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## COUNCIL NEWS

### A busy quarter and a renewed mandate

Welcome to this bumper edition of the LANZBC Newsletter.

The extra size of this issue reflects the exceptionally busy quarter we have just had. As you will, your Council has organised or participated in a number of significant activities since April, including a seminar proposing the establishment of a Latin American Foundation, meetings for Council members with New Zealand's ambassadors and trade commissioners to Latin America, and the renewal of an agreement with a sister organisation in Argentina. These initiatives have all raised the profile of the Council or shown the support we are receiving in our efforts to support the growth of trade and investment between New Zealand and Latin America.

In recognition of the steps we have been taking, the Council's Annual General Meeting on May 5<sup>th</sup> saw the confirmation of all Directors who put their names forward for a further year on our Board and the subsequent re-election of Peter Cullen, Kevin Murray and myself as your Executive. We look forward to working with you again to make the Council even more effective in serving your needs.



Matthew O'Meagher  
LANZBC President

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### Incoming and outgoing Directors

As well as providing continuity to our affairs, the recent AGM saw the election of three new Directors.

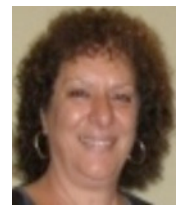
**Leandro Cavalcanti** is the Executive Director and Founder of the Reel Brazil film festival. He is Brazilian born and a New Zealander by choice. When not running Reel Brazil he is helping New Zealand businesses understand and do business with Brazil or working as a contractor in the project amangement / business analysis space.

**Paolo Lima** is the sole director of Supremo Hospitality, regarded as one the finest hospitality operations in the country with over 200 employees; He is highly interested in Latin America trade, culture and heritage. He studied Law in Brazil and has resided in New Zealand for the last 11 years.

**Emma Keys** is the NZ based representative for the South America region for NZTE. She supports company growth in South America, working with her NZTE networks, NZ Inc. agencies and other key stakeholders. She represents NZTE on the Latin America Strategy implementation, and is heavily involved in the organisation of Ministerial Missions and visit programmes for incoming international visitors.

As Leandro, Paolo and Emma join us we also wish to thank two departing Directors for their service.

**Brendan Mahar**, NZTE's Manager of International Operations, was Emma's predecessor as NZTE's ex-officio representative on the Board. Brendan offered wise counsel in recent years on a range of matters and particular assistance in organising last year's gala lunch with the Prime Minister. Similarly, **Yovanka Tomitch**, Director at Language Links and JCM Destination, offered vital and willing assistance with a number of Council events – and kindly stored our records while we were in a time of transition. We thank them both for their contributions to our organisation, and are delighted to know they will continue to support the Council and be part of its future.



## RECENT COUNCIL ACTIVITY

### Focus Latin America Seminar



*First line (from L to R): The speakers at the seminar; Minister Groser and LANZBC Director Charles Finny; Minister Groser. Second line: Matthew O’Meagher, President of LANZBC; Roberto Rabel, Pro-Vice Chancellor International for Victoria University and the Latin American Ambassadors: Leonora Rueda, Ambassador of Mexico, Isauro Torres Negri, Ambassador of Chile, Eduardo Gradilone, Ambassador of Brazil and Fernando Escalona, Ambassador of Argentina. Third line: Roberto Rabel; Warwick Murray Director of VILLA.*

O4 April in Wellington LANZBC teamed with the New Zealand Institute of International Affairs and Victoria University to stage a “Focus Latin America” Seminar to look at New Zealand’s relationship with Latin America and to suggest the creation of a Latin America New Zealand Foundation to improve New Zealanders’ knowledge of Latin America and to encourage business, social, cultural and educational interactions between the parties.

The seminar took place in Parliament’s Great Hall, and was attended by almost 100 people from different sectors. After a welcome from the Seminar’s MC Professor Roberto Rabel, Pro-Vice Chancellor International for Victoria University, Trade Minister Hon Tim Groser reported on his last visit to Chile and Colombia. Afterwards, LANZBC Director Charles Finny presented the idea of the Latin America New Zealand Foundation to galvanise New Zealand’s relations with its neighbours to the east as Asia 2000 Foundation has transformed ties to our northern neighbours. The idea was well received by the panel of four Ambassadors of Latin America: Her Excellency Leonora Rueda Ambassador of Mexico, His Excellency Isauro Torres Negri Ambassador of Chile, His Excellency Eduardo Gradilone Ambassador of Brazil and his Excellency Fernando Escalona Ambassador of Argentina. Professor Warwick Murray, Director of the Victoria Institute for Links with Latin America (VILLA), and our President Matthew O’Meagher also commented the benefits a Foundation would produce for New Zealand and Latin America ties.

