



CENTRAL AMERICA AND DOMINICAN REPUBLIC NEWSLETTER



Dear Subscriber,

Welcome to Edition III of the Central America and Dominican Republic Prosperity Newsletter. It has been a busy three months. Our Embassy in Santo Domingo received a visit from Latin America Minister Hugo Swire, who went on to open the new British Embassy in Haiti – yet another example of the UK's commitment to the Latin America and Caribbean region. In Guatemala we welcomed a second trade mission this year to the Guatemala Investment Summit. In another of our (relatively) new Embassies in San Salvador we had British Week, showcasing UK strengths in education, engineering and music. And across the region our Embassies celebrated the Queen's Birthday Party, in many cases using GREAT branding to promote British strengths in business, culture, education and music.

The countries we work in have been busy too. The Central America Regional Integration System (SICA) held its latest Summit in San Jose, the first time the UK has attended as an official observer after our application was accepted earlier this year. The Dominican Republic was welcomed as a full member, whilst the countries agreed on a new SICA Secretary General – Hugo Martínez, currently El Salvador's Foreign Minister. Panama will now hold the six month rotating Presidency. There are also lots of new business opportunities in the region. The big news is Nicaragua's plans to build an inter-oceanic canal to act as competition to the Panama Canal. And there are many other major new projects across the region that present opportunities to UK Plc, from ports to airports, power plants to metro projects.

NEW OPPORTUNITIES

NICARAGUA - The National Assembly has approved a 50 year renewable concession to construct an inter-oceanic canal to a newly registered Hong Kong company. The plans also include a dry (railway) canal, oil pipeline, two container ports and two new airports to service them – a total investment of around US\$40 billion. British company ERM will carry out the initial environmental feasibility study.

GUATEMALA - Plans have been released for the construction of an international airport in Escuintla. The aim is to relieve pressure on air traffic in Guatemala City, and the State is aiming to complete the US\$140 million project via a public-private partnership. Also on the infrastructure side, plans are underway for an inter-urban railway system for Guatemala City, with an estimated investment of between US\$65-125 million. The Ministry of Energy and Mines is due to launch a bidding round for exploration in two oil blocks next October. The two areas in northern Guatemala did not get any offers during the past round that closed in February 2013. Finally, international bidding is due to be launched for the design and construction of a hydroelectric plant in Xalala, one of the most underdeveloped regions of Guatemala. It will cost USD\$350million and produce 180MW of electricity.

DOMINICAN REPUBLIC - A series of opportunities in the infrastructure sector. In May the National Electricity Corporation launched an international tender for the engineering, procurement and construction of two coal-fired plants to produce 300MW each. The bidding process for the extension of Line 2 of the Santo Domingo metro system will be initiated in the next few months. And the Government has recently awarded contracts to build US\$575 million in new roads, opening opportunities to supply construction equipment, and will open bidding to build the Cibao-South cross mountain highway that would link Santiago and San Juan.

EL SALVADOR - A tender has been launched for the concession of the Pacific deep-water port of La Union. The Government will maintain full ownership of the property and

infrastructure whilst the operator will make investments and manage the port with its own resources for a period of up to 30 years. A minimum investment of US\$30 million is required within the first 10 years. The concession will be made by April 2014. El Salvador has also announced a renewable energy investment plan which will increase its share of the energy matrix to 70%. Planned projects include hydroelectric expansions, solar generation and a wind farm – a total investment of US\$916 million.

COSTA RICA - In healthcare, a medical specialties clinic is looking to purchase slit knives and surgery lenses. In advanced engineering, the Costa Rican National Learning Institute wants to purchase tools like surface and cylindrical grinders, a numerically controlled milling machine, and more. And in engineering consultancy, a Canadian-UK conglomerate in the ports sector requires a technical auditing company in engineering to carry out feasibility studies for its transshipment port project in Costa Rica. All of these opportunities have closing dates in July.

PANAMA - Panama has announced it will receive financing from the Latin American Development Bank to carry out studies for the second stage of the capital city's metro system. Tendering is expected later this year for lines 2 + 3, a project worth around US\$3 billion. Separately, Panama has passed a law providing incentives for solar power stations. The law aims to mitigate the effects of climate change and reduce dependence on oil imports for electricity generation. The country is also promoting an expansion of its electricity transmission network, including a new line from Panama City to Chiriqui, worth some US\$483 million over the next eight years.

