

I Press Release

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Survey on obstacles to EU-Latin America trade: corruption on the top of the list

In view of the EU-Latin America Caribbean Summit to take place on 15-17 May in Lima (Peru), a EUROCHAMBRES survey* highlights the main obstacles hampering trade and investment between the EU and Latin America.

Corruption appears as the number one hurdle, followed by the cost of transport and logistics, and tariffs and non-tariff levels.

1. **Corruption.** EU companies developing economic partnerships in Latin America suffer the consequences of corrupted practices more acutely (78% of them). In LA, perception of corruption in business practices remains high overall, but varies from region to region. Chilean companies' perception is the lowest in the entire continent (55%).
2. **Transport and logistics.** Transportation costs and lack of suitable logistics for traders rank second in the list of identified barriers. It affects EU business cooperation particularly in Central America, Mexico and Chile (where it ranks first, ahead of corruption). The vast distance separating the EU and LA is not the only explanation, because trading with Asia is cheaper both for Europeans and Latin Americans. What needs to be improved is the level of services and basic infrastructures available to traders.
3. **Tariff and non-tariff procedures.** EU Association Agreements in Chile and Mexico have contributed to a more transparent and business friendly tariff system. At the same time, non-tariff and phytosanitary rules are seen by LA companies as costly and time consuming procedures, especially cumbersome when new products need to be registered. In addition, SMEs are unsure of how to defend themselves in potential cases of unfair non-tariff practices. More than 60% confessed not to be aware of how lodging related complaints.

The unpredictable legal environment, complex customs procedures, foreign investment regulations and lack of basic infrastructures follow in the list.

Arnaldo Abruzzini, Secretary General of EUROCHAMBRES, commented on these findings: *“Not all aspects of EU-LA economic relations are negative. For example, cultural aspects are seen as the highest facilitator for trade and investment, and protection of intellectual property rights is perceived as positive on both sides of the Atlantic. Yet, the EU and Latin America are far from reaching their full economic potential. Public-private partnerships can be the solution to many of the current obstacles and challenges that both regions face today. A combined and generous effort by all public and private sectors in Latin America and Europe is the key in reducing the poverty and lack of opportunities that almost 200 million of Latin Americans suffer today. We urge leaders at the EU-LAC Summit to take these issues into account and give a positive signal in favour of trade and investments.”*

Connecting **business to Europe**

EUROCHAMBRES – The Association of European Chambers of Commerce and Industry represents over 19 million enterprises in Europe through members in 45 countries and a European network of 2000 regional and local Chambers.

AL-Invest: giving impetus to EU-LA relations. Final results of the programme to be presented on 20 May

Since 2003, the Commission-funded programme AL-Invest III has contributed in a practical way to enhancing EU-Latin America economic relations. More than 550 projects have been supported, involving 41,000 companies and almost 2,000 business organisations based in 17 Latin American and 19 EU countries. The final results of AL-Invest III, as well as a comprehensive reaction to the conclusions of the EU-LAC Summit, will be presented on 20 May in Brussels (see invitation attached).

* The survey was carried out by all business organisations active in the AL-Invest III network, 75 in Latin America and more than 200 in Europe. 805 responses were collected, with a balanced participation per region (67% from LA and 33% from the EU) and per economic sector. The full results of the survey are available on www.eurochambres.eu/content/default.asp?PageID=1&DocID=985

Further information: Mr Fernando Ramos, Tel. +32 2 282 08 69, ramos@eurochambres.eu
Press contact: Ms Guendalina Cominotti, Tel. +32 2 282 08 66, cominotti@eurochambres.eu
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