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# Trade and investment – Economic Relations between Central and Eastern European and Latin American Countries

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## Introduction<sup>1</sup>

The so-called new Member States of the European Union are situated in Central and Eastern Europe. This region is geographically far from Latin America and has economic contacts predominantly with the rest of Europe. Adhesion to the EU intensified these contacts and integrated these countries also legally into the Union. The international financial and economic crisis since 2008 has hit EU Member countries and among them the Central and Eastern European (CEE) economies to different degrees. In certain countries, as a consequence of the recession, domestic investments and demand fell for years. However, export could recover and because of the contracted demand from Europe, other regions became attractive for CEE. Apart from Asia, companies started to look for markets in the Latin American and Caribbean (LAC) countries to an increasing extent.

Before the political system changed, i.e. during the previous socialist regime in the CEE countries, economic contacts with Latin America were more intense than nowadays. CEE export was promoted through state loans, and state-owned companies exported to LAC countries. CEE countries had embassies and other representative offices in almost all LAC countries. After the political change, during the 1990s, the number of these representations was significantly reduced. Several CEE countries maintained embassies in only some LAC countries, mostly in Brazil, Mexico and Argentina. Mutual trade relations and company contacts had been lost to some extent, and because of the lack of capital and the focus on EU integration, the significance of Latin America faded away.

Today, two decades later, in most CEE countries there is a degree of renewed interest from both the business and government sectors towards the establishment of partnerships with the LAC region. This paper analyses the two main fields of economic contact: mutual trade and investment.

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<sup>1</sup> The author thanks Mr. Stefan Bogdan Salej (President of CeLA, Centro Latino Americano, Ljubljana) and Zsuzsanna László (Hungarian Investment and Trade Agency trade officer in Brazil) for their comments on CEE-LAC contacts.

## Development of foreign trade

As a consequence of the large geographic and cultural distance, it is not surprising that mutual trade between the two regions is generally relatively low. CEE countries trade mainly with the European Union and LAC countries have the USA or other LAC neighbours as main partners.<sup>2</sup> However, as this study shows, CEE-LAC trade increased to some extent in the past years. The trade balance of LAC countries is generally negative - they export less than they import from the CEE region. In the following, the main characteristics of mutual trade are described.

### *Main partners*

In both regions there are countries that became the leading partners in LAC-CEE trade relations in the past decades. In the LAC region, undoubtedly Mexico and Brazil are the most important trade partners for CEE countries. Concerning the countries with a smaller trade volume, their importance differs according to their trade partners. Peru, Uruguay, Chile, Argentina, Colombia, Venezuela are relatively important for certain CEE countries. There are several Latin American countries that have no or few trade contacts with CEE countries.

Mexico is one of the most important trade partners for the Central and Eastern European countries. Between 2000 and 2012, Mexico imported mostly from Poland, Hungary and the Czech Republic. After the crisis, between 2009 and 2012, these imports almost tripled (see figures in Annex) and imports from other CEE countries increased by 2-4 times as well (Estonia, Romania, Slovakia). On the other side, although they started out from a much lower level, Mexican exports have also increased 2 to 4-fold in recent years, the most outstanding trade partner being Hungary, to where exports increased 5,2-fold between 2009 and 2012.

Regarding Brazilian imports from CEE countries, we can see a similar trend of large increase (from Poland, Hungary, Czech Republic, Romania) during the past years. Exports increased too, but to a much lesser extent. Apart from the four Central European countries, Romania and Slovenia are important export markets for Brazil.

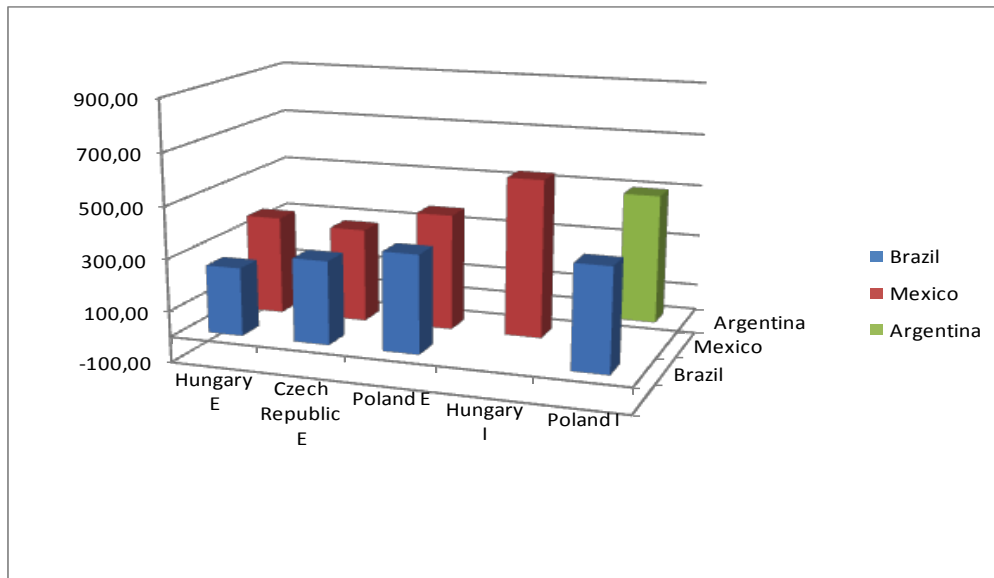
Regarding other Latin American trade partners, there are significant fluctuations in the given period. The exports of CEE countries to Argentina are relatively small, but Argentinian exports to Poland, and lately to Latvia, Lithuania and Bulgaria, are more significant. Chile exports practically only to Bulgaria and Poland. In a similar manner to Mexico and Brazil, Colombia's imports from CEE countries have increased significantly in the past three years, mainly from Lithuania, Latvia, Hungary, Czech Republic, Romania, and Poland. Colombia exports to Slovenia and Poland to some extent. Peru exports almost only to Bulgaria, but recently Peruvian imports from Poland, the Czech Republic, and Hungary have seen a boost. Uruguay's imports from Latvia and exports to Hungary (in 2012) are relatively significant, while Romania and Hungary have some relevance as trade partners for Venezuela.

For the CEE region, the main partners are without doubt Mexico and Brazil. The majority of bilateral flows is under 100 million euros but there are certain relations where we can find flows over 200 million euros in 2012 and 2013.

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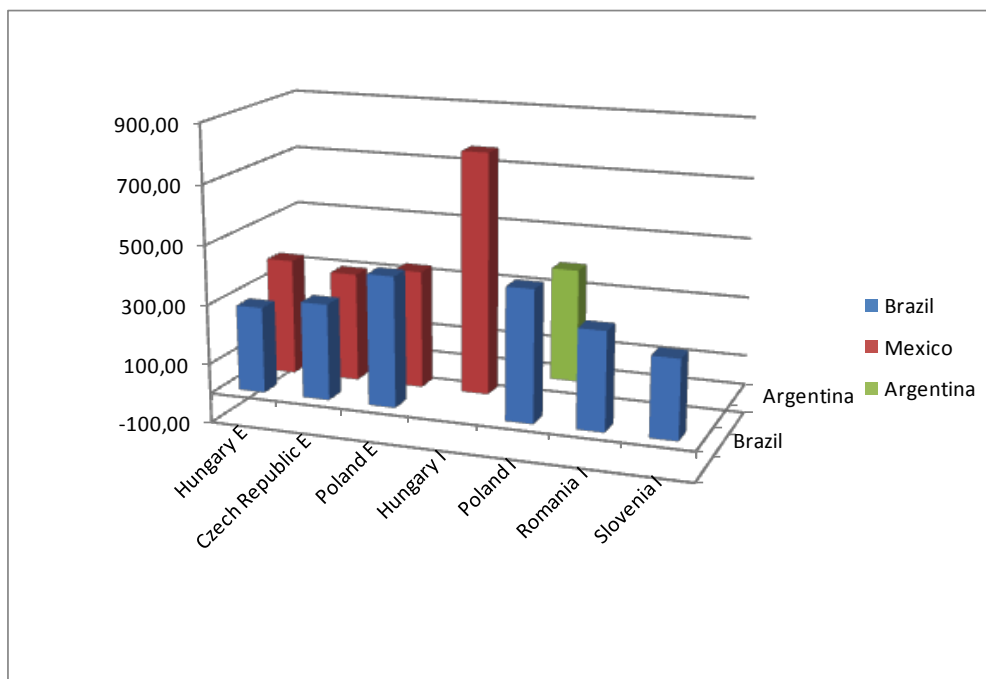
<sup>2</sup> The LAC countries under consideration in this study are the following: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Peru, Panama, Paraguay, Surinam, Trinidad and Tobago, Uruguay, and Venezuela. CEE countries considered include: Estonia, Latvia, Lithuania, Poland, Hungary, Czech Republic, Slovenia, Slovakia, Bulgaria, and Romania. Cuba and Croatia are not included in this analysis.

**Figure 1a: Main CEE-LAC trade flows (above 200 m euros), 2012**



Source: Eurostat

**Figure 1b: Main CEE-LAC trade flows (above 200 m euros), 2013**



Note: E means Export, I means Import

Source: Eurostat

Figures 1a and 1b show the main CEE-LAC trade flows in 2012 and 2013, respectively. Central European countries have the highest trade volumes with Mexico and Brazil (and in the case of Poland also with Argentina). Apart from Hungary, Poland and the Czech Republic, Romanian and Slovenian imports proved to be relatively significant in 2013. In the following, we will see what products are responsible for these trade flows.

### *Product structure*

The most important feature of CEE-LAC trade relations is the strong product concentration. Concentration is high regarding CEE exports, but sometimes even higher in the case of imports from LAC countries. Tables 1-10 in the Annex show the ten most important product groups in CEE countries' exports to and imports from main LAC partner countries in 2012. The description of the applied Harmonised System 2 digit codes can be found in the Annex as well. At first sight, it can be seen that in the bulk of the flows the first three product groups account for 70-90% of total trade, thus, the volume of trade is determined by a limited number of products. In several cases these products are those traded within the global value chain production of multinational companies.

Nowadays, Global Value Chains (GVCs) are determinant factors of international trade. According to a report by UNCTAD (2013), 80% of global trade (gross exports) is linked to the production network of multinational companies. Fragmentation of production indeed has increased to a considerable extent in the last decade, especially in the electronic, clothing, and automotive industries (Lall et al., 2004, Srholec, 2006, Vogiatzoglou, 2012). In several cases, it is easier for developing countries to join GVCs than develop an own industrial basis. This can be relevant for certain CEE and Latin American economies as well. It has been widely discussed in the past that foreign investments and multinational companies played a main role in integrating Central and Eastern European countries in world trade and the EU even before formal adhesion. Damijan et al. (2013) conclude that there are differences among countries in this respect. Some CEE countries increased high-tech exports while the exports of other countries are of lower technology level. An explanation for this can be the different degree of integration into GVCs. Based on world input-output table data, Timmer et al. (2012) show that the use of imported intermediate inputs and the inclusion in GVCs has increased radically between 1995 and 2008 in the case of the Visegrad countries. Foster et al. (2013) calculate that the domestic share of value added is relatively low in the Czech Republic and Hungary, while the degree of vertical specialisation is high in these countries and Slovakia. This also hints at the activity of global chains.

Observing the trade data concerning CEE and LAC countries, we can conclude that GVC integration is strongly apparent, and to the greatest extent in the case of Hungary, the Czech Republic, and Slovenia. The exports of these Central European countries are heavily concentrated in automotive parts (like piston engines), data processing, electronic and electrical machines, and parts that are produced by multinational affiliates. In the case of Hungary, combustion piston engines make up around half or more of exports to its main LAC partners, and electrical machinery represents 60% of exports to Argentina and 87% to Venezuela. 88% of Hungarian imports from Mexico are electrical machinery parts (see Annex, table 1). Within this, one single import item, "mobile telephones",<sup>3</sup> (HS 851712) accounts for 504 million euros, which is higher than any other CEE country's total import sum from any LAC partner.<sup>4</sup> Regarding Slovakia, automotive parts, electrical machinery and vehicles (HS 84, 85, 87) account for almost all exports to Latin America, and as a consequence of intra-firm trade, they are significant in import from Argentina, Brazil and Mexico too (see Annex, Table 2). Similarly, exports from the Czech Republic to the LAC countries are heavily concentrated in automotive parts and electronic products (40-50%). 73% of imports from Argentina consist of vehicles and automotive parts (see Annex, Table 3).

Poland is a bit different from the three aforementioned countries, since the structure of its trade products is more mixed. For example, exports of mineral fuels and oils, fertilisers, and iron and steel products to Brazil and Venezuela play a leading role in Polish trade relations with these countries (see Annex, Table 4). Regarding the import side, "aircraft" is the leading import product due to deliveries from Brazilian aircraft manufacturer Embraer. Tobacco forms the second product group. Oil cakes and pellets from soya bean oils (HS 2304) make up 87% of imports from Argentina (which is the biggest import partner for Poland). Machinery and electrical equipment are the most important import products from Mexico.

<sup>3</sup> Probably from Nokia Reynosa (Mexico) to Nokia Komárom (Hungary).

<sup>4</sup> For example, Poland's imports from Argentina have a value of 497 million euros.

In several cases, imports to CEE countries from LAC countries consist mainly of fruits, vegetables, raw materials, minerals and metals. 74% of total Slovenian imports from Latin America consist only of soya oil cakes from Brazil and Argentina (Slovenian exports are somewhat significant only towards Brazil, Mexico, and Argentina, exporting machinery and parts, and toys; see Annex Table 5).

Romania exports fertilisers, iron and steel products, and machinery products to its main LAC partners and imports animal fodder, coffee and articles of iron and steel (see Annex, Table 6).

Bulgaria has relatively low trade with LAC countries, except for imports of aircraft from Brazil. Interestingly, Peru is the second import partner of Bulgaria, where it exports almost only copper ores. Copper imports are dominant from Mexico as well (see Annex, Table 7).

Compared to other Central and Eastern European countries, trade between LAC economies and the Baltic countries is virtually negligible. They import soya oil cakes, tobacco, food products, etc. (see Annex, Table 8-10). An exception is the export of mobile phone parts from the Ericsson (previously Elcoteq) factory in Estonia to Mexico, which is the reason why the general export volume of Estonia to Mexico is relatively high (Tiits-Kalvet, 2012). This is also a “Global Value Chain effect”.

There is an important phenomenon in CEE-Latin American trade relations that should be taken into consideration: *intermediaries in trade*. Bilateral trade statistic between LAC and CEE countries do not cover all mutual trade, as considerable trade flows are administered by intermediaries in Germany or the Netherlands. Products – mainly food – arrive in big ports like Rotterdam, and large wholesale traders purchase them and re-export them to the CEE region. This kind of trade is sometimes easier for faraway Latin American producers who do not really know the CEE markets, their business customs, and language. Apart from that, there are also tax reasons for indirect trade. For example, Hungarian importers must deposit Value Added Tax in advance if they purchase fruits directly from LAC but there is no such obligation if they buy Latin American products from a European Union Member country.

