

Digital and sustainable trade facilitation in Latin America and the Caribbean

Regional report 2023

Sebastián Herreros



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List of Acronyms

AEO:	Authorized economic operator
ALADI:	Latin American Integration AssociationS
ASYCUDA:	Automated System for Customs Data
ATIT:	Agreement on International Land Transport
CACM:	Central American Common Market
CAN:	Andean Community
CARICOM:	Caribbean Community
CITES:	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CPTPP:	Comprehensive and Progressive Agreement for Trans-Pacific Partnership
DR-CAFTA:	Dominican Republic-Central America-United States Free Trade Agreement
ECLAC:	United Nations Economic Commission for Latin America and the Caribbean
ePhyto:	Electronic phytosanitary certificate
EPA:	Economic Partnership Agreement
ESCAP:	United Nations Economic and Social Commission for Asia and the Pacific
ESW:	Electronic single window
EU:	European Union
FTA:	Free trade agreement
GATT:	General Agreement on Tariffs and Trade
ICC:	International Chamber of Commerce
ICT:	Information and communications technology
ITC:	International Trade Centre
IPPC:	International Plant Protection Convention
LAC:	Latin America and the Caribbean
LPCO:	Licenses, permits, certificates and other documents
MERCOSUR:	Common Market of the South
MRA:	Mutual recognition agreement
MSME:	Micro, small and medium-sized enterprises
NTFC:	National trade facilitation committee
OECD:	Organization for Economic Cooperation and Development
OECS:	Organization of Eastern Caribbean States

PA:	Pacific Alliance
SME:	Small and medium-sized enterprises
SPS:	Sanitary and phytosanitary
TIM:	Central American International Transit of Goods
TF:	Trade facilitation
TFA:	Trade Facilitation Agreement
TRS:	Time Release Study
UNECE:	United Nations Economic Commission for Europe
USMCA:	United States-Mexico-Canada Agreement
VAT:	Value added tax
WCO:	World Customs Organization
WTO:	World Trade Organization

Executive summary

Latin America and the Caribbean (LAC) faces considerable challenges to reduce the non-tariff costs and the time involved in foreign trade operations. High trade costs in the region are a result of multiple factors, including its vast size, complex geography, insufficient stock of transport infrastructure, and relative remoteness from major consumption centers. Nevertheless, cumbersome procedures and documentation requirements also raise trade costs, both within the region and with extra-regional partners. Therefore, making progress on the trade facilitation (TF) agenda is crucial to improve the region's international competitiveness, as well as for other policy objectives. First, since red tape at the border disproportionately affects small and medium-sized enterprises (SMEs), TF encourages their internationalization and thus promotes export diversification, helping to reduce the commodity dependence that characterizes many LAC countries. Second, the expeditious movement of goods across borders is critical for the success of international production networks. Hence, progress in TF may help to increase the participation of LAC countries in regional and global value chains and to attract new investments from multinational companies considering nearshoring some of their operations into the region. Third, TF measures may improve the effectiveness and accountability of the State and help to fight corruption. Fourthly, TF measures can prevent or at least minimize disruptions in the supply of essential goods in times of crisis, as evidenced during the COVID-19 pandemic.

Since its first edition in 2015, the biennial Global Survey on Digital and Sustainable Trade Facilitation has tracked the progress made by countries around the world in the areas of trade facilitation and paperless trade, including the implementation of the World Trade Organization's Trade Facilitation Agreement (TFA). The scope of the Global Survey has progressively extended beyond the coverage of the TFA. Its 2023 edition covers 60 measures grouped into 13 categories (see table 1 in Section I). Countries are assessed according to their performance in a set of 31 core measures corresponding to the categories of Transparency, Formalities, Institutional Cooperation and Arrangements, Paperless Trade, and Cross-Border Paperless Trade. The Global Survey 2023 also includes questions related to Transit facilitation, Trade facilitation for SMEs, Agricultural trade facilitation, Women in trade facilitation, Trade finance facilitation, Trade facilitation in times of crisis and pandemic, Trade facilitation and e-commerce, and Trade facilitation and wildlife protection. For every measure there are five possible answers: (i) Fully implemented (3 points); (ii) Partially implemented (2 points); (iii) Pilot stage (1 point); (iv) Not implemented (0 points); and (v) Don't know (also accorded 0 points).

The current report summarizes the results of the Global Survey 2023 for the 26 participating LAC countries,¹ which together account for 99% of the region's merchandise trade in 2022. All responses were prepared by government agencies (mostly ministries of trade and industry in collaboration with customs administrations and other relevant agencies) between February and May 2023. ECLAC subsequently conducted independent desk research in order to confirm or amend the responses provided by countries.

The region's average implementation rate across the 31 core measures is 71% (see figure 3 in section II).² This is slightly above the average of the 163 countries that responded the Global Survey 2023 worldwide (69%). There is significant dispersion in results at the national level, with a difference of 41 percentage points between the highest score (Mexico, 88%) and the lowest (Saint Lucia, 47%) (see figure 4 in section II). Of the

¹ Antigua and Barbuda, Argentina, Belize, Bolivia (Plurilateral State of), Brazil, Colombia, Chile, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Trinidad and Tobago, and Uruguay.

² Individual country results can be consulted at the Global Survey's website: <https://www.untfsurvey.org/region?id=ECLAC>.

11 countries whose scores are below the regional average, eight are from the Caribbean, including all those in the bottom five. This confirms the gap between the performance of that subregion — particularly the small island economies of the Community of Eastern Caribbean States (OECS) — and that of South America, Central America, and Mexico.

The categories of Formalities, Transparency, and Paperless Trade register the highest implementation rates among participating LAC countries, at 84%, 76% and 72%, respectively. The measures included in the first two categories correspond almost entirely to articles of the TFA, whose implementation is well advanced in the region. Participating countries present average implementation rates of 80% or above in 18 of the 31 core measures. These include the establishment of national trade facilitation committees, pre-arrival processing, independent appeal or review mechanisms for customs decisions, e-payment of customs duties and fees, availability of advance rulings, trade facilitation measures for authorized economic operators (AEO), the separation of release from the final determination of customs duties, the electronic submission of air and cargo manifests, and the use of risk management, among others. By contrast, the establishment of electronic single windows (ESW) for international trade has an average implementation rate of just 53%, with nine countries reporting no implementation at all yet. The ESW is one of the most challenging measures in the TFA, in terms of its financial, technological and interagency coordination requirements. At the same time, it is essential for countries to move towards a paperless trade environment.

Among core TF categories, participating countries registered their lowest score in Cross-border Paperless Trade (56%). Some of the individual measures with the lowest implementation rates are in this category, including the electronic cross-border exchange of customs declarations (42%), certificates of origin (49%) and sanitary and phytosanitary certificates (46%). All these measures require the support of a sophisticated ICT infrastructure and close cooperation between the relevant agencies of the countries exchanging information. Global Survey results also show that the region has much room for improvement in areas like TF for SMEs (39%), TF for women (39%), and especially trade finance facilitation (26%). Concerning the facilitation of e-commerce, 15 of the 26 participating countries declared having a *de minimis* regime in place, with shipments valued below their respective thresholds being subject to simplified customs procedures and exempted at least from import tariffs. Most thresholds are in the US\$ 50 to US\$ 200 range.

The considerable progress made by LAC countries in the area of trade facilitation will have a greater impact on trade flows and production integration if the implementation of specific measures is coordinated among groups of countries. In recent years there have been several promising developments in this regard, mainly at the subregional level. This is the case, for example, of the electronic cross-border exchange of trade documents and data and of the increasing number of mutual recognition agreements of national AEO schemes. Stepping up these efforts should be a priority in the coming years. The negotiation of a region-wide agreement on trade facilitation and paperless trade may be a useful vehicle towards that end.

I. Introduction

A. Background and objectives of the Global Survey 2023

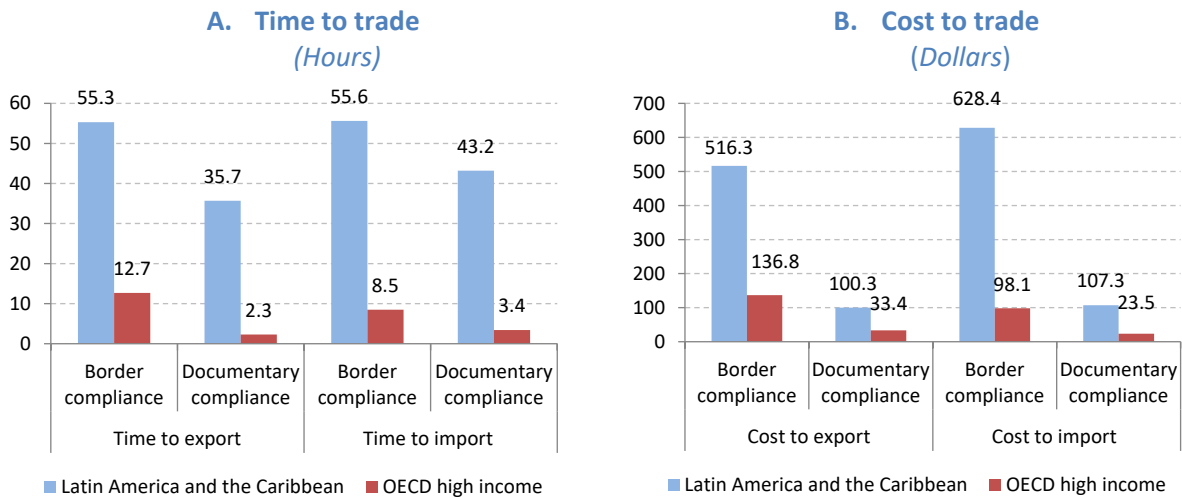
For over three decades, countries in Latin America and the Caribbean (LAC) have been reducing their import tariffs, both unilaterally and through participation in regional integration agreements and free trade agreements (FTAs) with extra-regional partners. As the relative importance of tariffs has decreased, trade facilitation (TF) —understood as “the simplification, standardization and harmonization of procedures and associated information flows required to move goods from seller to buyer and to make payment”³— has become a critical competitiveness factor in global trade. By cutting red tape at the border, including through the digitalization of documents and processes, trade facilitation reduces the time and cost to trade. The entry into force of the World Trade Organization’s Trade Facilitation Agreement (TFA) in February 2017 propelled this topic to the top of the global and regional trade agenda, and the outbreak of the COVID-19 pandemic in 2020 further highlighted its relevance. Countries from all regions had to implement several TF measures to minimize physical contact at ports and border crossings and to ease the cross-border flow of essential goods such as food, vaccines, medical devices and personal protective equipment (WTO, 2021).

Despite substantial progress made in recent years in implementing trade facilitation measures, Latin America and the Caribbean still faces considerable challenges in terms of reducing the non-tariff costs and the time involved in foreign trade. In 2019, the region lagged behind the developed countries of the OECD by wide margins in the Trading across Borders component of the World Bank’s —now discontinued — Doing Business ranking (see figure 1).

High trade costs in the region are a result of multiple factors, including its vast size, complex geography and insufficient stock of transport infrastructure. The region had in 2015 an average of 22.8 kilometers of roads per 100 square kilometers, compared to an average of about 100 in the European members of the OECD; moreover, just 23% of the region’s roads were paved. The density of the railway network is also very low: less than 1 kilometer of railways per 100 square kilometers compared to almost 6 kilometers in the European Union (Sánchez and others, 2017). Nevertheless, cumbersome or duplicative procedures also raise trade costs, both within the region and with extra-regional partners. This is borne out by the latest edition of the World Bank’s Logistics Performance Index (World Bank, 2023), which evaluates the efficiency of the clearance process by border control agencies in terms of speed, simplicity and predictability. The evaluation is based on the opinion of experts consulted between September and November 2022, and the scale used goes from 1 (very low) to 5 (very high). All LAC countries assessed achieved scores between 2 and 3, far from global leaders (see figure 2). Against this backdrop, making progress on the trade facilitation agenda is crucial to improve the region’s international competitiveness and to enhance its participation in international production networks.

³ See United Nations Economic Commission for Europe, “Trade Facilitation Implementation Guide”, [online] <https://tfig.unece.org/details.html>.

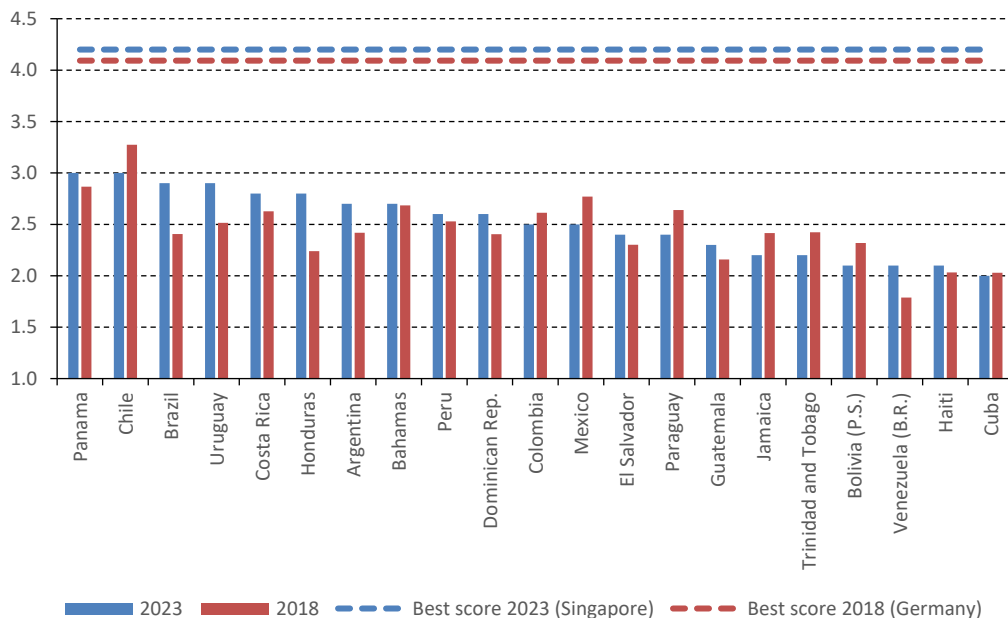
Figure 1
Latin America and the Caribbean and OECD (high income members):
Average time and cost to export and import a shipment of goods, 2019^a



Source: Author, with data from World Bank, Doing Business 2020 database [online] https://archive.doingbusiness.org/es/data/exploretopics/trading-across-borders_

^a Documentary compliance captures the time and cost associated with compliance with the documentary requirements of all government agencies of the origin economy, the destination economy and any transit economies. Border compliance captures the time and cost associated with compliance with the economy's customs regulations and with regulations relating to other inspections that are mandatory for the shipment to cross the economy's border, as well as the time and cost for handling that takes place at its port or border.

Figure 2
Latin America and the Caribbean (21 countries): scores in the customs formalities component
of the Logistics Performance Index, 2018 and 2023
(1: Very low to 5: Very high)



Source: Author, with data from World Bank, Logistics Performance Index 2018 and 2023 [online] <https://lpi.worldbank.org/report>.

The rest of this report is structured as follows. The remainder of this first section describes the structure and methodology of the Global Survey on Digital and Sustainable Trade Facilitation and how the results were tabulated and analyzed. The second section provides an overview of the results for Latin America and the Caribbean and its three sub-regions. The third section examines in greater detail implementation levels for each category of trade facilitation measures. The fourth section concludes.

B. Methodology

1. Structure of the Global Survey

Since its first edition in 2015, the biennial Global Survey on Digital and Sustainable Trade Facilitation has tracked the progress made by countries around the world in the areas of trade facilitation and paperless trade, including the implementation of the World Trade Organization's Trade Facilitation Agreement (TFA). Through its successive editions, the scope of the Global Survey has progressively extended beyond the coverage of the TFA. The Global Survey 2023 covers 60 measures categorized into four groups and 13 categories (see table 1). The first group (General Trade Facilitation Measures) comprises four categories (Transparency, Formalities, Institutional Cooperation and Arrangements, and Transit Facilitation) and corresponds almost entirely to TFA provisions. The second group (Digital Trade Facilitation Measures) includes two categories: Paperless Trade and Cross-Border Paperless Trade. Most measures in this group are not specifically featured in the TFA, although they support a better implementation of it through the digitalization of documents and procedures. The questions belonging to the first two groups have been part of the Global Survey since its first edition.

The third group of measures, on Sustainable Trade Facilitation, was introduced in the second edition of the Global Survey (2017) and includes three categories: Trade Facilitation for SMEs, Agricultural Trade Facilitation, and Women in Trade Facilitation. Finally, the fourth group (Other Trade Facilitation Measures) includes four categories: Trade Finance Facilitation, Trade Facilitation in times of Crisis and Pandemic, Trade facilitation for e-commerce, and Trade facilitation and wildlife protection. The questions on Trade Finance Facilitation were included in the third edition (2019), while those on Trade Facilitation in times of Crisis and Pandemic were included in the fourth edition (2021) to gauge country responses to the COVID-19 crisis. Finally, two questions on Trade facilitation for e-commerce and Trade facilitation and wildlife protection were included in the fifth edition (2023).

