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Table of contents

Analysis Column

INTAL turns fifty. External positioning strategies: Global challenges for the region	7
The revolution in ICTs and trade in services	19
COSIPLAN: Promoting South American sustainable physical integration	26

Integration Blocs

Pacific Alliance

Pacific Alliance grows stronger	43
---------------------------------------	----

The Caribbean

Energy the backbone of CARICOM-US Summit	44
Third CARIFORUM-EU Business Forum	46

Central America

Central America and South Korea strengthen trade ties	47
---	----

Andean Community

Andean exports fall in 2014	48
-----------------------------------	----

Mercosur

New MERCOSUR High Representative General appointed	53
MERCOSUR: Customs agreements	54

Regional And Global Overview

The Seventh Summit of the Americas	57
Round nine of EU-US talks	58

Impact assessment

Impact assessment of customs delays on Uruguayan exports	63
--	----

Integration and Trade Sector

International Seminar Series to mark INTAL's 50th anniversary	67
Second Business Summit of the Americas	70
Legal Instruments of Integration (IJI) Observatory	71

Other IDB Activities

IDB announces the winners of the 2014 IDEAS Energy Innovation Contest	75
IDB Invests \$4.4 billion in Environmental Sustainability and Climate Change	76

Events of interest

This section contains information on events related to regional and global integration and trade.

World Economic Forum on Latin America 2015, Riviera Maya, Mexico 2015. 80

Forum on the Future of the Caribbean, University of the West Indies and Ministry of Foreign Affairs of Trinidad & Tobago, May 5-7, 2015. 81

Tenth Economy Congress, Buenos Aires, May 7-8, 2015. 82

Fourth Meeting of Chief Climate Change Negotiators of Latin America and the Caribbean, May 14, 2015. 84

INTAL Documentation Center

Reviews

El desafío de la sostenibilidad ambiental en América Latina y el Caribe. Carlos de Miguel & Marcia Tavares (comp.) February 2015 [148 pages.] Selected pages from ECLAC 87

Bibliographic alert

..... 89

Monthly Highlights

* Banco Interamericano de Desarrollo, BID. (2015). Panorama de la efectividad en el desarrollo 2014 = Development effectiveness overview 2014. Washington: BID. 90

* Information Economy Report 2015 : unlocking the potential of e-commerce for developing countries. (2015). New York: UNCTAD. 93

* Ciuriak, D. y Singh, H. (2015). Mega-regionals and the regulation of trade: implications for industrial policy. Geneva: E15 Initiative. 94

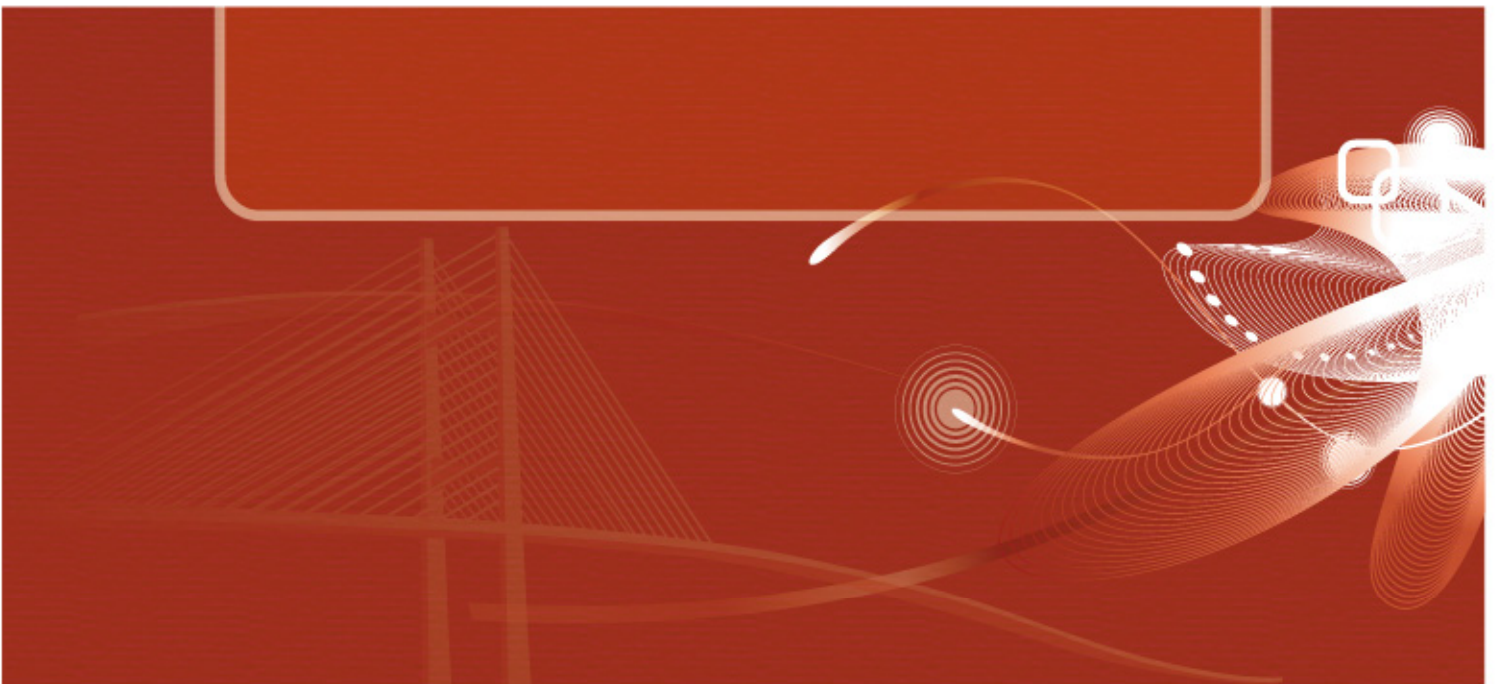
* Gómez, C. (2015). An energy agenda for the Pacific Alliance. New York: AS/COA. 95

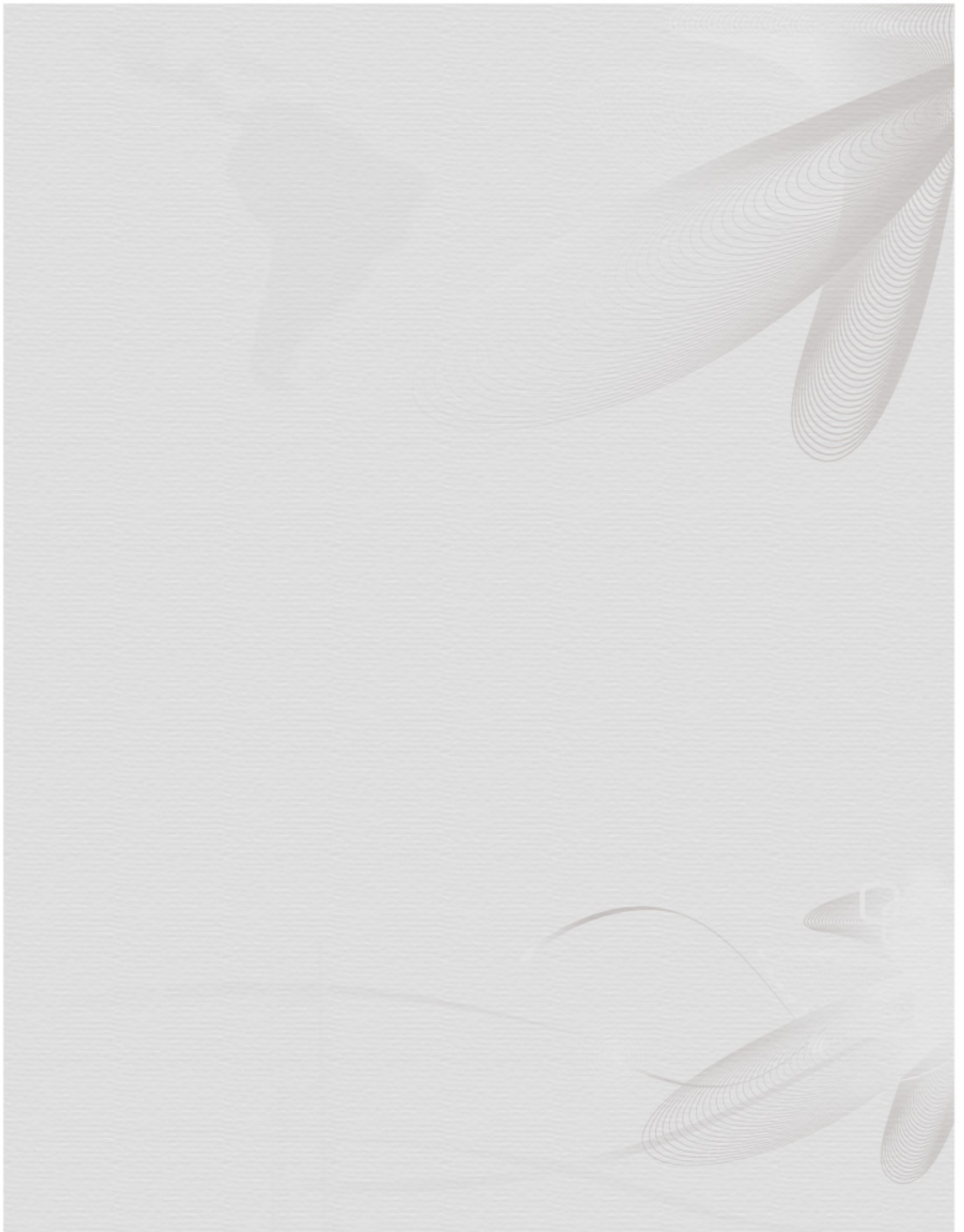
Editorial Staff

Editorial Staff 99



Analysis Column





INTAL turns fifty. External positioning strategies: Global challenges for the region

As part of its 50th anniversary activities, the Institute for the Integration of Latin America and the Caribbean (INTAL), in conjunction with the Interdisciplinary Institute of Political Economy at the University of Buenos Aires (IIEP-BAIRES, UBA), has organized a series of four international seminars for 2015 under the heading “Productive Potential and Regional Export Performance: Policies and Business Strategy for External Positioning.”[1]

The first of these international seminars, “External Positioning Strategies: Global Challenges for the Region,” ([agenda](#)) was held at the Faculty of Economic Sciences, UBA, April 24, and attended by leading academics, experts, and international public officials.

The seminar was inaugurated by INTAL’s Director, **Gustavo Beliz** and the Director of IIEP, **Daniel Heymann**. Both stressed IIEP and INTAL’s common interest in exploring development issues and options in Latin America and the Caribbean (LAC), as well as how the countries can take advantage of the international scene in order to boost growth. Gustavo Beliz described the post-crisis as “time for a visible hand,” reflecting great challenges for the “Global South,” citing the work by Colombian economist, Professor José Antonio Ocampo (Columbia University, New York), himself a central international figure at the seminar.



The first speaker was **Alejandro Ramos Martínez**, Senior INTAL Economist, who set out the main conclusions of the Trade and Integration Monitor 2014 “[Facing Headwinds: Policies to support a trade recovery in the post-crisis era](#),” the 2015 edition of which is soon to be published. His presentation focused on the evolution of global trade post-crisis (2008-2015) and its effects on LAC. He pointed out that global and regional trade flows stagnated as of 2011 and began to fall in mid-2014 (Figure 1). On the one hand, this is in response to falling commodity prices (partly

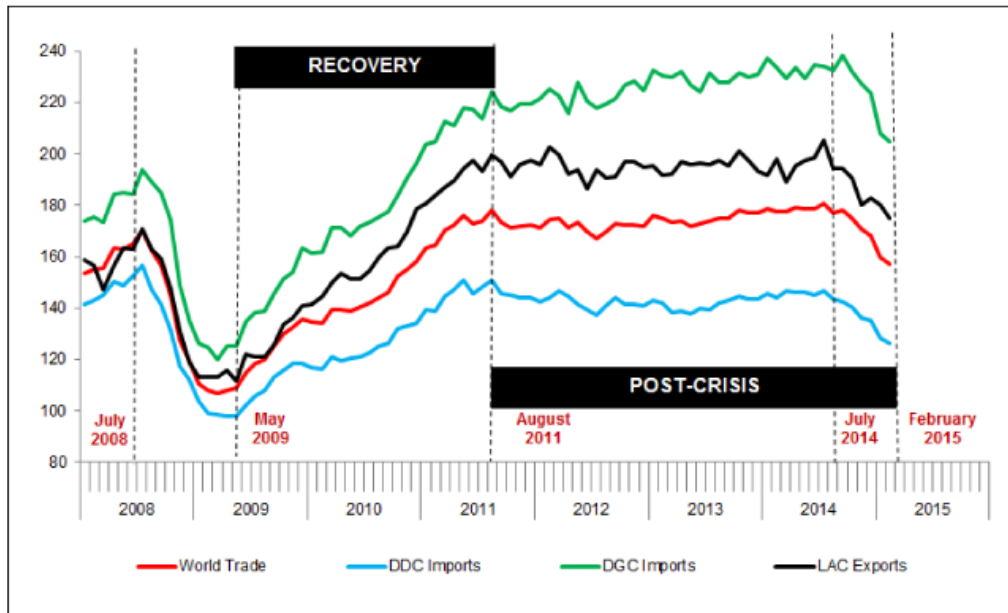
associated with the appreciation of the dollar),[2] and to the curbs on the amounts being traded. On the other hand, it is also in response to a serious weakening of extra- and intraregional markets, especially related to the cooling and volatility of growth in United States, the Eurozone, and Japan, and to the less buoyant performance of the Chinese economy. Several factors—the cyclical, temporary, or structural nature of which is still a matter of conjecture—have been affecting the sensitivity of international trade to GDP growth post-crisis. Among these factors, the Monitor underlines that the reduction of the US trade deficit against the value of world trade, starting in 2006 and still ongoing, has been another curb on the buoyancy of world trade.



The presentation concluded by stating the main unanswered questions for the region's exports: Is the less stimulating international scenario temporary, cyclical, or structural? What will the impact of low, asynchronous growth among the world powers be? What will the effect of the downward trends in exchange rates be in the region?

Figure 1: Evolution of world trade at current prices 2008-2015

Indexes: 2005=100



Note: Figure translated. DDC: Developed Countries; DGC: Developing Countries; LAC: Latin America and the Caribbean. Source: Presentation by Alejandro Ramos Martínez. IDB-INTAL based on data from the Netherlands Bureau for Economic Policy Analysis (CPB).

Next came a panel with Daniel Heymann, Osvaldo Kacef (ECLAC, Buenos Aires), and José Antonio Ocampo, moderated by Ricardo Carciofi (IIEP) and followed by a discussion before the session closed.




Daniel Heymann opened proceedings with a look at some stylized facts on the prospects of LAC’s external economic positioning. On the one hand, he stressed the difficulty of identifying the processes behind cycles and trends, and of forecasting where the world economy is heading. In particular, he showed that the achievements of global GDP post-crisis have consistently fallen below initial forecasts. On the other hand, he pointed out the importance of technological progress and demographic changes.

His presentation focused on the changing international landscape, with new centers of economic weight and influence, and on the ongoing debate on “secular stagnation.”

First, he pointed out the growing role of China in the global economy: its extraordinarily high savings and investment as a proportion of GDP, its growing share of exports (albeit with a fall in 2008 and some subsequent stagnation), and a significant increase in real wages (albeit from low initial levels). He also emphasized the Asian country’s growing role as a provider of financing for Latin American States, as well as investments in the region by Chinese companies.

Second, he discussed some significant features of trade over the past decades:

- There is no doubt that both developed and developing economies are now more open than in the 1980s.
- Trade in services has shown great buoyancy, facilitated by technological processes that made possible trade in previously untradeable activities. This interesting phenomenon presents opportunities for the region.
- Trade in intermediate goods has also gained relevance in the context of the development of global value chains (GVCs).
- China is moving forward in the scale of its exports’ technology content (TC), reducing its share of low-CT manufacturing (textiles and clothing) and increasing medium-CT manufacturing (machinery, equipment, electronics).



In this context, LAC economies are net importers of high-, medium- and low-TC manufacturing, and net exporters of primary commodities and natural resource-based manufacturing. However, the per capita value of LAC's natural resource-based external sales is considerably lower than for other comparable countries. For example, Australia and Canada exported between US\$7,000 and US\$9,000 *per capita* under this heading, compared to US\$3,000-US\$4,000 in Venezuela and Chile, and approximately US\$1,000 *per capita* elsewhere in the region. While this is not an encouraging sign, it nevertheless shows there is room for improvement (Figure 2).

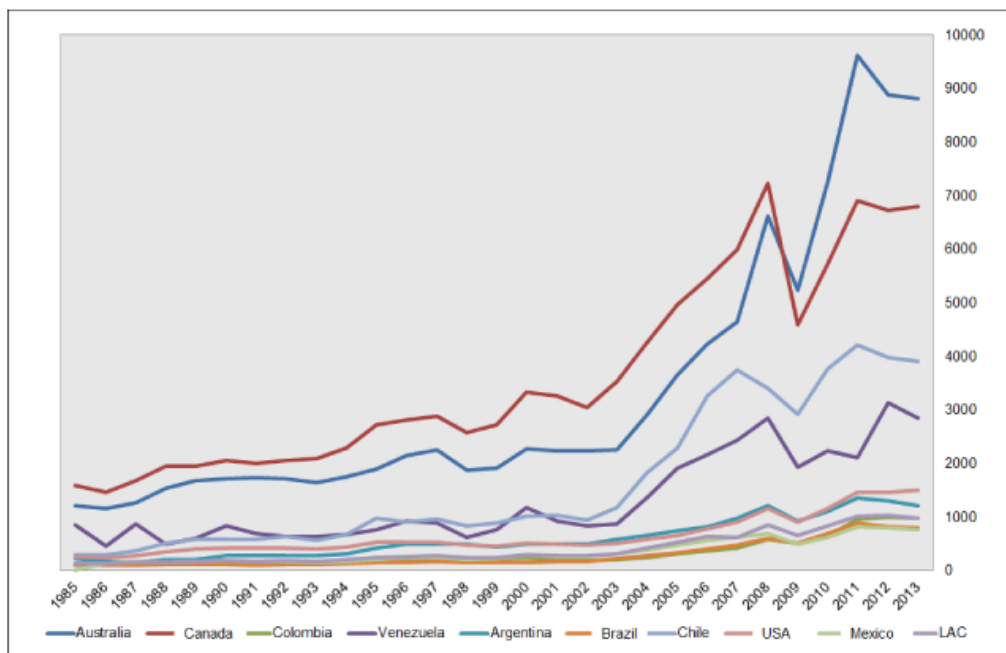
Last, Heymann concluded with a reflection on three issues central to LAC growth and development, and how to approach its international positioning.

1. Sustainability: Building foreign currency spending capacity by financing investment with its own savings and avoiding debt overhang phenomena that have, on other occasions, had destabilizing effects on some countries in the region; this is linked to the capacity to produce competitively tradable goods.
2. The incorporation, dissemination, and possible generation of technological change in order to increase productivity.
3. Employment and distribution: demand for labor of varying degrees of qualification, with an emphasis on low-income groups.

He concluded that some countries in the region can concentrate all three pillars in the same sector. However, he cautioned that in several countries, export-based sectors are not the main drivers of employment.

Figure 2: Natural resource-based primary commodities and manufacturing exports


US dollars per capita



Note: Figure translated. Source: Presentation by Daniel Heymann. Interactive Graphic System of International Economic Trends (SIGCI), UN Comtrade & World Bank.

Second, **Oswaldo Kacef** focused on the major macroeconomic trends in LAC, economic policy responses, and some thoughts on its international positioning.

In a context of decelerating global growth, activity in the region has slowed sharply, more than in other developing countries. Low buoyancy or contraction is observed in some of the largest economies in the region, especially in South America, in contrast to a better overall performance in Mexico and Central America. Among the causes of the slowdown, he pointed first to falling terms of trade, due to the fall in the price of raw materials; second, to the contraction of the volume of foreign trade, both in terms of exports, due to sluggish external demand, and of imports due to falling consumption and investment; and third, to the loss of investment share in aggregate demand, due to the lower contribution of both construction, and of machinery and equipment. Last, he highlighted falling unemployment levels, though a drop in activity and employment levels in the region is also to be seen.



In relation to the countercyclical policy space, on the one hand, he stressed the deterioration of the public accounts due to higher current spending and lower non-tax revenues. On the other hand, he argued that, while monetary policy was slightly countercyclical due to lower interest rates, its impact is insignificant due to the shallowness of financial systems.

He also mentioned the increase in volatility, the depreciation of the region's currencies, and the stagnation of the accumulation of international reserves.

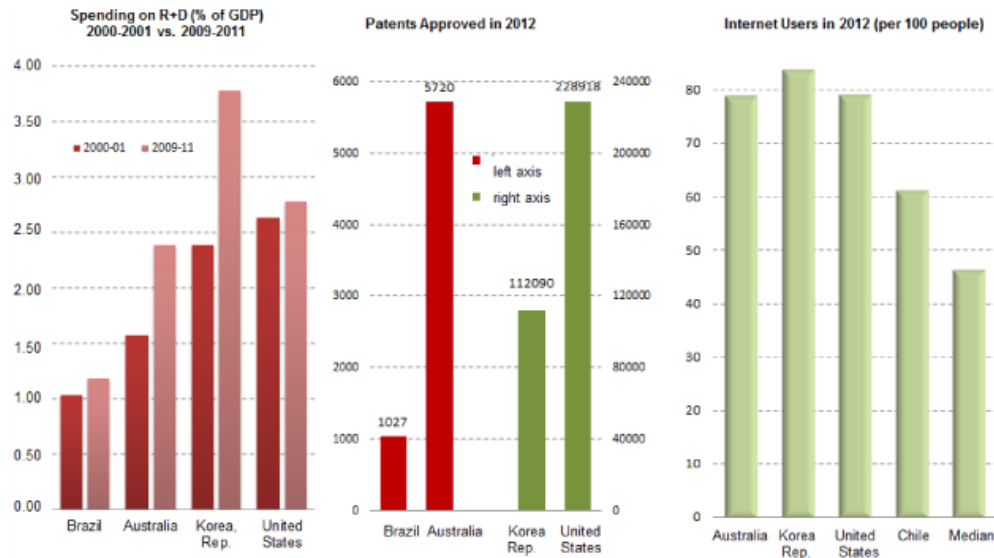
In response to the question of how to prepare the region for the changing trend in global growth, he identified three main problem areas.

1. Cutting investment and changes in financing sources: before, with national savings (2000-2004), and currently, with external savings. The current account deficit was previously funded with foreign direct investment (FDI) and currently, with more volatile portfolio investments.
2. Widening the productivity gap with Asia and United States, except in two countries: Chile and Peru.
3. Lack of progress toward a systemic view of competitiveness, apart from price competitiveness arising from the exchange rate. In this regard, he pointed out that there are chronic problems stemming from the low capacity to innovate and create knowledge, and from a context that is unfavorable for taking advantage of the technologies available (low levels of investment in research and development, low numbers of patents, lower Internet user coverage) (Figure 3). In particular, he pointed to the need to develop social skills (room for improvement in tertiary education). He also noted the need for macroeconomic stability (lower inflation and growth variability), more investment in infrastructure, and continued improvement in income distribution.

He concluded that the economic policy challenge is to create incentives to incorporate innovation and knowledge in the productive structure in order to create higher productivity jobs. He also drew attention to achievements in the social field.

Figure 3: Innovation and knowledge creation gap in Latin America

Selected Indicators




Note: Figure translated. Source: Presentation by Osvaldo Kacef.

Next, **José Antonio Ocampo** spoke about LAC in the face of global economic uncertainty. He suggested that, while 2003-2013 has generally been hailed as an extraordinary decade for the region, it was in actual fact the five years 2003-2007, which showed an improvement in virtually all economic and social dimensions. The exceptional external conditions of this period include:

1. The boom in commodity prices;
2. The rapid growth of international trade;
3. Mass migration flows and a boom in remittance from United States and Spain; and
4. Excellent access to external financing.

