

Regulatory Landscape of Digital Trade in the LAC region

Findings from OECD Digital STRI and STRI

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Outline

1. Cross-cutting barriers to digital trade
2. Regulatory barriers in computer services
3. Evolution of regulatory restrictiveness over time
4. Regulatory heterogeneity within LAC



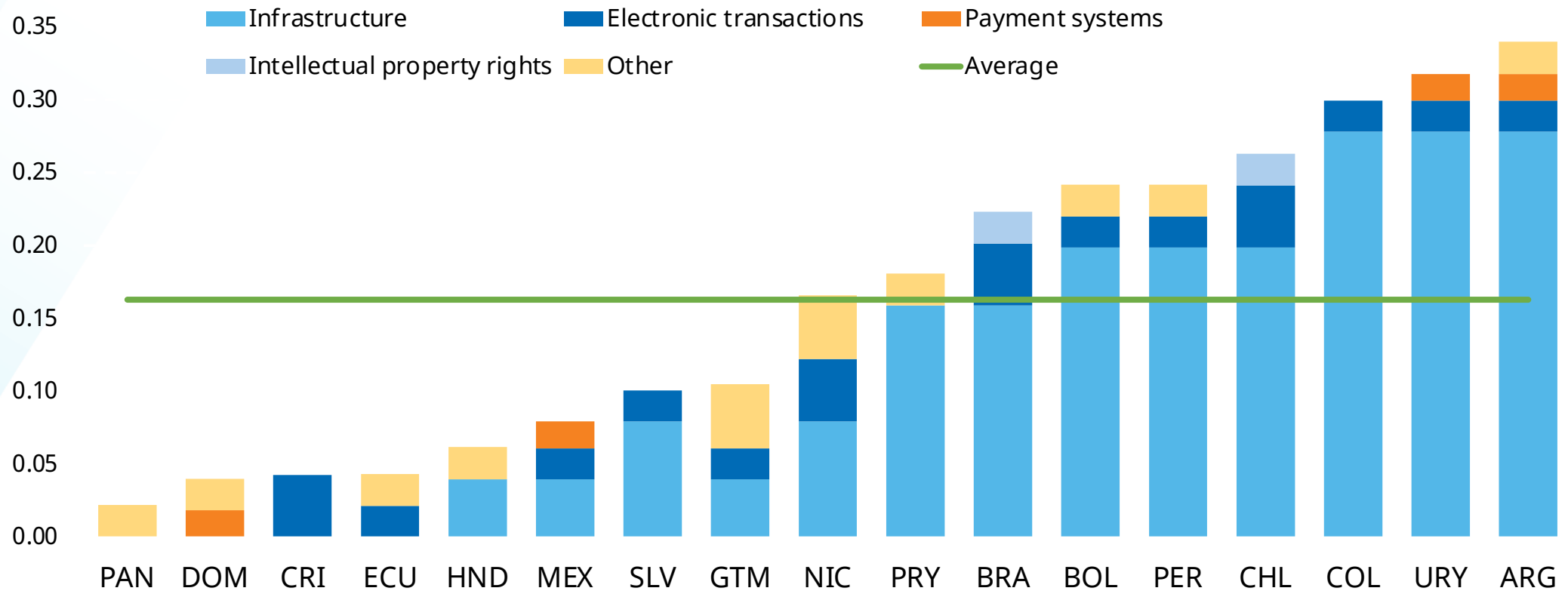
Cross-cutting barriers to digital trade in LAC

OECD Digital Services Trade Restrictiveness Index (Digital STRI)



