



PROJECT ANNUAL PROGRESS REPORT

Project title	FEALAC Fund – Value Chain Development for Deeper Integration of East Asia and Latin America		
Project Reference			
Reporting period	January – December 2018; January – December 2020		
Total project budget	USD 455,390 (for both ESCAP and ECLAC’s share)		
Contributing donor(s)	FEALAC		
Implementing division(s) / office(s)	International Trade and Integration Division (N.B. The project is jointly managed by ECLAC and ESCAP.)		
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ANNEXES

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1. SUMMARY OF PROJECT STATUS

The project Value Chain Development for Deeper Integration of East Asia and Latin America was managed by ECLAC’s International Trade and Integration Division in close coordination with ESCAP’s Trade, Investment and Innovation Division. As the lead agency, ECLAC was responsible for carrying out administrative and reporting responsibilities. In order to achieve the results, both Regional Commissions had the invaluable support of subregional institutions such as the Andean Community, Southern Common Market, Central America Common Market in Latin American, and the Association of Southeast Asian Nations in the Asia-Pacific region.

The project aimed to improve the availability data and capacity of national institutions in FEALAC countries to be able to develop evidence-based industrial and trade policies, using multi-regional input-output tables (IOTs) as an economic analysis and planning tool to promote the integration of FEALAC countries into intraregional and bi-regional value chains.

The project was implemented between 2018 – 2020. The overall goal was to find a balance between the supply and use of goods and services in the economy at various levels and the linkages between sectors both nationally and globally. The IOTs also demonstrated be a useful tool for economic planning and the analysis of value chains. The results of the analyses and capacity building activities realized in the frame of the project supported the enhancement of national institutions to formulate reliable and consistent estimates of their current and potential integration into value chains within and between East Asia and Latin America.

The project was divided in multiple phases, some of which were conducted in parallel:

- Phase I: Updating of national IOTs.

- Phase II: Harmonization of data with the OECD Trade in Value Added (TiVA) database structure for the inclusion of FEALAC member countries.
- Phase III: Conduct studies with an aim to deepening existing and creating new intraregional value chains in East Asia and Latin America, respectively.
- Phase IV: Conduct a study on the potential for the deepening and creation of bi-regional value chains between East Asia and Latin America.
- Phase V: Conduct studies simulating the effects of possible bi-regional agreements between East Asia and Latin America.
- Phase VI: Capacity building activities to facilitate the integration of FEALAC countries into regional value chains (RVCs), inter regional value chains (IRVCs) and Global value chains (GVCs).

In 2018, the principal activities were focused on setting up the project and establishing a close coordination with ESCAP while also preparing the implementation of the first three phases of the project. In particular, progress was made in Phase I regarding updating national IOTs, both for Asia-Pacific and Latin American FEALAC member countries. Also, Phase II, with the goal of harmonizing data with the OECD TiVA database structure, was completed. Furthermore, Phase III, which includes conducting the main studies, had been terminated.

During 2019, Phase IV kicked off, based on the last matrix of the project (ADB-ECLAC-ESCAP) with 20 sectors and, which was successfully incorporated in a new database from the GTAP project that ECLAC acquired in order to be able to execute bi-regional simulations. ECLAC also adjusted the model to simulate the effects of possible bi-regional agreements, based on the bi-regional IOT and a new database of the GTAP model (Phase V). Finally, Phase VI commenced with the implementation of various workshops and capacity building for Latin American countries in 2019.

The COVID-19 outbreak made the implementation of the remaining activities more difficult. However, during the first quarter of 2020 it was possible to hold presential capacity building workshops for Andean countries, MERCOSUR and Pacific Alliance countries, while those in Asia Pacific had to take place in a single regional workshop on a digital platform due to the restrictions related to the pandemic. During this workshop, the results of the project were presented to FEALAC countries in both regions.

2. LESSONS LEARNED AND GENDER MAINSTREAMING

The importance of working directly with national institutions was highlighted by the complexities presented in each country's data. Given the primacy of harmonized inputs into a multi-country trade in value added initiative, the decision was made to contract experts with extensive contacts in the respective national statistical institutes and other institutions in countries for which the national IOTs were updated to ensure the appropriate treatment of each data source. Moreover, close collaboration with other global trade in value added initiatives has been essential to ensure that the project is compatible and adds value to existing projects.

Furthermore, the incorporation of gender considerations was central to the project's implementation, especially in the final stage when calculating indicators, and during the preparation of a dashboard of indicators. As part of the project, the link between trade, employment and gender had been analyzed by carrying out a detailed analysis of the gender gaps in regional trade in Latin America and the Caribbean. The 2020 edition of the ECLAC trade flagship International Trade Outlook for Latin America and the Caribbean includes a chapter on trade and gender in Latin America. In order to realize these additional studies, ECLAC used data obtained from household surveys from countries of the entire region. Unfortunately, it was not possible to obtain such data from Asian countries to build a comparative analysis.

Status of Project Results

<p>PROJECT PHASE 1: Updating of national IOTs</p>	<p>Indicators: N/A</p>
<p>Status of achievement of the project phase:</p> <p>Work for the development of IOTs for Asia-Pacific FEALAC member countries and for Latin American FEALAC members have been successfully concluded for ESCAP and ECLAC, respectively. The initiative has concluded a set of multiregional input output tables for both regions for the following years: 2005, 2007, 2011, 2014, and 2017.</p> <p>This stage has been successfully completed in close co-operation with the Asian Development Bank, ESCAP and the OECD.</p> <p>In October 2020 the FEALAC project complete the assembly of a Global IOT with a set of 79 / 71 countries, and 25/20 industries, a Multi-Regional Input Output Table covered a set of countries of both regions, and 35 / 38 sectors, national interconnected IOTs for countries of both regions and some other relevant partners.</p>	
<p>Activity 1.1: The updating of FEALAC country national input-output tables for 2014 (or most recent year available).</p>	
<p>Status of achievement of the project output:</p> <ul style="list-style-type: none"> • During the first semester of 2020, ECLAC updated the matrices for 18 countries of the region, including Central America (Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Mexico, Nicaragua and Panama). Similarly, ESCAP updated the matrices for the Asian-Pacific countries. Despite all efforts, it was not possible to include matrices for Myanmar and Cuba. In both cases official data could not be obtained. • Furthermore, the update of the South American matrices, with the help of the Asian Development Bank, allowed to complete a bi-regional input output table containing 57 countries for 2011 and 2017 (35 sectors and 71 countries). 	
<p>PROJECT PHASE 2: Harmonization of data with the OECD Trade in Value Added (TiVA) database structure for the inclusion of FEALAC member countries</p>	<p>Indicators: N/A</p>
<p>Status of achievement of the project phase:</p> <p>The harmonization of data with the OECD TiVA database structure was successfully completed. The process was carried out between ECLAC, ESCAP, ADB and WIOD, in coordination with colleagues responsible for the TIVA-OECD database.</p> <p>sector converters between initiatives (ADB, ECLAC, WIOD and OECD) can be downloaded at the following address: https://www.cepal.org/sites/default/files/events/files/correspondence.xlsx</p>	
<p>Activity 2.1: The harmonization and insertion of national input-output tables into the OECD TiVA structure</p>	

