

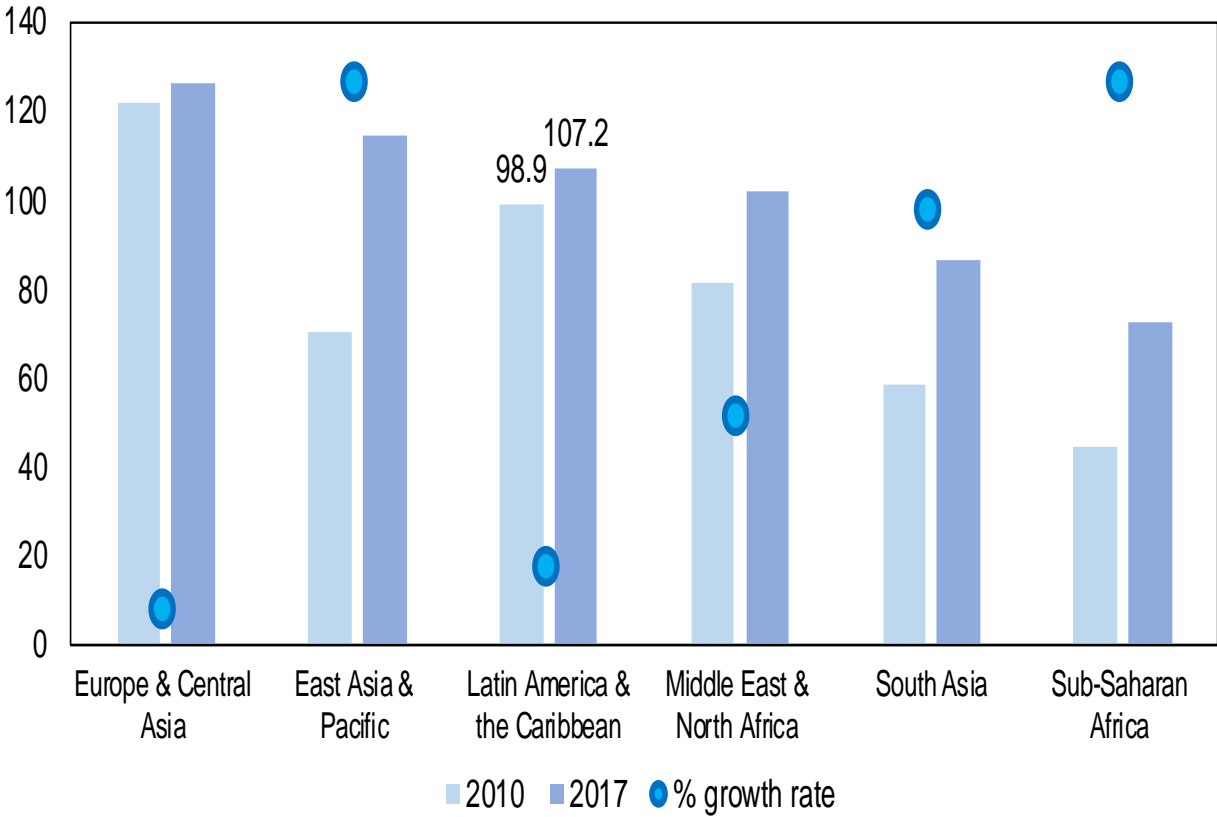
*Readiness to create and capture value  
in the digital economy in Latin America  
and the Caribbean under COVID-19*

