

**Regional Newsflash May 2011** Edition 38

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 economical 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. For Panama a separate newsletter is published.

Central American region**Sharp increase in Costa Rica's export to the Netherlands**

In 2010, Dutch exports to the Central America countries amounted to 327 million euro, the value of imports was 2.438 million euro. Costa Rica represents 87% of the total trade with Central America, using the Netherlands as their distribution hub for Europe. The market share of Dutch trade with the other Central American countries is relatively small. In the past 5 years trade has grown over 70%. This trade surplus is partly due to exports of computer parts and fresh fruits products. Exports of flowers and plants, fruit concentrate and medical supplies also contribute to a positive trade balance.

2010 NL'S TRADE BALANCE WITH CENTRAL AMERICA (millions of euro) Source: CBS Statline

	NL imports	%	NL exports	%	Total Trade	Percentage	NL trading partner
Costa Rica	2.292	94%	119	36%	2.411	87 %	# 2
Panamá	22	1%	92	28%	114	4 %	# 2
Guatemala	69	3%	53	16%	122	4 %	# 12
Honduras	40	2%	27	8%	67	2 %	n/a
El Salvador	9	0,4%	22	7%	31	1 %	n/a
Nicaragua	6	0,2%	14	4%	20	1 %	n/a
	2.438		327		2.765		

With a share of approximately 30 percent in total export value of Costa Rica, the Netherlands is the second largest trading partner of Costa Rica. When compared to whole Latin America, Costa Rica is third largest supplier to the Netherlands, only to be surpassed by Brazil and Chile.

Mexico makes progress in new free trade agreement with Central America (source: Efe) Representatives of Mexico and Central America concluded the fifth round of a joint free trade agreement. Progress was made in market access, facilities for commerce, technical obstacles and intellectual property rights. The fifth round was held in Mexico City. The following round is to be held in August in El Salvador.



visited by 7.64 million tourists, who contributed to the economies of those countries something in the region \$6,122 million.

Recovery in CA Tourism (Source: laprensa.com.ni) Three years after the global economic downturn, tourists are once again looking at Central America. Tourism in the isthmus grew at a rate of 3.4% over the first two months of the year, although slightly lower than global growth, it represents a major change for the region. This is clear from the information provided by the World Tourism Organization, whose data points to Costa Rica as the largest recipient of tourists in Central America, having received 2.1 million visitors in 2010, equivalent to \$2111 million in foreign exchange. In 2009, according to the World Tourism Barometer, Central American countries were



Pharmaceutical Industry in Central America (Source: Grupo Centroamericano de Política de Competencia) A study of the regional competition in the wholesale supply chain and retail distribution of medicines in Central America. The study aims at analyzing competition of the drug sector in Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama from a regional perspective in order to strengthen coordination among these countries in promoting and protecting competition and universal access to safe medicines. The study attempts to contribute to the ongoing process of regional integration of the drug sector. The report uses 4 widely known classifications in order to analyze relevant aspects of the

pharmaceutical sector:

- Ethical Market / popular market (prescription drugs / prescription medicines or OTC). In Panama and Central America the ethical market represents 80% of sales.
- Institutional and private market. The largest institutional market belongs to Costa Rica with 39% and the smallest to Nicaragua with 12%. The study excludes the institutional market, but most available statistical information prevents disaggregation.
- Original products (innovative or research), branded generics, non-branded generic products. In Panama and Central America, branded generics represent 54% of sales and original represent 39%.
- Therapeutic Class (Anatomical, Therapeutic and Chemical Classification System - ATC). The level of disaggregation in international markets, prima facie establishes the relevant antitrust markets. Original drugs and branded generics make up 90% of the market in Central America and Panama. These products are mostly imported and are already classified and packaged for distribution and consumption, for which it is important to establish how the industry operates globally.



Banco Interamericano de Desarrollo

IDB Announces \$2.000 Million for CA and Dominican Republic (Source: Inter-American Development Bank) The President of the IDB announced funding to meet priorities in Central America and the Dominican Republic. "This year we will maintain our response and commitment to the region," said Alberto Moreno. "The \$ 2.000 million" he added, "will be used to address infrastructure priorities, particularly roads, energy, social safety nets, with an emphasis on strengthening health services, education, housing, natural disasters and climate change, finance and public safety. In 2010 the IDB approved a total of U.S. \$ 2.080 million through 43 projects in areas such as infrastructure, social development and fiscal reforms. This reflected a 30 percent increase in approvals with sovereign guarantees from the previous year.

