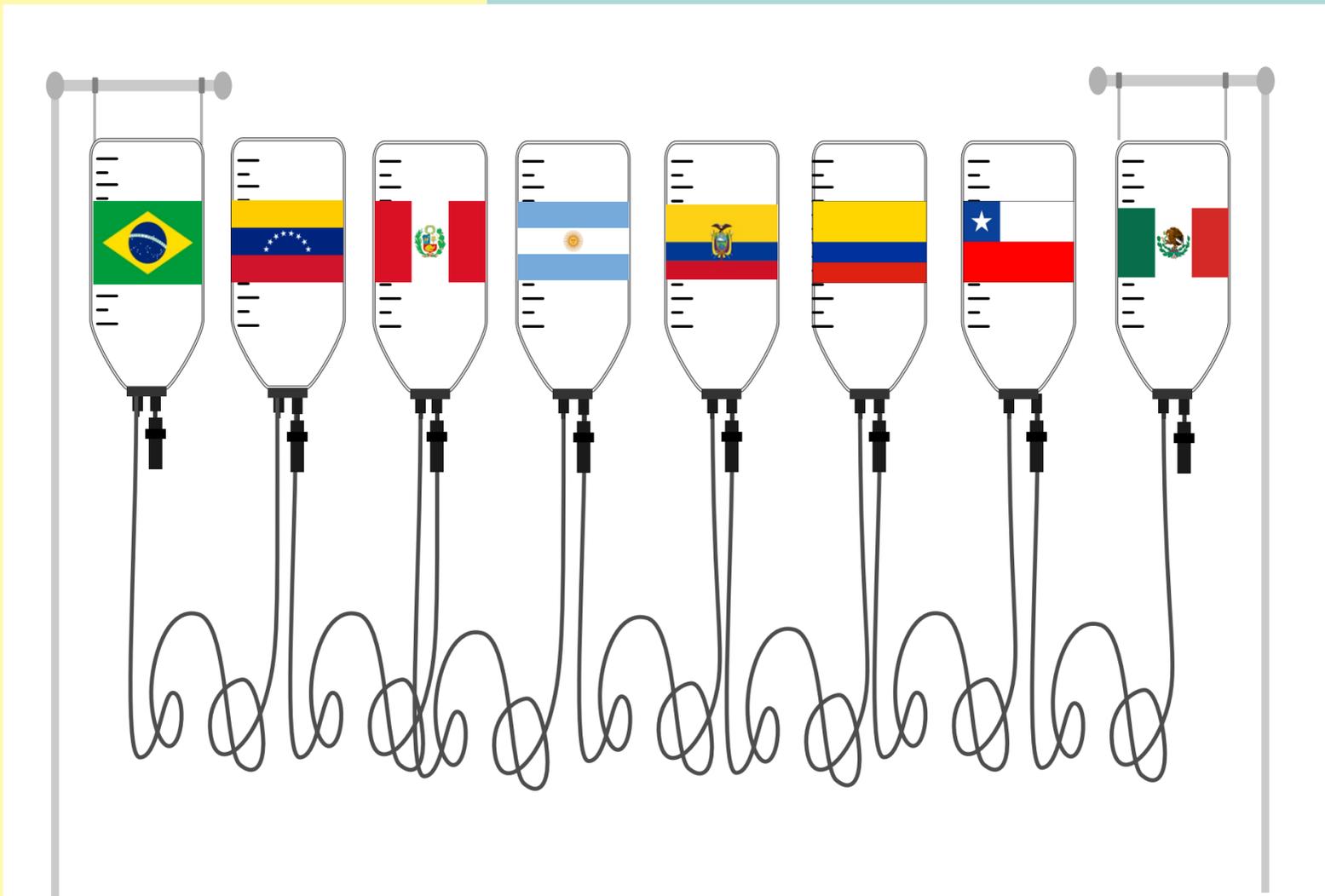




Main news:

