



Doing business with Latin America

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HCR's Top 10 Tips for Trading with Latin America

1

Think big

Get to know how countries work together and the opportunities these relationships offer. Brazil may be your target market but Uruguay is perfectly placed to access the Argentine market too.

2

Get to grips with the scale of the geography

Understand how the sheer size of the continent will affect logistics and how obstacles such as the Andes or the Amazon may impact supply chains.

3

No market is identical

Learn the nuances of an individual country's culture and market.

4

Be patient

Latin America enjoys a slower pace of life. This, together with cumbersome bureaucracy, mean that things may take longer than you expect.

5

Have at least a 5 year plan

Instant success is rare but commitment to the market can reap rewards.

6

Put together a dedicated team

Seek input from all levels and ensure that the whole team understands the long-term objectives and the initial plan.

7

Relationships matter

Take the time to get to know key contacts and to visit if possible.

8

Use translators

Do not expect everyone to speak English. If you're not proficient, find someone who is, and arrange for key documents to be translated ahead of meetings.

9

Keep in touch

Phone or zoom calls go a long way in building relationships and keeping projects moving. Personal visits are ideal if this is practical.

10

Enjoy it

Visiting and getting to know the culture will teach you how to get the best out of your venture in Latin America.



The UK has a long relationship with Latin America. British influence is evident throughout the continent in the architecture, infrastructure and even in the Uruguayan town of 'Fray Bentos'. At the beginning of the nineteenth century, 40% of British exports were to Latin America.

Post-war Britain prioritised trade with Europe and our links with Latin America weakened. Nationalisation of British industry and turbulent relations with Argentina, our largest Latin American trade partner, led to a marked decline in trade.



Combined economy is third largest (after US and China)

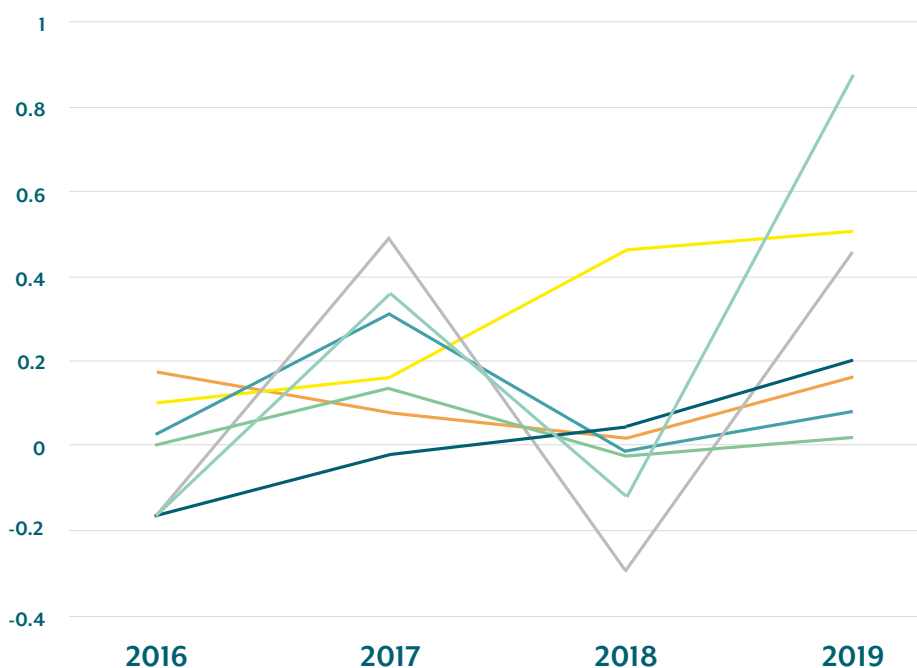


Some of the world's fastest growing economies



the area of Europe

UK Trade: Relative Growth



Key:



- Mexico is projected to join Brazil in the 10 largest economies by 2030
- Chile, Peru, Colombia and Mexico are considered by the World Bank Group to be easier markets to work with than several European countries.

