

# LA CONVENCION



4<sup>th</sup>-6<sup>th</sup> DECEMBER 2017 • BUENOS AIRES • ARGENTINA

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“ In recent decades, trade has lifted hundreds of millions of people out of poverty, whilst allowing consumers in the developed world to benefit from an abundance of cheap goods and new technologies. Therefore, whilst the rhetoric across both the developed and developing world is dominated by protectionism and pessimism, the path to future prosperity points in the opposite direction, towards freer trade and open markets. La Convención Azul marks a new beginning for this collaboration.



**Tomasz Poręba MEP**

*President of New Direction; First Vice Chairman of Delegation to the Euro-Latin American Parliamentary Assembly*



## LA CONVENCION AZUL

La Convención Azul is the pre-eminent free-market forum, taking place on December 4<sup>th</sup>-6<sup>th</sup> in Buenos Aires, Argentina.

La Convención Azul brings together the foremost free-market advocates and thought-leaders from business, government, academia and the non-for-profit sector from across Europe and the Americas, in order to shape the debate on how trade and digital economy can become the driving force of global growth.

From keynote speeches to topic-driven panel discussions, La Convención Azul will provide participants with valuable insights into the ideas that are shaping our time and our century.

The agenda for this event reflects on major policy challenges in the digital economy and trade including:

- **The digital market in Latin America – setting regulation to promote its development;**
- **Creative industries in digital convergence,** and
- **How free trade can spur economic growth between Europe and Latin America.**

The event will be held in English and Spanish, with live translation.

# WHY ARGENTINA

No location could be more fitting for this forum than Argentina and Buenos Aires. Just days ahead of WTO's Eleventh Ministerial Conference (MC11) and as the country prepares to assume the Presidency of the G20, Argentina is stepping up its efforts for more free-market reforms. Argentina is ripe for free market ideas that can turn the country into a beacon of economic resilience and sustainability across Latin America.

This high-level gathering is being organised by **New Direction** – a foundation which boasts membership of 36 conservative political parties, including the governing parties of the United Kingdom, Poland, Finland, United States, Australia, Israel, Turkey, and many more.

**La Convención Azul** will seek to inspire a new generation of free-market supporters, by platforming rigorous discussions between some of the world's finest exponents and practitioners in this field. Faced with the current rise of protectionist policymaking and authoritarian politics, we believe that the time is ripe for a new strategy which defends the record of free-markets in raising living standards across the world, and which champions a comprehensive reform agenda for the future.

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(1) World Bank. 2017. Doing Business 2017: Equal Opportunity for All. Washington, DC: World Bank. DOI: 10.1596/978-1-4648-0948-4. License: Creative Commons Attribution CC BY 3.0 IGO - **Ease of Doing Business ranking**

(2) Central Intelligence Agency, United States of America. The World Factbook. <https://www.cia.gov/library/publications/resources/the-world-factbook/geos/ar.html> - **CIA Factbook Introductions and Communications Infrastructure and Economic Indicators**

(3) "Where we work." World Bank, World Bank Group. [www.worldbank.org/en/where-we-work](http://www.worldbank.org/en/where-we-work) - **World Bank Economic Profile Section**

(4) Unctad. "Country Profiles." UNCTADstat, United Nations Conference on Trade and Development. [unctadstat.unctad.org/EN](http://unctadstat.unctad.org/EN) - **Trade in Services Segment**

(5) "Your key to European statistics." Home - Eurostat, European Commission. [ec.europa.eu/eurostat](http://ec.europa.eu/eurostat) - **EU Trade in Services Statistics**

ECONOMETRICS AT A GLANCE

# LATIN AMERICA

“ La Convención Azul provides a forum that encourages and values discussion and rigorous debate. I believe that free markets, individual liberty, private property, unrestricted commerce and small government are the ultimate instrument of poverty alleviation, conflict resolution and social justice.



**Naweed Khan**  
*Executive Director, New Direction*



COMMUNICATIONS INFRASTRUCTURE AND ECONOMIC INDICATORS

# ARGENTINA

**POPULATION**  
43,416,755

**EASE OF DOING BUSINESS RANK**  
116th

**GDP PER CAPITA (PPP) in 2016 US\$**

2016	2015	2014
\$20,000	\$20,700	\$20,400

**EXPORTS**

2016	2015	COUNTRY COMPARISON TO THE WORLD
\$56.78 billion	\$56.81 billion	44

**PARTNERS (2016)**

BRAZIL	US	CHINA	VIETNAM
15.5%	7.7%	7.6%	4.4%

**COMMODITIES**  
soybeans and derivatives, petroleum and gas, vehicles, corn, wheat

**IMPORTS**

2016	2015	COUNTRY COMPARISON TO THE WORLD
\$53.24 billion	\$57.18 billion	48

**PARTNERS (2016)**

BRAZIL	CHINA	US	GERMANY
24.3%	18.7%	12.5%	5.5%

**COMMODITIES**  
machinery, motor vehicles, petroleum and natural gas, organic chemicals, plastics

**INTERNET USERS**

TOTAL	% OF POPULATION (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
30,786,889	70.2%	23

**TELEPHONES - FIXED LINES**

TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
9,938,630	23	21

**TELEPHONES - MOBILE CELLULAR**

TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
64,033,692	146	23

**TELEPHONE SYSTEM**

**GENERAL ASSESSMENT**

In 1998 Argentina opened its telecommunications market to competition and foreign investment encouraging the growth of modern telecommunications technology; fiber-optic cable trunk lines are being installed between all major cities; major networks are entirely digital and the availability of telephone service continues to improve to rural areas.

**DOMESTIC**

Microwave radio relay, fiber-optic cable, and a domestic satellite system with 40 earth stations serve the trunk network; fixed-line teledensity is increasing gradually and mobile-cellular subscribership is increasing rapidly; broadband Internet services are gaining ground.

**INTERNATIONAL**

country code - 54; landing point for the Atlantis-2, UNISUR, South America-1, and South American Crossing/Latin American Nautilus submarine cable systems that provide links to Europe, Africa, South and Central America, and US; satellite earth stations - 112; 2 international gateways near Buenos Aires (2016)

**Introduction**

In 1816, the United Provinces of the Rio Plata declared their independence from Spain. After Bolivia, Paraguay, and Uruguay went their separate ways, the area that remained became Argentina. The country's population and culture were heavily shaped by immigrants from throughout Europe, with Italy and Spain providing the largest percentage of newcomers from 1860 to 1930. Up until about the mid-20th century, much of Argentina's history was dominated by periods of internal political conflict between Federalists and Unitarians and between civilian and military factions.

After World War II, an era of Peronist populism and direct and indirect military interference in subsequent governments was followed by a military junta that took power in 1976. Democracy returned in 1983 after a failed bid to seize the Falkland Islands (Islas Malvinas) by force, and has persisted despite numerous challenges, the most formidable of which was a severe economic crisis in 2001-02 that led to violent public protests and the successive resignations of several presidents. The years 2003-15 saw Peronist rule by Nestor and Cristina FERNANDEZ de KIRCHNER, whose policies isolated Argentina and caused economic stagnation. With the election of Mauricio MACRI in November 2015, Argentina began a period of reform and international reintegration.

**Economic Profile**

With a Gross Domestic Product (GDP) of more than US\$600 billion, Argentina is one of the largest economies in Latin America. Argentina is currently undergoing an economic transformation that promotes sustainable economic development with social inclusion and integration into the global economy.

Argentina has vast natural resources in energy and agriculture. Within its 2.8 million square kilometers of territory, Argentina is endowed with extraordinary fertile lands and has great potential for renewable energy. It is a leading food producer with large-scale agricultural and livestock industries. In addition, Argentina has significant opportunities in some manufacturing subsectors, and innovative services in high tech industries.

Argentina was the top performer in the region in reducing poverty and boosting shared prosperity between 2004 and 2008. Incomes of the bottom 40% grew at an annualized rate of 11.8% compared to average income growth of 7.6%. This trend continued but slowed after 2008. In the first half of 2017, according to official statistics, 28.6% lived in poverty, while 6.2% were in extreme poverty.

The country prioritized social spending through various programs, including the Universal Child Allowance, which reaches approximately 3.7 million children and adolescents up to age 18, 9.3% of the population.

Presidential elections at the end of 2015 led to a significant change in Argentine economic policy. The new administration has moved with significant speed to implement core reforms such as the unification of the exchange rate, the agreement with international creditors, the modernization of the import regime, reduction of inflation and reform of national statistics system.

In addition, Argentina has taken a very active role on the international stage and will hold the presidency of the G20 in 2018, expressing intention to join the OECD and become an observer in the Pacific Alliance.

After an economic contraction of 2.2% in 2016, concentrated in the first half of the year, the economy began to recover. In fact, GDP grew 2.7% year-on-year in the first half of 2017 and is expected to continue this process in the second part of the year.

The primary deficit for 2016 was 4.3% of GDP, compared to 4% in 2015. The primary deficit accumulated in August 2017 is 1.9% of GDP, below the previous year's record and the officially stated objectives. The Government plans a gradual convergence to a primary fiscal balance by 2021.

**TRADE IN SERVICES**

In 2016, Argentina imported a total of 19.679 million US\$ worth of services, and exported 12.697 million, with a deficit of 6.982 million US\$.





# BOLIVIA

## Introduction

Bolivia, named after independence fighter Simon BOLIVAR, broke away from Spanish rule in 1825; much of its subsequent history has consisted of a series of coups and countercoups, with the last coup occurring in 1978. Democratic civilian rule was established in 1982, but leaders have faced difficult problems of deep-seated poverty, social unrest, and illegal drug production.

In December 2005, Bolivians elected Movement Toward Socialism leader Evo MORALES president - by the widest margin of any leader since the restoration of civilian rule in 1982 - after he ran on a promise to change the country's traditional political class and empower the nation's poor, indigenous majority. In December 2009 and October 2014, President MORALES easily won reelection. His party maintained control of the legislative branch of the government, which has allowed him to continue his process of change. In February 2016, MORALES narrowly lost a referendum to approve a constitutional amendment that would have allowed him to compete in the 2019 presidential election. Despite the loss, MORALES has already been chosen by his party to run again in 2019, via a still-undetermined method for him to appear on the ballot.

## Economic Profile

Thanks to high commodity prices and a prudent macroeconomic policy, economic growth in Bolivia averaged 4.9 percent between 2004 and 2014. The favorable economic context led to a reduction in moderate poverty, from 59 percent in 2005 to 39 percent in 2014, while the Gini Index fell from 0.60 to 0.47 in the same period.

Due to a less favorable international context, GDP growth decreased from a high of 6.8 percent in 2013 to 4 percent in 2016 and progress toward reducing poverty and inequality stagnated. The effect of low commodity prices on domestic demand was contained by expansive policies that took advantage of the important economic cushions accumulated during the boom and direct financing from the Central Bank of Bolivia. International reserves remain high despite declining from US\$ 15.1 billion in 2014 to nearly US\$ 10.1 billion in 2016. Fiscal savings are approximately 15 percent of GDP and gross public debt is nearly 40 percent of GDP.

In an effort to maintain strong growth, assure continued poverty reduction and improve access to basic services, the Government of Bolivia approved the 2016-2020 National Economic and Social Development Plan in early 2016. With this plan, the government aims to maintain growth at an average rate of 5 percent between 2016 and 2020, reducing extreme poverty from 17 percent to 10 percent. This plan includes an extensive public investment program funded in part by savings accumulated during the economic boom,



Central Bank of Bolivia loans and external financing. Investment areas include infrastructure, hydrocarbon exploration, industrialization of natural gas (fertilizers and plastics) and hydroelectric energy generation. The plan also calls for increased private-sector activity and foreign direct investment.

In the current global context, the government's ambitious development agenda faces structural challenges. Despite the important cushions accumulated during the economic boom, prudent management is needed to maintain macroeconomic stability. Public spending efficiency must be improved to ensure that it increases the coverage and quality of public services, protects the most vulnerable groups and promotes private investment. It is also critical to guarantee that the plan's large-scale investment projects provide sufficient returns to cement long-term growth with macroeconomic stability.

Additionally, consolidating the country's position as an exporter of natural gas in the region requires joining forces with the private sector to expand proven gas reserves. It is also important to promote investments in sectors that traditionally have been less attractive for private investors, such as mining, agriculture and manufacturing.

## TRADE IN SERVICES

In 2016, Bolivia imported 2,784 million US\$ in services, and exported 1,204 million, leading to a deficit of 1,580 million US\$.