Costa Rica and Nicaragua interconnect as part of regional electricity system (source: Inside Costa Rica) Costa Rica and Nicaragua have made progress in energy interconnection. Electricity substations at Cañas in Guanacaste, Costa Rica and Ticuantepe, Nicaragua, managed to interconnect for the first time for a duration of three hours. The link project is part of electrical interconnection system for Central American countries. The aim is to create a regional electricity market from Guatemala to Panama to allow savings of up to 20 percent in the average cost of power generation.



Dutch Puma Energy acquires ExxonMobil assets in the region (Source: Puma Energy) Puma Energy has agreed



to acquire ExxonMobil's commercialization and fuel supply assets in Belize, El Salvador, Guatemala, Honduras, Nicaragua and Panama. Founded in 1997, Puma Energy has quickly grown into one of the world's largest independent petroleum commercialization and downstream distribution companies. The acquisition must still be approved by the corresponding authorities in each country.

Security: bad news is good business. The region continues to face serious security problems. Honduras last year had the dubious distinction of becoming the world's most dangerous country, with more than 70 intentional homicides per 100,000 of population, followed by Guatemala. In recent years, both countries, together with El Salvador, have consistently been among the world's five most dangerous places. The problem of violence in Central America the increased cocaine traffic between South America and the United States moving through the region. Costa Rica, Nicaragua and Panama continue to have low homicide rates, but authorities in those countries are concerned that increased drug trafficking could make the situation worse. China recently announced that it would contribute \$30 million to finance a new police academy in Costa Rica. Opportunities for Dutch companies are: security companies, providers of security systems and security consultants.



APM Terminals' Moin Port Terminal overcomes new obstacle but still has to go to Court (Source: Ministerio Obras Públicas y Transportes) The project for construction of the Container Terminal (Terminal de Contenedores) has triumphed over the two lawsuits that sought to curb its award. The Controller General's Office flatly rejected as inadmissible (the union has no legitimate interest, and is not a bidder in this process) the appeal filed by the Workers Union JAPDEVA (SINTRAJAP) against the award of the project to the Dutch firm APM Terminals. The Controller's position comes after a rejection made on Friday 15 April this year by the Administrative Law Court who dismissed the "medida cautelar" (legal request to stop the project) filed by the National Banana Workers Association (Canabae), one of the 34 associations who would be users of the port. Costa Rica \$992 million port contract goes to court. Costa Rican banana exporters have scored a victory against the concession for the construction of a container terminal at the port of Moín. The judge who has been hearing the exporters' plea to cancel the concession has denied a request to shelve the case. The request came from the government and APM Terminals, the Dutch group that was awarded the concession. The \$992 million project for the construction of a specialized port is the biggest ever promoted by Costa Rica.

\$6.5 billion public works projects (Source: elfinancierocr.com) The program of projects will focus on environmental education, security and infrastructure. The Costa Rican government has announced the implementation of a series of public works projects worth \$6.5 billion of which 62% will be financed by loans. The government hopes that the projects, once initiated, will improve the performance of the economy, which has tended to slow down since last year. With the aim of making the most of the country's current good credit rating, the government has arranged for loans to be granted with the Central American Bank for Economic Integration (CABEI) and the Inter-American Development Bank (IDB) in order to finance the work program.

Costa Rica needs to invest \$ 2,3 billion in water and sanitation (Source: Water and Sewage Institute) The Costa Rican Institute of Aqueducts and Sewers (AyA) has analyzed the investment needs for the period 2010-2030, estimating them at over \$2,300 million. Diagnosing the reality of state of the water and sewage systems in Costa Rica formed the basis for estimating the amount of investment required at the national level. The report reflects the situation and estimates the required investment not only for areas where the AyA is currently providing these services, but also in areas where water supply and sanitation is under the responsibility of municipalities and other organizations. The report's overall conclusion is that, taking into account the needs identified, Costa Rica nationally requires a total investment of approximately U.S. \$2,366 million for the period 2010-2030 for drinking water and collection and treatment of wastewater.



Status of Agricultural Sector in Costa Rica (Source: National Chamber of Agriculture and Agribusiness) The Agricultural Sector has experienced the loss of hundreds of acres of various crops, factories and company closures, and the reduction of thousands of jobs in Costa Rica. The National Chamber of Agriculture and Agro (CNAA), Upanacional and the Independent Smallholders' Union of Perez Zeledon (UPIAV) expressed on May 12, Farmer's Day in Costa Rica, there is not much to celebrate. They denounced the loss of thousands jobs, factories and farm closures, as well as a decline in investment and exports. The paper "X-ray of a foretold crisis", expresses in detail the numbers of the crisis affecting the sector in the following topics:

- Reduction of sown areas and farms closing
- Fall in exports and competitiveness
- Decline in Direct Foreign Investment
- Lower industry growth trend in the Monthly Economic Activity Index (MIEA)

A lack of incentives, slow modernization and increased worldwide competition have weakened the country's agro-export sector. Proof of this is in export figures for melon, flowers, ornamental plants, animal feed and chayote squash, which have fallen to levels last seen five years ago. Two studies warned of the situation a while back. One by a group of researchers from the Netherlands financed by the Dutch Embassy, indicated that the sector had reached maturity and was about to enter its decay phase. Costa Rica's Ministry for Farming (MAG) claims that the problems relate to very specific cases.