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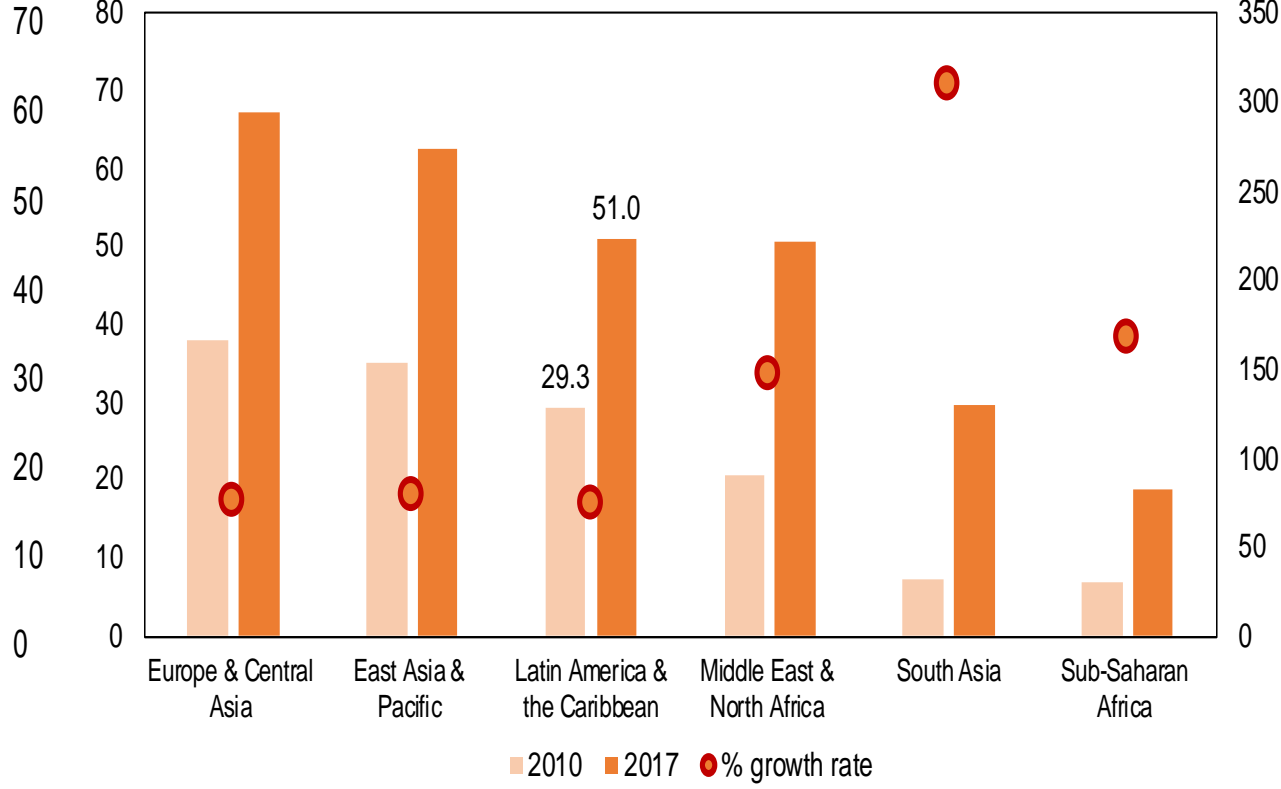
UN-ECLAC

# Latin America has reached a 100% mobile penetration rate of adults, but internet penetration is about 50%

Panel A: Mobile subscriptions (per 100 people)



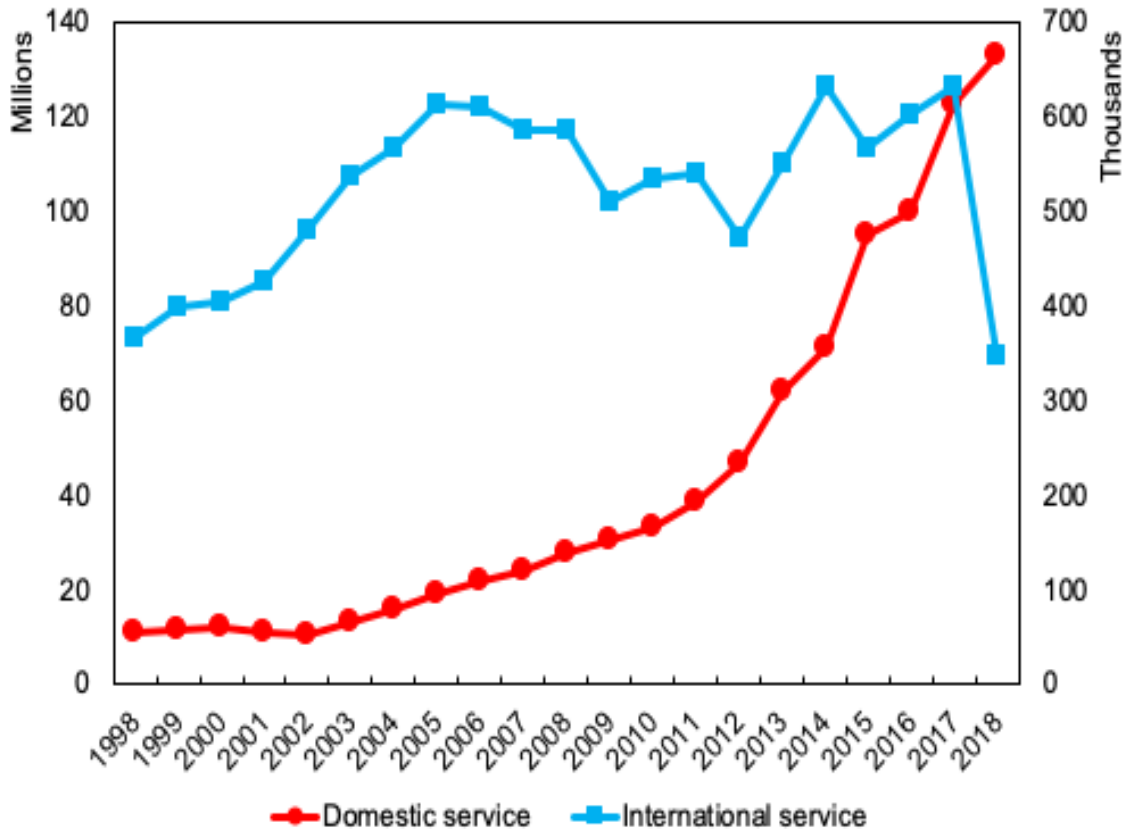
Panel B: Individuals using the internet (% of internet users)



