International Trade Outlook for Latin America and the Caribbean 2025

International trade in a new era of weaponized interdependence

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International trade in a new era of weaponized interdependence

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International Trade Outlook for Latin America and the Caribbean is an annual report prepared by the International Trade and Integration Division of the Economic Commission for Latin America and the Caribbean (ECLAC).

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The contributions of David Ávila, Tanner Boisjolie, Sebastián Castresana, Areum Han, Javier Meneses, Cecilia Plottier and Gastón Rigollet are gratefully acknowledged.

Thanks are also owed to Vianka Aliaga, Sergio Riveros and Cecilia Vera for their comments.

United Nations publication
ISBN: 978-92-1-159497-3 (print) • ISBN: 978-92-1-154569-2 (pdf)
Sales No.: E.25.II.G.4 • LC/PUB.2025/20-P • Distribution: G • Copyright © United Nations, 2026 • All rights reserved
Printed at United Nations, Santiago • S.2500424[E]

Explanatory notes:

Three dots indicate that data are not available or are not separately reported.
A dash indicates that the amount is nil or negligible.
A full stop is used to indicate decimals.
The word "dollars" refers to United States dollars, unless otherwise specified.
A slash between years (e.g. 2024/2025) indicates a 12-month period falling between the two years.
Individual figures and percentages in tables may not always add up to the corresponding total because of rounding.

This publication should be cited as: Economic Commission for Latin America and the Caribbean. (2025). *International Trade Outlook for Latin America and the Caribbean, 2025* (LC/PUB.2025/20-P).

Tables

Figures

Boxes

Presentation

The 2025 edition of the *International Trade Outlook for Latin America and the Caribbean* has three chapters. Chapter I examines recent developments in global and regional trade, the dynamics of which have been heavily influenced by changes in United States trade policy and, in particular, by tariff increases since February 2025. The impact of these changes in United States trade policy on global trade dynamics has been less pronounced that initially expected, largely because of the frontloading of imports and build-up of inventories by United States companies in the first quarter and the significant growth in intraregional trade in Asia. However, the outlook for global trade in goods for 2026 is less promising. At the same time, growth in regional goods exports is projected to outpace the global average in 2025, driven by increases in manufacture shipments to the United States and commodities exports to China. Although regional trade in services continues to slow, it is expected to outpace goods exports again in 2025.

Chapter II addresses trade relations between Latin America and the Caribbean and the United States and how this has been affected by the significant shift in that country's trade policy. The United States remains the region's main trading partner and a major destination for its manufacturing exports, despite the fall in the United States share of the region's foreign trade in the last two decades. The about-turn in United States trade policy in 2025 has transformed the terms under which trade relations were traditionally conducted between the region and that country. Although in general, exports from the region to the United States are subject to lower tariffs than those imposed on most of its main competitors, this could change depending on trade balance trends or even factors beyond economics. In this complex situation, the governments of the region should diversify trade relations and strengthen regional integration.

Chapter III presents an analysis of the technology intensity and the level of advanced human capital intensity in goods and services exports from Latin America and the Caribbean. The share of high-technology goods and human capital-intensive services in international trade has grown in the last two decades. However, the region's share in global exports of both categories is small. This reflects embryonic productive and technological capabilities, as well as gaps in the formation of highly-skilled human capital. In the region, Mexico is the leading exporter of high-technology manufactures, while Brazil accounts for the largest share of regional exports of modern services. Against the current backdrop of redefined globalization and reconfigured value chains, in which competition for control of strategic technologies plays a central role, there are opportunities for the region to reposition itself in global trade in knowledge-intensive sectors. A dual strategy is therefore needed: first, productive policies and factors of production that increase the region's share of exports of advanced goods and services must be promoted; and second, the technical, operational, political and prospective (TOPP) capabilities of institutions must be strengthened in order to design, coordinate and sustain these policies.

Summary

A. Global and regional trade continue to grow in 2025, but the outlook worsens for 2026

The dynamics of global trade in goods have been heavily influenced in 2025 by changes in United States trade policy. The current administration has implemented successive tariff increases affecting all the country's trading partners. Consequently, the country's average effective tariff rose from 2.4% in 2024 to 17.4% in September 2025, the highest level since 1935. According to United States authorities, the aim of the tariff hikes is twofold: to reduce the widening goods trade deficit and to restore the competitiveness that the country has lost in various manufacturing industry sectors. These changes represent a break with the rules of the multilateral trading system and with most of the trade agreements negotiated by the United States since the 1980s. Instead, unilateralism has taken precedence, coupled with bilateral negotiations in which the United States leverages power asymmetries with its partners. This sea change is occurring against the backdrop of a new phase in the global economy, described as one of "weaponized interdependence". This concept refers to the use of economic instruments to achieve geopolitical objectives through intervention in trade, investment and financial flows, and access to technology.

The impact of these changes in United States trade policy on global trade dynamics in 2025 has been less pronounced than projected following the first announcement of tariff hikes in April. In the first seven months of the year, the volume of global trade in goods expanded by 5% compared with the year-earlier period —more than double the average annual growth rate recorded between 2011 and 2024 (2.1%). This growth is attributable to two main factors. First, United States tariffs tended to level off below the initially announced rates, and most of its trading partners have refrained from raising their tariffs in response. Second, United States companies frontloaded their imports and built up inventories before the new tariffs took effect, particularly during the first quarter of 2025. As the short-term lift provided by this stimulus has tapered off since April, projected growth in the volume of global goods trade for 2025 stands at 2.4%.

For 2026, the World Trade Organization (WTO) estimates that global trade in goods will expand by only 0.5%, as —unlike in 2025— the impact of higher tariffs will be felt early in the year and there will be no temporary factors boosting growth. However, the recent announcement of a one-year "tariff truce" between the United States and China is expected to help reduce uncertainty in international markets and improve the outlook for global trade in 2026.

Trends in global goods trade flows by origin and destination from January to July 2025 indicate that a geographical reconfiguration of global value chains is under way, largely in response to the decoupling of trade between the United States and China that began in 2017. The economies of East Asia, South-East Asia and India play a central role in this reconfiguration, both as large consumer markets and as key export platforms for manufactured goods. Meanwhile, global trade in services remained buoyant in the first half of 2025, less affected than trade in goods by changes in the trade policies of major economies.

In the first half of 2025, the total value of trade in goods and services in Latin America and the Caribbean grew at year-on-year rates of 4% for exports and 7% for imports. Services trade outpaced trade in goods, both in exports (7% and 4%, respectively) and imports (8% and 6%, respectively). Growth in exports of modern services, in particular, was strong (13%). Exports of manufactured goods and agricultural products grew by 6%, while shipments from the mining and oil sector fell by 8%.

Prices for the region's main export commodities rose by an average of 1.7% year-on-year in the first eight months of 2025. The largest increase was in the minerals and metals group (8.4%), with double-digit growth in the prices of gold, silver and tin. Demand for minerals and metals has been driven by higher defence spending in Europe and, in the case of gold and silver, by financial and

geopolitical factors. Agricultural product prices were up by an average of 4.8% year-on-year in the same period, with double-digit growth in soybean oil, beef and coffee. In contrast, banana, soybean and sugar prices recorded double-digit declines. Lastly, energy prices as a whole fell by 10% year-on-year in the first eight months of 2025.

For the full year, the price index of the region's export commodities is projected to edge up by 0.2%, with a sharp decline in the energy price index (11%), a 2.5% increase in agricultural products, and growth of 7.7% in minerals and metals. Meanwhile, the price index for a selection of products imported by the region is projected to fall by 2.6%, resulting in a net improvement in the terms of trade of around 1% for 2025.

Among the region's main trading partners, the United States and the European Union accounted for the greatest growth in exports in the first half of 2025, with year-on-year increases of 5%. The strong performance of exports to the United States is largely explained by the fact that United States companies frontloaded their purchases in anticipation of tariff hikes. Intraregional trade, which declined sharply from mid-2023 to the third quarter of 2024, began to pick up in December 2024. Whereas in the first half of 2024 intraregional trade contracted by 3% year-on-year, in the first half of 2025 it grew by 1%.

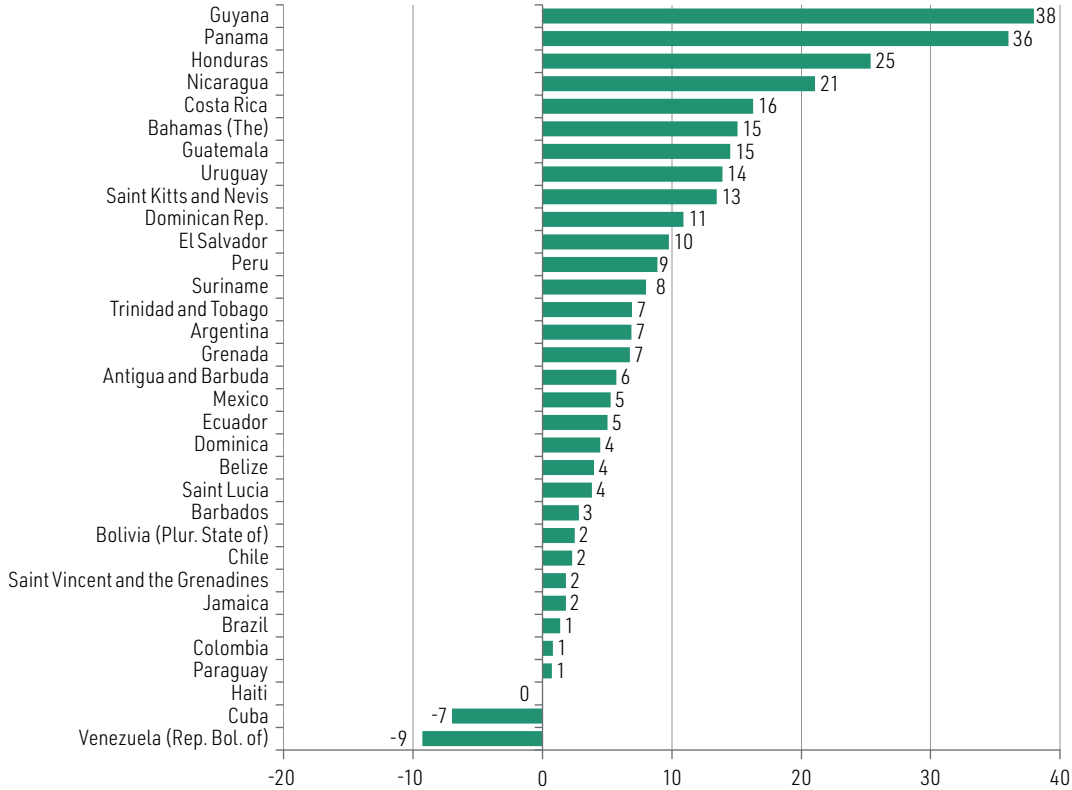
The region's goods exports are projected to grow by 5% in value terms in 2025, a similar increase to that recorded in 2024 (4.5%). This projected growth is on the back of a 4% increase in export volumes and a 1% rise in prices. Growth in imports is projected at 6%, owing to a 7% increase in volume terms and a 1% drop in prices. The projected growth in the volume of regional exports is explained mainly by higher shipment volumes from the Southern Common Market (MERCOSUR) countries and Mexico (6% and 4%, respectively). Among MERCOSUR countries, Argentina and Brazil recorded the highest growth in agricultural and agro-industrial goods. The projected increase of 1% in regional export prices is attributable to higher prices for certain metals (mainly gold, silver and copper) and certain agricultural and livestock products (coffee, cocoa, beef, fishmeal and fishery products).

The value of goods exports for 2025 is expected to increase in most countries of the region (see figure 1). The largest increases are projected for Guyana (38%) and Panama (36%), driven, respectively, by oil shipments and exports of copper inventories accumulated after the closure of the Cobre Panamá mine. Double-digit growth is also projected for exports from several Central American and Caribbean countries, fuelled by increases in volumes shipped, primarily to the United States. The only countries whose export values are expected to fall are Cuba and the Bolivarian Republic of Venezuela, by 7% and 9% respectively. In the former, the decline is owed mainly to smaller sugar cane harvests and falling nickel prices; in the latter, to low oil prices and shrinking volumes of oil exports.

Among the region's main trading partners, China is expected to account for the largest growth in exports in 2025 (7%), mainly on the back of increased sales of meat and soybeans and higher prices for minerals such as copper. Shipments to the European Union are expected to grow by 6% and those to the United States by 5%. On the import side, purchases from China (13%) and the rest of Asia (18%) are projected to expand significantly. Intraregional trade is expected to grow by around 1%. With stronger growth projected for extraregional shipments relative to those within the region, the intraregional trade ratio is expected to decline slightly, from 14% to 13%. By sector, regional exports of manufactures are projected to increase by 7% in 2025 (driven mainly by shipments to the United States), and those of agricultural products by 5% (primarily as a result of demand from China). In contrast, shipments from the mining and oil sector are set to fall by 5%, dragged down by the drop in oil prices (see figure 2).

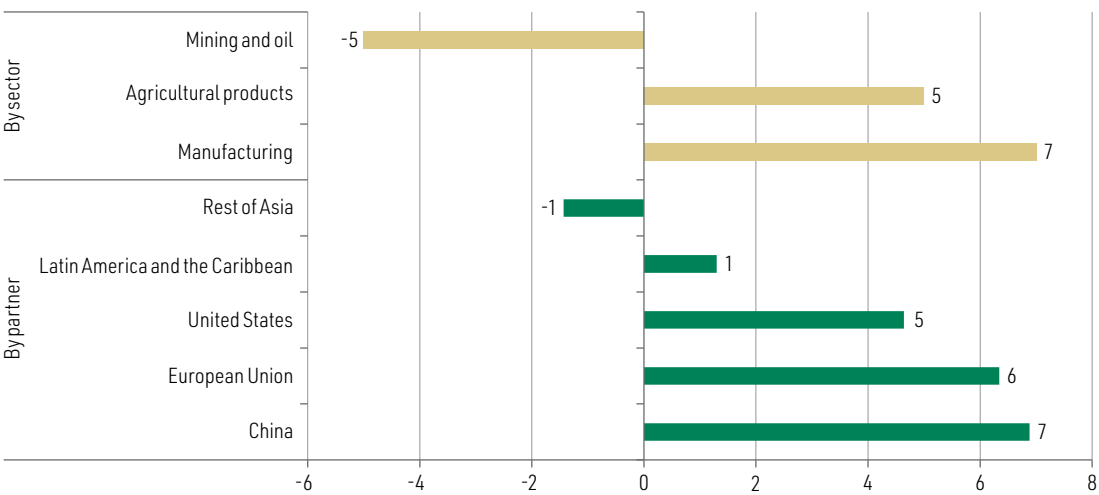
An 8% increase in the value of regional services exports is projected for 2025, down 1 percentage point from the growth registered in 2024, while service imports are projected to grow by 5%. These rates confirm the trend of a gradual slowdown in regional trade in services since 2023, as tourism activity has returned to normal following the sharp contraction recorded during the coronavirus disease (COVID-19) pandemic. Despite this, regional exports of services continue to outpace goods exports in value terms.

Figure 1
Latin America and the Caribbean (33 countries): projected variation in value of trade in goods, 2025
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of official data from central banks, customs services and national statistical offices from the region.

Figure 2
Latin America and the Caribbean: projected change in the value of goods exports, by main trading partner and sector, 2025
(Percentages)



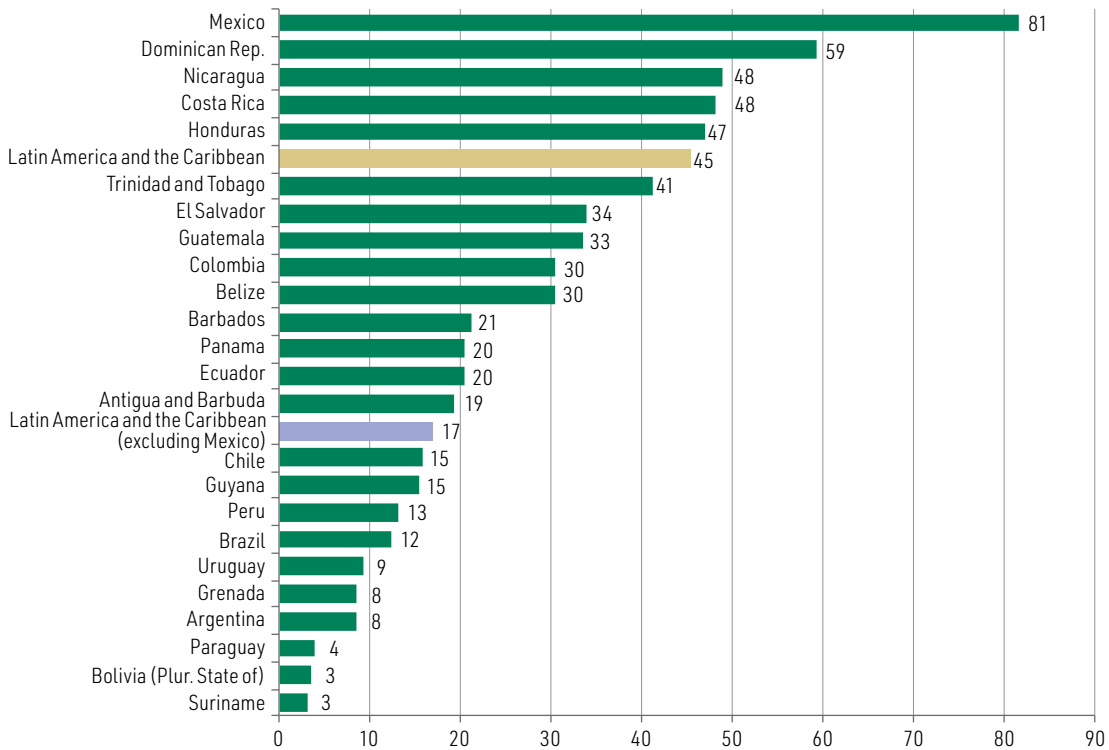
Source: Economic Commission for Latin America and the Caribbean, on the basis of official data from central banks, customs services and national statistical offices from the region.

B. Latin America and the Caribbean and the new United States trade policy

In 2024, goods trade between Latin America and the Caribbean and the United States amounted to US$1.07 trillion, almost triple the value recorded in 2000 in current terms. The United States remains the region's main trading partner, but its relative importance has declined over the last 24 years: its share of the region's total exports fell from 56% in 2000 to 44% in 2024, and its share of total imports from 46% to 28%. In contrast, the region's share of total goods exports from the United States increased from 22% in 2000 to 26% in 2024, while its share of total United States imports grew from 17% to 20% over the same period. Since 2000, the region has maintained a goods trade surplus with the United States, which, from 2009 onwards, has been driven in large part by Mexico's growing surplus.

The relative intensity of trade with the United States is much higher in the case of Mexico, Central America and the Caribbean than in South America (see figure 3). In 2024, the United States market accounted for more than 80% of total goods exports from Mexico, around 60% from the Dominican Republic and almost half of goods exports from Nicaragua, Costa Rica and Honduras. By contrast, the share of the United States as a destination for total exports of goods from most South American countries was no higher than 15%. Similarly, Mexico and Central American and Caribbean countries account for the largest share of total imports from the United States.

Figure 3
Latin America and the Caribbean (24 countries): United States share in total goods exports, 2024
(Percentages)

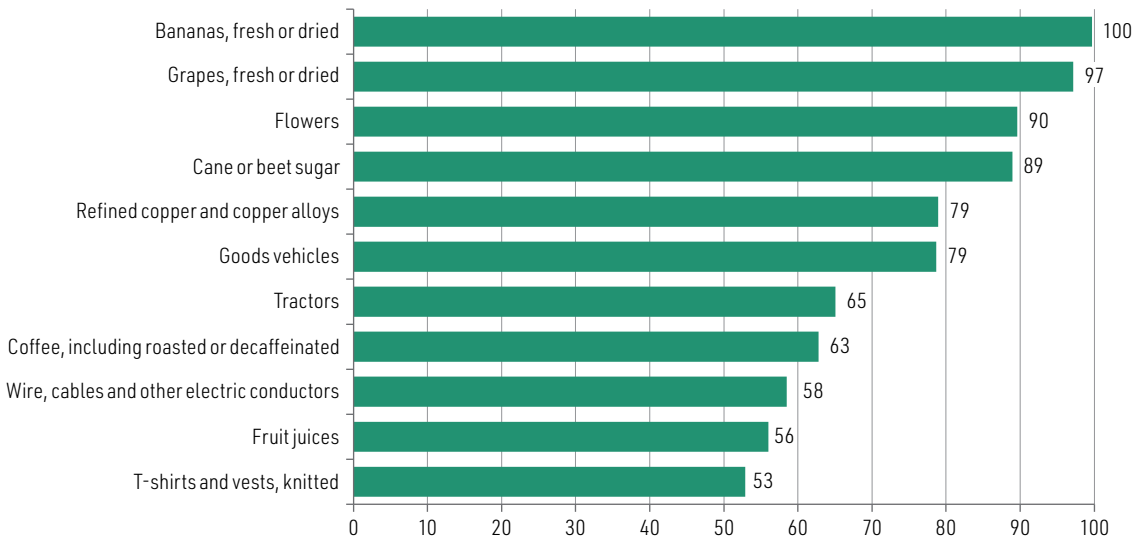


Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtradeplus.un.org/.

The region's good trade with the United States is highly concentrated in Mexico, reflecting the latter's deep integration in the production networks of what has been termed "Factory North America". In 2024, Mexico accounted for 63% of exports from the United States to the region and 70% of services exports from the region to the United States. Brazil, Colombia, and Chile follow far behind in both of these trade flows. Mexico accounts for the lion's share of regional exports to the United States, particularly in the automotive and electronics sectors. When Mexico is excluded, the list of the main products exported by the region to the United States shifts from a markedly industrial profile to a commodities-based one.

Latin America and the Caribbean is a major supplier of both manufactures and natural resource-based products to the United States. The region accounts for more than 50% of that country's total imports of several products in both categories (see figure 4). With regard to manufactures, it accounts for a particularly large share of automotive imports. In 2024, for example, 79% of goods vehicle imports to the United States came from the region, as did 65% of tractor imports. Among agricultural and mining products, Latin America and the Caribbean was the source of almost all United States imports of bananas and grapes, about 90% of sugar and flowers, almost 80% of refined copper and more than 60% of coffee.

Figure 4
United States: share of Latin American and Caribbean countries in total imports of selected products, 2024
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtradeplus.un.org/.

Meanwhile, the United States is a major market for the region's manufactures exports. In 2024, it accounted for more than 80% of the region's total exports of electrical machinery and equipment, and of optical and precision instruments, almost 80% of exports of non-electrical machinery and apparel, more than 75% of exports of vehicles and vehicle parts, roughly 60% of exports of iron and steel manufactures and of aircraft and aircraft parts, and more than 50% of plastics exports.

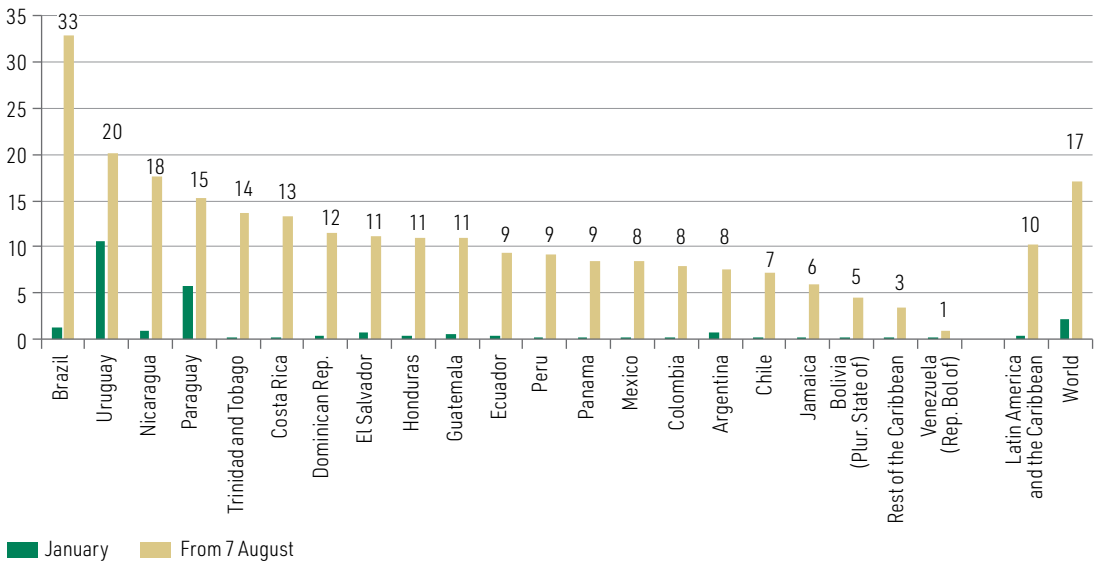
Trade in services between the United States and Latin America[1] amounted to US$ 213 billion in 2023. That year, Mexico accounted for 39% of services exports from the United States to the region and 50% of services exports from the region to the United States. After Mexico, the five top destinations of United States services exports to the region are all South American countries, including Brazil,

[1] Latin America includes the countries of South and Central America, along with the Dominican Republic and Mexico. Official statistics published by the United States do not include disaggregated information for Caribbean countries.

which accounts for a notable 22%. Meanwhile, the Dominican Republic is the region's second-largest exporter of services to the United States, after Mexico, accounting for 9% of that total. This stems mainly from the fact that both countries are popular tourist destinations for the United States population. The United States consistently records a surplus in services trade with the region. Disaggregating data by sector shows that that country records a surplus in modern services, while the region registers surpluses in transport and especially travel (tourism).

As a result of the various tariff hikes implemented by the United States since February 2025, Latin American and Caribbean countries face, on average, an effective tariff rate of roughly 10% on exports to that country, which is 7 percentage points lower than the average imposed globally (see figure 5). The highest average effective tariffs apply to Brazil (33%), followed by Uruguay (20%) and Nicaragua (18%). The corresponding rate for Mexico is 8%, as most of that country's exports are not subject to tariffs under the Agreement between the United States of America, the United Mexican States, and Canada (USMCA) or have been exempt from the hikes. The average tariffs levied on Argentina, Chile, Colombia and the Plurinational State of Bolivia, among other countries, are also lower than the regional average owing to the large share of their exports to the United States that are exempt from tariff hikes, such as tin, copper cathodes and oil. Overall, Latin American and Caribbean countries are subject to lower United States tariffs than several other trade partners of that country, especially in Asia. This creates opportunities for trade diversion in favour of the region's exports of clothing, medical devices and agro-industrial products, for example.

Figure 5
United States: tariffs levied on Latin American and Caribbean countries, weighted average, January 2025 and from August 2025
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of information from the Bureau of Economic Analysis of the United States Department of Commerce. https://www.bea.gov/data/intl-trade-investment/international-trade-goods-and-services; and official information from the White House.

Data indicate that the uncertainty generated by changes in United States trade policy is affecting foreign direct investment (FDI) flows to the region, especially in sectors that account for a large share of exports to that market. In the first half of 2025, FDI project announcements in the region amounted to US$ 31.374 billion, reflecting a 53% decrease year-on-year and a 37% decline compared with the 2015–2024 average.

The about-turn in United States trade policy in 2025 has transformed the terms under which trade relations were traditionally conducted between the region and that country, which in many cases, involved free trade based on legally binding agreements. Although in general, exports from the region to the United States are subject to lower tariffs than those imposed on most of its main competitors, this could change depending on trade balance trends or even factors beyond economics.

Against this backdrop, the governments of the region must avoid adopting reactive measures that can increase uncertainty. They must also develop a strategy aimed at stabilization and damage control in the short term, and transformation and diversification in the medium and long term. In the short run, strategies could include a combination of trade negotiations to improve access to the United States market with measures to support the industries most exposed to tariff hikes. In the medium and long run, initiatives taken to diversify trade relations can reduce future risks.

Strengthening trade relations with solid partners, such as China and the European Union, is crucial, as is the deepening of trade and economic ties with emerging partners, like India, the Association of Southeast Asian Nations, the Cooperation Council for the Arab States of the Gulf and the African Continental Free Trade Area. The market size and economic momentum of all these partners, along with the relatively low level of exports from the region to the corresponding countries at present, offers significant opportunities for future growth.

Along with diversification of trade relations with extraregional partners, strengthening of regional economic integration is a strategic course of action that is essential to increase the global competitiveness of Latin America and the Caribbean and reduce its exposure to a more uncertain and protectionist international environment. Intraregional trade accounts for just 14% of the region's total exports, which is one of the lowest levels in the world. This represents a striking growth opportunity as, for most Latin American and Caribbean countries, the regional market is the top destination for manufacturing exports and accounts for the largest number of exporting companies (especially micro-, small and medium-sized enterprises (MSMEs)). With a view to increasing this share, it is imperative to achieve progress through coordination of efforts on trade facilitation, regulatory convergence and the creation of multinational logistics corridors such as those being developed jointly by several South American countries.

C. Technology intensity and advanced human capital intensity of goods and services exports from Latin America and the Caribbean

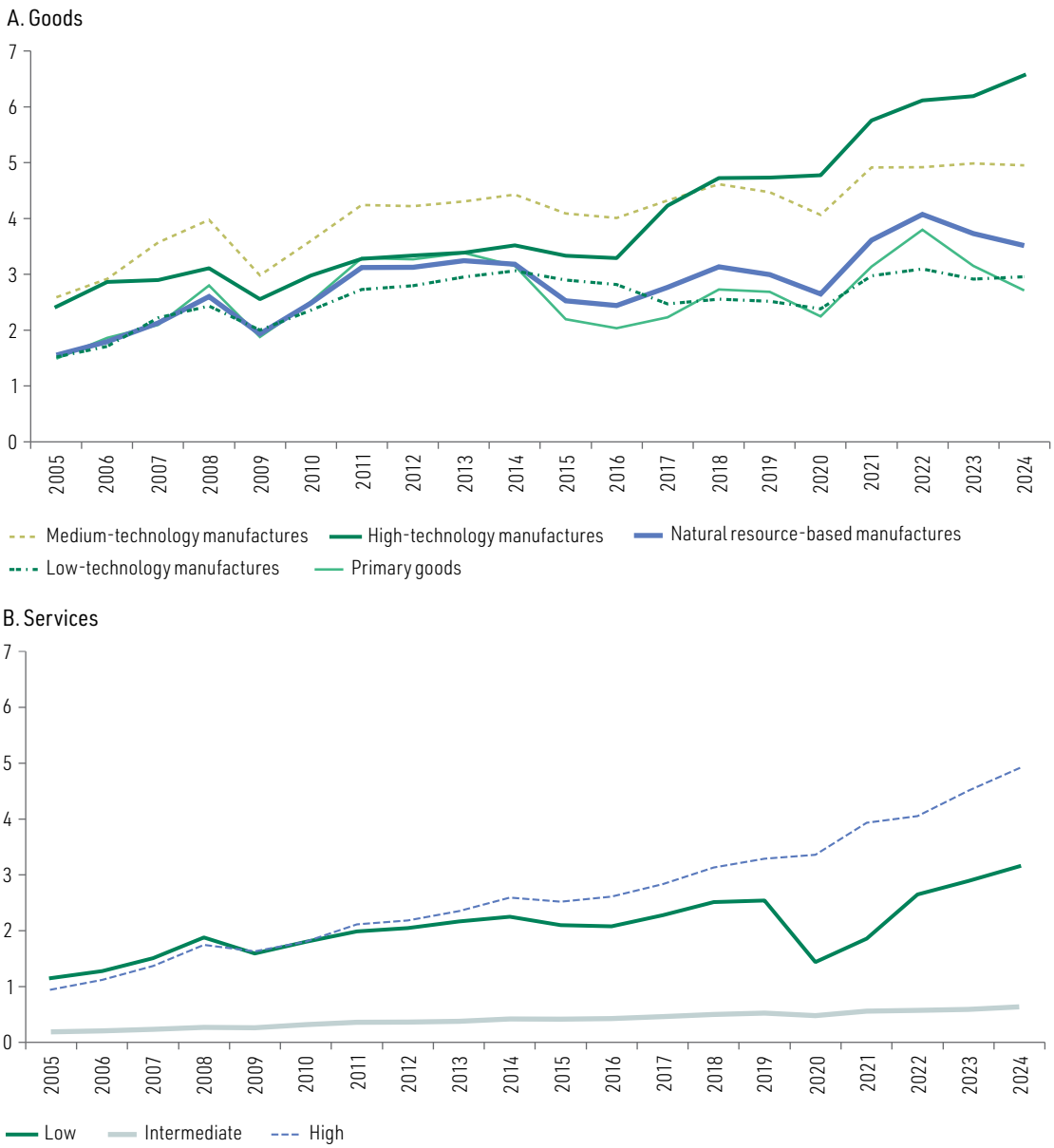
The production and export of high-technology or human capital-intensive goods and services is key to drive productivity and competitiveness and move up the value chain. High-technology goods production has a multiplier effect on economic growth and skilled job creation. The same attributes apply to trade in services, in particular modern services, which are knowledge-intensive and could increasingly drive productive and export momentum.

In Latin America and the Caribbean, building an export structure oriented towards greater technological content is essential to boost growth and competitiveness. Developing trade in this type of productive segment would not only open up access to new and more dynamic markets, but also to cutting-edge technologies and innovative knowledge. Increased internationalization of these sectors could also help to overcome the trap of low capacity for growth facing the region.

The information available confirms the increasing importance of these types of goods and services in international trade. Worldwide, the strongest momentum in goods trade was seen in the high technology segment. Between 2005 and 2024, exports in this category grew by 5.4% per year on

average, which was higher than the average rate for all goods combined (4.1%) (see figure 6). In trade in services, highly skilled services recorded the strongest momentum. These grew by 9.1% per year on average over the same period, almost 3 percentage points higher than the average for all services (6.5%). In terms of value, global high-technology goods exports increased by 2.7 times between 2005 and 2024, while exports of highly skilled services grew by 5 times.

Figure 6
Global goods and services exports, by technology intensity and human capital intensity, 2005–2024
(Trillions of dollars)

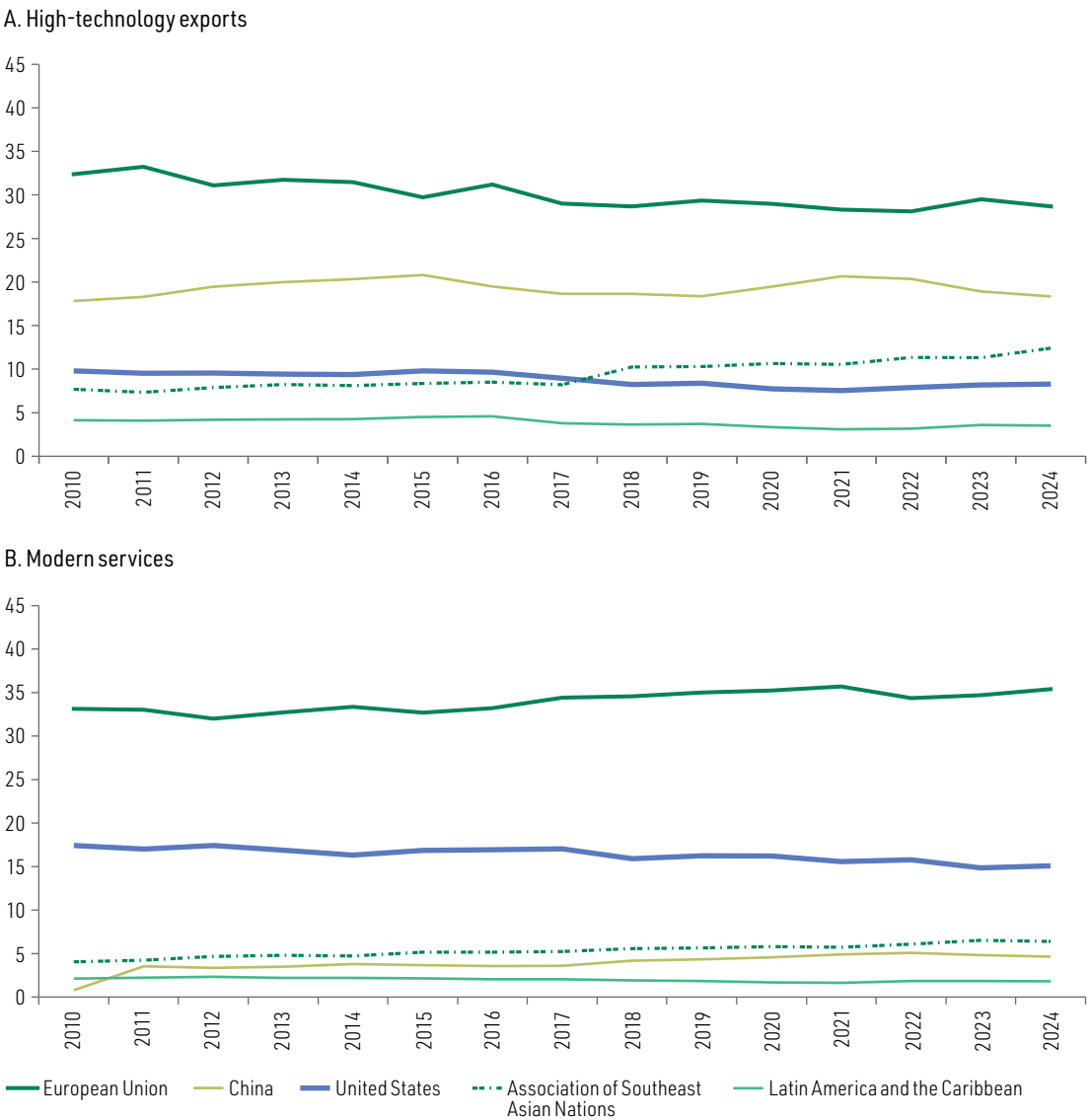


Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtradeplus.un.org/.

China is the top exporter of high-technology goods, while the United States is the top exporter of modern services. However, while China's share of global good exports in this category has remained solid at around 19% in the past 15 years, the United States is no longer the leader in global exports

of either modern services or high-technology goods. As a bloc, the European Union remains the world's top exporter of advanced goods and services, accounting for 29% and 35% of total exports, respectively. In contrast, Latin America and the Caribbean lags far behind, representing less than 5% of total exports, in both cases (see figure 7).

Figure 7
Selected groupings and countries: share in global exports of high-technology goods and modern services, 2010–2024
(Percentages)

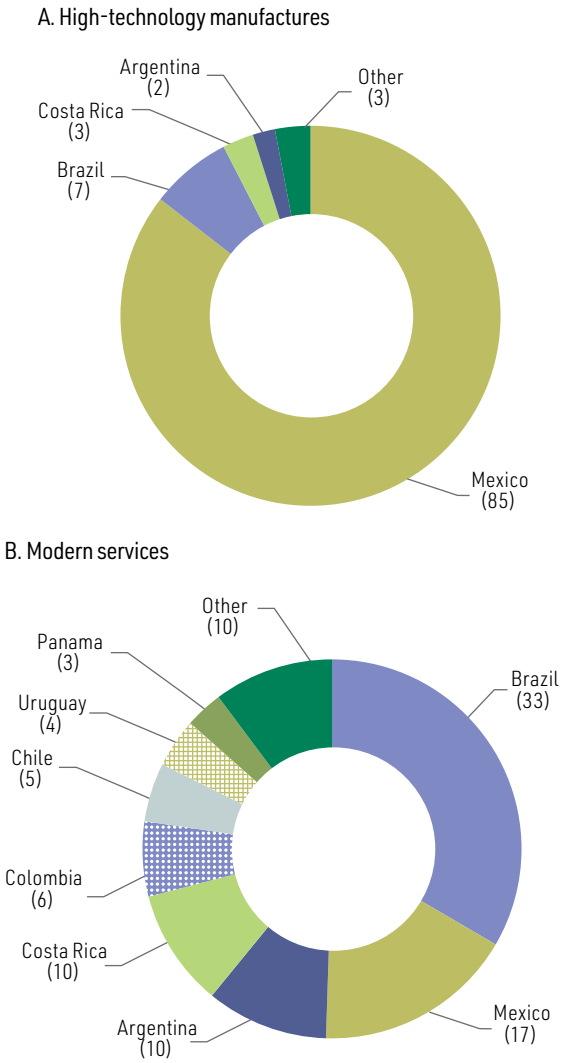


Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtradeplus.un.org/.

In recent decades, Mexico has solidified its position as the leading exporter of high-technology manufactures in Latin America and the Caribbean, increasing its share in regional exports to 85% in 2024. Meanwhile, Brazil has lost market share, accounting for 7% of total exports of these manufactures that same year. The shares of other countries of the region remain very small. However, with regard to regional exports of modern services, the situation is reversed, with Brazil occupying

the top spot (33%), followed by Mexico (17%). The most notable change is the rise of Costa Rica, which in 2024 accounted for 10%, the same as Argentina (see figure 8).

Figure 8
Latin America and the Caribbean: distribution of exports of high-technology manufactures and modern services, by country, 2024
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtradeplus.un.org/ and United Nations Conference on Trade and Development. (n.d.). *UNCTADstat*. https://unctad.org/statistics.

Estimates of the intensity of human capital employed in each export sector in 15 Latin American countries show that modern services employ the most highly skilled workers. These account for more than 50% of the workforce in insurance and pension services, as well as in business services, and for more than 40% of financial services workers. In contrast, the goods sectors with the highest proportion of low-skilled workers are agriculture, forestry, hunting and fishing; textiles, apparel, leather and footwear; non-metallic minerals and other manufactures. Meanwhile, the services sectors with the most low-skilled workers are construction and tourism.

To sum up, Latin America and the Caribbean plays a limited role in global trade of high-technology goods and modern services. The region's share in both segments indicates emerging opportunities, but also a lack of productive, technological and human capital capacities. However, against the current backdrop of redefined globalization and reconfigured value chains, there are opportunities for the region to reposition itself in global trade in knowledge-based goods and services. This geographical relocation could favour countries that develop active productive development policies, strengthen technological capacities and offer a stable institutional framework. The governments of the region must also close the gaps in their capacity to implement these policies. To that end, the technical, operational, political and prospective (TOPP) institutional capabilities approach would allow them to develop the competencies needed to find and implement comprehensive solutions suited to each reality.

CHAPTER

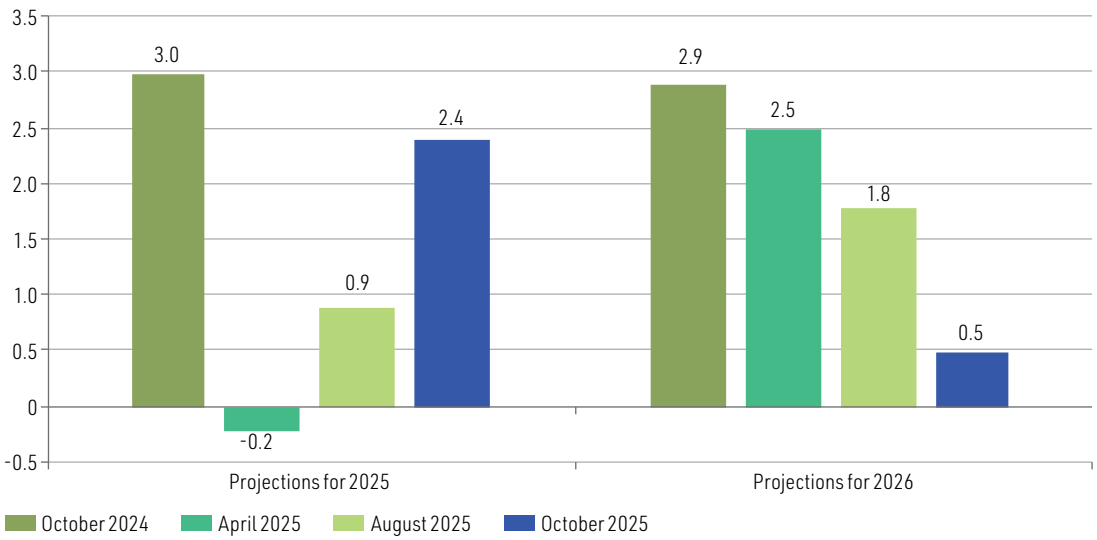
I

Global and regional trade continue to grow in 2025, but the outlook for 2026 worsens

A. The strong momentum of world trade in the first half of 2025 reflects a temporary boost that merely delays the projected correction

Projections for the growth of global goods trade in 2025 have been revised substantially over the past 12 months, largely in response to the changes announced and implemented in the trade policies of major economies, particularly the United States (see figure I.1). In October 2024, the World Trade Organization (WTO, 2024) forecast 3.0% growth in the volume of global trade in goods for 2025. In April 2025, it revised this estimate downward to a 0.2% contraction, in light of the sharp tariff hikes announced by the United States (see section I.D). Since then, however, 2025 growth projections have been revised upward twice: in August (0.9%) and in October (2.4%). These revisions are attributable to two main factors. First, United States tariffs have tended to level off below the initially announced rates, while that country's main trading partners have maintained relatively measured responses. Second, global trade in goods showed robust growth in the first half of the year, driven by front-loaded imports and inventory build-up prior to the implementation of new tariffs.

Figure I.1
Variation in projections of global goods trade volume, 2025 and 2026
(Percentages)



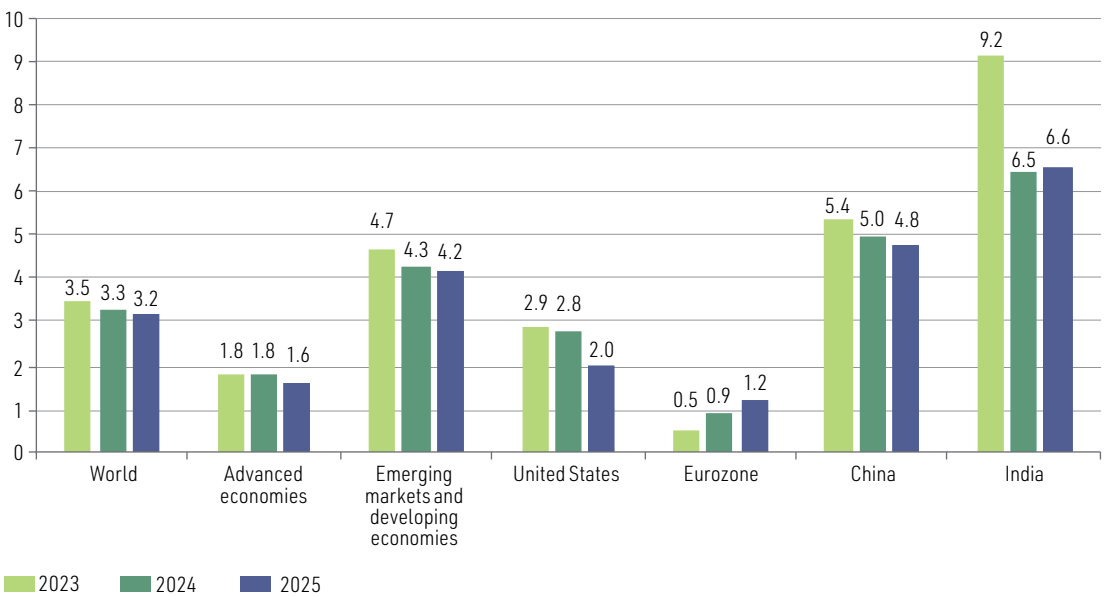
Source: Economic Commission for Latin America and the Caribbean, on the basis of World Trade Organization. (2024,10 October). *Global goods trade on track for gradual recovery despite lingering downside risks.* https://www.wto.org/english/news_e/news24_e/stat_10oct24_e.htm; World Trade Organization. (2025, 16 April). *Temporary tariff pause mitigates trade contraction, but strong downside risks persist.* https://www.wto.org/english/news_e/news25_e/tfore_16apr25_e.htm; World Trade Organization. (2025, 8 August). *Frontloading, measured responses cushion tariff impact in 2025 but risk high for 2026.* https://www.wto.org/english/news_e/news25_e/tfore_08aug25_e.htm; and World Trade Organization. (2025, 7 October). *AI goods and frontloading lift world trade in 2025 but outlook dims for 2026.* https://www.wto.org/english/news_e/news25_e/stat_07oct25_e.htm.

In contrast with 2025, world trade projections for 2026 have been revised downward successively. This trend reflects two expectations. First, although tariffs are not expected to reach the levels indicated by initial announcements for 2026, they will nonetheless remain significant. Second, the temporary boost from front-loaded imports is expected to dissipate, together with the delayed impact of the higher tariffs. These factors are likely to reduce trade performance once existing inventories have been depleted and higher import costs have been fully incorporated. As a result, according to the most recent projection, the volume of global goods trade would expand by only 0.5% in 2026.

The International Monetary Fund projects global economic growth of 3.2% in 2025, extending a moderate downward trend from the 3.5% and 3.3% recorded in 2023 and 2024, respectively (see figure I.2). This slowdown is explained largely by the weaker performance of advanced economies, with growth in the United States expected to decrease from 2.8% in 2024 to 2.0% in 2025, while overall growth in advanced economies is projected to decline from 1.8% to 1.6%. Growth in China is forecast to edge down, from 5.0% to 4.8%, while that in India is projected to increase from 6.5% to 6.6%. In this context, global trade in goods is expected to climb more slowly than global output in both 2025 and 2026, as in most years since the global financial crisis (see figure I.3).

Despite the shocks stemming from changes in United States trade policy, in the first seven months of 2025, the volume of global goods trade expanded by 5% relative to the same period in 2024. This figure, which corresponds to the average of export growth (4.2%) and import growth (5.9%), is more than twice the average annual growth rate since 2011 (2.1%). The growth of global goods trade between January and July 2025 was driven largely by an 11.4% year-on-year increase in United States imports, reflecting firms' front-loading of purchase orders to avoid the tariff hikes announced at the outset of the current administration (see figure I.4). During the same period, imports by developed economies in Asia (excluding Japan)[1] also expanded by 11.4% year-on-year, while those of developing economies in Asia (excluding China)[2] grew even more rapidly (18.4%). The strong import performance in the United States and in most major Asian economies, in turn, supported the expansion of exports from China, Japan, other Asian and Latin American economies. In contrast to developments in the United States and most Asian economies, imports in the European Union showed weak growth in the first seven months of the year, while China's imports registered a year-on-year decrease.

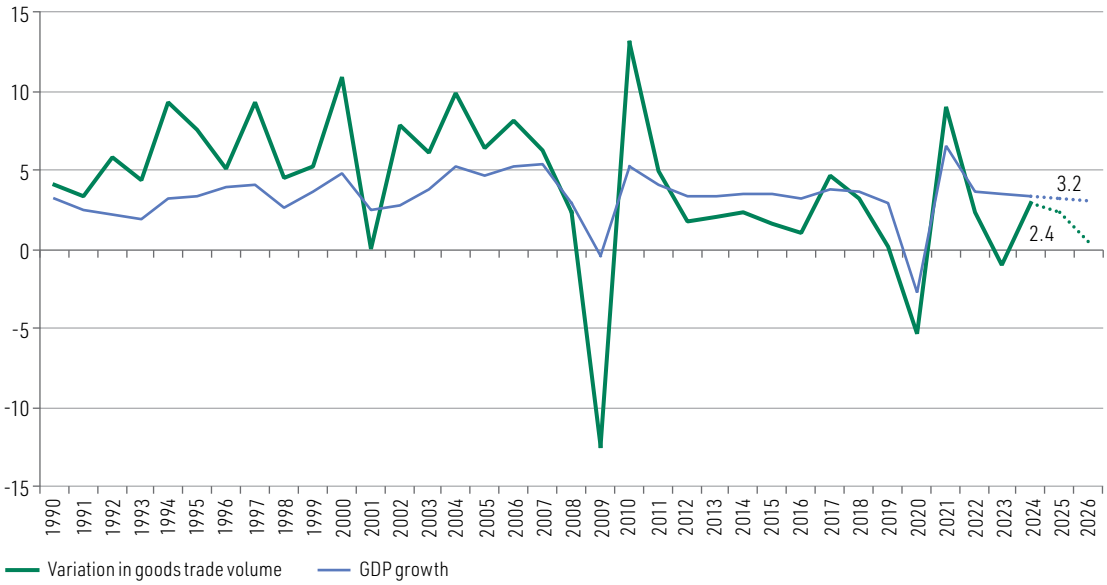
Figure I.2
World and selected groupings and countries: annual GDP growth in 2023 and 2024 and projections for 2025
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of International Monetary Fund. (2025, October). *World Economic Outlook Update. Global Economy in Flux, Prospects Remain Dim*; and International Monetary Fund. (n.d.). *World Economic Outlook Databases*. https://www.imf.org/en/Publications/SPROLLs/world-economic-outlook-databases#sort=%40imfdate%20descending.

1 This group includes Australia, New Zealand, the Republic of Korea, Singapore and Taiwan Province of China.
2 This group includes India, Indonesia, Malaysia, Pakistan, the Philippines, Thailand and Viet Nam.

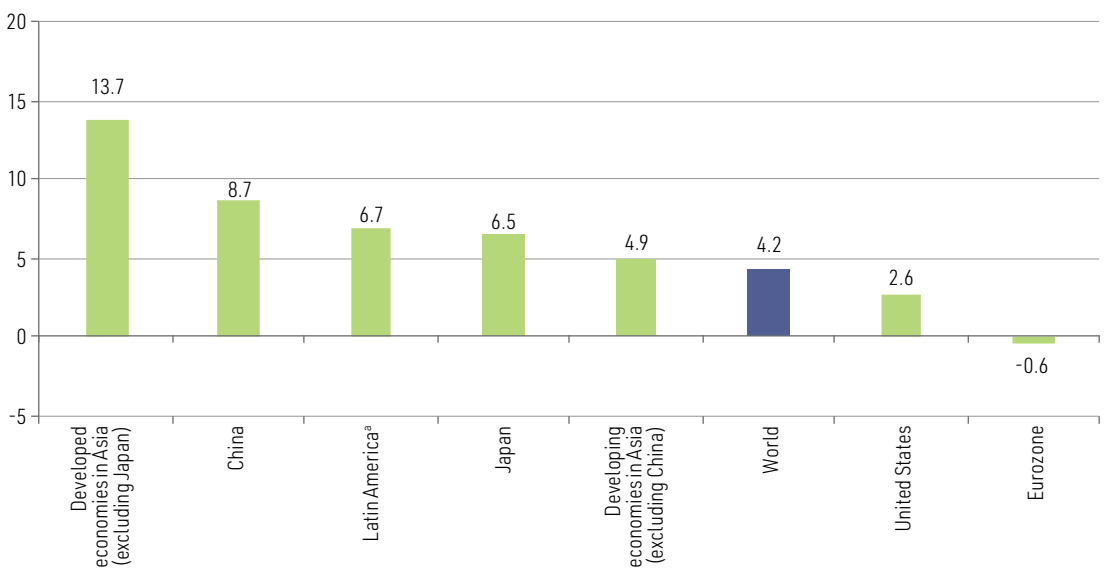
Figure I.3
Annual variation in global GDP and global goods trade volume, 1990–2024 and projections for 2025–2026
(Percentages)

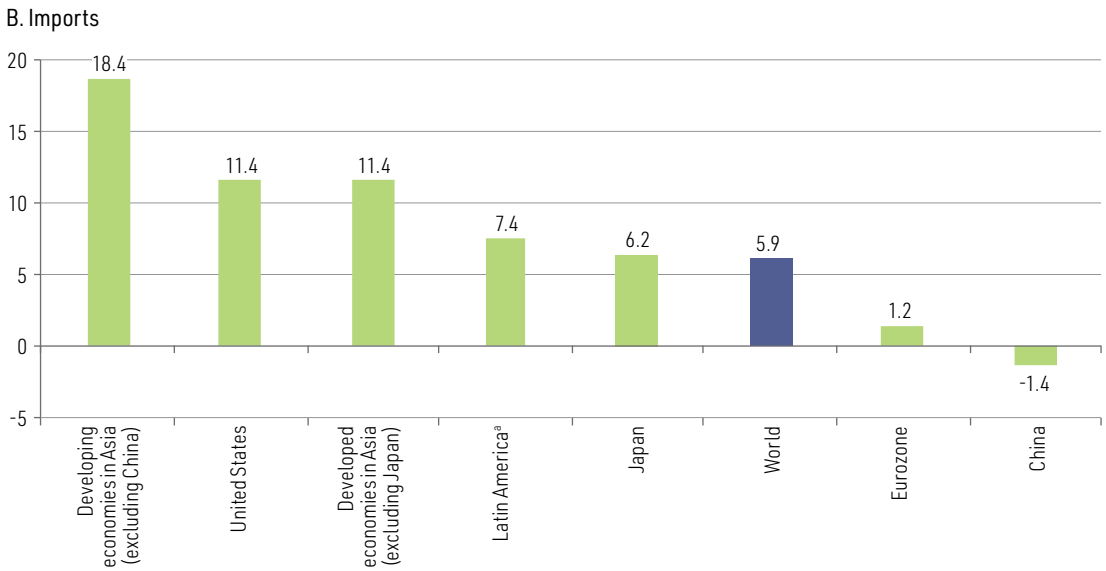


Source: Economic Commission for Latin America and the Caribbean, on the basis of World Trade Organization. (n.d.). *WTO Stats*. https://stats.wto.org/ and estimates by the Secretary (for trade in goods); International Monetary Fund. (2025, October). *World Economic Outlook Update. Global Economy in Flux, Prospects Remain Dim*; and International Monetary Fund. (n.d.). *World Economic Outlook Databases*. https://www.imf.org/en/Publications/SPROLLs/world-economic-outlook-databases#sort=%40imfdate%20descending (for GDP growth).

Figure I.4
World, selected groupings and countries: variation in volume of goods exports and imports, January–July 2025 relative to the year-earlier period
(Percentages)

A. Exports



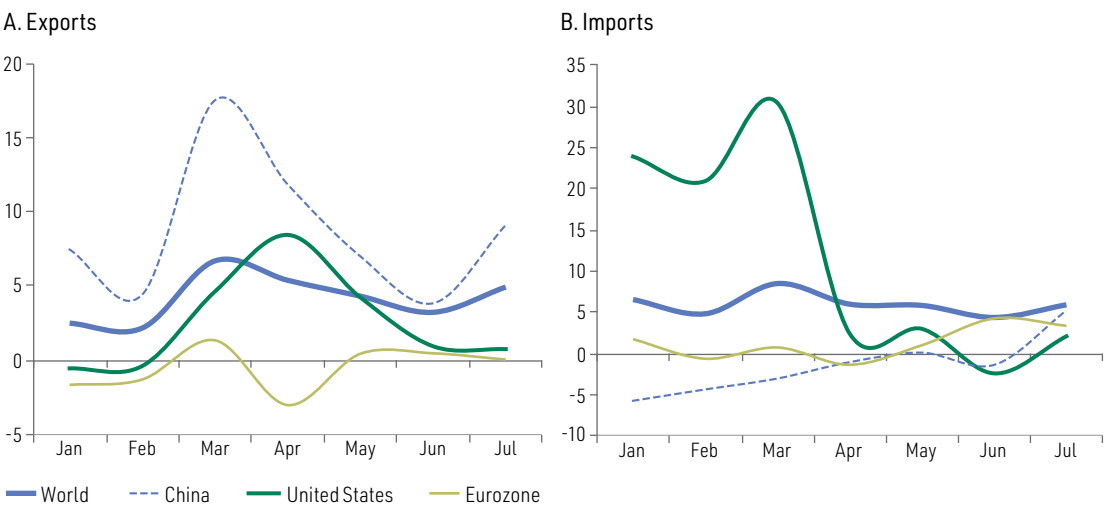


Source: Economic Commission for Latin America and the Caribbean, on the basis of Netherlands Bureau for Economic Policy Analysis. (2025, 25 September). *CPB World Trade Monitor July 2025*. https://www.cpb.nl/en/wtm/cpb-world-trade-monitor-july-2025.

[a] Includes 13 countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Mexico, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

After growing by more than 20% year-on-year between January and March 2025, United States goods imports fell sharply starting in April, as the build-up of inventories in the first quarter dampened demand in subsequent months. Nevertheless, the volume of global goods trade remained high until July, since the slowdown in United States imports was offset by the gradual recovery of imports in China (which had posted negative year-on-year rates between January and April) and in the eurozone (see figure I.5).

Figure I.5
World, China, United States and eurozone: year-on-year variation in volume of goods exports and imports, January–July 2025
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of Netherlands Bureau for Economic Policy Analysis. (2025, 25 August). *CPB World Trade Monitor June 2025*. https://www.cpb.nl/en/world-trade-monitor/cpb-world-trade-monitor-june-2025.

An analysis of global trade flows for the first seven months of 2025 in value terms confirms the significant year-on-year increase in United States goods imports (10.7%) (see table I.1). Imports from the Association of Southeast Asian Nations (ASEAN) and from India rose by more than 25%, while those from China fell sharply (by 18.4%). These trends point to the ongoing trade decoupling between the world's two largest economies, a process under way since the second half of the 2010s, and to the resulting shift of United States imports of manufactured goods from China to other Asian suppliers (Economic Commission for Latin America and the Caribbean [ECLAC], 2024).

Table I.1
Selected countries and groupings: variation in goods imports, by main origin, January–July 2025 relative to the year-earlier period
(Percentages)

Importer	Exporter								
	United States	European Union	China	Japan	Republic of Korea	India	Association of Southeast Asian Nations (ASEAN)[a]	Latin America	World
United States		13.5	-18.4	1.2	-3.7	25.8	29.4	7.2	10.7
European Union	6.3	2.2	12.0	-1.4	7.9	-1.8	11.3	6.0	3.4
China	-11.9	-5.2		2.6	0.0	-7.5	-1.0	-4.8	-3.5
Japan	-0.8	14.6	8.5		0.6	22.1	4.0	10.7	3.2
Republic of Korea	-2.8	3.1	-1.3	6.7		2.7	3.4	9.9	-1.2
India	12.8	12.6	14.7	11.6	4.4		6.1	9.3	4.4
ASEAN[a]	20.3	11.6	26.5	11.7	8.6	0.3	11.6	0.1	15.3
Latin America	1.1	-1.1	11.7	3.2	1.4	20.9	24.9	0.7	6.2
World	**4.5**	**-1.5**	**5.0**	**6.1**	**1.2**	**0.1**	**17.4**	**4.5**	

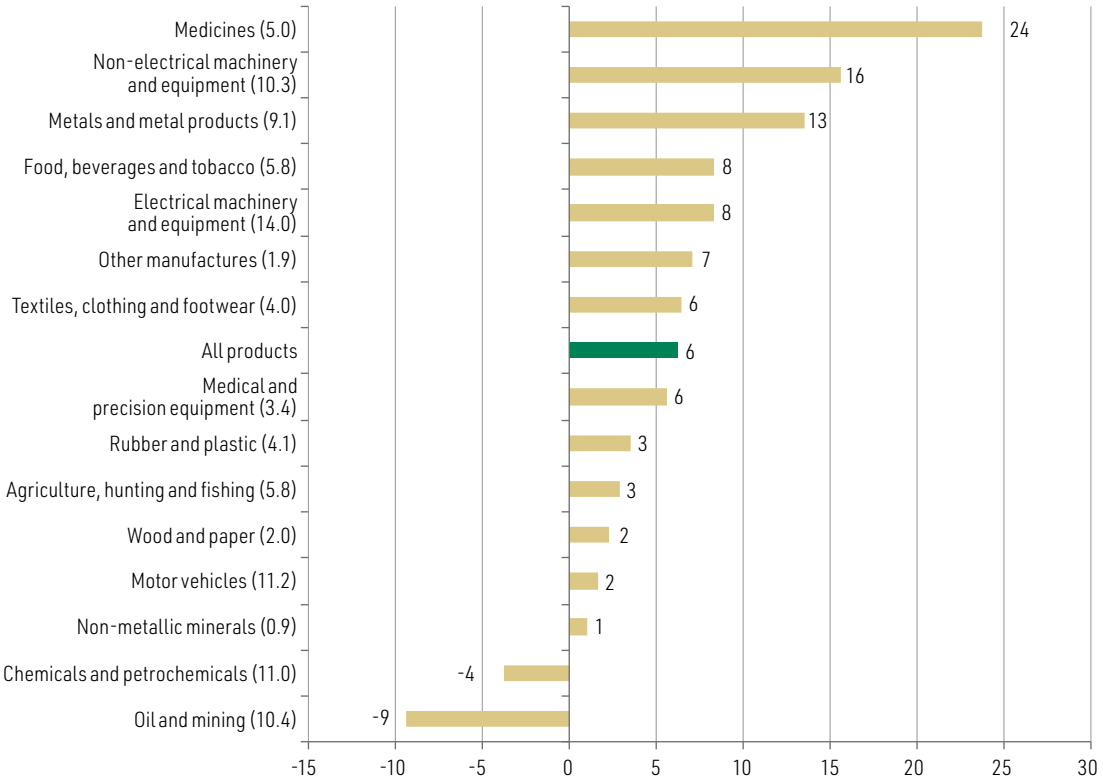
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of European Union. (n.d.). *Eurostat*. https://ec.europa.eu/eurostat/; Association of Southeast Asian Nations. (n.d.). *ASEANstats*. https://data.aseanstats.org/trade-quarterly; United Nations. (n.d.). *UN Comtrade*. https://comtradeplus.un.org/; International Trade Centre. (n.d.). *Trade Map*. https://www.trademap.org/Index.aspx; and information from the national statistical offices.
[a] The year-on-year variation in goods imports by main origin refers to the period January–June 2025.

