

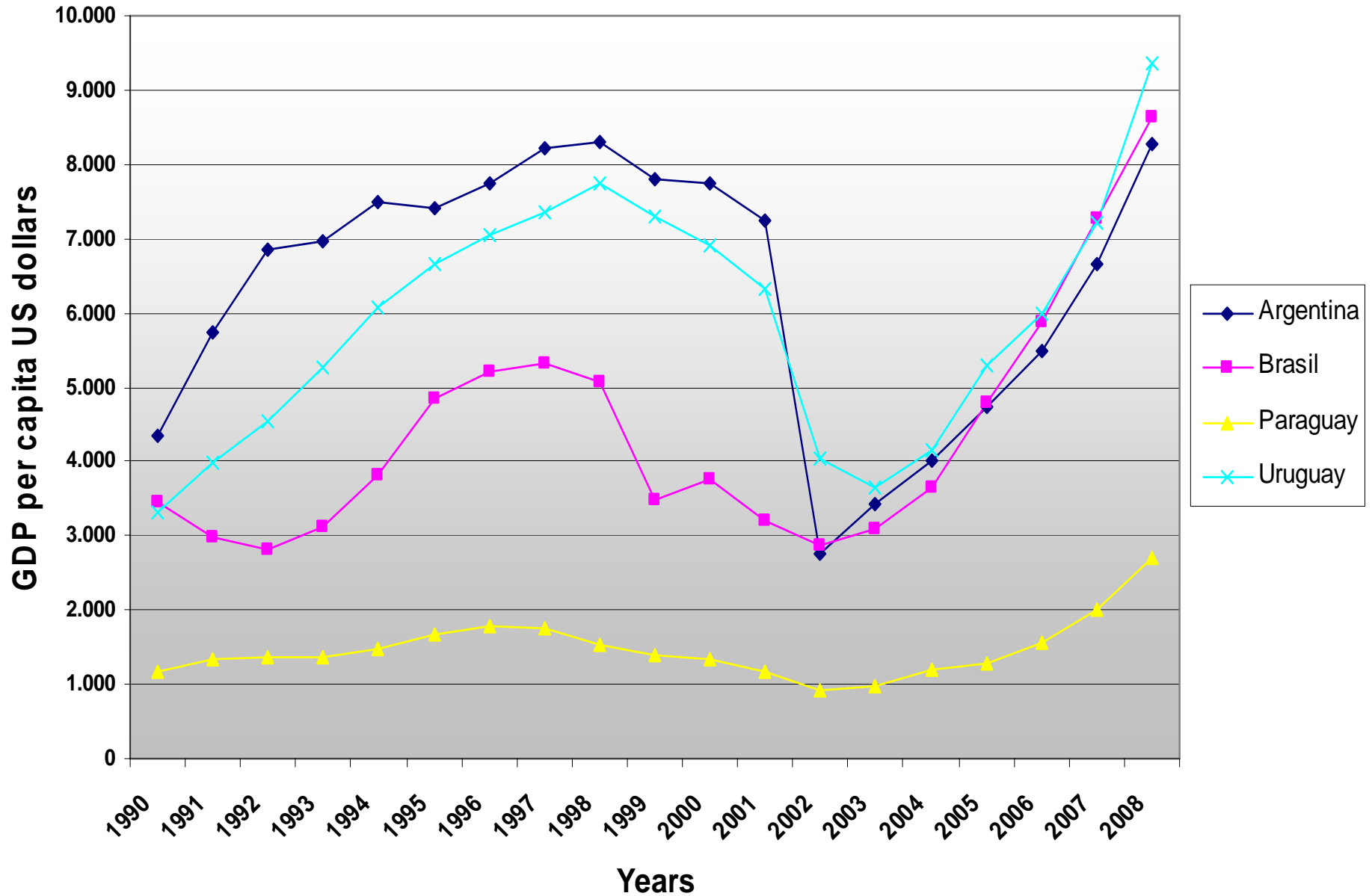


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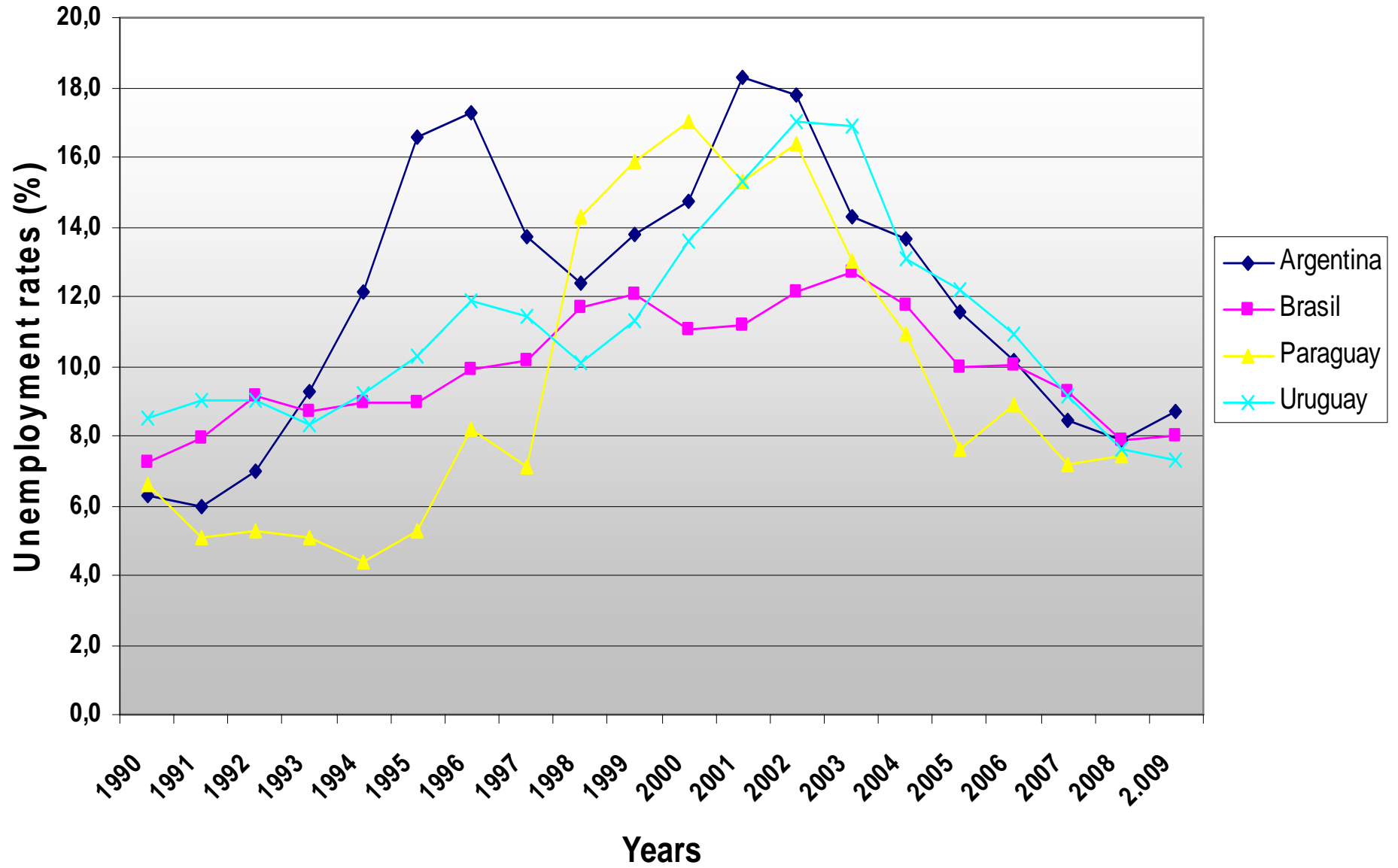
Twenty years of Mercosur economic and social performance. A brief account