More recently however, perhaps because of other cost reasons, examples of omitting intermediary trade can also be detected. Peruvian buyers for example, who had earlier purchased Lithuanian-made gas tanks through suppliers in Italy, have now decided to buy the products directly from the producer, the company Atrama. This Lithuanian firm exports around 70% of its automotive gas tanks, mostly to EU countries.<sup>5</sup> It is also probable that certain CEE countries themselves can play an intermediary role. There can also be a certain distortion effect of bilateral statistics due to the ports in Riga (Latvia) and Koper (Slovenia) from where Latin American goods can be distributed towards other countries. However, this effect should be negligible because the amount of Latvian and Slovenian imports from the LAC area is very small in general.

## Foreign Direct Investments

In the beginning of the 1990s, Central and Eastern European countries went through a radical economic liberalisation process. After opening up their economies, foreign direct investment (FDI) inflows to CEE countries became intense. Invested capital came mainly from European developed countries and the United States. Since then, EU countries have remained the main investors, mostly Germany. Foreign direct investment from LAC countries to CEE countries is characterised by a high year-to-year volatility and a relatively low volume. Yearly FDI figures are bound to one-two transactions. At the end of 2012, inward FDI stock from LAC generally represented 0.1% or less of total stock in CEE countries (except for Bulgaria where LAC FDI represents 0.5%, see Table 1). In the case of Hungary we can find a negative figure be-

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<sup>5</sup> <http://www.15min.lt/en/article/business/lithuania-s-atrama-starts-lpg-tank-exports-to-peru-527-261000#ixzz2rDtITfD9>

cause the definition of FDI stock includes “other capital” including intercompany transactions (and e.g. the loans from the direct investment enterprise to the parent can exceed the loans given by the parent).

Direct investments also flow from CEE countries to the LAC region, and in certain cases they are higher than inward FDI (outward FDI stock towards LAC is higher than inward FDI from LAC in the cases of Hungary, Poland, Czech Republic, and Estonia). In several cases, this results from certain transactions of just one or two firms.

**Table 1: Inward and outward FDI of CEE countries from and to LAC, stock data (end of 2012)**

LAC	FDI inflow		FDI outflow	
	EUR m	% of total stock	EUR m	% of total stock
Bulgaria	208,5	0,553	15	0,98
Romania	0	0	n/a	n/a
Slovenia	14,8	0,12	11,1	0,199
Hungary	-140,3	-0,18	180,9	0,7
Slovakia*	45,7	0,115	8	0,624
Czech Republic	6	0,0064	13,8	0,135
Poland	37,4	0,0209	59,3	0,196
Lithuania	22,28	0,053	2,54	0,037
Latvia	9	0,087	0	0
Estonia	0,1	0,0007	6,6	0,15

\* end of 2011 data for inflow and end of 2008 data for outflow

Source: National Bank statistics of CEE countries, WIIW database

National Banks of CEE countries register FDI flows and stocks in geographical distribution, so it is possible to identify and analyse those LAC countries that have investment contacts with CEE. In Poland (stock data), there are equity investments from Mexico and “other capital” investments from Costa Rica, Panama, Ecuador and Brazil. The Polish outward FDI consists of some equity investment to Panama and Chile and “other capital” investments.

In the Czech Republic we can find equity investment from Panama and negative “other capital” investment balances with Argentina, Brazil, and Mexico. Investors from the Czech Republic invested in equity in Brazil and Mexico. Regarding Hungary, FDI flows with LAC mostly take place with Brazil in both directions. Bulgaria is the only CEE country where FDI inward stock from Panama is significant (206 million euros, 0,54% of total stock). Panama invested also the highest FDI amount to Slovenia, Latvia and Lithuania. Estonia has practically no FDI registered from Latin American countries and the only LAC country where we can find Estonian capital is Brazil.

The role of Panama is quite strong, probably because of tax reasons. Certain National Banks (such as the Latvian one) register some Caribbean countries as well as Panama as offshore targets. Panama has been attractive for legitimate offshore investment as well as for tax evasion, but the country was removed from the OECD “grey list” of uncooperative tax havens in 2011. It is easy to set up a corporation in Panama and they do not pay taxes on foreign activities.

Tax optimisation can play a role in FDI in CEE countries too. Good examples are Brazilian and Mexican world-leading multinationals, having headquarters and offices in small Hungarian villages (Csomád - Fibria,



cellulose and paper company, Újlengyel – Grupo Bimbo, baked goods). The reason for choosing these locations is that there is no local business tax in both villages.<sup>6</sup> On paper, the companies have a turnover of around 3 billion euros per year.

Apart from financial and tax reasons there are some investors in production, services and trade who follow different motivations. The following sections will examine these investments.

### *Type of investor companies*

Large and smaller investor companies can be equally found in bilateral investment flows. The amount of capital invested of course differs: small and medium-sized firms usually realise smaller investments. We can differentiate three major types of investors: multinationals in Global Value Chains, large national investors that are active internationally, and small and medium-sized firms. Examples of all three types can be found.

### *Global Value Chains, fragmented production*

As we have seen before, the role of GVCs is dominant in CEE-LAC trade. A considerable part of Latin American investment in CEE countries results from the activity of GVCs (see examples in Szalavetz, 2014 and Túry, 2014). Large multinationals that control a global value chain locate certain phases of production or services to different regions and countries. Therefore, these networks can connect CEE and LAC countries, hosting affiliates of the same multinational company or even receiving investments from each other. The case study of Volkswagen (Túry, 2014) well illustrates this fact. Another good example is the PKC Group, a Finnish multinational company with headquarters in Helsinki. PKC designs and manufactures electrical distribution systems, wires, cables, and electronics for automotive and electronics industries. PKC employs more than 20 thousand workers and has affiliates in several parts of the world, among others, four manufacturing locations in Brazil, five in Mexico, two in Estonia and two in Poland. As a third example we can mention the Finnish electronics manufacturer company Elcoteq that had transactions between its different company units (Brazil, Mexico) before its bankruptcy in 2011. Software specialists from Estonia worked for other company units abroad.

### *Large firms from one given country go international*

Many Central and Eastern European firms underwent internationalisation after the political system changed in the region and are real multinationals today. Recently, the expansion of these companies can have even reached Latin America. A good example is Graphisoft (Hungary, building Information Modelling solutions for architects), which acquired Anzix S.A., its former distribution partner in Mexico, as part of a strategic market development plan for Central and South America in October 2013. Graphisoft Mexico, the company's newly established subsidiary in Mexico City, will be the sales, marketing, and services hub for the region.

Another significant Hungarian-directed multinational is the pharmaceutical company Gedeon Richter. In December 2013, Richter bought an initial majority stake in the privately-owned Brazilian drug distribution firm Next Pharma Representação, Importadora, Exportadora e Distribuidora Eireli EPP. Richter's agreement to purchase a 51% stake in Next Pharma includes the option of acquiring the remaining 49% stake in the future. Following the transaction, the Brazilian company will be renamed Gedeon Richter do Brasil Importadora, Exportadora e Distribuidora SA. Similarly, in the same month Richter acquired a 70% stake in the Mexico-based marketing partner DNA Pharmaceuticals SA. The company will also be renamed Gedeon Richter Mexico S.A.P.I. de C.V. Richter intends to buy the outstanding 30% by 2017.

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<sup>6</sup> [http://www.budapesttelegraph.com/news/136/pannon\\_power\\_-\\_hungary\\_-\\_an\\_emerging\\_offshore\\_destination](http://www.budapesttelegraph.com/news/136/pannon_power_-_hungary_-_an_emerging_offshore_destination)

The Estonian Wolf Group (Krimelte), a leading European producer and exporter of polyurethane foams, joint sealants and breathing facade solutions, acquired 40% of Elasteq do Brasil Ltd shares, a manufacturing plant in Brazil, in 2013. The company specializes in the manufacture and sale of water proofing products. Within five years, Wolf Group's exports to Brazil have increased tenfold. Wolf Group unites the sales and production enterprises of the producer Krimelte, both in Estonia and abroad. Wolf Group factories are located in Estonia and Russia and sales units are in Estonia, Latvia, Lithuania, Ukraine, Romania, Bulgaria, Denmark and Kazakhstan. As of the end of 2012, Wolf Group employed a total of 270 people.<sup>7</sup>

A special case of "old times" is the one of Hidria Perles Ecuador. It was established in 1975 as a Slovenian-Ecuadorian company for the manufacture and sale of power tools in Ecuador, Colombia, Venezuela and Peru. The company was managed by Ecuadorian experts until 1998 and then became majority Slovenian-owned. Perles Colombiana – an affiliate – was established in 2002 for product sales.<sup>8</sup>

#### *Small and medium-sized firms utilising market niches*

In addition to large multi-national companies, there are SMEs with specific profiles from CEE countries that see market opportunities in Latin American countries. These can be bound to innovations and to special products. Polaritás GM Ltd (Hungary) conducts technical research and develops technical sports products and holds a contract to build kayak-canoe tracks and starting apparatus for the Olympic Games in Rio. Another firm, KONsys Ltd (Hungary), entered the Brazilian market with software for optimising and measuring energy. **Medcom** is the leading Polish company providing advanced power electronics solutions, designing, manufacturing and after sale services for Power Generation, Industrial, Electric Traction and Defence based applications. Medcom undertook the modernisation of the São Paulo metro.

Sometimes it is not easy to follow FDI transactions because affiliates invest in affiliates. In some cases for instance, a Latin American mother company invests indirectly to CEE, through its German or other European affiliate. In that case the CEE firm considers the European investor as its "mother", and has contacts with that company only (Szalavetz, 2014).

#### *Motivations and company strategies*

According to the well-known theory of Dunning (1993) we can distinguish four kinds of motivations to invest abroad: market seeking, efficiency seeking, natural resource seeking and strategic asset seeking. Below we present the four motivations and give corresponding examples of CEE-LAC investments.

#### *Market seeking investments*

A foreign direct investment has a market seeking motivation if it aims to supply the local market or markets in adjacent territories. The step to invest abroad might be the result of successful exports to this region, a strategy of deeper local involvement or the expansion of the firm to a wholly new market. Transportation costs and government regulations can be good reasons for market seeking FDI. Following the firm's clients abroad, the need to adapt products to local conditions and tastes, or the reduction of transaction costs can also play a role.

We can find several examples of market seeking investments from LAC countries in the CEE region. Cemex, a large Mexican cement producing company, is present in Hungary, the Czech Republic and Latvia, supplying the domestic and also the larger regional market. After the crisis, the company hopes for

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<sup>7</sup> <http://www.wolfgroupweb.com/et/krimelte/19-wolf/uudised-en/144-estonian-wolf-group-acquired-shares-of-brazilian-manufacturing-plant-elasteq>

<sup>8</sup> <http://www.hidria-usa.com/datoteke/ANG8.pdf>

a revival of the construction industry. The Brazilian suppliers for Embraco followed their clients to Slovakia (see below).

From the CEE side, the above-mentioned recent investments of the pharmaceutical company Gedeon Richter in Brazil and Mexico are examples of market seeking behaviour because both affiliates will have the task of introducing and distributing Richter products (mainly gynaecological pharmaceuticals) throughout their home countries and the LAC region. The above-mentioned Estonian Wolf Group also realised market seeking investment in Brazil.

FM Group Poland was established in 2004. Due to its dynamic development, in 2007 a new company – FM Group World – was founded in order to introduce the brand in nearly 40 countries through network marketing. FM has a company in Brazil (FM Group Brasil).<sup>9</sup>

The Romanian company ASTRA Asigurari recently announced its intention of expanding its activities to Latin America. The insurance company will first enter the Ecuadorian market to then develop business in Peru, Colombia and Bolivia.<sup>10</sup>

### *Efficiency seeking investments*

Efficiency seeking FDI has two main forms. First, firms often seek to increase their cost efficiency by transferring a production part to locations with lower labour costs. The second type of efficiency seeking FDI corresponds to investment aimed at rationalising the operations of existing MNEs.

There are large Latin American companies that are present all over the world and strive for decreasing production costs. A typical example is Embraco (Brazil). Embraco was founded in 1971 and produces hermetic compressors, condensing units and sealed units for domestic and commercial use. It employs around 10,000 people worldwide and supplies large international household refrigeration equipment manufacturers. Having already affiliates in Italy and China, a 45 million USD investment of Embraco was realised in Slovakia. Embraco Slovakia has 2500 employees and exports all of its production goods to Europe and the US. The Slovak factory took on some of the more labour-intensive parts of Embraco's Italian operations. The motives for efficiency seeking are clear. The chief operating manager stated: *"We chose Slovakia because, among other things, it offered us a better opportunity regarding labour costs than either Hungary or the Czech Republic..."*<sup>11</sup>

Not only Embraco, but also its suppliers have opened subsidiaries in Slovakia. An example is the Brazilian company CRW Plásticos that opened a plant for finishing and assembly facilities, a painting booth, and a measuring laboratory in Eastern Slovakia in 2005. The entire plant focuses primarily on production for Embraco.<sup>12</sup> Another parts supplier for Embraco, the traditional Brazilian mechanical component manufacturer firm Rudolph Usinados also invested in Eastern Slovakia. The purpose of its Slovenian unit, which services all of Europe, is to build complete specialized machining solutions for the European market through know-how obtained from Rudolph Brasil and with access to cutting-edge technologies in the processes, machines and tools segments.<sup>13</sup> Following Embraco, in 2004 Micro Juntas, a company that produces rubber products, invested in Slovakia.

### *Natural resource seeking*

Natural resource seeking FDI is mainly carried out by companies wanting to make use of location-specific minerals, raw materials and agricultural products. Several Latin American countries are rich in natural resources such as minerals. An example for natural resource seeking FDI is the investment of KGHM Polska (Poland) in Chile. This state-controlled company is the world's biggest silver producer and second

<sup>9</sup> <http://fmworld.com/en/#page-about>

<sup>10</sup> <http://insurance.1asig.ro/ASTRA-aims-for-Latin-America-with-a-higher-rating-than-Romania-article-2,3,100-3258-0.htm>

<sup>11</sup> <http://spectator.sme.sk/articles/view/722/3/>

<sup>12</sup> [http://industrytoday.com/article\\_view.asp?ArticleID=2388](http://industrytoday.com/article_view.asp?ArticleID=2388)

<sup>13</sup> <http://www.rudolph.com.br/en/index.php>

biggest copper producer in Europe. KGHM Polska bought a copper mine in Sierra Gorda, Chile, and expects it to account for one third of its output of metal by 2018.<sup>14</sup> Before the acquisition, the Chilean mine belonged to a Canadian company that also was taken over by KGHM.<sup>15</sup>

### *Strategic asset seeking investment*

Firms increasingly use FDI to obtain tangible or intangible strategic assets that may be important to their long-term strategy but are not available at home. This motive is called strategic asset seeking. FDI may be a tool to build the ownership advantages that will support the firm's expansion at home and abroad.

Besides market seeking motives, the knowledge of Polish and presence of skilled labour were considered strategic assets by the Brazilian Stefanini IT Solutions. Stefanini is a global provider of IT consulting, systems integration and outsourcing services. The company was founded in 1987 and has around 12 thousand employees in 27 countries, including Poland.

Apart from direct investment links we can find examples of *innovation and development* cooperation between CEE and LAC countries.

The world's third-largest aircraft manufacturer, Embraer from Brazil, and the largest Czech aerospace-technology firm, AERO Vodochody a.s., will collaborate on the development and production of the new KC-390 multipurpose military transport plane.<sup>16</sup> The companies concluded an agreement on the project in mid-April 2012. Embraer expressed an interest in cooperating with Czech manufactures as early as in 2007, when it inquired about the production of aircraft parts. Following ministerial talks, in 2010 CzechInvest organised "Technology Days" in Brazil, an event focused on supporting Czech-Brazilian cooperation in the aerospace industry.

