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Latin America New Zealand
Business Council



THE LATIN AMERICAN MARKET

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CONNECTING NEW ZEALAND
AND LATIN AMERICAN BUSINESS

www.lanzbc.co.nz

INTRODUCING LATIN AMERICA

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- Welcome
- Why a regional business council?
- What is Latin America?
 - (Almost) everything south of Texas
 - A vibrant, neighbouring, unequal, rich, diverse, frustrating & frustrated region
- Why should it interest our businesses?
 - Huge resources
 - Complex economies – some giants
 - Mostly open for business
 - New consumers
 - Alignment between their needs & our expertise
 - Cultural attractiveness & affinities
 - Shared marginality
 - The big opportunity: to feed Asia together



THE DIFFERENT LATIN AMERICAS

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- Mostly open for business



THE DIFFERENT LATIN AMERICAS

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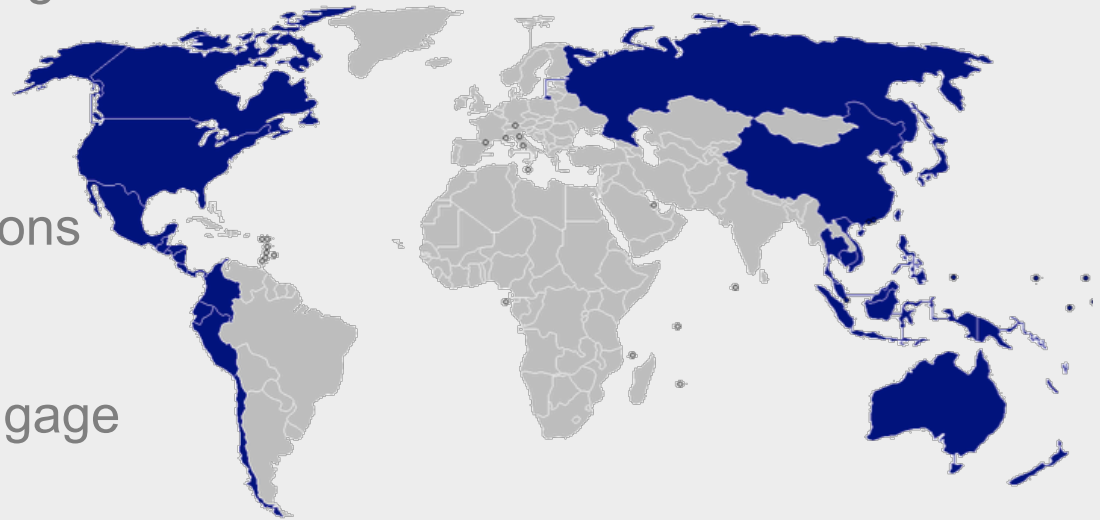
- The countries that are: the Pacific Alliance
 - Colombia, Chile, Mexico and Peru
 - Some small central American countries
- The countries that don't have leaders who view capitalism negatively
 - End of the Chinese market/export boom
 - How sustainable is their opposition?
- You need to keep up to date with the shifts
 - Argentina is shifting from the 'too hard' basket
 - Venezuela, Brazil & Ecuador may have to follow
 - Cuba is evolving, Bolivia & others are unique
 - Chile is becoming more difficult
- Opportunities even in the tough markets
 - Brazil has scale, infrastructure & very rich individuals
 - Government contracts



DEMAND FOR NZ GOODS AND SERVICES



- Historically:
 - Milk powder for welfare programmes, meat exports
- Today:
 - Agritech
 - Farming systems & management
 - Niche products
 - Education and training
- Barriers to trade
 - Weak transport connections
 - Ignorance and prejudice
 - Attention elsewhere
 - Limited band-width to engage
 - Unfriendly governments
 - Political instability
 - Economic complacency
 - Cultural practices – on both sides



BUSINESS ETIQUETTE

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- The challenges everyone faces



BUSINESS ETIQUETTE

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- The challenges everyone faces



BUSINESS ETIQUETTE



- Particular challenges for Kiwis
 - Few wise heads or immigrant connectors
 - Different languages
 - Their legalism, our naivety
 - Arrogance
 - No instant results!

