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## PART IV CONSULTATIONS: BACKGROUND INFORMATION

### Submission by Argentina, Brazil, Chile, Colombia, Peru and Uruguay

The delegation of Uruguay, acting on behalf of member countries of the Latin American Integration Association (LAIA) which are contracting parties to the General Agreement, has forwarded the following communication dated 25 September 1984.

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I have pleasure in forwarding herewith the following documents sent by LAIA:

- Evolution and Structure of Trade of LAIA member countries in 1981 and 1982.
- Evolution and Structure of Trade of LAIA member countries, 1952-1980.<sup>1</sup>
- Programmes and other specific modalities for co-operation adopted in respect of the relatively less-developed member countries of the Association.<sup>2</sup>

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<sup>1</sup> Available for consultation in the secretariat, Development Division, Office 2010.

<sup>2</sup> To be circulated as Add.1 to this document.

EVOLUTION AND STRUCTURE OF TRADE OF LAIA MEMBER COUNTRIES IN 1981 AND 1982

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## INTRODUCTION

The present document examines the evolution and structure of trade of the eleven member countries of LAIA in the years 1981 and 1982, in terms of current prices. This study is included in the Association's work programme for 1984 as established by Resolution 32 of the Committee of Representatives under the title "Analysis of the structure and evolution of intra-regional trade".

The year 1982 is of particular interest for studying intra-regional trade since, for the first time in more than twenty years, both total LAIA imports and intra-regional trade declined. An analysis of trends in the latter in a period of payments crisis is useful for deciding on action that may be needed to strengthen the Latin American integration process.

Another factor that gives particular relevance to the analysis of trade in 1981 and 1982 is that these years correspond to a period of transition in the integration process, in which the new 1980 Treaty of Montevideo was put into effect and the old LAFTA mechanisms were replaced by the new LAIA mechanisms.

For purposes of examination, a differentiation is made in this study between oil-exporting countries (defined as being those which derive more than 20 per cent of their export earnings from petroleum) and non-exporters of this product. In terms of this definition, in 1981 and 1982 Ecuador, Mexico and Venezuela were oil-exporters and all the other member countries were non-exporters or importers.

SUMMARY AND CONCLUSIONS

This document sets out to identify the salient trends in intra-regional trade in 1981 and 1982, taking as a bench-mark the overall external situation of the countries concerned. Among the points examined, the following conclusions may be underlined:

1. In the early years of the present decade, the LAIA countries experienced a rapid deterioration in their external climate because of stagnation of world trade, rising interest rates, the fall in prices of products exported and deterioration of the terms of trade. These four factors were the cause of serious payment crises in nearly all the countries.
2. The LAIA countries have maintained a high export rate notwithstanding the stagnation of world trade. The volume of exports increased fairly rapidly in 1980, 1981 and 1982. Nevertheless, this effort was offset and exceeded by the unfavourable impact of international prices and by rising interest rates. As a result the volume of imports declined by 20 per cent in 1982.
3. The region's share in exports by the LAIA countries was 13.8 per cent in 1980, 13.1 per cent in 1981 and 12.2 per cent in 1982. This percentage decline is logical, since being a net debtor in respect of the rest of the world, LAIA must achieve substantial surpluses in its trade balance by increasing its exports to the rest of the world.
4. The general contraction of imports had a negative impact on imports from the region, which dropped back by 13.3 per cent in 1982. Nevertheless this contraction was smaller than the decline in total exports. The percentage of imports purchased within the region in relation to total imports increased from 12.5 per cent in 1980 to 13.4 per cent in 1981 and 14.9 per cent (the highest level in the history of LAFTA-LAIA) in 1982. While trade was declining overall, intra-regional imports contracted relatively less.
5. The long-term downward trend in the share of imports of negotiated products in intra-regional imports continued in 1981 and 1982. In 1980 the percentage (excluding petroleum) had been 36.3 per cent; it declined to 32.1 per cent in 1981 and 31.4 per cent in 1982.
6. The value of imports of products covered by the former complementarity agreements (now trade agreements) is still modest although it has been increasing fairly substantially in recent years. In 1982 those products accounted for 11.3 per cent of imports of negotiated products and 3.5 per cent of imports other than fuel.

7. As regards the Payments Agreement and the Santo Domingo Agreement, the system operated adequately until 1981. In that year, it covered 83 per cent of intra-regional trade, and afforded savings equivalent to 61 per cent of that trade in convertible foreign exchange. In 1982 the payments crisis affected the system which only succeeded in covering 78 per cent of this trade, with foreign-exchange savings equivalent to 46.6 per cent thereof. This underlines the urgency of adopting special mechanisms for intra-regional trade - whether monetary or barter arrangements - in order to offset the payments crisis. At the present time, implementation of a mechanism to ensure balanced trade without any disbursement of strong currencies, would be the preferred solution for regional producers.

## I. EXTERNAL TRADE OF LAIA, 1980-1982

### A. External climate

The early 1980s brought rapid deterioration in the external economic climate which had been relatively favourable for trade expansion of the LAIA countries in the preceding decade. This deterioration was reflected in the following developments:

(a) Stagnation of the world market. In the ten years prior to 1973, world trade had been expanding at an annual rate close to 8 per cent. After 1973 this rate dropped by half but even so was still relatively high. Indeed, in 1977 world trade grew by 4.5 per cent, in 1978 by 5.5 per cent and in 1979 by 6 per cent. Since 1980 this trade has been stagnating: in that year the growth rate was only 1.5 per cent, there was nil growth in 1981 and in 1982 world trade declined by 2 per cent.

(b) The rise in interest rates. During most of the previous decade interest rates were lower than the international inflation rate, so that negative real rates were paid on external credits. This situation was reversed at the end of 1980.

(c) The fall in prices of export products. According to ECLA statistics, the unit value index of exports of the LAIA countries increased by 21.5 per cent in 1980 in relation to 1979, dropped back by 1.9 per cent in 1981 and declined further in 1982 by 8.6 per cent. The fall in export prices is particularly serious having regard to the rise in interest rates, since it means paying real interest that is not only positive but is greater than the nominal interest, the latter being already high enough. For example, in 1982 a country that on average had been paying 12 per cent interest on its external debt and had experienced the average decline for Latin America of 8.6 per cent in export prices would have been faced with an average real interest rate of 22.5 per cent on external credit. The sudden shift from negative real rates to high positive rates has brought considerable pressure to bear on the external finances of the LAIA countries and other developing countries.

(d) Deterioration of the terms of trade for exporters of primary products other than fuel. Prices of primary products (excluding fuel) have not only been falling since 1981 but have even declined more rapidly than prices of other products. Countries exporting primary products have experienced a greater decline in prices of their exports than in those of their imports, a situation that has impaired their terms of trade and has brought additional pressure to bear on their external finances.

We shall examine below how the foreign trade of the LAIA countries developed in the somewhat unfavourable conditions of 1981 and 1982 resulting from the four phenomena described above.