Established in 1969, Embraer (Empresa Brasileira de Aeronáutica S.A.) is the world's third-largest manufacturer of commercial jet aircraft in the size category of up to 120 seats and is also one of Brazil's leading exporters. The company designs, develops, manufactures and sells aircraft for commercial use and private jet aircraft, and is also involved in the defence sector. AERO Vodochody a.s., established in 1919, is the biggest manufacturer of aviation technology in the Czech Republic. Within its military programme, AERO is historically the world's biggest manufacturer of jet training planes and a partner of several militaries, especially the Armed Forces of the Czech Republic.

Another example is Hungary, which signed an agreement with Brazil on cooperation on fish management and wastewater treatment in 2013.<sup>17</sup> In the fields of aquaculture, agriculture and biotechnology there is also cooperation between the two countries.

## **Trade and investment promotion, development of cooperation**

In certain Central and Eastern European countries the opening towards Latin America became a strategic aim during the past years. Such explicit strategies of enhancing relations with Latin America were announced in Hungary and Latvia and have been developed in Poland too.

The Hungarian government announced its "Southern Opening Policy" in 2011, in parallel with its "Eastern Opening" strategy (focusing on Asia). This means that state-supported actions are taken to increase rela-

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<sup>14</sup> <http://www.mineweb.com/mineweb/content/en/mineweb-base-metals?oid=209581&sn=Detail>

<sup>15</sup> <http://www.quepasamineria.cl/index.php/core-business/item/1788-el-estreno-de-kghm-en-chile-inversi%C3%B3n-con-sello-polaco>

<sup>16</sup> <http://www.czechinvest.org/en/global-aircraft-manufacturer-embraer-finds-partner-in-the-czech-republic>

<sup>17</sup> <http://www.kormany.hu/en/ministry-of-rural-development/news/hungary-and-brazil-to-cooperate-on-fish-management>

tions with LAC countries. In April 2012, a two-day-long Hungarian-Latin American Forum<sup>18</sup> was organised by the Ministry of Foreign Affairs. The Ministry invited twelve countries that have accredited ambassadors to Hungary as well as Central European partners and high-ranking European Union officials specialised in this region. The aims of the event were to raise interest in cooperation on both sides and to establish new relations.

In October 2012, a Latin American Economic Forum of the Danube Region was organised in Budapest by the Budapest Chamber of Commerce and Industry. More than 130 people attended the Forum. Among others, the Hungarian State Secretary of the Ministry of Foreign Affairs talked about the opportunities of developing relations in association with other states of the Central Europe region. There are around 150-200 thousand Hungarians living in Latin American Countries, and preserving their identities can help strengthen the relations. There were speeches of the President of the Hungarian Investment and Trade Agency, the President of the Hungarian Chamber of Commerce and Industry, the Ambassador of Brazil, the representatives of ProMéxico and ProExport Colombia, and the Executive Director of the Bolivian Chamber of Commerce and Industry. The latter described the programme AI-Invest IV, launched two years earlier in collaboration with the EU, for building closer co-operation between small and medium-sized enterprises of the two regions.<sup>19</sup>

In 2013, there were some high level visits between Hungary and LAC countries and joint sessions of Economic Committees. The Hungarian government took steps towards Latin America in 2014 too: Hungary reopened its Embassy (closed in 2009) in Santiago de Chile in January.<sup>20</sup>

In 2013, the Latvian government made public that Latvia will seek to enlarge economic and political relations outside of the EU, especially with India, South East Asia and Latin America. Within that framework, the Foreign Ministry plans to open a new diplomatic mission in Brazil.<sup>21</sup> In April 2013, the Latvian Foreign Ministry's State Secretary travelled to Colombia and held political consultations and bilateral meetings with sectorial ministries to discuss issues related to the OECD membership aspirations of both countries as well as bilateral, multilateral and global cooperation. To facilitate economic cooperation there are opportunities for transit to the Baltic Sea region offered by Latvia's ports and transport infrastructure. The Colombian side expressed interest both in the transit opportunities and Latvia's expertise on the Central Asian region as a whole.<sup>22</sup>

In October 2013 in Santiago de Chile, current issues of bilateral relations, cooperation in international organisations and possibilities for further cooperation were discussed between Latvian and Chilean Foreign Ministry representatives. In December 2013, the Ambassador-at-large of the Ministry of Foreign Affairs of Latvia visited Uruguay and met the Secretary General of the Foreign Ministry of Uruguay. Furthermore, a Memorandum of Understanding was signed on procedures for political consultations on the matters of common interest. The aim of the memorandum is to deepen the exchange of opinions on multi-lateral issues, to promote cooperation between both parties within international organisations and to enhance the bilateral dialogue. The Latvian Foreign Ministry has signed such memoranda of understanding with a number of Latin American states – Brazil, Chile, Argentina, Peru, Colombia, Mexico, Panama, Cuba, and Costa Rica.<sup>23</sup> The Latvia-Uruguay-Argentina Chamber of Commerce was opened in December 2013 as well as Latvia's Honorary Consulate in Nova Odessa, Brazil.

For Poland, the main partners in LAC are Mexico, Chile, Brazil, Argentina and Peru. Until recently, Latin America had not been a priority region for Poland and trade contacts had not been very significant. The recession and the search for new market possibilities made the government to adjust its economic and foreign policy. Nowadays, Poland's Ministry of Foreign Affairs is **seeking business opportunities also in**

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<sup>18</sup> <http://www.kormany.hu/en/ministry-of-foreign-affairs/news/hungarian-latin-american-forum-in-budapest>

<sup>19</sup> <http://www.danubechambers.eu/1-News/75-Highly-Successful-Latin-American-Economic-Forum-of-the-Danube-Region-in-Budapest>

<sup>20</sup> <http://dailynewshungary.com/hungarian-embassy-reopens-in-santiago-de-chile/>

<sup>21</sup> <http://liia.lv/en/blogs/is-it-a-good-business-for-latvia-investing-in-lati/>

<sup>22</sup> <http://www.reitingi.lv/en/news/politics/5803.htm>

<sup>23</sup> <http://www.am.gov.lv/en/news/press-releases/2013/december/14-2/>

**Latin America.** In 2012, the Polish Foreign Minister, accompanied by representatives of the business community, visited Brazil, Chile, Colombia, Mexico and Peru.<sup>24</sup>

The Polish Information and Foreign Investment Agency (PAiIZ) organises meetings with ProMexico<sup>25</sup> and signed a cooperation agreement with ProChile in October 2013.<sup>26</sup> The existence of an important and, in many cases, influential Polish diaspora in Brazil (1.8 million), Argentina (450,000), Chile, Mexico, Paraguay and Uruguay (10,000 each) as well as in the rest of the region may also be helpful.<sup>27</sup>

Regarding Estonia, Lithuania and Bulgaria, high-level bilateral meetings are scarce and mainly bound to international events (UN, EU-LAC Summits). Brazil opened its embassy in Tallinn in Summer 2011. In April 2013, Estonia's special mission in Brazil started its work, located in the Portuguese Embassy in Brasília. The special mission is Estonia's first diplomatic representation in South America. The primary assignment of the mission is to make preparations to open an Estonian embassy. Political meetings are mostly held with Brazil, Chile, and Mexico. In April 2011, the Chamber of Commerce Brazil-Lithuania was opened to assist companies. Brazil has the largest Lithuanian community in Latin America (around 250 000 people).

In Slovakia and the Czech Republic, trade and investment promotion organisations seem to be more active than the official government institutions. However, Slovak Foreign Ministry activity intensified in 2013. There was a special focus on Brazil last year, continuing in 2014.<sup>28</sup>

During the "Slovak Days" in Cuba and Mexico in 2010, the Slovak Investment and Trade Development Agency (SARIO) and the Slovak Ministry gave a presentation of Slovakia. SARIO organised a bilateral business summit with Mexico in Bratislava in June 2013, giving companies the opportunity to expand their international capacity and to build a network. The summit was attended by 331 participants from 221 organizations and Slovakia was represented by 30 companies. One of the opportunities for Slovak companies is the liberalization of the Mexican petrochemical industry offering opportunities to obtain contracts for related infrastructure projects. The forum was primarily designed for manufacturing companies, and particularly small and medium-sized companies could take advantage of the opportunity to exchange experiences with larger sector players.<sup>29</sup>

In 2009, the Czech-Argentine Technology Days were organised and an agreement was signed between **CzechInvest** (promotion agency) and the **Argentine National Investment Development Agency**. Cooperation between CzechInvest and Argentina will mainly involve **state-of-the-art technologies**, particularly in the areas of mechanical engineering, the automotive industry, biotechnology, software development and renewable sources of energy.

The Czech-Argentine Technology Days were organised by CzechInvest in cooperation with the Ministry of Foreign Affairs of the Czech Republic, the Ministry of Industry and Trade of the Czech Republic, and the Czech Technical University. About **fifty researchers, businesspeople** and **representatives of the state administration** participated in the event.<sup>30</sup> Similar Technology Days were organised in cooperation with Mexico in 2009 and with Brazil in 2010. The latter focused on supporting Czech-Brazilian cooperation in the aerospace industry. During the event, Czech firms had the opportunity, among other things, to engage directly in discussions with Brazilian Embraer aircraft manufacturer and to familiarise the Brazilian company with their products. In April 2011, the largest Czech aerospace-technology firm, AERO Vodochody a.s., signed a collaboration agreement with Embraer on the development and production of a military transport plane.

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<sup>24</sup> Zerka (2014)

<sup>25</sup> <http://www.paiz.gov.pl/index/?id=534488729ab74ff059356cb58c9907ef#11>

<sup>26</sup> [http://www.paiz.gov.pl/20131003/new\\_chapter\\_polish\\_chile\\_relations](http://www.paiz.gov.pl/20131003/new_chapter_polish_chile_relations)

<sup>27</sup> The leader of the Venezuelan opposition, Henrique Capriles Radonski, and the latest winner of the Cervantes literary award, Mexico's Elena Poniatowska, are proud of their Polish roots. Two out of 11 judges on the Brazilian Supreme Court, Ricardo Lewandowski and Teori Zawascki, bear typical Polish surnames. (Zerka, 2014).

<sup>28</sup> [http://spectator.sme.sk/articles/view/52655/18/there\\_is\\_much\\_more\\_to\\_world\\_cup\\_than\\_winning.html](http://spectator.sme.sk/articles/view/52655/18/there_is_much_more_to_world_cup_than_winning.html)

<sup>29</sup> <http://www.sario.sk/?news&news=621>

<sup>30</sup> <http://www.czechtechnologydays.org/catd2009>

Romania, as a relatively big country, maintains higher (ministerial) level contacts with certain LAC countries. There are Romanian Embassies in Argentina, Brazil, Chile, Colombia, Cuba, Mexico, Peru, Uruguay, and Venezuela. In 2012, the Romanian state secretary visited Brazil, Peru and Chile. The following areas were identified as being of shared interest with Brazil: energy (biofuel included), manufacturing of oil and petrochemical equipment, railway stock, shipbuilding, military technology, infrastructure, mineral resources, and tourism.

Slovenia has no government strategy concerning the LAC area but there is an interest from companies, organisations and individuals concerning this region. In the seventies, when Slovenia was still part of Yugoslavia, Slovenian firms and products were present in Latin America and contacts were more intensive. Additionally, efficient Slovenian diplomats were present in LAC countries (Salej, 2009). After the downfall of the Soviet Union, Slovenia had to establish its own relationship with LAC countries. From the foreign policy side, the Slovenian presidency of the EU Council in 2008 was a good opportunity to promote the country. In the same year, the so far highest amount of Heads of State took part in the in the EU-LAC Summit in Lima, Peru. The Slovenian President's tour of Latin America before the Summit undoubtedly contributed to this achievement. However, since then political contacts seem to be less intensive. The main LAC partners for Slovenia are Brazil, Chile, Mexico, Colombia, and Peru.

## Prospects and difficulties

Although the two regions are far from each other, the European recession following the international crisis gave an impetus for CEE firms to venture trade and investment also in distant regions. There are some examples of advantages of business with LAC countries:

- LAC countries offer an important growth and market potential for CEE companies.
- Brazil and Colombia have a large military sector and need army modernisation. There are possibilities for the Polish and Czech defence industry to be involved in this process.
- Modernisation of transport and infrastructure in big LAC cities offer possibilities for CEE companies.
- The extraction industry (minerals, oil, gas) in LAC can cooperate with CEE firms (in Poland, Romania, Slovenia, and Hungary).
- Globalised CEE service, IT and software firms can extend their activities in LAC.
- Mexico and Chile have several free trade agreements with LAC countries. This is an advantage for CEE companies to gain the regional market.
- CEE countries can utilize Brazilian experiences in bio-fuels and green industry projects.
- Brazilian Embraer planes can be used for CEE airforce modernisation (example: Polish airline LOT has bought them<sup>31</sup>).
- There can be potential in the exchange of agricultural products that are not produced in the other region (coffee, cocoa, fruits or special CEE foods and beverages).
- The port of Koper (Slovenia) and the Freeport of Riga (Latvia) offer good transport possibilities for LAC countries towards the Balkans and Central Asia.
- Gradually avoiding intermediate traders of Netherlands, Germany and establish direct contacts in certain cases.
- Education, innovation and R&D cooperation, exchange of students and researchers can be intensified – as it has already happened recently.
- There are prospects in local level cooperation, between regions in the countries or local authorities offering special conditions.

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<sup>31</sup> Brudzinska and Znojek (2012)

- Emigrants and diaspora from CEE countries in LAC can help intensify relations (example: Chilean-Hungarian Chamber of Commerce directed by a Hungarian living in Chile, and a Chilean senator with Hungarian roots having a large role in reopening the Hungarian Embassy). The number of Polish descendants is high in Brazil and Argentina and there are smaller Polish colonies in other LAC countries, too.

There are, however, certain barriers or difficulties in intensifying mutual relations:

- Large distance
- Little mutual knowledge
- Tariff and non-tariff barriers, bureaucracy, tax regulations
- Policy towards foreign investors
- Lack of government policies
- Competition from third countries
- Economic uncertainties in LAC countries, possible devaluation of LAC currencies. Risks that could make CEE exports more expensive.

