Competitive positioning and commercial dynamism of the department of Santander in 2020

Posicionamiento competitivo y dinamismo comercial del departamento de Santander en el año 2020

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Abstract

The objective of this research article was to determine the positioning and commercial dynamics of Santander (Colombia) in 2020 by applying the indicators of commercial concentration at the level of products, proportions in world trade exchanges, number of main destinations/origins, Index Relative Trade Balance (IBCR) and the Balassa index. The methodology implemented in this article had explorative and descriptive aspects; explorative by obtaining data on the behavior of the representative sectors of Santander in the dynamics of internationalization: and descriptive by integrating a set of indicators to determine its internationalization strategy and the results of the main foreign trade indices. Among the main results, the following stand out: there is a high level of concentration of Santander's exports in 2020, where oil and coffee account for 64% of the department's total exports. The first import tariff items concentrate 51% of Santander's total imports in 2020, presenting a lower concentration compared to exports. Santander contributed 0.002% of world exports in 2020. The products that have a higher percentage of participation are coffee, with a participation of 0.29% of world exports of the grain. The department of Santander contributes 0.003 %% of world imports in 2020. The products that have a higher percentage of Santander's share in world imports in 2020 are agricultural products with percentage shares of: Corn (0.29%), concentrated milk (0.21%), soybean oil residues (0.19%) and wheat (0.14%). The United States is Santander's main commercial partner, having a greater weight in imports, contributing 49.6% of the department's international purchases. The member countries of the T-MEC trade agreement are Santander's main trading partners.

Keywords: Export dynamics; export behavior; exportable basket; import dynamism; Santander deparment

Resumen

El objetivo del presente artículo de investigación es determinar el posicionamiento y la dinámica comercial del departamento de Santander (Colombia) en el año 2020 mediante la aplicación de los indicadores de concentración comercial al nivel de productos, proporciones en los intercambios comerciales mundiales, número de destinos/orígenes principales, Índice de Balanza Comercial Relativa-IBCR y el índice de Balassa. Se emplea un método analítico y deductivo, en el que inicialmente se analiza el comportamiento exportador del departamento de Santander por capítulos del arancel de aduanas, para, con base en dicho comportamiento, seleccionar la oferta exportable. Luego, se toma como canasta exportable del departamento de Santander, los primeros 5 capítulos arancelarios, de acuerdo con la participación y a la dinámica exportadora en el año 2020. Dentro de los principales resultados destaca el alto nivel de concentración de las exportaciones de Santander en el año 2020, donde el petróleo y el café ocupan el 64% de las exportaciones totales del departamento. Las primeras partidas arancelarias de importación concentran el 51% del total de las importaciones de Santander en 2020, presentando una menor concentración en comparación con las exportaciones. Santander aportó el 0.002% de las exportaciones mundiales en el año 2020. Los productos con mayor porcentaje de participación son el café con una participación del 0.29% de las exportaciones del grano a nivel mundial. El departamento de Santander aporta el 0.003% de las importaciones mundiales en el año 2020. Los productos que tienen un mayor porcentaje de participación de Santander en las importaciones mundiales el año 2020 son productos agrícolas con participaciones porcentuales de: maíz (0.29%), leche concentrada (0.21%), residuos de aceite de soja (0.19%) y trigo (0.14%). Estados Unidos es el principal socio comercial de Santander, teniendo un mayor peso en las importaciones aportando el 49.6% de las compras internacionales del departamento.

Palabras clave: Dinámica exportadora; comportamiento exportador; canasta exportable; dinamismo importador; departamento de Santander

Introduction

The Division of International Trade and Integration of the Economic Commission for Latin America and the Caribbean-ECLAC has improved technical assistance activities in Latin American countries with a view to strengthening technical and analytical capacities for the development of foreign trade and trade policy indicators for these countries and regions in particular.

In this regard, the positioning and trade dynamism indicators have been designed by ECLAC to provide a tool for measuring and analysing the dynamics and relative weight of international trade in Latin American countries and regions.

