



The motors of growth have been turned on again?

Economic recovery and trade in Latin America 2009/2010

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NACIONES UNIDAS
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Agenda

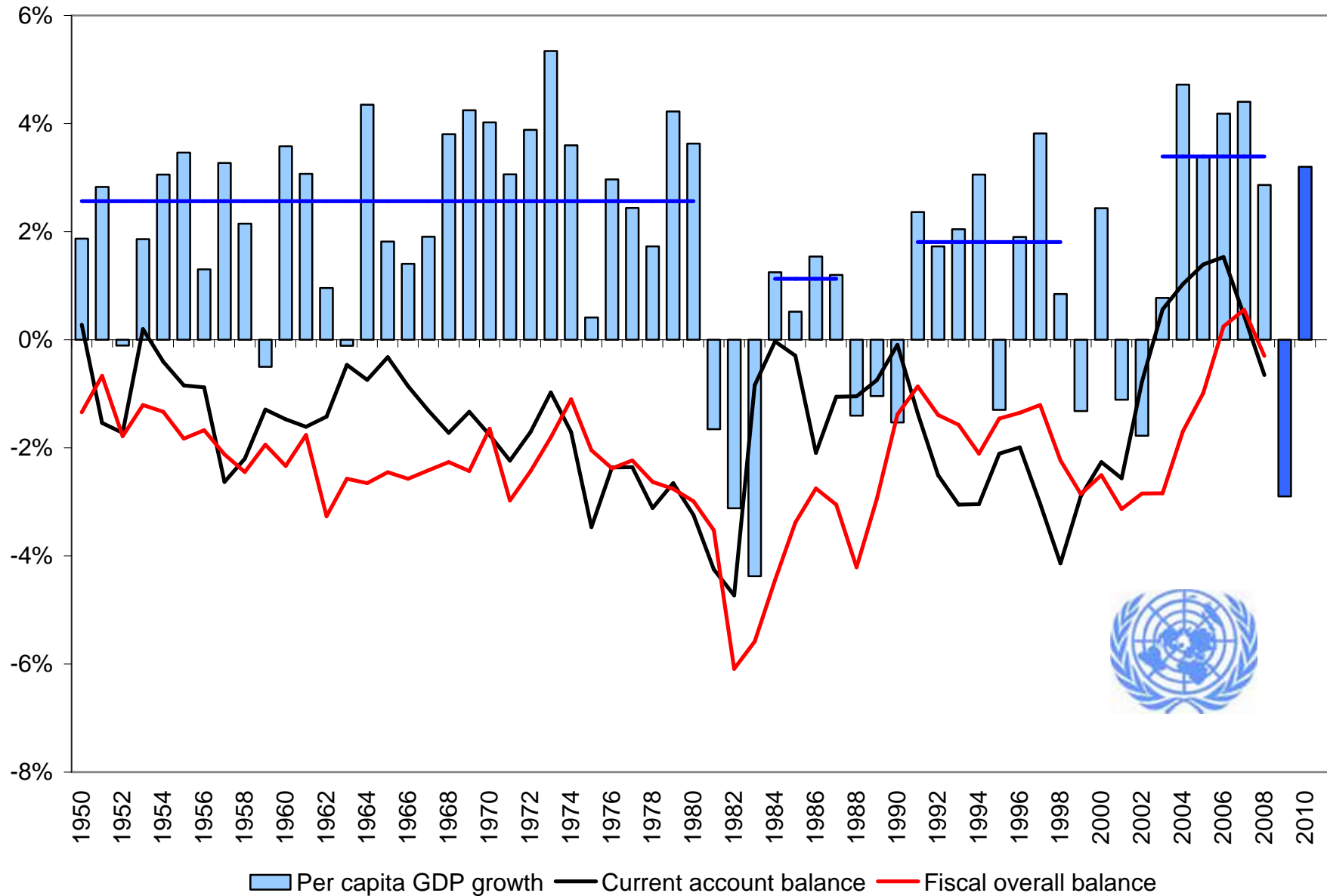
- **Impact of the crisis**
- **Perspectives for 2010:**

1. Macroeconomic situation in LAC

2. International trade in LAC



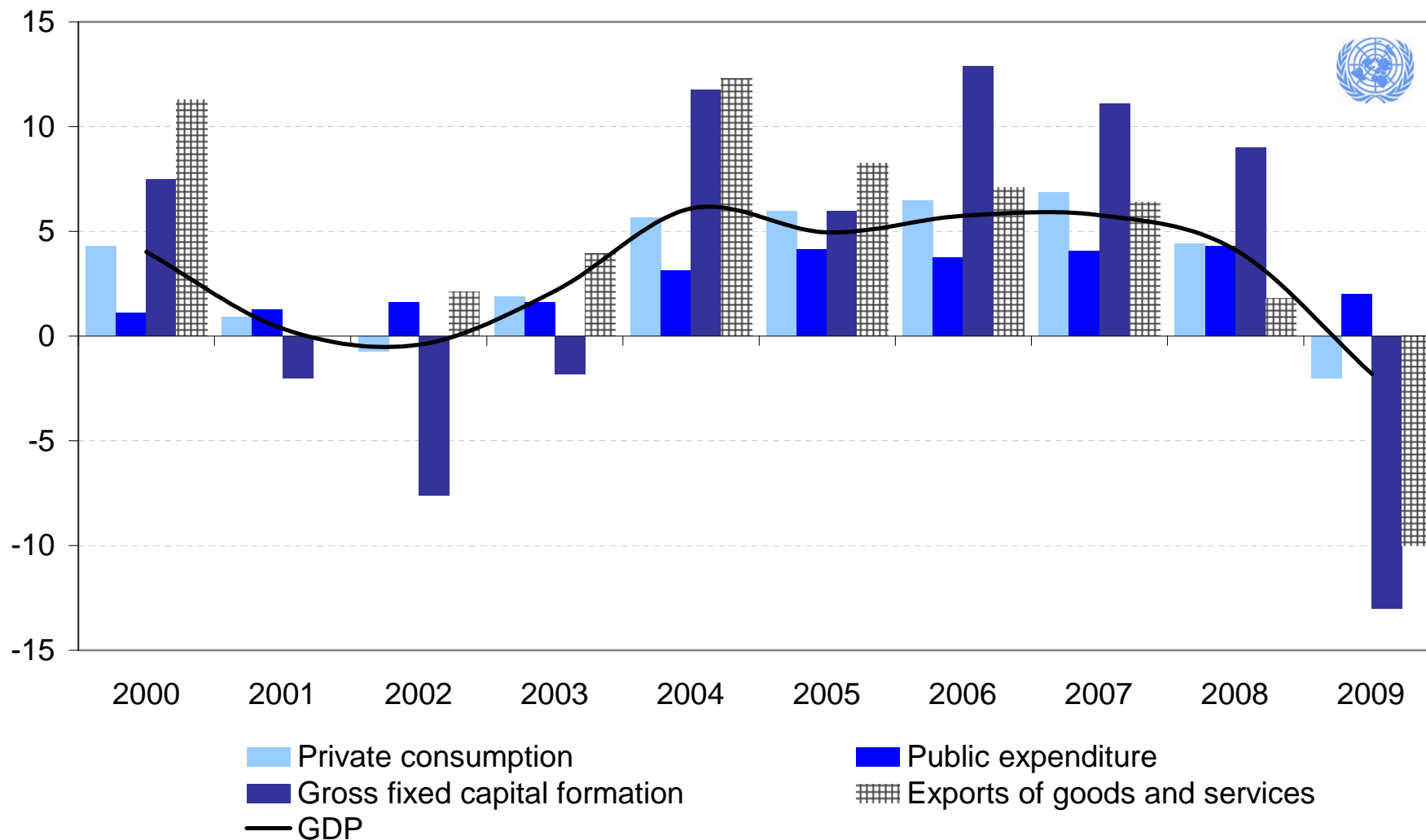
In LAC, the worst of the crisis is behind us





