

NICARAGUA'S MARKET SURVEY FINDINGS



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Research Officer

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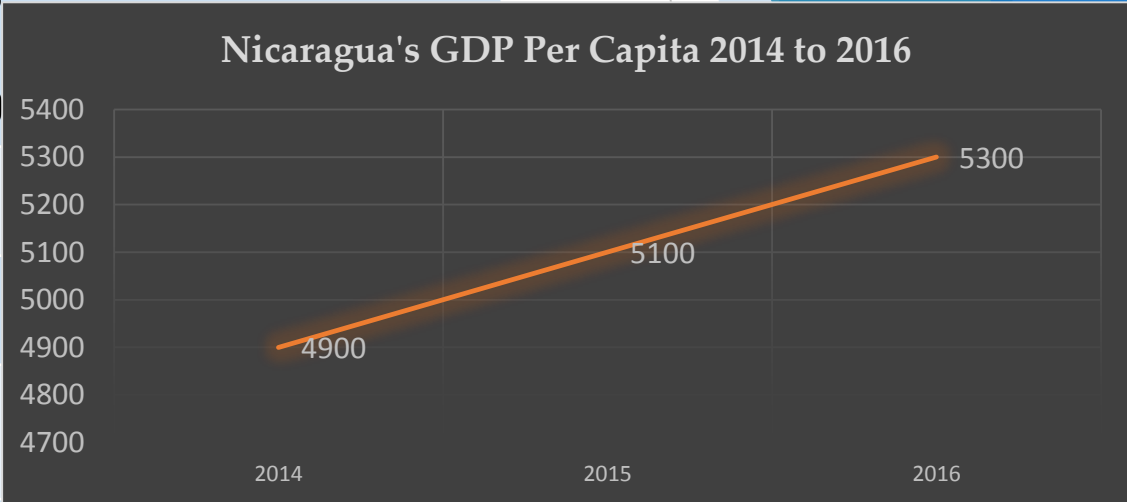
MARKET OVERVIEW

NICARAGUA'S ECONOMIC OVERVIEW

GDP PER CAPITA (USD)	\$5,300 (2016 est.)
POPULATION	5,966,798 (July 2016 est.)
GDP BY SECTOR	Agriculture: 16.9% Industry: 24.3% Services: 58.8% (2016 est.)
UNEMPLOYMENT	6% (2016 est.)
POPULATION BELOW POVERTY LINE	29.6% (2015 est.)
INFLATION	4.1% (2016 est.)
LABOUR FORCE	3.013 million (2016 est.)
EXCHANGE RATE	\$1US = 29.68 (2016 est.)
DEVALUATION	5% ANNUALLY VS US\$

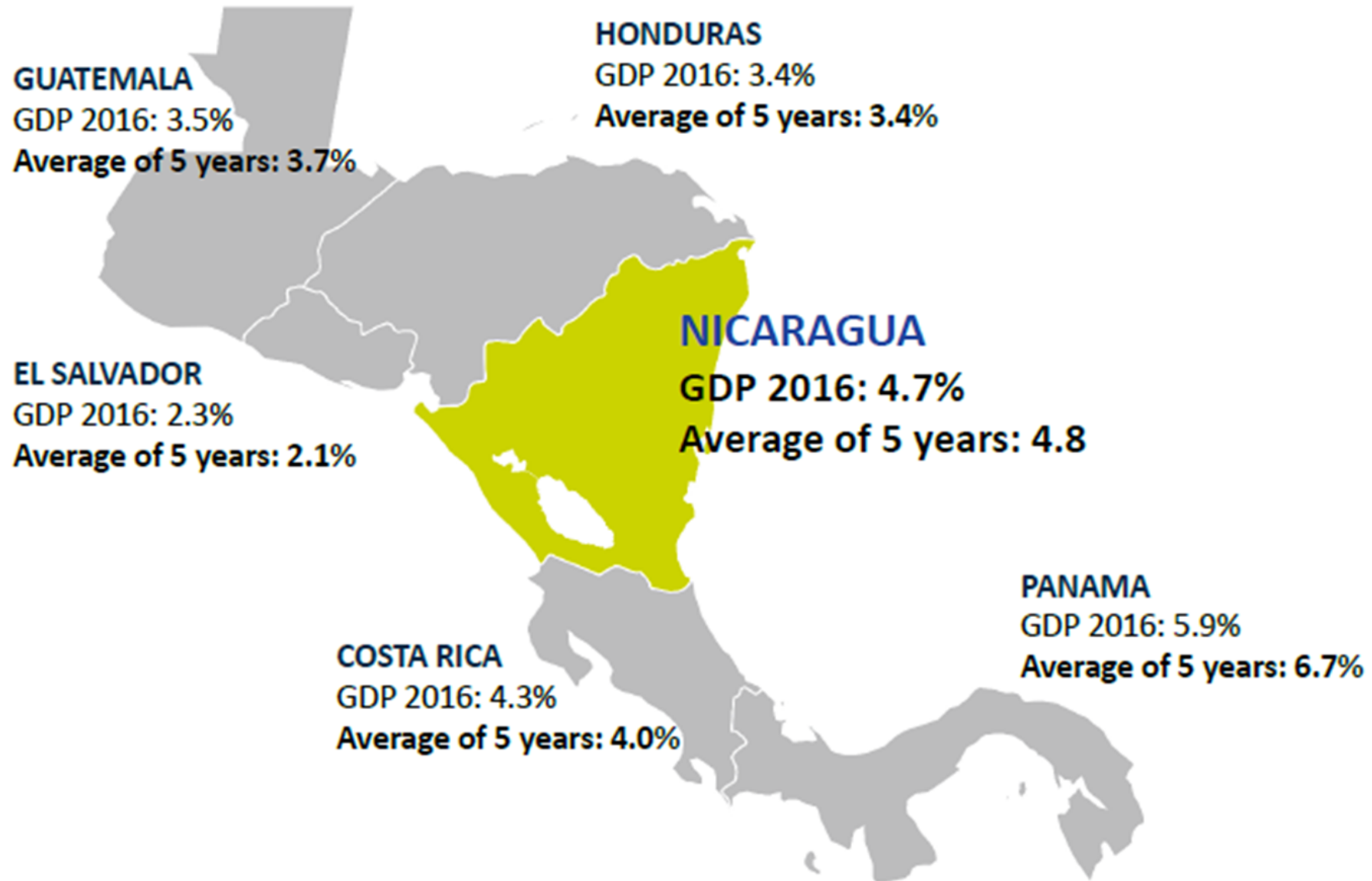
T&T PER CAPITA
32,100

T&T POPULATION
1.2 million





GDP GROWTH IN THE REGION





2017 MINIMUM WAGE

Salaries include social benefits (49%)

Sector	Monthly in US\$	Hourly in US\$
Construction, Financial Establishments and Insurance	402.17	1.93
Electricity, Gas and Water, Commerce, Restaurants and Hotels, Transport, Warehouse and Communications	329.62	1.58
Mines and Quarry	322.75	1.55
Fishing	273.25	1.31
Free Zones Regime Industry	256.10	1.23
Community, Social, Domestic and Personal Services	251.93	1.20
Manufacturing Industry	241.63	1.15
Central and Municipal Government	224.10	1.07
Micro and Small Craft Industry and National Tourism	193.08	0.92
Agricultural*	179.70	0.86