Mexico

Population: 128 million
GDP: \$1.26 trillion
GDP growth: -0.1%
Trade with UK: £2.6 trillion

Belize

Population: 0.4 million
GDP: \$1.8 billion
GDP growth: 0.3%
Trade with UK: £16 million

Cuba

Population: 11 million
GDP: \$100 billion
GDP growth: 2.2%
Trade with UK: £51 million

Nicaragua

Population: 6.5 million
GDP: \$12.5 billion
GDP growth: -3.9%
Trade with UK: £33 million

Panama

Population: 4.25 million
GDP: \$66.8 billion
GDP growth: 3%
Trade with UK: £306 million

Honduras

Population: 9.8 million
GDP: \$25.1 billion
GDP growth: 2.7%
Trade with UK: £31 million

Venezuela

Population: 28.5 million
GDP: \$482 billion
GDP growth: -3.9%
Trade with UK: £128 million

Guyana

Population: 0.8 million
GDP: \$4.2 billion
GDP growth: 4.7%
Trade with UK: £589 million

El Salvador

Population: 6.5 million
GDP: \$27 billion
GDP growth: 2.4%
Trade with UK: £65 million

Colombia

Population: 50 million
GDP: \$324 billion
GDP growth: 3.3%
Trade with UK: £884 million

Guatemala

Population: 17.6 million
GDP: \$78 billion
GDP growth: 3.8%
Trade with UK: £84 million

Ecuador

Population: 17.5 million
GDP: \$107 billion
GDP growth: 0.1%
Trade with UK: £151 million

Peru

Population: 32.5 million
GDP: \$227 billion
GDP growth: 2.2%
Trade with UK: £266 million

Bolivia

Population: 11.5 million
GDP: \$41 billion
GDP growth: 2.2%
Trade with UK: £36 million

Paraguay

Population: 7.05 million
GDP: \$38 billion
GDP growth: 0%
Trade with UK: £40 million

Chile

Population: 19 million
GDP: \$282 billion
GDP growth: 1.1%
Trade with UK: £1.2 billion

Uruguay

Population: 3 million
GDP: \$56 billion
GDP growth: 0.2%
Trade with UK: £157 million

Brazil

Population: 211 million
GDP: \$1.87 trillion
GDP growth: 1.1%
Trade with UK: £3.8 billion

Argentina

Population: 44.9 million
GDP: \$500 billion
GDP growth: -2.2%
Trade with UK: £898 million