Breakdown of total supply and demand

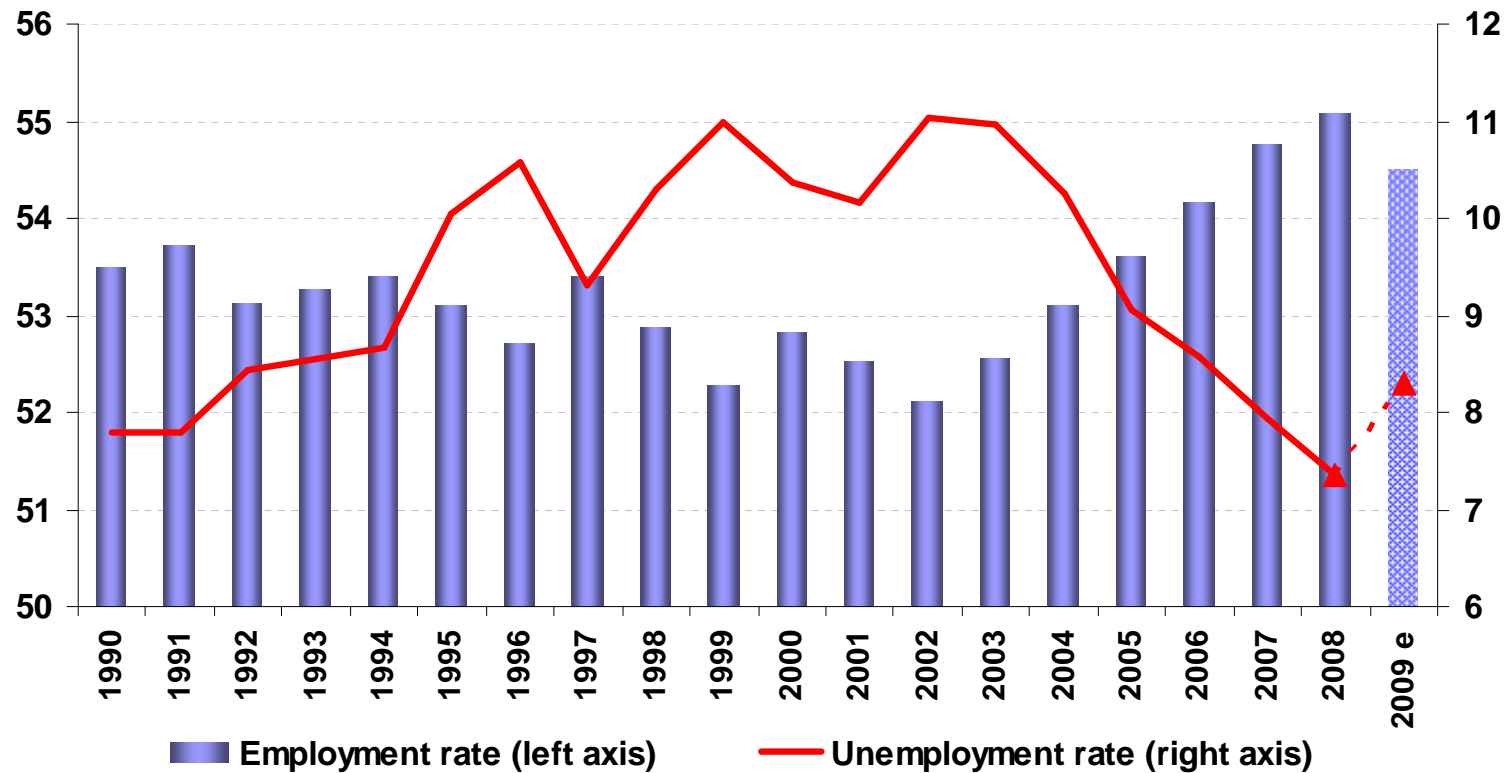
LATIN AMERICA AND THE CARIBBEAN: BREAKDOWN OF TOTAL SUPPLY AND DEMAND (Percentages)





The crisis hit the labor market, reversing the previous trend

LATIN AMERICA AND THE CARIBBEAN: EMPLOYMENT AND UNEMPLOYMENT RATES
(As percentages)





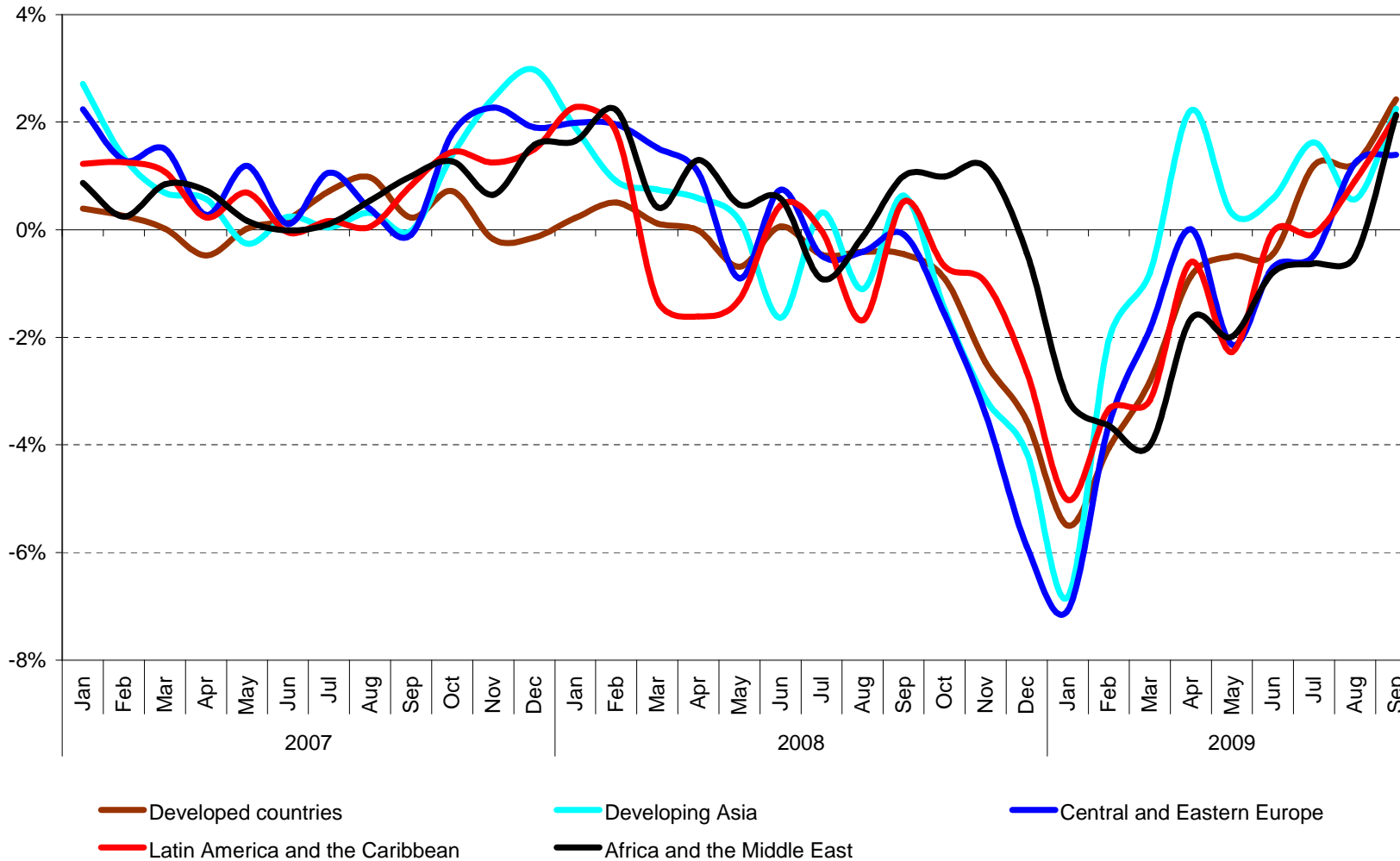
Recovery of the economies of LAC in the 2nd half of 2009