Andres López (Mercosur Economic Research
Network/Red Mercosur-CENIT, Argentina)

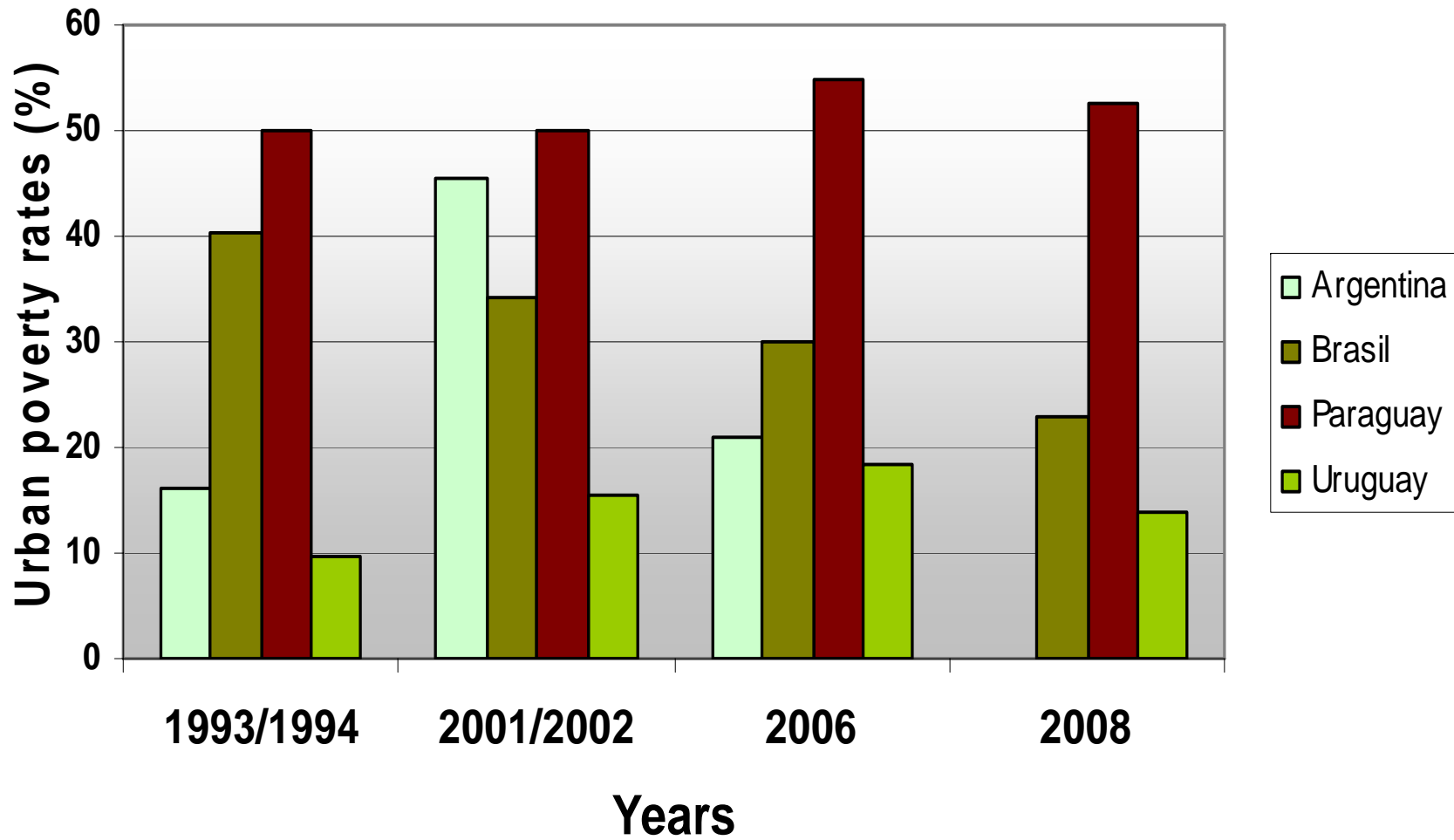
Mercosur countries GDP per capita. 1990-2008