\$300 million new investment in hotel sector (Source: Nacion.com)

About \$300 million will be invested in new tourism developments around the country. The northern part of Costa Rica, one of the most visited by foreign tourists, is destined to have three new hotel projects which have short term development plans. One of them is Dreams Las Mareas Resort, initially valued at \$125 million, to be located on a 1,500 hectare property in La Cruz, Guanacaste. It will be a five star hotel with 400 rooms, spa, meeting rooms, and six restaurants, among other amenities. Another project is Paradisus Papagayo Bay, to be located in the Gulf of Papagayo. It plans to open its doors in 2013 and will be a 5 star hotel built on an 21 hectare estate. Finally, the area of Sardinal in Puntarenas will host the first Pure Hotel in Central America said Eduardo Vilchez, representing Pacific Mountains SA, member of the U.S. Oriens Travel & Hotel Management, which owns the Pure brand.

Costa Rica: German connection. As of the next high season, Germany will have a direct air link to Costa Rica's most popular tourism area. The initial program will be modest, as Air Berlin launches a twice-monthly flight between Dusseldorf and Liberia, starting in November. On the other hand, this is the first direct connection between Liberia and a European city. Condor currently connects Frankfurt and San José. Meanwhile, Liberia has the advantage of being less than an hour by road from many of Costa Rica's most popular tourism destinations, ranging from tropical beaches to national parks in nearby mountains. The strong euro means more Europeans are able to travel to destinations, such as Costa Rica. Opportunities for Dutch tour promoters, hotels and guides.

Palm oil producers benefits from record oil price increases (Source: Nacion.com) Costa Rican oil producers have seen the price of their product grow over 300% since 2000. Recent years have been buoyant for the palm oil sector in Costa Rica. International prices, which now exceed \$1280 per metric ton of palm fruit, the raw material for the oil, have generated significant revenue for producers. Strong imports from India (eight million tons in 2010) and China (seven million tons), suggest that the market will remain stable for a long time. According to the report by the National Council of Production the situation could benefit the local market and develop the potential of this crop in some areas in Costa Rica.

Companies to re-use waste (Source: Nacion.com) The signing of the Partnership for the Development of Recovered Waste will allow waste materials to become valuable and to be recycled wherever possible. Glass, plastic and aluminum are some of the materials that companies plan to reincorporate into their production chains, as a means of making the most out of their inputs. The alliance is made up of representatives from government, including the Ministries of Health and Environment and members of the private business sector, such as the Chamber of Industries, Coca Cola and Florida Bebidas , among others. The goal of the alliance is to assess the residue beyond the



first use to which it was designed. Daily, the country generates 3,780 tons of solid waste. 70% of this is from reusable or recyclable materials.

China could open market for Costa Rican dairy and meat (Source: Nacion.com) The protocols necessary for exporting Costa Rican products to China could be signed next June. This was announced by the Minister of Agriculture and Livestock of Costa Rica during the recent visit of his Chinese counterpart. It is expected for protocols to be signed during the official visit of Chinese officials next June. Costa Rica is also very interested in dealing with China's protocols for poultry and pork. With regards to the two protocols, Chinese officials asked to approach them one at a time.



Tratado de Libre Comercio
entre Costa Rica y China



Costa Rica wants additional Chinese Investment (Source: Nacion.com) The construction of an industrial park could turn the country into a platform for Chinese exports to other markets. Costa Rican authorities want to profit from the economic growth of the Asian giant, which seeks new markets for its products, by promoting the creation of an industrial park for Chinese companies in Costa Rica. The arrival of these companies would create new jobs in the country. One of the

government's objectives is to bring corporate investment to the less developed areas of the country, although there is still no tentative location for said park.

New wind energy projects (Source: elfinancierocr.com) Using an investment of over \$240 million, five companies are preparing to start up wind farms. Italians, Costa Ricans and a power supply company in the province of Heredia are some of those interested in generating power using the wind currents of Guanacaste. The projects they soon plan to start have diverse generating capacities. For example, the Montes de Oro Wind Project, with an estimated investment of \$23.7 million, will produce an output of 20 megawatts through eight wind generators on a 105 hectare farm.

