

DOING BUSINESS WITH MERCOSUR COUNTRIES LEVERAGE ON SKYMINDER SOLUTIONS

OCTOBER 2021 SKYMINDER NEWSLETTER



Mercosur Overview

Mercosur (in Spanish, Mercado Común del Sur) or Mercosul (in Portuguese Mercado Comum do Sul; Ñemby Ñemuha (in Guaraní) is a regional integration process. It was established by the Treaty of Asunción in 1991 and Protocol of Ouro Preto in 1994.

The bloc was originally composed by Argentina, Brazil, Paraguay and Uruguay, and subsequently joined by Venezuela (currently suspended) and Bolivia (still complying with the accession procedure).

Mercosur's origins are linked to the discussions for the constitution of a regional economic market for Latin America, which go back to the treaty that established the Latin American Free Trade Association in 1960, which was succeeded by the Latin American Integration Association in the 1980s.

Since its creation, its main objective has been to promote a common space that generates business and investment opportunities through the competitive integration of national economies into the international market. As a result, it has established multiple agreements with countries or groups of countries, granting them, in some cases, the status of Associated States – this being the situation of the South American countries.

These participate in activities and meetings of the Bloc and have trade preferences with the States Parties. MERCOSUR has also signed commercial, political or cooperation agreements with a diverse number of nations and organizations on all five continents.

Source: <https://www.mercosur.int/en/>



Full Members In process of being Full Member
Associates Suspended

Entry of new Member States

Requirements: to be part of the Latin American Integration Association (ALADI) and to comply with the process of accession as foreseen in the MERCOSUR internal regulations, follow below steps:

·Written request submitted to the Council of the Common Market (CMC) through the Pro Tempore Presidency

- Unanimous approval expressed by Decision of the CMC
- The Common Market Group (GMC) then negotiates the conditions and terms of accession through an Ad Hoc Group (with representatives of the acceding State and the States Parties) and forwards this decision to the CMC for approval
- Subscription to an accession protocol that must be incorporated to the domestic legal systems of the acceding State and States Parties.

While the accession protocol is not in effect, the acceding State can only exercise the right to speak at MERCOSUR forums and at meetings held by decision-making bodies.

Aspects included in the negotiation: adherence to the Treaty of Asunción (TA), Protocol of Ouro Preto (POP) and the Protocol of Olivos (PO); adoption of the Common External Tariff (AEC).

Source: <https://www.mercosur.int/en/>



Facts and figures

- 14.869.775 KM2
 - Different ecosystems coexist, terrestrial and marine, being one of the largest biodiversity in the world
- 295.007.000 total population
 - A lot of languages and cultures
- One of the 10th largest economy in the world
- \$824.000.000 Infrastructure projects financed by MERCOSUR
- More than 50 Cooperation Projects executed
- More than 10.553.000 young people aged 15-17
- Large energy resources, renewable and non renewable
- One of the most important reserves of freshwater (world): the Guarani Aquifer

Source: <https://www.mercosur.int/en/>

Institutions of Mercosur



- MERCOSUR makes its decisions through three bodies:
- Council of the Common Market (CMC), the main body of MERCOSUR which conducts the integration process politically;
- Common Market Group (GMC), which oversees the daily functioning of the Bloc; and
- Mercosur Trade Commission (CCM), responsible for the administration of common commercial policy instruments.

More than 300 negotiation forums assist these bodies in the most diverse areas, integrated by representatives of each States Parties in order to promote initiatives to be considered by decision-making bodies.

Over time and for the purpose of the implementation of its regional policies, MERCOSUR has created several permanent agencies in different cities. Examples of these are the Fund for the Structural Convergence of MERCOSUR (FOCEM), the Institute of Public Policies on Human Rights (IPPDH), MERCOSUR Social Institute (ISM), the Parliament of MERCOSUR (PARLASUR), the Secretariat of MERCOSUR (SM) and the Permanent Review Tribunal (TPR).

Source: <https://www.mercosur.int/en/>

Main macroeconomic indicators

2020 data related to: Brazil, Argentina, Paraguay, Uruguay

<i>Country</i>	<i>GDP (Million)</i>	<i>GDP Annual growth %</i>
Argentina	394,446.95	-10.8
Brazil	2,268,471.79	-4.7
Paraguay	36,824.96	-2.2
Uruguay	46,654.65	-6.2

<i>Country</i>	<i>GDP per capita \$</i>	<i>GDP per capita growth%</i>
Argentina	8,441.90	-10.8
Brazil	6,796.80	-4.7
Paraguay	4,949.70	-2.2
Uruguay	15,438.40	-6.2

<i>Country</i>	<i>Inflation rate %</i>
Argentina	39.80
Brazil	4.80
Paraguay	2.10
Uruguay	10.90

