

# Rio de La Plata and United States Trade Opportunities

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# Rio de la Plata Independence

## 9 July 1816



*Manuel Belgrano*

*Juan José Castelli*



*José de San Martín*

# South American United Provinces



# United States President James Monroe

South American Commission of  
1816-1817





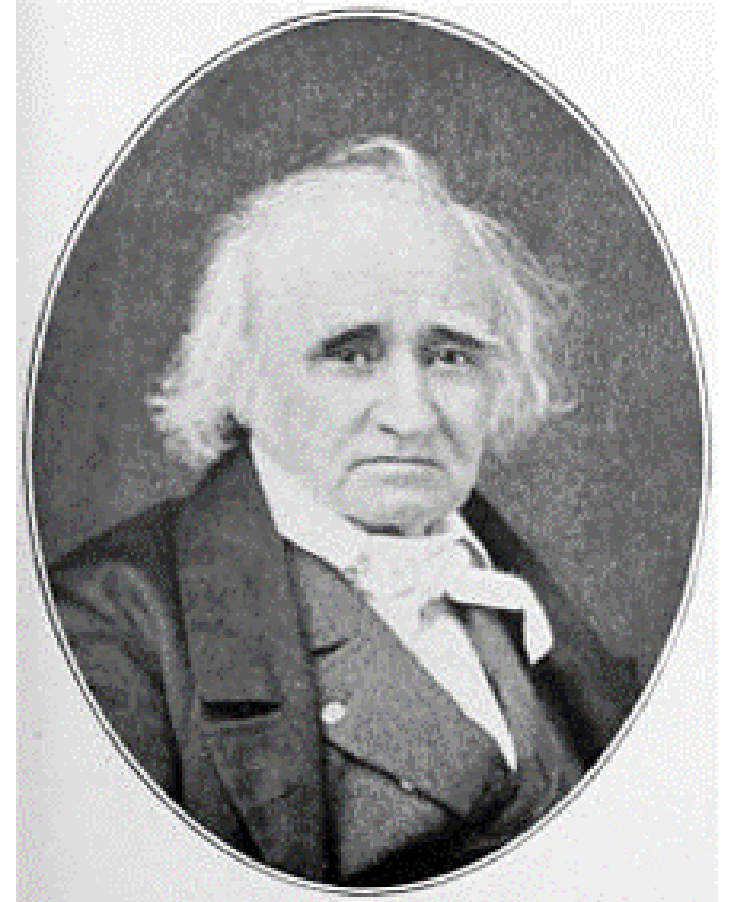
# United States Senator Caesar Rodney

South American Commission of  
1816-1817



# United States Congressman Henry Brackenridge

South American Commission of  
1816-1817



# United Provinces of Rio de la Plata

- Argentina
- Uruguay
- Paraguay
- Brazil
- Bolivia



# Senator Caesar Rodney

- Buried:
  - St John Cathedral
  - Buenos Aires, Argentina



Photo courtesy Elsapucia and b1mbo





# Buenos Aires Maritime Trade Port Terminal



# Total Trade with the United States

	<i>2019 Trade</i>			<i>August 2020 Trade</i>		
	<i>(in billions of national currency)</i>					
	<b>Imports</b>	<b>Exports</b>	<b>Total</b>	<b>Imports</b>	<b>Exports</b>	<b>Total</b>
<i>Brazil</i>	R\$247.3	R\$178.0	R\$425.3	R\$164.1	R\$487.7	R\$651.8
<i>Argentina</i>	\$634.0	\$383.5	\$1,017.5	\$305.2	\$227.0	\$532.2
<i>Paraguay</i>	¢14,746.1	¢1,406.4	¢16,152.5	¢4,915.4	¢0.7	¢4,916.1
<i>Uruguay</i>	U\$59.8	U\$21.3	U\$81.5	U\$38.4	U\$17.1	U\$55.5
<i>Bolivia</i>	b\$3.4	b\$2.8	b\$6.2	b\$2.1	b\$1.4	b\$3.5
	<i>(in billions of US \$)</i>					
<i>Brazil</i>	\$42.8	\$30.8	\$73.6	\$22.6	\$14.6	\$37.2
<i>Argentina</i>	\$8.1	\$4.9	\$13.0	\$3.9	\$2.9	\$6.8
<i>Paraguay</i>	\$2.1	\$0.2	\$2.3	\$0.7	\$0.1	\$0.8
<i>Uruguay</i>	\$1.4	\$0.5	\$1.9	\$0.9	\$0.4	\$1.3
<i>Bolivia</i>	\$0.5	\$0.4	\$0.9	\$0.3	\$0.2	\$0.5
<b>Total</b>	<b>\$54.9</b>	<b>\$36.8</b>	<b>\$91.7</b>	<b>\$28.4</b>	<b>\$18.2</b>	<b>\$46.6</b>

Source: United States Census Bureau

# Argentine Trade Agreements

- Trade and Investment Framework Agreement (TIFA)
  - Memorandum of Understanding for Supporting Small and Medium Enterprise Development
  - Tax Information Exchange Agreement
  - Digital Economy Working Group
  - Commercial Dialogue Between the US Department of Commerce and the Argentine Ministry of Production
  - Forum on Innovation and Creativity for Economic Development
  - Bilateral Investment Treaty

# Trade and Investment Framework Agreement

- Purpose: Remove trade impediments between countries
- Governing body: Council on Trade and Investments
  - Co-Chaired:
    - *United States Office of Trade*
    - *Argentinian Ministry of Foreign Affairs and Worship and the Ministry of Production*
- Meeting recurrence: Annually
- Dialogue open to the public and private sectors



