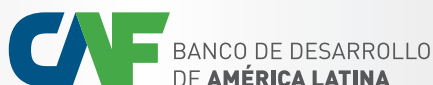




**OBSERVATORIO**  
AMERICA LATINA  
ASIA PACIFICO

**Statistical Bulletin**  
**LATIN AMERICA - ASIA-PACIFIC**

Bulletin Number 1  
First half  
2012



## Observatory Statistical Bulletin LAIA-CAF-ECLAC LATIN AMERICA - ASIA-PACIFIC

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BULLETIN NUMBER 1

FIRST HALF 2012

### Foreign Trade

- In the first half of 2012, the value of goods exports from Latin America and the Caribbean to Asia-Pacific<sup>1</sup> rose by 6.9% compared to the same period in 2011. This was a considerably smaller variation than that recorded a year earlier, since exports to the Asia-Pacific region in the first half of 2011 were up by 32.4% over the same period in 2010. Nevertheless, exports to this destination grew faster than those to the rest of the world (see Table 1).
- Imports of goods from Asia-Pacific also increased less than in the first half of 2011, although growth (7.9%) was slightly higher than for exports. Thus, the region accumulated a trade deficit with Asia-Pacific of just over USD\$42 billion in the first half of 2012, compared to about USD\$38 billion in the same period of 2011.
- Among the top destinations in the Asia-Pacific region, exports to China performed better. In the case of imports, those from China and Japan showed higher growth during this period (see Table 1).
- The greater dynamism of trade with Asia-Pacific points to the growing importance of this region for Latin America and the Caribbean. Indeed, in the first half of 2012, Asia-Pacific accounted for 18% and 27% of regional exports and imports, respectively (see Figure 1). Furthermore, the higher growth of trade with China is reflected in this country's greater relative weight in bilateral relations between the two regions (around 50%).
- Brazil, Chile, the Bolivarian Republic of Venezuela, Mexico and, to a lesser extent, Colombia and Peru, drove the upward trend of Latin American exports to Asia-Pacific in the first half of 2012. This group of countries accounts for almost the entire increase in absolute trade flows during this period (see Table 2).

**Table 1. Latin America and the Caribbean: Evolution of foreign trade with Asia-Pacific and the World, January-June 2010 to January-June 2012**

(Millions of current dollars and growth rates in percentages)

	Exports					Imports				
	Jan-Jun 2010	Jan-Jun 2011	Jan-Jun 2012	Growth during first half of each year		Jan-Jun 2010	Jan-Jun 2011	Jan-Jun 2012	Growth during first half of each year	
				2011	2012				2011	2012
<b>Asia-Pacific</b>	<b>65 632</b>	<b>86 886</b>	<b>92 904</b>	<b>32.4</b>	<b>6.9</b>	<b>100 100</b>	<b>125 376</b>	<b>135 323</b>	<b>25.3</b>	<b>7.9</b>
China	32 676	43 480	47 313	33.1	8.8	47 514	63 019	70 684	32.6	12.2
Japan	8 721	12 014	11 884	37.8	-1.1	12 125	14 709	16 291	21.3	10.8
Other Asia-Pacific	24 235	31 392	33 708	29.5	7.4	40 461	47 648	48 348	17.8	1.5
<b>Rest of the World</b>	<b>328 626</b>	<b>417 387</b>	<b>431 900</b>	<b>27.0</b>	<b>3.5</b>	<b>265 136</b>	<b>336 228</b>	<b>358 142</b>	<b>26.8</b>	<b>6.5</b>
<b>World</b>	<b>394 258</b>	<b>504 272</b>	<b>524 804</b>	<b>27.9</b>	<b>4.1</b>	<b>365 236</b>	<b>461 604</b>	<b>493 465</b>	<b>26.4</b>	<b>6.9</b>

Source: ECLAC, based on data from International Merchandise Trade Statistical Bulletin No. 8 of ECLAC.