Source: World Bank

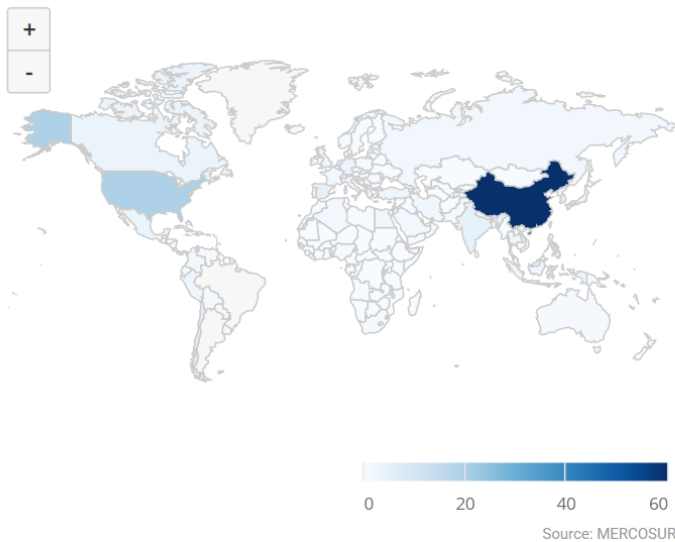
Mercosur import-export overview



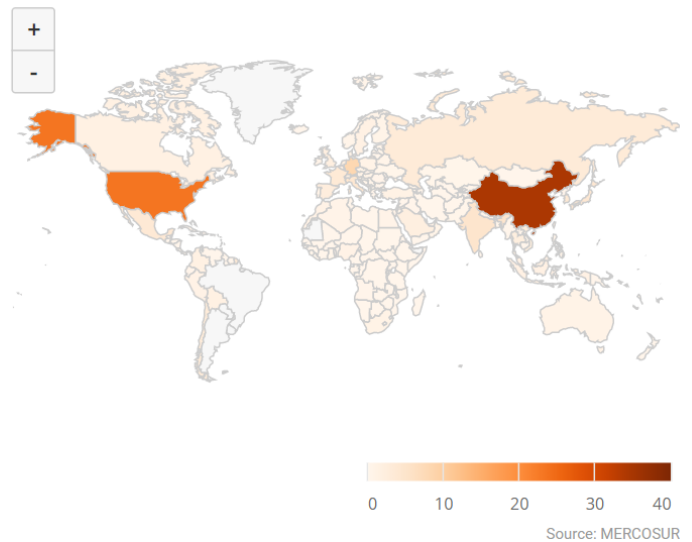
2020 data related to: Brazil, Argentina, Paraguay, Uruguay

Trade by Country

Exports 2021



Imports 2021



Mercosur (Argentina, Brazil, Paraguay, Uruguay) Export - top 5

- 1- Soya beans: 15.8%
- 2- Iron ores: 12.6%
- 3- Petroleum oils: 8.9%
- 4- Frozen bovine meat: 3.2%
- 5- Flours and pellets: 3.1%

Mercosur (Argentina, Brazil, Paraguay, Uruguay) Import - top 5

- 1- Diesel oil: 3.5%
- 2- Petroleum oil: 2.1%
- 3- Natural gas: 1.3%
- 4- Urea with hydrogen: 1.2%
- 5- Other parts (tv, radio): 1.1%

SOURCE <https://www.mercosur.int/en/>



SKYMINDER FOR MERCOSUR AT A GLANCE

All **12** countries in Mercosur (members, associates or suspended)

Best in class information thanks to **7** providers, both local and global

8 available products and solutions

Web and **API** integration



SKYMINDER SOLUTIONS

SkyMinder is the worldwide CRIF platform helping you to take decisions based on high quality information. If you are required to evaluate a business partner in Mercosur (both member or associate), or in country dealing with companies in Mercosur area, a customer or a supplier, during a risk evaluation process or for compliance requirements or a cyber risk assessment, SkyMinder is the right solutions.

Requirement	SkyMinder Solution	Description
Know business partners and risk level <ul style="list-style-type: none"> - have on board new suppliers - understand in depth customers creditworthiness 	Full Report and Slim Report	Information, with different level of details, related to all companies in the world, including firmographics, credit limit, risk indicator, management, shareholders, negative events etc.
Receive immediate notification with related details if a change affect a company	Full Monitoring	Detailed information about changes affecting a company as soon as happened. Combined possibility to request for free updated report.
Be alerted if there is change in company's information	Alert	Information related to the area involved by a change as soon as an event happened.
Periodically checks if there are changes involving companies	Planned Revision	Scheduled revision with updated report including company's changes if applicable
Understand overall risk	SkyMinder Dashboard	Analyze Business Partners by risk level, identifying critical situations at a glance.
Company ownership overview	KYC Report	List of shareholders to understand company's structure
Compliance requirements and fraud checks	Compliance Report and Extended Check Report	Anti Bribery and Money Laundering lists checks related to financial crimes.
Risk of Cyber attack	Cyber Risk Report	Assess the level of risk related to a business partner in being involved in a cyber attack
Understand overall value of intangible assets of a company	Patent Due Diligence Report	Patent Asset Overview with geographical coverage, remaining life of active patent assets, high-value patent assets, technology and patent deployment, technology timeline, peer comparison, key inventors.