This process was interrupted by the international financial crisis, which Ocampo termed the “North Atlantic crisis,” in reference to United States and Western Europe. Since then, the first three factors have been interrupted or have weakened, leaving only access to external financing. While the financial costs of international market access are broadly similar (or lower) to those pre-crisis, there are differences across countries associated with the perception of political risk. In this regard, China has emerged as an alternative source of funding.



From a historical perspective, he acknowledges that there have been 30-year cycles in basic commodities, characterized by an initial 10 years of good prices, followed by 20 of decline; it is not clear if the current decline in prices forms part of a similar pattern (Figure 4).

According to Ocampo, LAC's strengths include a good external balance sheet (reduction of external debt), relatively high investment rates (with exceptions in some countries), positive employment trends and poverty reduction (up to 2012), and, in some countries, the demographic bonus.

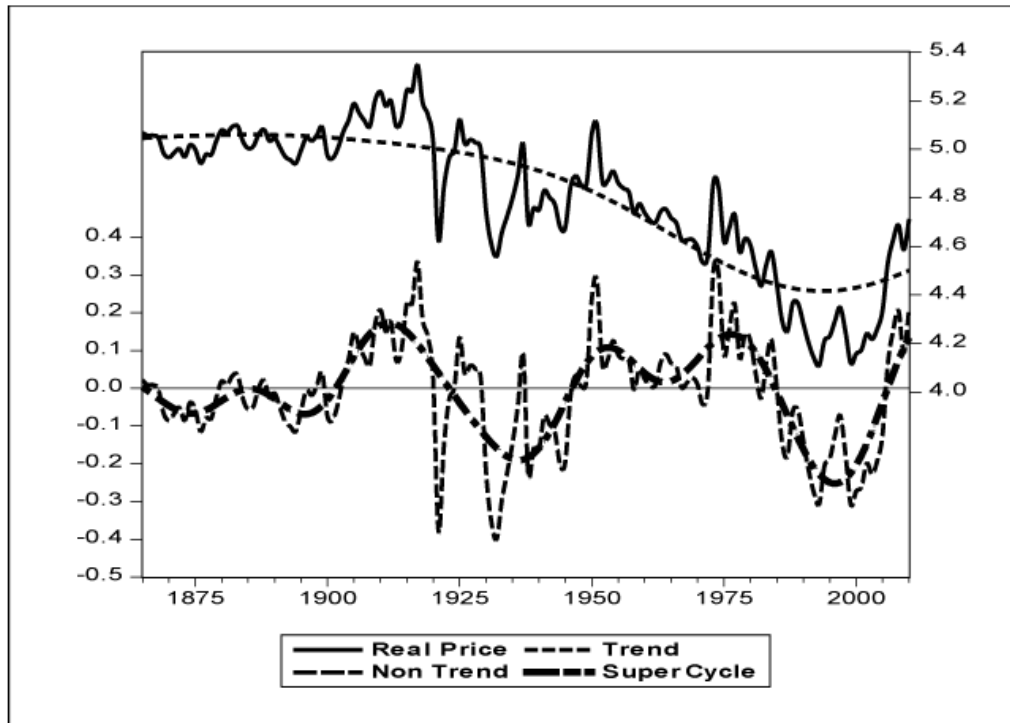
As weaknesses, he pointed to the fact that the region has "spent" the boom in commodity prices, as well as to the lack of leeway in taxation, deindustrialization, commodity dependency that makes it vulnerable to falling prices, and unbalanced trade with China (especially in South America). He nevertheless stressed that the region's main problem is technological backwardness.

He concluded that, in the long term, the region needs productive development strategies that address deindustrialization and technological backwardness. He pointed out that LAC cannot compete in certain markets (textiles, clothing, or information and telecommunications goods), but that there are opportunities in services (e.g. health), agricultural goods with major technological innovation, and biotechnology with environmental possibilities.

Last, he pointed out that, while the "expanded internal market" is a definite advantage, LAC needs to overcome the political tensions affecting regional integration. He highlighted the 1970s and 1990s as those of greatest Latin American integration and noted the importance of maintaining the process even across political divides.

Figure 4: Real price components of non-oil commodities

Total index 1865-2010 – Logarithmic scale



Source: Presentation by José Antonio Ocampo.

The subsequent discussion with the audience touched on the state of integration in LAC, the evolution of some regional blocs such as MERCOSUR and the Central American Common Market (CACM), the dimensions of financial and educational integration, and the role of the multi-Latins. There was also a debate about the importance of productive development policies, regardless of what sector they are implemented in. Biotechnology was singled out as a sector with great macroeconomic and productive impact, contributing with foreign currency, and incorporating knowledge and technology. It was pointed out that natural resources can be a source of technological innovation. However, these require the development of value chains to create employment, including the manufacture of capital goods and the provision of related services. All things considered, the seminar was an excellent opportunity for discussing issues of great significance to the region not just in the current global context, but that will continue to feature on the agenda in years to come.

The video of the event can be viewed [here](#).

Upcoming events in the International Seminars Series on the occasion of INTAL's 50th anniversary
[“The changing energy economy: new global and regional trends”](#)
(Buenos Aires, May 13, 2015)



[“Agrifood and bioeconomics: the potential of a new productive frontier”](#)
(Buenos Aires, May 27, 2015)



“Industrial manufacturing and the automotive industry”

(Buenos Aires, June 22, 2015).

[1] This article was prepared by IDB consultant, Rosario Campos.

[2] This is a “*numéraire effect*”: In the period 2003-2008, the depreciation of the dollar had the effect of increasing commodity prices, whereas, during the 2008-2009 financial crisis and since July 2014, the appreciation of the dollar has tended to weaken prices.

The revolution in ICTs and trade in services

On the occasion of its fiftieth anniversary, INTAL presents a series of special events and publications, over the course of 2015, on the future of integration, with particular focus on regional trade in the age of disruptive technologies.[1] Throughout the year, the *INTAL Monthly Newsletter* contains a series of analysis columns related to this subject.[2] This article sets out to analyze international trade in services against the backdrop of the revolution in information and communications technologies (ICTs), and to present the strengths and weaknesses of Latin America and the Caribbean (LAC) in the sector.

ICTs' impact on trade in services

Ever since the 1970s, the application of ICTs (microelectronics, computers, telecommunications, etc.) has been radically altering the way we generate, process, store, and transmit information. This trend became more accentuated in the 1990s with the digitalization of the telecommunications network, the development of broadband transmission, and the increase of network-connected devices.[3] ICTs expanded rapidly, and now generate huge economic and social changes on a global scale.


ICTs have a profound impact on production, consumption, and international trade in services: they expand the quantity, quality, and variety of tasks and enable an increasing number of activities to be traded across countries; they increase the speed of trade and productivity through knowledge-intensive tasks; they reduce costs and, in the process, make some developing countries relevant actors in the world services market.[4] ICTs also encourage technology transfer and change patterns of consumption and production.[5]

Over the next few years, the impact of ICTs on international trade in services should deepen with the development of new disruptive technologies. There follows an examination of some of the most relevant impacts.

First, **ICTs drive the emergence of new activities** that are traded internationally, such as downloads of applications for mobile devices and trade flows based on the Internet of Things,[6] big data,[7] and cloud computing[8] like Dropbox, Gmail, or Google Docs.

Second, by reducing the cost and improving the flow of information, **ICTs enable remote provision of professional, business, and personal services** (Mode 1) that previously required physical contact between the provider and the consumer (Modes 2 and 4).[9] ICTs have enabled online cross-border medical diagnostic services, for example. In the future, this mode could change again based on cognitive computing techniques that will automate part of the diagnosis, as with the “IBM Watson for Oncology” system, which analyzes patients’ health information according to research data, cancer patients’ medical records, and other relevant data, with the aim of helping doctors to identify the most appropriate course of treatment.[10]

In addition, the possibility of offshoring offered by ICTs[11] **favors the internationalization of firms**. According to UNCTAD (2009),[12] half of international trade in services is enabled by the digital economy. Trade in services has grown not only directly but indirectly, through higher value added of services included in trade in manufactured goods.



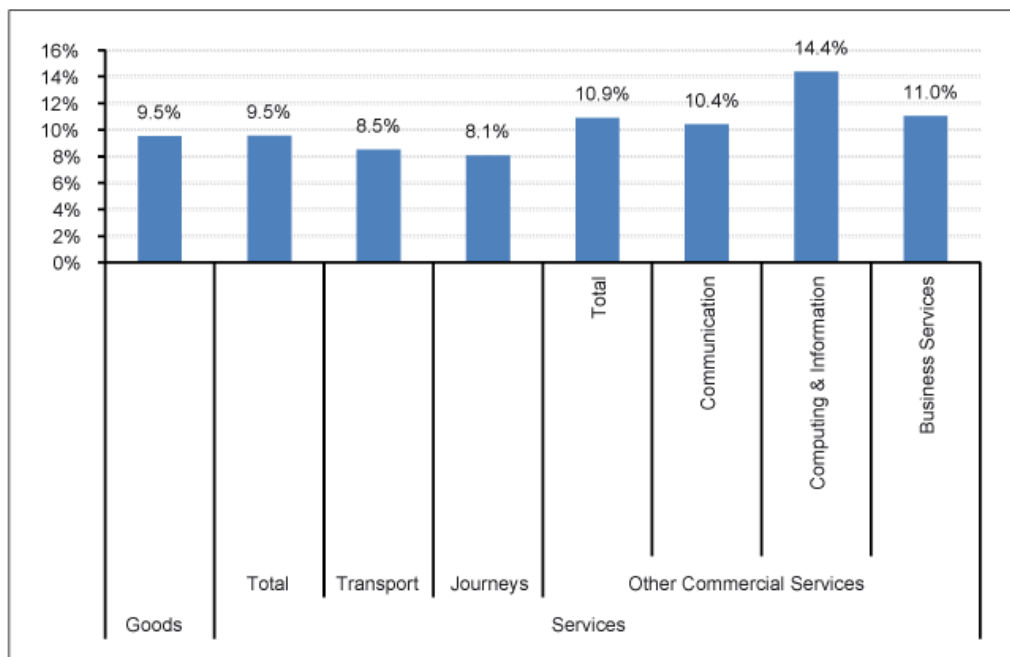
Third, **ICTs blur the boundary between goods and services** by transforming certain goods into intangibles via digitalization. In the case of books, movies, and music, digital formats have significantly displaced physical ones.[13] The International Federation of the Phonographic Industry (IFPI) (2015) draws attention to the fact that, in 2014, the global digital music sales (via download services such as iTunes, or streaming services such as Spotify or Deezer) totaled US\$6.9 billion, for the first time equaling physical sales revenue, while Amazon has, for several years, been selling more ebooks than printed books, and many of these are cross-border transactions. Moreover, there is an increasing amount of free legal material available to consumers on the cloud, which radically alters the nature of the business. Along similar lines, the spread of digital manufacturing techniques, such as 3D printing,[14] will continue to replace the international trade in goods with trade in services, since the export of some goods will be replaced by software to print the object and will not necessarily come from the same country of origin. In many cases, it should be noted, designs are freely available on the web. While such production techniques are not yet widespread, they enable the production of objects as diverse as cars, aircraft parts, or hip prostheses.

World trade and LAC exports

Tasks in which ICTs play a major role have displayed higher export growth than traditional goods and services in recent years, most notably computing and information, business,[15] and communications services (Figure 1). The data presented below should be viewed with caution due to the limitations of the statistics for the sector.[16]

Figure 1: Trade in selected goods and services

Average c.a. variation 2003-2013



Source: IDB-INTAL based on WTO data.

The category “Other Business Services” is the most relevant within the global trade in selected services (Figure 1), with exports of US\$1.25 billion in 2013 (a value similar to that of the global automotive trade). World trade in computing and information services totals US\$287 billion (comparable with trade in textile products), and communications services US\$121 billion (equivalent to the total shipments of goods from South and Central America to Europe). However, due to the limitations in the data, these values can be taken as a floor for trade in the sector. The main exporters are United States, EU countries, India, and China, while, outside this group, India and Japan are the most relevant importers.


Table 1: Exports of selected services; main world and selected Latin American exporters*

2013 data. Values in billions of US\$ and shares as percentage

Other Business Services			Computing & Information			Communications		
Global Exports	1,247.0		Global Exports	286.8		Global Exports	121.2	
1	USA	11.1%	1	Ireland	17.9%	1	Germany	12.8%
2	Germany	7.7%	2	India	17.3%	2	USA	12.2%
3	UK	7.1%	3	Germany	7.8%	3	UKA	9.1%
4	France	6.6%	4	USA	6.3%	4	France	6.6%
5	China	6.4%	5	UK	5.7%	5	Italy	5.3%
20	Brazil	1.6%	23	Costa Rica	0.7%	42	Panama	0.3%
35	Argentina	0.4%	27	Argentina	0.6%	43	Guatemala	0.3%
39	Chile	0.2%	40	Brazil	0.2%	44	Brazil	0.3%
51	Colombia	0.1%	50	Uruguay	0.1%	48	Honduras	0.2%
53	Costa Rica	0.1%	53	Colombia	0.0%	53	Argentina	0.2%
	<i>Total ALC11</i>	<i>2.5%</i>		<i>Total ALC1</i>	<i>1.6%</i>		<i>Total ALC2</i>	<i>2.0%</i>

* Includes only countries with data available: Antigua & Barbuda, Argentina, Bahamas, Belize, Brazil, Chile, Colombia, Costa Rica, Dominica, El Salvador, Grenada, Guatemala, Guyana, Honduras, Jamaica, Nicaragua, Panama, Paraguay, Saint Kitts & Nevis, Saint Lucia, Saint Vincent & the Grenadines, Suriname, and Uruguay. 1 Includes only countries with data available: Argentina, Brazil, Colombia, Costa Rica, El Salvador, Guatemala, Guyana, Honduras, Jamaica, Nicaragua, Panama, Paraguay, Surinam, and Uruguay. 2 Includes only countries with data available: Argentina, Belize, Brazil, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Suriname, and Uruguay. Source: Based on WTO data.

LAC's relevance in global exports of selected services (2.3%) is low compared to its participation in exports of goods (6.0%) or other services, such as travel and insurance (5.9% and 4.0% respectively). However, this relevance is underestimated due to deficiencies in the record and to lack of information for certain activities in some of the largest economies in the region, like Mexico, Venezuela, Peru, or Chile.[17]



With the data available, the group of “Other Business Services,” “Communications,” and “Computing and Information” represented a quarter of regional services exports, an increase in their share over the last decade.[18] Brazil and Argentina are prominent in trade in the three services selected, while Chile, Colombia, Costa Rica, Uruguay, Panama, Guatemala, and Honduras stand out in one or other of them (Table 1).

ICTs and trade in services: LAC’s strengths and weaknesses[19]

LAC’s lag in knowledge-intensive business services is due in part to its late insertion in the learning process and incorporation in these markets. While this might be reversed as a result of maturation, some opportunities in business services would already have been missed.[20]

The region has some strengths when it comes to improving its international positioning in the services sector via new technologies: lower costs in some headings than developed countries; qualified human resources for certain activities; similar time zones, and cultural and linguistic affinities with the main markets; considerable telecommunications infrastructure; etc.

However, it also faces significant challenges. On the one hand, insufficient human capital in certain areas limits the scalability of exports in some higher-value services, and reduces the flexibility and capacity for adaptation and the adoption of innovations needed to take advantage of the opportunities provided by the new technologies.

Efforts are therefore required to develop skills, not only not to lose competitiveness, but also in terms of employment, since technological change will continue to favor the replacement of low-skilled occupations and to create opportunities in more knowledge-intensive activities. According to Frey & Osborne (2013), there is the strong likelihood of automation of services relevant in the region’s exports, such as contact centers, accounting, legal management, and so on.

On the other hand, the regulatory framework can stand in the way of trade in services. Free-trade agreements, double taxation agreements, migration clauses, intellectual property legislation, and so on, must not only provide clear rules, but the flexibility to adapt to constant changes in the sector. In this regard, the negotiations of the Trade in Services Agreement (TISA) will be key. TISA seeks to modernize the regulation of trade in services within the framework of the WTO (at present, under the General Agreement on Trade in Services (GATS), signed in 1994). These talks, involving 51 countries—eight of which are in Latin America (Chile, Colombia, Costa Rica, Mexico, Panama, Paraguay, Peru, and Uruguay)—could move toward adapting the legal framework to the aforesaid changes, not only in the scope of the WTO, but also by laying the groundwork for future regional negotiations and for changes in national regulation. At all events, it should be remembered that, in some cases, there are disputes over participation in the discussion, as is the case with Uruguay.

Related Articles

- IDB-INTAL. “[Global export services](#),” in: *INTAL Monthly Newsletter No. 212*, April 2014.
- IDB-INTAL. “[Global Services in LAC](#),” in: *INTAL Monthly Newsletter No. 214*, June 2014.
- IDB-INTAL. “[International trade and technological change](#),” in: *INTAL Monthly Newsletter No. 223*, March 2015.

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[1] This article was prepared by IDB consultant, Romina Gayá. She would like to thank Rosario Campos for her valuable feedback.

[2] See IDB-INTAL (2015).

[3] See Castells (1998).

[4] Cattaneo et al. (2010).

[5] Rentzhog & Anér (2014).

[6] The interconnection of everyday objects to the Internet.

[7] The analysis, manipulation, and management of large volumes of data, using more complex computer tools than traditional ones.

[8] Systems where the data is located on the Internet, allowing remote access without the need for complete information storage on local devices.

[9] The General Agreement on Trade in Services (GATS) of the World Trade Organization (WTO) classifies flows in four "modes," according to where the provider and the consumer are located: *Mode 1 (Cross-Border Supply)*: the provider is located in one country and the consumer in another, a situation made possible mainly by ICTs. *Mode 2 (Consumption Abroad)*: the consumer moves to the country providing the service. *Mode 3 (Foreign Commercial Presence)*: foreign direct investment in the services sector. *Mode 4 (Movement of Natural Persons)*: the provider moves to where the consumer is. In some cases, a provider can provide the same service internationally under different modes. For example, a training course can be delivered to distance students abroad (Mode 1), the students can travel to the country where the course is taught (Mode 2), or the teachers can move to where are students (Mode 4), while the educational institution can open a subsidiary in another country to give the same course (Mode 3). Other services, such as tourism, only take place under one specific modality.

[10] See more at: <http://www.ibm.com/smarterplanet/us/en/ibmwatson/watson-oncology.html>.

[11] IDB-INTAL (2014a).

[12] In Rentzhog & Aner, *op. cit.*

[13] López, Niembro, & Ramos (2014).

[14] 3D printing is a technique whereby a machine creates a three-dimensional object by adding material (plastic, resin, metal, etc.) based on a design.

[15] Includes merchant services, leasing, and other professional, business, and technical services (legal, accounting, administration, public relations, advertising, market research, research and development, architecture, engineering, agriculture and mining services, other business services, etc.).

[16] Among the main weaknesses of statistics on trade in services are: recording difficulties arising from the intangible nature of services (especially those rendered remotely), the lack of consensus over the most appropriate way to measure new activities, services rendered under Modes 2 and 4 incorrectly recorded as travel (overestimating this category and underestimating the others), the large number of intrafirm transactions performed at transfer prices (values allocated to trade between subsidiaries of the same firm that do not necessarily reflect the real values of services being traded), the high aggregation levels in data, the lack of statistics on some services in certain countries, the existence of a large number of services traded indirectly via their incorporation in goods, the shortage of transaction records, etc. See more in Rentzhog & Aner (2014) and Lopez, Niembro, & Ramos, *op. cit.*

[17] See notes to Table 1.

[18] Source: IDB-INTAL based on WTO data.

[19] For more information, see García (2013), IDB-INTAL (2014b), and López, Niembro & Ramos, *op. cit.*

[20] López, Niembro, & Ramos, *op. cit.*

COSIPLAN: Promoting South American sustainable physical integration

In 2015,[1] the activities of COSIPLAN-IIRSA[2] geared to planning and implementing regional physical integration in South America got fully under way. During the month of April, four meetings were held in Montevideo, Uruguay, as tabled in the [Work Plan 2015](#):[3]

- [IV Meeting of the COSIPLAN'S Working Group on Telecommunications](#) (14 April)
- [GTE Meetings on EIDs and API to Update the COSIPLAN's Project Portfolio](#) (15 April)
- [XXVI Meeting of IIRSA National Coordinators](#) (16 April)
- [XI Meeting of the COSIPLAN Coordinating Committee](#) (17 April)

These activities were coordinated by Uruguay, as Pro Tempore President of the COSIPLAN, with the participation of delegations from all twelve South American countries.

Infrastructure planning for regional connectivity


The works in the framework of COSIPLAN-IIRSA are structured in three thematic areas: (i) the COSIPLAN's Projects; (ii) Planning Methodologies; and (iii) sectoral integration processes (PSIs). The following sections set out the works under way and the forthcoming actions to meet the commitments made in each area.

I. COSIPLAN projects

The COSIPLAN's projects include activities on the [COSIPLAN's Project Portfolio](#), the [Integration Priority Project Agenda \(API\)](#), and the [COSIPLAN's Project Information System \(SIP\)](#). The status report on the COSIPLAN's Project Portfolio and the API to December 2014 was presented at the meeting, as was a diagnosis of information in the SIP.

[Video 1: Project Portfolio and API 2014](#)

The countries tabled virtual meetings for May and June to update the projects in the COSIPLAN's Portfolio and the API from the nine [Integration and Development Hubs \(EIDs\)](#). The main objectives to improve project information are: (i) to review those that have been at the profile stage[4] since 2011; (ii) to review those for which the information was last updated before 2013; (iii) to review projects with empty or incomplete project sheets; (iv) to review projects located in border regions; and (v) to analyze proposals for projects' approvals or removals, or those requiring special revision.



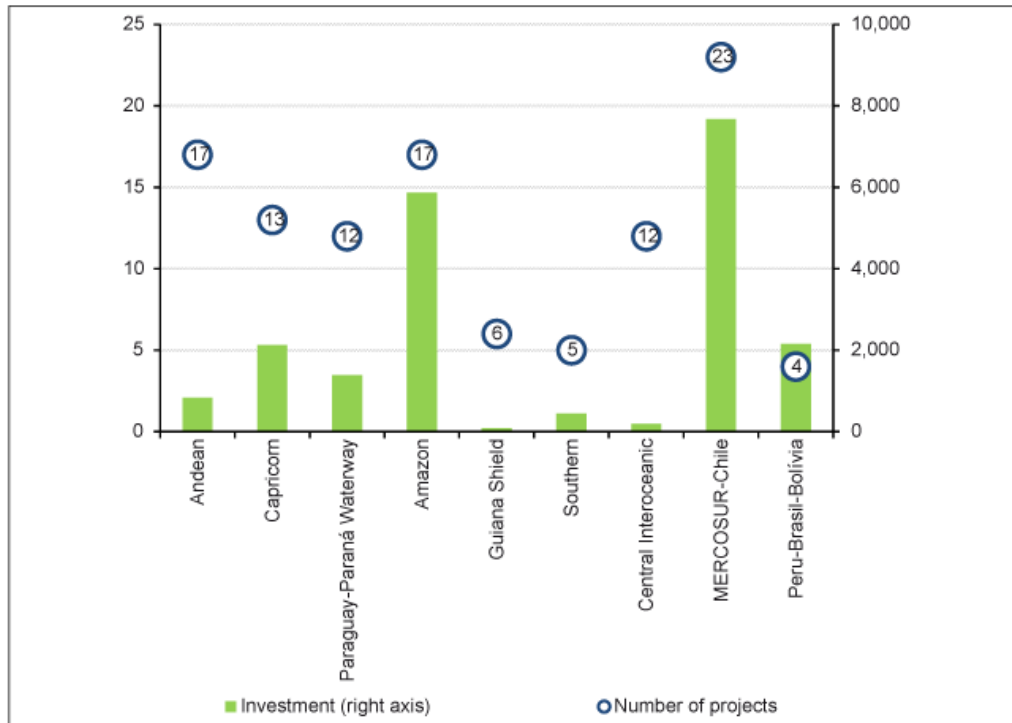
Also presented at the meeting were the results of the studies of Socioeconomic and Environmental Characterization of the EIDs. Making use of updated information and sources provided by the countries, these works aim to describe the economic, social, and environmental spheres of the territories covered by the EIDs, as well as their linkage with the infrastructure planned by COSIPLAN.[5] The works for the Amazon, Andean, Capricorn, Paraguay-Paraná Waterway and MERCOSUR-Chile Hubs are complete. Those for the Central Interoceanic, Peru-Brazil-Brazil-Bolivia, Guiana Shield, and Southern Hubs are to get under way during the course of this year.

