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JULIO CESAR RAMIREZ MONTAÑEZ

Universidad Pontificia Bolivariana, Bucaramanga, Colombia, Colombia

THE NEW OPEN REGIONALISM OF THE PACIFIC PUMAS: THE TRANSPACIFIC BRIDGE OF LATIN AMERICA INTO THE ASIAN MARKET

Abstract:

The central purpose of this document is to present the most relevant aspects of the regional economic integration agreement more ambitious and with best projections in Latin America, as is the undertaken between Mexico, Peru, Chile and Colombia in the framework of the Treaty of the Alliance of the Pacific. These four countries known as the Pumas of the Pacific along the western coast of Latin America have made great strides in recent years and are about to emerge as regional leaders. The central thesis of this article is focused on raising that the geostrategic significance of the Alliance of the Pacific lies the possibility of to be the bridge to Latin America with the Asia Pacific through the implementation of production chains that emerge from the generation and consolidation of relations within the private sector, with the aim of generating value added products and more competitive

Keywords:

Economic Integration, Open Regionalism, Pacific Alliance, Pacific Cougars

JEL Classification: F41, F41, F41

Introduction

A notable trend of the international economy in recent years has been the accelerated movement toward regional economic integration. Regional economic integration refers to agreements between countries of a geographical area to remove tariff and non-tariff barriers between Member States. Since the decade of the nineties, with the consolidation of the phenomenon of globalization and the emergence of a new political order, economic and trade at the international level, which have been required to States open the largest number of markets to exports as well as the search for geopolitical and economic spaces suitable for its international position.

The search for economic benefits has led in recent years to create regions or multi-country markets through the reduction of trade barriers and tariffs. Today the world is divided into regional economic blocs where stand out due to their importance to the European Union, ASEAN, NAFTA, the APEC Forum and the recent agreements Transpacific (TPP).

In America, have developed similar trends toward regional integration. Argentina, Brazil, Paraguay and Uruguay implemented the Common Market of the Southern Cone (MERCOSUR) to reduce barriers between the members. There are also regional integration in Central America (CAFTA), in the Andean region of South America (CAN) and more recently the integration between Mexico, Peru, Chile and Colombia in the framework of the trade agreement known as the Alliance of the Pacific.

These countries have received the denomination of the Pacific Pumas when compared with the feline, which is considered a strong animal, fast, agile, light and stealthy. Comparison validates with the countries that have embarked on the process of economic and commercial integration more dynamic than Latin America has presented in a long time, not only in the quest to achieve that the Member States are deeply integrated in a view of international markets, but also to consolidate better quality products, greater added value and at lower cost.

This integration process seeks to become a platform of political articulation, of economic and commercial integration, and projection to the world, with special emphasis on the Asia - Pacific. Under this premise, the Alliance not only directed its efforts of projection toward the international markets of other regions, but also to the interior of the block and, in general, of the Latin American region, with the aim of diversifying their exports.

In this regard it should be noted the important work accomplished under the leadership of the entities of promotion, ProChile, Pro Colombia, Pro Mexico and Pro Peru, which have spurred innovation and entrepreneurship in the four member countries in order to identify

potential production chains in strategic sectors, carrying out a joint work with the private sector of the Alliance of the Pacific, with the aim of generating value added products and more competitive.

The Pumas, articulated in the Alliance of the Pacific, have the opportunity to become regional leaders with the pennant of Latin American integration. These countries have the opportunity to join the transpacific community of the twenty-first century, which combines the experience and expertise of states of Southeast Asia with the growth potential in other markets. In a world that could witness a greater regionalism, the Pumas have the opportunity to become the strategic partners of Japan, China and South Korea in America.

Today it is possible to affirm that the Alliance attracts the interest of other countries that have acceded as observer States, to work on strategic issues. Such is the case in Australia, Japan, China, South Korea, Singapore or New Zealand; which play a double role because they are observers of the Alliance of the Pacific but that are also members of APEC Forum

1. Regional Integration Agreements

Regional integration agreements are partnerships between two or more countries where they regulate their trade relations, with the aim of increasing trade and investment flows and in this way, their level of economic and social development. The current international scene characterized by an economic and financial globalization, is the context conducive to the subscription of free trade agreements, becoming a practice of common commercial policy for many countries.

