

Lessons of G 20: Integration and not exclusion

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The G20 highlight was to make the distinction of national interest versus international commitments. While UK has to manage its exit, the US seeks to reduce their isolation, Russia wants to have more acceptance and the 3 Latin America's presidents enhance their efforts for more integration. Mexico and Brazil are negotiating their commerce agreement to triple the items of cooperation. Argentina and Brazil are focusing to push the Mercosur-EU negotiations. All of them ratifying their commitments to the Paris Agreement on sustainability. Mexico, Colombia, Peru and Chile in the Pacific Alliance initiated the negotiations with the Mercosur. Mercosur and the Pacific Alliance have more or less the same GDP of US\$4 trillion. The difference is that the Mercosur has long productive channels while the Pacific Alliance has short productive channels. Both are linked to the US, China and EU. The cooperation between both, will bring more inclusion into their channels. Consequently, Mercosur will be more open for their automotive, agribusiness, industrial components and service channels imports, while the Pacific Alliance will be open for more cars, engineering, service systems, machines and tools. Interesting will be the integration not only of infrastructure but of integrated solutions. Based on this, the biggest and urgent request will be the digital integration through optical fiber. The 5G solution will require an exponential data transfer, and if Latin America does not invest immediately in this field, a collapse of data transfer will occur in the next 5 years. The integration of economic regions as the Parana Paraguay Basin will enhance not only infrastructure investment but will change the business model of agribusiness and will transform industries in that region, similar as the Mississippi Basin. The EU will give the best advice as how to manage intraregional integration, since it is the only continent where rivers integrates more than 4-5 countries, like the Elba, Rhine or Danube. This will give the EU the opportunity not only to exercise a model of cooperation but also to induct an integration of economy, logistic and services. After concluding the negotiations with Japan, the EU will have more incentive to the negotiations with the Mercosur. After the elections in Germany, they will bring more in a more detailed form their proposal for industries and agribusiness. The actual negotiations between both Mercosur and EU are going in good rhythm so that a signing could be expected in the beginning of 2018. Central America is moving their integration with efforts since US has set aside a distance with Mexico. The integration between Honduras and Guatemala is ongoing and with the second canal of Panama, the business of logistics is driving up. The meeting with US and Central America and Mexico and Colombia, was to reinforce the cooperation on economy and security. In the last meeting of the IDB in Asunción, the delegates approved the efforts for a new round of *Trade Union*.

Latin America is in a new prospective of integration. Different as in other parts of the world, where more national interests have been launched as the priority agenda. This will bring in a long prospective, much more synergy and economy stability in the region and will increase trade and investments. The alignment towards a more market oriented policies such in Argentina, Peru, Paraguay, Brazil, Colombia, Panama, Mexico and others shows that the winds are blowing in a new direction.