



Jack H. Brown College  
Business and Public Administration

2017 GLOBAL ACCESS PROGRAM

# DOING BUSINESS WITH LATIN AMERICA & THE CARIBBEAN



CENTER FOR  
**GLOBAL MANAGEMENT**  
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

# ABOUT THIS GUIDE

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This guide was created as a starting point and resource for those interested in taking their product global. It features facts and information about the countries highlighted in the 2017 Global Access Program, a program supported by the following partners:



## GUIDE SOURCES:

Doing Business: Economy Profiles 2017, The World Bank Group

Country Opinion Surveys 2016, The World Bank Group

Mergent Country Profiles 2016 [www.mergent.com](http://www.mergent.com)

Office of the United States Trade Representative <https://ustr.gov/countries-regions/americas>

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**DESIGN:** Angelica Lopez, California State University, San Bernardino, Student - Art/Marketing

# PROGRAM

**7 – 8am** Registration & networking  
(Continental Breakfast)

**8 – 8:20am**

**Welcome Vipin Gupta & Frank Lin**, CSUSB Jack H. Brown Associate Deans, Co-Directors of the Center for Global Management and Professors ([csusb.edu/global-management](http://csusb.edu/global-management))

**Lawrence Rose**, CSUSB Jack H. Brown College Dean ([jhbc.csusb.edu](http://jhbc.csusb.edu))

**Amarjit Singh**, IE Center for International Trade Development Globalization Specialist ([www.iecitd.org](http://www.iecitd.org))

**Rachel Baranick**, SBA Deputy Director ([www.sba.gov/](http://www.sba.gov/))

**8:20 – 8:40am**

**Introduction of GAP** (Latin America Focus)  
Dr. Sarita Jackson, President/CEO of Global Research Institute of International Trade, Adjunct Professor, CSUSB Center for Global Management (<http://griit.org/>)

**8:45 – 9:30am**

**Costa Rica** ([http://costaricaembassy.be/en/trade/trade\\_policy/](http://costaricaembassy.be/en/trade/trade_policy/))

**Marcela Chavarría**, General Director of Foreign Trade Ministry of Costa Rica

**Francisco Monge**, General Deputy Director of Foreign Trade and the Director of Research and Economic Analysis of the Ministry of Foreign Trade of Costa Rica (COMEX)

**Marta Esquivel**, Director of Intelligence Business Unit (PROCOMER)

**9:30 – 10:15am**

**Colombia- Ambassador Jesús Ignacio García Valencia**, Embassy of Colombia in Costa Rica ([www.colombiaemb.org](http://www.colombiaemb.org))

**Profesor Juan Carlos Rondon Avendaño, Sergio**

**Arboleda U.**, Colombia ([www.usergioarboleda.edu.co](http://www.usergioarboleda.edu.co))

**Sebastian Echavarría & Camilo Duque**, Representatives West Coast of Pro Colombia USA (Colombian Government Trade Office) ([www.investincolombia.com.co](http://www.investincolombia.com.co))

**10:15 – 10:45am**

**Student Poster Presentations and Global Innovation Awards:**  
How to Expand Into Latin America – Strategies for Small and Medium Enterprises from Inland Empire

**10:45 – 11:15am**

**Peru- Luis Yndigoyen**, Mexico Sales Director, Latamready ([www.latamready.com](http://www.latamready.com))

**Cesar Fuentes**, Director, Master of Public Administration, ESAN Business School, Peru ([en.esan.edu.pe](http://en.esan.edu.pe))

**11:15 – 12:15pm**

**Dominican Republic- Julie Mejía**, El Grupo Mejía Arcalá ([grupomejiarcala.com/en](http://grupomejiarcala.com/en))

**David McNeill**, Senior Commercial Officer, U.S. Embassy in Santo Domingo, Dominican Republic (<https://do.usembassy.gov>)

**12:15 – 1:00pm**

**Mexico -Enrique Salomón Rosas Ramírez**, Chief Consul of Mexico in San Bernardino ([consulmex.sre.gob.mx/sanbernardino](http://consulmex.sre.gob.mx/sanbernardino))  
Eduardo Vargas, Director of Logistics & Customer Solutions, Morrison Express Corp. ([www.morrisonexpress.com](http://www.morrisonexpress.com))

**1:15 – 1:30pm**

**Panama/Lunch**

**John Coronado**, Senior Commercial Officer, U.S. Embassy in Panama City, Panama ([pa.usembassy.gov](http://pa.usembassy.gov))

**1:30 – 1:50pm**

**U.S. Export-Import Bank: Trade Financing Solutions**

**Sandra Donzella**, Deputy Managing Director - Western Region (<http://www.exim.gov>)

**1:50 – 2:00pm**

**Closing Remarks -Frank Lin and Vipin Gupta**

# COLOMBIA

Its landscape is marked by rainforests, Andes Mountains and numerous coffee plantations. In the high altitude capital, Bogotá, the Zona Rosa district is known for its restaurants & shops. Cartagena, on the Caribbean coast, has a walled colonial Old Town, a 16th century castle and nearby coral reefs.

**Location: Northern tip of South America**

**Capital:** Bogotá  
**Land:** 1,141,748 km<sup>2</sup>  
(440,831 sq. mi)  
**Water (%)**: 8.8 (17th)

## Neighboring Countries

Colombia shares a border to the northwest with Panama, to the east with Venezuela and Brazil and to the south with Ecuador and Peru. It shares its maritime limits with Costa Rica, Nicaragua, Honduras, Jamaica, Haiti and the Dominican Republic.

## Geographical facts and figures

Ecologically, it is one of the world's 17 megadiverse countries, and the most densely biodiverse of these per square kilometer. Colombia is a middle power and a regional actor with the fourth-largest economy in Latin America, is part of the CIVETS group of six leading emerging markets and is a member of the UN, the WTO, the OAS, the Pacific Alliance, and other international organizations. Colombia has a diversified economy with macroeconomic stability and favorable growth prospects in the long run.

## Natural Resources

The extractive sector accounted for 69 percent of Colombia's exports in 2011. The petroleum industry is particularly important; it generated 4 percent of total government revenue in 2011 and is the focus of this assessment. However, over the last decade interest in Colombia's coal, nickel, gold, and other mineral resources has grown.

## Political Facts and Figures

The government of Colombia takes place within the framework of a presidential participatory democratic republic as established in the Constitution of 1991. In accordance with the principle of separation of powers, government is divided into three branches: the executive branch, the legislative branch and the judicial branch.

# COLOMBIA CONT.

## Administration Divisions

Colombia is divided into 32 departments & one capital district, which is treated as a department (Bogotá also serves as the capital of the department of Cundinamarca). Departments are subdivided into municipalities, each of which is assigned a municipal seat, & municipalities are in turn subdivided into corregimientos in rural areas and into comunas in urban areas.

## Judicial Branch

The judicial branch is headed by four high courts, consisting of the Supreme Court which deals with penal and civil matters, the Council of State, which has special responsibility for administrative law and provides legal advice to the executive, the Constitutional Court, responsible for assuring the integrity of the Colombian constitution, and the Superior Council of Judicature, responsible for auditing the judicial branch. Colombia operates a system of civil law, which since 2005 has been applied through an adversarial system.

President of Colombia: *Juan Manuel Santos*

Vice President: *Óscar Naranjo*

President of the Congress: *Mauricio Lizcano*

President of the Supreme Court: *Margarita Cabello Blanco*

## Demographic profile

Population: *48.23 million (2015) projected to be 49,210,124 (May 2017)*

Population Growth Rate: *0.88% as of 2016*

Religions: *Christianity, Agnostic, and less than 1% adhere to other religions: Islam, Judaism, Buddhism, Mormonism, Hinduism, Indigenous religions, Hare Krishna movement, Rastafari movement, Orthodox Catholic Church, and spiritual studies.*

Language: *More than 99.2% of Colombians speak Spanish, 65 Amerindian languages, two Creole languages, the Romani language and Colombian Sign Language are also spoken in the country. English has official status in the archipelago of San Andrés, Providencia and Santa Catalina.*

## Colombian Economy Overview

Colombia is Latin America's fourth largest and Middle America's second largest economy measured by gross domestic product. Petroleum is Colombia's main export, making over 45% of Colombia's exports. Manufacturing makes up nearly 12% of Colombia's exports, and grows at a rate of over 10% a year. Colombia has the fastest growing information technology industry in the world and has the longest fiber optic network in Latin America. Colombia also has one of the largest shipbuilding industries in the world outside Asia.

