



AL-INVEST IV INFORMS

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Special Issue on Ornamental Flowers

LETTER FROM THE EDITOR

Analdex: Supporting the Colombian Industry of Flower Growers

Historically, the Colombian industry of flower growers has played a very important role in the national economy, promoting national development by improving the quality of life of their workers and the communities in contact with this industry.

The production of Colombian flowers extends through 7,500 hectares approximately. Over 200,000 flowers are exported, the European Union being the second importer of the production after the United States. The main importing countries within the European Union are the United Kingdom, Spain, the Netherlands and Germany.

Despite the international financial crisis—which has affected undoubtedly to a great extent the Member States of the European Union—the Colombian flower grower industry shows a growth projection of 30% in the Old Continent, especially exploring alternatives in Eastern markets.

The National Association of Foreign Trade Analdex, partner of the AL-INVEST IV Program in the Andean Region, has contributed to tapping into international markets and promoting Colombian economic growth.

Analdex is a non-for-profit sectorial organization widely recognized nationally and internationally, with 40 years of experience in foreign trade under its belt. Its purpose is to promote and strengthen national exports, promote Colombia's image abroad, support the design and execution of appropriate short, medium and long term export policies, among others.

This association has channeled the resources of the Program towards a region—Cundinamarca—that brings together most of the Colombian flower producers. In a strategic alliance with partner institutions of the Program, regional authorities and represen-

tatives of the private sector, the businessmen of the region have benefitted immensely.

In this regard, identifying the needs of the beneficiary producers revealed that the sector had to continue to organize their production processes, lessen the environmental impact of their crops and expand their trade opportunities. Therefore, the Program focused on the implementation of Best Agriculture Practice (BAP) protocols for flower and foliage crops.

The goal was to improve the production process and minimize health, environmental and work-related risks by implementing a quality management system.

A group of beneficiaries was supported to take part in one of the most important flower trade fairs of the continent: Proflora, which takes place in Bogotá. During the fair, the flower producers held business meetings with business people coming from several European and Andean countries and generated business intentions that later led to an increased portfolio.

During 2011 Analdex will continue to support their industry by offering technical assistance to this group of small and medium enterprises for crop development and national and international expansion.

Giovanni Andrés Gómez
Special Projects Management
Analdex

The full study on the sector "Ornamental Flowers" will be available on our website in February

AL-INVEST



Support to the SMEs'

internationalization in Latin America

AL-INVEST IV program has
European Union funds

This publication has been made with the assistance of the European Union. The sole responsibility for its content lies with AL-INVEST IV and in no case shall it be deemed to reflect the EU point of view.

Central America, Mexico and Cuba

Mexico produces some 50 different types of flowers, such as roses, gladiolus, carnations and chrysanthemum, to name a few. Thanks to its geographic location, there are great business opportunities. However, its expansion to international markets is just starting. Guatemala enjoys a great tradition in this field. Women make up 80% of workers in the ornamental flower industry

MEXICO

A Growing Garden of Flowers

Mexico enjoys two advantages in the ornamental flowers and plants sector. One: a great variety of micro-climates that favors the continuous production of a wide range of cut flowers, foliages, pot plants, tropical flowers and orchids and others. Two: a privileged geographic location offering many trade opportunities.

The country dedicates 21,129 hectares to growing cut and pot flowers, which is 5.71% of the world's surface dedicated to this end. There are currently some 50 different types of flowers produced, such as roses, gladiolus, carnations and chrysanthemum, to name a few.

The Mexican flower grower industry international footprint is still small, although it is growing. Mexico sells 95% of the volume produced to the US, and almost 4% goes to Canada. It also exports 0.15% approximately of the flower production to Germany, 0.08% to Spain and 0.02% to Italy.

Some countries, such as the Netherlands and Germany are seeking to form alliances with producers from other countries to co-produce and grow flowers. These regions plan to develop new flower and seed varieties of higher quality.

Europe is a key objective for Mexico. Switzerland, Norway, the Netherlands, Austria, Great Britain, Belgium and Denmark invest more than \$50 per capita and per year in flowers and plants. In addition, Germany and the United Kingdom show a significant increase in their purchases between 2000 and 2004.

