

## **Abstract**

Free Trade Agreements and particularly Asymmetric ones have been discussed controversially for several decades now. The Latin American region has increased their efforts to integrate their economies in the international arena. The Andean Community being a customs union in Latin America signed a Free Trade Agreement with the European Union in 2013. Being an asymmetric trade deal, this thesis examined whether it has resulted in trade creation and trade diversion effects already.

Looking at the results, I can clearly reject the notion of negative effects as a consequence of the trade agreement. Considering the entire, but also the agricultural and manufactured economic sectors, I found statistically significant trade creation effects. Concerning trade diversion effects, the results were not statistically significant and additional research in the future seems required.

## **Keywords**

Gravity Model, Asymmetric Free Trade Agreement, Trade creation, Trade diversion, Andean Community, EU, Panel Econometrics

## **Title**

Comprehensive Trade Agreement between Asymmetric Partners