Penetrating into the American continent

Following our information tour about AL-INVEST IV development in the 3 Latin American Consortia, our ‘compass’ takes us deeper into the continent, stopping by in Ecuador, Peru, Colombia and Bolivia. Our very special ‘tour guide’ in this trip has been CAINCO, beneficiary partner of R.A.

Presentation of RA consortium by Eduardo Paz Vargas, president of CAINCO

The Chamber of Industry, Commerce, Services and Tourism of Santa Cruz - Bolivia (CAINCO), as Beneficiary Partner of the Andean Region Consortium manages the execution of the AL-INVEST IV Programme and the 11 million euro funding from the European Commission. The Programme aims to consolidate and internationalize SMEs in Bolivia, Ecuador, Peru and Colombia making them the driving force behind local development taking advantage of the opportunities that globalization, regional integration and EU agreements offer.

CAINCO also works for the Institutional Reinforcement of the ACN Partners, for the improvement and innovation on support services to the SMEs. We could highlight the efforts of the German Partner SEQUA, which carries out accompaniment activities to the advisors of more than 120 entrepreneurial groups in the four countries providing technical support and know-how.

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Editorial...

There are also important activities carried out by the Austrian Federal Economic Chamber (WIFI), that has already organized the training on Innovation Management in Product Design and/or Services to SMEs.

Besides, other activities with Italian organizations are been prepared: the Associazione Bre Archimede, will organize different workshops among them “Innovation and Better Use of Intellectual Property Rights” or “Promofirenze”, including a workshop on product marketing, promotion communication and/or services to SMEs.

In this framework, other events for the exchange of “know-how” in Market Intelligence are being organized by the “Sheffield Chamber of Commerce and Industry”, UK. It has been organized a forum to promote Local Development with the participation of Local Chambers and Governments, together with the ccelona Chamber of Commerce.

Regarding the internationalization of SMEs, and in co-ordination with the Mercosur, Chile and Venezuela Consortia, as well as the Central America, Mexico and Cuba ones, successful participation of their companies in the biggest trade meeting in South America: the International Business Round in Bolivia, event organized by CAINCO.

All these activities, coordinated by CAINCA and its Partners, are already yielding positives benefits for the SMEs, allowing us to discern in the distance the consolidation of the goals in internationalization and sustainable growth of the companies in the Programme.

Activities...

The Business Round in Bolivia, organized by CAINCO, meets Andean and European entrepreneurs

AL-INVEST IV Programme has participated in the International Business Round Bolivia 2009, hold in the Convention Center of the Chamber of Industry, Commerce, Services and Tourism of Santa Cruz (CAINCO) in Bolivia, from 21st to 23rd of September.

Thanks to AL-INVEST IV Brazilian, Colombian and Peruvian entrepreneurs have met with their German, Dutch and Spanish counterparts.

This Business Round held recently in Bolivia has been an international event that counted with the participation of 939 companies from 19 countries from all the continents. Also, there were held 8,851 meetings that could generate 138.6 million dollars in “business intentions”. That’s why this meeting has been considered one of the most important one in South America.

THEMATIC SEMINAR AL-INVEST IV IN BOGOTA

The AL-INVEST IV Programme has presented, during the 28th and 29th of October, in Bogota, the first thematic seminar with the title “Role and strategies of intermediate bodies to support Latin American SMEs during the crisis”.

During this seminar, the role of intermediate bodies in times of crisis was analysed as well as the support measures were carried out and possible scenario to develop a strategy to provide support to Latin American SMEs regarding solvency and soundness so that they could overcome the crisis, bearing in mind the international economic turmoil of the past year.

We would like to highlight the participation of Interim Director of the Organization for Economic Development and Cooperation (OECD) in Mexico for Latin America, José Antonio Arda- vin, and the Corporación Andina de Fomento (CAF) Representative in Colombia, Victor Traverso.
Activities...

Good Practices on Quality in Guatemala

Guatemala hosted during September and October the Training and Technical Assistance for the implementation of Good Practices on Quality in SMEs. The objective of this training is to guide SMEs in product quality and origin management, as well as increase their competitiveness in international markets.

The training counted with the presence of 8 Guatemalan companies and was given by 3 experts that shared with the entrepreneurs their expertise in topics such as the Management System directed by processes and the Organization Management Monitoring by measures of indicators application and assessment.

Nacional Financiera (NAFIN) took part in this event as a consultant, in order to witness the development of the projects that its partners are carrying out in Central America.

