

December 2, 2021

GREAT LAKES
ST. LAWRENCE
GOVERNORS
& PREMIERS



UNITED FOR GROWTH

Grow Your Exports to the Caribbean and Central America Webinar



Great Lakes St. Lawrence Governors & Premiers

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



- 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

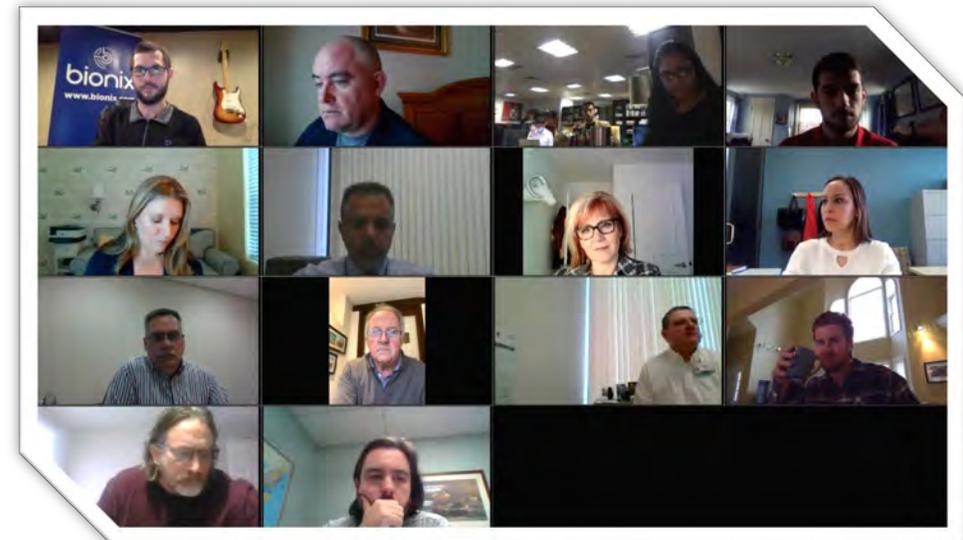


GSGP Trade Missions

PROVEN RESULTS



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





Recipient of 2020 President's "E" Award for Export Service



The President's "E" Award is the highest recognition any U.S. entity can receive for making a significant contribution to the expansion of U.S. exports.



Caribbean Trade Development Opportunities

Great Lakes St. Lawrence Governors & Premiers

2 December 2021

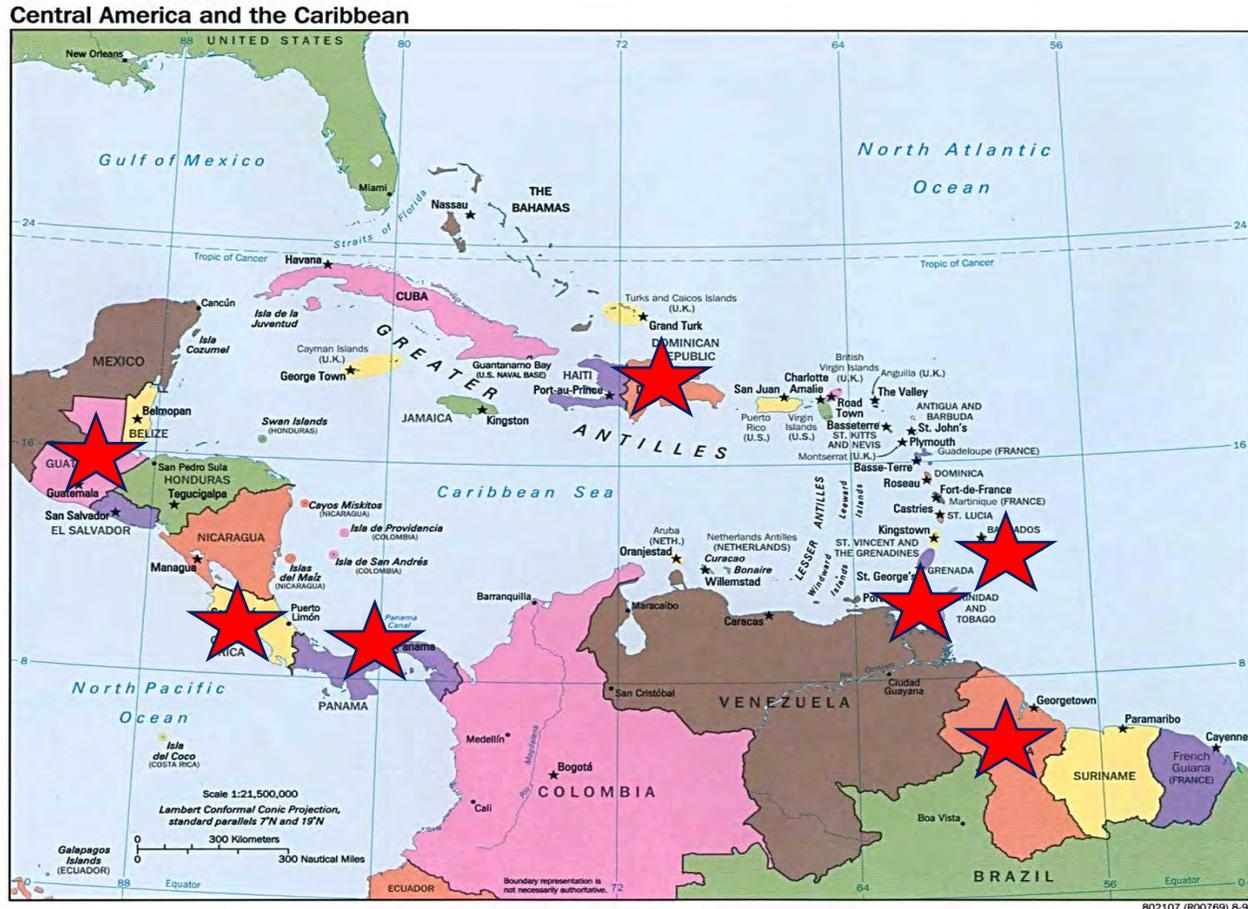
**Richard Zurba / Executive Director
Kemi Linton / Director, Caribbean
Juan Millan / Senior Advisor**



