Intra-regional trade in Latin America and the Caribbean remains at low levels: Only a fifth (19.2%) of exports are destined for other countries in the region. Furthermore, commodities deliveries continue to account for a large portion of the export basket. ECLAC thus proposes the creation of regional value chains to widen demand, foster intra-regional trade and diversify production.

The liberalization of intra-regional trade has not stimulated the region’s productive and export diversification enough, as it continues to show heavy reliance on commodities. Percentage of commodities exports with respect to total goods’ exports of Latin America and the Caribbean:

**To other countries of the region:**

- **20.4%** commodities

**To the rest of the world:**

- **37.9%** primary products

All association mechanisms in Latin American and Caribbean have identified regional productive integration as a primary objective. In this process the production of goods and services is shared between two or more countries belonging to a delimited geographic space.

This integration can be generated through regional value chains, with several potential positive effects including:

- **Wider demand**
- **Foster intra-regional trade**
- **Improved productivity**
- **Spreading of knowledge, technologies and organization and management processes**
- **Promotion of investments in infrastructure and services**

Source: Latin America and the Caribbean in the World Economy 2014, ECLAC - http://repositorio.cepal.org/handle/11362/37196