China's total imports decreased by 3.5% in the first seven months of 2025, owing mainly to falling international prices for raw materials such as oil, iron ore and soybeans, as well as heightened uncertainty in trade policy (State Council Information Office, 2025). Although imports from the United States contracted by 11.9%, China easily offset the decline in its exports to that country with double-digit increases in exports to the European Union, India and ASEAN, among other destinations. External trade in ASEAN also showed remarkable momentum in the first half of 2025, when total exports and imports grew by 17.4% and 15.3% year-on-year, respectively.

The information available on trade flows for 60 economies[3] confirms the buoyancy of global trade in goods in the first half of 2025: the value of goods imports from these countries expanded by 6% relative to the same period in 2024 (see figure I.6). Imports of pharmaceuticals, machinery and equipment, and metals and metal products posted particularly strong double-digit growth. By contrast, only two sectors contracted: oil and mining (by 9%) and chemicals and petrochemicals (by 4%).

[3] These 60 economies accounted for 82% of global imports of goods in 2024.

Figure I.6
Selected economies:[a] variation in value of goods imports, by economic sector, January–June 2025 relative to the year-earlier period
(Percentages)



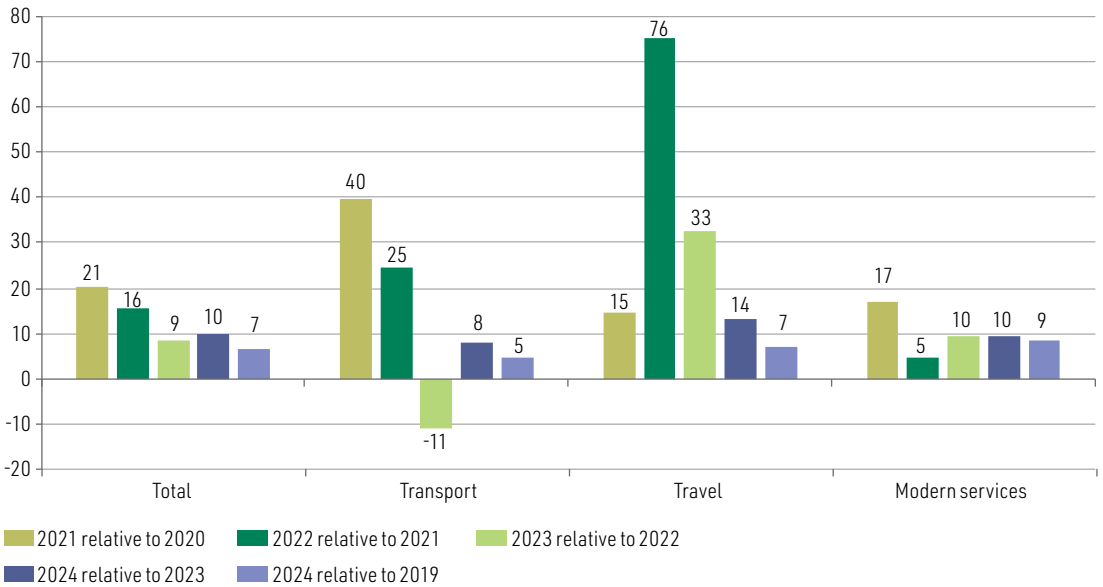
Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations. (n.d.). *UN Comtrade*. https://comtradeplus.un.org/; and International Trade Centre. (n.d.). *Trade Map*. https://www.trademap.org/Index.aspx.
Note: The figures in parentheses represent the sector's share of global goods imports in 2024.
[a] The 60 economies included are the 27 members of the European Union, together with Australia, Bosnia and Herzegovina, Cambodia, Canada, China, Georgia, India, Indonesia, Japan, Malaysia, New Zealand, Norway, the Republic of Korea, Serbia, Singapore, South Africa, Switzerland, Taiwan Province of China, Thailand, Türkiye, the United Kingdom, the United States and the following 11 Latin American and Caribbean countries: Argentina, Belize, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Mexico, Paraguay, Peru and Plurinational State of Bolivia.

In sum, the strong growth of global goods trade in the first seven months of 2025 was driven largely by temporary factors relating to the build-up of inventories by firms seeking to mitigate the cost impacts of higher tariffs in the United States. Moreover, as discussed in section I.D, most of these tariff increases did not come into force until August. Consequently, a marked slowdown in global goods trade is expected over the remainder of the year. This deceleration is expected to intensify in 2026, since the effects of higher tariffs would be felt from January onward and without the temporary drivers of the previous year. The pattern of bilateral trade flows between January and July 2025 also points to an ongoing, far-reaching reconfiguration of global value chains, primarily in response to the trade decoupling between the United States and China. Economies in East Asia, South-East Asia and India are playing a central role in this process, both as major consumer markets and as key manufacturing export hubs.

B. Global trade in services slowed in the first quarter of 2025, but is expected to recover from the second quarter onward

Global exports of commercial services continued to expand in 2024, confirming the resilience previously observed in the aftermath of the coronavirus disease (COVID-19) pandemic, albeit at a more moderate pace. That year, the value of services exports grew by 10% relative to 2023 and by 7% compared with 2019, prior to the pandemic (see figure I.7). Services continued to outperform goods amid a general weakening of global trade owing to geopolitical tensions and slower economic growth.

Figure I.7
Annual variation in value of global exports of commercial services, by category, 2019–2024
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of World Trade Organization. (n.d.). *WTO Stats*. https://stats.wto.org/.

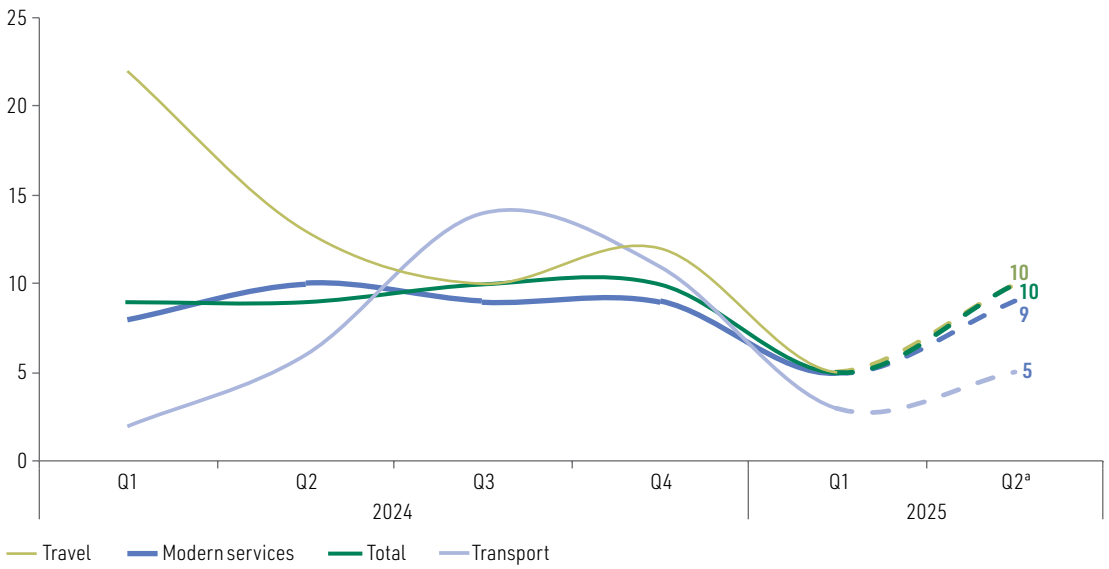
By category, transport services were highly volatile: following a decline in 2020 linked to the COVID-19 pandemic, they recovered sharply in 2021 (40%) and 2022 (25%), contracted by 11% in 2023 and improved again in 2024 with 8% growth. Travel services continued to lead the overall expansion, albeit with a clear trend towards normalization. After the 2020 downturn, travel rebounded strongly, with increases of 76% in 2022 and 33% in 2023. In 2024, travel services rose by a further 14%, placing them 7% above their 2019 level.

Modern services, which continued to reflect steady growth in the post-pandemic period with year-on-year increases of 10% in both 2023 and 2024, are increasingly driving the structural transformation of services trade. This category represented 58% of total trade in commercial services in 2024, compared with 20% for travel and 17% for transport. Among modern services, the fastest-growing subsectors in 2024 were telecommunications, computer and information services (11%), financial services (10%) and charges for the use of intellectual property (10%). Trade in computer services

withstood the global slowdown, owing to strong demand in areas such as artificial intelligence, digital transformation and cybersecurity. This subsector is expected to maintain its strong performance, supported by companies' ongoing adaptation to new technologies and growing consumer interest in digital services (WTO, 2025c).

Projections point to a strengthening of the leading position of modern services in the first half of 2025, with average growth of 10%, twice that of transport services (see figure I.8). Available information for the first half of 2025 shows that Asia recorded the highest increases in modern services exports, with China and Japan reaching double-digit growth rates. Having led the post-pandemic recovery in trade in services with average growth of 14% in 2024, travel services slowed to 5% growth in early 2025 as international tourism normalized. Likewise, transport services posted 3% growth in the first quarter of 2025 relative to the year-earlier period.

Figure I.8
Year-on-year variation in the value of trade in services for the world's main exporters, first quarter of 2024–second quarter of 2025
(Percentages)

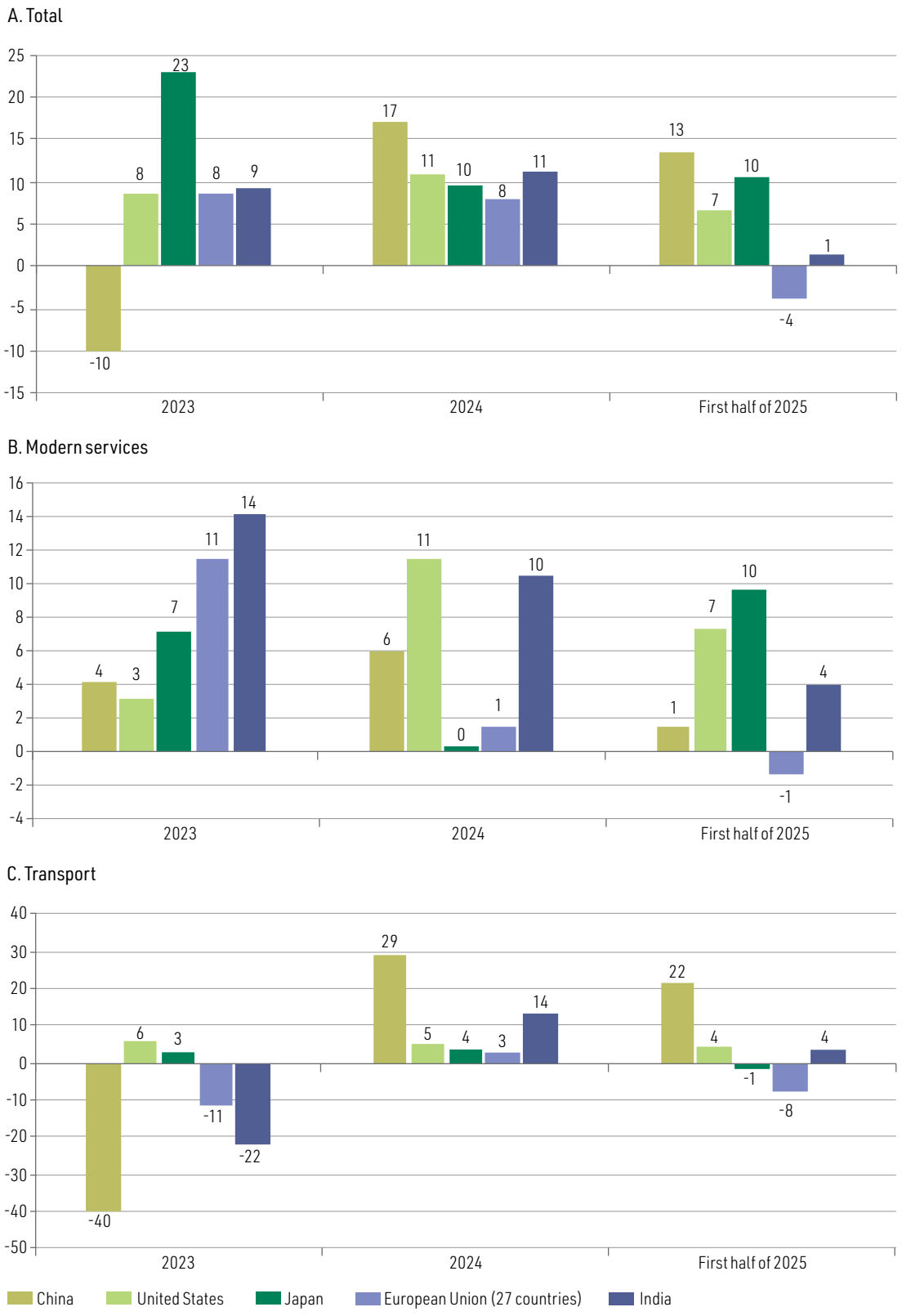


Source: Economic Commission for Latin America and the Caribbean, on the basis of World Trade Organization. (2025). *Global Trade Outlook and Statistics Update: October 2025.*
[a] Figures are estimates made by the Secretariat of the World Trade Organization.

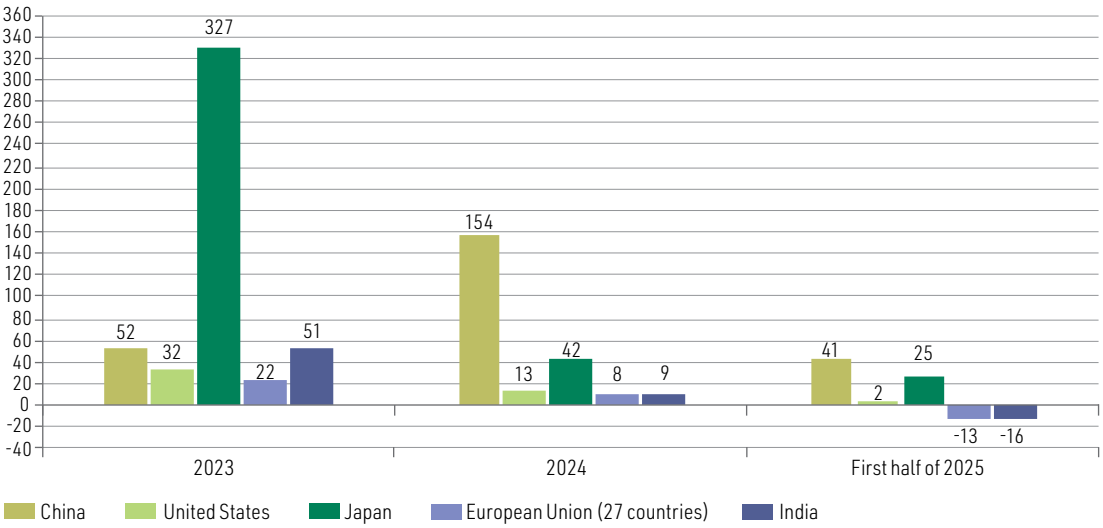
There are marked differences in the recent performance of services exports for the world's main economies, despite the widespread slowdown in the first quarter of 2025 (United Nations Conference on Trade and Development [UNCTAD], 2025). However, when analysing data for the first half of the year, the results confirm WTO projections and indicate that, in the second quarter, major economies partially regained the momentum lost in the first quarter of 2025.

In 2024, exports from China, the United States, India and Japan posted double-digit growth (17%, 11%, 11% and 10%, respectively), while the European Union recorded a more moderate increase (8%). In the first half of 2025, shipments from the United States and India showed signs of slowing, while those from the European Union contracted by 4%. In contrast, China and Japan recorded double-digit growth (see figure I.9).

Figure I.9
Selected countries and regions: year-on-year variation in the value of commercial services exports, by category, 2023–first half of 2025
(Percentages)



D. Travel



Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations Conference on Trade and Development. (2025, 25 July). *Services (BPM6): Trade and growth by main service-category, quarterly.* https://unctadstat.unctad.org/datacentre/dataviewer/US.TotAndComServicesQuarterly.

In terms of modern services exports, the United States led growth among major economies and economic blocs in 2024, with an increase of 11%, followed by India (10%) and China (6%). By contrast, Japan and the European Union showed relative stagnation, with rates of 0% and 1%, respectively.

In the first half of 2025, the United States, India and China all posted more moderate growth rates, whereas Japan recorded an exceptional performance, with a 10% rise in modern services exports relative to the year-earlier period. Meanwhile, the European Union recorded a 1% contraction in this category; given its substantial share in world trade, this largely explains the aggregate decline shown in figure I.8. Nevertheless, modern services continued to outperform transport and travel services, both of which registered much steeper declines.

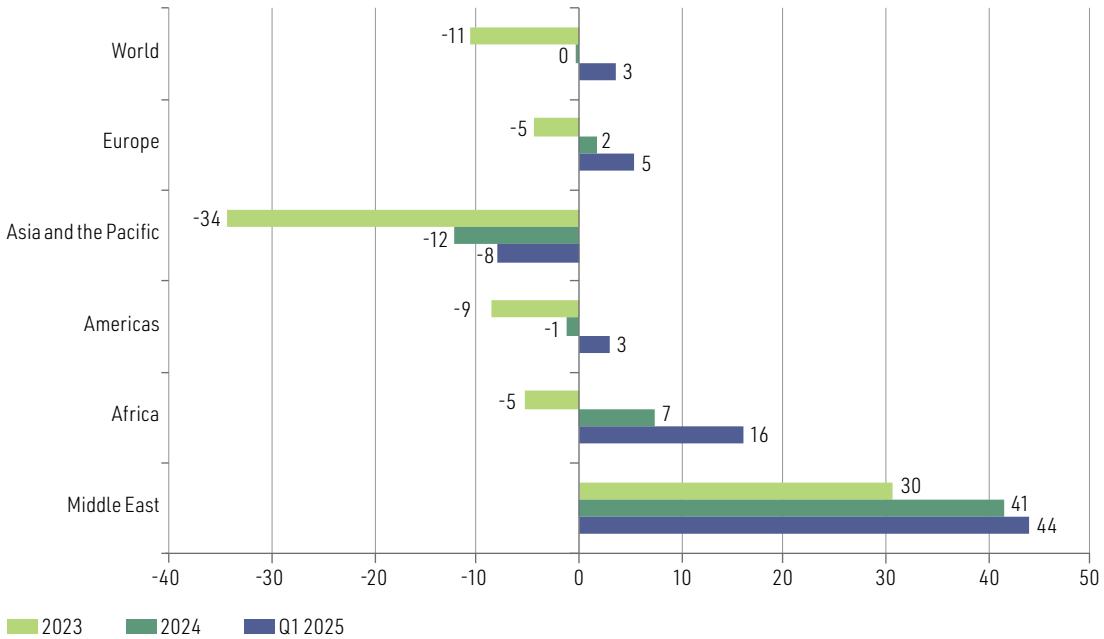
Transport services exports rebounded in 2024 in most countries, after contracting the previous year, but fell again in the first half of 2025. In contrast, after registering the sharpest contraction in this category in 2023 (40%), China posted a strong recovery in 2024 (29%) and continued to expand by over 20% in the first half of 2025 relative to the year-earlier period. This robust performance derived from several factors, including higher international freight rates, the front-loading of goods exports to the United States prior to the announced tariff hikes, which in turn boosted associated transport services, and an active policy stance by the Government of China aimed at stimulating external sales amid a slowdown in the domestic market.

In the case of travel services exports, the post-pandemic recovery phase appears to have run its course. Despite exceptional growth in 2023 —327% in Japan, 52% in China and 32% in the United States—, the pace slowed notably in 2024. That year, China and Japan posted strong gains (154% and 42%, respectively), while growth in the United States, the European Union and India was more moderate (13%, 8% and 9%, respectively). This was followed by a sharp slowdown in the first half of 2025: although China and Japan continued to post significant increases (42% and 25%, respectively), the United States recorded only marginal gains and the European Union and India registered declines of 13% and 16%, respectively.

International tourism recovered fully from the COVID-19 pandemic in 2024, with international tourist arrivals of 1.5 billion people (World Tourism Organization, 2025), surpassing 2019 levels. However, trends varied widely across regions. These benchmarks were exceeded by a wide margin in some

regions, notably the Middle East, where international arrivals have been well above 2019 levels since 2023 (see figure I.10). Africa also continued to perform well, reinforcing its position as an emerging destination. Meanwhile, the Americas and Europe show a more gradual pace of normalization, with international tourist arrivals in the first quarter of 2025 only slightly higher than those of the same quarter of 2019. By contrast, Asia and the Pacific has not yet fully returned to pre-pandemic levels, despite the gradual reopening of several source markets.

Figure I.10
World and selected regions: variation in number of international tourist arrivals, 2023–first quarter of 2025
(Percentages relative to 2019 levels)



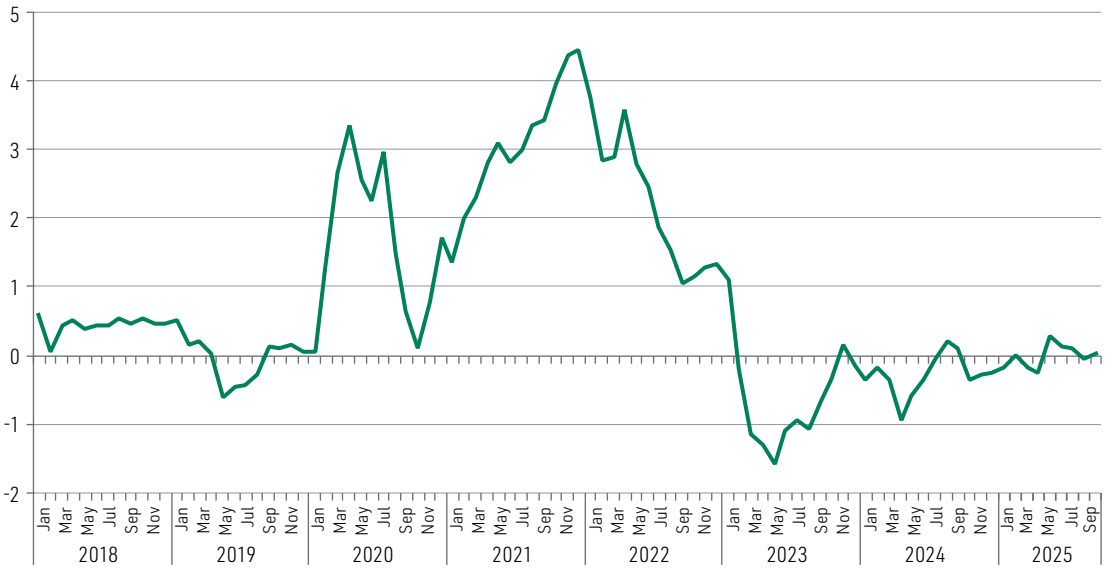
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of World Tourism Organization. (2025). International tourism up 5% in first half of 2025 despite global challenges. *World Tourism Barometer*, *23*(3).

C. International shipping conditions begin to stabilize

International shipping, which accounts for approximately 80% of global goods trade by volume, has continued to face volatile and uncertain conditions in 2025. The main factors underlying this situation are conflicts in the Middle East and other regions, climate-related impacts on maritime routes and operations, imbalances between the supply of and demand for logistics services, and fluctuations in United States tariff policy. These conditions are reflected by recent trends in the Global Supply Chain Pressure Index, developed by the Federal Reserve Bank of New York that combines data on maritime transport costs with manufacturing sector indicators.[4] After reaching its lowest level since 2018 in May 2023, the index began to trend upward and appears to have stabilized in recent months, moving closer to its historical average. This suggests a gradual reduction in the impact of tensions on global transport and logistics systems (see figure I.11).

[4] Transportation costs are measured using data from the Baltic Dry Index and Harpex, as well as airfreight indices of the United States Bureau of Labour Statistics. The index also draws on survey data from the Purchasing Managers' Index of manufacturing firms in China, the eurozone, Japan, the Republic of Korea, Taiwan Province of China, the United Kingdom and the United States.

Figure I.11
Global Supply Chain Pressure Index, January 2018–September 2025
(Standard deviations from historical average since 1997)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Federal Reserve Bank of New York. (n.d.). *Global Supply Chain Pressure Index (GSCPI)*. https://www.newyorkfed.org/research/policy/gscpi#/overview.
Note: Level 0 means that the index is at its historical mean value. Positive values indicate the number of standard deviations by which the index is above this, while negative values represent the opposite.

Schedule reliability in maritime shipping is a key indicator for assessing the stability and efficiency of container transport.[5] As shown in figure I.12, it reached its lowest level in January 2022, as the after-effects of the pandemic —particularly port congestion, container shortages and the continuation of China's "zero COVID" policy— pushed it to historic lows. The indicator improved in 2022 and the first months of 2023, reflecting the gradual recovery of supply chains. However, this trend was interrupted from mid-2023 onward owing to the drought in the Panama Canal, which led to severe restrictions on vessel transits, and the escalation of armed conflicts in the Middle East towards the end of the year, which disrupted transit via the Red Sea and Suez Canal, pushing up global logistics costs.

In 2024, armed conflicts and climate-related disruptions continued to affect schedule reliability, though to a lesser extent. The indicator started to trend upward in January 2025, driven by improved operational planning by shipping lines, the stabilization of schedules and the adoption of more efficient alternative routes. In April 2025, global reliability was 58.7%, the highest level since November 2023, and continued to rise to 67.4% in June, before reflecting a slight correction in July. According to Sea-Intelligence (2025), this rebound reflects greater coordination in new maritime partnerships (Gemini Cooperation, MSC and Ocean Alliance) and the implementation of new tracking metrics that include all service calls, which has enabled a more accurate measurement of schedule adherence.

In the past five years, disruptions to international shipping have had differing impacts across regions. Although recovery has been gradual and uneven, in 2024 all regions except Europe —impacted by the war in Ukraine— surpassed pre-pandemic activity levels (see table I.2).

[5] The reliability of shipping times is calculated using information on 34 different commercial routes.

Figure I.12
Schedule reliability in maritime shipping, monthly averages, January 2019–August 2025
(Percentages)

Source: Economic Commission for Latin America and the Caribbean, on the basis of Sea-Intelligence. (2025, 26 September). *Global schedule reliability stable at 65%-68% since May 2025.* https://www.sea-intelligence.com/press-room/348-global-schedule-reliability-stable-at-65-68-since-may-2025.

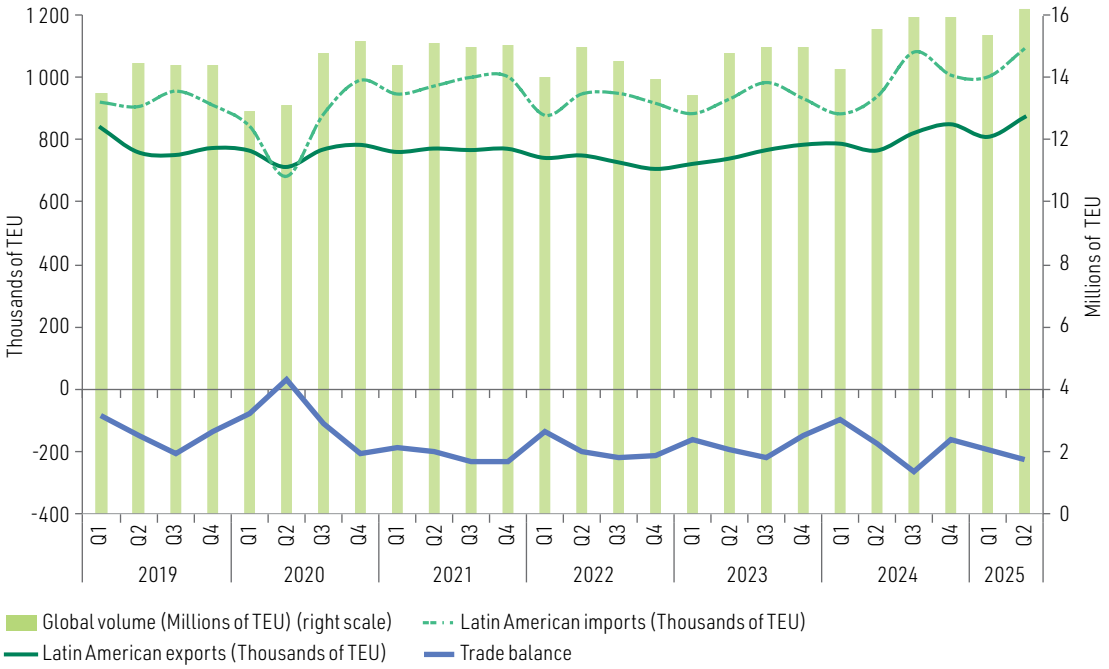
Table I.2
International containerized seaborne trade volume index, by region, 2019–2024
(Base year 2019 = 100)

	2019	2020	2021	2022	2023	2024
Sub-Saharan Africa	100.0	96.4	98.3	98.1	107.0	110.6
North America	100.0	100.5	110.4	102.4	100.4	113.3
Latin America	100.0	94.3	102.6	97.1	98.9	104.6
Australasia and Oceania	100.0	100.6	101.8	97.3	96.8	103.4
Europe	100.0	97.0	102.1	94.6	93.6	97.6
Asia	100.0	99.9	106.7	104.3	105.0	112.5
Indian Subcontinent and Middle East	100.0	96.9	97.9	101.5	111.6	110.2
World	100.0	98.7	104.9	101.2	102.4	108.8

Source: Saade Hazin, M. (in press-b). Informe portuario 2024-2025: navegando en un escenario prolongado de volatilidad e incertidumbre. *FAL Bulletin* (414). Economic Commission for Latin America and the Caribbean.

At the global level, containerized maritime trade has continued to be heavily influenced by geopolitical tensions, logistical challenges and changes in tariff policies. As shown in figure I.13, global maritime traffic contracted sharply in the first quarter of 2020 owing to health restrictions, temporary port closures and declining demand. Latin America was among the hardest-hit regions, and although it recorded a recovery in 2021, this was accompanied by logistical bottlenecks that pushed up costs and constrained the transport systems' response capacity.

Figure I.13
World and Latin America: variation in international containerized maritime trade, first quarter of 2019–second quarter of 2025
(Thousands and millions of 20-foot equivalent units (TEU))

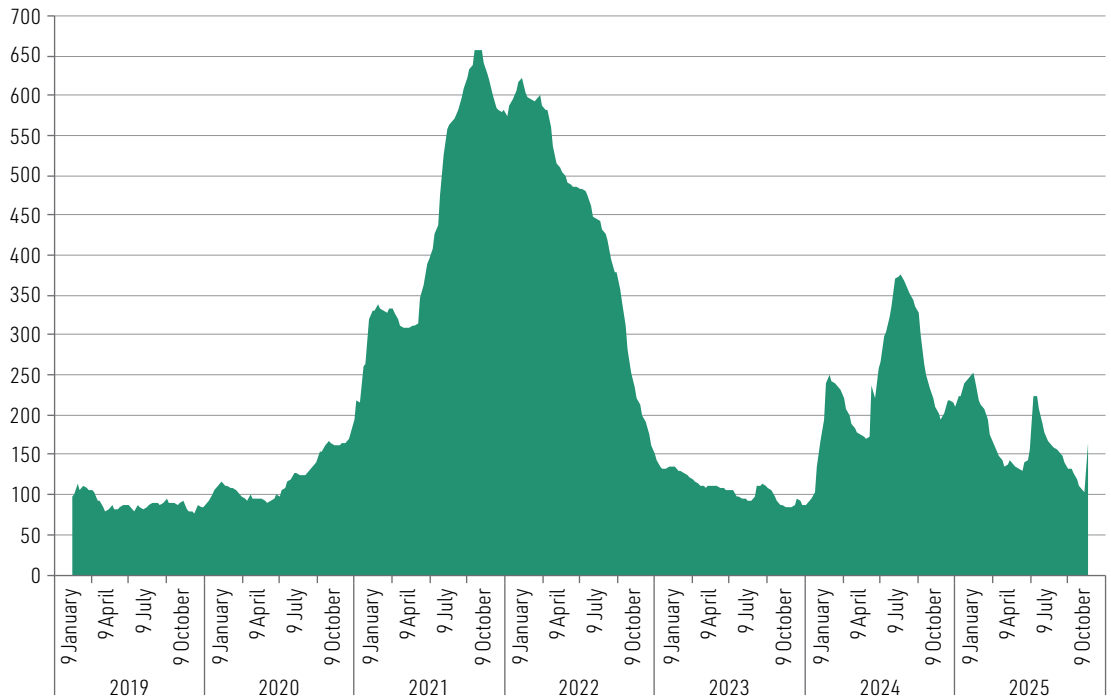


Source: Economic Commission for Latin America and the Caribbean, on the basis of data from Container Trade Statistics.

Pressure on logistics chains was also reflected in maritime freight rates, which increased almost eightfold between April 2019 and September 2021, driven by container shortages and port congestion (ECLAC, 2023). Rates declined steadily in 2022, falling to post-pandemic lows in October 2023. However, attacks in the Red Sea as from the fourth quarter of 2023, together with new episodes of climate-related and geopolitical disruption in 2024, ushered in another period of volatility and uncertainty in shipping costs, as reflected in the composite spot freight rate index (see figure I.14). The index experienced four marked fluctuations in 2024 and 2025, with pronounced peaks in the first and fourth quarters of 2024 driven by the Panama Canal drought and the escalation of attacks in the Red Sea, respectively, and significant declines in the second quarter of 2024 and mid-2025, linked to the slowdown in global trade, changes to tariff policies and the temporary adjustment of shipping routes. This performance confirms the persistent volatility and continued uncertainty in the shipping market, which is shaped by both structural factors and recurrent external shocks.

Trade tensions between the United States and China have intensified once again following the announcement by the former that, as from 14 October 2025, it will impose a port fee of US$ 50 per net ton on Chinese cargo vessels calling at its ports, with the fee set to increase by US$ 30 annually over the next three years. According to estimates, this measure could generate additional costs of up to US$ 1.25 million per trip. In response, the State Council of China issued a decree authorizing the adoption of reciprocal countermeasures, including the imposition of special charges, restrictions on port access and limitations on the exchange of shipping information (Fortnam, 2025). These announcements could exacerbate fragmentation in the international transportation system and, in turn, affect the stability of global logistics chains and raise operating costs for shipping lines.

Figure I.14
Composite index of weekly average spot freight rates for maritime containers, 9 January 2019–9 October 2025
(January 2019 = 100)



Source: Saade Hazin, M. (in press-b). Informe portuario 2024-2025: navegando en un escenario prolongado de volatilidad e incertidumbre. *FAL Bulletin* (414). Economic Commission for Latin America and the Caribbean.

Port performance has also been a key determinant of competitiveness in shipping. The Container Port Performance Index, developed by the World Bank and S&P Global Market Intelligence (World Bank, 2025), is a key benchmark for measuring the time that container ships spend in port, which directly affects logistics efficiency, operating costs and environmental sustainability. Between 2020 and 2024, the index reflected the combined effects of the COVID-19 pandemic, port congestion, operational bottlenecks and geopolitical tensions. In 2020, despite the initial impact of the pandemic, performance remained relatively solid owing to a rapid recovery of demand and low levels of port congestion. However, congestion reached critical levels in 2021 and 2022, particularly in developing countries, increasing dwell times and reducing efficiency. In 2023, the index recovered significantly, as reflected in shorter dwell times, rate stabilization and productivity gains. However, performance deteriorated again in 2024 owing to the continued impact of the crisis in the Red Sea and the drought in the Panama Canal, which led to an increase in delays and a slower recovery.

In Latin America and the Caribbean, the performance of the Posorja port in Ecuador from 2020 to 2024 was remarkable. The port's index rose from 34 in 2020 to 107 in 2024 as a result of strategic investments and public-private partnerships for the construction of a deep sea port that has eased congestion in Guayaquil and enhanced operational capacity (IDB Invest, 2017; DP World, 2025).

Drawing on data from the automatic identification system and shipping lines' operational records, the Container Port Performance Index provides an objective and globally comparable measure that facilitates the identification of inefficiencies, investment planning and the strengthening of port

resilience to external shocks. Ultimately, improved port performance translates into lower logistics costs, enhanced trade competitiveness and reduced emissions, thereby contributing to more efficient and sustainable trade.

Within the framework of the commitments undertaken under the Paris Agreement, initiatives led by key stakeholders in maritime transport to reduce carbon dioxide emissions and advance decarbonization and energy efficiency have gained prominence. Among these, the Panama Canal's NetZero Slot programme stands out, reflecting the Canal's growing role as a global logistics hub. The programme represents one of the first experiences worldwide in providing incentives for low-emission vessels and is aligned with sustainability objectives and the goal of carbon neutrality by 2050 (see box I.1).

Box I.1
The Panama Canal's NetZero Slot programme

One of the main challenges facing the maritime transport sector is advancing towards decarbonization. In this context, in September 2025, the Panama Canal Authority launched the NetZero Slot programme, a pioneering initiative aimed at incentivizing energy efficiency and the adoption of low-emission fuels by Neopanamax vessels.

According to the Panama Canal Authority (2025), as from 3 October 2025, participants in the programme will be able to access a preferential weekly slot through the transit reservation system, which offers guaranteed passage within 24 hours, just-in-time arrival services and flexibility to change or substitute vessels.

In this initial phase, the programme will be open to vessels equipped with dual-fuel engines capable of operating with energy sources whose estimated carbon intensity (calculated from extraction and production up to final use on board the vessel, using the "well-to-wake" approach) is equal to or below 75 gCO_2e/MJ. These energy sources include fuels such as liquefied natural gas, liquefied petroleum gas, methanol and ammonia. This measure seeks to recognize early investments in low-carbon emission technologies.

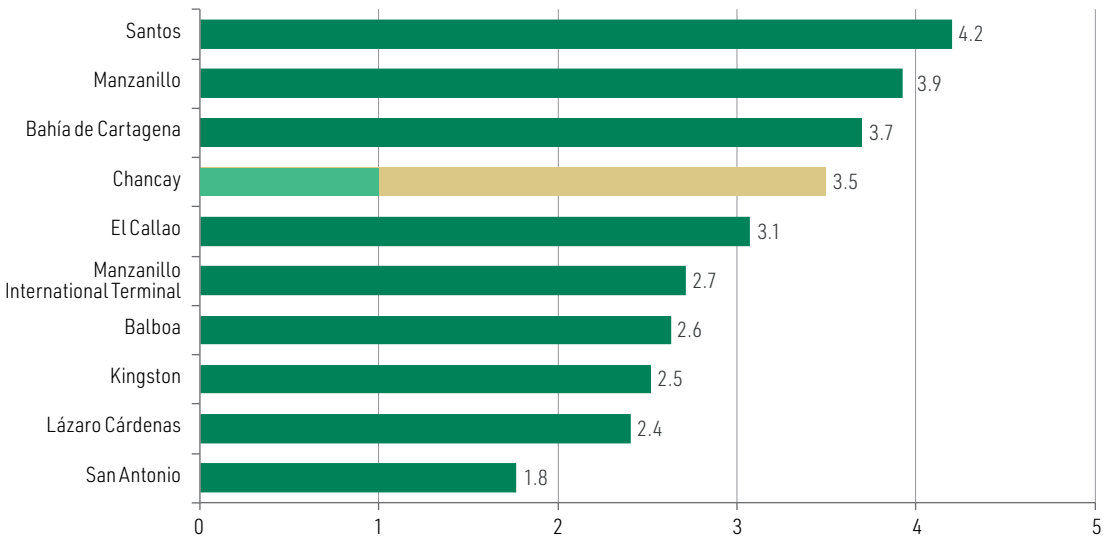
The NetZero Slot programme is part of the Panama Canal's sustainability strategy, which aims to achieve net-zero emissions by 2050. The programme also complements efforts led by the International Maritime Organization related to the creation of a sustainable fuel certification system, which will establish a standardized mechanism for measuring the greenhouse gas intensity of fuels used by vessels. This system will enable the Canal to verify the eligibility of vessels wishing to participate in programmes such as NetZero Slot, thereby strengthening its role as a laboratory for environmental innovation in global maritime trade.

Source: Economic Commission for Latin America and the Caribbean, on the basis of Panama Canal Authority. (2025). *NetZero Slot*. https://pancanal.com/sostenibilidad/netzero-slot/.

Environmental, geopolitical and trade-related disruptions have underscored the need to strengthen regional integration as a key strategy for reducing external vulnerabilities and enhancing logistics resilience. The maritime transport sector plays a central role in this process, given its potential to coordinate intraregional transport networks, optimize port connectivity and promote the development of multimodal corridors linking Atlantic and Pacific markets. According to Herreros and Saade Hazin (2025), the coordination of policies and sustainable territorial planning are essential for building more resilient supply chains and fostering productive integration among South American countries. The South American Integration Routes project, led by Brazil (Ministry of Planning and Budget, 2024a, 2024b), plans to create five strategic bioceanic corridors linking logistics, production and trade hubs, thereby strengthening territorial cohesion and regional value chains (Herreros and Saade Hazin, 2025).

Regarding new strategic logistics hubs, the port of Chancay, Peru, stands out, underscoring the trend towards greater trans-Pacific integration. According to Ávila and Saade Hazin (in press), cargo volumes at this port are expected to increase from around 1 million 20-foot equivalent units (TEUs) in 2024 to 3.5 million TEUs by 2032 (see figure I.15). This would allow Chancay to consolidate its position among the region's leading ports by offering a direct route between South America and Asia, without the need for trans-shipment in Panama, Mexico or the United States. This connection represents a strategic opportunity to strengthen intercontinental linkages, foster more balanced and sustainable economic growth, and reinforce South America's role in global value chains.

Figure I.15
Latin America and the Caribbean: cargo volume of selected ports, 2024
(Millions of 20-foot equivalent units (TEU))



Source: Economic Commission for Latin America and the Caribbean, on the basis of Center for Strategic and International Studies. (2025). *China-owned Chancay port set to become Latin America's third largest.* https://www.csis.org/analysis/china-owned-chancay-port-set-become-latin-americas-third-largest; and the Commission's own data.
Note: The section highlighted in light ochre corresponds to the cargo volume projected to be handled at the port of Chancay in 2032.

The strengthening of strategic logistics hubs such as Chancay shows that port competitiveness no longer depends exclusively on physical infrastructure, but also on technological and digital adaptive capacity. Amid automation, data-driven management and the growing demand for traceability, digital transformation has become an essential component for modernizing Latin American ports and improving their integration into global value chains.

Within this transformation, port community systems and digital twins are emerging as key pillars for enhancing the efficiency, transparency and resilience of the Latin American and Caribbean port system. According to Saade Hazin (in press-a), port community systems enable the integration of all public and private stakeholders in the port ecosystem through interoperable digital platforms. This helps to reduce processing times, minimize errors and operating costs, and enhance traceability and the secure exchange of data. Digital twins, in turn, provide a dynamic virtual representation of port infrastructure and operations, enabling simulation, real-time monitoring and informed decision-making, which promotes predictive maintenance, resource optimization and environmental sustainability. When adopted in a coordinated manner and supported by updated regulatory frameworks, institutional leadership and regional technical cooperation, digital twins represent a decisive step towards more efficient, sustainable and resilient ports, fully integrated into global value chains.

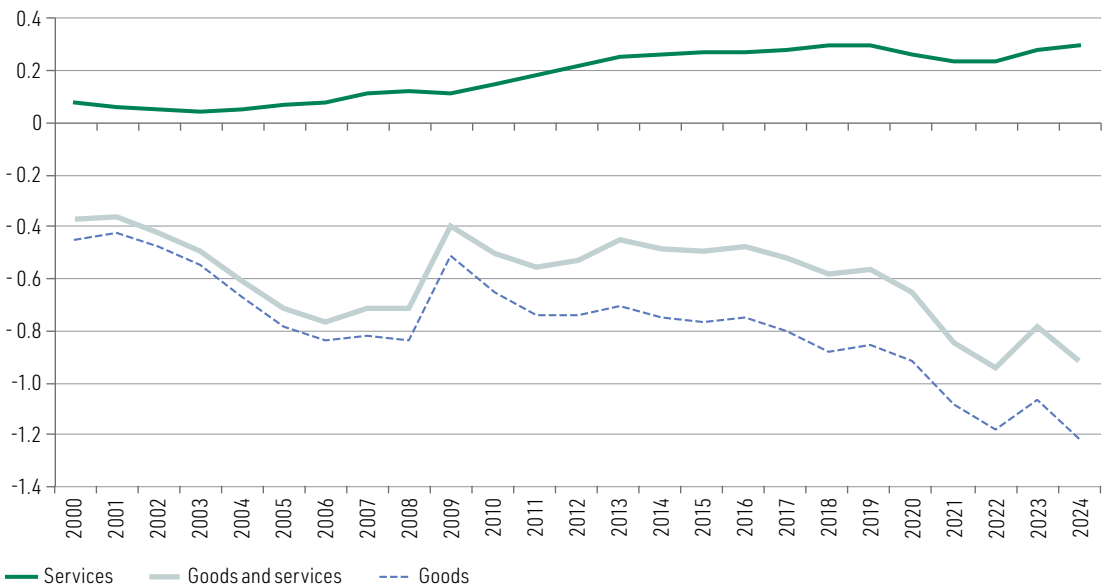
D. A profound shift in United States trade policy in 2025

Upon taking office in January 2025, the administration of President Donald Trump implemented the "America First" trade policy. A series of tariff increases was introduced through this framework starting in February. While these measures initially targeted certain countries or sectors, from April onward they were extended to all United States trading partners. As a result, the country's average effective tariff rose from 2.4% in 2024 to 17.4% in September 2025, its highest level since 1935 (The Budget Lab at Yale, 2025).

According to statements by United States authorities, the tariff hikes pursue two main objectives: reducing (and, ideally, eliminating) the growing trade deficit in goods and restoring competitiveness in various segments of the manufacturing sector (White House, 2025a; Greer, 2025).[6] From this perspective, the primary cause of the trade deficit in goods is not the gap between domestic investment and savings, but rather the tariff and non-tariff barriers applied by trading partners. Official figures indicate that in 2024 the United States trade deficit in goods reached its highest level on record in current dollar terms, amounting to US$ 1.2 trillion. However, when measured as a proportion of GDP, the deficit stood at 4.2%, similar to the level seen at the beginning of the 2000s and well below the historical peaks of around 6% recorded between 2005 and 2008. Moreover, once the United States surplus in services trade is taken into account, the overall trade deficit in 2024 declined to 3.1% of GDP (see figure I.16).

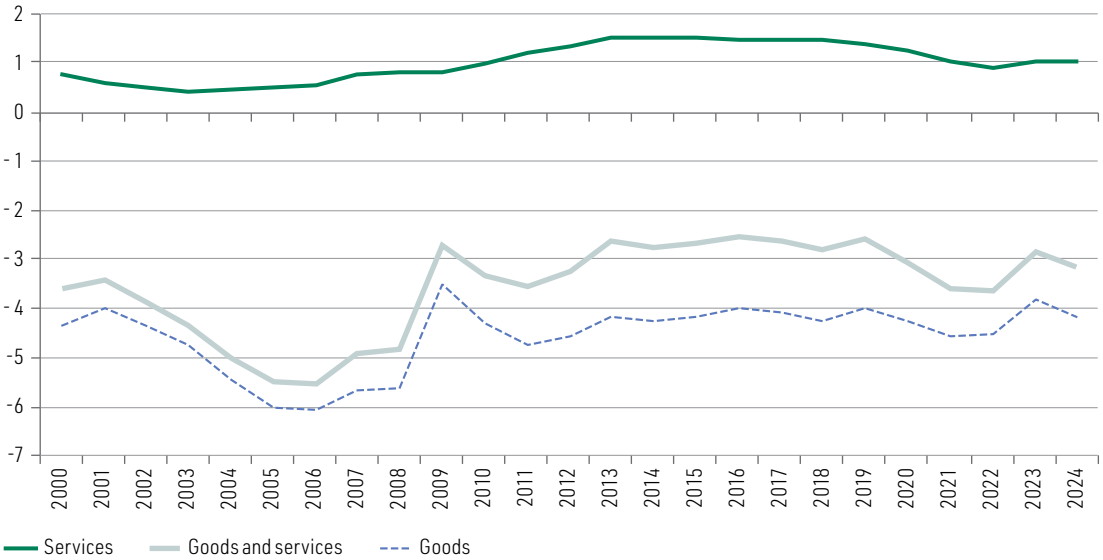
Figure I.16
United States: goods and services trade balance with the rest of the world, 2000–2024
(Billions of dollars and percentages of GDP)

A. Billions of dollars



[6] The United States authorities have also mentioned other objectives, such as increasing tax revenues, controlling illegal immigration and cross-border drug trafficking, as well as various foreign policy objectives.

B. Percentages of GDP



Source: Economic Commission for Latin America and the Caribbean, on the basis of Bureau of Economic Analysis. (2025). *International Trade in Goods and Services*. https://www.bea.gov/data/intl-trade-investment/international-trade-goods-and-services.

As a result of the frequent changes in 2025, the current tariff structure of the United States has become highly complex. It combines four main elements:

(i) A base tariff of 10%, applied since April 2025 to most products imported from more than 100 trading partners.

(ii) "Reciprocal tariffs," applied since August 2025 to approximately 70 partners, with rates ranging from 15% to 50%.

(iii) Sector-specific tariffs, applied irrespective of the country of origin. They include the following:

  (a) A 25% tariff on automobiles and their parts, as well as heavy trucks.

  (b) A 50% tariff on steel, aluminium, copper and various products derived therefrom, as well as on bathroom and kitchen fixtures.

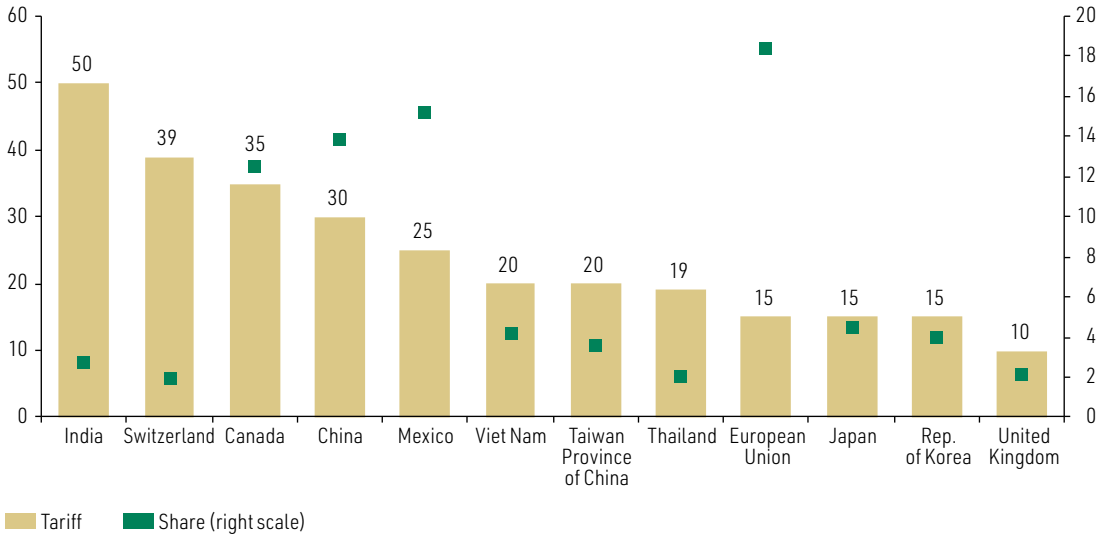
  (c) A 100% tariff on patented pharmaceuticals.

(iv) A list of products excluded from the tariff increases, such as oil, critical minerals, personal computers and mobile phones.[7]

The 10% base tariff generally applies to trading partners with a relatively limited share in total United States trade or with which the country maintains a trade surplus. This is the case for most countries in Latin America and the Caribbean (see chapter II). By contrast, reciprocal tariffs apply to the United States' main trading partners, as well as to countries that record trade surpluses with that country (see figure I.17). China represents a special case, as it is the country with which the United States registers its largest bilateral trade deficit in absolute terms. Imports from China —which were already subject to high tariffs since the first Trump administration— faced tariffs over 140% in April 2025. Subsequently, an agreement reached between the two countries in May 2025 led to the 90-day suspension of most reciprocal tariff increases introduced since April. As a result, Chinese imports are currently subject to an additional average tariff of 30%. This agreement was renewed for 90 days on 11 August and for an additional 12 months on 29 October (Leahy and Sevastopulo, 2025).

[7] At the time of writing this chapter, investigations were under way that could lead to tariff increases on several of these sectors (Congressional Research Service, 2025).

Figure I.17
United States: reciprocal tariffs applied to main trading partners since 7 August 2025 and those partners' shares in total goods imports, 2024
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of White House. (2025, 31 July). Further Modifying the Reciprocal Tariff Rates [Executive Order]. https://www.whitehouse.gov/presidential-actions/2025/07/further-modifying-the-reciprocal-tariff-rates/.

Note: All tariffs are additional, in that they are applied on top of those in force for each partner at the beginning of 2025. In the cases of Canada and Mexico, reciprocal tariffs apply only to products that do not comply with the rules of origin established under the Agreement between the United States of America, the United Mexican States and Canada.

All tariff increases implemented to date in the United States have been introduced without the involvement of Congress and have been framed as responses to various types of national emergency. To this end, the executive branch has invoked the powers that —according to its interpretation— are conferred by the Trade Expansion Act of 1962 (specifically with regard to the impact of imports on national security) and by the International Emergency Economic Powers Act of 1977. The expansive interpretation of this law to justify the imposition of "reciprocal tariffs" has been particularly controversial. On 28 May, the United States Court of International Trade ruled that all tariff increases based on this law were illegal, a decision that was upheld by the Court of Appeals on 29 August. Nevertheless, the reciprocal tariffs will remain in force while the appeal filed by the government before the Supreme Court is under review, a process expected to begin in November 2025.

The tariff hikes implemented by the United States in 2025 are also questionable in light of the country's commitments as a member of the World Trade Organization (WTO). The tariffs currently applied to most imported products exceed the country's bound (maximum) levels under the WTO framework; they average 4.8% for agricultural products and 3.2% for non-agricultural products (World Trade Organization, International Trade Centre and United Nations Conference on Trade and Development, 2025). In addition, the application of different tariffs to the same product depending on the country of origin runs counter to the most-favoured-nation principle (Baldwin, 2025; Horn and Mavroidis, 2025). According to WTO estimates, the share of global goods trade conducted under most-favoured-nation conditions declined from 80% at the beginning of the year to 72% in September, reflecting tariff increases and agreements announced by the United States with several trading partners (Okonjo-Iweala, 2025). Outside the multilateral framework, the tariff increases have also nullified the market access conditions agreed in several free trade agreements, including bilateral agreements with Chile, Colombia, Panama and Peru, as well as the plurilateral agreement with

the Central American countries and the Dominican Republic. The only exception is the Agreement between the United States of America, the United Mexican States and Canada, since products that comply with its rules of origin continue to benefit from tariff-free treatment.

By mid-October 2025, the United States had announced trade agreements with 11 partners, which together accounted for 52% of its total imports of goods in 2024. In addition to China, with which it had negotiated a "tariff truce", the list includes the European Union, Japan, the Republic of Korea, the United Kingdom and several countries in South-East Asia (see table I.3).[8] The texts of most of these agreements have not been made public and the available information suggests that they are largely framework agreements that leave several issues open for future negotiations. Nevertheless, all the agreements are asymmetrically in favour of the United States. In addition to reducing (or even eliminating) their tariffs on United States exports, partner countries undertook commitments to review various regulations, purchase large volumes of United States products and undertake substantial investments in that country. By contrast, the tariff applied by the United States never falls below the current base rate of 10%. This suggests the emergence of a new model of agreement that departs from WTO requirements for broad and reciprocal liberalization in preferential agreements among its members (Malmström, 2025).

Table I.3
United States: trade agreements concluded in the period May–July 2025

Partner	Announcement date	Main provisions
United Kingdom	8 May	– Most exports from the United Kingdom will be subject to a 10% tariff. – The United Kingdom may export up to 100,000 automobiles annually at a 10% tariff (instead of the general 25% tariff). – United Kingdom exports of steel and aluminium will face a 25% tariff (instead of the general 50% tariff). – The United Kingdom will establish duty-free quotas for United States exports of beef and ethanol.
Viet Nam	2 July	– Exports from Viet Nam will be subject to a 20% tariff. – United States exports will be exempt from tariffs.
Indonesia	15 July	– Indonesian exports will be subject to a 19% tariff. – United States exports will be exempt from tariffs. – Indonesia will refrain from imposing tariffs on e-commerce transactions, lift export restrictions on critical minerals and exempt United States companies from local content requirements, among other concessions.
Philippines	22 July	– Philippine exports will be subject to a 19% tariff. – United States exports will be exempt from tariffs.
Japan	22 July	– Japanese exports will be subject to a 15% tariff. – Japan will: (i) increase imports of rice, soybeans, ethanol and other products from the United States; (ii) reduce regulatory barriers to United States vehicles; (iii) purchase 100 Boeing aircraft. In addition, Japanese companies are expected to invest US$ 550 billion in the United States in sectors such as semiconductors, pharmaceuticals and shipbuilding between 2025 and 2028.
European Union	27 July	– Most European Union exports will be subject to a 15% tariff, including automobiles and auto parts. – The European Union will: (i) eliminate tariffs on all United States industrial products and provide preferential access for several agro-industrial and fishery products; (ii) reduce regulatory barriers to United States agricultural products; (iii) import US$ 750 billion in oil, natural gas and other fuels and US$ 40 billion in advanced microprocessors from the United States between 2025 and 2028. – European companies are expected to invest US$ 600 billion in the United States between 2025 and 2028.
Republic of Korea	30 July	– Exports from the Republic of Korea will be subject to a 15% tariff. – United States exports will be exempt from tariffs. – The Republic of Korea will purchase US$ 100 billion of natural gas from the United States. In addition, companies from the Republic of Korea are expected to invest US$ 350 billion in the United States between 2025 and 2028.

[8] On 13 November, the United States announced that it had reached framework trade agreements with Argentina, Ecuador, El Salvador and Guatemala.

Partner	Announcement date	Main provisions
Cambodia	31 July	– Cambodian exports will be subject to a 19% tariff. – Most exports from the United States will be exempt from tariffs.
Malaysia	31 July	– Malaysian exports will be subject to a 19% tariff. – Malaysia will reduce or eliminate tariffs on 98.4% of United States products and lower various non-tariff barriers. – Malaysia will make US$ 150 billion in purchases over five years from United States companies in the aerospace, semiconductor and data centre sectors.
Thailand	31 July	– Exports from Thailand will be subject to a 19% tariff. – Most exports from the United States will be exempt from tariffs.

Source: Economic Commission for Latin America and the Caribbean, on the basis of announcements made by the European Commission, Japan, the United Kingdom and the United States, and press reports.

In sum, the transformation of United States trade policy since early 2025 has been profound, with equally significant global implications. This shift represents a departure from the norms of the multilateral trading system and from nearly all free trade agreements negotiated by the United States since the 1980s. In their place, policy has shifted towards unilateral measures, coupled with bilateral negotiations in which the United States maximizes power asymmetries with its trading partners (Froman, 2025; Greer, 2025). Underlying these changes is a conceptual and narrative shift regarding the role of trade and globalization in the United States economy over the past three decades. While the United States actively promoted free trade in the 1990s and 2000s, the emergence of China as an economic and technological competitor has increasingly subordinated the logic of economic efficiency and cost reduction to a combination of security considerations and technological and industrial development objectives under the "America First" trade policy framework.

The shift in United States trade and industrial policy, along with the retaliatory measures taken by some trading partners, has ushered in a new phase of globalization and economic interdependence, aptly described as "weaponized interdependence" (Farrell and Newman, 2019, 2025). This concept refers to the use of economic instruments to achieve geopolitical objectives through the manipulation of trade, investment and financial flows, and access to technologies.

Given the centrality of the United States in the global economy, the radical shift in its trade and industrial policies is likely to generate a significant realignment of global trade and investment flows, supply chains and the institutional arrangements underpinning economic relations in the coming years. In the near term, prospects for 2026 will depend largely on the measures adopted by the United States and China. Despite the ongoing process of decoupling between the two economies, they remain substantially interdependent, which creates a continuing risk of "mutually assured disruption" (*The Economist*, 2025). In this context, the recent announcement of a one-year extension of the "tariff truce" between the two countries should reduce uncertainty in international markets and improve the outlook for global trade in 2026.

E. Regional trade expands amid global turbulence

1. Overview

In the first half of 2025, year-on-year growth in the value of the region's total trade in goods and services was 4% for exports and 7% for imports (see table I.4). The growth of trade in services outpaced that of trade in goods, for both exports and imports. Modern services exports grew rapidly (13%), as did travel (18%), on the import side. Among goods, manufacturing and agricultural product exports grew by 6%, while mining and oil shipments fell by 8%.

