

## India-LA relations news

Sonrisa de esperanza y sollozo de pasión?in Latin America

This is the time of ?? sonrisa de esperanza y sollozo de pasion??. Means ?. ??smile of hope and cry of passion??.

?for the football teams and the soccer-crazy people of latin america

Between 11 june and 11 july , watching football will take precedence over business meetings and office work. .. especially in Argentina and Brazil, the super powers of football.

While the Latinos are watching the football scores? the Indian exporters can plan and formulate strategies for market entry and expansion in Latin America..

Here is the Hola Business News?to help in the preparations of plans and strategies..

Expansion of India- Mercosur PTA

In the next India- Mercosur meeting to be held in New Delhi on 15-16 June 2010, the deepening and widening of the India- Mercosur PTA will be discussed.

The current India - Mercosur PTA which has become operational since June 2009, covers 450 itmes of our exports and 450 items of Mercosur exports. These lists are in the businesswithlatinamerica website. It has now been decided to expand the lists. Mercosur has already drawn up their list of 1600 items. Our commerce ministry is starting the list collection. Indian exporters, export promotion councils and trade and industry bodies can present their cases to the Indian commerce ministry..mentioning the items with the HS codes and percentage of preference you desire. Also you might like to check how much preference is being sought by Mercosur for the items which are of interest to your company.

Contacts in commerce Ministry

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CII is planning to hold an interactive meeting with the visiting Mercosur delegation, which will have officials from all the four member countries of Mercosur.

Prospects of Latinamerican markets in 2010

According to ECLAC, the region is set for a GDP growth of 4.1% in 2010. IMF and Word Bank also predict 4% growth.Brazil, the largest market of the region is geared up for an admirable 7% growth, the highest since 1986. In the first four months of 2010, Brazil has generated almost a million jobs.

The next football World Cup and Olympics in Brazil mean more investment, infrastructure and business in the coming years?

Peru, Chile, Panama and Mexico are expected to post growth in the 4 percent range. Other countries, such as Argentina, Bolivia, Colombia, Costa Rica, Dominican Republic, Paraguay, and Uruguay ,will grow closely below the regional projected average of 4 percent. Venezuela is the only country which will suffer an economic contraction.

Hmmm? Instead of feeling bad and guilty ?someone ? you know.. who ..is celebrating this as the "death of capitalism" !

In the past, Latin America was known as the region of crisis and debt and they were given bitter medicine and condescending sermons. Oops .. now the doctors have got the disease and the priests have become the sinners.

Latin American economies have learnt from their past mistakes and have become wiser. They have withstood the crisis of US and Europe with their resilience and strong macroeconomic fundamentals. The Latino markets are stable and growing while Europe is in crisis and USA had undergone worse in 2008-9. Since these developed markets do not bring smiles to our exporters, it is time they should focus on new markets such as Latin America.

FDI in Latin America in 2009

Foreign Direct Investment ( FDI) in 2009 in Latin America was 77 billion dollars. Brazil, as usual, was the top recipient of FDI with 26 billion dollars.

What was unusual was.. Chile emerged as the second most preferred FDI destination with 12.7 billion dollars, taking over the usual number two slot of Mexico, which attracted 11.4 billion. Peru seems to be the most attractive destination for mining investment in Latin America. Venezuela is the least attractive destination for FDI...no surprise...

Here are the figures of FDI in billion dollars...

USA continued to be the largest investor in Latin America ( 37%) followed by Spain ( 9%) and Canada ( 7%).

Outward Foreign Direct Investment by Latin America in 2009 stood at 11.4 billion dollars. Chile replaced Brazil as the largest investor with 7.9 billion dollars. Mexico was the second largest with 7.6 billion ( dont forget.. the world's richest man is a Mexican ! ) and Colombia invested 3 billion. The surprise in 2009 was that Brazil which was the traditional number one missed out the top spots. The Brazilian companies received more from their subsidiaries abroad in 2009 than their fresh investment.

Since American and European companies are less active in Latin America at this time, the Indian companies should focus on this region to get access to edible oil, pulses, wheat, sugar, minerals and crude oil which are going to be needed more and more by the growing Indian market. Agribusiness, mining and petroleum should be the priority areas for Indian companies.

