

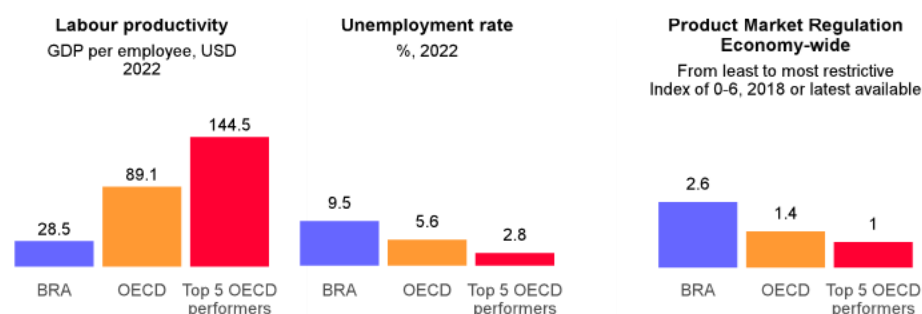


Performance gaps

Recommendations

Product and labour markets functioning

- Trade barriers remain high and trade facilitation could make further progress. Competition by foreign companies is limited by high import tariffs in addition to non-tariff barriers, including local content requirements.
- Regulatory barriers to competition in six regulated professions including accountants, architects, civil engineers, real estate agents, lawyers, and notaries remain high. These barriers include constraints on the legal form that firms can take in these sectors and give professional associations ample powers in defining market access and price floors.
- The quality of education is low and vocational training underdeveloped.
- Reduce tariff and non-tariff barriers, starting with capital goods and intermediate inputs, and further digitalise and streamline trade formalities.
- Further limit the role of professional associations in setting prices and limiting the scope of entry in regulated professions.
- Perform a competition assessment to determine whether the regulatory constraints imposed on professionals are effectively necessary.
- Scale up resources for professional training courses to close skills gaps and improve integration into the labour market.



Digital transition

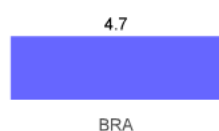
- Use of internet has increased to 80% of the population in 2020. E-commerce has also expanded during the pandemic, boosted by the introduction of the instant-payments system operated by the central bank. Nonetheless, access to fixed broadband remains limited to 17% of population.
- Boost public investment to better support coverage of broadband internet connections, including subsidising last-mile rollout.
- Continue the development of e-government services and the integration of subnational governments in the federal platform.



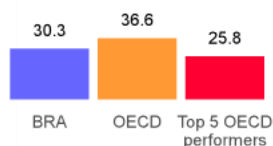
Inclusiveness, social protection, and ageing

- Despite the recent increase of the level of cash transfers and an extension of coverage, poverty remains high and inequality is far higher than in any OECD country.
- High labour market informality contributes to low and unstable incomes for many vulnerable workers with limited professional qualifications.
- Strengthen the focus of social spending on those benefits that effectively target low-income households.
- Further expand access to early-childhood education to improve equal opportunities and allow more mothers to seek gainful employment.
- Improve the quality of primary and secondary education to reduce the skills gap.

Poverty gap at \$3.65 a day
%, 2021 or latest available



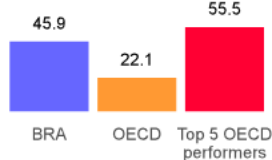
Impact of socioeconomic background in PISA reading score
%, 2018



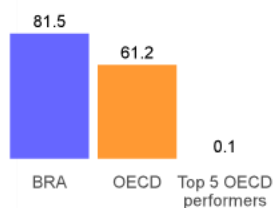
Climate transition

- Carbon dioxide emissions from fuel combustion are relatively low as around 45% of energy is sourced from renewables. However, deforestation has increased dramatically in the past three years, raising emissions and reducing the sequestration capacity of the forest.
- Better enforce the existing legal protection framework to combat illegal deforestation and ensure adequate staffing and budget of environmental enforcement agencies.
- Further diversify the sources of electricity by developing wind and solar sources to limit the dependence on hydroelectric energy.

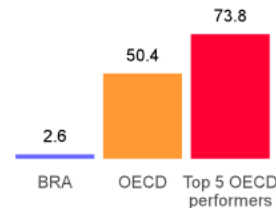
Share of renewables in the energy mix
%, Average over 2019-21 or latest available



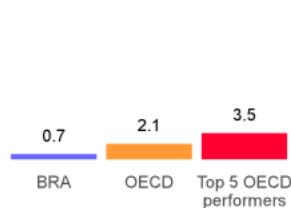
Share of population exposed to more than 10 µg/m3 of PM2.5
%, Average over 2017-19



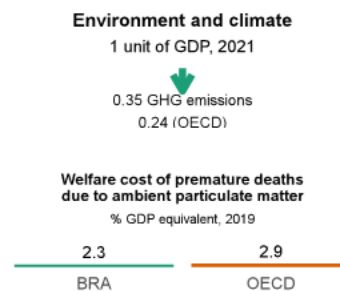
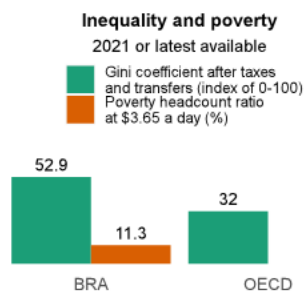
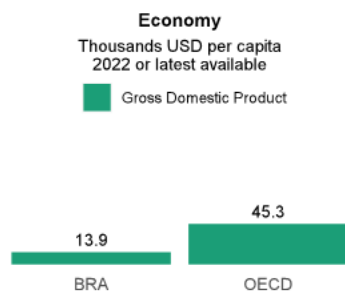
Carbon pricing score
%, at EUR 30 per tonne CO2, 2018



Environmentally-related tax revenue
% of GDP
2020 or latest available



Overall performance





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