MASTER OF ARTS PUBLIC AND INTERNATIONAL AFFAIRS

STUDENT: FRANCO SENILLIANI MELCHIOR

RESEARCH PAPER: API 6999

SUPERVISOR: DR. PATRICK LEBLOND

CANADA: THE PACIFIC ALLIANCE AND THE SEARCH FOR ITS MEANING

TABLE OF CONTENTS

The biggest single thing that has lifted people out of poverty is free trade.

George Osborne.

ABSTRACT

The Pacific Alliance (PA) has only been in existence for eight years, but in this short time, it has shown itself to be one of the most serious efforts in the region to project a solid institutional framework that will allow progress towards full trade integration, not only with its member countries but also with other areas of the continent and the world. The objective of this paper, and in light of the Canadian government's current policy of diversifying its external markets, is to analyze the impact, if any, of an eventual agreement with the Pacific Alliance on the Canadian export of goods. To this end, a theoretical approach of the type of regionalism presented by the Pacific Alliance will be carried out, as well as the objectives clearly indicated in its 2011 charter and the first Additional Protocol of 2016, which contains specific provisions with a view to the creation of a free trade area.

In addition, the evolution of Canada's commitment at the time of expressing its interest in this alliance of Latin American countries will be analyzed. This will be followed by an examination of the trade balances and basket composition of the top twenty-five products between Canada and PA member countries.

The period for Peru and Colombia will be from 2001 to 2018; for Chile and Mexico, the analysis will cover the period from 1997 to 2018. The purpose of this comparative study is to determine, on the one hand, whether, from the perspective of the exchange of goods, PA countries represent a real opportunity for Canada; and on the other hand, to explore if this grouping of nations provides new relevant elements that stand out from the existing agreements that Canada has in force with each of them.

INTRODUCTION

The Pacific Alliance (PA) has attracted great interest globally, even from its earliest days. This is because, although there are only four founding members, Mexico, Colombia, Peru and Chile, these countries have managed to become the focus of attention of 59 observer states[1] around the world, of which two—Costa Rica and Panama—are in the process of incorporation and four—Australia, Canada, New Zealand and Singapore—are in negotiations to enjoy associate member status through a trade agreement with the group.

These are aspects that allow us to intuit the potential of this alliance for the future. This association of four Latin American countries arose in 2011 and was formally constituted through the signing of the Framework Agreement of the Pacific Alliance in Antofagasta, Chile, on June 6, 2012. The alliance's genesis can be found in the Pacific Arc Project, launched in 2006 by the Peruvian government. Its conception has altered the cognitive map of South American regionalism in the face of new international trends, such as mega-regional agreement (Trans-Pacific Strategic Economic Partnership Agreement [TPSEP]).[2] It is also an expression of the critical situations that

---

[1] Argentina, Canada, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Panama, Paraguay, Trinidad and Tobago, United States, Uruguay, Egypt, Morocco, China, India, Indonesia, Israel, Japan, Kazakhstan, Korea, Philippines, Singapore, Thailand, United Arab Emirates, Armenia, Austria, Azerbaijan, Belgium, Belarus, Croatia, Czech Republic, Denmark, Finland, France, Georgia, Germany, Greece, Hungary, Italy, Lithuania, Netherlands, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine, United Kingdom, Australia and New Zealand. Source: The Pacific Alliance web site. Observer States. https://alianzapacifico.net/en/observant-countries/

[2] The Trans-Pacific Strategic Economic Partnership (P4) between Brunei Darussalam, Chile, Singapore, and New Zealand is the first free trade agreement linking Asia, the Pacific and the Americas. It is also New Zealand's first and only trade agreement with a Latin American country. In the decade since the P4 came into force in 2006, New Zealand has seen its exports to Chile grow to NZ$128 million, exports to Singapore have doubled to more than $1.13 billion,

previous regionalisms (such as the Andean Community of Nations [CAN][3] and the Southern Common Market [MERCOSUR][4]) were in.

In statistical terms, the PA accounts for 39 percent of Latin America's GDP and 54 percent of the region's global trade.[5] On the other hand, it also has the potential to become a mechanism for articulating global policy and international relations. The alignment of the involved countries' policies has not only facilitated the group's progress but has also generated possibilities for these countries to work in an integrated manner in the future international forums. The movement towards an open regionalism has allowed for greater coordination in the World Trade Organization, and also for the establishment of roadmaps with other groups, such as MERCOSUR and ASEAN, around issues not only of an economic nature but also those surrounding cooperation for development.

The potential of the Pacific Alliance as an articulating forum beyond trade can be seen in the group's joint work to implement a strategy to meet the Sustainable Development Goals (SDGs) by 2030. Therefore, this union of the four South American countries stands out as an ambitious commitment to integration in the context of growing protectionism.

---

and exports to Brunei, although still modest, almost double to $5 million. The agreement has also opened up more opportunities in investment and services. Source: New Zealand Foreign Affairs & Trade. Free trade agreements in force. www.mfat.govt.nz/en/trade/free-trade-agreements/free-trade-agreements-in-force/p4/

[3] The Andean Community is a free trade area with the objective of creating a customs union that includes the South American countries of Bolivia, Colombia, Ecuador and Peru. The trade bloc was called the Andean Pact until 1996 and entered into force when the Cartagena Agreement was signed in 1969. Source: Comunidad Andina. ¿Qué es la Comunidad Andina? www.comunidadandina.org/Seccion.aspx?id=189&tipo=QU&title=somos-comunidad-andina

[4] The Southern Common Market (MERCOSUR for its Spanish initials) is a regional integration process, initially established by Argentina, Brazil, Paraguay and Uruguay, and subsequently joined by Venezuela and Bolivia -the latter still complying with the accession procedure. MERCOSUR is an open and dynamic process. Since its creation, its main objective has been to promote a common space that generates business and investment opportunities through the competitive integration of national economies into the international market. Source: MERCOSUR. What is MERCOSUR? www.mercosur.int/en/about-mercosur/mercosur-in-brief/

[5] Americas Society / Council of the Americas. The numbers on Pacific Alliance Trade. www.as-coa.org/articles/weekly-chart-numbers-pacific-alliance-trade

On the other hand, in comparing the Pacific Alliance to other agreements such as the Comprehensive and Progressive Agreement on Trans-Pacific Partnership (CPTPP) or the Regional Comprehensive Economic Partnership (RCEP),[6] the PA seems to be more advanced than the other two because its trade protocol is already in place and the group has achieved important progress in the liberalization of the services sector and the integration of its financial markets.

From its origins, the Pacific Alliance has wanted to give particular emphasis to its relations with the Asia-Pacific. A primary objective of this block of Latin American economies is to achieve its mission of consolidating itself as a platform for insertion and joint projection towards the region. In this sense, the main trading partners are China, Japan, South Korea, India and Australia, which gained important ground as a destination for regional exports. For this very reason, it is interesting to note that Canada has begun negotiations to become an associate member of the Pacific Alliance.

THE PACIFIC ALLIANCE FROM A THEORETICAL PERSPECTIVE

[6] The Regional Comprehensive Economic Partnership (RCEP) negotiations were launched by Leaders from ASEAN and ASEAN's free trade agreement (FTA) partners in the margins of the East Asia Summit in Phnom Penh, Cambodia on 20 November 2012. RCEP is an ASEAN-centred proposal for a regional free trade area, which would initially include the ten ASEAN member states and those countries which have existing FTAs with ASEAN – Australia, China, India, Japan, Republic of Korea and New Zealand. RCEP will build on and expand Australia's existing FTA with ASEAN and New Zealand, AANZFTA. It also complements Australia's participation in bilateral FTAs with individual countries. Source: Australian Government. Department of Foreign Affairs and Trade. Regional Comprehensive Economic Partnership. About the RCEP negotiations. https://dfat.gov.au/trade/agreements/negotiations/rcep/Pages/regional-comprehensive-economic-partnership.aspx

The Pacific Alliance stands out as a novel regional project, heir to open regionalism, with specific features that give it its own identity, an identity that is still under construction. This phenomenon was defined by the Economic Commission for Latin America (CEPAL)[7] as:

> *The interdependence between preferential agreements and de facto integration, determined by market signals, as a result of non-discriminatory openness. It is a process of regional integration carried out in an environment of liberalisation and deregulation, which is therefore compatible with and complementary to multilateral liberalisation.*

Therefore, this open regionalism was conceived as a trade policy strategy functional to the neoliberal reforms implemented in the 1990s by the Washington Consensus.

From a historical perspective, the emergence of the PA was surprising and was conceived against the prevailing ideological tendency in Latin America during the twentieth century and the first years of the twenty-first century. The most important integration projects in Latin America have been: Andean Community of Nations CAN (1969), Latin American Integration Association ALADI (1980),[8] replacing the Latin American Free Trade Association (ALALC),[9] Common

[7] CEPAL (1994). El regionalismo abierto en América Latina y el Caribe: la integración económica al servicio de la transformación productiva con equidad. Santiago de Chile. Page 14. www.cepal.org/es/publicaciones/2140-regionalismo-abierto-america-latina-caribe-la-integracion-economica-al-servicio. The author of this paper did the English translation.

[8] It is the largest Latin American integration group. Its thirteen member countries include Argentina, Bolivia, Brazil, Chile, Colombia, Cuba, Ecuador, Mexico, Panama, Paraguay, Peru, Uruguay and Venezuela, representing 20 million square kilometers and more than 510 million inhabitants. The Treaty of Montevideo 1980 (TM80), the global legal framework constituting and regulating ALADI, was signed on August 12, 1980, establishing the following general principles: pluralism in political and economic matters; progressive convergence of partial actions towards the formation of a Latin American common market; flexibility; differential treatment based on the level of development of the member countries; and multiplicity in the forms of concertation of commercial instruments. Source: ALADI. Quienes Somos? www.aladi.org/sitioaladi/?page_id=148. The author of this paper did the English translation.

[9] The Latin American Free Trade Association (LAFTA) was a Latin American regional organization existing between 1960-1980. Created on February 18, 1960 by the Treaty of Montevideo. Subsequently changed by ALADI. Source:

Market of the South MERCOSUR (1991), Bolivarian Alliance for the Peoples of Our America—Free Trade Agreement ALBA (2004),[10] Union of South American Nations UNASUR (2004),[11] Community of Latin American and Caribbean States CELAC (2010)[12] and most recently the Pacific Alliance (2011), hereinafter the PA. Both ALBA, UNASUR and CELAC were regionalization processes characterized as post-liberal regionalisms that detach from the commercial approach and are oriented to develop political objectives. These Latin American processes were aimed to make a "rupture with the neoliberal hegemonic discourse and the influence of the United States in the region".[13]

Union of International Associations (UIA). The Latin American Free Trade Association (LAFTA). https://uia.org/s/or/en/1100006093

[10] The Bolivarian Alternative for Latin America and the Caribbean, or ALBA as it is commonly known, is an integration proposal focused on Latin American and Caribbean countries that emphasizes the fight against poverty and social exclusion. The countries that currently make up ALBA-TCP are Venezuela, Cuba, Bolivia, Nicaragua, Commonwealth of Dominica, Antigua and Barbuda, Ecuador, Saint Vincent and the Grenadines, Saint Lucia, Saint Kitts and Nevis and Grenada. Source: ECURED. ALBA (Alianza Bolivariana), www.ecured.cu/ALBA_(Alianza_Bolivariana)

[11] Is a political and economic community among twelve South American countries (Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru, Suriname, Uruguay and Venezuela), conceived on December 8, 2004, in Cuzco (Peru), at the Third South American Summit. UNASUR's specific objectives include strengthening "political dialogue" to ensure regional coordination and integration, as well as "economic and commercial cooperation" among its member countries, according to its Constitutive Treaty. The Union of South American Nations is an intergovernmental body modeled after the European Union. Known as UNASUR, the group acts as a forum for interaction between member-country leaders and also serves as a platform for interregional trade promotion. World Bank figures for 2011 show that the group's total GDP is worth more than $4.1 trillion. Collectively, the regional bloc forms the world's fourth largest economy after the United States, China, and Japan. At the November 30, 2012 annual executive-level meeting in Peru, presidents from member countries will focus on social inclusion. Source: Americas Society / Council of the Americas. Explainer: What Is UNASUR? www.as-coa.org/articles/explainer-what-unasur

[12] The countries forming the CELAC are: Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominica, Ecuador, El Salvador, Granada, Guatemala, Guyana, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Dominican Republic, St. Lucia, St. Kitts and Nevis, St. Vincent and Grenadines, Trinidad and Tobago. Uruguay and Venezuela. In order to promote regional integration and sustainable development, political cooperation, regional comprehensive agenda in forums: position the region to events of international scope; Promote dialogue with other States and regional organizations; Promote regional and subregional institutions for cooperation and communication between organizations, etc. Source: La Comunidad de Estados Latinoamericanos y Caribeños . http://celacinternational.org/. The author of this paper did the English translation.

[13] Riggirozzi, P. & Tussie D. (eds). (2012) The Rise of Post Hegemonic Regionalism in Latin America. In The Rise of Post-Hegemonic Regionalism. The Case of Latin America. New York: United Nations University Series on Regionalism 4.

For this reason, the PA seeks to promote *second generation* FTAs,[14] thus moving away from the idea of setting up customs unions as a response to the new conditions of the global context. While the architecture of trade agreements in Latin America during the 1990s revolved around the establishment of customs unions following the European model, the failure of trade negotiations at the hemispheric level (Free Trade Agreement of the Americas) and at the multilateral level (Doha/WTO Round)[15] in the first decade of the 21st century opened up the opportunity for the proliferation of second-generation free trade areas considered more flexible and compatible with the new context of international trade, becoming the preferred strategy of the new regionalisms.[16] For this reason, the creation of the Pacific Alliance moves away from the previous categorizations and reintroduces in the agenda, in a less ambitious way, the postulates of the open regionalism of the nineties, in tune with the ideological affinity of the government's members of the bloc.

[14] Agreements that extend to new areas, including intellectual property rights, services and sustainable development.
[15] The Doha Round is the latest round of trade negotiations among the WTO membership. Its aim is to achieve major reform of the international trading system through the introduction of lower trade barriers and revised trade rules. The work programme covers about 20 areas of trade. The Round is also known semi-officially as the Doha Development Agenda as a fundamental objective is to improve the trading prospects of developing countries. The Round was officially launched at the WTO's Fourth Ministerial Conference in Doha, Qatar, in November 2001.
[16] de la Reza, G. (2013). El regionalismo abierto y su renovación teórica: una agenda analítica. Revista del CELSA, Numero 16, 2013. Uniwersytet Warszawsk, Polonia, 207-229. www.redalyc.org/pdf/2433/243329724012.pdf.

BRIEF ANALYSIS OF THE FRAMEWORK AGREEMENT

The founding treaty, known as the Pacific Alliance Framework Agreement (Acuerdo Marco in Spanish), was signed on 6 June 2012 in Chile. This agreement defines, as an essential requirement for participation in the project, the validity of the rule of law, democracy and constitutional order; also, the separation of the powers of the State and the protection, promotion and respect of human rights and fundamental freedoms.

This document[17] consists of the following articles:

1. Constitution
2. Democracy and the Rule of Law
3. Aims and Objectives
4. The Council of Ministers
5. Adoption of Decisions and Other Agreements of the Pacific Alliance
6. Nature of Pacific Alliance Decisions and Other Agreements
7. The Pro Tempore Presidency
8. Relationship to Other Agreements
9. Relationship to Third Parties
10. Observer States

[17] Pacific Alliance. Framework Agreement.

11. Accession of New States Parties

12. Dispute Settlement

13. Entry into Force

14. Depositary

15. Amendment

16. Validity and Denunciation

17. Final Article

It is worth highlighting the importance of the Preamble, which recognizes “that regional economic integration constitutes one of the instruments for Latin American states to advance in their sustainable economic and social development”; the decision to “strengthen the different integration schemes of Latin America, as spaces of integration and convergence, aimed at strengthening open regionalism, which inserts the parties efficiently in the globalized world and links them to other regionalization initiatives”; the decision to “strengthen the different integration schemes of Latin America, as spaces of integration and convergence, aimed at strengthening open regionalism, which inserts the parties efficiently in the globalized world and links them to other regionalization initiatives”; the commitment to create “a predictable legal framework for trade in goods and services, and investment”; and the confirmation of “the Pacific Alliance as a space for concertation and convergence, as well as a mechanism for political dialogue and projection towards the Asia-Pacific region”.

