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ABSTRACT

The Grupo Andino (GRAN) was formed in 1969 as an effort at economic integration by six Latin American countries (Bolivia, Chile, Columbia, Ecuador, Peru, and Venezuela). It was an outgrowth of its predecessor, the Latin American Free Trade Association (LAFTA), which had been formed in 1960 with eleven member countries. The Andean Group (GRAN) from the beginning addressed itself to the key factors that had weakened the LAFTA group. Thus (1) it put great stress on strong political support from each of its countries, (2) the sectorial program of industrial development was specifically aimed to increase the industrial capacity of the six member countries while, at the same time, (3) a scheme of automatic tariff reductions with relatively few exceptions was adopted, thereby avoiding the paralyzing effect of bilateral country negotiations on hundreds or thousands of individual items. Its ambitious blueprint includes the development of regional programs in such basic sectors as metalworking, automotive, paper and pulp, fertilizers, and steel. The Andres Bello program is the educational arm of GRAN. Its projects have been a regional network of educational television programs transmitted by satellite and the establishment of a regional school for training in public sector administration. (JT)

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The Andean Common Market

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Institute of
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Issues in International Education

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The Andean Common Market

An Experiment in Regional Cooperation

by Reynold E. Carlson

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This essay was the subject of discussion at the 1974 Caracas conference of the Council on Higher Education in the American Republics. The meeting was the sixteenth in an annual series of inter-American educators conferences and was organized by IIE through a grant from the Tinker Foundation of New York.

I. The Problems of LAFTA

Adam Smith's seminal observation that "division of labor is limited by the extent of the market" has born fruit in Latin America. Four major efforts at economic integration have been launched in recent years. The Latin American Free Trade Association (LAFTA) and the Central American Common Market (CACM) were the first in 1960, followed by the Caribbean Free Trade Association (CARIFTA) in 1968 and the Grupo Andino (GRAN) in 1969. This paper is devoted to GRAN with some initial reference to LAFTA as its precursor.

LAFTA's eleven member countries include Mexico and all of the South American nations. Its ambitious target was to eliminate tariff barriers and other administrative restrictions within the region by 1973. This goal was to be achieved by developing a "common list" of commodities which would move freely throughout the region and a series of "national lists" by means of which tariffs would be reduced triennially by negotiations between the countries. Neither list prospered since virtually every item was negotiated, usually on a *quid pro quo* basis, with individual countries retaining a veto power.

As the liberation movement slowed to a halt, LAFTA turned to the promotion of "complementary agreements" between two or more countries, whereby specific commodities could move at reduced (if not zero) tariff rates between the signatory members. This in turn evolved into a laborious procedure. To illustrate the problems involved in the complementary process, one might cite a recent case involving Sperry Rand and Olivetti. The two companies decided to rationalize their plants in Argentina, Brazil and Mexico by concentrating production on specific items, e.g., typewriters and office calculating machines. Each of the three countries would then admit both products at minimal tariffs. Argentina, for example, dropped tariffs from 90% to 10%. However, some two years elapsed between the opening of negotiations and final approval in the form of a complementary agreement. Given such delays when the producers in question are actively promoting an item, one can imagine what happens when competing producers are indifferent or in open opposition to any scheme.

A second basic problem for LAFTA had been built-in at the very beginning, the wide variation in stages of development of the member countries. The Big Three Brazil, Argentina and Mexico garnered the bulk of new industrial investment, while lesser members were in danger of becoming little more than satellites. At the outset, a special category was established for the less-developed countries (Bolivia, Ecuador, Paraguay, and eventually Uruguay when by 1967 it had fallen on parlous times).

The general dissatisfaction of most LAFTA members can be partially attributed to (1) the virtual withdrawal of effective political support from key member countries, (2) the lack of any conspicuous gains in their own industrial development and (3) the disappointing trade volume generated over the decade of LAFTA's operations. A few statistics will serve to quantify the minimal trade results achieved by LAFTA over the decade 1961-72 and the increasing gap between the Big Three and the rest of the region (see Appendix 1).

