

# Foreign Investment in Latin America & the Caribbean: trends and policy options

Presented by

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Economic Commission for Latin  
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United Nations

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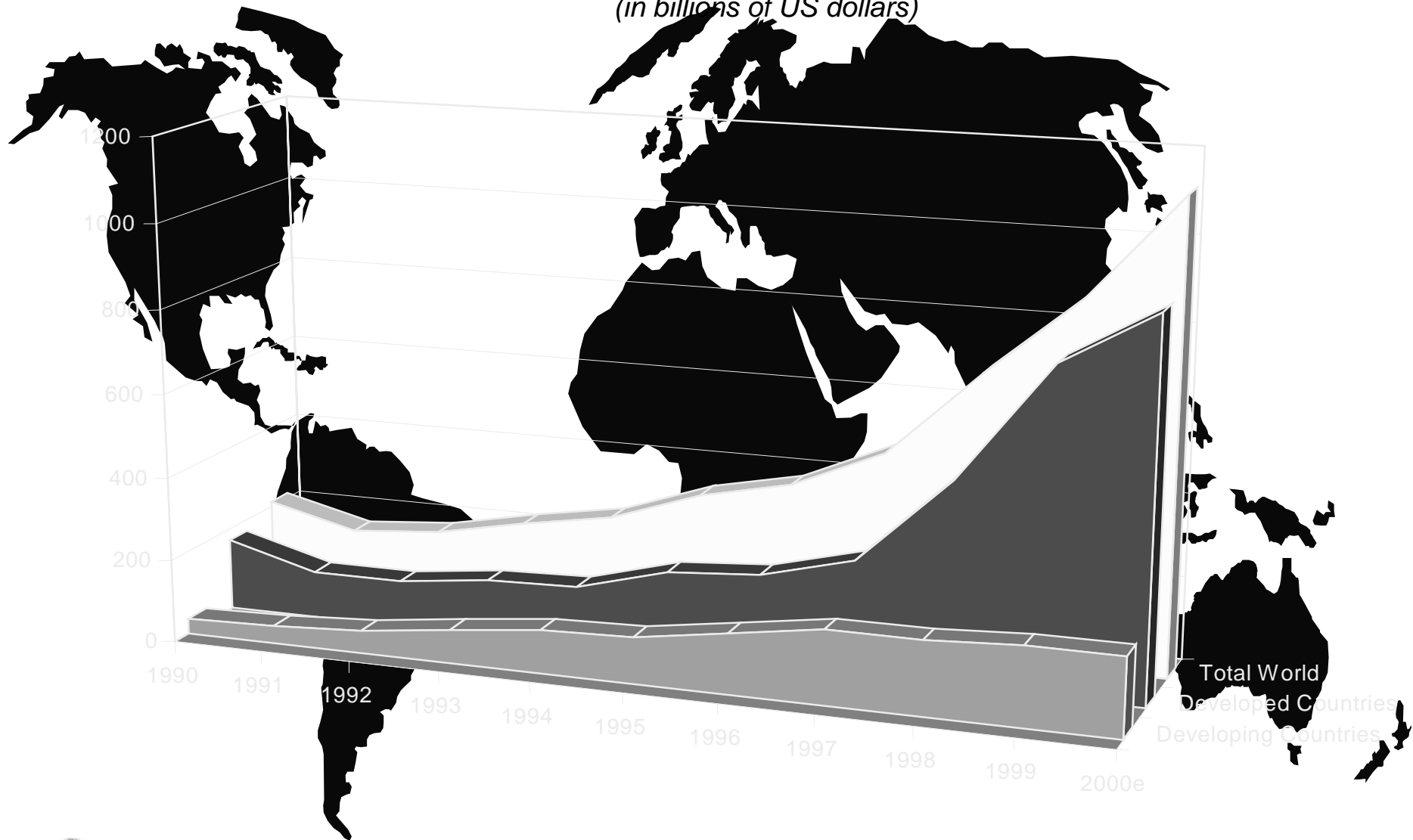
## Topics to be dealt with

- FDI trends
- Transnationalization
- Corporate Strategies
- FDI and International Competitiveness
- Specifics of the Caribbean Basin situation



# Global FDI Flows, 1990-2000

(in billions of US dollars)

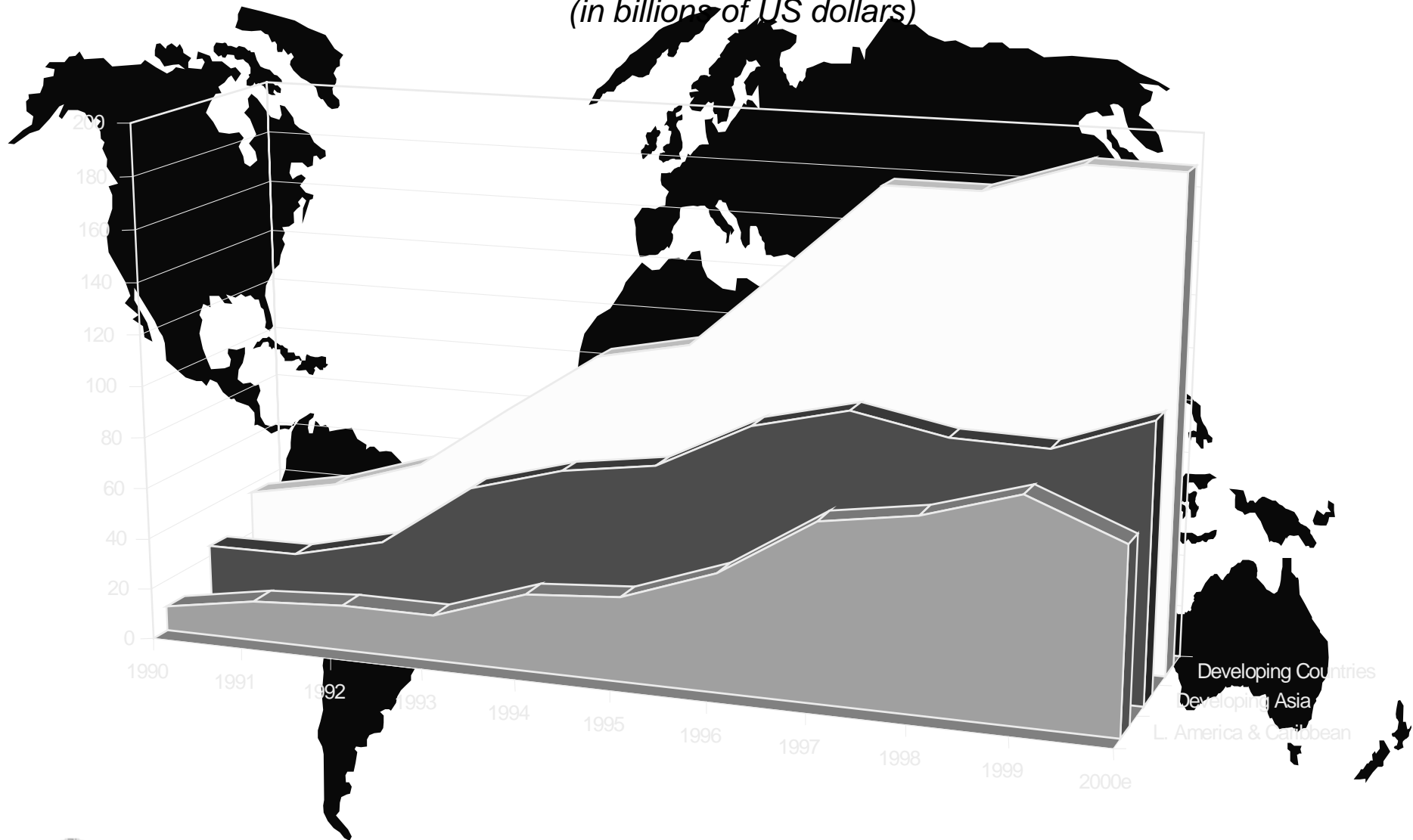


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# Net FDI Inflows to Developing Regions

(in billions of US dollars)