Likewise, it is necessary to emphasize Article 2 (Democracy and Rule of Law); even though this point can be an obvious matter for a country like Canada, the political instability of the region, always latent, demands that the countries commit themselves to the democratic clause. The objective of this article is the recognition of the validity of the rule of law, democracy, the separation of powers of the State and the protection and respect of human rights and fundamental freedoms. Regarding article ten and eleven, it is possible to join the Alliance as an observer country, for which the Council of Ministers must approve the participation of the State unanimously, and with approval, the conditions of such participation will be defined. The Alliance is open to the accession of new members, on the condition that the State has free trade agreements with each of the parties to the PA.

OBJECTIVES OF THE ALLIANCE

The member states of the Pacific Alliance seek: a) to disregard the idea of classic models of regional integration inspired by the European experience and of regionalisms limited to simple free trade areas derived from the North American NAFTA-type model; b) to propose new sectorial cooperation agendas that broaden thematic coverage, complementing the commercial dimension; c) to develop functioning dynamics under the logic of shared leadership; d) to define a geographical horizon of international projection shared by the four countries (Asia-Pacific); e) to be guided by a concept of region marked by ideological affinity rather than geographical proximity; and f) to balance the open vocation with the regionalist approach from the implementation of scenarios of productive integration and a new reading of deep integration.[18] Second generation free-trade zones, such as the one proposed by the Pacific Alliance, refer to the 21st-century regionalism approach and the commercial concept of a deep integration area.

[18] Chaves, C. A. (2018). Aproximación teórica y conceptual para el análisis de la Alianza del Pacífico. *Desafíos*, *30*(1), 21-45. Doi: http://dx.doi.org/10.12804/ revistas.urosario.edu.co/desafios/30-1.2018

These zones or deep agreements are characterized by the opening of goods and services, the negotiation of non-tariff barriers and the incorporation of new regulatory standards for the regulation of WTO-Plus issues[19]. It is conceived that deep integration promotes economic interdependence and the reduction of the gap with national policies, which affects the decision-making autonomy of countries and emphasizes the link between regional agreements and commercial and financial globalization.

One element that stands out in the internal dynamics of the PA is the absence of a leadership exercise, since, while in other integration processes there is a dominant actor (for example, Germany in the European Union or Brazil in MERCOSUR), this aspect is not visible until now in the management of the programmatic agenda or in the evolution of the bloc. In this sense, "leadership is carried out collectively through a renewed cooperative multilateralism, through the annual rotation of the secretary pro tempore".[20] The general guidelines of the Pacific Alliance were defined with the signing of the Framework Agreement by the presidents of Chile, Colombia, Mexico and Peru in 2012 (ratified in 2015) as well as through the Additional Protocol to the Framework Agreement, which serves as a trade agreement among the members of the group and was signed in 2014 (it entered into force two years later in 2016). Membership in this group has also allowed its members to have a place of notoriety in the international context. With the Additional Protocol to the Framework Agreement of the Pacific Alliance, 92 percent of the tariff lines have been deducted, establishing terms of deduction of up to 17 years for the remaining 8 percent. In addition, defense mechanisms such as safeguards have been eliminated.

---

[19] These are broader commitments than those set out in the WTO Agreement in a particular area. As an example, two-thirds of the members that completed their accession under Article XII have undertaken to notify their privatization programs to the WTO regularly. The older members are not obliged to do. Other examples are the specific commitments made in areas such as intellectual property rights and state-owned enterprises.

[20] Ardila, M. (2012). Potencia regional secundaria en definición: Colombia entre Sur y Centroamérica. Papel Político, *17*(1), 293-319.

Furthermore, and following Article 8 of the Framework Agreement, the decisions of the Council of Ministers and the other agreements adopted shall not modify or replace existing bilateral, regional or multilateral economic, trade and integration agreements between the parties. In this way, the Pacific Alliance constitutes a new integration space that seeks to shape a process of convergence of existing agreements among the States Parties, as well as to organize a new institutional environment for the adoption of initiatives that allow for their deepening or complementing, while at the same time promoting Latin American integration and its insertion into the international economy.

DYNAMICS OF THE ALLIANCE

Unlike other integration blocs, the institutional framework created to guarantee the efficient functioning of the Pacific Alliance is characterized by its simplicity. Thus, its hierarchical organization dictates that its first and foremost consideration is Presidential Summits, which meet periodically to review the progress of the Pacific Alliance and determine where the integration mechanism should advance. Since the Alliance's inception, fourteen meetings of this highest level have been held. This reflects the dynamism that this bloc has acquired. The Pacific Alliance rotates the responsibility of coordinating the mechanism among its members on an annual basis, as it does not have a permanent secretariat.

In July 2019, Chile received the *pro tempore* presidency from Peru. At a lower level than the Presidential Summits is the Council of Ministers, comprised of the ministers of Foreign Trade and Foreign Affairs of each country. This Council has among its powers the ability to adopt decisions that develop the objectives and specific actions provided for in the Framework

Agreement and the presidential statements of the Pacific Alliance. Below this Council is the High-Level Group (HLG), which is made up of the Vice-Ministers of Foreign Trade and Foreign Affairs of each of the countries and is responsible for supervising the progress of the technical groups and preparing proposals for external projection and rapprochement with other organizations or groups. Thus, the different technical groups that have been formed to date and that have been working actively are those related to entities promoting exports and investments, institutional matters, trade and integration, public procurement, cooperation, culture, mining development, education, communication strategy, gender, innovation, regulatory improvement, mobility of persons, intellectual property, SMEs, external relations, services and capital, international fiscal transparency and tourism.

Another element to highlight is the active participation of the private sectors of the four founding countries, which constitutes one of the pillars of the Pacific Alliance. For this reason, during the VII Summit of the Pacific Alliance, held on May 23, 2013 in Cali, Colombia, the presidents of the member countries, based on the proposal of the Business Council of the Pacific Alliance (CEAP), instructed the creation of a Committee of Experts to analyze the topics suggested by the business sectors through CEAP.

The purpose of this Committee is to respond to proposals submitted for possible incorporation into the work of the Pacific Alliance. It also seeks to establish itself as a coordinating, linking and articulating body between this initiative and CEAP. It should be noted that among the various recommendations made by CEAP, we find initiatives related to financial integration, infrastructure development, technological and higher education projects, public-private agenda of innovative ventures, homologation and mutual recognition in various productive sectors (dietary supplements, pharmaceuticals, medical devices, domestic cleaning and fresh and processed foods), proposal to implement a logistical observatory, anti-smuggling and asset laundering strategy, as well as proposal to achieve standards of competitiveness and facilitate business with the Pacific Alliance.

INTERNATIONAL TRADE

Canada has fourteen free trade agreements in force (FTAs).[21] In 2018, its global bilateral trade in goods worth USD 910 billion[22] and a potential market of 1.5 billion consumers with a combined GDP of US$ 49.3 trillion.[23] With respect to the country's commercial relationship with Latin America (excluding Mexico), because it is part of the profitable NAFTA and possible USMCA, bilateral trade with the region in 2018 was USD 19 billion.[24] This represents 2.1 per cent of Canada's total trade with the world. Canada also has significant experience in the region, having entered into the free trade agreements with the following Latin American nations:

a. Colombia, in force since 2011
b. Peru, in force since 2009
c. Chile (the original agreement dates back to 1997, but in 2018, the FTA was updated)
d. Costa Rica, in force since 2002
e. Honduras, in force since 2014
f. Panama, in force since 2013

21 Government of Canada, Trade and Investment Agreements. Map of Canada's trade and investment agreements. www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/index.aspx?lang=eng
22 Government of Canada. Trade Data Online. Search by product (HS code). www.ic.gc.ca/app/scr/tdst/tdo/crtr.html?&productType=HS6&lang=eng
23 Global Affairs Canada. Canada's State of Trade: Trade and Investment Update, 2019. https://www.international.gc.ca/gac-amc/publications/economist-economiste/state_of_trade-commerce_international-2019.aspx?lang=eng
24 Idem23.

From a Canadian perspective, and in light of the negotiations initiated with the four countries in June 2017, the Pacific Alliance may offer the possibility to modernize and streamline the existing trade agreements with the Pacific Alliance countries, achieve incremental market access improvements, where possible, promote an inclusive approach to trade, and reiterate the importance of a rules-based trading system at a time of growing protectionism.

All this exists within “a market of 225 million consumers with a combined GDP of $2.7 trillion (2018)”.[25] As can be seen, Ottawa does not have an improvised policy towards Latin America, but rather has a logical and ambitious plan.

Nevertheless, it is worth asking whether, from a trade perspective, the highly acclaimed Pacific Alliance represents a real benefit for Canada, given that the FTAs signed with each of the Alliance’s members are already working—and with a decent performance—but that it is far from generating a true paradigm shift in international trade, at least from a Canadian perspective.

ORIGIN AND EVOLUTION OF CANADIAN INTEREST IN THE PACIFIC ALLIANCE

Canada “is, and has always been, a trading nation”.[26] The Pacific Alliance began to appear on the Canadian radar in 2013 when Prime Minister Stephen Harper visited Peru and Colombia. At the time, Harper understood that Latin America could be a real opportunity for Canada’s foreign policy, but this approach to South America was limited to mere princely statements, such as, “While it is too early to say whether we should seek full membership in the Alliance, our presence

[25] Idem 23.
[26] Hart, M. (2003). Lessons from Canada's History as a Trading Nation, International Journal: Canada’s Journal of Global Policy Analysis, 58(1): 25 -42.

here is obviously important to America's strategy, and our focus on promoting democracy, prosperity and security with like-minded nations in the hemisphere".[27] However, it was only under Prime Minister Trudeau's administration that the idea of generating a greater commitment to the Alliance of the four Latin American countries came to life. In 2016, the Joint Declaration on a Partnership between Canada and the Members of the Pacific Alliance[28] highlighted six areas for increased cooperation: trade facilitation and promotion, education and training, small and medium-sized enterprises, science, technology and innovation, responsible natural resource development and corporate social responsibility, and environment (including climate change and ocean conservation).

In order to understand this commitment, one must analyze its recent historical context. When Prime Minister Trudeau took office, one of the top priorities on his international agenda was to promote an appropriate progressive discourse to such an extent that it became a *sine qua non* for any country interested in moving forward with establishing trade negotiations. In some cases, it was successful, such as in the Alliance of the Pacific, which in a joint declaration proclaimed that the Canadian conviction could be observed to insert elements such as gender and trade, small and medium enterprises, environment, labour, and corporate social responsibility. In other cases, however, there were resounding failures, as was the case with the People's Republic of China. Ultimately, with the countries of the PA, Canada found fertile ground on which to promote its values and interests, since, in terms of the trade balance, success is at least dubious. Nevertheless, it is necessary to emphasize as an important traction element, the significant positioning that

[27] CTV News. Harper says it's 'too early' to decide whether to join Pacific Alliance, May 23, 2013. https://www.ctvnews.ca/canada/harper-says-it-s-too-early-to-decide-whether-to-join-pacific-alliance-1.1293172

[28] Government of Canada, Joint Declaration on a Partnership between Canada and the Members of the Pacific Alliance. www.international.gc.ca/world-monde/international_relations-relations_internationales/pacific_alliance-alliance_pacifique/declaration.aspx?lang=eng

Canada has in terms of investments, mainly in the mining and energy sector, in Latin American countries in general and in the Pacific Alliance in particular.

TRADE LIBERALIZATION AS A CENTRAL OBJECTIVE OF THE PACIFIC ALLIANCE

A significant step in the recent history of the Pacific Alliance has been the entry into force of the first Additional Protocol to the Framework Agreement on 1 May 2016, which contains specific provisions for the creation of a free trade area. This document includes key issues such as: investment guarantee regimes and dispute settlement mechanisms, market access, rules of origin, trade facilitation and customs cooperation, sanitary and phytosanitary measures, technical barriers to trade, government procurement, cross-border trade in services, maritime transport, financial services, electronic commerce, telecommunications, institutional matters and dispute settlement.

This Additional Protocol, which deepens and expands existing bilateral trade agreements, consolidates the Pacific Alliance's policy of liberalization of goods, people, services and capital, including a liberalization of ninety-two percent of the tariff universe upon its entry into force, the rest being deducted in different terms of three to seventeen years, except for agreed exceptions.

In this regard, it should be noted that the sectors with the greatest protection among members of the Pacific Alliance are dairy products with an average “Most Favored Nation” (MFN) tariff[29] of 17.8 percent, followed by confections with 15.4 percent, animal products 13.4 percent, sugar and confectionery 12.9 percent and beverages and tobacco 12.8 percent. With respect to the

[29] Tariff Analysis Online facility provided by WTO. https://tao.wto.org/welcome.aspx?ReturnUrl=/&ui=1

dairy sector, for example, the cases of Colombia and Mexico stand out, where protections of 43.5percent and 21.7 percent, respectively, contrast with the situation of Peru, whose average tariff is 0 percent. The situation is similar in the case of garments, where Colombia and Mexico apply a higher tariff, 23.2 percent and 21.2 percent, respectively than those applied by Chile and Peru. In contrast, the least protected sectors in the Pacific Alliance include oil, non-electrical machinery, the chemical industry and metals and minerals, all with average tariffs below three per cent.

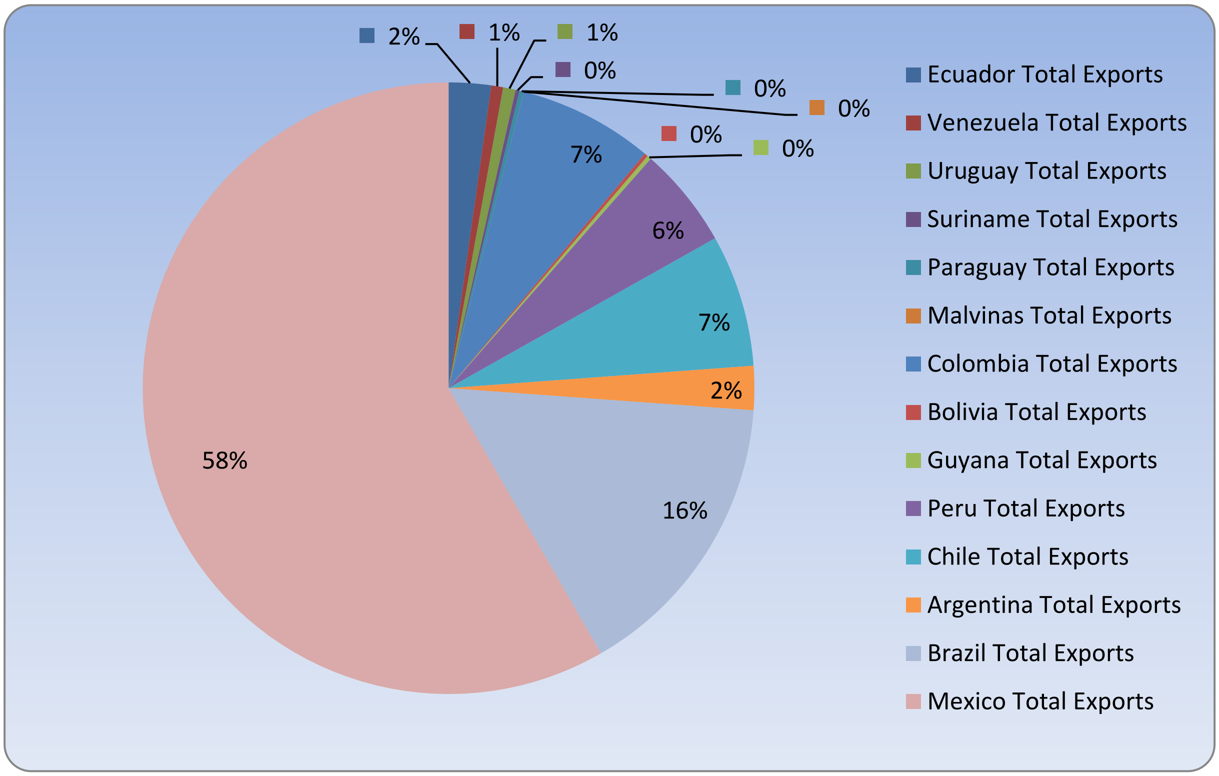
These figures change once the country analysis is done. In the hypothetical case that Canada decides to join, it will have to negotiate its complex supply management system of the dairy sector, which imposes an average tariff of 248.9 percent, as well as animal products, cereals and cereal preparations, in which Canada applies an average tariff of 20 percent. On the other hand, it is important to emphasize the inclusion of a mechanism of accumulation of origin, which would allow Canada to achieve productive chains in the region and lead to a restructuring of the productive apparatuses of each country, where the industrial conditions of each one are privileged.