The importance of this research lies in the contribution made on the dynamics of the most dynamic and best positioned tariff items of foreign trade of the department of Santander (Colombia), in order to generate informative elements as tools that allow exporting entrepreneurs of the department to develop growth strategies and expansion plans to new markets.

The items selected for this analysis were:

- *Export*: 2710 (Refined petroleum), 0901 (Coffee), 1801 (Cocoa beans), 8523 (Storage devices) and 0102 (Live cattle).

- *Imports*: 1005 (Corn), 1001 (Wheat), 2304 (soybean oil residue), 0402 (concentrated milk), 1201 (soybeans).

In this article, a comprehensive analysis was made on the competitive positioning of these tariff items in the international arena, through foreign trade indicators such as: the basic indicator of trade concentration at the product level, proportions in world trade exchanges and number of main destinations/origins. As for the indicators related to trade dynamism, the Relative Trade Balance Index-IBCR and the Balassa Index have been selected.

This article is a product of the research project entitled "Competitive Analysis of Strategic Sectors of the Department of Santander through the application of International Trade Indicators and Trade Policy in the period 2015-2020", developed by researchers of the Research Group in International Contexts-GRICANI of the Faculty of International Business Administration of the Pontifical Bolivarian University (Sectional Bucaramanga, Colombia).

State of the Art

Exploring the trade position and dynamism of countries is interesting not only for statistical purposes but also to support economic policy recommendations with some degree of accuracy (Jacobo and Tinti, 2013).

Faced with competitive positioning in international trade, it is important to understand the concept of internationalization and the dynamics that export operations generate in the growth of companies and sectors (Duque and Narváez, 2015).

According to Gómez and Gonzalez (2012) when referring to competitive positioning, the various studies aim to show the situation of the products of an industry in a market, in this case external market, for which the countries participating in that market (competitors) are identified, the dynamics of competitors and the country in reference is analyzed and it is shown how it is in front of them.

Similarly, Gómez and González (2012) state that there are previous studies on the subject, aimed at analyzing the export performance of companies. The first case they point out is the one conducted by Dhanaraj and Beamish (2003), where it is said that the export performance of the company can be measured by a relationship between exports with total sales and the number of target (external) markets. The second research is an analysis by Hsu and Boggs (2003), who point out that to analyze the internationalization of the company can be used indicators of depth (foreign assets over total assets) and breadth (geographical dispersion of its operations). Thirdly, Pham (2008) proposes, in turn, as indicators for the performance of internationalization, the growth rate of the company's international activities, the volume of sales abroad, the participation or share in the foreign market and the achievement of the company's objectives in a certain period of time (Diaz, 2021).

Another effort made within the same approach was the work of Monreal (2010). The company is conceived as a unique set of tangible and intangible resources that are controlled by the company to design and implement strategies to improve its competitive positioning (local or foreign). For Monreal (2010) there are two factors that indicate the export of the company, internal and external. Based on the theory of resources and capabilities, the internal factors can be grouped into characteristics of the company (age, size, international experience, capital ownership, organizational culture); competitive capabilities (management functions, research and development, manufacturing process, product features); objective characteristics of managers (training, international exposure) and subjective characteristics of managers (risks, advantages, benefits and attitudes to export).

Similarly, Caicedo and Mora (2021) point out that indicators related to trade dynamism are used to analyze the comparative advantages or disadvantages of a country's trade exchanges with its trading partners or various groups of countries. The index can take positive or negative values. A negative/positive index will indicate a deficit/surplus in total trade, and expresses an advantage/disadvantage in trade exchanges. In other words, a RCA (Revealed Comparative Advantage) index greater than zero will indicate the existence of a competitive sector with potential, and a negative index will indicate a net importer sector lacking competitiveness vis-à-vis third markets.

For their part, Maraulo and Alderete (2020) argue that factors external to the company, supported by the theory of industrial organization, generate environmental conditions that provide the tools for companies to design and carry out their

strategies. Among the external factors, according to can be considered: government, economic situation of the country, characteristics of demand, information, technological and competitive situation of the country.

Another more extensive work was carried out by Leonidou, Katsikeas and Samiee (2002), taking 36 studies from 1964 to 1998. As a result of the analysis, they grouped the variables into five categories, focusing the study mainly on marketing strategies.