Business Round in the Havana International Fair

In the Havana International Fair, there will be a Business Round from the 3rd to the 5th of November, as part of AL-INVEST IV Programme whose aim will be to establish commercial alliances between Latin American and European companies. The meeting will be led by Nacional Financiera and the National Confederation of Industries, and will count with the presence of the 3 Latin American Consortia and several European Institutions and Chambers.

In these meetings, more than 40 Latin American companies, 50 Cuban companies and 50 European ones will take part.

Besides, in this event, there will be a technical seminar developed by the EU Delegation in Cuba and the Cuban Chamber of Commerce dealing with the following topics: Europe-Cuba link, Mexico-Central America-Brazil-Cuba link and line of credit, among others.

EXPOAPEN 2009

Last September Nicaraguan entrepreneurs had a training session on how to have a successful Round of Business. This training was included in the Integral Plan for the Food and Agricultural Industry in Nicaragua. After the preparatory training, a Business Round was hold in the EXPOAPEN Fair 2009.

Six European companies and sixteen Nicaraguan companies had several meetings intended to create long-term commercial alliances.

Female presence was also very important. Also, the European Partner ONUDI provided contact information from 3 French companies for the Business Round.

On the other hand, important meetings were arranged with the Belgian company MAYA FAIR TRADE, which was looking for business opportunities as well as willing to purchase Nicaraguan honey and sesame; the positive outcome of these meetings might, in the mid-term, result in business between Nicaragua and Belgium.
It will also be very useful to prove the knowledge acquired by each of them regarding the processes and guidelines set on the technical and financial handbook of the Programme during the development of the first AL-INVEST actions. Probably, in each meeting there will be a planning for the development of integrated sectoral plans in 2010 and will follow up actions undertaken in 2009.

LA Consortia Meetings

As part of the Institutional Reinforcement activities in the framework of AL-INVEST IV Programme, the three Latin American Consortia have planned their own meetings during the month of November. From 9th to 13th RA will hold its meetings, CAMC from 16th to 18th, and MCV on the 18th and 19th. These meetings will allow the exchange of necessary experiences needed to capitalize the knowledge and good practices of each partner. It will also be very useful to prove the knowledge acquired by each of them regarding the processes and guidelines set on the technical and financial handbook of the Programme during the development of the first AL-INVEST actions.

BRAZIL HOSTS THE MERCOSUR FOREIGN TRADE MEETING, ENCOMEX

Last 16th and 17th of September, the Brazilian town Foz de Iguazu hosted the first Mercosur Foreign Trade meeting (Encomex) in which companies interested in identifying business opportunities and setting up commercial relationships with the European market as well as with Mercosur countries met. Altogether, 73 gatherings were hold among the participating companies from different sectors including food and drink, metallurgical, mechanic, textile and clothing industries.

This initiative, co-funded by AL-INVEST IV, counted with the participation of the National Confederation of Industry, the Panaman Federation of Industry (FIEP), the Brazilian Trade and Investment Promotion Agency (APEX Brazil) and the Ministry of Development, Industry and Foreign Trade. The event included seminars, panels and conferences given by representatives of both public and private sectors in Brazil, Argentina, Paraguay, Uruguay and Venezuela, as well as a business meeting among companies from these 5 countries and other foreign countries.

PARAGUAY PRESENTS THE PROGRAMME AL-INVEST IV

Paraguay presented officially Al-Invest IV Programme in Asuncion with the support of CEDIAL. In the event participated representatives of the Delegation of the European Commission in Paraguay, representatives of the partners MIC-REDIELX, UIP-CEPROCAL- and local partners (ONPEC), of entrepreneurs’ chambers and cooperatives’ chambers (CTIP, CIMAC, FECOPROD, CEPACOOP).

Also attended the event representatives of bilateral chambers and European embassies, Paraguayan companies, the media and members of local public and private bodies.

This event not only presented the Programme in its local and regional dimension but also explained the ongoing support actions as well as the foreseen actions for 2009.

On the other hand, in the first meeting of the Consultive Council of Paraguay, there were also presented the details and the scope of the Programme in Paraguay, with the presence of the President of CEDIAL.

The Cooperation Agreements REDIELX (Sectoral Software Tables), CIMAC-CEDIAL-REDIELX (Sectoral Leather Table) , FECOPROD-CEDIAL-REDIELX (Sectoral Fruit Tables) and CEPACOOP-CEDIAL-REDIELX (Sectoral Fruit Tables) were formalized in this meeting.