CANADIAN TRADE WITH SOUTH AMERICA AND MEXICO

Before beginning a study on the respective trade balances between Canada and each of the countries of the PA, it is worth understanding the place in which this association of four countries operates in the context of South American regionalism. In this sense, and on the basis of 2018, the South American market in general, including Mexico, reached USD $10.8 billion or 2.4 percent of global Canadian exports, while Canada imported from South American nations, including Mexico, a total of USD $38 billion, representing 8.31 percent of all Canadian purchases in the world. In specific terms, the countries of the Pacific Alliance concentrated 77 percent of Canadian exports

(USD $8.5 billion) and 82 percent of Canadian imports (USD $31.7 billion) to the Latin American region. The enormous role Mexico plays in these balances must be highlighted.

Percentage of Canadian Exports to South America and Mexico, 2018

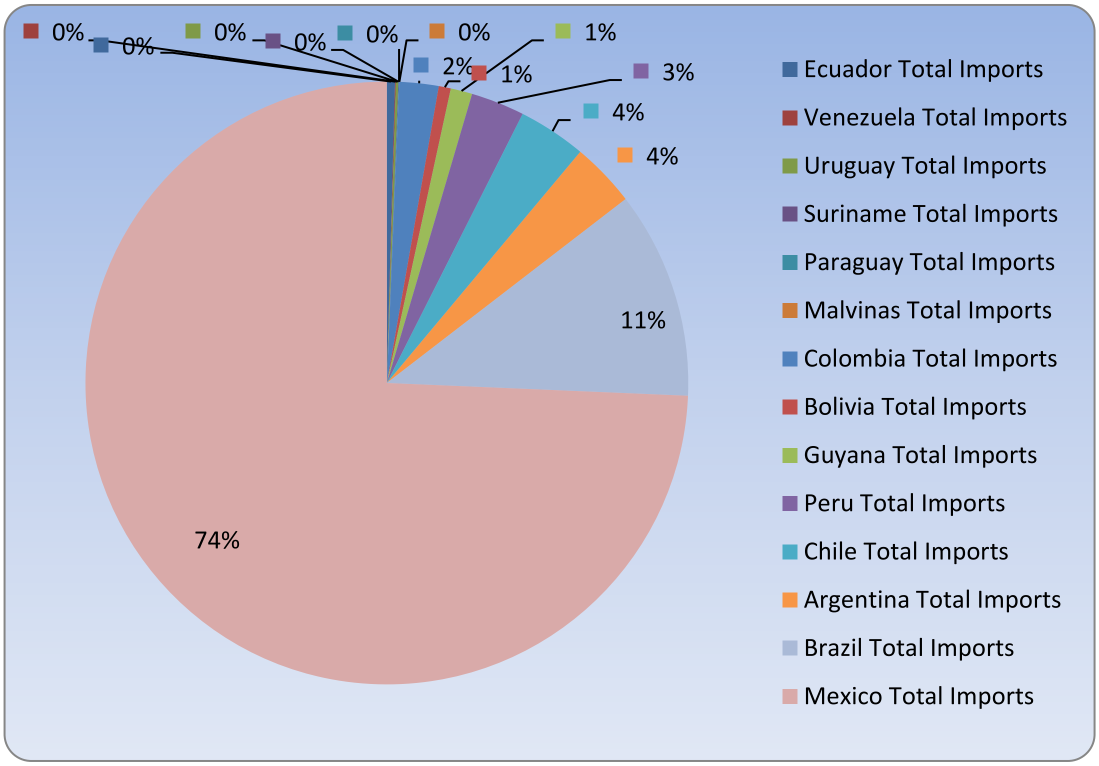


Source: Prepared by the authors on the basis of Statistics Canada

	Canada Total Exports
	Y 2018
	Value in U.S. dollars
Ecuador	$242,669,700
Venezuela	$68,356,490
Uruguay	$72,116,101
Suriname	$22,401,125
Paraguay	$24,407,507
Malvinas	$193,966
Colombia	$776,374,070
Bolivia	$20,026,824
Guyana	$24,200,518
Peru	$581,385,414
Chile	$759,522,490
Argentina	$253,123,815
Brazil	$1,690,356,310
Mexico	$6,340,962,764
Sub-total	$10,876,097,094

Others	$439,929,586,373
Total All Countries	$450,805,683,467

Percentage of Canadian Imports from South America and Mexico, 2018



Source: Prepared by the authors on the basis of Statistics Canada

	Canada Total Imports Y 2018 Value in U.S. dollars
Ecuador	$165,002,430
Venezuela	$16,702,647
Uruguay	$49,628,037
Suriname	$9,206,821
Paraguay	$11,590,625
Malvinas	$712,083
Colombia	$801,616,473
Bolivia	$247,457,444
Guyana	$442,949,432
Peru	$1,098,459,285

Chile	$1,395,570,848
Argentina	$1,324,293,795
Brazil	$4,251,918,079
Mexico	$28,413,596,931
Sub-total	$38,228,704,930
Others	$421,790,475,115
Total All Countries	$460,019,180,045

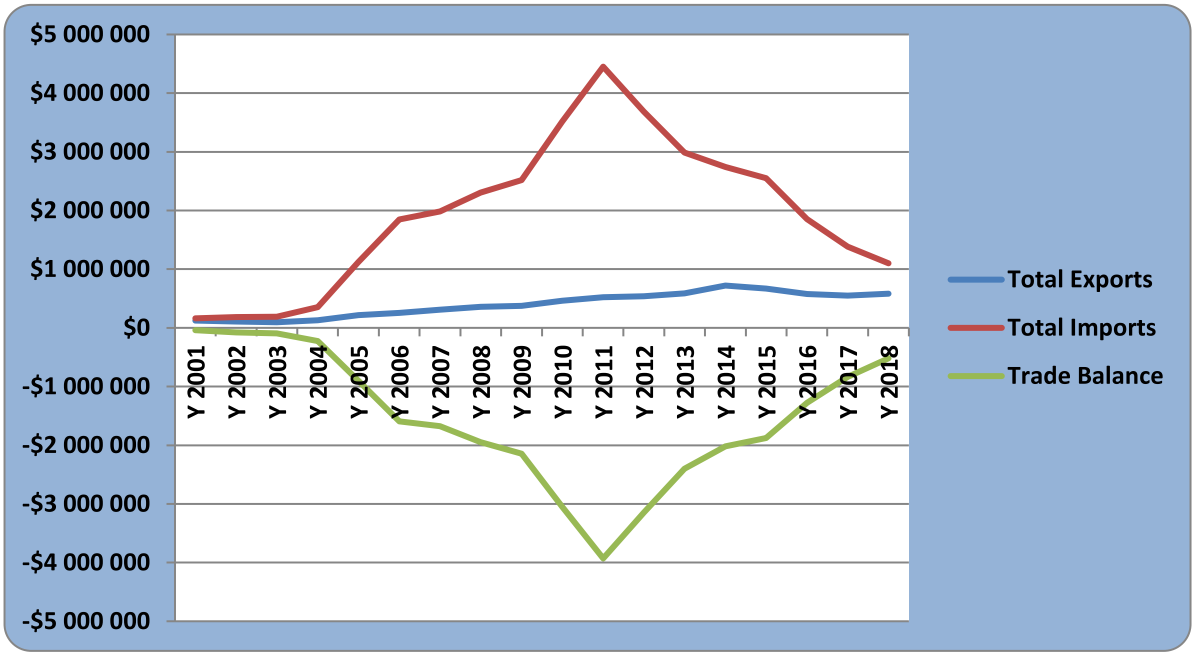
TRADE RELATIONS CANADA—PERU

The FTA was signed in Lima on May 29, 2008 and entered into force on August 1, 2009. In comparative terms, trade in goods between Canada and Peru accounted in 2018 for 11 percent of total trade between Canada and South American countries. Between 2001 and 2009, Canada imported goods for a total of USD 10.7 billion, while from 2010 to 2018 the figure reached USD 24.2 billion. This comparison gives us a positive increase of 126 percent. In 2011, the highest value of Peruvian exports was in 2011, Graph I, mainly explained by the record entry of raw gold into the Canadian market, which amounted to USD 3.1 billion, equivalent to 69 percent of the total trade sold in that year. However, after that period, Canadian purchases of Peruvian products fell by 75 percent in 2018 compared to 2011. Regarding Canadian exports to the Peruvian market, the figures are as follows: USD 1.9 billion between 2001 and 2009, and USD 5.2 billion for the years 2010-2018. In other words, Canadian exports increased by a total of 147 percent.

Historically, Canada had a trade deficit with Peru, which is mainly explained by the concentration of mineral products imported by Canada without any additional processing (raw materials). Although this allows Peru for a significantly surplus trade balance, the Table I and II show that the transactional dynamic between the two countries is primarily based on commodities with some inputs of Canadian value-added products.

GRAPH I. CANADIAN TOTAL TRADE WITH PERU, 2001-2018

in thousands of U.S. dollars



Source: Prepared by the authors on the basis of Statistics Canada

TABLE I. CANADIAN IMPORTS FROM PERU 2001–2018 *(Value in thousands of U.S. dollars)*

	Y 2001	Y 2002	Y 2003	Y 2004	Y 2005	Y 2006	Y 2007	Y 2008	Y 2009	Y 2010	Y 2011	Y 2012	Y 2013	Y 2014	Y 2015	Y 2016	Y 2017	Y 2018
710812 - Gold in Unwrought Form (Non-Monetary)				$97,320	$733,954	$986,636	$1,220,894	$1,503,825	$1,770,905	$2,494,960	$3,170,288	$2,695,718	$2,050,817	$1,797,826	$1,680,009	$1,004,346	$535,103	$362,432
260700 - Lead Ores and Concentrates	$25,264	$37,926	$30,901	$29,345	$6,373	$14,830	$23,186	$9,426	$39,377	$88,513	$402,182	$385,452	$351,488	$304,848	$209,355	$272,985	$252,555	$161,194
150420 - Fish Fats and Oils (Excluding from Liver) and their Fractions - Not Chemically Modified	$14,275	$9,378	$12,694	$14,766	$18,589	$13,783	$20,944	$45,207	$32,126	$37,082	$40,622	$63,169	$57,412	$53,657	$37,727	$54,923	$75,734	$54,038
090111 - Coffee - Not Roasted, Not Decaffeinated	$15,079	$15,378	$9,835	$12,928	$17,435	$21,602	$21,415	$25,094	$18,499	$38,550	$59,972	$49,027	$28,351	$37,449	$42,771	$40,244	$46,536	$49,825
081040 - Cranberries, Bilberries and Other Fruits of The Genus Vaccinium - Fresh			$29	$11		$120	$0		$0	$155	$127		$0	$0	$686	$12,958	$24,779	$42,167
261610 - Silver Ores and Concentrates	$5,593	$5,206	$427	$20,517	$9,792	$4,677	$8,662	$42,636	$92,252	$101,730	$130,914	$100,209	$55,010	$38,117	$25,247	$53,326	$82,563	$37,195
260800 - Zinc Ores and Concentrates	$6,974	$22,653	$34,537	$38,967	$35,532	$165,269	$191,617	$51,191	$33,341	$23,725	$10,103	$12,269	$26,083	$31,914	$70,422	$47,654	$1,197	$34,083
080610 - Grapes - Fresh	$555	$1,431	$365	$769	$2,670	$2,048	$2,065	$3,786	$3,967	$8,811	$20,009	$14,778	$21,631	$31,866	$43,218	$37,087	$29,592	$33,667
260300 - Copper Ores and Concentrates	$26,081	$31,925	$13,618	$23,276	$95,103	$207,697	$188,379	$108,278	$146,801	$127,426	$25,348	$33,554	$89,906	$32,936	$28,941	$5,077	$32,787	$24,961
070920 - Asparagus - Fresh or Chilled	$4,618	$6,033	$11,170	$14,174	$19,454	$24,618	$28,300	$28,173	$28,716	$32,996	$34,717	$33,007	$35,412	$34,921	$31,512	$28,083	$28,298	$23,545
080521 - Mandarins, including tangerines and satsumas, fresh or dried																	$16,189	$18,316
800110 - Tin - Unwrought Tin, Not Alloyed	$4,347	$1,883	$1,810	$3,260	$2,993	$8,925	$11,739	$32,896	$18,966	$39,190	$42,729	$34,770	$38,593	$43,982	$29,196	$19,701	$19,760	$17,303
610910 - T-Shirts, Singlets and Other Vests - Knitted - Cotton	$2,119	$1,934	$2,525	$3,193	$4,535	$6,715	$7,019	$7,853	$8,248	$7,788	$8,490	$10,826	$15,750	$12,612	$12,125	$12,671	$14,691	$16,517
120991 - Vegetable Seeds Nes - For Sowing	$39	$26	$95	$106	$339	$339	$172	$719	$247	$371	$1,513	$2,778	$6,106	$6,503	$10,243	$7,986	$7,225	$15,362
081190 - Fruits and Edible Nuts Nes - Frozen	$2		$152	$205	$1,223	$1,136	$707	$910	$851	$2,626	$3,525	$4,466	$5,235	$3,425	$6,483	$9,212	$12,211	$12,179
100850 - Quinoa												$1,568	$5,873	$21,568	$16,256	$13,716	$11,176	$11,103
740200 - Unrefined Copper; Copper Anodes For Electrolytic Refining						$7,167									$0			$9,822
030617 - Other Shrimps and Prawns												$184	$300	$1,186	$4,405	$4,062	$5,605	$7,900
080390 - Bananas: Other												$2,256	$2,959	$6,112	$9,222	$6,151	$6,278	$7,828
740710 - Bars, Rods and Profiles - of Refined Copper	$54	$49	$0	$156	$145	$48	$618	$1,225	$489	$1,322	$2,246	$4,082	$9,596	$13,177	$8,830	$4,673	$8,854	$7,684
080450 - Guavas, Mangoes and Mangosteens - Fresh or Dried	$919	$1,410	$1,577	$2,912	$2,953	$2,679	$4,757	$4,728	$2,226	$4,768	$6,319	$5,736	$6,291	$6,746	$6,177	$7,113	$7,470	$7,081
030442 - Trout (Fresh or Chilled) (Fish Fillets)												$9	$55	$110	$4,281	$8,263	$9,149	$6,946
030482 - Frozen Fillets of Other Fish: Trout												$3,355	$2,975	$1,934	$2,487	$3,233	$5,634	$6,050
070310 - Onions and Shallots - Fresh or Chilled	$318	$696	$860	$1,017	$1,641	$1,738	$1,336	$2,315	$2,117	$3,197	$3,059	$3,468	$5,830	$4,803	$5,261	$5,545	$5,159	$5,449
200599 - Veg,Nes,Mix of Veg,Prep or Presvd,O/T By Vinegar,Acetic Acid or Sugar,Not Frozen							$2,171	$3,614	$2,903	$3,802	$4,492	$4,382	$3,986	$4,106	$5,154	$4,539	$5,592	$5,104
Sub-total	$106,235	$135,927	$120,593	$262,922	$952,731	$1,470,026	$1,733,983	$1,871,876	$2,202,031	$3,017,013	$3,966,655	$3,465,060	$2,819,657	$2,489,798	$2,290,007	$1,663,547	$1,244,137	$977,751
Others	$56,143	$50,727	$66,789	$88,066	$168,061	$376,857	$250,417	$431,603	$316,886	$497,132	$484,451	$220,668	$166,916	$252,032	$259,438	$191,291	$140,785	$120,708
Total (All Products)	$162,378	$186,654	$187,382	$350,988	$1,120,792	$1,846,883	$1,984,400	$2,303,479	$2,518,916	$3,514,144	$4,451,107	$3,685,729	$2,986,574	$2,741,830	$2,549,445	$1,854,838	$1,384,921	$1,098,459

Source: Prepared by the authors on the basis of Statistics Canada

TABLE II. CANADIAN EXPORTS TO PERU 2001–2018 *(Value in thousands of U.S. dollars)*