[Video 2: Results of the Socioeconomic and Environmental Characterization of the Amazon, Andean, Capricorn, Paraguay-Parana Waterway, and MERCOSUR-Chile Hubs](#)

Last came the presentation of the tasks carried out to analyze the portfolio of completed projects. As a result of this work 109 completed projects were identified for an estimated total of US\$20.758 billion.[6]

Figure 1: Completed Projects by Integration and Development Hub

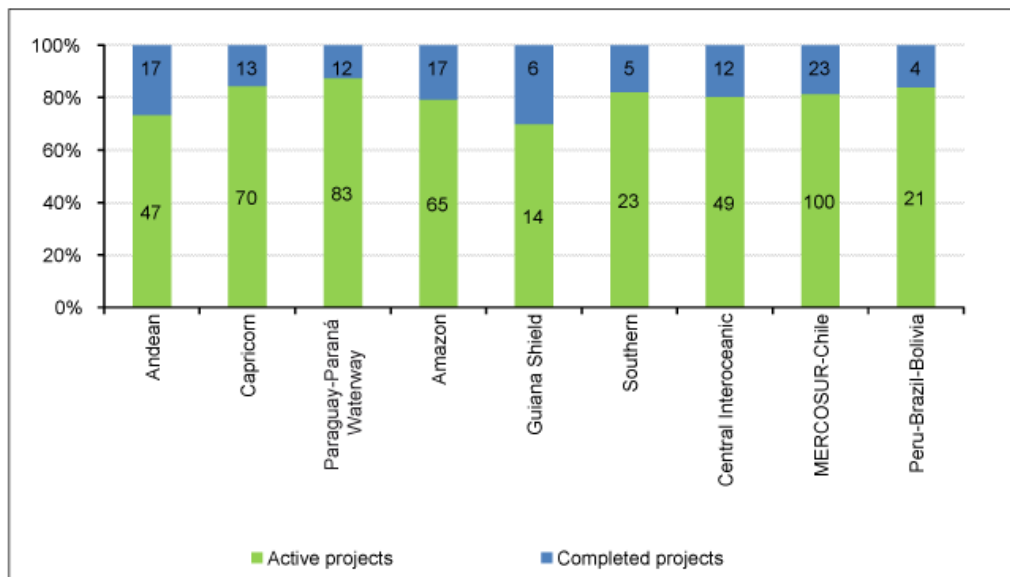
Number of projects and investment in millions of US\$



Source: COSIPLAN Project Information System, April 24, 2015.

Figure 2 Active and Concluded Projects by Integration and Development Hub

Number of projects and as percentage of total



Source: COSIPLAN Project Information System, April 24, 2015.

The countries agreed to continue to make use of the information available for completed projects in order to identify contents and actions to reinforce the dissemination of their contribution and benefits to South American physical integration.

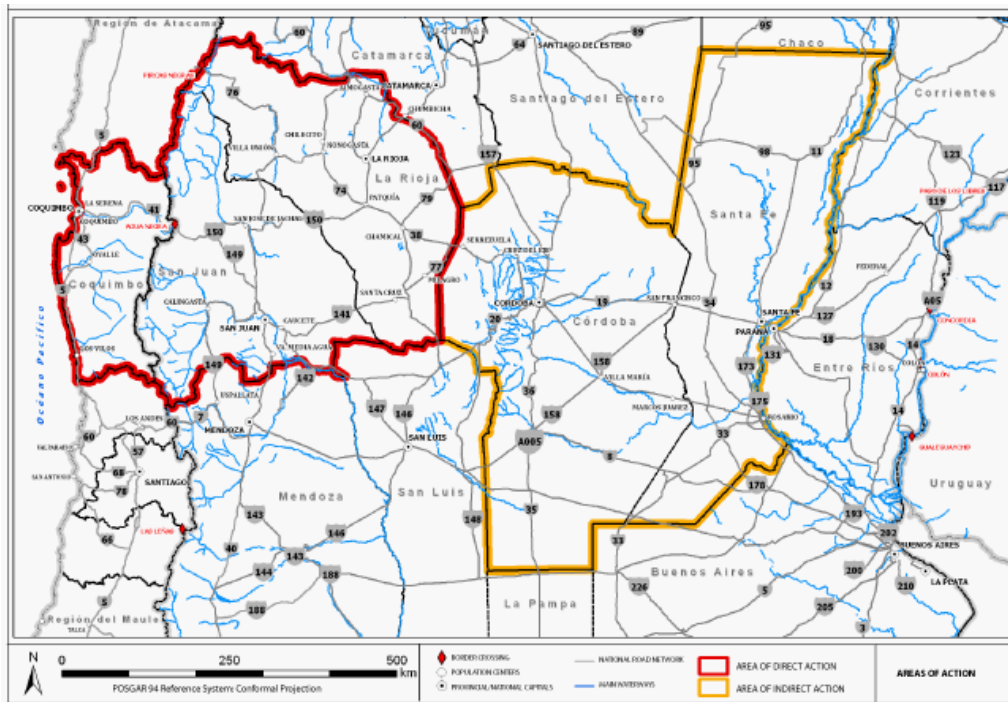
II. Planning Methodologies

[Territorial Planning Methodologies](#) are instruments to deepen and enrich the sustainable infrastructure planning process by incorporating aspects to do with the environment, society, productive and logistical integration, disaster risk management, rules and regulations, etc. Progress was reported in:

- *The formulation of a PTI associated with the Agua Negra Binational Tunnel:*^[7] [Integration Territorial Programs \(PTI\)](#) are an innovative tool to analyze, propose, and implement actions to complement infrastructure works that help boost the impact of investments in the region. Argentina and Chile began the formulation of a PTI associated with the Agua Negra Binational Tunnel in August 2014. The works include an integrated diagnostic study and

strategic analysis of the territory, participatory activities with local actors, and the ultimate formulation of the PTI and implementation plan. Completion of the tasks and presentation of the PTI are scheduled for a binational workshop in August 2015.[8]

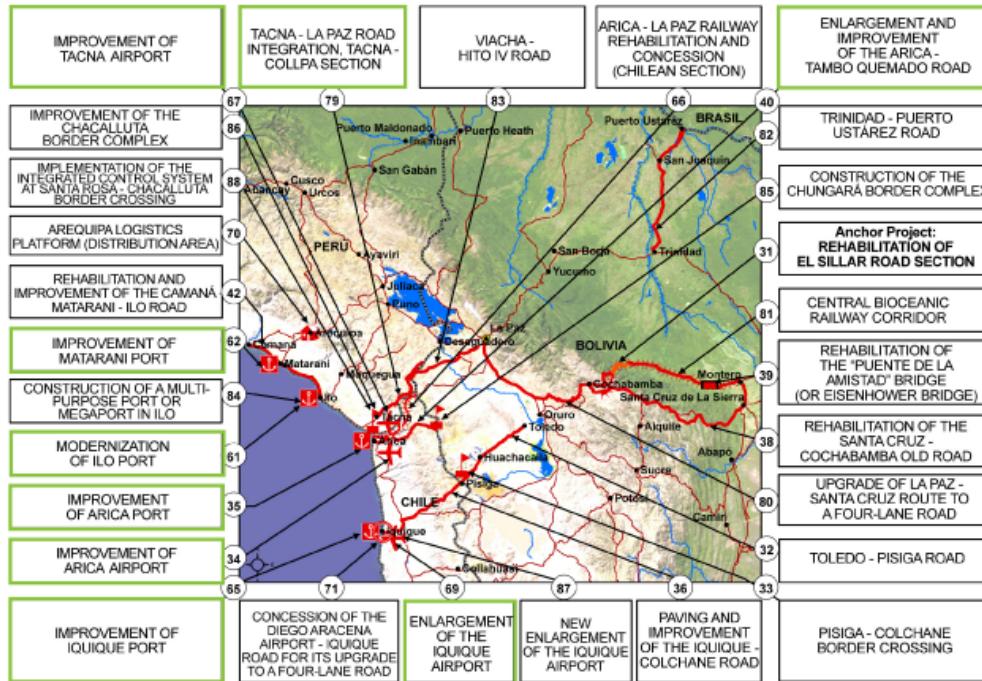
Map 1: Area of PTI's Direct and Indirect Action



Source: PTI Integrated Diagnostic Study.

- The Pilot Application of the Methodology for the Incorporation of Disaster Risk Management to Project Group 5 of the Central Interoceanic Hub:*[9] The [Methodology for the Incorporation of DRM into the Regional Integration Infrastructure Projects](#) defines clear procedures to prevent or reduce the effects of natural disasters (earthquakes, tsunamis, floods, or volcanic eruptions) affecting South American infrastructure, and establishes plans for connectivity and public infrastructure recovery. Chile and Peru began the pilot application of this methodology to Project Group 5 of the Central Interoceanic Hub (a zone of seismic silence) in January 2015. The works include identification of integration infrastructure in the area exposed to disaster risk, as well as an analysis of that risk. The preliminary design of mitigation works, the economic assessment of the proposed measures, and the recovery plan will be developed on the basis of the results obtained. Completion of the exercise and presentation of the results are scheduled for a GTE meeting in October 2015.[10]

Map 2: Central Interoceanic Hub Project Group 5 – Selected Infrastructure



Source: COSIPLAN-IIRSA.

III. Sectoral Integration Processes

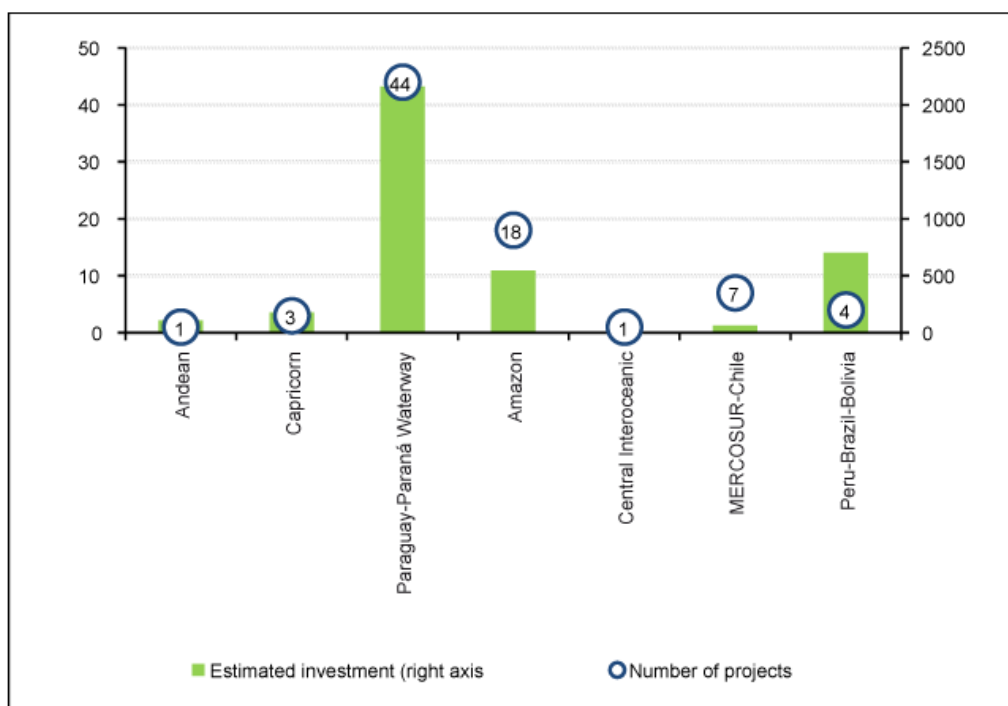
[Sectoral Integration Processes \(PSIs\)](#) are designed to identify regulatory and institutional obstacles that hinder the development of infrastructure in the region, and to propose actions to overcome them. Progress was reported in:

- The Course on Freight Transport and Logistics:** There is growing emphasis on the integrated analysis of transport infrastructure and services with a multimodal approach that pays attention to intermodal transfer points and uses logistics as the coordinating component. The COSIPLAN incorporates [Freight Transport and Logistics](#) as a key topic in its Work Plan and seeks to make logistics a strategic focus to move forward in a systemic vision that includes infrastructure, transportation, and logistics.[11] Against this background, Peru presented a proposal to implement the virtual tutoring course “Training Program in the Making and Management of Freight Transport and Logistics,” developed in the framework of the COSIPLAN-IIRSA’s work in 2014.[12]
- The Workshop on South American Integration through Ports and Waterways:** This is the first

time this topic has been included in the COSIPLAN-IIRSA's Work Plan. Coordinated by Brazil, a workshop is scheduled for October 14-15, in Brasilia, Brazil. The preliminary objectives consist of: (i) the identification of ports' regulatory frameworks; (ii) joint actions to improve passenger and freight potential on waterways between the countries; (iii) the mapping of existing projects and studies for the operation of port facilities and internal connections; and (iv) the evaluation of potential sources of funding for the modernization of ports and integration via watercourses.[13]

Figure 3: Fluvial subsector projects by integration and development hub

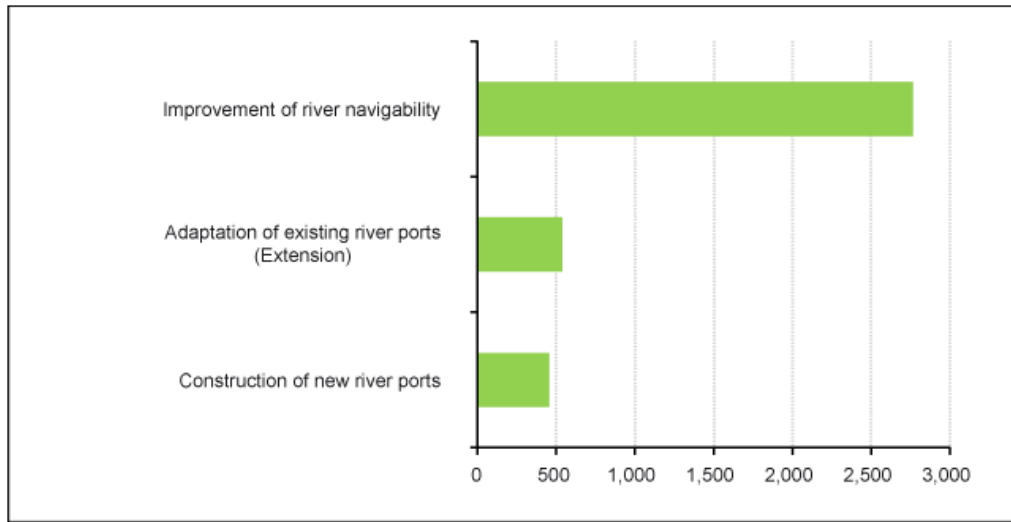
Number of projects and estimated investment in millions of US\$



Source: COSIPLAN Project Information System, April 24, 2015.

Figure 4: Fluvial subsector projects by construction type

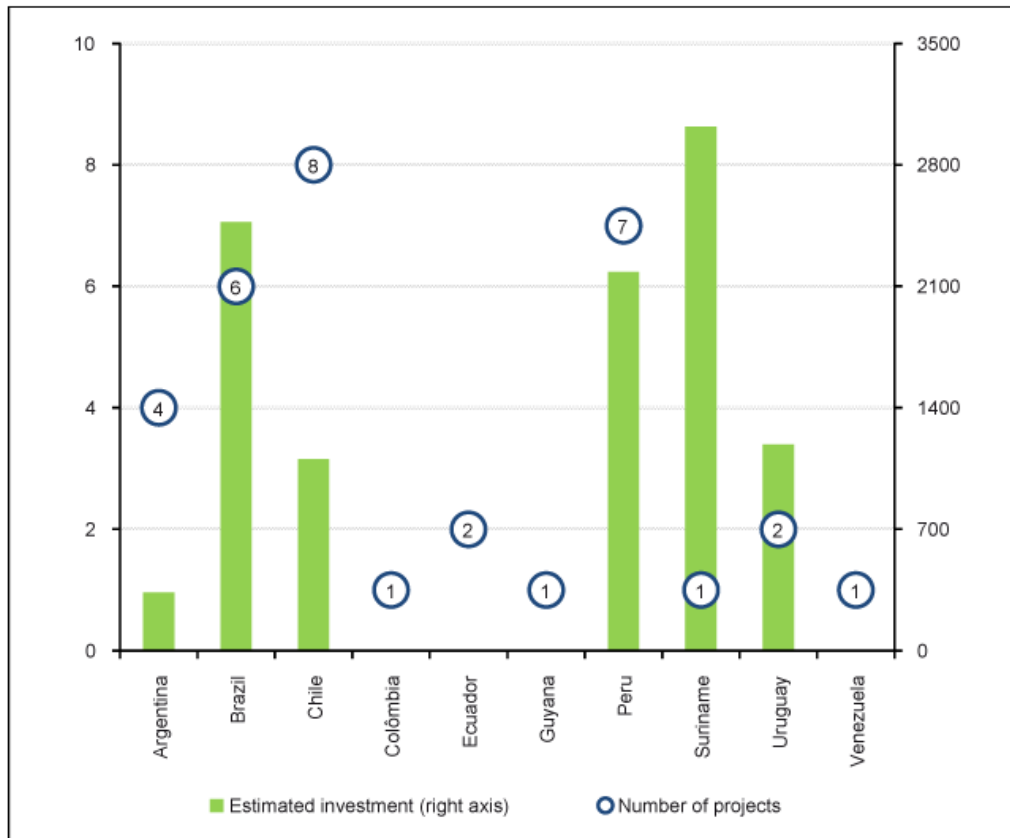
Estimated investment in millions of US\$



Source: COSIPLAN Project Information System, April 24, 2015.

Figure 5: Maritime subsector projects by country

Number of projects and estimated investment in millions of US\$

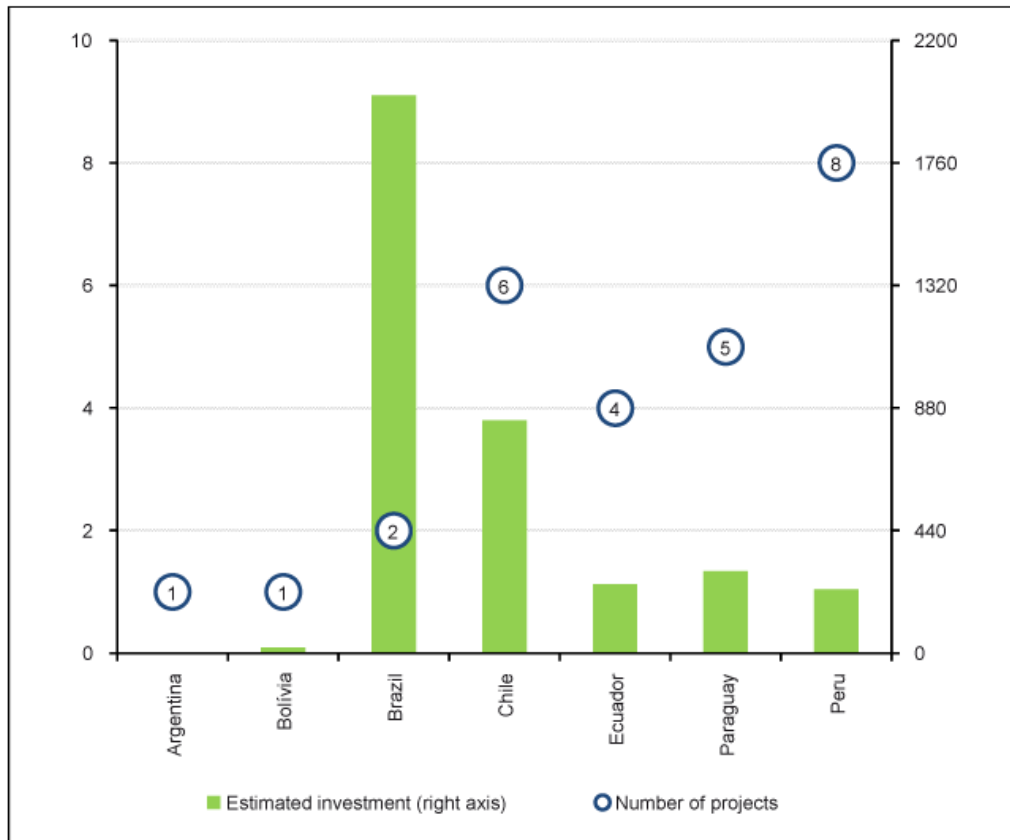


Source: COSIPLAN Project Information System, April 24, 2015.

- Executive Technical Group Meeting on Air Integration:**[14] Coordinated by Brazil, a GTE meeting is scheduled for September 10, in Georgetown, Guyana. The preliminary objectives are: (i) to analyze the results of the IDB study on air freight transport in Latin America; (ii) to analyze the progress of the study on air integration in the Guiana Shield (Brazil, Guyana, Suriname, and Venezuela); and (iii) to identify studies and activities for the GTE on [Air Integration](#). [15]

Figure 6: Air subsector projects by country

Number of projects and estimated investment in millions of US\$

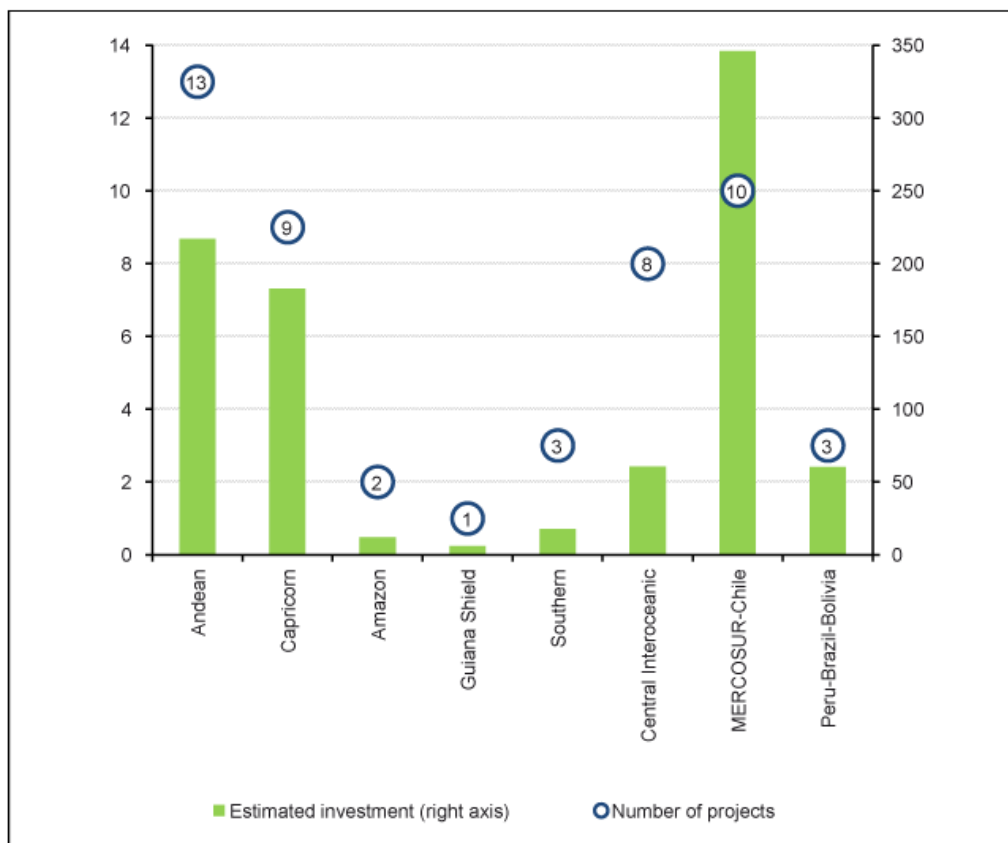


Source: COSIPLAN Project Information System, April 24, 2015.