- Health sector*
- Regulatory affair*
- Pricing policies*
- And others.*



Brasil

Perú

Colombia

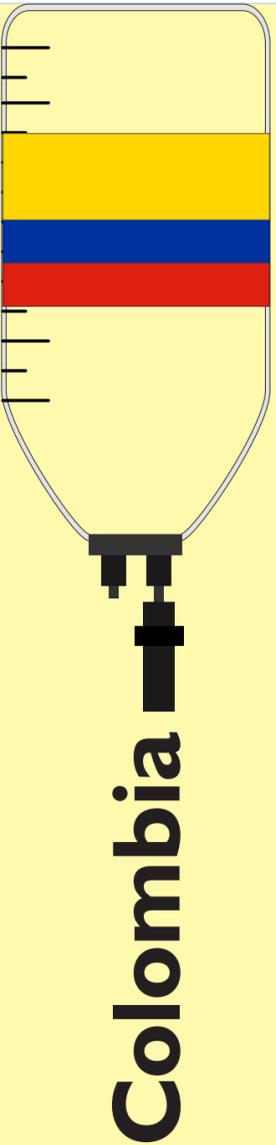
Argentina

Venezuela

Chile

Mexico

Ecuador



Ocde keeps forecast of Colombia's GDP at 3 percent by 2018

The OECD corrected its growth forecasts for the Colombian economy for 2017, but maintained them for 2018, year for which sees a strengthening driven by lower interest rates and a rise in exports.

Its semi-annual Perspectives report pointed to an increase of 1.7% in the Colombian gross domestic product (GDP) in 2017, five tenths less than what was announced six months ago, and another one of 3% for 2018, the same percentage as in its June analysis. According to the Organization for Economic Cooperation and Development (OECD), the tax reform of 2016, low consumer confidence, a continued decline in oil exports and a still high unemployment rate of 9.2% in 2016 have weighed on household consumption.

The Ocde estimated that the historic peace agreement signed in November 2016 with the FARC will boost investment, as well as better financing conditions and new infrastructure projects, while private consumption will grow thanks to the strengthening of the labor market. The agency found that although the 2016 tax reform partly finances policies in favor of more inclusive growth and a reduction in labor informality, more investments will be needed in the medium term.

The OECD, which validates the neutral monetary policy launched for 2018 and 2019, maintained that among the main risks for the Colombian economy is an unfavorable evolution of trade and prices of raw materials.

A recession in some of its main trading partners, such as Venezuela, would reduce exports, added the agency, according to which delays in public-private projects would also reduce investment.

Source: El Tiempo Newspaper

The state of the market for medical equipment and devices in Colombia in 2017

The country's GDP growth has continuously declined in recent years, from 4.9% in 2013, 4.4% in 2014, 3.1% in 2015 and 2.2% in 2016. Fortunately, this year the GDP is expected to increase a bit compared to Last year: 2.7%.

Value of medical equipment imported to Colombia in 2017

In 2017, the value of medical equipment imported to Colombia fell by 7%, according to GHI. This has happened after a decline in the value of imported medical equipment of 15% in 2016 and 7% in 2015.

Amounts of medical equipment imported into Colombia in 2017

A total of 112 million units of medical equipment and devices will be imported into Colombia in 2017, which represents a decrease of 37% compared to the amount imported in 2016, which was more than 179 million.

There are a few segments of the market that are growing in Colombia in terms of imports: Other breathing apparatus and gas masks: a 95% increase in imported quantities
CT scans, x-ray machines, tubes for x-rays, radiotherapy equipment: an increase of 23% in imported quantities

Source: Global Health Intelligence

This will be the summit for the 'startups' of the Pacific Alliance

The entrepreneurship and business ecosystem around this issue, within the Pacific Alliance, will have its summit at the end of the month in Bogota. This is the I South Summit Alliance of the Pacific, which will connect Europe with the projects of the countries of the bloc (Chile, Peru, Mexico and Colombia).

The objective of the event is that it be the scenario for the previously selected enterprises to present their most disruptive (innovative) business models, as part of the solutions they want to provide to the sectors. In addition, it is among the objectives of the I South Summit to promote Colombia, Chile, Peru and Mexico as non-traditional investment destinations and to promote joint work among all the innovation and entrepreneurship participants of the block.