	Y 2001	Y 2002	Y 2003	Y 2004	Y 2005	Y 2006	Y 2007	Y 2008	Y 2009	Y 2010	Y 2011	Y 2012	Y 2013	Y 2014	Y 2015	Y 2016	Y 2017	Y 2018
100199 - Meslin and Wheat Nes: Other												$135,912	$197,476	$314,847	$300,083	$215,754	$247,129	$279,634
100119 - Durum Wheat: Other												$30,270	$52,178	$46,873	$50,675	$30,768	$42,281	$36,543
071340 - Lentils - Dried and Shelled	$3,385	$1,795	$3,069	$4,753	$5,208	$5,855	$12,154	$10,617	$13,987	$18,154	$20,346	$21,631	$18,997	$19,895	$28,512	$18,948	$28,373	$20,817
480100 - Newsprint - in Rolls or Sheets	$3,248	$752	$963	$492	$202	$353	$1,040	$4,638	$9,297	$12,763	$14,594	$13,951	$20,289	$28,264	$17,121	$25,548	$16,808	$19,187
847490 - Parts of Machinery For Handling Stones, Ores and Other Mineral	$2,271	$895	$1,154	$2,966	$7,124	$3,557	$6,954	$4,748	$2,666	$6,348	$14,039	$6,596	$14,139	$25,527	$15,422	$9,750	$12,522	$14,073
843143 - Parts of Boring or Sinking Machinery (Whether or Not Self-Propelled)	$1,938	$1,450	$1,982	$3,156	$1,968	$4,240	$4,722	$10,449	$3,161	$17,092	$13,431	$17,828	$4,559	$10,622	$12,934	$9,461	$14,638	$13,448
360300 - Safety or Detonating Fuses; Percussion or Detonating Caps; Igniters;									$769	$2,465	$6,581	$7,731	$8,418	$14,228	$13,593	$9,908	$15,321	$10,424
720430 - Ferrous Waste and Scrap - of Tinned Iron or Steel																		$10,192
071310 - Peas - Dried and Shelled	$3,294	$2,300	$3,123	$3,237	$8,249	$2,742	$4,810	$4,382	$5,641	$5,591	$6,980	$7,432	$4,987	$7,625	$4,097	$5,397	$5,854	$5,306
050400 - Guts, Bladders and Stomachs of Animals (Other than Fish)														$387	$1,395	$1,788	$3,934	$4,922
310420 - Potassium Chloride	$713	$3,426	$2,868	$3,218	$5,485	$3,915		$9,608		$8,981	$15,757		$1,313	$5,304	$6,533	$549	$3,192	$4,854
853720 - Boards and Panels (Including Numerical Control Panels) - For Voltage	$24	$8	$34	$19	$27	$69	$162	$80	$247	$291	$5,120	$275	$118	$225	$46	$25	$201	$3,904
820719 - Rock Drilling or Earth Boring Tools - With Working Part of Material Other	$128	$241	$387	$770	$1,362	$1,727	$2,998	$2,967	$2,675	$5,474	$7,015	$5,352	$3,292	$2,451	$2,513	$3,190	$3,469	$3,882
847790 - Parts of Machines For Working Rubber or Plastics or Manufacturing Products from These Materials	$50	$60	$39	$141	$76	$136	$840	$161	$327	$2,135	$8,133	$2,410	$1,277	$1,525	$1,828	$2,409	$3,742	$3,826
382410 - Prepared Binders For Foundry Moulds or Cores				$22	$97	$27	$138	$469	$247	$563	$850	$3,025	$2,641	$2,186	$3,952	$2,621	$2,709	$2,886
880330 - Parts of Airplanes or Helicopters		$51	$92	$134	$52	$2,291	$808	$1,463	$2,460	$4,150	$5,050	$3,649	$4,264	$4,274	$2,140	$1,038	$4,988	$2,852
847410 - Sorting, Screening, Separating or Washing Machines - For Stones, Ores and Other Mineral Substances	$207	$7	$136	$62	$79	$210	$239	$817	$345	$914	$781	$923	$35	$900	$729	$659	$450	$2,599
870323 - Motor Vehicles - Spark Ignition - Cylinder Capacity 1501-3000 Cc					$11		$20		$31	$61	$18	$61	$61		$80	$259	$82	$2,545
843149 - Parts of Cranes, Work-Trucks, Shovels and Other Construction Machinery	$1,299	$703	$689	$1,080	$1,470	$2,254	$2,694	$5,650	$1,522	$2,648	$3,826	$4,645	$3,416	$3,209	$3,443	$2,528	$3,092	$2,480
847180 - Other Units of Automatic Data Processing Machines	$20	$6	$136	$51	$38	$97	$211	$1,501	$1,099	$835	$1,843	$1,796	$697	$221	$337	$1,610	$623	$2,372
842649 - Other Lifting Machinery - Self-Propelled - Not On Tires																		$2,311
853650 - Other Electrical Switches Nes - Voltage Not Exceeding 1,000 V	$30	$18	$44	$33	$53	$104	$43	$71	$147	$161	$560	$480	$337	$500	$471	$261	$305	$2,203
722810 - Bars and Rods - of High Speed				$7								$102	$191	$1,081	$167	$741	$2,213	$2,193
390140 - Ethylene-alpha-olefin copolymers, having a specific gravity of less than 094																	$401	$2,188
843049 - Boring or Sinking Machinery Nes - Not Self-Propelled (Incl Offshore Platforms For Oil and Gas)	$1,722					$1,896	$6	$324	$2,060	$758	$3,005	$3,971	$1,293	$865	$48	$47	$23	$2,028
Sub-total	$18,329	$11,711	$14,717	$20,141	$31,501	$29,473	$37,840	$57,945	$46,680	$89,383	$127,928	$268,040	$339,977	$491,011	$466,120	$343,260	$412,355	$457,669
Others	$104,295	$96,006	$80,789	$107,004	$186,746	$224,946	$270,481	$299,222	$327,210	$373,246	$394,177	$268,656	$248,538	$229,799	$205,061	$233,779	$135,353	$123,716
Total (All Products)	$122,624	$107,717	$95,506	$127,145	$218,247	$254,419	$308,320	$357,167	$373,890	$462,629	$522,105	$536,695	$588,515	$720,810	$671,180	$577,039	$547,708	$581,385

Source: Prepared by the authors on the basis of Statistics Canada

As can be illustrated in Table I, Canadian imports from Peru are characterized by a high concentration of minerals—more than 50 percent of the historical average of total exports. Therefore, there have been no large additions of new products since 2009, nor has there been relevant access to manufactured goods within the basket of 25 main goods. There is an important role for agricultural products on the side of Canadian sales to the Peruvian market, Table II, as they represent more than 50 percent of total exports to this Latin American country.

Unlike the Peruvian case, the composition of Canadian products is updated from 2012 with products such as meslim and durum wheat, which account for 54 percent of total sales. On the other hand, there is an incipient register of manufactured goods (e.g., parts for airplanes/helicopters), but in general, it is a basket that could be qualified as basic, where primary products predominate.

In short, both countries offer a limited basket of products, little varied, characterized by having two or three products that represent more than 50 percent of the sales of each country. Also, although trade increased exponentially in the period prior to the Free Trade Agreement with respect to the subsequent one, it should be borne in mind that since these are commodities, the international fluctuation of prices has played positively in this exchange. In the case of gold, in the last twenty years, the price increased a total of 373 percent, while silver increased 223 percent.[30] In the case of agricultural products, particularly maize, in 2001, the price per bushel was USD 2.74, while in 2018, it was USD 4.97,[31] which marks an 81 percent increase in nominal value during the years

[30] Goldprice. 20 Year Gold Price History in US Dollars per Ounce. https://goldprice.org/gold-price-charts/20-year-gold-price-history-in-us-dollars-per-ounce

[31] Macrotrends: Wheat Prices - 40 Year Historical Chart www.macrotrends.net/2534/wheat-prices-historical-chart-data

analyzed. In 2018, Peru received $14.1 billion[32] in Canadian funds, which represents 1.07 percent of Canada's total investment in the world. The largest sectors by far receiving Canadian investments are the mining sector, with approximately 60 percent, and the financial sector, with 30 percent.[33]

TRADE RELATIONS CANADA – COLOMBIA

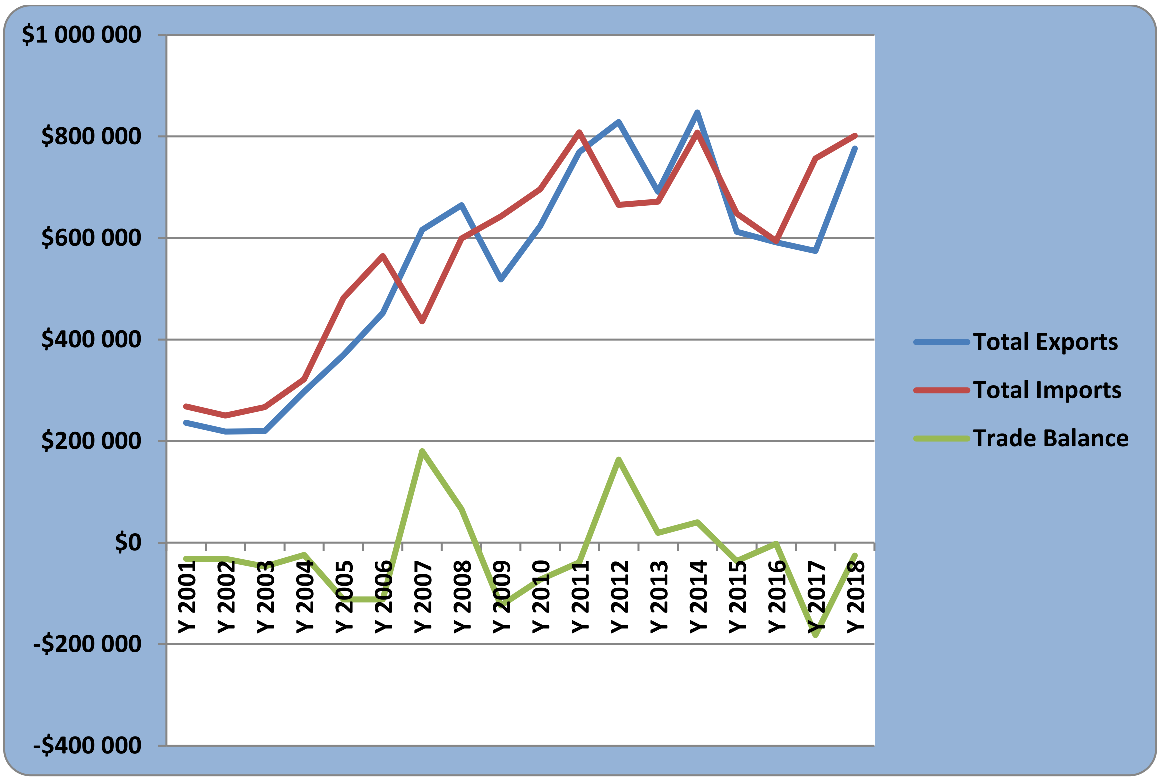
Canada and Colombia have had a Free Trade Agreement in place since August 15, 2011. With regard to imports from Colombia, there are alternating moments of growth and decline both before and after entry into the FTA. In 2005, imports from Colombia reached USD 481.7 million, while at the time of entry into the Agreement (2011), this figure was USD 808.1 million.

[32] Idem 23.

[33] Ministry of Economy and Finance of Peru. Estadísticas de Inversión Privada. www.mef.gob.pe/es/asociaciones-publico-privadas?catid=0&id=344

GRAPH II. CANADIAN TOTAL TRADE WITH COLOMBIA, 2001-2018

in thousands of U.S. dollars



Source: Prepared by the authors on the basis of Statistics Canada

Graph II indicates that from 2011 until 2018, the entry of Colombian products into the Canadian market fluctuated +/- 20 percent. The existence of new products that began to be imported from Colombia after the entry into the FTA has been verified in Table III, some of which are bananas; machinery to fill, close, seal, or label bottles; cans and other containers; and sea products.

On the other hand, products such as roses, coking coal, medicines, sugar confections, and leather goods have registered increases since the entry into the agreement. As for the core of Colombian supply to the Canadian market listed in Table IV—crude oil, coffee and bituminous coal—which makes up approximately 56 percent of the country's exports to Canada, there is a constant dynamic without too many surprises.

Regarding exports to Colombia, it could be argued that these maintain the same paradigm as Colombian imports, both in the years before and after the entry into force of the FTA. In 2005, imports into Colombia totaled USD 369.9 million, but by the time the agreement entered into force, the number had reached a total value of USD 769.2 million, ending in 2018 at USD 776.3 million. Among the products that began to be exported to Colombia after the entry into force of the FTA were: wheat and meslin, tanks and other armed motor vehicles, barley, other juices operated by coins, banknotes, and bank cards. Exports to Colombia have been dominated since 2012 by basic agricultural products. In 2018, exports reached the highest historical value of USD 297.3 million, representing 38 percent of total Canadian exports to the Colombian market. On the other hand, lentils, newsprint in reels and potassium chloride maintained their specific weight throughout the series.

Among the products that recorded increases in exports to Colombia since the entry into force of the FTA are the following: pork cuts, personal deodorants, medicines, and vitamins and their derivatives. These represent 1.48 percent of total exports.

The rest of the products exported to Colombia remained at relatively stable levels, or their variations occurred both before and after the entry into force of the agreement. One characteristic that differentiates this trade balance in relation to the others analyzed in this study is that it is relatively balanced, with a deficit in its exchange of goods practically indifferent to Canada.

TABLE III. CANADIAN IMPORTS FROM COLOMBIA, 2001–2018 *(Value in thousands of U.S. dollars)*

