

GEORGE WASHINGTON UNIVERSITY
School of Business and Public Management
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**THE EFFECT OF PREFERENTIAL TRADE AGREEMENT IN THE
ECONOMY OF THE COUNTRIES INVOLVED: THE CASE OF MERCOSUR**

Author: Luciana Fonseca Damasceno Vieira

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1. INTRODUCTION

The purpose of this paper is to study some of the economic theories related to the subject of the advantages and disadvantages of the creation of a free trade agreement or a custom union.

In addition, the paper will focus on the empirical case of the Southern Common Market (Mercosur) formed by Argentina, Brazil, Paraguay and Uruguay in 1991, showing that this agreement has fulfilled the main requirements of Article XXIV of the General Agreement of Tariffs and Trade (GATT), which is to make sure that the establishment of a free trade area will create trade and not divert it.

The theories on the effects of preferential trade agreements start with Jacob Viner's approach of trade creation versus trade diversion. This concept has also inspired the wording of article XXIV of GATT, which sets requirements for the creation of a free trade area or a custom union while still maintaining an environment of multilateral trade.

The first part of the paper will explain Jacob Viner's theory and James Meade's and Richard Lipsey's that evolved from it and the conclusions of a few empirical studies.

The second part will show the case of Mercosur demonstrating that it has succeeded to be in compliance with the requirements of GATT's article XXIV and be classified as a trade creating custom union, i.e., its establishment has contributed not only to the welfare of the countries involved but also to the world's.

2. MULTILATERAL TRADE POLICY FRAMEWORK

International Trade in goods is governed by the General Agreement on Tariffs and Trade (GATT). Signed in 1947, this agreement was incorporated into the 1994 Marrakech establishing the World Trade Organization (WTO).

The centerpiece of GATT is the Most Favored Nation (MFN) principle under which if a WTO member grants a trade policy advantage to another country it must extend this advantage to all members.

There are three exceptions to this principle:

1 – Developed countries can give developing countries one-way trade preferences. This is the basis for the General System of Preferences - GSP.

2 – Developing countries can exchange trade preferences to which they agree upon.

3- Under article XXIV of GATT, any two or more members of the WTO can form “preferential trading arrangement” (PTA) provided that: 1) preferences were 100% (that is, tariff levels between the patterns were zero); 2) there would be a definite plan and time table for achieving free trade among the participants; 3) the PTA was to be phased in on definitive timetable; 4) the PTA did not increase protection against the rest of the world .

A PTA is a union between two or more countries in which lower tariffs are imposed on goods produced in the member countries than on goods produced on the outside. A free trade agreement (FTA) is a PTA with tariffs eliminated entirely on goods produced in the member countries. A custom union is an FTA with all members imposing a common external tariff.¹

¹ Panagariya, Arvind, “Preferential Trade Liberalization: The Traditional Theory and New Developments” (2000).

Hence, according to article XXIV of GATT, there can be a free trade agreement or a custom union as long as preferences granted are not partial (at least at the end of the phase-off, period) and the tariff level after the establishment of the PTA isn't, on average, higher than the previous. The European Economic Community, the North American Free Trade Agreement (NAFTA) and the Southern Common Market (Mercosur) were concluded under article XXIV.

Since the only successful experience of the period 1940 to late 1970s period, the European Union, seemed to be lowering its tariffs and expanding its trade with the rest of the world it was considered that custom unions were consistent with the principle of the multilateral trade regime, i.e., they were trade liberalizing.

3. TRADE THEORIES AND POLICIES

3.1 - Jacob Viner

The first to discuss the theory of preferential trading was Jacob Viner².

According to Viner the establishment of a custom union could have ambiguous welfare effects. It all depended on the issue of trade creation versus trade diversion.

Trade creation would be new trade created by the supply of goods from a lower cost source than before. One of the members would now import from the other member country goods that it formerly did not import at all because the price of the protected domestic product was lower than the price of the import from any foreign source plus the duty. Therefore, there would be a gain in welfare for that country.

Trade diversion would be a situation in which one of the member countries would buy from a more expensive partner instead of buying from a lower cost country outside the custom union. In this case there would be a loss of welfare for that country. It would not only increase its cost but also lose the value of the tariff it would charge the third country outside the custom union.

The primary purpose of a custom union, and also its major consequences for good or for bad, is to shift sources of supply, and that shift could be either to a higher or lower-cost source.

This line of reasoning also applies to free trade agreements, as they also assume zero import duties among member countries.

What are the effects of preferential trade agreements according to Viner ?

When countries within the agreement end up buying from higher cost sources within the agreement only because of their tariff advantage over the lower cost sources

² Jacob Viner presented his theory in the book "Custom Union Theory" published in 1950.

outside the agreement, then consumers benefit. The reduced tariff means that the price they pay is lower, but the national treasury suffers because it will have lost the tariffs that would have been charged and instead pays the higher cost of the imports. If gains to consumers outweigh the added amount paid to the producers in the high cost partner country, the result can be a net welfare gain for the country, i.e., depending on which is higher there is a net gain or a net loss for the country within the agreement.³

But this is only true if we assume that output of any industry in a particular country increases over the long-run relative to the national economy as a whole, its costs of production per unit also rises. But there are industries where you could get economy of scale returns. Where unit costs decrease as output expands. So a small country, with a limited internal market could benefit from the formation of a market formed by several countries. But anyway free traders would argue that there would only be a benefit if this lower cost were even lower than the cost in the international market (before duties).

Though Viner is of the opinion that custom unions can be trade creating it cites Lionel Robbins as an example of clear point of view of the free traders:

“The purpose of international division of labor is not merely to make possible the import of things which cannot be produced on the spot; it is rather to permit the resources on the spot to be devoted wholly to the production of the things they are best fitted to produce, the remainder being procured elsewhere...

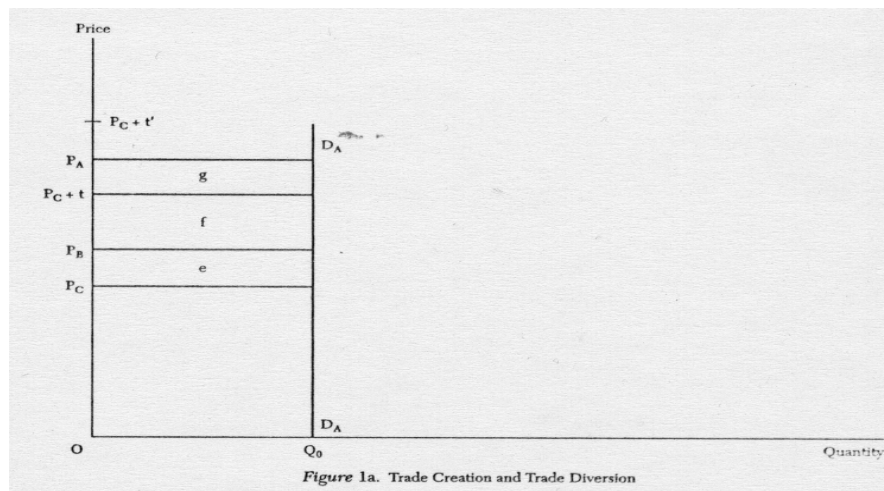
It follows, therefore, that the gain from regional regrouping or wider units of any kind is not a gain of greater self-sufficiency on the areas, which are thus amalgamated ...

³ Krugger, Anne, “Are Preferential Trade Arrangements Trade-Liberalizing or Protectionist ?” (1999).

... From international point of view, the tariff union is not an advantage in itself. It is an advantage only in so far as, on balance, it conduces to more extensive division of labor. It is to be justified only by arguments, which would justify still more its extension to all areas capable of entering into trade relationships ...

No doubt if we could coax the rest of the world into free trade by a tariff union against the produce of the Eskimos that would be, on balance, an international gain. But it would be inferior to an arrangement whereby the Eskimos were included. The only completely innocuous tariff union would be directed against the inaccessible produce of the moon”.

Viner’s model is best presented by assuming infinite supply elasticities and zero demand elasticities.



If we have 3 countries A, B and C that produce a certain good at prices P_A , P_B and P_C . Country A normally imports a certain good from country lower cost C at P_C where $P_A > P_B > P_C$. But country A decides to put a tariff t on the imports from

C so that $P_A > P_C + t > P_B$. The entire amount demanded by A is imported from C and the tariff t goes to the government of A.

Later country A decides to form a custom union with B and since P_B is lower than $P_C + t$, all the imports from C are shifted to B.

As no new trade was created and country A replaced the lower cost C for the higher cost B, country A loses the tariff revenue, areas e and f, with e used up to pay for the higher production cost and f becoming part of the consumer's surplus. The net loss to A and the world from the union is area e. This union is "trade diverting".

On the other hand, if a tariff t' is imposed by country A, where t' is sufficiently high so that $P_A < P_C + t' < P_B + t'$. Since the high tariff prices out both B and C, all of A's supply is met by domestic producers at P_A . If A establishes an union with B, and consequently levies its tariff, there will be a switch from in the source of supply from A to B and the price paid by consumers in A will drop from P_A to P_B . There will be gain of consumer surplus equal to $f + g$. Because the union creates new trade between A and B and is associated with a switch from high-cost suppliers in A to lower-cost suppliers in B, In Viner's terminology the union is "trade creating".

One of the main limitations of Viner's model is to assume that goods are consumed in fixed proportions.

3.2 - James Meade and Richard Lipsey

James Meade and Richard Lipsey⁴ eliminated the hypothesis of consumption in fixed proportions by discussing the effects of the establishment of a custom union on the change in terms of trade between the economies involved. Discussing if there is a change in the flows of trade due to the “substitution” of goods.

The substitution effect in the consumption of goods would tend to increase the volume of imports from the partner country and decrease the imports from the rest of the world; and would make consumers replace the consumption of goods produced in the local market by goods imported from the partner country, if the establishment of a custom union changed relative prices of the goods in favor of the partner country.

Hence, to analyze the impact of the establishment of a custom union we should take into account not only the effect on the production but also its effects on the consumption patterns.

Meade also argues that there can be an increase in welfare with trade diversion if this trade diversion is an option to an autarky system were production in a country A is protected by a high tariff. Meade follows Viner on this point. As long as trade diversion is an option to no trade, it will increase welfare. Some could argue that since this is not a replacement for old trade it would not fall in the category of trade diversion in Viner's definition.

Another point of view is presented by Richard G. Lipsey which takes into account the change in the relative prices in the countries forming a custom union. According to his view Viner's conclusion that trade creation is a “good thing” and trade diversion a “bad thing” should not be final.

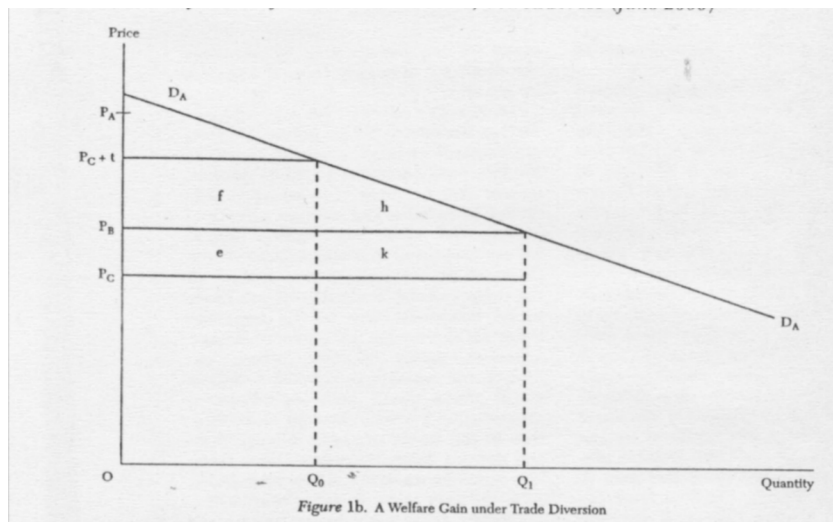
⁴ James E. Meade presented his theory in “The Theory of Customs Union” (1955) and Richard G. Lipsey in *The Theory of Customs Unions: Trade Diversion and Welfare* (1957).

A better way to understand Lipsey (1960) would be to separate the effects in two categories:

- the substitution effect among countries
- the substitution effect among products

The first one would be Viners' classical analysis and the second would be related to the impacts over consumption and production due to changes in relative prices and cross effects.

If the assumption of a completely zero elasticity of demand in A is dropped, even a wholly trade diverting union may lead to a net increase in welfare. If a vertical demand curve is replaced by a downward-sloped curve the replacement of imports from a country C at $P_C + t$ for imports from a country B (within the custom union) at a lower price P_B will increase welfare because at a lower price consumers will be able to consume more though from a higher cost supplier. So it is all a question of which area is larger. The loss for paying for a higher cost supplier (area e) or the area that allowed a higher level of consumption of that good (area h). Area f is a redistribution of tariff revenue to consumers in A.



Bhagwati (1971) goes even further by saying that even if a zero demand elasticity, a trade-diverting union can be can lead to an improvement in welfare if you consider that the supply elasticity of the good in country is not infinite, though positive. In chart 1a, if you consider that the supply of the good is provided partly by imports from country A and by A's own production, when the custom union with B is put in place, B replaces C as the foreign supplier but as internal prices fall the inefficient domestic producer is partially replaced by imports which is trade creating. The net effect on welfare depends of on which higher: the efficiency gain or the loss of replacing a lower cost C by the higher cost B.

3.3 - Empirical Studies

Empirical studies made on Nafta and a few newer regional trade agreements show trade creation greatly exceeding trade diversion. Those studies were recently summarized by Sherman Robinson and Karen Thierfelder in "Trade Liberalization: The search for Large Numbers" published in 1999, as follows:

"Trade creation greatly exceeds trade diversion in virtually all the RTAs [Regional Trading Agreements] studied. In general, welfare for all members increases. Furthermore, welfare for old members increase as new members joins the RTA, suggesting that there are gains from expanding the RTA.

Features from a new trade theory such as imperfect competition, increasing returns of scale, trade externalities, or dynamics generate big welfare gains, compared to models incorporating only neoclassical

production structures. Domestic policy reforms in conjunction with an RTA provide additional welfare gains.”

