SISTEMA ECONÓMICO LATINOAMERICANO Y DEL CARIBE

PROCOLOMBIA
EXPORTACIONES TURISMO INVERSIÓN MARCA PAÍS

Perspectivas de la Internacionalización de las PYMES en América Latina y el Caribe

21 y 22 de Noviembre, Bogotá, Colombia

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Universidad Rey Juan Carlos

GEORGETOWN UNIVERSITY

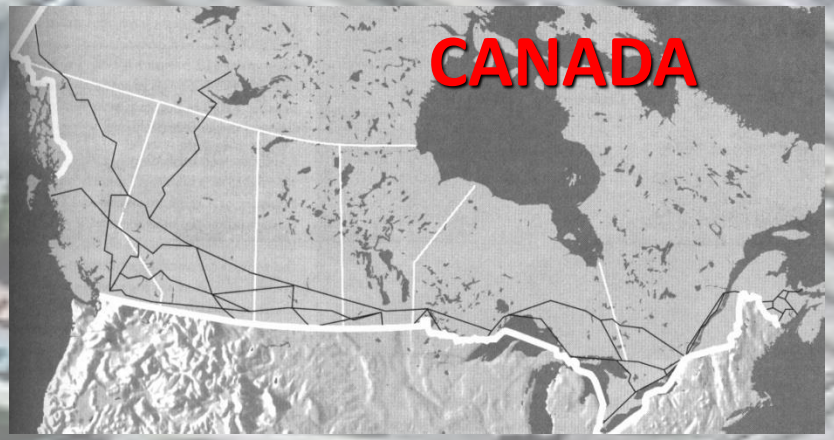
Map 1: Merchandise exports and imports in current US dollars by region, 2012[a]

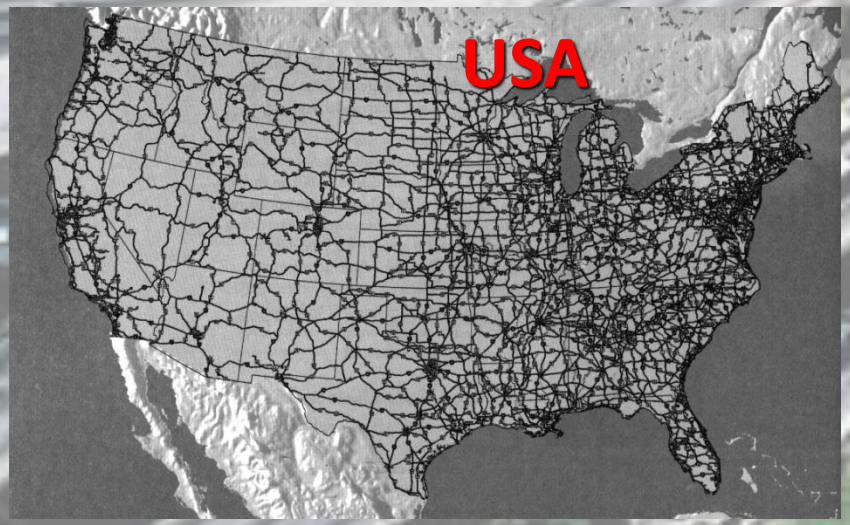
[a] Values and shares include intra-EU trade.
Source: WTO Secretariat.

Map 2: Exports and imports of commercial services in current US dollars by region, 2012

[a] Values and shares include intra-EU trade.
Source: WTO and UNCTAD Secretariats.

Importancia de las Infraestructuras



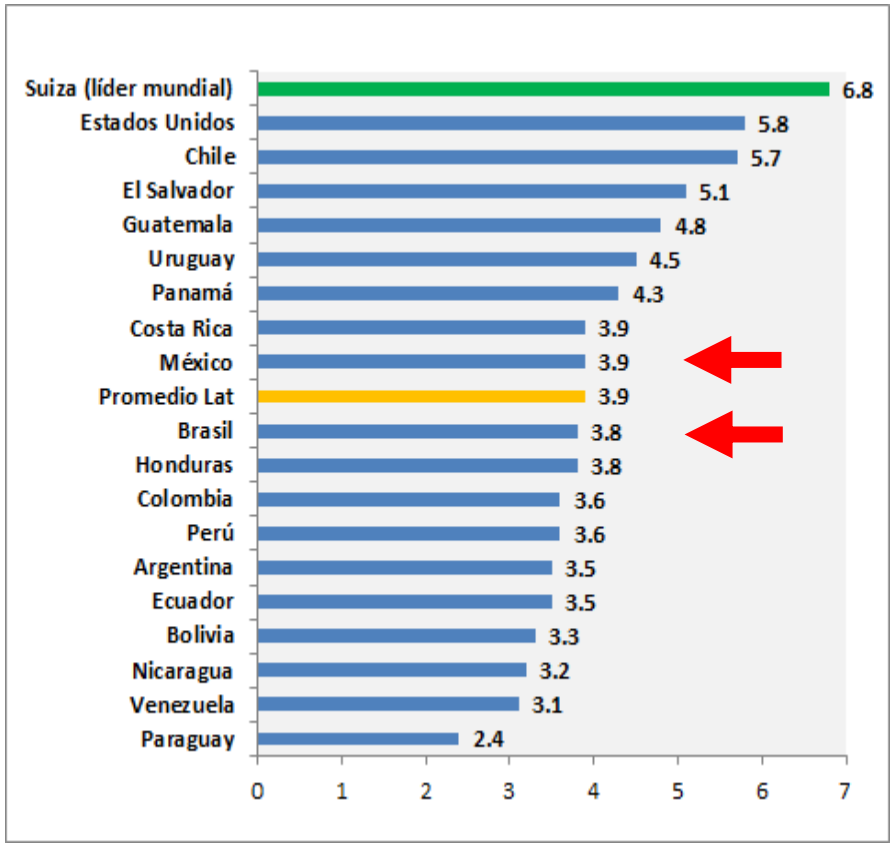


NAFTA

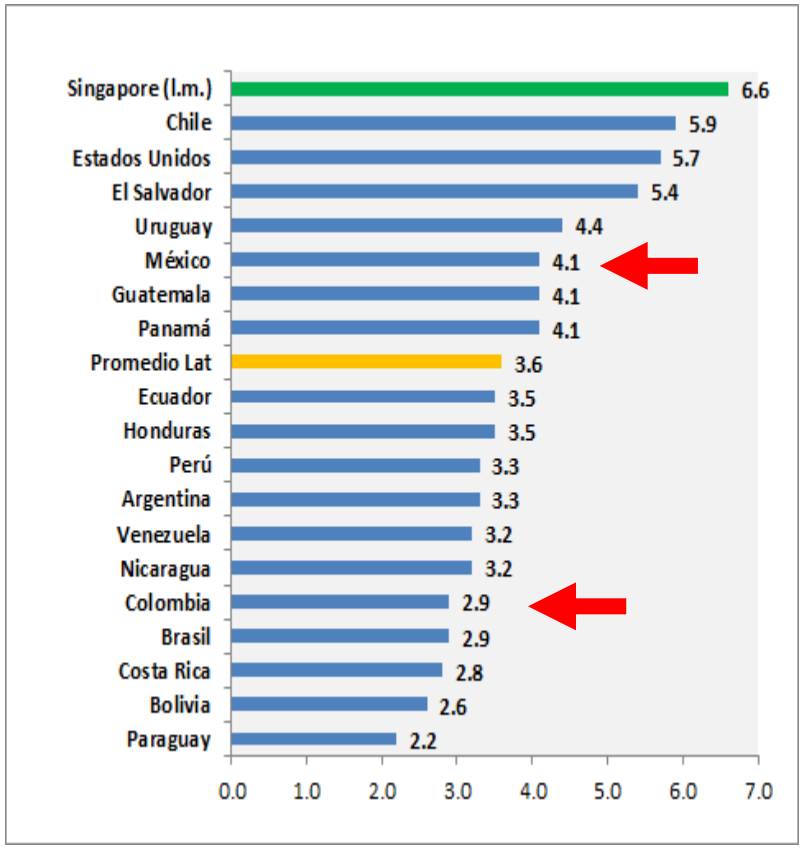
Factores de Infraestructura y Competitividad

- Calidad general de infraestructura
- Calidad de los carreteras
- Calidad de la infraestructura ferroviaria
- Calidad de la infraestructura aérea
- Calidad en el suministro de electricidad
- Usuarios de nternet users por cada 100 personas
- Líneas telefónicas por cada 100 personas
- Telefónos Celulares por cada100 personas

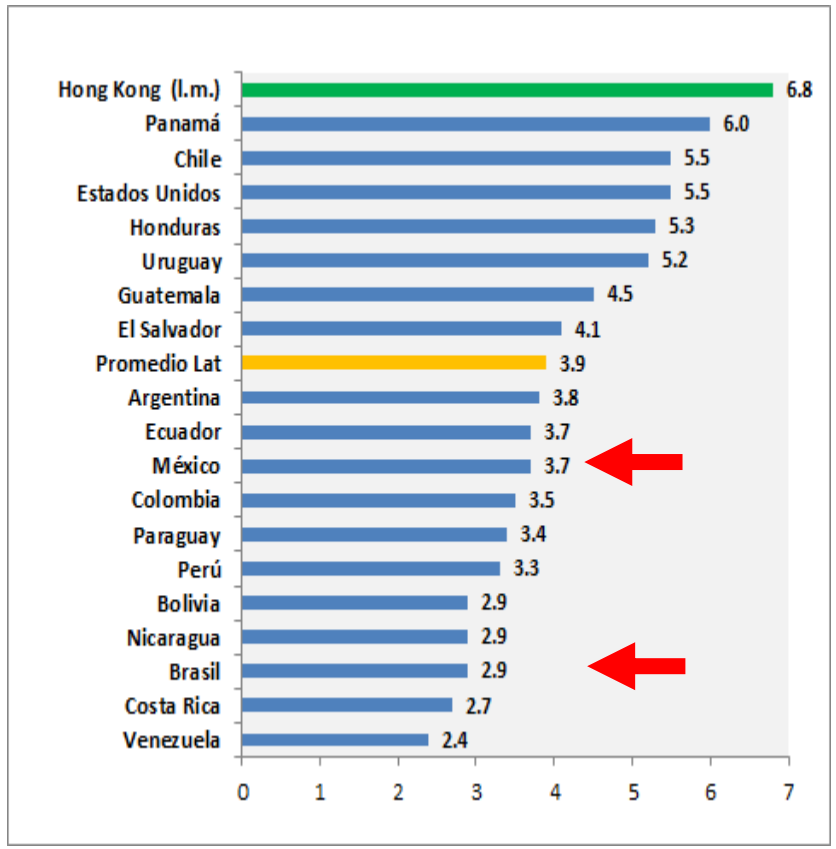
Calidad general de infraestructura



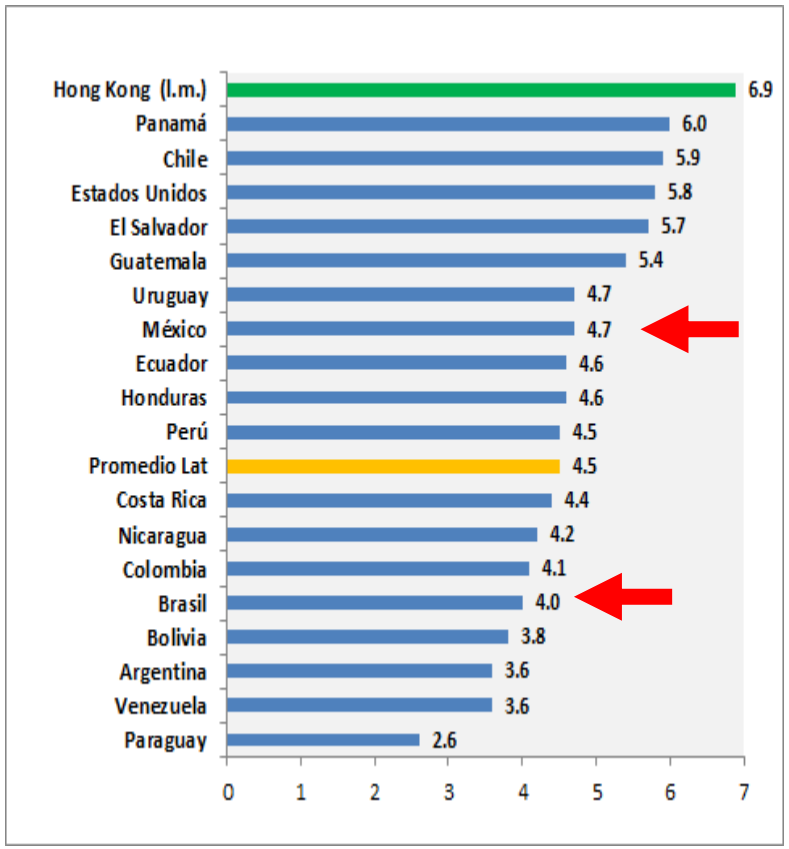
Calidad de carreteras



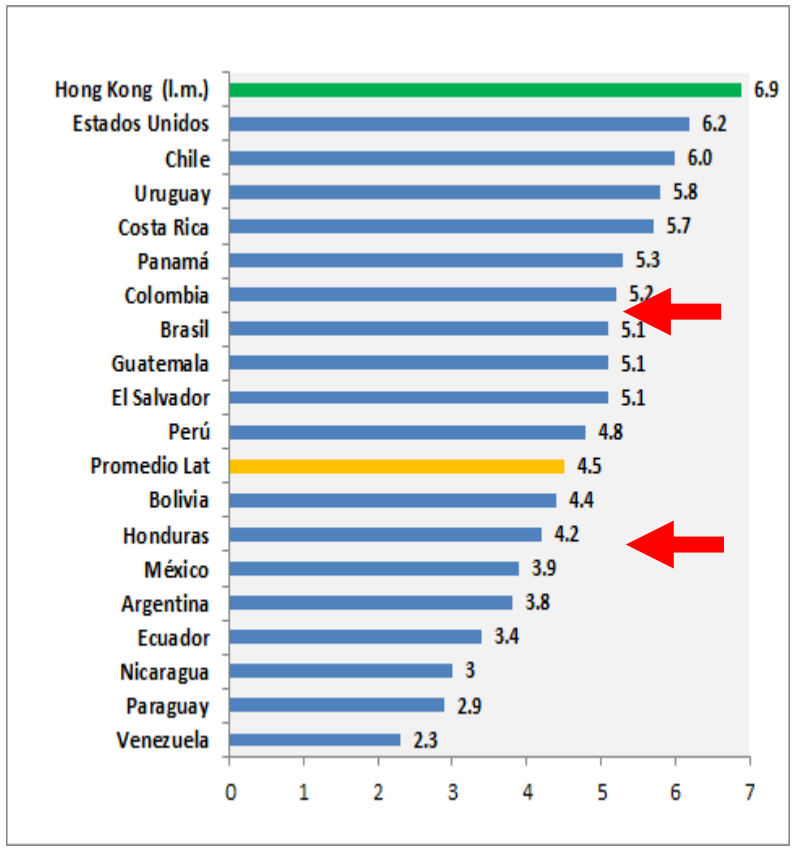
Calidad en infraestructura portuaria



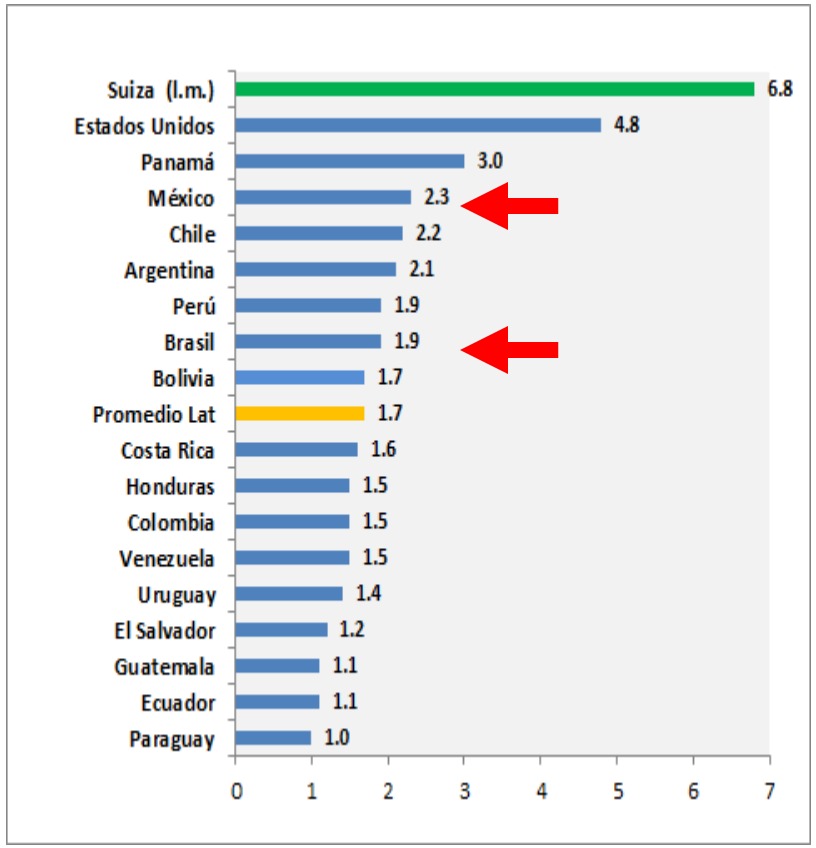
Calidad en infraestructura aérea



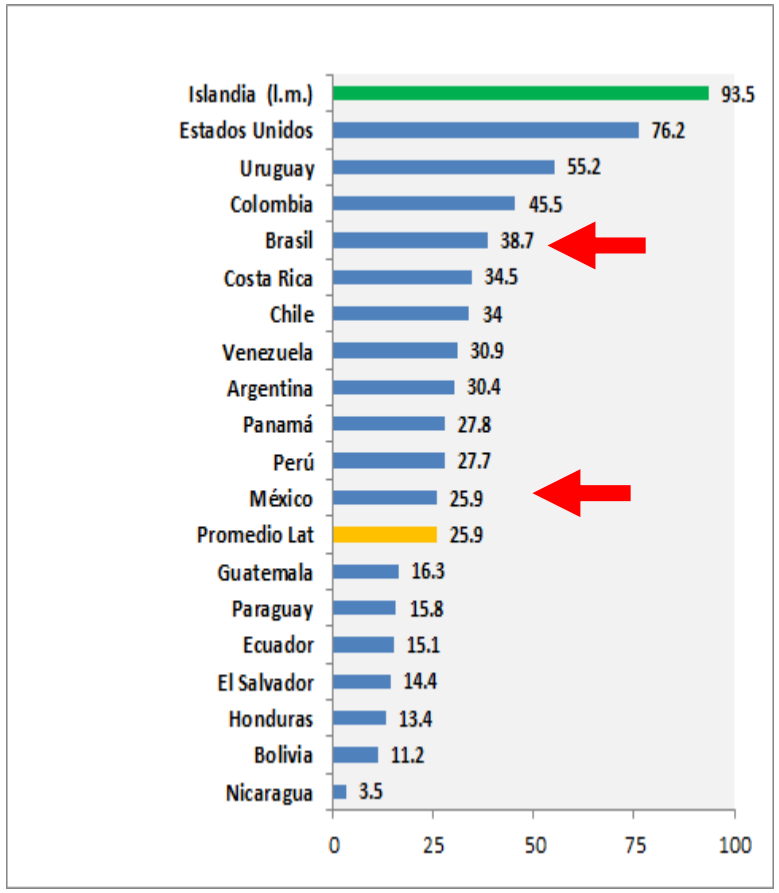
Calidad en suministro de electricidad



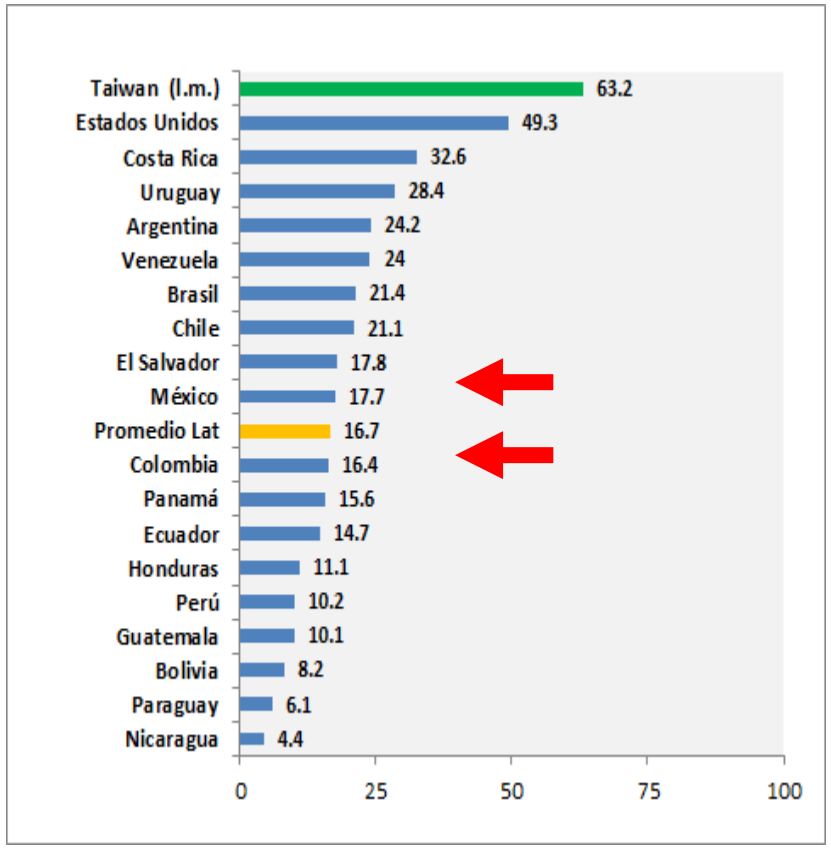
Calidad en infraestructura ferroviaria



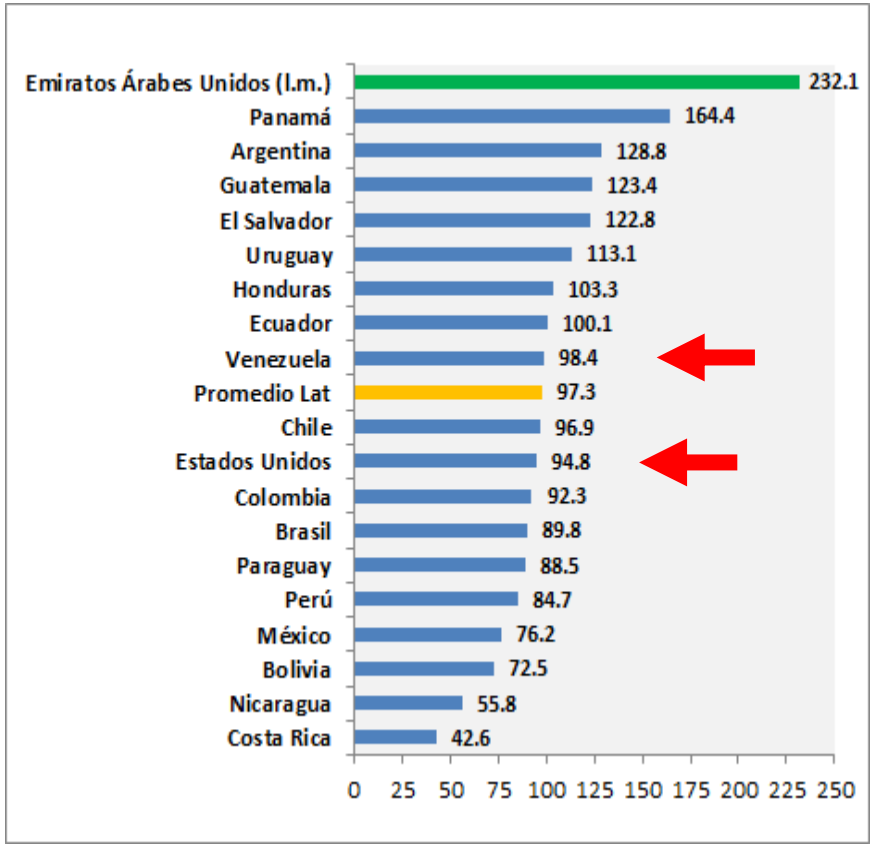
Usuarios de Internet por cada 100 personas



