



ABC

The Pacific Alliance



**The Pacific
Alliance**



The Pacific Alliance – Deep integration for prosperity

The **Pacific Alliance** is a mechanism for regional integration formed by **Chile, Colombia, Mexico and Peru**, in April 2011. It acquired legal and formal existence on 6 June 2012, with the signature of the Framework Agreement. The process seeks to create attractive markets among its member countries and enhance their competitiveness in the wider world.

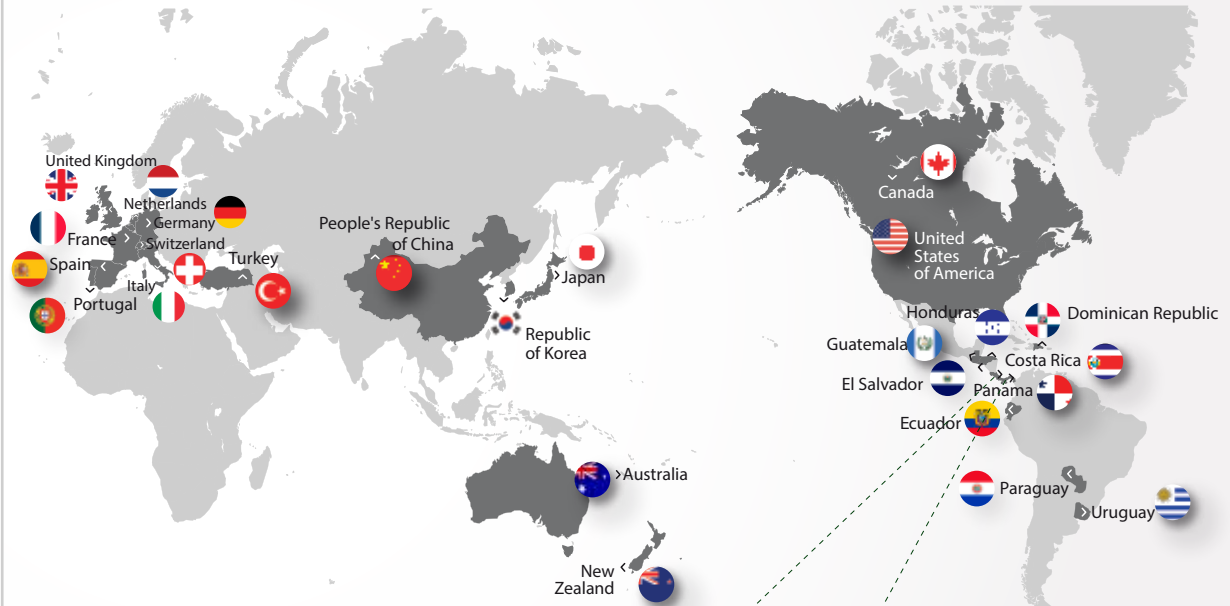
Member Countries

The Pacific Alliance




Observer Countries

The Pacific Alliance



Member-Candidate countries The Pacific Alliance

 Costa Rica

 Panama

Objectives of the Pacific Alliance:



To build, through participation and consensus, an **area of deep integration** that will move progressively forward towards the free circulation of goods, services, capital and persons.



To dynamize growth, development and competitiveness in the economies of the Parties, in order to achieve greater welfare, overcome socioeconomic disparities and secure social inclusion in their societies.



To become a platform for political articulation, economic and commercial integration, and projection to the world, especially to Asia-Pacific.

The Alliance has a comprehensive agenda, determined by results already achieved in trade, in joint and coordinated action between promotion agencies, cooperation to strengthen the competitiveness and innovation of SMEs, research in climate change, student and academic mobility and the facilitation of migration movements.



Benefits of the Pacific Alliance

(Trade, investment and services)

Chile, Colombia, Mexico and Peru have solid and democratic institutional structures and systems of regular elections of their governments; their markets are dynamic and globalized and they offer favourable conditions for investment.






According to the World Bank's *Doing Business* 2013 the Pacific Alliance countries rank first, third, fourth and fifth among the 32 nations of Latin America and the Caribbean for ease of doing business¹.

¹The ranking represents scores for ten issues related to the ease of doing business. The higher the ranking, the more favourable the business environment.

Economic matters

The Gross Domestic Product (**GDP**) of the **Pacific Alliance countries represents 36% of the GDP of Latin America and the Caribbean**. Average growth was 5% in 2012, compared to a world level of 3%.

The four countries in the Alliance enjoy strong economic stability.