The principal interest of LAFTA members, especially of the smaller and middle-tier countries, has always focused on the degree to which the LAFTA program could promote the exports of their individual countries to the region. In 1961 intra-zonal *exports* within the LAFTA region were 7% of total exports. By 1972 they had increased to only 12%

of the total. These increases were largely in agricultural and basic raw materials and would have occurred even if LAFTA had not existed. Over the same decade intra-zonal *imports* rose from 8% to only 10% of the total. In two larger countries during the same decade, Mexico increased intra-zonal exports from 2% to 8%, while Venezuelan exports dropped from 7% to 5% with the absolute dollar volume of its exports to LAFTA countries actually declining. In the middle-tier countries the intra-zonal increment was more substantial: Colombian exports rose from 2% to 13% and Chilean exports from 7% to 14%. Peru on the other hand reflected no intra-zonal gain, starting at 7% and ending at 8% a decade later. Ecuador among the lesser-developed members did improve from 9% to 17%.

II. Integration: the Andean Group

The Andean Group (GRAN) from the beginning addressed itself to the key factors that had weakened the LAFTA group. Thus (1) it put great stress on strong political support from each of their countries, (2) the sectoral program of industrial development was specifically aimed to increase the industrial capacity of the six member countries while, at the same time, (3) a scheme of automatic tariff reductions with relatively few exceptions was adopted, thereby avoiding the paralyzing effect of bilateral country negotiations on hundreds or thousands of individual items.

The political dimension of GRAN became evident in the first days of the negotiations which led to the adoption of the Acuerdo de Cartagena. Its continuing presence is conveyed in the regular meetings of the Foreign Ministers of the member countries, Bolivia, Chile, Colombia, Ecuador, Peru and Venezuela. GRAN began in 1966 when the Presidents of Colombia, Chile and Venezuela, in the "Declaration of Bogota," started joint action to achieve within LAFTA, "measures to accelerate progress in the lesser developed countries and with those of insufficient markets to achieve harmonious and balanced development." (quoted from the LAFTA treaties).

At Punta del Este in 1967 ("Declaration of the Presidents of America"), the move to develop subregional agreements gained momentum. In the same year the Foreign Ministers of the LAFTA countries gave their blessing to the idea. The year 1968 was largely taken up with the preparation of drafts of the eventual agreement by committees of government experts. As a prior step, the GRAN countries established the Andean Development Corporation (CAF). In May 1969 the Acuerdo de Cartagena was adopted with Venezuela abstaining. Only a few weeks later, the LAFTA group formally recognized GRAN as compatible with the original Treaty of Montevideo under which LAFTA was constituted. After ratification by three countries the new organization began to function.

The political framework within which GRAN operates is vigorously restated at each successive meeting of the Foreign Ministers. It is indeed the glue which holds the organization together and the formal term used to announce the entry of new members is "adhesion," a not inappropriate phrase! The central theme at these meetings is a reaffirmation of the principal objective of GRAN, namely, to enable a group of six countries to work in unity and within the region as a bloc in dealing with the rest of the world, especially the great powers. When the going gets tough "unity" becomes the rallying cry. One observes that the dissolution of political support for LAFTA made the organization progressively more ineffectual until finally it fractured into several sub-groups which seemed unable to deal with each other. At moments of crisis, as when possible ruptures threatened GRAN country relations, the political factor was decisive in restoring equilibrium.

A few instances may serve as illustrations. When Belaunde was deposed as President of Peru in 1968, it seemed evident that the new regime would follow a strongly nationalistic line which the Colombians considered to be a threat to their interests. Accordingly, the then Colombian Foreign Minister, Lopez Michelsen, made a special trip to meet Mercado Jarrin, then Peruvian Foreign Minister, in Lima and exchange mutual assurances. In a second instance, when Ecuador began to feel neglected as the "poor relation" in GRAN, Colombia through its political channels made a special effort to bolster the sagging faith of Ecuador in the new organization. Again, when Allende was elected in 1970 at a time at which Colombia had a conservative government, the possibility of cooling relations seemed imminent, until President Pastrana and Foreign Minister Vásquez Carrizosa of Colombia developed a working entente which would accommodate the new Chilean government. Finally, when it appeared that there was danger of alienating Venezuela if GRAN continued without it, the political drive for "unity" was potent enough to generate concessions, even against private sector interests in both Colombia and Venezuela.

The Foreign Ministers never lose an opportunity to use their periodic GRAN meetings to make "declarations" of a political character, not necessarily relevant to the business at hand. For example, at their last meeting in August 1973 at Lima, the Foreign Ministers went on record to protest (1) French nuclear testing in the Pacific, (2) the alleged use of coercion in determining the lending policies of the Inter-American Development Bank, (3) other forms of economic "aggression" against countries attempting basic changes in their economic and social structures (Chile) or seeking to develop their own natural and maritime resources (Peru), and, finally, (4) to register concern about the activities of foreign multinational corporations and to seek guarantees of their acquiescence to the legislation of countries in which they operate. In short, "unity" is recognized as necessary to resist the pressures and confront the commercial blocs of the advanced countries.

