



## Regional Newsflash

April 2009

### Central-America: 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 to do with the region. This newsflash is shared with a distinctive group of Dutch businesses with special interests in the region or a specific country within. It is put together on basis 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 desire to send a observation, please feel free to forward a message to [nltrade@racsa.co.cr](mailto:nltrade@racsa.co.cr) A separate newsletter is published for Panama.*

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## **Central-America region**

### ***Central American construction potential estimated at \$7.12 billion***

(Source: laprensagrafica.com) EXPORTA El Salvador estimated the value of the regional construction sector, excluding El Salvador, at

\$7.12 billion. The figure comes from a study by EXPORTA, the Salvadoran Export Promotion Agency, an organisation focused on market opportunities presented by the construction sector in Central America for Salvadoran firms. The findings, published in an article in La Prensa Gráfica, emphasized that "services in the construction industry are more developed in Panama, Guatemala and Costa Rica, mainly because of foreign or public investment in tourism and large infrastructure" and in Panama, despite the slowdown, "the majority of the projects are still in progress." In those 3 countries, industry is demanding "more specialized services like digital design or software architecture that does not clash with the environment and furthermore engineering with expertise in infrastructure."



***Central America regional integration*** (Source: Estrategia & Negocios) With an increase of 16% annually over the past five years, trade between the countries of Central America is the real force behind regional integration. Despite the comings and goings (snap ik niet helemaal) with which governments have handled the process of

integration, intra-regional trade continually progresses. In recent years, the number of exchanges in goods and services between the countries of the region have doubled, surpassing \$6.3 billion per year. The countries of Central America began the integration process 48 years ago although the instrument began to be perfected from 1994 onward to the extent that the nations have free trade, with the exception of two products (sugar and coffee).



**Regional production and inflation continue to drop** (Source: Central American Executive Secretariat of the Monetary Council) According to the situation report for March 2009 by the Executive Secretary of the Central American Monetary Council (SECMCA); The Central American - Dominican Republic region could experience economic stagnation or a slight decline in 2009. Econometric projections of regional economic growth already considered that the area of economic stagnation is at its

bottom point. Projections with data from the Monthly Indicator of Economic Activity and variables related to production that are more up to date, indicate that if this trend continues and if the same global conditions are maintained, the rate of growth in 2009 could fall below zero (-0.5%). The risks of inflation in the region have declined in recent months as a result of monetary policy measures taken last year and the falling prices of oil products and certain commodities.

**Security Index for Executives and Transnational Companies** (Source: Latin Business Chronicle) Costa Rica, along with Chile and Uruguay, is one of three Latin American countries with level 2 (a 1 to 5 scale is used where 1 represents a safe country and 5 a highly dangerous one), according to the index developed by FTI Consulting. With a 3 index, Panama also ranks among the safest in Latin America. The index measures the level of danger to the security of corporations and foreign executives based on the number of homicides and other factors, supplied by official information from public security institutions, NGOs and criminal research institutes. Located at the end of the ranking, that includes 19 Latin American countries, are Haiti, Venezuela, Colombia and Honduras.



## Costa Rica

### **Recession extends in Costa Rica**

(Source: Grupo Aldesa) The monthly index of economic activity for February fell by 5.1% compared to February 2008, the fifth consecutive month of inter-annual contraction.

Among the sectors leading the decline are manufacturing with an accumulated contraction of 17.3% since November 2007, hotels with 8.7% since February of last year and agriculture, forestry and fisheries with 5.2% since June of last year. The construction and trade sectors have contracted by 4.2% and 3.6% respectively since May 2008. The recessionary environment at the international level has impacted the sectors related to foreign trade. In turn, the increase in interest rates, credit restriction and lower expected sales by companies are some of the elements that have weakened the economy and will continue generating pressure on economic activity in the coming months.



**IMF approves \$735 million loan.** The loan for \$735 million will be available for fifteen months and will serve to back up the political strategies of Costa Rica during the global economic crisis. The main economic indicators in Costa Rica are strong and reflect years of generally prudent policies. However, financial turbulence and the world economy carry risks

for the country's outlook in 2009 and 2010, according to the IMF. The authorities' economic program seeks to preserve macroeconomic and financial stability, while sustaining growth and protecting the population's most vulnerable areas.