Table 1
Measures included in the Global Survey on Digital and Sustainable
Trade Facilitation 2023 and correspondence with articles of the WTO
Trade Facilitation Agreement (TFA)

Group and category		Question number and trade facilitation measure		Equivalent TFA article
General TF measures	Transparency	2	Publication of existing import-export regulations on the Internet	1.1 and 1.2
		3	Stakeholder consultation on new draft regulations prior to their finalization	2.2
		4	Advance publication/notification of new regulations before their implementation	2.1
		5	Advance rulings on tariff classification and origin	3
		9	Independent appeal mechanism (for traders to appeal customs rulings and the rulings of other relevant trade control agencies)	4
	Formalities	6	Risk management (as a basis for deciding whether a shipment will be physically inspected or not)	7.4
		7	Pre-arrival processing	7.1
		8	Post-clearance audit	7.5
		10	Separation of release from final determination of customs duties, taxes, fees and charges	7.3
		11	Establishment and publication of average release times of goods	7.6
		12	Trade facilitation measures for authorized operators	7.7
		13	Expedited shipments	7.8
		14	Acceptance of paper or electronic copies of supporting documents required for import, export or transit formalities	10.2.1
	Institutional cooperation and arrangements	1	Establishment of a national trade facilitation committee or similar body	23
		31	Cooperation framework between border agencies at the national level	8
		32	Government agencies delegate controls to customs authorities	
		33	Alignment of working days and hours with neighboring countries at border crossings	8.2(a)
		34	Alignment of formalities and procedures with neighboring countries at border crossings	8.2(b)
	Transit facilitation	35	Transit facilitation agreement(s) with neighboring countries	
		36	Customs authorities limit the physical inspection of transit goods and use risk assessment	10.5
37		Pre-arrival processing for transit facilitation	11.9	
38		Cooperation between agencies of countries involved in transit	11.16	
Digital TF Measures	Paperless trade	15	Electronic/automated customs system established (e.g., ASYCUDA)	
		16	Internet connection available to customs and other trade control agencies at border crossings	
		17	Electronic single window system	10.4
		18	Electronic submission of customs declarations	
		19	Electronic application and issuance of import and export permits	
		20	Electronic submission of sea cargo manifests	
		21	Electronic submission of air cargo manifests	
		22	Electronic application and issuance of preferential certificates of origin	
	23	Electronic payment of customs duties and fees	7.2	
	24	Electronic application for customs refunds		
	Cross-border paperless trade	25	Laws and regulations for electronic transactions (e.g., e-commerce law, e-transactions law)	
		26	Recognized certification entities issue digital certificates to traders to conduct electronic transactions	
		27	Cross-border electronic exchange of customs declarations	
28		Cross-border electronic exchange of certificates of origin		
29		Cross-border electronic exchange of sanitary and phytosanitary certificates		

Group and category		Question number and trade facilitation measure		Equivalent TFA article
		30	Banks and insurers in your country retrieve letters of credit electronically without lodging paper-based documents	
Sustainable TF Facilitation	Trade facilitation for SMEs	39	The government has developed trade facilitation measures that ensure easy and affordable access for SMEs to trade-related information	
		40	The government has developed specific measures that enable SMEs to more easily benefit from the authorized economic operator scheme	
		41	The government has taken actions to make the single window more easily accessible to SMEs	
		42	The government has taken actions to ensure that SMEs are well represented and made key members of the National Trade Facilitation Committee	
		43	Implementation of other special measures to reduce costs for SMEs	
	Agricultural trade facilitation	44	Testing and laboratory facilities are equipped for compliance with sanitary and phytosanitary (SPS) standards in your main trading partners	
		45	National standards and accreditation bodies are established for the purpose of compliance with SPS standards	
		46	Application, verification and issuance of SPS certificates is automated	
		47	Special treatment is given to perishable goods at border crossings	7.9
	Women in trade facilitation	48	The existing trade facilitation policy/strategy incorporates special support to increase women's participation in trade	
49		The government has introduced trade facilitation measures that specifically target women involved in trade		
50		Female membership in the National Trade Facilitation Committee		
Other TF measures	Trade finance facilitation	51	The Single Window in your country facilitate traders' access to finance	
		52	Customs and/or other regulatory authorities are engaged in blockchain-based supply chain (pilot) projects covering trade finance in addition to shipping and logistics	
		53	A wide variety of trade finance services are available in your country	
	Trade facilitation in times of crisis and pandemic	54	Your government has assigned an agency/organization to implement and manage trade facilitation measures in times of crises and emergencies	
		55	Your government publishes emergency trade facilitation measures online	
		56	Your country's border agencies coordinate emergency trade facilitation measures with other countries or regional organizations	
		57	Your government has implemented additional cross-border paperless trade measures to facilitate trade in times of crises and emergencies	
	Trade facilitation for e-commerce	58	Your country is prepared with adequate trade facilitation measures for building up resilience and safeguarding from future crises	
		59	Trade facilitation measures to facilitate cross-border e-commerce	7.8.2(d)
Trade facilitation and wildlife protection	60	Electronic CITES permits/certificates be applied for, issued and exchanged electronically		

Source: United Nations Global Survey on Digital and Sustainable Trade Facilitation 2023.

Each question in the Global Survey is related to a specific measure and has five possible answers: Fully Implemented (3 points); Partially Implemented (2 points); Pilot Stage (1 point); Not Implemented (0 points); and Don't Know (0 points) (see the definition of each option in Annex 1). Respondents have the option of complementing their answers with a short narrative on any progress made over the last 12 months for the measure at issue as well as any other relevant information. All questions have an equal weight for the calculation of average implementation rates.

2. Country participation, data collection and data validation

The fifth edition of the Global Survey was submitted in January 2023 to the governments of all LAC countries. Questionnaires were directed to the ministries of trade or —if these do not exist— to those primarily dealing with trade policy. The active participation in this exercise of customs authorities and other agencies dealing with trade procedures was encouraged. Twenty-six of the 33 LAC countries submitted completed questionnaires, the highest participation since the Global Survey’s inception (see table 2). This figure almost doubles the 14 countries that participated in the 2021 Global Survey, conducted against the backdrop of the COVID-2019 pandemic. Countries participating in the 2023 Global Survey account for 99% of the region’s total merchandise exports and imports in 2022.

Table 2
LAC countries participating in the Global Survey
on Digital and Sustainable Trade Facilitation 2023

Country	Sub-region	Government agency responsible for coordinating responses	Participated in the Global Survey 2021?
Antigua and Barbuda	Caribbean	Ministry of Trade	No
Argentina	South America	Ministry of Foreign Affairs and Trade	Yes
Belize	Caribbean ^a	Ministry of Foreign Affairs, Foreign Trade and Immigration	No
Bolivia (Plur. State)	South America	National Customs Agency	No
Brazil	South America	Ministry of Development, Industry, Trade and Services	No
Chile	South America	Ministry of Foreign Affairs	Yes
Colombia	South America	Ministry of Trade, Industry and Tourism	Yes
Costa Rica	Central America & Mexico	Ministry of Foreign Trade	Yes
Cuba	Caribbean	Ministry of Trade and Foreign Investment	Yes
Dominican Republic	Caribbean	Ministry of Industry, Trade and SMEs	Yes
Ecuador	South America	Ministry of Foreign Trade	Yes
El Salvador	Central America & Mexico	Ministry of Economy	No
Guatemala	Central America & Mexico	Ministry of Economy	Yes
Guyana	Caribbean ^b	Ministry of Foreign Affairs & International Cooperation	No
Honduras	Central America & Mexico	Economic Development Secretariat	No
Jamaica	Caribbean	Ministry of Industry, Investment and Commerce	No
Mexico	Central America & Mexico	Secretariat of Economy	Yes
Nicaragua	Central America & Mexico	Ministry of Industry and Trade	No
Panama	Central America & Mexico	Ministry of Trade and Industry	Yes
Paraguay	South America	Ministry of Foreign Affairs	Yes
Peru	South America	Ministry of Trade and Tourism	Yes
Saint Lucia	Caribbean	Ministry of External Affairs, International Trade, Civil Aviation and Diaspora Affairs	No
St. Kitts and Nevis	Caribbean	Ministry of International Trade, Industry, Commerce and Consumer Affairs	Yes
St. Vincent and the Grenadines	Caribbean	Ministry of Foreign Affairs and Foreign Trade	No
Trinidad and Tobago	Caribbean	Ministry of Trade and Industry	No
Uruguay	South America	Ministry of Foreign Affairs	Yes

Source: United Nations Economic Commission for Latin America and the Caribbean (ECLAC).

^a Although Belize belongs geographically to Central America, here it is classified as part of the Caribbean subregion due to its membership in the Caribbean Community (CARICOM).

^b Although Guyana belongs geographically to South America, here it is classified as part of the Caribbean subregion due to its membership in the Caribbean Community (CARICOM).

Upon receiving completed questionnaires, responses were tabulated and assigned an initial score. Subsequently ECLAC conducted independent desk research to confirm or amend the responses provided by countries. This entailed identifying the legal and institutional framework and the procedures and practices in place for each measure. This exercise often involved getting back to respondents with follow-up questions. The notifications made by countries to the WTO concerning the implementation of the different TFA provisions were also considered. Country responses validated by ECLAC—that is, answers confirmed or amended by ECLAC based upon independent desk research—are considered as final⁴. The graphs, tables and analysis presented in this report are based upon validated data. Events taking place after the reception of the completed questionnaires (between March and May 2023) are not reflected in the report unless otherwise stated.

⁴ Country results can be consulted at the Global Survey's website: <https://www.untsurvey.org/region?id=ECLAC>.

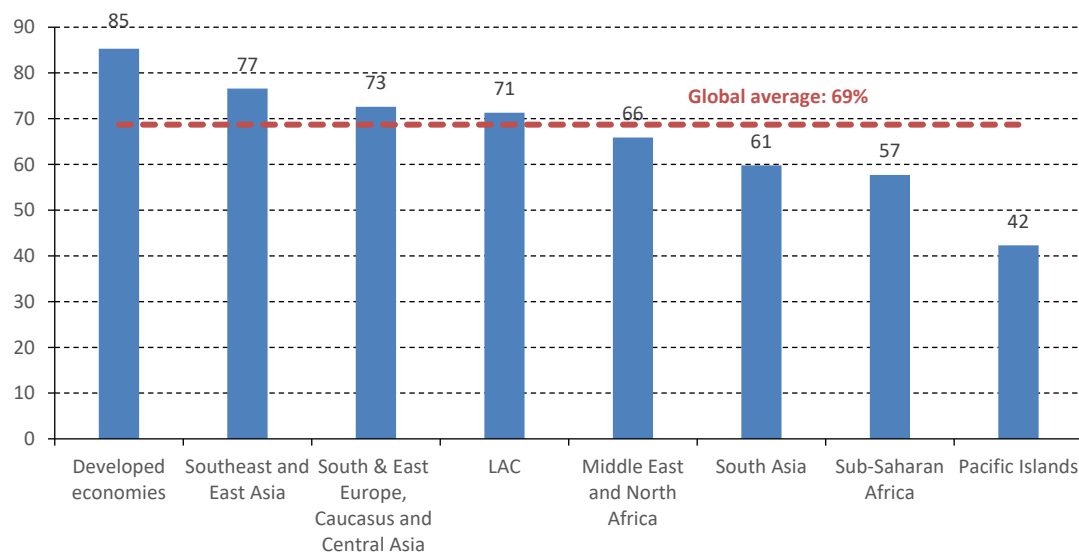
II. Global Survey results

A. Overview

Implementation rates were calculated based on a set of 31 core measures relevant to all countries participating in the Global Survey 2021. Those measures are those in the categories of Transparency, Formalities, Institutional Cooperation and Arrangements, Paperless Trade, and Cross-border Paperless Trade.⁵ Implementation rates correspond to the sum of the scores obtained by each country divided by the maximum possible score (93 points, corresponding to “Full implementation” in all 31 questions).

The average implementation rate of the 26 LAC countries participating in the Global Survey 2023 is 71%. This figure is slightly above the average of the 163 countries that responded the Global Survey 2023 worldwide (69%) (see figure 3). Within LAC there is significant dispersion in national results, with a difference of 41 percentage points between the highest score (Mexico, 88%) and the lowest (Saint Lucia, 47%) (see figure 4). Of the 11 countries whose scores are below the regional average, eight are from the Caribbean, including all those in the bottom five. This confirms the gap between the performance of that subregion —particularly the small island economies of the Community of Eastern Caribbean States (OECS)⁶— and that of South America, Central America, and Mexico (see figure 5).

Figure 3
World (163 countries) and selected regions and groupings: Average implementation rates in the Global Survey on Digital and Sustainable Trade Facilitation 2023 (Percentages)

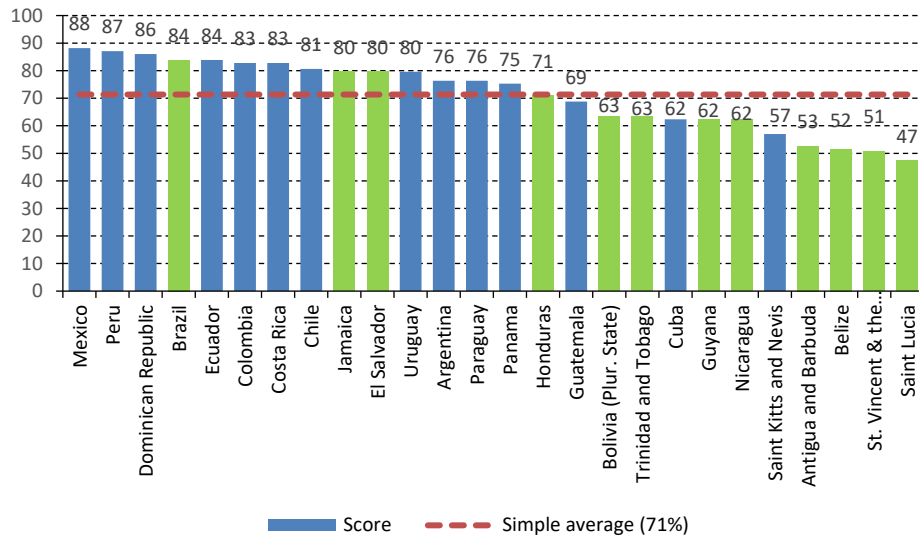


Source: Author, with date from ESCAP, *Digital and Sustainable Trade Facilitation. Global Report 2023*.

⁵ The measures corresponding to Electronic Submission of Sea Cargo Manifests, Alignment of Working Days and Hours with Neighboring Countries at Border Crossings, and Alignment of Formalities and Procedures with Neighboring Countries at Border Crossings were excluded when calculating overall scores as they are not relevant to all countries surveyed. The four Transit Facilitation measures were also excluded for the same reason.

⁶ Established in 1981, the OECS has seven full members: Antigua and Barbuda, Dominica, Grenada, Montserrat, Saint Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines. See [online] <https://www.oecs.org/en/>.

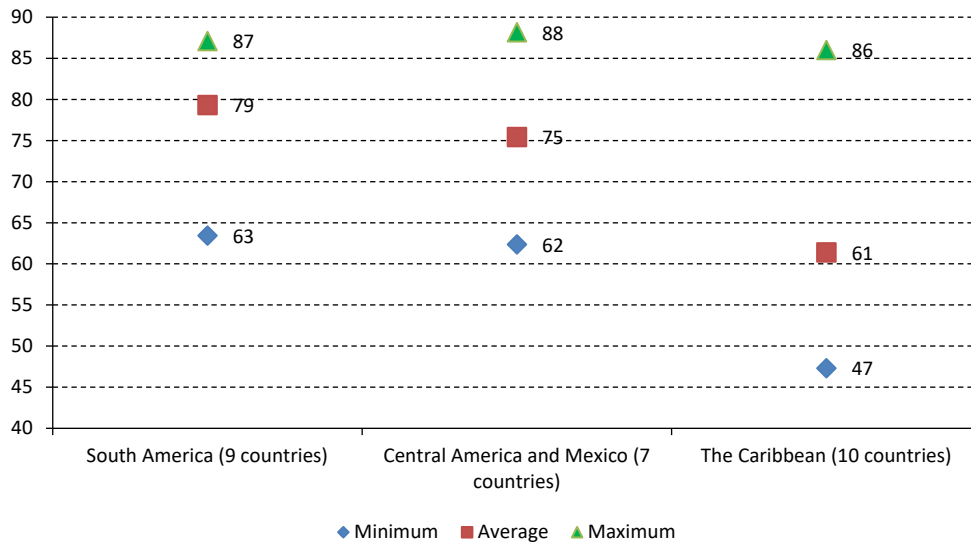
Figure 4
Latin America and the Caribbean (26 countries): Average implementation rates in the Global Survey on Digital and Sustainable Trade Facilitation 2023 (Percentages)



Source: Author, with data from the 2023 Global Survey.

Note: Green bars correspond to countries that did not participate in the 2021 Global Survey.

