



**Seminar: “East Asia and
Latin America- Discovery of
business opportunities”**

*2004 FEALAC Young Business Leaders’
Encounter in Tokyo*

12 February 2004, Toranomom Pastoral Hotel

A stylized orange map of the world is centered in the background. The map is composed of solid orange shapes representing continents, with white spaces between them. The text is overlaid on this map.

Current Economic Situations (Trade and Investment) of East Asia and Latin America

Group 1

**BOLIVIA, CAMBODIA, ECUADOR, KOREA, MALAYSIA, PANAMA,
VENEZUELA**

Selected East Asian Economies

(Real GDP, percent change, year-over-year averages)

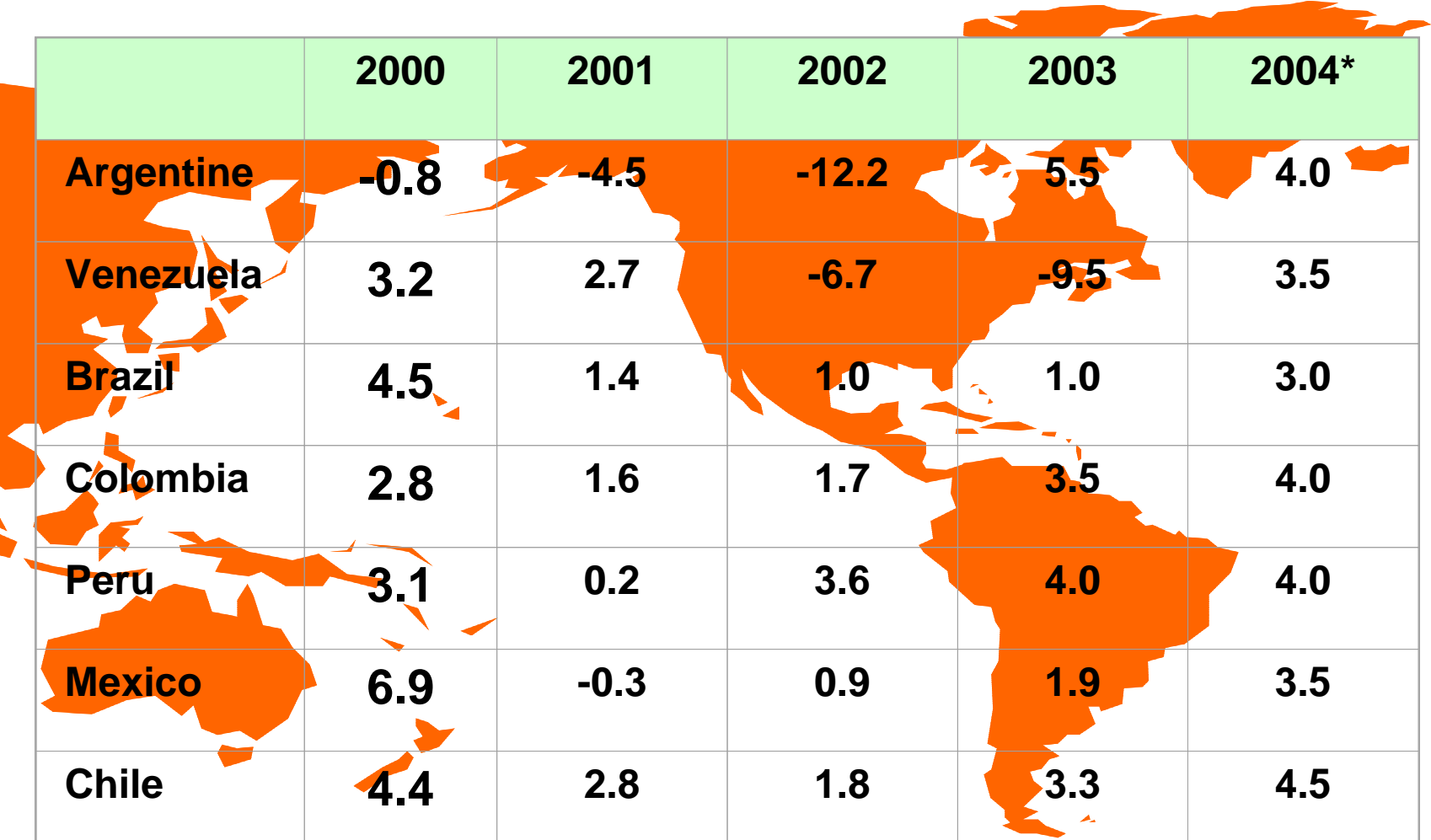
	2000	2001	2002	2003	2004*
Hong Kong	10.2	0.6	1.7	3.0	4.5
Cambodia	6.0	4.5	5.0	5.5	6.5
Singapore	10.2	-1.9	2.2	3.0	4.0
Indonesia	4.9	3.3	3.3	3.5	4.0
Philippines	4.4	3.2	4.0	3.5	4.5
Thailand	4.6	1.8	5.2	5.8	4.5
Malaysia	8.3	0.4	4.1	4.5	5.5
South Korea	9.2	3.3	5.9	2.8	4.3
China	8.0	7.3	8.0	7.5	7.5

