Executive summary

International Trade Outlook for Latin America and the Caribbean 2026

The importance of modern services exports and how to promote them



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Presentation

This edition of the *International Trade Outlook for Latin America and the Caribbean, 2026* analyses the reconfiguration of global trade and its implications for the region, and the ways in which modern services exports can contribute to the region's productive transformation. These themes are examined closely in the two chapters of the document.

The first chapter includes an analysis of global and regional trade conditions. It outlines 10 trends that are redefining global trade, including strengthening of industrial policies, weaponization of trade policy, reconfiguration of value chains, the increasing weight of services and digitalization, greater demand for critical minerals and other strategic resources, and the growing importance of environmental regulations. These trends are all unfolding amid shorter economic cycles, reconfigured value chains and stronger South-South trade. Against this backdrop, growth in global trade remained robust in 2026, with Asian economies increasingly at the forefront. For Latin American and Caribbean, foreign trade was also dynamic in the first half of 2026, driven by the rise in commodities prices and export volumes. The strong growth in trade with Asia was particularly striking. The value of goods and services trade in the region is expected to climb more sharply in 2026 than in 2025.

The second chapter focuses on modern services as ever more important drivers of growth, employment and productive transformation, in a context where the manufacturing sector has lost capacity to generate mass employment and digital technologies have increased the opportunities for international trade in services. Despite robust exports, Latin America and the Caribbean continue to account for a small share of global trade in modern services. The chapter also examines the experiences of countries within and outside the region in defining good practices and instruments in three complementary areas: promotion of exports, attraction of foreign direct investment and development of human talent, coordinated through public-private governance that ensures policy coherence and continuity.

Executive summary

A. Changes in global and regional trade in the new geopolitical context

There has been a profound reconfiguration of global trade —driven by economic security, resilience and sustainability concerns— that is reflected in 10 major trends (see diagram 1). In this new landscape, geopolitical tensions and rivalry for supremacy in advanced technologies, such as artificial intelligence (AI) and semiconductors, have led to a resurgence of productive development policies and the geographical reorganization of value chains. The ongoing reconfiguration of global trade is driving the rapid expansion of trade in digital services and increasing the strategic importance of resilient logistics infrastructure and critical minerals. At the same time, it is incorporating environmental criteria and regulatory requirements related to sustainability and the energy transition as conditions for market access. In addition, trade among developing economies (South-South trade) is expanding, while regional integration groupings are assuming greater importance amid heightened uncertainty, shorter and more unpredictable economic cycles, geoeconomic fragmentation and the weakening of the multilateral trading system.

Diagram 1
Ten trends transforming global trade



Source: Economic Commission for Latin America and the Caribbean.
Note: The boundaries and names shown on this map do not imply official endorsement or acceptance by the United Nations.

Against this backdrop of uncertainty and geopolitical and geoeconomic tensions, growth in trade has nevertheless remained robust. The volume of global trade in goods expanded by 5.5% in the first half of 2026. This is well above the World Trade Organization (WTO) projections of 1.9% growth for the whole year. This expansion, largely driven by the strong demand for electronic components associated with the AI-related investment boom, was led by China and other developing economies

in Asia. At the same time, geopolitical rivalries are reshaping the geographical configuration of trade flows. In the first half of 2026, United States goods imports from China continued to decline, while imports from member countries of the Association of Southeast Asian Nations (ASEAN) and the Republic of Korea increased sharply.

Meanwhile, at an annual average of 6.6% over the last decade, growth in trade in services continued to outpace that of goods trade, totalling US$ 9.6 trillion in 2025. This expansion continued to be driven by modern services linked to digital technologies, AI, business services and knowledge-intensive activities. Asia remained the fastest-growing region, underpinned by the performance of China and India. By contrast, growth in transport services slowed as costs increased amid geopolitical tensions, while tourism expanded at a more moderate pace after returning to pre-pandemic levels.

In the first half of 2026, international maritime transport experienced disruptions as a result of the conflict in and around the Islamic Republic of Iran and the persistence of tensions in the Red Sea, affecting both the Strait of Hormuz and the Bab el-Mandeb Strait, two critical chokepoints for global trade. These disruptions forced shipping routes to be diverted around the Cape of Good Hope, which lengthened transit times, increased operating costs, insurance premiums and emissions, and reduced effective fleet capacity and the reliability of maritime services. Although world container trade continued to expand, logistical inefficiencies and geopolitical uncertainty led to a sharp increase in freight rates. Despite these headwinds, maritime trade remained resilient.