The current trend of the world economy to move toward regions economically integrated, is due to the desire to create agreements between different countries in a geographic region to reduce, and with the aim of removing, tariff barriers and non-tariff barriers to allow the free flow of goods, services and factors of production between those countries.

Taking into account that integration is a process, which passes through various stages in a gradual and progressive, it is possible to establish a classification according to the degree of integration, where each one of the stages or degrees has certain essential features that distinguish it from both the stage immediately.

The economic literature distinguishes commonly four different forms of regional agreements, depending on the depth of the integration: area of free trade, customs union, common market and economic union. According to Bela Balassa (1981) there are five stages in regional integration agreements where highlights:

Box No 1 Regional Integration Agreements according to Bela Balassa

Stage of Integration	Features
1. Area of Trade Preferences:	In this integration agreement the participating States establish tariff preferences that are looking for a common benefit to their economies.
2. Free Trade Area	Known by many as Free Trade Agreements (FTA). This trade agreement is formed by States that establish prices only for certain products exchanged between yes.
3. Customs union:	In the Customs Union are linked two components; on the one hand, the tariff only for the exchange of goods and services between the States that comprise the block, and on the other hand, the tariff only for the marketing of goods and services with other countries that are not part of the block. This type of agreement establishes a single tariff for countries outside, but there is a free movement of goods, services and people.
4. Common Market	This type of agreement establishes a single tariff for countries outside, but there is a free movement of goods, services and people
5. Economic union	The Economic Union binds the agreements that raises the free trade area and the customs union but added the creation of a common currency.

Source: Balassa, 1981. Own preparation

As indicated in the above table, if the agreement pursues only the elimination of tariff and non-tariff barriers speaks of integration simply commercial (Area of Free Trade and Customs Union). If you add the homogenization of the mobility of capital and labor speaks of factorial integration or of the factors of production (Common Market). Likewise, if in addition to the above comes to the harmonization of tax policies and exchange rate policies, you will have an integration of economic policy, which will be complete when the unification of monetary policy (Economic Union).

2. Open Regionalism

The term *regionalism open* originated in the context of economic cooperation between the countries of the Asia and Pacific in the decade of 1970, and was particularly driven by Australia and Japan and is one of the guiding principles of the Conference of the Pacific Economic Cooperation (ECCP) and the Forum of the Asian Pacific Economic Cooperation (APEC).

Villamil & Estupiñan (2004) point out that the concept of regionalism has been presented in the literature in two ways, old regionalism and new regionalism. The two concepts of regionalism start with the recognition of the comparative advantages and the efficient allocation of resources as determinants of economic growth.

Under the optics of the old regionalism, related in the economic literature with the protectionist policies of the import substitution model is to overcome the profound economic crisis of the post-war period. In this context, countries adopted a series of policies leading to defend the internal market against the impact of the crisis on the international market that have consisted mainly of restrictions and control of imports, raising the rate of change and purchase of surpluses, stimulating domestic demand. (Villamil & Estupiñan, 2004)

The second type of regionalism is the so-called new regionalism that is based on the theories of comparative advantages and free trade. This is manifested in the historical context of globalization where countries prone by an economic integration, in such a way as to minimize the loss of welfare of consumers product of the distortion of the prices generated by tariff and other barriers to international trade. (Villamil & Estupiñan, 2004)

The model of openness characterizes this type of regionalism, where the balance of trade is considered as one of the determinants of economic growth of the countries. The new regionalism is mainly based on efficient economies, processes of specialization according to the comparative advantage of countries, free mobility of the workforce and north-south economic integration. (Villamil & Estupiñan, 2004)

Villamil & Estupiñan synthesizes the main differences between the types of regionalism in the following way:

Box No 2. Types of regionalism

Old Regionalism	New Regionalism
<ol style="list-style-type: none"> 1. Import Substitution Model 2. Emphasis on domestic absorption as a determinant of growth. 3. Regional or subregional competition. 4. South-south, North-north agreements. 5. Asymmetric agreements. 6. Discrimination against those not belonging to the Region 	<ol style="list-style-type: none"> 1. Model of economic openness. 2. Emphasis on the trade balance as a determinant of growth. 3. Global competition. 4. North-south agreements. 5. Symmetrical Agreements 6. Uniform treatment of all nations.

Source: Villamil & Estupiñan, 2004

Own preparation.