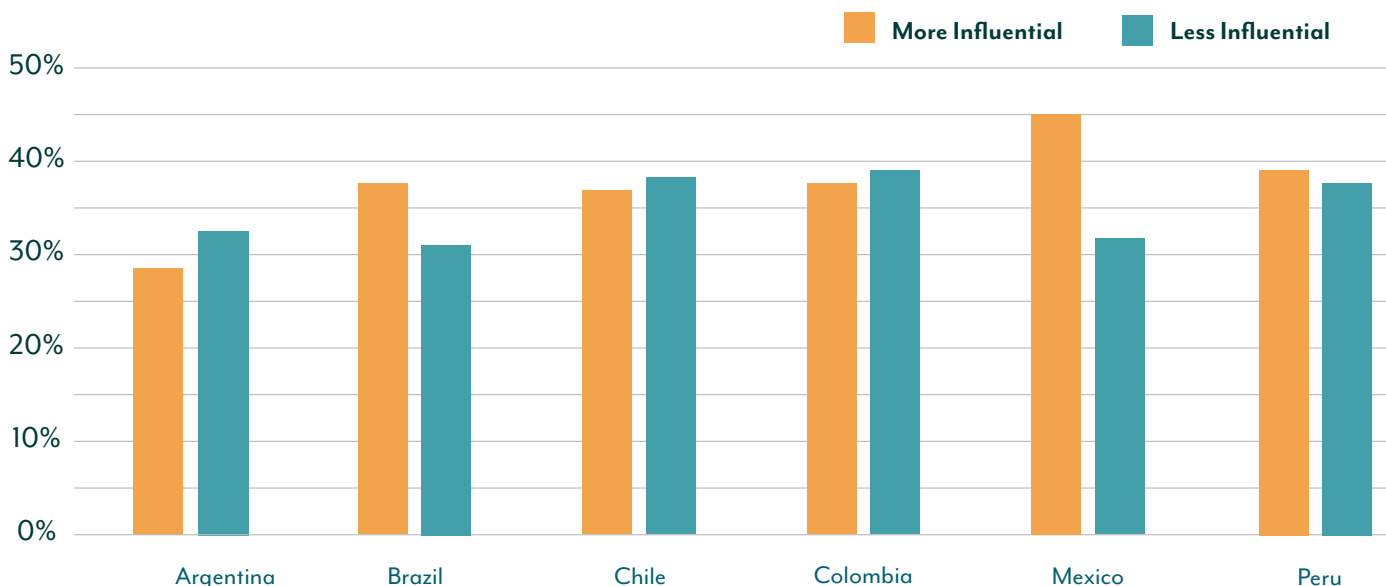


Latin America boasts an abundance of natural resources and demand for goods and services is growing with national economies, this presents exciting new territory for British businesses looking further afield post-Brexit.

Despite Latin America's huge potential, in 2017 British imports represented less than 1% of goods and 3.4% of services. Latin America accounts for 5.9% of global trade yet just 1.6% of UK trade.

If the UK traded with Latin America at twice the rate of percentage GDP (as it does with South Africa) this would amount to total annual trade of **£81,517 million**, an increase of **£70 million**.

Survey: Will the UK be more or less influential in your Country after Brexit?



The UK already has trade deals with:

- ✓ Chile
- ✓ Colombia
- ✓ Costa Rica
- ✓ Ecuador
- ✓ El Salvador
- ✓ Guatemala
- ✓ Honduras
- ✓ Nicaragua
- ✓ Panama
- ✓ Peru

The UK's trade deal with Chile, arguably Britain's closest Latin American ally, aims to build on 2019's £2.2bn worth of trade, which is growing steadily annually.

Discussions with Mexico are in progress and the Department for International Trade (DIT) hopes to agree a deal with the Mercosur Bloc (Argentina, Brazil, Paraguay and Uruguay).

The UK's Top Goods Export Markets in Latin America

In 2019 in £million

1	Brazil	2253
2	Mexico	1597
3	Chile	798
4	Colombia	666
5	Argentina	447
6	Peru	193
7	Panama	178
8	Uruguay	146
9	Ecuador	105
10	Guatemala	67





Panama Canal

Manufacturing and engineering

Key Markets: Argentina, Brazil, Colombia, Costa Rica, Mexico and Panama.

In a new trade deal with the USA and Canada, Mexico prioritised its growing manufacturing industry. It is ideally placed for automotive manufacturing and distribution to North America. Demand for private vehicles is growing throughout the continent and there is already a substantial network of manufacturing plants and supply chains. Established engineering companies present partnership opportunities for UK technology, parts and know-how.

Brazil is market-leading in its production of smart technology. The DIT is keen to promote the UK's tech industry and there is huge potential for collaboration between UK innovation and Latin American production to meet growing demand. Developing infrastructure in Latin America is crucial to maintain the pace of economic growth. There are opportunities for UK construction, engineering, project management, financing and architecture firms across the continent.



Key Markets: Brazil and Mexico

Recent trade negotiations have focused on the UK's financial services and fintech. Latin America has an appetite for innovation in financial services, with asset management and fintech opportunities opening up to overseas investment. The sophistication of financial markets varies considerably across the continent.



Brazil

The UK is Brazil's third largest exporter of services and Brazilian financial institutions have invested heavily in technology. Lloyds is already the second largest reinsurance provider, but there is scope for other providers to establish themselves in the market.