The only agreement causing controversy is Mercosur that has been criticized by Alexander J. Yates in “Does Mercosur’s Trade Performance Raise Concerns about the effects of Regional Trade Agreements” in which he concludes, examining data from 1998 to 1994 that the creation of Mercosur had a trade diversion effect. Yates also noted that Mercosur appeared to have significantly higher external tariff barriers than has been the case in the other PTAs analyzed which deems to account for that result.

Examining the trade data of the member countries of Mercosur, Yates came to the conclusion that the increase in the intra-Mercosur trade came at the expense of trade with countries in NAFTA, which remained stable, and with Europe, which declined. Trade showed in the second part of this paper demonstrates that this is not true (see item 4.2.1.1.1). Just because trade among the Mercosur countries grew at a higher rate than trade between Mercosur and NAFTA or Europe, one cannot infer that one is “at the expense of the other”. It is impossible to predict if there would be a higher amount of trade with those groups of countries if Mercosur had not been created.

Yates also insists that “changes in trade were not consistent with member countries’ current comparative advantage”, i.e., that trade among Mercosur countries is too capital intensive. He states, “the high capital intensity of Mercosur’s exports is troubling because it raises the question of how capital-intensive goods from one developing country to another can compete with similar

exports from industrial countries in the absence of discriminatory trade measures”. And he concludes: “if Mercosur is consistent with WTO’s rules (article 24) for the formation of custom union – the working group examining this has yet to report – the results in this article might provide a useful input into a review of those rules”.

Yates criticizes that the exports of manufactured goods, mainly by Brazil, to the other Mercosur countries necessarily means diversion from a low-cost source to a higher-cost source. This critique, however, is too generalizing (though he uses a series indexes to prove his point). But the main issue that he fails to address, as do most Vinerians, is the existence of parallel benefits that regionalism can bring such as reduction of external and internal tariffs, product differentiation, competition and market shares, investment and learning by doing, externalities, etc ...⁵

⁵ Devlin, R., Estevadeordal, A., “What’s New in the New Regionalism in the Americas” – May 2001.

4. MERCOSUL

4.1 – History

The origin of the Mercosur Agreement lies in Brazil and Argentina's efforts to improve relations with one another. The Itaipu-Corpus Agreement (1979), the Brazilian support for Argentina during the Malvinas War (1982) and the understandings made in the nuclear cooperation area were the first steps taken to end of this rivalry.

In November 29, 1988, Presidents Jose Sarney and Raul Alfonsin signed what would be the first step for the establishment of a Common Market for the South Cone. The Brazil-Argentina Treaty of Integration, Cooperation and Development, provided for in its 3rd article the complete duty free trade of goods after a period of a maximum of 10 years. In its articles 4th and 5th it dealt with other matters pertaining to the establishment of a Common Market.

On July 6, 1990, the Declaration of Buenos Aires decided the establishment of a Free Market between the two countries would start on December 31, 1994. In August 1990, Paraguay and Uruguay were invited to participate in the agreement and on March 26, 1991 the Treaty of Assuncao for establishment of a Common Market between Argentina, Brazil, Paraguay and Uruguay was signed.

In January 1995, the Mercosur Common External Tariff (CET) was implemented beginning the custom union phase of the agreement. The CET was formed by 8,500 products with import duties ranging from 0% to 20%. There was a phasing-out period until 2001 for certain sensitive products chosen by each

country (until 2006 in the cases of Paraguay and Uruguay) and until 2006 for computer and telecommunication goods. These goods would have their duties at a 14% and 16% level, respectively, at the end of that period.

4.2 – Economy

4.2.1 – Foreign Trade

4.2.1.1. – Import and Export Figures

4.2.1.1.1 – general data

Trade, both among the Mercosur countries and with the rest of the world expanded significantly in the early 1990s. Imports were particularly dynamic. The average annual growth rate of intra-Mercosur exports exceeded that of extra-exports for the entire decade. Nevertheless, extra-Mercosur exports expanded at double-digit rates per year during some periods for some countries⁶. In contrast to exports, both intra and extra-Mercosur imports increased in the 1990s. This asymmetrical behavior of the shares of intra-regional exports and imports may be explained by the fact that as Mercosur was established in 1991 its member economies were at the same time liberalizing imports from other sources. From 1985 to 1997, the average MFN tariff in Mercosur countries declined from 37.2 % to 12.3%, while the average tariff imposed on partners declined from 35.2% to 4.2% (see item “2.2.1.2 – Import duties” for more detail). As a result of this simultaneous opening to regional and world trade, imports from both the region and the world grew significantly.

⁶ Estevadeoral, A., Goto, J., Saez, R. – “The New Regionalism in the Americas: The case of MERCOSUR” - Working Paper n° 5 – INTAL-ITD-IDB – April 2000.

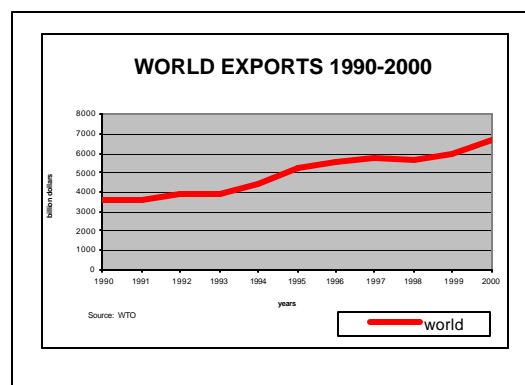
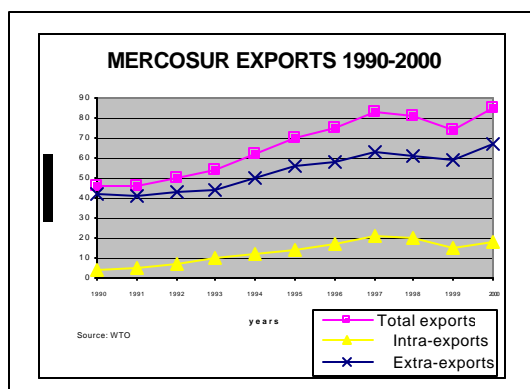
| Merchandise trade of MERCOSUR, 1990-00 | | | | | | | | | | | | |
|--|------|------|------|------|------|------|------|------|------|------|------|-----------|
| (Billion dollars and percentage) | | | | | | | | | | | | |
| | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | % - 00/90 |
| MERCOSUR (4) | | | | | | | | | | | | |
| Total exports | 46 | 46 | 50 | 54 | 62 | 70 | 75 | 83 | 81 | 74 | 85 | 82.10 |
| Intra-exports | 4 | 5 | 7 | 10 | 12 | 14 | 17 | 21 | 20 | 15 | 18 | 328.64 |
| Extra-exports | 42 | 41 | 43 | 44 | 50 | 56 | 58 | 63 | 61 | 59 | 67 | 58.05 |
| Total imports | 29 | 34 | 41 | 49 | 63 | 80 | 87 | 103 | 99 | 82 | 89 | 204.97 |
| Intra-imports | 4 | 5 | 7 | 9 | 12 | 14 | 18 | 21 | 21 | 16 | 18 | 325.09 |
| Extra-imports | 25 | 29 | 34 | 39 | 50 | 65 | 70 | 82 | 78 | 67 | 71 | 184.63 |

Note: The figures are not fully adjusted for differences in the way members of the arrangements in this table record their merchandise trade.

Source: WTO International Trade Statistics 2001

Though a quick analysis of the percent change intra and extra regional exports apparently points in the direction of a huge trade diversion, the small amount of intra-Mercosur exports in 1990 accounts for that variation. In the case of imports the explanation also applies.

On the other hand, using the same figures, the charts below, show that not only have the intra-Mercosur exports followed the trend of total Mercosur exports but they have also followed the trend of total world exports for that same period. Unlike what some critics, such as Yates, claim, Mercosur's increase in trade among its partners was not a consequence of trade deviation from more efficient exporters. Imports figures follow the same pattern.



There was bigger increase in the intra-Mercosul trade, thus increasing the share of Mercosul in each member countries' trade figures, but it was not achieved at the expense of the extra regional trade.

MERCOSUL: AVERAGE ANNUAL GROWTH OF EXPORTS AND IMPORTS

%

| | EXPORTS | | | | IMPORTS | | | |
|------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 1986-88 | 1989-91 | 1992-95 | 1986-95 | 1986-88 | 1989-91 | 1992-95 | 1986-95 |
| MERCOSUR | | | | | | | | |
| Total | 8.4 | 0.8 | 11.3 | 7.2 | 6.2 | 14.1 | 23.6 | 15.3 |
| Extra-regional | 8.0 | -0.9 | 8.3 | 5.4 | 4.7 | 13.1 | 22.6 | 14.1 |
| Intra-regional | 14.5 | 20.3 | 29.6 | 22.1 | 18.5 | 20.0 | 28.4 | 22.8 |
| ARGENTINA | | | | | | | | |
| Total | 2.9 | 9.5 | 15 | 9.6 | 11.7 | 15.9 | 24.9 | 18.1 |
| Extra-regional | 2.2 | 6.6 | 9.1 | 6.3 | 10 | 15.9 | 24.4 | 17.4 |
| Intra-regional | 9.5 | 31.2 | 36.1 | 26.1 | 18.8 | 15.5 | 26.4 | 20.8 |
| Of which Brazil | 7.0 | 34.8 | 38.5 | 27.2 | 16.7 | 16.3 | 28.6 | 21.2 |
| BRAZIL | | | | | | | | |
| Total | 9.6 | -2.2 | 10.1 | 6.1 | 3.9 | 12.7 | 23.7 | 14.1 |
| Extra-regional | 9.3 | -3.1 | 8.3 | 5.1 | 3 | 11.4 | 22.6 | 13.1 |
| Intra-regional | 16.4 | 13.9 | 27.8 | 20 | 18.1 | 27.3 | 31.8 | 26.2 |
| Of which Brazil | 11.2 | 25.0 | 28.6 | 22.1 | 14.4 | 33.2 | 34.7 | 27.8 |
| PARAGUAY | | | | | | | | |
| Total | 18.8 | 13.1 | 5.7 | 11.7 | 4.6 | 36.5 | 21.1 | 20.1 |
| Extra-regional | 17.0 | 10.4 | -4.9 | 5.8 | 12.3 | 45.4 | 16.7 | 23.2 |
| Intra-regional | 23.6 | 18.7 | 19.4 | 20.4 | -3.3 | 22 | 29.7 | 16.6 |
| URUGUAY | | | | | | | | |
| Total | 17.8 | 4.1 | 7.6 | 9.5 | 22 | 11.3 | 16.6 | 16.6 |
| Extra-regional | 18.3 | -4.1 | 3.4 | 6.2 | 12.2 | 12.5 | 14.6 | 13.2 |
| Intra-regional | 16.5 | 18.4 | 14.0 | 16.1 | 14.9 | 9.8 | 19.1 | 22.5 |

Source: Estevadeorral, A., Goto, J, Saez, R [2000]

An analysis of the table above shows that the growth rate of intra-MERCOSUR exports rose significantly between 1986-88 and 1992-95. In the cases of Argentina and Brazil, the more significant change in average growth of intra-MERCOSUR exports occurred prior to 1991. There was a rapid increase in the share of intra-regional exports in Argentina and Brazil, respectively.

There are a number of differences between Argentina and Brazil in the evolution of this share. First, it started rising much earlier in the case of Argentina than in that of Brazil (after 1988 versus 1990). Second, in Argentina there are two years in which it rose significantly –1989 and 1992 – and did so more moderately in the rest; in Brazil it increased very fast between 1991 and 1993, but then started to decline. When Mercosur was created, it was already the largest market of destination of Paraguayan and Uruguayan exports.

Imports followed a different trend. Intra-Mercosur imports were already growing rapidly prior to 1988, when Argentina and Brazil decided to gradually remove all barriers to bilateral trade in their pre-Mercosur agreement. Although in 1985-95 interregional imports grew on average at a higher rate than extra-regional ones, the difference between the two is much smaller than in the case of exports.

4.2.1.2.2 – by product

The tables in appendix 1 present each one of the country members' exports using the Standard International Trade Classification (SITC) merchandise classification code, which separates the merchandizes as follows:

Section 0 – Food and live animals

Section 1 – Beverages and tobacco

Section 2 – Crude Materials except food/fuel

Section 3 – Mineral fuel/lubricants

Section 4 – Animal/vegetal oil/fat/wax

Section 5 – Chemical and related products, n.e.s.

Section 6 – Manufactured goods

Section 7 – Transport machinery and equipment

Section 8 – Miscellaneous manufactured goods

Section 9 – Other

Sections are divided into chapters that are broken down into groups. Those are broken down into subgroups that are divided into items.

Figures for intra-Mercosur exports for the 1980-99 period, comparing periods 99/80, 99/89 and 99/92 show that country members increased their exports in all groups of products for almost all the periods.

In appendix 2, sections 6 and 7 were broken down into chapters in order to show more detailed information for exports of Argentina and Brazil to the Mercosur countries during the 1994-1999 period. Regarding the Argentinean exports there was a concentration of exports of automobiles, wheat and oil to Brazil. Brazilian increase in exports was better distributed although a bit concentrated in paper, office data processing machines, telecommunication equipment and automobiles and auto parts.

4.2.1.2 – Import Duties

The trade liberalization program began in 1991 with a minimum preference over MFN tariffs of 40 percent, which Argentina and Brazil had already reached through their previous treaties. This preference was increased every semester by 7 percentage points, until it reached 100 percent in December 1994. In the case of Paraguay and Uruguay the process lasted one more year (until December 1995). Each country had lists of products excluded from the liberalization program, but these lists were to be reduced by 20 percent at the end of each year so that by December 1994, the free trade area would be completed. Non-tariff barriers declared by each country were also to be eliminated by December 1994, but this deadline was moved to June 1995.

The trade liberalization program advanced as scheduled, but some goods still remained outside the free trade area in the denominated “Adaptation Regime”, and there were still some non-tariff barriers in place. Most of these goods were intermediate goods, but there were also some consumer goods, and in the cases of Paraguay and Uruguay capital goods such as machinery and equipment were also included. Tariffs for intra-Mercosur trade of these goods were gradually reduced and eliminated in December, 1999 for Brazil and Argentina and in December 2000, for Paraguay and Uruguay.

