

Latin America

Sept 2017

Executive Summary

This regional fact sheet provides key trade and investment related statistics for Latin America and on some occasions Latin America and the Caribbean. Specifically, it gives an overview of Latin America in terms of the economy, geography and demographics. In addition it shows Latin America's trade and investment figures and markets. The key highlights in the regional fact sheet are provided below:

Overview

- The population of Latin America in 2017 was estimated at around 598 million people, excluding Cuba. Brazil has the largest population.
- The countries in Latin America belong to different regional groupings, namely LAIA, the Pacific Alliance, Mercosur, NAFTA and the Andean community to name a few
- The Gross Domestic Product (GDP) of Latin America in 2016 was around USD5trn in current USD.

Trade

- Latin America is a net importer of services and this trend has been consistent over time. Latin American exports of services were valued at USD152bn and imports were valued at USD199bn in 2016.
- Latin America has been a net importer of goods from 2013, where exports were valued at USD1.16trn in 2015 compared to USD1.3trn in 2014, declining by 11.09%.
- In 2016, Mexico exported 43% of Latin American exports valued at USD346.8bn. This is un-surprising as Mexico has the second largest GDP in the region. Brazil was second with USD185bn (21.4%), followed by Chile with USD59.9bn (6.9%) and Argentina with USD57.7bn (6.7%).
- South Africa exported goods to Latin America valued at USD944m in 2016, representing a decrease of 3%, while imported goods were valued at USD3.25bn in 2016, growing by 22.3%.
- The Western Cape, like South Africa, is a net importer of Latin American goods. The Province exported goods to the value of USD66.49m in 2016 compared to USD79.21m in 2015.

Investment

- Between January 2003 and December 2016 a total of 48 FDI projects were recorded from South Africa into Latin America. These projects represent a total capital investment of USD2.07bn
- Between January 2003 and December 2016 a total of 15 FDI projects were recorded from Latin America and the Caribbean into South Africa

Tourism

- In 2016 the Latin American country with the highest number of arrivals into South Africa was Brazil with 38 814 arrivals followed by Argentina with 9 517 arrivals.
- Brazil is the largest market into the Western Cape with 22 135 arrivals in 2016 (57% of national) followed by Argentina (60%) and Chile (58%).

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1. General Overview

Latin America consists of twenty sovereign states and several territories and dependencies which cover an area that stretches from the northern border of Mexico to the southern tip of South America, including the Caribbean. It has an area of approximately 19,197,000 km² almost 13% of the Earth's land surface area. Latin America is, therefore, defined as all those parts of the Americas that were once part of the Spanish and Portuguese Empires and is made up of countries from North America, Central America, the Caribbean and South America.

- Argentina
- Bolivia
- Brazil
- Chile
- Colombia
- Costa Rica
- Cuba
- Dominican Republic
- Ecuador
- El Salvador
- French Guiana*
- Guadeloupe*
- Guatemala
- Haiti
- Honduras
- Martinique*
- Mexico
- Nicaragua
- Panama
- Paraguay
- Peru
- Puerto Rico*
- Saint Barthélemy*
- Saint Martin*
- Uruguay
- Venezuela



Countries that have been starred above are not The Latin American Integration Association (LAIA) is an international and regional scope organization. It was created on 12 August 1980 by the 1980 Montevideo Treaty, replacing the Latin American Free Trade Association (LAFTA / ALALC). Currently, it has 13 member countries (underlined above), and any of the Latin American States may apply for accession.

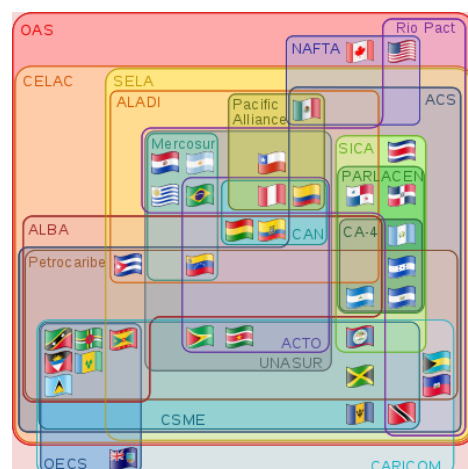
The countries that make up Latin America also belong to different regional blocs. The table below shows the countries in Latin America (italicised) that belong to the Pacific Alliance and Mercosur. In May 2016, the Pacific Alliance removed 92% of tariffs on goods traded between members. Based on a 2013 agreement, the rest of the tariffs will be removed by 2020. Mercosur and the Andean Community of Nations are customs unions that are components of a continuing process of South American integration connected to the Union of South American Nations (USAN).

REGIONAL BLOCS THAT INCLUDE LATIN AMERICAN COUNTRIES	
NAME	MEMBER COUNTRIES
Pacific Alliance	<i>Chile, Columbia, Mexico and Peru</i>
Mercosur	<i>Argentina, Brazil, Paraguay and Uruguay</i>
Andean Community	<i>Bolivia, Columbia, Ecuador, Peru and Venezuela</i>
NAFTA	Mexico, USA, Canada

Source: WTO, 2017

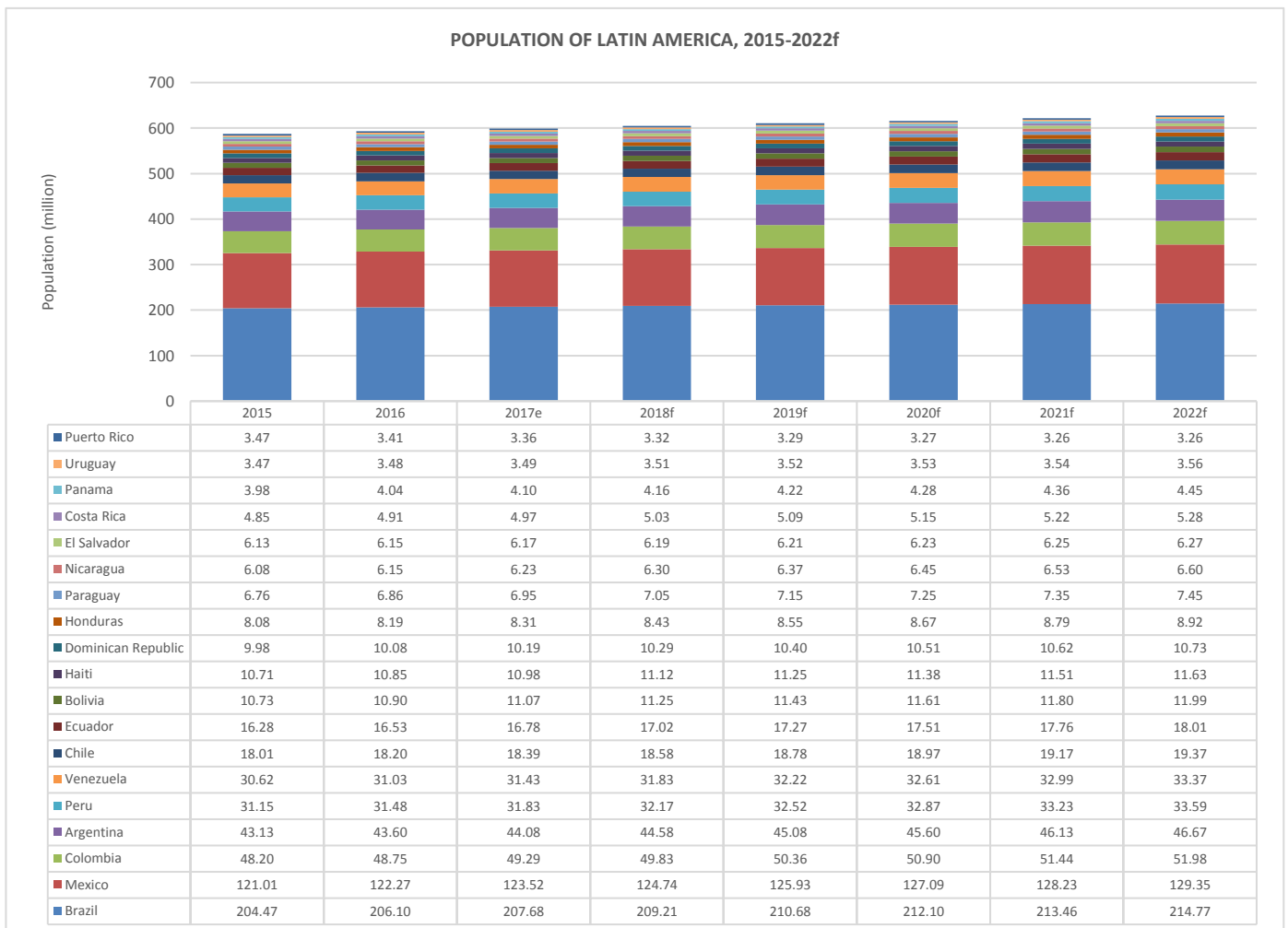
Note: the countries in italics belong to the Latin American region

The Euler diagram alongside shows the relationships between various multinational organisations in the Americas and the overlap of different countries in the various organisations.



