



Flanders

State of the Art

Dinsdag
26 September
09:30

Flanders International
**Business
Weeks** /2023



Zakendoen in Iberia: Uw toegangspoort tot Zuid-Amerikaanse markten

Sprekers

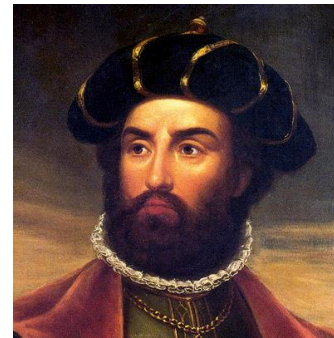
Dirk SCHAMPHELAERE (Spanje)

Isabel CRO (Portugal)

1. History



Christopher Columbus
1492



Amerigo Vespucci
1499



Pedro Álvares Cabral
April 1500

2. Products brought into Europe from South America



3. Introduction to Iberia



3. Introduction to Iberia : Spain

Macro economical data :

- Population : 47 Mio
- GDP : 1,4 trillion Euro
- 5th biggest economy in Europe
- 2nd biggest autoproducer in Europe
- Belgium is Spain 7th export market
- Spain is is Flanders 7th export market
- Trade balans : 3447 Meuro
- Unemployment rate high amongst younger population : 25 %

3. Introduction to Iberia : Portugal

Macro economical data :

- Population : 10 Mio
- GDP : 201 Billion Euro
- Belgium is Portugal 8^h export market
- Spain is is Flanders 8th export market
- Thriving startup scene in Porto and Lisboa
- Lower unemployment rate then Spain

3. Introduction to Iberia :

MAIN SECTORS IN PORTUGAL AND SPAIN

1. Tourism:
2. Manufacturing
3. Agriculture.
4. Energy:
5. Financial Services:
6. Technology and startups
7. Infrastructure:
8. Real Estate:
9. Foreign Investment:

