



AL-INVEST IV INFORMS

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Special Issue on Foreign Direct Investment (FDI) and SMEs

LETTER FROM THE EDITOR

Mission Accomplished at the FDI & SMEs Seminar



Last December 5 and 6, the First EU-Latin America Public-Private Dialogue on Foreign Direct Investment and SMEs took place in Santiago de Chile. It was organized jointly by the Economic Commission for Latin America and the Caribbean (ECLAC) of the United Nations and the Services and Coordination Consortium of the AL-INVEST IV Program, led by EUROCHAMBRES.

The meeting sought to start up a bi-regional positioning strategy on support policies for SMEs, specially focusing on internationalization and how it intertwines with foreign direct investment. This objective fits with the goal of formulating recommendations for the next European Union-Latin America and the Caribbean Summit, which will take place in Chile in 2013 (date to be agreed by the Governments).

Approximately 85 members of Latin American and European Business Chambers, government areas of support policies for SMEs in Latin America (from some 12 countries), EU bodies, and representatives from the AL-INVEST IV Program, EUROCHAMBRES and international bodies participated in this event.

EUROCHAMBRES believes the goal sought after with this event has been successfully met. The first balance drawn leaves us the following positive results:

- Exchange of updated information on the status quo of support policies for SMEs and their internationalization in Latin America and the European Union.
- Exchange of experiences among public

and private sectors from both regions on the main subjects linked to competitiveness and SME internationalization.

- Identifying proposals to boost the strategic alliance between the European Union and Latin America, with the views set on the Summit of Chiefs of State and Government coming up, and other relevant authorities.

Undoubtedly, these issues are key today as part of a growth and competitiveness strategy. National borders still represent a formidable barrier to many European and Latin American Small and Medium Enterprises (SMEs) when seeking to expand their activity and they still depend, greatly or totally, on their respective national markets.

To follow up on the actions stemming from this first meeting, we are looking into a similar event in Europe with ECLAC. The goal is to continue progressing in the definition of a joint public-private strategy among representatives from both regions by making specific proposals to boost SME internationalization.



Dirk Vantghem
Director, International Affairs

EUROCHAMBRES



Facilitating the internationalization of Latin America SMEs

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Central America, Mexico and Cuba

Foreign Direct Investment (FDI) is the launching pad used by many Latin American SMEs to broaden their trade horizons abroad. The Chilean seminar was an essential source of information and a meeting point to exchange best practices in this regard. Therefore, many countries of the CAMC Consortium attended the event.

COSTA RICA

CADEXCO Sets the Example



Sergio Navas at the event
Source: CAMC

Sergio Navas, Executive Vice-President of CADEXCO, represented Costa Rica at this event last December 5 and 6 in Santiago de Chile. Mr. Navas highlighted how important this public-private strategic alliance is to support the SME internationalization process.

For CADEXCO, this alliance has been the key to obtain a better local position, having enough representation to champion the interests of SMEs and national exports, gaining an advantageous international position, attracting cooperation funds and promoting trade opportunities under the umbrella of Free Trade Agreements.

For Costa Rica, the benefits translate into increased competitiveness, technology, best practices and business culture and promoting the transfer of knowledge.

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GUATEMALA

Energy Boost to FDI

According to data from the Bank of Guatemala, Foreign Direct Investment increased to Guatemala from \$745.1 million in 2007 to \$805.8 million in 2010, being Spain, the UK, Germany and Portugal the largest investors. When looking at the various sectors of the economy; production, trade and mining were the industries receiving the greatest investment through these four years.

Guatemala has recently issued new legislation on public-private alliances, offering foreign investors the opportunity to participate in infrastructure projects like airports, roads, etc.

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A session of the Seminar
Source: CS

NICARAGUA

More FDI in Latin America



The Association of Producers and Exporters of Nicaragua (APEN by its Spanish acronym) represented Nicaragua at the Seminar on Foreign Direct Investment and SMEs. The event was an essential tool to identify the main problems facing regional SMEs when seeking to trade with Europe.

In the last few years, an increase of FDI flows to Latin America has been reported. Panama and Costa Rica lead the list of countries receiving investment in Central America, and Mexico is one of two powers receiving the most investment in all of Latin America.

European investments in technology and R&D are essential to Latin America. They amount to 64% of the total and enable transferring knowledge, new skills and innovation.