<p>Status of achievement of the project output:</p> <ul style="list-style-type: none"> In July 2019, ESCAP and ECLAC, jointly with the ADB, organized the workshop “Value chain development for deeper integration of FEALAC: The Asian perspectives”. The seminar included more than 40 participants (experts, policy analysts, researchers and policymakers from FEALAC countries), including participants from Argentina, Brazil, Mexico and Peru from Latin America and many FEALAC member countries from Asia. https://www.unescap.org/events/technical-workshop-value-chain-development-deeper-integration-fealac-asian-perspectives In July, 2019, representing ESCAP and ADB, ECLAC presented the Project to the 3th meeting of the Regional-Global TIVA initiatives in Paris. The conference was another step towards the harmonization of all the TIVA initiatives (OECD, ECLAC, ESCAP, ADB, EUROSTAT, and WTO), which will allow the integration of a new global matrix. In June 2018, ECLAC participated in a meeting of the Regional-Global TiVA Initiatives hosted by the OECD during which it was decided that the project will integrate information from OECD’s TiVA database. https://www.cepal.org/es/eventos/taller-regional-global-iniciativas-tiva; https://www.cepal.org/sites/default/files/events/files/mio_southamerica_2005-2011_paris_2018_7-06-2018.pdf Through coordinated collaboration with ESCAP and ADB, a unique converter between multiple value-added trade initiatives was created, which defines harmonized sectors to be included in the project (see Annex 1 and 2 for additional details). 	
<p>PROJECT PHASE 3:</p> <p>Conduct studies with an aim to deepening existing and creating new intraregional value chains in East Asia and Latin America, respectively.</p>	<p>Indicators: N/A</p>
<p>Status of achievement of the project phase:</p> <p>ESCAP has carried out a study related to the identification of value chains between the countries of Asia-Pacific members of FEALAC.</p> <p>Studies on value chains in Latin America and the Caribbean were set up for three sub-regional integration schemes.</p>	
<p>Activity 3.1:</p> <p>Studies on intraregional value chains in East Asia and Latin America</p>	
<p>Status of achievement of the project output:</p> <p>The study related to the identification of value chains between the Asian-Pacific member countries of FEALAC was completed. The study also analyzed the impact of policy decisions affecting value chains such as tariff and non-tariff measures (NTMs).</p> <p>ECLAC is publishing a study about the role of regional integration in the post-COVID recovery, including a value chain analysis on regional and bi-regional level based on the IOTs set up for this project.</p>	
<p>Activity 3.2:</p> <p>Seminar to review the studies on intraregional value chains</p>	

- On 26-28 March 2019 in Bogota, a first seminar was held to disseminate the results of the analysis of value chains in the integration schemes of South America. Government officials from Colombia, Peru, Mexico, Chile, El Salvador, as well as the Andean Community, MERCOSUR, and the Economic Secretary of Central America (SIECA) attended. See website: <https://www.cepal.org/es/eventos/seminario-analisis-cadenas-valor-partir-la-mip-subregional-andina-caso-comercio>.
- On 13-15 May 2019 at the MERCOSUR headquarters in Montevideo, a second seminar was held to disseminate the results of the analysis of value chains in the MERCOSUR countries. <https://www.cepal.org/es/eventos/seminario-internacional-cadenas-valor-paises-mercosur-asia-pacifico>
- On 11-13 September 2019 a Seminar was held in Santo Domingo, Dominican Republic under the title "Input Output Tables as a tool for Trade and Industrial Policies in Latin America and the Caribbean and its linkages with Asia Pacific", together with a Roundtable on "Value chain dynamics and its implications on intra-regional and inter-regional integration in Latin American and Asia". During the Seminar, ECLAC presented the Input Output Matrix of Latin America and the Caribbean for a group of 18 countries. Likewise, the results of various studies that have been developed from the matrix were presented, in order to identify Value Chains in Latin America, as well as trade links between the region and Asia Pacific. These meetings, co-organized with the co-Chairs of FEALAC, brought together participants from all the integration schemes and delegates from FEALAC member countries, as well as ESCAP colleagues who presented results from the Asia Pacific side. During the seminar ECLAC also presented the steps that are being followed to assemble a Global IOT including Asia, Latin America and the Caribbean, United States and other relevant region's partners. <https://www.cepal.org/en/events/input-output-tables-tool-trade-and-industrial-policy-latin-america-and-relations-asia-pacific>
- Subsequently, on the basis of these studies, both Regional Commissions proceeded to select specific countries and sectors for which more in-depth analyses were carried out in order to identify the underlying potential in the bi-regional relationship in Phase 4. Some selected countries were Costa Rica, Ecuador, Pacific Alliance members, among others.

<p>PROJECT PHASE 4:</p> <p>Conduct a study on the potential for the deepening and creation of bi-regional value chains between East Asia and Latin America.</p>	<p>Indicators: N/A</p>
<p>In ECLAC, preliminary exercises have been developed on the basis of the South American IOT for 2011. ECLAC IOT (2005, 2011 and all the national IOT for 18 Latin American countries (Argentina, Bolivia, Brazil, Colombia, Chile, Ecuador, Costa Rica, Dominican Republic, El Salvador, Honduras, Guatemala, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela can be obtained from the ECLAC website: https://www.cepal.org/es/eventos/matrices-insumo-producto-como-herramienta-politicas-comerciales-industriales-america-latina</p> <p>MRIO files (2007, 2011 and 2017) can be obtained from the Asian Development Bank website under prior registration on-line: https://mrio.adbx.online/downloads/</p> <p>Further Information on the sources and methods is provided in annex 2.</p>	
<p>Activity 4.1:</p> <p>Study on bi-regional value chains between East Asia and Latin America</p>	

Status of achievement of the project output:

First results of the work developed by ECLAC on the subject were presented at the academic meeting of the Asia Pacific Observatory (ECLAC/CAF/ALADI) on 6-7 November 2018 in Montevideo.

Based on the results presented in the Montevideo and Bogota Seminars and in the analyses presented on 13-15 May 2019 at the MERCOSUR, Montevideo Seminars, a first study was conducted on the potential for deepening productive links between Latin America and Asia Pacific.

The final product of this study was presented at a regional meeting held in the Dominican Republic during the month of September 2019. Delegates from both regions participated.

This study was expanded during 2019 and presented together with two additional studies that started at the end of 2019 as soon as a new Global IOT was available for 2014.

On 19 September 2019 in the city of Seoul, the main results of the project “Value Chain Development for the Deeper Integration of East Asia and Latin America” were presented. The meeting, which took place at the embassy of Peru and was attended by representatives of the Group of Ambassadors of Latin America and the Caribbean (GRULAC), was convened by the Ambassador of the Republic of Paraguay in the Republic of Korea and Head of GRULAC in Seoul. The presentation served as a space for ECLAC to inform the GRULAC member countries of the results of the projects: “Input-Output Tables for Industrial and Trade Policies in Central and South America” and “Value Chain Development for the Deeper Integration of East Asia and Latin America”. <https://www.cepal.org/en/events/intra-and-inter-regional-value-chains-latin-america-and-caribbean-and-asia-pacific>

On 9 November 2019, the progress of the project: “Value Chain for deeper integration between Latin America Asia Pacific” and “Inequalities in FEALAC member countries: policy formulation” was presented in Santo Domingo, Dominican Republic. Also the project “Reducing inequality in FEALAC member countries: innovative policies that leave no one behind” has been presented. The authorities present at the meeting discussed the exhibited work, which was positively valued in the final statement of the meeting adopted by all the national delegations present. <https://www.cepal.org/en/events/project-progress-presentation-value-chain-deeper-integration-between-latin-america-asia>

In ESCAP, the preliminary results from the study on interregional value chains between Asia and Latin America were discussed in a regional seminar in June 2019. In November 2019 ESCAP presented the progress they made in the aforementioned study.