Some industries were not subject to free trade across-the-board. Trade in auto industry products continued to be regulated by an agreement reached in 1996. There was free trade in vehicles and parts between Argentina and Brazil, but assembly plants had to compensate imports with exports to all destinations. In June 2000, a new agreement was reached, in effect from August 1, 2000 to December 31, 2005. Trade between the two countries of new vehicles will be exempt from import duties, as long there is a trade equilibrium.

Sugar production is also not under tariff-free trade, and there is still not an agreement on it. Argentine imports of sugar from Mercosur members still pay an 18% import tax and an “additional duty” set according to the average price for sugar in the international market in the last eight years.

At a summit in Ouro Preto in December 1994, an agreement on the structure and rates of the CET was reached. Mercosur adopted an escalating tariff structure with 11 levels, ranging from 0 to 20 percent. However, the CET was applied to 85 percent of the tariff schedule. Each country had a list of exceptions to the application of the CET; for these goods the national tariffs on non-Mercosur imports continue to be in use. Their tariffs were to converge gradually and linearly to the CET, by December 2000 for Argentina, Brazil and Uruguay and by December 2005 for Paraguay. The CET was not applied to certain industries in all countries. This is the case with the auto industry and sugar production, but capital goods and goods of the telecommunication and informatics industries were excluded from the customs union. In the case of capital goods, the tariffs applied by each country was to gradually converge to the CET of 14 percent by the year 2001 for Argentina and Brazil and by 2006 for Paraguay and Uruguay. The tariffs on telecommunication and informatics goods should also converge to the CET (with a rate of 16 percent) by 2006 in all countries. As we will see later, the economic situation, mainly in Argentina disrupted up this schedule.

The table below summarizes the completion of the free trade area and the customs union for each of the members and the industries under special transitional regimes.

MERCOSUR: STARTING DATES OF PERMANENT TRADE REGIME

| | ARGENTINA | BRAZIL | PARAGUAY | URUGUAY |
|-----------------------------------|--------------|--------------|--------------|--------------|
| Free trade area: | | | | |
| Adaptation Regime | Jan. 1, 1999 | Jan. 1, 1999 | Jan. 1, 2000 | Jan. 1, 2000 |
| Sugar | 2001 | 2001 | 2001 | 2001 |
| Auto industry | Jan. 1, 2000 | Jan. 1, 2000 | Jan. 1, 2000 | Jan. 1, 2000 |
| Customs union: | | | | |
| National exceptions | Jan. 1, 2001 | Jan. 1, 2001 | Jan. 1, 2006 | Jan. 1, 2001 |
| Capital goods | Jan. 1, 2001 | Jan. 1, 2001 | Jan. 1, 2006 | Jan. 1, 2006 |
| Informatics and Telecom. products | Jan. 1, 2006 | Jan. 1, 2006 | Jan. 1, 2006 | Jan. 1, 2006 |
| Sugar | 2001 | 2001 | 2001 | 2001 |
| Auto industry | 2000 | 2000 | 2000 | 2000 |

Source: INTAL (1996)

In January 1998 the Mercosur members agreed to allow an across-the-board temporary increase in the CET by a maximum of three percentage points until December 2000. Countries could choose to maintain the permanent CET rate, as Uruguay has done for some goods.

MERCOSUR: AVERAGE TARIFFS (1985-1997)

| | 1985 | 1988 | 1991 | 1994 | 1997 |
|-------------------------|--------------|--------------|--------------|--------------|--------------|
| ARGENTINA | | | | | |
| Average | 39.20 | 30.83 | 14.22 | 15.42 | 14.13 |
| Standard deviation | 9.48 | 10.31 | 6.00 | 8.86 | 6.40 |
| BRAZIL | | | | | |
| Average | 55.09 | 41.54 | 20.37 | 9.70 | 14.95 |
| Standard deviation | 28.03 | 19.57 | 16.80 | 6.93 | 7.14 |
| PARAGUAY | | | | | |
| Average | 18.68 | 18.62 | 13.55 | 7.26 | 10.02 |
| Standard deviation | 13.82 | 13.73 | 11.83 | 6.80 | 6.32 |
| URUGUAY | | | | | |
| Average | 35.87 | 26.94 | 21.35 | 13.63 | 10.11 |
| Standard deviation | 14.91 | 11.34 | 6.50 | 5.90 | 6.44 |
| MERCOSUR average | 37.21 | 29.48 | 17.37 | 11.50 | 12.30 |

Source: Estevadeordal, A., J. Goto and R. Saez [2000] calculations on the basis of official data.

Note: a Simple average of the four countries' average tariff

In March 2001, as a part of an economic reactivation program, the Argentine government decided to perform a wide review of its tariffs: (i) 866 capital goods had their

import duties reduced to zero; (ii) 1,240 consumer goods had their duties increased to 35%; (iii) 273 products including food preparations, photographic equipment, paint and varnish had their duties increased to a level that ranges 20% to 26.6%; and (iv) 291 textile products had their duties increased to 30%.

Though Argentina reconsidered its decision to include computer and telecommunication goods usually classified as consumers goods in its capital goods list due to protest from the Brazilian government; it later implemented a measure that in practical terms eliminated the Mercosur preferences for a list of 407 computer and telecommunication goods, 82 transportation goods (cars, agricultural machinery, trucks and tractors) and 59 capital goods. Argentina decided to give, only for exporters from outside the agreement, a discount on the import duties of those goods based on “convergence factor”. Products imported from third countries would pay the normal CET but would have a discount equivalent to the amount of the peso’s devaluation in relation to the average between the dollar and the euro exchange rates that is about 8%.

Due to the increasingly bad situation of the Argentinean economy, the Brazilian government decided to drop any complaints for the time being.

In July 2001, Paraguay also decided to charge a 10% import duty on intra-Mercosur imports of 352 products until December 2002. According to the local government the measure is supposed to protect the local industry from low cost imports due to the Brazilian devaluation and the export incentives given by the Argentinean government. The Common Market Council accepted this measure as long as it doesn’t affect more than 5% of the tariff codes.

Uruguay decided to follow the same track and, in July 2001, increased its tariff by 3 points for imports from all origins.

All those changes seem to point in the direction of transforming Mercosur into a free trade area again. In Argentina many government officials favor this solution as a way to free Argentina to make individual trade agreements with other countries, especially with the US.

Due to the deterioration of the economic situation in Argentina, Brazil and the other Mercosur members have decided grant a waiver to that country until December 2002, allowing them to have duties different from the CET. This was a way of keeping the CET while Argentine deals with its problems.

4.2.2 – Automobile production sector

Mercosur gave the automobile production sector an opportunity to start its regional integration because of its importance not only in the transformation industry, but also as an export good. The fact that Brazil and Argentina already had an agreement for the sector also helped. The success of this integration shows a great increase not only in the intra-regional trade but also in the investment and the production attracted by the promise of a big market. During the 90s, investments in the sector were approximately US\$ 25 billion, and the production of vehicles in Mercosur increased from 650,000 in 1990 to 2.2 million in 1997. Though investment and production has decreased in the end of 1990s, due mainly to the economic crisis in Argentina, the numbers are still impressive.

4.2.2.1 – The agreement

Argentina's membership in Mercosur was accompanied by an automotive side agreement that, among other things, called for a balance of trade in cars and light trucks,

by which Argentine imports at least would be covered by compensating exports. Brazil did not ask for a car trade balancing at the end of 1994, when the side agreement was being worked out. But by the second quarter of 1995, as imports from everywhere flowed into the Brazilian market, and it appeared that some companies may start to use Argentina as a duty free export platform for cars and light trucks to Brazil, Brazilian officials decided to start pushing for a common policy for treating automotive trade which would include a trade balance. An agreement was reached in 1996. There would be free trade for vehicles and parts between Argentina and Brazil, but assembly plants had to compensate imports with exports to all destinations.

Negotiations for the establishment of the Automotive Common Regimen for Mercosur started in December 1994, when the member countries agreed to have it ready before December 31, 1997. It would go into effect in January 2000. The agreement should include three basic elements: total liberalization of trade among the Mercosur countries, a Common External Tariff and no national incentives that would distort competition in the region.

Due to several internal problems and a few disagreements among the member countries this schedule was delayed, but on June 30, 2000, negotiations between Brazil and Argentina regarding the common policy for the automotive sector, in effect from Aug 1, 2000 to December 31, 2005, were concluded. The agreement regards the bilateral trade of cars, light trucks, chassis fitted with engines, trailers and semi-trailers, bodies, agricultural machines, road machines and auto parts for production and replacement.

The trade of new vehicles between the two countries will be exempt from import duties, as long there is a trade equilibrium. The agreement allows a surplus by any of the countries up to set limits: 3% in 2000, 5% in 2001, 7.5% in 2002 and 10% in 2003. The

limits for 2004 and 2005 will be set later. Imports exceeding those limits will be subject to the following import duties:

- (i) 70% of the CET for all kinds of vehicles;
- (ii) 75% of the CET for auto parts

A minimum regional content of 60% is required in order for the product to be exempt from duties on those bilateral transactions. For new model to be produced in the region the regional minimum will be 40% in the first year, 50% in the second, and 60% from the third year on. In the case of Argentina until 2005, light vehicles (cars and commercial vehicles) are be required to have a minimum local content of 30% and other kinds of vehicles are required to have 25%.

The CET was set at the following levels:

| | |
|---|--------------|
| Vehicles (cars, light trucks, buses and trucks) | 35% |
| Agricultural and road machines | 14% |
| Auto parts for vehicles..... | 14%; 16%;18% |
| Parts for agricultural and road machines | 8% |
| Auto parts for production, not produced in Mercosur and established in the list to be revised periodically | 2% |

4.2.2.2 – Trade data

| EXPORTS ARGENTINA-BRAZIL - CHAPTER 87 (1000 US\$) | | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Tariff Line | 1995 | 1996 | 1997 | 1998 | 1999 | % - 98/95 | % - 99/95 |
| 8701-Tractors (other than tractors of heading No. 8709).-HS96 | 3,948 | 373 | 1,916 | 12,450 | 26,606 | 215.35 | 573.91 |
| 8702-Motor vehicles for the transport of ten or more persons inc | 0 | 759 | 78,339 | 105,007 | 58,499 | - | - |
| 8703-Motor cars and other motor vehicles principally designed for | 220,816 | 766,051 | 1,407,149 | 1,514,213 | 514,958 | 585.74 | 133.21 |
| 8704-Motor vehicles for the transport of goods.-HS96 | 371,858 | 233,521 | 564,967 | 711,435 | 388,032 | 91.32 | 4.35 |
| 8705-Special purpose motor vehicles other than those principally | 59 | 236 | 61 | 295 | 228 | 400.00 | 286.44 |
| 8706-Chassis fitted with engines for the motor vehicles of heading | 76,958 | 81,343 | 12,031 | 154 | 2,352 | - | -96.94 |
| 8707-Bodies (including cabs) for the motor vehicles of headings | 1,488 | 1,046 | 2,141 | 1,343 | 2,383 | - | 60.15 |
| 8708-Parts and accessories of the motor vehicles of headings Nos. | 374,526 | 273,469 | 219,756 | 248,089 | 226,031 | -33.76 | -39.65 |
| 8709-Works trucks self-propelled not fitted with lifting or handling | | 33 | 19 | 45 | 6 | - | - |
| 8711-Motorcycles (including mopeds) and cycles fitted with an engine | 183 | 784 | 205 | 38 | 41 | -79.23 | -77.60 |
| 8712-Bicycles and other cycles (including delivery tricycles) not motor | 1,494 | 0 | 0 | 32 | 6 | -97.86 | -99.60 |
| 8713-Invalid carriages whether or not motorized or otherwise mechanically | 3 | 46 | 5 | 2 | 0 | -33.33 | - |
| 8714-Parts and accessories of vehicles of headings Nos. 8711 to 8713 | 1,056 | 1,288 | 495 | 344 | 114 | -67.42 | -89.20 |
| 8715-Baby carriages and parts thereof.-HS96 | 37 | 6 | 0 | 0 | 0 | - | - |
| 8716-Trailers and semi-trailers; other vehicles not mechanically | 158 | 1,591 | 2,960 | 5,455 | 1,039 | 3352.53 | 557.59 |
| Total | 1,052,584 | 1,360,546 | 2,290,044 | 2,598,902 | 1,220,295 | 146.91 | 15.93 |

| EXPORTS BRAZIL-ARGENTINA - CHAPTER 87 (US\$ 1000) | | | | | | | |
|---|---------|-----------|-----------|-----------|-----------|-----------|-----------|
| Tariff Line | 1995 | 1996 | 1997 | 1998 | 1999 | % - 98/95 | % - 99/95 |
| 8701-Tractors (other than tractors of heading No. 8709).-HS96 | 23,214 | 52,678 | 112,260 | 136,994 | 56,150 | 490.14 | 141.88 |
| 8702-Motor vehicles for the transport of ten or more persons inc | 7,299 | 12,633 | 6,782 | 19,816 | 12,370 | 171.49 | 69.48 |
| 8703-Motor cars and other motor vehicles principally designed for | 180,645 | 334,119 | 671,011 | 641,332 | 341,478 | 255.02 | 89.03 |
| 8704-Motor vehicles for the transport of goods.-HS96 | 87,023 | 238,697 | 439,522 | 561,536 | 292,232 | 545.27 | 235.81 |
| 8705-Special purpose motor vehicles other than those principally | 417 | 0 | 0 | 101 | 0 | -75.78 | - |
| 8706-Chassis fitted with engines for the motor vehicles of heading | 4,419 | 7,881 | 25,560 | 34,522 | 36,811 | 681.22 | 733.02 |
| 8707-Bodies (including cabs) for the motor vehicles of headings | 27,321 | 39,815 | 38,624 | 39,424 | 31,876 | 44.30 | 16.67 |
| 8708-Parts and accessories of the motor vehicles of headings Nos. | 420,712 | 534,763 | 566,262 | 551,875 | 364,265 | 31.18 | -13.42 |
| 8709-Works trucks self-propelled not fitted with lifting or handling | 0 | 1 | 74 | 1 | 62 | - | - |
| 8711-Motorcycles (including mopeds) and cycles fitted with an engine | 2,881 | 7,914 | 6,628 | 14,177 | 21,294 | 392.09 | 639.12 |
| 8712-Bicycles and other cycles (including delivery tricycles) not motor | 1,159 | 2,607 | 1,165 | 384 | 298 | -66.87 | -74.29 |
| 8713-Invalid carriages whether or not motorized or otherwise mechanically | 12 | 20 | 43 | 0 | 11 | -100.00 | -8.33 |
| 8714-Parts and accessories of vehicles of headings Nos. 8711 to 8713 | 1,558 | 3,436 | 3,112 | 3,178 | 3,045 | 103.98 | 95.44 |
| 8715-Baby carriages and parts thereof.-HS96 | 45 | 19 | 10 | 6 | 3 | -86.67 | -93.33 |
| 8716-Trailers and semi-trailers; other vehicles not mechanically | 13,969 | 21,374 | 29,983 | 33,408 | 19,283 | 139.16 | 38.04 |
| Total | 770,674 | 1,255,957 | 1,901,036 | 2,036,754 | 1,179,178 | 164.28 | 53.01 |

Source: DataIntal 3.1

Trade between Argentina and Brazil of products of chapter 87 of the Harmonized Tariff Schedule which include motor vehicles and its parts have increased dramatically after an agreement between the two countries was signed in 1996.

