



The Americas Update

August/September 2005

Trade Americas: Bringing the Western Hemisphere to Your Fingertips

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Have you ever wanted to know how to close a deal in a vast region from Vancouver to Buenos Aires without spending days traveling on a plane to cover your entire territory? Or have you needed critical information to decide which market represents the best opportunities for your company? Do you fantasize about reading market research from all the countries in the Western Hemisphere in one consolidated source?

To fulfill our U.S. clients' critical needs in these areas and more, the U.S. Commercial Service has created the Trade Americas program to provide our clients with a single entry point to navigate the entire Western Hemisphere. Each Commercial Specialist participating in the Trade Americas program will be able to advise U.S. clients on the "best prospects" for their products or services throughout the continent. Additionally, Trade Americas participants will consolidate market research from the entire region to provide our clients with a comprehensive overview of potential opportunities from the North Pole to the South Pole.

Initially, Trade Americas will focus in the areas of automotive, energy, franchising, health, IT/Telecom, security and travel and tourism. As the Trade Americas program develops, additional sector teams will be created.

To obtain more information, request consolidated market research in your sector, or learn about where the Trade Americas Specialists will be in the United States at a trade show, please contact:

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We welcome your input and suggestions as we strive to help you locate business deals without leaving your office!

Business Opportunities

Canada

Industry: Transportation

Effective September 1, 2005, child booster seats in vehicles will be mandatory in Ontario. Failure to comply will carry a fine of C\$110 and two demerit points.

This will make the Province of Ontario the second province after Quebec to make booster seats mandatory. The Ontario Legislature passed Bill 73, to enhance the safety of children and youth on Ontario roads. Bill 73 will require all drivers to use either car seats or booster seats when transporting children. Booster seats will be required for those children that have outgrown their car seats but are still too small to be fully protected by seat belts. The new legislation would extend responsibility beyond legal guardians to other primary caregivers as well, for example, baby sitters and grandparents.

For more information, [click here](#).

Colombia

Industry: Kitchen Appliances

The Colombian economy, affected by a significant recession during 1999-2002, is showing positive signs of recovery. GDP increased 3.7 percent in 2004 and it is expected to rise above 4.0 percent in 2005. During president Uribe's administration the security and economic situation has improved markedly and this has increased foreign investor confidence.

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In May 2004, the United States entered into free trade agreement negotiations with Colombia, Peru and Ecuador (Bolivia is participating only as an observer). After over a year, negotiations have reached a critical stage, and negotiators are focusing on the main differences. However, there are still high expectations that an agreement will be reached.

Demand for electric home appliances has increased due to an increment in the number of suppliers, the diversity in prices and competition between the U.S., China and Japan. In 2004 the total market for kitchen appliances was US \$85 million. It will grow an estimated average of 5-6 percent per annum over the next three years.

Although Colombians prefer U.S. products, imports of kitchen appliances from China grew 11.6 percent in 2004, reaching a 52.4 percent share of total Colombian imports of these products.

The U.S. share of the total import market has decreased in recent years, but recuperated during 2004 with a 30% increase. Imports of U.S. kitchen appliances are expected to grow between 5-6 percent during 2005-2007. Increasing competition of low cost items from China and Japan is creating strong competition for the U.S.

For more information, [click here](#).

Colombia

Industry: Housing Construction

This report focuses on prefabricated housing in Colombia. Although builders have been aware of the advantages of this construction technology for many years, only recently have Colombian builders and end-users applied it. Light-steel framing studs are now being used to support roof trusses, floor joists and for office partitions, and increasingly, in residential construction.

Traditionally, the Colombian housing construction industry builds framed steel rebar-reinforced concrete structures made with concrete, bricks and hollow bricks, steel, and other masonry products. This includes single-story or multi-story structures. Buyers prefer solid and enduring structures to more modern and modular building systems. However, there are some inherent advantages of new construction technologies that are beginning to appeal to builders.

For more information, [click here](#).

Costa Rica

Industry: Transportation

On July 4, 2005, the Costa Rica began implementation of a law mandating the use of a security/tracking

device on the back of all containers and transportation vehicles transporting cargo throughout Costa Rica's territory. The new law establishes a system of called the Information Technology Customs Control, or TICA, to require all carriers operating in Costa Rica to use a device with certain technical specifications that will monitor, track and secure the goods as they move within the Costa Rican supply chain.