Cavusgil and Zou (1994), beyond the determinants of export performance, focused on the variables involved in the results of export activity. They considered that the dimensions that should be monitored are: objectives achieved by the company in the last five years, performance in sales and profitability, growth in exports and objectives set by the company.

Navarro (2001) states that in order to evaluate the export performance, objective and subjective variables must be taken into account. The objective variables include sales, profitability and growth of the company (products and/or production). The subjective ones are related to the objectives versus achievements valued through the satisfaction of the company's management. Within the results of export performance, quantitative and qualitative aspects should be considered over a period of three years. This approach is very similar to that of Shoham (1998), who also proposes that five years should be monitored and the result is measurable from the changes in the variables in that period.

Methodology

For the development of this research document an analytical and deductive method was used, initially analyzing the export behavior of the department of Santander (Colombia) by chapters of the customs tariff, to select the exportable supply based on this behavior. Subsequently, the exportable basket of the department of Santander was determined, the first 5 tariff chapters, according to the participation and export dynamics in the year 2020. These export (Table 1) and import (Table 2) chapters are detailed below:

Table 1.
Export Tariff Chapters.

Item	Description
2710	Refined oil
0901	Coffee
1801	Cocoa beans
8523	Storage devices
0102	Live Cattle

Source: Own elaboration.

TABLE 2.
Import Tariff Chapters.

Item	Description
1005	Corn
1001	Wheat
2304	Soybean oil residues
0402	Concentrated milk
1201	Soy beans

Source: Own elaboration.

The statistical information analyzed in this paper comes from the information system of Trade Map databases (n.d.) and the Foreign Trade Statistical System (Siex, n.d.) of the National Tax and Customs Department-DIAN.

The methodology of analysis used was that presented in the book published by the Economic Commission for Latin America and the Caribbean-ECLAC entitled *"Indicadores de comercio exterior y política comercial: mediciones de posición y dinamismo comercial"* (Durán and Álvarez, 2008).

Table 3 presents the main indicators of trade position and dynamism identified throughout the literature on the research topic:

TABLE 3.
Indicators of commercial position and dynamism.

Trade Position Indicators	Indicators of commercial dynamism
Value of exports (goods and services). Value of imports (goods and services). Commercial Services Statistics. Trade Balance (goods and services). Relative indicators of foreign trade. Trade shares in world trade. Basic indicator of trade concentration at the product level. Number of destinations / main origins. Business participation in international trade. Diversification in the level of products with the highest incidence in total exports.	Comparative Advantages Revealed. Balassa Index and some of its variants. Herfindahl Hirschmann Index). Trade Overlap Index. Theil index. Grubel Lloyd Index. Lafay Index. Business (or Economic) Environment Index. Similarity Index. Krugman Index.

Source: Own elaboration.

For this analysis, seven indicators have been selected for application in order to measure the positioning and commercial dynamics of Santander in 2020 (Table 4).

TABLE 4.
Selected indicators to be applied to the department of Santander in 2020.

Commercial Positioning of Santander, 2020	Indicator Application
1. Concentration of Santander's Exports	The five tariff items with the greatest export dynamics were analyzed in order to determine their relative weight in the department's export basket.
2. Concentration of Santander's Imports.	The five tariff items with the greatest import dynamics were analyzed in order to determine their relative weight in the department's export basket.
3. World Export Ratio Index.	IPX = Xi/X World IPXS = X Santander/X World
4. World Import Ratio Index.	MPI = My/World IPMS = M Santander/M World
5. Number of destinations / main origins.	The positioning and weight of import origins and export destinations are analysed.
Santander 2020 Commercial Dynamics.	Indicator Application
6. Relative Balance Index.	IBCR: A * C/B * D Where: A: Exports of product k made by country i to market j in year t. B: Exports of product k made by country i to the world (w) in the year. C: Imports of product k carried out by country i from market j in year t. D: Imports of product k by country i from the world (w) or a market.
7. Balassa Index.	IB: A ÷ B/C ÷ D A: Exports of product k made by country i to country j. B: Total exports from country i to country j. C: Exports of product k by country i to the world (w). D: Total exports from country i to the world (w). The following scales are recommended for reading the indicator: Between +0.33 and +1: There is an advantage for the country. Between -0.33 and -1: There is a disadvantage for the country. Between -0.33 and + 0.33: There is a tendency towards intra-product trade.