2.1 The New Open Regionalism in Latin America

The new open regionalism in Latin America had its boom in the 1990s, when it was actively promoted by the Economic Commission for Latin America and the Caribbean (ECLAC) through the dissemination of the text "*Open Regionalism in Latin America and the Caribbean: economic integration at the service of the productive transformation with equity*", becoming a reference for the use of this concept.

From there, became a concept used in most of the conferences in the framework of the World Trade Organization (WTO), Inter-American Development Bank (IDB) and in trading blocs such as MERCOSUR, among others. Guerrero Valencia (2012) considers that the year 1994 can be considered as a year constellation to open regionalism, as occurred several events that cooperated in their development as were the completion of the Uruguay Round negotiations with the creation of the WTO; and the implementation of two regional blocs as were the MERCOSUR and NAFTA, preceded the formalization at the end of the previous year of the European Union in the Maastricht Treaty.

Similarly, Lahera (1995) considers that the open regionalism promotes the creation of functional infrastructure, to enable greater competitiveness in international trade activities in order to enhance regional integration and prove the existence of dynamic effects of trade.

Finally, Vieira (2005) considers that the open regionalism is a set of functional economic proposals to neo-liberalism of the time that a persists. Also asserts that this type of integration makes emphasis on the market; in spite of the establishment of the 'productive transformation with equity', as the fundamental axis of the proposal cepalina were left on the side issues such as migration, the environment and the productive coordination between countries.

2.2 Open Regionalism in the Pacific Alliance

The integration developed within the Alliance of the Pacific can be classified as an *area of trade preferences* within the scope of what is called open regionalism, which consists in strengthening the links between the two elements, it is to say, between the integration 'de fact and the driven integration policies, in such a way as to increase the competitiveness of the region and constitutes as far as possible, the foundation that fortress a more open and transparent international economy. (Sources, 1994)

In this regard, authors like Hernandez Bernal- Muñoz Angulo (2015) , consider that the Alliance of the Pacific is an ideal setting for this type of agreement by being formed by States that have open economies and transparent, which are internationally competitive and are those that have developed a greater growth in the region during the last decade; similarly, these authors note that not achieved the goal the open regionalism in the Pacific Alliance at least would establish a defense mechanism against protectionism of extra-regional markets.

The Alliance of the Pacific is a process of integration whose objectives are aimed to build in a consensual manner an area of integration to achieve progressively the free circulation goods, capital; to achieve, by means of economic growth and development, overcoming poverty and inequality; achieving greater levels of well-being and even social; according to the platform for the political articulation, commercial and economic toward the world, in particular toward the Asia Pacific (Alliance of the Pacific, 2013).

The Alliance of the Pacific as wide pact of integration has generated great expectations. Its economic potential is impressive, with a combined population of 216 million people and a GDP of 2.1 billion dollars, which represents 38 per cent of regional GDP, average per capita GDP in 14.866 dollars (Fernandez, 2015)

Although the alliance was announced as a deep integration, until the time the recently signed the Additional Protocol to the Framework Agreement has set up a free trade area, subject to processes in the four member countries, in which a time in force removed and/or significantly reduce their tariffs and would set the standards of non-tariff barriers, which would lead to many sectors to have disadvantages by underdevelopment

that presented in productive processes, especially in agricultural areas that are affected by government management on investments in the area and automation of processes that reduce costs. (Tremoleda, 2014)

It was seeking to build an area of deep integration to move progressively toward the free movement of goods, services, capital and persons, i.e. is not based solely on the agreements and commercial benefits, but to generate opportunities for social development in the United participate as the interaction between universities and promotion of study grants, growth of tourism with the elimination of visas and creation of the Mila (Market of Latin American Integration).

Similarly, the agreements have also facilitated the free transit of persons, eliminating the visa for tourists and business travelers alike; at the same time that progress has been made in mechanisms to increase the exchange of students and researchers between universities of the four member countries, including multiple scholarships.

3. The Pacific Pumas

In the last fifteen years there have been a series of titles to refer to any group of emerging countries that have had a recent economic success and have characteristics in common. Initially, we knew of the successful experience of the group comprised of Brazil, Russia, India and China in the BRICs; subsequently, knew about the civets composed of Colombia, Indonesia, Vietnam, Egypt, Turkey and South Africa.