## Gross Domestic Product (GDP) Composition by Sector

According to IMF World Economic Outlook, Colombia ranks. Colombia is Latin America's fourth largest and Middle America's second largest economy measured by gross domestic product. GDP - real growth rate: 3.1% (2015 estimate).

- Agriculture, hunting, forestry, fishing 6.37%
- Mining, manufacturing and utilities 26.18%
- Construction 10.37%
- Wholesale, retail trade, restaurants and hotels 12.79%
- Transport, storage and communication 6.72%
- Other activities 37.57%

Value of Exports: *US\$48.52 billion (2015 estimate)*

Export Partners: *United States 32.3% Canada 16.2%*

*European Union 14.6% Venezuela 6.7% Ecuador 5.1% Peru 4.2%*

*Netherlands 3.7% (2014)*

Currency (code): *Colombian peso (COP)*

Exchange Rates: *Colombian peso per 1 USD = 2887.89 Colombian Peso (May 22, 2017)*

Foreign Investment: *Foreign investment in Colombia: US\$154.5 billion (December 31, 2015 estimate)*

Colombia's investment abroad: *US\$45.58 billion (December 31, 2015 estimate)*

# COLOMBIA CONT.

## Colombian Business Etiquette and Business Culture

Before conducting business in Colombia, you should be aware of the local customs that need to be taken into account. Colombia's business culture varies across the country. In the major cities (in particular Bogotá and Medellín) the business culture is more formal, often more so than in Europe. In smaller cities such as Cali or those on the North Coast, the culture is generally more informal. In all cases, establishing personal relationships is essential to conducting business.

**Language** spoken in Colombia is Spanish. The differences between Latin American and European Spanish are slight and are similar to those between British and American English (such as differing accents and some different words). The Spanish spoken in each country of Latin America varies slightly. Making the effort to speak the language demonstrates seriousness about entering the Colombian market and any attempt to communicate in Spanish will be met with a positive response.

**Meetings** are probably best to start arranging meeting schedules around two weeks before arrival, but it is normal for meeting schedules to remain unconfirmed until close to the visit. If a local agent or partner is arranging a program, you should be open to the fact that the schedule is likely to change. It is advisable to reconfirm meetings the day prior to the scheduled slot.

Business negotiations are likely to happen in the office rather than over a meal. In general, Colombians tend to be flexible and adaptable and use common sense. They will tend to want to get to know you before doing business. You should not expect a quick, direct approach to issues of pricing etc. Business Dress in Bogotá, Medellín and Cali, the usual dress code for business is suit and tie.

## Foreign Direct Investment

In Colombia, FDI benefits from a very attractive legislative framework. The country ranks 54th out of 189 economies in the Doing Business 2016 classification established by the World Bank, thanks to major improvements in property registration and access to credit. The ratification of a bilateral free trade agreement with the U.S. in October 2011 and the establishment of special regulations in the free trade zones have contributed to improving the country's attractiveness. Moreover, the richness of its natural resources and a significant domestic market are Colombia's main assets.

Foreign Direct Investment	2013	2014	2015
FDI Inward Flow (million USD)	16,209	16,325	12,108
FDI Stock (million USD)	128,191	141,942	149,692
Number of Greenfield Investments***	170	115	94
FDI Inwards (in % of GFCF****)	17.7	16.9	15.8
FDI Stock (in % of GDP)	33.7	37.6	51.0

Source: UNCTAD - Latest available data.

Note: \* The UNCTAD Inward FDI Performance Index is Based on a Ratio of the Country's Share in Global FDI Inflows and its Share in Global GDP. \*\* The UNCTAD Inward FDI Potential Index is Based on 12 Economic and Structural Variables Such as GDP, Foreign Trade, FDI, Infrastructures, Energy Use, R&D, Education, Country Risk. \*\*\* Green Field Investments Are a Form of Foreign Direct Investment Where a Parent Company Starts a New Venture in a Foreign Country By Constructing New Operational Facilities From the Ground Up. \*\*\*\* Gross Fixed Capital Formation (GFCF) Measures the Value of Additions to Fixed Assets Purchased By Business, Government and Households Less Disposals of Fixed Assets Sold Off or Scrapped.

## Why You Should Choose to Invest in Colombia

### Strong points :

- Its economic stability: *The Government was able to maintain steady growth even during the crisis*
- Its political stability: *Contrary to what is believed, Colombia's democracy is the oldest & most stable in the South American*
- Recovered foreign investor confidence: *More than 700 multinational companies launched investment programs there*
- Qualified and competitive human resources: *Colombian workers are amongst the best qualified in Latin America. In effect, the country has a very good education system and the literacy rate is around 95%*
- A Strategic geographic location: *Colombia is a strategic point between the different markets of the region. The country has modern port facilities on both the Pacific and the Atlantic oceans, which facilitates trade with European countries, the United States and Asian countries*

# COLOMBIA CONT.

## Why You Should Choose to Invest in Colombia

- Its status as an export platform: *Through various free trade agreements it has made, Colombia has access to a market of almost 1.2 billion people;*
- Numerous development centers
- Infrastructures which are both numerous and modern.

## Weak Points

- Among the factors impeding foreign direct investments are the poor enforcement of intellectual property rights; the lack of transparency, fairness and competitive bidding conditions in many tenders; and security matters. Violence remains the country's principle weak point, but the recent historic peace agreement signed with the FARC rebel group should contribute to improving the situation.
- Despite the actions taken by the Colombian Government to struggle against drug production in the country, Colombia is the second producer of coca in the world (after Peru). Government Measures to Motivate or Restrict FDI
- The Colombian Government actively encourages foreign direct investment (FDI). Colombia imposes the same investment restrictions on foreign investors that it does on national investors. But all conditions being equal, during tender processes, national offers are preferred over foreign ones.
- Today the Colombian Government is reaping the fruits of the policy it implemented to secure democracy, whose objective is to create favorable economic conditions in order to once again give investors' confidence, especially foreign investors. The Government has put much effort into concluding free trade agreements, namely through an association agreement, as well as a series of agreements, in the area of investments in the European Union, aimed at developing a stable and transparent economic environment in which contributions in capital can prosper.

## Bilateral Investment Conventions Signed By Colombia

Colombia has signed 19 bilateral investment treaties.

## Investments and Developments

Colombia has the biggest infrastructure program in Latin America – 16 trillion pesos or roughly \$5.5 billion. Corporate investors and investment banks have ample opportunity to get behind projects like airports and roadways. Colombia's Fourth Generation road infrastructure program is the largest of its kind in Latin America. It involves 47 projects spanning over 7,000 miles of fresh pavement, new concrete, rebar and steel to build out logistics infrastructure over the next 10 years. Colombian lenders are investing, and bringing in foreign partners like Goldman Sachs.

# COSTA RICA

Costa Rica is a rugged, rain forested Central American country with coastlines on the Caribbean and Pacific. Though its capital, San Jose, is home to cultural institutions like the Pre-Columbian Gold Museum, Costa Rica is known for its beaches, volcanoes, and biodiversity. Roughly a quarter of its area is made up of protected jungle, teeming with wildlife including spider monkeys and quetzal birds.

**Location:** Central American isthmus, lying between latitudes 8° and 12°N, and longitudes 82° and 86°W

**Capital:** San Jose

**Land:** 51,100 km<sup>2</sup> (19,700 sq. mi) (128th)

**Water:** Water (%) 0.7

## Neighboring Countries

Borders Nicaragua to the north (309 km or 192 mi of border) and Panama to the south-southeast (330 km or 210 mi of border)

## Natural Resources

The country has few mineral resources. The most important are the yet-unexploited bauxite deposits in the General and Coto Brus valleys and copper in the Cordillera de Talamanca. There is manganese on and near the Nicoya Peninsula, gold on the Osa Peninsula and parts of the Pacific slopes, and magnetite on scattered beaches, particularly on the southern Caribbean coastline. Geologic conditions are promising for petroleum in the southern Caribbean coast.

## Geographical Facts and Figures

It borders the Caribbean Sea (to the east) and the Pacific Ocean (to the west), with a total of 1,290 kilometers (800 mi) of coastline, 212 km (132 mi) on the Caribbean coast and 1,016 km (631 mi) on the Pacific. In total, Costa Rica comprises 51,100 square kilometers (19,700 sq. mi) plus 589 square kilometers (227 sq. mi) of territorial waters.