B. Trends in the foreign trade of LAIA countries

During the three-year period 1980-1982 the volume of total exports by the LAIA countries progressed satisfactorily notwithstanding stagnation of the world market. In each of those three years the volume of LAIA exports increased more than the volume of world exports: 6 per cent (LAIA) in 1980 as against 1.5 per cent (world), 11.2 per cent in 1981 as against 0, and 4.1 per cent as against a 2 per cent decline in world trade in 1982 (Table 1).

The average annual growth rate of the volume of exports between 1980 and 1982 was 21.4 per cent for Mexico, 13.4 per cent for Brazil and 9.3 per cent for Uruguay; 5.7 per cent for Peru, 3.8 per cent for Paraguay and 3.0 per cent for Chile. For Bolivia it was 0, for Argentina -1.1 per cent, for Ecuador -1.5 per cent, for Colombia -3 per cent and for Venezuela -5.8 per cent. On average, over the three-year period 1980-1982 six countries succeeded in increasing their export volume, one kept it stable and four other countries recorded a decline (Table 3). Although the rates varied from one year to another in the various countries, on average LAIA maintained satisfactory growth (7.3 per cent) in the volume of its exports over the three-year period considered. As already mentioned, the growth rates of its export volume in that period were greater than those of the volume of world trade, a situation that had begun in the mid-1970s when the downward trend in the region's share of the value of world trade had been reversed. The share of LAIA countries in the value of world exports was 3.9 per cent in 1980, 4.3 per cent in 1981 and 4.8 per cent in 1982 (Table 1). Although this result was influenced to some extent by Mexico's having become one of the oil-exporting countries, that was not the only factor. In addition, the export promotion policies of member countries can be said to have brought substantial export growth.

From 1981 on, the favourable effect of increased export volumes has been diminished by the unfavourable trend in international prices. Since that year, prices expressed in dollars have declined because of world recession and the rising exchange-rate value of the dollar. As regards LAIA trade, prices of export products have declined proportionally more than prices of imported products, in general terms.

In 1981, the non-oil LAIA countries increased their export volume by 12.5 per cent, but their terms of trade deteriorated by 13 per cent, resulting in a 2.1 per cent decline in the purchasing power of their exports. In 1982,

the export volume of those same countries increased by 0.4 per cent, but a further deterioration in the terms of trade (4.9 per cent) caused the purchasing power of their exports to decline by 4.5 per cent (Table 1).

The oil-exporting countries were in a very favourable situation in 1980 when expansion of their exports (13.2 per cent) and improvement of their terms of trade (26.3 per cent) brought an increase of 43.0 per cent in the purchasing power of their exports. In 1981 and 1982 this increase was by 6.8 per cent and 0.8 per cent respectively.

As already mentioned, LAIA increased its export volume by 6 per cent in 1980, 11.2 per cent in 1981 and 4.1 per cent in 1982. The terms of trade improved for the region by 13.5 per cent in 1980 and deteriorated by 7.1 per cent and 6 per cent in the two following years. As a result of the movement of these two variables, the purchasing power of exports increased by 20.3 per cent in 1980, 3.3 per cent in 1981 and dropped back 2.1 per cent in 1982.



TABLE 1

Annual growth rates of foreign trade of LAIA countries, 1980-1982

(In percentages)

Indicator	1980	1981	1982
<b>A. EXPORTS</b>			
1. <u>Volume</u>			
- LAIA	6.0	11.2	4.1
- <u>Oil-exporters</u> <sup>a</sup>	13.2	7.2	15.2
- <u>Non-oil exporters</u> <sup>b</sup>	3.5	12.5	0.4
- <u>World exports</u>	1.5	0	- 2.0
2. <u>Unit value</u>			
- LAIA	21.5	- 1.9	- 8.6
- <u>Oil-exporters</u> <sup>a</sup>	26.9	7.8	- 13.7
- <u>Non-oil exporters</u> <sup>b</sup>	14.7	- 7.8	- 9.3
- <u>World exports</u>	19.5	- 1.2	- 3.6
3. <u>Value</u>			
- LAIA	28.8	9.2	- 4.8
- <u>Oil-exporters</u> <sup>a</sup>	43.6	15.6	- 0.6
- <u>Non-oil exporters</u> <sup>b</sup>	18.5	3.7	- 8.9
- <u>World exports</u>	21.7	- 1.5	- 5.9
- <u>LAIA share in world total</u>	3.9	4.3	4.8
<b>B. <u>TERMS OF TRADE F.O.B./C.I.F.</u></b>			
- LAIA	13.5	- 7.1	- 6.0
- <u>Oil-exporters</u>	26.3	- 0.4	- 12.5
- <u>Non-oil exporters</u>	0.8	- 13.0	- 4.9
<b>C. <u>PURCHASING POWER OF EXPORTS</u></b>			
- LAIA	20.3	3.3	- 2.1
- <u>Oil-exporters</u>	43.0	6.8	0.8
- <u>Non-oil exporters</u>	4.3	- 2.1	- 4.5

TABLE 1 (cont'd)

INDICATOR	1980	1981	1982
<b>D. <u>IMPORTS</u></b>			
<b>1. <u>Volume</u></b>			
- LAIA	22.7	4.3	- 20.1
Oil-exporters	27.5	12.2	- 23.4
Non-oil exporters	18.5	- 3.3	- 16.5
- <u>World imports</u>	1.5	0	- 2.0
<b>2. <u>C.i.f. unit value</u></b>			
- LAIA	7.5	5.3	- 2.5
Oil-exporters	0.4	8.2	- 1.5
Non-oil exporters	13.5	5.9	- 4.5
- <u>World imports</u>			
<b>3. <u>C.i.f. value</u></b>			
- LAIA	31.9	9.8	- 22.2
Oil-exporters	28.0	21.4	- 24.6
Non-oil exporters	34.5	2.5	- 20.3
- <u>World imports</u>	23.2	- 1.4	- 7.1
- <u>LAIA share in world total</u>	4.0	4.5	4.0

<sup>a</sup> Ecuador, Mexico and Venezuela

<sup>b</sup> Argentina, Bolivia, Brazil, Chile, Colombia, Paraguay, Peru and Uruguay

Source: Regional trade: data furnished by member countries.  
World trade: GATT, International Trade 1982/1983, and UNCTAD, Handbook of International Trade and Development Statistics, 1983.  
Indices of unit values and volume of foreign trade of LAIA countries: ECLA, Economic Survey of Latin America, 1982 and Statistical Yearbook for Latin America, 1980.

Preparation: Information and Studies Unit of the LAIA secretariat.

TABLE 2

Foreign trade of LAIA countries in current values and at constant prices of 1970  
1980-1982

Indicator	Oil exporters <sup>1</sup>			Non-oil exporters <sup>2</sup>			TOTAL LAIA		
	1980	1981	1982	1980	1981	1982	1980	1981	1982
<u>Exports</u>									
Millions of current dollars	35.847	41.454	41.222	42.610	44.192	40.275	78.457	85.646	81.497
Millions of dollars at 1970 prices	5.592	6.001	6.920	15.163	17.062	17.140	20.755	23.063	24.060
<u>Imports</u>									
Millions of current dollars	32.306	39.224	29.576	51.593	52.866	42.108	83.899	92.090	71.684
Millions of dollars at 1970 prices	13.274	14.918	11.423	14.569	14.091	11.761	27.845	29.009	23.184
Purchasing power of exports (base year 1970)	15.131	15.643	15.916	12.036	11.778	11.243	25.998	26.877	26.375
<u>Trade balance (current dollars)</u>	3.541	2.230	11.646	-8.983	-8.674	-1.833	-5.442	-6.444	9.813

<sup>1</sup>Ecuador, Mexico and Venezuela

<sup>2</sup>Argentina, Bolivia, Brazil, Chile, Colombia, Paraguay, Peru and Uruguay

Source: Regional trade: data furnished by member countries.