- ▶ Six of the largest economies were on the road of recovery in the 3rd quarter of 2009 (Argentina, Brazil, Chile, Colombia, Mexico and Peru)
- ▶ The most notable recovery will take place in South America (growth rate for 2010 estimated: 4.7%) and Central America with the exception of Mexico: 3.0%.
- ▶ Signs of the recovery:
 - ▶ Exports volumes began to expand again
 - ▶ Commodity prices are growing up again
 - ▶ Remittances from Migrant workers are beginning to pick up again
 - ▶ Good access to international credit



The volume of international trade has begun to grow again

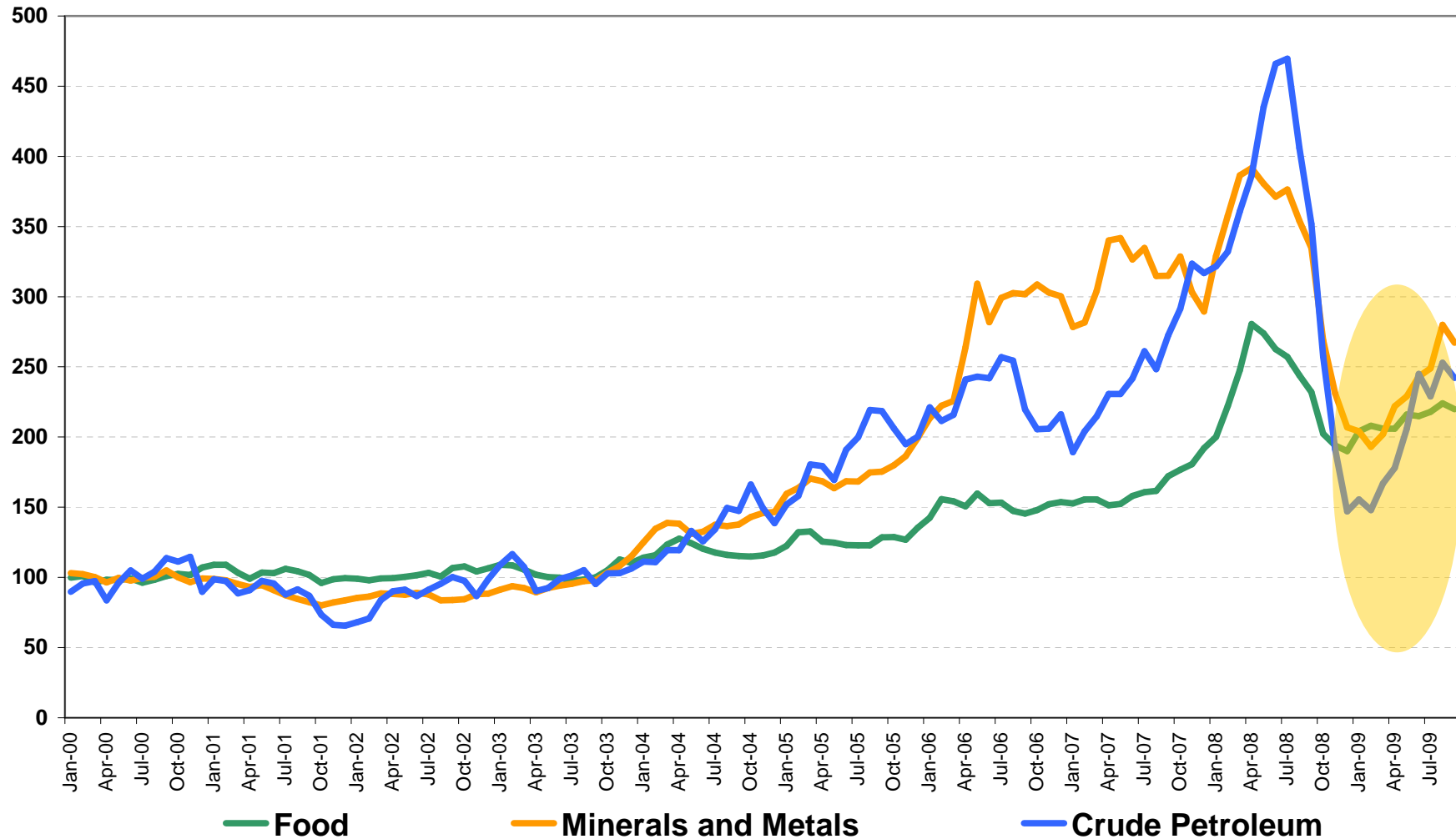
VOLUME OF TRADE (AVERAGE VOLUME OF IMPORTS PLUS EXPORTS), BY REGION
(Percentages)





Prices of commodities

SELECTED COMMODITY PRICES
(Price indices 2000=100)