Costa Rica is considered an early adopter of this type of technology in Central America. Costa Rican importers and exporters should benefit from this new system as customs procedures will be done electronically from the customs broker facility to the customs warehouse facilities and vice versa, eliminating the processing and handling of many of shipping documents.

Custom clearance procedures will be simplified with the use of software that will randomly decide which shipments will require physical inspection.

For more information, [click here](#).

Costa Rica

Industry: Orthopedic Appliances

Costa Rica represents a growing market for orthopedic products that is expected to continue increase by in the future.

The Costa Rican Government places no restrictions on the importation of medical equipment, although there are no significant non-tariff barriers on medical equipment. All medical equipment are assessed import duties, these can be reimbursed. Since March 31, 1992, all importers, agents and distributors of medical equipment that are registered with the Costa Rican government are able to request duty-free permits for all imported equipment, instrumentation and medical supplies.

The exoneration process, which can take from one week to 30 days, can also be done through a customs broker.

For more information, [click here](#).

Dominican Republic

Industry: Healthcare

In the Dominican Republic for registration purposes, Healthcare Products are classified in two categories:

- **Medical equipment, devices, and supplies:** Products under this category have no import restrictions, do not need to go through a registration process and U.S. standards are accepted.

- **Drugs and Pharmaceuticals:** Products under this category cannot be imported into the Dominican Republic without a Sanitary Registration.

The government institution responsible for issuing the Sanitary Registration certificates is the Department of Drugs and Pharmacies (Departamento de Drogas y Farmacias) of the Secretariat of State for Public Health (please see contact information below). The fact that a product has been FDA approved does not exempt it from the registration requirement. Please note that it is not possible for a foreign company to apply for a Sanitary Registration. Therefore, U.S. companies should first appoint a Dominican representative or register a company under the laws of the Dominican Republic before exporting drugs and pharmaceutical products into the country.

For more information, [click here](#).

Mexico

Industry: Banking

Ten years after the so-called Tequila Crisis of 1994-1995 that decapitalized the banking sector in Mexico and sharply curtailed its lending activity, the “hangover” from the crisis is not over yet. According to bank regulators and bankers in Mexico, along with the slowdown of Mexican economy in 2001-2002 that further delayed a recovery in bank financing, vestiges from the crisis are still a main reason behind the reluctance by banks to extend credit other than to their most sound customers. These facts have made it difficult for the banking system to meet Mexico’s needs.

For more information, [click here](#).

Venezuela

Industry: Construction

In 2004, the Venezuelan economy bounced back from the previous year’s economic contraction and witnessed the continuation of a rigorous exchange control system, high unemployment (13.9%) and price volatility (inflation 19.2%). Overall, however, positives have appeared to outweigh the negatives for the construction industry. Short- to intermediate-term prospects for this sector seem relatively solid, based largely on the government’s prioritization of ambitious projects in the energy, telecommunications, and housing sectors.

Venezuela’s construction sector contributes roughly 5.2% to the country’s GDP and comprises at least 150 engineering and civil construction firms. Sector activity is divided among infrastructure, residential and industrial projects. Private sector companies, well organized through different associations and

chambers, dominate the Venezuelan construction sector.

The Venezuelan Chamber of Construction (CVC) estimates that there is \$US 500 million in pent-up demand for infrastructure projects as a result of the sharp economic downturn in 2003. CVC projects that investment throughout 2005 will focus on residential and industrial infrastructure projects. Total construction spending, from both the public and the private sector during 2005 are projected at \$US 3.8 billion. The government has named electric, water treatment, telecommunications, and housing projects as public sector priorities for 2005.

CVC estimates construction expenditures will total \$US 8.5 billion in 2004-2009, of which \$US 2.5 billion will be for basic and social infrastructure projects. Venezuelan construction companies currently report unused capacity of more than 60%.

For more information, [click here](#).

Venezuela

Industry: Academia

Venezuela is the South American country with the most cultural ties to the United States. Venezuela’s largest trading partner is the U.S. When it comes to learning English, the U.S. has always been the first preference for Venezuelans, even over Canada and the United Kingdom. Venezuela ranks third in South America, after Brazil and Colombia, in the number of students it sends to the United States for all types of education.

In most of the local and foreign companies operating in Venezuela, English second language is required, particularly to obtain a top-level position in a company. Even at lower level positions, the knowledge of English is highly desired since many employees need to interact with English speaking customers and tourists on a regular basis.

For more information, [click here](#).