- The Incorporation of Border Integration in COSIPLAN's Indicative Territorial Planning:*** The desire to move forward in the various expressions of integration, including intraregional trade flows in South America, means that borders need to adopt new roles. [Cross-border cooperation and integration](#) are strategies for countries whose goal is the integral and sustainable development of their territories, as well as the incorporation of border spaces in the development, bilateral cooperation, and economic and social integration processes.[16] Argentina presented a proposal that involves designing a work methodology that takes in the tools developed in the COSIPLAN to identify “bilateral border regions.” The aim is to characterize and analyze these regions, and to identify what infrastructure interventions are needed for the integral development of those territories.[17]

Figure 7: Border crossings subsector projects by integration and development hub

Number of projects and estimated investment in millions of US\$



Source: COSIPLAN Project Information System, April 24, 2015.

- Trade Integration through Postal Services:** The works on [Trade Integration through Postal Services](#) seek to encourage the inclusion of micro, small and medium enterprises in the international market via the implementation of a simplified export and import system that makes use of the postal logistics platform.[18] Reports were presented of the planned activities, to be coordinated by Brazil and Peru. In Exportation, these included: (i) a prediagnostic visit to Paraguay; (ii) a visit concluding the implementation of the program in Ecuador; (iii) a visit by Colombia and Peru to Chile to exchange information on the *Exporta Fácil* program in these countries; (iv) the pilot application of performance indicators; and (v) the incorporation of *Exporta Fácil* in [IDB's ConnectAmericas Portal](#). In

Importation, they included: (i) the development of National Work Plans to simplify postal import processes; (ii) the formalization/renewal of the project's Inter-Institutional Working Committee and the Post-Customs Contact Committee in each country; and (iii) the design of a connectivity pilot between Brazil and Peru's *Exporta Fácil* and *Importa Fácil* programs. Activities are also planned to deepen the correlations between the GTE's actions, and the projects and activities of the Universal Postal Union (UPU) and Postal Union of the Americas, Spain, and Portugal (UPAEP). The GTE meeting is scheduled for September 28-29, in Lima, Peru.[19]

Table 1: Schedule of COSIPLAN Activities 2015 (April 2015)

DATE	PLACE	BODY	ACTIVITY
JANUARY			
19	Santiago, Chile	IIRSA	First Meeting to Coordinate the Application of the DRM to the GPS of the Central Interoceanic Hub (Chile-Peru)
MARCH			
8	Video Conferencing	COSIPLAN/ (experts)	Meeting of the Working Group on GIS and COSIPLAN Website
18-19	Coquimbo, Chile	IIRSA	Binational Workshop on the PTI Agua Negra Binational Tunnel (Argentina-Chile)
APRIL			
14	Montevideo, Uruguay	COSIPLAN	Meeting of the Working Group on Telecommunications
15	Montevideo, Uruguay	IIRSA	GTE Meetings on EIDs and API to Update the Project Portfolio
16	Montevideo, Uruguay	IIRSA	XXVI Meeting of IIRSA National Coordinators
17	Montevideo, Uruguay	COSIPLAN	XI Meeting of the COSIPLAN Coordinating Committee
MAY			
21	Virtual Meeting	IIRSA	GTE Meetings on Update the Project Portfolio and API – Capricorn and Southern Hubs
26	Virtual Meeting	IIRSA	GTE Meetings on Update the Project Portfolio and API – Amazon, Andean, and Guiana Shield Hub
28	Virtual Meeting	IIRSA	GTE Meetings on Update the Project Portfolio and API - MERCOSUR-Chile and Paraguay-Paraná Waterway Hubs
JUNE			
2	Virtual Meeting	IIRSA	GTE Meetings on Update the Project Portfolio and API - Central Interoceanic and Peru-Brazil-Bolivia Hubs
10	Santa Cruz de la Sierra, Bolivia	COSIPLAN WG	Subgroup on the Paranaguá-Antofagasta Bioceanic Railway Corridor (Argentina - Brazil - Chile - Paraguay)
11	Santa Cruz de la Sierra, Bolivia	COSIPLAN WG	Subgroup on the Central Bioceanic Railway Corridor (Bolivia-Brazil-Peru)
JULY			
To be confirmed	Buenos Aires, Argentina	COSIPLAN/ (experts)	Meeting of the Working Group on GIS and COSIPLAN Website
AUGUST			

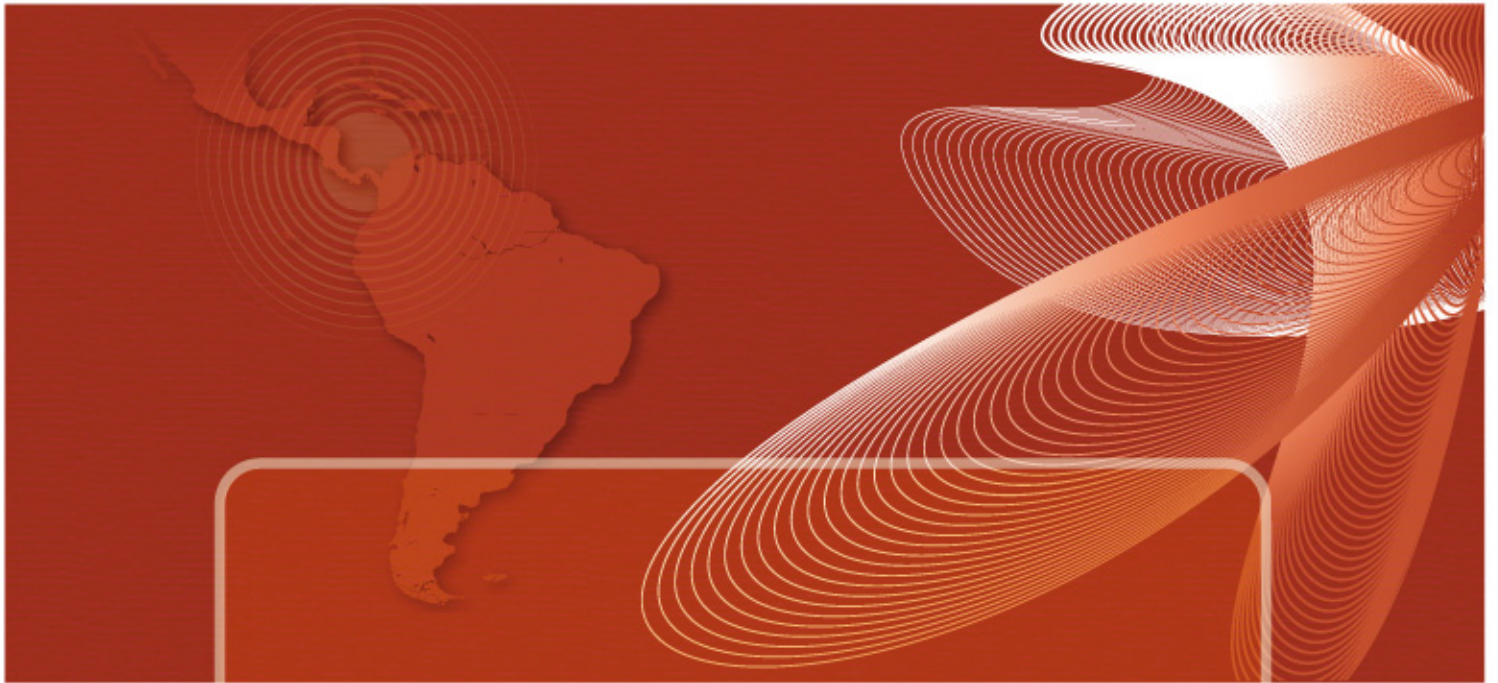
4-6	San Juan, Argentina	IIRSA	Binational Workshop on the PTI Agua Negra Binational Tunnel (Argentina-Chile)
17-18 To be confirmed	Montevideo, Uruguay To be confirmed	SG/ COSIPLAN	Seminar: Impact of Infrastructure Projects on the Creation of Productive Value Chains in UNASUR
19	Montevideo, Uruguay	IIRSA	XXVII Meeting of IIRSA National Coordinators
20	Montevideo, Uruguay	COSIPLAN	XII Meeting of the COSIPLAN Coordinating Committee
SEPTEMBER			
To be confirmed	Asuncion, Paraguay	COSIPLAN	First meeting of the Working Group on the Application of the CAF-UNASUR Agreement
9	Georgetown, Guyana	COSIPLAN/ CEF	Joint Meeting of the COSIPLAN WG on Financing and Guarantee Mechanisms and the Economy and Finance Council WG on Financial Integration
10	Georgetown, Guyana	IIRSA	GTE Meeting on Air Integration
28-29	Lima, Peru	IIRSA	GTE Meeting on Trade Integration through Postal Services
30	Lima, Peru	IIRSA	GTE Meeting on Risk and Disaster Prevention and Management
OCTOBER			
14-15	Brasilia, Brazil	IIRSA	Workshop on South American Integration through Ports and Waterways
To be confirmed	Buenos Aires, Argentina	COSIPLAN/ (experts)	Meeting of the Working Group on GIS and COSIPLAN Website
NOVEMBER			
3	Asuncion, Paraguay	COSIPLAN	Meeting of the Working Group on Telecommunications
4	Asuncion, Paraguay	COSIPLAN	Meeting of the Working Group on GIS and COSIPLAN Website
5	Asuncion, Paraguay	COSIPLAN	GT Meeting on Railway Integration
DECEMBER			
1	Montevideo, Uruguay	IIRSA	XXVIII Meeting of IIRSA National Coordinators
2	Montevideo, Uruguay	COSIPLAN	XIII Meeting of the COSIPLAN Coordinating Committee
3	Montevideo, Uruguay	COSIPLAN	VI Ordinary Meeting of the COSIPLAN Ministers

IDB-INTAL's contribution

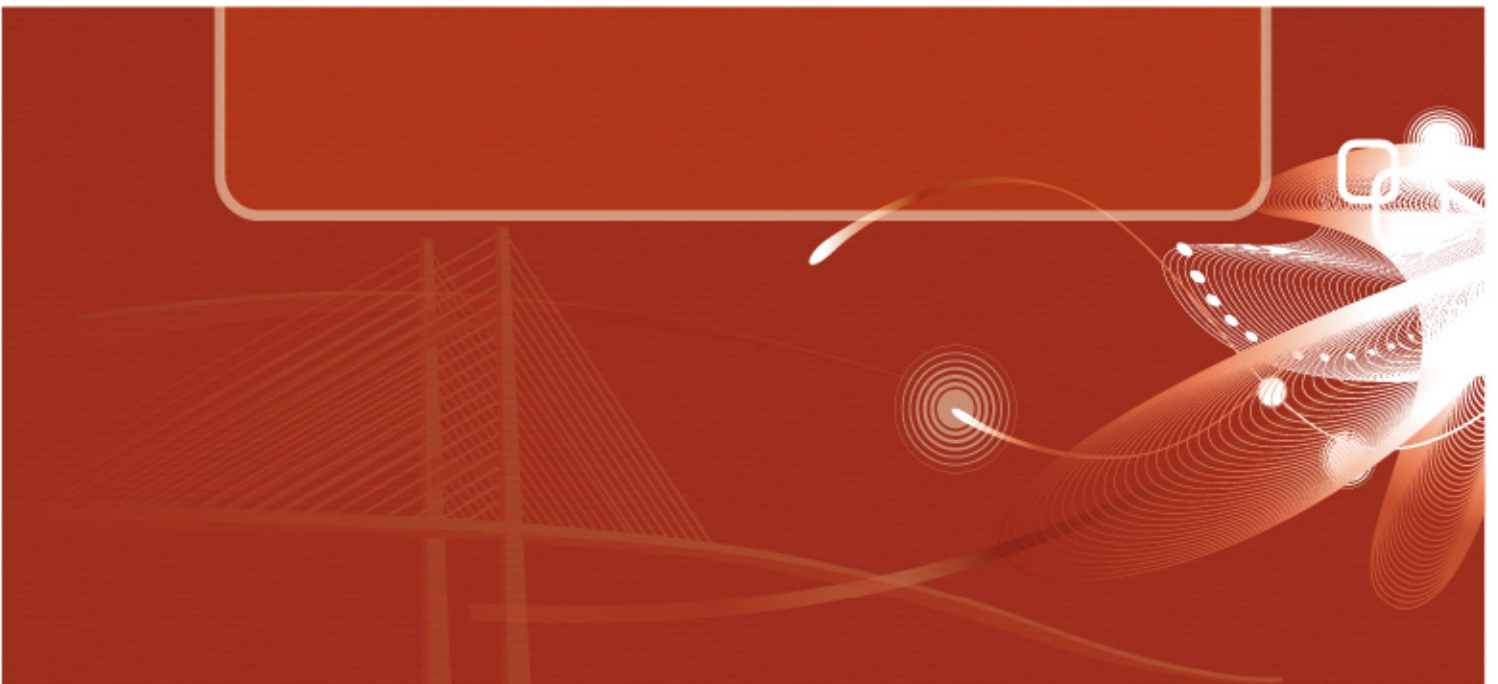
In its role as the Secretariat of COSIPLAN-IIRSA's Technical Coordination Committee, IDB-INTAL has been actively involved for the past 14 years as a facilitator of dialogue among the countries of South America in the field of physical integration. The Institute's commitment to the integration of Latin America and the Caribbean is reflected in the technical and operational support to actions prioritized by the countries as a whole in their annual Work Plans. IDB-INTAL has made significant contributions to the development and dissemination of technical studies, the identification of lines of action, and the realization of a wide range of meetings and workshops, which have contributed to building a shared common vision of South American territory.

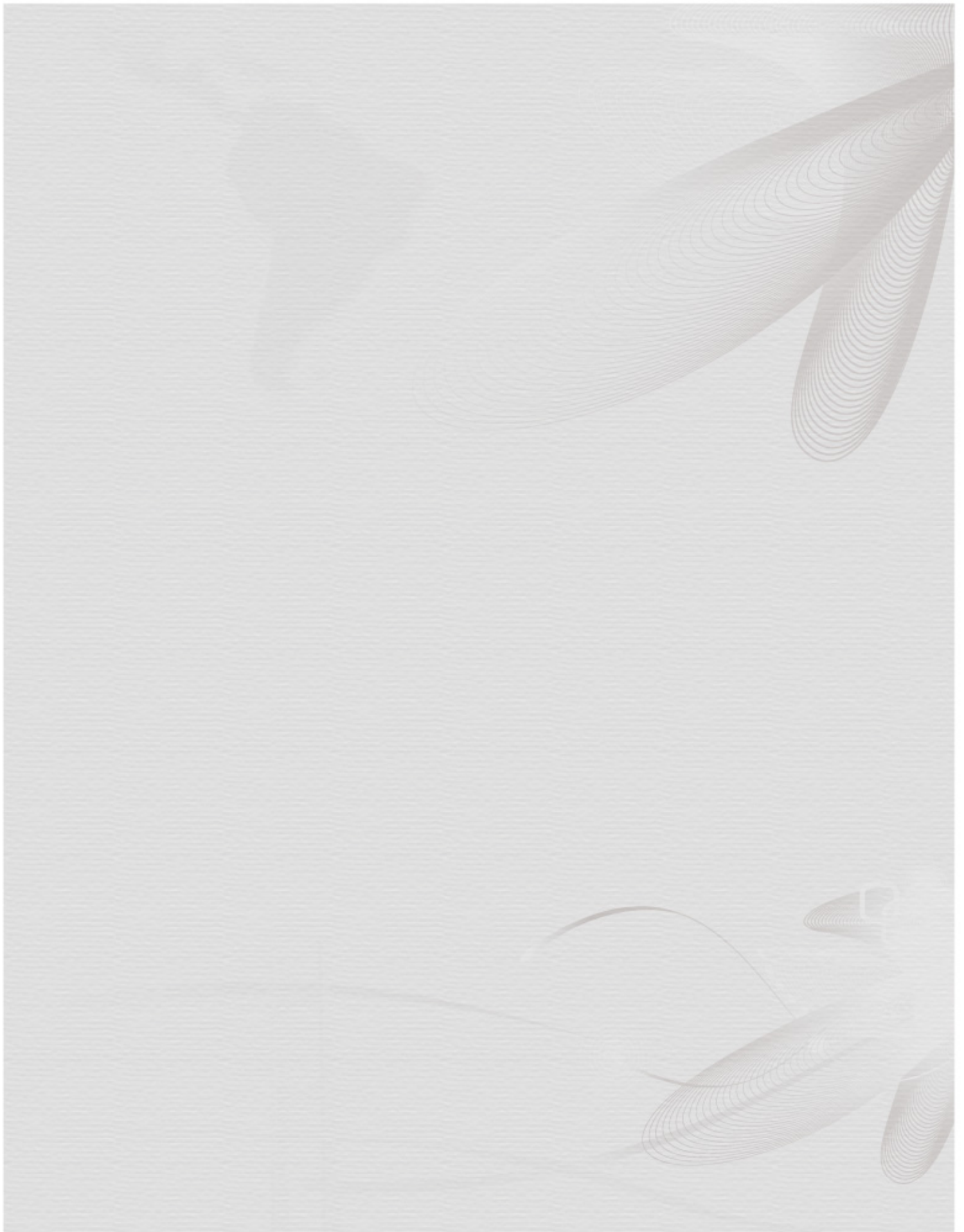
- [1] This article was prepared by Alejandra Radl and Ignacio Estévez (IDB).
- [2] The [South American Council of Infrastructure and Planning \(COSIPLAN\)](#) is a forum for political and strategic discussion aimed at implementing the integration of regional infrastructure in the Member States of the Union of South American Nations (UNASUR). The annual work plans of the Council, which includes IIRSA Initiative as its technical forum, are based on the [Strategic Action Plan 2012-2022 \(PAE\)](#), designed and approved in 2011 to structure the Council's strategic lines of work for ten years. The [Initiative for the Integration of Regional Infrastructure in South America \(IIRSA\)](#) is the Technical Forum for COSIPLAN's planning of South American regional physical integration.
- [3] The 2015 Work Plan was adopted at the Fifth Ordinary Meeting of COSIPLAN Ministers. See Fifth Regular Meeting of COSIPLAN Ministers (Montevideo, December 4, 2014). ([link](#)). See *INTAL Monthly Newsletter Nos. 220* ([link](#)) and *221* ([link](#)).
- [4] The stages in the lifecycle of the projects agreed by the countries of the COSIPLAN are as follows: **1) Profile:** precedents are studied in order to form a judgment as to the technical and economic desirability and feasibility to realize the idea of the project; **2) Pre-Execution:** projects at the following phases: prefeasibility, feasibility, and investment; **3) Execution:** the group of activities needed for the physical construction proper, such as the signing of the contract, the purchase and installation of machinery and equipment, and facilities of various kinds; **4) Completed:** the completion of construction of the physical work in question in its entirety.
- [5] The scope of these works corresponds to the scale of COSIPLAN-IIRSA indicative territorial planning and does not constitute a detailed assessment. The description is underpinned by 8 components: Area of Influence, Infrastructure, Demography, Economy, Social Aspects, Environmental Aspects, Aboriginal Communities, and Natural Disaster Risk. As a transverse aspect, the information is expressed in thematic maps constructed from georeferenced information.
- [6] COSIPLAN Project Information System, April 24, 2015.
- [7] See *INTAL Monthly Newsletter No. 223* ([link](#)).
- [8] See Presentation of Status Report of the Formulation of a PTI associated with the Agua Negra Binational Tunnel at the XXVI Meeting of IIRSA National Coordinators (Montevideo, April 16, 2015) ([link](#))
- [9] See *INTAL Monthly Newsletter No. 222* ([link](#)).
- [10] See Presentation of Status Report of the Pilot Application of the Methodology for the Incorporation of Disaster Risk Management to Project Group 5 of the Central Interoceanic Hub at the XXVI Meeting of IIRSA National Coordinators (Montevideo, April 16, 2015). ([link](#))
- [11] See *INTAL Monthly Newsletter No. 217* ([link](#)).
- [12] See Presentation of the Proposal to Implement the Course on Freight Transport and Logistics at the XXVI Meeting of IIRSA National Coordinators (Montevideo, April 16, 2015). ([link](#))
- [13] See Presentation of the Proposal for a Workshop on South American Integration through Ports and Waterways at the XXVI Meeting of IIRSA National Coordinators (Montevideo, April 16, 2015). ([link](#))
- [14] See *INTAL Monthly Newsletter No. 217* ([link](#)).
- [15] See Presentation of the Proposal for a GTE Meeting on Air Integration at the XXVI Meeting of IIRSA National Coordinators (Montevideo, April 16, 2015). ([link](#))
- [16] See *INTAL Monthly Newsletter No. 219* ([link](#)).
- [17] See Presentation of the Proposal to Incorporate Border Integration in COSIPLAN's Indicative Territorial Planning at the XXVI Meeting of IIRSA National Coordinators (Montevideo, April 16, 2015). ([link](#))
- [18] See *INTAL Monthly Newsletter No. 218* ([link](#)).
- [19] See Presentation of the Progress of the Trade Integration through Postal Services Work Plan at the XXVI Meeting of IIRSA National Coordinators (Montevideo, April 16, 2015). ([link](#))





Integration Blocs







Pacific Alliance

Pacific Alliance grows stronger

The process toward the consolidation of the Framework Agreement constituting the Pacific Alliance (PA) drew to a close April 15, with the [approval of the Constitutional Court of Colombia](#). Chile, Mexico, and Peru have already taken similar steps for the Agreement to enter into force in 60 days as expected.

The [XX Meeting of the PA Technical Groups and High Level Group](#) was held in Lima, Peru, March 24-26. Sessions were held for the groups on Services and Capital, Trade and Integration, Institutional Matters, Small and Medium Enterprises (SMEs), PA Business Council Committee of Experts, Foreign Relations, Movement of People, Education, and Communication Strategy, as well as for the subgroup on Security and the One-Stop Business Office for Foreign Trade. The conclusions were discussed by the High Level Group (GAN) of Deputy Foreign Affairs and Foreign Trade Ministers.




The Caribbean

Energy the backbone of CARICOM-US Summit

The [Third CARICOM-US Summit](#) between the 15 Heads of State of the Caribbean Community and Common Market (CARICOM) and the United States (US) President was held in Jamaica, April 9. Energy security was one of the main foci of discussion between the parties. In January 2015, at a high-level forum between CARICOM and US authorities, the Caribbean Energy Security Initiative (CESI) was launched with the aim of helping Caribbean island states overcome their dependence on imported fossil fuels[1] and supporting them in diversifying their energy matrices. This was further strengthened during the most recent Summit with the launch of additional initiatives to encourage [investment and technological support in clean energy projects](#).

The main collaboration initiatives for energy security include:

- A working Group to move forward in energy reforms of the sector in the Caribbean, and in the development of clean energy.
- Representatives from the US Department of Energy (DOE) and Jamaica's Ministry of Science, Technology, Energy, and Mining signed a declaration of intent for cooperation on matters of energy efficiency, energy infrastructure, microgrids and energy storage, fuel diversification, and energy policy.
- The Caribbean Hotel Energy Efficiency and Renewables (CHEER) program, aimed at supporting projects to improve energy efficiency and water use, as well as sharing best practices in the tourism industry.
- Clean energy financing: Support for channeling private-sector investment in solar and wind energy projects in the Caribbean.



Other topics addressed were security, where the emphasis was laid on collaboration among the parties in order to tackle issues related to transnational crime, illegal migration, and the importation of firearms.

Regarding young people, advantage was taken of the meeting to look ahead to the “Young Leaders of the Americas Initiative” fellowship program in United States to support [youth development](#) of Latin America and the Caribbean.

The Caribbean countries also expressed their concern and need for support in order in overcoming the effects of the global financial and economic crisis of the past few years.

[1] For more information, see: Trinkunas, Harold. 2015. “[Making the Caribbean Energy Security Initiative a Success](#).” The Brookings Institution. January.