In the past three years has emerged the term of Pumas of the Pacific to refer to the successful experience of Mexico, Colombia, Peru and Chile. For Samuel George in his book *"The Pumas of Pacific An emerging model for Emerging Markets"* emphasizes the Puma as a strong animal, fast, agile, light and stealthy. This feline in the New World efficient and pragmatic can prosper in the highlands and in the humid tropical forests. (George, 2013)

This author stands out as these four countries along the western coast of Latin America have made great strides in recent years, and are about to emerge as regional leaders. Like the animal, these Pumas of Pacific operate in silence, far from the first planes. But its momentum does not pass unnoticed. (George, 2013)

According to George, (2013) the inclusion of Pumas in global trade began mainly in the years 1980 and 1990, when many Latin American countries raised the tariff barriers and regulations established to protect domestic industry. With the time, unilateral reforms led to a "increase" commercial, especially with non-traditional partners of East Asia. More recently, the Pumas have actively participated in bilateral and multilateral free trade. The

Pumas have been aligned with the countries seeking to pursue on a bilateral and regional levels which the World Trade Organization has not achieved at the global level: the free trade.

Mexico, Colombia, Peru and Chile have aggressively pursued liberal trade: a strategy that proved successful in East Asia to integrate more fully. With the inspiration of the growth plans of ASEAN, the Pumas have spearheaded a deep regional integration. The Alliance of the Pacific has already eliminated tariff barriers from 92 % of trade between the Pumas, and is expected to rise to 100 % in 15 years. This is a significant achievement for a region in which integration has been so difficult to achieve. (George, 2013)

Within the positive aspects of the agreement for the regional integration of the Pacific Alliance highlights this author that that Treaty brings together small economies of medium size which can achieve a global force. Stresses in the same way, that this agreement is the ninth place at global level: with 221 million people (including Costa Rica). (George, 2013)

Finally, stresses that the Pumas are already making waves economic and geopolitical. The Pumas, states in the Pacific Alliance, has a population that exceeds that of Brazil. Represent almost 37 per cent of the GDP of Latin America and the 50 % of trade in the region. The integrated market for Latin America (Mila), the stock exchange of the Pumas, is approximately the size of Bovespa Brazil since Mexico joined in 2014. The smaller Latin American countries have taken note. Guatemala, Panama and Uruguay are willing to join, which suggests that the Pumas could become the leaders of Latin America. (George, 2013)

3.1 Opportunities for Colombia of intraregional trade with the Pumas of the Pacific:

Colombia lives an economic moment of sustained growth that allows you to face with strength the challenges that implies the strengthening of partnership in the Pacific. So were the main risk rating agencies that have risen in recent years the notes toward Colombia and emphasize precisely such solidity as a factor of the confidence to do business. (Pro Colombia, 2015)

According to the Ministry of Trade, Industry and Tourism of Colombia, the Alliance of the Pacific allows you to deepen trade relations with the most successful economies of Latin America, to which it directs a good part of the exportable supply of added value (21 per cent of manufacturing and 14% of exports of non-energy mining of Colombia to the world), through the facilitation and unification of the rules of the game and the promotion

of productive chains and the insertion in global and regional chains of value. (MinCIT, 2013)

On products with the greatest potential for the development of the Trade Protocol of the Alliance of the Pacific, the simple studies of potential yield the greatest benefits of the Alliance will be in agroindustry: biscuits and bakery, chocolate, oilseeds, pet food, beef (once you have access to health care), poultry, eggs and dairy products (including the milk powder). Similarly, after a few years two of the most important products of the Colombian offer, coffee and bananas, may enter free of tariffs to Mexico, the largest market of AP and which are excluded in the present, face tariffs of 67 and 20% respectively. (MinCIT, 2013).

In addition, the domestic private sector has expressed interest offensive in the automotive sector, textiles and apparel, and cosmetics, mainly by the best rules of origin and progress in regulatory harmonization in these sectors.