TRADING ENVIRONMENT

NICARAGUA'S TRADE AGREEMENTS

- ▶ Central America Common Market (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua)
 - ▶ EU
 - ▶ Mexico
 - ▶ Chile
 - ▶ Dominican Republic and USA
 - ▶ Panama

- ▶ Taiwan (Republic of China)

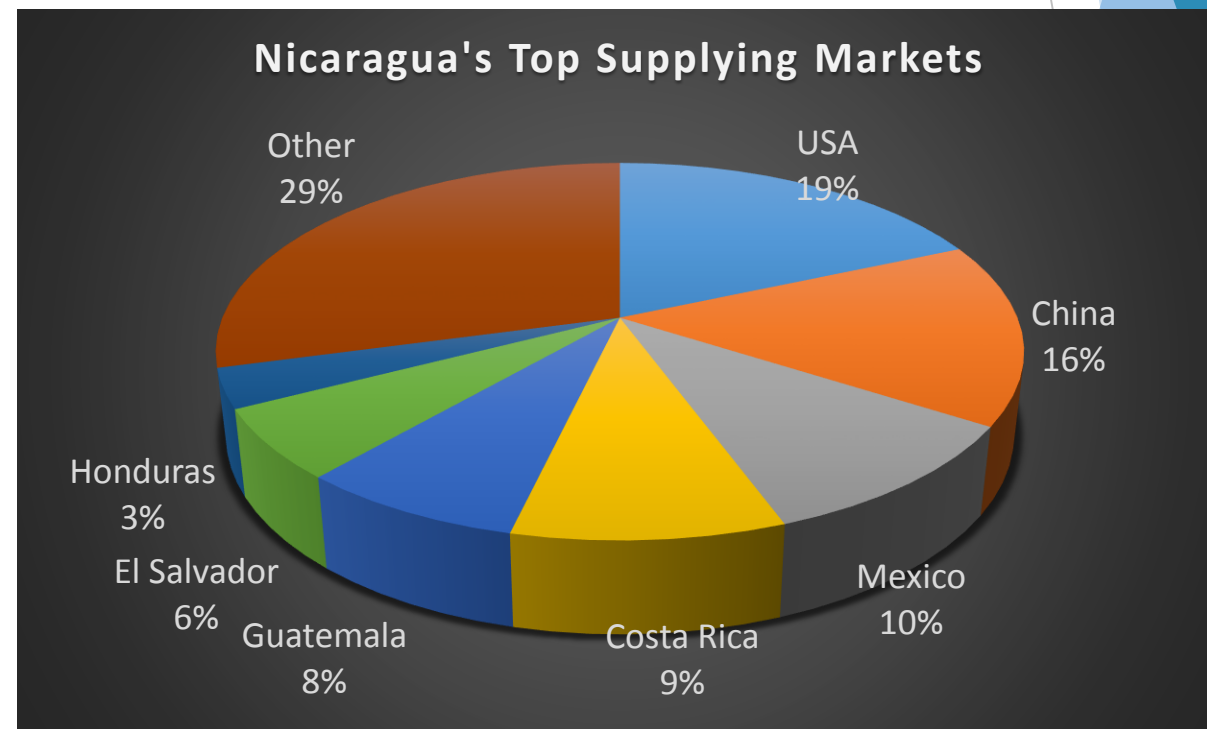
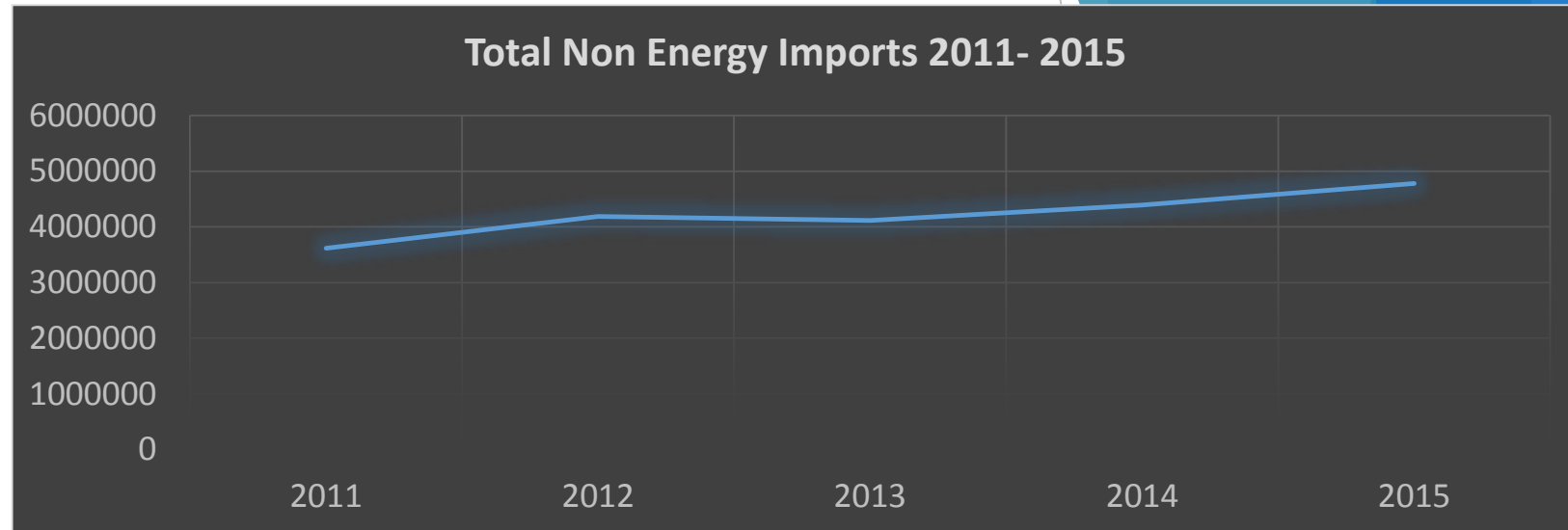
- ▶ Partial Scope Agreements
 - ▶ Venezuela
 - ▶ Colombia

- ▶ Agreements Under Negotiation
 - ▶ Latin American Integration Association (ALADI) Argentina, Bolivia, Brazil, Chile, Colombia, Cuba, Ecuador, Mexico, Panama, Paraguay, Peru, Uruguay, and Venezuela.