	Y 2001	Y 2002	Y 2003	Y 2004	Y 2005	Y 2006	Y 2007	Y 2008	Y 2009	Y 2010	Y 2011	Y 2012	Y 2013	Y 2014	Y 2015	Y 2016	Y 2017	Y 2018
090111 - Coffee - Not Roasted, Not Decaffeinated	$49,365	$50,980	$54,476	$62,413	$91,925	$95,104	$98,101	$118,581	$108,604	$157,384	$209,220	$160,537	$134,182	$191,293	$180,021	$174,333	$227,472	$197,677
270900 - Crude Petroleum Oils and Oils Obtained from Bituminous Minerals	$24,008					$4	$0	$28,802	$88,097	$105,715	$148,111	$107,125	$104,661	$201,406	$103,435	$76,667	$155,858	$151,506
270112 - Bituminous Coal - Whether or Not Pulverized But Not Agglomerated	$20,853	$41,877	$18,756	$32,234	$86,472	$70,889	$51,680	$136,668	$75,968	$135,641	$123,200	$77,893	$109,260	$81,934	$105,455	$68,898	$71,506	$108,231
270119 - Coal Nes - Whether or Not Pulverized But Not Agglomerated	$58,294	$29,895	$30,645	$24,440	$32,578	$43,441	$42,109	$42,091	$88,180	$36,484	$47,057	$37,714	$44,308	$56,735	$35,073	$33,944	$41,116	$57,780
080390 - Bananas: Other												$60,009	$57,731	$56,923	$45,298	$40,383	$40,787	$45,576
060311 - Cut Roses, & Rose Buds, For Bouquets or Ornamental Purposes, Fresh							$16,270	$17,348	$19,515	$23,626	$22,480	$26,779	$31,836	$35,569	$30,708	$31,286	$36,779	$39,603
730792 - Threaded Elbows, Bend and Sleeves - Iron or Steel Nes				$31			$0	$342	$198	$1	$78	$254	$9	$0	$6	$859	$13,927	$21,022
060319 - Cut Flowers & Flower Buds, For Bouquets or Ornamental Purposes, Fresh							$23,517	$24,025	$21,768	$20,930	$21,137	$23,612	$17,284	$17,057	$14,954	$16,191	$16,805	$16,440
270400 - Coke and Semi-Coke of Coal, Lignite or Peat; Retort Carbon					$0	$12,245	$29,705	$6,115	$6,491	$2,203	$9,114	$10,215	$982	$28,108	$3,941	$4,982	$16,154	$14,689
060312 - Cut Carnations and Buds, For Bouquets or Ornamental Purposes, Fresh							$13,308	$13,708	$13,489	$13,734	$14,659	$15,695	$16,360	$15,421	$15,055	$14,006	$14,456	$13,923
060314 - Cut Chrysanthemums & Buds, For Bouquets or Ornamental Purposes, Fresh							$4,535	$6,228	$7,423	$9,296	$10,420	$11,115	$12,566	$12,736	$13,614	$13,755	$14,160	$12,807
390230 - Propylene Copolymers - in Primary Forms			$25						$1		$169	$295	$319	$455	$506	$2,780	$2,427	$5,752
210111 - Coffee Extracts, Essences and Concentrates	$1,582	$893	$962	$1,765	$2,204	$2,858	$1,897	$2,281	$4,086	$6,913	$5,852	$8,076	$6,248	$5,368	$5,326	$3,946	$3,597	$5,166
030431 - Tilapias (Fresh or Chilled) (Fish Fillets)												$1,863	$2,631	$3,590	$4,067	$4,506	$4,601	$4,762
681381 - Brake Linings and Pads, Not Containing Asbestos							$968	$3,570	$2,690	$3,569	$3,948	$3,494	$4,086	$4,003	$3,526	$4,465	$4,860	$3,889
380892 - Fungicides, in Forms or Packages For Retail Sale or As Preparations or Articles							$3,042	$5,620	$6,221	$6,360	$3,587	$3,981	$4,140	$2,617	$3,424	$7,161	$4,772	$3,755
070999 - Other: Mushrooms and Other Vegetables, Fresh or Chilled												$355	$453	$473	$485	$511	$681	$3,154
170490 - Sugar Confectionery Nes (Including White Chocolate)	$685	$1,362	$1,741	$1,934	$1,392	$1,556	$1,457	$1,339	$1,258	$1,552	$1,652	$2,514	$2,541	$2,486	$2,896	$3,244	$2,931	$3,114
730429 - Casings, Tubing, Other than Stainless Steel, Seamless, For Use in Drilling For Oil or Gas	$528	$158	$106	$2,196	$2,414	$701	$83	$84	$1,327								$381	$2,809
170199 - Refined Sugar Nes	$28	$8	$1,384	$3,730	$5,922	$6,771	$2,187	$653	$10,005	$13,409	$20,694	$9,568	$7,846	$2,088	$1,740	$637	$1,329	$2,691
081090 - Fruits, Fresh, Nes	$413	$534	$439	$478	$572	$891	$1,342	$1,330	$1,204	$1,030	$1,025	$1,187	$1,622	$1,972	$2,075	$2,049	$2,614	$2,649
121190 - Plants & Pts of Plants,Incl Seed & Fruit Used in Pharm, Perfumery, Insect,Etc,Nes		$0	$34	$156	$280	$509	$807	$740	$1,368	$1,680	$1,490	$1,981	$1,699	$2,061	$2,162	$2,325	$2,597	$2,425
540219 - High Tenacity Yarn of Nylon/O Polyamides Filaments,O/T Sewing Thread,Nfrs,Nes										$289	$161	$346	$76	$115	$169	$70	$504	$2,304
090121 - Coffee - Roasted, Not Decaffeinated	$944	$918	$1,317	$752	$3,848	$2,045	$2,337	$2,013	$1,572	$1,763	$3,686	$2,404	$2,176	$3,183	$1,825	$2,248	$2,247	$2,285
090112 - Coffee - Not Roasted, Decaffeinated	$2,414	$2,588	$2,486	$3,315	$6,222	$5,593	$4,474	$5,567	$3,247	$3,988	$1,814	$2,485	$2,208	$1,467	$1,174	$1,312	$1,639	$2,144
Sub-total	$159,113	$129,214	$112,370	$133,444	$233,831	$242,605	$297,818	$417,105	$462,711	$545,567	$649,554	$569,497	$565,225	$727,062	$576,937	$510,556	$684,201	$726,153
Others	$109,187	$121,071	$154,373	$188,147	$247,885	$322,093	$138,150	$182,125	$179,692	$150,899	$158,616	$95,503	$106,088	$80,399	$71,351	$83,457	$72,308	$75,464
Total (All Products)	$268,300	$250,284	$266,743	$321,591	$481,716	$564,698	$435,968	$599,230	$642,403	$696,465	$808,170	$665,000	$671,313	$807,461	$648,289	$594,013	$756,509	$801,616

Source: Prepared by the authors on the basis of Statistics Canada

TABLE IV. CANADIAN EXPORTS TO COLOMBIA, 2001–2018 *(Value in thousands of U.S. dollars)*

	Y 2001	Y 2002	Y 2003	Y 2004	Y 2005	Y 2006	Y 2007	Y 2008	Y 2009	Y 2010	Y 2011	Y 2012	Y 2013	Y 2014	Y 2015	Y 2016	Y 2017	Y 2018
100199 - Meslin and Wheat Nes: Other												$204,164	$202,581	$303,355	$216,493	$233,066	$216,581	$297,369
270900 - Crude Petroleum Oils and Oils Obtained from Bituminous Minerals						$5,722									$0			$68,964
310420 - Potassium Chloride	$7,896	$7,242	$12,495	$11,442	$23,333	$21,346	$23,797	$43,466	$18,114	$35,364	$49,407	$48,516	$38,638	$44,025	$43,725	$29,780	$30,336	$41,654
071340 - Lentils - Dried and Shelled	$12,500	$15,708	$17,164	$21,531	$18,248	$15,463	$28,994	$43,446	$40,845	$59,762	$54,449	$35,544	$35,270	$45,811	$47,728	$49,829	$35,626	$36,403
480100 - Newsprint - in Rolls or Sheets	$27,209	$27,424	$27,896	$30,028	$37,496	$39,731	$26,956	$38,607	$27,540	$27,905	$35,929	$43,679	$40,467	$41,615	$33,150	$23,610	$24,464	$28,015
870323 - Motor Vehicles - Spark Ignition - Cylinder Capacity 1501-3000 Cc						$1						$25	$4	$67		$691	$227	$15,795
360300 - Safety or Detonating Fuses; Percussion or Detonating Caps; Igniters; Electric Detonators								$32	$808	$4,725	$4,562	$5,615	$10,690	$3,319	$3,385	$9,403	$10,637	$10,652
071310 - Peas - Dried and Shelled	$10,933	$10,057	$6,528	$6,888	$5,801	$6,455	$13,770	$13,379	$12,357	$9,927	$13,687	$12,968	$12,330	$14,337	$8,498	$12,908	$7,805	$10,568
300490 - Medicaments Nes - in Dosage	$146	$108	$428	$987	$807	$1,005	$1,026	$1,178	$1,488	$2,134	$3,363	$2,951	$2,448	$5,796	$6,723	$8,783	$7,876	$9,737
841122 - Turbo-Propellers - Power Exceeding 1,100 Kw		$1,463	$2,383	$1,495			$2,272	$1,480	$5,146	$1,142	$6,804	$20,162	$11,507	$1,803	$6,719	$4,999	$3,583	$8,339
480261 - Paper,Fine, >10% Fibres Obtained By Mech /Chem-Mec Process,In Rolls, Uncoated		$2,721	$8,227	$15,403	$13,394	$7,301	$9,968	$12,300	$7,699	$6,912	$9,528	$11,386	$12,940	$8,931	$10,827	$7,088	$5,268	$6,846
300450 - Vitamins and their Derivatives - in Dosage	$2,338	$1,348	$700	$297	$174	$123	$163	$184	$165	$309	$299	$359	$454	$3,358	$2,482	$5,743	$3,894	$6,187
100119 - Durum Wheat: Other												$2,904	$1,865	$12,173	$1,077	$2,245	$2,526	$5,634
330720 - Personal Deodorants and Antiperspirants						$21	$16	$11	$903	$1,990	$2,358	$4,377	$2,430	$5,887	$5,128	$4,541	$5,528	$5,431
841182 - Gas Turbines Nes - Power Exceeding 5,000 Kw												$552						$5,021
390140 - Ethylene-alpha-olefin copolymers, having a specific gravity of less than 094																	$3,523	$4,776
020329 - Swine, Cuts Boneless - Frozen	$990	$983	$251	$461	$872	$1,143	$476	$441	$559	$2,345	$5,723	$7,915	$18,065	$13,098	$5,873	$4,637	$5,068	$4,754
961900 - Sanitary Towels (Pads) and Tampons, Napkins and Napkin Liners For Babies and Similar Articles,												$79	$100	$126	$693	$1,490	$3,223	$4,307
100830 - Canary Seeds	$1,431	$1,579	$2,780	$1,654	$1,934	$2,023	$6,625	$7,619	$5,627	$7,619	$7,456	$6,491	$8,777	$8,284	$4,168	$5,371	$4,916	$3,693
841391 - Parts of Pumps (Whether or Not Fitted With A Measuring Device) For Liquids	$79	$174	$633	$692	$1,116	$1,257	$1,158	$1,583	$8,158	$3,640	$4,263	$9,826	$2,628	$3,291	$1,673	$2,064	$4,224	$3,577
480525 - Testliner (Recycled Liner Board) - 150G/M2 or More					$22			$25	$7	$11	$42	$28			$22		$174	$3,436
480511 - Semi-Chemical Fluting Paper - in Rolls/Sheets			$98	$45	$7	$57			$40		$59	$10		$1,489	$3,560	$507	$713	$3,425
841480 - Ventilating or Air/Gas Recycling Hoods - Having Maximum Horizontal Side of More than 120 Cm	$186	$1,396	$1,071	$1,379	$3,119	$4,022	$7,486	$10,441	$10,793	$1,239	$1,004	$905	$1,436	$1,967	$3,616	$1,540	$6	$3,337
841121 - Turbo-Propellers - Power Not Exceeding 1,100 Kw		$654	$921		$1,324	$82		$4,475	$4,513	$2,377	$5,253	$5,391	$3,441	$4,786	$4,800	$1,804	$1,278	$3,160
841360 - Rotary Positive Displacement Pumps Nes		$2	$26	$210	$146	$547	$1,079	$1,246	$578	$1,333	$2,682	$768	$1,317	$906	$2,358	$1,057	$2,412	$2,988
Sub-total	$63,708	$70,858	$81,600	$92,511	$107,793	$106,301	$123,785	$179,914	$145,340	$168,733	$206,868	$424,616	$407,389	$524,424	$412,697	$411,156	$379,889	$594,069
Others	$172,564	$147,883	$137,890	$204,901	$262,152	$346,243	$492,370	$485,049	$373,102	$454,916	$562,400	$403,965	$283,445	$322,843	$199,463	$180,424	$194,388	$182,305
Total (All Products)	$236,273	$218,740	$219,489	$297,413	$369,946	$452,544	$616,155	$664,964	$518,442	$623,649	$769,268	$828,581	$690,835	$847,266	$612,160	$591,580	$574,277	$776,374

Source: Prepared by the authors on the basis of Statistics Canada

CANADA–CHILE TRADE RELATIONS

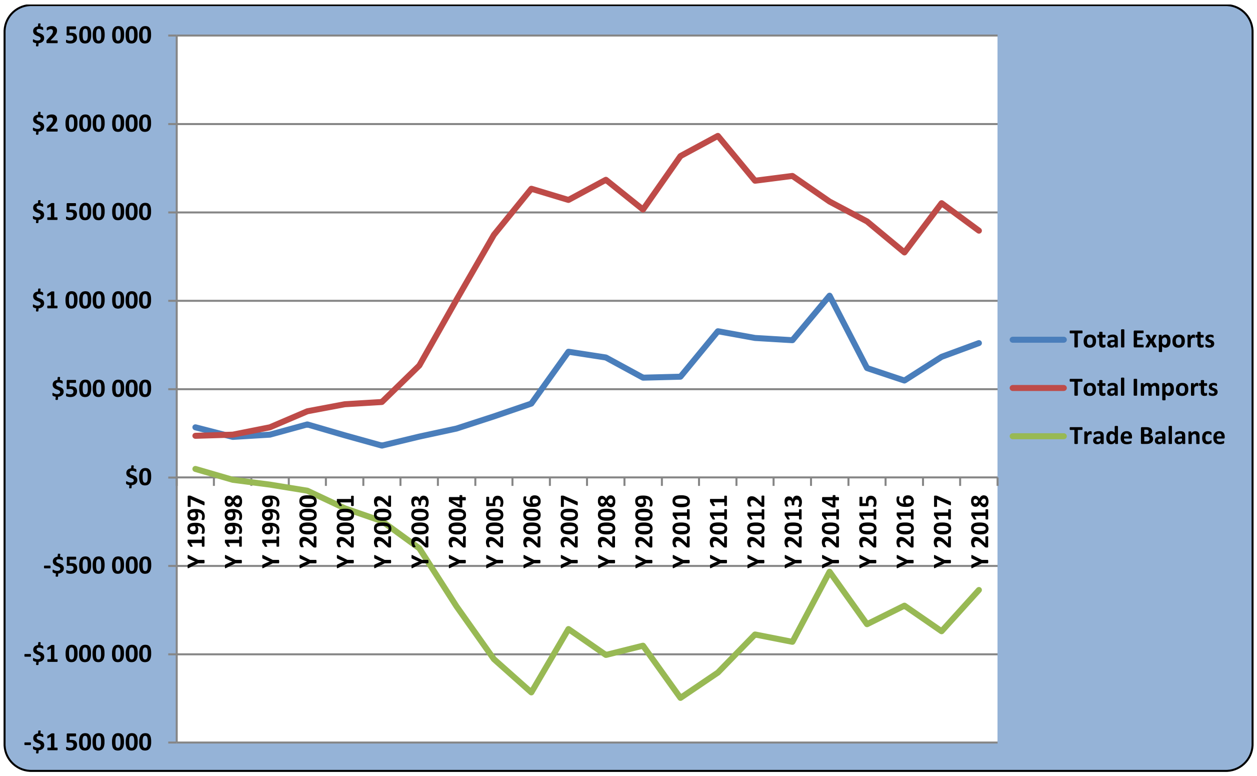
The FTA between Chile and Canada was 20 years old in 2017 and has generated an accumulation of stock that went from US$4.730 million in 1997 to US$19.146 million in 2016.[34] On February 5, 2019, the modernized Canada–Chile Free Trade Agreement (CCFTA) entered into force.[35] Chile's exports to Canada have experienced an important dynamism in the last two decades, fostered by the agreement and the tariff reduction process. In fact, during the period of 1997 to 2018, shipments increased from US$235 million in 1997 to US$1,551 million in 2018, with a peak of US$1,932 million in 2011 (Graph III). It should be noted that, although mining exports, particularly copper, constitute 34 percent of the total, there is a positive evolution in shipments of forestry, agricultural and fishing products, whose average annual growth over the last ten years is 10.5 percent above the growth of the mining sector (5.5 percent) and industrial (1.1 percent), Table V. This is due to the increase in foreign sales of fresh fruit stimulated by the trade liberalization program.

[34] Ministry of Foreign Affairs of Chile. Chile–Canada, 20 años del Acuerdo. www.sice.oas.org/TPD/CAN_CHL/studies/Canada_Report_20_years_s.pdf

[35] Government of Canada. Canada-Chile Free Trade Agreement www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/chile-chili/index.aspx?lang=eng

GRAPH III. CANADIAN TOTAL TRADE WITH CHILE, 1997-2018

in thousands of U.S. dollars



Source: Prepared by the authors on the basis of Statistics Canada

According to what can be observed in Graph III, the Canadian imports from Chile, fresh grapes lead the ranking of the main silvo-agricultural products in 2018 with 7.8 percent (USD 109 million), followed by fresh blueberries with 3.8 percent (USD 54 million) and fresh apples with 2.2 percent (USD 32 million). This trend has been maintained in the last ten years. Likewise, the performance of Chilean wine exports to the Canadian market should be highlighted. These rank third with USD 83 million, representing 6 percent of the total.

Regarding Canadian exports to Chile, Table VI shows years of expansion as well as contraction. In 2014, there was strong growth totaling USD 1,028 billion, in 2016 there was a significant decrease of 46.7 percent (USD 547 million), and then there was a return in 2018 to values close to 2012-13, with a total of USD 759 million. Bearing in mind that exports to Chile at the time the FTA (1997) came into force totaled USD 283.4 million, we can see how beneficial the South American country has been as a destination for Canadian products, which has allowed Canada to reduce the deficit in its trade balance.

Thus, while in 2005 Canada had a trade deficit with Chile of USD -1,028.2 million, in 2018, it went to USD -636 million. There are some products exported by Canada to Chile with a relative weight, such as oil, which entered the Chilean market in 2014 for a total of USD 204.1 million but did not register any movement in the following years, until 2018 with USD 50 million. Nevertheless, meslin and wheat played a major role, rising from USD 38 million in 2012 to USD 111 million in 2018.

This marks an increase of 192 percent. Turnip rape (canola) oil had a similar dynamic; it was exported for the first time to the Chilean market in 2011 for a total of USD 26 million, and in 2018 recorded sales reached USD 80 million, representing an increase of 207 percent. Among the relevant products that were present throughout the series are medicines, pork cuts, sulphur of all kinds, parts of sorting machinery, gold screens, flight simulators, fine particle pulverizes, newsprint in coils, pig cuts with bone and frozen.

