STRONG YEAR FOR LATIN AMERICA’S COMPANIES
Profits jump among the 500 largest companies in the region.

BY JOACHIM BAMRUD

IF THERE is any doubt that Latin America is doing exceptionally well, a closer look at the Latin 500 should dispel that notion. The region’s 500 largest companies boosted revenues by 21.5 percent last year, to $2.2 trillion. That’s more than the total size of Brazil’s $2.1 trillion economy or twice as much as Mexico’s $1 trillion GDP. And it equals the combined economies of Mexico, Argentina, Venezuela, Colombia and Chile.

Meanwhile, profits jumped 37.3 percent, to $222.5 billion, according to the Latin 500 from Latin Trade and Latin Business Chronicle. To put that figure in context: The combined profit of the 500 largest companies in the United States was $318 billion, according to the Fortune 500 ranking.

The Latin 500 is based on information from market researcher Economatica and individual companies.

TOP COMPANIES
Brazilian state oil producer Petrobras remains the region’s top company, both in revenues and in profits. However, Brazilian mining giant Vale outperforms in revenue and profit growth. As a result, it jumped from fifth place to third place in the Latin 500.

Mexico’s state oil giant Pemex remains the second-largest company in revenues, but also continues to struggle with profitability. It lost $3.8 billion. In contrast, Colombian state oil producer Ecopetrol posted $4.4 billion in profits despite having a fifth of Pemex’ revenues.

Venezuelan state oil company PDVSA was not included, as its annual report had not been released in time for our research. The 2011 delay was the third consecutive delay of its annual report.

MEXICO
Companies in Mexico accounted for $476.4 billion in revenues last year, or 21.3 percent of the total on the Latin 500. That also marked a 21.1 percent increase from 2009. Apart from Pemex, the top companies are telecom operator America Movil (#4 on the Latin 500), retailer Walmex (#9), state electricity company CFE (#14) and cement giant Cemex (#29). Among the top 10 companies in Mexico, Walmex posted the highest revenue growth last year (31.4 percent), while beverage company Femsa (#31) posted the highest profit increase (330 percent). Four of the top 10 companies are owned by mogul Carlos Slim, whom Forbes estimates has the biggest fortune in the world.

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CHILE
Chile again shines. Despite having Latin America’s sixth-largest economy, companies in Chile ranked third on the Latin 500, after Brazil and Mexico. Companies in Chile accounted for $185.3 billion in revenues last year. That's more than the revenues of companies in Argentina and Colombia combined. It also marks an improvement of 23.9 percent from 2009. Chile’s top company is state copper giant Codelco (#24), but the revenue growth leader among the country’s top 10 is shipping line CSAV (#96), thanks to an increase of 80 percent.

ARGENTINA VS. COLOMBIA
Companies in Argentina accounted for $83.4 billion of the revenues on the Latin 500, a 14.5 percent increase from 2009. That was the weakest result among the six countries analyzed (Venezuela was not included in our analysis).

Holding company Techint (#16) is the top company in Argentina, but the revenue growth leader is its unit Ternium (#73), which grew by 49 percent last year. Oil company YPF (#43) saw the biggest jump in profits (59 percent).

Meanwhile, thanks to a 32.3 percent increase, companies in Colombia accounted for total Latin 500 revenues of $79 billion. Colombia’s top company, Ecopetrol (#12), posted solid revenue and profit increases last year.

Another Colombian oil company also did well: Pacific Rubiales (#286). It boosted its revenues by 160 percent, to $1.7 billion. That was the second-highest revenue growth in percentage terms on the Latin 500. Only Brazil’s PDG Realty did better (176 percent growth).

PERU AND VENEZUELA
The state oil company Petroperu (#148) is the largest company in Peru, but the revenue growth winner is mining company Southern Peru (#160), which boosted revenues by 42 percent.

Meanwhile, three companies in Venezuela were among the top five revenue losers: Movistar (a unit of Spain-based Telefonica), state telecom company CANTV and the Venezuela unit of U.S.-based auto giant General Motors.

FOREIGN GIANTS
Telefónica (#6) can take consolation in that it ranks as the largest foreign company on the Latin 500, thanks to Latin America revenues last year of $34.5 billion. Other leading foreign companies include French retailer Carrefour (#11), German carmaker Volkswagen (#18), Italian carmaker Fiat (#20) and Swiss food giant Nestlé (#21). The leading U.S. company is General Motors, at #25.

On the following pages, we take a closer look at some of the companies that made a mark in 2010. They include Petrobras (#1), Walmart (Walmex ranks #10 and Walmart Brazil ranks #34), General Electric (#65), Goodyear (#227) and Copa Airlines (#326).

Please visit Latin Business Chronicle (latinbusinesschronicle.com) for full rankings, including top 10 profit kings; top 10 revenue winners and losers; top 10 profit winners and losers; top 10 by country; top 50 technology, energy and retail companies; and top 40 foreign companies.