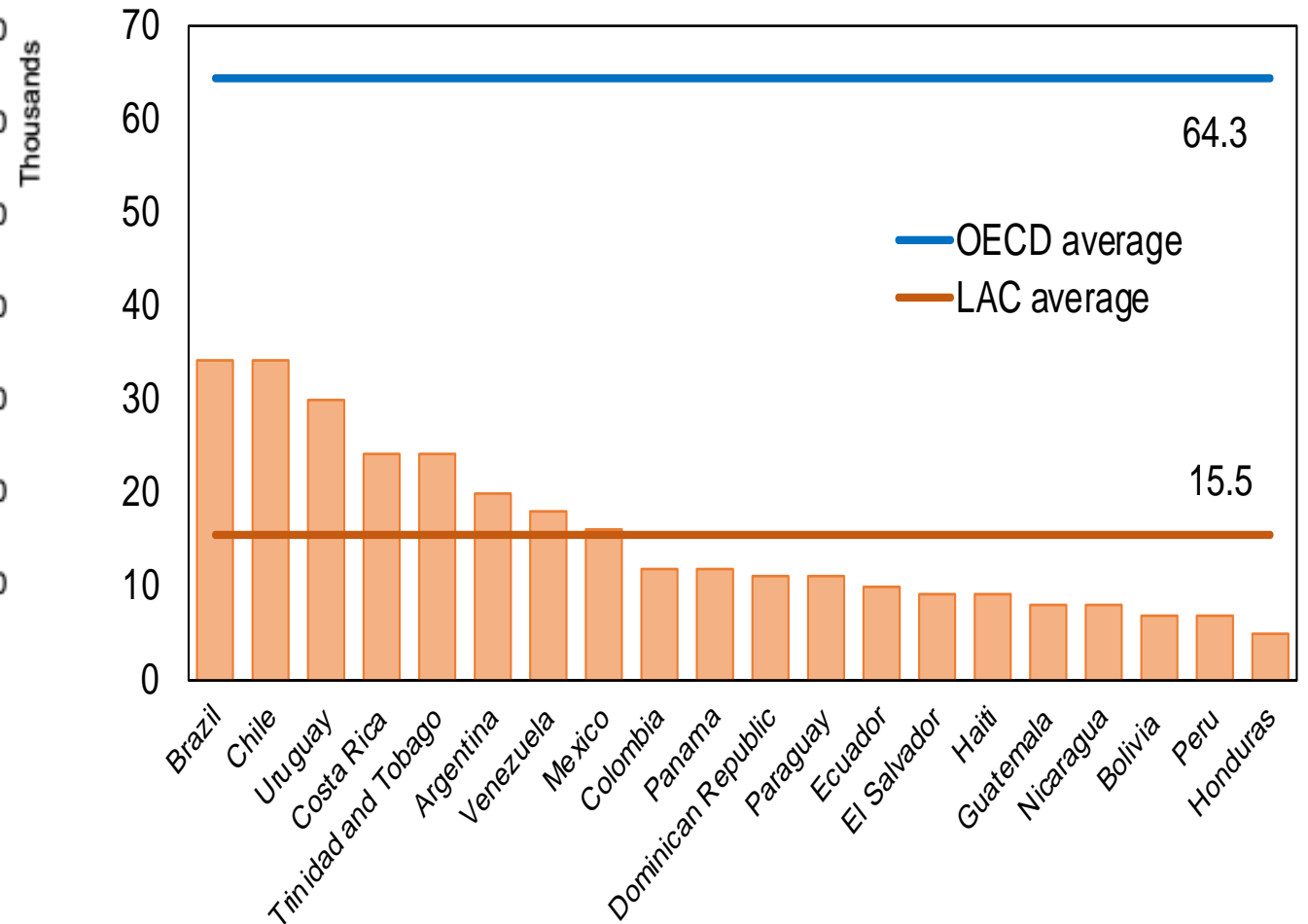
Source: World Bank.