In the city of Santo Domingo, on the 9th of November of 2019, ECLAC and ESCAP presented their progress and main results of the project “Developing value chains for deepening integration between Latin America and Asia-Pacific” in the IX Meeting of the Ministries of Foreign Affairs of FEALAC.

PROJECT PHASE 5:

Conduct studies simulating the effects of possible bi-regional agreements between East Asia and Latin America.

Indicators: N/A

Status of achievement of the project phase:

- Status of achievement of the project output: As part of the IV Asian-Pacific Latin American Observatory the study on “Intra- and Inter-regional Value Chains” was presented. For more information, visit: <http://www2.aladi.org/sitioAladi/reunionoes/ResumenFinalObservatoriosp.pdf>
- The study: Integrating Latin America and the Caribbean: Potential effects of removing tariffs and streamlining Non-Tariff Measures is in the process of being edited for publication. This study analyzes the impact of reducing intraregional trade barriers in the context of a free trade agreement of Latin America. It concludes that a full tariff reduction and elimination of non-tariff measure would have positive impacts on trade, production, welfare and employment across the region.

<p>Activity 5.1:</p> <p>Studies simulating the effects of possible bi-regional agreements</p>	
<p>Based on the last bi-regional IOT, ECLAC initiated the set-up of a model capturing different scenarios of a possible bi-regional agreement. To this end, the data base of the GTAP model provided by Purdue University has been utilized.</p> <p>Overall, the results of simulation indicate a positive impact on output, trade and welfare. The signing of a large bi-regional agreement yields an expected change in GDP between 0.35 and 0.6% for Latin America and the Caribbean, and a change between 0.46% and 1% for Asia Pacific, whereby increases in consumer welfare depend on the assumption of full employment or unemployment. The agreement is also expected to lead to welfare gains in all the countries considered, and a reduction in unemployment of 1.7% on average among Latin American and Caribbean countries, and 3% in Asia Pacific. The study will be presented on the 24th Annual Conference on Global Economic Analysis (Virtual Conference in June 2021). A preliminary version of the study "<i>Impact of the trade Agreement between Latin American Countries and East Asia Pacific countries</i>" can be downloaded from the GTAP Conference site: https://www.gtap.agecon.purdue.edu/resources/res_display.asp?RecordID=6414 https://www.gtap.agecon.purdue.edu/resources/download/10679.pdf</p>	
<p>Activity 5.2:</p> <p>Meeting to review the findings of bi-regional studies and to identify the way forward for deeper integration between East Asia and Latin America</p>	
<p>As part of the seminar "Evidence-based policymaking to facilitate deeper integration of Asia and Latin America and the Caribbean (LAC): Trade-in-value added analysis", taking place on the 6 and 7 October 2020, the main results obtained from the bi-regional IOT provided by the Asian Development Bank were presented to participants of the Event. ECLAC also presented the Global Input Output Table containing 25 sectors.</p> <p>The workshop took place online and was open to the public for all member countries of FEALAC. Unfortunately, due to the pandemic, the workshop had to be virtual. Despite this, the broad workshop has been very well attended, with more than 100 participants from countries from both regions. Among them were policy makers, trade officers and academics.</p> <p>Reference material and presentations are available on https://www.unescap.org/events/technical-workshop-value-chain-development-deeper-integration-fealac-asian-perspectives. Also in ECLAC website. https://www.cepal.org/en/events/global-input-output-tables-tools-analysis-integration-latin-america-world in the link place.</p>	
<p>PROJECT PHASE 6:</p> <p>Capacity building activities to facilitate the integration of FEALAC countries into regional value chains (RVCs), inter regional value chains (IRVCs) and Global Value Chains (GVCs)</p>	
<p>A user guide on "Measuring Participation in Global Value Chains, and Developing Supportive Policies" is available on: https://www.unescap.org/resources/gvc-analysis-guide</p> <p>In order to deepen integration of East Asia and Latin America, there is a need to analyze existing Global Value Chains (GVCs) within and between the two regions. This user guide was designed to equip researchers with the tools necessary to understand and use value added decompositions of trade data. Such decompositions are key to the quantitative analysis of trade within GVCs and the various linkages across sectors and countries that they imply. Exercises in this user guide are based on FEALAC MRIO data, now covering 73 countries and 35 sectors.</p> <p>ECLAC prepared a matrix of 20 sectors and 71 countries, comparable to the 2011 and 2014 bi-regional matrix also prepared by ECLAC.</p>	

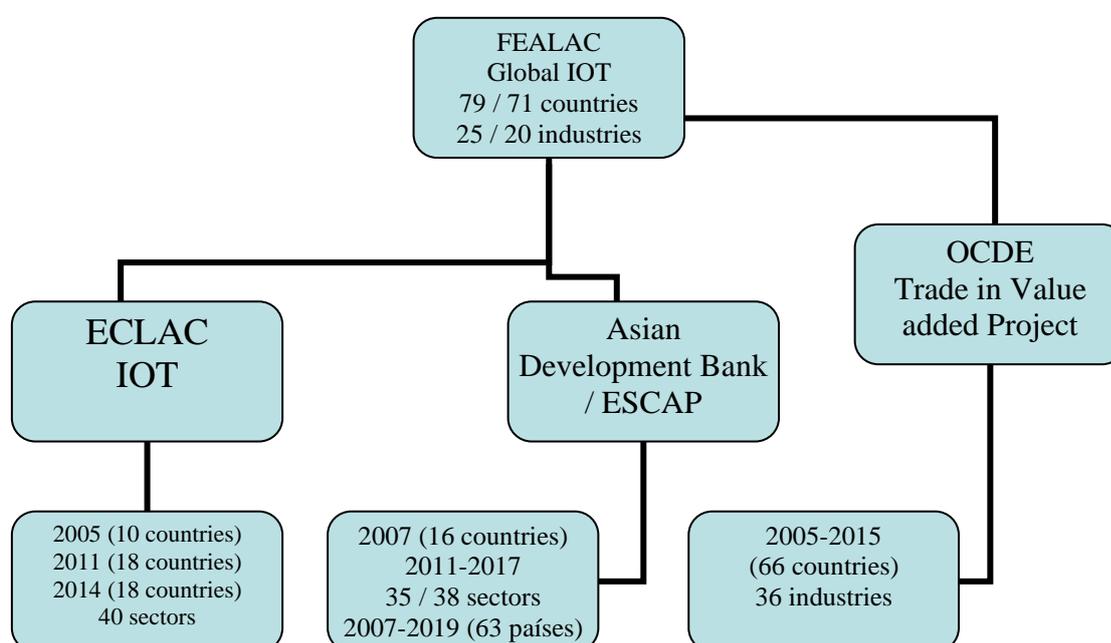
<p>Activity 6.1:</p> <p>Capacity building activities to facilitate integration into RVCs and GVCs</p>	
<p>Together with the Chilean Ministry of Foreign Relations, ECLAC organized the seminar “Use of Input-Output-Tables in Latin America and the Caribbean: Applications for the Pacific Alliance”. Officials of the four member countries of the Pacific Alliance took part in the seminar in Santiago de Chile, 17-18 October 2019. https://www.cepal.org/es/eventos/taller-uso-la-matriz-insumo-producto-america-latina-caribe-aplicaciones-la-alianza-pacifico</p> <p>On 6 October 2020, ESCAP organized a capacity building seminar on “Evidence-based policymaking to facilitate deeper integration of Asia and Latin America and the Caribbean (LAC): Trade-in-value added analysis“. The seminar will be online given the current restrictions on travel. The workshop focused on the input-output approach for formulating supportive trade and industrial policy for international value chain development. https://www.unescap.org/events/capacity-building-workshop-evidence-based-policymaking-facilitate-deeper-integration-asia-and</p> <p>ECLAC organized similar workshops in 2018 and 2019 in several LAC countries. In March 2020, ECLAC hold a seminar in Ecuador on the Latin American IOT using the 2014 IOT.</p>	
<p>Activity 6.2:</p> <p>Publication based on the intraregional and bi-regional studies</p>	
<p>See Annex 4 for a complete list of publications and main results</p>	
<p>Activity 6.3:</p> <p>Development and diffusion of an online interface for the IOT database</p>	
<p>In October 2020, based on the available inputs from the MRIO (2007, 2011, 2014 and 2017), a Global IOT was released. The new I-O tables constitute a valuable tool for the development of public policies and the promotion of global and regional value chains. The matrix disaggregates the production across 20 sectors and cover 71 economies, including 18 LAC countries and 23 Asian countries (see Annex 1 and 2 for more details). https://www.cepal.org/en/events/global-input-output-tables-tools-analysis-integration-latin-america-world</p> <p>Likewise, the interface RIVA (Regional Integration and Value Chain Analyzer) was published to disseminate analytical indicators at the level of countries and sectors. RIVA version 1.0 is an online tool designed to better inform policymakers in FEALAC Member states, as well as trade-policy analysts and researchers supporting them, on their economy’s integration through Global Value Chains (GVCs). https://riva.negotiatetrade.org/#/global-value-chains</p> <p>IOT methodology, particular results, and practical examples were presented in the capacity building “Evidence-based policymaking to facilitate deeper integration of Asia and LAC: Trade-in-value added analysis” The virtual course had been attended by more than 100 participants, mainly policy makers, technical government officials and academics from both regions.</p> <p>Participation of the Project (ESCAP delegate) at an ADB-ISDB joint side event at the 52th Session of the United Nations Statistical Commission (UNSC) in February 2021. This side event about measuring economic globalization at the 52nd session of UNSC, sponsored by the Asian Development Bank (ADB) and the Islamic Development Bank (IsDB), allowed the dissemination of the project results based on ESCAP-ECLAC-ADB-MRIOTs on Asia-LAC integration. The event served as a platform to introduce participants, mainly government officials from statistical institutes, to the RIVA tool. More details on: https://adb-org.zoom.us/webinar/register/WN_5XzYJdiiTSmeTO11_2M_5A</p>	