Table I.4
Latin America and the Caribbean: year-on-year variation in value of goods and services trade, by major sector, first half of 2022–first half of 2025[a]
(Percentages)

		January–June 2022	January–June 2023	January–June 2024	January–June 2025
Exports	**Goods and services**	**24**	**1**	**5**	**4**
	Goods	**22**	**-1**	**4**	**4**
	Agricultural products	28	-4	10	6
	Mining and oil	17	-5	15	-8
	Manufactures	22	1	-1	6
	Services	**46**	**19**	**11**	**7**
	Transport	35	10	9	0
	Travel	116	30	12	6
	Modern services	17	13	9	13
Imports	**Goods and services**	**33**	**-3**	**1**	**7**
	Goods	**31**	**-5**	**1**	**6**
	Capital goods	19	6	4	9
	Intermediate inputs	25	-5	1	6
	Consumer goods	28	1	7	9
	Fuel	85	-19	-13	3
	Services	**43**	**7**	**3**	**8**
	Transport	54	-13	-5	8
	Travel	156	41	9	18
	Modern services	19	10	7	5

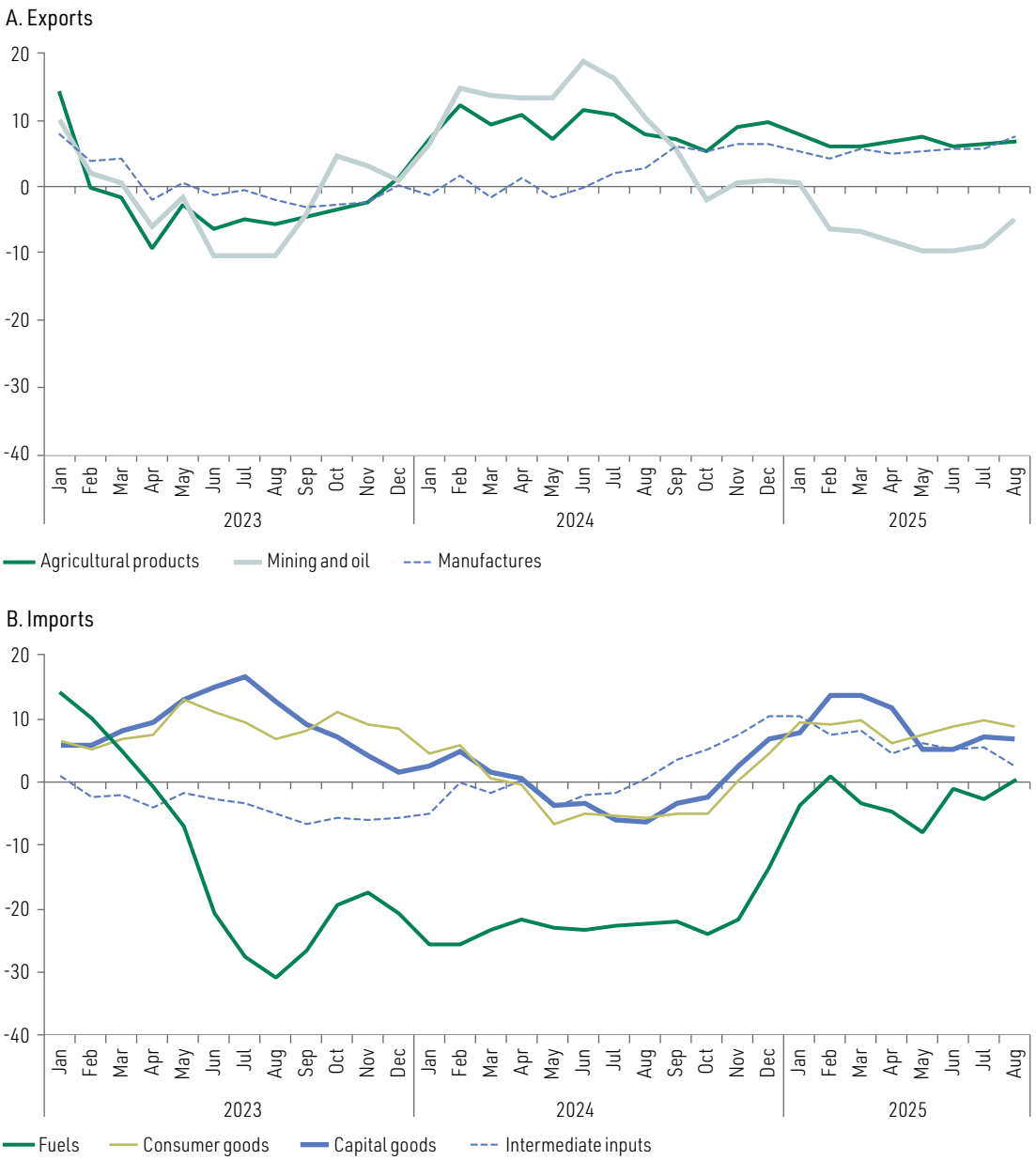
Source: Economic Commission for Latin America and the Caribbean, on the basis of official data from central banks, customs services and national statistical offices from the region.

[a] The figures for goods trade include the 33 countries of the region, while those for services exclude Barbados, the Bolivarian Republic of Venezuela and Cuba, for which no information is available. With regard to the remaining 30 countries, for the first quarter of 2025, complete information was available for all except Haiti, while for the second quarter of 2025, it was available for 20 countries (Antigua and Barbuda, Argentina, Brazil, Chile, Colombia, Costa Rica, Dominica, Ecuador, Grenada, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, the Plurinational State of Bolivia, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, and Suriname).

An analysis of trade flows in the first eight months of 2025 shows a sharp decline in exports from the mining and oil sector, which was hit by the drop in prices of oil and other hydrocarbons. However, growth in exports of agricultural products and manufactures remained at around 6% (see figure I.18A). Growth in imports of consumer and capital goods outpaced the average for all imports (see figure I.18B). Goods imports rebounded significantly in some countries where growth had been subdued in 2024, especially Argentina.

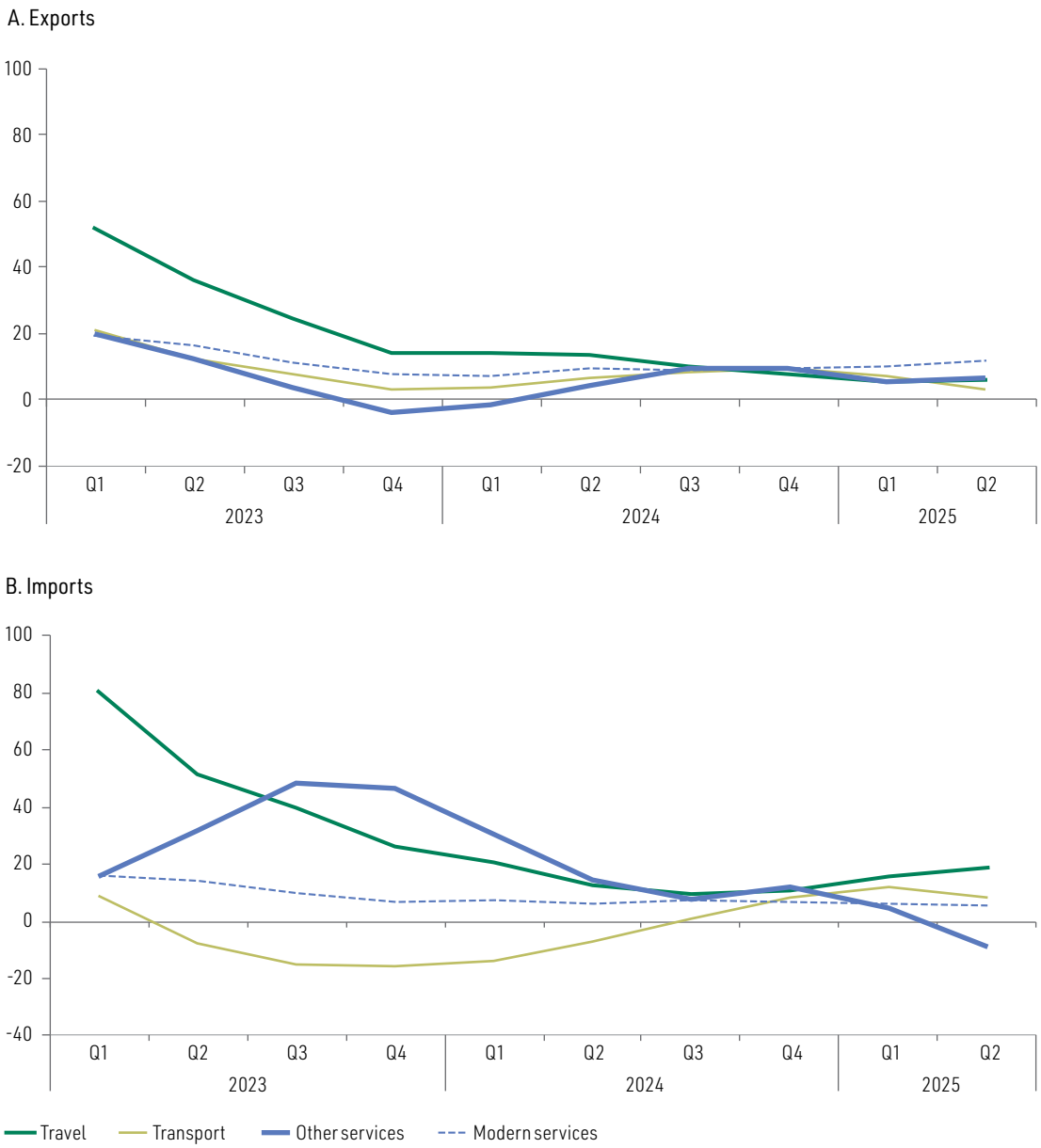
The monthly change in services trade points to a normalization of the trend, with rates converging towards the record high levels seen before the pandemic. This was especially the case for travel, amid a gradual recovery of international tourism. On average, growth remained above 5% in all categories of services except transport, with the strongest performance seen in exports of modern services, primarily business, telecommunications, financial and insurance services (see figure I.19).

Figure I.18
Latin America and the Caribbean: year-on-year variation in the value of goods trade, by major sector, January 2023–August 2025
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of official data from central banks, customs services and national statistical offices from the region.

Figure I.19
Latin America and the Caribbean: year-on-year variation in the value of services trade, by major sector, first quarter of 2023–second quarter of 2025
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of official data from central banks, customs services and national statistical offices from the region.

2. Developments and outlook for foreign trade prices in the region

On average, the prices of the region's main commodity exports rose slightly between January and August 2025, by 1.7%, contrasting with the drop of 2.1% over the same period in 2024 (see table I.5). The largest increase was in the minerals and metals group (8.4%), with double-digit growth in the prices of gold, silver and tin. Demand for minerals and metals has been driven by higher defence

spending in Europe (*Warsaw Business Journal*, 2025), and —in the case of gold and silver— by financial and geopolitical factors. In October 2025, gold rose to an all-time high of over US$ 4,000 per ounce. This appears to reflect, among other things, fears of a declining dollar; in other words, the possibility of depreciation amid persistent fiscal deficits and inflationary risks in the United States.

Table I.5
Latin America and the Caribbean: share of total goods exports and year-on-year variation in the price indices of key export commodities, 2024, January–August 2024 and 2025, and projected variation in 2025
(Percentages)

	Share of total goods exports (2024)	Year-on-year variation		Projected variation for 2025[a]
		January–August 2024	January–August 2025	
All commodities	**38.1**	**-2.1**	**1.7**	**0.2**
Energy	**10.8**	**0.1**	**-10.0**	**-11.2**
Oil	8.1	3.8	-13.5	-14.8
Petroleum products	1.8	-5.0	-8.4	-8.7
Natural gas	0.4	-14.6	63.5	55.8
Coal	0.5	-28.8	-17.5	-19.1
Minerals and metals	**12.0**	**4.6**	**8.4**	**7.7**
Copper	5.3	4.5	4.0	7.2
Gold	2.5	14.0	38.6	21.4
Iron	2.2	-0.7	-17.0	-5.2
Aluminium	0.2	1.1	9.0	5.1
Silver	0.3	7.9	33.4	13.4
Nickel	0.0	-27.7	-11.0	-25.1
Tin	0.0	11.3	10.0	14.7
Lithium carbonate	0.4	-71.6	-10.0	-55.9
Other minerals and metals	1.0	-0.3	4.6	3.2
Agricultural commodities	**15.3**	**-9.5**	**4.8**	**2.5**
Soybean oil	1.8	-14.5	12.7	11.0
Bananas	0.6	-13.8	-26.5	-19.6
Beef	2.4	18.7	17.7	14.1
Soybeans	3.4	-21.8	-18.4	-17.1
Coffee	1.5	28.0	51.1	36.8
Sugar	1.5	-7.9	-12.6	-14.3
Fishmeal	0.1	-3.3	-5.8	-2.2
Maize	1.0	-30.2	7.0	3.0
Shrimp and other crustaceans	0.8	-19.1	0.1	0.1
Rice	0.1	19.2	1.7	0.4

Source: Economic Commission for Latin America and the Caribbean, on the basis of information from the World Bank, Bloomberg, The Economist Intelligence Unit, the Buenos Aires Grain Exchange, the Chilean Copper Commission and the Agrarian Research and Policy Office.

[a] Projections prepared by ECLAC on the basis of prices over the January–August period, daily prices for the month of September, futures prices for the fourth quarter of the year for various exchange-traded products (e.g. soybeans, maize, wheat, copper and oil), and recorded and expected supply and demand conditions for the selected products.

On average, agricultural product prices increased by 4.8% year-on-year between January and August 2025. However, there were double-digit decreases in banana, soybean and sugar prices. Looming tariff hikes in the United States triggered a glut in the banana market, stemming mainly from Ecuador and Colombia, which increased their export volumes by 9% and 39%, respectively.

Meanwhile, falling soybean prices reflected an oversupply attributable to higher yields and greater crop acreage in Argentina and Brazil (United States Department of Agriculture, 2025). Sugar prices were pushed down by overstocking in several markets and by bearish futures markets (Trading Economics, 2025). Other products with subdued or stalled price growth included maize, fishmeal, shrimp and other crustaceans, and rice.

Soybean oil, beef and coffee were among the agricultural products whose prices rose between January and August 2025, with double-digit increases across the board. Coffee prices have climbed to record highs since 2024, driven by scarcity owing to prolonged droughts in Viet Nam and heavy rains in Brazil (United States Department of Agriculture, 2025). By August 2025, coffee prices had risen by more than 50% year-on-year. Higher beef prices, meanwhile, were driven largely by increased demand in China. Soybean oil prices were buoyed by the strategic decision to increase biofuel blending in the United States (Food and Agriculture Organization of the United Nations [FAO], 2025).

On average, energy prices recorded a year-on-year decline of 10% in the first eight months of 2025. This is explained partly by flagging global oil demand in 2025 compared with the pre-pandemic period, especially in ground transportation (International Energy Agency, 2025). Meanwhile, energy sector supply has also expanded owing to higher production in Argentina, Brazil, Canada, Guyana and the United States (Organization of the Petroleum Exporting Countries, 2025). Oil exports from Guyana continue to grow rapidly as new oilfields are discovered and come onstream. Natural gas is the only energy product for which prices rose between January and August 2025, on the back of higher demand in the United States and dwindling inventories, which have now fallen to a five-year low (Acosta, 2025).

In September and October, the steep slide in the prices of some commodities —such as energy— continued, with oil below US$ 60 per barrel, and a meagre rise in agricultural commodity futures prices (Agrarian Research and Policy Office, 2025; Buenos Aires Grain Exchange, 2025). Against this backdrop, the region's commodity price index is projected to edge up by 0.2% for the full year, with a sharp drop (11%) in the energy index, growth of 2.5% in agricultural products and a 7.7% expansion in minerals and metals.

Prices for the region's primary commodity imports, especially agricultural and petroleum products, trended downward between January and August 2025 (see table I.6). Overall, a drop of 9.1% is projected for this group. Another category for which an average price drop is projected is heavy manufacturing (1.8%), with the largest declines expected for iron and steel, chemicals, and machinery and electronic equipment. Within that category, however, higher prices are forecast for vehicles and vehicle parts and components, rubber and plastics, and metals and metal products. Pharmaceutical product prices are also projected to rise. On average, prices fell by 2.3% in the first eight months of the year for the products analysed. A similar drop of 2.6% is projected for the full year.

Table I.6
Latin America and the Caribbean: share of total goods imports and year-on-year variation in the price indices of major commodity imports, 2024, January–August 2024 and 2025, and projected variation in 2025
(Percentages)

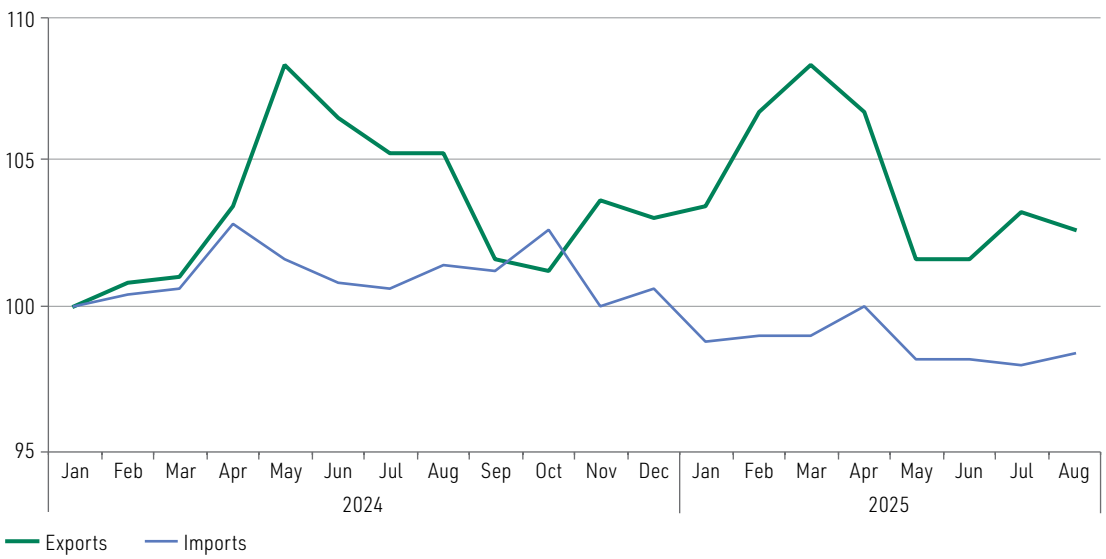
	Share of total goods imports (2024)	Year-on-year variation		Projected variation for 2025[a]
		January–August 2024	January–August 2025	
All selected commodities	**77.5**	**-1.7**	**-2.3**	**-2.6**
Basic intermediate inputs	**15.8**	**0.8**	**-8.1**	**-9.1**
Agricultural commodities	4.3	14.6	-11.3	-13.9
Petroleum products	10.0	-5.3	-8.4	-8.7
Minerals	1.5	1.4	3.5	2.4

	Share of total goods imports (2024)	Year-on-year variation		Projected variation for 2025[a]
		January–August 2024	January–August 2025	
Light manufacturing	**14.2**	**-3.5**	**2.3**	**1.7**
Food, beverages and tobacco	5.4	-9.8	2.4	0.8
Textiles, apparel and footwear	4.1	0.8	0.6	1.0
Wood, pulp and paper	1.8	1.8	6.3	5.9
Pharmaceuticals	2.9	-1.1	2.0	1.9
Heavy manufacturing	**47.5**	**-2.0**	**-1.8**	**-1.8**
Chemicals	9.0	0.3	-9.3	-8.3
Rubber and plastics	6.2	9.3	1.1	3.3
Iron and steel	4.5	1.3	-17.0	-9.5
Metals and metal products	3.4	5.9	9.3	9.7
Machinery and electronic equipment	14.7	-13.8	-1.0	-5.1
Vehicles	6.7	2.1	7.1	7.4
Vehicle parts and components	3.0	3.5	2.3	2.1

Source: Economic Commission for Latin America and the Caribbean, on the basis of information from the World Bank, the Federal Reserve Bank of St. Louis and the Ministry of Development, Industry, Trade and Services of Brazil.

Until August 2025, the price index for the region's main commodity exports remained above early 2024 levels, unlike that of its main commodity imports (see figure I.20). This was mainly to the benefit of the economies of Central America and the Caribbean, and determined a positive shock for the region's terms of trade (see section I.E.5).

Figure I.20
Latin America and the Caribbean: foreign trade price indices, January 2024–August 2025
(January 2024=100)



Source: Economic Commission for Latin America and the Caribbean, on the basis of information from the World Bank, the Federal Reserve Bank of St. Louis and the Ministry of Development, Industry, Trade and Services of Brazil.

3. Trade performance by country

In the first half of 2025, the value of regional goods exports rose by 4% compared with the same period in 2024. The largest increases occurred in Central America (14%) and the Andean Community (11%) (see table I.7). Central America benefited from higher prices for several export commodities, such as gold, silver, coffee, beef and pineapple. Among manufacturing products, there was remarkable year-on-year growth in medical equipment exports from Costa Rica (33%) and automotive wiring harnesses from Honduras and Nicaragua (Central Bank of Honduras, 2025; Central Bank of Nicaragua, 2025). Apparel exports from El Salvador and Guatemala, meanwhile, grew by more than 8% in value terms. Surging exports for Panama (48%) reflected mainly an exceptional administrative measure, through which the government authorized the export of the copper concentrate accumulated following the Cobre Panamá mine closure in 2023 (Ministry of Economic Affairs and Finance, 2025).

Table I.7
Latin America and the Caribbean (33 countries): year-on-year variation in the value of goods exports and imports, first half of 2024 and of 2025
(Percentages)

	Exports		Imports	
	January–June 2024	January–June 2025	January–June 2024	January–June 2025
Latin America and the Caribbean	**3**	**4**	**1**	**6**
South America	**6**	**-1**	**-32**	**7**
Southern Common Market (MERCOSUR)	**5**	**-3**	**-1**	**9**
Argentina	14	3	-25	33
Brazil	1	-1	4	8
Paraguay	1	-7	11	8
Uruguay	6	9	-5	4
Venezuela (Bolivarian Republic of)	140	-30	42	-10
Andean Community (CAN)	**4**	**11**	**-4**	**10**
Bolivia (Plurinational State of)	-21	-5	-21	-5
Colombia	-2	1	-4	10
Ecuador	12	11	-6	11
Peru	9	20	2	13
Pacific Alliance	**2**	**4**	**1**	**4**
Chile	1	7	-5	10
Mexico	2	4	2	2
Central America	**-5**	**14**	**3**	**7**
Costa Rica	7	13	6	5
El Salvador	-7	7	0	11
Guatemala	-1	10	6	6
Honduras	-8	29	1	4
Nicaragua	-2	13	8	7
Panama (domestic exports)	-74	48	-6	10
Panama (including the Colón Free Zone)	-9	5	0	8
The Caribbean	**23**	**6**	**-3**	**1**
Cuba	-23	-10	2	-11
Dominican Republic	3	19	-4	2

	Exports		Imports	
	January–June 2024	January–June 2025	January–June 2024	January–June 2025
Caribbean Community (CARICOM)	**35**	**6**	**-1**	**3**
Bahamas (The)	-15	16	-10	9
Barbados	-28	6	6	-12
Belize	-10	8	6	-9
Guyana	79	9	13	11
Haiti	7	0	-21	-14
Jamaica	17	6	-14	1
Suriname	39	-4	-21	-3
Trinidad and Tobago	-6	4	19	0
Organisation of Eastern Caribbean States (OECS)	**29**	**-5**	**3**	**-2**
Antigua and Barbuda	76	16	1	10
Dominica	47	0	-14	6
Grenada	-13	-29	-6	-31
Saint Kitts and Nevis	-6	169	-6	25
Saint Lucia	18	-32	8	-10
Saint Vincent and the Grenadines	91	-43	24	3

Source: Economic Commission for Latin America and the Caribbean, on the basis of official data from central banks, customs services and national statistical offices from the region.

Export momentum in Peru (20%), Ecuador (11%) and Chile (7%) outpaced the regional average. In all three countries, growth was led by minerals (copper ore, gold and silver) and agricultural and farming products (Central Bank of Ecuador, 2025; Ministry of Foreign Trade and Tourism, 2025; Undersecretariat for International Economic Relations, 2025).

Only the Bolivarian Republic of Venezuela, Brazil, Cuba, Grenada, Paraguay, the Plurinational State of Bolivia, Saint Lucia, Saint Vincent and the Grenadines, and Suriname reported declines in exports in the first half of 2025. Although the sharpest drops were recorded by Saint Vincent and the Grenadines (43%), Saint Lucia (32%) and the Bolivarian Republic of Venezuela (30%), the decrease for Brazil had the biggest impact on the region's export growth owing to the relative weight of that country's exports. The 1% drop in Brazilian shipments was reflected in a similar dip in South American exports.

The value of regional goods imports, meanwhile, rose by 6% year-on-year in the first half of 2025. Import growth was bolstered by more favourable economic expectations following the postponement until August of most tariff hikes by the United States and by cheaper imports resulting from the appreciation of several of the region's currencies (mainly the Brazilian real, the Peruvian sol and the Chilean, Colombian, and Mexican pesos) (International Monetary Fund [IMF], 2025b). In this context, few countries in the region recorded import declines in the first half of the year; the most striking cases were Grenada (31%), Haiti (14%), Barbados (12%), Cuba (11%), Saint Lucia (10%) and the Bolivarian Republic of Venezuela (10%).

In the first half of 2025, growth in the value of regional trade in services outpaced that reported for trade in goods: 7% for exports and 8% for imports (see table I.8). All economies except El Salvador and Nicaragua recorded increases in exports. In Central American and Caribbean economies, mainly Belize, the Dominican Republic, Guyana and Suriname, financial services outperformed the other modern services. Overall, tourism services were less buoyant than in 2024, with declines in tourist arrivals from the United States.

Table I.8
Latin America and the Caribbean: year-on-year variation in the value of services exports and imports, first half of 2024 and of 2025[a]
(Percentages)

	Exports		Imports	
	January–June 2024	January–June 2025	January–June 2024	January–June 2025
Latin America and the Caribbean	**11**	**7**	**3**	**8**
South America	**8**	**7**	**6**	**10**
Southern Common Market (MERCOSUR)	**6**	**5**	**8**	**12**
Argentina	-1	10	-11	50
Brazil	10	2	15	4
Paraguay	6	14	-4	15
Uruguay	-1	11	-5	0
Venezuela (Bolivarian Republic of)	...	...	...	...
Andean Community (CAN)	**13**	**8**	**4**	**7**
Bolivia (Plurinational State of)	13	8	-11	12
Colombia	14	10	7	9
Ecuador	-10	3	-3	3
Peru	26	7	6	7
Pacific Alliance	**14**	**12**	**-4**	**4**
Chile	11	16	-5	7
Mexico	14	12	-8	1
Central American Common Market	**10**	**5**	**11**	**12**
Costa Rica	14	8	19	13
El Salvador	39	-1	13	31
Guatemala	9	5	14	9
Honduras	-3	5	4	11
Nicaragua[a]	-4	-5	15	12
Panama	4	9	2	10
The Caribbean	**14**	**3**	**15**	**0**
Cuba	...	...	...	...
Dominican Republic	18	1	6	3
Caribbean Community (CARICOM)	**11**	**4**	**19**	**-1**
Bahamas (The)[a]	19	1	19	0
Barbados			...	...
Belize	12	1	32	-7
Guyana[a]	38	7	43	-7
Haiti	...	...	...	...
Jamaica	2	2	3	3
Suriname	18	4	53	-2
Trinidad and Tobago[a]	20	9	6	15
Organisation of Eastern Caribbean States (OECS)	**5**	**5**	**5**	**4**
Antigua and Barbuda	5	2	6	2
Dominica	10	2	4	1
Grenada	3	1	5	5
Saint Kitts and Nevis	1	3	3	1
Saint Lucia	5	7	8	8
Saint Vincent and the Grenadines	2	1	4	1

Source: Economic Commission for Latin America and the Caribbean, on the basis of official data from central banks, customs services and national statistical offices from the region.
[a] Includes services trade flow estimates for the second quarter of 2025.

4. Trade performance by main trading partners

Among the region's main trading partners, the United States and the European Union accounted for the strongest growth in its exports in the first half of 2025, with year-on-year increases of 5% (see table I.9). The rise in exports to the United States, especially during the first quarter of the year, is explained largely by advance purchases by companies in that country in response to the announced tariff increases. Shipments to China, however, fell by 3%, and those to other Asian economies by 1%. This performance is attributable primarily to a steep drop in the prices of several of the main commodities exported to Asia, such as soybeans, iron ore and oil.

Table I.9
Latin America and the Caribbean: year-on-year variation in the value of goods exports and imports, by trading partner, first half of the years 2023, 2024 and 2025
(Percentages)

	Exports			Imports		
	January–June 2023	January–June 2024	January–June 2025	January–June 2023	January–June 2024	January–June 2025
World	**-1**	**4**	**4**	**-5**	**1**	**6**
United States	5	5	5	-6	-3	1
European Union	2	2	5	9	0	-1
Asia	**-3**	**4**	**-2**	**-7**	**7**	**15**
China	3	4	-3	-10	9	13
Other Asian countries	-11	6	-1	-2	2	18
Latin America and the Caribbean	**0**	**-4**	**1**	**-1**	**-5**	**1**

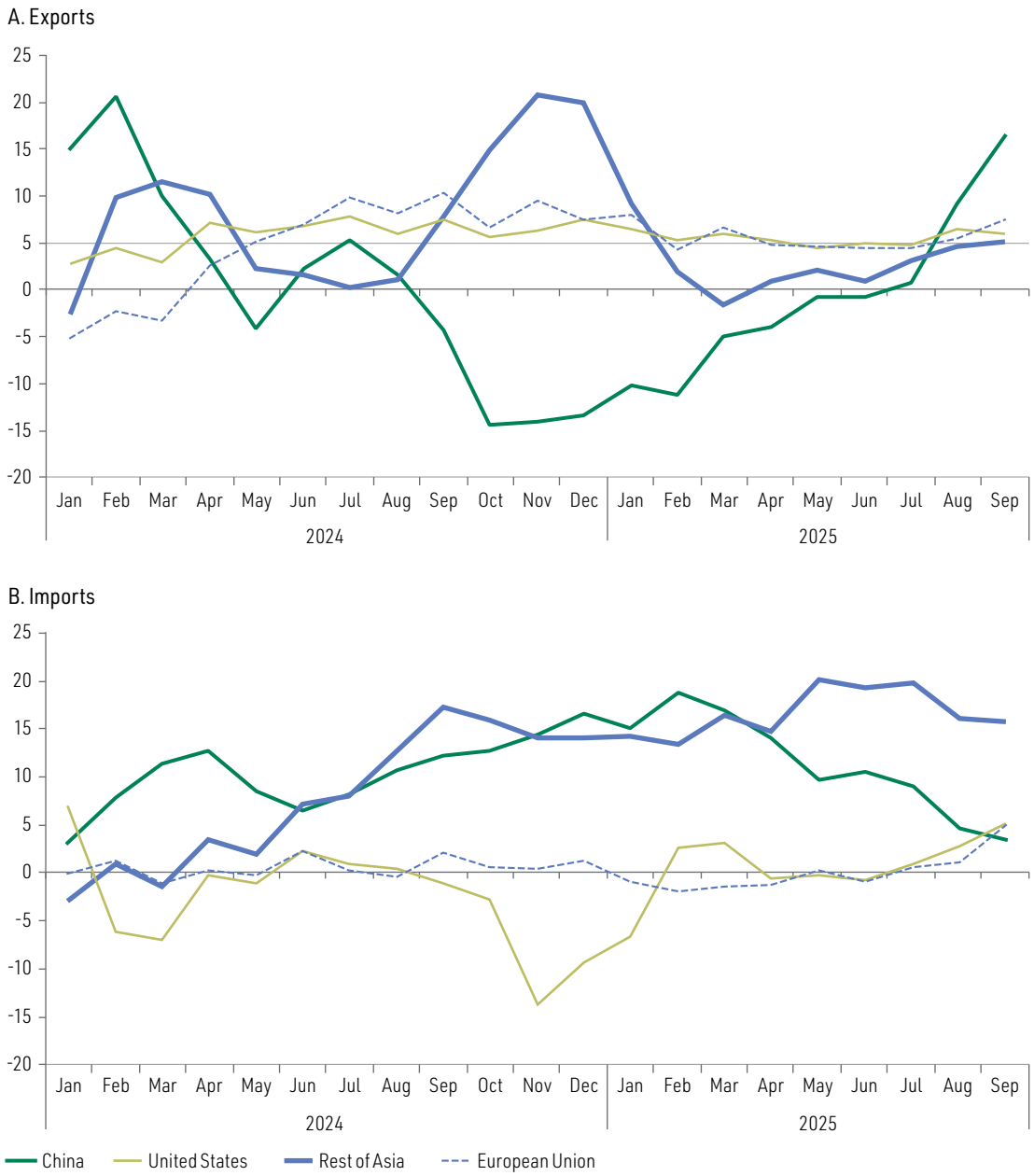
Source: Economic Commission for Latin America and the Caribbean, on the basis of official data from central banks, customs services and national statistical offices from the region.

Although regional exports to China declined in the first half of 2025, that changed from the third quarter onward, owing mainly to an increase in shipments of minerals and metals, soybeans and meat. In addition to reflecting seasonal factors, this rise is the result of trade diversion in the Chinese market, as United States agricultural exporters are subject to higher tariffs than their competitors from the region (see chapter II). In the third quarter, the region's exports to China thus outpaced those destined for the United States, the European Union and the rest of Asia (see figure I.21A). On the import side, purchases from China (13%) and the rest of Asia (18%) reflected the strongest first-quarter growth. The main products imported from Asia include machinery and electronics, optical devices, vehicles, apparel and footwear. Since early 2024, imports from the rest of Asia have been far stronger than those originating in the United States and the European Union (see figure I.21B).

Intraregional trade, which declined sharply from mid-2023 until the third quarter of 2024, has been bucking that trend since December 2024. While a 3% contraction was recorded in the first half of 2024, there was a 1% rise in the first half of 2025. The recovery at the aggregate level is also evident in the trade among all major subregional blocs (see figure I.22). Among the factors that explain this growth are the rally in Argentina following the contraction in output in 2024 and the reorientation of some exports from the United States towards the regional market owing to higher tariffs in that country. This is mainly the case for Brazil, whose exports to the United States are subject to an effective average tariff of 33% (see chapter II). In the first half of 2025, Central America remained the subregional grouping with the largest share of total intragroup exports (29%), followed by the Southern Common Market (MERCOSUR) (11%), the Andean Community (9%) and the Pacific Alliance (3%).[9]

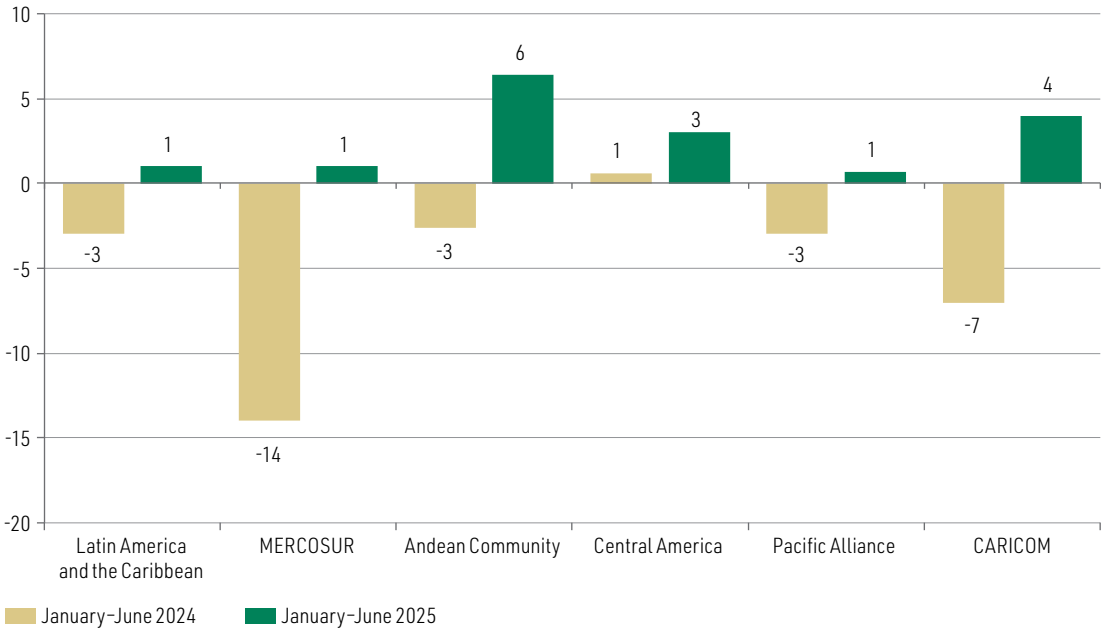
[9] No data are available to calculate the Caribbean Community (CARICOM) intragroup trade ratio.

Figure I.21
Latin America and the Caribbean: year-on-year variation in the value of goods trade with the United States, the European Union, China and the rest of Asia, January 2024–September 2025
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of official data from central banks, customs services and national statistical offices from the region.

Figure I.22
Latin America and the Caribbean and selected groupings: year-on-year variation in intraregional and intragroup goods exports, January–June 2024 and 2025
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of official data from central banks, customs services and national statistical offices from the region.

5. Projections for 2025

The region's goods exports are projected to climb by 5% in value in 2025, similar to the 2024 level of 4.5%, with the expected growth stemming from increases of 4% and 1% in export volume and prices, respectively. Meanwhile, imports are forecast to rise by 6%, the result of a 7% jump in volume and a 1% decrease in prices (see figure I.23). The projected increase in regional export volume is mainly the result of a higher volume of shipments from MERCOSUR countries and Mexico (6% and 4%, respectively). In the case of MERCOSUR, there was robust growth in agricultural and agro-industrial exports from Argentina and Brazil. Meanwhile, regional export prices are expected to edge up by 1%, driven by higher prices for some metals (primarily gold, silver and copper) and agricultural products (coffee, cocoa, beef, fishmeal and fishery products).

For Mexico, the region's main exporter, shipments are projected to increase by 5% (4% in volume and 1% in price) (see table I.10). Leading this expansion are manufacturing exports to its main trading partner, the United States. Although vehicle and oil exports recorded year-on-year declines of 4% and 25%, respectively, between January and August 2025, exports of other manufactured goods rose sharply, by more than 12%, on average. By the end of August, total goods exports had grown by 4.7% year-on-year (National Institute of Statistics and Geography, 2025).

Figure I.23
Latin America and the Caribbean: annual variation in goods trade, by price, volume and value, 2015–2024 and projection for 2025
(Percentages)

Source: Economic Commission for Latin America and the Caribbean, on the basis of official data from central banks, customs services and national statistical offices from the region.

Table I.10
Latin America and the Caribbean (groupings and countries): projected variation in goods trade, by price, volume and value, 2025
(Percentages)

Country or grouping	Exports			Imports		
	Price	Volume	Value	Price	Volume	Value
Latin America and the Caribbean	**1**	**4**	**5**	**-1**	**7**	**6**
Latin America	**1**	**4**	**4**	**-1**	**7**	**6**
South America	**0**	**3**	**3**	**-2**	**13**	**11**
Southern Common Market (MERCOSUR)	**-2**	**5**	**2**	**-2**	**15**	**12**
Argentina	-2	10	7	-4	31	26
Brazil	-3	4	3	-1	13	11
Paraguay	-1	2	1	1	6	7
Uruguay	7	6	14	-1	-1	-1
Venezuela (Bolivarian Republic of)	-11	2	-9	-14	2	-12
Andean Community (CAN)	**5**	**2**	**7**	**-3**	**8**	**5**
Bolivia (Plurinational State of)	9	-6	3	-13	12	-2
Colombia	2	-1	1	1	4	6
Ecuador	6	-1	5	-7	13	4
Peru	7	6	14	-3	10	7
Pacific Alliance	**2**	**3**	**5**	**1**	**2**	**3**
Chile	3	-1	2	-3	13	9
Mexico	1	4	5	1	2	3
Central America	**1**	**13**	**14**	**-2**	**9**	**7**
Costa Rica	1	15	16	-1	8	7
El Salvador	0	10	10	-1	15	14
Guatemala	2	12	15	-2	5	3
Honduras	1	24	25	-2	7	5
Nicaragua	3	18	21	-2	8	6
Panama (excluding the Colón Free Zone)	-1	33	36	-1	-1	-2
Panama (including the Colón Free Zone)	-1	2	1	-2	12	9
The Caribbean	**-6**	**23**	**16**	**-3**	**7**	**4**
Cuba	3	-10	-7	-3	8	5
Dominican Republic	-2	13	11	-2	10	8
Caribbean Community (CARICOM)	**-8**	**29**	**19**	**-3**	**7**	**3**
Bahamas (The)	3	12	15	-2	1	-1
Barbados	-3	7	3	-2	-2	-4
Belize	-9	14	4	-2	1	-1
Guyana	-15	53	38	-1	13	12
Haiti	1	-1	0	-3	6	3
Jamaica	-2	4	2	-5	9	4
Suriname	-10	20	8	-2	15	13
Trinidad and Tobago	-2	9	7	-7	3	-4
Organisation of Eastern Caribbean States (OECS)	**-1**	**6**	**5**	**-2**	**9**	**7**
Antigua and Barbuda	-3	9	6	-4	10	6
Dominica	4	1	4	-3	13	10
Grenada	0	7	7	-1	12	11
Saint Kitts and Nevis	1	12	13	-1	3	2
Saint Lucia	-6	9	2	-3	18	15
Saint Vincent and the Grenadines	0	4	4	-1	5	4

Source: Economic Commission for Latin America and the Caribbean, on the basis of official data from central banks, customs services and national statistical offices from the region.

For Caribbean countries, export value is projected to jump by 16%, driven by a 23% rise in volume and a 6% decline in prices. The sharp increase in Caribbean exports is explained mainly by the projected 53% surge in the volume of shipments from Guyana following the start-up of the One Guyana floating production, storage and offloading facility, which is forecast to raise the country's oil production capacity to over 900,000 barrels per day (Portal Portuario, 2025; Guyana Chronicle, 2025). The steepest export declines are projected for the Bolivarian Republic of Venezuela (9%) and Cuba (7%), owing mainly to slumping prices for both countries' main export products: oil (15%), nickel (25%) and sugar (14%). Moreover, sugar output in Cuba fell to a record low in 2025 (Palop, 2025).

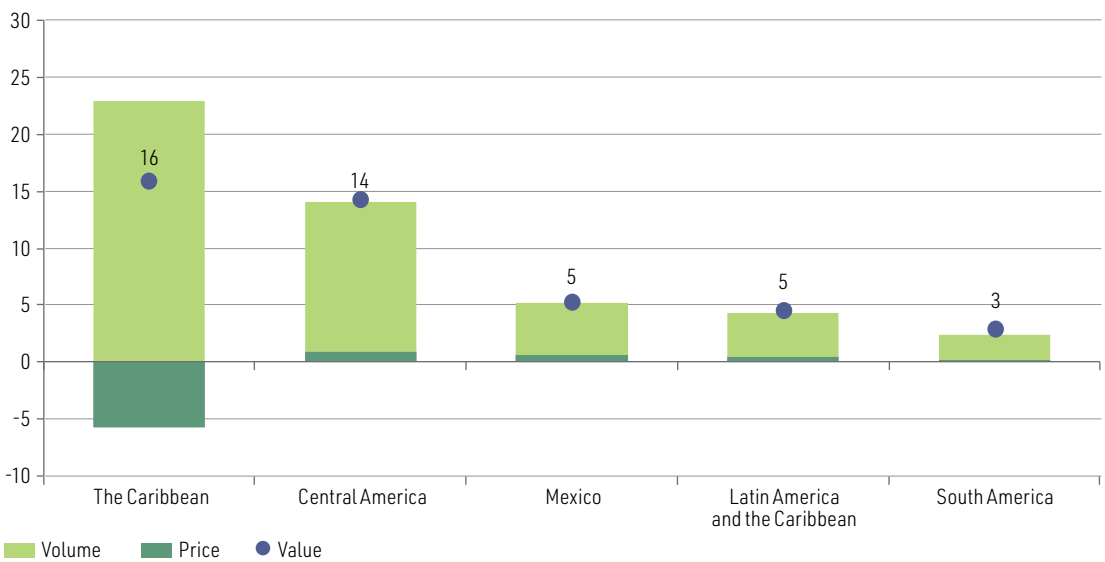
As anticipated in section I.E.3, which includes an analysis of the first half of 2025, the growth of imports has outpaced that of exports, especially in economies experiencing currency appreciation. The largest increases are projected in South America, especially in Argentina, Brazil and Chile.

At the subregional level, the largest increases in exports are expected for the Caribbean and Central America (see figure I.24A). For the Caribbean, the considerable expansion projected in export volume —23%— would more than offset the drop in prices, resulting in a 16% increase. The top contributors to the subregion's rising export volume are The Bahamas, the Dominican Republic, Guyana and Suriname. Central America is also projected to record a significant increase in the volume of its exports, primarily to the United States. Import volume growth, meanwhile, is forecast to outpace price rises across all subregions. The largest expansion of import volume (13%) is expected in South America, while 2% growth is projected for Mexico (see figure I.24B).

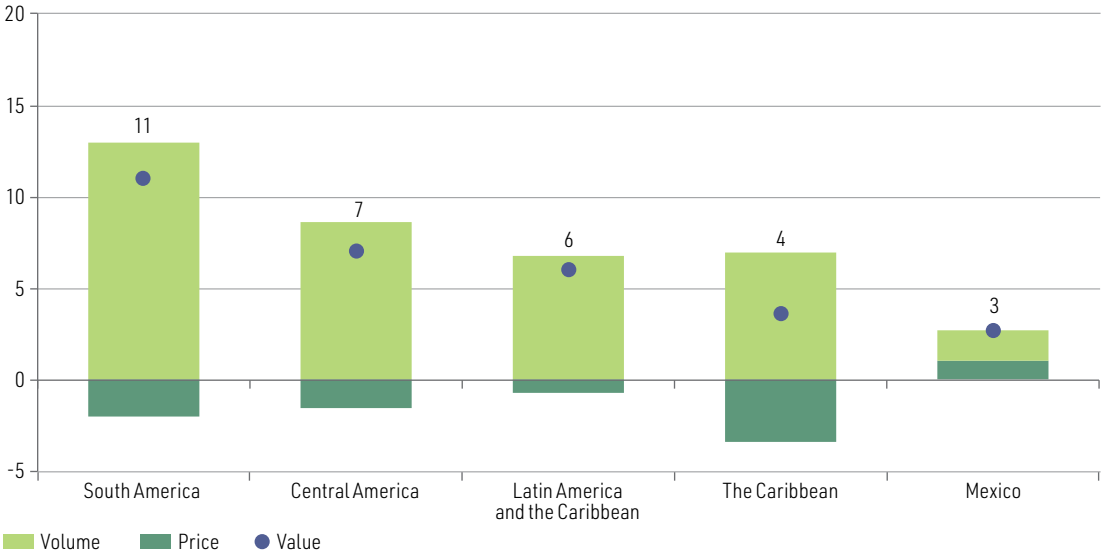
Regarding exports to the region's main trading partners, the largest increase in 2025 is expected in shipments to China (7%), mainly on the back of stronger meat and soybean sales and higher prices for minerals such as copper. Shipments to the European Union are set to grow by 6% and those to the United States by 5%. Meanwhile, strong growth is expected in imports from China (13%) and the rest of Asia (18%). Intraregional trade is expected to reflect subdued growth of around 1%, in both exports and imports (see table I.11).

Figure I.24
Latin America and the Caribbean, subregions and Mexico: projected variation in goods trade, by price, volume and value, 2025
(Percentages)

A. Exports



B. Imports



Source: Economic Commission for Latin America and the Caribbean, on the basis of official data from central banks, customs services and national statistical offices from the region.

Table I.11
Latin America and the Caribbean: annual variation in the value of goods trade, by main trading partner, 2024 and projection for 2025
(Percentages)

	Exports		Imports	
	2024	2025	2024	2025
World	**5**	**5**	**-1**	**6**
United States	6	5	-5	2
European Union	5	6	1	2
Asia	2	3	11	15
China	-3	7	11	13
Other Asian countries	10	-1	9	18
Latin America and the Caribbean	1	1	0	1

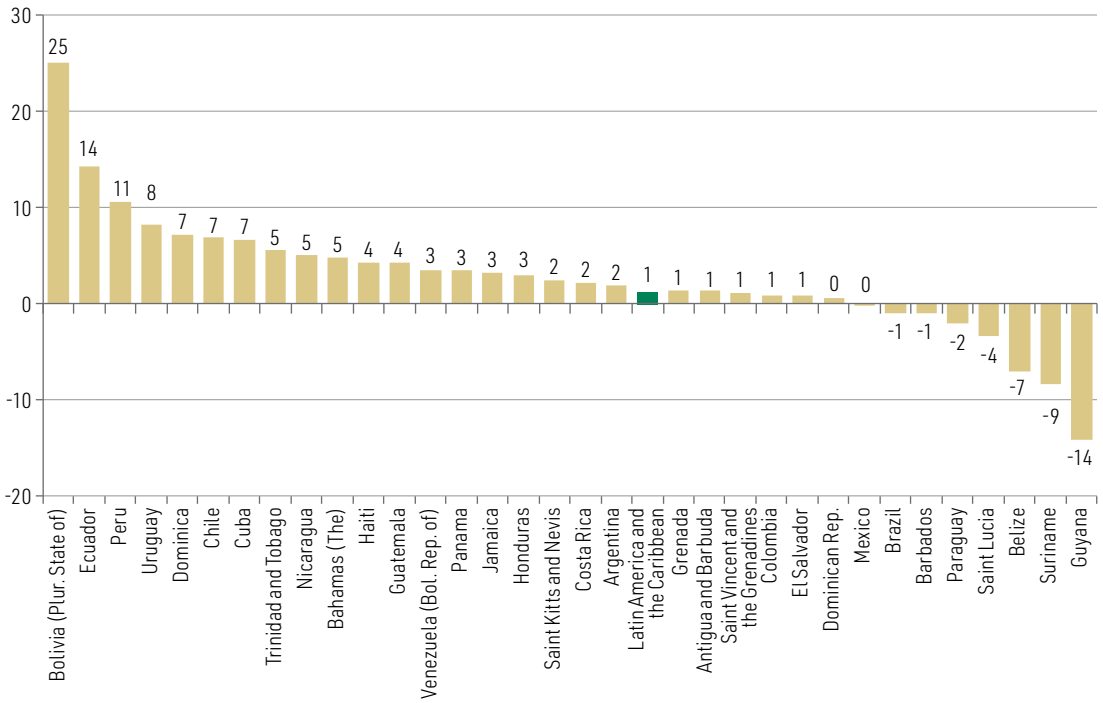
Source: Economic Commission for Latin America and the Caribbean, on the basis of official data from central banks, customs services and national statistical offices from the region.

As faster growth is forecast for extraregional shipments than for those to the region itself, a slight dip is expected in the intraregional trade ratio, from 14% to 13%. The share of trade in total exports within the various groupings is expected to hold at levels similar to those recorded in 2024: 2% in the Pacific Alliance, 5% in the Andean Community, 11% in MERCOSUR and 29% in Central America.

The region's terms of trade are projected to edge up by 1% in 2025 (see figure I.25), reflecting the sharper decline expected in the prices of imported goods relative to those of goods exports, especially fuels and food. The countries set to benefit the most are the Plurinational State of Bolivia, Ecuador, Peru, Uruguay and Dominica, which are among the 10 countries expected to experience a positive

terms-of-trade shock of more than 5 percentage points. Only seven countries are forecast to be hit by a negative terms-of-trade shock. Some are exporters of oil —for which prices have fallen— with few alternative exports to offset this decline. The Bolivarian Republic of Venezuela and Ecuador are examples of countries experiencing a positive terms-of-trade shock. Although prices for their oil exports are lower, they are benefiting from higher prices for other exports (such as copper, cocoa, gold and silver) or from lower prices for imported goods, especially food.

Figure I.25
Latin America and the Caribbean: projected variation in terms of trade, 2025
(Percentages)

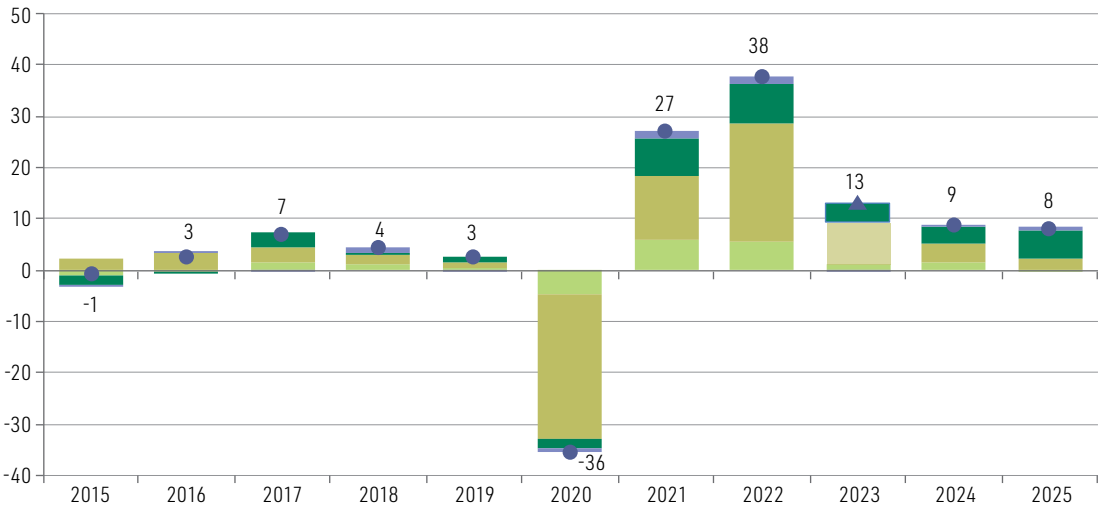


Source: Economic Commission for Latin America and the Caribbean, on the basis of official data from central banks, customs services and national statistical offices from the region.

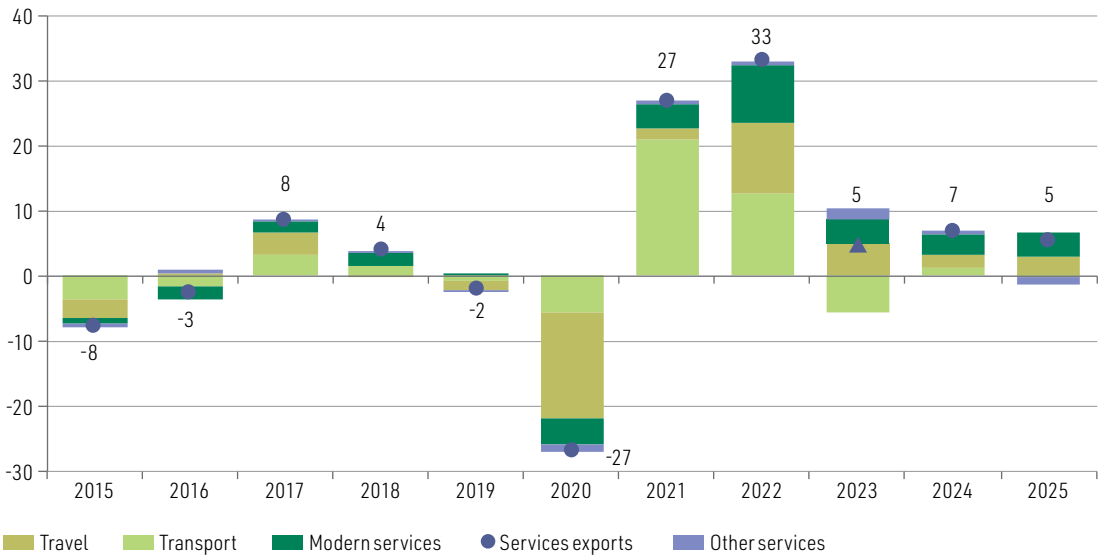
The region's services exports are projected to increase by 8% in 2025, or 1 percentage point less than in 2024. Meanwhile, imports of services are expected to grow by 5% (see figure I.26). These rates are lower than those recorded in the region immediately following the pandemic, owing to the rebound effect of the recovery and the sharp downturn of the travel component, which collapsed trade in 2020. Growth figures, taken from first-half balance-of-payments information, show that growth in the various components of services is beginning to slacken, although it is outpacing trade in goods. Modern services are expected to account for over 60% of the projected growth in the region's services exports in 2025, followed by travel (tourism). In the lead on the import side, meanwhile, is travel. In 2025, as in 2024 and 2023, transport accounted for little of the growth in either goods or services, owing primarily to lower freight transport mobility and lacklustre growth expectations for regional output, which is estimated at 2.4% in 2025 (ECLAC, 2025).

Figure I.26
Latin America and the Caribbean: variation in the value of trade in services and share of its main components, 2015–2024 and projection for 2025
(Percentages)

A. Exports



B. Imports



Source: Economic Commission for Latin America and the Caribbean, on the basis of balance-of-payments data provided by central banks and national statistical offices.
Note: Modern services include insurance and pension flows, financial services, intellectual property, telecommunications and business services. The "other services" category includes asset-related, personal, cultural and recreational, and government services.

At the regional level, the largest percentage increases in services exports in 2025 are projected for Jamaica, Honduras, Uruguay, Chile and Mexico (see table I.12). Travel was the most buoyant category for Jamaica and Honduras, the result of increased hotel capacity and the opening of new air routes. In Uruguay, growth will be led by the modern services category (mainly financial and business services), in which exports expanded by more than 20% in the first half of the year. In Chile and Mexico, financial, telecommunications and business services will reflect the highest growth rates; both countries recorded growth of 15% in the first half of the year.

Table I.12
Latin America and the Caribbean (groupings and countries): annual variation in services trade, 2024 and projection for 2025
(Percentages)

	Exports		Imports	
	2024	2025	2024	2025
Latin America and the Caribbean	**9**	**8**	**6**	**5**
Latin America	**9**	**7**	**5**	**5**
South America	**7**	**6**	**10**	**4**
Southern Common Market (MERCOSUR)	**5**	**5**	**12**	**5**
Argentina	4	7	2	15
Brazil	6	1	16	3
Paraguay	5	11	-3	6
Uruguay	0	17	-3	0
Venezuela (Bolivarian Republic of)	...	...	...	...
Andean Community (CAN)	**11**	**6**	**7**	**4**
Bolivia (Plurinational State of)	3	8	-4	2
Colombia	13	6	9	7
Ecuador	-11	5	1	-3
Peru	22	5	9	5
Pacific Alliance	**13**	**12**	**-1**	**2**
Chile	16	14	1	1
Mexico	12	13	-5	1
Central American Common Market (CACM)	**6**	**6**	**5**	**10**
Costa Rica	9	11	5	11
El Salvador	17	4	5	20
Guatemala	9	2	6	8
Honduras	1	20	2	11
Nicaragua	-17	1	8	4
Panama	2	3	-4	4
The Caribbean	**11**	**5**	**12**	**8**
Cuba		9		0
Dominican Republic	14	0	12	9
Caribbean Community (CARICOM)	**8**	**9**	**11**	**8**
Bahamas (The)	12	6	13	13
Barbados	16	4	19	
Belize	10	...	18	18
Guyana	31	12	23	14
Haiti	1		0	
Jamaica	0	25	0	3
Suriname	22	11	46	10
Trinidad and Tobago	8	-8	3	3
Organisation of Eastern Caribbean States (OECS)	**11**	**3**	**3**	**3**
Antigua and Barbuda	13	2	5	1
Dominica	17	2	3	7
Grenada	17	2	3	7
Saint Kitts and Nevis	-15	2	-19	1
Saint Lucia	24	12	5	10
Saint Vincent and the Grenadines	15	1	11	2

Source: Economic Commission for Latin America and the Caribbean, on the basis of balance-of-payments data provided by central banks and national statistical offices.

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Annex I.A1

Table I.A1.1
Latin America and the Caribbean: value of total goods exports and imports, 2023–2025[a]
(Millions of dollars)

Countries, regions or groupings	Exports			Imports		
	2023	2024	2025[a]	2023	2024	2025[a]
Latin America and the Caribbean	**1 416 347**	**1 475 127**	**1 554 973**	**1 383 020**	**1 425 127**	**1 517 448**
Latin America	**1 383 909**	**1 436 839**	**1 508 175**	**1 348 293**	**1 389 008**	**1 480 140**
South America	**703 899**	**730 138**	**761 843**	**588 246**	**597 360**	**657 115**
Southern Common Market (MERCOSUR)	**442 044**	**450 652**	**468 053**	**349 594**	**360 110**	**405 789**
Argentina	67 035	79 760	85 237	69 859	57 356	72 000
Brazil	343 819	339 856	349 396	251 544	274 014	304 050
Paraguay	16 125	14 665	14 774	15 342	15 835	17 001
Uruguay	15 064	16 371	18 645	12 849	12 904	12 739
Venezuela (Bolivarian Republic of)	6 855	9 429	8 553	10 271	9 741	8 572
Andean Community (CAN)	**162 027**	**170 892**	**183 660**	**149 216**	**149 377**	**157 439**
Bolivia (Plurinational State of)	10 793	8 930	9 153	10 532	9 152	8 976
Colombia	52 642	51 091	51 498	59 449	60 246	63 641
Ecuador	31 484	34 699	36 445	29 277	27 887	29 123
Peru	67 108	76 172	86 564	49 958	52 091	55 698
Pacific Alliance	**806 292**	**844 769**	**885 806**	**794 498**	**827 387**	**861 999**
Chile	92 973	99 165	101 577	79 164	78 133	85 315
Mexico	593 570	618 342	646 167	605 927	636 916	657 344
Central America[b]	**72 534**	**73 500**	**83 794**	**120 593**	**120 424**	**128 853**
Costa Rica	18 886	20 656	24 019	22 045	23 166	24 686
El Salvador	5 521	5 586	6 132	14 375	15 095	17 216
Guatemala	13 048	13 329	15 265	27 415	29 132	30 008
Honduras	11 383	11 082	13 893	17 351	17 754	18 677
Nicaragua	6 688	6 837	8 278	9 380	10 131	10 740
Panama (excluding the Colón Free Zone)	3 395	1 023	1 909	14 590	14 321	14 058
Panama (including the Colón Free Zone)	17 009	16 009	16 208	30 028	25 146	27 524
The Caribbean	**46 344**	**53 147**	**63 169**	**68 254**	**70 427**	**74 136**
Cuba	2 066	1 733	1 612	3 358	3 183	3 343
Dominican Republic	12 950	13 872	15 384	28 813	29 808	32 193
Caribbean Community (CARICOM)	**31 328**	**37 542**	**46 173**	**36 083**	**37 436**	**38 600**
Bahamas (The)	862	871	1 002	4 075	4 607	4 559
Barbados	793	790	812	2 017	2 042	1 961
Belize	488	482	502	1 265	1 362	1 348
Guyana	13 130	19 790	27 310	6 620	6 820	7 638
Haiti	956	987	987	4 714	4 500	4 635
Jamaica	2 002	1 868	1 901	6 401	6 067	6 310
Suriname	2 360	2 582	2 789	1 572	1 651	1 865
Trinidad and Tobago	10 378	9 827	10 508	6 616	7 506	7 205

Countries, regions or groupings	Exports			Imports		
	2023	2024	2025[a]	2023	2024	2025[a]
Organisation of Eastern Caribbean States (OECS)	**360**	**345**	**363**	**2 802**	**2 881**	**3 078**
Antigua and Barbuda	86	72	76	743	725	766
Dominica	26	22	23	265	231	253
Grenada	26	22	24	265	231	255
Saint Kitts and Nevis	29	34	38	375	404	412
Saint Lucia	49	59	60	402	444	512
Saint Vincent and the Grenadines	144	137	142	752	847	879

Source: Economic Commission for Latin America and the Caribbean, on the basis of balance-of-payments data provided by central banks and national statistical offices.
[a] Figures for 2025 are ECLAC projections.
[b] Does not include trade flows from the Colón Free Zone.