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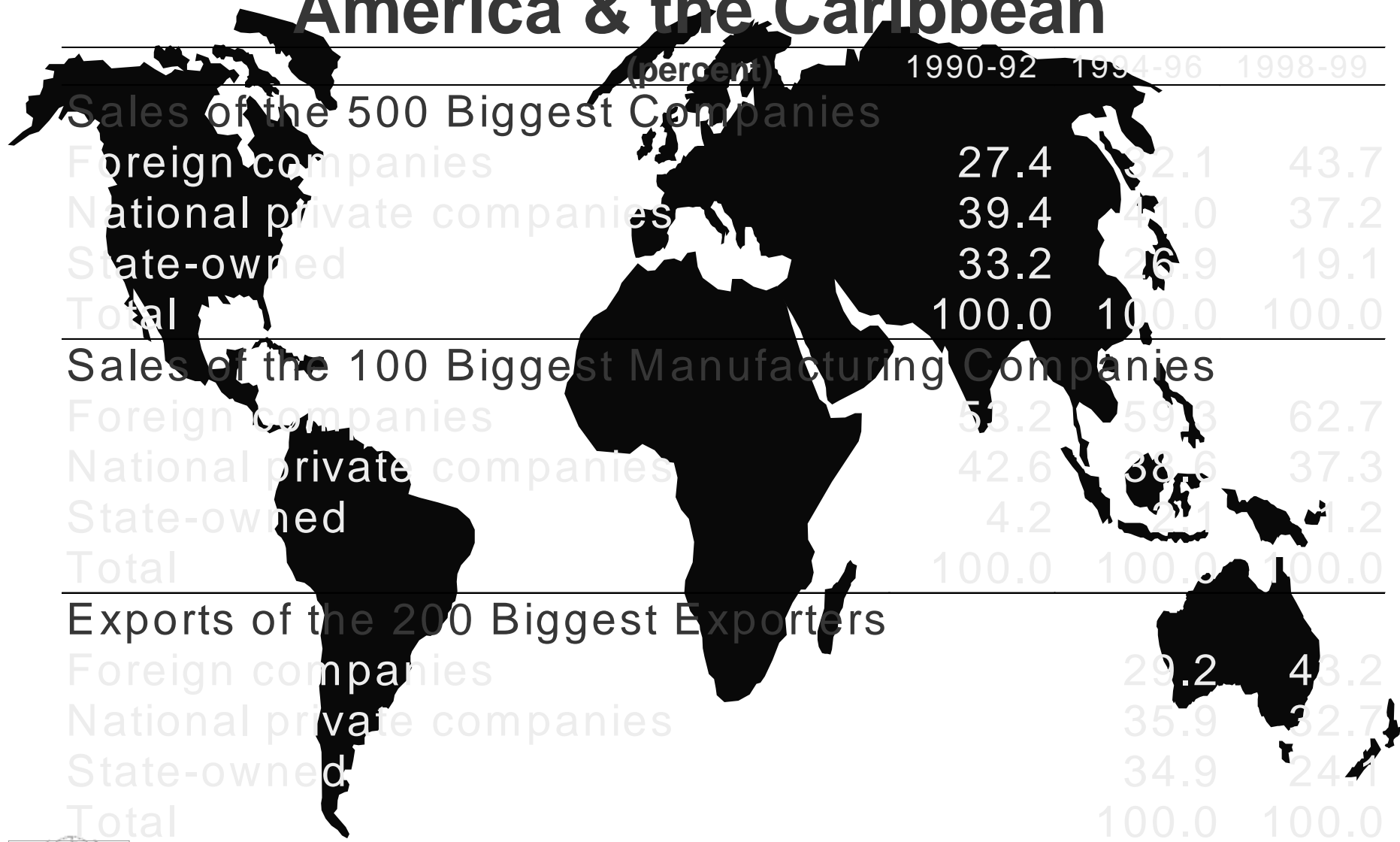
# Net FDI Inflows to Latin America and the Caribbean, by Subregion, 1990-2000



Data for 2000 estimated by Unit of Investment and Corporate Strategies



# The Transnationalization Process in Latin America & the Caribbean



(percent)	1990-92	1994-96	1998-99
<b>Sales of the 500 Biggest Companies</b>			
Foreign companies	27.4	32.1	43.7
National private companies	39.4	41.0	37.2
State-owned	33.2	26.9	19.1
Total	100.0	100.0	100.0
<b>Sales of the 100 Biggest Manufacturing Companies</b>			
Foreign companies	53.2	59.3	62.7
National private companies	42.6	38.6	37.3
State-owned	4.2	2.1	1.2
Total	100.0	100.0	100.0
<b>Exports of the 200 Biggest Exporters</b>			
Foreign companies		29.2	43.2
National private companies		35.9	32.7
State-owned		34.9	24.1
Total		100.0	100.0





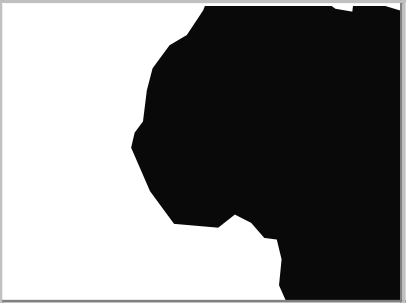

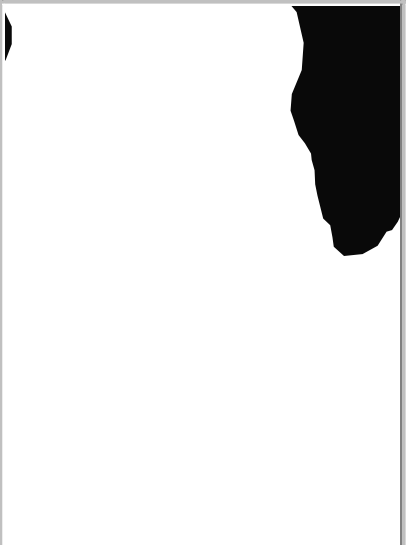
# The First 15 of the 100 Biggest TNCs in Latin America, by Consolidated Sales, 1999

(millions of dollars)

Rank	TNC	Home Country	Sector	Total
1	Telefonos de España S.A.	Spain	Telecom	12 439
2	General Motors (GM)	USA	Automotive	12 425
3	Volkswagen AG	Germany	Automotive	11 902
4	DaimlerChrysler AG	Germany	Automotive	9 746
5	Carteour Group/ Promodés	France	Commerce	9 561
6	Ford Motor Co.	USA	Automotive	8 252
7	Repsol-YPF	Spain	Petroleum	7 980
8	Fiat Spa	Italy	Automotive	7 659
9	Royal Dutch-Shell Group	UK./Hol	Petroleum	6 449
10	Exxon Mobil Corp.	USA	Petroleum	6 400
11	IBM	USA	Electronics	6 279
12	Endesa España	Spain	Electricity	5 975
13	The AES Corp.	USA	Electricity	5 182
14	Wal Mart Stores	USA	Commerce	4 816
15	Nestlé	Switzerland	Food products	4 766



# The Bigger Picture: predominant corporate strategies in Latin America and the Caribbean in the 1990s

Sector	Efficiency-seeking	Natural resource seeking	Market access seeking (national or regional)	
Primary		<p><i>Petroleum/gas:</i> Venezuela, Colombia, Argentina</p> <p><i>Minerals:</i> Chile, Argentina, Peru</p>		Strategic
Manufacturing	<p><i>Automotive:</i> Mexico and Caribbean Basin</p> <p><i>Electronics:</i> Mexico and Caribbean Basin</p> <p><i>Apparel:</i> Caribbean Basin and Mexico</p>		<p><i>Automotive:</i> (Mercosur)</p> <p><i>Chemicals:</i> Brazil</p> <p><i>Agro-industry:</i> Argentina, Brazil, Mexico</p> <p><i>Beverages:</i> Argentina, Brazil, Mexico</p> <p><i>Tobacco products:</i> Argentina, Brazil, Mexico</p>	Element
Services			<p><i>Finance:</i> Brazil, Mexico, Chile, Argentina, Venezuela, Colombia, Peru</p> <p><i>Telecommunications:</i> Brazil, Argentina, Chile and Peru</p> <p><i>Retail Trade:</i> Brazil, Argentina, Mexico and Chile</p> <p><i>Electrical Energy:</i> Colombia, Brazil, Argentina and Central America</p> <p><i>Gas distribution:</i> Argentina, Chile, Colombia</p> <p><i>Tourism:</i> Mexico and the Caribbean Basin</p>	Seeking