**GREAT LAKES
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GOVERNORS
& PREMIERS**



Introductions



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

Introductions



GSGP, Caribbean Trade Office (CTO) Members

Introductions



Richard Zurba

Executive Director



Kemi Linton

Director, Caribbean



Juan Millan

Director, CARD

GSGP, Caribbean Trade Office (CTO) Key Contacts

Presentation Outline



- **Overview of Caribbean Markets**
- **Key Development Trends**
- **Sector Specific Trends**
- **Regional Distribution, Shipping and Logistics**



The CARIBBEAN/CENTRAL AMERICA REPRESENTATION



Overview of Caribbean/Central American/DR Market



Long historical trading relationship with the USA through the:

- **Caribbean Basin Economic Recovery Act 1984 (CBERA)**
- **US-Caribbean Basin Trade Partnership Act 2002 (CBTPA)**
- **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)**



Overview of Caribbean/Central American/DR Market



REGION	 USA GOODS EXPORTS (2019)	 USA GOODS IMPORTS (2019)
Caribbean	\$26.5 billion	\$11.3 billion
Central America	\$31.4 billion	\$20.8 billion



Source:(<http://tse.export.gov/>)

Overview of Caribbean/Central American/DR Market



- Caribbean Diaspora in the USA
- 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, approximately 50% USA.
- Regulatory environment open to USA products.



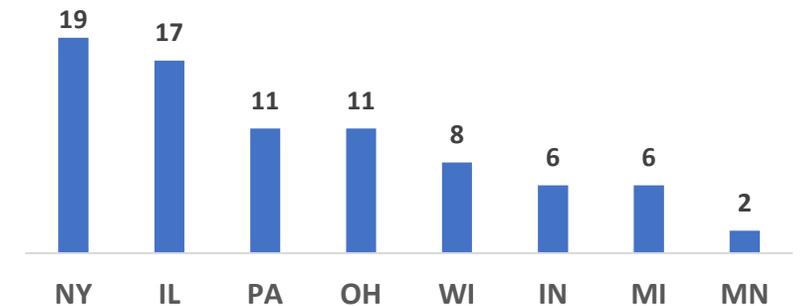
Bahamas summary



- Total imports from Great Lakes states:

82 million dollars

- **Main states:** New York, Illinois, Pennsylvania, Ohio
- **Main products:** machinery, vehicles, iron and steel.



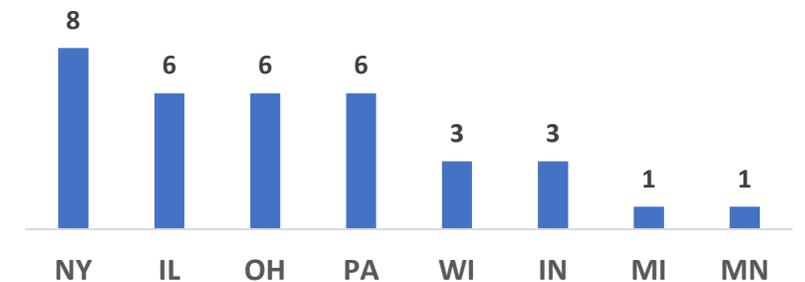
Barbados summary



- Total imports from Great Lakes states:

36 million dollars

- **Main states:** New York, Illinois, Pennsylvania, Ohio
- The imports really concentrate in two categories: nuclear reactors and machinery and essential oils and cosmetics
- **Main products:** Nuclear reactors, electric machinery, essential oils and cosmetics, chemical products.