- Of the sixteen Latin American countries for which monthly information was available on bilateral trade with Asia-Pacific, only five saw a reduction in exports during the period: Argentina and the Plurinational State of Bolivia in South America, and El Salvador, Guatemala and Nicaragua in Central America. As for imports, only Argentina and Paraguay reduced their purchases of products from Asia-Pacific during this period.
- Brazil remains the region's largest exporter to Asia-Pacific as a whole, as well as to China, with shares of total exports amounting to 39% and 44%, respectively. Chile is in second place, with shares of 20% to Asia-Pacific and

<sup>1</sup> For the purposes of this bulletin, Asia-Pacific includes trade flows with Asia as a whole, as well as Australia, New Zealand and the rest of Oceania.

18% to China. When the Bolivarian Republic of Venezuela, Argentina, Mexico and Peru are included, these six countries account for 94% of exports to the Asia-Pacific region, showing a high degree of concentration.

- Only four countries in the region recorded a trade surplus with Asia-Pacific in the first half of 2012: Argentina, Brazil, Chile and the Bolivarian Republic of Venezuela. Notably, Mexico's trade deficit with Asia-Pacific (USD\$46 billion) was greater than that of the whole of Latin America.

**Table 2. Evolution of trade in goods between Latin America and Asia-Pacific, by country**  
(Millions of current dollars and growth rates in percentages)

	Exports			Imports		
	Jan-Jun 2011	Jan-Jun 2012	Growth	Jan-Jun 2011	Jan-Jun 2012	Growth
Argentina	7 466	6 920	-7.3	7 331	6 765	-7.7
Bolivia, Pl. St.	666	567	-14.8	615	751	22.0
Brazil	34 392	36 216	5.3	33 318	34 878	4.7
Chile	18 286	19 082	4.3	9 153	9 846	7.6
Colombia	1 547	2 181	40.9	4 756	5 892	23.9
Costa Rica	542	753	38.9	1 067	1 221	14.5
Ecuador	407	750	84.3	2 317	2 634	13.7
El Salvador	103	70	-32.4	610	691	13.3
Guatemala	291	215	-26.3	1 274	1 398	9.7
Honduras	143	171	20.2	337	439	30.1
Mexico	7 462	8 808	18.0	51 193	55 442	8.3
Nicaragua	78	66	-16.0	437	506	15.7
Paraguay	93	131	40.1	1 985	1 600	-19.4
Peru	6 227	6 522	4.7	5 625	6 565	16.7
Uruguay	426	500	17.5	933	1 079	15.7
Venezuela, Bol. Rep.	8 755	9 954	13.7	4 424	5 616	26.9
<b>Latin America</b>	<b>86 886</b>	<b>92 904</b>	<b>6.9</b>	<b>125 376</b>	<b>135 323</b>	<b>7.9</b>

**(b) China**

	Exports			Imports		
	Jan-Jun 2011	Jan-Jun 2012	Growth	Jan-Jun 2011	Jan-Jun 2012	Growth
Argentina	2 400	2 359	-1.7	4 479	4 149	-7.4
Bolivia, Pl. St.	171	160	-6.1	356	455	28.0
Brazil	20 044	21 158	5.6	14 741	16 059	8.9
Chile	8 256	8 640	4.7	5 247	6 133	16.9
Colombia	1 201	2 000	66.5	3 471	4 369	25.9
Costa Rica	82	163	98.8	533	656	23.1
Ecuador	106	213	101.6	887	1 230	38.7
El Salvador	1	12	1485.3	259	268	3.7
Guatemala	9	27	200.9	752	836	11.2
Honduras	55	46	-15.6	135	189	40.0
Mexico	2 570	2 598	1.1	24 015	26 496	10.3
Nicaragua	...	...	...	...	...	...
Paraguay	18	19	2.5	1 671	1 341	-19.8
Peru	3 355	3 557	6.0	2 931	3 519	20.1
Uruguay	289	327	13.0	598	728	21.7
Venezuela, Bol. Rep.	4 924	6 033	22.5	2 946	4 255	44.5
<b>Latin America</b>	<b>43 480</b>	<b>47 313</b>	<b>8.8</b>	<b>63 019</b>	<b>70 684</b>	<b>12.2</b>

Source: ECLAC, based on statistical offices, central banks, export promotion agencies, the International Trade Commission of the United States, European Union Eurostat and the Directorate of Trade Statistics (DOTS) of the International Monetary Fund.