\$ 200 million for ethanol production plant (Source: Bloomberg.com) Ecuadoran Nobis Consortium, announced plans to invest \$ 200 million to produce ethanol in Costa Rica and Peru. The company, based in Guayaquil, said it would seek to exploit the free trade agreements signed between these countries and the United States. The final decision would be made in June.



ICE Tenders \$14 million in machinery (Source: Mer-Link) The Instituto Costarricense de Electricidad (ICE) is inviting tenders for the purchase of three drilling machines. The tender is for the acquisition of surface drills (Type TRACK DRILL) weighing 11, 15 and 20 tonnes for use in the Reventazón Hydroelectric Project, the Hydroelectric Expansion Project and the Project Cachi Hydroelectric Diquís. The contract also includes training for personnel who will use the machines. The estimated date for submission of proposals is June 15, 2011

\$18 million investments announced for Puntarenas (Source: elfinancierocr.com) Companies Sardimar and Metalco (Arcelor Mittal) announced investments of \$18 million in their facilities located in the province of Puntarenas. They unveiled their initiatives during the presentation of the governmental project "Puntarenas 2016: promoting investments". Sardimar will invest over \$10 million to improve commercialization "creating some 250 jobs". Metalco will invest around \$8 million, mainly to increase its presence in Central America.

Food giant Cargill buys up Costa Rica's Pipasa. Pipasa, Costa Rica's flagship poultry and meat company, was bought out by the US giant Cargill. News of the sale was confirmed by sources close to the sale, who did not detail the amount of the purchase price. The purchase of Pipasa forms part of Cargill's aggressive expansion plans for Central America. In 2010 PIPASA registered sales of Usd \$200 million.

Bridgestone to open financial services center in Costa Rica for Latin America (source: Inside Costa Rica) Bridgestone de Costa Rica announced the opening a financial shared services for Latin America. Costa Rica's president, Laura Chinchilla, said that the announcement is the result of the efforts by her government to increase foreign direct investment. Bridgestone also confirmed an investment of \$70 million to expand its plant in Heredia.



Cemex will supply cement for Costa Rican hydro power plant (Source: Cemex) The company announced it was selected to supply the cement required by the first phase of the Reventazón hydro power plant. The \$1.2 billion facility will output 311 MW when finished, and will become Central America's largest. Cemex is expected to supply 50.000 tons of cement for the first phase of the project.



Petróleos Delta acquires assets of Shell Costa Rica (Source: Nacion.com) Petróleos Delta closed negotiations to purchase Shell and will invest \$ 4 million over the long term in the network of gas stations. The new company will also operate the 13 convenience stores located at the gas stations. Both services will change name and corporate identity over the short term, the CEO added. For now, gas stations and convenience stores will continue with the traditional Shell logo," Augusto Gerbaud, CEO of Petróleos Delta in Costa Rica.

[Guatemala](#)





Dutch Embassy hosts promotional event. With the National Exporters Association (Agexport) as co-host, the Dutch Embassy organized an event with the purpose of promoting Dutch private sector promotion instruments. With more than 75 companies as participants, the event was a success. Among the speakers were Oikocredit, DLV Plant (on PSI+) and the PUM Representative. The Matchmaking Facility, CBI and the Nuffic Scholarship Program were presented by the Embassy's representative. The event was covered by the main local newspapers. Due to this media coverage a lot of interested companies have contacted the embassy looking for more information about the programs. Around 4 to 5 companies are ready to apply for the PSI Plus.

PERENCO to invest US\$35 million in Guatemala Benoit de la Fouchardiere, Perenco's manager, stated that they are planning to invest US\$35 million in Xan, Petén. The investment comprises the drilling of two oil wells at a cost of around US\$12 million. This investment is detained because Perenco does not have the necessary environmental permits that should be issued by the Ministry of Environment and Natural Resources. This represents an annual loss of approximately US\$15 million in dividends for the Guatemalan government. According to Luis Ferraté, Minister for the Environment and Natural Resources, Perenco has not filed the required environmental impact studies. The Xan area is the most important oil producing region in Guatemala with an annual production of 4 million barrels. The current wells are already facing declining production.