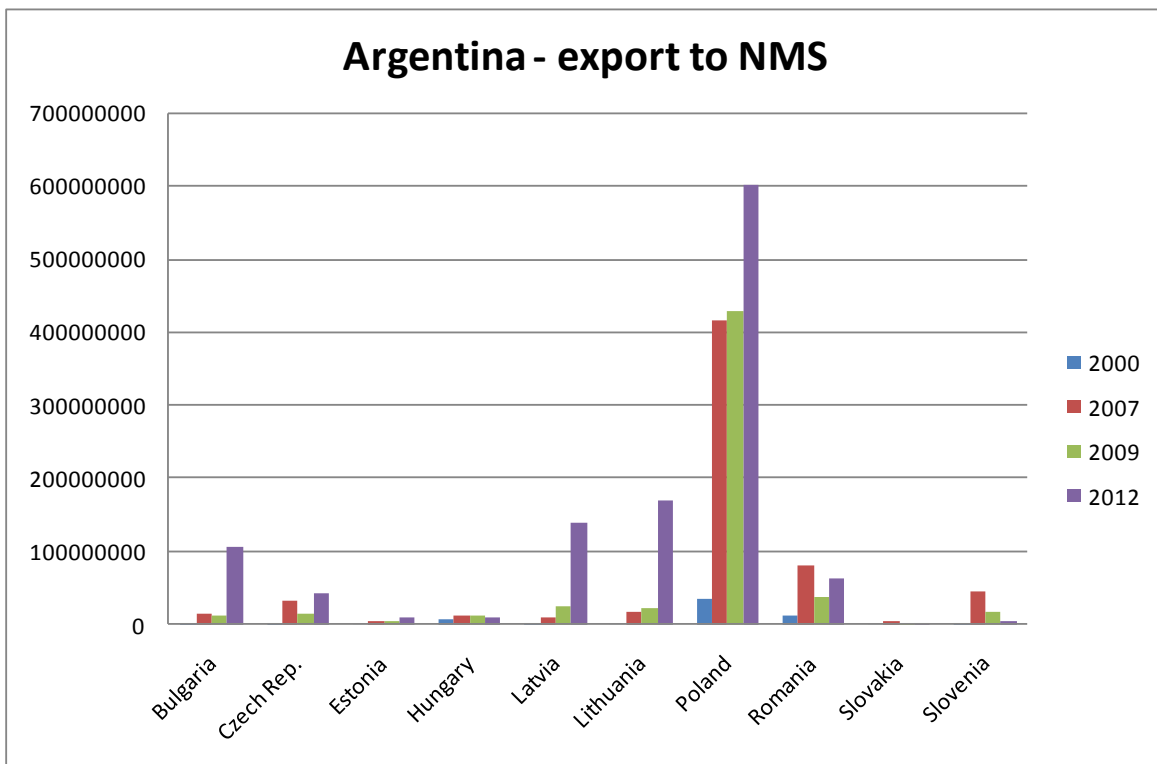
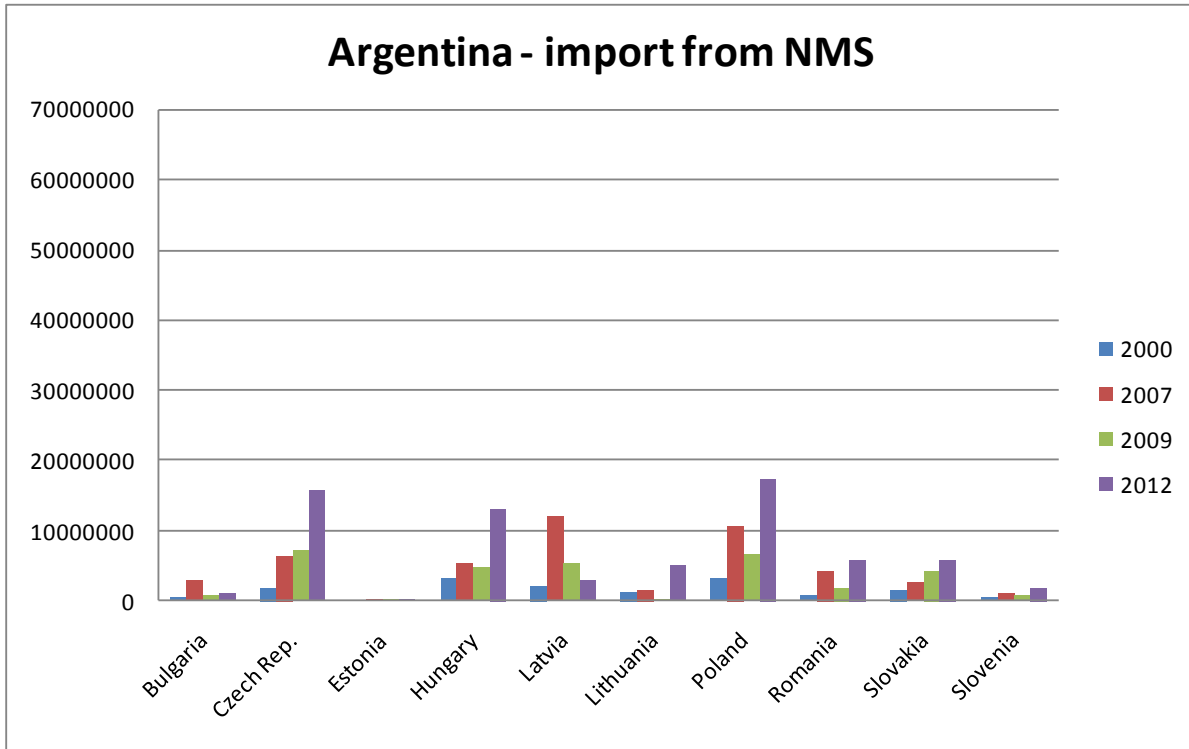


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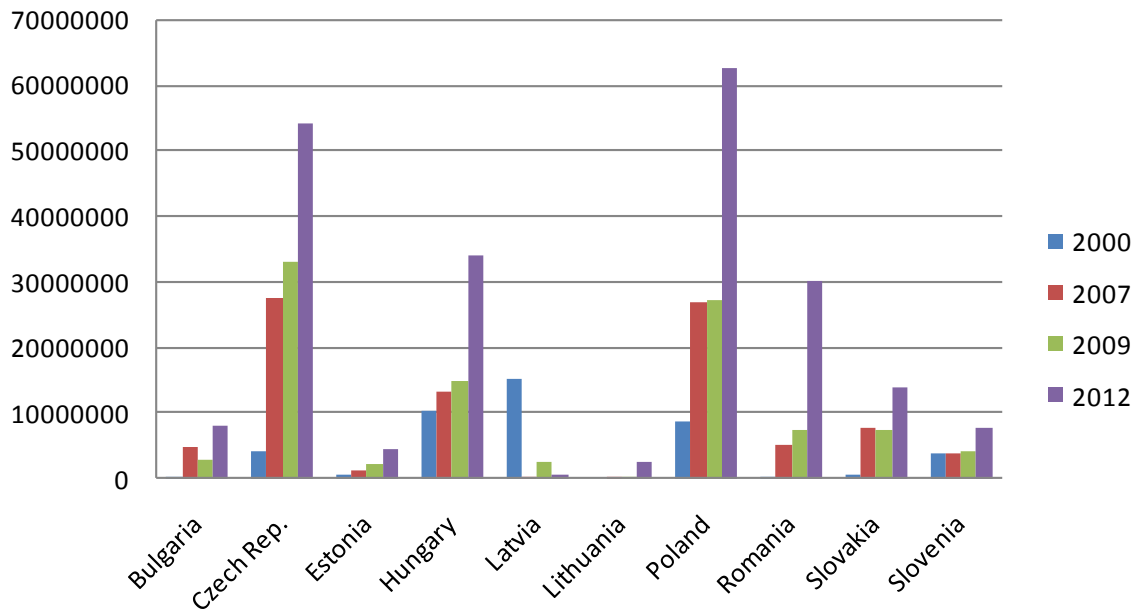
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# Annex

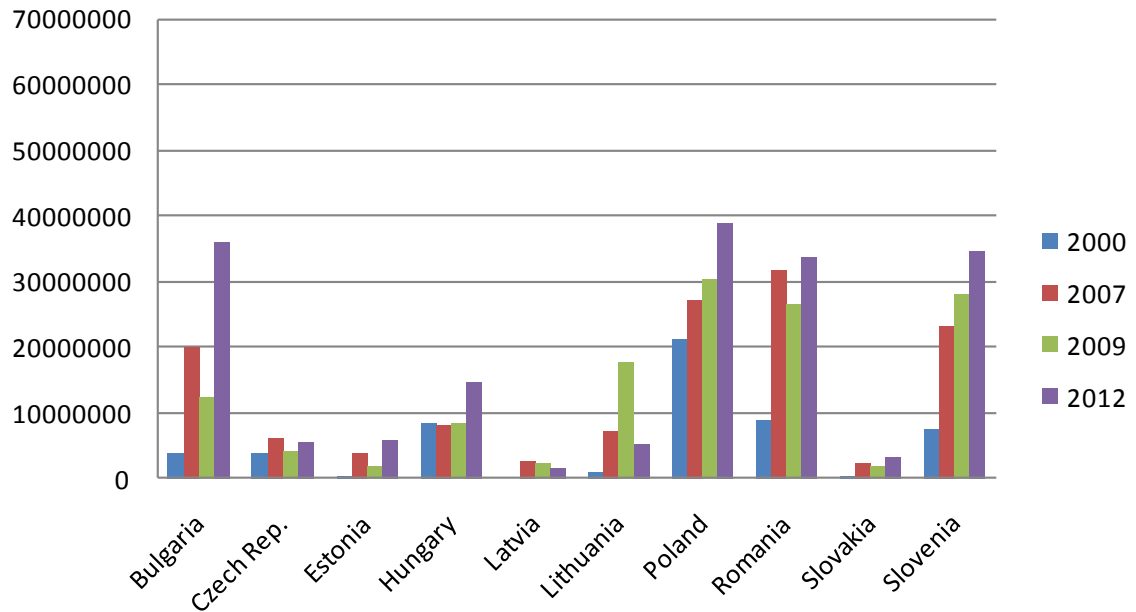
**Figures of trade flows since 2000 – reporters: main LAC partners  
(source UN Comtrade, euros)**

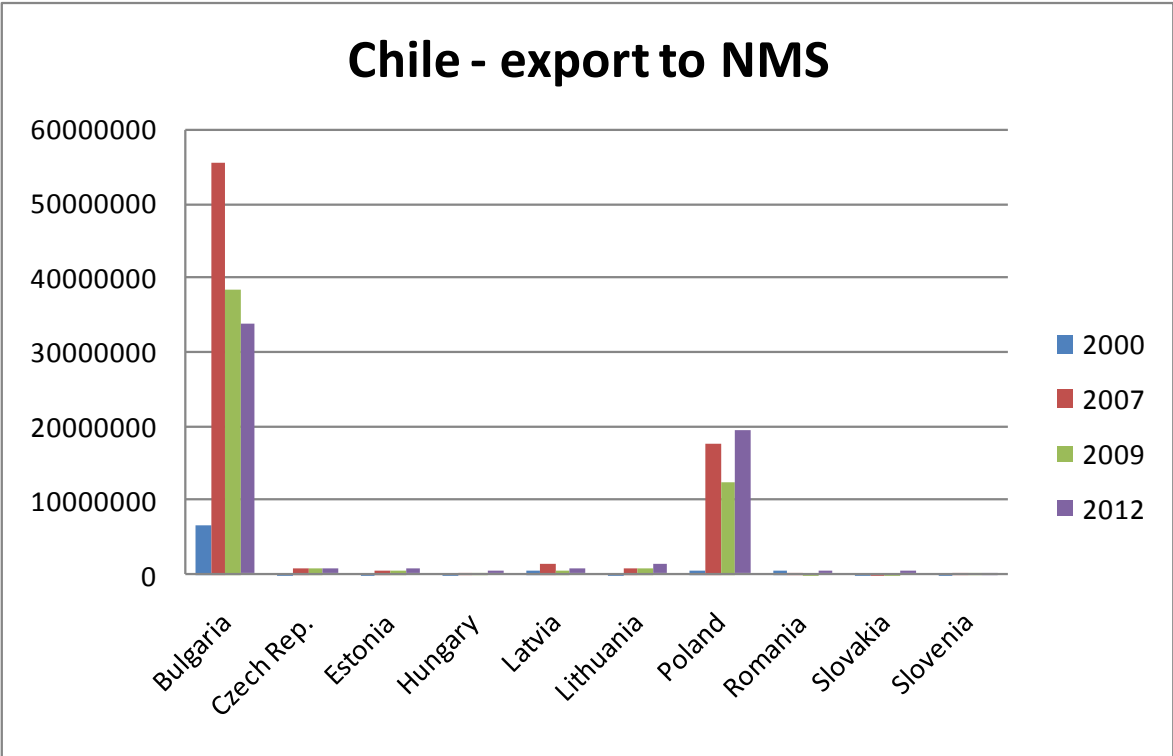
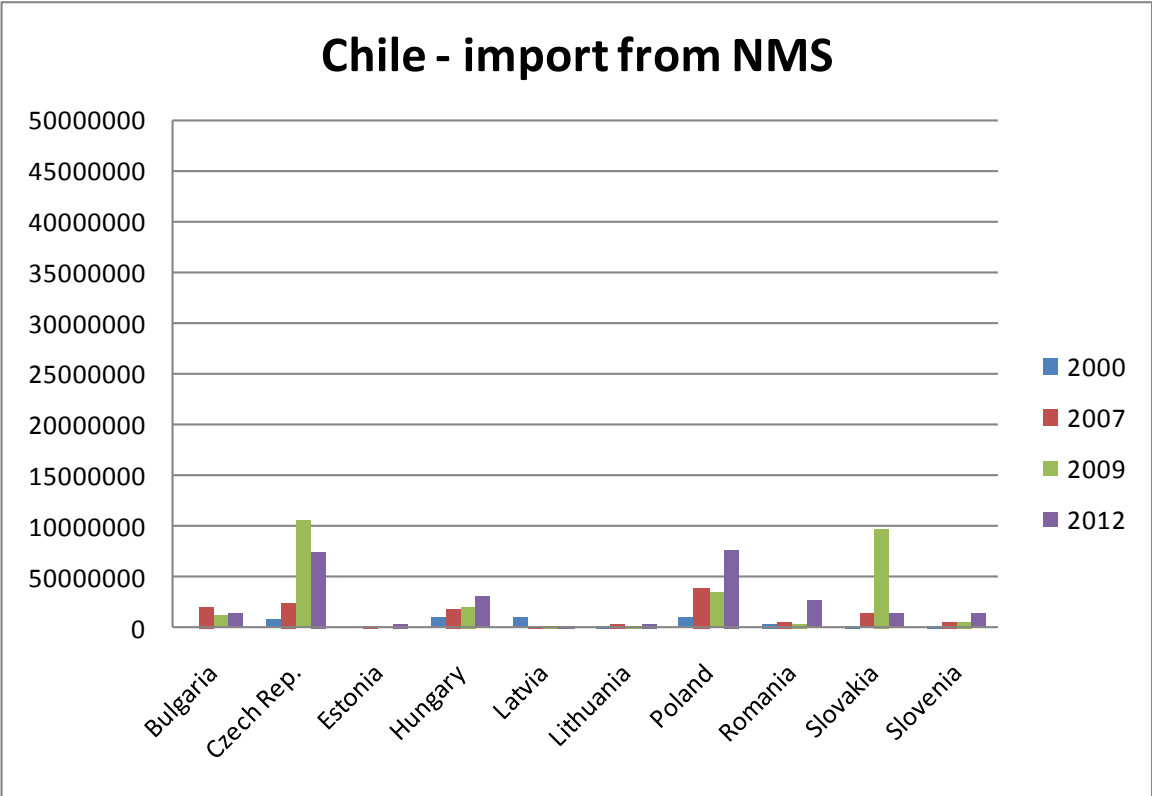