# Domestic parcel traffic increased exponentially, but cross-border traffic stagnated; Only 15% of the population shopped online

Panel A: Domestic and cross-border postal traffic



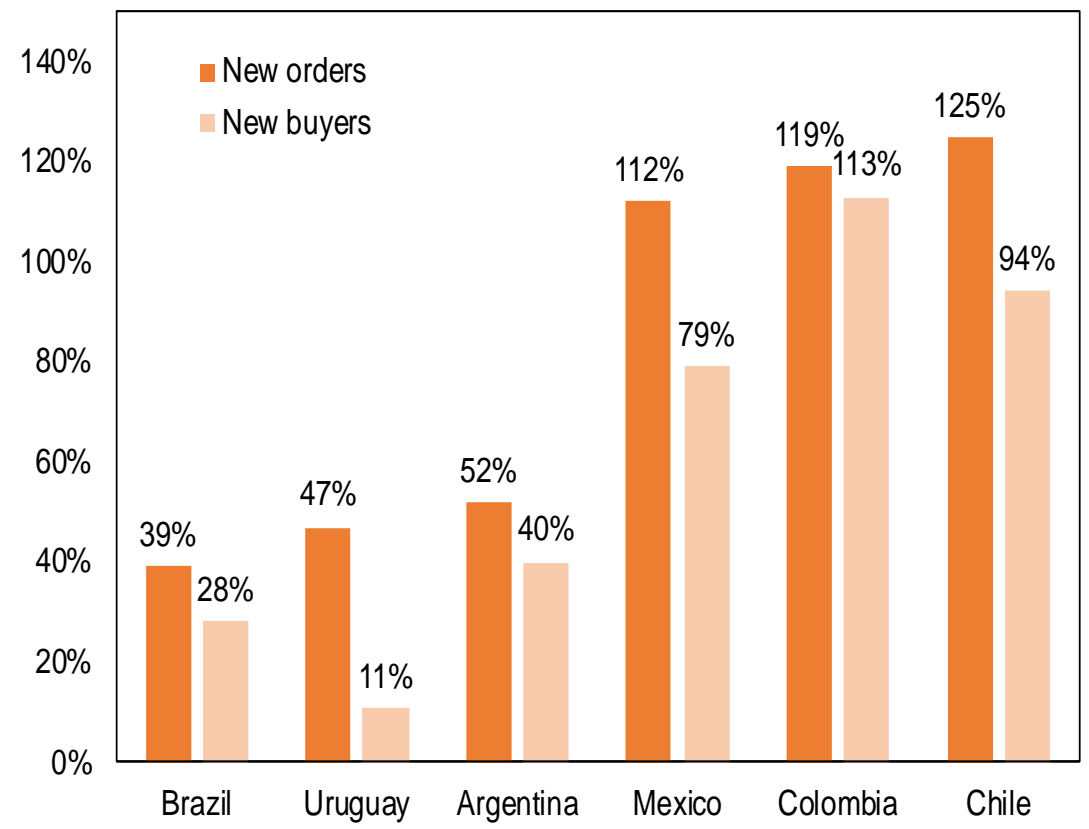
Panel B: Internet users shopping online, 2018



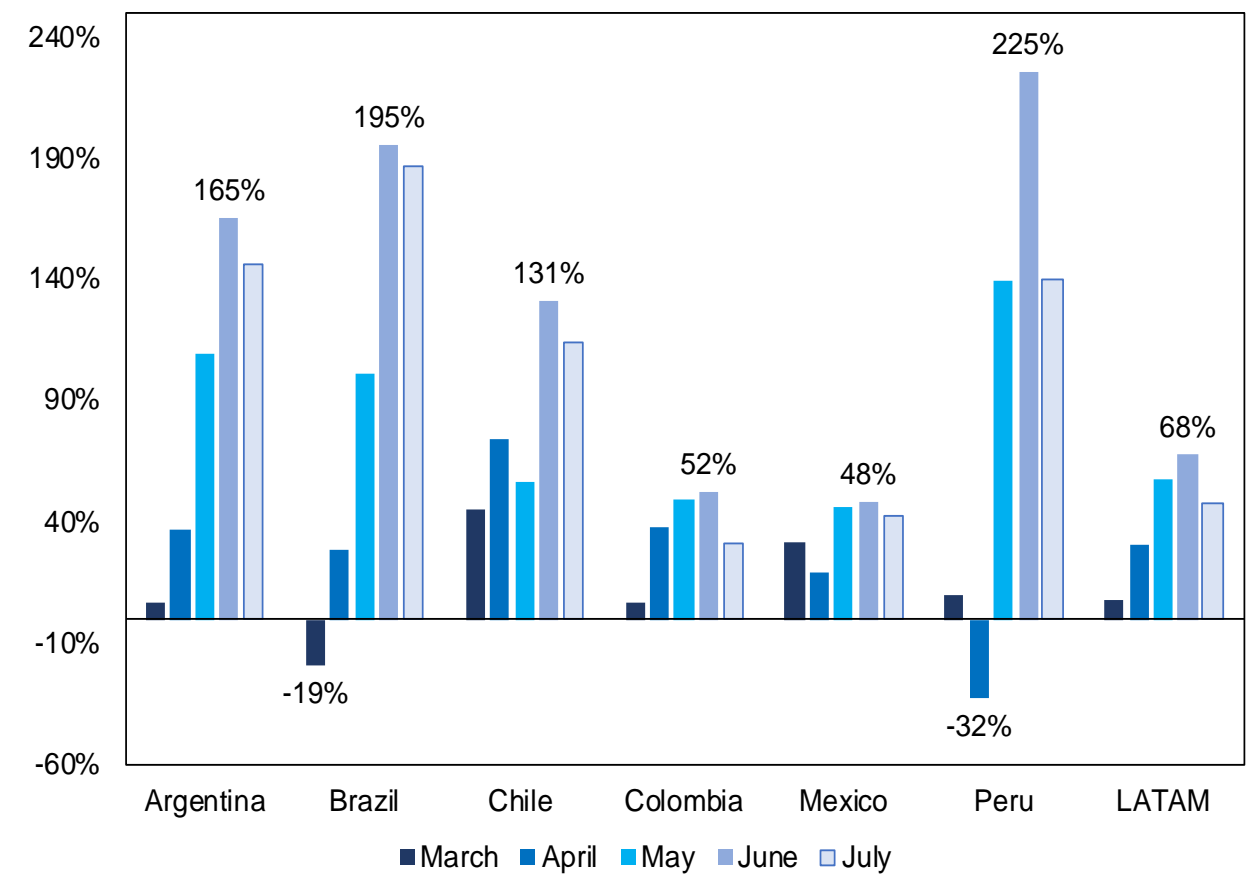
Source: UPU data and UNCTAD (2019).