Source: Wikipedia, 2017

The population of Latin America in 2017 was estimated at around 598 million people, excluding Cuba and starred countries listed above. Brazil, although the only official Portuguese speaking country in Latin America, is the largest country by population in 2016 with around 206 million people. The graph below shows the population in Latin America, broken down by country, from 2015 to 2022f.



Source: IMF, 2017

Socio-economic indicators for Latin America include the Human Development Index (HDI) and the average life expectancy in the region. The HDI is a composite statistic of life expectancy, education, and income indices used to rank countries into four tiers of human development. The Latin American country with the best HDI ranking in 2015 was Chile with an HDI of 0.847 (38th globally). Argentina, Uruguay and Panama also had a global ranking in the top 60 countries with an HDI above 0.78. South Africa is ranked 119 globally with an HDI of 0.66.

HDI GLOBAL RANKING OF LATIN AMERICAN COUNTRIES	
COUNTRY	2015 RANKING
Chile	38
Argentina	45
Uruguay	54
Panama	60
Costa Rica	66
Cuba	69
Venezuela	70
Mexico	77
Brazil	79
Ecuador	87

HDI GLOBAL RANKING OF LATIN AMERICAN COUNTRIES	
COUNTRY	2015 RANKING
Peru	89
Colombia	95
Dominican Republic	101
Paraguay	110
El Salvador	115
Bolivia	118
Nicaragua	124
Honduras	130
Haiti	164

Source: UNDP, 2017

*Cuba included, Puerto Rico excluded due to lack of data

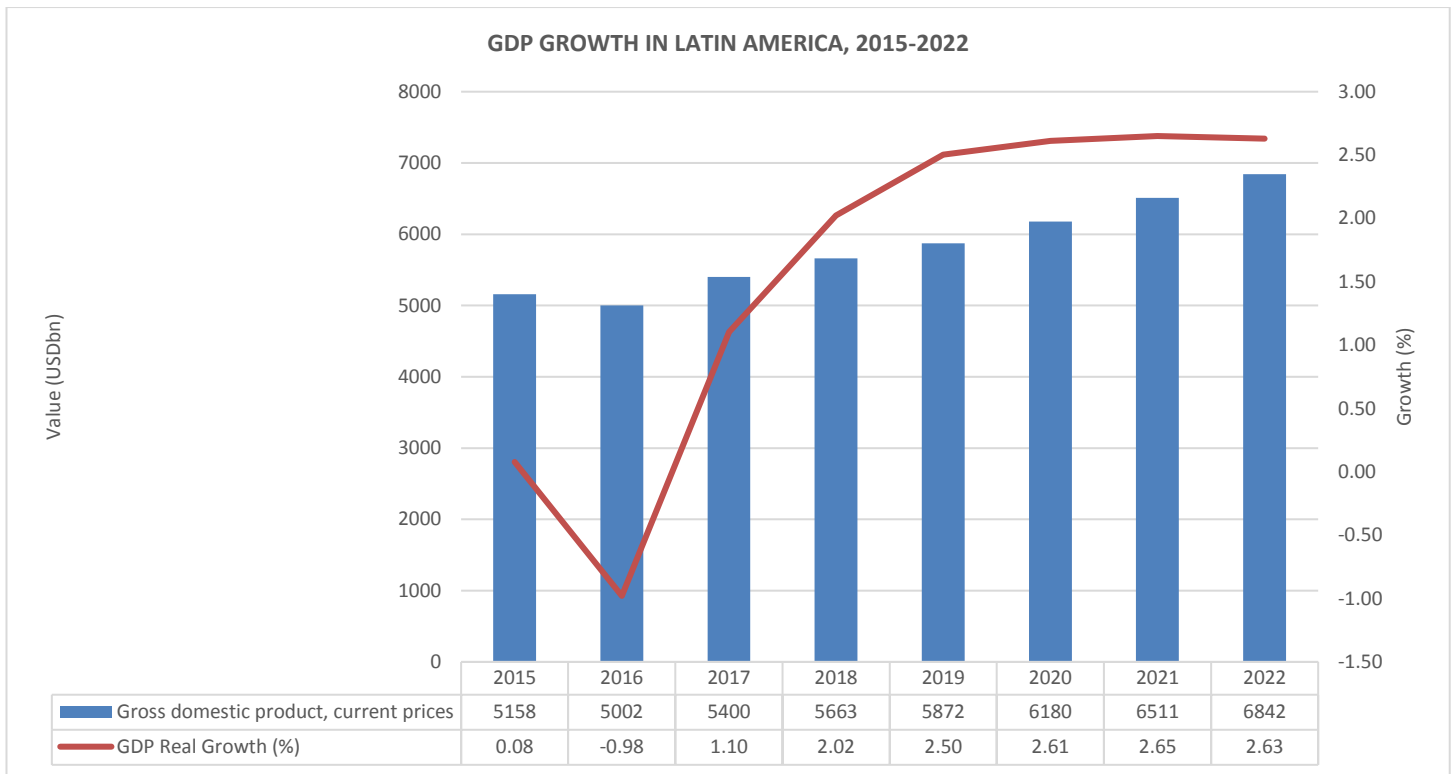
2. Economic Overview

Latin America's major economies will see growth accelerate in the second half of 2017 and 2018, although political risk will temper the recovery, according to BMIResearch. The outlook for Central American growth is mixed. Heightened political risk will undermine investment in Guatemala and El Salvador while strong remittance inflows will play a greater role in supporting growth in Nicaragua and Honduras. Solid growth in tourism will bolster major Caribbean economies, but political risk and sizeable debt burdens will be limiting factors.

ECONOMIC INFORMATION	
GDP (current US dollars, 2016)	USD5trn
GDP growth (2016)	-0.98%
Exports (2016)	USD864bn
Imports (2016)	USD892bn
Inward FDI (2003-2016)	USD1,3trn
Outward FDI (2003-2016)	USD511.99bn

Source: IMF, 2017; Trademap, 2017, Financial Times, 2017

The real GDP growth of Latin America is presented in the graph below. The Gross Domestic Product (GDP) of Latin America in 2016 was around USD5trn in current USD, expected to grow to USD6.8trn in 2022. The highest GDP growth by country in 2016 was seen in the Dominican Republic (6.6%), Panama (5%) and Nicaragua (4.7%). The average GDP growth was brought down by countries such as Venezuela (-18%), Brazil (-3.5%) and Argentina (-2.3%).



Source: IMF, 2017

Brazil and Mexico had the largest 2016 GDP in Latin America valued at USD1.8trn and USD1trn respectively. The third largest GDP in the region was in Argentina valued at USD545bn and the fourth largest was Colombia valued at USD282bn. The table below shows the GDP of Latin America, broken down by country, from 2015 forecasted to 2022.