### Brazil - import from NMS

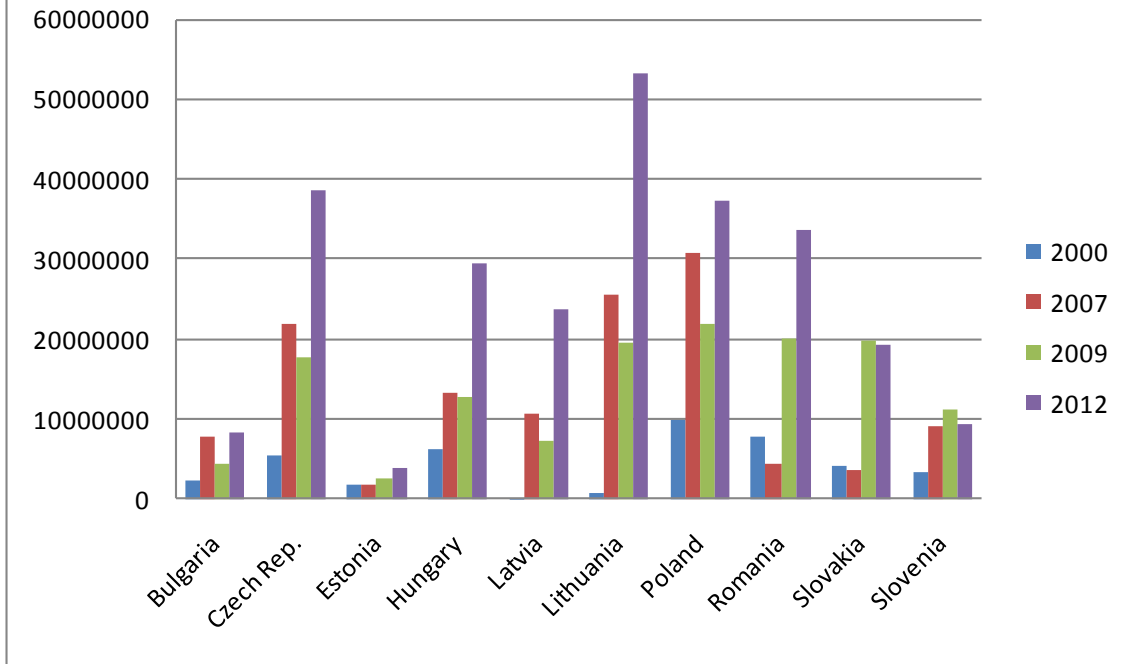


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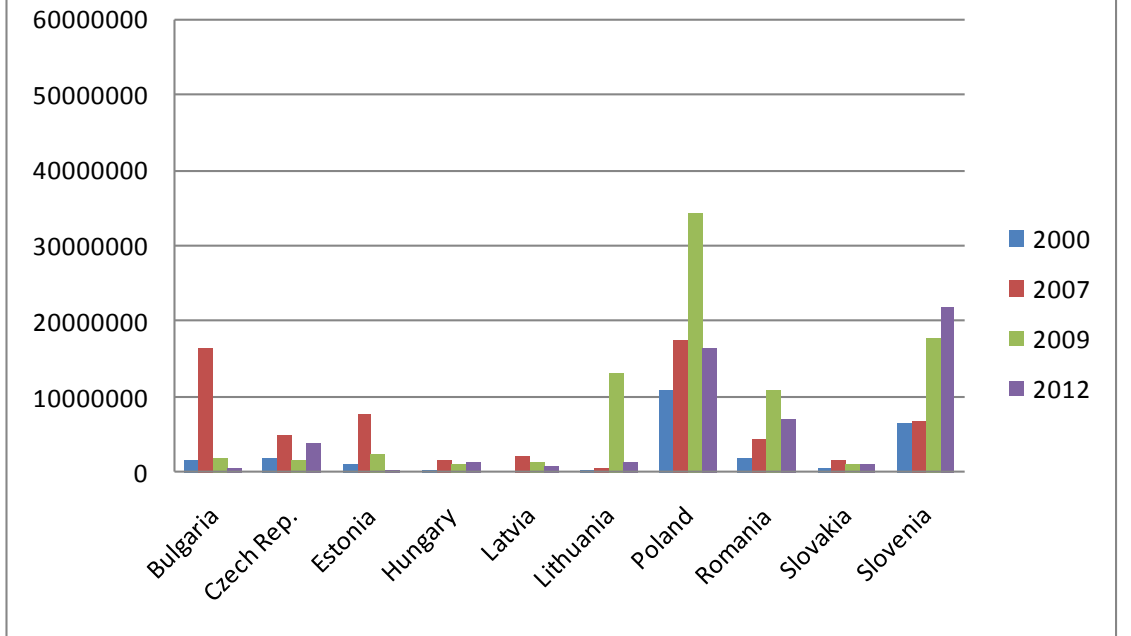




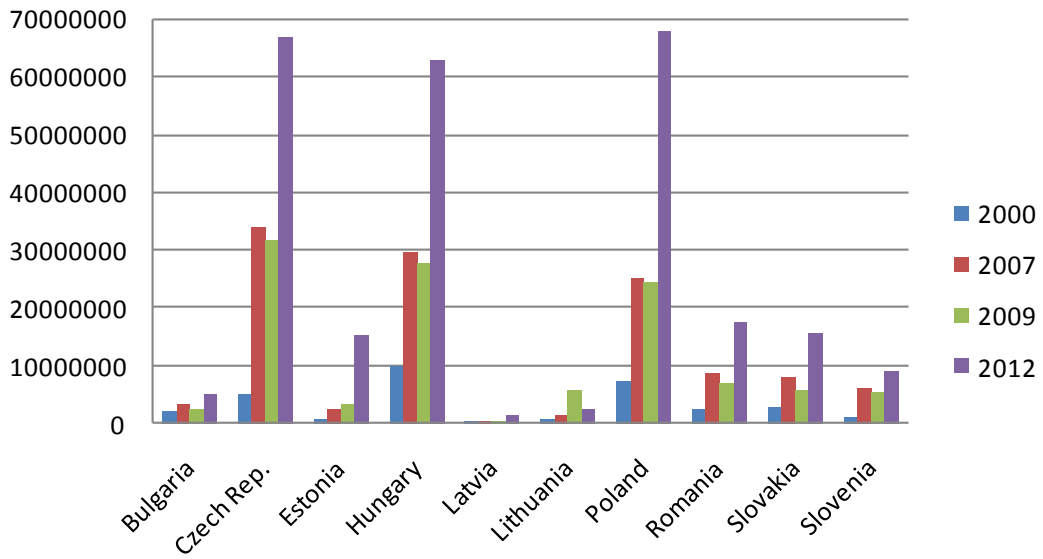
## Colombia - import from NMS



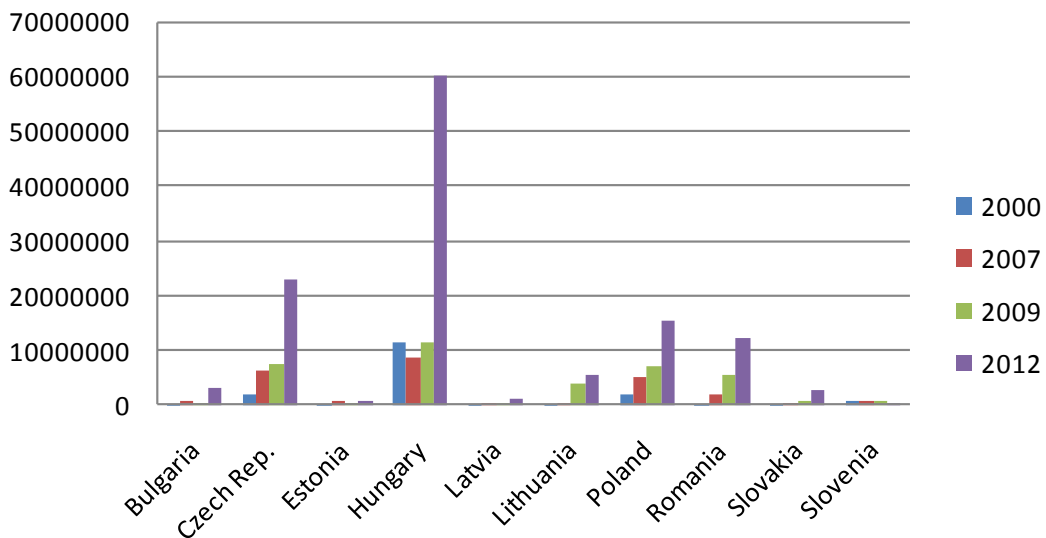
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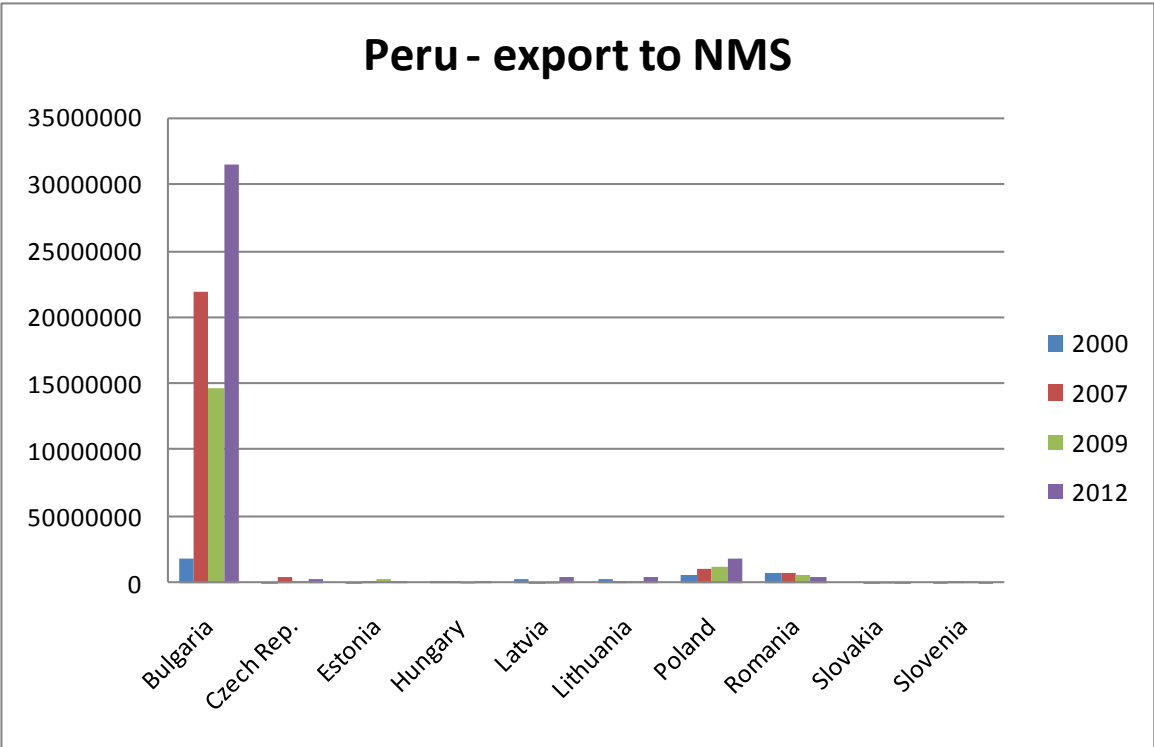
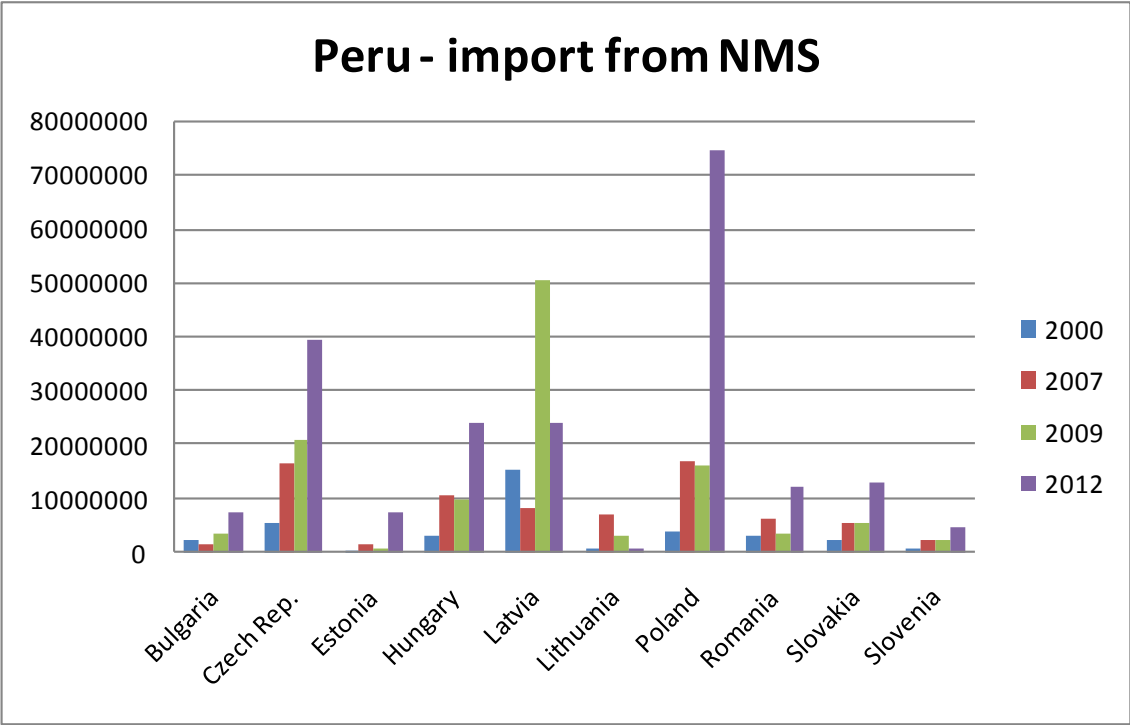


