Trade in services in Latin America and the Caribbean: Recent trends and links with Africa and Asia
Content

1. Global and regional trends
2. Services trade between Latin America and the Caribbean, Africa and Asia
3. Barriers to (digital) services trade and FTAs
1. Global and regional trends
Global and LAC services exports did not fully recover in 2021, in particular tourism

WORLD AND LAC: SERVICES TRADE WITH AFRICA AND ASIA, 2005-2019
(Millons USD)

Source: Elaboration by the autor based on WTO Stats
Trade is dematerializing: trade in digital services grows faster than that in traditional services

The market share of Latin America and the Caribbean in global services exports is low and declining.

**LAC: SHARE IN WORLD EXPORTS, 2010-2020**

*Source: Elaboration by the autor based on WTO Stats*
2. Services trade between LAC, Africa and Asia
LAC services trade with Africa is about one tenth of that with Asia. Both stagnated after 2014

Source: Elaboration by the autor based on WTO, Balanced trade in services (BATIS) dataset, https://www.wto.org/english/res_e/statis_e/trade_datasets_e.htm#BaTis6
Different LAC countries dominate regional exports to Africa and Asia

AFRICA AND ASIA: MAIN EXPORTING COUNTRIES TO LAC, 2019
(Millions USD)

Source: Elaboration by the autor based on WTO, Balanced trade in services (BATIS) dataset, https://www.wto.org/english/res_e/statis_e/trade_datasets_e.htm#BaTis6
Few countries dominate African and Asian exports to LAC

AFRICA AND ASIA: MAIN EXPORTING COUNTRIES TO LAC, 2019
(Millons USD)

AFRICA

- South Africa: 14%
- Egypt: 13%
- Morocco: 12%
- Angola: 9%
- Nigeria: 8%
- Rest: 44%

ASIA

- China: 28.4%
- Japan: 19.8%
- Australia: 6.5%
- Rep. of Korea: 7.9%
- India: 8.3%
- Rest: 29.0%

Source: Elaboration by the autor based on WTO, Balanced trade in services (BATIS) dataset, https://www.wto.org/english/res_e/statis_e/trade_datasets_e.htm#BaTis6
3. Barriers to (digital) services trade and FTAs
Common Restrictions in Digital Services

- Limitations on cross-border data flows
- Local presence requirements
- Online tax registration and declaration is available to non-resident foreign providers
- Discriminatory treatment for the protection of copyrights and related rights
- Discriminatory access to payment settlement methods
- Data localisation provisions
- Performance requirements
- Commercial presence

# of Countries with Restrictions
Shedding New Light on the Evolving Regulatory Framework for Digital Services Trade
Subregional integration schemes liberalize services trade, but only the Pacific Alliance covers key areas of digital trade

### Table 3: LAC Intraregional Trade Agreements in Force and Notified to the WTO

<table>
<thead>
<tr>
<th>Regional Trade Agreement</th>
<th>Coverage</th>
<th>Date of Entry into Force</th>
<th>Signatories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pacific Alliance</td>
<td>Goods &amp; Services</td>
<td>1-May-16</td>
<td>Chile; Colombia; Mexico; Peru</td>
</tr>
<tr>
<td>Mexico - Central America</td>
<td>Goods &amp; Services</td>
<td>1-Sep-12</td>
<td>Costa Rica; El Salvador; Guatemala; Honduras; Mexico; Nicaragua</td>
</tr>
<tr>
<td>Colombia - Northern Triangle (El Salvador, Guatemala, Honduras)</td>
<td>Goods &amp; Services</td>
<td>12-Nov-09</td>
<td>Colombia; El Salvador; Guatemala; Honduras</td>
</tr>
<tr>
<td>Dominican Republic - Central America</td>
<td>Goods &amp; Services</td>
<td>4-Oct-01</td>
<td>Costa Rica; Dominican Republic; El Salvador; Guatemala; Honduras; Nicaragua</td>
</tr>
<tr>
<td>Southern Common Market (MERCOSUR)</td>
<td>Goods &amp; Services</td>
<td>29-Nov-1991(G) / 07-Dec-2005(S)</td>
<td>Argentina; Brazil; Paraguay; Uruguay</td>
</tr>
</tbody>
</table>

Source: Paolo Giordano, Cloe Ortiz de Mendivil. (2021). Trade in services in Latin America and the Caribbean: an overview of trends, costs, and policies, IDB, Washington DC
Thanks
Muchas gracias
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