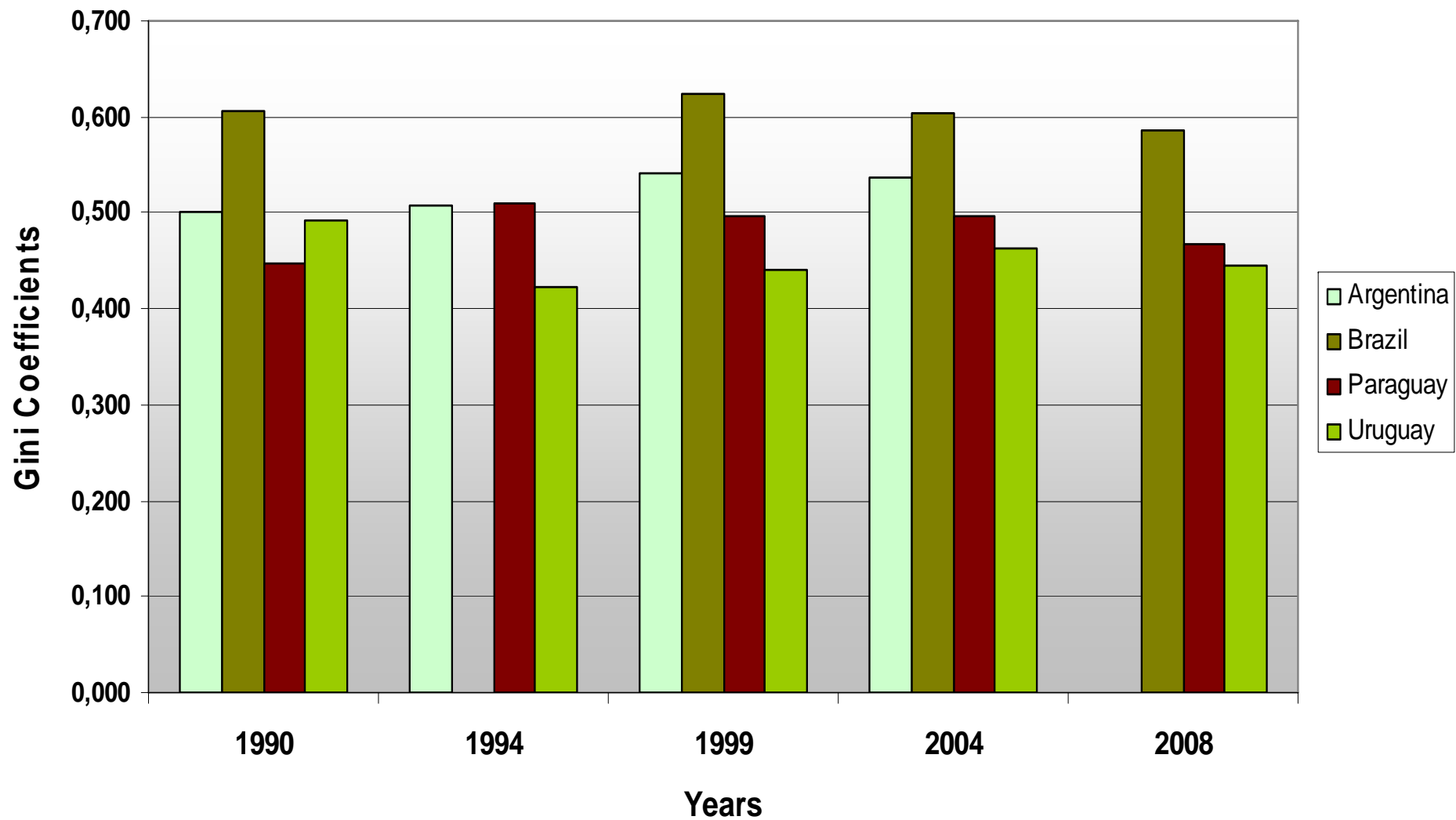
Unemployment rates Mercosur countries



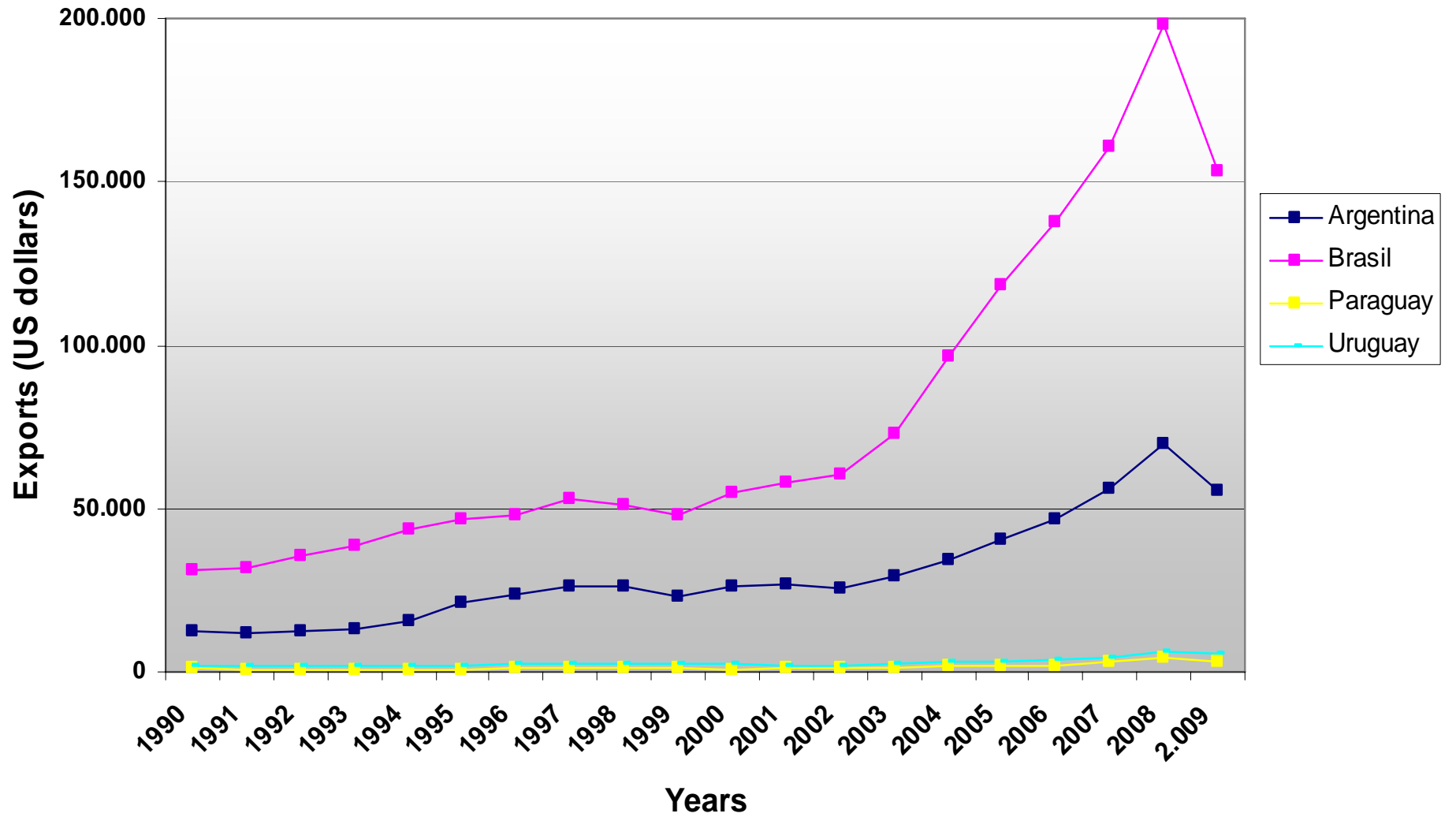
Poverty Rates in MERCOSUR



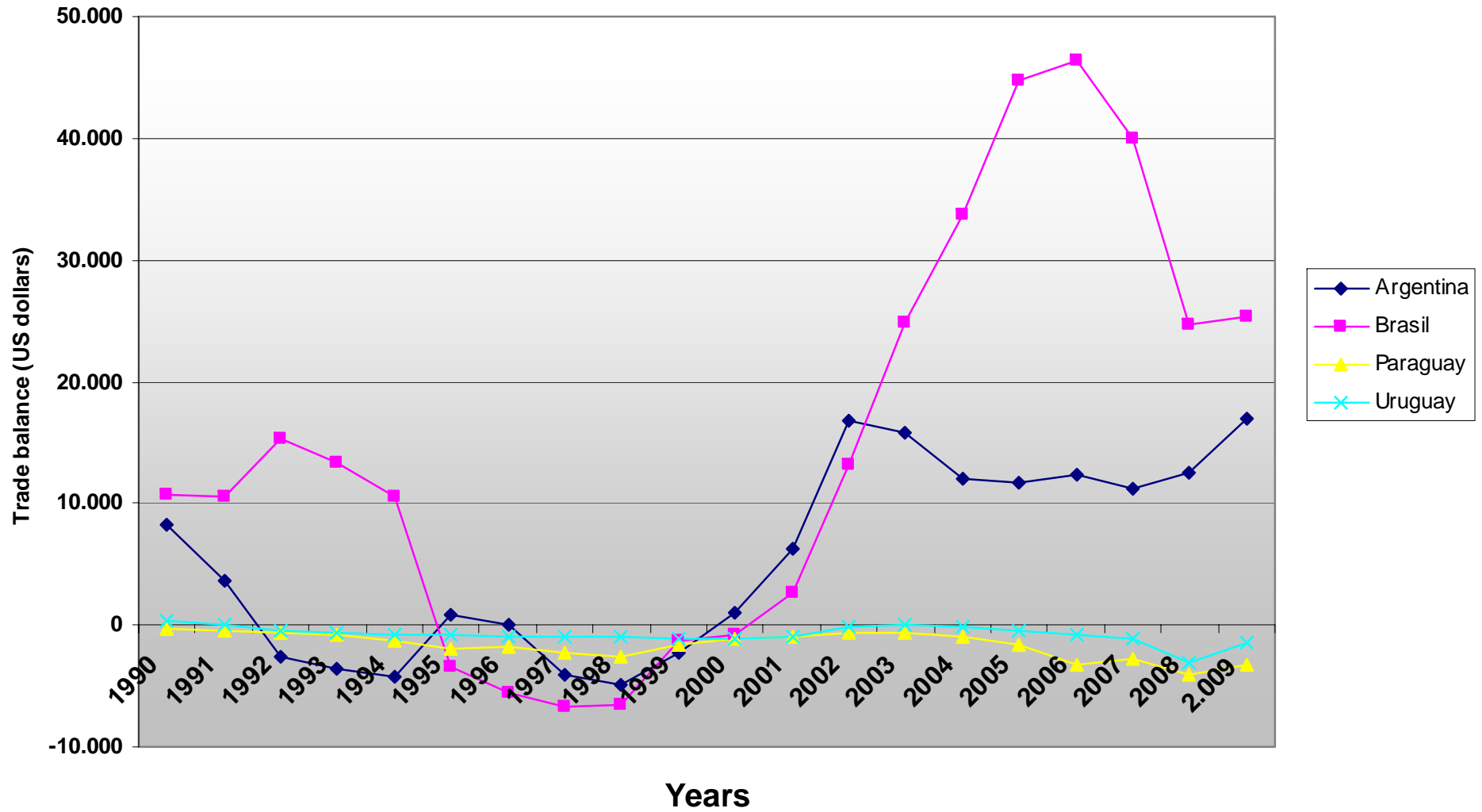
Income inequality in MERCOSUR countries

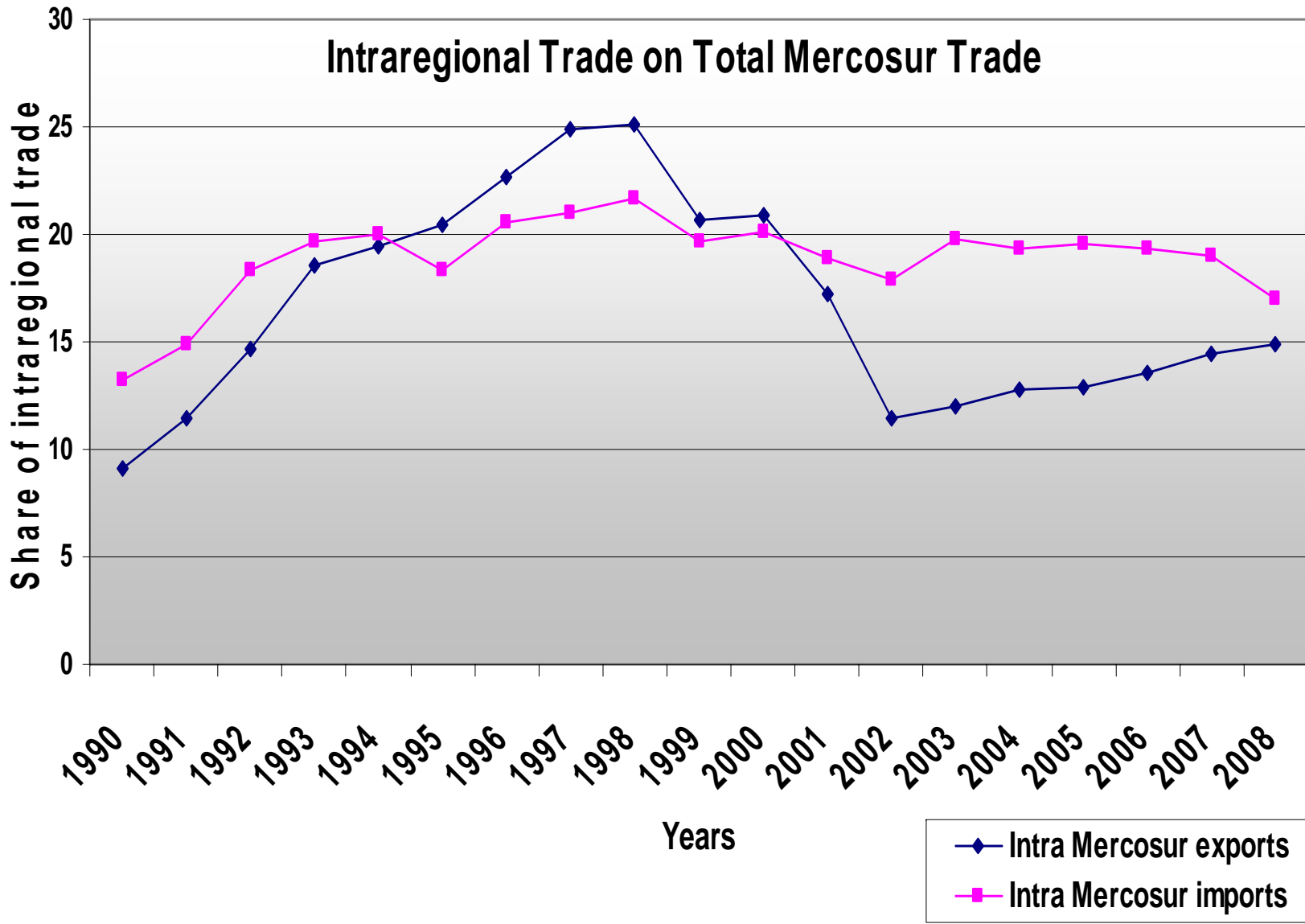


Mercosur countries exports

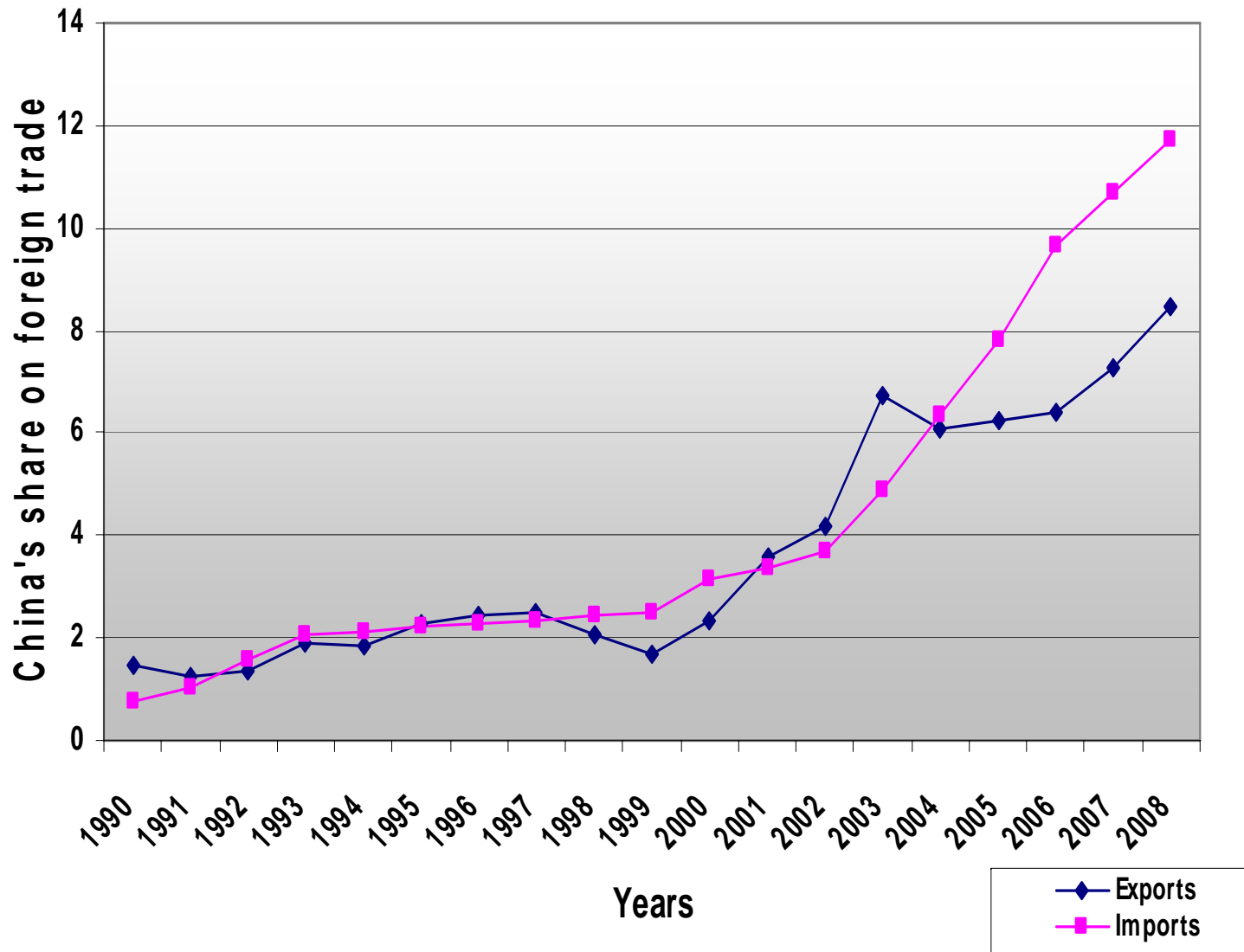


Trade balance Mercosur countries





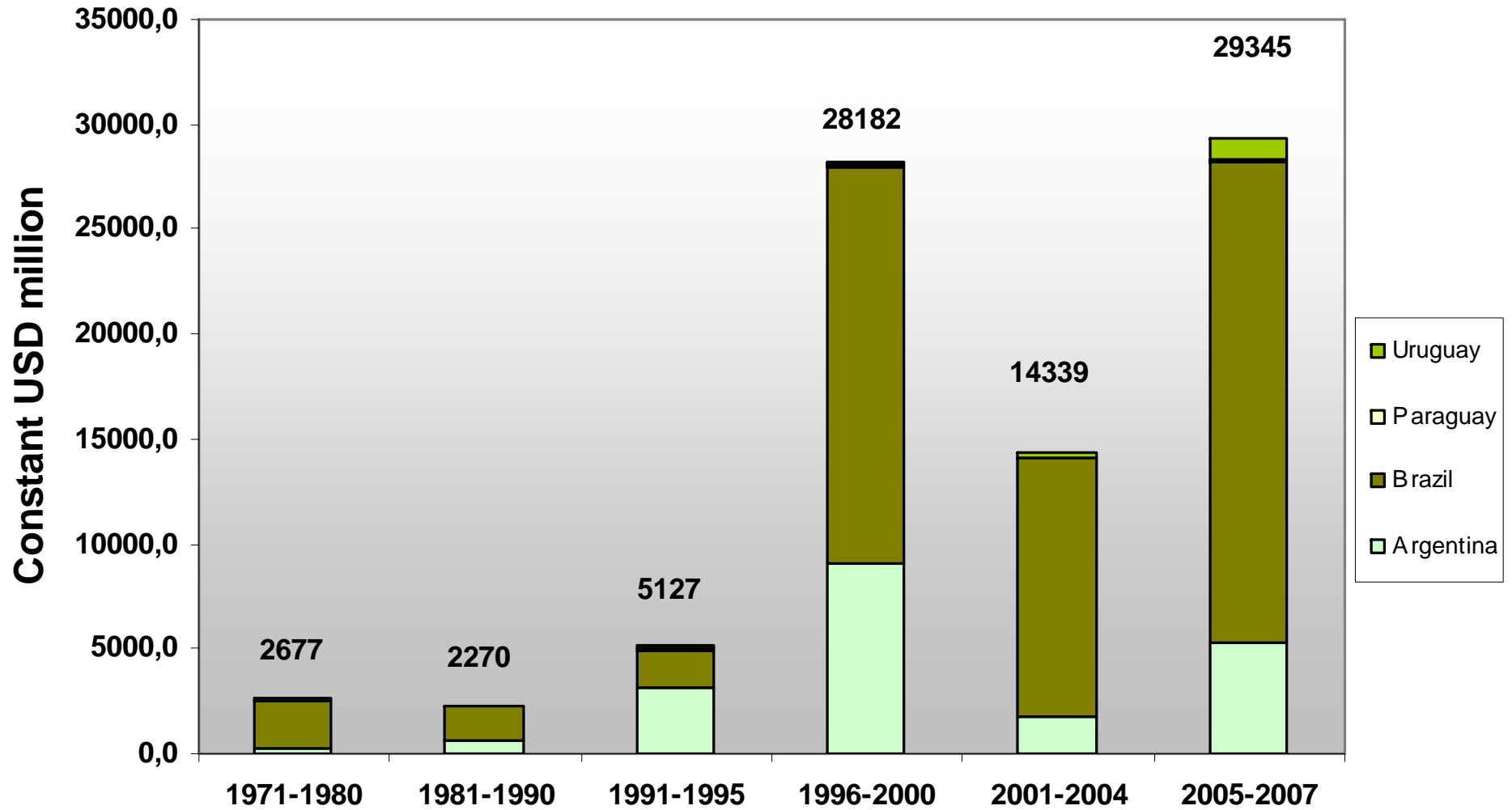
China's share on Mercosur trade