Between 1995 and 1998, there was a 146.91% increase in Argentinean exports of those products to Brazil, mainly cars (585.74%), trucks (91.32%). In 1999 those figures fell 66% and 45%, respectively, due to the devaluation of the Brazilian currency in January 1999.

As for Brazilian exports to Argentina, the increase of 164.28% for the 1995/98 period was more distributed. Tractors increased 490.14%, cars 255.02%, trucks 545.27% and chassis fitted with engines 681.22%. All those figures fell up to 66% in 1999, since according to the agreement a trade balance is required.

In spite of this setback, the member countries consider this agreement highly positive for the jobs it creates, not only in the automobile industry in itself, but also in the large number of smaller industries producing auto parts. This enthusiasm is not shared by many economists in the U.S. and in the World Bank that regard the expansion, and even the existence, of the automobile industry in Latin America as a waste of resources in a high cost, low productivity and low quality industry. Mercosur would be helping to provide a boost for an industry that these economists think should be phased out. Maybe this criticism has more to do with the fact that the American market is already saturated and has grown very little in the last decade and, the Latin American markets, on the other hand, though composing a small part of the world market, have been growing fast in the last 20 years⁷.

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⁷— .”Impacto del Mercosur en la dinamica del sector automotor”, *Impacto sectorial de la integracion en el Mercosul*, INTAL-BID- Julio 1999.

4.2.3 – Economic indicators

MERCOSUR: MAIN MACROECONOMIC INDICATORS - 1991/2000

| | Share 1991 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|------------------|------------|-------|--------|--------|-------|------|------|------|------|------|------|
| Real GDP | | | | | | | | | | | |
| Argentina | 32.40 | 9.5 | 8.4 | 5.3 | 6.7 | -2.6 | 5.5 | 8.1 | 3.9 | -3.4 | -0.5 |
| Brazil | 65.22 | 0.1 | -1.1 | 4.4 | 5.7 | 4.2 | 2.8 | 3.7 | 0.2 | 0.8 | 4.5 |
| Paraguay | 1.05 | 2.4 | 1.6 | 4.1 | 2.9 | 4.7 | 1.3 | 2.6 | -0.4 | 0.5 | -0.4 |
| Uruguay | 1.90 | 3.2 | 7.8 | 3.3 | 6.9 | -1.8 | 5.3 | 5.1 | 4.5 | -2.8 | -1.3 |
| Inflation | | | | | | | | | | | |
| Argentina | | 84.0 | 17.5 | 7.4 | 3.9 | 1.6 | 0.1 | 0.3 | 0.7 | -1.8 | -0.8 |
| Brazil | | 475.0 | 1149.1 | 2489.1 | 929.3 | 22.0 | 9.1 | 4.3 | 2.5 | 8.9 | 6.0 |
| Paraguay | | n.a. | 17.8 | 20.4 | n.a. | 10.5 | 9.8 | 6.2 | 14.6 | 5.5 | 8.6 |
| Uruguay | | n.a. | 59.0 | 52.9 | 44.1 | 35.4 | 24.3 | 15.2 | 8.6 | 4.2 | 5.0 |

Sources: Mercosur Reports nº 1,4 and 7 - INTAL-IDB

MERCOSUR: OTHER MACROECONOMIC INDICATORS - 1994/2000

| Indicators | Argentina | | | Brazil | | | Paraguay | | | Uruguay | | |
|--|-----------|-------|------|--------|-------|-------|--------------------|------|------|---------|------|------|
| | 1994 | 1999 | 2000 | 1994 | 1999 | 2000 | 1994 | 1999 | 2000 | 1994 | 1999 | 2000 |
| Industrial Production (annual -%) | 5 | -9.7 | -1.5 | 1.7 | -0.7 | 6.5 | 1.5 | 0.0 | 1.0 | 2.9 | -8.6 | 0.8 |
| Unemployment rate (%) | 11.4 | 14.2 | 15.1 | 4.6 | 7.6 | 7.1 | 5.3 ⁽¹⁾ | 16 | 17.7 | 9.1 | 11.3 | 13.6 |
| Public Deficit (% of GDP) | -0.1 | -1.7 | -2.4 | -7.2 | -10.3 | -4.5 | 1.0 | -3.6 | -4.4 | -2.9 | -4 | -3.9 |
| Exports (US\$ 10 ⁹) | 15.8 | 23.3 | 26.3 | 46.5 | 48.0 | 55.1 | 0.8 | 2.7 | 2.4 | 1.9 | 2.3 | 2.4 |
| Imports (US\$ 10 ⁹) | 20.1 | 24.1 | 23.8 | 49.9 | 49.3 | 55.8 | 2.1 | 3.0 | 2.9 | 2.6 | 3.2 | 3.3 |
| Trade Balance (US\$ 10 ⁹) | -4.2 | -0.8 | 2.5 | -3.3 | -1.3 | -0.7 | -1.3 | -0.4 | -0.5 | -0.7 | -0.9 | -0.9 |
| Current Transactions Deficit (% of GDP) | -10.0 | -12.4 | -9.4 | -18 | -25.4 | -24.6 | -0.4 | -0.1 | -0.3 | -0.4 | -0.5 | -0.6 |
| Foreign Direct Investment (US\$ 10 ⁹)(1) | 5.3 | 24.2 | 11.2 | 4.3 | 26.9 | 30.5 | 0.16 | 0.1 | 0.1 | 0.16 | 0.2 | 0.2 |

(1) Figures for 1994 refer to 1995

Sources: Informe MERCOSUL nº 4 - Enero-Junio - 1998 - INTAL-BID -; Informe MERCOSUL nº 7 - 2000/2001 - INTAL-BID

There doesn't seem to be a strong relation between the increase in the trade figures and the other macroeconomic indicators perhaps because of the small weight of the export sector in the economy of the member countries. In the case of Brazil the export sector account for only 3% of the GDP.

4.3 – Forecast

The period 1999-2001 will probably go into history as the worst of Mercosur's history, due to, on one hand, the Brazilian external crisis that started in the end of 1998 and resulted in the devaluation of the Brazilian currency in January 1999. On the other hand, Argentina's economic crisis which started to get worst in the end 2000. The regions macroeconomic indicators clearly reflect this scenario.

This situation will probably still continue until the end of 2002. Even if Argentina is able to pullout of its crisis, the international scenario does not encourage positive expectations for the regions activity levels for earlier than the second semester of 2002.

5. THE FREE TRADE AGREEMENT OF THE AMERICAS⁸

Addressing the subject of free trade agreements (FTA) it would be important to say a few words about the Free Trade Agreement of the Americas (FTAA) that is being negotiated between the 34 countries that are part of the Americas (except Cuba).

The main issue would be if a free trade agreement between the largest economy in the world (the U.S.) and the Latin American countries could be beneficial to both. When referring to Latin American countries, Mexico will not be included as it is already part of Nafta and for the special nature of its relation with the U.S.

A few ideas must be pointed out:

1 – FTA is not the same as free trade. The Latin American countries would be denied to import from other lower cost sources in East Asia. For many product , the most efficient producers are not in North America.

2 - To ask the Southern countries to comply with Northern labor and environmental regulations would make them loose their competitiveness in the international market especially if compared with the East Asian countries.

3 – The general tariff level in the U.S. is already very low and those of the Southern countries are comparatively high so that they would have little to gain from an FTA with the U.S.

4 – The FTAA would not protect the Southern countries from anti-dumping measures that account for many of the high tariffs that Latin American countries face today (even Nafta have not protected Mexico from U.S. anti-dumping measures).

According to the Vinerian approach, a country benefits from receiving a preferential access to the partner's market and is hurt by giving the partner a similar

⁸ PANAGARIYA, Arvind. 1996. "The Free Trade Area of the Americas: Good for Latin America?"

access to its own market. When a country gives access to the partner on a preferential basis, it loses the tariff revenue collected on imports from the partner. The reverse happens when the country receives a preferential access from the partner. On balance, then, the country who liberalizes the most is likely to lose. The U.S. and Canada have already very low tariffs while Latin America has comparatively high. The conclusion is that the static welfare effects of FTAA on the Latin American countries will be negative.

It has been argued the gains to a developing country from an FTA with a large, rich trading partner go far beyond the traditional static effects. The so called non-traditional gains would come from guaranteed access to a large rich market, protection from predatory actions such as anti-dumping by the rich partner, a “lock” on the countries’ own reforms and a steady flow of foreign capital. But as already mentioned above not all those gains are granted by the rich partner and that makes the amount of those non- traditional gains to be greatly exaggerated.

6. CONCLUSION

All theories agree that it is difficult to establish if a custom union is increasing or diminishing welfare, it's own and the worlds.

Even Viner's theory of trade diversion reducing the member countries' welfare and trade creation increasing it, wasn't absolute. Depending on the magnitude of the gain for the consumer compared with the magnitude of the loss to the producer, trade diversion could create welfare. Further theories added other variable to the equation such as terms of trade, returns of scale and imperfect competition making the final result even more difficult to predict.

Mercosur is regarded by some as being trade of low quality goods among inefficient countries. Being for Mercosur does not mean defending a Latin American autarky. In the case of Brazil, intra-Mercosur trade accounts for 14% of the countries total trade. For Argentina, Paraguay and Uruguay, the share is 30%, 40% and 45%, respectively. Though for some of the member countries the share is large , it also means that there is much being traded with countries outside the agreement.

Since 1991, all trade in the area grew at least at the same rate as the world trade. Intra-Mercosur trade grew much more increasing its share in the global trade of the member countries but not at the expense of trade with non-members.

From the Vinerian more strict point of view this could be new diverted trade and not real new trade, but there is no way of knowing if this trade would ever have been created at all if it weren't for the existence of Mercosur. There are also many positive effects of regionalism that are ignored by this analysis such as parallel reduction of

internal and external tariffs, product differentiation, competition and market shares, investment and learning by doing, externalities, etc ...

Trade with the developed world is essential to keep the quality, efficiency, productivity and technology up to date in the developing countries but that doesn't mean that the benefit of trading among more equal partners must be ignored. The exchange of raw materials (or intermediate goods) for manufactured goods, with more value-added, has never been known to be a good deal for the raw material exporter.