## Trade Commissioners Event



*First line: The NZTE Board Room with the 33 attendees and Trade Commissioners; Karlene Davis, NZTE Regional Director for South America during her presentation. Rhianon Berry, Trade Commissioner for Chile, Colombia and Peru; Ralph Hays, Trade Commissioner to Brazil; Lisa Futschek (ENZ) and Louise Pagonis (Radio Live); Rhianon Berry, Sam de Court, Commercial Manager at A-Ward Attachment Ltd., Karlene Davis, Craig Musson, Managing Director of National Trade Academy and LANZBC's Director, Matthew O'Meagher, LANZBC President and Director of Cientiros Ltd., Ralph Hays and Jorge Arguelles, Trade Commissioner for Mexico.*

This highly awaited event held on 5 May was attended by 33 LANZBC members, who enjoyed the Trade Commissioners' presentation in an informal atmosphere where they heard the opportunities some countries offer to New Zealanders as well as practical orientations on how to do business there. Karlene Davis, Regional Director for South America as well the four Trade Commissioners for the region Rhianon Berry, Trade Commissioner for Chile, Colombia and Peru, Jorge Arguelles, Trade Commissioner for Mexico and Central America and Ralph Hays, Trade Commissioner for Brazil all presented eye opening information about every market of Latin America.

According to Karlene Davis, synergies exist around opportunities in trade, education and tourism. She noted also that New Zealanders' companies are now doing robust investigations prior to investing in a determined market. Rhianon Berry explained that New Zealand cannot become a member of the Pacific Alliance until it has a trade agreement with all the members. As Chilean investment in the region is growing, New Zealanders' companies would benefit from joint ventures with them to unlock opportunities elsewhere in South America. Unlike past years, agribusiness is now just 20% of bilateral business with Chile. Kiwi companies are focused on moving up the value chain.

The Trade Commissioner for Brazil, Ralph Hays stressed that this country has the sixth largest population of wealthy people in the world becoming an interesting market for luxury products. On the other hand, Jorge Arguelles informed that President Peña y Nieto has passed four mayor highly awaited reforms. He remarked that New Zealand trade has expanded its exports beyond the food and beverages sector.

The attendees also had the opportunity to ask questions to the speakers after the presentation and had time to network. LANZBC President Matthew O'Meagher as well as other 5 of our Directors were at the event : Nick Fitzpatrick from Delica GLocal, Brendan Mahar from New Zealand Trade and Enterprise, Kevin Murray from Fonterra, Craig Musson, National Trade Academy, Silvana Schenone from Minter Ellison Rudd Watt, Paolo Lima Director of Supremo Hospitality as well as our Executive Director Rosemarie Cathalifaud. Among LANZBC members we counted with New World Wines, Pacific Basin Exports, Across Borders, Education NZ, Language Links, Proform Plastics Ltd., Tru Test, Kaplan International Colleges, Discovery Education, CBL Insurance, AUT University, University of Auckland Business School, Vista Entertainment Solutions and Yealands Estate Wines Ltd.

## Breakfast with NZ Ambassadors to Latin America



*From left to right: Silvana Schenone, host of the venue welcoming the Ambassadors; Hayden Montgomery, Ambassador to Argentina, Uruguay y Paraguay; Ambassador Capper during his presentation.*

This event, held at Minter Ellison Rudd Watts offices in Auckland on 23 May was well received by LANZBC's members. More than 20 companies were present to share an informative breakfast with New Zealand's four Ambassadors to the region: Clare Kelly, Ambassador to Mexico, Costa Rica, Cuba, El Salvador, Guatemala Nicaragua, Panama, Venezuela, Belize and the Dominican Republic; John Capper, Ambassador to Chile, Colombia, Peru, Ecuador and Bolivia; Hayden Montgomery, Ambassador to Argentina, Uruguay and Paraguay; and Jeff McAlister, Ambassador to Brazil and Suriname.

The attendees had the opportunity to hear about the political and economic situation of most of the countries of Latin America. In that context, Clare Kelly remarked that to talk of a Mexican moment is not a hyperbole. Now is the moment for New Zealand's companies to look at this market when major reforms are being made.

Meanwhile, Ambassador Montgomery informed that rugby ties and links to Santa Fe Province are growing parts of the relations with Argentina. And, that New Zealand is a model to follow for Uruguay.

For Jeff McAlister, Brazil has high expectations given the success of the last decade and its natural advantages that will position the country as one of the world's five leading economies. He also informed that New Zealand's official footprint there is growing.

Ambassador to Chile, Colombia and Peru, John Capper emphasized the huge opportunity Colombia represents in the education sector. The success of the Medellin event on the agribusiness mission also attracted an overflow crowd of 400 people. In Chile, the Embassy is building links to the new officials that have been appointed since the change of government.

Afterwards, the Ambassadors answered the questions of LANZBC members and encouraged them to continue lobbying airlines to open up airlinks to Latin America. They also discussed prospects in Venezuela and Argentina.

Participants in the breakfast included Silvana Schenone, Director of LANZBC and host of the venue, LANZBC President Matthew O'Meagher, new LANZBC Director Paolo Lima, former Directors Yovanka Tomitch, Katia MacKenzie and Giuliana Silveira, and representatives of Unique Education Services, Mighty River Power, Kaplan International College, NZTE, Discovery Education and Traveling. ANZ banking, Language Links, Bidvest Ltd., Across Borders Ltd., Botany Downs Secondary College, New World Wines among others.

On 6 June Council President O'Meagher also had the opportunity to meet NZ's newly appointed Honorary Consul in Rio de Janeiro, Ms Cristiana Beltrão, at a reception in Auckland for New Zealand's Honorary Consuls hosted by Foreign Minister McCully.