LATIN AMERICA GDP PER COUNTRY, (CURRENT USDBN), 2015-2022f								
	2015	2016	2017e	2018f	2019f	2020f	2021f	2022f
Brazil	1,801.482	1,798.622	2,140.940	2,238.426	2,340.842	2,447.245	2,560.124	2,676.272
Mexico	1,151.040	1,046.002	987.30	1,032.363	1,094.601	1,153.302	1,217.791	1,283.972
Argentina	631.62	545.12	628.94	658.13	711.89	775.22	840.35	908.33
Colombia	291.53	282.36	306.44	322.66	341.00	360.23	380.31	401.71
Chile	242.54	247.03	251.22	262.00	274.03	287.34	302.11	321.30
Peru	192.39	195.14	207.07	219.12	232.25	245.77	260.05	276.57
Venezuela	260.09	287.27	251.59	272.98	184.34	179.19	175.09	152.70
Ecuador	100.18	98.01	97.36	97.42	98.21	100.14	102.76	105.75
Dominican Republic	68.20	72.19	76.85	81.65	86.57	91.78	97.30	103.16
Puerto Rico	102.91	101.30	99.73	97.75	96.65	95.48	94.05	93.10
Panama	52.13	55.12	59.49	64.59	70.36	76.45	82.87	89.84
Costa Rica	55.48	58.11	59.80	63.50	67.50	72.10	77.46	83.39
Uruguay	53.11	54.57	58.12	60.84	64.29	67.80	71.54	75.39
Bolivia	33.24	34.83	39.27	42.71	45.88	48.94	53.20	57.81
Paraguay	27.28	27.44	28.74	30.02	31.70	33.61	35.60	37.64
El Salvador	25.85	26.71	27.55	28.89	30.19	31.51	32.92	34.43
Honduras	20.73	21.36	21.79	22.31	23.05	23.81	24.72	25.85
Nicaragua	12.69	13.05	13.75	14.66	15.64	16.69	17.79	18.97
Haiti	8.67	8.26	7.90	7.81	7.89	8.09	8.42	8.84

Source: IMF, 2017

3. Global Competitiveness

The Global Competitiveness Report 2016-2017 assesses the competitiveness landscape of 138 economies, providing insight into the drivers of their productivity and prosperity. This is based on the institutions, infrastructure, macroeconomic environment, health and education and other efficiency enhancers. The most competitive Latin American countries are listed below.

THE 10 MOST COMPETITIVE LATIN AMERICAN ECONOMIES, 2016/2017	
COUNTRY	RANK
Chile	33
Mexico	51
Costa Rica	54
Colombia	61
Peru	67
Uruguay	73
Guatemala	78
Brazil	81
Honduras	88
Ecuador	91

Source: World Economic Forum, 2017

4. Trade profile

4.1 Latin America global trade in services

The figure below illustrates the trend in Latin America's global trade in services from 2007 to 2015. Latin America is a net importer of services and this trend has been consistent over time. Latin American exports of services were valued at USD152bn in 2015 and imports were valued at USD199bn.

Brazil was the largest exporter of services in the region in 2015 with exports worth USD33.78bn, 22% of the regions total exports. Brazil was followed by Mexico with USD22.9bn and Argentina with USD13.9bn.



Source: TradeMap, 2017

4.2 Latin America global trade in products

The figure below illustrates the trend in Latin America's global trade from 2008 to 2016. Latin America changed from a net exporter of goods from 2008 to 2012 to a net importer of goods from 2013 to 2016, where the trade deficit was USD28.66bn. Global exports by Latin America in 2016 was valued at USD864bn decreasing by 4.1% from 2015, slightly more than the global decline of 3.9%.



Source: TradeMap, 2017

In 2016, Mexico exported 43% of Latin American exports valued at USD346.8bn. This is un-surprising as Mexico has the second largest GDP in the region. Brazil was second with USD185bn (21.4%), followed by Chile with USD59.9bn (6.9%) and Argentina with USD57.7bn (6.7%). The largest importing country in the region is Mexico, importing USD387bn (43%), followed again by Brazil (15%) and Chile (6.6%).

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TOP 10 LATIN AMERICAN EXPORTERS, 2016				TOP 10 LATIN AMERICAN IMPORTERS, 2016			
RANK	COUNTRY	VALUE 2016 (USDbn)	% GROWTH 2015-2016	RANK	COUNTRY	VALUE 2016 (USDbn)	% GROWTH 2015-2016
1	Mexico	373.9	-1.8	1	Mexico	387.06	-2.07
2	Brazil	185.2	-3.1	2	Brazil	137.55	-19.77
3	Chile	59.9	-5.5	3	Chile	58.80	-6.72
4	Argentina	57.7	1.7	4	Argentina	55.61	-6.94
5	Peru	36.0	8.4	5	Colombia	44.89	-16.96
6	Colombia	31.0	-13.2	6	Peru	36.19	-5.04
7	Venezuela	29.3	-23.5	7	Panama	34.28	52.28
8	Ecuador	16.8	-8.4	8	Guatemala	17.00	-3.61
9	Guatemala	10.5	-2.0	9	Ecuador	16.19	-24.31
10	Costa Rica	9.9	3.4	10	Dominican Republic	15.62	-9.94
TOTAL LATIN AMERICAN EXPORTS		863.6	-4.1	TOTAL LATIN AMERICAN IMPORTS		892.24	-7.99

Source: TradeMap, 2017

The table below shows Latin America's top 10 traded products for 2016. Crude petroleum oil was the leading export product category, valued at USD60bn. Motor cars for the transport of people ranked second and parts for tractors ranked third valued at USD38bn and USD29bn respectively.

Refined petroleum oil was the leading imported product in Latin America in 2016, valued at USD52bn, followed by tractor parts and phones. The top 10 Latin American imports all declined in 2016 with an overall decline of 8% for all imports.

TOP 10 PRODUCTS EXPORTED BY LATIN AMERICA, 2016				TOP 10 PRODUCTS IMPORTED BY LATIN AMERICA, 2016			
RANK	PRODUCT	VALUE 2016 (USDbn)	% GROWTH 2015-2016	RANK	PRODUCT	VALUE 2016 (USDbn)	% GROWTH 2015-2016
1	Petroleum oils and oils obtained from bituminous minerals, crude	60.12	-23.46	1	Petroleum oils and oils obtained from bituminous minerals (excluding crude)	52.0	-11.7
2	Motor cars and other motor vehicles principally designed for the transport of persons	38.24	-1.50	2	Parts and accessories for tractors, motor vehicles for the transport of ten or more persons	33.1	-5.7
3	Parts and accessories for tractors, motor vehicles for the transport of ten or more persons	29.05	0.74	3	Telephone sets, incl. telephones for cellular networks or for other wireless networks	30.6	-6.9
4	Motor vehicles for the transport of goods, incl. chassis with engine and cab	28.28	5.80	4	Motor cars and other motor vehicles principally designed for the transport of persons	29.7	-4.9
5	Copper ores and concentrates	25.33	4.81	5	Electronic integrated circuits; parts thereof	18.3	-0.6
6	Soya beans, whether or not broken	25.28	-9.66	6	Automatic data-processing machines and units thereof; magnetic or optical readers, machines	16.3	-1.6
7	Gold, incl. gold plated with platinum, unwrought or not further worked than semi-manufactured	24.83	20.42	7	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses	14.5	-15.0
8	Automatic data-processing machines and units thereof; magnetic or optical readers	20.76	11.55	8	Petroleum gas and other gaseous hydrocarbons	12.6	-27.1
9	Telephone sets, incl. telephones for cellular networks or for other wireless networks	17.06	2.23	9	Motor vehicles for the transport of goods, incl. chassis with engine and cab	10.6	-1.2
10	Oilcake and other solid residues, whether or not ground or in the form of pellets	16.60	-1.96	10	Petroleum oils and oils obtained from bituminous minerals, crude	10.3	-24.5
TOTAL EXPORTS		863.59	-4.08	TOTAL IMPORTS		892.2	-8.0

Source: TradeMap, 2017

The top products (HS4) **exported** by the top markets are shown below:

Mexico

- Motor cars for the transport of people (USD31.42bn)
- Tractor and motor vehicle parts (USD26.19bn)
- Vehicles for the transport of goods (USD23.38bn)
- Automatic data processing machines (USD20.57bn)
- Telephone sets (USD16.48bn)

Brazil

- Soya beans (USD19.33bn)
- Iron ores and concentrates (USD13.29bn)
- Cane or beet sugar (USD10.44bn)
- Crude petroleum oils and oils obtained from bituminous minerals (USD10.1bn)
- Meat and edible offal of fowls (USD6.13bn)

Chile

- Refined copper and copper alloys (USD12.6bn)
- Copper ores and concentrates (USD12.50bn)
- Chemical wood pulp, soda or sulphate (excluding dissolving grades) (USD2.39bn)
- Fish fillets and other fish meat, whether or not minced (USD2.17bn)
- Wine (USD1.9bn)