***Concession of Limón Port begins*** (Source: elfinancierocr.com) The cartel for the concession of the expansion of the Costa Rican Caribbean Port, with a reference amount of \$812 million, has been approved. The Minister of Transport and Public Works of Costa Rica, Karla González, announced that the cartel for the tender of the Limón port project was approved, and it is expected to be published soon in the official newspaper, giving bidders three months to submit their proposals. The minister said also that for the selection process, higher priority will be given to "the operating experience over the construction experience." The project still faces the challenge of strong opposition by the union of the state entity JAPDEVA (Board of Port Administration and Economic Development of the Atlantic Coast), the current port operator.

***Second round FTA results between China and Costa Rica*** (Source: prensalibre.co.cr) The second round of free trade agreement (FTA) negotiation between China and Costa Rica was successful held in Shanghai from April 14-17. Bilateral trade has developed at high speed since the two countries established diplomatic relations less than two years ago. During the second round of free trade negotiations last week, China's negotiating team discussed allowing 94 percent of Costa Rican goods to access the Chinese market, but left out key products such as coffee, sugar, beef, pork and chicken. Chief negotiator for Costa Rica, Fernando Ocampo, said his team will continue to negotiate for these products in upcoming rounds, and sees initial resistance as part of the Chinese team's strategy. In addition, goods produced in free zones, such as certain electronics, will receive preferential rates, Ocampo said. Other issues on the table included customs proceedings, trade accessibility, intellectual property and technical obstacles to trade. In Beijing, Agriculture Minister Javier Flores reached an agreement on sanitary measures with his Chinese counterpart for Costa Rica to export leather to China. Costa Rica exported \$1.4 billion worth of goods to China in 2007, a 30 percent increase over 2006. Most of exports, about \$1 billion worth, came from Costa Rica's Intel factory. Also, 54 percent of exported goods in 2007 were manufactured in free zones. The next round of negotiations will take place in Costa Rica in June.

***Free Trade Zones in Costa Ricato pay 5% income tax*** (Source: COMEX) With the reform to the Law on Free Zones, the country is adapting its legislation to WTO rules. The Executive Branch presented draft amendments of the Law on the Free Trade Zone Regimen (7210), which amends five items in the current law, to the Legislative Assembly. This reform seeks three objectives: a) Adjusting the law to WTO rules to remove the link to the exemption from income tax according to export levels, b) Maintaining attractive conditions for productive investment and c) Promoting a higher level of production chains and the establishment of investment in areas of lesser development by introducing the possibility for domestic suppliers of a company in a free trade zone to opt for the regimen. The free trade zone regimen (RZF) has played a significant role in country's development and in the growth of Costa Rican exports. There are currently 247 active companies under this regimen, which together generated 52% of total exports in 2008.

***\$60 million for Costa Rica – Nicaragua highway*** (Source: elfinancierocr.com) The new stretch of highway will shorten the distance between the Atlantic ports of Costa Rica and Nicaragua. The \$60 million were loaned by the Andean Promotion Corporation (CAF) and they are intended for the "Atlantic Corridor Investment Program," which includes projects in

Bajos of Chilamate and Vuelta Kooper (the stretch of highway between Limón and Nicaragua,) and a new bridge over the Sixaola River on the border with Panama. El Financiero of Costa Rica published: "This project will shorten the distance between Bajos of Chilamate and Vuelta Kooper by 69% - from 87.32 to 27.09 kilometers, going from the current average speed of 50 km/h to 80 km/h."

