Grow Your Exports to Costa Rica and the Dominican Republic

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zmunro@gsgp.org
Great Lakes St. Lawrence Governors & Premiers

- More than 30 years of collaboration among the region’s chief executives:

  - Illinois
  - Indiana
  - Michigan
  - Minnesota
  - New York
  - Ohio
  - Ontario
  - Pennsylvania
  - Québec
  - Wisconsin

- Growing the region’s economy and protecting the world’s greatest freshwater system

  - Chair: Wisconsin Governor Tony Evers
  - Vice Chair: Ohio Governor Mike DeWine
Great Lakes St. Lawrence Governors & Premiers

Award-Winning Project Portfolio

**Economy**
- Promoting SME Exports
- Growing Strong Clusters
  - Maritime Transportation
  - Tourism
  - Cruising
- Attracting Foreign Investment

**Environment**
- Managing Sustainable Water Use
- Restoring and Protecting the Great Lakes St. Lawrence
GSGP Trade Missions

PROVEN RESULTS

1,000+ companies assisted per year
$1.06 billion in 2016-2021 export sales
32+ trade missions

Abu Dhabi, Argentina, Australia, Brazil, Chile, Czech Republic, Colombia, Dubai, Germany, India, Indonesia, Japan, Mexico, New Zealand, Peru, Poland, Romania, South Africa, South Korea, Qatar, Québec, Tanzania, Thailand, Turkey, Vietnam, UAE and the United Kingdom
Key Contacts

Richard Zurba  
Executive Director

Kemi Linton  
Director, Caribbean

Juan Millan  
Director, CARD

GSGP, Caribbean Trade Office (CTO) Key Contacts
Introductions

GSGP Caribbean Trade Office (CTO) States using services in shared trade office
40 + countries across the English, French and Spanish Caribbean/Central America

71.5 million people

Over USD 57 billion in imports from the Caribbean & Central America for 2019.

DR imports were 9.2 billion for 2019

GSGP, Caribbean Trade Office (CTO) Staff Presence
GSGP Services

Market Outreach / Insights
Market Selection / Counseling
Market Sector Research
Qualified Business Counterpart Matching
Regulatory Requirement Research
Company Background Research
Individualized Company In-Africa Appointments
(and other tasks on request)

Group Events
Trade Shows / Trade Ventures
Symposiums and Workshops
Population

Total population 65 million!
### Market Overview

<table>
<thead>
<tr>
<th>REGION</th>
<th>USA GOODS EXPORTS (2019)</th>
<th>USA GOODS IMPORTS (2019)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caribbean</td>
<td>$26.5 billion</td>
<td>$11.3 billion</td>
</tr>
<tr>
<td>Central America</td>
<td>$31.4 billion</td>
<td>$20.8 billion</td>
</tr>
</tbody>
</table>

Source: [http://tse.export.gov/](http://tse.export.gov/)
Key Business Trends

• De-Globalization / Intra-Regional Trade More Important “Near Shoring”

• Less Just-In-Time emphasis

• Fuel prices / cost of logistics

• Food prices / localization

• Demographics / USA & Canada are older markets.
Long historical trading relationship with the USA through the:

- Caribbean Basin Economic Recovery Act 1984 (CBERA)
- Haitian Hemispheric Opportunity through Partnership Encouragement Act 2008 (HOPE)
- Haiti Economic Lift Program 2010 (HELP)
- Dominican Republic-Central America-USA Free Trade Agreement (CAFTA-DR)
Caribbean / CARICOM

Antigua & Barbuda  Jamaica
Bahamas           Montserrat
Barbados          St Lucia
Belize            St Kitts & Nevis
Dominica          St Vincent & Grenadines
Grenada           Suriname
Guyana            Trinidad & Tobago
Haiti

Associate Members:
Anguilla          Cayman Islands
Bermuda           Turks and Caicos Islands
British Virgin Islands
Market Overview

- Caribbean Diaspora in the USA and Familiarity with USA Brands, Taste, Culture

- Imports from the USA have been beneficial due to proximity and quality.

- High food imports & linkages with the tourism sector

- High tourist destination, approx. 50% from USA.

- Regulatory environment open to USA products.
CENTRAL AMERICA + REPÚBLICA DOMINICANA = CARD
Regional Distribution, Shipping and Logistics

- Regional distribution, local distributors, end-users
- Weekly shipping routes
- Similar border clearance procedures
- Supply chain disruptions and impact on the region
Caribbean: Close Market

Trade between the USA and the Central America has been built on:

• Reliability

• Trusted brands, product quality

• Proximity-weekly shipping routes

• Experience

• Cultural Proximity
Central American migration to the USA

• The Great Lakes states in the USA are home to **480,000 migrants** from Central America

<table>
<thead>
<tr>
<th>State</th>
<th>Migrants</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York</td>
<td>282,072</td>
</tr>
<tr>
<td>Illinois</td>
<td>62,524</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>36,201</td>
</tr>
<tr>
<td>Ohio</td>
<td>29,700</td>
</tr>
<tr>
<td>Indiana</td>
<td>20,765</td>
</tr>
<tr>
<td>Minnesota</td>
<td>20,207</td>
</tr>
<tr>
<td>Michigan</td>
<td>18,331</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>10,269</td>
</tr>
</tbody>
</table>

• The most important location in Great Lakes is the New York metro area (48%).
GDP growth

- Strong growth predicted after covid
- Remittances reached $34B during the pandemic: 10% increase
• Several regional integration treaties and initiatives since 60’s.

