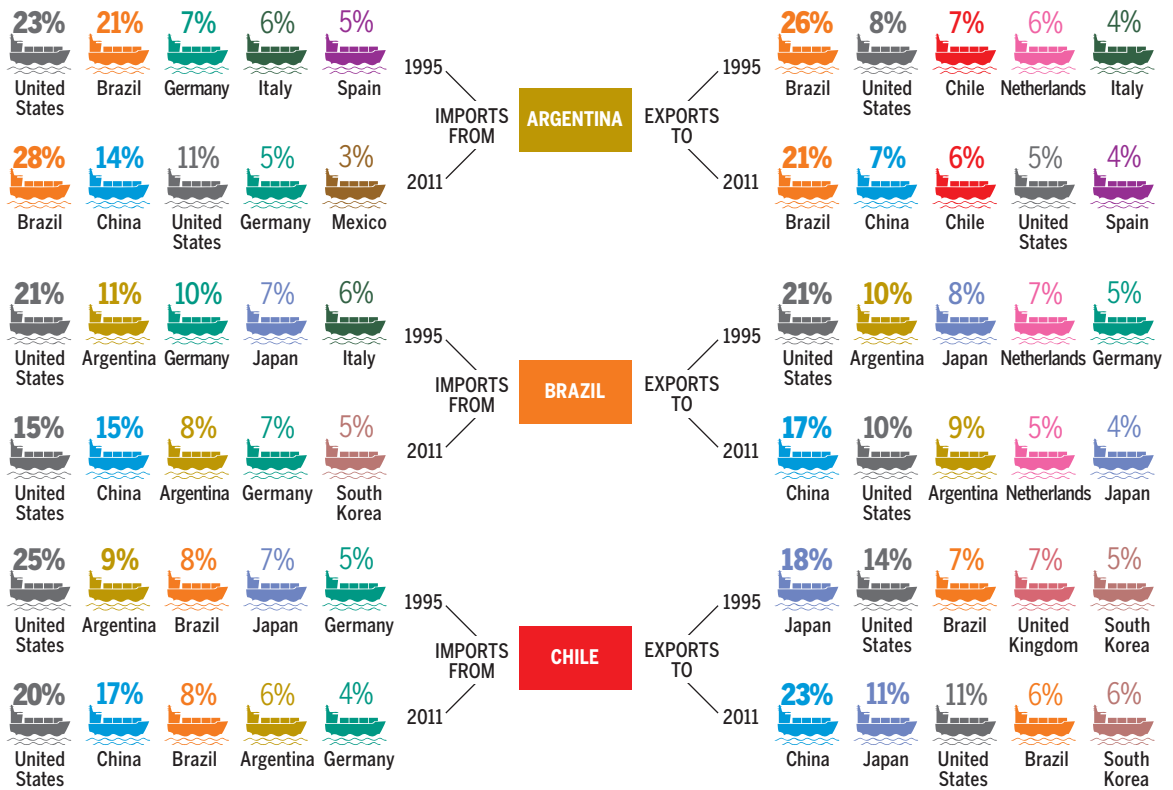


LATIN AMERICA'S CHANGING GLOBAL CONNECTIONS

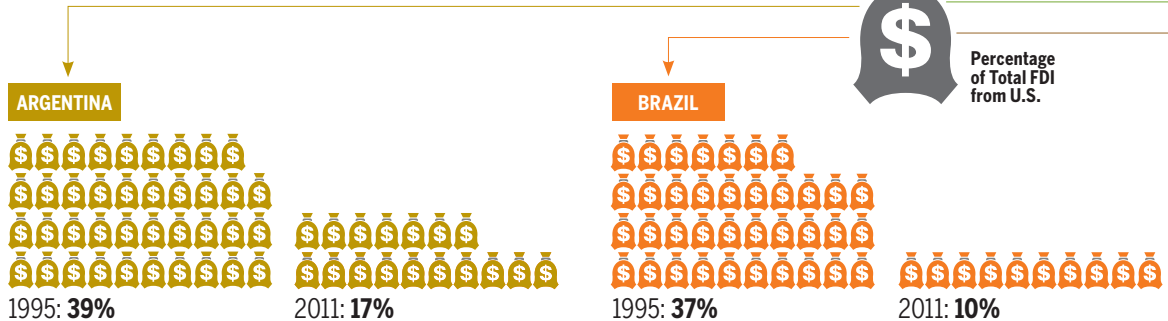
By Leani García

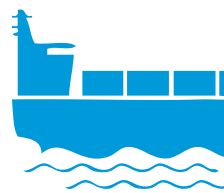


COMMERCE FLOWS: SHARE OF IMPORTS AND EXPORTS BY COUNTRY, 1995-2011

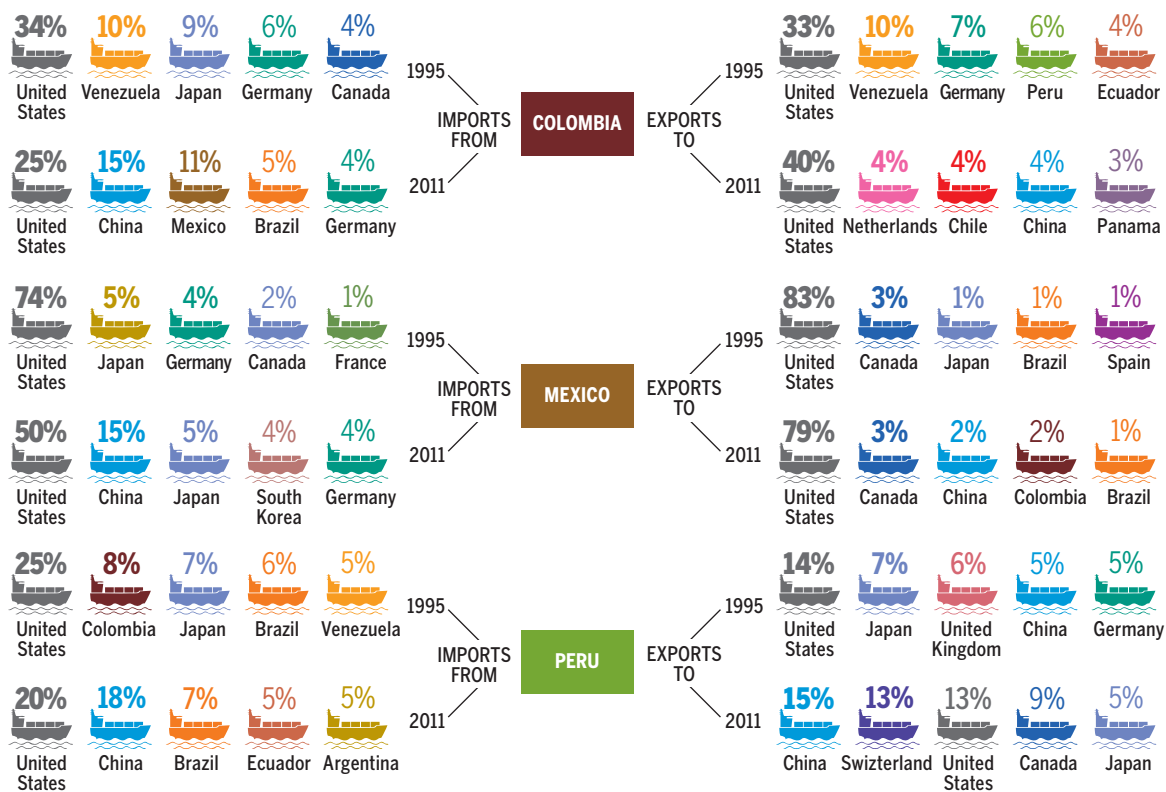


PERCENT OF U.S. FDI BY COUNTRY, 1995-2011

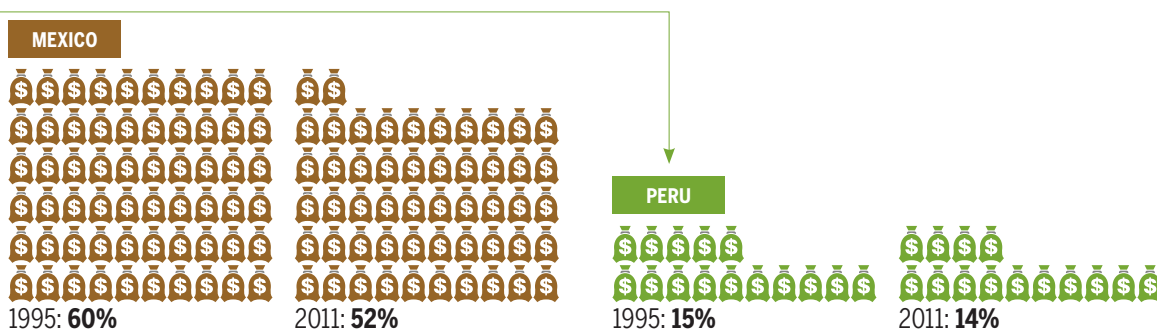




There's no denying it; whether it's share of trade or percent of foreign direct investment (FDI) in the hemisphere, the U.S.' economic presence has decreased. Even when the U.S. didn't slip a place in terms of a trade partner, its overall share of countries' imports or exports declined across the board, while other countries' increased—especially China's. In the same period, in Argentina and Brazil, the share of U.S. FDI declined by 22% and 27%, respectively. One possible reason is on the next page.