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GUATEMALA A Feminine Art

The ornamental plant industry has been present in Guatemala for over 30 years. Over this period of time, a group of 100 producing and exporting companies have entered the market. They create 60,000 stable jobs and 20,000 permanent jobs, out of which 80% are held by women.

Guatemala dedicates over 3,500 hectares to the production of over 200 species and 250 varieties of plants and 10 flower and foliage species. The weather permits to grow native species and easily adapt new varieties. All of them are sold in several ways.

With view to the future, small business owners wish to improve their technology, grow new species and develop training programs to increase the production and satisfy the growing demand worldwide.



Technical Assistance for SMEs

Some have already started to work. Under the umbrella of the AL-INVEST IV Program, several Latin American SMEs exporting plants and ornamental flowers participated last April in a training and technical assistance program in Guatemala, so that companies could earn the Milieu Program Sierteelt (MPS) certificate. This certificate intends to increase the businesses' production, favor the demand of products and make SMEs more competitive in the European market.

In addition, from September last year until January 2011, training and technical assistance on plant health for ornamental flowers is being taught. Some 20 companies are receiving information on dealing with plagues and crops, best farming practices and the improvement of the products.

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Roberto López, Director of Embassy Flores, Paraguay

Embassy Flores is filled with a natural, very distinctive aroma: that of its great variety of ornamental plants and flowers. This Paraguayan company, a family business for over 50 years, weaves the beauty of the flowers with the decorative art to create bouquets, centerpieces and colorful baskets for any event, from romantic breakfast baskets to elegant, simple bouquets for brides. Their elaborate and attractive flower designs have positioned the company as a main player in this Latin American country. We talked to their manager, Roberto López, to learn more about the evolution of this particular business



Two workers of the SME Embassy Flores working in a crop field

PROFILE

Sector: **Ornamental plants and natural flowers**

Director: Roberto López Galeano

Number of employees: from 15 to 20

Headquarters: Av. Mariscal López esq. Estados Unidos, Asunción-Paraguay

Web: www.embassyflores.com.py

How did your plant and ornamental flower business start?

Embassy Flowers is a family business with over 50 years of experience in the field of plants and ornamental flowers. It started business by selling flowers and flower arrangements.

How has the company evolved?

The business developed its ornamental flower and foliage production unit on a small scale with its own raw materials. The business grew gradually, and today it has a sizeable flower nursery in the country, specifically in the city of Pirebebuy, some 80 km away from the capital city.

Your flower supply is very complete. How do you manage?

Embassy Flores is one of the few companies in Paraguay that has developed the ornamental plant business in an organized, business-like manner and scaled it up. Generally, the flower growing industry in Paraguay is made up of handcrafted, local businesses, mainly small crops grown by families in the interior area of the country.

What is your priority?

Our main goal is to increase quality and productivity. In order to do so, we are investing in the assembly of greenhouses for our production.

Have you exported to international markets?

We mainly export to Chile. In 2008 we carried out our first business operation in Spain, where we sold several varieties of palm trees. Locally, we sell our products through large supermarket chains in Asunción and Gran Asunción.

What is your business challenge?

Our mid-term challenge is to produce and sell cut flowers. The international market is very enticing, since these countries do not have a long tradition in this sort of products. Another strategic growth opportunity is to build alliances to access international markets.

How did the AL-INVEST Program help you?

Thanks to the AL-INVEST IV Program, the Business Cooperation and Industrial Development Center (CEDIAL by its Spanish acronym) supported our company in its business expansion and production development through their innovation project. In addition, we developed joint Corporate Responsibility projects with an Association of small nursery flower growers in Cabañas, Cordillera.

Native and Natural Food Supplier, Peru

“Positive”. This is how Marita Betalleluz, general manager of the company ‘Native and Natural Food Supplier’ rates 2010. She has her reasons. During this year, her Peruvian SME has achieved the sale of her wide range of products in Lima and Germany—where she started her business venture—and furthermore, the entry into other markets, now exporting to Switzerland, Austria and Chile through a gourmet deli shop distribution channel.

