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**TRADE POLICY REVIEW**

**Report by**

**NICARAGUA**

Pursuant to the Agreement Establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), the policy statement by Nicaragua is attached.

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Note: This report is subject to restricted circulation and press embargo until the end of the first session of the meeting of the Trade Policy Review Body on Nicaragua.



**LIST OF ABBREVIATIONS**

ADA	Association Agreement
ALBA	Bolivarian Alliance for the Peoples of Our America
ALBA TCP	Bolivarian Alliance for the Peoples of Our America - Peoples' Trade Agreement
ASYCUDA	Automated System for Customs Data
CACM	Central American Common Market
CAFTA DR	Free Trade Agreement Between the Dominican Republic, Central America AND the United States
CAUCA IV	Central American Uniform Customs Code Version IV
CBN	Central Bank of Nicaragua
CEI	Centre for Export and Investment
CETREX	Centre for Export Formalities
CIFCO	Interinstitutional Commission on Trade Facilitation
CNPE	National Commission for the Promotion of Exports
CPI	Consumer Price Index
DDA	Doha Development Agenda
DGA	Directorate General of Customs
DGI	Directorate General of Revenue
DGPSA	Directorate General of Agricultural and Livestock Protection and Health
ECLAC	Economic Commission for Latin America and the Caribbean
ECOALBA	Agreement establishing the ALBA TCP Economic Area
EMNV	Living Standards Measurement Survey
FDI	Foreign direct investment
GRUN	Government of National Reconciliation and Unity
INE	Nicaraguan Energy Institute
INPESCA	Nicaraguan Fishing and Aquaculture Institute
LAIA	Latin American Integration Association
MAGFOR	Ministry of Agriculture and Forestry
MANA	Market access for non agricultural products
MEM	Ministry of Energy and Mining
MHCP	Ministry of Finance and Public Credit
MIFIC	Ministry of Development, Industry and Trade
PNDH	National Human Development Plan
PROCOMPETENCIA	National Institute for the Promotion of Competition
RECAUCA IV	Implementing regulations for the Central American Uniform Customs Code, Version IV
SAC	Central American Tariff System
S&D	Special and differential treatment
SIECA	Secretariat for Central American Economic Integration
SISCAE	Electronic Government Procurement System
SVE	Small and Vulnerable Economies
VUI	One stop investment facility



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## I. INTRODUCTION

1. The main thrust of the efforts made by the Government of National Reconciliation and Unity (GRUN), as set out in the National Human Development Plan, is to maintain Nicaragua's macroeconomic stability so that the country can continue to attract investment and maintain the increase in production and trade that will enable its economy to grow considerably in years to come. These efforts require a predictable, stable and ever more equitable multilateral trading system in which trade flows can increase in an environment that is free of unnecessary barriers, particularly non-tariff barriers, and the Nicaraguan people can attain greater well-being. Nicaragua is of the view that trade among nations is a key tool in sustainable development.

2. Nicaragua has made notable economic progress during the review period, as shown by the record figures for attracting investment, rises in exports and progress in transforming the energy generation process.

3. For Nicaragua, the trade policy review mechanism is an exercise in transparency for its trade policies and practices and an opportunity for other Members to gain a better understanding of Nicaragua's individual features, its aspirations, its needs and the challenges it faces. Nicaragua would like this exercise to help improve the working of the multilateral trading system.

4. This report comprises five chapters; the first explains the background to the country's socio-economic environment and contains a summary of data relating to economic growth, inflation, the budget, fiscal matters, aspects concerning public debt, the ongoing fight to eradicate poverty and the construction of a fairer, more integrated society. The second chapter concerns trade policy, its objectives, trends in foreign trade, changes in tariffs, tariff quotas, export promotion and investment.

5. Trade regulations (technical standards, sanitary and phytosanitary measures), and the forums set up at the institutional level to host a public-private dialogue with a view to furthering trade facilitation, are covered in Chapter III. This chapter also discusses trade-related intellectual property, competition policies and progress in and prospects for the various sectors of Nicaragua's economy.

6. This report supplements the report by the WTO Secretariat and aims to ensure that Members obtain a full picture of Nicaragua's trade policies and practices.

## II. ECONOMIC ENVIRONMENT

### (1) ECONOMIC GROWTH AND EMPLOYMENT

7. The average annual rate of growth in Nicaragua's economy over the period 2006-2011 was 2.8 per cent. When assessing economic performance over this period, it must be borne in mind that between 2007 and 2009 the national economy was adversely affected by several external shocks that restricted opportunities for growth. Those factors included the impact of high international oil and food prices, hurricane Felix in October 2007, and a series of exceptional winters caused by the El Niño and La Niña effects. Most noteworthy of all, however, is the impact of the international recession of 2008-2009.