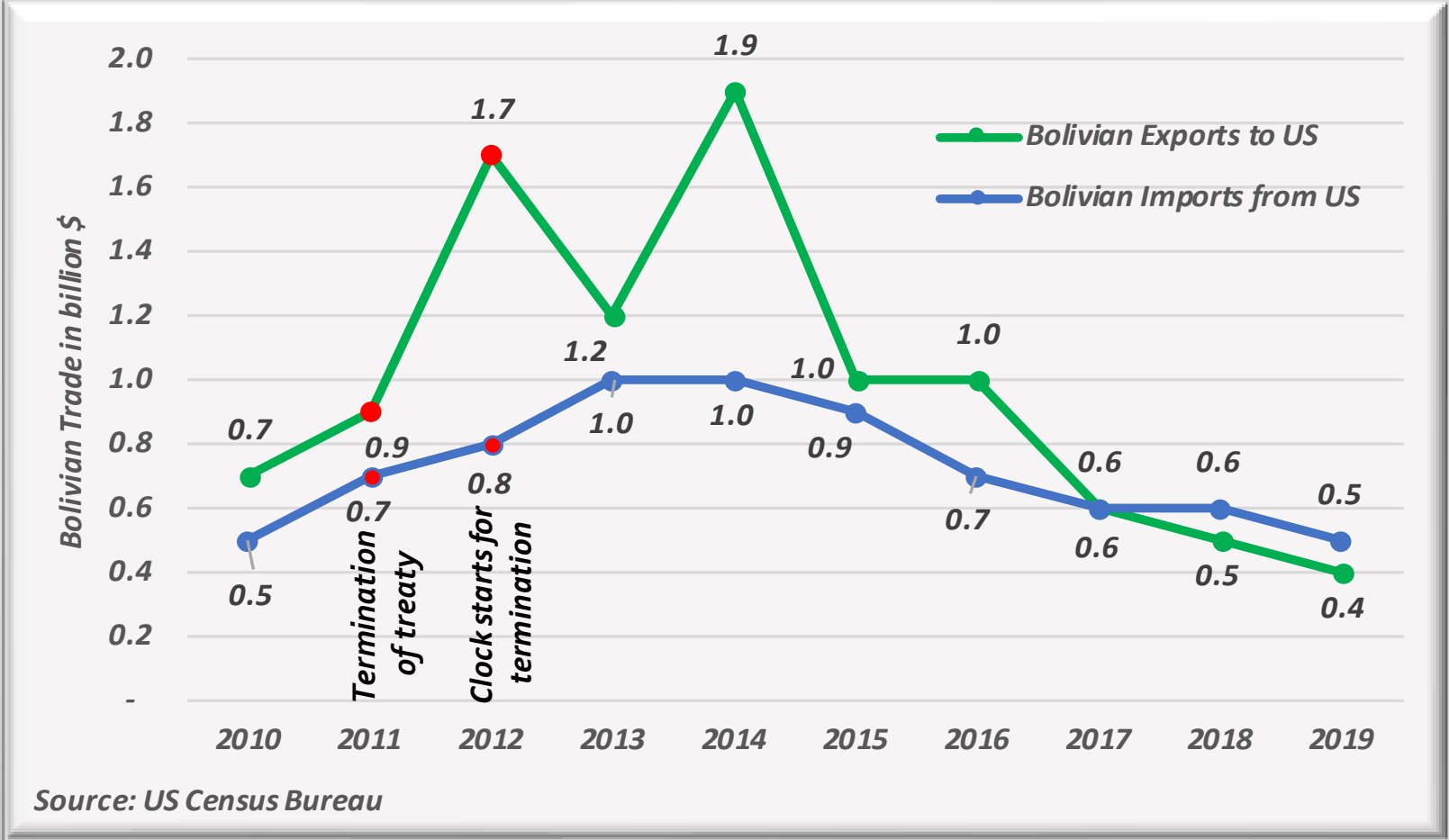
# Uruguayan Trade Agreements

- 2007 Trade and Investment Framework Agreement (TIFA)
  - United States-Uruguay Council on Trade and Investment
    - Uruguayan Chief of Staff to the President
    - United States Trade Representative
  - Objectives
    - Monitor and liberalize trade and investment relations
    - Undertake work program initiatives
      - Agricultural world market system, intellectual property rights, information, technology, e-commerce, trade capacity, services trade, government procurement, and other non-BIT matters
    - Removal of bilateral trade barriers
- Bilateral Investment Treaty (BIT)

# Bolivian Bilateral Investment Treaty

- 1998 – Bilateral Investment Treaty (BIT) signed
- 2008 – US Ambassador expelled from the country
- 2009 – US diplomat expelled from the country
- 2011 – Bolivian government terminates the BIT
- 2012 – BIT termination becomes effective
  - Pre-existing US entities protected for ten more years
  - No US entities not entitled to BIT protection
- 2022 – BIT no longer protects United States entities