Her specialty is to elaborate natural, high quality, food products without preservatives. Her wide range of products includes delicious vinaigrettes and mousses, marmalades and sauces.

Despite the fact that this entrepreneur already has a history of selling abroad, this did not guarantee the stability of her business. For this reason, she decided to learn to identify her weaknesses to transform them into strengths. How did she manage? She chose to become part of a business group.

Participating in the gourmet food group of the Chamber of Commerce of Lima through the AL-INVEST IV Program has taught to this Peruvian woman the new techniques to label her products to make them more appealing in international markets. Besides, she has been able to participate in specialized fairs, such as Anuga in Cologne (Germany) or Alimentaria in Barcelona (Spain).

“All this knowledge enables a larger presence of my company abroad. At the moment, I am preparing my third export towards Europe and consolidating a container. I hold great expectations for 2011”, says the business woman.



Marita Betalleluz, general manager of 'Native and Natural Food Supplier' posing with her products

Source: RA

Europe, a relevant business partner

European countries are the third destination of Peruvian exports, which makes of them a relevant business partner, according to the Chamber of Commerce of Lima.

According to Rosario Pajuelo, the trade advisor of Peru in France, Europe presents very interesting market diversification opportunities for Peruvian SMEs. The vast majority of European suppliers and importers are small companies with small and medium size orders, the perfect match for Peruvian companies. Add to this the advantage in tariffs that will bring the start of the Free Trade Agreement.

http://www.nativeandnatural.com/espanol/about_us.html

Sioux Inka, Peru



Silver necklaces by Sioux Inka

Sioux Inka is a company in the business of selling silver jewelry. Its general manager, Luis Banda, was very satisfied after his participation in the fair Expocruz last September in Bolivia. The success of the event is due to his personal effort and to his participation in the jewelry group of the National Society of Industries (SNI by its Spanish acronym).

“The group gave us technical advice on designing jewelry and European trends. They also informed us on the best negotiation methods at a fair. All this contributed to a remarkable participation in Expocruz”, said the businessman. According to him, the technical assistance is “vital” for small companies.

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How Can We Export To Europe?

Services Consortium, online course

The Services Consortium of the AL-INVEST IV Program has made a call for the on-line training course "How to Export to Europe". It will take place on an e-learning platform to teach to the technical staff of Latin American institutions the methods, procedures and information seeking processes of European markets. The correct execution of the training sessions is guaranteed by GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit), a partner of the Services Consortium.

This way, Latin American intermediary organizations will be able to help regional companies in their ventures in European markets. The online course will be 21 days long (63 hours) and will have a one-on-one system available as well as a four day long face-to-face course titled 'Training the Trainers'. The goal will be to learn the details of Competitive Intelligence Techniques and searching for international information. The maximum number of attendants will be 15 people.

<http://www.al-invest4.eu/al-invest/actualidad/noticias/902-al-invest/431-el-consorcio-de-servicios-abre-el-plazo-de-convocatorias-para-el-curso-como-exportar-a-europa>



Graphic Art

October 18-23, Buenos Aires, Argentina

Buenos Aires hosted the Fair 'Argentina Gráfica 2010', which took place October 18 to 23. The event offered many activities organized by Union Industrial Argentina (UIA) through the AL-INVEST IV Program. First, Jens Arne Water Knöbl, a German expert in UV printing, gave a lecture to SMEs on the pros and cons of this type of inks, the new technologies and issues to bear in mind when choosing one ink or material.

In addition, an inverse trade mission took place to help Small and Medium Enterprises look for new markets abroad. During the event, potential clients and graphic businesspeople from Argentine, Chile and Uruguay interested in this type of products went to Buenos Aires to maintain conversations. Their organizations highlighted the fact that the most important achievement of the business round was having shown SMEs in the graphic arts industry that exporting is at their reach.