International Trade in LAC: crisis and recovery

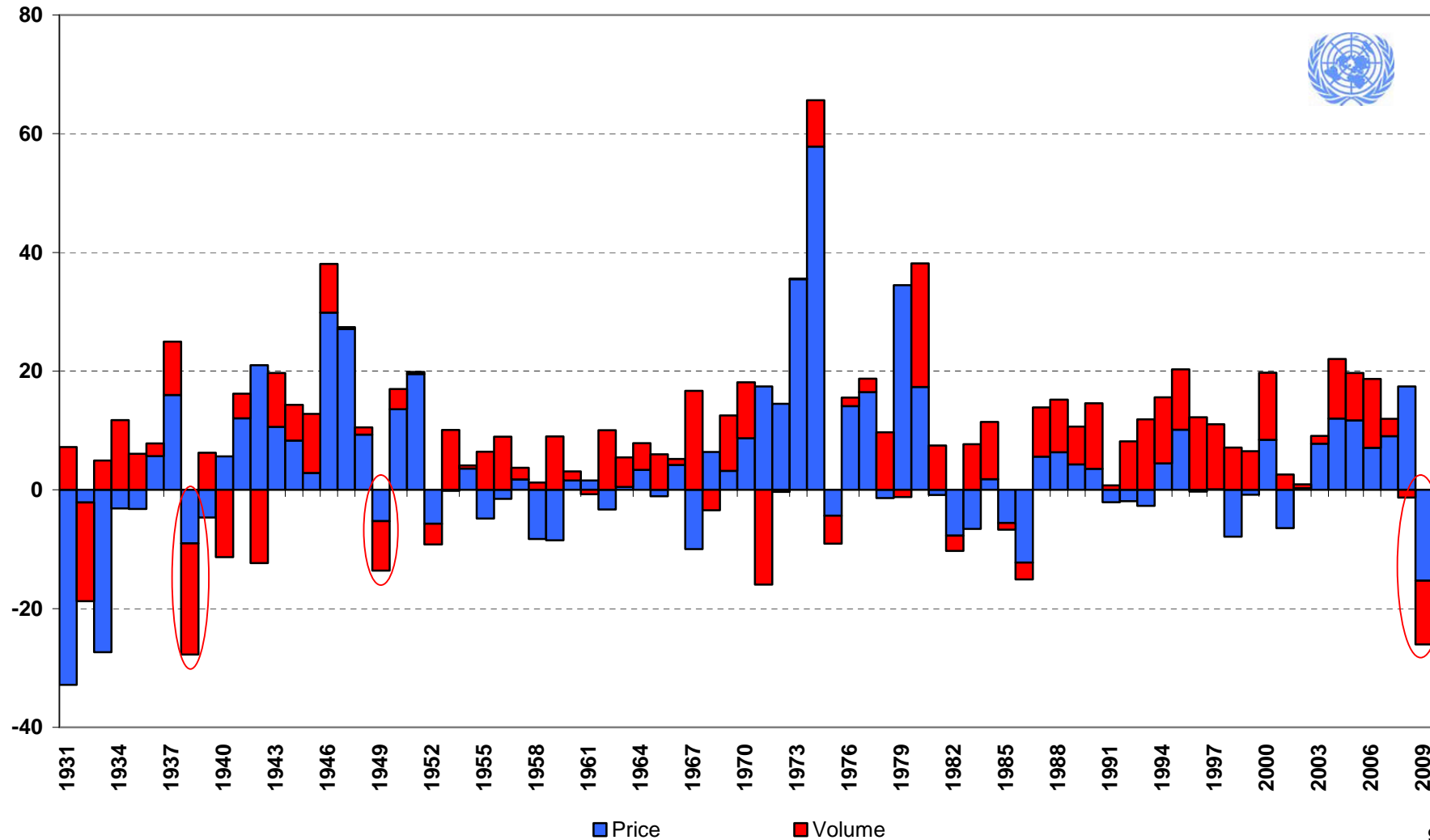
- ▶ **Effect of the crisis on international trade**
- ▶ **Signs of recovery (exports expanding again)**
- ▶ **Reasons of the recovery:**
 - Partial rise in the price of several commodities (copper, zinc, oil, wheat and soya)
 - The strong demand from China as of the second quarter of last year.





Contraction in the value of LAC exports is unprecedented in recent history

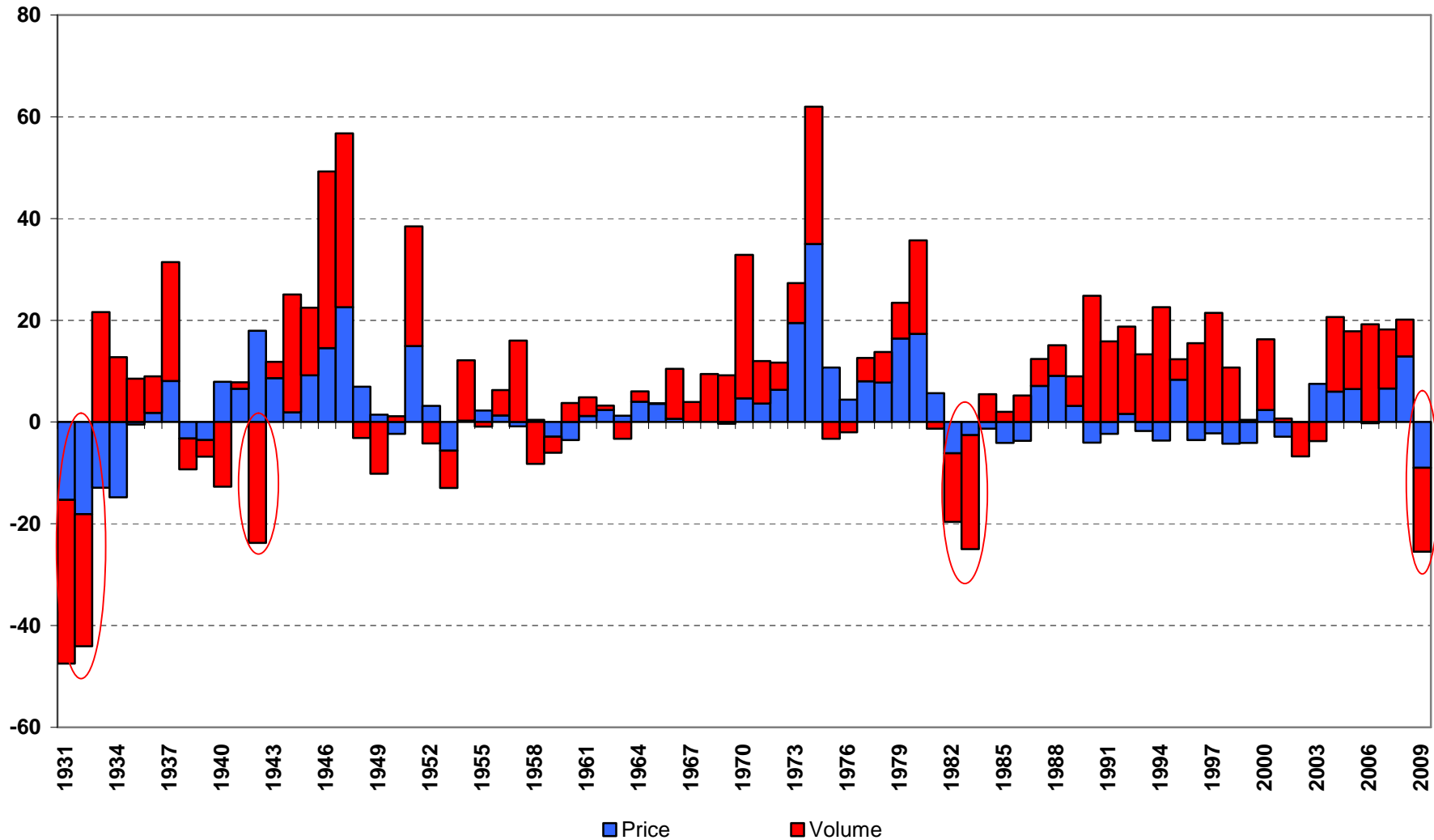
Latin America and the Caribbean: exports annual variation (1931-2009)
(As percentages)