8. After a 1.5 per cent contraction in 2009, Nicaragua's economy recovered and grew by 4.5 per cent in 2010 and 4.7 per cent in 2011, an annual average rate of 4.6 per cent for those two years, the highest in Central America. In terms of relative contribution to growth in GDP, the production sectors that contributed the most in 2011 were manufacturing, with 31 per cent; agriculture with 19.8 per cent; and trade, hotels and restaurants with 14.2 per cent. The relative

contribution of 5.5 per cent to growth in GDP by the transport and communications sector was a result of the flow of foreign direct investment (FDI) in communications.

9. The highlights in manufacturing are the strong rise in value added in the textiles and garments segment, whose output is intended primarily for export, where the relative contribution to sectoral growth was 58.4 per cent; followed by the food, beverages and tobacco segment, where a boom helped account for the 34.8 per cent growth in GDP in the sector. Also of note was the contribution of agro-industrial output in meat, sugar and dairy products intended chiefly for export markets.

10. Agriculture was strongly influenced by the performance in the livestock subsector, which helped account for the 83.7 per cent growth in this sector as a whole, driven mainly by the slaughter of livestock.

11. With regard to aggregate demand, domestic demand was the preponderant factor in the performance of the economy, with a relative contribution of 127.5 per cent to growth in GDP, whereas net external demand (exports less imports of non-factor goods and services) caused a contraction in aggregate demand, leading to a negative contribution of -27.5 per cent to the GDP's growth rate.

12. In domestic demand, private and public consumption made the biggest relative contribution to growth in GDP, 72.2 per cent, because of its effect on aggregate demand, although the performance and relative contribution of private investment, which grew at an average annual rate of 16.1 per cent and accounted for 52 per cent of growth in GDP, should be highlighted.

13. Private investment was influenced by the growth in flows of FDI which stood at around 63 per cent of private investment in 2010, equivalent to 13.7 per cent of GDP, the highest level for 40 years.

14. The average share of investment in machinery and equipment in total fixed private investment in 2010 and 2011 was 69 per cent, which led to demand for imported capital goods rather than demand for domestic goods and services. A significant percentage of private or family consumption was imported, with the result that an increasingly large share of the demand for consumer goods is for imported goods that are not manufactured in Nicaragua.

15. Factors contributing to the growth in GDP on the aggregate demand side were (i) the share of household consumption of goods and services produced in Nicaragua; (ii) the share of fixed gross investment chiefly in the construction of structures, other buildings and infrastructure works; and (iii) demand from non-residents for goods and services produced in Nicaragua, such as products in the textiles-garments and food segments such as meat, sugar, dairy products, coffee, other agricultural products, as well as minerals and tourism.

16. The percentages of internal demand accounted for by factors (i) and (ii) have gradually decreased, in fact performance has become negative, and as a result GDP catering for domestic demand fell to an average annual rate of -0.7 per cent between 2006 and 2011, whereas external demand drove growth in GDP, catering for that demand at an average annual rate of 8.7 per cent. The fall in GDP catering for domestic demand meant that the strong performance in exports was translated into an overall annual average rate of growth in GDP of only 4.6 per cent.



17. Rather than take protectionist measures to restrict imports, Nicaragua is seeking to establish a model that will enable it to make export performance and the benefits of international trade the catalysts for efforts to increase and diversify national output.

## (2) INFLATION AND PRICES

18. The average annual inflation rate as measured by the percentage variation in the Consumer Price Index (CPI)<sup>1</sup> rose to 9.42 per cent during the period 2007-2011, as much a result of the policy of 5 per cent annual currency depreciation as of the impact of rising international prices for food and hydrocarbons on Nicaragua's economy. However, the inflationary effect of these price rises was mitigated by the policy subsidizing electricity for low-income consumers and public urban transport.

19. The factor that most affected inflation was the increase in the food and non-alcoholic beverages price index, which averaged 12.1 per cent annually during the period; its effect on the welfare of the poor was particularly marked as food is the main item in their shopping basket.

20. When the current Government came to power in 2006 the average minimum wage was C\$1,400 (US\$60.00); as a result of the wages policy formulated with the private sector and labour, the average minimum wage had risen to C\$3,100 (US\$132.00) in 2011, an increase of 120 per cent.

## (3) FISCAL SECTOR

21. In the period under review, finances in the non-financial public sector improved as a result of a 15.1 per cent average annual increase in revenue - more than the average annual rise in total outgoings of only 13.4 per cent. As a result, the public sector deficit before external grants as a percentage of GDP fell by half from 3.8 per cent of GDP in 2006 to 1.7 per cent in 2011.