World trade: GATT, International Trade 1982/1983, and UNCTAD, Handbook of International Trade and Development Statistics, 1983  
Indices of unit values and volume of foreign trade of LAIA countries: ECLA, Economic Survey of Latin America, 1982 and Statistical Yearbook for Latin America, 1980.

Preparation: Information and Studies Unit of the LAIA Secretariat.

**TABLE 3**  
**Growth rates of foreign trade of LAIA countries**  
(In percentages)

Country	Exports (Volume)	Terms of trade	Purchasing power of exports	Imports (volume)
<u>Average 1980-1982</u>				
Argentina	- 1.1	1.9	- 0.2	- 0.7
Bolivia	0	1.5	1.1	- 13.0
Brazil	13.4	- 11.5	- 0.4	- 7.5
Colombia	- 3.0	- 0.9	- 2.9	16.2
Chile	3.0	- 11.2	- 8.4	- 7.1
Ecuador	- 1.5	- 1.7	- 3.3	- 1.6
Mexico	21.4	7.0	29.8	6.6
Paraguay	3.8	- 7.0	- 4.7	0.8
Peru	5.7	1.0	3.7	32.8
Uruguay	9.3	4.3	14.7	5.7
Venezuela	- 5.8	18.2	11.5	7.3
Average LAIA	7.3	0.1	7.3	2.4
<u>1982</u>				
Argentina	- 6.2	- 7.7	- 13.5	- 41.3
Bolivia	7.3	- 11.4	- 5.2	- 43.9
Brazil	- 6.9	- 3.7	- 10.3	- 8.5
Colombia	5.7	6.0	12.1	13.0
Chile	13.1	- 9.8	2.0	- 41.3
Ecuador	10.1	- 7.3	2.0	- 11.8
Mexico	23.3	- 11.1	9.5	- 37.8
Paraguay	26.7	- 15.8	7.4	7.9
Peru	65.0	- 7.4	52.7	- 3.2
Uruguay	- 7.3	1.6	- 5.7	- 23.7
Venezuela	- 6.1	- 0.9	- 6.9	1.0
Average LAIA	4.4	- 6.0	- 1.9	- 20.1

Source: Regional trade: data furnished by member countries.  
World trade: GATT, International Trade 1982/1983, and UNCTAD,  
Handbook of International Trade and Development Statistics, 1983.  
Indices of unit values and volume of foreign trade of LAIA countries:  
ECLA, Economic Survey of Latin America, 1982 and Statistical Yearbook  
for Latin America, 1980.

Preparation: Information and Studies Unit of the LAIA Secretariat.

In 1980 and 1981 LAIA imports were rising at rates close to those of the purchasing power of exports. In 1982, however, imports contracted sharply (by 20.1 per cent), much more than the fall in the purchasing power of exports. The non-oil countries had begun to reduce their imports in 1981, in which year the volume of their imports declined by 3.3 per cent. Import contraction in 1982 was fairly general and some countries reduced their imports to almost half of the 1981 volume. Argentina, Bolivia and Chile reduced their import volume in 1982 by more than 40 per cent in relation to the preceding year; Mexico and Uruguay by around 25 per cent, Ecuador and Brazil by about 10 per cent and Peru by 3.2 per cent. Only Colombia, Paraguay and Venezuela increased their import volume in 1982.

### C. Conclusions

The international recession has been felt by the LAIA countries mainly because of its impact on export prices and because of the high interest rates currently ruling. The trend in the volume of LAIA exports can be considered satisfactory, since they have continued to develop at high or moderate rates notwithstanding the stagnation of world trade.

Accordingly, economic growth of the developed countries, however moderate, is important for easing the balance-of-payments problems of the developing countries - including those of LAIA - since prices of primary products would respond favourably even though the volume of trade would only react later.

Furthermore, higher prices of export products would bring a reduction in real interest rates that would be conducive to renewed economic growth in the region.

To date, the burden of adjustment to balance-of-payments disequilibrium has been borne by the debtor countries. This situation was reflected in 1982 in a 20 per cent contraction in the volume of imports by the LAIA countries. The introduction of policies conducive to growth in the developed countries (including lower interest rates) would allow more adequate distribution of the costs of adjustment.

## II. INTRA-REGIONAL TRADE, 1980-1982

In 1980 and 1981, the LAIA trade balance was in deficit with the rest of the world. In 1982, however, the trend was reversed and an appreciable surplus offset the negative balance on the capital and services accounts. The trade surplus was due to a more pronounced decline in the value of imports than in the value of exports. The volume of exports expanded by 11.2 per cent in 1981 and 4.1 per cent in 1982, but this favourable trend in volume was offset by a deterioration in the terms of trade in both years. The non-oil countries began to reduce their import volume in 1981, with a 3.3 per cent decline in that year, and the oil-exporting countries as from 1982, in which year LAIA imports dropped back 20.1 per cent.

What has been the trend in intra-regional trade in comparison with the overall trade situation? Earlier Secretariat studies<sup>1</sup> indicate that in general, intra-regional trade tends to move in the same direction (expansion or contraction) as the trade of LAIA with the rest of the world. This is logical since the mechanisms that regulate external trade (management policies for aggregate demand, exchange policy, taxes and subsidies, administrative controls, etc.) affect every kind of trade and not merely trade with third countries.

Nevertheless, the rate of expansion or contraction of both types of trade is usually different, because of the financial situation in regard to the rest of the world, the existence of preferential mechanisms within LAIA (basically in regard to tariffs and payments) and the different product ranges traded within the region and with third countries, because differences in the income-elasticity and price of imported products are reflected in different rates of expansion or contraction of the trade concerned. We shall now examine trends in intra-regional trade in relation to trends in the total trade of LAIA in the three-year period 1980-1982, and shall endeavour to explain the differences between them.

### A. Exports to LAIA, 1980-1982

One noteworthy fact as regards intra-regional exports is that they have developed more slowly than overall exports, resulting in a slow decline in the relative share of the former in the latter from 1980 onward. For the first time since 1961, this share declined over four consecutive years (including preliminary figures for 1983).

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<sup>1</sup>See "Evolución y Estructura del Intercambio Comercial de los países que integran la ALADI, 1952-1980".

During the 1960s, intra-LAIA exports increased from 6.7 per cent of total exports (1961) to 10.4 per cent (1969). No doubt, negotiations in pursuance of the 1960 Treaty of Montevideo were an important factor for that growth.