Source: El Tiempo Newspaper

The Pacific Alliance is consolidated with new partner countries

The importance of the commercial block is evident, since it has about 225 million people, half of whom are located in Mexico. A new round of negotiations has opened the way for them to join the Alliance, as associate countries, Australia, Canada, New Zealand and Singapore. This inclusion would strengthen the links in terms of: (i) new markets; (ii) attracting capital; and (iii) improve access to state-of-the-art technologies.

The importance of the commercial block is evident, since it has about 225 million people, half of whom are located in Mexico. This market of the Alliance also has the appeal that it presents a medium income - in accordance with world standards - close to \$ 17,000 per capita. These conditions made it possible for the countries of the Alliance, the original signatories, since April 2011 - Chile, Colombia, Mexico and Peru - to receive almost 70,000 million dollars in foreign direct investment in 2016. This amount is approximately 40% of the total investment of this type that arrived in Latin America.

However, the encouraging of this consolidation of the agreement, the countries of the Alliance in particular and Latin America in general, have pending tasks that allow them to have an export portfolio not only more diversified, but also and above all, with greater value aggregate. Continuing the dependence on raw materials as essential components of exports, conditions these economies to be very vulnerable to external shocks, when those market prices fall significantly, as is the current case of oil, its impact on economies such as the Mexican is great. and Colombian. On the other hand, relying on exports of raw materials also leads to the emergence of symptoms of the "Dutch disease" in domestic markets when international prices are high.

This generation of added value in exports is very important. It depends on this to achieve remarkable levels of investment in the real economy; what competes with the resources destined to the financial economies. The latter operates as a zero-sum game, with respect to the amounts that can be invested in the real economy.

Source: Portafolio Magazine

Ecuador



Andean Community qualifies for Ecuador's illegal customs rate

A new tax rate for imports in Ecuador opened the debate in the Andean Community, which is in the middle of the final preparations to sign a Multi-Party Trade Agreement with the European Union. According to Analdex, the Andean Community Businessmen Nations rejected Ecuador's new Customs Agreement and pointed out that it is illegal because it violates "the current regulations of both the Cartagena Agreement, the GATT (WTO) and the same provisions of the Multiparty Trade Agreement with the European Union."

According to Analdex, the new Customs Control Service Rate implemented since last November 13 in Ecuador, general doubts about the rights and charges that are internationally accepted, which could affect commercial activities in both directions.

As part of the preparation for the agreement with the European Union, the businessmen also want to discuss not only the Ecuadorian measure but also the possibility of activating the Andean Business Council again, which will allow them to analyze the necessary mechanisms to take advantage of Item. trade agreements like the one you are about to sign.

Source: Money Magazine



The state of the Medical Devices Market in Brazil in 2017

Despite an economic slowdown in recent years, Brazil is undoubtedly showing signs of an economic recovery. After one of the deepest recessions in the history of the country, Brazil has had two consecutive quarters of growth. Its GDP has increased by 0.2% during the last quarter and by .3% compared to a year ago. A sector of great growth in Brazil has been the market of medical devices and equipment. Undoubtedly Brazil is a growth market for these products and the figures are beginning to reflect this.

The value of medical equipment imported to Brazil

The total value of medical equipment and devices imported to Brazil in 2017 will be more than US \$ 3.1 billion. This is an increase of 15% compared to 2016, when the value of medical equipment imported to Brazil actually dropped by 14%.

Amounts of medical equipment imported to Brazil

According to the figures on imports analyzed by GHI, it is forecast that Brazil will import more than 4.6 billion units of medical equipment and devices in 2017. Although it seems a high amount, it should be noted that this includes not only large and expensive equipment such as MRI scanners and CT scanners, but also smaller pieces such as syringes, stents, parts and other smaller instruments that are ordered in large quantities.