-  The average rate of **unemployment in Alliance countries is 7%** .
-  The principal exports of the Alliance countries are **fuels and minerals, agricultural products and manufactured goods**. Their offer thus complements that of the Asia Pacific markets.
-  In 2012 the Alliance countries represented **41% of total foreign investment flows in** Latin America and the Caribbean.
-  Intra-regional trade between the Alliance countries represents 4% of their total foreign trade, with a strong growth potential.
-  The Alliance countries represented 50% of Latin America's foreign trade in 2012, with a growth of 4% in exports and 4% in imports compared to 2011.

Source: IMF, WB and WTO





212 MILLION

population 2012 (e) Source: World Bank



GDP

5% GDP growth in 2012

About

USD 9,978

Average GDP Per cápita (2012)

Source: IMF



Average inflation in the Alliance in 2012 was

2,7%

Source: World Bank

Trade in goods



EXPORTS 2012
USD 555.0
MILLION

IMPORTS 2012
USD 561.6
MILLION

Source: WTO



FDI (2012e)

Foreign Direct Investment
USD 71,045
MILLION

Source: ECLAC

Tourism 2012
32 MILLION





22 Trade Agreements 60 Countries*

"We have now completed this Paranal Summit, which has seen the birth of the Pacific Alliance, seeking deep integration because it goes much further than free trade issues; it also includes the free passage of persons free trade in goods and the free movement of investment. Furthermore, it represents a vocation and commitment by Mexico, Colombia, Peru and Chile to join forces through this deep integration and to project ourselves, united and with mutual support, into the world of the Asia Pacific which is the world of today and the world of tomorrow."

¹ IV Summit of the Pacific Alliance, Paranal, Antofagasta, Chile.

(*) Includes FTAs, economic association agreements, partial-scope agreements and complementation agreements

Sebastián Piñera

Chile



Source Ministry of Foreign Affairs, Chile.



15 Free Trade Agreements 62 Countries

"I have absolutely no doubt in pointing to the integration process of the Pacific Alliance as the most important in the whole history of Latin America"

Juan Manuel Santos



Colombia

Source: Ministry of Foreign Trade and Tourism.



19 Trade Agreements 52 Countries

"The Pacific Alliance promotes the integration of Chile, Colombia, Peru and Mexico as an effective instrument to speed up the development and welfare of their people."

Enrique Peña Nieto

(*) The agreements include FTAs, economic complementation agreements and Partial-Scope Agreements

Mexico



Source: Ministry of the Economy, Mexico.



17 Trade Agreements 50 Countries

"For us, the Pacific Alliance is a political proposal for regional integration in which what we seek is the welfare of our peoples, and agreement that benefits trade and the economy (...) What we are trying to do here is to look for mechanisms that will benefit the quality of life of our people"

Ollanta Humala



Peru

Source: Ministry of Foreign Trade and Tourism.

Institutional Structure:

The Pacific Alliance has technical groups responsible for a range of issues.



Trade and Integration: regulations for tariff reductions, rules of origin, technical barriers, health and phytosanitary measures, facilitation of trade and customs cooperation.



Public Purchasing: commitments are made at all levels of government for access to state procurement. Thus Government agencies in Pacific Alliance countries can achieve greater benefits of quality and price when sourcing goods and services.



Services and Capital: those engaged in trade and investment are offered clear and predictable rules with legal security to promote the trade in services and investments, including cross-border trade in services, e-commerce, maritime transport, telecommunications and financial services.



Intellectual Property: sharing of experiences and information in order to develop joint action and deepen existing commitments in this area.



People movement and migratory transit facilitation: promotes the comprehensive and free circulation of persons within the Alliance.



Communications strategy: designs and implements communication strategies so that the Pacific Alliance will be recognized worldwide as a model of regional integration that encourages economic and commercial development, competitiveness and effective cooperation between members in the context of a globalized economy.



Cooperation: the objective is to develop common projects in a range of areas such as education, environment, climate change, innovation, science and technology, among others.



Regulatory Improvement: provisions to establish good practices in order to improve regulation, economic competition and an enhanced business environment.



SMEs: defines support mechanisms that ensure that small and medium businesses benefit from the opportunities that the Pacific Alliance offers as driving forces for economic growth and the generation of employment.



Expert Committee for the Pacific Alliance Business Summit: considers and attends to suggestions and recommendations made by the private sector through the Pacific Alliance Business Council CEAP.



International Tax Transparency: the objective is to develop common best practices in tax and fiscal matters.