Annex 1: FEALAC Global IOT Structure

The FEALAC project completed the assembly of a Global IOT with a set of 79 / 71 countries, and 25/20 industries, a Multi-Regional Input Output Table covered a set of countries of both regions, and 35 / 38 sectors, and national inter-connected IOTs for countries of both regions and some other relevant partners.

The initiative includes 18 countries in Latin America and the Caribbean¹ and 23 Asian countries. The IOTs produced to the project harmonizes production and trade flows at different levels of aggregation (into 40 industries (LACs IOT), into 35/38 sectors (MRIO Asian countries), and 25/20 sectors for the integrated bi-regional and Global IOT. The main result of the process is available in: <https://www.cepal.org/en/events/global-input-output-tables-tools-analysis-integration-latin-america-world>

Figure 1: Global IOT



Harmonized sectors that will be reflected in the Global IOT are displayed in table 2 below.

This Global IOT initiative goes beyond individual initiatives (TIVA-ECLAC; TIVA OECD; and TIVA ADB / ESCAP) in the sense that the project would also disaggregate and display interregional relations with a set of key extra-regional partners for both sub-regions. The project includes the following extra-regional partners: United States, Canada, the European Union, Hong Kong (SAR), Taiwan, POC and an aggregated group with countries from the Rest of the World.

Though originally planned with data for the year 2014, the first iteration of the Global IOT was initially created with data for 2011 and updated to 2017. The process to construct it has already finalized for a set of 20 and 25 defined sectors in the agreed correspondence sectors between MRIO ADB (35 and 8 sectors) and ECLAC IOT (40) initiative (see table 1).

The Global IOT was used to analyze the evolution of regional and interregional value chains in Asia and Latin America from a comparative perspective.

¹ The above-mentioned countries are: Argentina, Bolivia E.P., Brazil, Chile, Colombia, Costa Rica, El Salvador, Ecuador, Guatemala, Honduras, Nicaragua, Mexico, Panama, Paraguay, Peru, Dominican Republic, Uruguay and Venezuela

Table 1
FEALAC Project, Harmonized Sectors ECLAC, ESCAP, ADB, WIOD y OECD-TIVA

20 sectors	25 sectors	FEALAC IOT sector description
01	01	Agriculture, hunting, forestry and fishing
02	02	Mining and quarrying
03	03	Food products, beverages and tobacco
04	04	Textiles, textile products, leather and footwear
05		Wood, pulp and paper
	05	Wood and products of wood and cork
	06	Pulp, paper, paper products, printing and publishing
06		Chemical, petrochemical and pharmacy
	07	Coke, refined petroleum products and nuclear fuel
	08	Chemicals and chemical products
07	09	Rubber and plastics products
08	10	Other non-metallic mineral products
09		Basic metals and fabricated metal products
	11	Basic metals
	12	Fabricated metal products
10	13	Machinery and equipment, nec (excluding electrical machinery)
11		Electrical and Optical equipment
	14	Computer, Electronic and optical equipment
	15	Electrical machinery and apparatus, nec
12		Motor vehicles and transport equipment
	16	Motor vehicles, trailers and semi-trailers
	17	Other transport equipment
13	18	Other Manufacturing
14	19	Electricity, gas and water supply
15	20	Construction
16	21	Transport and storage
17	22	Post and telecommunications
18	23	Financial intermediation
19	24	Business services of all type
20	25	Other services

Source: Working Group ECLAC-ESCAP-ADB

Annex 2

ECLAC-ESCAP-ADB LAC Multiregional Input-Output Table (MRIO): Sources and Methods Technical details of the sectoral mapping and assembly of the new ADB-ESCAP- ECLAC MRIO

The sectors were mapped into the ADB MRIO 35 sectors using ISIC Rev. 3.1. Published censuses, surveys, detailed SUT/IOT, and/or industry reports served as basis for aggregating or disaggregating sectors. The import and export vectors were extended using the pattern of the aggregated import and export matrices from the South American IOT and/or from the derived imports matrix using published SUT/IOT.

