

Talking Points for Guilherme Gatti

E-4 Summit of the Americas 2012

“Economy+Education+Entrepreneurship+Exports=Competitiveness”

September 20th from 3:15 PM – 4:15 PM

Conrad San Juan Condado Plaza Hotel
Ponce de León A

Workshop 4: Export-Driven New Ventures and Economic Growth

Domestic new ventures, as well as export oriented new ventures, are both important strategies for achieving economic growth. This panel dwells on the fact that local entrepreneurs must enter into the global markets. It will discuss how, despite more than forty (40) Free Trade Zones in the region, Latin America’s intraregional trade remains very low compared to that of Europe and Asia, as a means to illustrate the fact that opportunities within the region must be pursued and intraregional trade increased.

Keynote Speaker:

Hon. Louise L. Léger
Consul General, Consulate General of Canada

Moderator:

Mr. José F. Burgos, Director, U.S. Commercial Services-Puerto Rico & USVI, U.S. Department of Commerce

Discussion Panel and Invited Panelists:

Mr. Guilherme Gatti
Managing Director of Marketing
FedEx Express Latin America and Caribbean Division
Mr. Veny L. Marti
Partner and Vice President of Operations
Martex Farms, Inc.
Mr. Ángel L. Pérez, PR, MBA
Vice President, Rock Solid Technologies, Inc.

Talking Points

For more than 20 years, FedEx Express has been an early player in high-growth markets working with businesses of all sizes as they navigate the complex challenges of an ever-increasingly global marketplace.

- FedEx offers time-definite delivery to more than 220 countries and territories, connecting markets that comprise more than 90 percent of the world's GDP, typically within 1-2 business days. (Source: http://about.van.fedex.com/fedex_corporation).
- FedEx supports businesses of all sizes, from small and medium businesses to large enterprises. FedEx has taken particular strides in bringing small and medium businesses the resources they need to grow and bring new benefits to their customers, employees and communities, helping them to be more competitive in the international market and to increase their access to global grade.

- In 2004, FedEx was the first company in the industry to implement a program called FedEx PyMEx, specifically designed to help SMBs with free consulting, training, conferences and seminars on international trade. This has benefitted more than 29,000 companies in the region to date.
- The program works as an incubator for companies that have no experience in exporting and want to increase their exporting capabilities and serves educational program that helps entrepreneurs make use of the technology, tools and resources required for shipping their goods and meeting customs regulations
- FedEx Express has over 20 years of market presence in countries with growing economies like China, India or Brazil. Through our experience there, we have grown with these markets and have a thorough know-how of doing business there. (Source: <http://news.van.fedex.com/intl/it?node=17555>).
- Through continuous innovation, FedEx Express has accelerated worldwide access and driven global growth by:
 - Continuously extending the reach of its infrastructure - both physical and digital - to provide customers worldwide with access to markets;
 - Working to move goods faster across borders, thereby decreasing business costs and promoting economic growth;
 - Providing businesses with broader market reach, the ability to improve supply chains and reduce inventory, to innovate and increase profitability.
 - Offering Import Pricing capabilities to and from a wide range of countries with the following key benefits for customers:
 - Destination currency rates without exchange rate impact
 - Rational rates and logical zoning
 - Pricing transparency and user friendly rate sheet
 - Budget planning possibility

FedEx believes that market access and global trade are central components of business and economic growth and job creation around the world.

- FedEx has long been a supporter of Free Trade Agreements (FTAs) and regulatory reform as a way to continue to facilitate efficient and fair access to market opportunities.
- As a long-time supporter of APEC and the 2011 CEO Summit Vice-Chair, FedEx recognizes facilitating the movement of goods across borders in simpler, faster and more efficient ways will help give people everywhere the means to connect with opportunity and innovation:
 - APEC can build consensus around economic policies that actually help economies move toward high-standard, binding agreements and facilitate trade.
(Source: FedEx Newsroom - <http://news.van.fedex.com/node/17787>)

The explosive growth of emerging markets has shifted the dynamics of global trade and reflects an evolution in globalization.