Throughout 2026, the United States continued to use trade policy as a geoeconomic tool. The reciprocal tariffs struck down by the Supreme Court were replaced by new duties imposed on the grounds of unfair trade practices and forced labour. Within the region, Brazil is currently the country subject to the highest United States tariffs. In addition, on 1 July, six years after the entry into force of the Agreement between the United States of America, the United Mexican States, and Canada (USMCA), the review of the Agreement was triggered and considerable uncertainty remains regarding its outcome. This process goes beyond trade to encompass industrial policy, economic security and supply chain issues, as part of the United States strategy to limit opportunities for Chinese products and investment in North America.

Trade flows in Latin America and the Caribbean were particularly dynamic in 2026. In the first half of the year, the total value of the region's trade in goods and services grew by 18% for exports and 13% for imports year-on-year. This strong performance was driven by trade in goods, with exports increasing by 20% and imports by 14% in the first six months of the year. The region's trade in services grew at year-on-year rates of 8% for exports and 9% for imports over the same period.

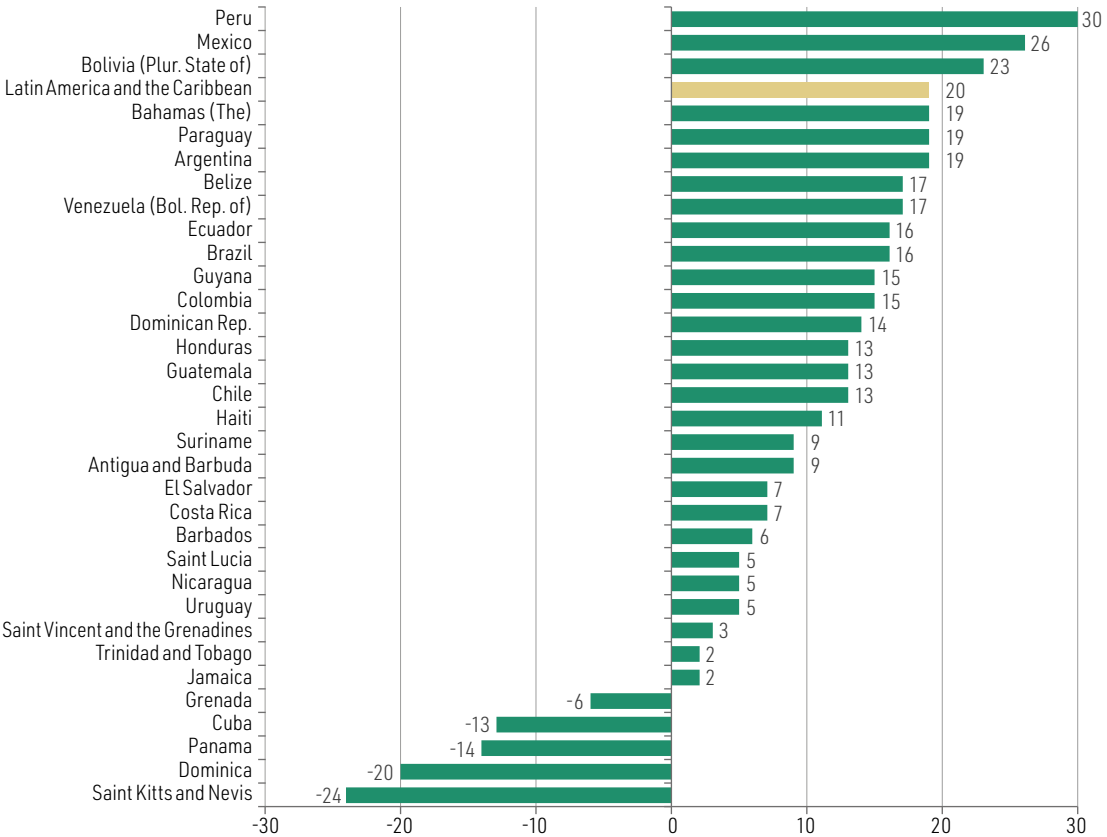
The strong export performance of Latin America and the Caribbean in 2026 is largely attributable to the sharp increase in commodity prices. Between January and August, the region's aggregate export price index rose by 23.5% relative to the year-earlier period and is projected to increase by 20.4% for the year as a while. The main driver is minerals and metals, with prices projected to rise by 31.6%, led by significant increases in copper, gold, silver and tin prices. The growth of the region's exports also reflects an increase in export volumes, particularly in Mexico, whose manufactured exports account for more than 40% of the regional total.