## Participation in Ministerial agribusiness mission

The last week of March saw Minister of Primary Industries Nathan Guy and Minister of Trade Tim Groser lead an agribusiness delegation to Chile and Colombia. The mission was organised to follow up opportunities identified during the Prime Minister's visit to both countries a year earlier. The LANZBC was represented on the mission by one of its directors, Craig Musson of the National Trade Academy, and Council members Fonterra, NZ Agriseeds and Pacific Basin Exports.

The mission started on 24th March with the inauguration of a New Zealand Fieldays at the Sagofisur Showgrounds in Osorno. This is the heart of the dairy farming region in Chile and where most NZ businesses currently have their business interests. 40 businesses were represented at the fair. Although attendance by Chilean farmers was lower than expected all those promoting their products or services still thought the Fieldays was worth attending and that continued promotion was needed. What impressed was the excellent NZ Inc. approach between businesses on the mission with many of them talking either through the day or in the evening on how they can add value to each other's business.

On the same evening a networking reception was held with a very good turnout by Chilean dignitaries and local industry stakeholders. Speeches centred on how New Zealand can add value to the Chilean agribusiness sector through 3 main themes for agricultural cooperation: Science, and Innovation; Education and Training; and Dairy Sector - Pastoral Farming. On the following night too another reception was held, this time at the New Zealand Ambassador's residence in Santiago, with a further impressive turn out and with many opportunities to talk to interested parties about opportunities in Chile. Both Ministers gave impressive speeches to the Chilean industry stakeholders and dignitaries that promoted the businesses on the Mission and encouraged the attendees to take up opportunities to utilise NZ technology, innovation, education, training and products and services in Chile. There are very good opportunities with many businesses having operated in Chile for over 20 years.

Members of the mission then travelled to Medellin in Colombia on the 26th of March. They were briefed that evening on the Colombian dairy and beef sector by representatives of AgroFuturo, who helped set up the Colombian leg of the mission. The overview continued with information on the Investment opportunities, the economy and the legal system in Colombia.

The following day members were hosted on a tour to San Pedro de los Milagros where Colanta, a major dairy company in Colombia, hosted the delegates at a dairy plant where they make cheese followed by a visit to a local agriculture supply store and a local dairy farm supplier to Colanta. Then a seminar and reception was held in Medellin, co organised by NZTE and AgroFuturo. The key message was about how the two countries ties' were deepening particularly in the area of education and agriculture and how the Colombian agriculture sector could benefit from utilising NZ technology and innovation to improve production in a Colombian context acknowledging that not everything we do in NZ would work but that working with innovative NZ companies could add a competitive advantage.

The network function that followed also gave members the opportunity to meet a range of business people interested in what the NZ businesses had to offer in an informal setting.

A debrief after the reception concluded that the mission had been successful in opening up new opportunities in both countries for 10 NZ agribusinesses that went on the mission. Both countries have many opportunities for NZ business, providing we listen and identify what their needs are first and develop, adapt or design products and services to suit their local environment. All members were also impressed with the professional organisation of the mission by NZTE, MFAT and Education NZ, and mentioned the value of a follow up debrief in the near future back in NZ.

The last day of the mission then consisted of a series of meetings for individual mission members with current or potential clients interested in their products and services. This provided members with the opportunity to develop new relationships and to cement existing relationships with current clients.

## LANZBC sponsors a Fieldays Latin America cocktail



The 46th New Zealand National Agricultural Fieldays took place at Mystery Creek outside Hamilton from June 11-14. Although individual LANZBC members have attended this major agritech event for many years, the Council itself had not been formally associated with it before. This year, however, the Council sponsored a Latin American cocktail in Fieldays' Business and International Centre on the event's first evening, 11 June. A packed audience of leading Waikato companies and international guests were welcomed to the event by Fieldays CEO John Calder, Fieldays International Business Executive Marcelo Mieres, Santa Fe Governor Dr Antonio Bonfatti, and LANZBC President Matthew O'Meagher. Dr O'Meagher said that the LANZBC was looking to build a greater presence in the Waikato region, and afterwards he spoke to representatives of LANZBC member companies Agri-Travel, Pacific Basin Exports, Tru-Test, ISL Animal Health, and Language Links; to Sir William Gallagher, who delivered a seminar to the Council earlier this year on his extensive business experience in the region; to Eduardo Corrên the region President of Brazil's Agriculture and Fisheries Confederation; and to leaders of Dairy Automation Ltd, GEA Farm Technologies, LIC and Simcro. Other guests of honor included the Ambassadors of Argentina and Mexico, their excellencies Fernando Escalona and Leonora Rueda, NZTE Waikato Regional Manager Paul Vaughan, and LANZBC Directors Emma Keys, David Reade and Paolo Lima.



