



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY



MEDIA RELEASE

LATIN AMERICAN BUSINESS DAY 2017

Event will expand Malaysia's trade and investment relations with Latin America

KUALA LUMPUR: The inaugural Latin American Business Day led by the Ministry of International Trade and Industry Malaysia today underscores Malaysia's firm commitment to further expand trade and investment relations with economies in Latin America.

Co-organised by the Malaysia External Trade Development Corporation (MATRADE) and the ten Latin American Embassies in Malaysia namely Argentina, Brazil, Chile, Colombia, Cuba, Ecuador, Mexico, Peru, Uruguay and Venezuela, the event received overwhelming response from the business community here, with attendance of nearly 800 participants.

The event was officiated by the Minister of International Trade and Industry, YB Dato' Sri Mustapa Mohamed. A series of information sharing and briefing sessions were arranged featuring expert speakers from relevant MITI agencies, Latin American Embassies as well as prominent industry specialists and members of the academia from Malaysia as well as Latin America.

The panellists at the breakout sessions include speakers from Malaysia namely from EXIM Bank, Malaysian International Shipping Corporation, SCOMI, Petronas, Malaysia Digital Economy Corporation and Federation of Malaysian Freight Forwarders. Speakers from Latin America included representatives from Banco do Brasil Securities Asia (from Brazil), IMARTEK (Argentina), Mincetur (Peru), ProMexico (Mexico), ProChile (Chile) and InnoCIMAb Pte Ltd (Cuba).

In the first half of the day, the Latin American Ambassadors provided an overview of the different economic integration mechanisms in Latin America and the distinctive business prospects they offered while MATRADE and the Malaysian Investment Development Authority (MIDA) presented on the strategic trade and investment opportunities in Malaysia. The breakout sessions in the second half of the day had focused discussions on exploring and forging linkages in sectors of common interest between industry players from both Malaysia and Latin America. Deliberations centred on opportunities available in the energy, oil and gas; mining and construction services; aerospace; electrical and electronics; ICT; medical equipment and pharmaceutical; agribusiness, food and beverage; Halal; as well as automotive and auto parts sectors.



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To complement the objective of the event and to highlight the important role of students and young entrepreneurs in expanding trade and investment relations, a dedicated programme to engage the youth also ran concurrently in the afternoon session. The segment saw the participation of students and academics from local and Latin American universities as well as from other education-related bodies.

Akin to the Africa Business Day held late last year, the Latin American Business Day is yet another strategic approach taken by the Government to diversify and expand market penetrations and investment opportunities - exploring beyond traditional market sources and industry sectors. This is timely as Malaysia's trade with Latin America is presently showing a healthy growth trend in spite of the challenging global environment.

Recent developments related to the Trans-Pacific Partnership Agreement (TPPA) and the North American Free Trade Agreement (NAFTA), have made businesses from Latin America look towards Malaysia and the ASEAN region for more opportunities. Malaysia's trade with Latin America grew by 2.1 per cent (CAGR) between 2011 to 2016 and grew by 31.7 per cent between January to May 2017. Malaysia's total exports to Latin America grew by 3.6 per cent (CAGR) between 2012- 2016, and 25.4 per cent in the period between January to May 2017.

Currently Mexico is Malaysia's largest export partner in Latin America. Malaysia's exports to Mexico amounted to RM 7.85 billion in 2016 and RM4.16 billion for the period January to May 2017. Malaysia recorded positive export growth with countries such as Mexico and Peru. Chile is the only Latin American country with which Malaysia has a Free Trade Agreement (FTA).

In the globalised economy of the 21st century, diversification of trade is key to engage and take opportunities of deep trade and expand investments around the world. Malaysia and Latin America that are still a long way to obtain the benefits of the real opportunities both offer.

In addition to trade, major Latin American companies have also established their global presence in Malaysia, leveraging on the country's comprehensive industrial ecosystem that has been built for more than 40 years. According to Malaysian Investment Development Authority (MIDA), Mexico stands out as the largest investor in the manufacturing sector with investments valued at RM135.7 million. Majority of investments from Latin America are in the food processing, pharmaceutical and chemicals industries. Malaysia is proud to host notable Latin American manufacturing companies



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such as Mission Foods and BRF in the food processing industry and WEG, which covers the power/renewable energy, water works, oleochemical/refinery, and oil and gas industries. Latin

American companies have also ventured into Malaysia's vibrant services sector by setting up representative offices and distribution centres.

As a diversified economy, Malaysia provides tremendous business opportunities, especially for global companies accessing the wider market in the region. For Latin America, there are indeed a lot of potentials for more investments in Malaysia, particularly in food processing, oil and gas as well as regional establishments such as Principal Hubs. Therefore, Latin American companies should leverage on their strengths and advantages, and explore investment opportunities in Malaysia to gain access to ASEAN, the economic powerhouse of 630 million people, with a combined GDP of USD2.5 trillion.

Now that MITI has started the ball rolling in the right direction, YB Dato' Sri Mustapa, expressed hope that the private sector as well as the Embassies will take the lead and spearhead the Latin American Business Day next year onwards. He assured that the Government on its part will continue with its supportive, trade-facilitative and business friendly policies overall, so that the private sector can successfully establish new linkages with Latin American businesses to expand and grow together.

Malaysian companies keen to trade with the Latin American region are strongly encouraged to engage with MATRADE while Latin American companies wishing to invest in Malaysia are advised to reach out to MIDA.

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Ministry of International Trade and Industry (MITI)

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About MITI:

MITI is the key driver in making Malaysia the preferred destination for quality investments and enhancing the nation's rising status as a globally competitive trading nation. Its objectives and roles are oriented towards ensuring Malaysia's rapid economic development and help achieve the country's stated goal of becoming a developed nation by 2020 .

Media enquiries

**Ministry of International Trade & Industry
Strategic Communications Unit**

Tel +603 6200 0082

Fax +603 6206 4293

E-mail allpegkomunikasikorporat@miti.gov.my