# Bolivian BIT Termination Effect upon Trade

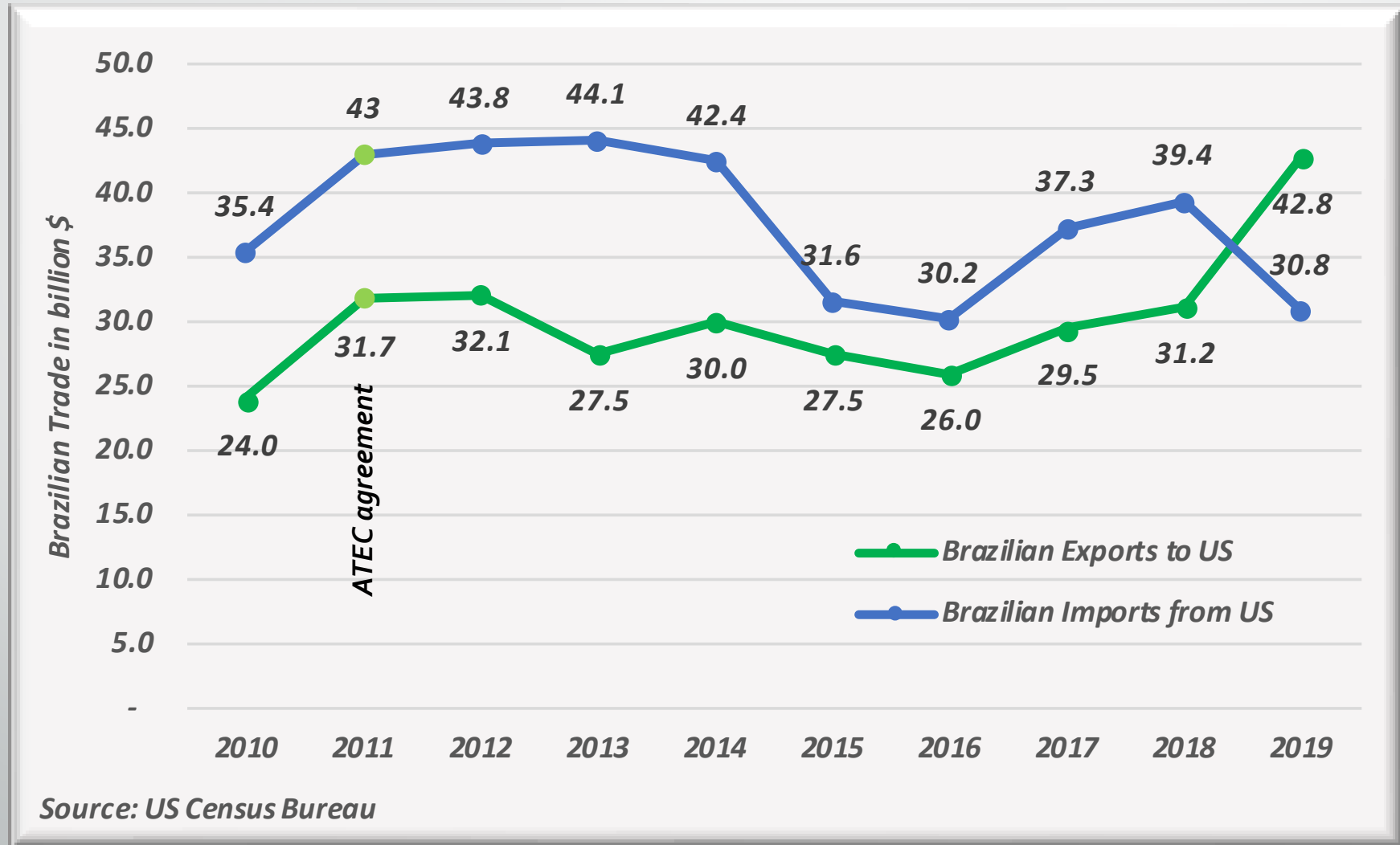


# Brazilian Trade Agreement

- 2011 Agreement on Trade and Economic Cooperation (ATEC)
  - Increased trade between countries
  - Enhanced economic relations
  - Trade transparency
  - Non-discrimination
  - Non-tariff and subsidy barrier reductions
  - Intellectual property right protections
  - Internet governance
  - Sustainable development of trade relations
  - Increased private sector investment
  - Expeditious trade conflict resolutions



# Brazilian ATEC Long-Term Trade Benefit



# Export Shipping Modes





# Exports to Virginia

# Exports to Hampton Roads







# Hampton Roads Shipping Terminals

Photo courtesy Port of Virginia

# NORFOLK HARBOR & CHANNELS DEEPENING PROJECT




Deepest Shipping Drafts in the Eastern US



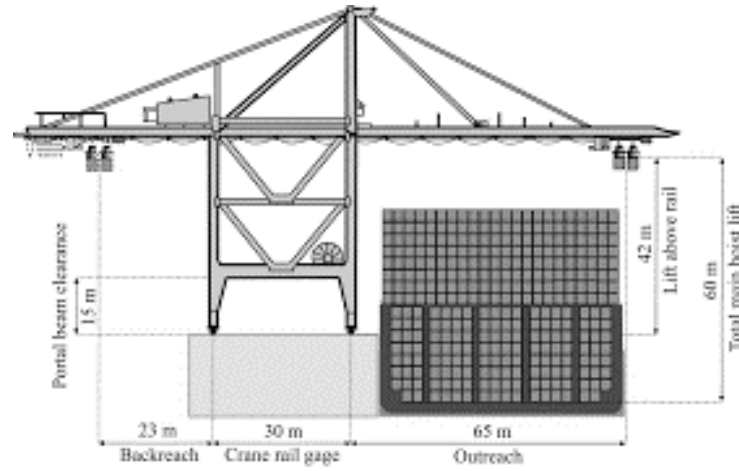
# Virginia Port Authority Berths





An aerial photograph of a large container ship at a port. The ship is filled with colorful containers and is surrounded by other vessels and cranes. The text "Ultra Large Container Vessels (UCLV)" is overlaid on the right side of the image.