Source: Own elaboration.

RESULTS

Competitive Positioning of Santander 2020

Competitive positioning integrates three variables which are: Target market behavior which is translated as variation of imports coming from all over the world; Share of imports coming from the specific country and Value of imports from each competitor (Gómez and González, 2012).

The analysis of the commercial positioning of the department of Santander in the year 2020 was carried out through the selection and application of two commercial positioning indicators. The indicators applied were: the Basic Indicator of Commercial Concentration at the product level, the Index of proportion in world trade exchanges and the Number of main destinations/origins (Cavusgil & Zou, 1994).

Basic Indicator of Commercial Concentration

This indicator was applied to both exports and imports in order to determine the concentration of both trade flows (Gómez and González, 2012).

Concentration of Santander's Exports in 2020

In order to determine the level of trade concentration at the product level in the department of Santander, the five tariff items with the greatest export dynamics were listed, in order to determine the relative weight in the department's export basket (Table 5).

TABLE 5.
Concentration of Santander Exports.

	Item	Description	Santander Exports, 2020 (thousands of US$)	Percentage of Participation in Santander's Total Exports
1	2710	Refined oil		43%
2	0901	Coffee	90 497	21%
3	1801	Cocoa beans	19 843	4%
4	8523	Storage devices	16 913	4%
5	0102	Live Cattle	15 240	3%
		Total Exports 2020	417 427	75%

Source: Siex (n.d.).

Table 5 shows the high level of concentration of Santander's exports in 2020, where oil and coffee occupy 64% of the department's total exports. Similarly, it can be seen that the first five tariff items concentrate 75% of total exports in 2020.

Concentration of Santander's Imports in the year 2020

In order to determine the level of trade concentration at the product level in the department, the top five import products were listed to determine the relative weight in the department's import basket (Table 6).

TABLE 6.
Concentration of Santander 2020 Imports.

	Item	Description	Imports Santander, 2020 (US$ thousands)	Percentage of Participation in Total Imports from Santander
1	1005	Corn	114 490	19%
2	1001	Wheat	66 887	11%
3	2304	Soybean oil residues	50 049	8%
4	0402	Concentrated milk	45 806	7%
5	1201	Soy beans	39 773	6%
		Total Imports, 2020	600 302	51%

Source: Siex (n.d.).

Table 6 shows the average level of concentration of Santander's imports in 2020, where the first five import tariff items account for 51% of Santander's total imports in 2020, showing a lower concentration compared to the department's exports in the same period.

Ratio in World Trade Exchanges

This index measures the adaptation of an economy to the development and dynamism of international trade related to the country's exports/imports with the total world exports/imports of goods and services.

Santander's World Export Share Index 2020

To determine the proportion of exports from the department of Santander with respect to world exports, the calculation was made by dividing Santander's exports of the selected tariff heading over the world exports of the corresponding tariff heading, applying the following formula (1):

$$IPX = Xi/X \text{ Mundo}$$

$$IPXS = X \text{ Santander}/X \text{ Mundo}$$

(1)

This index fluctuates between 1 and −1. If the result of the application is close to 1, it means that Santander has a high participation in the world exports of the tariff item under analysis. On the contrary, if the result is close to −1 it means that Santander has a low participation in world exports.

Table 7 below shows the participation of the main export products of Santander with respect to world exports. The department of Santander contributes 0.002% of world exports in 2020. The products that have a higher percentage of participation in world exports are agricultural products such as coffee with a share of 0.29% of world exports of the grain. In second place is cocoa beans with a share of 0.21% of total exports in international markets. Finally, the tariff item 0102, corresponding to live cattle had a share of 0.18% of world sales.