During the 1970s this share rose from 10.4 per cent (1969) to 14.5 per cent (1979). This result seems mainly attributable to the introduction of vigorous export promotion policies in nearly all the member countries, and to the use by regional exporters of the opportunities resulting from rapid growth of imports by the region, financed by external credit.

The 1980s began with a decline in the share of intra-LAIA exports in total exports by the region. This share dropped back from 14.5 per cent in 1979 to 13.8 per cent in 1980, 13.1 per cent in 1981, 12.2 per cent in 1982 and probably around 10 per cent in 1983 according to preliminary estimates (statistics of exports by LAIA countries set forth in Table 4 and in Annex Tables 1 and 2).

One's first impulse in trying to account for the declining share of regional exports in relation to total exports from 1980 on is to resort to explanations of a casuistic type - for example the increase in the price of oil at the end of 1979 since a greater proportion of this product is exported to the rest of the world, or the fact that Mexico has become one of the fuel-exporting countries. The incidence of petroleum can be evaluated by taking into consideration only exports other than fuel. The share of intra-LAIA exports other than oil in total exports, excluding oil, declined from 18.9 per cent in 1979 to 18.6 per cent in 1980, 18.3 per cent in 1981 and 16.3 per cent in 1982. If oil is excluded, the decline is less pronounced, but the trend remains. In other words, developments in regard to oil simply strengthened a decline that seems attributable to other causes.

Although the import liberalization policy introduced by various LAIA countries in the last decade is another possible explanation of a casuistic type, it does not seem to be the reason for the decline in the relative importance of intra-LAIA exports. Indeed, such policies were already being introduced prior to 1980, the year in which the decline began. In the second place, if this assumption were correct, the group of countries that pursued their foreign-trade policy without any major changes (which we shall call Group A) would have lost part of their share of the region as an export destination because of keener competition from third countries in the markets of the member countries that liberalized their foreign-trade policies (Group B). In fact, the contrary occurred: the countries which made little or no change in their policy increased the share of the region in their exports in 1980 and 1981, as may be seen from Table 5. This group of countries (A) consigned 15.1 per cent of their exports (other than oil) to the region in 1979, 16.3 per cent in 1980 and 17.5 per cent in 1981. In 1982, in which year various countries in Group B began to reverse their liberalization policies, the share of the region in exports by Group A declined to 14.6 per cent.

On the other hand, in all those years the group of countries which pursued more outward-looking foreign-trade policies experienced a decline in the share of the region as an export destination: from 23.4 per cent in 1979 to 21.7 per cent in 1980, 19.6 per cent in 1981 and 19.1 per cent in 1982. All this seems to indicate that the non-preferential opening of certain LAIA markets has not inhibited exports by member countries.

For the purposes of this study, it is interesting to underline that the relative decline in intra-regional exports from 1980 on does not seem attributable to the particular economic policies of any group of countries. Rather than reasons of a casuistic type, one should try to find a general explanation, and this is not very difficult.



TABLE 4  
EXPORTS OF LAIA COUNTRIES  
1980-1982

In millions of current dollars (f.o.b.) and annual growth rates as percentages

COUNTRY	TOTAL			INTRA-REGIONAL			REST OF THE WORLD		
	1980	1981	1982	1980	1981	1982	1980	1981	1982
Argentina	8.021	9.143	7.625	1.847	1.741	1.515	6.174	7.402	6.110
Bolivia	1.037	984	896	370	408	464	667	576	432
Brazil	20.132	23.293	20.175	3.458	4.209	2.862	16.674	19.084	17.313
Colombia	3.945	2.956	3.095	551	564	523	3.394	2.392	2.572
Chile	4.693	3.895	3.754	1.106	808	700	3.587	3.087	3.054
Ecuador	2.481	2.168(a)	2.291(a)	449	316(a)	522(a)	2.032	1.852	1.769
Mexico	14.594	19.510	20.921	596	491	849	13.998	19.019	20.072
Paraguay	310	296	330	141	148	165	169	148	165
Peru	3.413	2.408	3.376(b)	588	417	437(b)	2.825	1.991	2.939(b)
Uruguay	1.059	1.217	1.024	393	347	314	666	870	710
Venezuela	18.772	19.776	18.010	1.355	1.737	1.596	17.417	18.039	16.414
TOTAL	78.457	85.646	81.497(c)	10.854	11.186	9.947(c)	67.603	74.460	71.550(c)
				GROWTH RATES					
Argentina	2.7	14.0	- 16.6	- 8.2	- 5.7	- 13.0	6.5	19.9	- 17.5
Bolivia	21.0	- 5.1	- 8.9	48.0	10.3	13.7	9.9	- 13.6	- 25.0
Brazil	32.1	15.7	- 13.4	39.7	21.7	- 32.0	30.6	14.5	- 9.3
Colombia	19.5	- 25.1	4.7	7.8	2.4	- 7.3	21.7	- 29.5	7.5
Chile	10.6	- 17.0	- 3.6	17.0	- 26.9	- 13.4	8.7	- 13.9	- 1.1
Ecuador	17.9	- 12.6(a)	5.7	46.7	- 29.6(a)	65.2(a)	13.0	- 8.9	- 4.5
Mexico	65.5	33.7	7.2	43.6	- 17.6	72.9	66.6	35.9	5.5
Paraguay	1.6	- 4.5	11.5	35.6	5.0	11.5	- 15.9	- 12.4	11.5
Peru	0.5	- 29.4	40.2	- 10.2	- 29.1	4.8	3.1	- 29.5	47.6
Uruguay	34.6	14.9	- 15.9	24.8	- 11.7	- 9.5	41.1	30.6	- 18.4
Venezuela	33.6	5.3	- 8.9	81.9	28.2	- 8.1	30.9	3.6	- 9.0
TOTAL	28.8	9.2	- 4.8	24.3	3.1	- 11.1	29.6	10.1	- 3.9

Source: Data furnished by member countries.

Preparation: Information and Studies Unit of the LAIA Secretariat.

(a): Export permits

(b): Datum estimated for the purposes of this study, on the basis of 87 per cent coverage of value, reported by the member country.

(c): Datum partly estimated.

