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Andrea Éltető

**TRADE AND INVESTMENT RELATIONS BETWEEN
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LATIN AMERICA**

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Author:

Andrea Éltető

senior research fellow

Institute of World Economics

Centre for Economic and Regional Studies Hungarian Academy of Sciences

email: elteto.andrea@krtk.mta.hu

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Trade and investment relations between Central and Eastern Europe and Latin America

Andrea Éltető¹

Abstract²

Economic contacts of the Central and Eastern European countries with Latin America had been relatively strong under the socialist regime but after the political changes contacts were largely lost. This paper intends to outline the present trade and investment relations between the two regions. Main trade partners, products and development trends are described, such as the foreign direct investment patterns. The types and motivations of investor companies are also enumerated giving examples for each. Finally the economic policies and prospects of mutual relations are evaluated.

JEL: F10, F12

Keywords: Latin America, Central and Eastern Europe, foreign trade, FDI

Introduction

The so called „new member states” of the European Union are situated in Central and Eastern Europe, which is geographically far from Latin-America and has economic contacts dominantly with Europe. The adhesion to the EU intensified these contacts and

¹ Senior research fellow, Centre for Economic and Regional Studies of the Hungarian Academy of Sciences Institute of World Economics, Budaörsi út 45, H-1112 Budapest, Hungary. Email: elteto.andrea@krtk.mta.hu

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integrated these countries also legally in the Union. The international financial and economic crisis from 2008 hit EU member countries and among them the Central and Eastern European (CEE) economies to different extent. In certain countries as a consequence of the recession domestic investments and demand fell and remained low for years. Export could however recover and because of the contracted demand in Europe, other regions became also attractive for CEE. Apart from Asia, companies started to look for markets in the Latin-American (LAC) countries to an increasing extent.

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

Two decades later in most CEE countries there is a certain renewed interest to some extent from business and government sector towards LAC partners. In this paper two main fields of economic contacts are characterized: mutual trade and investment. Although the analysis is descriptive, the general knowledge on these contacts is so scarce that this paper can provide new and comprehensive information concerning CEE-LAC relations.

Development of foreign trade

As a consequence of the large geographic and cultural distance, it is not surprising that mutual trade of 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 partners³. It can be seen at Table 1. that the weight of Latin-America does not reach even 1 percent in all trade of CEE region. It is also seen that the share of LAC decreased between 2000 and 2013 in the imports of the CEE region but increased in the exports. In the case of certain CEE countries the weight of LAC is above average: in the exports Romania, Estonia, Poland and Hungary, in the imports Hungary, Slovenia, Romania and Poland have more intensive contacts with LAC.

Table 1.: Share of Latin-America in the total trade of CEE countries, percentage

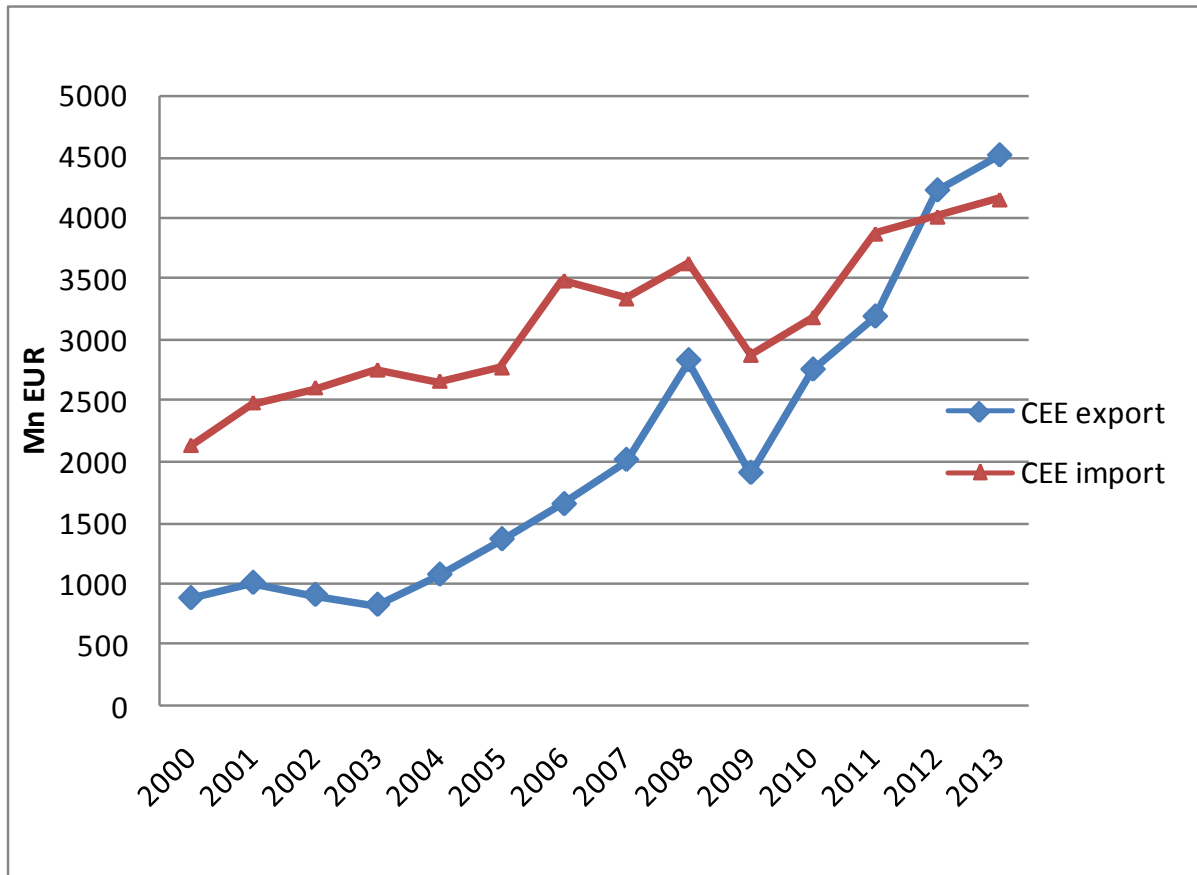
	2000		2004		2007		2009		2012		2013	
	exp	imp	exp	imp	exp	imp	exp	imp	exp	imp	exp	imp
Hungary	0.53	1.31	0.45	0.68	0.42	0.33	0.49	0.40	1.01	1.07	0.99	1.26
Czech Republic	0.43	0.75	0.42	0.56	0.54	0.23	0.83	0.25	0.75	0.28	0.78	0.25
Slovakia	0.37	0.52	0.29	0.34	0.36	0.11	0.39	0.09	0.48	0.10	0.54	0.09
Poland	0.97	1.31	0.57	1.18	0.54	0.89	0.40	0.85	0.82	0.78	0.88	0.94
Slovenia	0.52	0.83	0.34	0.68	0.37	1.36	0.41	2.22	0.57	2.37	0.59	1.69
Romania	0.77	2.02	0.36	1.71	0.85	1.18	0.64	1.14	1.11	1.04	1.32	1.04
Bulgaria	0.60	2.83	0.86	3.77	0.75	3.33	0.32	3.19	0.41	1.13	0.33	0.39
Lithuania	0.47	0.78	0.15	0.44	0.26	0.42	0.34	0.54	0.31	0.49	0.22	0.77
Latvia	0.24	0.15	0.64	0.21	0.41	0.20	0.46	0.17	0.33	0.13	0.22	0.70
Estonia	0.11	0.32	0.24	0.44	0.41	0.23	0.36	0.29	1.25	0.39	0.96	0.26
CEE	0.60	1.17	0.45	0.96	0.51	0.73	0.53	0.75	0.77	0.72	0.80	0.74

Source: own calculations based on Eurostat data

However, CEE-LAC trade increased to some extent in the past years. CEE export increased dynamically between 2003 and 2007 and this also continued after the drop in 2009 that was caused by the crisis. In 2013 CEE exports were more than fivefold higher than in 2000. In the meantime imports have only doubled (see Figure 1).

³ LAC countries are the following: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Peru, Panama, Paraguay, Surinam, Trinidad y Tobago, Uruguay y Venezuela. CEE countries are: Estonia, Latvia, Lithuania, Poland, Hungary, Czech Republic, Slovenia, Slovakia, Bulgaria, Romania. Cuba and Croatia are not included in this analysis.

Figure 1. Trade between CEE and LAC region, 2000-2013



Source: Eurostat

Trade balance had been generally positive but in the recent years it is negative for the LAC countries: they export less than import from CEE region.

In the following section the main characteristics of mutual trade is described.

Main partners

In both regions there are countries to that trade has been concentrated in the past decades. In the LAC region undoubtedly Mexico and Brazil are the most important trade

partners for CEE countries. Among the countries with smaller trade volume, their importance differs according to countries, Peru, Uruguay, Chile, Argentina, Colombia, Venezuela are relatively important for certain CEE countries. There are several Latin American countries that have absolutely or almost no trade contacts with CEE countries.

