



UNIVERSIDAD DE TARAPACÁ  
*Universidad del Estado*



UNIVERSIDAD ACREDITADA  
NIVEL DE EXCELENCIA  
• GESTIÓN INSTITUCIONAL  
• DOCENCIA DE PREGRADO  
• INVESTIGACIÓN  
• VINCULACIÓN CON EL MEDIO  
• DOCENCIA DE POSTGRADO  
HASTA EL 22 DE JUNIO DE 2023

ISSN 3087-2170



CEUTA  
Centro de Estudios Regionales  
Universidad de Tarapacá

# BULLETIN CEUTA

Centro de Estudios Regionales de la Universidad de Tarapacá

## Interview

*The Honorable Senator José Miguel Insulza*  
*member of the Chilean Senate Foreign Relations Committee*  
**ON US GEOPOLITICS AND TARIFF POLICY.**

## Article

*Dr. Georgina Núñez*  
*Board Member of CEUTA*

**THE RAVAGES OF THE "AMERICA FIRST" POLICY  
AGENDA ON THE INTERNATIONAL ECONOMY**

## Article

*Claudia Sanhueza*  
*Undersecretary of International Economic Relations*

**CHILE'S TRADE POLICY AND INTERNATIONAL ECONOMIC RELATIONS IN A CONTEXT  
OF GLOBAL UNCERTAINTY**

## Article

*Loreto Leyton*

*Executive Director Chilean Pacific Foundation – National Secretariat of ABAC Chile*

**AN INTERNATIONAL TRADE IN TRANSFORMATION AND CHILE'S  
OPTIONS**

## Book review

*Dr. Dorotea López*  
*Director Institute of International Studies University of Chile*

**"LAS RELACIONES ENTRE ESTADOS UNIDOS Y  
AMÉRICA LATINA: COMO PENSAR SU FUTURO"**

# Table of Contents

04

*Interview*

**On US geopolitics and tariff policy**  
*The honorable Senator José Miguel Insulza*

06

*Article*

**The ravages of the "america first" policy agenda on the international economy**  
*Dr. Georgina Núñez*  
*Board member of CEUTA*

09

*Article*

**Chile's trade policy and international economic relations in a context of global uncertainty**  
*Claudia Sanhueza*  
*Under secretary of International Economic Relations*

12

*Article*

**An international trade in transformation and Chile's options**  
*Loreto Leyton*  
*Executive Director Chilean Pacific Foundation-National Secretariat of ABAC Chile*

15

*Book review*

**"Las relaciones entre Estados Unidos y América Latina: Como pensar su futuro"**  
*Dr. Dorotea López*  
*Director Institute of International Studies University of Chile*

CEUTA Bulletin, No. 8, August 2025, Arica – Chile  
University of Tarapacá

Executive Secretary  
Eugenio Doussoulín Escobar

Editor-in-Chief  
Paula Lepe Caiconte

Design and Layout  
Maximiliano Carvajal Escudero

In collaboration with the Multimedia Design program, Faculty of Administration and Economics, University of Tarapacá

Address  
Gral. Velásquez No. 1775  
Velásquez Campus  
Arica, Chile

Correspondence  
ceuta\_uta@gestion.uta.cl

# **BULLETIN CEUTA VOL.8**

## **EDITORIAL**

### **ARICA, August 2025**

The international landscape is experiencing profound changes, and our region is no exception. That's why we at CEUTA believe it's necessary to review the most relevant trends shaping this new context. Those policies (trade, migration, drug trafficking, among others) promoted under the slogan "America First" in the United States, with a strong component of protectionism and tariff adjustments, have caused a significant shock to the global economy, as the impact is felt not only in the major powers but also in emerging economies and countries like Chile, which depend heavily on the stability of international trade.

From this context, in this edition we are honored to have the collaboration of prominent figures and key players in the national public scene, such as the Honorable Senator of the Republic, José Miguel Insulza; the Undersecretary of International Economic Relations, Claudia Sanhueza; the Director of the Institute of International Studies at the University of Chile, Dorotea López; the Executive Director of the Chilean Pacific Foundation, Loreto Leyton; and Georgina Núñez, member of the board of directors of CEUTA, who, from their own perspectives, help us understand this new global scenario and the consequences that could arise from it for Chile and, in particular, for our region.

For Chile, and particularly for border territories like Arica and Parinacota, these global changes represent both risks and opportunities. In an uncertain world like the one we are experiencing, our strength lies in our ability to open up to new markets, deepen regional cooperation, and generate joint proposals that drive our development.

For CEUTA, this is an opportune moment to rethink our approach. Understanding the interaction between geopolitics, economics, and trade policy is crucial for developing strategies that not only respond to the current situation but also pave the way for a more solid path to regional integration. In times of uncertainty, it is the capacity for adaptation and cooperation that will make the difference.





## Interview

**The Honorable Senator José Miguel Insulza**  
*member of the Chilean Senate Foreign Relations Committee*

## ON US GEOPOLITICS AND TARIFF POLICY.

**How much has the relationship between the US and China permeated trade relations with the rest of the world?**

The emergence of the People's Republic of China in the global economy is the most significant phenomenon of the last three decades. China's accession to the World Trade Organization (WTO) in December 2001 can be considered the most important event in the globalization of world trade. This opening up would have far-reaching economic and political repercussions, both for that country and for the global economy. And, of course, for the economy of South America, for whose countries China is now the leading trading partner.

Although it was the result of several years of lengthy negotiations, this process was not hindered by the United States, but rather encouraged by its government. In a period of great global optimism, China's impressive growth figures became an engine of economic growth for many countries, but they also had a fundamental political effect. Trade between China and the United States became the largest in the world. But with it also came rivalry between what are now the two great world powers.

With the rise of political and geopolitical conflict between them, many countries that were previously associated mainly with the United States and had now seen their economic relations grow as a result of globalization and China's growth are under pressure from both. This is the case of Chile

(as well as Argentina, Peru, and almost all the others in the region), which has the United States as a strategic partner in key areas, but also China as its largest buyer.

The paradox here is that, in today's geopolitical battle, it is China that appears to be advocating for maintaining full openness to trade and investment, while the United States appears to be taking a more protectionist stance. A great power does not have many principles; it only has interests, and that is what is at stake today on both sides.

**What do you think about the Trump administration's use of unconventional tools such as trade to address geopolitics? Or to interfere in the internal and even judicial affairs of other countries?**

Economic sanctions are nothing new in international politics. A more powerful country makes certain measures conditional on the political or geopolitical behavior of another. Although this is standard policy for the United States, other economic powers have not employed it, until now. For example, European countries that condemn political actions (the invasion of Ukraine or the killings in Gaza) continue, in practice, to engage in economic exchanges with Russia or Israel.