TABLE 5  
TRENDS IN EXPORTS, EXCLUDING FUEL,  
ACCORDING TO OVERALL LIBERALIZATION OF TRADE  
1979-1982

In millions of current dollars (f.o.b.) and percentages

COUNTRY	1979		1980		1981		1982	
	Rest of the world	LAIA	Rest of the world	LAIA	Rest of the world	LAIA	Rest of the world	LAIA
<u>Countries that liberalized aggregate trade</u>								
Argentina								
Million dollars	5,775.6	2,002.2	6,008.6	1,767.6	7,025.2	1,535.7	5,719.9	1,381.7
Percentage	(74.3)	(25.7)	(77.3)	(22.7)	(82.1)	(17.9)	(80.5)	(19.5)
Colombia								
Million dollars	2,671.8	509.8	3,294.6	551.2	2,358.2	564.6	2,359.1	523.0
Percentage	(84.0)	(16.0)	(85.7)	(14.3)	(80.7)	(19.3)	(81.9)	(18.1)
Chile								
Million dollars	3,262.5	940.2	3,545.9	1,094.4	3,024.8	803.8	3,002.3	681.3
Percentage	(77.6)	(22.4)	(76.4)	(23.6)	(79.0)	(21.0)	(81.5)	(18.5)
Peru								
Million dollars	2,234.9	604.6	2,173.6	553.4	1,465.4	336.6	1,778.0	294.2
Percentage	(77.7)	(22.3)	(79.7)	(20.3)	(81.3)	(18.7)	(85.8)	(14.2)
Uruguay								
Million dollars	471.9	315.4	665.6	393.4	857.4	347.1	706.9	314.4
Percentage	(59.9)	(40.1)	(62.9)	(37.1)	(71.2)	(28.8)	(69.2)	(30.8)
TOTAL								
Million dollars	14,416.7	4,408.2	15,688.3	4,360.0	14,731.0	3,587.8	13,566.2	3,194.6
Percentage	(76.6)	(23.4)	(78.3)	(21.7)	(80.4)	(19.6)	(80.9)	(19.1)
<u>Countries that did not liberalize aggregate trade</u>								
Bolivia								
Million dollars	562.7	250.4	658.1	356.5	575.7	405.0	432.2	459.2
Percentage	(69.2)	(30.8)	(64.9)	(35.1)	(58.7)	(41.3)	(48.5)	(51.5)

TABLE 5 (cont'd)

COUNTRY	1979		1980		1981		1982	
	Rest of the world	LAIA	Rest of the world	LAIA	Rest of the world	LAIA	Rest of the world	LAIA
Brazil								
Million dollars	12,643.1	2,397.3	16,430.8	3,332.0	18,084.1	4,066.8	16,045.1	2,712.4
Percentage	(84.1)	(15.9)	(83.1)	(16.9)	(81.6)	(18.4)	(85.5)	(14.5)
Ecuador								
Million dollars	764.2	161.8	695.2	221.1	601.2	225.0	n.a.	n.a.
Percentage	(82.5)	(17.5)	(75.9)	(24.1)	(72.8)	(27.2)	-	-
Mexico								
Million dollars	4,588.0	413.7	5,073.3	429.2	5,189.7	415.7	4,799.8	319.6
Percentage	(91.7)	(8.3)	(92.2)	(7.8)	(92.6)	(7.4)	(93.8)	(6.2)
Paraguay								
Million dollars	201.2	104.0	169.6	140.7	148.1	147.5	164.9	164.9
Percentage	(65.9)	(34.1)	(54.7)	(45.3)	(50.1)	(49.9)	(50.0)	(50.0)
Venezuela								
Million dollars	449.6	95.8	685.1	139.6	781.5	135.0	627.9	106.7
Percentage	(82.4)	(17.6)	(83.1)	(16.9)	(85.3)	(14.7)	(85.5)	(14.5)
TOTAL								
Million dollars	19,208.8	3,423.0	23,712.1	4,619.1	25,380.3	5,395.0	22,069.9	3,762.8
Percentage	(84.9)	(15.1)	(83.7)	(16.3)	(82.5)	(17.5)	(85.4)	(14.6)
LAIA TOTAL								
Million dollars	33,625.5	7,831.2	39,400.4	8,979.1	40,111.3	8,982.8	35,636.1	6,957.4
Percentage	(81.1)	(18.9)	(81.4)	(18.6)	(81.7)	(18.3)	(83.7)	(16.3)

Source: Data furnished by member countries.

Preparation: Information and Studies Unit of LAIA Secretariat

The decline in the share of intra-regional exports is attributable to the export effort that LAIA is having to make in respect of the rest of the world to offset its negative net balances on the services and capital accounts. As a result of this export effort, a positive trade balance in the vicinity of US\$10,000 million was recorded in 1982. No doubt the trade balances show some contraction of imports but, in addition, they reflect an effort to expand exports to the rest of the world, in respect of which LAIA has a substantial external debt. This export drive in respect of third countries has reduced the relative share of LAIA in regional exports since 1980 and, more particularly, 1982. As we have already seen, the phenomenon is also partly attributable to fuel exports to third countries.

In conclusion, the decline in the share of exports to LAIA countries in relation to total exports by the region must be seen as the result of an exogenous circumstance on the one hand (the increase in prices and export volumes of petroleum) and, on the other hand, of the need for a substantial increase in exports to the rest of the world, in respect of which LAIA is a net debtor. The phenomenon does not reflect any weakening of intra-regional trade, but rather the inescapable need to expand exports to the rest of the world. The transfer of resources by the LAIA countries to third countries in recent years has been achieved by encouraging exports and holding down imports. In these conditions, the relative decline in intra-regional exports was to be expected. For a realistic evaluation of progress or decline in intra-regional trade, one must also take account of relative developments in regard to imports from the region, in relation to the general contraction of imports by the LAIA countries.

#### B. Imports from LAIA, 1980-1982

The volume of total LAIA imports increased appreciably in 1980 (27.7 per cent), moderately in 1981 (4.3 per cent) and dropped back by 20.1 per cent in 1982. Imports slowed down in 1981 and declined in real terms in 1982, as a result of the exchange, monetary, fiscal and foreign-trade measures adopted by the LAIA countries in order to contain them.

Imports from the region were somewhat erratic from 1980 to 1982. Intra-regional imports accounted for 13.3 per cent of total imports in 1979, 12.5 per cent in 1980, 13.4 per cent in 1981 and 14.9 per cent in 1982 - the largest share recorded in the history of LAFTA-LAIA. With the exclusion of fuels, the percentage share of imports from the region has been as follows: 13.9 per cent in 1979, 12.3 per cent in 1980, 11.9 per cent in 1981 and 13.1 per cent in 1982. (The relative import figures are shown in Table 6 and Annex Tables 3 and 4.)

Although no clear trend can be seen toward a larger share of intra-regional imports (other than oil) in trade of the region, developments in 1982 are particularly significant: in that year, imports began to decline substantially (22.2 per cent in value, 20.1 per cent in volume). The value of imports from third countries dropped back by 23.5 per cent, while the value of imports from LAIA countries declined by only 13.3 per cent.

