

BUSINESS MONDAY

MY VIEW

South Florida is attractive, growing base for multinational corporations

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As one of the world's three most diverse areas (Dubai and Toronto top the list), South Florida offers multinational corporations a vibrant and attractive locale for either a regional or global base for operations.



DIAZ

Hailing from more than 50 countries, some 1,400 South Florida multinational companies — a number expected to grow exponentially over the next decade — produce more than \$200 billion in annual revenue, according to a recent Beacon Council and WorldCity study. Yet these staggering numbers could easily double over the next five years as free trade agreements proliferate and South Florida's "secret" spreads: We are much more than just the "Gateway to Latin America" — we're a global launching pad.

BANKING CENTER, TOO

Certainly South Florida's strategic location between Latin America, Europe and North America helps lure multinational corporations to the area. But that's just part of the attraction. In addition to the obvious advantages presented by a multiethnic and multilingual community and workforce, South Florida boasts the largest concentration of banks south of New York City, with more than \$60 billion in deposits — much of it coming from Latin America, second only to

Europe, the Middle-East and Africa as a source of multinational investment.

What does this all mean for South Florida's economy and future? Certainly in the short term, European companies will take advantage of the weakened U.S. dollar to increase their South Florida investments. But our solid historical positioning as the "Gateway to Latin America" bodes an even brighter future.

GOOD GROWTH

Recent statistics from Washington, D.C.-based Inter-American Dialogue show that Latin America as a whole has sustained three consecutive years of economic growth, with inflation the lowest since the 1960s. From 2002 to 2006, some 15 million Latin American households climbed above the poverty line. China's growing demand for Latin America's raw materials and energy products will continue to fuel regional economic growth. In fact, in the first three quarters of 2007 Latin America received — for the first time in history — more than \$100 billion in direct foreign investment.

This economic boom — and anticipated free trade agreements with Colombia, Panama and South Korea (which claims twice as many South Florida-based multinational corporations as Costa Rica, El Salvador, Guatemala and Nicaragua combined) — promises to fuel demand for goods and services here as Latin Americans' purchasing power continues to grow. Multinational corporations looking to cash in on the region's growth cannot be far

behind.

International trade's direct economic benefits — increased sales and profits for U.S. businesses — strengthen our local economy. In addition, regional economic growth spurred by international trade strengthens foreign relationships. The resulting interdependence helps alleviate pressing social problems and minimizes the potential for conflict on sensitive issues such as illegal immigration, unemployment and environmental concerns.

FREE TRADE

While Congressional debate rages on the pros and cons of free trade agreements, both sides recognize a crucial fact of global economic life: The U.S. continues to fight a pitched battle to secure competitive advantages for its products and services in an increasingly complex global marketplace. The agreements play a crucial role in securing such advantages. Exports to free trade agreement partners have grown twice as fast as those to other countries.

Last year \$72 billion in trade passed through Miami alone — including 60 percent of all U.S. trade with Central America. Further, the next decade should see a marked increase in Chinese and other Asian businesses in South Florida as they use South Florida ports and resources as a platform for their Latin American investments.

Continued economic growth stimulated by free trade agreements and increasing direct foreign investment in Latin America, coupled with South Florida's diversity and trade facilities, make the prospect of many more multinational corporations moving to South Florida a sure bet.

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