HONDURAS - Honduras is welcoming expressions of interest from consulting firms to support the expansion and modernization project of its port in Cortés. And Honduras is another country interested in building a dry canal. Running from the Puerto Castillo to Amapala, China Harbour is said to want to develop up to 10 rail lines, an oil pipeline and a refinery over the next 15 years.

OUR PROSPERITY ACTIVITY

DOMINICAN REPUBLIC - Minister for Latin America, Hugo Swire, visited the Dominican Republic in June, accompanied by a business delegation that included representatives from Biwater, BT Global Services, Bupa, Cable & Wireless, CheckSafety First, De la Rue, Enviromate, John McAslan, Kier Construction and Xstrata. As well as meetings with President Danilo Medina and the Minister for Foreign Affairs, Mr Swire visited the Indomina/Pinewood film studio and the Centre for Export and Investment, before travelling to Haiti to open a new British Embassy in Port-au-Prince.

GUATEMALA - In May a UK business delegation attended the Guatemala Investment Summit. Six UK companies attended representing the financial services, oil, hospitality and security industries. Also in May, the Embassy took part of the Xelaju Festival in Quetzaltenango to scope business opportunities in education and infrastructure. Xela will host the 2018 Central America and Caribbean Games and is seeking expertise in design, volunteering, sustainable construction, urban regeneration, language training and other key areas.

PANAMA - The Embassy hosted a Music Is GREAT-themed Queen's Birthday Party at the Residence, an aural feast of British music, with songs from across the decades. Panama's National Conservatory Orchestra performed a string of UK hits, amongst other performances. A GREAT-branded Mini Cooper descending into the Residence swimming pool, in homage to Keith Moon's rock and roll excesses, added a striking visual element to the evening.

COSTA RICA - Two activities of note. First, the British Chamber of Commerce in Costa Rica will officially start operating on 8 July. With various projects on transparency and fair trade in the pipeline, the Chamber will be a valuable means of representing UK business interests in Costa Rica. Second, UKTI Costa Rica is strengthening its working relationship with municipalities. The project will work with local administrations to analyse budget, transparency and procurement processes, improving visibility for UK companies.

UPCOMING EVENTS

PANAMA - in July the Lord Mayor of the City of London, representative of the UK's financial and professional services industry, will make a historic first visit to Panama. During his stay the Embassy will host a high-profile "Infrastructure is GREAT" event, showcasing infrastructure opportunities in Panama and UK expertise in the design, planning, implementation and financing of major projects. The Lord Mayor will be a keynote speaker, joined by a British business delegation from the financial services and infrastructure sectors.

EL SALVADOR/GUATEMALA - In October we will welcome a clean energy trade mission - targeted at British Companies looking to export green energy solutions. The clean energy sector in Central America is expanding as climate change rises up the political agenda and interest in green sources of energy grows. The region's natural resources offer potential for the development of marine, solar, geothermal, wind and bio power generation and several projects are already underway. The mission will identify opportunities for UK expertise in this sector to be deployed in Central America.

COSTA RICA - The Costa Rican Chamber of Commerce will hold

As usual our latest economic reporting from the region is attached. Please do not hesitate to get in touch if you have any questions or require more information on any of the opportunities or events. Likewise, if you think that a colleague could benefit from this information please let me know and I will add them to the distribution list.

Best wishes,
Ben Myers,
Regional Director for Economic Affairs, Central America
ben.myers@fco.gov.uk

EL SALVADOR - The British Embassy in San Salvador celebrated its first British Week in June in which 6 cities across the country were visited. Activities were held in each place, including: education presentations; meetings with chambers of commerce; British film screenings; Brit Jam, celebrating British music; and more, accompanied everywhere by a Mini Countrymen to display one of the UK's best-selling vehicles. UK profile was raised in areas such as education, culture, tourism and trade.



CLOCKWISE FROM TOP LEFT: MINISTER FOR LATIN AMERICA HUGO SWIRE VISITS THE DOMINICAN REPUBLIC AND HAITI; BRITISH EMBASSY SAN SALVADOR CELEBRATES ITS FIRST EVER BRITISH WEEK; THE EMBASSY IN PANAMA CITY CELEBRATES BRITISH MUSIC AT THE QUEEN'S BIRTHDAY PARTY.