The Agreements were signed by authorities of the above mentioned organizations and by the representative of the Delegation of the European Commission in Paraguay.
Interview…

João Batista Camargo: “ANUGA stands out due to its professionalism and good organization”
An AL-INVEST IV participant shares his story

The ANUGA Fair 2009 counted with the presence of 6,522 companies from the food and drink industry, which want to access to the European market. That’s the case of “Arroz Palmares”, a rice company in Brazil whose manager director, João Batista Camargo Gomes, tells us in this interview about his rewarding experience in the event.

Q: What has been the result from the participation of your company in ANUGA 2009?
A: The result has been very positive, since I had the opportunity of making important contacts and even being able to verify market trends and presentations forms of my product: rice.

Q: Which are the benefits of the participation of “Arroz Palmares” in the European Fair?
A: During the Fair we realized that we need to work to meet the demand. Also, I had the opportunity of getting the insights “in situ” of the current demands which are, of course, very specific in Europe.

Q: What are the differences, in your opinion, between the European and Brazilian market in the rice sector?
A: There are many. In my opinion, the more significant ones are those related to sanitary standards, certificates and non genetically modified products. Besides, the products in the European market are either more elaborated or have an added value.

Q: What has impacted you more in ANUGA than in other Fairs?
A: This has been the first fair in which I participated in Europe. However, in comparison with other fairs I have attended, I would like to highlight the great level of professionalism and the good organization at ANUGA.

Q: Will you come back to ANUGA?
A: Of course I will, depending on the different opportunities, like this one I was so like to participate in, that the AL-INVEST IV Programme will provide.

Latin American SMEs make them known at ANUGA

ANUGA 2009, the biggest food and drink fair in the world, has given the opportunity to enter and maintain their position in the international market to 85 SMEs from 9 Latin American Countries Bolivia, Brazil, Colombia, Costa Rica, Guatemala, Honduras, Mexico, Peru and Uruguay have been present in Europe.

The 30th edition of this event, the biggest in the food industry in the world, was opened by Günther Verheugen, Vice-President of the European Commission and was hold in Cologne (Germany) from the 10th to the 15th of October. In the context of AL-INVEST IV Programme Brazil has been the country with higher participation from the other side of the Atlantic with 43 SMEs.

Among the activities organized by the AL-INVEST IV Programme Coordination and Services Consortium we can include 10 technical seminars, 1 general guided visit and 6 specific guided visits by sector, altogether in an exhibition site with 11 pavilions in which the companies have been able to share and learn about the matters that concern them.
EU promotes relationships with Latin America

Which is the state of the EU-Latin America relations? What are the challenges that both powers will face in the following years? The European Commission launched recently a communication analysing these issues, intended to boosting the transatlantic relations. The paper studies among others climate change, economic and financial crisis, energy security and migration, all of them key topics in the EU-Latin America Caribbean (LAC) Summit that will be hold in Madrid in May 2010.

The objective of the paper is to promote political dialogue between EU and Latin America on burning issues such as the macroeconomical environment and crisis, climate change, energy, science, innovation, migration, employment and social policy.

Regarding migration, Benita Ferrero-Waldner, Commissioner responsible for External Relations and European Neighbourhood Policy, states that is is necessary to look for a win to win situation, although she admits it is not easy because it’s a very “sensitive” topic.

Another objective of the Commission is to consolidate bilateral relations. In other words, going beyond the current Association and Co-operation Agreements, and having closer bilateral relations. In this line, the Commissioner for External Relations highlighted that Bolivia and Ecuador, which abandoned the negotiations towards and Association Agreement between Andean countries and EU, are welcome to join them again.

Nevertheless, the most important element in the EU paper is the creation of a new financial instrument that will mobilize resources in order to promote the creation of energy, environmental, transport infrastructures, social cohesion and renewable energy systems in the Latin American continent. This Investement Facility in Latin America (IFLA) will be inspired in a similar one already existing at Neighbouring Policy level.

The Spanish Presidency of the EU in the first half of 2010 will be the springboard to closer relations between Member States and Latin America, pointed out the Commissioner.

EU and Brazil getting ready for Copenhagen

Reduction of CO2 emissions caused by deforestation has been the main issue for Lula da Silva and Jose Manuel Barroso, president of Brazil and the European Commission respectively, in the UE-Brazil Summit held in Stockholm (Sweden) in October. This will be also the key topic in the Copenhagen Summit that the United Nations are organizing in December.

Lula, Barroso and Frederik Reinfeldt, Swedish Prime Minister, currently holding the EU presidency, agree that it is “essential” to achieve an “ambitious” agreement in Copenhagen. The Brazilian President stated that “every country shall fulfill its obligations towards climate change”.