What is new here, however, is the United States' tariff policy, which on the one hand presents itself as reciprocal or mercantilist, but on the other hand applies its tariffs to countries, including allies, for political reasons, increasingly based on the domestic policy decisions of the countries affected. Recent cases include Brazil and the trial of former President Bolsonaro; Canada and other countries, for their willingness to recognize a Palestinian state; and those attending the BRICS meeting for the opinions expressed at that meeting.

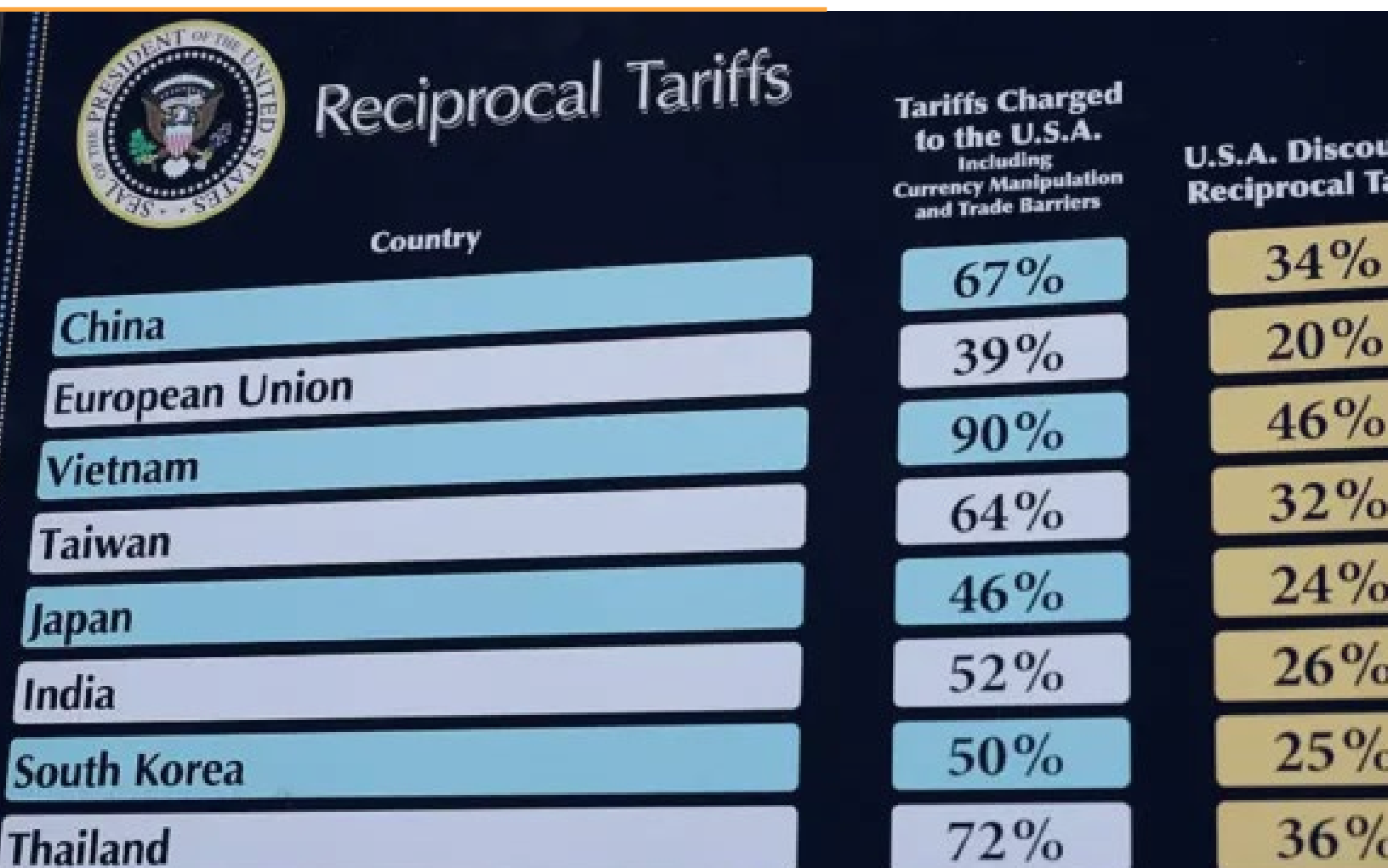
The conditioning of economic relations to political objectives, used as official and permanent policy, certainly represents a change in the basic principles of the current international political and economic system.

### What effect does this new policy have on the WTO and other international economic institutions?

The WTO, created during the Uruguay Round, celebrated its 30th anniversary on January 1. It is undoubtedly the cornerstone of the free trade regime that now governs most of the world. The

United States was the leading country in the creation of this organization (which replaced the GATT) as part of a fundamental redesign of the way international trade had been conducted until then. Although bilateral and multilateral agreements between countries and regions already existed, the aim was to gradually create a single universal system. The WTO, therefore, does not compete with the many agreements created around it; on the contrary, it encourages and sponsors them.

The ideology of globalization proposes that economic globalization should be followed by globalization of world politics and security. That utopia seems increasingly distant today. Political and economic institutions tend to be more or less relevant, depending on the number of countries that become members and adopt their principles. The system has experienced crises on many occasions, when larger or smaller countries have challenged it. But what had never happened before was that the country that did the most to create the system would be the same one that began to renounce it.





## Article

Dr. Georgina Núñez

Board Member of CEUTA

# THE RAVAGES OF THE "AMERICA FIRST" POLICY AGENDA ON THE INTERNATIONAL ECONOMY



**Dr. Georgina Núñez**

*Board Member of CEUTA, Bachelor in International Relations from the National Autonomous University of Mexico (UNAM), PhD in Applied Economics from the Graduate School of Economics at UNAM. She previously served as Economic Affairs Officer at ECLAC.*

The increasing tariffs imposed by the current US administration on a significant number of countries, as of August 7, represent a radical shift in free trade rules, which have been shaped primarily by the United States itself and have been in effect for more than a century. This situation, in addition to altering the dynamics of trade, has impacted global trade flows and the operation of supply chains worldwide. Trade restrictions have also increased uncertainty and volatility in financial markets, raising concerns about the impact on the global economy. Furthermore, the United States use of trade tools for geopolitical purposes, such as threatening to impose an additional 10% tariff on countries that support the "anti-American" policies of the BRICS, or the application of a 50% tariff on Brazil due to the trial of former President Bolsonaro in that country, or the tariffs applied to countries that recognize the Palestinian State, accelerates uncertainty and further complicates the situation facing the global economy.

