Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Economics

Abstract of the Bachelor Thesis

Comparative Economic Analysis of Latin American Countries

Ismael Cruz Ortega

1) Summary:

In this project has been performed a **SWOT analysis** focused on the economy of the **10 most competitive countries** of Latin America. These 10 countries have been selected by the World Bank and the International Monetary Fund as the most competitive economies in Latin America.

The project has a brief introduction to the economy of each country, followed by an analysis of the economic opportunities enjoyed by selected countries, followed by a brief analysis of each of the weaknesses and threats that each of the Latin American countries have. Then an analysis of the strengths that keep stand these countries and finally a comment based on the personal opinion of the author is presented.

The selected countries are in the following order:

Colombia, Brasil, México, Argentina, Venezuela, Chile, Perú, Ecuador, Dominican Republic and Panamá

2) Introduction:

This thesis presents an analysis of the most competitive countries in Latin America. The most competitive countries according to sources from the World Bank and the International Monetary Fund are **Colombia, Brazil, Mexico, Argentina, Venezuela, Chile, Peru, Ecuador, Dominican Republic and Panama,** These countries were selected as the most competitive for their economic performance in the last 15 years. The theory of this thesis presents the basic factors that can influence positively and negatively within these economies, followed by some comments made in a personal capacity on each factors. Among the positive factors influencing the American Latino economies analyzed in this thesis we find the natures resources of each country, these natural resources are used in various ways such as mining where the most exported product among Latin American countries is the oil and petroleum products, followed by natural gas and gold. Other forms like the natures resources are used is agriculture, agriculture in countries like Argentina, Ecuador and Peru represents an important part of the GDP, exports in these countries are vital to supply the world market especially for

Argentina that has become in the second largest soybean exporter. Another positive factor that positively influences in Latin American economies is tourism. Latin America has become in recent years a highly visited tourist attraction in many parts of the world; the countries with more benefit from tourism are Brazil, Mexico, Dominican Republic and Panama. Tourism in these countries represents an important income economy, it is estimated that tourists spend about 200 dollars a day in these countries.

Among the negative factors affecting the economies of Latin America we find inequality and the distribution of wealth. Latin America is one of the most unequal regions in the world and this misdistribution is the cause of the high levels of poverty, one of the examples of poor distribution is Panama where high levels of growth is not reflected in the population, Panama had the best economic growth in the last 10 years but only 5 percent of the population handles 80 percent of the Panamanian capital.

In conclusion Latin America is one of the regions with more economic variables to analyze. From their best economic characteristics till the most basic problems of society.

3) Methodology:

The methodology used to develop this thesis was the **SWOT** analisys and using this method, was created a comparative study of economies latin americas.

SWOT is an acronym for Strengths, Weaknesses, Opportunities and Threats. It is the analysis of controllable variables (the weaknesses and strengths that are internal to the organization and therefore can act on them more easily), and uncontrollable variables (opportunities and threats presents the context and action than we can make about them, is coming to act at our convenience).

In this regard, the **SWOT** can be defined as a tool for strategic analysis, to analyze internal elements to the company and therefore controllable, such as strength and weaknesses, as well as external to the same factors and therefore uncontrollable, such as opportunities and threats.

This type of analysis is more common to assess the capabilities of a company or the capabilities of a business but in this thesis we used this analysis to assess the economic capabilities of a group of countries with very promising future.

The **SWOT** analisys as evaluative tool is very effective in the business world and this effectiveness can be also used to evaluate emerging economies in Latin America.this system of analysis used to analyze countries can bring very positive result, this system can help solve

problems using the positive factors of each country against its negative factors such as level organizations where a company's strengths can overcome any threa, if we put   this system in a continental level, the result may be the same

But in a continental level, we have a disadvantage and this disadvantage is the information. The information used to analyze a country must have some credibility because of the evaluated information depends on the analysis result. For that reason, we try to use sources that has reliable information to determine the real situation of the country.