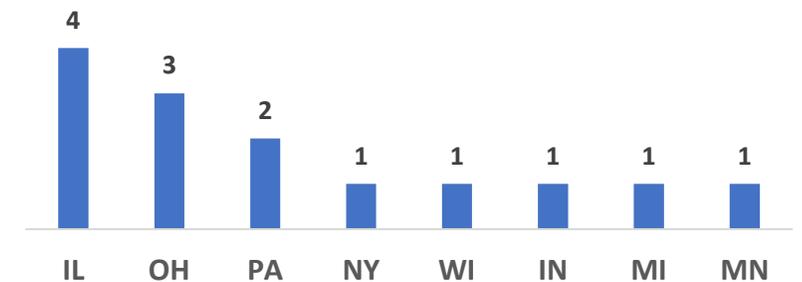
Belize summary



- Total imports from Great Lakes states:

17 million dollars

- **Main states:** Illinois, Ohio, Pennsylvania
- Imports are very concentrated: they come mostly from the three main states.
- **Main products:** Vehicles, nuclear reactors, machinery, meat.



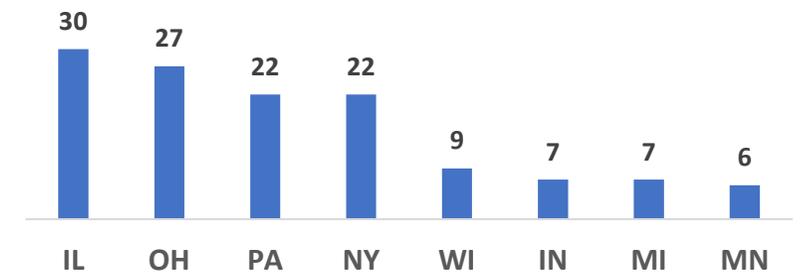
Jamaica summary



- Total imports from Great Lakes states:

132 million dollars

- **Main states:** Illinois, New York, Ohio, Pennsylvania
- In the food category the main imports are prep cereal, flour, starch or milk and bakers wares.
- **Main products:** Nuclear reactors, electric machinery, food and vehicles.



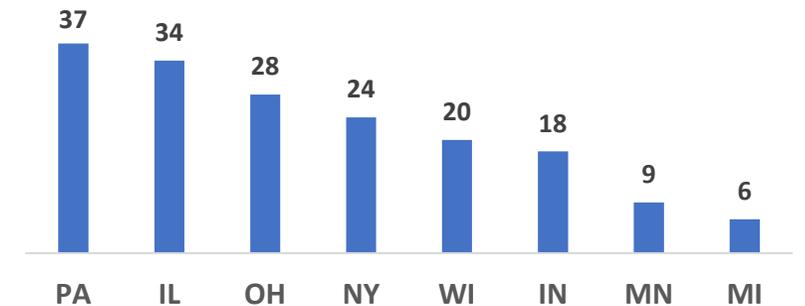
Trinidad & Tobago summary



- Total imports from Great Lakes states:

178 million dollars

- **Main states:** Illinois, Pennsylvania, Ohio, New York, Wisconsin.
- **Main products:** Nuclear reactors, electric machinery, medical instruments and food.



Key Business Trends



- Technology and digital services/other professional services
- Infrastructural development/Construction
- Maritime sector development
- Tourism and linkages across sectors
- Food security: Agriculture, Agri-tech, Food
- Sustainable development, Renewable Energy/energy efficiency, waste management



Sector Specific Trends



- Guyana: oil and gas and major infrastructural development projects
- Organisation of East Caribbean States (OECS): Blue economy/port development, construction and digital services/e-commerce, retail, innovation
- CARICOM/CA: Food and Fast Moving Consumer Goods, Retail, Health Products, Agri-tech, Infrastructure, Construction, Tourism & Hospitality, Port/Maritime sector

U.S. exported over US\$2 billion in U.S. consumer-oriented foods to the Caribbean Basin in 2018, a growth of 4% from the prior year. (www.foodexport.org)

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 Caribbean has been built on:

