

ABSTRACT

SOUTH-SOUTH TRADING OPPORTUNITIES : THE APPLICATION OF THE STRATEGIC APPROACH TO CARICOM'S EXPORT POTENTIAL ON THE BRAZILIAN MARKET

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CARICOM has become increasingly important as a Brazilian trading partner. Indeed Brazil carries out most of its trade with the Industrialized Countries and MERCOSUR members but Brazil is also the second biggest buyer of CARICOM's products in Latin America. Furthermore, over the last decade there has been a substantial increase in trade in both directions. The contention throughout this study is that the potential exists for CARICOM to increase its exports to Brazil. Given the size and diversity of the Brazilian market, the scope for expanding exports from CARICOM to Brazil could be significant in certain specific sectors where there is complementarity and the region is competitive.

Consequently, the primary objectives of this paper are oriented to:

- (a) examine the scope for expanding CARICOM exports to Brazil based on the nature of Brazil's import demand, and in the absence of trade restrictions;*
- (b) review the above possibilities in light of the constraints to trade;*
- (c) examine the role of trade information as a particular obstacle.*

In this dissertation, Hendrik Roelofsen's "*strategic approach*" is applied as a method of identifying areas of complementarity in Brazil - CARICOM trade. The study utilizes the first step of the approach to identify potential CARICOM exports to Brazil. The trade flows of the two regions for the period 1993 - 1995 are analyzed; CARICOM's exports are then "*matched*" with Brazil's imports according to the level of CARICOM's export supply and Brazil's import potential. The resulting list indicates the existing demand for such products in Brazil.

The strategic approach identifies the lack of market information as the primary cause of limited trade among developing countries. This paper examines the role of information, along with other obstacles such as tariff and non-tariff barriers, competition from preferential suppliers, transportation, and institutional constraints which can have equally or more negative effects on inter-developing country trade, and in particular, on Brazil-CARICOM trade.

Despite these obstacles however, the areas of complementarity must be explored for, the projected rates of growth of demand in Brazil are far greater than those of the North countries. More in-depth research, in the forms of supply and demand surveys and buyer-seller meetings, must be carried out though, if CARICOM is to reap optimum benefits from the Brazilian market.

KEYWORDS: TRACY NATALIE EVANS; STRATEGIC APPROACH; TRADE FLOWS; COMPLEMENTARITY; INFORMATION; OBSTACLES.