

For business, the Latin beat beckons

Peru, Brazil and Chile have much to offer Singapore businesses

By **LEE U-WEN**

WHEN Prime Minister Lee Hsien Loong travels to Peru next week to attend the Asia-Pacific Economic Cooperation (Apec) meetings, his delegation will include 14 businessmen who want to suss out possible partnerships with their Latin American counterparts.

But this will be unlike any other business mission in the past, says the Singapore Business Federation (SBF), which is co-organising the week-long visit from next Thursday covering Peru, Brazil and Chile. International Enterprise Singapore is the other organiser.

Speaking to *The Business Times* in an exclusive interview, SBF chairman Tony Chew, 62, said that this would be the first time that such a high-level official ministerial visit is made to the three countries, along with a big group of prominent Singapore business leaders.

“As a non-traditional market, Latin America offers great potential as many of the sectors are still in the emerging or infant stage of growth,” he said.

While economies such as Brazil and Mexico have recently announced natio-



Mr Chew: *Many Latin America sectors are still in the emerging or infant stage of growth*

nal infrastructure programmes worth billions of dollars, the region as a whole is still lacking in such development due to under-investment over the last 20 years, said Mr Chew, who took over the helm at SBF five months ago.

“This spells opportunities for participation by Singapore and Asian companies across Latin America for probably another decade,” he said. “The Latin American economies are also working to alleviate poverty and more development projects are expected in the pipeline. Coupled with the expected growth of the consumer market, companies here can look forward to the promise of more opportunities.”

Among the companies represented in the business delegation are Keppel Inte-

grated Engineering, Keppel Offshore & Marine, Singapore Airlines, Sembcorp Industries and Asia Resources Corporation.

If recent figures are anything to go by, Latin America could prove to be lucrative for those adventurous enough to enter this still largely untapped region, as far as Asia is concerned.

Last year, Singapore’s trade with the region grew 13.7 per cent to hit US\$8.89 billion. Total trade for the January-to-July period so far this year reached US\$10.4 billion, a near-70 per cent increase year-on-year.

The Republic’s top three trading partners in Latin America are Panama, Brazil and Mexico. According to International Enterprise Singapore, there are some 60 Singapore companies already operating in 30 countries throughout the region.

Each of the three countries that PM Lee will be visiting this month has its unique draws, said Mr Chew. Brazil, for instance, is busy preparing to host the World Cup football tournament in 2014 and is doing up its highways, airports, ports, and housing projects, just to name a few areas.

Peru – the current chairman of Apec – “is the fastest growing economy in the region this year”, said Mr Chew, with lots of projects in the energy, tourism, mining and infrastructure sectors up for grabs. In May this year, Singapore and Peru inked a free trade agreement that will be implemented in January next year.

Chile, meanwhile, has seen plenty of growth in the construction, infrastructure and engineering industries, and its “stable and pro-business environment” is a huge plus for Singapore companies looking to enter Latin America, he said.

“Prospects are also bright in the ICT sector as economies get increasingly wired,” he added. “Tourism shows great potential given the many natural landscapes and world heritage sites. The agri-food business linkages between Singapore and Brazil have typically been strong and will likely continue to grow in importance as Singapore diversifies its food sources,” said Mr Chew.