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Special Issue on the Food Industry

LETTER FROM THE EDITOR

Pleasure, Convenience, Variety, Organic Products and Fair Trade: the Latest Trends in the European Food Industry

According to EU figures, the food and beverage industry in 2008 was one of the most important and active sectors although it has not escaped the economic crisis. The sector is made up of 310,000 companies approximately and provides more than 4 million jobs. The yearly turnover is more than € 800 billion; this industry is a great exporter, mainly to the US as a market or trade partner. But it is also a great importer. Hence, the European Union is a very interesting market for food and beverage companies wishing to make its way in it.

In the last few years, there has been a clearly positive trend in food and beverage imports in the whole of the European Union. Likewise, exports of Latin American countries to the European Union have also experienced an upward trend. This indicates the European market is very attractive to Latin America and the Caribbean.

The food industry is a very competitive, increasingly global market, where solutions to reduce production costs and obtain an optimal trade margin are sought, and new, safe, high-quality new products are researched and developed. Innovation in design and process control is necessary for this.

There is a dominant trend in Europe towards cheaper products and brands (distributors' or house brands are generally increasing their market share) and low-priced distributors, since most European consumers have chosen to save these days, due to the economic crisis. However, let's not forget there is another type of consumers who still demand special, exclusive products. This is the case for example when launching limited editions.

Many consumers worry about food safety. This factor, combined with increased awareness of



health, diet and nutrition issues, has stimulated the interest in organic food products. Organic fruits and vegetables are staple food in the bio-food segment. Sales of organic products are increasing throughout the European Union.

According to a 2008 report published by the Confederation of the Food and Drink Industry of Europe (CIAA by its original acronym), the European food industry does not spend enough on R&D. The report states that "simplicity and pureness, extreme specificity, food for moods, new flavors and ingredients, convenience (time and money) and pleasure (exclusivity, sophistication, fun) are the dominating trends driving innovation in the European food industry".

The main consumer trends are linked to health, convenience, pleasure, variety, organic produce and fair trade. These trends are particularly in tune with the fruit and vegetable sector.

Stefan Unseld,
Project Manager for GIZ
Capacity Building International

AL-INVEST



Facilitating the internationalization
of Latin America SMEs

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Central America, Mexico and Cuba

Undoubtedly, the food industry is strategic in international markets. The CAMC Consortium country members know that and do not spare any effort to promote the industry. The AL-INVEST IV Program is a great ally to achieve good results.

GUATEMALA

AL-INVEST IV Takes Actions to Strengthen the Guatemalan Agro-Food Industry

The agro-food industry in Guatemala is a cornerstone of the national economy. The main destination for Guatemalan exports are the United States, Europe, Mexico and Central America. Vegetables, frozen fruits and processed products such as beverages, cakes and canned food are the star products.

For this trend to continue, businesses in the food industry need assistance, and the AL-INVEST IV Program knows how to provide it. It has undertaken several actions to strengthen the sector in 2011, such as offering training on quality and food production, definition of brands and food packaging, among others.

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MEXICO

The EU Is the Number One Goal



Mexico is a sizeable producer and exporter of food products. It represents 2.2% of world exports. Because of the considerable size of the EU market, Mexico has focused its sales force on the biggest economies in the region: Germany, Spain, France, the Netherlands, Italy and the UK.

To boost the food industry, the AL-INVEST IV Program facilitated the participation of 16 Mexican companies in the POLAGRA FOOD 2011 Fair, which took place last September in Poznan, Poland. This event was a great opportunity for Latin American companies to put into action strategies to approach European consumers through more than 180 business meetings, where business deals worth more than €30,000 were closed.

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NICARAGUA

Honey, a Safe Bet

The beekeeping sector in Nicaragua is living a sweet moment. Thanks to the actions by the Nicaraguan Association of Producers and Exporters (APEN by its Spanish acronym) and by way of the AL-INVEST IV Program, the sector has gained a lot of strength, especially in exports.

Its strategy? Encouraging Nicaraguan SMEs to participate in the EXPOAPEN Fair and putting together trade missions engaging national companies in the main international fair of organic products, BIOFACH, both in 2010 and 2011.

“Through EXPOAPEN we have secured our main client of organic honey exports, the Maya Fair Trade company, based in Belgium”, declared Moisés López, Chairman of the Cooperative of Agro-Food Services of Nicaragua (NICARAOOCOOP).