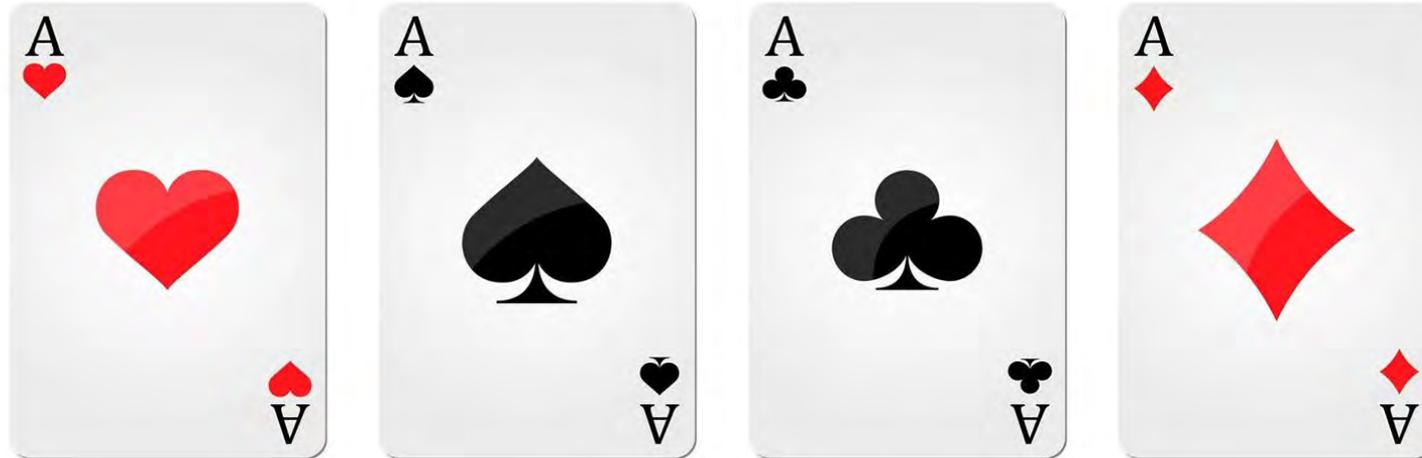
- Reliability
- Trusted brands, product quality
- Proximity-weekly shipping routes
- Experience
- Cultural Proximity