*Clockwise from top left: John Calder welcomes guests to the reception; Governor Bonfatti addresses the guests; David Reade and Matthew O'Meagher with Carlos Ureta of the Argentinian Chamber of Commerce; Emma Keys (right) with her Santiago based NZTE colleague Louise Sisam.*



*Clockwise from left: MFAT's Jacqui Caine; Matthew O'Meagher addresses the reception; the event attracted many guests.*

## Visit from Ecuador's Minister of Agriculture

A prominent Latin American visitor to Fieldays was Ecuador's Minister of Agriculture, Livestock, Aquaculture, and Fisheries, His Excellency Javier Ponce Cevallos. Minister Ponce was leading a delegation to New Zealand that included Ambassador Raul Gangotena, who attended last year's LANZBC lunch with the Prime Minister; Margoth Hernandez, Ecuador's Under secretary for Livestock; Daniela Garcia, First Secretary in Ecuador's Canberra Embassy; Juan Pablo Grijalva, manager of the Asociacion de Ganaderos de la Sierra y Oriente; and Francisco Clavijo of the Instituto Nacional Autónomo de Investigaciones Agropecuarias (INIAP). The purpose of the mission was to establish connections that will lead to scholarship and exchange programmes. The Minister's programme included an informal dinner attended by new LANZBC Director Leandro Cavalcanti, in which opportunities were discussed for trade in cocoa, prawns, flowers, wine, and dairy.



*Leandro Cavalcanti(second from right) at the dinner for Minister Ponce.*



## Renewal of agreement with the Argentina Chamber of Commerce

An important element in the growth of any internationally-focused organisation like the LANZBC is the building of relationships with peer organisations offshore. To that end the Council was delighted to renew a 1999 Memorandum of Understanding with the Argentina Chamber of Commerce (CAC) in Auckland on June 9th. The MoU is a good faith agreement under which both parties formalised their desire to develop effective relations between their organisations and their members. The agreement was facilitated by Buenos Aires-based LANZBC member Gustavo Richardson and signed in the presence of the Ambassador of Argentina and the Governor of Santa Fe by Matthew O'Meagher for the LANZBC and by Dr Carlos Ureta Cortes for the CAC.



*Dr. Carlos Ureta of Chamber of Commerce of Argentina and Matthew O'Meagher President of LANZBC after signing the Memorandum of Understanding.*

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## Meeting with the Governor of Argentina's Santa Fe province

The renewal of the LANZBC-CAC MoU also concluded the opening event of a 10-day tour to New Zealand of an Institutional, Technical and Business Mission to New Zealand from Santa Fe in Argentina. Heading a delegation of more than 50 representatives from over 30 companies or organisations was the Governor of the Province, Antonio Bonfatti, who was accompanied by his wife and by the General Secretary of the Federal Council of Investments, Juan José Ciácerá. The mission had been facilitated in both countries by Ambassadors Montgomery and Escalona, NZTE and Mr. Richardson, and its purpose was to strengthen ties in order to boost Santa Fe's productive and commercial capabilities in dairy, livestock and agriculture. Over the course of their visit the delegation conducted business-to-business meetings in Auckland; presented talks and hosted a stand at Fieldays; and were the guests of honour at a reception in Wellington. In the welcome for them noted above they received presentations from NZTE's Agribusiness Lead, Capital Manager and Waikato Regional Manager.



*(L to R): Ambassador Fernando Escalona, Santa Fe Governor Antonio Bonfatti and Matthew O'Meagher President of LANZBC. Center: Matthew received a souvenir from Governor Bonfatti. Right: Some of the 50 businessmen of the delegation.*

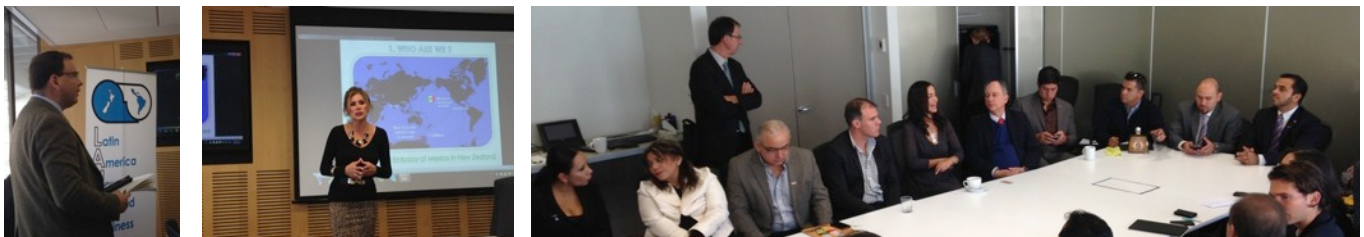
## Meetings with ProMexico



A third leading dignitary the Council made contact with this quarter was Francisco González, Director General and CEO of ProMexico. ProMexico is a Mexican government institution in charge of strengthening Mexico's participation in the international economy, and it fulfils this mission by supporting the export activity of companies established in the country and coordinating actions to attract foreign direct investment. Its monthly magazine *Revista Negocios ProMéxico* ([http://www.promexico.gob.mx/es\\_mx/promexico/Revista\\_Negocios](http://www.promexico.gob.mx/es_mx/promexico/Revista_Negocios)) also offers in-depth articles on Mexican economic themes.

