

## **Brazil and Mexico: Relative advantages of the trade with Asia vis a vis those with MERCOSUR and NAFTA**

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Asia is a commerce partner with a growing importance for the countries of Latin America (LA). The commerce structure between the two regions has different characteristics and patterns respect to those that is observed among the Latin American economies. We analyse the trade relationships between the two major economies of LA (Brazil and Mexico) and Asia; we do a comparison of the trade flows between regions (Asia and LA) vis a vis the trade flows of each sub - zone of LA (MERCOSUR and NAFTA, respectively). The objective is to show comparatively the dynamics and the structure of commerce with Asia respect to that registered in the interior of LA. To this objective, we construct a total inter-country matrix and an inter " country input " output matrix, both matrices internally divided in sub-matrices that correspond to each commercial zones - MERCOSUR, NAFTA, SOUTH EAST ASIA and China. The data combine the international and intertemporal dimensions for the two regions and of the period 1995 " 2013. We use empirical information of the WIOD and EORA databases and we program algorithms to calculate the indicators and its paths and configurations. The different types of indicators are related to the systemic integration, the vertical specialization and the structural circularity that reflect the absolute and relative importance of trade relationships of Asia " LA for the Mexican and Brazilian economies. In a specific manner, by using a combination of the indicators, we discuss about the relative advantages of the commerce with Asia for the Latin American economies and we formulate an original interpretation of this phenomenon.