Contraction in the value of LAC imports is unprecedented in recent history

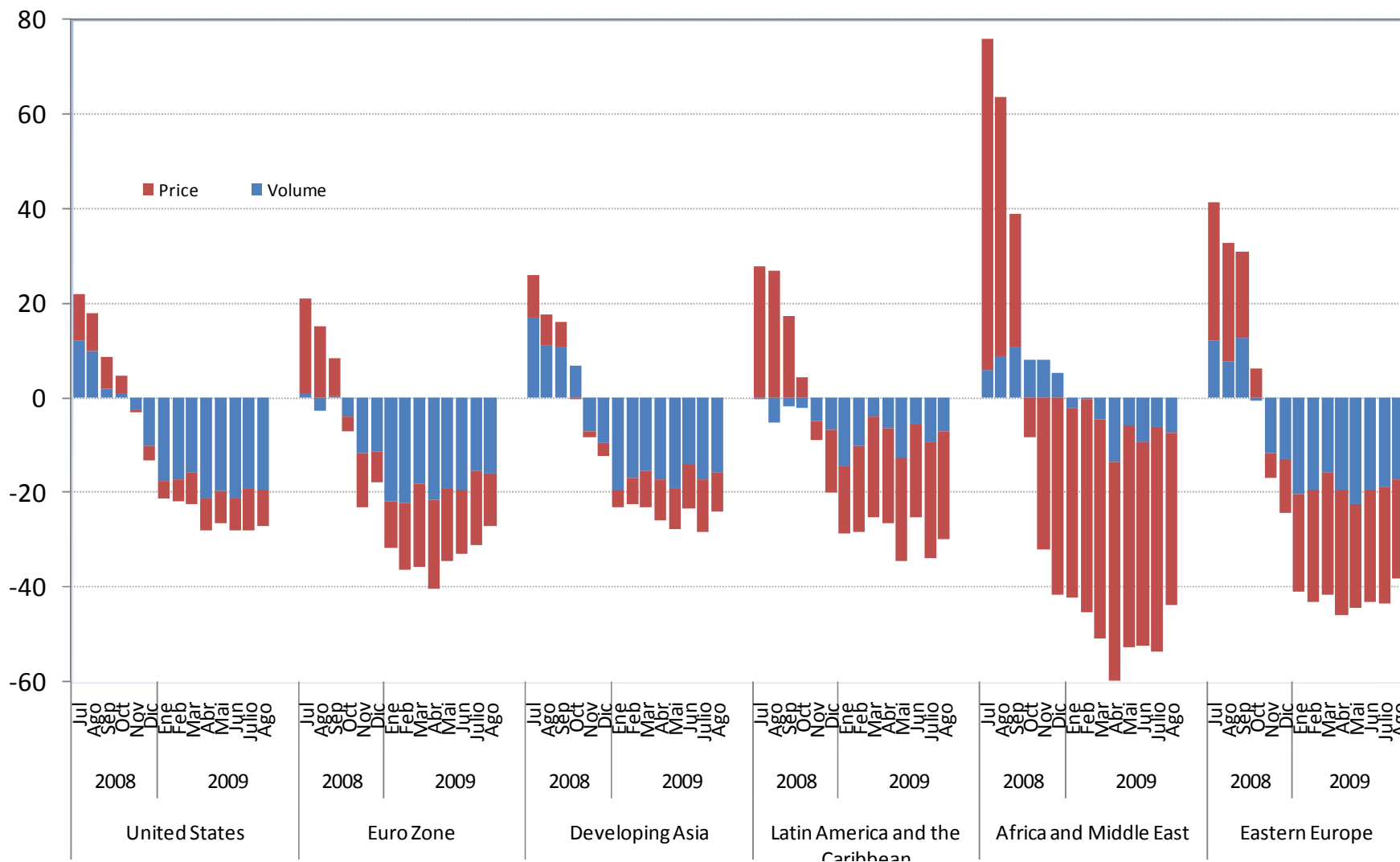
Latin America and the Caribbean: imports annual variation (1931-2009)
(As percentages)





