# Economists, executives share optimistic outlook for Latin America in 2011

Participants at the November 2010 LT CFO event in Miami

**LATIN AMERICAN economies** will remain strong in 2011, boosted by favorable terms of trade for most countries in the region.

"It's an exciting time for Latin America," said Alberto Bernal-León, the head of research and strategy at Bulltick Capital Markets in Miami.

Calling 2010 "very good," Bernal-León predicted that 2011 would be a year of market consolidation.

"I am still bullish, but it will be hard to beat expectations," Bernal-León said at the Latin Trade CFO Forum in Miami in November.

Bernal-León said that high commodities prices, continued growth of 8 percent in big-importer China next year, capital controls by Beijing and loose monetary policies in developed countries would work together to favor the economies in Latin America and would help compensate for the appreciation of the region's currencies against the dollar. This appreciation is making domestic manufactured exports more expensive.

"Overall, the terms of trade will remain very benevolent for Latin America," the economist said.

Bernal-León said that economic data suggest that the United States will avoid a double-dip recession and that interest rates will remain low until 2012. These circumstances enhance the appeal of emerging markets for investors looking for more favorable returns.

More than two dozen financial professionals who participated in the Latin Trade CFO Forum held at the Four Seasons Hotel Miami agreed with his views. They also agreed that many companies are adapting their operations to take advantage of growing business opportunities in the region.

Much of the focus of the discussion was on the economic performance of Brazil – a country that Bernal-León likened to the "beautiful girl at the party."

Brazil "can misbehave, but everybody still wants to be around her," he joked.

Mike McKenzie, managing director and head of Treasuries and Securities Services for Latin America at J.P. Morgan, said the bank was expecting a tighter monetary policy in Brazil as the government fights higher inflationary expectations. "Over the short term, there is little economic slack remaining in the economy, which will drive inflationary pressures," McKenzie said.

Participants at the forum agreed that Brazil had lost little of its luster, but the country could be a challenging business environment. One of the biggest problems, according to participants, was the difficulty in attracting and retaining business executives. The shortage of educated executives and the strong currency have driven the cost of salaries and benefits through the roof.

"Microsoft has found that talent management is a big issue in Brazil," said Roberto Palmaka, Microsoft's leading finance executive for the region.

## CFO VIEWS

**BURGER KING**
Mariluly Molliner-Medina, Americas Finance Director, is seeing potential in Latin America and focusing in the region for further growth for Burger King, which was recently acquired by the investment firm 3G Capital.

**VOLKSWAGEN**
Oliver Harmann, CFO of Volkswagen Group Latin America, said he expects that by 2018 a little more than half of the company revenue will originate in emerging markets – with Brazil being one of the brightest spots.

**RICOH LATIN AMERICA**
William Zapata, director of finance, information technology and performance experience at the technology-imaging company, said he foresees that the company will double its business in Latin American in the next two years.

**Fonte: Latin Trade (English), v. 19, n. 1, p. 73, 2011. [Base de Dados]. Disponível em: <http://web.ebscohost.com>. Acesso em: 14 fev. 2011.**