• **General Treaty of Central American Economic Integration:**
  • Free trade for 99% of the goods of Central American origin
  • Common tariffs for third-country goods
  • SIECA is the authority that oversees the implementation of this treaty

• **Customs union**: next step in the integration. Guatemala and Honduras started a customs union in 2017, which El Salvador joined in 2018.
Multilateral funds

- International cooperation provides opportunities to work in Central America
  - Important role of USAID (with EU, Japan, etc.)
  - Foreign cooperation funds involve higher compliance requirements
International cooperation

- The US government has announced a **4-year strategy** addressing **migration** from Central America (Guatemala, Honduras, El Salvador)

  - **4 billion USD** investments in Central America.

  - **Public-private partnership**
## World-class ports

### Freight (TEU) in main ports (2019)

<table>
<thead>
<tr>
<th>Country</th>
<th>Port</th>
<th>TEU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guatemala</td>
<td>Quetzal</td>
<td>507,810</td>
</tr>
<tr>
<td></td>
<td>Barrios</td>
<td>420,827</td>
</tr>
<tr>
<td></td>
<td>Santo Tomás</td>
<td>565,389</td>
</tr>
<tr>
<td>El Salvador</td>
<td>Acajutla</td>
<td>249,472</td>
</tr>
<tr>
<td>Honduras</td>
<td>Cortés</td>
<td>643,856</td>
</tr>
<tr>
<td></td>
<td>Castilla</td>
<td>110,000</td>
</tr>
<tr>
<td></td>
<td>San Lorenzo</td>
<td>36,851</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>Corinto</td>
<td>167,798</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>Caldera</td>
<td>298,175</td>
</tr>
<tr>
<td></td>
<td>Limón - Moín</td>
<td>218,688</td>
</tr>
<tr>
<td></td>
<td>TCM</td>
<td>1,011,703</td>
</tr>
<tr>
<td>Panamá</td>
<td>Balboa</td>
<td>1,762,417</td>
</tr>
<tr>
<td></td>
<td>PSA</td>
<td>873,361</td>
</tr>
<tr>
<td></td>
<td>Colón</td>
<td>784,252</td>
</tr>
<tr>
<td></td>
<td>Manzanillo</td>
<td>2,313,346</td>
</tr>
<tr>
<td></td>
<td>Cristóbal</td>
<td>975,213</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td>10,939,158</td>
</tr>
</tbody>
</table>
Roads and airports

6,525 km
ROADS

Estadísticas aeroportuarias (2019)

<table>
<thead>
<tr>
<th>País</th>
<th>Aeropuerto</th>
<th>Año</th>
<th>Volumen de Grapi (ton)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guatemala</td>
<td>La Aurora</td>
<td>2019</td>
<td>70,845</td>
</tr>
<tr>
<td>El Salvador</td>
<td>Monsenor Óscar Arnulfo Romero y Goldaraz</td>
<td>2018</td>
<td>92,777</td>
</tr>
<tr>
<td>Honduras</td>
<td>Toncontin</td>
<td>2018</td>
<td>19,972</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>Augusto César Sandino</td>
<td>2017</td>
<td>25,639</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>Juan Santa María</td>
<td>2019</td>
<td>92,072</td>
</tr>
<tr>
<td>Panamá</td>
<td>Tocumen</td>
<td>2019</td>
<td>121,205</td>
</tr>
</tbody>
</table>

TOTAL: 422,510

Fuente: SECA
Connectivity and infrastructures

- Coordinated border management program
- Customs modernization
  - RFID technology
  - Automated cameras
- DUCA: single customs document for trade
- Regional logistics plan
El Salvador summary

• Total imports from Great Lakes states: 169 million dollars

• Main products: machinery, textiles, food, vehicles, aircraft.
Honduras summary

- Total imports from Great Lakes states: 326 million dollars
- **Main imports**: electronics, meat, plastics, machinery.
Guatemala summary

• Total imports from Great Lakes states: 470 million dollars

Main imports: machinery, vehicles, textiles.
Nicaragua summary

- Total imports from Great Lakes states: 60 million dollars
- **Main imports**: meat, machinery, textiles, electronics
Panama summary

- Total imports from Great Lakes states: 374 million dollars
- **Main imports**: pharma, machinery, vehicles, electronics
Costa Rica summary

- Total imports from Great Lakes states: **929 million dollars**

- **Main imports**: industrial, like precision equipment, electric equipment and electronics, machinery, plastics.

- **Main suppliers**: Minnesota is a key exporting state to Costa Rica.
Dominican R. summary

• Total imports from Great Lakes states: 
  1.217 billion dollars

• Diversity of products. The two most important ones, oil and tobacco, are exported only from Pennsylvania and represent 29% of the total exports.

• Main imports: oil, tobacco, precious stones, machinery and equipment.
Final tips

- It is a promising market: agri-business, tourism or near-shoring,
- With their own challenges: corruption, insecurity, market differences...
- Hard to find a partner that covers both CA and DR
- Long sales process and based on personal relations and more casual style...
- *it takes time but CARD is worth the ride!*
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• Kemi Linton
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• Juan Millan
• Email: jmillan@gsgpcto.net
GSGP Central America Trade Mission 2022

Multi-Sector Trade Mission
September 12-16, 2022

Each mission participant will receive a customized schedule of B2B meetings to meet with prospective customers and business partners.

Mission Costs:
In-Person Participation Fee: US $1,500 per company (additional company participant $500)
Includes group ground transport, networking events, briefing and logistical assistance.


* Grant funding is available in many States to offset from 50-75% of mission costs.

Registration Deadline: August 1st, 2022
http://www.gsgp.org/projects/international-trade/trade-missions/
Questions?
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