# Ultra Large Container Vessels (UCLV)



# Freight Cranes



# Expansive Norfolk International Terminals

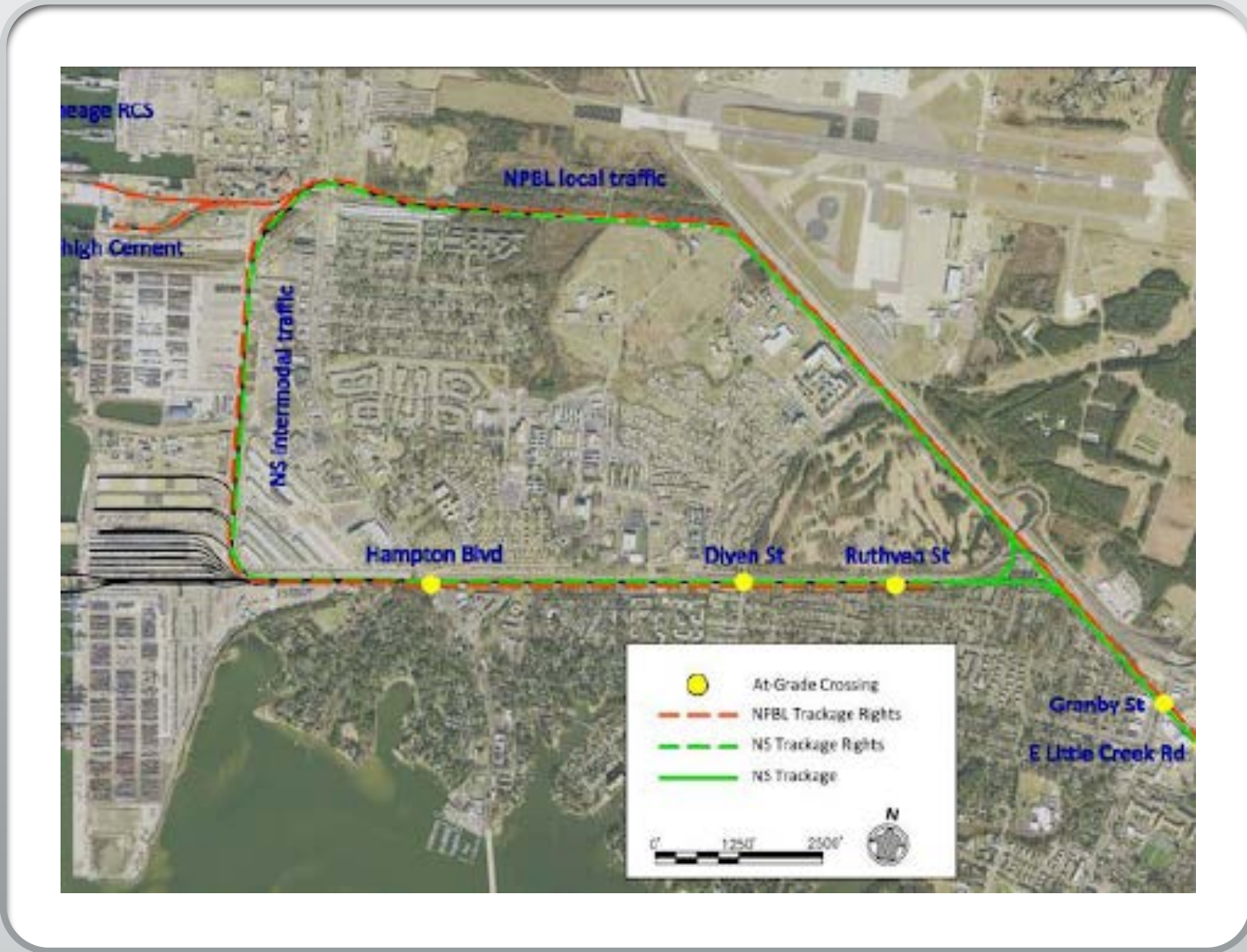


Photo courtesy [www.virginiaplaces.org](http://www.virginiaplaces.org)

## Post-Panamax Cranes



Photo courtesy M. M. Minderhoud



# Norfolk International Terminal Container Capacity





# Portsmouth APM Terminal






# Direct On-Dock Rail Access





## Terminal Barge Services





# Award Winning Trucking Reservation System



# Port of Virginia Dredging Project







2019 Container Record:  
2.3 million twenty-foot  
units moved

# Cold In-Transit Container Program

Photo courtesy thepacker.com



# Port of Virginia Economic Activity

- 397,000 workers
- \$92 billion of activity in Virginia
- Host to 30 international shipping lines
- Truck cargo average processing time = 40 minutes
- Rail cargo average processing time = 40 hours





# Port of Virginia Foreign Trade Zone (FTZ) Area

WHAT IS A  
FOREIGN TRADE ZONE?



# FTZ Information

# Top 10 FTZ Goods



- Oil
- Electronics
- Vehicles
- Consumer Products
- Vehicle Parts
- Electrical Machinery
- Pharmaceuticals
- Machinery and Equipment
- Textiles
- Metals



# FTZ Production Statistics



- 31% Machinery and equipment manufacturing
- 27% Electronics manufacturing
- 15% Textile manufacturing
- 10% Food
- 17% Other manufacturing and services

