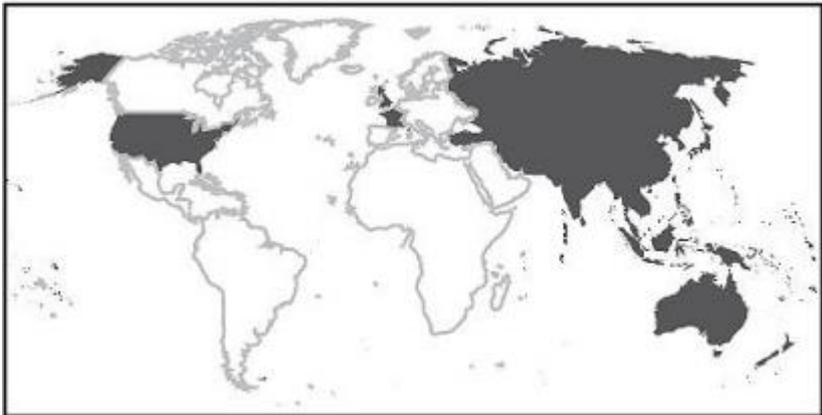


# Bolstering East Asian-Latin American value chains through digitally deliverable services



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# **Bolstering East Asian-Latin American value chains through digitally deliverable services**

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FEALAC funded project

Value chain development for deeper integration of East Asia and Latin  
America



## **Abstract**

The liberalization by Asian and Latin American economies of their trade regimes has seen digitalization becoming increasingly important for export competitiveness and productivity growth. This report has tracked the growth and sources of digitally deliverable services in Latin American and Asian manufacturing, agricultural and services value chains. It shows that digitally deliverable services play a growing role in export-driven production in the FEALAC region, but most of them are supplied by domestic service providers. However, there was the fast growth in Latin American-Asian digitally deliverable services trade in the past 15 years. Some “hidden complementarities” in digitally deliverable services between Latin America and Asia seems to exist. On one hand, Latin American firms are increasingly using Chinese financial services. In addition, they are drawing on sophisticated IT services and services using disruptive technologies such as blockchain and AI from Japan, the Republic of Korea, Singapore and the Philippines. On the other hand, Brazil, Chile, Costa Rica and Colombia are emerging as exporters of digitally deliverable services such as gaming, animation and e-commerce. Brazil, in particular, has become a source for Agtech applications.

As the business ecosystems in Asia and Latin America become more digitized and produce new digital services, there will be greater opportunities to also expand bilateral digitally deliverable services trade. For example, there are excellent opportunities for promoting cooperation and forums for Asian and Latin American companies to learn more about Latin American and Asian fintechs, logtechs, agtechs and creative industries such as animation, and vice versa. FEALAC members can also develop new initiatives that catalyse productivity and digitally deliverable services trade, such as smart manufacturing test beds, smart city forums as well as a FEALAC blue economy initiative and fund. To further incorporate high-value-adding, digitally deliverable services into their manufacturing, agriculture and other sectors, Asia and Latin America must uphold commitments to duty-free electronic transmissions and the free transfer of data across borders.

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