



***The Impact of Food Prices on Food Security  
and the Role of Latin America***

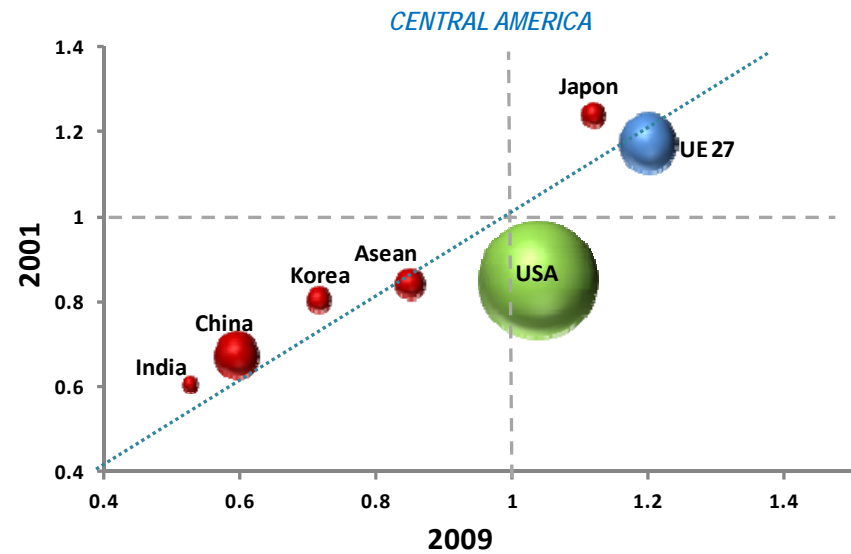
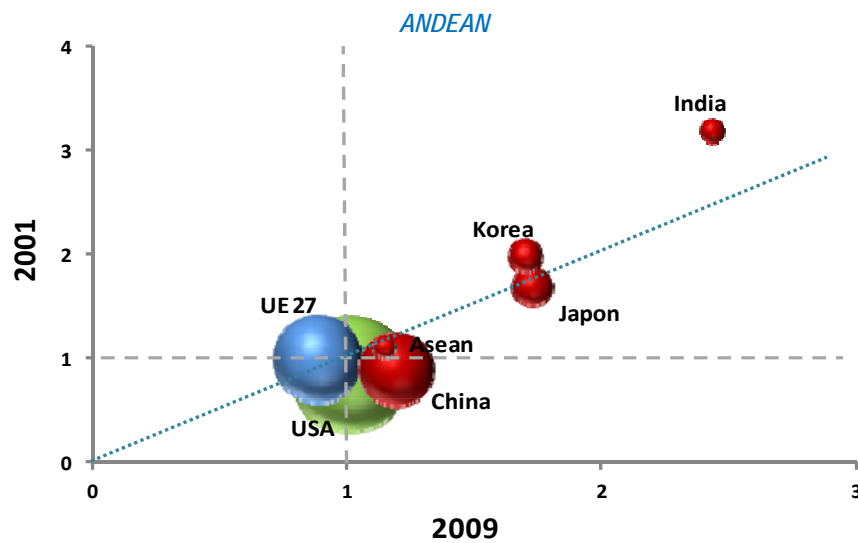
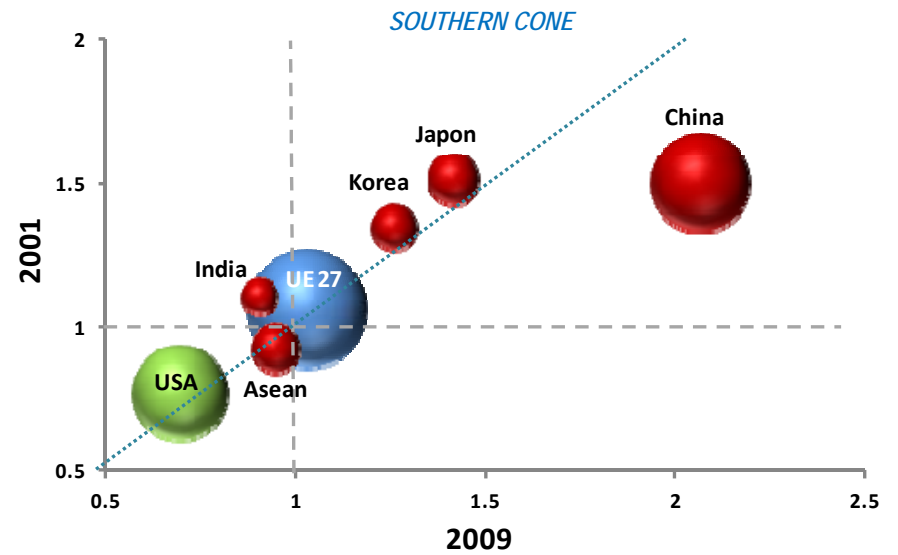
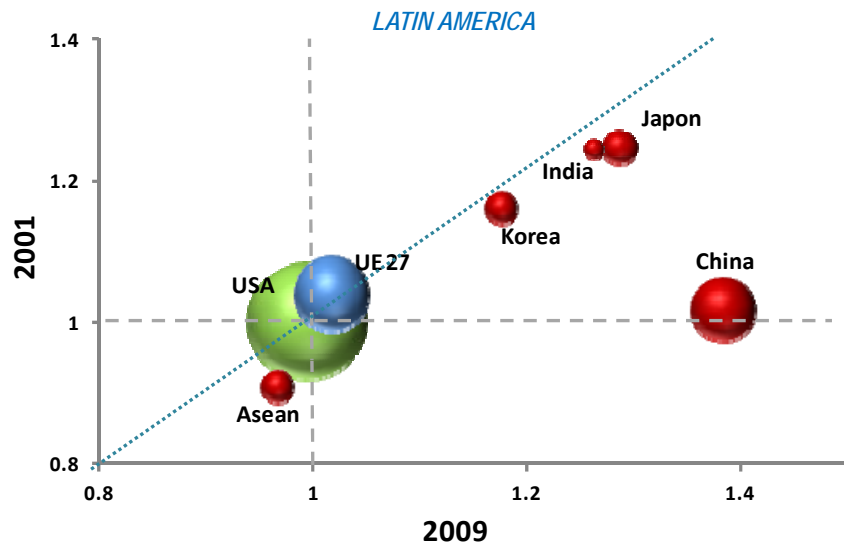
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Washington DC , May 17<sup>th</sup> ,2012