Líneas telefónicas por cada 100 personas



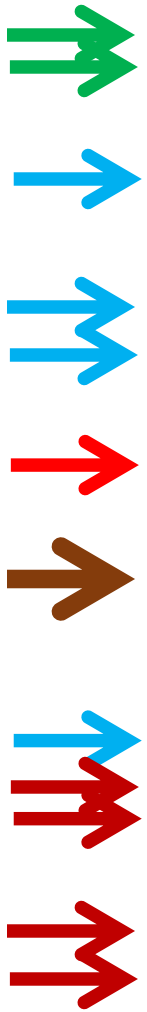
Celulares por cada 100 personas



Source = WEF Global Competitiveness Report 2010-2011

Table 1: Infrastructure: Latin America and the Caribbean and selected comparators

	Infrastructure 2010–2011		A. Transport infrastructure 2010–2011		B. Electricity and telephony infrastructure 2010–2011	
Country/Economy	Rank	Score	Rank	Score	Rank	Score
Hong Kong SAR	**1**	6.77	**1**	6.69	**1**	6.85
Korea, Rep.	**18**	**5.59**	**12**	**5.73**	**30**	**5.44**
Barbados	23	5.37	29	4.82	15	5.93
Chile	40	4.69	37	4.56	48	4.83
Panama	44	4.53	46	4.15	44	4.92
Trinidad and Tobago	45	4.53	58	3.94	38	5.12
Puerto Rico	49	4.44	30	4.76	70	4.12
China	**50**	**4.44**	**31**	**4.73**	**69**	**4.14**
Uruguay	53	4.29	75	3.54	42	5.03
El Salvador	59	4.13	66	3.78	56	4.49
BRIC average	**n/a**	**4.10**	**n/a**	**4.27**	**n/a**	**3.93**
Brazil	**62**	**4.02**	**67**	**3.76**	**65**	**4.28**
Jamaica	65	3.91	51	4.05	86	3.76
Guatemala	66	3.9	76	3.48	64	4.31
Latin America & Caribbean average	**n/a**	**3.75**	**n/a**	**3.48**	**n/a**	**4.01**
Mexico	75	3.74	57	3.96	92	3.51
Argentina	77	3.63	89	3.17	73	4.08
Costa Rica	78	3.62	111	2.78	59	4.45
Colombia	79	3.59	101	2.94	68	4.24
Honduras	85	3.51	82	3.30	88	3.73
India	**86**	**3.49**	**39**	**4.50**	**115**	**2.49**
Peru	88	3.47	94	3.08	84	3.86
Ecuador	96	3.18	99	2.96	95	3.39
Bolivia	100	3.04	122	2.59	94	3.49
Guyana	103	2.92	100	2.95	102	2.90
Dominican Republic	107	2.83	79	3.38	121	2.28
Venezuela	108	2.82	123	2.58	98	3.06
Nicaragua	111	2.73	102	2.90	112	2.55
Paraguay	125	2.46	138	2.10	104	2.82



Investments in Infrastructure

Countries in the Region Should Invest 6.2% of Annual GDP to Satisfy Infrastructure Demands ($320 Billion)

Currently they invested an average of 2.7% of GDP in the last decade.

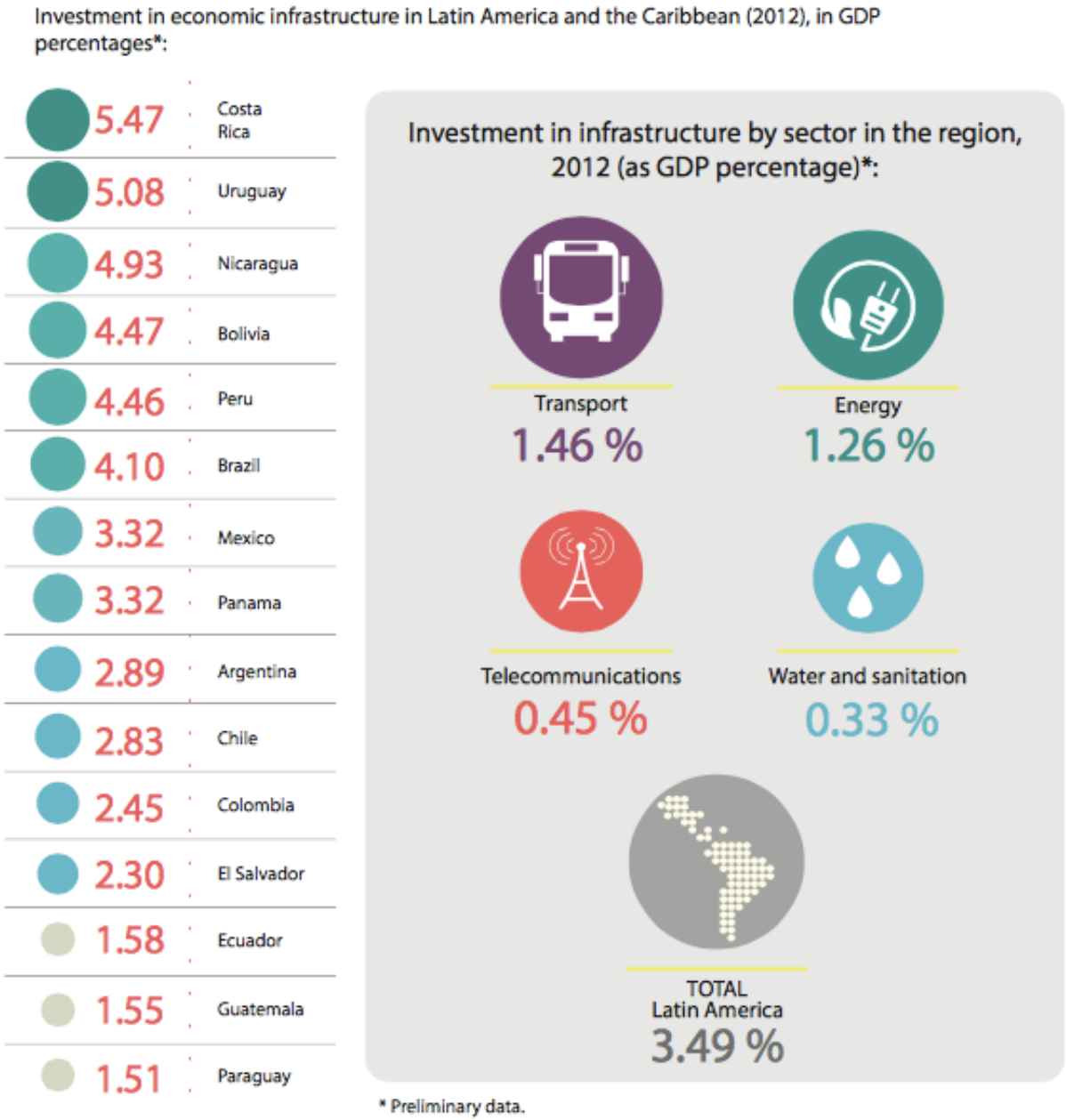
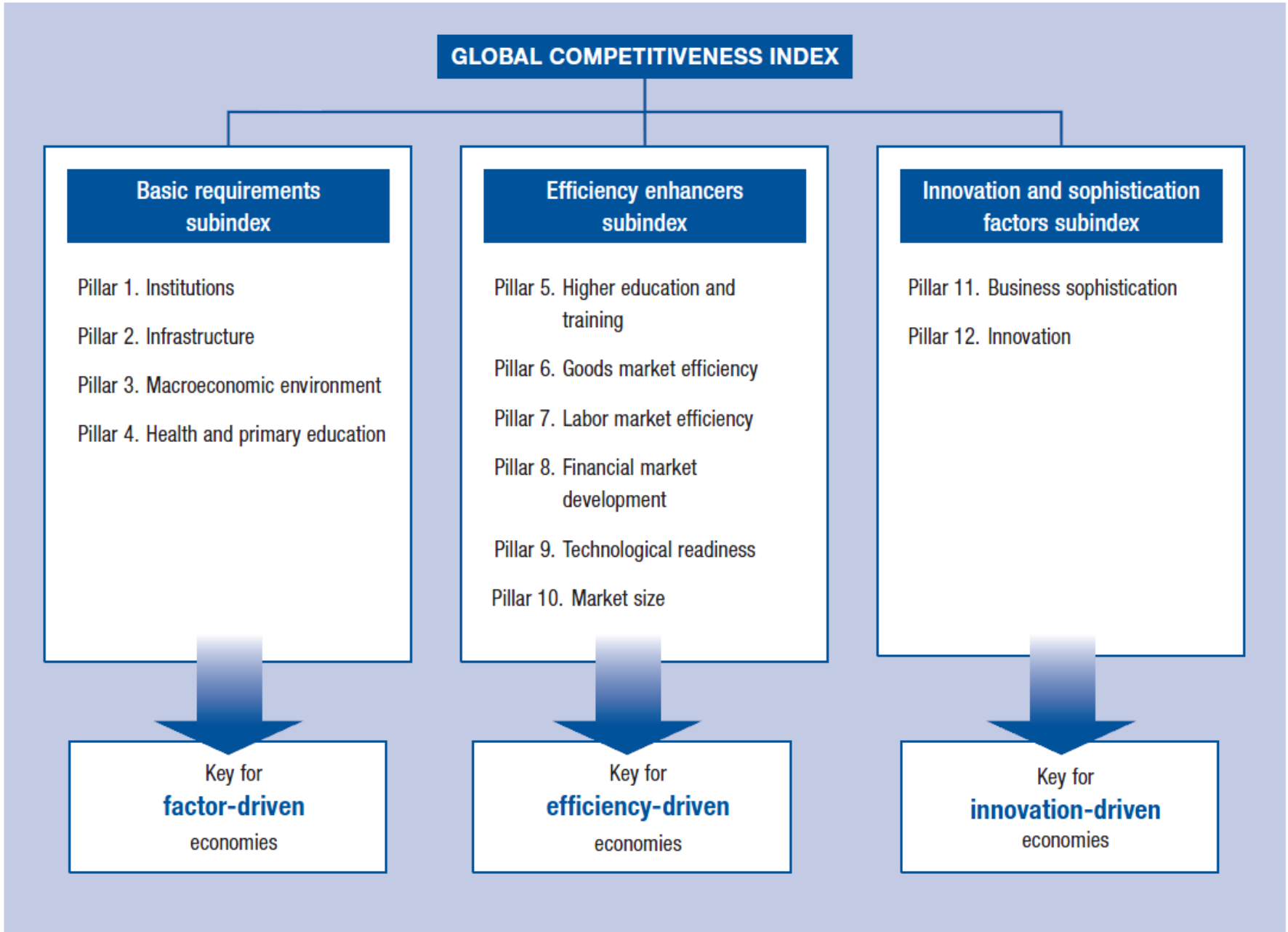


Figure 1: The Global Competitiveness Index framework

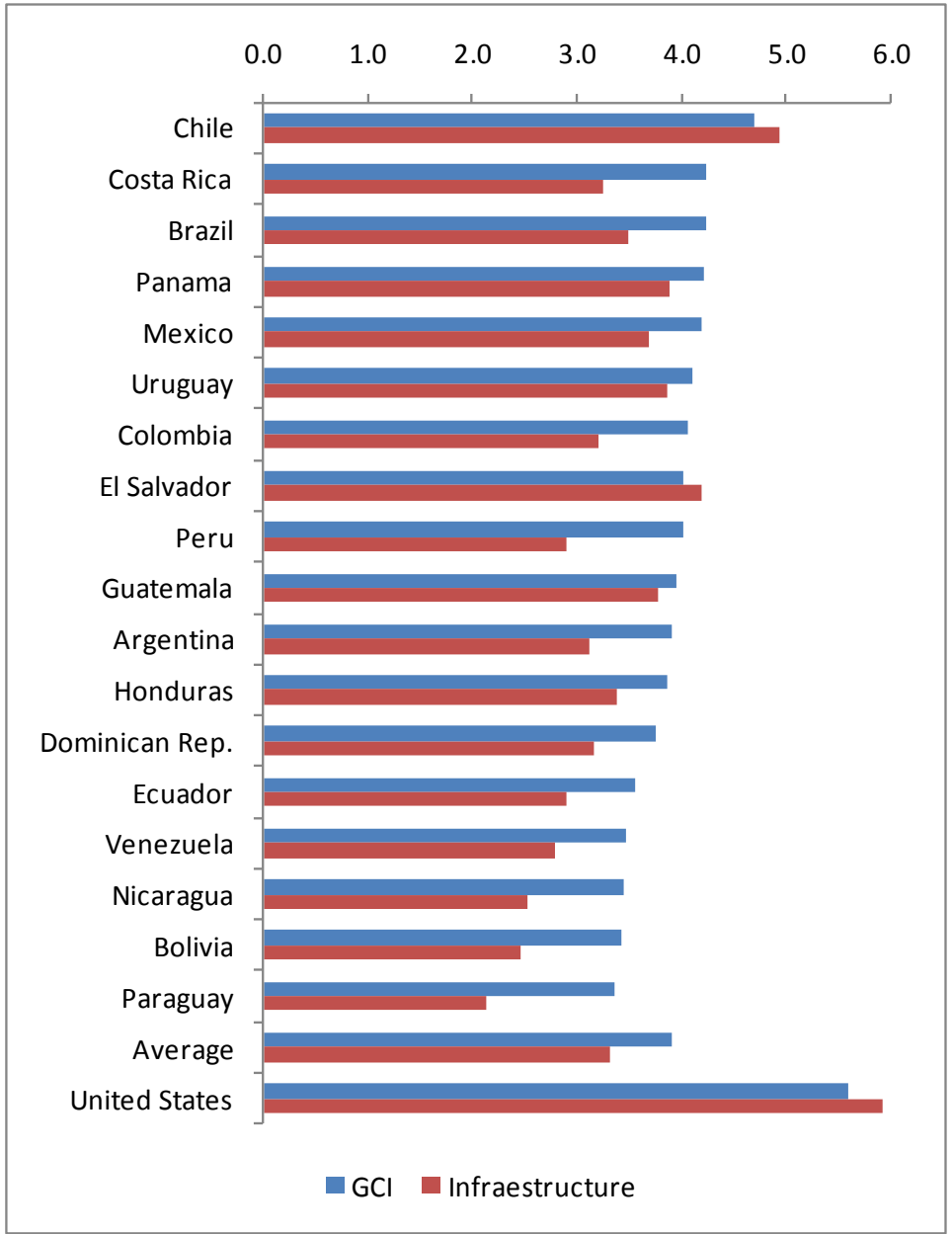


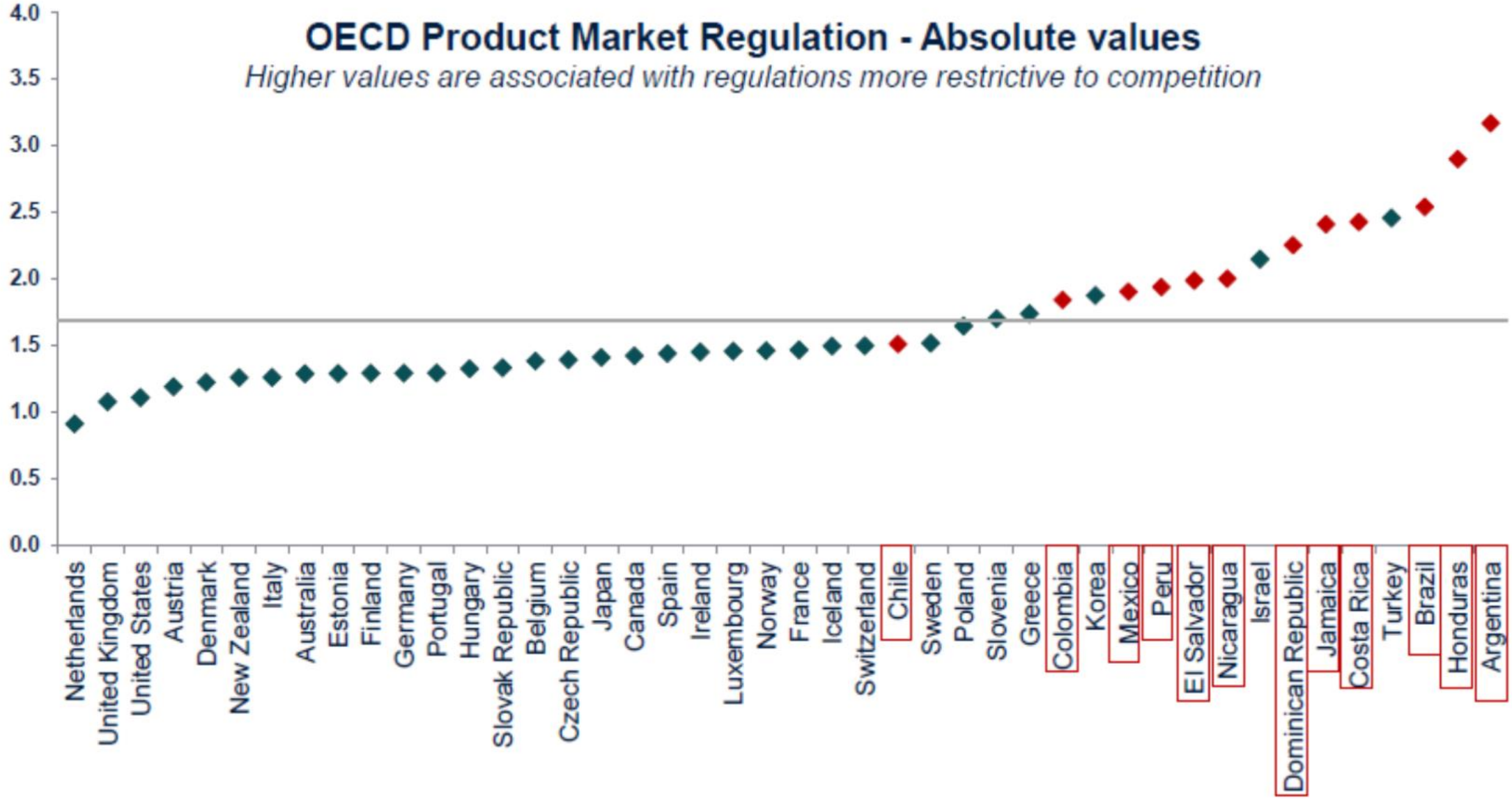
Relación entre Indice de Competitividad Global e infraestructura

Requerimientos básicos
Instituciones
Infraestructura
Estabilidad macroeconómica
Salud y educación primaria

Promotores de eficiencia
Educación superior y entrenamiento
Eficiencia de mercado (bienes y trabajo)
Sofisticación del mercado financiero
Dotación tecnológica
Tamaño del mercado

Factores de innovación y sofisticación
Sofisticación de los negocios
Innovación

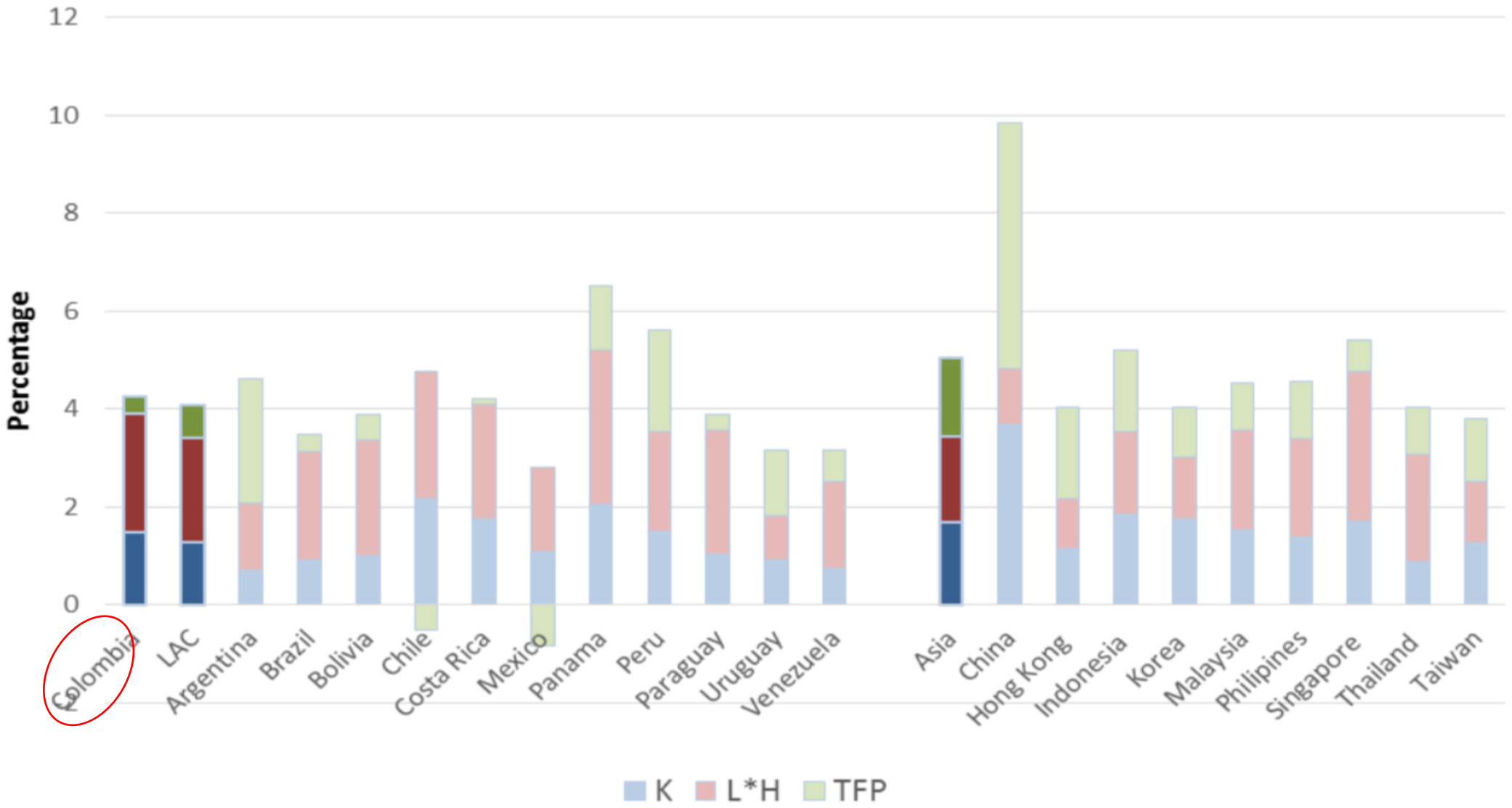



OECD Product Market Regulation - Absolute values
Higher values are associated with regulations more restrictive to competition
4.0
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
Netherlands
United Kingdom
United States
Austria
Denmark
New Zealand
Italy
Australia
Estonia
Finland
Germany
Portugal
Hungary
Slovak Republic
Belgium
Czech Republic
Japan
Canada
Spain
Ireland
Luxembourg
Norway
France
Iceland
Switzerland
Chile
Sweden
Poland
Slovenia
Greece
Colombia
Korea
Mexico
Peru
El Salvador
Nicaragua
Israel
Dominican Republic
Jamaica
Costa Rica
Turkey
Brazil
Honduras
Argentina

