



## Regional Newsflash September 2011 Edition 40

Embassies of the Kingdom of the Netherlands

*Costa Rica, Guatemala, Nicaragua, El Salvador, Honduras and Dominican Republic*

*The regional newsflash is a publication composed by the Embassies of the Kingdom of the Netherlands in Costa Rica, Guatemala, Nicaragua and Dominican Republic. The newsflash provides an update in terms of imperative economic developments, the most important tenders and a selection of other relevant business news that have to do with the region. This newsflash is shared with a distinctive group of Dutch businesses with special interests in the region or in a specific country. It consists of publicly available information from various sources such as news articles, press releases, and third party information. The Embassies of the Kingdom of the Netherlands in San José, Guatemala, Nicaragua and Dominican Republic are not responsible for the accuracy of the published information. If you do not want to receive the regional newsflash, or wish to add a person to the distribution list, or would like to send a response, please feel free to send an email to [sanjose@trade-minbuza.nl](mailto:sanjose@trade-minbuza.nl). For Panama a separate newsletter is published.*

### Central American region



**Panama leads in competitiveness.** Thanks to its stability and good infrastructure Panama tops the competitiveness list in Central America. Costa Rica finished in second place. Panama's biggest advantage is its advanced infrastructure. The Canal, airports and roads attract foreign investors, who in addition like Panama for having a dollarized economy. Macroeconomic stability, along with strong growth rates and increasing access of Panamanians to new technologies, are other factors. Costa Rica, the second on the list, is especially known for security, democracy and transparency. Chile finished first overall in the ranking. The study, which uses ten indicators to compare the level of competitiveness among 18 Latin American countries, was conducted between July and August of this year by the Aden Business School for the World Economic Forum.

The numbers represent the position of the region's countries in the Latin American ranking.

1. Panamá 2
2. Costa Rica 5
3. El Salvador 10
4. Guatemala 12
5. Honduras 13
6. Nicaragua 16

Panama and Guatemala are the leading nations in Central America in providing people and companies to have access to cell phones and Internet.

**Panama leads in economic growth** Panamanian growth will be well above the average rate of 4 per cent for the region's other countries, according to a recent report by the International Monetary Fund. The only other country likely to do better than average is Costa Rica. A risk for the growth in the region may be inflation, caused by high food prices, Figures represent expected growth in percentages for 2011, according to the International Monetary Fund.

1. Panamá 7.4%



- 2. Costa Rica 4.3%
- 3. Honduras 3.5%
- 4. Nicaragua 3.5%
- 5. Guatemala 3.0%
- 6. El Salvador 3.0%

**The Colombians are coming** The purchase of by Colombia's Sura of the Latin American assets of the Netherlands' ING Group highlights a trend, with important implications for the region. With the domestic economy healthy, following several years of reduced violence, Colombian investors are increasingly seeking new horizons, including those in Central America, a market which is nearby and which collectively is about the same as their own. Last February, Sura paid \$98 million to buy Suiza, the Salvadoran insurer. In recent years, Bancolombia bought Banco Agrícola in El Salvador, while Banco de Bogotá paid \$ 1.9 billion for Credomatic, the largest-ever acquisition of a Central American business. In the transport sector, the airline company Avianca acquired Taca, and in energy, EPM has invested in Guatemala. In addition, several Colombian companies have successfully bid on construction contracts in Panama. Sura, a subsidiary of the powerful Antioquia Group, paid \$3.85 billion for ING's Latin American assets, a record for the purchase abroad by any Colombian company. Antioquia also includes cement-maker Argos, with plants in Panama and major contracts for Canal construction.

**Unified Free Trade Agreement with Mexico in October 2011** (Source: laprensagrafica.com) The unification into a single trade agreement of the treaties that Mexico has signed with Nicaragua, Costa Rica and the Northern Triangle (Guatemala, Honduras and El Salvador) is expected in October. The announcement was made by Bernardo Mendez, director of economic affairs at the Embassy of Mexico in El Salvador. "The goal of this process is to give countries facilities such as accumulation of origin. This would mean that, for example, El Salvador could buy industrial materials from Costa Rica and produce products that, when sold to Mexico, would obtain the same FTA benefits as if it originated from that country (El Salvador)". The new treaty will extend the free trade area and allow those involved in the economic sector to have a single set of business rules.



**Union of Central American Customs advances** (Source: proceso.hn) The meeting of technical groups from the countries of Central American Integration System (SICA) in El Salvador ended with significant advances. Progress was made in the preparation of some 15 rules of origin and the harmonization of tariffs for different products. Deputy Minister of Economy of El Salvador, Mario Hernandez, stated that, "Decisions made in the technical rounds will be passed up to the technical and deputy ministers of Trade and Economy for approval."