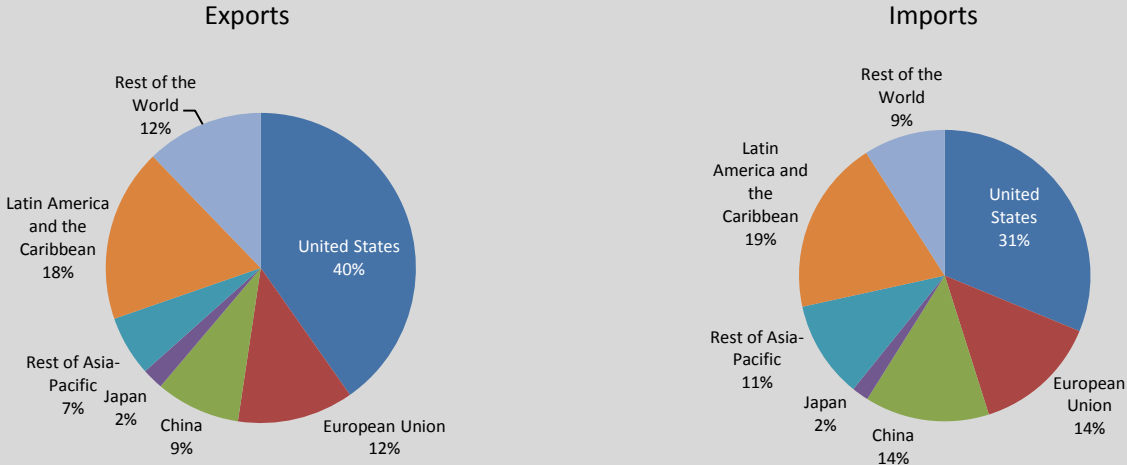
Note: In the case of the Bolivarian Republic of Venezuela, the data is quarterly data to which the DOTS monthly trend was applied. The table does not include Cuba, Panama and the Dominican Republic for lack of official statistical information for the reference period.

In recent years, China has become one of the Latin American and Caribbean region's major trading partners, matching the European Union as supplier of imported goods. Figures for the first half of 2012 indicate that China and the European Union each supplied 14% of the region's imports (see Figure 1).

The aggregate share of China and other Asia-Pacific trading partners reached 18% of total exports from the region in the first half of 2012, equalling the share of intraregional trade. In the case of imports, the share of the region is far outweighed by Asia-Pacific.

Seen in perspective, bilateral trade flows between Latin America and Asia-Pacific have increased steadily during the past six years, rising threefold over this period: in the first half of 2012 average monthly exports from the Asia-Pacific region exceeded USD\$15 billion, compared with USD\$5 billion in the first half of 2006. Similarly, imports increased by a factor of 2.3 (see Figure 3).

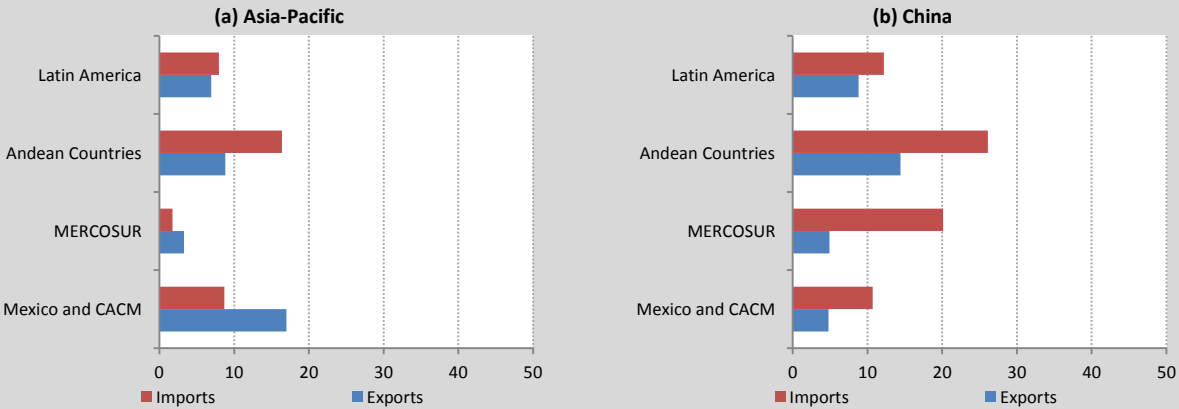
**Figure 1. Latin America and the Caribbean: Distribution of external trade by main trading partners, from January to June 2012**  
(Percentages of total)