LAC countries maintain varying degrees of regulatory barriers to digital trade

Average Digital STRI score, 2022



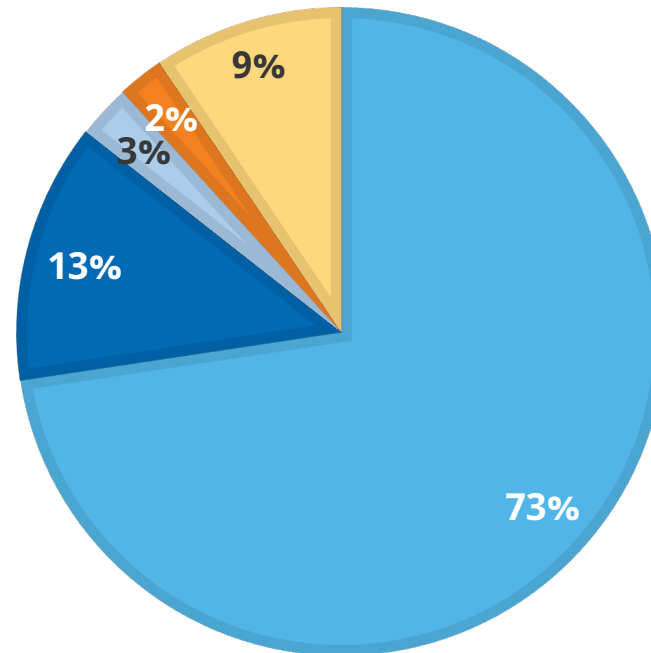
Source: [OECD Digital Services Trade Restrictiveness Index](#) (Digital STRI), 2022



Most barriers to digital trade are in communications infrastructure and data connectivity

Contribution of policy areas to average Digital STRI score, 2022

- Infrastructure
- Electronic transactions
- Payment systems
- Intellectual property rights
- Other





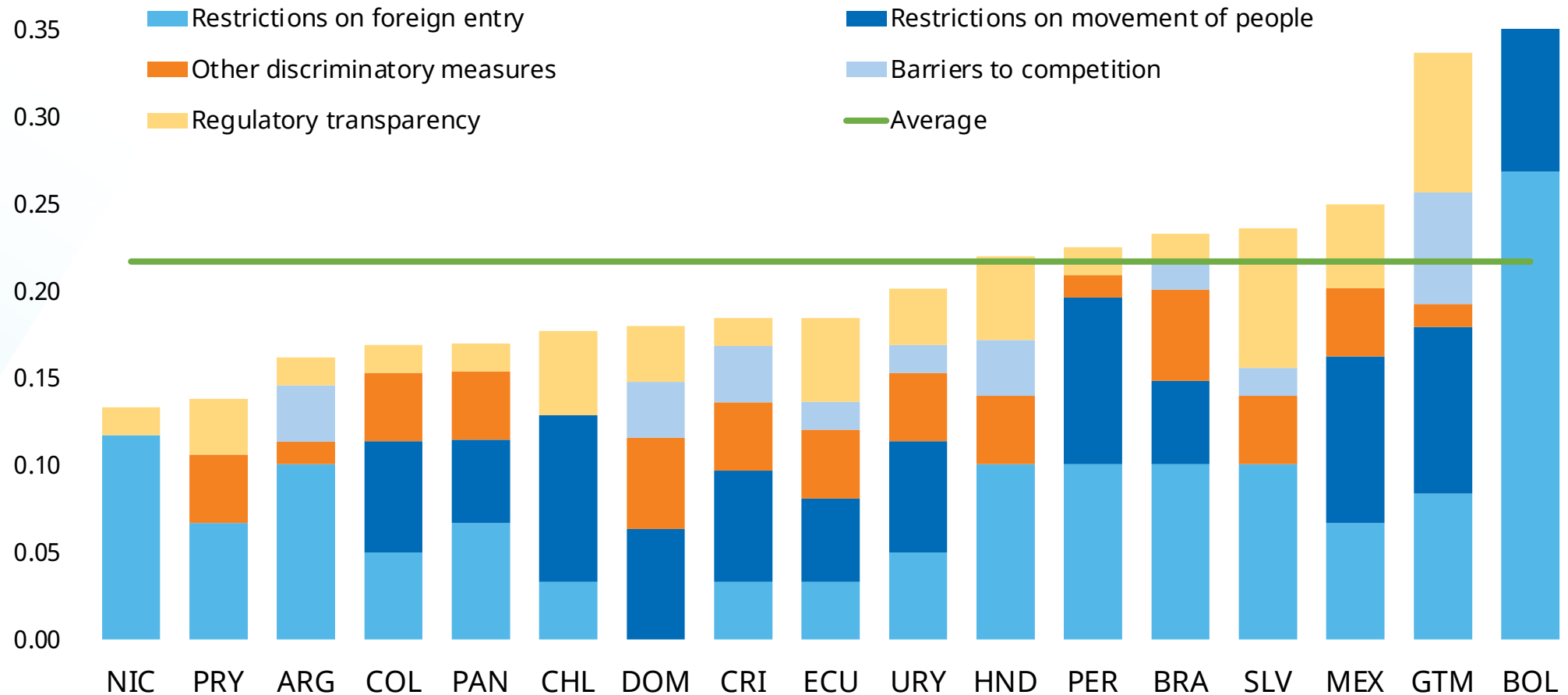
Regulatory barriers to trade in computer services in LAC

