



Regional Newsflash

June 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 A separate newsletter is published for Panama.

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Central-America region

Negotiation between EU and CA suspended due to Honduran Crisis

(Source: laprensagrafica.com) The European commission communicated the decision to the Honduran Ambassador in order to examine the consequences of the coup d' état on the negotiations of the agreement. EU-Central America Association Agreement talks postponed following the situation in Honduras. After consulting the Central American governments and in agreement with the EU Member States, the European Commission has decided to postpone the 8th round of negotiations in view of an Association Agreement with Central America, due to take place in Brussels from 6 to 10 July 2009. The negotiations should resume as soon as possible.

Central America seeks advances in Agreement with EU (Source: sigloxxi.com) In the meetings that were held in Brussels the future of “sensitive” products like bananas and sugar will be tackled. This will be one of the last chapters of the negotiation process as it is one of the most difficult to reach a consensus for since it affects the direct interest of both sides. To conclude the negotiations by the date established, Central America would become the first region to close with the European Union an agreement “block to block.” Both sides hope to sign the agreement in 2010 under the Spanish presidency of the European Union.

No EU agreement without the Cooperation Fund (Source: prensalibre.co.cr) This was reported by Honduran Vice-chancellor Patricia Licona after the end of the meeting among the lead negotiators for Central America. The vice-chancellor added that for the structuring of the fund a regional commission is already functioning. This is comprised of by finance ministers, the presidents of central banks, and representatives of the regional economic agencies. Patricia Licona stated: "Possibly, the negotiations are going to go at two different speeds in hope that the fund continues being negotiated. It is not difficult to believe that the next round will not be the last one, although for the time being it is planned as such."

FOREIGN DIRECT INVESTMENT INCOME BY RECEIVING COUNTRY, 1994-2008

(Millions of dollars and percentages)

Country	1994-1998a	1999-2003a	2004-2008a	2007	2008	Absolute difference 2007-2008	Relative difference 2007-2008
Mexico	11.036	20.295	22.974	27.278	21.950	-5.329	-19.5 %
Central America	1.774	2.134	5.296	7.045	7.554	509	7.2 %
Panama	708	565	1.756	1.907	2.402	495	26 %
Costa Rica	417	545	1.372	1.896	2.016	120	6 %
Honduras	79	320	705	816	888	73	9 %
Guatemala	195	216	422	536	838	302	56 %
El Salvador	240	256	684	1.509	784	-724	-48 %
Nicaragua	135	232	357	382	626	244	64 %

Source: Economic Commission for Latin America and the Caribbean (ECLAC), estimates on the basis of official figures as at 15 May 2009.

a Annual averages.

FDI flows to Central America remained stable in 2008, increasing 7% to US\$ 7.554 billion. Costa Rica and Panama were the main recipients. El Salvador was the worst-hit. FDI in the country plummeted 48% with respect to the previous year to US\$ 784 million. This drop should be analysed in context, however; acquisitions in the banking sector in 2007 generated an unusually high level of FDI, and the volume received in 2008 represented the second largest amount ever observed in the country.

Wal-Mart Central America will not expand to Panama (Source: elsiglo.com) The supermarket chain plans to expand its presence in the Central American countries where it already operates and not to expand itself to new markets. In the coming years, Wal-Mart Central America will open 50 locations distributed throughout Nicaragua, El Salvador, Honduras, Guatemala, and Costa Rica. The new supermarkets will create some 8,000 jobs in the region. Costa Rica and Guatemala will have the greatest quantity of stores based on the strategies positions that they represent, explained Jorge Cauldron, regional director of the retailer.

Prices of medications in Central America (Source: elnuevodiario.com.ni) The cheapest medicines are found in Nicaragua, while those in Guatemala are the most expensive. The Central American Consumer Protection Council published a study on the consumer prices of a basket of 30 brand name medications and another with 30 corresponding generic medications,

in 284 pharmacies in Central American capitols. A basket of 30 original medications costs \$53 in Nicaragua, \$61 in Costa Rica, \$63 in Honduras, \$68 in Panama, \$75 in El Salvador, and \$77 in Guatemala.