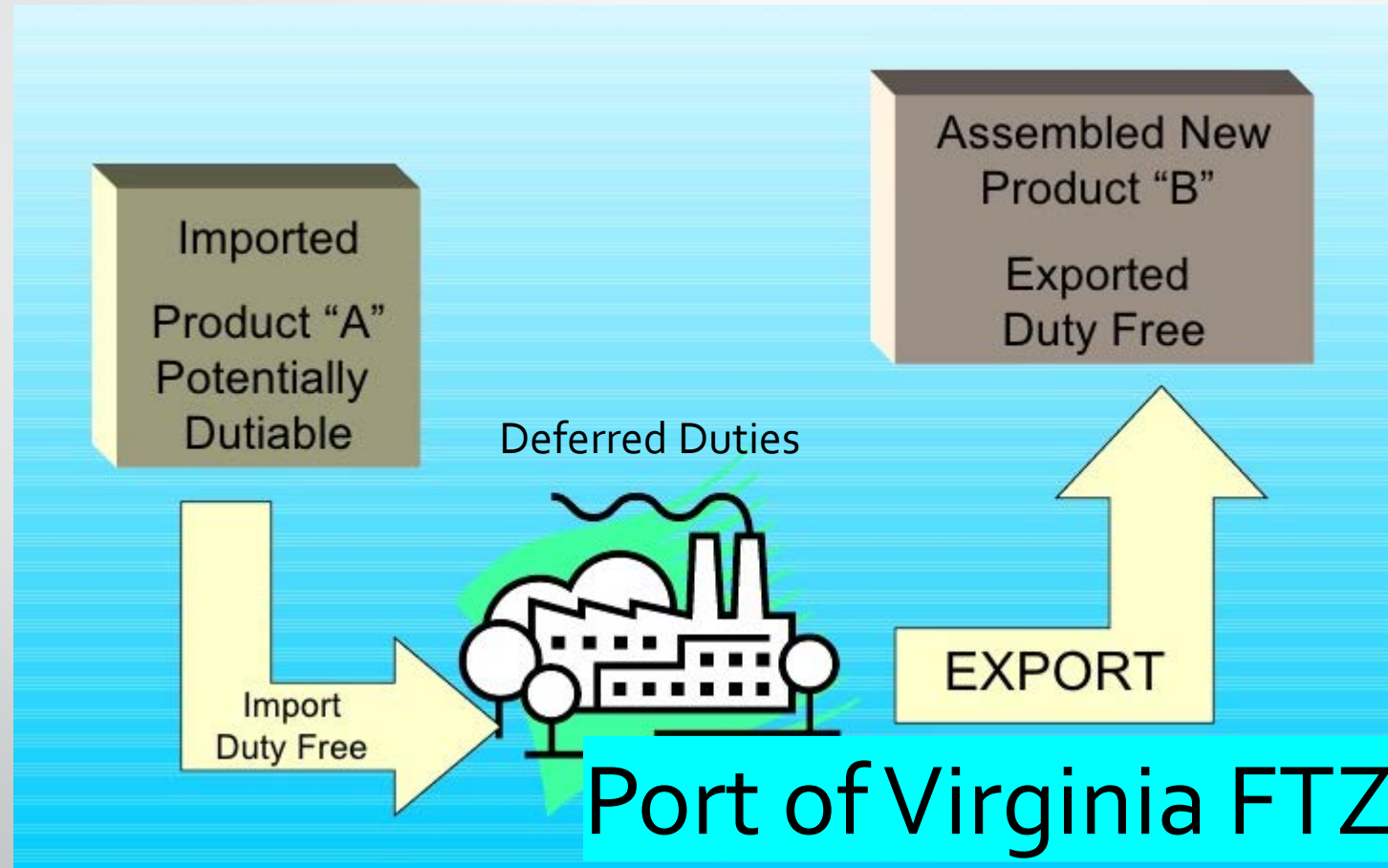


# Port of Virginia FTZ Businesses

- USUI International Corporation
- Canon Virginia, Incorporated
- Stihl, Incorporated



# FTZ Duty Free and Deferral Zones



# FTZs and the Bureau of Customs and Border Protection



Photo courtesy shiplilly.com



# FTZ Production Activities

- Assembly
- Exhibition
- Cleaning
- Manipulation
- Mixing
- Processing
- Relabeling
- Repackaging
- Repaired
- Salvaged
- Sampled
- Stored
- Testing
- Displaying
- Destroying



# Port of Virginia FTZ Applications

- *Laura Smith*, Port of Virginia Economic Development Manager and FTZ Administrator
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<https://www.linkedin.com/in/lauragodbolt/>