OECD Services Trade Restrictiveness Index (STRI) for computer
services



Barriers in computer services remain high

Average STRI score for computer services, 2022



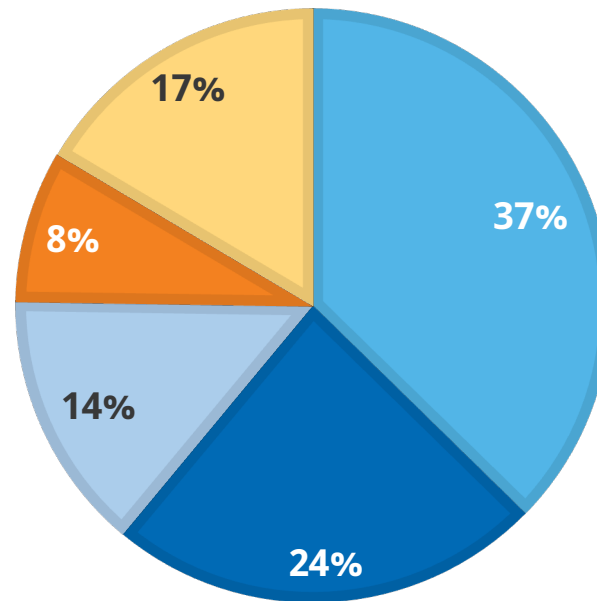
Source: [OECD Services Trade Restrictiveness Index \(STRI\)](#), 2022



Barriers to trade in computer services are relatively more diverse

Contribution of policy areas to average STRI score for computer services, 2022

- Restrictions on foreign entry
- Other discriminatory measures
- Regulatory transparency
- Restrictions on movement of people
- Barriers to competition