On Saturday May 31st Dr O'Meagher and MFAT's Jacqui Caine met with Director González, his organisation's Asia and Oceania coordinator Claudia Esteves, Mexico's Trade Commissioner in Singapore Alejandro Salas, and Bancomex Deputy General Director Fernando Hoyo and Technical Coordinator Ana Sainas. In this meeting the ProMexico CEO offered to work with our Council on future activities, and Sr. Hoyo outlined how his bank offers direct credit to importers and exporters.

On Thursday June 5th Dr. O'Meagher then joined Mexican Ambassador Leonora Rueda and NZTE colleagues Anne Collins and Guy Tapley in delivering a presentation on doing business to New Zealand to a delegation ProMexico had brought to Australia and New Zealand to promote their (predominantly food and beverage) products. Among the members of this delegation was a third leading promoter of international business in Mexico, the Mexican Business Council for Foreign Trade, Investment and Technology (COMCE), which was represented by the president of its business committee José Antonio Durán.



*From up left: Francisco González, CEO Promexico; Her Excellency Leonora Rueda Ambassador of Mexico; Delegation of Mexican business people coming to New Zealand and Australia with Promexico.*

## Meeting with ANZMEX



One immediate output of the ProMexico events was the opportunity they presented to deepen links with an organisation the Council is an honorary member of: ANZMEX, the Australia, New Zealand & Mexico Business Council. ANZMEX is a trilateral business platform with offices in Mexico and Melbourne that provides a forum and support services to explore and promote collaboration between Australia, New Zealand and Mexico. It is led in Mexico by its proactive President Adrienne Bonwick, and now has two representatives in New Zealand: Roxana Bravo (in Auckland) and Pablo Lepe (in Christchurch). We look forward to helping each other out over the coming years.

## Pacific Alliance Seminar

Along with the Ambassadors from Chile, Colombia, Mexico, Peru, Argentina, Brazil and Cuba, LANZBC Vice-President Peter Cullen and Directors Thomas Manning, David Reade and Leandro Cavalcanti were among the audience that attended a seminar on the Pacific Alliance on May 14th that was organised by MFAT and moderated by Carl Meacham, director of the Americas program of the US-based Center for Strategic and International Studies.

In his keynote address to the seminar, Trade Minister Tim Groser attached superlatives like ‘tremendous’, ‘stupendous’ to the progress the Alliance had achieved since its four Latin American Pacific coast members came together in 2011. The Alliance ‘has momentum’ the Minister said, and ‘that’s the most important asset of the new agreement’. He also added, ‘we’re looking at it as a suitor looks at a prospective bride’ he said. ‘She’s an attractive señorita but we would like to get to know her a little better before going further’.

The minister also contextualised the Pacific Alliance in relation to the earlier Mercosur grouping of Argentina, Brazil, Paraguay (suspended) and Uruguay, joined by Venezuela in 2011. Chile, Bolivia, Colombia, Ecuador, and Peru are associate members of Mercosur, without complete access to markets enjoyed by full members. He spoke of strong emotional ties with good friends Uruguay, Argentina, and Chile who had been allies in the fight for a fair global trading system from the beginning of the Cairns group years of the late 1980s. Although he disagreed with the view that Mercosur had yet to produce a result, the Minister did believe that the political success of the Pacific Alliance would have an effect on the development of Mercosur.

More generally, the Minister noted the emphasis on ‘mega’ regional deals was being replaced by high quality free trade arrangements (FTAs). In fact the closer economic relations (CER) between Australia and New Zealand which went beyond ‘frontier measures hype’ was a model for others world-wide. Converging FTAs would eventually collapse into groups like the Pacific Alliance: the US was talking to the EU, Russia to Belarus and Kazakhstan, China to India and of course the Trans-Pacific Partnership (TPP) was under negotiation.

Unparalleled opportunities were developing for New Zealand as the middle-income sector enlarged in the developing world. ‘We saw North America and Europe as the main source of our upper middle class customers’ he said. ‘Not any more.’ While New Zealand’s trade with Latin-American countries was ‘very thin’ relatively, he continued, the extraordinary momentum of major players like Mexico and Brazil meant that choice for growth would not in future lie solely with China.

Both New Zealand speakers — Jane Coombs, an LANZBC Director and MFAT’s division manager for the Americas and Anne Chappaz, NZTE director international performance — spoke optimistically about the situation developing in Latin America, noting the opening of an NZTE office in Bogota, Colombia and adding to staff in Sao Paulo, Brazil.

The Mexican ambassador, Leonora Rueda, said the issue was beyond free trade: Mexico, Colombia and Chile were stable democracies, but now, she said ‘We want action.’ Other Latin American countries were welcome: Panama was a likely member with its enlarged canal soon to open, more effectively bridging Atlantic and Pacific hemispheres — very important to Mexico — and in fact an improved infrastructure with good country-wide strategic communications was essential to development for big countries such as those which made up the Pacific Alliance.



*Left: MFAT’s Jane Coombs open the Seminar. Right: Carl Meacham, Director of the Americas program of US-based Center for Strategic and International Studies, moderated the discussions.*

The Reel Brazil Film Festival directed by the LANZBC's Leandro Cavalcanti held its 5<sup>th</sup> edition in April and May in three cities: Auckland, Wellington and – for the first time – Nelson.