However, 2017 seems to have been a favorable year: there has been a 15% increase in the number of medical devices imported into the country. By contrast, in 2016 and previous years there were declines in the number of medical devices imported to Brazil: 18% in 2015 and 14% in 2015. Sectors of strong growth in the Brazilian medical equipment market in 2017

The following sectors offer strong sales potential in Brazil:

Electrocardiographs, MRI machines and scintigraphic equipment: there was a predicted increase of 21% in value and 43% in quantities

Equipment for massage, equipment for oxygen therapy and other respiratory equipment: a predicted growth of 22% in value

X-ray machines, CT scanner and other radiographic equipment: a predicted growth of 12% in value and a projected growth of 204% in quantities

Thermometers and pyrometers: a forecast growth of 12% in terms of value

Source: Global Health Intelligence

Improving the Brazilian economy opens up new political appetites

The IBGE statistics institute, the October unemployment rate, which according to the consultancy Go Associates was reduced for the seventh consecutive month, from 12.4% to 12.1%. In the first quarter of this year, it had reached a record of 13.7%.

the evolution of the Gross Domestic Product (GDP) in the third quarter, which according to the average estimate of 31 economists consulted by Bloomberg will mark an increase of 0.3% compared to the immediately previous quarter. That would be the third consecutive quarter of expansion of the largest Latin American economy, after two years of free fall (-3.5% in 2015 and -3.6% in 2016).

The government presents these developments, as well as the control of inflation, as proof of the return of confidence after the dismissal of left-wing President Dilma Rousseff last year.

The reactivation is slow and runs up against the weakness of investments and the government's difficulties in approving the pension reform, which the market demands to clean up the strong public deficit. But the process of leaving the well can give encouragement to 'centrist' candidates in front of the two figures that dominate the polls: former left-wing president Luiz Inácio Lula da Silva (2003-2010) and far-right deputy Jair Bolsonaro, analysts estimate.

The ex-president of the Central Bank Carlos Langoni predicts that unemployment will fall "below 10% in the second quarter of 2018", a result "critical in the ante-eve of an electoral process".

Low inflation encourages consumption

Market operators predict GDP growth of 0.73% this year and 2.58% in 2018, according to the latest weekly survey Focus of the Central Bank (BCB), which improved the expectation compared to 2.50% projected two weeks.

If the growth of the first quarter (+ 1%) was driven by the agricultural sector and that of the second quarter (+ 0.2%) for services, the third quarter should be driven by the consumption of families, thanks to the rapid reflux of inflation and interest rates, according to Langoni.

That reflux allowed the BCB to substantially reduce its base rate from 14.25% in October 2016 to 7.50% last month. The expectation of the market is a new cut, to 7%.

Source: Money Magazine

Diagnostic 4.0

The increase in the life expectancy of the Brazilian placed the medicine in check. If on the one hand the sector improved the general conditions for the population to live longer, on the other it faces the challenge of taking good care of the long-lived people at adequate costs. This new reality is valid for everyone: public and private hospitals, laboratories and health plans.

From 2011 to the present, R \$ 12.5 billion were invested in health technology companies in Brazil. The trend points to the increasing use of artificial intelligence to increase the productivity of procedures, digital surgeries, treatments with minimally invasive devices, humanized image diagnosis and shared adoption of electronic prognosis with mapping of patient health data.

The challenge, in this case, is to effectively transmit information and monitor the patient's health remotely. "It is possible to monitor the distance possible accidents, fall, cardiac arrest, heart malfunction, pressure drop, glucose measurement, AVC, which are more recurrent in the elderly," says Paulo Henrique Fraccaro, superintendent Brazilian Association of the Industry of Articles and, Medical and Dental Equipment (Abimo).

The executive warns, however, that preventive measures should be taken more effectively and that the sector still invests very little in this.

Some hospitals and laboratories are beginning to invest in innovations and new management models to solve these bottlenecks.

Source: Valor Econômico - Abimed website

Venezuela falls back into default

The country did not pay coupons for 237 million dollars during a 30-day grace period. S & P Global Ratings has declared in default Venezuela's bonds denominated in dollars due in 2025 and 2026 after the Latin American nation did not pay coupons for 237 million dollars during a 30-day grace period.

S & P reduced the ratings of Venezuela's global bonds to D from CC, while ratifying the long-term sovereign credit rating in foreign currency in SD. Like Fitch Ratings, the rating agency had already declared the country "default" last week, citing unpaid payments by state oil company Petróleos de Venezuela.

About a dozen institutions with Venezuelan debt have begun to organize and meet with lawyers, according to people with knowledge of the matter. The group includes Pacific Investment Management Co., T. Rowe Price Group Inc. and Amundi Pioneer, said the people, who asked not to be identified because the talks are private.