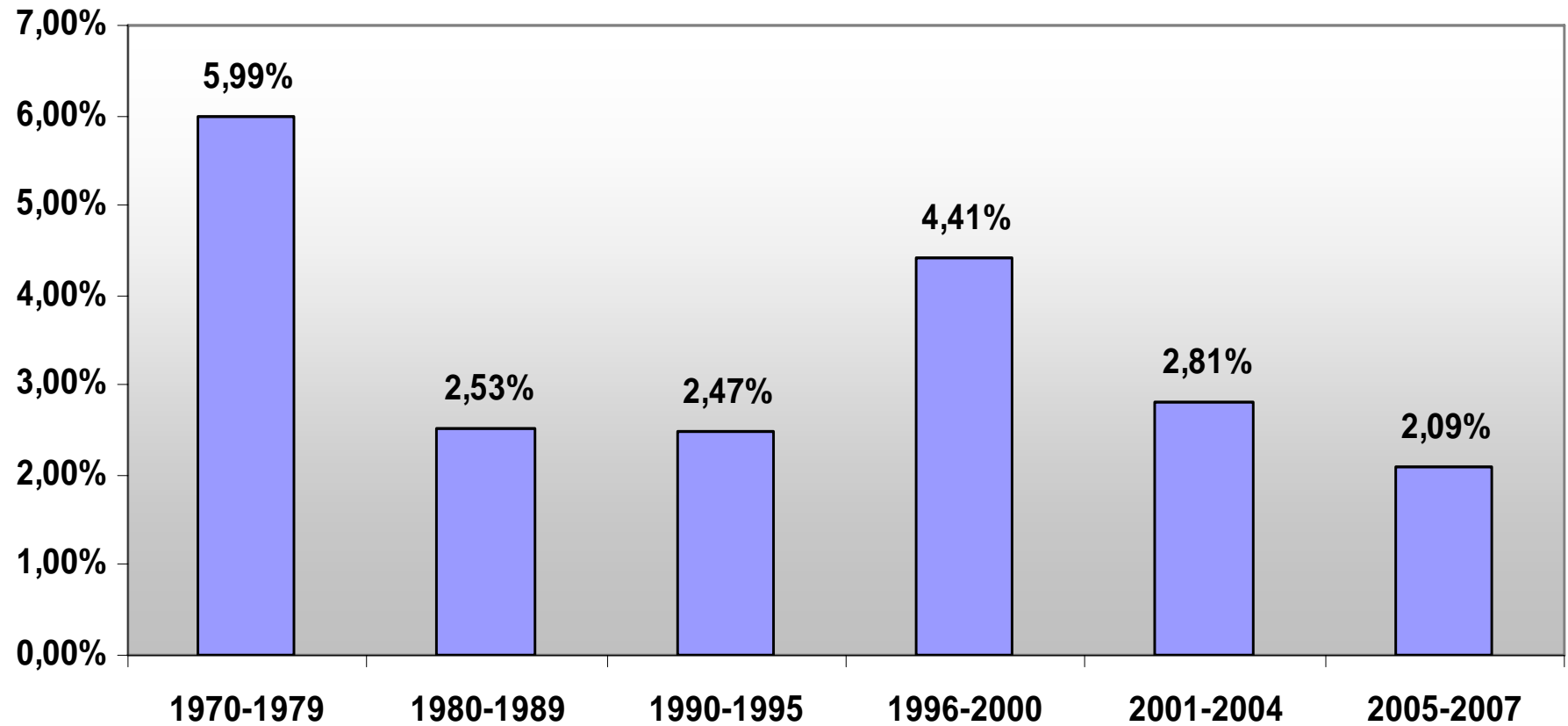
LATIN AMERICA AND THE CARIBBEAN: EXPORT STRUCTURE, BY TECHNOLOGY INTENSITY
1990-1995 and 2000-2005 (In percentages of total exports)

	Primary products		Natural resource-based Manufactures		Low-tech Manufactures		Intermediate-tech Manufactures		High-tech Manufactures	
	1990-1995	2000-2005	1990-1995	2000-2005	1990-1995	2000-2005	1990-1995	2000-2005	1990-1995	2000-2005