# “The Opportunity”

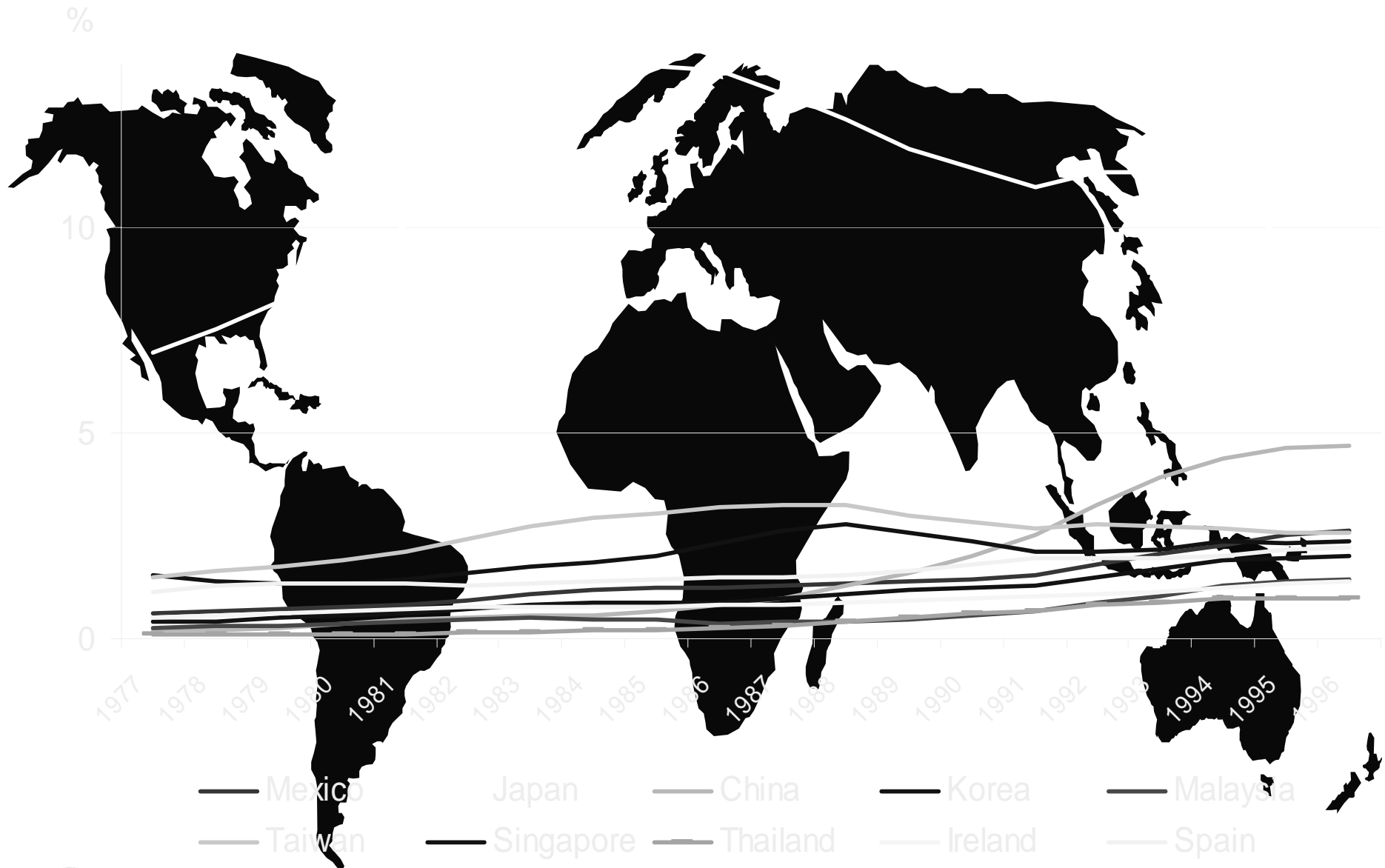
## World market shares, by export category, 1985-1998

Export category	Industrial countries		Developing countries		Developing Asia		Latin America	
	1985	1998	1985	1998	1985	1998	1985	1998
1. Natural resources	37.8	43.2	62.1	56.3	29.7	27.4	12.3	13.8
2. Manufactures based on natural resources	68.1	69.5	31.3	30.5	12.4	14.4	6.5	6.2
3. Manufactures NOT based on nat. res.	82.4	69.7	17.5	30.3	11.6	22.1	2.5	4.3
- Low technology	51.5	35.5	48.5	64.5	39.1	49.8	4.0	6.7
- Medium technology	89.4	80.3	10.6	19.7	5.2	11.6	2.4	4.5
- High technology	83.0	66.4	17.0	33.6	11.3	27.6	2.0	3.0
4. Others	71.1	62.2	28.9	37.7	6.4	11.0	4.1	4.1
<b>TOTAL</b>	<b>68.7</b>	<b>65.8</b>	<b>31.1</b>	<b>34.2</b>	<b>16.0</b>	<b>21.5</b>	<b>5.6</b>	<b>5.7</b>

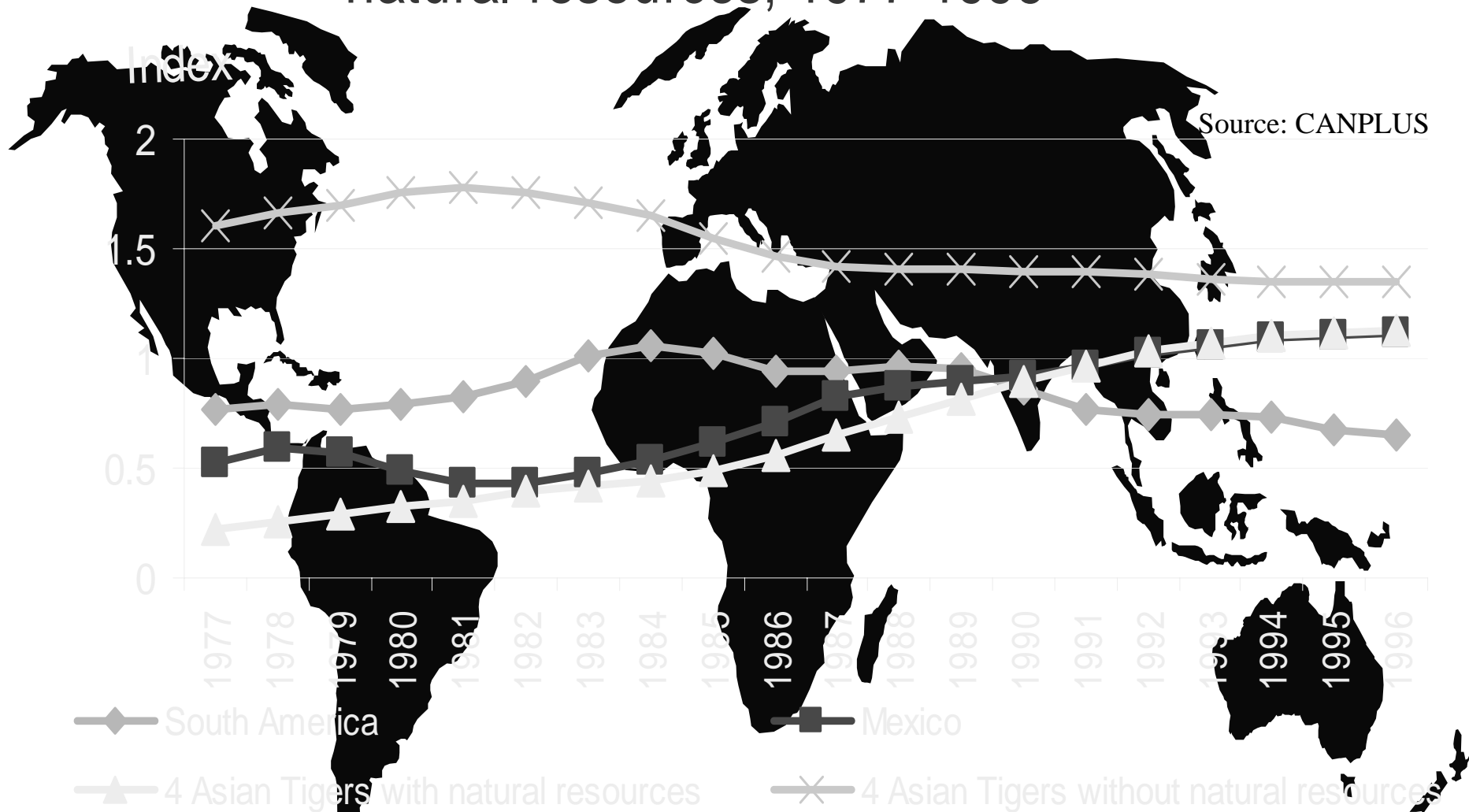
Source: calculated from CAN 2000.



# The ten winner countries



# Trade specialization: manufactures not based on natural resources, 1977-1996



The more successful countries have increasingly specialized in non NR-based manufactures



# MEXICO & THE CARIBBEAN BASIN: ASPECTS OF ITS COMPETITIVE SITUATION WITH RESPECT TO WORLD IMPORTS, 1985-1998

			1985	1990	1995	1998
<b>I. Market share</b>			<b>2.13</b>	<b>1.73</b>	<b>2.21</b>	<b>2.80</b>
Natural resources 1/			5.07	3.61	3.31	3.69
Manufactures based on natural resources 2/			1.43	1.15	1.30	1.53
Manufactures not based on natural resources 3/			1.17	1.41	2.22	2.95
- Low technology 4/			1.06	1.44	2.40	3.40
- Medium technology 5/			1.09	1.43	2.35	2.97
- High technology 6/			1.50	1.34	1.84	2.55
Others 7/			1.83	1.84	2.18	2.60
<b>II. Export structure</b>			<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Natural resources 1/			54.4	33.3	20.0	16.2
Manufactures based on natural resources 2/			12.1	11.9	9.7	8.6
Manufactures not based on natural resources 3/			29.9	51.3	66.9	71.9
- Low technology 4/			7.1	17.8	18.0	20.1
- Medium technology 5/			14.6	25.7	33.9	32.8
- High technology 6/			8.2	8	15.1	9
Others 7/			2.7	3.6	3.4	3.3
<b>III. 10 principal exports (by % export structure)</b>			<b>a/</b>	<b>b/</b>		
781	Automobiles for passengers	+	0.6	4.4	7.5	7.5
833	Crude petroleum	-	33.2	15.6	7.6	6.2
773	Equipment for distributing electricity	*	1.8	3.3	3.8	3.9
761	Television receivers	*	0.6	1.2	2.4	3.2
846	Underwear, knitted or crocheted	*	0.4	1.8	2.7	3.2
764	Telecommunication eqpt. & parts, accessories	*	2.4	2.2	2.9	3.2
752	Computers and other data processing eqpt.	*	0.1	1.3	1.9	3.1
782	Automobiles for the transport of merchandise	*	0.4	0.4	2.2	2.9
931	Unclassified operations and special merchandise	*	1.9	2.9	2.8	2.8
784	Parts & accessories for motor vehicles	*	1.9	3.1	3.0	2.8

A stark structural transformation of northern LAC's integration into the international market



# Mexico & the Caribbean Basin: factors behind the growth of FDI for the export of manufactures

US industries undergoing restructuring due to strong competition from Asian exports: ISIPs in automotive, electronic and apparel.