Notwithstanding these activities on the political front, there is a growing concern that decisions of the Junta are not being implemented in several of the member countries. Internal laws are not being adopted to accommodate the new rules of the game. The lesser developed countries like Bolivia and Ecuador increasingly complain that the tariff concessions granted on export commodities have not resulted in any substantial increase in their export volume, not to mention the fact that these concessions, per se, do nothing to increase the productive capacity of exportable materials in these countries. For example, President Banzer of Bolivia recently noted that, despite the benefits of tariff reductions on some 3,000 items, Bolivia in effect has "nothing to export." Bolivia cannot generate exports because local enterprises are unable to get the guarantees needed to finance an expansion in their industrial capacity. Indeed, some exports, e.g. sulfur, seem unable to find a market in the GRAN countries because of "disloyal" competition from outside the subregion. As a gesture of solidarity and unity the first multinational firm under GRAN sponsorship is to be located in La Paz with extraordinary financing of $1 million from the Andean Development Corporation (CAF) and additional capital support from other member countries over and above their regular quotas to CAF. The Swedish firm Atlas Copco provides management, technology and risk capital for the enterprise, which will produce drilling bits and pneumatic drills for the regional market.

The second "defect" in LAFTA which left the middle- and lower-tier countries disenchanted was the lack of any policy or program to foment industrial development within their national economies. GRAN turned this into one of its major targets, sectorial industrial development.

As is well known, industrialization characterized the decade of the 1960's. Virtually every country expanded its light industries through programs of import substitution to meet the domestic market demand for durable or nondurable consumer goods. Having exhausted that sector, each country was soon looking to a second wave of industrial expansion, usually in semi-finished products which required more advanced technologies, more capital intensive methods, and, above all, expanded markets in the region. Without markets significant economies of scale could not be realized and final product prices would be far above competitive levels in Mexico, Brazil or Argentina, not to mention Europe or the U.S.

GRAN started out recognizing that its six members comprise six separate markets, different in size, per capita income and ability to generate savings, with wide ranges in educational levels and technical capabilities. In political terms the lesser developed and the middle-tier countries expected to share more equitably in the benefits of growth and to participate in the "harmonization" of disparate development policies. In economic terms the consolidation of six national markets into a single regional market is gradually being achieved by successive automatic reductions in tariffs and other trade restrictions over a ten year period, 1971-1980. Access to markets, however, is a necessary but not sufficient condition to achieve their aspirations. The sufficient condition can be met only by stimulating investments in a country's industrial plant, facilitating the transfer of relevant technology and providing the resources in capital, management skills and trained labor.

By way of digression, it is obvious that industry is only one facet of economic growth and usually represents a smaller component in gross domestic product than, for example, agriculture. The complexities of agricultural regional development have relegated it to second place in GRAN priorities. Indeed the first meeting of agricultural ministers was just held in Lima in February, 1974. Moreover, the inclination of most countries to equate industry with economic development has been the dominant thrust, e.g., the import substitution program of the 1960's. The thesis of "dependency" is the current vogue, industrialization is considered *the* remedy for it because it creates employment and improves prospects for a more equitable income distribution.

III. Integrating Industry

The GRAN instrument to this end is the sectorial industrial program. Its ambitious blueprint envisages the development of regional programs in such basic sectors as metalworking, petrochemicals, automotive, paper and pulp, fertilizers, and steel. The steps in each process involve GRAN decisions on (1) location of plants in relation to raw material and present or potential productive capacity, (2) a common external tariff concurrent with progressive tariff reductions between member countries, (3) harmonization of national policies, e.g., in regard to foreign investments, and (4) programming financial resources.

The first program was launched in August 1972 for the metal mechanics industry, a good sector in which to start because it is not characterized by large-scale enterprises using advanced technology that is heavily capital-intensive. GRAN first prepared a list of 200 metal products grouped into 72 product lines (including some 22 already being manufactured), which were then allocated (Decision No. 57) between the member countries. Fifty-one product lines were assigned to the larger countries, Colombia, Peru and Chile (Venezuela was not yet a member), and 21 product lines were earmarked for Bolivia and Ecuador. The original allocations are now being reviewed to accommodate Venezuela. Each country is expected to complete feasibility studies on its assigned products by 1974, or in the case of Bolivia and Ecuador by

1975, and actual production should be underway three years later. In cases of noncompliance the products will be reassigned.

