.8	14.2	3 552	18.5
Mexico	3.6	23.1	69.2	29.2	6.0	39.1	11.2	16.0	5.5	46.0	4.5	30.4	80 020	28.3
Paraguay	45.9	24.1	11.7	13.6	9.3	2.1	11.4	8.0	16.2	18.4	5.5	7.9	2 425	15.8
Peru	32.4	17.7	28.1	20.8	8.7	52.6	16.5	15.4	8.9	33.3	5.4	16.1	5 626	20.9
Uruguay	55.3	21.1	9.7	17.1	2.9	15.0	19.0	15.8	7.1	40.1	6.0	-4.8	2 707	17.6
Venezuela	17.0	11.8	46.1	4.7	5.6	15.4	21.1	-1.3	3.5	9.2	6.7	7.2	8 037	5.0
Costa Rica	29.5	12.4	44.0	5.3	5.5	0.4	11.4	5.2	5.1	9.0	4.5	9.4	3 011	7.2
El Salvador	35.4	33.8	41.5	28.7	6.3	50.2	10.6	26.2	3.3	42.4	2.9	-21.2	2 262	25.9
Guatemala	30.6	15.8	44.2	15.2	3.8	0.5	11.8	5.6	3.5	10.3	6.1	7.4	2 647	12.6
Honduras	21.7	1.5	47.5	11.6	4.2	-4.1	11.7	13.2	2.7	3.5	12.2	24.3	1 335	9.1
Nicaragua	43.4	11.6	25.2	29.0	7.2	8.0	11.8	1.5	3.5	0.9	9.0	-15.7	852	7.6
TOTAL	17.0	22.1	44.5	24.4	6.2	22.4	18.2	17.9	6.4	37.9	7.7	6.0	193 823	21.3

Source: ECLAC on the basis of the External Trade Data Bank for Latin America and the Caribbean.
 * Share of each area of origin of each country's total imports.
 ** Annual growth rate of the supplier's share in each country's total imports.
 For the definition of country groups, see note Table A.1

Table A.6
COMPOSITION OF IMPORTS OF LATIN AMERICAN COUNTRIES MEMBER OF LAIA AND CACM, BY ORIGIN - 1994
(Percentages)

Reporting country	Latin America and the Caribbean			United States			Japan			European Union			Asia			Other			World		
	PPs	Semi	Man	PPs	Semi	Man	PPs	Semi	Man	PPs	Semi	Man	PPs	Semi	Man	PPs	Semi	Man	PPs	Semi	Man
Argentina	10.2	15.8	74.0	2.1	10.2	87.7	0.1	5.4	94.5	1.2	11.8	87.0	3.3	3.9	92.8	11.7	26.9	61.3	4.8	12.4	82.9
Bolivia	8.8	19.7	71.5	8.2	11.8	80.0	0.0	0.3	99.7	12.6	7.7	79.7	0.3	2.0	97.7	1.8	6.5	91.7	7.3	12.2	80.5
Brazil	41.2	20.1	38.6	8.3	22.2	69.5	2.2	5.5	92.3	2.8	15.8	81.5	18.0	2.0	80.0	48.3	36.2	15.5	19.6	20.0	60.3
Colombia	8.9	31.3	59.8	6.1	17.4	76.5	0.0	2.3	97.6	1.5	13.0	85.5	14.6	5.0	80.4	17.2	22.2	60.7	7.0	18.6	74.5
Chile	32.4	14.1	53.5	3.9	10.8	85.3	0.0	0.9	99.0	0.9	10.9	88.2	7.3	1.4	91.3	35.4	8.8	55.8	13.7	9.7	76.6
Ecuador	5.6	18.0	76.4	3.9	13.5	82.6	0.0	0.2	99.8	2.5	12.3	85.2	15.7	1.7	82.6	22.1	19.3	58.7	5.5	12.0	82.5
Mexico	14.0	28.1	58.0	8.1	9.9	81.9	0.1	2.5	97.4	1.1	9.9	89.0	5.6	2.9	91.6	14.8	11.0	74.3	7.4	9.9	82.8
Paraguay	9.9	22.1	68.0	0.4	23.1	76.5	0.1	0.8	99.1	0.9	7.4	91.7	0.0	0.2	99.8	24.7	21.5	53.8	6.0	14.8	79.2
Peru	23.9	21.0	55.2	9.8	16.2	74.0	0.0	0.6	99.4	4.1	10.5	85.4	8.7	1.4	89.9	17.3	21.1	61.6	12.6	14.2	73.2
Uruguay	9.3	23.6	67.1	3.3	11.3	85.5	0.2	6.2	93.6	2.4	11.1	86.5	6.5	1.1	92.3	10.8	32.7	56.5	6.9	18.3	74.8
Venezuela	10.6	25.8	63.7	8.1	13.4	78.5	0.0	2.1	97.9	3.9	12.0	84.1	13.2	2.8	83.9	19.1	21.9	59.1	8.1	14.6	77.3
Costa Rica	14.3	27.6	58.1	11.0	21.1	67.9	1.7	0.9	97.4	1.5	14.0	84.6	0.9	1.5	97.6	16.2	22.9	60.9	10.0	20.0	70.1
El Salvador	22.5	11.3	66.2	13.1	17.9	69.0	0.0	9.1	90.9	3.6	17.2	79.2	7.1	3.4	89.5	4.6	46.6	48.8	13.9	15.3	70.7
Guatemala	21.6	12.0	66.4	9.1	18.8	72.1	0.0	2.9	97.1	3.5	24.0	72.5	0.3	5.4	94.2	5.3	58.6	36.1	11.1	18.9	70.0
Honduras	6.4	15.9	77.7	9.2	21.5	69.3	0.1	1.3	98.6	5.6	12.7	81.7	1.2	11.3	87.5	8.5	68.8	22.7	7.4	24.0	66.6
Nicaragua	32.1	8.8	59.1	15.9	10.9	73.2	2.0	0.5	97.5	3.4	13.5	83.0	5.7	1.6	92.7	13.4	12.0	74.6	19.8	9.2	71.1
TOTAL	20.1	20.3	59.7	7.6	12.5	79.9	0.5	2.9	96.6	2.0	12.6	85.4	8.6	2.7	88.7	29.8	25.2	45.0	10.1	13.7	76.2

Source: ECLAC on the basis of the External Trade Data Bank for Latin America and the Caribbean (BADECEL).

