



**United Nations  
Conference  
on Trade and  
Development**

Distr.  
GENERAL

TD(XI)/BP/11  
3 June 2004

ENGLISH ONLY

Eleventh session  
São Paulo, 13–18 June 2004

**Regionalism and South-South cooperation:  
The case of Mercosur and India**

**Note by the UNCTAD secretariat**

**Executive summary**

This note provides background information and analysis to aid discussions at the pre-UNCTAD XI Forum on Regionalism and South-South Cooperation: The case of Mercosur and India (Rio de Janeiro, 9 June 2004). The Forum will bring together government officials and private sector representatives from India, Brazil and other Mercosur countries, intergovernmental organizations, representatives from UNCTAD Member States and other experts with a view to drawing lessons from existing experiences.

The President of Brazil recently referred to the emergence of a new trade geography involving greater trade and economic cooperation between developing countries in different regions. This note attempts to examine this unique case in the light of the recent India and Mercosur Preferential Trade Agreement and to look at the potentialities of such inter-regional South-South trade and investment cooperation.

This note briefly describes the recent experience of Mercosur in terms of intra-regional trade and ongoing negotiations with other developing countries and the European Union. Similarly, it describes some aspects of India's trade policies and negotiations with other developing countries. It then describes aspects of existing India-Mercosur trade relations, ongoing India-Mercosur trade negotiations and some sector-specific issues. A trade flow analysis indicates that there is good potential for increased trade in complementary products. The final section suggests some issues that participants in the Forum may wish to address. The Annex includes statistical information on Mercosur-India trade flows.

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This report has been prepared by staff of the project on Strategies and Preparedness for Trade and Globalisation in India and the UNCTAD secretariat in Geneva. A number of papers have been commissioned under the same project and are being circulated separately. The project is funded by the UK Department for International Development (DFID).