



ELAN

European and Latin American
Business Services

EUROPEAN AND LATIN AMERICAN BUSINESS SERVICES AND INNOVATION NETWORK

Sofia 14th December, 2016

ELANbiz

is a project financed by the
European Union





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What is ELANBiz?

A program funded by the European Commission

Information platform

Provides free of charge information to European SMEs about doing business and market access requirements in Latin America



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Why ELANBiz?

- **Market access challenges** for EU SMEs in LA countries (complex regulatory frameworks, bureaucracy, certifications and other requirements). **Insufficient updated and tailored information.**
- Growing system of **EU Free Trade Agreements** with Latin American countries => raising awareness of **improved market access conditions for EU companies**
- For cultural, economic, political, geographic reasons...there are no commercial representatives from all EU Member States => **ensuring access to relevant information for ALL EU companies.**



Covered countries



Sinergies with other EU projects



Business Support on Your Doorstep





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Web-based Platform
www.elanbiz.org

The screenshot shows the ELAN website homepage. At the top, there is a navigation bar with links: About Us, Country, Knowledge Sharing, Business Services, Ask the Expert, and Events. The main header features the ELAN logo and the text "European and Latin American Business Services and Innovation Network". Below this, a large banner image shows a person's hands holding a globe with network lines. The banner text reads: "ELAN Program is an European Union initiative that seeks to increase and diversify the EU economic presence in Latin America..." with a "Read More" button. Below the banner, there is a section titled "What is ELAN" with a megaphone icon. The text describes the ELAN Program as a European Union (EU) initiative that seeks to increase and diversify the EU economic presence in Latin America by meeting the Latin America demand for knowledge and innovative Technology. It also mentions that ELAN aims to boost the opportunities that both markets offer for European and Latin American SMEs. To the right of this section is a smaller ELAN logo with the text "Connect to ELAN Component 2". Below the "What is ELAN" section is a section titled "Ask the Expert" with a megaphone icon. The text describes the "Ask the expert" service as available to EU SMEs who seek to export or invest in the Latin American countries included in the program. Through the network of Country Experts, and in co-operation with other EU business services providers, ELAN will supply personalized answers to EU SMEs, using updated specialized and value added information. Below this section is a button that says "Ask a question now". On the right side of the page, there is a "SIGN UP here" section with the text "We will keep you informed about the platform progress" and a "Register Now" button. At the bottom right, it says "There are no events scheduled".

European and Latin American
Business Services and Innovation
Network

ELAN Program is an European Union initiative that seeks to increase and diversify the EU economic presence in Latin America...

Read More

What is ELAN

ELAN Program (European and Latin American Business Services and Innovation Network) is a European Union (EU) initiative that seeks to increase and diversify the EU economic presence in Latin America by meeting the Latin America demand for knowledge and innovative Technology.

ELAN also aims to boost the opportunities that both markets offer for European and Latin American SMEs.

Connect to ELAN Component 2

SIGN UP here

We will keep you informed about the platform progress

Register Now

Ask a question now

There are no events scheduled

Sector Info Cards



Country / / Brazil / / Export To Brazil

Export to Brazil

ELANBiz General Info Cards

Business Travel

Country Profile

Import

Links of Interest

Trade Agreements

 See the FAQs

 Search for more DOCUMENTS

ELANBiz Sector Info Cards

Automotive Parts

Beer

Dairy products

Engineering Services

Franchising


Fresh Fruits

Health products

Pork Meat

Software and IT

Wine

 Do you want to EXPORT?


 Do you want to INVEST?

 Find a BUSINESS ORGANIZATION

Follow the country EVENTS

ELAN NETWORK EVENT BRAZIL 2016: Building Business Opportunities in Brazil: Matchmaking between European and Brazilian firms in health, renewable energy and ICT

 07-Nov-2016 - 09-Nov-2016

 Elan country: - ELAN Country,Brazil

 Brazil, (São Paulo)

 - Chemistry - Energy - Materials,- Information Technologies (ICT).- Healthcare & Pharmaceuticals

The event aims to connect and build tech-based business opportunities between European and Brazilian SMEs, facilitating a gathering space between the most important innovation ecosystem of both continents, that will accelerate and multiply the business opportunities. It will be an opportunity for technologically advanced sectors, such as Renewable Energy, ICT and Health. In order to establish synergies with other initiatives, the event will take place coordinated activities with Low Carbon Business Action in Brazil, as well as the BIN@SP 2016 event.

[Read More »](#)

Didn't find what you need?

Ask the expert

You are signed in as **Javier Sanchez**.

Connect to ELAN Network:



For more information on Market Access:



For more information on Intellectual Property:



FAQ



[Home](#) [About Us](#) [Country](#) [Knowledge Center](#) [Business Organizations](#) [Ask the Expert](#) [Events](#) [myELAN](#)

[Ask the Expert](#) / / [FAQ List](#)

Frequent Asked Questions

The Frequently Asked Questions (FAQ) provide a quick overview on how to do business in the country. This list is updated continuously based on the questions asked by you and other EU SMEs to our Experts.

If you cannot find the answer to your question or for additional information please ask our Experts by clicking on the *Ask your question* banner.

Search

Clear

[Hide Advanced Search Filters](#)

FAQ Sectors

Language

Country

English

Mexico

- General
- Intellectual Property Rights (IPR Helpdesk)
- Public procurement
- Business travel
- Trade promotion and trade fairs participation
- Labeling and sanitary registration
- Main taxes and tariff rates
- Import procedures
- Investment
- Company incorporation
- Recruitment and immigration issues

- 20 of 60 results.

← First

Previous

Next

Last →

ed to the participation of foreign suppliers?

urement

According to article 23 of the 2000 Decision of the Mexico-UE Joint Council

(http://www.sice.oas.org/Trade/mex_eu/spanish/Decisions_Council/2_2000_s.asp) the state, provincial and regional governments are excluded of the procurement pr ...

[Read More »](#)

Does my company have the same rights as local companies?

Last update 📅 28/07/2016

🌐 - ELAN Country: Mexico 📄 English ⚙️ Public procurement

Decision 2/2000 of the Mexico-EU Joint Council

(http://www.sice.oas.org/Trade/mex_eu/spanish/Decisions_Council/2_2000_s.asp) regulates the access of suppliers of goods, services and public work into the procurement processes of the other Part. Accord ...

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Didn't find what you need?

Ask the expert

Connect to ELAN Network:



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Technology based Business Network

For more information on Market Access:



For more information on Intellectual Property:

LATIN AMERICA 
IPR SME HELPDESK

External documents

[Home](#) [About Us](#) [Country](#) [Knowledge Center](#) [Business Organizations](#) [Ask the Expert](#) [Events](#) [myElan](#)

[Knowledge Center](#) / [ELANBiz Fact Sheets](#)

Knowledge Documents

Compile the search field in order to perform a full text search. Click on "Show Advanced Search Filters" to display advanced search filters.

Search

Clear

Hide Advanced Search Filters

Subject

Language

German

Sector

Country

Document provider

External Provider

Didn't find what you need?

Ask the expert

You are signed in as [Javier Sanchez](#).

Germany Trade & Invest Webseite auf dem brasilianischen Markt

[🌐 - ELAN Country, Brazil](#) [📄 German](#) [📄 Germany Trade And Invest](#) [📄 General information about the country, - Invest in, Business travel information, - Invest in, Investing in the country](#)

📅 19/08/2016

Germany Trade & Invest ist die Wirtschaftsförderungsgesellschaft der Bundesrepublik Deutschland. Die Organisation fördert Deutschland als Wirtschafts- und Technologiestandort und unterstützt Unternehmen mit Sitz in Deutschland mit den globalen Marktinformationen. Germany Trade & Invest bietet up-to-date Informationen zu deutschen Unternehmen, die ihre Geschäfte im Ausland zu erweitern und unterst

...

GTAI GERMANY
TRADE & INV

[Read More »](#)

Connect to ELAN Network:



For more information on Market Access:



For more information on Intellectual Property:

LATIN AMERICA 
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“Ask the Expert”

www.elanbiz.org/ask-our-experts



Didn't find what you need?



1. Register on www.elanbiz.org
2. You will receive by e-mail your access code.
3. Ask your question
4. You will receive your tailored information within 3-5 working days, free of charge

Let us help you get registered and
send your first question with us at the
end of the workshop



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“Ask the Expert”

We are a company from the **Czech Republic**. Our product Jett Plasma Medical is a **portable medical device** used with low-power DC. This device works as an electrocauter for the treatment of skin for medical and aesthetics purposes. I would like to learn more information about how to register the product in Peru

I would like to know what are the sanitary requirements to import into Brazil **canned fish** (baltic sardines from baltic sea) from **Latvia**? Thank very much. Kind regards

Our company I based in **Greece** and we are interested in the Solar Thermal market and Government incentives for manufacturing **solar equipments** in Mexico

We are a **Lithuanian** company interested in exporting **cheese**. What are the access requirements to export to Mexico in particular for gouda with vegetable fat. Thank you, best regards

Our company provides education services with specialized contents for teachers and children based on the **Finland** teaching method. We would like to know how would be the **withholding tax** applicable to payments made abroad for the rendering of such services in Colombia?





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“Ask the Expert”

A **Hungarian** company would like to export a special kind of pork meat to Brazil. There is no system equivalence recognition between Brazil and Hungary, however, this company appears on the updated list of approved establishments (they must have been inspected individually in the old system). So, the question is: can they export their product to Brazil, without the system **equivalence recognition**, but recognized as an approved establishment by Brazil? If yes, the International Sanitary Certificate (CSI) must be approved by MAPA prior to the exportation?