Table 2: Correspondence of South American IOT with ADB MRIO sectors

South American IOT sectors		ADB MRIO sectors	
Agricultura y forestal	s1	Agriculture, hunting, forestry, and fishing	c1
Caza y pesca	s2	Agriculture, hunting, forestry, and fishing	c1
Minería (energía)	s3	Mining and quarrying	c2
Minería (no energía)	s4	Mining and quarrying	c2
Carne y derivados	s5	Food, beverages, and tobacco	c3
Molinería, panadería y pastas	s6	Food, beverages, and tobacco	c3
Azúcar y productos de confitería	s7	Food, beverages, and tobacco	c3
Otros productos alimenticios	s8	Food, beverages, and tobacco	c3
Bebidas	s9	Food, beverages, and tobacco	c3
Productos de tabaco	s10	Food, beverages, and tobacco	c3
Textiles	s11	Textiles and textile products	c4
Confecciones	s12	Textiles and textile products	c4
Calzado	s13	Leather, leather products, and footwear	c5
Madera y productos de madera y corcho	s14	Wood and products of wood and cork	c6
Pulpa de madera, papel, imprentas y editoriales	s15	Pulp, paper, paper products, printing, and publishing	c7
Coque, petróleo refinado y combustible nuclear	s16	Coke, refined petroleum, and nuclear fuel	c8
Productos químicos básicos	s17	Chemicals and chemical products	c9
Otros productos químicos (excluye farmacéuticos)	s18	Chemicals and chemical products	c9
Productos farmacéuticos	s19	Chemicals and chemical products	c9
Productos de caucho y plástico	s20	Rubber and plastics	c10
Productos minerales no metálicos	s21	Other nonmetallic minerals	c11
Hierro y acero	s22	Basic metals and fabricated metal	c12
Metales no ferrosos	s23	Basic metals and fabricated metal	c12
Productos fabricados de metal (excepto maquinarias y equipos)	s24	Basic metals and fabricated metal	c12
Maquinarias y equipos (excluye maquinaria eléctrica)	s25	Machinery, nec	c13
Equipos de oficina (incluye equipo computacional)	s26	Electrical and optical equipment	c14
Maquinarias y aparatos eléctricos	s27	Electrical and optical equipment	c14
Radio, televisión y equipos de telecomunicaciones	s28	Electrical and optical equipment	c14
Equipo médico e instrumentos ópticos y de precisión	s29	Electrical and optical equipment	c14
Vehículos de motor, remolques y semirremolques	s30	Transport equipment	c15
Aeronaves y naves espaciales	s31	Transport equipment	c15
Otro equipo de transporte	s32	Transport equipment	c15
Otras industrias manufactureras n.c.p.; reciclaje (incluye muebles)	s33	Manufacturing, nec; recycling	c16
Electricidad y gas	s34	Electricity, gas, and water supply	c17
Construcción	s35	Construction	c18
Transporte	s36	Inland transport	c23
		Water transport	c24
		Air transport	c25
		Other supporting and auxiliary transport activities; activities of travel agencies	c26
Correo y telecomunicaciones	s37	Post and telecommunications	c27
Finanzas y seguros	s38	Financial intermediation	c28
Servicios a empresas de todo tipo	s39	Real estate activities	c29
		Renting of M&Eq and other business activities	c30
Otros servicios	s40	Sale, maintenance, and repair of motor vehicles and motorcycles; retail sale of fuel	c19
		Wholesale trade and commission trade, except of motor vehicles and motorcycles	c20
		Retail trade, except of motor vehicles and motorcycles; repair of household goods	c21
		Hotels and restaurants	c22
		Public administration and defense; compulsory social security	c31
		Education	c32
		Health and social work	c33
		Other community, social, and personal services	c34
Private households with employed persons	c35		

Economies

The ADB-LAC MRIO covers 71 economies, Rest of Latin American Countries, and the Rest of the World. The Rest of Latin American Countries includes Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, and Panama. All other economies are aggregated under the “Rest of the World”. All estimates are converted to current US dollars.

Table 5
List of economies in the ADB-LAC MRIO 2007, 2011, 2017

Australia	AUS	Japan	JPN	Kazakhstan	KAZ
Austria	AUT	Republic of Korea	KOR	Mongolia	MON
Belgium	BEL	Lithuania	LTU	Sri Lanka	SRI
Bulgaria	BGR	Luxembourg	LUX	Pakistan	PAK
Brazil	BRA	Latvia	LVA	Fiji	FIJ
Canada	CAN	Mexico	MEX	Lao People's Democratic Republic	LAO
Switzerland	SWI	Malta	MLT	Brunei Darussalam	BRU
People's Republic of China	PRC	Netherlands	NET	Bhutan	BHU
Cyprus	CYP	Norway	NOR	Kyrgyz Republic	KGZ
Czech Republic	CZE	Poland	POL	Cambodia	CAM
Germany	GER	Portugal	POR	Maldives	MLD
Denmark	DEN	Romania	ROM	Nepal	NEP
Spain	SPA	Russia	RUS	Singapore	SIN
Estonia	EST	Slovak Republic	SVK	Hong Kong (SAR), China	HKG
Finland	FIN	Slovenia	SVN	Argentina	ARG
France	FRA	Sweden	SWE	Bolivia	BOL
United Kingdom	UKG	Turkey	TUR	Chile	CHL
Greece	GRC	Taipei,China	TAP	Colombia	COL
Croatia	HRV	United States	USA	Ecuador	ECU
Hungary	HUN	Bangladesh	BAN	Paraguay	PAR
Indonesia	INO	Malaysia	MAL	Peru	PER
India	IND	Philippines	PHI	Uruguay	URY
Ireland	IRE	Thailand	THA	Venezuela	VEN
Italy	ITA	Viet Nam	VIE	Rest of Latin American Countries	RoLAC
				Rest of the World	RoW

Data Sources

The control totals for the Gross Output, Gross Value Added, taxes less subsidies on products, exports, and imports of Latin American countries were sourced from the national statistics offices and/or central bank databases. The industry structure of imports and exports was based on the data from UN COMTRADE (by broad economic category), and bilateral trade statistics and balance of payments published by the governments.

For consistency with the WIOD, the country-sector totals from the WIOD was maintained. The sectors of the Rest of the World (RoW) were manually and systematically adjusted after integrating the nine Latin American countries and the Rest of Latin American Countries (RoLAC).

Annex 3

Activities developed as part of the FEALAC project about value chains between Latin America and Asia-Pacific

ECLAC, in collaboration with the Division of Trade, Investment and Innovation of ESCAP and various governments and institutions for regional integration, has organized activities, which are listed below with their respective links to access the documents presented:

1.- In June 2019, ECLAC took part in a meeting of the regional-global initiatives of TiVA organized by the OECD during which it has been decided, that the project will include information of the OECD's TiVA data base. <https://www.cepal.org/es/eventos/taller-regional-global-iniciativas-tiva>; https://www.cepal.org/sites/default/files/events/files/mio_southamerica_2005-2011_paris_2018_7-06-2018.pdf

2.- Between 26th and 28th of March 2019 the seminar "Use of the Subregional Andean and South American Input-Output Tables for the analysis of Value Chains" took place in Bogotá, with the Andean Community and the Ministry of Commerce, Industry and Tourism (MINCIT) present. Officials from different areas of MINCIT, the National Administrative Department of Statistics (DANE), and the National Planning Department (DNP) participated in the training, as well as delegates from other countries of the Andean Community and the Pacific Alliance. <https://www.cepal.org/es/cursos/taller-uso-la-mip-subregional-andina-la-mip-america-sur-analisis-cadenas-valor>

3.- The workshop "Use of the MERCOSUR and South American Input-Output Tables for the Analysis of Value Chains" was held in the city of Montevideo between May 13 and 15th, 2019. The workshop, which was led by economists from the International Trade and Integration Division of ECLAC, was sponsored by the MERCOSUR Secretariat. Officials from various public institutions of MERCOSUR member countries, mainly Ministries of Industry and Foreign Trade, Production, and Foreign Affairs, among others, as well as officials and technicians of the MERCOSUR Secretariat participated in the training. <https://www.cepal.org/es/cursos/taller-uso-la-mip-mercado-comun-sur-la-mip-america-sur-analisis-cadenas-valor>

4.- In July 2019, ECLAC presented the project in the third meeting of the regional-global initiatives of the TiVA in Paris, thereby representing the ESCAP and the Asian Development Bank. The conference was a step towards the harmonization of the different initiatives of TiVA (OECD, ECLAC, ESCAP, ADB, EUROSTAT and OMC), which allowed the integration of a new global matrix. <http://webpro.cepal.org/es/eventos/tercer-taller-regional-global-iniciativas-tiva>

5.- ESCAP organized a technical Workshop from 10 to 11 July 2019, UNCC, Bangkok, Thailand. The workshop was part of the collaborative project between ESCAP, ECLAC and ADB in a project aiming to enhance value chain integration between Asia and Latin America. The workshop gathered policy analysts, researchers and policymakers working in Asia-Pacific member states of FEALAC. The purpose of the workshop was to review the study in intraregional value chains development and to identify emerging opportunities and challenges facing Asia-Pacific countries in deepening their integration. <https://www.unescap.org/events/technical-workshop-value-chain-development-deeper-integration-fealac-asian-perspectives>.