Some Latin America's Facts

- ✓ **The Regions represents $5.7tn and 600 Million people, 80% of whom live in cities making it an attractive destination for multinationals (Nestle derives 15% of global sales from Latin America)**
- ✓ **According to the Economist, Latin America's Intra-Regional Trade is only 27% compared with 63% in the European Union and 52% in Asia.**
- ✓ **Latin America is the most unequal region in the World**

Crecimiento del PIB o Capital, Capital Humano y Competitividad

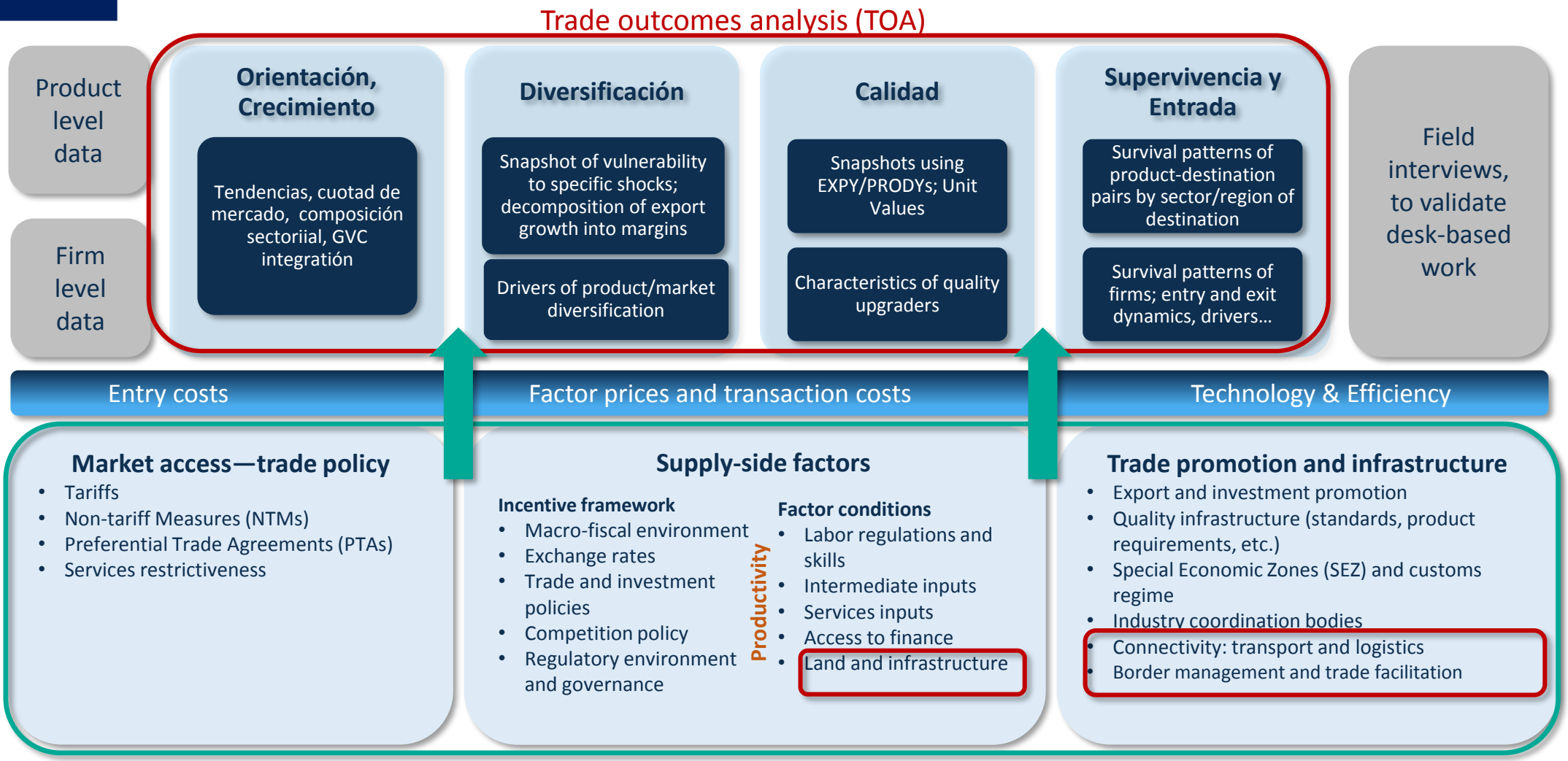


1

Haciendo un diagnóstico competitividad del comercio internacional

1

Trade Competitiveness Diagnostics

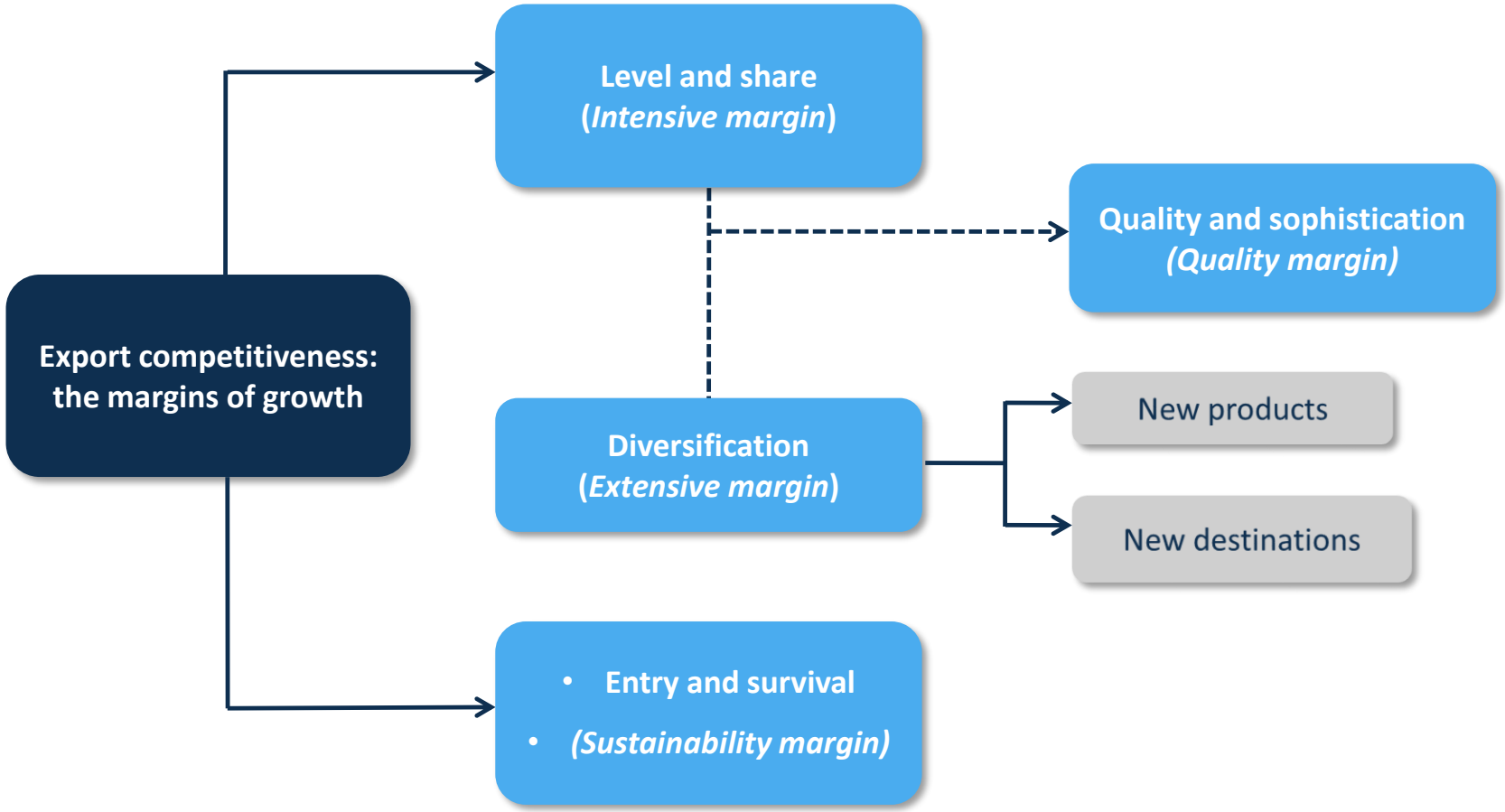


Competitiveness Diagnostics

1

Trade Outcomes Analysis (TOA): the main components

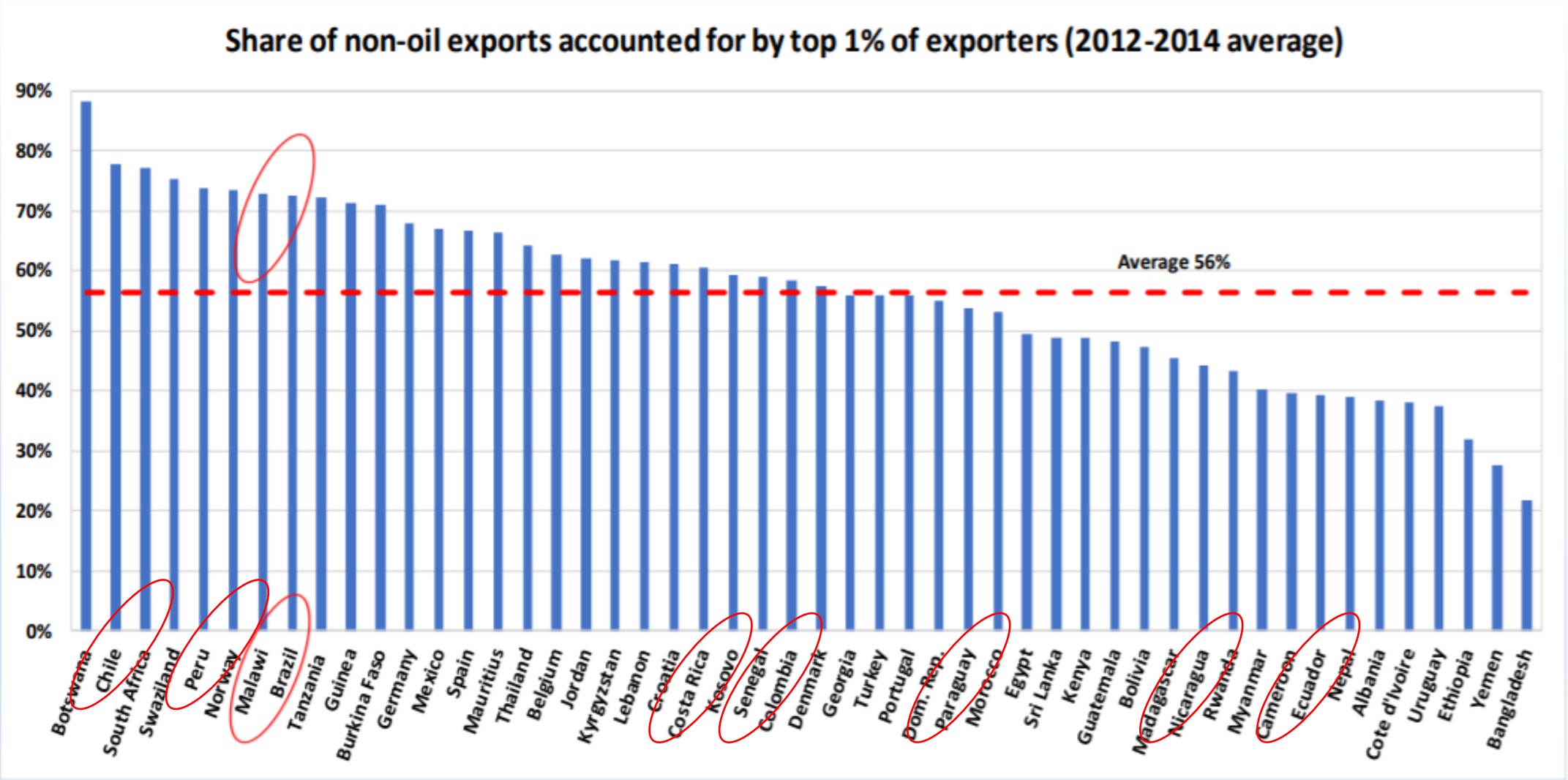
The Trade Outcomes Analysis covers four broad components of trade perform.



1

Exports are extremely concentrated

Very few firms account for a very large share of exports – the "export superstars"



Source: adapted from Freund and Pierola (2015) based on Exporter Dynamics Database version 2.0.

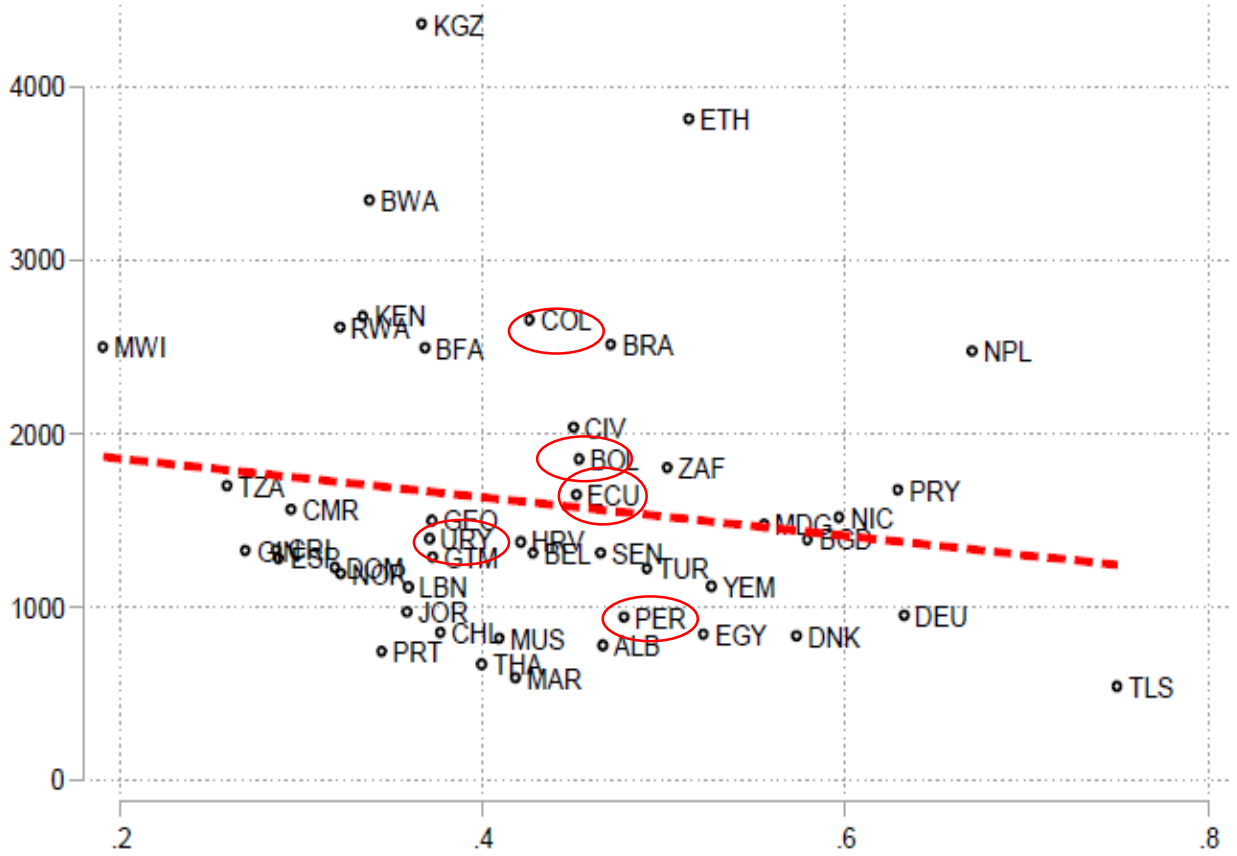
1

Firm-level customs data

… and is fundamental to design policies to support trade competitiveness

- For instance, firm-level customs data can help understand the relationship between exporter dynamics, such as exporter survival, export diversification, and policy factors such as:
  - **Trade costs (logistics costs, customs delays)**
  - **Trade barriers (tariffs, non-tariff measures, contingent protection measures)**
  - **Business environment or economic shocks (exchange rates)**

Ex.: Survival of new exporters beyond the first year is lower where trade costs (measured in vertical axis) are higher

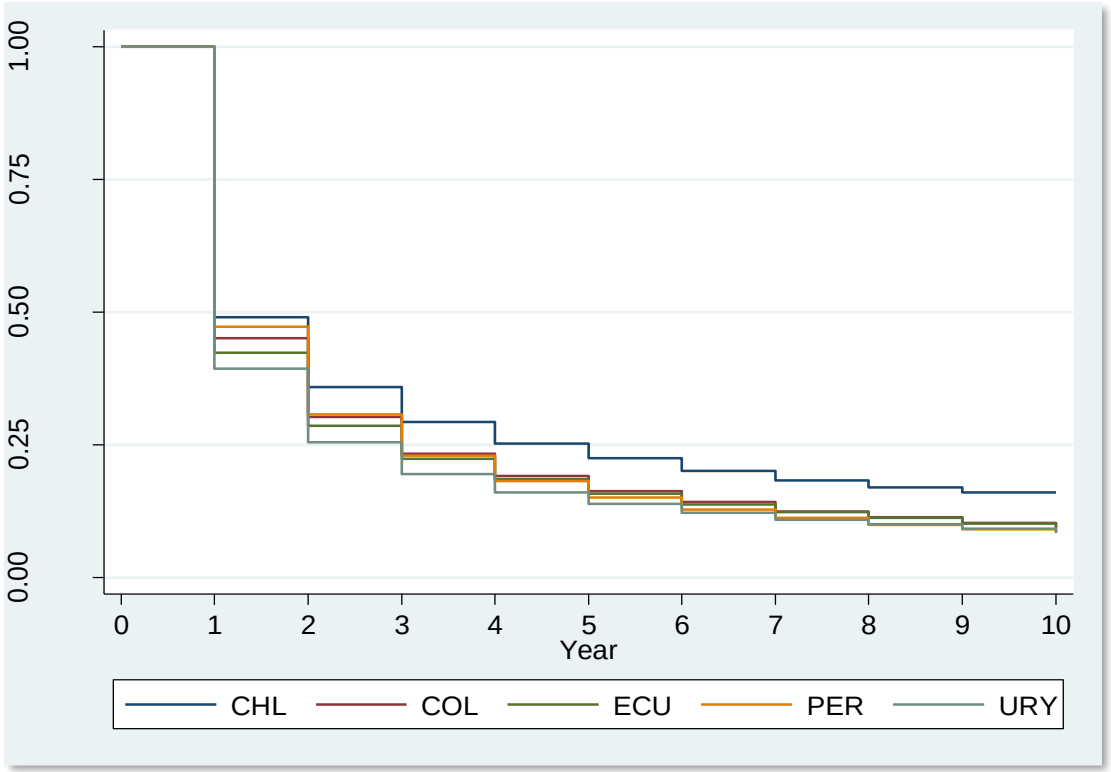


1

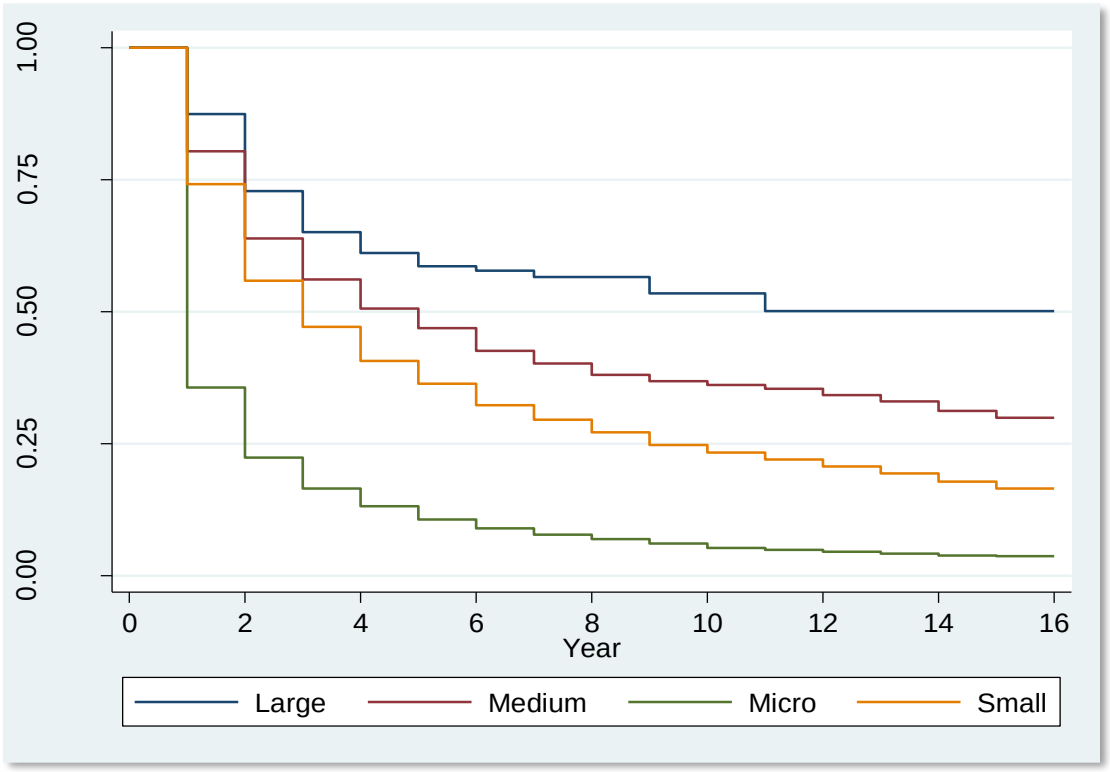
Example of export survival probabilities

Export survival can be estimated using WITS data and also using firm-level data, which provides more insights

Export survival



Export survival by company size (firm-level data)