Table I.A1.2
Latin America and the Caribbean: value of total services exports and imports, 2023–2025[a]
(Millions of dollars)

	Exports			Imports		
	2023	2024	2025[a]	2023	2024	2025[a]
Latin America and the Caribbean	**242 458**	**263 526**	**283 329**	**374 380**	**395 123**	**416 630**
Latin America	**224 440**	**243 975**	**261 991**	**358 075**	**376 889**	**396 865**
South America	**108 355**	**116 407**	**122 913**	**179 983**	**197 353**	**206 175**
Southern Common Market (MERCOSUR)	**70 750**	**74 189**	**77 344**	**119 674**	**134 159**	**140 820**
Argentina	16 532	17 167	18 442	22 572	22 917	26 240
Brazil	45 373	48 056	48 556	88 651	103 037	106 264
Paraguay	1 990	2 098	2 337	2 040	1 985	2 112
Uruguay	6 854	6 869	8 009	6 410	6 219	6 205
Venezuela (Bolivarian Republic of)	0	0	0	...	...	...
Andean Community (CAN)	**27 322**	**30 261**	**31 991**	**39 392**	**42 088**	**43 961**
Bolivia (Plurinational State of)	1 109	1 143	1 229	2 456	2 348	2 394
Colombia	16 014	18 102	19 195	16 972	18 496	19 817
Ecuador	4 337	3 863	4 039	6 144	6 176	6 000
Peru	5 862	7 153	7 528	13 819	15 069	15 749
Pacific Alliance	**88 314**	**100 185**	**111 742**	**127 458**	**126 695**	**129 387**
Chile	10 282	11 957	13 577	20 918	21 106	21 394
Mexico	56 155	62 972	71 442	75 749	72 024	72 427
Central American Common Market (CACM)	**46 951**	**49 765**	**52 806**	**96 122**	**100 591**	**110 772**
Costa Rica	14 797	16 114	17 853	22 045	23 166	25 619
El Salvador	5 109	6 000	6 239	14 375	15 095	18 064
Guatemala	4 294	4 668	4 755	27 415	29 132	31 432
Honduras	1 422	1 437	1 720	17 351	17 754	19 619
Nicaragua	1 559	1 298	1 305	9 380	10 131	10 507
Panama (domestic flows)	19 770	20 249	20 934	5 556	5 313	5 529

	Exports			Imports		
	2023	2024	2025[a]	2023	2024	2025[a]
The Caribbean	**30 997**	**34 382**	**36 169**	**22 526**	**25 155**	**27 257**
Cuba	0	0	0	...	...	...
Dominican Republic	12 840	14 691	14 691	5 637	6 337	6 907
Caribbean Community (CARICOM)	**18 157**	**19 691**	**21 478**	**16 890**	**18 818**	**20 350**
Bahamas (The)	5 148	5 773	6 112	2 198	2 473	2 782
Barbados	1 429	1 664	1 735	511	610	610
Belize	1 048	1 158	1 158	308	362	427
Guyana	237	310	348	4 738	5 824	6 639
Haiti	139	140	140	585	585	585
Jamaica	5 273	5 256	6 570	3 464	3 457	3 561
Suriname	173	211	235	631	921	1 013
Trinidad and Tobago	1 166	1 259	1 155	2 603	2 685	2 769
Organisation of Eastern Caribbean States (OECS)	**3 543**	**3 919**	**4 025**	**1 851**	**1 901**	**1 964**
Antigua and Barbuda	1 099	1 240	1 264	529	556	561
Dominica	163	191	195	152	157	168
Grenada	163	191	195	152	157	168
Saint Kitts and Nevis	550	470	480	294	239	242
Saint Lucia	295	366	409	186	196	217
Saint Vincent and the Grenadines	1 274	1 462	1 483	539	597	607

Source: Economic Commission for Latin America and the Caribbean, on the basis of balance-of-payments data provided by central banks and national statistical offices.
[a] Figures for 2025 are ECLAC projections.

Table I.A1.3
Latin America and the Caribbean: value of the goods and services trade balance, 2023–2025[a]
(Millions of dollars)

	Goods			Services		
	2023	2024	2025[a]	2023	2024	2025[a]
Latin America and the Caribbean	**35 151**	**45 838**	**36 692**	**-131 922**	**-131 597**	**-133 301**
Latin America	**37 440**	**43 669**	**27 202**	**-133 636**	**-132 914**	**-134 874**
South America	**115 654**	**132 778**	**104 728**	**-71 628**	**-80 946**	**-83 262**
Southern Common Market (MERCOSUR)	**92 450**	**90 542**	**62 264**	**-48 924**	**-59 969**	**-63 476**
Argentina	-2 823	22 404	13 237	-6 040	-5 750	-7 797
Brazil	92 275	65 842	45 347	-43 278	-54 981	-57 708
Paraguay	783	-1 170	-2 226	-50	113	226
Uruguay	2 215	3 466	5 907	444	650	1 804
Venezuela (Bolivarian Republic of)	-3 416	-312	-19	...	...	...
Andean Community (CAN)	**12 811**	**21 515**	**26 221**	**-12 069**	**-11 827**	**-11 970**
Bolivia (Plurinational State of)	261	-222	176	-1 347	-1 205	-1 166
Colombia	-6 808	-9 156	-12 144	-959	-394	-622
Ecuador	2 207	6 812	7 322	-1 806	-2 313	-1 961
Peru	17 150	24 081	30 866	-7 957	-7 916	-8 221
Pacific Alliance	**11 794**	**17 383**	**23 807**	**-39 145**	**-26 510**	**-17 645**
Chile	13 809	21 033	16 262	-10 635	-9 149	-7 816
Mexico	-12 357	-18 575	-11 178	-19 594	-9 052	-986

	Goods			Services		
	2023	2024	2025[a]	2023	2024	2025[a]
Central American Common Market (CACM)	**-46 235**	**-51 085**	**-45 892**	**-49 171**	**-50 826**	**-57 966**
Costa Rica	-3 158	-2 510	-668	-7 248	-7 052	-7 766
El Salvador	-8 854	-9 509	-11 085	-9 266	-9 096	-11 825
Guatemala	-14 368	-15 802	-14 743	-23 121	-24 464	-26 678
Honduras	-5 968	-6 672	-4 785	-15 929	-16 317	-17 899
Nicaragua	-2 692	-3 295	-2 462	-7 821	-8 833	-9 202
Panama (domestic flows)	-11 195	-13 298	-12 149	14 214	14 935	15 405
The Caribbean	**-21 910**	**-17 280**	**-10 967**	**8 471**	**9 227**	**8 913**
Cuba	-1 292	-1 450	-1 732	...	...	...
Dominican Republic	-15 863	-15 936	-16 808	7 204	8 355	7 784
Caribbean Community (CARICOM)	**-4 755**	**106**	**7 573**	**1 267**	**872**	**1 128**
Bahamas (The)	-3 213	-3 737	-3 558	2 950	3 300	3 330
Barbados	-1 225	-1 253	-1 149	918	1 054	1 125
Belize	-777	-880	-847	740	796	731
Guyana	6 510	12 970	19 672	-4 501	-5 514	-6 291
Haiti	-3 758	-3 513	-3 648	-446	-445	-445
Jamaica	-4 400	-4 199	-4 409	1 809	1 799	3 009
Suriname	788	931	923	-458	-709	-777
Trinidad and Tobago	3 763	2 322	3 303	-1 437	-1 425	-1 614
Organisation of Eastern Caribbean States (OECS)	**-2 442**	**-2 536**	**-2 715**	**1 692**	**2 018**	**2 061**
Antigua and Barbuda	-657	-653	-690	569	684	702
Dominica	-239	-209	-230	11	34	27
Grenada	-239	-209	-232	11	34	27
Saint Kitts and Nevis	-346	-370	-374	257	232	238
Saint Lucia	-353	-385	-452	109	170	192
Saint Vincent and the Grenadines	-608	-711	-738	735	865	875

Source: Economic Commission for Latin America and the Caribbean, on the basis of balance-of-payments data provided by central banks and national statistical offices.

[a] Figures for 2025 are ECLAC projections.

CHAPTER

II

The outlook for Latin America and the Caribbean in view of the new United States trade policy

Introduction

Throughout the entire post-war period, the United States has been the top trading partner of Latin America and the Caribbean, its main country of origin for foreign direct investment (FDI) and short-term capital inflows, and its primary source of income from remittances. In 1992, recognizing the importance of stable and tariff-free access to the large United States market, Mexico signed the North American Free Trade Agreement (NAFTA) with Canada and the United States, the world's first such North-South agreement (i.e. between developed and developing countries). In the late 1990s, the United States proposed the negotiation of what became known as the Free Trade Area of the Americas (FTAA) to the countries of the region. Despite all the countries agreeing to and actively participating in the negotiations at the time (Salazar-Xirinachs and Robert, 2001; Saborío, 1992), issues with those negotiations themselves and political developments in some countries prevented the agreement from materializing. However, after the negotiations were broken off in 2005, 10 countries of the region went on to sign bilateral or multilateral free trade agreements with the United States.

In the late 1990s, criticism of globalization and free trade began to grow louder in the United States, both among the general public and in the country's two main political parties (Rodrik, 1997; Stiglitz, 2002). These critical voices were amplified by the effects of imports on the industrial fabric and unemployment, perceptions that large multinational corporations —rather than workers— were the main beneficiaries of certain trade rules, and inadequate consideration of environmental impacts. In addition, China's emergence as a major exporting, industrial and technological power was increasingly viewed in the United States as a source not just of economic competition but of geopolitical danger, or at least rivalry. The country's China policy and strategy have evolved accordingly over the course of successive presidential administrations. The initial emphasis on integrating China into the multilateral trading system was gradually displaced by a strategy whose primary objective was to somehow contain its rise as an exporting and technological power.

These were among the factors that led the United States, under the first administration of President Trump, to withdraw from the Trans-Pacific Partnership after years of spearheading negotiations. This period also saw trade barriers between the United States and China begin to be raised higher as economic and technological competition between them grew.

After a pause during the administration of President Biden, United States tariff policy in President Trump's second term has taken a sharp turn towards tariff protectionism. The main difference relative to his first term is the scope of the tariffs, which are now universal and thus have a direct (albeit differentiated) effect on all the countries of the region. Section A of this chapter provides an overview of trade relations between Latin America and the Caribbean and the United States so far this century. Section B offers a preliminary assessment of the possible consequences of recent tariff hikes on the region's trade.[1] Section C presents conclusions, highlighting the importance of Latin American and Caribbean countries diversifying their markets and strengthening their trade and investment ties with a variety of regions and countries around the world. It also underscores the urgent need to deepen regional integration as a means of boosting and diversifying exports and investments, reducing trade risks and mitigating the negative effects of tariffs and any other trade measures that the region's partners might adopt. In light of the new circumstances, it is not only the "what" but also the "where" of exports that matters, and never more so than now.

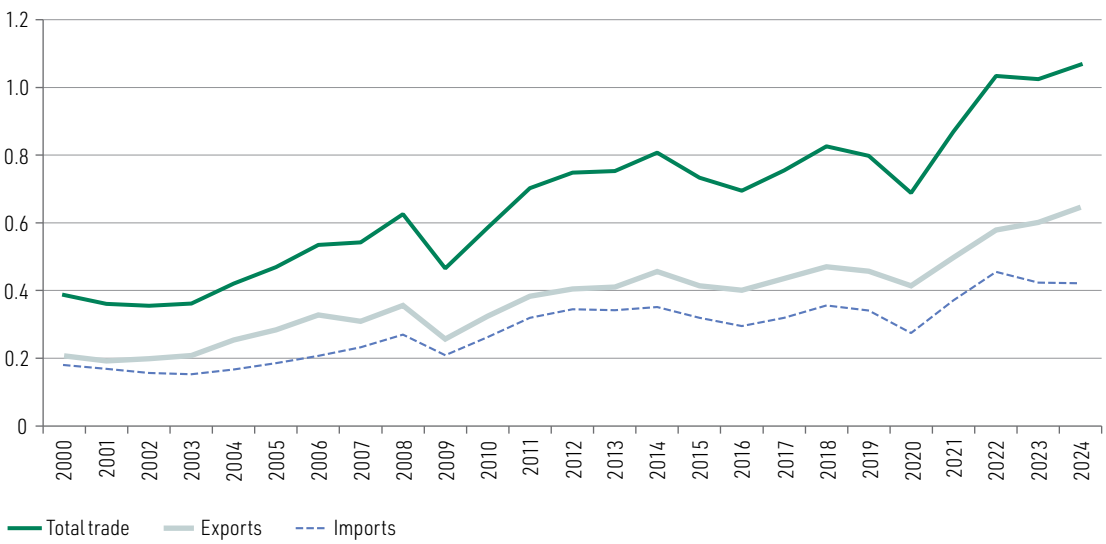
[1] The assessment reflects the tariff situation as of 1 September 2025.

A. Trade relations between Latin America and the Caribbean and the United States in the period 2000–2024

1. Trade in goods

In 2024, the value of trade in goods between Latin America and the Caribbean and the United States totalled US$ 1.07 trillion, nearly triple the 2000 figure in current dollars (see figure II.1). The United States remains the region's largest trading partner, accounting for 44% of its total goods exports and 28% of its imports in 2024. However, its relative weight in the region's trade dropped significantly in the period. The United States share of total exports from Latin America and the Caribbean fell from 56% in 2000 to 44% in 2024, and there was an even greater reduction in its share of total imports, from 46% to 28% (see figure II.2A). The bulk of the decline occurred in the 2000s, reflecting China's emergence as a key export market for the region's commodities and a major supplier of manufactured goods. By contrast, the relative weight of Latin America and the Caribbean in the total goods trade of the United States increased between 2000 and 2024, from 22% to 26% in the case of United States exports and from 17% to 20% in the case of imports (see figure II.2B).

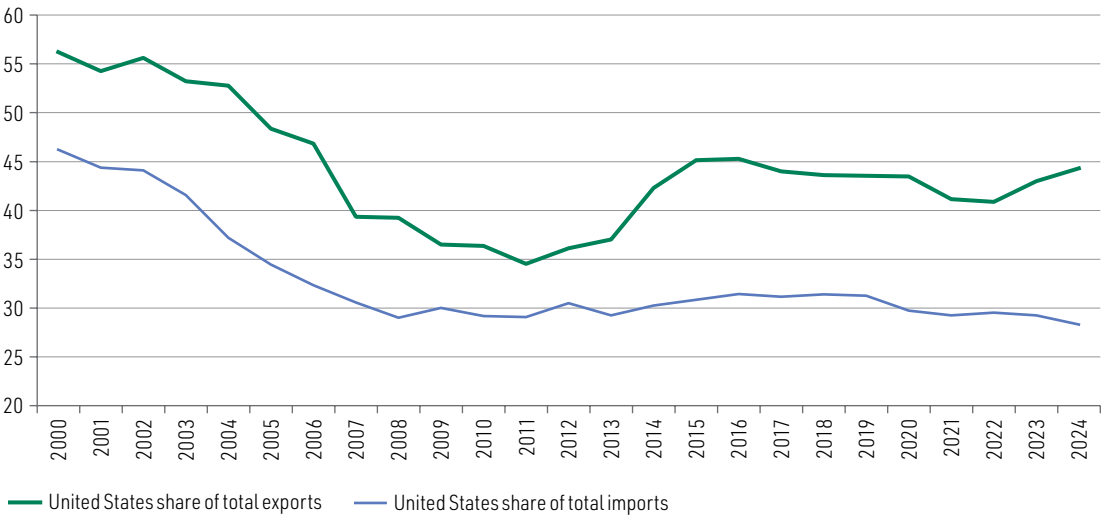
Figure II.1
Latin America and the Caribbean: trade in goods with the United States, 2000–2024
(Trillions of dollars)



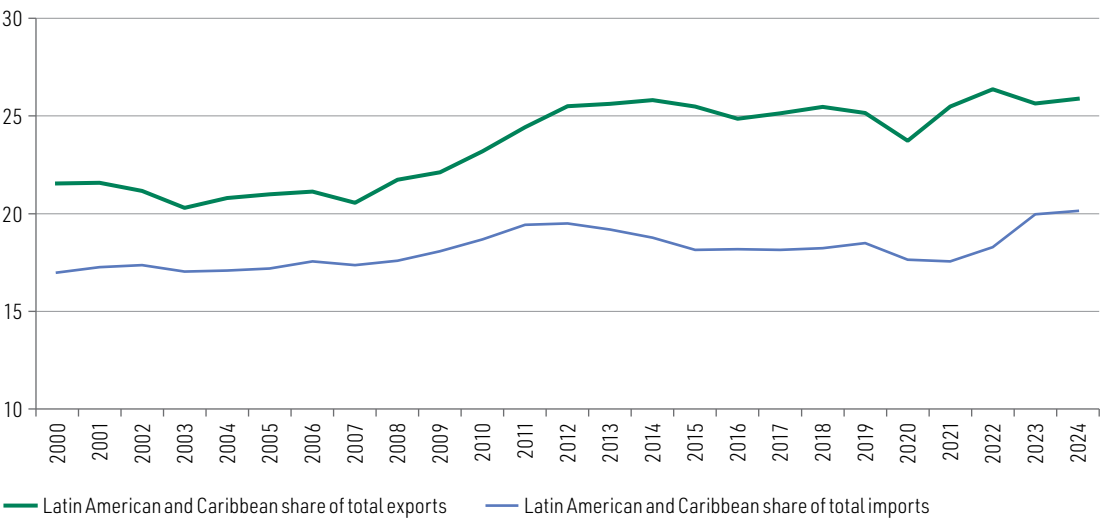
Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtrade.un.org/.

Figure II.2
Latin America and the Caribbean and the United States: reciprocal shares of total trade in goods, 2000–2024
(Percentages)

A. Latin America and the Caribbean



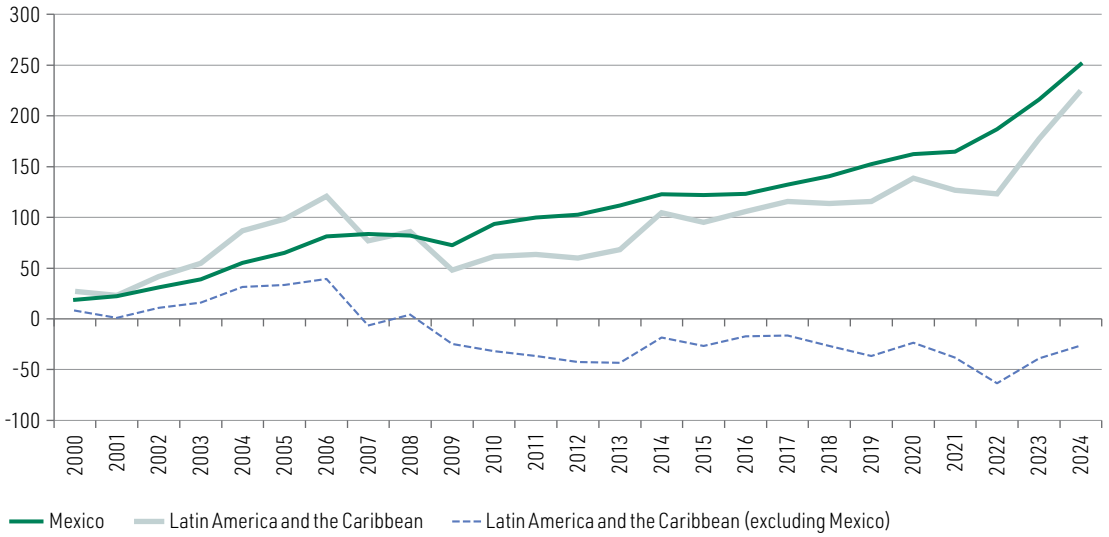
B. United States



Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtrade.un.org/.

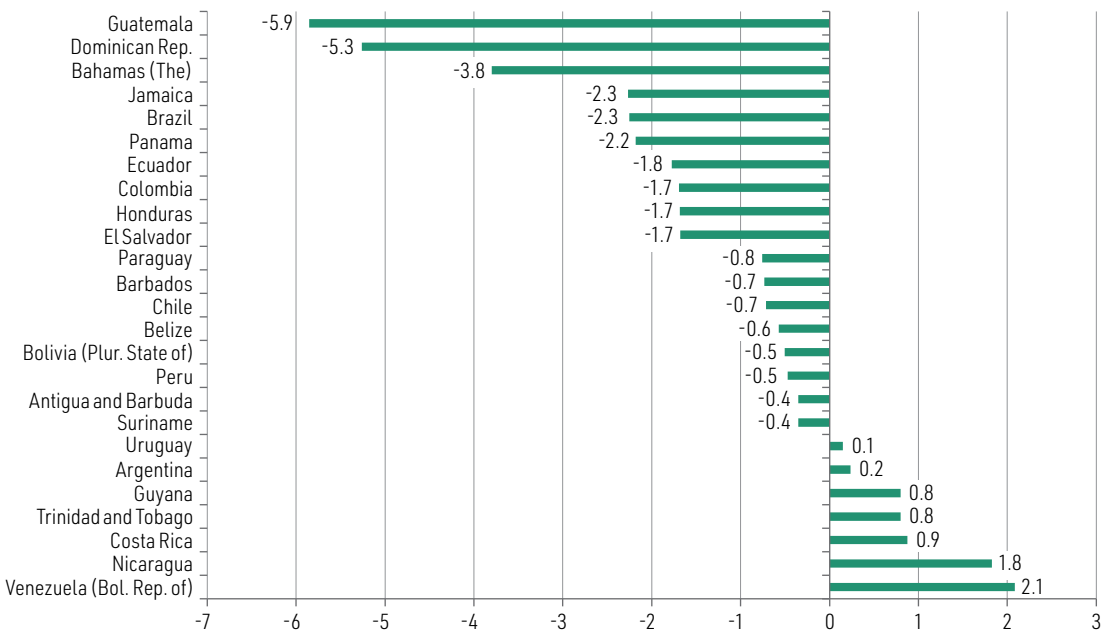
The region maintained a goods trade surplus with the United States throughout the period 2000–2024. Since 2009, however, this has been essentially thanks to Mexico's growing surplus, which reached US$ 251 billion in 2024, 13 times its 2000 value in current dollars (see figure II.3). Indeed, most of the other countries in the region ran trade deficits with the United States (see figure II.4).

Figure II.3
Latin America and the Caribbean and Mexico: balance of trade in goods with the United States, 2000–2024
(Billions of dollars)



Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtrade.un.org/.

Figure II.4
Latin America and the Caribbean (25 countries): balance of trade in goods with the United States, 2024
(Billions of dollars)



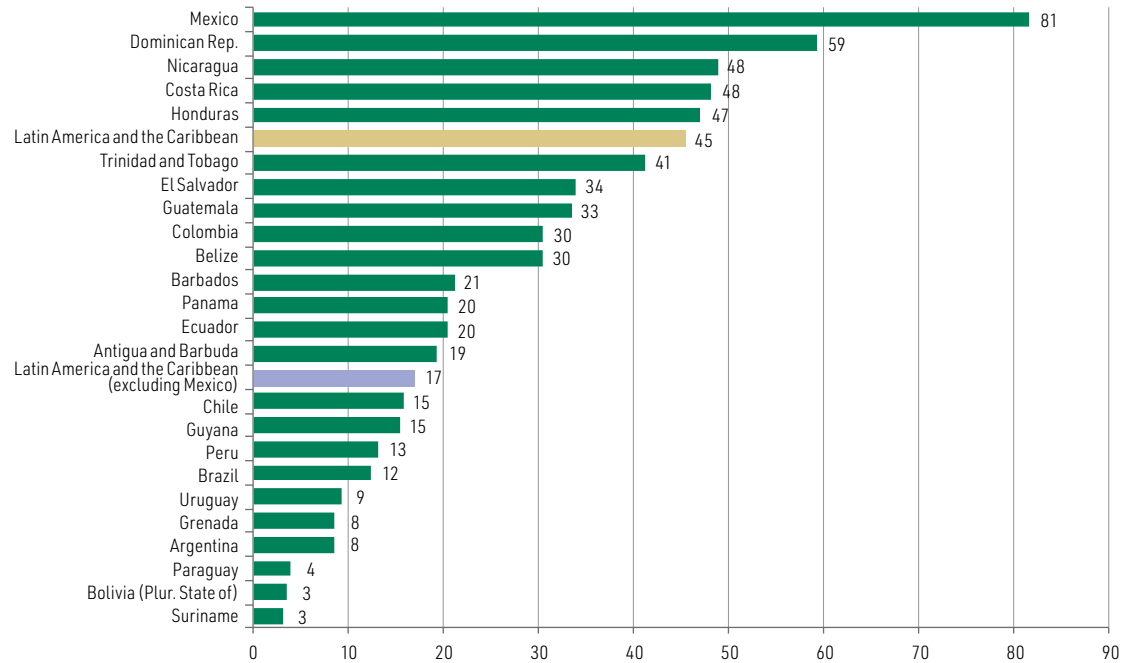
Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtrade.un.org/.

Trade with the United States is much more intensive in Mexico, Central America and the Caribbean than in South America. In 2024, the United States market absorbed more than 80% of total goods exports from Mexico, around 60% from the Dominican Republic, about 50% from Costa Rica, Honduras and Nicaragua, more than 40% from Trinidad and Tobago and more than 30% from El Salvador and

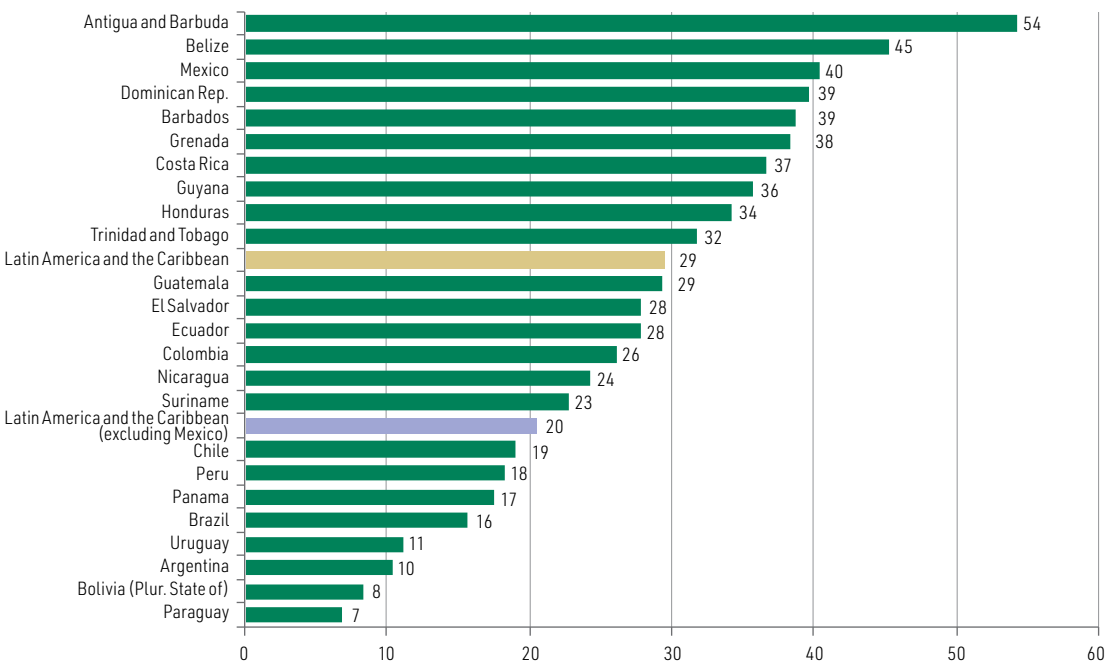
Guatemala. The United States share of total exports from most South American countries, in contrast, did not exceed 15% (see figure II.5A). Similarly, Mexico and the Central American and Caribbean countries purchased the highest shares of their total imports from the United States (see figure II.5B).

Figure II.5
Latin America and the Caribbean (24 countries): United States shares of total goods exports and imports, 2024
(Percentages)

A. Exports



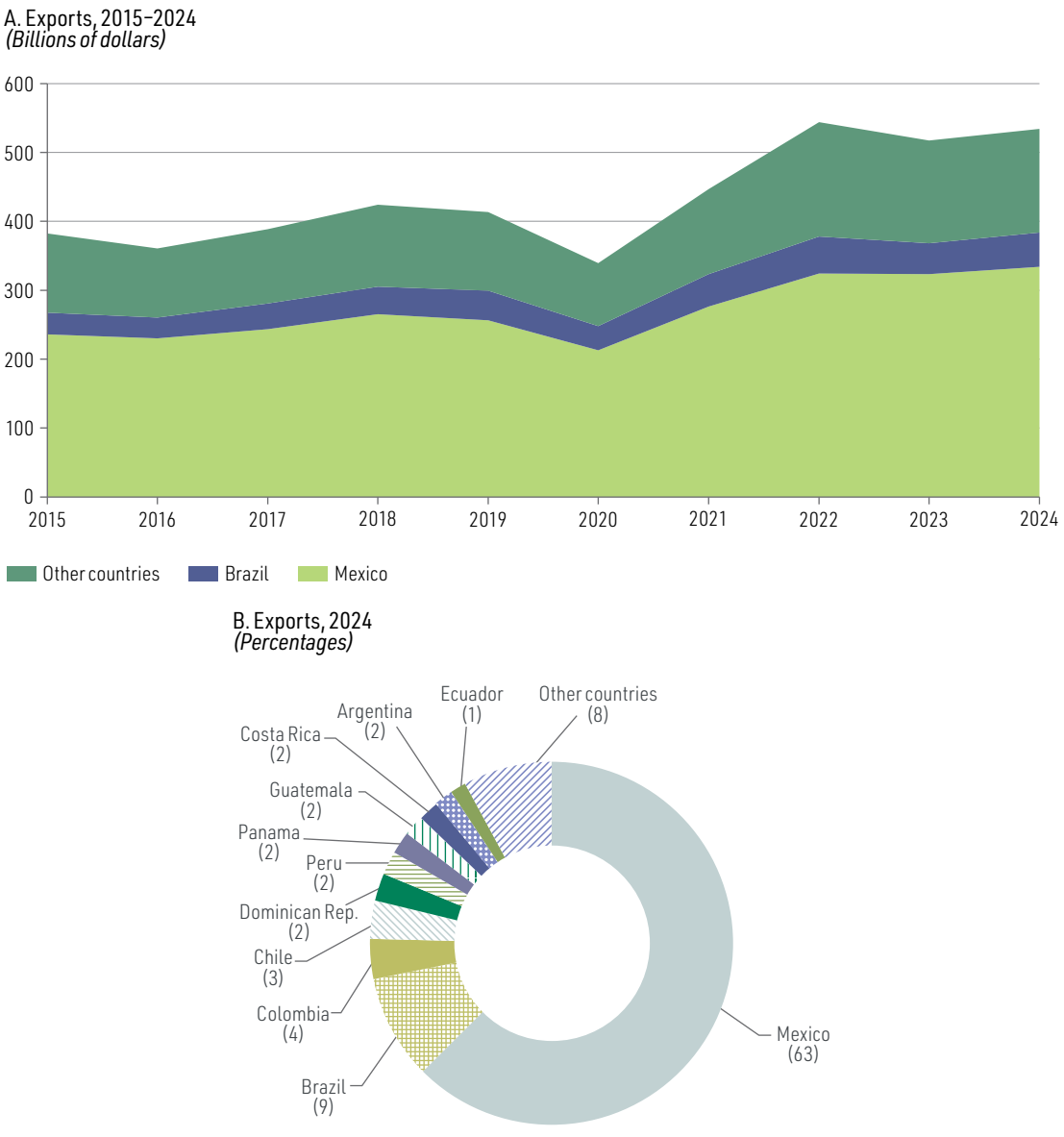
B. Imports



Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtrade.un.org/.

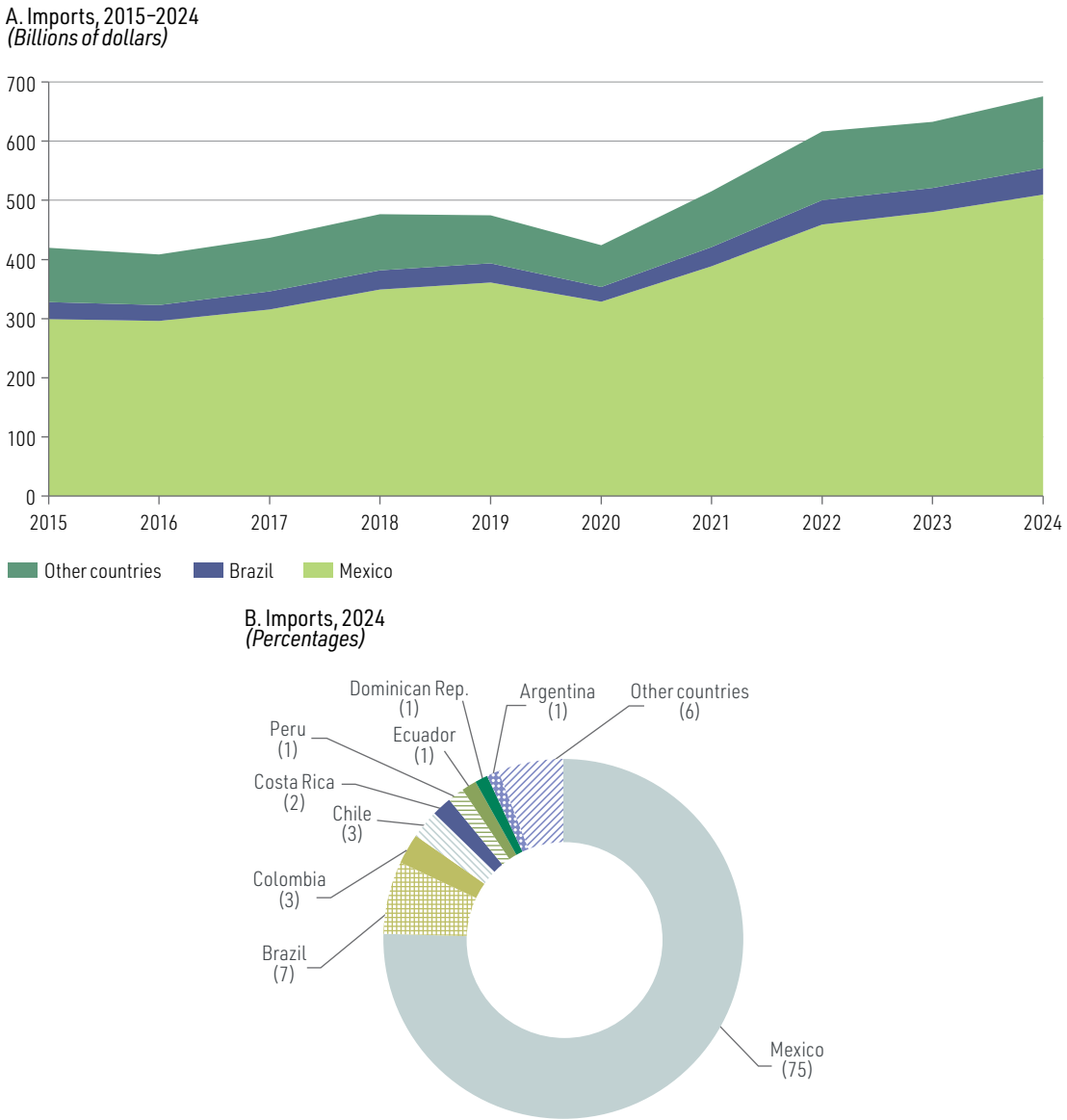
Trade between Latin America and the Caribbean and the United States is highly concentrated in Mexico, reflecting the country's deep integration with "Factory North America" production networks. In 2024, Mexico accounted for 63% of United States exports to the region and 75% of its imports from the region; it was followed at a great distance by Brazil, Chile and Colombia, each accounting for less than 10% of both exports and imports (see figures II.6 and II.7).

Figure II.6
United States: composition of goods exports to Latin America and the Caribbean, by destination country, 2015–2024 and 2024
(Billions of dollars and percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtrade.un.org/.

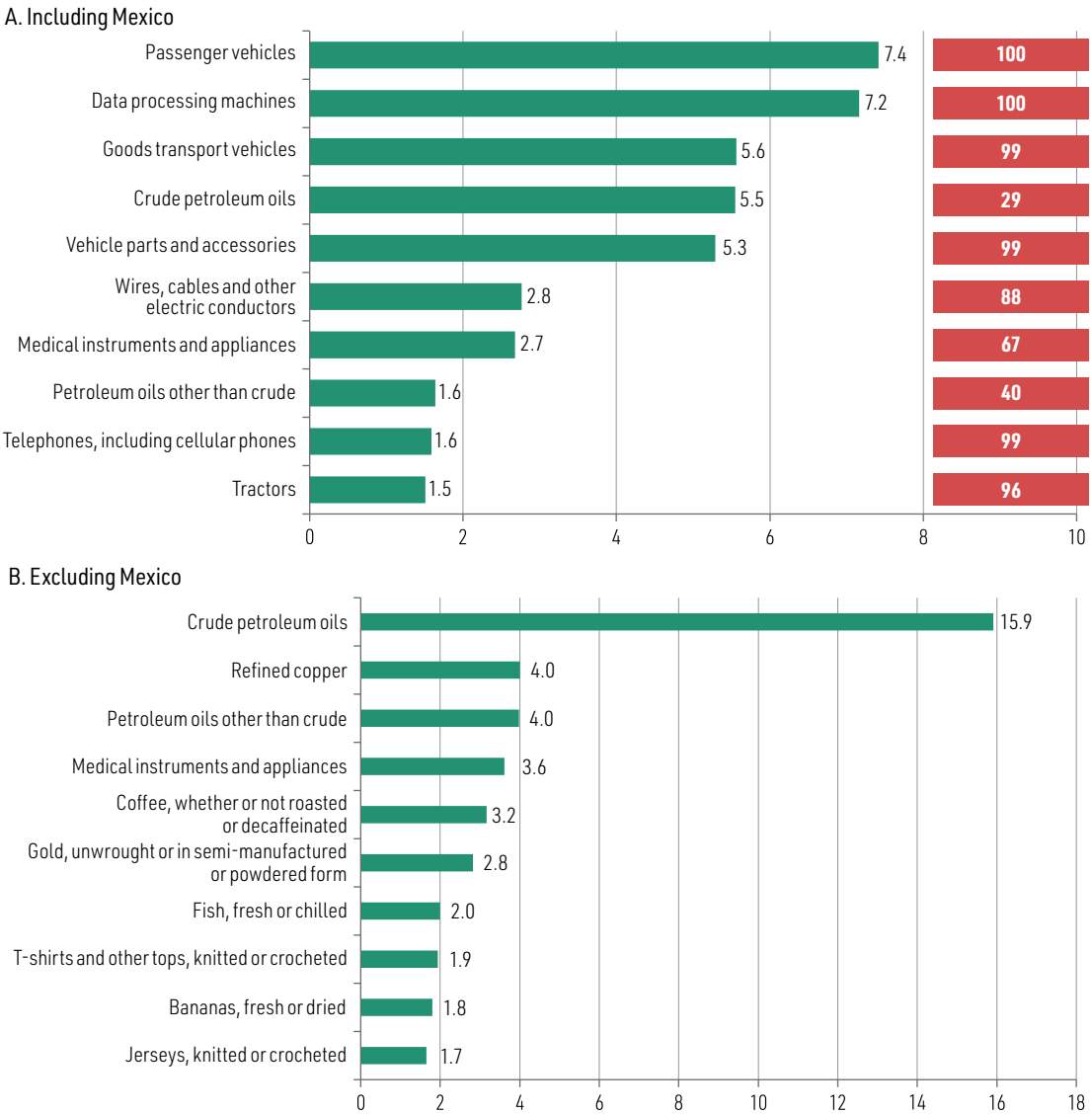
Figure II.7
United States: composition of goods imports from Latin America and the Caribbean, by country of origin, 2015–2024 and 2024
(Billions of dollars and percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtrade.un.org/.

An examination of United States imports from Latin America and the Caribbean by product reaffirms Mexico's predominant position: it was the main supplier of the top 10 United States imports from the region in 2024, with shares ranging from 88% to 100% for 7 of the 10 (see figure II.8A), mainly in the automotive and electronics sectors. When Mexico is excluded from the analysis, the top 10 list changes greatly, shifting from a markedly industrial to a commodities-heavy profile (see figure II.8B).

Figure II.8
United States: shares of top 10 products in total goods imports from Latin America and the Caribbean, 2024
(Percentages)

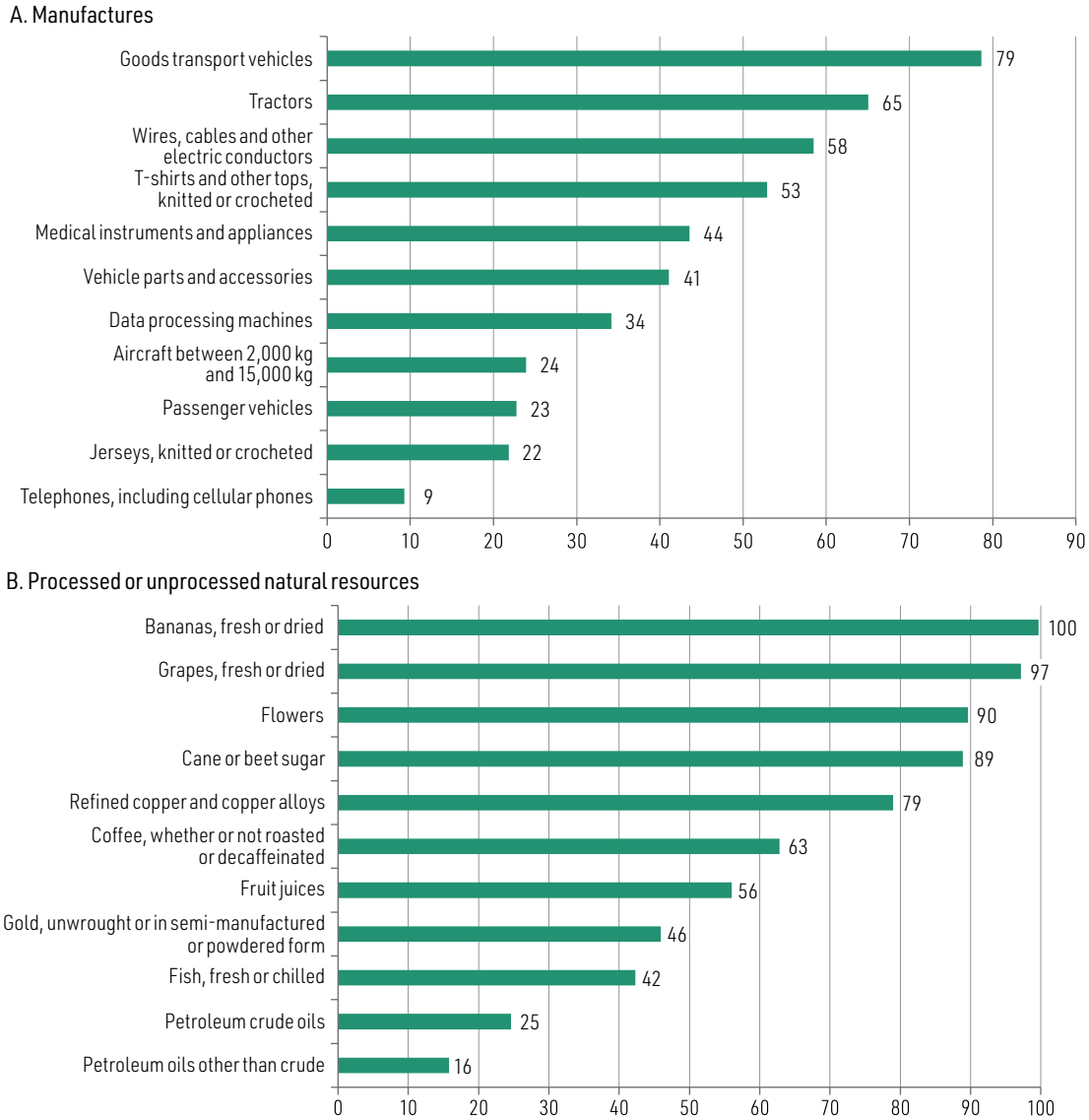


Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtrade.un.org/.
Note: For the purposes of this chart, products are identified at the four-digit heading level of the Harmonized Commodity Description and Coding System. The figures in red rectangles denote Mexico's share of each product imported from the region.

Latin America and the Caribbean as a whole is one of the United States' major suppliers of both manufactures and natural resource-based products. In the manufactures category, the region accounts for an especially large share of vehicles imported by the United States. For example, in 2024, 79% of imported goods transport vehicles came from the region, as did 65% of tractors, 41% of vehicle parts and accessories and 23% of passenger vehicles. The region also accounted for 44% of imports of medical instruments and appliances and 34% of those of data processing machines (in the form of personal computers and accessories) (see figure II.9A). Mexico is the top regional supplier in all these categories, and the exclusive supplier in some. Of the other countries in the region, Brazil is the United States' second-largest supplier of mid-sized aircraft; Costa Rica and the Dominican Republic

are significant suppliers of medical instruments and appliances, deemed strategic by the United States since the coronavirus disease (COVID-19) pandemic; and Guatemala, Honduras and Nicaragua are very large suppliers of apparel.

Figure II.9
United States: Latin American and Caribbean shares of total imports of selected products, 2024
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtrade.un.org/.
Note: For the purpose of this chart, products are identified at the four-digit heading level of the Harmonized Commodity Description and Coding System.

Regarding natural resource-based products, processed or unprocessed, in 2024 the region was the source of almost all United States imports of bananas and grapes, around 90% of sugar and flowers, nearly 80% of refined copper and more than 60% of coffee and 50% of fruit juices (see figure II.9B). Several South American countries are major suppliers of these products: Brazil (coffee, sugar and fruit juices), Chile (refined copper, fish and grapes), Colombia (coffee, flowers and gold), Ecuador (bananas

and flowers) and Peru (grapes and refined copper). The main suppliers outside South America are Guatemala (bananas and coffee), Honduras (coffee) and Mexico (gold).

The United States represents a major export market for the region's manufactures; in 2024, it received more than 80% of total regional exports of electrical machinery and equipment, optical and precision instruments (including medical devices) and furniture; nearly 80% of non-electrical machinery and knitted or crocheted apparel; more than 75% of vehicles and vehicle parts; around 60% of iron and steel manufactures and aircraft and aircraft parts; and more than 50% of plastics (see table II.1).

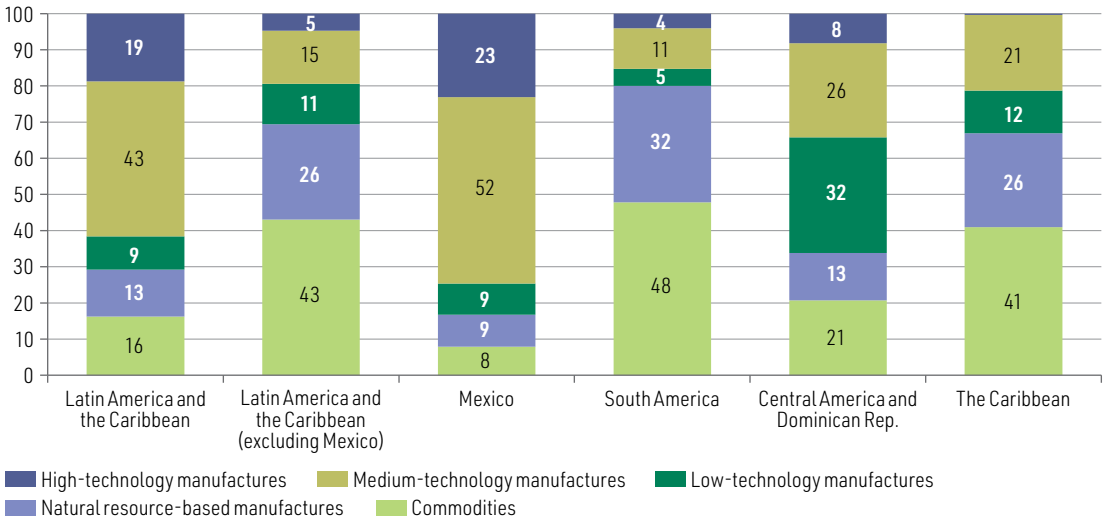
Table II.1
Latin America and the Caribbean: exports to the United States and the world, selected sectors, 2024
(Millions of dollars and percentages)

Chapter of the Harmonized Commodity Description and Coding System	Adapted description	Exports to the United States *(Millions of dollars)*	Exports to the world *(Millions of dollars)*	United States share *(Percentages)*
87	Automotive vehicles, parts and accessories	137 822	182 334	76
85	Electrical machinery and equipment	101 482	121 755	83
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	99 162	125 840	79
90	Optical, photographic, cinematographic and medical or surgical instruments and apparatus	35 582	42 595	84
27	Mineral fuels, mineral oils and products of their distillation	35 335	165 971	21
08	Edible fruit and nuts	17 708	38 120	46
71	Pearls, precious or semi-precious stones and precious metals	12 445	44 502	28
94	Furniture and prefabricated buildings	12 409	14 580	85
22	Beverages, spirits and vinegar	11 979	19 111	63
07	Edible vegetables, roots and tubers, and plants	11 739	14 227	83
39	Plastics and articles thereof	11 723	22 884	51
72	Smelting, iron and steel	9 849	19 473	51
73	Smelted articles, of iron or steel	8 634	14 188	61
61	Articles of apparel and clothing accessories, knitted or crocheted	8 510	10 874	78
74	Copper and articles thereof	8 008	27 941	29
86	Railway or tramway vehicles and materials	6 629	8 817	75
03	Fish, crustaceans and molluscs	6 127	20 929	29
09	Coffee, tea, mate and spices	5 631	21 730	26
88	Aircraft and parts thereof	3 676	63 21	58

Source: Economic Commission for Latin America and the Caribbean, on the basis of International Trade Centre, Trade statistics for international business development (TRADE MAP).

The differences between the pattern of Mexico's exports to the United States and those of the rest of the region, as shown in figure II.8, are also reflected in the distribution of United States imports by category of technological intensity (see figure II.10). In 2024, 75% of the United States' imports from Mexico were medium- and high-technology manufactures, while 80% of its imports from South America were commodities and natural resource-based manufactures. In Central America and the Dominican Republic, the main United States import categories are low-technology (in particular apparel) and medium-technology manufactures, which together account for 58% of the total. United States imports from the Caribbean exhibit a similar pattern to those from South America, with commodities and natural resource-based manufactures accounting for two thirds of the total.

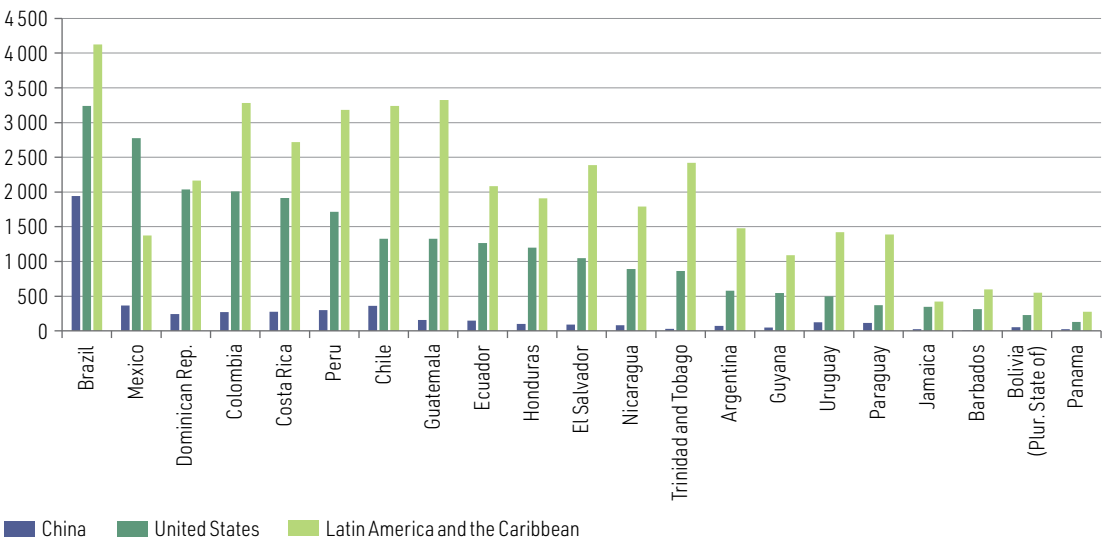
Figure II.10
United States: composition of goods imports from Latin America and the Caribbean and its subregions and from Mexico, 2024
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtrade.un.org/.

Latin America and the Caribbean exports a narrower range of products to the United States than it does intraregionally (except in the case of Mexico) but a much wider range than it does to China, the region's second-largest export destination (see figure II.11). This is a regular pattern, confirmed across all countries with available information regardless of their size or export specialization, which demonstrates how important the United States market is for export diversification.

Figure II.11
Latin America and the Caribbean (21 countries): exports to China, the United States and the region, 2023
(Numbers of products)

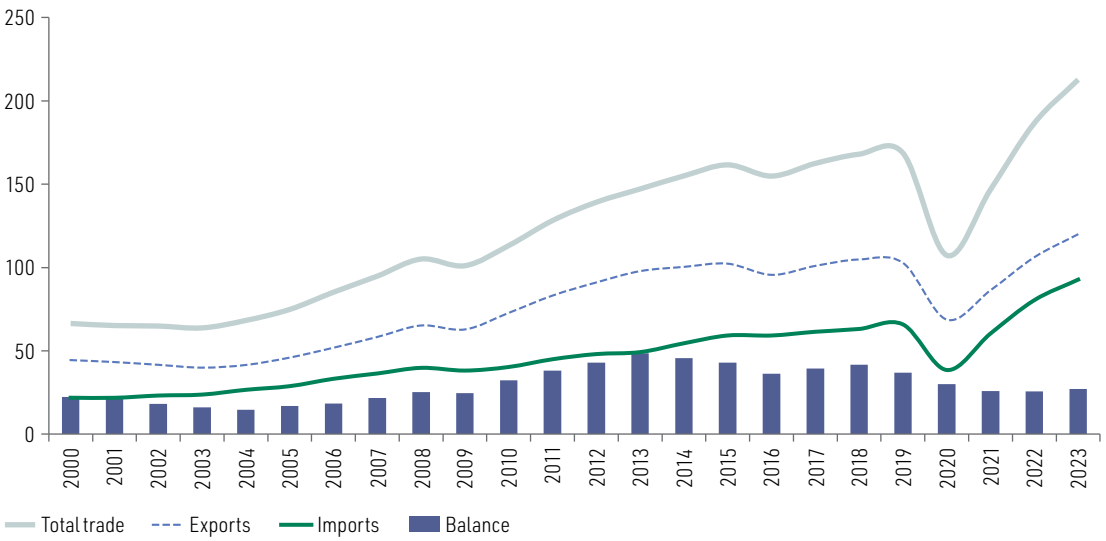


Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtrade.un.org/.
Note: For the purposes of this chart, products are identified at the six-digit level of the Harmonized Commodity Description and Coding System.

2. Trade in services

Trade in services between the United States and Latin America[2] totalled US$ 213 billion in 2023 (the most recent year with available information for all partners), the equivalent of 21% of the value of bilateral trade in goods that year. In services, unlike goods, the United States has a consistent trade surplus with the region (see figure II.12). In 2023, Latin America accounted for 12% of United States services exports and imports alike.

Figure II.12
United States: trade in services with Latin America, 2000–2023
(Billions of dollars)



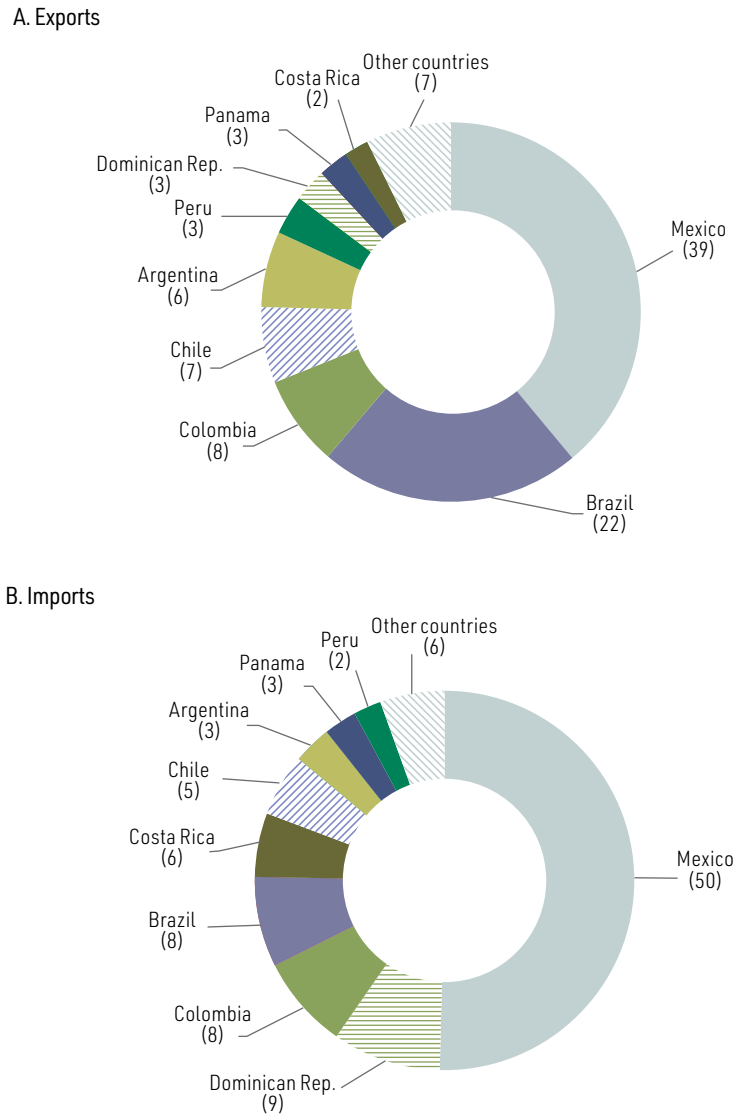
Source: Economic Commission for Latin America and the Caribbean, on the basis of information from the United States Bureau of Economic Analysis. https://www.bea.gov/data/intl-trade-investment/international-trade-goods-and-services.
Note: Latin America comprises Central America, South America, the Dominican Republic and Mexico.

As with trade in goods, Mexico is the United States' top trading partner for services, albeit with a smaller share of the total: in 2023, it accounted for 39% of the United States' services exports to the region and 50% of services imports from the region (see figure II.13). After Mexico, the five leading destinations for United States services exports to the region were South American countries, in particular Brazil, with 22% of the total. In the case of imports, however, the second-largest country of origin after Mexico was the Dominican Republic, with a share of 9%. This was largely because both countries are popular destinations for United States tourists.

From a sectoral perspective, United States services exports to Latin America are more diversified than its imports. In 2023, non-traditional services (i.e. excluding transport and travel) accounted for 50% of United States exports to the region but only 29% of imports from the region (see figure II.14). Travel represented nearly half of United States services imports from the region, and tourist travel accounted for 86% of that figure.

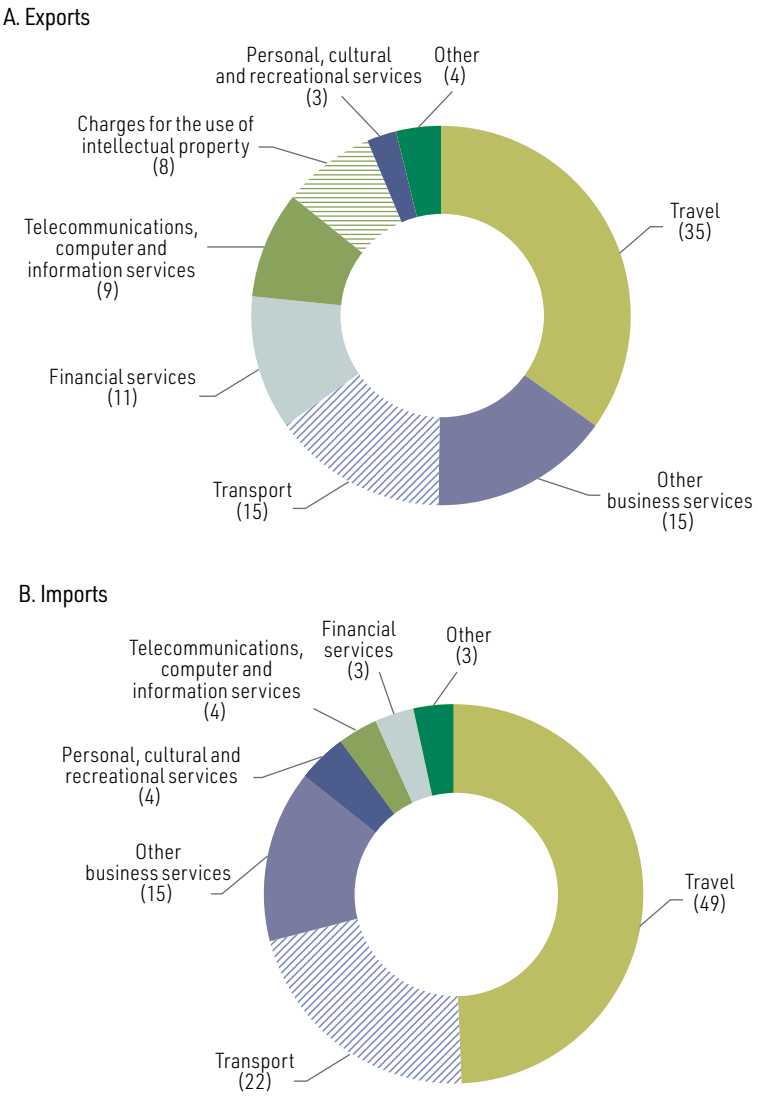
[2] This subsection presents information on Latin America only (i.e. the Central and South American countries, the Dominican Republic and Mexico). This is because the official statistics published by the United States for the rest of the region do not include disaggregated information on the Caribbean countries and do include data on non-self-governing territories such as Bermuda, the Cayman Islands and the Virgin Islands.

Figure II.13
United States: distribution of trade in services with Latin America, by country, 2023
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of information from the United States Bureau of Economic Analysis. https://www.bea.gov/data/intl-trade-investment/international-trade-goods-and-services.
Note: Latin America comprises Central America, South America, the Dominican Republic and Mexico.