Argentina

- Oilcake and other solid residues, whether or not ground or in the form of pellets (USD9.97bn)
- Maize or corn (USD4.19bn)
- Soya-bean oil and its fractions, whether or not refined (USD4.11bn)
- Soya beans, whether or not broken (USD3.23bn)
- Motor vehicles for transporting goods (USD2.58bn)

Peru

- Copper ores and concentrates (USD15.39bn)
- Gold, incl. gold plated with platinum, unwrought (USD6.43bn)
- Refined petroleum oils and oils obtained from bituminous minerals (USD1.71bn)
- Copper, refined, and copper alloys, unwrought (USD1.38bn)
- Zinc ores and concentrates (USD1.19bn)

The top products (HS4) **imported** by the top markets are shown below:

Mexico

- Parts and accessories for tractors and motor vehicles (USD22.75bn)
- Refined petroleum oils (USD18.05bn)
- Electronic integrated circuits; parts thereof (USD15bn)
- Telephones for cellular networks mobile telephones or for other wireless (USD14.6bn)
- Automatic data-processing machines (USD10.12bn)

Brazil

- Refined petroleum oils (USD7.3bn)
- Parts and accessories for tractors and motor vehicles (USD4.85bn)
- Telephones for cellular networks mobile telephones or for other wireless (USD3.62bn)
- Medicaments (USD3.28bn)
- Crude petroleum oils (USD2.9bn)

Chile

- Motor cars and other motor vehicles for the transport of persons (USD3.3bn)
- Refined petroleum oils (USD3.25bn)
- Telephones for cellular networks mobile telephones or for other wireless (USD2.6bn)
- Crude petroleum oils (USD2.27bn)
- Motor vehicles for the transport of goods (USD1.77bn)

Argentina

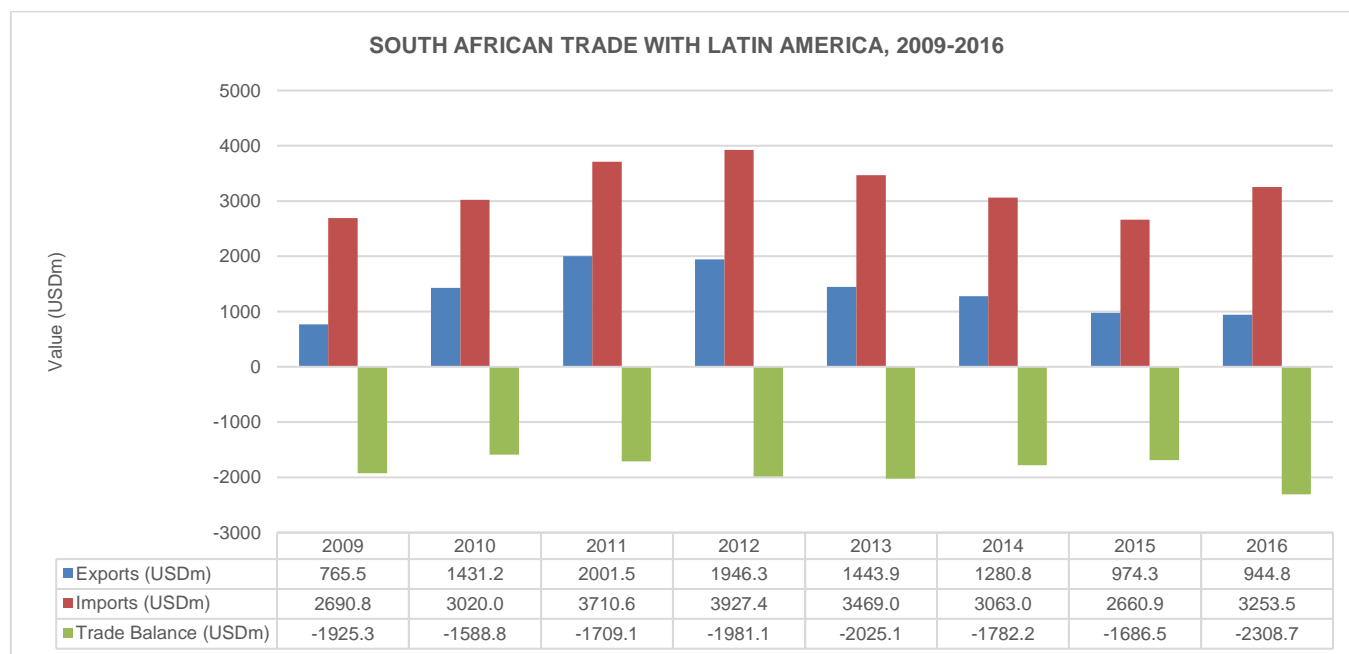
- Motor cars and other motor vehicles for the transport of persons (USD4.47bn)
- Parts and accessories for tractors and motor vehicles (USD2.48bn)
- Telephones for cellular networks mobile telephones or for other wireless (USD2.12bn)
- Refined petroleum oils (USD1.87bn)
- Petroleum gas (USD1.87bn)

Colombia

- Refined petroleum oils (USD3.71bn)
- Motor cars designed for the transport of people (USD2.1bn)
- Telephones for cellular networks mobile telephones or for other wireless (USD1.78bn)
- Medicaments (USD1.35bn)
- Automatic data-processing machines and units thereof (USD1.1bn)

4.3 Trade with South Africa

The figure below shows trade between South Africa and Latin America from 2009 to 2016. In this period South Africa had a trade deficit with Latin America, with the largest deficit in 2016 of USD2.3bn. South Africa exported goods to Latin America valued at USD944m in 2016, representing a decrease of 3%, while imported goods were valued at USD3.25bn in 2016, growing by 22.3%.



Source: TradeMap, 2017

South Africa's top Latin American country with which it trades is Brazil, which receives the highest exports (USD378.57m) as well as being the largest source market for South African imports (USD1.4bn). The largest exports to Brazil include ferro-alloys, coal and insecticides. South Africa imports a wide variety of goods from Brazil like meat and offal of fowls, self-propelled railway coaches and unwrought zinc. South Africa's second largest trading market in the region is Argentina with the bulk of exports being parts and accessories for tractors and motor vehicles and engine parts. South African imports from Argentina included maize, oilcake, soya-bean oil and motor vehicles.

TOP 10 SOUTH AFRICAN DESTINATION MARKETS, 2016				TOP 10 SOUTH AFRICAN SOURCE MARKETS, 2016			
RANK	COUNTRY	VALUE 2016 (USDm)	% GROWTH 2015-2016	RANK	COUNTRY	VALUE 2016 (USDm)	% GROWTH 2015-2016
1	Brazil	378.57	-23.50	1	Brazil	1401.5	9.4
2	Argentina	163.97	18.87	2	Argentina	820.4	41.2
3	Mexico	137.79	32.89	3	Mexico	607.5	23.3
4	Panama	56.65	45.37	4	Paraguay	111.6	408.1
5	Chile	54.69	-5.30	5	Chile	98.9	-39.2
6	Colombia	26.93	49.35	6	Colombia	59.7	88.3
7	Uruguay	25.67	44.38	7	Uruguay	46.4	65.4
8	Peru	25.34	-28.48	8	Peru	30.9	58.9
9	Venezuela	13.19	156.52	9	Dominican Republic	22.8	124.2
10	Ecuador	12.62	-57.97	10	Venezuela	15.1	6344.4
TOTAL EXPORTS		944.83	-3.03	TOTAL IMPORTS		3253.5	22.3

Source: TradeMap, 2017

The leading export product from South Africa to Latin America was ferro-alloys valued at USD81.1m. Coal (USD73m) is the second largest export from South Africa, destined mainly for Brazil (68% of South African exports). These exports are followed by flat-rolled products of stainless steel worth USD53m, mainly to Brazil and Colombia. The largest growth was seen in the export of motor vehicles for the transport of goods.

