



CAFTA OVERVIEW

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CAFTA At A Glance

Highlights and Opportunities for US Exporters



CAFTA Region at a Glance

- U.S. Exports = More Than \$18.8 Billion in 2008, over 50% higher than in 2005.
- Overall Population: 39 million
- Combined GDP of 109 Billion Dollars
- Among The Most Receptive Markets To U.S. Goods & Services Worldwide



CAFTA

U.S. Benefits

- Comprehensive, Reciprocal Trade Agreement
- 80% Of U.S. Manufactured Exports Enter Duty-Free
- Low Tariffs (1-17%) For Products For Remaining Products
- Equal Access To Services Market, Such As Telecommunications & Insurance
- Improved Business & Investment Climate
- Fewer Import Restrictions, Standards Are Similar To The U.S., & Labeling/Testing Greatly Simplified

Why Export to the CAFTA Region?

- 40% of Region's Imports Are From The U.S.
- On-Going Market Liberalization
- Proximity and Openness To U.S.
- U.S. firms & Central American Firms Have Regionalized Operations
- Central American Integration: Power Grid, Customs, Highway, & Security
- Countries Negotiating As A Group

CAFTA Chapters

- National Treatment And Market Access of Goods
- Rules Of Origin and Origin Procedures
- Customs Administration And Trade Facilitation
- Sanitary And Phyto-Sanitary Measures
- Technical Barriers
- Trade Remedies
- Government Procurement
- Investment
- Cross-Border Trade In Services
- Financial Services
- Telecommunications
- Electronic Commerce
- IPR, Labor, Environment
- Transparency
- Administration Of Trade Agreement And Trade Capacity Building
- Dispute Settlement



Useful CAFTA Information

U.S. Commercial Service in Central America:
www.buyusa.gov/centralamerica/en

U.S. International Trade Administration:
www.export.gov

Office of the United States Trade Representative:
www.ustr.gov

USDOC CAFTA-DR Website
www.ita.doc.gov/cafta

Trade Compliance Center, U.S. Dept. of Commerce:
www.tcc.mac.doc.gov

CAFTA-DR Documentation:
www.export.gov/fta (choose CAFTA-DR)

External Challenges

- World Economy, Oil, & Food Prices
- China's Impact On The Maquila Sector
- Venezuela
- Leftist & Protectionists Governments
- Natural Disasters (Earthquakes, Hurricane, Volcanic Activity, La Niña and El Niño)
- Immigration

Internal Challenges

- Respect for Contracts
- Investment Protection
- Judicial Reform
- Access To Credit
- IPR Protection
- Corruption
- Leadership
- Social Investment (Education & Healthcare)
- Security
- Export Promotion



Our Services in the CAFTA Markets

COUNSELING AND ADVOCACY

MARKET RESEARCH

Industry Sector Reports Market Insights
International Trade Leads Flexible Market Research
Country Commercial Guides

FINDING INTERNATIONAL PARTNERS

Gold and Platinum Key Service International Partner Search
International Company Profile Contact Lists

TRADE EVENTS

Catalog Shows International Buyer Program Trade Missions



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Highlights and Opportunities for US Exporters

Honduras

Nicaragua

El Salvador

Guatemala

Costa Rica



Honduras Highlights

- Largest Seaport In Central America
- U.S. Exports Have Increased 31% Since CAFTA Entry Into Force
- 40% Of FDI & 50% of Imports Come From U.S.
- More Than 25% Of GDP Comes From Remittances
- Judicial Security And Endemic Corruption Are Major Challenges



Best Prospects for U.S. Exports in Honduras

- Safety and Security Equipment
- Travel and Tourism Services
- Renewable Energy Equipment
- Automotive Parts and Service Equipment
- Food Processing and Packaging Equipment



Nicaragua Highlights

- Safest Country In Central America
- President Ortega Has Moved Toward Socialism, But Respects CAFTA
- Rich In Natural Resources
- U.S. Exports Have Increased 45% Since CAFTA Entry Into Force
- Lowest Wage Rates In Central America
- Poor Infrastructure





Best Prospects for U.S. Exports Nicaragua

- Vehicles, Auto Parts, and Equipment
- Plastics
- Computer Equipment
- Telecommunications Equipment
- Food Processing and Refrigeration Equipment



El Salvador Highlights

- First Country to Implement CAFTA-DR
- Dollarized Economy
- Air Transportation Hub For Central America
- Ranked 84 Out of 183 in World Bank's 2010 Doing Business Report
- Remittances \$3.1 billion in 2009, 9.3% lower than 2008
- Courts & Regulatory Bodies Are A Growing Concern
- One of El Salvador's Primary Challenges is the High Level of Violent Crime
- U.S. is El Salvador's principle source of imports and foreign investment





Opportunities: Best Prospect Industries for U.S. Exporters

- Automotive Parts and Service Equipment
- Dental Equipment
- Food Processing/Packaging Equipment
- Travel and Tourism Services



Guatemala Highlights

- Largest Economy in Central America
- Center Left Administration
- Economy Nearly Completely Privatized
- U.S. Exports Have Increased 34% Since CAFTA Entry Into Force
- Many International Companies Base Their Operations In Guatemala City
- Guatemala & UN Established A Joint Commission Against Impunity To Fight Corruption





Best Prospects for U.S. Exports Guatemala

- Auto Parts, Accessories and Service Equipment
- Forestry & Woodworking Mach.
- Security/Safety Equipment
- Travel & Tourism

Costa Rica at a Glance



- 4.5 million people
- 19,652 square miles (size of West Virginia)
- 95% literacy rate
- Spanish Language (English Widely Spoken)
- Democratic Republic
- Life Expectancy: 76 years
- Poverty Rate: 18.5%
- Unemployment Rate: 7.8%





Why Costa Rica?



- **Highly skilled labor force**
- **Diversified economy**
- **Political and social stability**
- **Friendly business environment**
- **Attractive tax incentives**
- **Small, “safe” market**
- **Sophisticated consumers**
- **70,000 US Permanent Residents**
- **Close proximity to the U.S.**

Best Prospects



U.S.
COMMERCIAL
SERVICE
United States of America
Department of Commerce

- BUILDING PRODUCTS
- AUTOMOTIVE PARTS
- HOTEL AND RESTAURANT EQ.
- CONSTRUCTION EQ.
- TOOLS AND HAND POWER EQ.
- ELECTRONIC SECURITY EQ.
- TRAVEL AND TOURISM



Thank You For you Attention

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