COMMUNICATIONS INFRASTRUCTURE AND ECONOMIC INDICATORS

## GDP PER CAPITA (PPP) in 2016 US\$

2016	2015	2014
\$7,200	\$7,000	\$6,800

## EXPORTS

2016	2015	COUNTRY COMPARISON TO THE WORLD
\$7 billion	\$8.673 billion	99

### PARTNERS (2016)

BRAZIL	US	ARGENTINA	COLOMBIA
19.3%	13.6%	11.4%	8.8%

### COMMODITIES

natural gas, silver, zinc, lead, tin, gold, quinoa, soybeans and soy products

## IMPORTS

2016	2015	COUNTRY COMPARISON TO THE WORLD
\$7.888 billion	\$9.004 billion	106

### PARTNERS (2016)

CHINA	BRAZIL	ARGENTINA	US
19.9%	17.5%	10.5%	9.8%

### COMMODITIES

machinery, petroleum products, vehicles, iron and steel, plastics

## INTERNET USERS

TOTAL	% OF POPULATION (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
4,354,678	39.7%	78

## TELEPHONES - FIXED LINES

TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
867,302	8	83

## TELEPHONES - MOBILE CELLULAR

TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
10,165,308	93	84

## TELEPHONE SYSTEM

### GENERAL ASSESSMENT

Bolivian National Telecommunications Company was privatized in 1995 but re-nationalized in 2007; the primary trunk system is being expanded and employs digital microwave radio relay; some areas are served by fiber-optic cable; system operations, reliability, and coverage have steadily improved

### DOMESTIC

most telephones are concentrated in La Paz, Santa Cruz, and other capital cities; mobile-cellular telephone use expanding rapidly and, in 2016, teledensity stood at 93 per 100 persons

### INTERNATIONAL

country code - 591; satellite earth station - 1 Intelsat (Atlantic Ocean) (2016)



# BRAZIL

## Introduction

Following more than three centuries under Portuguese rule, Brazil gained its independence in 1822, maintaining a monarchical system of government until the abolition of slavery in 1888 and the subsequent proclamation of a republic by the military in 1889. Brazilian coffee exporters politically dominated the country until populist leader Getulio VARGAS rose to power in 1930. By far the largest and most populous country in South America, Brazil underwent more than a half century of populist and military government until 1985, when the military regime peacefully ceded power to civilian rulers. Brazil continues to pursue industrial and agricultural growth and development of its interior. Having successfully weathered a period of global financial difficulty in the late 20th century, Brazil was seen as one of the world's strongest emerging markets and a contributor to global growth. The awarding of the 2014 FIFA World Cup and 2016 Summer Olympic Games, the first ever to be held in South America, was seen as symbolic of the country's rise. However, since about 2013, Brazil has been plagued by a shrinking economy, growing unemployment, and rising inflation. Political scandal resulted in the impeachment of President Dilma ROUSSEFF in May 2016, a conviction that was upheld by the Senate in August 2016; her vice president, Michel TEMER, will serve as president until 2018, completing her second term.

## Economic Profile

Brazil's economic and social progress between 2003 and 2014 lifted 29 million people out of poverty and inequality dropped significantly (the Gini coefficient fell by 6.6 percentage points in the same period, from 58.1 down to 51.5). The income level of the poorest 40% of the population rose, on average, 71% (in real terms) between 2003 and 2014, compared to a 4.4% income growth for the population as a whole. However, the rate of reduction of poverty and inequality appears to have stagnated since 2015.

Brazil is currently going through a deep recession. The country's growth rate has decelerated steadily since the beginning of this decade, from an average annual growth of 4.5% between 2006 and 2010 to 2.1% between 2011 and 2014. GDP contracted by 3.8% in 2015, and is expected to fall at least 3% more in 2016. The economic crisis, as a result of the fall in commodity prices and an inability to make the necessary policy adjustments, - coupled with the political crisis faced by the country - has contributed to undermining the confidence of consumers and investors.

Following the impeachment of President Dilma Rousseff on August 31st (2016), former Vice President Michel Temer took office as the new President of Brazil. He announced that his government would pursue several fiscal adjustment measures and a reform agenda to reestablish

POPULATION

# 207,353,391

EASE OF DOING BUSINESS RANK

# 123rd

confidence and to restore a favorable investment environment. However, implementation of the reform program has proven difficult and faces opposition in Congress.

The crisis has led to significant adjustments in the balance of payments current account. By July 2016, the current account deficit had dropped to 1.6% of GDP - in comparison with 4.3% in 2014 - mainly in response to the contraction of the GDP (as well as a moderate devaluation in the real exchange rate).

Despite the achievements in poverty reduction over the last decade, inequality remains at high levels. After achieving universal coverage in primary education, Brazil is now struggling to improve the quality and outcomes of the system, especially at the lower and upper secondary levels.

Great progress has also been achieved in reducing deforestation in the rainforest and other sensitive biomes. However, the country still faces major development challenges - especially in finding ways to combine the benefits of agricultural growth, environmental protection and sustainable development.

## TRADE IN SERVICES

In 2016, Brazil imported 143,474 million US\$ in services, and exported 185,280 million, resulting in a surplus of 41,806 million US\$.

COMMUNICATIONS INFRASTRUCTURE AND ECONOMIC INDICATORS

GDP PER CAPITA (PPP) in 2016 US\$			
2016	2015	2014	
\$15,200	\$15,900	\$16,700	
EXPORTS			
2016	2015	COUNTRY COMPARISON TO THE WORLD	
\$184.5 billion	\$190.1 billion	26	
PARTNERS (2016)			
CHINA	US	ARGENTINA	NETHERLANDS
19%	12.6%	7.3%	5.6%
COMMODITIES			
transport equipment, iron ore, soybeans, footwear, coffee, automobiles			
IMPORTS			
2016	2015	COUNTRY COMPARISON TO THE WORLD	
\$139.4 billion	\$172.4 billion	30	
PARTNERS (2016)			
US	CHINA	ARGENTINA	GERMANY
17.6%	16.9%	6.7%	6.6%
COMMODITIES			
machinery, electrical and transport equipment, chemical products, oil, automotive parts, electronics			
INTERNET USERS			
TOTAL	% OF POPULATION (JULY 2016)	COUNTRY COMPARISON TO THE WORLD	
122,841,218	59.7%	6	
TELEPHONES - FIXED LINES			
TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD	
41,846,846	20	6	
TELEPHONES - MOBILE CELLULAR			
TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD	
244,066,759	119	6	
TELEPHONE SYSTEM			
GENERAL ASSESSMENT			
good working system including an extensive microwave radio relay system and a domestic satellite system with 64 earth stations			
DOMESTIC			
fixed-line connections have remained relatively stable in recent years and stand at about 20 per 100 persons; less-expensive mobile-cellular technology has been a major driver in expanding telephone service to the lower-income segments of the population with mobile-cellular teledensity roughly 120 per 100 persons			
INTERNATIONAL			
country code - 55; landing point for a number of submarine cables, including Americas-1, Americas-2, Atlantis-2, GlobeNet, South America-1, South American Crossing/Latin American Nautilus, and UNISUR that provide direct connectivity to South and Central America, the Caribbean, the US, Africa, and Europe; satellite earth stations - 3 Intelsat (Atlantic Ocean), 1 Inmarsat (Atlantic Ocean region east), connected by microwave relay system to Mercosur Brazilsat B3 satellite earth station (2016)			



SANTIAGO DE CHILE

# CHILE

## Introduction

Prior to the arrival of the Spanish in the 16th century, the Inca ruled northern Chile while an indigenous people, the Mapuche, inhabited central and southern Chile. Although Chile declared its independence in 1810, it did not achieve decisive victory over the Spanish until 1818. In the War of the Pacific (1879-83), Chile defeated Peru and Bolivia to win its present northern regions. In the 1880s, the Chilean central government gained control over the central and southern regions inhabited by the Mapuche. After a series of elected governments, the three-year-old Marxist government of Salvador ALLENDE was overthrown in 1973 by a military coup led by General Augusto PINOCHET, who ruled until a democratically-elected president was inaugurated in 1990. Sound economic policies, maintained consistently since the 1980s, contributed to steady growth, reduced poverty rates by over half, and helped secure the country's commitment to democratic and representative government. Chile has increasingly assumed regional and international leadership roles befitting its status as a stable, democratic nation.

## Economic Profile

Chile has been one of Latin America's fastest-growing economies in recent decades, enabling the country to significantly reduce poverty. Between 2000 and 2015, for example, the population living in poverty (on US\$ 4 per day) decreased from 26 percent to 7.9 percent.

Nevertheless, GDP growth fell from a high of 6.1 percent in 2011 to 1.6 percent in 2016 because of declining copper prices, which negatively affected private investment and exports. In this context, the unemployment rate has remained relatively stable, largely due to rising self-employment in response to the stagnation of wage employment.

As expected, fiscal policy has been counter-cyclical: The central government's fiscal balance shifted from a surplus of 0.6 percent of GDP in 2012 to a deficit of 2.8 percent in 2016. Sluggish economic growth and lower copper prices had a negative impact on fiscal income, partially offsetting the effects of the tax reform at the same time the government increased spending for the education reform and counter-cyclical fiscal policy. On the external front, despite lower copper prices, the current account deficit declined from a high of 4.2 percent of GDP in 2013 to 1.4 percent in 2016 due to reduced private investment and lower returns on foreign investments.



Growth is expected to recover gradually as private-sector prospects improve and copper prices rise. The fiscal deficit will likely decrease gradually in response to a fiscal policy firmly rooted in the structural balance rule. Additionally, fiscal income is expected to benefit from the economy recovery and higher copper prices. The current account deficit will also gradually fall given that higher international copper prices will drive increases in exports, compensating for the possible increase in imports that will potentially generate a recovery of private investment.

Responsible macroeconomic and fiscal management provides a solid base for more inclusive growth. To achieve this potential, however, Chile needs to build consensus to respond to the expectations of a growing middle class at the same time it increases economic growth potential. In the short term, it is crucial to recover the trust of the private sector to stimulate investment in sectors in addition to mining. In the longer term, the country must address structural challenges to promote productivity, improve energy provision, reduce dependence on mining and increase the access to and quality of social services.

## TRADE IN SERVICES

In 2016, Chile imported 13,075 million US\$ in services, and exported 9,625 million, resulting in a deficit of 3,450 million US\$.

COMMUNICATIONS INFRASTRUCTURE AND ECONOMIC INDICATORS

**GDP PER CAPITA (PPP) in 2016 US\$**

2016	2015	2014
\$24,100	\$24,000	\$23,700

**EXPORTS**

2016	2015	COUNTRY COMPARISON TO THE WORLD
\$60.6 billion	\$62.18 billion	42

**PARTNERS (2016)**

CHINA	US	JAPAN	SOUTH KOREA
28.6%	14.1%	8.6%	6.9%

**COMMODITIES**  
copper, fruit, fish products, paper and pulp, chemicals, wine

**IMPORTS**

2016	2015	COUNTRY COMPARISON TO THE WORLD
\$55.34 billion	\$58.72 billion	47

**PARTNERS (2016)**

CHINA	US	BRAZIL	ARGENTINA
24.3%	14.7%	9.3%	4.4%

**COMMODITIES**  
petroleum and petroleum products, chemicals, electrical and telecommunications equipment, industrial machinery, vehicles, natural gas

**INTERNET USERS**

TOTAL	% OF POPULATION (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
11,650,840	66%	43

**TELEPHONES - FIXED LINES**

TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
3,464,107	20	44

**TELEPHONES - MOBILE CELLULAR**

TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
22,974,289	130	49

**TELEPHONE SYSTEM**

**GENERAL ASSESSMENT**  
privatization began in 1988; most advanced telecommunications infrastructure in South America; modern system based on extensive microwave radio relay facilities; domestic satellite system with 3 earth stations

**DOMESTIC**  
number of fixed-line connections have stagnated in recent years as mobile-cellular usage continues to increase, reaching 130 telephones per 100 persons

**INTERNATIONAL**  
country code - 56; landing points for the Pan American, South America-1, and South American Crossing/Latin America Nautilus submarine cables providing links to the US and to Central and South America; satellite earth stations - 2 Intelsat (Atlantic Ocean) (2016)



## Introduction

Colombia was one of the three countries that emerged after the dissolution of Gran Colombia in 1830 (the others are Ecuador and Venezuela). A decades-long conflict between government forces and antigovernment insurgent groups, principally the Revolutionary Armed Forces of Colombia (FARC) heavily funded by the drug trade, escalated during the 1990s. After four years of formal peace negotiations, the Colombian Government signed a revised final peace accord with the FARC in November 2016, which was subsequently ratified by the Colombian Congress. The accord calls for members of the FARC to demobilize, disarm, and reincorporate into society and politics, and it creates an alternative system for transitional justice that includes a “Special Jurisdiction for Peace” to address accountability for conflict-related crimes and established truth-telling mechanisms. The Colombian Government has stepped up efforts to reassert government control throughout the country, and now has a presence in every one of its administrative departments. Despite decades of internal conflict and drug related security challenges, Colombia maintains relatively strong democratic institutions characterized by peaceful, transparent elections and the protection of civil liberties.

## Economic Profile

President Juan Manuel Santos began his second term in office on August 7th, 2014, which will end on August 7, 2018. After four years of negotiation and the approval of the six points of the agenda agreed in 2012 the Colombian Congress approved on 30 November 2016

the new peace agreement between the Government of Colombia and the Revolutionary Armed Forces of Colombia (FARC-EP - Fuerzas Armadas Revolucionarias de Colombia-Ejército del Pueblo). The agreement was signed on November 24 by President Santos and FARC leader, Rodrigo Londoño ‘Timochenko’, in Bogotá.

