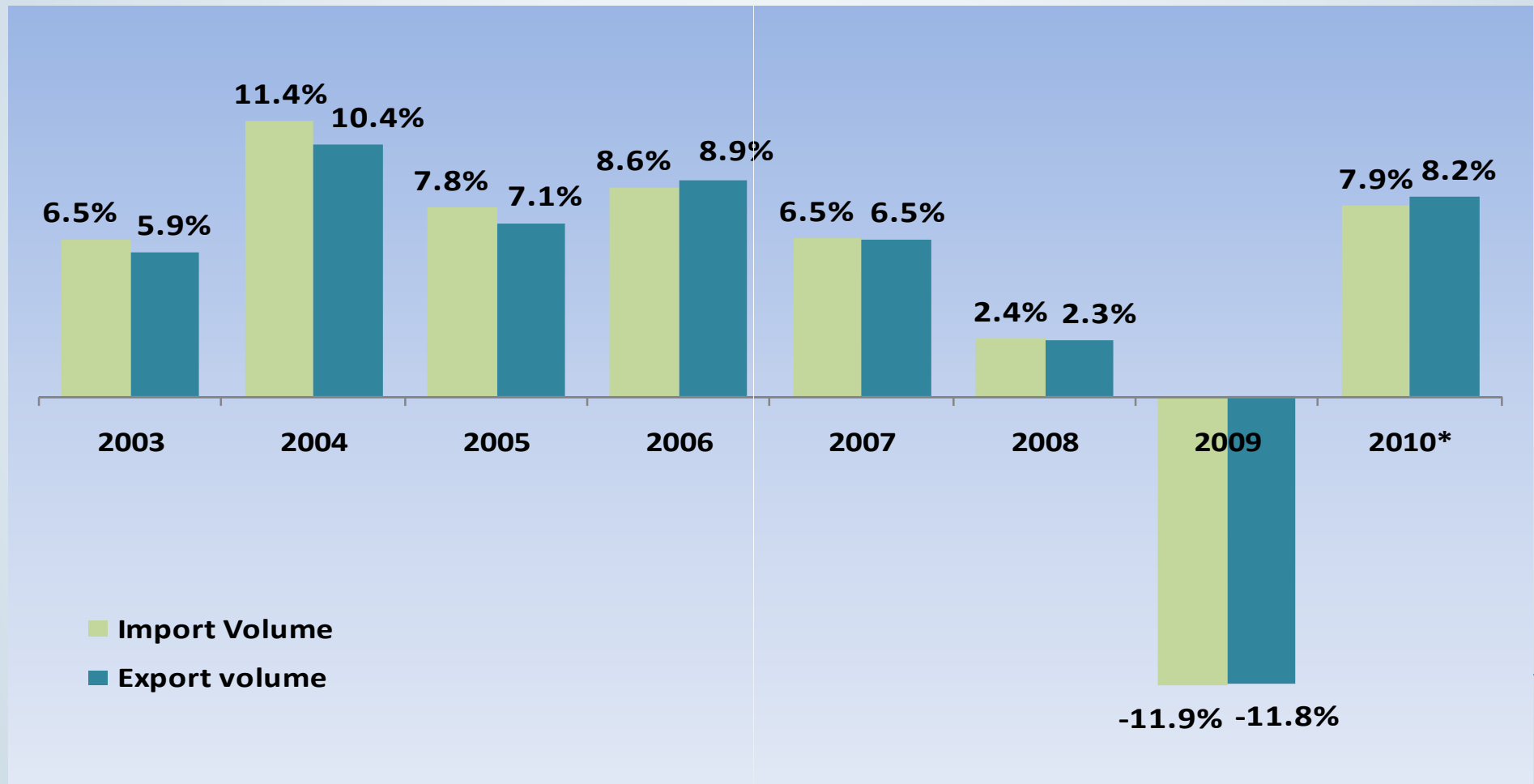


Challenges to Trade and Investment Promotion in the Current Environment



WORLD TRADE SCENARIO



Source: IMF.