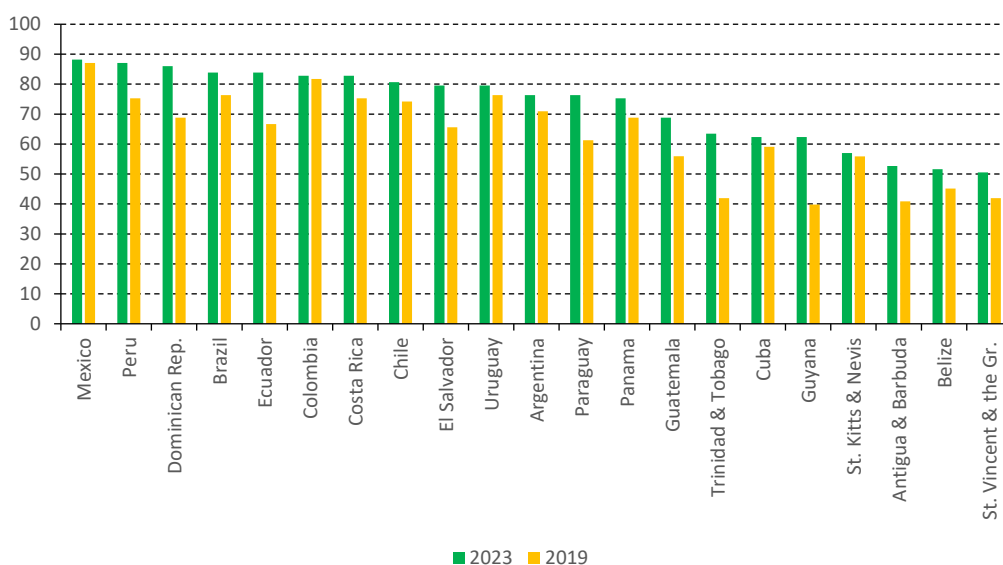
Figure 5
Latin America and the Caribbean (26 countries): Maximum, average, and minimum implementation rates in the Global Survey on Digital and Sustainable Trade Facilitation 2023, by subregion (Percentages)



Source: Author, with data from the 2023 Global Survey.

Since there are variations in the group of countries participating in each edition of the Global Survey, it is not possible to directly compare regional averages over time. However, the performance of a group of 21 countries in the 2019 and 2023 surveys reveals that the region made progress despite being severely hit by the COVID-19 pandemic (see figure 6).⁷ The average implementation rate increased from 63% to 73%, and nine countries raised their implementation rates by 10 or more percentage points. The largest increases were recorded in Guyana and Trinidad and Tobago (23 and 22 percentage points, respectively), followed by the Dominican Republic and Ecuador (17 percentage points each). Improvements were largely driven by the gradual implementation of TFA commitments that were not immediately implemented by LAC countries upon the agreement’s entry into force in February 2017.⁸ Above-average increases in implementation were recorded in several key measures related to transparency and the digitalization of trade procedures (see figure 7).

Figure 6
Latin America and the Caribbean (21 countries): Average implementation rates
in the Global Survey on Digital and Sustainable Trade Facilitation 2021 and 2023
(Percentages)



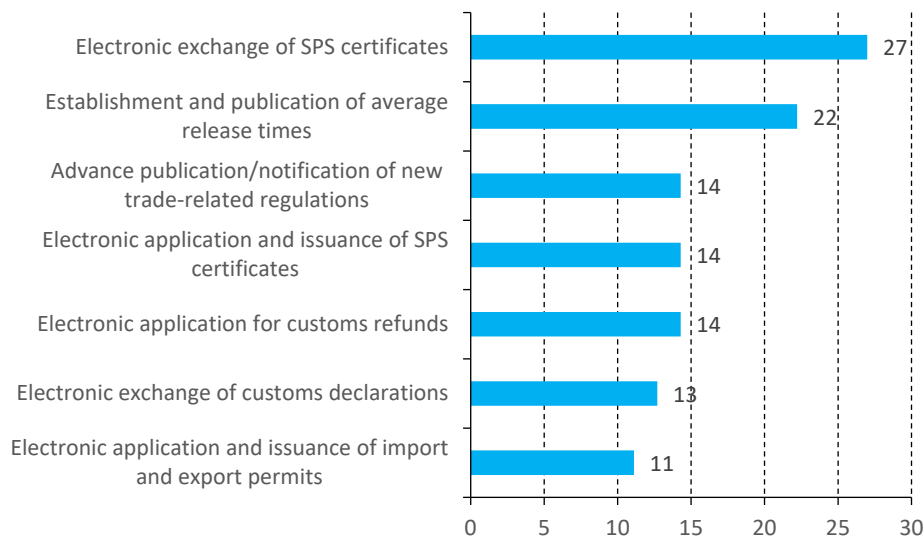
Source: Author, with data from the 2019 and 2023 Global Surveys.

Note: The values for Cuba, Saint Kitts and Nevis and Uruguay in 2019 correspond to the 2021 survey.

⁷ Country scores for 2019 and 2021 were reviewed, and in some cases adjusted downwards, in light of the results of the Global Survey 2023. This was done to avoid cases where the implementation level for a certain measure reported by a country in any of those two years is higher than that reported in 2023. For this reason, the implementation rates for 2019 and 2021 in this report may differ slightly from those in the respective regional reports (ECLAC, 2019 and Herreros, 2021).

⁸ The TFA allows developing and least-developed countries not to implement all its disciplines upon entry into force. Measures not immediately implemented are classified in categories B or C. Measures in category B are those for which implementation is committed for a set future date. The implementation date for measures in category C is contingent on the receipt of technical and/or financial assistance.

Figure 7
Latin America and the Caribbean (21 countries): Largest variations in average implementation rates of trade facilitation and paperless trade measures between 2019 and 2023 ^a
(Percentage points)



Source: Author, with data from the 2019 and 2023 Global Surveys.

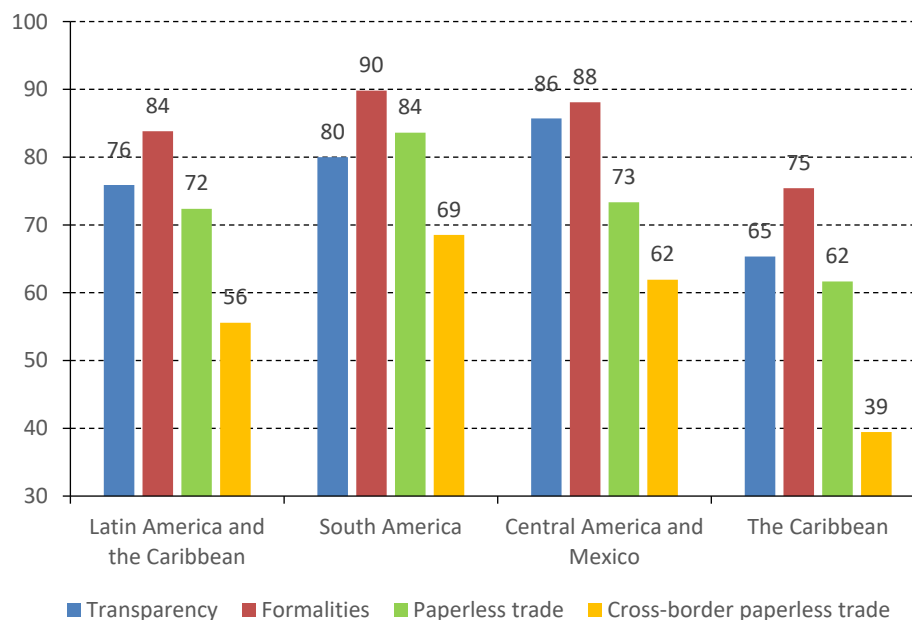
^a The countries are Antigua and Barbuda, Argentina, Belize, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Mexico, Panama, Paraguay, Peru, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Trinidad and Tobago, and Uruguay.

The performance of each country in the Global Survey 2023 is influenced by several variables, including its per capita income level, the size of its economy, its institutional capacities, the intensity of its participation in global or regional value chains, geographic characteristics (for example, being an island or a landlocked country) and its membership in trade agreements that contain commitments on trade facilitation. Regarding the latter point, most of the countries that present the highest scores in the Global Survey have signed free trade agreements (FTAs) with developed partners such as the United States and the European Union. These agreements include chapters on trade facilitation, the provisions of which are often more demanding than those of the TFA. Likewise, as will be seen later, the different subregional integration schemes have made progress in the harmonization and simplification of export, import and transit procedures, as well as in the cross-border electronic exchange of the various documents required for those operations.

Overall, the region's highest implementation levels are in the categories of formalities and transparency (see figure 8 and table 3). This is because the measures included in both categories correspond almost entirely to provisions of the TFA, which already shows a high level of implementation in the region.⁹ At the other end, the lowest levels of implementation correspond to the category of cross-border paperless trade. This result is not surprising, since these are generally measures that require both the support of a sophisticated technological infrastructure and close cooperation between the authorities of the countries that exchange documents electronically. The performance gap between the Caribbean and the rest of the region is observed in all categories.

⁹ According to data for 30 LAC countries available at the WTO's TFA Database, their average implementation rate of the TFA as of April 2023 stood at 81.6%, five percentage points above the global average of 76.2%. See [online] <https://www.tfadatabase.org/en/implementation>.

Figure 8
Latin America and the Caribbean (26 countries): Average implementation rates
in the Global Survey on Digital and Sustainable Trade Facilitation 2023 by subregion and category
(Percentages)



Source: Author, with data from the 2023 Global Survey.

Table 3
Latin America and the Caribbean (26 countries): Most and least implemented measures
in the core categories of the Global Survey on Digital and Sustainable Trade Facilitation 2023

Category	Most implemented measures	Percentage	Least implemented measures	Percentage
Transparency	Stakeholder consultation on draft regulations	86	Advance rulings on tariff classification and origin	69
	Publication of existing regulations on the Internet	82	Independent mechanism for traders to appeal customs rulings	69
Formalities	Post-clearance audits	92	Trade facilitation measures for authorized operators	80
	Risk management Pre-arrival processing Acceptance of paper or electronic copies	87	Establishment and publication of average release times of goods	67
Institutional arrangements and cooperation	Establishment of a National Trade Facilitation Committee	92	Alignment of formalities and procedures with neighboring countries at border crossings	61
	Cooperation framework between national border agencies	87	Government agencies delegate controls to customs authorities	10
Paperless trade	Automated customs system	97	Electronic application and issuance of preferential certificates of origin	47
	Internet connection available to customs and other agencies at border crossings	89	Electronic application for customs refunds	41

Category	Most implemented measures	Percentage	Least implemented measures	Percentage
	Electronic submission of air cargo manifests			
Cross-border paperless trade	Laws and regulations for electronic transactions	86	Cross-border electronic exchange of sanitary and phytosanitary certificates	46
	Issuance of digital certificates by authorized entities	67	Cross-border electronic exchange of customs declarations	42

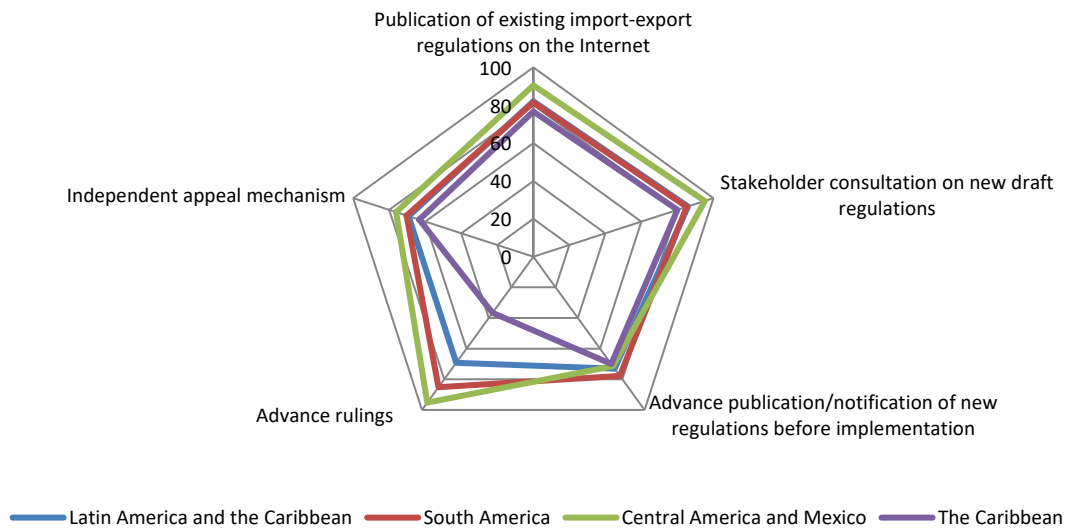
Source: Author, with data from the Global Survey on Digital and Sustainable Trade Facilitation 2023.

B. Transparency measures

The five transparency measures included in the Global Survey are based on Articles 1 through 4 of the TFA. They refer to the publication of import and export regulations on the Internet; stakeholder consultation on new draft regulations; advance publication or notification of new regulations prior to their entry into force; the issuance of advance rulings; and the existence of an independent mechanism for traders to appeal rulings from customs and other relevant trade control agencies. These measures are based on, and expand upon, the commitments in Article X (*Publication and administration of trade regulations*) of the General Agreement on Tariffs and Trade (GATT).

The 26 LAC countries that participated in the Global Survey 2023 obtained their second-highest implementation rate in the category of transparency (76%). Its five measures obtained average implementation rates in the 69% to 86% range. Subregional differences in performance are small, except concerning the issuance of advance rulings, where on average Caribbean participants lag the rest of the region by a considerable margin (see figure 9).

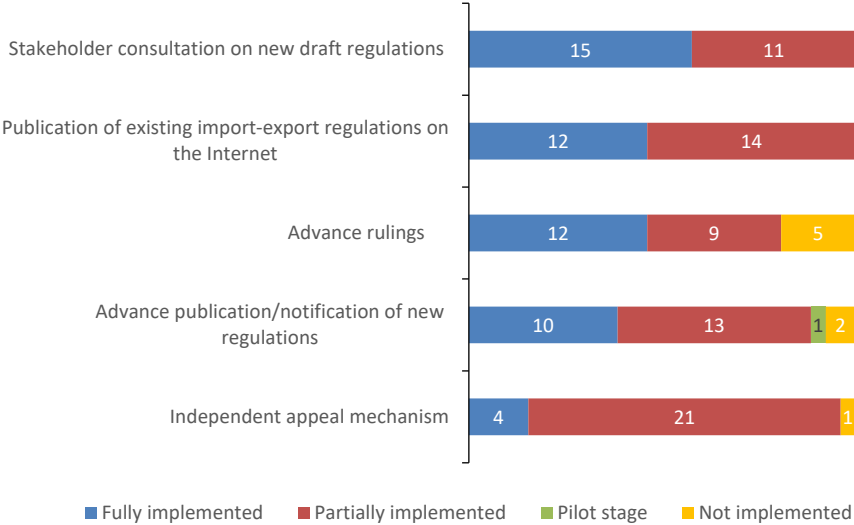
Figure 9
Latin America and the Caribbean (26 countries): Average implementation rates of transparency measures by subregion, 2023
(Percentages)



Source: Author, with data from the Global Survey on Digital and Sustainable Trade Facilitation 2023.

At 86%, stakeholder consultations on new draft regulations (TFA Article 2.2) are the most widely implemented transparency measure in the region (see figure 10). This provision requires that border agencies hold regular consultations with traders and other interested parties on trade-related and customs regulations. All participating countries reported either total or partial implementation of this measure. Countries in the first group indicated that they have arrangements in place for regular stakeholder consultations, including through digital means.¹⁰ By contrast, several countries in the second group¹¹ reported that consultations are conducted on an ad-hoc basis. Other countries reporting partial implementation indicated that: they have a general framework for the participatory elaboration of laws and other norms but no specific mechanisms for consultations on trade regulations (Argentina); not all trade-related regulations are subject to public consultations (Guatemala); the mechanism for public consultations on trade-related regulations is very recent and not yet fully operative (Paraguay); and not all relevant stakeholders are consulted (Guyana and Uruguay).

Figure 10
Latin America and the Caribbean (26 countries): Implementation of transparency measures, 2023
(Number of countries at each implementation level)



Source: Author, with data from the Global Survey on Digital and Sustainable Trade Facilitation 2023.

The second most implemented transparency measure is the publication of import-export regulations on Internet (82%). This provision, roughly equivalent to TFA Articles 1.1 and 1.2, commits governments to make import, export and transit laws and procedures available in a non-discriminatory and easily accessible manner to other governments, traders and interested persons. Same as with stakeholder consultations, all countries reported either total or partial implementation of this measure. Partial implementation in 14 countries is due to one or more of the following reasons: a) there is no legal act or formal policy that requires publication of existing import-export regulations on the Internet; b) there is no national trade repository/portal where all relevant regulations can be found; c) the information is not provided in English; and d) the information does not include an enquiry point on trade regulations

¹⁰ For example, Chile’s customs service publishes draft regulations on its website for online comments: <https://www.aduana.cl/aduana/site/edic/base/port/normativas.html?filtro=20181129002312>.