Figure II.14
United States: composition of trade in services with Latin America, by sector, 2023
(Percentages)

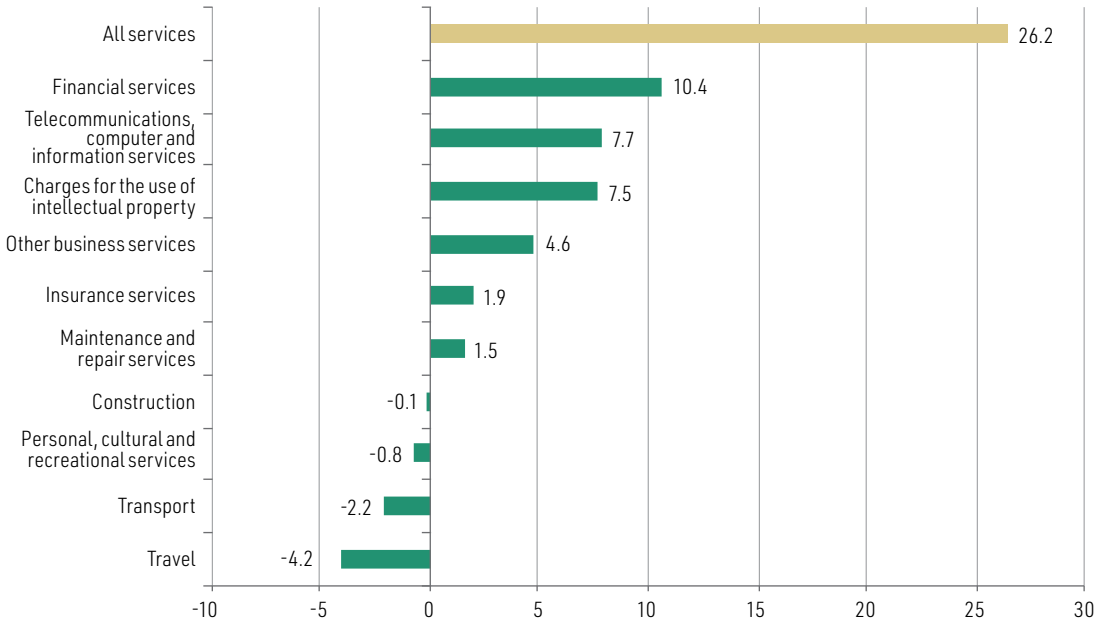


Source: Economic Commission for Latin America and the Caribbean, on the basis of information from the United States Bureau of Economic Analysis. https://www.bea.gov/data/intl-trade-investment/international-trade-goods-and-services.
Note: Latin America comprises Central America, South America, the Dominican Republic and Mexico.

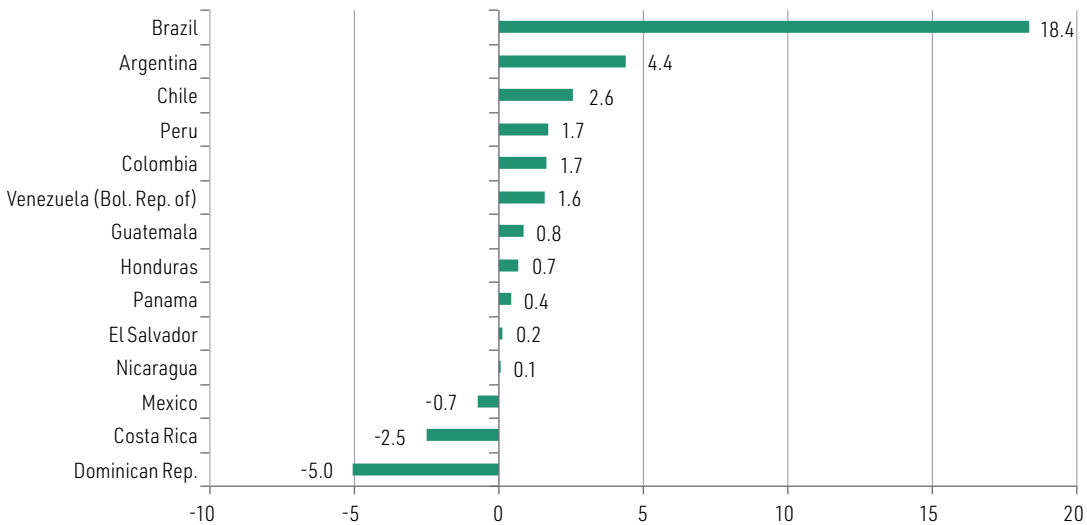
The United States runs trade surpluses with Latin America in most modern services categories (i.e. those provided through digital channels), which tend to be knowledge-intensive. Conversely, the region's largest surpluses are in the traditional sectors of transport and, in particular, travel (see figure II.15A). This is also the pattern at the individual country level, with only Costa Rica, the Dominican Republic and Mexico recording trade surpluses with the United States in 2023 (see figure II.15B). These three countries run large surpluses in the travel category. At the aggregate level, Brazil has the largest trade deficit with the United States.

Figure II.15
United States: services trade balances with Latin America, by sector and country, 2023
(Billions of dollars)

A. By sector



B. By country



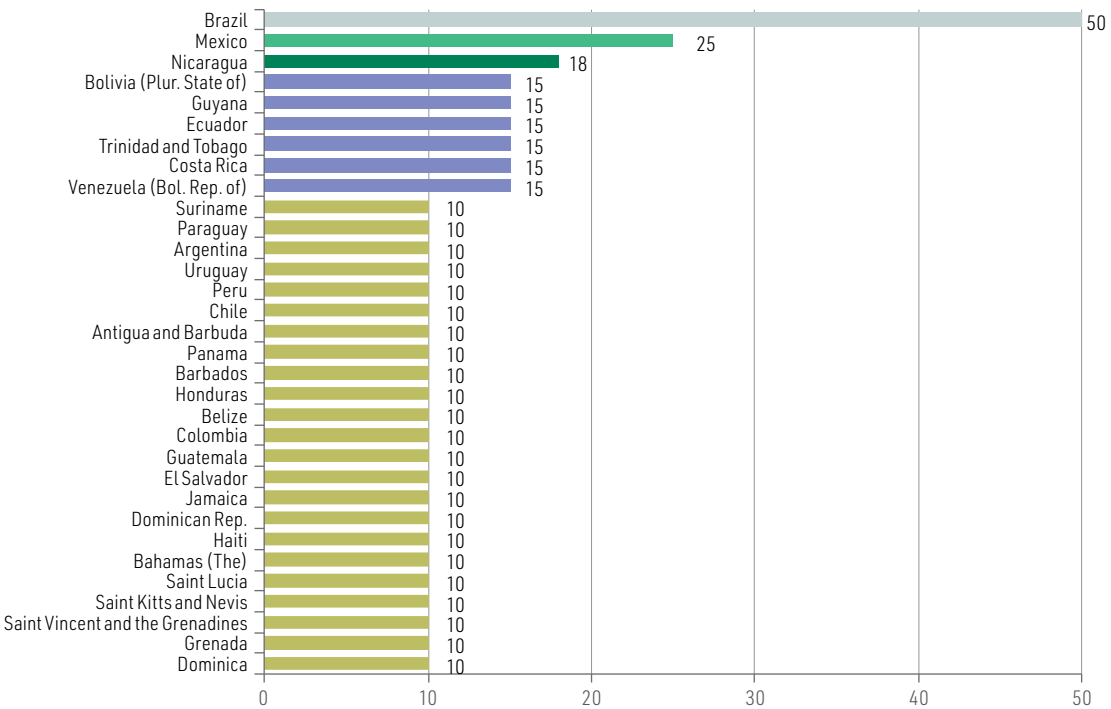
Source: Economic Commission for Latin America and the Caribbean, on the basis of information from the United States Bureau of Economic Analysis. https://www.bea.gov/data/intl-trade-investment/international-trade-goods-and-services.
Note: Latin America comprises Central America, South America, the Dominican Republic and Mexico.

B. Recent changes in United States trade policy towards the region

1. Impacts on trade and foreign direct investment announcements

Latin America and the Caribbean has not been exempt from the rise in United States import tariffs in 2025. In January, the effective tariff rate on the region's exports to the country was less than 1%. However, a 25% rate increase was applied to imports from Mexico in March, and tariffs on imports from the rest of the region went up 10% in April. Following the announcement on 31 July of new "reciprocal tariffs" (White House, 2025h), most countries of the region had their rates increased by 10% or 15% relative to January 2025 rates as from 7 August (see figure II.16).[3] The six countries facing an additional tariff of 15% recorded trade surpluses with the United States in 2024, as did Nicaragua, which faces an 18% tariff.

Figure II.16
United States: reciprocal tariffs applied to Latin American and Caribbean countries since 7 August 2025
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of White House. (2025h, 31 July). *Further modifying the reciprocal tariff rates* (Executive Order). https://www.whitehouse.gov/presidential-actions/2025/07/further-modifying-the-reciprocal-tariff-rates/.
Note: The reciprocal tariffs on Mexico do not apply to products imported under the Agreement between the United States of America, the United Mexican States, and Canada (USMCA).

[3] This section presents figures as of 1 September 2025. It should be noted that on 29 August 2025, a United States court of appeals upheld the 28 May ruling by the country's Court of International Trade that all tariff increases implemented pursuant to the International Emergency Economic Powers Act of 1977, which include the reciprocal tariffs, were unlawful. However, these tariffs remain in effect while the Supreme Court considers the administration's appeal.

The two countries of the region facing the highest additional tariffs on exports to the United States since 7 August are also the two largest exporters to that market: Mexico (25%) and Brazil (50%). By contrast with the rest of the region, the United States authorities offered a primarily non-economic justification for the level of tariffs on Mexico and Brazil (White House, 2025a, 2025d and 2025g). It should be pointed out that in Mexico's case, the 25% tariff only applies to exports not covered by the provisions of the Agreement between the United States of America, the United Mexican States, and Canada (USMCA), signed in 2018 during President Trump's first administration; exports that do meet USMCA origin requirements enter tariff-free. In the case of Brazil, nearly 40% of exports to the United States were exempted from the 50% tariff, including civil aircraft and wood pulp. However, among agricultural products, only orange juice and cashews were exempted.

The United States reciprocal tariffs shown in figure II.16 do not necessarily match the actual tariffs currently applied to exports from each country of the region, for two main reasons:

(i) First, the reciprocal tariffs are additive; in other words, they are applied on top of the tariffs that were in effect for each country when the current administration took office. These averaged less than 1% in most cases (and were as low as 0% for countries that had free trade agreements with the United States). However, for some countries, in particular Paraguay and Uruguay, the 2025 increases are additional to average rates that were already high.[4] Of the pre-existing tariff commitments under the six free trade agreements between the United States and countries of the region (bilateral agreements with Chile, Colombia, Panama and Peru, a plurilateral agreement with Central America and the Dominican Republic, and USMCA),[5] only those under USMCA remain in effect.

(ii) Second, the reciprocal tariffs do not apply to all products. Automobiles and auto parts, steel, aluminium and some copper products are subject to sectoral tariffs of between 25% and 50% regardless of their country of origin.[6] Meanwhile, a variety of products (e.g. oil, refined copper, lumber, pharmaceuticals and personal computers) have not been included in the tariff increases —again, regardless of their country of origin. Research on the impact of several of these imports on the national security of the United States, ongoing at the time of writing (Congressional Research Service, 2025), could lead to new sectoral tariffs.

The average effective United States tariff rate for the Latin America and Caribbean region is currently around 10%, or 7 percentage points lower than the average tariff for the whole world (see figure II.17). Brazil is subject to the highest average tariff (33%), followed by Uruguay (20%) and Nicaragua (18%). Mexico is subject to an effective average tariff of 8%, which is much lower than the official overall rate of 25%, as most of its exports are either covered by USMCA or otherwise exempt (as in the case of electronics in particular) and enter tariff-free.[7] Average tariffs for Argentina, Chile, Colombia, Jamaica and the Plurinational State of Bolivia are also lower than the regional average, because a large share of their exports to the United States, such as tin, copper cathodes, and oil and petroleum products, are not included in the increases. The average effective tariff on the Bolivarian Republic of Venezuela is just 1%, as crude oil, which accounts for almost the entirety of Venezuelan exports to the United States, is not included in the increases.

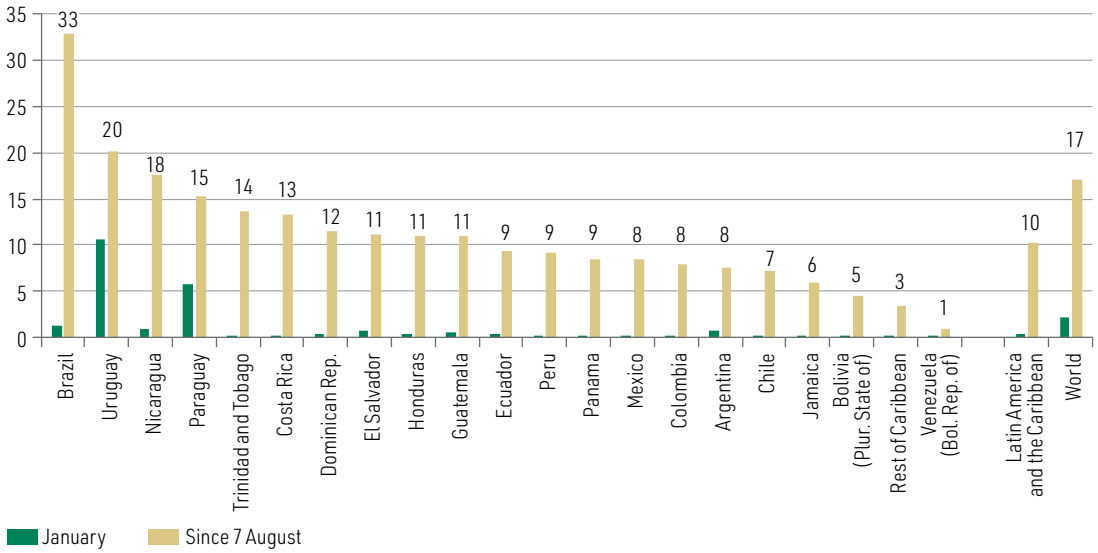
4 In January 2025, the average tariffs on exports from Paraguay and Uruguay to the United States were 5.7% and 10.7%, respectively. This was mainly because frozen beef, which was subject to a most favoured nation tariff of 26.4%, accounted for a large share of their exports.

5 A general review of USMCA is scheduled to begin in July 2026 and could involve a push by the United States for a substantial renegotiation of the Agreement's provisions (Marroquín Bitar, Hernández-Roy and Wayne, 2025; Meltzer and Coulibaly, 2025).

6 For automobiles imported from Canada and Mexico, the 25% tariff applies only to components that are not of United States origin.

7 In 2024, some 50% of United States imports from Mexico entered under USMCA (Congressional Research Service, 2025). That proportion has increased significantly in 2025, however: according to figures released by the United States International Trade Commission (USITC), 83% of imports from Mexico entered tariff-free in May 2025.

Figure II.17
United States: tariffs on the countries of Latin America and the Caribbean, weighted averages, January 2025 and since August 2025
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of information from the United States Bureau of Economic Analysis. https://www.bea.gov/data/intl-trade-investment/international-trade-goods-and-services; and official information from the White House.

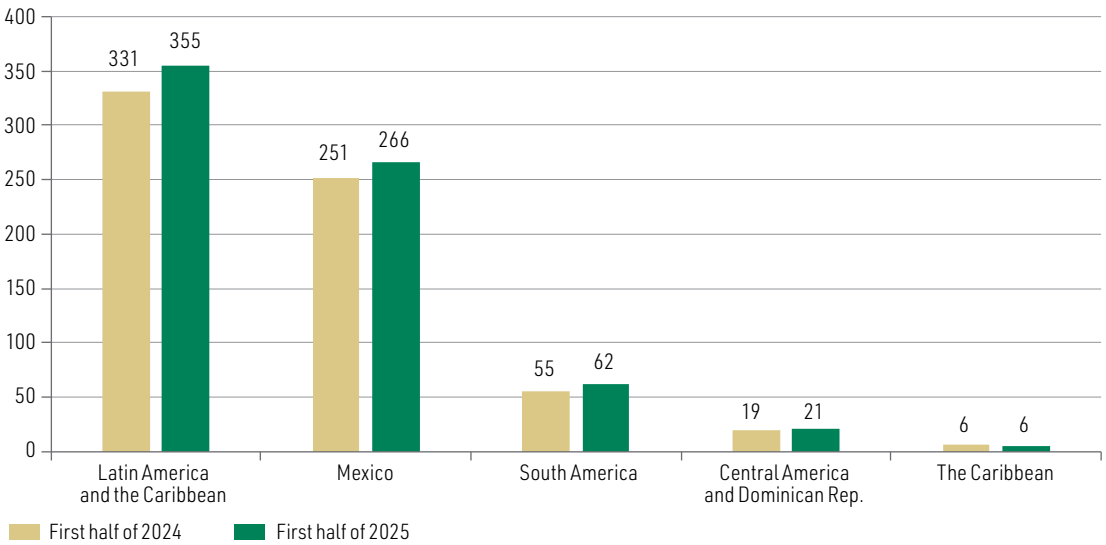
In the first half of 2025, United States goods imports from Latin America and the Caribbean totalled US$ 355 billion, up 7% year-on-year (see figure II.18). Mexico, with a total of US$ 266 billion, representing a year-on-year increase of 6%, accounted for 75% of United States imports from the region, followed by South America (17%), Central America and the Dominican Republic (6%) and the Caribbean (2%). However, United States imports from the region were less dynamic in the period than total goods imports, which grew by 12% year-on-year, and than imports from Asian partners: the country's imports from India and Viet Nam grew by a respective 25% and 42% year-on-year (see figure II.19), these countries having been the main beneficiaries of the continuing decline in Chinese imports (down 15% year-on-year in the first half of 2025).[8]

This strong growth in imports in the first half of 2025 was primarily attributable to United States businesses frontloading purchase orders in the first quarter to avoid the tariff increases that came into effect in April (WTO, 2025). However, as discussed in chapter I, growth dropped abruptly in the second quarter: between April and July, imports rose by just 0.9% compared to the prior-year period. According to projections for the rest of the year, the August tariff increases may even lead to a contraction.

The uncertainty generated by these changes in trade policy could also impact FDI flows to the region, especially in sectors with a strong focus on exporting to the United States market (ECLAC, 2025). In the first half of 2025, FDI project announcements in the region totalled US$ 31.374 billion, down 53% from the prior-year period and 37% from the 2015–2024 average. Most Latin American and Caribbean countries recorded year-on-year declines in investment announcements during the first half of 2025 (see figure II.20).

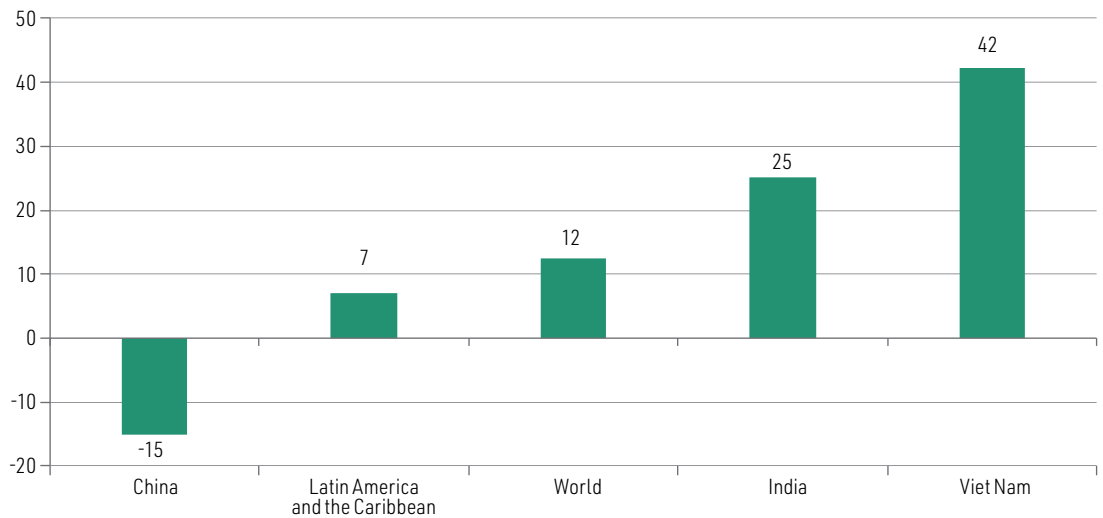
[8] The overall tariff on Indian exports to the United States doubled from 25% to 50% in late August, which is likely to have a pronounced negative effect on its shipments to that market in the latter part of year.

Figure II.18
United States: goods imports from Latin America and the Caribbean and its subregions and from Mexico by value, first half of 2024 and first half of 2025
(Billions of dollars)



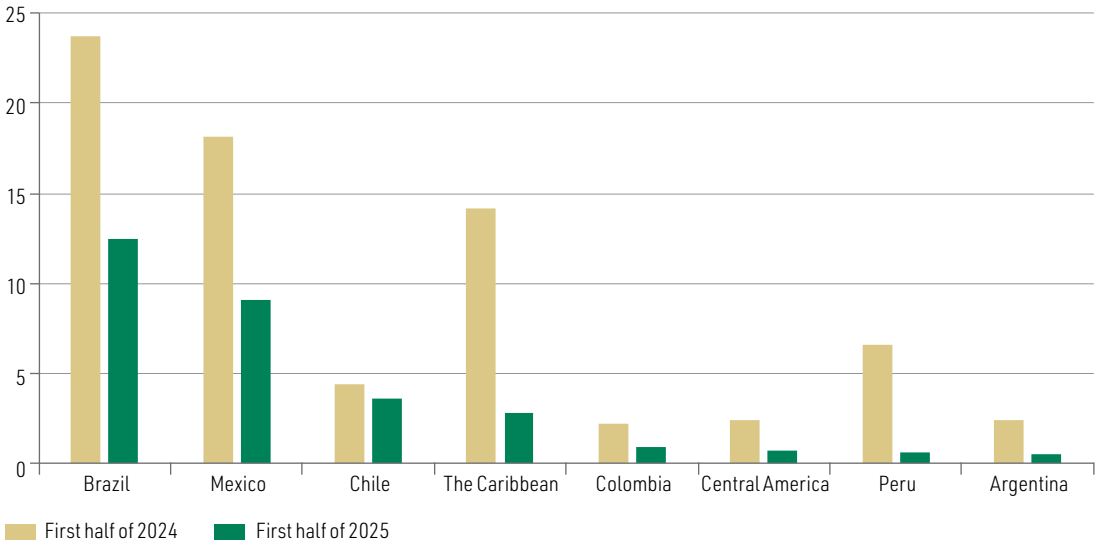
Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtrade.un.org/.

Figure II.19
United States: changes in goods imports from the world, Latin America and the Caribbean, China, India and Viet Nam by value, first half of 2025 compared to the same period in 2024
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtrade.un.org/.

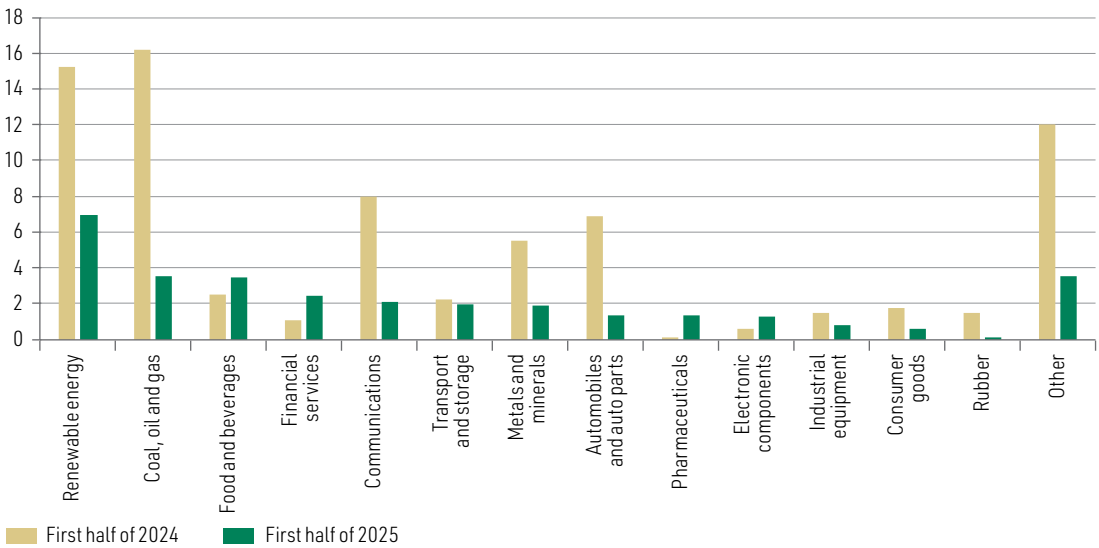
Figure II.20
Latin America and the Caribbean (selected countries and subregions): foreign direct investment project announcements, first half of 2024 and first half of 2025
(Billions of dollars)



Source: Economic Commission for Latin America and the Caribbean, on the basis of *Financial Times*. fDi Markets.

The value of project announcements fell sharply in the first half of 2025 in several sectors with a strong focus on exporting to the United States, including automobiles (-76%), auto parts (-87%), industrial equipment (-48%), consumer goods (-65%), metals and minerals (-65%) and rubber (-94%). The main exception was the electronic components sector, which attracted US$ 1.3 billion in announcements, a year-on-year increase of 121% (see figure II.21).

Figure II.21
Latin America and the Caribbean: foreign direct investment project announcements, by sector, first half of 2024 and first half of 2025
(Billions of dollars)



Source: Economic Commission for Latin America and the Caribbean, on the basis of *Financial Times*. fDi Markets.

2. Possible export opportunities for the region

The global average tariff applied by the United States was raised by a factor of eight between January and August 2025, from 2.2% to 17.1%, with drastic increases in almost all sectors (see table II.2). In August, the only goods with average tariffs below 10% were oil and gas, petroleum products, wheat, pharmaceuticals, fruits and vegetables, electronic goods and electrical equipment. The highest tariffs were on iron and steel and on metal products, with respective rates just above 47% and 39%. These were followed by apparel, footwear and textiles, with tariffs nearing or exceeding 30%, and some agricultural products, such as rice and seed oils, with average tariffs of more than 20%.

Table II.2
United States: average tariffs on the world and on Latin America and the Caribbean, by product group, January and August 2025
(Percentages)

	World		Latin America and the Caribbean		Difference
	January	August	January	August	August
Rice	1.1	27.8	1.7	13.0	14.8
Wheat	0	0.9	1.1	11.1	-10.2
Other cereals	0.3	10.8	0.2	16.0	-5.2
Fruits and vegetables	0.4	6.1	0	4.7	1.4
Oilseed products	0.8	22.4	2.3	12.8	9.6
Plant fibres	0.2	22.6	0	26.4	-3.8
Other crops	1.1	16.3	0.1	12.1	4.2
Livestock	0	17.6	0	24.5	-6.9
Forestry	1.4	14.8	0	1.5	13.3
Fishing	0.1	19.2	0	13.7	5.5
Oil and gas	0	0	0	0	0
Mining	0.4	11.8	0	7.8	4.0
Meat and meat products	2.3	15.8	5.4	26.3	-10.5
Oils and fats	0.4	15.1	0.5	5.1	10
Dairy products	6.9	15.2	3.1	11.8	3.4
Sugar	3.4	13.9	3.9	16.7	-2.8
Processed rice	1.4	32.0	1.7	21.8	10.2
Prepared foods	2.3	17.0	0.9	9.5	7.5
Beverages and tobacco	0.5	10.7	0.2	3.6	7.1
Textiles	9.2	29.5	1.0	10.6	18.9
Apparel	14.8	34.4	1.6	8.8	25.6
Footwear	12.2	32.8	1.9	13.7	19.1
Wood manufactures	3.7	22.4	0.2	22.4	0
Paper and cardboard	2.0	23.5	0	6.7	16.8
Petroleum products	0.1	0.4	0.1	0.1	0.3
Chemicals	2.3	11.2	0.5	6.7	4.5
Pharmaceuticals	0	1.1	0.1	5.0	-3.9
Rubber and plastic	3.7	19.1	0.6	7.2	11.9
Non-metallic minerals	5.5	23.5	0.9	8.0	15.5
Iron and steel	3.3	47.4	0.3	37.7	9.7

	World		Latin America and the Caribbean		Difference
	January	August	January	August	August
Metals	1.2	12.1	0.2	5.9	6.2
Metal products	6.4	39.4	0.5	18.6	20.8
Electronics	0.5	5.6	0	0.2	5.4
Electrical equipment	1.2	8.9	0	5.5	3.4
Machinery and equipment	3.2	20.8	0.4	11.3	9.5
Vehicles	2.0	21.1	0.4	16.0	5.1
Other transport equipment	1.3	21.3	0	29.6	-8.3
Other manufactures	0.4	25.9	0.1	11.5	14.4
All products	2.2	17.1	0.4	10.2	6.9

Source: Durán, J. and Herreros, S. (2025). *Impactos económicos de la nueva política arancelaria de los Estados Unidos para América Latina y el Caribe: una evaluación preliminar* [Unpublished manuscript]. Economic Commission for Latin America and the Caribbean.

Note: Orange cells denote product groups where the average United States tariff on the world is lower than the average tariff on the region; green cells denote cases where the average tariff is up to 9.9 percentage points higher for the world than for the region; and blue cells denote sectors where it is upward of 10 percentage points higher for the world than for the region.

United States tariff increases beginning in February 2025 took the average tariff on the region from 0.4% in January to 10.2% in August. Rates for the region are lower than the global average in most sectors, and the few exceptions —meat, cereals, sugar, natural plant fibres, pharmaceuticals and other transport equipment— are mainly associated with the high tariffs on Brazil. As a result, in certain sectors, the countries of the region are in a more favourable position than their competitors outside it. These sectors include fruits and vegetables, oilseed products, rice, seafood and mining products, where South American exporters have the strongest comparative advantage. Similarly, tariffs on some of the region's manufactured goods, in particular textiles, apparel and footwear, are significantly lower than average, which is especially beneficial for Central American countries like El Salvador, Guatemala and Honduras.

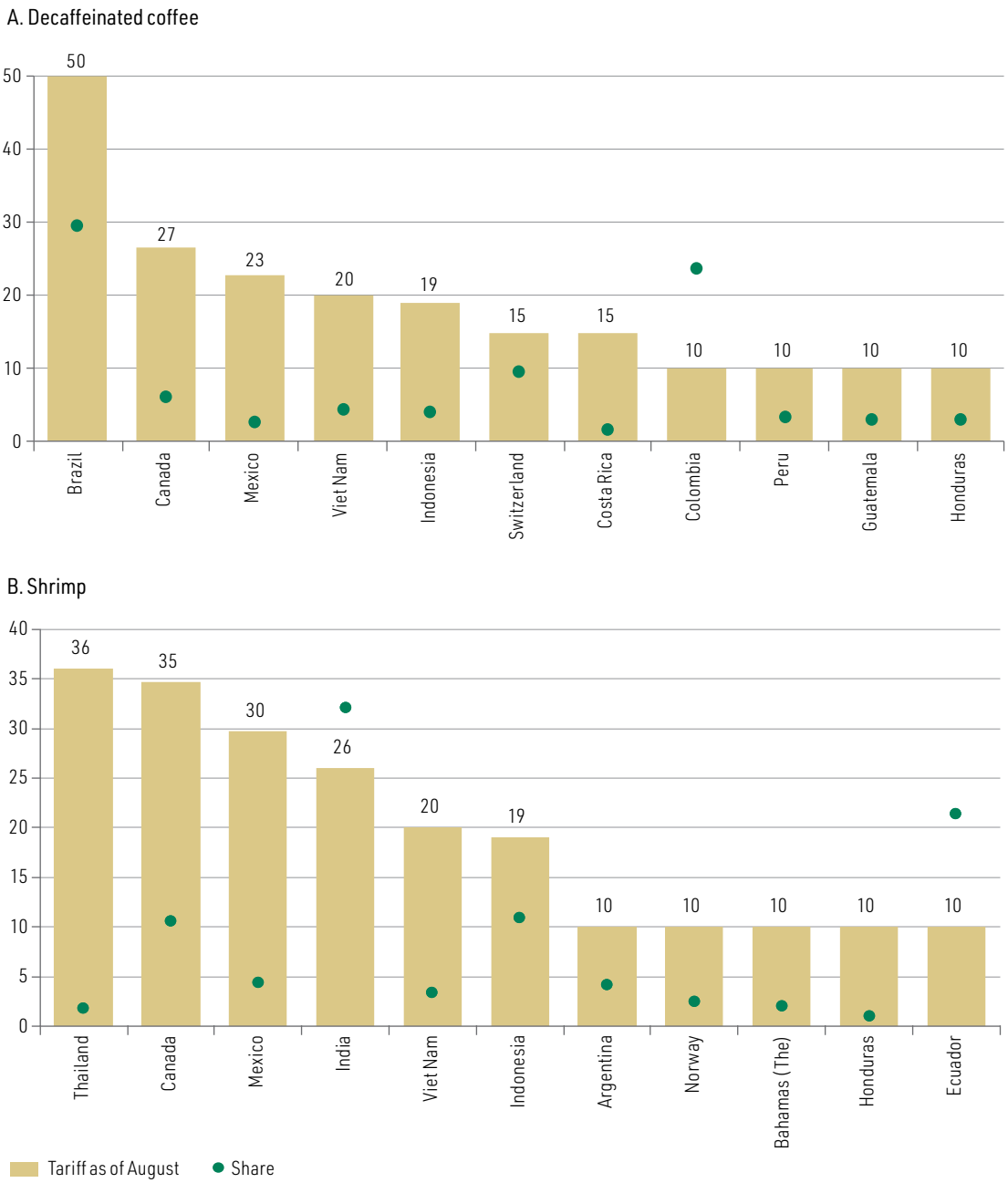
The following analysis of some selected products illustrates opportunities for the countries of the region to absorb United States market share from suppliers affected by the August tariffs. For example, Colombia, Guatemala, Honduras and Peru are subject to a 10% tariff on decaffeinated coffee, while the tariff for the top suppliers of this product is higher (see figure II.22A). Where coffee and other agricultural products are concerned, however, it is likely that any trade diversion will largely be at the expense of Brazil, which faces high tariffs in this sector.

The seafood sector presents opportunities in shrimp and salmon exports for some countries of the region, thanks to the differences in the tariffs applied by the United States to its various suppliers. Shrimp suppliers in Argentina, the Bahamas, Ecuador and Honduras are in a more competitive position now that tariffs on India, Indonesia, Thailand and Viet Nam have been raised (see figure II.22B). Chilean suppliers of frozen salmon fillets are in a similar position relative to countries like China and Norway (see figure II.22C). In addition, Argentine and Chilean wine exporters could benefit from higher tariffs on the likes of France, Italy, Spain and New Zealand, which together accounted for 83% of the wine imported by the United States in 2024 (see figure II.22D).

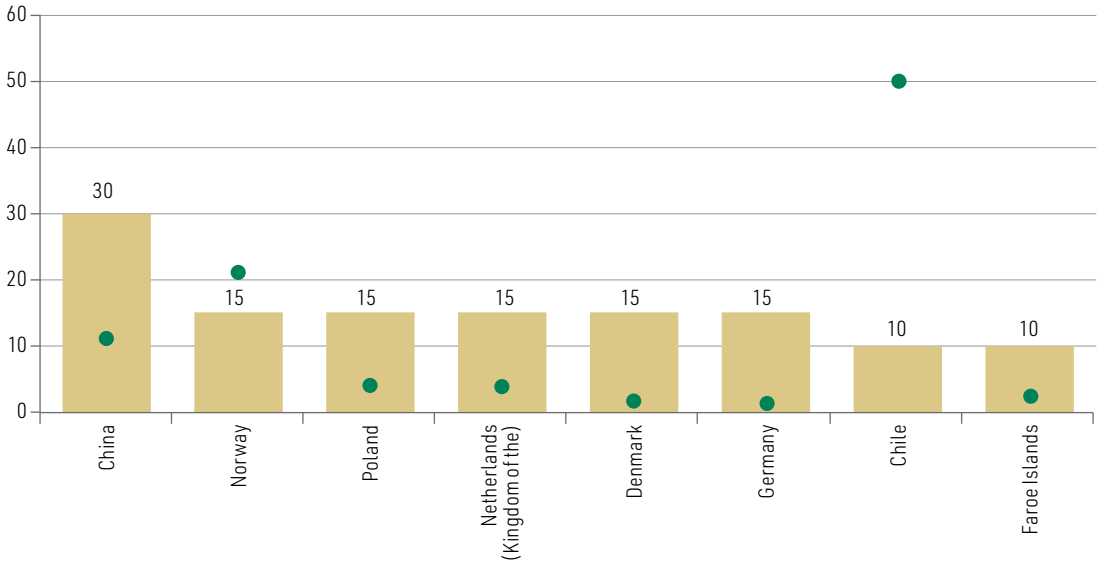
The possible benefits of trade diversion for regional exports are not confined to the agricultural sector; they also extend to manufactures. Figures II.22E and II.22F illustrate the cases of cotton T-shirts and electro-diagnostic apparatus, two representative products of the apparel and medical equipment sectors, respectively. In the first instance, high United States tariffs on suppliers like Bangladesh, China, India and Viet Nam put the Dominican Republic, Haiti, Peru and the Central American countries (except Nicaragua) in an advantageous position. Mexico could also gain market share by exporting

these goods to the United States tariff-free under USMCA. In the case of electro-diagnostic apparatus, the respective 15% and 10% tariffs on Costa Rica and the Dominican Republic are lower than tariffs on competitors like China, India, Switzerland and Viet Nam. The Dominican Republic's low 10% tariff also gives it an advantage over the likes of Germany, Japan and the Republic of Korea.

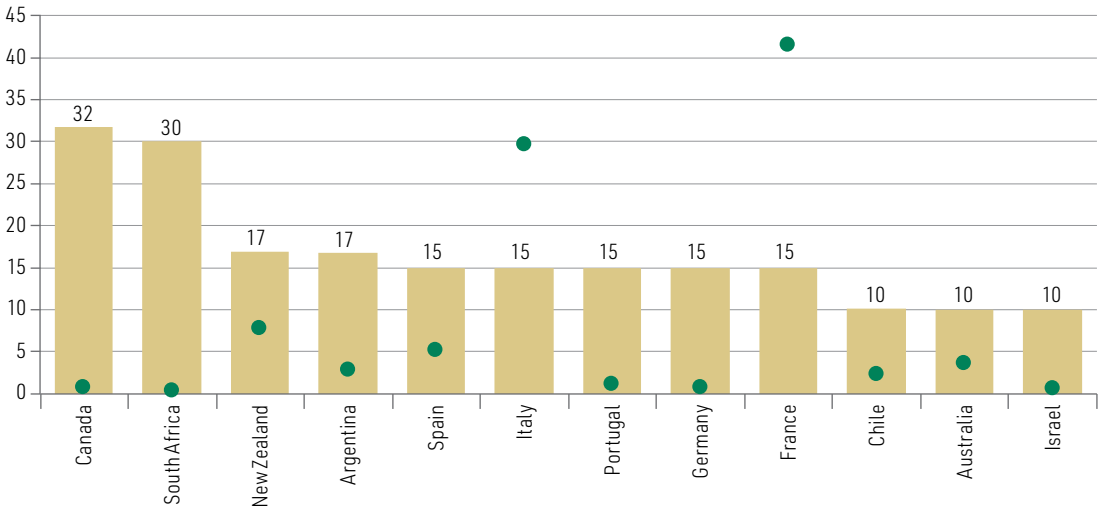
Figure II.22
United States: tariffs on selected suppliers of specific products as of August 2025, and suppliers' shares of total imports of each product in 2024
(Percentages)



C. Frozen Pacific salmon fillets

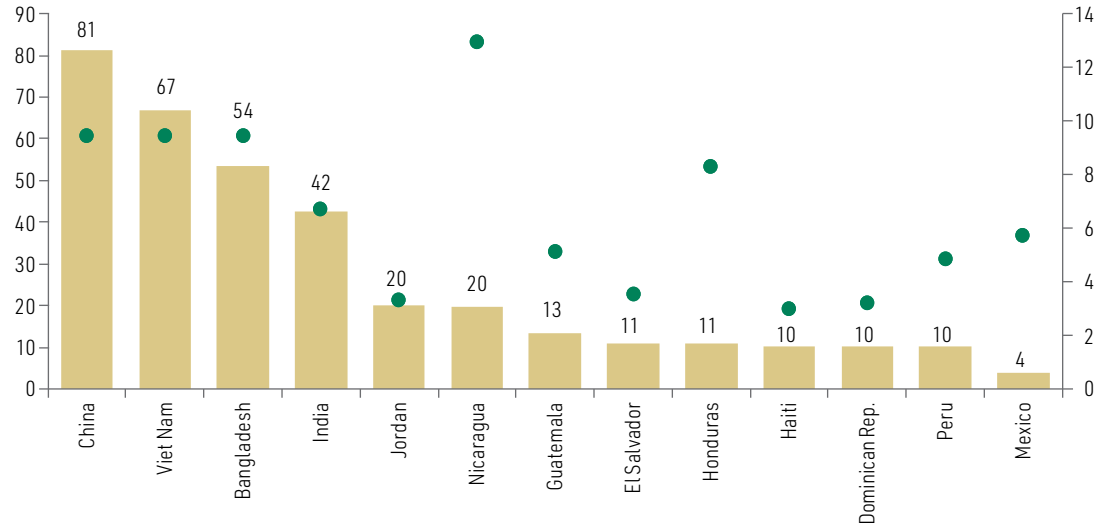


D. Wine

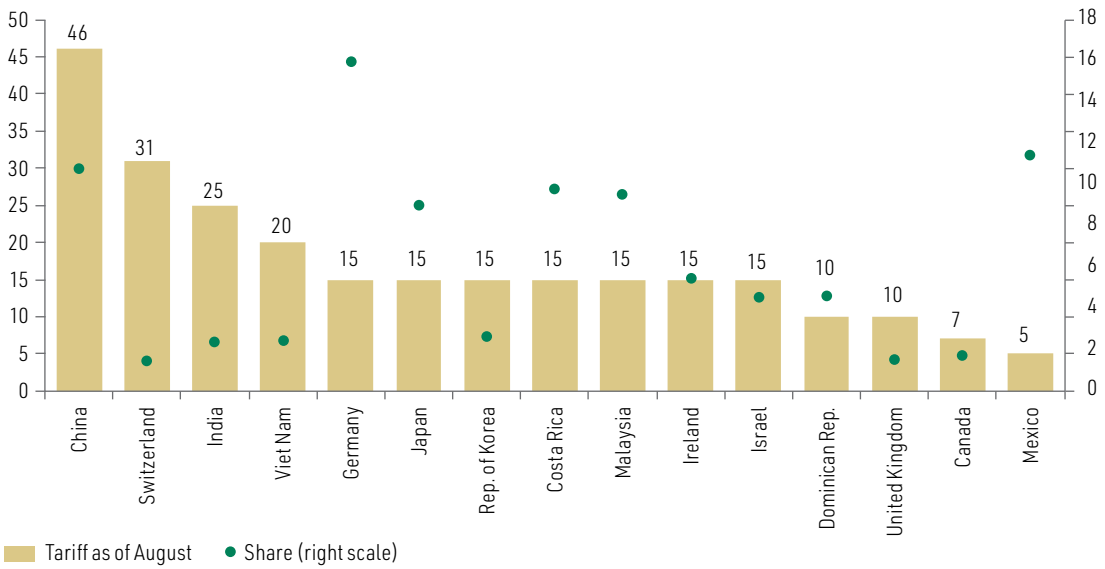


Tariff as of August ● Share

E. Cotton T-shirts



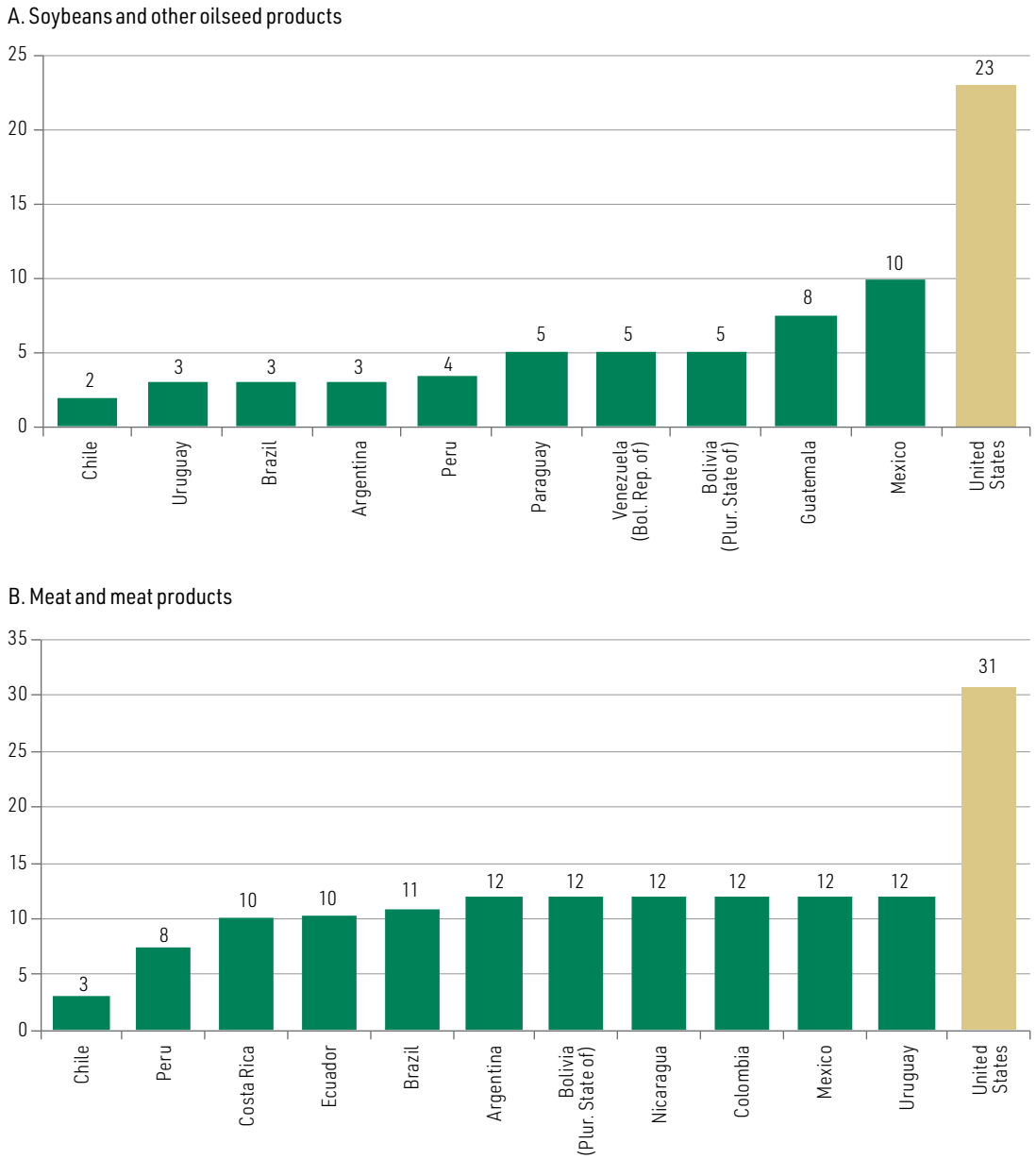
F. Electro-diagnostic apparatus



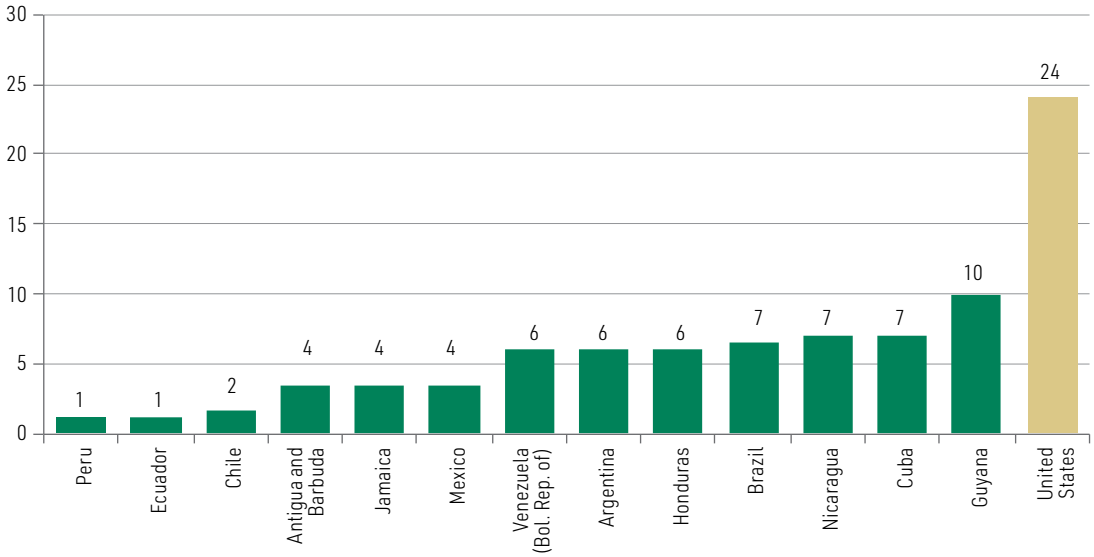
Source: Economic Commission for Latin America and the Caribbean, on the basis of information from the United States Bureau of Economic Analysis. https://www.bea.gov/data/intl-trade-investment/international-trade-goods-and-services; International Trade Centre, Trade statistics for international business development (TRADE MAP); and authors' simulations.

United States tariff increases in 2025 have also indirectly created new opportunities for regional exports to China. Despite a mutually agreed tariff pause in May (extended for 90 days in August), several agricultural products from the United States now face higher Chinese tariffs than they did at the beginning of the year, including chicken, pork, beef, wheat, maize, cotton, sorghum, soybeans, seafood, fruits and vegetables, and dairy products. As a result, Chinese tariffs on United States exporters are now up to three times as high as those on the region's exporters (see figure II.23), and the difference is even greater for the countries that have free trade agreements with China (Chile, Costa Rica, Ecuador, Nicaragua and Peru). However, it is likely that China will make commitments in the ongoing trade talks on importing agricultural products from the United States. In that event, increased imports from the United States could translate into a reallocation of Chinese demand, displacing other suppliers.

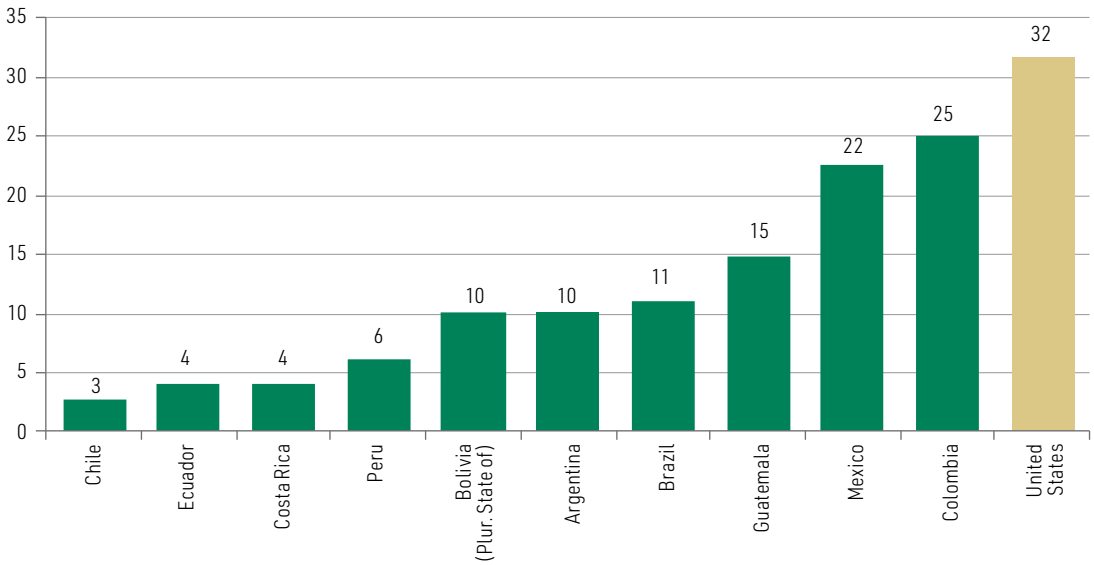
Figure II.23
China: tariffs on selected suppliers of specific products, August 2025
(Percentages)



C. Shrimp and other crustaceans



D. Fruits and vegetables



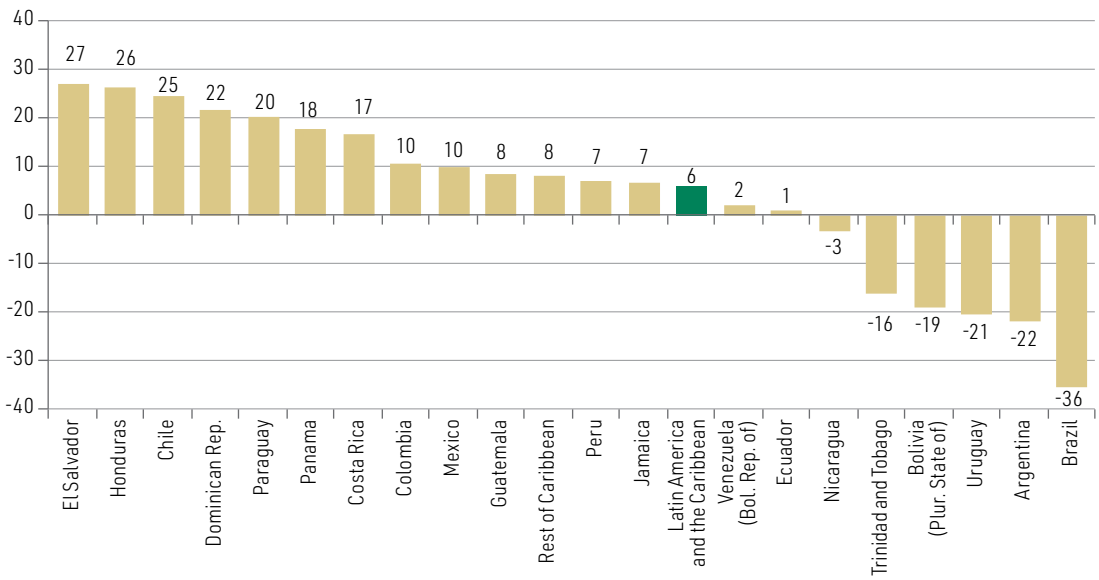
Source: Economic Commission for Latin America and the Caribbean, on the basis of information from International Trade Centre, Trade statistics for international business development (TRADE MAP), and authors' simulations.

The results of an exercise to estimate the impact of tariff increases on the volume of regional exports to the United States are summarized below. The estimations were carried out using a multinational computable general equilibrium model calibrated with the Global Trade Analysis Project database, version 11, which includes 41 countries and 39 sectors, and the United States tariff schedule for January and February 2025, revised to reflect changes up to 7 August. On the basis of the changes in United States tariffs for different trading partners, the exercise introduced tariff shocks that alter the equilibrium level of all the variables in the model.[9] The effects on the region's exports are expressed as changes relative to the baseline in response to tariff increases in the United States and to shifts in demand in the economies analysed.

[9] For more detailed information on the model, see Durán, Aguiar and Ronzheimer (2021).

The aggregate change estimated was a 6% increase in the volume of regional exports to the United States (see figure II.24). This is because the tariffs on the countries of the region are generally lower than those on most of the United States' other main trading partners, which creates opportunities for trade diversion to the benefit of the former. In some countries, including several in Central America as well as Chile, the Dominican Republic and Paraguay, export growth is expected to be three or four times the regional average. In Mexico, the region's top exporter to the United States, the estimated increase is 10%.

Figure II.24
Latin America and the Caribbean: projected changes in the volume of exports to the United States, by country, 2025
(Percentages relative to the baseline)



Source: Durán, J. and Herreros, S. (2025). *Impactos económicos de la nueva política arancelaria de los Estados Unidos para América Latina y el Caribe: una evaluación preliminar* [Unpublished manuscript]. Economic Commission for Latin America and the Caribbean.

The strong growth projected in the volume of exports to the United States from El Salvador, Honduras and, to a lesser extent, Guatemala is explained by more favourable tariffs on their main exports compared to competitor countries. This is particularly the case for the apparel sector, which accounts for more than 50% of El Salvador's and Honduras's exports to the United States and about 30% of Guatemala's. Export growth in this sector should amply compensate for negative changes in other sectors, especially agriculture, agro-industry and food, beverages and tobacco.

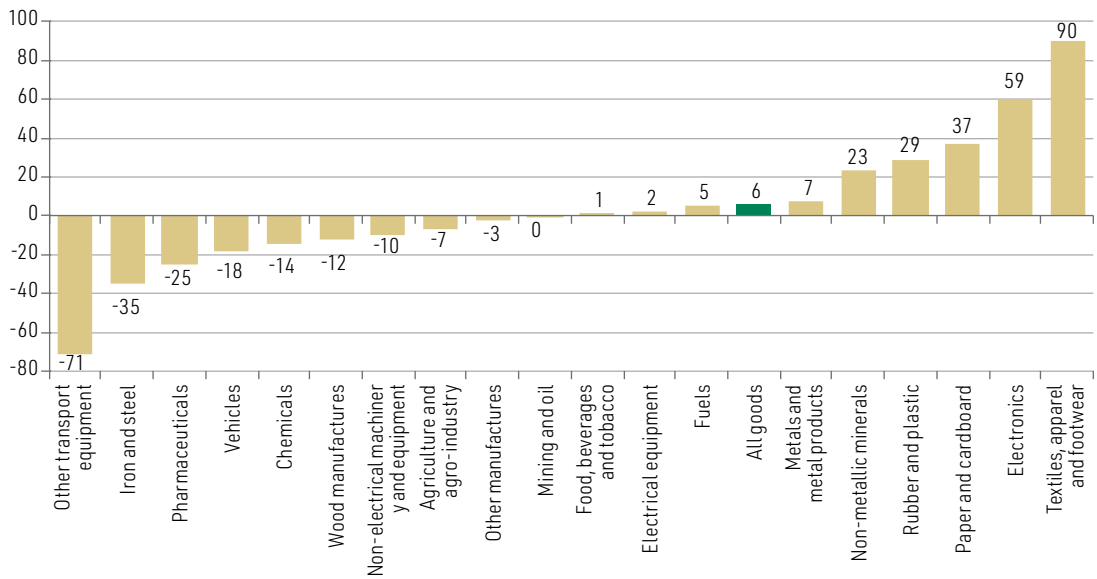
According to the estimates, Chile and Peru will record the largest export increases in mining products (mainly copper) and forestry. Peru will also see growth of more than 80% in apparel exports. In Costa Rica and the Dominican Republic, the strongest growth (of up to 60%) will be in electronics and medical equipment. While these sectors do not account for as large a share of the two countries' exports as copper in Chile or apparel in El Salvador and Honduras, their expected growth should be enough for shipments to the United States to grow overall, offsetting declines in agriculture and agroindustry.

Mexico's export volume is projected to increase in most sectors in 2025, but especially the electronics sector, where there should be growth of more than 60%, thanks to its exemption from the United States tariff increases. Again, tariff-free provisions under USMCA should enable Mexico to increase its agricultural and agro-industrial exports by 8% and 19%, respectively. The exception are exports of vehicles and other transport equipment, which are estimated to decline by 18% and 60%, respectively, because of sectoral tariffs on automobiles and auto parts.

Double-digit drops are forecast for exports to the United States from Argentina, Brazil, the Plurinational State of Bolivia, Trinidad and Tobago and Uruguay. The largest contraction is expected in Brazilian exports (-36%), which are subject to an additional tariff of 50%. The declines projected for this group of countries will be driven mainly by a reduction in agricultural and agro-industrial exports, which in the case of Uruguay account for more than 80% of the total.

At the sector level, the largest expansion in the volume of regional exports to the United States is expected to be in textiles, apparel and footwear (90%), followed by electronics, paper and cardboard, rubber and plastic, and non-metallic minerals, all with increases of more than 20% (see figure II.25). In all these instances, most of the growth is forecast to come from Mexican exports. At the other end of the spectrum, steep export declines are projected for vehicles, other transport equipment, iron and steel, and pharmaceuticals because of contractions in Brazilian and Mexican exports in these categories resulting from sectoral tariffs on automobiles and auto parts, steel, aluminium and copper products.

Figure II.25
Latin America and the Caribbean: projected changes in the volume of exports to the United States, by sector, 2025
(Percentages relative to the baseline)



Source: Durán, J. and Herreros, S. (2025). *Impactos económicos de la nueva política arancelaria de los Estados Unidos para América Latina y el Caribe: una evaluación preliminar* [Unpublished manuscript]. Economic Commission for Latin America and the Caribbean.

C. Conclusions

It seems clear that this year's pivot towards protectionism in United States trade policy is set to remain in place for the duration of the current administration (Baldwin, 2025; Froman, 2025; Greer, 2025; Horn and Mavroidis, 2025). This situation is substantially changing the terms that have traditionally underpinned trade relations between the United States and the region, including, in many cases, tariff-free trade based on legally binding commitments. With the exception of USMCA, the United States has disregarded its commitments to tariff liberalization under the agreements which governed its trade in goods with a number of Latin American countries up until early 2025. Preferential tariffs on exports from small Caribbean economies have also been suspended.

Although the region's exports are subject to lower United States tariffs than most of its leading competitors', the situation could evolve in response to shifts in trade balances or even non-economic factors. The imposition of a 50% tariff on Brazilian exports constitutes a concerning precedent in this regard. All told, the current outlook for trade relations with the United States is one of great uncertainty. In addition to the trade ramifications, this may already be having negative impacts on FDI flows to the region as investors are discouraged from implementing projects aimed at supplying the United States market.

Under these circumstances, governments in the region should avoid reactive measures that could increase uncertainty. Instead, they should devise a two-pronged strategy that distinguishes between short-term stabilization and mid- to long-term transformation (Salazar-Xirinachs, 2025). Short-term strategies could include a combination of trade negotiations to improve access to the United States market and support measures for the industries most exposed to tariff hikes. In the medium to long term, initiatives to diversify trade relations and diminish dependency on that market can help to reduce future risks. It is worth underscoring that, although the United States remains the world's largest importer of goods, it only accounts for 14% of global imports.

Strengthening trade ties with established partners such as China and the European Union, especially by diversifying the export basket into higher-value added products, is an important path to follow. The European Union, in particular, is an area of great potential for the region. At present, 26 of its 33 countries have agreements in place with the European bloc, and that tally will rise to 30 once the agreement with the Southern Common Market (MERCOSUR) is ratified. In this context, there is an opportunity to link all these agreements through a regime of diagonal cumulation of origin, which would allow unrestricted use of inputs from any country of Latin America and the Caribbean or the European Union in goods traded tariff-free between the two regions. This mechanism would provide a formidable incentive for productive integration among the countries of the region and with Europe (ECLAC, 2023; Berganza et al., 2025). Its transformative potential is plain in view of the two regions' combined population of 1.1 billion and combined 2024 GDP of more than US$ 26 trillion, which equates to 90% of United States GDP. Besides the immediate trade benefits, strengthening relations between the region and the European Union would send a powerful message about the commitment of both to rules-based trade.

Another advisable strategic measure is to further deepen trade and economic ties with emerging partners such as India, the Association of Southeast Asian Nations, the Gulf Cooperation Council and the African Continental Free Trade Area. The market size and economic dynamism of all these partners, together with the relatively small share of the region's exports going to them, represent significant opportunities for future expansion.