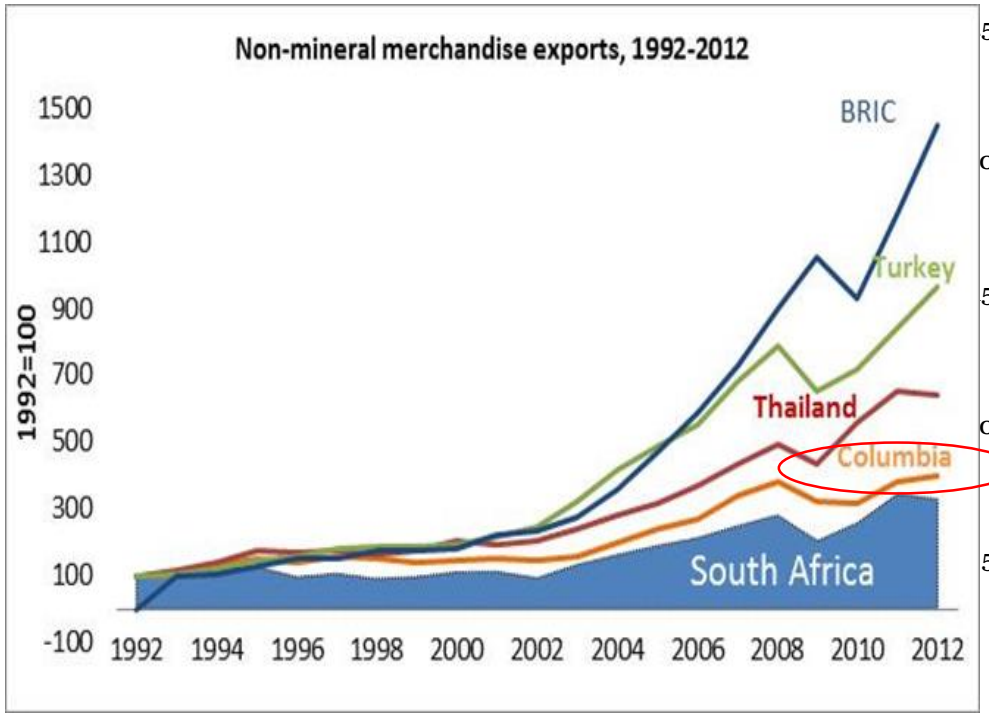


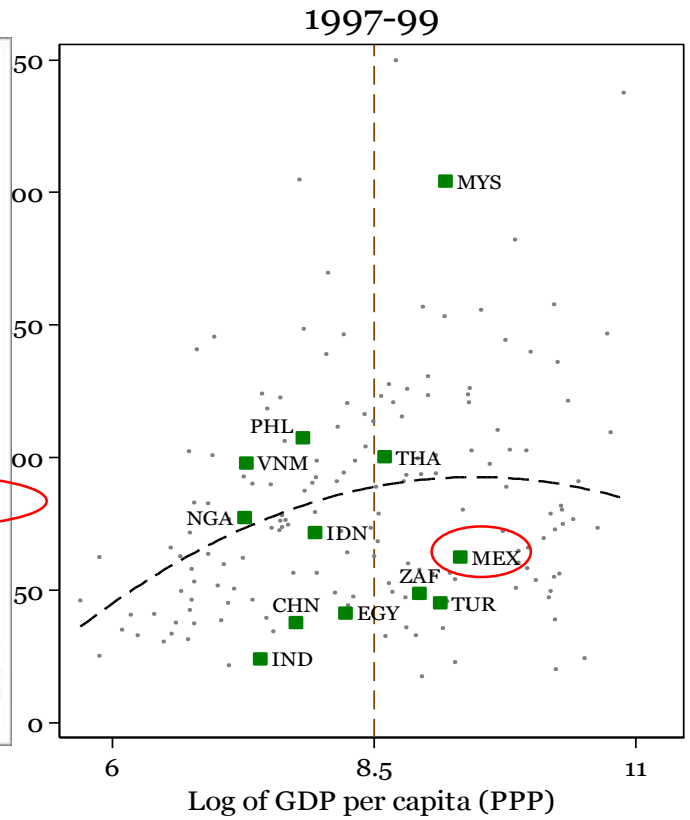
2

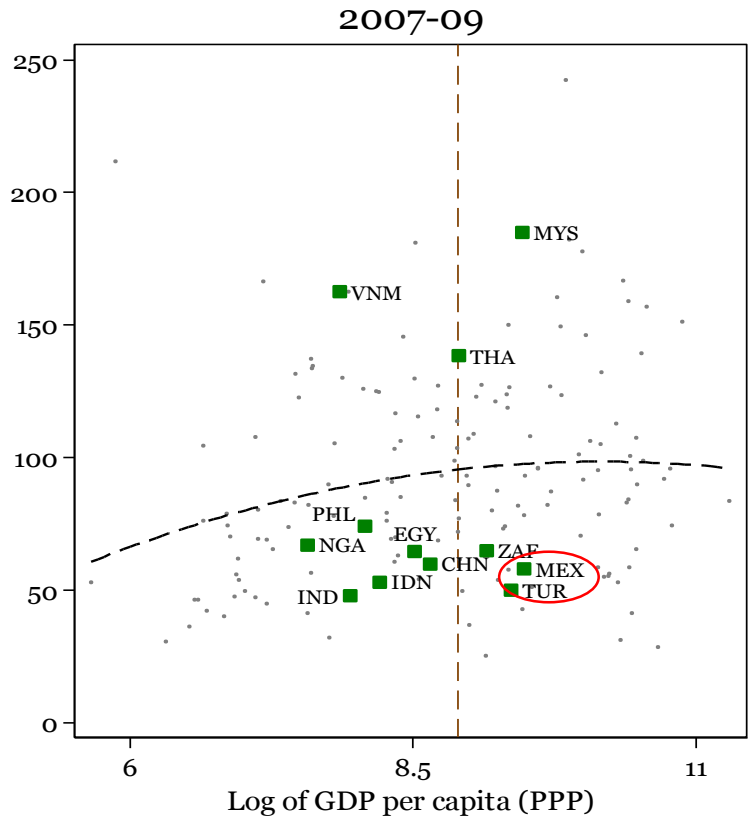
Orientación y crecimiento del comercio

2

APERTURA COMERCIAL





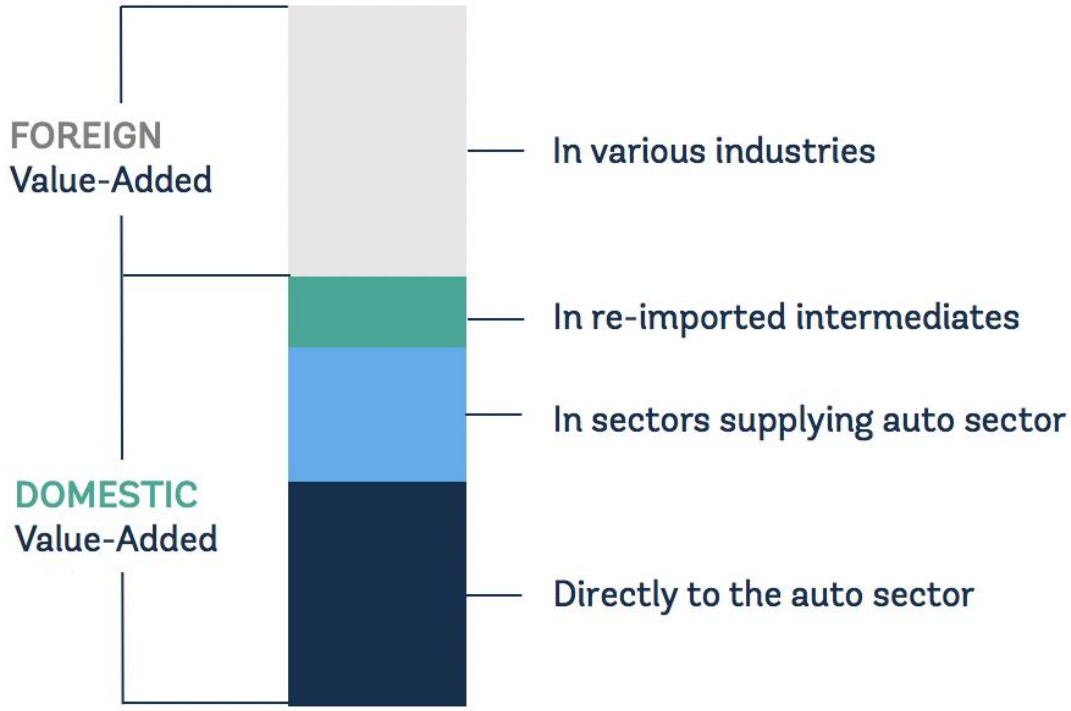


2

DESCOMPOSICIÓN DE VALOR EN LAS EXPORTACIONES

Value added exports only take into account the domestic value added component of gross exports.

$100 car industry production
Domestic vs. Foreign



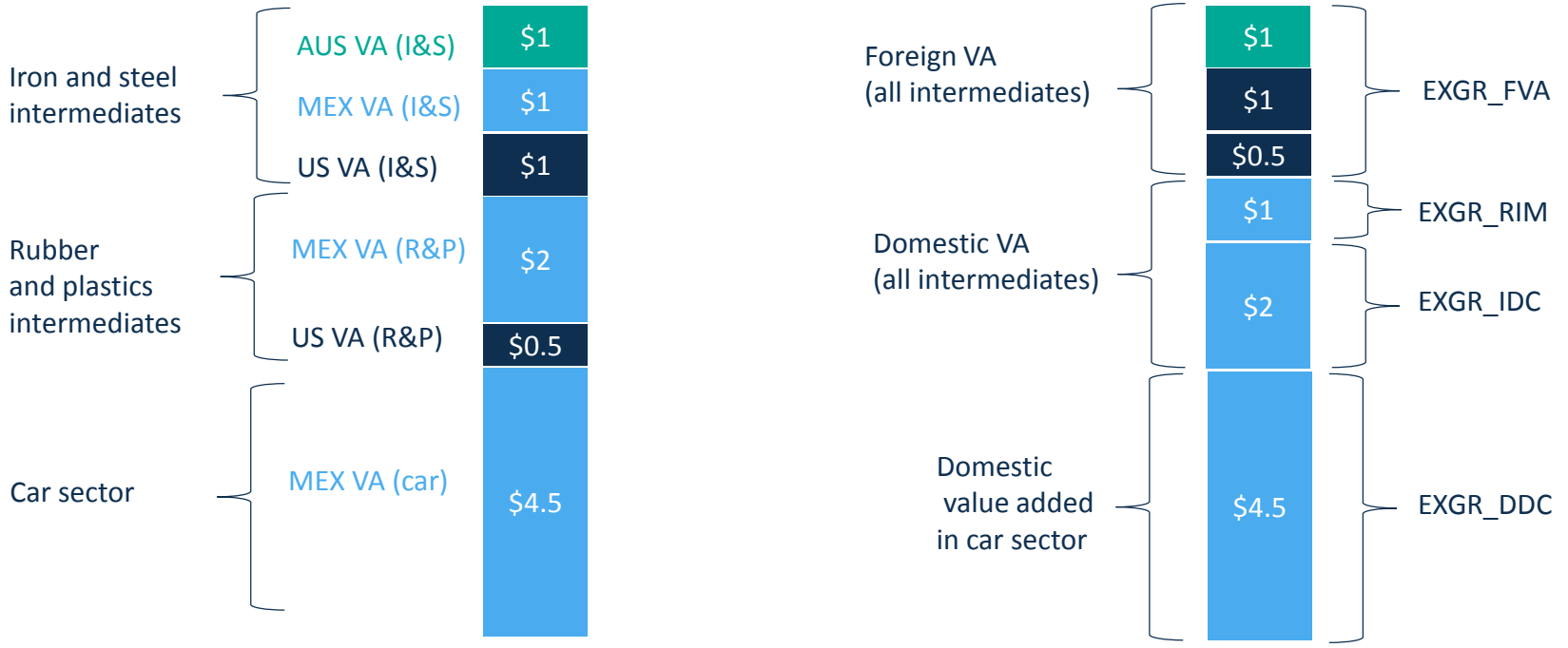
Source: Making Global Value Chains Work for Development, WBG, forthcoming.
Based on Baldwin and Lopez-Gonzales, 2013.

2

Full decomposition of gross exports by sector and source country

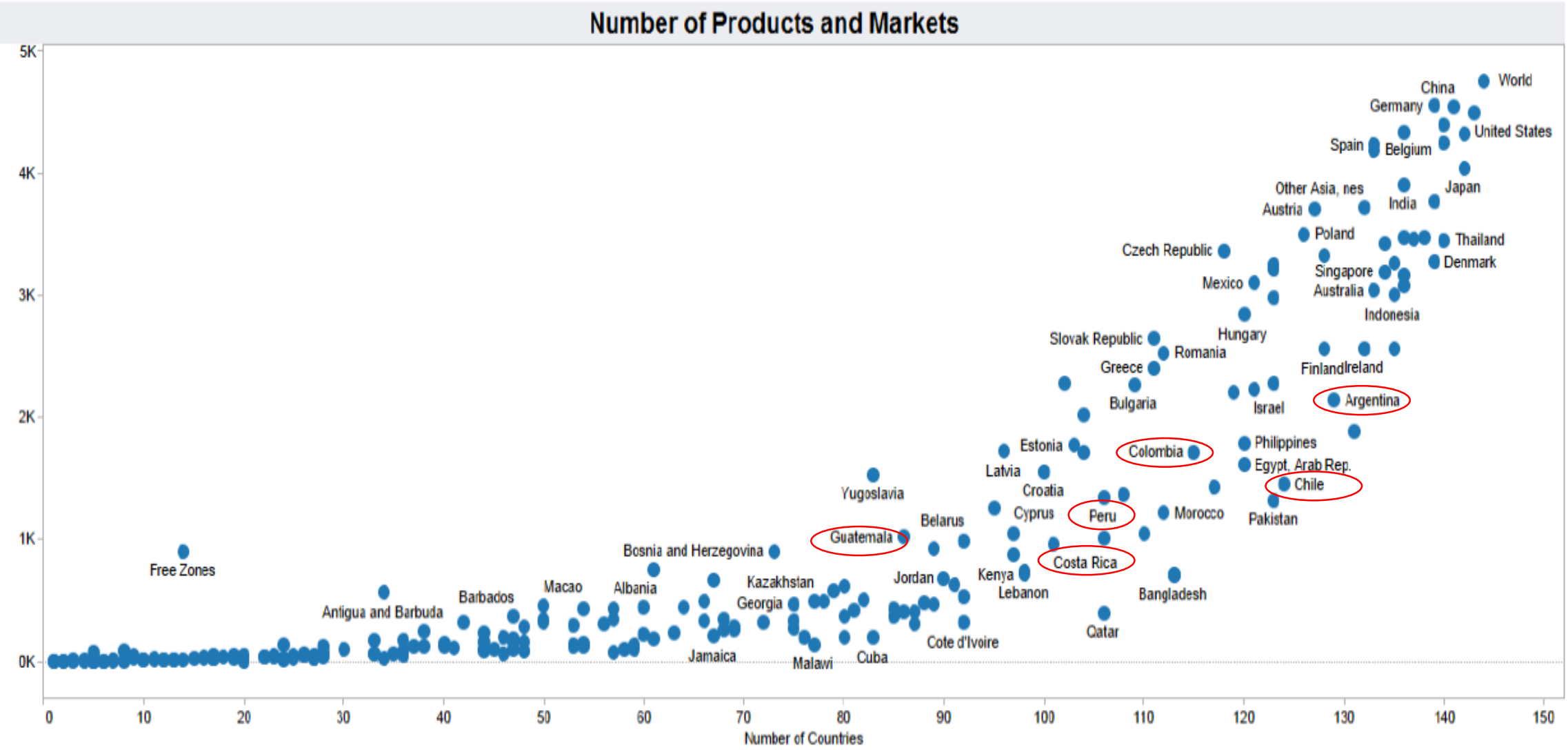
$10 million Mexican gross exports

Full decomposition by sector and nation



Source: Taglioni and Winkler (2015)
Based on: Baldwin and Lopez-Gonzales 2013.
Note: Values are in millions of dollars

2


Number of Products and Markets
5K
4K
3K
2K
1K
0K
0
10
20
30
40
50
60
70
80
90
100
110
120
130
140
150
Number of Countries
World
China
Germany
United States
Spain
Belgium
Japan
Other Asia, nes
India
Austria
Poland
Thailand
Czech Republic
Denmark
Singapore
Mexico
Australia
Indonesia
Hungary
Slovak Republic
Romania
Greece
Finland
Ireland
Bulgaria
Israel
Argentina
Estonia
Philippines
Colombia
Egypt, Arab Rep.
Latvia
Chile
Yugoslavia
Croatia
Cyprus
Peru
Morocco
Pakistan
Belarus
Guatemala
Bosnia and Herzegovina
Costa Rica
Free Zones
Kazakhstan
Jordan
Kenya
Lebanon
Bangladesh
Macao
Albania
Georgia
Barbados
Antigua and Barbuda
Qatar
Jamaica
Malawi
Cuba
Cote d'Ivoire
Reporter Name
(All)
World
Afghanistan
Albania
Algeria
American Samoa
Andorra
Angola
Anguila
Antarctica
Antigua and Barbuda
Argentina
Armenia
Aruba
Australia
Austria
Azerbaijan
Bahamas, The
Bahrain
Bangladesh
Barbados
Belarus
Belgium
Belize
Benin
Bermuda
Bhutan
Bolivia
Bosnia and Herzeco...

Share

TOP 50: 1 Corona Extra · 2 SKOL · 3 Bradesco · 4 Itaú · 5 telcel · 6 falabella · 7 BRAHMA · 8 Globo · 9 Aguila · 10 Bodega Aurrera · 11 Modelo · 12 Claro · 13 Televisa · 14 SODIMAC · 15 COPEC Primera en servicio · 16 Antarchile · 17 Banco de Chile · 18 TELMEX · 19 BIMBO · 20 lider · 21 BANORTE · 22 LATAM · 23 CEMEX · 24 Liverpool · 25 POKER · 26 TECATE · 27 tigo · 28 Bohemia · 29 YPF · 30 Macro · 31 Sadia · 32 Cristal · 33 Ypé · 34 natura · 35 Ipiranga · 36 Sol · 37 Banco Azteca · 38 citibanamex · 39 INBURSA Grupo Financiero · 40 Embratel · 41 Bancolombia · 42 Pilsen Callao · 43 BCP · 44 TOTTUS · 45 Interbank · 46 LOJAS AMERICANAS · 47 OXXO · 48 NET · 49 Vallada · 50 PORTO SEGURO

BRANDZ™ TOP 50 Most Valuable Latin American BRANDS 2018

Total value of Top 50 Latin American Brands

2017 **US $110.6 Billion**

2018 **US $130.8 Billion**

Brand Value Change 2018 vs. 2017 **+18%**

Newcomers

= Ranking Position
$ = Total Brand Value

- Globo — #8 TV Stations — US $4,318 Million
- Ypé — #33 Home Care — US $1,399 Million
- Banco Azteca — #37 Financial Institutions — US $1,167 Million
- Embratel — #40 Communication Providers — US $1,140 Million
- LOJAS AMERICANAS — #46 Retail — US $1,025 Million
- NET — #48 Communication Providers — US $939 Million
- PORTO SEGURO — #50 Insurance — US $922 Million

Top Risers

%= Brand Value Change 2018 vs. 2017

Macro	US $1,472 Million Financial Institutions	+99%
Bradesco	US $7,018 Million Financial Institutions	+58%
Banco de Chile	US $2,937 Million Financial Institutions	+45%
Itaú	US $6,198 Million Financial Institutions	+42%
citibanamex	US $1,165 Million Financial Institutions	+42%
YPF	US $1,535 Million Energy	+34%
lider	US $2,646 Million Retail	+34%
telcel	US $6,048 Million Communications Providers	+32%
TOTTUS	US $1,058 Million Retail	+31%
Ipiranga	US $1,265 Million Retail	+30%

Top 10 Most Valuable Latin American Brands

$ = Total Brand Value % Brand Value Change 2018 vs. 2017

	Beer	Beer	Financial Institutions	Financial Institutions	Communication Providers	Retail	Beer	TV Stations	Beer	Retail
	US $8,292 Million	US $8,263 Million	US $7,018 Million	US $6,198 Million	US $6,048 Million	US $5,373 Million	US $4,478 Million	US $4,318 Million	US $3,924 Million	US $3,757 Million
	+8%	+1%	+58%	+42%	+32%	+26%	+2%	n/a	13%	5%

Most Valuable Country Brands

Argentina
US $5,028 Bil.
+59% % Brand Value Change 2017-2018
2 Brands in the Top 50
Top 3 Argentinian Brands
1. YPF — US $1,535 Million
2. Macro — US $1,472 Million
3. Galicia — US $734 Million

Brazil
US $65,067 Bil.
+42% % Brand Value Change 2017-2018
15 Brands in the Top 50
Top 3 Brazilian Brands
1. SKOL — US $8,263 Million
2. Bradesco — US $7,018 Million
3. Itaú — US $6,198 Million

Chile
US $26,042 Bil.
+17% % Brand Value Change 2017-2018
7 Brands in the Top 50
Top 3 Chilean Brands
1. falabella — US $5,373 Million
2. SODIMAC — US $3,176 Million
3. COPEC Primera en servicio — US $3,059 Million

Colombia
US $14,461 Bil.
+11% % Brand Value Change 2017-2018
4 Brands in the Top 50
Top 3 Colombian Brands
1. Aguila — US $3,924Million
2. Poker — US $2,177 Million
3. tigo — US $1,662 Million

Mexico
US $52,865 Bil.
+3% % Brand Value Change 2017-2018
17 Brands in the Top 50
Top 3 Mexican Brands
1. Corona Extra — US $8,292 Million
2. telcel — US $6,048 Million
3. Bodega Aurrera — US $3,757 Million

Peru
US $8,398 Bil.
+5% % Brand Value Change 2017-2018
4 Brands in the Top 50
Top 3 Peruvian Brands
1. Cristal — US $1,440 Million
2. Pilsen Callao — US $1,075 Million
3. BCP — US $1,067 Million

Top 11 in Brand Contribution

Brand contribution measures the influence of brand alone on financial value, on a scale of 1 to 5, 5 being highest.
All these brands have a brand contribution of 5.

