United Nations Conference on Trade and Development

TRADE AND DEVELOPMENT BOARD
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Item 6: Evolution of the international trading system and its trends from a development perspective

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International Trade and Integration Division, UNECLAC

The views expressed are those of the author and do not necessarily reflect the views of the UNCTAD
Connecting trade trends and policies with SDGs

In Latin America and the Caribbean

Nanno Mulder
Chief, International Trade Unit
International Trade and Integration Division
Presentation

1. Difficult times for Latin American trade
2. Impact of trade on some SDGs
3. ECLAC activities to promote trade as an instrument for the SDGs
1. Difficult times for Latin American trade
The region suffers a sharp drop in the value of exports

LATIN AMERICA: ANNUAL GROWTH RATES OF EXPORTS
(Percentajes)

Source: ECLAC on the basis of official national customs data.
Asia is now Latin America’s second largest trading partner behind the United States

LAC total merchandise trade, 2000-2013
(share of selected partners in %)

Source: ECLAC, based on COMTRADE database.
2. Impact of trade on some SDGs
Employment intensity of exports differs by destination market

SELECTED COUNTRIES IN LATIN AMERICA: EMPLOYMENT PER MILLION US$ OF EXPORTS BY DESTINATION

<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
<th>Latin America &amp; the Caribbean</th>
<th>United States</th>
<th>European Union (27)</th>
<th>China</th>
<th>Rest of Asia</th>
<th>Rest of the World</th>
<th>World</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>2007</td>
<td>27</td>
<td>26</td>
<td>35</td>
<td>37</td>
<td>35</td>
<td>33</td>
<td>31</td>
</tr>
<tr>
<td>Brazil</td>
<td>2005</td>
<td>62</td>
<td>76</td>
<td>121</td>
<td>117</td>
<td>114</td>
<td>109</td>
<td>93</td>
</tr>
<tr>
<td>Chile</td>
<td>2003</td>
<td>52</td>
<td>82</td>
<td>46</td>
<td>31</td>
<td>50</td>
<td>49</td>
<td>53</td>
</tr>
<tr>
<td>Colombia</td>
<td>2005</td>
<td>81</td>
<td>99</td>
<td>131</td>
<td>89</td>
<td>132</td>
<td>125</td>
<td>100</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>2011</td>
<td>32</td>
<td>38</td>
<td>51</td>
<td>26</td>
<td>29</td>
<td>43</td>
<td>37</td>
</tr>
<tr>
<td>Mexico</td>
<td>2003</td>
<td>28</td>
<td>26</td>
<td>22</td>
<td>23</td>
<td>29</td>
<td>21</td>
<td>25</td>
</tr>
<tr>
<td>Uruguay</td>
<td>2005</td>
<td>46</td>
<td>54</td>
<td>69</td>
<td>55</td>
<td>58</td>
<td>56</td>
<td>54</td>
</tr>
</tbody>
</table>

Sources: ECLAC on the basis of national input output tables.
Gender distribution by export sectors

ECUADOR: MALE AND FEMALE EMPLOYMENT BY EXPORT SECTOR, 2010

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>servicios</td>
<td>9%</td>
<td>16%</td>
</tr>
<tr>
<td>manufacturas</td>
<td>28%</td>
<td>42%</td>
</tr>
<tr>
<td>productos primarios</td>
<td>63%</td>
<td>productos primarios</td>
</tr>
</tbody>
</table>

Few firms concentrate LA exports to China

<table>
<thead>
<tr>
<th>Concentration of export values</th>
<th>To the world</th>
<th>To China</th>
</tr>
</thead>
<tbody>
<tr>
<td>Five largest firms</td>
<td>33.4</td>
<td>57.4</td>
</tr>
<tr>
<td>Ten largest firms</td>
<td>41.3</td>
<td>62.8</td>
</tr>
<tr>
<td>Herfindahl-Hirschman</td>
<td>0.1</td>
<td>0.4</td>
</tr>
<tr>
<td>concentration index (HHI firms)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participation of SMEs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>In the number of export firms</td>
<td>89.4</td>
<td>79.9</td>
</tr>
<tr>
<td>In the value of exports</td>
<td>8.8</td>
<td>5.6</td>
</tr>
</tbody>
</table>

**Sources**: ECLAC on the basis of national micro customs data for 8 countries (Bolivia, Chile, Costa Rica, Ecuador, El Salvador, Guatemala, Perú, Uruguay).

**Note**: SME exporters are those with sales below GDP per capita * 1000
Environment sensitive character of LA exports

MÉXICO, CENTRAL AMERICA vs. SOUTH AMERICA: SHARE OF ENVIRONMENT SENSITIVE EXPORTS

<table>
<thead>
<tr>
<th></th>
<th>Mexico and Central America</th>
<th>South America</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not sensitive</td>
<td>86.1</td>
<td>92.8</td>
</tr>
<tr>
<td>Environment sensitive</td>
<td>13.9</td>
<td>7.2</td>
</tr>
</tbody>
</table>

Sources: Source: ECLAC on the basis of the United Nations COMTRADE database.

Note: Environment sensitive sectors are those that spent most on pollution control and mitigation in the USA (1988).
LA Exports to China are environmentally sensitive

LATIN AMERICA: ENVIRONMENTAL IMPACT OF EXPORTS TO CHINA AND THE WORLD, 2004
(En porcentajes del PIB)

3. Examples of ECLAC activities that promote trade as an instrument for some SDGs
Examples of ECLAC publications on Trade & SDGs

International trade and inclusive development
Building synergies

Globalización, integración y comercio inclusivo en América Latina

Textos seleccionados 2010-2014
Osvaldo Rosales (compilador)
Examples of ECLAC publications on Trade & SDGs
ECLAC Project on SME internationalization

**Motivation:** Increase presence of SME in regional exports

**Goal:** Help export promotion agencies to 

a) identify export SMEs,  

b) promote SME innovation for exports,  

c) intermediate financial support

**Countries:** El Salvador, Ecuador, Nicaragua and Peru

**Activities:** Capacity-building through national workshops, international seminars, and country action plans

**Pilot study:** 40 speciality food SME exporters in 4 countries to USA

**Period:** 2013-2015
ECLAC Project on Carbon footprint of food exports

**Motivation**: Reduce carbon footprint in food export chain

**Goal**: Help governments and food exporters to adapt to climate-change related standards (carbon footprint and ecolabeling)

**Countries**: Colombia, Dom. Republic, Ecuador, Honduras, Nicaragua

**Activities**: Capacity-building through national workshops, international seminars, and country action plans

**Carbon footprint measurement** of 7 export products (bananas, coffee, cocoa, palm oil, shrimp, stevia and goldenberry) in 45 firms in 5 countries.

**Period**: 2012-2014
LA producers help define EU environmental standards

- **EU Pilot Program** 2014-2016 for the definition of product environmental standards (PEFCR)
- **11 food products** (beer, coffee, dairy, animal feed, fish, beef, bottled water, pasta, pet food, olive oil and wine)
- All interested **stakeholders can participate** in definition of standards to be applied in EU market.
- **ECLAC coordinates participation** of coffee producers from the region in technical secretariat

**Coffee Environmental Footprint Network:** Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Nicaragua and Peru