## Mexico - import from NMS

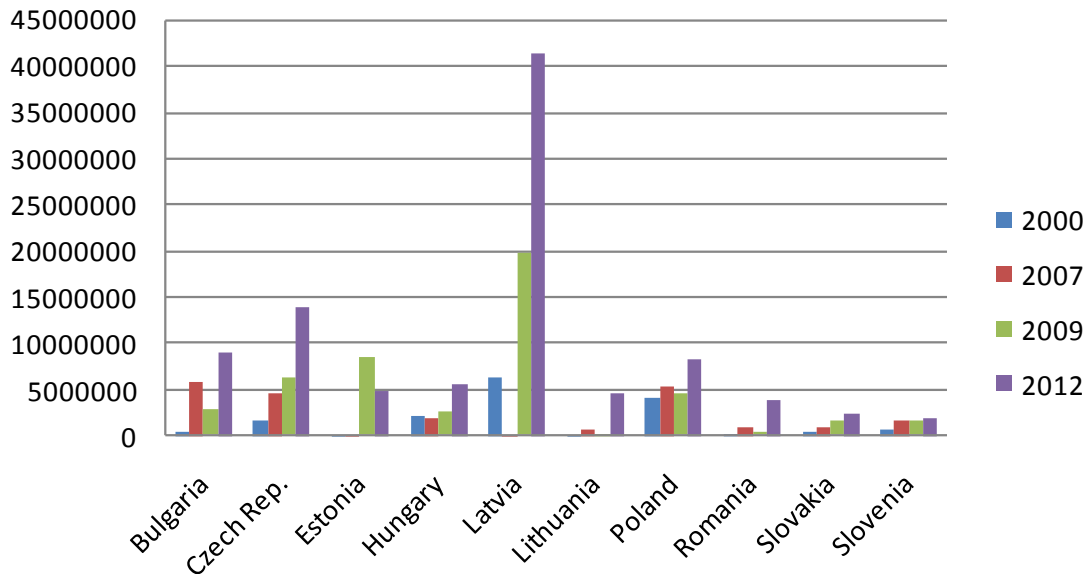


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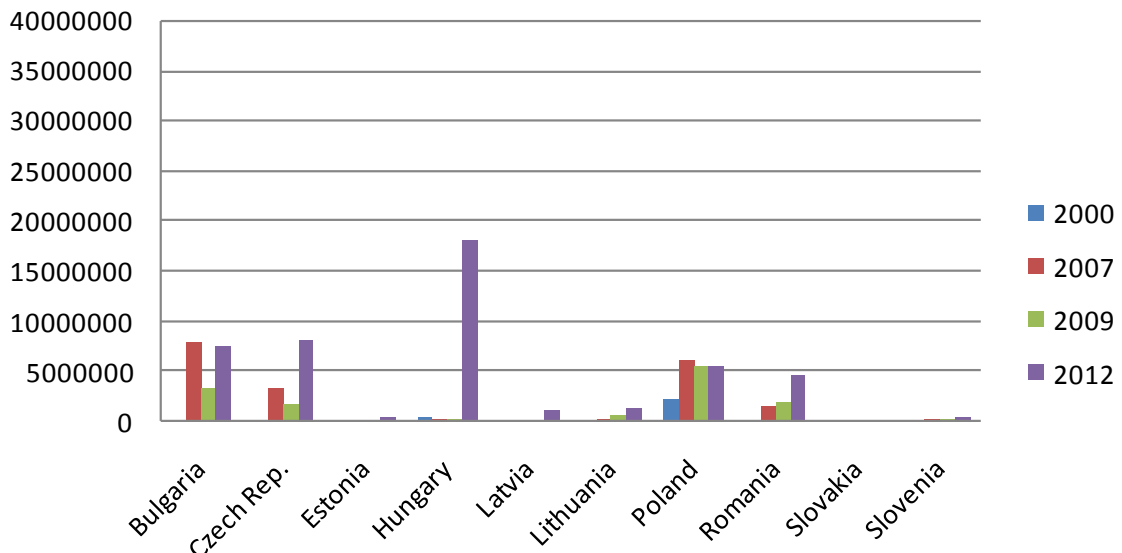




## Uruguay - import from NMS

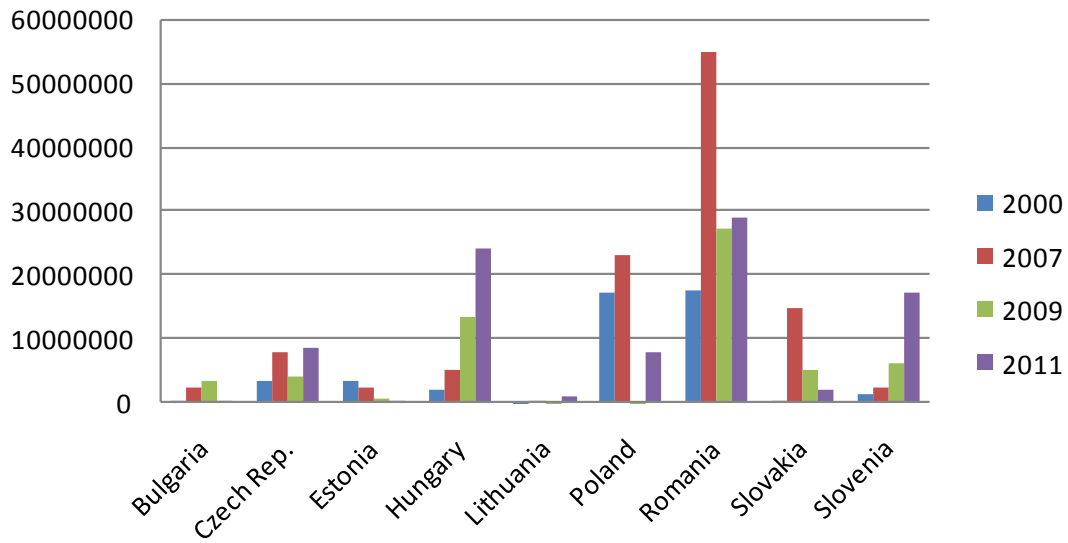


## Uruguay - export to NMS

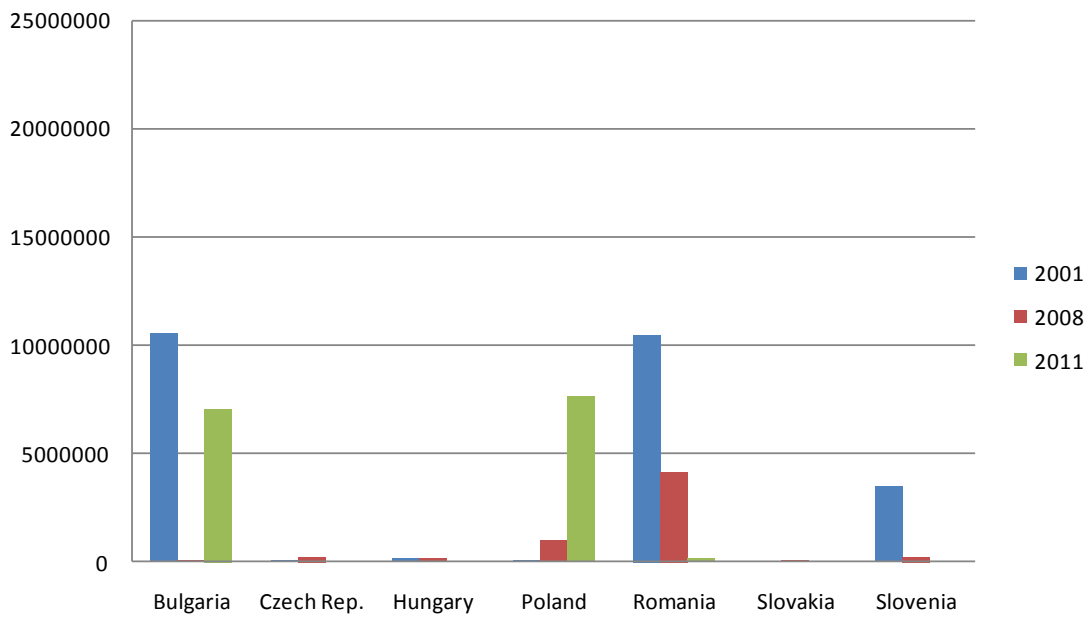




## Venezuela - import from NMS



## Venezuela - export to NMS



**Tables of first ten product groups in trade**  
**(Source: Eurostat, reporter countries: CEE ones, detailed data for 2012. Percentage and million euro for total trade)**

Table 1a Main Hungarian export product groups to LAC in 2012, HS2 classification

HS	ARGENTINA	HS	BRAZIL	HS	CHILE	HS	COLOMBIA	HS	MEXICO	HS	PERU	HS	URUGUAY	HS	VENEZUELA
85	60,97	84	36,15	84	46,50	84	45,42	84	53,76	85	35,56	84	78,14	85	87,58
84	15,35	85	22,89	85	19,60	85	17,85	85	24,76	84	22,36	30	10,31	29	6,82
29	4,45	87	12,24	29	6,21	29	11,35	87	6,77	29	20,36	85	7,82	84	3,84
90	4,41	29	8,89	94	5,19	90	9,29	90	2,89	40	5,92	19	1,24	96	0,81
30	3,73	40	7,87	44	2,75	40	5,46	94	2,42	30	5,42	18	0,62	40	0,23
21	2,48	90	3,07	39	2,70	38	2,34	95	2,32	39	3,63	29	0,58	38	0,23
40	1,88	39	2,58	73	2,49	30	1,89	73	1,95	90	2,39	90	0,48	73	0,15
39	1,71	30	0,81	30	2,47	44	1,81	39	1,06	83	0,71	61	0,32	90	0,12
69	1,67	73	0,63	90	1,72	21	1,30	30	0,74	91	0,68	94	0,21	27	0,08
62	0,83	69	0,56	62	1,31	39	0,77	29	0,74	73	0,62	62	0,05	17	0,05
Total exp. mn euro	35,46		261,55		25,14		16,57		377,88		9,12		13,49		58,54

Table 1b Main Hungarian import product groups from LAC in 2012, HS2 classification

	ARGENTINA		BRAZIL		CHILE		COLOMBIA		MEXICO		URUGUAY	
HS		HS		HS		HS		HS		HS		HS
12	36,27	84	24,92	47	37,06	27	97,01	85	88,78	94	92,15	
84	30,56	41	24,22	8	20,67	17	1,22	84	3,47	42	7,17	
30	8,57	26	14,92	7	19,18	84	0,68	90	2,28	41	0,53	
3	5,49	21	10,39	12	10,53	69	0,50	29	1,75	44	0,04	
39	5,46	24	6,86	38	8,09	39	0,19	73	1,42	22	0,03	
43	3,46	17	4,52	24	1,55	96	0,14	30	0,52	85	0,02	
90	3,06	85	3,75	22	1,28	9	0,13	28	0,47	84	0,01	
5	1,25	12	2,66	10	0,79	85	0,07	39	0,32	82	0,01	
85	1,22	82	2,64	29	0,45	61	0,02	49	0,20	68	0,01	
73	1,17	90	1,13	25	0,13	49	0,01	22	0,14	38	0,01	

Total import, m euros	11,26		127,59		5,92		21,09		602,07		14,58
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Hungary-LAC trade, m euros, 2013

2013	ARGENTINA	BRAZIL	CHILE	COLOMBIA	MEXICO	PERU	URUGUAY	PARAGUAY	VENEZUELA
Export	21,85	287,99	16,67	22,64	390,37	19,44	5,63	0,96	16,56
Import	13,93	96,07	6,47	1,14	804,97	1,11	9,48	0,00	0,05

Table 2a Main Slovakian export product groups to LAC in 2012, HS2 classification

	ARGENTINA		BRAZIL		CHILE		COLOMBIA		MEXICO		PERU		VENEZUELA
HS		HS		HS		HS		HS		HS		HS	
87	50,56	87	22,99	87	67,38	87	41,92	87	38,04	84	46,77	84	48,33
85	21,75	84	20,84	84	14,61	85	26,76	84	22,41	87	44,33	85	35,11
84	17,03	85	17,20	56	6,36	90	16,87	85	8,95	90	2,86	73	5,29
29	3,09	29	11,90	90	3,50	84	7,62	40	5,04	85	2,20	49	4,54
96	1,22	73	6,20	73	3,11	96	2,06	88	5,00	29	1,26	90	3,01
40	0,71	31	3,95	72	1,43	76	1,02	94	4,83	95	0,65	29	1,65
90	0,70	95	3,45	85	0,78	29	0,75	73	3,37	93	0,55	76	0,49
71	0,67	83	2,91	94	0,67	56	0,66	60	3,23	72	0,40	40	0,24
95	0,61	40	2,87	95	0,57	70	0,52	31	1,92	33	0,35	70	0,21
70	0,56	39	1,98	76	0,25	73	0,37	39	1,26	25	0,29	94	0,19
<b>Total export, mn euro</b>	<b>25,57</b>		<b>79,97</b>		<b>19,28</b>		<b>12,19</b>		<b>85,14</b>		<b>8,51</b>		<b>49,91</b>

Table 2b Main Slovakian import product groups from LAC in 2012, HS2 classification

	ARGENTINA		BRAZIL		CHILE		MEXICO
HS		HS		HS		HS	

84	55,49	84	62,03	8	44,45	85	43,30
85	20,18	85	12,45	22	19,79	84	14,10
87	13,73	90	5,59	3	16,00	30	13,86
29	4,29	26	3,16	98	8,84	87	9,50
40	3,29	41	2,75	13	5,55	90	9,18
90	1,37	64	1,80	90	4,44	39	1,59
39	0,39	68	1,55	33	0,66	94	1,50
30	0,39	39	1,46	10	0,16	9	1,09
73	0,18	9	1,44	84	0,04	40	0,99
69	0,16	82	1,39	85	0,04	70	0,97
Total imp. mn euro	3,35		27,95		1		25,03

Slovak-LAC trade, 2013, m euro

2013	ARGENTINA	BRAZIL	CHILE	COLOMBIA	MEXICO	PERU	URUGUAY	PARAGUAY	VENEZUELA
Export	44,24	125,68	30,90	13,87	86,71	6,96	5,08	1,67	14,94
Import	2,35	27,75	1,03	0,29	24,87	0,27	0,07	0,05	0,10

Table 3a: Main Czech export product groups to LAC in 2012, HS2 classification

	ARGENTINA		BRAZIL		CHILE		COLOMBIA		MEXICO		PERU		URUGUAY		VENEZUELA
HS		HS		HS		HS		HS		HS		HS		HS	
84	37,42	84	28,94	84	39,52	84	17,99	84	32,44	84	28,90	41	48,63	84	23,24
85	10,01	85	18,05	85	10,03	85	13,07	85	26,14	95	11,33	84	16,57	85	20,26
87	9,23	87	9,52	95	8,95	39	11,11	87	14,24	85	11,26	85	8,12	94	16,10
73	6,24	39	7,41	87	7,79	87	10,59	40	4,38	39	5,61	40	5,66	39	6,67
90	6,04	994	5,07	39	7,45	95	10,17	39	3,05	70	5,25	73	4,36	95	5,42
29	5,25	73	4,51	90	3,62	73	3,94	96	2,76	12	4,59	70	2,90	73	4,56
72	3,01	70	4,27	73	2,82	33	3,80	73	2,31	73	4,31	95	2,14	68	3,79
39	3,00	90	4,14	48	2,66	70	2,99	71	1,87	28	4,29	93	2,01	48	3,52

40	1,94	39	3,68	82	2,43	90	2,99	70	1,70	95	3,32	90	1,63	90	2,82
70	1,91	95	3,29	51	2,23	69	2,70	83	1,16	93	3,18	83	1,50	72	2,47
<b>TOTAL</b>	<b>54,43</b>		<b>319,13</b>		<b>58,21</b>		<b>29,53</b>		<b>357,96</b>		<b>22,54</b>		<b>9,81</b>		<b>16,25</b>

Table 3b: Main Czech import product groups from LAC in 2012, HS2 classification

	ARGENTINA		BRAZIL		CHILE		COLOMBIA		MEXICO		PERU
HS		HS		HS		HS		HS		HS	
87	73,24	9	23,42	22	40,24	27	53,81	85	43,15	9	42,27
23	7,12	24	14,93	47	24,76	9	24,29	84	14,52	2	36,48
2	3,92	23	14,21	8	18,52	6	8,52	95	11,16	28	7,90
10	3,49	41	9,46	20	7,86	24	6,28	13	5,80	32	2,42
22	2,46	84	8,93	44	1,80	3	2,33	87	4,20	12	1,71
84	1,74	88	8,40	4	1,47	90	0,97	23	3,37	79	1,65
12	1,60	87	2,59	3	1,08	17	0,92	39	3,09	44	1,06
3	1,38	47	2,20	39	1,03	61	0,37	74	2,89	96	1,01
90	1,32	85	1,77	2	0,73	62	0,36	70	2,24	7	0,92
24	1,11	2	1,64	12	0,65	39	0,28	28	1,95	20	0,83
Total imp. mn euro	38,44		86,03		10,20		6,02		150,59		7,25