# PATTERNS OF TRADE COMPLEMENTARITY

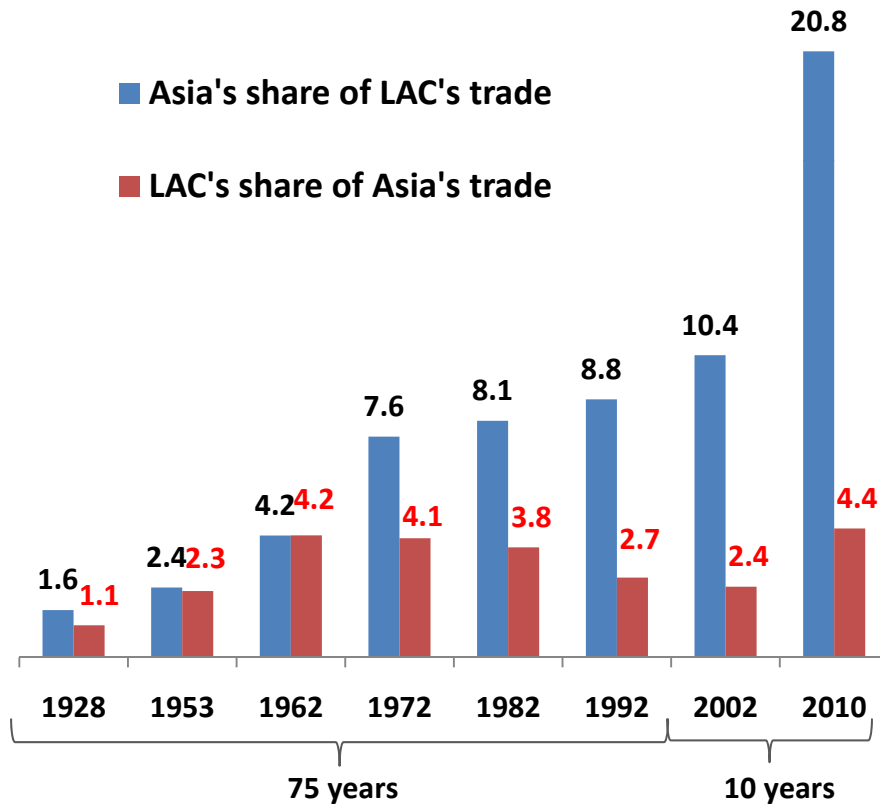
TRADE COMPLEMENTARITY INDICES, 2009 vs. 2001  
(SPHERE SIZE REPRESENTS THE SHARE OF EACH COUNTRY/REGION IN THE SUB-REGIONAL TOTAL TRADE)



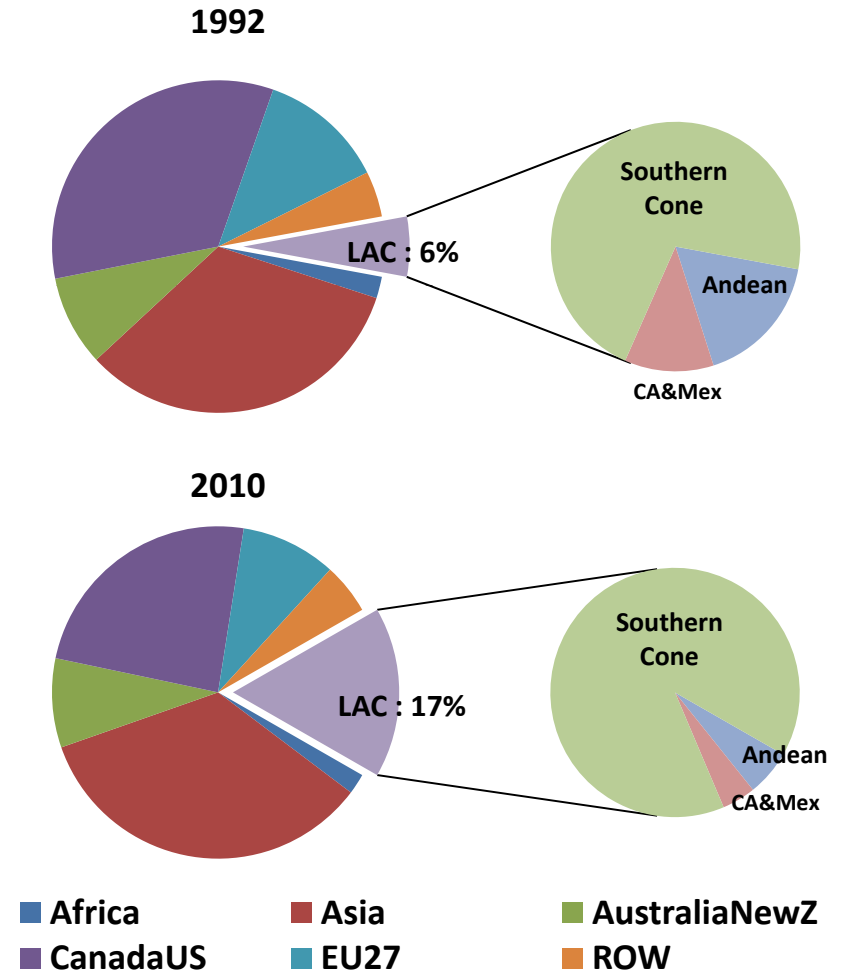
Source: IDB/INT based on INTrade database and UN COMTRADE