6.- ECLAC, in collaboration with the Ministry of Foreign Affairs of the Dominican Republic, organized the International Seminar "Input-Output Tables as a Tool for Trade and Industrial Policies in Latin America and the Caribbean and Relations with Asia Pacific," and the roundtable "Dynamics of the Intra and Inter Regional Value Chains and Integration in Latin America and Asia." These activities were taking place under the projects "Input-Output Tables for Industrial Policy in Latin America and the Caribbean" and "Development of Value Chains for Deeper Integration between Latin America and Asia Pacific." The meetings took place in the city of Santo Domingo between September 11 and 13 2019. During the Seminar, ECLAC presented the Input-Output Table for Latin America and the Caribbean for a group of 18 countries. Likewise, the results of various studies that have been developed from the table were presented in order to identify value chains in Latin America, as well as trade links between the region and Asia-Pacific. <https://www.cepal.org/en/events/input-output-tables-tool-trade-and-industrial-policy-latin-america-and-relations-asia-pacific>

7.- In the framework of the annual FEALAC Working Group Meeting on "Trade, Investment, Tourism and Micro, Small and Medium Enterprises" on 18th September 2019 in Seoul, South Korea, the Ministry of Foreign Affairs of the Republic of Korea and the Ministry of Foreign Affairs and Worship of Argentina co-organized the seminar "FEALAC's Trade Facilitation in the context of the Digital Economy". The seminar aimed to find ways to improve regional connectivity among FEALAC member states and to nurture business capabilities of micro, small and medium enterprises (MSMEs) in a

digital economy. The meeting focused on the analysis of value chains and the participation of MSMEs in the context of the digital economy. Case studies of the use of digital media in finance (Mexico), the promotion of innovation (Chile), exports and digitalization of MSMEs (Argentina), and the promotion of digital technologies to boost microenterprises (Thailand) were presented. <https://www.cepal.org/es/eventos/facilitacion-comercio-focalae-contexto-la-economia-digital>

8.- On 19th September 2019 in the city of Seoul, ECLAC presented the main results of the project “Value Chain Development for the Deeper Integration of East Asia and Latin America”. The meeting, which took place at the embassy of Peru and was attended by representatives of the Group of Ambassadors of Latin America and the Caribbean (GRULAC), was convened by Raúl Silverio Silvagni, Ambassador of the Republic of Paraguay in the Republic of Korea and Dean of GRULAC in Seoul. <https://www.cepal.org/es/eventos/cadenas-valor-intra-interregionales-america-latina-caribe-asia-pacifico>

9.- In Santiago de Chile, ECLAC organized the seminar “Use of the Input Output Matrix of Latin America and the Caribbean: Application for the Pacific Alliance” with the Sub-secretary of External Relations of Chile participating. Also officials from the four member countries of the Pacific Alliance, Colombia, Chile, Peru and Mexico, took part.

10.- In the city of Santo Domingo, on the 9th of November of 2019, ECLAC and ESCAP presented their advancements and main results of the project “Developing value chains for deepening integration between Latin America and Asia-Pacific in the IX Meeting of the Ministries of External Relations of the FOCALAE. <https://www.cepal.org/en/events/project-progress-presentation-value-chain-deeper-integration-between-latin-america-asia>

Find below, a selection of photos from participants in the seminars and activities introduced previously:

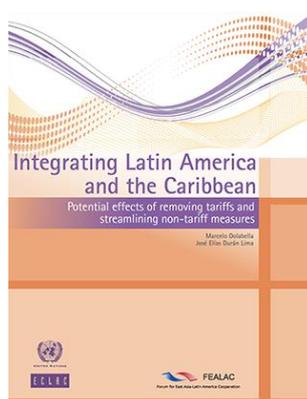


• [Workshop "Input Output Tables as a tool for Trade and Industrial Policies in LACs and its linkages with Asia Pacific"](#)



• [In Seoul TITM Seminar on Trade and SMEs](#) • [GRULAC: Regional and Inter-regional Value Chain between LAC and Asia Pacific](#)

Annex 4 FEALAC reference documents and databases (for Last Project Report)



Integrating Latin America and the Caribbean: Potential effects of removing tariffs and streamlining non-tariff measures.

This work analyses the potential economic effects in Latin America and the Caribbean of reducing intra-regional trade barriers. This is the natural first step to later achieve greater integration with Asia Pacific. First, trade costs coming from two main sources; customs tariffs and non-tariff measures (NTMs), are analysed in Latin American, Asia Pacific, United States, and European Union. The impact of NTMs on trade quantities was estimated for more than 5,000 products at the 6-digit level of the Harmonized System using a panel for 2001-2015 with NTM data notified by more than 150 member countries of the World Trade Organization (WTO). Trade effects were transformed into Ad-valorem equivalents (AVEs) using import elasticities and were aggregated into a GTAP country-sector classification. These estimates were used to assess the potential effects of liberalizing intra-regional trade in Latin America and the Caribbean by both eliminating tariffs and streamlining trade restrictive NTMs. Results point to a positive impact of 0.73 in the regional GDP, with a larger share of this impact coming from tariff liberalization.

Available on line: <https://www.cepal.org/en/publications/46649-integrating-latin-america-and-caribbean-potential-effects-removing-tariffs-and>



Value chain development for deeper integration of East Asia and Latin America.

This paper uses new data from the Asian Development Bank (ADB) and its partners, including the UN Economic Commission for Latin America and the Caribbean (ECLAC), to track the importance of trade within global value chains in East Asia and Latin America. The analysis shows that while value chain trade is important within the overall trade landscape, it takes place to a significant extent within a traditional paradigm in which Latin America most often supplies raw materials, and East Asia supplies manufactured goods. The pattern is not uniform, but there are important elements of this dynamic at play. While experiences differ significantly across countries and sectors, there is a generally a closer degree of GVC integration between East and South-East Asia than between East Asia and Latin America. Nonetheless, GVC integration between Latin America and South-East Asia in agriculture, mining and service sectors shows

promise, with the former supplying inputs used in the latter's export production. Trade costs are likely an important part of the explanation, so further attention to policies like regulatory cooperation in services sectors, as well as trade facilitation, and standards and conformance, would be ways to help promote further integration even in the absence of a comprehensive and broad-based liberalization agreement.