The representative of the Honduran Ministry of Industry and Commerce, Jeronimo Urbina added that because the process is long and complicated it has not been possible yet to set a deadline for the full functioning of the customs union.

**Dole to compensate Central American workers** (Source: univision.com) Dole will compensate more than 5,000 banana plantation workers affected by the use of pesticides. The agreement, which will benefit 3,153 Nicaraguans, 700 Costa Ricans and 1000 Hondurans, was reached after several months of negotiations. The "compensation, which will take effect over the next two or three months, will allow these workers to change their lives." Between 1973 and 1980, Dole used the agrochemicals Fumazone and Nemagon in banana plantations in Central America, chemicals which have been linked to serious health problems such as infertility, cancer and birth defects.



**Export opportunities to Aruba and Curacao** The Dutch Embassy in San Jose wants to help the islands of the Kingdom by promoting cheaper food imports from countries such as



Costa Rica and Panama. PROCOMER in conjunction with the Embassy of the Kingdom of the Netherlands and the Chambers of Commerce from Curacao and Aruba held presentations for the market of these countries, as well as explored the potential of these Caribbean islands for the Costa Rican export sector. The activity focused on the food sector, a Usd \$400 million import sector. The event was very successful, more than 40 Cost Rican companies participated, many of them want to explore further and are eager to establish commercial contacts.



**Contract signed for new port in Moin** After an arduous process, the government of Costa Rica has signed a concessionary award to Dutch run APM Terminals for the construction of the port and its management for a period of 30 years. APM Terminal's investment will be \$992 million, and they will have a period of 3 years to build a container port in Moin on the Caribbean coast of Costa Rica, north of the existing port facilities. During the process of awarding the concession, half a dozen appeals and motions have been launched by those who oppose it, especially the union of port workers Sintrajap. Two appeals are still waiting to be heard by the Costa Rican courts. Opposition has also been expressed by the National Chamber of Banana Workers (Canabae). The new port will have

two 300 meter loading stations, built on land that will be gained from the sea. The facility should start operations in 2015, when it will be able to receive ships carrying up to 9000 containers. Currently Costa Rica is ranked 132 on the World Economic Forum's list in terms of port development. This is the penultimate position in Latin America and the last in Central America. With the new port service the country could move up to number 56 on the list.



**\$1,200 million for new refinery** (Source: elfinancierocr.com) Recope, the fuel supplier in Costa Rica, and the China National Petroleum Corporation (CNPC) are looking for investors to install a new refinery in the Cost Rican port of Limón. After several months of analysis, the Costa Rican Petroleum Refinery (RECOPE) has authorized the construction of a new plant to refine

crude oil in Limón, which will triple the processing power of the state enterprise. The next step is to get members interested in providing the \$1.2 billion required to start up the project. It falls to Recope to provide \$189 million, for which it is already in talks with Banco Nacional and Banco de Costa Rica. Soresco, the company formed in 2009 by the state monopoly and the Chinese company, needs to find \$1,200 million for construction costs. It is now negotiating with the China Development Bank, the Import-Export Bank of China and the insurer SINOSURE. Representatives of these organizations visited the country in June to present Vice President Luis Liberman with several financing schemes. Similarly, the state entity and its Chinese partner are looking for a company to take charge of basic engineering designs. Invitations have already been issued to several international companies to participate in the bidding.

**China's Sinohydro bids \$400 million for Costa Rica plant** (Source: Bloomberg) Sinohydro, China's biggest dam builder, may invest \$400 million in a hydropower project that it's planning in Costa Rica. The Chinese company is in talks to build the 300-megawatt plant with state-owned electricity and telecommunications provider Instituto Costarricense de Electricidad. Costa Rica's government is in 'final negotiations' with Sinohydro and another company, Brazil's Centrais Eléctricas Brasileiras.



**Costa Rica receives 1.2 million tourists in first half of year.** (Source: Inside Costa Rica) During the first six months of this year, Costa Rica received 1.2 million international tourists. This corresponds to a 6.5 percent increase over that recorded in the first half of the last four years and forecast growth of the World Tourism Organization is between 4 and 5 percent. Of all tourists who entered the first half, 806,000 arrived by air, including 647,000 at the Juan Santamaría airport in San José and 158,000 at the Daniel Oduber



International airport in Liberia, Guanacaste. 'These figures are encouraging and make us as government to continue working hard to raise as much as possible stay and average spending of visitors to Costa Rica,' said the tourism minister, Allan Flores.