TABLE 7.
Santander's World Export Share Index 2020

Item	Description	Santander Exports, 2020 (thousands of US$)	Exports World, 2020 (thousands of US$)	Santander's Share of World Exports Index, 2020	% Share in World Exports
2710	Refined oil		435 353 246	0.0004217954	0.042%
0901	Coffee	90 497	30 363 353	0.00298046793	0.29%
1801	Cocoa beans	19 843	9 318 807	0.00212934981	0.21%
8523	Storage devices	16 913	62 408 586	0.00027100437	0.027%
0102	Live Cattle	15 240	8 270 444	0.00184270638	0.18%
0805	Fresh citrus fruits	10 583	15 961 295	0.00066304143	0.066%
7610	Constructions	6 216	14 022 987	0.00044327217	0.044%
2401	Tobacco sticks	5 536	7 987 831	0.00069305422	0.069%

Item	Description	Santander Exports, 2020 (thousands of US$)	Exports World, 2020 (thousands of US$)	Santander's Share of World Exports Index, 2020	% Share in World Exports
2704	Cokes and semi-cokes	4 298	5 244 287	0.0008195585	0.08%
3923	Items for transport or packaging	3 915	57 251 619	0.00006838234	0.006%
8422	Washing machines	3 711	31 474 147	0.00011790629	0.011%
2902	Cyclic hydrocarbons	3 297	28 913 037	0.0001140316	0.011%
1517	Margarine; blends	2 858	5 742 248	0.00049771448	0.049%
0511	Other animal products	2 376	2 823 423	0.00084153171	0.08%
8438	Machines and equipment	2 272	12 960 352	0.00017530388	0.017%
Exports from the department of Santander		417 427	17 142 104 578	0.00002435097	0.002%

Source: Own elaboration based on Trade Map (n.d.).

Santander's World Import Share Index in 2020

To determine the proportion of imports from the department of Santander with respect to world imports, the calculation was made by dividing Santander's imports of the selected tariff heading over the world's imports of the same heading and was applied with the following formula (2):

$$IPM = Mi/M \text{ Mundo}$$

$$IPMS = M \text{ Santander}/M \text{ Mundo} \tag{2}$$

The index fluctuates between 1 and −1. If the result of the application is close to 1, it means that Santander has a high participation in the world imports of the tariff item under analysis. On the contrary, if the result is close to −1 it means that Santander has a low participation in world imports.

Table 8 below shows the participation of the main import products of Santander with respect to world imports. The department of Santander contributes 0.003% of world imports in 2020.

TABLE 8.
Santander's World Import Share Index 2020

Item	Description	Imports Santander, 2020 (US$ thousands)	Imports World, 2020 (US$ thousands)	Santander World Import Share Index, 2020
1005	Corn	114 490	39 304 152	0.29%
1001	Wheat	66 887	47 393 185	0.14%
2304	Soybean oil residues	50 049	25 163 034	0.19%
0402	Concentrated milk	45 806	21 053 168	0.21%
1201	Soy beans	39 773	66 743 126	0.05%
7408	Copper wire	27 959	16 329 359	0.17%
8544	Wires, coaxial cables	15 736	116 426 487	0.013%
3901	Ethylene polymers	14 159	72 178 504	0.019%
8714	Parts and accessories	10 267	21 422 803	0.04%
8430	Other machines	9 984	10 165 973	0.09%
2710	Refined oil	8 706	440 292 251	0.001%
4011	New tyres	7 273	71 056 922	0.010%
8471	Machines for processing	7 151	404 213 228	0.0017%
8708	Vehicle parts	6 116	339 251 582	0.0018%
3808	Insecticides	5 583	41 596 732	0.013%
Imports from the department of Santander		600 302	17 469 276 699	0.003%

Source: Own elaboration based on Trade Map (n.d.).

The products that have the highest percentage share of Santander in world imports in 2020 are agricultural products with percentage shares of (0.29%) corn, (0.21%) concentrated milk, (0.19%) soybean oil residue and (0.14%) wheat.