Source:IMF,OECD& country sources; all estimates & forecast by LAEDC

*Forecast

Selected Latin American Economies

(Real GDP, percent change, year-over-year averages)



	2000	2001	2002	2003	2004*
Argentine	-0.8	-4.5	-12.2	5.5	4.0
Venezuela	3.2	2.7	-6.7	-9.5	3.5
Brazil	4.5	1.4	1.0	1.0	3.0
Colombia	2.8	1.6	1.7	3.5	4.0
Peru	3.1	0.2	3.6	4.0	4.0
Mexico	6.9	-0.3	0.9	1.9	3.5
Chile	4.4	2.8	1.8	3.3	4.5

Source:IMF,OECD&country sources; all estimates & forecast by LAEDC

*Forecast

A world map with a white background. The landmasses are colored in a light beige. Several countries are highlighted in red: Singapore, Chile, New Zealand, Mexico, and Peru. Other countries are highlighted in blue: Japan and Thailand. The title 'On-Going Economic Integration' is written in blue text across the top of the map.

On-Going Economic Integration

- Singapore-Chile-NZ
- Singapore-Mexico
- Japan-Mexico
- Thailand-Peru



Small numbers for big opportunities

- IN 2002, ASIA WAS THE TARGET OF ONLY 6.5% OF THE LATIN AMERICAN OVERALL EXPORTS
- IN TURN, ASIA EXPORTS TO LATIN AMERICA REPRESENTED ONLY 8.8% OF OVERALL EXPORTS
- BUT...NEW AGREEMENTS OPEN A NEW SET OF OPPORTUNITIES FOR TRADE



The most valuable understanding is

TRUST

SHIN-RAI

PERCAYA

CONFIANZA

MITUM

JOEU-JAK



Current Situation and Prospects of Economic Partnership, Including Regional Integration and Free Trade Agreements