¹¹ Antigua and Barbuda, Bolivia, Belize, Saint Lucia, Saint Vincent and the Grenadines, and Trinidad and Tobago.

with contact details. Some of these requirements, specifically the provision of information in English and the existence of a single trade repository or portal, exceed those in the TFA. Nevertheless, several countries have implemented trade portals, including Brazil,¹² Costa Rica,¹³ El Salvador,¹⁴ Jamaica,¹⁵ Mexico,¹⁶ and Trinidad and Tobago.¹⁷

The advance publication or notification of new regulations before their entry into force (corresponding to TFA Article 2.1.2) achieves a 73% implementation rate. Half of the 26 participating countries reported partial implementation of this measure. The reason is that they have no legislation requiring administrative agencies to make new regulations publicly available before their entry into force (or when they do, the requirement does not apply to all regulations). Therefore, advance publication is pursued on an ad-hoc basis rather than as a standard policy. Advance publication is not a hard legal commitment in the TFA as it is framed in best endeavor terms (“to the extent practicable and in a manner consistent with [each WTO member’s] domestic law and legal system”).

Advance rulings (TFA Article 3) relate to traders’ right to obtain a binding decision from the authorities of the importing country, prior to the importation, covering at least the tariff classification of the goods being imported and their origin. The rulings may include additional information, such as the tariff treatment accorded to those goods. This commitment is also a standard discipline contained in modern FTAs. Participating countries obtained an average implementation rate of 69% in this measure, with nine countries reporting partial implementation. In most cases (Cuba, Guatemala, Guyana, Saint Vincent and the Grenadines, and Trinidad and Tobago) the reason is that the non-confidential information from issued advance rulings is not made publicly available. Argentina reported that advance rulings are currently available for tariff classification but not for origin, whereas Brazil indicated that it is not possible to request the review, modification or revocation of an advance ruling. Paraguay and Peru reported partial implementation without elaborating on the reasons. Five countries, all of them from the Caribbean (Antigua and Barbuda, Belize, Jamaica, Saint Lucia, and Saint Kitts and Nevis) reported not having implemented advance rulings yet.

The availability of an independent appeal or review mechanism (TFA Article 4) also achieved a 69% average implementation rate. A large majority of countries (21) reported partial implementation of this measure, while only one (Saint Lucia) indicated that it has not been implemented at all yet. In almost all cases where partial implementation was reported, the reason is that an appeal cannot be lodged online. According to country responses, this possibility is only available in the Dominican Republic, El Salvador, Mexico, and Peru. Participating countries have taken different approaches to the implementation of appeal or review mechanisms. In some cases, they have established customs and/or tax courts with exclusive jurisdiction; in other cases, countries have expanded the jurisdiction of already existing local and/or national court systems to include customs matters.

¹² See [online] <https://www.gov.br/siscomex/pt-br>.

¹³ See [online] <https://portaldecomercio.comex.go.cr/>.

¹⁴ See [online] <http://infotrade.minec.gob.sv/legislacion-nacional-regional/>.

¹⁵ See [online] <https://www.jamaicatradeportal.gov.jm/>.

¹⁶ See [online] <https://www.snice.gob.mx/>.

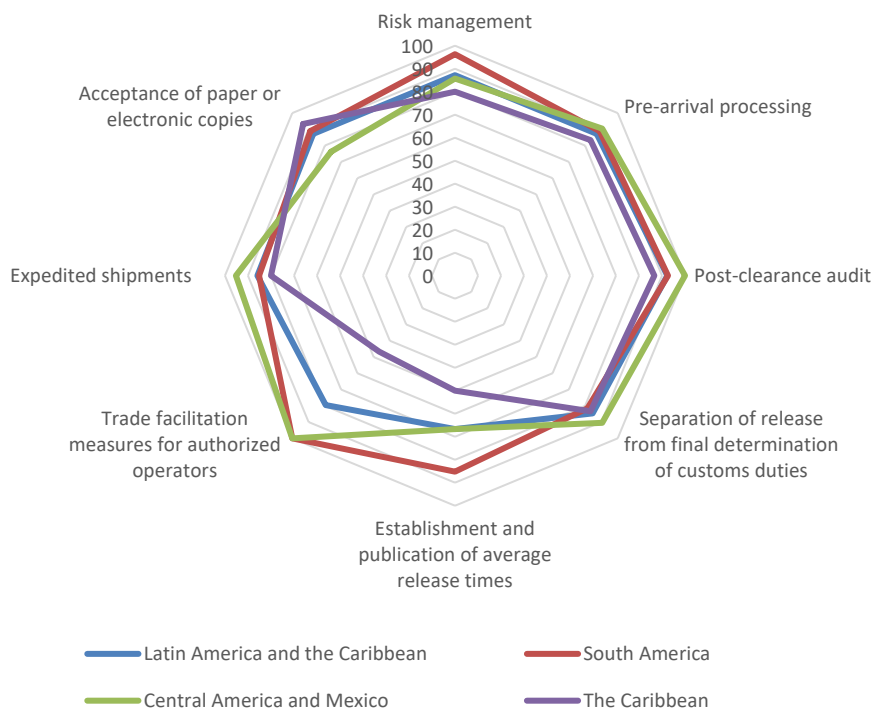
¹⁷ See [online] <https://info.ttbizlink.gov.tt/>.

C. Formalities measures

The Global Survey examines eight measures collectively referred to as Formalities: risk management, pre-arrival processing, post-clearance audit, separation of release from final determination of customs duties and fees, establishment and publication of average release times, authorized operators, expedited shipments, and acceptance of paper or electronic copies of supporting documents. These measures are based on Articles 7 and 10 of the TFA which, in turn, build upon GATT Article VIII (*Fees and Formalities connected with Importation and Exportation*). Together, the eight measures seek to simplify the formalities for importing and exporting (for example, document and information requirements) and reduce the fees, charges and duties associated with the cross-border flow of goods.

The 26 LAC countries that participated in the Global Survey 2023 obtained their highest score in the area of Formalities (84%). The three LAC subregions show relatively similar implementation rates in six of the eight Formalities measures: risk management, pre-arrival processing, post-clearance audit, separation of release from final determination of customs duties and fees, expedited shipments, and the acceptance of copies (see figure 11). By contrast, the Caribbean exhibits a much lower performance than the other subregions regarding the two remaining measures: the establishment and publication of average release times, and especially the existence of facilities for authorized operators.

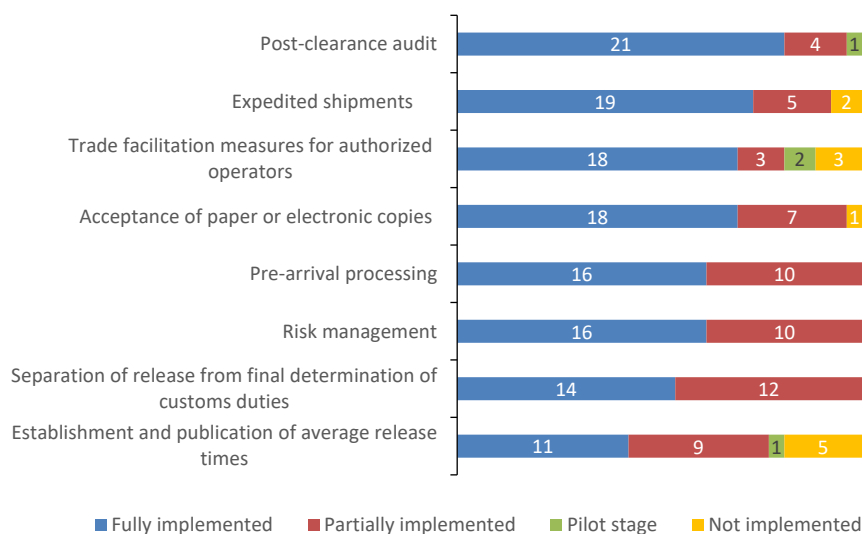
Figure 11
Latin America and the Caribbean (26 countries): Average implementation rates of formalities measures by subregion, 2023
(Percentages)



Source: Author, with data from the Global Survey on Digital and Sustainable Trade Facilitation 2023.

Post-clearance audit (TFA Article 7.5) refers to the verification of compliance with customs regulations through examination of traders’ books and records at the premises following the release of goods. Under the TFA, post-clearance audits must be conducted with a view to expedite the release of goods and, wherever practical, inform risk management. Moreover, audits must be transparent and the persons subject to audit should be notified of the results. At 92%, this is the most widely implemented Formalities measure among LAC countries (see figure 12). Only in five countries this measure is considered partially implemented or at a pilot stage. Argentina and Trinidad and Tobago declared that, although post clearance audits are conducted, there are no standard policies and procedures in place to guide them. Bolivia (P.S.) indicated that its customs agency performs customs control and surveillance operations, but not audits properly. Belize reported that its legal and institutional framework on post-clearance audits is under review within the context of ongoing reforms to CARICOM’s customs regulations. Finally, Saint Vincent and the Grenadines informed that occasionally traders are reluctant to disclose information required to conduct post-clearance audits.

Figure 12
Latin America and the Caribbean (26 countries): Implementation of formalities measures, 2023
(Number of countries at each implementation level)



Source: Author, with data from the Global Survey on Digital and Sustainable Trade Facilitation 2023.

Pre-arrival processing (TFA Article 7.1) refers to customs and other border agencies allowing importers to submit documentation and other information required for release of imported goods, in electronic format where appropriate, prior to the arrival of the goods to expedite their release. The average implementation rate for this measure among the 26 participating LAC countries reached 87%, with all countries reporting either total or partial implementation. Among the 10 countries for which this measure is considered partially implemented,¹⁸ one or more of the following criteria apply: a) no procedures have been established to allow a declarant to require customs and/or other relevant authorities to process declarations and supporting documents prior to arrival of the goods; b) pre-arrival

¹⁸ Argentina, Belize, Bolivia, Brazil, Guatemala, Panama, Saint Lucia, Saint Kitts and Nevis, Saint Vincent and the Grenadines, and Trinidad and Tobago.

processing is not applicable to all traders;¹⁹ c) pre-arrival processing is not applicable to all goods; and d) procedures on pre-arrival processing have not been published.

Risk management (TFA Article 7.4) is the methodology or practice that customs and other border control agencies use to determine which transactions or operators should be subject to control, and the type and degree of control to be applied. The TFA requires that customs apply control on high-risk consignments and expedite the release of low-risk goods. To do this, appropriate selectivity criteria must be applied. Risk management has an 87% compliance rate among participating countries, with all of them reporting either total or partial implementation. Among the 10 countries for which this measure is considered partially implemented,²⁰ one or both of the following criteria apply: a) more than 50% of imported non-food shipments are still physically inspected; and b) although customs uses risk management, other border agencies do not.

The acceptance of paper or electronic copies of original supporting documents required for import, export or transit formalities (TFA Article 10.2) also has an 87% implementation rate among participating countries. While seven countries reported partial implementation of this measure,²¹ only one (Honduras) indicated that it is not implemented at all yet.

Expedited shipments (TFA Article 7.8) refers to trade facilitation procedures allowing for expedited release of at least those goods entered through air cargo facilities to persons or entities (for example, express shipping companies) that apply for such procedure, while maintaining customs control. Besides being part of the TFA, this provision features in all the FTAs signed by LAC countries with the United States since 2000, as well as in the Pacific Alliance (PA) FTA, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)²² and the United States-Mexico-Canada Agreement (USMCA). Its importance has grown substantially in recent years due to the increasing popularity of cross-border e-commerce, which poses the challenge for customs offices of handling an ever-increasing volume of small packages (Herreros, 2019). This provision reached an 86% implementation rate among the 26 participating countries. A large majority (19) reported total implementation, with five countries indicating partial implementation²³ and only two (Brazil and Trinidad and Tobago) no implementation at all.

Separation of release (TFA Article 7.3) means that the customs agency allows importers to obtain release of their goods —under a guarantee if required— prior to the final determination of applicable customs duties, taxes, fees and charges when such determination is not done prior to, upon arrival, or as rapidly as possible after arrival of the goods. The overall compliance rate for this measure is 85%, with all participating countries reporting either total or partial implementation (14 and 12 countries, respectively). Among the countries for which this measure is considered partially implemented,²⁴ the reason is that the authority to release imported goods before the final determination and payment of duties, taxes, fees and charges is not applicable to all goods or traders.

¹⁹ For example, in Guatemala, pre-arrival processing is already in place for imports arriving by sea and air, but its implementation for land cargo is still in progress. In Brazil, it is currently available only for firms certified as authorized economic operators.

²⁰ Antigua and Barbuda, Belize, Dominican Republic, Guatemala, Honduras, Nicaragua, Peru, Saint Lucia, Saint Vincent and the Grenadines, and Trinidad and Tobago.

²¹ Argentina, Belize, Colombia, Guatemala, Nicaragua, Paraguay, and Saint Lucia.

²² Chile, Mexico and Peru are parties to the CPTPP, signed in March 2018.

²³ Belize, Bolivia, Nicaragua, Saint Lucia, and Saint Vincent and the Grenadines.

²⁴ Bolivia, Brazil, Chile, Guatemala, Guyana, Jamaica, Mexico, Paraguay, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Trinidad and Tobago, and Uruguay.

TFA Article 7.7 establishes that WTO members shall provide additional trade facilitation measures to trusted traders who meet specified criteria, called authorized operators (also known as authorized economic operators, AEO). Benefits offered to AEOs may include reduced documentation or physical inspection requirements and deferred payment of customs duties, taxes, fees and charges, among others. Criteria for AEO certification include an adequate history of compliance with customs laws and regulations, financial solvency, and supply chain security. This provision has a regional implementation rate of 80%. However, while all participating countries in South America, Central America and Mexico reported having fully operational AEO programs, their implementation rate among Caribbean participants is only 47%. Within this subregion, only the Dominican Republic and Jamaica have a fully operational AEO program. Cuba, Guyana, and Trinidad and Tobago have partly implemented them, whereas Belize and Saint Kitts and Nevis reported that their programs were at the pilot stage. Antigua and Barbuda, Saint Lucia, and Saint Vincent and the Grenadines²⁵ currently do not have an AEO program.²⁶

AEO programs across the region vary in terms of their certification requirements, the types of firms that can apply, the benefits granted and their duration, among other variables. Therefore, Mutual Recognition Agreements (MRA) are important to ensure that a firm that has obtained AEO status in one country can enjoy the same (or similar) benefits in other countries where it operates. In recent years, LAC countries have concluded several MRAs among themselves (especially within their own regional economic integration blocs) and with key extra regional partners (see [table 4](#)). A milestone in this regard was the signing in May 2022 of a Regional MRA between the customs services of 11 LAC countries,²⁷ which other countries are in the process of joining. The scope of the Regional MRA will initially focus on exporting firms certified as AEOs. Another MRA is being negotiated among the members of the region’s two largest regional economic integration blocs, the Common Market of the South (MERCOSUR) and the Pacific Alliance (PA). The customs administrations of eight countries are exploring solutions based on blockchain technology to allow the automated and secure exchange of information on AEOs within the framework of their respective MRAs.²⁸

Table 4
Selected LAC countries: Mutual Recognition Agreements of Authorized Economic Operator programs, as of May 2023

Country	LAC partners	Other partners
Argentina	MERCOSUR MRA, Regional MRA, Uruguay, MERCOSUR-PA MRA (under negotiation)	China (under negotiation)
Bolivia (P.S.)	Regional MRA, Uruguay	
Brazil	MERCOSUR MRA, Regional MRA, Mexico, Peru, Uruguay, MERCOSUR-PA MRA	China, United States
Chile	Pacific Alliance MRA, Regional MRA, MERCOSUR-PA MRA	China
Colombia	PA MRA, Regional MRA, Andean Community MRA, Uruguay, MERCOSUR-PA MRA	United States (under negotiation)

²⁵ St. Vincent and the Grenadines' AEO scheme (the Gold Card program) was suspended in 2019 and has not yet been replaced.

²⁶ The definitive implementation dates notified by these countries to the WTO are 1 January 2035 (Antigua and Barbuda), 29 December 2023 (Saint Lucia), and 31 December 2035 (Saint Vincent and the Grenadines). See World Trade Organization, Trade Facilitation Agreement Database [online] <https://tfadatabase.org/en/measures/article-7-7>.

²⁷ Argentina, Bolivia (P.S.), Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Guatemala, Paraguay, Peru, and Uruguay. See World Customs Organization, “Signing of an AEO Mutual Recognition Agreement between 11 Member countries from Americas region”, 18 July 2022 [online] <https://www.wcoomd.org/en/media/newsroom/2022/july/signing-of-an-aeo-mutual-recognition-agreement-between-11-member-countries-from-americas-region.aspx>.

²⁸ The countries participating in the CADENA project are Bolivia (Plurinational State of), Chile, Colombia, Costa Rica, Ecuador, Guatemala, Mexico and Peru. See [online] <https://lacnet.lacchain.net/proyecto-1/>.