Finding the financial and technical resources to implement this sectorial plan will be a major problem, so a separate entity, the Andean Development Corporation (CAF), was organized in 1968 with headquarters in Caracas. Its functions are (1) to provide technical assistance in feasibility and preinvestment studies, (2) to facilitate the acquisition of appropriate technologies and (3) to mobilize and channel capital to regional as well as country projects. CAF's own resources are modest in relation to the magnitude of the task. Its capital is $100 million, of which $75 million is to be paid in by the member countries over the next eight years. On the assumption that this leverage can mobilize $4 of outside resources for every $1 of capital it anticipates a lending capacity of $400 million. Outside resources to date include AID ($15 million plus $200,000 for technical assistance relending to the private sector), Inter-American Development Bank ($5.4 million), and Mexico ($1 million for feasibility studies and $5 million for loans).[1] Although present resources are indeed limited it is expected that as CAF progresses in its programs other non-GRAN countries such as Brazil or the international lending agencies will provide substantial amounts.

The third sector of disenchantment with the LAFTA program was the minimal expansion in exports achieved over a decade. Accordingly, the most active area of GRAN activities to date has been the commercial sector in which liberalization of trade between the member countries is being achieved by automatic tariff reductions, thus laying the groundwork for a regional market. Taking note of LAFTA's defects in this area, GRAN has moved with all deliberate speed and is achieving real progress. About 4,200 items in the international customs nomenclature have been analyzed. Of this total a limited number are temporarily excluded from automatic reduction as "exceptions" at the request of single countries which fear excessive competition at the outset when their protective guard is lowered, but these exceptions expire in 1980. The three larger members, Colombia, Peru and Chile, are making annual reductions of 10% in their tariffs which began in 1971, so that by 1980 all items will move freely in the GRAN region. Bolivia and Ecuador as lesser developed countries received special concessions in that tariff reductions on their products are lumped into three years instead of ten. Venezuela upon entry immediately enacted the tariff reductions that had accumulated to date.

Cumulative Tariff Reductions (percentage)

	1971	1972	1973	1980
Colombia, Peru, Chile	10	20	30	100
Venezuela			30	100
Bolivia, Ecuador	40	70	100	

The common list inherited from LAFTA was duty-free from the outset; some 1,200 items have been withheld from automatic liberation pending assignment to countries under the sectorial industrial programs. A common external tariff on products from outside the GRAN region now ranges from 30% to 80%, lending some protection to new country and/or regional industries being promoted as well as tempering foreign competition for the relatively high-cost enterprises that already exist in the member countries.

The areas noted above do not exhaust the range of GRAN activities, some of which are carried out by GRAN's own staff and others by contract through other agencies. The annual GRAN budget is estimated at $2.2 million in 1974. It is assessed from the member countries at 6% each from Bolivia and Ecuador and 22% each from the other four members. International agencies have also proven a major source of financial support, providing a total of $3.6 million in the period 1970-1973. Of this total $1.3

[1] The Mexican capital earmarked for loans will be tied (70% to Mexican exports of equipment) and will probably set a pattern for other non-GRAN country subscriptions.

million came from UN funds (1) to underwrite a three-volume study[2] by the Economic Commission for Latin America and the Latin American Institute of Economic and Social Planning (ILPES) analyzing basic strategies for the development of the Andean region and (2) to finance technical assistance provided by such agencies as FAO, UNESCO, UNIDO and UNCTAD.

Recognizing the primordial importance of technology in the industrial sectorial programs, a major effort is being made to identify available technologies of varying complexities, problems in their transfer to the GRAN countries, their cost, etc. The Canadian Development Research Agency (IDRC) has been a principal contributor ($1.3 million to date) to this program for technological transfer as well as to related studies in industrial development.[3] With these outside resources plus substantial inputs from its own staff, GRAN is (1) surveying the effect of simple changes in production technique for medium-size firms, e.g. the bulk of the Bolivian mining industry, (2) performing case studies using different mixes of skilled and unskilled labor, (3) locating sources of information on foreign technology for bargaining with potential foreign investors, (4) surveying two or three investment programs in the GRAN region to ascertain the extent to which technical know-how must be imported and finally, (5) preparing plans for development of certain industries in which the product has a high social content, e.g., low income housing. The high priority that GRAN has assigned to the development of technological resources in the Latin American area has obvious interest for engineering and technical institutes in the entire region.