Projections for the region's goods trade in 2026 are very positive. Total goods exports are expected to grow by 20% in value terms, reflecting gains of 11% in prices and 9% in volume. This would mark a sixth consecutive year of growth in the region's export volumes. Regional goods imports, meanwhile, are projected to grow by 16% in value terms, with volume expanding by 12% and prices by 4%. Import growth points to a recovery in domestic consumption and growing demand for intermediate inputs and capital goods.

Reflecting the favourable outlook for the region as a whole, 28 of its 33 countries are expected to record increases in the value of their goods exports in 2026, with double-digit growth projected in 16 of them (see figure 1). The geographical distribution of the region's exports is shifting significantly

towards Asia. Shipments to Asia (excluding China) are projected to register the strongest growth in 2026, expanding by 32% in value terms, followed by shipments to the United States (24%), the European Union (20%) and China (19%). Intraregional exports, by contrast, are expected to grow by only 8%. As a result, the share of intraregional trade in the region's total exports is projected to decline from 14% in 2025 to 13% in 2026, while the share of exports to Asia is expected to rise from 22% to 24%.

Figure 1
Latin America and the Caribbean (33 countries): projected variation in value of trade in goods, 2026
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of official information.

The terms of trade of Latin America and the Caribbean are projected to improve by 6% in 2026, with export prices increasing more rapidly than import prices. The largest gains are expected in Peru, the Bolivarian Republic of Venezuela, the Plurinational State of Bolivia, Jamaica, Trinidad and Tobago and Guyana, owing mainly to higher hydrocarbon and commodities prices. By contrast, several economies in Central America and the Caribbean, particularly net importers of energy and food, are expected to see only limited improvements or even a deterioration in their terms of trade, as rising fuel and imported input costs are likely to outpace increases in their export prices.

Prospects for the region's trade in services in 2026 are also favourable, with exports projected to grow by 11% and imports by 9%, underpinned by the recovery of the global economy, the expansion of goods trade and the sustained rebound in tourism. Unlike the post-pandemic period, growth will be led by traditional services, particularly transport and travel, while modern services will expand at a more moderate pace.

Foreign trade in Latin America and the Caribbean in 2026 reflects ongoing geoeconomic and geopolitical transformations. The reorganization of global value chains, rising demand for critical minerals and the expansion of industrial policies in advanced economies are creating new opportunities and challenges for the region. At the same time, major powers are increasingly leveraging trade, technological and financial instruments in the context of strategic competition, requiring Latin American and Caribbean countries to incorporate geopolitical considerations into their development, trade and integration strategies.

In this context, the region is benefiting from the growing international recognition of the strategic value of its natural resources, particularly those linked to the energy transition, food security and clean energy. However, the main challenge is not simply to increase commodity exports, but also to leverage these resources to promote higher value-added activities linked to innovation and technological development. The reorganization of global value chains could also create opportunities to enhance the region's position in the global economy through increased trade, investment, technology transfer and stronger productive linkages.

In an increasingly fragmented and uncertain international context, regional integration is taking on renewed importance. Strengthening infrastructure, logistics, regulatory convergence and regional value chains, together with facilitating trade, can enhance the region's economic resilience and competitiveness. Ultimately, the favourable trade conditions expected for 2026 offer an opportunity to align trade, industrial, technological and investment policies in support of a more diversified, sustainable and productive position in the global economy, capable of generating quality employment and long-term growth.

B. Modern services exports: instruments, capacities and lessons learned

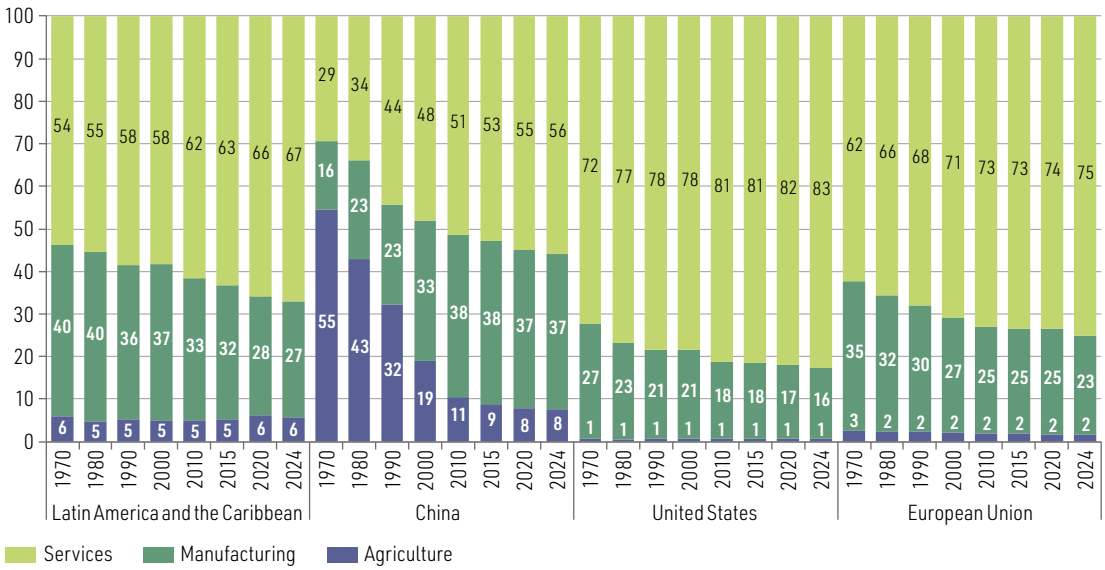
As explained above, productive development policies have once again taken on a central role in development strategies, and those focused on services are becoming increasingly crucial. In light of persistently low capacity for growth, high inequality and ineffective governance, Latin America and the Caribbean needs policies that can transform its production structure and promote activities with the potential to compete in the global economy.