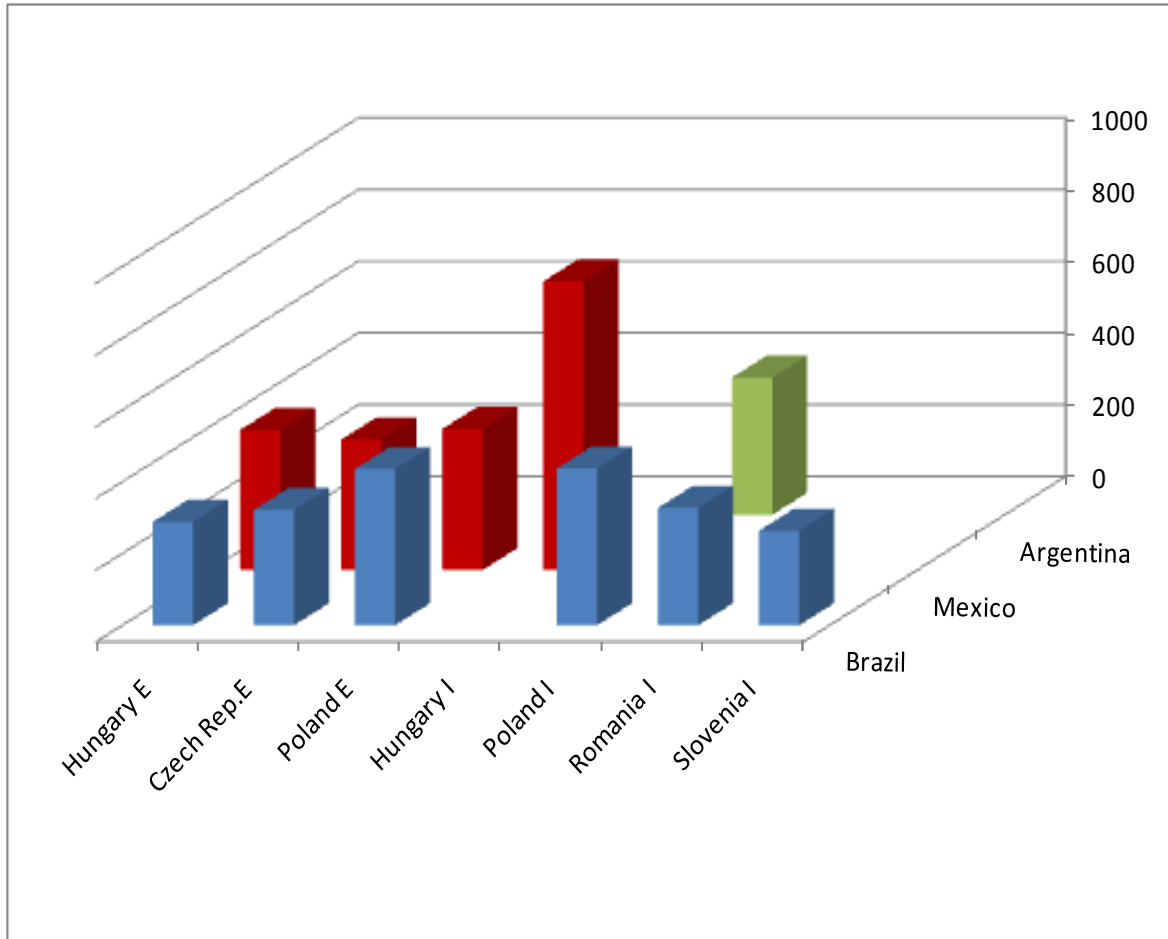
Mexico is one of the most important trade partners for the Central and Eastern European countries. Between 2000 and 2012 Mexico imported mostly from Poland, Hungary and the Czech Republic. After the crisis, between 2009 and 2012 these imports jumped quite high, almost tripled (see figures in Annex) and imports increased from other CEE countries to 2-4 times too (Estonia, Romania, Slovakia). Mexican exports – although are much less in volume – also increased to 2-4 times recently, the most outstanding is Hungary, to where increase was 5,2 times between 2009 and 2012.

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

Regarding other Latin American partners we can see significant fluctuations in the given period. The import of Argentina from CEE countries is low, but its export shows high values towards Poland and lately to Latvia, Lithuania and Bulgaria. Chile exports practically only to Bulgaria and Poland. Colombia – similarly to Mexico and Brazil – increased significantly its import from CEE countries (mainly from Lithuania, Latvia, Hungary, Czech Republic, Romania, Poland) in the past three years. Colombia exports to Slovenia and Poland to some extent. Peru has exports almost only to Bulgaria but Peruvian imports jumped to high levels recently from Poland, Czech Republic and Hungary. Concerning Uruguay there is a relatively significant import from Latvia and export to Hungary (in 2012) and for Venezuela Romania and Hungary are trade partners to a certain extent.

From the CEE point of view main partners are without doubt Mexico and Brazil. Majority of bilateral flows is under 100 million euros but there are certain relations where we can find flows over 200 million euros in 2013.

Figure 2: Main CEE-LAC trade flows (above 200 mn euros), 2013



Note: E means Export, I means Import

Source: Eurostat

Figure 2 shows that certain Central European countries have the highest trade volumes with Mexico and Brazil (and in case of Poland with Argentina too). 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 trade flows.

Product structure

The most important feature of CEE-LAC trade is strong product concentration. Concentration is high regarding CEE export but sometimes even higher in the case of

imports from the given LAC countries. Tables 1-10 in Annex show the ten most important product groups in CEE countries' exports to and imports from main LAC partner countries in 2012 and overall trade data for 2013. The description of the applied Harmonised System 2 digit codes can be found in Annex. At first sight it can be seen that in the bulk of the flows the first 3 product groups give 70-90 percent of the trade, so the volume of trade is shaped by a limited number of products. These products are in several cases those that are traded by multinational companies among their affiliates, within global value chain production.

Global value chains (GVC) are nowadays determinant factors of international trade. According to the report of UNCTAD (2013) 80 per cent 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 industry (Lall et al., 2004, Srholec, 2006, Vogiatzoglou, 2012). In several cases it is easier for developing countries to join to GVCs than develop an own industrial basis. This can be relevant for certain CEE and Latin American economies too. 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 the world trade and in the EU even before formal accession. Damijan et al. (2013) concludes that there are differences among countries in this respect. Some CEE countries increased high-tech exports while the export of other countries is of lower technology level. An explanation for this can be the different degree of integration into the GVCs. Based on world input-output table data, Timmer et al. (2012) show that the use of imported intermediate inputs and the inclusion in global value chains has increased radically between 1995 and 2008 in the case of the Central European countries. Foster et al. (2013) calculate that the domestic share of value added is relatively low in the Czech Republic and Hungary and the degree of vertical specialisation is high in these countries and Slovakia too. This also hints to the activity of global chains. Grodzicki (2014) also shows the strong inclusion of Central European countries in the global value chains with calculation of "GVC income" based on international input-output tables.

Observing the trade data concerning CEE and LAC countries, we can conclude that GVC integration is also strongly apparent in this field, to the greatest extent in the case of Hungary, Czech Republic, and Slovenia. The export of these Central European countries is heavily concentrated to 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 certain 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 telephones⁴” (HS 851712) makes 504 million euros, which is higher than any other CEE country’s total import sum from any LAC partner!⁵ Regarding Slovakia, automotive parts, electrical machinery and vehicles (HS 84, 85, 87) give 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, the export of Czech Republic to the LAC countries is heavily (40-50%) concentrated to automotive parts and electronic products. 73% of imports from Argentina consists of vehicles and parts (see Annex, Table 3).

Poland is a bit different from the mentioned three countries, the product structure of trade is more mixed. To Brazil and Venezuela for example mineral fuels and oils, fertilisers and iron and steel products have leading role in Polish export (see Annex, Table 4). Regarding the import side, from Brazil “aircraft” is the leading import product due to the deliveries from Embraer. The second product group is tobacco. Oil cakes and pellets from soya bean oils (HS2304) make 87% of imports from Argentina (which is the biggest import partner for Poland). Machinery and electrical equipments and parts are the most important import products only from Mexico.

In several cases, the import of CEE countries from LAC countries consists mainly of fruits, vegetables, raw materials, minerals and metals. 74% of total Slovenian import

⁴ Probably from Nokia Reynosa (Mexico) to Nokia Komárom (Hungary)...

⁵ For example Poland’s import from Argentina is 497 million euros.

from Latin America consists only of soya oil cakes from Brazil and Argentina. (Slovenian export is significant to some extent only towards Brazil, Mexico, Argentina, exporting machinery and parts, toys, see Annex Table 5).

Romania exports fertilisers, iron and steel products and machinery products to the 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, Bulgaria imports almost only copper ores from here. Copper imports are dominant from Mexico too (see Annex, Table 7).

Compared to other Central and Eastern European countries, trade with LAC economies is negligible in the case of the Baltic countries. These import soya oil cakes, tobacco, food products, etc. (see Annex, Table 8-10). An exception is Estonian export to Mexico that represents a relatively high volume, which is completely due to the mobile phone parts delivered by Ericsson (previously Elcoteq) factory from Estonia (Tiits-Kalvet, 2012). This is also a “global value chain effect”.

There is an important phenomenon in CEE-Latin American trade that should be taken into consideration and that is *intermediators in trade*. Bilateral trade statistic between LAC and CEE countries do not cover all the mutual trade. There are considerable trade flows administered by intermediators in Germany or in the Netherlands. Products – mainly food - arrive in big ports, like Rotterdam and large wholesale traders purchase them and reexport them towards CEE region. This kind of trade is sometimes easier for far Latin American producers who do not really know CEE markets, 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. Recently, 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, Atrama company. This Lithuanian firm exports otherwise around 70 percent of its automotive

gas tanks, mostly to EU countries.⁶ 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. This effect, however should be negligible, because Latvian and Slovenian import from LAC area is very small in general.

Foreign Direct Investments

In the beginning of the nineties Central and Eastern European countries went through a radical economic liberalisation process. After opening up their economies foreign direct investment (FDI) inflow had been intense to CEE countries. Invested capital came mainly from European developed countries and the United States. Since then EU countries remained the main investors, mostly Germany. Foreign direct investment from LAC countries to CEE countries is characterised by high year-to-year volatility and relatively low volume. Yearly FDI figures are bound to one-two transactions. Concerning inward FDI stock from LAC at the end of 2012, this represents generally 0.1 or less percent of total stock in CEE countries (except for Bulgaria where LAC FDI represents half percent, see table 2.). In the case of Hungary we can find a negative figure because 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 LAC region and in certain cases these are higher than inward FDI (outward FDI stock towards LAC is higher than inward FDI from LAC in the case of Hungary, Poland, Czech Republic, Estonia). These are also in several cases due to certain transactions of one or two firms.

⁶ <http://www.15min.lt/en/article/business/lithuania-s-atrama-starts-lpg-tank-exports-to-peru-527-261000#ixzz2rDtITfD9>

Table 2: FDI in and OFDI from CEE countries, end 2012 stock data

LAC	FDI inflow		FDI outflow	
	EUR mn	% of total stock	EUR mn	% of total stock
Bulgaria	208.5	0.553	15	0.98
Romania	0	0	na	na
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 2011 data for inflow and end 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 we can have a view on 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. In Polish outward FDI there is some equity investment to Panama and Chile and otherwise „other capital” investments exist.

In the Czech Republic we can find equity investment from Panama and negative „other capital” with Argentina, Brazil, Mexico. From the Czech Republic there is equity investment in Brazil and Mexico. Regarding Hungary FDI flows within 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 evasion reasons. Certain National Banks (like Latvian) register some Caribbean countries as offshore targets and include Panama. Panama is attractive to countries for legitimate offshore investment as well as for tax evasion, The country was removed from the OECD “grey list” in 2011. Corporations are easily created in Panama and they pay no taxes on foreign activities.

Tax optimisation can play a role in FDI in CEE countries too. Good examples are Brazilian and Mexican world leader multinationals having headquarters, offices in small Hungarian villages (Csomád - Fibria, cellulose and paper company, Újlengyel – Grupo Bimbo, bakery) having around 3 billion euros turnover per year - on paper. The reason is that in these two villages there is no local business tax.⁷

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

⁷ http://www.budapesttelegraph.com/news/136/pannon_power_-_hungary_-an_emerging_offshore_destination

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 realise usually smaller investments. We can differentiate among three major types of investors: multinationals in global value chains, large national investors that are active internationally and small- and medium sized firms. Examples can be found to all three types.