Venezuela's debt at 7.65% denominated in dollars due in April 2025 was at 24.43 cents on the dollar, compared to 45 cents at the beginning of the year, according to prices compiled by Bloomberg. The price of debt in US currency at 11.75% and due in October 2026 has fallen to 26.31 cents from 56.73 cents.

Source: International Portfolio Newspaper



Venezuela

Maduro will seek re-election in 2018

Venezuelan President Nicolás Maduro will seek re-election for a second term in the 2018 elections, his vice president, Tareck El Aissami, announced Wednesday. Amid applause and ovations, the vice president said that the eventual re-election of Maduro will be the response to the "coup" of the opposition and the "financial persecution and sanctions" of the United States.

I have added that to the second period of Maduro will have the victories achieved by Chavismo in 2017, among which I have mentioned the election of the Constituent Assembly that governs with absolute powers since August and the regional elections, in which I have won 18 of 23 governorates in October The candidacy of Maduro is announced two days after the beginning of a dialogue between the government and the opposition in the Dominican Republic to seek solutions to the serious political and economic crisis. Maduro was elected for the period 2013-2019 after the death of President Hugo Chávez. The elections must be held in December 2018, although opposition leaders and analysts do not rule out an advance.

Source: The Newspaper Time

Why Chile's economy will grow in 2018 who wins the presidential elections

Sebastián Piñera or Alejandro Guillier? Regardless of who is the next president of Chile, experts agree that economic expectations in the country are good for 2018. What is known in advance is that the next person to govern the country will find more favorable economic conditions than those faced the outgoing president, Michelle Bachelet.

The experts point to several factors. One of them and perhaps the most relevant: copper. The Chilean Copper Commission already anticipated an average value of US \$ 2.77 for 2017 and US \$ 2.96 for 2018. This would imply more economic and financial slack during the four years of the next Chilean presidential term.

The first government of Bachelet, between 2006 and 2010, benefited from this rise and the Chilean economy came to grow in 2007 to 4.6%. But copper was last quoted about \$ 3 in 2014, at the beginning of the second term of the president, and from there began its decline.

The financial agency Bloomberg warned only a few days ago that Sebastián Piñera could become a "hard negotiator" for the state company Codelco, which needs to complete a millionaire investment due to the aging of its main deposits.

In his campaign, Alejandro Guillier, senator for Antofagasta, one of the mining regions of Chile, emphasized the need to ensure investment in the area, leave part of the huge mining taxes in the regions where the metal is mined and repeal the Reserved Law del Cobre, which grants 10% of Codelco's sales to the armed forces.

"Because this is very powerful: when the price of copper rises a lot in Chile there is a party, as happened in 2006, 2007, 2011. Not only partying, sometimes there is madness", concludes the analyst.

Source: Money Magazine

Elections in Chile could change the balance of power in that country

In a country with a voluntary vote and high voter turnout, few are encouraged to bet on a concrete result in the elections in Chile, where the president of the Republic will be elected and the Chamber of Deputies and part of the Senate will be renewed. But there are two things that are clear: one is that the ex-president and center-right businessman Sebastián Piñera reaches the final straight leading the polls; the other is that these are in several aspects unpublished elections.

For the first time, a quota was applied where men and women cannot exceed 60% of the candidates.

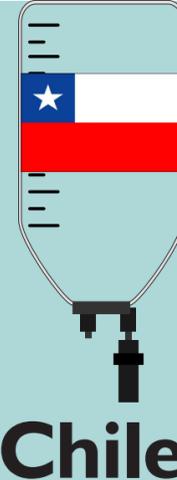
The changes in the electoral rules coincide with a tremor in the Chilean political parties, rejected by the citizenship and divided by the tax, labor and educational reforms of President Michelle Bachelet. And the decriminalization of abortion achieved under his administration. Political fragmentation has generated a record number of presidential candidates in Chile. Despite this, political propaganda has been less colorful than ever.