# PATTERNS OF TRADE DYNAMICS

ASIA'S AND LAC'S SHARES OF EACH OTHER'S TRADE



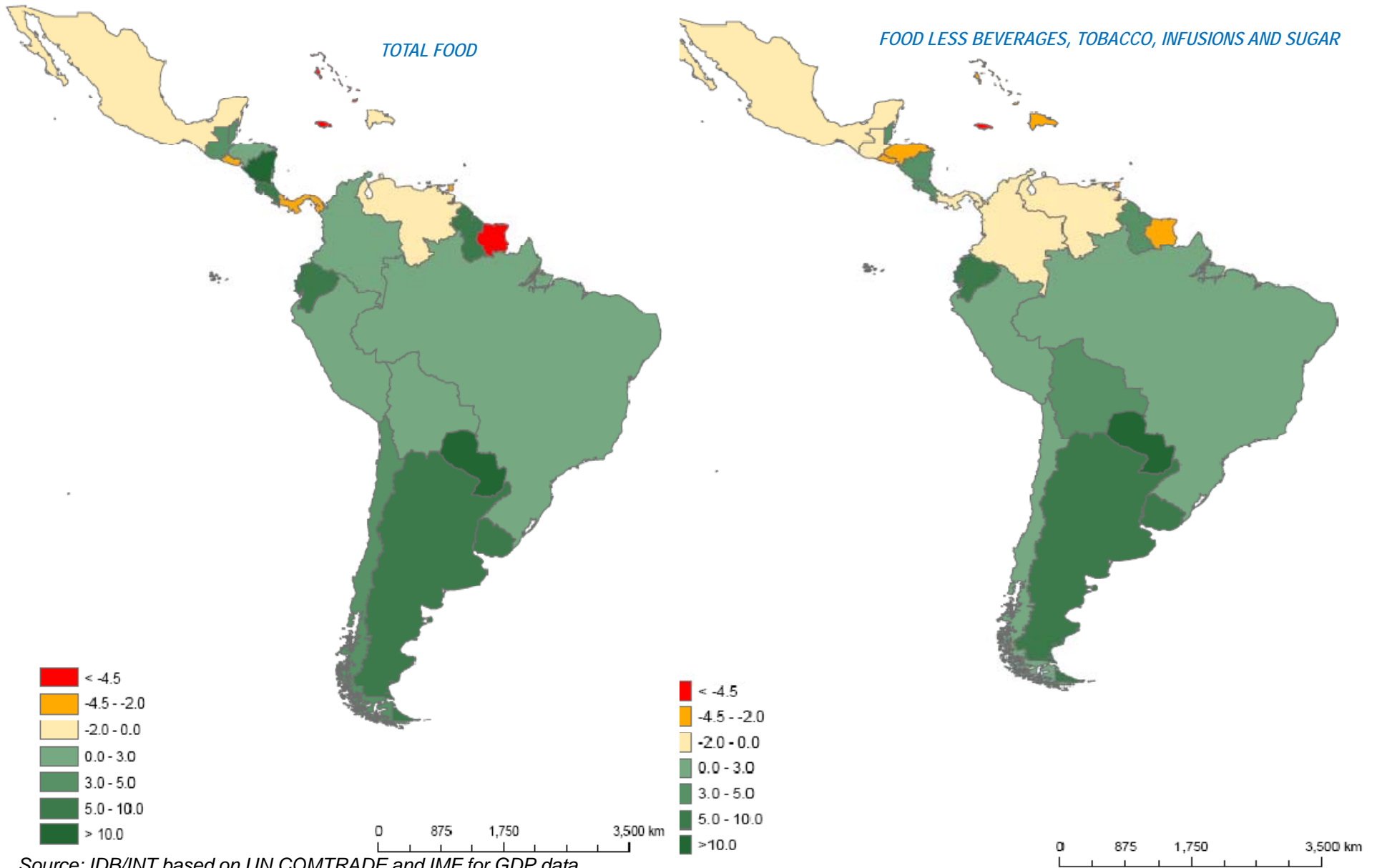
ASIAN FOOD IMPORTS, BY REGION



Source: IDB/INT based on UN COMTRADE data except for 1928 and 1953 which are from UN(1962) preliminary estimates

