

Doing Business in 21st Century

South America



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*Washington State Department of Commerce
and small business clients
2011*



www.pnwa.com



Department of Commerce
Innovation is in our nature.

Outline

A 3D rendering of a globe with a grid of latitude and longitude lines. The continent of South America is highlighted in a solid green color, while the rest of the globe is in shades of gray. The word 'Outline' is written in large, bold, black font at the top center of the image.

- History
- People and Culture
- Macro comparisons
- Country Overviews
 - Brasil
 - Colombia
 - Chile
 - Peru
 - Argentina



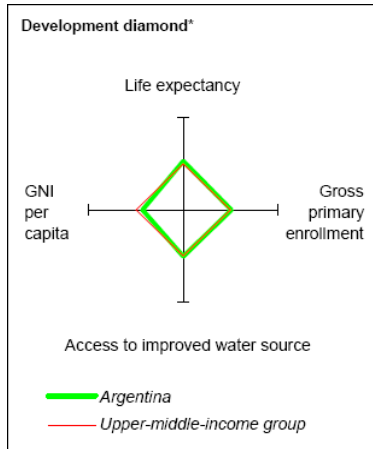
Early 21st Century

“Los Populistas”

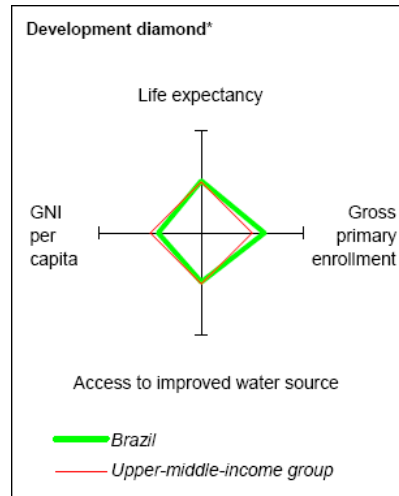
Development Comparisons



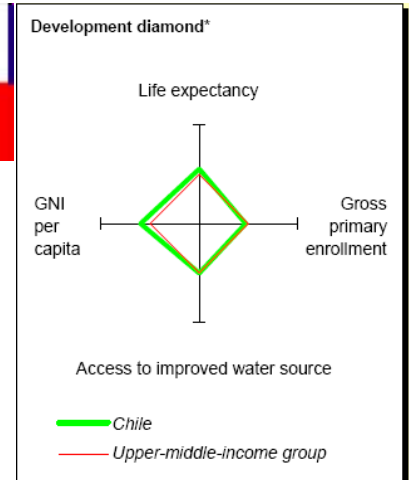
ARGENTINA



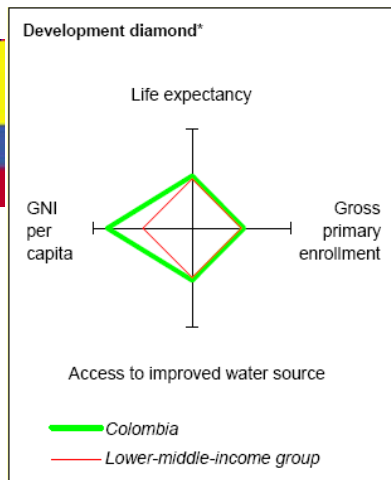
BRAZIL