APENDIX 1

| Country: ARGENTINA | | | | | | | | | | | | | | | | |
|-----------------------------|----------|-----------|---------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|-----------|--------|
| Trade by: Exports | | | | | | | | | | | | | | | | |
| Value in: Thousands | | | | | | | | | | | | | | | | |
| Tariff Line | Country | 1980 | 1983 | 1986 | 1989 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 99/80 | 99/89 | 99/92 |
| 0-FOOD & LIVE ANIMALS | BRAZIL | 397,730 | 152,513 | 377,999 | 526,638 | 756,880 | 1,032,914 | 1,296,764 | 1,885,984 | 2,008,892 | 2,000,864 | 2,358,732 | 1,774,366 | 346.12 | 236.92 | 134.43 |
| | PARAGUAY | 31,184 | 24,894 | 9,273 | 3,818 | 50,538 | 82,769 | 117,708 | 163,141 | 134,820 | 105,429 | 114,837 | 93,309 | 199.22 | 2,343.92 | 84.63 |
| | URUGUAY | 17,546 | 16,534 | 13,852 | 17,558 | 65,628 | 42,785 | 68,140 | 84,161 | 96,527 | 104,290 | 126,253 | 115,813 | 560.05 | 559.60 | 76.47 |
| | Total | 446,460 | 193,941 | 401,124 | 548,014 | 873,046 | 1,158,468 | 1,482,612 | 2,133,286 | 2,240,239 | 2,210,583 | 2,599,822 | 1,983,488 | 344.27 | 261.94 | 127.19 |
| 1-BEVERAGES AND TOBACCO | BRAZIL | 438 | 1,723 | 634 | 3,364 | 6,960 | 3,813 | 9,134 | 50,191 | 19,624 | 26,856 | 15,551 | 8,337 | 1,803.42 | 147.83 | 19.78 |
| | PARAGUAY | 6,985 | 2,834 | 1,001 | 1,011 | 15,018 | 18,222 | 34,550 | 42,240 | 47,169 | 57,045 | 64,476 | 64,650 | 825.55 | 6,294.66 | 330.48 |
| | URUGUAY | 2,982 | 535 | 333 | 1,769 | 2,826 | 4,876 | 16,074 | 9,640 | 9,846 | 13,921 | 17,486 | 18,369 | 516.00 | 938.38 | 550.00 |
| | Total | 10,405 | 5,092 | 1,968 | 6,144 | 24,804 | 26,911 | 59,758 | 102,071 | 76,639 | 97,822 | 97,513 | 91,356 | 778.00 | 1,386.91 | 268.31 |
| 2-CRUDE MATER. EX FOOD/FUEI | BRAZIL | 71,860 | 2,822 | 17,053 | 28,352 | 72,917 | 29,403 | 131,187 | 111,678 | 240,249 | 314,932 | 237,262 | 229,089 | 218.80 | 708.02 | 214.18 |
| | PARAGUAY | 1,932 | 1,370 | 1,086 | 454 | 2,449 | 4,532 | 9,469 | 7,418 | 11,748 | 13,181 | 10,403 | 9,835 | 409.06 | 2,066.30 | 301.59 |
| | URUGUAY | 5,471 | 3,690 | 6,987 | 14,656 | 11,411 | 9,438 | 21,050 | 30,492 | 23,499 | 21,404 | 24,636 | 15,447 | 182.34 | 5.40 | 35.37 |
| | Total | 79,263 | 7,882 | 25,126 | 43,462 | 86,777 | 43,373 | 161,706 | 149,588 | 279,302 | 349,517 | 272,301 | 254,371 | 220.92 | 485.27 | 193.13 |
| 3-MINERAL FUEL/LUBRICANTS | BRAZIL | 69,038 | 49,465 | 23,380 | 19,345 | 122,762 | 499,243 | 595,646 | 739,499 | 1,289,471 | 1,156,366 | 655,760 | 711,929 | 931.21 | 3,580.17 | 479.93 |
| | PARAGUAY | 6,915 | 33,549 | 31,636 | 44,942 | 81,309 | 75,212 | 84,362 | 95,220 | 125,415 | 132,198 | 149,818 | 160,692 | 2,223.82 | 257.55 | 97.63 |
| | URUGUAY | 13,252 | 3,464 | 15,697 | 11,739 | 86,406 | 105,181 | 103,600 | 113,517 | 139,837 | 95,220 | 50,397 | 108,721 | 720.41 | 826.15 | 25.83 |
| | Total | 89,205 | 86,478 | 70,713 | 76,026 | 290,477 | 679,636 | 783,608 | 948,236 | 1,554,723 | 1,383,784 | 855,975 | 981,342 | 1,000.10 | 1,190.80 | 237.84 |
| 4-ANIMAL/VEG OIL/FAT/WAX | BRAZIL | 44,047 | 40,847 | 41,972 | 43,990 | 33,857 | 57,382 | 144,410 | 120,787 | 97,015 | 105,907 | 195,484 | 97,088 | 120.42 | 120.70 | 186.76 |
| | PARAGUAY | 1,686 | 652 | 7 | 11 | 3,302 | 8,018 | 6,900 | 7,939 | 10,192 | 9,102 | 8,665 | 5,382 | 219.22 | 48,827.27 | 62.99 |
| | URUGUAY | 7,962 | 3,909 | 2,433 | 2,736 | 5,610 | 8,234 | 13,739 | 12,449 | 12,175 | 10,673 | 12,833 | 11,962 | 50.24 | 337.21 | 113.23 |
| | Total | 53,695 | 45,408 | 44,412 | 46,737 | 42,769 | 73,634 | 165,049 | 141,175 | 119,382 | 125,662 | 216,982 | 114,432 | 113.11 | 144.84 | 167.56 |
| 5-CHEMICALS/PRODUCTS N.E.S | BRAZIL | 61,552 | 26,260 | 47,258 | 129,464 | 143,347 | 147,490 | 214,020 | 321,950 | 419,389 | 424,031 | 541,618 | 552,352 | 797.37 | 326.65 | 285.33 |
| | PARAGUAY | 15,629 | 6,153 | 5,604 | 9,890 | 51,784 | 66,066 | 111,852 | 131,416 | 80,630 | 97,162 | 101,398 | 98,488 | 530.16 | 895.83 | 90.19 |
| | URUGUAY | 19,854 | 16,215 | 24,423 | 38,296 | 63,391 | 71,553 | 84,426 | 116,738 | 137,549 | 161,334 | 188,089 | 189,235 | 853.13 | 394.14 | 198.52 |
| | Total | 97,035 | 48,628 | 77,285 | 177,650 | 258,522 | 285,109 | 410,298 | 570,104 | 637,568 | 682,527 | 831,105 | 840,075 | 765.74 | 372.88 | 224.95 |
| 6-MANUFACTURED GOODS | BRAZIL | 27,168 | 49,325 | 106,082 | 174,922 | 160,611 | 271,968 | 294,088 | 532,247 | 521,294 | 579,949 | 593,478 | 471,688 | 1,636.19 | 169.66 | 193.68 |
| | PARAGUAY | 36,702 | 10,741 | 12,381 | 22,108 | 25,350 | 43,585 | 59,307 | 82,733 | 86,773 | 93,245 | 88,022 | 60,730 | 65.47 | 174.70 | 139.57 |
| | URUGUAY | 37,411 | 12,663 | 25,793 | 66,636 | 54,383 | 83,074 | 106,369 | 127,689 | 147,882 | 147,485 | 163,267 | 149,915 | 300.72 | 124.98 | 175.67 |
| | Total | 101,281 | 72,729 | 144,256 | 263,666 | 240,344 | 398,627 | 459,764 | 752,669 | 755,499 | 820,679 | 844,767 | 682,333 | 573.70 | 158.79 | 183.90 |
| 7-MACHINERY/TRANSP EQUIPM | BRAZIL | 78,086 | 25,365 | 65,711 | 159,785 | 318,141 | 719,142 | 912,044 | 1,541,877 | 1,828,954 | 2,918,916 | 3,137,580 | 1,715,524 | 2,096.97 | 973.65 | 439.23 |
| | PARAGUAY | 38,924 | 5,009 | 4,155 | 10,000 | 21,830 | 31,136 | 46,819 | 56,558 | 50,427 | 49,567 | 52,597 | 46,233 | 18.78 | 362.33 | 111.79 |
| | URUGUAY | 65,457 | 14,748 | 30,108 | 41,482 | 57,337 | 135,851 | 175,390 | 94,181 | 88,684 | 118,000 | 178,083 | 119,628 | 82.76 | 188.39 | 108.64 |
| | Total | 182,467 | 45,122 | 99,974 | 211,267 | 397,308 | 886,129 | 1,134,253 | 1,692,616 | 1,968,065 | 3,086,483 | 3,368,260 | 1,881,385 | 931.08 | 790.52 | 373.53 |
| 8-MISCELLANEOUS MANUF ART: | BRAZIL | 15,053 | 10,000 | 17,719 | 38,099 | 33,283 | 49,767 | 57,226 | 179,286 | 189,346 | 205,959 | 213,634 | 129,139 | 757.90 | 238.96 | 288.00 |
| | PARAGUAY | 49,013 | 1,971 | 2,222 | 4,027 | 15,745 | 24,790 | 27,290 | 34,179 | 32,917 | 30,921 | 31,658 | 23,746 | -51.55 | 489.67 | 50.82 |
| | URUGUAY | 12,186 | 4,924 | 9,514 | 12,618 | 26,918 | 47,086 | 60,651 | 64,388 | 65,324 | 73,256 | 88,270 | 88,586 | 626.95 | 602.06 | 229.10 |
| | Total | 76,252 | 16,895 | 29,455 | 54,744 | 75,946 | 121,643 | 145,167 | 277,853 | 287,587 | 310,136 | 333,562 | 241,471 | 216.67 | 341.09 | 217.95 |
| 9-COMMODITIES NES | BRAZIL | 0 | 0 | 194 | 113 | 3 | 198 | 289 | 547 | 595 | 285 | 165 | 23 | - | - | 74.95 |
| | PARAGUAY | 0 | 0 | 21 | 1 | 50 | 303 | 200 | 281 | 314 | 309 | 92 | 39 | - | 3,800.00 | -22.00 |
| | URUGUAY | 3 | 9 | 134 | 153 | 244 | 261 | 958 | 911 | 1,460 | 402 | 174 | 192 | 6,300.00 | 25.49 | -21.31 |
| | Total | 3 | 9 | 349 | 267 | 297 | 762 | 1,447 | 1,739 | 2,369 | 996 | 431 | 254 | 8,366.67 | -4.87 | -14.48 |
| Total | | 1,136,066 | 522,184 | 894,662 | 1,427,977 | 2,290,290 | 3,674,292 | 4,803,662 | 6,769,337 | 7,921,823 | 9,068,209 | 9,420,718 | 7,070,507 | 522.37 | 395.14 | 208.72 |

Source: DataIntal 3.1

| Country: BRAZIL | | | | | | | | | | | | | | | | |
|-----------------------------|-----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------|---------|--------|
| Trade by: Exports | | | | | | | | | | | | | | | | |
| Value in: Thousands | | | | | | | | | | | | | | | | |
| Tariff Line | Country | 1980 | 1983 | 1986 | 1989 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 99/80 | 99/89 | 99/92 |
| 0-FOOD & LIVE ANIMALS | ARGENTINA | 165,729 | 61,269 | 112,693 | 43,280 | 237,596 | 289,693 | 344,606 | 335,875 | 334,898 | 409,009 | 420,324 | 363,487 | 119.33 | 739.85 | 52.99 |
| | PARAGUAY | 21,319 | 13,553 | 18,860 | 26,086 | 26,601 | 52,926 | 56,396 | 82,320 | 90,614 | 91,926 | 89,759 | 70,486 | 230.63 | 170.21 | 164.98 |
| | URUGUAY | 40,165 | 17,598 | 21,643 | 23,957 | 43,928 | 69,767 | 72,332 | 82,448 | 100,126 | 110,655 | 119,656 | 109,332 | 172.21 | 356.37 | 148.89 |
| | Total | 227,213 | 92,420 | 153,196 | 93,323 | 308,125 | 412,386 | 473,334 | 500,643 | 525,638 | 611,590 | 629,739 | 543,305 | 139.12 | 482.18 | 76.33 |
| 1-BEVERAGES AND TOBACCO | ARGENTINA | 3,637 | 8 | 968 | 2,846 | 13,353 | 21,012 | 17,748 | 18,144 | 79,978 | 77,172 | 17,479 | 17,893 | 391.97 | 528.71 | 34 |
| | PARAGUAY | 9,512 | 4,116 | 6,514 | 8,359 | 71,578 | 124,029 | 147,882 | 208,948 | 168,237 | 221,527 | 274,346 | 54,966 | 477.86 | 557.57 | -23.21 |
| | URUGUAY | 2,874 | 1,110 | 705 | 2,777 | 4,831 | 7,006 | 11,827 | 15,994 | 51,333 | 40,454 | 75,468 | 19,781 | 588.27 | 612.32 | 309.46 |
| | Total | 16,023 | 5,234 | 8,187 | 13,982 | 89,762 | 152,047 | 177,457 | 243,086 | 299,548 | 339,153 | 367,293 | 92,640 | 478.17 | 562.57 | 3.21 |
| 2-CRUDE MATER. EX FOOD/FUEL | ARGENTINA | 116,042 | 95,260 | 98,811 | 148,365 | 135,505 | 169,432 | 175,338 | 205,668 | 245,105 | 273,748 | 306,277 | 239,799 | 106.65 | 61.63 | 76.97 |
| | PARAGUAY | 1,128 | 4,625 | 3,831 | 1,788 | 3,095 | 2,820 | 3,859 | 4,012 | 8,254 | 9,251 | 19,108 | 11,358 | 906.91 | 535.23 | 266.98 |
| | URUGUAY | 13,794 | 7,141 | 9,992 | 10,280 | 20,525 | 22,600 | 21,463 | 42,968 | 46,905 | 57,651 | 39,048 | 24,949 | 80.87 | 142.69 | 21.55 |
| | Total | 130,964 | 107,026 | 112,634 | 160,433 | 159,125 | 194,852 | 200,660 | 252,648 | 300,264 | 340,650 | 364,433 | 276,106 | 110.83 | 72.10 | 73.52 |
| 3-MINERAL FUEL/LUBRICANTS | ARGENTINA | 67,864 | 16,970 | 385 | 1,497 | 20,214 | 75,308 | 92,414 | 39,218 | 36,234 | 26,390 | 10,363 | 31,862 | -53.05 | 2028.39 | 57.62 |
| | PARAGUAY | 46,764 | 21,803 | 22,765 | 27,033 | 20,249 | 31,806 | 33,671 | 38,696 | 41,675 | 38,853 | 7,998 | 12,748 | -72.74 | -52.84 | -37.04 |
| | URUGUAY | 21,281 | 9,561 | 20,263 | 20,827 | 8,929 | 62,839 | 87,084 | 30,755 | 11,088 | 15,286 | 7,972 | 6,989 | -67.16 | -66.44 | -21.73 |
| | Total | 135,909 | 48,334 | 43,413 | 49,357 | 49,392 | 169,953 | 213,169 | 108,669 | 88,997 | 80,529 | 26,333 | 51,599 | -62.03 | 4.54 | 4.47 |
| 4-ANIMAL/VEG OIL/FAT/WAX | ARGENTINA | 1,742 | 1,139 | 1,007 | 2,304 | 3,375 | 3,421 | 4,125 | 10,080 | 14,385 | 13,650 | 13,321 | 7,471 | 328.87 | 224.26 | 121.36 |
| | PARAGUAY | 683 | 267 | 394 | 184 | 163 | 123 | 320 | 491 | | | | | | | |