NO TRADE
AGREEMENT
WITH T&T

TRADING ENVIRONMENT-OVERVIEW

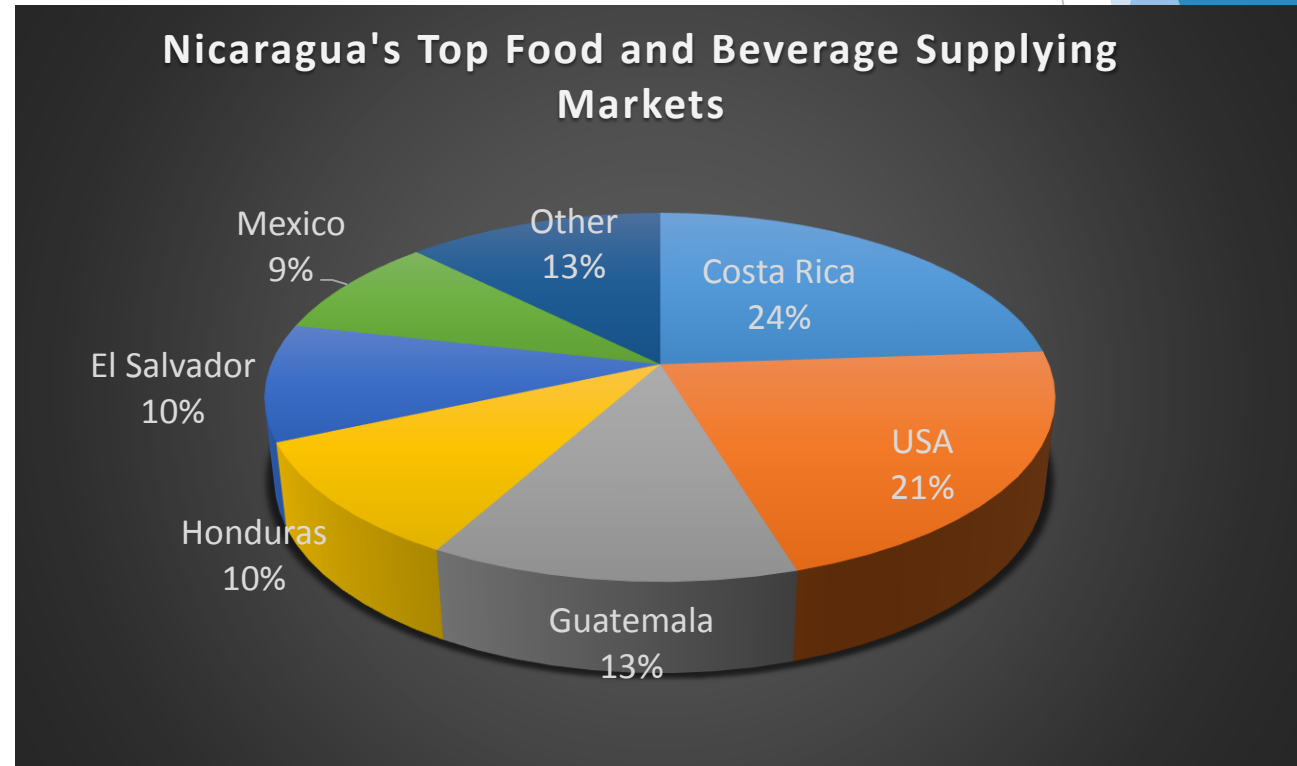
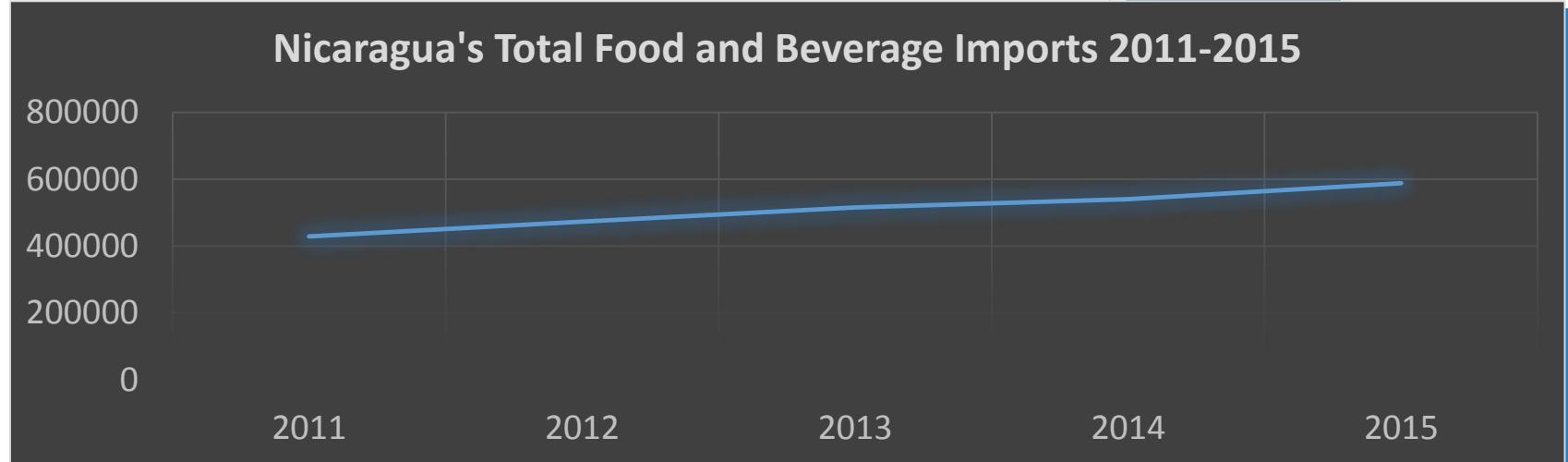
- In the 2017 Ease of Doing Business Rankings Nicaragua ranked 127th
- Nicaragua's total non-energy imports for 2015 valued US\$ 4,779,591,000
- Nicaragua's total non-energy imports experienced positive growth of approximately 33% in 2015 when compared to 2011



SECTOR REVIEWS

FOOD AND BEVERAGE IMPORTS

- Total F&B imports in 2015 valued US\$588,308,000
- F&B experienced positive growth of 37% in 2015 with compared to 2011
- Top supplying market is Costa Rica with 24% of total food and beverage imports into Nicaragua