The services sector remained the main contributor to growth due to the dynamism of financial, commercial and construction services, which partially offset the fall in the extractive sector. For its part, the agricultural sector was affected by the El Niño phenomenon. Growth has been somewhat weaker than expected in the first half of 2017, with confidence effects weighing on private consumption and investment, and weak external demand and competitiveness issues affecting export performance. Private consumption expanded at a pace of 1.5 percent during this period, even as inflation decelerated. Weak domestic demand, weak prospects for the extractive industries, and delays in the execution of publicly funded projects kept investment flat. Notwithstanding fiscal consolidation efforts, government consumption expanded at a similar pace as in 2016. Despite subdued import growth, reflecting softer domestic demand, net exports weighed on growth, as exports contracted 3.2 percent in the first half of the year.

Agriculture, which is recovering from the El Niño phenomenon, grew at 6 percent in the first half of 2017, and dynamism in financial services, and social, communal and personal services continued. The slump in the extractives sector continued, as oil production continued to decline, while manufacturing and construction contracted 1.5 percent and 0.6 percent, respectively.



Although a weak peso has not translated into higher non-oil exports due to persistent structural constraints, terms of trade improvements have helped to further narrow the current account deficit.

In the period 2017 to 2019, a recovery in economic growth is expected, driven by the recovery of non-oil exports and oil prices, and the 4G infrastructure program. Inflation is converging towards the target range.

Growth is expected to strengthen over the 2018-2019 period, with economic growth driven by the recovery of non-oil exports and oil prices, and the 4G infrastructure program. Ongoing structural reforms are expected to enhance competitiveness and foster diversification, thereby supporting the growth recovery over the medium term. Inflation has decelerated and expectations are well-anchored.

The continued compliance with the fiscal rule, instituted for the first time in 2012, shows that fiscal management remains strong. In 2016, the central government’s structural fiscal deficit was 2.2 percent of GDP, while the actual fiscal deficit reached 4 percent of GDP. In this context, the implementation of the 2016 tax reform and cost containment measures are essential to continue fiscal consolidation and create space for post-conflict spending.

## TRADE IN SERVICES

In 2016, Colombia imported 10,816 million US\$ in services, and exported 7,796 million, leading to a deficit of 3.020 million US\$.

## GDP PER CAPITA (PPP) in 2016 US\$

2016	2015	2014
\$20,000	\$20,700	\$20,400

## EXPORTS

2016	2015	COUNTRY COMPARISON TO THE WORLD
\$33.38 billion	\$38.28 billion	57

### PARTNERS (2016)

US	PANAMA
33.5%	6.3%

### COMMODITIES

petroleum, coal, emeralds, coffee, nickel, cut flowers, bananas, apparel

## IMPORTS

2016	2015	COUNTRY COMPARISON TO THE WORLD
\$43.24 billion	\$52.05 billion	52

### PARTNERS (2016)

US	CHINA	MEXICO	BRAZIL
26.4%	19.1%	7.5%	4.7%

### COMMODITIES

fuels, machinery, vehicles, iron and steel rods, pharmaceuticals

## INTERNET USERS

TOTAL	% OF POPULATION (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
27,452,550	58.1%	25

## TELEPHONES - FIXED LINES

TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
7,115,984	15	24

## TELEPHONES - MOBILE CELLULAR

TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
58,684,924	124	28

## TELEPHONE SYSTEM

### GENERAL ASSESSMENT

modern system in many respects with a nationwide microwave radio relay system, a domestic satellite system with 41 earth stations, and a fiber-optic network linking 50 cities; multiple providers of both fixed-line and mobile-cellular services, however, infrastructure remains poor in small urban centers and rural areas

### DOMESTIC

fixed-line connections stand at about 15 per 100 persons; mobile cellular telephone subscribership is about 120 per 100 persons; competition among cellular service providers is resulting in falling local and international calling rates and contributing to the steep decline in the market share of fixed-line services

### INTERNATIONAL

country code - 57; multiple submarine cable systems provide links to the US, parts of the Caribbean, and Central and South America; satellite earth stations - 10 (6 Intelsat, 1 Inmarsat, 3 fully digitalized international switching centers) (2016)





# COSTA RICA

## Introduction

Although explored by the Spanish early in the 16th century, initial attempts at colonizing Costa Rica proved unsuccessful due to a combination of factors, including disease from mosquito-infested swamps, brutal heat, resistance by natives, and pirate raids. It was not until 1563 that a permanent settlement of Cartago was established in the cooler, fertile central highlands. The area remained a colony for some two and a half centuries. In 1821, Costa Rica became one of several Central American provinces that jointly declared their independence from Spain. Two years later it joined the United Provinces of Central America, but this federation disintegrated in 1838, at which time Costa Rica proclaimed its sovereignty and independence. Since the late 19th century, only two brief periods of violence have marred the country's democratic development. In 1949, Costa Rica dissolved its armed forces. Although it still maintains a large agricultural sector, Costa Rica has expanded its economy to include strong technology and tourism industries. The standard of living is relatively high. Land ownership is widespread.

## Economic Profile

Costa Rica is a development success story in many respects. Considered an upper middle-income country, Costa Rica has experienced steady economic expansion over the past 25 years. The post-1980s economic growth is the product of a strategy of outward-oriented growth, based on openness to foreign investment and gradual trade liberalization.

Costa Rica is also a global leader for its environmental policies and accomplishments, which have helped the country build its Green Trademark. The pioneering Payments for Environmental Services (PES) program has been successful in promoting forest and biodiversity conservation; making Costa Rica the only tropical country in the world that has reversed deforestation.

The combination of political stability, a social compact, and steady growth has resulted in one of the lowest poverty rates in Latin America and the Caribbean.

According to data from the National Household Survey of the National Institute of Statistics and Census, the country managed to reduce total poverty from 22.3 to 20.5 percent between 2014 and 2016. In the case of rural poverty, there was a decrease from 30.3 to 25.7 percent for the same period; and urban poverty, in those same years, fell from 19.5 to 18.6 percent. Meanwhile, by 2016, 6.3 percent of the country's households are living in extreme poverty.



The country's success over the past decades is also reflected in its strong human development indicators, which continue to rank higher than those of other countries in the region. Costa Rica's GDP per capita has tripled since 1960 and its growth averaged 4.5 percent between 2000 and 2013, compared to the regional average of 3.8 percent for the same period.

During the global crisis, real GDP growth slowed to 2.7 percent in 2008 and contracted to 1 percent in 2009. The economy rebounded following the crisis, achieving an average real growth rate of 4.9 percent between 2010 and 2012. Growth decelerated to 3.5 percent in 2013, and there was a pick up to 3.7 and 4.3 percent in 2015 and 2016, respectively. This year, a slight drop to 3.9 percent is expected, and the prospect for 2018 is of 3.7 percent.

Despite the solid growth over the past decades, two pressing development challenges stand out: the deteriorating fiscal situation and stubborn inequality. These affect the basic pillars of development: inclusion, growth, and sustainability.

The government has strived to address these problems and is committed to an inclusive society that guarantees the welfare of its people, supported by transparent and accountable public institutions.

## TRADE IN SERVICES

In 2016, Costa Rica imported 3,207 million US\$ in services, and exported 8,288 million, leading to a surplus of 5,081 million US\$.

COMMUNICATIONS INFRASTRUCTURE AND ECONOMIC INDICATORS

GDP PER CAPITA (PPP) in 2016 US\$			
2016	2015	2014	
\$16,400	\$15,900	\$15,400	
EXPORTS			
2016	2015	COUNTRY COMPARISON TO THE WORLD	
\$10.15 billion	\$9.445 billion	88	
PARTNERS (2016)			
US	NETHERLANDS	PANAMA	BELGIUM
41%	5.8%	5.7%	5.4%
COMMODITIES			
bananas, pineapples, coffee, melons, ornamental plants, sugar, beef, seafood, electronic components, medical equipment			
IMPORTS			
2016	2015	COUNTRY COMPARISON TO THE WORLD	
\$14.66 billion	\$14.42 billion	83	
PARTNERS (2016)			
US	CHINA	MEXICO	
37.1%	13.5%	6.9%	
COMMODITIES			
raw materials, consumer goods, capital equipment, petroleum, construction materials			

INTERNET USERS		
TOTAL	% OF POPULATION (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
3,217,277	66%	92

TELEPHONES - FIXED LINES		
TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
827,000	17	82

TELEPHONES - MOBILE CELLULAR		
TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
8,063,091	165	104

TELEPHONE SYSTEM	
<b>GENERAL ASSESSMENT</b>	
good domestic telephone service in terms of breadth of coverage	
<b>DOMESTIC</b>	
point-to-point and point-to-multi-point microwave, fiber-optic, and coaxial cable link rural areas; Internet service is available	
<b>INTERNATIONAL</b>	
country code - 506; landing points for the Americas Region Caribbean Ring System (ARCOS-1), MAYA-1, and the Pan American Crossing submarine cables that provide links to South and Central America, parts of the Caribbean, and the US; connected to Central American Microwave System; satellite earth stations - 2 Intelsat (Atlantic Ocean) (2015)	



# ECUADOR

## Introduction

What is now Ecuador formed part of the northern Inca Empire until the Spanish conquest in 1533. Quito became a seat of Spanish colonial government in 1563 and part of the Viceroyalty of New Granada in 1717. The territories of the Viceroyalty - New Granada (Colombia), Venezuela, and Quito - gained their independence between 1819 and 1822 and formed a federation known as Gran Colombia. When Quito withdrew in 1830, the traditional name was changed in favor of the "Republic of the Equator." Between 1904 and 1942, Ecuador lost territories in a series of conflicts with its neighbors. A border war with Peru that flared in 1995 was resolved in 1999. Although Ecuador marked 30 years of civilian governance in 2004, the period was marred by political instability. Protests in Quito contributed to the mid-term ouster of three of Ecuador's last four democratically elected presidents. In late 2008, voters approved a new constitution, Ecuador's 20th since gaining independence. General elections were held in February 2013, and voters reelected President Rafael CORREA.

## Economic Profile

Between 2006 and 2014, GDP growth averaged 4.3 percent, driven by high oil prices and substantial external financing. This stimulus enabled increased social spending and important investments, especially in the energy and transportation sectors. During that period, poverty declined from 37.6 percent to 22.5 percent. The Gini coefficient fell from 0.54 to 0.47, given that income growth of the poorest population segment was higher than the average for the remainder of the population.

These achievements are threatened by declining oil prices and the stronger U.S. dollar, however. This situation was exacerbated by the devastating April 16, 2016 earthquake on the northwest coast of Ecuador. Between 2014 and 2016, urban unemployment rose from 4.5 percent to 6.5 percent and urban underemployment increased from 11.7 percent to 18.8 percent. During this period, the poverty rate and the Gini coefficient remained largely unchanged.

Given Ecuador's lack of a local currency and limited fiscal savings, the government has been forced to reduce public investment and curb spending. Government officials have also mobilized different sources of external and domestic financing and have somewhat reduced spending. Temporary measures were applied to increase non-oil public income and restrict



imports. These measures have temporarily eased the effects of low oil prices and enabled the financing of post-earthquake reconstruction. However, they have also increased public debt.

During this difficult period, Ecuador faces the challenge of building the necessary consensus to adapt its economic structure to the new international context, return to the path of sustainable growth with increased public-sector participation and protect key social advances made during the oil boom. The country must also gradually increase public spending and make it more efficient with a view to consolidating macroeconomic stability at the same time it protects the most vulnerable population and maintains private-sector confidence. In a context in which public investment cannot continue to drive growth, the country must systematically improve the investment climate by promoting increased private-sector investment and facilitating capital and labor mobility of emerging economic activities. A more robust, flexible private sector will allow the economy to be diversified, increase productivity and create quality jobs, which will in turn promote development and continue to reduce poverty.

## TRADE IN SERVICES

In 2016, Ecuador imported 3,232 million US\$ in services, and exported 2,109 million, leading to a deficit of 1,123 million US\$.

## GDP PER CAPITA (PPP) in 2016 US\$

2016	2015	2014
\$11,100	\$11,500	\$11,700

## EXPORTS

2016	2015	COUNTRY COMPARISON TO THE WORLD
\$17.43 billion	\$19.05 billion	71

### PARTNERS (2016)

US	CHILE	VIETNAM	PERU
32.3%	6.8%	6.6%	5.6%

### COMMODITIES

petroleum, bananas, cut flowers, shrimp, cacao, coffee, wood, fish

## IMPORTS

2016	2015	COUNTRY COMPARISON TO THE WORLD
\$15.86 billion	\$20.7 billion	82

### PARTNERS (2016)

US	CHINA	COLOMBIA	BRAZIL
23%	19%	8%	4.2%

### COMMODITIES

industrial materials, fuels and lubricants, nondurable consumer goods

## INTERNET USERS

TOTAL	% OF POPULATION (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
8,693,739	54.1%	59

## TELEPHONES - FIXED LINES

TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
2,441,173	15	55

## TELEPHONES - MOBILE CELLULAR

TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
13,882,280	86	65

## TELEPHONE SYSTEM

### GENERAL ASSESSMENT

elementary fixed-line service but increasingly sophisticated mobile-cellular network

### DOMESTIC

fixed-line services provided by multiple telecommunications operators; fixed-line teledensity stands at about 15 per 100 persons; mobile-cellular use has surged and subscribership has reached 85 per 100 persons

### INTERNATIONAL

country code - 593; landing points for the PAN-AM and South America-1 submarine cables that provide links to the west coast of South America, Panama, Colombia, Venezuela, and extending onward to Aruba and the US Virgin Islands in the Caribbean; satellite earth station - 1 Intelsat (Atlantic Ocean) (2016)





# EL SALVADOR

## Introduction

El Salvador achieved independence from Spain in 1821 and from the Central American Federation in 1839. A 12-year civil war, which cost about 75,000 lives, was brought to a close in 1992 when the government and leftist rebels signed a treaty that provided for military and political reforms. El Salvador is beset by one of the world's highest homicide rates and pervasive criminal gangs.

