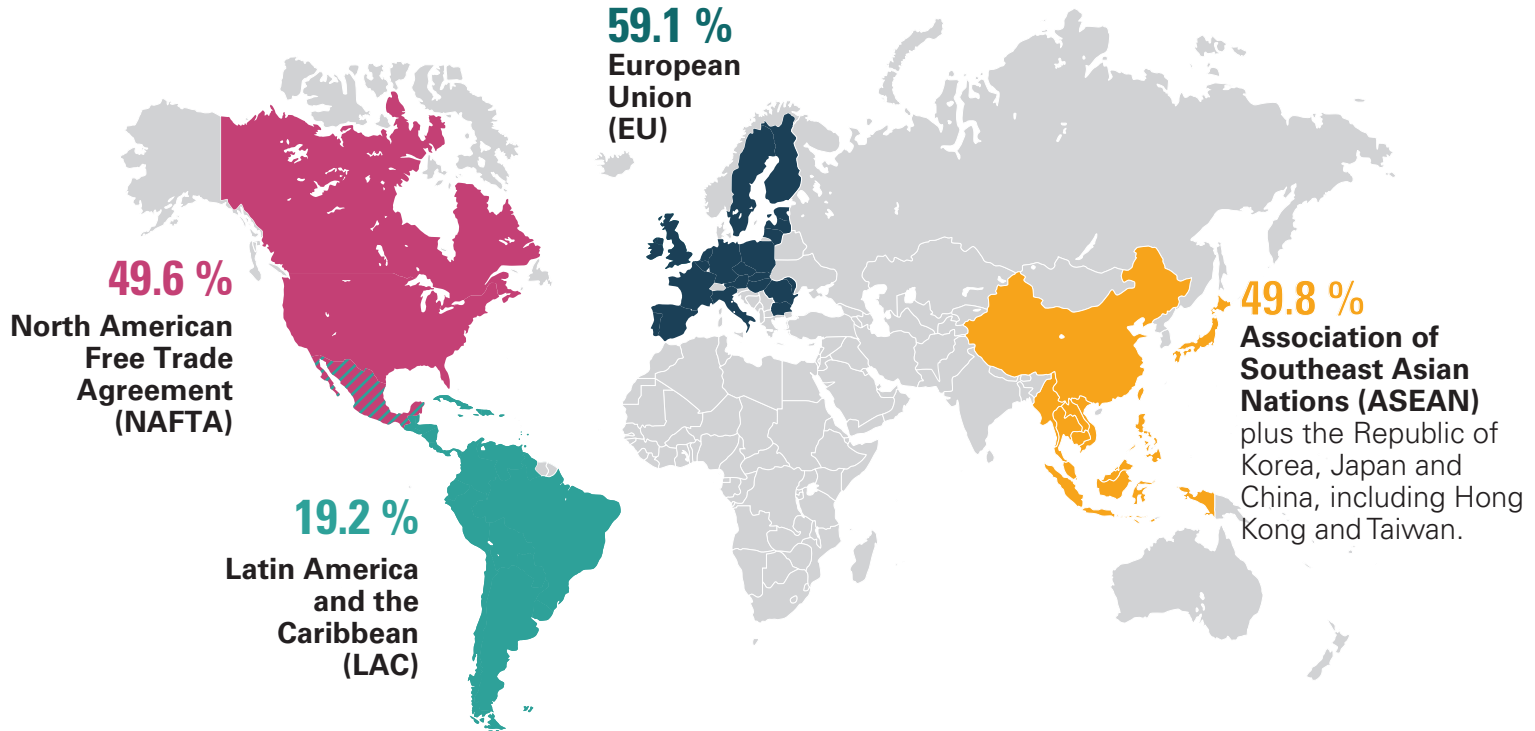


Foreign Trade

in Latin America and the Caribbean

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.

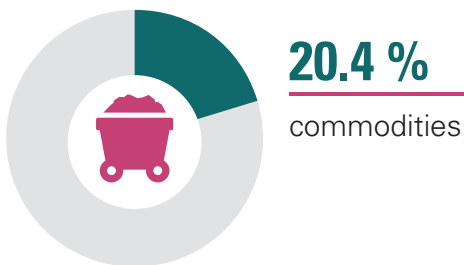
Intra-Regional Exports as Proportion of Total Exports in 2013:



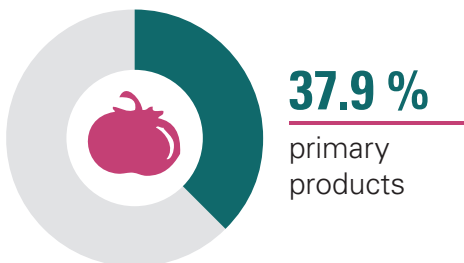
The liberalization of intra-regional trade has not stimulated the region's **productive and export diversification** enough, as it continues to show heavy reliance on commodities.

Percentage of commodities exports with respect to total goods' exports of Latin America and the Caribbean:

To other countries of the region:



To the rest of the world:



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