

**Trade at the margins:
hidden commercial patterns between China and Latin America, 1980-2020**

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Abstract

At the margins of the great tide of transpacific globalization between China and Latin America since 1980s, there exist informal local economic activities and cross-border illicit trade. This paper addresses the smuggling in Bolivia's imports of Chinese products via Chile. It provides a macroeconomic perspective to illustrate the informal trade that has emerged in Latin America's economic periphery. To this end, we conduct a mirror analysis by comparing Bolivia's import data with export data of China and Chile. Our analysis identifies substantial over-reporting in Bolivia's declaration of imports from China and under-reporting in Bolivia's declaration of imports from Chile. The results also indicate that the largest discrepancies appear in the products of textile yarn, fabrics, made-up articles, rubber manufactures, road vehicles, telecommunications equipment, electrical machinery, articles of footwear, apparel and clothing accessories. These findings suggest that Bolivia has imported these Chinese products through re-exportation from other transit countries. Additionally, Chile is an important entrepôt country for Bolivia's imports and part of this transit trade occurs through unofficial or illegal channels.

Keywords: foreign trade data, smuggling, China, Latin America