***Costa Rica will be able to export fresh tomatoes, peppers to the U.S.*** (Source: www.journalcr.com) – Costa Rica's Agriculture Minister, Javier Flores, and the U.S. Ambassador to San Jose, Peter Cianchette, have signed a protocol that allows for exportation of fresh, ripe tomatoes and bell peppers to the United States. Before this protocol was approved, there was a total prohibition regarding exportation of sweet bell pepper to the United States, and Costa Rica could only export green tomatoes to its largest trade partner. The Ministry of Agriculture's State Plant Health Service (SFE) has mapped areas of low fruit fly prevalence that are now certified for production of exportable fresh tomatoes and peppers. They include regions such as Alfaro Ruiz in Alajuela province (which includes Zarcero); the higher lands of Cartago province (between Santa Cruz, Llano Grande and Tres Equis in Turrialba); some parts of the Coris Valley; and the region of Pilas de Canjel, in Nandayure, Guanacaste. Growers and exporters are charged with carrying out the necessary actions to keep greenhouses free of important quarantine pests. Approved production sites will be greenhouses that don't allow the entrance of pests, hence creating business opportunities for Dutch companies active in the agriculture sector such as greenhouse constructors, consulting & training, automation, irrigation, seeds, biological pest controls, harvesting and packaging. The Dutch Embassies of Central America together with SNV is elaborating a regional study regarding business opportunities for Dutch companies in the food processing sector with emphasis on tomatoes and dairy products. The study will be finished in May.



***Teletech call center in Costa Rica grows*** (Source: Nacion.com) The multinational service outsourcing company was established 16 months ago and currently has a payroll of 1,200 employees while it expects to hire 700 more people.

According to Martin Sucari, Vice-President of Teletech for Latin America, "future employment increases will depend on demand for the company's services", and "the incentives that Costa Rica government might grant." The multinational company provides customer service outsourcing to Spanish and American companies. The rapid growth of the company is attributed to the fact that Teletech wants to seize the global economic moment, "because companies will be ever more demanding. Today, companies are looking for more efficiency and requesting more quality at a better cost," explained VP Sucari.

***SYLVANIA*** ***Sylvania invests in new equipment*** (Source: elfinancierocr.com) The company is betting on increased sales to Europe and the US with a \$1 million investment. The goal is to increase competitiveness in order to cope with the crisis which forced the company to lay off 200 employees in February. Moreover, the new facilities are environmentally friendly, having added a treatment plant for water used in the industrial process. Journalist Leticia Vindas reported on the declarations of Jose Luis Perez, manager of Sales, Finance and Operations in the El Financiero website: "We have the Design Center for the Americas in Costa Rica, i.e. from here we create the most modern and innovative products in lighting. The technology that we implemented allowed us to go from three minutes to 33 seconds on each manual creation of a lighting structure."



## Guatemala

**Exports to the US drop by 28% in February** (Source: elperiodico.com.gt) In February, the figure was \$197.50 million, \$76.2 million less than the \$273.7 million for the same month in 2008. The products most affected were sugar, with a decrease of 72.6%, snacks with 36.9%, spices with 35.8%, Coffee with 27% and fresh fruit with 20%. David Cristiani, vice minister of Foreign Trade stated: "The economic downturn has affected exports and imports, but the country's trade deficit has not been extended. We are currently working on strengthening the administration of the trade agreements that are in place to take advantage of better access to markets such as Central America, Taiwan, Mexico and the United States. "

**Textile exports drop by 29%** (Source: sigloxxi.com) Sector entrepreneurs are focused on increasing the added value of the garments to offset the fall in demand abroad. According to the Commission on Textiles and Clothing (Vestex) of the Guatemalan Association of Exporters (Agex-port), the exports were \$202 million in January and February 2009, \$84.2 million less than during the same period last year when the total was \$286.2 million.

**Fogel group seeks new export markets** (Source: elperiodico.com.gt) Fogel Group is selling its industrial refrigerators in South Africa, where it has already sent 20 containers. The fall in demand in the traditional markets of the Guatemalan industrial refrigerators factory, Fogel Group, led the company to venture into new markets such as Tanzania, Ghana, South Africa, Argentina and Chile. Tefel Farrer, manager of Fogel Group stated: "If our traditional markets are contracted, we must look for other markets, and it is feasible to find them even in current circumstances".

**Central Bank predicts a strong contraction in commerce** A recent review of GDP (Gross Domestic Product) by the Guatemalan Central Bank (Banguat) predicts there will be a contraction in commerce, electric generation, minery and construction. Banguat's new estimations reduced the growth rate for this year from a range of 3 to 3.5% to one of 1 to 2%; commerce will have a -1.3% growth rate due to a fall in demand of imports and household consumption. Electric generation will fall to -0.7 % due to a reduction on energy demand from industries and households. Mining will experience a -2.9% contraction mainly because of a decrease in production of petroleum and construction materials such as stone, sand and clay. Many analysts find the Bank's prediction too rosy; the Economist Intelligence Unit predicts a contraction of 1,5%. According to a survey of 840 local companies, 42% have cut down production since last January; 18% have reduced its working force; an estimate of 55,000 jobs in the last 12 months. 54% of companies believe the current economic situation is worst than a year ago and 9 out of 10 companies are not familiar with the Government's National Emergency Program for Economic Recovery.