CARD

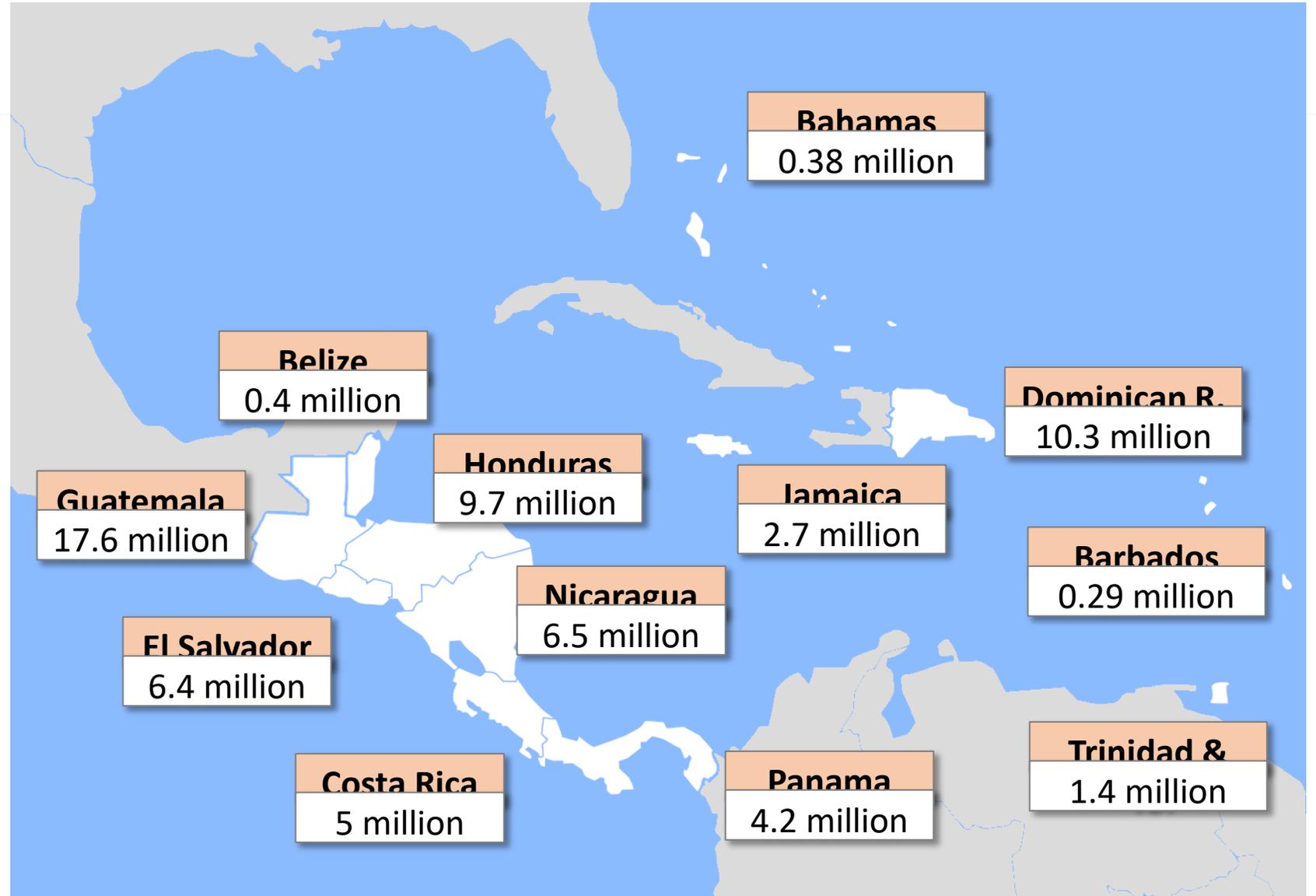


CENTRAL AMERICA + REPÚBLICA DOMINICANA= CARD



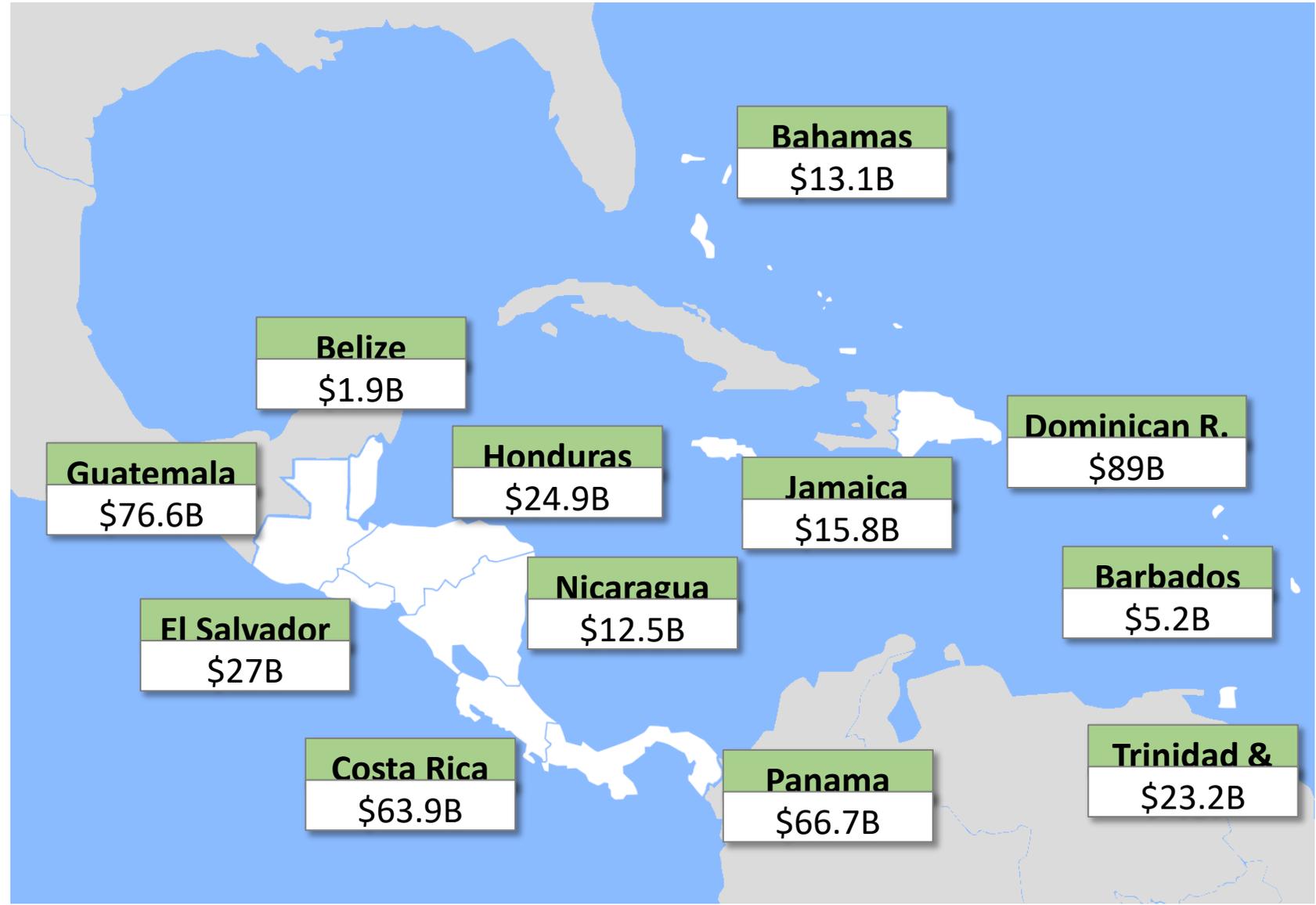
Population

**Total
population
65
million!**

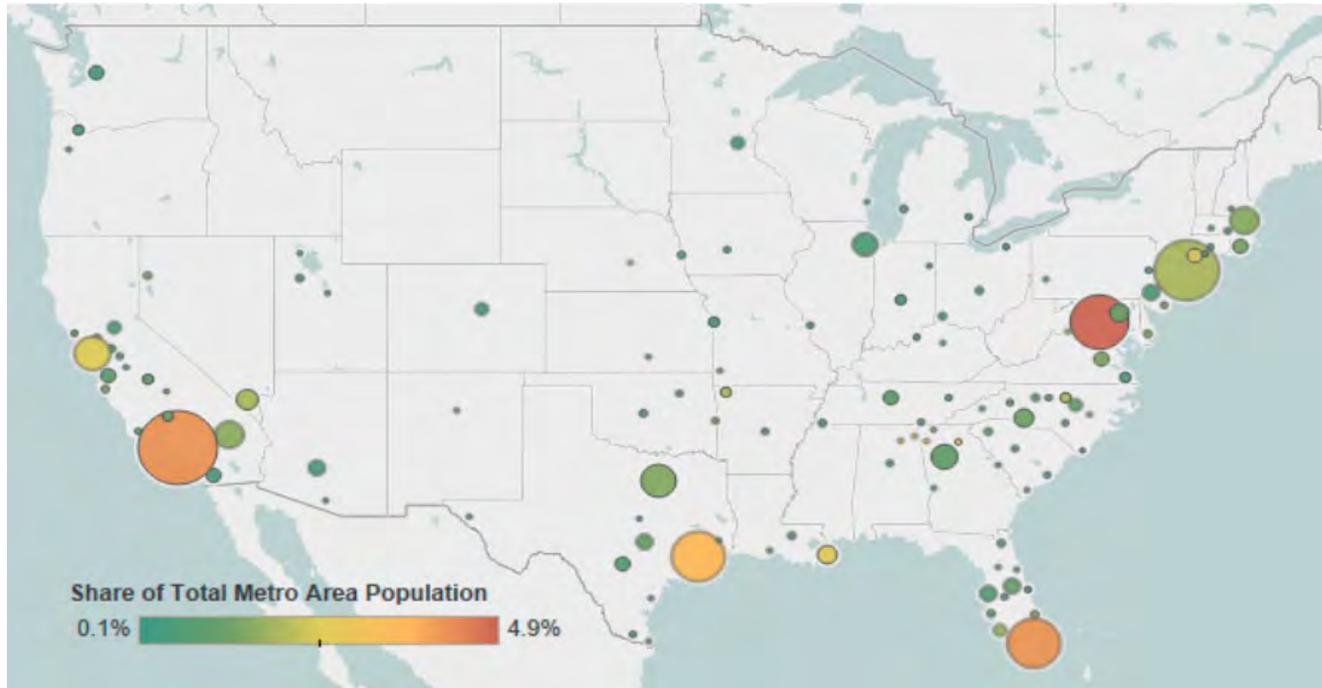


GDP

Total GDP
420.3
billion
USD!



Central American migration to the USA



- The Great Lakes states in the USA are home to **480,000 migrants** from Central America
- The most important location in Great Lakes is the New York metro area (48%).

State	Migrants
New York	282,072
Illinois	62,524
Pennsylvania	36,201
Ohio	29,700
Indiana	20,765
Minnesota	20,207
Michigan	18,331
Wisconsin	10,269

GDP growth



- Strong growth predicted after covid
- Remittances reached \$34B during the pandemic:
10% increase

2021 growth
4.2%
(CARD average)



País	2019	2020 ^a	2021 ^b
Costa Rica	2,1	-4,5	3,0
El Salvador	2,4	-8,6	3,5
Guatemala	3,8	-2,5	3,5
Honduras	2,7	-8,0	4,5
Nicaragua	-3,9	-4,0	1,3
Panamá	3,0	-11,0	5,5
República Dominicana	5,1	-5,5	5,0
Promedio CARD^c	3,2	-6,1	4,2

SICA

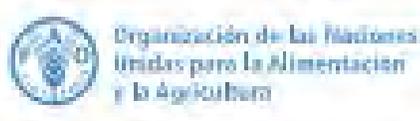


- Several regional integration treaties and initiatives since 60's .
- **General Treaty of Central American Economic Integration:**
 - Free trade for 99% of the goods of Central American origin
 - Common tariffs for third-country goods
 - SIECA is the authority that oversees the implementation of this 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**