**Controversial airport is planned for Costa Rica** (Source: New York Times). Concern about ecology in project backed by Chinchilla In a region of Costa Rica that harbors 3 percent of the world's known biodiversity, a proposed international airport is eliciting concern about ecological consequences and potential damage to an existing and exemplary network of ecotourism lodges. On the Osa Peninsula, the airport is planned for a site only three miles from the Térraba-Sierpe Wetland, a recognized Wetland of International Importance with annual ecosystem services valued near \$2 billion. Since last October when Costa Rican President Laura Chinchilla designated the project one "of national importance," promoting its ability to fight poverty and create jobs, the government has moved quickly to conduct preliminary impact studies and lay a foundation for permitting.

**Costa Rican banks have biggest profits in Central America** (Source: La República) State-owned institutions have assets of \$15.5 billion. Costa Rica's banks are the leaders in Central America, with the highest profits in the region. Reasons for the improvement include diversity of credit lines, more cash machines and the modernization of platforms for business. As a result, the four state-owned Costa Rican banks now have assets of \$15.5 billion, Fitch Ratings Central America reported.



**Walmart invests \$67 million in new Costa Rican distribution center** (Source: La Nación). Walmart announced that it will increase its stake in Costa Rica by building a \$67 million distribution center at El Coyol, Alejuela. The investment is in addition to the \$165 million

that the company's executives had already announced for this year. Construction of the new center will begin next year. Operations are expected to begin in March of 2013.



**Guatemala's economy grew 3.1% during the year's first trimester** GDP grew 3.1% during the year's first three months according to Guatemalan Central Bank (Banguat). The mining sector and financial services were the most dynamic ones while construction and energy supply had a contraction. Private services had a 4.3% growth due to higher consumption in restaurants and bars and a higher demand for advertising services. According to private consultants although there has been a growth in local economy, there are still risks due to the government's financial situation. Public finances are at a higher risk, if Congress does not approve new loans this will have a direct impact on expenditure cutbacks for the rest of the year. The Government is urging Congress to approve loans to cover the shortfall in the 2011 national budget. According to Vice President Espada, if these loans are not approved, the operational budgets of different ministries such as Health, Education, Communications and the Ministry of the Interior would be dramatically affected particularly on teacher's and public workers' salaries, purchases of medicines, food and fuel, among others.

**Exports increased 26.8%** Guatemalan exports reached US\$4,578.9 million during May 2011, an increase of 26.8% compared to the same period last year, stated the Guatemalan Central Bank (Banguat). This is due partly to an increase in prices of raw materials such as sugar, banana, coffee, cardamom and petroleum and also to a larger volume of exports. Sales to The United States of America, Guatemala's main commercial partner, reached US\$1,825.5 million, an increase of 31% compared to last year. Imports from this country had a 37% increase.



**Remittances on recovery** During the first semester of 2011 Guatemala received US\$2.1 billion in remittances. According to The Guatemalan Central Bank (Banguat) this represents a 9.5% increase compared to the same period last year Maynor Cabrera, consultant for the Central American Institute of Fiscal Studies, stated that he believes remittances will continue to grow but at a lower



rate due to the high unemployment in The United States of America.

**Guatemala proposes deal with Mexico on entry without passports** (Source: Prensa Libre). Aim is to promote cross-border trade and tourism. Guatemala presented the governor of Chiapas, Juan Sabines, with a proposal to allow Guatemalans to enter the Mexican state by presenting only their national ID. The economy minister, Luis Velásquez, said the initiative aimed to boost cross-border trade. "We're waiting for a reply early in October, so we can launch the scheme by the end of this year or early in 2012," Velásquez said.

**InduExpo trade show a success** During InduExpo 2011, the local industrial sector made deals for more than US\$100 million. According to Arturo Rodriguez, President of InduExpo 2011, the results were positive since the goal of US\$85 million was surpassed. He added that 1,120 business meetings were scheduled but at the end of the trade show 2,000 meetings took place between national and international buyers and vendors. Franchise deals also took place mainly with El Salvador. The next edition of InduExpo will take place in June 2013.

**Guatemalan exporters have new strategy** (Source: elperiodico.com.gt) With the aim of increasing exports to Mexico and Central America's, Guatemala's export sector has developed a new strategy. Trade missions will focus on cities in southern Mexico (Merida and Cancun) and Central America (San Pedro Sula in Honduras, San Salvador in El Salvador and San Jose in Costa Rica). Francisco Menendez, president of the Guatemalan Association of Exporters (Agexport) explained the new dynamics of the trade missions, "... they will consist of 4 groups of 25 companies who will conducted trade missions to these cities from September, promoting two products for each exporter. The program will last six months. " Some of the products being offered, among others, are recycled wood, furniture, floor tiles and bakery items.