SKOL · falabella · BRAHMA · SODIMAC · COPEC Primera en servicio · lider · LATAM · Bohemia · Cristal · Pilsen Callao · natura

www.brandz.com

Download the full report at www.brandz.com

Methodology and valuation by KANTAR

Download the mobile app at **www.brandz.com/mobile**

WPP

#	Brand	Brand Value (US$ Mil.) 2015	2014	Brand Contribution Index	Brand Value Change 2014-2015
1	SKOL	8,500	7,055	4	20%
	Beer				
2	Corona Extra	8,476	8,025	4	6%
	Beer				
3	telcel	6,174	5,308	3	16%
	Communication Providers				
4	Bradesco	5,202	4,177	2	25%
	Banks				
5	falabella.	4,709	6,084	4	-23%
	Retail				
6	Televisa	4,423	3,625	2	22%
	Communication Providers				
7	Itaú	4,315	3,376	2	28%
	Banks				
8	BRAHMA	4,185	3,585	4	17%
	Beer				
9	AGUILA	3,672	3,565	5	3%
	Beer				
10	Modelo	3,604	3,477	4	4%
	Beer				
11	TELMEX	3,554	3,097	2	15%
	Communication Providers				
12	Bancolombia	3,476	3,006	4	16%
	Banks				
13	SODIMAC	3,107	4,107	5	-24%
	Retail				
14	BodegaAurrera	3,091	2,804	2	10%
	Retail				
15	CEMEX	3,039	2,748	1	11%
	Industry				
16	Claro	3,008	3,426	1	-12%
	Communication Providers				
17	lider	2,845	2,486	4	14%
	Retail				
18	BIMBO	2,795	2,608	3	7%
	Food & Dairy				
19	COPEC	2,758	3,181	4	-13%
	Oil & Gas				
20	Sadia	2,757	2,466	2	12%
	Food & Dairy				
21	Banco de Chile	2,595	3,175	3	-18%
	Banks				
22	Liverpool	2,557	2,687	3	-5%
	Retail				
23	CERVEZA POKER	2,436	2,365	4	3%
	Beer				
24	LAN	2,398	3,058	4	-22%
	Airlines				
25	BANORTE	2,207	2,494	2	-12%
	Banks				
26	Banco de Bogotá	2,198	2,457	3	-11%
	Banks				
27	ecopetrol	2,017	3,446	1	-41%
	Oil & Gas				
28	INBURSA Grupo Financiero	1,940	1,759	1	10%
	Banks				
29	banco popular	1,867	2,084	3	-10%
	Banks				
30		1,859	1,145	3	62%
	Beer				
31	BCP	1,808	1,540	3	17%
	Banks				
32	natura	1,700	2,236	5	-24%
	Personal Care				
33	CRISTAL	1,678	1,630	5	3%
	Beer				
34	DAVIVIENDA	1,636	1,379	4	19%
	Banks				
35	YPF	1,575	1,545	1	2%
	Oil & Gas				
36	Banco Azteca	1,533	-	2	NEW ENTRY
	Banks				
37	Interbank	1,479	1,037	3	43%
	Banks				
38	OXXO	1,411	-	1	NEW ENTRY
	Retail				
39	BOHEMIA	1,309	1,094	4	20%
	Beer				
40	Banamex	1,236	969	2	28%
	Banks				
41	TECATE	1,197	-	4	NEW ENTRY
	Beer				
42	BTGPactual	1,118	-	1	NEW ENTRY
	Banks				
43	Pilsen Callao	1,108	1,076	5	3%
	Beer				
44	Sanborns	1,107	1,058	2	5%
	Retail				
45	Ipiranga	1,072	1,103	3	-3%
	Retail				
46	Personal	1,069	-	2	NEW ENTRY
	Communication Providers				
47	Marinela	1,042	1,182	2	-12%
	Food & Dairy				
48		1,039	931	3	12%
	Communication Providers				
49	sura	997	-	2	NEW ENTRY
	Banks				
50	paris	985	1,262	4	-22%
	Retail				

Source: Millward Brown and BrandZ™

Top 50 Latin American brands, 2013

Rank 2013	Rank change	Brand	Brand value 2013 ($m)	Brand value 2012 ($m)	Brand value change 2013 versus 2012 (%)	BC Index **	Category	Country
1	6	Corona	6,620	5,114	29	4	Beer	Mexico
2	0	Telcel	6,577	8,449	-22	3	Communication providers	Mexico
3	5	Skol	6,520	4,698	39	4	Beer	Brazil
4	-3	Petrobras	5,762	10,560	-45	1	Energy	Brazil
5	1	Falabella	5,611	5,263	7	4	Retail	Chile
6	-3	Bradesco	5,492	6,690	-18	2	Financial institution	Brazil
7	4	Ecopetrol	5,137	4,240	21	1	Energy	Colombia
8	2	Claro	4,454	4,336	3	1	Communication providers	Latam
9	-5	Itaú	4,006	6,606	-39	2	Financial institution	Brazil
10	New	Aguila	3,903	-	n.a.	5	Beer	Colombia
11	13	Brahma	3,803	2,359	61	4	Beer	Brazil
12	3	Natura	3,707	3,307	12	4	Cosmetics	Brazil
13	3	Banco de Chile	3,632	3,109	17	3	Financial intitution	Chile
14	0	Sodimac	3,537	3,318	7	5	Retail	Chile
15	6	Televisa	3,281	2,585	27	2	Communication providers	Mexico
16	-4	LAN	3,274	3,964	-17	4	Airlines	Chile
17	2	Copec	3,204	2,815	14	4	Energy	Chile
18	-5	Bancolombia	3,009	3,465	-13	4	Financial institution	Colombia
19	3	Bodega Aurrera	2,992	2,511	19	2	Retail	Mexico
20	5	Bimbo	2,976	1,995	49	3	Bakery	Mexico
21	-1	Telmex	2,768	2,656	4	2	Communication providers	Mexico
22	New	Poker	2,487	-	n.a.	4	Beer	Colombia
23	-5	Banco de Bogotá	2,466	2,842	-13	3	Financial institution	Colombia
24	12	Modelo	2,301	1,244	85	4	Beer	Mexico
25	-2	Banco Popular	2,094	2,414	-13	3	Financial institution	Colombia
26	8	Inbursa	2,091	1,352	55	1	Financial institution	Mexico
27	11	Liverpool	2,066	1,156	79	3	Retail	Mexico
28	3	Cemex	2,034	1,494	36	1	Cement	Mexico
29	1	Sadia	1,993	1,496	33	2	Food	Brazil
30	-4	Lider	1,932	1,980	-2	4	Retail	Chile
31	New	BCP	1,636	-	n.a.	2	Financial institution	Peru ***
32	0	Elektra	1,578	1,398	13	2	Retail	Mexico
33	New	Banorte	1,567	-	n.a.	2	Financial institution	Mexico
34	-5	Almacenes Paris	1,558	1,699	-8	4	Retail	Chile
35	-8	Sanborns	1,465	1,834	-20	2	Retail	Mexico
36	-27	Banco do Brasil	1,427	4,574	-69	2	Financial institution	Brazil
37	New	Cristal	1,401	-	n.a.	5	Beer	Peru ***
38	-1	Exito	1,286	1,168	10	3	Retail	Colombia
39	4	Antarctica	1,284	851	51	3	Beer	Brazil
40	-5	Davivienda	1,281	1,251	2	4	Financial institution	Colombia
41	-24	YPF	1,272	3,074	-59	2	Energy	Argentina
42	-9	Jumbo	1,248	1,361	-8	4	Retail	Chile
43	-3	Mall Plaza	1,190	1,116	7	3	Retail	Chile
44	New	Soriana	1,187	-	n.a.	2	Retail	Mexico
45	New	Interbank	1,095	-	n.a.	2	Financial institution	Peru ***
46	0	Lojas Americanas	1,046	762	37	2	Retail	Brazil
47	-2	Perdigão	1,036	778	33	2	Food	Brazil
48	-1	Bohemia	1,010	697	45	5	Beer	Brazil
49	-21	Vale	1,009	1,708	-41	1	Mining	Brazil
50	-11	Banco de Occidente	992	1,143	-13	3	Financial institution	Colombia

* Claro is based in Mexico, but has no operations there
** The Brand Contribution Index runs from 1 (low) up to 5 (high)
*** Peru is a new country in the Latam ranking

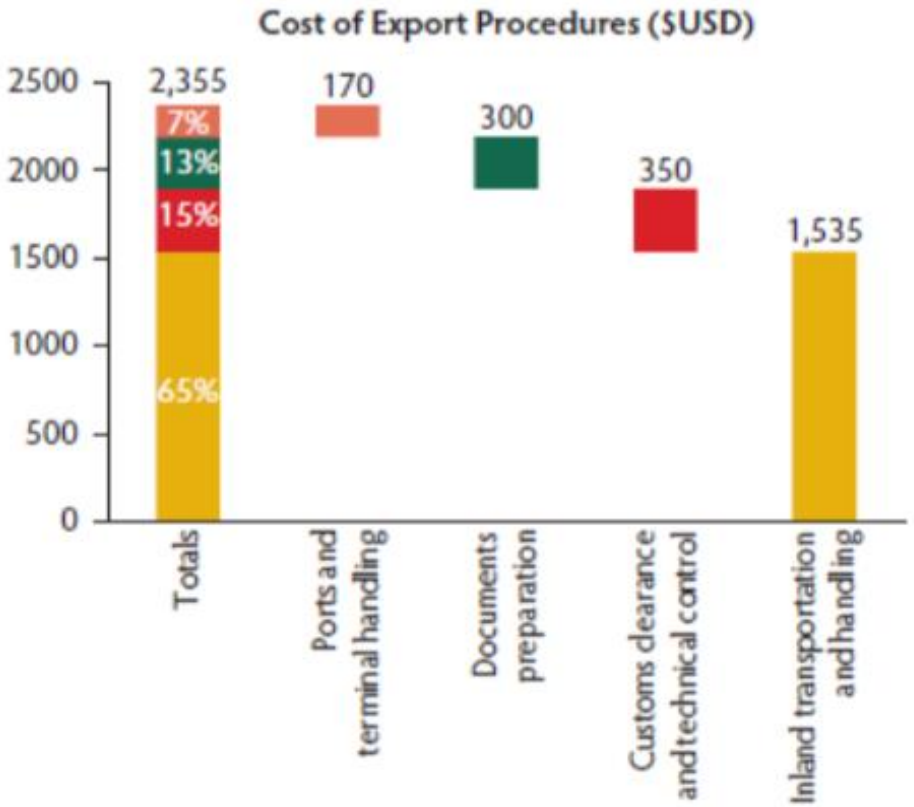
14 from Mexico

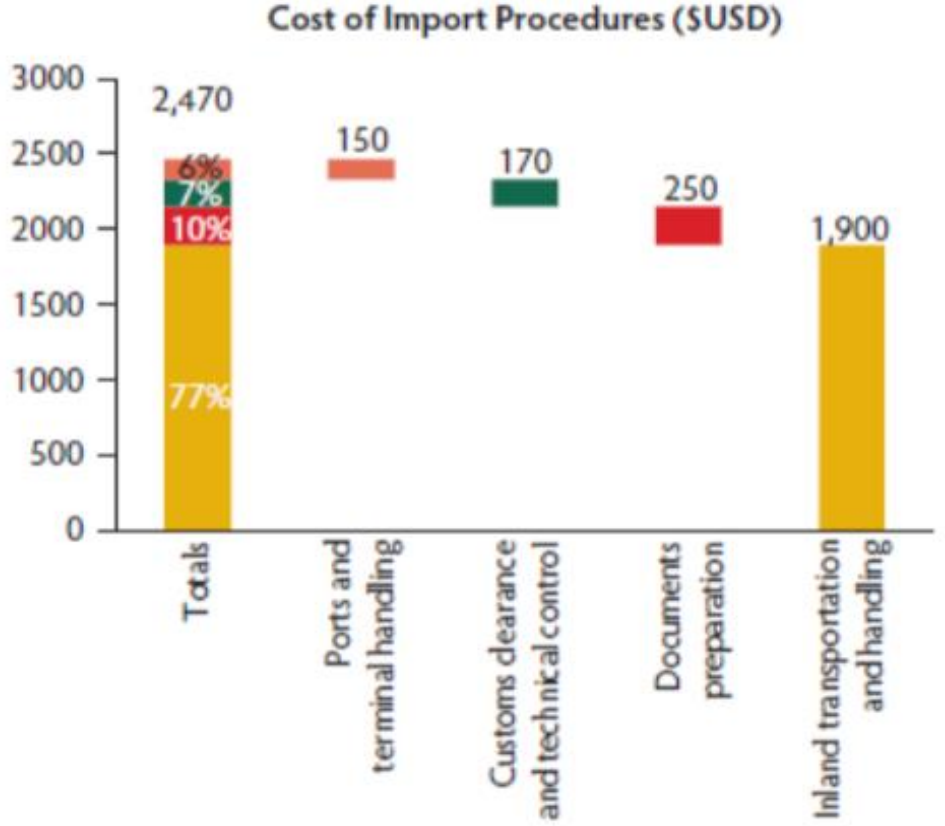
24 from Brazil

9 from Colombia

9 from Chile

Exports and Imports Cost Decomposition in Colombia





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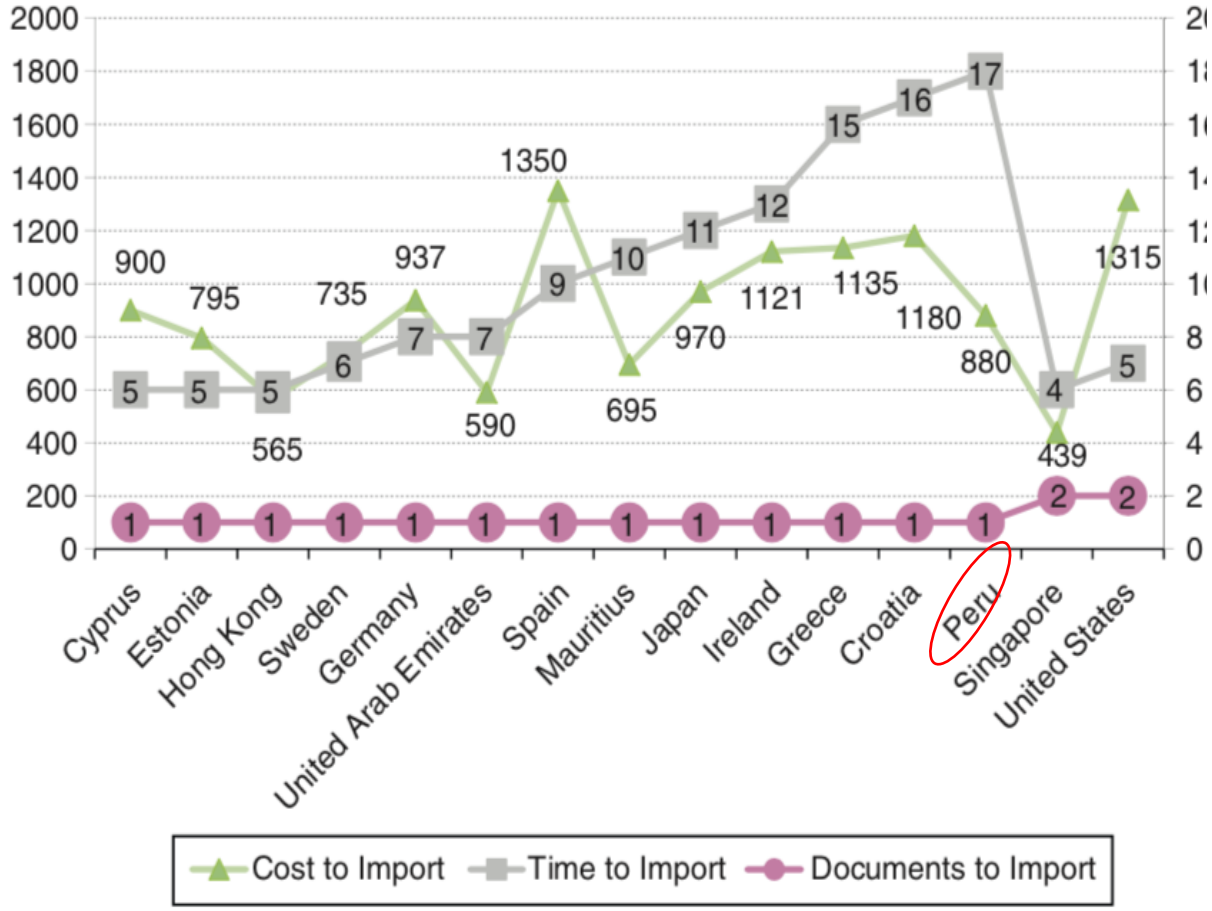
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Mauritius
Japan
Ireland
Greece
Croatia
Peru
Singapore
United States
900
795
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695
970
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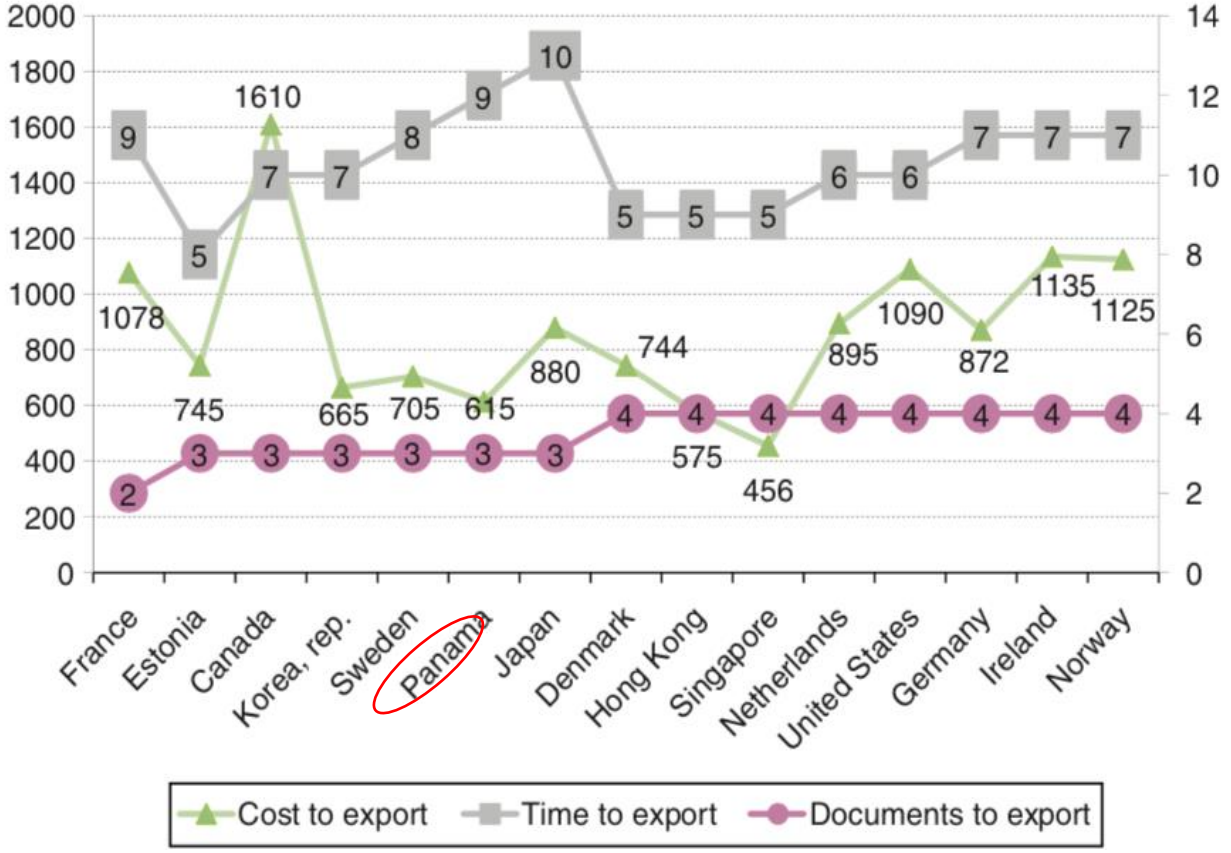
Cost to Import
Time to Import
Documents to Import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Germany
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Cost to export
Time to export
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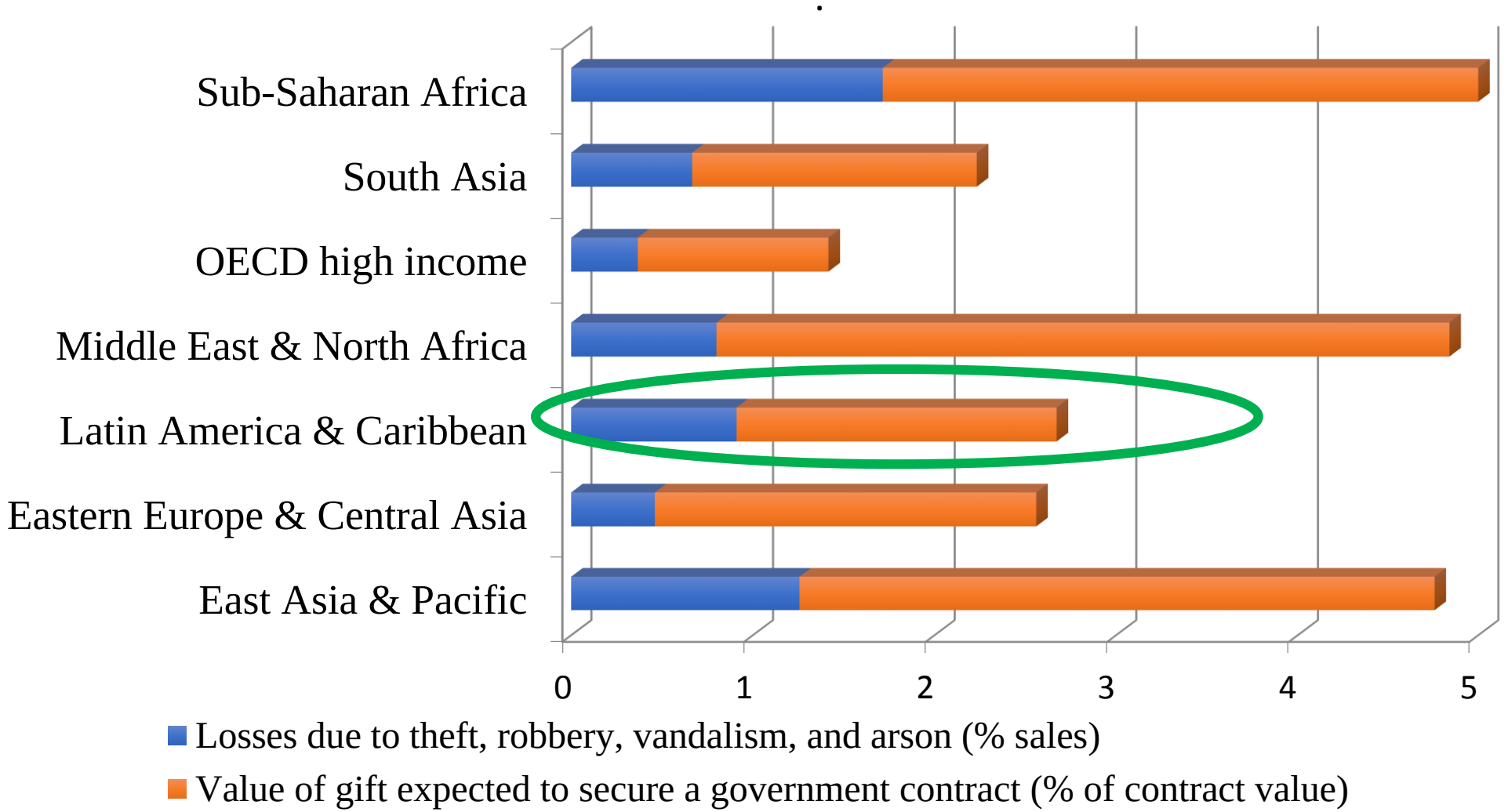
TRANSPARENCY AND CORRUPTION

THE TRANSPARENT SCENARIOS IN INTERNATIONAL BUSINESS



2

Indicates the corruption level on the public sector according to perception of businessmen and analysts

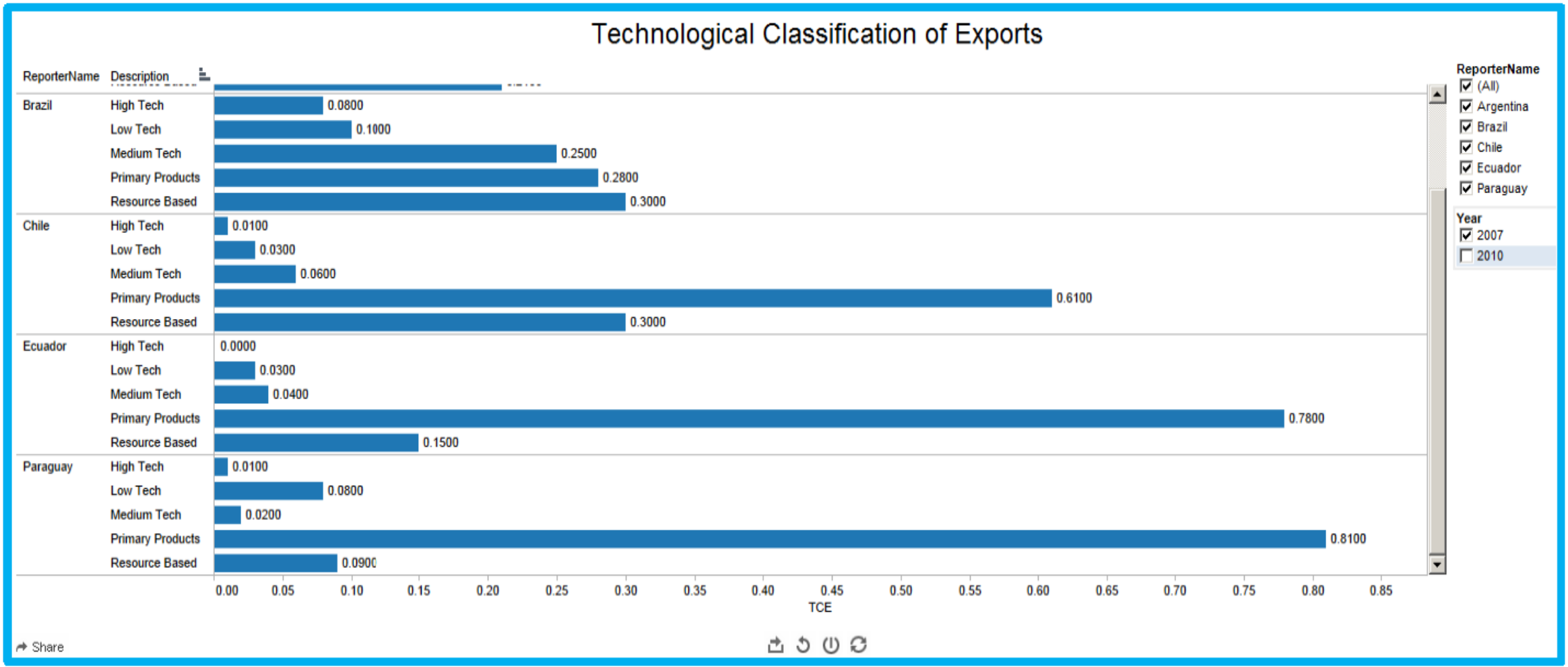
Source: Transparency International. http://www.transparency.org/policy_research/surveys_indices/cpi/2009/press_kits