Country	LAC partners	Other partners
Costa Rica	Regional MRA, Central American MRA, Mexico	China (under negotiation)
Dominican Republic	Regional MRA, Guatemala	Republic of Korea, United States
Ecuador	Andean Community MRA, Regional MRA (accession negotiations), Panama (under negotiations)	
El Salvador	Central American MRA	
Guatemala	Regional MRA, Central American MRA, Dominican Republic, Peru	Chinese province of Taiwan
Honduras	Central American MRA	
Mexico	PA MRA, Brazil, Costa Rica, MERCOSUR-PA MRA	Canada, Hong Kong (Special Administrative Region of China), Israel, Republic of Korea, United States
Panama	Central American MRA, Regional MRA (accession negotiations), Ecuador (under negotiation)	
Paraguay	MERCOSUR MRA, Regional MRA, MERCOSUR-PA MRA	
Peru	PA MRA, Regional MRA, Andean Community MRA, Brazil, Guatemala, Uruguay, MERCOSUR-PA MRA	Canada, Republic of Korea, United States
Uruguay	MERCOSUR MRA, Regional MRA, Argentina, Bolivia (Plurianational State of), Brazil, Colombia, Peru, MERCOSUR-PA MRA	China, Republic of Korea, United States

Source: Author, with data from the Global Survey on Digital and Sustainable Trade Facilitation 2023.

Despite significant progress over recent years, the establishment and publication by customs of average release times of goods (TFA Article 7.6) remains the least implemented measure in the Formalities group, at 67%. Its implementation allows customs administrations to identify bottlenecks in the release process, act on their removal, and monitor progress in their efforts. Less than half of participating countries (11) reported its full implementation,²⁹ while five³⁰ indicated that it has not been implemented at all yet. In all cases where this measure is considered partially implemented (nine countries), average release times are measured periodically and consistently³¹ but not published on a regular basis. According to country responses received during the fourth edition of the Global Survey (2021), in some countries progress was slowed down by the COVID-19 pandemic.

D. Institutional arrangements and cooperation measures

The five measures in this group are based on Articles 8 and 23 of the TFA and concern the institutional and policy framework necessary for implementation of other trade facilitation and paperless trade measures. The establishment of a national trade facilitation committee (NTFC) refers to a formal institutional arrangement bringing together government actors and the private sector to identify and address challenges to streamline trade procedures. The other four measures try to capture the extent to which customs and other agencies involved in import, export and transit transactions cooperate with each other, both within each country and between neighboring countries. Participating LAC countries obtained

²⁹ Bolivia (P.S.), Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, Honduras, Paraguay, Peru, Trinidad and Tobago, and Uruguay. Some examples are Colombia: <https://www.dian.gov.co/aduanas/Paginas/Estudio-de-tiempos-de-despacho-de-mercancias-.aspx>; Ecuador: <https://www.aduana.gob.ec/de-interes/tiempos-de-nacionalizacion-art-7-6-afc/>; and Uruguay: <https://www.aduanas.gub.uy/innovaportal/v/19384/1/innova.front/tiempos-de-despacho.html>.

³⁰ Antigua and Barbuda, Belize, Chile, Panama, and Saint Vincent and the Grenadines.

³¹ Argentina reported that, although its customs agency measures average release times, it still does not do so according to the methodology suggested in the TFA, the Time Release Study (TRS) of the World Customs Organization (WCO).

an average 65% implementation rate in this category, although with large variation across the different measures (see table 5).

The most widely implemented measure (92%) is the establishment of NTFCs (TFA Article 23). This measure is considered partially implemented in only six countries,³² either because the committee's terms of reference and/or operation procedures have not been formally established, or because there is not a dedicated secretariat. NTFCs in the region are quite diverse in their membership, functions, and governance arrangements.³³ While some of them incorporate only public entities as full members, others include representatives from the business community on a permanent basis and with voting rights. Most NTFCs are tasked with overseeing the trade facilitation agenda beyond the implementation of the TFA, including aspects such as the digitalization of trade procedures and improving logistics infrastructure. A few NTFCs have their own websites.³⁴

Table 5
Latin America and the Caribbean (26 countries): Average implementation rates of institutional cooperation and arrangements measures by subregion, 2023
(Percentages)

	Latin America and the Caribbean	South America	Central America and Mexico	The Caribbean
Establishment of National Trade Facilitation Committee	92	96	95	87
National legislative framework and institutional arrangements ensure border agency cooperation	87	89	86	87
Other government agencies delegate border controls to customs authorities	10	0	0	27
Alignment of working days and hours with neighboring countries	72 ^a	78	81	Not applicable
Alignment of formalities and procedures with neighboring countries	61 ^a	67	71	Not applicable
Average implementation rate	65	66	67	67

Source: Author, with data from the Global Survey on Digital and Sustainable Trade Facilitation 2023.

^a Excludes all countries from the Caribbean subregion, except Belize, Guyana and the Dominican Republic.

The existence of legal and institutional arrangements to ensure cooperation among border agencies within each country also scores highly (87%), with minimum variation across the three subregions. By contrast, the delegation of border control functions by other agencies to customs remains inexistent in Central America, South America, and Mexico. There are only some examples of this practice in a handful of Caribbean countries,³⁵ possibly owing to the smaller size of their border control agencies. This is the highest form of inter-agency collaboration, demanding a high level of trust among all agencies concerned in border controls.

³² Antigua and Barbuda, Argentina, Cuba, Guyana, Panama, and Saint Lucia.

³³ For a comparison of the different arrangements within the region, see the UNCTAD Database for National Trade Facilitation Committees [online] <https://unctad.org/topic/transport-and-trade-logistics/trade-facilitation/committees-around-world>. For an overview of the main challenges facing NTFCs in Latin America, see WTO (2023).

³⁴ See, for example, Costa Rica: <https://www.comex.go.cr/facilitacion-del-comercio/conafac/>, Mexico: <https://www.gob.mx/comitefacilitacioncomercio> and Paraguay: <https://cnfc.gov.py/>.

³⁵ Belize, Guyana, Jamaica, and Saint Vincent and the Grenadines.

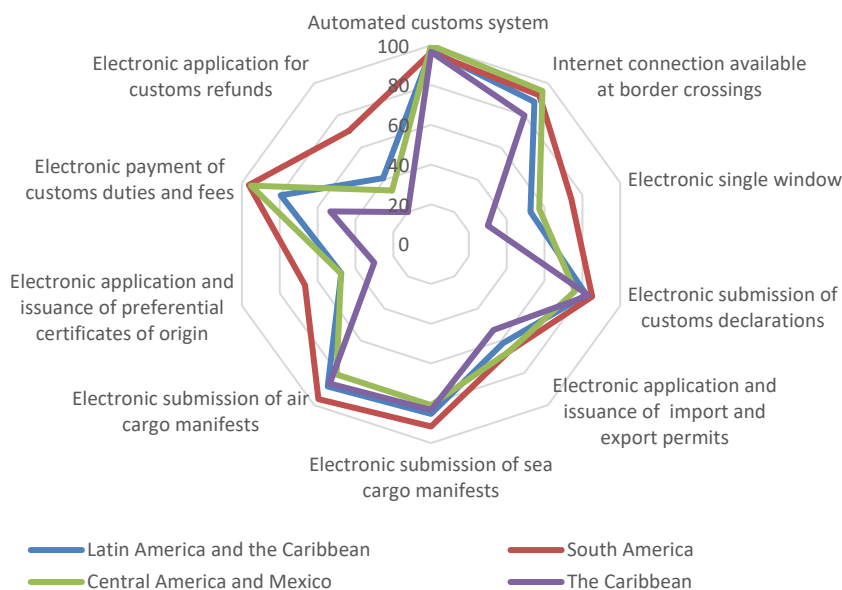
As regards cross-border cooperation, the alignment of working days and hours with neighboring countries at border crossings is more widely implemented than the alignment of formalities and procedures (72% and 61%, respectively). The subregion comprised by Central America and Mexico is the best performer in both areas, owing to the close trade integration achieved among Central American countries. Neither area was assessed for the Caribbean, as most of the countries in this subregion are island states.

E. Paperless trade measures

The Global Survey 2023 examines ten paperless trade measures. These relate to the use of information and communications technology (ICT) to fulfill trade-related formalities. The measures examined in the Global Survey are partly based on TFA Articles 7 and 10 as well as on “TFA-plus” commitments contained in the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific, adopted in May 2016 and which entered into force in February 2021. Article 3 of the Framework Agreement defines paperless trade as “trade in goods, including their import, export, transit and related services, taking place on the basis of electronic communications, including exchange of trade-related data and documents in electronic form”.³⁶

Participating LAC countries achieved a 72% average implementation rate within the Paperless Trade category. There is considerable variation in implementation levels across individual measures and subregions (see figures 13 and 14). Overall, South America performs above the regional average (84%), while the opposite is the case for the Caribbean (62%). Central America and Mexico’s performance is very similar to that of the region as a whole (73%).

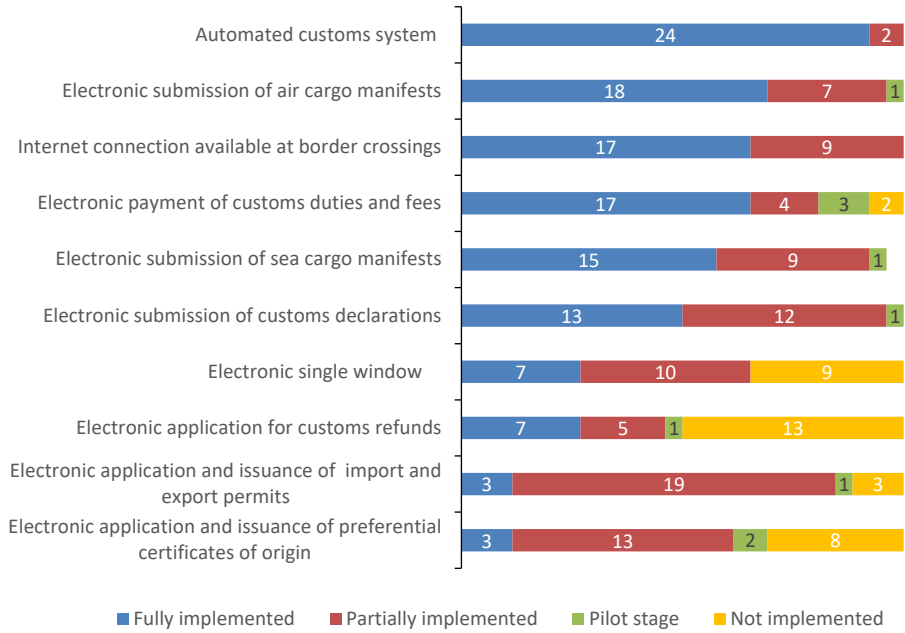
Figure 13
Latin America and the Caribbean (26 countries): Average implementation rates
of paperless trade measures by subregion, 2023
(Percentages)



Source: Author, with data from the Global Survey on Digital and Sustainable Trade Facilitation 2023.

³⁶ See [online] https://treaties.un.org/doc/Treaties/2016/05/20160519%2012-16%20PM/Ch_X-20.pdf.

Figure 14
Latin America and the Caribbean (26 countries): Implementation of paperless trade measures, 2023
(Number of countries at each implementation level)



Source: Author, with data from the Global Survey on Digital and Sustainable Trade Facilitation 2023.

The establishment of an electronic single window (ESW) is the cornerstone of paperless trade because it provides the platform that allows implementing most of the remaining measures. According to TFA Article 10.4, a single window refers to a facility that enables traders to submit documentation and/or data requirements for importation, exportation, or transit of goods through a single-entry point. When the single window is electronic, ITC is used to allow data and documents to be submitted and exchanged electronically. The ESW is one of the most challenging measures in the TFA, in terms of its financial, technological and interagency coordination requirements. This is evidenced by the results of the 2023 Global Survey. Six years after the entry into force of the TFA, the average regional implementation rate for the ESW is only 53%, and nine countries indicated that they still do not have one in place (see table 6).

Table 6
Latin America and the Caribbean (26 countries): status of implementation
of the electronic single window for foreign trade, as of May 2023

Totally implemented ^a	Partially implemented	Not implemented
Brazil	Argentina	Antigua and Barbuda
Colombia	Chile	Belize
Costa Rica	Cuba	Bolivia (Plurinational State of)
Mexico	Ecuador	Guyana
Paraguay ^b	El Salvador	Honduras
Peru	Guatemala	Nicaragua ^c
Dominican Republic	Jamaica	Saint Lucia
	Panama	Saint Kitts and Nevis
	Trinidad and Tobago	Saint Vincent and the Grenadines
	Uruguay	

Source: Author, with data from the Global Survey on Digital and Sustainable Trade Facilitation 2023.

^a The ESW is considered fully implemented when, according to the information provided by the respective country: i) all relevant stakeholders are connected to it; and ii) there is mandatory participation by all government agencies that have trade-related mandates or functions.

^b Paraguay has one ESW for exports and another for imports.

^c On March 28, 2023, the National Assembly of Nicaragua approved the law that creates the ESW.

Among the 10 countries that reported partial implementation of the ESW, one or more of the following criteria apply: a) not all relevant stakeholders are connected to the ESW; b) there is no regulation requiring all trade-related government agencies to use the ESW; and c) once the required documentation and/or data are received through the ESW, they can still be requested again by participating authorities or agencies even if there are no urgent or special circumstances. Nevertheless, all those countries reported being in the process of connecting new agencies and adding new procedures to their ESWs. Notably, since 2021 Brazilian law prohibits federal public administration bodies and entities to require the completion of paper or electronic forms or the presentation of documents, data or information for carrying out imports or exports by any means other than the ESW.³⁷ Some LAC countries also publish online reports on the results achieved by their ESW in terms of cost and time savings and number of transactions conducted, among other variables.³⁸ Confirming the complexity involved in setting up an ESW, all 9 countries that currently lack one have notified this measure in category C of the TFA. This means that implementation will take place after a transitional time, contingent on the provision of assistance and support for capacity building.³⁹

The remaining nine measures examined in this section relate to specific electronic transactions and to the ICT infrastructure and support needed for paperless trade. The existence of an automated customs service is almost universal across the region (97%). These systems, such as the successive versions of ASYCUDA (Automated System of Customs Data) developed by UNCTAD since the 1980s, are the first building block for the subsequent development of an ESW (Koh Tat Tsen, 2011). The other measure relating to infrastructure concerns the availability of an Internet connection to customs and other trade

³⁷ Law 14,195 of 26 August 2021, article 9 [online] https://www.planalto.gov.br/ccivil_03/_ato2019-2022/2021/lei/L14195.htm.

³⁸ For example, Peru: <https://www.vuce.gob.pe/Paginas/Resultados.aspx> and Uruguay: <https://vuce.gub.uy/wp-content/uploads/2023/03/RESULTADOS-VUCE-Dic-2022.pdf>.

³⁹ In some cases, implementation is envisaged ten or more years after the entry into force of the TFA. This is the case, for example, of Honduras (1 March 2027), Saint Vincent and the Grenadines (31 December 2030), and Antigua and Barbuda (1 January 2035). See [online] <https://tfadatabase.org/en/measures/article-10-4>.

control agencies at border crossings. This measure obtained an 89% implementation rate, although nine countries⁴⁰ reported that Internet is not yet available at all border crossings or to all relevant agencies.

In terms of electronic transactions, the most implemented measures are the electronic submission of air cargo and sea cargo manifests (89% and 85%, respectively) and of customs declarations (82%). In the three cases, although the documents are transmitted electronically, some countries reported that they also need to be presented on paper upon arrival of the goods. Next, the electronic payment of customs duties, taxes, fees and charges (TFA Article 7.2) achieves an 80% implementation rate. Only in Cuba and Trinidad and Tobago this option is currently not available at all.

The electronic application for, and issuance of, trade licenses, permits, certificates and other documents (LPCOs) achieves a 62% implementation rate. A large majority of participants (19) reported partial implementation of this measure.⁴¹ This reflects one or more of the following possibilities: (i) not every LPCO is available electronically; (ii) LPCOs are available either for export or import but not both; (iii) not all relevant public agencies are equipped to issue those documents electronically; or (iv) notwithstanding electronic application and issuance, physical copies must still be exchanged between the trader and the relevant agency. Nevertheless, all participating countries reported ongoing work towards full digitalization of LPCOs, often in the context of the development of their ESWs.

Given the large number of FTAs and other preferential trade agreements to which LAC countries are signatories, the electronic application and issuance of preferential certificates of origin is particularly important. However, participating countries achieved just a 47% average implementation rate for this measure. It is considered totally implemented in only three countries (Brazil, Jamaica and Peru). Thirteen countries reported partial implementation,⁴² with eight indicating no implementation at all. It should be noted that not all FTAs allow for the electronic exchange of certificates of origin. Finally, the electronic application for customs refunds remains the least implemented measure in the Paperless Trade category (41%), with half of all participants reporting no implementation at all. Unlike the electronic payment of customs duties, taxes, fees and charges, the electronic application for customs refunds is not a commitment foreseen in the TFA.