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Mercosur, Chile and Venezuela

The Brazilian International Business Centers (CIN by its Spanish acronym), the National Confederation of Industries (COMEX/CNI by its Spanish acronym) and the Chilean organization Eurochile made use of the event to soak up all knowledge shared. The former ones did so as part of their best effort towards their 2015 horizon; the latter ones, to improve the already best practices developed.

CHILE

Eurochile, an Agenda Packed with FDI Tools

The summit organized jointly by the Economic Commission for Latin America and the Caribbean (ECLAC) of the United Nations and the Services and Coordination Consortium of the AL-INVEST IV Program provided an opportunity to assess the status quo of Chilean SMEs. By participating at the event, Eurochile said loud and clear that its SMEs are facing certain barriers. They need support from public and private entities in the field of internationalization to overcome these barriers.

This foundation's challenge for this newly started 2012 consists of promoting Europe's social economy organization models in Chile, to provide non-for-profit services to society. Other activities include a technological meeting with the European Network of Enterprises, scheduled for the SIAL Fair coming up, and participating in the preparatory activities leading to the VII EU-Latin American and the Caribbean Summit, to be held in Santiago de Chile in 2013.

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BRAZIL

Looking Towards 2015



The Brazilian participation at this first public-private event was made up of specialists from the International Business Centers (CIN by its Spanish acronym) and representatives from the Foreign Trade Unit and the National Confederation of Industries (COMEX/CNI).

The CIN Network offers businesspeople information, consulting services and grants to put together projects and make decisions regarding international markets.

The CIN and COMEX/CNI focused on activities they have set as their 2015 objectives to strengthen the internationalization process of Brazilian SMEs. The exchange of experiences at the event positively contributed to overcoming this goal and many others, such as the creation of a cooperation agenda with businesses present at the event.

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Andean Region

Nine entities of the Andean Region Consortium were represented at the Foreign Direct Investment and SMEs Seminar. Colombia, Peru, Ecuador and Bolivia soaked up the knowledge shared at the event.

An Andean Consortium Beautifully Represented at the FDI and SMEs Dialogue

Nine entities of the Andean Region Consortium participated in the first EU-Latin America public-private dialogue on Foreign Direct Investment and SMEs.

The National Association of Foreign Trade (ANALDEX by its Spanish acronym) and the Chamber of Commerce of Bucaramanga represented Colombia. The Chamber of Commerce of Lima (CCL by its Spanish acronym) and the National Association of Industries (SNI by its Spanish acronym) represented Peru. Ecuador was represented

by the Federation of Exporters (FEDEXPOR by its Spanish acronym). Bolivia participated through the Chamber of Industry, Commerce, Services and Tourism of Santa Cruz (CAINCO by its Spanish acronym) and the National Chamber of Industries (CNI by its Spanish acronym). Finally, the Chamber of Almería and the Chamber of the Czech Republic were in charge of representing European institutions part of the Consortium.

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Interview to...

Mario Cimoli,
Economic Commission for Latin America and the Caribbean (ECLAC), United Nations



Do you believe the goals of the First EU-LatAm Public-Private Dialogue on Foreign Direct Investment and SMEs have been met? What are the strong points of the meeting and where do you see room for improvement?

This event has been above and beyond the goals sought. It has been an unprecedented initiative, both in announcement and format. Thanks to this project, people who normally have no interaction between them have met to talk frankly and openly about common issues.

In addition, different realities and points of view were widely represented from the EU and Latin America. There were over 50 representatives from Business Chambers from both regions, national authorities of SME support divisions coming from a dozen Latin American countries and several experts from the EU agencies and international bodies. Besides, public and private sectors exchanged experiences and information on the support policies for SMEs and their internationalization.

There was a very rich, appropriate dialogue on the most important barriers smaller enterprises face to progress in their internationalization process and assimilate the global operations of transnational companies.

Finally, having these remarks clear in mind, we believe we can formulate constructive recommendations for the next EU-ECLAC Summit, to be held in Chile in January 2013.

Have common action areas been identified between the public and the private sector to progress in the internationalization process of SMEs from both regions? Which ones?

This meeting said loud and clear that there is a need to better articulate public and private actions regarding support policies for SMEs. In fact, both in Europe and Latin America there are many initiatives and experiences led by the private and the public sector that are unknown or not suitably, necessarily coordinated.