3 Calidad

3

Visual example of technological classification of exports in 2018

Classification following Lall (2000)



3 Export sophistication as measured by the EXPY

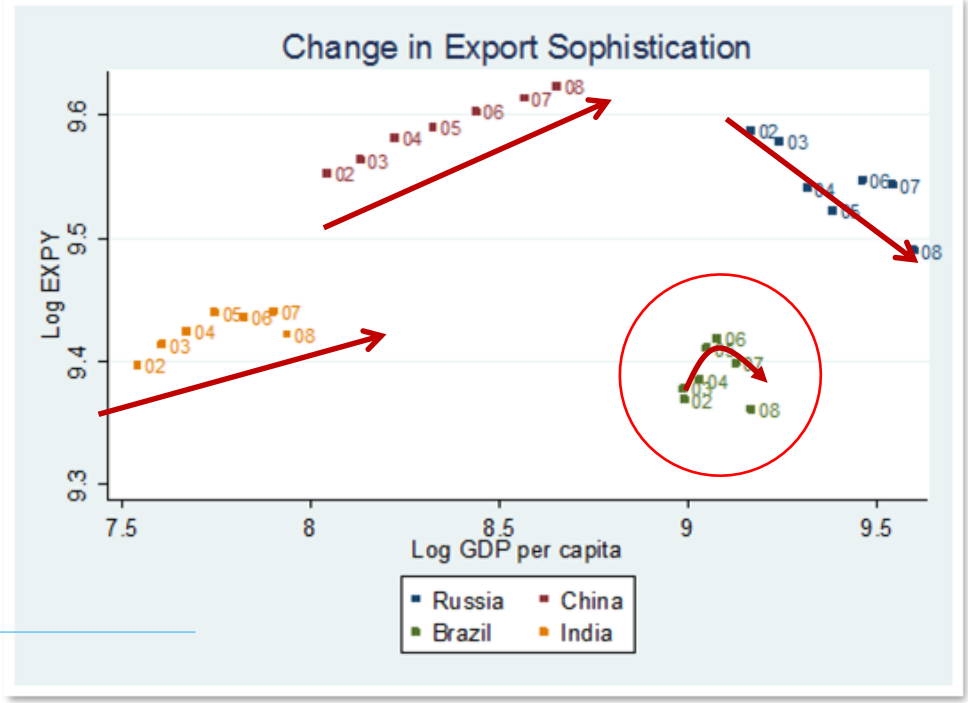
$$\text{PRODY}_k = \sum_j \frac{\left(\frac{x_{jk}}{X_j}\right)}{\sum_j \frac{x_{jk}}{X_j}} Y_j \quad and \quad EXPY_i = \sum_k \left(\frac{x_{ik}}{X_i}\right) PRODY_k$$

Source: Hausmann, R., J. Hwang, and D. Rodrik. 2007. "What You Export Matters." *Journal of Economic Growth*

PRODY for a single product is calculated as a weighted average of the GDP per capita of all countries exporting that product, where weights are RCA

- Interpreted as GDP per capita of "typical country" exporting that good.

EXPY is calculated by weighting the PRODYs across all products by its export share.

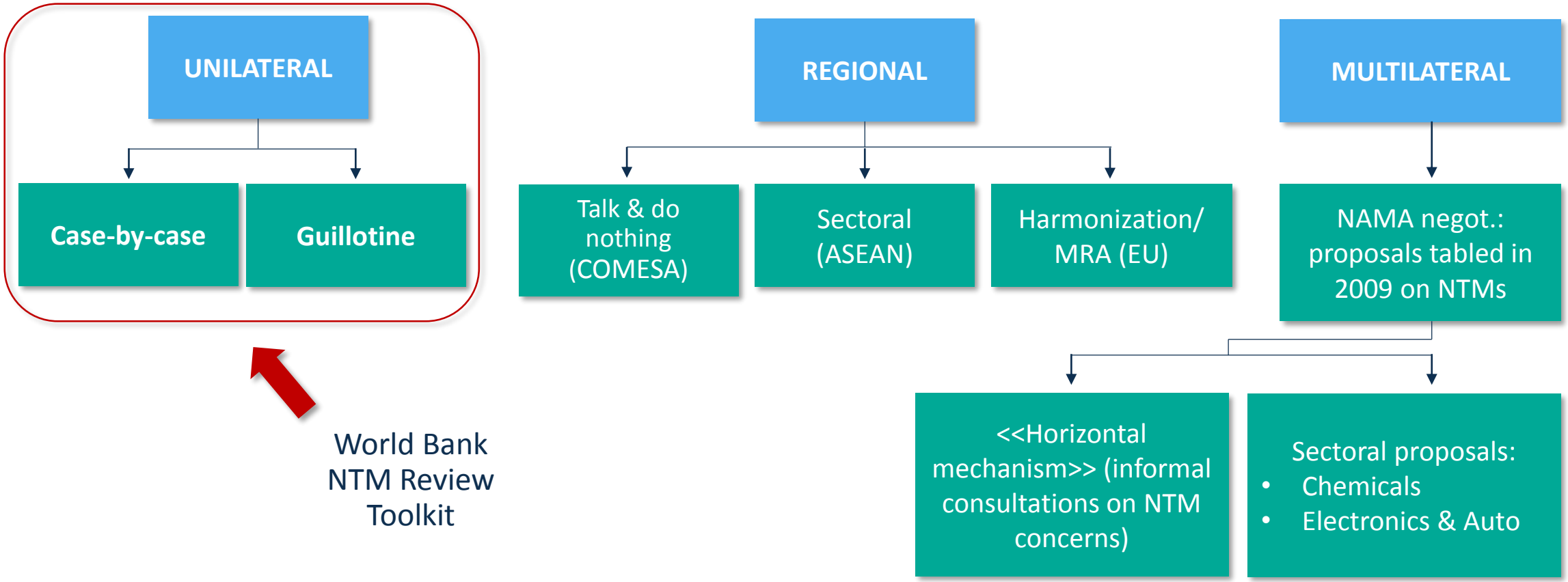


Caveats:

- Stage of production of a product matters more than product a country ends up exporting (basic input for the EXPY).
- how the product is produced matters

4 Aranceles y NTMs

How to deal with NTMs? Three families of approaches

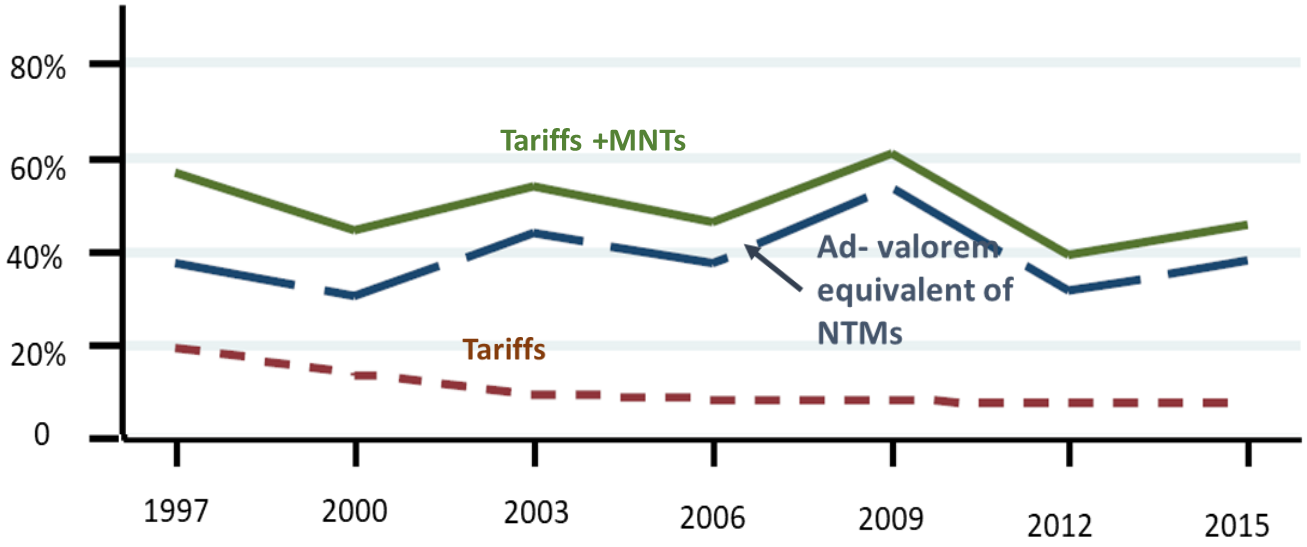


4

Why the emphasis on NTMs?

As tariffs have been reduced over time, NTMs are the most visible issue to be addressed and seem to have been increasing over time

Average tariffs and ad-valorem equivalent



Source: Niu et al (2018), Review of World Economics

GVCs can magnify the effect of NTMs.

NTMs are harder to overcome for smaller businesses, especially in low-income countries.

- Measures can represent large fixed entry costs; lack of scale economies.
- Yet, developing countries stand to gain the most from lowering NTMs – **strong link between trade, economic growth and poverty reduction**

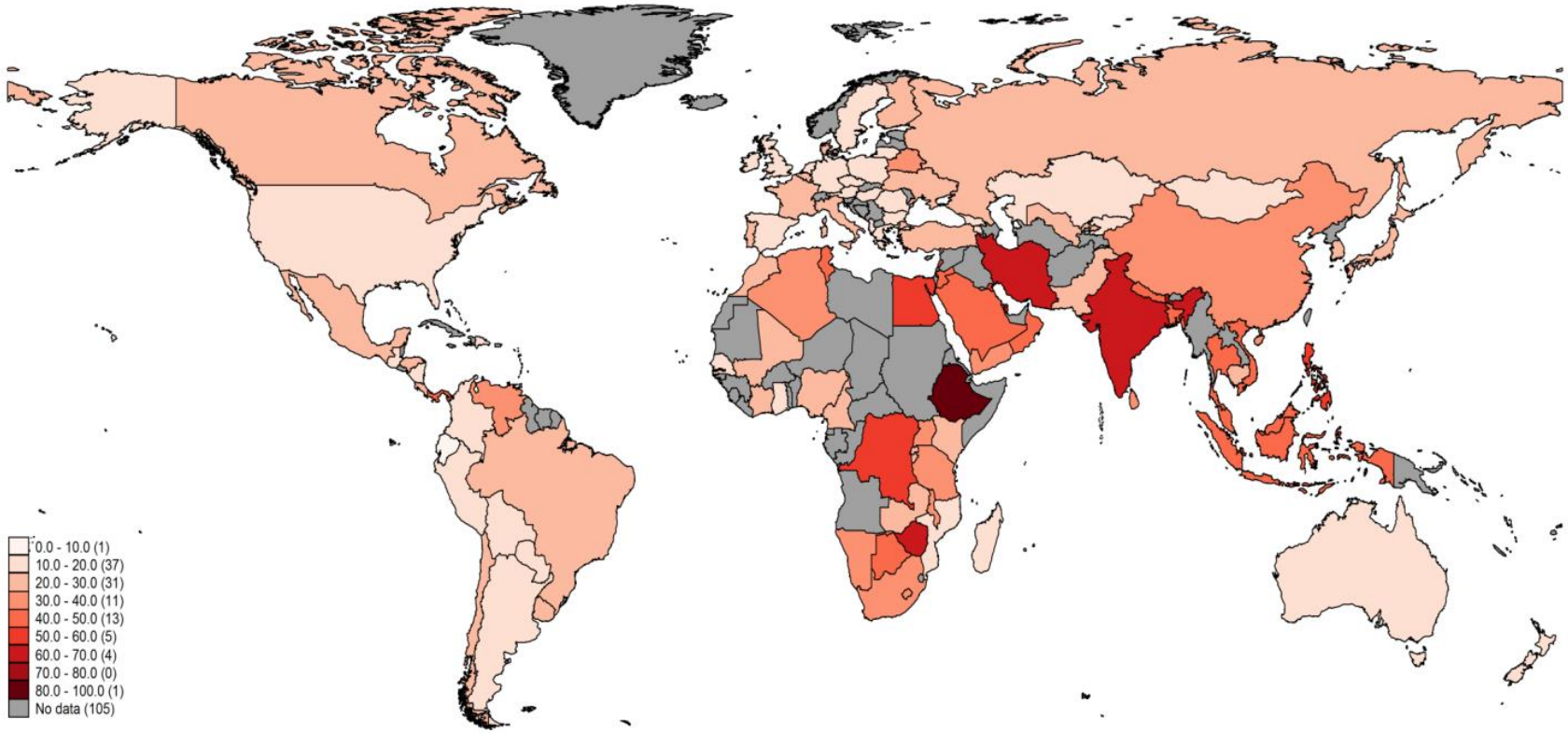
New trade agreements are deeper and aim at facilitating a regulatory framework.

5 Servicios

Example: services trade restrictions by country

By:

- Quantitative restrictions on entry and operations.
- Discriminatory taxes and subsidies.
- De jure or de facto discriminatory regulation.



2

Services in the domestic economy for Peru

	Primary	Energy	Manufacturing	Services	Electricity, Gas, and Water	Construction	Trade, Distribution, and hotels	Transport	Communication	Finance	Insurance	Other Business Services	Other Consumer Services	Other Services	Forward/Supply
Primary	12.7	0.0	5.7	0.9	0.0	0.2	0.3	0.1	0.0	0.0	0.0	0.0	0.1	0.2	19.2
Energy	0.2	0.4	1.0	0.8	0.0	0.1	0.1	0.4	0.0	0.0	0.0	0.0	0.1	0.1	2.5
Manufacturing	3.5	0.0	28.3	7.2	0.0	2.2	1.4	1.0	0.1	0.0	0.1	0.2	0.7	1.4	39.0
Services	2.7	0.1	5.5	31.0	0.0	10.3	3.1	3.7	1.0	0.5	0.8	1.3	3.7	6.5	39.2
Electricity, Gas, and Water	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Construction	0.1	0.0	0.2	8.9	0.0	8.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	9.1
Trade, Distribution,	0.2	0.0	0.6	1.4	0.0	0.1	1.1	0.1	0.0	0.0	0.0	0.0	0.0	0.1	2.2
Transport	0.2	0.0	0.5	2.5	0.0	0.1	0.2	2.0	0.0	0.0	0.0	0.0	0.0	0.1	3.2
Communication	0.2	0.0	0.4	1.6	0.0	0.1	0.2	0.1	0.9	0.0	0.0	0.0	0.1	0.2	2.1
Finance	0.5	0.0	0.9	1.6	0.0	0.3	0.3	0.3	0.0	0.4	0.0	0.0	0.1	0.1	3.0
Insurance	0.1	0.0	0.1	0.9	0.0	0.0	0.0	0.1	0.0	0.0	0.7	0.0	0.0	0.0	1.1
Other Business Services	1.3	0.0	2.3	5.1	0.0	1.0	1.1	1.0	0.0	0.0	0.1	1.2	0.2	0.5	8.7
Other Consumer Services	0.1	0.0	0.3	4.0	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0	3.3	0.5	4.4
Other Services	0.1	0.0	0.2	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.9	5.2
Backward/ Demand	19.1	0.6	40.5	39.8	0.0	12.8	4.8	5.3	1.1	0.5	0.9	1.5	4.6	8.2	100.0

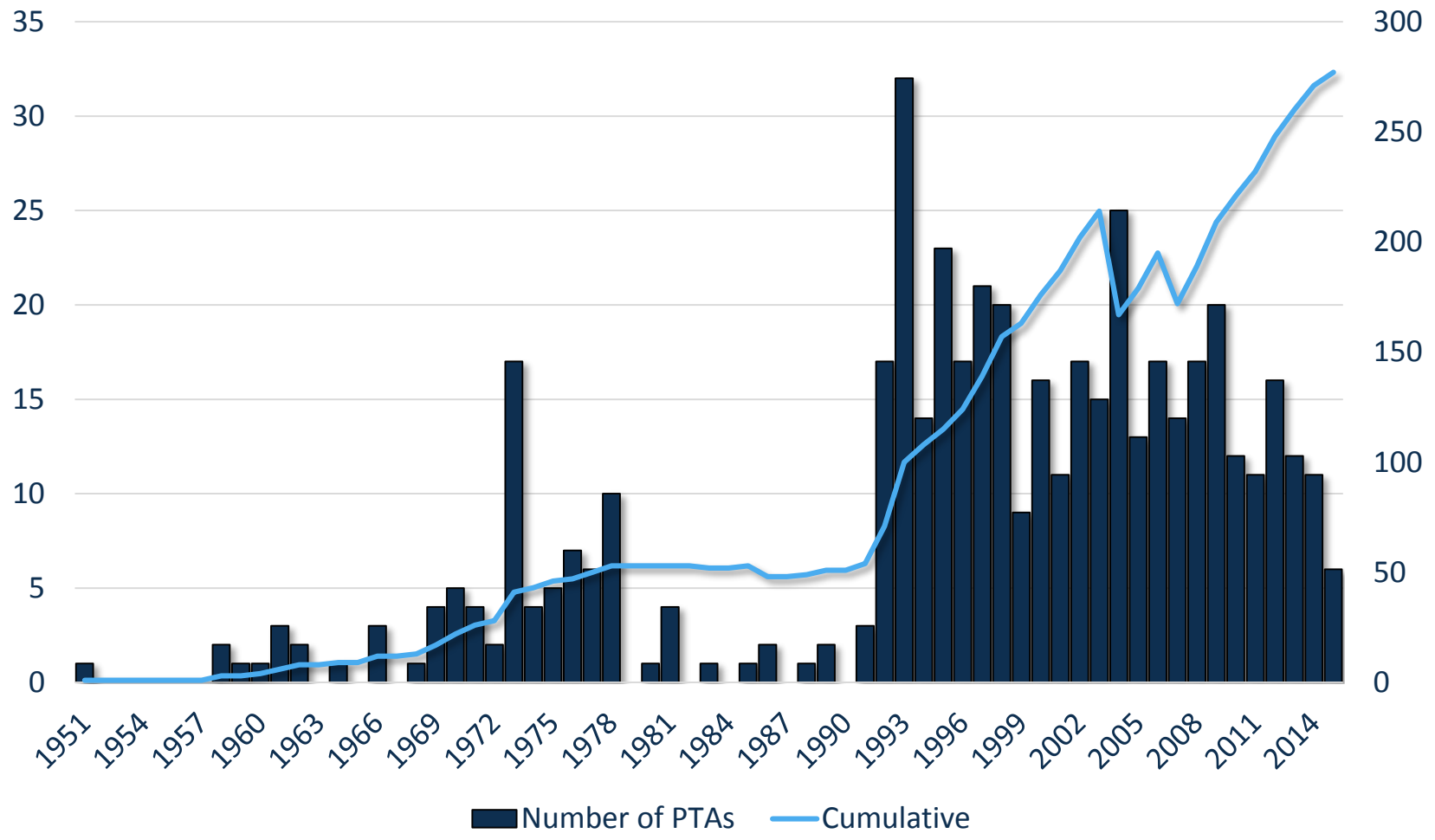
5

Econometric analysis of services constraints on firm productivity using Enterprise Surveys: Africa

	Regional average	Regional average	Regional average	Regional average	Regional average	Regional average	Regional average	Regional average
Dep Var TFP	All firms	All firms	All firms	All firms	Africa	Africa	Africa	Africa
Exporter	0.161***	0.161***	0.161***	0.162***	0.187**	0.185**	0.186**	0.199**
	(0.0221)	(0.0221)	(0.0221)	(0.0224)	(0.0923)	(0.0928)	(0.0924)	(0.0970)
Firm size	0.218***	0.218***	0.218***	0.227***	0.132***	0.140***	0.138***	0.148***
	(0.0131)	(0.0131)	(0.0131)	(0.0132)	(0.0478)	(0.0467)	(0.0474)	(0.0489)
Firm age	0.001	0.001	0.001	0.001	0.005***	0.005***	0.005***	0.005***
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
Finance Obstacle	-0.038				-0.127			
	(0.03)				(0.09)			
Transport Obstacle		-0.0149				-0.03		
		(0.0339)				(0.162)		
Electricity Obstacle			0.0502				-0.044	
			(0.0317)				(0.105)	
Telecommunications Obstacle				-0.006				-0.289**
				(0.031)				(0.134)
Constant	-0.32***	-0.35***	-0.47***	-0.42***	-0.436	-0.647*	-0.618*	0.0150
	(0.07)	(0.07)	(0.09)	(0.073)	(0.35)	(0.36)	(0.344)	(1.318)
Sector dummies	YES	YES	YES	YES	YES	YES	YES	YES
Country-Year dummies	YES	YES	YES	YES	YES	YES	YES	YES
Observations	12,824	12,824	12,824	12,442	1,334	1,334	1,334	1,241
R-squared	0.046	0.046	0.046	0.050	0.040	0.039	0.039	0.045

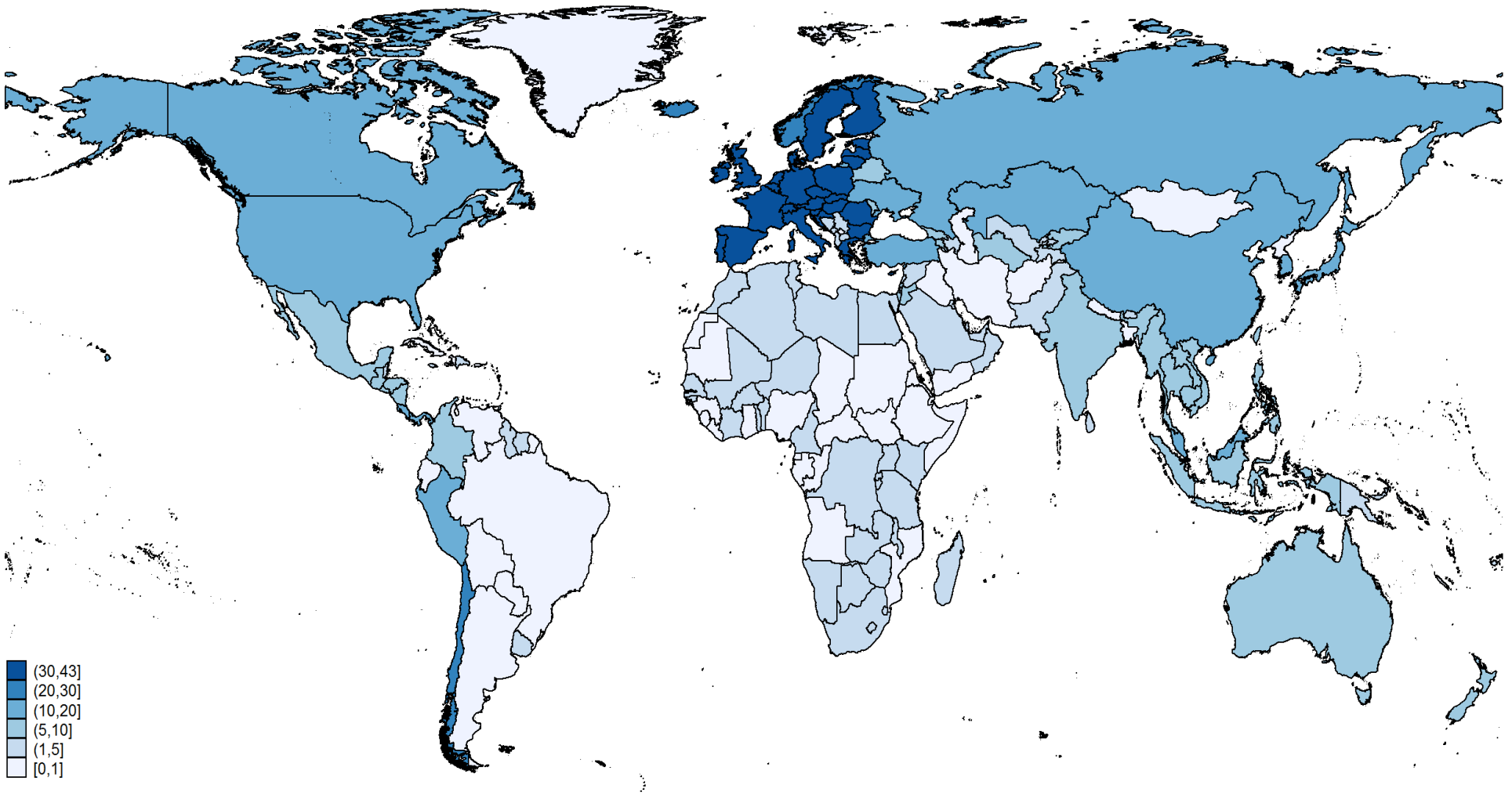
6 Acuerdos de comercio

Since 1990 there has been a surge of preferential trade agreements (PTAs)