**Entrepreneurs reject tax increase suggested by President Colom** Local entrepreneur associations rejected the government's intention to raise and create new taxes in order to avoid a reduction of up to 15% in public spending due to the economic crisis. According to Jorge Montenegro, President of the Coordinating Committee of Agricultural, Industrial and Financial Associations (CACIF), the dimensions of the economic crisis make it inconvenient to create new taxes or increase the current ones. Montenegro believes that Colom's policies contrast with those of other nations that have lowered taxes in order to avoid companies to shut down and job reductions. He stated that CACIF, which has around 60,000 members from 120 different sectors, mainly small and medium size companies, will appeal for actions against evasion, smuggling and strengthening of tributary basis. The tributary basis is

composed of 600,000 contributors in a population of 13.5 million inhabitants. Colom's government has defended the tax proposal by stating that it is never a good moment for extra taxes and with the economic downfall the effects of the poverty reduction of the last 5 years will be reversed. Extra social expenditures are necessary. Moreover, the reforms have been considerably reduced from its original proposals and will not have a major impact. Colom's government also defend the proposals by stating that it includes a large component for improving tax administration (not only tariffs). The last few weeks have shown intensive negotiations in the Guatemalan congress over these proposals.

***Guatemalan coffee farms win awards*** Guatemala won first place as coffee producing country in the Rainforest Alliance Cupping 2009. This competition rewards coffee producers that care for the environment and the well being of its workers. A total of 80 producers from 11 countries participated, from which six were Guatemalan. Guatemala won first place as a country since its six participating farms amounted a total of 83.83 points. The local farm Santa Elisa Pachup won second place after the Panamanian farm La Esmeralda. The third place was also won by a local farm, La Pampa.



## **Nicaragua**

***Maquila companies are closing Nicaraguan operations*** (Source: [elnuevodiario.com.ni](http://elnuevodiario.com.ni)) The closing of the Fusion S.A. maquila located in the Tipitapa zone is the third one in a month. The company requested the Ministry of Labor for a temporary, 30-day closing. It originally operated with 400 employees and had already reduced its staff to 137. The workers were earning a monthly salary of 4,000 Cordobas (\$200) in normal times. However, in recent months, they were only getting 2,150 Cordobas (\$107) due to the drop in productivity, this was not enough for families to survive. Korean Yu Jin was the second textile company to close, leaving at least 500 people unemployed. Cone Denim textile from the US was the first textile company to formalize its closing when it requested a temporary, 14-month closing at the end of March due to the suspension of orders from United States. The closing sent 800 people to the ranks of the unemployed.

***German chocolate maker Ritter to buy Nicaraguan cocoa*** (Source: [elnuevodiario.com.ni](http://elnuevodiario.com.ni)) The Ritter Sport Company will purchase 100% of the organic cocoa production from the South Atlantic Zone. The bases of the agreement that Dr. Gerardo Escudero, representative of the Inter-American Institute for Agricultural Cooperation, IICA, is working on also include the purchase of 100% of the production, support for quality improvement processes and the costs of certification. Between 27 and 30 tons of organic cocoa will be bought at \$700 above conventional prices by Ritter.

### ***CATHIE 2009 comes to a successful close in Nicaragua***

The Central America Tourism & Hotel Investment Exchange ended successfully this past March 26th in the Crowne Plaza Convention Center in Managua with over 175 national and international participants related to tourism investments, development organisms, industry associations, multilateral agencies and representatives of governments of Central America. The event was organized by PRONicaragua in a joint effort with Burba Hotel Network (BHN) with the objective of gathering key actors of the tourism industry to showcase investment opportunities offered by this sector in Central America.