Third CARIFORUM-EU Business Forum

The 3rd CARIFORUM-EU Business Forum of the Council of Ministers of the Caribbean Forum of African, Caribbean and Pacific States (CARIFORUM)[1] was held in Montego Bay, Jamaica, April 15-16. Its main objective is to engineer new business opportunities and improve market access in Caribbean countries. The meeting highlighted the fact that, since the signing of the Economic Partnership Agreement in 2008, the European Union (EU) has provided more than €165 million in development aid and collaborated in the strengthening of civil society and the private sector. The meeting also brought together more than 150 participants seeking to develop and build international partnerships through participation in meetings between companies, networking, and professional consultations. Among the issues pending, it highlighted the importance of negotiating an agreement on customs duties and of improving tourist links between the parties.

Related articles

- IDB-INTAL. "[Meeting of CARIFORUM Council of Ministers](#)," in: *INTAL Monthly Newsletter No. 207*, November 2013.

[1] Established in 1992, CARIFORUM is composed of the Caribbean States of the Africa, Caribbean, and Pacific (ACP) Group. It comprises all members of CARICOM (except Montserrat), making a total of 16 countries. All, with the exception of Cuba, are signatories both of the Cotonou Agreement between ACP countries and the EU, and the CARIFORUM-EU Economic Complementation Agreement (ECA) signed in 2008. CARIFORUM's aim is to promote and coordinate political dialog, cooperation, and regional integration between the Caribbean region and the EU.



Central America

Central America and South Korea strengthen trade ties

The [Central American Bank for Economic Integration \(CABEI\)](#) and the Export-Import Bank of Korea (KEXIM) signed a [Framework Agreement](#) in April toward the establishment of a US\$100 million export credit facility to promote trade between Central America and South Korea. This will enable the financing of exports of goods and services by Korean companies, and will facilitate investment projects in the region.

Also, a meeting last April 6 between authorities of Costa Rica's Foreign Trade Ministry and South Korea's Deputy Minister for Trade, Industry, and Energy, raised the possibility of opening negotiations on free trade agreement (FTA) with South Korea. The intention to sign an FTA had first been mooted in 2012, but talks did not materialize due to a change in the Korean authorities. The Inter-American Development Bank (IDB) Annual Meeting in Busan, South Korea, April 26-29, the collaboration between IDB and the host country were expanded via two agreements. On the one hand, an initial credit line of US\$100 million was set, in order to launch the [Korea Infrastructure Development Co-financing Facility for Latin America and the Caribbean](#). On the other hand, President Moreno and Minister Il ho Yoo of the Korean Ministry of Land, Infrastructure, and Transport signed a Memorandum of Understanding to facilitate collaboration in the areas of transportation and infrastructure development.

Related articles

- IDB-INTAL. "[Central America: active efforts in trade](#)," in: *INTAL Monthly Newsletter No. 195*, November 2012.



Andean Community

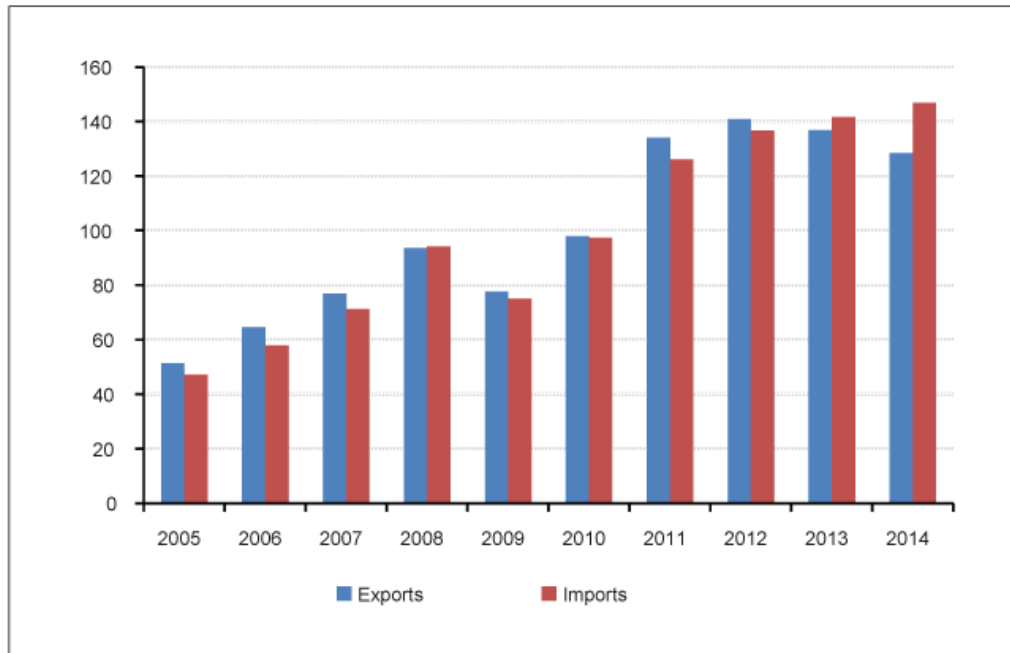
Andean exports fall in 2014

According to a [report](#) by the General Secretariat of the Andean Community of Nations (CAN), member countries' total exports in 2014 were down for the second year running, standing at US\$128.356 billion. This fall (6.2% YOY) contrasts with the evolution of 2005-2012, when they expanded at an average cumulative annual (c.a.) rate of 15.5%. The performance in 2014 is explained by the reduction of Colombia and Peru's external sales, which account respectively for 58.9% and 38.2% of the total.

Imports, in contrast, grew in all countries (except Peru), totaling US\$146.919 billion. Although this dynamism was 3.7% up on 2013 (a variation similar to the one seen that year), it is well below 2005-2012 (16.4% c.a.) (Figure 1, Table 1). Bolivia is the only economy in MERCOSUR with a trade in goods surplus.

Figure 1: Evolution of CAN countries' total trade

In billions of US\$



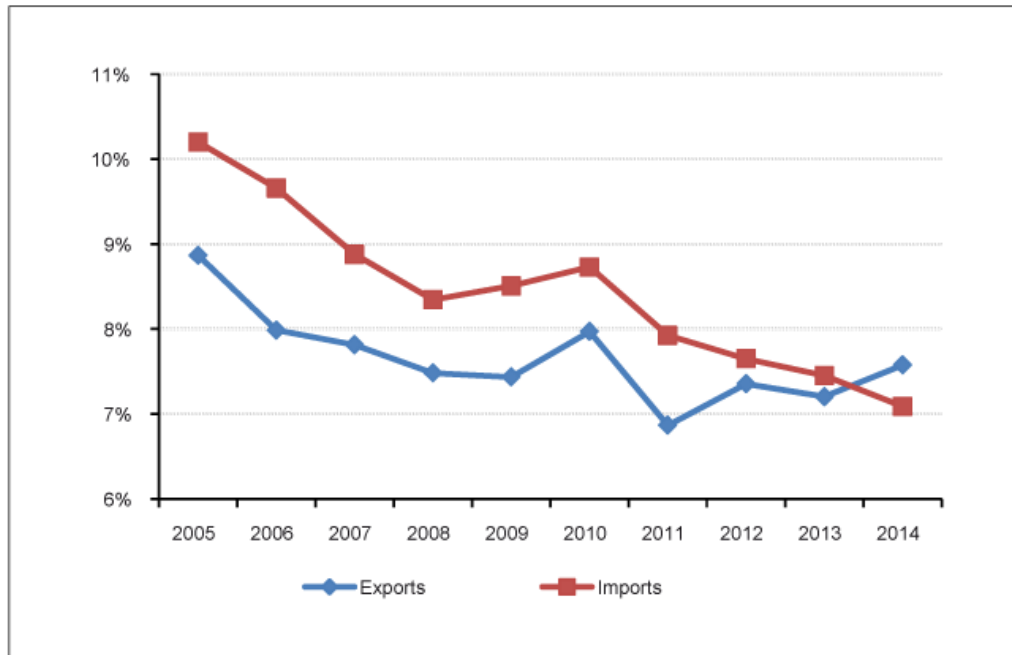
Source: IDB-INTAL based on SG-CAN data.

Intrazone sales fell less in 2014 than shipments to the rest of the world (-1.3% and -6.6% respectively). They stood at US\$9.724 billion, or 7.6% of total sales, the highest share since 2011, albeit below levels of a decade ago. Intraregional imports, however, continue to lose ground in total external purchases, accounting for 7.1% in 2014 (Figure 2).

The contraction of shipments to Andean market is a response to the drop in Colombia and Ecuador's exports due to lower shipments of diesel and crude petroleum oils, and other products. Bolivia's intraregional sales were driven upward by soya-bean oil, and Peru's by gasoline. Purchases from regional partners fell in both Ecuador and Peru (Table 1).

Figure 2: Share of intra-MERCOSUR trade in total

As percentage



Source: IDB-INTAL based on SG-CAN data.

Table 1: CAN countries' intra- and extrazone trade

Year-on-year variation in 2014

Country	Exports			Imports		
	Intrazone	Extrazone	Total	Intrazone	Extrazone	Total
Bolivia	4.8%	9.7%	9.2%	5.7%	12.5%	11.9%
Colombia	-5.4%	-6.6%	-6.5%	16.3%	7.3%	7.7%
Ecuador	-9.7%	4.6%	3.0%	-5.7%	2.8%	1.8%
Peru	11.0%	-17.1%	-15.5%	-9.1%	-1.1%	-1.9%
Total	-1.4%	-6.6%	-6.2%	-1.3%	4.2%	3.7%

Source: IDB-INTAL based on SG-CAN data.

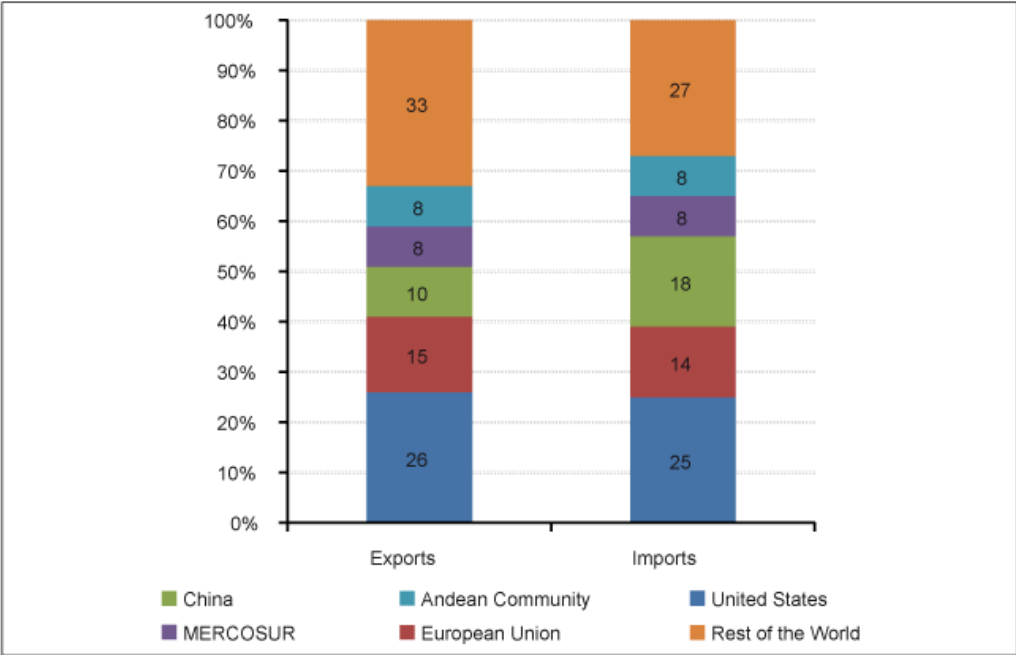
Prominent in the composition of intrazone trade were crude petroleum oils (14.3%), oilcake and solid residues resulting from the extraction of soya-bean oil, gasolines, soya-bean oil, refined copper wire, and others.

Crude petroleum oils also formed the most important heading in exports to the rest of the world, followed by unrefined gold ore, copper ores, bituminous coal, and natural gas.

Shipments to almost all CAN's major trading partners contracted. United States absorbed 26% of total exports, while the European Union (EU) and China were the destinations for 15% and 10% of external sales respectively. These three economies were also the main providers of Andean imports: United States is the origin of US\$1 in every US\$4 imported, China of 18% of the total, and the EU of 14% (Figure 3).

Figure 3: CAN total trade with main trading partners

As percentage of total



Source: IDB-INTAL based on SG-CAN data.

New MERCOSUR High Representative General appointed

Dr. Florisvaldo Fier (a.k.a. Dr. Rosinha) took office as [MERCOSUR High Representative-General \(ARGM\)](#) February 25, replacing Dr. Ivan Ramalho, the current Executive Secretary of the Ministry of Development, Industry, and Foreign Trade (MDIC) of Brazil.

Dr. Rosinha is a Brazilian doctor, and has served as a federal deputy in Paraná (1999-2015) and as President of the MERCOSUR Parliament (2008-2009).

The post of ARGM was created in 2010 to represent the bloc in certain areas of external relations by express mandate of the Common Market Council (CMC) and in coordination with the relevant MERCOSUR organs. The ARGM can also submit integration-related proposals on various topics to the CMC and the Common Market Group (GMC), advise the CMC, encourage initiatives promoting MERCOSUR, participate in events of interest to the bloc, and so on and so forth.

Related articles

- IDB-INTAL. "[Progress in MERCOSUR's domestic and foreign agendas at the 40th Regular Meeting of the CMC](#)," in: INTAL Monthly Newsletter No. 173, January 2011.
- IDB-INTAL. "[MERCOSUR's first High Representative General](#)," in: INTAL Monthly Newsletter No. 174, February 2011.
- IDB-INTAL. "[International Seminar: "MERCOSUR: Integration Scenarios"](#)," in: INTAL Monthly Newsletter No. 219, November 2014.



MERCOSUR: Customs agreements

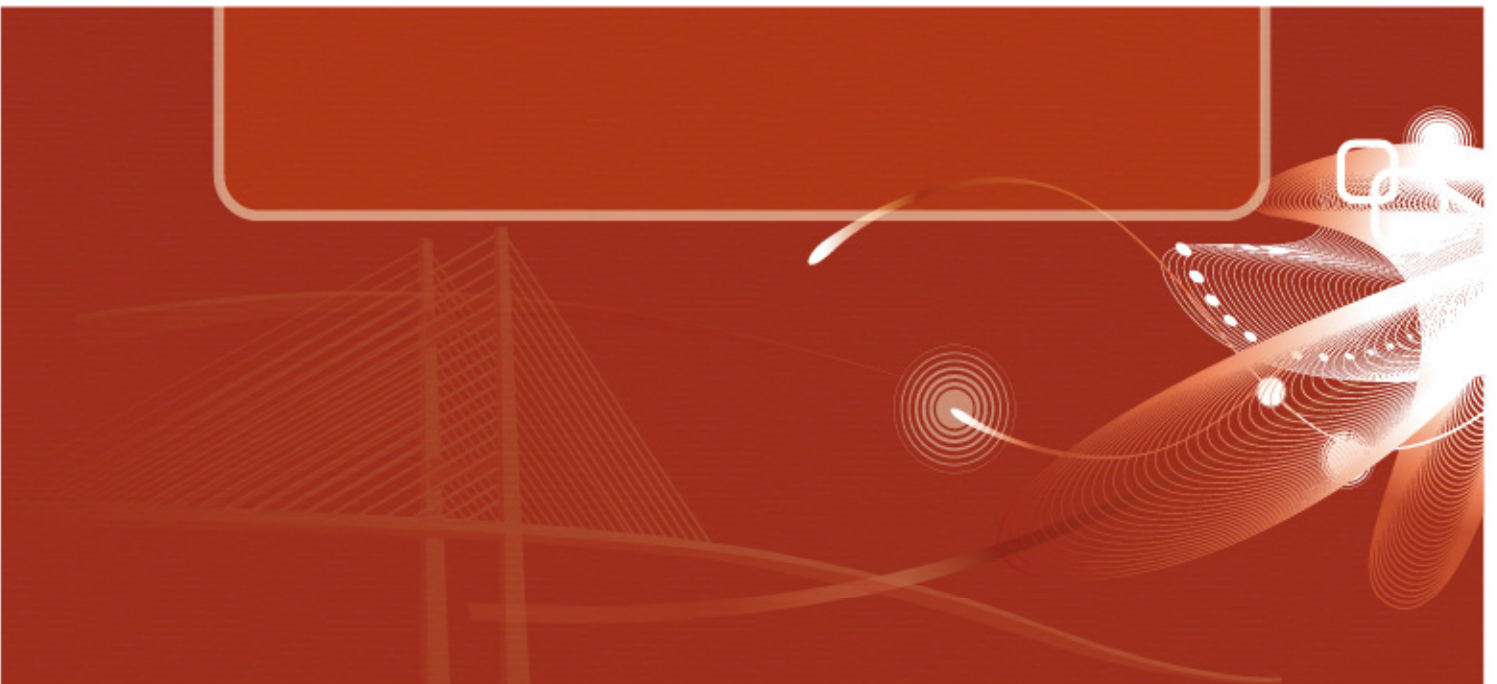
In the framework of the XVIII Regional Conference of Customs Directors General of the Americas and the Caribbean (RCCDG), two major new customs agreements were signed in Puerto Natales, Chile.

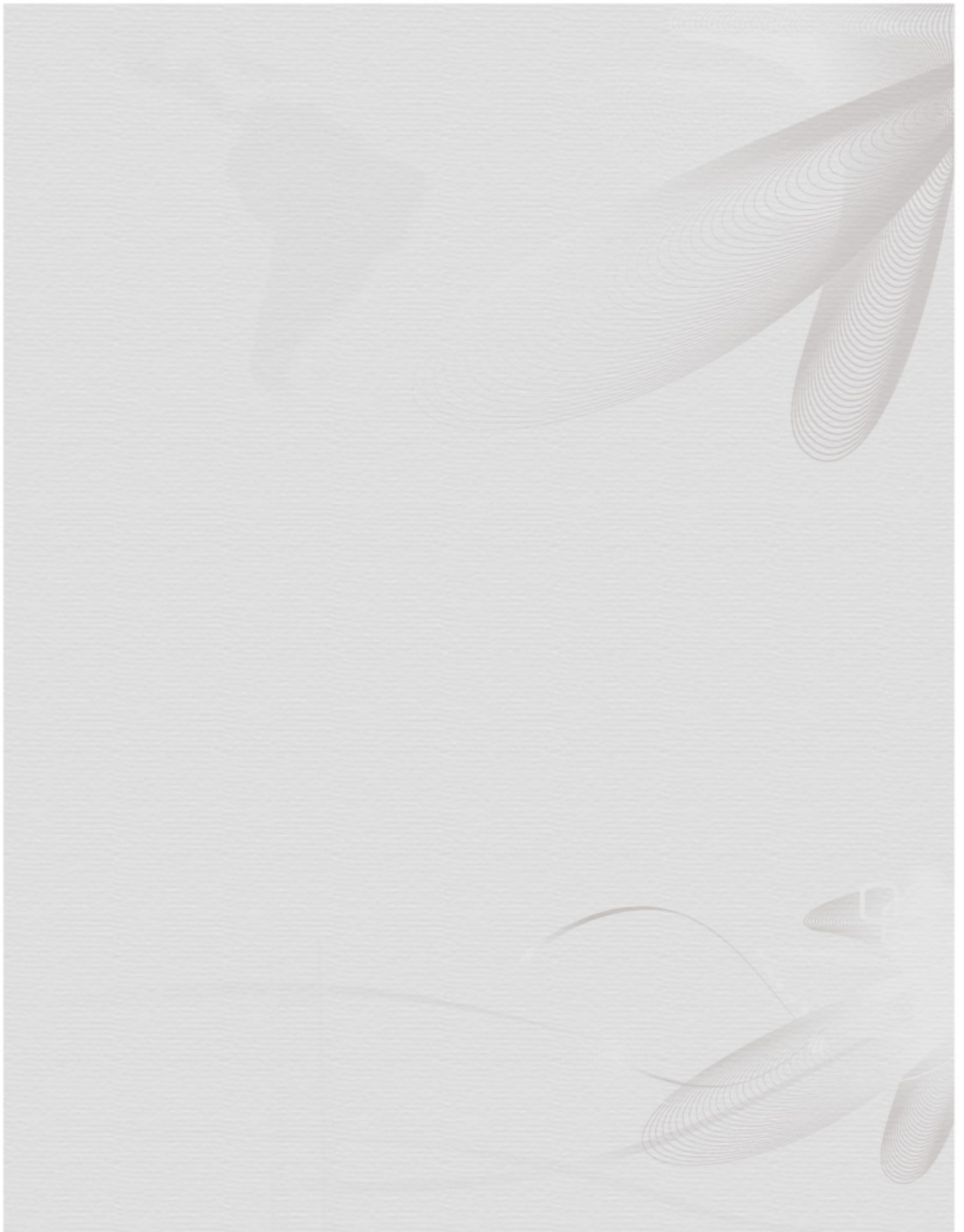
On the one hand, [MERCOSUR and Chile](#) signed an Agreement on Cooperation and Mutual Assistance ensuring the transparency of customs procedures and the exchange of information in order to promote the security, promptness, predictability and transparency of trade. The agreement has to be approved by the Administrative Commission of Economic Complementation Agreement (ECA) No. 35, which regulates bilateral trade.

On the other hand, the customs of [Argentina and Paraguay](#) signed an agreement approving electronic tagging in order to improve the security and traceability of trade through real-time monitoring across the entire overland haulage process.



Regional And Global Overview





The Seventh Summit of the Americas

The Seventh Summit of the Americas took place in Panama City, Panama, April 9-10, under the banner “Prosperity with Equity: The Challenge of Cooperation in the Americas.” Organized every three years, the meeting brings together Heads of State and regional leaders to design a joint hemispheric agenda.

The occasion encouraged the meeting between US President Barack Obama and Cuban President Raul Castro, who took part in the Summit for the first time. The meeting was the first between the two nations’ leaders in over 50 years and represents a milestone in diplomatic relations in the region. It came after the announcement of the normalization of diplomatic relations in December 2014 (see [INTAL Monthly Newsletter No. 220](#)). In his [closing remarks](#), the US President emphasized that the country will continue to work to restore diplomatic relations, reopen the respective embassies, and promote trade between the countries. Among other points in his speech, Obama stressed his country’s commitment to deepening social and economic ties with Central America and the Caribbean, and announced a proposal for US\$68 million in new programs to boost training, education, and employment opportunities for young people at risk in Central America and the Caribbean.

He also highlighted the support of the region’s leaders for the [Trade Facilitation Agreement](#) reached within the framework of the World Trade Organization (WTO), and emphasized the positive mark it has made on trade standards and protection for workers and the environment. In addition, he drew attention to the importance of working together to invest in clean energy and combat climate change, and to the country’s US\$3 billion commitment to the [Green Climate Fund](#) with the aim of supporting developing nations in their efforts to reduce the impacts of climate change.

The [Closing Statement](#) by Panama President Juan Carlos Varela pointed to the breakthroughs in the main issues under discussion: health, education, energy, environment, migration, security, citizen participation, and democratic governance, most notably:

- The agreement toward the creation of an Inter-American Education System to improve the quality of education in the region.
- The mandates aimed at the protection, preservation, and restoration of the environment.
- Actions to ensure access to energy from diverse, environmentally friendly, economically affordable, and reliable sources.
- Agreements for the protection of migrants’ human rights.
- Strengthening cooperation between the countries and the adoption of measures to prevent violence and crime.
- Mandates to strengthen the rule of law, the separation and independence of state powers, and respect for human rights.
- The proposal to set up an Infrastructure Development Center to support the countries’ efforts to boost investment in and the effectiveness of infrastructure.



Round nine of EU-US talks

[Round nine](#) of the negotiations toward the Transatlantic Trade and Investment Partnership (TTIP) Agreement was held in New York, United States, at the end of April. The main topics addressed were regulatory. On the one hand, negotiators from United States and the European Union (EU) sought points of coincidence on horizontal issues (regulatory cooperation, sanitary and phytosanitary measures, and technical barriers to trade), on the basis of the proposals previously exchanged. On the other, they addressed specific regulations in nine sectors (automotive, pharmaceutical, medical devices, cosmetics, engineering, textiles, chemicals, pesticides, and information and communications technologies (ICTs)), where most of the regulatory differences between the two sides are concentrated.