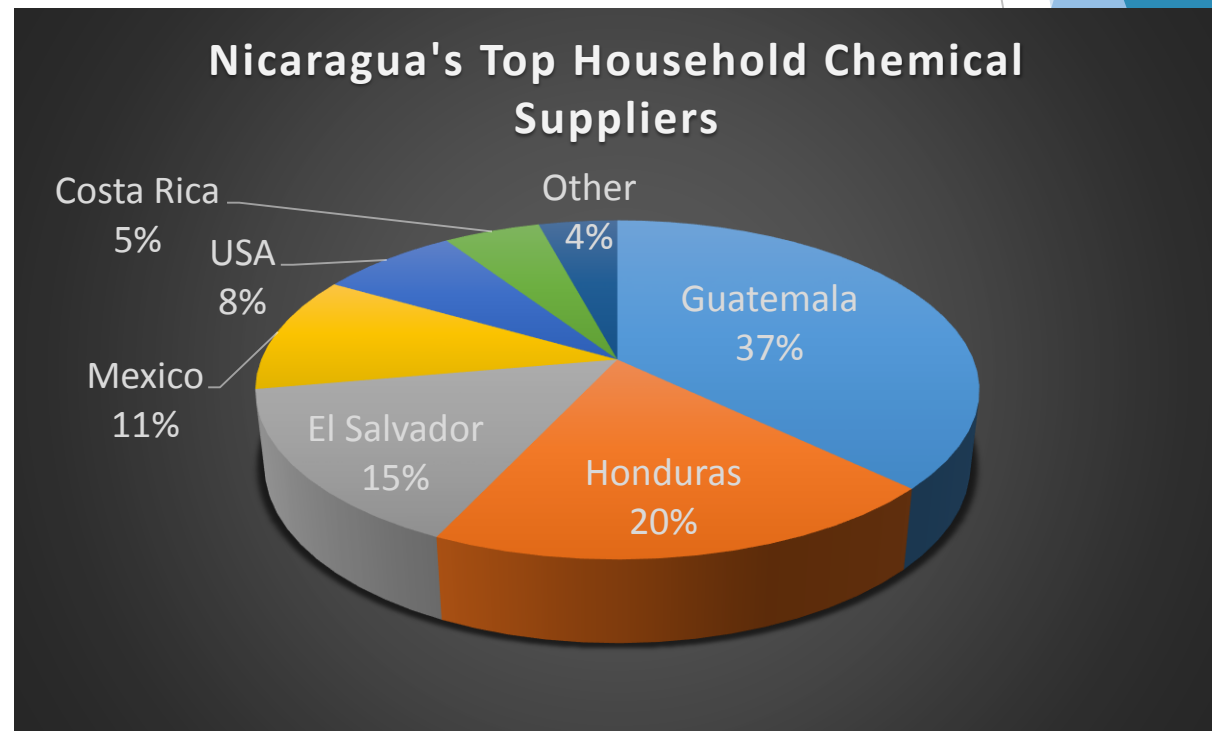
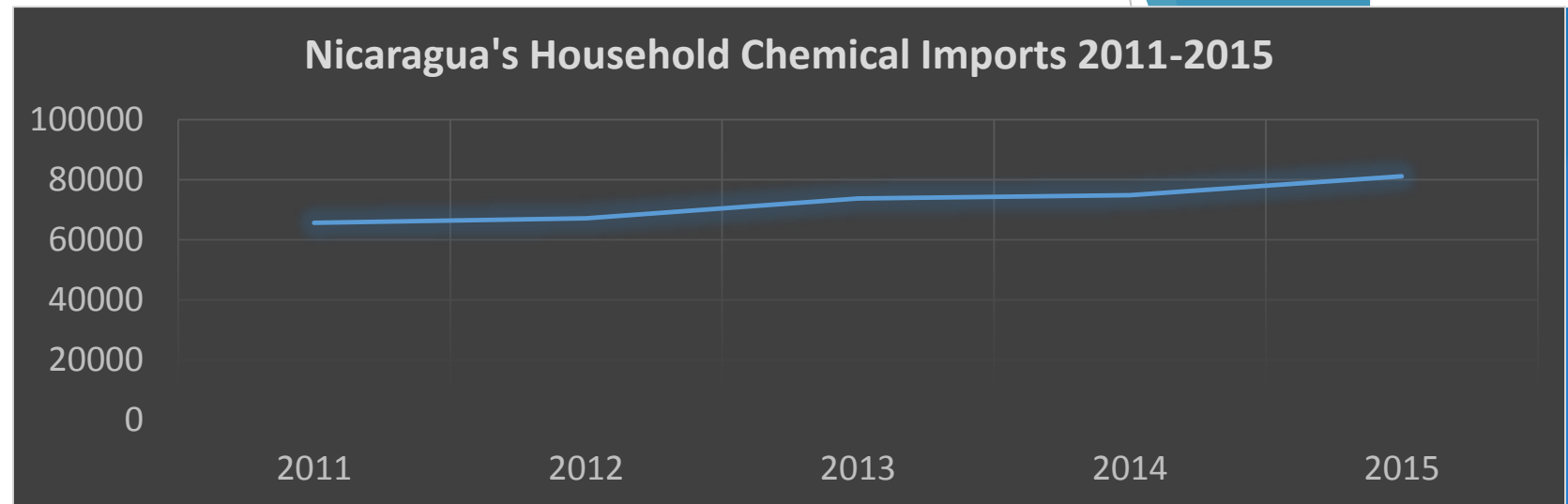
TOP IMPORTED FOOD AND BEVERAGE PRODUCTS

Code	Product label	Imported value in 2015
'210690	Food preparations, n.e.s.	73793
'230400	Oilcake and other solid residues, whether or not ground or in the form of pellets, resulting ...	48958
'220290	Non-alcoholic beverages (excluding water, fruit or vegetable juices and milk)	40366
'190110	Food preparations for infant use, put up for retail sale, of flour, groats, meal, starch or ...	37507
'190590	Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion ...	35274
'240220	Cigarettes, containing tobacco	30313
'220210	Waters, incl. mineral and aerated, with added sugar, sweetener or flavour, for direct consumption ...	22486
'170490	Sugar confectionery not containing cocoa, incl. white chocolate (excluding chewing gum)	21661
'190531	Sweet biscuits	19661
'210410	Soups and broths and preparations therefor	19637

TOTAL US\$349,656,000 OR 59%

HOUSEHOLD CHEMICAL IMPORTS

- Total cleaning household imports in 2015 valued US\$81,079,000
- Household chemical imports experienced negative growth of 24% in 2015
- Top supplying market into Nicaragua for household chemicals is Guatemala with 37%



