INTEGRATION AND TRADE SECTOR

Vice-Presidency of Knowledge
INTRODUCTION

BUSINESS PLAN
  Country and Regional Demand
  Corporate and stand-alone
INT as a “Hybrid” Sector

Financial Products

Non-financial Products

INE
SOC
ICF
RES
KNL
INT Institutional Objectives…

• Develop new operational portfolio in I&T by identifying new clients and products
• Mainstream I&T into the Development Agenda of Bank’s Clients
• Promote “regional” interventions by the Bank to promote regional integration
• Generate and Disseminate Policy Relevant and Innovative Research on I&T issues
• Strengthen Inter-Institutional Collaboration to increase development effectiveness
INT Business “Delivery” Structure...

COUNTRY & REGIONAL DEMAND

– Support Country & Regional Programming & Dialogue
– Operational Clusters

CORPORATE & STAND-ALONE

– Policy Research
– Monitoring & Information Hub
– Strategic Initiatives & Partnerships
– Other Corporate Services
Operational Clusters (Loans & TCs)

- Trade and Investment Agreements
- Export Promotion and Investment Attraction
- Trade Facilitation, Customs, Trade Logistics and Trade Security
- Regional Integration and Cooperation

- Transport Cost and Trade
- Export Promotion and Export Diversification
- Trade Adjustment Policies
- Convergence in Free Trade Agreements
- LAC – Asia: Integration and Cooperation (LAC-Asia-India Special Report)
Mauricio Mesquita Moreira
(coordinator)
Christian Volpe
Juan Blyde
Harvard University Press, forthcoming

Unclogging the Veins of Latin America and the Caribbean.

A Report on the Impact of Transport Costs on the Region’s Trade

Inter-American Development Bank. Vice-Presidency of Knowledge Integration and Trade Sector.
Figure 2 - Ad-Valorem Freight and Real Tariffs for Intraregional Exports and Exports to the U.S. Selected LAC Countries. 2005

Note: Graph is based on import data from export markets. Freight is the ratio freight expenditures to imports. Real tariffs is the ratio of tariff revenue to imports. Intraregional exports includes Brazil, Argentina, Chile, Peru and Uruguay. See Table A.2 in the Appendix for the raw data.

Source: Own calculation based on US Census Bureau and Aladi Data.
International Comparison

Caribbean
Central America
Andean
Mercosur & Chile
ROW
China

80 100 120 140
Ad Valorem Airfreight. 1994=100


Figure 9-Trend in Export Airfreight to the U.S. after Controlling for Trade Composition. Selected LAC Sub-Regions, China and Rest of the World (ROW). 1994-2006. 1994=100

Note: Airfreight is freight plus insurance as a share of imports. It was estimated by regressing ad-valorem freight on the weigh-to-value ratio of the goods imported and on year and partner-good fixed effects. See text for details.

Data source: U.S. Census Bureau
Monitoring and Information Hub

- Monitoring Trade and Regional Integration Developments
- Trade Data
- Trade Regulations
- Trade and Integration Agreements
- Modeling Trade and Integration Policies
Strategic Initiatives and Partnerships (2008)

- **Hemispheric and Regional**
  - Sub-regional integration initiatives (Pacific Basin Initiative); Summit of the Americas,…

- **Inter-Regional (Europe & Asia)**
  - EU-LAC (EPAs, Summit,..); APEC (Peru-2008); LAC-Asia Trade and Investment Forum; ADB…

- **Global**
  - WTO (Aid for Trade; etc…); OECD; WCO; etc.
Other Corporate Services

- Regional Public Goods
- Regional Policy Dialogue
- Japan Program
- Japan Scholarship Fund
- Trade & Integration-related Funds (DFID; Canada;...) 
- INTAL (VPC, double-reporting to INT)