



OEAP-UC

STRATEGIC OBSERVATORY
OF THE PACIFIC ALLIANCE

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OBSERVATORIO ESTRATÉGICO
PARA LA ALIANZA DEL PACÍFICO



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THE BENEFITS OF ADDITIONAL PROTOCOL IN PA

José Luis Parra A.



PA's Objectives

ADDITIONAL PROTOCOL OF THE PACIFIC ALLIANCE

**PROTOCOLO ADICIONAL AL
ACUERDO MARCO DE LA
ALIANZA DEL PACÍFICO**

Benefits of Additional Protocol

- Market Access
- Rules of Origin
- Technical Barriers to Trade - TBT
- Sanitary and Phytosanitary Measures - SPS
- Trade Facilitation and Custom Cooperation
- Public Procurement
- Cross-border Trade in Services and Investment
- Telecommunications
- E-Commerce
- Financial Services
- Solutions of differences

1. Adherence to Additional Protocol

Short-term goals and achievements:

- Increase trade and investment within AP
- Scale and develop more integrated supply chains in response to new forms of organization of world production
- Promote greater trade integration to attain higher levels of competitiveness in the markets of third countries

1. Adherence to Additional Protocol

Current Situation:

- Few companies use the Protocol, still using the bilateral mechanisms
- Governments and private sector to promote the benefits

2. Cumulation of Origin

- Unique and simple rules of origin
- Stimulates regional integration
- Increases production chain
- Promotes participation in a global value chain (focusing on Asian markets)

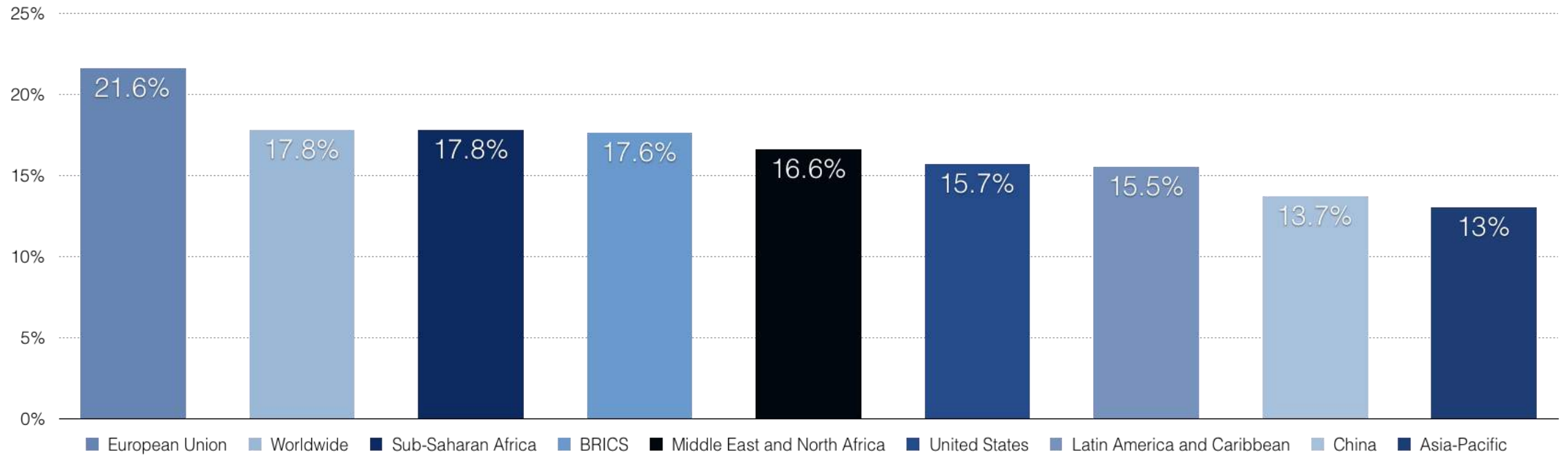
2. Cumulation of Origin

Current Situation:

- Identifying potential sectors - SMEs
- Digital certificate of origin (does not require paper documentation)
- Agreement on mutual recognition of digital signatures (in process)

3. Public Procurement

Public Procurement as part of GDP (2012)



Source: Data from World Bank

3. Public Procurement

- Promote new government vendors
- Simplify the process
- Harmonize the mechanisms and the standards of service providers

3. Public Procurement

Current Situation:

- Special places for vendors on government websites
- Integration of single windows for foreign trade (Red VUCE)

4. Facilitating Trade and Customs Cooperation

- Harmonization and simplification of the processes
- Digital process
- E-governance