I am interesTed in exporting **frozen filo pastry and filo pastry pies** in your country from **Bulgaria**. How is the market for these products? What are the access rules (custom duties, taxes, sanitary registration and labelling)?

We are a company from **Croatia**. We would like to know the market Access requirements for **tractors** in your country

We produce the machine for **heat exchangers** in **Estonia**, to complete with external structure in your country. What we produce are stainless still heat exchanger (NCM 841950). We would like to have some contacts about fairs or associations that can help us to find industries that can buy our machine and add the external structure. As doing that, we pay less tariffs than exporting the whole product.





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Some results (December 2016)

❑ Web visits: >21.000



❑ Users: >11.500



❑ Downloaded docs: >23.500

❑ Ask the Expert questions: >650

Didn't find what you need?



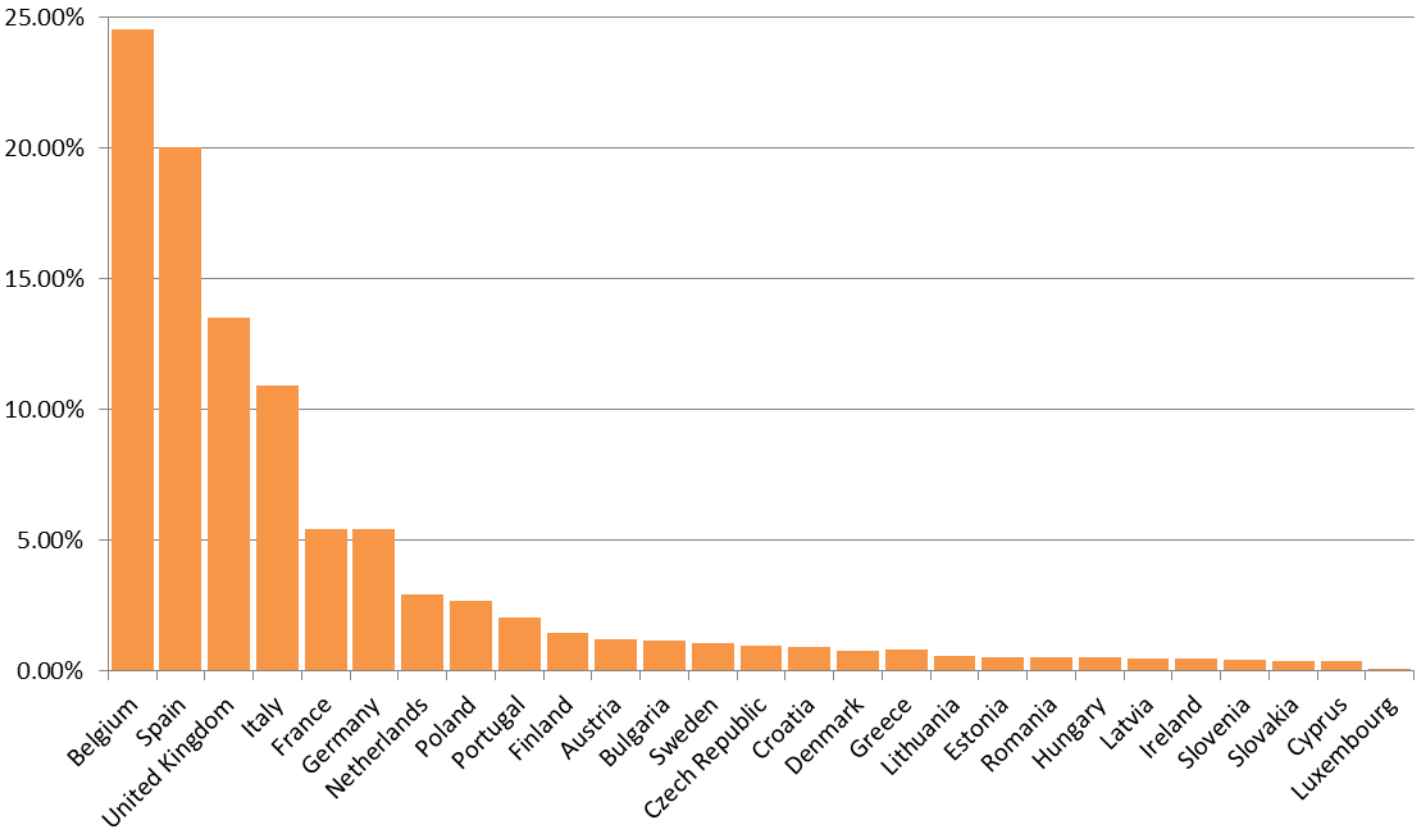
❑ Average ATE rating: 4,7/5





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Users by country (December 2016)





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Business opportunities in Latin America



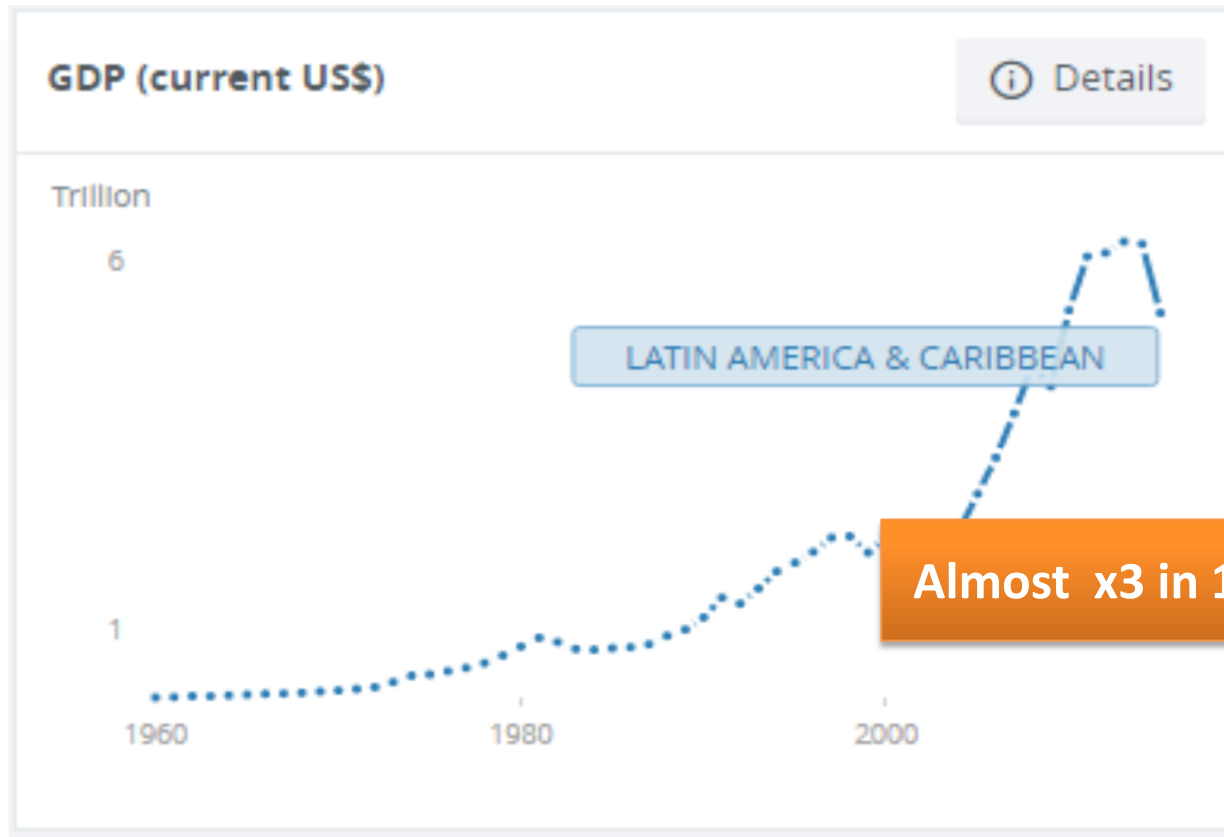


Why LAC?

- A US\$5.3 trillion economy and a rapidly-growing market
- Approximately 600 million citizens
- A fast growing middle class

And because diversifying export markets is always a good idea...