<http://www.argentinagrafica.com/>



Fair Argentina Gráfica 2010

Source: MCV

Jaguars against Tigers

March 15, Solvay Library, Brussels

Within the framework of the AL-INVEST IV Program, the Association of European Chambers of Commerce and Industry (Eurochambres) and the think-tank 'Friends of Europe' are organizing a political-economic summit on Latin American-European relations. The event is titled "Investing in Latin America's Boom: Can its 'Jaguars' Catch Up with 'Asia's Tigers'?" and will be taking place on March 15 in Brussels. 200 people from both continents will participate, with profiles ranging from political leaders to industrial representatives, business people, scholars and members of several organizations. The 1-day-meeting will be divided into three sessions, approaching subjects such as regional and geopolitical cooperation, trade relations and business opportunities between both parties.

<http://www.al-invest4.eu/al-invest/actualidad/noticias/902>

Nicaragua is back to 'Fruit Logística'

February 9-11 2011, Berlin

After almost 20 years without participating in the fair 'Fruit Logística', Nicaragua is back with a stand in this important event taking place in Berlin, Germany, next month. Approximately eight Small and Medium Businesses from Nicaragua will present their fresh fruits and vegetables to promote their exports towards European markets and participate in business meetings and other events.

"The goal is not only for business men to make business, but to learn about the market, the rules, the players, the distribution channels and to compare their products with the products of the competition", said Azucena Castillo, general manager of the Association of Nicaraguan Producers and Exporters.

Nicaraguan exports scored a historical record in 2010. However, they were focused on more traditional products. For this reason, the Association of Producers and Exporters, (APEN by its Spanish acronym), through the AL-INVEST Program, wants to promote exports in non-traditional food sectors, such as fruits and vegetables, currently amounting to 18%. Work in 2011 will focus on positioning these products in European markets.



In this regard, Castillo said that his priority is to focus his efforts on "differentiating and adding value to the production" to stand out from the competition and cater to the demand of the end consumers.

http://www1.messe-berlin.de/vip8_1

Bridging Gaps with Textile and Footwear

January, Services Consortium



The Services Consortium of the AL-INVEST IV Program continues to publish sectorial analysis to facilitate relations between Latin American SMEs and European intermediary organizations.

To-date, the reports published have analyzed foods and beverages, jewelry and beads, textile and footwear.

The coming months the subjects approached will range from ornamental flowers to fishing, aquaculture and renewable energies.

Each analysis will offer details on the price, distribution channels, target public, tariffs and other barriers, and most importantly, trends in the markets analyzed.

This month the Services Consortium wanted to learn the details of technology changes and the increase in production costs experienced in the textile industry in Europe.

This industry is growingly focused on improving the quality and design and European consumers show a preference for green fashion. Next January those interested may learn in detail about the footwear sector in the European Union, which is well known for being highly competitive, both in domestic and international markets.

"Textile and tailoring":

<http://www.al-invest4.eu/minisite/textil/europa/europa1.html>

"Footwear":

<http://www.al-invest4.eu/minisite/calzado/europa/europa1.html>



Publications

"Textile and Tailoring" sectorial analysis:

<http://www.al-invest4.eu/minisite/textil/europa/europa1.html>

"Footwear" sectorial analysis:

<http://www.al-invest4.eu/minisite/calzado/europa/europa1.html>

"Ornamental Flowers" sectorial analysis:

Available on our website on February 2011

Events

BIOFACH 2011

February 16, 2011 -- February 19, 2011 (CS)

CeBIT - Hannover 2011

March 01, 2011 -- March 05, 2011 (CS)

BUSINESS AGENDA FOR GCP GLOBAL IN SPAIN

April 01, 2011 (CAMC)

SIMM Madrid 2011

September 01, 2011 -- September 03, 2011 (CS)

Anuga 2011 - Köln

October 08, 2011 -- October 12, 2011 (CS)

FIMMA-MADERALIA, Valencia 2011

November 01, 2011 (CS)

*CAMC- stands for Central America, Mexico and Cuba Consortium

*CS-stands for Services Consortium

Contact

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<http://www.facebook.com/pages/AL-Invest-IV-Consorcio-de-Servicios/175340069146180?ref=ts>

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Share your comments!



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"The AL-INVEST IV Program is one of the most relevant regional economic cooperation programs of the European Commission in Latin America. The main goal of the IVth phase of the Program is to promote social cohesion by supporting Latin American SMEs in their consolidation and internationalization, sharing innovation and knowledge and creating economic relations with their European counterparts".