**Canada's Centram Geothermal granted two concessions in Guatemala** (Source: Marketwire). Centram Geothermal, a private Canada-based geothermal exploration and development company, has been granted two geothermal exploration concessions in Guatemala. The Atitlán concession, located 144 km north-west of Guatemala City, covers 483 sq.km with three volcanoes. Analysis of geothermal water samples from hot springs within the concession indicates the existence of a reservoir at a temperature of 186°C. The Joaquina concession covering 9 sq.km is located about 35 km. northeast of Guatemala City. It is a fault controlled geothermal source and has had several shallow holes drilled in it; all of which are making steam and/or hot water.

**More palm oil plantations** (Source: elperiodico.com.gt) Palm oil plantation areas in the country are increasing at an average rate of 8,000 hectares per year. In an area of 90 hectares, farms are currently producing 140,000 metric tons of oil, of which 100,000 are exported to Mexico and Central America and the rest is consumed in the local market. In 2010, exports totaled \$125.7 million. Guatemala has great potential to increase the cultivation of African palm, from which you get vegetable oil, biodiesel, palm oil and flour to produce soaps, ice cream and cosmetics, however uncontrolled expansion could create environmental and social complications if not policies are not created stating where the palms can and cannot be grown.

**Good prospects for call center industry in Guatemala** (Source: sigloxxi.com) Companies in the sector are predicting the creation of about 42,000 jobs for bilingual staff over the next 3 years in order to meet the needs of the industry. The projections by executives from the companies 24/7 Customer, the Commission for Contact Centers and BPO's from the Guatemalan Association of Exporters (Agexport), also include the creation of some 15,000 positions for workers who provide services in Spanish. Vice president for Latin America from 24/7 Customer, Ravjanshi Kapil, stated that developments that call centers and BPO's have made in the country are due to the benefits exist such as the telecommunications infrastructure which is one of the most outstanding in Central America, so investors are spared having to provide infrastructure. The proximity to customers, as they only offer services to the United States, which gives them a time zone advantage, and the fact that the English accent is neutral, as well as the friendliness and hospitality of the Guatemalans. The activities of the BPO are divided as follows: customer service 35%, telemarketing 25%, support 13%, and forecasting 10%.



## Nicaragua

**Clothing and footwear sector showing strong growth.** Competitive wages and a stable business climate, along with a significant increase in the value of China's money, make Nicaragua a good place to manufacture clothing and shoes. As far as China is concerned, constant high demand for its products has caused a steady increase in the value of its currency. In 2005, a U.S. dollar bought 8.1 yuan, now the dollar is worth only 6.4 yuan, a gain of 21% over the past six years. In addition, Nicaragua, the poorest country in Latin America, has the lowest wage rates in the region. Meanwhile, the supposedly socialist administration of Daniel Ortega in fact encourages and facilitates business investment. Other positive factors include significant investment in the electricity-generation sector, which has largely eliminated the problem of chronic power failures. Being in the same general time zone as the United States and Canada, and having low shipping costs to North America, are other relevant factors. Opportunities for Dutch textile manufacturers, textile importers, textile machinery providers and new investors.



**European Union provides \$21.2 million in finance for small businesses in Nicaragua** (Source: AFP). The European Union is to provide \$21.2 million in finance to strengthen small companies in Nicaragua. The money will be used for a program run by the Nicaraguan government. "This is a four-year program. It has a budget of 17 million euros (\$20 million) of which 15.1 million euros will be provided by Europe and the rest from the Nicaraguan

government," a statement said. The program aims to make small firms more competitive and develop their capacity to achieve exports.

**Nicaragua's premier investment forum** On August 16th and 17th, PRONicaragua held its premier investment forum, Nicaragua, Let's Grow Together!, in the Intercontinental Metrocentro Hotel in Managua. The forum showcased the country's sustainable growth in specialized sectors such as apparel, footwear, food processing, manufacturing and business process outsourcing (BPO), as well as its competitive advantages as an attractive destination for foreign direct investment (FDI). The forum, which included the participation of over 110 foreign executives from 70 different companies and over 100 national investors, also featured renowned international speakers from institutions such as the Inter-American Development Bank (IADB), the Economic Commission for Latin America and the Caribbean (ECLAC) and Harts Group, Inc., as well as high-level representatives from the Government of Nicaragua.

**Nicaragua shines at MAGIC** (Source:PRONICARAGUA) Nicaragua recently participated in the Sourcing at MAGIC event in Las Vegas, Nevada, with the objective of showcasing the country as the most competitive, up-and-coming apparel manufacturer in the region and actively seeking sourcing and investment opportunities to further develop and diversify the local industry. The Nicaraguan delegation that participated in the event included PRONicaragua, the National Free Zones Commission (CNZF, for its acronym in Spanish), the Nicaraguan Association of the Textiles and Apparel Industry (ANITEC, for its acronym in Spanish) and the Nicaraguan Chamber of Private Industrial Parks (FCNZFP, for its acronym in Spanish). During the event, Nicaragua held a seminar to demonstrate the country represents the most cost-effective solution in the region for apparel production and to highlight some of the efforts to further improve the country's competitive position. A large number of sourcing and investment leads were generated as a result of the participation in the renowned trade show.