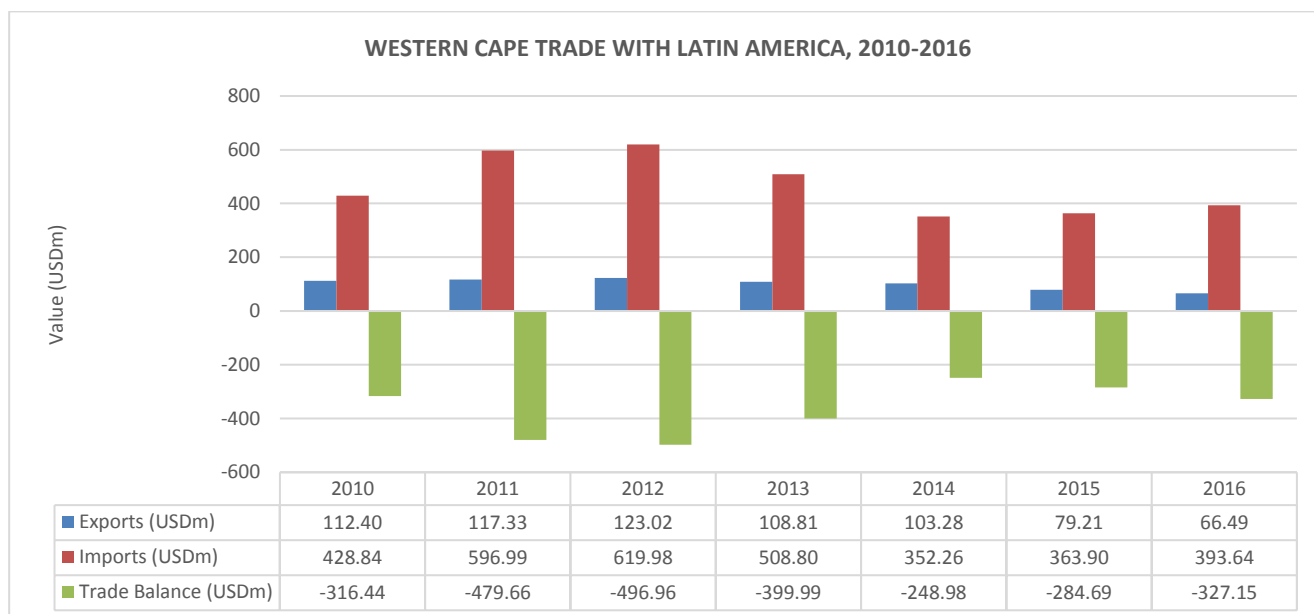
The leading import product from Latin America was maize valued at USD571m, followed by oilcake and other solid residues (USD202m) and meat (USD241m).

TOP 10 SOUTH AFRICAN EXPORTS TO LATIN AMERICA, 2016				TOP 10 SOUTH AFRICAN IMPORTS FROM LATIN AMERICA, 2016			
RANK	PRODUCT	VALUE 2016 (USDm)	% GROWTH 2015-2016	RANK	PRODUCT	VALUE 2016 (USDm)	% GROWTH 2015-2016
1	Ferro-alloys	81.1	76.90	1	Maize or corn	571.1	362.2
2	Coal; briquettes, ovoids and similar solid fuels manufactured from coal	72.7	-7.27	2	Oilcake and other solid residues, whether or not ground or in the form of pellets	201.5	25.6
3	Flat-rolled products of stainless steel, of a width of >= 600 mm, hot-rolled or cold-rolled	52.7	63.05	3	Meat and edible offal of fowls of the species Gallus domesticus, ducks, geese, turkeys	110.3	-5.5
4	Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant-growth	45.8	16.35	4	Soya beans, whether or not broken	100.7	51.0
5	Motor cars and other motor vehicles principally designed for the transport of persons, incl	43.8	-74.27	5	Self-propelled railway or tramway coaches, vans and trucks (excluding those of heading 8604)	94.5	-
6	Parts and accessories for tractors, motor vehicles for the transport of ten or more persons	42.3	8.51	6	Unwrought zinc	88.1	-40.8
7	Motor vehicles for the transport of goods, incl. chassis with engine and cab	37.0	245.52	7	Cane or beet sugar and chemically pure sucrose, in solid form	74.4	66.9
8	Petroleum oils and oils obtained from bituminous minerals (excluding crude); preparations containing	32.9	11.27	8	Electric motors and generators (excluding generating sets)	62.9	-26.8
9	Tanned or crust hides and skins of bovine "incl. buffalo" or equine animals, without hair on	28.0	23.56	9	Telephone sets, incl. telephones for cellular networks or for other wireless networks	52.9	29.3
10	Parts suitable for use solely or principally with internal combustion piston engine of heading	21.9	4.15	10	Artificial corundum, whether or not chemically defined; aluminium oxide; aluminium hydroxide	51.7	19867.6
TOTAL EXPORTS		944.8	-3.03	TOTAL IMPORTS		3253.5	22.3

Source: TradeMap, 2017

4.4 Trade with the Western Cape

The figure below shows trade between the Western Cape and Latin America from 2010 to 2016. The province exported goods to the value of USD66.49m in 2016 compared to USD79.21m in 2015, representing a decrease of 16%, while imported goods increased by 8% in the same year. Over the period, the Western Cape has demonstrated a negative trade balance with Latin America.



Source: Quantec, 2017

The table below shows the top 10 traded products between the Western Cape and Latin America in 2016. The top exports from the Western Cape were refined petroleum oil (USD6.29m), undenatured ethyl alcohol (USD5.75m) and ink (USD3.69m). Top valued imports include maize (USD68.43m), soya beans (USD37.67m) and tobacco (USD35.43m). The top 5 imports into the Western Cape were all agricultural products in 2016, which is rare for the Western Cape.

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TOP 10 WESTERN CAPE EXPORTS TO LATIN AMERICA, 2016			TOP 10 WESTERN CAPE IMPORTS FROM LATIN AMERICA, 2016		
RANK	PRODUCT	VALUE 2016 (USDm)	RANK	PRODUCT	VALUE 2016 (USDm)
1	Refined petroleum oils and oils obtained from bituminous minerals	6.29	1	Maize (corn)	68.43
2	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80 %	5.75	2	Soya beans, whether or not broken	37.67
3	Printing ink, writing or drawing ink and other inks	3.69	3	Unmanufactured tobacco; tobacco refuse	35.43
4	Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant-growth regulators	3.57	4	Cane or beet sugar and chemically pure sucrose, in solid form	33.10
5	Mineral or chemical fertilisers containing two or three of the fertilising elements nitrogen, phosphorus and potassium; other fertilisers	2.75	5	Oil-cake and other solid residues, whether or not ground or in the form of pellets	22.64
6	Wine of fresh grapes	2.61	6	Iron ores and concentrates, including roasted iron pyrites	19.28
7	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more	2.49	7	Fruit juices (including grape must) and vegetable juices	17.35
8	Tanned or crust hides and skins of other animals, without wool or hair on	1.98	8	Unwrought zinc	15.53
9	Vegetable saps and extracts	1.93	9	Meat and edible offal, of poultry	14.80

TOP 10 WESTERN CAPE EXPORTS TO LATIN AMERICA, 2016			TOP 10 WESTERN CAPE IMPORTS FROM LATIN AMERICA, 2016		
RANK	PRODUCT	VALUE 2016 (USDm)	RANK	PRODUCT	VALUE 2016 (USDm)
10	Garments, made up of fabrics of laminated nonwovens, felt, rubberised textile fabric, painted canvas or backcloths	1.77	10	Crustaceans, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine	11.56
TOTAL EXPORTS		66.52	TOTAL IMPORTS		393.51

Source: Quantec, 2017

Western Cape exports to Latin American markets are categorised in the table below. The highest value importer of Western Cape products is Brazil, with a 26% share of Western Cape exports to Latin America (USD26.07m). Mexico was the second largest Latin American importer, with a 17.5% share of exports to the region.

WESTERN CAPE EXPORT MARKETS IN LATIN AMERICA, 2016				
RANK	IMPORTERS	VALUE 2016 (USDm)	GROWTH 2015-2016	%SHARE OF EXPORTS TO LATIN AMERICA
1	Brazil	17.34	-20.20	26.07
2	Mexico	11.63	-44.69	17.48
3	Chile	8.97	-8.46	13.50
4	Panama	8.23	-19.31	12.37
5	Argentina	5.10	60.70	7.66
6	Peru	4.49	13.51	6.76
7	Venezuela	3.44	1075.70	5.17
8	Uruguay	2.41	16.01	3.62
9	Colombia	2.29	-8.00	3.44
10	Paraguay	0.56	-76.56	0.85
TOTAL EXPORTS		66.49	-16.06	100%

Source: Quantec, 2017

The **top products exported** from the Western Cape to the top 3 Latin American importers are listed below.