Global value chains, fragmented production

As we have seen, the role of global value chains is dominant in CEE-LAC trade. A considerable part of Latin American investment in CEE countries is also bound to 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 CEE and LAC countries can be connected by these networks, both having affiliates of the same multinational company or even having investments from one affiliate to the other. The case study of Volkswagen (Túry, 2014) well illustrates this fact. Another good example is PKC Group, which is 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 that before its bankruptcy in 2011 the Finnish electronics manufacturer company Elcoteq had transactions between its different company units (Brazil, Mexico). Specialists from Estonia worked (software field) for other company units abroad.

Large firms going multinational from one given country

We can find Central and Eastern European firms that had venture internationalisation after the political system changes in the region and became real multinationals for today. In the recent times expansion of companies can reach even Latin-America. A good example is Graphisoft (Hungary, Building Information Modeling solutions for architects) that acquired in October 2013 Anzix S.A., its distributor partner in Mexico as part of a strategic market development plan in Central and South America. Graphisoft Mexico, the company's newly established subsidiary in Mexico City, will be sales, marketing and services hub for the region.

Another significant Hungarian-directed multinational is Gedeon Richter pharmaceutical company. In December 2013 Richter has bought an initial majority stake in privately-owned Brazilian drug distribution firm Next Pharma Representacao, Importadora, Exportadora e Distribuidora Eireli EPP. Richter's agreement to purchase a 51% stake in Next Pharma includes an option to acquire the remaining 49% stake in the future. Following the transaction, the Brazilian company will be renamed as Gedeon Richter do Brasil Importadora, Exportadora e Distribuidora SA. Similarly, in the same month Richter acquired a 70% stake in 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.

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 in 2013. The company specializes in the manufacture and sale of water proofing products. Within five years, the exports of Wolf Group to Brazil have increased tenfold. Wolf Group unites the sales and production enterprises of the producer Krimelte, both in Estonia and abroad. Wolf Group's factories are located in Estonia and Russia, 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.⁸

A special case of “old times” is that of Hidria Perles Ecuador. It was established in 1975 as a Slovenian-Ecuadorian company for manufacturing and sale of power tools in Ecuador, Colombia, Venezuela, Peru. Until 1998 it was managed by Ecuadorian experts but later it became majority Slovenian owned. Perles Colombiana – an affiliate was established in 2002 for product sales.⁹

Small and medium-sized firms utilising market niches

There can be specific profiles of SMEs that find market in Latin American countries. These can be bound to innovations or to special products. The profile of Polaritás GM Ltd (Hungary) is technical research and development of sport technical products, they have contract to build kayak-canoe tracks and starting apparatus in the Olympic Games in Rio. Another firm, KONsys Ltd (Hungary) entered the Brazilian market with software optimising and measuring energy. **Medcom** is the leading Polish company providing advanced power electronics solutions, designing, manufacturing and after sale services for power generation, electric traction. Medcom undertook the modernisation of Sao Paulo metro.

Several times it is not easy to follow FDI transactions because affiliates invest in affiliates. In several times the 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).

⁸ <http://www.wolfgroupweb.com/et/krimelte/19-wolf/uudised-en/144-estonian-wolf-group-acquired-shares-of-brazilian-manufacturing-plant-elasteq>

⁹ <http://www.hidria-usa.com/datoteke/ANG8.pdf>

Motivations, 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. Let us see these four kinds of motivation on some 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. It may represent a deeper involvement of the firm, following the success of exports, or the expansion of the firm to a wholly new market. Transportation costs and government regulations can be good reasons for market seeking FDI. Follow the firm's clients in their foreign expansion, the need to adapt products to local conditions and tastes, or the reduction of transaction can also play a role.

We can find market seeking investments from LAC countries in the CEE region. Cemex – the Mexican large cement producer company is present in Hungary, Czech Republic and Latvia supplying domestic and also a larger regional market. Having the crisis passed by it hopes for a revival of construction industry. The Brazilian suppliers for Embraco followed their clients to Slovakia (see later).

From CEE part, the mentioned recent investments of Gedeon Richter pharmaceutical company in Brazil and Mexico are of market seeking type because the two affiliates will have the task to introduce and distribute Richter products (mainly gynaecologic pharmaceuticals) in their countries and LAC region. The 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 to expand the brand abroad to nearly 40 countries with network marketing. FM has a company in Brazil (FM Group Brasil).¹⁰

The Romanian ASTRA Asigurari recently announced that it will expand its activity in Latin America. The first step is Ecuador, and later the insurance company will develop its business in Peru, Colombia and Bolivia.¹¹

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 low labour costs locations. 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, 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 the 45 million USD investment of Embraco was realised in Slovakia. Embraco Slovakia has 2500 employees and exports all of its production to Europe and the US. The Slovak factory took on some of the more labour-intensive parts of Embraco's Italian operation. Motives of efficiency seeking is clear, also from the words of the chief operating manager: *"We chose Slovakia because, among other things, it offered us a better opportunity regarding labour costs than either Hungary or the Czech Republic..."*¹²

¹⁰ <http://fmworld.com/en/#page-about>

¹¹ <http://insurance.1asig.ro/ASTRA-aims-for-Latin-America-with-a-higher-rating-than-Romania-article-2,3,100-3258-0.htm>

¹² <http://spectator.sme.sk/articles/view/722/3/>

Embraco “brought” its suppliers, in 2005 the Brazilian CRW Plásticos opened a plant in Eastern Slovakia that includes finish and assembly facilities, a painting booth, and a measuring laboratory. The entire plant focuses primarily on production for Embraco.¹³ Another supplier partly for Embraco, the traditional Brazilian mechanical component manufacturer firm Rudolph Usinados also invested to Eastern Slovakia. The purpose of this unit, that 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 leading edge technologies in the processes, machines and tools segments¹⁴. Following Embraco also Micro Juntas that produces rubber products came and invested to Slovakia in 2004.

Natural resource seeking investment

Natural resource seeking FDI flows mainly in utilisation of location specific minerals, raw materials and agricultural products. Several Latin-American countries are rich in natural resources, minerals. This is exploited by KGHM Polska (Poland) that bought a copper mine in Sierra Gorda, Chile. State-controlled KGHM is already the world's biggest silver producer and is second biggest in copper in Europe. KGHM expects its new Chilean mine to account for one third of its output of the metal by 2018.¹⁵ The Chilean mine belonged to a Canadian company that also was taken over by KGHM.¹⁶

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 is a strategic

¹³ http://industrytoday.com/article_view.asp?ArticleID=2388

¹⁴ <http://www.rudolph.com.br/en/index.php>

¹⁵ <http://www.mineweb.com/mineweb/content/en/mineweb-base-metals?oid=209581&sn=Detail>

¹⁶ <http://www.quepasamineria.cl/index.php/core-business/item/1788-el-estreno-de-kghm-en-chile-inversi%C3%B3n-con-sello-polaco>

asset seeking motive. FDI may be a tool to build the ownership advantages that will support the firm's expansion at home and abroad.

Together with market seeking motives Polish language knowledge and skilled labour was considered as a strategic asset for 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, among them in Krakow, Poland.

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

The world's third-largest aircraft manufacturer, Embraer of 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 plane¹⁷. The companies concluded an agreement on the project in the middle of April 2012. Embraer expressed interest in cooperating with Czech manufactures as early as in 2007, when it inquired about production of aircraft parts. Following ministerial talks, in 2010 CzechInvest organised a Technology Days event in Brazil 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 it 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 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 that signed an agreement in 2013 with Brazil on cooperation on fish management and waste-water treatment¹⁸. In the field of

¹⁷ <http://www.czechinvest.org/en/global-aircraft-manufacturer-embraer-finds-partner-in-the-czech-republic>

¹⁸ <http://www.kormany.hu/en/ministry-of-rural-development/news/hungary-and-brazil-to-cooperate-on-fish-management>

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 opening towards Latin America became a strategic aim during the past years. Such explicit strategy – to enhance relations with Latin America - was announced in Hungary and Latvia and has been realised in Poland too.

Hungarian government announced in 2011 the “Southern Opening Policy” parallel with its “Eastern Opening” strategy (that is directed towards Asia). This means that state supported actions are taken to increase relations with LAC countries. In April 2012 a two-day-long Hungarian-Latin-American Forum¹⁹ was organised by the Ministry for Foreign Affairs. The Ministry invited to the Forum twelve countries which have accredited ambassadors to Hungary as well as Central European partners and the European Union’s high-ranking officials specialised in this region. The aims of the event were to arouse the interest in cooperation on both sides, 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 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 preserving their identities and this can help to strengthen relations. There were speeches of the President of the Hungarian Investment and Trade Agency, President of the Hungarian Chamber of Commerce and Industry, the Ambassador of Brazil, the representatives of ProMéxico and ProExport Columbia, the Executive Director of the Bolivian Chamber of Commerce and Industry. The latter described the programme launched two years ago in collaboration with the EU for

¹⁹ <http://www.kormany.hu/en/ministry-of-foreign-affairs/news/hungarian-latin-american-forum-in-budapest>

building closer co-operation between the small and medium-sized enterprises of the two regions.²⁰

In 2013 there were some high level visits among Hungary and LAC countries and joint sessions of Economic Committees. Hungarian government made steps in 2014 too, Hungary reopened its Embassy (closed in 2009) in Santiago de Chile in January²¹.

In 2013 **Latvian** government made public that Latvia will seek to enlarge economic and political relations outside of the EU, especially in India, South East Asia and Latin America. Within that framework, the Foreign Ministry plans to open a new diplomatic mission in Brazil.²² In April 2013 in Colombia the Latvian Foreign Ministry State Secretary held political consultations and had bilateral meetings with sectoral ministries to discuss issues in relation 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 whole²³.

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, met the Secretary General of the Foreign Ministry of Uruguay and 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 multilateral issues, promote cooperation between both parties within international organisations and enhancing the bilateral dialogue. 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 Rica²⁴. The Latvia-

²⁰ <http://www.danubechambers.eu/1-News/75-Highly-Successful-Latin-American-Economic-Forum-of-the-Danube-Region-in-Budapest>

²¹ <http://dailynewshungary.com/hungarian-embassy-reopens-in-santiago-de-chile/>

²² <http://liia.lv/en/blogs/is-it-a-good-business-for-latvia-investing-in-lati/>

²³ <http://www.reitingi.lv/en/news/politics/5803.htm>

²⁴ <http://www.am.gov.lv/en/news/press-releases/2013/december/14-2/>

Uruguay-Argentina Chamber of Commerce was opened. In December 2013 Latvia's Honorary Consulate in Nova Odessa, Brazil was opened too.