US\$ 5.3 trillion economy



Source: World Bank

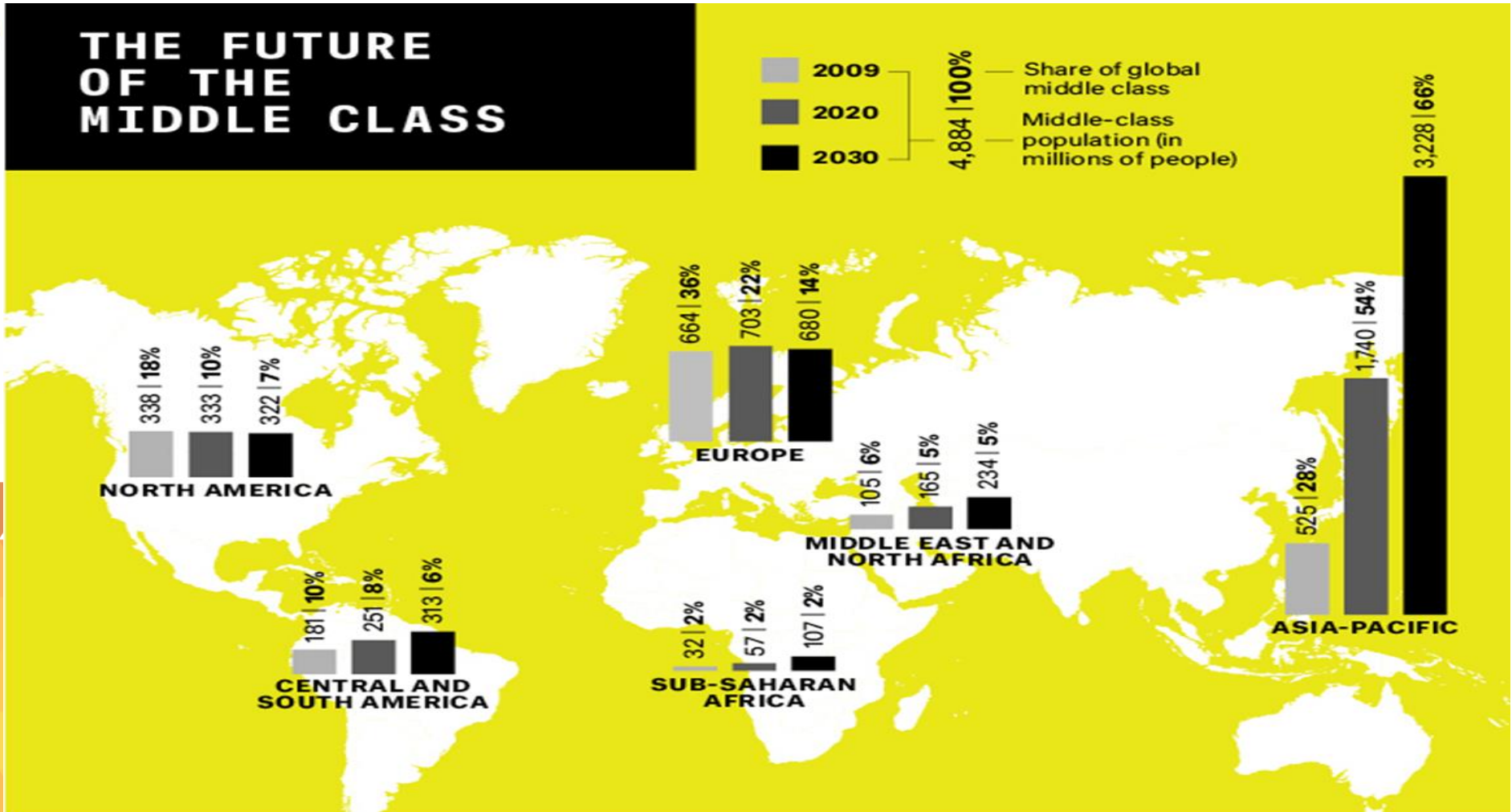
Despite the crisis...

things are expected to improve

- Most LATAM countries have much lower external debt ratios and greater international reserves than in previous crisis
- This allows for greater flexibility in monetary policy as well as access to capital markets

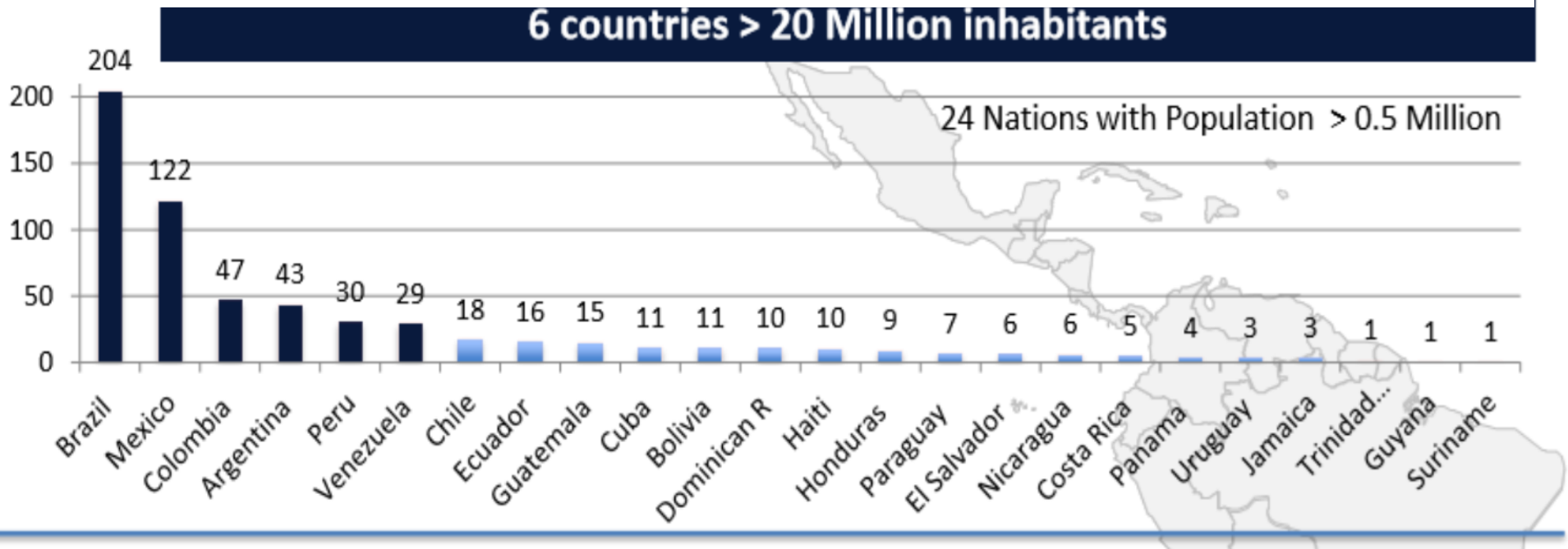


Fast growing middle class



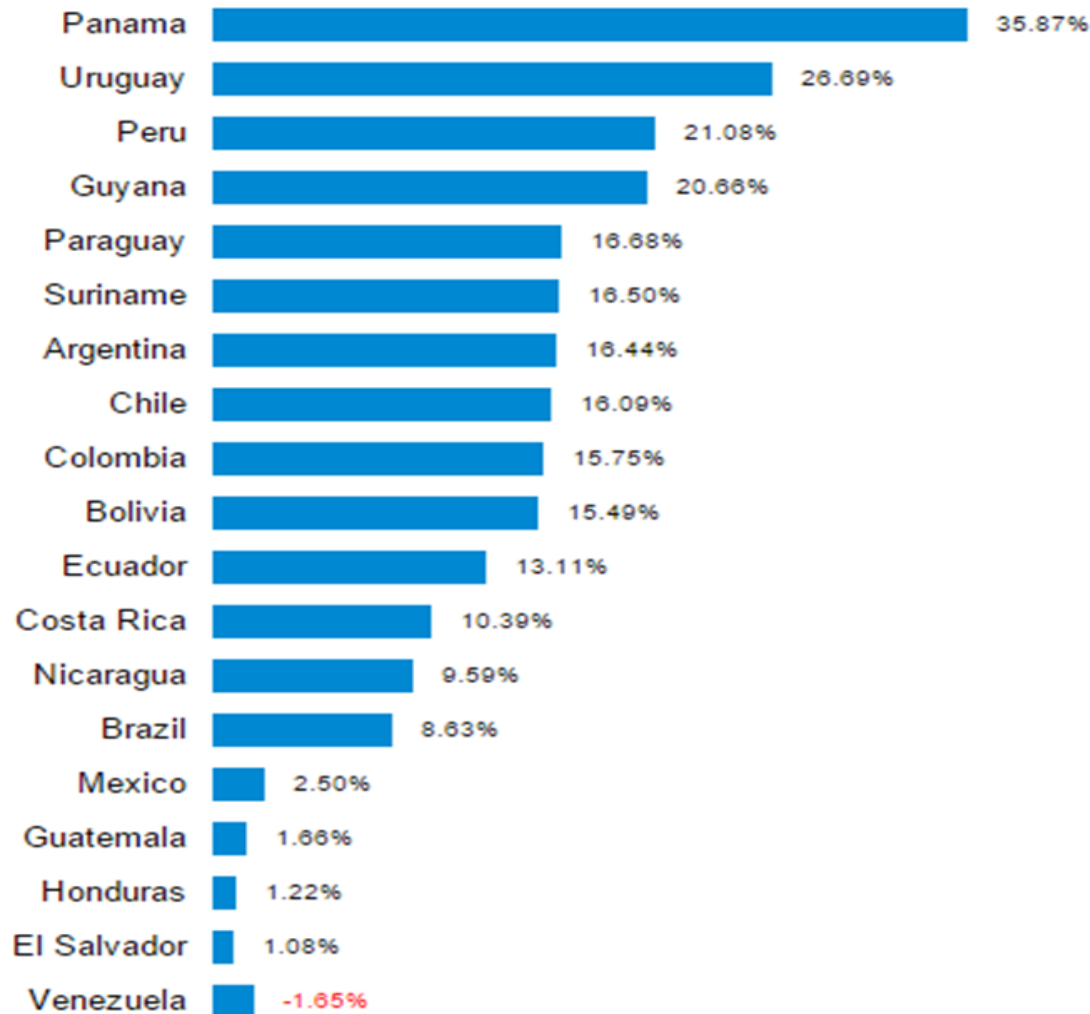
(Kharas and Gertz, "The New Global Middle Class," in *China's Emerging Middle Class*, 2010)