**Studies for Monkey Point Port to begin soon** During the inaugural activities of the investment forum: Nicaragua, Let's Grow Together!, the Government of Nicaragua signed a Memorandum of Understanding (MOU) with Brazilian company Andrade Gutierrez to begin feasibility studies for the construction of a modern port infrastructure in Monkey Point, in the South Atlantic Autonomous Region of Nicaragua. The construction of the deep-water port would include a road connecting it to the



nearest national highway system and will allow the country to take advantage of maritime trade routes to the Caribbean, South America, Gulf of Mexico, the East Coast of the U.S., and Europe. Feasibility studies will be conducted throughout a one and half year period with an investment of US\$5 million and the construction of the port could take up to three and a half years with an estimated investment of US\$250 to US\$300 million.

**MIF supports innovative financing scheme for sustainable agriculture to support coffee, cocoa, and other high-value crops in Honduras, Guatemala and Nicaragua** (Source: <http://www.iadb.org>)

The Multilateral Investment Fund (MIF) approved a loan and technical assistance of \$4.9 million to Root Capital, a nonprofit social investment fund that is pioneering finance for cooperatives, producers' associations, and small and medium-sized enterprises in rural areas producing under sustainable agricultural schemes. The MIF is a member of the Inter-American Development Bank Group. Considered too small and risky for mainstream banks and too large for microfinance, small grassroots businesses such as organic coffee and sugar farms cooperatives are caught in the "missing middle;" they cannot access the capital they need to grow and sustain their operations. Root Capital addresses this market failure through an innovative lending model that serves the needs of these remote grassroots businesses and creates a new class of capital sitting between microcredit and commercial lending, enabling rural communities to unlock wealth and build sustainable livelihoods. The project will comprise a reimbursable financing of \$3 million to expand financing for organizations in Honduras, Guatemala and Nicaragua. Root Capital, through this loan, is expected to mobilize an extra \$13 million in financing by establishing partnerships with local banks and microfinance institutions. In addition, the project will include a non-reimbursable technical assistance component of \$1.9 million to strengthen the financial management of the entities that will receive loans, create partnerships and develop advisory services for financial institutions interested in financing the "missing middle".

**Assessing the Latin America market for call center outsourcing options** (Source: <http://call-center-outsourcing.tmcnet.com>)

In call center outsourcing news, Sitel's Don Berryman, general manager of the Americas, gave a recent interview where he discussed nearshore locations, expansion plans, the ideal employee, plus how to build a good team, according to the industry journal Nearshore Americas. Obviously this is of interest to those involved in call center outsourcing, since Latin America is an increasingly attractive area for the industry. He noted that they can train employees for the job, but they look to hire people who "think well, handle client situations, work on computers, have good typing, have good comprehension skills, or a certain skill set like technical abilities." And it's not just fluent English speakers they're looking for, Berryman said, noting that bilingualism is important in some markets such as "in Nicaragua where most of our products are for English-speaking clients. We went into Colombia to support our Spanish offshore clients and we found that we could service a number of North American clients from there." Discussing the Latin American market overall, Berryman observed that most countries have limited resources, as opposed to call centers in India and the Philippines, but that "Nicaragua and Colombia are outstanding. He said operating costs in Nicaragua and Colombia are good, adding to their attractiveness. "Things like rent and telecom are good. The infrastructure in Bogota is good and the mass transit system, Transmilenio, is great for our employees." When asked which nearshore countries offer the most favorable incentives and investment climate, Berryman explained that none really offer many incentives to come into the country, but "Nicaragua made it very easy to get established.

**El Salvador**



**El Salvador Legislative Assembly approves concession of La Unión port** (Source: [La Prensa Gráfica](#)). Company that wins must invest \$30 million. El Salvador's Legislative Assembly approved by a large majority the concession of the La Unión port, which sets the terms and amounts of investment to be made. The legislation says that the company that wins the concession will have to present a \$30 million plan for investment over the first five



years. Construction of the port was financed by the Japan Bank for International Cooperation. The port cost \$182 million to build.

**Inter-American Development Bank lends \$100 million for reform of El Salvador's electricity sector** (Source: States News Service). The Inter-American Development Bank approved a loan for \$100 million to help reform El Salvador's electric power sector and diversify the country's energy matrix to produce energy savings. The program includes strengthening the sector's institutional framework, increasing the use of renewable energy sources, improving energy efficiency, and encouraging private sector participation and regional electricity integration in accordance with the country's National Energy Policy. Policy measures supported by the loan are expected to decrease the use of diesel fuel in the matrix from 45 percent to 27 percent starting in 2016.