* Forecast

WORLD GROWTH PROSPECTS

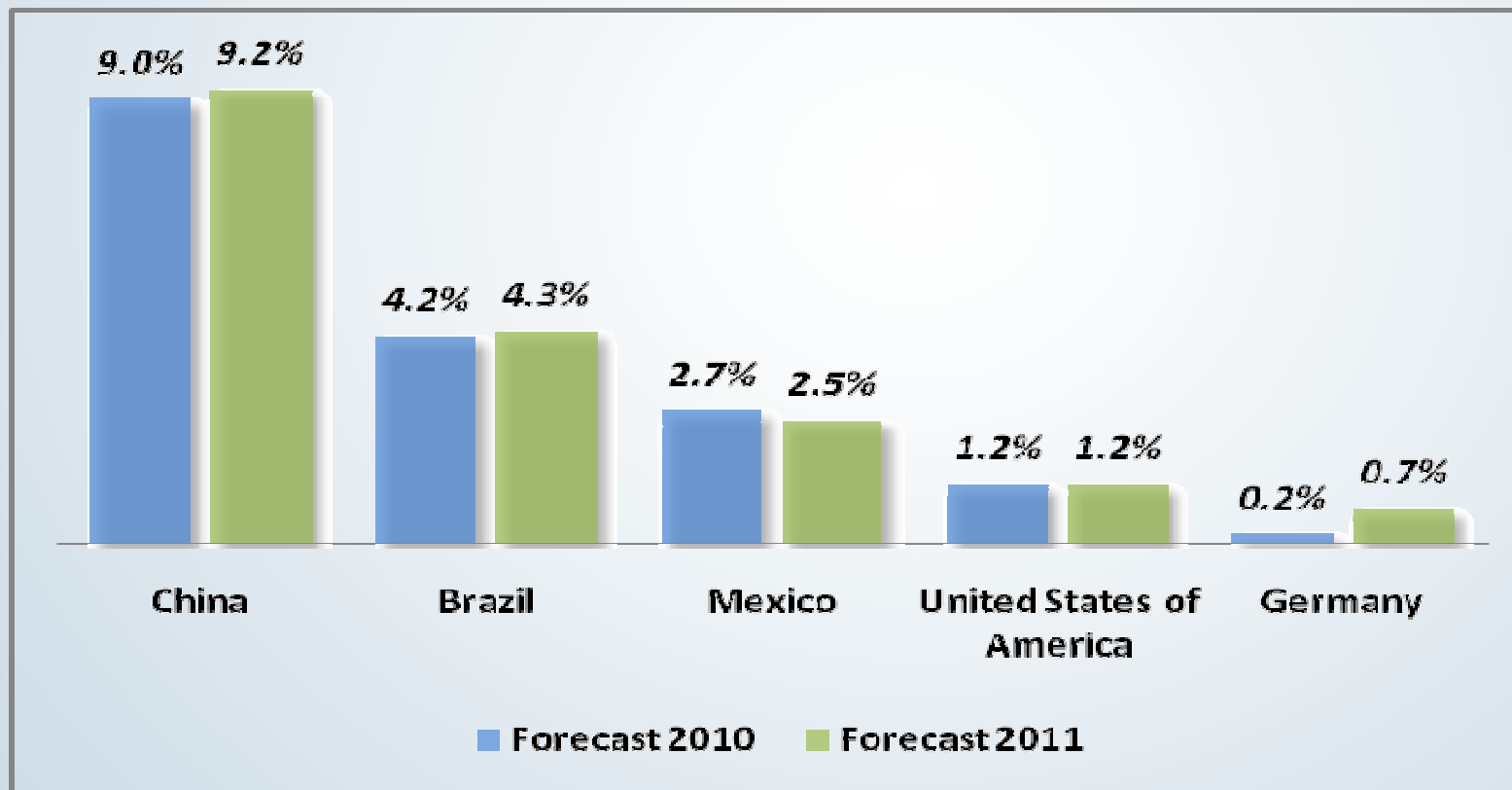
According to the IMF, the economic growth of Emerging Economies is increasingly sustainable

Gross Domestic Product	jan/10	apr/10	jul/10	oct/10
<i>World</i>	3.9%	4.2%	4.6%	4.8%
<i>Developed Economies</i>	2.1%	2.3%	2.6%	2.7%
<i>Euro Area</i>	1.0%	1.0%	1.0%	1.7%
<i>United States</i>	2.7%	3.1%	3.3%	2.6%
<i>Japan</i>	1.7%	1.9%	2.4%	2.8%
<i>Emerging and Developing Economies</i>	6.0%	6.3%	6.8%	7.1%
<i>Russia</i>	3.6%	4.0%	4.3%	4.0%
<i>China</i>	10.0%	10.0%	10.5%	10.5%
<i>India</i>	7.7%	8.8%	9.4%	9.7%
<i>Brazil</i>	4.7%	5.5%	7.1%	7.5%
<i>Mexico</i>	4.0%	4.2%	4.5%	5.0%

Source: WEO, October 2010.