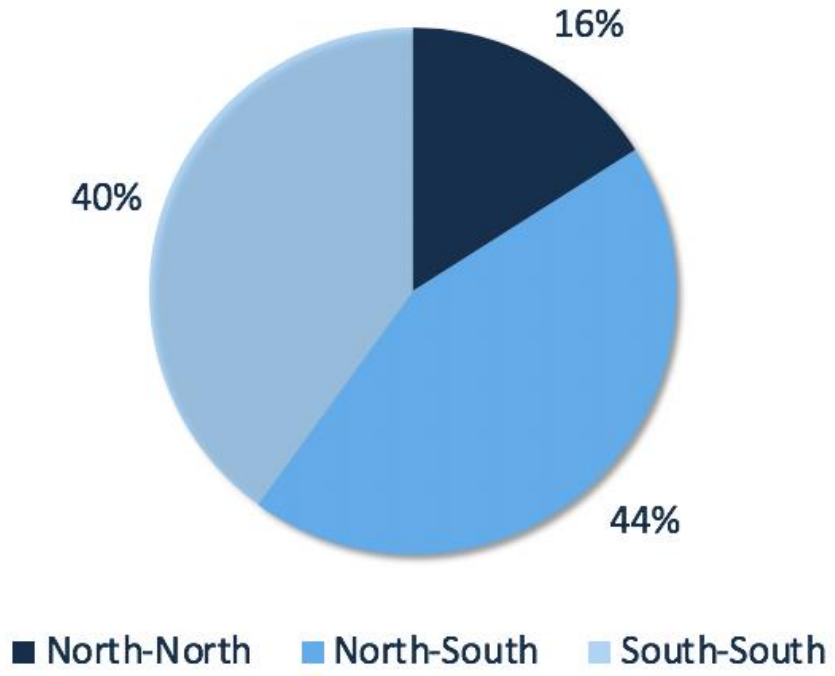
PTA participation has in general accelerated over time and Brazil is an exception to this pattern

On average one country participates in fourteen agreements



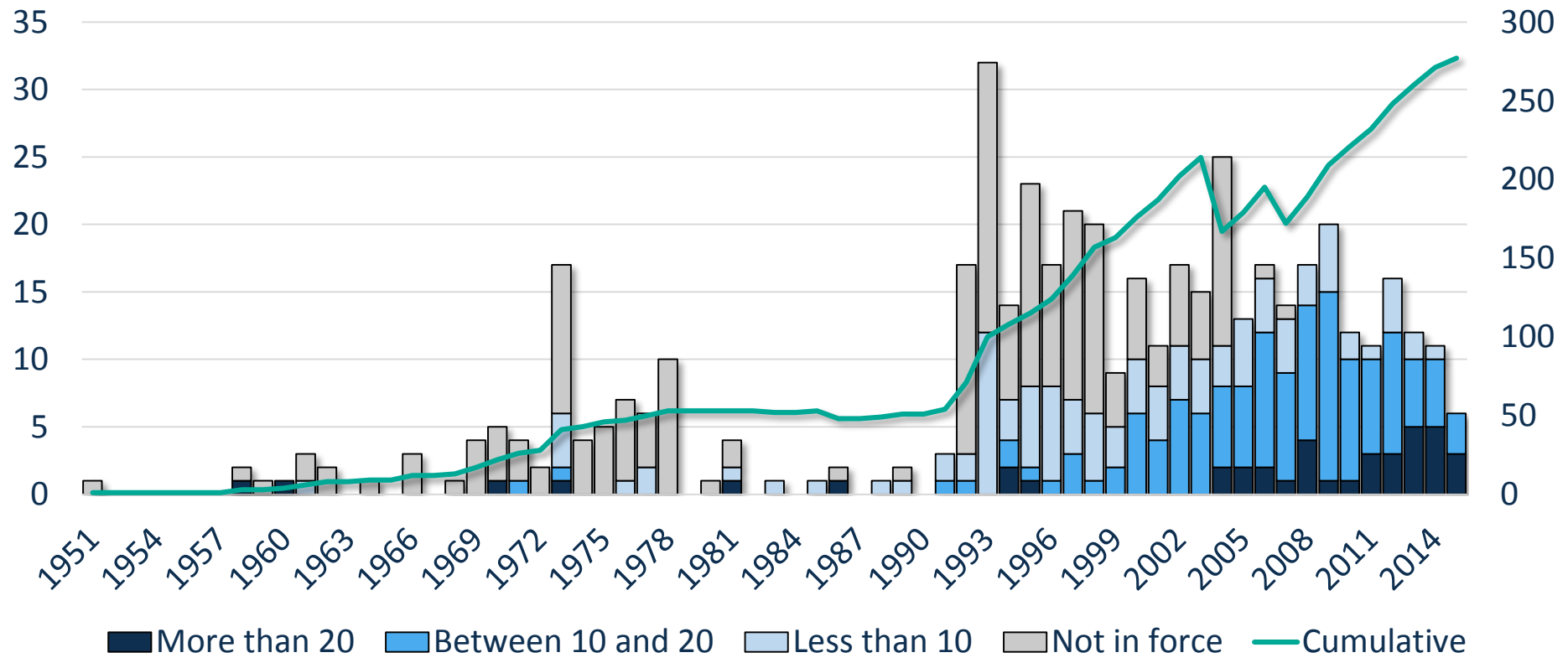
2

The continuing proliferation of PTAs over the last 30 years involves a wide network of participants



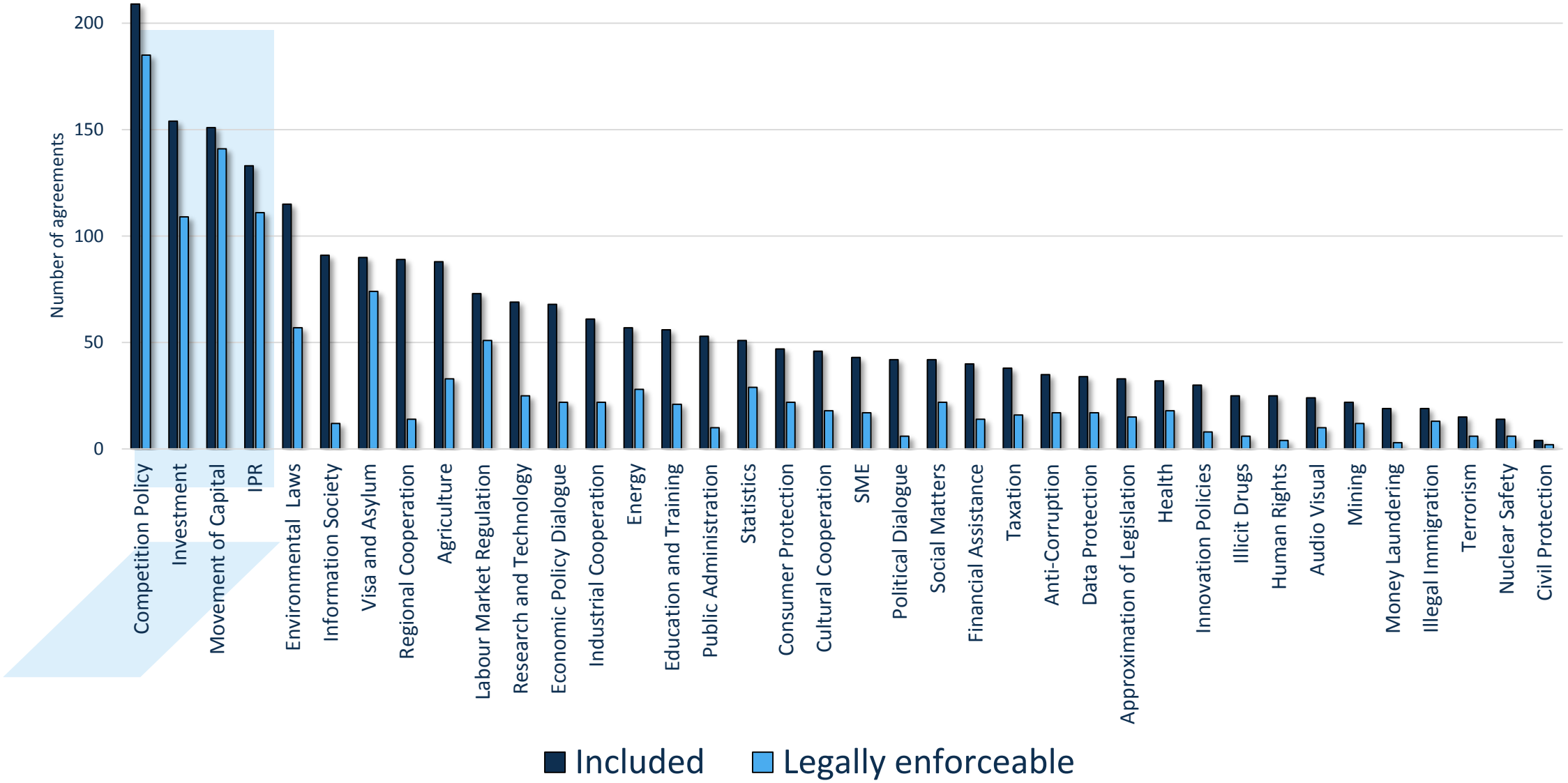
PTAs are also becoming “deeper”

Coverage in terms of policy areas has widened over time.

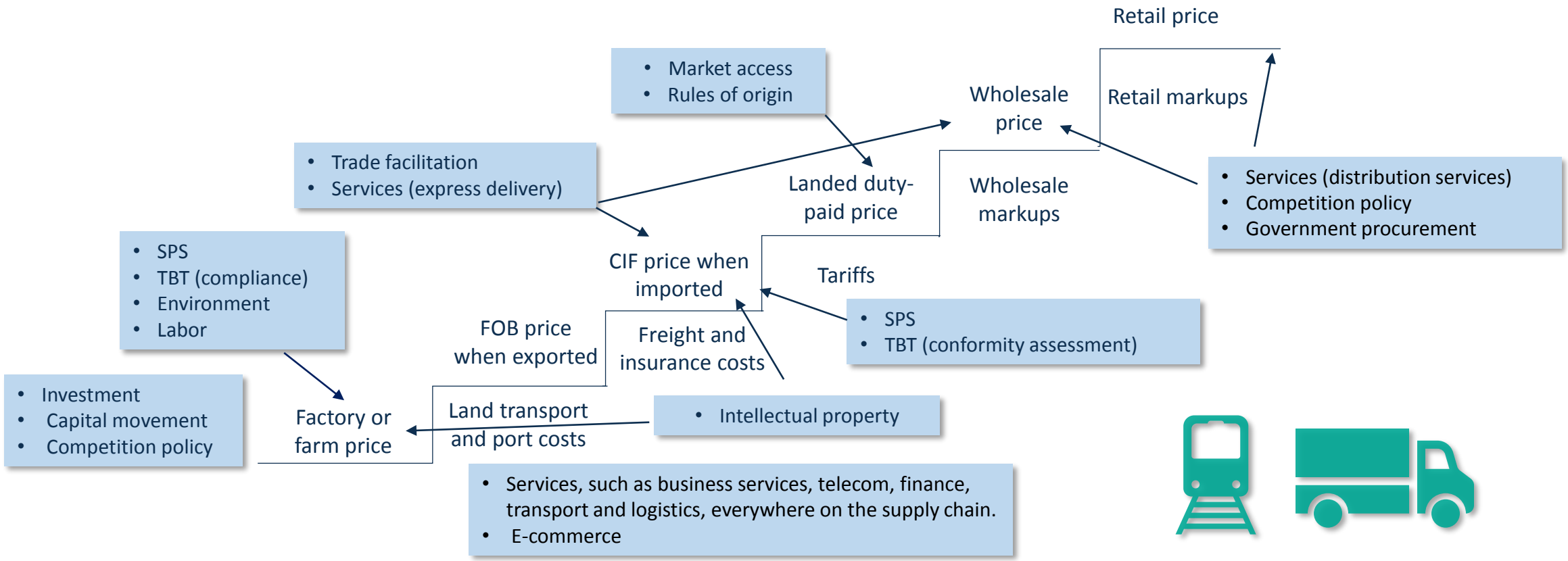


2

PRINCIPALES MATERIAS ACORDADAS EN ACUERDOS COMERCIALES



Trade agreements disciplines and the supply chain



2

Selected literature review

Theory on GVC and deep agreements

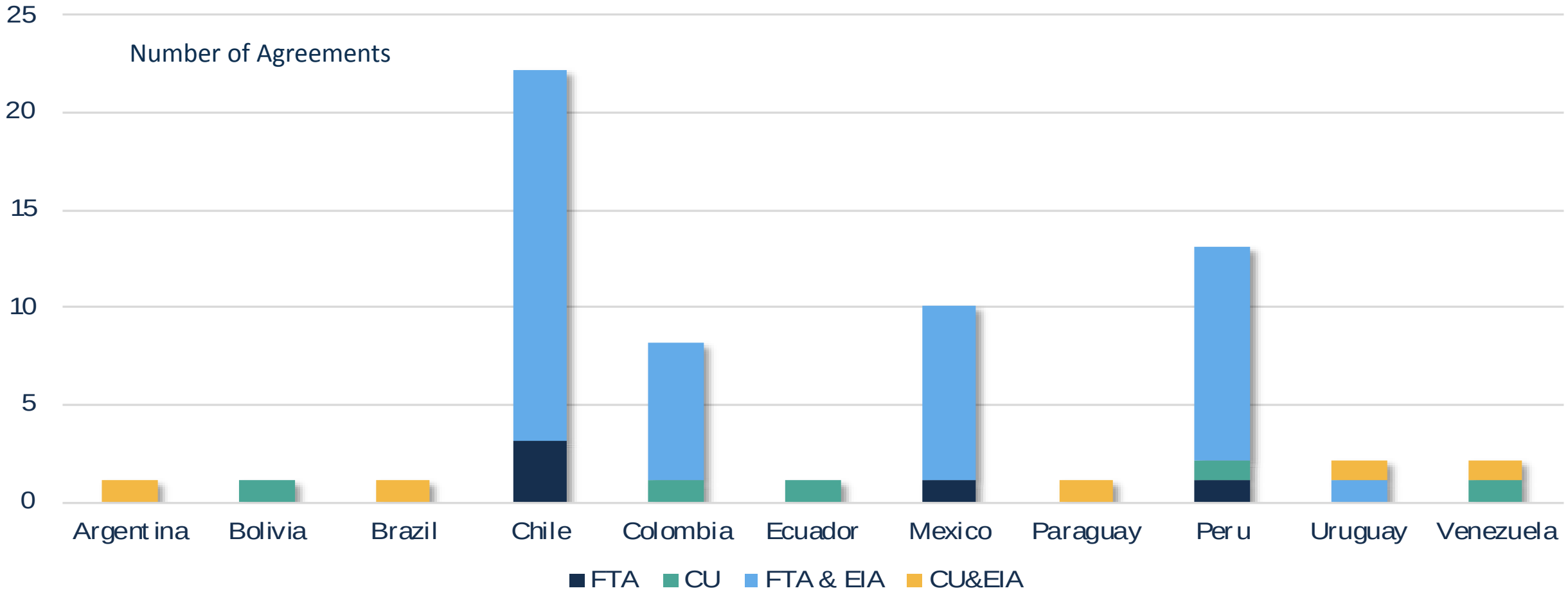
- Informal. For example: Lawrence (1996), Baldwin (2010), WTO (2011)
- Formal. For example: Antras and Staiger (2008), Blanchard (2014)

Evidence on trade effects of PTAs

- Trade effects by type of agreements (Baier et al., 2014)
- Trade costs and GVCs (Noguera, 2012; Johnson and Noguera, 2014)
- Impact of deep agreements: Orefice and Rocha (2014); Osnago, Rocha and Ruta (2015);
- Overview by Limao (2016)

2

Mercosur members are less integrated compared with other countries of the region

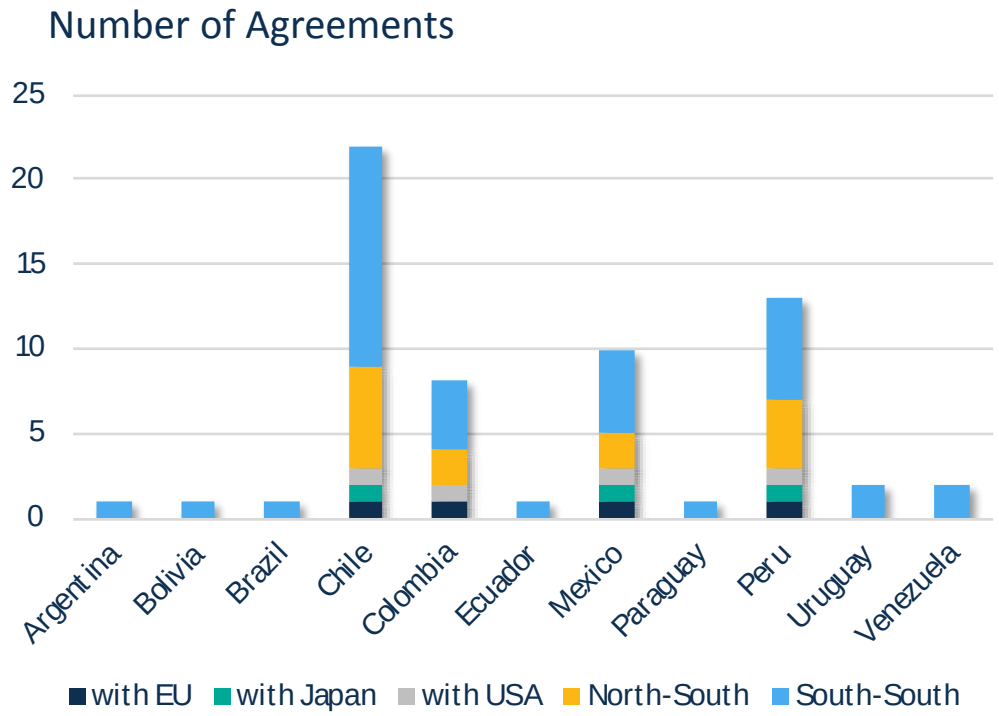


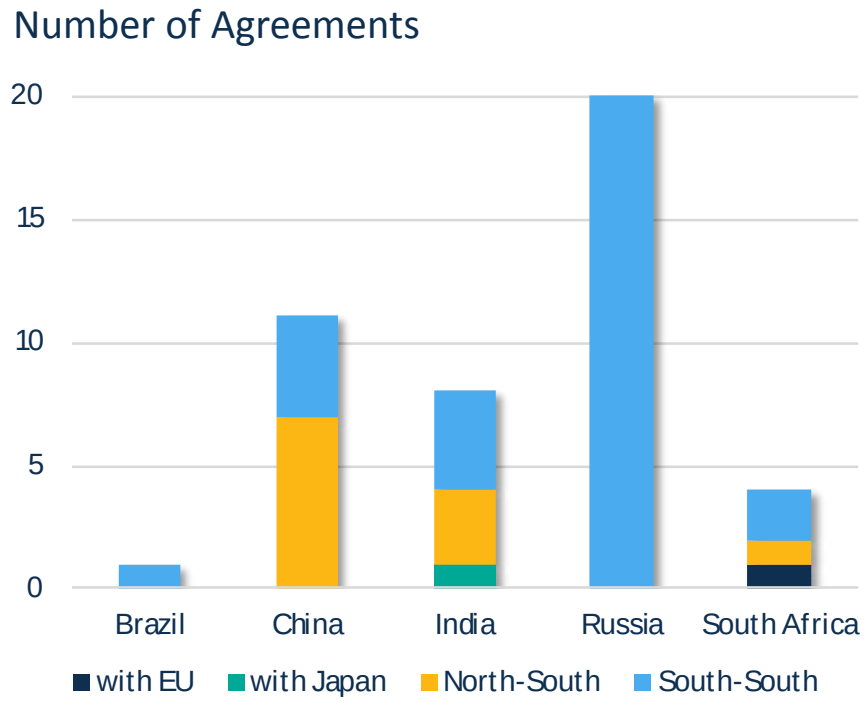
6

Brazil has not participated in agreements with other regions or with developed economies

Pacific Alliance members have increasingly integrated with the North

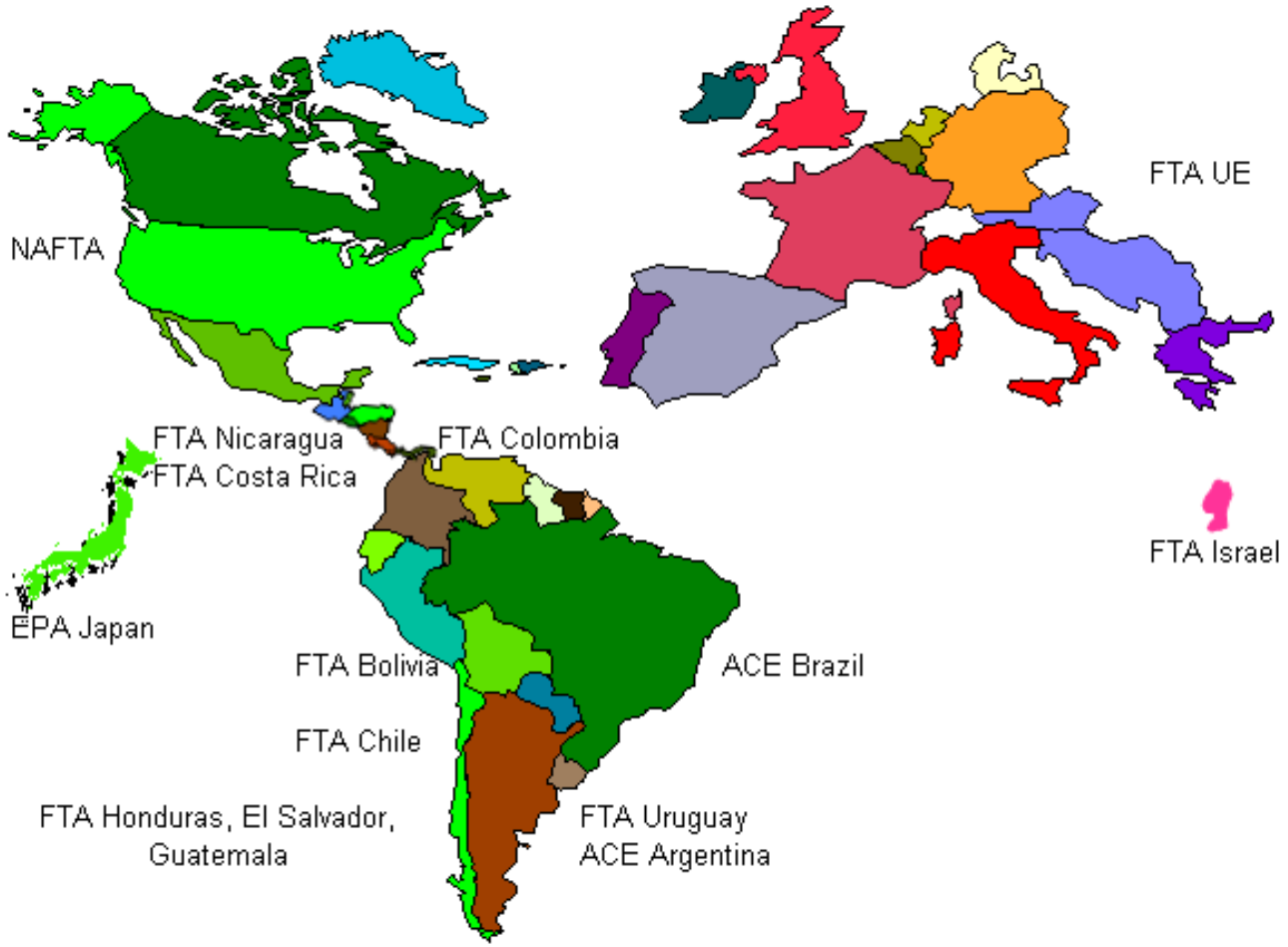
With the exception of Russia and Brazil, the BRICS countries are significantly involved in N-S integration