Source: ECLAC, based on data from International Merchandise Trade Statistical Bulletin No. 8 of ECLAC.

By subregion, exports to China by the Andean countries and the Southern Common Market (MERCOSUR) grew at a slightly higher rate than those originating in Mexico and Central America. This was not the case of exports to the entire Asia-Pacific region, however: in this case growth was higher in Mexico and Central America.

**Figure 2. Subregions of Latin America: trade with China and Asia-Pacific, January-June 2012 compared to the same period of 2011**  
(Growth rates in percentages)



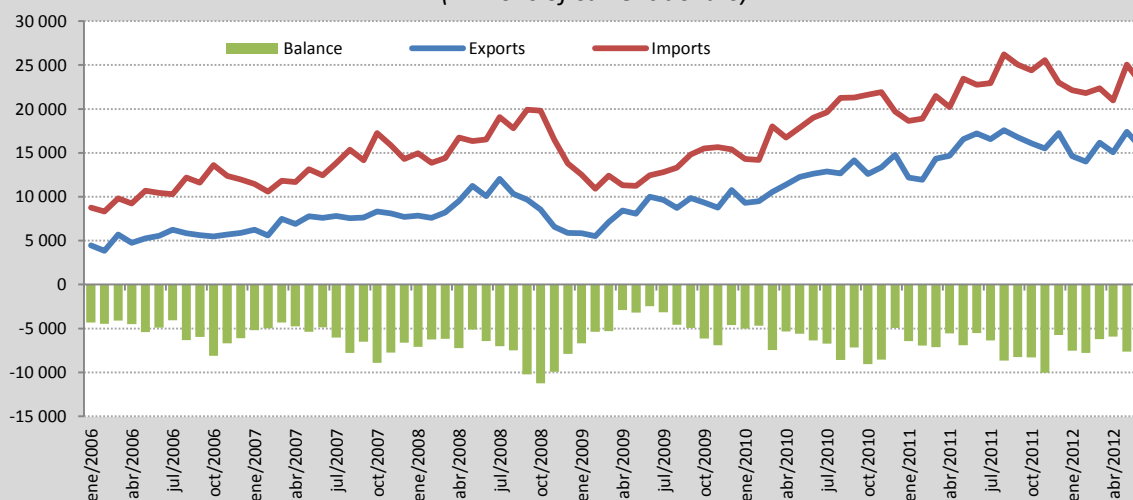
Source: ECLAC, based on statistical offices, central banks, export promotion agencies, the International Trade Commission of the United States, European Union Eurostat and the Directorate of Trade Statistics (DOTS) of the International Monetary Fund.

Note: In the case of the Bolivarian Republic of Venezuela, the data is quarterly data to which the DOTS monthly trend was applied.

The slowdown in total exports to Asia-Pacific in the first half of 2012 compared to the year-earlier period is explained mainly by the behavior of commodities, exports of which were down nearly 4% in value. The determining factor in this was the behavior of prices, which fell 15% during the period, with strong declines in prices for copper and copper products (-14%) and iron (-21%), the main export products to Asia-Pacific. Soybeans, another important product in the bilateral relationship, as well as sugar also showed declines. Among the most major products in the export basket

to the Asia-Pacific region, only oil recorded slight price increases. In all cases, the increase in export volume was sufficient to offset the slowdown in prices (see [Trade Bulletin No. 8 ECLAC](#)).