**Salvadoran exports increase by 24%** (Source: Central Reserve Bank of El Salvador) El Salvador exported a total of \$3245.7 million worth of products between January and July 2011, which is a growth rate of 23.7% compared to the same period last year. Exports of traditional products totaled \$486.7 million, which is an increase in sales of 87.3%, driven by increased exports of coffee and sugar. Coffee exports were \$380.0 million in the period, or \$214.5 million more than last year, thanks to the favorable evolution of prices in international markets, export volumes this year increased by 66.4%. Sugar, meanwhile, increased sales by 13.2% due to continued increases in prices. Non-traditional products sold abroad totaled \$2037.9 million, which is an increase of 17.5% compared to the same period last year. Products destined for Central America amounted to \$1078.2 million, increasing by 18.6% in value and 13.1% in volume. Among these products the highest rates of growth were seen in vegetables, milled grain products, starches, cotton yarn, plants, cuttings, flowers and foliage, oils and greases, and handkerchiefs, paper napkins, sanitary towels and paper items. Exports to other countries outside Central America, totaled \$959.7 million, 14.6% more than last year.



**Port authorities to invest \$225 million in infrastructure for Puerto Cortés** (Source: La Tribuna Honduras). An investment of \$225 million is planned in port facilities at Puerto Cortés in Honduras, according to the ENP, the national ports authority. The loans have been approved by the authority while the National Congress is also expected to back them. The Central American Bank for Economic Integration is to lend \$90 million, while the Inter-American Development Bank is to put up \$125 million.

**Honduras needs \$150 million more for hydro projects** (Source: El Heraldo) Construction of two hydroelectric dams in Honduras, Los Llanitos and Jicatuyo, will require investment of \$600 million. So far Brazil's national development bank has pledged to lend \$100 million, the Central American Bank for Economic Integration \$200 million, the Honduran state power company \$100 million and construction company Odebrecht \$20 million. Talks are underway for the \$150 million required to complete the two projects.

**Honduras to Host Expo-Energy 2012** (Source: Expoenergía 2012) From 7th to 11th February 2012, the International Trade Fair for Renewable Energy, 'Expoenergía 2012', will be held in San Pedro Sula. The aim of the event is to provide a platform for those involved in the renewable energy sector in the Mesoamerican region, where they can meet in a dynamic environment, doing business and being informed about existing projects. The meeting will be held in San Pedro Sula's Expocentro, and will feature exhibitions, conferences, business meetings, technical visits and a Mesoamerica Forum, among other activities. The sub sectors involved are: Wind, Biomass, Hydroelectricity, Photovoltaics, and Energy Efficiency.



## Dominican Republic



**Economy grows 4%** (source: Diario Libre) The Central Bank reports that the Dominican economy grew 4% from January-June, a decline in the pace of last year's growth that was 7.5%. Compared to the Gross Domestic Product, the sectors were: Mining 65.6%, Free Zones 9.5%, Farming 7.1%, Local Manufacturing 5.7%, Other Services 5.4%, Health 5.0%, Education 4.6%, Commerce 4.5%, Transport and Warehousing 4.1%, Financial Intermediation and Insurance 3.9%, Hotels, Bars and Restaurants 3.7%, Housing Rentals 3.0%, Public Administration 1.0%, for 70% of the GDP. Sectors that suffered declines were Energy and Water (-7.9%), Communications (-2.3%) and construction (-0.2%). From January to June 2011, the accumulated inflation rate measured by the Consumer Price Index (IPC) was 5.85%, attributed to increases in the price of petrol and farm commodities.

[www.bancentral.gov.do/publicaciones\\_economicas/infeco\\_preliminar/infeco\\_preliminar2011-06.pdf](http://www.bancentral.gov.do/publicaciones_economicas/infeco_preliminar/infeco_preliminar2011-06.pdf)

**Dominican export products** (source: Diario Libre) The bulk of Dominican exports is concentrated in 23 products. During the first five months of the year, 23 products accounted for US\$2.49 billion of the total US\$3.2 billion exported. This year exports are up 18%, about US\$381.89 million more than last year. The leading exports were blood transfusion apparatus (US\$147.66 million), cotton apparel (US\$118.28 million), handmade cigars (US\$102.45 million), raw sugar (US\$100.3 million), ferronickel (US\$72.27 million), electrical switches (US\$68.26 million), disposable medical equipment (US\$66.83 million), bananas (US\$65.45 million), gasoline (US\$60.27 million), steel rods (US\$60.16 million), disposable sheets (US\$48.60 million) and sugar cane rum (US\$42.87 million).