**GOVERNANCE
COMPLIANCE**



International cooperation



- The US government has announced a **4-year strategy** addressing **migration** from Central America (Guatemala, Honduras, E Salvador)
- **4 billion USD** investments in Central America.
- **Public-private partnership**



World-class ports



Freight (TEU) in main ports (2019)

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



Roads and airports



CA-01	Distancia: 2,461 km	CA-05	Distancia: 418 km	CA-09	Distancia: 404 km	CA-13	Distancia: 795 km
CA-02	Distancia: 674 km	CA-06	Distancia: 170 km	CA-10	Distancia: 118 km	CA-14	Distancia: 128 km
CA-03	Distancia: 259 km	CA-07	Distancia: 193 km	CA-11	Distancia: 278 km		
CA-04	Distancia: 384 km	CA-08	Distancia: 91 km	CA-12	Distancia: 152 km		

Fuente: SIECA con información de los Ministerios de Comunicaciones, Obras Públicas, Infraestructura o Transporte.



Estadísticas aeroportuarias (2019)

País	Aeropuerto	Año	Volumen de carga (ton)
Guatemala	La Aurora	2019	70,845
El Salvador	Monseñor Óscar Arnulfo Romero y Galdámez	2018	92,777
Honduras	Toncontín	2018	19,972
Nicaragua	Augusto César Sandino	2017	25,639
Costa Rica	Juan Santa María	2019	92,072
Panamá	Tocumen	2019	121,205
TOTAL			422,510

Fuente: SIECA



Connectivity and infrastructures



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



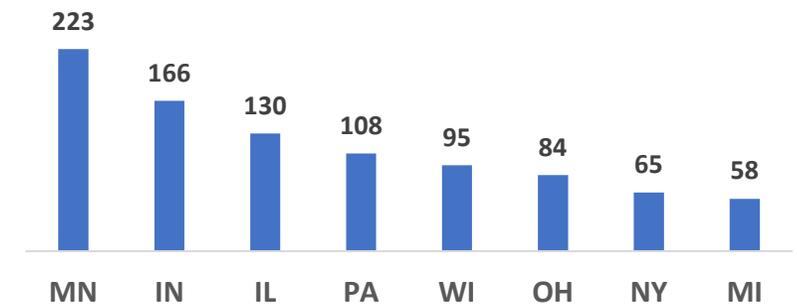
Costa Rica summary



- Total imports from Great Lakes states:

929 million dollars

- Precision equipments like optic, photo, medical and surgical from Minnesota, and electronics from Indiana are the highest exports.
- **Main products:** industrial, like precision equipment, electric equipment and electronics, machinery, plastics.
- **Main suppliers:** Minnesota, Indiana, Illinois.



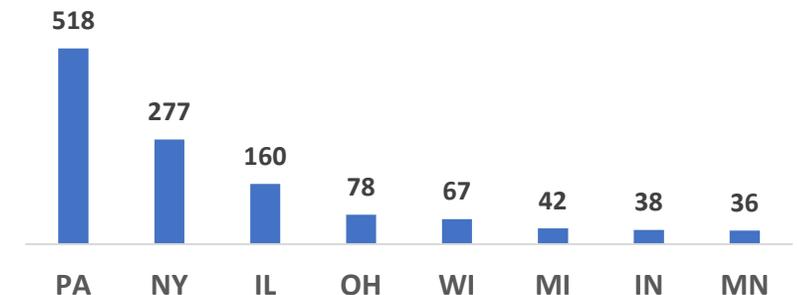
Dominican R. summary



- 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 products:** oil, tobacco, precious stones, machinery and equipment.
- **Main states:** Pennsylvania, New York, Illinois



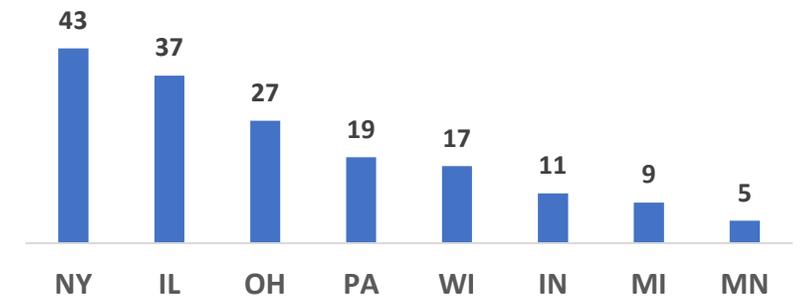
El Salvador summary



- Total imports from Great Lakes states:

169 million dollars

- Diversity of exports, distributed between different states. Textiles and aircraft from New York are the highest item.
- **Main suppliers:** New York, Illinois, Ohio
- **Main products:** machinery, textiles, food and vehicles



