

Egmont Institute
Panel “Challenges of Development in Latin Amrica”
3re December 2014, Egmont Palace, Brussels

On 3rd December 2014, Egmont Institute, the Royal Institute for International Relations, presented in cooperation with IRELAC (*Institut Interuniversitaire pour les Relations entre l'Union Erorpéennes, l'Amérique latline et les Caraïbe*) a Belgian based think tank, the revised edition of Carlos Kenan's, Vice-President of the *Institut des Amériques* (IdA, Paris) book. This book was written with input from the *Agence française de Développement*.

The panel which followed the presentation was presided by the Director General of Egmont Institute, Ambassador Marc Otte, while Christine Stevens, Senior Associate Fellow at the Institute, was the moderator of the debates.

The geographical region of Latin America and the Caribbean, constituted since 2010 in the CELAC (*Comunidad de Estados Latinoamericanos y los Caribes*) deserves a renewed interest from Belgium and the EU, its institutions and the civil society. For the universities of the EU, its business community as well as the civil society as a whole, it is essential to form solid and durable partnerships in the region and regain the place and influence lost since the Eighties.

In the last few years, the region has been the object of rapid and constant development in all fields : economy, democracy, society, environment. It is however, a fact, that the EU and Belgium, in particular, have lost ground to a greater presence from North America and the Asian countries, and, in the first place, China.

With limited means, a pragmatic and cooperative approach is recommended. It should consist of grouping specialists and researchers of our universities and businesses with those of the CELAC on specific subjects of mutual interest with a view to recuperate Belgium's and the EU's place in the region. Our policy towards the region should be more active. In the wake of the economic throes which have rocked Europe, CELAC feels it has been forgotten. The solutions are simple : diversify our investments, which are for the time being basically centered in services, energy, raw products, telecom and infrastructure with little social impact.

Latin America has strengthened our perception that it is entering a new phase of growth, offering new opportunities for our industries, a larger economic space, a greater appeal and guarantees for trade. Since a decade, the growth rate has been constantly rising. The UNO is mentioning a growth rate of 4,4 % in 2014. Some countries, like Peru, have reached 7 % in the last 12 months compared to 2 % worldwide. Inflation has stabilized around 6 %. Unemployment has gone down, occupancy and salaries have gone up, a new middle class with purchasing power has sprung up in many countries where it was absent before.

The EU is tied by treaties and agreements with many countries of the region : free trade agreements (Mexico, Chili, Colombia, Peru) ; partnership agreement with the Caribbean ; an association agreement with Central America. With the MERCOSUR, negotiations started in 2000 for the conclusion of a bi regional association agreement (Mercosur-EU).

In 2012, four countries of the western coast (Chili, Peru, Colombia, Peru) have joined together in a so-called "Pacific Alliance" for a free trade agreement on 90% of their internal trade. Moreover, these countries offer legal guarantee for foreign investors which should attract the EU and our country.

Christine Stevens
Senior Associate Fellow
Egmont Institute

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