Reel Brazil is the largest annual Brazilian event in New Zealand. It took place this year under the patronage of the Brazilian Ambassador to New Zealand, H.E. Eduardo Gradilone, and his wife Mrs Diva Gradilone (in Wellington and Nelson) and Mrs Kátia McKenzie (Honorary Consul and former LANZBC Director) in Auckland. The Wellington Employers' Chamber of Commerce was also a principal supporter in the capital.

As reported in the *Nelson Mail*, the Festival included Nelson on its circuit this year as a platform for wider exposure to reciprocal business opportunities. Nelson law firm and LANZBC member Pitt & Moore and accountancy firm Crowe Horwath worked with Leandro to have it screened here.

Cavalcanti said the team was "extremely pleased" with the turnout in Nelson, where 580 attended the five-day event including 110 at the opening night. He said audience numbers in some cases were similar to those in Auckland and Wellington and that the busiest session (aside from the opening night) was actually in Nelson with the film *The Samba Within Me*. Accordingly, Nelson would definitely remain in Reel Brazil's itinerary for future editions. "We also want to keep the idea of always having a business event attached to the festival, every time we go to Nelson," Cavalcanti said.

The ambassador also hosted a business luncheon while in Nelson. He said afterwards that even though the Brazilian Embassy was more focused on promoting Brazilian business in New Zealand it recognised that trade goes both ways. "We are here to help with what we can to promote more business and cultural ties between our two countries," he said. The Ambassador also told members of Nelson's business community that if the region wanted to increase its chances as a trading partner with Brazil, it needed to push its inherent qualities in order to stand out from the crowd.

LANZBC member Michael McMellon earlier said his role within the council was to identify how it might help local businesses to raise their profile and level of activity with South American markets generally. McMellon said business between the two countries was already happening, but even if local businesses got a minuscule percentage of the vast Brazilian market it would be "massive" for Nelson-Tasman.

Crowe Horwath marketing business partner Linda Morris said it was a "unique event" for the region with the aim of introducing the concept of trade with Brazil to local businesses. "We know from the feedback that for many it was the first time they had heard about the potential for trade with this large and fast-growing economy and we are thrilled that it stimulated discussions and dispelled some misconceptions." She said Crowe Horwath and Pitt & Moore hoped to build on this initial step and possibly facilitate practical workshops and interactions around a potentially new market.

Naiane Denardin, a Brazilian-born Nelson businesswoman who co-owns the Prince Albert Backpackers Hostel & Bar with Kiwi fiance Michael Walker, said it was a "major" for her to see Brazilian culture exposed in the way it was at the recent festival. Denardin and Walker also sponsor groups in the community, including Brazilian percussion group Samba de Sol.

For information about next year's Festival please contact Leandro at [info@reelbrazil.co.nz](mailto:info@reelbrazil.co.nz).

## CURRENT DEVELOPMENTS IN NEW ZEALAND-LATIN AMERICAN RELATIONS



### **Cuban Foreign Minister meets his New Zealand counterpart**

*Bruno Rodriguez, Cuban Minister of Foreign Affairs, met his New Zealand counterpart Murray McCully, who visited Cuba for second time.*

During their cordial meeting, both officials reviewed the positive state of bilateral relations and expressed their willingness to develop cooperation initiatives in the areas of agribusiness, health, education, sports, and science. They also exchanged views on other issues of international interest.

Rodríguez thanked New Zealand for its position in various international fora against the blockade imposed by the United States against Cuba. On his part the New Zealand foreign minister stressed his country's interest in continuing to promote trade and strengthen high-level political dialogue between the two nations. McCully said he was grateful for the warm welcome received from the Cuban government, which has become a strong partner within the South Pacific area, and with which similarities of interests continued to grow.

Rodríguez expressed the view that the potential to develop bilateral relations was never greater, and that new and interesting projects that include third nations could emerge from them.

Minister McCully was accompanied by Clare Kelly, New Zealand's ambassador to Cuba, Prime Ministerial political advisor Billie Moore and foreign affairs lead advisor (Americas Division) Jacqui Caine. Cuba was represented by its General director of Bilateral affairs Gerardo Peñalver Portal, and Asia and Oceania Director Miguel Angel Ramirez Ramos. (Source: The Embassy of Cuba in NZ)

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### **Brasilia without Borders chooses New Zealand for its students**

LANZBC member AUT University has been chosen by the Brasilia state government as a participating institution for the Brasilia Without Borders "Global Leadership for the Future" programme. In August AUT will host 25 Brazilian university students who have been selected as young leaders for a 4 week study programme. This tailored programme consists of Business English tutorials, New Zealand and Maori cultural events, government speakers and networking sessions, as well as leadership and team building workshops. AUT was the only institution outside of the US and Europe chosen to participate. (Source: AUT University).