# THE PORT OF VIRGINIA:

A CATALYST FOR COMMERCE

90 mile or 60-minute site  
qualification requirement



THE PORT OF  
VIRGINIA

*Stewards of Tomorrow*

1



# Site Activation Application Process

Application, Agreements, and Fees

Port of Virginia Permission to Operate

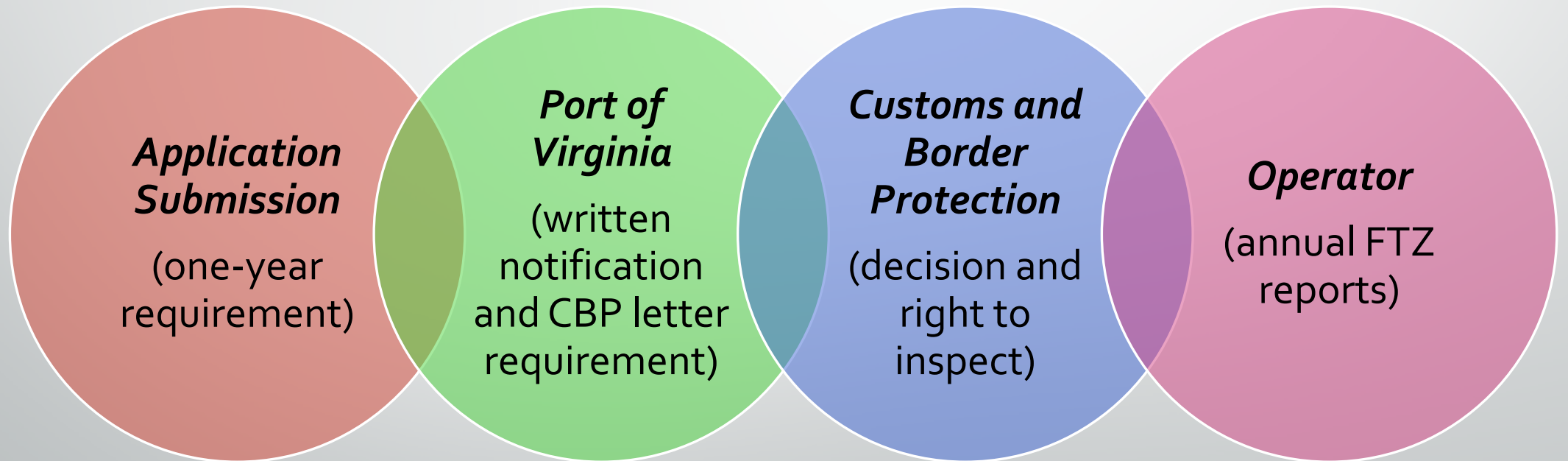
FTZ #20 Board 30 Day Review Decision

Port of Virginia Operator Agreement

Applicant begins the Site Activation Process



# Activation Application Submission Process

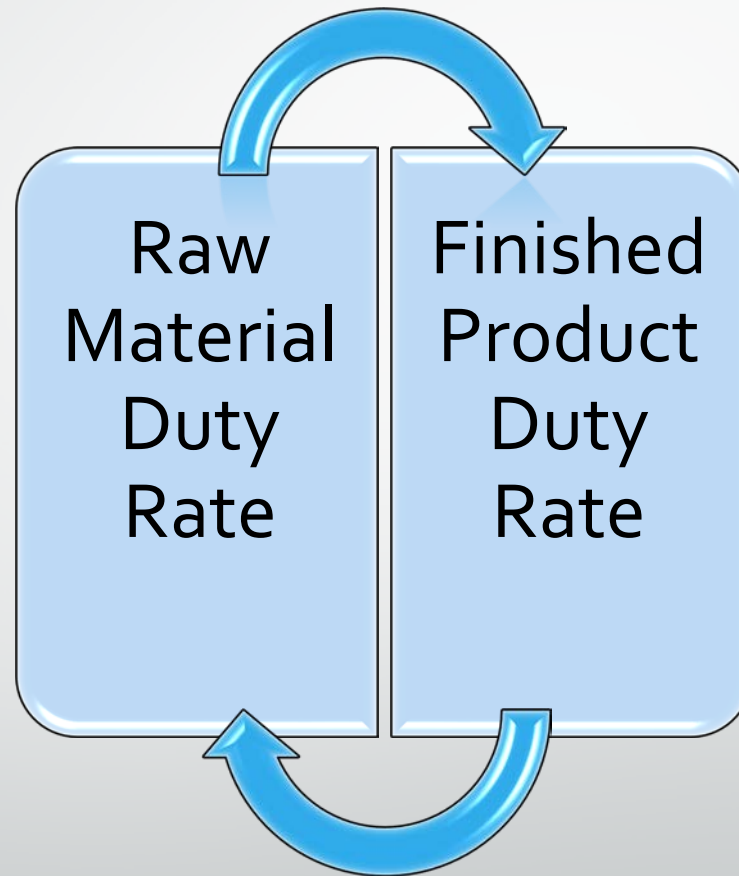


# FTZ Benefits and Taxation

- FTZ Benefits
  - Duty deferrals
  - Lower duty rates
  - Tangible property tax deferrals
  - Overhead costs
  - Labor
  - Profits
  - Transformed products re-exported
- Items subject to taxation
  - Office furniture
  - Fixtures
  - Consumables
  - Fuels
  - Office supplies
  - Finished products for sale in the US



# FTZ Operator Choice Duty Rate Benefit




# Argentine Top Imports

48<sup>th</sup> largest US importer



- Mineral fuels
- Aluminum
- Silver
- Wine
- Seafood
- Agriculture



# Brazilian Top Imports

17<sup>th</sup> largest US importer

- Mineral fuels
- Iron
- Steel
- Aircraft
- Machinery





# Uruguayan Top Imports

91<sup>st</sup> largest US importer

- Meat
- Wood
- Prepared meat
- Optical and medical instruments
- Fruit and nuts

# Paraguayan Top Imports

109<sup>th</sup> largest US importer

- Oil seeds and fruit
- Animal products
- Cereal
- Sugar
- Electrical machinery

# Bolivian Top Imports

94<sup>th</sup> largest US importer

- Precious metals
- Tin
- Cereals
- Ore
- Fruit and nuts



# Virginia Beach Continental Business Headquarters

- Stihl, Inc. (Germany)
- ARC Natural Stone USA, Inc. (Brazil)
- Nearly 50 of these businesses in Virginia Beach



# Opportunity Zones

10% discount applied to capital gains

i.e. \$1.0 million capital gain taxed at \$900,000



Tax bill deferred for five years

Time value of money savings

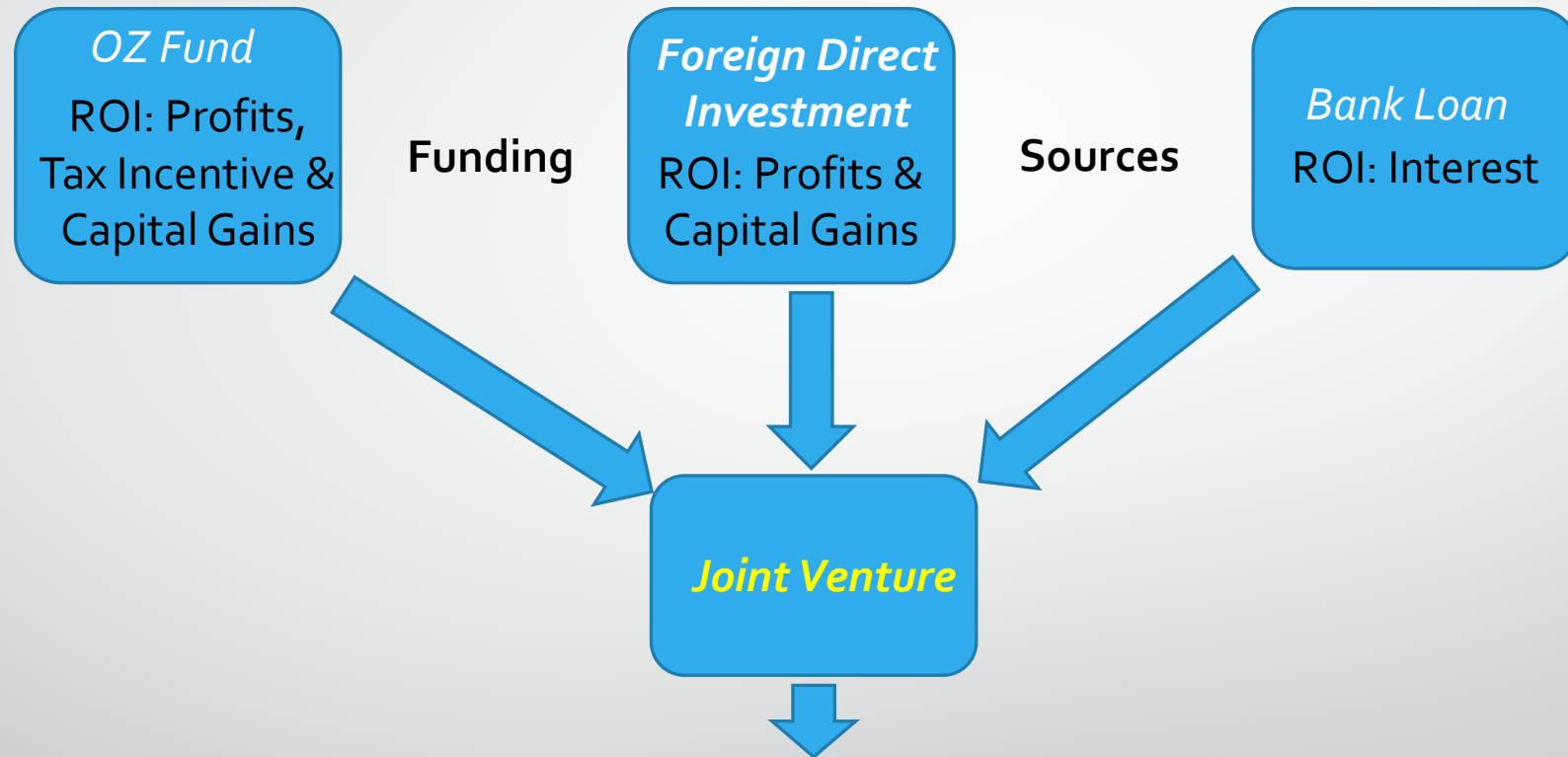
Increased availability of investment for five years