## Economic Profile

Economic growth in El Salvador reached 2.4 percent in 2016. This growth was mainly driven by external factors, including a significant decline in oil imports, which fell by US\$262 million, and remittances, which increased by US\$306 million from 2015 to reach US\$4,576 million (or 17.1 percent of GDP). The country's economic performance also benefited from an improvement in the trade balance, as both imports and exports fell, but the decline in imports was more marked.

Yet, El Salvador continues to suffer from persistent low levels of growth, which between 2010 and 2016 only averaged 1.9%. This sluggish performance has made El Salvador the slowest growing economy of Central America in recent few years. The country is expected to grow by 2.3% in 2017.

The country's low growth has translated into persistently high poverty levels, and increased urban poverty in recent years. According to WB data based on national poverty lines, 41 percent of households lived below the poverty line in 2015 including 10

percent which lived below the extreme poverty line. These figures represent an increase in poverty of about 4 percentage points compared to the previous year, driven mainly by an increase in urban poverty resulting from the growing cost of living in the urban areas.

An additional element that is becoming increasingly important is the country's fiscal situation, which has progressively deteriorated in recent years. The fiscal deficit is currently around 2.8% of GDP while debt is expected to reach 61.3% of GDP by the end of 2017, almost one percentage point higher than in 2015. The rising debt-to-GDP ratio, together with the low growth performance, has negatively impacted El Salvador's debt profile.

In terms of political and social developments, the country has accomplished significant progress on both fronts. Democracy and peace have been consolidated since the end of the civil war in 1992, and five consecutive democratic presidential elections have taken place with peaceful transitions of power. Moreover, El Salvador continues to make progress on the social front thanks in part to active policies which have expanded access to public services. For example, in the health sector, increased access to healthcare facilities, particularly by the poor, contributed to El Salvador's ability to reach MDG 4 (reducing under-5 mortality).

Immunization rates have also increased from 76 percent in the 1990s to 93 percent in 2016. Similarly, the share of the population with access to improved water sources increased from 79 percent to 89 percent, and the share

**POPULATION**

# 6,172,011

**EASE OF DOING BUSINESS RANK**

# 95th

COMMUNICATIONS INFRASTRUCTURE AND ECONOMIC INDICATORS

GDP PER CAPITA (PPP) in 2016 US\$			
2016	2015	2014	
\$8,900	\$8,700	\$8,500	
EXPORTS			
2016	2015	COUNTRY COMPARISON TO THE WORLD	
\$4.186 billion	\$4.381 billion	111	
PARTNERS (2016)			
US	HONDURAS	GUATEMALA	NICARAGUA
48.3%	14.2%	13.5%	6.5%
COMMODITIES			
offshore assembly exports, coffee, sugar, textiles and apparel, ethanol, chemicals, electricity, iron and steel manufactures			
IMPORTS			
2016	2015	COUNTRY COMPARISON TO THE WORLD	
\$8.823 billion	\$9.384 billion	99	
PARTNERS (2016)			
US	GUATEMALA	CHINA	MEXICO
37.9%	10.2%	8.8%	7.6%
COMMODITIES			
raw materials, consumer goods, capital goods, fuels, foodstuffs, petroleum, electricity			
INTERNET USERS			
TOTAL	% OF POPULATION (JULY 2016)	COUNTRY COMPARISON TO THE WORLD	
1,785,254	29.0%	102	
TELEPHONES - FIXED LINES			
TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD	
933,377	15	79	
TELEPHONES - MOBILE CELLULAR			
TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD	
9,101,868	148	90	
TELEPHONE SYSTEM			
GENERAL ASSESSMENT			
multiple mobile-cellular began rolling out Long Term Evolution (LTE) data services in late-2016; growth in fixed-line services has slowed in the face of mobile-cellular competition; Internet usage grew almost 400% between 2007 and 2015			
DOMESTIC			
nationwide microwave radio relay system			
INTERNATIONAL			
country code - 503; satellite earth station - 1 Intelsat (Atlantic Ocean); connected to Central American Microwave System (2017)			





# GUATEMALA

## Introduction

The Maya civilization flourished in Guatemala and surrounding regions during the first millennium A.D. After almost three centuries as a Spanish colony, Guatemala won its independence in 1821. During the second half of the 20th century, it experienced a variety of military and civilian governments, as well as a 36-year guerrilla war. In 1996, the government signed a peace agreement formally ending the internal conflict, which had left more than 200,000 people dead and had created, by some estimates, about 1 million refugees.

## Economic Profile

Thanks to prudent macroeconomic management, Guatemala has been one of the strongest economic performers in Latin America in recent years, with a GDP growth rate of 3.0 percent since 2012 and 4.1 percent in 2015. In 2016, the country's economy grew by 2.9 percent, according to the latest estimates, and is expected to grow by 3.4 percent in 2017.

Nevertheless, Guatemala, the biggest economy in Central America, has one of the highest inequality rates in Latin America, with some of the worst poverty, malnutrition and maternal-child mortality rates in the region, especially in rural and indigenous areas.

The World Bank study Poverty Assessment in Guatemala reported that the country reduced its poverty rate from 56 percent to 51 percent between 2000 and 2006. However, official figures indicate that poverty rose to 59.3 percent in 2014. Of all people living in poverty in the country, 52 percent are indigenous.

Given Guatemala's capacity for macroeconomic recovery, the next few years represent an opportunity to reduce poverty through more rapid economic growth. While pro-poor policy reforms could yield marginal improvements, accelerating growth will be crucial to achieving the country's medium and long-term social objectives.



**POPULATION**  
15,460,732

**EASE OF DOING BUSINESS RANK**  
88th

COMMUNICATIONS INFRASTRUCTURE AND ECONOMIC INDICATORS

**GDP PER CAPITA (PPP) in 2016 US\$**

2016	2015	2014
\$7,900	\$7,900	\$7,700

**EXPORTS**

2016	2015	COUNTRY COMPARISON TO THE WORLD
\$10.58 billion	\$10.82 billion	86

**PARTNERS (2016)**

US	EL SALVADOR	HONDURAS	NICARAGUA
34%	11.5%	7.1%	6%

**COMMODITIES**

sugar, coffee, petroleum, apparel, bananas, fruits and vegetables, cardamom, manufacturing products, precious stones and metals, electricity

**IMPORTS**

2016	2015	COUNTRY COMPARISON TO THE WORLD
\$16.76 billion	\$17.64 billion	80

**PARTNERS (2016)**

US	MEXICO	CHINA	EL SALVADOR
38.1%	11%	9.9%	5%

**COMMODITIES**

fuels, machinery and transport equipment, construction materials, grain, fertilizers, electricity, mineral products, chemical products, plastic materials

**INTERNET USERS**

TOTAL	% OF POPULATION (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
5,241,952	34.5%	90

**TELEPHONES - FIXED LINES**

TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
1,675,000	11	65

**TELEPHONES - MOBILE CELLULAR**

TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
19,208,673	126	63

**TELEPHONE SYSTEM**

**GENERAL ASSESSMENT**

fairly modern network centered in the city of Guatemala

**DOMESTIC**

state-owned telecommunications company privatized in the late 1990s opened the way for competition; fixed-line teledensity roughly 10 per 100 persons; fixed-line investments are being concentrated on improving rural connectivity; mobile-cellular teledensity about 125 per 100 persons

**INTERNATIONAL**

country code - 502; landing point for both the Americas Region Caribbean Ring System (ARCOS-1) and the SAM-1 fiber-optic submarine cable system that, together, provide connectivity to South and Central America, parts of the Caribbean, and the US; connected to Central American Microwave System; satellite earth station - 1 Intelsat (Atlantic Ocean) (2017)

## TRADE IN SERVICES

In 2016, Guatemala imported 2,996 million USD in services, and exported 2,694 million, leading to a deficit of 300 million US\$.



COMMUNICATIONS INFRASTRUCTURE AND ECONOMIC INDICATORS

# HONDURAS

## Introduction

Once part of Spain's vast empire in the New World, Honduras became an independent nation in 1821. After two and a half decades of mostly military rule, a freely elected civilian government came to power in 1982. During the 1980s, Honduras proved a haven for anti-Sandinista contras fighting the Marxist Nicaraguan Government and an ally to Salvadoran Government forces fighting leftist guerrillas. The country was devastated by Hurricane Mitch in 1998, which killed about 5,600 people and caused approximately \$2 billion in damage. Since then, the economy has slowly rebounded.

## Economic Profile

Honduras is a low middle-income country that faces major challenges, with more than 66 percent of the population living in poverty in 2016, according to official data. In rural areas, approximately one out of 5 Hondurans live in extreme poverty, or on less than US\$1.90 per day.

Since the 2008-2009 global economic crisis, Honduras has experienced a moderate recovery, driven by public investments, exports and higher remittances. In 2016, the country's economy grew by 3.7 percent, according to the latest estimates, the same growth expected for 2017.

Despite the favorable economic outlook, the country faces the highest level of economic inequality in Latin America. Another major challenge is the rampant crime and violence. Although in recent years, the number of homicides has declined, Honduras continues to have one of the highest rates in the world (59 murders per 100,000 inhabitants in 2016, according to the Observatory of Violence at the National Autonomous University of Honduras).

The country is also vulnerable to external shocks. Its agricultural sector, for example, lost nearly one-third of its revenue over the past two decades, in part due to the declining prices of the country's export crops, especially banana and coffee.



### GDP PER CAPITA (PPP) in 2016 US\$

2016	2015	2014
\$5,300	\$5,200	\$5,100

### EXPORTS

2016	2015	COUNTRY COMPARISON TO THE WORLD
\$7,841 billion	\$8,188 billion	96

#### PARTNERS (2016)

US	GERMANY	EL SALVADOR	GUATEMALA
36.7%	10.7%	8.6%	6.5%

#### COMMODITIES

coffee, apparel, coffee, shrimp, automobile wire harnesses, cigars, bananas, gold, palm oil, fruit, lobster, lumber

### IMPORTS

2016	2015	COUNTRY COMPARISON TO THE WORLD
\$10.56 billion	\$11.1 billion	94

#### PARTNERS (2016)

US	CHINA	GUATEMALA	MEXICO
32.8%	14.1%	8.9%	7.3%

#### COMMODITIES

communications equipment, machinery and transport, industrial raw materials, chemical products, fuels, foodstuffs

### INTERNET USERS

TOTAL	% OF POPULATION (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
5,241,952	30%	103

### TELEPHONES - FIXED LINES

TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
442,929	5	95

### TELEPHONES - MOBILE CELLULAR

TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
7,832,802	88	97

### TELEPHONE SYSTEM

#### GENERAL ASSESSMENT

fixed-line connections are increasing but still limited; competition among multiple providers of mobile-cellular services is contributing to a sharp increase in subscribership

#### DOMESTIC

beginning in 2003, private sub-operators allowed to provide fixed lines in order to expand telephone coverage contributing to a small increase in fixed-line teledensity; mobile-cellular subscribership is roughly 90 per 100 persons

#### INTERNATIONAL

country code - 504; landing point for both the Americas Region Caribbean Ring System (ARCOS-1) and the MAYA-1 fiber-optic submarine cable system that together provide connectivity to South and Central America, parts of the Caribbean, and the US; satellite earth stations - 2 Intelsat (Atlantic Ocean); connected to Central American Microwave System (2016)

Additionally, Honduras is susceptible to adverse natural events such as hurricanes and droughts. Measures to mitigate the impact of these shocks focus on strengthening the adaptation capacity of households, expanding market-based risk management mechanisms, and developing effective social safety nets.

World Bank studies have highlighted the importance of improving the quality of education and diversifying sources of rural income given that most of the country's poor live in rural areas and depend on agriculture for their livelihoods. Other studies have found that targeted social programs can potentially reduce poverty.

### TRADE IN SERVICES

In 2016, Honduras imported 1,787 million US\$ in services, and exported 2,739 million, leading to a surplus of 953 million US\$.



MEXICO CITY

# MEXICO

## Introduction

The site of several advanced Amerindian civilizations - including the Olmec, Toltec, Teotihuacan, Zapotec, Maya, and Aztec - Mexico was conquered and colonized by Spain in the early 16th century. Administered as the Viceroyalty of New Spain for three centuries, it achieved independence early in the 19th century. Elections held in 2000 marked the first time since the 1910 Mexican Revolution that an opposition candidate - Vicente FOX of the National Action Party (PAN) - defeated the party in government, the Institutional Revolutionary Party (PRI). He was succeeded in 2006 by another PAN candidate Felipe CALDERON, but Enrique PENA NIETO regained the presidency for the PRI in 2012. The global financial crisis in late 2008 caused a massive economic downturn in Mexico the following year, although growth returned quickly in 2010. Ongoing economic and social concerns include low real wages, high underemployment, inequitable income distribution, and few advancement opportunities for the largely indigenous population in the impoverished southern states. Since 2007, Mexico's powerful drug-trafficking organizations have engaged in bloody feuding, resulting in tens of thousands of drug-related homicides.