On the other hand, it is essential to highlight that in terms of investments, the stock of Canadian direct investments in Chile is the most important in the Latin American region, with USD 21 billion in stock in 2018[36]—equivalent to 31 percent of Canada's total investment in South America. Canadian companies are highly involved in the mining industry.

[36] Idem 23

TABLE V. CANADIAN IMPORTS FROM CHILE 1997–2018 *(Value in thousands of U.S. dollars)*

	Y 1997	Y 1998	Y 1999	Y 2000	Y 2001	Y 2002	Y 2003	Y 2004	Y 2005	Y 2006	Y 2007	Y 2008	Y 2009	Y 2010	Y 2011	Y 2012	Y 2013	Y 2014	Y 2015	Y 2016	Y 2017	Y 2018
740200 - Unrefined Copper; Copper Anodes For Electrolytic Refining		$2,302	$7,398		$19,065	$62,096	$178,578	$344,155	$494,758	$562,511	$624,849	$603,195	$322,806	$302,048	$132,950	$116,984	$374,062	$288,452	$341,707	$111,808	$581,816	$444,591
080610 - Grapes - Fresh	$55,812	$47,800	$48,722	$64,233	$60,101	$67,174	$83,067	$101,440	$112,449	$123,039	$126,667	$143,140	$144,044	$163,612	$152,149	$146,063	$163,000	$132,556	$126,274	$113,362	$99,964	$109,605
220421 - Grape Wines - Other than Sparkling (Including Fortified) - 2 Litres or Less	$18,872	$23,585	$25,139	$30,992	$27,873	$30,023	$36,846	$41,632	$44,924	$54,110	$66,119	$72,662	$70,629	$88,377	$92,862	$92,831	$85,360	$82,837	$79,324	$83,581	$84,109	$83,803
030441 - Pacific, Atlantic and Danube Salmon (Fresh or Chilled) (Fish Fillets)																$59,641	$68,910	$71,443	$57,578	$34,768	$52,219	$78,093
081040 - Cranberries, Bilberries and Other Fruits of The Genus Vaccinium - Fresh	$526	$721	$1,064	$1,439	$1,445	$2,111	$3,032	$6,809	$10,034	$15,062	$18,572	$28,028	$28,959	$47,234	$59,341	$58,634	$61,001	$60,824	$56,126	$59,542	$46,338	$54,129
030481 - Frozen Fillets of Other Fish: Pacific Salmon, Atlantic Salmon and Danube Salmon																$12,865	$10,343	$26,150	$17,224	$23,383	$40,483	$50,884
250100 - Salt (Including Table Salt and Denatured Salt) and Pure Sodium Chloride; Sea Water	$405	$1,463	$4,702	$2,973	$2,979	$4,669	$1,794	$0	$874	$877	$6,602	$8,226	$13,931	$6,117	$14,145	$7,667	$8,725	$25,989	$7,687	$5,078	$9,125	$36,635
890110 - Ferry Boats, Cruise Ships and Excursion Boats																						$32,546
080810 - Apples - Fresh	$4,645	$5,995	$6,836	$6,337	$9,348	$10,312	$13,873	$19,519	$13,317	$19,204	$26,157	$20,829	$23,183	$28,339	$22,707	$26,905	$43,529	$29,349	$13,482	$36,799	$30,724	$32,059
740311 - Cathodes and Sections of Cathodes - Unwrought Refined Copper				$1,176	$863	$9,635	$22,474	$123,237	$98,680	$46,393	$25,045	$5,383	$12				$10	$54,266	$27,782	$36,323	$50,277	$27,462
260300 - Copper Ores and Concentrates	$23,438	$42,691	$65,836	$137,838	$135,335	$67,498	$54,266	$94,349	$94,632	$156,000	$0	$71,793	$0	$91,370	$42	$3	$2	$20,623	$117	$3	$2	$26,888
081120 - Raspberries, Blackberries, Mulberries, Currants and Loganberries - Frozen	$1,338	$1,265	$2,308	$2,700	$3,099	$2,023	$3,564	$7,113	$8,727	$9,963	$10,112	$12,855	$19,575	$15,488	$18,973	$16,049	$24,271	$21,306	$24,892	$22,439	$20,624	$25,241
120510 - Rape or Colza Seeds - Low Erucic Acid (Whether or Not Broken)						$27	$207	$143	$2,095	$2,059	$409	$6,046	$26,487	$13,338	$18,759	$23,267	$32,019	$16,614	$11,201	$14,754	$15,669	$19,795
441114 - Medium Density Fibreboard (Mdf), of A Thickness Exceeding 9 Mm											$4,456	$6,684	$7,333	$9,440	$8,274	$11,716	$9,097	$23,071	$23,105	$19,164	$17,523	$17,196
360300 - Safety or Detonating Fuses; Percussion or Detonating Caps; Igniters; Electric Detonators		$1	$12	$97	$43	$56	$48	$59	$13				$2				$5	$2,428	$7,828	$6,488	$13,659	$16,973
720270 - Ferro-Molybdenum	$3,930	$2,908	$1,542	$1,014	$893	$1,483	$1,973		$25	$794	$71	$222	$270	$9,180	$6,947	$5,147	$5,941	$6,721	$2,910	$820	$6,028	$15,696
401110 - New Pneumatic Rubber Tires - For Motor Cars (Incl Station Wagons and Racing Cars)	$73	$379	$651	$1,370	$1,540	$1,580	$1,474	$1,936	$1,098	$1,929	$27,609	$35,911	$805	$1,212	$4,948	$10,549	$24,272	$18,614	$19,087	$13,246	$14,609	$14,230
080930 - Peaches (Including Nectarines) - Fresh	$6,298	$5,344	$6,258	$6,205	$7,048	$8,437	$9,695	$10,311	$12,536	$12,296	$13,201	$16,111	$14,230	$16,348	$14,669	$14,635	$15,649	$11,063	$11,393	$12,081	$12,050	$12,896
081190 - Fruits and Edible Nuts Nes - Frozen	$73	$81	$528	$166	$487	$573	$836	$2,018	$5,476	$11,436	$13,383	$14,525	$12,110	$9,265	$10,882	$19,518	$19,040	$14,422	$16,602	$18,106	$15,337	$11,221
030214 - Atlantic Salmon and Danube Salmon (Fresh or Chilled) (Excl Fish Fillets)																$2,363	$12,194	$15,358	$5,974	$6,661	$6,257	$10,280
710812 - Gold in Unwrought Form (Non-Monetary)						$461		$2,615	$139,465	$184,077	$130,654	$26,502	$115,183	$373,758	$622,655	$504,426	$339,018	$310,412	$322,268	$380,486	$180,192	$9,895
230120 - Flours, Meals, Pellets of Fish, Crustaceans, Molluscs or Other Aquatics, Unfit For Human Consumptio	$23,792	$14,375	$8,651	$6,969	$3,272	$5,732	$2,551	$797	$2,732	$3,353	$4,191	$5,345	$12,376	$26,502	$19,734	$18,827	$17,439	$20,033	$27,451	$23,886	$16,169	$9,435
441239 - Plywood, O/T Bamboo, Nes, Ply <= 6 Mm											$8,145	$7,877	$7,350	$7,636	$6,210	$6,363	$5,848	$6,000	$8,101	$7,620	$9,450	$9,345
220429 - Grape Wines - Other than Sparkling (Including Fortified) - More than 2 Litres	$18,248	$14,929	$13,217	$13,670	$9,508	$7,115	$6,844	$9,535	$9,737	$6,457	$7,962	$10,257	$12,491	$8,212	$6,777	$5,285	$10,355	$13,956	$12,929	$17,714	$9,997	$9,115
120991 - Vegetable Seeds Nes - For Sowing	$137	$257	$589	$831	$1,157	$1,012	$686	$1,407	$1,793	$2,773	$1,869	$2,837	$2,682	$3,459	$2,363	$2,773	$3,463	$5,234	$7,113	$9,549	$7,940	$7,916
Sub-total	$157,587	$164,096	$193,453	$278,011	$284,056	$282,018	$421,806	$767,074	$1,053,362	$1,212,333	$1,116,072	$1,098,427	$834,459	$1,220,935	$1,215,388	$1,162,511	$1,333,553	$1,277,719	$1,228,155	$1,057,660	$1,340,560	$1,165,929
Others	$77,816	$78,717	$90,307	$95,897	$129,692	$144,925	$210,548	$238,269	$319,381	$421,777	$453,112	$584,710	$681,255	$597,107	$717,022	$515,509	$372,507	$283,442	$220,593	$215,811	$210,766	$229,642
Total (All Products)	$235,403	$242,813	$283,760	$373,908	$413,748	$426,943	$632,354	$1,005,343	$1,372,743	$1,634,110	$1,569,184	$1,683,138	$1,515,713	$1,818,041	$1,932,410	$1,678,020	$1,706,060	$1,561,161	$1,448,748	$1,273,471	$1,551,326	$1,395,571

Source: Prepared by the authors on the basis of Statistics Canada

TABLE VI. CANADIAN EXPORTS TO CHILE 1997–2018 *(Value in thousands of U.S. dollars)*

	Y 1997	Y 1998	Y 1999	Y 2000	Y 2001	Y 2002	Y 2003	Y 2004	Y 2005	Y 2006	Y 2007	Y 2008	Y 2009	Y 2010	Y 2011	Y 2012	Y 2013	Y 2014	Y 2015	Y 2016	Y 2017	Y 2018
100199 - Meslin and Wheat Nes: Other																$38,679	$38,291	$101,234	$79,494	$44,530	$53,062	$111,007
151411 - Rape (Canola) or Colza Oil - Low Erucic Acid - Crude												$6,036			$26,459	$46,492	$42,534	$81,329	$31,921	$22,902	$83,985	$80,539
270900 - Crude Petroleum Oils and Oils Obtained from Bituminous Minerals													$22,007					$204,175				$50,452
300490 - Medicaments Nes - in Dosage	$1,222	$629	$657	$905	$487	$239	$854	$689	$1,398	$1,355	$1,788	$1,336	$1,585	$2,497	$2,227	$10,329	$24,061	$40,097	$25,627	$38,637	$43,131	$41,086
270112 - Bituminous Coal - Whether or Not Pulverized But Not Agglomerated	$32,663	$16,300	$32,404	$23,506	$20,113	$12,932	$13,079	$17,761	$41,083	$48,223	$48,810	$88,624	$50,538	$49,764	$67,356	$53,232	$43,154	$30,385	$28,250	$49,436	$50,492	$37,049
280200 - Sulfur (Sublimed, Precipitated or Colloidal)												$1,544	$542	$77	$39	$47	$12,688	$6,526	$21,265	$7,236	$10,415	$20,975
250300 - Sulfur of All Kinds (Excluding Sublimed, Precipitated and Colloidal Sulfur)	$2,155	$661	$1,997	$1,916	$412	$4,663	$5,129	$1,820	$8,784	$3,568	$8,300	$46,206	$3,791	$8,439	$11,955	$10,932	$10,115	$21,881	$2,936	$11,039	$9,703	$14,366
360300 - Safety or Detonating Fuses; Percussion or Detonating Caps; Igniters; Electric Detonators					$14			$38		$1	$1,419	$1,433	$6,906	$10,522	$15,180	$19,476	$32,027	$19,242	$22,889	$14,363	$20,338	$13,364
071340 - Lentils - Dried and Shelled	$4,222	$4,257	$4,397	$5,144	$3,281	$3,726	$4,473	$3,865	$5,681	$5,913	$10,110	$10,897	$10,141	$16,493	$11,523	$11,435	$11,919	$12,414	$16,650	$17,351	$20,240	$12,611
843143 - Parts of Boring or Sinking Machinery (Whether or Not Self-Propelled)	$1,870	$1,565	$1,826	$6,766	$3,359	$2,541	$1,895	$2,339	$5,637	$8,021	$9,979	$15,725	$8,855	$22,156	$28,230	$35,552	$9,169	$8,711	$12,510	$15,799	$20,792	$12,037
880529 - Other Ground Flying Trainers (Incl. Flight Simulators) Nes and Parts								$7,889	$320	$3	$9,107	$53	$169	$1,375	$488	$979	$3,755	$15,382	$57	$526	$1,871	$9,527
843680 - Other Agricultural, Horticultural, Forestry and Bee-Keeping Machinery Nes	$555	$511	$153	$844	$324	$175	$869	$171	$1,871	$1,765	$913	$1,964	$323	$337	$1,279	$1,102	$3,608	$5,259	$7,322	$3,943	$3,592	$8,808
020329 - Swine, Cuts Boneless - Frozen	$423	$892	$1,208	$917	$261	$571	$259	$791	$714	$1,355	$1,734	$949	$3,189	$9,013	$6,472	$8,105	$23,139	$29,533	$17,918	$19,970	$19,765	$8,167
390110 - Polyethylene - Specific Gravity of Less than 0.94	$496	$1,734	$2,914	$4,011	$2,539	$206	$490	$1,007	$1,417	$910	$775	$684	$332	$424	$45	$121	$72	$1,242	$1,209	$2,712	$3,290	$6,907
100119 - Durum Wheat: Other																$1,655	$14,238	$7,263	$6,217			$6,089
880211 - Helicopters of An Unladen Weight (2,000 Kg or Less)										$1,958			$2,627	$3,445			$2,362	$2,843	$2,008	$1,258	$3,592	$5,965
870540 - Concrete-Mixer Lorries (Trucks),	$85	$639							$2,505	$2,929	$384	$6,068	$3	$1							$7,674	$5,405
870195 - Tractors, of an engine power > 130 kW, nes																					$3,781	$5,321
310420 - Potassium Chloride	$5,248	$4,077	$6,105	$8,975	$11,853	$3,019	$2,885	$1,340			$35			$3,296			$1,088	$2,592	$11,352	$5,039		$4,849
591190 - Textile Products and Articles For Technical Uses Nes	$7		$11		$21	$4	$66	$41	$13	$46	$129	$40	$234	$230	$33	$72	$186	$666	$2,581	$1,819	$3,216	$4,670
847490 - Parts of Machinery For Handling Stones, Ores and Other Mineral Substances	$3,439	$756	$960	$455	$1,799	$378	$3,737	$3,979	$6,799	$8,091	$6,535	$14,633	$16,858	$10,905	$19,231	$13,019	$23,765	$16,371	$8,674	$5,827	$10,604	$3,993
820719 - Rock Drilling or Earth Boring Tools - With Working Part of Material Other than Cermets	$262	$145	$545	$315	$143	$269	$1,023	$1,591	$2,039	$2,483	$3,583	$4,964	$2,854	$9,499	$16,753	$14,890	$4,283	$4,034	$5,548	$2,323	$3,909	$3,907
630900 - Worn Clothing and Other Worn Textile Articles	$1,118	$1,114	$1,092	$847	$1,637	$1,833	$2,277	$2,293	$3,538	$3,711	$5,024	$3,410	$2,849	$5,377	$2,581	$2,418	$1,993	$1,921	$2,915	$2,660	$3,372	$3,863
843041 - Boring or Sinking Machinery Nes - Self-Propelled	$932	$396	$26	$313	$242		$890	$3,154	$1,726	$2,510	$3,214	$5,527	$1,991	$4,281	$931	$3,902	$2,317	$826	$276	$267	$2,128	$3,812
903084 - Instruments and Apparatus (With Recording Device) For Measuring or Checking Electrical Phenomena Ne											$4						$1,346	$2,528	$2,616	$2,693	$1,979	$3,778
Sub-total	$54,696	$33,675	$54,295	$54,914	$46,485	$30,554	$37,926	$48,768	$83,525	$92,842	$111,844	$210,093	$135,793	$158,129	$210,784	$272,438	$306,107	$616,454	$310,234	$270,331	$380,933	$478,548
Others	$228,742	$194,925	$188,255	$244,314	$191,862	$149,457	$193,275	$227,489	$260,934	$324,205	$599,648	$469,093	$428,653	$412,301	$616,994	$517,323	$470,470	$411,962	$307,662	$277,193	$300,840	$280,974
Total (All Products)	$283,439	$228,600	$242,550	$299,228	$238,347	$180,012	$231,201	$276,257	$344,458	$417,048	$711,492	$679,187	$564,446	$570,431	$827,777	$789,761	$776,577	$1,028,417	$617,897	$547,524	$681,773	$759,522

Source: Prepared by the authors on the basis of Statistics Canada

CANADA - MEXICO COMMERCIAL RELATIONS

Canada and Mexico have a broad and deep relationship that is 74 years old. Mexico's presence has been a point of rupture for the existing schemes in the region (such as MERCOSUR and UNASUR) since it has caused the Pacific Alliance to break the South Americanism approach of Brazilian regionalism and has allowed for the diplomatic reinsertion of Mexico into that geographical space. It is clear that Mexico's participation raises the negotiating profile of the bloc, as well as giving it an impact and reach that other regions do not have. In relation to the PA, Mexico is the economy with the greatest weight of the bloc, with 59 percent of its GDP, 56 percent of its population, 75 percent of its exports, and 73 percent of the group's total imports.