# ASYMMETRIES IN NET FOOD TRADE POSITION

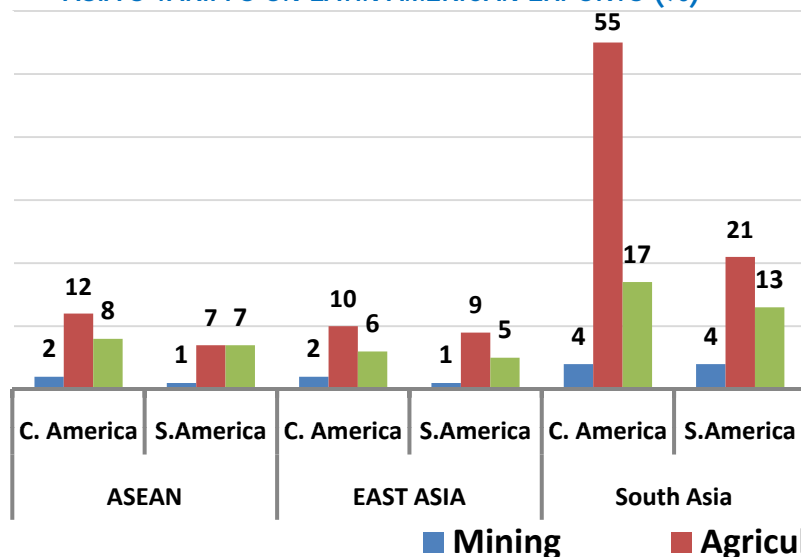
NET EXPORTS OF FOOD AS PERCENTAGE OF GDP, 2010



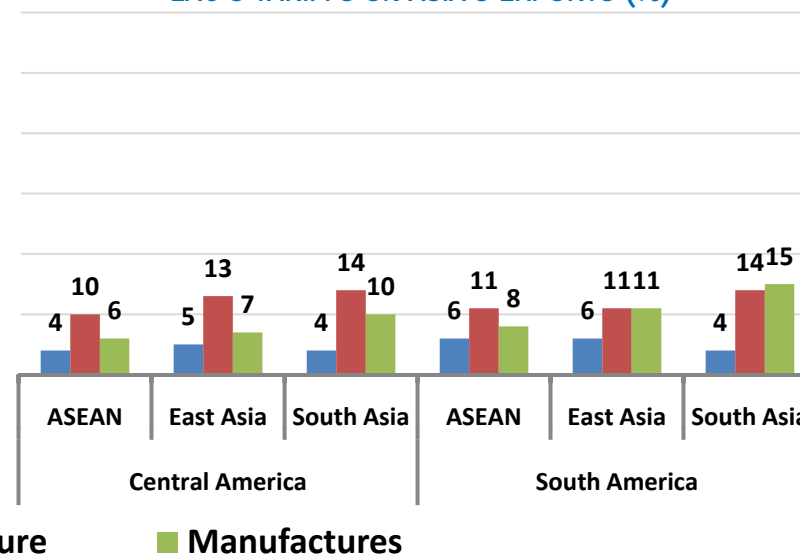
Source: IDB/INT based on UN COMTRADE and IMF for GDP data

# STRUCTURE OF TRADE PROTECTION

ASIA'S TARIFFS ON LATIN AMERICAN EXPORTS (%)