## Economic Profile

The Mexican economy performed better than expected during the first half of 2017 with annual Gross Domestic Product (GDP) growth at 2.3 percent. Conditions on financial markets have also

improved as the peso appreciated with respect to the U.S. dollar, following a significant depreciation earlier this year. Resilience to shocks, sensible monetary and fiscal policy responses, as well as a gradual improvement in the country's external environment managed to restore confidence and strengthen economic activity.

A strong recovery of external trade created a vigorous contribution of net exports to GDP growth. Increased external competitiveness derived from the accumulated currency depreciation over the past three years and strengthened U.S. industrial production have been invigorating Mexican exports. Private consumption continues to expand at a steady pace even though increasing inflation is dampening consumers' purchasing power by limiting real labor income growth. Total investment is flat for the second year in a row, dragged by a fall of public investment.

Annual consumer price inflation peaked in August at 6.7 percent following the impact of domestic fuel price hikes at the beginning of the year and some pass-through from accumulated currency depreciation. In response, the Central Bank hiked its monetary policy rate by 125 basis points during the first half of 2017 leaving the overnight interest rate at 7.0 percent by the end of June. Inflation is expected to come down next year to the upper side of the interval of plus minus 1 percent around the Central Bank's medium-term target of 3 percent.



POPULATION  
124,574,795

EASE OF DOING BUSINESS RANK  
47th

## TRADE IN SERVICES

In 2016, Mexico imported 31,926 million US\$, and exported 24,097 million, leaving a trade deficit of 7,828 million US\$.

COMMUNICATIONS INFRASTRUCTURE AND ECONOMIC INDICATORS

GDP PER CAPITA (PPP) in 2016 US\$

2016	2015	2014
\$18,900	\$18,700	\$18,400

EXPORTS

2016	2015	COUNTRY COMPARISON TO THE WORLD
\$374.3 billion	\$381 billion	13

PARTNERS (2016)

US  
81%

COMMODITIES

manufactured goods, oil and oil products, silver, fruits, vegetables, coffee, cotton

IMPORTS

2016	2015	COUNTRY COMPARISON TO THE WORLD
\$387.4 billion	\$395.6 billion	12

PARTNERS (2016)

US	CHINA	JAPAN
46.6%	18%	4.6%

COMMODITIES

metalworking machines, steel mill products, agricultural machinery, electrical equipment, automobile parts for assembly and repair, aircraft, aircraft parts

INTERNET USERS

TOTAL	% OF POPULATION (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
73,334,032	59.5%	12

TELEPHONES - FIXED LINES

TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
19,599,886	16	14

TELEPHONES - MOBILE CELLULAR

TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
111,724,654	91	14

TELEPHONE SYSTEM

GENERAL ASSESSMENT

adequate telephone service for business and government; improving quality and increasing mobile cellular availability, with mobile subscribers far outnumbering fixed-line subscribers; domestic satellite system with 120 earth stations; extensive microwave radio relay network; considerable use of fiber-optic cable and coaxial cable

DOMESTIC

competition has spurred the mobile-cellular market; fixed-line teledensity exceeds 15 per 100 persons; mobile-cellular teledensity is about 90 per 100 persons

INTERNATIONAL

country code - 52; Columbus-2 fiber-optic submarine cable with access to the US, Virgin Islands, Canary Islands, Spain, and Italy; the Americas Region Caribbean Ring System (ARCOS-1) and the MAYA-1 submarine cable system together provide access to Central America, parts of South America and the Caribbean, and the US; satellite earth stations - 120 (32 Intelsat, 2 Solidaridad (giving Mexico improved access to South America, Central America, and much of the US as well as enhancing domestic communications), 1 Panamsat, numerous Inmarsat mobile earth stations); linked to Central American Microwave System of trunk connections (2016)





COMMUNICATIONS INFRASTRUCTURE AND ECONOMIC INDICATORS

## Introduction

The Pacific coast of Nicaragua was settled as a Spanish colony from Panama in the early 16th century. Independence from Spain was declared in 1821 and the country became an independent republic in 1838. Britain occupied the Caribbean Coast in the first half of the 19th century, but gradually ceded control of the region in subsequent decades.

Violent opposition to governmental manipulation and corruption spread to all classes by 1978 and resulted in a short-lived civil war that brought the Marxist Sandinista guerrillas led by Daniel ORTEGA Saavedra to power in 1979. Nicaraguan aid to leftist rebels in El Salvador prompted the US to sponsor anti-Sandinista contra guerrillas through much of the 1980s. After losing free and fair elections in 1990, 1996, and 2001, former Sandinista President Daniel ORTEGA was elected president in 2006, 2011, and most recently in 2016. Municipal, regional, and national-level elections since 2008 have been marred by widespread irregularities. Nicaragua's infrastructure and economy - hard hit by the earlier civil war and by Hurricane Mitch in 1998 - are being rebuilt, but democratic institutions have weakened under the ORTEGA administration as the president has garnered full control over all four branches of government: the presidency, the judicial, the National Assembly, and the Supreme Electoral Council.

## Economic Profile

Despite global economic turbulence, Nicaragua has stood out for maintaining growth levels above the average for Latin America and the Caribbean. Disciplined macroeconomic policies, combined with a steady expansion of exports and foreign direct investment, helped Nicaragua to weather the global economic crisis of 2008-09 and rising food and oil prices.

In 2011, growth hit a record 5.1 percent, slowing to 4.9 and 4.7 in 2015 and 2016, respectively. For this year, the forecast is 4.6 percent, which is why Nicaragua ranks second in growth among Central American countries, with favorable prospects for foreign direct investment and trade.

Nicaragua's macroeconomic stability has allowed the country's decision makers to shift from crisis control mode to longer-term, pioneering strategies to fight poverty, particularly in remote rural communities. Massive debt relief by the International Development Association (IDA), the World Bank's fund for the poorest countries, has helped make this shift possible.

According to the 2014 Standard of Living Survey by the National Development Information Institute, between 2009 and 2014 general poverty in Nicaragua dropped from 42.5 percent to 29.6 percent; while in the same period extreme poverty fell from 14.6 to 8.3 percent.



Despite this progress, poverty remains high. What's more, Nicaragua is still one of Latin America's least developed countries, where access to basic services is a daily challenge.

To better reach the country's vulnerable families, IDA projects leverage local initiatives that stretch limited resources further and deliver sustainable results.

To this end, Nicaragua's National Plan for Human Development (PNDH) has been updated through 2016. Its overall objective is to reduce inequality by increasing the fight against poverty, reducing spending, and increasing investment in social sectors and rural infrastructure.

## TRADE IN SERVICES

In 2016, Nicaragua imported 1,082 million US\$ in services, and exported 1,578 million, leading to a surplus of 497 million US\$.

**GDP PER CAPITA (PPP) in 2016 US\$**

2016	2015	2014
\$5,500	\$5,300	\$5,100

**EXPORTS**

2016	2015	COUNTRY COMPARISON TO THE WORLD
\$3.772 billion	\$3.859 billion	115

**PARTNERS (2016)**

US	MEXICO	EL SALVADOR	VENEZUELA
51.5%	13.8%	6%	5.9%

**COMMODITIES**

coffee, beef, gold, sugar, peanuts, shrimp and lobster, tobacco, cigars, automobile wiring harnesses, textiles, apparel

**IMPORTS**

2016	2015	COUNTRY COMPARISON TO THE WORLD
\$6.384 billion	\$6.405 billion	112

**PARTNERS (2016)**

US	CHINA	MEXICO	COSTA RICA
19.7%	12.9%	9.7%	7.8%

**COMMODITIES**

consumer goods, machinery and equipment, raw materials, petroleum products

**INTERNET USERS**

TOTAL	% OF POPULATION (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
1,466,152	24.6%	123

**TELEPHONES - FIXED LINES**

TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
366,636	6	111

**TELEPHONES - MOBILE CELLULAR**

TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
7,745,512	130	105

**TELEPHONE SYSTEM**

**GENERAL ASSESSMENT**

system being upgraded by foreign investment; nearly all installed telecommunications capacity now uses digital technology, owing to investments since privatization of the formerly state-owned telecommunications company

**DOMESTIC**

since privatization, access to fixed-line and mobile-cellular services has improved; fixed-line teledensity roughly 6 per 100 persons; mobile-cellular telephone subscribership has increased to almost 130 per 100 persons

**INTERNATIONAL**

country code - 505; the Americas Region Caribbean Ring System (ARCOS-1) fiber-optic submarine cable provides connectivity to South and Central America, parts of the Caribbean, and the US; satellite earth stations - 1 Intersputnik (Atlantic Ocean region) and 1 Intelsat (Atlantic Ocean) (2016)



COMMUNICATIONS INFRASTRUCTURE AND ECONOMIC INDICATORS

GDP PER CAPITA (PPP) in 2016 US\$			
2016	2015	2014	
\$23,000	\$22,300	\$21,400	
EXPORTS INCLUDES THE COLON FREE ZONE			
2016	2015	COUNTRY COMPARISON TO THE WORLD	
\$14.7 billion	\$15.93 billion	73	
PARTNERS (2016)			
US	NETHERLANDS	COSTA RICA	CHINA
21.4%	15.2%	6%	5.6%
COMMODITIES			
fruit and nuts, fish, iron and steel waste, wood			
IMPORTS INCLUDES THE COLON FREE ZONE			
2016	2015	COUNTRY COMPARISON TO THE WORLD	
\$22.08 billion	\$22.48 billion	67	
PARTNERS (2016)			
US	CHINA	MEXICO	
25.7%	9.2%	5.3%	
COMMODITIES			
fuels, machinery, vehicles, iron and steel rods, pharmaceuticals			
INTERNET USERS			
TOTAL	% OF POPULATION (JULY 2016)	COUNTRY COMPARISON TO THE WORLD	
2,000,833	54%	105	
TELEPHONES - FIXED LINES			
TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD	
641,688	17	92	
TELEPHONES - MOBILE CELLULAR			
TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD	
6,977,701	188	110	
TELEPHONE SYSTEM			
GENERAL ASSESSMENT			
domestic and international facilities well-developed			
DOMESTIC			
mobile-cellular telephone subscribership has increased rapidly			
INTERNATIONAL			
country code - 507; landing point for the Americas Region Caribbean Ring System (ARCOS-1), the MAYA-1, and PAN-AM submarine cable systems that together provide links to the US and parts of the Caribbean, Central America, and South America; satellite earth stations - 2 Intelsat (Atlantic Ocean); connected to the Central American Microwave System (2015)			

## Introduction

Explored and settled by the Spanish in the 16th century, Panama broke with Spain in 1821 and joined a union of Colombia, Ecuador, and Venezuela - named the Republic of Gran Colombia. When the latter dissolved in 1830, Panama remained part of Colombia. With US backing, Panama seceded from Colombia in 1903 and promptly signed a treaty with the US allowing for the construction of a canal and US sovereignty over a strip of land on either side of the structure (the Panama Canal Zone). The Panama Canal was built by the US Army Corps of Engineers between 1904 and 1914. In 1977, an agreement was signed for the complete transfer of the Canal from the US to Panama by the end of the century. Certain portions of the Zone and increasing responsibility over the Canal were turned over in the subsequent decades. With US help, dictator Manuel NORIEGA was deposed in 1989. The entire Panama Canal, the area supporting the Canal, and remaining US military bases were transferred to Panama by the end of 1999. An ambitious expansion project to more than double the Canal's capacity - by allowing for more Canal transits and larger ships - was carried out between 2007 and 2016.

## Economic Profile

Over the past decade, Panama has been one of the fastest growing economies worldwide. Average annual growth was 7.2 percent between 2001 and 2013, more than double the regional average. The Panamanian economy grew by 6.1 percent in 2014, coming down slightly to 5.8 and 4.8 percent in 2015 and 2016, respectively. By 2017 and 2018 the forecast remains at 5.4 percent, the highest in Latin America.

In the medium term, Panama's growth is likely to remain one of the highest in Latin America. Public investments should also remain high, with planned construction of the second Metro line and expected additional traffic generated by the expanded Canal. Private investment should also remain strong. Prospects for high growth in the coming years are also supported by emerging opportunities for private sector-led growth in key sectors, such as transport and logistics, mining, financial services, and tourism.

Panama has made significant progress in reducing poverty in recent years. If we use the international poverty line of US\$4 a day, it would result in a general poverty reduction of 21 to 17 percent between 2011 and 2015. In addition, the economy has generated 280 thousand new jobs.

Despite the gains on poverty reduction, sharp regional disparities remain. Poverty prevails in rural areas, mainly inhabited by indigenous people. Regarding extreme poverty, for example, while in urban areas it is below 4 percent, in rural areas it is about 27 percent.

Moreover, in indigenous territories, known as "comarcas", poverty is above 70 percent and extreme poverty above 40 percent. Lack of services, particularly access to water and sanitation, and health continues to be a constraint in the comarcas. Panama is well positioned to continue making progress towards the twin goals, ending extreme poverty and boosting shared prosperity, thanks to both growth prospects and the Government's renewed attention to inclusion.