In terms of energy and raw materials, the participants discussed how the TTIP should contribute to ensuring non-discriminatory and transparent third-party access to energy transportation infrastructure and regulatory cooperation on energy efficiency, among other relevant matters. As small and medium enterprises (SMEs) have more difficulty benefiting from trade agreements than large firms, this round discussed the kind of tools that can be provided to SMEs to reduce information asymmetries.

One of the areas that saw most progress at the talks was trade facilitation and customs, for which there is already a consolidated text. The ninth round continued to explore possible areas of bilateral cooperation.

In market access, all that was covered was the opening of trade in goods and of public procurement, since the working group on services did not take part in the round.

As pointed out in previous editions of the *INTAL Monthly Newsletter*, the TTIP is the biggest of the mega-agreements under negotiation, due to the relevance of United States and the EU in the world economy, trade, investment, and population. Bilateral trade tariffs are low (with the exception of agricultural products), and consequently the agreement's main impact would come not from tariff relief, but from the elimination of non-tariff barriers and the resolution of other regulatory issues. Indeed, it will not only impact United States and the EU but the rest of the world, by setting new standards for market access. It is also most likely to form the basis for future regional and multilateral negotiations.

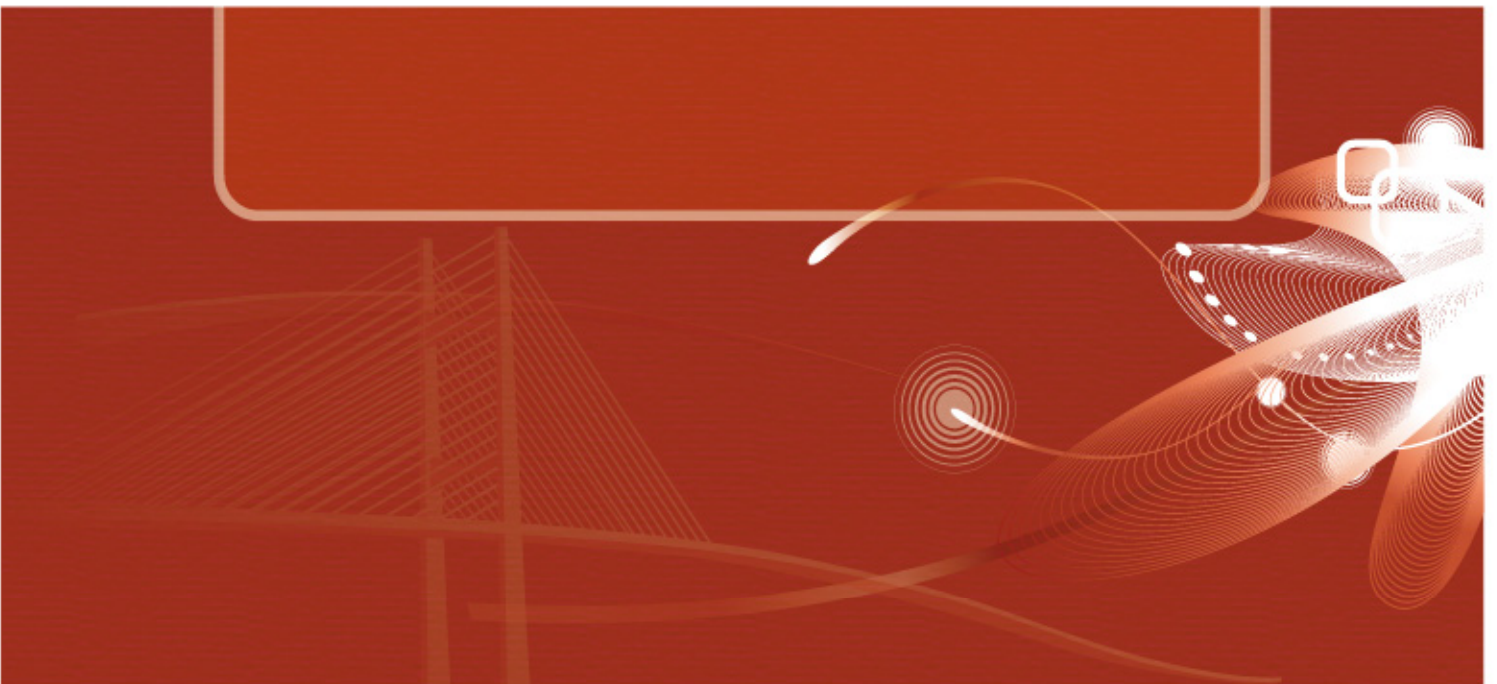
Related articles

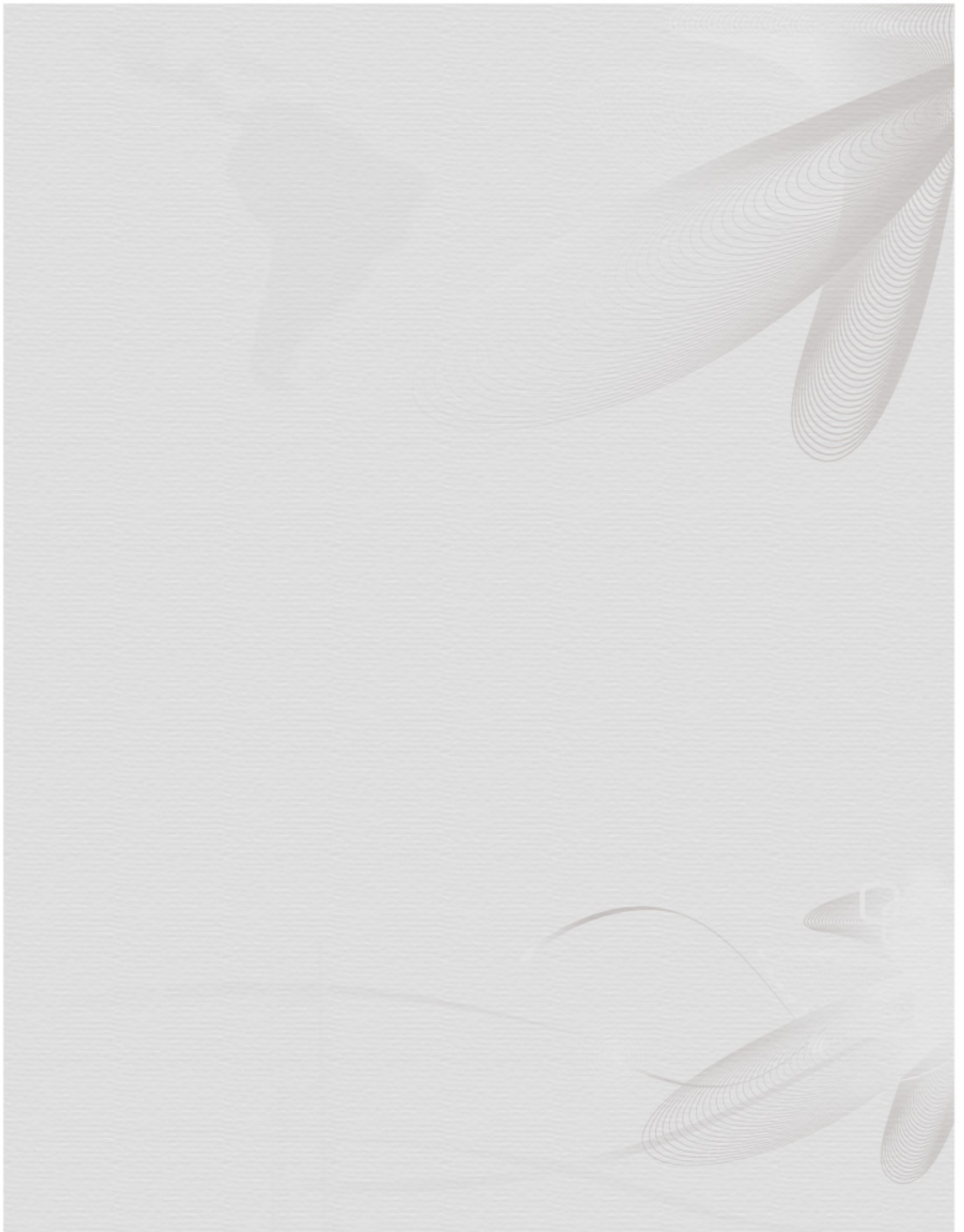
- IDB-INTAL. "[Mega-agreement negotiations: how will they influence Latin America?](#)," in: *INTAL Monthly Newsletter No. 204*, August 2013.
- IDB-INTAL. "[2nd round of TTIP negotiations](#)," in: *INTAL Monthly Newsletter No. 208*, December 2013.
- IDB-INTAL. "[Transatlantic negotiations and the outlook for LAC](#)," in: *INTAL Monthly Newsletter No. 209*, January 2014.
- IDB-INTAL. "[EU-US: fourth round of talks](#)," in: *INTAL Monthly Newsletter No. 211*, Marcy 2014.
- IDB-INTAL. "[Fifth round of US-EU negotiations](#)," in: *INTAL Monthly Newsletter No. 214*, June 2014.
- IDB-INTAL. "[Breakthroughs in transatlantic negotiations](#)," in: *INTAL Monthly Newsletter No. 219*, November 2014.
- IDB-INTAL. "[EU publishes tentative TTIP texts](#)," in: *INTAL Monthly Newsletter No. 221*, January 2014.
- IDB-INTAL. "[Eighth round of US-EU talks](#)," in: *INTAL Monthly Newsletter No. 222*, February 2014.





Impact assessment





Impact assessment of customs delays on Uruguayan exports

This article sets out to disseminate and discuss the assessment by Volpe *et al.* (2015) of the impact of customs delays on Uruguayan companies' export performance. An overview of impact assessment can be found in the article in [INTAL Monthly Newsletter No. 216](#) explaining the objective and methodologies used.

As background to this problem, it should be remembered that the Trade Facilitation Agreement (TFA) in the framework of the WTO seeks to reduce cross-border transaction costs, through both so-called software (policy and regulatory frameworks to facilitate the movement of goods, including customs) and hardware (physical infrastructure).

The work by Volpe *et al.* (2015) focuses on time as one of the costs of trade. While some studies calculate ad valorem costs as being equivalent to an extra day of goods in transit, this research assesses the impact of the time taken up with customs formalities on Uruguayan companies' exports, basing itself on the sample of transactions from the period 2002-2011. This stands in contrast to other research that does not use firm-level data, but bases itself on perceptions about the delays at customs or the data from the World Bank's *Doing Business* Report, which include average delays per country.

The authors' identification strategy discusses the potential problems of reverse causality (e.g. larger loads can take up more control time at customs) and concurrency (shipments from less well-prepared companies may have more delays at customs and may, therefore, be in less demand abroad). To this end, the variation involved in risk-based procedure in customs is exploited: this consists of a random physical check to control approximately 15% of total freight. The red lane for documentation and merchandise verification (as opposed to the green lane for non-verification) increases transit times. This random inspection is used as an instrumental variable.

The data are exports at the disaggregated level (10-digit Harmonized System), including the day on which processing is requested from customs and the day on which the merchandise is released. The results show that customs delays have a significant negative impact on companies' exports, and the effects are more severe on sales to new buyers. In particular, the study found that a 10% longer customs delay results in a 3.8 % fall in exports. This impacts both exporters, through higher costs, and importers, who tend to choose companies shorter delays in deliveries. Delays also impact more on goods that depreciate over time (fresh produce, or goods subject to fashion cycles or to technical obsolescence).

The authors' main message is that "Time matters in international trade." The work's contribution is that it provides empirical evidence on the impact of customs-related delays on a country's export performance, based on a rigorous methodology and using disaggregated data. In particular, the study provides evidence on the benefits of risk-based physical inspection, as opposed to the control of all freight. In this sense, it leans toward arguments pro trade facilitation and the need for countries—particularly in development, and within the region—to invest in reducing their border waiting times and to undertake other regulatory reforms to facilitate the transit of goods. Nonetheless, as the authors highlight, greater speed at customs must not come at the expense of a reduction in the quality of verifications, and must protect the objective of preventing illegal activities.

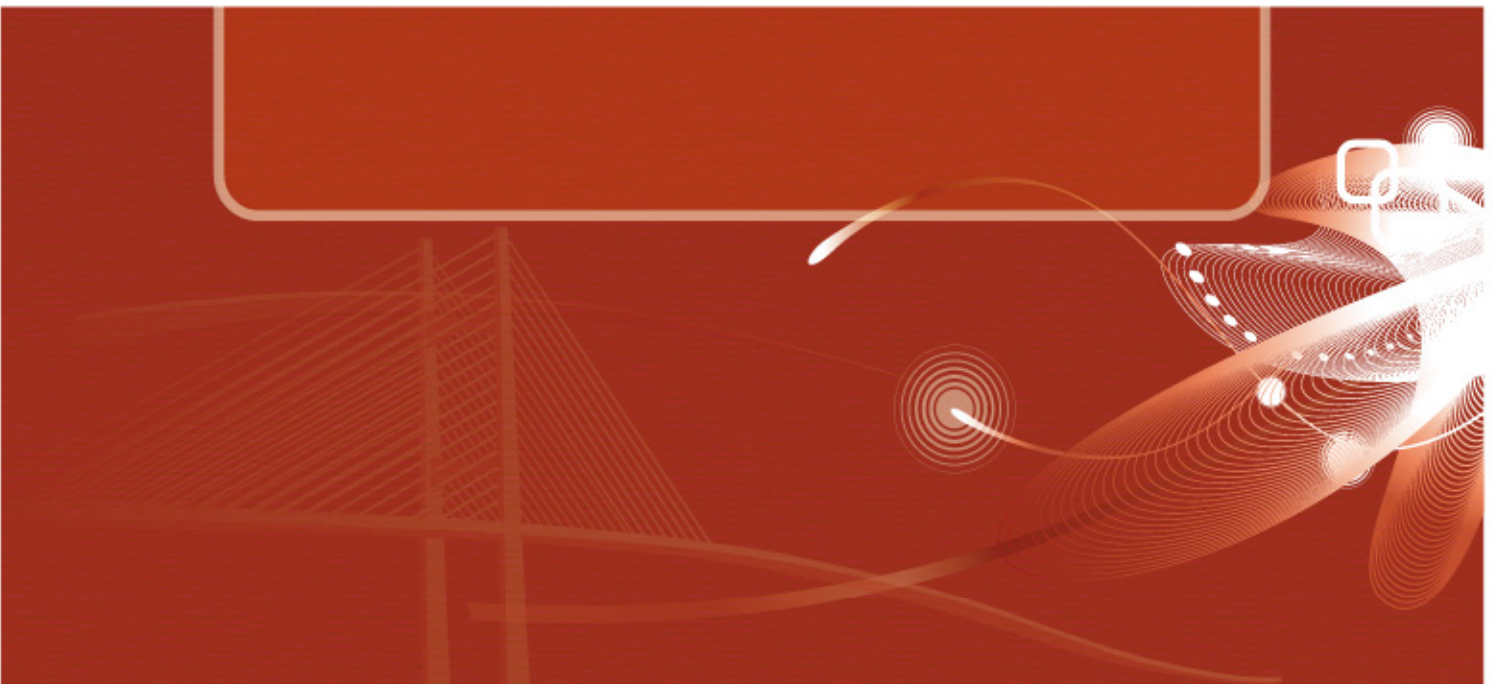


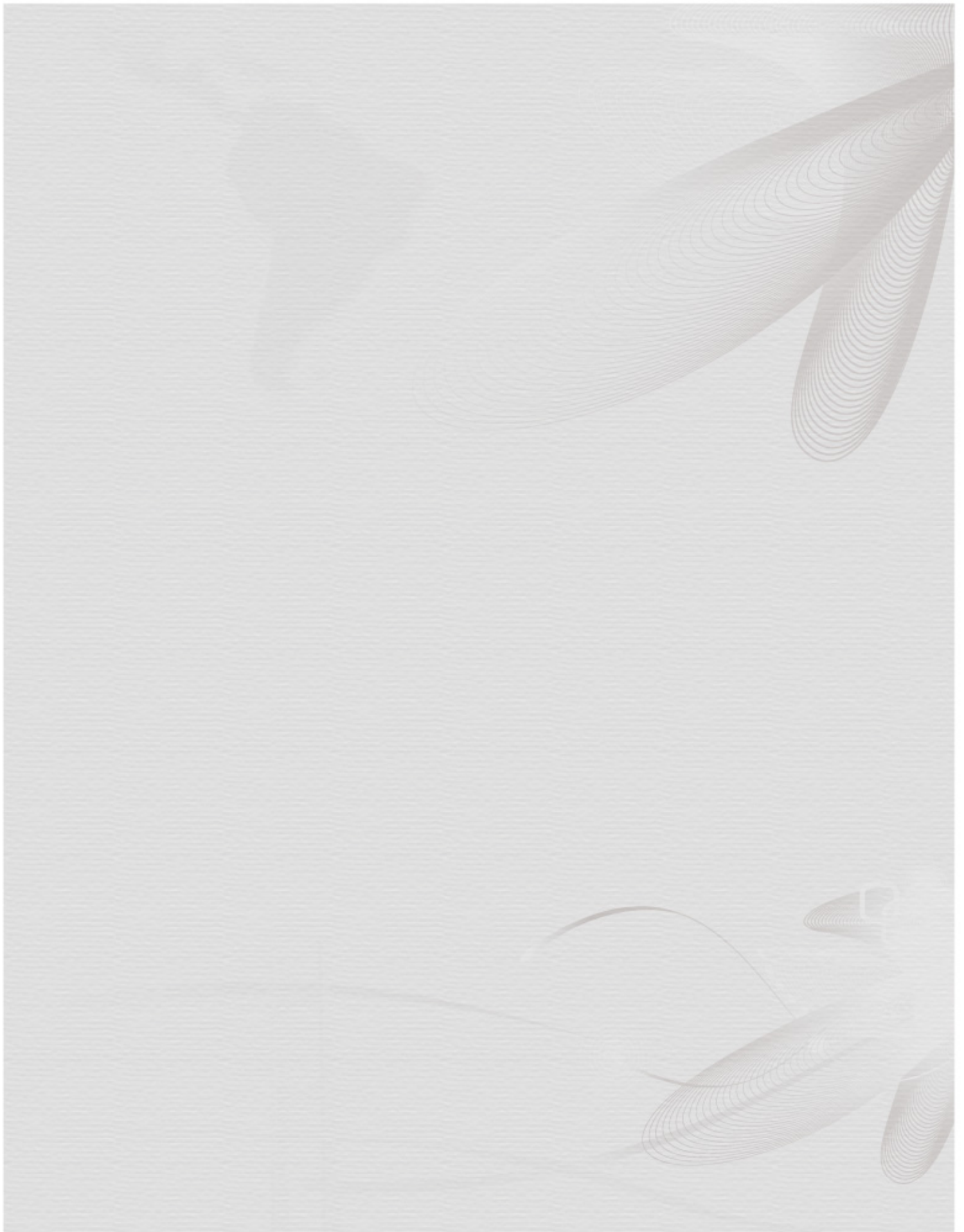
Bibliography:

Volpe Martincus, Christian; Carballo, Jerónimo; Graziano, Alejandro. 2015. "[Customs.](#)" Montevideo: RIDGE. January.



Integration and Trade Sector





International Seminar Series to mark INTAL's 50th anniversary

As part of the activities marking its fiftieth anniversary, the **Institute for the Integration of Latin America and the Caribbean (INTAL)**, in conjunction with the **Interdisciplinary Institute for Political Economy** at the University of Buenos Aires ([IIEP-BAIRES, UBA-CONICET](#)), are organizing a series of international Seminars under the banner “Productive Potential and Regional Export Performance: Policies and Business Strategy for External Positioning.”

The Changing Energy Economy: New Global and Regional Trends (Buenos Aires: May 13, 2015)



In the past five years, drilling for oil and gas has undergone a technological revolution that has enabled the development of non-conventional sources. The economic consequences are profound: there has been an increase in supply, reserves have been added to, and the recent drop in oil prices in part expresses these changes. Moreover, these changes alter the geopolitical framework that, in the past, informed the interests of producer and consumer countries. This Seminar approaches the question from three angles, examining the topic at the global, regional, and local levels, and then linking these by way of synthesis.


With the aim of analyzing these new scenarios of energy economics, **INTAL** and **IIEP-BAIRES** extend an invitation to the seminar, “The Changing Energy Economy: New Global and Regional Trends,” to be held next **Wednesday, May 13**, at **9.30 a.m.**, in the **Conference Hall** of the **Faculty of Economic Sciences, University of Buenos Aires (UBA)**, in **Avenida Córdoba 2122, 2nd floor, Buenos Aires**. Entrance free; enrolment required.

For more information, click [here](#).

Agrifood and the bioeconomy: The potential of a new productive border (Buenos Aires: May 27, 2015)



External restrictions have once again taken hold as a limiting factor on economic growth in several Latin American countries. In this context, it is vital we look beyond the current picture to productive configurations that generate capacities to increase the supply of goods associated with foreign trade and that, at the same time, contribute to long-term economic and social development. For countries like Argentina and several other Southern Cone economies, which have a broad farming and agrifood base, ongoing technological change seems to be opening up new productive frontiers. On the other hand, there arise recurrent difficulties associated with price volatility, and there is a need to add value in the processing chain and to gain access to markets where tariff ratios are an obstacle and where the actors of scientific and technological modernization capitalize much of the income from innovation.



Clearly the approach to these topics cannot limit itself to the regional and local levels, but has to extend to the international arena. **INTAL** and **IIEP-BAIRES** have therefore called on leading experts to provide different angles of analysis in this seminar, to be held at **1.30 p.m.**, next **Wednesday, May 27**, at the **Faculty of Economic Sciences, University of Buenos Aires (UBA)**, in the **Annex Conference Hall: Presidente J.E. Uriburu 781, Ground floor, Buenos Aires**. Entrance free; enrolment required.

For more information, click [here](#).



Second Business Summit of the Americas

Prior to the presidents' meeting was held the [II CEO Summit of the Americas](#), organized jointly by the Panamanian Government and the Inter-American Development Bank (IDB), with the aim of bringing together Latin America and the Caribbean Heads of State and business leaders to analyze opportunities for trade and investment, and priorities for the region's social and economic development.

The central theme of the meeting was "Bridging the Americas: Productive Integration for Inclusive Development." It also saw a [speech](#) by IDB President Luis Alberto Moreno about the impact of technology on labor and productive models, and the challenges ahead for the region's countries in the next few years.

The event was structured in panels covering issues relating to infrastructure, logistics, and connectivity; biotechnology and agribusiness; integration and financial inclusion; the economic empowerment of women; energy; corporate social innovation; and innovation and information technology. In addition, the IDB Office of the Vice-President for Sectors and Knowledge presented [documents](#) on these topics with recommendations for the private sector.

For more information on the Second Business Summit, click [here](#).

Legal Instruments of Integration (IJI) Observatory

Trend of the month

Regional trade policy in March 2015 was characterized by significant dynamism in the activity of existing agreements, particularly Chile's regional agreements with its extraregional partners and Cuba's with its regional partners. Progress was also seen in many advanced negotiations. There were also a significant number of new negotiations, either announced or already under way.

360° view

March saw the FTA between Colombia and South Korea; the announcement of fresh talks with intra- and extraregional partners such as South Korea, India, Indonesia, and the Philippines; progress in 25 existing agreements, 1 concluded negotiation that has become one agreement in force and 14 trade negotiations (1 new, 9 advanced, and 4 concluded).