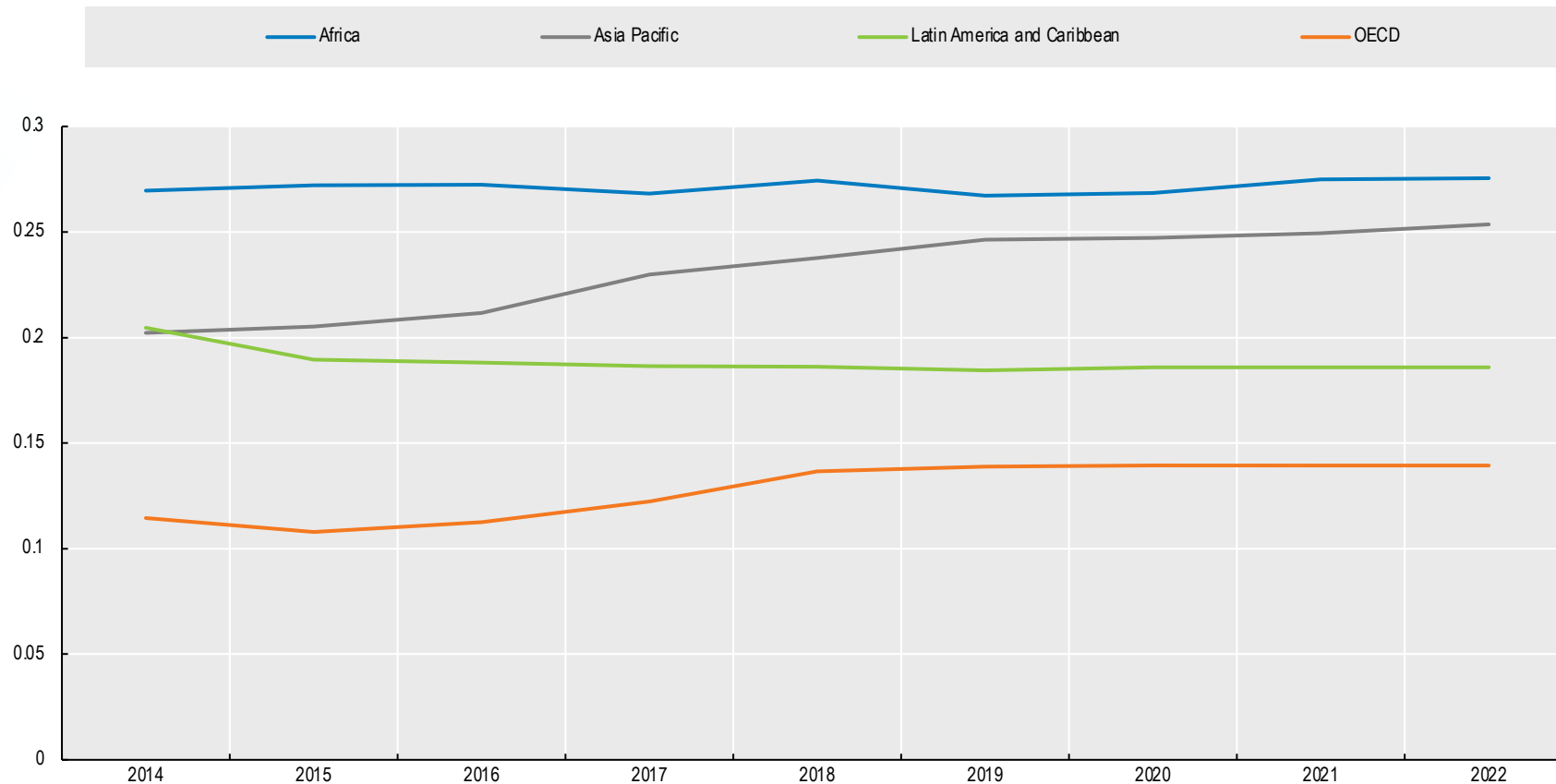
Evolution of the regulatory environment over time