Clean Energy summit took place in Guatemala The Regional Summit for Clean Energy, organized by BCIE (Central American Bank for Economic Integration), took place in Guatemala and concluded with the announcement that BCIE will finance environmental initiatives for small and medium enterprises. This initiative called Mypymes Verdes, will support small and medium enterprises in the region with the implementation of environmental projects. The summit gathered more than 600 centralamerican officials, experts and professors who analyzed and debated about strategies and initiatives to promote investments in the renewable energy sector. BCIE's president, Nick Rischbieth, stated that the Mypymes Verdes initiative seeks to contribute to the protection of the centralamerican environment and climate which are seriously threatened by the effects of climatic change. This initiative will be financed by the German Ministry of Cooperation, Economy and Development with a contribution of US\$42,33 million and the European Union with US\$4.23 million.

European Commerce Commissioner to visit Guatemala in June Karel De Gucht, European Commerce Commissioner, will visit Guatemala on June 21st, announced Luis Velásquez, Minister of Economy. The European official will attend a meeting about security between Central America and the EU in which the Economic Ministers of the region will participate. The Spanish version of the "Association Agreement" between the region and the EU will be signed and other commerce related topics will be discussed. Mr. Velásquez explained that the Agreement will be sent to congress in October and it is expected to be ratified during the first trimester of 2012.

Increasing housing deficit According to projections by the Guatemalan Construction Chamber (CGC), by the end of 2011 the housing deficit will reach 1.6 million units, 4.6% higher than 2010. Concern about this situation prompted the CGC to pose a plan to the presidential candidates that allows building around 60,000 houses per year and will prevent the deficit's increase. This plan will also include proposals to reactivate the infrastructure sector in the country. CGC's President, Jorge Montenegro, stated that most of the housing projects in Guatemala are financed privately. However there are many families who do not have access to private credit, which makes it important for the government to promote new subsidy programs and make the existing ones more transparent.

Bread processing industry seeking exports to Europe and Asia The bread processing industry in Guatemala is in a position to compete with big companies in Europe and the United States. According to the National Exporters Association (Agexport) more than ten local bread processing companies are already exporting their products and provide around 10,000 jobs. Export sales reached US\$120 million last year. Modernization The Netherlands Senior Experts Program (PUM) has worked with this industry by providing technical assistance in the areas of innovation and productivity, stated Rodolfo Mendoza, local representative for PUM.



The pursuit of palm oil profits by agribusinesses has surged in Guatemala (source: The Guardian) The area of Guatemala given over to palm plantations to produce agrofuel increased by 146 percent between 2005 and 2010, according to estimates by the National Institute for Agrarian and Rural Studies in Guatemala City. This huge expansion has been largely unregulated. The new palm frontier is in the north of the country, where protected tropical forests have been cleared for plantations.

Migrants sent home record \$415 million to Guatemala (source: El Periódico) Guatemala's emigrants sent home \$415 million to their families in May, the highest monthly figure ever. The \$415 million was 16.3 percent more than in May of last year. This was the second time that monthly remittances to Guatemala broke the \$400 million barrier. In July 2008, they reached \$409 million.

Bunker prices up 36% in a year (Source: prensalibre.com) The price of bunker in Guatemala has increased 36% over the last 12 months. In March 2010, the cost per gallon was \$ 1.79, reaching \$ 2.45 in March 2011. Roberto Barrera, independent expert on energy issues, said that bunker maintained an upward trend similar to the barrel of oil. 20% of electrical generation in the country is produced by burning bunker.



Nicaraguan exports on upward trend (Source: www.insidecostarica.com) Nicaraguan exports continued growing during the first half of April, confirming the forecast that they will exceed record figures achieved in 2010. Goods worth 793 million USD were sold until April 15, an increase of 39 percent against same period of 2010, according to the latest figures of the Center for Export Procedures (Cetrex). The Nicaraguan Government expects to sell goods abroad worth 2.20 billion USD at the end of this year, exceeding the 1.90 billion USD achieved in 2010. Main exports are coffee, beef, gold, peanut and cane sugar, according to Cetrex figures. The United States remains the main destination of Nicaraguan exports, with 46.2 percent of the total, followed by the rest of the Central American countries (17.6), Canada, Venezuela and European countries.

Nicaragua plans to revive cotton production to supply free-zone textile plants (source: AFP) Nicaragua is planning to revive its production of cotton, with assistance from Brazilian investors. The intention is to provide cotton for the free-zone textile export plans of Nicaragua. The plan is to sow some 2,000 hectares of cotton. The crop will be processed in plants that the textile companies will set up in western Nicaragua.

Cargill follows up on Pipasa acquisition by investing \$27 million in Nicaragua (source: La Prensa) Cargill will invest \$27 million over the next five years in Nicaragua following the acquisition of Costa Rica-based Pipasa. Alfredo Vélez, vice-president of Cargill Meats Central America, denied that Cargill would be creating a monopoly to the detriment of consumers. The basic fact is that the poultry industry is havenily concentrated in the region. There are only two or three companies in each country. But this concentration creates efficiency. The high volumes lower costs.