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### **Flying Kiwis off to Chile**

Education NZ has announced that seven young New Zealanders studying Spanish have been chosen to travel to Chile this month in the next phase of the Flying Kiwis programme. Forty one schools from all around New Zealand put forward some outstanding students for consideration. The students will spend three weeks in Santiago, going to school and living with Chilean families. (Source : ENZ)

## PROFILE: NEW ZEALAND EXPORT CREDIT OFFICE



# NEW ZEALAND EXPORT CREDIT OFFICE

The New Zealand Export Credit Office (NZECO) is New Zealand's export credit agency. Its job is to support New Zealand's export growth by helping Kiwi companies overcome barriers to trade and exploit international business opportunities. It works in partnership with banks and financiers to complement their services. Part of the team travels around New Zealand to educate exporters, bankers and export-promotion agencies about our services.

As a non-funding operation, NZECO issues financial guarantees and insurances aimed at enabling exporters to manage their overseas buyer payment risk, gain access to additional funding from their bank and increase their competitive advantage. Being an export credit agency means that NZECO has a higher appetite for commercial and political risk than banks and trade credit insurers. Export credit agencies are required to cover their costs over time so we charge a premium for our services in order to fulfil this obligation.

If you're an established exporter and you have identified Latin America as a target market, NZECO may be able to help you find a solution to overcome common barriers to trade, such as:

- using trade credit insurance to manage payment risk and / or smooth your cashflow for contracts up to 1 year
- enabling you to increase your competitive advantage by offering extended repayment terms to your overseas buyers (a common requirement in Latin America), and
- partnering with your bank to provide performance bond guarantees which will free up their existing facilities.

NZECO has established a relationship with Canadian financier, Northstar, aimed at providing an additional channel to access to finance (aimed at enabling exporters to secure sales). Northstar specialise in providing finance to smaller scale contracts over one year (between half a million and ten million dollars). Northstar have particular interest in working with Latin American companies.

If you would like to know more about what NZECO can do to help your export business, contact the Credit Office on (04) 917 6060 or [eco@treasury.govt.nz](mailto:eco@treasury.govt.nz), or visit their website to read more about their solutions. You can also read NZECO's [case studies](#) to get a deeper understanding of how they have supported exporters across all sectors and regions in New Zealand.

## NEWS FROM THE REGION

### Argentina reaches agreement with the Paris Club



After prolonged negotiations, the Argentine Government and the Paris Club Secretariat reached a mutually beneficial solution regarding the debt held by Argentina with member countries.

Argentina, locked out of international credit markets since its record \$95 billion default in 2001, has taken another step toward normalizing relations with international creditors. Companies from the 19 member countries of the Paris Club group of creditors have found it difficult to obtain financing for investment in Argentina because of the debt owed since a default. Settling \$9.7 billion of outstanding debt will help attract foreign investment to the country by lowering interest rates for financing specially into the automobile sector and infrastructure projects.

The Paris Club was established in 1956 as a result of the Argentine case and brings together 19 countries (Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Israel, Italy, Japan, The Netherlands, Norway, Russia, Spain, Switzerland, Sweden, England, and the U.S.) with which Argentina had contracted various debts. Renegotiations were held in 1962, 1965, 1985, 1987, 1989, 1991 and 1992, and the country again declared default as a consequence of the 2001 crisis. (Source : Argentinean Embassy in NZ and Bloomemberg News).

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### Continuous economic growth lead to another increase of interest rates in Colombia

Despite back-to-back interest rate hikes by Colombia's central bank, economic growth is accelerating in that country, with inflation within targets. The Central Bank cut back stimulus and increase their key interest rate to 3.75%, placing interest rates at their highest level since January 2013.

Economic growth has been gathering momentum over the last year and estimates for the first quarter are almost double what was predicted for the same period in 2013. Colombian government forecasts pin this year's growth rate at 4.7%, amid two interest rate rises in as many months. The figures were released amid record-low unemployment in April and a jump in inflation expectations.

The bank's decision was based on the stability of the Colombian economy and on-target inflation predictions. said Banco de la Republica Governor, Jose Dario Uribe. "A gradual adjustment in the expansive monetary policy reduces the need for brusque changes in the future, and ensures macroeconomic stability." This is good news for Colombian families, Finance Minister Mauricio Cardenas commented following the announcement: it should mean "more income, more employment and a higher quality of life".

Analysts at the Corporacion Financiera Colombiana predict further rises in the interest rate this year as growth pushes the economy close to its full capacity and inflationary pressures mount. Colombia's growth rate is due to accelerate for the third consecutive year. (source : Colombia Reports, June 3, 2014).

## Michelle Bachelet's Government Goals



President Michelle Bachelet delivered her State of the Nation Address on May 21 before a joint session of Congress, during which she set out her government's key lines of action for the next four years. In this year's speech President Bachelet referred to the way in which her government intends to respond to the demands and needs of citizens through a series of major and far-reaching reforms. "We have to accept that crucial and urgent changes must be made so that Chile's growth is not held back and inclusive growth is achieved," she announced. Accordingly, her government is proposing three fundamental changes during this, her second presidential term: Education Reform, a New Constitution and Tax Reform.

The proposed education reform will involve a structural change to education in Chile at every level, enshrining good quality education as a right. Besides being a long-term process of change that will extend far beyond her term in office, this reform will also require a tax reform. That tax reform, however, will only affect the highest earning sectors as those who have more should contribute proportionally more to the common good and to facilitate social mobility for the most vulnerable members of society and the middle class.