For **Poland** the main partners in LAC are Mexico, Chile, Brazil, Argentina and Peru. Latin-America was not a priority region for Poland, trade contacts had been not really significant although recently increasing. The recession and the search for new market possibilities made the government to adjust its economic and foreign policy. Poland's Ministry of Foreign Affairs is **seeking business opportunities also in Latin America**. In 2012 the Polish foreign minister visited Brazil, Chile, Colombia, Mexico and Peru accompanied by representatives of the business community²⁵.

Polish Information and Foreign Investment Agency (PAiIZ) organises meetings with ProMexico²⁶ and signed a cooperation agreement with ProChile in October 2013²⁷. 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 helpful²⁸.

Regarding **Estonia, Lithuania** and **Bulgaria** high level bilateral meetings are scarce, and mainly bound to international events (UN, CELAC, EU summits). Brazil opened its embassy in Tallinn in the summer of 2011. In April 2013 Estonia's special mission in Brazil started 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 more often with Brazil, Chile, Mexico than with other countries. 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 the **Slovak and Czech Republic** trade and investment promotion organisations seem to be more active than the official government level, however Slovak Foreign Ministry

²⁵ Zerka (2014)

²⁶ <http://www.paiz.gov.pl/index/?id=534488729ab74ff059356cb58c9907ef#11>

²⁷ http://www.paiz.gov.pl/20131003/new_chapter_polish_chile_relations

²⁸ 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 Zavascki, bear typical Polish surnames. (Zerka, 2014).

activity intensified in 2013. There has been a special focus on Brazil last year and it continues in 2014 too.²⁹

The Slovak Investment and Trade Development agency (SARIO) and Slovak Ministry made a presentation of Slovakia in Cuba and Mexico in 2010 organising „Slovak Days”. SARIO organised a bilateral business summit with Mexico in Bratislava in June 2013, providing companies the opportunity to expand their international capacity and 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 Mexican petrochemical industry, offering opportunities to obtain contracts in related infrastructure projects. Forum was designed primarily for manufacturing companies, and particularly small and medium-sized companies can take advantage of the opportunity to exchange experiences with larger sector players³⁰.

In 2009 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 event was 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. Roughly **fifty researchers, businesspeople and representatives of the state administration** participated in the event³¹. Similar Technology Days were organised

with Mexico in that year and with Brazil in 2010. This latter focused on supporting Czech-Brazilian cooperation in the aerospace industry. Among other things, Czech firms had the opportunity during the event to engage directly in discussions with Brazilian

²⁹ http://spectator.sme.sk/articles/view/52655/18/there_is_much_more_to_world_cup_than_winning.html

³⁰ <http://www.sario.sk/?news&news=621>

³¹ <http://www.czechtechnologydays.org/catd2009>

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 an agreement with Embraer of collaboration on the development and production of a military transport plane.

Romania as a bigger country maintains higher (ministerial) level contacts with certain LAC countries. There are Romanian Embassies in Argentina, Brazil, Chile, Colombia, Cuba, Mexico, Peru, Uruguay, Venezuela. In 2012 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, tourism.

Slovenia has no government strategy concerning LAC area but there is an interest from companies, organisations, individuals concerning Latin-American region. In the seventies, when Slovenia was still part of Yugoslavia, Slovenian firms and products were present in Latin America, contacts were more intensive. Efficient Slovenian diplomats were present in LAC countries (Salej, 2009). Later, being independent, Slovenia had to establish its own relationship with LAC countries. From the foreign policy side the Slovenian presidency of the Council of EU in 2008 was a good opportunity to promote the country. In the EU-LAC summit that took place in that year under the Slovenian Presidency took part the highest amount of Heads of State since ever. The Slovenian President's tour of Latin America before the summit undoubtedly contributed to this achievement. Since then, however political contacts seem to be less intensive. The main LAC partners for Slovenia are Brazil, Chile, Mexico, Colombia, Peru.

Prospects and difficulties

Although the two regions are far from each other, as mentioned, 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 needs army modernisation. There are possibilities for 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.
- Extraction industry (minerals, oil, gas) in LAC can cooperate with CEE firms (in Poland, Romania, Slovenia, Hungary)
- Globalised CEE service, IT and software firms can extend their activities in LAC
- Mexico and Chile have several free trade agreement with LAC countries that is an advantage for CEE companies to gain regional market.
- CEE countries can utilize Brazilian experiences in bio-fuels, green industry projects
- Brazilian Embraer planes can be used for CEE airforce modernisation (example: Polish airline LOT has bought them³²).
- There can be potential in exchange of agricultural products 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 Balkan and Central Asian region.
- 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.
- Emigrants, diaspora from CEE to LAC can help to intensify relations. (example: Chilean-Hungarian Chamber of Commerce directed by a Hungarian living in Chile, and a Chilean senator stemming from Hungary had large role in reopening

³² Brudzinska-Znojek (2012)

Hungarian Embassy). The number of Polish descendants is also 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
- scarce knowledge of each other
- tariff and non-tariff barriers, bureaucracy, tax regulations in LAC (Brazil: very high tariffs on industrial products, long procedures, in case of foods and medicines health permissions are complicated).
- policy towards foreign investors (Argentina – bad reputation, Repsol-case, Venezuela - nationalisations)
- lack of government policies
- competition from third countries
- economic uncertainties in LAC countries, possible devaluation of LAC currencies. It makes CEE export expensive.

As a final note it can be stated that although some intensification has taken place, but compared to Europe or Asia the economic relations of the Central and Eastern European countries with Latin-America are still extremely weak.