Number of main destinations / origins of Santander in 2020

The destination/origin concentration for exports/imports can be measured by the number of partners representing a selected threshold value. The greater the number of countries, the greater the diversification. Conversely, if few countries add up to the total, there would be greater concentration or dependence on a specific market.

Table 9 shows the high concentration of the United States as both the origin of imports and the destination of exports. The United States is Santander's main trading partner, having a greater weight in imports, contributing 49.6% of the department's international purchases. Mexico is another important trading partner of Santander in imports with 4.8% and in exports of the department with 9.6%. Canada is also a trading partner as a source of imports with 6.5% and as a destination for exports with 2.1%. As a result of this analysis, it can be noted that the member countries of the T-MEC trade agreement (Treaty between Mexico, the United States and Canada) are the main trading partners of Santander.

TABLE 9.
Number of main destinations / origins of Santander in 2020.

Main destinations exports	%	Main countries origin Imports	%
United States	34%	United States	49.6%
Spain	9.9%	China	13%
Mexico	9.6%	Canada	6.5%
Chile	3.8%	Mexico	4.8%
Ecuador	3.7%	Peru	3.2%
Germany	3.7%	Bolivia	2.3%
Panama	2.5%	Brazil	2%
Finland	2.1%	India	1.8%
Canada	2.1%	Chile	1.7%
Netherlands	1.9%	Russia	1.6%

Source: Own elaboration based on Trade Map (n.d.).

A case that calls special attention is the Republic of China, which is important in the import dynamics of Santander with 13% of the purchases of the department, however, it is not an important destination for Santander exports.

DISCUSSION OF RESULTS

The trade dynamism indicators were applied considering the five products with the highest dynamism in exports and imports, in order to determine the dynamism in the U.S. market as the main trading partner of Santander as the origin of imports, as well as the destination of exports.

Santander's Relative Balance of Trade Index (IBCR) in 2020

This index is used to analyze the comparative advantages or disadvantages of a country's trade with its trading partners or various groups of countries. Its simplest version is (3):

$$\text{IBCR: } A*C/B*D \tag{3}$$

Where:

A:	Exports of product k made by country i to market j in year t.
B:	Exports of product k made by country i to the world (w) in the year.
C:	Imports of product k made by country i from market j in year t.
D:	Imports of product k by country i from the world (w) or a market.

The index can take positive or negative values. A negative/positive index will indicate a deficit/surplus in total trade, and expresses an advantage/disadvantage in trade.

Table 10 shows the comparative advantages or disadvantages of trade exchanges of the department of Santander with the United States in 2020. To apply this indicator, the five tariff items with the highest exports from Santander to the United States have been taken. The results show a high comparative advantage for exports of refined petroleum, storage devices and live cattle. Similarly, a medium comparative advantage is shown for exports of coffee and cocoa to the U.S. market.

TABLE 10.
Santander's Relative Trade Balance Index in 2020.

Item	Description	Exports from Santander to the U.S. market, 2020 (thousands of US$ FOB Value) A	Santander Exports to the World, 2020 (thousands of US$ FOB value) B	Imports by Santander from the United States, 2020 (thousands of US$ CIF value) C	Imports from Santander, 2020 (thousands of US$ CIF value) D	IBCR	Result
2710	Refined oil	20 534		15 788	16 495	29 121 206	High Favorable Comparative Advantage for Santander in exports.
0901	Coffee	15 372	90 497	0	58	0	Average Comparative Advantage for Santander in exports.
1801	Cocoa beans	21 583	19 843	0	4 298	0	Average Comparative Advantage for Santander in exports.
8523	Storage devices	4 678	16 913	1 221	29 363	9 916 437	Favorable Comparative Advantage for the United States in imports.
0102	Live Cattle	1 560	15 240	457	1 416	66 239	Favorable Comparative Advantage for Santander in exports.

Source: Siex (n.d.).

Santander Balassa Index in 2020

This indicator measures the degree of importance of a product in exports from one market to another market, versus the importance of exports of the same product in exports of the same product to the rest of the world.
Formally (4):

$$\text{IB: } A \div B/C \div D \tag{4}$$

A: Exports of product k made by country i to country j.

B: Total exports from country i to country j.

