



## IN THIS ISSUE

Prime Minister John Key's just concluded ground-breaking Mission to Mexico, Colombia, Chile and Brazil makes this month's Newsletter a bumper edition with the Mission's news and reports on the death of Venezuelan President Hugo Chavez, its impact on the PM's meetings and a look at prospects for NZ's trade with the oil-rich republic. Also featured is a Mission Photo Journal. For Official Mission Statements, media reports and photos: [Please Click Here](#).

The PM's Mission was an outstanding success which raised NZ's profile in Latin America and made breakthroughs in NZ's bid for the UN Security Council, a FTA with Colombia, aviation, education & agriculture. NZTE CEO Peter Chrisp identified 49 new business leads for the businesses on the Mission. For a full list of Mission participants: [Please Click Here](#).

LANZBC was represented on the Mission by its President, Mrs Clare Callow, thanks to sponsorship from a number of Council Members (see Page 28), and she has discussed agreements with our Latin American counterpart business groups to provide in-market support and services to LANZBC Members.

LANZBC looks forward to welcoming the Prime Minister in late June to address Members & invited guests about his Mission and its outcomes. The date & venue will be announced when arrangements are confirmed.

Also in this issue is Colombia's starting afresh with diplomatic representation in NZ, economic news from Brazil, a new LatAmNZ Business Council and an article by Kiwi Geoffrey McRae about establishing and managing a real estate business in the Southern Cone as well as reports of a crack-down on corruption in Mexico and the announced break-up of Carlos Slim's and Televisa's respective stranglehold on Mexican telecommunications & TV.



March 2013 Newsletter, Editor Thomas Manning

## EDITORIAL - THE COMMENTARIAT GETS IT WRONG

Venezuelan President Hugo Chavez's death and funeral (see Page 8) shadowed the second half of Prime Minister John Key's successful Mission to Latin America and engendered a wave of negative reporting in New Zealand when the Prime Minister decided not to attend the funeral.

54 countries sent representatives to Chavez's funeral including 30 heads of state. The only Latin American presidents not present at the 8 March culmination of the overblown rites were Argentina's Cristina Fernandez de Kirchner who left early as she was either unwell with low blood-pressure or to avoid being seen with Iranian president Mahmoud Ahmadinejad (See ['Back from Caracas'](#)) and Brazil's Dilma Rousseff who wanted to send a clear signal to investors and diplomats of her moderate leftism by not remaining overly long in such hard-line company (see Page 9).

Mr. Key decided not to change his Mission's itinerary to attend Chavez's funeral citing the lack of a political relationship with Venezuela which outraged ex Green MP Keith Locke whose views were given wide coverage in the NZ media. The commentariat thought the opportunity to meet the Latin American leaders attending the funeral should not have been passed up especially as Mr. Key was "fortuitously" on-the-ground in the region. As it was Mr. Key's itinerary was markedly affected by Chavez's funeral. He stepped-off his RNZAF flight from Colombia in Chile and straight into the bi-lateral meeting with President Sebastian Piñera, a meeting that was twice rescheduled to accommodate Chavez's funeral. Mr. Key's meeting with Brazilian President Dilma Rousseff was also moved by half a day for the same reason.

Locke's media sympathisers speculated that not wishing to offend the Americans informed Mr. Key's decision not to attend the funeral but this was incorrect as President Obama sent representatives, expressed his condolences and a desire for improved relations with Venezuela (preserving access to the Venezuelan Orinoco oil upon which the USA depends being a consideration no doubt).

Mr. Key's presence at the funeral would have been surreal in such predominantly radical company. Substantive meetings with regional leaders was out of the question for logistical reasons if for no other. President Piñera was only in Caracas for three hours and this was typical of most of his peers. Building personal relationships with the Latin American presidents can be invaluable when it comes to crafting frameworks that favour NZ trade (as Mr. Key getting a FTA on the table in Colombia attests) but relationship-building in the midst of the Caracas mêlée would have been impossible.

Mr. Key's decision not to attend the funeral was the correct one. His principal purpose for visiting Chile was a bi-lateral meeting with President Piñera (which was accomplished successfully despite rescheduling) but there were many other events planned around the PM which would have had to been cancelled or held in his absence had he precipitously gone to Caracas.

This writer can attest from managing an event planned around the Prime Minister's presence as to how a last minute cancellation would wreck havoc with expectations and financial commitments (thankfully the event in question, the LANZBC 2012 Gala Luncheon for the Prime Minister went off swimmingly although low fog at Wellington airport on the day caused some anxious moments!).

Mr. Key rightly chose to proceed with his itinerary in Chile which he described as "our best friend in Latin America" and did not disappoint the influential NZ/Chile business community which will have far more immediate and positive outcomes in our terms of trade with Chile and beyond than had he absented himself for the dubious benefit of being seen at Chavez's funeral.

It must be said however that a closer relationship with Venezuela (2012 GDP USD316 billion) would undoubtedly be to NZ's benefit. In 2012 Fonterra sold dairy products worth NZD430m to Venezuela (See [MFAT Report](#)) but this is a drop in the ocean to what NZ could potentially sell them. Venezuela imports 80% of its food so the sky's the limit in this respect and there are opportunities in IT and project management going begging as well. Primary Industries Minister Hon. Nathan Guy is to visit Venezuela next year and this is a good move which will start to open more doors for NZ exporters.

Although NZ's Mexico City embassy is accredited to Venezuela NZ really needs permanent representation in Caracas to pave the way for our exporters and investors by raising NZ's profile and building useful relationships and contacts with government and business leaders. A decade ago NZ had an honorary consul in Caracas but the post has been vacant for many years. This situation needs ameliorating if NZ wants to profit fully from the abundant trade opportunities in Venezuela.