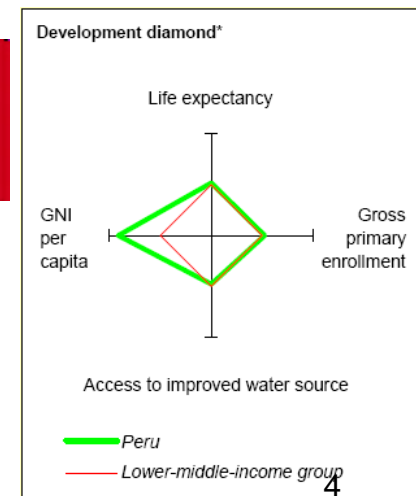
CHILE



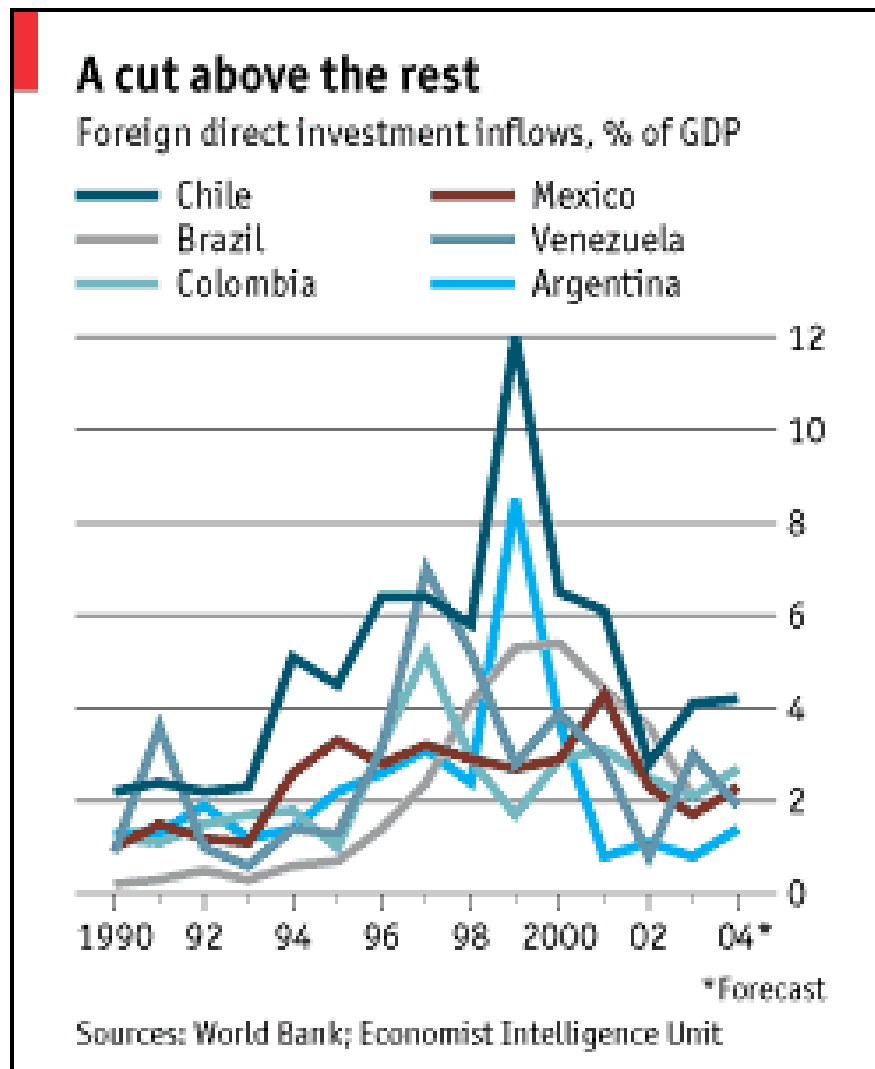
COLOMBIA



PERU



Regional Economics – Foreign Direct Investment Inflows



Management Comparison

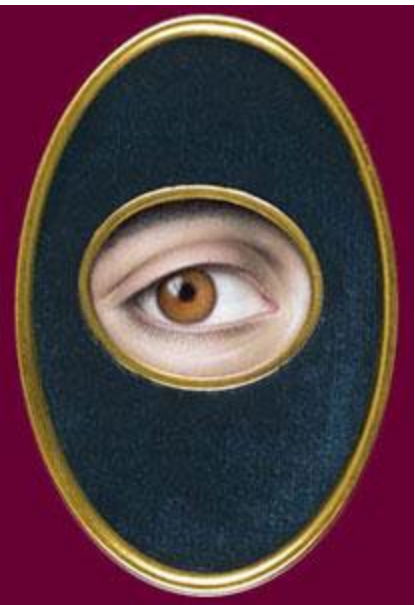
- Relationships - *Relacionamientos*
- *Confianza* - trustworthy management
- Multiple sources of info (top to bottom)
- “Being there” – the “eye” of the owner

- Flexibility

Brazil: more participatory, like a soccer team

Argentina/Colombia/Chile/Peru:

more hierarchical, “follow the leader”





Brazil

+

- Continuity of Lula-Dilma Government
- Healthy banking sector
- Expanding domestic market
- Sophisticated industrial base
- Hard working people
- Diverse agricultural sector
- Growing mining sector

-

- PT ideologues in government
- BNDES funding drops
- Exposure to commodities
- Income distribution
- Foreign Exchange volatility
- Bureaucracy – ‘*Jeitinho*’
- Dilma Administration uncertainty