Costa Rica

Costa Rica's Central Bank predicts 7.5% inflation (Source: Nacion.com) In its semi-annual report, the Central Bank predicts a 7.5% inflation rate for 2009. This prediction comes close to the target rate of 8% that the bank set for this year.



Third FTA round between China and Costa Rica concluded (Source: Nacion.com) Costa Rica is offering to free a 70% of all tariffs while China demands an offer similar to theirs, which is 95%. The new offer from Costa Rica does not include the most sensitive products for China. Likewise, the proposal from the Asian country does not include the products of greatest interest to Costa Rica, like sugar, meats, and coffee. However, China does offer an opening of 94.5% of the tariff lines. In the third round of negotiations, Costa Rica sought also to negotiate an agreement that would impede excessive importing of products from China. With that end in mind, a special safeguard, which could be activated quickly to raise tariffs in the case of excessive imports, was proposed. Industrialists of Costa Rica oppose FTA with China, denouncing sanitary risks and a lack of quality control in Chinese production, they are asking for the adoption of a Partial Agreement Accord and not a FTA. Executives from diverse business chambers exchanged strong words in the discussion on this issue. In a press conference where the presidents of various industry chambers were present, including from the Cámara de Industrias de Costa Rica (CICR), Cámara Costarricense de la Industria Alimentaria (CACIA), Asociación Costarricense de la Industria Plástica, Asociación de la Metalurgia, and Asociación de la Industria Gráfica, "they denounced that the Department of Foreign Trade (Comex) did not address their requests or concerns despite that they have made their concerns known on various occasions." Tomás Pozuelo, president of the CACIA, said that "before there is a FTA with China, Costa Rica should have a food control system, medicines, household appliances, and electrical products, among others. In addition, it should put into place a system to control unfair commerce and to verify at customs the entry of products from China and it should eliminate the tariffs on the imports of raw materials (sugar, milk, oil, and others)."



Competition arrives in Costa Rican IP telephony and internet (Source: prensalibre.co.cr) The first six companies to compete with state-run ICE in the telecommunications market have been authorized in Costa Rica. The Superintendency of Telecommunications (Sutel) gave the green light on June 22nd to allow the companies to offer telephone over IP and Internet services. This is the first act that effectively opens the telecommunications sector. The six companies authorized to operate are: Dodona SRL, Intertel Worldwide S.A., R&H International Telecom Services S.A., Worldcom de Costa Rica S.A., Call my way NY S.A., and Redes Inalámbricas de Costa Rica S.A. The authorization of these six companies, and the many more to come, provide a positive signal that will attract investment to this important area of the economy. Telecommunications companies in Costa Rica had until June 30th to request authorization to operate.

Cable & Wireless seek entrance to Costa Rica (Source: pa-digital.com.pa) The telecommunications transnational is interested in operating in Costa Rica and it would be able to invest \$400 million in infrastructure. Jorge Nicolau, president and manager of Cable & Wireless Panama, indicated that "the guarantee, the efficiency, and the experience of its platform in Panama and in other countries place them as one of the main candidates to reach the more than 4.5 million Costa Ricans." Cable & Wireless joins the list of international operators of cellular systems—Telefónica, Digicel, and Tigo—in confirming its interest of being part of the telecommunications market in Costa Rica. For 2010, the entry of three operators will be permitted, which will also compete with the national public company, the Costa Rican Institute of Electricity (ICE).



Digicel plans to operate in Costa Rica (Source: laprensagrafica.com)

The cellular phone system operator is waiting for the bid for the licenses to enter the Costa Rican market in 2010. The multinational already operates in El Salvador, Honduras, and Panama. It plans to make a strong investment in Costa Rica "to develop a first-class network," commented the CEO of Digicel Group, Denis O'Brien.