Alongside the diversification of trade relations with extraregional partners, strengthening intraregional economic integration in Latin America and the Caribbean is an essential strategic line of action for boosting its international competitiveness and limiting its exposure to heightened global uncertainty and protectionism. Intraregional trade accounts for only 14% of the region's total exports, one of the lowest levels in the world, which translates into a considerable growth opportunity; the regional market is the top destination for most Latin American and Caribbean countries' manufacturing exports and the market that the greatest number of export businesses, particularly micro-, small and medium-sized enterprises (MSMEs), are oriented towards. To increase that proportion, concerted progress is needed as a matter of priority in the areas of trade facilitation, regulatory convergence and the creation of plurinational logistics corridors like those being jointly developed by a number of South American countries.[10]

[10] For example, in the framework of the Brasilia Consensus, the Government of Brazil is working on the South American Integration Routes (Rotas de Integração Sul-Americana) project with the aim of increasing physical, productive and digital integration in the subregion through the development of five plurinational logistics corridors.

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CHAPTER

III

Technology intensity and advanced human capital intensity of goods and services exports from Latin America and the Caribbean

Introduction

Incorporating new technologies into manufacturing of goods and provision of services is widely recognized as a key factor for boosting productivity and competitiveness, at both the national and international levels. Products with higher technological content have a multiplier effect on economic growth, aggregate productivity and skilled job creation. The corresponding activities not only enhance value added, they also drive innovation, dynamic learning and production linkages, diversifying the export basket and reducing commodity dependence (Economic Commission for Latin America and the Caribbean [ECLAC], 2023). These characteristics are also applicable to trade in services, in particular "modern services",[1] which are knowledge-intensive and could emerge as a driver of productive and export growth (ECLAC, 2024b; Rivera et al., 2025).

The developing countries that achieved higher growth and where per capita income convergence with developed countries occurred are those that diversified the production structure towards more technology-intensive sectors (ECLAC, 2022). In Latin America and the Caribbean, moving towards an export structure with greater technological content is essential for more inclusive and sustainable development. Developing trade in this type of productive segment would not only open up access to new markets but also to cutting-edge technologies and innovative knowledge. This process, far from being linear or automatic, requires coordination within a complex network of actors and institutions to ensure the adoption, adaptation and absorption of the technological learning opportunities that arise in international trade and global value chains (Pietrobelli and Rabellotti, 2011). To boost productivity, and thus overcome the region's economic stagnation, it is critical to improve the quality of capital and equipment available to workers for production, the technologies used in the production process, human talent skills, and the way in which these factors are used (Salazar-Xirinachs and Llinás, 2023).

New technologies have given rise to a new production paradigm that tends to blur —or even eliminate— the traditional boundaries between the agriculture, industrial and service sectors (Salazar-Xirinachs and Llinás, 2023). This new model, associated with the fourth industrial revolution or Industry 4.0, includes not only manufacturing but also large segments of the diverse service sector and modern forms of producing commodities (Bamber and Fernandez-Stark, 2022).

In this context, national efforts should not focus exclusively on technology-intensive goods and services, but on all productive sectors that drive inclusive growth and foster export diversification and productive transformation. The Economic Commission for Latin America and the Caribbean (ECLAC) has proposed an illustrative set of sectors that drive growth, encompassing advanced industries, knowledge-intensive services and sustainability-related areas (ECLAC, 2024a; Salazar-Xirinachs, 2023). The sectors include the pharmaceutical industry, medical devices, advanced manufacturing, the bioeconomy, the energy transition (renewable energies, green hydrogen and lithium), electromobility, the circular economy and sustainable tourism. Regarding services, modern services enabled by information and communications technology (ICT), e-government, care services and labour-intensive services are prioritized. These sectors not only enable progress towards a more sustainable development model, they also offer concrete opportunities for accessing international markets.

The current context of redefined globalization and reconfigured global value chains opens up opportunities for the region to reposition itself in global trade in knowledge-based goods and services. The geographical relocation of production could favour countries that develop active productive development policies, strengthen technological capabilities and offer a stable institutional framework. Advancing the internationalization of those sectors can also overcome the trap of low capacity for growth and transformation.

This chapter provides a comprehensive analysis of the participation of Latin America and the Caribbean in trade in high-technology goods and knowledge-intensive services. It has five sections in addition

[1] Modern services refer to services traded mainly over the Internet or digitally deliverable services, such as telecommunication, computer and information services, financial, insurance and pension services, royalties and other business services (ECLAC, 2024c).

to this introduction. Section A presents an overview of world trade in goods and services and its main components over the past two decades. Section B specifically examines the global and regional trade flows of high-technology goods, while a similar analysis is conducted for modern services in section C. The knowledge intensity of the region's exports is discussed in section D, using a novel methodological proposal that combines information from household surveys with the input-output table developed by ECLAC. Section E presents reflections on the policies required to increase the region's participation in trade in advanced goods and services.

A. Trends and structural change in global goods and services trade by technology and human capital intensity

This section analyses trends in world trade in goods and services between 2005 and 2024 through the dual lens of technology intensity and human capital intensity.[2] Globally, the strongest growth in goods trade was in high-technology products. Exports in this category grew at a yearly average of 5.4%, outpacing the average for all goods (4.1%).[3] In services, growth was led by high-skill services exports,[4] at an annual average of 9.1%, almost 3 percentage points above the average for all services (6.5%). The buoyancy of high-skill services is evident both at the global level and in exports from the United States, the European Union, China, Japan and Latin America and the Caribbean (see table III.1). In value terms, exports of high-technology goods increased by a factor of 2.7 between 2005 and 2024, becoming the most exported products by the end of 2024. Likewise, exports of services with high human capital content increased fivefold (see figure III.1).

Table III.1
World, regions and selected countries: average annual growth in goods and services exports, by technology and human capital intensity, 2005–2024
(Percentages)

	United States	European Union	China	Japan	Latin America and the Caribbean	World
Primary goods	8.7	4.4	5.9	5.1	4.5	3.2
Natural resource-based manufactures	5.4	3.8	8.5	2.0	5.0	4.4
Low-technology manufactures	2.1	2.8	7.3	-0.1	1.7	3.6
Medium-technology manufactures	2.7	2.4	10.7	-0.3	4.7	3.5
High-technology manufactures	4.2	4.5	7.9	1.1	5.2	5.4
Total goods	**4.4**	**3.4**	**8.3**	**0.5**	**4.5**	**4.1**
Low-skill services	4.2	6.3	6.9	3.1	5.2	5.5
Medium-skill services	4.9	10.8	16.5	5.5	4.3	6.6
High-skill services	8.3	11.4	14.4	5.6	8.2	9.1
Total services	**6.0**	**8.8**	**9.6**	**4.3**	**6.0**	**6.5**
Total goods and services	**5.0**	**4.7**	**8.4**	**1.3**	**4.8**	**4.9**

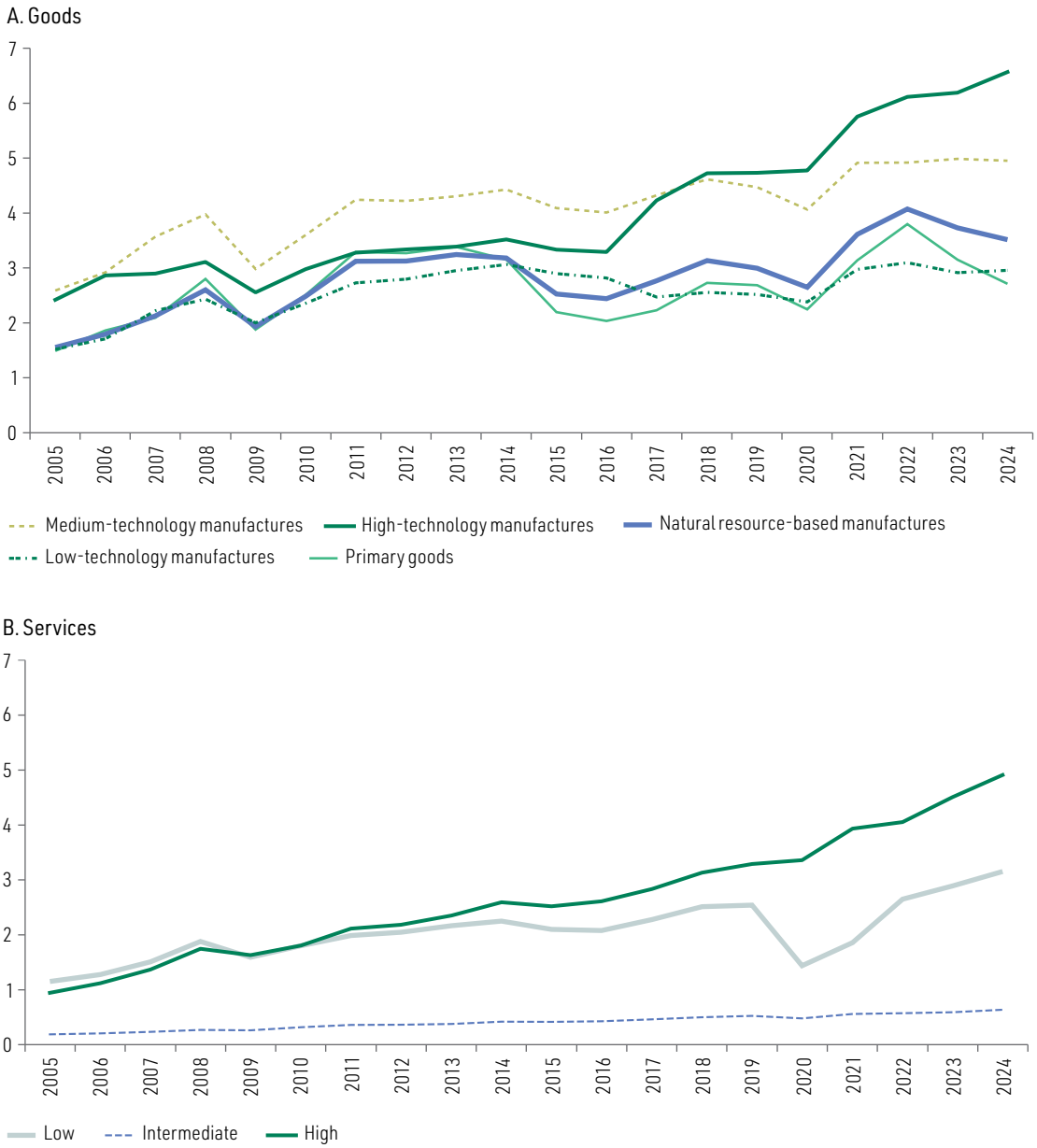
Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtradeplus.un.org/.https://comtradeplus.un.org/.

2 In the case of technology intensity, the categories of low, medium and high reflect the degree to which technology is incorporated, while for human capital, they refer to the skill level. See section III.D for more details on methodology.

3 In the United States, the fastest-growing category was primary goods. This is mainly explained by robust growth in exports of oil, gas and oil products, which expanded at an average annual rate of 14% between 2005 and 2024, becoming the country's main group of export products.

4 High-skill services include telecommunication and computer services, financial services, insurance and pensions, professional services and payments for the use of intellectual property. Medium-skill services include government and other services (excluding professional services). Low-skill services include construction, transport, tourism and goods-related services.

Figure III.1
Global goods and services exports, by technology intensity and human capital intensity, 2005–2024
(Trillions of dollars)



Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtradeplus.un.org/.https://comtradeplus.un.org/.

Between 2005 and 2024, in the share of goods in global exports fell by 8.1 percentage points (from 80.8% to 72.7%) while the share of services rose by the same amount (from 19.2% to 27.3%) (see table III.2). In services, the largest increases were recorded in high-skill, human capital-intensive sectors, especially telecommunications and computers, business services, and insurance and pensions. One factor driving the significant growth in services with a higher proportion of skilled human capital is the increasing use of services to produce all kinds of goods. This process, known as "servicification", is evident not only in manufacturing production but also in natural resource-related sectors, such as agriculture and mining (see section III.C).

Table III.2
Average annual variation in global goods and services exports, by major sector, 2005–2024, and sector classification by technology and human capital intensity
(Percentages)

	Average annual variation	Share of global goods and services exports			Predominant technology or human capital intensity
	2005–2024	2005–2007	2022–2024	Variation (*Percentage points*)	
Total goods	**4.1**	**80.8**	**72.7**	**-8.1**	**Technology intensity**
Agriculture, forestry, hunting and fishing	6.0	2.0	2.6	0.6	PG(91)
Energy mining (coal, oil and gas)	1.9	8.8	6.3	-2.5	PG (50); NRBM (50)
Non-energy mining	7.4	0.8	1.1	0.4	NRBM (89)
Food, beverages and tobacco	5.7	3.7	4.3	0.6	NRBM (60)
Textiles, apparel, leather and footwear	3.0	5.1	3.9	-1.2	LTM (92)
Wood, pulp and paper	2.2	2.1	1.4	-0.7	NRBM (77)
Fuel and petroleum products	3.0	1.5	1.6	0.1	PG (93)
Chemicals	4.0	6.5	6.0	-0.5	MTM (51)
Pharmaceuticals	6.3	2.7	3.4	0.7	HTM (88)
Rubber and plastics	4.9	1.8	1.8	0.0	NRBM (53)
Non-metallic minerals	3.8	1.0	0.9	-0.1	NRBM (73)
Iron and steel	2.5	3.3	2.2	-1.1	LTM (65)
Metals and fabricated metal products	4.7	4.3	3.9	-0.3	PG (53)
Non-electrical machinery and equipment	4.2	6.8	5.6	-1.1	MTM (71)
Electrical machinery and appliances	4.5	19.1	18.1	-1.0	HTM (77)
Automobiles and auto parts	3.8	9.3	7.1	-2.1	MTM (68)
Total services	**6.5**	**19.2**	**27.3**	**8.1**	**Human capital intensity**
Goods-related services	7.5	0.6	0.9	0.4	Low
Construction	6.0	0.3	0.4	0.0	Low
Transport	5.7	4.2	5.0	0.7	Low
Tourism and travel	5.5	5.4	5.4	0.0	Low
Telecommunication and computer services	12.5	1.2	3.8	2.6	High
Banking and finance	7.0	2.0	2.4	0.5	High
Insurance and pensions	8.2	0.5	0.7	0.3	High
Business services	8.9	3.6	6.6	3.1	High
Government services	2.4	0.4	0.3	-0.1	Medium
Other services	7.8	1.1	1.8	0.7	Medium
Total goods and services	**4.9**	**100**	**100**		

Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtradeplus.un.org/ (for goods) and data from the World Trade Organization (for services).https://comtradeplus.un.org/.
Note: PG = primary goods; NRBM = natural resource-based manufactures; LTM = low-technology manufactures; MTM = medium-technology manufactures; HTM = high-technology manufactures. The share of the respective category in the exports of each sector is in parentheses. Light blue boxes indicate increases and pink boxes indicate decreases.

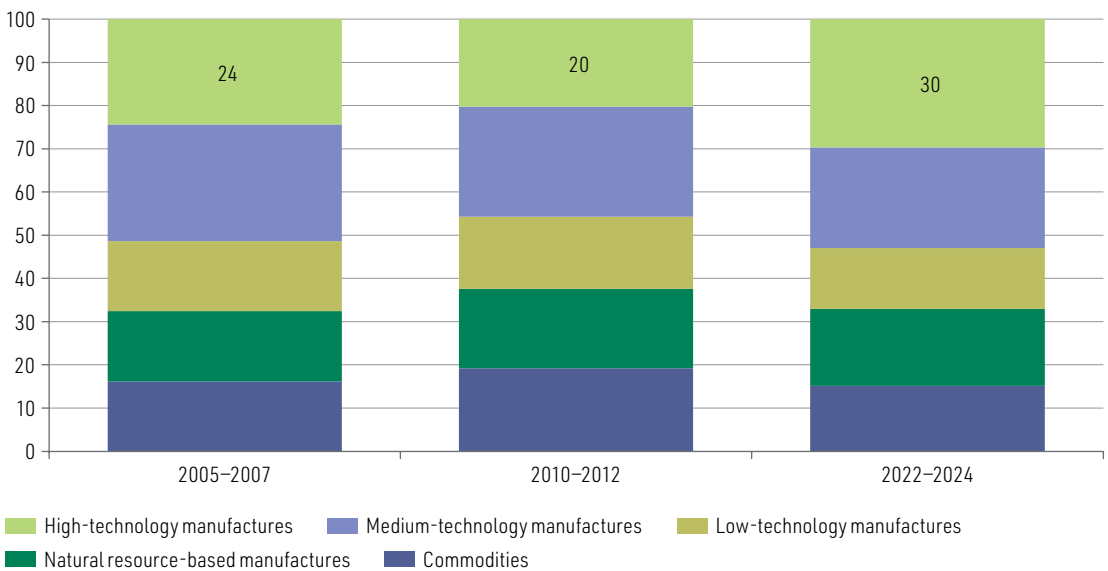
Unlike services, several goods sectors recorded sluggish export growth between 2005 and 2024, reducing their share of global goods and services exports. The steepest falls occurred in the energy mining and automobiles and auto parts sectors (2.5 and 2.1 percentage points, respectively). Machinery and equipment (electrical and non-electrical); iron and steel; and textiles, apparel, leather and footwear were among the other sectors whose share declined. The only goods sectors that increased their share of global exports are agriculture, forestry, hunting and fishing; food, beverages and tobacco; non-energy mining; and pharmaceuticals. Given their strategic role in food security, sustainability and technological innovation, demand has remained high in these sectors, even in times of slower economic growth (Padhiary and Kumar, 2024). In particular, the non-energy mining sector supplies critical minerals —such as copper, cobalt, molybdenum, lithium and rare earth elements— for the ongoing energy transition.

The share of high-technology goods in global goods exports rose from 24% between 2005 and 2007 to 30% between 2022 and 2024. Over the same period, the share of high-skill-intensive services in global services exports rose from 43% to 56%, while a concomitant drop was recorded in the share of low-skill services, from 49% to 36% (see figure III.2).

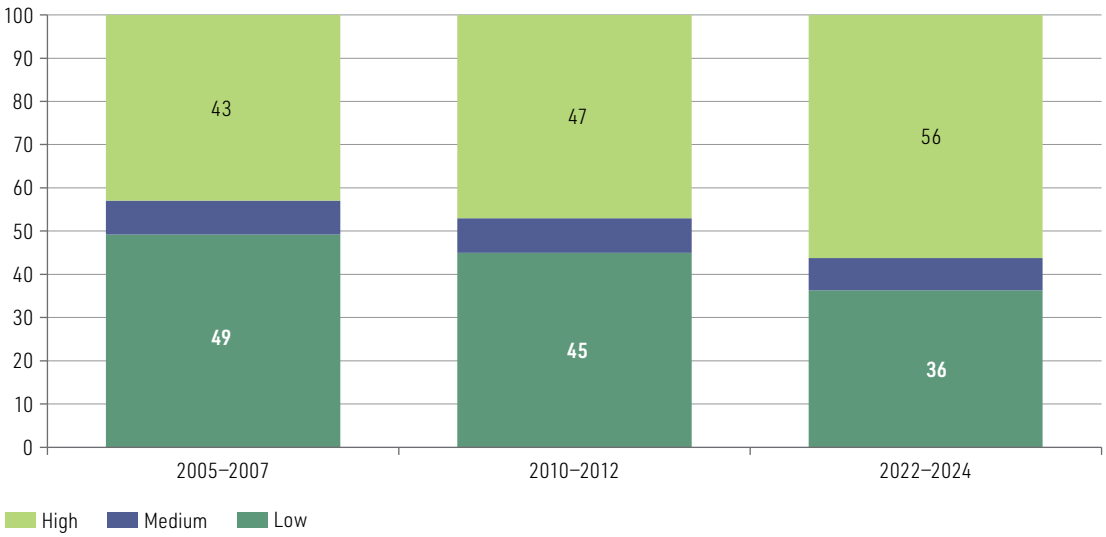
Over the 2022–2024 period, high-technology goods accounted for 28% of the total goods exports from the United States and the European Union; 35% from China; 36% from Japan; and 33% from the Association of Southeast Asian Nations (ASEAN) countries. For Latin America and the Caribbean, the share was only 17% (see figure III.3A). Over the same period, high-skill-intensive services accounted for two thirds of the total services exports from the United States; 60% from Japan; 58% from the European Union; and 50% from China. For Latin America and the Caribbean, the share was 35% (see figure III.3B). Low-skill-intensive services account for 64% of the region's services exports.

Figure III.2
Structure of global goods and services exports, by technology intensity and human capital skill level, averages for 2005–2007, 2010–2012 and 2022–2024
(Percentages)

A. Goods
(Technology intensity)



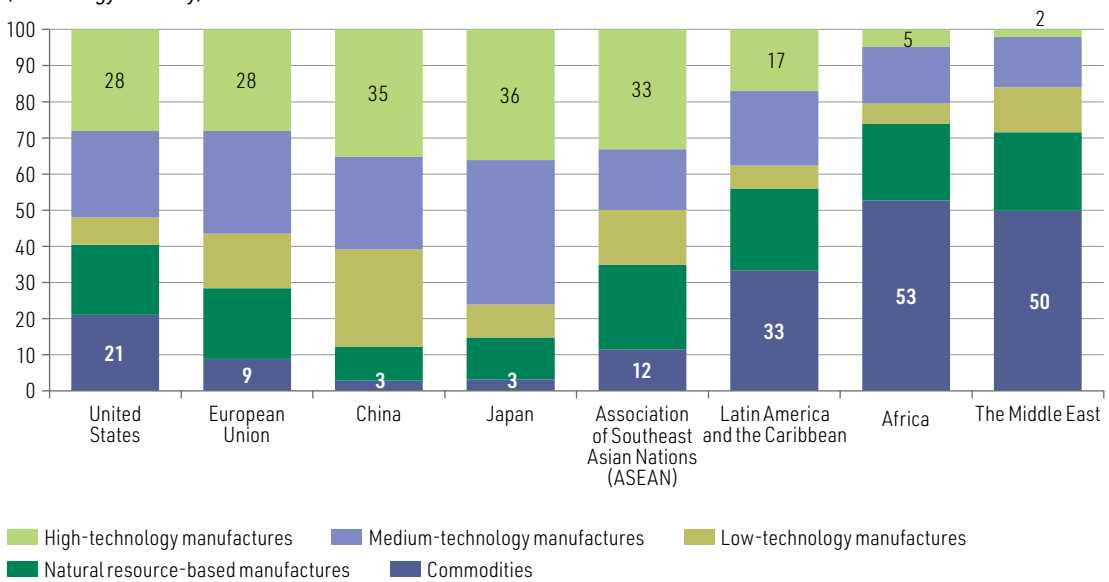
B. Services
(Human capital skill level)



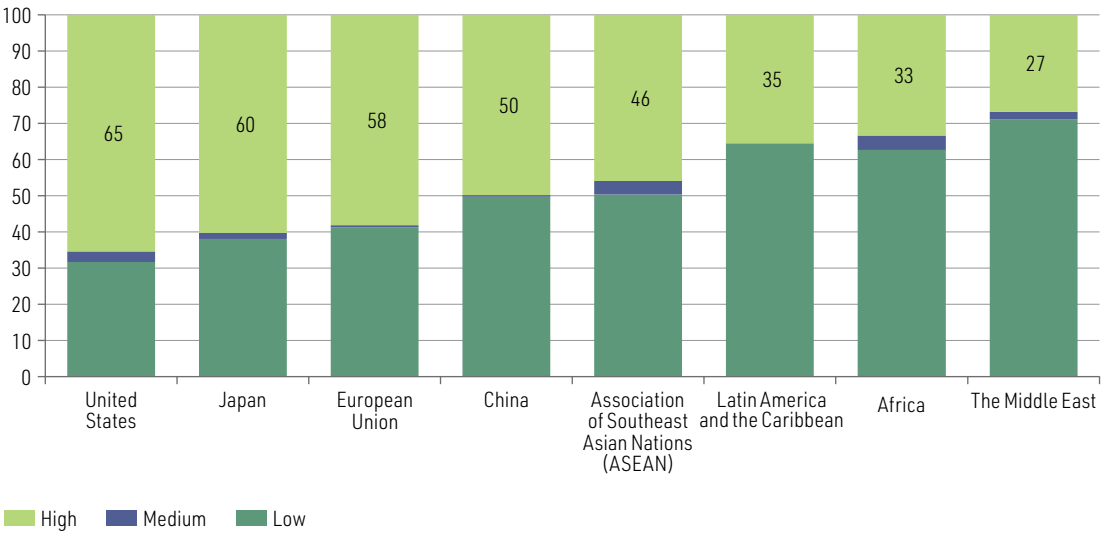
Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtradeplus.un.org/ (for goods) and data from the World Trade Organization (for services).https://comtradeplus.un.org/.

Figure III.3
Selected regions and countries: structure of goods and services exports, by technology intensity and human capital skill level, 2022–2024 averages
(Percentages)

A. Goods
(Technology intensity)



B. Services
(Human capital skill level)



Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtradeplus.un.org/ (for goods) and data from the World Trade Organization (for services).https://comtradeplus.un.org/.

Among the world's three major trading powers, China outstrips the United States and the European Union in terms of share of high-technology manufactures in total goods exports. The opposite is true for services: high-skill-intensive sectors account for a greater share of exports from the United States and the European Union than exports from China. This reflects the respective specializations of these actors: China's focus is on advanced manufacturing; that of the United States and the European Union is on modern services.

As has been the case globally, regional services exports outpaced goods exports over the 2005–2024 period; the former expanding at an average annual rate of 4.4% and the latter at 3.6%. As a result, the relative share of services in the region's total exports rose by 2.6 percentage points, from 12.8% to 15.4%, while the share of goods fell by almost the same amount (2.5 percentage points), from 86.7% to 84.2%. Exports of several categories of modern services, such as telecommunication and computer services, insurance and pensions, and business services, showed particularly strong growth at annual average rates of 6.8%, 5.4% and 4.9%, respectively (see table III.3).

Notwithstanding the stronger aggregate performance of services, various goods sectors registered higher growth rates and consequently increased their share of total regional exports. These sectors are: agriculture, forestry, hunting and fishing; food, beverages and tobacco; non-energy mining; automobiles and auto parts; and, to a lesser degree, non-electrical machinery and equipment and rubber and plastics.[5] The sectors with the lowest annual growth —and thus steeper declines in their share of the region's export structure— are energy mining; textiles, apparel, leather and footwear; iron and steel; and metals and metal products. These four sectors posted average annual growth rates below 2.5%.

Sections III.B and III.C below provide a more detailed analysis of the performance of regional exports of high-technology goods and of human capital-intensive services, respectively.

[5] As shown in table III.2, exports from the first three sectors also registered strong growth at the global level.

Table III.3
Latin America and the Caribbean: average annual variation in the value of goods and services exports, by major sector, 2005–2024, and share of total exports, 2005–2007 and 2022–2024
(Percentages)

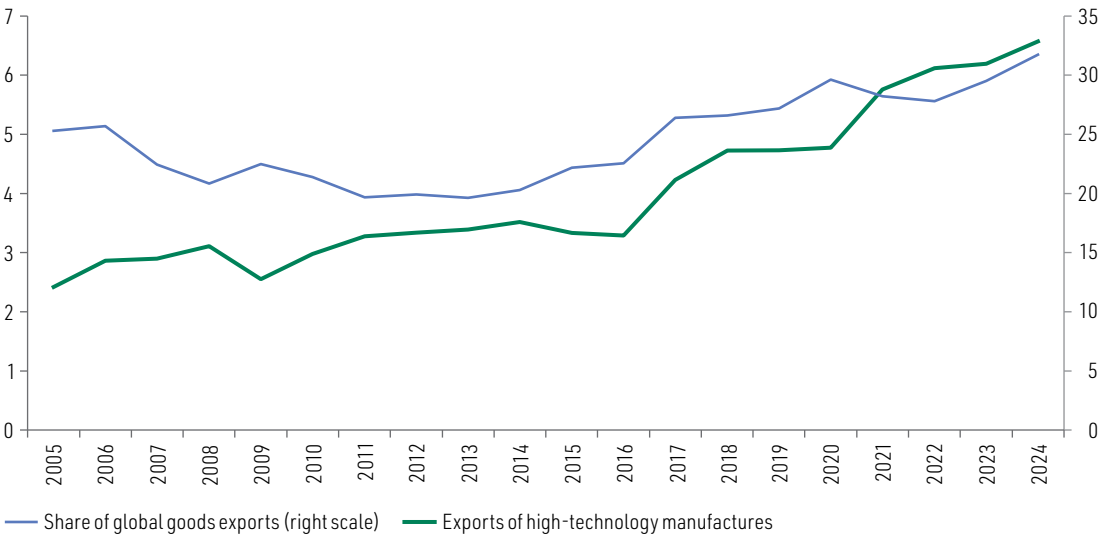
Industry	Average annual variation	Share of goods and services exports			Sectoral classification	
	2005-2024	2005-2007	2022-2024	Variation (*Percentage points*)	Export intensity	Predominant human capital skill intensity
Total goods	**3.6**	**86.7**	**84.2**	**-2.5**		
Agriculture, forestry, hunting and fishing	5.6	5.8	10.5	4.7	High	Low
Energy mining	0.9	16.8	9.1	-7.7	High	High
Non-energy mining	5.9	4.7	6.8	2.0	High	Medium
Food, beverages and tobacco	3.7	8.8	11.2	2.4	Medium	Low
Textiles, apparel, leather and footwear	1.4	3.9	2.0	-1.9	Medium	Low
Wood, pulp and paper	3.5	2.3	2.0	-0.2	High	Medium
Fuel and petroleum products	-1.1	1.0	0.5	-0.5	Low	Medium
Chemicals	2.4	4.0	3.6	-0.4	Medium	High
Pharmaceuticals	-1.2	0.6	0.4	-0.2	Low	Medium/high
Rubber and plastics	4.5	1.1	1.2	0.1	Medium	Medium
Non-metallic minerals	2.7	0.9	0.6	-0.3	Low	Low
Iron and steel	1.7	3.1	1.7	-1.3	High	Medium
Metals and metal products	2.3	7.1	6.0	-1.1	High	Low
Non-electrical machinery and equipment	4.5	3.5	3.9	0.4	High	High
Electrical machinery and appliances	4.1	13.5	12.8	-0.7	High	High
Automobiles and auto parts	6.1	8.3	10.5	2.2	High	Medium/high
Other manufactures	4.1	1.4	1.1	-0.3	High	Low
Total services	**4.4**	**12.8**	**15.4**	**2.6**		
Goods-related services	3.8	0.6	0.5	-0.1	High	Low
Construction	-2.7	0.3	0.2	-0.1	Low	Low
Transport	3.8	2.6	2.6	0.0	High	Low
Tourism and travel	4.5	6.1	6.9	0.8	High	Low
Telecommunication and computer services	6.8	0.5	1.2	0.6	Medium	High
Banking and finance	3.4	0.3	0.3	0.1	Low	High
Insurance and pensions	5.4	0.4	0.5	0.1	Low	High
Business services	4.9	2.0	3.2	1.2	High	High
Government services	0.5	0.4	0.2	-0.1	Low	Medium
Other services	5.3	0.1	0.2	0.1	High	Medium
Total goods and services	**3.8**	**100**	**100**			

Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtradeplus.un.org/ (for goods) and data from the World Trade Organization (for services).https://comtradeplus.un.org/.
Note: Light blue shading indicates an increase and pink shading a decrease.

B. Global and regional trade in high-technology goods

Over the past decade, the value of global trade in high-technology manufactures has grown considerably in absolute terms and as a share of global trade. Between 2005 and 2024, global exports of these manufactures increased from approximately US$ 2.4 trillion to almost US$ 6.6 trillion (see figure III.4), reflecting average annual growth of 4.7%. Their share in world trade fell from 25% in 2005 to 20% between 2011 and 2013, but has since risen to 32% in 2024.

Figure III.4
Global exports of high-technology manufactures and share of global goods exports, 2005–2024
(Trillions of dollars and percentages)

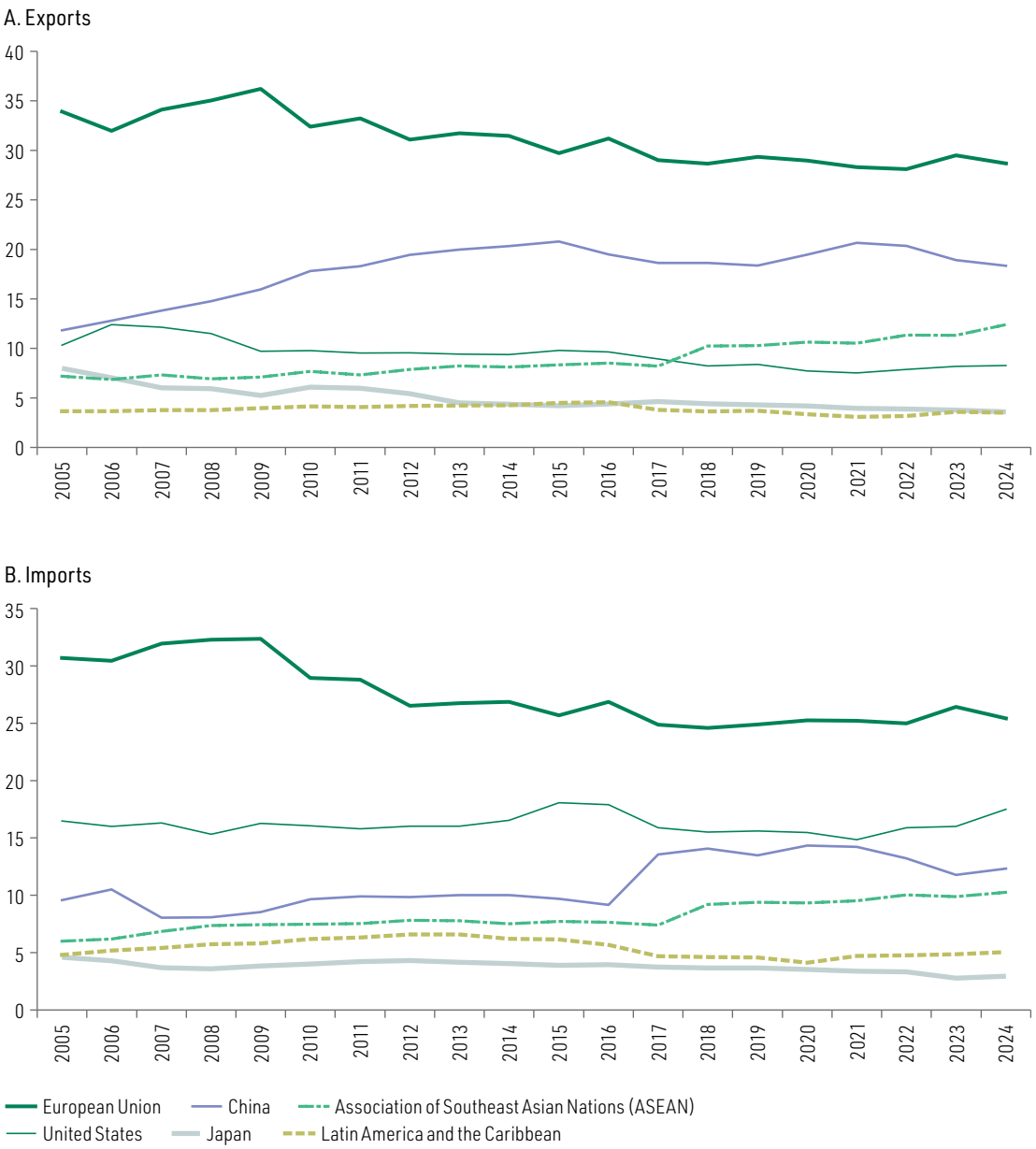


Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtradeplus.un.org/.https://comtradeplus.un.org/.

China's share of global high-technology exports rose from 12% in 2005 to 18% in 2024, making it the leading individual exporter, albeit behind the 27-member European Union, which as a whole accounts for 29% of exports (see figure III.5). In contrast, Latin America and the Caribbean accounts for around 4% of global exports and 5% of global imports.

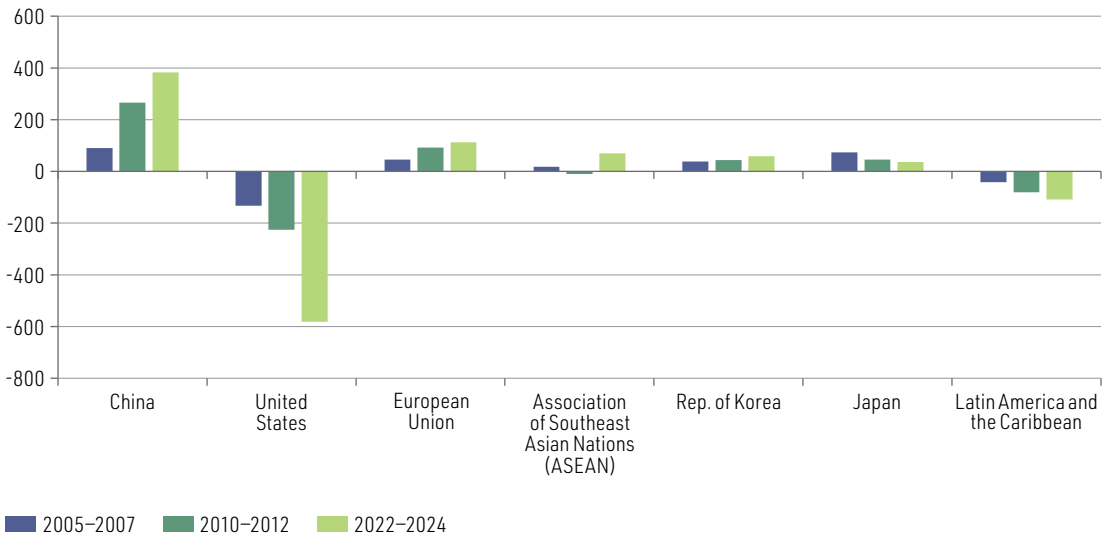
China has become the world's largest net exporter of high-technology manufactures. As shown in figure III.6, its trade surplus in this goods category expanded considerably between the mid-2000s and the early 2010s, approaching US$ 400 billion in the period 2022–2024. The expansion was driven by export-oriented industrial policies, substantial investment in research and development, and the country's integration into global value chains, especially in electronics and information technology. In contrast, the United States deficit widened in this sector, quadrupling over the same period. This reflects the offshoring of manufacturing activities, a shift towards design and services in its value-added structure, and an increase in imports of components and finished products from Asia (Organisation for Economic Co-operation and Development [OECD], 2023). The European Union records a modest and growing surplus, while Latin America and the Caribbean maintains a persistent deficit, reflecting structural gaps in technological production capacity.

Figure III.5
Selected groupings and countries: share in global exports and imports of high-technology manufactures, 2005–2024
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtradeplus.un.org/.https://comtradeplus.un.org/.

Figure III.6
Selected groupings and countries: high-technology manufacturing trade balance, 2005–2007, 2010–2012 and 2022–2024
(Billions of dollars)

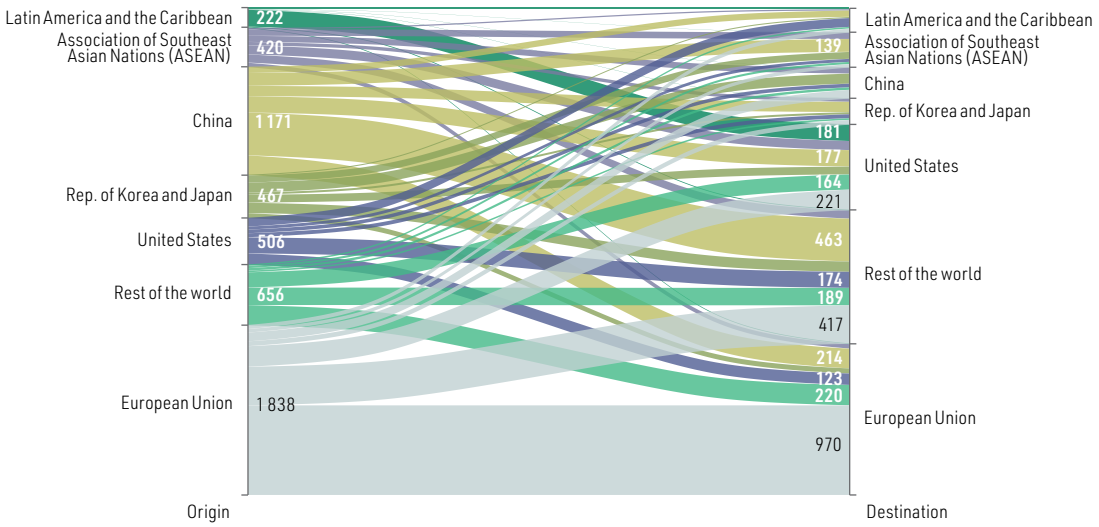


Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtradeplus.un.org/.https://comtradeplus.un.org/.

Global trade in high-technology manufactures is marked by major production hubs and strong intraregional linkages. The European Union, the world's leading exporter (US$ 1.8 trillion in 2023), sends over 60% of its shipments —equivalent to nearly US$ 1 trillion— to its own market, reflecting strong intrabloc integration of production and trade (see figure III.7). The main destination of its extraregional exports is what has been termed the "rest of the world" (a grouping of all economies not identified in figure III.7) and the United States. China, the world's second-largest exporter (US$ 1.1 trillion), mainly exports to the "rest of the world" and, in similar volumes, to the United States and the European Union. ASEAN, with US$ 0.4 trillion in exports, is a key supply chain hub, sending large flows to China, the Republic of Korea, Japan and the United States. Latin America and the Caribbean, with exports of US$ 200 billion, remains highly dependent on a single destination, with 85% of its shipments going to the United States. Exports from the Republic of Korea and Japan (US$ 400 billion) are concentrated in China, ASEAN and the United States.

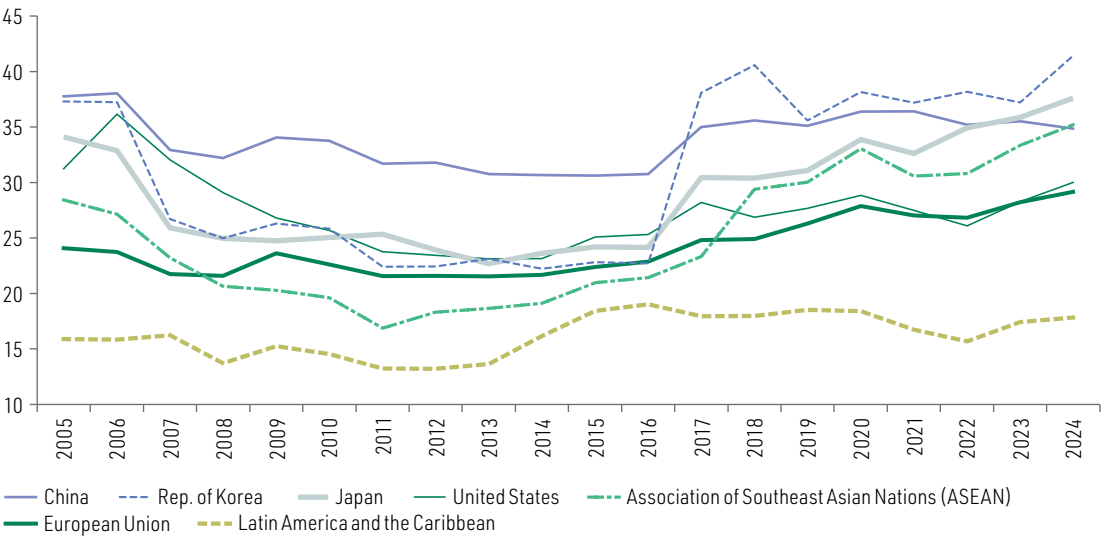
China, Japan, the Republic of Korea and ASEAN specialize heavily in high-technology manufacturing, which accounted for between 35% and 41% of their total goods exports in 2024 (see figure III.8). Over the past two decades, these economies have maintained or increased the high-technology manufacturing share in their export basket thanks to active industrial policies, strong investment in research and development, and the consolidation of regional supply chains in sectors such as electronics, semiconductors and biotechnology (OECD, 2023; United Nations Conference on Trade and Development [UNCTAD], 2023). High-technology manufacturing accounts for some 30% of total goods exports from the European Union and the United States, economies that in recent decades have increasingly specialized in knowledge-intensive services (see section III.C). In Latin America and the Caribbean, meanwhile, the share of high-technology manufactures in total exports was only 18% in 2024, a figure that has not changed significantly over the past decade. This reflects not only an export structure based on natural resources and low- and medium-technology manufactures, but also limited implementation of productive development policies aimed at technologically complex sectors (ECLAC, 2024b).

Figure III.7
Selected groupings and countries: high-technology manufacturing export flows, by origin and destination, 2023
(Billions of dollars)



Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtradeplus.un.org/.https://comtradeplus.un.org/.

Figure III.8
Selected groupings and countries: share of high-technology manufactures in total goods exports, 2005–2024
(Percentages)

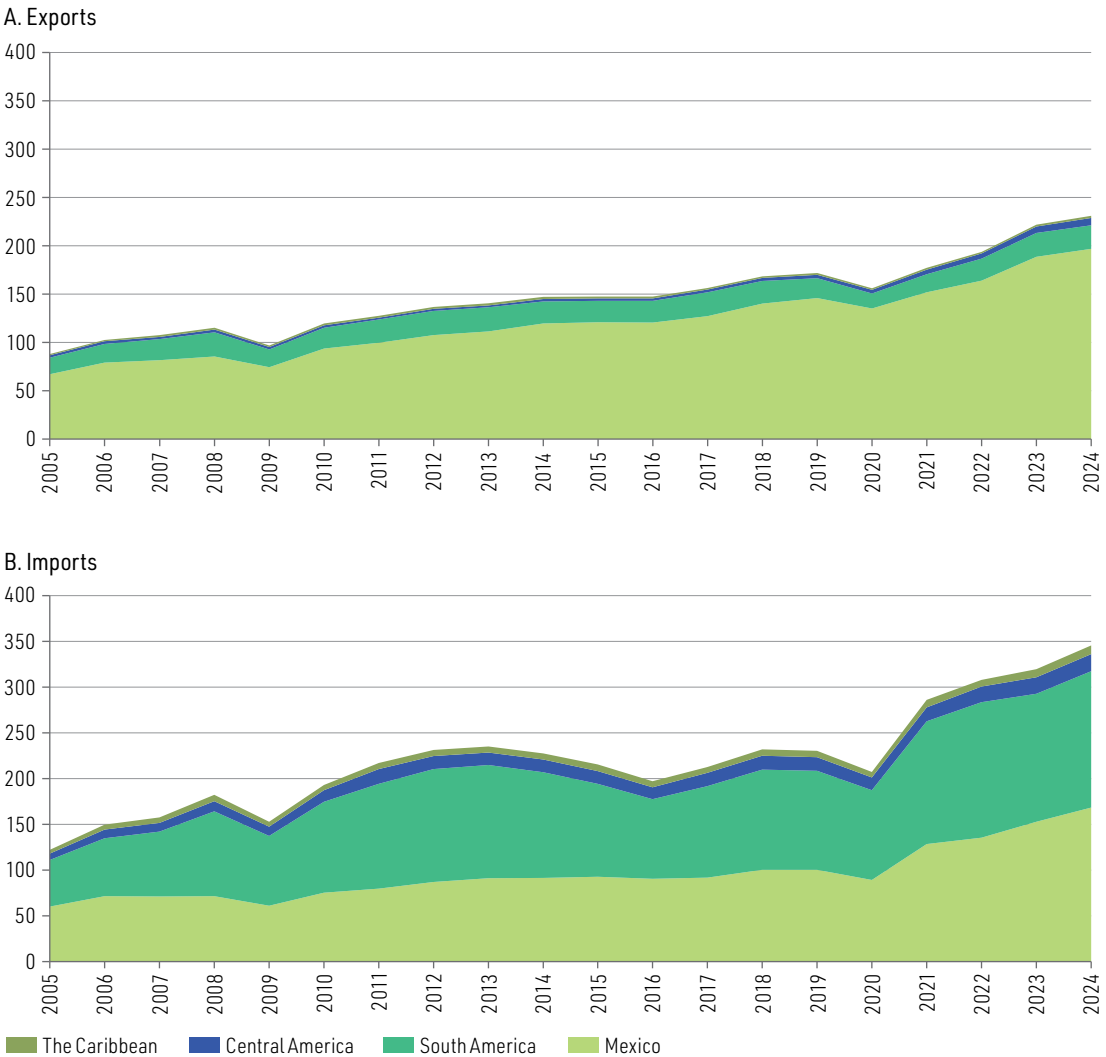


Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtradeplus.un.org/.https://comtradeplus.un.org/.

Mexico continues to be the leading exporter of high-technology manufactures in Latin America and the Caribbean, while South America —primarily Brazil— imports high volumes of these products, indicating increasing technological dependence. Mexican exports have been on an upward trend since 2005, while volumes remain much lower for South America, Central America and the Caribbean (see figure III.9A). While imports have been rising steadily throughout the region, in South America the increase has outpaced growth in exports, heightening technological dependence and reflecting

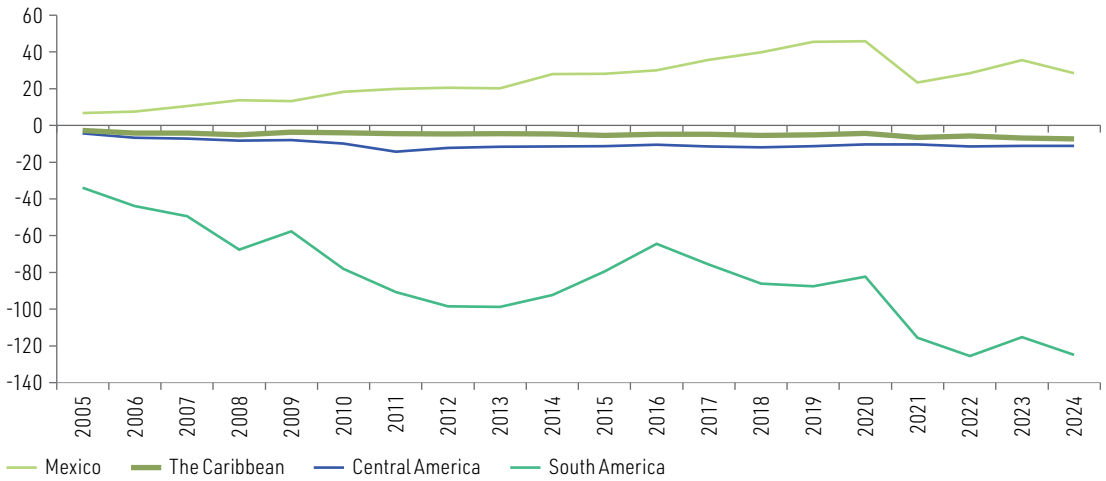
a loss of productive capacity in high-technology sectors (see figure III.9B). The trade balance shows Mexico running a stable surplus, in contrast to South America, which has recorded widening deficits (surpassing US$ 100 billion in several years), reflecting the rapid deindustrialization of Brazil[6] and Argentina, while the trade flows of Central America and the Caribbean are smaller and close to balance (see figure III.9C).

Figure III.9
Mexico and subregions of Latin America and the Caribbean: exports, imports and trade balance of high-technology manufactures, 2005–2024
(Billions of dollars)



[6] Between 1997 and 2018, Brazilian manufacturing industry's GDP share declined from 19.2% to 11.3%, while the export share of high-technology industrial products fell from 11.9% in 2000 to 4.3% in 2018. Over the same period, the export share of primary goods grew from 18.4% to 41.0%. This reflects deindustrialization, with job losses, declining competitiveness and growing dependence on imports of medium- and high-technology goods. Its primary causes have been low labour productivity and skills, a high tax burden and poor infrastructure, compounded by currency appreciation, elevated interest rates, the natural resource boom and the relocation of production chains to Asia (Gelatti et al., 2020).

C. Trade balance

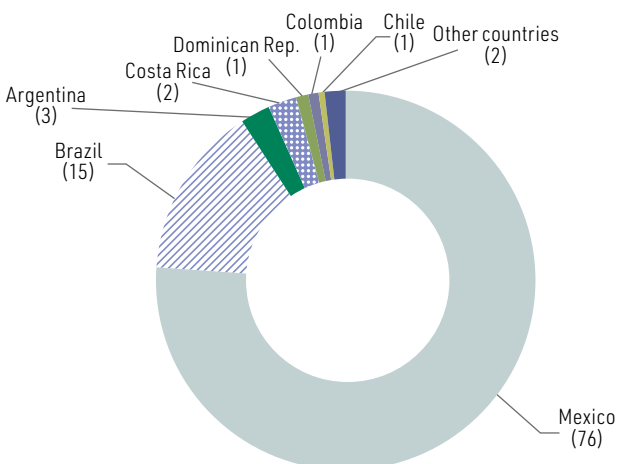


Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtradeplus.un.org/.https://comtradeplus.un.org/.

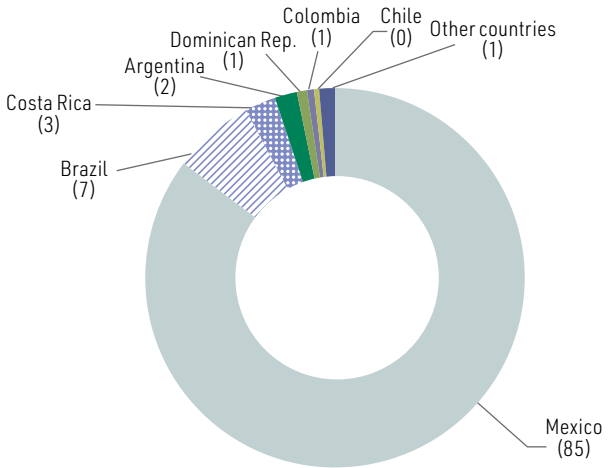
Over the past two decades, Mexico has cemented its position as the leading exporter of high-technology manufactures in Latin America and the Caribbean, increasing its share of regional exports of these products from 76% in 2005 to 85% in 2024 (see figure III.10). Over the same period, Brazil's market share declined from 15% to 7%. The shares of the other countries in the region remained very low and stable. The top two regional high-technology exporters pursued different strategies with regard to global value chain integration for these products (see box III.1).

Figure III.10
Latin America and the Caribbean: leading exporters of high-technology manufactures, 2005 and 2024
(Percentages)

A. 2005



B. 2024



Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtradeplus.un.org/.https://comtradeplus.un.org/.

Box III.1

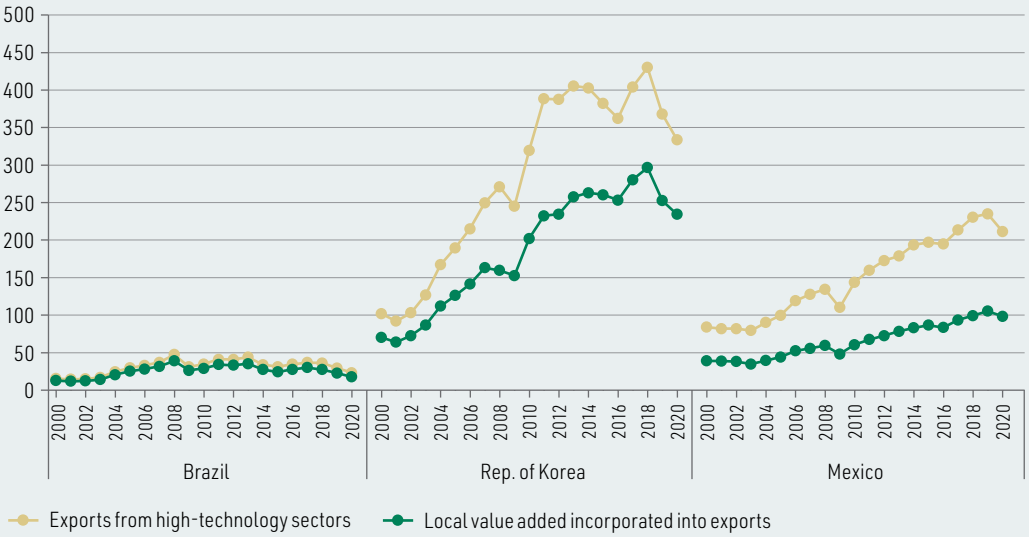
Technology-intensive exports and local value added in Mexico, Brazil and the Republic of Korea: diverging pathways

Mexico experienced robust export growth in high-technology sectors following the entry into force of the North American Free Trade Agreement (NAFTA) in 1994. However, the proportion of local value added in these exports has remained low, reflecting an integration pattern based on assembling imported components rather than generating domestic technological capabilities. Mexican manufacturing sectors rely heavily on imported intermediate inputs, which is indicative of the weakness of the linkages between exports and the rest of the economy (Villalobos-Alonzo and Romo-González, 2020). Recent economic analyses, however, suggest that the rise of artificial intelligence and nearshoring dynamics offer Mexico a strategic opportunity to attract new investment in high-technology sectors and consolidate its role in regional and global value chains (Capital Economics, 2025; Gereffi, 2025).

Brazil's industry has not matched the export dynamism of Mexico's, but it has maintained a high level of local value added in its shipments. This signals that there are various paths to integration into global high-technology value chains: prioritizing export volume, even with low domestic value added (Mexico), or preserving domestic capacity, albeit with a lesser role in frontier sectors (Brazil).

The Republic of Korea has shown steady growth in high-technology exports alongside an increase in the proportion of domestic value added. Its industries have thus progressively moved up value chains with the support of active industrial policies in strategic sectors such as electronics, semiconductors and advanced automobiles (Fujii-Gambero and Betancourt-Gómez, 2022). For several decades, the Korean State exerted strict discipline over large firms, imposing export targets and pressuring conglomerates to ensure they performed competitively in international markets (Amsden, 1992; Cheon, 2014). As a result, the country positioned itself as a leader in frontier sectors, captured innovation-related rents and achieved deep integration with the local production structure.

Brazil, Mexico and the Republic of Korea: technology-intensive exports and incorporation of local value added, 2000–2020
(Billions of dollars)



Source: Economic Commission for Latin America and the Caribbean, on the basis of Organisation for Economic Co-operation and Development, Trade in Value-Added (TiVA) database. https://www.oecd.org/en/topics/sub-issues/trade-in-value-added.html.https://www.oecd.org/en/topics/sub-issues/trade-in-value-added.html.

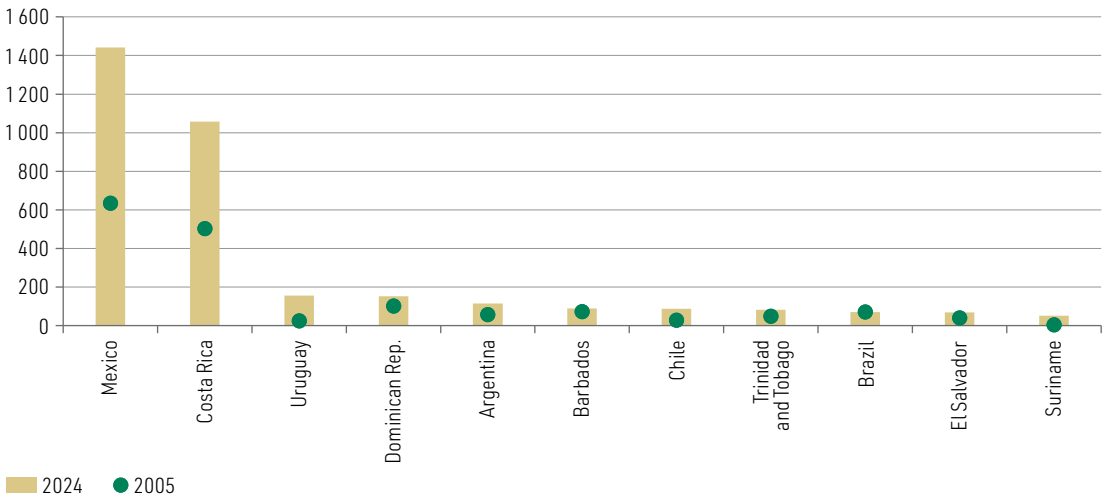
Note: In the International Standard Industrial Classification of All Economic Activities (ISIC), fourth revision, the following are considered technology-intensive sectors: C20 (chemicals), C21 (pharmaceuticals), C26 (computer, electronic and optical products), C27 (electrical equipment), C28 (machinery and equipment), C29 (motor vehicles) and C30 (other transport equipment).

Source: Economic Commission for Latin America and the Caribbean, on the basis of Amsden, A. (1992). *Asia's Next Giant: South Korea and Late Industrialization*. Oxford University Press; Capital Economics. (2025). Mexico AI boom. *Latin America Economics Update*; Cheon, B. Y. (2014). Skills development strategies and the high road to development in the Republic of Korea. In J. M. Salazar-Xirinachs, I. Nübler and R. Kozul-Wright (Eds.), *Transforming Economies: Making Industrial Policy Work for Growth, Jobs and Development*. International Labour Organization; Fujii-Gambero, G. and Betancourt-Gómez, M. (2022). Differences in the quality of manufacturing exports of Mexico and Korea by technology level. *El Trimestre Económico, 89*(354), 587-611. https://doi.org/10.20430/ete.v89i354.1286; Gereffi, G. (2025). *Nearshoring in Mexico: diverse options for industrial upgrading* (LC/MEX/TS.2025/1). Economic Commission for Latin America and the Caribbean; Villalobos-Alonzo, M. Á. and Romo-González, A. E. (2020). Perfil del sector de alta tecnología en México: una aproximación a la realidad. *Revista de Operaciones Tecnológicas, 4*(14), 6-21. https://doi.org/10.35429/jto.2020.14.4.6.21.

Mexico and Costa Rica lead the region in per capita exports of high-technology manufactures, with values well above those of the other countries,[7] most of whose per capita exports are low and have changed little since 2005 (see figure III.11). While Mexico exports a wide variety of advanced products (mainly in the electronics and automotive sectors), the other countries with high per capita exports specialize in specific niches. Costa Rica and the Dominican Republic excel as exporters of medical equipment and devices (see box III.2) and Uruguay as an exporter of light diesel road vehicles.

[7] In absolute terms, the situation varies greatly from one country to another, given the differences in the size of their economies and populations. The population of Mexico, for instance, is nearly 26 times that of Costa Rica.

Figure III.11
Latin America and the Caribbean (selected countries): per capita exports of high-technology manufactures, 2005 and 2024
(Dollars)



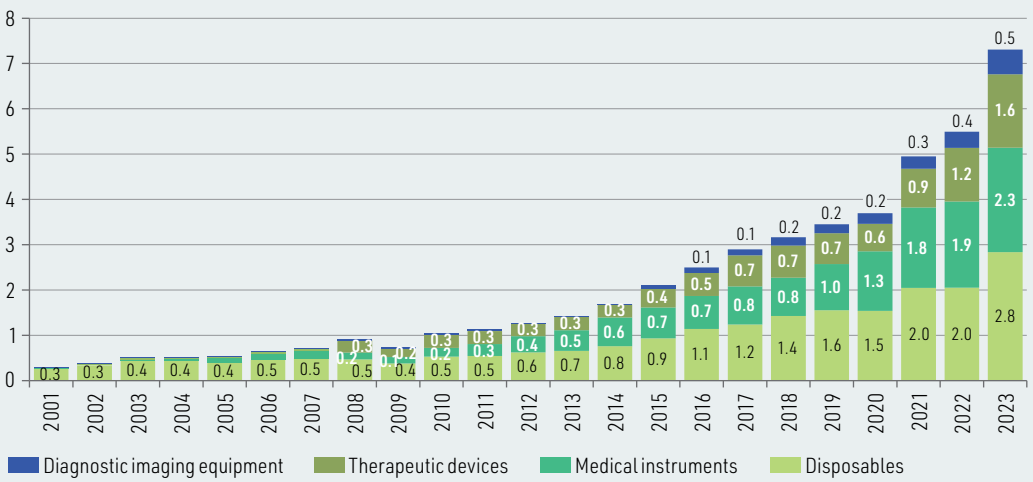
Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtradeplus.un.org/. https://comtradeplus.un.org/.