## Administration Divisions

Costa Rica is composed of seven provinces, which in turn are divided into 81 cantons (Spanish: cantón, plural cantones), each of which is directed by a mayor. Mayors are chosen democratically every four years by each canton. There are no provincial legislatures. The cantons are further divided into 473 districts (distritos). The provinces are: Alajuela, Cartago, Guanacaste, Heredia, Limón, Puntarenas, San José.



# COSTA RICA CONT.

## Judicial Branch

The Judicial Branch (Poder Judicial ) of the Costa Rican government is made up of the Supreme Court, Appellate Courts and the Trial Courts, which are charged with the administration of justice. The administrative rules for the judicial branch are set forth in the (Ley Organica del Poder Judicial). The Supreme Court is divided into four Chambers as follows: Chamber I (Sala Primera) is presided over by seven magistrates and it has jurisdiction over all civil and administrative matters. Chamber II (Sala Segunda) is presided over by five magistrates and has appellate jurisdiction over civil matters including family law, estates and labor law. Chamber III ( Sala Tercera ) is presided over by five magistrates and hears only criminal appeals. Chamber IV ( Sala Cuarta ) has exclusive jurisdiction over all constitutional matters.

**Government:** Unitary presidential constitutional republic

President: *Luis Guillermo Solís*

1st Vice-President: *Helio Fallas Venegas*

2nd Vice-President: *Ana Helena Chacón Echeverría*

## Demographic Profile:

Population: *4,872,543 (July 2016 est.)*

Population growth rate: *1.19% (2016 est.)*

GDP per capita: *10,629.84 USD (2015)*

Gross domestic product: *51.11 billion USD (2015)*

Life expectancy: *79.40 years (2014)*

## Religion

Its predominant religion is Christianity, with Roman Catholicism being the official state religion according to the 1949 Constitution, which at the same time guarantees freedom of religion. It's the only state in the Americas which established Roman Catholicism as its state religion; other such countries are microstates in Europe: Liechtenstein, Monaco, the Vatican City and Malta.

## Language

The primary language spoken in Costa Rica is Spanish, which features characteristics distinct to the country. Some native languages are still spoken in indigenous reservations; the most numerically important are the Bribri, Maléku, Cabécar and Ngäbere languages, some of which have several thousand speakers in Costa Rica – others a few hundred. Some languages, such as Teribe and Boruca, have fewer than a thousand speakers. A Creole-English language, Jamaican patois (also known as Mekatelyu), is spoken along the Caribbean coast. About 10.7% of Costa Rica's adult population (18 or older) also speaks English, 0.7% French, and 0.3% speaks Portuguese or German as a second language.

## Costa Rica Economy Overview

Foreign investors are attracted by Costa Rica's political stability, relatively high education levels, and fiscal incentives offered in free-trade zones. Consequently, Costa Rica enjoys one of the highest levels of foreign direct investment per capita in Latin America. The economy grew 4% per year in the 2010-2015 period, as a variety of industrial and specialized agriculture products broadened export trade. In 2013, hybrid electronic circuits were leading the durable export, followed by pineapples, bananas, medical equipment, medical bio-products, coffee, juices, prosthetics, and surgical tools. Costa Rica's biodiversity makes it a popular destination for ecotourism, which is becoming a major foreign exchange earner. Unlike the rest of Central America, Costa Rica is not dependent of remittance, as they only represent 1% GDP as of 2014.

- Purchasing Power Parity: *US\$74.89 billion (2015 estimate)*
- Real Growth Rate: *3.7% (2015 estimate)*
- Per Capita: *Purchasing Power Parity: US\$15,500 (2015 estimate)*

# COSTA RICA CONT.

## Costa Rica Economy Overview

- Gross Domestic Product (GDP) Composition by Sector: *Agriculture 6%, Industry 19.7%, Services 74.3% (2015 estimates)*
- Value of Exports: *US\$9,587,045,000 (2015)*
- Exporting Partners: *US 33.6%, China 6.2%, Mexico 4.6%, Nicaragua 4.3%, Netherlands 4.2%, Guatemala 4% (2015)*
- Imports: *US\$ 15.44 billion (2015)*
- Key Import Commodities: *Raw materials, consumer goods, capital equipment, petroleum, and construction materials.*
- Key Import Partners: *US 45.3%, China 9.8%, Mexico 7.1% (2015)*
- Currency (code): *Costa Rican Colon*
- Exchange Rates: *Costa Rican Colon per 1 USD= 588.65 Costa Rican Colón (May 24, 2017)*

## Costa Rican Business Etiquette and Business Culture

Personal relationships are important in Costa Rican business, so you should try to make regular visits, making appointments in advance. You will find the Costa Ricans, or Ticos, friendly and welcoming, but more reserved than other Latin Americans. Spanish is the official language, but English is widely spoken. Both English and Spanish versions of business cards and promotional material should be made available.

## Language and Communication Style

Family relations and human relations are very important in the culture. Asking about family is always well accepted and shows that you care. Work is also an important topic but family goes first. Talking about money, investments or the market is not well accepted other than in business conversations, when the topic cannot be avoided. Politics, local and international are discussed in social conversations too, giving high importance to Latin American events. Students, professionals, and workers show an active involvement and knowledge on country current events and

they all have an opinion. Personal distance is much shorter between Costa Ricans, touching is more acceptable. It is only a difference in personal space. People sit closer in public places. *It would be normal to see a crowded table in a restaurant or a bench, all seating very close together.*

## Dress, Punctuality & Formality

Working in Costa Rica requires knowledge of its work etiquette. Dress code will depend on where in the country your job is and what you are going to do. Working in the Central Valley requires a less casual dress code than working close to the ocean. In the Central Valley, people working in offices usually don't wear short pants, sneakers, or t-shirts to work. Skirts, dress pants, dresses are accepted. If you are going to work on the beach, walking short pants are accepted. If you have a good knowledge of the Spanish language, you will know that we have formal (usted) and informal ways to address a person. To your supervisor, you will always call him/her "usted". It is also customary to refer to a person higher up in the hierarchy or older as "don" or "doña", accompanied by the first name. Calling your supervisor by only the first name could be considered disrespectful. You may talk to colleagues using the informal way, unless they are much older than you. The concept of punctuality is very flexible in Costa Rica. People are often late to appointments and they will assume that you will understand. Being late is not seen as a terrible fault as in North America. For social occasions, people are often expected to arrive late. In business, meeting deadlines always causes a good impression although not everybody does it.

# COSTA RICA CONT.

## Hierarchy and Decision-Making

In most Costa Rican companies, ideas are often generated from the management level. In a very few companies, employee empowerment is encouraged. Traditional methods of administration exist in most companies, generating gaps of power between management and employees in lower positions. For this reason, it is acceptable and expected to go to your supervisor to get answers. In some new companies, new administration methods are being implemented, and there have been some ideas implemented to improve customer attention and teamwork among employees.

## Costa Rica US Exports and Imports

In August 5, 2004, the United States signed the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) with five Central American countries (Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua) and the Dominican Republic (the Parties). Under the Agreement, the Parties significantly liberalizes trade in goods and services. The CAFTA-DR also includes important disciplines relating to: customs administration and trade facilitation, technical barriers to trade, government procurement, investment, telecommunications, electronic commerce, intellectual property rights, transparency and labor and environmental protection. The Agreement entered into force for the United States and El Salvador on March 1, 2006; for Honduras and Nicaragua on April 1, 2006; and for Guatemala on July 1, 2006. The CAFTA-DR entered into force for the Dominican Republic on March 1, 2007, and for Costa Rica on January 1, 2009.

## U.S.-Costa Rica Trade Facts

- In 2016, Costa Rica GDP was an estimated \$57.7 billion (current market exchange rates); real GDP was up by an estimated 4.3%; and the population was 5 million. (Source: IMF)
- U.S. goods and services trade with Costa Rica totaled an estimated \$14.9 billion in 2015 (latest data available). Exports were \$7.9 billion; imports were \$7.1 billion. The U.S. goods and services trade surplus with Costa Rica was \$771 million in 2015.\
- Costa Rica is currently our 40th largest goods trading partner with \$10.2 billion in total (two way) goods trade during 2016. Goods exports totaled \$5.9 billion; goods imports totaled \$4.3 billion. The U.S. goods trade surplus with Costa Rica was \$1.6 billion in 2016.
- Trade in services with Costa Rica totaled an estimated \$4.4 billion in 2015 (latest data available). Services exports totaled \$1.8 billion; services imports totaled \$2.6 billion. The U.S. services trade deficit with Costa Rica was \$820 million in 2015.
- According to the Department of Commerce, U.S. exports of Goods and Services to Costa Rica supported an estimated 37 thousand jobs in 2015 (latest data available) (26 thousand supported by goods exports and 11 thousand supported by services exports).