Yet sustaining growth over the medium to long term will require addressing some structural constraints that may become binding as the country continues developing. A number of priority structural areas, if left unaddressed, could hamper growth in the coming years. They include: infrastructure, education and skills, and the effectiveness of public institutions.

The Administration of President Juan Carlos Varela took office on July 1, 2014. The Government's 5-year Strategic Development Plan 2015-2019 rests on two pillars of inclusion and competitiveness and includes five themes: (1) Enhancing productivity and diversifying growth; (2) Enhancing quality of life (3) Strengthening human capital; (4) Improving infrastructure, and (5) Improving environmental sustainability, including management.

## TRADE IN SERVICES

In 2016, Panama imported 4,446 million US\$ in services, and exported 12,329 billion, leading to a surplus of 7,883 million US\$.





# PARAGUAY

## Introduction

Paraguay achieved its independence from Spain in 1811. In the disastrous War of the Triple Alliance (1865-70) - between Paraguay and Argentina, Brazil, and Uruguay - Paraguay lost two-thirds of its adult males and much of its territory. The country stagnated economically for the next half century. Following the Chaco War of 1932-35 with Bolivia, Paraguay gained a large part of the Chaco lowland region. The 35-year military dictatorship of Alfredo STROESSNER ended in 1989, and, despite a marked increase in political infighting in recent years, Paraguay has held relatively free and regular presidential elections since the country's return to democracy.

## Economic Profile

With nearly 7 million people, Paraguay is a small and open economy. Over the past decade, the Paraguayan economy grew at an average of 5%, a level of growth higher than that of its neighbors, although very volatile. This was due mainly to its heavy reliance on natural resources. Electric energy through the hydroelectric binationals Itaipu and Yacyreta, along with the highly productive and modern soy and livestock production are leading economic activities, having represented more than 70% of all Paraguayan exports in 2016.

Sustained economic growth helped reduce poverty and promote shared prosperity. The income of the bottom 40% increased by an annualized growth rate of 8% between 2009 and 2014 and the proportion of Paraguayans who live on less than US\$4.0 per day (regional poverty threshold) fell from 32.5% to 18.8%. The annualized growth rate of the income of the bottom 40% was about 1% in 2013-15 and poverty mildly deteriorated to 19.6% in 2015. Income inequality, though lower than 10 years ago, remains high and volatile.

Over the past decade, the country has made significant progress on the macroeconomic front after making important economic reforms, such as the Fiscal Responsibility Law (FRL), Inflation Targeting and the creation of a Fiscal Advisory Council.

Growth accelerated to 4% in 2016 and is expected to be at 3.6% in 2017 thanks to a good soy harvest and an increase in constructions and manufacturing



**POPULATION**  
6,943,739

**EASE OF DOING BUSINESS RANK**  
106th

production, with a small current account surplus and a fiscal deficit in line with the FRL target of 1.5% of GDP.

The implementation of major economic and structural reforms has made significant progress as well. The measures include the introduction of a fiscal rule, the VAT reform (increase of products in the agriculture and financial sector; extend VAT to cooperatives), the introduction of income tax and corporate tax on agricultural income; and the improvement of fiscal transparency. In addition, the approval of the Law on Access to Public Information was important to improve transparency in the public sector in the country.

Despite recent efforts to improve tax collection and modify the composition of public expenditure towards investment, taxation levels remain low and the quality of infrastructure and public services, inadequate. Challenges remain to improve governance, the business climate and formality. Nevertheless, progress has been made on the social front, with a series of reforms in this area, including free access to primary health care and basic education and the expansion of conditional transfer programs to benefit vulnerable populations. However, the high levels of poverty and inequality remain major problems for development.

## TRADE IN SERVICES

In 2016, Paraguay imported 1,093 million US\$ in services, and exported 965 million, resulting in a deficit of 127 million US\$.

**GDP PER CAPITA (PPP) in 2016 US\$**

2016	2015	2014
\$21,500	\$21,300	\$21,200

**EXPORTS**

2016	2015	COUNTRY COMPARISON TO THE WORLD
\$8,387 billion	\$9,091 billion	94

**PARTNERS (2016)**

BRAZIL	ARGENTINA	RUSSIA	CHILE
35.4%	10.5%	7.6%	6.1%

**COMMODITIES**  
beef, soybeans, cellulose, rice, wheat, wood, dairy products, wool

**IMPORTS**

2016	2015	COUNTRY COMPARISON TO THE WORLD
\$8,037 billion	\$9,334 billion	105

**PARTNERS (2016)**

CHINA	BRAZIL	ARGENTINA	US
27.3%	24.3%	14.3%	7.1%

**COMMODITIES**  
refined oil, crude oil, passenger and other transportation vehicles, vehicle parts, cellular phones

**INTERNET USERS**

TOTAL	% OF POPULATION (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
2,225,075	66.4%	99

**TELEPHONES - FIXED LINES**

TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
1,113,566	33	75

**TELEPHONES - MOBILE CELLULAR**

TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
5,116,736	153	112

**TELEPHONE SYSTEM**

**GENERAL ASSESSMENT**  
fully digitalized

**DOMESTIC**  
most modern facilities concentrated in Montevideo; nationwide microwave radio relay network; overall fixed-line and mobile-cellular teledensity over 185 telephones per 100 persons

**INTERNATIONAL**  
country code - 598; the UNISOR submarine cable system provides direct connectivity to Brazil and Argentina; satellite earth stations - 2 Intelsat (Atlantic Ocean) (2016)





COMMUNICATIONS INFRASTRUCTURE AND ECONOMIC INDICATORS

GDP PER CAPITA (PPP) in 2016 US\$			
2016	2015	2014	
\$12,900	\$12,600	\$12,300	
EXPORTS			
2016	2015	COUNTRY COMPARISON TO THE WORLD	
\$37.02 billion	\$34.41 billion	52	
PARTNERS (2016)			
CHINA	US	SWITZERLAND	CANADA
23.5%	17.3%	7.1%	4.7%
COMMODITIES			
copper, gold, lead, zinc, tin, iron ore, molybdenum, silver; crude petroleum and petroleum products, natural gas; coffee, asparagus and other vegetables, fruit, apparel and textiles, fishmeal, fish, chemicals, fabricated metal products and machinery, alloys			
IMPORTS			
2016	2015	COUNTRY COMPARISON TO THE WORLD	
\$35.13 billion	\$37.33 billion	59	
PARTNERS (2016)			
CHINA	US	BRAZIL	MEXICO
22.8%	20.2%	5.8%	4.5%
COMMODITIES			
petroleum and petroleum products, chemicals, plastics, machinery, vehicles, TV sets, power shovels, front-end loaders, telephones and telecommunication equipment, iron and steel, wheat, corn, soybean products, paper, cotton, vaccines and medicines			

## Introduction

Ancient Peru was the seat of several prominent Andean civilizations, most notably that of the Incas whose empire was captured by Spanish conquistadors in 1533. Peru declared its independence in 1821, and remaining Spanish forces were defeated in 1824. After a dozen years of military rule, Peru returned to democratic leadership in 1980, but experienced economic problems and the growth of a violent insurgency. President Alberto FUJIMORI's election in 1990 ushered in a decade that saw a dramatic turnaround in the economy and significant progress in curtailing guerrilla activity. Nevertheless, the president's increasing reliance on authoritarian measures and an economic slump in the late 1990s generated mounting dissatisfaction with his regime, which led to his resignation in 2000. A caretaker government oversaw a new election in the spring of 2001, which installed Alejandro TOLEDO Manrique as the new head of government - Peru's first democratically elected president of indigenous ethnicity. The presidential election of 2006 saw the return of Alan GARCIA Perez who, after a disappointing presidential term from 1985 to 1990, oversaw a robust economic rebound. Former army officer Ollanta HUMALA Tasso was elected president in June 2011, and carried on the sound, market-oriented economic policies of the three preceding administrations. Poverty and unemployment levels have fallen dramatically in the last decade, and today Peru boasts one of the best performing economies in Latin America. Pedro Pablo KUCZYNSKI Godard won a very narrow presidential runoff election in June 2016.

## Economic Profile

Over the past decade, Peru has been one of the region's fastest-growing economies, with an average growth rate 5.9 percent in a context of low inflation (averaging 2.9 percent). A favorable external environment, prudent macroeconomic policies and structural reforms in different areas created a scenario of high growth and low inflation. The strong growth in employment and income have sharply reduced poverty rates. Moderate poverty (US\$4 a day 2005 PPP) fell from 45.5 percent in 2005 to 19.3 percent in 2015. This is equivalent to 6.5 million people getting out of poverty during this period. Extreme poverty (US\$2.5 a day 2005 PPP) declined from 27.6 percent to 9 percent over the same period.

GDP growth continued to accelerate in 2016 on the back of higher mining export volumes as several large mining projects entered into production and/or reached full capacity. The economy is estimated to have grown above potential at 3.9 percent in 2016 due to that temporary peak in mining production. Higher growth in mining export volumes was partially attenuated by lower dynamism in domestic demand, as public spending receded and investment continued to decline. The current account deficit declined significantly from 4.9 to 2.8 percent of GDP in 2016, owing to the surge in export growth and lower imports. However, at 23.8 (8.5) percent of GDP, Peru's gross (net) public debt remains one of the lowest in the region.

Fiscal policy remains prudent, even as deficits have increased over the last years. The higher deficit stems from a decline in revenues that came with the economic slowdown, the 2014 tax reform and increases in recurrent expenditures in recent years, especially for goods and services, and wages. The Government expects to phase out current fiscal deficits gradually over the medium term on the back of expenditure measures and plans to improve tax collection.

Growth projections are vulnerable to external shocks in commodities prices, a further deceleration of China's growth, capital markets volatility, the speed of monetary policy tightening in the United States. The economy is also exposed to natural risks, including recurrent climatic phenomena such as El Niño. Raising growth requires structural and fiscal reforms to unleash productivity, reduce informality, and improve efficiency of public services.

### TRADE IN SERVICES

In 2016, Peru imported 7,956 million US\$ in services, and exported 6,304 million, leading to a deficit of 1,652 million US\$.

## INTERNET USERS

TOTAL	% OF POPULATION (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
13,975,422	45.5%	39

## TELEPHONES - FIXED LINES

TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
3,074,464	10	48

## TELEPHONES - MOBILE CELLULAR

TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
36,933,161	120	38

## TELEPHONE SYSTEM

**GENERAL ASSESSMENT**  
adequate for most requirements; nationwide microwave radio relay system and a domestic satellite system with 12 earth stations

**DOMESTIC**  
fixed-line teledensity is only about 10 per 100 persons; mobile-cellular teledensity, spurred by competition among multiple providers, now 120 telephones per 100 persons

**INTERNATIONAL**  
country code - 51; the South America-1 (SAM-1) and Pan American (PAN-AM) submarine cable systems provide links to parts of Central and South America, the Caribbean, and US; satellite earth stations - 2 Intelsat (Atlantic Ocean) (2016)



COMMUNICATIONS INFRASTRUCTURE AND ECONOMIC INDICATORS

GDP PER CAPITA (PPP) in 2016 US\$			
2016	2015	2014	
\$23,000	\$22,300	\$21,400	
EXPORTS			
2016	2015	COUNTRY COMPARISON TO THE WORLD	
\$14.7 billion	\$15.93 billion	73	
PARTNERS (2016)			
BRAZIL	CHINA	US	ARGENTINA
16.4%	12.2%	6.2%	5%
COMMODITIES			
fruit and nuts, fish, iron and steel waste, wood			
IMPORTS			
2016	2015	COUNTRY COMPARISON TO THE WORLD	
\$22.08 billion	\$22.48 billion	67	
PARTNERS (2016)			
CHINA	BRAZIL	ARGENTINA	US
18.8%	17.9%	13.3%	6.9%
COMMODITIES			
fuels, machinery, vehicles, iron and steel rods, pharmaceuticals			

## Introduction

Montevideo, founded by the Spanish in 1726 as a military stronghold, soon took advantage of its natural harbor to become an important commercial center. Claimed by Argentina but annexed by Brazil in 1821, Uruguay declared its independence four years later and secured its freedom in 1828 after a three-year struggle. The administrations of President Jose BATLLE in the early 20th century launched widespread political, social, and economic reforms that established a statist tradition. A violent Marxist urban guerrilla movement named the Tupamaros, launched in the late 1960s, led Uruguay's president to cede control of the government to the military in 1973. By yearend, the rebels had been crushed, but the military continued to expand its hold over the government. Civilian rule was restored in 1985. In 2004, the left-of-center Frente Amplio Coalition won national elections that effectively ended 170 years of political control previously held by the Colorado and National (Blanco) parties. Uruguay's political and labor conditions are among the freest on the continent.

## Economic Profile

Uruguay stands out in Latin America for being an egalitarian society and for its high per capita income, low level of inequality and poverty and the almost complete absence of extreme poverty. In relative terms, its middle class is the largest in America, and represents 60% of its population. Uruguay occupies the top spots in the region in terms of various measures of well-being, such as the Human Development Index, the Human Opportunity Index and the Economic Freedom Index. Institutional stability and low levels of corruption are reflected in the high level of confidence that citizens have on the government. According to the World Bank's Human Opportunity Index, Uruguay has managed to attain a high level of equality of opportunity in terms of access to basic services such as education, running water, electricity and sanitation.