- ◆ Convenient production costs (for efficiency-seeking FDI), plus geographic proximity.
- ◆ Most active agents: US corporations.
- ◆ Significant structural change process (financial and trade opening plus export incentives (*maquila* and export processing zones))
- ◆ Concrete trade mechanisms for facilitating access to US market (NAFTA rules of origin for Mexico, production sharing for Caribbean Basin).
- ◆ Trade agreements (NAFTA, Caribbean Basin Initiative, Trade and Development Act 2000)



# SOUTH AMERICA: ASPECTS OF ITS COMPETITIVE SITUATION WITH RESPECT TO WORLD IMPORTS, 1985-1998

		1985	1990	1995	1998
<b>I. Market share</b>		<b>3.34</b>	<b>2.73</b>	<b>2.73</b>	<b>2.81</b>
Natural resources 1/		7.12	7.59	8.93	10.03
Manufactures based on natural resources 2/		5.03	4.33	4.55	4.59
Manufactures not based on natural resources 3/		1.21	1.13	1.11	1.17
- Low technology 4/		1.93	1.73	1.66	1.53
- Medium technology 5/		1.16	1.18	1.32	1.51
- High technology 6/		0.45	0.35	0.28	0.38
Others 7/		2.08	1.14	1.33	1.42
<b>II. Export structure</b>		<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Natural resources 1/		40.2	44.3	43.6	44.0
Manufactures based on natural resources 2/		29.2	28.3	27.6	25.7
Manufactures not based on natural resources 3/		19.7	26.0	27.1	28.5
- Low technology 4/		8.2	10.6	10.1	9.0
- Medium technology 5/		9.9	13.5	15.5	16.7
- High technology 6/		1.5	1.9	2.0	2.8
Others 7/		1.9	1.4	1.7	1.8
<b>III. 10 principal exports (by % export structure)</b>		<b>a/</b>	<b>b/</b>		
333 Crude petroleum	+	52.3	44.6	40.8	41.1
081 Animal feed (excluding unprocessed grains)	+	12.3	10.0	11.2	11.1
334 Petroleum products, refined	-	4.4	4.4	4.7	4.3
071 Coffee and its products	-	10.7	7.2	4.4	4.3
682 Copper	-	9.9	4.6	4.1	4.1
057 Fruits and nuts (excl. oleaginous), fresh or dry	+	3.2	4.5	3.7	3.6
281 Iron ore and its concentrates	+	2.9	3.9	3.6	3.6
222 Oleaginous seeds and fruits	+	4.1	4.4	3.3	3.1
781 Automobiles for passengers	+	2.2	2.4	2.1	2.5
		0.6	0.7	1.2	2.3

**The flip side: in South America, weak links, no specialization**



# South America: factors behind the growth of FDI in natural resources and services

New global strategies of TNCs initiating their internationalization process and entering South America for the first time.

- ◆ Impressive process of acquisitions of private companies in South America.
- ◆ Profound process of liberalization, privatization and deregulation of state assets in South America.
- ◆ Principal industries affected: energy, telecomunicaciones, banking, commerce.
- ◆ Most active agents: European corporations, especially Spanish ones.
- ◆ Trade and investment liberalization and opening up of extractive industries, such as petroleum and mining.
- ◆ Further development of manufactures based on natural resources in which there are static comparative advantages (industrial commodities), particularly in the Southern Cone countries.
- ◆ Application of new WTO agreements promoting trade in services: telecommunications and financial services



# Eight winners of twenty five competitors



	1985	1998	Change
Mexico	1.55	2.24	0.69
Argentina	0.37	0.51	0.14
Chile	0.23	0.32	0.09
Costa Rica	0.07	0.10	0.03
Guatemala	0.06	0.08	0.02
Honduras	0.05	0.07	0.02
Dominican Rep.	0.08	0.10	0.02
El Salvador	0.04	0.05	0.01
Colombia	0.24	0.24	0.00
Paraguay	0.03	0.03	0.00
Nicaragua	0.02	0.02	0.00
Jamaica	0.04	0.04	0.00
Uruguay	0.07	0.06	-0.01
Cuba	0.03	0.02	-0.01
Guyana	0.02	0.01	-0.01
Suriname	0.02	0.01	-0.01
Bolivia	0.04	0.02	-0.02
Barbados	0.02	0.00	-0.02
Haití	0.03	0.01	-0.02
Peru	0.17	0.12	-0.05
Panama	0.10	0.05	-0.05
Ecuador	0.17	0.11	-0.06
Trinidad & Tobago	0.10	0.04	-0.06
Venezuela	0.66	0.41	-0.25
Brazil	1.37	1.01	-0.36





# The New Context for Corporate Strategies in LAC

- the new developmental context: unimagined levels of FDI inflows
- transnational corporations: new principal actors in Latin America
- two distinct worlds of corporate strategy:

*1. Market access seeking:* -Mercosur and Chile

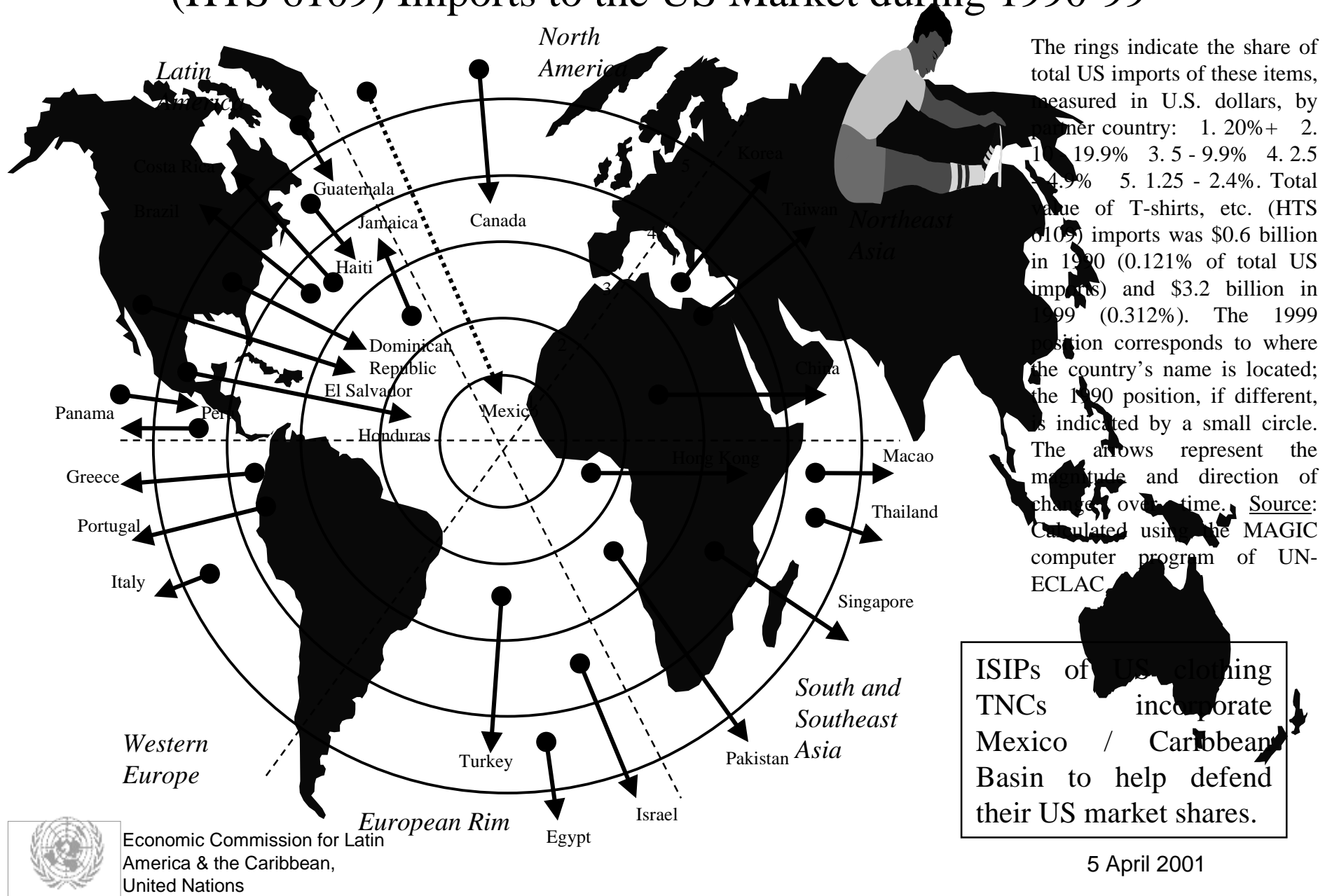
- telecom, electricity, retail trade, banks
- mainly European (esp. Spanish) FDI
- mainly purchase of existing assets
- improved systemic competitiveness
- downside: BoP pressures

*2. Efficiency-seeking FDI:* -Mexico and Caribbean Basin

- autos, electronics, apparel
- mainly US FDI
- mainly in creation of new assets
- huge increase in exports (IC)
- downside: few linkages