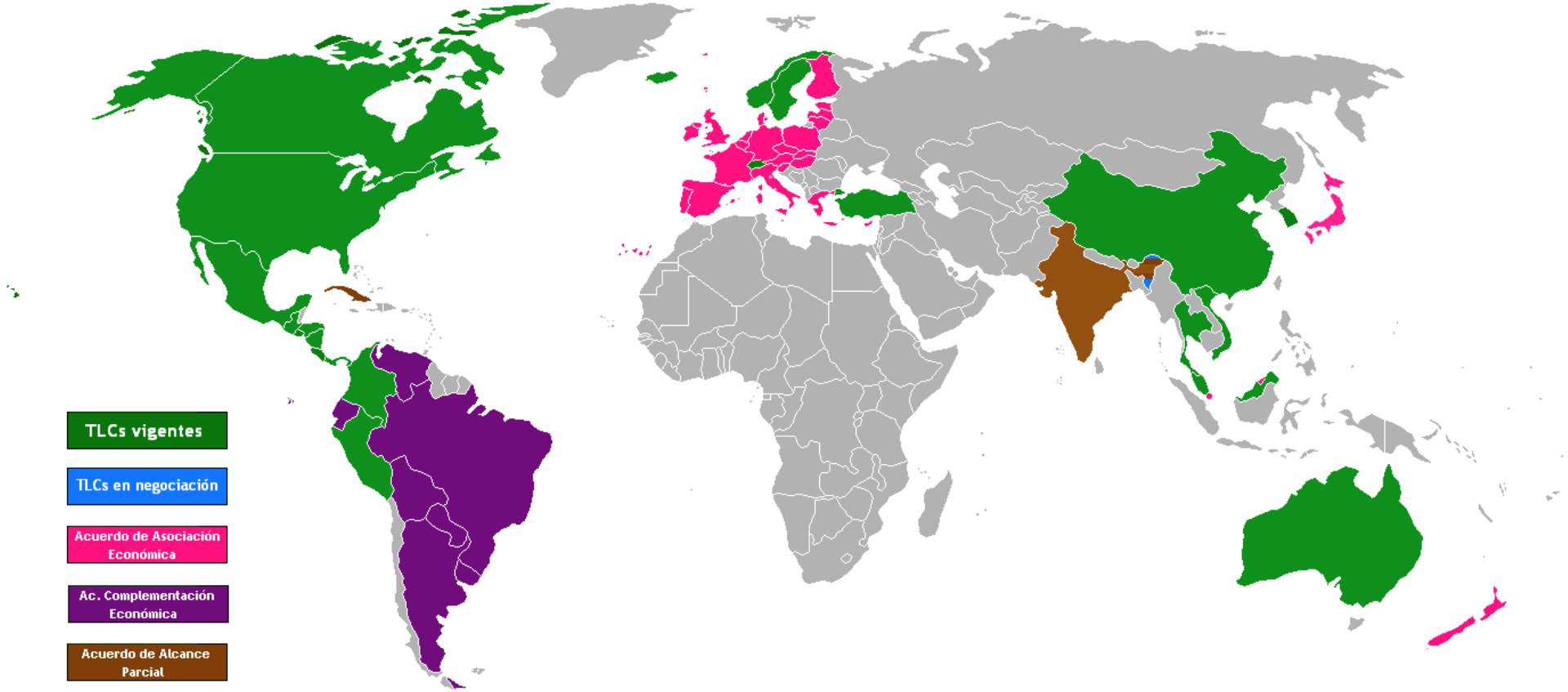


Free Trade Agreements (FTA):

Mexico has signed 44 FTA (more than any country in the World!)
More than twice as many as China and four times more than Brazil.



The case of Chile: 22 FTA with 60 Countries



Chile has access to more than 4.2 Billion people (60% of the population).
Mexico has access to 1 Billion people but over 60% of the Global GDP!

7 Facilitación de comercio

Trade facilitation and border management program work streams

Border management reform and alignment with the WTO TFA

- Simplifying and harmonizing trade procedures and documentation
- Conducting legal and regulatory reforms
- Integrating coordinated risk management systems into border inspections and clearance
- Supporting the implementation of electronic processing/automation, Single Window Systems, and ePhyto
- Improving transparency and predictability
- Prohibited and restricted cargo
- SPS and TF work
- Alignment with the TFA

Agribusiness sector Focus

- Bridging the gap between food production and food security by creating and linking growth nodes and markets.
- Tackling trade logistics binding constraints, offering market access for key agribusiness products and supply chains
- Improving the import and export process to reduce the time and cost to access global markets for firms and suppliers in supply chains.

Regional integration

- Harmonization of import-export procedures; risk management systems for border clearance and inspections
- Encourage compliance with international standards for trade facilitation
- Simplify and streamline documents and procedures for transit cargo
- Create mechanism for information, data exchange among various inspection/control agencies
- Implementing a coordinated border management approach to risk management

Trade supply chain

- Improve efficiency of cargo movement at ports, airports and dry-ports
- Modernize/improve logistics and services along the supply chain and/or specific Value Chains
- Enhance regulatory framework for logistics services

So What is Changing at the Border

Historical Approach

Priority on control
Reform episodes
High levels of physical inspection
Focus on goods
Focus on identifying non-compliance
Limited incentives for compliance
One size fits all
Limited use of ICT
Adversarial relationship with trade
Competition between agencies
Limited cooperation with neighbors
Limited operational statistics
Immediate transaction focus

Modern Approach

Facilitation/control balance
Continuous improvement
Risk based (intervention by exception
Focus on information
Focus on compliance & non-compliance
Strong incentives for compliance
Flexible solutions for different clients
Extensive use of ICT
Constructive partnership with trade
Collaboration between agencies
Extensive cross-border cooperation
Clear measures of performance
Client compliance and audit focus

8 TRANSPORTE

Inconvenientes de transporte intermodal en Latino América

- **Inconvenientes por falta de homogeneidad de la red (** para las dimensiones y pesos por eje de los vehículos)
- **Inconvenientes por falta de continuidad de la red**
  - ferro-lacustre Mataraní-Puno-Guaqui-La Paz
  - redes ferroviarias Guaqui-La Paz-Puerto Quijarro en transbordo en camion en Cochabamba y Santa Cruz de la Sierra
- **Inconvenientes por temporalidad climática**

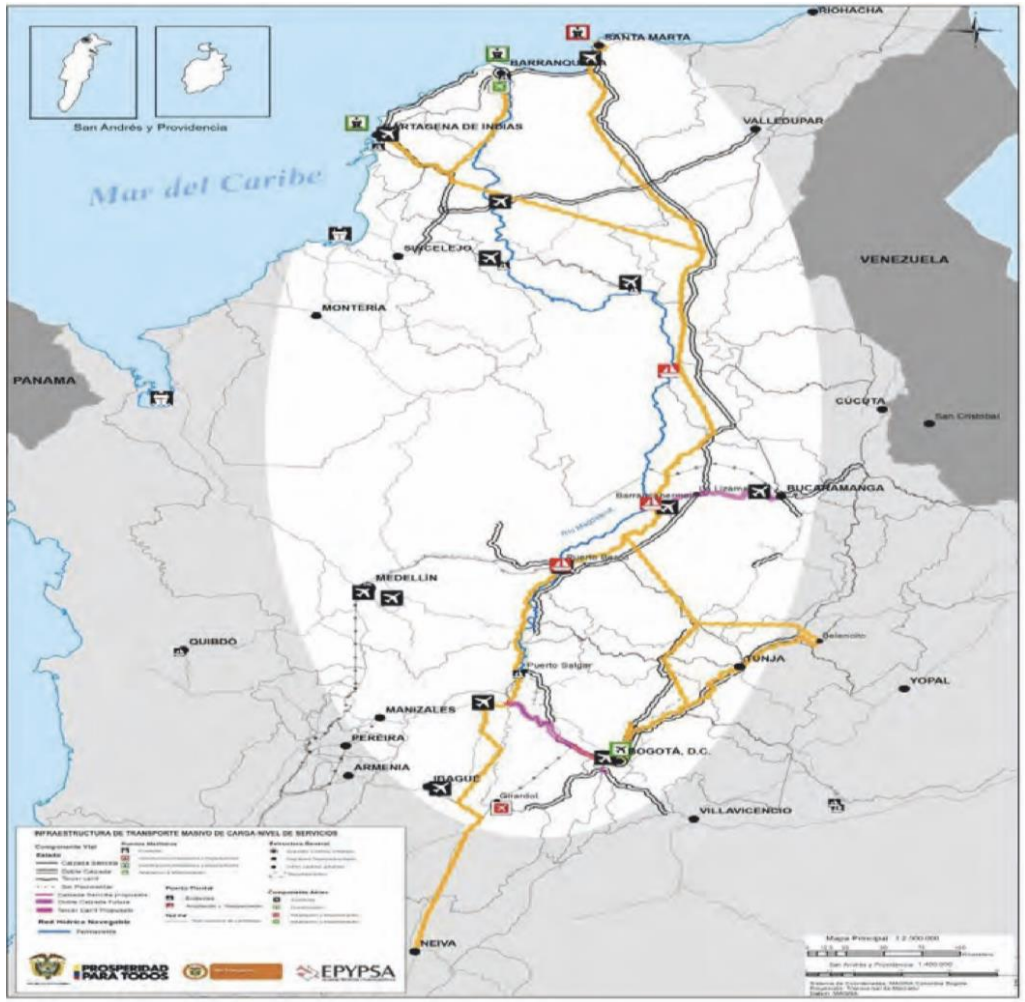
European Agreement on Important International Combined Transport Lines and Related Installations (AGTC Agreement)

- **Network infrastructure standards**
- **Performance parameters and benchmarks for trains and terminals**

Source: CEPAL, UNECE

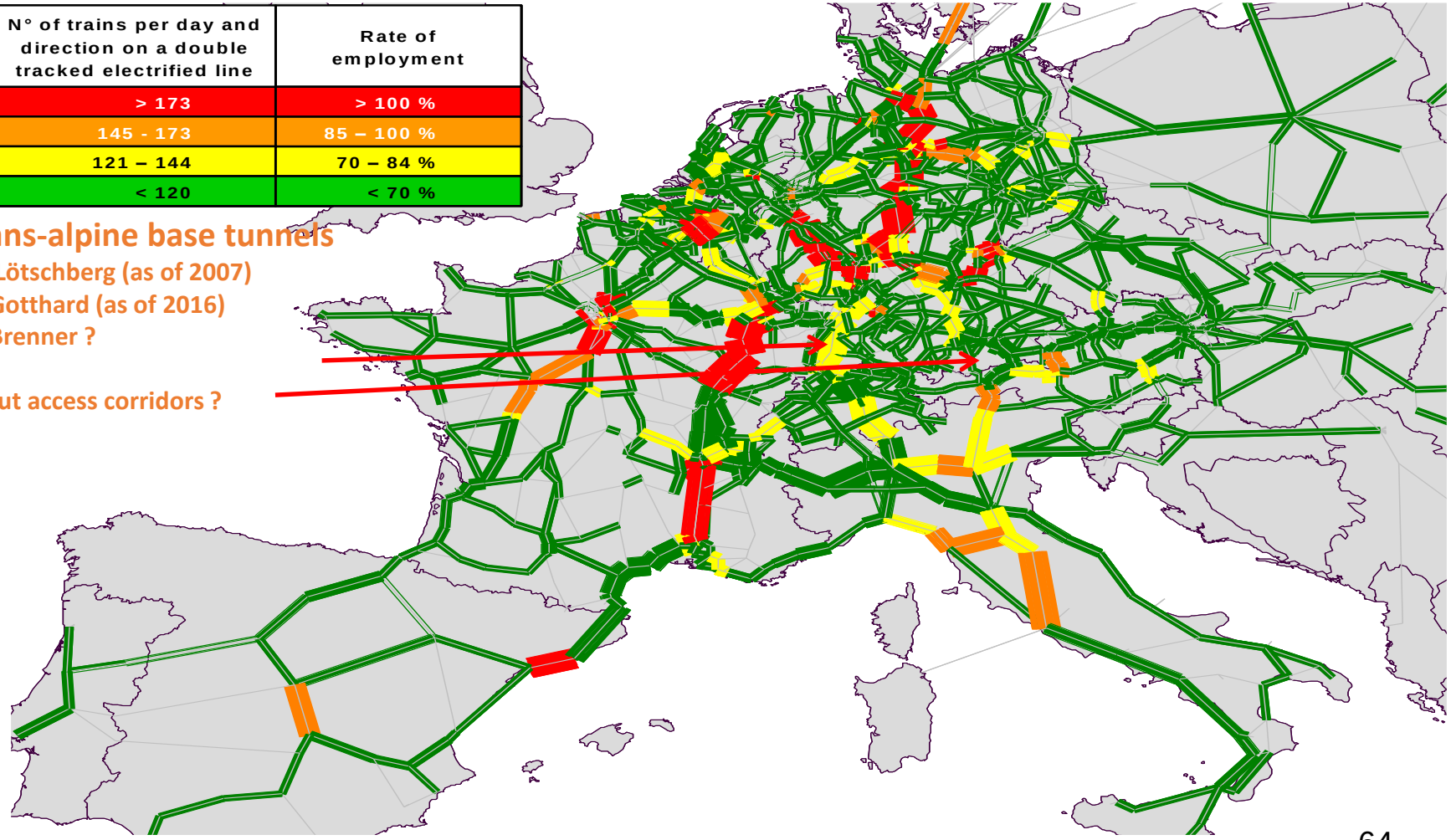
8

Intermodal network (road-rail)



Major bottlenecks in 2015 (UIC DIOMIS study)

N° of trains per day and direction on a double tracked electrified line	Rate of employment
> 173	> 100 %
145 - 173	85 – 100 %
121 – 144	70 – 84 %
< 120	< 70 %



Trans-alpine base tunnels

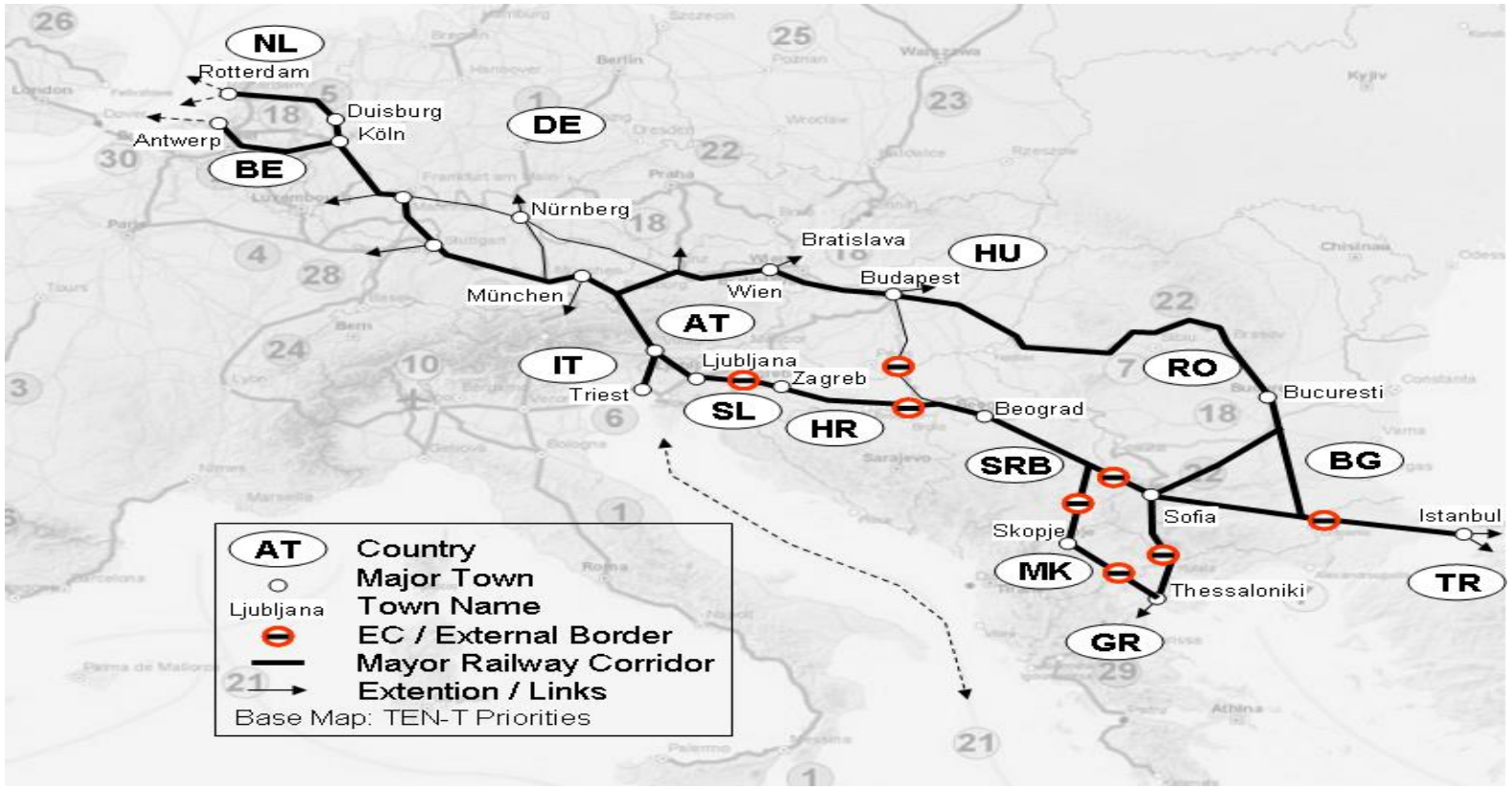
- Lötschberg (as of 2007)
- Gotthard (as of 2016)
- Brenner ?

… but access corridors ?

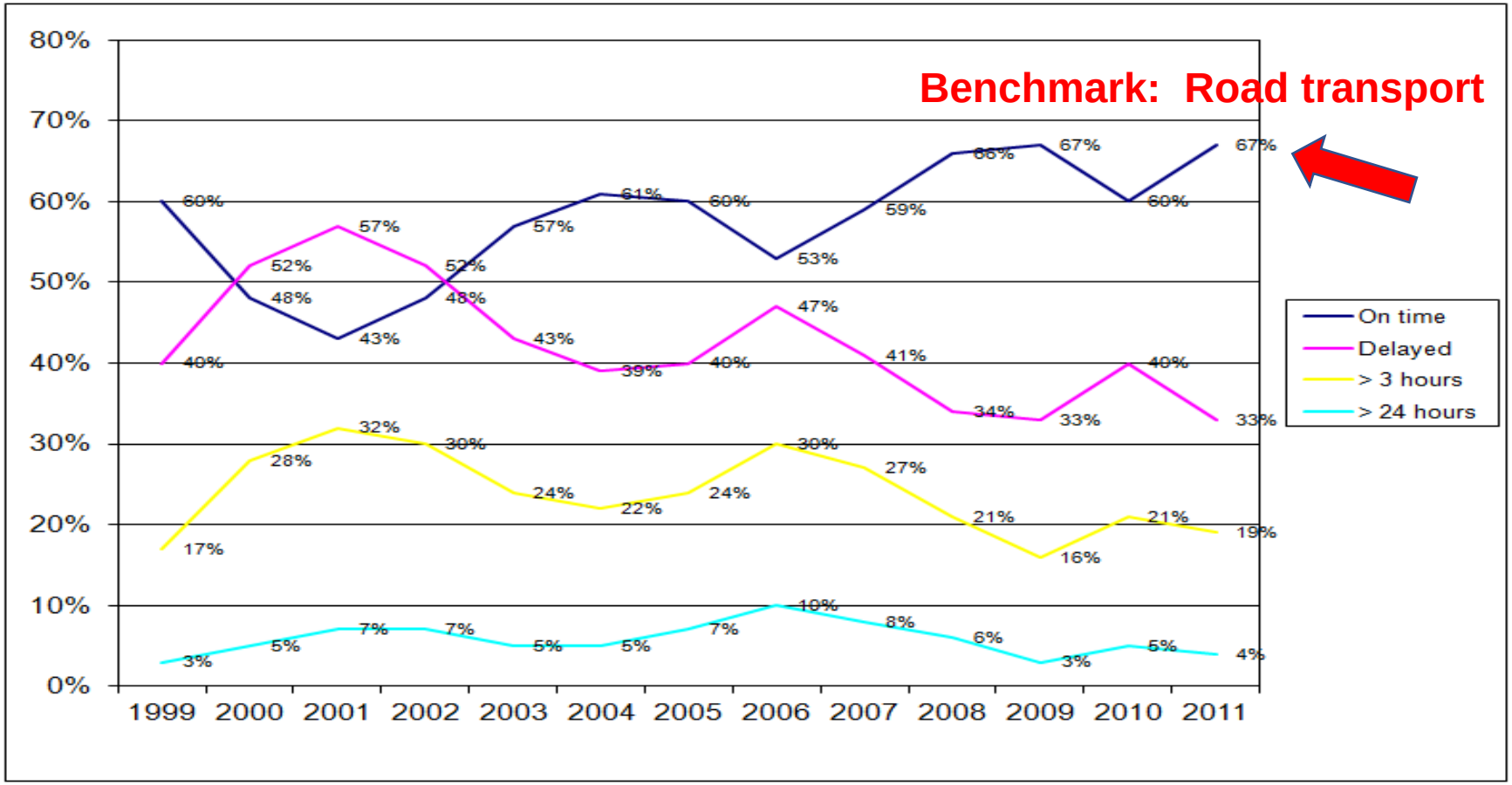
8

Administrative, technical and legal barriers

(Example: Balkan corridor)



Punctuality of intermodal transport trains



Since 2004: Without Brenner/Austria

Since 2009: Without Brenner/Austria, F-I, Eastern countries

UNECE
Intermodal challenges

Expensive equipment and maintenance

Small wheels for transport of high volume mega-trailers

Very low pocket platform
(270 mm above rail)

for the transport of 4 m high semi-trailers

GRACIAS POR SU ATENCIÓN

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