F. Cross-border paperless trade measures

The Global Survey 2023 includes six cross-border paperless trade measures. These involve conducting trade transactions based on the electronic exchange of data and documents, in contrast to the traditional way of exchanging paper-based documents. This modality speeds up the cross-border flow of goods and thus is particularly important in the context of regional and global value chains. Despite significant progress in recent years, the region's weakest performance among the Global Survey's core categories remains in cross-border paperless trade, with an average of 56% across the six measures. Four of these achieve implementation rates below 50%. Implementation levels vary widely across measures, and in most cases the Caribbean lags behind the rest of the region (see figures 15 and 16).

⁴⁰ Antigua and Barbuda, Argentina, Belize, Bolivia (P.S.), Cuba, Guyana, Panama, St Vincent and the Gr., and Trinidad and Tobago.

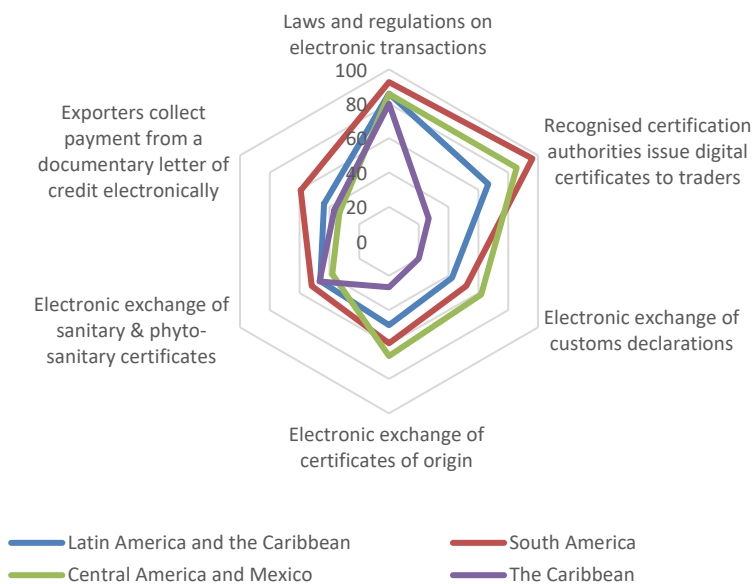
⁴¹ According to the responses received, this practice is not yet significantly developed in Bolivia (P.S.), Cuba and Guyana.

⁴² Argentina, Chile, Colombia, Dominican Republic, Ecuador, El Salvador, Guatemala, Mexico, Nicaragua, Panama, Paraguay, Trinidad and Tobago, and Uruguay.

Two measures —the existence of laws and regulations for electronic transactions and of recognized certification authorities issuing digital certificates to traders to enable them to conduct electronic transactions⁴³— are considered the “basic building blocks toward enabling the exchange and legal recognition of trade-related data and documents” (ESCAP, 2015). These are precisely the two most implemented measures in the cross-border paperless trade category, with average implementation rates of 86% and 67%, respectively.

All participant countries reported having a legal framework in place to facilitate cross-border electronic transactions, although 11 countries indicated that this framework is not fully developed. An important reference for the drafting of these laws in the region have been the instruments developed by the United Nations Commission on International Trade Law (UNCITRAL), in particular the Model Law on Electronic Commerce of 1996 and the Model Law on Electronic Signatures of 2001, as well as the United Nations Convention on the Use of Electronic Communications in International Contracts of 2005.⁴⁴ Most of the region’s laws on electronic transactions include the figure of certification authorities, which may be either public or private entities. However, eight countries, most of them from the Caribbean,⁴⁵ reported that in practice there are no active certification authorities within their jurisdictions.

Figure 15
Latin America and the Caribbean (26 countries): Average implementation rates of cross-border paperless trade measures by subregion, 2023
(Percentages)



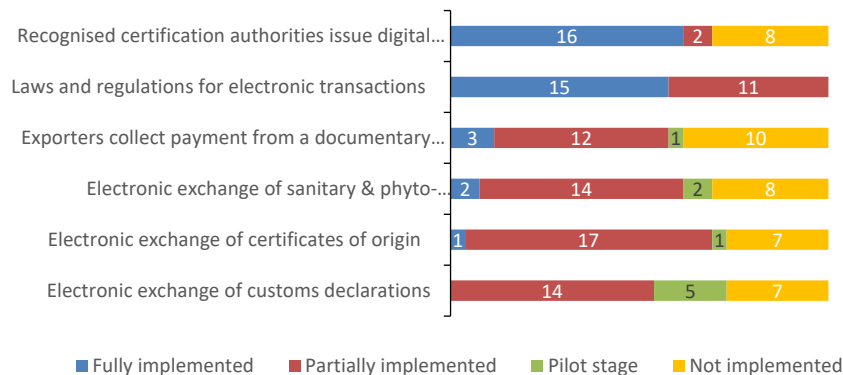
Source: Author, with data from the Global Survey on Digital and Sustainable Trade Facilitation 2023.

⁴³ For digital signatures to be recognized and accepted (as part of electronic trade transactions), a trusted third party known as a certification authority is needed to issue digital certificates that verify the electronic identities of users and organizations.

⁴⁴ See [online] <https://uncitral.un.org/es/texts/ecommerce>.

⁴⁵ Antigua and Bermuda, Belize, Guyana, Jamaica, Nicaragua, Saint Lucia, St Kitts and Nevis, and St Vincent and the Grenadines.

Figure 16
Latin America and the Caribbean (26 countries): Implementation of cross-border paperless trade measures, 2023
(Number of countries at each implementation level)



Source: Author, with data from the Global Survey on Digital and Sustainable Trade Facilitation 2023.

Cross-border paperless trade involves the electronic exchange of documents necessary to complete an international trade transaction. The Global Survey examines three specific documents: certificates of origin, sanitary and phytosanitary (SPS) certificates, and customs declarations. Certificates of origin serve as sworn declarations by exporters to identify the origin of a product in order to determine if preferential treatment will be granted and/or what duties will be assessed on the product. SPS certificates are used by exporters to indicate that a product complies with the importing country's food safety standards as well as its animal and plant health regulations. A customs declaration is an official document that lists and gives details of goods that are being imported or exported.

On average, participating countries show similar implementation levels for the electronic cross-border exchange of the three types of documents mentioned above: 49% for certificates of origin, 46% for SPS certificates, and 42% for customs declarations. Most progress has been made within the framework of subregional economic integration blocs (see table 7).⁴⁶ The subregion of Central America and Mexico performs above the regional average as regards the electronic cross-border exchange of certificates of origin (67%) and of customs declarations (62%), because Central American countries have been electronically exchanging both types of documents for several years. They are also at an advanced stage of preparations for the electronic exchange of SPS certificates. To this effect, in 2020 they homologated their national SPS certificates into a single Central American document. The members of MERCOSUR and the Pacific Alliance have also made important strides in the electronic exchange of trade documents, a practice which is less common among CARICOM members.

⁴⁶ LAC countries are also increasingly using the electronic phytosanitary certificates (ePhytos) developed by the International Plant Protection Convention (IPPO) in their trade relations with partners both within and beyond the region. See [online] <https://www.ephytoexchange.org/landing/>.

Table 7
Latin America and the Caribbean (selected groupings): status of the electronic exchange of certificates of origin, SPS certificates, and customs declarations, as of May 2023

Grouping	Certificates of origin	SPS certificates	Customs declarations
Pacific Alliance	Operative	Operative (for phytosanitary certificates) Test phase (for sanitary certificates)	Test phase
Andean Community	Project under development	Project under development	Project under development
Caribbean Community	Partially operative ^a	No	Partially operative
Central American Common Market	Operative	Test phase	Operative
MERCOSUR	Operative (also with Chile)	Operative only for phytosanitary certificates between Argentina and Paraguay	Operative

Source: Author, with data from the Global Survey on Digital and Sustainable Trade Facilitation 2023.

^a To date, Jamaica and Trinidad and Tobago issue digital certificates of origin for export to CARICOM countries.

The possibility for exporters to collect payment from a documentary letter of credit electronically has a 44% implementation rate across all LAC participants in the Global Survey 2023. Only three countries (Brazil, Mexico and Uruguay) reported total implementation (i.e., availability) of this practice. By contrast, respondents from 10 countries indicated that either the practice is currently not available at all, or they are not aware of its existence.⁴⁷ This practice relates mostly to the functioning of the banking system, which means that customs officers do not necessarily know about it.

G. Transit facilitation measures

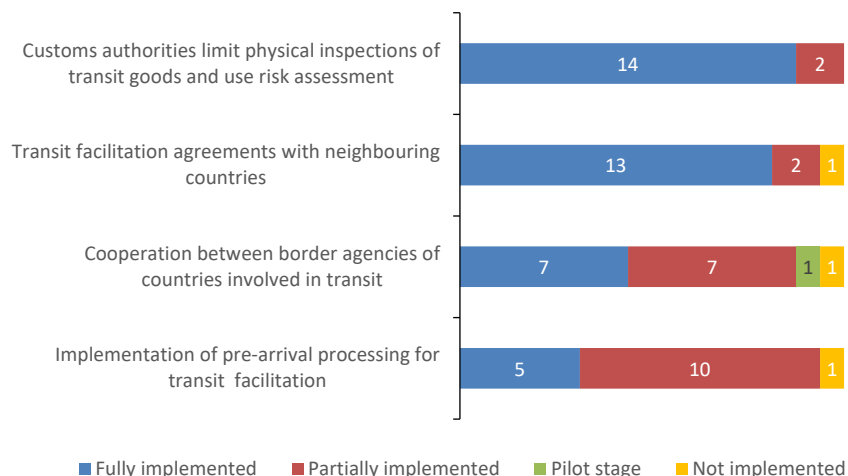
The Global Survey examines four measures related to transit facilitation which are based on Articles 10 and 11 of the TFA. They encompass the regulations and policies that customs, transport ministries and other agencies apply to goods that must pass through a country before reaching a final point of destination. TFA Article 11 requires that regulations or formalities in connection with traffic in transit be applied in the least trade-restrictive manner possible and that applicable fees or charges are limited in scope. Transit facilitation is particularly important for landlocked countries.

Participating LAC countries obtained an 83% average implementation rate for transit facilitation measures.⁴⁸ The most implemented measure relates to customs authorities limiting the physical inspection of goods in transit and using risk assessment (96%), followed by the existence of transit agreements with neighboring countries (89%). Third comes cooperation between agencies of countries involved in transit (76%), and last pre-arrival processing to expedite transit (73%) (see figure 17). Both South America and Central America and Mexico achieve an 83% average implementation rate, although their performance differs across individual measures (see figure 18).

⁴⁷ Bolivia, Colombia, Cuba, Guatemala, Honduras, Nicaragua, Panama, St. Lucia, St. Kitts and Nevis, and St. Vincent and the Grenadines.

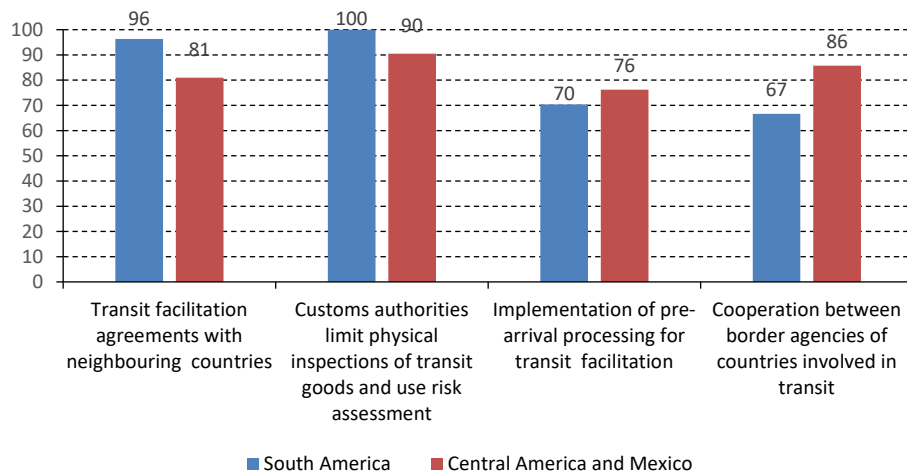
⁴⁸ The types of transit facilitation measures included in the Global Survey are generally not applicable or relevant in the case of island states. Therefore, the Caribbean sub-region is not included in this section.

Figure 17
Latin America (16 countries): Implementation of transit facilitation measures, 2023
(Number of countries at each implementation level)



Source: Author, with data from the Global Survey on Digital and Sustainable Trade Facilitation 2023.

Figure 18
Average implementation rates of transit facilitation measures in South America and in Central America and Mexico, 2023
(Percentages)



Source: Author, with data from the Global Survey on Digital and Sustainable Trade Facilitation 2019.

Within South America, there are two plurilateral transportation agreements which establish their own transit regimes: the 1990 Agreement on International Land Transport (ATIT) and the 1992 River Transport Agreement for the Paraguay-Paraná Waterway.⁴⁹ Both agreements are crucial to facilitate the foreign trade of South America's two landlocked countries, the Plurinational State of Bolivia and Paraguay. Also in South America, the members of the Andean Community have a common transit regime in place since

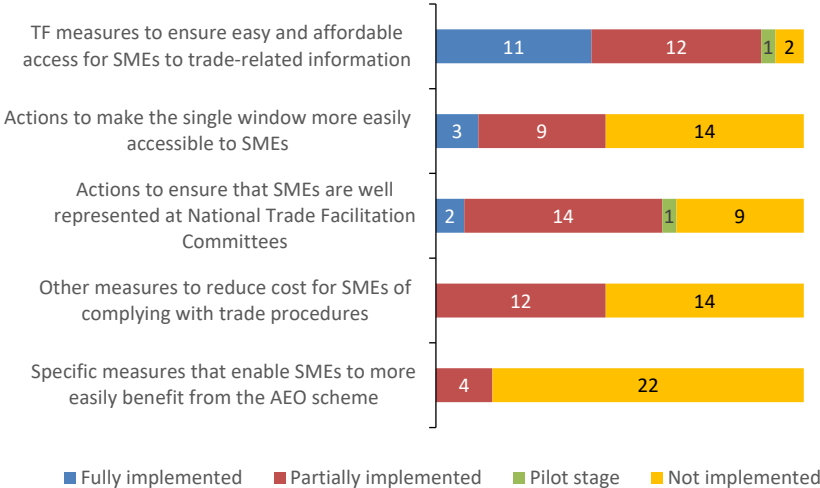
⁴⁹ The seven members of ATIT are Argentina, the Plurinational State of Bolivia, Brazil, Chile, Paraguay, Peru and Uruguay. The five members of the River Transport Agreement are Argentina, the Plurinational State of Bolivia, Brazil, Paraguay, and Uruguay.

2006, which was updated in May 2023. For their part, the members of MERCOSUR have established the International Transit Computer System (SINTIA), through which all the documentation required for transit operations is exchanged electronically. The Central American countries established in 2011 an electronic transit system known as Central American International Transit of Goods (*Tránsito Internacional de Mercancías de Centroamérica*, TIM). This system has expedited the circulation of goods in transit through the subregion by replacing repetitive paper-based procedures at each border with a single electronic transport document (*Documento Único de Transporte* - DUT).

H. Trade facilitation for small and medium enterprises

The Global Survey 2023 includes five questions about trade facilitation measures specifically oriented towards Small and Medium Enterprises (SMEs). Given their limited human and financial resources, these firms tend to be disproportionately affected by complex documentary and procedural requirements, to the extent that these may become insurmountable obstacles to their participation in international trade (WTO, 2016). In Latin America and the Caribbean, the share of exporting firms is below 1% in most countries, and most SMEs do not export (Park et al, 2019). Global Survey results indicate that the region still has much room for improvement in terms of easing documentary and procedural barriers to SME internationalization. Participating countries scored a 39% average implementation rate in this category, although with widely different implementation levels across individual measures (see figure 19).

Figure 19
Latin America and the Caribbean (26 countries): Implementation of SME-oriented TF measures, 2023
(Number of countries at each implementation level)



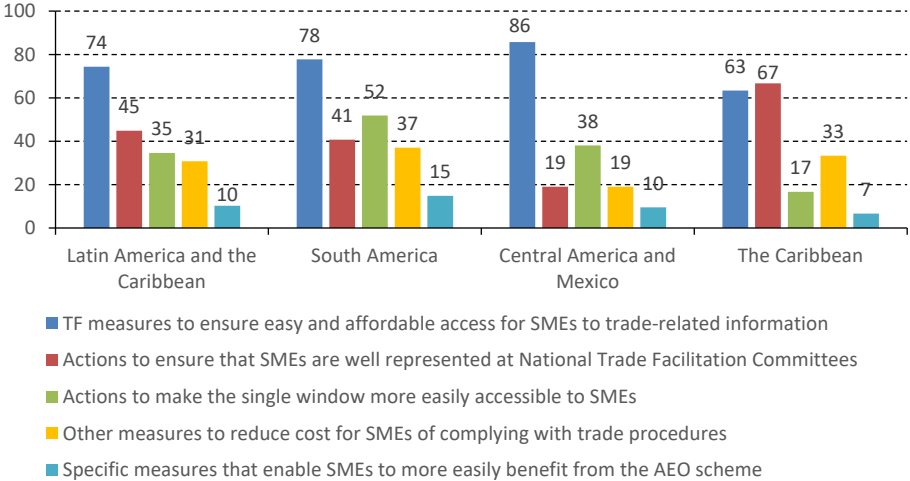
Source: Author, with data from the Global Survey on Digital and Sustainable Trade Facilitation 2023.