So far, Lula da Silva announced in Stockholm that he will endeavor to reduce CO2 emissions caused by deforestation”, goal shared also by the European Union for next years.

Deforestation causes 20% of emissions sent to the atmosphere; and the Amazon Rainforest, due to its huge extension plays an essential role in the preservation of the rainforest.

EU and Brazil will meet again in November in a preparatory meeting for Copenhagen. Besides, the Member States have committed themselves to reduce carbon dioxide emissions by 30% until 2020 providing the rest of the United Nations Member States set similar goals.
**UE, Colombia and Peru conclude 95% of the Free Trade Agreement**

Banana, sugar, intellectual property and automotive sector are some of the few pending issues to conclude the Free Trade Agreement (FTA) between UE, Colombia and Peru, 5% of which remains unresolved, as Rupert Schlegelmilch, representative of the DG Trade, pointed out.

The Commission and Colombian and Peruvian representatives foresee the signature of the same before the end of 2009.

The controversial subject is, above all, the customs duties imposed on banana. Colombia is trying to achieve a better situation than the one provided by the Geneva Agreement made in July 2008, which hasn’t been ratified and which included a reduction of customs duties on banana from 176 to 114 euro per ton.

However, the EU doesn’t want to compromise until a similar agreement is closed in the World Trade Organization (WTO).

Santiago Pardo, Colombian Trade negotiator, declared that they are pleased with the progress made regarding banana and believe the talks have been satisfactory.

On the other hand, regarding the automotive sector and intellectual property matters, Schlegelmilch has asked for better export conditions due to the speed with which sales are made in those sectors.

Regarding Ecuador and Bolivia, which decided to abandon the FTA negotiations, the EC representative has reiterated that “the door is open and they can come back any time”.

Finally, Schlegelmilch explained that the FTA, as a whole, will bring advantages “but we are aware of the problems. We don’t want to harm the environment”, highlighted after the publication by the European Commission of a study warning against the negative consequences of the Agreement to biodiversity in the Andean regions.

**Bolivia ask for FTA negotiations en bloc**

Association Agreement negotiations between the Andean Community (ACN) and the European Union started en bloc, but after three rounds, the EU bilaterally suspended the fourth round with the argument that there was no consensus regarding intellectual property, according to Christian Inchauste, Bolivian Ambassador to EU, Belgium and Luxembourg. Currently, Peru and Colombia continue trade negotiations with EU aimed to the conclusion of a FTA, negotiations open also to other Andean Community Nations - Ecuador and Bolivia-. Inchauste holds that his country is willing to incorporate to the negotiations at any time, providing that “negociations en bloc” are respected, as the Presidents of the ACN and the EU agreed. Regarding the consequences in the case that Peru and Colombia do close a FTA with the EU, Inchauste maintains that he is not worried because “in trade, Bolivia counts with a very favourable treatment tariff preference scheme signed with the EU”, renewed in 2008.

On the other hand, the Bolivian Ambassador in Brussels criticized the existing problems between Latin America and Europe regarding Migration due to the existing policies and has declared that “movement and migration are human rights, so the concept of ‘Fortress Europe’ means a high historical contrast in the 21st century”.

Besides, the Bolivian diplomat is confident that the Spanish EU Presidency 2010 “will have a positive impact in Latin America” and expects it to be of big help in migration “management” as well as in co-operation and investments “not only by Spain, but also by the other Member States”
Q: How exactly does the Cartagena Chamber of Commerce participate in the Entrepreneurial Groups in the Andean Region?
A: Cartagena Chamber of Commerce is interested in strengthen competitiveness and associative activities among SMEs under its jurisdiction, especially in those sectors with higher GDP participation in the Bolivar department. Since the beginning of AL-INVEST IV Programme, we identified the strategic sectors that we wanted to be involved and they were prioritized by national and international studies according to their development and internationalization potential.

Q: According to the figures consulted, in September there were 12 Groups, today how many are they?
A: Currently, there are 14 Entrepreneurial Groups, and they have been created as a response to the demand made by different companies and industries and because they are as well a demonstrative example which means having an ear to mouth effect that gives the opportunity to many managers to exchange knowledge about impacts, economy of scale and internationalization, which some of them are achieving thanks to international cooperation with EU through AL-INVEST IV Programme.

Q: From the sectors that have created a Entrepreneurial Group, which is the one more interested in accessing to the international market?
A: There are three that are working faster than the others: agroindustrial, textile design, clothing and health tourism sectors, although the rest are trying hard as well. It is important to highlight that, at the end of the day, the goals are achieved by the companies themselves on their own, and they will be one or more in each group that will succeed. Hopefully we will achieve our goals since it is a challenge for us to internationalize a whole group at a time.