Nicaragua aims for 90 percent of energy from renewable sources by 2017 (source: Efe) Nicaragua aims to break its dependence on oil imports by depending on renewables for 90 percent of its energy needs by 2017. Currently Nicaragua depends on oil for 66 percent of its power plants. At present, the nation's generating capacity is 560 megawatts.

\$100 Million cattle feedlot to be built in Nicaragua (Source: SuKarne S.A. de C.V.) In the presence of Nicaraguan President, Comandante Daniel Ortega Saavedra, accompanied by Jesus Vizcarra Calderon, chairman of the Board of Directors of Grupo Viz / SuKarne, the facilities of Unidad Industrial de Ganaderia Integral Nicaragua, S.A. (GINSIA) were inaugurated in May 11, 2011, in SuKarne's first



investment in livestock outside Mexico, in the first large-scale, intensive cattle fattening enterprise in Nicaragua. Also in attendance were Mexico's Secretary of Agriculture, Livestock, Rural Development, Fisheries and Nutrition, Francisco Javier Mayorga Castaneda; Mexico's ambassador to Nicaragua, Raul Lopez Lira; Doctor Everardo Gonzalez, Coordinator General of Livestock, as well as federal deputies Oscar Lara, Alfredo Villegas and Rolando Zubia. In this initial phase, SuKarne's investment includes ten feed storage centers strategically located for direct feeding of livestock, and as part of its infrastructure, it will be equipped with fattening corrals for a permanent inventory of 50 thousand head of cattle. Grupo Viz / SuKarne's investment in GINSA of US\$ 100 million includes a slaughterhouse and boning plant that will operate under the same strict quality standards as all its plants in Mexico do, guaranteeing food safety and product harmlessness.



Walmart to invest US\$54 million in Nicaragua (Source: <http://www.prlog.org/>) Walmart Store Inc., the world's largest retail store, through its subsidiary in Mexico and Central America, recently announced its plans to invest

US\$54 million in Nicaragua this year, its most aggressive expansion plan in the country so far. The investment will involve the opening of 14 stores in different parts of the country, including León and Rivas, generating a total of 420 direct jobs and a similar number of indirect jobs, which will totalize 73 stores and 2,757 jobs in Nicaragua. "As we continue to develop infrastructure, we will also see a growth in sales. Additionally, Walmart will have a 24 percent growth in number of stores by the end of 2011", commented Gabriela Gutierrez, Vice President of Real Estate Development for Walmart Central America. Mexico has been among the top three sources of FDI in Nicaragua, becoming a strategic economic partner for the country.

Nicaragua's textile exports increased during first quarter of 2011 (Source: <http://www.prlog.org/>)

The Nicaraguan Association of the Textile and Apparel Industry (ANITEC) recently announced that Nicaragua exceeded its projections of textile and apparel exports during the first quarter of 2011, reaching US\$272.09 million, an increase of 23.3 percent in comparison with the US\$220.69 million achieved during the same period of 2010. In regards to volume, the industry experienced a growth of 25.3 percent in the first quarter of 2011 by reaching 95.73 million SMEs, compared to 76.41 million SMEs reported during the same period in 2010. Javier Chamorro, Executive Director of PRONicaragua, considers that exports will continue to grow as the year goes by, stating that "this year's figures have surpassed the records of 2007 by close to 23 percent in value and 43.5 in volume". Until now, 2007 figures represented Nicaragua's peak in textile and apparel exports, with US\$222.15 million in value and 66.7 million SMEs in volume. Items such as knitted nightgown pajamas, jackets and sleepwear, cotton dresses, baby clothing, skirts and pants, shirts, blouses, cotton trousers and undergarments have demonstrated the highest growth rates during the first quarter of 2011. In 2010, Nicaragua became the 12th largest worldwide apparel supplier to the U.S. in volume. Apparel exports in value reached US\$1,017.5 million during 2010, an increase of 14 percent versus 2009. In volume, the country exported 362.4 million SMEs, an increase of 17.9 percent over 2009. According to statistics from the National Free Zones Commission, the free zone sector employed approximately 85,000 people by the end of 2010. The textile and apparel sector accounted for nearly 70 percent of free zone employees, reaching nearly 60,000 individuals.