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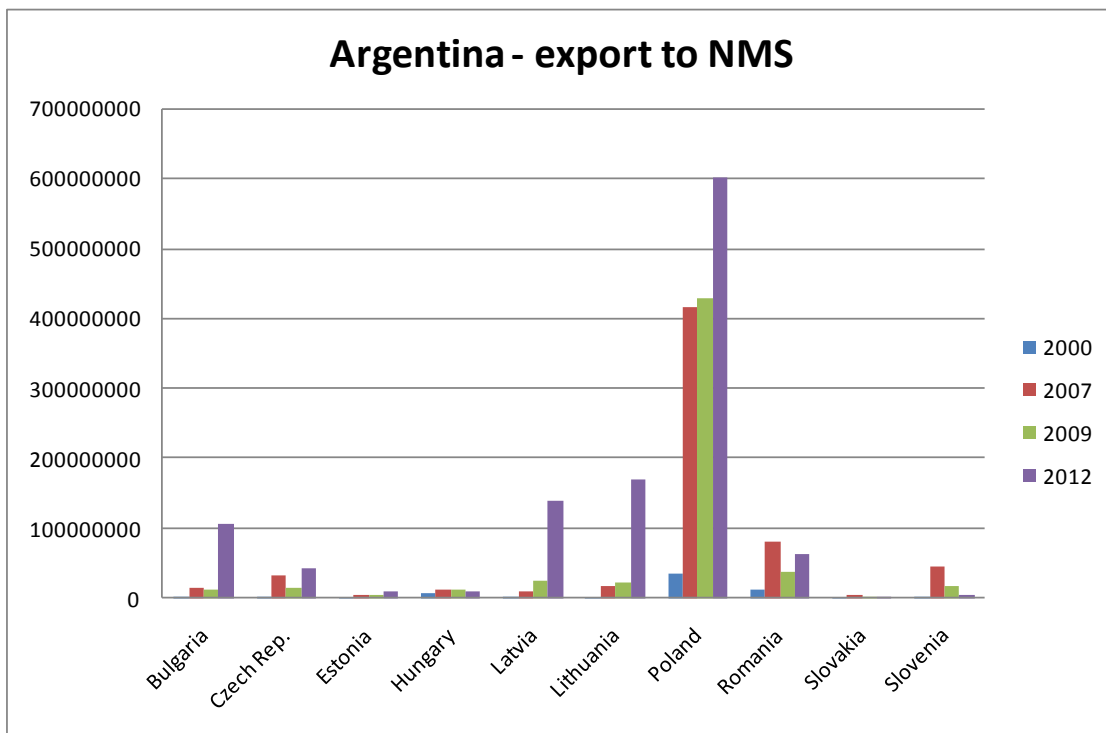
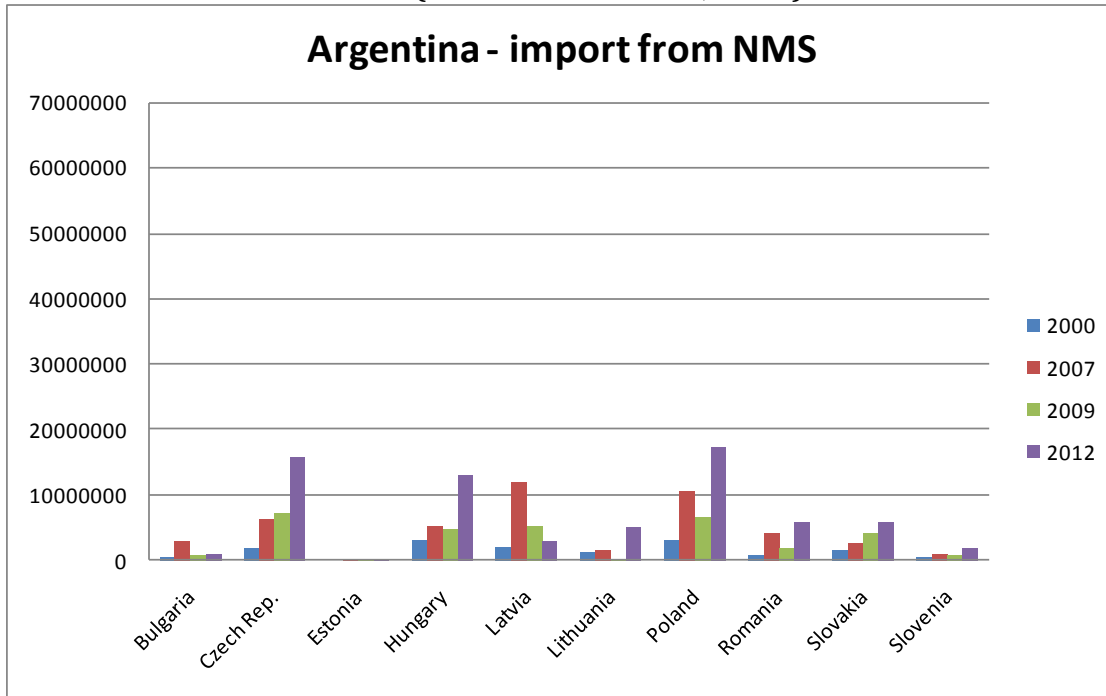
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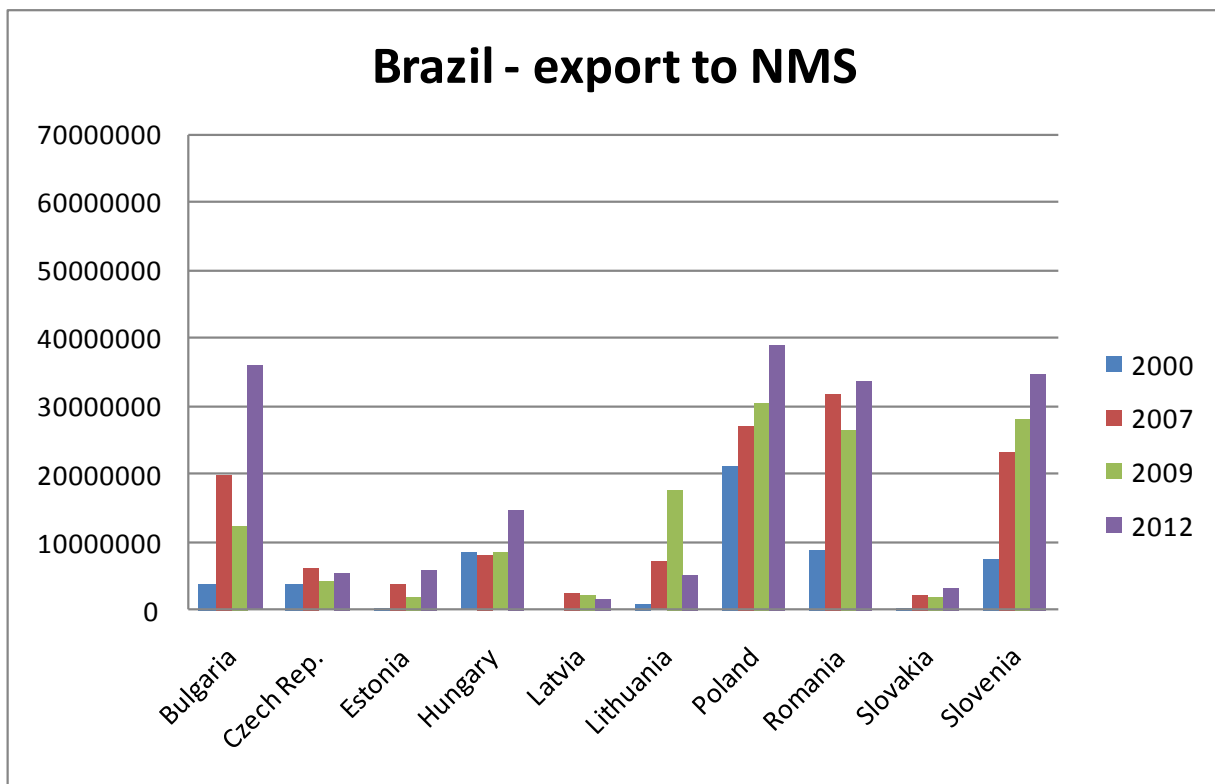
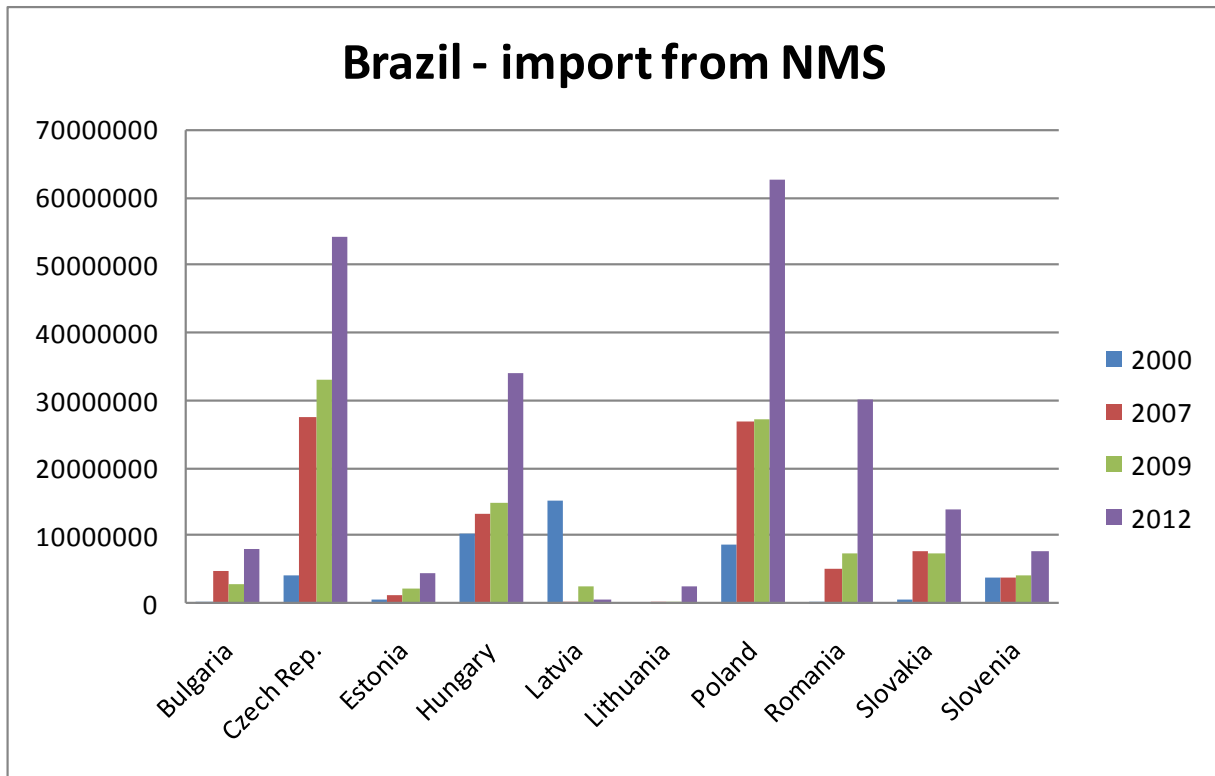
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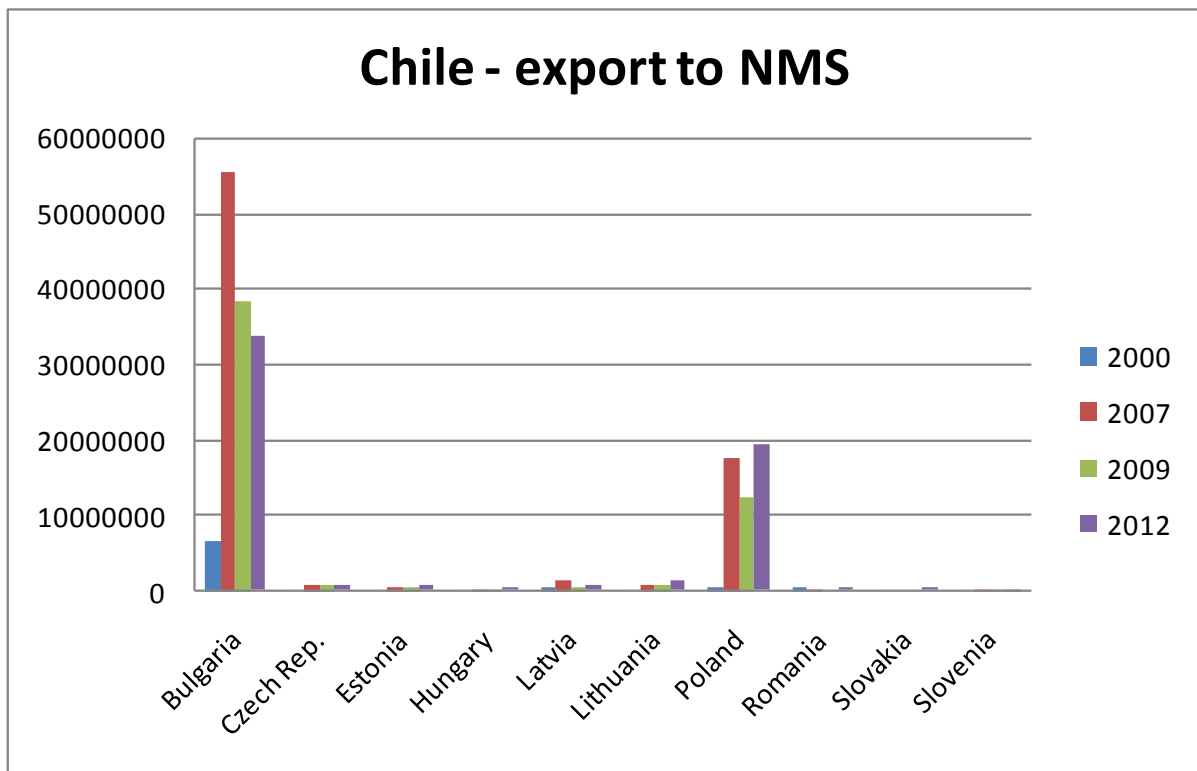
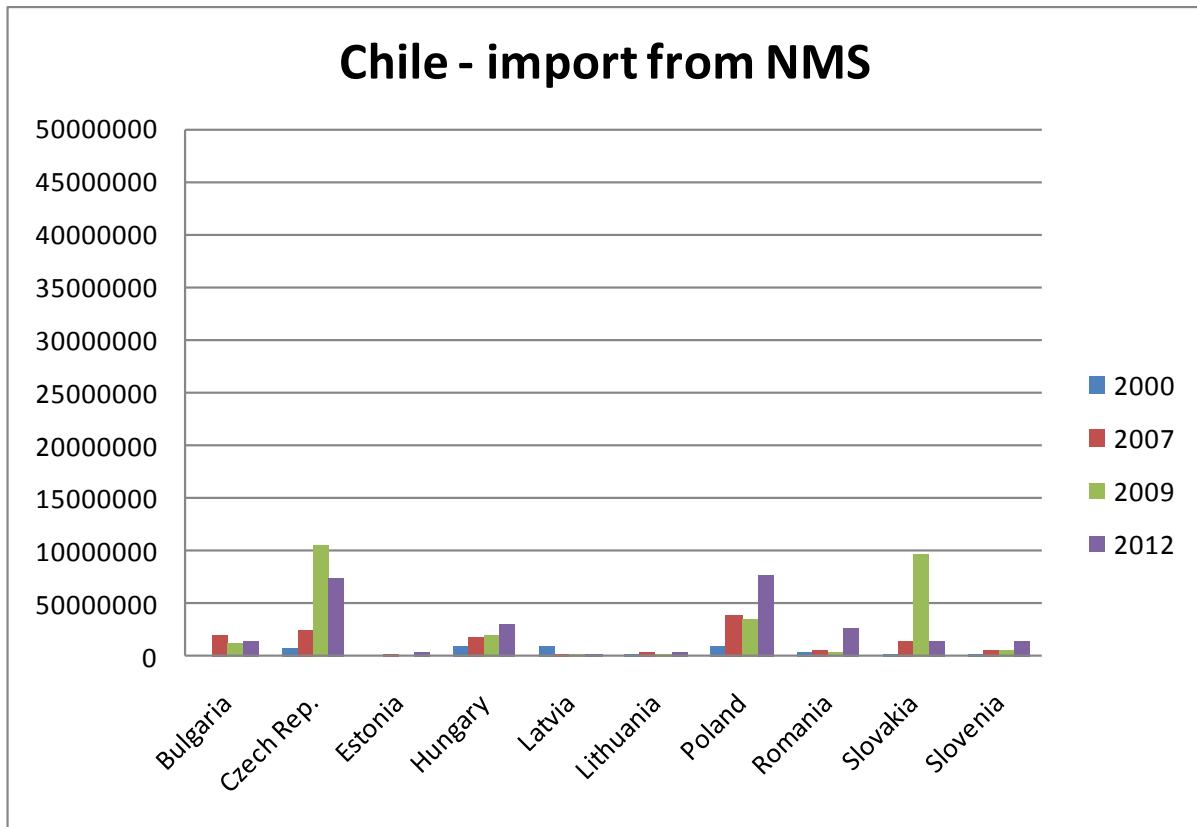
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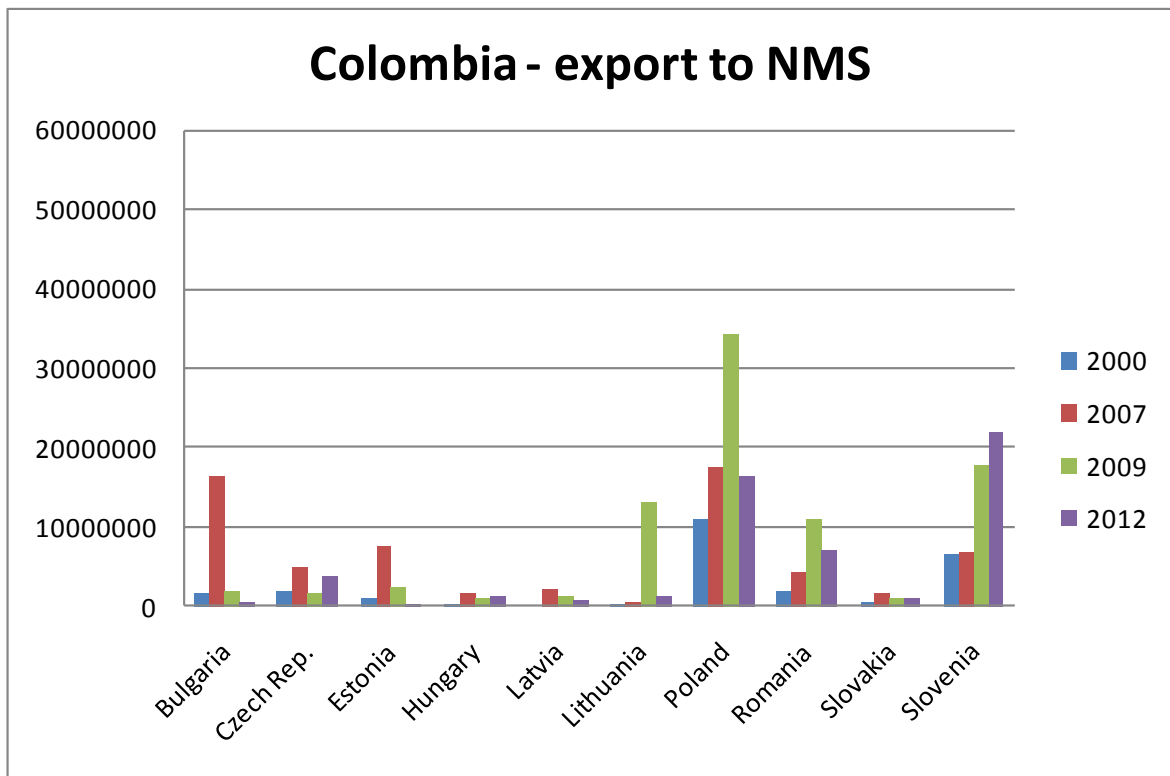
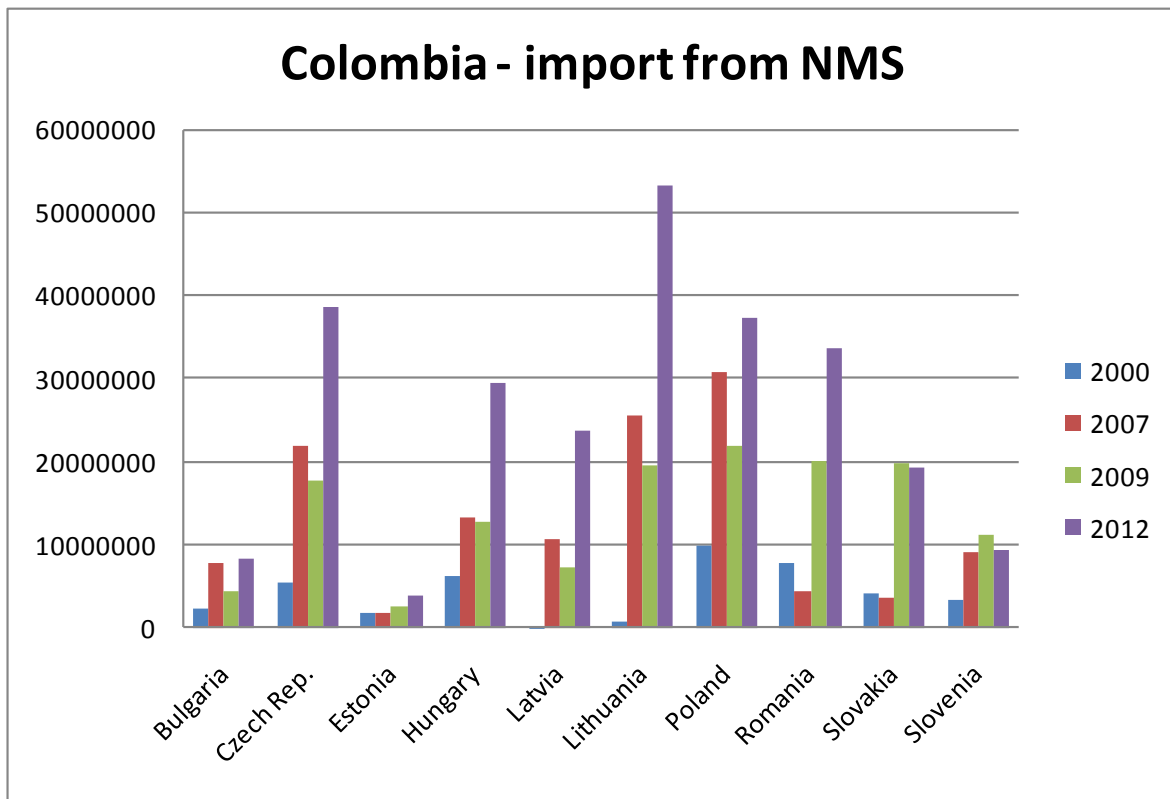
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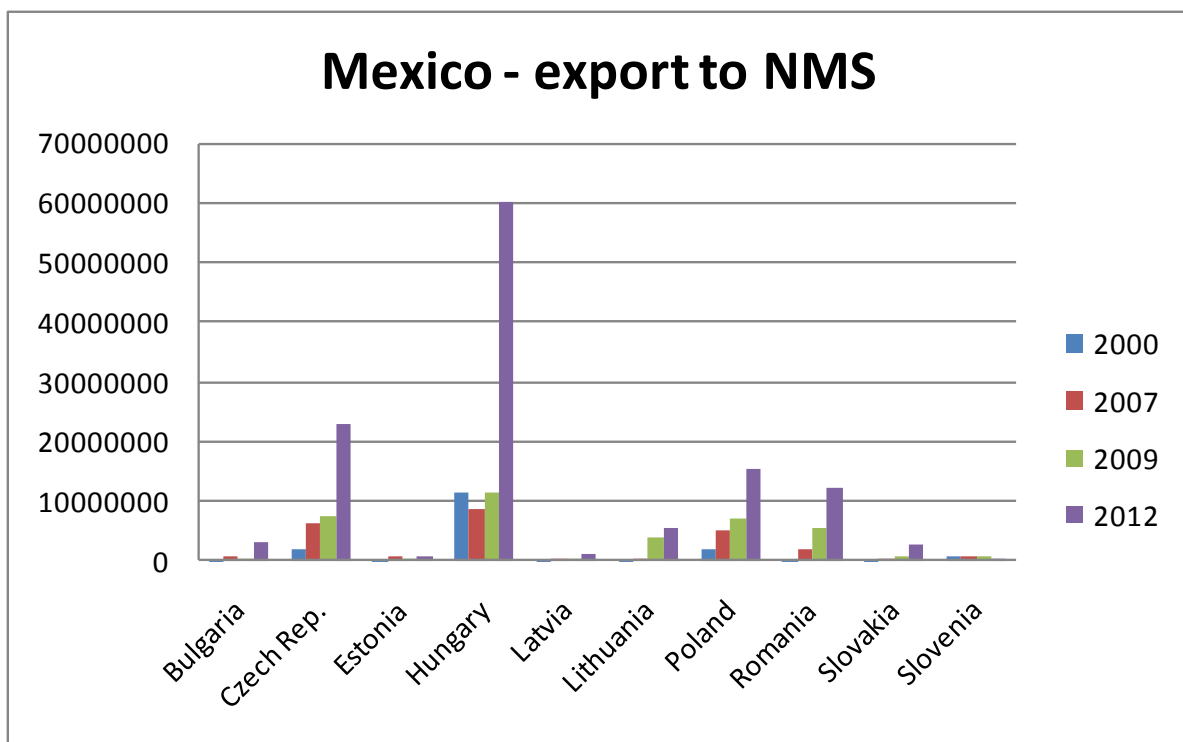
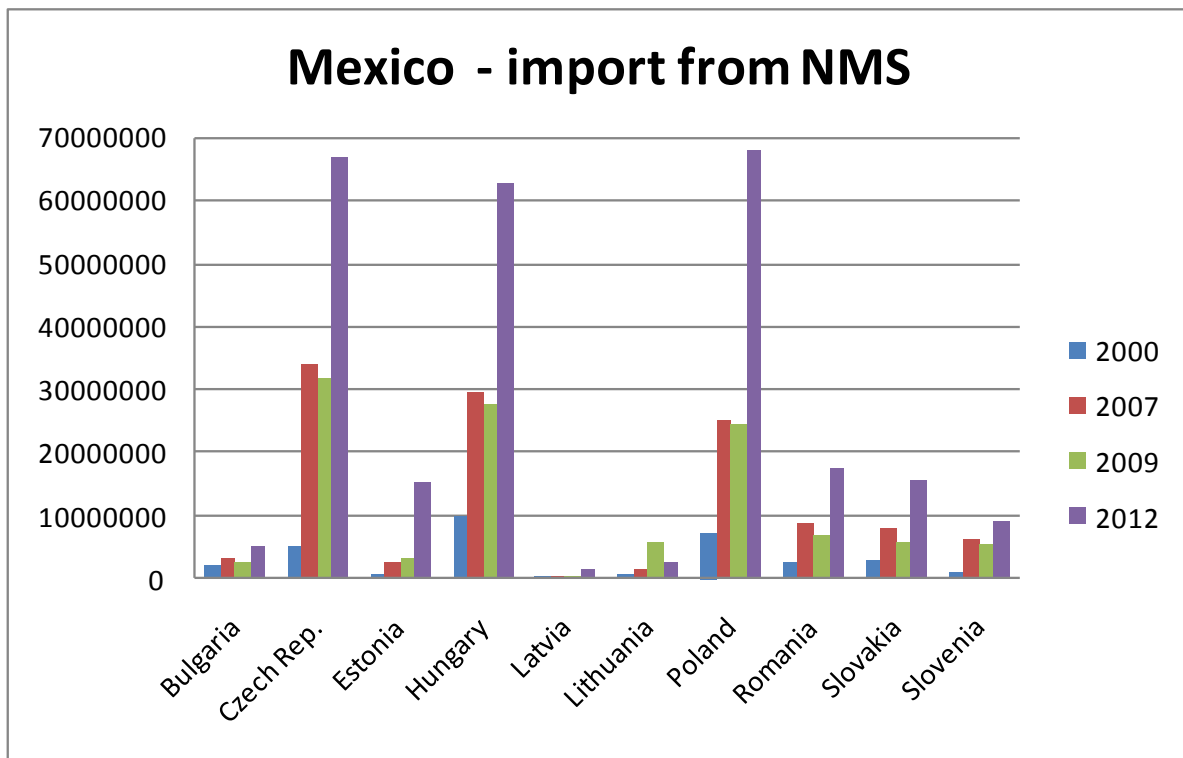
Figures of trade flows since 2000 – reporters: main LAC partners
(source UN Comtrade, euros)