Group 2

AUSTRALIA, LAOS, THAILAND, ARGENTINA, COLOMBIA,
EL SALVADOR, MEXICO

Group Members



Argentina



Australia



Colombia



El Salvador



Laos

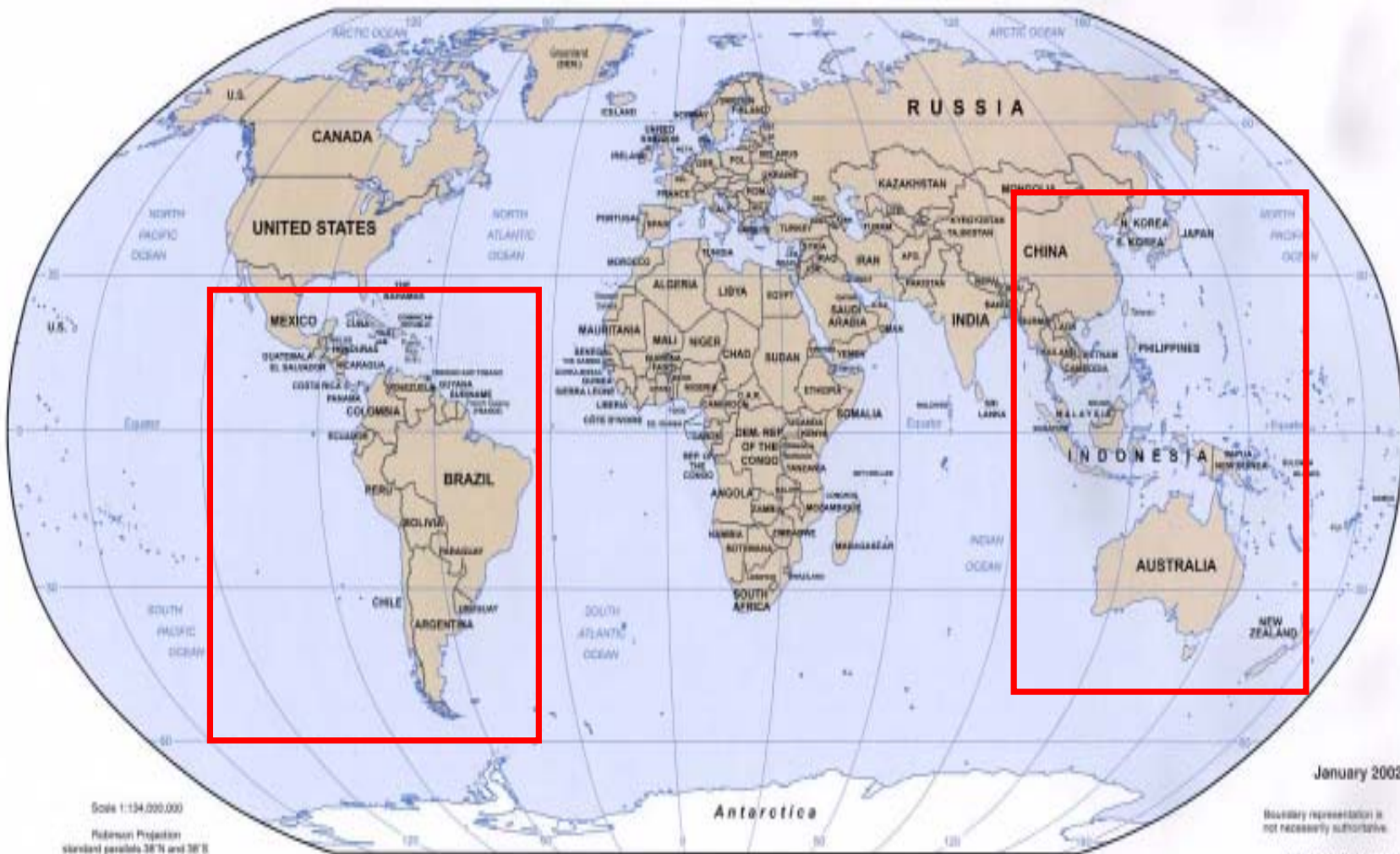


Mexico



Thailand

World Map



January 2002

Boundary representation is not necessarily authoritative.

Scale 1:134,000,000
Robinson Projection
standard parallels 36°N and 36°S

INTEGRATION WITHIN LATIN AMERICA

ECONOMIC INTEGRATION

- **ALADI**-Latin American Integration Association-(Argentina, Bolivia, Brazil, Chile, Colombia, Cuba, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela)
- **MERCOSUR** -Common Market of the South America-
(Argentina, Brazil, Paraguay and Uruguay/Chile, Peru, Bolivia as associated)
- **CAN-Andean Community Nations** (Bolivia, Colombia, Ecuador, Peru and Venezuela)
- **G3**-Group of Three- (Colombia, Mexico and Venezuela)
- **CARICOM**-Caribbean Common Market- (Antigua, Barbuda, Barbados, Belize, R. Dominica, Guyana, Haiti, Jamaica, Montserrat, Saint Kitts & Nevis, Santa Lucia, Saint Vicente & Las Grenadines, Surinam, Trinidad & Tobago, Anguila, Bermudas, Britannica's Island, Cayman Islands, Truces, Caicos Island)
- **CA4**-Central American Group of Four- (Guatemala, Honduras, El Salvador and Nicaragua)
- **Chile** & Mexico, CAN, Mercosur, Central America, EU.

INTEGRATION WITHIN LATIN AMERICA ...

FREE TRADE AGREEMENTS

- **NAFTA** (North American Free Trade Agreement)
(Canada, U.S.A and Mexico)
- **Chile & U.S.A.**
- **Chile & Korea**
- **Chile & EU**
- **Mexico & EU**
- **Panama & Taiwan**
- **CAFTA** (Central American Free Trade Agreement)
(Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica and USA)
waiting for U.S Congressional Approval.
- **Mexico & Japan** (In progress)
- **Panama & USA.** (In progress)
- **U.S.A & Colombia, Peru** (Announced last November).
- **FTAA** (Free Trade Area of the Americas), 39 countries, In progress.
- **CAN & MERCOSUR**

East Asia Economic Integration

- **ASEAN Free Trade Area (AFTA)**
- ASEAN (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam) Tariff Reduction : To be implemented in 2005
- **ASEAN – China FTA**
 - Agricultural products – Implemented in January 2004
- **CERTA between Australia & New Zealand**
 - Closer Economic Relationship Trade Agreement
 - Started in 1985 & Completed
 - Common Regulatory Agencies i.e. Food, Chemicals, etc.
- **Thailand** – Australia / Bahrain / China / India
- **Singapore** – Japan / USA
- **Australia** – Thailand / Singapore / EU / USA
- **Korea** – Chile
- **APEC –Asia Pacific Economic Cooperation-** (Australia; Brunei Darussalam; Canada; Chile; People's Republic of China; Hong Kong, China; Indonesia; Japan; Republic of Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; The Republic of the Philippines; The Russian Federation; Singapore; Chinese Taipei; Thailand; United States of America; Viet Nam.)

