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# Final Report

## Economic and Technical Cooperation

*VII Annual Meeting of the Working Group on Trade and Competition of Latin America and the Caribbean (WGTC)  
San Salvador, El Salvador  
12 and 13 October 2017  
SP/VIIIRAGTCCALC/IF N° 1-17*

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**I. RAPPORTEUR'S REPORT**

1. [The VII Annual Meeting of the Working Group on Trade and Competition in Latin America and the Caribbean](#), organized by the Permanent Secretariat of the Latin American and Caribbean Economic System (SELA), the United Nations Conference on Trade and Development (UNCTAD), and the Superintendency of Competition of El Salvador, was held in San Salvador, El Salvador, on 12 and 13 October 2017.
2. This regional event aimed to: i) Analyze trade and competition in the era of the digital economy in subregional integration mechanisms in Latin America and the Caribbean; and ii) Analyze the treatment of non-tariff barriers and their impact on competition.
3. Representatives of the Member States, regional and international organizations and special guests made their respective presentations, in accordance with the approved [agenda](#).
4. Participants included representatives of the following Member States of SELA: Argentina, Belize, Bolivia, Brazil, Chile, Colombia, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Dominican Republic, Uruguay and Venezuela; representatives of Costa Rica and the following organizations: Pacific Alliance, CAF-development bank of Latin America, Caribbean Community (CARICOM), Andean Community (CAN), Common Market of the South (Mercosur), Secretariat for the Central American Economic Integration (SIECA) and KPMG. The list of participants is available at: <http://www.sela.org/bd-documental/documentos/list-of-participants-working-group-on-trade-and-competition-of-lac/>
5. At the opening session, the following participants took the floor: Francisco Díaz, Superintendent, Superintendency of Competition of El Salvador; Merlin Barrera, Vice-Minister of Trade and Industry of El Salvador; Virginia Cartaya, Director of Studies and Proposals of the Permanent Secretariat of SELA; and Juan Luis Crucelegui, Chief of Capacity Building and Advisory Services of the Competition and Consumer Policies Branch, UNCTAD.
6. The official videos, submitted in the language of submission, can be seen on the following link: <http://www.sela.org/es/eventos/2017/10/vii-gtcc/videos/>
7. Photographs of the event are available in the [photo gallery](#).
8. Two base documents were presented during this meeting: [Trade and Competition in the era of the digital economy](#), submitted by the Latin American and Caribbean Economic System (SELA), and [Non-tariff measures and their impact on competition](#), presented by the United Nations Conference on Trade and Development (UNCTAD) and available only in spanish.
9. Within the framework of the event, the Working Group on Trade and Competition agreed that the topic to be considered during the VIII Meeting of the WGTC, to be held in 2018, will be: *Logistics and infrastructure of customs border checkpoints and seaports: a constraint for the promotion of trade and competition in Latin America and the Caribbean.*
10. Paulo Burnier Da Silveira, Commissioner of the Council for Economic Defence (CADE) of the Federative Republic of Brazil, said that his country would be glad to host the VIII Meeting of the WGTC in 2018 and expressed his pleasure that CADE would co-organize it. The proposal was welcomed by the WGTC, and the meeting would be held in October.

## II. CONCLUSIONS

### **Conclusions about the treatment of the digital economy in subregional integration mechanisms in Latin America and the Caribbean**

- Participants discussed the importance of the impact of the digital economy on the traditional economy, in particular individuals, businesses, cities, and things, which require increasingly high levels of information management, connectivity and digital collaboration.
- The main features of the digital economy are its Internet-based disruptive technologies and disruptive business models, creating a digital ecosystem that deserves to be constantly developed and monitored.
- In this context, countries, integration mechanisms, the region and the international technical cooperation should join efforts to facilitate the implementation of the principles promoted by the regional digital agenda, so that each component of the digital ecosystem can be developed at the appropriate pace and in balance. Part of these components refers to market regulations on competition.
- It is necessary to continue promoting the monitoring of the state of affairs of countries in fields related to the digital economy, innovation, ICT industry, disruptive digitization and connectivity, in addition to considering regional indices (e.g. the index proposed by CAF), so that the different bodies may channel efforts towards the implementation of the digital agendas
- The main problems detected by the Working Group stress the importance of (i) tackling the high costs of access and increasing the capacity and coverage of internet networks; (ii) making some headway in improving and innovating the areas that regulate disruptive services with emphasis on safeguarding competition and transparency in markets; and (iii) strengthening the human capital for the digital transformation.
- In addition, the Working Group suggests that the international technical cooperation advance in programmes and projects that contain the following critical elements that will strengthen the regional digital economy: (i) promoting digital data security standards; (ii) fostering digital governments; (iii) collaborating with the creation of innovation and development centres in digital topics; and (iv) supporting the digitization of intra-regional value chains.
- Based on the initial proposals contained in the technical document on digital economy prepared by SELA for the VII Meeting of the WGTC and the debate that took place during this event, the international technical cooperation proposes taking steps towards the creation of a pilot programme that develops digital economy standards for intra-regional smart value chains, based on the best practices of regional networks, such as Foreign Trade Single Windows and digital ports, and steers the processes of export and import of goods among regional actors with the greatest degree of smoothness and documentary dematerialization possible. SELA suggests that this process should be undertaken with a specific economic bloc and then be extended to the rest of the integration mechanisms.

## 3

**Conclusions about the treatment of non-tariff barriers and their impact on competition**

- Based on the technical study prepared by UNCTAD and the discussions about non-tariff measures and their impact on competition, participants recognized that the law and the competition policy can complement the advances in trade policy to achieve open and accessible markets.
- Emphasis is made on the need to strengthen, through coordinated measures and actions, the interrelationship between trade and competition to deal with globalised markets, where companies organize operations better at the global level and where trade barriers among nations are diminishing.
- Efforts to reduce barriers to trade will be possible with the implementation of efficient regulations that ensure that the benefits of trade liberalization are fully achieved.
- Trade measures imposed by governments (or authorized private entities) generally restrict or distort competition in world markets. These measures must continue to be subject to international trade negotiations under the auspices of the WTO and other fora.
- Governments should establish appropriate structures to make the modernization of non-tariff measures a sustained effort, based on three pillars: public-private dialogue; technical and independent analysis; and wide intra- and extra-government participation.
- The government role in the treatment of non-tariff measures, in order to reconcile alternative regular and regulatory channels that facilitate trade, is essential.
- Participants agreed on the need for constant dialogue among trade authorities, regulated bodies and competition authorities, with the latter having an important role to play in the treatment of non-tariff measures in order to support the formulation of more effective policies.