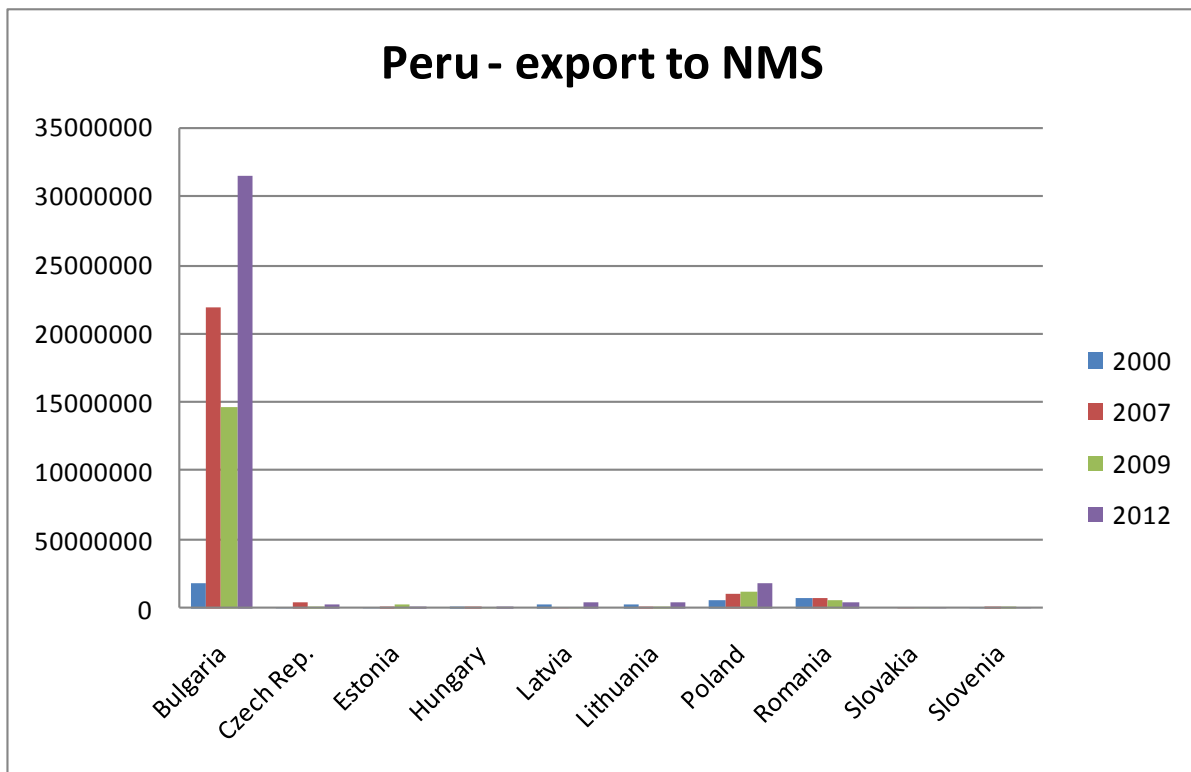
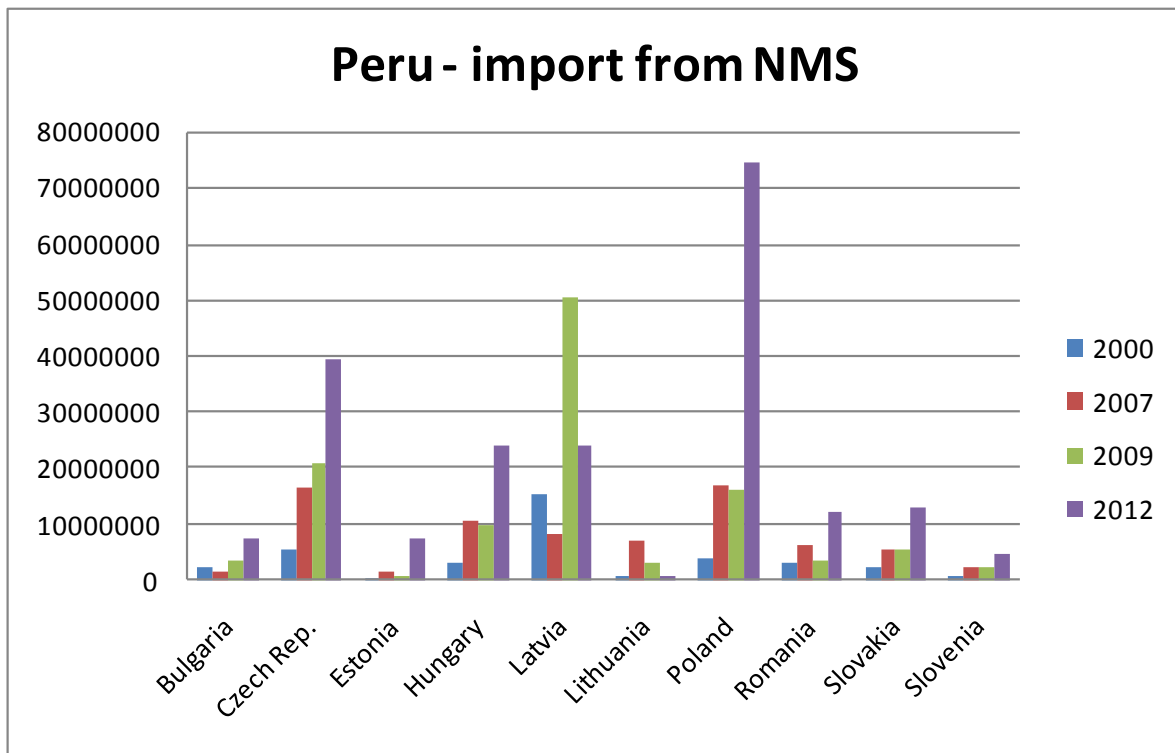