Recent figures show that despite the Trump administration's efforts to reduce the trade deficit, it remains at very high levels. Although the US trade balance showed a slight improvement in June

reaching a deficit of US\$85.99 billion (10.8%), compared to an expected US\$98.3 billion and, a reported US\$96.59 billion in May, the decrease in deficit was mainly due to a drop in imports of US\$11.5 billion (4.2%)<sup>1</sup>, while exports fell by only US\$1.1 billion (0.6%). The service sector activity index also fell short of expectations, showing a slowdown compared to June. These results contributed to the 3% growth in reported output for the second quarter, in contrast to what happened in the first quarter when companies rushed to increase imports before tariffs went into effect<sup>2</sup>.

On the other hand, in July, 73,000 new jobs were created out of the 106,000 expected, and 83,000 private sector jobs were added out of the 100,000 expected<sup>3</sup>. With the levels of growth, employment, inflation (2.6% in June), and core inflation (2.9%), some market players are betting that the rate could fall in September. Nevertheless, Jerome Powell, chairman of the Federal Reserve, considers the level of US debt sustainable, although he insists that tariffs are not the right approach, and does not currently consider lowering the interest rate, which is in the range of 4.25 to 4.5%.<sup>4</sup> Also important is the approval of the "Big and Beautiful Bill" in early July, which led to a massive sell-off of U.S. bonds worldwide, as well as a significant reduction in funding for social programs, health care, and other areas. The Bill is expected to increase the deficit by more than US\$4 trillion.<sup>5</sup>

Placing tariffs on almost every country in the world starting in August has cleared up the uncertainty that started in April, when Trump announced reciprocal tariffs for countries with trade surpluses and an additional 10% tariff on all U.S. imports. Besides other specific tariffs on imports in certain sectors such as the automotive industry (25% on cars and auto parts) and mining, imposing a 50% tariff on copper (excluding refined copper), an extension to semi-finished products is being prepared and a review of some other metals (lead, zinc, chromium, nickel, among others) is being carried out. Reciprocal sanctions between China and the United States, as well as tariffs that will ultimately be imposed, remain in limbo. So far, the 30% tariff on Chinese products and the 10% tariff on US products imposed last May are still in place <sup>6</sup>. At the end of June, the United States signed a framework agreement with China, and negotiations are continuing. Issues such as flexibility in US restrictions on technology and visas have been added to this agreement <sup>7</sup>.

In April, an investigation was also launched under Section 232 of the Trade Expansion Act of 1962 into semiconductors, pharmaceuticals, critical minerals, rare earths, and trucks. Recently, a 100% tariff increase on U.S. imports of chips and semiconductors was announced.

The other sharp rise in tariffs occurred in June when tariffs on steel and aluminum imports doubled, reaching a cumulative rate of between 50 and 55% for the European Union (EU) and the rest of the world, between 57.5 and 80% for China, and 55% for Canada and Mexico. <sup>8</sup> It is worth remembering that these measures are not new. During Trump's first term in office, tariffs were imposed on aluminum and steel imports for national security

reasons, due to the high volumes of duty-free imports of these products, which have been a major factor in reducing domestic production volumes, although the need to meet demand from the US military and critical infrastructure industries is recognized.

The new tariffs will affect all the United States' trading partners with a flat 10% tariff, regardless of whether they have a trade surplus with the United States or not. In addition, a significant number of countries (around 60) will be subject to additional tariffs. Meanwhile, negotiations with the EU resulted in a 15% tariff, with Great Britain (10%), Japan (15%), and South Korea (15%), committing in some cases to increased investment in the United States. <sup>9</sup> Some tariff increases imposed on certain countries are due to reasons unrelated to trade and are more political in nature, as in the case of Brazil, which was hit with a 50% tariff. Analysts consider the imposition of tariffs for political reasons to be a negative trade practice that, if implemented, would deal a further blow to international trade.

1.The 8% drop in the volume of containers entering the United States compared to 2024 is indicative of the decline in imports. Bloomberg Briefing Americas Edition July 21. <https://www.efinanciero.com.mx/mundo/2025/07/29/deficit-comercial-de-eu-cae-108-en-junio-importadores-le-bajan-a-sus-compras-por-aranceles/>

2.The Conference Board's consumer confidence report for July registered a level of 97.2 points, above the expected 95.9 points, and the June job openings survey registered 7.437 million, below the expected 7.510 million. The combination of both data points, especially employment data, caused an additional drop in Treasury bond rates. Nonetheless, the markets continue to rise.

3.But monthly job report numbers have been questioned since May, and June figures have been adjusted down by 250,000 jobs. <https://edition.cnn.com/2025/08/01/economy/us-jobs-report-july>

4.Federal Reserve issues FOMC statement July 30, 2025

<https://www.federalreserve.gov/newsevents/pressreleases/monetary20250730a.htm>

5.<https://www.nbcnews.com/politics/donald-trump/trumps-big-beautiful-bill-add-3-trillion-debt-cbo-says-rcna220004>

6.Further Modifying the Reciprocal Tariff Rates, Executive Orders, July 31, 2025 <https://www.whitehouse.gov/presidential-actions/2025/07/further-modifying-the-reciprocal-tariff-rates/>

7.Joshua P. Meltzer, Senior Fellow, and Dozie Ezi-Ashi, Research Analyst, at The Brookings Institution's Global Economy and Development Program, have developed a tracker to monitor the Trump administration's tariffs and other trade measures. In addition to the main tariffs and other trade measures taken by the United States, this tracker also monitors reciprocal measures taken by other countries. <https://www.brookings.edu/tags/tariffs/>

8.It is important to note that on July 11, the United States announced a 35% tariff on Canadian imports, excluding those products covered by the USMCA and maintaining exceptions for sectors such as the automotive industry. In the case of Mexico, according to Undersecretary of Foreign Trade Luis Rosendo Gutiérrez, the tariff for that sector, which was originally 25%, is remaining at 12.5%. It should be noted that more than 80% of the trade basket had zero tariffs.