Box III.2
Costa Rica and the Dominican Republic: export specialization in medical devices

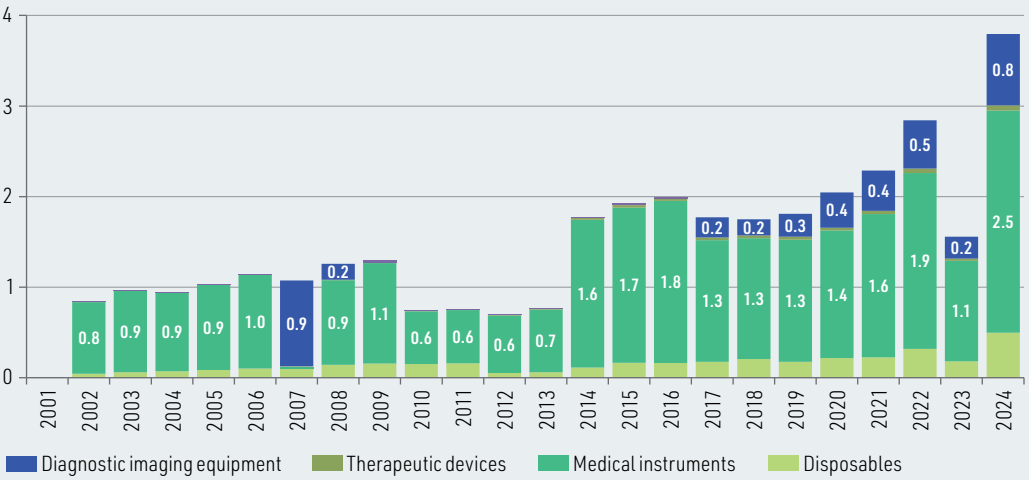
The medical device industries of Costa Rica and the Dominican Republic demonstrate how strategic measures to attract foreign investment, coupled with facilitation and institutional coordination policies, can transform small economies into leading high-technology exporters. In both countries, the industry is dominated by multinational firms where governance is hierarchical and decision-making is centralized at head offices, with vertical integration being motivated by considerations of regulatory compliance, quality and intellectual property protection (Paus and Gallagher, 2008; Economic Commission for Latin America and the Caribbean [ECLAC], 2021; Salazar-Xirinachs, 2022).

Costa Rica and the Dominican Republic: medical device exports, 2001–2024[a]
(Billions of dollars at current prices)

A. Costa Rica



B. Dominican Republic



Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtrade.un.org/.https://comtrade.un.org/

[a] Figures for Costa Rica go up to 2023.

In Costa Rica, the Ministry of Foreign Trade and the Costa Rican Coalition of Development Initiatives (CINDE) played a key role not only in attracting investment but also in linking global and local service providers with multinational firms. These firms suggested strategic suppliers to CINDE, and the agency set about attracting them, which facilitated the establishment of suppliers following the arrival of new subsidiaries and strengthened linkages (Salazar-Xirinachs, 2022; Bamber and Gereffi, 2013). A case in point was the lack of sterilization companies, which limited the production of advanced cardiovascular devices until CINDE identified the problem and encouraged STERIS (2008) and Sterigenics (2010) to set up in the country, thus solving a coordination failure and enabling technological upgrading. Since then, the concentration of global suppliers in free trade zones has drawn in new subsidiaries, as shown by Gereffi et al. (2019), who point out that these suppliers' presence was a key motivator for establishing operations in the country.

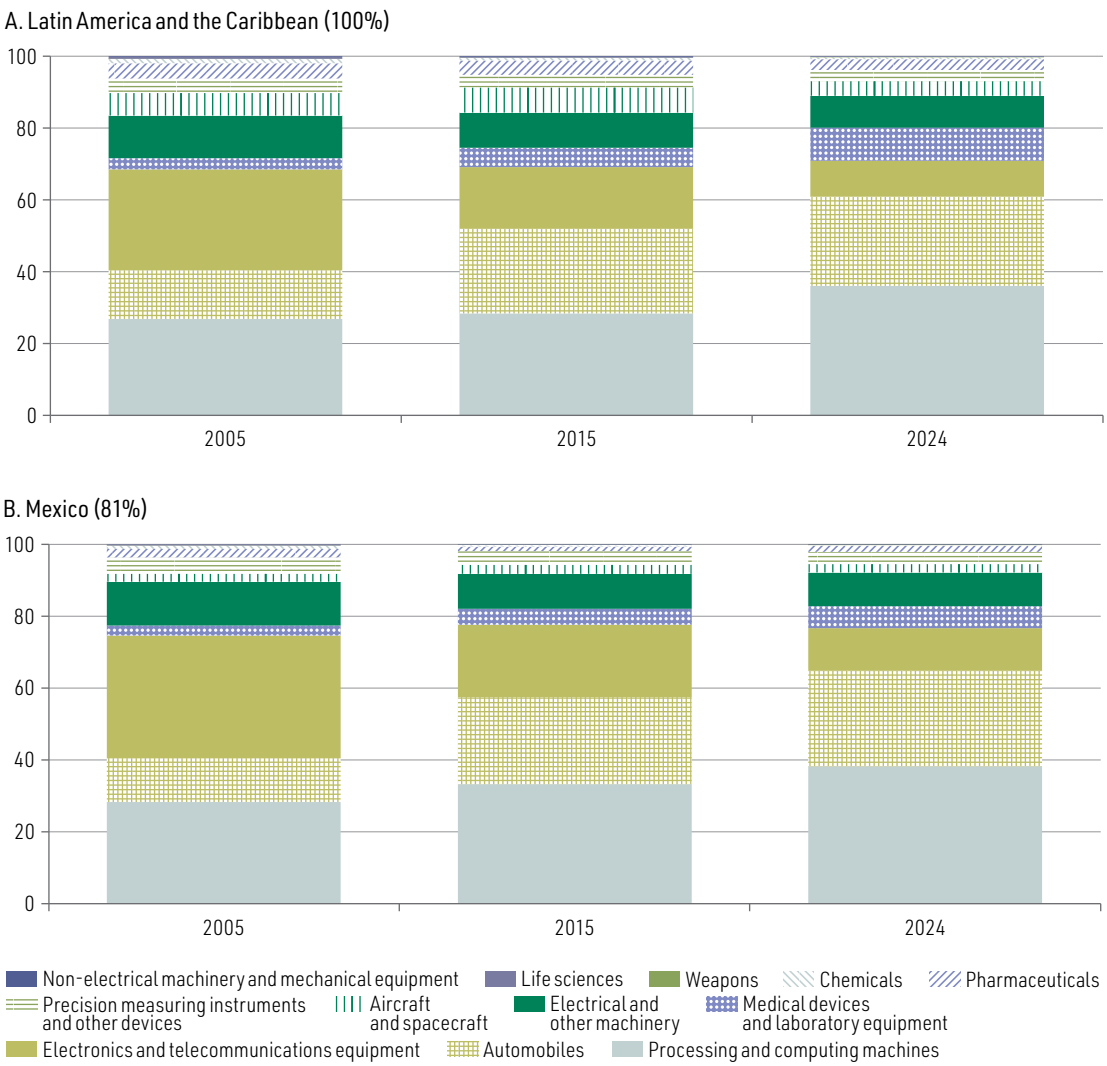
In the Dominican Republic, free trade zones have been the model's cornerstone, offering tax exemptions and a competitive logistics environment that have attracted more than 20 leading multinationals (Holguin Garcia, 2021). Their strategic location and good infrastructure have reduced logistics lead times for trade with Asia, establishing the country as a nearshoring platform for the United States (Downing, 2024). Weaknesses in backward linkages nonetheless persist, as most inputs are imported and local suppliers struggle to meet regulatory standards (Mejía, 2020). Even so, the country is a major exporter of diagnostic and imaging equipment. In short, while Costa Rica established itself early on as a regional high-technology hub thanks to the investment attraction policy maintained by successive governments since the 1990s and to the implementation role of CINDE and —since 2023— the Costa Rican Foreign Trade Promoter (PROCOMER), the Dominican Republic's efforts have been more recent and specialized, relying on free trade zones.

Source: Economic Commission for Latin America and the Caribbean, on the basis of Bamber, P. and Gereffi, G. (2013). *Costa Rica in the Medical Devices Global Value Chain: Opportunities for Upgrading*. Center for Globalization, Governance and Competitiveness; Economic Commission for Latin America and the Caribbean. (2021). The challenge of regional productive self-sufficiency in the health-care industry. In *International Trade Outlook for Latin America and the Caribbean, 2021* (LC/PUB.2021/14-P/Rev.1); Downing, D. (2024). Beyond the beaches: the Dominican Republic's rise in medical devices. *Executive Briefings on Trade*. United States International Trade Commission; Gereffi, G., Frederick, F. and Bamber, P. (2019). Diverse paths of upgrading in high-tech manufacturing: Costa Rica in the electronics and medical devices global value chains. *Transnational Corporations, 26*(1), 1–29. https://doi.org/10.18356/86211a29-en; Holguin Garcia, M. (2021, 27 May). *Dominican Republic: a hidden manufacturing gem*. Pharma Boardroom. https://pharmaboardroom.com/articles/dominican-republic-a-hidden-manufacturing-gem/; Mejía, F. (2020, 12 June). *RD, la isla de los dispositivos médicos*. Forbes Centroamérica. https://forbescentroamerica.com/2020/06/12/rd-la-isla-de-los-dispositivos-medicos; Paus, E. A. and Gallagher, K. P. (2008). Missing links: foreign investment and industrial development in Costa Rica and Mexico. *Studies in Comparative International Development, 43*(1), 53–80. https://doi.org/10.1007/s12116-007-9016-2; Salazar-Xirinachs, J. M. (2022). El sector/clúster de dispositivos médicos de Costa Rica: estudio de caso. *Nota Técnica* (IDB-TN-02627). Inter-American Development Bank. http://dx.doi.org/10.18235/0004634.

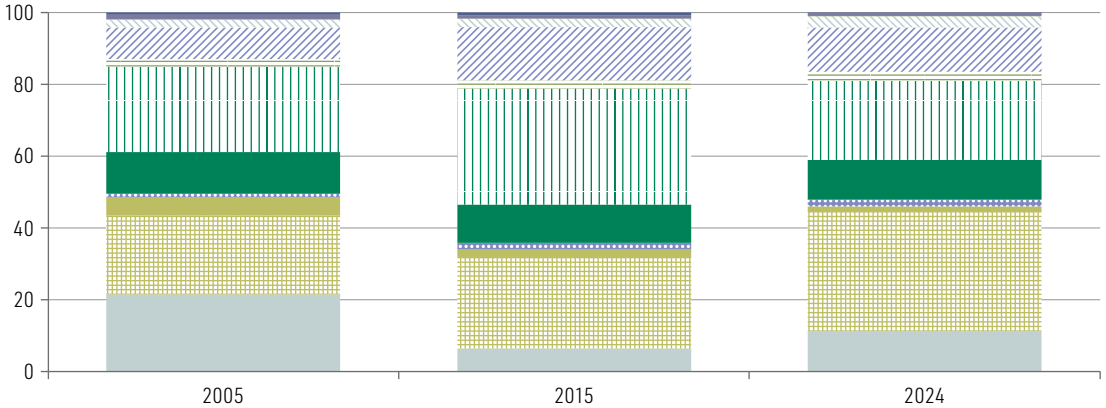
In high-technology manufacturing, Mexico specializes in the export of processing and computing machines and automobiles (see figure III.12). South America chiefly exports automobiles and aircraft (see box III.3), while Central America and the Caribbean excel in the categories of processing and computing machines and medical and laboratory devices. Overall, the data confirm that the region's share of high-technology exports is mainly explained by Mexico's position as a platform for exporting to the United States, although there are other significant cases of countries that are competitive while playing a smaller role than Mexico.

The sectoral composition of high-technology manufacturing exports remained relatively stable in Mexico, South America and the Caribbean between 2005 and 2024, but that was not the case in Central America. This primarily reflected changes in the export basket of Costa Rica, whose electronic goods exports declined greatly in 2015 following the closure the previous year of the microprocessor assembly plant operated by Intel, the leader in the sector since the late 1990s. The reopening of Intel's Costa Rican plant in 2020 contributed to the 2024 rebound of electronic goods as a major component of the export basket (Fonseca, 2025). In July 2025, however, the company once again announced the gradual closure of its assembly and testing facility in Costa Rica, potentially reducing the country's hightechnology electronics exports (Intel, 2025), although the medical device sector should be unaffected (see the information on high-technology exports by country in table III.A1.2).

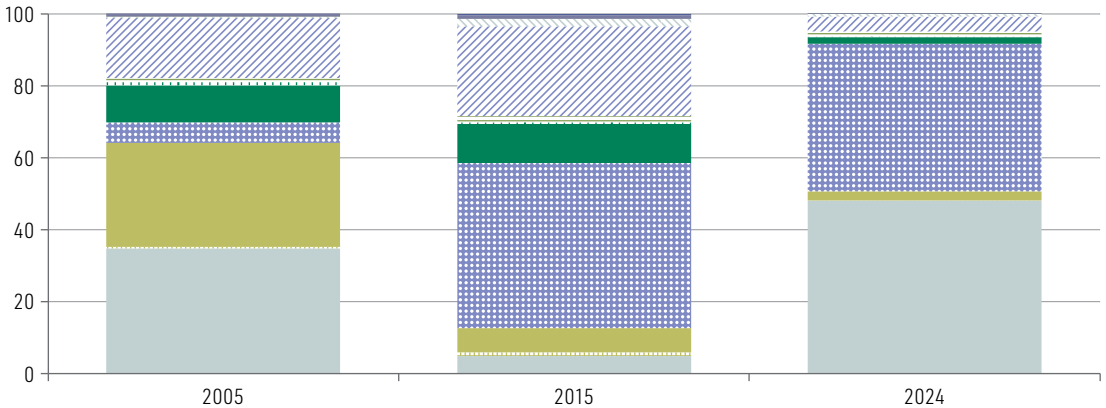
Figure III.12
Latin America and the Caribbean (selected regions and countries): top 10 categories of high-technology manufacturing exports, 2005, 2015 and 2024
(Percentages)



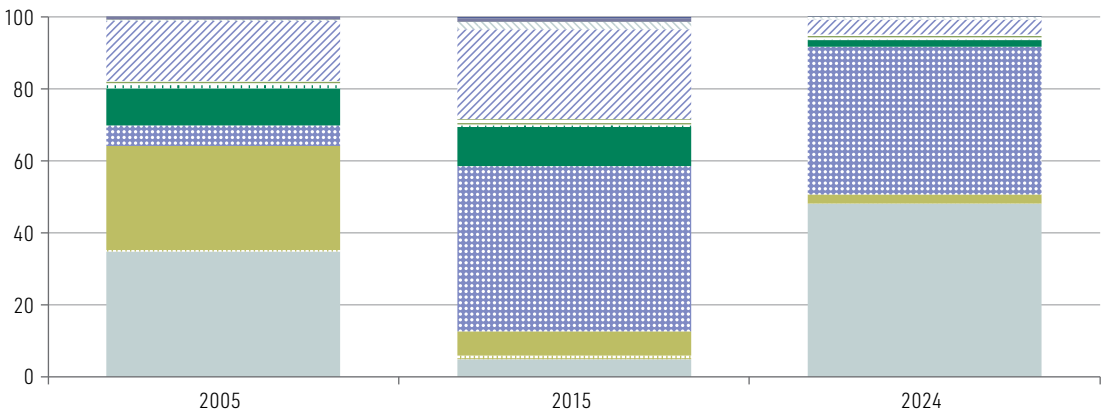
C. South America (10%)

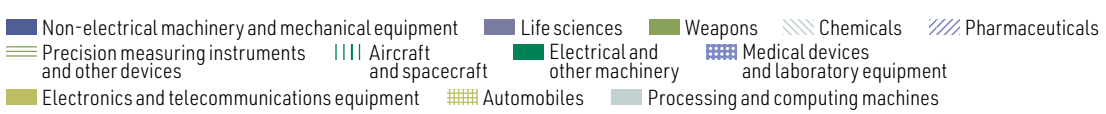


D. Central America (8%)



E. The Caribbean (1%)





Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtradeplus.un.org/.https://comtradeplus.un.org/.

Note: The figure following the name of each country or subregion is its share of total regional exports of high-technology products in 2024.

Box III.3

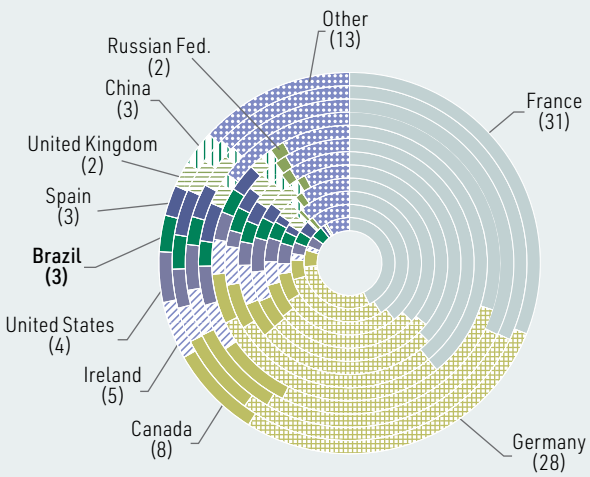
The success of Brazil's Embraer in the global aeronautics industry

The rise of Brazilian firm Embraer is an outstanding example of a Latin American success in high-technology production chains. Founded in 1969 as a State-owned company in the context of the Brazilian developmentalist project, Embraer was established with a mandate to produce aircraft that would meet the needs of a continent-sized country with limited airport infrastructure. The support of the country's Aeronautical Technology Institute (ITA) and Aerospace Technical Centre (CTA) was essential for endowing the firm with technological capabilities and highly skilled human resources (Maculan, 2013).

Following a period of expansion in the 1970s and one of crisis in the 1980s, its 1994 privatization marked a turning point. The firm's transformation into a global player was underpinned by three components: (i) the development of dynamic skills to adapt innovations to its capacity; (ii) the establishment of strategic international partnerships that enabled it to absorb and co-design critical technologies; and (iii) sustained State support, now with a greater focus on financing mechanisms and export promotion (Goldstein, 2002; Teixeira, 2024). However, tensions have also been identified: dependence on imported inputs, a fragile domestic supplier base and the risk of adverse social effects because of international competitive pressures and the deterioration of employment standards in certain links of the chain (Teixeira, 2024).

Embraer has consolidated its position as the world's third-largest manufacturer of commercial aircraft, behind only Boeing and Airbus. As a result of this performance, Brazil ranked sixth among global aircraft exporters in 2023, with around 3% of total exports. These achievements have been based on increasing diversification into the executive jet and military aircraft segments.

Selected countries: share of global aircraft exports, 2012–2023
(Percentages)

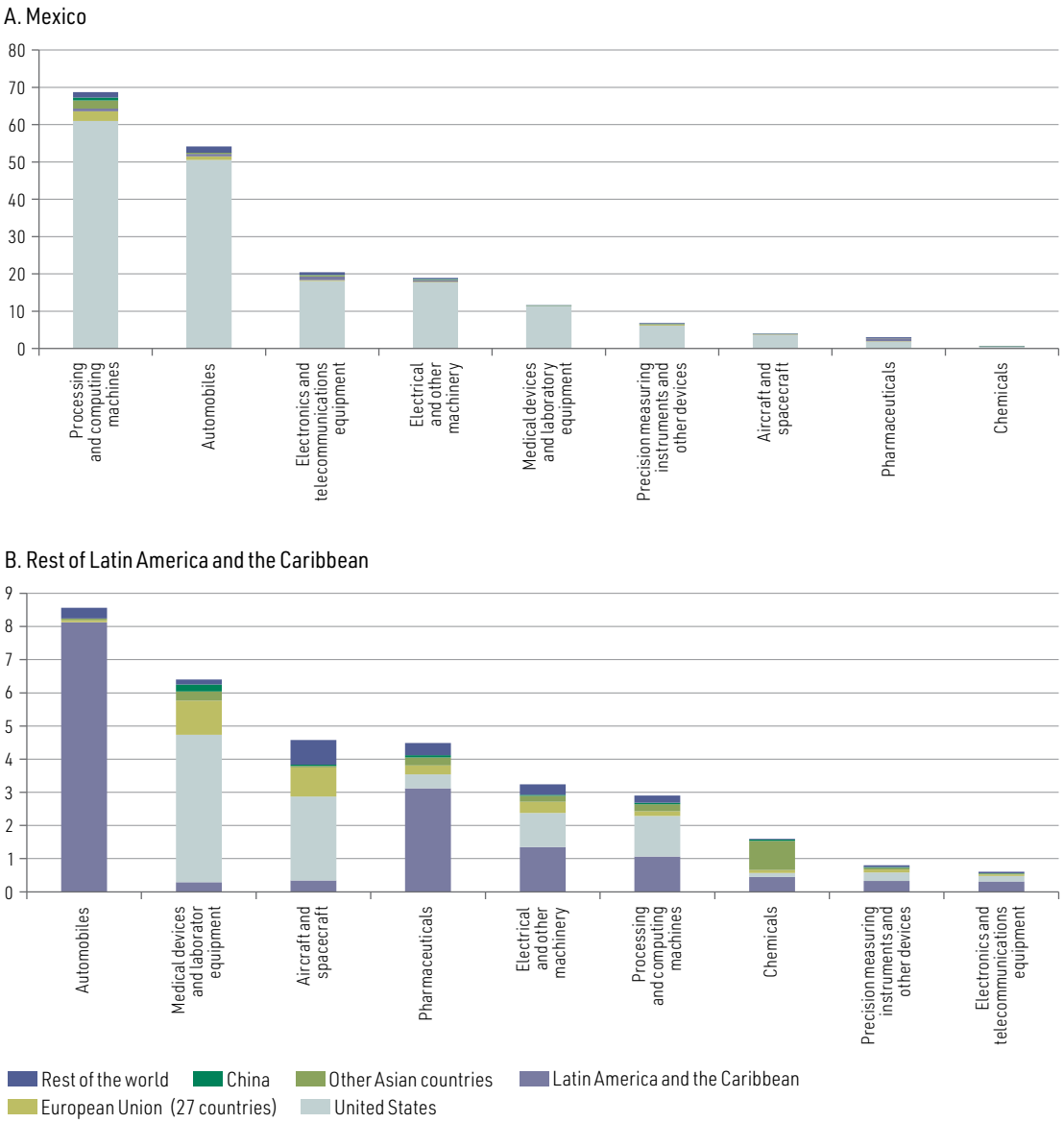


Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtrade.un.org/.https://comtrade.un.org/.
Note: Each ring represents one year, from 2012 in the innermost circle to 2023 in the outermost circle.

Source: Economic Commission for Latin America and the Caribbean, on the basis of Goldstein, A. (2002). EMBRAER: from national champion to global player. *CEPAL Review* (77) (LC/G. 2180-P). Economic Commission for Latin America and the Caribbean; Maculan, A.-M. D. (2013). Embraer and the growth of the Brazilian aircraft industry. *International Journal of Technology and Globalisation, 7*(1/2), 41–59. http://dx.doi.org/10.1504/IJTG.2013.052030; Teixeira, T. (2024). State–firm nexus, indigenous coupling, and social downgrading in the aerospace global production network: a case study of Embraer, Brazil. *Economic Geography, 100*(4), 303–328. https://doi.org/10.1080/00130095.2024.2346526.

Mexico's export profile for high-technology manufactures is much more geographically concentrated than that of the rest of the region, being clearly dominated by the United States market (see figure III.13A). The geographical structure is more diversified in the rest of Latin America and the Caribbean, however, with automobiles the largest category exported, primarily to the rest of the region, followed by medical devices and laboratory equipment, mainly destined for the United States market.

Figure III.13
Mexico and the rest of Latin America and the Caribbean: main destinations for the top 10 categories of high-technology manufacturing exports, 2024
(Billions of dollars)



Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtradeplus.un.org/.https://comtradeplus.un.org/

Mexico is the leading exporter of 18 of the region's 20 main high-technology export products, recording the highest values for light gasoline vehicles (US$ 25.354 billion), digital processors (US$ 20.122 billion) and transmitters with reception (US$ 12.631 billion) (see table III.4). Brazil is the second largest

export hub, although with significantly lower values, excelling in segments such as diesel vehicles, aircraft, medicines and electrical circuits. Other economies specialize in particular niches: Costa Rica in medical instruments and data equipment parts, the Dominican Republic in medical instruments and transmitters and Argentina in light diesel vehicles and medicines.

Table III.4
Latin America and the Caribbean: main exporting countries for the region's leading high-technology goods exports, 2024

	Harmonized Commodity Description and Coding System (HS) code	Product name	Main exporting countries and value exported *(Millions of dollars)*
1	870431	Gasoline vehicles ≤5t	Mexico (25 354), Brazil (900), Argentina (35)
2	847150	Digital processors	Mexico (20 122), Brazil (24)
3	870120	Road tractors	Mexico (12 171), Brazil (1 167)
4	852520	Transmitters with reception and recording or reproducing apparatus	Mexico (12 631), Brazil (175), Dominican Republic (80), Chile (57)
5	852812	Colour television with radio or recording apparatus	Mexico (10 753), Chile (18), Colombia (14)
6	901890	Medical or dental instruments	Mexico (6 957), Costa Rica (2 309), Dominican Republic (1 104), Brazil (54)
7	870421	Diesel vehicles ≤5t	Argentina (4 282), Mexico (3 728), Brazil (320), Uruguay (287)
8	853710	Electrical panels ≤1 000V	Mexico (7 963), Brazil (157), Colombia (20), Costa Rica (12)
9	870390	Passenger vehicles	Mexico (5 785), Brazil (463)
10	870422	Diesel vehicles 5–20t	Mexico (5 034), Brazil (362), Colombia (49), Guatemala (11)
11	847149	Non-portable digital systems	Mexico (4 711)
12	300490	Medicines n.e.s.	Mexico (1 510), Brazil (466), Argentina (377), Guatemala (318)
13	854213	Metal oxide semiconductor (MOS) integrated circuits	Mexico (3 398), Brazil (106), Costa Rica (75), Colombia (18)
14	854389	Specialized electrical equipment	Mexico (3 331), Brazil (58), Costa Rica (16)
15	850440	Electrical static converters	Mexico (3 163), Brazil (137)
16	851220	Vehicle lights or signals	Mexico (2 697), Brazil (132), Costa Rica (46)
17	880240	Aircraft >15t	Brazil (2 215), Trinidad and Tobago (30), Bolivia (Plurinational State of) (27), Colombia (23)
18	870423	Diesel vehicles >20t	Mexico (1 632), Brazil (562), Chile (51), Colombia (10)
19	903289	Automatic controlling instruments, excluding hydraulic or pneumatic instruments	Mexico (1 948), Brazil (190)
20	847330	Parts and accessories for data processing equipment and readers	Mexico (2 068), Costa Rica (39), Brazil (24)

Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtradeplus.un.org/.https://comtradeplus.un.org/.
Note: n.e.s.: not elsewhere specified.

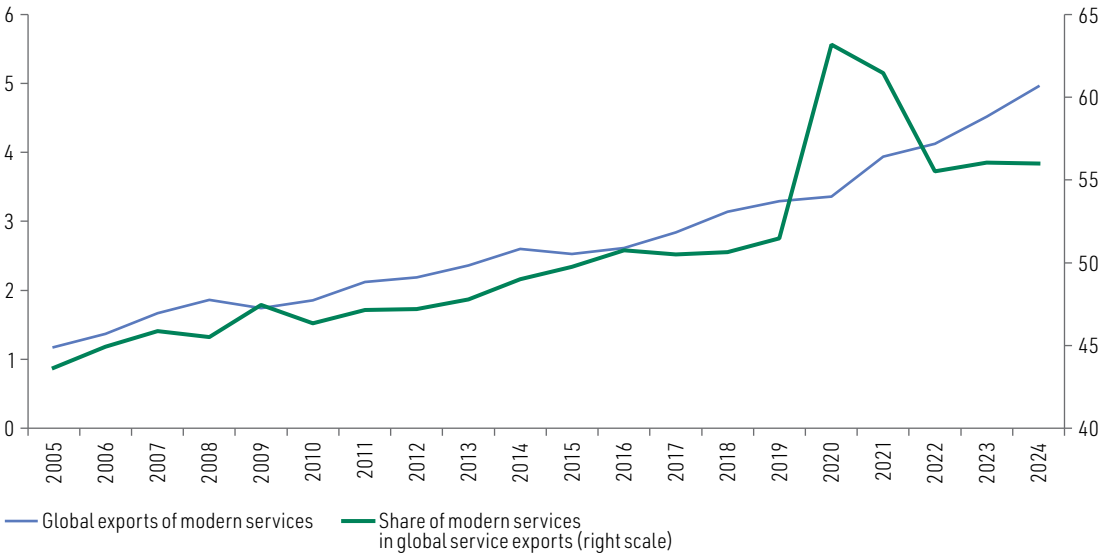
C. Global and regional trade in modern services

Modern services have been the most buoyant category of international trade over the past two decades, with average annual growth of 7.9%, as compared to 6.5% for total services, boosting the sector's share of global services exports from 44% in 2005 to 56% in 2024[8] (see figure III.14). Modern

[8] The large jump in 2020 and 2021 was mainly the result of the sharp fall in international travel and tourism during the coronavirus disease (COVID-19) pandemic, which artificially increased the share of modern services in world trade. With the resumption of mobility, this share declined, although it remained well above pre-pandemic levels.

services encompass several categories of the Extended Balance of Payments Services Classification (EBOPS) of the *Manual on Statistics of International Trade in Services 2010*.[9] These services are also knowledge-intensive, in that at least a third of the sector's workforce have studied at tertiary level, and 10% have completed science, technology, engineering and mathematics (STEM) courses (see section III.D). Another characteristic of this type of services is that they are also primarily supplied through digital channels. The present section examines regional dynamics in this segment of global trade.

Figure III.14
Global modern services exports and share of modern services in global service exports, 2005–2024
(Trillions of dollars and percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations Conference on Trade and Development. *UNCTADstat Data centre*. https://unctadstat.unctad.org/datacentre/.

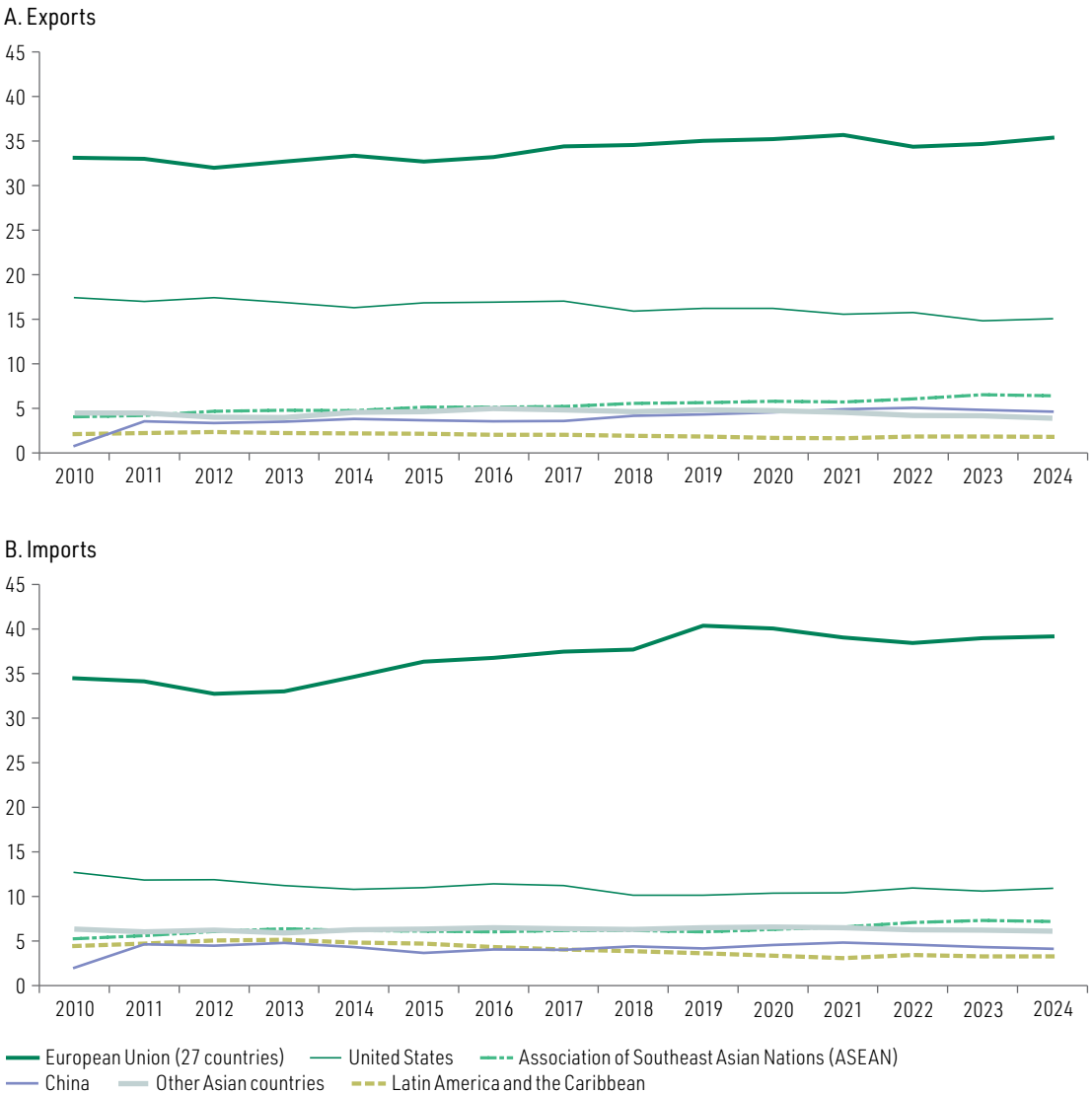
The dynamism of global trade in modern services has been due to several trends. Advances in ICT —including high-speed Internet, cloud computing and digital platforms— have dramatically reduced data transmission costs and eliminated barriers to entry, facilitating cross-border supply (López González and Jouanjean, 2017; World Bank and World Trade Organization [WTO], 2023). At the same time, process digitalization in virtually all economic sectors has boosted global demand for data-based services, software and cloud solutions, even at times of weaker growth in goods trade (WTO, 2024). The COVID-19 pandemic accelerated this trend, as mobility restrictions encouraged the transition to remote service provision, particularly in telecommunications, computer and business services (World Bank and WTO, 2023; ECLAC, 2024c). Likewise, the growing incorporation of intangible inputs such as data analysis, programming and design into global value chains has reinforced the sustained growth of these, exceeding the average for trade in services (Baldwin, 2019; WTO, 2024; Gölgeci et al., 2021; Trendov et al., 2019).

The European Union remains the unrivalled leader in global trade in modern services, with both an import and an export share of over 35% since 2010 (see figure III.15). Its dominant position has remained stable over the past decade thanks to its efforts to foster European integration, digitalization

[9] Modern services include insurance and pension services; financial services; charges for the use of intellectual property; telecommunications, computer, information and audiovisual services; research and development services; professional and management consulting services; architectural, engineering, scientific and other technical services; trade-related services; other business services; health services; education services; and heritage and recreational services.

and its firms' global competitiveness in knowledge-intensive segments. The United States is the country with the world's largest share of both flows, albeit with a slight downward trend. Other economies and regions have smaller and less variable shares. Latin America and the Caribbean is a relative laggard, with a share of below 5% for both flows.

Figure III.15
Selected groupings and countries: share of global exports and imports of modern services, 2010–2024
(Percentages)

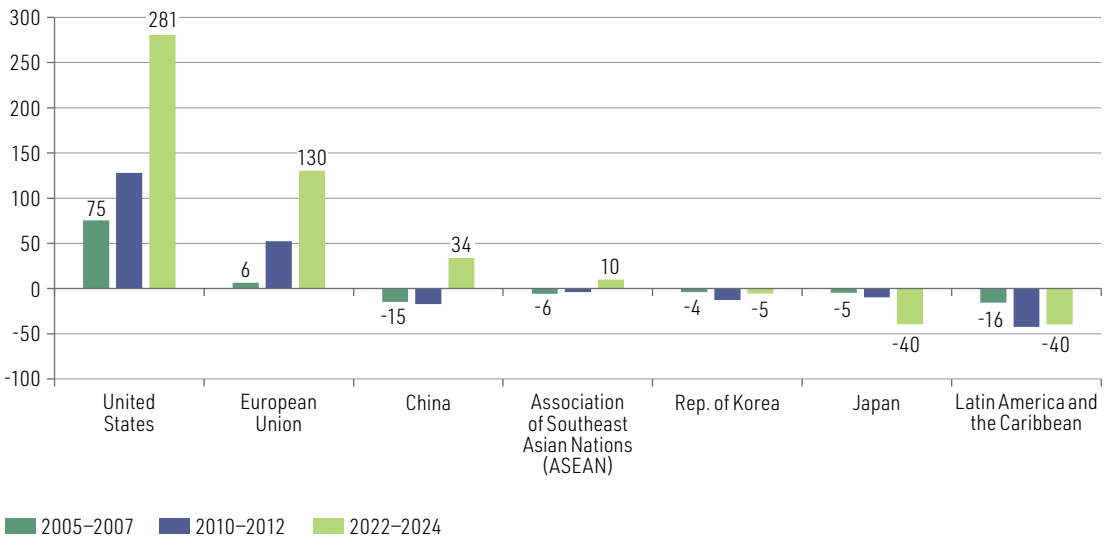


Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations Conference on Trade and Development. *UNCTADstat Data centre*. https://unctadstat.unctad.org/datacentre/.

The United States and the European Union run growing trade surpluses for modern services, while Latin America and the Caribbean maintains a persistent deficit. Between 2005–2007 and the beginning of the last decade (2010–2012), the United States surplus widened from US$ 75 billion to more than US$ 128 billion, later rising further to over US$ 280 billion, thereby reinforcing its global leadership

in this sector (see figure III.16). The country is the largest net exporter of modern services thanks to its innovation ecosystem, in which large technology companies and specialized human capital generate software, cloud services and intellectual property with worldwide reach. The country's robust patent protection framework, coupled with advanced digital infrastructure, enables knowledge to be transformed into competitive export flows. Manufacturing industry itself is also a key driver, as it exports research and development, licensing and digital support services, integrating physical production with high-value added services (Council of Economic Advisers, 2024).

Figure III.16
Selected groupings and countries: modern services trade balance, 2005–2007, 2010–2012 and 2022–2024
(Billions of dollars)



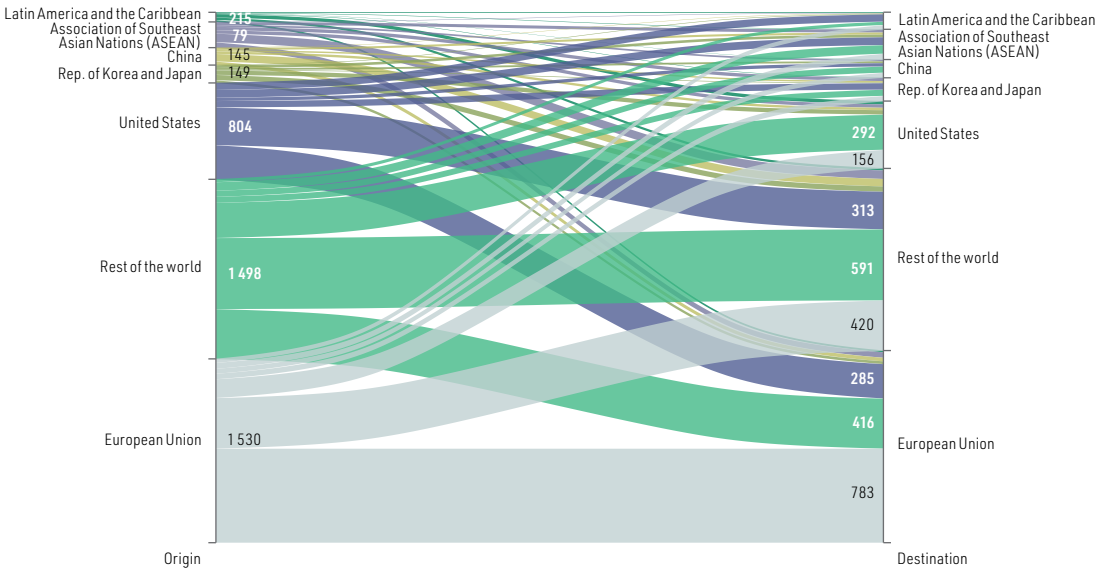
Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations Conference on Trade and Development. *UNCTADstat Data centre*. https://unctadstat.unctad.org/datacentre/.

The European Union also significantly expanded its surplus over the same period through a strategy of internal opening and digital market harmonization. This initiative, known as the digital single market, reduced national barriers to e-commerce and promoted regional economies of scale. It also enhanced European technology firms' competitiveness by supporting them with uniform regulations, incentives for innovation and legal frameworks that facilitate digital services exports (Bauer et al., 2024).

China, in turn, has achieved a significant modern services trade surplus thanks to rapid growth in the ICT and business service sectors, strategic integration into global manufacturing value chains and the adoption of public policies aimed at boosting digital trade. This surplus is underpinned by exports of digital services as high-value added inputs for technology industries —including the automobile, electronics and robotics industries— and is reinforced by the country's leadership in advanced manufacturing and 5G connectivity. Likewise, growing global demand for high-technology products and services, along with digital platforms that reduce costs and facilitate market access, are bolstering China's position as a pivotal and growing player in the international digital services trade (WTO, 2024). In Latin America and the Caribbean, by contrast, the deficit widened between the periods 2005–2007 and 2010–2012 in particular, plateauing at about US$ 40 billion between 2022 and 2024. These outcomes reflect structural disparities in technological capacity, investment in human capital and policies to promote modern services exports (ECLAC, 2024c).

In 2024, half the European Union's exports went its own intraregional market (see figure III.17). This strong internal trade orientation reflects its high degree of economic integration and deep value chains in knowledge-intensive services such as financial, computer and intellectual property services. The European Union's extraregional trade is also significant, however, with substantial shipments to the rest of the world and to the United States, although the latter flow is smaller than that from the United States to the European Union, so that the European bloc runs a bilateral deficit in this area. Latin America and the Caribbean, meanwhile, played a marginal role in these flows, with very low exports and shares relative to the major economies and trading blocs.

Figure III.17
Selected groupings and countries: modern services trade flows, by origin and destination, 2023
(Billions of dollars)



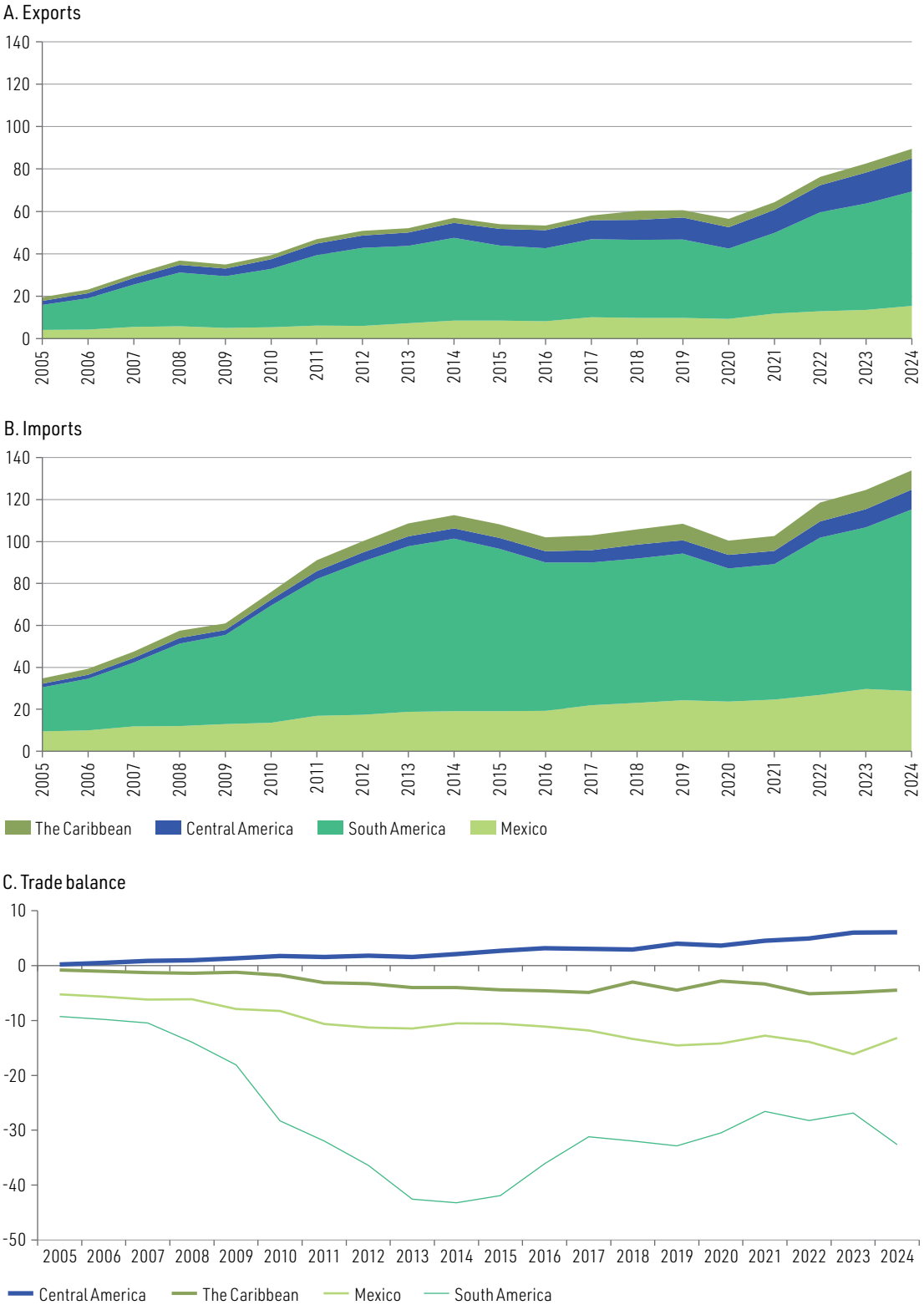
Source: Economic Commission for Latin America and the Caribbean, on the basis of World Trade Organization and Organisation for Economic Co-operation and Development. (n.d.). *WTO-OECD Balanced Trade in Services dataset*. https://www.wto.org/spanish/res_s/statis_s/gstdh_batis_s.htm.

Between 2005 and 2024, the modern services share of total service exports from Latin America and the Caribbean increased from 27% to about 40%, in keeping with the global trend, albeit with some lag. This growth was lower than in China, where the share rose from 22% to almost 60%, and in ASEAN, where it climbed from 32% to around 50%. In the advanced economies, modern services account for even larger shares: nearly 60% of total European Union exports and around two thirds of those of the United States.[10]

Within the region, modern services imports grew faster than exports in South America, the Caribbean and Mexico between 2005 and 2024, so that their trade deficits widened. In Central America, on the other hand, the trend was the opposite, and the subregion's surplus was consolidated (see figure III.18). In the region as a whole, exports expanded steadily, with the strongest growth in Central America (a 12% average annual increase). On the import side, South America led growth in absolute terms, followed by Central America and Mexico. Regarding the trade balance, the structural deficit widened in the Caribbean, Mexico and South America, reflecting persistent competitiveness gaps in the regional supply of modern services.

10 United Nations, UN Comtrade Database. https://comtradeplus.un.org/.

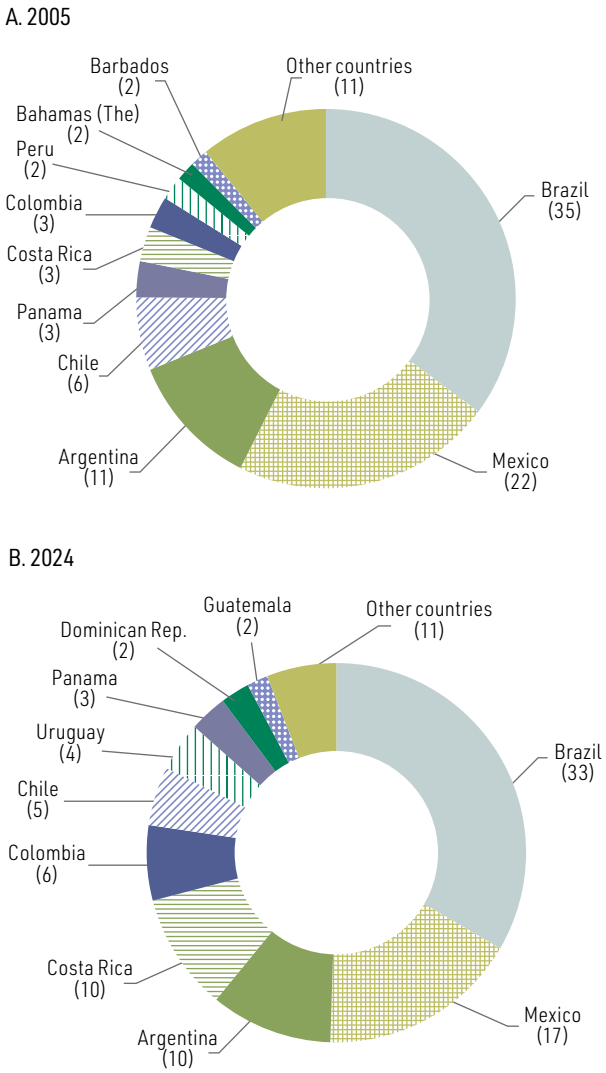
Figure III.18
Mexico and subregions of Latin America and the Caribbean: modern services exports, imports and trade balances, 2005–2024
(Billions of dollars)



Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations Conference on Trade and Development. *UNCTADstat Data centre*. https://unctadstat.unctad.org/datacentre/.

Between 2005 and 2024, Brazil and Mexico retained their regional leadership as modern services exporters, although the shares of both declined: Brazil's from 35% to 33% and Mexico's from 22% to 17% (see figure III.19). Argentina also maintained its position in third place, with little change in its share (11% in 2005 and 10% in 2024). The most remarkable change was the rise of Costa Rica, which accounted for just 3% of exports in 2005 but 10% in 2024, tying with Argentina. Likewise, Colombia's share doubled from 3% to 6%. Uruguay, the Dominican Republic and Guatemala appeared in the ranking for the first time in 2024, displacing Caribbean economies like The Bahamas and Barbados, as well as Peru.

Figure III.19
Latin America and the Caribbean: leading exporters of modern services, 2005 and 2024
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations Conference on Trade and Development. *UNCTADstat Data centre*. https://unctadstat.unctad.org/datacentre/.

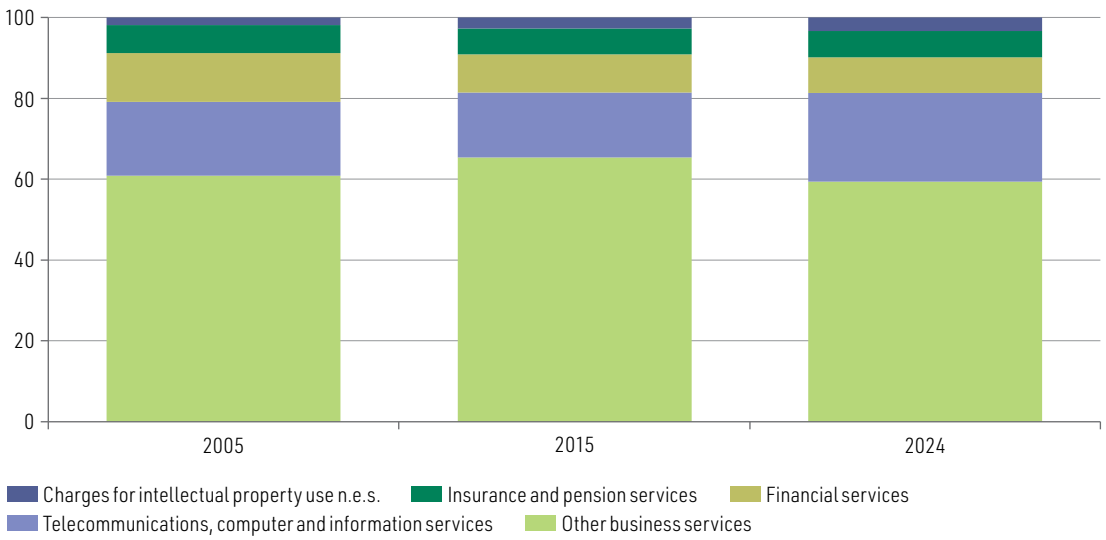
Over the same period, there was a slight uptick in the share of telecommunications, computer and information services in the region's modern services exports, along with a small decline in that of other business services (see figure III.20). This transformation primarily reflects the performance of South America, which accounts for 60% of regional exports, and where the growing importance of telecommunications, computer and information services has been most pronounced. In Central America and the Caribbean, however, the opposite is true, as the share of other business services has grown. The trend in Central America mainly reflects Costa Rica's boom in exports from the computer, business and administrative services, and engineering and research and development service sectors, and of computer services by multinational firms in the country's free trade zones. The shares of financial services, insurance and pension services, and charges for intellectual property use have remained fairly constant across the different parts of the region (see table III.A1.3 for information on modern services exports).

Among the various modern services segments, one that is highly sophisticated is knowledge process outsourcing, which includes activities in all categories of modern services trade. Unlike business process outsourcing, knowledge process outsourcing involves activities intensive in specialized human capital, such as market research, legal and financial analysis, business intelligence, big data, artificial intelligence and machine learning.

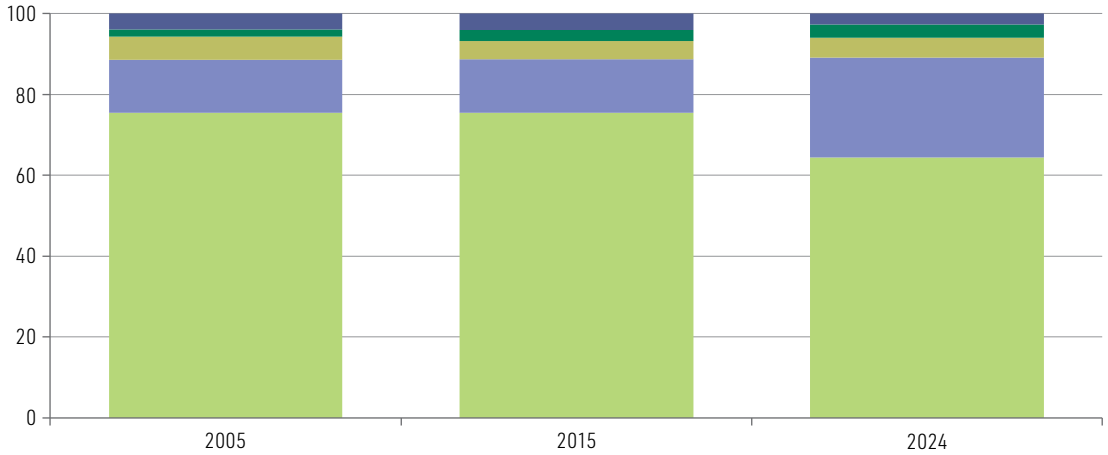
In a growing global market valued at over US$ 125 billion in 2025, there has been significant progress with knowledge process outsourcing in Latin America and the Caribbean. Although the region accounts for only 5% of the market, it now has well-established companies with international reach, such as Globant, Mercado Libre, TOTVS, Stefanini, Sonda and Uruguay's National Supercomputing Centre (ClusterUY), and is strong in software, financial and legal services and data analytics niches. These achievements are supported by a young, bilingual and increasingly STEM-educated workforce that has benefited from national training initiatives. Challenges nonetheless persist because of a scarcity of advanced digital skills, uneven educational quality, the brain drain and structural dependence on the United States market (see box III.4).

Figure III.20
Countries and subregions of Latin America and the Caribbean: main categories of modern services exports, 2005, 2015 and 2024
(Percentages)

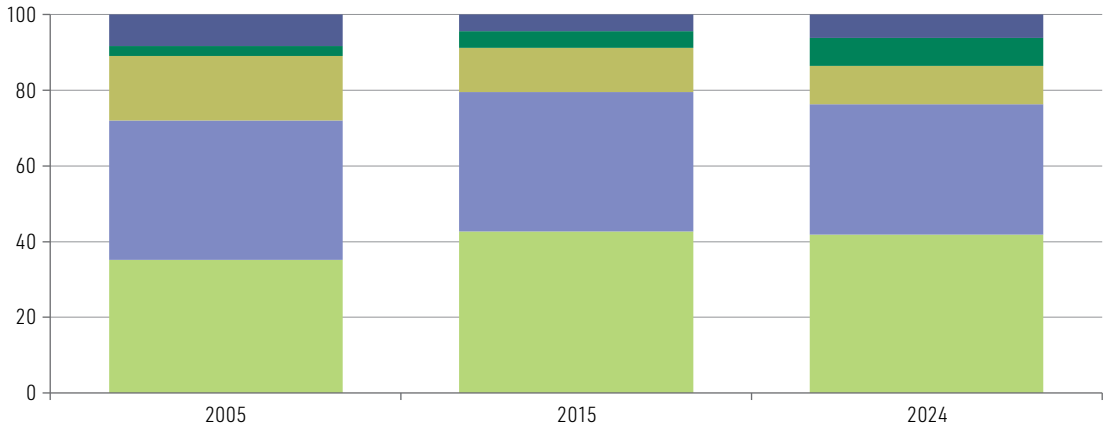
A. Latin America and the Caribbean (100%)



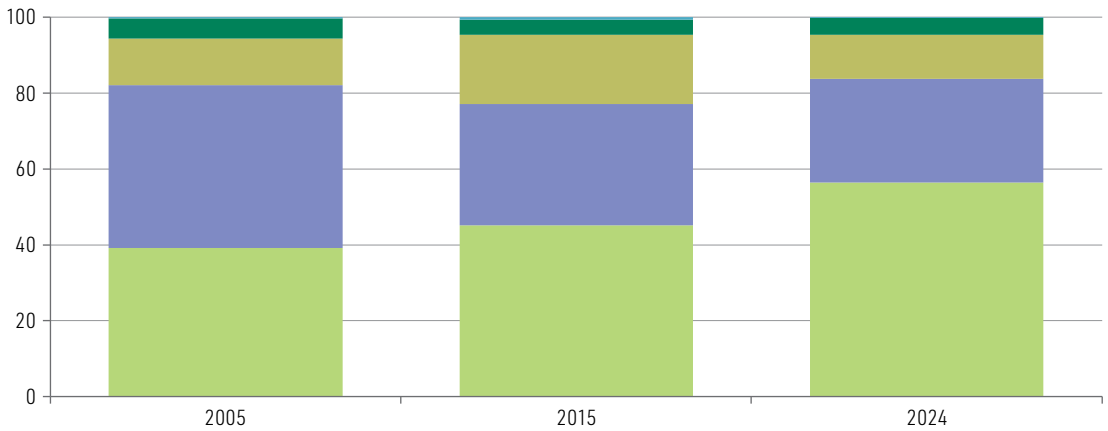
B. South America (60%)



C. Mexico (17%)

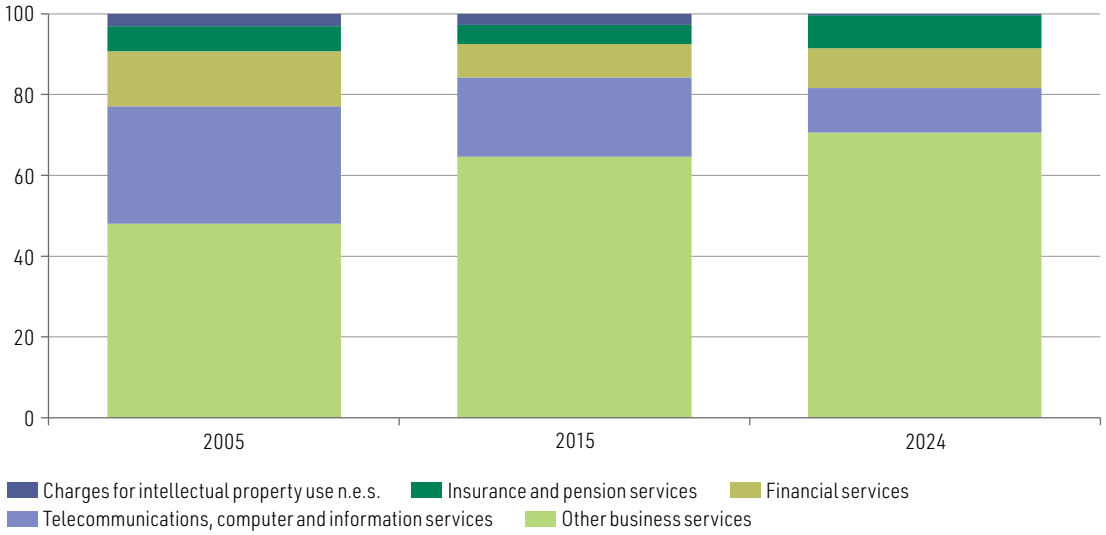


D. Central America (17%)



Charges for intellectual property use n.e.s.
Insurance and pension services
Financial services
Telecommunications, computer and information services
Other business services

E. The Caribbean (5%)



Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations Conference on Trade and Development. *UNCTADstat Data centre*. https://unctadstat.unctad.org/datacentre/.
Note: The figure following the name of each country or subregion is its share of total regional exports of modern services in 2024. The abbreviation n.e.s. indicates that the item is not elsewhere specified.

Box III.4

Latin America and the Caribbean: progress with knowledge process outsourcing

According to Precedence Research (2024), the global market for knowledge process outsourcing was worth around US$ 126 billion in 2025, with average annual growth of 13.7% projected between 2024 and 2034. In what is thus a context of expansion, Latin America and the Caribbean accounted for around 5% of this global market in 2023 (Verified Market Reports, 2025). While this figure is modest by the standards of leading outsourcers such as India or the Philippines, it is significant in light of the dynamism seen in the software, financial and legal services, and data analytics niches, where several regional firms have established themselves with an international presence (Frederick, 2024).

Among the region's most remarkable achievements is the establishment of firms with global reach. Argentine company Globant exemplifies this evolution: founded as a software development firm, it is now a digital transformation consulting firm with a global footprint, specializing in analytics and artificial intelligence. Mercado Libre, also based in Argentina, has created a fintech ecosystem that requires and develops advanced capabilities in data science, smart logistics and digital payments. In Brazil, TOTVS and Stefanini focus on management software and technology consulting, while in Chile, Sonda excels in systems integration, with a presence in more than 10 countries. Uruguay has developed a robust software cluster focused on exporting financial and legal services, which benefits from the country's institutional stability and skilled workforce.

