

A stylized orange map of Latin America and Europe is centered on a blue background. A large orange circle is drawn around the map. A red square is positioned to the left of the title.

# Foreign Direct Investment in Latin America

The Role of European Investors

Ziga Vodusek, Editor

A line graph is shown in the bottom right corner, featuring a grid and a blue line that rises and then levels off. A red square is positioned to the left of the graph.A blurred image of a hand holding a pen is visible in the background on the right side of the cover.

**Inter-American Development Bank**

A solid red square is located in the bottom right corner of the page.

*This page intentionally left blank*

**Foreign Direct Investment in Latin America**  
**The Role of European Investors**

---

**Ziga Vodusek, Editor**

**Inter-American Development Bank**

Washington, D.C.  
2001

©2001 **Inter-American Development Bank**  
1300 New York Avenue, N.W.  
Washington, D.C. 20577

*To order this book, contact:*

IDB Bookstore  
Tel: 1-877-PUBS IDB/(202) 623-1753  
Fax: (202) 623-1709  
E-mail: [idb-books@iadb.org](mailto:idb-books@iadb.org)  
[www.iadb.org/pub](http://www.iadb.org/pub)

The views and opinions expressed in this publication are those of the authors and do not necessarily reflect the official position of the Inter-American Development Bank.

Cover: Tres y más comunicación gráfica, Madrid, Spain.

**Cataloging-in-Publication data provided by the  
Inter-American Development Bank  
Felipe Herrera Library**

Foreign direct investment in Latin America : the role of European Investors / Ziga Vodusek, editor.

p. cm. Includes bibliographical references.  
ISBN: 193100319X

Printed in Spain. Rumagraf, S.A.  
Avda. Pedro Díez, 25. 28019 Madrid (Spain).  
Tel.: 91 471 28 65. Fax: 91 472 96 91.

1. Investments, European--Latin America. 2. Investments, Foreign--Latin America. I. Vodusek, Ziga. I. Inter-American Development Bank.

332.673 F61--dc21

## CONTENTS

<b>Foreword</b>	
<i>Carlo Binetti</i> .....	v
<b>1. Overview: Trends and Main Findings</b>	
<i>Edmund Amann and Ziga Vodusek</i> .....	1
<b>2. Foreign Direct Investment in Latin America and The Caribbean: An Assessment at the Start of the New Millennium</b>	
<i>Álvaro Calderón Hoffmann</i> .....	17
<b>3. European Foreign Direct Investment in Latin America</b>	
<i>John H. Dunning</i> .....	43
<b>4. Spain</b>	
<i>Alfredo Arahuetes</i> .....	91
<b>5. United Kingdom</b>	
<i>Edmund Amann</i> .....	123
<b>6. France</b>	
<i>Javier Santiso</i> .....	143
<b>7. Germany</b>	
<i>Rolf Jungnickel and Rasul Shams</i> .....	175
<b>8. Italy</b>	
<i>Alberto Brugnoli and Alessandro Maffioli</i> .....	203
<b>9. Portugal</b>	
<i>José Braz</i> .....	237
<b>10. The Netherlands</b>	
<i>Karel Jansen and Rob Vos</i> .....	253
<b>11. Switzerland</b>	
<i>Jan Atteslander</i> .....	269
<b>Annex A: Foreign Direct Investment Statistics: A Methodological Note</b>	
<i>Georg Saul</i> .....	287
<b>Annex B: Survey Report</b> .....	295
<b>Statistical Annex</b> .....	301

In the 1990s, the economic environment in Latin America and the Caribbean changed markedly. The countries of the region underwent a process of stabilization and economic reform that encompassed fiscal consolidation and the privatization of state-owned enterprises, as well as market deregulation and trade liberalization. These developments increased the region's attractiveness for foreign direct investment (FDI), which rose to unprecedented levels towards the end of the last decade.

*Foreign Direct Investment in Latin America* provides an overview and analysis of the increased presence of European investors in Latin America. As flows grew rapidly from a number of countries, particularly Spain, overall European FDI flows to the region rose more than eight times in the second half of the 1990s relative to the first. The European investor countries covered are Spain, the United Kingdom, France, Germany, Italy, Portugal, the Netherlands and Switzerland. A separate chapter by Professor John Dunning reviews the process of "Latin Americanization" of European companies. The book also presents the results of a survey carried out in the major European investor countries with a view to analyzing corporate investment strategies in Latin America.



### **Inter-American Development Bank**

1300 New York Ave., N.W.  
Washington, D.C. 20577  
United States of America

[www.iadb.org/pub](http://www.iadb.org/pub)