

The Pacific Alliance's Accomplishments

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Mexico and the United States: Building on the Benefits of NAFTA

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Pacific Alliance Membership

	GDP (PPP) in billions of international \$, 2013	Per capita GDP (PPP) in international \$, 2013	Population (millions), 2013	Share in world trade (%), 2012	FDI inflows, 2012 (billions of \$US)
Chile	335	19,067	18	0.43	30.3
Colombia	528	11,189	47	0.33	15.8
Mexico	1843	15,563	118	2.03	13.4
Peru	344	11,124	31	0.24	12.2
<i>Costa Rica</i>	<i>62</i>	<i>12,942</i>	<i>5</i>	<i>0.08</i>	<i>2.3</i>
Pacific Alliance	3111		219	3.10	74.0
LAC	7513		593	4.53	174.5
PA as % of LAC	<i>41</i>		<i>37</i>	<i>68</i>	<i>42</i>

Observers: European countries (Belgium, Finland, France, Germany, Italy, the Netherlands, Portugal, Spain, Switzerland, United Kingdom); NAFTA countries (Canada, United States); Central American and Caribbean countries (Dominican Republic, El Salvador, Guatemala, Honduras, Panama, and Trinidad and Tobago); South American countries (Ecuador, as well as Paraguay and Uruguay from the MERCOSUR customs union), Middle Eastern countries (Israel, Morocco, Turkey) Asian (Australia, New Zealand, China, India, Japan, Korea, Singapore).

Pacific Alliance Objectives

- To construct an area of deep integration to progressively **liberalize** the circulation of goods, services, capital and persons
- To increase the **growth, development and competitiveness** of member economies, with a view to increasing well-being, overcoming socioeconomic inequality and social inclusion of all citizens
- To become a **political platform** for the greater economic and trade integration and greater integration with the world economy, with an emphasis on the Asia Pacific region.

Pacific Alliance: accomplishments

Trade and Integration

- Harmonization of bilateral FTAs
- Elimination of tariffs and other trade and investment barriers
- Other common FTAs: US, Canada, EU, EFTA, some Asia

Services and Capital

- MILA (currently 26 percent of LATAM market capitalization; with Mexico, represents 49 percent, nearly equal to the BOVESPA)
- All participating in TiSA negotiations

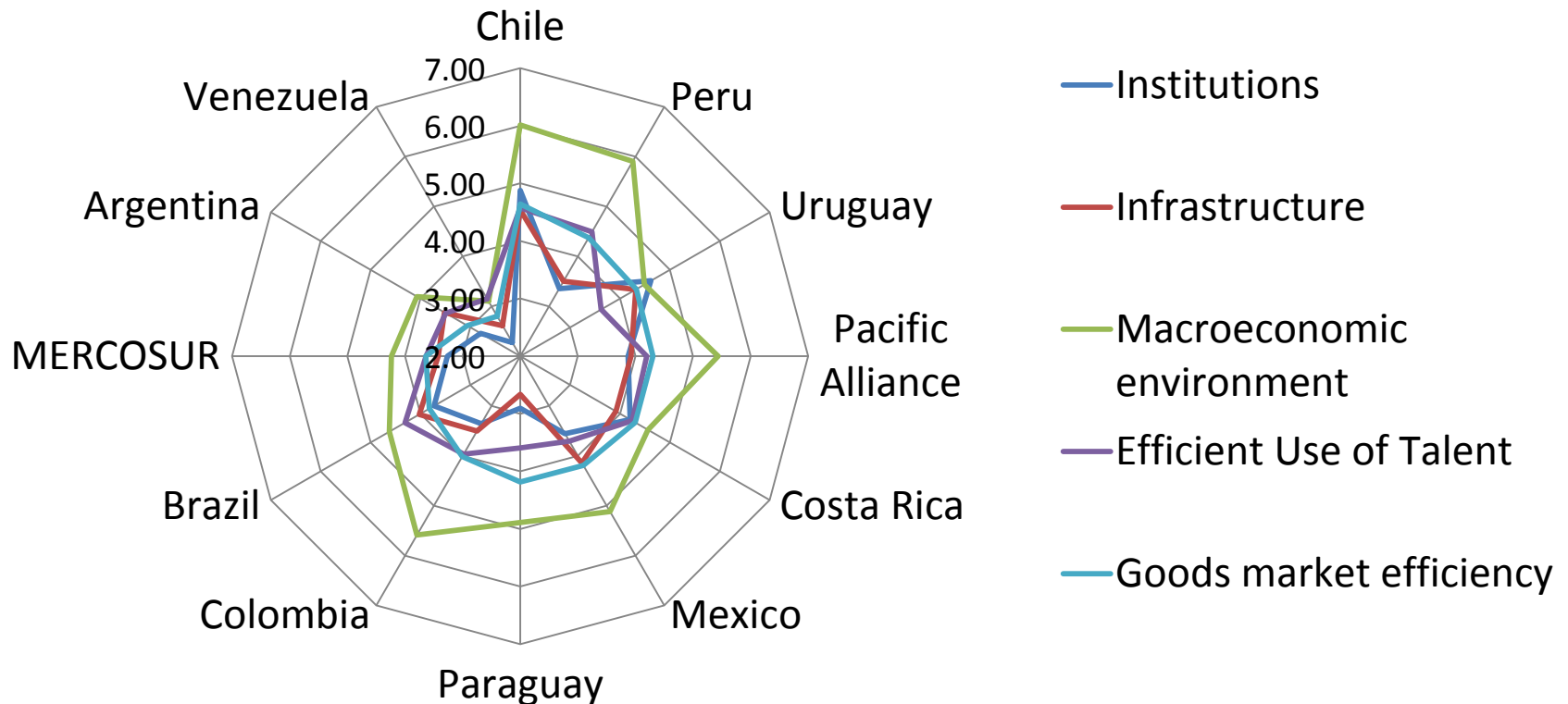
Movement of Persons

- Elimination of visa requirements for PA nationals
- “Work holiday” visas for youth

Institutions and Cooperation

- Shared embassies and trade missions. This helps induce investors to view the region as a significant investment space.

Pacific Alliance vs MERCOSUR



The hemisphere is bifurcated in terms of economic policy. The Pacific Alliance emphasizes this division and sends a signal to investors.

What does the Pacific Alliance Mean to Mexico?

	Percent of Mexico's exports	Annual growth of Mexican exports, 2004-2013
NAFTA	82	6
EU	5	11
Pacific Alliance	3	18
MERCOSUR	3	16
ASEAN	<1	12
China	2	21
Japan	1	7
Korea	<1	21

Pacific Alliance: future prospects

- **Flexible pragmatism is key.** Once an objective is agreed, it can move forward.
- **Limited size means bigger goals are possible.** The Pacific Alliance's goals – at least for now – are at once more modest and more ambitious than were those of the FTAA.
- **Agreement on the goals increases chance for success.** Like-minded countries engaged in similar theatres will find it easier to move forward together.
- **Keep the endgame in mind.** Trade and investment, not politics. The Pacific Alliance must remain a tool for greater integration, rather than an end to itself.
- **Potential pathway for LAC participation in Megaregionals.** The PA can serve as a hub for knitting together FTAs with Latin American partners and linking up to TPP and TTIP.