Systematizing and documenting success cases must be a step to building institutional learning grounds. This is the only way to enrich the public-private dialogue, the foundation of the strategic alliance between the EU and Latin America.

Could you name some barriers and opportunities for SME internationalization in the current economic environment?

Progress has been made in the identification of obstacles, namely, in putting together proposals to energize SME internationalization by participating in productive chains, overcoming barriers to funding and encouraging competitiveness improvements in companies and access to markets.

What would be the next steps after this event?

ECLAC and EUROCHAMBRES should enhance its visibility and spread the internationalization experiences of Latin American and European SMEs. It would be advisable to start building a best-practice observatory to document success cases and extract lessons from specific experiences.

At the same time, it is necessary to continue to encourage dialogue among the main players. Therefore, a second meeting would enable us to progress in the definition of a joint public-private strategy among representatives from both regions by making specific proposals to boost SME internationalization. These recommendations should be voiced in the following preparatory steps leading to the EU-ECLAC Summit, to take place in the following months.

Name: Mario Cimoli

Position: Director of the Productive and Business Development Division

Body: Economic Commission for Latin America and the Caribbean (ECLAC), United Nations



Agritechnica 2011 Brings a World of Opportunities to Argentine

November 15-19, Hannover, Germany



Contact: Bruno Misica brunom@uia.org.ar

Many Argentine companies participated in one of the most important fairs of agricultural machinery worldwide. No less than eight companies confirmed to have closed on important sales during the event. Such turnout was achieved thanks to the support of the Argentine Industrial Union (UIA by its Spanish acronym) under the umbrella of the AL-INVEST IV Program, and the Argentine Foundation Exportar, the Expoagro Fair and the Argentine Chamber of Manufacturers of Agricultural Machinery.

The Argentine attendants took good note of the meetings held with experts, the business meetings such as the one organized by the Argentine-German Chamber of Commerce and the visits to facilities, such as the one organized to the company CLASS. In this last activity, Argentine businesspeople saw the latest technology in agricultural equipment and industrial and trade matters.

International Fairs Are the Best Launching Pad for Latin American SMEs

Just like every year, in 2012 the Coordination and Services Consortium of the AL-INVEST IV Program will organize several business missions to four important international fairs to take place in Europe.

The first one, CeBIT, will take place from March 6 to 10 2012, in Hannover. It is the best known event worldwide in the field of Information and Communication Technologies (ICTs). AL-INVEST IV will also be present in ALIMENTARA from March 26 to 29, the International Food and Beverage Fair. It is an essential 'rendezvous' in the agendas of every one wishing to learn about this industry from the inside. The SMEs participating in the Program may also enjoy

the HANNOVER MESSE Fair, from April 23 to 27, a unique showroom for industrial technology, with worldwide novelties and integrated solutions. Finally, the AL-INVEST IV Program will participate in the most important food fair worldwide from October 21 to 25, the SIAL Fair, to take place in Paris.

In addition, the Program will organize technology meetings, including seminars, technical visits and business meetings in Latin America in the framework of the BITS Fair (Porto Alegre, Brazil), from May 15 to 17, and SIAL-Sao Paulo, from October 25 to 28.

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SMEs of Catamarca: Export!

November 2011, Catamarca, Argentina

'The First Steps to Export' is the name of the courses held throughout Argentine to offer training to all national SMEs seeking to export abroad. It is organized by the Argentine Industrial Union (UIA by its Spanish acronym), the Industrial Union of Catamarca, and the Government of this Argentine region. During the training, the professionals Carlos Torrico and Mercedes Maceira, from the Exportar Foundation, shared their experience. In addition, there were exceptional guests, such as Raúl Colombo, President of Catamarca's Industrial Union, and Jorge Sosa, Foreign Trade Director in the same region.

Mr. Colombo said to businesspeople that the UIA "is working hard through the Regional Development and SME Department". Mr. Sosa highlighted how carrying out this type of training sessions in the region of Catamarca is very important, since it already is "a historically exporting region".



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Honduras Will Be Present at Biofach

February 15-18 2012, Nuremberg, Germany

For the fourth time in a row, Honduran companies will participate in Biofach, the most important fair of organic products worldwide, taking place yearly in Nuremberg, Germany.