Salvadoran exports up 23.7% (Source: Central Reserve Bank of El Salvador) In the first two months of the year the country exported \$862.8 million, 23.7% more than the same period of 2010. The best performing sectors were traditional products, nontraditional ones and maquila, both in increased volume as in better prices. Traditional goods accounted for \$142.9 million, with coffee reporting a 70.3% increase, due to better international prices. Nontraditional goods summed \$536.6 million, with an increase of 18.1%. 77% of all exports shipped to the United States of Central America.



Alba Petr6leos opens \$120 million El Salvador plant (source: Efe) Alba Petr6leos opened a modern fuel storage plant in El Salvador with a 350,000 barrels capacity. Alba is an affiliate of Venezuela's state oil company PdVSA. The plant was financed by the government of Venezuela. Medardo Gonz6lez, coordinator of the ruling FMLN party, said the investment came to \$120 million.

El Salvador's trade deficit balloons to \$1.4 billion in first four months of the year (source: Prensa Libre) El Salvador racked up a \$1.4 billion trade deficit from January through April, 12.7 percent more than in the same period of last year. Exports came to \$1.8 billion, compared with \$3.2 billion in imports. Among the exports, the most dynamic sector was non-traditional products, such as crafts, medicines, paper and aluminum goods, fruit and vegetables. They came to \$1.1 billion.



El Salvador's national ports operator to finalize La Uni6n concession by July 2012 (source: Business News Americas) El Salvador's national ports operator Cepa expects to finalize the concession of La Uni6n port by July 2012. A bill that will allow the port's concession has been presented to the legislative assembly and is expected to be submitted to the special finance committee for discussion shortly. Once the project is approved, officials will begin drawing up tender documents.



South Korea signs accord on the development of port facilities in Honduras (source: Efe) The governments of South Korea and Honduras signed a memorandum of understanding on the development of ports in Honduras. The agreement is yet another result of the visit to Korea by the Honduran president, Porfirio Lobo. The memorandum establishes the participation of the International Association of Contractors of South Korea in the public-private investment of Honduras.

Honduran biodiesel. A group of American investors, including Abundant Biofuels Corporation, is analyzing an investment of \$25 million in a 10,000-hectare property in southern Honduras, in order to grow plants - especially jatropha - which can be used as jet fuel. Producers are already growing jatropha in various countries in the region, including Brazil, Colombia and Peru, at prices below \$50 a barrel. Warm weather and abundant rainfall could make Honduras an attractive place for the cultivation of the shrub, which in the right conditions can be intercropped on the same plantation with other plants, such as sugar and coffee. A hectare of jatropha can each year yield around 15,000 liters of biodiesel, made from oil pressed from the seeds of the plant. In the past two years, several airlines have successfully conducted test flights, using a mixture of 50:50 biodiesel from jatropha, and standard jet fuel. With aviation fuel prices over \$100, growers have an incentive to increase production. Opportunities for biologists, growers, investors and refiners.



Honduras aims to return to Petrocaribe oil pact but not Venezuelan-led Alba (source: La Tribuna) Honduras is going to rejoin the Petrocaribe oil pact as a commercially viable mechanism, but not the Venezuelan-led Alba alliance. Alba is a political alliance, explained Arturo Corrales, the Honduran planning minister. President Porfirio Lobo said that Venezuela will send a mission to re-establish the membership of Honduras in Petrocaribe.

Honduran free-zone exports grew by \$472 million to \$2.98 billion last year (source: El Heraldo) Exports from the free zones in Honduras pulled in exports of \$2.98 billion last year, an increase of \$472 million. The nation's central bank said that, of the increase, textiles accounted for \$404 million, while electrical parts \$46 million. Other goods accounted for the remainder. The United States was the leading importer, at \$2.52 billion.



Honduras asks Britain's K Group to prepare study for inter-ocean railroad link (source: Efe) The president of Honduras, Porfirio Lobo, signed a memorandum of understanding with Britain's K Group on a feasibility study for the construction of a coast-to-coast rail link in the country. Lobo signed the memorandum with a representative of K Group, Salim Khairiddine. The project consists of a high-speed rail service between Puerto Castilla in the Caribbean and Amapala on Isla del Tigre, on the Gulf of Fonseca.