# Apparel: Shifts in the Regional Structure of T-shirts and Similar Apparel (HTS 6109) Imports to the US Market during 1990-99



# Apparel: Two Worlds within “North of Panama”-

## 1) Production sharing in the Caribbean Basin

- **US 807 HTSUS 9802 production sharing mechanisms provide duty exemption for US-made components incorporated in imported articles that have been assembled outside of the US in countries with renewable bilateral agreements. The merchandise processing fee is also exempted.**
- **US companies typically use the production sharing mechanism to reduce manufacturing (labor) costs and improve their competitiveness in the US market against Asian imports.**
- **Latin American countries interested in attracting such assembly operations usually provided duty- and tax- free facilities in the form of Export Processing Zones (EPZ).**
- **the countries of the US Caribbean Basin Initiative (in 1980) and Mexico (in 1990) were given a Special Access Program (few quotas) to guarantee access to the US market for locally-assembled apparel products incorporating fabric wholly formed and cut in the United States”.**
- **59% of the duty savings by way of HTSUS 9802 in 1997 were made in the apparel industry, where US tariffs are still relatively high (53%).**
- **usually results in specialization in apparel characterized by standardized runs, simple tasks and few styling changes in which labor costs determine competitiveness.**
- **CBI assemblers faced an effective US tariff on apparel of 8.5% in 1998, down from 9.4% in 1993, and possessed significant Guaranteed Access Levels for apparel assembled from US components**



# Apparel: Two Worlds within “North of Panama”-

## 2) the NAFTA rules of origin in Mexico

NAFTA gave Mexico *additional* benefits:

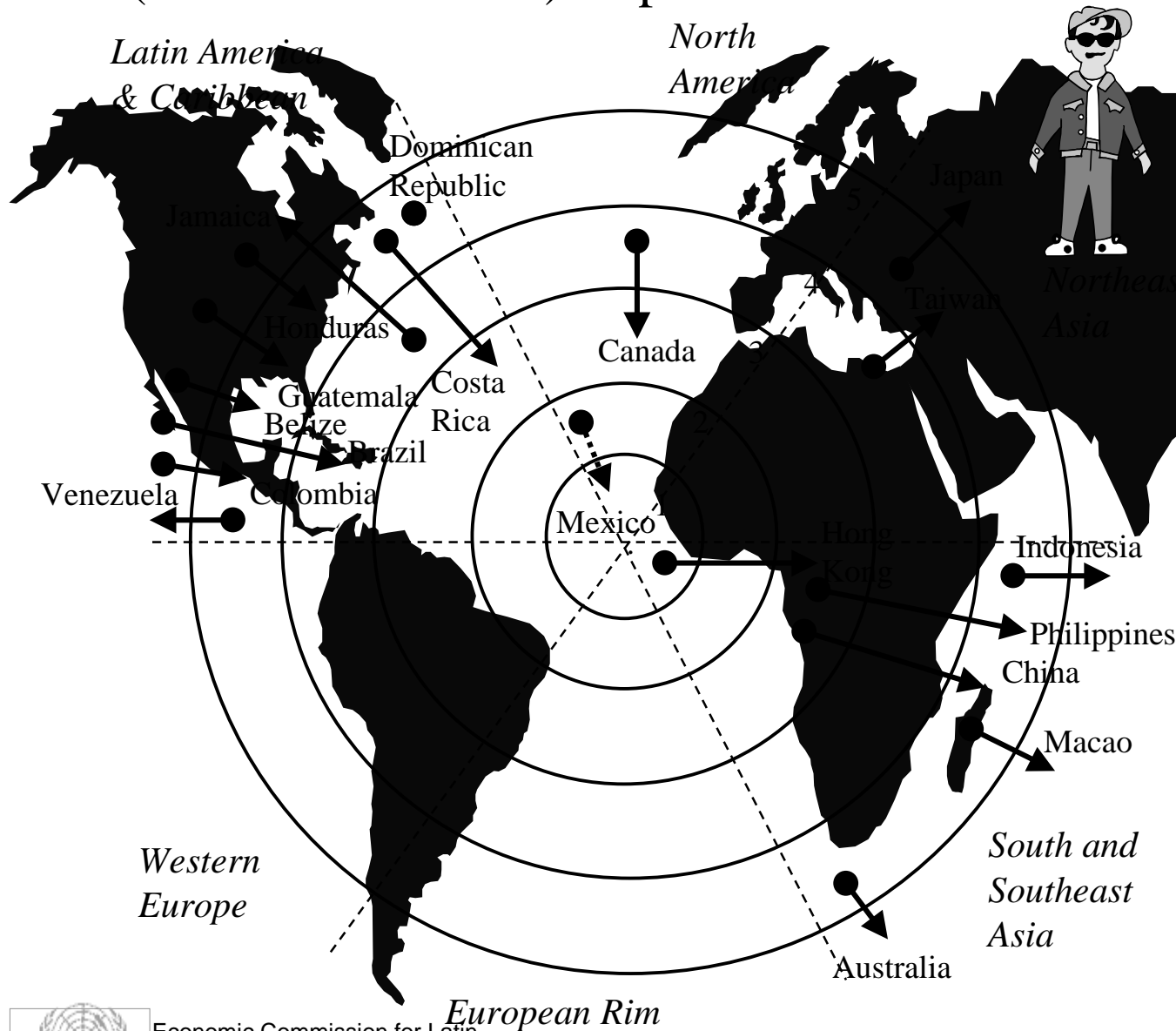
- further reduction or elimination of tariff duties on apparel (effective tariff falls from 6.4% to 0.9%)
- further reduction or elimination of apparel quotas
- North American rules of origin (Mexican inputs count as NAFTA inputs following the “yarn forward” origin rule).
- more finishing processes permitted: bleaching, dyeing, stone and acid washing, perma-pressing, etc.

*Consequences:*

- Mexico wins US market share for apparel from CBI and other assemblers.
- new FDI in production of Mexican inputs (e.g. denim for jeans) allows Mexico to evolve into more of a “full package” (or more vertically-integrated) apparel supplier
- Mexico begins to specialize in more sophisticated apparel items that incorporate new dimensions of the apparel industry: more capital-intensive plants, higher quality standards, more value added in women’s wear and other fashion articles, for example.



# Shifts in the Regional Structure of Men's and Boys' Blue Jeans (HTS 6203424010) Imports to the US Market during 1990-94



The rings indicate the share of total US imports of this item, measured in U.S. dollars, by country:

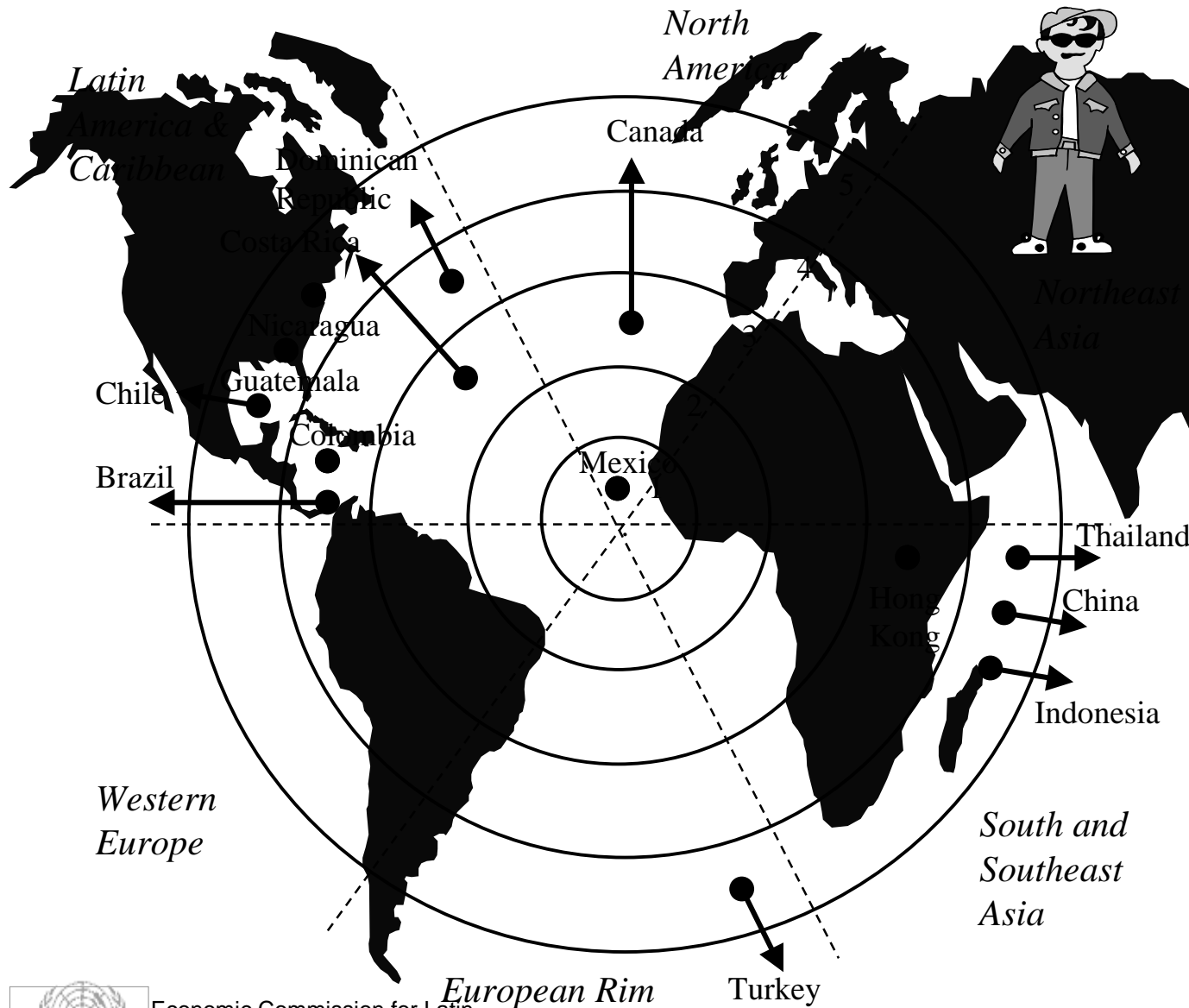
- 1.25%+
- 1.25 - 24.9%
- 6.25 - 24.9%
- 3.125 - 6.24%
- 6.25 - 24.9%