**Micro hydro electricity** (source: Listin Diario) The government is installing small-scale hydro-generation systems to bring power to rural areas. The program is partly funded by UNDP Global Environment Facility (GEF) Small Grants Program. The DR currently has an installed capacity for 523.2 megawatts in hydro generation, or 12% of all electricity produced in the country a year, according to data from the National Energy Commission (CNE). Work is under way to increase this capacity. The Public Electricity Corporation (CDEEE) Rural Electrification Unit is building 31 micro-hydro systems with the support of the United Nations Development Program (UNDP). Of the total, 16 are already in operation, with an investment of US\$4 million, and another 14 in planning phases, involving an additional investment of US\$6 million.

**Venezuelan mega investments** (source: Listin Diario) Venezuelan investment in the Dominican Republic is on average around US\$200 to US\$300 million a year, according to the president of the Association of Foreign Investment Companies ([www.asiex.org.do](http://www.asiex.org.do)). This is 10 to 15% of total foreign investment in the country, estimated at US\$2 billion a year. Venezuelans are investing in finances, real estate, shopping centers (Blue Mall, Novo Centro, Sambil), and tourism investments such as those carried out by Grupo Cisneros in Miches (Tropicalia), and Grupo Cohen. The president of ASIEX He said that the Venezuelans are choosing the country seeking judicial and political stability and economic growth. He mentioned the Venezuelans feel at home in the DR because of the similarities between both countries. According to the The Dominican-Venezuelan Chamber of Commerce (Cavedom) a Venezuelan business mission will come in November to look into opportunities in free zones, construction, farming, cattle ranching and agribusiness.

**OMSA is looking for new buses that run on natural gas** (source: El Caribe) Director of the Metropolitan Bus Services Office (OMSA) visited Asia and the Ukraine and met with several manufactures that offer buses that run on natural gas. He said this kind of buses would work well for the bus unions. The governmental BanReservas funds public transport vehicles benefiting from the diesel bonus to convert their vehicles to natural gas.

**The Finnish company Wartsila will supply 12 powerplants to Barrick Gold** (source: listin diario) Power plant specialist Wartsila has been awarded a turnkey EUR155m contract by Barrick Gold to supply a gas-fired power plant for a project in the Dominican Republic. The combined cycle power



plant will provide electricity for the Pueblo Viejo gold mine. The Finnish company will supply 12 Wartsila 50DF engine units in combined cycle. These are dual use and can run both on liquid fuels and on natural gas. The power plants can be optimized for different outputs in the 100 to 500 MW range and each engine is equipped with a waste heat recovery steam generator. Wartsila already has a presence in the Dominican Republic with 900 MW of installed generating capacity in the country, representing around half of the country's active electrical capacity.

## Trade Events

**Business leaders from 40 countries to debate free zones in Central America** (source: AFP) Some 400 representatives of companies from 40 countries are expected to take part in the annual meeting of the Latin American association of free zones, to be held in Guatemala in October. The aim of the meeting is to attract investment in Central America. It will be held October 26 through 28. Among the countries to be represented are Mexico, Uruguay, Chile, Spain, Portugal, the United States, China, Taiwan and the Philippines.



Government of Aruba

### **“Our Future with Green Energy” - Aruba goes green Conference October 27th, 28th, 29th 2011**

The Caribbean Island of Aruba, which forms part of the Kingdom of the Netherlands, is located in one of the world's region with the highest potential for cost-effective use of solar and wind energy resources for energy generation and use. Aruba has one of the best climatological conditions with high average solar radiation levels (beyond 3500 hours sun a year), adequate wind regimes (up to 5000 hours of wind energy a year) and optimal maritime conditions. Aruba has initiated the transition away from imported fossil fuel dependency and is in the process of implementing a whole range of sustainable energy technologies. The latest renewable energy technology introduced on the island is a 30 megawatt wind farm that meets 18 percent of the islands current energy demand. This conference will gather international experts in the Energy and Climate Change arena to present the state of the art technologies and share their implementation success, the challenges and opportunities in the Western Hemisphere, the Caribbean Region and in addition a close look will be placed on Aruba. Aruba wants to become a centre of knowledge, research and development to facilitate transfer of know-how and technology; and set an example for the rest of the region to contribute in creating solutions for the world's most challenging energy and climate issues. The aim of the conference is furthermore to invite Dutch, American, Regional and International experts on wind, solar and maritime energy technologies to the Island of Aruba, in order to share knowledge of new and proven technologies in these fields. The conference also aims to create a platform where knowledge is shared among the different international parties.