The new Chilean electoral landscape responds to another change: the new norms of political propaganda, part of a larger package of laws passed by the Chilean Congress after judicial investigations into different companies - among them SQM, directed by the former son-in-law of Pinochet Julio Ponce Lerou - accused of illegally financing parliamentarians of different parties. Following the reforms proposed by the Anticorruption Council led by an economist from Yale University, Professor Eduardo Engel, is also the first time that donations to political campaigns are regulated, are public and limited. Also, unpublished, the names of the donors, and the amounts they give can be followed week by week on the website of the Electoral Service.

"We will have a Chamber of Deputies less questioned by political financing, since it will be new and elected under the new rules of oversight,"

However, the expert warns that "the figures of confidence in parliamentarians in Chile will not improve in just two years," because the country requires "more participation and better accountability."

Source: Money Magazine



The 5 fastest growing health markets in Latin America

Despite the economic difficulties of recent years, several sectors in Latin America - particularly those in health - are growing right now and are projecting notable increases in the near future. Among the main growing sectors within the health market in Latin America are:

Ventricular assist devices: a compound annual growth rate (CAGR) of 11.65% between now and 2021

Medical gases and related equipment: a TCAC of 10.2% between now and 2020

Home care equipment: a TCAC of 8.7% between now and 2020

Power systems for medical equipment: a CAGR of 6.85% between now and 2020

Market of neurovascular devices: a TCAC of 5.5% between now and 2024

Next, some of the region's leading health markets whose individual growths are driving growth in the region.

BRAZIL

Brazil has faced the curious situation in recent years of having an economic slowdown along with an increase in demand for cutting-edge medical equipment. However, there were not enough funds for the institutions to buy the necessary products.

MEXICO

In 2015 and 2016, Mexico faced an economic recession similar to that of Brazil, but the demand for medical equipment turned out to be so high that the market continued to advance. The Mexican medical equipment market grew from 2 billion units sold in 2014 to 2.4 billion sold in 2016.

COLOMBIA

The overall economic slowdown seems to be a bit more severe than that of other LatAm countries and that is likely to continue in 2017. However, that does not mean that equipment manufacturers should not be prepared to take advantage of the market. On the other hand, Colombia has less cutting-edge medical equipment than the rest of the countries listed here, so its market offers opportunities. And despite the difficulties, several market segments of medical equipment and devices imported to Colombia have grown, including electrocardiographs, ultrasound machines, magnetic resonance imaging (MRI) equipment, medical gas meters and more.

ARGENTINA

Argentina's recent economic difficulties have also been well documented. Among the key sectors of medical equipment in Argentina that have grown between 2014 and 2016 are the following:

Imports of massage equipment and therapeutic breathing to Argentina: an increase of 9% in units and in value

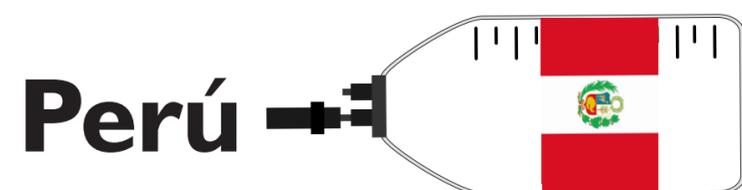
Imports of TAC scanners, X-ray equipment, radiography equipment and radiotherapy to Argentina: an increase of 11% in imported units and an increase of 3% in value of imported units

Imports of orthopedic equipment, hearing aids, heart valves and pacemakers to Argentina: an increase of 5% in units and of 15% in value

PERU

The medical equipment market in Peru has continued to grow steadily, with an increase of 13% between 2014 and 2016, which is why manufacturers should take advantage of this market.