# During the COVID-19 pandemic, domestic e-commerce has grown fast

Panel A: Growth in Mercado Libre's orders and buyers, 2020



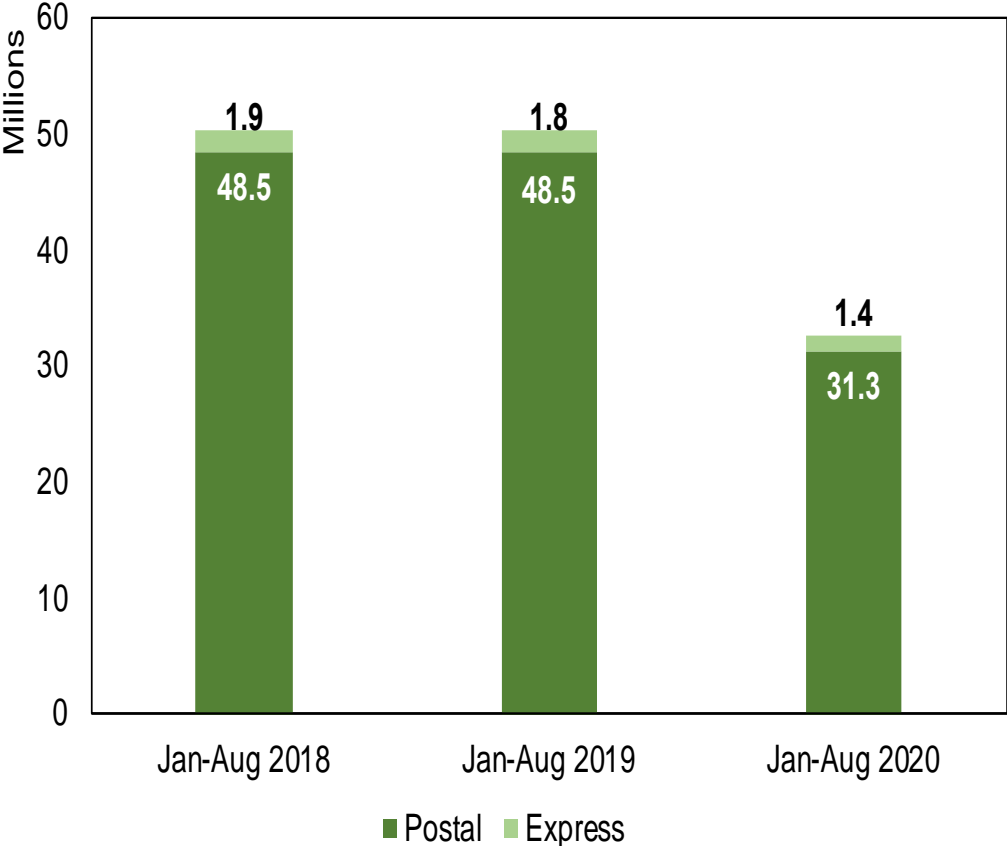
Panel B: online sales of PayU's businesses, 2020