However, the productive and technological conditions that serve as a backdrop for these policies are very different from those present during twentieth-century industrialization. Automation and robotization have curbed demand for labour in manufacturing production, while growing technological sophistication has increased the capacities required to compete internationally. At the same time, fiercer global competition and current trade tensions are making it more difficult to replicate strategies based exclusively on the manufacturing of exports. As a result, recent literature includes warnings about the risk that in some developing countries, industrial expansion will create highly productive and internationally integrated enclaves with limited capacity to absorb the bulk of the labour force.

At the same time, digitalization is transforming development opportunities in the services sector. Activities that were historically considered non-tradable can be performed remotely, with access to international markets. Some services are thus beginning to gain attributes traditionally associated with manufacturing, such as tradability beyond national borders, economies of scale, innovation and linkages with other sectors. This process does not imply replacing an industrialization strategy with one based exclusively on services. On the contrary, it means broadening the scope of productive development policies, and outlines the need to build complementarities between agriculture, mining, manufacturing and services.

As shown in figure 2, in recent decades, the share of services in value added has grown in the major economies and regions, while that of manufacturing has declined. In Latin America and the Caribbean, between 1970 and 2024, the share of services in value added rose from 54% to 67%, compared with the decrease from 40% to 27% for manufacturing. This trend was also seen, to varying degrees and with different starting points, in China, the European Union and the United States. Nonetheless, a large share of the value added generated by services continues to derive from non-tradable activities or those with limited international trade opportunities. This points to a need not only to strengthen productive development policies, but also to reconsider the specific characteristics of the services sector, along with its instruments and underlying forms of governance.

Figure 2
Selected world regions and economies: value added, by sector, 1970–2024
(Percentages)



Source: Economic Commission for Latin Ameria and the Caribbean, on the basis of United Nations. *National Accounts Main Aggregates Database*. https://unstats.un.org/unsd/snaama/index.

Note: The sectors are based on the International Standard Industrial Classification of All Economic Activities (ISIC) as follows: "agriculture" includes agriculture, hunting, forestry and fishing (sections A and B); "manufacturing" includes mining, manufacturing and public services (sections C to E) and construction (section F); "services" includes wholesale and retail trade, restaurants and hotels (sections G and H), transport, storage and communications (section I) and other activities (sections J to P).

Amid this uneven landscape, modern services —such as business, professional, financial, audiovisual, creative, information technology, and research and development services— are particularly interesting; they are increasingly seen as an alternative to diversify exports and ease external constraints because they are knowledge-intensive, increasingly tradable and able to generate foreign exchange. Likewise, they increasingly serve as inputs for other activities: incorporation of software, engineering, logistics, design, financial services, research and data management can increase the productivity and competitiveness of agricultural, mining and manufacturing exports.

This opportunity must be assessed carefully. Modern services do not automatically replicate the historical advantages of manufacturing. Higher-productivity activities with greater export potential tend to require highly skilled workers and may generate relatively little employment for less educated workers. International experience shows, moreover, that services-based growth may lead to unequal distribution of its benefits across different income groups and territories. Thus, a services-based

development strategy must combine the promotion of modern and tradable activities with policies that strengthen their productive chains, expand access to talent and disseminate productivity gains to the rest of the economy.

The challenge is particularly critical for Latin America and the Caribbean. Services currently represent roughly two thirds of GDP and employment in the region, but this large share has not translated automatically into higher productivity levels. And, although regional modern services exports grew sharply in the past two decades, by more than 3.5 times in value terms, compared with about 1.6 times for traditional services exports, the region continues to account for just 2% of global modern services exports. The performance across countries is also highly uneven: while some economies have developed strong capacities in business, information technology and professional services, others continue to specialize primarily in traditional activities such as travel and transport.