## Exports

- Costa Rica was the United States' 37th largest goods export market in 2016.
- U.S. goods exports to Costa Rica in 2016 were \$5.9 billion, down 3.0% (\$182 million) from 2015 but up 42.7% from 2006. U.S. ' exports to Costa Rica are up 3.8% from 2008 (pre-FTA).

# COSTA RICA CONT.

## Exports

- The top export categories (2-digit HS) in 2016 were: mineral fuels (\$1.2 billion), electrical machinery (\$905 million), machinery (\$598 million), plastics (\$464 million), and optical and medical instruments (\$446 million).
- U.S. total exports of agricultural products to Costa Rica totaled \$711 million in 2016. Leading domestic export categories include: soybeans (\$122 million), corn (\$114 million), wheat (\$36 million), rice (\$35 million), and prepared food (\$35 million).
- U.S. exports of services to Costa Rica were an estimated \$1.8 billion in 2015 (latest data available), 1.2% (\$21 million) more than 2014. Leading services exports from the U.S. to Costa Rica were in the transport, travel, and intellectual property (computer software) sectors.

## Imports

- Costa Rica was the United States' 49th largest supplier of goods imports in 2016.
- U.S. goods imports from Costa Rica totaled \$4.3 billion in 2016, down 3.5% (\$156 million) from 2015, but up 12.7% from 2006. U.S. imports from Costa Rica are up 10.0% from 2008 (pre-FTA).
- The top import categories (2-digit HS) in 2016 were: optical and medical instruments (\$1.7 billion), edible fruit & nuts (pineapples, bananas) (\$981 million), electrical machinery (\$369 million), coffee, tea & spice (coffee) (\$182 million), and preserved food (orange juice, pineapple juice) (\$142 million).
- U.S. total imports of agricultural products from Costa Rica totaled \$1.6 billion in 2016, our 25th largest supplier of agricultural imports. Leading categories include: other fresh fruit (\$556 million), bananas and plantains (\$387 million), coffee, unroasted (\$176 million), processed fruit & vegetables (\$117 million), and fruit & vegetable juices (\$93 million).
- U.S. imports of services to Costa Rica were an estimated \$2.6 billion in 2015 12.6% (\$290 million) more than 2014.

Leading services imports from Costa Rica to the U.S. were in the travel, professional and management services, and telecommunications, computer, and information services sectors.

## Trade Balance

- The U.S. goods trade surplus with Costa Rica was \$1.6 billion in 2016, a 1.7% decrease (\$26 million) over 2015.
- The United States has a services trade deficit of an estimated \$820 million with Costa Rica in 2015 (latest data available), down 48.8% from 2014.

## Investment

- U.S. foreign direct investment (FDI) in Costa Rica (stock) was \$1.5 billion in 2015 (latest data available), a 1.6% increase from 2014. U.S. direct investment in Costa Rica is led by manufacturing, prof., scientific, and tech. services, and information.
- No data on Costa Rica's FDI in the U.S. are available.
- Sales of services in Costa Rica by majority U.S.-owned affiliates were \$1.6 billion in 2014 (latest data available), while sales of services in the United States by majority Costa Rica-owned firms were \$63 million.

# PERU

Peru is a country in South America that's home to a section of Amazon rainforest and Machu Picchu, an ancient Incan city high in the Andes mountains. The region around Machu Picchu, including the Sacred Valley, Inca Trail and colonial city of Cusco, is rich in archaeological sites. On Peru's arid Pacific coast is Lima, the capital, with a preserved colonial center and important collections of pre-Columbian art.



**Location:** Peru covers 1,285,216 km<sup>2</sup> (496,225 sq. mi) of western South America.  
**Capital:** Lima  
**Land:** 1,285,216 km<sup>2</sup> (496,225 sq. mi) (19th)  
**Water (%)**: 0.41

## Neighboring Countries

It borders Ecuador and Colombia to the north, Brazil to the east, Bolivia to the southeast, Chile to the south, and the Pacific Ocean to the west.

## Geographical facts and figures

With about 31.2 million inhabitants, Peru is the fifth most populous country in South America. Its demographic growth rate declined from 2.6% to 1.6% between 1950 and 2000; population is expected to reach approximately 42 million in 2050. As of 2007, 75.9% lived in urban areas and 24.1% in rural areas. Major cities include the Lima Metropolitan Area (home to over 9.8 million people), Arequipa, Trujillo, Chiclayo, Piura, Iquitos, Cusco, Chimbote, and Huancayo; all reported more than 250,000 inhabitants in the 2007 census.

## Political Facts and Figures

Peru is a Presidential representative democratic republic with a multi-party system. Under the current constitution, the President is the head of state and government; he or she is elected for five years and cannot serve consecutive terms. The President designates the Prime Minister and, with his or her advice, the rest of the Council of Ministers. Congress is unicameral with 130 members elected for five-year terms. Administration Divisions: Peru is divided into 25 regions and the province of Lima. Each region has an elected government composed of a president and council that serve four-year terms. These governments plan regional development, execute public investment projects, promote economic activities, and manage public property. The province of Lima is administered by a city council.

President of Colombia: *Pedro Pablo Kuczynski*  
Prime Minister: *Fernando Zavala Lombardi*  
First Vice-President: *Martín Vizcarra*  
Second Vice-President: *Mercedes Aráoz*

# PERU CONT.

## Demographic profile:

Population: 32,124,559 (2017)

Religion: *In the 2007 census, 81.3% of the population over 12 years old described themselves as Catholic, 12.5% as Evangelical Protestant, 3.3% as other Protestant, Judaism, The Church of Jesus Christ of Latter-day Saints (LDS Church), and Jehovah's Witness, and 2.9% as non-religious.*

Language: *According to the Peruvian Constitution of 1993, Peru's official languages are Spanish and Quechua, Aymara and other indigenous languages in areas where they predominate. Spanish is spoken by 84.1% of the population and Quechua by 13%, Aymara by 1.7% while other languages make up the remaining 1.2%.*

## Peruvian Economy Overview

The Peruvian economy, which is the seventh largest in Latin America, has experienced a structural change in the past three decades. Currently, the services sector is the main contributor to the country's GDP, with nearly 60% of GDP stemming from this sector. Telecommunications and financial services are the main branches of the services sector; together they account for nearly 40% of GDP. GDP composition by sector (2015 estimate):

- Agriculture: 7%
- Industry: 34.5%
- Services: 58.5%

Value of Exports: *US\$39,532.68 million (2014)*

Exporting Partners: *Its major trade partners are the United States, China, Brazil, European Union and Chile.*

Currency Code: *Peru Sol S/.*

Exchange Rates: *1 Peruvian Sol equals 0.31 US Dollar*

Foreign Investment: *Foreign investment in Peru: US\$87.13 billion (December 31, 2015)*

## Peruvian Business Etiquette and Business Culture

Peru is the world's second largest producer of silver and third largest producer of copper. Mineral and metal extraction accounts for more than 60% of Peru's total exports. Peru was one of the fastest-growing economies over the past decade with an average growth rate of 5.9%. The Central Reserve Bank of Peru forecasts 4% economic growth in 2016 thanks to new and expanded copper mines in the country.

## Communication Two Official Languages

The country's official languages are Spanish and Quechua. Peruvian Spanish is notably different from the Spanish spoken in Spain. Few Peruvians speak English well, so being able to speak Spanish is a clear advantage. Otherwise, it is often useful to engage an interpreter. Conversation Preferences People in this country usually speak softly. While they occasionally raise their voices to make a point, most dislike loud and boisterous behavior. People might converse in close proximity, standing only two feet or less apart. Never back away, even if this is much closer than your personal comfort zone allows. Doing so could be read as a sign that you are uncomfortable around your counterparts.

**Dress:** Business dress should be formal, professional and conservative. Men wear classic business suits with ties, while women wear suits or dresses. Shoes should also be formal.

**Introductions and Farewells:** First impressions are vital, so a smooth introduction is always important. Formal business greetings -whatever the gender mix- should initially be done through handshakes. Later, as the business relationship develops, you can move to less formal social greetings: a firm handshake between men (as before), while women kiss women and men kiss women (one kiss on the right cheek). Keep the vocal greetings and farewells formal: buenos días (good morning), buenas tardes (good afternoon or good evening), buenas noches (good night).