Other agencies have come forward to finance experts and consultants. The Organization of American States ($159,000), the Inter-American Development Bank ($293,000) and the Ford Foundation ($115,000) are underwriting the services of experts and consultants in a variety of fields in addition to technology, e.g., tourism, taxation, industrial programs, legal aspects of foreign investments, Latin American multinational enterprises and the development of an economic research component within the GRAN secretariat.

Notwithstanding its many efforts thus far, GRAN freely acknowledges that much remains to be done to make the regional market a reality. Its first priority is the pressing need for member countries to implement GRAN actions and Decisions (72 issued to date) that have not been incorporated into law either due to administrative inertia or a lack of knowledge on the part of subordinate offices, so that unilateral action will not continue to negate tariff reductions. Liberalization per se is not enough, however. There is a lack of know-how, especially on the part of small and middle-sized firms which have no capacity for market research or experience in promoting and financing export trade. Some firms which expanded capacity in anticipation of additional exports have failed to achieve them. As yet there is no juridical body within GRAN to receive complaints, interpret legal aspects or monitor compliance. The technological gap continues as a major obstacle. Research and development efforts are isolated and/or duplicated, which not only wastes scarce resources but fails to achieve any negotiating strength. In short, the priority task of the member countries at this stage is to concentrate on compliance.

[2] "Bases Generales para una Estrategia Subregional de Desarollo," March, 1972, mimeo.

[3] IDRC assistance is tied 66% to Canadian institutions and experts, while 34% is available for non-Canadian services.

IV. Integrating Education

The so-called Andres Bello program is the educational arm of GRAN. The Ministers of Education of the six Andean countries held their first meeting in Bogota in 1970, out of which emerged the *Convenio Andres Bello* for "Educational, Scientific and Cultural Integration" of the countries in the Andean Region. It included a "plan of work" for that first year. The second ministerial meeting took place early in 1971 in Lima and such meetings have been held each year thereafter. The ministerial meetings are usually preceded by meetings at the technical level two or three months earlier, at which time advisors review the various projects proposed and make recommendations for subsequent action by the Ministers. For example, in 1974 the technical advisors met in La Paz in January, followed in late March by the Ministerial V meeting, also in La Paz.

At the 1972 Ministerial III meeting in Quito a permanent office was established, to be located in Bogota under the direction of Octavio Arismendi, ex-Minister of Education in Colombia under Carlos Lleras Restrepo. One of the responsibilities of the Bogota secretariat is to survey possible sources of financial support, largely from international organizations: IBRD, IDB, OAS, UNESCO, and UNDP. It appears that the Andean Development Corporation (CAF) is also willing to lend its support provided that the Andres Bello group can set up a "Special Fund" to be administered by CAF with regular quotas from the member countries. The percentages of participation in the Special Fund are set at 5% for Bolivia and Ecuador, 20% for Chile, Colombia and Peru and 30% for Venezuela, these percentages being applied to whatever global figure the Ministers agree upon. As yet such a fund has not been set up. Peru, for example, contributes $10,000 annually to the support of the Bogota office. UNESCO has also indicated its interest in partial support for projects relating to the cultural patrimony of the various countries.

One of the earlier and more active projects, tele-education, had its beginnings in 1969 when a private firm, CAVISAT, proposed a regional network of educational television programs transmitted by satellite. This project came up at the 1970 Ministerial I meeting at which it was decided that such an important project should not be left in the hands of a single firm, whereupon UNESCO and UNDP formed a working group to review the feasibility of such a project. This group has been at work since 1970 and reported at each of the three subsequent meetings. It was agreed in 1972 that Argentina and Uruguay could be considered as members of Andres Bello for the purpose of this single project.[4] Final recommendations of the working group were presented at the 1973 Ministerial IV meeting in Caracas. The satellite system was tacitly recommended rather than the micro-wave systems which some countries, e.g., Peru, preferred.

A multinational committee was then set up to institutionalize the recommendations, Venezuela was requested to assume responsibility for producing a number of programs subject to general supervision of this committee. On the financial side it was noted that the first round of UNDP country programs will terminate in 1975, so there was interest in initiating a proposal to that agency before that date.