In ten + years, new capital gains are nontaxable

\$1.0 million investment sells for \$1.5 million: no tax due on \$500,000 gain

# Opportunity Zone (OZ) Joint Ventures





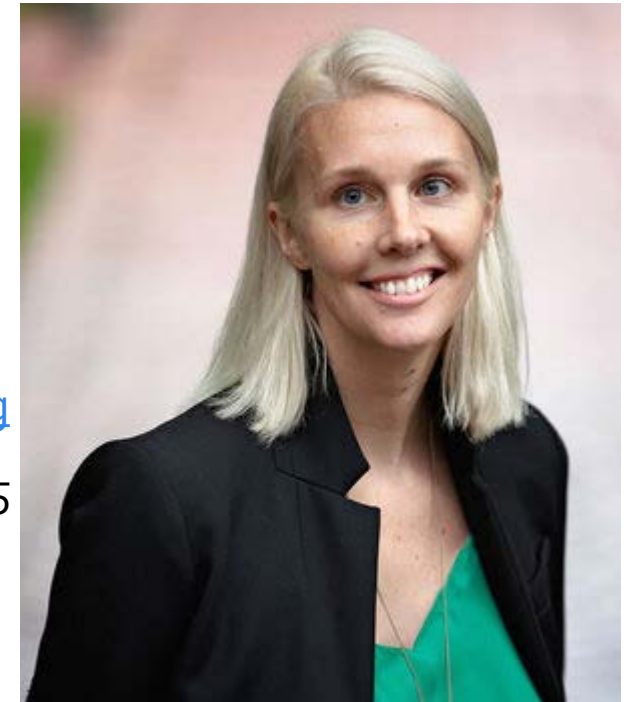
Commonwealth of  
Virginia  
Opportunity Zone  
Assistance



# Opportunity Virginia

A Virginia Community Capital & LOCUS Initiative

- Point of contact: Rebecca Richardson
- Email: [Rebecca@locusimpactinvesting.org](mailto:Rebecca@locusimpactinvesting.org)
- Office telephone: 0101 804 793 0985