**Figure 3. Latin America and the Caribbean: Evolution of trade with Asia-Pacific, January 2006-June 2012**  
(Millions of current dollars)



Source: ECLAC, based on statistical offices, central banks, export promotion agencies, the International Trade Commission of the United States, European Union Eurostat and the Directorate of Trade Statistics (DOTS) of the International Monetary Fund.

Note: In the case of the Bolivarian Republic of Venezuela, the data are quarterly data to which the DOTS monthly trend was applied.

ECLAC projects that in 2012 the value of goods exports from Latin America and the Caribbean to Asia-Pacific will rise by 8%, i.e. twice the rate projected for the region's total exports (4%). This higher growth is explained by sustained Asian demand for commodities, which dominate the Latin American export basket to Asia-Pacific. Indeed, a review of the pattern of trade between the countries of the Latin American Integration Association (LAIA) and Asia-Pacific shows that a few products (iron, oil, copper and soybeans) comprise the bulk of the export basket, accounting for more 65% of total exports (see Table 3).

Export values of the top ten products exported to Asia-Pacific were up by 30% in 2011, with higher rates in the cases of iron and oil (around 50%, see Table 3). Among the products exported to Asia-Pacific, iron, soybeans and copper are those for which Asia-Pacific is the largest destination, accounting for over 70% of total exports. Similarly, a few countries are the main suppliers, basically those with greater comparative advantages in these particular products: Brazil in the case of iron, Argentina and Brazil in soybeans, and Chile and Peru in copper.

This pattern of exports from LAIA countries, concentrated in a few products and originating in a small number of countries, represents a major challenge in bilateral relations, particularly in the case of MERCOSUR, the subregional grouping with the greatest de facto commercial links with Asia-Pacific (especially with China, the subregion's main trading partner).

In the case of Central America, the largest exports to Asia-Pacific are also natural resources, such as scrap metal, precious metals, sugar, peanut oil, timber, coffee and coffee substitutes. However, exports of electronic units stand out in Costa Rica, which in 2011 exported more than 80% of these products to China. Meanwhile, China is the destination of more than 60% of the sugar exported by Guatemala, over 20% of exports of groundnut oil from Nicaragua and nearly 70% of exports of scrap metal from El Salvador and Panama.

**Table 3. LAIA Countries: Main exports to Asia-Pacific, 2011**  
(Percentages of total exports and growth rates)

SA 2002	Principal products	Share of Total 2011	Growth 2010-2011	% exported to Asia-Pacific	Principal exporters and share
260111	Iron and steel concentrates	15.0	49.8	76.2	Brazil (90%), Chile (9%)
270900	Petroleum oils	13.8	54.1	14.4	Venezuela (52%), Brazil (27%)
260300	Copper and its concentrates	10.6	11.2	71.4	Chile (62%), Peru (24%)
120100	Soybeans	9.8	39.5	72.3	Brazil (73%), Argentina (27%)
740311	Refined copper cathodes	9.3	4.6	55.4	Chile (93%)
890520	Iron ore agglomerates	2.7	29.2	46.0	Brazil (100%)
470321	Animal feed (soy)	2.3	26.0	25.0	Chile (96%)
261610	Crude soybean oil	1.6	8.2	39.4	Brazil (54%), Argentina (12%)
720293	Poultry cuts and offal	1.5	37.1	54.9	Brazil (100%)
240120	Unrefined cane sugar	1.4	1.6	20.0	Brazil (88%)
	<b>Principal 10 products</b>	<b>68.1</b>	<b>30.1</b>	<b>35.9</b>	
	<b>Other Products</b>	<b>31.9</b>	<b>25.9</b>	<b>8.3</b>	
	<b>Total</b>	<b>177 073</b>	<b>28.7</b>	<b>17.4</b>	

Source: ECLAC, based on United Nations Trade Statistics Database (COMTRADE).

Note: Table includes the following countries: Argentina, the Plurinational State of Bolivia, Colombia, Chile, Ecuador, Mexico, Panama, Peru, Paraguay and the Bolivarian Republic of Venezuela. Cuba and Uruguay are excluded for lack of official information in the COMTRADE database for the period.