On the other hand, the cultural affinity, language and geographical location also facilitates exports of services sector toward the Alliance of the Pacific. Within the export offer of Colombia has identified potential in software in Peru, Mexico and Chile; graphic communication services to Mexico, engineering and architectural services to Peru and Chile. On the whole, the previous services relate to professional services which were prioritized in the negotiation of the agreement of the Alliance of the Pacific. . (MinCIT, 2013)

3.2 opportunities for Peru of intraregional trade with the Pumas of the Pacific:

According to the weekly COMEXPERU (2015), since 2009, trade between Peru and other member countries of the Alliance of the Pacific has shown a very favorable dynamism, with an average growth rate of 22%, reaching US\$ 7,853 million in 2012, of which US\$ 3,274 million corresponded to exports to Chile; US\$ 2,487 million, to Colombia, and US\$ 2,092 million, to Mexico.

In the case of Peruvian exports with direction to the rest of the member countries of the Alliance of the Pacific, in 2012, these grew 108% in the past four years, adding up to a value of US\$ 3,366 million. Also, in the period January - August 2013, our shipments reached US\$ 1,945 million. (COMEXPERU, 2015)

As to the first eight months of 2013, the traditional shipments of Peru toward this block amounted to US\$ 826 million, 31% less than what sent in the same period of 2012, product of lower shipments of minerals (-20%) and petroleum and derivatives (-38%), which totaled US\$ 406 million and US\$ 325 million, respectively. With respect to non-

traditional exports toward this block, these registered shipments by US\$ 1,119 million, a 58% of the total exported to these countries. The agricultural sector exports reached US\$ 144 million (7 per cent more than what was sent in January-August 2012), while those of the textile sector recorded a value of US\$ 140 million (+4%). For its part, exports of the metal mechanic sector reached shipments for a total of US\$ 121 million (+17%), and the sector of non-metallic mining joined exports by US\$ 92 million (+23%). (COMEXPERU, 2015)

Concerning imports from the block of Pacific Alliance to Peru in the period January - August 2015 they amounted to US\$ 3,149 million, 7% higher than what is imported in the same period of 2014. The item that registered a greater participation was the intermediate goods, with US\$ 1,221 million (39% of total imported). In a disaggregated way, are the raw materials for Peruvian industry, which accounted for 73 per cent of the imports of this heading, totaling US\$ 891 million (+1%). It also highlights the fuel imports, with a value of US\$ 271 million and a growth of 7 per cent. (COMEXPERU, 2015)

3.3 opportunities for Chile of intraregional trade with the Pumas of the Pacific:

Chile continues to pursue a commercial policy of openness to the outside world, which has been very important in the process of growth and development of the country. Its ability to adapt to changes in the recent past, as well as the reforms that are taking place in the administration of President Bachelet, augur an economy which is prepared to successfully face the challenges of the future. The Alliance of the Pacific means not only more opportunities for access of our products, but also the expansion of the markets that could be exploited by the Chilean investors and the possibility of developing joint business with the Asia-Pacific region. (Alliance of the Pacific, 2014)

According to Pro Chile (2015) the participation of Chile in the Pacific Alliance improved negotiating position with third markets when viewed with a wider offer, consistent and continuous, facilitating the development or complementarity of offering based on capabilities and competitive advantages of the countries of the Alliance.

Similarly, you added a deeper concept of identification, viewing and differentiation of the exportable supply. No longer only in a particular country, but of an organized structure called Pacific Alliance; allows you to enable or facilitate the potentialities of complementation for the development of supply, beyond the limitations productive or technological a company-country; the simplification of procedures and approval of certificates will generate greater dynamism in many productive sectors; the cumulation of origin and integration of goods of two or more countries, will motivate employers to form strategic linkages to obtain products more competitive and better value added; in emerging markets for the fruit and vegetable sector, you might want to explore joint

generic promotion campaigns to encourage the consumption of these products. (Pro Chile, 2015)

Figures from the year 2015 supports the importance that has the Pacific Alliance for Chile. Chilean exports reached 3.766 billion dollars and the main products sent to the block were the bases for the manufacture of beverages and juices (100 million dollars), copper (99.8 million dollars) and the multilayer boards (98.5 million). (EFE, 2016) Imports, meanwhile, reached 4,127 million dollars. Among the main products purchased to block highlight: bituminous coal (336 million dollars), television sets (324 million dollars) and minerals of copper (160 million dollars). (EFE, 2016)

3.4 opportunities for Mexico of intraregional trade with the Pumas of the Pacific:

In the last three decades, Mexico has made the foreign trade one of its main sources of growth. However, Pro Mexico considers that in the future, the added value of Mexican exports, as well as the innovation, research and development should play an increasingly important role in the global value chains. In that sense, according to Pro Mexico (2015) the Trade Protocol of the Alliance of the Pacific will have great benefits to Mexico because it will increase exports, investments, jobs and production chains. The immediate relief of 92 per cent of tariff lines and the remaining 8.0 at a maximum term of 15 years, also gives a "great legal clarity to entrepreneurs who want to invest in one of the countries of the Alliance of the Pacific. This framework agreement delivery sufficient elements of legal security for the "Strategy for the long and medium term of enterprises. (Pro Mexico 2015)

Likewise, in the productive chain, which is another of the big bets of the Alliance of the Pacific, Mexico has displayed at least 17 projects in this line, which will have a significant multiplier factor in production processes. The production with higher value added in Mexico can be seen in sectors such as aerospace, automotive or electronic; although there is still much to do to generate more sophisticated goods and services. Pro Mexico 2015)

The Pacific Alliance represents a valuable opportunity for Mexican companies will be strengthened around productive chains and the sectors are varied. Due to socio-economic changes in the region, has generated increased demand for medicines and medical devices; processed foods and durable consumer goods such as household appliances. In the services sector the offer of consultancy for the improvement of production processes or to promote energy efficiency holds interesting business opportunities, same that impact in the information technology sector. It is also are carrying out important infrastructure plans to improve connectivity and reduce transport

costs. Also, the implementation of programs for housing construction has generated a momentum in the residential building sector. . (Pro Mexico, 2015).

4. Production chains of strategic sectors: The Secret of the Pumas of the Pacific

The Alliance of the Pacific is the process of economic and commercial integration more efficient and creative that Latin America has improved in many decades, due to the search by ensuring that the Member States are deeply integrated with a view to conquer the Asian market through the generation of productive chains of strategic sectors as a way to achieve better quality products, greater added value and at lower cost.

Additional to the large market that offers the Alliance of the Pacific, the Member States have come to be considered as a fundamental objective develop productive chains between the companies and sectors of the countries that make up, in order to unite the powers incomplete in the individual thing, but very competent nations. These strings do not only allow better meet the growing and sophisticated demand intra Alliance of the Pacific, and thus prevent or replace imports, but in addition, these chains must focus their attention on the United States market, taking advantage of the naphtha, of which it is a Member State Mexico. You can also take advantage of the very advantageous treaty that Peru has with Japan. (ProMexico, 2015).

According to the document "*The Alliance of the Pacific a new era for Latin America*" published by ProMexico (2015) notes that under the leadership of the entities of promotion ProChile, Pro Colombia, Pro Mexico and Pro Peru, met to entrepreneurs and organizations that encourage and promote innovation and entrepreneurship in the four member countries in order to identify potential linkages arising from the accumulation of origin, as well as the support for the creation and consolidation of relations within the private sector of the Alliance of the Pacific, with the aim of generating value added products and more competitive.

Productive chains identified in the Alliance of the Pacific that are closely related to those industries that move to the Member States are the mining, machinery and correlated services; similarly, gas and energy, renewable, fuels, related services and parts of maintenance. Equally, manufacture of non-ferrous metals, agribusiness, including equipment, seed, fertilizers and pesticides; meat and conservatives, chemicals and plastics, including from the polyethylene, detergents and until beauty products. Other sectors of great potential for generating these supply chains are the high technology equipment electronic, electrical and telecommunication, pharmaceutical, wood, paper and derivatives, metallurgical, manufacture of iron and steel, manufacture of transport equipment for export. (ProMexico, 2015).