In July of 2013, the World Bank placed Uruguay as a high-income country. By 2016, the PPA gross NATIONAL per capita income stood at US\$21,625. Two main characteristics —a solid social contract and economic openness— paved the way to the reduction in poverty and the promotion of shared prosperity that Uruguay successfully followed in the last decade.

With an annual average growth rate of 4.54% between 2003 and 2016, Uruguay's robust economic performance has given it a greater economic resilience to external shocks.

Moderate poverty went from 32.5% in 2006 to 9.4% in 2016, while extreme poverty has practically disappeared: it went down from 2.5% to 0.2% in the same period. In terms of equity, income levels among the poorest 40% of the Uruguayan population increased much faster than the average growth rate of income levels for the entire population. Inclusive social policies have focused on expanding program coverage; for example, around 87% of the over-65 population is covered by the pension system: this is one of the highest coefficients in Latin America and the Caribbean alongside Argentina and Brazil.

Its robust macroeconomic performance was also reflected in the labor market, which registered historically low unemployment levels in 2014 (6.6%), although in view of a marked slowdown in growth, the latter has increased to 7.8% in July of 2017. Concerning export markets, these have been diversified with the aim of reducing the country's dependency on its main trade partners; currently, 77% of exports go to 15 different destinations.

Uruguay continues to maintain an adequate macroeconomic framework although in a much more complicated external environment.

## TRADE IN SERVICES

In 2016, Uruguay imported 2,283 million US\$ in services, and exported 3,006 million, leading to a surplus of 723 million US\$.

## INTERNET USERS

TOTAL	% OF POPULATION (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
2,000,833	54%	105

## TELEPHONES - FIXED LINES

TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
641,688	17	92

## TELEPHONES - MOBILE CELLULAR

TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
6,977,701	188	110

## TELEPHONE SYSTEM

GENERAL ASSESSMENT	
domestic and international facilities well-developed	
DOMESTIC	
mobile-cellular telephone subscribership has increased rapidly	
INTERNATIONAL	
country code - 507; landing point for the Americas Region Caribbean Ring System (ARCOS-1), the MAYA-1, and PAN-AM submarine cable systems that together provide links to the US and parts of the Caribbean, Central America, and South America; satellite earth stations - 2 Intelsat (Atlantic Ocean); connected to the Central American Microwave System (2015)	



## Introduction

Venezuela was one of three countries that emerged from the collapse of Gran Colombia in 1830 (the others being Ecuador and New Granada, which became Colombia). For most of the first half of the 20th century, Venezuela was ruled by generally benevolent military strongmen who promoted the oil industry and allowed for some social reforms. Democratically elected governments have held sway since 1959. Under Hugo CHAVEZ, president from 1999 to 2013, and his hand-picked successor, President Nicolas MADURO, the executive branch has exercised increasingly authoritarian control over other branches of government. At the same time, democratic institutions have deteriorated, freedoms of expression and the press have been curtailed, and political polarization has grown. The ruling party's economic policies have expanded the state's role in the economy through expropriations of major enterprises, strict currency exchange and price controls that discourage private sector investment and production, and overdependence on the petroleum industry for revenues, among others. Current concerns include: human rights abuses, rampant violent crime, high inflation, and widespread shortages of basic consumer goods, medicine, and medical supplies.

## Economic Profile

From the beginning of the past decade until late 2014, Venezuela has benefited from historically high oil prices, which enabled increased public spending on ambitious programs. The government established a variety of public companies and nationalized many private firms in

sectors such as oil and gas, mining and metallurgy, cement, banking and telecommunications. Large social programs called misiones were implemented to deliver basic services and transfer resources to previously excluded parts of the population. Economic growth and redistribution policies led to a significant decline in poverty, from 50 percent in 1998 to approximately 30 percent in 2013, according to official figures. Inequality also decreased, as reflected in the decrease in the Gini Index, from 0.49 in 1998 to 0.40 in 2012, among the lowest rates in the region.

Nevertheless, the collapse in international oil prices, along with inadequate macro and microeconomic policies, have significantly affected Venezuela's economic and social performance. The country's reliance on the hydrocarbon sector has sharply increased (oil now accounts for 96 percent of exports). Also, during the economic boom Venezuela did not accumulate savings to mitigate a reversal in terms of trade or to cushion the necessary macroeconomic adjustment.

In the short and medium term, Venezuela faces major financing needs, with a fiscal deficit estimated at 20 percent of GDP at the end of 2015, and external financing needs estimated at between US\$25 billion and US\$35 billion. Access to external financing is restricted and the public deficit has been largely monetized. This source of financing, price controls, limitations on access to foreign currency, and the collapse of the private sector in the provision of basic goods, have cumulatively led to one of the world's highest inflation rates. These imbalances generated pressure on the exchange rate even before international oil prices collapsed in late 2014. The government has worked to contain these pressures



by implementing a multiple exchange rate system and additional exchange rate controls. These measures have contributed to a strong external adjustment through a contraction of imports. However, they have been unable to stem the outflow of foreign currency. At the same time, exchange measures, and regulations on private sector participation in the production and distribution of some basic goods, have triggered shortages of basic goods, inflationary pressures, and supply problems in a productive structure that is heavily dependent on imports. In early 2016, the government switched to a dual exchange rate system, at the same time devaluing the lowest official rate by 37 percent, from 6.3 BsF per US\$ to 10 BsF per US\$ and ordering that the other exchange rate would be a floating rate. The government also announced an increase in fuel prices, although the new prices are still heavily subsidized.

Consequently, Venezuela faces major challenges. The most pressing challenge is to contain the major macroeconomic imbalances that are already reversing previous social advances. As a complementary measure, Venezuela needs to reestablish private sector confidence by improving the investment climate in an effort to strengthen its long-term growth perspectives, and to diversify its exports to reduce its extreme vulnerability to oil price fluctuations. Finally, these adjustments could be accompanied by an active, well-designed policy to protect the population living in poverty.

## TRADE IN SERVICES

In 2015, Venezuela imported 14,300 million US\$ in services, and exported 1,593 million, leading to a deficit of 12,707 million US\$.

## GDP PER CAPITA (PPP) in 2016 US\$

2016	2015	2014
\$13,800	\$17,000	\$18,400

## EXPORTS

2016	2015	COUNTRY COMPARISON TO THE WORLD
\$27.2 billion	\$37.23 billion	63

### PARTNERS (2016)

US	INDIA	CHINA	NETHERLANDS ANTILLES
35.1%	17.2%	14.1%	8%

### COMMODITIES

petroleum and petroleum products, bauxite and aluminum, minerals, chemicals, agricultural products

## IMPORTS

2016	2015	COUNTRY COMPARISON TO THE WORLD
\$20.19 billion	\$36.46 billion	69

### PARTNERS (2016)

US	CHINA	BRAZIL	COLOMBIA
22.1%	14.3%	7.4%	4.2%

### COMMODITIES

agricultural products, livestock, raw materials, machinery and equipment, transport equipment, construction materials, medical equipment, petroleum products, pharmaceuticals, chemicals, iron and steel products

## INTERNET USERS

TOTAL	% OF POPULATION (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
18,547,381	60%	37

## TELEPHONES - FIXED LINES

TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
7,752,232	25	23

## TELEPHONES - MOBILE CELLULAR

TOTAL	SUBSCRIPTIONS PER 100 INHABITANTS (JULY 2016)	COUNTRY COMPARISON TO THE WORLD
27,600,893	89	40

## TELEPHONE SYSTEM

### GENERAL ASSESSMENT

modern and expanding

### DOMESTIC

two domestic satellite systems with three earth stations; recent substantial improvement in telephone service in rural areas; installation of a national interurban fiber-optic network capable of digital multimedia services; three major providers operate the mobile market, combined fixed-line and mobile-cellular telephone subscribership about 115 per 100 persons

### INTERNATIONAL

country code - 58; submarine cable systems provide connectivity to Cuba and the Caribbean, Central and South America, and US; satellite earth stations - 1 Intelsat (Atlantic Ocean) and 1 PanAmSat; participating with Colombia, Ecuador, Peru, and Bolivia in the construction of an international fiber-optic network (2016)

# ECONOMETRICS AT A GLANCE

# EUROPEAN UNION

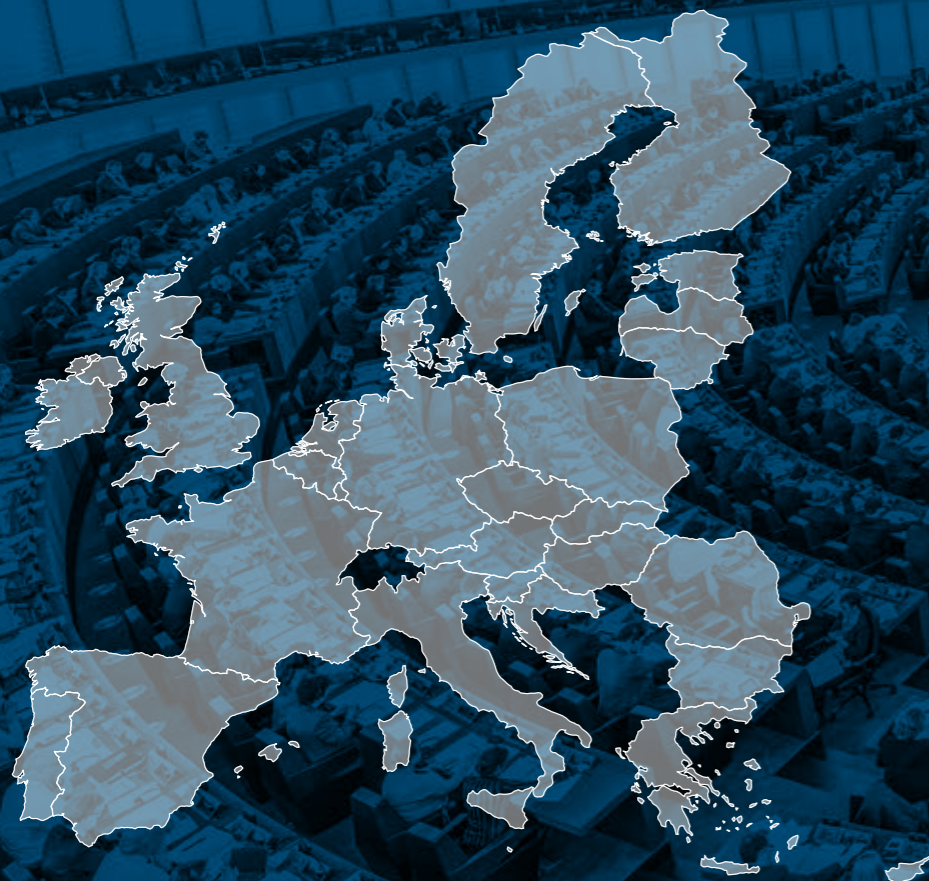


“ We shouldn't forget what the great Ronald Reagan used to say about the mindset of the statist, of the protectionist: “If something moves, tax it. If it keeps moving, regulate it. And if it stops moving, subsidise it.” Incredible as it may seem, this is how they think. They fear deregulation and free-market: it's a sort of horror vacui. To them, not regulated does not mean free, but illegal.



**Daniele Capezzone MP**  
*Direzione Italia, Italy*





POPULATION

516,195,432



EASE OF DOING BUSINESS RANK

The ranks are designed for individual countries, however, the EU does particularly well, landing high ranks with its major countries, such as **Denmark** at #3, and **Germany** at #17, though there are a few countries who aren't doing as well, like **Greece** at #61, and **Malta** at #76.

# EUROPEAN UNION

## Introduction

Following the two devastating World Wars in the first half of the 20th century, a number of far-sighted European leaders in the late 1940s sought a response to the overwhelming desire for peace and reconciliation on the continent. In 1950, the French Foreign Minister Robert SCHUMAN proposed pooling the production of coal and steel in Western Europe and setting up an organization for that purpose that would bring France and the Federal Republic of Germany together and would be open to other countries as well. The following year, the European Coal and Steel Community (ECSC) was set up when six members - Belgium, France, West Germany, Italy, Luxembourg, and the Netherlands - signed the Treaty of Paris.

The ECSC was so successful that within a few years the decision was made to integrate other elements of the countries' economies. In 1957, envisioning an "ever closer union," the Treaties of Rome created the European Economic Community (EEC) and the European Atomic Energy Community (Euratom), and the six member states undertook to eliminate trade barriers among themselves by forming a common market. In 1967, the institutions of all three communities were formally merged into the European Community (EC), creating a single Commission, a single Council of Ministers, and the

body known today as the European Parliament. Members of the European Parliament were initially selected by national parliaments, but in 1979 the first direct elections were undertaken and have been held every five years since.

In 1973, the first enlargement of the EC took place with the addition of Denmark, Ireland, and the UK. The 1980s saw further membership expansion with Greece joining in 1981 and Spain and Portugal in 1986. The 1992 Treaty of Maastricht laid the basis for further forms of cooperation in foreign and defense policy, in judicial and internal affairs, and in the creation of an economic and monetary union - including a common currency. This further integration created the European Union (EU), at the time standing alongside the EC. In 1995, Austria, Finland, and Sweden joined the EU/EC, raising the membership total to 15.