The region performs best in facilitating SME access to trade-related information —arguably the least demanding measure in this category—, with a 74% average implementation rate (see figure 20). The large majority of participating countries reported at least partial implementation of this measure. The second area where most progress has been made relates to ensuring adequate SME representation in National Trade Facilitation Committees (45%), followed by easing SME access to the electronic single window (35%). Next come other measures to reduce the cost for SMEs of complying with trade procedures. Those measures

often involve training and/or mentoring programs to encourage SMEs to become exporters (31%).⁵⁰ Notably, all South American countries have implemented the *Exporta Fácil* program. Originally launched in Brazil in 2001, *Exporta Fácil* simplifies export formalities and reduces export costs for SMEs through the use of postal shipments, taking advantage of the network of national post offices (Volpe Martincus, 2016).

By far, the least implemented measure concerns facilitating SME participation in AEO programs (10%). Most countries indicated that the criteria to obtain AEO certification are the same regardless of a firm’s size. An innovative approach in this regard has been followed by the Dominican Republic, which has two AEO programs: International and Simplified. The latter involves fewer security requirements and applies only to importers. This program may be more accessible for importing SMEs than the International AEO program, although it does not provide the latter’s benefits for exporting SMEs (including those derived from MRAs with other countries).

Figure 20
Latin America and the Caribbean (26 countries): Average implementation rates of SME-oriented trade facilitation measures by subregion, 2023
(Percentages)



Source: Author, with data from the Global Survey on Digital and Sustainable Trade Facilitation 2023.

Across all five measures, South America scores slightly above the regional average (44%), while the Caribbean and Central America and Mexico perform slightly below it (37% and 34%, respectively). A noteworthy initiative aimed at adding SME-targeted services to the ESW is being implemented in Peru through the Peru Marketplace and e-PYMEX systems (see box 1). Paraguay, for its part, reduced in 2022 the fees paid by small enterprises to register as exporters through the country’s ESW for exports.⁵¹ In 2020, Paraguay also cut by 50% the cost for exporting micro, small and medium enterprises (MSMEs) of using the express delivery services provided by the country’s post office.

⁵⁰ See, for example, the Pymexporta program of ProChile, the Chilean export promotion agency: [online] <https://acceso.prochile.cl/landing/pymexporta/>.

⁵¹ In the case of micro enterprises, those fees were eliminated.

Box 1
The Peru Marketplace and e-PYMEX systems

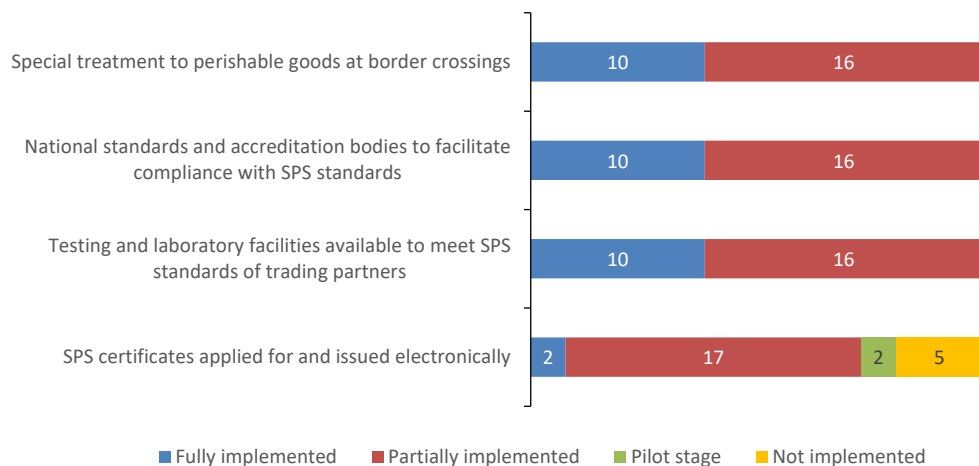
With the support from the Republic of Korea’s international cooperation agency (KOICA), the Ministry of Foreign Trade and Tourism of Peru (MINCETUR) has been implementing since December 2019 two systems into the country’s electronic single window for international trade (VUCE): Peru Marketplace and e-PYMEX. They provide a host of specialized services to exporting and importing micro, small and medium enterprises (MSMEs), including assistance in connecting with potential clients abroad and online tracking of their export shipments. MINCETUR guarantees the confidentiality of all information recorded and transmitted through these systems by the enterprises, and that this information and/or documentation will be used only for the purposes for which it has been provided. To ensure the necessary trust between potential buyers and sellers, Peru’s Exports and Tourism Promotion Board (PromPeru) validates the data of all Peruvian export enterprises which are registered in the Peru Marketplace and e-PYMEX systems. The latter has specialized modules to assist exporting MSMEs in the agricultural and textile sectors in optimizing all aspects of their respective value chains.

Source: Author, with data from the Global Survey on Digital and Sustainable Trade Facilitation 2023, https://www.vuce.gob.pe/Paginas/ProyectoVuce2_0.aspx and <https://www.perumarketplace.com/>.

I. Trade facilitation and agricultural trade

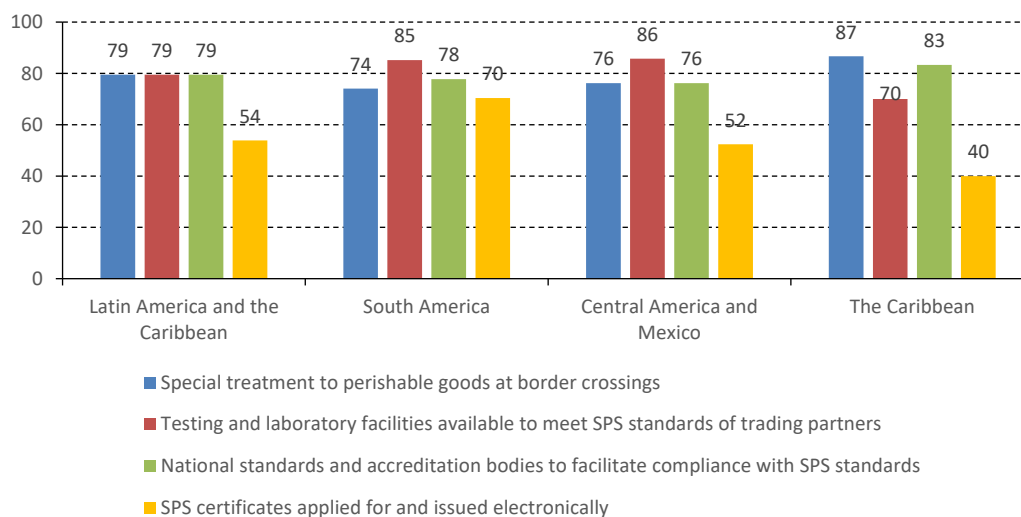
Speedy cross-border circulation is very important for agricultural goods, especially those that are highly perishable. Behind-the-border procedures such as meeting SPS standards and testing methods are also critically important for agricultural products (ESCAP, 2019). Against this backdrop, the Global Survey 2023 includes four questions about trade facilitation and agricultural trade. This is a topic of high relevance for Latin America and the Caribbean, where many countries —specially in South America— are large agricultural exporters. The region’s average implementation rate in this category is 73%, with little subregional variation. Three of its four measures exhibit an 80% implementation rate: the granting of special treatment to perishable goods at border crossings (a commitment included in TFA Article 7.9) and the existence of the testing and laboratory facilities, as well as national standards and accreditation bodies, necessary to meet the SPS standards of trade partners. All participating countries reported at least partial implementation of these three measures (see figure 21). The least implemented measure is the electronic application for, and issuance of, SPS certificates (54%). South America scores above the regional average in this measure (70%) (see figure 22). The only countries for which this measure was rated as totally implemented are Brazil and Peru.

Figure 21
Latin America and the Caribbean (26 countries): Implementation of agricultural TF measures, 2023
(Number of countries at each implementation level)



Source: Author, with data from the Global Survey on Digital and Sustainable Trade Facilitation 2023.

Figure 22
Latin America and the Caribbean (26 countries): Average implementation rates of agricultural TF measures by subregion, 2023
(Percentages)



Source: Author, with data from the Global Survey on Digital and Sustainable Trade Facilitation 2023.

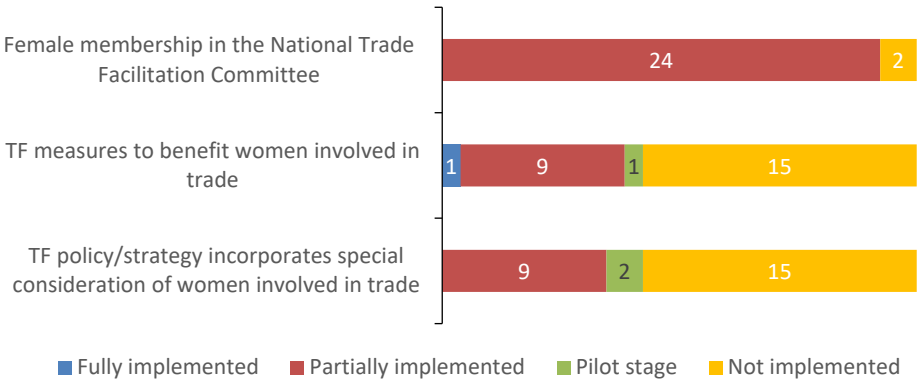
J. Trade facilitation and women

Available empirical evidence shows that women-led businesses trade less than those led by men, regardless of their size and sector of activity (Korinek et al, 2021). Although this gap is the result of multiple factors, trade policy can contribute to reducing it through reforms that reduce fees and charges, simplify and automate border procedures, and increase the transparency of export and import procedures. Korinek et al (2021) summarize this argument as follows:

“The automation of border process can be particularly important for women-led micro- and small and medium-sized enterprises (MSMEs), not only because it reduces the costs of processing documentation, but also because by dematerializing formalities it shelters women entrepreneurs from potential harassment and discrimination. Additionally, reforms that reduce the time required for processes can benefit women who often face additional constraints on their time related to care responsibilities.”

The Global Survey 2023 includes three questions that seek to gauge the extent to which participating countries’ efforts in trade facilitation consider the specific needs of women involved in trade. Results show that the region still performs poorly in this regard. It achieves an average implementation rate of 39% across the three measures, with little subregional variation in results. In more than half of participating countries, existing trade facilitation policies and strategies do not explicitly consider the needs of women (see figure 23). Countries often indicated that their trade policies do not discriminate by gender, making it unnecessary—in their view—to include special provisions targeting women.

Figure 23
Latin America and the Caribbean (26 countries): Implementation of women-oriented trade facilitation measures, 2023
(Number of countries at each implementation level)



Source: Author, with data from the Global Survey on Digital and Sustainable Trade Facilitation 2023.

All participants with active National Trade Facilitation Committees confirmed that their membership includes women. In several cases it was reported that they make up the majority of NTFC members and/or have chaired that body. However, no country reported explicitly requiring female membership in the NTFC. Moreover, less than half of participating countries reported having implemented specific trade facilitation measures targeting women traders. For example, Argentina, Chile, El Salvador, Guatemala, Mexico and Peru have gender focal points in their ministries of trade or customs agencies. These and some other participants reported having conducted training activities for women involved in trade over the last year.⁵² While some of the topics covered relate to general entrepreneurship skills, others are more specifically related to trade facilitation (for example, trainings on trade logistics and on using tariff preferences under FTAs). Trinidad and Tobago’s Ministry of Trade and Industry is currently implementing the International Trade Centre’s

⁵² One example is the Mujer Exporta program of ProChile, the Chilean export promotion agency: [online] <https://acceso.prochile.cl/landing/mujer-exporta/>.

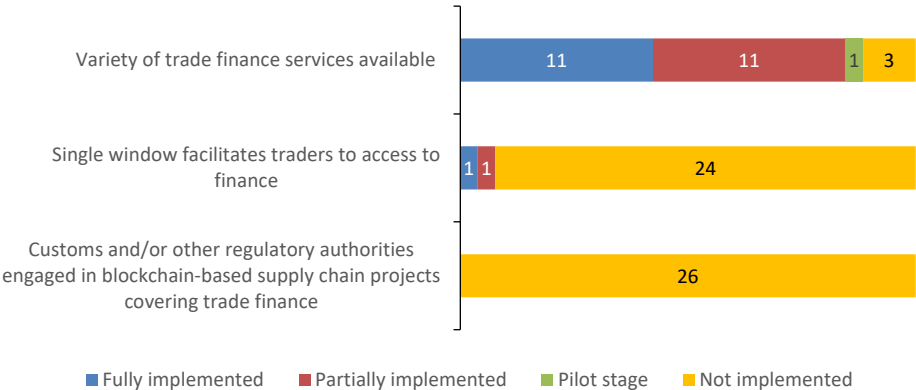
SheTrades initiative. SheTrades aims to connect female entrepreneurs worldwide and provides training, networking and business opportunities.

K. Trade facilitation and trade finance

Trade finance is a key enabler of international trade, since it allows the flow of money from buyer to seller and the mitigation of associated risks (ESCAP, 2019). Therefore, lack of access to trade finance can be a serious obstacle to trade, especially for SMEs. According to the International Chamber of Commerce (ICC), “over 45% of SMEs see their requests for trade finance rejected and often struggle to find alternative sources of funding.”⁵³ The Asian Development Bank (ADB) estimated the global trade finance gap -defined as the amount of rejected trade finance requested by importers and exporters- at around 1.5 trillion dollars annually between 2013 and 2019, and the situation worsened following the outbreak of the COVID-19 pandemic (Auboin, 2021). Against this backdrop, in 2019 a new category on Trade Finance Facilitation was added to the Global Survey.

Two of the three measures in the trade finance facilitation category show extremely low implementation across the whole LAC region (see figure 24). The most implemented measure is the availability of a variety of trade finance services (72%), although this figure is much lower among Caribbean participants (50%). Among the services most frequently available are documentary letters of credit, factoring, and export, import and inventory financing. By contrast, only Brazil reported having fully implemented access to finance solutions through its electronic single window. Specifically, through the ESW exporters can request financing from Brazilian development banks and also export credit insurance. The facilitation of access to trade finance through the ESW was also reported as partially implemented by Trinidad and Tobago. All other participants reported no implementation of this measure. Similarly, none of the participant countries participates in blockchain-based supply chain projects covering trade finance.

Figure 24
Latin America and the Caribbean (26 countries): Implementation of trade finance facilitation measures, 2023
(Number of countries at each implementation level)



Source: Author, with data from the Global Survey on Digital and Sustainable Trade Facilitation 2023.

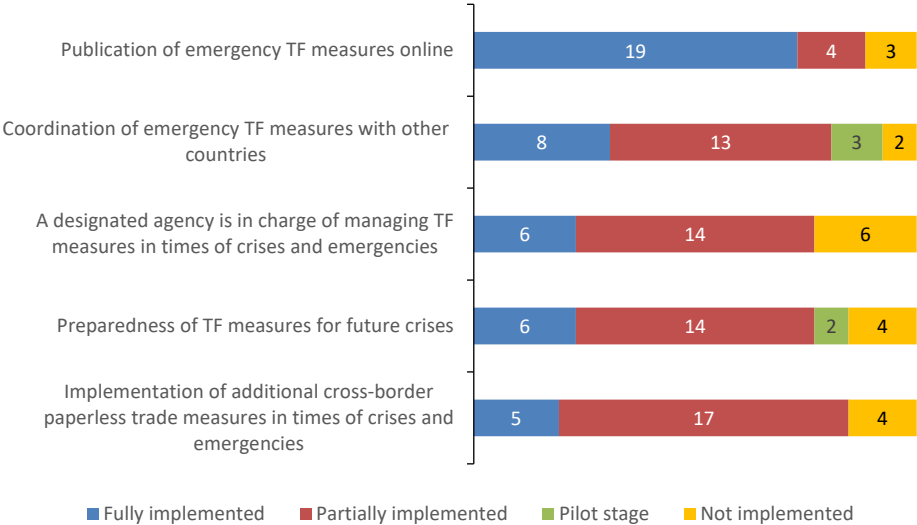
⁵³ “ICC Trade Now to connect SMEs to innovative trade finance solutions”. Press release, Paris, 26 May 2021 [online] <https://iccwbo.org/media-wall/news-speeches/icc-trade-now-to-connect-smes-to-innovative-trade-finance-solutions/>.

