



## Thesis Abstract

No. \_\_\_\_\_

Once that the first chapter concentrated more on East Asian trade patterns, the second chapter provides descriptive and quantitative analyses of Latin American performance. It also provides a comparison between Brazilian and Mexican evolution in machinery trade along the same period (1996–2011). In the third chapter, international Input-Output (IO) tables were used to estimate indicators that provide evidences of the East Asian and Latin American production fragmentation structure that could not be captured using trade data. The use of this different source of data has the advantage of capturing features like the level of integration in vertically fragmented production networks, the length of this production networks and the distance to the final demand, allowing a comparison between East Asian and Latin American countries. The fourth chapter investigated the effects that the increase in the importation of machinery parts and components and the changes in the supplier composition had in the quantity and quality of final products and parts and components traded inside Latin America.

The first four chapters used descriptive and quantitative analysis to reveal the evolution of machinery production networks. We identify an enhance of East Asian role in fomenting production networks inside third regions, while Latin American region is slowly engaging in this production organization. We also provide evidences of East Asian countries importance in the promotion of machinery production networks inside Latin America.

The fifth chapter approaches the production networks theme from a totally new perspective. Unifying the tariff evasion literature with the production networks literature, this chapter objective is to confirm if production networks trade are less, equally, or more prone to import tariff evasion than non-production networks trade. Production networks trade relations are, in general, more intensive and stable, increasing the number of times given products are traded in a given period, facilitating the identification of the correct unit value of the traded product. Besides this, the engagement of a country in this type of production organization presupposes a standard of rule of law stability, efficiency dealing with products and competitive prices. Consequently, it is expected that products traded inside production networks would be less prone to tariff evasion. As a robustness check, East Asian and Latin American intra and inter-regional import data were studied. The prevalence of dissimilitude among the two regions tariff evasion patterns endorses the hypothesis that patterns found in the East Asian case are specific of production networks.

To sum up, the essays in this Ph.D. dissertation provide a rich panorama of machinery production networks development in the period 1996–2011. It contributes to the literature highlighting the increasing importance of East Asian role as a supplier of parts and components to third regions, the slow engagement of Latin American countries on this type of production organization and the quantity and quality impacts that imports of parts and components from the different regions of the world have on Latin American intra-regional machinery trade. Besides these contributions, this Ph.D. dissertation reveals another dimension of production networks effects that is less trivial. It discloses that production networks indirectly contribute to the decrease in machinery import tariff evasion and restrict the channels available for this practice.