Brazil

- Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80 % (USD2.2m)
- Wine (USD1.9m)
- Nucleic acids and their salts (USD1.4m)
- Printing and other inks (USD1.3m)
- Reaction initiators (USD1m)

Mexico

- Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more (USD2.5m)
- Tanned or crust hides and skins of other animals, without wool or hair on (USD2m)
- Printing and other inks (USD1.7m)
- Parts & accessories of the motor vehicles (USD1.4m)
- Leather further prepared after tanning or crusting (USD1.4m)

Chile

- Mineral or chemical fertilisers (USD2m)
- Fats and oils and their fractions, of fish or marine mammals (USD1m)
- Radar apparatus, radio navigational aid apparatus and radio remote control apparatus (USD1m)
- Vegetable saps and extracts; pectic substances (USD0.8m)
- Other machinery for making up paper pulp, paper or paperboard (USD0.7m)

4.5 Trade Agreements and Partnerships

Strengthening South-South relations remains an important pillar of South African's foreign policy. South Africa, via SACU, has a preferential trade agreement with Mercosur (Argentina, Brazil, Paraguay and Uruguay). The DTI reports that there are tariff reductions on around 1,000 product lines for each of the partners.

4.6 Port-to-Port

The table below shows the transit times for shipping from Cape Town to major ports in Latin America:

TRANSIT TIME FROM CAPE TOWN TERMINAL TO VARIOUS PORTS IN LATIN AMERICA, 2017		
TERMINAL	DISTANCE	TRANSIT TIME
Brazil		
Sao Francisco	6402.5km(3457.1M)	21 Days 7 hrs.
Angra dos Reis	6213(3354.7M)	23 days 4 hrs
Santos	6330.4km(3418.1M)	21 days 4hrs
Recife	6234.9km(3366.6M)	21 days
Paranagu	6442km(3478.4M)	21 Days 8 hrs
Vitoria	6072.1km(3278.7M)	20days 18hrs
Rio De Janeiro	6089km(3287.8M)	20days 19hrs
Rio Grande	6740.9km(3639.8M)	21days 20hrs
Mexico		
Port of Manzanillo	8244.38 mi (15268.59 km)	1 month
Veracruz	7468.32 mi (13831.32 km)	1 month
Chile		
San Antonio	5221.23 mi (9669.71 km)	24 days
Argentina		
Buenos Aires	3734.52 mi (6916.32 km)	19 days
Colombia		
Buenaventura	6877.83 mi (12737.74 km)	1 month

Source: SeaRates, 2017

5. Foreign Direct Investment

5.1 Global Foreign Direct Investment into Latin America and the Caribbean

Between January 2003 and December 2016 a total of 15,914 FDI projects were recorded into Latin America and the Caribbean. These projects represent a total capital investment of USD1,274.89bn which is an average investment of USD80.10m per project. During the period, a total of 3,578,029 jobs were created.

The United States was the largest source market for inward FDI into Latin America in terms of projects, with 4,654 investment projects, which accounted for 29.2% of projects. Spain and Germany are ranked second and third accounting for 11% and 6% respectively.

TOP 10 SOURCE COUNTRIES FOR FDI INTO LATIN AMERICA & THE CARIBBEAN, 2003-DEC 2016					
RANK	COUNTRY	PROJECTS	%PROJECTS	CAPEX (USDm)	% CAPEX
1	United States	4 654	29.2	283 625.6	22.2
2	Spain	1 789	11.2	141 627.0	11.1
3	Germany	989	6.2	70 429.3	5.5
4	Japan	859	5.4	58 425.1	4.6
5	France	841	5.3	52 930.6	4.2
6	UK	827	5.2	64 142.5	5.0
7	Canada	690	4.3	118 642.9	9.3
8	Italy	423	2.7	54 142.1	4.2
9	Switzerland	412	2.6	23 035.4	1.8
10	Chile	342	2.1	14 653.7	1.1
TOTAL		15 914	100	1 274 887.0	100

Source: FDI Intelligence, 2017

When breaking the investment down to the destination countries in Latin America and the Caribbean, Mexico received the most projects (4,362), followed by Brazil (4,299) and Colombia (1,311). In terms of capex, Brazil received the bulk of investment (27%) followed by Mexico (24%) and Chile (10%).

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TOP 10 DESTINATION MARKETS FOR FDI INTO LATIN AMERICA & THE CARIBBEAN, 2003 – DEC 2016					
RANK	COUNTRY	PROJECTS	%PROJECTS	CAPEX (USDm)	% CAPEX
1	Mexico	4 362	27	302 852.50	23.76
2	Brazil	4 299	27	347 111.50	27.23
3	Colombia	1 311	8	75 545.10	5.93
4	Argentina	1 289	8	81 289.60	6.38
5	Chile	1 002	6	124 134.70	9.74
6	Peru	740	5	83 601.70	6.56
7	Costa Rica	488	3	13 721.30	1.08
8	Panama	387	2	27 713.70	2.17
9	Venezuela	244	2	41 874.40	3.28
10	Uruguay	228	1	16 907.20	1.33
TOTAL		15 914	100	1 274 887.00	100.00

Source: FDI Intelligence, 2017

The top parent company investing into Latin America and the Caribbean were IBM, investing in 48 projects to the value of USD2.12bn, which makes it the largest investor for projects. This was followed by Wal-Mart, also from the United States with 47 projects. The food and tobacco sector companies dominated investment projects in the region.

TOP INVESTING COMPANIES INTO LATIN AMERICA & THE CARIBBEAN, 2003- DEC 2016					
RANK	INVESTING COMPANY	COUNTRY OF ORIGIN	SECTOR	PROJECTS	CAPEX (USDm)
1	IBM	US	Software & IT	48	2 122.60
2	Wal-Mart	US	Food & Tobacco	47	4 553.90

TOP INVESTING COMPANIES INTO LATIN AMERICA & THE CARRIBEAN, 2003- DEC 2016					
RANK	INVESTING COMPANY	COUNTRY OF ORIGIN	SECTOR	PROJECTS	CAPEX (USDm)
3	Nestle	Switzerland	Food & Tobacco	42	3 120.80
4	United Parcel Services (UPS)	US	Transport	41	1 547.90
5	Global Exchange	Spain	Financial Services	38	1 519.10
6	MoviStar	Spain	Communications	36	5 293.20
7	Repsol SA	Spain	Coal, Oil & natural gas	36	17 469.50
8	General Motors (GM)	US	Automotive OEM	34	11 292.50
9	Telefonica	Spain	Communications	33	14 621.70
10	Carrefour	France	Food & Tobacco	32	1 050.40

Source: FDI Intelligence, 2017

5.2 Global Foreign Direct Investment from Latin America and the Caribbean

Between January 2003 and December 2016 a total of 3,492 FDI projects were recorded from Latin America and the Caribbean. These projects represent a total capital investment of USD207.67bn which is an average investment of USD59.50m per project. During the period, a total of 576,273 jobs were created.

The table below shows the destination markets for outward FDI from Latin America from January 2003 to December 2016. United States was the largest destination market in terms of projects, with 512 investment projects, which accounted for 15% of all projects. Colombia and Argentina are ranked second and third accounting for 8% and 6% respectively. Six out of the top ten destination markets are fellow Latin America countries.

TOP 10 DESTINATION MARKETS FOR FDI FROM LATIN AMERICA & THE CARRIBEAN, 2003 – DEC 2016					
RANK	COUNTRY	PROJECTS	%PROJECTS	CAPEX (USDm)	% CAPEX
1	United States	512	14.66	22 726.70	10.94
2	Colombia	283	8.10	18 678.30	8.99
3	Argentina	209	5.99	13 097.00	6.31
4	Peru	201	5.76	16 362.90	7.88
5	Brazil	189	5.41	18 908.50	9.11
6	Mexico	161	4.61	9 689.50	4.67
7	Spain	150	4.30	3 095.10	1.49
8	UK	134	3.84	3 290.50	1.58
9	China	118	3.38	5 196.50	2.50
10	Chile	111	3.18	8 280.80	3.99
TOTAL		3 492	100.00	207 669.00	100.00

The top company investing from Latin America and the Caribbean was Accenture, with 52 projects worth USD1.2bn followed by Cemex and Genpact with 47 projects each. Brazil and Chile are the most prominent countries in the top company list.