The total value of men's and boys' blue jeans imports was \$ 198.7 million in 1990 (0.04 % of total US imports) and \$ 424.3 million in 1994 (0.064 %). The 1994 position corresponds to where the country's name is located; the 1990 position, if different, is indicated by a small circle. The arrows represent the magnitude and direction of change over time. Mexico's share increased from 13.2% in 1990 to 24.9% during 1990-1994.

Source: Calculated using the MAGIC computer program of UN-ECLAC



# Shifts in the Regional Structure of Men's and Boys' Blue Jeans (HTS 6203424010) Imports to the US Market during 1995-99



The rings indicate the share of total US imports of this item, measured in U.S. dollars, by country:

- 1. 25%+
- 2. 12.5 - 24.9%
- 3. 6.25 - 12.4%
- 4. 3.125 - 6.24%
- 5. 1.52 - 3.124%

The total value of men's and boys' blue jeans imports was \$ 556.9 million in 1995 (0.08 % of total imports) and \$ 1,051 million in 1999 (0.1 %). The 1999 position corresponds to where the country's name is located; the 1995 position, if different, is indicated by a small circle. The arrows represent the magnitude and direction of change over time. Mexico's share increased from 44.9 to 65.9% during 1995-1999.

Source: Calculated using the MAGIC computer program of UN-ECLAC

5 April 2001

# Analytical Considerations Concerning Apparel

The Caribbean Basin apparel assemblers are at a severe competitive disadvantage in comparison to Mexico's new benefits within NAFTA. Moreover, the Caribbean Basin apparel assemblers will lose many of their existing advantages with the opening up of the apparel industry in the context of the WTO Agreement on Apparel and Textiles.

- This portends the possibility of a low wage, "race to the bottom" in the Caribbean Basin. What can be done to prevent such an unattractive outcome? Some countries (Costa Rica and the Dominican Republic) seem to be trying to move upstream in their export processing zone activities. They seek a better connection between policy goals related to national development and the efficiency-seeking strategies of TNCs. Example- Intel in Costa Rica.

- The NAFTA-party implied in the US Trade and Development Act 2000 applies to tariffs, *not* the NAFTA rules of origin. perhaps there is a way to maintain the existing Caribbean Basin assembly operations by relating them functionally (subcontracting, etc.) to the evolving more full package Mexican apparel industry.

- this problem requires an *urgent* solution (last tranche of ATP kicks in end 2004)



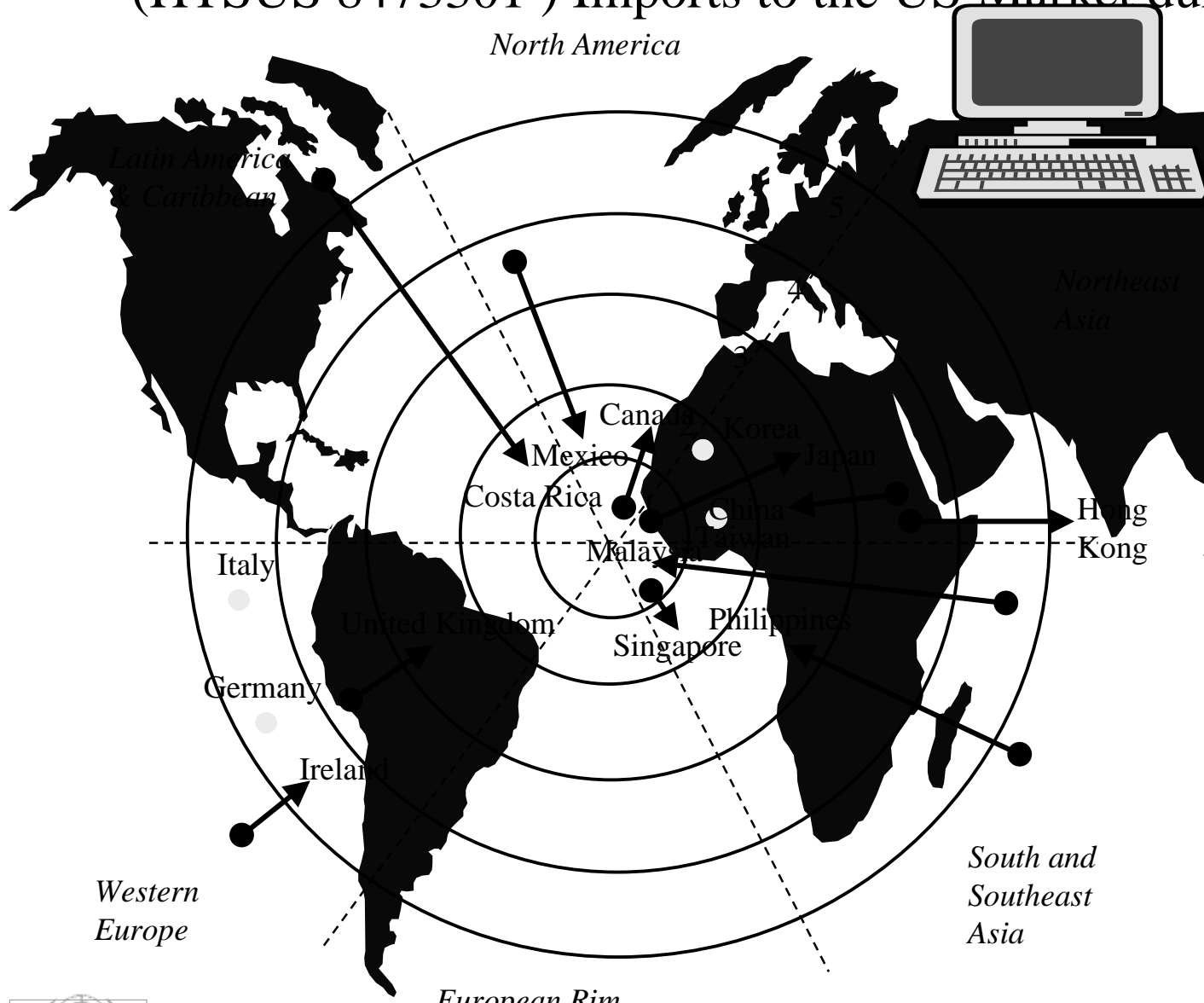
# The New FDI Policy of Costa Rica

- represents a reaction to the decline in benefits resulting from the passive policy aimed at attracting FDI solely by way of horizontal incentives (export processing zones, temporary importation, etc.). This FDI flowed primarily to industries demonstrating static comparative advantages, generally intensive in low wage labour (i.e. apparel)
- *objectives*: attract new FDI, by way of direct action, and channel it, by way of directed incentives, toward activities in which Costa Rica possesses, or can develop, competitive advantages based on skilled human resources (i.e. electronics)
- *indicator of success*: new FDI by Intel (in the order of US\$300 - 500 millions) to establish a new microprocessor assembly and testing plant. This plant in 1999 generated about 40% of the total value of Costa Rica's exports of goods
- *remaining task*: convert this initial success (Intel) into a cluster of interrelated electronics activities based on multiple investments by distinct electronics TNCs and their suppliers





# Shifts in the Regional Structure of Computer Parts and Accessories (HTSUS 8473301 ) Imports to the US Market during 1994-99



The rings indicate the share of total US imports of this product, measured in U.S. dollars, by partner country:

1. 15.0%+
2. 7.5-14.9%
3. 3.75-7.49%
4. 1.875-3.749%
5. 0.9375-1.874%

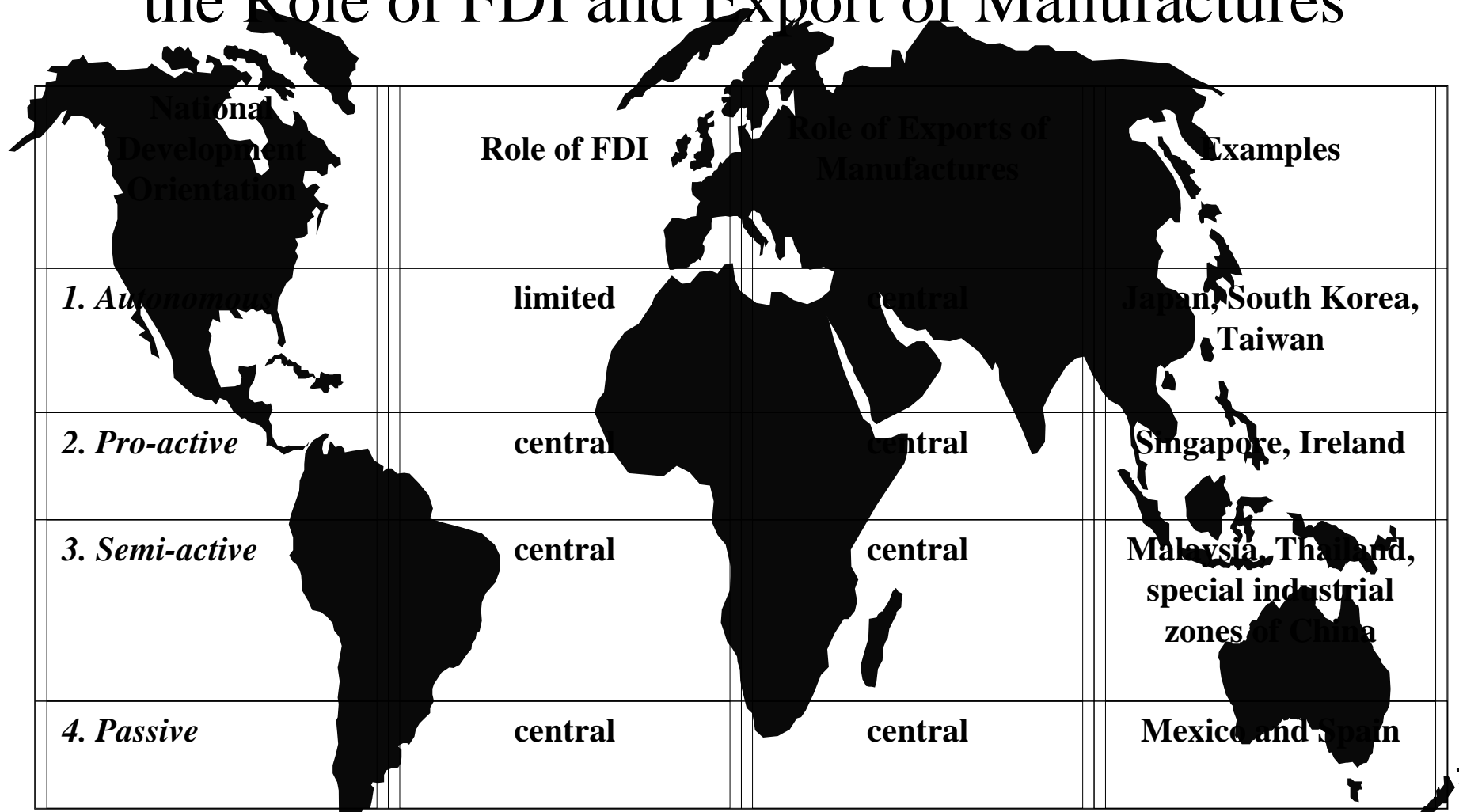
The total value of computer parts and accessories (HTSUS 8473310) imports was \$9.9 billion in 1994 (4.49% of total US imports) and \$18.2 billion in 1999 (1.78%). The 1999 position corresponds to where the country's name is located; the 1994 position, if different, is indicated by a small arrow. The arrows represent the magnitude and direction of change over time.

Source: Calculated using the MAGIC computer program of UN-ECLAC



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# National Development Strategies: the Role of FDI and Export of Manufactures



National Development Orientation	Role of FDI	Role of Exports of Manufactures	Examples
1. <i>Autonomous</i>	limited	central	Japan, South Korea, Taiwan
2. <i>Pro-active</i>	central	central	Singapore, Ireland
3. <i>Semi-active</i>	central	central	Malaysia, Thailand, special industrial zones in China
4. <i>Passive</i>	central	central	Mexico and Spain

Governments must take decisions of a developmental nature



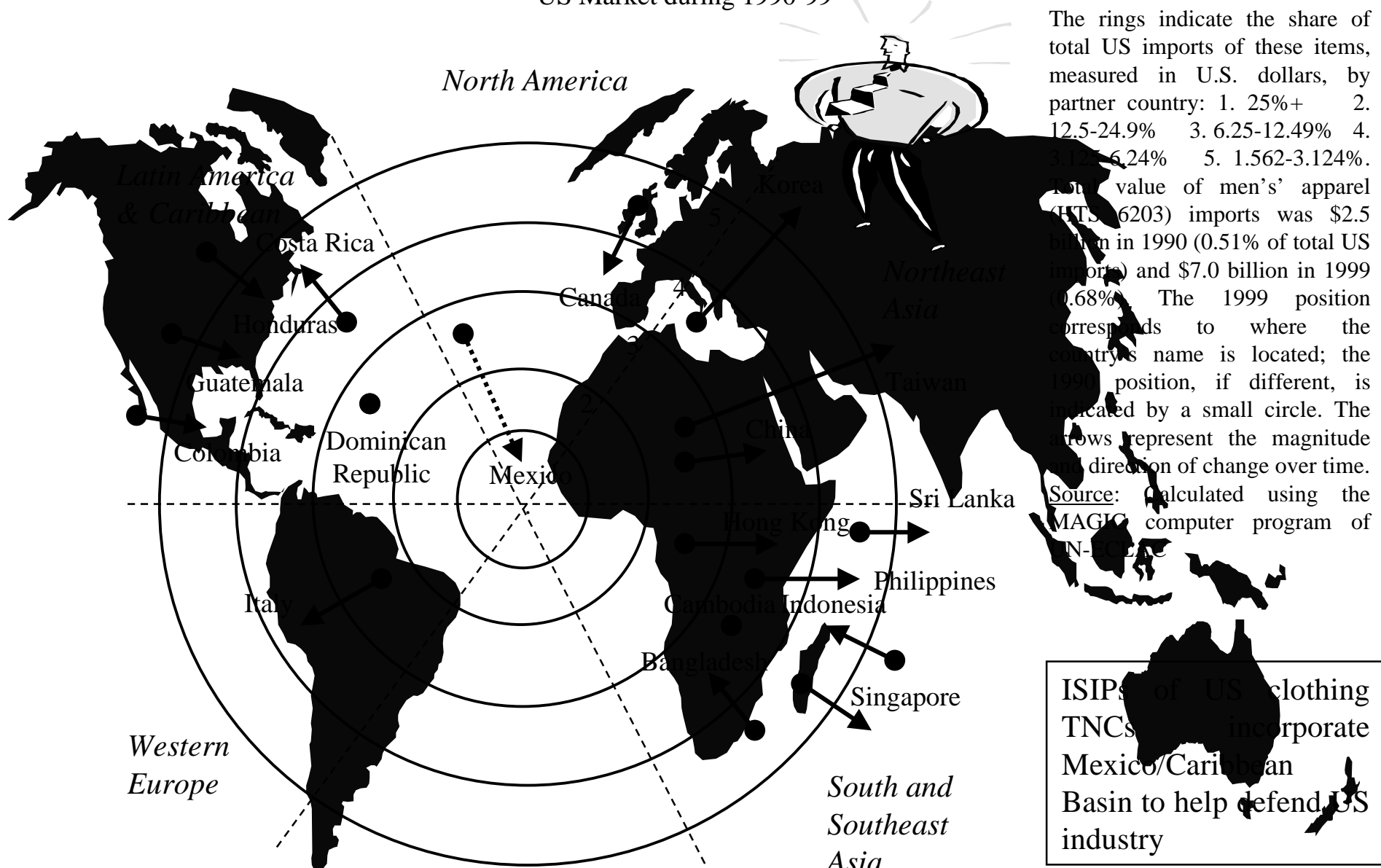
# Final Considerations

What have we learned from this analysis of FDI and IC in Latin America?

- ❑ Governments have to adapt to corporate strategies in the course of the globalization process, not TNCs to governments.
- ❑ A “more is better” FDI policy usually results more in TNCs achieving their corporate goals but not so much in national governments reaching theirs.
- ❑ Governments must establish their goals in *explicit* form, which implies having a defined strategy for their incorporation into the globalization process. They need various FDI policies in a coherent national strategy (their FDI policies might vary by sector (natural resources, manufactures, services, etc.)).
- ❑ The real policy choices for participating in the WIPs are among the pro-active, semi-active and passive routes (the autonomous route is no longer available).
- ❑ A pro-active policy implies the use of incentives to channel FDI to priority activities in the national economy and establishing oneself as a regional hub in the globalization process.
- ❑ A semi-active policy implies coordinating the trade and FDI roles of a national economy in terms of its integration into the globalization process. Specific policies on trade specialization and FDI promotion are required, coupled with strong human resource and national integration initiatives.