# PERU CONT.

## U.S.-Peru Trade Facts

The United States and Peru signed the United States-Peru Trade Promotion Agreement (PTPA) on April 12, 2006. The Peruvian Congress ratified the Agreement in June 2006 and a Protocol of Amendment in June 2007. On December 14, 2007, the U.S.-Peru Trade Promotion Agreement Implementation Act became law, and the PTPA entered into force on February 1, 2009.

- In 2016, Peru GDP was an estimated \$180.3 billion (current market exchange rates); real GDP was up by an estimated 3.7%; and the population was 31 million. (Source: IMF)
- U.S. goods and services trade with Peru totaled an estimated \$20.5 billion in 2015 (latest data available). Exports were \$12.6 billion; imports were \$7.9 billion. The U.S. goods and services trade surplus with Peru was \$4.7 billion in 2015.
- Peru is currently our 35th largest goods trading partner with \$14.3 billion in total (two way) goods trade during 2016. Goods exports totaled \$8.0 billion; goods imports totaled \$6.2 billion. The U.S. goods trade surplus with Peru was \$1.8 billion in 2016.
- Trade in services with Peru totaled an estimated \$6.8 billion in 2015 (latest data available) Services exports totaled \$3.9 billion; services imports totaled \$2.9 billion. The U.S. services trade surplus with Peru was \$991 million in 2015.
- According to the Department of Commerce, U.S. exports of goods and services to Peru supported an estimated 62 thousand jobs in 2015 (latest data available) (38 thousand supported by goods exports and 25 thousand supported by services exports).

## Exports

- Peru was the United States' 32nd largest goods export market in 2016.
- U.S. goods exports to Peru in 2016 were \$8.0 billion, down 8.0% (\$696 million) from 2015 but up 174.3% from 2006. U.S. exports to Peru are up 29.9% from 2008 (pre-FTA).
- The top export categories (2-digit HS) in 2016 were: mineral fuels (\$2.0 billion), machinery (\$1.4 billion), electrical machinery (\$657 million), cereals (corn) (\$545 million), and plastics (\$418 million).
- U.S. total exports of agricultural products to Peru totaled \$1.2 billion in 2016, our 24th largest agricultural export market. Leading domestic export categories include: corn (\$452 million), soybean meal (\$108 million), wheat (\$89 million), cotton (\$66 million), and soybeans (\$57 million).
- U.S. exports of services to Peru were an estimated \$3.9 billion in 2015 (latest data available), 27.9% (\$845 million) more than 2014. Leading services exports from the U.S. to Peru were in the travel, transportation, and financial services sectors.

## Imports

- Peru was the United States' 37th largest supplier of goods imports in 2016.
- U.S. goods imports from Peru totaled \$6.2 billion in 2016, up 23.7% (\$1.2 billion) from 2015, and up 6.3% from 2006. U.S. imports from Peru are up 7.5% from 2008 (pre-FTA).

# PERU CONT.

## Imports

- The top import categories (2-digit HS) in 2016 were: precious metal and stone (gold) (\$2.0 billion), edible fruit & nuts (grapes) (\$658 million), knit apparel (\$547 million), mineral fuels (\$431 million), and vegetables (asparagus) (\$380 million).

## Trade Balance

- The U.S. goods trade surplus with Peru was \$1.8 billion in 2016, a 51.5% decrease (\$1.9 billion) over 2015.
- The United States has a services trade surplus of an estimated \$991 million with Peru in 2015 (latest data available), up 13.0% from 2014.

## Investment

- U.S. foreign direct investment (FDI) in Peru (stock) was \$6.9 billion in 2015 (latest data available), a 6.4% increase from 2014. U.S. direct investment in Peru is led by manufacturing, wholesale trade, and information.
- Peru's FDI in the United States (stock) was \$113 million in 2015 (latest data available), down 5.0% from 2014.
- Sales of services in Peru by majority U.S.-owned affiliates were \$3.6 billion in 2014 (latest data available), while sales of services in the United States by majority Peru-owned firms were \$5 million.

- U.S. total imports of agricultural products from Peru totaled \$1.8 billion in 2016, our 24th largest supplier of agricultural imports. Leading categories include: other fresh fruit (\$545 million), fresh vegetables (\$336 million), processed fruit & vegetables (\$302 million), coffee, unroasted (\$230 million), and spices (\$53 million).

- U.S. imports of services to Peru were an estimated \$2.9 billion in 2015 (latest data available), 33.9% (\$731 million) more than 2014. Leading services imports from Peru to the U.S. were in the technical and other services, travel, and transportation sectors.



# MEXICO



Mexico is a country between the U.S. and Central America that's known for its Pacific and Gulf of Mexico beaches and its diverse landscape of mountains, deserts and jungles. Ancient ruins such as Teotihuacán and the Mayan city of Chichén Itzá are scattered throughout the country, as are

Spanish colonial-era towns. In capital Mexico City, upscale shops, renowned museums and gourmet restaurants cater to modern life.

## Location:

Mexico is located between latitudes 14° and 33°N, and longitudes 86° and 119°W in the southern portion of North America.

**Capital:** Mexico City

**Land:** 1,972,550 km<sup>2</sup>  
(761,610 sq. mi)

**Water (%):** 2.5

**Neighboring Countries:** United States of America and Central America

## Geographical Facts and Figures

The 2010 Census showed a population of 112,336,538, making it the most populous Spanish-speaking country in the world. Between 2005 & 2010, the Mexican population grew at an average of 1.70% per year, up from 1.16% per year between 2000 & 2005. As of 2015, the foreign-born population was 1,007,063. The majority of these individuals were born in the U.S. & Mexico is home to the largest number of U.S. citizens abroad. After Americans the largest immigrant groups are Guatemalans, Spaniards and Colombians. Besides the Spanish, large immigrant-descended groups are the French, Germans, Lebanese and Chinese. Mexico is the largest source of immigration to the United States. Some 11.6 million residents of the United States have Mexican citizenship as of 2014.

## Political Facts and Figures

The United Mexican States are a federation whose government is representative, democratic & republican based on a presidential system per the 1917 Constitution. The constitution establishes three levels of government: the federal Union, the state governments & the municipal governments. Per the constitution, all constituent states of the federation must have a republican form of government composed of three branches: the executive, represented by a governor and an appointed cabinet, the legislative branch constituted by a unicameral congress and the judiciary, which will include a state Supreme Court of Justice.

## Demographic profile

Population 2015 estimate: 119,530,753

Language: *The country has the largest Spanish-speaking population in the world, 99.3% per the latest census, with almost a third Spanish native speakers.*  
Religion: *The 2010 census by the Instituto Nacional de Estadística y Geografía (National Institute of Statistics and Geography) gave Roman Catholicism as the main religion, with 83% of the population, while 10% belong to other Christian denominations.*

# MEXICO

CONT.



## Administration Divisions

The United Mexican States are a federation of 31 free and sovereign states, which form a union that exercises a degree of jurisdiction over the Federal District and other territories. Each state has its own constitution, congress, and a judiciary, and its citizens elect by direct voting a governor for a six-year term, and representatives to their respective unicameral state congresses for three-year terms. The Federal District is a special political division that belongs to the federation and not to a state, and as such, has more limited local rule than the nation's states. The states are divided into municipalities, the smallest administrative political entity in the country, governed by a mayor or municipal president (presidente municipal), elected by its residents by plurality.

President: *Enrique Peña Nieto*

President of the Senate: *Roberto Gil Zuarth*

President of the Chamber of Deputies: *Jesús Zambrano Grijalva*

## Mexico Economy Overview

Mexico has the 15th largest nominal GDP and the 11th largest by purchasing power parity. GDP annual average growth for the period of 1995–2002 was 5.1%. Mexico's Gross Domestic Product (GDP) in purchasing power parity (PPP) was estimated at US \$2.2602 trillion in 2015, and \$1.3673 trillion in nominal exchange rates. Mexico's GDP in PPP per capita was US \$18,714.05. The World Bank reported in 2009 that the country's Gross National Income in market exchange rates was the second highest in Latin America.