Population disparities



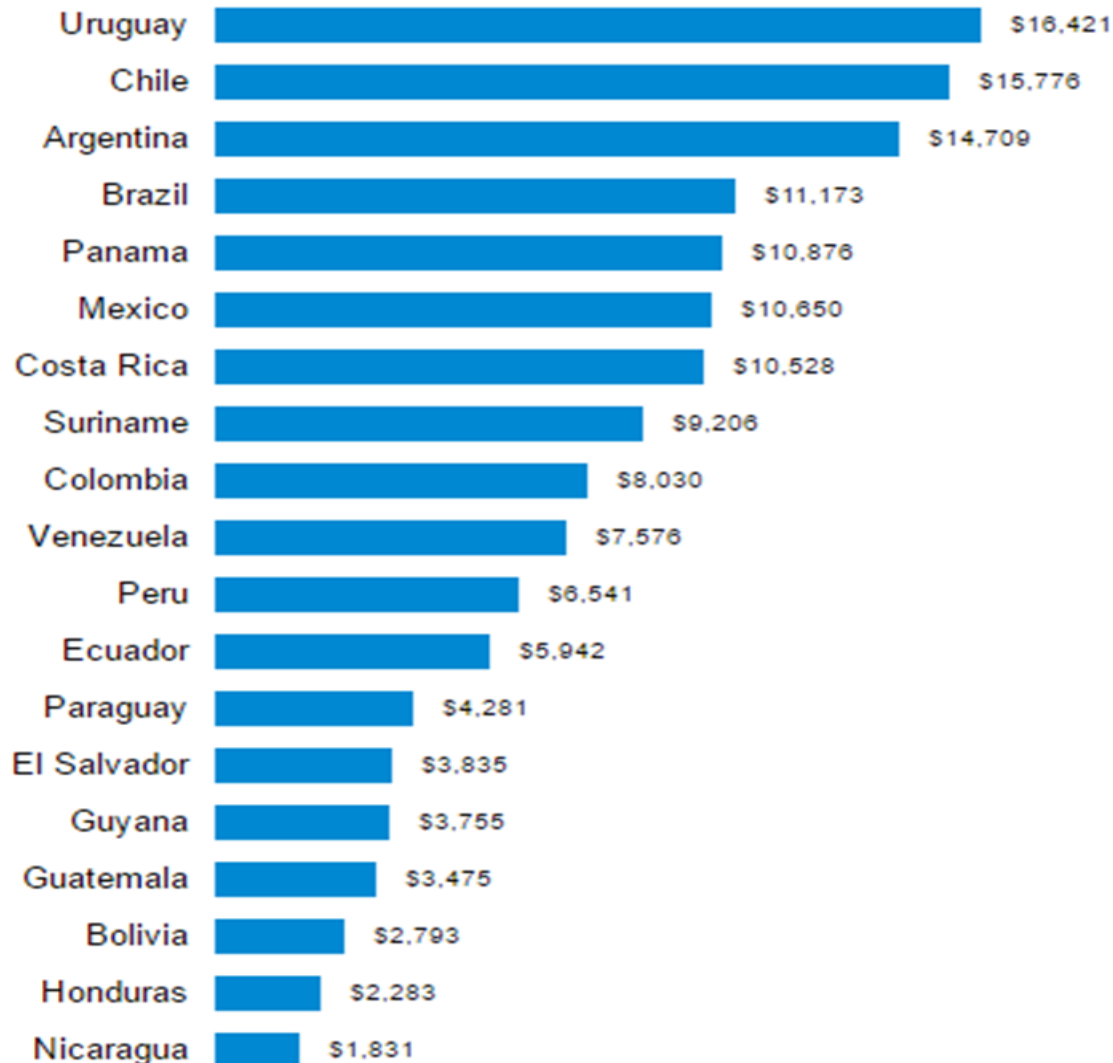
Source: World Bank

Uneven economic growth across the region



Source: IMF, 5-year projections

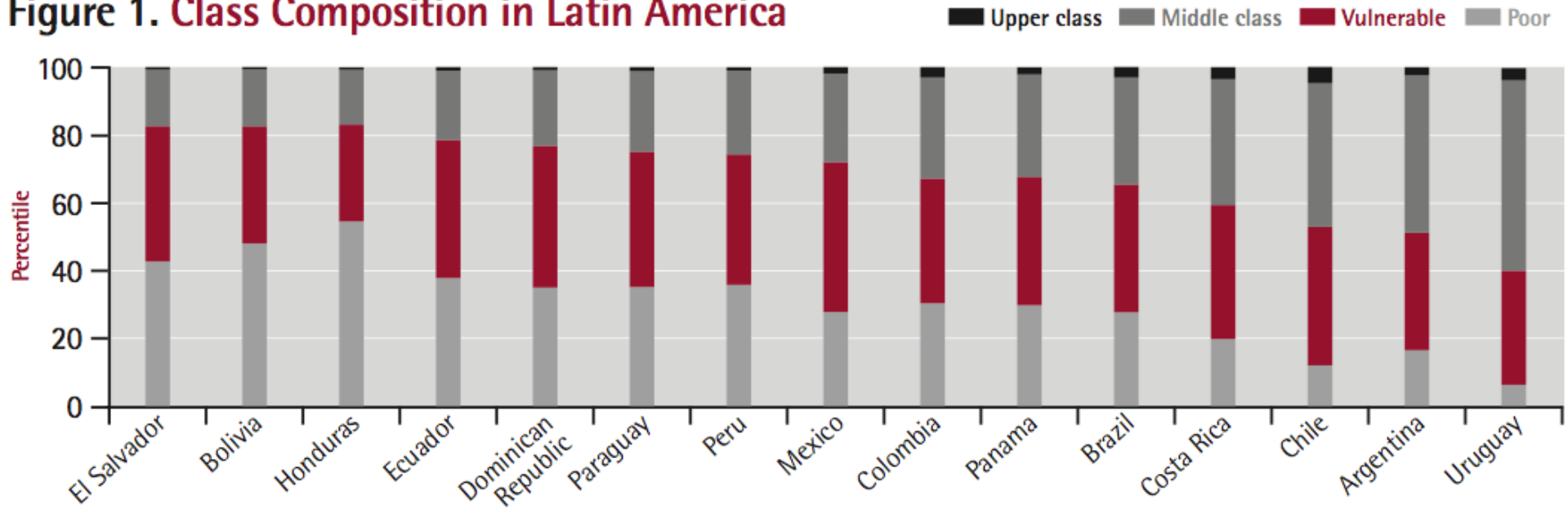
GDP per capita disparity across the region



