Latin America & Ireland- A blossoming relationship!

Only recently on the 10th of April 2014 Minister for State at the Department of Foreign Affairs and Trade Joe Costello launched the Irish Exporter Association’s new Latin American Trade Forum (LATF) initiative at an event held at Iveagh House on St Stephen’s Green.

The purpose of the LATF initiative is to create a means towards helping Irish companies do business in Latin America and promote an increase in trade, economic and commercial relations between Latin America and Ireland. This Initiative is supported by the Department of Foreign Affairs and Trade and Enterprise Ireland, and sponsored by Arthur Cox, Digicel, Fyffes, FEXCO Commercial FX Services, KPMG and World Courier. Commenting on the LATF TD Joe Costello explained “Latin America offers exciting opportunities for Irish companies as we move forward with our export-driven growth. We already have significant interests there, with total trade in goods in 2013 worth €2.4bn, and I am confident that the launch of the Latin America Trade Forum will provide further support to Irish businesses that have an interest in pursuing opportunities in this dynamic part of the world.”

As well as the launch of the LATF, other efforts have been made with the the first Mexico-Dublin Business Conference having taken place in Dublin on May 1st 2014. The target of the two-day event was to enforce greater efforts towards doubling more trade between Ireland and Mexico in the future. More than 90 business and political leaders from Mexico met around 70 Dublin business leaders, organised by Dublin City Council. The Lord Mayor of Dublin stated that “[the] event [was] about promoting Dublin as a natural gateway to Europe for Mexican business and investment”. Ireland exported €690m worth of goods to Mexico in 2013 making Mexico the largest trading partner from the region, and demonstrates the growing economic ties with the region as a whole. A state visit by Ireland’s President Michael D. Higgins to Mexico in October 2013 gives an indication as to the importance of Ireland’s relationship with Mexico.

With Mexico superseding many other Latin American countries it is without doubt that Brazil follows closely behind in trade relations with Ireland. As the largest economy in Latin America and the 6th largest in the world, Brazil is a highly sought economy worth investing by Irish companies. During Ireland Enterprise’s Trade Mission to Brazil in 2012 six Memoranda of Understandings (MOUs) were
signed and a landmark education and research agreement was signed allowing 4,000 undergraduate Brazilian students to study in Ireland. With the warm welcome of Brazilian students to Ireland, Brazil welcomed two new Irish companies (to know more about this please email Eileen.Banks@enterprise-Ireland.Com) to its shores with reported openings of new facilities there. (For more information on Brazil please read our blog “Enter the Amazon, Trade with Brazil!”)

High investments from China into Latin America have created a very competitive environment for other nations in the region. China is currently the largest export destination for Brazil, Chile and Peru, and in addition has become a key investor in large Latin American sectors (e.g. energy and mining) according to HSBC Global Connection. It is even said by the South China Morning Post that China will outrun Europe as the second largest trading partner in Latin America by 2016. It is therefore essential that Ireland continues on its current path to establishing and maintaining more relationships with the emerging economic bloc.

Asia and Latin America signed many Free Trade Agreements since 2004 and ever since trade between Asia and Latin America had an enormous boost.

Latin America has a lot to offer for Irish companies according to Simon McKeever, CEO of the Irish Exporters Association

“Latin America has similar if not greater potential for Irish exports as Central Europe. It is a rapidly growing part of the world, particularly Mexico, which has attracted massive US investment. Mexico accounts for about 70pc of total Irish goods exports to Latin America, which are around €1.2bn.”

And finally, when a Free Trade Agreement between Mercosur and Europe is signed and sealed, trade relations between both will provide opportunity to do business in Latin America with greater ease. Latin America should be considered for any company looking to expand in the global market. With efforts carried out by the Department of Foreign Affairs and the Irish Exporter’s Association to promote this bilateral relationship it is safe to assume that any company would be at a loss not to consider the rising economy particularly in the areas of machinery production, transport equipment and chemicals.

Interested in learning more about opportunities in Latin America? Join our interactive platform, WebPort Global, and find the personal expertise, resources, and most importantly, connections, to expand your business anywhere in the world.

Linn Janka
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