More Indian companies invest in Latin America

Renuka Sugar bought another Brazilian company for US\$ 329 million in February 2010. In November 2009, Earlier, Renuka had acquired sugar and ethanol producer Vale Do Ivaí S.A. Acucar E Alcool for \$240 million. With these Brazilian acquisitions, Renuka has become the third biggest sugar company in the world, the number one sugar firm in India and among the top five in Brazil.

Godrej has acquired the Issue Group of Argentina which is a national leader in the cosmetics business. The turnover of the company is 35 million dollars which includes exports of 12 million dollars. Besides Argentina, the Issue Group cosmetics have a presence in a number of Latin American countries.

The Group has a manufacturing plant in Buenos Aires.

Patni Computer Systems opened a new IT Delivery Center in Queretaro, Mexico to Serve North and Latin American Markets. Jose E. Calzada

Rovirosa, Governor of the Queretaro State cut the ribbon on 12 march.

IFFCO ( Indian Farmers Fertilisers Cooperative ) has invested 25 million dollars in Americas Petrogas, a Canadian company, which has oil and gas projects in Argentina and a potash mine in Peru. IFFCO is keen on the potash project in Peru, as part of their global fertiliser production strategy. They are considering the construction of a potassium chloride plant in Bayóvar (Piura) which will involve an investment of 200 million dollars. They are also considering a Urea production plant in Argentina based on the gas produced by Americas Petrogas in La Pampa province of Argentina.

Kirloskar is exploring the possibility of manufacture of pumps in one of the countries to be selected in Latin America.

#### Latin American investment in India

Cinepolis, a Mexico-based multiplex operator, is rolling out its investment of 350 million dollars. The company started operations in India last year and is planning to operate 500 screens in 40 cities in the next five years in cities like Jaipur, Pune, Thane, Amritsar, Bangalore, Thane, Patna, Bhopal, Surat and Ahmedabad. It is the world's fifth largest movie theatre circuit, operating 2,257 screens across 240 cinemas in six countries.

During my leave in India in April, I bought some chocolate candies in a super market in Trichy for the kids in my village. I was in for a surprise..the candies were made in Argentina by Arcor, the Argentine company

#### India opens an embassy in Guatemala

This has enhanced the presence of India in Central America. Guatemala is the largest market of central america with 10 million population and is the entry point for the region. Panama is the other central american country where India has embassy. The embassy became functional from April 2010 with the following address.

#### Embassy of India

16 Street 4-88

Zone-14, Guatemala city

Telephone: 00502-23682988, 23683230,23633295,23633305,23682974

Mr Achal Sharma, Second Secretary - mobile number 00502 4891 4477

Mr Mishra, Attache - mobile 00502 4965 0857

#### Third Festival of India 4-14 November 2010

The Embassy will organise the third edition of the festival in collaboration with EPCH ( export promotion council for handicrafts) of India as done in 2008 and 2009. The festival will include a handicraft exhibition with 60 Indian companies, classical and folk dance and music, films, food festival, exhibitions, seminars, literary events etc. Centro Cultural Borges is the main venue of the festival. Food festival will be at the

Sheraton Hotel. The second Festival of India attracted 50,000 visitors and the Argentines are anxiously waiting for the next edition.

Participation in AutoMechanica Fair Buenos Aires 17-19 November

CII will bring 40 Indian autoparts companies and this is the first-ever Indian participation in this Fair

Made in India exhibition in Sao paulo, March 2011

CII is organising this first-ever exhibition in Brazil. Hmm.. we tried to get it for Buenos Aires but lost to my dear Brazil?no hard feelings..

India Business Seminar in Buenos Aires - 16 November

CII and the embassy will organise this mega event to promote Brand India in Hotel Sheraton. There will be speakers and presentations on Indian industry and on Argentine market. Over 200 Argentine CEOs, chambers of commerce and industry, government authorities and media will attend this event. Minister of State for Commerce from India will be the key note speaker at the seminar.

Golf and Polo tournaments

As part of the Festival, the third India Cup golf tournament will be organised in Jockey Club with about 100 golfers on 8 November.

The first India- Argentina Polo tournament will be held on 16 November in Buenos Aires. Players from India will come specially for the tournament.

Game for more?

Yes, we are game? to organise more trade promotion events, receive delegations and visits of individual exporters?.