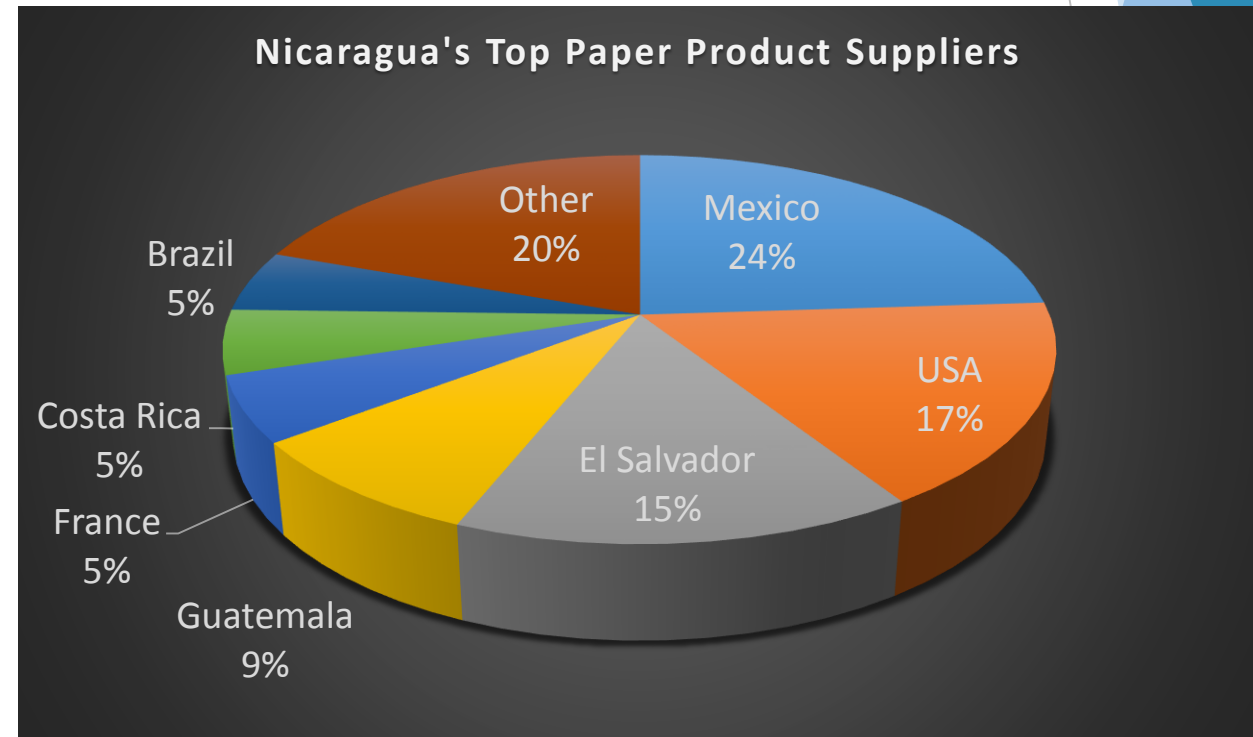
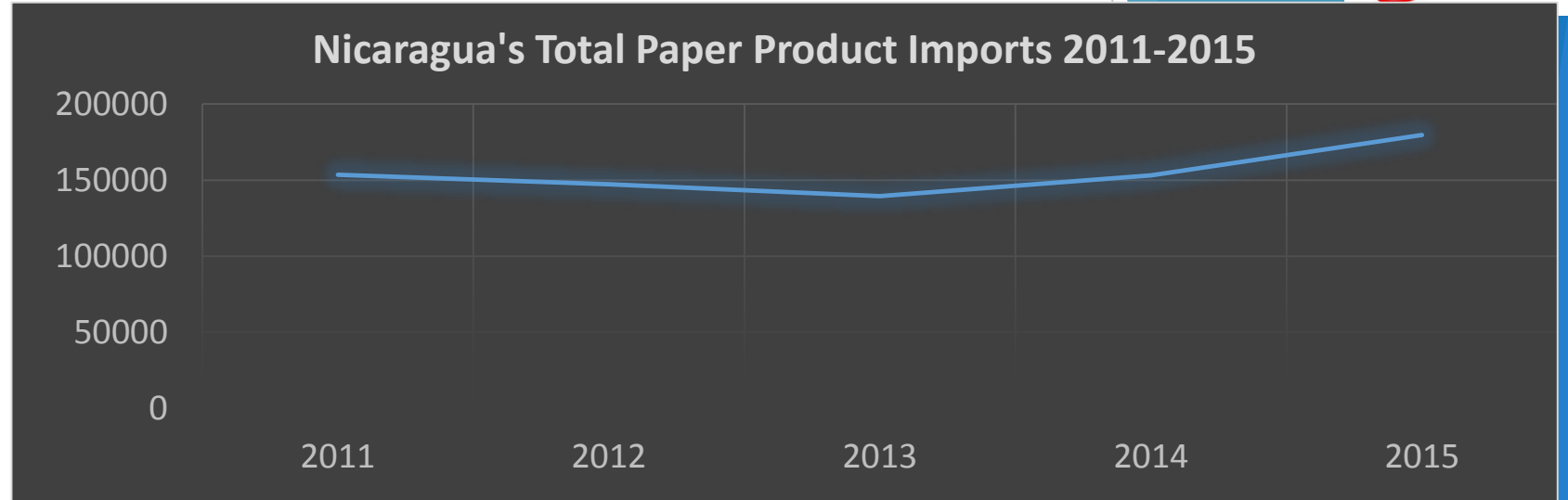
TOP IMPORTED CLEANING CHEMICAL PRODUCTS

Code	Product label	Imported value in 2015
'340220	Surface-active preparations, washing preparations, auxiliary washing preparations and cleaning ...	29187
'340119	Soap and organic surface-active products and preparations, in the form of bars, cakes, moulded ...	21481
'340111	Soap and organic surface-active products and preparations, in the form of bars, cakes, moulded ...	11736
'340290	Surface-active preparations, washing preparations, incl. auxiliary washing preparations and ...	8801
'340120	Soap in the form of flakes, granules, powder, paste or in aqueous solution	1968
'340510	Polishes, creams and similar preparations, for footwear or leather, whether or not in the form ...	1127
'340130	Organic surface-active products and preparations for washing the skin, in the form of liquid ...	1120
'340399	Lubricant preparations, incl. cutting-oil preparations, bolt or nut release preparations, anti-rust ...	992
'340319	Lubricant preparations, incl. cutting-oil preparations, bolt or nut release preparations, anti-rust ...	746
'340220	Surface-active preparations, washing preparations, auxiliary washing preparations and cleaning ...	29187

TOTAL US\$77,749,000 OR 96%

PAPER PRODUCT IMPORTS

- Total paper product imports in 2015 valued US\$176,647,000
- Paper product imports experienced positive growth of 17% in 2015
- Top supplying market into Nicaragua for paper products is Mexico with 24%