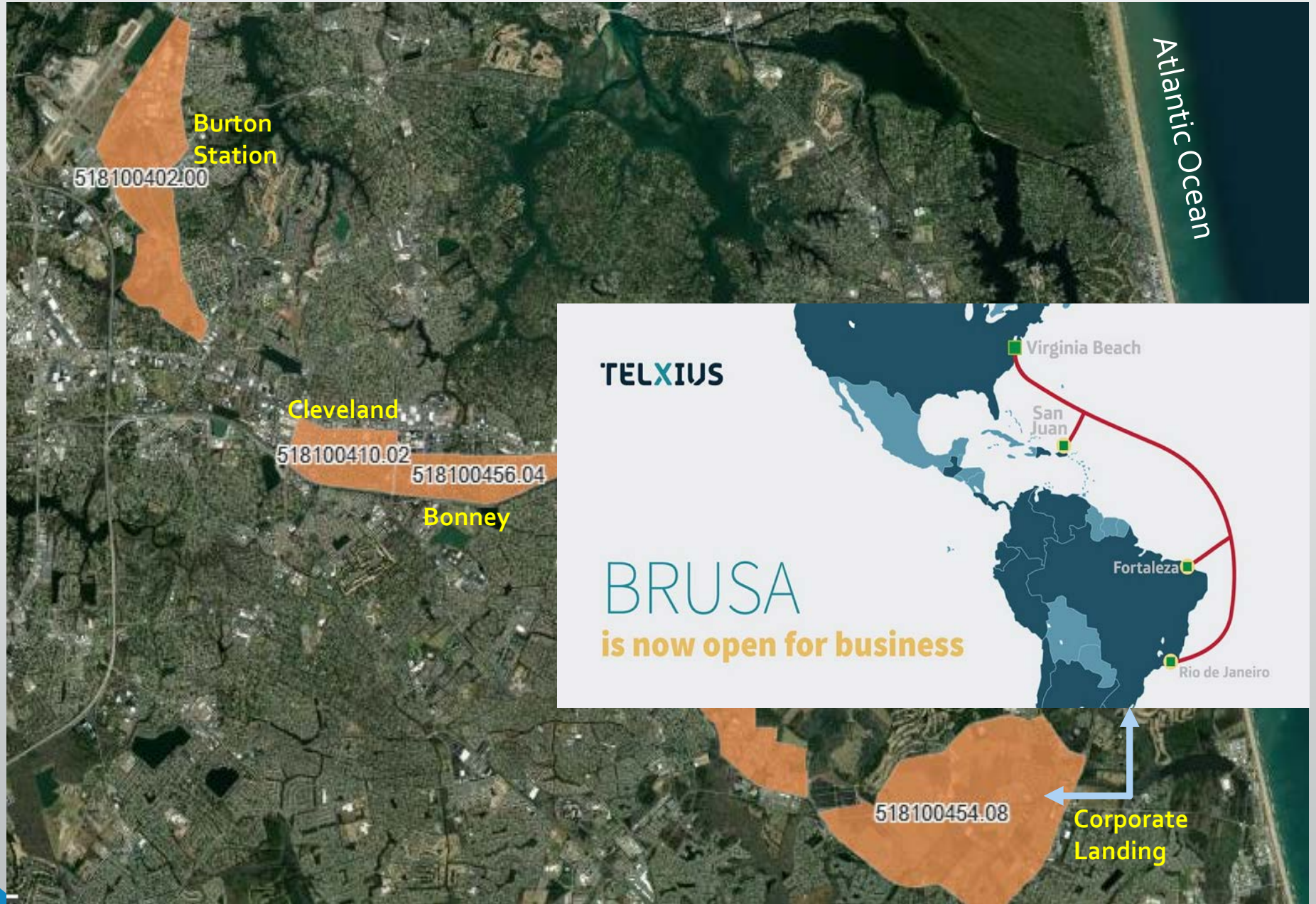


# Virginia Beach Eight Opportunity Zones





# Corporate Landing Opportunity Zone





# Seatack Opportunity Zone





# Oceana Opportunity Zone





# Hilltop Opportunity Zone



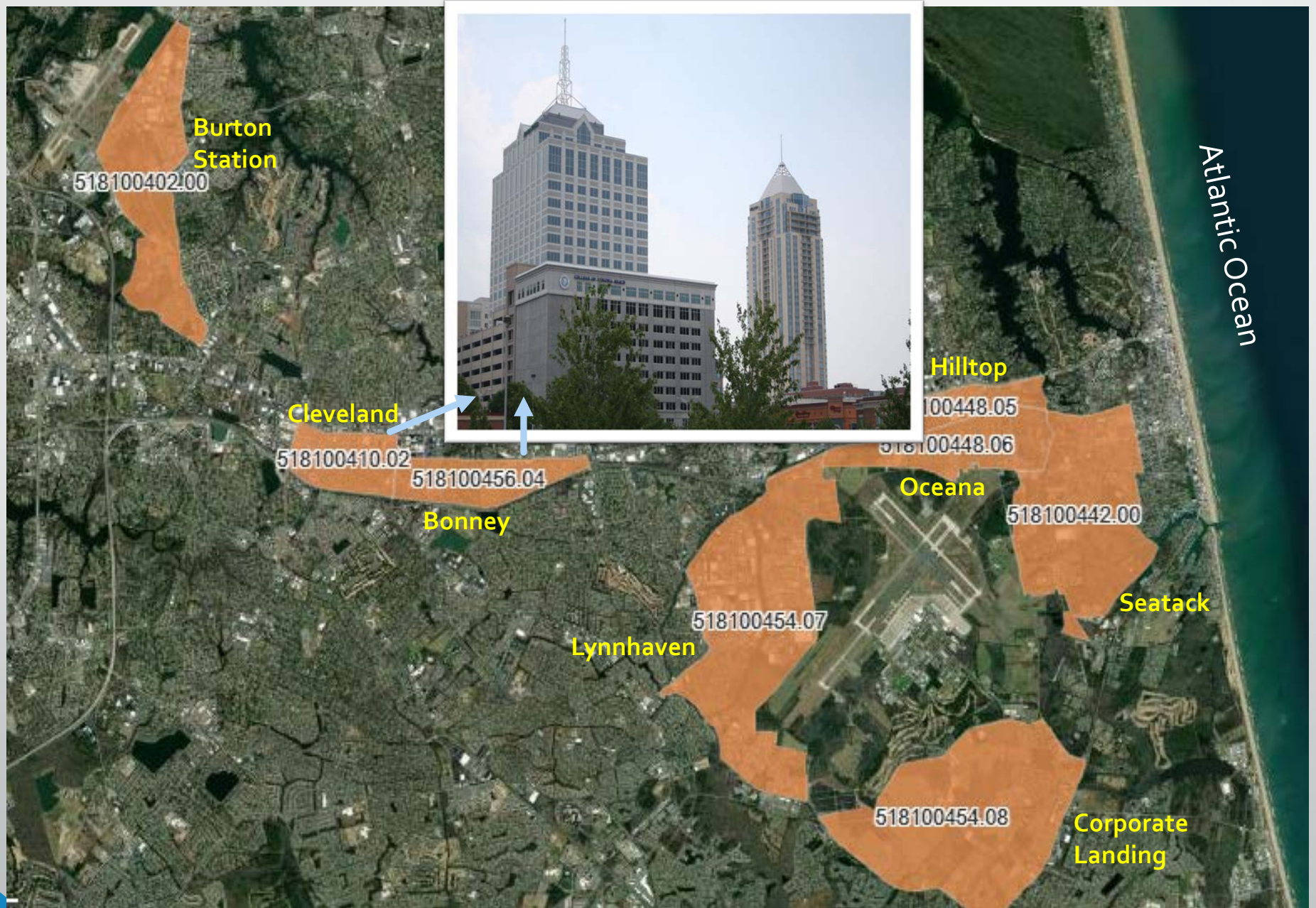


# Lynnhaven Opportunity Zones





# Bonney Opportunity Zones





# Virginia Beach Eight Opportunity Zones





# Ron Berkebile's Contact Information

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Preguntas?



Gracias!