Dominican Republic



50 million people in United States are Latino origin (source: census.gov) According to the 2010 Census, 308.7 million people resided in the United States on 1 April 2010, of whom 50.5 million (or 16 percent) were of Hispanic or Latino origin. The Hispanic population increased from 35.3 million in 2000 when this group made up 13 percent of the total population. According to the bureau, the largest Hispanic groups in the US are: Mexicans (31.8 million), Puerto Rican (4.6 million), Cuban (1.8 million), Salvadoran (1.6 million), Dominican (1.4 million) and Guatemalan (1.0 million). The US Census Bureau says that in 2010, 37.6 million, or 75%, of Hispanics lived in the eight states with Hispanic populations of 1 million or more: California, Texas, Florida, New York, Illinois, Arizona, New Jersey and Colorado. The bureau reports that between 2000 and 2010, the Hispanic population grew by 43%, or four times the nation's 9.7 percent growth rate. www.census.gov/prod/cen2010/briefs/c2010br-04.pdf

Digital TV by 2015 (source: INDOTEL) The Dominican Telecommunications Institute (INDOTEL www.indotel.org.do) informed that 2015 will mark the end of the analog era of TV and the start of digital TV. Digitalization would bring improved quality television services. Companies will need to import new equipment for the change. Perez said that while some channels have been making investments towards this switch, none are fully digitalized yet.

Venezuelan company acquires the Pollo Cibao, the largest Dominican Chicken Industry. Agritrade of Venezuela has purchased Corporacion Avicola y Ganadera Jarabacoa, best known for its Pollo Cibao brand. Corpa president Carlomagno Gonzalez announced an injection of higher international quality production standards and new technology for poultry production. The integration of Agritrade in Corpa is beneficial for all parties. It guarantees the sustainability and strengthening of the poultry industry in the Dominican Republic. Agritrade has supplied grain to Corpa for more than 10 years.

IDB has US\$364 million available for financing projects (source: El Nuevo Diario) The Inter-American Development Bank has made its budget support programs conditional on the achievement of significant improvements in the electricity sector. According to the IDB representative for the Dominican Republic Manuel Labrado, some US\$364 million is available for financing projects in the country, but this is linked to improvements in the electricity sector. He added that there was money available for the private sector. According to the newspaper, the IDB representative shared the opinion of the International Monetary Fund (IMF) that the Dominican economy is pretty healthy and showing an acceptable growth rate in comparison to other nations in the area. IMF maps are showing the DR in blue and countries like Spain and France in pink and Portugal in red, which means that the DR is on a good footing.

Chamber of Deputies approves US\$35 million for water (source: Hoy) The Chamber of Deputies has approved a loan for US\$35 million to be used in investments for water and for cleanups by the National Institute for Drinking Water (INAPA). The deputies accepted a report from the Hacienda Commission that approved the loan between the government and the Inter-American Development Bank (IDB).



Trade Events



Feria Alimentaria 2011, 25 - 27 Julio, 2011

Grand Tikal Futura Hotel, ciudad de Guatemala, Guatemala
Exhibición comercial de productos, utensilios y equipamiento para la industria de alimentos, bebidas y restaurantes. En su 16 edición, es el evento más importante y efectivo para la colocación de productos y servicios para la industria de Alimentos y Bebidas en el mercado guatemalteco y regional. Está enfocado a exponer -en más de 220 stands- insumos, alimentos, bebidas, software, utensilios, equipo y servicios varios, vinculados al negocio de la hotelería y restaurantes.



Spreekdagen Latijns-Amerika, 29-30 november 2011

Verken uw kansen in Argentinië, Brazilië, Chili, Colombia, Costa Rica, Cuba, El Salvador, Honduras, Mexico, Panama, Peru, Suriname en Uruguay. De spreekdagen geven u een unieke gelegenheid om samen met vertegenwoordigers van diplomatieke posten uit verschillende landen te kijken naar uw kansen op de lokale markt.
NL EVD Internationaal; Afdeling Evenementen, Telefoon: (088) 602 83 99
E-mail: evenementen@info.agentschapnl.nl
Meer informatie: <http://www.agentschapnl.nl/onderwerp/international-challenge>

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). In 2009 we launched the virtual trading platform to facilitate communication between Dutch and Central America companies (www.centralamericab2b.com). Now we produced a guide to Central American firms wishing to do business with the Netherlands and Europe (EU), named www.guiadecomercio.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 provides information sources for Dutch companies interested in doing trade with Central American companies, and groups them together on this website. On the 1st of November 2009 the Embassy of the Netherlands has launched a trade platform, which can be found at 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.



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. More information can also be obtained from Judith Brussee, e-mail: 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, www.handelswijzer.com, www.doingtradeincentralamerica.com or 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 or by phone (00506) 2296 1490 (Carel Richter 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

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



Rijksoverheid

For more information about Nicaragua you can contact the commercial department of the Dutch Embassy in Managua by email mng@minbuza.nl or by telephone (00505) 2276 8630 (Jan Bauer, Luis Bravo) For more information visit the following website: 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 or by telephone (00 1 809) 262 0320 (Reinier Davina) More information is available on the following website: www.holanda.org.do