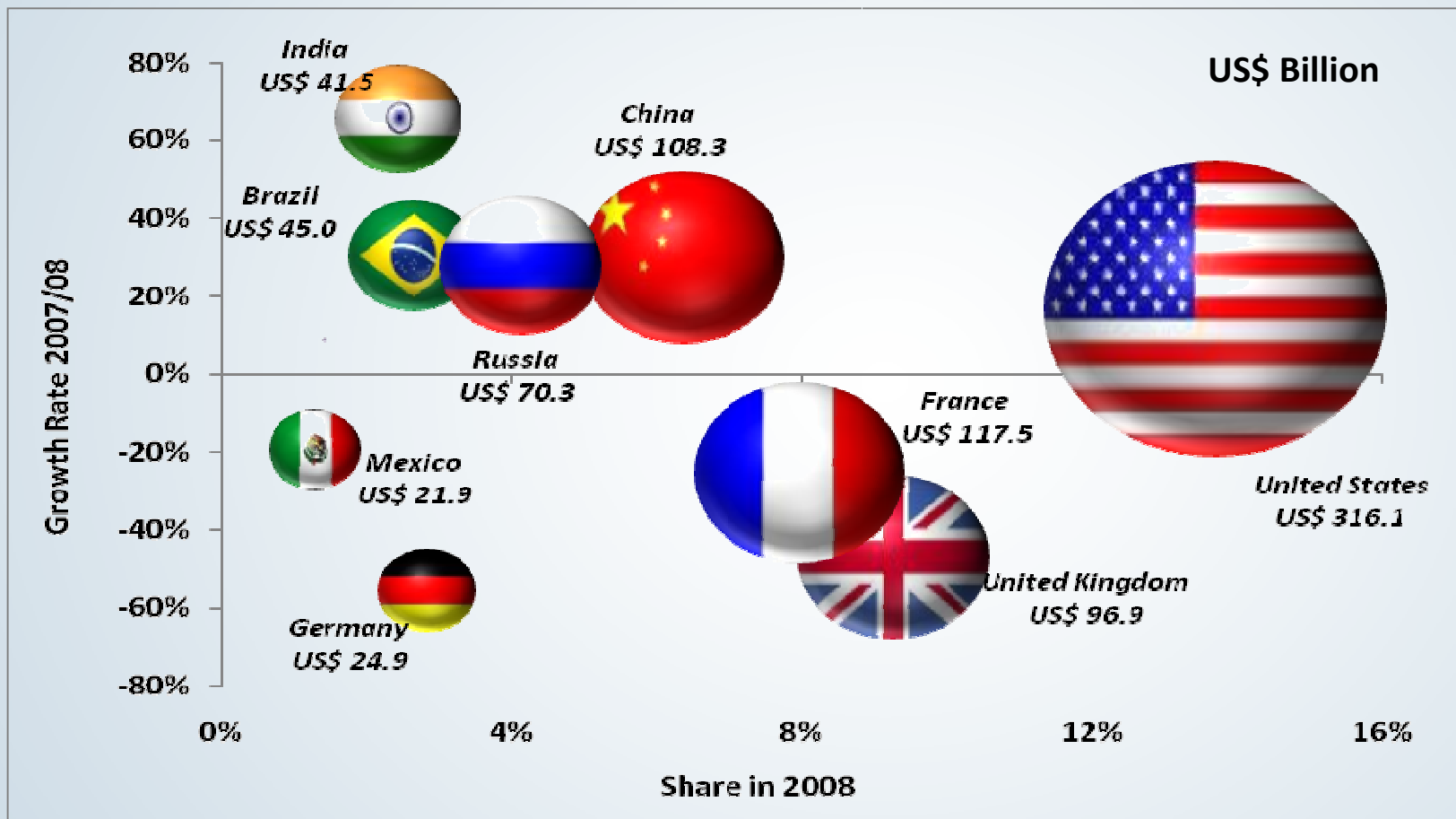
WORLD GROWTH PROSPECTS

Private Consumption Growth



Source: IMF.

WORLD FDI OVERVIEW



FORECAST 2009
Unctad (US\$ Billion)

USA	129.9
CHI	95.0
FRA	59.6
RUS	38.7
GER	35.6
NETH	26.9
IND	34.6
BRA	25.9

Source: UNCTAD.

NEW APPROACH TO TRADE PROMOTION

Value adding and specialization

Niches vs. scale

Insertion into the global supply/production chain

Importance of regional strategies in trade and investment promotion

INTRA-SECTOR TRADE & SUPPLY CHAINS

Countries work together within the same supply/production chain, **complementarily**, selling different products of the same sector

Main benefits:

- less volatility towards the international trade dynamics
- reduction of production costs
- specialization
- gains in efficiency, productivity & competitiveness

Example: Brazil & Mexico automotive industries



REGIONAL INTEGRATION STRATEGIES

- Increased importance of joint actions between countries of the same region
- Mechanisms of collective consultations and coordinated initiatives
- Networks' role: enhancing impact of export and investment promotion

WAIPA: REGIONAL INTEGRATION STRATEGIES

Why South America

- 10 IPAs participating
- Investment guide and joint events
- Regional Promotion as FDI destination:
 - 387 million consumers
 - US\$ 3 trillion GDP
 - Common strategic sectors



REDIBERO: IDB AND ITC COOPERATION

Inter-American Development Bank Project

- Regional production chain strategy
- Multi-country FDI Attraction
- Joint trade promotion initiatives
- Regional promotion of exports of services: off-shoring & outsourcing

ITC

- Capacity Building Projects (in discussion)

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