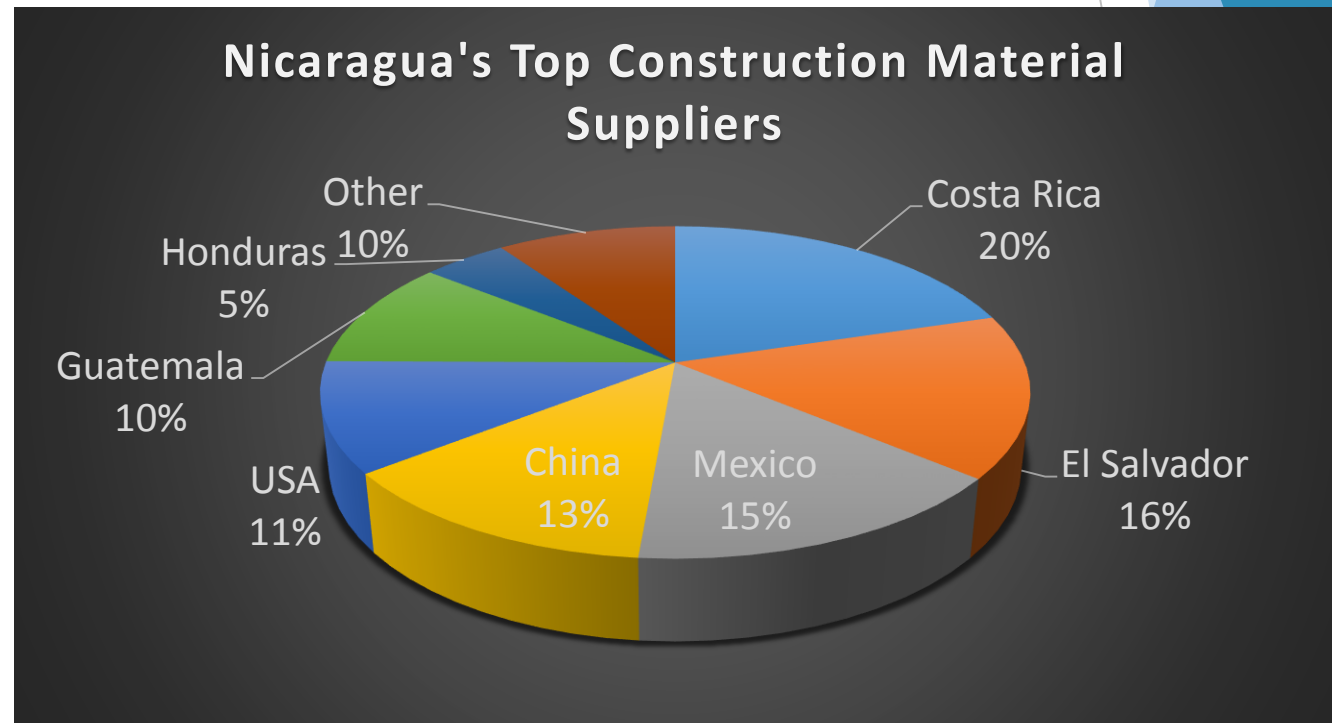
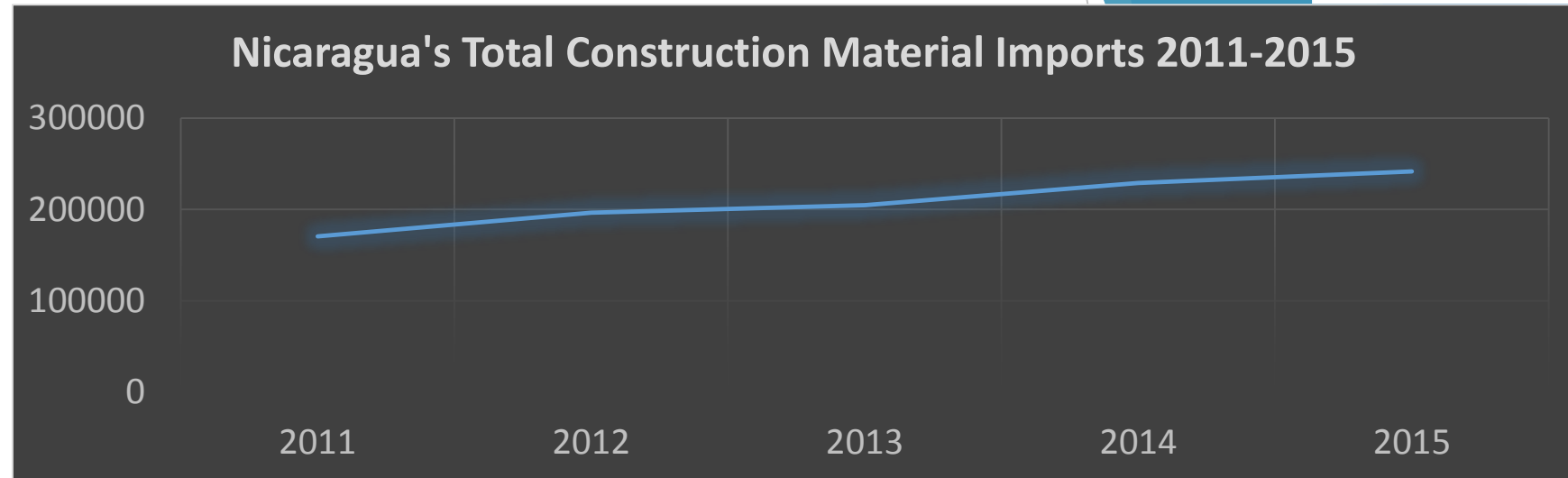
TOP IMPORTED PAPER PRODUCTS

Code	Product label	Imported value in 2015
'481810	Toilet paper in rolls of a width of <= 36 cm	45298
'490700	Unused postage, revenue or similar stamps of current or new issue in the country in which they ...	27224
'481151	Paper and paperboard, surface-coloured, surface-decorated or printed, coated, impregnated or ...	12895
'482020	Exercise books of paper or paperboard	12582
'490199	Printed books, brochures and similar printed matter (excluding those in single sheets; dictionaries, ...	12514
'480256	Uncoated paper and paperboard, of a kind used for writing, printing or other graphic purposes, ...	7084
'491110	Trade advertising material, commercial catalogues and the like	6668
'481820	Handkerchiefs, cleansing or facial tissues and towels, of paper pulp, paper, cellulose wadding ...	4051
'481920	Folding cartons, boxes and cases, of non-corrugated paper or paperboard	3415
'480255	Uncoated paper and paperboard, of a kind used for writing, printing or other graphic purposes, ...	3223

TOTAL US\$135,954,000 OR 75%

CONSTRUCTION MATERIAL IMPORTS

- Total construction material imports in 2015 valued US\$241,574,000
- Construction material imports experienced positive growth of 42% in 2015
- Top supplying market into Nicaragua for construction materials Costa Rica with 20%