TABLE 6  
IMPORTS OF LAIA COUNTRIES  
1980-1982

In millions of current dollars (222) and annual growth rates as percentages

COUNTRY	TOTAL			INTRA-REGIONAL			REST OF THE WORLD		
	1980	1981	1982	1980	1981	1982	1980	1981	1982
Argentina	10,541	9,430	5,337	2,138	1,087	1,535	8,403	7,543	3,802
Bolivia	744	901	486	291	296	159	453	605	327
Brazil	25,614	24,776	21,969	2,981	3,456	3,586	22,633	21,320	18,383
Colombia	4,663	5,199	5,478	698	999	1,141	3,965	4,200	4,337
Chile	5,124	6,363	3,527	1,307	1,510	824	3,737	4,853	2,703
Ecuador	2,253	1,921(a)	1,758	266	250(a)	219(a)	1,987	1,671(a)	1,539(a)
Mexico	17,793	23,744	14,421	675	1,128	548	17,118	22,616	13,873
Paraguay	615	600	672	298	280	317	317	320	355
Peru	2,688	3,972	3,532(b)	394	616	612(b)	2,294	3,356	2,920(b)
Uruguay	1,604	1,625	1,107	581	745	460	1,023	880	647
Venezuela	12,260	13,559	13,397	827	1,129	1,263	11,433	12,430	12,134
TOTAL	83,899	92,090	71,684(c)	10,536	12,296	10,664(c)	73,363	79,794	61,020(c)
	GROWTH RATES								
Argentina	57.3	- 10.5	- 43.4	47.2	- 11.7	- 18.7	60.1	- 10.2	- 49.6
Bolivia	118.2	21.1	- 46.1	22.3	1.7	- 46.3	339.8	33.4	- 46.0
Brazil	24.1	- 3.3	- 11.3	21.0	15.9	3.8	24.5	- 5.0	- 13.8
Colombia	44.2	11.5	5.4	18.3	43.1	14.2	50.0	5.9	3.3
Chile	21.2	24.2	- 44.6	31.3	8.9	- 45.4	17.6	29.9	- 44.3
Ecuador	40.8	- 14.7	- 8.5	31.7	- 6.0	- 12.4	42.1	- 15.9	- 7.9
Mexico	41.4	33.4	- 39.3	17.6	67.1	- 51.4	42.5	32.1	- 38.7
Paraguay	18.0	- 2.4	12.0	41.9	- 6.0	13.2	1.9	0.9	10.9
Peru	76.1	47.8	- 11.1	90.3	56.3	- 0.6	73.9	46.3	- 13.0
Uruguay	37.6	1.3	- 31.9	13.0	28.2	- 38.3	56.9	- 14.0	- 26.5
Venezuela	10.9	10.6	- 1.2	- 12.9	36.5	11.9	13.2	8.7	- 2.4
TOTAL	31.9	9.8	- 22.2	24.7	16.7	- 13.3	33.0	8.8	- 23.5

Source: Data furnished by member countries.

Preparation: Information and Studies Unit of the LAIA Secretariat.

(a): Import permits.

(b): Datum estimated for the purposes of this study, on the basis of 85 per cent coverage of value, reported by the member country.

(c): Datum partly estimated.

As a result, the LAIA share increased from 13.4 per cent (1981) to 14.9 per cent (1982), and from 11.9 per cent (1981) to 13.1 per cent (1982) if oil is excluded. The general contraction of imports affected intra-regional trade but to a proportionately less extent. The present crisis has undoubtedly affected purchases made in the region, but in absolute terms and relatively less than purchases from the rest of the world.

This situation seems to be attributable to the composition of imports from the region as compared with that of imports from the rest of the world. The former comprise 60 per cent of primary products (foodstuffs, raw materials, minerals and fuel) which are of low income-elasticity and price, in other words goods that are essential for continued functioning of the economy. The latter comprise 62 per cent of manufactures, many of them durable consumer goods and capital goods which can more easily be dispensed with in a period of crisis. Accordingly, imports from the rest of the world can be expected to contract proportionately more because of their higher income-elasticity and price.

For the reasons mentioned and in a period of declining trade, the share of intra-regional imports in total imports has increased. This seems to be due more to the actual structure of imports than to existing preferential mechanisms, as we shall see below. Nevertheless, in the present situation one can explore a wide field of possible actions to strengthen and develop this "natural" result which is relatively favourable for intra-regional imports.

### C. Conclusions

In the early years of the present decade (and probably also in the coming years) LAIA has had and will have to make an effort to expand its exports to the rest of the world, in respect of which it is a net debtor. As a result the relative importance of intra-regional exports has declined. This result is somewhat inevitable, given present circumstances, failing the introduction of vigorous measures to promote intra-regional trade.

The adjustment policy pursued by the member countries has implied some contraction of imports. Nevertheless, since 1982 imports from the region have declined proportionately less than total imports, because of their product composition. This has allowed the region to increase its share of some contracted imports and as a result in 1982 that share reached the highest percentage level in the history of LAFTA-LAIA (14.9 per cent).

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<sup>1</sup>In terms of SITC/Rev.2

<sup>2</sup>Obviously, in a situation in which income falls and real prices of imports increase in terms of local currency

The impact of the crisis on intra-regional trade has meant that, on the one hand, the region depends a little more on the rest of the world to dispose of its exports and, on the other hand, depends a little more on the region itself for import supplies. Activation of preferential mechanisms within LAIA could weaken the first effect and strengthen the second. As we shall see in the next section, in the three-year period 1980-1982, preferential mechanisms played a modest rôle in intra-regional trade, while the field of action for strengthening and expanding intra-LAIA trade was and is still being developed. Consequently, the crisis could make it worthwhile to introduce intra-regional trade mechanisms that would not have been viable a few years ago.

### III. IMPORTS OF NEGOTIATED PRODUCTS

Although the 1980 Montevideo Treaty entered into force in March 1981, the new LAIA mechanisms were progressively brought into operation as from 1980 to replace the former LAFTA mechanisms (national schedules, lists of exclusive advantages, and complementarity agreements).

Below is an analysis of the trend in imports of negotiated products; although it covers a period during part of which LAIA was in operation, the information refers to products included in the LAFTA lists.

#### A. Overall trends in imports of negotiated products

In examining imports of negotiated products, we shall consider regional imports other than fuel since distortions can result from variations in prices of the latter - which are non-negotiated products.

Table 7 shows developments in intra-regional imports other than fuel between 1977 and 1982, with a differentiation between negotiated and non-negotiated products, and likewise trends in all imports other than fuel for the same period.

The following can be seen from a comparison between total imports and intra-regional imports:

(a) Between 1977 and 1982, both types of imports increased at virtually the same average annual rate (around 11 per cent) which seems to indicate that in this period there was no new shift in trade toward the region.

(b) In 1982, when imports declined steeply, intra-regional imports contracted proportionately less than total imports. We have already suggested as a possible explanation of this phenomenon based the different composition of imports from the region and from the rest of the world.

As regards intra-regional imports, a decline can be seen in negotiated imports have been declining since 1980: from 49.6 per cent in 1979 to 36.3 per cent in 1980, 32.1 per cent in 1981 and 31.4 per cent in 1982. This real downward trend in the share of imports of negotiated products is attributable to the fact that manufactures, which are more dynamic in trade terms because of their high income-elasticity, have accounted for a large proportion of non-negotiated trade. While the share of manufactures in the value of intra-regional trade has increased appreciably, that of negotiated trade in the latter has declined considerably. Manufactures (in terms of SITC/Rev. 1) which accounted for only 14.4 per cent of intra-regional imports other than fuel in 1962, represented 49.7 per cent of those imports in 1980.