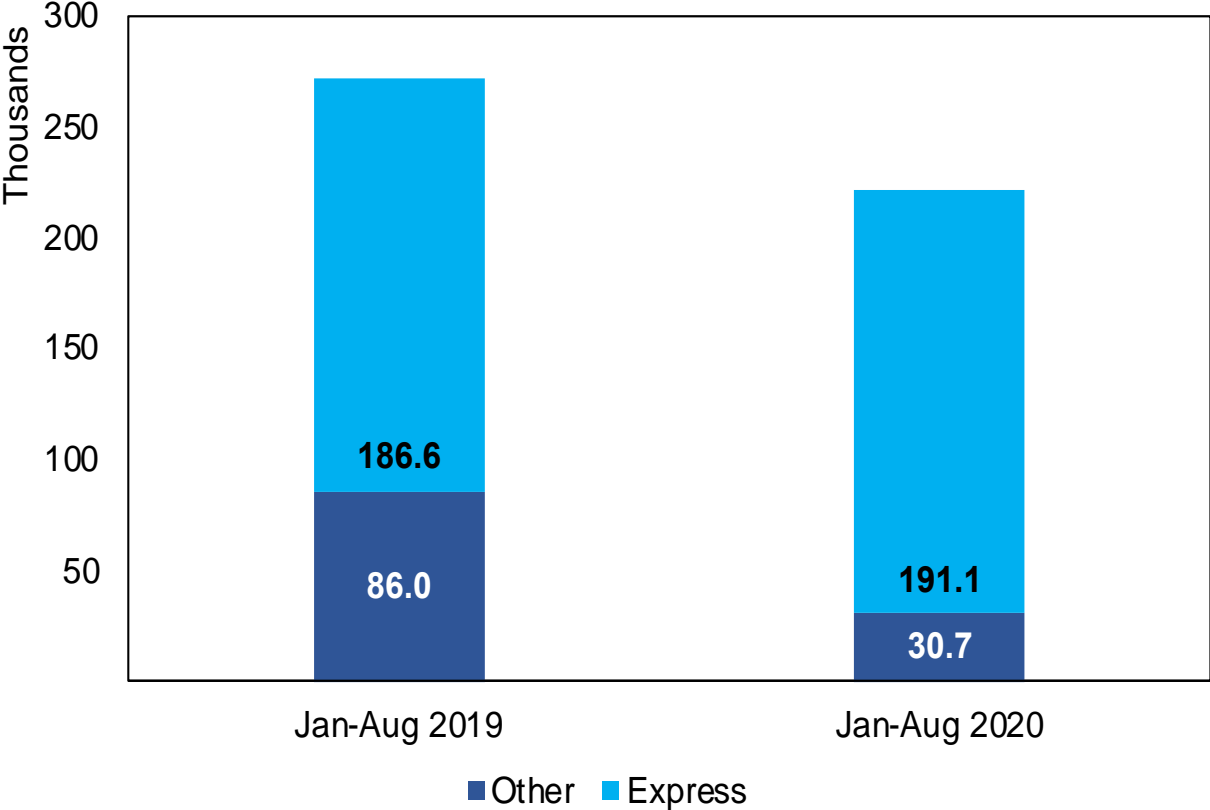
Source: Mercado Libre and PayU.

# In contrast, partial evidence shows a decline in cross-border e-commerce in the region during the pandemic

Panel A: E-commerce merchandise imports, Brazil



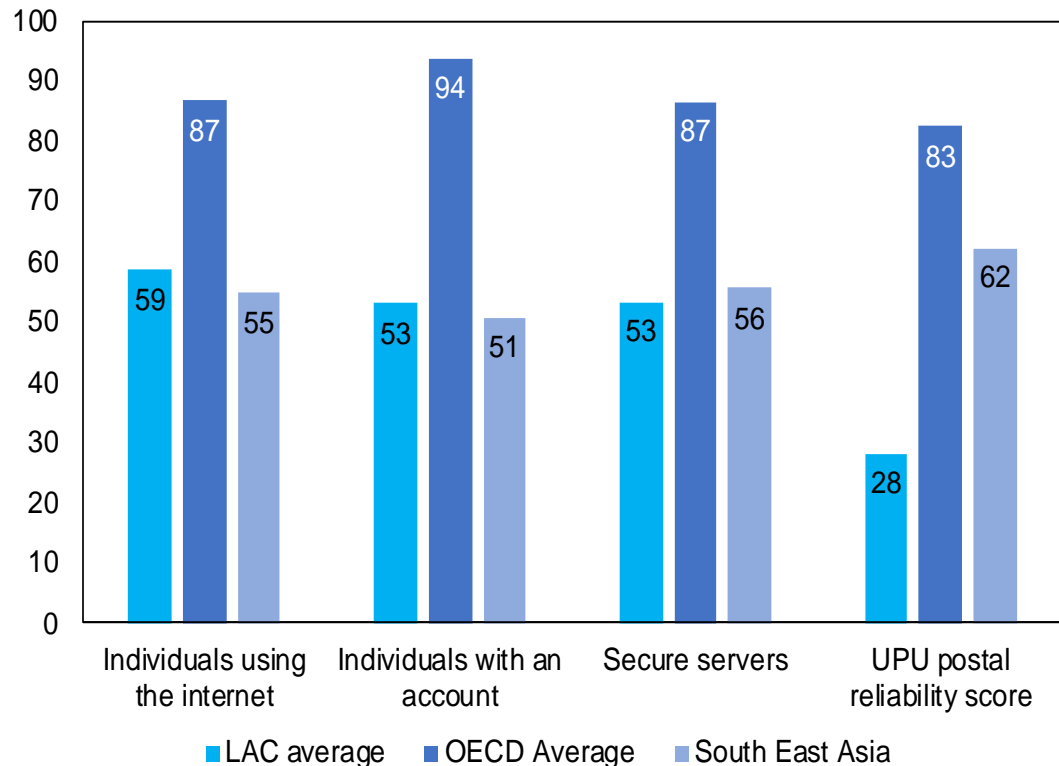
Panel B: Cumulative e-commerce merchandise imports, January-August 2019 and 2020 (parcels)



