Sino-LAC Ties: Trade Relationships, Trade Potentials and Asymmetric Dependency

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Abstract

Previous studies have emphasized the asymmetry in the Sino-LAC partnership, solely based on their trade exchanges. This paper extends the boundaries of understanding structural asymmetries in the Sino-LAC trade, by considering unequal opportunities in this partnership. The latter is accounted for by deriving two-way export potentials from the Sino-LAC partnership. On average, the gravity of LAC's trade promise with China appears to lie in continuing to grow the level of exports in agriculture. The export potentials observed for LAC to China, instead of China to LAC, not only imply untapped possibilities for the former relative to the latter connection, but indicate their disparate opportunities for further integration.

Keywords: Asymmetric dependency, export potentials, gravity model, Latin America, China