4. Iberias strategic location



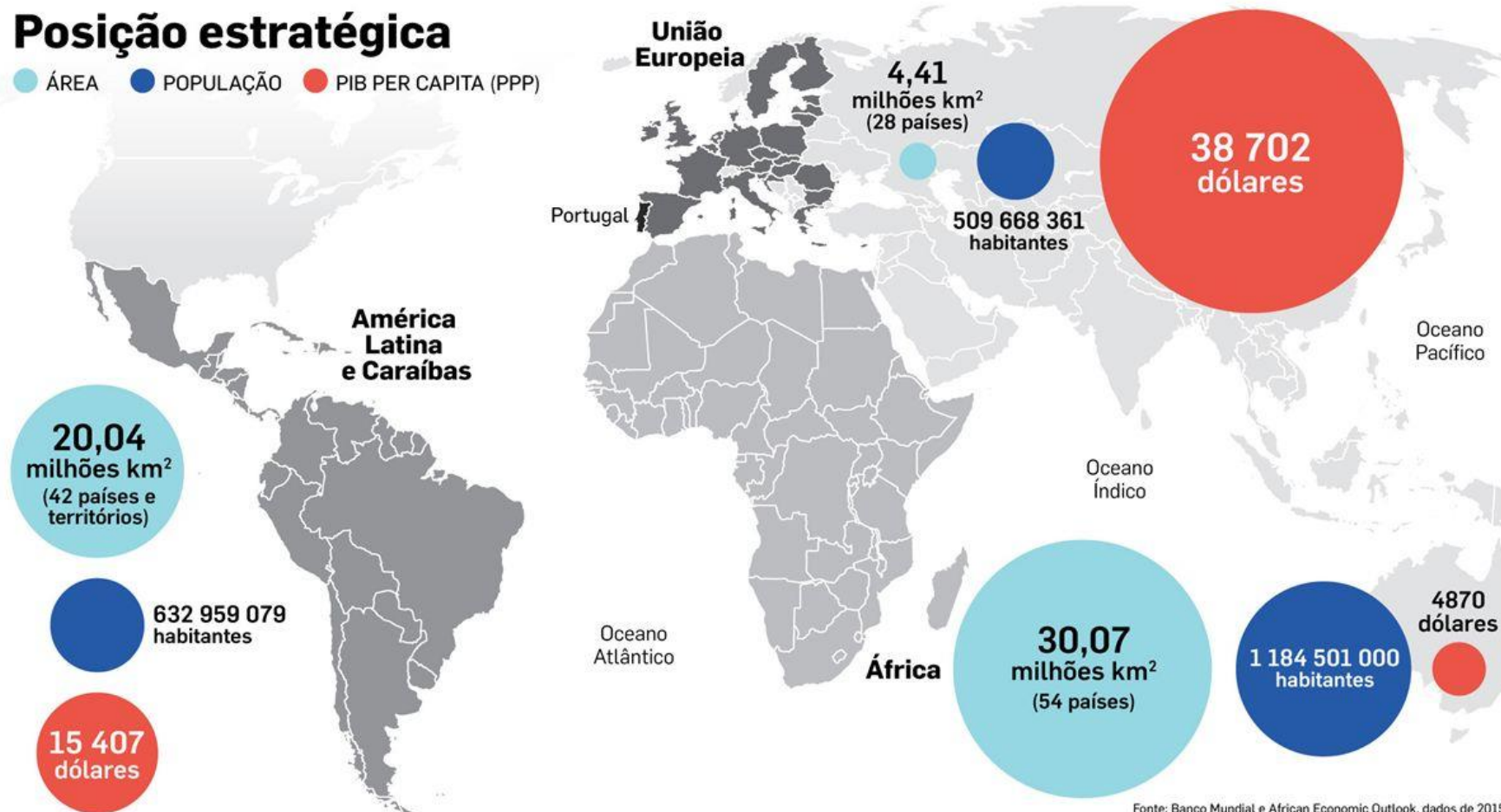
Iberia is strategically located



4. Iberias strategic location

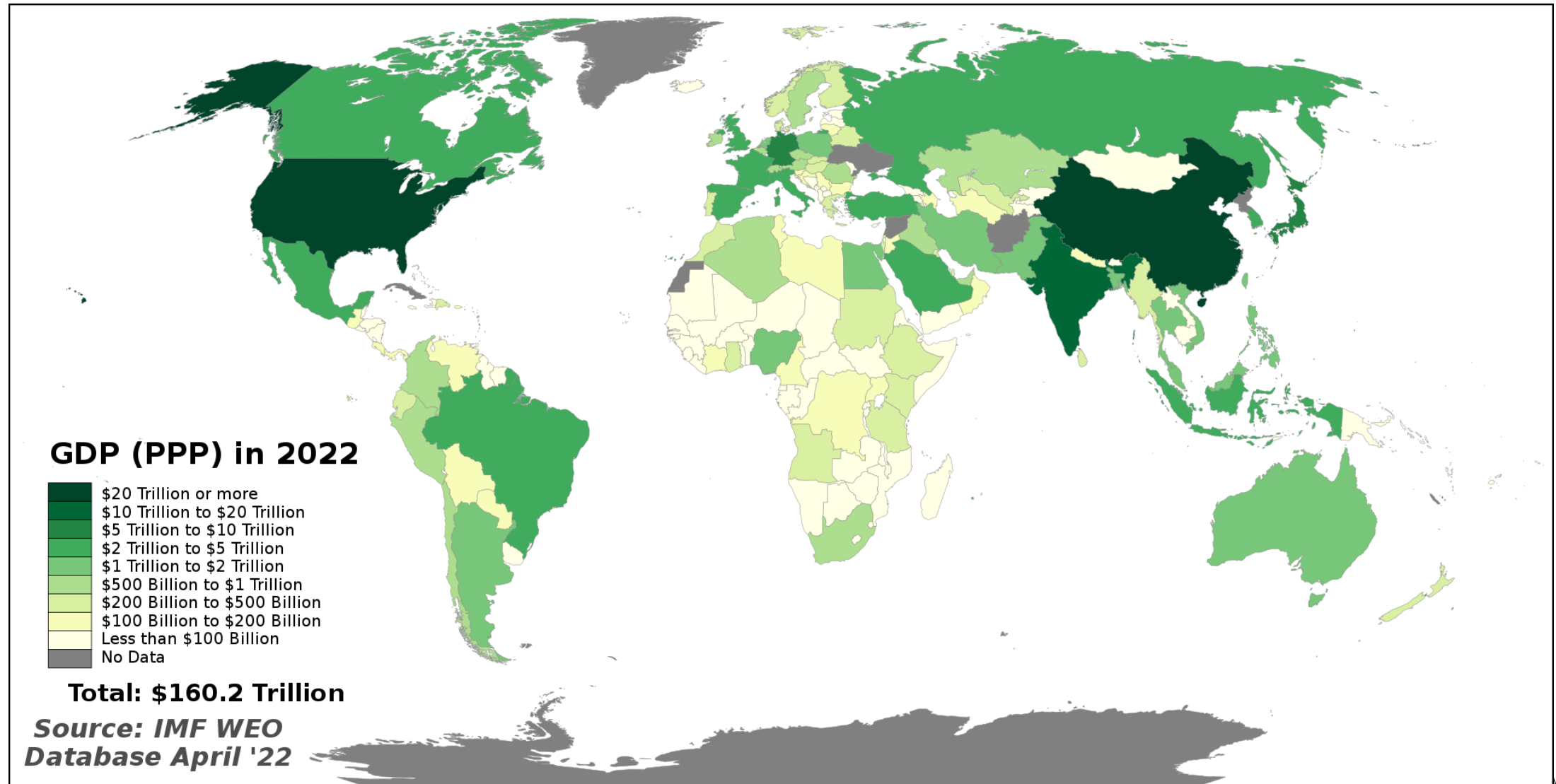
Posição estratégica

● ÁREA ● POPULAÇÃO ● PIB PER CAPITA (PPP)



Fonte: Banco Mundial e African Economic Outlook, dados de 2015

5. Introduction to South America:



5. Introduction to South America:

MAIN SECTORS IN SOUTH AMERICA

1. Tourism:

2. Manufacturing

3. Agriculture.

4. Energy:

5. Financial Services:

6. Technology and startups

7. Infrastructure:

8. Real Estate:

9. Foreign Investment:

10. Forestry

11. Fishing

12. Mining

6 Advantages of using Iberia as an entry point to South America

- Starting close to home, within the EU, without the additional hassle of unknown rules and regulations. Tapping into an enormous market.
- Cultural and Language Connections
 - Shared language (Portuguese and Spanish)
 - Cultural similarities
 - Migration :
 - Portugal had more than 200,000 Brazilian citizens living in the country
 - Presently, about 43 percent of Spain's foreign-born residents come from Central or South America,

6 Advantages of using Iberia as an entry point to South America

- Strong Trade Relations
 - Trade agreements, commercial similarities :
 - Will the Mercosur (Argentina, Brazil, Paraguay, and Uruguay and the EU) agreement finally be ratified ?
 - Historical ties
- Infrastructure and Connectivity
 - Well-developed transportation networks
 - Access to ports and logistics hubs
 - Telecom : !The largest fiber optic cable that connects Latin America to Europe, starts in Fortaleza, Brazil, and ends in Sines, Portugal.

6. Iberias strategic location



6. Iberias strategic location



7. Mercosur trade agreement

- Mercosur was established in 1991 and encompasses Argentina, Brazil, Paraguay, Uruguay. Venezuela, which officially joined in July 2012, was suspended from membership in 2017.
