



LATIN AMERICA

ALUMNI SPOTLIGHT:

▶ Edith Aviles de Kostas

Edith Aviles de Kostas WG95 offers a big-picture perspective on Latin American business. She recently earned the title of regional lead of corporate and institutional banking (CIB) for BNP Paribas (on top of her existing role as Mexico country head). Previously, she served the bank as a New York- and London-based managing director. We spoke with her about the business climate locally, as well as her takeaways from the global financial crises of recent years.

WHARTON MAGAZINE: What are your takeaways from the experience of banking through both the global financial meltdown and then the Eurozone crisis?

EDITH AVILES DE KOSTES: Diversification works and having a long-term view is essential.

WM: What continues to attract you to finance?

DE KOSTES: Over the last 25 years of my banking career, I have never been bored. Finance is an ever-evolving industry, and ... I have been fortunate in my career to be in a position to constantly learn new things, such as new types of transactions, different business cultures and working with colleagues from all over the world.

WM: What's the business climate like in Mexico and across Latin America?

DE KOSTES: Many emerging markets are suffering from a slowdown in their economic growth and currency depreciation. Mexico and the rest of the Latin American countries have experienced these trends to differing degrees. Mexico's export sector is mostly manufacturing goods for the U.S. market, and thus its growth is closely tied to the U.S. economy, which is doing well today. Generally speaking, the rest of Latin America is more dependent on exports of natural resources, particularly to China. Therefore, many Latin American economies are being hit hard by declining demand for their exports and lower commodity prices. ...



JOHANNA GOODMAN

However, I believe the region is still attractive for companies and investors. For example, Mexico has had economic stability for a couple of decades and is now implementing key structural reforms that should underpin growth and provide investment opportunities in many sectors.

WM: In your newest role as CIB regional head, what are your priorities?

DE KOSTES: My first priority is to create a regional strategy. In the past, each Latin American country was managed independently. While each country is different culturally and economically, there is much that can be achieved by working as a region. Latin American companies have expanded outside their home countries to become regional and global players.

WM: What's your favorite Wharton memory?

DE KOSTES: Our class trip to Hong Kong and China in 1995. Being part of a group of young Wharton students visiting new Chinese manufacturing facilities and interacting with local authorities was an exciting experience. We learned so much! Looking back, it makes me appreciate how much a country can change in a relatively short period of time.



EUROPE MIDDLE EAST AFRICA

▶ Lauder Institute: First in Africa

The Joseph H. Lauder Institute for Management & International Studies is in the midst of transforming itself into a first-ever educational entity, again. Founded in 1983, the Lauder Institute has been a revolutionary dual-degree program. Starting with the Class of 2018, the Institute will offer the world's first premiere joint-degree MA/MBA program with a specialization on Africa.

The new program is part of a bigger evolution. Lauder will continue to combine advanced language and culture education with international studies. But beginning in May 2016, incoming students will choose from six programs of concentration: one of five regional programs (Africa; East and Southeast Asia; Europe; Latin America; and South Asia, the Middle East and Africa) or the Global Program.

The students' new timeline will go as follows: In June 2016, students will embark on a structured two-month immersion to their given region. For Africa, this will include visits to locations across East, West and Sub-Saharan African countries. Afterward, all students will return to Philadelphia for both coursework in the



Seven Packed Days in ASEAN

Wharton MBA Program and in international political economy, global economic history and internationally focused electives. Lauder students will also continue to engage in field work in different parts of the world for capstone research projects.

Current and past Lauder students have already ventured to Africa for their research, anticipating the growing relevance of the continent in global business. For example, students traveled to Nairobi, Kenya, to investigate the motivations for local chefs to engage and demonstrate social responsibility toward their communities. Another group conducted research in Tsaralana, Madagascar, on mobile telecommunications and health care delivery in sparsely populated areas.

The average American eye and your computer may read ASEAN as “Asian” misspelled, but Asia watchers know that ASEAN is a trade association consisting of 10 nations. A recent Global Modular Course (GMC) with the Wharton School, in collaboration with Singapore Management University (SMU), brought students, faculty and alumni closer to ASEAN.

Participants had an opportunity to visit Singapore, Malaysia and Indonesia over a period of seven tightly packed days in May 2015. They experienced a number of rich insights across these fabulous nations, including learning about cutting-edge urbanization and city planning in Singapore and the catch-up game being played by its next-door neighbor Malaysia. The Tanoto Foundation expanded their knowledge of corporate social responsibility (CSR), and participants witnessed the rising power of newly elected President of Indonesia Joko “Jokowi” Widodo and the changing political landscape of his country.

What follows are other key takeaways:

Historical Background and Implication of Deliberate Decisions: Over the past 50

years, the political and economic choices made by Singapore, Malaysia and Indonesia have varied, and consequently their growth trajectories have diverged. Today, per capita GDP varies greatly: Indonesia at \$3,475, Malaysia at \$10,538, and Singapore at a whopping \$55,182.

The Power of Singapore Urban Planning: For Singapore, territorial expansion has been an essential part of economic growth. One of the astounding lessons from this Wharton GMC was to witness the “land reclamation” in various parts of Singapore to create “new” land around the island. Since independence in 1965, the country has expanded by 22 percent, from 58,000 hectares to 71,000 hectares, and the government expects that the nation will need another 5,600 hectares by 2030.

Tanoto Principles: One brief but highly effective lesson came Royal Golden Eagle International and Tanoto Foundation CEO **Sukanto Tanoto WFO1**, who includes the communities and countries his businesses operate in on the list of stakeholders. According to Tanoto, for a business to be truly successful and effective, it must be good for the community, good for the country and good for the company.

Malaysia as Singapore’s Bedroom: It’s not easy to grow under the shadow of an ultra-developed neighbor and constantly play catchup, but Malaysia is trying hard. If the countries can cooperate, simplify the immigration systems, and establish fast transportation, both sides can benefit, as Malaysia has immense potential to be Singapore’s bedroom community.

—Raj Bharti WG14

((ON THE web))

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