\$100 million for hospital in Costa Rica (Source: prensalibre.co.cr)

The Costa Rican Social Security Office (CCSS) will build a 6-floor tower of 17,500 square meters for the Hospital Calderón Guardia. The bid for the construction of the new tower is to initiate at the beginning of 2010, and they foresee that the building will be finished within five years. The bid will also include the construction of an additional building of 5,000 square meters for nutrition services and a cloakroom. Information supplied by the Project Unit of CCSS indicates that the construction of the complex will be carried out in phases, beginning with the building of nutrition and the cloakroom and then continuing with the modern medical building, with which it is intended to replace the infrastructure that was lost by the fire of July 12, 2005.



Alliance to increase medical tourism (Source: 1888 PressRelease) The strategic alliance between Hospital Clínica Bíblica and MedTrava Group will promote Costa Rica as a medical tourism destination for the United States market.

MedTrava Group, one of the main agencies of medical tourism in the United States, announced an alliance with Hospital Clínica Bíblica in Costa Rica. Their objective is to offer an additional low-cost medical tourism destination for its American clients. The International Department director at Hospital Clínica Bíblica, Brad Cook, said: "Being only two and a half hours from Miami, our hospital offers patients an extensive range of procedures and medical treatments of the latest generation at accessible prices. We are very excited about the alliance with MedTrava, which will allow for more patients to experience the quality of the services offered by the Bíblica Hospital Clinic."



Instituto Costarricense de Turismo (ICT) - Costa Rican tourism board - is attempting to lure American tourists to Costa Rica by offering discounts like extra nights at hotels and extra days at car rental agencies on any reservation made between June 19 and August 31 and travel completed by December 15. Go to:

www.visitcostarica.com/crplus for more info.

Call Centers open 600 positions (Source: Nacion.com) The companies Stream, AEGIS, Amadeus, the ICT Group, and ACE are looking for 600 people with high levels of English

and immediate availability. The call center Stream, which has the most vacancies, will hire 350 people. AEGIS seeks 20 new team members for the service area of customer service. In the technical sector, the business that offers services such as travel booking, cruises, and rental cars, Amadeus, will hire four people. Meanwhile, ICT Group has between 150 and 200 open job positions that are in the area of customer service. Gabriela Llobet, director of CINDE (the Costa Rican Coalition for Development Initiatives), said: "This is definitely very good news for the country. In times of crisis, growth opportunities for these businesses arise (when they receive new accounts or higher demand for services) due to factors such as the credible reputation of our country and the type of businesses located here, which have high productivity rates and skilled labor."



New logistical training center (Source: Global Atlanta) Georgia Institute of Technology will open a center for education in Costa Rica for the management of warehouses and logistics.

Georgia Tech Trade Chain Innovation and Productivity Center is designed for teaching alumni and company executives about bettering supply chains and logistics. Additionally, the center will have a strong focus foreign trade, according to the executive director of Tech's Supply Chain & Logistics Institute to the portal Global Atlanta. Georgia Tech is also considering additional centers in Latin America, beginning with Panama and Chile. The center in Costa Rica will be located in the building of the Chamber of Industries and will open on August 20, 2009.



Business and Opportunities Expo (Source: elfinancierocr.com) From the 21st to the 23rd of August, 2009 at the Torre Geko Convention Center in Mall Cariari, the first Business and Opportunities Expo will be held. The exposition, which is organized by the company Proyectos Agroindustriales S.A., will be planned parallel to the VIII Expográfica Central America 2009. It will include the participation of training institutes, consultants, enterprises, job banks, and employers, among

others. Both events have the objective of offering to Costa Rican entrepreneurs the opportunity to establish connections, business appointments, and business contacts with the support of the Chamber of Commerce of Costa Rica.



Guatemala

Guatemala to bid out \$40 million highway project (Source: prensalibre.com) In one month, an international bid will be called for the construction of a section of the Atlántico highway, from Agua Caliente to Sanarate. Financed by the government of Taiwan, the project entails the expansion of a 27-kilometer section to four lanes.