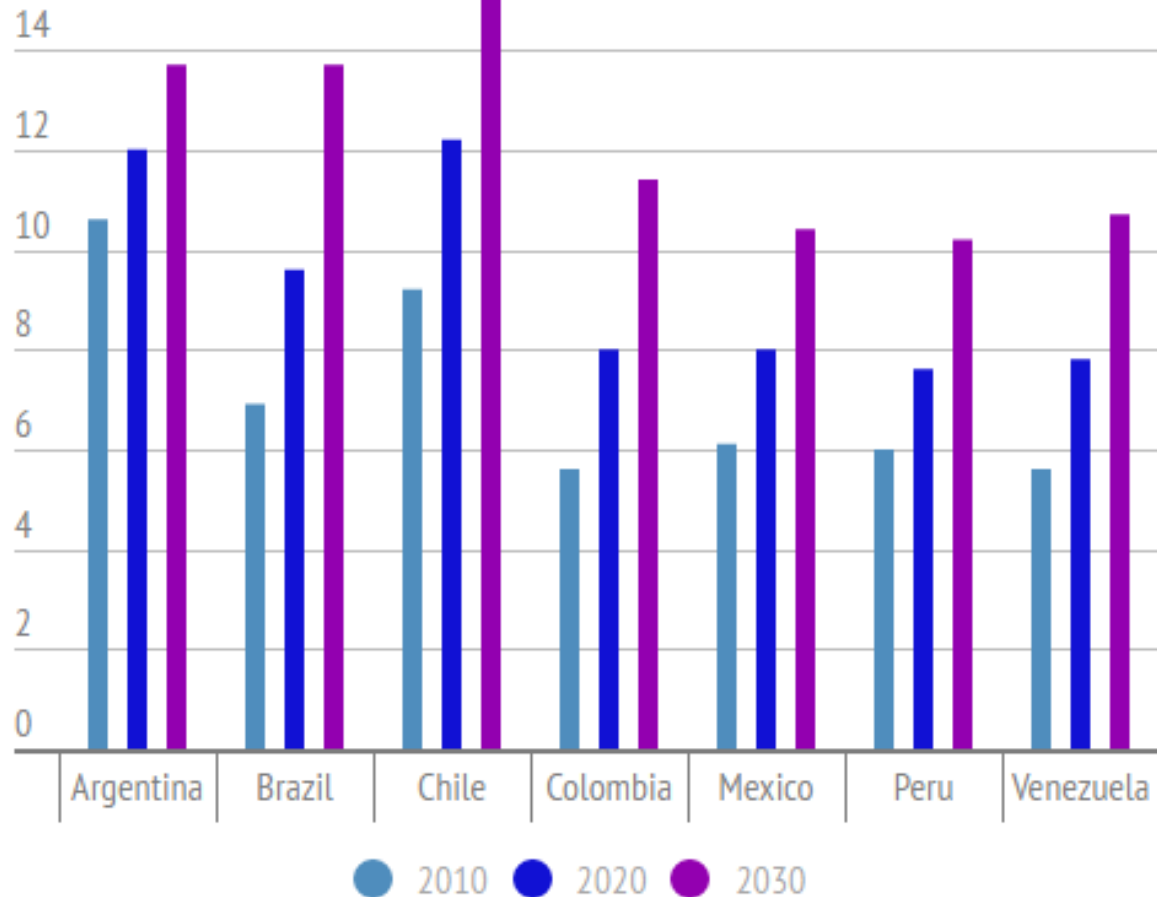
Source: IMF

Income inequalities within countries

Figure 1. Class Composition in Latin America



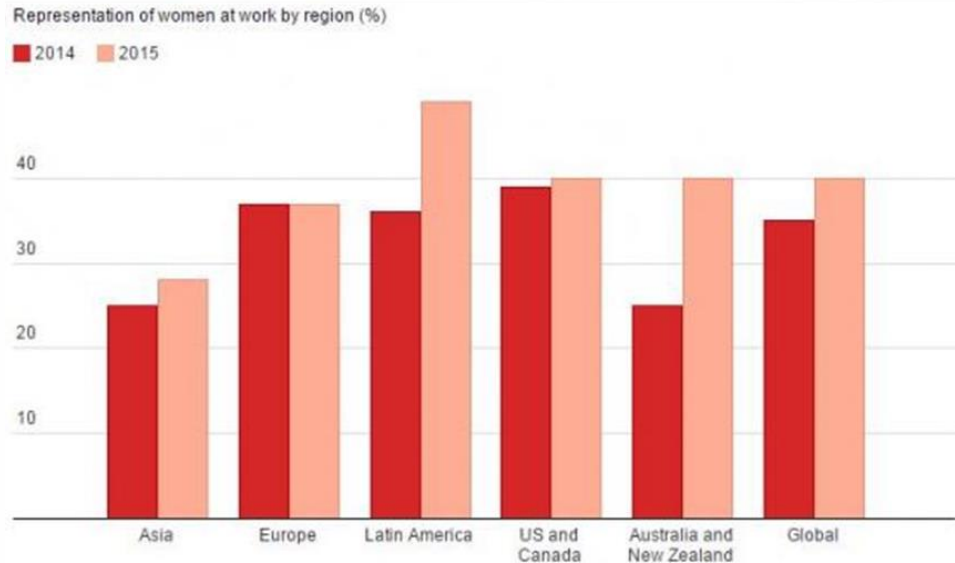
LATAM aging population +65 years %



WOMEN in LATAM

- **53% of working population**
- **33.5% of Directorship positions**

Women as % of working population



Source: Mercer Database

World Bank ease of doing business index

	<u>2015 Rank</u>	<u>Score</u>	
Mexico	38	73.7	↑
Chile	48	71.5	↑
Peru	50	71.3	
Colombia	54	70.4	↑
Costa Rica	58	68.6	↑
Panama	69	65.7	
Guatemala	81	63.5	↑
El Salvador	86	62.8	↑
Uruguay	92	61.2	↑
Dominican	93	61.2	↑
Paraguay	100	60.2	
Honduras	110	58.1	↑
Brazil	116	57.7	↑
Ecuador	117	57.5	↑
Argentina	121	56.8	
Nicaragua	125	55.8	↑
Haiti	182	39.6	↑
Venezuela	186	35.5	

LATAM Business environment: UF Index

L A T I N A M E R I C A N B U S I N E S S E N V I R O N M E N T S

	2014 Environment			2015 Environment			2016 Outlook
	Attractive	Problematic	Mixed	Attractive	Problematic	Mixed	
NAFTA REGION							
Mexico	▲			=			▲
ANDEAN SOUTH AMERICA							
Bolivia		▲			▲		=
Colombia	▲			▲			▲
Ecuador		▲			▼		▼
Peru	=			=			=
Venezuela		=			▼		?
BRAZIL & SOUTHERN CONE							
Argentina			▼			=	▲
Brazil	▼			▼			▼
Chile	▼			=			=
Paraguay			=			▲	▲
Uruguay	=			=			▲
CENTRAL AMERICA & CARIBBEAN							
Costa Rica	=			=			=
Cuba					▲		▲
Dominican Republic	▲			▲			=
El Salvador			=			=	=
Guatemala			=			=	=
Haiti						▼	?
Honduras			▼			=	=
Nicaragua		=			=		=
Panama	▲			▲			▲
Total	9	4	5	9	5	6	

EU-LATAM trade

Key Figures

Indicator	Unit	Period	Imports	Exports	Total trade	Balance
Last year	Mio euros	2015	93,139	113,975	207,114	20,836
Share in EU trade	%	2015	5.4	6.4	5.9	
Annual growth rate	%	2014 - 2015	-2.2	5.8		
Annual average growth rate	%	2011 - 2015	-3.6	3.5		

Imports 2015

Exports 2015

AMA/NAMA product Groups

Product	Value Mio €	% Total	Product	Value Mio €	% Total
Agricultural products (WTO AoA)	34,207	36.7	Agricultural products (WTO AoA)	6,118	5.4
Fishery products	3,222	3.5	Fishery products	171	0.2
Industrial products	55,709	59.8	Industrial products	107,685	94.5
Total	93,139	100.0	Total	113,975	100.0

Top 5 - SITC sections

Product	Value Mio €	% Total	Product	Value Mio €	% Total
0 Food and live animals	29,295	31.5	7 Machinery and transport equipment	53,011	46.5
2 Crude materials, inedible, except fuels	17,831	19.1	5 Chemicals and related prod, n.e.s.	24,640	21.6
7 Machinery and transport equipment	12,454	13.4	6 Manufactured goods classified chiefly by material	12,840	11.3
3 Mineral fuels, lubricants and related materials	10,266	11.0	8 Miscellaneous manufactured articles	9,876	8.7
6 Manufactured goods classified chiefly by material	8,147	8.8	0 Food and live animals	3,606	3.2

Source: EC

Business opportunities


161.000 million US\$ will be invested in the next 5 years:

- Transportation and logistics 90.417 million US\$
- Oil and gas infrastructures 35.500 millions US\$
- Energy 26.226 millones: half of the demand in 2030 is expected to be covered with renewable energies



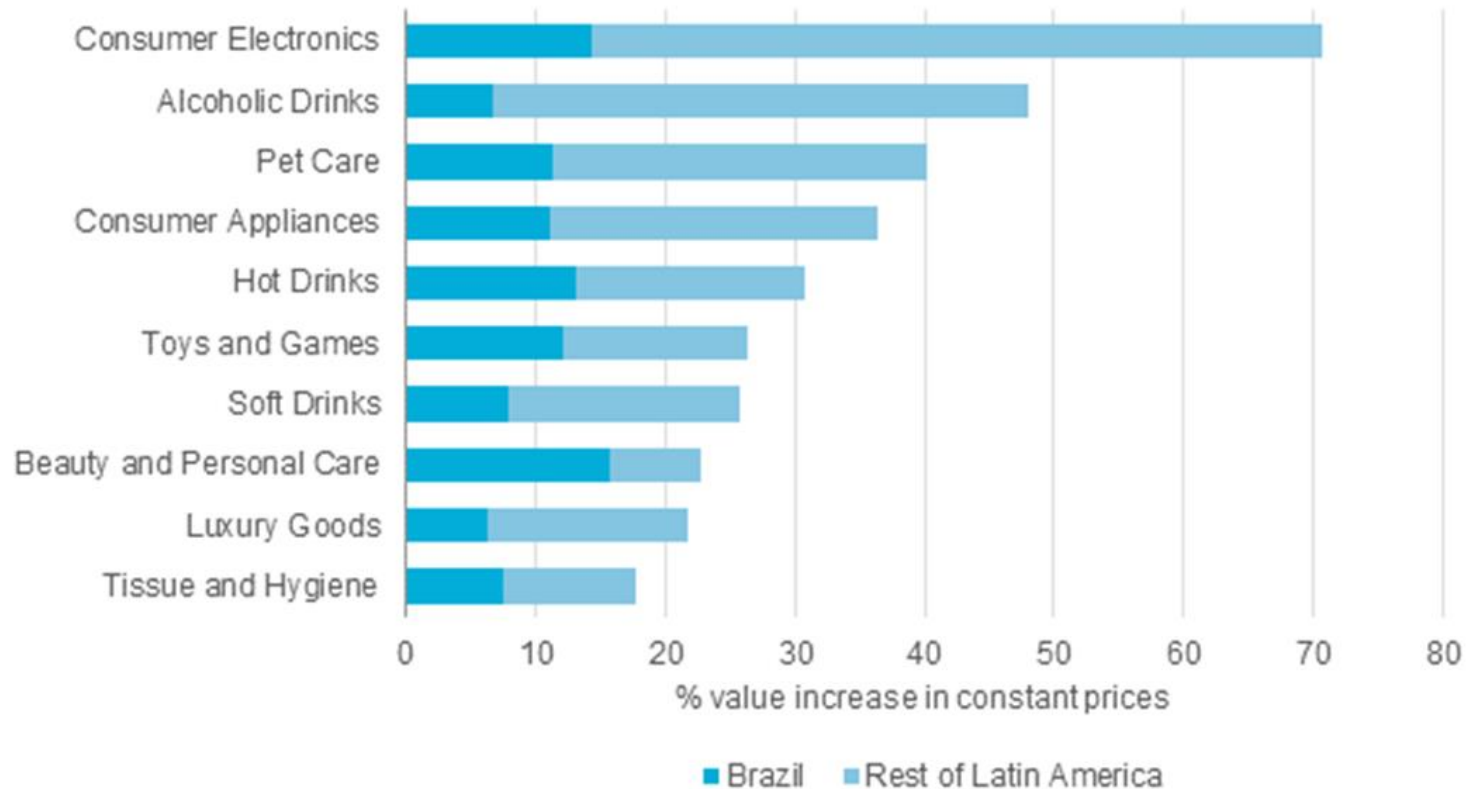
Business opportunities

ICT areas growing faster than in developed markets...