| Country: PARAGUAY | | | | | | | | | | | | | | | | |
|----------------------------|-----------|---------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|-----------|-----------|
| Trade by:Exports | | | | | | | | | | | | | | | | |
| Value in:Thousands dollars | | | | | | | | | | | | | | | | |
| Tariff Line | Country | 1980 | 1983 | 1986 | 1989 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 99/80 | 99/89 | 99/92 |
| 0-FOOD & LIVE ANIMALS | ARGENTINA | 14,845 | 4,123 | 8,038 | 19,179 | 17,569 | 12,948 | 9,443 | 3,762 | 11,170 | 7,041 | 16,176 | 9,183 | -38.14 | -52.12 | -47.73 |
| | BRAZIL | 1,277 | 13 | 28,954 | 90,165 | 6,924 | 12,707 | 61,319 | 88,993 | 89,899 | 135,468 | 105,527 | 40,964 | 3,107.83 | -54.57 | 491.62 |
| | URUGUAY | 1,581 | 11 | 123 | 2,171 | 552 | 414 | 659 | 5,105 | 17,447 | 1,429 | 10,424 | 3,132 | 98.10 | 44.27 | 467.39 |
| | Total | 17,703 | 4,147 | 37,115 | 111,515 | 25,045 | 26,069 | 71,421 | 97,860 | 118,516 | 143,938 | 132,127 | 53,279 | 200.96 | -52.22 | 112.73 |
| 1-BEVERAGES AND TOBACCO | ARGENTINA | 504 | 653 | 157 | 99 | 479 | 458 | 1,326 | 768 | 1,664 | 1,155 | 715 | 627 | 24.40 | 533.33 | 30.90 |
| | BRAZIL | 0 | 0 | 0 | 0 | 0 | 0 | 62 | 411 | 1,592 | 1,153 | 620 | 2,284 | - | - | - |
| | URUGUAY | 361 | 27 | 31 | 16 | 20 | 25 | 42 | 39 | 0 | 151 | 150 | 3,247 | 799.45 | 20,193.75 | 16,135.00 |
| | Total | 865 | 680 | 188 | 115 | 499 | 483 | 1,430 | 1,218 | 3,256 | 2,459 | 1,485 | 6,158 | 611.91 | 5,254.78 | 1,134.07 |
| 2-CRUDE MATER.EX FOOD/FUEL | ARGENTINA | 47,387 | 15,872 | 25,560 | 25,715 | 23,350 | 26,359 | 26,671 | 25,875 | 36,929 | 50,580 | 98,998 | 21,334 | -54.98 | -17.04 | -8.63 |
| | BRAZIL | 24,126 | 51,106 | 55,392 | 206,242 | 117,242 | 148,662 | 128,877 | 220,645 | 307,801 | 224,045 | 146,498 | 145,655 | 503.73 | -29.38 | 24.23 |
| | URUGUAY | 6,588 | 3,730 | 5,951 | 5,855 | 7,756 | 4,191 | 4,218 | 10,397 | 6,887 | 5,965 | 7,951 | 2,959 | -55.09 | -49.46 | -61.85 |
| | Total | 78,101 | 70,708 | 86,903 | 237,812 | 148,348 | 179,212 | 159,766 | 256,917 | 351,617 | 280,590 | 253,447 | 169,948 | 117.60 | -28.54 | 14.56 |
| 3-MINERAL FUEL/LUBRICANTS | ARGENTINA | 0 | 0 | 0 | 0 | 3,029 | 1,584 | 1,834 | 443 | 1,818 | 655 | 85 | 1,051 | - | - | -65.30 |
| | BRAZIL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,616 | 2 | 0 | 44 | - | - | - |
| | URUGUAY | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 13 | 8 | 0 | 3 | - | - | - |
| | Total | 0 | 0 | 0 | 0 | 3,029 | 1,584 | 1,834 | 443 | 6,447 | 665 | 85 | 1,098 | - | - | -63.75 |
| 4-ANIMAL/VEG OIL/FAT/WAX | ARGENTINA | 2,642 | 3,145 | 424 | 1,870 | 680 | 530 | 495 | 155 | 3,605 | 1,243 | 7,528 | 4,066 | 53.90 | 117.43 | 497.94 |
| | BRAZIL | 286 | 168 | 2,918 | 2,331 | 30,595 | 30,608 | 41,079 | 48,117 | 62,531 | 52,845 | 58,339 | 23,150 | 7,994.41 | 893.14 | -24.33 |
| | URUGUAY | 1,206 | 683 | 184 | 432 | 522 | 243 | 197 | 12 | 3,173 | 78 | 25 | 29 | -97.60 | -93.29 | -94.44 |
| | Total | 4,134 | 3,996 | 3,526 | 4,633 | 31,797 | 31,381 | 41,771 | 48,284 | 69,309 | 54,166 | 65,892 | 27,245 | 559.05 | 488.06 | -14.32 |
| 5-CHEMICALS/PRODUCTS N.E.S | ARGENTINA | 3,424 | 5,501 | 286 | 1,055 | 950 | 701 | 929 | 566 | 3,313 | 3,278 | 1,936 | 1,291 | -62.30 | 22.37 | 35.89 |
| | BRAZIL | 4,760 | 416 | 1,719 | 19,647 | 6,411 | 3,250 | 3,247 | 2,335 | 3,309 | 10,666 | 4,432 | 4,805 | 0.95 | -75.54 | -25.05 |
| | URUGUAY | 309 | 22 | 12 | 1,604 | 628 | 1,073 | 2,683 | 892 | 2,173 | 1,848 | 2,097 | 1,790 | 479.29 | 11.60 | 185.03 |
| | Total | 8,493 | 5,939 | 2,017 | 22,306 | 7,989 | 5,024 | 6,859 | 3,793 | 6,795 | 15,792 | 8,465 | 7,886 | -7.15 | -64.65 | -1.29 |
| 6-MANUFACTURED GOODS | ARGENTINA | 5,188 | 2,137 | 470 | 921 | 13,379 | 18,693 | 16,805 | 27,912 | 27,062 | 25,292 | 17,585 | 7,963 | 53.49 | 764.60 | -40.48 |
| | BRAZIL | 9,716 | 734 | 2,584 | 5,972 | 6,921 | 18,079 | 26,624 | 18,109 | 43,427 | 23,129 | 20,382 | 10,202 | 5.00 | 70.83 | 47.41 |
| | URUGUAY | 113 | 0 | 22 | 514 | 1,147 | 1,160 | 1,537 | 3,496 | 12,887 | 12,411 | 7,545 | 5,536 | 4,799.12 | 977.04 | 382.65 |
| | Total | 15,017 | 2,871 | 3,076 | 7,407 | 21,447 | 37,932 | 44,966 | 49,517 | 83,376 | 60,832 | 45,512 | 23,701 | 57.83 | 219.98 | 10.51 |
| 7-MACHINERY/TRANSP EQUIPMT | ARGENTINA | 4 | 0 | 0 | 37 | 874 | 2,533 | 7,726 | 2,495 | 1,632 | 1,936 | 592 | 172 | 4,200.00 | 364.86 | -80.32 |
| | BRAZIL | 71 | 0 | 0 | 63 | 112 | 302 | 255 | 39 | 1,297 | 1,281 | 4,452 | 1,966 | 2,669.01 | 3,020.63 | 1,655.36 |
| | URUGUAY | 0 | 0 | 0 | 0 | 28 | 12 | 110 | 8 | 494 | 802 | 74 | 667 | - | - | 2,282.14 |
| | Total | 75 | 0 | 0 | 100 | 1,014 | 2,847 | 8,091 | 2,542 | 3,423 | 4,019 | 5,118 | 2,805 | 3,640.00 | 2,705.00 | 176.63 |
| 8-MISCELLANEOUS MANUF ARTS | ARGENTINA | 187 | 73 | 36 | 112 | 952 | 1,133 | 1,623 | 528 | 8,594 | 10,108 | 7,736 | 7,284 | 3,795.19 | 6,403.57 | 665.13 |
| | BRAZIL | 7 | 0 | 0 | 4,065 | 1,758 | 1,509 | 2,182 | 2,604 | 5,976 | 7,080 | 7,778 | 4,627 | 66,000.00 | 13.83 | 163.20 |
| | URUGUAY | 0 | 0 | 0 | 9 | 132 | 94 | 158 | 3 | 363 | 583 | 450 | 1,667 | - | 18,422.22 | 1,162.88 |
| | Total | 194 | 73 | 36 | 4,186 | 2,842 | 2,736 | 3,963 | 3,135 | 14,933 | 17,771 | 15,964 | 13,578 | 6,898.97 | 224.37 | 377.76 |
| 9-COMMODITIES NES | ARGENTINA | 0 | 0 | 0 | 0 | 0 | 6 | 3 | 0 | 32 | 3,399 | 1,397 | 315 | - | - | - |
| | BRAZIL | 0 | 0 | 0 | 0 | 0 | 14 | 0 | 1,778 | 281 | 2,194 | 1,295 | 1,278 | - | - | - |
| | URUGUAY | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 156 | 486 | 3 | 195 | - | - | - |
| | Total | 0 | 0 | 0 | 0 | 0 | 20 | 3 | 1,778 | 469 | 6,079 | 2,695 | 1,788 | - | - | - |
| Total | | 124,582 | 88,414 | 132,861 | 388,074 | 242,010 | 287,288 | 340,104 | 465,487 | 660,141 | 586,311 | 530,790 | 307,486 | 146.81 | -20.77 | 27.06 |

Source: DataIntal 3.1

| Country: URUGUAY | | | | | | | | | | | | | | | | |
|----------------------------|-----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|-----------|----------|
| Trade by:Exports | | | | | | | | | | | | | | | | |
| Value in:Thousands dollars | | | | | | | | | | | | | | | | |
| Tariff Line | Country | 1980 | 1983 | 1986 | 1989 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 99/80 | 99/89 | 99/92 |
| 0-FOOD & LIVE ANIMALS | ARGENTINA | 20,139 | 26,818 | 10,251 | 2,406 | 62,554 | 40,107 | 39,380 | 33,534 | 46,313 | 66,548 | 109,781 | 58,822 | 192.08 | 2,344.80 | -5.97 |
| | BRAZIL | 132,864 | 88,072 | 208,484 | 197,496 | 145,887 | 216,271 | 288,427 | 407,450 | 498,201 | 538,899 | 575,672 | 311,679 | 134.58 | 57.82 | 113.64 |
| | PARAGUAY | 5,781 | 1,044 | 884 | 2,846 | 2,305 | 4,234 | 6,168 | 9,661 | 12,037 | 9,959 | 8,633 | 11,654 | 101.59 | 309.49 | 405.60 |
| | Total | 158,784 | 115,934 | 219,619 | 202,748 | 210,746 | 260,612 | 333,975 | 450,645 | 556,551 | 615,406 | 694,086 | 382,155 | 140.68 | 88.49 | 81.33 |
| 1-BEVERAGES AND TOBACCO | ARGENTINA | 816 | 12 | 1,232 | 393 | 1,484 | 1,740 | 1,686 | 1,636 | 256 | 489 | 792 | 526 | -35.54 | 33.84 | -64.56 |
| | BRAZIL | 188 | 0 | 2,892 | 663 | 417 | 444 | 615 | 4,990 | 5,138 | 5,282 | 3,767 | 4,472 | 2,278.72 | 574.51 | 972.42 |
| | PARAGUAY | 0 | 0 | 28 | 136 | 171 | 369 | 3,435 | 1,777 | 18,650 | 26,195 | 50,190 | - | 36,804.41 | 29,250.88 | |
| | Total | 1,004 | 12 | 4,152 | 1,192 | 2,072 | 2,553 | 5,736 | 8,403 | 24,044 | 31,966 | 59,888 | 55,188 | 5,396.81 | 4,529.87 | 2,563.51 |
| 2-CRUDE MATER.EX FOOD/FUEL | ARGENTINA | 6,225 | 5,937 | 4,377 | 4,926 | 7,592 | 5,350 | 5,398 | 5,333 | 5,216 | 10,659 | 17,128 | 8,632 | 38.67 | 75.23 | 13.70 |
| | BRAZIL | 12,100 | 6,765 | 5,679 | 27,432 | 16,679 | 9,558 | 9,725 | 12,621 | 10,180 | 9,393 | 8,839 | 6,946 | -42.60 | -74.68 | -58.35 |
| | PARAGUAY | 133 | 45 | 431 | 55 | 33 | 206 | 1,154 | 320 | 123 | 96 | 88 | 113 | -15.04 | 105.45 | 242.42 |
| | Total | 18,458 | 12,747 | 10,487 | 32,413 | 24,304 | 15,114 | 16,277 | 18,274 | 15,519 | 20,148 | 26,055 | 15,691 | -14.99 | -51.59 | -35.44 |
| 3-MINERAL FUEL/LUBRICANTS | ARGENTINA | 0 | 0 | 5 | 411 | 658 | 226 | 153 | 15,513 | 7,482 | 9,193 | 9,813 | 11,517 | - | 2,702.19 | 1,650.30 |
| | BRAZIL | 0 | 0 | 7,432 | 397 | 391 | 287 | 230 | 2,876 | 14,717 | 7,757 | 354 | 1,288 | - | 224.43 | 229.41 |
| | PARAGUAY | 33 | 733 | 0 | 5 | 0 | 16 | 4 | 48 | 81 | 312 | 283 | 444 | 1,245.45 | 8,780.00 | - |
| | Total | 33 | 733 | 7,437 | 813 | 1,049 | 529 | 387 | 18,437 | 22,280 | 17,262 | 10,450 | 13,249 | 40,048.48 | 1,529.64 | 1,163.01 |
| 4-ANIMAL/VEG OIL/FAT/WAX | ARGENTINA | 87 | 192 | 110 | 36 | 1,027 | 665 | 256 | 444 | 2,416 | 3,691 | 4,376 | 1,158 | 1,231.03 | 3,116.67 | 12.76 |
| | BRAZIL | 2,230 | 1,941 | 5,306 | 4,182 | 6,192 | 3,912 | 7,672 | 5,106 | 6,682 | 7,636 | 8,054 | 8,344 | 274.17 | 99.52 | 34.75 |
| | PARAGUAY | 0 | 0 | 0 | 2 | 0 | 4 | 14 | 9 | 0 | 88 | 255 | 169 | - | 8,350.00 | - |
| | Total | 2,317 | 2,133 | 5,416 | 4,220 | 7,219 | 4,581 | 7,942 | 5,559 | 9,098 | 11,415 | 12,685 | 9,671 | 317.39 | 129.17 | 33.97 |
| 5-CHEMICALS/PRODUCTS N.E.S | ARGENTINA | 16,344 | 12,292 | 17,551 | 25,722 | 28,311 | 24,812 | 36,956 | 34,632 | 35,349 | 32,310 | 36,081 | 36,826 | 125.32 | 43.17 | 30.08 |
| | BRAZIL | 13,174 | 9,391 | 31,126 | 79,598 | 54,336 | 46,928 | 47,917 | 63,460 | 65,631 | 76,913 | 87,128 | 49,717 | 277.39 | -37.54 | -8.50 |
| | PARAGUAY | 3,266 | 1,198 | 1,462 | 1,396 | 3,655 | 4,282 | 4,629 | 4,883 | 10,302 | 13,865 | 10,697 | 11,588 | 254.81 | 730.09 | 217.05 |
| | Total | 32,784 | 22,881 | 50,139 | 106,716 | 86,302 | 76,022 | 89,502 | 102,975 | 111,282 | 123,088 | 133,906 | 98,131 | 199.33 | -8.04 | 13.71 |
| 6-MANUFACTURED GOODS | ARGENTINA | 49,068 | 27,329 | 31,393 | 17,838 | 54,986 | 49,472 | 49,966 | 57,212 | 75,938 | 104,911 | 112,025 | 95,830 | 95.30 | 437.22 | 74.28 |
| | BRAZIL | 22,303 | 9,898 | 24,828 | 84,207 | 44, | | | | | | | | | | |