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Mercosur, Chile and Venezuela

An expert's point of view is the best training for other professionals to learn from his/her experience and knowledge. The Mercosur, Chile and Venezuela Consortium has put this strategy to good use to promote a key sector of the food industry: beekeeping.



CHILE

Eurochile Provides Technical Assistance to the Beekeeping Sector

Two European and one Cuban expert contributed their 'savoir faire' to beekeeping to the benefit of Chilean professionals. The Frenchman Roch Domerego, Vice-president of the Bee-Therapy Commission of Apimondia; the Dutchman Hans Polman, environmental beekeeping expert from the University of Nijmegen, and the Cuban veterinarian Doctor María Mayda Verde had the opportunity to visit the beehives and facilities of our beekeepers in several locations where Eurochile is engaged.

This was a leap forward for Chilean beekeeping experts, since they have gained updated, useful information of EU rules and requests, and advice on the market situation, data on the demand of honey and a more accurate consumer type profile.

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Andean Region

SMEs in the food industry of the Andean Region aim at expanding to international markets, namely Europe. Bolivia, Ecuador and Perú have shared with us their roadmap and work methodology to achieve that.

ECUADOR

Business Clusters as a Trade Strategy

The Ecuadorian Federation of Exporters (FEDEXPOR by its Spanish acronym), in the framework of the AL-INVEST IV Program, is working along with other Andean institutions under the business cluster methodology, by which several SME owners from the same industry meet to identify common needs and put together a group action plan for the integral development of each participant.

In the food industry, this methodology has yielded tangible results: increased productivity, reduced costs, higher quality, organic production and access to markets, etc. This is the case for many producers who have grouped throughout the country, such as the strawberry producers from Pichincha, banana producers from Oro, Guayas and Los Ríos, and the sugar cane, cocoa and chocolate producers from Pastaza. Likewise, the production of taro and naranjilla from other Ecuadorian regions is worth mentioning as well.

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Cluster of Banana Producers
Source: RA

BOLIVIA

European Aid to Boost the Food Industry

Because of the amount of companies and jobs it encompasses, it is easy to figure out that the food industry is a key factor in the Bolivian economy. Trade relations between the Latin American country and the EU have been immensely favored by the Generalized System of Preferences (GSP Plus), which is an incentive mechanism for developing countries.

Since 2009, the Chamber of Industry, Trade, Services and Tourism of Santa Cruz (CAINCO by its Spanish acronym), supported by the AL-INVEST IV Program, has developed business clusters to hold lectures and hands-on workshops on best practices in manufac-

turing. Likewise, management training has been provided, with special attention to corporate image and coaching workshops on design and brand image. The training has strengthened the companies' skills to later participate in fairs and trade missions.

The Chamber of Exporters of Santa Cruz (CADEX by its Spanish acronym) recently promoted the participation of 4 Bolivian companies in the food and beverage fair ANUGA 2011, which took place from October 8 to 12 in Koln, Germany.

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PERU

Taking Leaps Forward

Peruvian food producers are gaining ground in very demanding markets. A sizeable portion of food and beverage exports, amounting to over \$1.5 billion, 32% increase compared to last year, from Peru in 2010 were sent to the EU. Just from January to July 2011, more than 1 billion dollars worth of exports have been made. Besides, the Chamber of Commerce of Lima (CCL by its Spanish acronym) has highlighted the important contribution of the AL-INVEST IV Program to increasing Peruvian exports in this field.

To expand the footprint of Peruvian companies in the Old Continent, the Chamber of Commerce of Lima has undertaken several trade promotion actions, such as having Peruvian SMEs participate in international Fairs, which has improved their competitiveness.

For more information: <http://www.alinvest4can.org/?p=2268>

Contact: Carlos García Jeri cgarciaj@camaralima.org.pe

Success Case

The Peruvian SME Merfrut Receives an Innovation Award

The Peruvian SME Merfrut S.R.L., supported by the AL-INVEST IV Program and the Chamber of Commerce of Lima (CCL by its Spanish acronym) was awarded last September the Golden Award of Innovation at the III Expo-Food International Fair 2011. This recognition rewards its line of products Inca's Spirit, based on exotic marmalades of amarillo chili, apple chili, black elderberry, Peruvian cherry and soursop.