TOP COMPANIES INVESTING FROM LATIN AMERICA & THE CARRIBEAN (BY PROJECTS), 2003-DECEMBER 2016					
RANK	COMPANY NAME	SECTOR	SOURCE COUNTRY	PROJECTS	CAPEX (USDm)
1	Accenture	Software & IT	Ireland	52	1 232.20
2	Cemex	building & construction materials	Mexico	47	4 836.00
3	Genpact (GECIS)	Business Services	Bermuda	47	738.3
	Petrobras	Coal, Oil & Natural gas	Brazil	40	12 856.60
4	Vale (Companhia Vale do Rio Doce)	Metals	Brazil	35	14 565.10

TOP COMPANIES INVESTING FROM LATIN AMERICA & THE CARRIBEAN (BY PROJECTS), 2003-DECEMBER 2016					
RANK	COMPANY NAME	SECTOR	SOURCE COUNTRY	PROJECTS	CAPEX (USDm)
5	Global Crossing	Communication	Bermuda	34	6 494.20
6	Cencosud	Food & Tobacco	Chile	26	1 788.40
8	Petroleos de Venezuela (PDVSA)	Coal, Oil & Natural gas	Venezuela	24	6 703.50
9	Sodimac	Consumer Products	Chile	24	753.6
10	Claro	Communications	Argentina, Paraguay and Uruguay	23	4 542.70

Source: FDI Intelligence, 2017

5.3 Foreign Direct Investment relations between South Africa Latin America and the Caribbean

5.3.1 Outward Investment from South Africa to Latin America and the Caribbean

Between January 2003 and December 2016 a total of 48 FDI projects were recorded from South Africa into Latin America. These projects represent a total capital investment of USD2.07bn which is an average investment of USD43.00m per project. During the period, a total of 5,178 jobs were created.

The table below shows FDI from South Africa to Latin America and the Caribbean from 2011 to December 2016. A total of 25 FDI projects were recorded in this period.

SOUTH AFRICA'S INVESTMENTS INTO LATIN AMERICA & THE CARRIBEAN, 2011- DECEMBER 2016								
PROJECT DATE	INVESTING COMPANY	SOURCE STATE	DESTINATION COUNTRY	INDUSTRY SECTOR	SUB-SECTOR	INDUSTRY ACTIVITY	CAPEX (USDm)	JOBS
Oct-15	Aspen Pharmacare Holdings	KwaZulu-Natal	Durban	Costa Rica	Pharmaceuticals	Pharmaceutical preparations	Shared Services Centre	1.8
Dec-14	OLX	Western Cape	Cape Town	Argentina	Software & IT services	Internet publishing & broadcasting & web search	Sales, Marketing & Support	2.4
Jun-14	Aspen Pharmacare Holdings	KwaZulu-Natal	Durban	Colombia	Pharmaceuticals	Pharmaceutical preparations	Sales, Marketing & Support	20
Apr-14	Aspen Pharmacare Holdings	KwaZulu-Natal	Durban	Costa Rica	Pharmaceuticals	Pharmaceutical preparations	Sales, Marketing & Support	4.2
Apr-14	Westcon Group	Gauteng	Johannesburg	Colombia	Communications	Communications equipment	Sales, Marketing & Support	0.008
Apr-14	Westcon Group	Gauteng	Johannesburg	Colombia	Communications	Communications equipment	Sales, Marketing & Support	20 3.9
Apr-14	Westcon Group	Gauteng	Johannesburg	Colombia	Communications	Communications equipment	Sales, Marketing & Support	3.9
Apr-14	Westcon Group	Gauteng	Johannesburg	Colombia	Communications	Communications equipment	Sales, Marketing & Support	3.9
Dec-13	UMP	Gauteng	Johannesburg	Chile	Plastics	Urethane, foam products & other compounds	Manufacturing	34
Dec-13	UMP	Gauteng	Johannesburg	Chile	Plastics	Urethane, foam products & other compounds	Sales, Marketing & Support	2
Jul-13	Wings Travel	Gauteng	Johannesburg	Brazil	Hotels & Tourism	Travel arrangement & reservation services	Sales, Marketing & Support	0.9
May-13	MiX Telematics	Gauteng	Johannesburg	Brazil	Communications	Communications equipment	Sales, Marketing & Support	3.9
Jul-12	PromonLogicalis	Gauteng	Johannesburg	Brazil	Software & IT services	Custom computer programming services	Business Services	3.2
Jul-12	PromonLogicalis	Gauteng	Johannesburg	Brazil	Software & IT services	Custom computer programming services	Business Services	3.2
Jul-12	PromonLogicalis	Gauteng	Johannesburg	Brazil	Software & IT services	Custom computer programming services	Business Services	3.2
Sep-11	AngloGold Ashanti	Gauteng	Johannesburg	Brazil	Metals	Gold ore & silver ore mining	Extraction	251
Sep-11	AngloGold Ashanti	Gauteng	Johannesburg	Brazil	Metals	Gold ore & silver ore mining	Extraction	251
Sep-11	AngloGold Ashanti	Gauteng	Johannesburg	Brazil	Metals	Gold ore & silver ore mining	Extraction	251

SOUTH AFRICA'S INVESTMENTS INTO LATIN AMERICA & THE CARRIBEAN, 2011- DECEMBER 2016								
PROJECT DATE	INVESTING COMPANY	SOURCE STATE	DESTINATION COUNTRY	INDUSTRY SECTOR	SUB-SECTOR	INDUSTRY ACTIVITY	CAPEX (USDm)	JOBS
Aug-11	Westcon Group	Gauteng	Colombia	Communications	Communications equipment	Sales, Marketing & Support	3.9	23
Mar-11	SRK Consulting Argentina	Gauteng	Argentina	Business Services	Architectural, engineering, & related services	Business Services	0.5	5
Feb-11	AEL Latin America	Gauteng	Chile	Chemicals	Other chemical products & preparation	Sales, Marketing & Support	1	9
Jan-11	Ad Dynamo	Western Cape	Colombia	Business Services	Advertising, PR, & related	Business Services	0.1	18
Jan-11	Ad Dynamo	Western Cape	Mexico	Business Services	Advertising, PR, & related	Business Services	2.8	12
Jan-11	Ad Dynamo	Western Cape	Brazil	Business Services	Advertising, PR, & related	Business Services	2.8	7
Jan-11	SRK Consulting	Gauteng	Mexico	Business Services	Architectural, engineering, & related services	Business Services	2.8	12

Source: FDI Intelligence, 2017

The investments into Latin America that originated from the Western Cape are highlighted above.

5.3.2 Inward Investment from Latin America and the Caribbean into South Africa and the Western Cape

Between January 2003 and December 2016 a total of 15 FDI projects were recorded from Latin America and the Caribbean into South Africa. These projects represent a total capital investment of USD272m which is an average investment of USD18.10m per project. During the period, a total of 1,604 jobs were created.

The Latin American countries that invested into South Africa in the period were Mexico, Brazil, Argentina and Chile. The largest investment into the Western Cape was by Kerzner International into the One and Only Waterfront establishment. Vina Concha y Toro invested in the Western Cape from Chile investing in a new subsidiary, VCT's regional HQ which focuses on trade issues and promotion of the Devil's Box, Marques de Casa Concha and Don Melchor brands.