Human capital has been a key factor in this process. The region has a workforce that has increasingly studied STEM subjects and developed bilingual capabilities, thanks in part to national programmes such as Digital Talent for Chile and the training initiatives of the Costa Rican Foreign Trade Promoter (PROCOMER), and this has aligned skills better with the demands of the global digital services market. However, major challenges remain. In addition to a shortage of advanced digital skills, especially in programming, statistics and advanced

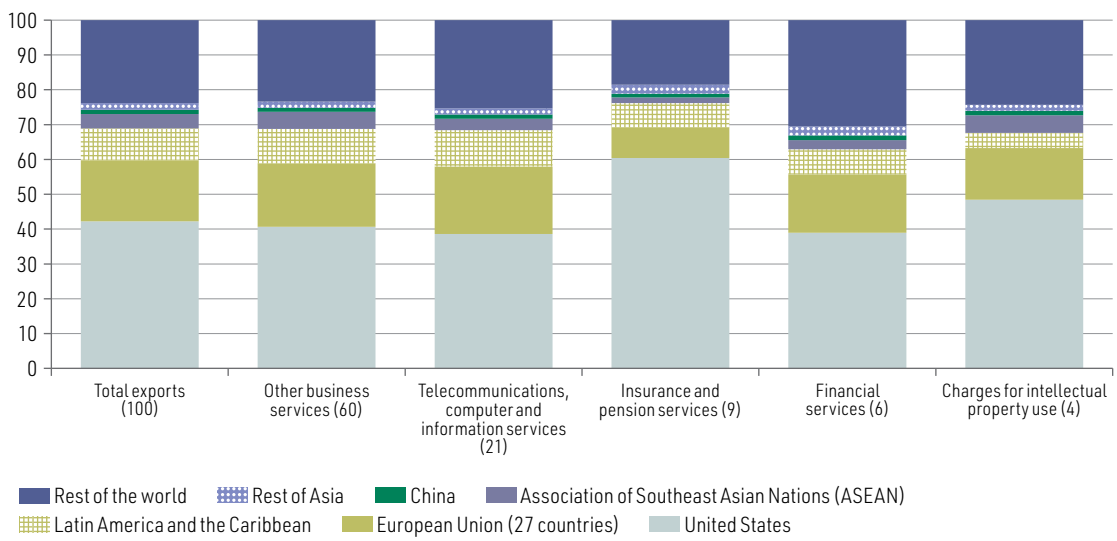
analytics, which forces companies to develop their own training programmes, educational quality varies between and within countries, and there is worrying brain drain to technology hubs outside the region. Heavy dependence on the United States market also creates structural vulnerabilities (Frederick, 2024).

Source: Economic Commission for Latin America and the Caribbean, on the basis of Frederick, S. (2024). LAC participation in the digitally enabled business process-related services ecosystem. *Policy Paper* (29). Development Bank of Latin America and the Caribbean. https://scioteca.caf.com/handle/123456789/2232; Precedence Research. (2024). *Knowledge Process Outsourcing (KPO) Market Size, Share, and Trends 2024 to 2034*. https://www.precedenceresearch.com/knowledge-process-outsourcing-market; Verified Market Reports. (2025). *Knowledge Process Outsourcing Market Insights*. https://www.verifiedmarketreports.com/product/knowledge-process-outsourcing-market/?utm_source=chatgpt.com/; and Bujarski, L. (2011, 5 December). *KPO and Latin America's bumpy road up the global services value chain*. Nearshore Americas. https://nearshoreamericas.com/kpo-latin-americas-global-services/.

The United States is the leading destination for modern services exports from Latin America and the Caribbean, accounting for 42% of the region's total shipments in 2024 (see figure III.21), with the European Union in second place (17%), followed by the region itself. Flows to ASEAN, China and the rest of Asia are fairly small, unlike those of regional goods exports.

Just 9% of modern services exported from Latin America were sold within the region in 2024, which is below the figure for trade in goods (14%). Although these services could further diversify exports, create high-quality jobs and strengthen competitiveness in global value chains, multiple factors are hampering integration, including the low number of free trade agreements with sections that extensively address trade in services between the region's countries, the lack of agreements to prevent double taxation, and the low level of technological literacy of many small and medium-sized enterprises (SMEs). Moreover, there are still gaps in digital connectivity and skilled human capital, widening the disparities between countries. A lack of regulatory alignment is another barrier, as the countries' regulatory frameworks differ widely with regard to connectivity, electronic transactions, payment systems and intellectual property, which increases operating costs and restricts intraregional trade (Monge-González et al., 2025).

Figure III.21
Latin America and the Caribbean: distribution of total exports of modern services and their five categories, by major destination, 2024
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of World Trade Organization and Organisation for Economic Co-operation and Development. (n.d.). *WTO-OECD Balanced Trade in Services dataset*. https://www.wto.org/english/res_e/statis_e/gstdh_batis_e.htm.
Note: Figures in parentheses are each category's share of total exports.

D. Towards a new classification of technological content in foreign trade

This section presents an analysis of the technological and knowledge content of the region's exports of both goods and services. To this end, the classification of goods by technology intensity proposed by Lall (2000) and adapted by Durán Lima and Álvarez (2016) was updated on the basis of that of the Organisation for Economic Co-operation and Development (OECD), the list of advanced technology products compiled by the United States Census Bureau and some academic literature.

The OECD methodology focuses on identifying industries and products that incorporate high levels of research and development, with a particular emphasis on manufacturing sectors. The United States Census Bureau, meanwhile, classifies as advanced technology products those that: (i) belong to a recognized high-technology field; (ii) represent leading-edge technology in that field; and (iii) constitute a significant part of all items covered in the selected classification code. This classification system combines usage criteria (e.g. biotechnology, ICT, aerospace, electronic or advanced material applications) with technical criteria (such as design complexity, technological innovation, precision, integration of multiple technologies or scalability).

The above-mentioned sources, together with recent academic studies, were used to construct an updated categorization of high-technology products, paying particular attention to dynamism and the incorporation of the latest innovations.[11] The update involved reclassifying certain individual products or groups from the medium-technology to the high-technology category. Table III.5 details the sectors and products included in various studies that have identified cutting-edge technologies on the basis of complex technological innovation processes, together with the approach taken in grouping the products.

Table III.5
Major sectors and examples of products used to analyse the classification of technology intensity incorporated into trade

Source and approach taken	Sectors and products deemed to be high-technology	
	Major sectors or product groups	Examples of products
United States Census Bureau	Biotechnology	Antibiotics, somatotropin
	Nuclear technology	Nuclear reactors, enriched uranium, synthetic pigments
	Information and communications technology (ICT)	Data processors, recording devices, smartphones
	Life sciences	Electrocardiographs
	Electronics	Accelerators, chemicals used in microprocessors
		Fibre-optic isolators
	Aerospace	Gyroscopes and devices used in aviation
	Advanced materials	Hydrogel and graphene catalysts
	Flexible manufacturing	Orthopaedic devices
	Optoelectronics	
	Weapons	Self-propelled artillery weapons, drones
Organisation for Economic Co-operation and Development (OECD)	Advanced chemicals	Selenium, uranium, radioactive material
	Pharmaceuticals	Antibiotics, organic and inorganic materials
	Scientific instruments	Telemedicine devices, contact lenses
	Electrical machinery	Electrical capacitors
	Electronics and communications	Telecommunications equipment, fibre optics
	Aircraft and aerospace equipment	Helicopters, navigation equipment, engines
	Non-electrical machinery	Milling machines, grinding machines, presses
	Weapons and munitions	Grenades, torpedoes, armoured tanks

[11] It is recognized that all classifications have limitations, such as subjectivity in the evaluation approach, the exclusion of services and the need for periodic updates to incorporate new goods.

Source and approach taken	Sectors and products deemed to be high-technology	
	Major sectors or product groups	Examples of products
Andreoni and Brito (2025)	Precision agriculture Biotechnology Medical equipment Infrastructure and urban mobility Industrial digitalization Bioeconomy and energy transition Defence technologies	Biofertilizers, agricultural machinery Biological active ingredients, vaccines CT scanners, X-ray equipment Propulsion systems, electric batteries Semiconductors, industrial robots Turbines, biomethane, hydrogen, solar panels Autonomous or remote-controlled vehicles
Domini et al. (2021)	Industrial robots Specialized machinery Numerically controlled machines Automatic machines Regulators	Mechanical appliances having individual functions Robots having individual applications Metal polishing lathes Manual tin or iron soldering irons Automatic thermostats
Parteka et al. (2025)	Computer-assisted machinery 3D printing Industrial robots	Metal drilling machines Machines having individual functions Mechanical applications having functions
Approach taken	Sectors were matched using the Standard International Trade Classification (SITC), Rev. 2 to Rev. 3, at the three-digit level. Next, SITC was matched with the Harmonized Commodity Description and Coding System (HS), at the six-digit level. This enabled specific products to be introduced, and these were then assigned to the low-, medium- and high-technology categories.	

Source: Economic Commission for Latin America and the Caribbean, on the basis of data from the United States Bureau of the Census and the Organisation for Economic Co-operation and Development; Andreoni, A. and Brito, G. (2025). *New Journeys Towards Progress: Making Industrial Policy Work in Latin America* [Unpublished]. Economic Commission for Latin America and the Caribbean and United Nations Conference on Trade and Development; Domini, G., Grazzi, M., Moschella, D. and Treibich, T. (2021). Threats and opportunities in the digital era: automation spikes and employment dynamics. *Research Policy, 50*(7). https://doi.org/10.1016/j.respol.2020.104137; and Parteka, A., Zarach, Z. H. and Kordalska, A. (2025). Technological content of export diversification–Evolution along the economic growth process. *Structural Change and Economic Dynamics, 74*, 14–27. https://doi.org/10.1016/j.strueco.2025.02.012.

In parallel with the analysis of the classification of technology intensity incorporated into goods trade, an exercise was carried out to estimate the technology intensity of services trade, for which the human capital employed in each sector was used as a proxy variable. In other words, the prevalence of low-skilled, medium-skilled and high-skilled human capital was associated, respectively, with low, medium and high technology intensity.[12] Employment information was obtained from national socioeconomic surveys, employment surveys, administrative records and economic censuses. Information was also available on the skill levels of the human capital employed in the different sectors. This information was based on the educational level of workers, measured by years of study. Using this information, three bands of skill levels (low, medium and high) were specified. To identify high-technology sectors more robustly, the share of total employment accounted for by professionals and technicians in STEM fields was analysed in addition to years of study (see table III.6).

Table III.6
Latin America and the Caribbean: classification of human capital in employment

Skill level	Years of study
Low	5–12 years
Medium	13–16 years
High	17 years or more
STEM	Proportion of employees with science, technology, engineering and mathematics (STEM) training

Source: Economic Commission for Latin America and the Caribbean.

[12] The analysis presented here draws on several studies by Lall (1990, 1992 and 2001), particularly that of 2001, which included low-, medium- and high-skilled employment intensity as one of the criteria for classifying certain industries as technology-intensive.

To classify the export intensity of each sector, its ratio of exports to gross output value was calculated using the multi-regional input-output matrices prepared by ECLAC. This exercise was possible because the input-output approach allows export intensity to be determined from final demand for output at the industry level. Table III.7 presents a summary of the three export intensity bands specified for both goods and services.

Table III.7
Bands used to classify the export intensity of economic sectors by the ratio of exports to gross output value

Export intensity	Goods	Services
High	More than 20%	Above the average ratio for all service sectors
Medium	10%–20%	75%–100% of the average ratio for all service sectors
Low	Less than 10%	Below 75% of the average ratio for all service sectors

Source: Economic Commission for Latin America and the Caribbean.

Lastly, the analysis of the factor content of trade, and particularly of goods exports, is complemented by estimating the employment content associated with goods and services exports.[13] The analyses presented below were conducted using consolidated total employment data for 2023. In the first place, employment was broken down into 70 sectors, in keeping with the sectoral groupings in the multi-regional input-output matrix prepared by ECLAC.[14] To reconcile the national accounts groupings with the balance-of-payments groupings (the approach used in compiling services trade data), economic sectors were homogenized into 14 goods sectors and 13 service sectors (see table III.A1.1). This aggregation will be employed throughout the rest of the chapter, which will refer interchangeably to sectors or industries.

Consolidated results for 15 countries in the region show[15] that just over 253 million people are in formal employment. Jobs linked to the production of goods account for 26% of the total, or approximately 66 million people, while those in services account for 74% (some 187 million people). In the goods sector, 81% of employment is concentrated in five industries: agriculture, livestock, hunting and fishing; food, beverages and tobacco; textiles, apparel and footwear; chemicals and petrochemicals; and iron and steel. In services, concentration is lower, with the six main sectors (wholesale trade, tourism, construction, education, retail trade and transport) accounting for 62% of total employment (see figure III.22).

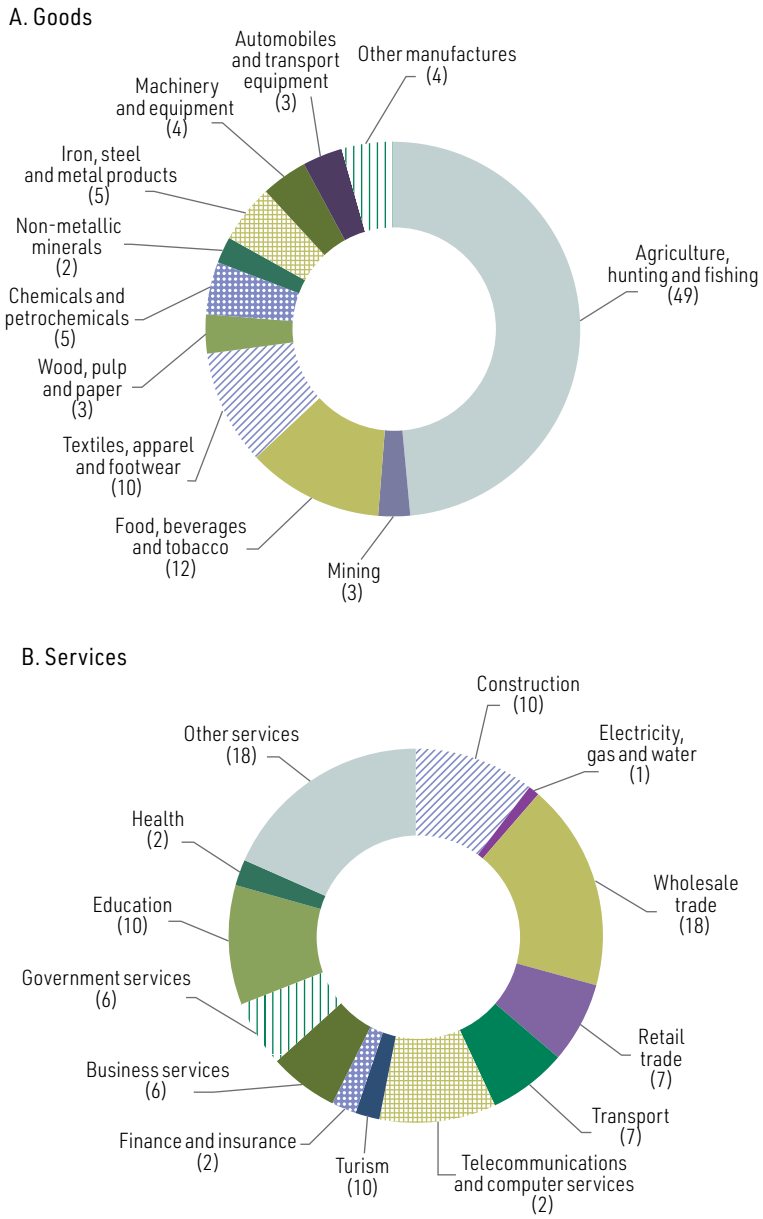
For the same 15 countries, it is estimated that approximately 38.3 million jobs were export-related in 2023. Of these, just over 31 million (81%) were in goods sectors and 7.2 million (19%) in service sectors. In other words, while services account for the bulk of total employment, goods account for the greater part of export-related employment, reflecting the fact that many services are non-tradable. The industries that account for the largest shares of employment associated with goods exports are: agriculture, hunting and fishing (19%); food, beverages and tobacco (19%); machinery and equipment (13%); and mining (12%). On the services side, tourism-related employment —including food, hospitality, and cultural and creative services— ranks first, accounting for 45%, followed by business services and transport, with 23% and 16%, respectively (see figure III.23).

13 These estimates were calculated using the input-output model and the Leontief methodology employed by Durán Lima and Castresana (2016), on the basis of the employment multipliers obtained from employment vectors at gross output value by skill level, the output functions of the national input-output matrix of each country in the region, and goods and services exports aggregated at the industry level. Rueda Cantuche et al. (2021) used the same methodology for the European Union countries, although without analysing export-related employment by sector.

14 The structure of the matrices takes 2018 as the base year; but the analyses of the content of export-related employment is based on 2023 data, derived from the ECLAC Household Survey Data Bank (BADEHOG).

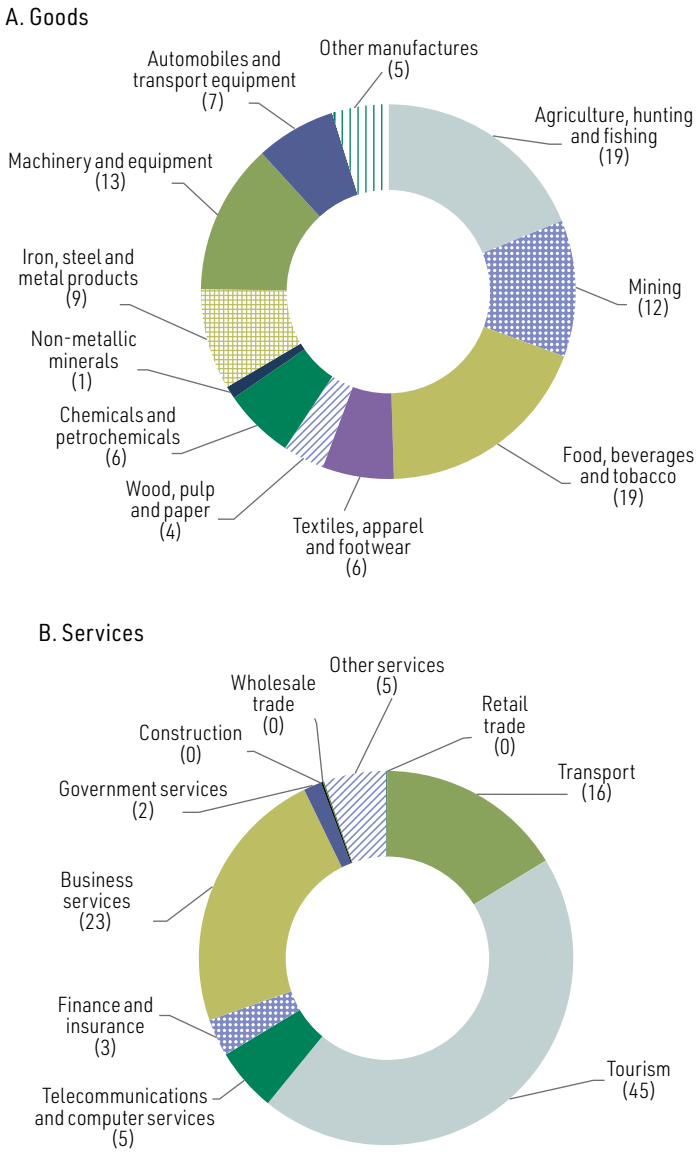
15 The 15 countries are Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Peru, the Plurinational State of Bolivia and Uruguay. Together, they account for 97% and 95% of regional GDP and exports, respectively.

Figure III.22
Latin America and the Caribbean (15 countries):[a] sectoral distribution of employment in goods and service sectors, 2023[b]
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG), International Labour Organization employment survey information and administrative records.
[a] Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Peru, the Plurinational State of Bolivia and Uruguay.
[b] Data for Chile and the Plurinational State of Bolivia refer to 2022 and 2021, respectively.

Figure III.23
Latin America and the Caribbean (15 countries):[a] sectoral distribution of employment linked to goods and services exports, 2023[b]
(Percentages)

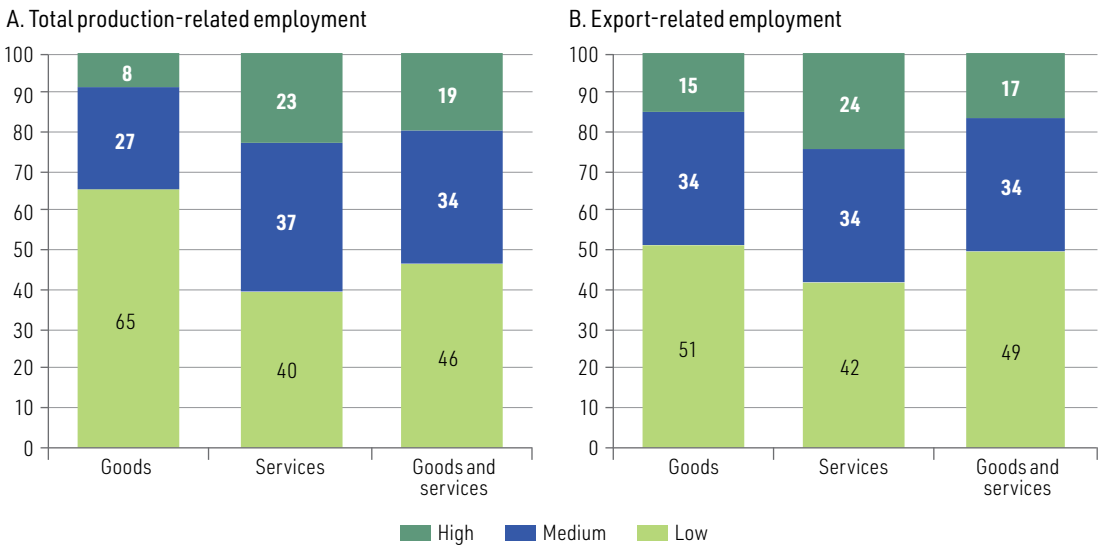


Source: Economic Commission for Latin America and the Caribbean.
Note: Estimates calculated using input-output matrices.
[a] Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Peru, the Plurinational State of Bolivia and Uruguay.
[b] Data for Chile and the Plurinational State of Bolivia refer to 2022 and 2021, respectively.

On average, for the 15 countries analysed, the employment structure by skill level is very similar for total production and for exports of goods and services (considered together). In the case of production-related employment, 46% is low-skilled, a figure that rises to 49% in the portion of employment that is export-related. In both cases, around a third of employment is medium-skilled and less than 20% is high-skilled (see figure III.24). This means that, on average, the export employment structure mirrors that of total employment, with a high share of unskilled jobs, since primary sectors dominate the export structure of most of the countries.

In the case of goods, almost twice as large a share of export-related employment as of total employment is high-skilled (15% and 8%, respectively), while the share of export-related employment that is low-skilled is 14 percentage points below the overall share (51% and 65%, respectively). In the case of services, meanwhile, the structure of employment by skill level is very similar for total employment and export-related employment. This is mainly owing to the large share of certain low-skilled sectors in regional service exports, particularly travel (tourism). In 2024, this sector accounted for 43% of regional service exports, which was more than double its share of global service exports (20%). Given that the goods sector exports a much larger percentage of its output than the service sector (33% and 3%, respectively), export employment data confirm that, on average, skill levels are higher in export-oriented sectors than in total employment (whether export-related or otherwise).

Figure III.24
Latin America and the Caribbean (15 countries):[a] distribution of total production-related employment and of employment linked to goods and services exports, by skill level, 2023[b]
(Percentages)



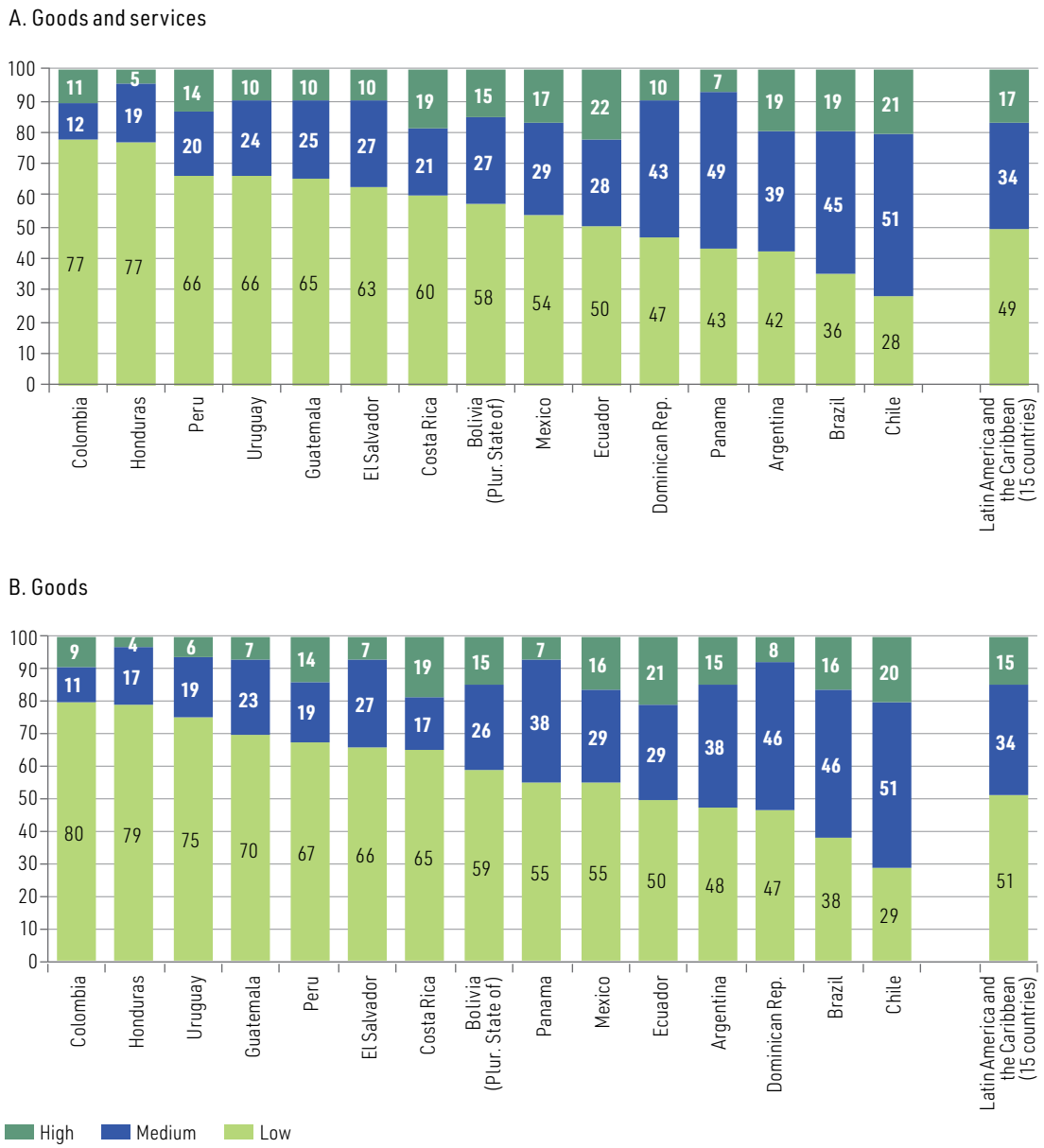
Source: Economic Commission for Latin America and the Caribbean.
Note: Estimates calculated using input-output matrices.
[a] Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Peru, the Plurinational State of Bolivia and Uruguay.
[b] Data for Chile and the Plurinational State of Bolivia refer to 2022 and 2021, respectively.

At the country level, Colombia, Honduras, Peru, Uruguay, Guatemala and El Salvador record the highest proportions of low-skilled employment linked to goods and services exports, ranging from 63% to 77%, while Mexico, Costa Rica, Argentina, Brazil, Chile, and Ecuador have the highest proportions of high-skilled employment, ranging from 17% to 22%. In all cases, a country's export structure influences the averages. For example, in the countries with the highest levels of low-skilled export-related employment, goods account for between 60% and 90% of total exports, and two or three unskilled labour-intensive sectors (such as agriculture, livestock, hunting and fishing; mining; and textiles, apparel and footwear) account in turn for more than 60% of total goods exports (see figure III.25A).

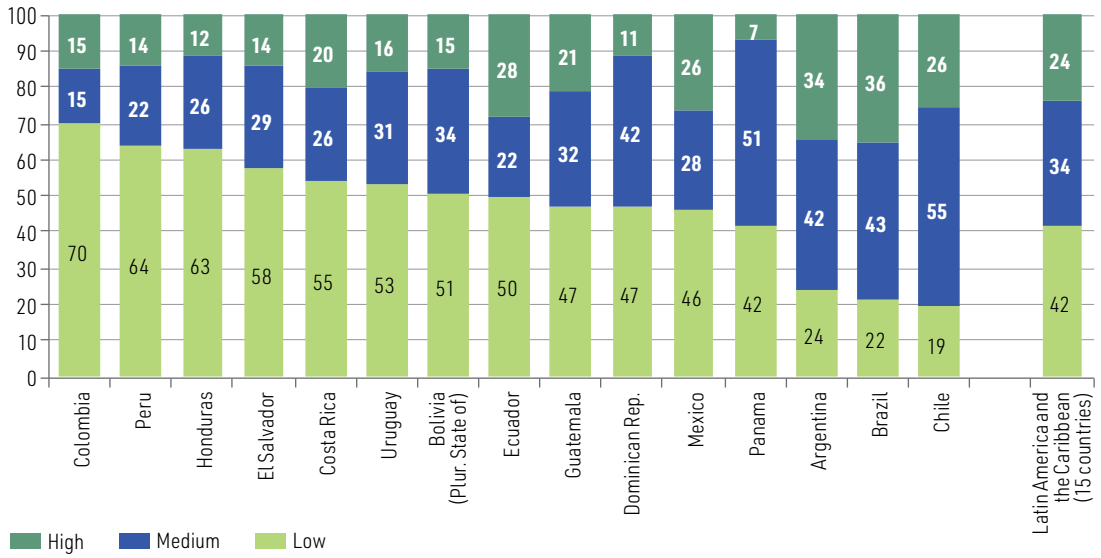
Export-related employment in Brazil and Chile is more skilled than the regional average. In both countries, the agriculture, livestock, hunting and fishing; food, beverage and tobacco; and non-energy mining export sectors are intensive in relatively skilled labour, since between 40% and 50% of employment is medium-skilled and more than 10% high-skilled. This reflects the competitiveness of the agricultural and agro-industrial sectors in both countries and the presence of large mining

companies, both locally owned and multinational. The agricultural and agrifood sectors account for 35% and 20% of total goods exports from Brazil and Chile, respectively, while non-energy mining contributes 9% and 43%, respectively. That is, in these three sectors taken by themselves, the share of medium-skilled export-related employment is 45% in Brazil and 51% in Chile. In Brazil, the largest contributions to high-skilled export-related employment are made by the iron and steel, electrical and non-electrical manufacturing, and chemical and petrochemical industries.

Figure III.25
Latin America (15 countries): distribution of employment linked to goods and services exports, by skill level, 2023[a]
(Percentages)



C. Services



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG), employment surveys and administrative records.

[a] Data for Chile and the Plurinational State of Bolivia refer to 2022 and 2021, respectively.

At the level of specific sectors, export-related employment is intensive in higher-skilled labour in most sectors, but especially the goods sectors with the greatest export propensity.

When export-related employment is broken down between goods and services, the highest concentrations of low-skilled employment where goods sectors are concerned are found in Colombia, Honduras, Uruguay and Guatemala. These results are determined by the high prevalence among their exports of sectors that are intensive in low-skilled labour, such as agriculture, apparel and, to a lesser extent, agro-industry.

In addition to Brazil and Chile, which have higher-than-average skill levels, the Dominican Republic, Argentina and Ecuador are countries with higher-than-average proportions of medium-skilled labour. In the case of the Dominican Republic, this is explained by the high proportion of exports accounted for by medical equipment and electronics. In Argentina and Ecuador, much as in Brazil and Chile, the proportion of high-skilled labour in the agro-industrial sector is among the highest in the region, at 61% in Argentina and 50% in Ecuador.

Another notable case is Costa Rica, with above-average skill levels in the high-technology segment relative to all other countries in Central America, Mexico, and almost all countries in South America. This feature is explained by the large proportion of exports originating in the medical equipment and electronics sector, where 44% of export-related employment is in the high-skilled segment, followed by 28% in the medium-skilled segment. In 2023, the machinery and electrical equipment sector accounted for 42% of Costa Rica's total goods exports.

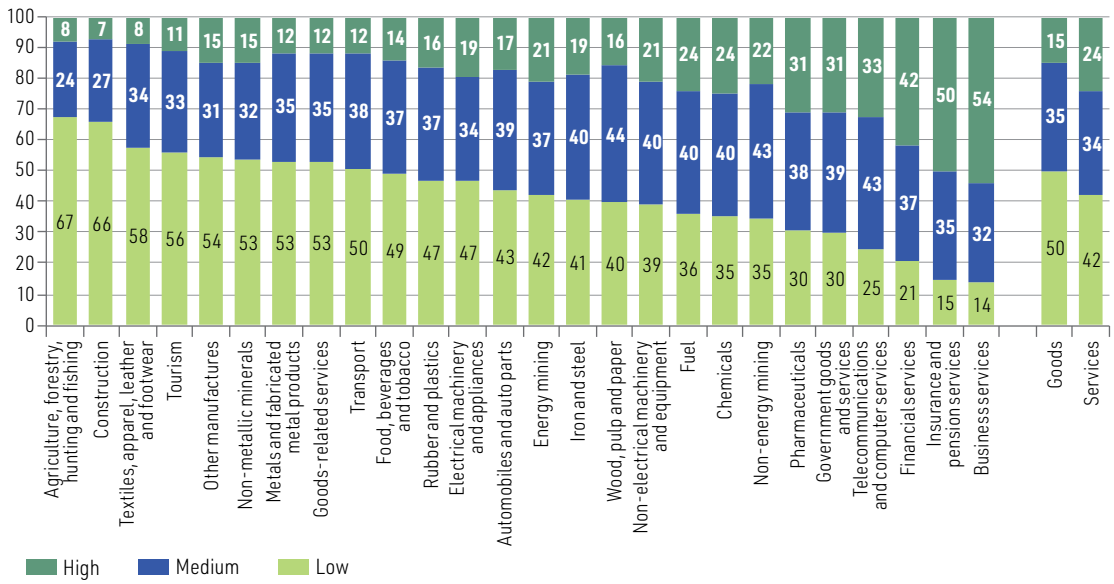
In aggregate terms, employment associated with service exports in the region is more skilled than that linked to goods exports. High-skilled employment accounts for an average of 24% of total export-related employment in services for the 15 countries analysed, while for goods, the share is only 15% (see figures III.25B and III.25C). As with goods, however, the regional average for services masks variance between countries and sectors. The service sector includes both sectors intensive in high-skilled human capital (business services, telecommunications and computer services, insurance, and financial services) and others intensive in relatively low-skilled human capital, such as transport and tourism. Consequently, the export structure of countries specializing in the first group of service

exports is more intensive in high-skilled human capital, while the opposite is true in countries that specialize in the second group. This is the case with Colombia, Peru, Mexico, Ecuador, Panama and Chile, where travel and transport account for between 50% and 75% of total service exports.

In the Central American countries, and particularly El Salvador, Guatemala and Honduras, goods-related services (contract assembly and repair and maintenance) account for a large percentage of total service exports (ranging from 21% in El Salvador to 66% in Honduras). This is a sector in which, on average, low-skilled employment accounts for over 70% of the total, which explains why these countries have some of the lowest average skill levels in export-related employment.

To obtain a more complete picture of employment linked to exports of goods and services in the region, employment intensity was calculated by skill level for 17 goods sectors and 9 service sectors. In the case of goods, the sectors whose exports are most intensive in low-skilled employment are agriculture, forestry, hunting and fishing; textiles, apparel, leather and footwear; non-metallic minerals; and other manufactured goods. The service sectors most intensive in such employment are construction and tourism. In contrast, modern services are more intensive in high-skilled export-related employment than any other goods or service sector. In the case of insurance and pension services and other business services, this proportion actually surpasses 50%, while in financial services, it is over 40% (see figure III.26).

Figure III.26
Latin America (15 countries):[a] structure of export-related employment, by skill level and industry, 2023[b]
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG), employment surveys and administrative records.

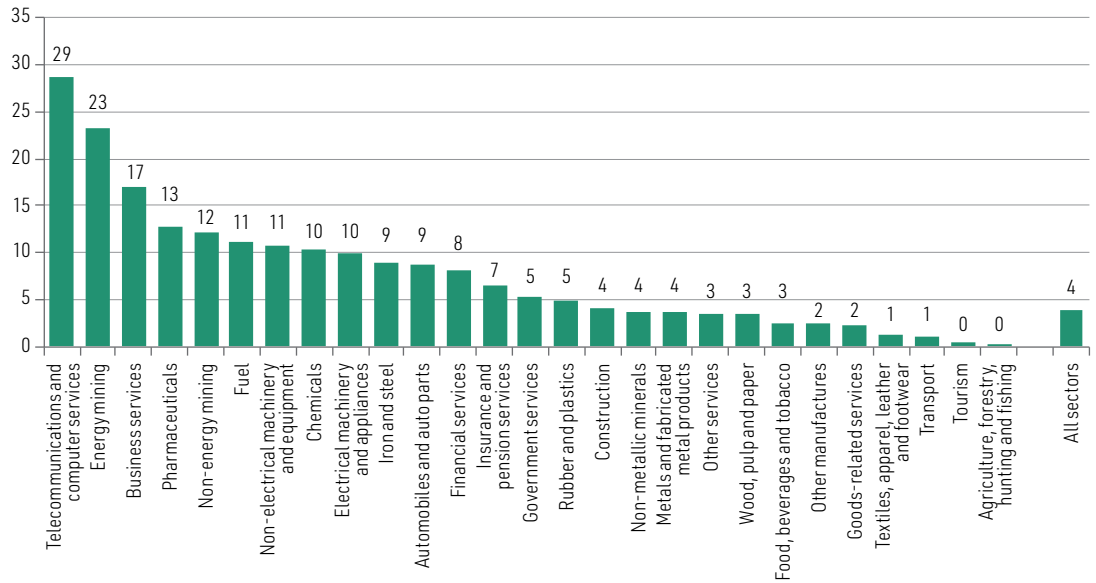
[a] Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Peru, the Plurinational State of Bolivia and Uruguay.

[b] Data for Chile and the Plurinational State of Bolivia refer to 2022 and 2021, respectively.

Also noteworthy is the relatively high proportion of medium- and high-skilled human capital embodied in export-related employment in the machinery and equipment (electrical and non-electrical), rubber and plastics, automotive, chemical, pharmaceutical and fuel sectors. In all these sectors, the proportion of the workforce with STEM degrees is above the regional average (see figure III.27).

Conversely, this indicator is below the regional average in the agriculture, forestry, hunting and fishing; textile, apparel, leather and footwear; food, beverage and tobacco; and metal and mineral sectors. Low-skilled employment is predominant in all these sectors.

Figure III.27
Latin America (15 countries):[a] proportion of workers who have studied science, technology, engineering and mathematics (STEM) subjects, by sector, around 2023
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG), employment surveys and administrative records.
[a] Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Peru, the Plurinational State of Bolivia and Uruguay.

Three service categories can be distinguished on the basis of their respective human capital endowments: low-, medium- and high-skilled. The first category includes the tourism, construction, transport and other service sectors. In all of them, low-skilled employment surpasses 50% of the total, and STEM intensity does not exceed the regional average. The medium-skilled service category includes government services and goods-related services. The service groups for which empirical data show a greater endowment of high-skilled human capital coincide with the sectors that are highly export-intensive: telecommunications and information technology, business services, financial services, and insurance and pension services.

By including services, the analysis presented in this section complements and extends the analyses of the technology content of goods exports previously conducted by ECLAC. One of the limitations of the traditional approach based on the technology content of goods exports is the lack of criteria for distinguishing between low-, medium-, and high-technology products in the categories of primary goods and natural resource-based manufactures, which account for a large share of the region's exports. Classifying all goods and service sectors by their respective intensity in high-, medium-, and low-skilled employment enables this limitation to be partially overcome, because an analysis of this type allows activities that are relatively intensive in skilled employment to be identified in goods and service sectors outside of high-technology manufacturing. Some examples that have been highlighted in this section are agro-industry and mining in Brazil and Chile and business services in Costa Rica.

E. Recommendations for increasing the region's share of trade in advanced goods and services

The information presented in this chapter confirms that the participation of Latin America and the Caribbean in international trade in high-technology products and modern services is limited. The region accounts for barely more than 5% of global exports of high-technology goods, with a single country (Mexico) accounting for more than 80% of regional shipments, while the region's share of world exports of modern services is less than 3%, despite the progress made by certain countries in specific niches.

The region's participation in both areas points to emerging opportunities, while also reflecting capacity gaps in the areas of production, technology and human capital. Against this backdrop, the present section offers two types of recommendations. First, it addresses policies that could be implemented to increase the region's share in world exports of advanced goods and services and to move up to higher-value added segments or processes within these chains. Second, it presents an analysis of the gaps in governments' ability to implement those policies, focusing on technical, operational, political and prospective (TOPP) capabilities (ECLAC, 2024a).

1. Policies

To boost exports of high-technology goods and modern services and help firms move up global value chains into more productive and sophisticated processes and segments, the region's governments need to develop a comprehensive strategy that can improve their economies' capacity to produce advanced goods and services and their own ability to design policies that contribute to the internationalization of these. Enabling factors include science, technology and innovation; infrastructure and digital transformation; human talent; trade promotion; and the attraction of foreign direct investment (FDI). These subjects are thoroughly addressed in the *Panorama of Productive Development Policies in Latin America and the Caribbean, 2024* (ECLAC, 2024b). The Strategy for Equitable and Sustainable Economic Development for Shared Prosperity (Plan Mexico) illustrates the importance of the above-mentioned aspects (see box III.5).

Box III.5

The Strategy for Equitable and Sustainable Economic Development for Shared Prosperity (Plan Mexico) in the areas of production and trade

Launched in January 2025, the Strategy for Equitable and Sustainable Economic Development for Shared Prosperity (Plan Mexico) aims to support growth based on high-technology sectors such as pharmaceuticals and medical devices, semiconductors, automobiles and e-mobility, and aerospace. The initiative seeks to increase these sectors' domestic content in global value chains by at least 15% by 2030 through import substitution and the strengthening of local suppliers. Its specific goals include the domestic production of vaccines and generic medicines, the establishment of a semiconductor plant for artificial intelligence applications, the design and assembly of electric vehicles and the integration of entire engines and satellites into the aerospace industry.

A second pillar is human capital, where the goal is to train 150,000 professionals and technicians each year through dual and continuing education programmes that provide academic knowledge alongside work experience and practical workplace skills, in line with the needs of strategic sectors. This is to be complemented by the establishment of a network for collaboration among universities, technology institutes, research

centres and firms, with an emphasis on science, technology, engineering and mathematics (STEM) courses, advanced manufacturing, cybersecurity and logistics. The objective is to meet the growing demand for skilled talent in frontier industries and ensure that technical training is linked to the country's production needs.

The Strategy also includes modernization of the national regulatory framework and international trade transactions. An important innovation has been the IMMEX 4.0 programme, which integrates tax and customs procedures to reduce operating times and costs, facilitating investment nearshoring and the launch of new firms. This system is complemented by process simplification and digitalization, tax incentives for investment in high technology and research and development, and the use of public procurement to boost domestic demand for advanced products.

Source: Economic Commission for Latin America and the Caribbean, on the basis of Government of Mexico. (2025). *Plan México: Estrategia de Desarrollo Económico Equitativo y Sustentable para la Prosperidad Compartida*. https://www.planmexico.gob.mx.https://www.planmexico.gob.mx/

(a) Science, technology and innovation

Science, technology and innovation must be at the heart of the productive development agenda for advanced sectors. There is a need to strengthen applied research; consolidate collaboration between universities, technology centres and firms; and create effective knowledge transfer mechanisms. Technology outreach programs are also essential for disseminating innovation and best practices among SMEs.

(b) Infrastructure and digital transformation

Physical infrastructure development and digital transformation are another essential pillar, serving to increase productivity, facilitate value chain integration and open up new opportunities in emerging areas such as digital trade and artificial intelligence. At the same time, promoting innovative entrepreneurship by means of incubators, seed capital and appropriate regulatory environments would encourage the establishment of start-ups capable of gaining a foothold in high-value global niches. Financing throughout the business life cycle is also crucial. Many innovative SMEs face serious constraints on their access to credit and venture capital, limiting their capacity for growth and internationalization. To overcome these market failures, governments can establish co-investment funds, guarantee systems and soft credit lines geared towards innovation and export development.

(c) Human talent

The development of human talent is another key pillar when it comes to increasing competitiveness. Training professionals with specializations in STEM and foreign languages, coupled with reskilling and ongoing training programmes, would make it possible to meet the growing demand from technology and modern service sectors. A well-trained workforce is an important asset for attracting FDI, especially in advanced product and service sectors, and is a prerequisite for local firms to upgrade in global value chains.

(d) Export promotion

The internationalization of firms should be understood as an end-to-end process that goes beyond exporting and involves integrating into global value chains, leveraging transnational knowledge networks and pursuing strategic partnerships. Export promotion agencies can play a decisive role through market intelligence, technical assistance, quality standard certification and support for participation in international trade fairs. At the same time, diversifying into services such as knowledge process outsourcing, artificial intelligence and other digital solutions offers new opportunities for firms in the region to capture higher-value added segments.

(e) Attracting FDI

FDI plays a strategic role by providing capital, know-how and access to global networks. Its impact is maximized when it is linked to follow-up policies that encourage reinvestment, the strengthening of clusters and the development of local suppliers capable of meeting international standards. Likewise, it is essential to have specific infrastructure and public goods that support the growth of the high-technology and modern service sectors. The establishment of technology parks, digital hubs and advanced logistics systems helps to improve competitiveness and position countries as attractive destinations for frontier production.

(f) Regulatory frameworks

A clear and predictable regulatory framework is also essential. Harmonization with international intellectual property standards, technical certifications, digital security and cross-border data management would facilitate integration into global supply chains and reduce transaction costs. Free trade and modern services agreements, particularly in digital trade and investment protection, not only expand markets but also strengthen local production capabilities and establish more favourable conditions for innovation. For this reason, it is concerning that so few free trade agreements between countries in the region contain chapters that comprehensively address trade in services. Furthermore, the large disparities between the countries' modern services regulations limit the dynamism of intraregional trade, as they generate compliance costs that affect firms' competitiveness. Recent studies show that even marginal reductions in regulatory heterogeneity indices could significantly boost intraregional trade in modern services (Monge-González et al., 2025). Accordingly, harmonization of regulatory frameworks in areas such as digital services, intellectual property, telecommunications and data flows emerges as a key requirement, as does the strengthening of chapters on digital trade and services in regional and subregional agreements.

Double taxation poses another significant barrier to the internationalization of modern services providers, particularly SMEs, as the absence of harmonized tax frameworks increases transaction costs and reduces legal predictability. Negotiating double taxation agreements and designing effective tax credit mechanisms that lower redundant tax burdens must therefore be a priority (Peña Capobianco, 2024).

(g) Regional integration

More broadly, deepening regional integration in the area of advanced goods and services could stimulate productive transformation and export diversification in the countries. A mere 15% and 9%, respectively, of exports of high-technology goods and modern services went to the region itself in 2024. The regional market offers numerous advantages to companies trading in these products and services, especially SMEs, thanks to the countries' geographical and cultural proximity.

2. Strengthening technical, operational, policy and prospective (TOPP) capabilities

In many countries, the implementation of policies aimed at boosting exports of high-technology products and modern services is hampered by persistently low institutional capacity and ineffective governance. This institutional weakness limits the scope for formulating long-term strategies, coordinating the work of the various public and private actors and ensuring the continuity of the policies required to move up value chains. As a result, efforts tend to be fragmented, preventing countries from taking full advantage of opportunities to diversify production, innovate and add value.

To overcome these weaknesses, ECLAC has argued for the need to strengthen the TOPP capabilities of the institutions responsible for designing and implementing trade and production policies (ECLAC, 2024a; Salazar-Xirinachs and Boeninger Sempere, 2025). In the area of trade, special emphasis is placed on ministries of trade, trade promotion agencies and agencies responsible for attracting FDI. There are also many other institutions that support producers and exporters in improving the quality of their products and services to adapt them to international demand, such as ministries of agriculture, economic affairs, science and technology, education, finance, and health; development banks; sectoral regulatory bodies; innovation and competitiveness councils or agencies; statistical institutes; standardization and metrology institutes; and intellectual property offices.

Each of the TOPP capabilities will now be considered, with examples of good practices in public institutions that enhance countries' participation in international advanced product and service chains. By technical capabilities is meant the whole body of specialized knowledge, methodologies and tools that institutions have for effectively formulating, implementing, evaluating and adjusting public policies and programmes. These capabilities enable strategic objectives to be translated into concrete actions, ensuring regulatory consistency, accountability and continuous improvement of the public management cycle. A notable example is Colombia's National Administrative Department of Statistics (DANE). Its success in measuring foreign trade in services at a highly granular level is explained by the implementation of quarterly surveys based on international standards, the use of digital tools for data capture and validation that have improved data timeliness and accuracy, and the work of a highly qualified technical team, which has ensured statistical consistency, establishing the department's methods as a regional and international benchmark (Romero Baquero, 2023).

Another notable example is the Costa Rican Foreign Trade Promoter (PROCOMER), ranked by the International Trade Centre (ITC) as the world's best trade promotion organization between 2015 and 2018 (*El Economista*, 2018). PROCOMER won the ITC award for the best inclusive and sustainable trade initiative in 2020 for its Green Growth platform and was a 2024 finalist in the "Best use of a partnership" category with the Discover programme (International Trade Centre [ITC], 2024).

Operational capabilities are the administrative and managerial skills that enable an institution to effectively organize, coordinate and execute the tasks required to implement public policies and programmes. These capabilities ensure that activities are conducted to a predetermined schedule, budget and quality standards, thereby ensuring efficiency in day-to-day management and effectiveness in the provision of public goods and services. Two short training programmes, Digital Talent for Chile and Uruguay's Finishing Schools, are successful examples. Both have been effective in aligning educational offerings with the needs of the production sector to strengthen global value chain integration. An external evaluation carried out in Chile indicates that 77% of course graduates achieved positive outcomes (formal employment, self-employment, entrepreneurship or continuing studies) (Fundación Chile, 2024).

By political capabilities is meant the ability of public actors and institutions to generate broad, shared visions, support, leadership and partnerships that provide a basis for public policy formulation, implementation and sustainability. These capabilities are manifested in the creation of discussion and negotiation arrangements, effective coordination between different levels of government, collaboration with the private sector, academia and civil society, and the development of trust and political legitimacy with regard to development goals. A good practice in this area is Chile's Public-Private Committee for Service Exports, established in 2016. Its main achievements include standardizing indicators and codes for the creative services sector, digitalizing and simplifying tax and customs procedures, enhancing statistics, producing manuals and holding fairs with a view to internationalizing, coordinating and supporting the creative economy, and facilitating human capital formation by providing scholarships in areas such as English, programming and digital talent (Cáceres, 2023).

By prospective capabilities is meant the ability of institutions and society to anticipate changes, identify megatrends and construct future scenarios to guide decision-making and public policy design. These capabilities make it possible not only to anticipate risks and opportunities, but also to respond nimbly to unexpected events and foster a culture of dialogue that facilitates consensus about how best to meet development challenges. Two notable examples are the Brazilian Artificial Intelligence Strategy (EBIA), established in 2021, and the Brazilian Artificial Intelligence Plan (PBIA), launched in 2024, with implementation scheduled to continue until 2028 and investment totalling US$ 4 billion. The two instruments form a prospective framework intended to position Brazil in international trade in advanced services: EBIA orients data governance and international cooperation as a basis for participating in global digital trade flows, while PBIA bolsters this vision with supercomputing and renewable energy infrastructure that is enabling the country to develop proprietary models and generate competitive advantages in exportable sectors such as health, agro-industry and Industry 4.0 (ECLAC, 2025).

To improve TOPP capabilities, there is a need to strengthen public-private coordination, providing public institutions with methodologies and tools that ensure policymaking consistency and efficient implementation. From a technical standpoint, the recommendation is for investment in specialized human capital and information systems that serve to monitor progress and guide decision-making. On the operational front, it is particularly important to optimize administrative management through agile, coordinated processes that ensure quality and measurable results. With regard to policy and foresight, lastly, strengthening consensus and public-private partnerships is essential to sustain policies over time and ensure that they meet the needs of the production sector and the challenges of international integration (Cornick et al., 2018).

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Annex III.A1

Table III.A1.1
Latin America and the Caribbean: goods and service industry groups selected from the industries identified in the input-output matrix

Economic sectors	Sectors in the regional input-output matrix	International Standard Industrial Classification of All Economic Activities (ISIC), Rev. 4
Agriculture, forestry, hunting and fishing	S01, S02, S03	011, 012, 013, 014,015, 016, 017, 02, 03
Energy mining	S04, S05, S06	0510, 0520, 0610, 0620, 0910
Non-energy mining	S07, S08, S09	0710, 0721, 0729, 08, 0990
Food, beverages and tobacco	S10, S11, S12, S13, S14, S15	1010 to 1050, 1061, 1062, 1071, 1072, 1073, 1074, 1075, 1079, 1080, 11, 12
Textiles, apparel, leather and footwear	S16, S17, S18	13, 14, 15
Wood, pulp and paper	S19, S20, S21	16, 17, 18
Fuel and petroleum products	S22	19
Chemicals	S23, S24	2011, 2022, 2013, 2021, 2022, 2023, 2029, 2030
Pharmaceuticals	S25	21
Rubber and plastics	S26	22
Non-metallic minerals	S27	23
Iron and steel	S28	2410, 2120, 2431
Metals and fabricated metal products	S29, S30	2432, 25
Non-electrical machinery and equipment	S31	28
Electrical machinery and appliances	S32, S33, S34, S35	2610, 2620, 2630, 2640, 2651, 2652, 2670, 2680, 27
Automobiles and auto parts	S3S, S37, S38, S39	2910, 2920, 2930, 3030, 3011, 3012, 3020, 3040, 3091, 3092, 3099
Other manufactures	S40	31, 32
Goods-related services	S41	33
Construction	S45	41, 42, 43
Transport	S49, S50, S51, S52	49, 50, 51, 52
Travel (hotels, food, entertainment, recreation)	S56, S61, S67	55, 56, 90, 91, 92, 93
Telecommunications, computer and information services	S57, S58	61, 62, 63
Financial services	S59	64
Insurance and pension services	S60	65, 66
Business services	S62	69, 70, 71, 72, 73, 74, 75
Government goods and services	S64	84
Other services	S42, S43, S44, S46, S47, S48, S53, S54, S55, S63, S65, S66, S68, S69, S70	3510, 3520, 3530, 3600, 37, 38, 39, 45, 46, 47, 53, 58, 59, 60, 68, 85, 86, 87, 88, 9, 98, 77 to 82, 94, 95, 96

Source: Economic Commission for Latin America and the Caribbean.

Table III.A1.2
Latin America and the Caribbean (selected countries): high-technology product exports, 2024
(Millions of dollars)

Subregion	Country	Aircraft	Weapons	Automobiles	Life sciences	Medical devices	Electronics and telecommunications products	Pharmaceuticals	Precision instruments	Electrical machinery	Mechanical machinery	Computing and processing machines	Chemicals	Total
South America	Brazil	5 037	8	3 814	124	354	230	1 342	523	2 311	83	1 916	241	15 982
	Argentina	4	0	3 771	1	9	1	529	17	21	0	28	3	4 384
	Colombia	60	9	65	15	23	41	559	28	166	0	376	50	1 389
	Chile	45	3	50	5	25	68	175	34	70	0	268	263	1 008
	Uruguay	3	0	313	10	40	2	157	4	2	0	28	16	575
	Peru	29	0	3	5	4	9	85	9	55	1	60	113	373
	Ecuador	125	0	1	0	8	20	64	10	33	0	51	42	355
	Paraguay	20	0	0	2	1	2	71	3	8	0	11	10	127
	Bolivia (Plurinational State of)	-	0	-	0	0	0	1	-	7	-	0	2	10
	Venezuela (Bolivarian Republic of)	1	0	0	0	1	0	0	0	1	0	0	0	5
Mexico	Mexico	4 538	315	52 624	59	11 964	23 185	3 233	6 734	18 567	13	75 294	500	197 024
The Caribbean	Dominican Republic	30	0	2	2	1 680	32	50	9	44	1	139	2	1 990
	Saint Kitts and Nevis	31	0	0	0	0	0	0	10	0		6	-	47
	Guyana	3	0	0	0	3	3	3	6	12	0	3	0	33
	Suriname	4	0	1	0	5	4	0	1	11	0	4	0	29
	Barbados	5	0	0	0	3	2	13	2	0	0	2	0	27
	Trinidad and Tobago	0	0	0	0	1	2	9	0	9	0	2	0	23
	Jamaica	0	0	4	0	0	6	3	1	1	0	2	0	17
	Cuba	4	0	0	0	1	0	0	0	1	0	2	0	9
	Saint Lucia	0	0	0	0	0	0	0	0	0	0	2	0	3
	Belize	-	0	-	2	-	-	0	-	-	0	-	0	2
	Saint Vincent and the Grenadines	1	0	0	0	0	0	0	0	0	-	0	0	2
	Grenada	0	-	0	-	0	0	0	0	0	-	0	0	1
	Dominica	0	0	0	0	0	0	0	0	0	0	0	0	1
	Bahamas (The)	-	-	-	0	-	-	0	-	-	-	-	-	0
	Antigua and Barbuda	-	-	-	-	-	-	-	-	-	-	-	0	0
Central America	Costa Rica	5	0	0	0	5 000	465	76	269	142	0	138	2	6 099
	Guatemala	6	0	26	10	23	16	483	5	11	0	37	59	678
	El Salvador	1	0	5	2	1	8	208	5	166	0	17	8	421
	Honduras	0	0	2	1	1	10	46	7	77	0	15	68	227
	Panama	-	0	-	-	-	0	32	-	-	0	-	1	34
	Nicaragua	0	0	0	1	1	3	14	2	0	0	4	2	27

Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, UN Comtrade Database. https://comtradeplus.un.org/.

Table III.A1.3
Latin America and the Caribbean (selected countries): modern services exports, 2024
(Millions of dollars)

Subregion	Country	Charges for intellectual property use	Other business services	Information and telecommunications services	Insurance and pension services	Financial services	Total
Central America	Costa Rica	20	6 698	2 387	12	162	9 280
	Panama	1	524	537	543	1 377	2 983
	Guatemala	18	833	577	60	158	1 646
	El Salvador	0	304	415	60	77	857
	Honduras	0	346	83	0	27	455
	Nicaragua	0	58	252	11	0	321
South America	Brazil	1 093	19 888	6 173	1 113	1 685	29 953
	Argentina	280	5 917	2 810	54	185	9 246
	Colombia	228	3 272	1 995	31	201	5 726
	Uruguay	115	1 923	1 354	54	347	3 792
	Chile	0	2 688	670	0	0	3 358
	Peru	43	723	154	150	163	1 234
	Ecuador	7	225	98	0	69	399
	Bolivia (Plurinational State of)	2	31	50	0	8	91
	Paraguay	0	3	18	7	11	38
	Venezuela (Bolivarian Republic of)	0	0	0	0	0	
Mexico	Mexico	1 150	6 496	1 575	5 336	960	15 517
The Caribbean	Dominican Republic	0	1 659	53	127	301	2 140
	Cuba	6	504	121	33	9	674
	Jamaica	6	368	128	2	15	519
	Trinidad and Tobago	0	68	33	184	0	286
	Belize	0	106	116	1	19	242
	Bahamas (The)	0	219	0	0	0	219
	Antigua and Barbuda	0	62	5	75	0	142
	Suriname	5	85	22	8	2	123
	Grenada	0	77	5	6	8	96
	Saint Lucia	0	42	11	5	2	60
	Dominica	0	48	3	6	2	59
	Saint Vincent and the Grenadines	0	22	5	6	4	37
	Saint Kitts and Nevis	0	10	4	6	14	34

Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations Conference on Trade and Development. *UNCTADstat Data centre*. https://unctadstat.unctad.org/datacentre/.

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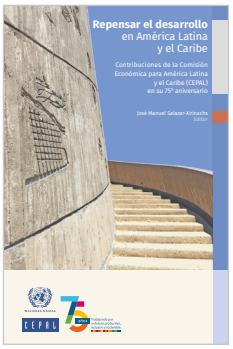

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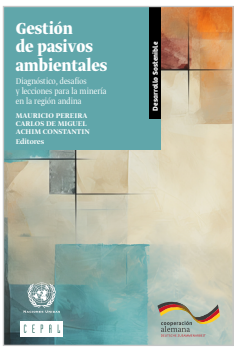

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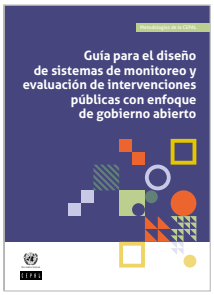

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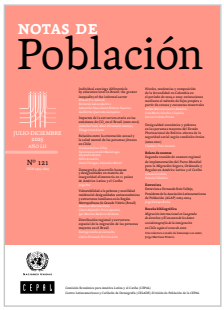

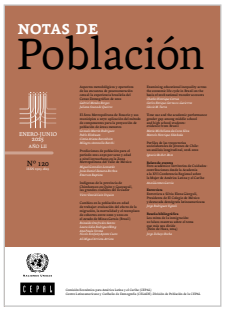

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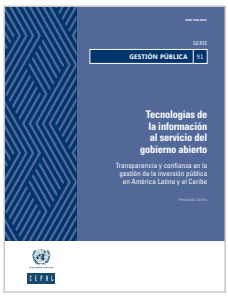

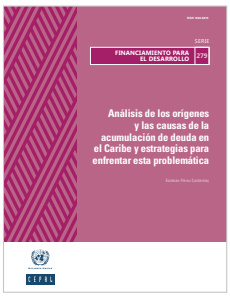

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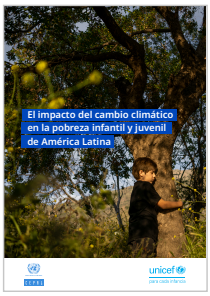

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Human ties and trade, elements that have shaped the development of the region.

Bas-relief on the spiral tower at ECLAC headquarters in Santiago.

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This edition of the *International Trade Outlook for Latin America and the Caribbean* analyses the sea change in United States trade policy in 2025, which is set against the backdrop of the weaponized interdependence occurring in the wider global economy. Although its impact on global and regional trade in 2025 has not been as pronounced as anticipated at the beginning of the year, projections for 2026 point to a marked slowdown. In general, exports from the region to the United States are subject to lower tariffs than those imposed on most of its main competitors, but this could change depending on trade balance trends or even factors beyond economics. In this context, the governments of the region should diversify trade relations and strengthen regional economic integration.

This edition also examines the region's low share of global exports of high-technology goods and human capital-intensive services. To increase that share, productive policies and factors of production (science and technology, digital transformation, human talent, among others) are essential, as is closing the gaps in technical, operative, political and prospective capabilities of institutions in the countries of the region.

ISBN 978-92-1-154569-2

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