OECD Digital STRI and computer services STRI



Digital trade regulations in LAC have become slightly more liberal over time

Average Digital STRI scores across regions, 2014-22



Source: OECD Digital STRI, 2014-22



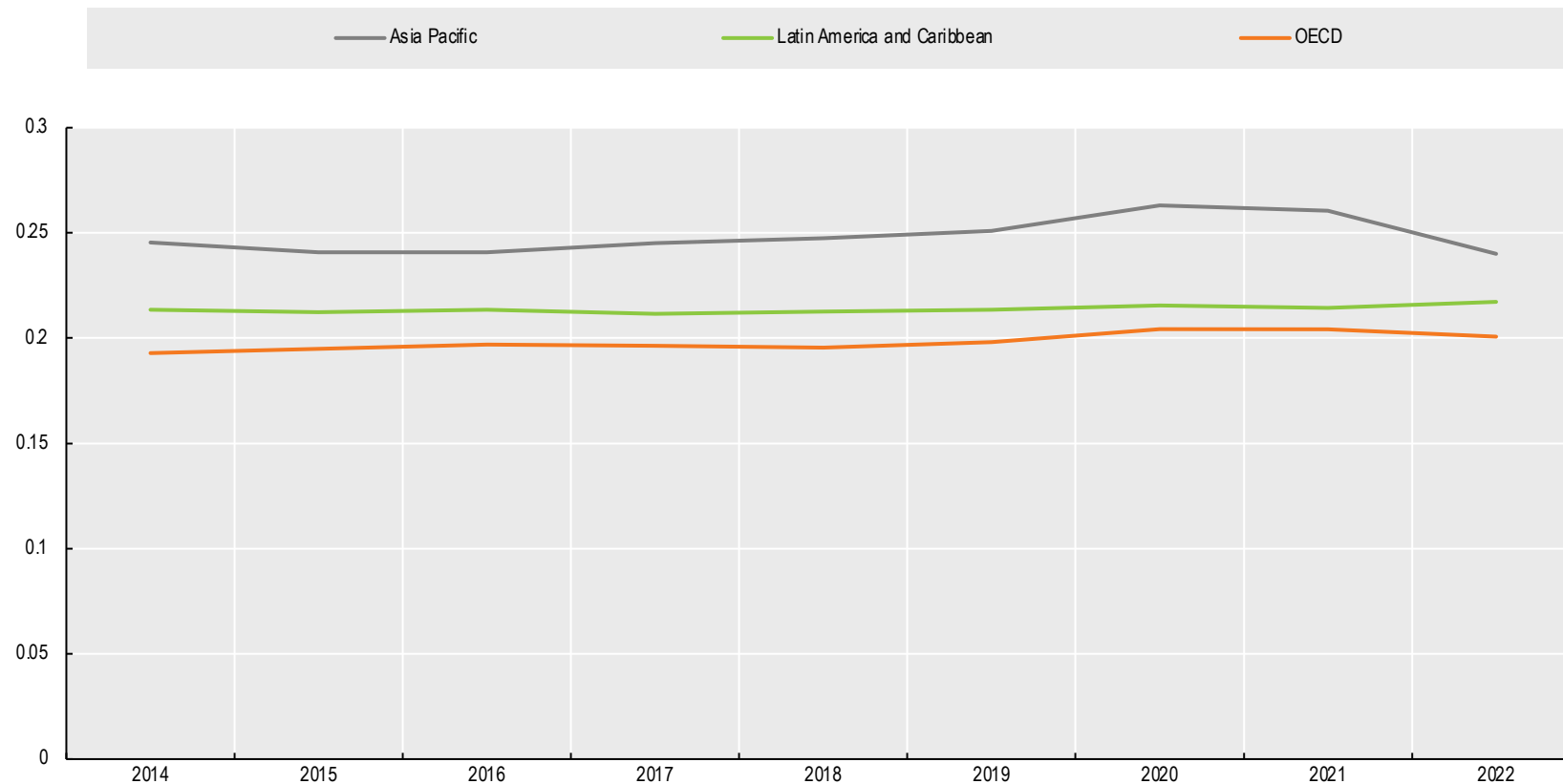
Digital trade policy reforms in Argentina and Paraguay

- In 2016, Argentina lifted rules prohibiting individuals and companies from purchasing foreign currency, allowing for online payment services to complete transactions between local and foreign currency.
- In 2018, Paraguay ratified the UN Convention on the Use of Electronic Communications in International Contracts, which seeks to remove obstacles related to the use of electronic communications in international contracts and to establish equivalence between electronic and written agreements.



Trade restrictiveness of computer services regulation has remained stable

Average STRI scores for computer services across regions, 2014-22



Source: OECD STRI, 2014-22



Liberalising reforms in Chile and Costa Rica

- In 2021, Chile extended the duration of the initial residence permit of contractual services suppliers and independent services suppliers from 12 to 24 months, easing the entry of e.g. foreign computer and telecommunications engineers.
- In Costa Rica, the participation of foreign suppliers in public procurement is no longer conditioned on reciprocity, following a 2022 reform.