Trade Events

Brazil

Industry: Education/Training Services

Last year ExpoBelta - Education Expo attracted participation of language schools, colleges, universities, official tourist boards, sports and cultural centers from the U.S., Argentina, Australia, Canada, Germany, New Zealand, Spain and U.K. BELTA - Brazilian Educational & Language Travel Association had more than 20,000 visitors who were interested in educational, cultural and sports programs abroad. As part of the 2005 exposition a workshop is also planned.

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This will provide an opportunity for new-to-market schools to present their programs to potential BELTA representatives. For those who already work with local representatives, this would be an excellent time to renew business relationships and to provide the latest information on your innovative programs and new promotions for the coming year. Brazil has a population of 170 million people. 30 million people are between the ages 15 - 24 and 27% of those (approximately 8 million) have the resources necessary to travel and study abroad. Participation in U.S.A. Pavilion at the event offers U.S. exporters a special opportunity to enter and/or expand in the Brazilian market by exhibiting their products/services. In addition, CS Brazil will provide the following services: Design and construction of a furnished booth, Marketing campaign in Brazil via our NUSA (NetworkUSA) partner organizations located in Brazil's 38 most dynamic business centers, Market counseling, Market overview, Shuttle service airport/hotel/airport and hotel/show/hotel, Hotel reservations, Trade Aides/interpreters etc.

For more information, [click here](#).

Chile

Industry: Aircraft/Aircraft Parts, Airport/Ground Support Eq., Aviation Services, Telecommunications Eq. and Services

The 14th International Air and Space Trade Fair (FIDAE 2006) will be held on March 27 to April 2, 2006, in Santiago, Chile. FIDAE is a biennial Latin American aerospace trade fair organized by the Chilean Air Force and sponsored by the Chilean Government. The main objective of this air show is to present the latest technological advances in the airspace and defense field to Latin America. In its new location, at the Arturo Merino Benitez International Airport, the FIDAE 2006 will display products in all areas of civil and commercial aviation and defense equipment; avionics; airport equipment and services; aircraft maintenance; air traffic control technology and navigation; fixed-wing and rotorcraft; and, logistics and management software. FIDAE 2006 offers ample exhibition spaces, with pavilions, chalets and static aircraft displays.

For more information, [click here](#).

Mexico

Industry: IT & Telecommunications

Expo Comm Mexico City is the largest IT and telecom show in the country. It covers fixed and wireless communications, services and equipment. ExpoComm 2004 had a total of 23,300 participants: 12,531 visitors, 598 conference assistants, 268 press members, and 4,905 exhibitors. The USA Pavilion hosted 13

companies and is planning on expanding by 50% to cover the demand for this service. There were 5 other official pavilions and 15 countries represented, and a total of 285 exhibitor companies. Participants will benefit from: High-Profile location USA - branded Pavilion and marketing material Pavilion Catalog On-site meeting space Participation in Technical Seminar Series Invitation to Technical Conference.

For more information, [click here](#).

Mexico

Industry: General Industrial & Metalworking Eq./Supplies, Materials Handling & Plastics Production Machinery, Machine Tools, Operations/Maintenance Services, Plastics Materials/Resins, Pollution Control Eq., Robotics.

The 12th edition of Mexico's largest metalworking/manufacturing exhibition featuring machine tools, automation, assembly technology, quality manufacturing, CAD/CAM, robotics, software, coil-winding, and welding technologies. Expo Manufactura is Mexico's most important manufacturing show, held in Monterrey, the "Industrial Heart of Mexico" and home to more than 13,000 manufacturers. Large Mexican companies headquartered in Monterrey control over 50 per cent of the country's industrial assets. The seven-state territory around Monterrey imports \$20 billion in goods and services each year, 74% of which come from the U.S. Monterrey, boasting the highest per capita income of Mexico, has created an economic boom through private sector initiative, active promotion of international investment, a modern infrastructure, and a hardworking, well-educated work force. These are all reasons why Fortune Magazine calls Monterrey "the best city in Latin America in which to do business". U.S. companies are encouraged to exhibit in the USA Pavilion at Expo Manufactura to help ensure that you leave Mexico with the contacts needed to penetrate this important manufacturing market.

For more information, [click here](#).

Useful Websites

[U.S. Trade and Development Agency: Latin America and the Caribbean](#)

The U.S. Trade and Development Agency (USTDA) advance economic development and U.S. commercial interests in developing and middle-income countries. In carrying out its mission, USTDA gives emphasis to economic sectors that may benefit from U.S. exports of goods and services and to activities that measurably affect development in the host country.

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