International trade: trends in exports volumes and prices

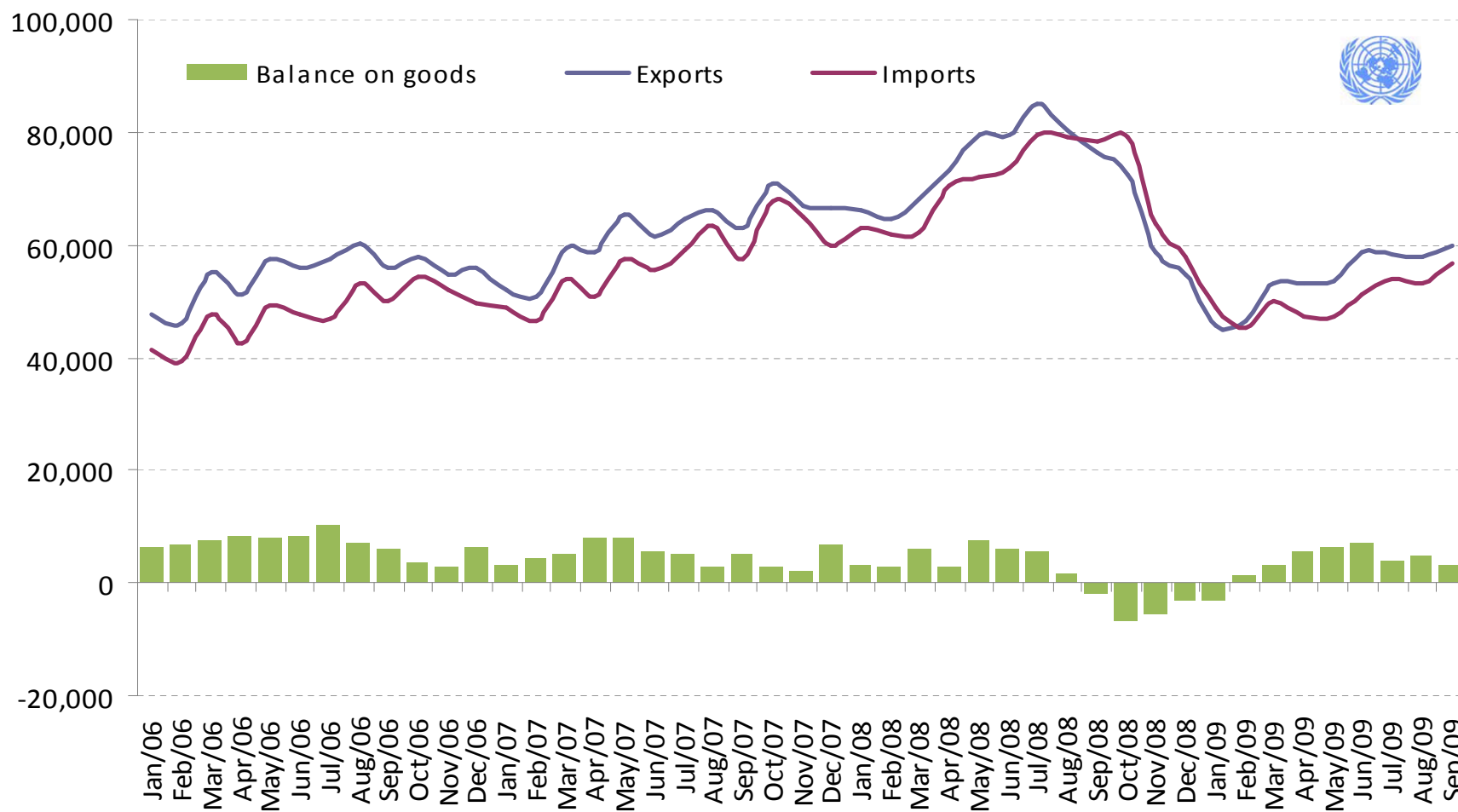
Exports annual variation, by region





The crisis hit the balance of goods but there are already signs of recovery

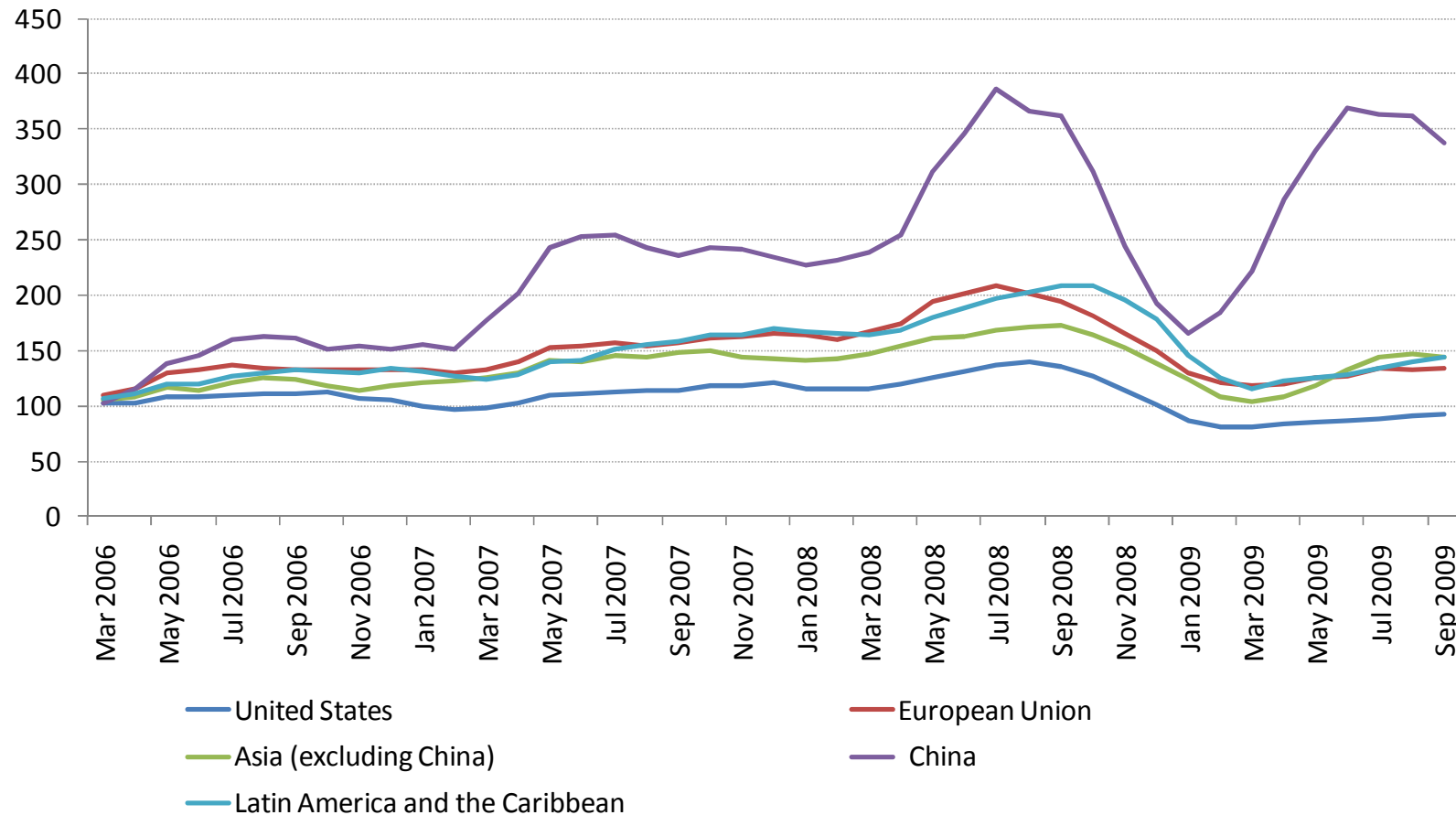
Latin America and the Caribbean: value of goods trade
(millions of dollars)





Exports to China have recovered levels prior to the crisis

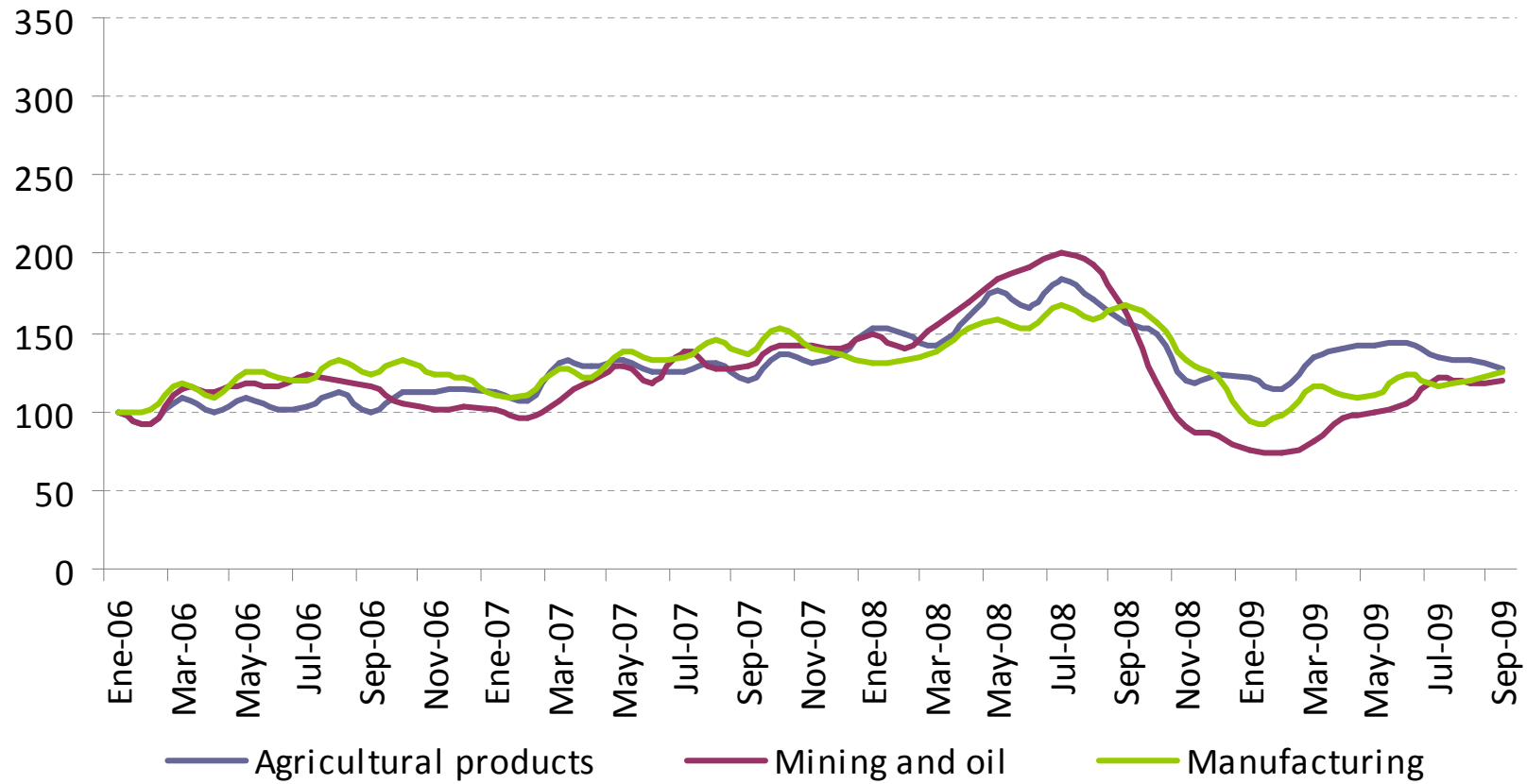
ALC: Goods exports by destination
(Index March 2006 = 100)