Figure : Shifts in the Regional Structure of Men's and Boys' Non-Knitted or Crocheted Apparel (HTS 6203) Imports to the US Market during 1990-99



# Experiencias con una orientación estratégica: Singapur e Irlanda (1)

ELEMENTO	SINGAPUR	IRLANDA
<p><b>Programa de Desarrollo Industrial</b></p>	<ul style="list-style-type: none"> <li>Desde los años 60, implementación de un agresivo y consistente plan de desarrollo industrial, con especial relevancia de la IED.</li> <li>En los años 90 política industrial basada en los clusters y activa promoción y apoyo a la IED.</li> <li>Promoción de las actividades de I&amp;D y desarrollo de tecnología.</li> </ul>	<ul style="list-style-type: none"> <li>A partir de los años 50 existe una ordenada Política Industrial, con activo fomento a la IED y con estrategias de desarrollo de largo plazo.</li> <li>Desde 1992, la política se orienta a la creación de empleo, al fortalecimiento de las actividades de I&amp;D y al desarrollo de la tecnología.</li> </ul>
<p><b>Comportamiento Económico e IED</b></p>	<ul style="list-style-type: none"> <li>Uno de los países con mayor crecimiento per cápita en las últimas 3 décadas. Ejemplo del llamado <i>Milagro Asiático</i>.</li> <li>Fuerte crecimiento de exportaciones manufactureras en años 80 y 90.</li> <li>Consolidación y crecimiento de los flujos de IED.</li> <li>Promedio anual de IED entre 1987-92 fue de US\$ 3.600 millones, mientras que entre 1993-98 alcanzó a US\$ 7.500 millones.</li> </ul>	<ul style="list-style-type: none"> <li>Sustantivo crecimiento económico y claro fortalecimiento y diversificación de exportaciones en los años 90.</li> <li>Fuerte aumento de IED a partir de 1991.</li> <li>Entre 1986-91 promedio anual de IED fue de US\$ 380 millones, mientras que para 1992-97 esta cifra fue de US\$ 1.800 millones.</li> </ul>
<p><b>Competitividad</b></p>	<ul style="list-style-type: none"> <li>Estabilidad política y economía competitiva y desregulada. Lugar de inversión con bajo riesgo.</li> <li>Calificación de mano de obra.</li> <li>Infraestructura</li> <li>Desarrollo de las comunicaciones e información tecnológica.</li> <li>Desarrollo de la ciencia, tecnología e I&amp;D.</li> <li>Buena calidad de vida.</li> <li>Completa red de trabajo gubernamental.</li> </ul>	<ul style="list-style-type: none"> <li>Estabilidad política y económica.</li> <li>Cohesión social y consenso político con relación a la IED.</li> <li>Excelente calificación y capacitación permanente de la mano de obra.</li> <li>Buena calidad de vida, muy cercano al de sus pares europeos.</li> <li>Completo apoyo del sistema institucional a las empresas extranjeras.</li> </ul>



30 Experiencias con una orientación estratégica: Singapur e Irlanda (2)

<p><b>Instru- mentos</b></p>	<ul style="list-style-type: none"> <li>• Relativamente bajo impuesto corporativo.</li> <li>• Iniciativas para el desarrollo de la industria:             <ul style="list-style-type: none"> <li>- Plan I-21 (Desarrollo de cluster, Promoción de I&amp;D, Atracción de compañías a instalar sedes regionales, etc.)</li> </ul> </li> <li>• Facilidades Industriales:             <ul style="list-style-type: none"> <li>- Provisión de sitios industriales y fábricas.</li> <li>- Areas para integración de actividades de la empresa.</li> </ul> </li> <li>• Set de Incentivos tributarios a la IED.</li> </ul>	<ul style="list-style-type: none"> <li>• Bajo impuesto corporativo.</li> <li>• Apoyo al desarrollo de actividades industriales.</li> <li>• Completo y fuerte plan de subvenciones y garantías al desarrollo industrial y a la IED en:             <ul style="list-style-type: none"> <li>- Area tributaria</li> <li>- Adquisición de activo fijo</li> <li>- Préstamos e intereses</li> <li>- Empleo y Entrenamiento del personal</li> <li>- Investigación y adquisición de tecnología</li> <li>- Reducciones de renta</li> <li>- Adquisición de acciones.</li> </ul> </li> </ul>
<p><b>Sectores</b></p>	<ul style="list-style-type: none"> <li>• Crecimiento económico liderado por manufacturas y servicios exportables, que tienen además especial apoyo gubernamental. En particular la Electrónica, Químicos, Ingeniería y la Investigación Médica.</li> </ul>	<ul style="list-style-type: none"> <li>• Significativo crecimiento de los Servicios.</li> <li>• Sectores más relevantes en estrategia de desarrollo:             <ul style="list-style-type: none"> <li>- Formación y Comunicaciones Tecnológicas, Servicios Internos (Financieros y Call Centers), Farmacéutica, Químicos. A futuro, especial apoyo al Comercio Electrónico.</li> </ul> </li> </ul>
<p><b>Institu- ciones</b></p>	<ul style="list-style-type: none"> <li>• Existe una completa y eficiente red de trabajo gubernamental que implementa la política de desarrollo industrial y de promoción de IED.</li> <li>• Agencias con estrategias claras y funciones definidas.</li> <li>• Equipos específicos de trabajo.</li> <li>• Completo apoyo institucional a la actividades de innovación y desarrollo de tecnología.</li> <li>• Agencias más importantes:             <ul style="list-style-type: none"> <li>- Economic Development Board (EDB)</li> <li>- Jurong Town Corporation.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Marco institucional bien definido y organizado. Roles y funciones especificadas y acción coordinada de diferentes agencias, con permanente contacto con empresas y gobierno. Equipos de trabajo sectoriales.</li> <li>• Apoyo institucional a la ciencia y tecnología.</li> <li>• Agencias más importantes:             <ul style="list-style-type: none"> <li>- Forfas</li> <li>- Industrial Development Agency (IDA)</li> <li>- Enterprise Ireland.</li> </ul> </li> </ul>



## I.26 **Informe 2000: Nueva Política en Rep. Dominicana. Focalización en Alta Tecnología y Mejoramiento de Competitividad Sistémica**

Las nuevas políticas son una reacción fuerte a la disminución de los beneficios de la IED captada en los años ochenta y noventa a través de incentivos horizontales (zona franca), la que se concentraba en industrias de ventaja comparada estática intensivas en mano de obra barata, particularmente en la industria de confecciones.

- Los objetivos son los de atraer IED que permita incrementar la competitividad sistémica de la economía y canalizar nueva IED a actividades de mayor valor agregado y que generen mayores encadenamientos productivos locales, tanto en lo que se refiere a la industria manufacturera como a los servicios turísticos.
- Areas de acción: 1) nuevo enfoque para zonas francas industriales que promueve industrias de mas alta tecnología; 2) mejoramiento del marco legal y capitalización vía IED de servicios públicos básicos como la electricidad; 3) promoción de una mayor participación de empresas locales en los proyectos de IED en el sector turístico.



# Informe 2000: República Dominicana. Aspectos de su Competitividad en las Importaciones Norteamericanas

(Estados Unidos y Canadá)

			1985	1990	1995	1998
<b>I. Participación de mercado</b>						
Productos primarios 1/			0.25	0.31	0.28	0.41
Manufacturas basadas en recursos naturales 2/			0.40	0.25	0.20	0.21
Manufacturas no basadas en recursos naturales 3/			0.38	0.25	0.36	0.35
-tecnología baja 4/			0.15	0.32	0.43	0.45
-tecnología mediana 5/			0.52	1.02	0.46	1.49
-tecnología alta 6/			0.04	0.11	0.05	0.16
Otros 7/			0.02	0.03	0.05	0.05
			0.77	0.47	0.65	0.28
<b>II. Contribución (estructura de las exportaciones)</b>						
Productos primarios 1/			100	100	100	100
Manufacturas basadas en recursos naturales 2/			23.7	10.6	5.6	5.0
Manufacturas no basadas en recursos naturales 3/			24.0	11.6	8.9	11.1
-tecnología baja 4/			39.6	70.4	81.9	80.7
-tecnología mediana 5/			23.1	56.8	65.9	64.9
-tecnología alta 6/			5.1	13.8	13.5	13.3
Otros 7/			1.2	1.7	2.5	2.4
			12.9	6.9	8.6	8.6
<b>III. 10 principales exportaciones por contribución (CUCI Rev.2)</b>						
842 Ropa exterior para hombres y niños, de tejidos	a/	b/	45.8	64.2	72.3	76.5
846 Ropa interior de punto y ganchillo	*	+	5.4	13.5	16.5	17.4
843 Ropa exterior para mujeres, niñas y bebés, de tejidos	*	+	5.6	8.2	12.6	13.8
872 Instrumentos y aparatos de medicina	*	+	5.8	10.2	10.6	10.1
845 Ropa exterior y accesorios de vestir de punto y ganchillo	*	+	...	4.3	7.0	6.8
122 Tabaco, manufacturado	*	+	0.9	4.7	5.1	6.5
772 Aparatos eléctricos para empalme, corte de circuitos		+	1.8	1.3	1.9	5.1
612 Manufacturas de cuero natural, artificial o regenerado	*	+	1.3	3.9	4.2	5.1
061 Azúcar y miel		+	3.4	6.4	6.1	4.9
897 Joyas y objetos de orfebrería y platería y otros		-	17.8	7.2	4.2	3.8
		+	3.7	4.8	3.5	3.1