Q: what are the most important projects that the Cartagena Chamber of Commerce has foreseen in connection with the Entrepreneurial Groups for the following months?
A: In the Tourism Group, we want to make a mission for tour operators buyers, who are interested in buying the destination and will help us promote the specialty of health tourism.

Q: We heard that the Entrepreneurial Group of Jewelry is the one with a larger number of SMEs, which parts of the production chain of the jewelry sector are those that are more present in the group?
A: Fortunately this sector is moved by the foreign visitors who come on cruise ships and that sophisticated demand, which receive a direct answer, makes the companies have their own manufacturing and repairing workshops. Besides, the designs are personalized, allowing the sector to have manufacturing and windows at the same time to make the products more attractive. That makes us a natural source of product designs that sometimes are not well documented nor exploited properly, since due to their authenticity and spontaneity could add an exotic value in European markets.

Q: CAINCO supports the formation of an 'Andean Observatory', what kind of work could the Cartagena Chamber of Commerce add to this?
A: The Cartagena Chamber of Commerce is interested in strengthening its international interinstitutional relations and in building a business information system for SMEs in our jurisdiction that generates value and helps to improve decision making for managers. We believe that if we are allow and we have the means we can join the challenge of managing and structure this system.

Q: Which aspects of the work of CAINCO will you highlight in the development of AL-INVEST IV?
A: CAINCO is trying to do its best in its role as lead partner and coordinator of the Andean Community Consortium (CAN). I think we should pick the good and bad lessons from phase III of AL-INVEST Programme and build something new based on the operational and technical progress which gave good results in the past. I also think all its partners should have the opportunity to demonstrate their efficiency, technical capacity and commitment to the Programme so that the processes flow faster and faster.

Q: What are the benefits to the Andean SMEs from the AL-INVEST IV Programme?
A: SMEs are having their benefit from the Programme, but not only them, the institutions members of the Programme as well.

P: Do you think that international participation of the Andean SMEs in international events is positive or local and regional associative actions bring them more profit?
A: If we want economic development, we've to look for more profitable and competitive markets. But the challenge for SMEs should be to improve, and generate greater value to products.
Great satisfaction of participants in the Entrepreneurial Groups

Being a member of an Entrepreneurial Groups has given me the opportunity to find very useful technical advice and gain knowledge regarding the management of staff and good food manufacturing practices, thus avoiding physical, chemical and biological hazards to provide a safe and healthy product " says enthusiastically Marina Suarez Arana Mercado, small business sales manager of the company “Horneados Únicos” in Santa Cruz de la Sierra, Bolivia.

This business, as well as other 9 companies of the food sector, belongs to the Entrepreneurial Group of Bakery and Patisserie and has been involved for over four months in the support meetings to small entrepreneurs run by CAINCO, as part of the AL-INVEST IV Programme.

Meanwhile, Amelia Solorzano, owner of the clothing company Patra, also agrees on having found in the Textile and Clothing Group a series of opportunities, along with 18 small business operators. "We are very happy because domestic production is being promoted and that creates profit," said Solorzano.

The activity of the Groups is very important for the development of the Programme in the Andean Community (ACN) because it can be used as base for many other activities for SMEs since they can receive, as member of the group, trainings and technical assistance in the issues in which they are concerned as well as to receive support to participate in missions and business meetings.

Proof of this is Beatriz Salazar’s point of view, owner of the company B & V Stilos Footwear, an SME associated with the Chamber of Commerce of Bucaramanga. "It was something that we needed, as it has opened the eyes of small entrepreneurs to many problems and mistakes that we had within our companies." "The Programme helped us find ways to receive and manage more information, increase our customer base, have more information about our turnover and improve administrative processes and human resources management, in addition to that, it allowed us to learn more about our own company, including the work that each operator performs", says the entrepreneur.

REQUEST FOR TECHNICAL ASSISTANCE

We remind you that AL-INVEST IV Programme offers Latin American SMEs specialized technical assistance, through European experts in a wide variety of professional sectors. This short-term technical assistance provides quality services and added value in the cases when the local market doesn’t have them and it is addressed to the groups of companies that request it.

The AL-INVEST IV Programme also provides technical assistance to groups of companies that attend international fairs in Europe.

Such assistance can be provided before the conclusion of the Fair, during and after the Fair.

In all the cases, the assistance is provided on demand of the interested parties, that’s why, from here, we encourage the groups of companies that require it to address the consortium leader in your region for further information on the due process to follow, after assessing the suitability of the request for assistance.