A new currency, the euro, was launched in world money markets on 1 January 1999; it became the unit of exchange for all EU member states except Denmark, Sweden, and the UK. In 2002, citizens of those 12 countries began using euro banknotes and coins. Ten new countries joined the EU in 2004 - Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia. Bulgaria and Romania joined in 2007 and Croatia in 2013, bringing the current membership to 28.

(Seven of these new countries - Cyprus, Estonia, Latvia, Lithuania, Malta, Slovakia, and Slovenia - have now adopted the euro, bringing total euro-zone membership to 19.)

In an effort to ensure that the EU could function efficiently with an expanded membership, the Treaty of Nice (concluded in 2000; entered into force in 2003) set forth rules to streamline the size and procedures of EU institutions. An effort to establish a "Constitution for Europe," growing out of a Convention held in 2002-2003, foundered when it was rejected in referenda in France and the Netherlands in 2005. A subsequent effort in 2007 incorporated many of the features of the rejected draft Constitutional Treaty while also making a number of substantive and symbolic changes. The new treaty, referred to as the Treaty of Lisbon, sought to amend existing treaties rather than replace them. The treaty was approved at the EU intergovernmental conference of the then 27 member states held in Lisbon in December 2007, after which the process of national ratifications began. In October 2009, an Irish referendum approved the Lisbon Treaty (overturning a previous rejection) and cleared the way for an ultimate unanimous endorsement. Poland and the Czech Republic ratified soon after. The Lisbon Treaty came into force on 1 December 2009 and the EU officially replaced and succeeded the EC. The

Treaty's provisions are part of the basic consolidated versions of the Treaty on European Union (TEU) and the Treaty on the Functioning of the European Union (TFEU) now governing what remains a very specific integration project.

Frustrated by a remote bureaucracy in Brussels and massive migration into the country, UK citizens on 23 June 2016 narrowly voted to leave the EU. The so-called "Brexit" will take years to carry out, but could embolden skeptics of EU membership in other member states.

## Economic Profile

Economic growth in the European Union (EU) is increasingly solid, both in terms of its pace and composition. The European economy has entered its fifth year of recovery, which is now reaching all EU Member States. Private consumption remains the main driver of growth.

The prospects of investment becoming a second pillar of growth are also good, as a recovery in investment continues to benefit from very favorable financing conditions and improvements in corporate profitability. The recovery of credit to the private sector is proceeding. Moreover, the global recovery should increasingly lend support to trade.



The labor market continues to improve, though it remains uneven, and the employment rate has finally returned to pre-crisis levels. Large jobs deficits persist in some countries, notably in Southern Europe. In 2016, the rates ranged from around 4 percent in the Czech Republic and Germany to more than 20 percent in Greece.

Even in countries where employment has recovered, wage growth remains subdued. People with low and middle incomes have seen their wages stagnate, and the share of middle-skilled jobs has fallen - contributing to rising inequality and concerns that top earners are getting a disproportionate share of the gains from economic growth.

Sentiment has improved significantly over the last year. Growth expectations have brightened and broadened. However, the uncertainty concerning the duration of exit negotiations and an agreement on future relations between the EU and the United Kingdom (UK) - the so-called "Brexit" - are putting a strain on the European economy.

The pending regulatory requirements are immense and range from trade-related matters and access to the European single market (particularly important for the financial industry), to horizontal policies, such as migration and social policy, and domestic and security policies.

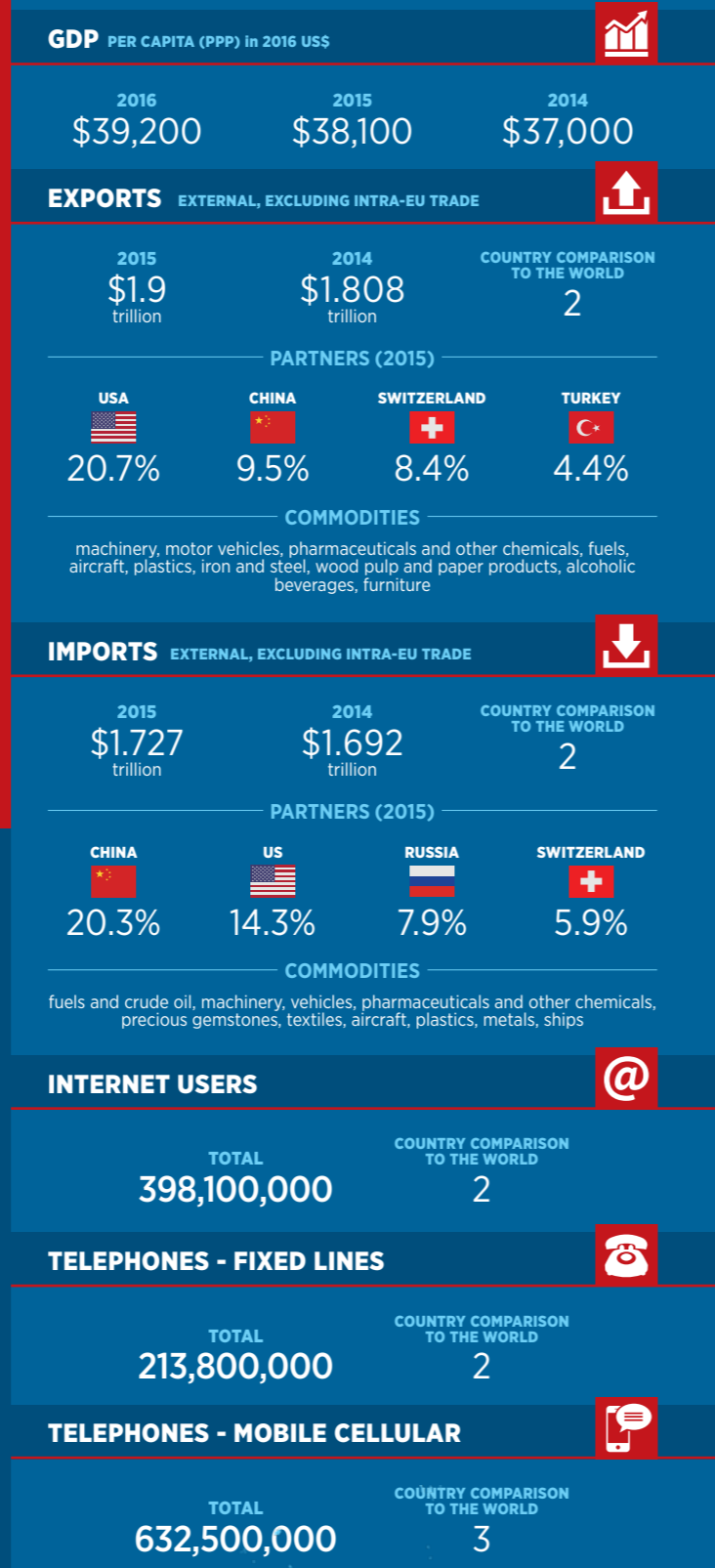
Euro optimism, in spite of Brexit, is rising. Eurosceptical populism has experienced a significant backlash - reflected in the election outcomes in the Netherlands and France. Support for the EU, which dipped significantly during the euro crisis, has recovered and received a further positive push in the aftermath of the Brexit vote.

The European Commission is calling for a number of key reforms to the Union's organization, including: the creation of a Europe-wide finance minister; a transformation of the European Stability Mechanism into a European Monetary Fund; and the creation of a dedicated euro area budget line within the EU budget.

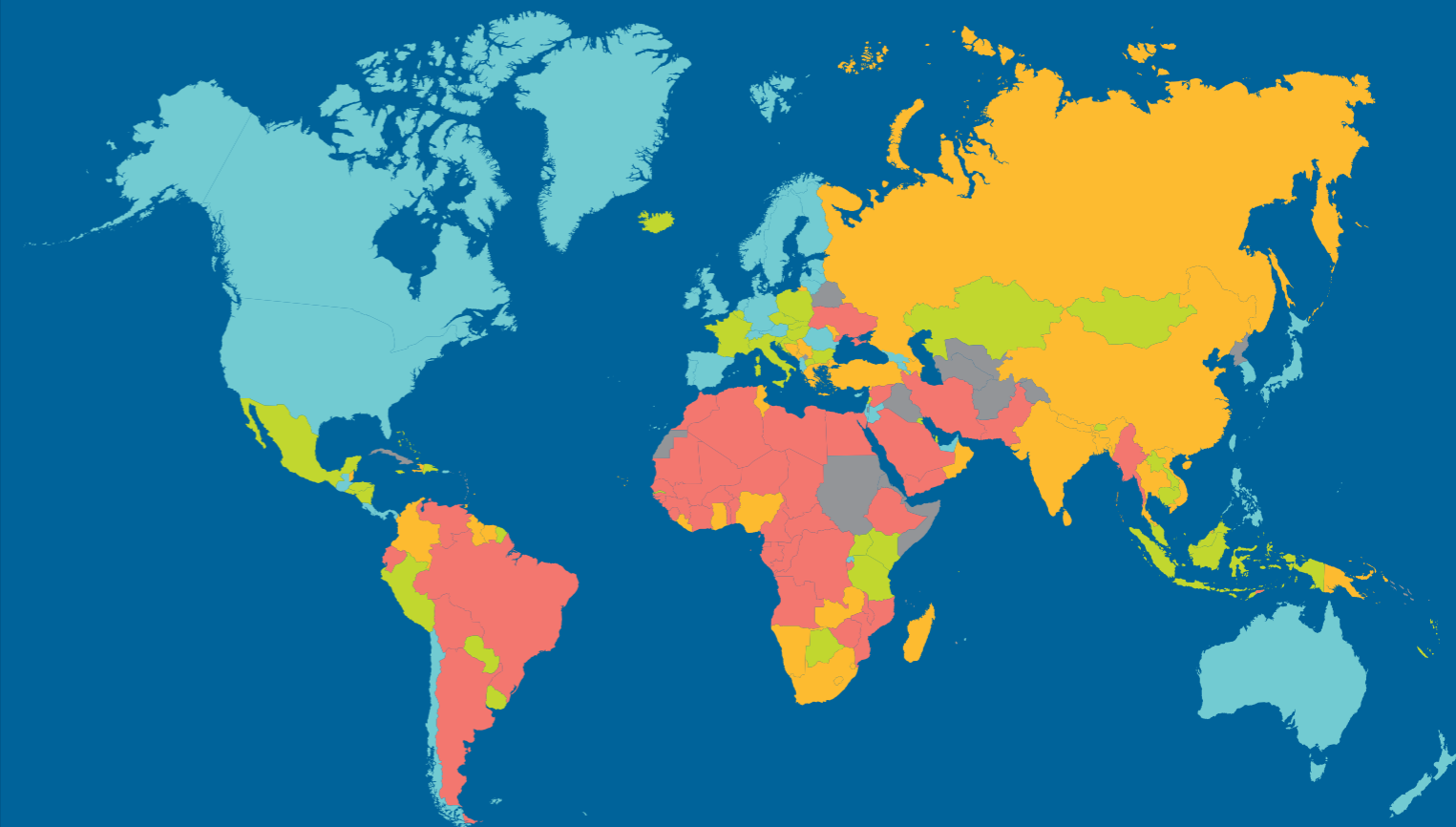
### TRADE IN SERVICES

In 2016, the EU Exported 819.8 billion Euros in services, and imported 689.4 billion, leading to a surplus of 167.3 billion Euros.

## COMMUNICATIONS INFRASTRUCTURE AND ECONOMIC INDICATORS



# THE CATO AND FRASER INSTITUTE'S 2017 WORLD ECONOMIC FREEDOM REPORT



- Area 1: SIZE OF GOVERNMENT**  
As spending and taxation by government, and the size of government-controlled enterprises increase, government decision-making is substituted for individual choice and economic freedom is reduced.
- Area 2: LEGAL SYSTEM AND PROPERTY RIGHTS**  
Protection of persons and their rightfully acquired property is a central element of both economic freedom and civil society. Indeed, it is the most important function of government.
- Area 3: SOUND MONEY**  
Inflation erodes the value of rightfully earned wages and savings. Sound money is thus essential to protect property rights. When inflation is not only high but also volatile, it becomes difficult for individuals to plan for the future and thus use economic freedom effectively.
- Area 4: FREEDOM TO TRADE INTERNATIONALLY - FREEDOM TO EXCHANGE**  
In its broadest sense, buying, selling, making contracts, and so on—is essential to economic freedom, which is reduced when freedom to exchange does not include businesses and individuals in other nations.
- Area 5: REGULATION**  
Governments not only use a number of tools to limit the right to exchange internationally, they may also develop onerous regulations that limit the right to exchange, gain credit, hire or work for whom you wish, or freely operate your business.

[www.fraserinstitute.org/studies/economic-freedom](http://www.fraserinstitute.org/studies/economic-freedom)



WEBSITE  
[laconvencionazul.com](http://laconvencionazul.com)

EMAIL  
[info@laconvencionazul.com](mailto:info@laconvencionazul.com)

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