9.<https://www.infobae.com/estados-unidos/2025/04/02/pais-por-pais-asi-quedo-el-esquema-arancelario-de-estados-unidos-que-anuncio-donald-trump/>



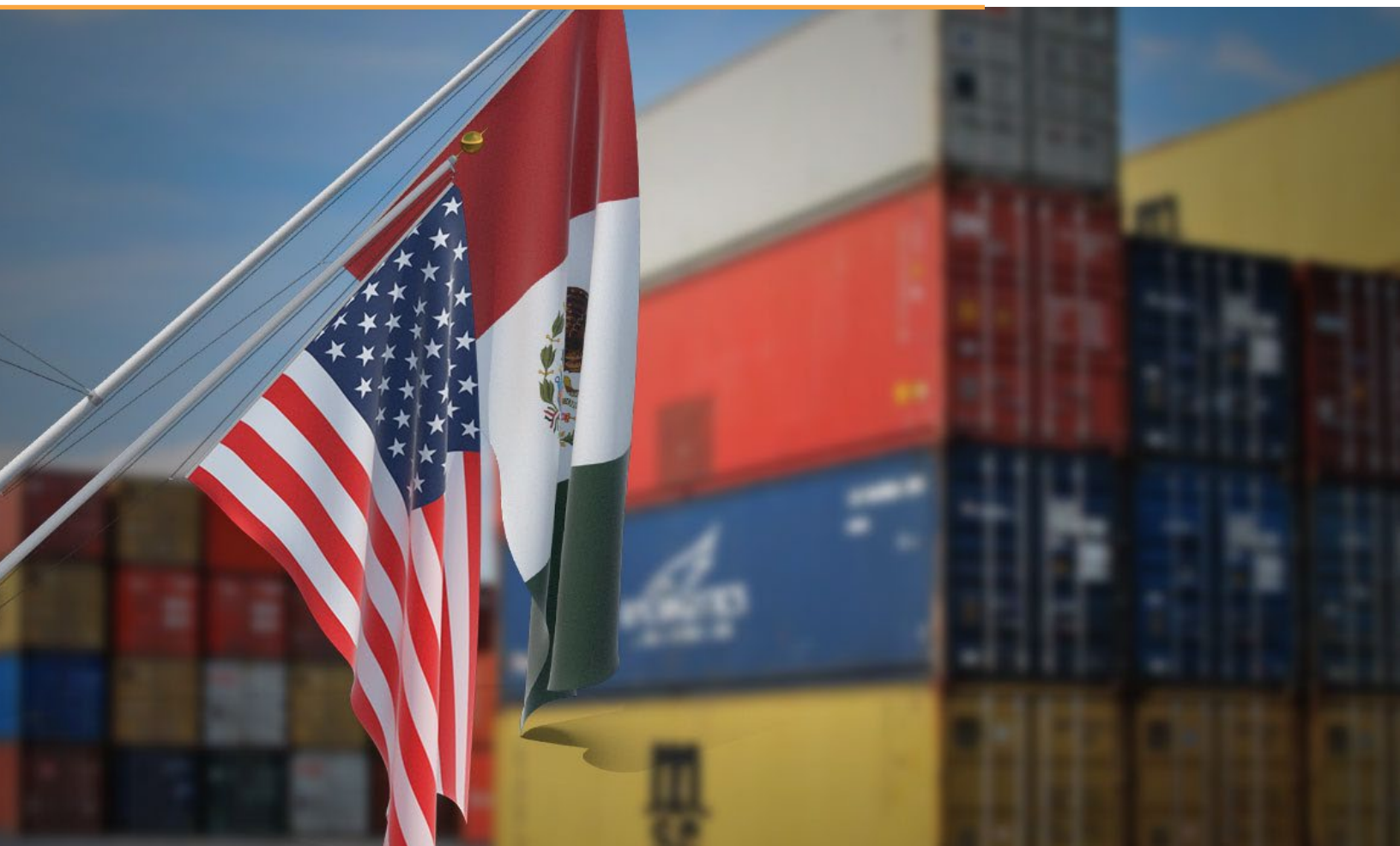


Some US trade maneuvers respond to strategic issues associated with the development of key economic sectors where China currently has an advantage. China is the second largest economy, accounting for one-third of global manufacturing output, including certain industrial sectors such as automotive <sup>10</sup>, basic ingredients for medicines, electronic products, and semiconductors, among others. Furthermore, it is the leading exporter of machinery, ships, steel, ceramics, textiles, and other goods, while the US economy is strong in the advanced technology sector. <sup>11</sup> The previous administration's efforts to tighten controls on exports of high-quality semiconductors from China have been reinforced by the current administration, although the latter has had to relax them so as not to disrupt supply chains that include, for example, chip manufacturers. In response, China established controls on the export of rare earths and critical minerals essential to produce engines, smartphones, chips, and other advanced technologies. The truth is that the increase in US tariffs on Chinese imports will hinder harmonization between the expansion of the sector, given that these imports continue to be important inputs for various manufacturing sectors in the United States.

In summary, the increase in tariffs by the United States on a significant number of countries, particularly its main trading partners Mexico, Canada, and China, on key sectors such as aluminum, steel, copper, and the automotive industry, where the result is the global segmentation of that market, is already having an impact not only on economies but also on companies' cost structures, demand, and ultimately on the relative competitive advantages of companies. The impact on consumers is no less significant. The truth is that reciprocal tariffs imposed on the rest of the world are unilateral measures that negatively impact trade flows. In addition to being used for purposes unrelated to trade relations, they have caused greater uncertainty, retaliation by other countries, and short-term decisions by various economic actors, increasingly compromising the stability of long-term markets.

10. Regarding the importance of the Chinese market for U.S. auto exports, in 2024 the U.S. exported US\$4.93 billion worth of automobiles to China, the third-largest market for the United States.  
<https://www.brookings.edu/articles/the-impact-of-us-tariffs-on-north-american-auto-manufacturing-and-implications-for-usmca/>

11. The best stock market performance has been that of technology companies according to their quarterly reports, which has been reflected in their shares, which have grown between 5% and 13% (META, Microsoft, Amazon), while the hardest-hit sector has been the automotive industry, with share prices falling by around 8% (GM, Tesla).



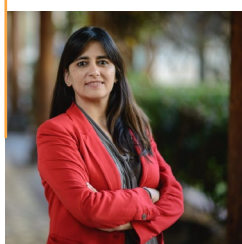


Article

Claudia Sanhueza

Undersecretary of International Economic Relations

## CHILE'S TRADE POLICY AND INTERNATIONAL ECONOMIC RELATIONS IN A CONTEXT OF GLOBAL UNCERTAINTY



**Claudia Sanhueza**

*Undersecretary of International Economic Relations, PhD in Economics from the University of Cambridge, Master's in Economics, Economic Growth and International Economics from the University of Chile, and Business Engineer from the same institution.*

The contemporary international landscape is marked by growing geopolitical and trade uncertainty, which influences economic policymaking in all countries. As the UK Government's Global Strategic Trends: Out to 2055 report warns, the possible paths of the international system can be projected into four future trajectories that offer useful interpretative frameworks for anticipating policy responses to current challenges.

A first scenario is multilateralism, which prioritizes global institutions and interstate cooperation, constituting the most favorable horizon for countries with open economies like Chile. In contrast, multipolarity implies the formation of blocs led by major powers competing for influence and hegemony. A third scenario, the network of actors, grants a central role to corporations, megacities, and other non-state actors in international governance. Finally, fragmentation describes a world dominated by particular interests and weakened cooperation.

