

Analysis of the Brazilian Trade Balance in Relation to Mercosur: A Comparison between the Period 1989-1994 and 1994-2012

Authors : Luciana Aparecida Bastos, Tatiana Diar L. F. Rosa, Jesus Creapldi

Abstract : The idea of Latin American integration occurred from the ideals of Simón Bolívar that, in 1824, called the Ibero-American nations to Amphictyonic Congress of Panama, on June 22, 1826, where he would defend the importance of Latin American unity. However, this congress was frustrating and the idea of Bolívar went no further. It was only after the European Union to start the process, driven by the end of World War II that the subject returned to emerge in Latin America. Thus, in 1960, supported by the European integration process, started in 1957 with the excellent result of the ECSC - European Coal and Steel Community, a result of the Customs Union of the BENELUX (integration between Belgium, the Netherlands and Luxembourg) in 1948, was created in Latin America, LAFTA - Latin American Free Trade Association, in 1960. In 1980, LAFTA was replaced by LAAI- Latin American Association, both with the same goal: to integrate Latin America, it's economy and its trade. Most researchers in this period agree that the regional market would be expanded through the integration. The creation of one or more economic blocs in the region would provide the union of Latin American countries through a fusion of common interests and by their geographical proximity, which would try to develop common projects to promote mutual growth and economic development, tariff reductions, promotion of increased trade between, among many other goals set together. Thus, taking into account Mercosur, the main Latin-American block, created in 1994, the aim of this paper is to make a brief analysis of the trade balance performance of Brazil (larger economy of the block) in Mercosur in the periods: 1989-1994 and 1994-2012. The choice of this period was because the objective is to compare the period before and after the integration of Brazil in Mercosur. The methodologies used were the literature review and descriptive statistics. The results showed that after the integration of Brazil in Mercosur, the exports and imports grew within the bloc and the country turned out to become the leading importer of other economies of Mercosur after integration, that is, Brazil, after integration to Mercosur, was largely responsible for promoting the expansion of regional trade through the import of products from other members of the block.

Keywords : Brazil, mercosur, integration, trade balance, comparison

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