On-going Economic Integration



- **Multilateral Economic Integration**

- ASEAN-India
- ASEAN-Japan
- ASEAN-Korea

- **Bilateral Economic Integration**

- Japan – Mexico
- Korea – Japan / Mexico / New Zealand / Thailand
- Thailand - Japan

Future Prospects of Economic Integration

- Multilateral Economic Integration
 - ASEAN-EU
 - ASEAN-USA

Bilateral Economic Negotiations

Japan	Korea	Thailand	Australia
Mexico	Mexico	USA	China
	Thailand	Peru	EU
	New Zealand	Sri Lanka	
	Japan	Japan	



**SECTORS THAT EACH
REGION EXPECTS TO THE
OTHER FOR MORE
ECONOMIC RELATIONSHIPS**

Group 3

Myanmar, New Zealand, Vietnam, Indonesia, Cuba,
Costa Rica, Nicaragua, Uruguay

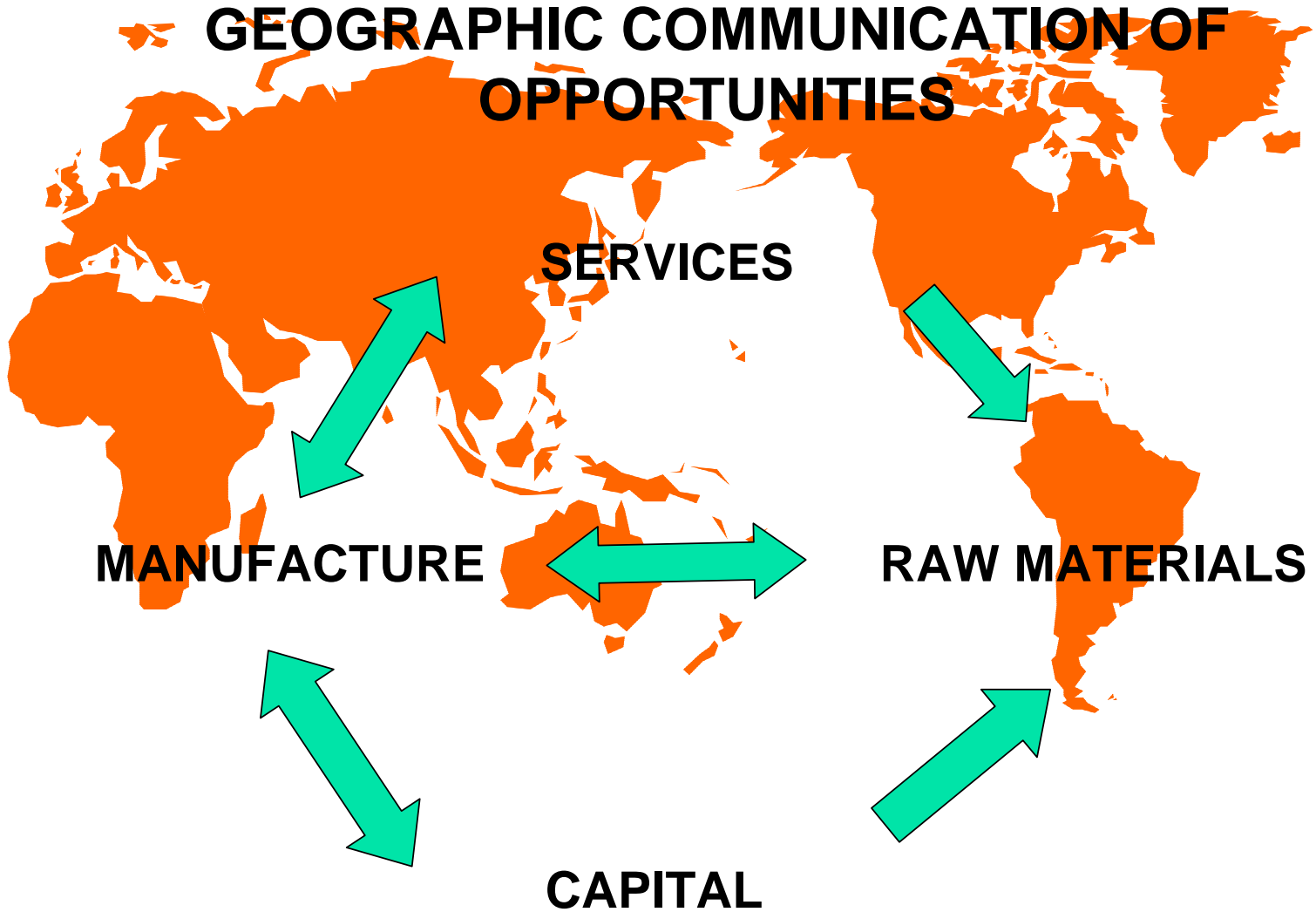


INTRODUCTION

- Latin American economies are based on rich natural resources and food supplies
- Asia economies offer capital and intermediate goods for manufacturing industries

**HOW CAN WE CAPITALISE ON
THESE COMPLEMENTARY
RESOURCES?**

GEOGRAPHIC COMMUNICATION OF OPPORTUNITIES



RAW MATERIALS



- With its rich and fertile lands Latin America is primed to meet the increasing consumer demand from the populous East Asian region.
- Seafood a primary staple of nutrition in East Asia can benefit from the wide range of water resources in Latin America.
- The mining industry offers a wide a range of opportunities to East Asia.



MANUFACTURING

- Parts of East Asia have the economies of scale, technical ability and inexpensive labor to process materials efficiently.
- Latin America has an attractive investment climate and access to the purchasing power of the Americas to develop similar successful industries.

A stylized world map in shades of blue and green, serving as a background for the text.

SERVICES

- Education/Training
- Information Technology & Communication
- Tourism
- Logistics



CAPITAL

- In the current investment market value is hard to find. Developing these economic ties will create a synergy not available in the global market at present.
- Investment in infrastructure, agriculture, tourism, energy, mining to optimise use of natural resources in Latin America.



Conclusion

The opportunity for leverage that can be generated for both Latin America and East Asia by realizing the goals of FEALAC is yet to be determined.

We have shown some of the possibilities for increased economic interaction between both regions and would hope that from here some practical solutions can be found to make FEALAC a success.



