MAYOR VILLARAIGOSA ANNOUNCES EXPANDED ECONOMIC RELATIONSHIP WITH SOUTH AMERICAN MARKETS

Mayor returns from trade mission to Chile, Brazil, and Colombia where he led local delegation to promote Los Angeles-based companies and encourage tourism to the City.

LOS ANGELES – Mayor Antonio Villaraigosa today announced new partnerships in South America that will increase exports of Los Angeles-based innovations and bring investment into the City. The new partnerships are a result of the Mayor’s recent trade mission to Chile, Brazil, and Colombia where he led a delegation of local business leaders and officials from the Port of Los Angeles, Los Angeles World Airports, and the Los Angeles Tourism and Convention Board.

The Mayor’s accomplishments from the trip include:

- Commitments from government leaders and CEO’s of South America’s largest airlines to thoroughly evaluate establishing non-stop flights from each country to LA. Each non-stop international route into LAX brings in $623 million annually and supports 3,120 direct and indirect jobs.

- Hosted event with LA-based Mercury Air and the Chilean Exporters Association (ASOEX) to attract air cargo through Los Angeles. LA is strategically positioned to capture greater market share from east coast airports and provide air cargo logistics services for booming trade between South America and Asia.

- An agreement between Start-Up Chile, a government program which provides international companies $40,000 to spend six months in Chile, the LA Mayor’s Council on Innovation and Industry (LAMCII) and the LA Regional Export Council. The agreement will give LA entrepreneurs greater access to key Chilean leaders and exposure to the Start-Up Chile program.
Additionally, Start-Up Chile’s entrepreneurs will be connected directly to LAMCII to help move their businesses to LA.

- Announcement of the expansion of Los Angeles-based Forever 21 into South American cities.

- An agreement to create the LA-Brazil Alliance. This Alliance includes an innovation hub in Hollywood that will help bring Brazilian entrepreneurs to Los Angeles and provides services to help LA companies do business in Brazil. The group Avant-Gardes is investing $1.5 million in the co-work space in Hollywood.

- Announcement of LA-based AEG’s deal with Club Atletico Paranesse to serve as operator for the team’s Arena da Baixada in Curitiba, Brazil.

- Hosted Invest LA events and met with 400 businesses in five cities looking to expand their footprint in Los Angeles.

“Now is the time to ensure Los Angeles remains a competitive player in South America’s emerging markets. Los Angeles is the gateway to the United States and the rest of the world, and we need to leverage our assets,” said Mayor Antonio Villaraigosa. “Los Angeles’ innovations in key industries are exported around the globe. Our new partnerships in South America will create jobs here in Los Angeles and ensure our economic competitiveness.”

Mayor Villaraigosa was joined by local business leaders on the trade mission from November 24 to December 3. With the assistance of a grant from the California State Trade and Export Promotion program (STEP), the Los Angeles Regional Export Council (LARExC) organized matchmaking meetings for Los Angeles-based companies with potential South American customers.

South America has one of the world’s fastest growing middle-classes and tapping into these fresh markets presents new opportunities for economic growth in Los Angeles. Brazil is soon to be the fifth largest economy in the world. Its middle class makes up more than half the population and is the driving force behind growing domestic demand.

The expansion of the Panama Canal in 2014 will change the trade dynamic between the world and South America, and Los Angeles must be prepared to compete anew with facilities on the US southern and eastern coasts that stand to benefit from the expanded Canal. In preparation, the Port of Los Angeles is spending $1.2 billion to update terminals, increase rail capacity, and deepen the main channel to allow ships to reach a 53-foot depth and increase the seaborne trade coming through LA. On the trade mission, POLA officials highlighted these improvements and how they can further trade for South American businesses.

At Los Angeles International Airport, LAWA is spending $4.1 billion to accommodate the next generation of aircraft and growing numbers of overseas visitors. Visitors from South America, specifically Brazil, often choose to visit East Coast cities. Adding
additional non-stop flights to LAX will increase tourist visits from South America, and the revenues that come with those visits will add to City coffers and help fund core services.

Los Angeles is actively courting these increased trade opportunities as competition for business in South America’s is rapidly building among US cities and states. In the past year, seven states, four government organizations, and the City of Houston have led delegations to the region to court potential trade and business partners.

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