Renzo Ceruti, General Manager at Merfrut, was thankful for this award after the long trajectory of his company. "We've been in the market for almost 15 years. We joined the AL-INVEST IV Program through the Chamber of Commerce of Lima. It was very helpful to tap into new business opportunities by participating in Fairs and Seminars", said Mr. Ceruti.

Contact: Carlos García Jeri cgarciaj@camaralima.org.pe



Renzo Ceruti, General Manager of Merfrut
Source: RA

Interview to...

Marcela Suárez Zúñiga, Head of Sales Management at Agrícola Nova S.A

What is the business of Agrícola Nova?

Agrícola Nova is a company in the business of processing and selling frozen fruits and vegetables. We have started our own Research and Development area with a product based on ready-made fruit produce to make yogurt or ice cream.

Is the ANUGA Fair 2011 the first European Fair where your company participates?

Last year we visited the Food and Beverage Fair Sial Mercosur.

What was your experience? Did it fulfill your expectations?

It's been a great opportunity to establish contacts, which hopefully will be transformed into trade relations in the long term. It's been above and beyond my expectations, since I could exhibit my products, hold meetings with potential clients and strengthen ties with existing—though small—clients.

How did you profit from the Fair?

I've made contacts with clients in Germany, the Netherlands and France.

Do you intend to repeat the experience and participate again in another European Fair? Which one?

We would like to participate at Sial next year, and repeat with Anuga. It would also be very interesting for us to be part of a European fair such as Food Service, where hotels and restaurants alike participate.

PROFILE

Sector: Food

General Manager: Moisés Coloma Cisternas

Number of Employees: 140

Headquarters: Longitudinal Sur Km.302 Linares, Chile

Website: www.agricolanova.cl

EMECA partners with the European Business Network



The European Major Exhibition Centers Association (EMECA) has announced its imminent collaboration with the Enterprise Europe Network (EEN). Such collaboration will prove especially beneficial to EU SMEs. For years, many individual members from both organizations have developed several cooperation processes, especially for the AL-INVEST IV Program.

For twenty years, EMECA has championed the highest quality in organization and installation processes of exhibit centers, and in services offered to exhibitors and visitors. With a yearly average of 1,200 exhibits approximately, more than 300,000 stands and 37 million visitors, EMECA contributes with €16 billion in profits and provides 360,000 jobs throughout Europe.

“We intend to enlarge this cooperation to more sectors and events, to interlink our activities systematically to the benefit of SMEs. Together, we can support SMEs to develop their competitiveness, rise the efficiency of trade fair visits and make the most out of internationalization”, said Barbara Weizsäcker, Leader of the Workgroup of EMECA’s European section, in her statement to this publication. “We intend to establish close contacts between the existing EEN in Latin America and the AL-Invest consortia in

Latin America with the aim of bringing the expertise of EEN to the participants of the AL-Invest Project”, she added.

The EEN has a long history of collaboration with the AL-INVEST IV Program, most recently, to organize the event ‘Matchmaking’ at the Food Fair ANUGA 2011, the most important event in this field worldwide. According to Nora Anton, Director of the EEN Project, “the event was a unique platform to share innovative technologies, initiate cooperation with AL-INVEST IV’s SMEs and find new trade partners”. Besides, she added that “a total of 855 cooperation profiles from 40 different countries and almost 1,400 business meetings have taken place”.

- EMECA promotes the business spirit among SMEs in Latin America and Europe.
- The organization provides the necessary logistics framework to spur exchange between European and Latin American SMEs.
- It helps SMEs in their road towards exports, internationalization, and the discovery of new markets and innovation.

Contact: secretary@emeca.eu

For more information: <http://www.emeca.com>

AL-INVEST IV is also in Cuba

The AL-INVEST IV Program to support SME internationalization in Latin America has been officially introduced in Cuba. Many and very important authorities from the Chamber of Commerce and the Cuban Ministry of Foreign Trade and Investment, as well as representatives from the European Commission and the Program were present at the launching event. They all signed the Operational Plan through December 2012 and selected the priorities to support Cuban SMEs in their path towards internationalization.

Estrella Madrigal, president of the Chamber of Commerce of Cuba, paid special heed to the great expectations her country has set on the Program, both by authorities and affected SMEs.

