



INTERNATIONAL  
**T R A D E**  
ADMINISTRATION

# 'Competitiveness in the Americas' FACT SHEET

Americas Competitiveness Forum June 11, 2007

## Competitiveness in the Americas: Promoting Prosperity and Economic Opportunity

- This report provides an assessment of current economic conditions in the Western Hemisphere and reviews factors that are driving hemispheric competitiveness.
- Hemispheric growth has been strong recently and positive GDP growth was registered every year since 1990. Nine countries within the hemisphere have registered per capita gains in GDP in excess of 50 percent between 1990 and 2006.
- Inflation, a primary determinant of economic stability, has been in decline since 1995. Hemispheric inflation has averaged about 4 percent since the late 1990s.
- While the Western Hemisphere fares favorably in governance compared to the world average in the Index of Economic Freedom by *The Heritage Foundation* and *The Wall Street Journal*, there are factors such as corruption that still impact the region. Businesses could flourish even further if countries in the region were to improve governance.
- Trade is an increasingly significant component of economic growth. Western Hemisphere exports have increased by more than 200 percent over the past 15 years with 23 countries posting gains in excess of 155 percent.
- Travel and tourism is an important subset of trade, accounting for 29 percent of the total export value of Western Hemisphere countries in 2006. Traveler volume to the Western Hemisphere countries grew by 3 percent per year since 1980 and the region is its own largest supplier of travelers.
- Education is a primary factor in driving economic development. The average literacy rate for Latin America and Caribbean countries, at 96 percent for 15 to 24 year olds, is close to the level of literacy in developed nations.
- Innovation fosters the development of new products, services, and organizational structures. Non-U.S. Western Hemisphere nationals accounted for 4.6 percent of U.S. utility patents granted to foreign nationals compared to 29 percent for nationals of the European Union and nearly 61 percent for Asian national.
- The World Bank "Doing Business 2007" indicators suggest that on average, the number of days to start a business in the Western Hemisphere is higher than that for the rest of the world. But there is great variation within the region and several countries have made progress recently.
- Efficient supply chain management allows companies to benefit from coordination and collaboration with channel partners but the resource needs for building such networks can be vast. There are several examples of successful public-private partnerships from the Western Hemisphere, including "Highway 2000" in Jamaica and "Transmilenio" in Colombia.

###