A second major project of the Andres Bello group envisages the establishment of a regional school for training in public sector administration that would also include training in business administration for those students who will assume an increasingly important role in state enterprises. The idea for this institution, to be named the Escuela Empresarial Andina, was first introduced by Peru in 1971 and has now reached its final formulation in the blueprint stage. The project was unanimously approved by

[4] These two countries were allegedly concerned that Brazil, through the "Cuenca de La Plata" regional project might seize the opportunity to get a head start in the tele-education field, hence they chose to join forces with the Andres Bello group.

the Technical Advisors Meeting early in 1974. It is expected that the 1974 Ministerial V meeting will formally launch the project.[5] It is generally agreed that the school will be located in Lima with an international staff recruited largely from some of the more developed institutions in the Andean region. Those selected for the teaching faculty will undertake refresher courses abroad for six to twelve weeks in 1975. Development of a library, preparation of teaching materials and adaptation of physical facilities for the new institution will also be carried out in 1975.

The academic program is expected to be launched in early 1976. Plans are to offer (1) a variety of short-term extension courses for participants drawn from the public sector, (2) a one-year course for middle and lower level functionaries on techniques of budgeting, accounting, personnel and planning, (3) a one-year graduate course for university graduates in economics interested in entering government administration and (4) a one-year advanced course for "development administrators" in mid-career. It is anticipated that a Convenio may be established with one or more leading institutions in each Andean country to serve as a channel for selection of younger professors from the lesser developed schools of public and/or business administration who will spend a year in graduate study and then return to the home institution. The program will also include a research dimension relevant to regional topics and the preparation of teaching materials for institutions throughout the Andean region.

After the initial tooling-up year which will be financed by the Peruvian Ministry of Education, operating costs for a normal year are estimated at \$500-600,000 annually. Mobilizing resources of such magnitude will provide a major test of the Andres Bello program.

Other projects in different stages of development are noted below, with each country presenting at least one project. *Chile*, for example, presented a project at the Ministerial II meeting in 1971 on "Capacitacion Laboral," at the same time that Peru took the initial steps to put forward the Escuela Empresarial Andina as its project. The Chilean project, however, did not prosper and it was dropped in the Ministerial III meeting in 1972. *Colombia* is preparing a volume describing the educational systems of the six member countries. The data collection has recently been completed by the respective Ministries of Education. *Ecuador* has submitted two projects, (1) a center for the preparation of plans for school construction, with a multinational committee named to oversee the institutionalization of the undertaking, and (2) the design of text books in mathematics and natural sciences at the primary and/or basic levels. The latter project, however, was passed over at the last Technical Advisors Meeting in La Paz in early 1974. *Chile* has opted for a study on the "objectives of education" but this project is reported as suspended, at least temporarily, pending new policy directives from the Chilean authorities. *Bolivia* proposes to establish a research center on education in rural areas.

It is evident that most of these proposed projects are still in embryo form. Only the two projects discussed at length earlier in this paper – tele-education and the Andean school administration – have reached a takeoff point where

[5] The first meeting of the Consejo Superior of the new school was held in late September 1974 in Lima. A budget of \$50,000 was approved, largely contributed by the Peruvian government. By March 1975 the organizational structure, program of studies, and plans for financial support will be ready for the first year.

implementation depends upon mobilizing financial resources. Whether the Ministry of Education in a given country is both able and willing to take the initiative, e.g. the case of Perú assuming financial responsibility for the first year of the Escuela Empresarial Andina, is probably a necessary but not sufficient condition for success.

The countries of the Andean Group face complex problems in developing a working pattern of cooperation. The initial steps have been taken. Further steps in implementing these projects will show whether the GRAN countries can act together productively in support of their shared interests in education.

Appendix I.

LAFTA TRADE
(millions of dollars)

	Exports (FOB)				Imports (CIF)			
	Lafta % Total		Total Lafta	Total Rest World	Lafta % Total		Total Lafta	Total Rest World
	1961	1972	1972	1972	1961	1972	1972	1972
ARGENTINA	12%	28%	$ 468	$1,328	13%	20%	$ 414	$1,611
BRAZIL	7	10	408	3,583	10	8	392	4,396
MEXICO	2	9	141	1,440	*	4	120	2,815
VENEZUELA	2	5	158	2,802	2	4	100	2,408
CHILE	7	14	157	986	17	22	233	835
COLOMBIA	2	13	104	668	2	11	105	870
PERU	7	8	74	870	7	16	128	669
URUGUAY	3	20	47	192	22	35	70	130
ECUADOR	9	17	37	179	4	15	49	220
BOLIVIA	7	12	28	212	16	17	30	144
PARAGUAY	32	24	21	66	28	31	26	57
			$1,643	$12,326			$1,666	$14,205

*Less 17

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