GDP composition by sector: *Agriculture: 3.5%,  
Industry: 34.1%, Services: 62.4% (2015 estimate)*

Value of Exports: *Total exports US\$430.9 billion (2015 estimate)*

Value of Imports: *Total imports US\$434.8 billion (2015 estimate)*

## Trading Partners

- United States: US\$303 billion (81% of total Mexican exports)
- Canada: \$10.4 billion (2.8%)
- China: \$5.4 billion (1.4%)
- Germany: \$4 billion (1.1%)
- Japan: \$3.8 billion (1%)
- Spain: \$3.3 billion (0.9%)
- United Kingdom: \$3.2 billion (0.9%)
- Colombia: \$3.1 billion (0.8%)
- Brazil: \$3.1 billion (0.8%)
- South Korea: \$2.5 billion (0.7%)
- India: \$2 billion (0.5%)
- France: \$2 billion (0.5%)
- Chile: \$1.7 billion (0.5%)
- Guatemala: \$1.7 billion (0.5%)
- Netherlands: \$1.6 billion (0.4%)

Currency (code): *Mexican Peso \$*

Exchange Rates: *1 US Dollar = 18.47 Mexican Peso (May 2017)*

Foreign Investment: *US\$361 billion (Dec. 31, 2015 estimate)*

## Mexican Business Etiquette and Business Culture

Mexico, per the World Bank, is the world's 14th largest economy in nominal terms and tenth in purchasing power parity. It has an open trade regime, with free trade agreements with over 50 countries — including Guatemala, Honduras, El Salvador, the European Free Trade Area, and Japan — liberalizing more than 90% of Mexico's trade. Recent administrations have liberalized seaports, railroads, telecommunications, electricity generation, natural gas distribution and airports.

# MEXICO

CONT.



## Meeting Etiquette

- When greeting in social situations, women pat each other on the right forearm or shoulder, rather than shake hands
- Men shake hands until they know someone well, at which time they progress to the more traditional hug and back slapping.
- Wait until invited before using a Mexican's first name

## Gift Giving Etiquette

- If invited to a Mexican's house, bring a gift such as flowers or sweets.
- Gift wrapping does not follow any protocol.
- Do not give marigolds as they symbolize death.
- Do not give red flowers as they have a negative connotation.
- White flowers are a good gift as they are considered uplifting.
- Gifts are opened immediately.
- If you receive a gift, open it and react enthusiastically.

## Relationships & Communication

- The right connections facilitate business success.
- You will be judged by the person who introduces you and changing this first impression is nearly impossible.
- Since the initial meeting is generally with someone of high stature, it is important that your delegation include an upper-level executive.
- After the initial getting-to-know-you meeting, the senior executive may not attend meetings or be visible.
- This indicates you are now getting down to business and they are no longer needed to smooth the introduction.
- Demonstrating trustworthiness, sincerity, and integrity are crucial to building relationships.
- Expect to answer questions about your personal background, family and life interests.

## Business Dress

- Dress as you would in Europe.
- Men should wear conservative, dark colored suits.
- Women should wear business suits or conservative dresses.

## Business Cards

- Exchanged during introductions with everyone at a meeting.
- Advisable to have one side of your business card in Spanish.
- Should contain both your professional and educational qualifications.
- Present your business card with the Spanish side facing the recipient.

## U.S.-Mexico Trade Facts

U.S. goods and services trade with Mexico totaled an estimated \$579.7 billion in 2016. Exports were \$262.0 billion; imports were \$317.6 billion. The U.S. goods and services trade deficit with Mexico was \$55.6 billion in 2016.

Mexico is currently our 3rd largest goods trading partner with \$525.1 billion in total (two way) goods trade during 2016. Goods exports totaled \$231.0 billion; goods imports totaled \$294.2 billion. The U.S. goods trade deficit with Mexico was \$63.2 billion in 2016.

Trade in services with Mexico (exports and imports) totaled an estimated \$54.5 billion in 2016. Services exports were \$31.1 billion; services imports were \$23.5 billion. The U.S. services trade surplus with Mexico was \$7.6 billion in 2016.

According to the Department of Commerce, U.S. exports of Goods and Services to Mexico supported an estimated 1.2 million jobs in 2015 (latest data available) (968 thousand supported by goods exports and 201 thousand supported by services exports).

# MEXICO

CONT.



## Exports

- Mexico was the United States' 2nd largest goods export market in 2016.
- U.S. goods exports to Mexico in 2016 were \$231.0 billion, down 2.0% (\$4.8 billion) from 2015 but up 72.7% from 2006. U.S. exports to Mexico are up 455% from 1993 (pre-NAFTA). U.S. exports to Mexico account for 15.9% of overall U.S. exports in 2015.
- The top export categories (2-digit HS) in 2016 were: machinery (\$42 billion), electrical machinery (\$41 billion), vehicles (\$21 billion), mineral fuels (\$20 billion), and plastics (\$16 billion).
- U.S. total exports of agricultural products to Mexico totaled \$18 billion in 2016, our 3rd largest agricultural export market. Leading domestic export categories include: corn (\$2.6 billion), soybeans (\$1.5 billion), pork & pork products (\$1.4 billion), dairy products (\$1.2 billion), and beef & beef products (\$975 million).
- U.S. exports of services to Mexico were an estimated \$31.1 billion in 2016, 1.4% (\$441 million) less than 2015, but 30.5% greater than 2006 levels. It was up roughly 199% from 1993 (pre-NAFTA). Leading services exports from the U.S. to Mexico, in 2015, were in the travel, transport, and intellectual property (computer software, industrial processes) sectors.

## Imports

- Mexico was the United States' 2nd largest supplier of goods imports in 2016.
- U.S. goods imports from Mexico totaled \$294.2 billion in 2016, down 0.8% (\$2.3 billion) from 2015, but up 48.4% from 2006. U.S. imports from Mexico are up 637% from 1993 (pre-NAFTA). U.S. imports from Mexico account for 13.4% of overall U.S. imports in 2015.
- The top import categories (2-digit HS) in 2016 were: vehicles (\$75 billion), electrical machinery (\$62 billion), machinery (\$51 billion), optical and medical instruments (\$13 billion), and furniture and bedding (\$11 billion).
- U.S. total imports of agricultural products from Mexico totaled \$23 billion in 2016, our 1st largest supplier of agricultural imports. Leading categories include: fresh vegetables (\$5.6 billion), other fresh fruit (\$4.9 billion), wine and beer (\$3.1 billion), snack foods (\$2.0 billion), and processed fruit & vegetables (\$1.5 billion).
- U.S. imports of services from Mexico were an estimated \$23.5 billion in 2016, 7.0% (\$1.5 billion) more than 2015, and 57.9% greater than 2006 levels. It was up roughly 216% from 1993 (pre-NAFTA). Leading services imports from Mexico to the U.S., in 2015, were in the travel, transport, and technical and other services sectors.



### Trade Balance

- The U.S. goods trade deficit with Mexico was \$63.2 billion in 2016, a 4.2% increase (\$2.5 billion) over 2015.
- The United States has a services trade surplus of an estimated \$7.6 billion with Mexico in 2016, down 20.7% from 2015.

### Investment

- U.S. foreign direct investment (FDI) in Mexico (stock) was \$92.8 billion in 2015 (latest data available), a 3.5% increase from 2014. U.S. direct investment in Mexico is led by manufacturing, nonbank holding companies, and mining.
- Mexico's FDI in the United States (stock) was \$16.6 billion in 2015 (latest data available), up 0.2% from 2014. Mexico's direct investment in the U.S. is led by manufacturing, wholesale trade, and depository institutions.
- Sales of services in Mexico by majority U.S.-owned affiliates were \$45.9 billion in 2014 (latest data available), while sales of services in the United States by majority Mexico-owned firms were \$8.5 billion.

# DOMINICAN REPUBLIC



The Dominican Republic is a Caribbean nation that shares the island of Hispaniola with Haiti to the west. It's known for its beaches, resorts and golfing. Its terrain comprises rainforest, savannah and highlands, including Pico Duarte, the Caribbean's tallest mountain. Capital city Santo Domingo has Spanish landmarks like the Gothic Cathedral Primada de America dating back 5 centuries in its Zona Colonial district.



## Location:

Eastern part of the second largest island in the Greater Antilles, Hispaniola.

**Capital:** Santo Domingo

**Land:** 48,442 km<sup>2</sup>  
(18,704 sq. mi)

**Water (%):** 0.7

## Neighboring Countries

The Dominican Republic borders Haiti by land and Aruba, Curaçao, the Turks and Caicos Islands, Colombia and Venezuela by sea.