TABLE 7  
TOTAL IMPORTS AND INTRA-REGIONAL IMPORTS IN TERMS OF  
NEGOTIATED AND NON-NEGOTIATED TRADE, EXCLUDING FUEL  
1977-1982  
In millions of current dollars (c.i.f.) and annual growth rates as percentages

Year	INTRA-REGIONAL												
	Negotiated			Non-negotiated			Total		Negotiated in relation to total			Complementarity agreements	
	Million dollars	Rate	(2)	Million dollars	Rate	(6)	Million dollars	Rate	(8)	(9)=(3)/(7)	Million dollars	Rate negotiated trade	Percentage of total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)=(10)/(3)	(13)=(7)/(11)	
1977	37.384	-	2.313	-	2.528	4.841	-	47.8	175.3	-	7.6	14.9	
1978	43.565	16.5	2.463	6.5	2.666	5.129	5.9	48.0	235.6	34.4	9.6	11.8	
1979	54.082	24.1	3.736	31.7	3.791	7.527	46.8	49.6	335.6	42.4	9.0	13.9	
1980	70.485	30.3	3.143	-15.9	5.522	8.665	15.1	36.3	406.0	21.0	12.9	12.3	
1981	77.173	9.5	2.945	- 6.3	6.229	9.174	5.9	32.1	440.6	8.5	15.0	11.9	
1982	57.984	-24.9	2.376	-19.3	5.192	7.568	-17.5	31.4	268.6	-39.0	11.3	13.1	
Average	-	11.1	-	3.3	-	-	11.2	-	-	-	13.5	-	

Source: Data furnished by member countries.  
Preparation: Information and Studies Unit of LAIA Secretariat.

In 1982 imports of negotiated products accounted for 31.4 per cent of imports from the region, other than fuel, and 22.3 per cent of imports if fuel is included. In 1964 this latter percentage had reached a peak of 89 per cent.

#### B. Trade agreements

To date, twenty-one partial-scope trade agreements have been signed containing concessions on manufactures, in replacement of LAFTA complementarity agreements. Twelve of these agreements concern products of the electrical and/or electronics industry, five the chemical and petrochemical industry, one the chemical-pharmaceutical industry, one the phonographic industry, one the glass industry and one the photographic industry. Argentina is a party to eighteen of these agreements, Brazil to fifteen, Chile to five, Mexico to nineteen, Peru to one, Uruguay to eight and Venezuela to four.

In the period 1977-1981, products included in these agreements accounted for between 3.5 per cent and 4.8 per cent of imports other than fuel, and between 7.6 per cent and 15 per cent of imports of negotiated products. The proportion of intra-regional trade conducted under them was relatively low, although it has increased somewhat in recent years because of the high income-elasticity of industrial products. Imports of products covered by these agreements increased at an average annual rate of 26.6 per cent between 1977 and 1981, as compared with a rate of 9 per cent for all negotiated products. This raised the share of import value of products covered by these agreements in relation to the value of imports of negotiated products from 7.6 per cent in 1977 to 15 per cent in 1981. In 1982 the value of these imports contracted by 39 per cent, so that their share in relation to negotiated imports fell to 11.3 per cent in that year.

#### C. Conclusion

Continuing a long-term trend, in recent years the share of imports of negotiated products continued to decline in relation to LAIA intra-regional imports. That share was 32.1 per cent in 1981 and 31.4 per cent in 1982. The most likely explanation of this trend is that imports that increase most rapidly - i.e. industrial products - account for a high proportion of non-negotiated intra-regional imports. Within the framework of negotiated trade, the most rapid growth in recent years has been in respect of industrial products included in the twenty-one LAIA trade agreements, notwithstanding the fact that the impact of such agreements is still modest.

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<sup>1</sup>Excluding fuel

In 1982 imports of products included in the former complementarity agreements accounted for 11.3 per cent of imports of negotiated products and 3.5 per cent of intra-regional imports other than fuel.

The undertaking to eliminate non-tariff restrictions on intra-regional trade (LAIA/CM/Resolution 5 (II)) and implementation of the regional tariff preference, together with the holding of negotiations and conclusion of agreements, were the outcome of the Second Meeting of the Council of Ministers held in April 1984 and are measures designed to reverse the decline in the share of imports of negotiated products in intra-regional trade. In this connection, it is appropriate to bear in mind that the vigour of negotiated trade will be influenced by the inclusion or non-inclusion of industrial products in the preferential mechanisms.

#### IV. INTRA-REGIONAL PAYMENTS MECHANISMS

Ever since the establishment of LAFTA the need has been fully recognized for a regional payments system operating alongside the system of preferences. In September 1965 the so-called "Mexico City Agreement" was signed and was in operation throughout the LAFTA process until replaced by the "Reciprocal Payments and Credits Agreement" signed on 25 August 1982. This mechanism is supplemented by an instrument covering short-term financial assistance, the "Santo Domingo Agreement", which was signed in September 1969 and enlarged in September 1981.

In essence, the payments agreement operates through a set of short-term bilateral credit lines, fixed on a reciprocal basis between pairs of central banks of member countries; use of those credit lines allows multilateral compensation of balances resulting from transactions among the participants in each (four-month) period.

The agreement operated smoothly between 1966 and 1981. The proportion of intra-regional trade in goods conducted through the system increased progressively from 12 per cent in 1966 to 83 per cent in 1981 (Table 8). The percentage of foreign exchange effectively transferred during and at the end of each compensation period never exceeded 30 per cent of all transactions conducted through the system in any given year. In 1981 foreign exchange transfers through the system totalled US\$2,553 million, equivalent to only 27 per cent of all the transactions. If one adds transactions conducted outside this system, the amount of foreign exchange saved in 1981 was equivalent to 61 per cent of intra-regional trade. Accordingly, the system has well fulfilled the main objective which was to achieve savings of convertible foreign exchange in intra-regional trade.

The generalization of balance-of-payments problems which affected participating countries in 1981 highlighted something that is recognized by monetary experts - namely that notwithstanding the substantial savings of convertible foreign exchange that the system made possible, it was not designed to deal with severe payments crises nor with the resulting disturbances in intra-regional trade in respect of goods and services. Indeed, in 1982 the percentage of intra-regional trade conducted through the system declined for the first time: from 83 per cent in 1981 to 78 per cent in 1982. Savings in convertible foreign exchange were equivalent to 46.6 per cent of total trade in 1982, as against 61 per cent in 1981. This decline is due to the fact that some central banks (obviously net debtors) withheld one or more of the four-monthly compensation payments as permitted under the agreement. Although the Santo Domingo Agreement had been an efficient auxiliary instrument for some countries and had increased levels of participation in 1981, it proved inadequate to prevent disruptions that generalized payments problems can cause in intra-regional trade.

In addition to suggestions for minor amendments of the reciprocal payments and credits agreement (extension of the compensation period, etc.), new ideas and proposals are beginning to emerge with a view to establishing mechanisms that could prevent any contraction of intra-regional trade in the event of protracted balance-of-payments differences. The basic idea is to achieve balanced trade through mechanisms that could range from barter arrangements to the creation of a Latin American monetary unit (UMLA). Today, implementation of a mechanism to ensure balanced trade without any disbursement of strong currencies would be the preferred solution for regional producers in order to deal with a general scarcity of convertible foreign exchange.