- Mobility
 - Connected Home
 - BYOD (Bring your own device)
 - SDN projects (Software Defined Network)
 - BIG DATA
- 

Fastest growing consumers markets

2010-2015



Source: Euromonitor, 2016



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Argentina



- **Population:** 43,416 million
- **GDP:** 583.169 billion US\$
- **GNI per capita:** 12.460 US\$

World Bank, 2016



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Political situation Argentina

- The **new administration** of President Macri promises to be substantially **more business-friendly** than the outgoing Peronist government
- The pace of **fiscal consolidation**, however, remains a key challenge for President Mauricio Macri's administration.
- Although in October **the government reinstated a gas subsidy cut** after the original had been temporary annulled by the Supreme Court in August, the slash introduced this time around was smaller and will be implemented more gradually.
- **Legislative elections in 2017**



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Economic situation Argentina

- The economy remains in recession as a result of the **government's austerity** measures, **declining real wages** and **weak external demand**.
- Some **positive signals have started to emerge in recent months**. The decline in economic activity softened in August and the upward trend and business and consumer confidence continued in October
- In 2017, however, the country will **return to growth** due to revived public spending in the wake of the 2017 legislative election and to the recovery in Brazil.
- Analysts see the economy rising **3.2% next year**.
- **Inflation at over 30%** remains a serious risk







































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Business situation Argentina

- Argentina ranks **121st out of 189 countries** in ease of doing business by the World Bank.
- In surveys of **corruption perceptions** it ranks in the third quartile, and dropped in the most recent rankings.
- Agents report fairly **little confidence in the rule of law**,
- Argentina **rose in a recent ranking of economic freedom**



Argentina trade agreements

Multilateral Agreements				
Agreement/Partner(s)	Date of Signature		Text of the Agreement	Trade Policy Developments
WTO members	01 January 1995 (Contracting Party to GATT 1947 since 11 October 1967)			n.a.
Customs Unions				
Agreement/Partner(s)	Date of Signature		Text of the Agreement	Trade Policy Developments
MERCOSUR members	26 March 1991			n.a.
Free Trade Agreements				
Agreement/Partner(s)	Date of Signature	Date of Entry into Force	Text of the Agreement	Trade Policy Developments
MERCOSUR - Israel	18 December 2007			
MERCOSUR - Peru (ACE 58)	30 November 2005		 	
MERCOSUR -Bolivia (ACE 36)	17 December 1996	28 February 1997	 	
MERCOSUR -Chile (ACE 35)	25 June 1996	01 October 1996		
Framework Agreements				
Agreement/Partner(s)	Date of Signature	Date of Entry into Force	Text of the Agreement	Trade Policy Developments
MERCOSUR - Morocco	26 November 2004	29 April 2010	 	
MERCOSUR - Mexico (ACE N° 54) - framework agreement	05 July 2002	05 January 2006		
Preferential Trade Agreements				
Agreement/Partner(s)	Date of Signature	Date of Entry into Force	Text of the Agreement	Trade Policy Developments
MERCOSUR - Southern African Customs Union (SACU)	15 December 2008	01 April 2016	 	
Mexico (ACE N° 6)	24 August 2006	01 January 2007	 	n.a.
Colombia - Ecuador - Venezuela - MERCOSUR (AAP.CE N° 59)	18 October 2004			
MERCOSUR - India	25 January 2004	01 June 2009		n.a.
Uruguay -Auto Sector (ACE 57)	31 March 2003	01 May 2003	 	n.a.
MERCOSUR - Mexico (ACE N° 55) - auto sector agreement	27 September 2002			
Paraguay (ACE N° 13)	06 November 1992	06 November 1992		n.a.
Chile (AAP.CE N° 16)	02 August 1991	02 August 1991		n.a.
Brazil (ACE N° 14)	20 December 1990	20 December 1990		n.a.



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Sectors of interest Argentina

- Energy, oil and gas
- Renewable energies
- ICT
- Agriculture (technology)
- Food processing
- Automotive



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Brazil



- **Population:** 207,847 million
- **GDP:** 1,775 trillion US\$
- **GNI per capita:** 9.850 US\$

World Bank, 2016



Political situation Brazil

- The political scene remains **complicated** but the government is making **progress on fiscal reforms**.
- Efforts to address Brazil's recession and fiscal problems will be slowed by **Brazil's political crisis**.
- **PETROBRAS scandal**: over 140 people have been charged with crimes, including politicians and CEOs of some leading firms
- **President Dilma Rouseff impeachment**
- Brazil's policymakers are now in the position of **having to tighten fiscal policy in a recession**.
- To stabilize its public debt, the government announced **spending cuts amounting to as much as 1.3% of GDP**.



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Economic situation Brazil

- To combat inflation the central bank had to raise interest rates
- The **Real has dropped 60%** since its peak in April 2011. That **depreciation will improve Brazil's competitiveness** and help moderate the contraction of the economy.
- Brazil's battered economy is **slowly heading towards a recovery.**
- **Industrial production rebounded** in September and the **current account deficit moderated**, but **retail sales continued to fall**
- **Consumer confidence rose** in October and the **manufacturing PMI recorded the best result since January.**
- GDP to drop 3.2% in 2016, and **1% growth** expected in 2017
















































Business situation Brazil

- Despite the political situation, survey respondents report that **perceptions of corruption and the rule of law are improving.**
- The **ease of doing business in Brazil** also has improved, according to the World Bank, though Brazil is **still in the bottom half of the rankings.**
- That improvement comes despite a deterioration in some subcategories of the rankings, such as the **number of tax payments** required per year and the **corporate tax rate**, and in the country's ranking on **economic freedom.**
- **Reported crime** in Brazil, meanwhile, is one of the highest in Latin America.



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Brazil trade agreements

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Preferential Trade Agreements				
Agreement/Partner(s)	Date of Signature	Date of Entry into Force	Text of the Agreement	Trade Policy Development
MERCOSUR - Southern African Customs Union (SACU)	15 December 2008	01 April 2016	 	
Suriname (AAP.A25TM N° 41)	21 April 2005	26 July 2006	 	n.a.
Colombia - Ecuador - Venezuela - MERCOSUR (AAP.CE N° 59)	18 October 2004		 	
MERCOSUR - India	25 January 2004	01 June 2009		n.a.
MERCOSUR - Mexico (ACE N° 55) - auto sector agreement	27 September 2002		 	
Mexico (AAP.CE N° 53)	03 July 2002	02 May 2003	 	
Guyana (AAP.A25TM N°38)	27 June 2001	31 May 2004	 	n.a.
Argentina (ACE N° 14)	20 December 1990	20 December 1990	 	n.a.
Uruguay (AAP.CE N° 2)	30 September 1986	01 October 1986	 	n.a.



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Sectors of interest Brazil

- Infrastructures
- Energy
- Pharmaceuticals
- Medical devices
- Aerospace and aviation
- Agriculture (technology)



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Chile



- **Population:** 17,984 million
- **GDP:** 240,21 billion US\$
- **GNI per capita:** 14.060 US\$

World Bank, 2016



Political situation Chile

- President Bachelet's **push for wide-ranging reforms has lost momentum.**
- Her proposals include reforms to **education, labor relations, tax policy, and the constitution.**
- President Bachelet remains committed to reforms that will **reduce Chile's income inequality.**
- Weak economy and a corruption scandal sent **Ms. Bachelet's approval rating down to 20%** in September
- Ms. Bachelet's low popularity and a severe loss in the local elections in October suggest **further progress on the reforms will be slow and uneven**



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Economic situation Chile

- **Signs of improvement**
- Government adopted measures to boost productivity were introduced in 2016 as the “**Year of Productivity**” in Chile
- In September, **industrial manufacturing recorded a second consecutive month of growth**
- **Challenging conditions in the mining sector.**
- **Encouraging economic data from China** prompted a slight pick-up in copper prices, despite fundamentals remaining largely weak.
- GDP expected to grow 1,7 in 2016 and **2% in 2017**



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Business situation Chile

- It remains **one of the most business-friendly countries in Latin America**, ranked second only to Mexico in the World Bank's latest ease of doing business ratings.
- Other than the increase in the **corporate tax rate**, which is being phased in over four years, the past year saw little change in Chile's business climate.
- In perceptions of **corruption**, **Chile is ranked 21st in the world**, just below Hong Kong, Ireland, and the United States in Transparency International's most recent rankings.



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Chile trade agreements

Agreement/Partner(s)	Date of Signature		Text of the Agreement	Trade Policy Developments
WTO members	01 January 1995 (Contracting Party to GATT 1947 since 16 March 1949)			n.a.
Free Trade Agreements				
Agreement/Partner(s)	Date of Signature	Date of Entry into Force	Text of the Agreement	Trade Policy Developments
Pacific Alliance	10 February 2014	01 May 2016		
Thailand	04 October 2013	05 November 2015		
Hong Kong, China	07 September 2012	29 November 2014		
Vietnam	12 November 2011	04 February 2014		
Malaysia	13 November 2010	18 April 2012		
Turkey	14 July 2009	01 March 2011		
Australia	30 July 2008	06 March 2009		
Japan	27 March 2007	03 September 2007		
Colombia	27 November 2006	08 May 2009		
Peru	22 August 2006	01 March 2009		
Panama	27 June 2006	07 March 2008		
China	18 November 2005	01 October 2006		
New Zealand, Singapore and Brunei Darussalam (P4)	18 July 2005			
European Free Trade Association (EFTA)	26 June 2003	01 December 2004		
United States of America	06 June 2003	01 January 2004		
Republic of Korea	15 February 2003	01 April 2004		
European Union (UE)	18 November 2002	01 February 2003		
Central America (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua)	18 October 1999			
Mexico (ACE 41)	17 April 1998	01 August 1999		
Canada	05 December 1996	05 July 1997		
MERCOSUR (ACE 35)	25 June 1996	01 October 1996		
Preferential Trade Agreements				
Agreement/Partner(s)	Date of Signature	Date of Entry into Force	Text of the Agreement	Trade Policy Developments
Ecuador (AAP.CE N° 65)	10 March 2008	05 January 2010		
India	08 March 2006	17 August 2007		
Bolivia (AAP.CE N° 22)	06 April 1993	06 April 1993		n.a.
Venezuela (AAP.CE N° 23)	02 April 1993	02 April 1993		n.a.
Argentina (AAP.CE N° 16)	02 August 1991	02 August 1991		n.a.