Exports by sector

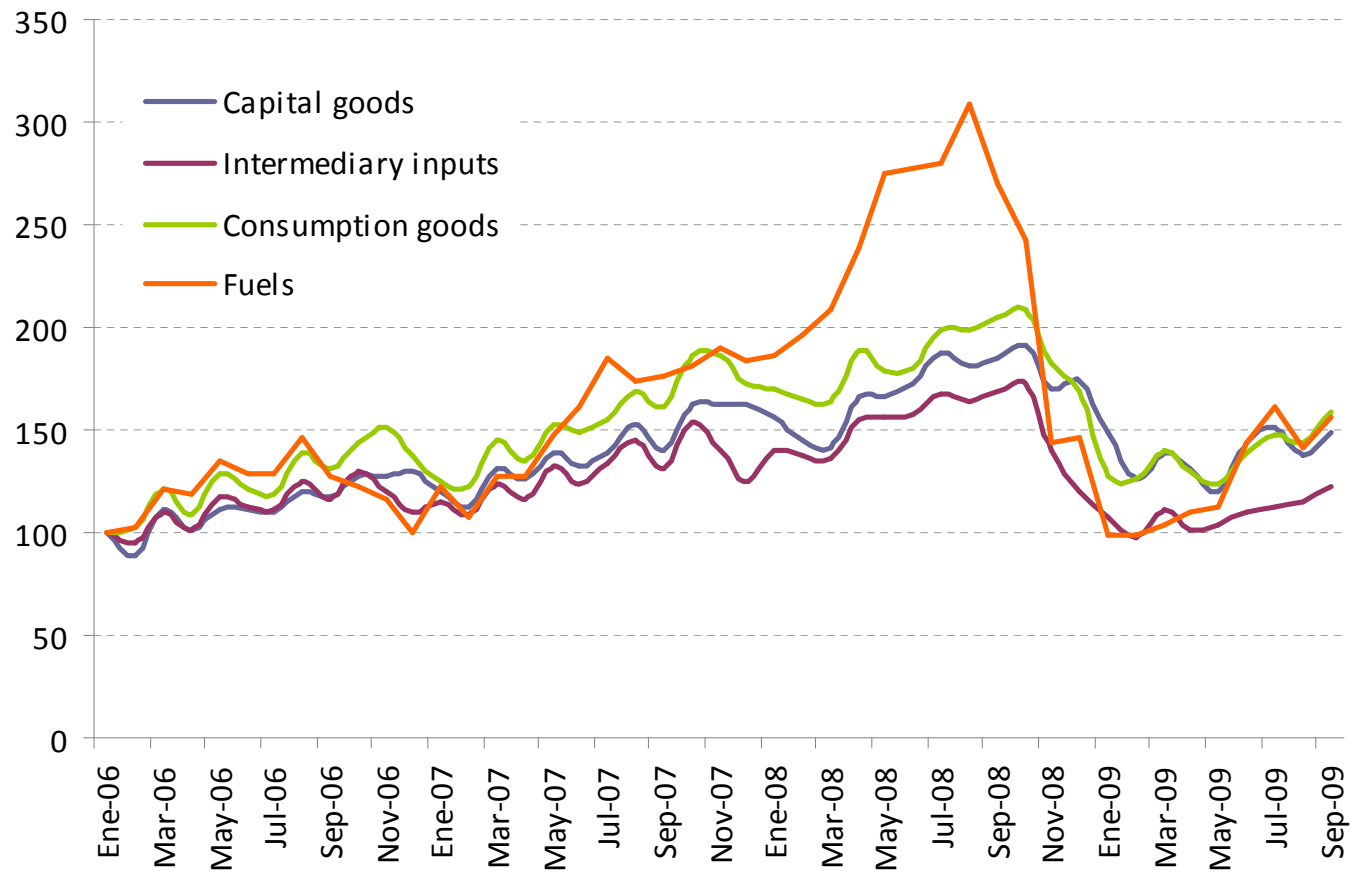
LATIN AMERICA AND THE CARIBBEAN: EXPORTS BY SECTOR
Index January 2006 = 100