Concluded negotiations

- [Colombia-Panama, with memorandum of understanding](#)
- [Trade between Ecuador and European Unión hit by safeguards, but agreement still stands](#)
- [Colombia-South Korea FTA is constitutional: Attorney General](#)
- [Mexico and Turkey approve list of signed agreements](#)

Advanced negotiations

- [Costa Rica's membership of Pacific Alliance on hold](#)
- [Conclusion of Community of Latin American and Caribbean States-European Union \(CELAC-EU\) meeting on regional cooperation](#)
- [Executive refers Migration Cooperation Agreement with El Salvador](#)
- [Mincit: Japan and Colombia embark on fresh round of talks toward trade agreement](#)
- [Peru and Turkey to hold third round of FTA talks in May](#)
- [Chile and Indonesia work toward fresh round of talks to reach trade agreement](#)
- [Israel and Panama in second round of free-trade talks](#)

New negotiations

- [South Korea seeks FTA with Central America](#)
- [India expects FTA with Peru to be signed in second semester of 2016](#)
- [India shows interest in FTA with Colombia](#)
- [Chile and Philippines close to negotiating Free Trade Agreement](#)
- [Argentina and Guatemala discuss trade agreement](#)
- Mexico and Paraguay agree to resume talks toward trade agreement

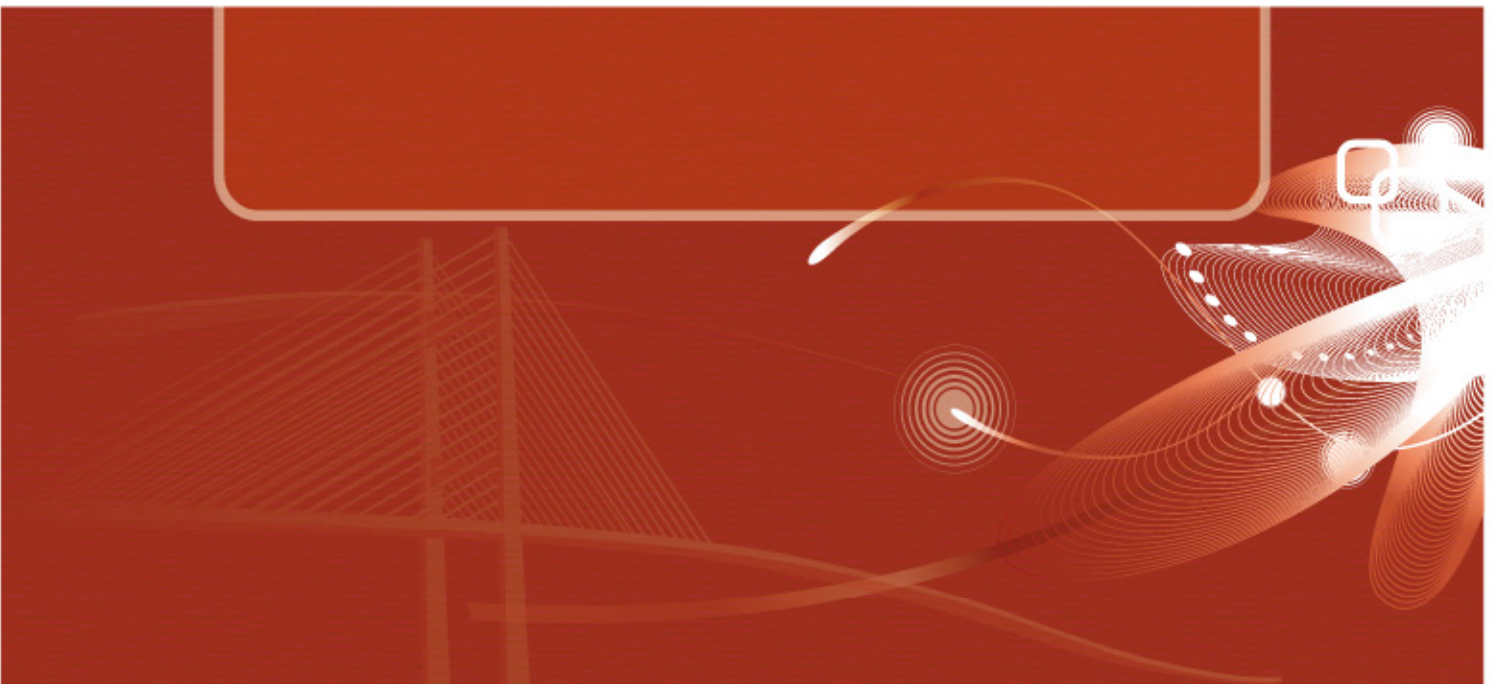
Existing trade agreements

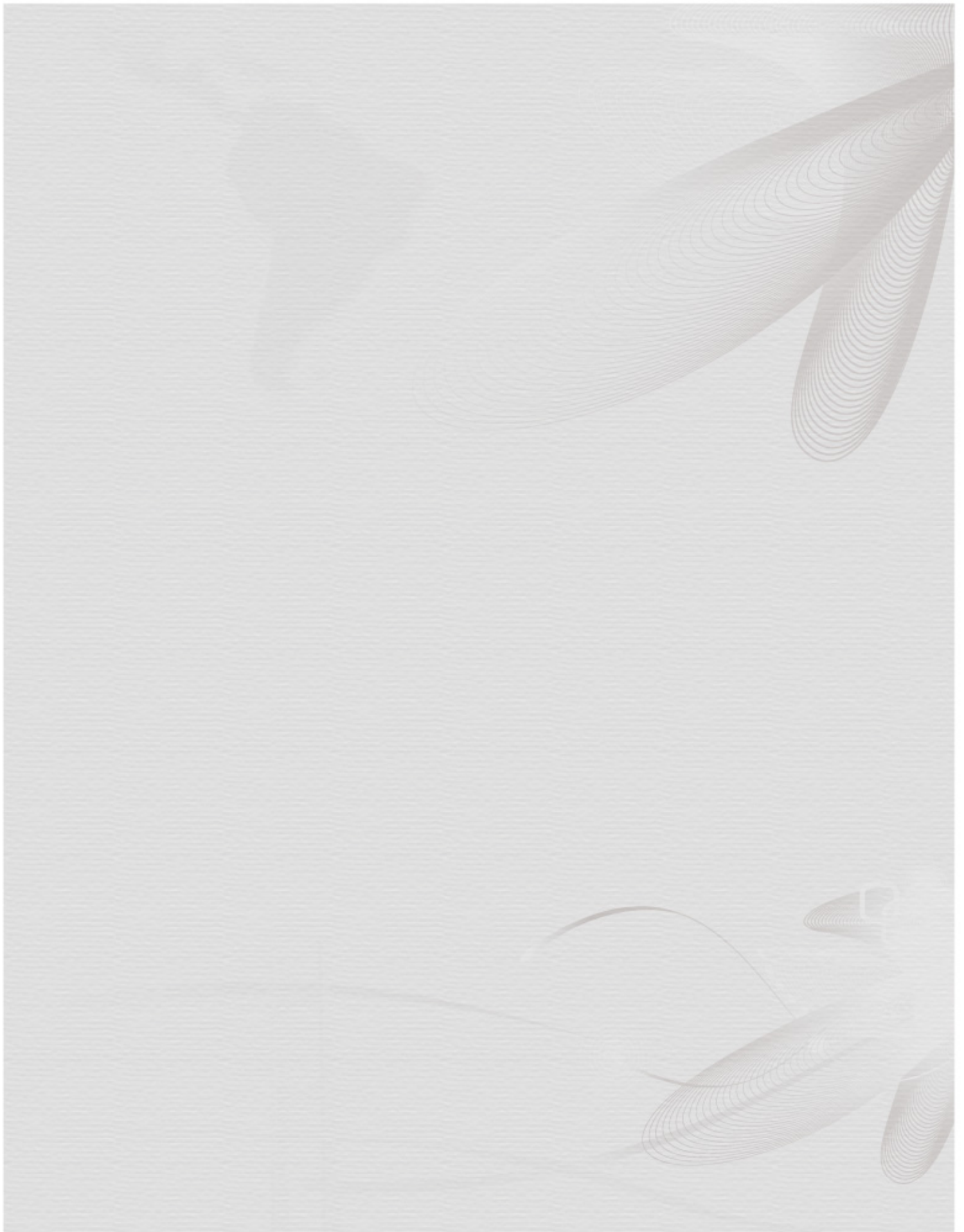
- Bolivarian Alternative for the Peoples of Our America-People's Trade Agreement (ALBA-TCP): [Declaration of the Ninth Extraordinary Summit. March 17, 2015](#)
- Argentina-Mexico Partial Scope/Economic Complementation Agreement, PS/ECA No. 6: [Representatives of both countries agree to extend automotive agreement expiring March 19](#)
- Association of Caribbean States (ACS): [XX Ordinary Meeting of the Ministerial Council](#)
- Central America-Mexico: [México signs agreement to distribute gas to Central America](#)
- Chile-Ecuador PS/ECA No. 65: [Chile brings home to Ecuador impact of safeguards on bilateral trade](#)
- Chile-China: [Chile and Hong Kong highlight advantages of their Free Trade Agreement](#)
- Colombia/Peru-EU: [EU-Colombia/Peru agreement: one year on](#)
- Cuba-Mexico PS/ECA No. 51: [Mexican Senate endorses agreement between Mexico and Cuba](#)
- Cuba-Venezuela PS/ECA No. 40: [Venezuela reduces oil aid to Cuba](#)

IJI is a compilation of normative texts, comments, and follow-up on the basic legal commitments of the various integration processes of Latin America and the Caribbean. To learn more about advances and developments in trade agreements and negotiations visit the [IJI website](#).



Other IDB Activities







IDB announces the winners of the 2014 IDEAS Energy Innovation Contest

The Inter-American Development Bank (IDB) announced the six winners of its IDEAS V 2014 Energy Innovation Contest, an initiative for improving energy efficiency and expanding access to renewable energy in Latin America and the Caribbean, following a selection process which considered a total of 282 proposals from all 26 of the IDB's borrowing member countries. ([Link](#))

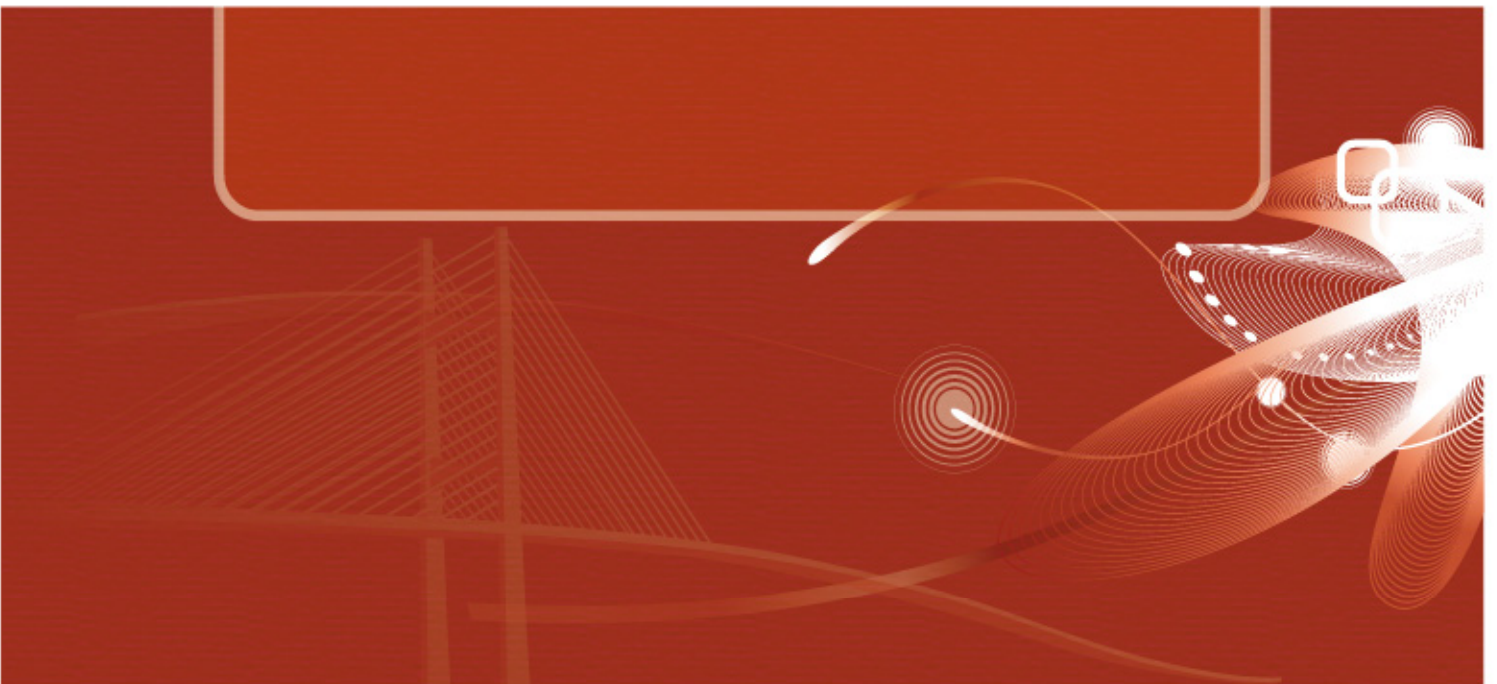


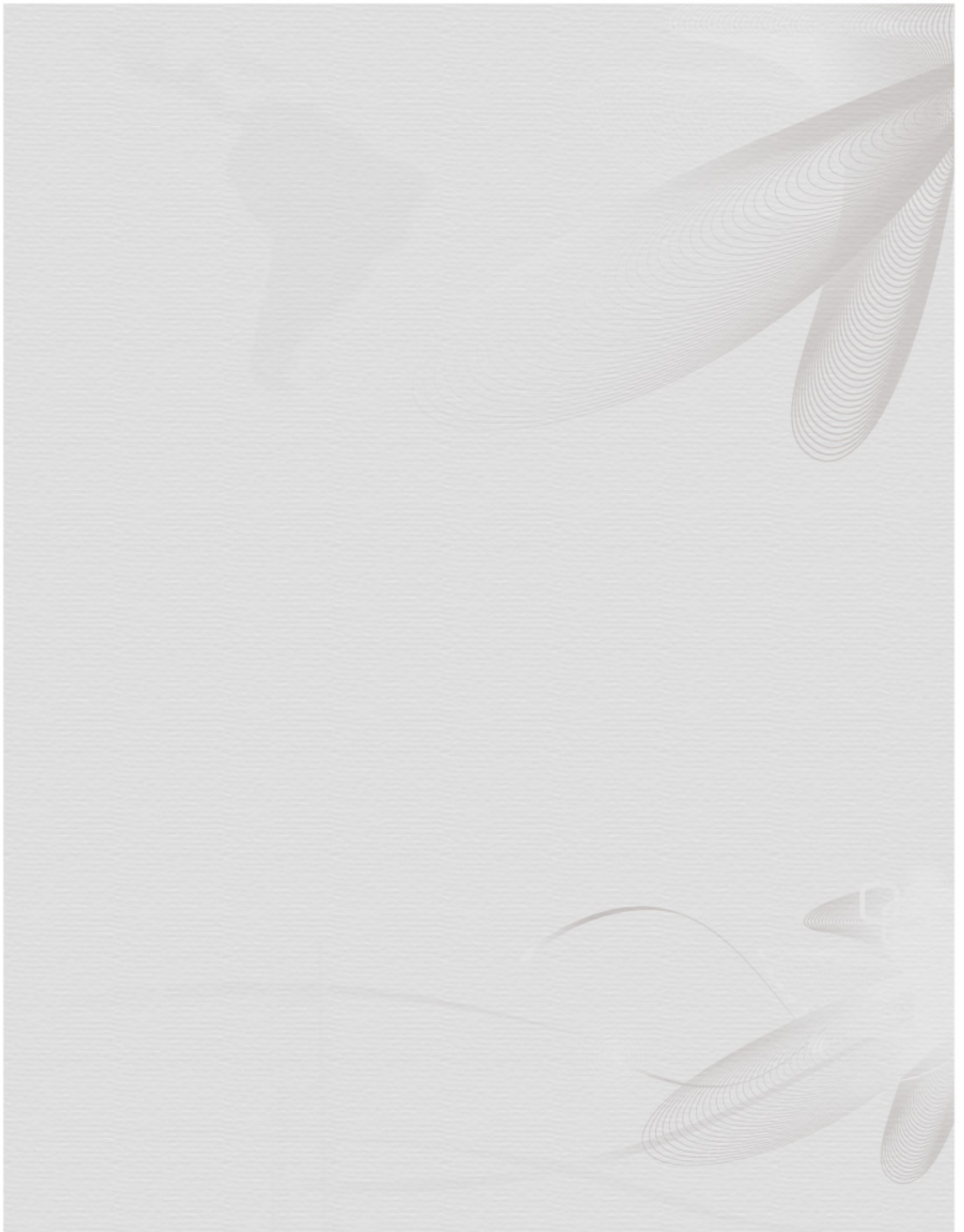
IDB Invests \$4.4 billion in Environmental Sustainability and Climate Change

The Inter-American Development Bank (IDB) committed \$4.4 billion for projects that target climate change adaptation and mitigation, renewable energy and environmental sustainability in 2014, an increase of \$1.5 billion over the previous year. ([Link](#))



Events of interest







This section contains information on events related to regional and global integration and trade.



World Economic Forum on Latin America 2015, Riviera Maya, Mexico 2015.

Access the information at the following [link](#).



**Forum on the Future of the Caribbean,
University of the West Indies and Ministry
of Foreign Affairs of Trinidad & Tobago,
May 5-7, 2015.**

Access the information at the following [link](#).

Tenth Economy Congress, Buenos Aires, May 7-8, 2015.



10º CONGRESO DE ECONOMÍA
Ciudad Autónoma de Buenos Aires, 7 y 8 de mayo de 2015
"Desarrollo económico con equidad social"

TEMARIO:

- Desafíos en materia de desarrollo económico, social y político para Argentina
- Desarrollo sustentable en América Latina. Oportunidades y debilidades
- Condiciones para avanzar hacia un desarrollo sustentable en Argentina
- Infraestructura física para la integración y desarrollo con equidad – su financiamiento y gobernanza
- Filosofía y política para el desarrollo con equidad social
- Equidad social: Visión política, aportes y comentarios de diputados

ORADORES INVITADOS:

ACTO DE APERTURA

- José L. GIUSTI (Decano de la FCE - UBA)
- Rogelio FRIGERIO (Pte. Banco Ciudad de Buenos Aires)

ACTO DE CLAUSURA

- Emmanuel ÁLVAREZ AGIS (Vice-ministro de Economía de la Nación)
- Alejandro VANOLI (Pte. Banco Central de la República Argentina)

INTERVIENEN: Martín ABELES (Dir. - Maestría en Desarrollo Económico - UNSAM y Representante argentino - Comisión Económica para América Latina de las UN - CEPAL), Andrés ASIAIN (Dir. Centro - Estudios Económicos y Sociales Scalabrini Ortíz), Víctor BEKER (Dir. Centro - Estudios-Nueva Economía UB), Gustavo BELIZ (Dir. Inst. - Integración para América Latina - BID-INTAL), Mariano DE MIGUEL (Dir. Inst. Economía Aplicada - UCES), José FANELLI (Prof. Univ. San Andrés y UBA), Roberto J. FELETTI (Dip. Nac. - Frente para la Victoria, Pte. Comisión de Hacienda - HCD de la Nación), Jorge FORTEZA (Prof. Univ. San Andrés), Hugo FLOREZ TIMORAN (Representante Residente - Bco. Interamericano de Desarrollo - RA, IADB), Jorge GAGGERO (Investigador - CEFID-AR y miembro fundador - Red de Justicia Fiscal de América Latina y el Caribe), Alfredo GUTIÉRREZ GIRALTO (Prof. Tit. Consulta de Política Económica Argentina - UADE y Pte. - Comisión Académica de Estudios Económicos del CPCECABA), Carlos HOEVEL (Dir. Centro - Estudios en Economía y Cultura - UCA), Ana KESSLER (Dip. Nac. - MC), Andrés LÓPEZ (Jefe Dpto. - Econ. - FCE-UBA), Claudio R. LOZANO (Dip. Nac. Unidad Popular), Mercedes MARCÓ DEL PONT (Dir. - FIDE, ex Pte. - BCRA y Bco. Nación), Juan E. NOTARO FRAGA (Pte. Ejec. - Fondo Financiero - Desarrollo - Cuenca del Plata - FONPLATA), Ernesto O'CONNOR (Dir. Dpto. Investigación FCE-UCA), Graciela OPORTO (Coord. Nac. - COSIPLAN - IRSA - UNASUR), Aldo PIGNANELLI (Ex Pte. - BCRA y Consultor de empresas), Roberto D. PONS (Prosecretario - CPCECABA), Fernanda REYES (Dip. Nac. - CCAB MIC), José L. ROMERO, José SIMONELLA (Vicepte. - FRCPCE y Pte. - CPCE - Córdoba), Daniel STICCO (Dir. - IDELAS-UCES y Editor Jefe - Economía InfoBae.com), Federico STURZENEGGER (Dip. Nac. - PRO), Dario SZTAJNSZRAJBER (Prof. UBA y FLACSO), Rolando TERRAZAS (Dir. Proyectos de Infraestructura, Región Sur - CAF - Bco. de Desarrollo de América Latina), Rafael TESORO (Sec. - Comisión APLE - CPCECABA), Antonio M. TOMASENÍA (Consejero Tit. - CPCECABA), Pablo TONELLI (Dip. Nac. - PRO).