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Sectors of interest Chile

- Food processing
- Renewable energy
- Mining
- Agriculture (technology)
- Healthcare
- Environment



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Colombia



- **Population:** 48,228 million
- **GDP:** 292.085 billion US\$
- **GNI per capita:** 7.130 US\$

World Bank, 2016



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Political situation Colombia

- The administration of President Juan Manuel Santos is focused on the **peace process**.
- **The government presented its ambitious** fiscal reform to Congress on 19 October.
- The reform is designed to compensate for the shortfall in oil income and aims to **increase government revenues** back to pre-oil slump levels by 2022.
- The proposal will likely face strong **opposition in Congress** after the government-backed peace deal was rejected at the **ballot box**.



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Economic situation Colombia

- In Q3 economy likely remained on a **weak footing**, following Q2's sharp deceleration.
- In September **consumer confidence remained negative**
- August **retail sales contracted** for the first time in 5 months
- The ongoing **oil slump** is weighing heavily on Colombia's economic outlook.
- Analysts expect the economy to grow 2.1% in 2016 and **2.6% in 2017**



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Business situation Colombia

- Colombia is the **4 highest ranked Latin American** country in the World Bank's ease of doing business rankings, and improved in the rankings during 2015.
- Perceptions of both **economic freedom** and **global competitiveness** for Colombia also rose.
- Colombia fell in the World Bank's governance indicators, possibly reflecting a **lack of confidence** among some survey respondents about the terms of the government's pending peace agreement with the FARC rebels



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Colombia trade agreements

Multilateral Agreements				
Agreement/Partner(s)	Date of Signature		Text of the Agreement	Trade Policy Development
WTO members	30 April 1995 (Contracting Party to GATT 1947 as of 03 October 1981)			n.a.
Customs Unions				
Agreement/Partner(s)	Date of Signature		Text of the Agreement	Trade Policy Development
Andean Community	26 May 1969			n.a.
Free Trade Agreements				
Agreement/Partner(s)	Date of Signature	Date of Entry into Force	Text of the Agreement	Trade Policy Development
Pacific Alliance	10 February 2014	01 May 2016	 	
Costa Rica	22 May 2013	01 August 2016		
Republic of Korea	21 February 2013	15 July 2016		
European Union	26 June 2012			
European Free Trade Association (EFTA)	25 November 2008	01 July 2011		
Canada	21 November 2008	15 August 2011		
Northern Triangle (El Salvador, Guatemala and Honduras)	09 August 2007			
Chile	27 November 2006	08 May 2009		
United States of America	22 November 2006	15 May 2012		
Mexico	13 June 1994			
Preferential Trade Agreements				
Agreement/Partner(s)	Date of Signature	Date of Entry into Force	Text of the Agreement	Trade Policy Development
Venezuela (AAP.C N° 28)	28 November 2011	19 October 2012		
Colombia - Ecuador - Venezuela - MERCOSUR (AAP.CE N° 59)	18 October 2004			
CARICOM (AAP.A25TM N° 31)	24 July 1994	01 January 1995		n.a.
Panama (AAP.AT25TM N° 29)	09 July 1993	18 January 1995		n.a.
Nicaragua (AAP.AT25TM N° 6)	02 March 1984			n.a.
Costa Rica (AAP.A25TM N° 7)	02 March 1984			n.a.



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Sectors of interest Colombia

- Automotive industry
- ICT
- Energy
- Tourism (investment)
- Agriculture (technology)
- Mining



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Costa Rica



- **Population:** 4,807 million
- **GDP:** 51.107 billion US\$
- **GNI per capita:** 10.210 US\$

World Bank, 2016



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Political situation CR

- The country was formally invited to join the Organization for Economic Cooperation and Development (OECD), a recognition of its **economic and fiscal** maturity.
- New president Guillermo Solís faced **political turmoil**, losing his culture minister to a scandal over a failed international culture festival, and his minister of science, technology and telecommunications over a proposed media law



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Economic situation CR

- Weak growth 2015, **activity is set to accelerate in 2016-17.**
- **Domestic demand** is projected to be the main driver, but exports will also recover as world markets regain momentum.
- The **unemployment rate** is likely to remain above 9%.
- The government has proposed a **tax reform** bill which would replace the country's 13% sales tax with a value added tax, at an initial rate of 14%, rising to 15% in the second year.
- The tax proposal also includes significant **increases to personal income tax rates**



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Business situation CR

- The business environment continues to be **favorable**.
- Costa Rica is **ranked 58th** in the World Bank's 2016 ease of-doing-business report, rising a remarkable 21 places since the 2015 report.
- It showed large improvements in **access to credit and its tax situation**.
- Costa Rica is ranked 47th in the world in **Transparency International's** 2014 perceptions of corruption rankings.
- Costa Rica is ranked 51st in the latest **Economic Freedom Index**.



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CR trade agreements

Multilateral Agreements				
Agreement/Partner(s)	Date of Signature		Text of the Agreement	Trade Policy Development
WTO members	07 May 1995 (Contracting Party to GATT 1947 as of 22 May 1991)		→	n.a.
Customs Unions				
Agreement/Partner(s)	Date of Signature		Text of the Agreement	Trade Policy Development
CACM members	13 December 1960		→	n.a.
Free Trade Agreements				
Agreement/Partner(s)	Date of Signature	Date of Entry into Force	Text of the Agreement	Trade Policy Development
European Free Trade Association (EFTA) - Central America	24 June 2013	→	→	→
Colombia	22 May 2013	01 August 2016	Esp ↗	→
Central America - European Union (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama)	29 June 2012	→	→	→
Central America - Mexico (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua)	22 November 2011	→	Esp ↗	→
Peru	26 May 2011	01 June 2013	Esp ↗	→
China	08 April 2010	01 August 2011	→	→
Singapore	06 April 2010	01 July 2013	→	→
DR-CAFTA (Central America - Dominican Republic - United States)	05 August 2004	→	→	→
CARICOM	09 March 2004	→	→	→
Central America - Panama (Costa Rica, Guatemala, El Salvador, Honduras and Nicaragua)	06 March 2002	→	Esp ↗	→
Canada	23 April 2001	01 November 2002	→	→
Central America - Chile (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua)	18 October 1999	→	Esp ↗	→
Central America - Dominican Republic (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua)	16 April 1998	→	Esp ↗	→



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Sectors of interest CR

- Services sector (Call Center, digital technologies, shared services and back office)
- Life sciences (biotechnology, medical devices, clinical trials)
- Green technology (wind and solar)
- Advanced Manufacturing (aerospace and electronics)
- Infrastructure (roads, ports and airports)



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Mexico



- **Population:** 127,017 million
- **GDP:** 1,144 trillion US\$
- **GNI per capita:** 9.710 US\$

World Bank, 2016



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Political situation Mexico

- During 2016, President Enrique Peña Nieto has implemented an **ambitious reform agenda**.
- The President was successful in passing legislation in 2014 to open the **energy sector** to private participation, increase competition in the **broadcasting and telecommunications** industries, and reform the **banking system**.
- Mr. Peña Nieto will **struggle to rebuild credibility** that has been damaged by a succession of corruption scandals and growing frustration about drug-related crime and violence.
- Impact of **US elections**



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Economic situation in Mexico

- Economic activity continues supported by agricultural /service sectors
- **Poor performance from the industrial sector**
- Currency suffered **strong volatility** as a consequence of US elections
- Economic growth is **losing dynamism** due to a variety of factors:
 - The government has **cut spending**
 - Manufacturing production remains **weak**
 - Political uncertainty and insecurity **affecting consumer confidence**
- GDP outlook for this year is at 2.1% and **2.3% in 2017**



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Business situation in Mexico

- At 38th place, Mexico is the **highest ranked Latin American** country in the World Bank's ease of doing business rankings, and **rose four spots** in the rankings in the past year.
- That places Mexico comfortably in the **highest quartile in the rankings worldwide.**
- In two areas, ease of **getting credit and resolving insolvencies**, Mexico ranks even higher than its overall ranking.
- Despite the corruption scandals that made headlines in 2015, **survey-based perceptions of corruption actually improved this year.**



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Mexico trade agreements

Multilateral Agreements				
Agreement/Partner(s)	Date of Signature		Text of the Agreement	Trade Policy Developments
WTO members	01 January 1995 (Contracting Party to GATT 1947 since 24 August 1986)			n.a.
Free Trade Agreements				
Agreement/Partner(s)	Date of Signature	Date of Entry into Force	Text of the Agreement	Trade Policy Developments
Panama	03 April 2014	01 July 2015		
Pacific Alliance	10 February 2014	01 May 2016		
Central America (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua)	22 November 2011			
Peru (ACE 67)	06 April 2011	01 February 2012		
Bolivia (ACE 66)	17 May 2010	07 June 2010		
Japan	17 September 2004	01 April 2005		
Uruguay (ACE 60)	15 November 2003	15 July 2004		
European Free Trade Association (EFTA)	27 November 2000	01 July 2001		
Israel	10 April 2000	01 July 2001		
Chile (ACE 41)	17 April 1998	01 August 1999		
European Union (EU)	08 December 1997	01 October 2000		
Colombia	13 June 1994			
NAFTA (Canada -Mexico - United States)	17 December 1992	01 January 1994		
Framework Agreements				
Agreement/Partner(s)	Date of Signature	Date of Entry into Force	Text of the Agreement	Trade Policy Developments
MERCOSUR (ACE N° 54) - framework agreement	05 July 2002	05 January 2006		
Preferential Trade Agreements				
Agreement/Partner(s)	Date of Signature	Date of Entry into Force	Text of the Agreement	Trade Policy Developments
Argentina (ACE N° 6)	24 August 2006	01 January 2007		n.a.
MERCOSUR (ACE N° 55) - auto sector agreement	27 September 2002			
Brazil (AAP.CE N° 53)	03 July 2002	02 May 2003		
Paraguay (AAP.R 38)	31 May 1993	01 July 1994		
Ecuador (ACE 29)	31 May 1993	06 August 1987		
Panama (AAP.A25TM N°14)	22 May 1985	24 April 1986		n.a.