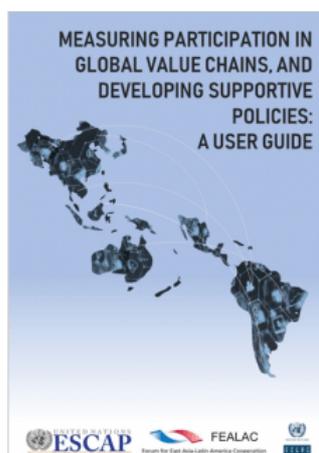
Available on line: <https://www.unescap.org/resources/value-chain-development-deeper-integration-east-asia-and-latin-america>



The productive integration of Latin America – Asia-Pacific and its challenges.

This [paper](#) presents the results of a project that investigated the role of value chains in developing a profound integration between the two regions, Latin America and Asia-Pacific. The project has been realized for the Forum for East Asia-Latin America Cooperation (FOCALAE). The paper firstly summarizes the project, its methodology and thereafter, some of the general results of the two main indicators: On the one hand, the composition of the domestically aggregated value of exports and, on the other hand, the composition of the imported inputs included in the exports, under the consideration of intra- and extraregional trade links, especially with Asia-Pacific. Afterwards, some conclusions are derived and some of the challenges Latin America currently faces, which may impede its further productive integration with East-Asian countries, are pointed out.

Available on line: https://www.cepal.org/sites/default/files/events/files/jose_duran_aladi_rev_27-02-2020_seminario_academico_observatorio_alc-asia_pacifico_english_v2.pdf



Measuring participation in Global Value Chains and Developing Supportive Policies: A User guide

In order to deepen integration of East Asia and Latin America, there is a need to analyze existing Global Value Chains (GVCs) within and between the two regions. This user guide is designed to equip researchers with the tools necessary to understand and use

value added decompositions of trade data. Such decompositions are key to the quantitative analysis of trade within GVCs and the various linkages across sectors and countries that they imply. Exercises in this user guide are based on ADB MRIO data, now covering 73 countries and 35 sectors. The analysis shows a basic Leontief decomposition into value added components, and discusses the limitations of that approach. It then presents examples of how to perform policy analysis based on those data. All analysis is accompanied by transparent Stata code in which each analytical step is made explicit; all data and .do files are freely available with the user guide. Rather than focus on proofs and derivations, the interest of the user guide is in understanding the intuition and policy-relevance of this approach, as well as relevant limitations. Readers will be equipped to undertake their own analysis, principally using decompositions made available by ADB, but also by using appropriate software to calculate their own decompositions

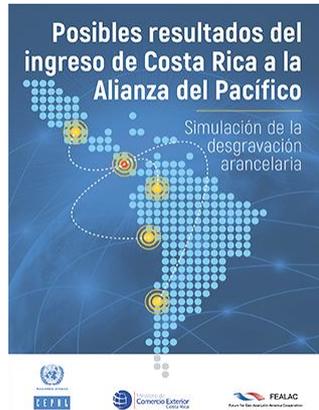
Available on line: https://www.unescap.org/sites/default/d8files/knowledge-products/TIID_GVCs%20User%20Guide.pdf



East Asian trade integration in the era of global value chains: Prospects and challenges.

This paper examines trade integration of East Asian countries through the lens of global value chains (GVCs). It first gauges the extent and involvement of trade in value-added (TiVA) for East Asian countries. The analysis confirms that reliance on backward GVC participation outside of the region still looms large in East Asia. This implies, in addition to deepening intraregional integration, linking with global trade and production networks remains important. Sectoral comparisons reveal that Regional Value Chains (RVCs) among East-Asian economies have been increasing its role in East Asian's exports of transport equipment sector while decreasing the role in its exports of textile and apparel sector. Such trend seems to suggest RVC opportunities are available to East Asian economies in sectors that require production to locate close to large and growing markets and suppliers' ability to absorb new technology. Moreover, the study finds enabling policy environment is an important factor to strengthen intraregional value chain linkages. For example, non-tariff measures (NTMs), have become an important part of trade-policy measures and have significantly affected trade flows in RVCs. It is found that NTMs are generally associated with reduced trade in value-added flows, except in the case that NTMs may help ensuring quality standards, such as technical NTMs in the food industry.

Available on line: <https://artnet.unescap.org/index.php/publications/working-papers/east-asian-trade-integration-era-global-value-chains-prospects-and>



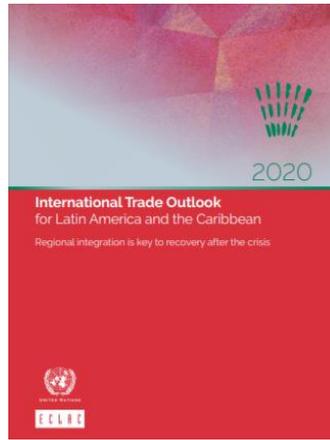
Posibles resultados del ingreso de Costa Rica a la Alianza del Pacífico: simulación de la desgravación arancelaria.

This paper was prepared in Spanish and assesses the deepening of trade relations between Costa Rica and the countries of the Pacific Alliance, main trade partners of the member Asian countries of the Forum for East Asia-Latin Latin America Cooperation (Colombia, Chile, Peru and Mexico). Using three complementary methodologies -the computable general equilibrium model of the Global Trade Analysis Project (GTAP), under the assumption of imperfect competition; the revealed comparative advantage index (IVCR); and partial equilibrium simulations using the software for market analysis and restrictions on trade (SMART), a program of the United Nations Conference on Trade and Development (UNCTAD)- the results were simulated in order to evaluate the potential effects of Costa Rica's entry into the Pacific Alliance. The results of the computable general equilibrium model suggest a positive impact on the level of production and employment in Costa Rica, which are estimated to increase by 0.6% and 0.8%, respectively. The IVCR analysis reveals that 20% of the Costa Rica's products have highly competitive strength. On the other hand, the results of the SMART simulations show that the potential sensitivities of Costa Rica are very low.

Available on line (only in Spanish): <https://repositorio.cepal.org/handle/11362/46577>

An assessment of trade integration options for FEALAC Member states: A simulation analysis

The paper assesses the deepening economic integration between FEALAC member states in East Asia and LAC through FTA options. The study reviews existing trading patterns and free trade agreements among FEALAC countries and analysed different FTA extension options and policy scenarios that not only could enhance trade and value chain linkage between FEALAC-LAC and FEALAC-AP economies but also mutually beneficial to FEALAC member countries in Asia and Latin America. Utilizing the computable general equilibrium model of the Global Trade Analysis Project (GTAP), four FTA extension options were simulated to assess the effects of (i) a tariff reduction, (ii) non-tariff reductions in both goods and services and (iii) trade facilitation reforms among the participating economies. The study compares potential impacts of different options for the extension of existing FTAs, including RCEP, CPTPP, Pacific Alliance, FTAAP, as well as the formulation of a new FTA that include all FEALAC member states. The results show that an FTA that included all FEALAC member states may create trade and GDP growth to FEALAC countries more than other FTA options. Lowering non-technical barriers to trade and trade facilitation are important components to generate economic gains from having FTAs. Enhancing the implementation of trade facilitation measures would be particularly benefit Latin American states of FEALAC, while removing non-technical barreras to trade would benefit East Asian states of FEALAC than others.



International Trade Outlook for Latin America and the Caribbean. Regional integration is key to recovery after the crisis.

International Trade Outlook for Latin America and the Caribbean flagship is the main vehicle for disseminating the results of the projects developed by the ECLAC International Trade and Integration Division. In its 2020 edition, the results obtained from the Project were disseminated in Chapters 2 and 3. Both chapters were developed using the methodological framework defined by the FEALAC project.