**Natural Resources:** nickel, bauxite, gold, silver, arable land

## Geographical facts and figures

It shares the island roughly at a 2:1 ratio with Haiti. The country's area is reported variously as 48,442 km<sup>2</sup> (18,704 sq. mi) 48,730 km<sup>2</sup> (18,815 sq. mi), making it the second largest country in the Antilles, after Cuba. The Dominican Republic's capital and largest metropolitan area Santo Domingo is on the southern coast.

## Political Facts and Figures

The Dominican Republic is a representative democracy or democratic republic, with three branches of power: executive, legislative, and judicial. The president of the Dominican Republic heads the executive branch and executes laws passed by the congress, appoints the cabinet, and is commander in chief of the armed forces. Administration Divisions: The Dominican Republic is divided into 31 provinces. Santo Domingo, the capital, is designated Distrito Nacional (National District). The provinces are divided into municipalities (municipios; singular municipio). They are the second-level political and administrative subdivisions of the country.

President: *Danilo Medina*

Vice President: *Margarita Cedeño de Fernández*



### Dominican Republic Economy Overview

The Dominican Republic is the largest economy in the Caribbean and Central American region. It is an upper middle-income developing country, with a 2015 GDP per capita of \$14,770, in PPP terms. Over the last two decades, the Dominican Republic have been standing out as one of the fastest-growing economies in the Americas – with an average real GDP growth rate of 5.4% between 1992 and 2014. Per the Central Bank of the Dominican Republic, GDP grew by 7% in 2015. The construction sector contributed most to the growth in GDP due to investments by the government and the private sector. The tourism sector grew by 8.9% in 2015 with 5.6 million foreign visitors. The United Nations Economic Commission for Latin America and the Caribbean forecasts 5.2% GDP growth for the Dominican Republic in 2016. GDP composition by sector: Agriculture: 5.6%, Industry: 31.4%,

Services: 63% (2015 estimate)

International Trade: Total exports: US\$9.617 billion (2015 estimate)  
Total imports: US\$15.26 billion (2015 estimate)

Trading Partners: The top export destinations of the Dominican Republic are the United States (\$4.74B), Haiti (\$1.01B), Canada (\$777M), India (\$604M) and Germany (\$213M). The top import origins are the United States (\$6.92B), China (\$2.19B), Mexico (\$800M), Brazil (\$610M) and Spain (\$540M).

Currency (code): The Dominican peso is the currency of the Dominican Republic. Its symbol is "\$", with "RD\$"

Currency Exchange: 1 Dominican Peso = 0.021 US Dollar (May 2017)

Foreign Investment: Foreign investment in the Dominican Republic: US\$2.28 billion (2014 estimate). Dominican Republic's investment abroad: US\$20 million (2014 estimate)

### U.S.-Dominican Republic Trade Facts

On August 5, 2004, the United States signed the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) with five Central American countries (Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua) and the Dominican Republic (the Parties). Under the Agreement, the Parties significantly liberalizes trade in goods and services.

The CAFTA-DR also includes important disciplines relating to: customs administration and trade facilitation, technical barriers to trade, government procurement, investment, telecommunications, electronic commerce, intellectual property rights, transparency and labor and environmental protection.

The Agreement entered force for the United States and El Salvador on March 1, 2006; for Honduras and Nicaragua on April 1 2006; and for Guatemala on July 1, 2006. The CAFTA-DR entered force for the Dominican Republic on March 1, 2007, and for Costa Rica on January 1, 2009.

### U.S.-Dominican Republic Trade Facts

Dominican Republic is currently our 40th largest goods trading partner with \$12 billion in total (two way) goods trade during 2015. Goods exports totaled \$7.1 billion; goods imports totaled \$4.7 billion. The U.S. goods trade surplus with Dominican Republic was \$2.5 billion in 2015.

Per the Department of Commerce, U.S. exports of goods to Dominican Republic supported an estimated 37 thousand jobs in 2014 (latest data available).



### Exports

- Dominican Republic was the United States' 34th largest goods export market in 2015.
- U.S. goods exports to Dominican Republic in 2015 were \$7.1 billion, down 9.9% (\$788 million) from 2014 but up 51% from 2005. U.S. exports to Dominican Republic are up 33.3% from 2006 (pre-FTA).
- The top export categories (2-digit HS) in 2015 were: mineral fuels (\$1.1 billion), electrical machinery (\$583 million), machinery (\$575 million), plastics (\$456 million), and vehicles (\$451 million).
- U.S. exports of agricultural products to Dominican Republic totaled \$1.1 billion in 2015, our 23rd largest agricultural export market. Leading categories include: soybean meal (\$190 million), tobacco (\$100 million), wheat (\$93 million), soybean oil (\$87 million), and corn (\$86 million).

### Imports

- Dominican Republic was the United States' 45th largest supplier of goods imports in 2015.
- U.S. goods imports from Dominican Republic totaled \$4.7 billion in 2015, up 3.1% (\$140 million) from 2014, and up 1.2% from 2005. U.S. imports from Dominican Republic are up 2.8% from 2006 (pre-FTA). U.S. imports from Dominican Republic are up 2.8% from 2006 (pre-FTA).
- The top import categories (2-digit HS) in 2015 were: optical and medical instruments (\$859 million), tobacco (\$614 million), electrical machinery (\$491 million), knit apparel (\$472 million), and precious metal and stone (jewelry) (\$349 million).

- U.S. imports of agricultural products from Dominican Republic totaled \$413 million in 2015, our 44th largest supplier of agricultural imports. Leading categories include: raw beet & cane sugar (\$94 million), cocoa beans (\$81 million), processed fruit & vegetables (\$34 million), sugars, sweeteners, bev bases (\$34 million), and fresh vegetables (\$32 million).

### Trade Balance

- The U.S. goods trade surplus with Dominican Republic was \$2.5 billion in 2015, a 27.3% decrease (\$928 million) over 2014.
- Investment
- U.S. foreign direct investment (FDI) in Dominican Republic (stock) was \$1.2 billion in 2014 (latest data available), a 3.5% increase from 2013. U.S. direct investment in Dominican Republic is led by manufacturing, information, and wholesale trade.
- No data on Dominican Republic's FDI in the U.S. are available.
- Sales of services in Dominican Republic by majority U.S.-owned affiliates were \$1.6 billion in 2013 (latest data available).

### Dominican Republic Business Etiquette and Business Culture

Language in the Dominican Republic: Spanish is the official language of the country and which street signs and restaurant menus are written in. Even though the people linked to the tourist trade generally speak English, knowing some Spanish is a great advantage. It is important to point out that "Dominicanese" (the local way of speaking Spanish, interspersed with Dominican elements) is the everyday life experience of the peasant's soul and wisdom, expressed with a rustic accent and with inland flavor. As in all countries, each region has its charm and accentuates its expressions in a peculiar way, identifying the speaker from the first words uttered in his conversation.





## Meeting Etiquette

- A handshake, with direct eye contact and a welcoming smile is standard.
- Maintaining eye contact is crucial as it indicates interest.
- When shaking hands, use the appropriate greeting for the time of day - "buenos dias", "buenas noches", or "buenas tardes".

## Relationships & Communication

- Networking is important part of business since it broadens your base of contacts, and therefore, people who can smooth the way for you.
- This is a country where knowing the right person is often more important than what you know. Doing favours and collecting favours owed is a highly developed art form.
- Name-dropping is commonplace and nepotism does not have the negative connotation it has in many other countries.
- Trust is crucial to developing relationships.
- It is important that you treat business colleagues with respect and not do anything to cause them loss of face.
- Appearances matter. Dress conservatively but well.
- Senior positions in business are predominately held by the upper class; therefore, it is important that you pay attention to the hierarchy and show appropriate deference and respect to those in positions of authority.
- Dominicans can be direct communicators and are not afraid to say what they feel.

## Business Meeting Etiquette

- Business appointments are required and can often be scheduled on short notice; however, it is best to make them 2 to 3 weeks in advance by telephone, email or fax.
- Arrive on time for meetings. Dominicans strive for punctuality, but they do not always achieve their goal.
- The first meeting is often quite formal.
- Small talk helps establish a rapport. Do not immediately begin discussing business.
- Have all written material available in both English and Spanish.
- Meetings are often interrupted and several people may speak at the same time.
- Be careful with facial expression and bodily movements - gestures are context sensitive and do not always translate well between countries.
- Patience is important.