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Sectors of interest Mexico

- Automotive industry
- Food and beverage
- ICT
- Engineering
- Infrastructures
- Energy



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Peru



- **Population:** 31,376 million
- **GDP:** 192.084 billion US\$
- **GNI per capita:** 6.200 US\$

World Bank, 2016



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Political situation Peru

- President Pedro Pablo Kuczynski first 100 days in office have seen various **successes**.
- The President avoided a political vacuum and embarked on several of the reform programs and projects on its **ambitious list of pledges**, including:
 - ✓ tax reforms
 - ✓ Changes to the National System of Public Investment (SNIP)
 - ✓ efforts to improve security.



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Economic situation Peru

- The economy's overall stable and strong performance has allowed the government to **balance the budget**.
- The new government intends to **increase public investment in infrastructure**
- Economic activity **grew strongly** in August and **exports surged** in September.
- **Business confidence inched down** in October but it is still well above the 50-point threshold that separates optimistic from pessimistic
- GDP growth forecast is at around 1.5% for 2016 and above **2% for 2017**



Business situation Peru

- Peru is ranked number **50 out of 189 countries**, in the World Bank's latest Doing Business report, and **moved up** in the rankings.
- It is the **third highest ranked country in Latin America** — just below Chile but above Colombia.
- Peru ranked even higher in the **getting credit and registering property** rankings,
- Peru lost ground in **corruption perceptions** and in **global competitiveness**
- More Peruvians report that they or someone in their families have been a victim of a **crime** than in neighboring countries.



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Peru trade agreements

Multilateral Agreements

Agreement/Partner(s)	Date of Signature	Text of the Agreement	Trade Policy Developments
WTO members	01 January 1995 (Contracting Party to GATT 1947 as of 07 October 1951)	→	n.a.

Customs Unions

Agreement/Partner(s)	Date of Signature	Text of the Agreement	Trade Policy Developments
Andean Community	26 May 1969	→	n.a.

Free Trade Agreements

Agreement/Partner(s)	Date of Signature	Date of Entry into Force	Text of the Agreement	Trade Policy Developments
Pacific Alliance	10 February 2014	01 May 2016	Esp → →	→
European Union	26 June 2012	→	→	→
Japan	31 May 2011	01 March 2012	→	→
Costa Rica	26 May 2011	01 June 2013	Esp →	→
Panama	25 May 2011	01 May 2012	Esp →	→
Mexico (ACE 67)	06 April 2011	01 February 2012	Esp →	→
South Korea	14 November 2010	01 August 2011	→	→
European Free Trade Association (EFTA)	14 July 2010	01 July 2011	→	→
China	28 April 2009	01 March 2010	→	→
Canada	29 May 2008	01 August 2009	→	→
Singapore	29 May 2008	01 August 2009	→	→
Chile	22 August 2006	01 March 2009	Esp →	→
United States of America	12 April 2006	01 February 2009	→	→
MERCOSUR (ACE 58)	30 November 2005	→	Esp →	→
Thailand	→	31 December 2011	→	→



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Sectors of interest Peru

- Infrastructures
- Fisheries
- Food processing
- Solar energy
- Mining
- Constructions materials



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LATAM market access strategies

- Adopt a regional strategy
- Do not underestimate entry costs
- Review market access conditions and barriers
- Consider to work with local partners
- Follow-up with EU FTA strategy:
 - New FTA with Mexico
 - New round of negotiations with MERCOSUR
 - Tariff liberalization schedule in FTAs in force



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Introduction to business culture in LATAM





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Overview

- **19 countries**
- **626 million people**
- **Languages:**
 - ✓ **Spanish** is spoken as first language by about 60% of the population
 - ✓ **Portuguese** is spoken by about 34% of the population
 - ✓ About 6% of the population speak **other languages**
- **Religion:** Christians (90%), Catholics about 70%



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Overview

- **Ethnic diversity:** one of the most diverse regions in the world.
- The specific composition varies from country to country:
 - ✓ People with **European ancestry** are the largest single group, and along with people of **part-European ancestry**, they combine to make up approximately 80% of the population.
 - ✓ Most of the earliest settlers were **Spanish and Portuguese**
 - ✓ After independence, the most numerous immigrants have been **Spanish and Italians, followed by Germans, Levantine Arabs, Poles, Irish, British, French, Russians, Belgians, Dutch, Scandinavians, Ukrainians, Hungarians, Croats, Swiss, Greeks, and other Europeans**



Communication and business culture

Context- vs. Content-Focus

In many EU business settings there is a strong emphasis on the content of communications: the data, facts and specific details.

- Both verbal and written communications tend to be brief and to-the-point.

In Latin America generally there is a **broader focus that includes contextual factors such as relationship, circumstances, timing, and social** appropriateness.

- Consequently, **the Latino may seem ambiguous or evasive** to the some EU counterparts.
- At the same time, however, **some EU cultures may be perceived as impersonal and overly direct or blunt** to a Latino person



Communication and business culture

“Molecular” vs. “Atomic” Social Structure

- LATAM countries are usually rated **low on the individualism** scale.
- The **use of networks and connections**, the exchange of information and favors, reflect the “molecular” structure of LATAM societies.
- This requires that one be more indirect, diplomatic, non-confrontational, and cautious in communicating with others because there is a **positive or negative multiplier effect in every social or business transaction**.
- The EU counterpart may feel that the Latin American is being **excessively diplomatic or “flowery,”** which may be associated with insincerity.
- In contrast, the EU person’s **individualism may be perceived as being selfish or egotistical**



Communication and business culture

Transaction oriented vs. Relationship building

- In many EU cultures, people who work together may develop personal relationships over time but **the task comes first**.
- Latin Americans tend to feel that **it is essential to invest in establishing a relationship before focusing on the task**.
 - ✓ A warm-up period is typically required to create a good interpersonal environment in which the task can be accomplished most effectively.
 - ✓ An important clue in this regard is the high desirability of being considered *simpático* or likeable and accessible.



Communication and business culture

“Time is money”...vs “Time is precious”

The pace of life and work varies within Latin America. However, it is generally less intense than in the EU:

- Building and maintaining relationships, attending to one’s “molecular” networks, and managing the complex contextual dimensions of business simply takes more time.

Time is a guideline, but rarely a deadline

The EU businessperson may appear hasty, rushed, and pushy, while the Latin American may seem to lack a sufficient sense of urgency.



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Culture and business life

Status and hierarchy

- **Job titles** have a great significance
- **Information generally flows from above**, down to the bottom
- Subordinates **lack a spirit of confrontation**
- **Authority is rarely delegated.**



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Arriving in time

- **The attitude toward time is not too rigid** and a 30 minute delay should not be a surprise.
- But call before nevertheless





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Personal space

- The accepted amount of personal space that each person has or needs is much smaller in Latin America than in Europe.
- **People will touch you more**, stand closer when they talk to you and generally get up close and personal
- Latinos will usually **stand closer together during conversations**, so be prepared for that plus casual touching
- You may even be startled to have a Latin businessman **hold your elbow while conversing**, or walk down the street arm-in-arm



Business conversations

Use a title, first name, and surname to correctly address or introduce someone.

- Most colleagues are friends, and function on a first-name basis; however, until you have established a connection **it is best to remain formal**.
- Latin Americans are relaxed in their communication style and prefer to **ease business into a casual conversation over a meal**.
- During meetings, **you should not begin to speak of business before your host**.
- **Casual chatting** will most often begin all business negotiations. It is not uncommon to discuss family matters at work and to seek advice.



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Business conversations

- **Good conversation topics** include sports, art, history, and family.
- **Avoid topics** like politics, poverty, religion, or neighboring countries.



Doing business while eating

- **Business lunches** are common throughout Latin America, and they're usually long.
- **Dinner is a purely social event** and can occur very late.



Negotiations according to polychronic cultures

Negotiators from *polychronic* cultures tend to

- start and end meetings at **flexible times**
- **take breaks** when it seems appropriate
- be comfortable with a **high flow of information**
- expect to **read each others' thoughts and minds**
- sometimes **overlap talk**
- view start **times as flexible** and not take lateness personally.



Negotiations are not linear

- Negotiations **do not follow a linear logic**
- Negotiations **stages are not neatly sequential:**
 - ☐ a new stage may begin while the earlier stage is still being discussed, and
 - ☐ issues already agreed are open for subsequent discussion



Become the friend of your business partner

- Latinos are very warm and friendly people and enjoy social conversation before getting down to business.
- This is a calculated process aimed at **getting to know you personally.**
- Latinos tend to be more **interested in you, the person,** than you as a representative of some faceless corporation.



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**Thank you
for your attention!**

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