### ***Nicaragua signs energy accord with PetroVietnam***

The Nicaraguan government has signed an agreement with Vietnamese state-owned energy firm PetroVietnam for the exploration of offshore oil and natural gas reserves. The accords were signed by Petroleos de Nicaragua CEO Francisco López and Petro Vietnam President Dinh La Thang, with Nicaraguan President Daniel Ortega participating as witness of honor.

### ***Nicaraguan Shrimp en route to Russia***

Nicaragua and Russia have forged an agreement of understanding that grants Nicaraguan shrimp and fish exports greater access to the Russian market. The agreement was signed in Managua by the head of the Nicaraguan Agricultural and Forest Ministry, Ariel Bucardo, and the head of the Russian mission visiting the country, Yevgeny Dubrovin, an official source reported to EFE.

### ***Outsourcing your call center? Nicaragua is tops for location and convenience***

Even though President Obama wants to discourage off shoring and near shoring – Managua, Nicaragua continues to be a prime location for many companies looking to optimize their operations in business process outsourcing: call and customer service centers, light tech and back office support.

### ***Nicaragua signs a new offshore oil exploration deal***

Nicaragua signed a contract with U.S. company Infinity Energy Resources (IFNY.PK) on March 2009 to explore for oil off the country's Caribbean coast after overcoming legal objections from regional indigenous groups. The Texas-based company will invest \$30 million in exploration projects at two different sites in the poor Central American nation which currently produces no oil, energy minister Emilio Rappaccioli said at a news conference.

### ***Nicaragua announces hydroelectric project***

The Nicaraguan government and Brazilian construction company Andrade Gutierrez have signed an agreement for financial and technical studies to be conducted on the Brito hydroelectric project, officials said Friday. The technical studies will allow the partners to determine investment and financing costs for a project that is expected to generate 250 MW of electricity and in which Andrade Gutierrez is prepared to invest some \$600 million.



## **El Salvador**

***Train demanded for La Unión Port*** (Source: laprensagrafica.com) For the new port to be able to compete with other ports in the region and as an inter-oceanic canal, La Unión needs a train connection to Guatemala. With the revitalization of the railway between El Salvador and Guatemala, the Salvadoran shipping terminal can establish itself as an alternative route to the Panama Canal and thereby become a transoceanic bridge and allow the transfer of raw materials or finished products from the East Coast of the United States to Asia and vice versa, or even Europe. The former president of the Autonomous Executive Commission (CEPA), Hugo Barrera, said, "If the railway between La Unión Port y Santo Tomás de Castilla in Guatemala cannot be rehabilitated, it will just be another port." The concession model for the operation of the port has not yet been defined.



***Lufthansa signs code share agreement with TACA*** (Source: elsalvador.com) The agreement applies to flights between

Frankfurt (Germany) and El Salvador via Miami, and Frankfurt and Lima (Peru) via Caracas. With a single ticket from Lufthansa, passengers can fly TACA segments and access the TACA route network in both hubs also benefiting from the frequent flyer programs of both airlines. Alex Benítez, Vice President of Corporate Development for TACA, stated: "Through this agreement, we are encouraging the flow of business executives, tourists and families, enabling them to travel easily and efficiently between Europe and America."



**World's second largest shipping company to start operations in El Salvador** (Source: [elsalvador.com](http://elsalvador.com)) Mediterranean Shipping Company (MSC) expects to attract between 10% and 12% of the Salvadoran market in its first year of operation. The company plans to move 50 to 60 thousand containers per year, focusing on routes to Asia, Mexico and South America. MSC manager Jose Bodewing indicated that around 20 to 25 thousand dollars are moved for each docking a ship makes, so the shipping business

will generate over 120 indirect jobs because they hire transport, warehousing, port services and others." At the international level, according to Bodewing, the shipping company picks up 12% of the global cargo.

**Salvadoran wind power studies continue** (Source: [laprensagrafica.com](http://laprensagrafica.com)) The Salvadoran government has selected the IBERINSA company to perform the second feasibility study for the installation of a wind farm. The Spanish company, Iberian Studies and Engineering (IBERINSA), has 15 months to develop the study in the municipalities of Metapán, Santa Ana and San Isidro in Sonsonate, starting in May. Manuel Escobar, head of the Technical Evaluation Department of the Executive Board of the Lempa River Hydroelectric Plant (CEL) and this project, stated: "It is a project that began five years ago after a Brazilian consultant, through a preliminary study, located four strategic points where this resource can be obtained. IBERINSA will have to install a tower that contains a tool for measuring the strength of the wind (a datalogger) to know how much wind can be transformed into electrical energy."