China's most dynamic exports to Latin America and the Caribbean in the period 2005-2011 correspond entirely to manufacturing products of varying technological intensity (see Table 4). In contrast, over the same period, Latin America and the Caribbean showed a smaller number of dynamic products in its exports to China, all related to natural resources (raw or processed).

**Table 4. China: Most dynamic products in trade with Latin America and the Caribbean, 2005-2011**  
(Growth rates and percentages of total exports and imports)

	Code and description (CUCI)	Growth 2005-2011	Share of total exports or imports	Main trading partner and share
Exports	6552 Fabrics, knitted or crocheted	43.6	1.1	Brazil (28.7)
	6842 Aluminum and aluminum alloys, worked	74.3	1.7	Mexico (74.0)
	7415 Air conditioners	35.3	1.5	Brazil (28.3)
	7522 Digital data processing machines	66.1	3.0	Mexico (39.8)
	7611 Color television receivers	40.3	1.4	Brazil (21.1)
	7643 Radio and telephone transmitters	45.1	2.6	Mexico (33.4)
	7812 Passenger vehicles	86.0	1.0	Brazil (40.0)
	7843 Motor vehicle parts and accessories	36.6	1.2	Mexico (36.0)
	7932 Ships and boats	47.9	3.5	Panama (74.5)
	8312 Trunks, suitcases and the like	31.0	1.1	Brazil (34.9)
	8442 Clothing	48.2	1.1	Panama (51.3)
	8513 Shoes	32.7	1.5	Panama (39.6)
	8719 Liquid crystal devices	69.2	3.6	Mexico (59.0)
Imports	0611 Sugar	38.1	1.3	Brazil (79.9)
	2815 Iron ore and its concentrates	40.2	24.7	Brazil (84.2)
	3330 Petroleum, crude	53.5	13.6	Venezuela, B.R., (46.7)
	6821 Copper, refined and unrefined	34.0	11.7	Chile (92.4)

Source: ECLAC, based on United Nations Trade Statistics Database (COMTRADE).

Note: A product is considered dynamic if it is exported or imported value during the period 2005-2011 grew at a faster rate than total exports or imports and if its share of total exports and imports in 2011 was more than 1%.

### International negotiations and trade policy developments

- In recent years, the list of trans-Pacific trade agreements has been expanding rapidly. In Latin America and the Caribbean, the most active countries in this respect have been Chile and Peru, two of the countries for which Asia-Pacific represents a larger share of total exports. Recently, Costa Rica, Colombia and Mexico have joined these efforts toward further *de jure* trans-Pacific integration but, at least thus far, a shared strategic vision has not yet materialized.
- In the last twelve months, the number of trade agreements between countries of the region and Asia-Pacific have increased considerably. During this period, FTAs between Costa Rica and China, between Chile and Malaysia, between Peru and Japan, and between Peru and the Republic of Korea came into force. Furthermore, an agreement was signed between India and Viet Nam, and negotiations between Colombia and the Republic of Korea were successfully concluded.

- In June 2012, the inclusion of Canada and Mexico in the negotiations of the Trans-Pacific Strategic Economic Partnership, better known by its acronym TPP (Trans Pacific Partnership) was approved. This takes the number of participants to eleven<sup>2</sup>, including three from the region (Chile, Mexico and Peru). Meanwhile, Costa Rica, like Mexico, has also expressed interest in joining the treaty, considering it essential to its strategy of integration into value chains.
- China, which already holds free trade agreements with Chile, Costa Rica and Peru in the region, maintains a keen interest in advancing negotiations toward a similar agreement with Colombia, and in negotiating with other MERCOSUR countries. In June 2012, the Chinese premier, Wen Jiabao, proposed beginning preliminary studies for the possible start of negotiations between China and MERCOSUR.
- The Republic of Korea, in addition to its trade agreements with Chile, Peru and, soon, Colombia, is studying the possibility of starting negotiations on a trade agreement with Central American countries.
- Japan, which already holds partnership agreements with Chile, Mexico and Peru, is preparing to open negotiations for a similar agreement with Colombia. It should be noted that agreements with Japan include an important cooperation component as a complement to the liberalization of trade and investment.
- India holds partial agreements, i.e. with limited coverage of liberalized goods, with Chile and MERCOSUR.
- The Central American countries, except Costa Rica, hold free trade agreements with the Taiwan Province of China.
- Additionally, in bilateral relations between the two regions, the Forum for East Asia-Latin America Cooperation (FEALAC) is gaining increasing relevance. Formed in 1999 and bringing together 20 Latin American and 16 Asia-Pacific countries, its main objective is to promote closer relations between the two regions, in economic, as well as political and cooperation terms. During the period January-October 2012, members of the group held a meeting of the “Vision Group” in Lima (11 and 12 October), and a private sector business meeting took place in Bogotá.
- Appendix 1 provides a matrix of existing agreements and ongoing trade negotiations between Latin American and Asia-Pacific.