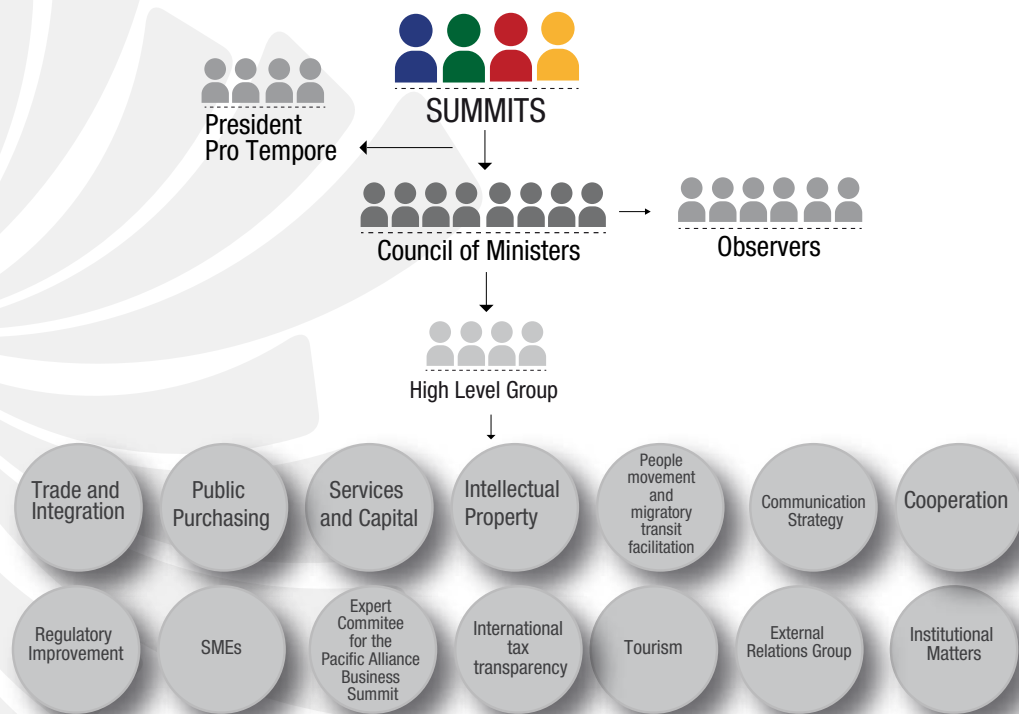
Tourism: designed to strengthen and develop relations of cooperation based on the design of initiatives that seek to increase the flow of tourists in the Pacific Alliance.



External Relations: this function assists the establishment of fruitful and ongoing dialogue between Member Countries and Observer States and Third Parties, for the promotion of the objectives of the Alliance.



Institutional Matters: regulates institutional disciplines that cut across the structure of the Alliance, and settles differences so that the Parties can resolve situations quickly and efficiently when problems arise from application or interpretation of the rules of the Alliance.



The Presidents of the four countries are in the senior organ of decision in the process. They meet on an ad hoc basis at the *Alliance Summits*.

The Council of Ministers, formed by the Foreign Trade Ministers and Foreign Ministers, is responsible for adopting decisions to develop specific objectives and actions contained in the Framework Agreement and in Pacific Alliance Presidential Declarations.

The High-Level Group (HLG), formed by Vice-Ministers of Trade and of Foreign Affairs, responsible for the oversight of the work of the technical groups, the evaluation of areas in which progress could be made and the preparation of a proposal for the projection and external approaches to other regional organizations or groups, especially in the Asia Pacific.

Technical groups and subgroups, formed by public servants in the four Member Countries, responsible for negotiating disciplines related to Pacific Alliance issues.

It was also decided that the Pro-Tempore Presidency of the Alliance would be exercised on an annual basis by its Members in alphabetical rotation.

Principal achievements of the Pacific Alliance

In August 2013 the negotiations for the commercial component were completed. This included, amongst other things, agreements to remove tariffs on 92% of goods and services immediately, and the rest, over time. These negotiations will form part of an Additional Protocol to the Framework Agreement to regulate disciplines on access to markets, rules of origin, facilitation of trade, health and phytosanitary measures, technical barriers, public procurement, services, investment and disputes resolution.

An agreement was negotiated on e-commerce to strengthen, facilitate and promote the use of technologies for the trade in goods and services.

There has been promotion of financial integration through the Integrated Latin American Market (MILA), a stock Exchange integration platform used by Colombia, Chile and Peru with no merger or corporate integration of members. Mexico is expected to join on the first half of 2014.