4. Facilitating Trade and Customs Cooperation

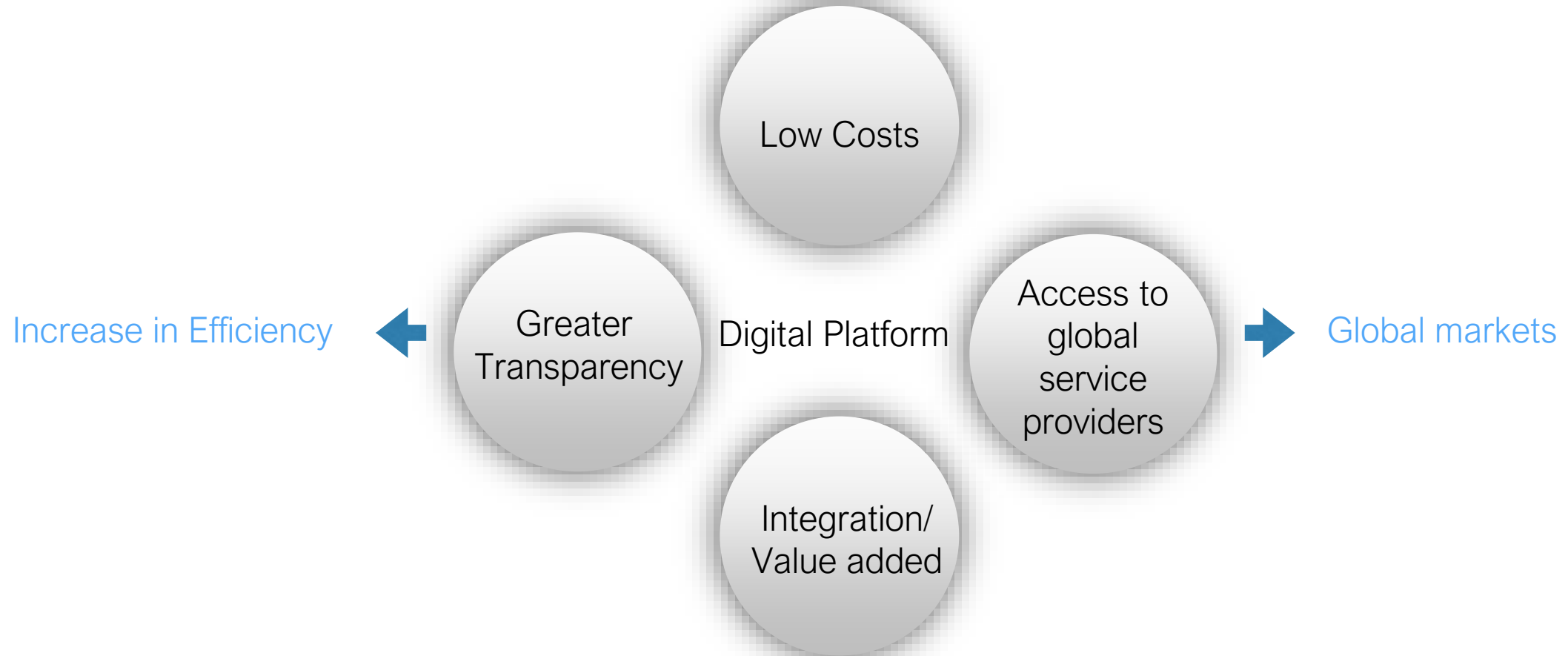
Current Situation:

- Certification of Authorized Economic Operator – AEO. Exportation Code

Purposes:

- Helps to add security to the supply chain
- Results in reduced multiple and complex reporting requirements
- 50 countries have certification
- 3 of the members already have AEO certification. Chile will begin a pilot program with 4 companies.
- Numbers of operators: Colombia 13, Mexico 36 and Peru 21

5. E-Commerce



Source: Diane Wang, Founder & CEO, DHgate.com ABAC, China

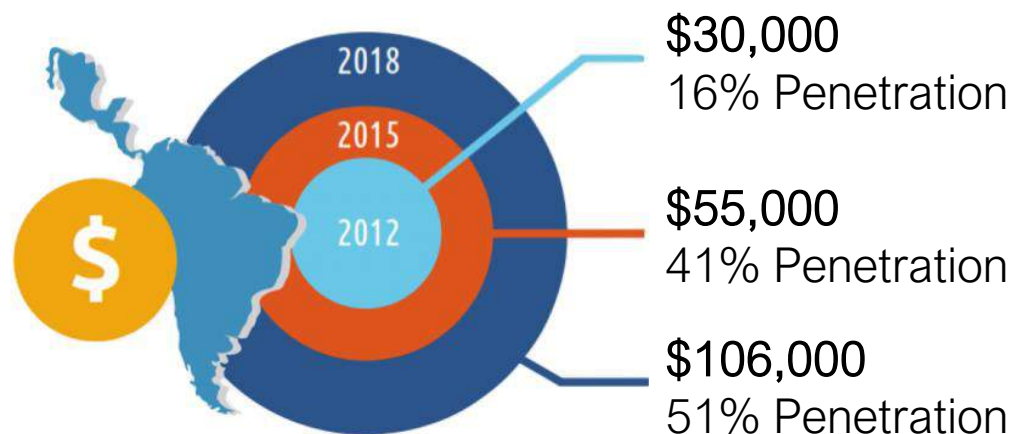
5. E-Commerce

Benefits:

- Dematerialization of the traditional physical media has allowed the emergence of an 'economy', characterized by declining average costs, a wide range of production, modest capital requirements, high rates of innovation, access and frequent output of new actors and economies of scale in consumption.

5. E-Commerce

Market value of e-commerce in millions of dollars and percentage of penetration in Latin America



Greater penetration of broadband
Opportunities for SMEs

5. E-Commerce

Current Situation:

- Developing building blocks to increase participation in the digital economy.
- Strengthen E-Commerce
- New Digital Agenda. Roadmap includes 4 pillars:
 - Digital economy
 - Digital government
 - Digital connectivity
 - Ecosystem

Conclusions

- **Additional Protocol** is an important tool that should evolve to incorporate new and relevant means to increase trade intra and extra PA.
- **PA** and **APEC** have the potential of developing areas of mutual cooperation, such as: trade services, SMEs promotion, boosting the digital economy, facilitating trade and customs cooperation, among other areas.
- **Negotiations with the 4 Associated States** will be important for PA's evolution.



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