From the perspective of both product supply and demand for Canadian goods, Mexico is the only country among the four members that has a diversified and high value-added trade balance with Canada. Additionally, Mexico is the main destination for Canadian investments with USD 22.49 billion in 2018[37], representing 1.7 percent of the stock of Canadian direct investment in North America. Needless to say, NAFTA energized bilateral relations, government interlocution and business ties.

Canada is Mexico's third-largest trading partner and the second-largest destination for Mexican exports. Graph IV, indicates that trade between Mexico and Canada increased six-fold, from USD 5900 billion in 1997 to USD 34 billion in 2018. Beyond the enormous volume

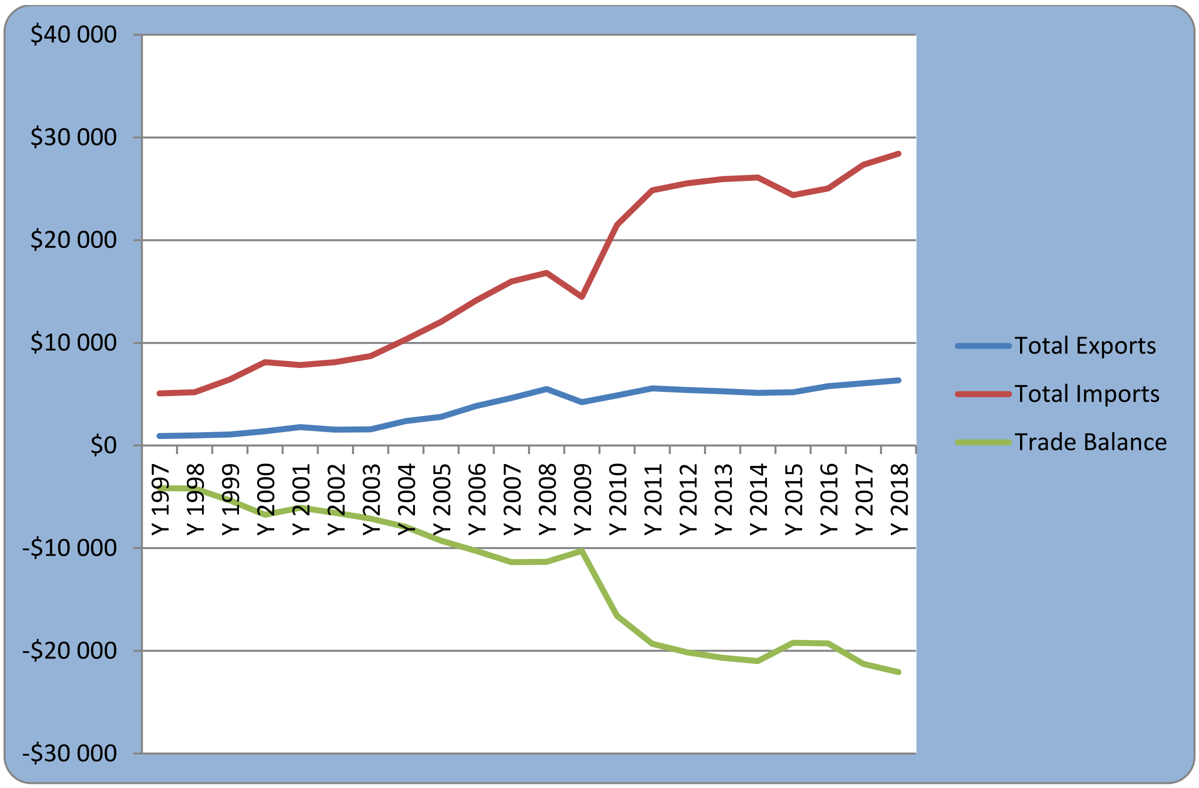
[37] Idem 23

represented by the bilateral trade relationship, it could be said that Mexico and Canada are in another phase in the evolutionary scale of international trade.

The presence of integrated production chains, particularly in the auto parts sector, is a demonstration of the level of sophistication between the two countries. None of the other three members of the Pacific Alliance are at this level of integration with Canada.

GRAPH IV. CANADIAN TOTAL TRADE WITH MEXICO, 1997-2018

in thousands of U.S. dollars



Source: Prepared by the authors on the basis of Statistics Canada

TABLE VII. CANADIAN IMPORTS FROM MEXICO, 1997–2018 *(in thousands of U.S.*

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
870323 - Motor Vehicles - Spark Ignition - Cylinder Capacity 1501-3000 Cc	$935,851	$654,586	$848,825	$1,413,910	$1,307,515	$1,012,408	$944,821	$675,291	$811,953	$1,114,805	$1,116,990	$1,244,975	$750,037	$1,388,493	$1,376,376	$1,312,691	$1,462,617	$1,879,770	$1,842,321	$1,900,327	$2,407,133	$3,056,684
870431 - Trucks - Spark Ignition - Load Not Exceeding 5 Tonnes	$89,802	$125,251	$122,072	$70,847	$196,844	$338,042	$544,601	$511,697	$807,849	$360,302	$364,048	$443,963	$690,100	$1,325,042	$1,321,162	$1,447,959	$1,460,121	$1,621,352	$1,610,394	$1,646,444	$2,259,241	$1,354,845
847150 - Process Units O/T 8471.41/.49, W/N Cntg in Same Hsng: Storage/Input/Output Units	$117,057	$68,243	$212,872	$194,033	$215,936	$260,728	$344,078	$382,885	$388,850	$451,927	$397,153	$423,969	$415,875	$671,850	$785,103	$780,788	$744,882	$929,498	$832,090	$832,536	$1,012,044	$1,142,908
870120 - Road Tractors For Semi-Trailers (Truck Tractors)	$459	$697	$16,388	$881	$628	$13,551	$64,430	$82,822	$107,838	$109,933	$55,590	$65,824	$102,523	$382,573	$440,858	$468,524	$327,802	$446,705	$512,152	$408,571	$769,054	$1,059,304
854430 - Ignition Wiring Sets and Other Wiring Sets Used For Vehicles, Aircraft or Ships	$458,750	$543,745	$570,420	$528,646	$397,292	$406,559	$386,957	$549,502	$523,783	$621,380	$666,095	$567,310	$403,327	$535,770	$652,428	$777,452	$775,837	$777,302	$793,731	$813,365	$797,050	$802,187
940190 - Parts For Seats	$205,608	$205,993	$280,638	$299,842	$311,947	$433,362	$488,066	$510,388	$492,561	$508,038	$540,749	$457,113	$374,200	$618,255	$668,476	$815,864	$767,794	$773,224	$743,576	$889,700	$836,461	$743,511
852872 - O Television Receivers,Colour,W/N Incorp Radio-Broad Rece/Sound/Vid Rec/Repro App											$1,598,475	$1,900,996	$1,410,711	$1,647,389	$1,414,770	$1,255,389	$1,042,325	$962,732	$699,904	$667,888	$777,102	$719,442
851762 - Machines F R/C/T or Rege of Voice,Images or Data, Incl Switching and Routing App											$179,194	$212,224	$169,556	$257,209	$380,761	$467,882	$518,149	$585,686	$620,788	$571,235	$575,128	$595,922
840734 - Reciprocating Piston Engines For Road or Off-Highway Motor Vehicles - Displacing Over 1,000 Cc	$127,900	$87,450	$207,384	$172,340	$55,219	$23,317	$10,125	$85,931	$254,711	$179,959	$121,852	$153,983	$260,264	$420,181	$567,221	$451,845	$431,822	$386,667	$501,767	$597,074	$557,453	$586,384
840991 - Parts Solely For Spark-Ignition Internal Combustion Type Engines Nes	$63,598	$49,756	$71,877	$123,245	$115,127	$141,300	$240,243	$268,030	$237,565	$198,565	$323,223	$208,759	$305,965	$491,501	$438,228	$434,080	$342,014	$493,299	$476,938	$458,169	$420,994	$513,993
870829 - Parts and Accessories of Motor Vehicle Bodies Nes	$71,190	$106,718	$138,067	$140,474	$126,219	$141,216	$124,225	$302,823	$306,248	$322,550	$169,086	$181,371	$125,006	$185,106	$218,973	$224,930	$260,521	$287,794	$285,667	$312,270	$389,107	$404,684
853710 - Boards and Panels (Including Numerical Control Panels) - For Voltage Not Exceeding 1,000 V	$10,651	$15,686	$30,061	$32,010	$39,461	$38,489	$50,091	$61,700	$69,215	$78,846	$71,620	$93,579	$87,527	$145,992	$247,790	$315,967	$357,417	$377,461	$346,013	$359,446	$381,164	$379,468
880330 - Parts of Airplanes or Helicopters Nes	$1,493	$1,632	$1,136	$458	$54	$51	$176	$203	$222	$3,061	$38,693	$69,775	$82,933	$148,112	$172,581	$210,514	$305,769	$326,148	$324,665	$245,760	$280,509	$375,396
870840 - Gear Boxes (Transmissions), For Motor Vehicles and Parts Thereof	$1,329	$14,203	$25,790	$23,568	$16,841	$17,376	$2,254	$2,730	$3,347	$57,209	$219,368	$108,290	$156,804	$186,000	$443,920	$401,284	$308,278	$264,924	$293,573	$567,956	$418,561	$373,513
870899 - Motor Vehicle Parts, Nes	$73,111	$98,582	$89,889	$81,844	$69,590	$89,073	$96,860	$110,420	$132,760	$168,371	$107,776	$105,146	$55,061	$73,874	$113,929	$157,233	$177,812	$194,788	$280,603	$291,004	$365,177	$369,819
870422 - Trucks - Compression Ignition - Load 5-20 Tonnes	$11,928	$11,520	$12,241	$9,663	$19,984	$19,460	$18,671	$20,270	$35,157	$215,041	$80,892	$98,009	$98,537	$341,146	$500,173	$670,248	$400,260	$365,774	$284,528	$295,924	$393,205	$299,348
870423 - Trucks - Compression Ignition - Load Exceeding 20 Tonnes	$2,712	$2,210	$2,058	$992	$166	$1,415	$1,869	$1,735	$6,725	$14,987	$25,634	$21,544	$51,820	$91,867	$84,957	$86,732	$74,799	$108,455	$173,576	$160,421	$203,313	$265,646
870322 - Motor Vehicles - Spark Ignition - Cylinder Capacity 1001-1500 Cc	$37	$31	$79	$95	$224	$212	$331	$429	$994	$2,867	$1,534	$2,603	$414	$1,099	$138,249	$170,861	$261,478	$370,630	$307,530	$478,331	$299,644	$258,855
870894 - Steering Wheels, Columns and Boxes; Parts Thereof, For Motor Vehicles	$669	$6,967	$16,556	$16,374	$13,214	$16,731	$10,790	$58,136	$58,171	$59,012	$85,092	$68,298	$77,923	$125,900	$120,893	$151,906	$168,905	$180,120	$184,999	$197,047	$235,377	$235,236
070200 - Tomatoes - Fresh or Chilled	$25,957	$25,136	$16,063	$19,135	$23,723	$36,539	$47,256	$57,479	$61,000	$86,627	$122,464	$130,400	$122,860	$193,496	$202,995	$171,534	$193,180	$210,821	$214,555	$254,771	$237,311	$229,842
851220 - Lighting or Visual Signaling Equipment Nes	$29,341	$25,409	$2,167	$2,558	$2,596	$6,035	$11,560	$41,549	$39,039	$44,812	$77,760	$46,625	$38,198	$23,957	$24,322	$43,410	$34,311	$66,260	$98,960	$139,513	$205,763	$225,824
080440 - Avocadoes - Fresh or Dried	$8,482	$8,638	$9,310	$11,194	$13,461	$14,239	$18,685	$23,106	$28,202	$29,823	$43,750	$53,392	$56,302	$60,355	$84,160	$97,940	$114,802	$129,725	$138,285	$165,823	$211,614	$214,462
901890 - Instruments and Appliances Used in Medical, Surgical or Veterinary Sciences Nes (Incl Parts)	$3,481	$4,092	$5,504	$5,344	$6,967	$7,279	$20,136	$31,145	$38,269	$42,754	$51,908	$66,447	$83,528	$86,007	$100,310	$101,787	$102,792	$113,279	$138,821	$157,200	$184,702	$208,312
730429 - Casings, Tubing, Other than Stainless Steel, Seamless, For Use in Drilling For Oil or Gas	$6,236	$7,241	$21,776	$29,045	$29,662	$21,324	$25,670	$26,402	$54,121	$63,969	$55,050	$47,156	$50,919	$69,134	$100,089	$207,446	$147,827	$187,845	$93,535	$96,947	$192,536	$189,630
870895 - Safety Airbags With Inflater System, For Motor Vehicles; Parts Thereof											$161,748	$173,274	$148,863	$212,868	$205,078	$261,261	$268,756	$256,469	$260,122	$240,536	$228,695	$187,701
Sub-total	$2,245,642	$2,063,787	$2,701,172	$3,176,500	$2,962,668	$3,038,704	$3,451,894	$3,804,672	$4,458,581	$4,734,839	$6,675,743	$6,945,025	$6,119,253	$9,683,175	$10,803,802	$11,485,527	$11,050,270	$12,296,728	$12,059,091	$12,748,259	$14,638,339	$14,792,918
Others	$2,826,058	$3,115,896	$3,716,795	$4,943,492	$4,866,262	$5,076,374	$5,245,979	$6,517,453	$7,588,049	$9,390,379	$9,307,970	$9,861,782	$8,361,165	$11,786,905	$14,038,297	$14,051,265	$14,902,893	$13,808,075	$12,339,050	$12,293,305	$12,692,913	$13,620,679
Total (All Products)	$5,071,700	$5,179,682	$6,417,967	$8,119,993	$7,828,930	$8,115,078	$8,697,873	$10,322,126	$12,046,631	$14,125,218	$15,983,714	$16,806,808	$14,480,418	$21,470,080	$24,842,099	$25,536,792	$25,953,163	$26,104,803	$24,398,141	$25,041,564	$27,331,252	$28,413,597

dollars)

TABLE VIII. CANADIAN EXPORTS TO MEXICO, 1997–2018 *(in thousands of U.S. dollars)*