- The EU is Mercosur's second biggest trade in goods partner after China, accounting for 16.2% of the bloc's total trade in 2021. Mercosur is the no. 11 trade in goods partner for the EU.
- In 2021 the EU's exports to the four Mercosur countries totalled €45 billion, while Mercosur's exports to the EU were €43 billion.
- Mercosur's biggest exports to the EU in 2021 were mineral products (22.3% of total exports), vegetable products including soya and coffee (20.7%), and foodstuffs, beverages and tobacco (19.1%)
- The EU's exports to Mercosur include machinery and appliances (27.8% of total exports), chemicals and pharmaceutical products (26.3%), transport equipment (10.5%).
- The EU exported €17.2 billion of services to Mercosur while Mercosur exported €7.7 billion of services to the EU in 2020.
- The EU is the biggest foreign investor in the region, with an accumulated stock of investment that has gone up from €130 billion in 2000 to €330 billion in 2020.

8. Success Stories

Carrefour, a French multinational retail company, initially used Spain as a stepping stone to enter the South American market. Carrefour established its presence in Spain and then expanded its operations into various South American countries. This approach allowed Carrefour to leverage its experience and resources gained in the Spanish market to tap into the growing consumer markets of South America.

The company's expansion strategy often involved acquisitions and partnerships with local retailers in South American countries. For example, Carrefour entered the Brazilian market in the 1970s and has since become one of the leading retail chains in Brazil. It also expanded into other South American countries such as Argentina and Colombia.

Using Spain as a launchpad for South American expansion is a common strategy for many European companies due to historical ties, language similarities, and shared business practices. This approach allows companies to adapt their products and strategies to a new market while benefiting from some familiarity and resources from their European operations.