## Dress Etiquette

- Appropriate business attire is expected.
- Men should wear good quality, conservative, dark coloured business suits.
- Women should wear stylish suits or dresses. They should dress elegantly, including make-up and jewellery.

### Business Cards:

- Business cards are exchanged during introductions without formal ritual.
- Have one side of your business card translated into Spanish.
- Present your business card with the Spanish side facing the recipient.
- Treat business cards with respect. When you receive a card, place it in a business card case to show that you will treat the person with respect.

# PANAMA

Panama is a country on the isthmus linking Central and South America. The Panama Canal, a famous feat of human engineering, cuts through its center, linking the Atlantic and Pacific oceans to create an essential shipping route. In the capital, Panama City, modern skyscrapers, casinos and nightclubs contrast with colonial buildings in the Casco Viejo district and the rainforest of Natural Metropolitan Park.

**Location:**

Central America

**Capital:** Panama City**Land:** 74,177.3 km<sup>2</sup>  
(28,640.0 sq. mi)**Water (%):** 2.9**Neighboring Countries**

Bordering both the Caribbean Sea and the Pacific Ocean, between Colombia and Costa Rica.

**Natural Resources**

Panama's natural resources include copper, shrimp, mahogany forests and hydropower.

**Geographical facts and figures**

The dominant feature of Panama's geography is the central spine of mountains and hills that forms the continental divide. The divide does not form part of the great mountain chains of North America, and only near the Colombian border are there highlands related to the Andean system of South America. The spine that forms the divide is the highly eroded arch of an uplift from the sea bottom, in which peaks were formed by volcanic intrusions.

**Political Facts and Figures**

Panama's politics take place in a framework of a presidential representative democratic republic, whereby the President of Panama is both head of state and head of government, and of a multi-party system. Executive power is exercised by the government. Legislative power is vested in both the government and the National Assembly. The judiciary is independent of the executive and the legislature.

**Administration Divisions**

Panama is divided into ten provinces with their respective local authorities (governors), which are divided into districts and corregimientos (townships) and has a total of ten cities. Also, there are five Comarcas ("Shires") populated by a variety of indigenous groups.

# PANAMA

President: *Juan Carlos Varela*  
Vice President: *Isabel Saint Malo*

## Demographic profile:

- Population: 4,058,374 (2016 estimate)
- Population growth rate: 1.6% annual change (2015)

## Language

Spanish is the official and dominant language. The Spanish spoken in Panama is known as Panamanian Spanish. About 93% of the population speak Spanish as their first language, though many citizens who hold jobs at international levels, or who are a part of business corporations speak both English and Spanish. Native languages, such as Ngäbere, are spoken throughout the country, mostly in their native grounds.

## Religion

The government of Panama does not collect statistics on the religious affiliation of citizens, but various sources estimate that 75% to 85% of the population identifies itself as Roman Catholic and 15%–25% as Protestant.

## U.S.-Panama Trade Facts

- The United States-Panama Trade Promotion Agreement (TPA) was signed on June 28, 2007. Panama approved the TPA on July 11, 2007. The TPA was signed into law in the United States on October 21, 2011, and entered into force in both countries on October 31, 2012.
- U.S. goods and services trade with Panama totaled an estimated \$11.0 billion in 2015 (latest data available). Exports were \$9.3 billion; imports were \$1.7 billion. The U.S. goods and services trade surplus with Panama was \$7.6 billion in 2015.

- Panama is currently our 52th largest goods trading partner with \$6.6 billion in total (two way) goods trade during 2016. Goods exports totaled \$6.1 billion; goods imports totaled \$408 million. The U.S. goods trade surplus with Panama was \$5.7 billion in 2015. Trade in services with Panama totaled an estimated \$2.9 billion in 2015 (latest data available). Services exports totaled \$1.6 billion; services imports totaled \$1.3 billion. The U.S. services trade surplus with Panama with \$357 million in 2015. According to the Department of Commerce, U.S. exports of Goods and Services to Panama supported an estimated 41 thousand jobs in 2015 (latest data available) (31 thousand supported by goods exports and 10 thousand supported by services exports).

## Exports

- Panama was the United States' 34rd largest goods export market in 2016.
- U.S. goods exports to Panama in 2016 were \$6.1 billion, down 19.8% (\$1.5 billion) from 2015 but up 131% from 2006. U.S. exports to Panama are down 37.5% from 2012 (pre-FTA).
- The top export categories (2-digit HS) in 2016 were: mineral fuels (\$2.2 billion), machinery (\$555 million), electrical machinery (\$394 million), beverages (whiskies/grape brandy) (\$262 million), and special other (low value shipments) (\$242 million).
- U.S. total exports of agricultural products to Panama totaled \$680 million in 2016. Leading domestic categories include: corn (\$84 million), soybean meal (\$79 million), prepared food (\$55 million), dairy products (\$40 million), and pork & pork products (\$36 million).

# PANAMA

## Imports

- Panama was the United States' 91st largest supplier of goods imports in 2015.
- U.S. goods imports from Panama totaled \$408 million in 2016, down 0.1% (\$549 thousand) from 2015, but up 7.7% from 2006. U.S. imports from Panama are down 24.5% from 2012 (pre-FTA).
- The top import categories (2-digit HS) in 2016 were: special other (returns) (\$160 million), fish and seafood (shrimp, snapper, tuna) (\$88 million), precious metal and stone (gold) (\$31 million), sugar (\$28 million), and electrical machinery (\$12 million).
- U.S. total imports of agricultural products from Panama in 2016 totaled \$56 million in 2016. Leading categories include: raw beet & cane sugar (\$24 million), coffee, unroasted (\$7 million), other vegetable oils (\$6 million), sugars/sweeteners/beverage bases (\$4 million), and other fresh fruit (\$4 million).
- U.S. imports of services to Panama were an estimated \$1.3 billion in 2015 (latest data available), 0.5% (\$7 million) more than 2014. Leading services imports from Panama to the United States were in the travel, transport, and professional and management services sectors.

## Trade Balance

- The U.S. goods trade surplus with Panama was \$5.7 billion in 2016, a 20.9% decrease (\$1.5 billion) over 2015.
- The United States has a services trade surplus of an estimated \$357 million with Panama in 2015 (latest data available), up 13.7% from 2014.

## Investment

- U.S. foreign direct investment (FDI) in Panama (stock) was \$4.1 billion in 2015 (latest data available), a 12.2% decrease from 2014. U.S. direct investment in Panama is led by nonbank holding companies, finance/insurance, and wholesale trade.
- Panama's FDI in the United States (stock) was \$2.7 billion in 2015 (latest data available), up 12.9% from 2014. Panama's direct investment in the United States is led by real estate, finance/insurance, and wholesale trade.
- Sales of services in Panama by majority U.S.-owned affiliates were \$2.1 billion in 2014 (latest data available), while sales of services in the United States by majority Panama-owned firms were \$182 million.

## Panama Business Etiquette and Business Culture

### *Business Meetings*

There is proper etiquette that foreign professionals should observe as it pertains to attending business meetings. It is important to arrive on time to any scheduled business meetings. However, you must realize that the actual business discussion will be held off until customary small talk takes place. To show respect to your Panamanian host, you should demonstrate a genuine attitude and be personable. Such actions will showcase your willingness to respect their culture. Like customs in America, you should keep the conversation to topics of family, culture or sports; but avoid politics and religion.

### **Language**

In Panama, the official language is Spanish. However, the United States has had extensive influence on the Panamanian culture so most locals are bilingual. They speak both Spanish and English.

# PANAMA



## **Business Attire**

Wearing the proper attire is just as important as following business meeting etiquette. Panamanians expect that their foreign counterparts dress conservatively when doing business with them. Pants suits are considered conservative attire for men and women. However, women should not wear any type of clothing that is overly form-fitting or revealing. Men holding executive roles are expected to wear business suits. Those who are not in such positions, are permitted to wear loose fitting shirts called camisillas which don't need to be tucked into the slacks.

## **Business Cards**

Etiquette in Panama does not require a specific method in how to distribute business cards. However, you should make certain that you hand out a card to each individual present in the room. This is not simply reserved for the senior executives in attendance. It is important to remember to have at least one side of your business card which is translated into Spanish. When you hand out the card, keep the Spanish side face up. Professional titles are important to the Panamanian business people. Men should be called Don and women should be referred to as Dona. In business settings, college graduates should be referred to as Licenciado/a. When you are handing out the business cards, be certain to utilize the appropriate titles.



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