NATIONAL TRADE ACADEMY: TRADE MISSIONS

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P4 Trade Mission delegates



NATIONAL TRADE ACADEMY: NETWORKING IS VITAL

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- Meet the key people in the market
 - NZTE staff
 - Education NZ
 - Embassy staff (including Ambassadors)
 - Honorary Consuls in country
 - Immigration staff
 - Other Kiwi's working in the country



NATIONAL TRADE ACADEMY: WHERE TO AFTER P4?

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- Repeat visits
- Identified partner organisations
- Built relationships
- Identified their needs
- What do we need to do to offer the training
- Can they afford it!!!!
- NZTE subsidy the life line!!



NATIONAL TRADE ACADEMY: PARTNERSHIP AGREEMENTS

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- Important to a point
 - They establish a starting point to working together
 - Provide a focus for future visits
- Can be just another certificate on a wall
- They need to be used and referred to
- If nothing comes from it, it's time to walk away



NATIONAL TRADE ACADEMY: CHALLENGES

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- Immigration policy changes
- Visas not meeting vocational needs
- Bureaucracy both within NZ and in the country marketing to
- Mañana
- Economic forces outside our control
- Natural disasters
- Negative press
- Over reaction from bureaucracy to issues

NATIONAL TRADE ACADEMY: WHAT HAVE WE LEARNED?

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- You need to build relationships
- Identify partner organisations
- Don't rely on Agents
- Be flexible
- Not everything goes to plan
- Perseverance is KEY



Above: Sago Fisur in Osorno, Chile



Left: San Cor Dairy Company, Sante Fe

OTHER MUST-KNOW INFORMATION



- Respect their cultures – make some attempts with language
- Fall in love with the place – hassles will be more bearable
- Forget our media – read the *Economist*
- Join the LANZBC (www.lanzbc.co.nz)
- Visit regularly – don't over-cram your days
- Air links are vastly improving (despite jetlag on arrival)
- Find trusted local partners
- Focus also on distributors and repatriation
- Use government links
 - Valued more there than here
 - NZ government agencies can offer you great support - and have been trailblazers

SUCCESS STORIES

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THE POTENTIAL OF THE TPP (1)



- A NZ idea on a NZ-Latin American base
- Makes NZ and 3 Latin American nations co-creators of the most important trade & regulatory arrangement linking Asia, Australasia and the Americas



THE POTENTIAL OF THE TPP (2)



- Gains with Mexico & Peru among its biggest selling points
 - Beef tariffs are eliminated in Mexico (25%) over 10 years and Peru (17%) over 11 years
 - Sheep meat tariffs are eliminated in Mexico (10%) over 8 years and Peru (9%) on entry into force
 - Wine tariffs will be eliminated in Mexico over 3 years and Peru over 5 years
 - Mussels tariffs will be eliminated in Mexico on entry into force and all seafood tariffs will be eliminated in 10 to 15 years (New Zealand's current fish trade already enters Peru duty free with other tariffs eliminated on entry into force)
 - Wool, hides and skins and leather tariffs are eliminated in both markets.
 - Manufactured goods tariffs are also eliminated in Mexico and Peru over 15 years or less
- Services sectors will also benefit from increased rules

THE POTENTIAL OF THE TPP (3)



- Potentially of most benefit for countries dominated by SMEs
- Greater understanding c/- increased promotion & contact
- Colombia's potential inclusion
- Towards a Free Trade Area of the Asia-Pacific?
- A case of if not when
- First signs of benefits
- Make a submission tomorrow
 - See http://www.parliament.nz/en-nz/pb/sc/make-submission/51SCFDT_SCF_00DBSCH_ITR_68247_1/international-treaty-examination-of-the-trans-pacific-partnership
- Check out www.tradeworks.org.nz
- Attend your local TPP roadshow
 - contact tpp@mfat.govt.nz for dates

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QUESTIONS?

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