**Textile companies seek bailout** (Source: [laprensagrafica.com](http://laprensagrafica.com)) The survey conducted by the Textile Chamber (CAMTEX) among its members reflects the need for \$25 million for the sector. José Antonio Escobar, CAMTEX president, noted that the textile industry will seek a meeting with President-elect Mauricio Funes to inform him about the situation. Mr. Escobar noted: "We believe the new government has understood the priority that our sector needs. We hope to make an appointment with the President-elect to inform him about what is happening and what we are willing to do. The petition for a bailout of the textile industry should not be taken lightly because it would endanger companies and employees due to the absence of sufficient liquidity if it is not considered."



## Honduras

**\$306 million for Tegucigalpa - San Pedro Sula highway** (Source: [laprensahn.com](http://laprensahn.com)) Options are being explored for concession of the work on the expansion and maintenance of the highway with funding from the IDB (\$50 million), Desafío del Milenio Corporation (\$126 million) and the BCIE (\$130 million). The Concession for the Northern highway, which is currently being expanded, would include the maintenance and operation of this route, horizontal and vertical signposting, sign painting, ditch cleaning, preventive maintenance and patching.

***Honduras to export \$150 million in shrimp*** (Source: latribuna.hn) The harvest of shrimp at the end of April reached 80 million pounds, which is equivalent to \$150 million. While prices of some sizes of shrimp have declined, mainly for large shrimp which are more expensive due to their size, the industry expects export volume not to decline in 2009.

***Honduras faces food shortage*** (Source: latribuna.hn) The flooding of 68,754 acres caused the loss of 1.4 million quintals of red beans valued at \$43 million. Other crops such as bananas, plantain, cassava and livestock reported losses. According to the Minister of Agriculture and Livestock of Honduras, Hector Hernández, these losses may cause a shortage of food in the country in the coming months. Government's goal was to have 135 thousand acres of red beans planted for a production of 2 million quintals. This would have covered national demand and 15% would have been allocated for export.

***Bridge between Honduras and El Salvador advances*** (Source: laprensahn.com) The opening of the bridge that will connect the border corridor of southern Lempira (Honduras) with El Salvador is scheduled for June. At a cost of \$3.3 million, of which 10% is contributed by the bilateral Honduras - El Salvador program of the European Union. The bridge has a length of 88 meters and two lanes, with a running surface of 7.2 meters and pedestrian sidewalks on both sides. The project is beneficial to more than 190 thousand inhabitants of 13 municipalities in Lempira, 3 in Cabañas and 12 in Chalatenango. In the past, we had no communication. We benefit because it allows border connectivity for boosting economic development in the region and improving health care and productivity because supplies are cheaper and more accessible to producers' of Honduras (wie wordt hier gequot?).

***Opportunity for Honduran jalapeño peppers*** (Source: hondudiario.com) Due to the high competitiveness of the sector, the country could become the first exporter of the product at a global level. The sector exports about four containers of jalapeño peppers daily, which generates about 1,500 jobs and 100 producers per hectare. Honduras is becoming the leader of jalapeño pepper production in America and the world due to the competitiveness. Honduran jalapeños are exported to England, Germany and the United States. There are still plenty of opportunities for foreign investors to come and transform the Honduran product by giving it added value. The Dutch Embassies of Central America together with SNV is elaborating a regional study regarding business opportunities for Dutch companies in the food processing sector with emphasis on tomatoes and dairy products. Study will be finished in May.