LAC'S TARIFFS ON ASIA'S EXPORTS (%)



TARIFF-RATE QUOTAS IN AGRICULTURE

CHINA, 2010

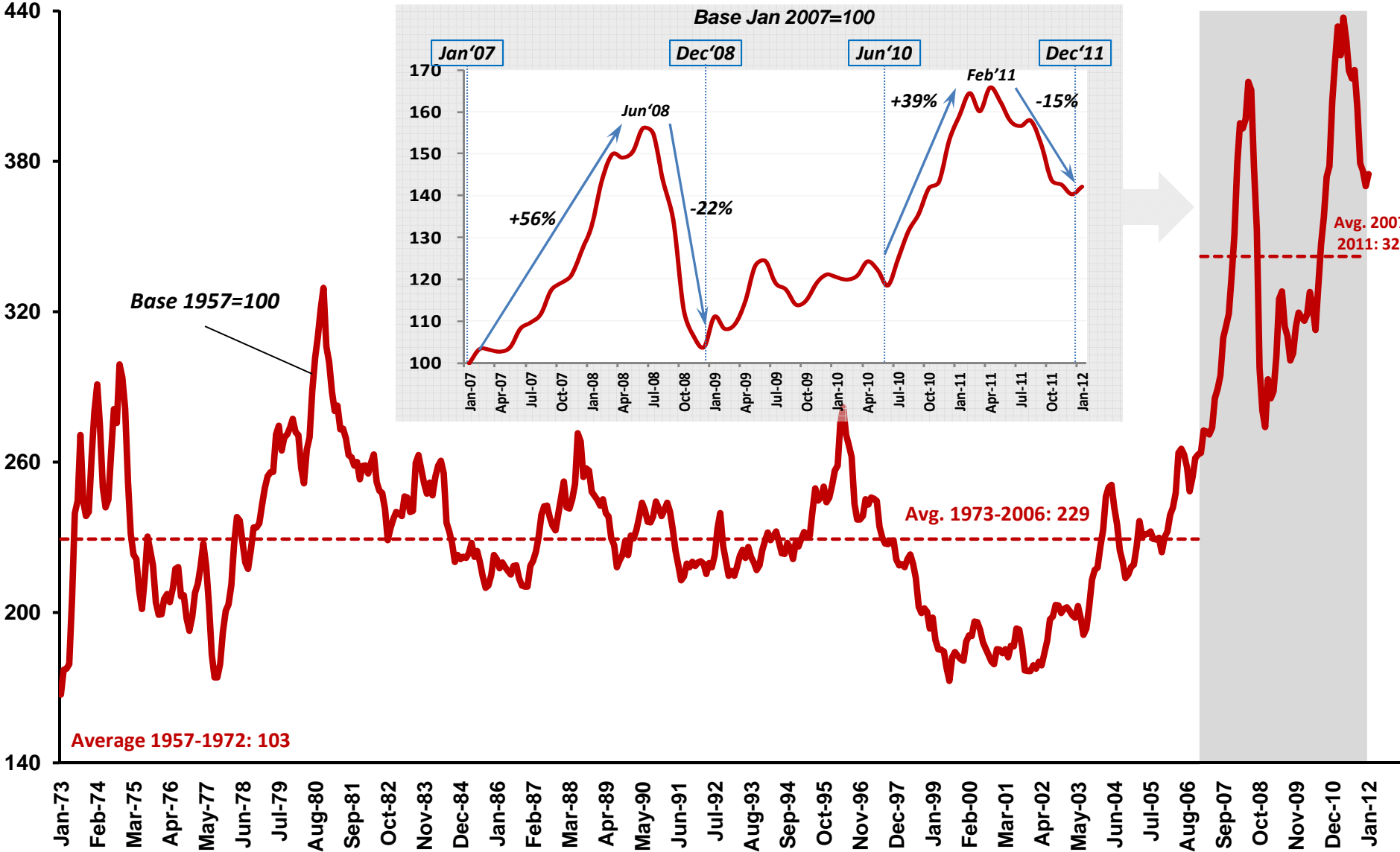
Commodity	Quota (1,000 mt.)	In-quota tariff (%)	Over-quota Tariff (%)
Wheat	9,636	1	65
Corn	7,200	1	50
Rice, short/medium grain	2,660	1	65
Rice, long grain	2,660	1	65
Raw Wool	287	1	38
Wool tops	80	3	38