- As producing nations like Brazil, Russia, India and China increasingly become consuming nations the density of trade will only continue to increase:
 - The GDP of Brazil and Russia are both higher today than those of any other European country except Germany.
 - China (now the world's second largest economy), will surpass the US by 2017 in purchasing power parity terms.
 - India should become the third-largest economy next year overtaking Japan. (Source: Economist Intelligence Unit 'State of Global Trade' custom article).
 - In 2010, emerging market firms accounted for a third of the world's \$2.4 trillion tally of mergers and acquisitions. Add source
 - The number of companies from Brazil, India, China or Russia on the Financial Times500 List trebled in 2006-08 from 20 to 62.
(Source: The Economist, Sept 10th 2011 edition - <http://www.economist.com/node/21528626>). China will account for over 23% of world GDP by 2030. (Source: The Economist, Sept 10th 2011 edition - <http://www.economist.com/node/21528591>).

- Although aggregate exports from the developing world increased markedly over the past decade, those from the BRIC nations have risen faster:
 - Since 2000, China's share of total developing world merchandise exports has more than doubled and India's has increased by half.
 - China will account for twice America's share of imports and exports by 2030.
(Source: Economist Intelligence Unit 'State of Global Trade' custom article).

- The growing prosperity of BRIC countries as they take on an ever greater role as consumers and producers of trader goods opens up new opportunities for other developing countries like Vietnam and Indonesia:
 - In May 2010, Vietnam overtook China as the largest maker of Nike shoes.
 - In 2008, Tomy Takara, a Japanese toy company, announced it was shifting 30% of its Chinese production to Vietnam.
(Source: Economist Intelligence Unit 'State of Global Trade' custom article).

FedEx supports lowering barriers to free trade and investment in all countries.

- FedEx strongly supports Free Trade Agreements that create new commercial opportunities for our customers and additional demand for FedEx services:
 - FedEx supports an ambitious Trans-Pacific Partnership Agreement (TPP) that addresses next generation trade issues such as global supply chains. We have worked with USTR and other TPP countries to include ambitious provisions within the TPP that will strengthen the treatment of supply chains within the agreement and will facilitate the movement of goods within TPP members.
(Source: FedEx Newsroom - <http://news.van.fedex.com/node/16917>)
FedEx supports trade with South Korea, Panama and Columbia because it provides new market access, reduces tariffs, creates protections for investments, improves customs

regimes, heightens transparency and creates other benefits to American businesses looking to grow and reach new customers.

(Source Michael L. Ducker congressional testimony

http://news.van.fedex.com/MLDTestimony_January2011) With the FTAs passed, the commercial opportunities for our customers will increase demand for FedEx worldwide transportation, business and e-commerce services.

- We know this because we've seen this before as two-way trade volume between the U.S. and its FTA partners has increased with each of the more than 17 FTAs already in force. We have seen increased demand for our services to and from the FTA partners, increased package volumes and then had the ability to expand our operations and service offerings to meet that demand. (Source Michael L.

Ducker congressional testimony

http://news.van.fedex.com/MLDTestimony_January2011)

- The recently ratified KORUS Free Trade Agreement breaks new ground for a trade agreement with its inclusion of a target window of no more than four hours to clear most express shipments, while also clarifying that records may be retained electronically. These new customs provisions will expand trade and increase use of FedEx services by improving the trade facilitation environment in Korea. (Source: FedEx Newsroom - <http://news.van.fedex.com/intl/kr?node=17191>)
- Among major Western European and North American countries, average customs tariffs fell from 15% to 4% percent during 1952-2005. (Source: IMF - <http://www.imf.org/external/np/pp/eng/2011/061511.pdf>)
- A September 2009 report by the U.S. Chamber of Commerce estimated that a failure to implement U.S. Free Trade Agreements with Colombia and Korea could cost the United States more than \$40 billion in exports, \$44 billion in national output and 383,000 jobs. (Source: FedEx Newsroom - http://news.van.fedex.com/MLDTestimony_January2011)
- Free trade is driving prosperity in emerging markets. According to the World Bank, more than 50 % of the world's population can now be considered "middle class." (Source: The Developing World's Bulging (but Vulnerable) Middle Class, Development Research Group, World Bank, 2010)
- Initiatives such as the Doha Development Agenda, the World Trade Organization's effort to lower trade barriers and increase global trade could have the potential to stimulate incomes around the world and bring 144 million people out of poverty. (Source: End Poverty 2015.org - <http://www.endpoverty2015.org/files/DOHA%20Scorecard.pdf>)
- According to Susan C. Schwab, former U.S. Trade Representative, increasing Africa's share of global trade by only 1 percent would equal \$70 billion in income for Africans — three times the amount of foreign assistance now received there. (Source: FedEx Driving Global Development Backgrounder - http://about.van.fedex.com/access/fedex_and_access)