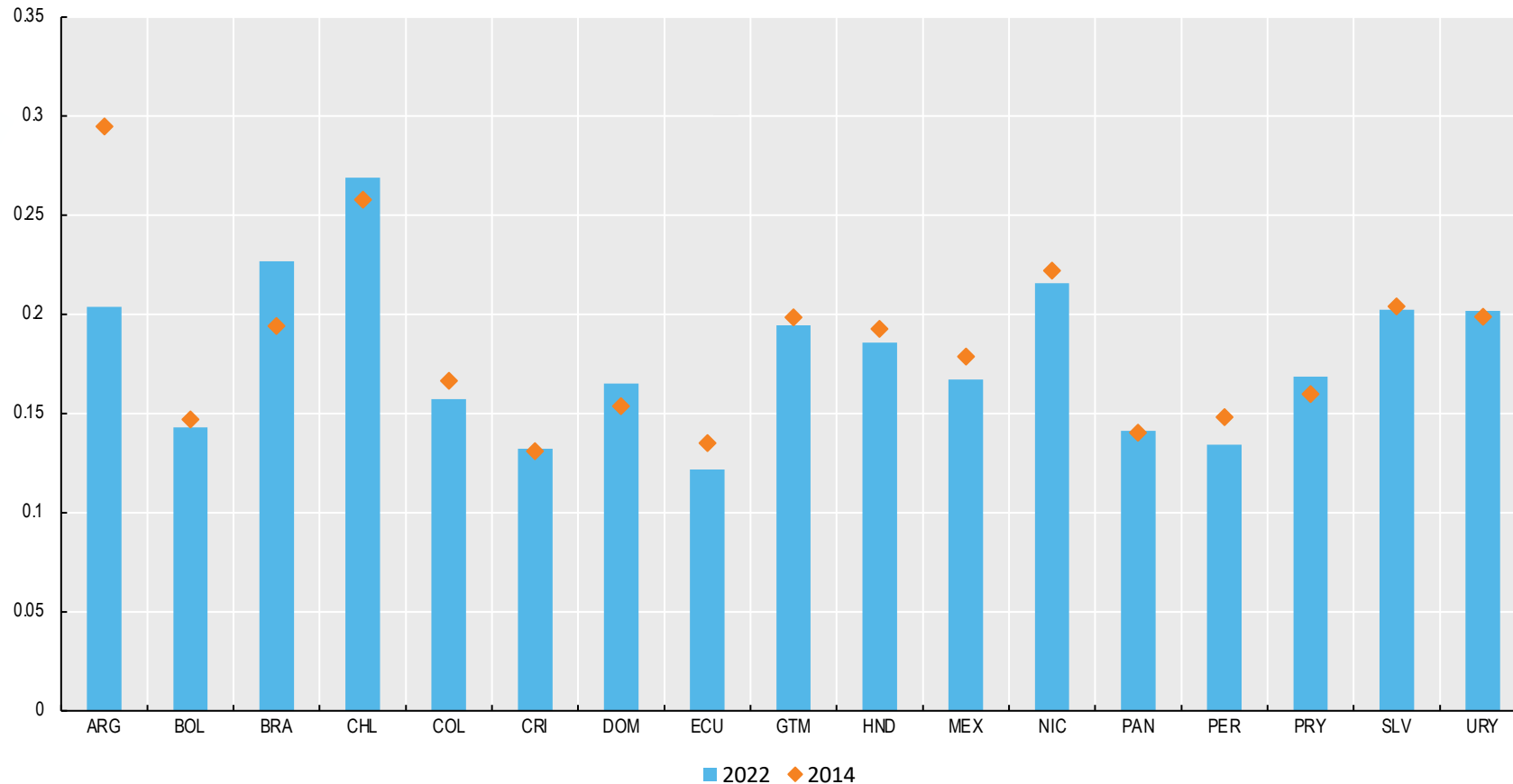
Regulatory heterogeneity within LAC

OECD Digital STRI and computer services STRI



Rules for digital trade have become slightly more integrated in LAC

Average degree of regulatory heterogeneity between each country and the rest of LAC countries (Digital STRI)