The above results point towards the need to further develop trade finance services in the region, with a special focus on SMEs. Same as in the previous edition of the Global Survey in 2021, some respondents answered “Don’t know” to trade finance-related questions, suggesting a lack of familiarity with that topic within institutions working on traditional trade facilitation issues. However, given the interdependence between trade in goods and financial flows, Global Survey results suggest the need for greater coordination and cooperation between trade facilitation officials and those involved in developing financial and payment services (ESCAP, 2019). In particular, there is great potential in integrating the digitalization of trade procedures with the emerging paperless platforms providing access to trade finance, for example through blockchain-based solutions (ECLAC, 2021).

L. Trade facilitation in times of crisis and pandemic

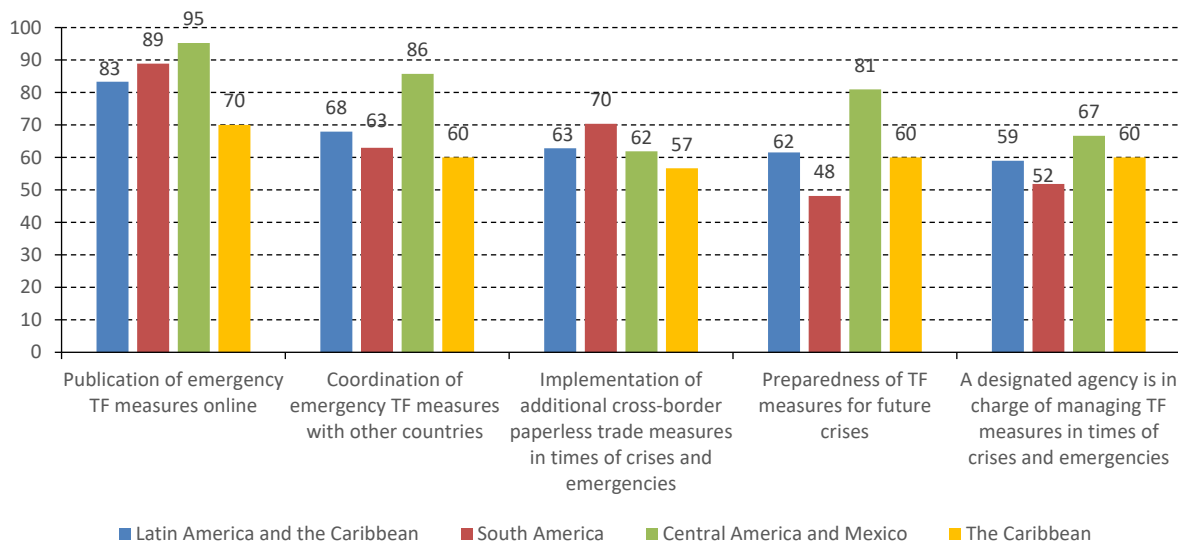
Preparations for the fourth Global Survey began in the last quarter of 2020, against the backdrop of the COVID-19 pandemic and its severe effects on world trade and global value chains. Therefore, a new category on Trade facilitation in times of crisis and pandemic was included to gauge country responses in the area of trade facilitation. Although by late 2022 the world had left behind the worst part of the pandemic, this section was retained for the fifth edition of the Global Survey in light of the need for countries to be prepared for new pandemics or other similarly disruptive events. The five measures included in this category show important differences in implementation levels (see figures 25 and 26).

Figure 25
Latin America and the Caribbean (26 countries): Implementation of trade facilitation measures in times of crisis and pandemic, 2023
(Number of countries at each implementation level)



Source: Author, with data from the Global Survey on Digital and Sustainable Trade Facilitation 2023.

Figure 26
Latin America and the Caribbean (26 countries): Average implementation rates
of trade facilitation measures in times of crisis and pandemic, by subregion, 2023
(Percentages)



Source: Author, with data from the Global Survey on Digital and Sustainable Trade Facilitation 2023.

The highest score (83%) was registered for the online publication of emergency trade facilitation measures, with most participants (19) reporting full implementation. In many cases those measures were publicized not just through official websites but also through social media platforms. Next comes the coordination of emergency trade facilitation measures with other countries (usually neighboring ones) or regional organizations (68%). One example of regional coordination was provided by the members of the Central American Integration System (SICA). In May 2020 they adopted biosafety guidelines for land cargo transport, with the aim of reducing the spread of the virus, guaranteeing the health of truck drivers and the Central American population at large, and ensuring the continuity of trade flows to avoid supply disruptions. Another case of regional coordination was the agreement reached in May 2020 by the four members of the Andean Community to transmit electronically the supporting documents for transit operations in order to avoid physical contact at border crossings (Herrerros, 2021).

The third highest score (63%) relates to the implementation of a range of emergency trade facilitation measures. Among them were the acceptance in PDF format of SPS certificates and other documents that previously had to be presented in paper, the review and suspension of procedural formalities, and the extension of the opening hours of border agencies (Herrerros, 2021; FAO, 2021). In the fourth place comes preparedness for future crises through measures such as managing a catalogue of relief/essential products and establishing procedures to expedite their circulation across borders (62%). The region's weakest performance (59%) concerns the appointment of an agency (or inter-agency group, such as the NTFC) tasked with coordinating emergency trade facilitation measures. In most cases no single agency or group has been assigned this role, so coordination takes place on an ad-hoc basis.

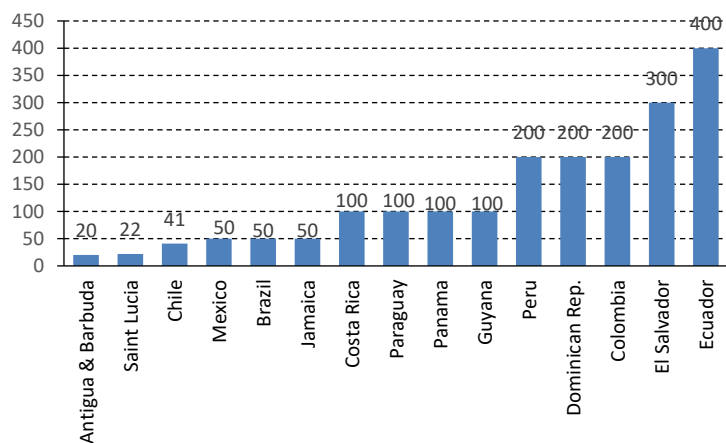
M. Other trade facilitation measures

1. Cross-border e-commerce

Several of the trade facilitation measures already examined can greatly promote cross-border e-commerce, most notably the provisions on expedited shipments and authorized economic operators. Given the growing popularity of this phenomenon, the Global Survey 2023 includes a new question asking countries whether they have implemented: a) a national strategy or action plan on cross-border e-commerce; and b) a *de minimis* regime for imported items purchased through e-commerce platforms and delivered through courier, express, or other postal services. When an import consignment's landed value is lower than the *de minimis* threshold, it can enjoy streamlined customs clearance, minimal data requirements, and/or be exempt from import licenses, customs duties and other indirect taxes such as the value added tax (VAT). The establishment of a *de minimis* regime is a best endeavors commitment in the TFA (Article 7.8.2 d) but a mandatory commitment in the World Customs Organization's Revised Kyoto Convention (Transitional Standard 4.13).

Fifteen of the 26 participating countries declared having a *de minimis* regime in place, with shipments valued below their respective thresholds being subject to simplified customs procedures and exempted at least from import tariffs (see figure 27).⁵⁴ Most thresholds are in the US\$ 50 to US\$ 200 range. El Salvador, which has the second highest *de minimis* threshold in the region, has set this value in its law on the facilitation of non-commercial online purchases, passed in November 2021. Saint Kitts and Nevis and Trinidad and Tobago do not have *de minimis* regimes in place but reported that they have a national strategy or action plan on cross-border e-commerce. Overall, the regional implementation rate for trade facilitation measures to promote e-commerce reaches 45%.

Figure 27
Latin America and the Caribbean (15 countries): De minimis thresholds for imports by courier services or other postal services, as of May 2023^a
(Dollars)



Source: Author, with data from the Global Survey on Digital and Sustainable Trade Facilitation 2023.

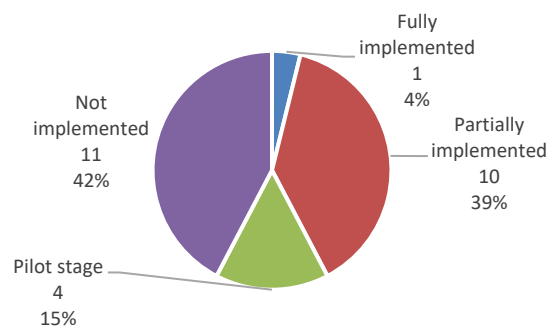
^a Other conditions may also apply for the exemption from customs duties. For example, some countries have set a maximum weight for each package or established a maximum number of shipments per year that can benefit from the *de minimis* regime.

⁵⁴ Thresholds for exemption from internal taxes such as the VAT may differ from those for import tariffs.

2. Wildlife protection

The second new question in the Global Survey 2023 concerns the permit system established through the 1973 Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). Specifically, countries were asked whether CITES permits can be applied for, issued and exchanged electronically, a modality known as e-CITES.⁵⁵ The LAC region still has a long way to go in this regard (see figure 28): it achieved a 35% implementation rate, and just 20% in the Caribbean. Only Mexico reported that CITES permits can be electronically applied for, issued, and exchanged with other countries. At the other end, respondents from 11 countries indicated that digitalization of CITES permits has not yet been implemented at all or that they were not aware about its implementation status.⁵⁶ The remaining 14 countries informed that implementation is either partial or at a pilot stage.

Figure 28
Latin America and the Caribbean (26 countries): Status of digitalization of CITES permits, May 2023
(Number of countries at each implementation level)



Source: Author, with data from the Global Survey on Digital and Sustainable Trade Facilitation 2023.

⁵⁵ See [online] <https://cites.org/esp/prog/eCITES>.

⁵⁶ Antigua and Barbuda, Belize, Colombia, Cuba, Guatemala, Jamaica, Nicaragua, Paraguay, Saint Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago.

III. Conclusions and way forward

As noted in previous regional reports, there are several reasons why making progress in the trade facilitation agenda remains crucial for Latin America and the Caribbean. Firstly, by easing cross-border exchanges, trade facilitation can help to raise intraregional trade, which at 15% of total merchandise exports in 2021 is among the lowest in the world. Secondly, trade facilitation removes obstacles to the internationalization of the region's SMEs, the overwhelming majority of which do not export. This may in turn promote export diversification, thus helping to reduce the very high commodity dependence that characterizes many countries (particularly in South America). Thirdly, the expeditious movement of goods across borders is critical for the smooth functioning of international production networks. Hence, progress in trade facilitation may help to attract new investments from multinational companies considering nearshoring some of their operations into the region. Finally, by promoting transparency, reducing face-to-face interaction and cutting red tape, trade facilitation measures can help to improve the effectiveness and accountability of the State and to fight corruption.

The results of the Global Survey 2023 indicate that Latin America and the Caribbean has made considerable progress in trade facilitation over recent years, despite being severely hit by the COVID-19 pandemic. The group of 26 participating countries presents average implementation rates of 80% or more in 18 of the 31 core measures included in the Global Survey, particularly in the two categories (Transparency and Formalities) that coincide most closely with the provisions of the TFA.

Despite good overall results, progress remains uneven both geographically and thematically. On the one hand, and with few exceptions, the performance of Caribbean countries lags significantly behind that of the rest of the region. This situation reflects several specific challenges that Caribbean states face in implementing trade facilitation reforms, including —among others— their small size, limited human resources, great vulnerability to natural disasters and high indebtedness levels. Caribbean countries are also very dependent on international tourism as a source of income, so their economies were hit especially hard by its near collapse in 2020 due to the pandemic and by its slow recovery since 2021. On the other hand, Latin America and the Caribbean still has much room for improvement in the transition towards paperless trade. Accelerating the implementation and interoperability of electronic single windows remains crucial to that goal. LAC countries can also significantly improve their performance in terms of integrating trade facilitation and access to trade finance, as well as in ensuring that SMEs and women traders can benefit from trade facilitation reforms. All these are areas where international cooperation could make a valuable contribution through technical and financial assistance. Within South America, another key challenge is to further ease the procedures applicable to trade in transit to and from its two landlocked countries, the Plurinational State of Bolivia and Paraguay.

The nearly universal establishment of national trade facilitation committees (NTFCs) among LAC countries is a very positive development. NTFCs are crucial to successfully address the institutional challenges deriving from the cross-cutting, multi-agency nature of trade facilitation. They also play a critical role in ensuring effective public-private coordination, identifying needs for technical or financial assistance, and presenting well-structured requests to potential donors. Since the implementation of the TFA's basic commitments is generally well advanced in the region, NTFCs should now place a greater focus on measuring their impact based on performance indicators and not just on formal compliance. Beyond coordinating the implementation of the TFA, NTFCs should play a critical role in the design and implementation of paperless trade strategies. To meet these challenges, there is no "one size fits all" model for NTFCs. Every country will need to gradually develop the structure, membership and governance best suited to its own needs and

circumstances. Therefore, LAC countries will need to regularly monitor and evaluate the functioning of their NTFCs and introduce adjustments as required.

The COVID-19 pandemic had mixed results on the region's efforts in the area of trade facilitation. On the one hand, it slowed down progress in some countries towards full implementation of measures such as the authorized economic operator, the electronic single window, and the establishment and publication of average release times. On the other hand, it accelerated the digitalization of trade documents to minimize physical contact and encouraged countries to streamline procedures for the cross-border flow of essential goods. Many of the digitalization measures introduced following the outbreak of the pandemic, while initially intended to be transitory, ended up becoming permanent because of their associated cost and time savings. Nevertheless, the Global Survey highlighted that LAC countries can do more in terms of preparation for future crises, notably by managing a catalogue of relief/essential products and defining procedures to prevent supply disruptions. Given the likelihood of new sanitary crises or other extreme events, including those caused by climate change, LAC countries should step up their preparedness levels, ideally through concerted regional action.

The considerable progress made by LAC countries in the area of trade facilitation will have a greater impact on trade flows and production integration if the implementation of specific measures is coordinated among groups of countries. In recent years there have been several promising developments in this regard, mainly at the subregional level. This is the case, for example, of the electronic cross-border exchange of trade documents and data and of the increasing number of mutual recognition agreements of national AEO schemes. Stepping up these efforts should be a priority in the coming years. The negotiation of a region-wide agreement on trade facilitation and paperless trade may be a useful vehicle towards that end.

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Annex 1

Definition of the different stages of implementation used in the Global Survey on Digital and Sustainable Trade Facilitation 2023

Full implementation: the trade facilitation measure implemented is in full compliance with commonly accepted international standards, recommendations and conventions such as the Revised Kyoto Convention, UN/CEFACT Recommendations, or the WTO Trade Facilitation Agreement (TFA); it is implemented in law and in practice; it is available to essentially all relevant stakeholders nationwide, supported by an adequate legal and institutional framework, as well as adequate infrastructure and financial and human resources. A TFA measure included in the Notifications of Category A commitments may generally be considered as a measure which is fully implemented by the country, with a caveat that the measure will be implemented by a least-developed country member within one year after entry into force of the TFA agreement.

Partial implementation: a measure is considered to be partially implemented if at least one of the following is true: (1) the trade facilitation measure is in partial —but not in full— compliance with commonly accepted international standards, recommendations and conventions; (2) the country is still in the process of rolling out the implementation of measure; (3) the measure is practiced but on an unsustainable, short-term or ad-hoc basis; (4) the measure is implemented in some —but not all— targeted locations (such as key border crossing stations); or (5) some —but not all— targeted stakeholders are fully involved.

Pilot stage of implementation: a measure is considered to be at the pilot stage of implementation if, in addition to meeting the general attributes of partial implementation, it is available only to (or at) a very small portion of the intended stakeholder group (location) and/or is being implemented on a trial basis. When a new trade facilitation measure is under pilot stage of implementation, the old measure is often continuously used in parallel to ensure the service is provided in case of disruption of new measure. This stage of implementation also includes relevant rehearsals and preparation for the full-fledged implementation.

Not implemented: a measure has not been implemented at this stage. However, this stage may still include initiatives or efforts towards implementation of the measure. For example, under this stage, (pre)feasibility or planning of implementation can be carried out, and consultation with stakeholders on the implementation may be arranged.

This report presents the results for Latin America and the Caribbean of the fifth United Nations Global Survey on Digital and Sustainable Trade Facilitation, conducted in the first half of 2023 with the participation of 163 countries (26 from the region). The average regional implementation rate across the 31 core measures is 71%, slightly above the average for all participant countries (69%). Despite being severely hit by the coronavirus disease (COVID-19) pandemic, the countries of the region have continued to advance in the implementation of the Trade Facilitation Agreement of the World Trade Organization. Going forward, the considerable progress made at national level will have a greater impact on trade flows and production integration if the implementation of trade facilitation measures is coordinated among groups of countries. In recent years, there have been several promising developments in this regard, mainly at the subregional level, including the electronic cross-border exchange of trade documents and the increasing number of mutual recognition agreements of authorized economic operator schemes. Stepping up these efforts should be a priority in the coming years.