KOREA, 2008

Products	Quota (tonnes)	In-quota tariff (%)	Over-quota Tariff (%)
Dairy, eggs, honey and edible products	406,782	29	105
Products of animal origin	9,968	7	22
Edible vegetables	282,213	29	455
Edible fruits and nuts, peel of citrus/melons	70,370	46	311
Cereals	93,924	8	398
Oil seeds/misc. grains / med.plants / straw	1,299,490	19	497
Animal or vegetal fats, oils and waxes	668	40	630

# LONG AND SHORT-TERM TRENDS IN FOOD PRICES

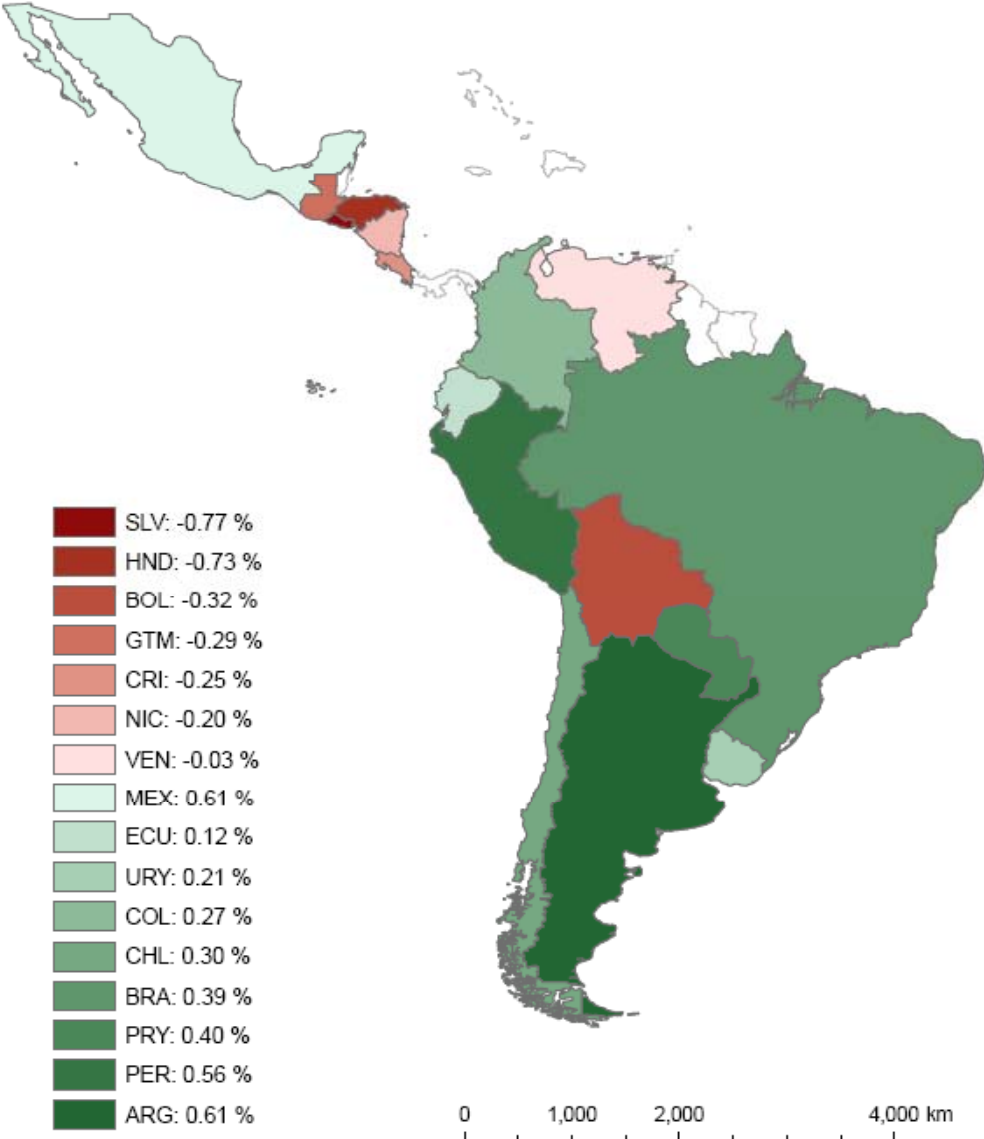
INTERNATIONAL FOOD PRICE INDEX



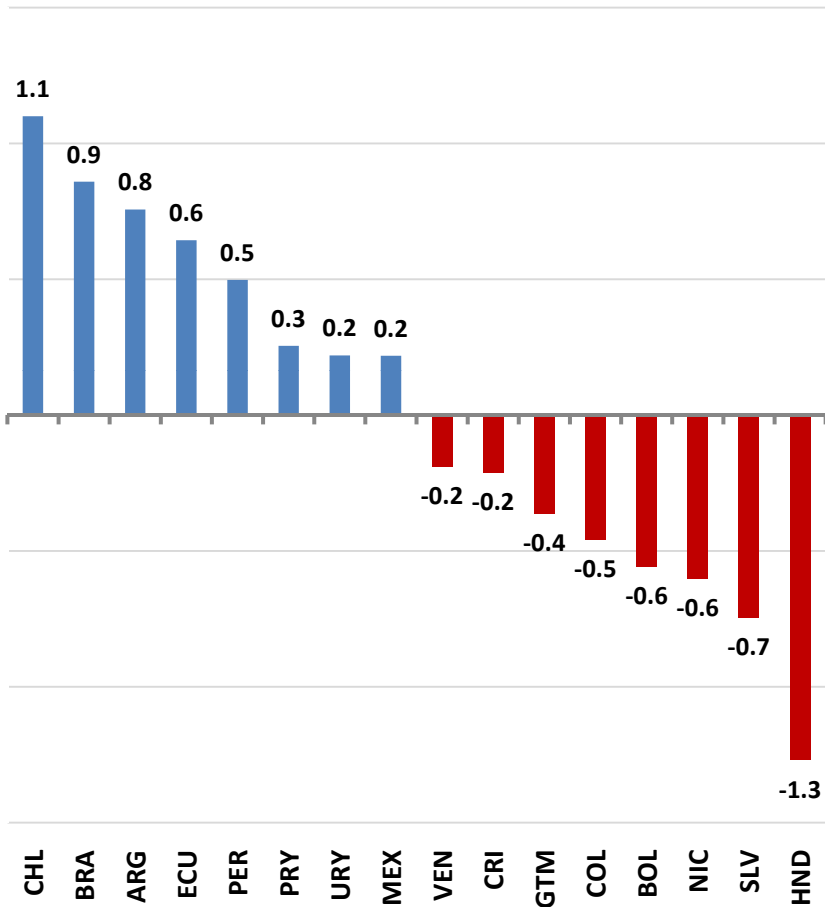
Source: IDB/INT based on the IMF database