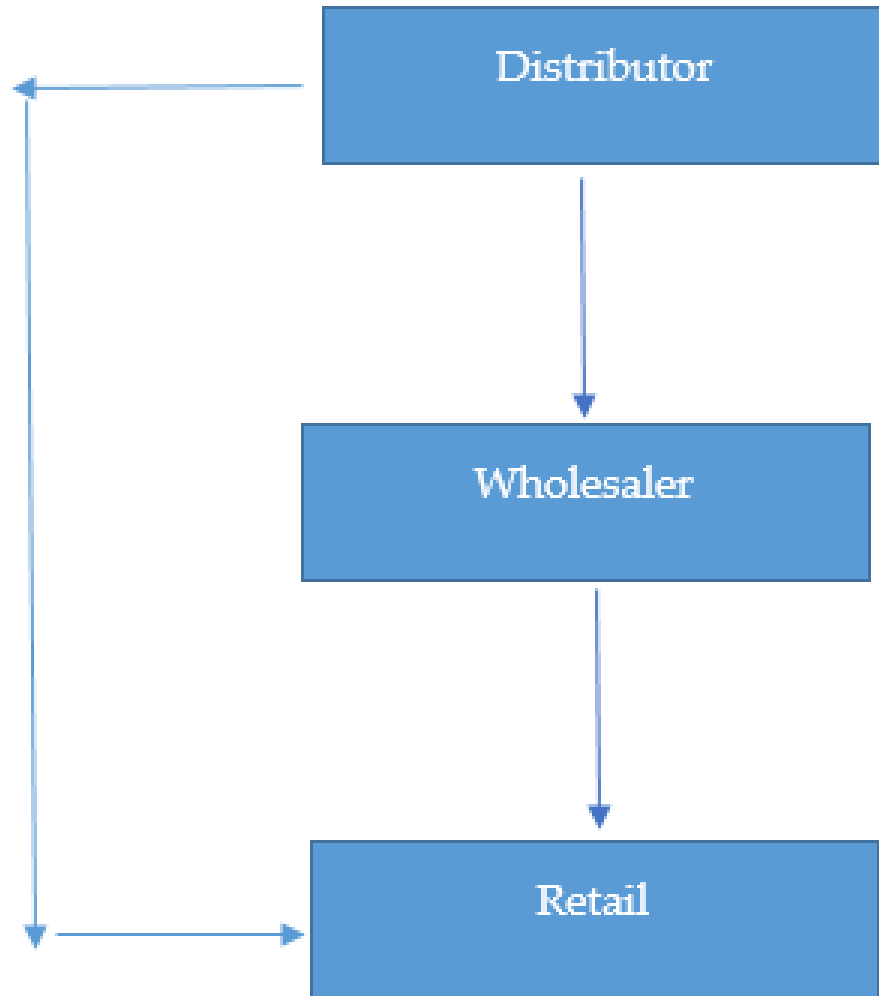
TOP IMPORTED CONSTRUCTION MATERIALS

Code	Product label	Imported value in 2015
'392330	Carboys, bottles, flasks and similar articles for the conveyance or packaging of goods, of ...	39896
'854449	Electric conductors, for a voltage <= 1.000 V, insulated, not fitted with connectors, n.e.s.	30922
'392321	Sacks and bags, incl. cones, of polymers of ethylene	26312
'391723	Rigid tubes, pipes and hoses, of polymers of vinyl chloride	14550
'850710	Lead-acid accumulators of a kind used for starting piston engine "starter batteries" (excluding ...	13370
'392310	Boxes, cases, crates and similar articles for the conveyance or packaging of goods, of plastics	9240
'392350	Stoppers, lids, caps and other closures, of plastics	8529
'732690	Articles of iron or steel, n.e.s. (excluding cast articles or articles of iron or steel wire)	8034
'731300	Barbed wire of iron or steel; twisted hoop or single flat wire, barbed or not, and loosely ...	7845
'940510	Chandeliers and other electric ceiling or wall lighting fittings (excluding for lighting public ...	7220

TOTAL US\$165,918,000 OR 69%

MARKET STRUCTURE

DISTRIBUTION CHANNEL



GROCERY RETAILERS IN NICARAGUA

▶ Leading Grocery Retailers

- ▶ Pali
- ▶ Maxi-Pail
- ▶ La Union
- ▶ La Colonial



▶ Other Major Retailers

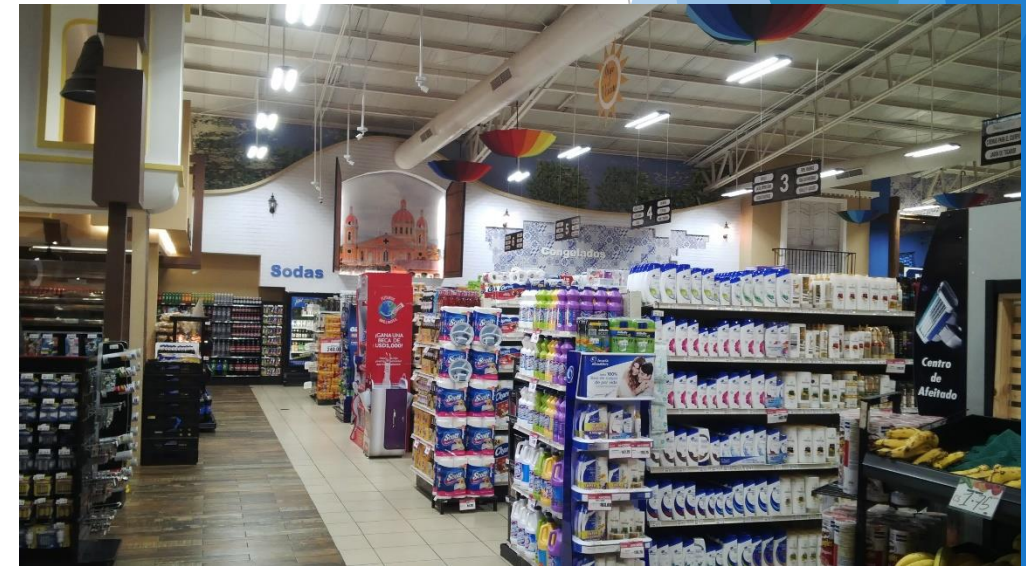
- ▶ Walmart (1),
- ▶ Pricesmart (2)



PALI & MAXI PALI



LA UNION & LA COLONIAL



PRICE COMPARISON IN DIFFERENT SUPERMARKETS



HARDWARE STORES

- ▶ Sinsa
- ▶ Do It Center



MARKET ENTRY STRATEGIES

- ▶ Using a distributor
- ▶ Key Characteristics
 - ▶ Price
 - ▶ Quality
 - ▶ In-market Support



STRATEGIC LOCATION



PORTS AND TAXES



MAERSK



CROWLEY

- Value Added Tax (IVA) -15%
- Selective Consumption Tax 10-30% but as high as 60%
- **Tariff

SHIPPING DOCUMENTS

- ▶ Shipping Documents
 - ▶ Bill of Lading
 - ▶ Packing List
 - ▶ Invoice (in Spanish preferably)
- ▶ Other documents required
 - ▶ Sanitation Certificates- Ministry of Health
 - ▶ Agricultural products, meat etc– IPSA

- ▶ *****Inaccurate, late, and false declarations are subject to fines and other penalties.****

- ▶ ******Companies MUST utilize the services of a registered broker*

MARKET ENTRY REQUIRMENTS

Packaging and Labelling Requirements

Nicaraguan Technical Standard on Prepared Packaged Foods for Human Consumption (1993/03-021)

Labelling in Spanish

- Contents/ Ingredients
- Weight
- Production Date
- Expiration Date

- However, for labels not in Spanish a sticker can be placed on the product in Spanish including the following:
 - Contents/ Ingredients
 - Weight
 - Expiration Date
 - Registration Number



MINISTRY OF HEALTH

- ▶ Minimum food safety standard required for Nicaragua is a Free Sale Certificate from T&T stating the product can be exported
- ▶ Cost of permit US\$50-60
- ▶ Permit is valid for a 5 year period
- ▶ A permit is required for each product with regard to flavour or shade NOT size
- ▶ The process to acquire a sanitary certificate takes approximately 30 days
- ▶ Forms required for sanitary certificate
 - ▶ **Form from the Ministry of Health Website**
 - ▶ Health certificate from T&T
 - ▶ Sample of the product label
 - ▶ Product technical information
 - ▶ Samples of the product
 - ▶ Liquids- 3 1 litre samples of the product
 - ▶ Sold- 3 samples @ 500g

CHALLENGES

- ▶ No Trade Agreement
- ▶ Price Sensitivity
- ▶ Language Barrier
- ▶ Selective Consumption Tax
- ▶ Port Issues

OPPORTUNITIES

- ▶ Shampoo
- ▶ Cosmetics
- ▶ Pasta
- ▶ Juices (PET or cans)
- ▶ Soft drinks
- ▶ Cookies
- ▶ Candies
- ▶ Beers
- ▶ Newspaper Paper
- ▶ Printing Paper
- ▶ Label adhesive
- ▶ Over the counter rubs
- ▶ Energy Efficiency****
- ▶ Courier Services****