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Isamary González Jover - Ministry of Foreign Trade and Investment isamary.gonzalez@mincex.cu

Bolivian Jewels Shone in Spain

September 14-18, 2011, Madrid, Spain



Ten Bolivian companies from the jewelry industry in La Paz were granted the opportunity to participate in the IBERJOYA Fair in Madrid last September.

This opportunity, supported by the AL-INVEST IV Program and the National Chamber of Industries of Bolivia (CNI by its Spanish acronym), added to the assistance offered by the Spanish company IBERNORDIK to SMEs during the Fair, and their pre-training, specially geared towards exports and international trade.

Contact: José Pedro Ureña jurena@cniBolivia.com

Boosting Tourism in Jalisco

Mexico

Guadalajara, the capital city of Jalisco, Mexico, is hosting the Pan-American Games from October 14 to 30, 2011. Given the strong impact of this event on tourism, the Secretary of Tourism of Jalisco has put together training on tourism, new products, brand strategy and regional branding.

For three weeks, 22 SMEs in the tourism industry received the necessary technical assistance to improve their processes and design brand strategies to position themselves in the market. The European experts Joxean Fernández and Alex Blanch, professionals in the tourism, innovation and brand strategy fields, participated in the seminar.

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AL-INVEST IV and CAINCO, Rewarded for their Initiative with SMEs at Expocruz 2011

September 24, 2011, Santa Cruz, Bolivia



Jorge Subirana, Economic and Financial Manager, Chamber of Industry, Commerce, Services and Tourism of Santa Cruz (CAINCO by its Spanish acronym), and a promoter of the AL-INVEST IV Program in the Andean Region Consortium, received last September 24 the Palmera Dorada Award for this "Entrepreneurial Spirit", thanks to his Exclusive Pavilion initiative at the Multi-sectorial International Fair of Santa Cruz, Expocruz 2011. The facilities hosted 51 SMEs supported by Andean partnering institutions coming from Bolivia and Peru.

Representatives from the AL-INVEST IV Program in Peru, Ecuador and Bolivia attended the event. They made a very encouraging evaluation of the SMEs' work.

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"Foreign Direct Investment and SMEs" to Boost a Strategic Alliance between the EU and Latin America

December 5-6, Santiago de Chile, Chile

The event is organized by the Coordination and Services Consortium of the AL-INVEST IV Program and the UN Economic Commission for Latin America and the Caribbean (ECLAC). It will identify the key issues to promote foreign direct investment, SMEs and production chains, seeking to encourage a strategic alliance between the EU and Latin America.

One of the goals of the meeting is to define the role of business organizations in a strategy to position SMEs and give shape to the main recommendations for the next Summit between the EU and Latin America, which will take place in Chile in 2012.

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For more information: <http://www.al-invest4.eu/actividades2/actividades-consorcio-servicios/servicios-para-organismos-intermedios/seminarios-tematicos/inversion-extranjera-directa-y-pymes>



The Colombian Fashion Revolution at IXEL 2011

September 26-28, 2011, Cartagena de Indias, Colombia

Last September, the Colombian city of Cartagena de Indias hosted the "IV Latin American Congress of clothes, tailoring, textiles and inputs, accessories, leather and leather goods IXEL MODA", under the slogan "entrepreneurship".

The event was a trampoline for new Colombian creators. SMEs from the textile and tailoring sector of the Chamber of Cartagena participated. The result was a total of 8,000 visitors to the 7 catwalks organized and more than 1,600 participants to the conferences.

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Designers of IXEL MODA
Source: RA

"Thinking of Global SMEs"

November 23-25, Santa Cruz, Bolivia



The Chamber of Exporters of Santa Cruz (CADEX by its Spanish acronym), and the Chamber of Industry, Commerce, Services and Tourism of Santa Cruz (CAINCO by its Spanish acronym) are organizing the International Forum to Promote Trade under the title "Thinking of Global SMEs".

The event will take place next November. It is supported by the AL-INVEST IV Program and will be an ideal space to share, discuss

and identify the factors that facilitate trade and the consolidation and introduction of SMEs internationally.

Additionally, an airline will offer generous discounts to attendants from North, Central and South America and the Caribbean bound to Bolivia.