Colombia

Foreign Direct Investment


\$9.1 billion (2010 estimate by CEPAL)


Natural Resources



 **DRUMMOND COMPANY, INC.**

- \$1.5 billion coal drilling project

 **CEPSA**

 **VALE**

Financial Institutions



Grupo BBVA


Manufacturing





 **SAB MILLER**

 **Whirlpool**

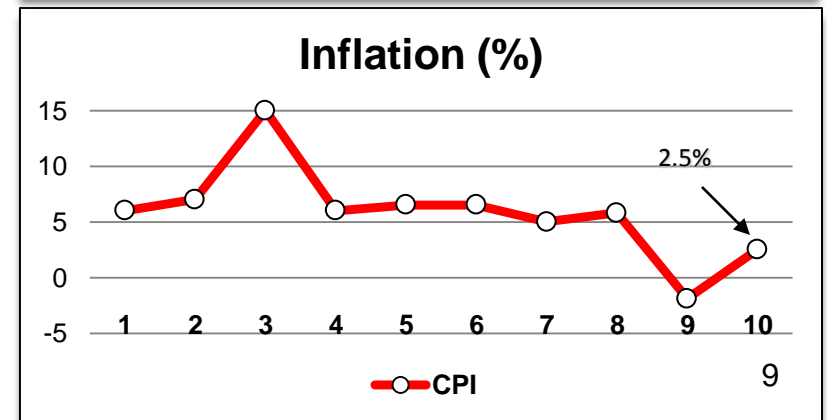
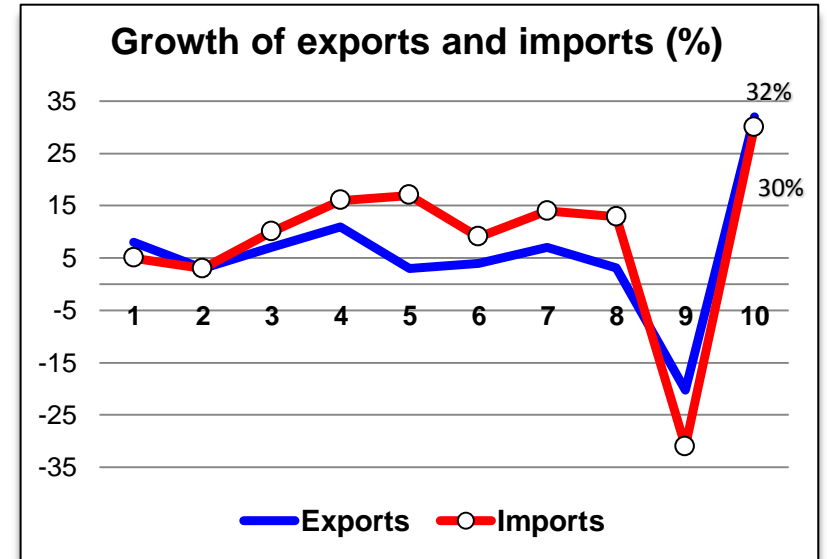
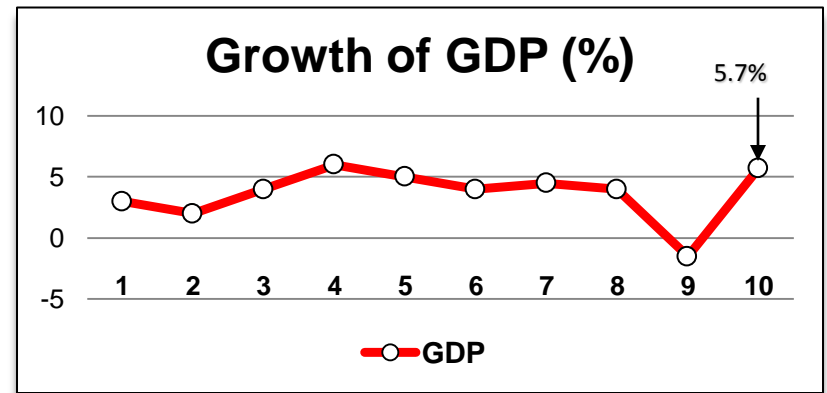
Telecom



 **SIEMENS**

 **TELMEX**

CHILE



Sources: 2002-2007 – World Bank Group, Country at a Glance
 2008 – 2010 - CIA World Factbook; EFE, Banco Central

Relationship Circles