# SHORT-TERM IMPACT OF THE FOOD PRICES SURGE IN LAC (2010)

GROSS DOMESTIC PRODUCT



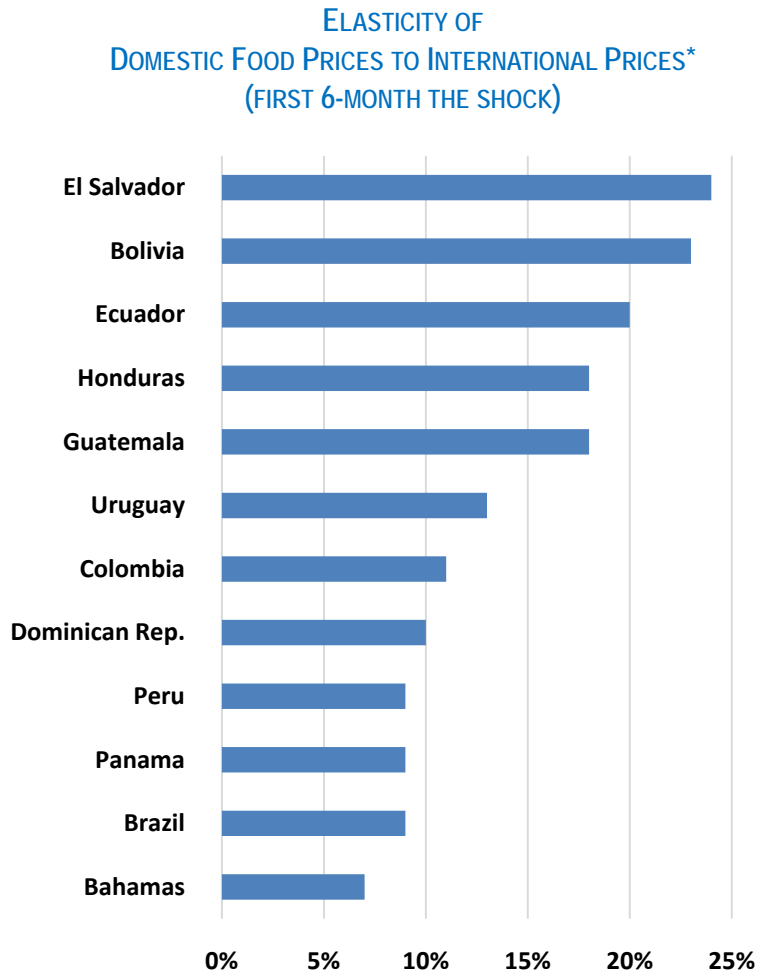
HOUSEHOLD CONSUMPTION



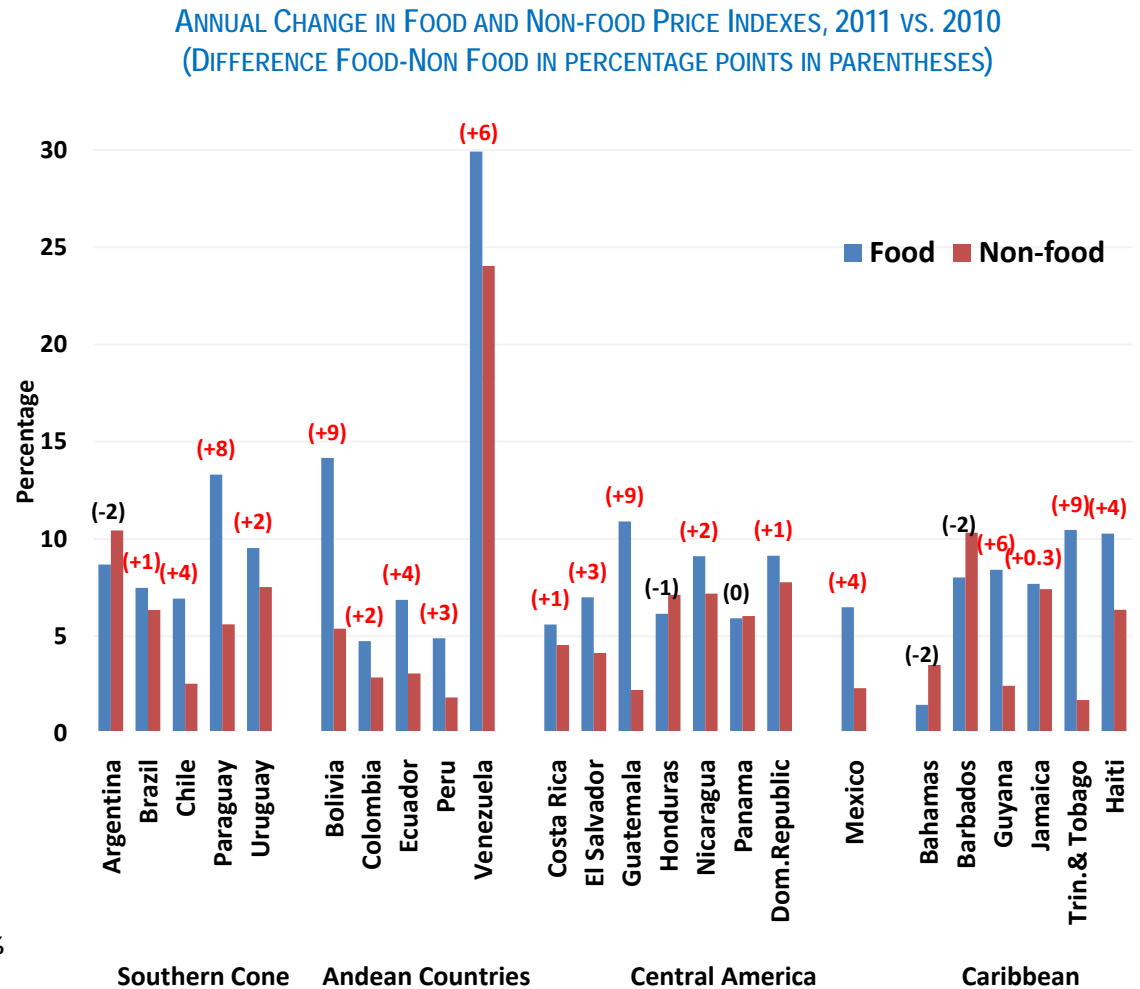
Simulation Scenario:  
40% average trade-weighted food price increase (2007 benchmark)