A clear example is the case of Panama (Chapter X, page 35 of the main text) we find sources that only emphasized on positive but not in the negative factors.

The information used to make assessments was taken from official sources and information given through media; as newspapers, news of great renown and articles written by real knowledgeable about economic issues.

4) Goals:

The objective of this thesis is not to do a comparison between countries to see who is better, but the objective is to assess their strengths and weaknesses to create solutions and improvements for their administrative systems.

One of the goal is to use the internal and external positive factors (opportunities and strengths) to create management strategies that support the development of Latin American countries.

As an example we can see that the majority of countries have opportunities in global markets meaning through the exploitation of their natural resources and the use of their land to export materials and food. Similarly, they maintain an economic strengths through the implementation of better management strategies that helps to create an economic basis for further growth. After the the previous example we can create administrative strategies to improve productivity, also improve the living conditions of the inhabitants and thus help the development of these regions.

We can be sure that Latin America will be seen as a new market opportunity and investment. As mentioned above this region has the necessary resources to undertake any type of market. in spite of their weaknesses and threats latin america has been recognized by their capacity development.

5) Conclucion:

In conclucion, Latin America has made significant progress in macroeconomic stability and welfare in some respects but still requires greater efforts to achieve an increase in their productivity, generate quality jobs and reduce levels of informality. This requires designing policies to greater diversification and sophistication of the production system

6) Reference:

1) Atlas.media.mit.edu, (n.d.). OEC: Panama (PAN) Profile of Export, Imports and Trade Partners. [Online] Available at: http://atlas.media.mit.edu/profile/country/pan/.

2) Data.worldbank.org, (n.d.). GDP growth (annual %) | Data | Graph. [online] Available at: http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG/countries/DO?display=graph.

3) Comercio, E. (n.d.). Producción de caña de azúcar cerraría el año con una contracción de 1%. [online] EL COMERCIO. Available at: http://elcomercio.pe/economia/peru/produccion-cana-azucar-cerraria-ano-contraccion-noticia-1480823.

4) Forbes.com, (n.d.). The Global 2000 - Forbes.com. [online] Available at: http://www.forbes.com/lists/2008/18/biz_2000global08_The-Global-2000-Mexico_10Rank.html.

5) ABC.es, (n.d.). Pobreza, narcotrafico e inflacion: asi es la Argentina que esconde Kirchner. [online] Available at: http://www.abc.es/internacional/20150113/abci-argentina-pobreza-narcotrafico-inflacion-201501122240.html.

6) Bbc.co.uk, (n.d.). BBCBrasil.com | Reporter BBC | Brasil terá padrão de vida 'europeu' em 2050, diz estudo. [online] Available at: http://www.bbc.co.uk/portuguese/reporterbbc/story/2007/02/070208_bricestudo1ss.shtml.

7) Cia.gov, (n.d.). The World Factbook. [online] Available at: https://www.cia.gov/library/publications/the-world-factbook/geos/br.html .

8) Elmundo.es, (n.d.). Brasil, segundo pais mas desigual del G-20 | Brasil | elmundo.es. [online] Available at: http://www.elmundo.es/america/2012/01/19/brasil/1326987526.html .

9) Cepal.org, (n.d.). Foreign direct investment in Latin America and the Caribbean, 2012 | Publicación | Comisión Económica para América Latina y el Caribe. [online] Available at: http://www.cepal.org/es/publicaciones/1151-foreign-direct-investment-latin-america-and-caribbean-2012.

10) Imf.org, (n.d.). Report for Selected Countries and Subjects. [online] Available at: http://www.imf.org/external/pubs/ft/weo/2011/01/weodata/weorept.aspx?sy=2011&ey=2011&scsm=1&ssd=1&sort=country&ds=.&br=1&c=233&s=NGDPD%2CNGDPDPC%2CPPPGDP%2CPPPPC&grp=0&a=&pr.x=34&pr.y=10.