United States	10,7	7,6	14,9	13,4	9,7	10,4	34,8	36,3	30,0	32,4
European Union (15)	7,0	5,7	20,0	19,0	18,4	15,7	38,9	38,8	15,7	20,8
Japan	0,3	0,4	6,9	8,1	8,8	8,3	54,4	55,1	29,7	28,1
LAC (33)	35,5	31,0	22,6	17,2	11,9	11,4	22,6	25,5	7,4	14,9
Mercosur	31,7	35,4	25,9	23,9	15,4	10,8	23,5	22,7	3,4	7,2
Argentina	46,6	47,8	25,5	25,1	11,1	7,9	14,7	16,8	2,0	2,5
Brazil	26,4	29,7	26,5	23,6	16,4	11,5	26,7	25,8	4,0	9,4
Paraguay	72,6	71,6	16,4	17,1	9,3	8,6	1,3	1,9	0,4	0,9
Uruguay	38,6	43,7	14,8	21,6	32,2	24,4	13,1	8,6	1,3	1,7
Chile	36,7	37,3	54,9	53,5	3,4	2,5	4,5	6,1	0,5	0,6
México	23,1	13,7	9,2	6,6	12,9	14,6	37,3	37,9	17,5	27,3
Venezuela	58,2	78,3	32,6	13,0	3,4	2,5	5,5	5,7	0,3	0,5
Panama	66,4	70,1	15,4	19,3	13,5	7,2	1,9	1,3	2,8	2,1
CARICOM	41,9	39,2	36,3	39,7	12,6	5,7	7,0	14,0	2,3	1,4
Dominican Rep.	...	24,3	...	43,5	...	7,6	...	23,3	...	1,3
Korea	1,9	0,8	8,7	12,2	29,3	14,3	34,3	37,4	25,8	35,4
China	11,1	4,2	11,2	9,5	49,5	35,2	17,1	21,2	11,0	30,0
Taiwan Prof. Of China	3,2	1,2	6,9	7,5	35,3	22,1	26,0	25,3	28,6	43,8
Indonesia	42,9	34,9	24,3	22,6	21,6	19,8	8,4	12,7	2,9	9,9
India	20,6	14,1	25,4	31,2	39,0	34,7	10,8	14,1	4,3	5,9
Philippines	15,1	3,3	21,5	7,3	27,1	10,4	12,9	11,3	23,4	67,7
Singapore	3,1	1,2	20,4	17,7	8,1	6,4	22,0	18,8	46,4	55,9
Thailand	19,1	11,8	15,8	17,0	29,0	17,7	15,0	24,9	21,1	28,6
Viet Nam	...	46,0	...	6,9	...	36,1	...	5,7	...	5,3