In this context, Chile's position is particularly illustrative: its trade policy has historically been anchored in the defense of multilateralism and adherence to international standards, as a mechanism to reduce vulnerabilities and project stability. This approach not only acts as a buffer against geopolitical tensions but also constitutes a guiding principle for the country's international integration in a global environment characterized by volatility and the constant reconfiguration of power.

### The Global Economic Landscape

In recent decades, the distribution of global Gross Domestic Product (GDP) has undergone profound transformations that foreshadow a structural shift in the balance of global economic power. Since the postwar period, Europe's dominance has given way to Asia, driven by changes in economic policies, technological innovation, and demographic dynamics. Projections for 2050 and 2075 confirm this trend: China and India are consolidating their position as major powers, and Indonesia is among the four largest economies on the planet. This shift is redefining value chains and growth hubs, challenging countries like Chile to diversify their international integration, expanding ties with Asia, and strengthening ties with our long-standing partners in Europe and North America.

At the same time, international trade, after sustained growth since the mid-20th century, has entered a phase of structural slowdown. The 2008 financial

crisis and, later, the COVID-19 pandemic marked turning points, weakening both global value and supply chains. Beyond the current situation, what we are seeing is a globalization with stricter limits, shaped by geopolitical tensions, power realignments, and demands for greater productive resilience.

Adding to this process is the renewed emphasis on national industrial policies, which seek to strengthen strategic sectors and ensure productive autonomy. This has led organizations such as the IMF, the World Bank, the OECD, and the WTO to project lower global growth by 2025, between 2.2% and 3.0%. Under normal conditions, merchandise trade could grow 2.7% annually, but in a scenario of tensions, a contraction of even 0.2% is expected; trade in services, although more dynamic, would also expand below its potential.

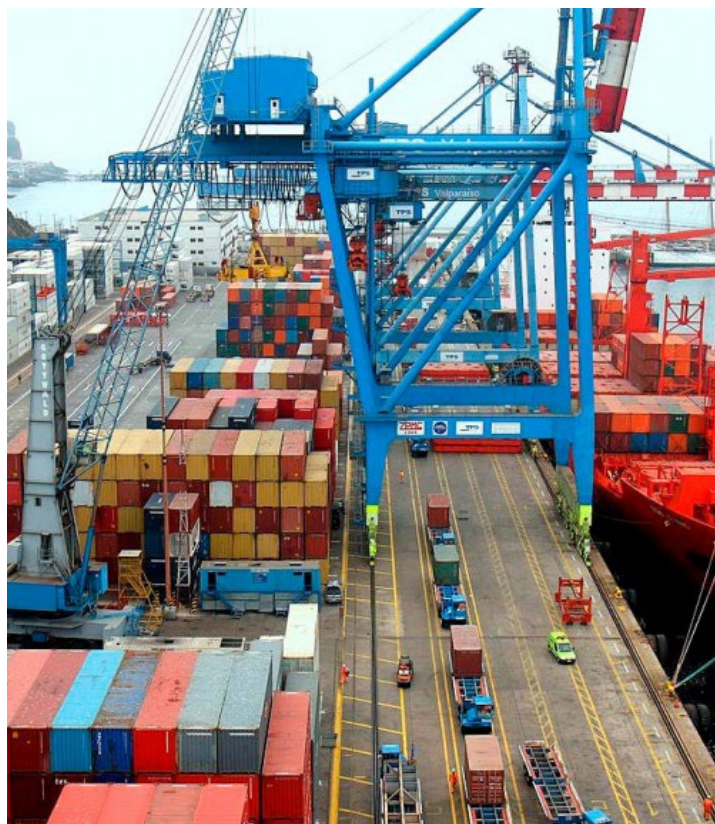
For open economies like Chile, this scenario reinforces the need to diversify markets and strengthen integration into value chains, incorporating emerging disciplines such as digital services and the green economy. Only in this way will it be possible to maintain competitiveness in a more moderate and volatile global trade environment, moving toward a more sustainable and resilient development model.

### Historical Evolution and Modernization of Chile's Trade Policy

Chilean trade policy has gone through different stages that explain its current degree of openness. In the 1970s, a unilateral liberalization was implemented, with a sharp tariff reduction from 29% in 1973 to 9% in 1979, although towards the end of the 1980s, as a result of the 1982 crisis, tariffs rose again to 11%. Since the 1990s, Chile has deepened its strategy of bilateral liberalization signing more than 30 investment promotion and protection agreements (IPPAs) and building an extensive network of trade treaties. Today, the country has 34 agreements in force covering 65 economies, positioning it among the most integrated countries in international trade. This process has been transformative: exports and imports account for two-thirds of GDP and constitute a central pillar of growth, productive modernization, and international integration.

Currently, trade policy is undergoing a modernization phase, focused on linking external

liberalization with domestic economic development. The emphasis has shifted toward diversifying the export mix—with high-tech sectors and value-added services—and attracting foreign investment that generates positive impacts on productivity, inclusion, and sustainability. At the same time, Chile has made progress in updating its investment agreements, balancing investor protection with the right of states to regulate in the public interest. This is compounded by an inclusive approach, which seeks to integrate MSMEs, cooperatives, women, and indigenous peoples into regional and global value chains.



Within this framework, Chile has established itself as one of the most bilaterally diversified economies. Its network of agreements grants us preferential access to the world's major markets, reducing dependence on a single partner and multiplying opportunities for integration. Canada is the leading foreign investor; the United States, the leading partner in non-traditional goods; Brazil, the leading partner in Latin America; and China, the leading global trading partner. At the same time, the country has promoted recent strategic negotiations: a comprehensive economic agreement with the United Arab Emirates, the modernization of the Association Agreement with the European Union, and an ongoing process with India.



This diversification has not only expanded opportunities but also constitutes a factor of resilience in the face of the slowdown in global trade and geopolitical uncertainty. Access to multiple markets allows Chile to reduce its exposure to specific shocks—such as tariff tensions, logistical disruptions, or drops in demand—and take advantage of differentiated regional and sectoral dynamics, from Asian expansion to the consolidation of ties with Europe and Latin America. Thus, diversification is projected to be a crucial element in sustaining export growth in a more fragmented and less expansive global scenario.

### Chile's Exposure to an Uncertain International Context

Chile has a level of trade integration well above the Latin American average and comparable to that of the OECD, making it particularly sensitive to global volatility. However, its foreign trade has shown resilience even in periods of high uncertainty, such as between 2017 and 2020. This is explained by three factors: its export relevance in more than 60 products where it is among the top three global suppliers, which makes substitution difficult; its upstream position in global value chains, which protects it from disruptions in intermediate segments; and a differentiated dependence between exports and foreign investment, since while China is the main export destination, investment flows come primarily from Canada, the European Union, and the United States. This configuration gives Chile some room for maneuver, although it also poses strategic challenges in a scenario of fragmented globalization.