Source: Global Health Intelligence



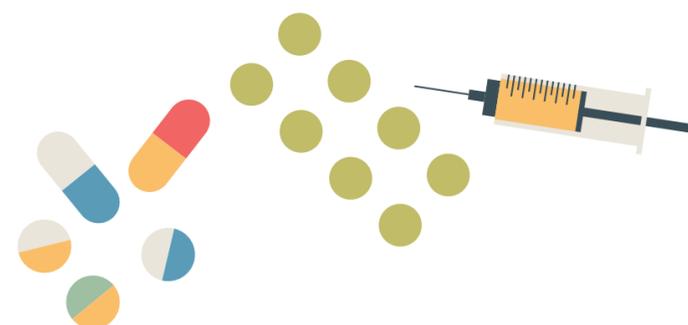
Executive raises more than S / 16 billion for the health sector in 2018

The budget of the Health sector, for the year 2018, will be S / 16,027 million soles, which represents an increase of 16% in relation to the amount of the fiscal year 2017, as it was announced by the head of the Ministry of Health (Minsa), Dr. Fernando D'Alessio Ipinza, during his presentation before the plenary session of the Congress of the Republic.

Minister Dálessio informed that the budget for the health function is composed as follows: S / 10,343 million correspond to the national government, S / 5,501 million to regional governments and S / 182 million to local governments, which represents the increase in the budgets of 20%, 11% and 9%, respectively. He also explained that the amount corresponding to the national government is broken down into: S / 9,646 million for the Minsa, S / 397 million for the Ministry of the Interior, S / 298 million for the Ministry of Defense and S / 1 million for the Ministry of Justice.

Finally, he indicated that for 2018 the appointment of 4461 workers from different occupational groups who would become part of the Minsa's budget without originating greater investment in the treasury has been considered. On the other hand, he informed that the level of execution of the 2017 budget is at an advance of 96%, due to a delay in the execution of the new INEN tower.

Source: MINSA - Ministry of Health



Argentina's foreign debt already exceeds 300 billion dollars

Argentina's liabilities increased by US \$ 18,333 million in the first six months of 2017, so the Ministry of Finance took or authorized issues for more than 100 million daily, including holidays and weekends

With the strong acceleration that the Government has printed, Argentina's external debt has risen to 100 million dollars a day in the first half of this year and already exceeds 300,000 million dollars, according to official data.

If that account is added to what Argentina still owes the Gross Product (GDP) coupon, the total liabilities amount to 307,295 million dollars.

The liabilities continued to grow so far in the second half of the year and would add an additional 20,000 million dollars at the close of December.

The national public debt would be higher if the bulky liabilities of the provinces - which since 2016 are also issuing bonds abroad - and the Central Bank's debt in LEBAC in pesos and foreign currency were taken into account.

The debt ratio on the provinces' revenues is at 34% average and would climb to 36% in 2018, which would leave the consolidated jurisdictions at the sustainability limit, the risk rating agency warned last month Moody's.

Source: La Voz Radio – Argentina

Argentina completes the preparations for the G20 presidency

Argentina finalizes the preparations for its arrival to the presidency of G20, that will prolong during a year, in which more than 20,000 civil employees will arrive at the austral country to participate in the meetings. Argentina will preside over the group from December 1, and a day before, Argentine President Mauricio Macri will officially present the event at the Kirchner Cultural Center in Buenos Aires. At the launching of the Argentine presidency, governors, ministers, judges of the Supreme Court, legislators and national businessmen were invited, as well as ambassadors of the G20 member countries and representatives of international organizations that are members of the organization.

As president of the group, which includes 19 industrialized and emerging countries, plus the European Union and other invited countries, Argentina stressed that it will have the opportunity to "lead the orientation of the agenda" of the various meetings. Among the issues that the Argentine state agency Telam highlighted as "priority" for the Macri government are employment, infrastructure and food security.

The G20 consists of Germany, Canada, the United States, France, Italy, Japan, the United Kingdom and Russia, as members of the G8, and other emerging countries, Saudi Arabia, Argentina, Australia, Brazil, China, South Korea, India, Indonesia, Mexico, South Africa and Turkey, to which the European Union and Spain are added as permanent guests. The meetings will also involve two countries invited by Argentina, Chile and the Netherlands, and associated agencies such as the Association of Southeast Asian Nations, represented by Singapore; the Community of the Caribbean, represented by Jamaica, and the African Union, represented by Rwanda. Different international organizations are also included in the list of attendees, such as the Inter-American Development Bank, the World Bank, the Financial Stability Board, the Development Bank of Latin America, the International Monetary Fund, the UN and the Organization for Cooperation and Economic Development (OECD). The contribution by civil society will be carried out by the so-called affinity groups, made up of representatives from different sectors: companies, NGOs, trade unions, scientists, academics and groups of women and young people.