***Works by LAIA, CAF and ECLAC on topics relating to the relationship between the two regions***

Publications

- [Memoria de la Presentación del Proyecto ALADI/CAF/CEPAL: “Observatorio Relaciones América Latina– Asia Pacífico”](#)
- [The People’s Republic of China and Latin America and the Caribbean. Dialogue and cooperation for the new challenges of the global economy](#)
- [La Economía Coreana. Seis décadas de crecimiento y desarrollo](#)
- [China and Latin America and the Caribbean. Building a strategic economic and trade relationship](#)
- [Economic Cooperation Between Korea and Latin America and the Caribbean](#)
- [India and Latin America and the Caribbean. Opportunities and challenges in trade and investment relations](#)
- [La República Popular China y América Latina y el Caribe. Hacia una nueva fase en el vínculo económico y comercial](#)
- [Forum for East Asia-Latin America Cooperation \(FEALAC\). New biregional trade and investment relations in a changing world economic environment](#)
- [El Arco del Pacífico Latinoamericano: construyendo caminos de complementación e integración con Asia.](#)
- [Economic and trade relations between Latin America and Asia Pacific. The link with China](#)
- [Economic and trade relations between Latin America and Asia Pacific. The link with APEC](#)

Events

- [Participación del Observatorio América Latina y Asia Pacífico en el Encuentro Empresarial FOCALAE](#)
- [Participación del Observatorio en la Segunda Reunión del “Visión Group” de FOCALAE](#)
- [Book launch: \*Tejiendo Redes. Estrategias de las empresas transnacionales asiáticas en América Latina\*](#)
- [The New India and the New Latin America - Synergies and Complementarities](#)

<sup>2</sup> Australia, Brunei Darussalam, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, United States and Viet Nam.

**ANNEX 1: TRADE AGREEMENTS BETWEEN LATIN AMERICA AND ASIA-PACIFIC AS OF 15 NOVEMBER 2012**

Countries	Australia	Brunei Darussalam	Cambodia	China	Chinese Taipei	Hong Kong, Special Admin. Region of China	India	Indonesia	Japan	Korea, Republic of	Lao People's Democratic Republic	Malaysia	Myanmar	New Zealand	Philippines	Singapore	Thailand	Viet Nam
Argentina							PSA											
Bolivia (P.S.)																		
Brazil							PSA											
Chile	FTA	FTA		FTA		IN	PSA		PA	FTA		FTA		FTA		FTA	IN	FTA
Colombia				US					US	IN								
Costa Rica				FTA						US						FTA		
Cuba																		
Dominican Rep.																		
Ecuador																		
El Salvador					FTA					US								
Guatemala					FTA					US								
Honduras					FTA					US								
Mexico	IN	IN							PA			IN		IN		IN		IN
Nicaragua					FTA													
Panama					FTA					US						FTA		
Paraguay							PSA											
Peru	IN	IN		FTA					PA	FTA		IN		IN		FTA	FTA	IN
Uruguay							PSA											
Venezuela (B.R.)																		

Source: LAIA, CAF and ECLAC, on the basis of information from the Organization of American States, Trade Information System Office (SICE), and information from the Ministries of Foreign Affairs and Trade of Latin American countries.

FTA = Free Trade Agreements, PA = Partnership Agreements, PSA = Partial scope agreements, IN = In negotiations, US = Under study