Chapter II analyses the evolution of intraregional trade from a long-term perspective. The analysis shows that integration of the region's value chains is limited and concentrated in a few countries. In addition to low growth in the region, this has to do with the fragmentation of the regional economic space, the lack of solid institutional arrangements, the emergence of China as a trading partner and the centrifugal force exerted by trade agreements with extra regional partners, mainly those with Asian countries (Japan, ASEAN countries, Republic of Korea, among others). ECLAC proposes targeting three fronts: convergence in trade facilitation; improvement of regional transport and logistics infrastructure to support a shift in investment towards more resilient, efficient and sustainable works; and cooperation on digital matters.

Chapter III examines how international trade, supported by the right policies, can contribute to gender equality. The links between the two may be attributed in part to the intersection between productive and trade specialization, gender-based labor segregation and the sexual division of labor in different countries. Changes in the intensity of trade, in the export and import structure, and in the prices of traded products and services have differentiated distributive effects between men and women, and between different groups of women. This chapter presents new findings on the very different situations existing among export sectors with respect to female employment and its conditions. It shows that the gender wage gap is wider in export-intensive sectors than in less export-intensive ones. The COVID-19 pandemic and the temporary closure of retail commerce has affected female employment in several global value chains, in particular in tourism and the clothing industry.

Available on: https://repositorio.cepal.org/bitstream/handle/11362/46614/1/S2000804_en.pdf

More details: <https://www.cepal.org/en/pressreleases/latin-america-and-caribbeans-foreign-trade-marks-its-worst-performance-global>

Bolstering East Asia-Latin America Value Chains through Digitally Deliverable Services

Recognizing the increasing roles of business services, digitally deliverable services in particular, in the value chain linkages between FEALAC Member states, this paper assessing the extent of digitally deliverable services in Latin American and East Asian value chains, identifying policy and other frictions to inter-regional trade between Latin America and East Asia in digitally deliverable services, and developing actionable policy proposals to bolster digitally deliverable services in Latin America-East Asia value chains. The paper indicates there are some "hidden complementarities" in digitally deliverable services between Latin America and Asia. Latin American manufacturing, mining and services sectors are drawing on sophisticated IT services and services using disruptive technologies such as blockchain and AI from Japan, Korea, Singapore, and the Philippines, and Latin American manufacturers and agricultural firms are increasingly using Chinese financial services. The Chinese manufacturing sector is using Brazilian suppliers, and Singaporean, Chinese, Korean, and Japanese companies look at Brazil,

Chile, Costa Rica, and Colombia for such emerging digitally deliverable services as gaming, animation, and ecommerce. Agricultural sectors in Thailand and Viet Nam leverage Brazilian digitally deliverable services, potentially agtech applications. As the business ecosystems in both Asia and Latin America become more digitized and produce new digital services, there will be greater opportunities to grow also bilateral digitally deliverable services trade. To further incorporate high value-adding digitally deliverable services into their manufacturing, agriculture, and other sectors, Asia and Latin America must uphold commitments to duty-free electronic transmissions and free transfer of data across borders.

Workshops, tools and databases for building capacity on evidence-based policymaking:

As part of the IV Asian-Pacific Latin American Observatory the study on “Intra- and Inter-regional Value Chains” was presented.

The study: Integrating Latin America and the Caribbean: Potential effects of removing tariffs and streamlining Non-Tariff Measures is in the process of being edited for publication. This study analyzes the impact of reducing intraregional trade barriers in the context of a free trade agreement of Latin America. It concludes that a full tariff reduction and elimination of non-tariff measure would have positive impacts on trade, production, welfare and employment across the region.

More details: <http://www2.aladi.org/sitioAladi/reuniones/ResumenFinalObservatoriosp.pdf>

Global Input-Output Tables: Tools for the analysis of the integration of Latin America with the world.

In order to complete the existing multiregional input-output (MRIO) tables in Latin American and Asia Pacific, the Economic Commission for Latin America and the Caribbean (ECLAC), together with the Economic and Social Commission for Asia and the Pacific (ESCAP) and the Asian Development Bank (ADB), assembled Global Input-Output Tables. These include input-output tables previously developed by those institutions: The MRIO by the Asian Development Bank, and the South American I-O Table for 2005, as well as the input-output tables for Latin America and the Caribbean set up for the years 2011 and 2014, all by ECLAC.

The new I-O tables constitute a valuable tool for the development of public policies and the promotion of global and regional value chains. They disaggregate the production across 20 sectors and cover 71 economies, plus the Rest of Latin America (ROLAC) and the Rest of the World. ROLAC includes Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama. In parallel, an I-O table for 2011 has been released that includes 25 sectors and 78 economies plus the Rest of the World. This table contains disaggregated data for all countries included in the Rest of Latin America and is consistent with the new I-O table by the Asian Development Bank, which considers 38 economic sectors. The files made public include a correlation table between the initiatives developed by the World Input-Output Database (WIOD), ECLAC and the ADB.

This new tool aims at deepening knowledge of inter-regional production networks, promoting the development of value chains, and contributing to the formulation of policies for increased integration between both regions. Students, academics and public policy makers are invited to utilize this tool in studies, technical analyses and the design of indicators for improved decision-making.

More details: <https://www.cepal.org/en/events/global-input-output-tables-tools-analysis-integration-latin-america-world>

Project IOTs: <https://drive.google.com/drive/u/1/folders/1eCOKPXOUB6LQsADSd71qFJTuu-xzC3zk>

A Technical workshop on “Value chain development for deeper integration of FEALAC: Asian perspectives” 10 to 11 July 2019, UNCC, Bangkok.

ESCAP organized a technical Workshop from 10 to 11 July 2019, UNCC, Bangkok for policy analysts, researchers and policymakers working in Asia-Pacific member states of FEALAC. The workshop presented the results of the study on intraregional value chains development and also discussed emerging opportunities and challenges facing Asia-Pacific countries in deepening their integration through value chains.

Workshop programme and presentations are available on:

<https://www.unescap.org/events/technical-workshop-value-chain-development-deeper-integration-fealac-asian-perspectives#>

An online capacity Building Workshop on “Evidence-based policymaking to facilitate deeper integration of Asia and LAC: Trade-in-value added analysis”, 6-7 October 2020, virtual modality.

ESCAP organized the online training workshop for policy analysts and applied policy researchers in FEALAC Member states to provide technical knowledges and building capacity for evidence-based policymaking. The workshop focuses on the input-output approach for formulating supportive trade and industrial policy for international value chain development. The workshop includes live discussions, and self-study sessions during which participants were required to watch VDO lectures and complete assignments, including discussion questions and empirical exercises.

Workshop programme and presentations are available on:

<https://www.unescap.org/events/capacity-building-workshop-evidence-based-policymaking-facilitate-deeper-integration-asia-and#>

Regional Integration and Value Chain Analyzer, RIVA, version 1.0

ESCAP has developed Regional Integration and Value Chain Analyzer, called RIVA version 1.0. It is an online tool designed to better inform policymakers in FEALAC Member states, as well as trade-policy analysts and researchers supporting them, on their economy's integration through Global Value Chains (GVCs).

Built upon the underlying data from the ADB-MRIO database, ESCAP estimates trade in value-added flows and indicators reflecting GVC linkages of Asia-Pacific economies with LAC economies and beyond. The current version covers the flows of trade in value added between 72 economies in 35 sectors in 2007, 2011, and 2017.

Visualizations and indicators based on RIVA are available on:

<https://riva.negotiatetrade.org/#/global-value-chains>