APPENDIX 2

| Country: ARGENTINA | | | | | | | | | |
|-----------------------------|----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|---------|
| Trade by:Exports | | | | | | | | | |
| Value in:Thousands | | | | | | | | | |
| Tariff Line | Country | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 98/94 | 99/94 |
| 61-LEATHER MANUFACTURES | BRAZIL | 92,152 | 96,026 | 82,597 | 78,914 | 75,639 | 85,196 | -17.92 | -7.55 |
| 61-LEATHER MANUFACTURES | PARAGUAY | 2,936 | 1,639 | 569 | 156 | 148 | 81 | -94.96 | -97.24 |
| 61-LEATHER MANUFACTURES | URUGUAY | 35,389 | 30,794 | 37,343 | 26,230 | 29,244 | 29,207 | -17.36 | -17.47 |
| 61-LEATHER MANUFACTURES | Total | 130,477 | 128,459 | 120,509 | 105,300 | 105,031 | 114,484 | -19.50 | -12.26 |
| 62-RUBBER MANUFACTURES NES | BRAZIL | 37,517 | 59,035 | 60,084 | 64,161 | 74,736 | 43,858 | 99.21 | 16.90 |
| 62-RUBBER MANUFACTURES NES | PARAGUAY | 13,342 | 16,325 | 13,270 | 16,839 | 13,495 | 8,561 | 1.15 | -35.83 |
| 62-RUBBER MANUFACTURES NES | URUGUAY | 2,205 | 2,279 | 3,126 | 3,045 | 3,995 | 3,567 | 81.18 | 61.77 |
| 62-RUBBER MANUFACTURES NES | Total | 53,064 | 77,639 | 76,480 | 84,045 | 92,226 | 55,986 | 73.80 | 5.51 |
| 63-CORK/WOOD MANUFACTURES | BRAZIL | 3,947 | 12,342 | 34,283 | 39,956 | 28,228 | 19,586 | 615.18 | 396.22 |
| 63-CORK/WOOD MANUFACTURES | PARAGUAY | 112 | 229 | 604 | 705 | 531 | 815 | 374.11 | 627.68 |
| 63-CORK/WOOD MANUFACTURES | URUGUAY | 1,931 | 2,847 | 4,960 | 6,493 | 6,238 | 5,546 | 223.05 | 187.21 |
| 63-CORK/WOOD MANUFACTURES | Total | 5,990 | 15,418 | 39,847 | 47,154 | 34,997 | 25,947 | 484.26 | 333.17 |
| 64-PAPER/PAPERBOARD/ARTICLE | BRAZIL | 14,927 | 60,434 | 50,306 | 68,440 | 53,755 | 28,163 | 260.12 | 88.67 |
| 64-PAPER/PAPERBOARD/ARTICLE | PARAGUAY | 6,212 | 13,286 | 25,920 | 27,709 | 25,776 | 16,514 | 314.94 | 165.84 |
| 64-PAPER/PAPERBOARD/ARTICLE | URUGUAY | 6,459 | 17,755 | 23,754 | 30,729 | 37,907 | 36,730 | 486.89 | 468.66 |
| 64-PAPER/PAPERBOARD/ARTICLE | Total | 27,598 | 91,475 | 99,980 | 126,878 | 117,438 | 81,407 | 325.53 | 194.97 |
| 65-TEXTILE YARN/FABRIC/ART. | BRAZIL | 92,851 | 195,641 | 170,807 | 174,158 | 185,409 | 155,805 | 99.68 | 67.80 |
| 65-TEXTILE YARN/FABRIC/ART. | PARAGUAY | 8,245 | 10,722 | 7,946 | 6,315 | 4,849 | 3,665 | -41.19 | -55.55 |
| 65-TEXTILE YARN/FABRIC/ART. | URUGUAY | 11,721 | 16,299 | 17,073 | 17,366 | 16,239 | 14,692 | 38.55 | 25.35 |
| 65-TEXTILE YARN/FABRIC/ART. | Total | 112,817 | 222,662 | 195,826 | 197,839 | 206,497 | 174,162 | 83.04 | 54.38 |
| 66-NON-METAL MINERAL MANUF. | BRAZIL | 18,594 | 31,933 | 24,807 | 29,261 | 24,689 | 12,441 | 32.78 | -33.09 |
| 66-NON-METAL MINERAL MANUF. | PARAGUAY | 3,463 | 5,495 | 4,760 | 5,735 | 6,048 | 3,772 | 74.65 | 8.92 |
| 66-NON-METAL MINERAL MANUF. | URUGUAY | 12,221 | 17,917 | 14,920 | 15,014 | 18,686 | 17,708 | 52.90 | 44.90 |
| 66-NON-METAL MINERAL MANUF. | Total | 34,278 | 55,345 | 44,487 | 50,010 | 49,423 | 33,921 | 44.18 | -1.04 |
| 67-IRON AND STEEL | BRAZIL | 6,855 | 14,796 | 24,856 | 56,469 | 81,569 | 74,734 | 1089.92 | 990.21 |
| 67-IRON AND STEEL | PARAGUAY | 11,355 | 23,564 | 19,473 | 23,932 | 22,095 | 13,622 | 94.58 | 19.96 |
| 67-IRON AND STEEL | URUGUAY | 19,854 | 23,361 | 22,649 | 28,166 | 26,135 | 21,219 | 31.64 | 6.88 |
| 67-IRON AND STEEL | Total | 38,064 | 61,721 | 66,978 | 108,567 | 129,799 | 109,576 | 241.00 | 187.87 |
| 68-NON-FERROUS METALS | BRAZIL | 11,934 | 30,083 | 14,829 | 15,335 | 14,715 | 17,170 | 23.30 | 43.87 |
| 68-NON-FERROUS METALS | PARAGUAY | 1,582 | 2,256 | 1,994 | 1,643 | 1,163 | 1,476 | -26.49 | -6.70 |
| 68-NON-FERROUS METALS | URUGUAY | 6,653 | 7,159 | 6,090 | 6,982 | 8,866 | 6,189 | 33.26 | -6.97 |
| 68-NON-FERROUS METALS | Total | 20,169 | 39,498 | 22,913 | 23,960 | 24,744 | 24,835 | 22.68 | 23.13 |
| 69-METAL MANUFACTURES NES | BRAZIL | 14,383 | 31,330 | 57,174 | 51,961 | 52,838 | 34,271 | 267.36 | 138.27 |
| 69-METAL MANUFACTURES NES | PARAGUAY | 10,280 | 18,610 | 11,714 | 9,730 | 11,703 | 11,116 | 13.84 | 8.13 |
| 69-METAL MANUFACTURES NES | URUGUAY | 8,326 | 8,278 | 16,007 | 11,256 | 14,567 | 13,717 | 74.96 | 64.75 |
| 69-METAL MANUFACTURES NES | Total | 32,989 | 58,218 | 84,895 | 72,947 | 79,108 | 59,104 | 139.80 | 79.16 |
| 71-POWER GENERATING EQUIPMT | BRAZIL | 107,272 | 160,440 | 230,095 | 322,019 | 198,640 | 187,544 | 85.17 | 74.83 |
| 71-POWER GENERATING EQUIPMT | PARAGUAY | 1,224 | 1,106 | 1,068 | 347 | 612 | 952 | -50.00 | -22.22 |
| 71-POWER GENERATING EQUIPMT | URUGUAY | 14,020 | 5,285 | 2,687 | 3,331 | 8,642 | 12,247 | -38.36 | -12.65 |
| 71-POWER GENERATING EQUIPMT | Total | 122,516 | 166,831 | 233,850 | 325,697 | 207,894 | 200,743 | 69.69 | 63.85 |
| 72-INDUSTRY SPECIAL MACHINE | BRAZIL | 10,848 | 22,362 | 19,409 | 21,391 | 34,573 | 28,072 | 218.70 | 158.78 |
| 72-INDUSTRY SPECIAL MACHINE | PARAGUAY | 5,732 | 6,956 | 7,038 | 6,142 | 4,612 | 4,922 | -19.54 | -14.13 |
| 72-INDUSTRY SPECIAL MACHINE | URUGUAY | 6,394 | 9,605 | 12,506 | 10,861 | 13,797 | 7,991 | 115.78 | 24.98 |
| 72-INDUSTRY SPECIAL MACHINE | Total | 22,974 | 38,923 | 38,953 | 38,394 | 52,982 | 40,986 | 130.62 | 78.40 |
| 73-METALWORKING MACHINERY | BRAZIL | 3,876 | 13,356 | 10,245 | 10,872 | 15,794 | 14,286 | 307.48 | 268.58 |
| 73-METALWORKING MACHINERY | PARAGUAY | 455 | 871 | 823 | 479 | 671 | 61 | 47.47 | -86.59 |
| 73-METALWORKING MACHINERY | URUGUAY | 364 | 966 | 773 | 592 | 673 | 602 | 84.89 | 65.38 |
| 73-METALWORKING MACHINERY | Total | 4,695 | 15,193 | 11,841 | 11,943 | 17,138 | 14,949 | 265.03 | 218.40 |
| 74-INDUSTRIAL EQUIPMENT NES | BRAZIL | 64,679 | 124,248 | 122,733 | 145,114 | 167,656 | 150,210 | 159.21 | 132.24 |
| 74-INDUSTRIAL EQUIPMENT NES | PARAGUAY | 19,325 | 17,872 | 17,414 | 16,206 | 15,227 | 16,000 | -21.21 | -17.21 |
| 74-INDUSTRIAL EQUIPMENT NES | URUGUAY | 16,745 | 16,471 | 22,113 | 17,999 | 25,552 | 24,801 | 52.59 | 48.11 |
| 74-INDUSTRIAL EQUIPMENT NES | Total | 100,749 | 158,591 | 162,260 | 179,319 | 208,435 | 191,011 | 106.89 | 89.59 |
| 75-OFFICE/DAT PROC MACHINES | BRAZIL | 9,778 | 24,696 | 1,287 | 1,107 | 1,838 | 1,550 | -81.20 | -84.15 |
| 75-OFFICE/DAT PROC MACHINES | PARAGUAY | 800 | 1,593 | 578 | 673 | 777 | 730 | -2.88 | -8.75 |
| 75-OFFICE/DAT PROC MACHINES | URUGUAY | 1,909 | 942 | 1,319 | 1,961 | 2,804 | 3,240 | 46.88 | 69.72 |
| 75-OFFICE/DAT PROC MACHINES | Total | 12,487 | 27,231 | 3,184 | 3,741 | 5,419 | 5,520 | -56.60 | -55.79 |
| 76-TELECOMMS ETC EQUIPMENT | BRAZIL | 29,968 | 67,021 | 25,465 | 32,112 | 22,585 | 17,133 | -24.64 | -42.83 |
| 76-TELECOMMS ETC EQUIPMENT | PARAGUAY | 585 | 3,249 | 4,541 | 3,177 | 2,953 | 2,187 | 404.79 | 273.85 |
| 76-TELECOMMS ETC EQUIPMENT | URUGUAY | 2,686 | 2,469 | 9,443 | 11,151 | 9,525 | 7,739 | 254.62 | 188.12 |
| 76-TELECOMMS ETC EQUIPMENT | Total | 33,239 | 72,739 | 39,449 | 46,440 | 35,063 | 27,059 | 5.49 | -18.59 |
| 77-ELECTRICAL EQUIPMENT | BRAZIL | 37,981 | 70,818 | 57,940 | 92,755 | 94,823 | 82,416 | 149.66 | 116.99 |
| 77-ELECTRICAL EQUIPMENT | PARAGUAY | 8,690 | 11,474 | 12,792 | 11,849 | 13,490 | 8,886 | 55.24 | 2.26 |
| 77-ELECTRICAL EQUIPMENT | URUGUAY | 23,129 | 14,254 | 15,052 | 37,786 | 31,792 | 17,212 | 37.46 | -25.58 |
| 77-ELECTRICAL EQUIPMENT | Total | 69,800 | 96,546 | 85,784 | 142,390 | 140,105 | 108,514 | 100.72 | 55.46 |
| 78-ROAD VEHICLES | BRAZIL | 645,293 | 1,049,337 | 1,360,290 | 2,289,913 | 2,598,303 | 1,220,190 | 302.65 | 89.09 |
| 78-ROAD VEHICLES | PARAGUAY | 9,870 | 13,272 | 5,575 | 10,263 | 14,108 | 4,956 | 42.94 | -49.79 |
| 78-ROAD VEHICLES | URUGUAY | 110,007 | 42,827 | 22,989 | 33,462 | 83,964 | 42,736 | -23.67 | -61.15 |
| 78-ROAD VEHICLES | Total | 765,170 | 1,105,436 | 1,388,854 | 2,333,638 | 2,696,375 | 1,267,882 | 252.39 | 65.70 |
| 79-RAILWAY/TRAMWAY EQUIPMNT | BRAZIL | 2,397 | 9,845 | 2,072 | 3,974 | 3,794 | 14,292 | 58.28 | 496.25 |
| 79-RAILWAY/TRAMWAY EQUIPMNT | PARAGUAY | 150 | 204 | 666 | 484 | 282 | 7,621 | 88.00 | 4980.67 |
| 79-RAILWAY/TRAMWAY EQUIPMNT | URUGUAY | 149 | 1,418 | 1,924 | 939 | 1,422 | 3,145 | 854.36 | 2010.74 |
| 79-RAILWAY/TRAMWAY EQUIPMNT | Total | 2,696 | 11,467 | 4,662 | 5,397 | 5,498 | 25,058 | 103.93 | 829.45 |
| Total | | 1,589,772 | 2,443,392 | 2,720,752 | 3,903,659 | 4,208,172 | 2,561,142 | 164.70 | 61.10 |