TABLE 8  
TRANSACTIONS CARRIED OUT UNDER THE AGREEMENT ON  
RECIPROCAL PAYMENTS AND CREDITS  
1966-1983  
In million dollars and percentages

YEAR	MILLION DOLLARS			PERCENTAGES	
	Foreign exchange transferred	Transactions carried out	Intra-regional exports (f.o.b.)	(4)=(2)/(3)	(5)=(1)/(2)
	(1)	(2)	(3)		
1966	31.4	106.4	874	12	30
1967	93.8	332.8	849	39	28
1968	129.5	376.6	994	38	34
1969	81.0	479.2	1.182	41	17
1970	109.6	560.5	1.278	44	20
1971	136.0	708.1	1.413	50	19
1972	188.6	984.4	1.620	61	19
1973	280.5	1.403.1	2.355	60	20
1974	387.4	2.288.3	3.938	58	17
1975	660.4	2.396.3	4.009	60	28
1976	652.2	2.925.2	4.689	63	22
1977	887.3	3.936.0	5.745	69	23
1978	1.134.9	4.459.0	5.908	75	25
1979	1.629.6	6.420.7	8.733	74	25
1980	2.020.6	8.663.1	10.854	80	23
1981	2.553.6	9.331.4	11.186	83	27
1982	2.207.9	7.735.4(a)	9.874	78	29
1983	1.801.7	6.233.8(a)	7.496(b)	83	29

Source: Data furnished by member countries

Preparation: Information and Studies Unit of the LAIA Secretariat  
(a) Adjusted transactions  
(b) Provisional figures

ANNEX

TABLE 1  
LAIA  
BREAKDOWN OF REGIONAL EXPORTS, BY COUNTRY  
1980-82  
In percentages of f.o.b. values

COUNTRY	TOTAL			INTRA-REGIONAL			REST OF THE WORLD		
	1980	1981	1982	1980	1981	1982	1980	1981	1982
Argentina	10.2	10.7	9.4	17.0	15.6	15.2	9.1	9.9	8.5
Bolivia	1.3	1.1	1.1	3.4	3.6	4.7	1.0	0.8	0.6
Brazil	25.7	27.2	24.8	31.9	37.6	28.8	24.7	25.6	24.2
Colombia	5.0	3.5	3.8	5.1	5.1	5.3	5.0	3.2	3.6
Chile	6.0	4.5	4.6	10.2	7.2	7.0	5.3	4.2	4.3
Ecuador	3.2	2.5	2.8	4.1	2.8	5.2	3.0	2.5	2.5
Mexico	18.6	22.8	25.7	5.5	4.4	8.5	20.7	25.5	28.1
Paraguay	0.4	0.4	0.4	1.3	1.3	1.7	0.2	0.2	0.2
Peru	4.4	2.8	4.1	5.4	3.7	4.4	4.2	2.7	4.1
Uruguay	1.3	1.4	1.2	3.6	3.2	3.2	1.0	1.2	1.0
Venezuela	23.9	23.1	22.1	12.5	15.5	16.0	25.8	24.2	22.9
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Data furnished by member countries.  
Preparation: Information and Studies Unit of the LAIA Secretariat.

TABLE 2  
LAIA  
BREAKDOWN OF EXPORTS BY COUNTRIES OF THE REGION, BY DESTINATION  
1980-1982  
In percentages of f.o.b. values

COUNTRY	INTRA-REGIONAL			REST OF THE WORLD		
	1980	1981	1982	1980	1981	1982
Argentina	23.0	19.0	19.9	77.0	81.0	80.1
Bolivia	35.7	41.5	51.8	64.3	58.5	48.2
Brazil	17.2	18.1	14.2	82.8	81.9	85.8
Colombia	14.0	19.1	16.9	86.0	80.9	83.1
Chile	23.6	20.7	18.6	76.4	79.3	81.4
Ecuador	18.1	14.6	22.8	81.9	85.4	77.2
Mexico	4.1	2.5	4.1	95.9	97.5	95.9
Paraguay	45.5	50.0	50.0	54.5	50.0	50.0
Peru	17.2	17.3	12.9	82.8	82.7	87.1
Uruguay	37.1	28.5	30.7	62.9	71.5	69.3
Venezuela	7.2	8.8	8.9	92.8	91.2	91.1
TOTAL LAIA	13.8	13.1	12.2	86.2	86.9	87.8

Source: Data furnished by member countries.  
Preparation: Information and Studies Unit of the LAIA Secretariat.

TABLE 3  
LAIA  
BREAKDOWN OF REGIONAL IMPORTS, BY COUNTRY  
1980-1982  
In percentages of c.i.f. values

COUNTRY	TOTAL			INTRA-REGIONAL			REST OF THE WORLD		
	1980	1981	1982	1980	1981	1982	1980	1981	1982
Argentina	12.6	10.2	7.4	20.3	15.3	14.4	11.5	9.4	6.2
Bolivia	0.9	1.0	0.7	2.8	2.4	1.5	0.6	0.8	0.6
Brazil	30.5	26.9	30.7	28.3	28.1	33.6	30.9	26.7	30.1
Colombia	5.6	5.6	7.7	6.6	8.1	10.7	5.4	5.3	7.1
Chile	6.1	6.9	4.9	13.2	12.3	7.7	5.1	6.1	4.4
Ecuador	2.7	2.1	2.5	2.5	2.0	2.1	2.7	2.1	2.5
Mexico	21.2	25.8	20.1	6.4	9.2	5.1	23.3	28.3	22.7
Paraguay	0.7	0.7	0.9	2.8	2.3	3.0	0.4	0.4	0.6
Peru	3.2	4.3	4.9	3.7	5.0	5.7	3.1	4.2	4.8
Uruguay	1.9	1.8	1.5	5.5	6.1	4.3	1.4	1.1	1.1
Venezuela	14.6	14.7	18.7	7.9	9.2	11.8	15.6	15.6	19.9
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Data furnished by member countries.

Preparation: Information and Studies Unit of the LAIA Secretariat.

TABLE 4  
LAIA  
BREAKDOWN OF IMPORTS BY COUNTRIES OF THE REGION, BY DESTINATION  
1980-1982  
In percentages of c.i.f. values

COUNTRY	INTRA-REGIONAL			REST OF THE WORLD		
	1980	1981	1982	1980	1981	1982
Argentina	20.3	20.0	28.8	79.7	80.0	71.2
Bolivia	39.1	32.9	32.7	60.9	67.1	67.3
Brazil	11.6	13.9	16.3	88.4	86.1	83.7
Colombia	15.0	19.2	20.8	85.0	80.8	79.2
Chile	27.1	23.7	23.4	72.9	76.3	76.6
Ecuador	11.8	13.0	12.5	88.2	87.0	87.5
Mexico	3.8	4.8	3.8	96.2	95.2	96.2
Paraguay	48.5	46.7	47.2	51.5	53.3	52.8
Peru	14.7	15.5	17.3	85.3	84.5	82.7
Uruguay	36.2	45.8	41.6	63.8	54.2	58.4
Venezuela	6.7	8.3	9.4	93.3	91.7	90.6
TOTAL LAIA	12.5	13.4	14.9	87.5	86.6	85.1

Source: Data furnished by member countries.

Preparation: Information and Studies Unit of the LAIA Secretariat.