**EAST ASIA AND LATIN AMERICA
“A BRIDGE FOR FUTURE TRADE”**

***PROPOSAL TO STRENGTHEN THE
ECONOMIC RELATIONSHIP
BETWEEN THE TWO REGIONS***

Group 4

Brazil, Brunei, Chile, China, Guatemala, Paraguay, Peru and Singapore

Challenges

1. Lack of Awareness
2. Lack of Know-how
3. Barriers to Free Trade
4. Distance

Lack of Awareness

PROPOSALS

1. **Business missions, participation in trade fairs**
2. **Increase positive media coverage - print articles and TV**
3. **Stimulate cultural exchanges - arts, TV, movies, etc**
4. **Business exchange co-operations, seminars, networking platforms**
5. **Setting up of National Business Chambers & Associations**
6. **Understand different economic situations in Latin America**
7. **Encourage tourism**

Lack of Know how

PROPOSALS

1. Education & Training:

- University student exchange, training of human resources, specialized courses.
- Exchange of IT know-how.
- Exchange of organic products know-how.
- Clean products from Japan.

2. SME Associations - exchange of experience between SMEs from the 2 regions.

Barriers to Free Trade

PROPOSALS

1. **Bilateral and multilateral agreements such as FTAs**
2. **Foster new areas for investment relations e.g. mining, agricultural business, development of software in Spanish**
3. **Stimulate agreements between economic blocks e.g.. ASEAN and MERCOSUR or Andean Community**

Distance

PROPOSALS

1. Direct flights

- East Asia – Latin America

2. Use of IT tools

- Video Conference
- Link existing Business Matching portals

3. Business Support Offices



Conclusion

EAST ASIA AND LATIN AMERICA: “A BRIDGE FOR FUTURE TRADE”

To strengthen the economic relationships
between the two regions:

A. Cooperation:

- Economic and technical cooperation
- Elevate know-how, experience and best practices

B. Flexibility:

- New FTAs

* Leading to Diversity:

- Open new markets between regions
- Less reliance on traditional markets e.g. USA

Pro-active and practical support for FEALAC's objectives

- Continued interaction between participants of FEALAC Young Business Leaders' Encounter e.g.: through official FEALAC web page www.focalae.net for interchange of specific projects and experience
- Continue FEALAC Young Business Leaders' Encounter on a regular basis, rotating hosts between East Asia and Latin America



Thanks

Gracias

Arigato

Terima Kasih

Xie Xie

Obrigado