



Fake news ignores reality of Latin America

When it comes to selling newspapers or dominating TV ratings, the media's rule of thumb is "If it bleeds, it leads", and reporting on Latin America is no exception to the rule.

Sensational stories about decapitated drug dealers, banditry and bribery in Latin America are staple media fare around the world.

But far from riven by violence and corruption, the daily lives of most of Latin America's 600 million people are as routine and safe as anyone's in New Zealand, Europe or the US.

The positive news of Latin America's remarkable economic and social progress in the past 30 years is habitually supplanted by the sensationalism of crime, despite the fact that, even if there's no denying the parlous security situation in several countries, crime across the region is statistically much less than in New Zealand and in many other western countries.

I for one would rather walk alone in Buenos Aires or Mexico City than take my chances in downtown Auckland or Wellington's Courtenay Place in the small hours of the morning.

Another common misconception that's historical rather than media-driven is that Latin America is ruled by ruthless, goose-stepping dictators and autocrats. However, with the exception of Cuba, democracy has reigned from the US border to Tierra del Fuego since the fall of the region's last dictators in Argentina and Brazil in the early 1980s.

I've been doing business in Latin America since 1986 and I've witnessed astounding economic and social changes brought about

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by democratic reforms in that time, albeit many of the reforms are still works in progress.

Standouts of democracy

Mexico is a stand-out for the benefits of democracy. After the land-owning oligarchy's monolithic Institutional Revolutionary Party lost power in 2000, having ruled Mexico with an iron grip for 71 years, Mexico has emerged to be Latin America's most open economy after Chile, and the region's second largest (US\$1.046 trillion).

The advent of representative, less nationalistic democracy in Mexico led to huge growth in foreign investment and trade, which has significantly improved the lot of the Mexican people across the board albeit, again, much still needs to be done.

Brazil is another stand-out as, despite its present recession and tumultuous politics, it has leapt ahead with tens of millions lifted out of poverty since the return of democracy in 1985.

The IMF says regional growth in Latin American real GDP will be 1.1 per cent in 2017 and 2.2 per cent in 2018, and notes that charting a course toward higher, sustainable and more equitable growth in the region requires investment in services, infrastructure, food production and education - sectors in which New Zealand business has much to offer.

In Argentina, increased infrastructure spending and the removal of foreign investment controls have created opportunities for New Zealand

companies that have expertise in construction, food production and agritech. They have also created bright prospects for tourism, as evidenced by the wildly successful new Air New Zealand route to Buenos Aires (to be the subject of my next column).

Brazil, the world's ninth largest economy (US\$1.798 trillion), offers New Zealand companies opportunities in education, tourism, environmental, agricultural and land use services, as well as dairy processing and agritech.

Mexico is actively seeking New Zealand's assistance in water and land use services and, as for Brazil, dairy processing and agritech.

Chile is already a significant destination for New Zealand investment, particularly in the agricultural and energy sectors.

Peru, which buys \$120 million of New Zealand dairy products annually, recently approved the import of New Zealand beef, sheep meat and offal. And there are other opportunities in infrastructure and mining technology.

The IMF's prediction of increasing growth in Latin American GDP during the next two years will be reflected in demand for the goods, services and technologies in which New Zealand excels.

New Zealand businesses that can look past the misleading news about Latin America will see not dystopia but rather, beckoning opportunity.