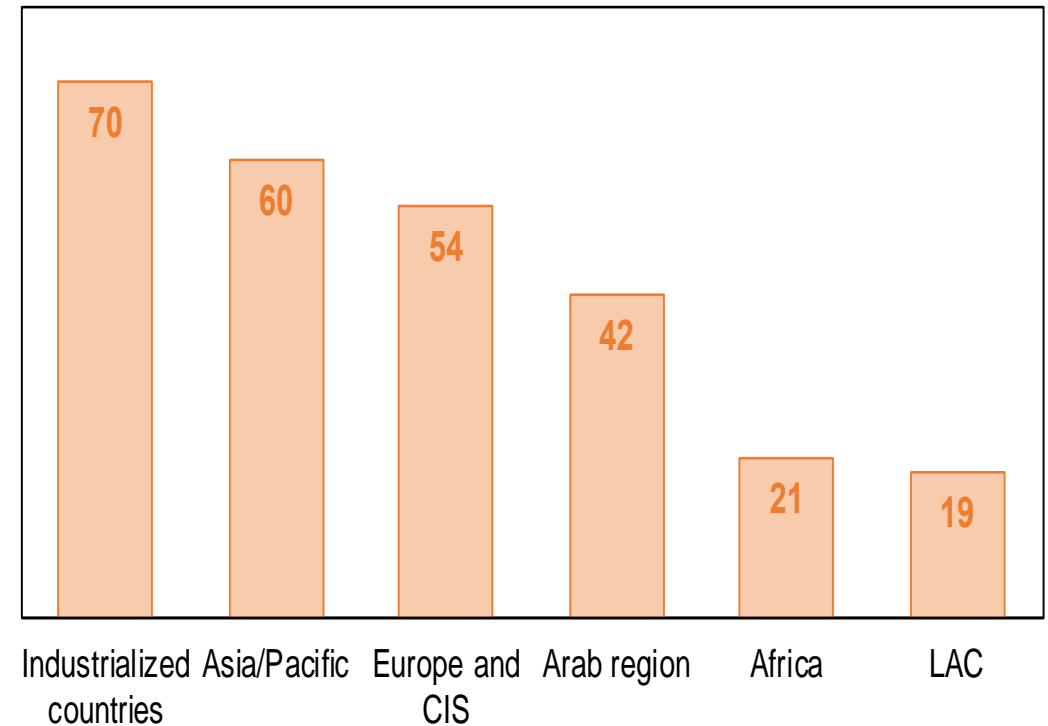
Source: Special Department of Federal Revenue of Brazil, Ministry of Economics and Uruguay National Customs Directorate.

# LAC faces major challenges in its e-readiness. One of these is the low performance of postal services

Panel A: Components of UNCTAD's B2B e-commerce index, 2019.

