

INTAL CONNECTION

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LATINDIA: The Future of Cooperation between India and Latin America

Over 30 experts from India and Latin America analyze the future of cooperation between the two regions.



India is no longer a distant, exotic place for Latin Americans. Instead, it's increasingly becoming a key factor in how they think about South-South integration, export diversification, integration into new value chains, innovation, and new technologies.

Opportunities for the economies of India and Latin America to complement one another and forge synergies are explored by more than 30 experts in "[LATINDIA: The Future of Cooperation between India and Latin America](#)," the latest issue of INTAL's Integration & Trade Journal.

The report revolves around one core question: how to strengthen and align diplomatic efforts to make the most of advantages that will lead to better integration between the two regions. In a world where the threat of protectionism is once again looming, India and Latin America

share a desire for international integration, an attractive domestic market, and a dynamic middle class.

The starting point couldn't be better: Latin America and India have never been so close. Some 40% of Latin Americans have a good or very good opinion of India. In countries with closer trade ties, such as Mexico or Chile, as much as 75% of the population see India in a positive light.

In his prologue to the publication, the president of the Inter-American Development Bank (IDB), **Luis Alberto Moreno**, argues that “in a globalized world that is facing multiple challenges to achieving sustained, equitable growth, it is essential for regions with shared needs to **join forces and work together**. Improving the quality of our infrastructure, expanding our energy-producing capacity, and modernizing our productive and education systems to meet the demands of an increasingly dynamic labor market are just some of the challenges that India and Latin America and the Caribbean have in common.”

In a similar vein, in their introductory article, Antoni Estevadeordal, manager of the IDB's Integration and Trade Sector, and INTAL director Gustavo Beliz argue that Latin America needs to diversify its exports and continue on the path that it set out on when it began pursuing closer relations with China, which has become the destination market for 16% of Latin America's exports and helped mitigate the impact of the last financial crisis, the epicenters of which were the United States and Europe. As well as more diverse destination markets, these changes are leading to a greater diversification of products and services, and India represents enormous opportunities in this sense due to its astonishing prospects for growth.

India and Latin America: Toward a Common Trade Agenda

This article looks at the current state of the relationship between Latin America and India in terms of trade, investment, and diplomatic cooperation.

The first decade of the 21st century will surely be remembered as Latin America and the Caribbean's Asia decade. An unprecedented trade boom driven by Chinese demand, followed by a flurry of diplomatic initiatives and cooperation agreements have transformed the region's pattern of global engagement over just a few years. More recently, however, the main drivers of the burgeoning LAC-Asia relationship—supercharged Chinese growth and sky-high commodities prices—have lost steam. The present moment thus calls for proactive steps to inject the LAC-Asia relationship with new momentum based on a strategic vision for the future, rather than simply riding the coattails of an epic commodities boom. The current geopolitical context, in which the traditional protagonists of economic integration are less enthusiastic about that project, provides further rationale for policymakers in LAC to focus on deepening integration with Asia.

The article in “LATINDIA: The Future of Cooperation between India and Latin America” by Antoni Estevadeordal, Mauricio Mesquita Moreira, and Theodore Kahn at the IDB's Integration and Trade Sector, mentions that one pillar of such a strategy should be to increase trade and investment with a broader range of Asian partners—chief among them, India. But why India? For starters, India, like China, is a one-billion-plus-person economy that faces major natural resource constraints. India thus represents another potentially enormous

market for the mineral, energy, and agricultural products that LAC exports in abundance. In addition, India has already overtaken China as the world's fastest-growing major economy and is projected to expand at an average annual rate of 7.9% between 2018 and 2022 (compared to 5.9% in the case of China).

Synergies in Agricultural Production

India's population suffers from protein and dietary fat deficiencies. The country's Green Revolution created carbohydrate surpluses by improving yields of wheat and rice. However, per capita production of pulses (lentils, beans), the country's chief supply of protein, has stagnated for over 40 years. According to the World Health Organization (2007), the recommended daily consumption of proteins for a healthy adult male is 0.83 grams per kilogram of body weight, so a man who weighs 80 kilograms should be consuming 66 grams of protein per day. According to the India Pulses and Grains Association (2007), India's average pulse protein consumption is only about 10 grams per day.