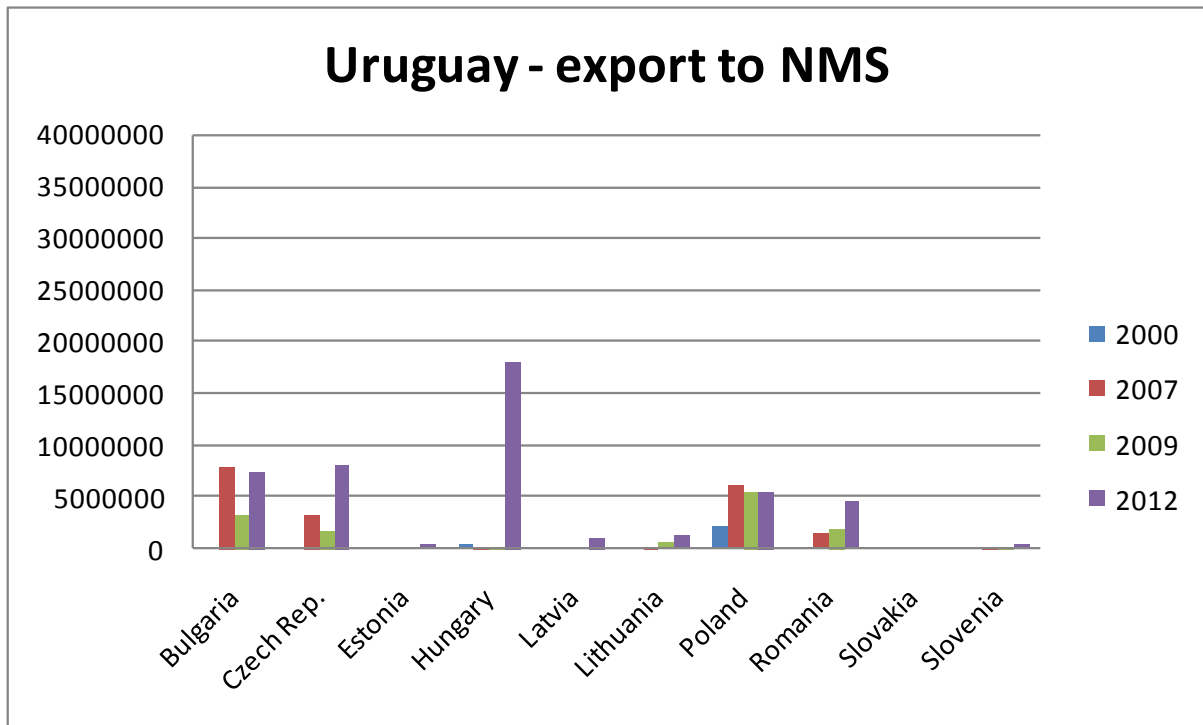
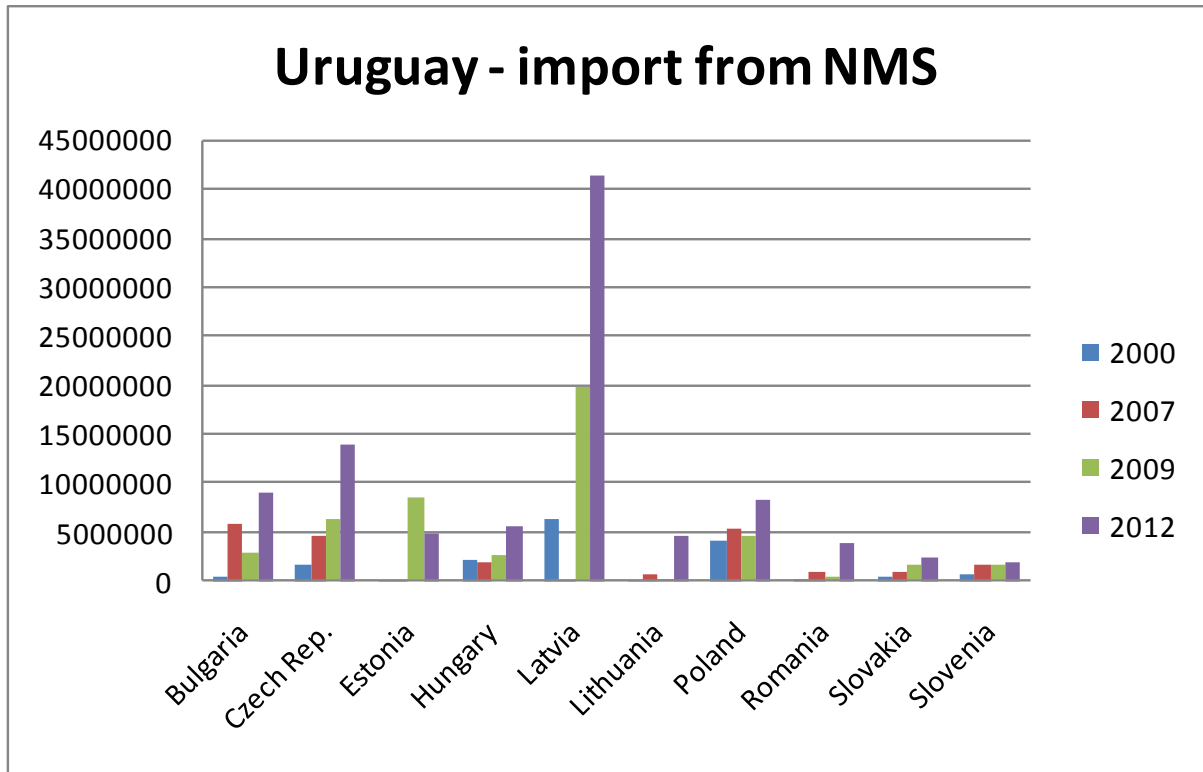