The Student and Academic Mobility Platform was created, granting scholarships to students from the four countries to study in an Alliance Member Country. The results for the Contests I and II for 2013 led to 256 scholarships (227 undergraduate, 29 graduate).



An agreement was signed to set up the Pacific Alliance Cooperation Fund.



The Scientific Research Network for Climate Change was established.



A Joint Embassy of the four countries was opened in Ghana; and a Colombia/Chile Embassy was opened in Morocco. It is planned to



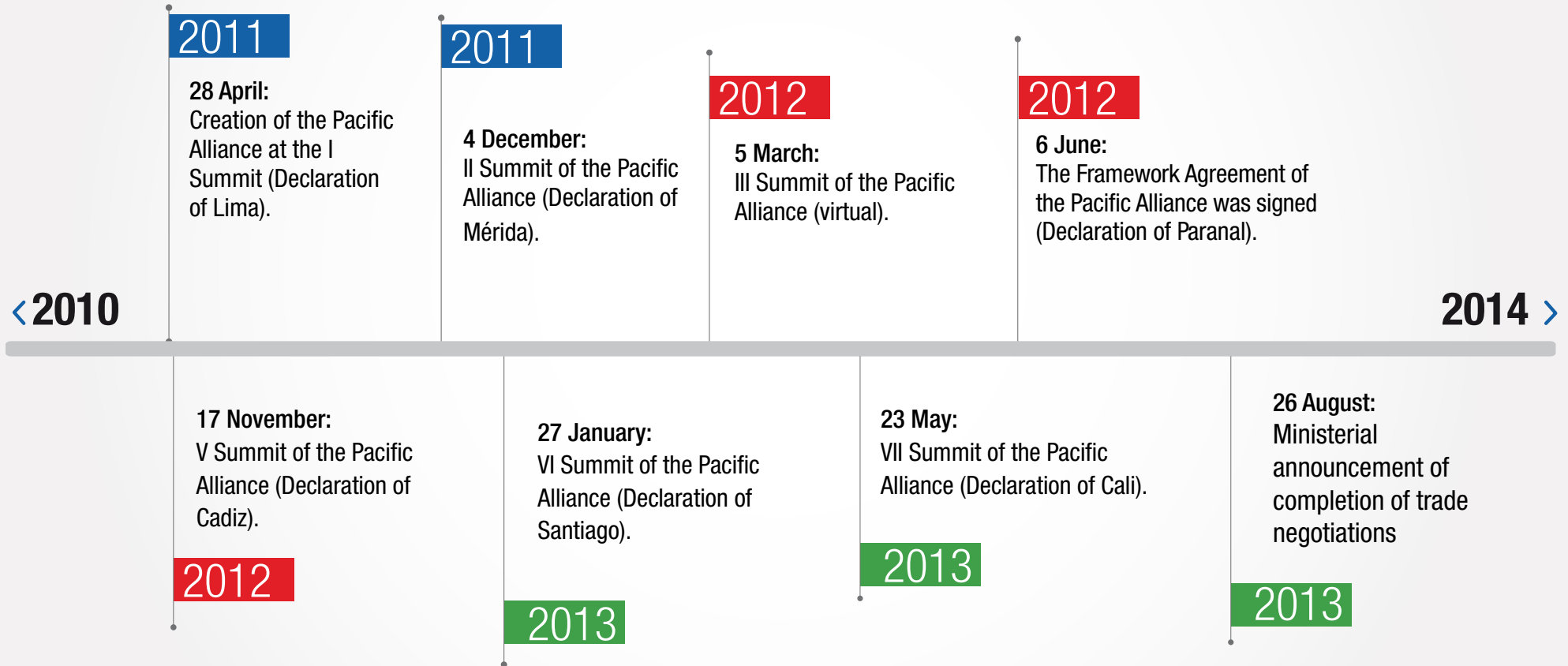
open others in Algeria (Colombia-Chile), Azerbaijan (Colombia-Chile), Singapore (Colombia-Mexico) and Vietnam (Colombia-Peru).



Mexico eliminated visitor visa requirements for travelers from Colombia and Peru. Peru eliminated Temporary Business Visas for visitors from Mexico, Chile and Colombia. Colombia and Peru signed a Memorandum of Understanding on exoneration of Business Visas.

The joint Promotion Agencies Office in Istanbul (Turkey) has been working for a year. There are plans to open other joint offices in Casablanca (Morocco) and Bombay (India).

Timeline





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