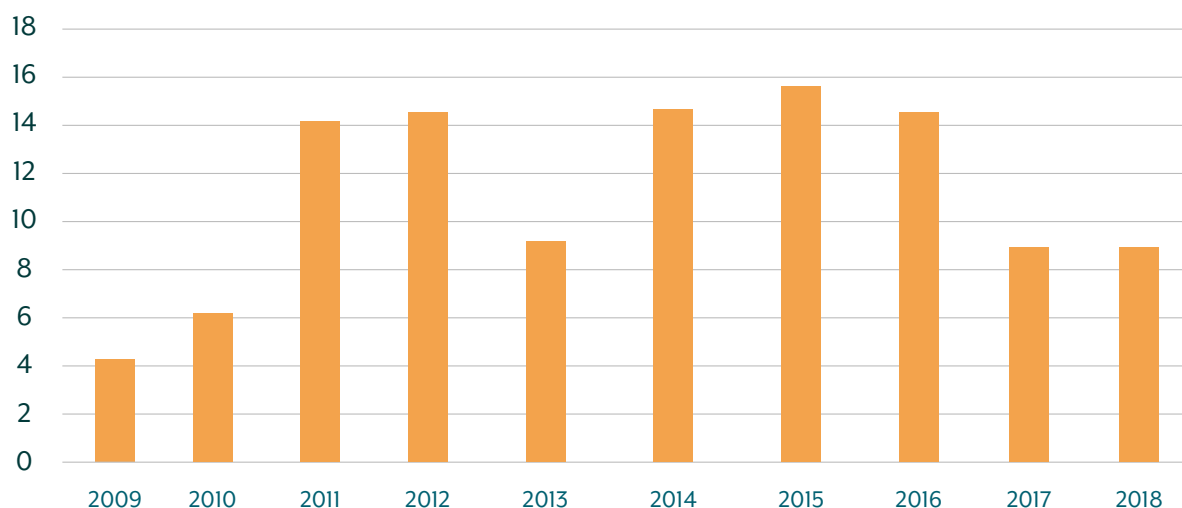
Mexico

In Mexico, 60% of the population do not have a bank account. UK financial businesses could secure a significant share of the market here and in other primarily cash economies.

Although local companies pose some competition, they lack the reputation of British providers and there is a demand for trusted expertise, pioneering technology and innovative solutions.



UK FDI in Brazil in £ billion



Energy



More than

25%

of Latin

America's energy comes from
renewable sources



Brazil is world-
leading, with

79%

of electricity from renewable
sources in 2018



Key Markets: Brazil, Chile and Mexico

Latin America's energy industry continues to grow and formerly state-controlled sectors are opening up to international procurement. UK companies can assist with the required modernisation to keep pace with global markets and improve efficiency. UK businesses are ideally placed to assist in the transnational mining industries in reducing environmental impact, increasing efficiency and improving compliance with international regulations and expectations.

Both Brazil and Mexico have been modernising their strong oil and gas markets, by divesting nationalised industries and improving regulatory and tax regimes. This is encouraging for UK businesses which can commercialise the sector to meet growing domestic demand and increase their market share.

There has been significant investment in clean source energy throughout the continent, but training and technology are needed to improve efficiency and develop a globally competitive market. UK companies have developed world-leading technology in renewable energy which presents exciting opportunities in Latin America.

Food and drink



Key Markets: Argentina, Brazil, Chile and Mexico

The food and drink industry is one of Latin America's fastest growing, at 31% annually. Mexico is Latin America's leading export market for UK brands with obvious potential for supply to North America. Growing populations and economies are increasing the demand for premium, healthy-lifestyle and convenience products.

Argentina and Brazil are world-leading in food production with sophisticated consumer markets where British produce has a reputation of high quality. For UK companies, there is potential for expansion in primary produce and developing innovation.

What next?

Expanding or establishing a new business in Latin America may seem like a daunting step to take amid such global uncertainty. As with any new venture, exciting opportunities come with risks. The answer is to carry out your due diligence on both potential markets and partners. HCR and our extensive network of local contacts can assist you in ascertaining which market is the best fit for your business; we can carry out investigatory work on potential partners, and negotiate suitable agreements.

The UK is styling itself as a pioneer in a new global trade network and Latin America offers unique opportunities for British businesses across the board.

If you would like to know more about expanding your business in Latin America, contact



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