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
120510 - Rape or Colza Seeds - Low Erucic Acid (Whether or Not Broken)						$118,619	$175,588	$330,527	$266,047	$288,993	$419,769	$770,497	$410,157	$638,776	$848,034	$960,877	$725,187	$655,032	$583,841	$574,339	$723,390	$539,241
271112 - Liquefied Petroleum or Hydrocarbon Gases - Propane																			$9,380	$19,162	$158,513	$307,963
760120 - Unwrought Aluminum - Alloyed					$18,441	$35,439	$63,703	$88,429	$39,395	$50,926	$95,521	$119,586	$104,323	$218,608	$277,393	$184,437	$185,418	$142,811	$169,254	$260,478	$297,664	$303,785
100199 - Meslin and Wheat Nes: Other																$284,250	$305,737	$277,681	$203,878	$174,816	$190,284	$256,824
722830 - Bars and Rods - Alloy Non-Stainless Steel - Not Further Worked than Hot Rolled, Drawn or Extruded	$3,109	$7,352	$6,100	$9,998	$7,761	$10,939	$10,064	$14,454	$36,095	$122,122	$116,806	$124,937	$30,607	$63,023	$90,716	$95,131	$78,760	$120,916	$161,501	$144,626	$216,463	$229,361
870829 - Parts and Accessories of Motor Vehicle Bodies Nes	$6,512	$12,008	$10,665	$13,461	$17,140	$18,267	$25,907	$37,397	$50,973	$39,118	$27,794	$26,190	$14,435	$24,425	$37,070	$41,581	$47,499	$66,579	$71,048	$90,388	$165,800	$208,726
870899 - Motor Vehicle Parts, Nes	$59,293	$56,122	$53,896	$73,022	$76,412	$70,779	$62,148	$51,228	$115,329	$151,031	$164,295	$118,116	$86,949	$108,956	$87,337	$94,596	$105,774	$107,400	$127,315	$149,520	$167,988	$179,493
870840 - Gear Boxes (Transmissions), For Motor Vehicles and Parts Thereof	$36,562	$28,622	$45,323	$71,096	$124,828	$41,196	$35,517	$53,035	$84,967	$181,017	$169,379	$218,481	$101,497	$108,164	$1,320	$11,639	$27,435	$22,730	$47,947	$100,026	$115,865	$174,267
841330 - Fuel, Lubricating or Cooling Medium Pumps For Internal Combustion Piston Engines			$22	$3	$9	$25	$188	$17	$38	$155	$237	$168	$211	$464	$967	$3,882	$1,782	$29,722	$82,388	$87,691	$109,450	$137,592
870895 - Safety Airbags With Inflater System, For Motor Vehicles; Parts Thereof											$5,846	$3,849	$2,099	$2,506	$659	$346	$395	$222	$121	$58,497	$84,474	$108,920
880330 - Parts of Airplanes or Helicopters Nes	$277	$225	$194	$328	$587	$151	$999	$454	$1,330	$4,008	$26,646	$82,849	$94,321	$105,435	$120,359	$110,457	$110,257	$133,613	$96,147	$68,459	$84,142	$100,543
880240 - Aircraft Nes of An Unladen Weight (More than 15,000 Kg)					$42,748						$142,911		$42,029						$28,269			$97,121
852351 - Semiconductor Media, Solid-State Non-Volatile Storage Devices											$450	$4,827	$8,376	$19,437	$18,267	$6,877	$7,193	$157	$134	$9,431	$24,442	$86,448
390120 - Polyethylene - Specific Gravity of 0.94 or More	$694	$373	$856	$2,210	$3,083	$2,477	$8,996	$24,776	$25,746	$50,924	$77,352	$57,247	$55,236	$50,450	$66,675	$78,317	$126,709	$110,048	$112,240	$100,494	$74,789	$85,898
870323 - Motor Vehicles - Spark Ignition - Cylinder Capacity 1501-3000 Cc		$137	$24		$52	$49	$35	$3,421	$48,179	$154,129	$188,338	$241,199	$191,742	$224,545	$258,450	$305,296	$298,677	$222,999	$299,232	$469,451	$201,856	$85,462
071340 - Lentils - Dried and Shelled	$3,525	$4,976	$5,061	$6,735	$6,964	$6,725	$8,112	$8,740	$9,726	$9,997	$13,495	$23,550	$18,437	$27,922	$30,171	$20,684	$20,694	$28,898	$12,556	$16,168	$39,440	$70,617
020130 - Bovine, Cuts Boneless - Fresh or Chilled	$270	$3,176	$21,149	$65,783	$114,344	$101,636	$63,522	$204,957	$135,961	$105,330	$109,399	$113,580	$104,028	$125,830	$108,523	$74,141	$54,206	$90,509	$79,123	$57,655	$61,612	$67,578
381700 - Mixed Alkylbenzenes and Mixed Alkylnaphthalenes Nes						$38,672	$21,841	$40,623	$49,695	$50,580	$72,280	$93,584	$54,366	$80,740	$95,393	$102,555	$88,660	$78,034	$68,723	$64,026	$61,437	$65,970
870830 - Brakes and Servo-Brakes, For Motor Vehicles; Parts Thereof											$1,658	$13,382	$20,702	$32,756	$40,318	$56,548	$61,199	$63,328	$69,652	$70,258	$77,359	$65,821
020319 - Swine, Cuts Boneless - Fresh or Chilled	$55	$115	$691	$1,848	$1,712	$4,395	$7,794	$7,960	$9,654	$10,299	$11,768	$3,512	$1,537	$6,928	$8,074	$11,370	$17,250	$26,858	$36,048	$41,026	$48,388	$64,070
848071 - Moulds - Injection or Compression Types - For Rubber or Plastics	$5,742	$7,917	$12,795	$6,541	$9,271	$7,735	$14,345	$20,467	$24,780	$25,532	$30,634	$29,943	$31,380	$32,587	$31,088	$55,055	$40,491	$22,567	$49,188	$72,619	$53,871	$63,693
390140 - Ethylene-alpha-olefin copolymers, having a specific gravity of less than 094																					$31,227	$63,608
870880 - Suspension Systems and Parts Thereof, Including Shock-Absorbers,For Motor Veh	$308	$441	$461	$405	$806	$4,688	$8,448	$9,361	$2,380	$2,040	$4,430	$7,354	$4,531	$16,568	$39,474	$26,867	$7,329	$6,308	$11,796	$19,814	$38,706	$62,809
151419 - Rape (Canola) or Colza Oil - Low Erucic Acid - Not Crude							$657		$8	$82	$1,422	$821	$432	$15	$736	$1,914	$5,557	$33,500	$54,629	$42,028	$55,703	$57,499
300490 - Medicaments Nes - in Dosage	$392	$1,301	$2,256	$2,782	$3,005	$350	$4,211	$7,453	$5,428	$9,109	$12,245	$6,502	$6,202	$8,112	$44,128	$45,832	$52,313	$64,390	$83,916	$24,363	$25,720	$57,048
Sub-total	$116,740	$122,763	$159,493	$254,213	$427,165	$462,141	$512,075	$903,298	$905,732	$1,255,393	$1,692,677	$2,060,174	$1,383,597	$1,896,247	$2,205,150	$2,572,654	$2,368,521	$2,304,300	$2,458,327	$2,715,335	$3,108,583	$3,540,354
Others	$805,721	$866,153	$925,805	$1,115,501	$1,351,765	$1,078,784	$1,065,967	$1,475,532	$1,872,514	$2,602,994	$2,920,330	$3,422,313	$2,822,761	$2,966,741	$3,341,393	$2,816,371	$2,908,795	$2,813,284	$2,734,988	$3,048,375	$2,938,959	$2,800,609
Total (All Products)	$922,461	$988,916	$1,085,298	$1,369,714	$1,778,929	$1,540,925	$1,578,042	$2,378,830	$2,778,246	$3,858,387	$4,613,007	$5,482,487	$4,206,358	$4,862,988	$5,546,544	$5,389,025	$5,277,316	$5,117,584	$5,193,316	$5,763,710	$6,047,542	$6,340,963

Source: Prepared by the authors on the basis of Statistics Canada

In analyzing the exchanges of goods between Canada and the PA countries, two realities can be observed. On the one hand, there is Mexico, which, as a product of NAFTA, the bilateral relationship with Canada is characterized by baskets of products that account for the existence of value chains and highly integrated industries such as the auto parts sector. While, on the other hand, even though Peru, Colombia, and Chile are not stronger trade partners for the access to the market of Canadian products, it is necessary to understand them as relevant sources of supply of raw materials, particularly for the mining industry that concentrates more than a third of the total exports of these countries to the Canadian market.

OUTSTANDING ALLIANCE CHALLENGES

The region still abounds with examples of protectionism, and of governments embarking on ideological adventures with negative consequences for societies, as in the case of Venezuela. It is, therefore, particularly encouraging that the region is consolidating an institutional framework capable of setting a course in favour of open economies and emphasizing the values of integration. In this first stage, the Pacific Alliance has been very effective in consolidating these ideals. But now, it must focus on moving towards the next stages, which must be translated into concrete achievements. An obvious challenge is for the PA to succeed in prolonging itself, regardless of the political stances held by the governments in each of its member countries.

Nevertheless, there are other, more specific challenges that the PA will have to address in the somewhat near future in order to achieve greater internal and external dynamism. At the internal level, one of the main challenges of the Pacific Alliance is to increase intraregional trade (that is, trade among its member countries), which is at a lower level than the 5 percent average of its countries.[38]

The Pacific Alliance has a lot of internal work to do that it must resolve before it becomes a real opportunity for Canada. Topics such as productive chaining constitute a fundamental element to awaken the interest of developed nations. While the importance of this goal is shared by the nations of the PA, it is still in its early stages. The development of a global value chain, for example, would allow the Canadian automotive sector to benefit, mainly because this link already exists in the Mexican automotive sector.

On the other hand, in the infrastructure sector, Canada can make big profits, mainly because the PA requires enormous investment in this central area. Another key issue is the lack of harmony between the different regulations of each country that clearly do not facilitate the free circulation of goods or capital.

Besides, trade integration must be consolidated by eliminating the 8 percent remaining trade tariffs between member states. In 2016, official approval was achieved for this goal, and the target was set to free 92 percent of the products currently negotiated between countries from tariffs. The PA will also have to implement a series of measures aimed at integrating the financial sector of each of the countries.

---

[38] Datasur. Alianza del Pacífico: reto es mejorar comercio intrarregional. www.datasur.com/en/dialogo-publico-privado-aborda-desafios-comerciales-de-la-alianza-del-pacifico/

CONCLUSION

Regarding Canada's international trade with the countries of the PA, figures indicates that its evolution depends more on the prices of primary products than a real insertion of each party in the market of the other. In the case of Colombia, both countries exchange products from the primary and secondary sectors since the FTA entered into force. In short, the agreement has not substantially modified the balances of trade between the two countries, maintaining a stable flow in the period 2011–2015 without significant deficits in the trade balances.

As for Peru, its exports to Canada in 2015 were 1.23 percent higher than those recorded when the FTA came into force in 2009, with a difference of USD 31 million, while its imports from Canada increased by 79 percent, which is equivalent to a difference of USD 298 million. In 2009, Canada had a trade deficit with Peru of USD 2,145 million, which was reduced to 1,878 million in 2015.

Among the products exported by Canada that began to be exchanged or increased after the entry into the FTA, there is a large number from the secondary sector, although some primary goods, such as wheat and meslin and durum wheat, have become very important in the balance. In the case of products exported by Peru, the great majority corresponds to primary products.

With respect to Chile, its exports to Canada in 2015 were USD 1.213 million higher than when the FTA began in 1997 (+556 percent), while its imports from Canada in 2015 were USD 334 million higher than those recorded in that year (+183 percent). In recent years, there has been a constant growth in imports from Canada, which is increasingly reducing Chile's surplus with the

North American country. Thus, while in 2005, Canada had a trade deficit with Chile of USD 1,028.2 million, in 2015; it became a deficit of USD 844.1 million. Both countries exchange products from both the primary and secondary sectors, and the exchange has focused mainly on those product segments that were no longer subject to tariffs before the FTA and on those that benefited from discounts of more than 10 percent.

In the case of both Peru and Chile, it can be seen that they have begun to import from Canada new products with an important weight in the trade balance, such as wheat or canola oil, which may lead us to wonder if they are new genuine exports, or in fact they are occasional exports that replace other traditional markets due to economic issues such as those in Argentina. Finally, in the case of Mexico, it has to be analyzed under the effect of the NAFTA agreements, since the commercial relationship has its own dynamics that are different from those of the rest of the countries that make up the Pacific Alliance.

The Pacific Alliance has only been in existence for eight years. But in this short time, it has shown itself to be one of the most thoughtful efforts in the region to project a solid institutional framework that will allow progress towards full trade integration not only with its member countries, but also with other areas of the continent and the world. Newly-created regional bodies, such as UNASUR, have failed or become irrelevant, demonstrating that the will to constitute agreements alone is not enough to ensure their survival.

As illustrated, bilateral trade between the Pacific Alliance and Canada shows that, in relative terms, the four countries that make up the PA have a low impact on Canadian international trade. This may be because there are already trade agreements in place between Pacific Alliance members and Canada, and there is little scope for further liberalization, “so new trade gains would have to come from commitments in areas not already covered".[39] For this reason, it would not be expected that, in the short term, negotiation with these economies would generate a substantial change in the export orientation.

However, it cannot be forgotten that the benefits of the PA go beyond the exchange of goods to include services, foreign investment and economic cooperation. Nevertheless, if we take as a basis the reflection of the Canadian Manufacturers & Exporters Association carried out in the framework of the consultations executed by the Standing Committee on International Trade of the House of Commons in May 2019 on possible implications for a Canadian free trade agreement with the Pacific Alliance, "the government must focus only on FTAs that increase Canada's value-added exports, creating wealth and prosperity, no tones that dilute the market with lower-value, cheaper imports from countries that do not have the labour, environmental or quality standards Canada has".[40] Clearly, at present, the Pacific Alliance does not fulfil this mission.

Additionally, there are two problems presented by the Pacific Alliance for Canada. The first is the proposal of a Common Stock Exchange, called Mercado Integrado Latinoamericano (MILA)[41], which has already brought together the stock markets of Chile, Colombia, Peru and Mexico. The idea is to squarely compete for listings in the hemisphere related to the extractive

[39] Dawson, Laura. Canada's Global Trade Options – Is There a Plan B. Chapter 8. Canada–US Relations, Springer International Publishing, pp. 151-161.

[40] CIIT Committee Report. A Canada-Pacific Alliance Free Trade Agreement: Possible implications for Canadians. May 2019. 42nd Parliament, 1st Session. www.ourcommons.ca/Committees/en/CIIT/StudyActivity?studyActivityId=9893093

[41] The Latin American Integrated Market (MILA) is the result of an agreement signed by the Santiago Stock Exchange, the Colombia Stock Exchange and the Lima Stock Exchange, who in 2009 started the process of setting up a regional market to trade equities from the three countries. After several months of working together, in which the main actors from all three markets and government authorities of each country played an important role, MILA began operating on May 30th, 2011; thereby opening up a world of opportunities for investors and brokers from Chile, Colombia and Peru, who can now purchase and sell shares from the three stock markets through a local broker. In June 2014, within the framework of a meeting of the Pacific Alliance, Mexican Stock Exchange and INDEVAL officially joined MILA, making the first transaction with this market, December 2, 2014. Source: The Latin American Integrated Market (MILA). www.mercadomila.com

industries. Nevertheless, the Toronto Stock Exchange is unlikely to want to give up its privileged place in the industry that has given it so much satisfaction for decades, and it is part of the Canadian capitalist tradition.

The other issue is full labour mobility, which, together with the access to goods and services, is of utmost importance because it is printed in the DNA of the agreement. “However, if the goal is to make the PA member countries even more attractive to Asian investment in extractive industries, Canada will have to tread a lighting-fast path of international negotiations in subjects it has almost never touched upon before”.[42] In this sense, it is important to emphasize that Canada has highly interesting prospects if the ultimate goal is the much-coveted Asian market. The ratification of the CPTPP is a demonstration of Canada's commitment to that region. In this regard, the CPTPP, whose 11 members make up about 13 percent of the world economy (three of which—Chile, Mexico, and Peru—are part of the Pacific Alliance), has significant potential as a mega-regional agreement. The 11 economies of the CPTPP have a GDP of USD 10,151 billion (corresponding to 13.5 percent of global production) and a population of 500 million people, or 6.7 percent of the world's population. Likewise, these economies have exports of USD 2,466 billion and imports of USD 2,371 billion. Its investments are also substantial, both in terms of issuance and receipt of investment (USD 239,785 million in inflows and USD 268,926 million in outflows) [43].

Therefore, the question that arises is whether the PA makes sense when Canada already has a foothold in the Asian market. In order to answer this, it would be worthwhile to focus only on Latin America. As has been pointed out in this paper from a bilateral trade point of view, the Pacific

[42] Panlo Heidrich and Laura Macdonald. Observing or joining? Canada in the Pacific Alliance. The North-South Institute.
[43] Government of Canada: What is the CPTPP? www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/cptpp-ptpgp/index.aspx?lang=eng

Alliance would not, in principle, offer anything different from what each country individually brings to the trade balance with Canada. Nevertheless, it would be worth highlighting two essential and not insignificant elements for Canada. The first element is the possibility of becoming a precursor partner in sectors such as technology and infrastructure since Chile, Peru, and Colombia have significant deficiencies in this regard. The second factor is that the Pacific Alliance could be the space from which Canada promotes its values to the region. The incorporation of provisions dedicated to trading and gender, recently incorporated in the updating of the trade agreements with Chile[44], constitute a new way of positioning Canada's values in the region, and generate a favorable context for the development of the business under its principles.

At the end of the day, "Canada's history, however, suggest that good trade policy may be easier to describe than to implement".[45]

---

[44] Idem 21

[45] Hart, Michael. Lessons from Canada´s history as a trading nation. International Journal. Toronto, Volume 58, n. 2 (spring 2003): 25 to 42.