

Singapore, new directions for trade with Latin America

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Jeremy Yap Wai Keong, 24, says it was the movie "Motorcycle Diaries" that piqued his interest in Latin America. A psychology and marketing student at Singapore Management University, he was fascinated by Che Guevara's trip across rugged landscapes and social divides.

"Singapore is always so safe," he said. "You don't always get this interesting stuff. I wanted to learn more."

Thanks to Singapore's focus on expanding business ties with Latin America, he got his chance. International Enterprise Singapore, the government agency charged with promoting foreign trade and helping Singapore's companies grow overseas, slotted Keong into an exchange program that helped pay his airfare to Santiago, Chile, and his living costs at the Pontificia Universidad Católica. He studied political economy, took crash courses in Spanish and backpacked across the continent.

The initiative, part of Singapore's Young Talent Programme, speaks to just how fast economic and commercial relations are growing between Latin America and the far-flung city-state. IE Singapore put bilateral trade with Latin American and the Caribbean at \$29.3 billion in 2012, with compound annual growth at a lofty 17 percent over the last decade. As of the end of 2011, Singapore's cumulative investments in Latin America and the Caribbean reached \$46.3 billion.

Known for its well-educated labor pool, its business-friendly environment, and for consistently ranking among the least corrupt countries in the world, Singapore says now it's time to turn up the volume.

"Given our complementary strengths, there is much potential for deeper collaboration," said Gopalakrishnan Jayakrishnan, IE Singapore's group director for the Americas. "Latin America is a growing region driven by large domestic populations, fast expanding middle classes as well as rapid urbanization and industrialization," he said.

He added that Singapore has expertise in areas "relevant to Latin America's needs," including infrastructure - especially the construction of ports and airports- energy and communications technology.

Speaking to Brazilian industry leaders, Singapore's Minister for Foreign Affairs K. Shanmugam also stressed that Asia's rise "is more than China." He noted that the ten countries that comprise the Association of Southeast Asian Nations - Singapore is a member - are riding a wave of rising incomes that will fuel greater demand for soy beans, meat, seafood and processed goods - products that resource-rich Latin America can supply. He also mentioned the liberalization of air routes in the region, with a nod to Embraer's move into the private airplane market. Singapore's Changi Airport is one of Asia's best connected, with flights to more than 200 cities.

More than 100 Singapore companies already have a presence or run projects in Latin America, including Keppel Offshore & Marine, Sembcorp Marine, Olam and Wilmar. Singapore also has investment guarantee agreements with Mexico and Peru. But it's Singapore's role as a regional hub that truly sweetens the deal. Singapore is already a major Asia-Pacific hub for agri-commodities and it sees heavy traffic in metals, minerals and oil.

Latin American companies venturing into Singapore include the petrochemical company Braskem, the winemaker Concha y Toro, aerospace conglomerate Embraer, and Brazilian mining giant Vale.

Ashwin Tiwari, also of Singapore's Management University, said barriers remain. During his IE Singapore-sponsored study program in Brazil, he found the cost of living extremely high relative to salaries. Transitioning from a student to work visa can also be tricky, even for highly qualified candidates with valuable language skills. More than half of Singaporeans speak Mandarin at home.

"I would definitely be open to working in Latin America," he said. "I'm motivated by what my job is," he added, not where it's located.

Jayakrishnan said 100 students have participated in its exchange programs in Latin America so far, helping to boost Singapore's "internationally-oriented human capital." If Latin America is to take full advantage of its growing trade ties in Asia, it will have to send more of its own students in the other direction.