Korean textile companies abandon Guatemala (Source: elperiodico.com.gt) The impact of the economic crisis in the United States has had on the textile industry has forced 15 Korean businesses to shut down operations in the country. Currently there are 158 factories in the country, of which 92 are Korean, 55 Guatemalan, 10 American, and 1 French, according to data from the Clothing and Textile Commission (Vestex). Between 2005 and 2008 127 companies have closed down and clothing exports have been reduced from \$447 million in the first four months of 2008 to \$305 million in the same period in 2009, for a contraction of 31.8%.

Growing market for mini-vegetables (Source: prensalibre.com) Agexport of Guatemala will commence a study of Mexico's southern hotel market where the demand for mini-vegetables surpasses supply. Haroldo Zaldívar, manager of Agexport manufactures, indicated that the objective is to satisfy the demand of the hotels located in the southern states of Quintana Roo, Tabasco, Yucatán, and Chiapas. In the case of mini-vegetables, they are seen as a gourmet delicacy at the hotels in these places and many tourists of European and American origin have specific demands regarding their diet.



Nicaragua

United States cuts \$64 million in aid to Nicaragua (Source: Cuenta Reto Milenio) These CRM funds had been designated for the construction of a highway project and a property regulation project. The board of directors of the Millennium Challenge Fund (CRM) unanimously resolved to reduce the aid to Nicaragua by \$64 million (of a total of \$175 million). These funds had been frozen since November 2008 after questioning involving municipal commissions. The press release from CRM stated that the organization is committed to helping to reduce the poverty in Nicaragua communities through economic growth. To which end, they will continue projects to aid small and medium agro-businesses and they will complete the construction of three highways in the areas of León y Chinandega.

Venezuela approved \$50 million for Nicaragua (Source: eluniversal.com) The funds will be used in the projects that were going to be financed by the withdrawn resources of the U.S. Millennium Challenge Fund. The president of Nicaragua, Daniel Ortega, announced on Sunday, June 14th that its Venezuelan counterpart Hugo Chávez approved \$50 million to the Central American country for the project of territorial, infrastructure, and rural road improvements. Ortega declared that these funds were approved by his Venezuelan colleague, Hugo Chávez, at the Petrocaribe summit held this Friday in San Cristóbal and Las Nieves, and it's called the "DAWN-SOLIDARITY Fund". The Sandinista leader, nevertheless, emphasized that the \$50 million will support the parts of the projects that were left unfunded due to the suspension of the U.S. Millennium Challenge Fund dollars."



Credit Card law reform (Source: laprensa.com.ni) Some of the initiatives presented include suspending legal action to collect credit card debt and regulating the interest rates charged. At no time would this law affect banks. In this national and international crisis, banks are coming out stronger. They are not being weakened since they are obtaining resources from the bonds on internal debt and the high interest rates they charge. Even the Inter-American Development Bank (IDB) is going to support them with \$141 million.

B2Gold will invest \$7 million in Nicaraguan mine (Source: marketwire.com) The company B2Gold Corp. could acquire up to 65% of the gold and copper mining project NEN. The gold and copper mining Project NEN, until now was the property of Canadian Calibre Mining Corp, is located on the North Atlantic side of Nicaragua, and covers 70,976 hectares. B2Gold Corp executed a letter of intent, through which it could acquire 51% of the project by making an investment of \$7 million on exploration and other jobs before 2012, and an addition 14% of a selected area of the project upon completion of preliminary feasibility studies.



Golden Reign invests in Nicaraguan mine (Source: Golden Reign) The company signed a purchase agreement with Nicoz Resources S.A. for 80% of the Mining Concession San Albino-Murra, which is in the northwest

region of Nicaragua. Among the conditions of the purchase agreement, Golden Reign Resources Ltd. must invest \$5 million in the property in the next four years in extraction costs. Nicoz Resources S.A., a Nicaraguan company, has the Mining Concession San Albino-Murra license for 25 years. The property consists of 8,700 hectares and a long history of exploration and mining.