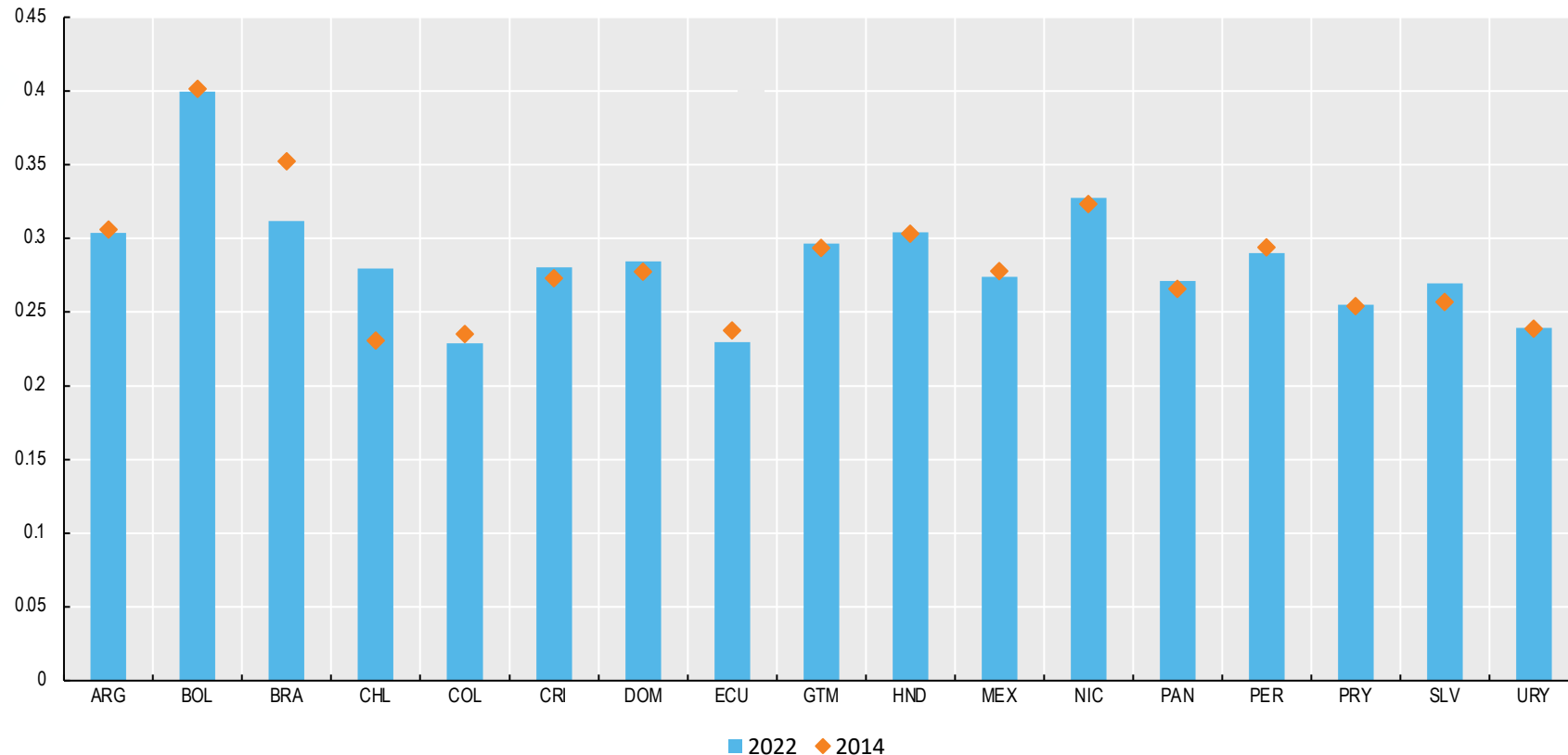


Source: OECD Digital STRI Regulatory Heterogeneity Indices, 2014 and 2022



The degree of regulatory integration is relatively lower in computer services

Average degree of regulatory heterogeneity between each country and the rest of LAC countries (computer services)



Source: OECD STRI Regulatory Heterogeneity Indices for computer services, 2014 and 2022



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