## More information



The Embassy of the Kingdom of the Netherlands in Costa Rica (also responsible for Panama, El Salvador and Honduras), Nicaragua and Guatemala welcomes you to the new Business Guide for



Central American firms that are interested in doing business with the Netherlands. The Netherlands are part of the Kingdom of the Netherlands, which consists of four countries, namely, Aruba, Curacao and Sint Maarten. All are islands in the Caribbean. In 2008, the Dutch embassies in Central America launched the digital trade guide for Dutch entrepreneurs known as "Handelswijzer" with the purpose of providing information on doing business in Central America ([www.handelswijzer.com](http://www.handelswijzer.com)). In 2009 we launched the virtual trading platform to facilitate communication between Dutch and Central America companies ([www.centralamericab2b.com](http://www.centralamericab2b.com)). Now we produced a guide to Central American firms wishing to do business with the Netherlands and Europe (EU), named [www.guidecomercio.nl](http://www.guidecomercio.nl). All these instruments were developed to assist companies in finding business opportunities and promote trade.



#### **TRADEPLATFORM:**

In 2009 the Departments of Commerce of the Dutch Embassies Guatemala-City, Managua and San José developed a trade platform. This Business to Business (B2B) tool helps Central American and Dutch companies to get in touch with the aim of exchanging information and doing business. The

website [www.doingtradeincentralamerica.com](http://www.doingtradeincentralamerica.com) provides information sources for Dutch companies interested in doing trade with Central American companies, and groups them together on this website. On the 1<sup>st</sup> of November 2009 the Embassy of the Netherlands has launched a trade platform, which can be found at [www.centralamericab2b.com](http://www.centralamericab2b.com). This service is provided free of charge. The services of this trade platform include the possibility to promote your company, to publish your trade leads, to search for potential contacts or partners in the different countries and sectors, and to contact the companies that you are interested in. In addition, notifications of events that could be of interest to Dutch or Central American companies will be published on this platform. To maximize the accessibility for all parties, the website is in English. Furthermore, a short manual is provided to make the usage of the website as easy as possible.

To benefit from all these services, please register your company at [http://www.centralamericab2b.com/index.php?option=com\\_comprofiler&task=registers](http://www.centralamericab2b.com/index.php?option=com_comprofiler&task=registers).



#### **EVD country webpage**

The NL EVD Internationaal provides Central American country web pages where you can find up-to-date information, such as: business news, economical developments, tenders, country information (incl. fact sheet and laws), interesting sectors, activities, important documents and the business country guide from the Embassy of the Kingdom of the Netherlands. For more information visit the website: [www.evd.nl/landen](http://www.evd.nl/landen). More information can also be obtained from Judith Brussee, e-mail: [centraal-amerika@info.agentschapnl.nl](mailto:centraal-amerika@info.agentschapnl.nl) telephone: +0031 (088) - 602 80 97.



#### **Embassy of the Kingdom of the Netherlands as information source**

On the website of the Embassy of the Kingdom of the Netherlands in San José (for the countries Panama, Costa Rica, Honduras and El Salvador) you can not only find general information about these countries in our resort, but also specific commercial information. Our 'handelswijzers' business trade guides entail broad and up-to-date information on how to do business in each of the four countries, they are meant as a tool/guide for Dutch exporters and investors. For more information visit: [www.holanda.cr](http://www.holanda.cr), [www.handelswijzer.com](http://www.handelswijzer.com), [www.doingtradeincentralamerica.com](http://www.doingtradeincentralamerica.com) or [www.centralamericab2b.com](http://www.centralamericab2b.com).

For more information you can contact our commercial department at the Dutch Embassy in San José thru email [sanjose@trade-minbuza.nl](mailto:sanjose@trade-minbuza.nl) or by phone (00506) 2296 1490 (Luc Schillings or Hans Buhrs).

You can also contact our Consulaat-Generaal in Panama, Phone: (00507) 263 6494 or (00507) 264 7257 (Jennie van Haren). Email: [consuladonl@cwpanama.net](mailto:consuladonl@cwpanama.net)



Rijksoverheid

For more information about Guatemala you can contact the commercial department of the Dutch Embassy in Guatemala City by email; [gua-ez@minbuza.nl](mailto:gua-ez@minbuza.nl) or by telephone (00502) 2381 4300 (Susana Azurdia). More information can be found on the website: [www.mfa.nl/gua](http://www.mfa.nl/gua)

For more information about Nicaragua you can contact the commercial department of the Dutch Embassy in Managua by email [mng@minbuza.nl](mailto:mng@minbuza.nl) or by telephone (00505) 2276 8630 (Jan Bauer, Luis Bravo) For more information visit the following website: [www.embajadaholanda-nic.com](http://www.embajadaholanda-nic.com) .

For more information about the Dominican Republic contact the commercial department of the Dutch Embassy in Santo Domingo by email [std-ea@minbuza.nl](mailto:std-ea@minbuza.nl) or by telephone (00 1 809) 262 0320 (Reinier Davina) More information is available on the following website: [www.holanda.org.do](http://www.holanda.org.do)