Nicaragua: ideal BPO destination (Source: <http://callcenterinfo.tmcnet.com>)

Nicaragua is fast emerging as a successful near-shore location for contact centers, especially teleservices firms that provide a full array of business process outsourcing services. The country has a large and available workforce. Nicaragua is in the central time zone, enabling easier integrated contact handling with other North American contact centers and offices.

Major airlines have daily direct flights from Houston, Los Angeles, Miami, and Atlanta.

Nicaragua also have highly developed communications infrastructure, which was completely transformed in the late 1990's. The telecommunication sector is fully privatized and is considered to be one of the most modern, constant, and reliable in Central America. Global direct access is possible through via two fiber optic submarine cables, and reliable multinational carriers have competitive services and rates. There are fiber optics and digital switching, metropolitan area fiber networks, and international private leasing circuits. One of the BPO teleservices firms that have set up and have been successful in Nicaragua is eTelecare. It opened the doors on its center in the vicinity of Managua, the capital and largest city in December, 2008, employing over 500 people delivering bilingual customer care, sales, and technical support services to customers of its Fortune 500 client base.

Coastal Law approved (Finally) (Source: www.nicatimes.net) After years of uncertainty the long-awaited Coastal Law has been approved. The Coastal Law establishes one clear set of rules and guarantees for land ownership and development along ocean, lake and lagoon shorelines. It supersedes a century-old tangle of previous legislation that was both unclear and contradictory. The new law stipulates that all oceanfront land within 50 meters of the high-tide line is public domain and cannot be built on in any form. The same goes for all land within five meters of the shorelines of lakes and lagoons. Rivers are excluded from the law. The law is not retroactive, as many had feared it might be.



Daxlmaier confirms investment in Nicaragua

The German company Dräxlmaier has confirmed plans to invest in the establishment of an autowire harness production facility in Nicaragua, which would start operations in the first trimester of 2010. The plant, located in the department of Masaya, will operate under the free zone regime and is expected to create up to 1,000 new jobs once the project is fully executed. Dräxlmaier is a German automotive Corporation founded in 1958 which currently has over 30,000 employees in 49 plants in 18 countries and 4 continents. The company manufactures autowires for prestigious clients such as BMW, Mercedes-Benz, Volkswagen, Audi, GM, Porsche, Jaguar, Toyota and Bugatti.

Investment opportunities in industrial infrastructure in Northwest Nicaragua



PRONicaragua, along with the Millennium Challenge Account (CRM), held a meeting on June 11th in the city of Leon with private sector representatives and public

institutions to present the investment opportunities in industrial infrastructure offered by Northwest Nicaragua. Juan Sebastian Chamorro, Executive Director of the Millennium Challenge Account (CRM), and Javier Chamorro, Executive Director of PRONicaragua, were present at the event, as well as representatives of the National Public Sector Corporation (CORNAP) and the National Port Company (EPN), which presented available properties in Northwest Nicaragua to establish joint ventures with the private sector in order to develop these types of projects. Northwest Nicaragua has a strategic location, abundant natural resources, a modern highway and port infrastructure and a human capital recognized for its exceptional performance, these factors make the region a destination with great potential for economic development and diverse investment opportunities in industrial infrastructure.



El Salvador

\$3.2 million in losses from closed border (Source: elsalvador.com)

Closing the border with Honduras to trade for 48 hours translated to a loss of \$3.2 million and jeopardizes export activities. That's how the president of the Chamber of Commerce, Jorge Daboub put it, and he added that exporters of perishable goods were the most jeopardized, especially fruits and vegetables. Roberto Alas stated that: "We don't agree with the measure because political problems like this should be resolved diplomatically and not with trade measures."

El Salvador reports the largest fall in remittances (Source: elsalvador.com) During the first four months of this year, the country reported the largest decrease in the volume of remittances in all of Central America. According to a report from the Inter-American Development Bank, after 10 years of continuous growth, the interannual variation of remittances between the months of January and April showed a drop of 10%. This decline is fundamentally explained by rising unemployment in the United States which, unlike what happened in the crisis in 2001, is affecting practically all sectors and states within the country.