Table 3 Possible production chains in the Pacific Alliance

Member State	Possible Production Chains
Colombia	<p>Since ProColombia identified 24 production linkages between Colombia and the other countries of the Pacific Alliance</p> <p>From the perspective of Colombia the sectors where it could perform production chains are :</p> <ul style="list-style-type: none"> ✓ With Chile are: Agroindustry, cosmetics and packaging. ✓ With Peru dyes and clothing ✓ With Mexico: autoparts, auto mechanics and mobile phones. (ProMexico, 2015).
Peru	<p>ProPeru identified that among the sectors that will benefit are:</p> <ul style="list-style-type: none"> ✓ Manufactures of non-ferrous metals, mining, chemical, plastic and rubber and food products. ✓ The inputs of mining, as well as the chemical sector, are the main assets of the Peruvian exports to Mexico. In a lesser proportion, are sent to this same country rubber and plastic products for use in the oil sector, gas and its derivatives. ✓ Additionally, it is important to mention the productive chain, Peru is a country transformer for the case of mainly Plastic tableware, fruit juices, wooden furniture, detergents and garments in Jean and denim.
Chile	<p>ProChile, notes that from the perspective of intra-Alliance, there are interesting changes with regard to the chemical industry. This is due to the flexibilities that exist to incorporate inputs from third markets in the trade between the members.</p> <ul style="list-style-type: none"> ✓ The same thing happens in the agro-industrial sector, following the rules of origin. Chile is a producer of apples and to market apple juice between the parties, the fruit must be obtained in the region Alliance of the Pacific. The same thing happens with the Tropical fruits: If Chile wants to export tropical fruit juice to the members of the Alliance of the Pacific, these must be purchased to the other members to comply with rules of origin and arriving preferentially. ✓ When speaking of production chains focusing on third markets, added the agro-industrial sector and the metal mechanic sector. For example, within Mexico is an important producer of steel and its alloys;

	from Chile already exported to Asia gearboxes and Mercosur, manufacturing of diverse nature
Mexico	<p>According ProMexico, the Pacific Alliance allows Mexico to respond jointly to its main buyers; in particular, with a view to strengthening its presence in the Asia-Pacific region.</p> <ul style="list-style-type: none"> ✓ In the agribusiness sector you can take advantage of the seasonal nature of agricultural exports. There is an important advantage for seasonal Mexico during the first quarter of the year, while Peru can be an important supplier for the fourth quarter. This opportunity represents for the country around 120 million of additional dollars for each first quarter of the year. (ProMexico, 2015). ✓ Similarly, there are opportunities for production linkages in the areas of medical devices; processed foods and durable consumer goods such as household appliances. ✓ In the services sector the offer of consultancy for the improvement of production processes or to promote energy efficiency holds interesting business opportunities, same that impact in the information technology sector. ✓ It is also are carrying out important infrastructure plans to improve connectivity and reduce transport costs. Also, the implementation of programs for housing construction has generated a momentum in the residential building sector.

Source: ProChile, Pro Colombia, Pro Mexico and Pro Peru

Own preparation

All industries or economic segments mentioned above, represent opportunities to create new productive chains or solidify the existing ones. This implies a greater alignment by increasing the value added of the same, from its efficient cost, alignment and technological growth, etc. implies a commercial value added end and shared by the whole chain. Certain chains should consider, study and assemble research and development centers financed by the main players in the chain in parts proportional to its business in the string, thus giving a decisive impetus to technological progress, by employers themselves in the region, placing their string to internationally competitive, with individual effort accessible. This would be a true transforming change of these strings.

If it is considered that on average in recent years exports of the whole region to Southeast Asia have are minimal, you can predict that the creation of these chains, with opportunity to become highly competitive, are an option to penetrate this gigantic market before the same, follow invading the region. Today, Chile and Peru take a great

advantage of this market considering the relative size of their economies and even though Mexico is the biggest exporter in gross value, is the smallest percentage of their exports.

Finally, it can be noted that the Alliance of the Pacific has the potential to be a mechanism for the integration of markets of local infrastructure, as well as to encourage the regionalization and complementarity of big companies in local infrastructure in search of internationalization that facilitate the training of talent shared, that facilitate the importation of goods in common use, raw materials, indirect, that even facilitate the export of goods produced in excess and that can be placed abroad, in other cluster without further complication, reducing inventories in excess and losses that it generates. Governments should promote these cluster, which in the long run facilitate the development of small and medium-sized enterprises.

5. The Pacific Pumas : The Bridge of Latin America with the Asia

The Pacific Alliance seeks to be a platform of political articulation, economic, commercial and projection to the world with emphasis on Asia-Pacific, which is possible to achieve by improving the competitiveness indices of the Member States. The Asia-Pacific region is becoming an important trading partner for Latin America and the Caribbean. The advantage logistics that have each of the members participate in the Alliance is your easy connection with the Asian continent through the Pacific Ocean, which would make it possible to reach these markets. The current disadvantage to America are the costs of production that do not competitive your products based on factors such as public services, taxes and internal logistics. (Tremoleda, 2014)

According to the Observatory of Latin America Asia Pacific, total merchandise trade between Asia and Latin America China is the second largest trading partner in Latin America. China is the second largest source of imports from Argentina, Brazil, Chile, Colombia, Mexico and Peru, the first destination of Brazilian exports, Chilean and Peruvian, the second of Argentine, the third of the Colombian and the fourth of Mexican women. (Observatory Latin America Asia Pacific. Eclac, ALADI, Development Bank of Latin America, 2014).