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LATIN AMERICA AND CARIBBEAN FDI TO SOUTH AFRICA, 2003- DECEMBER 2016								
PROJECT DATE	INVESTING COMPANY	SOURCE COUNTRY	DESTINATION STATE	INDUSTRY SECTOR	SUB-SECTOR	INDUSTRY ACTIVITY	CAPEX (USDm)	JOBS
Nov 2016	Imbera	Mexico	Gauteng	Industrial Machinery, Equipment & Tools	Ventilation, heating, air conditioning, and commercial refrigeration equipment manufacturing	Manufacturing	21.3	401
Jul 2014	Asia Broadcast Satellite (ABS)	Bermuda	Gauteng	Communications	Satellite telecommunications	Sales, Marketing & Support	7.5	16
Jan 2014	BTG Pactual	Brazil	Not Specified	Financial Services	Corporate & investment banking	Business Services	1.3	3
Dec 2013	Banco Nacional De Desenvolvimento Economico E Social (BNDES)	Brazil	Gauteng	Financial Services	Corporate & investment banking	Business Services	11	21
Jun 2012	Stefanini IT Solutions	Brazil	Not Specified	Software & IT services	Custom computer programming services	Business Services	1.3	10
Feb 2012	Grupo Assa	Argentina	Not Specified	Software & IT services	Custom computer programming services	Design, Development & Testing	15.3	162
Feb 2012	Vina Concha y Toro	Chile	Western Cape	Beverages	Wineries	Sales, Marketing & Support	19	22
Feb 2011	Katcon Global	Mexico	Eastern Cape	Automotive Components	Motor vehicle gasoline engines & engine parts	Manufacturing	16.1	112

LATIN AMERICA AND CARIBBEAN FDI TO SOUTH AFRICA, 2003- DECEMBER 2016

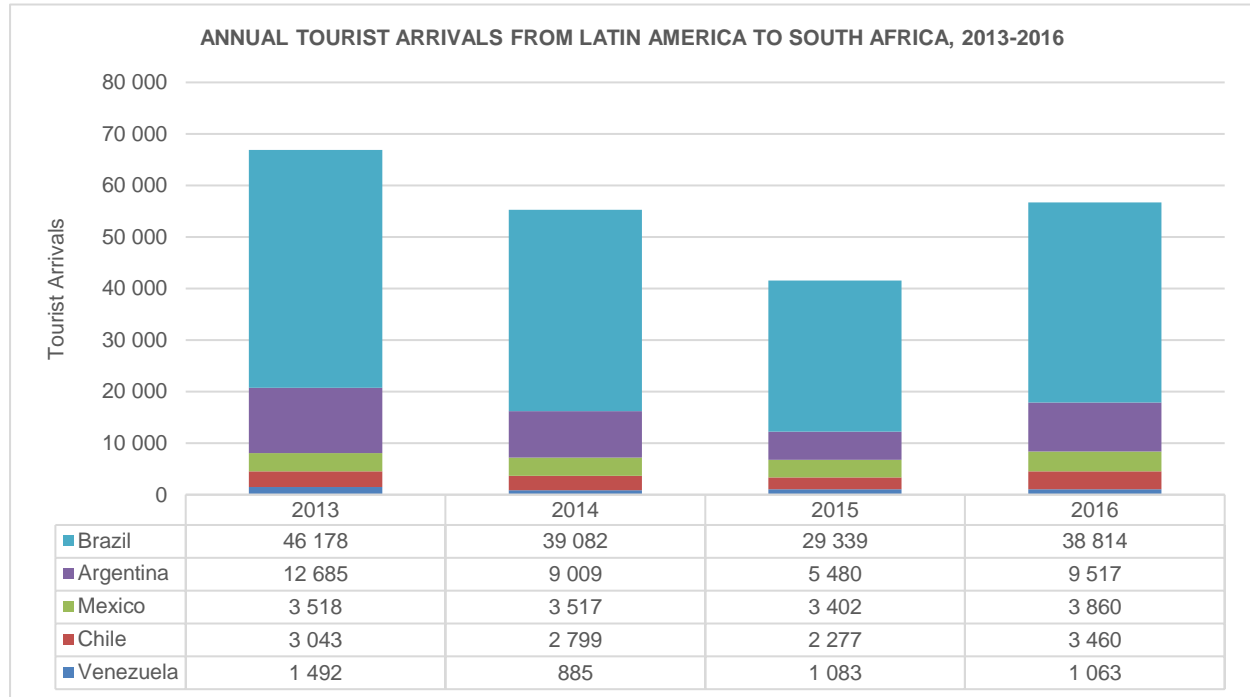
PROJECT DATE	INVESTING COMPANY	SOURCE COUNTRY	DESTINATION STATE	INDUSTRY SECTOR	SUB-SECTOR	INDUSTRY ACTIVITY	CAPEX (USDm)	JOBS
Feb 2010	Arch Insurance	Bermuda	Gauteng	Financial Services	Insurance	Sales, Marketing & Support	10.8	91
Oct 2008	Marcopolo	Brazil	Gauteng	Automotive OEM	Heavy duty trucks	Manufacturing	10	400
Oct 2008	Marcopolo	Brazil	Gauteng	Automotive Components	Other motor vehicle parts	Education & Training	7	94
May 2006	Herbalife	Cayman Islands	Western Cape	Consumer Products	Cosmetics, perfume, personal care & household products	Sales, Marketing & Support	4.4	18
Apr 2006	Embrapa	Brazil	Not Specified	Chemicals	Pesticide, fertilisers & other agricultural chemicals	Sales, Marketing & Support	6.2	14
May 2004	Kerzner International	Bahamas	Western Cape	Hotels & Tourism	Accommodation	Construction	129.8	219
Jul 2003	Global Fund Services	Bermuda	Not Specified	Financial Services	Investment management	Business Services	11	21

Source: FDI Intelligence, 2017

6. Tourism

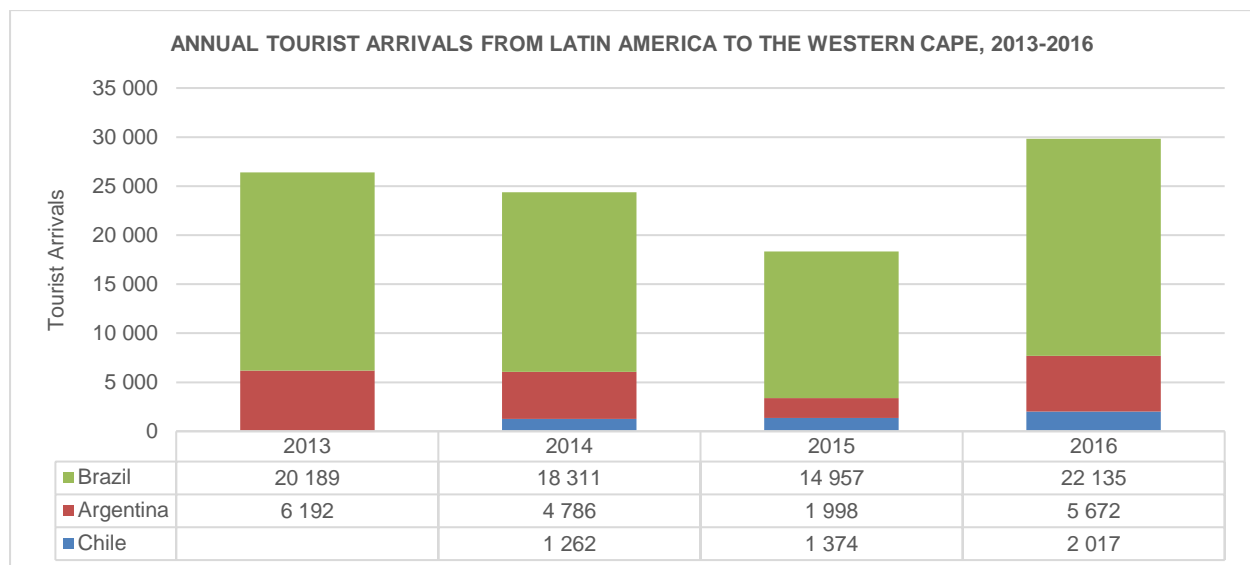
6.1 Latin American Tourist Departures to South Africa

The only Latin American countries for which annual South African arrivals are recorded by SATourism can be seen below. In 2016 the Latin American country with the highest number of arrivals into South Africa was Brazil with 38 814 arrivals followed by Argentina with 9 517 arrivals. The graph below shows the breakdown of arrivals according to country.



Source: SATourism, 2017

SATourism only records arrivals into the Western Cape for Brazil, Argentina and Chile, with Chile data only recorded from 2014. Brazil is the largest market with 22 135 arrivals into the Western Cape in 2016 (57% of national) followed by Argentina (60%) and Chile (58%).



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