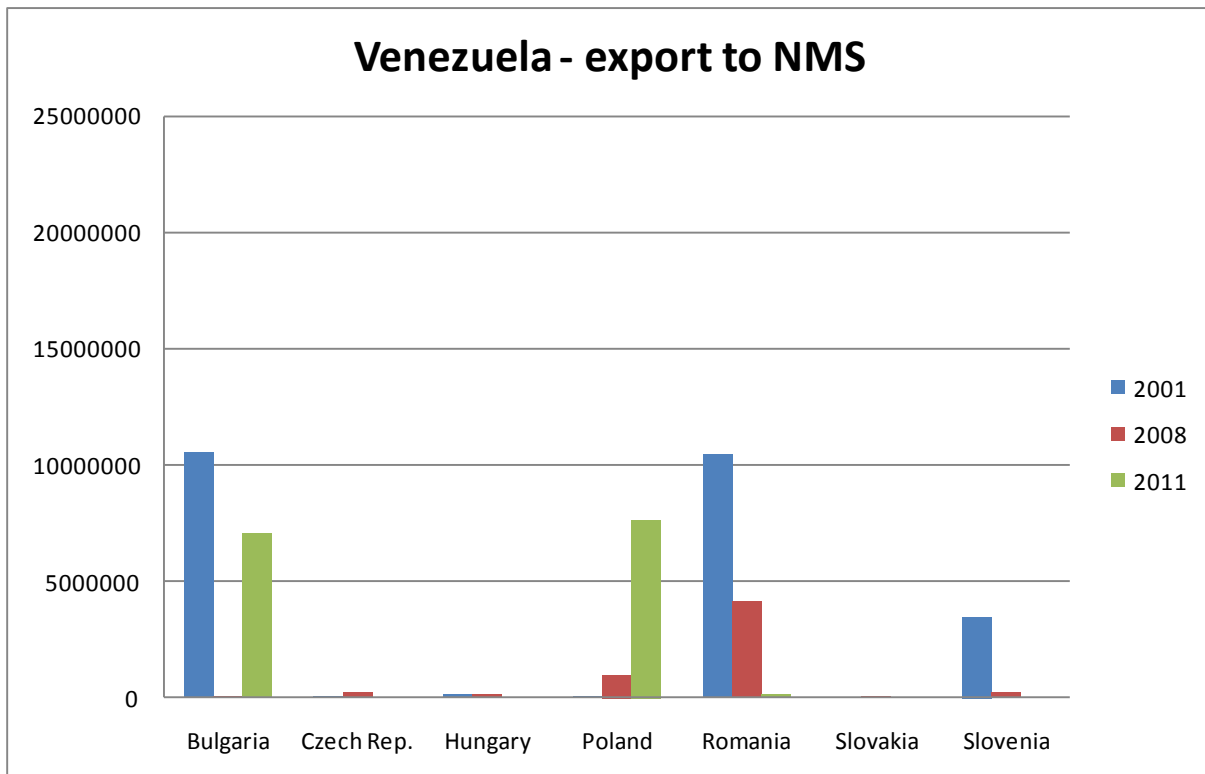
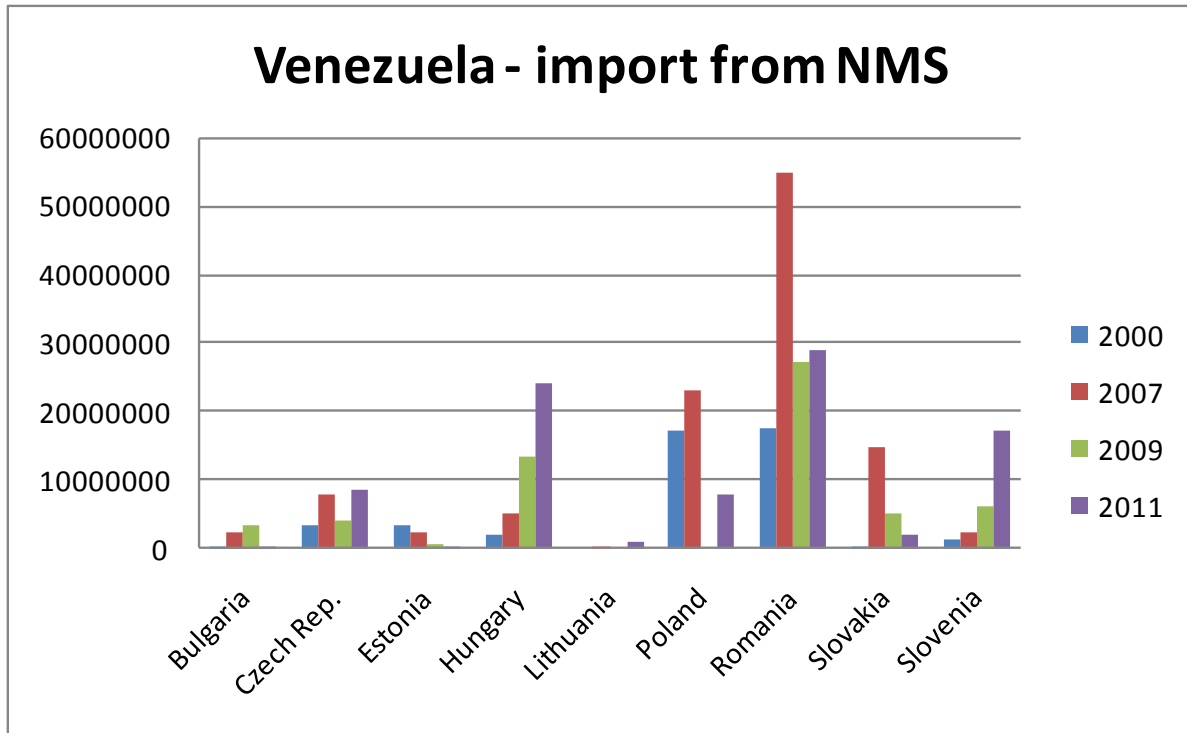












Tables of first ten product groups in trade

(Source: Eurostat, reporter countries are CEE ones, detailed data for 2012. Percentage and million euro for total trade. Total trade data are given for 2013 too, under the tables.)

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

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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		
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 imp, mn euro	11,26		127,59		5,92		21,09		602,07		14,58	

Hungary-LAC trade, mn. euro, 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

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and Latin America*

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		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	
Total export, mn euro	25,57		79,97		19,28		12,19		85,14		8,51		49,91	

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

	ARGENTINA		BRAZIL		CHILE		MEXICO	
HS		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

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Slovak-LAC trade, 2013, mn.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
TOTAL	54,43		319,13		58,21		29,53		357,96		22,54		9,81		16,25

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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

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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		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, mn euro	497,06		392,62		65,38		93,01		12,69			17,02

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Poland-LAC trade, 2013, mn. 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		
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
TOTAL	25,34		41,98		7,88		6,84		48,01

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

	ARGENTINA		BRAZIL		CHILE		MEXICO		PARAGUAY		VENEZUELA	
HS		HS		HS		HS		HS		HS		
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	
Total, mn euro	130,387		398,859		15,337		9,614		36,602		12,121	

Slovenia-LAC trade, mn. 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

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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, mn 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, mn euro	44,60		355,46		7,43		139,58

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Romania-LAC trade, mn. 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

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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, mn. 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

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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, mn 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. mn euro	5,05		5,54		2,49		14,74		4,75

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Latvian-LAC trade, 2013, mn. 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		
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	
Total imp. mn euro	28,04		14,81		3,35		10,75		7,80	

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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
TOTAL	37,60		29,48		7,45		38,37		2,25

Lithuania-LAC trade, 2013, mn. 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
TOTAL	37,26		3,22		110,50		2,66

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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
TOTAL	2,53		36,46		6,26		5,49

Estonia-LAC trade 2013, mn 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 PLAITING 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)*