## **Dominican Republic**

### ***Economic growth forecast for DR***

The International Monetary Fund (IMF) and the Economic Commission for Latin America and the Caribbean (ECLAC) are predicting that the DR economy will grow this year, despite the current economic difficulties. ECLAC expects the DR to post a GDP growth of 1.5%, the same as Panama, Guatemala and Honduras, while Nicaragua (1%) and El Salvador (0.5%) are also on the plus side list. ECLAC economists say that the final outcome will depend on the success of measures taken by each nation to deal with the present global economic crisis. Negative factors that affect the Dominican Republic are reduction in the prices of raw materials, weakening of tourism and the decrease in remittances from emigrants in the United States and Europe. See also: <http://www.eclac.org/cgi-bin/getProd.asp?xml=/prensa/noticias/comunicados/...>

### ***Sustainable tourism development in the east of the DR pays off***

The Economist Intelligence Unit published the story of Grupo Puntacana and its work towards sustainable tourism development in the east of the Dominican Republic. The EIU discovered the many ways the corporation has generated substantial cost savings and boosted their bottom line by managing their environment in a sustainable way. EIU says this is a step beyond capitalizing on their good corporate citizenship and green image. Among the green mechanisms implemented are: water management, energy conservation, garbage recycling and incineration, organic recycling and natural resources preservation. This is in addition to supporting community development. Grupo Puntacana and the Ecological Foundation have received several awards for corporate social responsibility and excellence in environmental protection and sustainable tourism.

### ***Mexican investment grows***

Mexican investment in the DR represented 39% of all investment in the country between 2000 and 2008, reaching a total value of US\$4.5 billion. Center for Exports and Investment (CEI-RD) director says that total Mexican investment in the DR was worth US\$11.5 billion. According to the director, Mexican businesses in the DR invested in diverse sectors such as free trade zones, food production, (telecom)services and tourism. Dominican exports to Mexico totalled US\$137.3 million. The larger Mexican investments are the cement factory Cemex, Yoplait-Sigma factory, Telmex-America Movil investment in Claro Codetel, Moon Palace Resort in the Punta Cana area, among others.

### ***Trade between Dominican Republic and Cuba increases***

Dominican trade with Cuba is on the up. Bilateral trade in 2008 was US\$119.4 million, with Dominican exports at US\$60.01 million and imports totaling US\$59.44 million. The DR exports fertilizers (US\$31.1 million), pig feed (US\$8.5 million), tropical seasoning (US\$1.4 million), evaporated milk (US\$1.2 million), cooking oils, construction materials and detergents. From Cuba, the DR imported iron bars (US\$39.08 million), light bulbs (US\$9.28 million), frozen fish, toilet paper, vaccines and chlorine.



#### **EVD country webpage**

The EVD 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 please visit website: [www.evd.nl/landen](http://www.evd.nl/landen). More information can be obtained from Marjolein Steinebach, country manager Central America, thru email [steinebach@evd.nl](mailto:steinebach@evd.nl) or by phone (0031) 070-778 8731.



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

On the internet site from the Embassy of the Kingdom of the Netherlands in San José (for countries Panama, Costa Rica, Honduras and El Salvador) you can find general information on these countries in our resort but also specific commercial information. Our 'handelswijzers' business trade guides entails

broad and up-to-date information on how to do business in each of the four countries, as a tool/guide for Dutch exporters and investors. Visit: [www.holanda.cr](http://www.holanda.cr) or [www.handelswijzer.com](http://www.handelswijzer.com) For more information you can contact our commercial department at the Dutch Embassy in San José thru email [nltrade@racsa.co.cr](mailto:nltrade@racsa.co.cr) or by phone (00506) 2296 1490 (Carel Richter, Hans Buhrs or Monique van Hussen). You can also contact our Consulaat-Generaal in Panama (Dieter Ploeger), Phone: (00507) 263 6494 or (00507) 264 7257. Email: [consuladonl@cwpanama.net](mailto:consuladonl@cwpanama.net)

For more information on Guatemala you can contact the commercial department of the Dutch Embassy in Guatemala City by email; [nlezgov@intelnet.net.gt](mailto:nlezgov@intelnet.net.gt) or by telephone (00502) 2381 4300 (Harman Idema, Susana Azurdia). More information on website: [www.embajadaholanda-gua.org](http://www.embajadaholanda-gua.org).

For more information on 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) 276 8630 (Jan Bauer, Luis Bravo) More information on website: [www.embajadaholanda-nic.com](http://www.embajadaholanda-nic.com).

For more information on Dominican Republic you can 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 on website: [www.holanda.org.do](http://www.holanda.org.do)