Czech Republic -LAC trade, mn. euro, 2013

2013	ARGENTINA	BRAZIL	CHILE	COLOMBIA	MEXICO	PERU	URUGUAY	PARAGUAY	VENEZUELA
Export	74,19	321,29	48,52	32,91	363,75	30,79	6,65	3,88	10,08
Import	8,65	67,07	11,58	2,17	159,51	6,00	0,75	0,07	0,01

Table 4a: Main Polish export product groups to LAC in 2012, HS2 classification

	ARGENTINA		BRAZIL		CHILE		COLOMBIA		MEXICO		PERU		URUGUAY		VENEZUELA
HS		HS		HS		HS		HS		HS		HS		HS	
84	29,58	27	19,13	84	18,79	85	16,89	85	23,31	85	21,91	84	26,51	31	47,91
85	22,73	85	18,82	40	16,96	84	13,67	87	21,52	72	15,53	73	21,83	27	19,37
87	10,24	84	17,22	87	10,21	29	13,47	84	10,20	4	15,26	85	14,29	84	11,47
72	9,28	31	9,37	85	8,46	40	10,69	82	7,84	84	12,37	11	4,47	73	5,62
73	4,55	40	5,07	68	6,59	33	10,41	27	6,63	31	8,64	30	4,23	85	4,27
94	3,66	87	4,74	33	5,45	30	7,71	94	4,76	87	4,24	9	3,30	94	2,99
48	3,03	29	2,96	73	3,71	73	4,76	40	4,02	33	2,94	41	3,20	48	1,75
30	2,28	73	2,76	22	3,02	38	3,90	73	2,38	11	1,95	29	2,93	29	1,49
25	2,22	30	2,57	29	2,35	90	3,82	90	2,33	48	1,63	22	2,79	28	0,76
40	1,93	39	2,31	28	2,27	28	3,53	39	2,33	28	1,55	21	2,62	90	0,74
Total, mn euro	89,75		373,88		55,08		36,29		442,14		40,40		10,57		79,55

Table 4b: Main Polish import product groups from LAC in 2012, HS2 classification

	ARGENTINA		BRAZIL		CHILE		MEXICO		PERU		URUGUAY
HS		HS		HS		HS		HS		HS	
23	86,77	88	33,42	3	25,14	84	21,53	9	19,93	47	78,75
12	4,91	24	20,15	8	23,12	85	20,15	26	16,35	35	13,15
10	2,95	47	11,02	26	23,02	30	11,31	28	14,57	32	2,45
3	2,05	87	7,07	22	16,97	39	9,93	25	11,62	41	1,31
72	0,68	23	6,05	20	8,95	82	9,71	32	9,32	22	1,05
24	0,56	28	4,13	44	1,04	90	4,10	3	8,82	5	1,01
22	0,52	84	2,60	72	0,60	87	3,12	8	5,83	25	0,74
9	0,25	41	2,16	16	0,39	22	2,30	79	3,16	44	0,48
41	0,21	33	1,67	24	0,18	70	2,01	16	2,91	43	0,21
8	0,18	25	1,56	38	0,11	9	1,90	44	2,00	13	0,13
Total,	497,06		392,62		65,38		93,01		12,69		17,02

mn euro											
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Poland-LAC trade, 2013, m euro

2013	ARGENTINA	BRAZIL	CHILE	COLOMBIA	MEXICO	PERU	URUGUAY	PARAGUAY	VENEZUELA
Export	107,67	435,18	72,96	36,75	393,42	39,91	8,92	4,61	62,46
Import	382,51	436,88	140,88	5,62	110,23	29,97	21,41	15,11	25,28

Table 5a: Main Slovenian export product groups to LAC in 2012, HS2 classification

	ARGENTINA		BRAZIL		CHILE		COLOMBIA		MEXICO	
HS	HS	HS	HS	HS	HS	HS	HS	HS	HS	
95	65,37	85	42,56	85	33,13	95	32,19	85	47,89	
85	10,24	84	14,86	30	20,14	87	15,85	84	17,54	
76	4,56	30	13,23	56	8,68	84	15,37	87	14,49	
84	4,19	76	4,22	84	6,32	90	11,22	30	4,41	
32	3,65	72	4,14	40	6,29	76	9,35	90	2,47	
40	2,36	90	3,11	68	4,40	85	6,49	56	1,91	
38	1,60	32	2,92	83	3,28	30	3,30	48	1,84	
68	1,59	48	2,80	48	2,98	40	1,97	39	1,57	
40	1,37	87	2,70	88	2,26	48	1,33	38	1,50	
28	1,05	39	2,15	95	1,80	32	0,72	40	1,47	
<b>TOTAL</b>	<b>25,34</b>		<b>41,98</b>		<b>7,88</b>		<b>6,84</b>		<b>48,01</b>	

Table 5b: Main Slovenian import product groups from LAC in 2012, HS2 classification

	ARGENTINA		BRAZIL		CHILE		MEXICO		PARAGUAY		VENEZUELA	
23	98,431	23	80,306	47	94,638	29	21,971	12	74,573	29	99,388	
3	0,794	12	12,310	8	3,868	30	16,520	23	25,424	27	0,592	

8	0,148	9	3,229	22	1,191	40	13,745	5	0,002	22	0,020
12	0,139	40	1,064	44	0,208	95	11,981		0		0
94	0,118	47	1,020	25	0,081	85	9,261		0		0
16	0,103	25	0,505	48	0,004	90	8,468		0		0
90	0,061	28	0,400	84	0,004	22	4,593		0		0
73	0,052	30	0,281	62	0,002	84	3,957		0		0
22	0,045	33	0,196	82	0,001	84	3,046		0		0
84	0,039	17	0,160	70	0,001	39	1,879		0		0
<b>Total, mn euro</b>	<b>130,387</b>		<b>398,859</b>		<b>15,337</b>		<b>9,614</b>		<b>36,602</b>		<b>12,121</b>

Slovenia-LAC trade, m euro, 2013

2013	ARGENTINA	BRAZIL	CHILE	COLOMBIA	MEXICO	PERU	URUGUAY	PARAGUAY	VENEZUELA
Export	24,43	43,49	11,81	11,97	42,35	2,97	0,84	2,12	3,18
Import	107,84	263,08	13,53	1,89	8,79	0,59	0,08	7,12	5,88

Table 6a: Main Romanian export product groups to LAC in 2012, HS2 classification

	ARGENTINA		BRAZIL	CHILE		COLOMBIA		MEXICO		VENEZUELA	
HS		HS		HS		HS		HS		HS	
31	23,09	87	52,42	31	58,15	87	70,17	72	32,90	73	79,91
85	19,51	84	22,69	84	24,36	31	8,74	84	17,46	84	17,94
87	19,14	85	6,81	72	4,37	85	5,59	40	12,37	85	1,02
84	15,71	40	6,46	73	3,97	84	4,93	85	9,71	28	0,62
90	8,29	73	3,15	85	2,61	94	2,42	90	9,20	64	0,30
39	5,24	72	2,61	39	1,51	40	1,65	73	6,86	29	0,08
72	2,11	28	1,41	64	0,89	89	1,49	87	6,01	95	0,06
76	1,55	90	1,07	44	0,81	83	1,31	76	1,13	55	0,04
40	1,45	39	0,95	10	0,73	90	0,99	39	0,89	98	0,02



73	1,37	83	0,94	18	0,58	73	0,83	29	0,66	44	0,00
Total, m euro	21,52		170,29		15,28		141,82		69,33		30,84

Table 6b: Main Romanian import product groups from LAC in 2012, HS2 classification

	ARGENTINA		BRAZIL		COLOMBIA		MEXICO
HS		HS		HS		HS	139,58
23	53,69	23	33,98	9	59,16	84	47,57
73	20,12	17	24,04	73	19,59	30	18,88
12	6,14	26	16,64	24	7,46	87	7,22
84	4,24	24	12,03	6	2,58	29	6,42
24	3,51	2	1,92	41	2,22	84	5,20
8	3,24	21	1,81	39	2,07	39	4,81
51	2,92	87	1,74	87	1,99	73	3,87
3	1,31	9	1,72	29	0,92	90	2,14
10	0,95	58	1,08	30	0,75	22	0,77
5	0,75	84	0,99	32	0,74	63	0,53
Total, m euro	44,60		355,46		7,43		139,58

Romania-LAC trade, m euro, 2013

2013	ARGENTINA	BRAZIL	CHILE	COLOMBIA	MEXICO	PERU	URUGUAY	PARAGUAY	VENEZUELA
Export	19,82	283,39	8,04	107,29	159,22	4,89	6,41	0,31	14,11
Import	105,71	326,88	3,63	7,79	110,39	1,85	3,36	0,10	2,87

Table 7a: Main Bulgarian export product groups to LAC in 2012, HS2 classification

	ARGENTINA		BRAZIL		CHILE		MEXICO
HS		HS		HS		HS	
24	41,27	31	68,00	84	30,27	40	31,22
36	23,83	84	10,01	28	18,14	85	20,03
84	9,05	37	8,54	70	6,41	12	13,02
38	5,52	78	2,38	85	6,25	24	9,45
37	5,09	23	1,86	72	5,82	90	7,00
85	4,78	85	1,34	83	5,02	84	6,89
12	3,43	90	1,28	38	3,66	74	1,77
29	2,29	35	0,93	73	3,62	29	1,62
39	1,45	24	0,75	90	3,32	28	1,43
35	1,33	36	0,58	61	3,19	38	1,04
Total, mn euro	4,95		34,56		6,23		24,00

Table 7b: Main Bulgarian import product groups from LAC in 2012, HS2 classification

	ARGENTINA		BRAZIL		MEXICO		PERU		URUGUAY
HS		HS		HS		HS		HS	
12	24,28	88	77,62	26	89,29	26	92,21	51	90,72
7	17,79	24	13,48	85	2,62	9	5,56	35	8,89
24	17,31	21	2,53	29	2,36	23	1,31	39	0,16
3	9,24	9	2,44	39	1,58	9	0,46	49	0,13
10	6,35	2	0,72	22	1,19	32	0,26	85	0,09
51	5,97	64	0,42	94	1,04	3	0,17	65	0,01
8	5,41	85	0,41	74	0,52	97	0,01		0
84	3,27	40	0,30	28	0,44	11	0,005		0
73	2,87	5	0,29	32	0,42	59	0,004		0
22	1,32	84	0,24	25	0,19	12	0,004		0
Total, mn euro	10,15		143,74		29,70		83,16		4,79

Bulgarian – LAC trade, 2013, m euro

2013	ARGENTINA	BRAZIL	CHILE	COLOMBIA	MEXICO	PERU	URUGUAY	PARAGUAY	VENEZUELA
Export	7,35	13,50	4,10	2,07	30,60	6,47	0,75	0,29	1,48
Import	9,30	50,81	2,55	0,69	7,40	9,28	7,09	0,01	0,24

Table 8a: Main Latvian import product groups from LAC in 2012, HS2 classification

	ARGENTINA		BRAZIL		CHILE		MEXICO
HS		HS		HS		HS	
23	64,66	44	26,62	24	43,48	20	27,86
24	11,79	82	18,64	8	37,19	84	20,71
12	11,19	20	11,58	26	12,16	70	17,34
3	3,46	84	8,28	20	2,99	26	17,23
8	2,53	85	7,17	3	2,43	24	7,04
43	2,21	8	5,75	44	1,57	9	3,35
15	0,86	93	3,96	47	0,05	25	1,87
20	0,65	73	3,42	39	0,03	85	1,35
95	0,62	88	3,38	82	0,02	40	1,01
84	0,54	33	2,44	62	0,02	83	0,63
Total, m euro	5,25		2,23		4,21		4,64

Table 8b: Main Latvian export product groups to LAC in 2012, HS2 classification

	BRAZIL		CHILE		MEXICO		PERU		PARAGUAY
HS		HS		HS		HS		HS	

84	42,96	54	50,55	22	28,22	72	90,89	85	88,38
85	36,00	22	28,14	27	23,99	27	3,58	84	9,94
54	9,19	27	12,86	70	20,70	84	2,14	22	1,27
22	4,39	84	3,27	85	8,81	95	1,47	87	0,20
40	1,59	44	2,39	84	8,14	84	0,79	96	0,07
35	1,55	48	1,02	90	4,75	44	0,69	39	0,05
27	1,24	85	0,92	44	2,65	22	0,43	82	0,04
70	1,02	70	0,52	95	0,96	90	0,003	35	0,02
66	0,73	94	0,12	33	0,81		0	83	0,01
90	0,52	39	0,07	88	0,24		0	40	0,01
Total exp. m euro	5,05		5,54		2,49		14,74		4,75

Latvian-LAC trade, 2013, m euro

2013	ARGENTINA	BRAZIL	CHILE	COLOMBIA	MEXICO	PERU	URUGUAY	PARAGUAY	VENEZUELA
Export	2,53	3,79	3,27	1,48	2,69	1,64	1,26	5,72	0,03
Import	82,41	2,15	4,09	0,17	3,58	0,24	0,13	0,02	0,00

Table 9a: Main Lithuanian export product groups to LAC in 2012, HS2 classification

	ARGENTINA		BRAZIL		CHILE		MEXICO		URUGUAY	
HS	HS	HS	HS	HS	HS	HS	HS	HS	HS	HS
31	96,15	31	63,64	27	38,20	29	57,08	31	94,71	
54	0,93	85	9,83	54	17,33	85	13,89	84	3,45	

27	0,79	11	5,46	85	10,77	30	8,49	27	0,81
90	0,56	84	5,04	84	5,46	44	5,18	16	0,31
24	0,48	53	4,78	11	5,20	90	3,88	35	0,21
56	0,38	90	2,33	31	5,06	84	3,62	90	0,14
84	0,37	76	2,29	90	3,29	39	1,73	56	0,12
35	0,18	38	1,37	35	2,30	87	1,17	29	0,08
87	0,05	35	1,34	53	2,14	38	1,02	73	0,08
29	0,05	94	1,17	38	2,00	35	0,79	85	0,06
<b>Total imp. m euro</b>	<b>28,04</b>		<b>14,81</b>		<b>3,35</b>		<b>10,75</b>		<b>7,80</b>

Table 9b: Main Lithuanian import product groups from LAC in 2012, HS2 classification

	ARGENTINA		BRAZIL		CHILE		MEXICO		PERU
HS		HS		HS		HS		HS	
23	55,07	24	51,99	8	54,06	39	10,23	63	28,05
15	13,44	41	13,72	22	38,86	30	7,75	3	25,79
3	9,77	21	10,08	3	6,05	85	1,83	8	23,78
24	8,11	5	8,25	28	0,63	22	1,58	51	8,91
12	7,42	84	4,78	20	0,32	84	0,86	23	4,24
8	2,73	44	2,67	82	0,02	87	0,68	62	3,58
22	1,82	64	1,79	48	0,02	9	0,42	16	3,26
84	0,47	85	0,92	94	0,02	23	0,27	20	1,25
20	0,21	17	0,90	39	0,01	28	0,23	15	0,66
90	0,20	82	0,79	85	0,01	90	0,10	11	0,21
<b>TOTAL</b>	<b>37,60</b>		<b>29,48</b>		<b>7,45</b>		<b>38,37</b>		<b>2,25</b>