Eligible Activities - Goods

CO-FINANCING

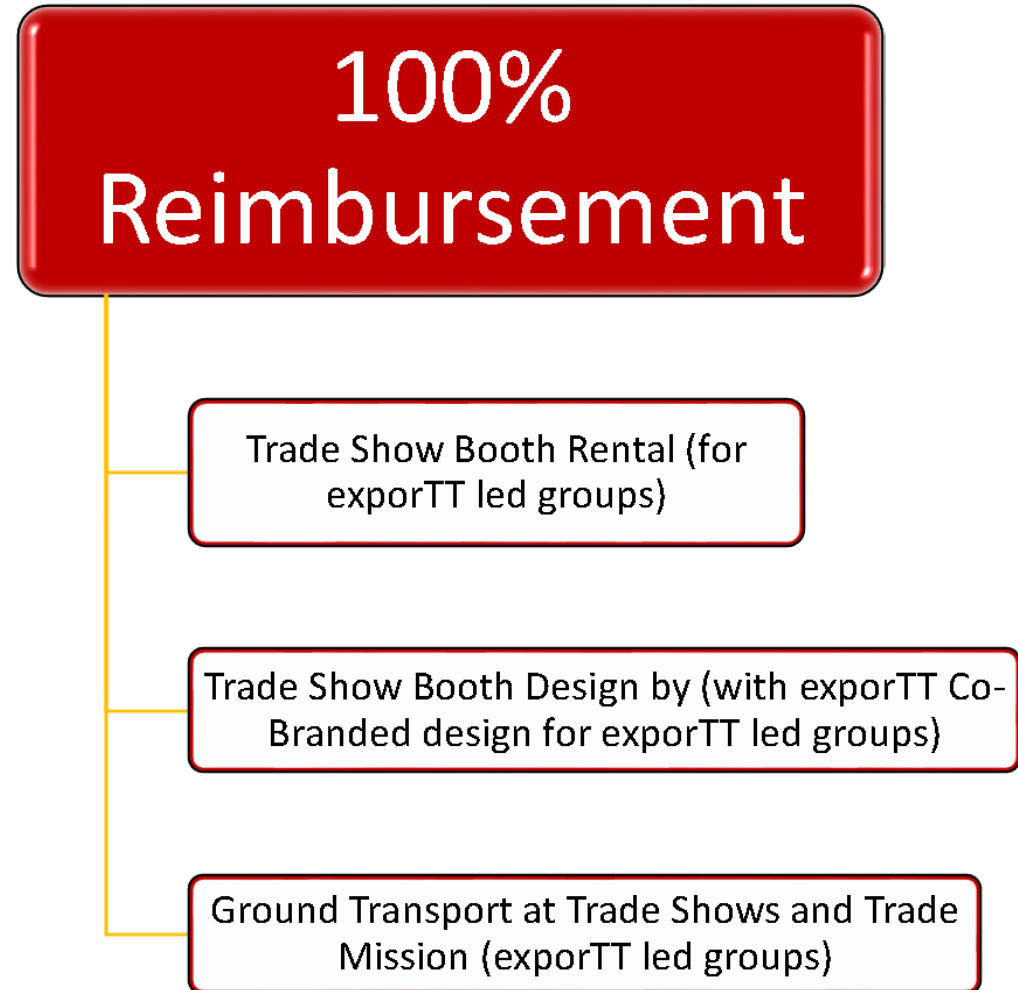
Eligible Activities - Goods



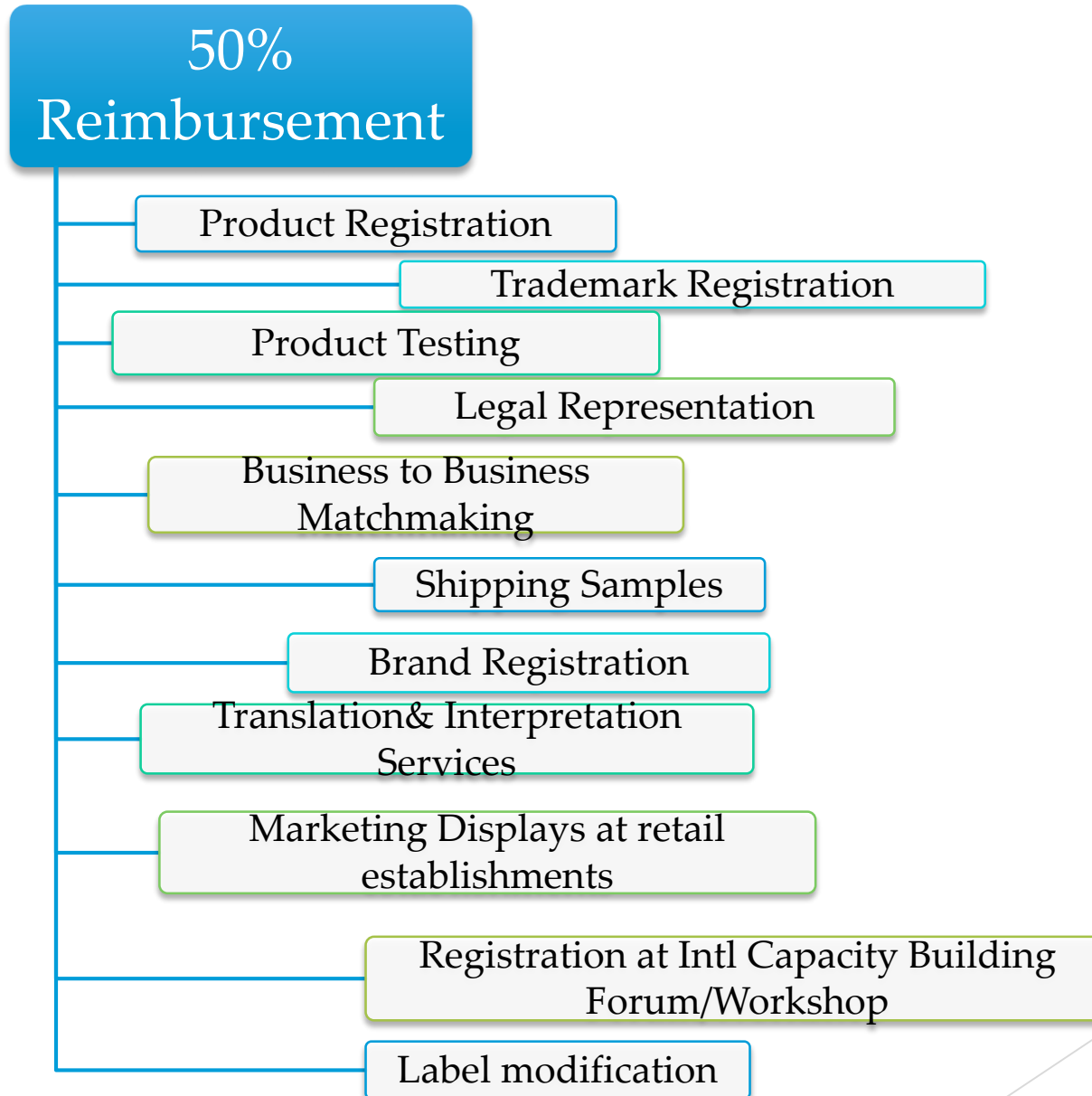
Eligibility Criteria

- ❑ **Proof of Registration/Incorporation**
- ❑ **Company must be locally owned (greater than 50% must be locally owned)**
- ❑ **Exporting products must be manufactured locally**
- ❑ **The service being provided is solely intended to facilitate export in the selected export markets**

Co-Financing Limits



Co-Financing Activities



Ineligible Activities

- ❖ **Flights & accommodation for trade shows and trade missions**
- ❖ **Registration and product testing which is not carried out in and for the selected export markets**
- ❖ **Translation of documents which are not related to market entry into the selected export markets**
- ❖ **Advertising campaigns and media costs**
- ❖ **Products not manufactured in Trinidad and Tobago**

THANK YOU

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