C: Exports of product k by country i to the world (w).

D: Total exports from country i to the world (w).

The following scales are recommended for reading the indicator:

Between +0.33 and +1:   There is an advantage for the country.

Between −0.33 and −1:   There is a disadvantage for the country.

Between −0.33 and +0.33:   There is a tendency towards intra-product trade.

Table 11 shows the degree of importance of the five most dynamic products within Santander's exports to the United States, versus the importance of exports of the same product to the world. The application of this indicator highlights the high importance of storage devices in intra-regional trade between Santander and the United States, with an index of 0.6, being the most dynamic product in bilateral trade. Within the range of medium importance in intra-regional trade between Santander and the United States are coffee (0.38), cocoa (0.27) and refined petroleum (0.27).

CONCLUSIONS

Since 2020 the Covid-19 pandemic has been one of the most serious challenges of recent times. The world economy is experiencing a historic economic and social shock. Similarly, the department of Santander (Colombia) had a considerable drop of 52% of total exports in the year 2020, which has considerably affected the competitive positioning of the department and reducing the commercial dynamism of the tariff items selected for this study. Within this context of fall in the international trade dynamics of Santander in 2020, the following can be concluded.

TABLE 11.
Santander Balassa Index in 2020

Item	Description	Exports by product from Santander to the U.S. market, 2020 (thousands of US$ FOB value) A	Total Santander Exports to the U.S., 2020 (thousands of US$ FOB Value) B	Exports of the product from Santander to the world (thousands of US$ FOB value) C	Total Exports from Santander to the World, 2020 (thousands of US$ FOB Value) D	IB	Result
2710	Refined oil	20 534	180 788		417 427	0.27	It has a medium importance in intra-regional trade between Santander and the USA.
0901	Coffee	15 372	180 788	90 497	417 427	0.38	It has a medium importance in intra-regional trade between Santander and the USA.
1801	Cocoa beans	21 583	180 788	19 843	417 427	0.27	It has a medium importance in intra-regional trade between Santander and the USA.
8523	Storage devices	4 678	180 788	16 913	417 427	0.6	It has a high importance in intra-regional trade between Santander and the USA.
0102	Live Cattle	1 560	180 788	15 240	417 427	0.22	average importance in intra-regional trade between Santander and the USA.

Source: Siex (n.d.).

There is a high level of concentration of Santander's exports in 2020, where oil and coffee occupy 64% of the department's total exports. Similarly, it can be seen that the first five tariff items concentrate 75% of the total exports of Santander in 2020. The first import tariff items concentrate 51% of the total imports of Santander in 2020, presenting a lower concentration compared to exports.

The department of Santander contributed 0.002% of world exports in 2020. The products that have a higher percentage of participation in world exports are agricultural products such as coffee with a share of 0.29% of exports of the grain worldwide. In second place is cocoa beans with a share of 0.21% of total exports in international markets. Finally, the tariff item 0102, corresponding to live cattle had a share of 0.18% of world sales.

Santander contributes 0.003% of world imports in 2020. The products that have a higher percentage share of Santander in world imports in 2020 are agricultural products with percentage shares of (0.29%) Corn, (0.21%) concentrated milk, (0.19%) soybean oil residues and (0.14%) wheat.

In 2020, the United States was Santander's main trading partner, having a greater weight in imports, contributing 49.6% of the department's international purchases. Mexico is another important trading partner of Santander in imports with 4.8% and exports with 9.6%. Canada is also a trading partner as a source of imports (6.5%), and as a destination for exports (2.1%). As a result of this analysis, it can be noted that the member countries of the T-MEC trade agreement are Santander's main trading partners.

A high comparative advantage is evident for exports of refined petroleum, storage devices and live cattle. Similarly, a medium comparative advantage is shown for coffee and cocoa exports to the United States market.

There is a high importance in intra-regional trade between Santander and the United States of storage devices, with an index of 0.6, being the most dynamic product in bilateral trade. Within the range of medium importance in intra-regional trade between Santander and the United States are coffee (0.38), cocoa (0.27) and refined petroleum (0.27).

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