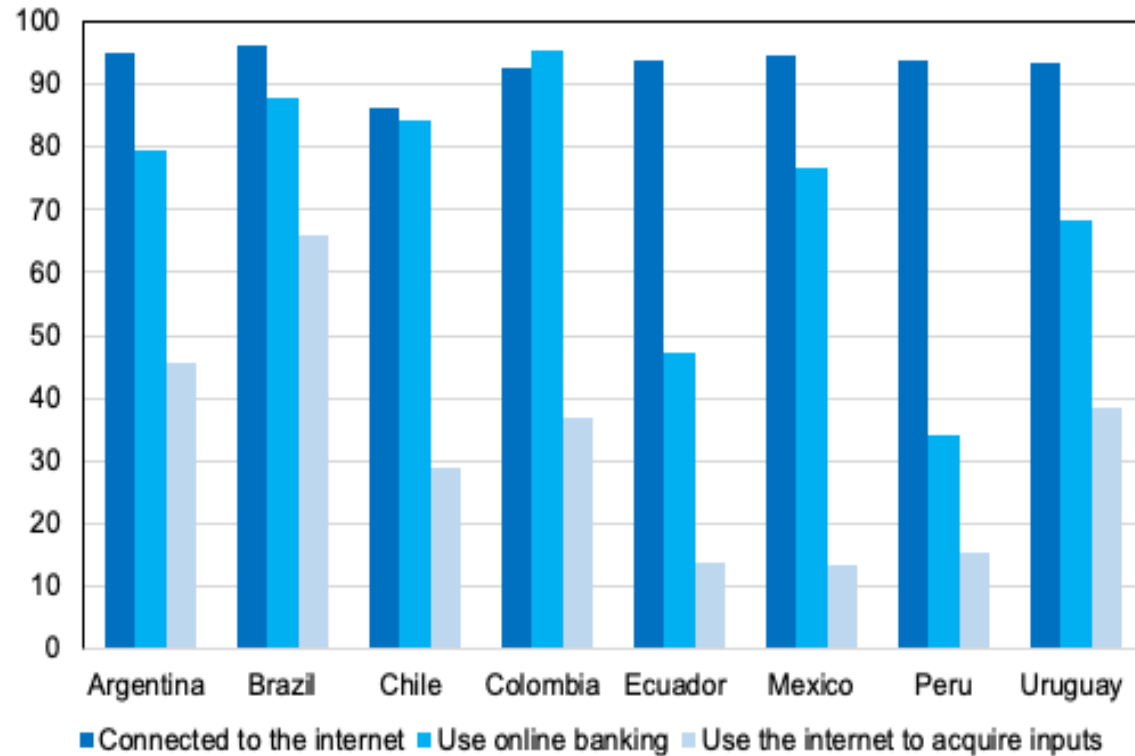


Panel B: Percentage of operators providing APIs

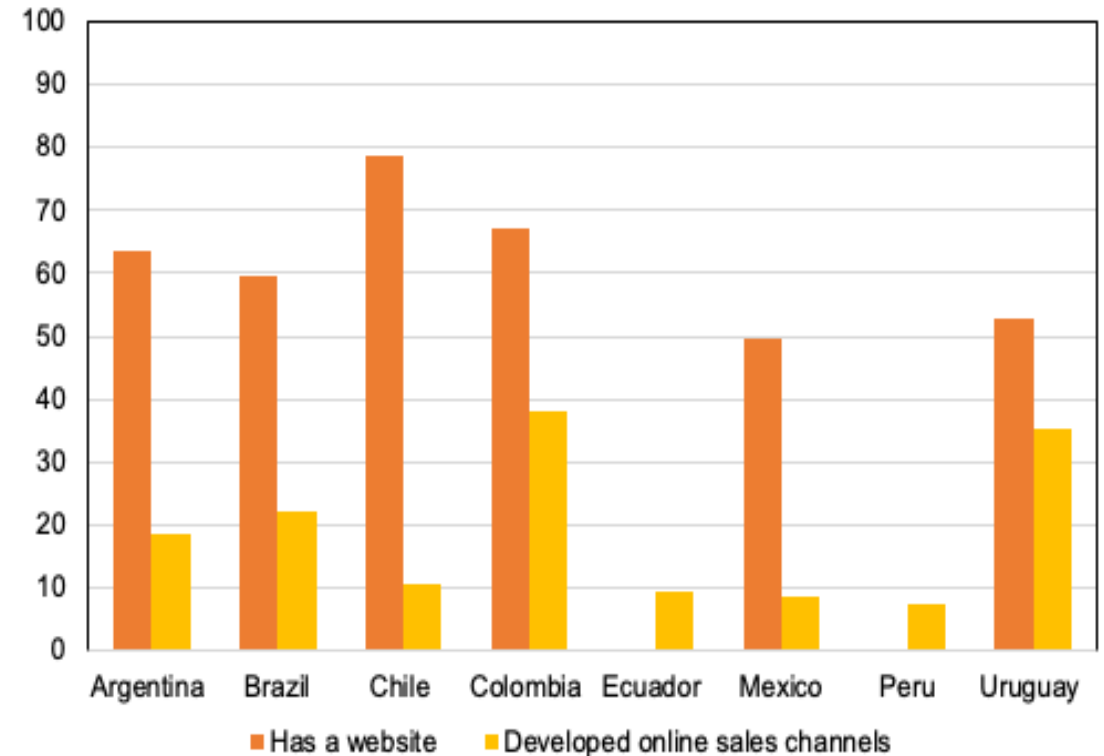


# Countries in LAC show a large heterogeneity regarding readiness for e-commerce

Panel A: Digitalization of businesses in selected LAC countries, 2018



Panel B: Digitalization of businesses' supply chain



# Conclusions

- ✓ Pandemic has boosted domestic e-commerce, whereas cross-border traffic has fallen
- ✓ Improving internet access and efficiency of logistics networks, broadening access to electronic payment methods, and strengthening businesses' e-readiness remain challenges
- ✓ Some governments in the region have introduced support measures for e-commerce to facilitate internet access, logistics, border controls, business readiness, payments
- ✓ There are large differences in the extent to which policy responses are embedded in medium-term national strategies to develop e-commerce and digital trade
- ✓ LAC is little prepared to capture value: few unicorns, e-entrepreneurs, specialized human capital, few specific taxes and national strategies