8. Success Stories



Siemens Gamesa has started to install a new generation of more powerful wind turbines for onshore wind power in Brazil, in an important step to increase its competitiveness in a key market for the manufacturer and position itself for the development of the offshore wind market.

Brazil will be the first country in the world to operate Siemens Gamesa wind turbines with 6.2 megawatts (MW) of nominal power and a 170-meter rotor – the largest available in the world – in onshore wind generation.

The first wind turbines, produced in Bahia, are being installed at AES Brasil's Tucano (BA) wind farm

8. Success Stories

DIA, a Spanish discount supermarket chain, did indeed use Spain as its home base before expanding into the South American market. DIA started as a Spanish company and established a strong presence in Spain before venturing into other countries, including various South American nations. The company's expansion strategy often involved opening stores and acquiring local retail chains in South America.

DIA expanded into several South American countries, including Argentina, Brazil, and Chile, among others. In some cases, DIA entered into partnerships or joint ventures with local companies to facilitate its expansion in the South American market. This approach allowed DIA to leverage its experience in the Spanish market and adapt its business model to the specific needs and preferences of South American consumers.

8. Success Stories

One notable company that used Spain as a test market before expanding into South America is **ZARA**, a well-known Spanish fashion retailer. ZARA is part of the Inditex Group, one of the world's largest fashion retailers. The company's founder, Amancio Ortega, initiated this strategy.

The story goes that Amancio Ortega, the founder of ZARA, chose Spain as the test market because he believed that the Spanish market was similar in terms of climate and fashion preferences to several South American countries. By testing and refining their business model in Spain, ZARA could gain valuable insights into the demands and preferences of Spanish-speaking consumers.

8. Success Stories

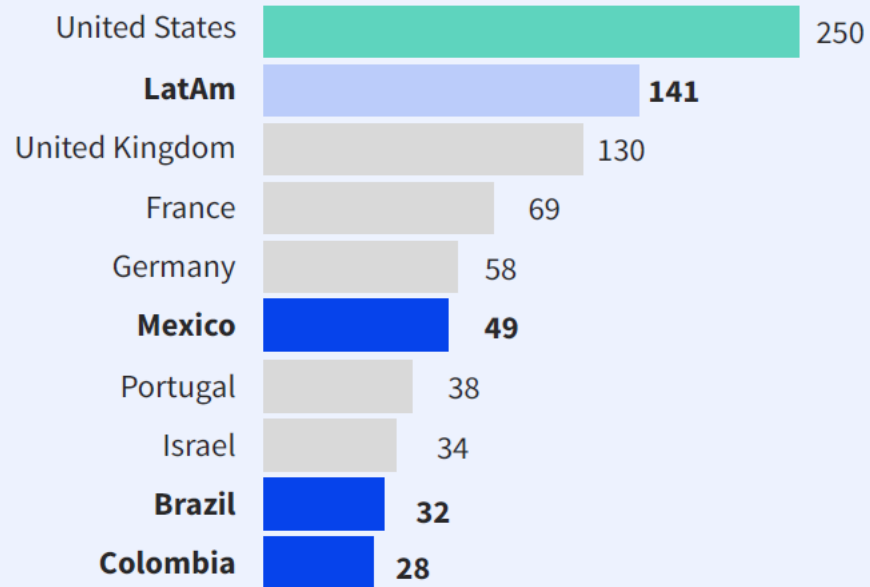
KC-390 – Concerning the design of the KC-390 aircraft, the largest ever built by **Embraer, Portugal's Center of Engineering and Product Development** was responsible for developing two-thirds of the plane's structure – which was later taken up by the Portuguese Air Force. This was the most relevant engineering project to be jointly developed by Brazil and Portugal, and the result of 12 years of hard work and over 750,000 hours of engineering.

- **Web Summit** is an annual technology conference held in Lisbon, Portugal. Is one of the biggest IT and entrepreneurship events in the world and was founded in 2009 by Paddy Cosgrave. Web Summit was originally held in Dublin, Ireland until 2016 when it moved permanently to Lisbon.

As Brazil was the 3rd country with more participants in Lisbon, an event similar to the web summit was organized this year via Portugal in Rio de Janeiro/Brazil.

9. Some investment info

Number of rounds from Spanish investors in foreign startups
Cumulated number of rounds 2018-2022



- Spanish VC still choose first of all the USA startups ., but nevertheless 1 out of 3 of the financing rounds goes to South America
- Spain is also the 2nd biggest receiver of South American FDI.



**FLANDERS
INVESTMENT
& TRADE**