The article in "[LATINDIA: The Future of Cooperation between India and Latin America](#)" by Dave Ramaswamy, an Indian specialist at IndusLatin Ventures, showed that of 1,260 respondents in seven Indian cities, 91% of the vegetarians and 85% of the nonvegetarians had protein-deficient diets, regardless of their social class or gender. The sample showed that the protein intake of 88% of the people was less than the ideal amount, pointing to a wide gap in requirements versus what individuals actually consume.

Regional Rules for a Global Phenomenon? The E-Commerce Agenda

In recent months, e-commerce has been at the core of both multilateral and regional negotiations.

The impact of e-commerce on international trade in goods and services and the regulations for these are just some of the issues that are being discussed. The topic was examined from an academic perspective at the *Think Conference MC11: Thinking about 21st-Century Global Governance of International Trade*, organized by the government of Argentina and the Institute for the Integration of Latin America and the Caribbean, part of the Inter-American Development Bank (INTAL/IDB). The Think Conference was part of the official activities for the 11th World Trade Organization Ministerial Conference.

During the session on *Future Rules and Trends in E-Commerce*, which was moderated by Mark Wu, three research documents were presented which put forward different visions of the regulatory aspect of e-commerce in both the multilateral and regional spheres.[1] This article analyzes the main results of each of the presentations, with a particular emphasis on regulations for e-commerce, taking into account different possible spaces where such rules could be generated, such as the WTO or regional agreements, and the challenges these bring.

The Transformation is Underway

The challenges and opportunities that artificial intelligence and the Internet of Things are posing to the automotive industry

The rise of artificial intelligence (AI), online devices, electronics, and the Internet of Things (IoT) within manufacturing processes and products in the automotive sector have brought about a transformation. This has led to new business models that are oriented toward service provision, establishing new partnerships with providers in the digital world, and investing in start-ups to internalize technology. This transition is taking place in an industry where trade flows are currently concentrated in Asia, the United States, and Europe and which spends US\$100 billion on research, development, and production, according to the International Organization of Motor Vehicle Manufacturers (OICA).

So great is the pressure to innovate that today five vehicle companies are among the 16 companies in the world that invest most in R&D. In this context, for example, Toyota has set up the Toyota Research Institute (TRI) in partnership with MIT and Stanford University, which specializes in AI, robotics, and materials design, while Nissan has established a Research Center in Silicon Valley.

The Environment and Climate Change

The INTAL/Latinobarómetro partnership, which was established as part of the IDB's Regional Public Goods program, aims to study the behavior of public opinion from a comparative perspective and explore variables that are connected to countries' global integration patterns. It also examines statistical variables that relate to issues such as trade, political and social integration, and the environment in order to generate up-to-date knowledge on these issues in which subjective and objective factors overlap.

The project has created an RPG that plays a part in the IDB's annual monitoring system for integration processes in Latin America, which was designed collectively by the governments of the countries involved. These can use the results to inform public policy decisions.

This article looks at the issue of the environment and climate change, which are particularly important issues in Latin America, given that the region accounts for 40% of the planet's biodiversity.

From the Jungle to the Sea, a Road Corridor Develops and Integrates the Center of Peru with the Rest of the Region

The Callao–La Oroya–Pucallpa road corridor, ports, and waterways were ratified by COSIPLAN as part of the 2022 Priority Project Agenda.

The main objective of the structured project is to improve connectivity between the coastal departments of El Callao and Lima with Junín, Pasco, and Huánuco, in the mountains, and Ucayali, in the jungle, all of which are in central Peru. This would also enable connections with major ports in Peru, Colombia, and Brazil via the Ucayali, Marañon, and Amazon rivers. This structured project, which is slated for completion in 2020, represents a total investment of

US\$2.57 billion and is made up of nine individual projects, four of which are road-based (the Central Lima–Ricardo Palma highway, the Ricardo Palma–Cerro de Pasco bypass / La Oroya–Huancayo highway, the Cerro de Pasco bypass–Tingo María highway, and the Tingo María–Pucallpa highway); one is to improve navigability (the Ucayali River waterway); and four are port modernization projects (a new container dock, mineral shipping terminal, and multipurpose northern terminal at El Callao, and the port of Pucallpa). Work has finished on the mineral shipping terminal and multipurpose northern terminal in El Callao, while the remaining projects are currently being implemented and are on schedule.

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