The United States accounts for 16% of Chilean exports, making it a strategic partner. Currently,

copper cathodes—our main export product—are not subject to surcharges, and other products pose challenges, such as lumber, which is under investigation, and forestry and agricultural products like salmon, citrus fruits, and grapes, where our country continues to face a lower additional tariff compared to many of our competitors. In this regard, while the sectoral composition also reveals a high concentration of natural resources and food, Chile's foreign trade has shown resilience to external shocks in the past. Despite this, we are promoting a strong intensification of our productive diversification policy to develop higher value-added sectors.

### Conclusion: Toward Strategic Autonomy in International Economic Relations

Faced with a global landscape of uncertainty and trade tensions, Chile has begun to outline an international economic relations policy that aims to consolidate strategic autonomy in line with national interests. This approach is expressed in three complementary areas: strengthening economic diplomacy through high-level political dialogue and an active network of embassies and attachés; geographic and sectoral diversification, with new negotiations in Asia and the Middle East and the updating of agreements with traditional partners; and coordinating external liberalization with a productive development project based on sustainability, connectivity, and innovation. Together, these guidelines seek to project Chile as a country capable of sustaining its stability in a more fragmented international order, but also of transforming uncertainty into an opportunity to promote more inclusive, competitive, and sustainable growth.





## Article

Loreto Leyton

Executive Director Chilean Pacific Foundation – National Secretariat of ABAC Chile

# AN INTERNATIONAL TRADE IN TRANSFORMATION AND CHILE'S OPTIONS



**Loreto Leyton**

*Executive Director of the Chilean Pacific Foundation. Board Member of Techo International and América Solidaria. Career diplomat, geographer, and holds an MBA.*

International trade faces significant challenges, both in terms of its variety and the depth of its impacts. What we are facing is a major transformation of what for decades was understood by international consensus as the “global trade order.” It is against this backdrop that the Chile Pacific Foundation (CPF) has been conducting a series of online seminars in which we have been addressing many of the underlying aspects of this complex scenario. We have been leveraging the Foundation’s unique and highly recognized ability to bring together world-class experts from both the public and private sectors. This content is available to everyone in a specific section on our website: <https://funpacifico.cl/webinars/>

The Foundation has set out to address various issues related to international trade, given their importance for Chile—a country that is highly dependent on international trade. The institutional framework for global trade is currently under scrutiny and strain, largely owing to changes in global power configuration stemming from the “America First” trade policy promoted by the Donald Trump administration and China’s consolidation as

the world’s second-largest economy—with its consequent geopolitical correlate and geoeconomic fragmentation.

The trade actions taken under the “America First” policy have consisted of imposing significant tariffs on virtually all United States’ trading partners (with a minimum rate of 10%, as in the case of Chile), including some specific to industries such as automotive, steel, and aluminum. This is aimed at protecting US’s domestic industries and, above all, encouraging the return of manufacturing jobs to that country. These measures have created trade tensions with countries such as Mexico, Canada, and China, among others, and have had a profound impact on their economies. In some cases, this policy has triggered retaliation, which has deepened a scenario of geo-economic fragmentation and disruption for international trade.

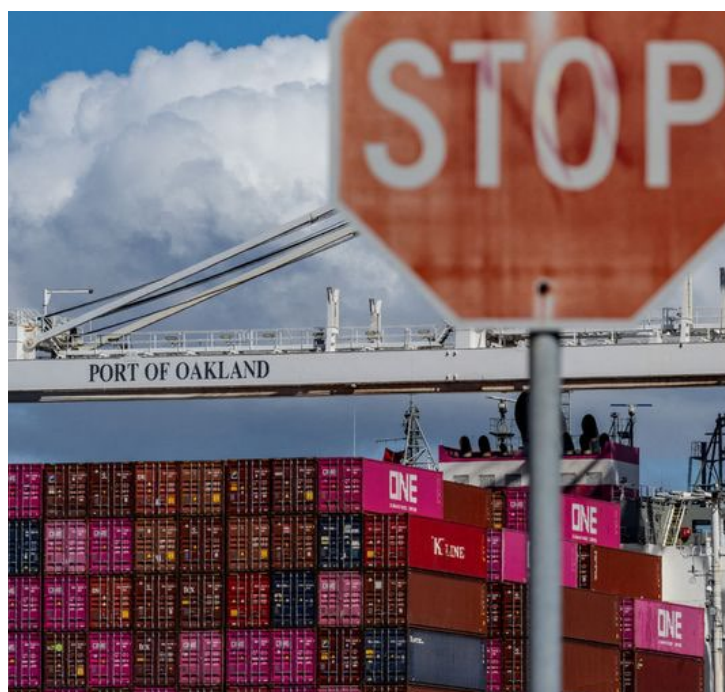
The situation with China has led to a serious crisis in trade between the US and China, which could escalate further if no agreement is reached. In any case, the impacts have intensified changes in global supply chains (already affected by the pandemic), generating new competitive pressures that are expected to have negative effects on countries such as Chile, but which may also give rise to opportunities.

Forces driving changes in global supply chains have led to higher costs and delays in critical sectors such as technology, automobiles, and consumer



goods, among others. On the other hand, developing countries, which have traditionally depended on exports to developed markets, face stronger barriers, limiting their access and hampering their growth prospects.

Global trade is a key driver of economic growth, so that ongoing disruptions also have an impact on other areas. The uncertainty generated by trade tensions has also affected foreign direct investment flows. Multinational companies have adopted a more cautious approach to protectionist policies, with many rethinking their strategies. Opportunities aiming to strengthen regional markets and diversify trade relations are also emerging.



According to Kellie Meiman, senior counselor at the US-based specialist firm McLarty Associates and an expert close to our Foundation, companies must plan scenarios to mitigate the impact of tariffs, monitor events, adjust pricing and marketing strategies, and mobilize cross-functional collaboration. "It is crucial to optimizing the commercial structure, adjust the supply base, and engage with business leaders and policymakers to mitigate the impact of these and other likely tariffs," she said recently at one of the Foundation's seminars.

#### **Objective: to further diversification.**

We must look for opportunities wherever they arise, without entry restrictions. Clearly, some countries and regions offer more interesting opportunities,

and Chile has been working with them for years to open up markets. This puts the country in a favorable position to face this new scenario. A clear example is the Association of Southeast Asian Nations (ASEAN), which is not a trading bloc per se, but incorporates markets that are largely unknown to us—especially in the SME environment—that are enormous in scale and, in some cases, show a clear intention to open to the world.