\$950 million energy project (Source: laprensagrafica.com) Cutuco Energy plans to begin construction of the gas plant in La Unión during the first six months of 2011. Valued at \$950 million, Cutuco Energy's project includes a liquid natural gas center, an electric generation plant, and two energy transmission lines. The project is still moving forward...we hope to begin operations during the second half of 2014,' said Irene López, vice-president of the company. Although Cutuco began the permitting process for construction of the plant in 2005, it has encountered set-backs due to the different procedures that must be completed.

Hanesbrands expands in El Salvador (Source: elsalvador.com) The multinational apparel company has invested \$20 million in the expansion of two factories and a new water treatment plant. In the last three years, the casual and sport clothing company, Hanesbrands, has invested \$200 million, making El Salvador one of the 5 biggest operations in the world. The economic crisis forced the company to move its machinery from the United States to the Central American country where they are investing \$20 million. With the new investment, the clothing and underwear factory in San Juan Opico will have the capacity to create 2,000 jobs. With this addition, the company will have 8,000 employees. The company employs 43,000 people in 100 factories located in countries around the world.



\$7.6 million for Acajutla Port (Source: laprensagrafica.com) Among the main investments for this year is the purchase of two container cranes. Francisco Portillo, Manager of Port Acajutla, reports that in 2010 the Executive Board of Autonomous Ports (CEPA) is also planning an investment of \$9.6 million in infrastructure and equipment. The plans for the remainder of this year are the refurbishing of the piers A and C's concrete structures, which require an investment of \$3 million.

El Salvador exports \$12 million of sugar to Taiwan (Source: laprensagrafica.com) In the coming days, Taiwan will be receiving the first shipment of 40,000 tons of Salvadorian raw sugar. The FTA with Taiwan, in effect since March 2008, permits El Salvador to export 55,000 tons of sugar with zero tariffs.

22% fewer tourists in El Salvador (Source: laprensagrafica.com) During the first five months of the year 22.1% fewer tourists arrived, according to data from the Tourism Ministry. The head of the Ministry, Napoleon Duarte, signaled that the decrease reflects lower spending on tourism, with a reduction of 47.5%. According to the Ministry, the first quarter of 2008, tourists stayed in the country an average of 8.1 nights, and spent on average \$91 daily, but in May, the stay and average expenditure were 6.6 nights and \$65.40 daily.

Bids for 2,000 homes (Source: laprensagrafica.com) As part of the anti-crisis plan, the government will take bids for construction of the first 2000 homes. The anti-crisis plan calls for the construction of 25,000 homes by means of the National Fund for Popular Homes (FONAVIPO). Mario Rivera, president of the Salvadorian Chamber of Construction, stated: "We are hoping that president Funes approves the proposal for the construction of 13,000 homes funded by FONAVIPO, currently in the anti-crisis plan. He mentioned that there will be 2,000 homes built first. Also, we are hoping to move forward with the construction of 5,000 homes financed through private banks."



Honduras

Zelaya denied return to Honduras President Zelaya has arrived safely to San Salvador, reuniting with the heads of state from Argentina, Ecuador and Paraguay, and OAS Secretary General Jose Miguel Insulza. They are expected to meet and discuss alternatives to President Zelaya's return to Honduras, after his first attempt was thwarted by the coup forces that impeded his landing in the Tegucigalpa airport by placing army vehicles and personnel on the runway.

Border reopens (Source: elperiodico.com.gt) The regional business sector, represented by the Federation of Private Business in Central America, the Dominican Republic, and Panama (FEDEPRICAP), has appealed to the governments of Nicaragua, Guatemala, and El Salvador to lift the embargo, insisting that it violates the principles of free transport of goods as established in trade and integration agreements. The border closing lasted 48 hours.