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For more information: <http://www.trade-facilitation.org/index.php>

Success Cases

Successful International Business Round in Bolivia

The International Business Round in Bolivia, organized by the Chamber of Industry, Trade, Services and Tourism of Santa Cruz (CAINCO by its Spanish acronym) in the framework of the Expocruz Fair 2011, encouraged contact with new clients and suppliers to increase the quality of production and presentation of AL-INVEST IV SMEs' products.

Thanks to the support of the EU Program, there were many European businesspeople at this year's event. The company Bassano Colección Group S.R.L. is a success case. It is in the business of producing silver jewelry in Italy. They made many contacts with companies in Santa Cruz (Bolivia) and closed deals with many of them.

On a different note, the Bolivian SME Química La Tuja, in the business of manufacturing chemical cleaning and cosmetics products, made contacts with 30 companies interested in its products. "We've done very well, it's only left for companies to send their monthly orders for detergent supply", remarked Donald Vargas, Director of Química La Tuja.

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Donald Vargas, Chemistry Director at La Tuja
Source: RA

A Joint Action Plan between the EU and Brazil

Last October 4 the fifth business summit between the EU and Brazil was held in Brussels. It was the first Summit attended by the Brazilian President, Dilma Rousseff. The star topic was the economic recession due to the worsening of the debt crisis in the Eurozone.

But it wasn't all crisis talk. The two powers approved a new Joint Action Plan to strengthen cooperation between both parties in the next few years. It is an ambitious project for 2012-2014, seeking a political, peace and security alliance to add to economic and trade relations already in place between both sides of the Atlantic.

The European Association of Chambers of Commerce and Industry (EUROCHAMBRES) and the National Confederation of Industry (CNI by its Spanish acronym) in Brazil, the respective leaders of the Coordination and Services Consortium and the Mercosur, Chile and Venezuela Consortium of the AL-INVEST IV Program, along

with the group of companies BUSINESSEUROPE, have welcomed the new commitment between the UE and the Latin American country. Pursuant to statements by the three organizations, the Joint Action Plan is an essential tool to improve and deepen ties in bilateral economic relations. It makes a call to politicians to continue progressing to guarantee continuous growth.

The document also mentions that besides the EU Brazil Strategic Partnership, there should be a strong push to complete the EU-MERCOSUR Association Agreement with an ambitious free trade agreement. Focus on the topics discussed, financial services, energy and climate change, investment opportunities, innovation and Taxation issues will ensure that the EU and Brazil economies will reinforce each other in decades to come.

For more information: <http://www.eurochambre.eu/Content/Default.asp?PageID=1&DocID=3693>

Coming up

Events

Specialized agendas. July 1, 2011 – December 31, 2011 (CAMC)

Training and Technical Assistance of hotel and service SMEs in the Atlantic, Island Region of Honduras to implement guidelines and improvements and obtain the 'Green Globe' certification.

July 1, 2011 – November 12, 2011 (CAMC)

Tourism, new products, brand strategies and regional brand.

July 1, 2011 – December 31, 2011 (CAMC)

IV Fair of National Production - Expopyme 2011. Santa Cruz, Bolivia.

November 4, 2011 – November 7, 2011 (RA)

WORLD TRAVEL MARKET 2011.

November 7, 2011– November 11, 2011 (CAMC)

Training on Customer Care for SMEs in the Fast Food Business. Santa Cruz, Bolivia. November 8, 2011 (RA)

Business Round in Zona Franca, Bogotá.

November 10, 2011 – November 12, 2011 (RA)

AGRITECHNICA, Germany.

November 15, 2011 – November 20, 2011 (MCV)

More events: <http://www.al-invest4.eu/calendario/656>

Contact

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Share your comments!

Publications

Sector Analysis on "Aquaculture":

<http://www.al-invest4.eu/minisite/acuicultura/>

"Exporting to Europe" Handbook:

<http://www.al-invest4.eu/guia-como-exportar-a-europa/1001-guia-como-exportar-a-europa/521-guia-como-exportar-a-europa>

Special Issue on the 2011 Annual Meeting:

<http://www.al-invest4.eu/attachments/Monogr%C3%A1fico%20Encuentro%20Anual%202011%20ENGLISH.pdf>

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"The AL-INVEST IV Program is one of the most relevant regional economic cooperation programs of the European Commission in Latin America. The main goal of the IVth phase of the Program is to promote social cohesion by supporting Latin American SMEs in their consolidation and internationalization, sharing innovation and knowledge and creating economic relations with their European counterparts".