The cases of Indonesia, with nearly 300 million inhabitants, and the Philippines, with nearly 115 million inhabitants, appear to be excellent sources of opportunities. With the former, we already have a Comprehensive Economic Partnership Agreement (better known by its acronym, CEPA), an instrument that both countries negotiated with a view to further upgrading. An agreement to incorporate services has recently been finalized, and there are expectations that negotiations on investment conditions will begin soon. These emerging markets have increasingly attractive middle-income sectors that enable them to consume Chilean exports—which have earned a well-recognized place in the premium product category, especially among agricultural exports. Although it remains a relatively unknown area, we must keep the field of services to these countries on our radar. We have just begun negotiations with the Philippines for a trade agreement, and we have the "advantage" that it is a fairly new process for them, while Chile has decades of intense international trade policy experience.

We certainly face challenges in these new negotiation processes, including those arising from cultural unfamiliarity, minimal accumulated experience with these countries in trade issues, and low levels of reciprocal direct investment.



## Other Areas of Interest

There are other recent opportunities arising from the digital economy in the Asia-Pacific region such as the Digital Economy Partnership Agreement (DEPA), which we joined alongside New Zealand, Singapore, and the Republic of Korea—and which other countries also wish to join. This agreement, in whose creation Chile played a key role, is considered groundbreaking and undoubtedly has enormous potential that is still untapped or underutilized by our MSMEs and even larger businesses.

In Asia-Pacific, we cannot fail to mention the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Regional Comprehensive Economic Partnership (RCEP)

as other areas for opportunities. We are already actively participating in the former, and we have officially expressed our interest in joining the latter, something that all RCEP members must agree on and which is already in the final stages of decision-making.

An opportunity I cannot fail to mention either is India, a country with which we have begun negotiations to reach a CEPA, hopefully this year. If this agreement is sealed by the end of this year, it would be a remarkable achievement, given the size and scale of the country, the world's fourth largest economy and most populous country.

We must also seek opportunities at the Latin American level, even though things here have not been as straightforward as one might think at first glance. Within the Pacific Alliance, although commendable progress has been made (the Regional Digital Market is an example), we know there is room for improvement in intraregional trade. Of course, there are fewer barriers to the kind of cultural and language ones, but there is no doubt that progress in intraregional trade within the PA still has a long way to go.



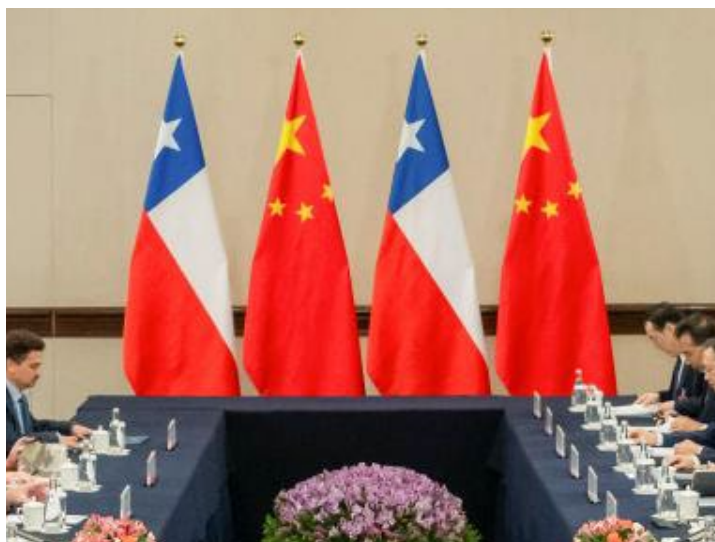
## Sustainability Seal

I want to finish by mentioning the opportunities out of the production and export of goods with sustainability seals. This is an area in which Chile has natural advantages that we can still exploit further, and which are increasingly valued and prioritized by consumers in more developed markets with high purchasing power.

If there is one thing that Asia represents for Chile, today more than ever, it is an awesome source of opportunities—if not the most significant one—for diversifying our exports. It is worth emphasizing the concept of diversification more than ever, considering the turbulence and uncertainty changing the foundations of global trade.

Deepening diversification—a clear pillar of Chilean trade policy long before the current trade war scenario—is now a strategic imperative. Some of this began to be clear during Donald Trump's first term in office and the impacts of the pandemic on global value chains, but it is nowadays a strategic imperative for Chile. And this is something that Chile, with a strong public-private collaborative spirit, is steadily advancing. From the perspective of diversifying the export basket, the growing and decisive presence of services and transactions in the digital economy will be key.

We invite you to follow the activities of the Chilean Pacific Foundation, where we address all these dynamics that are reshaping the global economy.





Book review  
Dr. Dorotea López

Director Institute of International Studies University of Chile

## "LAS RELACIONES ENTRE ESTADOS UNIDOS Y AMÉRICA LATINA: CÓMO PENSAR SU FUTURO"



**Dr. Dorotea López**

*She completed her undergraduate studies in Economics at the Instituto Tecnológico Autónomo de México. At the University of Cambridge, she earned a Master's degree in Economics and later obtained a PhD in Social Sciences from the University of Chile. She is currently the Director of the Institute of International Studies at the University of Chile.*

The book entitled "Las relaciones entre Estados Unidos y América Latina: cómo pensar su futuro" (Relations between the United States and Latin America: How to Think About Their Future), coordinated by two prominent academics, Silvia Núñez García (CISAN-UNAM) and Marcos Cordeiro Pires (UNESP) is a timely contribution to the study of hemispheric dynamics at a time of intense global change. It represents a collective effort of high scientific dimension, published in a context in which competition with China has renewed Washington's interest in Latin America. The work responds to the need to take a fresh perspective at relations with the United States, an influential actor in Latin America whose impact has fluctuated in intensity and form. This approach is informed by academic rigor and strategic perspective.

From the very first pages, a central premise is set forth: Latin America is not on the sidelines of an international system characterized by strategic competition between the United States and China; the reconfiguration of value chains; the advance of the energy transition; and the emergence of new transnational challenges such as climate change,

migration, and digital security. In this context, the book argues that relations with the United States cannot be approached solely from a bilateral or commercial perspective; they require a multidimensional vision that incorporates economics, politics, security, the environment, and culture. Although the diagnosis is not entirely new, it is strengthened by the pluralistic approach of the authors, who come from different disciplines and countries and offer a rich and nuanced overview.

The volume takes a long-term view, close to the Braudelian tradition, which is highly valuable. Without falling into rigid frameworks, each chapter offers a historical background and an analysis of the current situation, allowing for a broad analysis that contrasts with contemporary works which, by focusing exclusively on immediate contingency, lose sight of historical continuities and ruptures.