President Bachelet also announced a new energy agenda for Chile with "very clear objectives: to tackle the shortfall in terms of Chile's energy needs and to mark a real turning point in ensuring that Chile has a diversified, balanced and sustainable energy matrix." The seven core aims of the energy agenda are: 1) establishing a new role for the State in developing energy; 2) reducing energy prices through increased competition, efficiency and diversification within the energy market; 3) developing Chile's own energy resources; 4) improving connectivity to develop the energy sector; 5) establishing an efficient energy sector which also administrates energy consumption; 6) stimulating energy investments to support Chile's development; 7) enhancing community participation and land use planning. President Bachelet explained that with the implementation of this new agenda, it will be possible to avert price increases of as much as 34% in electricity bills over the next ten years.

Additionally, she outlined a series of initiatives to tackle political and social priorities that will be carried out during her term in office. In terms of her style of government the President noted that "we will govern by maintaining an open dialogue with all sectors whenever required, but our aim is clear: Chile must progress towards becoming a society with fewer inequalities that affords greater wellbeing to every man and woman in Chile." (Source : Embassy of Chile)



## How Brazil will benefit from the World Cup.

As you read this Newsletter the World Cup in Brazil is fully underway. To keep you updated about this event, Brazil's government has produced a World Cup Portal (<http://www.copa2014.gov.br/en.>)

Among the articles that appeared in the portal before the tournament was one that cited the positive effects of the tournament for its host:

The World Cup increases Brazil's visibility and attracts thousands of foreign tourists. Together, Brazilian and foreign tourists spending during the World Cup should reach R\$ 25.2 billion. R\$ 196 million are being invested in tourist infrastructure in host cities: new Tourist Information Centres, more signs and accessibility which will be left behind in the country. The 12 host cities are spread throughout the country's five regions. The Team Base Camps chosen by the 32 national squads are located in 27 cities and towns.

There are no funds from the federal budget allocated to stadiums. They were erected with financing from the Brazilian Development Bank (BNDES), local resources and funds from the private initiative, which together add to R\$ 8 billion. The amounts will be paid back to the bank. No funds from the budgets allocated to Health and Education were redirected to the World Cup. The 12 host cities have been equipped with 531 SAMU (ambulance service) mobile units, 66 medical emergency units (UPAs) and 67 hospitals to provide healthcare services to the local population and tourists during the World Cup.

The 12 World Cup stadiums are more modern and sustainable, providing fans with comfort and safety. The World Cup arenas are multi-purpose. They can be used as venues for concerts, conferences and several other functions.

Investments being made in ports reach R\$ 587 million in the host cities of Fortaleza, Natal, Recife, Salvador and Manaus, in addition to construction works being done in Santos (state of São Paulo). Investments are also being made in airports reach R\$ 6.28 billion, R\$ 3.62 billion of which from private resources. 90 airports will be used during the World Cup to get delegations, authorities and the general public around. The offer of seats on planes for the World Cup period currently stands at 11.5 million.

The expectation is for the World Cup to lead to an increase of R\$ 30 billion in terms of GDP for Brazil. The Confederations Cup alone added R\$ 9.7 billion to Brazil's GDP. Investments being made in the renovation of museums and other culture venues in host cities reach over R\$ 50 million. Handcrafts will also stand out in the World Cup through project Vitrines Culturais (Cultural Windows), which is selecting 60 thousand pieces to be sold during the tournament. All solid rubbish produced at the 12 venues will be collected and sent to recycling cooperatives.

2.57 million World Cup tickets had been allocated to Brazilian and foreign fans by 1 April. The World Cup in Brazil broke the record in the number of ticket requested. Eleven million requests were made! Brazil's Central Bank launched nine models of official coins to celebrate the World Cup, with 165 thousand copies being printed. The Post Office put in circulation 12 stamps portraying the host cities, with 600 thousand copies being printed.

Up to 18 thousand participants of the federal government's Brazil Volunteer Programme will provide support to fans in areas with high people flow in host cities. Around 710.000 permanent and temporary jobs will be generated by the World Cup. In the last three years, around 10 thousand health professionals have been trained to work in the World Cup. Approximately 18 thousand journalists have been accredited to cover the World Cup.

Around 700 teenagers, including one New Zealander, will have the opportunity of experiencing World Cup matches as ball catchers. (Extract from [50 days to the World Cup: 50 benefits provided by the World Cup](http://www.copa2014.gov.br/en/noticia/50-days-world-cup-50-benefits-provided-world-cup), <http://www.copa2014.gov.br/en/noticia/50-days-world-cup-50-benefits-provided-world-cup>, forwarded on by the Brazilian Embassy in NZ).

Here in New Zealand the celebration of the cup began on Friday June 13 with a 'Fiesta of Football' in Wellington co-organised by the Embassy of Brazil and the FIFA U-20 World Cup 2015 Local Organising Committee. Over the next year your Council will be exploring the potential of the latter event for supporting business engagement between New Zealand and Latin America. For now, we trust you will enjoy Brazil's cup – and the month-long boost it will give to Latin America's local profile. May the best (Latin American) team win!