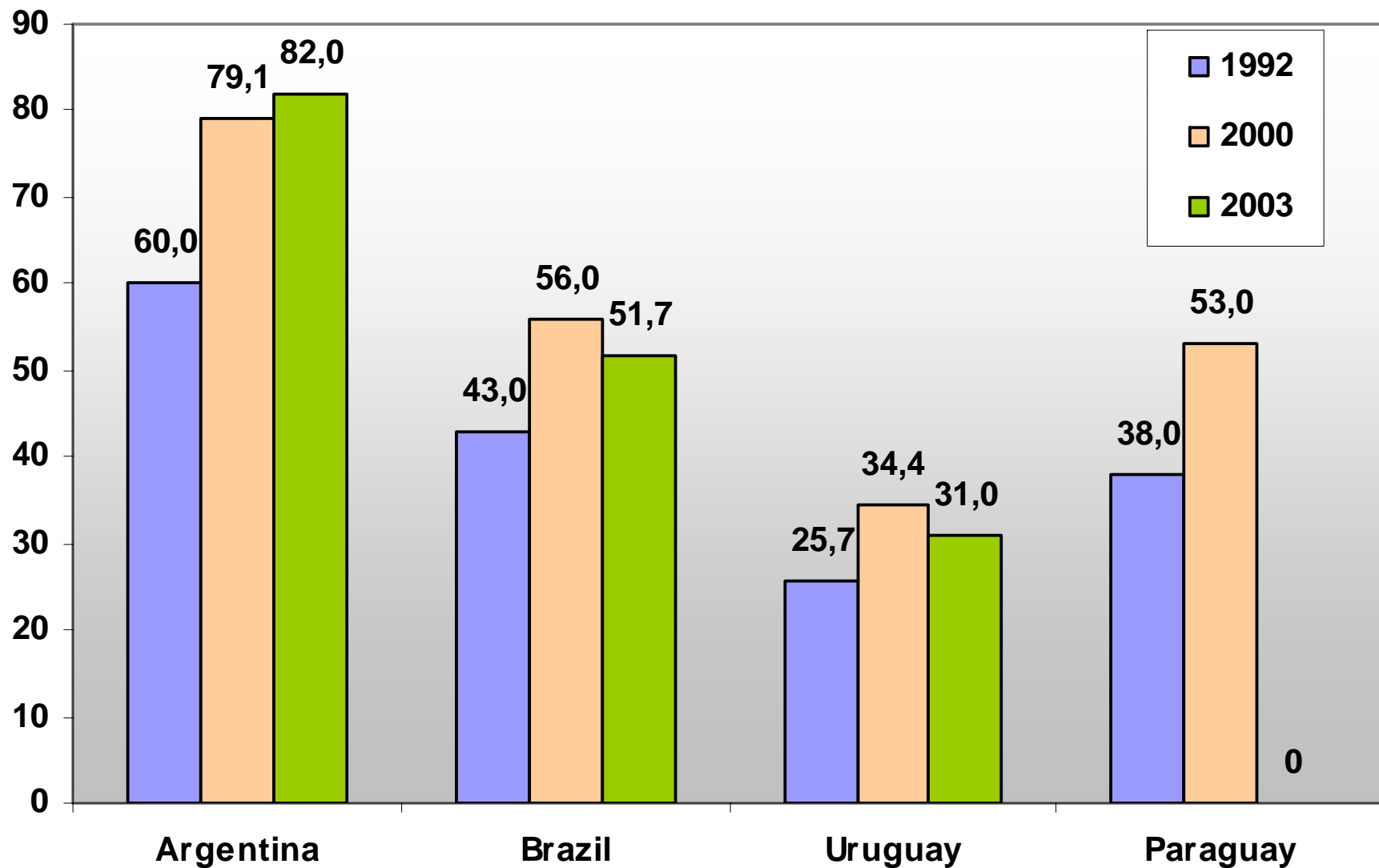
FDI inflows in MERCOSUR countries



MERCOSUR's share on total world FDI flows. 1970-2007



TNCs share on total sales of leading firms in MERCOSUR countries -1992, 2000 and 2003- (%)





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FDI impacts in MERCOSUR (I)

- **TNCs affiliates are generally more productive, trade more and are more innovative than local firms (although they do not spend more on R&D).**
- **They also pay higher wages to white collar workers (negative distributional effects)**
- **No impact of FDI on growth, investment or employment**

FDI impacts (II)

- **Small effects on poverty reduction**
- **Although FDI may contribute to productivity increases and technological change in host countries, specific policies are needed to reap its potential benefits (e.g. linkages with domestic suppliers, inducing TNCs to undertake innovation activities, etc.).**



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FDI impacts (III)

- **FDI per se does not contribute to change the trade specialization pattern of host countries (although it may help if proper policies are in place in that regard). The same goes for the environmental performance.**
- **FDI is not a substitute for policies oriented to improve the productive and environmental performance of domestic firms.**



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THANK YOU

Andrés López

Email: anlopez@fund-cenit.org.ar

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