These analyses were developed prior Donald Trump was elected for a second term. In any case, the great uncertainty surrounding his protectionist policies limits any definitive explanation currently. Each author answers three questions that organize the whole: What is the state of relations? What contradictions can be observed in this relationship? And what is the likely future scenario? This structure gives the text coherence.

Senator Insulza's foreword offers a historical reflection on the nonlinear nature of inter-American relations and contemporary challenges. He

emphasizes that while power asymmetry is a structural feature, Latin American countries have also shown the ability to develop room for maneuver in the formulation of their foreign policy. In reviewing the Summits of the Americas from Miami in 1994 to Los Angeles in 2022, he shows the transition from an “unipolar moment” to a more diverse and uncertain scenario. Insulza does not shy away from ups and downs of hemispheric relations, noting that “the history of Latin America and the United States has been marked by constant tension between cooperation and domination.”

The core of the book develops multidisciplinary and strategic perspectives. “Understanding relations with the United States requires integrating historical, economic, political, and cultural approaches, avoiding the temptation to reduce them to a single dimension.” This principle guides the chapters, which examine national cases, striking a balance between empirical analysis and conceptual reflection, while addressing highly relevant dimensions such as hemispheric security, migration flows, trade, and cooperation on climate change issues. Each section does not merely describe, engaging with contemporary debates in international politics.

In the case of Mexico, which has the most complex relationship, the analysis is organized around two themes: trade and the environment, and migration and security. Alcocer points out that both Mexico and the United States have attempted with varying degrees of success to incorporate sustainability and energy transition criteria into their economic interactions. This anticipates the complexity Mexico will face when negotiating the USMCA in 2026 as well as taking advantage of nearshoring.

The editor in her chapter reminds us that this cooperative relationship is indispensable, particularly with regards to migration and security issues, she highlights the importance of seeking new mechanisms and dynamics. Núñez emphasizes that without a common framework, management will continue to be reactive, relying on ad hoc cooperation but facing structural uncertainty. The strength of her framework lies in combining empirical evidence with theoretical frameworks based on studies from asymmetric interdependence.

On US-Brazil relations, Bojikian and Cordeiro demonstrate that, despite ideological shifts in government bilateral relations have remained pragmatic, prioritizing areas such as agricultural trade, energy cooperation, and multilateral forums. However, the relationship is always characterized by a structural asymmetry both cooperation and competition. This analysis engages with recent perspectives on poly-alignment and strategic autonomy.

Regarding Colombia under Gustavo Petro, the promise to transform the relationship through cooperation for peace, change the approach to fighting drugs and address the climate crisis is examined. Yet Pastrana and Vera caution that structural limitations, dependence on aid, strategic security interests, and internal pressures in the US will influence the extent of this shift.

Continuing southward, in the chapter on Chile and the United States, researcher Núñez Reyes provides a historical overview of a relationship characterized by the ups and downs of the Cold War, economic reforms, and international integration following the transition to democracy. This has resulted a stable and functional relationship, from which Chile has benefited by capitalizing on its image as a reliable partner; of geostrategic value to Washington, thanks to its critical minerals and institutional stability. This offers an opportunity for a technological and productive alliance, but the asymmetries that characterize the hemispheric relationship remain, as do the light and shade of history.

In contrast, Argentina exhibits a “diplomatic pendulum” that oscillates between periods of rapprochement and distancing, depending on domestic political requirement and the international context. One of the strengths of Languasco’s text is that it considers Argentine foreign policy within a regional and global framework, rather than in isolation. This is very interesting topic for study in the context of the current relationship with President Milei.

Bogado examines Uruguay’s policy of balance, based on diversifying its partners without breaking cooperation with Washington. She illustrates how pragmatism and active neutrality remain effective tools for small countries in uncertain environments.



Castillo analyzes the Panama – United States relationship from the Torrijos–Carter Treaties to the present day, highlighting that there is no clear and consistent US strategy toward Panama in the context of the crisis of US hegemony. While the Canal appears to be a key strategic resource, it is subject to internal disputes in the US and by the growing presence of external actors, such as China.

Another complex relationship is that of Central America, particularly Honduras. Domínguez examines this relationship in recent times, particularly under the government of Xiomara Castro, who is attempting to redefine Honduras's relationship with the US by "reconfiguring asymmetrical interdependence." She also considers Castro's efforts to establish a narrative of an "international order of free peoples in the Americas," which seeks greater autonomy, albeit one that remains subject to historical dependence in terms of security, migration, and economic cooperation.

One of this work's greatest merits is its focus on "complex interdependence," emphasizing how decisions in one area inevitably affect others. This perspective is essential for understanding current hemispheric relations.

Rather than providing a description, it encourages us to consider the future of the relationship from the variety of perspectives of active and retired diplomats, established academics, and young researchers. These contributors engage in a pluralistic debate that transcends national borders, bringing academic depth to studies on the United States in the Americas. This debate reaffirms the need for constant dialogue between academic analysis and the formulation of public policy.

Throughout the book, the structural weight of the United States is acknowledged, but Latin America's capacity for agency is also asserted. The tension in their relationship "has shaped not only foreign policy, but also the identities and domestic agendas" of Latin American countries. In line with the work of Abraham Lowenthal and Cynthia Arnson, the book concludes that although structural challenges and divergent agendas persist, opportunities for convergent agendas in democracy, the environment and development also exist. Several chapters reiterate ECLAC's warning

about the necessity of developing their own productive strategies in the context of asymmetric interdependence.

Its reading is recommended for academics, policymakers, students, and anyone interested in understanding the present and future of a relationship that will continue to be decisive due to its history and its weight in shaping the regional order. Its breadth of approaches, quality of analyses, and commitment to dialogue make it an essential reference for any serious debate on inter-American relations.

Lastly, the book leaves open the possibility of a second part focusing on the post-2025 period. This could examine the impact of competition between China and the US on Latin America, and include studies, and include studies on subnational actors, digital governance, the private sector, and civil society. This follow-up would allow us to observe how hemispheric relations adapt to a changing world order in real time.

In the words of Senator Insulza, "no future is predictable and the stakes are immense"; therefore, we in academia must persevere in studying the challenging hemispheric relationship presented by this work.







**UNIVERSIDAD DE TARAPACÁ**  
*Universidad del Estado*



**UNIVERSIDAD ACREDITADA  
NIVEL DE EXCELENCIA**

- GESTIÓN INSTITUCIONAL
- DOCENCIA DE PREGRADO
- INVESTIGACIÓN
- VINCULACIÓN CON EL MEDIO
- DOCENCIA DE POSTGRADO

HASTA EL 22 DE JUNIO DE 2029



**CEUTA**  
Centro de Estudios Regional  
Universidad de Tarapacá