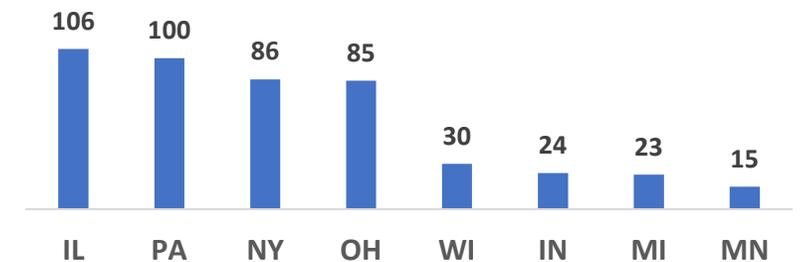
Guatemala summary



- Total imports from Great Lakes states:

470 million dollars

- **Main states:** Illinois, Pennsylvania, New York, Ohio.
- **Main products:** machinery, vehicles, textiles, unclassified.



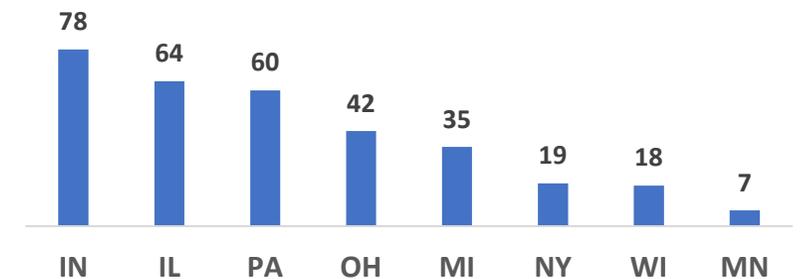
Honduras summary



- Total imports from Great Lakes states:

326 million dollars

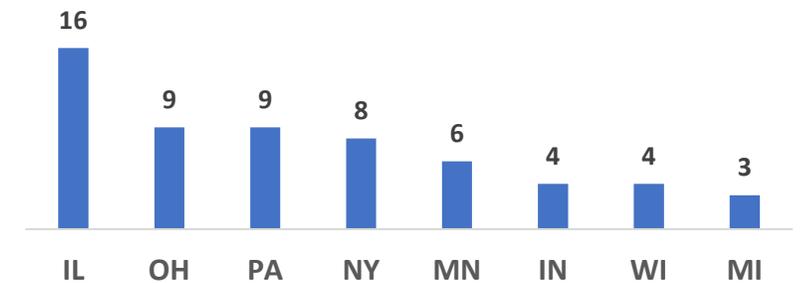
- Imports are diverse, coming from different states and involving a variety of products.
- **Main states:** Indiana, Illinois, Pennsylvania
- **Main products:** electronics, meat, plastics, machinery.



Nicaragua summary



- Total imports from Great Lakes states:
60 million dollars
- **Main states:** Illinois, Ohio, Pennsylvania, New York
- **Main products:** meat, machinery, textiles, electronics



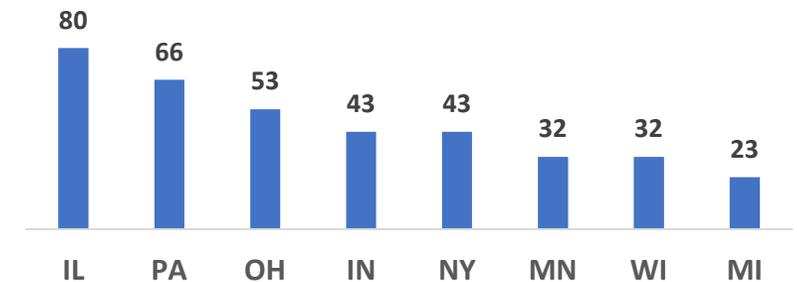
Panama summary



- Total imports from Great Lakes states:

374 million dollars

- Panama is the only country with high pharma imports, mainly from Indiana.
- **Main states:** Illinois, Pennsylvania, Ohio, Indiana, New York
- **Main products:** pharma, machinery, vehicles, electronics



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!*

Q & A



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GSGP Trade Mission to South Korea & Japan 2022

Multi-Sector Trade Mission February 21-25, 2022

Postponed



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.

Brief Market Research & Customized Appointment Setting Fee*: South Korea US \$2,970 Japan US \$4,000

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

Registration Deadline: December 15, 2021

<http://www.gsgp.org/projects/international-trade/trade-missions/>



Israel Trade Mission

May 15-19, 2022

- Multi-Sector Trade Mission to Israel
- Mission Participation Fee US \$1,500 per company (each additional participant \$500)
- Appointment Setting Fee US \$3,200
IL, MI, OH, PA Complimentary

Mission registration deadline: February 18, 2022

- Grant funding is available in many States to offset travel costs and mission fees.
- <http://www.gsgp.org/projects/international-trade/trade-missions/>





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Questions?

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