Source: DataIntal 3.1

Country: BRAZIL

Trade by:Exports

Value in:Thousands dollars

| Tariff Line | Country | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 98/94 | 00/94 |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|---------|
| 61-LEATHER MANUFACTURES | ARGENTINA | 218 | 585 | 2,830 | 1,592 | 3,947 | 6,504 | 6,640 | 1710.55 | 2946.09 |
| 61-LEATHER MANUFACTURES | PARAGUAY | 3,300 | 1,651 | 832 | 3,555 | 3,416 | 1,539 | 2,303 | 3.52 | -30.20 |
| 61-LEATHER MANUFACTURES | URUGUAY | 1,669 | 1,689 | 2,683 | 2,861 | 2,776 | 3,405 | 3,726 | 66.33 | 123.23 |
| 61-LEATHER MANUFACTURES | Total | 5,187 | 3,925 | 6,345 | 8,008 | 10,139 | 11,448 | 12,670 | 95.47 | 144.26 |
| 62-RUBBER MANUFACTURES NES | ARGENTINA | 88,245 | 84,203 | 117,785 | 148,772 | 132,467 | 108,665 | 141,144 | 50.11 | 59.95 |
| 62-RUBBER MANUFACTURES NES | PARAGUAY | 97,924 | 92,412 | 114,755 | 103,173 | 81,964 | 36,472 | 52,765 | -16.30 | -46.12 |
| 62-RUBBER MANUFACTURES NES | URUGUAY | 11,069 | 14,134 | 13,729 | 15,252 | 14,838 | 10,917 | 13,611 | 34.05 | 22.96 |
| 62-RUBBER MANUFACTURES NES | Total | 197,238 | 190,749 | 246,269 | 267,197 | 229,269 | 156,054 | 207,519 | 16.24 | 5.21 |
| 63-CORK/WOOD MANUFACTURES | ARGENTINA | 24,899 | 18,841 | 20,596 | 27,685 | 26,238 | 22,837 | 25,413 | 5.38 | 2.06 |
| 63-CORK/WOOD MANUFACTURES | PARAGUAY | 1,124 | 1,628 | 1,712 | 1,515 | 1,507 | 2,276 | 2,147 | 34.07 | 91.01 |
| 63-CORK/WOOD MANUFACTURES | URUGUAY | 5,839 | 5,987 | 4,085 | 4,773 | 5,701 | 5,590 | 5,188 | -2.36 | -11.15 |
| 63-CORK/WOOD MANUFACTURES | Total | 31,862 | 26,456 | 26,393 | 33,973 | 33,446 | 30,703 | 32,748 | 4.97 | 2.78 |
| 64-PAPER/PAPERBOARD/ARTICLE | ARGENTINA | 153,172 | 198,675 | 233,522 | 253,640 | 277,417 | 261,092 | 309,181 | 81.11 | 101.85 |
| 64-PAPER/PAPERBOARD/ARTICLE | PARAGUAY | 27,818 | 40,580 | 37,518 | 39,472 | 51,566 | 48,899 | 55,007 | 85.37 | 97.74 |
| 64-PAPER/PAPERBOARD/ARTICLE | URUGUAY | 24,907 | 31,867 | 31,842 | 34,240 | 38,921 | 33,586 | 39,256 | 56.27 | 57.61 |
| 64-PAPER/PAPERBOARD/ARTICLE | Total | 205,897 | 271,122 | 302,882 | 327,352 | 367,904 | 343,577 | 403,444 | 78.68 | 95.94 |
| 65-TEXTILE YARN/FABRIC/ART. | ARGENTINA | 136,141 | 143,469 | 238,190 | 298,115 | 276,829 | 238,407 | 318,992 | 103.34 | 134.31 |
| 65-TEXTILE YARN/FABRIC/ART. | PARAGUAY | 59,909 | 54,784 | 53,884 | 53,458 | 47,236 | 35,495 | 36,280 | -21.15 | -39.44 |
| 65-TEXTILE YARN/FABRIC/ART. | URUGUAY | 27,829 | 29,824 | 27,197 | 28,440 | 28,781 | 26,934 | 27,531 | 3.42 | -1.07 |
| 65-TEXTILE YARN/FABRIC/ART. | Total | 223,879 | 228,077 | 319,271 | 380,013 | 352,846 | 300,836 | 382,804 | 57.61 | 70.99 |
| 66-NON-METAL MINERAL MANUF. | ARGENTINA | 62,662 | 56,720 | 73,392 | 92,385 | 90,922 | 85,543 | 100,538 | 45.10 | 60.44 |
| 66-NON-METAL MINERAL MANUF. | PARAGUAY | 32,200 | 43,551 | 48,122 | 54,163 | 45,186 | 31,288 | 43,057 | 40.33 | 33.72 |
| 66-NON-METAL MINERAL MANUF. | URUGUAY | 15,596 | 15,108 | 14,403 | 19,257 | 22,086 | 18,647 | 21,620 | 41.61 | 38.63 |
| 66-NON-METAL MINERAL MANUF. | Total | 110,458 | 115,379 | 135,917 | 165,805 | 158,194 | 135,478 | 165,215 | 43.22 | 49.57 |
| 67-IRON AND STEEL | ARGENTINA | 270,266 | 256,874 | 222,952 | 326,080 | 303,652 | 225,969 | 269,830 | 12.35 | -0.16 |
| 67-IRON AND STEEL | PARAGUAY | 29,623 | 28,006 | 34,320 | 35,918 | 29,823 | 22,579 | 27,228 | 0.68 | -8.09 |
| 67-IRON AND STEEL | URUGUAY | 28,149 | 31,506 | 28,844 | 26,583 | 32,390 | 18,860 | 23,117 | 15.07 | -17.88 |
| 67-IRON AND STEEL | Total | 328,038 | 316,386 | 286,116 | 388,581 | 365,865 | 267,408 | 320,174 | 11.53 | -2.40 |
| 68-NON-FERROUS METALS | ARGENTINA | 39,341 | 67,719 | 97,243 | 112,153 | 120,560 | 97,422 | 135,457 | 206.45 | 244.31 |
| 68-NON-FERROUS METALS | PARAGUAY | 5,880 | 8,629 | 10,219 | 14,924 | 7,134 | 6,723 | 9,362 | 21.33 | 59.21 |
| 68-NON-FERROUS METALS | URUGUAY | 6,446 | 11,897 | 12,962 | 15,749 | 12,857 | 10,703 | 14,464 | 99.46 | 124.39 |
| 68-NON-FERROUS METALS | Total | 51,667 | 88,245 | 120,424 | 142,826 | 140,551 | 114,848 | 159,283 | 172.03 | 208.29 |
| 69-METAL MANUFACTURES NES | ARGENTINA | 149,802 | 150,765 | 168,150 | 215,281 | 195,830 | 168,554 | 202,339 | 30.73 | 35.07 |
| 69-METAL MANUFACTURES NES | PARAGUAY | 44,657 | 53,742 | 54,231 | 59,103 | 54,977 | 38,386 | 48,572 | 23.11 | 8.77 |
| 69-METAL MANUFACTURES NES | URUGUAY | 27,583 | 26,541 | 29,264 | 25,699 | 27,540 | 22,103 | 23,658 | -0.16 | -14.23 |
| 69-METAL MANUFACTURES NES | Total | 222,042 | 231,048 | 251,645 | 300,083 | 278,347 | 229,043 | 274,569 | 25.36 | 23.66 |
| 71-POWER GENERATING EQUIPMT | ARGENTINA | 178,656 | 205,304 | 274,544 | 338,812 | 306,708 | 190,249 | 291,690 | 71.68 | 63.27 |
| 71-POWER GENERATING EQUIPMT | PARAGUAY | 8,721 | 21,193 | 35,142 | 10,759 | 10,023 | 6,972 | 8,805 | 14.93 | 0.96 |
| 71-POWER GENERATING EQUIPMT | URUGUAY | 7,720 | 7,566 | 6,447 | 7,917 | 5,169 | 4,269 | 4,217 | -33.04 | -45.37 |
| 71-POWER GENERATING EQUIPMT | Total | 195,097 | 234,063 | 316,133 | 357,488 | 321,900 | 201,490 | 304,712 | 64.99 | 56.18 |
| 72-INDUSTRY SPECIAL MACHINE | ARGENTINA | 189,792 | 112,441 | 199,928 | 280,866 | 292,505 | 153,465 | 248,782 | 54.12 | 31.08 |
| 72-INDUSTRY SPECIAL MACHINE | PARAGUAY | 57,638 | 73,419 | 71,741 | 83,104 | 50,098 | 28,072 | 40,036 | -13.08 | -30.54 |
| 72-INDUSTRY SPECIAL MACHINE | URUGUAY | 26,386 | 38,803 | 45,719 | 54,669 | 40,231 | 22,302 | 37,300 | 52.47 | 41.36 |
| 72-INDUSTRY SPECIAL MACHINE | Total | 273,816 | 224,663 | 317,388 | 418,639 | 382,834 | 203,839 | 326,118 | 39.81 | 19.10 |
| 73-METALWORKING MACHINERY | ARGENTINA | 16,938 | 19,102 | 47,814 | 19,159 | 24,114 | 10,555 | 18,394 | 42.37 | 8.59 |
| 73-METALWORKING MACHINERY | PARAGUAY | 1,322 | 1,823 | 2,181 | 2,099 | 1,055 | 908 | 1,119 | -20.20 | -15.35 |
| 73-METALWORKING MACHINERY | URUGUAY | 867 | 808 | 836 | 823 | 723 | 1,049 | 915 | -16.61 | 5.56 |
| 73-METALWORKING MACHINERY | Total | 19,127 | 21,733 | 50,831 | 22,081 | 25,892 | 12,512 | 20,428 | 35.37 | 6.80 |
| 74-INDUSTRIAL EQUIPMENT NES | ARGENTINA | 224,981 | 197,540 | 244,281 | 295,050 | 257,993 | 229,723 | 267,178 | 14.67 | 18.76 |
| 74-INDUSTRIAL EQUIPMENT NES | PARAGUAY | 51,308 | 60,670 | 61,574 | 64,181 | 49,087 | 28,375 | 37,852 | -4.33 | -26.23 |
| 74-INDUSTRIAL EQUIPMENT NES | URUGUAY | 25,416 | 27,639 | 24,496 | 26,668 | 27,159 | 26,400 | 26,862 | 6.86 | 5.69 |
| 74-INDUSTRIAL EQUIPMENT NES | Total | 301,705 | 285,849 | 330,351 | 385,899 | 334,239 | 284,498 | 331,892 | 10.78 | 10.01 |
| 75-OFFICE/DAT PROC MACHINES | ARGENTINA | 11,877 | 19,987 | 58,117 | 72,445 | 88,376 | 158,944 | 163,774 | 644.09 | 1278.92 |
| 75-OFFICE/DAT PROC MACHINES | PARAGUAY | 1,346 | 2,095 | 3,846 | 2,513 | 2,501 | 3,085 | 3,422 | 85.81 | 154.26 |
| 75-OFFICE/DAT PROC MACHINES | URUGUAY | 1,003 | 2,792 | 6,220 | 5,510 | 7,160 | 7,947 | 9,817 | 613.86 | 878.74 |
| 75-OFFICE/DAT PROC MACHINES | Total | 14,226 | 24,874 | 68,183 | 80,468 | 98,037 | 169,976 | 177,013 | 589.14 | 1144.29 |
| 76-TELECOMMS ETC EQUIPMENT | ARGENTINA | 8,930 | 9,173 | 13,798 | 100,356 | 88,621 | 163,987 | 174,163 | 892.40 | 1850.31 |
| 76-TELECOMMS ETC EQUIPMENT | PARAGUAY | 1,139 | 1,842 | 14,558 | 10,601 | 15,293 | 15,456 | 20,613 | 1242.67 | 1709.74 |
| 76-TELECOMMS ETC EQUIPMENT | URUGUAY | 15,559 | 6,454 | 7,073 | 7,701 | 4,528 | 19,895 | 11,855 | -70.90 | -23.81 |
| 76-TELECOMMS ETC EQUIPMENT | Total | 25,628 | 17,469 | 35,429 | 118,658 | 108,442 | 199,338 | 206,630 | 323.14 | 706.27 |
| 77-ELECTRICAL EQUIPMENT | ARGENTINA | 199,057 | 207,667 | 255,612 | 294,587 | 269,416 | 252,855 | 295,854 | 35.35 | 48.63 |
| 77-ELECTRICAL EQUIPMENT | PARAGUAY | 76,627 | 87,721 | 86,177 | 78,264 | 66,682 | 47,454 | 52,131 | -12.98 | -31.97 |
| 77-ELECTRICAL EQUIPMENT | URUGUAY | 36,700 | 38,932 | 35,020 | 33,424 | 35,031 | 36,394 | 34,434 | -4.55 | -6.17 |
| 77-ELECTRICAL EQUIPMENT | Total | 312,384 | 334,320 | 376,809 | 406,275 | 371,129 | 336,703 | 382,419 | 18.81 | 22.42 |
| 78-ROAD VEHICLES | ARGENTINA | 973,025 | 758,635 | 1,215,298 | 1,844,698 | 1,974,983 | 1,169,243 | 1,848,600 | 102.97 | 89.98 |
| 78-ROAD VEHICLES | PARAGUAY | 78,515 | 114,282 | 85,582 | 131,818 | 89,600 | 38,749 | 67,094 | 14.12 | -14.55 |
| 78-ROAD VEHICLES | URUGUAY | 133,732 | 129,906 | 126,336 | 155,496 | 165,447 | 77,430 | 116,818 | 23.72 | -12.65 |
| 78-ROAD VEHICLES | Total | 1,185,272 | 1,002,823 | 1,427,216 | 2,132,012 | 2,230,030 | 1,285,422 | 2,032,513 | 88.14 | 71.48 |
| 79-RAILWAY/TRAMWAY EQUIPMNT | ARGENTINA | 11,692 | 10,395 | 4,866 | 28,583 | 5,766 | 5,406 | 8,958 | -50.68 | -23.38 |
| 79-RAILWAY/TRAMWAY EQUIPMNT | PARAGUAY | 933 | 780 | 237 | 460 | 195 | 474 | 130 | -79.10 | -86.02 |
| 79-RAILWAY/TRAMWAY EQUIPMNT | URUGUAY | 1,265 | 65,860 | 1,596 | 1,181 | 981 | 2,284 | -6,801 | -22.45 | -637.64 |
| 79-RAILWAY/TRAMWAY EQUIPMNT | Total | 13,890 | 77,035 | 6,699 | 30,224 | 6,942 | 8,164 | 2,287 | -50.02 | -83.53 |
| Total | | 3,717,413 | 3,694,216 | 4,624,301 | 5,965,582 | 5,816,006 | 4,291,337 | 5,742,436 | 56.45 | 54.47 |

Source: DataIntal 3.1

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