Source: IDB/INT based on results of the IDB-INT CGE model

# DOMESTIC TRANSMISSION OF INTERNATIONAL FOOD PRICES



\* Significantly greater than zero at 90% level

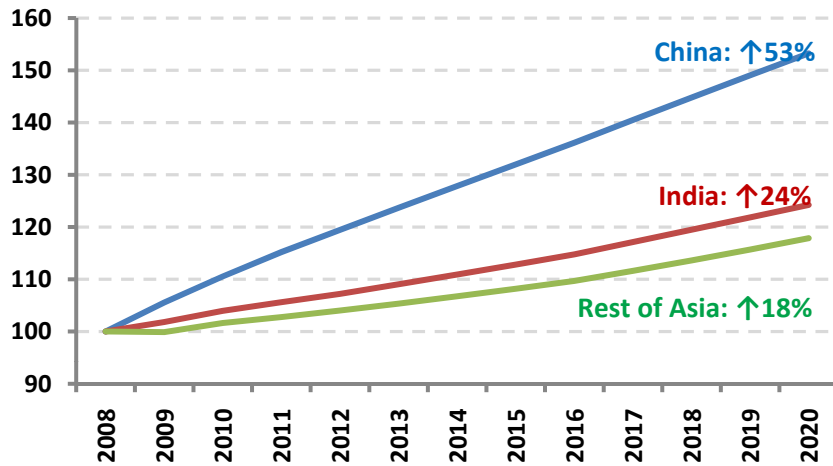


Pass-through is higher in poorer countries

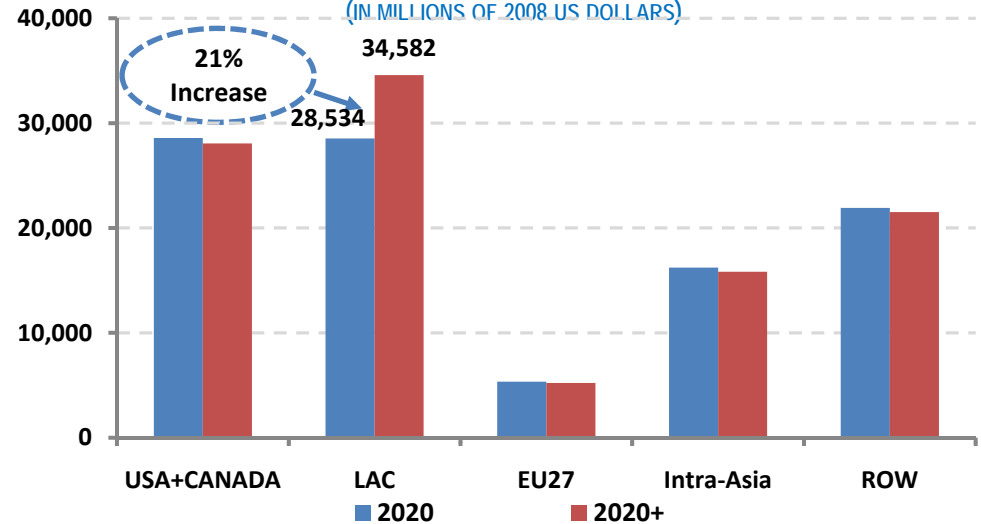


# LONG-TERM IMPACT OF INTERNATIONAL FOOD MARKETS ADJUSTMENT (2020)

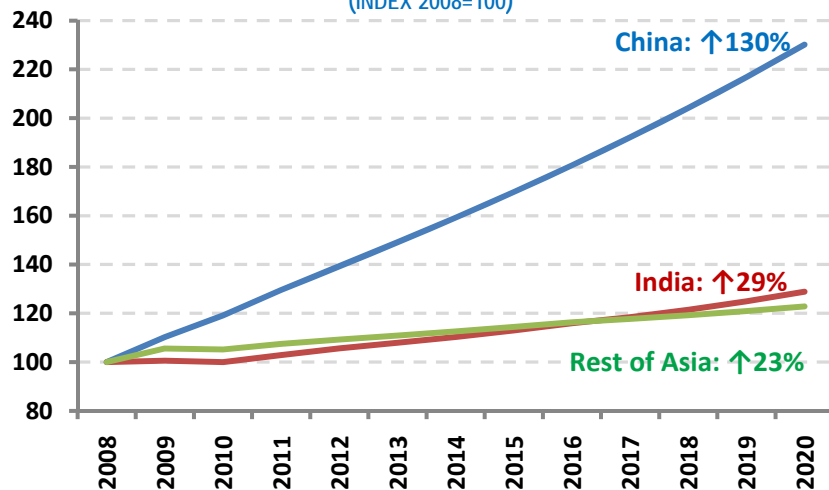
HOUSEHOLD REAL CONSUMPTION OF FOOD PER CAPITA IN ASIA, 2008-2020  
(INDEX 2008=100)



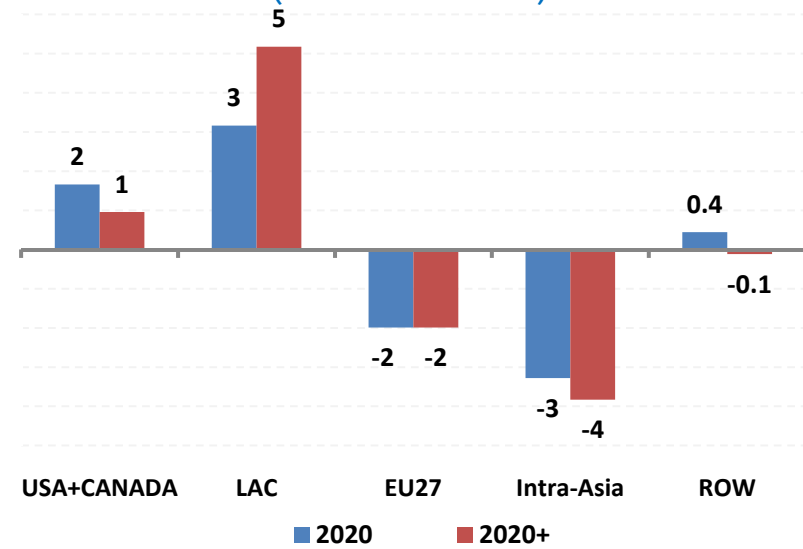
INCREASE IN LAC AGRO-EXPORTS TO ASIA: 2008 vs. 2020  
(IN MILLIONS OF 2008 US DOLLARS)



REAL IMPORT DEMAND OF FOOD, 2008-2020  
(INDEX 2008=100)



CHANGE IN SHARE OF ASIAN AGRO-IMPORTS: 2008 vs. 2020  
(IN PERCENTAGE POINTS)



Source: OECD/FAO; IMF WEO; IDB-INT CGE model

Simulation Scenario: 2020 : impact of projected real import demand growth  
2020 + : impact of projected real import demand growth + 50% tariff reduction in agriculture



***THANK YOU !***

**Paolo Giordano**

Integration and Trade Sector - INT  
Vice-Presidency of Sectors and Knowledge

Washington DC , May 17<sup>th</sup> ,2012