Imports by sector

LATIN AMERICA AND THE CARIBBEAN: IMPORTS BY SECTOR
Index January 2006 = 100

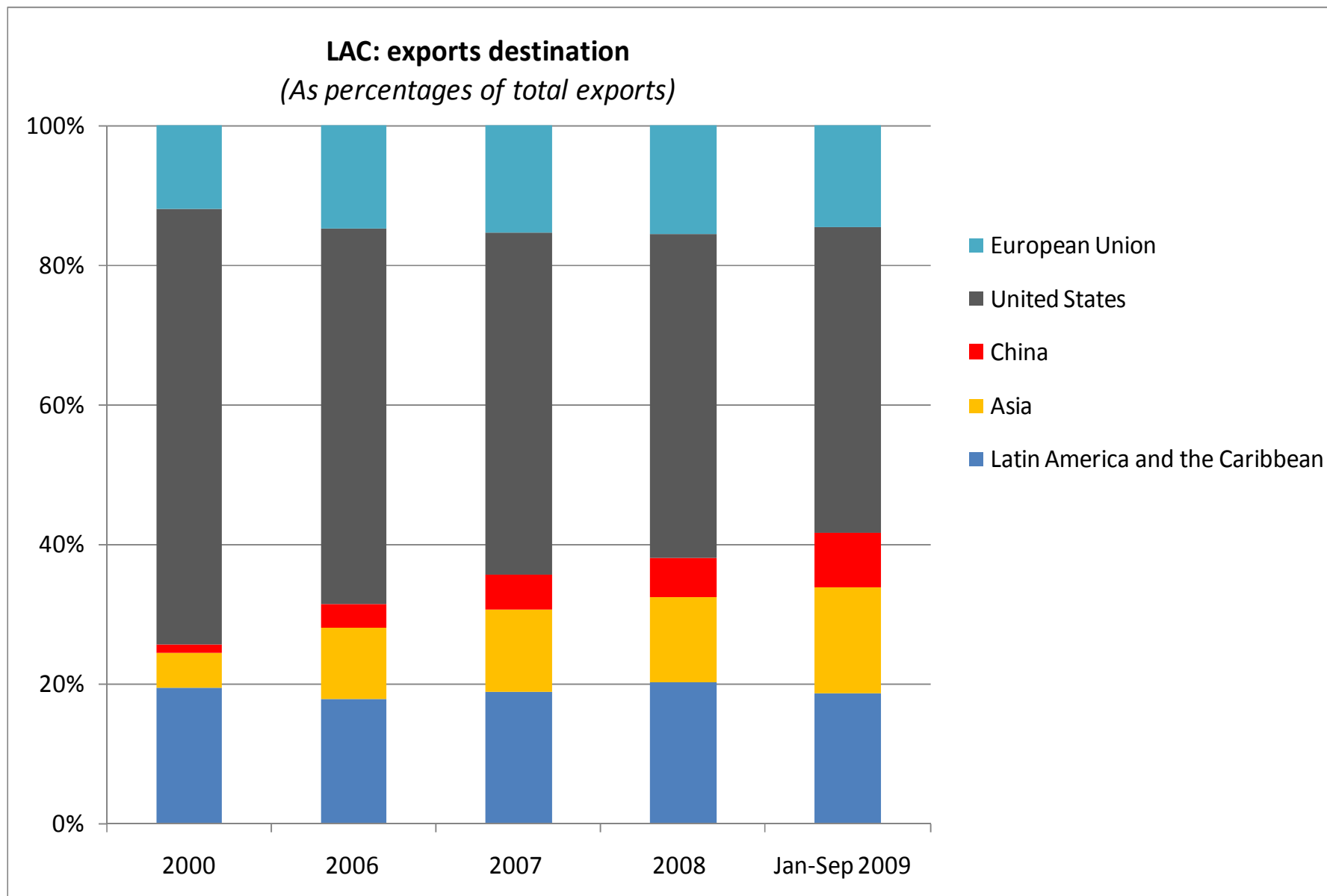




International trade: Latin America - USA



Trends in Exports destination





Exports destination

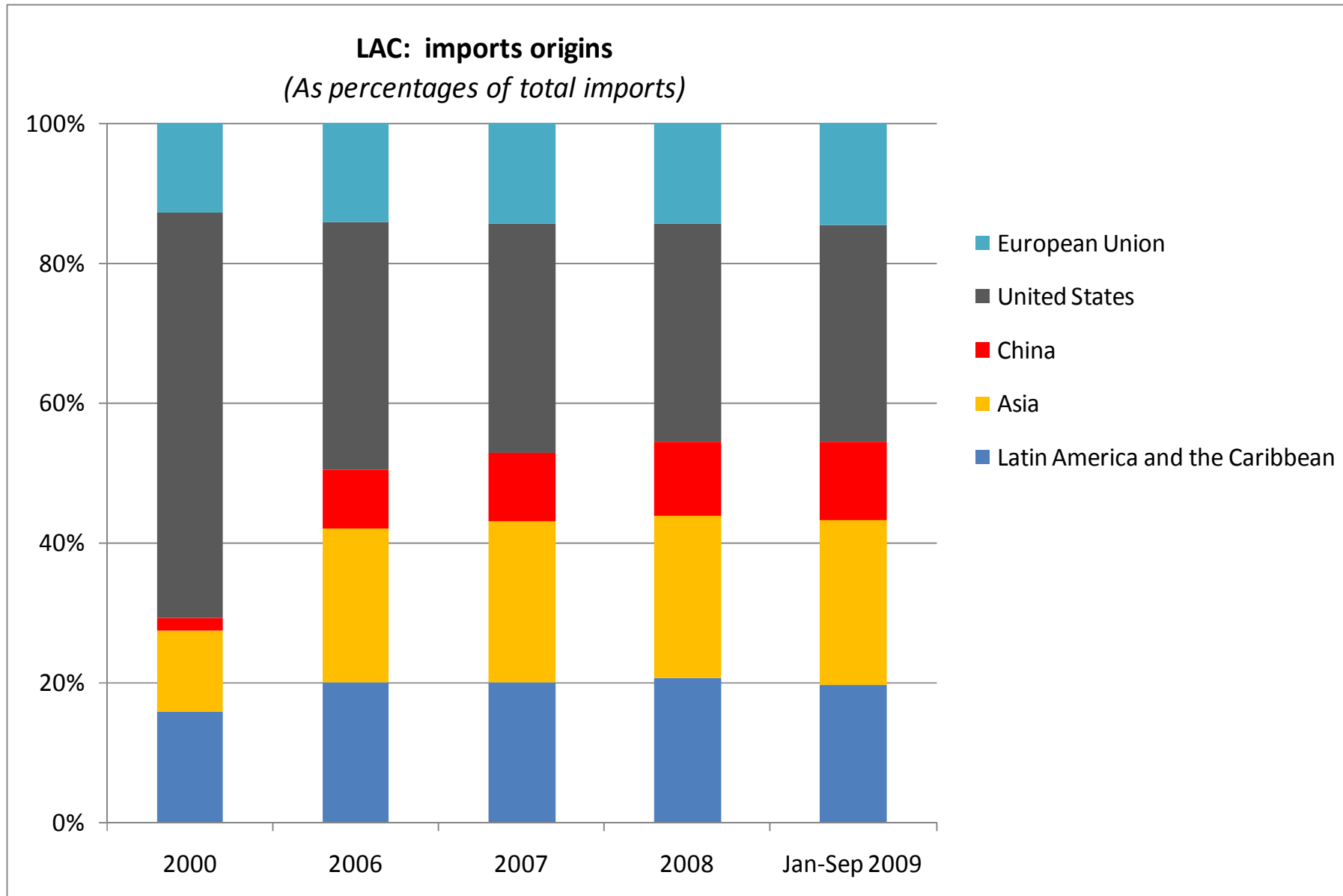
Latin America and the Caribbean: exports destination (As percentages of total exports)

	2000	2006	2007	2008	Jan-Sep 2009
Latin America and the Caribbean	19.0	16.9	18.0	19.3	18.0
Asia (excluding China)	5.0	9.7	11.5	11.8	14.6
China	1.1	3.4	4.8	5.3	7.6
United States	61.0	51.2	47.0	44.4	42.3
European Union	11.8	14.0	14.8	15.0	14.1

Source: Economic Commission for Latin America and the Caribbean



Trends in Imports origins





Imports origins

Latin America and the Caribbean: imports origins (As percentages of total imports)

	2000	2006	2007	2008	Jan-Sep 2009
Latin America and the Caribbean	15.1	20.0	20.2	20.7	20.4
Asia (excluding China)	10.9	22.2	23.3	23.5	24.4
China	1.8	8.4	9.8	10.6	11.6
United States	55.0	35.4	33.2	31.5	32.1
European Union	12.1	14.2	14.6	14.5	15.0

Source: Economic Commission for Latin America and the Caribbean



Thanks a lot!

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