IDB freezes loans to Honduras (Source: laprensagrafica.com) The IDB has "detained" all credit activity with Honduras until the political situation in the country is resolved. The IDB currently has a "very active" portfolio of about \$200 million for Honduras, reported Luis Alberto Moreno, president of the Inter-American Development Bank (IDB). The World Bank and the Inter-American Development Bank announced that they have momentarily frozen

their operations with Honduras due to the political crisis in the country and the way in which the situation is resolved will affect the image of Central America.

World Bank suspends \$270 million to Honduras (Source: Prensa.com) Due to the political situation in Honduras, the World Bank suspended the disbursement of a loan in the amount of \$270 million to the country. The World Bank currently has 16 development projects in Honduras worth \$400 million, among which are the \$270 million that the organization decided to suspend until the political situation is cleared up.

Honduras to export \$75 million in tilapia (Source: elheraldo.hn) The country, one of the world leaders in fresh tilapia production, foresees a 10% increase in its exports for 2009. The secretary of agriculture and livestock farming, Hector Hernández, indicated that in fresh tilapia, Honduras is in first place, followed by Ecuador and Costa Rica. "...In frozen fillets, China is the main producer although the price and the demand for this product is less because the quality of Honduran tilapia is better and it is fully established in the markets of the United States."



CII approves \$7 million loan for the Dinant Group in Honduras (Source: Inter-American Investment Corporation) The loan will be designated to debt restructuring, increasing production capacity, improving the distribution network, and expanding palm cultivations. The Inter-American Corporation of Investments (CII) approved a loan for \$7 million USD to Corporación Dinant and Exportadora del Atlántico, which are both businesses of the Dinant Group. The group is vertically integrated and it does manufacturing and marketing mainly in the areas of snacks, agricultural products, and food products. It is also entering into biodiesel production that would be based on the oil from palm, jatropha, and tempate. For this last area of cultivation, the company is involving rural area farmer groups from Honduras to work in the activities of sowing and harvesting.

Recycling vegetable oil for agricultural fertilizers (Source: elheraldo.hn) In Honduras, Grupo Intur, in alliance with the American company Filtafry, will recycle 36,000 gallons of vegetable oil that was used in restaurants. Grupo Intur is the first Honduran food production company carrying out this environmentally-friendly practice of recycling the vegetable oil used by restaurants. The firm Filtafry will take charge of collecting, cleaning, and processing the oil so that it can be used as a raw material in the production of agricultural concentrates. Oil recycling in European countries, such as Spain, is a growing industry. Honduras is taking its first steps with this project initiated by Grupo Intur.



Dominican Republic

Infrastructure projects financed by Brazil

Hacienda Minister has traveled to Brazil to sign a series of financing agreements for overpasses and underpasses to improve north-south traffic in Santo Domingo with the Brazilian government export-financing agency, BNDES.

Odebrecht of Brazil and Ingenieria Estrella have been entrusted with the construction of the Duarte Corridor that will be implemented with Brazilian funding. Compania Tecnoamerica (engineer Pedro Delgado Malagon) is responsible for the design, supervision and control of the roadworks. The works, estimated to cost US\$163 million would be completed in 24-30 months and will be supervised by the Ministry of Public Works.

Refinery shares sold to venezuela

President Leonel Fernandez will sell 49% of shares in the Refinery Refidomsa to the Venezuelan government petroleum company PDVSA. There will be no tender for the shares. The deal is for US\$130 million, and will mostly be paid for in oil supply. Last year the Dominican government bought the shares from the Shell for US\$ 110 million. Business leaders have expressed concern about it.



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. More information can be obtained from Marjolein Steinebach, country manager Central America, thru email 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 or 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 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

For more information on 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 (Harman Idema, Susana Azurdia). More information on website: www.mfa.nl/gua

For more information on Nicaragua you can contact the commercial department of the Dutch Embassy in Managua by email mng@minbuza.nl or by telephone (00505) 276 8630 (Jan Bauer, Luis Bravo) More information on website: 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 or by telephone (00 1 809) 262 0320 (Reinier Davina) More information on website: www.holanda.org.do