Productive development policies can close this gap between potential and performance, and can be organized around three complementary pillars: promotion of exports, attraction of foreign direct investment and development of human talent, with public-private sector coordination. This coordination is especially key as, in activities characterized by rapid technological transformation and constantly changing markets, it is difficult for the State to detect challenges and opportunities on its own. However, systematic interaction with businesses, industry associations, educational institutions and other stakeholders facilitates the detection of restrictions, adjustment of instruments and development of continuous institutional learning.

The three pillars are underpinned by a set of enabling conditions, including a regulatory framework that facilitates trade in services, regulations that are compatible with international digital standards, trade agreements with modern disciplines regarding services and digital trade, and suitable digital infrastructure for the provision of services across borders.

Chapter II examines the strategies and instruments used by the different countries to promote modern services exports with a view to identifying good practices, institutional capacities and lessons learned that can guide policy design in Latin America and the Caribbean. Thus, it includes analysis of the experiences in Argentina, Barbados, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, Guatemala, Jamaica, Mexico, Panama, Paraguay, Peru, Trinidad and Tobago, and Uruguay, complemented by references outside the region, such as Egypt, India, Malaysia and the Philippines. On the basis of these experiences, different instruments for promoting exports, attracting FDI and developing human talent are examined, as well as the public-private governance arrangements needed for their coordination.

Promotion of modern services exports, the first pillar of productive development policies, must factor in the specific characteristics of these services. Their intangible nature and the central role of reputation and trust in buying decisions make it necessary to adapt the traditional instruments used for goods. The national experiences analysed in the chapter show the importance of combining specialized business intelligence, support for securing international certification, the building of sectoral brands, participation in specialized networks and events, matchmaking mechanisms, and support during the initial international sale process. The aim is not solely to increase the number of exporting firms, but also to help them to secure higher value contracts and more stable business relationships.

The second pillar is the attraction of FDI. In modern services, localization decisions depend less on big physical investments than on the availability of talent, connectivity, regulatory stability and institutional capacity. Thus, fiscal incentives, although important, do not eliminate the need to build a reliable environment. The most advanced FDI attraction agencies and entities combine focused prospecting for investors with facilitation services and aftercare services, with the aim of not only attracting new firms, but also promoting reinvestment, expansion and stronger relationships with local providers and workers.

The third pillar is the development of human talent, which may be the main constraint on the expansion of modern services. The most effective policies are based on the constant assessment of the skills that firms require, and ensure coordination of the public sector, educational institutions and the private sector. Short-term training programmes, certifications, digital skills, language training, qualification frameworks and continuous updating mechanisms reduce the labour supply-demand imbalance. Given the speed of technological change, these systems must be flexible and capable of anticipating new needs.

The experiences analysed show that there is no single strategy. Priorities must be adapted to the level of development of productive and institutional capacities in each country. In economies with emerging capacities, the priorities include fostering basic digital skills, reducing regulatory hurdles and establishing a basic institutional architecture. In countries with intermediate capacities, the challenge is improving integration of export promotion, investment and training policies, strengthening mechanisms for business expansion and increasing specialization. In the most advanced economies, policies should be focused on the highest value added segments, and on innovation, sophistication of local providers and consolidation of international positions.

In sum, the growing importance of modern services does not imply abandoning manufacturing or replacing one sectoral policy with another, but rather broadening the scope of productive development policies to adapt them to an economy in which it is increasingly difficult to separate goods from services. For Latin America and the Caribbean, there is an opportunity to leverage modern services as a direct source of productivity, exports and foreign exchange, as well as their potential for increasing the competitiveness of the entire productive system. Translating this potential into a real productive transformation will depend less on picking a winning sector than on creating business, technological, labour and institutional capacities, and on coordinating such capacities through sustained policies to promote exports, attract investment and develop talent.



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

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

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This edition of *International Trade Outlook for Latin America and the Caribbean* includes an analysis of the profound reconfiguration of global trade, driven by economic security, resilience and sustainability concerns. Against this backdrop of uncertainty and geopolitical and geoeconomic tensions, growth in trade has nevertheless remained robust in 2026, led by the Asian economies. Likewise, Latin America and the Caribbean's goods and services exports and imports rose sharply in the first half of 2026 and are expected to maintain that trajectory in the second half. This report also outlines a strategy to boost the region's modern services sector, based on three pillars: promotion of exports of these services, attraction of foreign direct investment and development of human talent.

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