Source: Agencies EFE

EL ESTADO DEL MERCADO DE EQUIPOS Y DISPOSITIVOS MÉDICOS EN MÉXICO EN 2017

The country's GDP growth was 1.4% in 2013, 2.3% in 2014, 2.6% in 2015 and 2.3% in 2016. And despite a 2.7% growth in GDP during the first half, Mexico has not experienced strong increases in the following quarters: 1.8% during the second quarter and 1.6% during the third quarter. It is not surprising that the market for medical devices and equipment in Mexico has had a parallel decline with those of the Mexican economy in general. The results are evident when the data on imports of medical equipment to the country are observed.

Value of medical equipment imported to Mexico in 2017

Despite having an increase in value in 2015 (15%) and even 2016 (2%) in terms of the value of equipment imported to Mexico, Global Health Intelligence predicts that this value will decrease by 19% in 2017 to add a total of US \$ 4.8 billion, compared to US \$ 6 billion in 2016.

Amounts of medical equipment imported into Mexico in 2017

The amount of medical equipment imported to Mexico increased by 21% in 2015 and by 3% in 2016.

Mexico has some growing sectors in its medical equipment market:

Machines and apparatus for testing metals, other machines and parts: A predicted growth of 7% in value and 56% in quantities imported

Gas meters: Forecasted growth of 9% in value and 3% in imported quantities

Other respiratory devices and gas masks: A forecast growth of 10% in value of imports.

Source: Global Health Intelligence

Mexico, the only Latin American economy that has improved in competitiveness since 2010

The Mexican economy presents a contrasting scenario in terms of its achievements and the risk of sustainability of the advantages achieved. Now in mid-November, the Inter-American Development Bank (IDB) has published the corresponding number of the "Foreign Trade Monitor 2017". Among the information provided, it is highlighted that Mexico is the only Latin American economy that since 2010 has improved its conditions of competitiveness in the region. It is a period that begins a year and a half after September 2008, when the last global financial crisis began.

However, this improvement in the conditions that facilitate the conduct of business, the establishment of companies or production units and a favorable climate for investments in the circuits of the real economy, the Mexican economy presents a contrasting panorama in terms of its achievements and to the risk of sustainability of the advantages achieved.

On the other hand, the country that constitutes almost half of the export capacity of Latin America has increased by 7% the total supply placed in international markets. Of this, it is noteworthy, 87% is destined to the United States, which is, of course, the natural market of Mexico.

Source: International Portfolio Newspaper

Mexico prepares for a life without TLCAN

The Mexican government seeks other markets to counteract the heavy dependence on US imports and exports. Mexico is stepping up its efforts to diversify its markets and introduce new protections for investors, while preparing for the possibility that negotiations on the future of the North American Free Trade Agreement (NAFTA) will fail.

The Mexican authorities are seeing encouraging signs that new markets are opening. Although the country depends to a large extent on the USA. for its imports and exports, it has imported more yellow corn from Brazil and Argentina in September than in all of 2016.

Part of it is motivated by prices: Brazil and Argentina have record harvests that need to be sold, so prices have gone down. To the US Grain Council UU (USGC, for its acronym in English) consoles that fact for the time being, because it considers that these are only 'small windows' of opportunity for Brazil and Argentina since the harvests exceed the storage capacity.

The Spanish bank Santander believes that the Mexican economy could contract 2.6% if NAFTA and EE were canceled. UU resort to a total trade war instead of returning to the tariff rules of the World Trade Organization. Moody's Investors Service says the economy could contract up to 4%.

For now, Mexico will not leave the table. "Mexico will not give Donald Trump the excuse to say that we are guilty of the disappearance of NAFTA," the anonymous official said. Even if NAFTA comes to an end, "half of what we export to the US. UU will continue to enjoy duty-free access, because tariffs are already zero," the official added. But the calculations of Banco Santander suggest that the pain could be considerable. It projects a 15% drop in Mexican exports and 16% in imports if NAFTA comes to an end and a total trade war with the United States erupts.

Source: International Portfolio Newspaper



México