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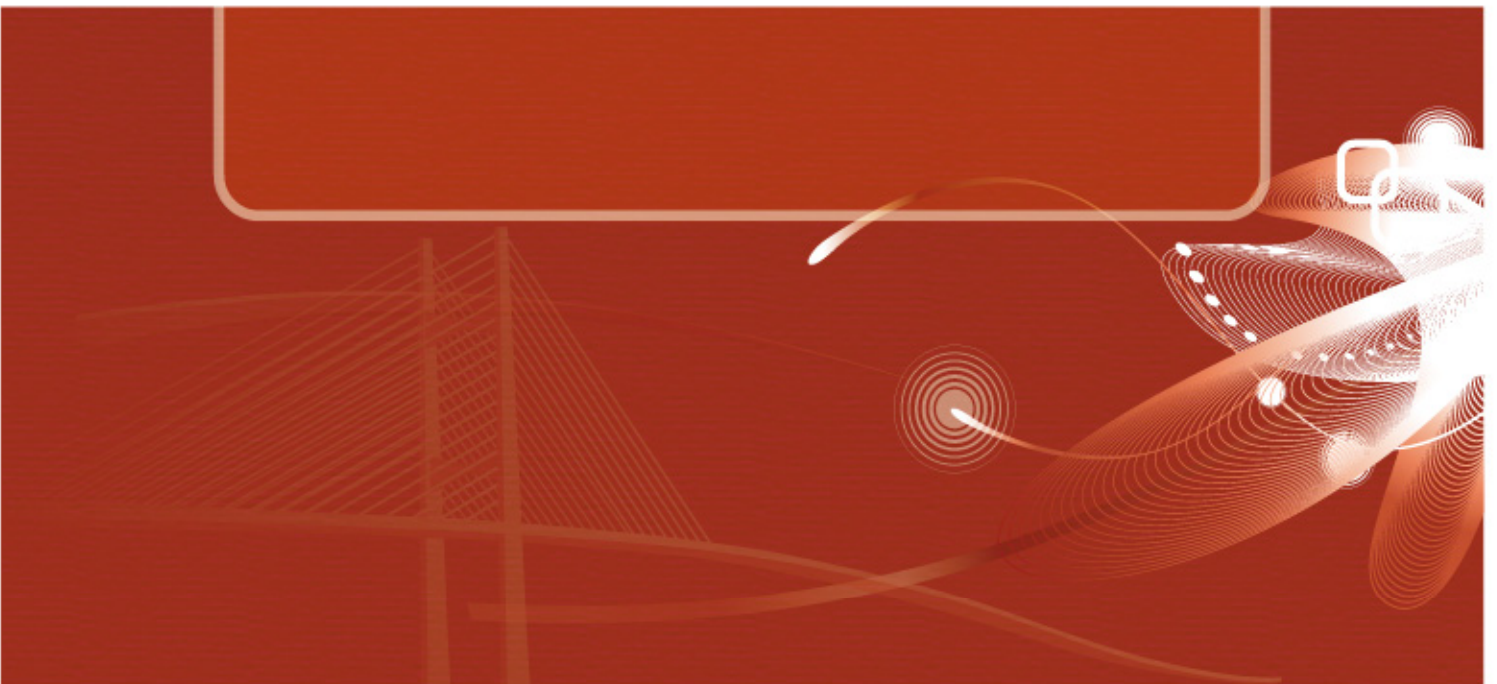


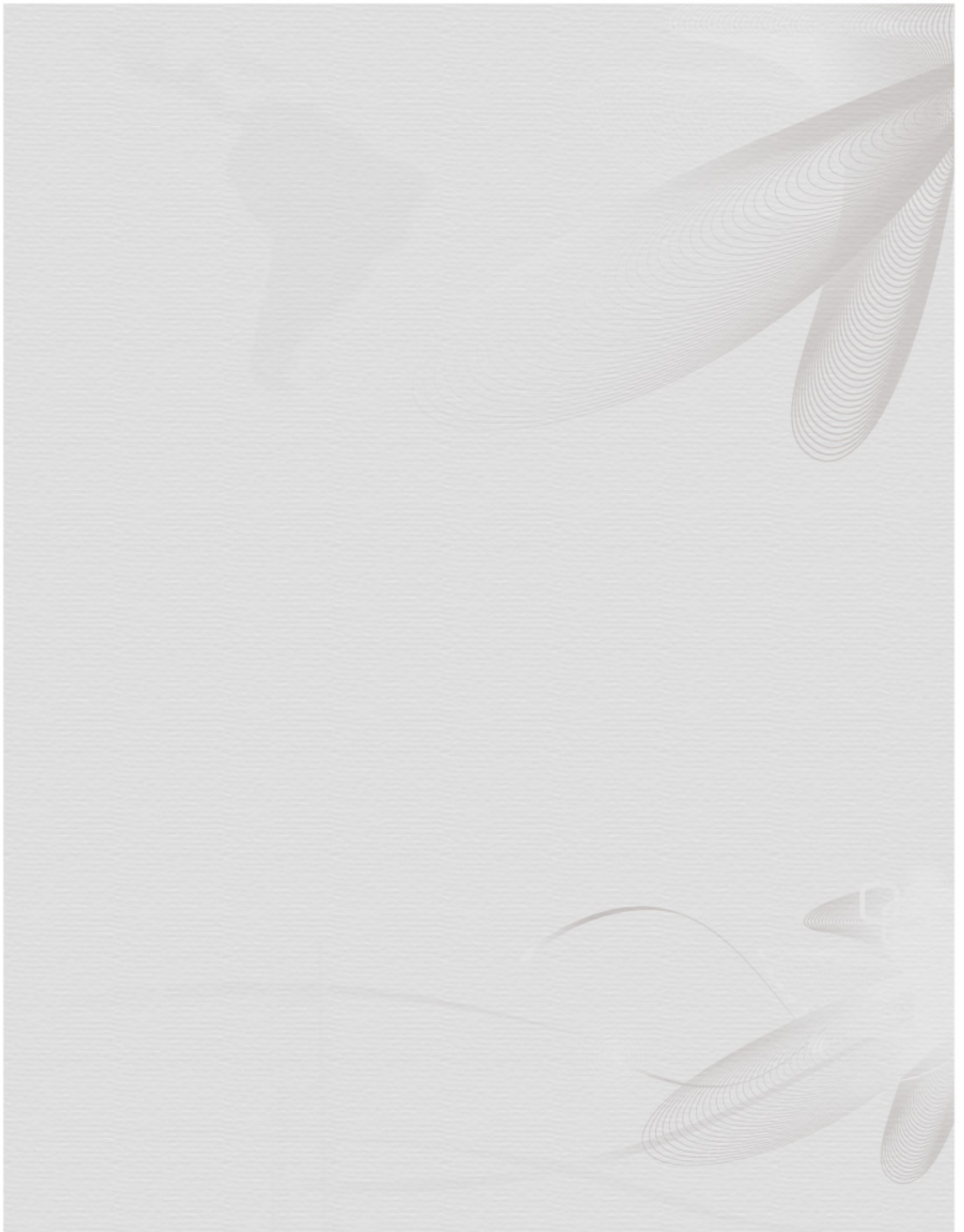
Fourth Meeting of Chief Climate Change Negotiators of Latin America and the Caribbean, May 14, 2015.

Access the information at the following [link](#).



INTAL Documentation Center







Reviews

El desafío de la sostenibilidad ambiental en América Latina y el Caribe. Carlos de Miguel & Marcia Tavares (comp.) February 2015 [148 pages.] Selected pages from ECLAC

This publication is a selection of eleven texts on inclusive and sustainable development in Latin America and the Caribbean (LAC).

Chapter One sets forth the meaning of the **environmental component** of development with equality. It explores the environmental pressures on the side of LAC's productive structure, concentrated at it is in natural resources, as well as on the consumption side, which displays a pattern that expands access to goods and services but replicates the deficiencies of developed countries' socioenvironmental sustainability. It seeks to raise awareness of the need to reconcile the objectives of economic and social development while maintaining biodiversity. It also points out the growing impacts of climate change-related extreme weather events in the region, especially in Central America and the Caribbean. Last, it states the need to address the accelerated growth of cities, which is fossil fuel-intensive and high in pollutant emissions.


Chapter Two discusses **environmental sustainability**, concentrating on the threat of climate change and other forms of environmental degradation impacting the region's countries. It points to the need for technology and innovation to be widely shared in order to enable low- and middle-income countries to leave behind the old development model and move toward more sustainable growth.

Chapter Three reflects on **lessons of the past** (e.g. regional specificities, the non-unidimensionality of development, resilience building, institutional strengthening, appropriation of the agenda) and **emerging issues** (demographic bonus versus aging, megacities, citizen security, climate change, and disaster risk). It includes some thoughts on the relevance of these topics for small island developing states (SIDS) in the Caribbean.

The fourth chapter looks at the **dimension of welfare** in LAC arising from changes in the living space, including exposure to air pollution.

The fifth chapter deals with the **implementation of rights**, such as access to information and justice, and public participation in environmental decision-making.

Chapter Six points out that, in **taxation and subsidies policy**, protection of the environment is being taken increasingly into account, but interregional coordination is needed to avoid unfavorable situations between countries.



The seventh chapter deals with **structural change** and a new technological paradigm arising with the creation of dynamic comparative advantages based on knowledge-intensive production, and on production less intensive in materials and polluting emissions.

Chapter Eight focuses on the links between **transport and poverty**, transport being understood as an essential service for access to other services (health, education) and sources of income by populations from the periphery of urban and metropolitan areas.

The ninth chapter describes the impacts of climate change on the **Latin American and Caribbean coastline**, mainly threatening the countries of Central America and the Caribbean.

Chapter Ten is about the main concepts in the linkage between **international trade and climate change**, including the carbon footprint, greenhouse gas (GHG) emissions, especially in the agricultural sector. Here, the work draws attention to the fact that public and/or private initiatives of carbon footprint labelling of products have been announced or implemented in several developed countries, indicating to consumers the levels of GHG emissions released in the production, transportation, and/or elimination of a particular good.

It also emphasizes that agriculture accounts for approximately 15% of global GHG emissions, and several Latin American countries are major suppliers of food for the industrialized countries. It cites recent studies, however, that show that cultivation conditions in LAC mean that emissions are often lower than they are in the European Union (EU), for example, due as much to climatic reasons as to general conditions of production. Within this framework, it underlines the difficulty of accurately estimating what percentage of LAC's trade may be affected by carbon-related requirements in export markets.

The eleventh and final chapter looks at the **paradoxes and challenges** of sustainable development. The study concludes that climate change poses serious consequences for economic activity, social conditions, and ecosystems, and entails a fundamental paradox: it is a long-term phenomenon, but it requires an immediate solution based on mitigation and adaptation processes.

The work's contribution lies in presenting a broad overview that touches on environmental sustainability and equity in Latin America, two topics of great validity and importance for the region. It thus achieves its objective of condensing in a single text ECLAC's vision, as set out in various different selected publications.

El desafío de la sostenibilidad ambiental en América Latina y el Caribe. Carlos de Miguel & Marcia Tavares (comps.) ([Link](#)).



Bibliographic alert

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Monthly Highlights

* Banco Interamericano de Desarrollo, BID. (2015). Panorama de la efectividad en el desarrollo 2014 = Development effectiveness overview 2014. Washington: BID.



Autor inst.:Banco Interamericano de Desarrollo, BID
Título:Panorama de la efectividad en el desarrollo 2014 = Development effectiveness overview 2014
Otros responsables:Bueso-Merriam, Jacqueline, coord.; Galindo, Arturo, coord.; Gómez-Peña, Andrés, coord.
Edición:Washington: BID, marzo de 2015 [144 p.]
Serie:Panorama de la efectividad en el desarrollo; 2014
Temas:<BANCO INTERAMERICANO DE DESARROLLO, BID><COOPERACION ECONOMICA><FINANCIAMIENTO DEL DESARROLLO><DESARROLLO ECONOMICO><POLITICA SOCIAL><POLITICA DE SALUD><MERCADO DE TRABAJO><EDUCACION>
Geográficos:<AMERICA LATINA><CARIBE>


Resumen:El Panorama para la Efectividad en el Desarrollo (DEO por sus siglas en inglés) es el informe anual del BID que muestra los resultados e impactos de su trabajo en América Latina y el Caribe. Reporta sobre las contribuciones al desarrollo de sus veintiséis países miembros prestatarios y sirve como mecanismo de rendición de cuentas ante sus accionistas, socios y beneficiarios ... Este informe resume los logros de efectividad en el desarrollo y los desafíos durante el año 2014.

Nota de contenido:Panorama general Introducción [p. 10] Capítulo 1: Medición de resultados a nivel corporativo [p. 14]

- Objetivos Regionales de Desarrollo [p. 16]
- Contribución de los Productos a los Objetivos Regionales de

- Desarrollo [p. 18]
- Indicadores del Programa de Préstamos [p. 24]
- Efectividad y Eficiencia Operacionales [p. 25]
- Medidas para alcanzar resultados de desarrollo Capítulo 2:** Efectividad en el desarrollo al momento de la aprobación [p. 36]
- Operaciones con garantía soberana [p. 36]
- Operaciones sin garantía soberana [p. 45]
- Capítulo 3:** Seguimiento de la Efectividad en el Desarrollo [p. 50]
- Seguimiento de las operaciones con garantía soberana [p. 50]
- Seguimiento de operaciones sin garantía soberana [p. 60]
- Capítulo 4:** Evaluación de resultados al cierre de proyecto [p. 64]
- Evaluación al cierre de proyectos de las operaciones con garantía soberana [p. 64]
- Evaluación al cierre de los proyectos de las operaciones sin garantía soberana [p. 77]
- Cómo aprendemos Capítulo 5:** Aprender de nuestras fallas [p. 80]
- Acceso a financiamiento para el sector productivo [p. 82]
- Transferencias monetarias condicionadas [p. 85]
- Género y diversidad [p. 88]
- Innovación, ciencia y tecnología [p. 92]
- Turismo [p. 95]
- Capítulo 6:** En busca de la atribución: nuestras evaluaciones de impacto [p. 98]
- Se puede evaluar una reforma del turismo sin una máquina del tiempo? [p. 104]
- Mejorando las vidas de mujeres embarazadas y sus niños en Bolivia [p. 108]
- Desencadenantes de corto plazo de la productividad agrícola en Bolivia [p. 111]
- Capacitación laboral: un anticonceptivo para prevenir embarazos de adolescentes en la República Dominicana [p. 114]
- Educación preescolar: el primer maestro deja huella [p. 117]
- Cómo mejorar la calidad de vida de los adultos mayores [p. 120]
- Lecciones de Bono Vida Mejor: las condicionalidades sí importan [p. 123]
- Cerrando brechas en los barrios formales de México [p. 126]
- Abriendo el mundo del inglés a los hispanohablantes [p. 129]
- Habilidades pre-matemáticas que suman [p. 133]
- Hoy mestiza, mañana indígena: Me tratarás distinto? [p. 137]
- Acordes que transforman [p. 140]

Accesos al documento:
HM BID-DEO 2014 [2015]
Documento Electrónico



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[English version](#). Si no pudo acceder haga click [aquí](#)

* **Information Economy Report 2015 : unlocking the potential of e-commerce for developing countries. (2015). New York: UNCTAD.**



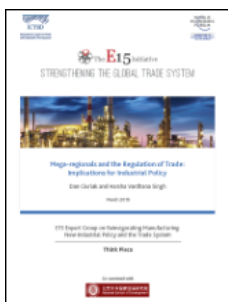
Título:Information Economy Report 2015 : unlocking the potential of e-commerce for developing countries
Otros responsables:Conferencia de las Naciones Unidas sobre Comercio y Desarrollo, UNCTAD
Edición:New York: UNCTAD, 2015 [136 p.]
Serie:Information Economy Report
Temas:<COMERCIO ELECTRONICO><TECNOLOGIAS DE LA INFORMACION><PAISES EN DESARROLLO><CRECIMIENTO ECONOMICO><DESARROLLO SOSTENIBLE><EMPRESAS>

Resumen:The 2015 edition of "Information Economy Report" examines electronic commerce, and shows in detail how information and communications technologies can be harnessed to support economic growth and sustainable development. Electronic commerce continues to grow both in volume and geographic reach, and is increasingly featured in the international development agenda, including in the World Summit on the Information Society outcome documents and in the outcome of the ninth Ministerial Conference of the World Trade Organization. The "Information Economy Report 2015" highlights how some of the greatest dynamism in electronic commerce can be found in developing countries, but that potential is far from fully realized. The report examines opportunities and challenges faced by enterprises in developing countries that wish to access and use e-commerce. It highlights the latest market trends, benchmarks country performances with the UNCTAD E-commerce Index, reviews examples of e-commerce in rural areas and low-income countries, addresses relevant legal issues and provides policy recommendations.

Accesos al documento:
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* Ciuriak, D. y Singh, H. (2015). Mega-regionals and the regulation of trade: implications for industrial policy. Geneva: E15 Initiative.



Autor: Ciuriak, Dan; Singh, Harsha V.

Título: Mega-regionals and the regulation of trade: implications for industrial policy

Edición: Geneva: E15 Initiative, march 2015 [16 p.]

Temas: <POLITICA INDUSTRIAL><POLITICA COMERCIAL><COMERCIO INTERNACIONAL><NEGOCIACIONES COMERCIALES><ACUERDOS DE LIBRE COMERCIO, TLC>

Resumen: Since the stalling of the Doha Round - which was designed to be development friendly - the main trade negotiation action has shifted to mega-regional initiatives. These agreements - particularly the Trans-Pacific Partnership, being the largest and most ambitious - will impact market regulations in a wide range of areas bearing on industrial policy, both by establishing substantive horizontal and sectoral standards and by establishing requirements concerning institutional and procedural approaches to domestic market policies and regulations. Network and demonstration effects will broaden the reach of these measures beyond the immediate parties to the agreement. This note reviews the key industrial policy issue areas under negotiation in the megaregional free-trade agreements and evaluates the likely developments flowing from these agreements in terms of their impact on the international trading system. Based on this review, it discusses the likely future framework for industrial policy, which will integrate the additional policy constraints/changes introduced by these agreements.

Nota de contenido:I: Introduction [p. 1]II: Mega-regionals and market regulation [p. 1]III: Responses: What's left? [p. 6] **A:** The horizontal agenda [p. 7] **B:** The convening power of government [p. 7] **C:** Building coping capacity [p. 7] **D:** The government as entrepreneur [p. 8] **IV:** Conclusions and recommendations: The way ahead [p. 9]**V:** References [p. 10]

Accesos al documento:

338.45 / CIU-MEG / 2015

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* Gómez, C. (2015). *An energy agenda for the Pacific Alliance*. New York: AS/COA.



Autor: Gómez, Christian

Título: An energy agenda for the Pacific Alliance

Edición: New York: AS/COA, february 2015 [22 p.]

Temas: <ARCO DEL PACIFICO><SECTOR ENERGETICO><POLITICA ENERGETICA><COOPERACION ENERGETICA><INVERSIONES>

Geográficos: <CHILE><COLOMBIA><MEXICO><PERU>

Resumen: The Pacific Alliance is the most exciting economic group to emerge from Latin America in years. The Alliance has progressed on issues such as trade, migration, financial markets, and multilateral ties. However, the energy agenda of the Pacific Alliance is under construction. Even as energy prices fall significantly, each country is making individual gains, yet cooperation among the four has been elusive. Energy markets are fragmented and it is unclear how they might be deepened. "An energy agenda for the Pacific Alliance" proposes several recommendations for the Pacific Alliance to develop and integrate energy markets, attract investment, and promote cooperation ...

Nota de contenido:Foreword [p. 4]

- Developing an energy agenda for the Pacific Alliance [p. 6]
- A snapshot of energy issues in Alliance member countries [p. 6]

I: Conventional [p. 6]**II:** Power generation [p. 11]**III:** Renewables [p. 13]

- Recommendations - Building the Pacific Alliance energy agenda [p. 17]

Conclusion [p. 19]

Accesos al documento:

620.9 / GOM-ENE / 2015

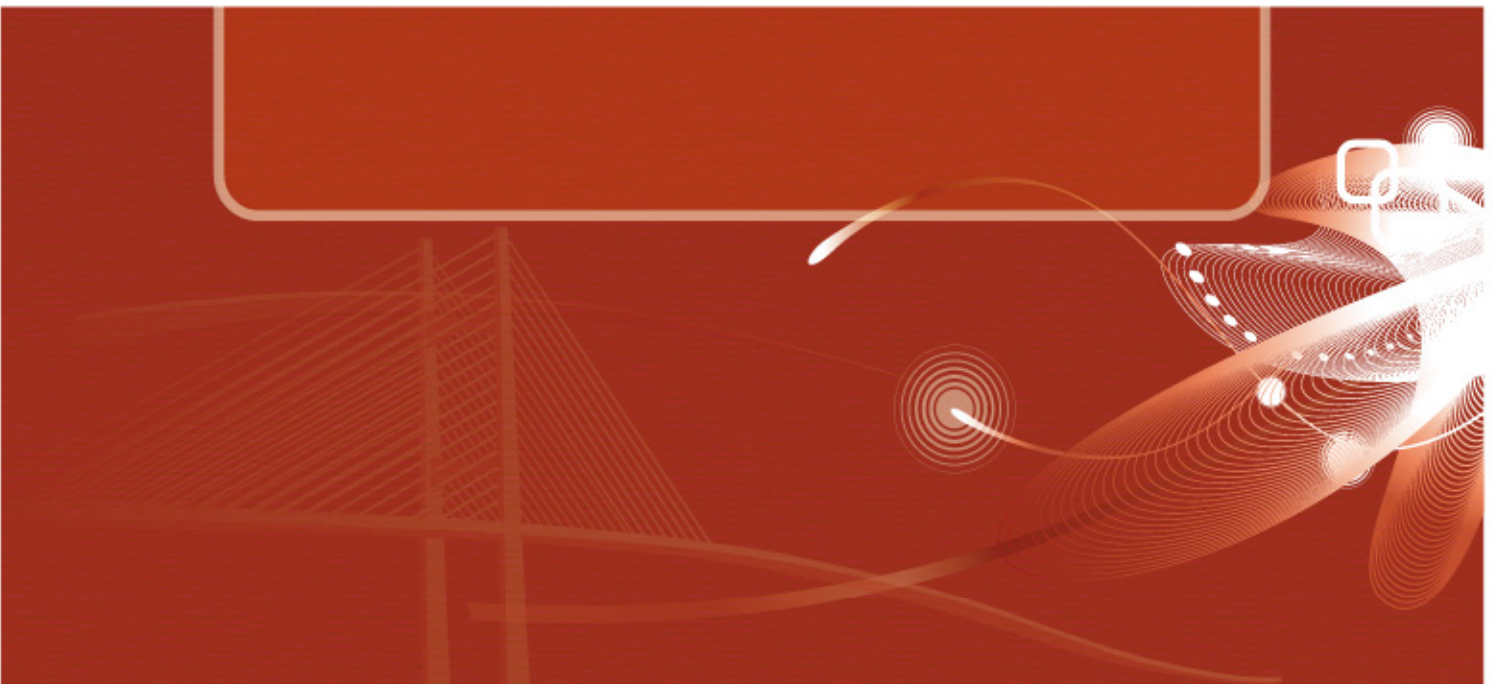
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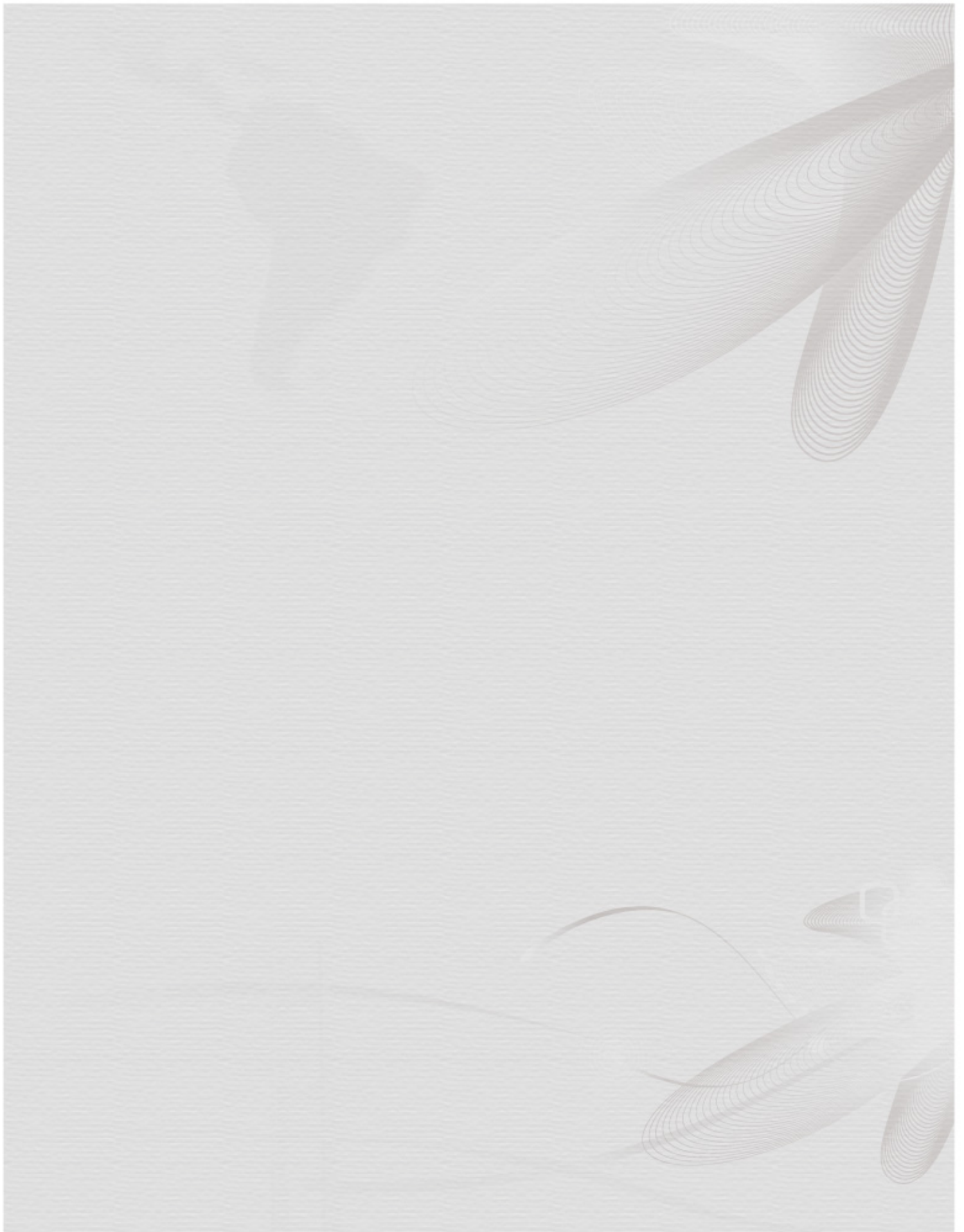
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