Lithuania-LAC trade, 2013, m euro

2013	ARGENTINA	BRAZIL	CHILE	COLOMBIA	MEXICO	PERU	URUGUAY	PARAGUAY	VENEZUELA
Export	12,83	13,42	4,95	1,18	8,18	2,87	0,30	0,10	2,66

Import	29,08	48,49	14,09	1,10	57,16	2,05	1,21	0,00	0,03
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Table 10a: Main Estonian export product groups to LAC in 2012, HS2 classification

	BRAZIL		CHILE		MEXICO		URUGUAY
HS		HS		HS		HS	
85	57,69	84	57,08	85	94,41	84	55,31
90	11,51	27	10,41	87	1,38	73	41,00
84	10,29	90	8,15	27	1,05	27	2,13
39	6,96	87	7,15	84	0,89	90	1,44
29	3,70	95	4,55	90	0,65	40	0,05
73	2,97	48	4,48	83	0,50	74	0,04
87	1,86	39	3,65	39	0,24	85	0,02
32	1,52	44	1,86	21	0,23	49	0,01
40	1,13	76	0,99	28	0,23	42	0,00
76	0,69	38	0,98	29	0,19	29	0,00
<b>TOTAL</b>	<b>37,26</b>		<b>3,22</b>		<b>110,50</b>		<b>2,66</b>

Table 10b: Main Estonian import product groups from LAC in 2012, HS2 classification

	ARGENTINA		BRAZIL		CHILE		MEXICO
HS		HS		HS		HS	
22	45,96	93	50,50	22	83,67	85	35,68
12	13,74	85	22,01	8	8,29	30	28,48
39	13,53	72	18,12	3	2,84	22	23,25
3	10,69	44	3,43	44	2,20	40	4,66
42	3,84	84	1,14	20	2,14	90	3,92
15	2,84	64	0,97	16	0,81	84	2,30
41	1,97	8	0,95	48	0,01	20	0,94
17	1,57	32	0,55	62	0,01	70	0,21

32	1,37	43	0,54	65	0,00	39	0,16
19	1,31	20	0,49	49	0,00	42	0,09
<b>TOTAL</b>	<b>2,53</b>		<b>36,46</b>		<b>6,26</b>		<b>5,49</b>

Estonia-LAC trade 2013, m euro

2013	ARGENTINA	BRAZIL	CHILE	COLOMBIA	MEXICO	PERU
Export	1,37	32,03	1,50	0,36	78,81	0,55
Import	3,18	19,23	6,41	0,11	5,70	0,99

**HS2 Codes**  
**SECTION I**  
**LIVE ANIMALS; ANIMAL PRODUCTS**

**Section Notes.**

- 01 Live animals.
- 02 Meat and edible meat offal.
- 03 Fish and crustaceans, molluscs and other aquatic invertebrates.
- 04 Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included.
- 05 Products of animal origin, not elsewhere specified or included.

**SECTION II**  
**VEGETABLE PRODUCTS**

**Section Notes.**

- 06 Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage.
- 07 Edible vegetables and certain roots and tubers.
- 08 Edible fruit and nuts; peel of citrus fruit or melons.
- 09 Coffee, tea, mate and spices.
- 10 Cereals.
- 11 Products of the milling industry; malt; starches; inulin; wheat gluten.
- 12 Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder.
- 13 Lac; gums, resins and other vegetable saps and extracts.
- 14 Vegetable plaiting materials; vegetable products not elsewhere specified or included.

**SECTION III**  
**ANIMAL OR VEGETABLE FATS AND OILS AND THEIR CLEAVAGE**  
**PRODUCTS; PREPARED EDIBLE FATS; ANIMAL OR VEGETABLE WAXES**

- 15 Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes.

**SECTION IV**  
**PREPARED FOODSTUFFS;**  
**BEVERAGES, SPIRITS AND VINEGAR; TOBACCO**  
**AND MANUFACTURED TOBACCO SUBSTITUTES**

**Section Notes.**

- 16 Preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates.
- 17 Sugars and sugar confectionery.
- 18 Cocoa and cocoa preparations.
- 19 Preparations of cereals, flour, starch or milk; pastrycooks' products.
- 20 Preparations of vegetables, fruit, nuts or other parts of plants.
- 21 Miscellaneous edible preparations.
- 22 Beverages, spirits and vinegar.
- 23 Residues and waste from the food industries; prepared animal fodder.
- 24 Tobacco and manufactured tobacco substitutes.



SECTION V  
**MINERAL PRODUCTS**

- 25 Salt; sulphur; earths and stone; plastering materials, lime and cement.
- 26 Ores, slag and ash.
- 27 Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.

SECTION VI  
**PRODUCTS OF THE CHEMICAL OR ALLIED INDUSTRIES**

**Section Notes.**

- 28 Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes.
- 29 Organic chemicals.
- 30 Pharmaceutical products.
- 31 Fertilisers.
- 32 Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other colouring matter; paints and varnishes; putty and other mastics; inks.
- 33 Essential oils and resinoids; perfumery, cosmetic or toilet preparations.
- 34 Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial waxes, prepared waxes, polishing or scouring preparations, candles and similar articles, modelling pastes, "dental waxes" and dental preparations with a basis of plaster.
- 35 Albuminoidal substances; modified starches; glues; enzymes.
- 36 Explosives; pyrotechnic products; matches; pyrophoric alloys; certain combustible preparations.
- 37 Photographic or cinematographic goods.
- 38 Miscellaneous chemical products.

SECTION VII  
**PLASTICS AND ARTICLES THEREOF;  
RUBBER AND ARTICLES THEREOF**

**Section Notes,**

- 39 Plastics and articles thereof
- 40 Rubber and articles thereof

SECTION VIII  
**RAW HIDES AND SKINS, LEATHER, FURSKINS AND ARTICLES  
THEREOF; SADDLERY AND HARNESS; TRAVEL GOODS,  
HANDBAGS AND SIMILAR CONTAINERS; ARTICLES OF ANIMAL GUT  
(OTHER THAN SILK-WORM GUT)**

- 41 Raw hides and skins (other than furskins) and leather.
- 42 Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles of animal gut (other than silk-worm gut).
- 43 Furskins and artificial fur; manufactures thereof.

SECTION IX  
**WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL;  
CORK AND ARTICLES OF CORK; MANUFACTURES OF STRAW,  
OF ESPARTO OR OF OTHER PLAINTING MATERIALS;  
BASKETWARE AND WICKERWORK**

- 44 Wood and articles of wood; wood charcoal,  
45 Cork and articles of cork.  
46 Manufactures of straw, of esparto or of other plaiting materials; basketware and wickerwork.

SECTION X  
**PULP OF WOOD OR OF OTHER FIBROUS CELLULOSIC MATERIAL;  
RECOVERED (WASTE AND SCRAP) PAPER OR PAPERBOARD;  
PAPER AND PAPERBOARD AND ARTICLES THEREOF**

- 47 Pulp of wood or of other fibrous cellulosic material; recovered (waste and scrap) paper or paperboard.  
48 Paper and paperboard; articles of paper pulp, of paper or of paperboard.  
49 Printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans.

SECTION XI  
**TEXTILES AND TEXTILE ARTICLES**

**Section Notes.**

- 50 Silk.  
51 Wool, fine or coarse animal hair; horsehair yarn and woven fabric.  
52 Cotton,  
53 Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn.  
54 Man-made filaments.  
55 Man-made staple fibres.  
56 Wadding, felt and nonwovens; special yarns; twine, cordage, ropes and cables and articles thereof  
57 Carpets and other textile floor coverings.  
58 Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery.  
59 Impregnated, coated, covered or laminated textile fabrics; textile articles of a kind suitable for industrial use.  
60 Knitted or crocheted fabrics.  
61 Articles of apparel and clothing accessories, knitted or crocheted.  
62 Articles of apparel and clothing accessories, not knitted or crocheted.  
63 Other made up textile articles; sets; worn clothing and worn textile articles; rags.

SECTION XII  
**FOOTWEAR, HEADGEAR, UMBRELLAS, SUN UMBRELLAS,  
WALKING-STICKS, SEAT-STICKS, WHIPS, RIDING-CROPS AND  
PARTS THEREOF; PREPARED FEATHERS AND ARTICLES MADE  
THEREWITH; ARTIFICIAL FLOWERS; ARTICLES OF HUMAN HAIR**

- 64 Footwear, gaiters and the like; parts of such articles,  
65 Headgear and parts thereof  
66 Umbrellas, sun umbrellas, walking-sticks, seat-sticks, whips, riding-crops and parts thereof  
67 Prepared feathers and down and articles made of feathers or of down; artificial flowers; articles of human hair.

SECTION XIII  
**ARTICLES OF STONE, PLASTER, CEMENT, ASBESTOS, MICA  
OR SIMILAR MATERIALS; CERAMIC PRODUCTS;  
GLASS AND GLASSWARE**

- 68 Articles of stone, plaster, cement, asbestos, mica or similar materials.  
69 Ceramic products.  
70 Glass and glassware.

SECTION XIV

**NATURAL OR CULTURED PEARLS, PRECIOUS OR SEMI-PRECIOUS  
STONES, PRECIOUS METALS, METALS CLAD WITH PRECIOUS METAL  
AND ARTICLES THEREOF; IMITATION JEWELLERY; COIN**

- 71 Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal and articles thereof; imitation, jewellery; coin.

SECTION XV

**BASE METALS AND ARTICLES OF BASE METAL**

**Section Notes.**

- 72 Iron and steel.  
73 Articles of iron or steel.  
74 Copper and articles thereof  
75 Nickel and articles thereof.  
76 Aluminium and articles thereof  
77 *(Reserved for possible future use in the Harmonized System)*  
78 Lead and articles thereof  
79 Zinc and articles thereof.  
80 Tin and articles thereof.  
81 Other base metals; cermets; articles thereof.  
82 Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal.  
83 Miscellaneous articles of base metal.

SECTION XVI

**MACHINERY AND MECHANICAL APPLIANCES;  
ELECTRICAL EQUIPMENT; PARTS THEREOF; SOUND RECORDERS AND  
REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND  
REPRODUCERS, AND PARTS AND ACCESSORIES OF SUCH ARTICLES**

**Section Notes.**

- 84 Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof  
85 Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles,

SECTION XVII

**VEHICLES, AIRCRAFT, VESSELS AND ASSOCIATED  
TRANSPORT EQUIPMENT**

**Section Notes.**

- 86 Railway or tramway locomotives, rolling-stock and parts thereat railway or tramway track fixtures and fittings and parts thereof; mechanical (including electro-mechanical) traffic signalling equipment of all kinds.  
87 Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof.  
88 Aircraft, spacecraft, and parts thereof.  
89 Ships, boats and floating structures.

SECTION XVIII

**OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING,  
CHECKING, PRECISION, MEDICAL OR SURGICAL INSTRUMENTS  
AND APPARATUS; CLOCKS AND WATCHES; MUSICAL INSTRUMENTS;  
PARTS AND ACCESSORIES THEREOF**

90 Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof

91 Clocks and watches and parts thereof.

92 Musical instruments; parts and accessories of such articles.

**SECTION XIX**

**ARMS AND AMMUNITION; PARTS AND ACCESSORIES THEREOF**

93 Arms and ammunition; parts and accessories thereof.

**SECTION XX**

**MISCELLANEOUS MANUFACTURED ARTICLES**

94 Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated nameplates and the like; prefabricated buildings.

95 Toys, games and sports requisites; parts and accessories thereof

96 Miscellaneous manufactured articles.

**SECTION XXI**

**WORKS OF ART, COLLECTORS' PIECES AND ANTIQUES**

97 Works of art, collectors' pieces and antiques.

98 *(Reserved for special uses by Contracting Parties)* 99 *(Reserved for special uses by Contracting Parties)*

## Official Development Assistance

The new Member States of the EU participate in development aid (ODA). Their aid amount is generally smaller in GNI terms than that of the old members and quite fragmented. Among the OECD Development Assistance members we can find 4 CEE countries: Czech Republic, Slovak Republic, Slovenia, Poland. Candidate countries are assessed in terms of the following criteria: the existence of appropriate strategies, policies and institutional frameworks that ensure capacity to deliver a development co-operation programme; an accepted measure of effort; and the existence of a system of performance monitoring and evaluation.<sup>32</sup> For bilateral aid LAC region is not a priority for CEE countries. Regarding multilateral aid they participate in EU assistance.

In 2012, the **Czech Republic's** ODA totalled USD 219 million, representing 0.12% of its GNI. While ODA increased in real terms by 2.7% between 2010 and 2011 – predominantly due to a rise in contributions to multilateral organisations – the Czech Republic's ODA fell by 4.2% in 2012. All assistance was provided in the form of grants. The Czech Republic's Ministry of Foreign Affairs (MFA) stands by its EU commitment to meet the ODA/GNI target of 0.33%, but acknowledges that it will take longer than 2015.

The financial volume of Czech ODA contributions to international organisations in 2012 is presented in table below:

	Volume (USD million)	Multilateral ODA Ratio (%)
European Union	117,65	78,54 %
IMF and World Bank Group	21,48	14,34 %
UN programmes, funds and agencies	7,84	5,23 %
Regional development banks	1,30	0,87 %
Other organisations	1,53	1,02 %
<b>TOTAL</b>	<b>149,80</b>	<b>100 %</b>

Source: MFA, Czech Republic

Over the last decade, the **Slovak Republic** has established itself as a provider of development co-operation. Slovakia more than tripled its volume of official development assistance (ODA) between 2004 and . In 2012, its ODA reached USD 80 million, or 0.09% of the country's GNI. The Slovak Republic has also developed legislative and strategic frameworks as well as monitoring and evaluation systems for providing effective development co-operation.

Slovakia's top ODA priorities for the 2009-13 period include the strengthening of stability and good governance in regions and countries that are among the priority areas of Slovakia's concern, including in terms of Slovakia's economic interests, as well as encouraging development, thus reducing poverty and hunger in developing countries through more effective and better-targeted development and humanitarian aid. Being an EU Member State, Slovakia makes contributions to the European Commission's budget in the form of yearly determined percentages and participates, through the Commission, in the funding of EU development assistance activities. In addition, as a regular member of the

<sup>32</sup> <http://www.oecd.org/dac/dacmembers.htm>

ten-member European Development Fund (EDF) for the support of African, Caribbean and Pacific states, Slovakia participates in the EDF's financing.

**Slovenia** has also managed to maintain its budget for official development assistance at the level of 0.13% of its gross national income despite a strong economic downturn. In 2012, Slovenia's ODA totalled USD 58 million, of which 67 % was channelled through multilateral institutions, mostly the European Union. **In line with the European Consensus on Development, Slovenia is striving to increase the share of official development assistance to 0.33% of GNI by 2015.**

**Poland** has made considerable progress in structuring its development co-operation system. It now has a legal and strategic framework, as well as an institutional structure for providing development co-operation. In addition, a monitoring and evaluation system has been established and is now being strengthened. Poland has also progressively increased the volume of its official development assistance (ODA) to reach USD 438 million, or 0.09% of the country's gross national income (GNI), in 2012.

The geographical priorities of Poland's multiannual aid programme are divided into two groups: 1. Eastern Partnership countries 2. selected countries of Africa, Asia and the Middle East

Aktiengesellschaft, Sardinia, 8 October 2012