Thanks to the AL-INVEST IV Program and the Ecomercados project of the Swiss Cooperation, a total of seven companies of the Central American country (CAPUCAS, CREPAIMASUL, COPROCAEL,

COMUCAP, Cohonducafe and COMSA) will have room in this very important event, where the Foundation for Investment and Development of Exports (FIDE by its Spanish acronym), will have a Central American stand, shared with companies from Guatemala, El Salvador and Nicaragua.

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How to Sell?

Mexico

The NAFIN MEXICO EUROCENTER, in collaboration with the consultancy firm Barrabés América, has developed two very intensive training actions on communication, marketing and promotions in Mexico, North America. These methodologies are important because they are useful for SMEs to learn the best sales techniques. However, it is also an important tool for public and private institutions and bodies and it helps create new support tools to promote the diversification of services, training of civil servants and improved quality of business service.

Also, the Session on Transferring Methodologies, addressed at Mexican public and private bodies catering to SMEs, was hosted at the facilities of Nacional Financiera, leader of the Central America, Mexico and Cuba Consortium (CAMC by its Spanish acronym).



Participants at the Session on Transferring Methodologies
Source: CAMC

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The Sixth Edition of the Latin American Academy Is Here

April 23-27, Florianopolis, Brazil



The Latin American Academy is the main training activity organized by EUROCHAMBRES, leader of the Coordination and Services Consortium of the AL-INVEST IV Program, and offered

to senior and middle management from organizations representing chambers and unions. The event consists of four days of training and unique opportunities to exchange experiences in a casual and stimulating environment.

The Latin American Academy will take place next April 23 to 27, 2012 in Florianopolis, Brazil. It is not only a meeting point to exchange experiences among the Latin American business organizations, but also a link between them and Europe. One of its main goals is to bring both continents closer to make cooperation between businesses easier. It is estimated that there are 60 Latin American and 10 European civil servants attending this year's edition.

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Chocolate's Wealth

December 15-17, Santa Cruz, Bolivia

For the third time, the Chamber of Industry, Commerce, Services and Tourism of Santa Cruz (CAINCO by its Spanish acronym) has been in charge of organizing the tasty Chocolate Fair. It took place last December in the framework of the AL-INVEST IV Program. The event generated sales worth \$14,000, according to the first estimates made by the event organizers. More than 6,000 visitors enjoyed the many samples of this delicacy at the CAINCO facilities.

Christmas products, such as the Santa Claus, Christmas cribs, trees and decorations were the highlight of the event. In addition, the box of chocolates filled with tropical fruits, 'oCho', was officially presented. This chocolate box is made by the companies of the CAINCO's Chocolate Cluster.

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Uruguayan Companies in POLLUTEC 2011

Seven Uruguayan companies in the environment and recycling industries had the opportunity to participate in a business mission in the framework of the POLLUTEC Fair 2011, which took place in Paris, France. Thanks to the support of the International Business Center of the Chambers of Commerce of Uruguay and the national association CEMPRE (Business Commitment with Recycling) and the AL-INVEST IV Program, the Uruguayan companies received a package of services from the United Nations Industrial Development Organization (UNIDO) in France.

The companies attended the fair, made technical visits and held meetings and business rounds such as the Green Business Meetings, organized by the European Enterprise Network (EEN), along with UNIDO. All companies considered their participation was a unique opportunity to do business, identify potential partners and establish strategic alliances, and adopt a broader vision of trends in this industry worldwide.



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Coming Up

Events

SIAD

January 28, 2012 – January 29, 2012 (CAMC)

International Trade Academy. France.

January 31, 2012 – February 3, 2012 (CS)

Gourmet Salon (XXVI International Salon of Gourmet Clubs).

March 5, 2012 - March 9, 2012 (CAMC)

Business Mission CeBIT 2012. Germany.

March 5, 2012 - March 10, 2012 (CS)

Alimentaria Barcelona.

March 26, 2012 - March 29, 2012 (CAMC), (CS)

Hannover Messe (industrial sector). Germany.

April 23, 2012 – April 27, 2012 (CS)

Latin American Academy. Brazil.

April 23, 2012 – April 27, 2012 (CS)

BITS Porto Alegre. Brazil.

May 15, 2012 - May 17, 2012 (CS)

More events: <http://www.al-invest4.eu/calendario/656>

Contact

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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".