Similarly, according to Turzi (2014) the primary products (iron ore, copper, oil and soya) and articles thereof arising accounted for 89 per cent of Latin American exports to Asia Pacific in 2013. The structure of imports from the Asia Pacific is the exact opposite: manufactures not derived from natural resources explained the 87 per cent of the value of the imported by Latin America from Asia in the same year. This concentration of Asian demand leads to the concentration of the Latin American production in the sector,

generating an opportunity cost for the development of other sectors of greater added value.

In this same document is that the national political economy of each of the countries of Latin America, regional and global is transforming intensively by the impact of the partnership with the Asia Pacific. The public sectors in Latin America are taking different responses in the design and implementation of schemes of governance that can be axis of institutionalization of integration processes. From the private sectors, the global value chains are integrated with an articulating axis in the Asian region, raising the question of whether the future of Latin American prosperity will mainly by integration into the Asian chains, by the creation of bi-regional chains or transcontinental between Asia and Latin America, if the region will opt for more traditional alternatives linked to its Atlantic partners or -including - if it retracts on itself. (Turzi, 2014)

The set of external alignments answer yes to the opportunities of international arena but also to the models of development. The insertion in the global economy is a function of the structures of internal political economy, to turn basis of the political coalitions. That is why the "opportunities" are not analytical categories with validity and applicability dissociated from social, political and economic context in which they are processed. (Turzi, 2014)

It is interesting to note that China is an important trading partner for Chile and Peru and, to a lesser extent, also for Mexico. These three countries are taking part in the negotiations of the TPP and perform a significant portion of their trade with other countries of the TPP, such as China, the United States and other Asian countries. From the foregoing it is clear that the countries of Latin America and especially the countries of the Alliance of the Pacific are trading partners of considerable importance to the other members with the exception of Mexico

Conclusions:

Do not cease to be divergent positions on the benefits of the Alliance of the Pacific. There are certain disputes that have criticized the alliance as a output to the failed attempts of the South American block as economic problems based on political imbalances of these nations. This agreement enables strengthen value chains between its members, allowing a productive link through the harnessing of intraregional trade agreements signed by the actors signatories of the strategy but the discussion continues and generates debate about the direction and position to be taken by the organization within the Latin American territory.

From the point of view of the geostrategic and geopolitical, the Pacific Alliance intends to confront the hegemony of Brazil and Mercosur in Latin America and to counter their influence, for which wants to consolidate its position as the integration agreement, stronger and more successful in the region. The success of the Cougars is due to the political and macroeconomic stability, to accession to the overall integration and to the expansion of private consumption. The Pumas have achieved notable macroeconomic gains and democratic in the twenty-first century. Have created a solid basis for the development, given that the Pacific is to emerge as a focal point for global development. That the Pumas have shared this new phase of growth allows them to join forces and increase exponentially the impact and the global potential of the group.

The Pumas, states in the Pacific Alliance, have the opportunity to become regional leaders with the flag of Latin American integration, have the opportunity to join a transatlantic community of the twenty-first century, which combines the experience and expertise of the United States and the European Union with the growth potential of emerging markets. In a world that could witness a greater regionalism, the Pumas have the opportunity to become the strategic partners of the United States, Europe and East Asia.

However, trade in the Pumas increases rapidly, but persists the trap of infamous raw materials. The Pumas, especially Chile, Peru and Colombia, have benefited from the high prices of oil and heavy metals, which in the first decade of the twenty-first century reached their highest level since the Second World War. Not a few experts believe that the recent growth is based solely on the strong prices of the raw materials prices, which have fallen in recent years. According to these experts, in the event of a collapse these prices, also would collapse the progress of the Pumas. Even when prices are high, the excessive reliance on exports of raw materials threatens to prevent the Pumas beyond the dependence on the resources.

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