Note: PPs - share of primary products in original imports of the country or country group.

Semi - share of semimanufactures in original imports of the country or country group.

Man - share of manufactures in original imports of the country or country group.

For the definition of country groups, see note Table A.1.

For the classification of products, see note Table A.2.

Table A.7
ORIGIN OF IMPORTS OF LATIN AMERICAN COUNTRIES MEMBERS OF LAIA AND CACM, CLASSIFIED BY PRODUCT - 1994
 (Percentages, value in millions of dollars)

Reporting Country	Latin American and the Caribbean			United States			Japan			European Union			Asia			Other			World		
	PPs	Semi	Man	PPs	Semi	Man	PPs	Semi	Man	PPs	Semi	Man	PPs	Semi	Man	PPs	Semi	Man	PPs	Semi	Man
Argentina	65.5	39.0	27.3	10.3	19.1	24.5	0.0	1.3	3.4	7.5	28.6	31.6	6.2	2.8	10.0	10.5	9.2	3.1	986	2 569	17 194
Bolivia	52.7	70.2	38.7	21.3	18.2	18.8	0.0	0.4	20.2	25.1	9.1	14.4	0.1	0.6	4.7	0.7	1.5	3.2	81	136	893
Brazil	36.5	17.5	11.1	10.3	27.1	28.2	0.7	1.6	9.1	3.9	22.1	37.9	6.4	0.7	9.3	42.1	31.0	4.4	6 520	6 644	20 032
Colombia	29.9	39.3	18.7	29.5	31.7	34.8	0.0	0.8	7.8	4.7	15.1	24.7	11.4	1.5	5.8	24.4	11.8	8.1	747	1 995	7 991
Chile	60.4	37.4	17.9	7.0	27.4	27.3	0.0	0.8	11.0	1.4	23.8	24.2	5.5	1.5	12.4	25.6	9.0	7.2	1 442	1 014	8 047
Ecuador	29.2	43.0	26.6	18.2	28.8	25.6	0.0	0.3	20.5	7.1	16.0	16.2	17.8	0.9	6.2	27.6	11.0	4.9	188	412	2 824
Mexico	6.4	9.6	2.4	76.9	70.1	68.9	0.1	1.3	5.9	1.7	11.4	12.3	3.9	1.5	5.7	11.1	6.1	4.9	4 879	6 541	54 904
Paraguay	75.2	68.2	39.2	0.9	18.4	11.4	0.2	0.6	12.8	1.4	4.6	10.7	0.1	0.2	22.2	22.3	7.9	3.7	133	325	1 742
Peru	59.2	46.1	23.6	22.4	32.8	29.1	0.0	0.4	13.0	5.3	12.2	19.3	5.9	0.8	10.6	7.1	7.7	4.4	642	725	3 724
Uruguay	71.6	69.4	48.1	4.8	6.2	11.6	0.1	1.1	3.9	6.6	11.7	22.4	7.2	0.5	9.4	9.7	11.1	4.7	173	455	1 864
Venezuela	20.3	27.4	12.8	47.9	43.9	48.7	0.0	0.9	7.6	9.9	16.6	22.0	5.2	0.6	3.4	16.7	10.6	5.4	603	1 087	5 752
Costa Rica	40.1	38.7	23.2	49.2	47.4	43.3	1.0	0.3	8.1	1.7	7.9	13.6	0.5	0.4	7.6	7.6	5.4	4.1	281	561	1 969
El Salvador	56.1	25.6	32.5	38.5	48.2	40.1	0.0	4.2	9.1	2.8	12.0	12.0	1.7	0.7	4.2	1.0	9.2	2.1	281	309	1 425
Guatemala	56.2	18.4	27.4	36.9	44.9	46.5	0.0	0.6	5.9	3.7	14.9	12.1	0.1	1.0	4.7	3.1	20.3	3.4	263	447	1 654
Honduras	17.7	13.7	23.4	58.7	42.7	48.0	0.1	0.3	6.7	8.8	6.2	14.0	0.5	1.4	3.7	14.3	35.8	4.1	89	286	817
Nicaragua	70.5	41.8	36.1	20.5	30.2	26.2	0.9	0.4	11.5	2.0	17.1	13.6	1.1	0.6	4.7	5.1	9.9	7.9	143	67	515
TOTAL	33.2	24.8	13.1	33.0	40.3	46.1	0.3	1.2	7.3	3.7	17.3	21.1	5.5	1.3	7.5	24.3	15.2	4.9	17 450	23 571	131 346

Source: ECLAC on the basis of the External Trade Data Bank for Latin America and the Caribbean (BEDECEL).

Note: PPs = share of country or country group in imports of primary products.

Semi = share of country or country group in imports of semimanufactures.

Man = share of country or country group in imports of manufactures.

For the definition of country groups, see note Table A.1

For the classification of products, see note Table A.2

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