Source: IDB DATAINTAL



Source: ECLAC

OUR FREE-TRADE HEMISPHERE

Since the mid-1990s, countries like Chile and Mexico have been on a free-trade tear, negotiating FTAs not just with the U.S. and their neighbors but with countries outside the hemisphere. Chile has 22 FTAs in force with countries as diverse as Australia, Brunei, China, Turkey and Malaysia; Mexico has 17 in force with parties like the EU, Israel and Japan. One of the exceptions is the newly expanded Mercosur, which boasts a mere two extra-regional FTAs. The results in terms of combined economic power are shown below. The combined GDP of the markets with which Chile and Peru have FTAs is approximately 75 times larger than that of the five-country Mercosur.

Chile	Colombia	Mercosur	Mexico	Peru	
1996 Mercosur	2009 Chile, EFTA*, Guatemala, Honduras	1996 Chile	1994 Canada, United States	2005 Mercosur, United States	☐ Date Entered into Force
1997 Canada	2010 El Salvador	1997 Bolivia	1995 Costa Rica	2009 Canada, Chile, Singapore	
1999 Mexico	2011 Canada, Mexico	2005 Andean Community, Peru	1998 Nicaragua	2010 China	■ Not Entered into Force
2002 Costa Rica, El Salvador	2011 EU	2006 Mexico	1999 Chile	2011 EFTA*, South Korea, Thailand	
2003 EU	2012 United States	2007 Israel	2000 EU, Israel	2011 Costa Rica, Guatemala	
2004 EFTA*, United States	2013 South Korea	2009 India	2001 EFTA*	2012 Japan, Mexico, Panama	
2006 Brunei, China, New Zealand		2009 SACU**	2004 Uruguay	2012 EU, Venezuela	
2007 Japan		2010 Egypt	2005 Japan		
2008 Honduras, Panama			2006 Mercosur		
2009 Australia, Colombia, Peru, Singapore			2010 Bolivia		
2010 Guatemala			2011 Colombia, El Salvador, Guatemala, Honduras		
2011 Turkey			2012 Peru		
2012 Malaysia, Nicaragua	2012 Vietnam				

FTAs BY U.S. AND REGION

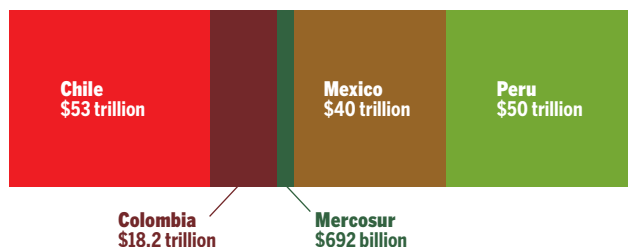
	Chile	Colombia	Mercosur	Mexico	Peru	Totals
U.S.	1	1	0	1	1	4
Regional	10	5	5	11	7	38
Non-Regional	12	4	4	5	8	33
Total	23	10	9	17	16	75

*European Free Trade Association (EFTA): Iceland, Liechtenstein, Norway and Switzerland.
**South African Customs Union (SACU)

Source: Compiled by Barbara Kotschwar and Jeffrey J. Schott on the basis of information found at SICE (www.sice.oas.org/agreements_e.asp) — accessed on April 1, 2013.

COMBINED GDP OF COUNTRY FTAs

Combined GDP is calculated based only on the FTAs that have entered into force. It does not include framework or partial-scope agreements.



Source: World Bank

BILATERAL LOANS AND GRANT ASSISTANCE TO LATIN AMERICA

Organization	2010	2011
BNDES	\$687 million	\$870 million*
China	\$37 billion	
U.S.		\$2.1 billion
IDB MIF		\$101 million

* BNDES projection
U.S. Foreign Assistance comes from the following agencies: Department of State, USAID, Inter-American Foundation, and Millennium Challenge Coproportion