22. Central Government tax revenue grew at an annual average rate of 14.5 per cent between 2006 and 2011, whereas GDP at current prices rose at a rate of 12.2 per cent, indicating that the elasticity of tax collection in relation to growth in GDP at current prices - *tax buoyancy* - averaged 1.2 per cent. As a result the tax take rose from 17.4 per cent of GDP in 2006 to 19.4 per cent of GDP in 2011.

23. Generally, over the past five years, the country's tax structure has changed: the process of opening up to the outside has resulted in a reduced relative share of import tariffs in total revenue, from 6.3 per cent in 2006 to 4.6 per cent in 2011.

24. On expenditure, social expenditure increased in absolute terms and its relative share of total expenditure rose sharply. The share of expenditure on social services rose from 43.2 per cent of total government expenditure in 2006 to 45.9 per cent in 2011, an increase of 2.7 percentage points. That increase was essentially attributable to the sharp fall in the share of expenditure on public government administration, which fell from 15.1 per cent of total expenditure in 2006 to 9.1 per cent in 2011, a fall of 6 percentage points.

25. Expenditure on education rose markedly in the period under review: in 2007 it stood at C\$5.2 billion, rising to C\$8.5 billion in 2011, and its share of GDP remained stable, rising from 5.1 per cent in 2007 to 5.2 per cent in 2011. Health expenditure continued to account for 3.7 per cent of GDP: in 2007 it amounted to C\$3.8 billion and in 2011, C\$6.0 billion.

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<sup>1</sup> CPI: Indicator published by the Central Bank of Nicaragua measuring the trend in prices of a basket of goods and services that are representative of final consumption expenditure by households.

#### (4) PUBLIC DEBT

26. Total public debt fell from US\$5,862.7 million in 2006 to US\$5,242.5 million in 2011, a fall in absolute terms of US\$620.2 million. Total debt also fell significantly as a percentage of GDP, from 112.1 per cent in 2006 to 71.8 per cent in 2011, a fall of 40.2 percentage points.

27. In absolute terms, external public debt fell from US\$4,526.7 million to US\$4,072.6 million in 2011, a fall of US\$454.1 million, and in terms of share of GDP it fell from 86.5 per cent in 2006 to 55.8 per cent in 2011. Domestic public debt fell from US\$1,336 million in 2006 to US\$1,169.9 million in 2011, a drop of US\$166.1 million, and fell as a percentage of GDP from 25.5 per cent in 2006 to 16 per cent in 2011.

#### (5) SOCIAL INTEGRATION

28. A comparison of the findings of the Living Standards Measurement Survey (EMNV)<sup>2</sup> for 2005 and 2009 shows that in 2009 the percentage of the population living below the poverty line and the extreme poverty line<sup>3</sup> had fallen substantially in both urban and rural areas.

29. According to the results of both surveys, the population living in poverty fell from 48.3 per cent in 2005 to 42.5 per cent in 2009, a reduction of 5.8 percentage points. The population living in extreme poverty fell from 17.2 per cent of the entire population in 2005 to 14.6 per cent in 2009. It should be noted that the data from the surveys under way this year will show further progress in reducing poverty.

30. Various factors explain the reductions in poverty and extreme poverty. Economic growth was reflected in annual average growth of 3.2 per cent in average per capita consumption. Labour participation has increased with the result that the average number of people per household in the labour market, most of whom are in work, has risen and this has helped increase per capita income and household consumption. There was a significant improvement in the distribution of consumption: the Gini consumption coefficient fell from 0.41 in 2005 to 0.37 in 2009. In conclusion, the reduction in poverty was the result not only of economic growth and greater labour participation but also of the improvement in the distribution of income and consumption.

### III. TRADE POLICY

31. The PNDH states that one of the principal targets of international trade policy is to regulate Nicaragua's trade relations with the rest of the world by way of fair, competitive trade. Under that premise, Nicaragua emphasizes the need for the world market to incorporate the concept of "fair

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<sup>2</sup> Published by the National Development Information Institute (INIDE).

<sup>3</sup> The extreme poverty line was defined as the total annual per capita consumption of food necessary to satisfy the minimum daily calorific requirement, estimated at an average 2,268 calories a day. According to the final data from EMNV 2009, the cost of that requirement was C\$6,903.08 (equivalent to US\$334.79) per person per year (or US\$27.90 per person per month, or US\$0.917 per day). Households with a per capita annual consumption lower than that figure were classified as living in *extreme poverty*. The poverty line was defined as the total annual per capita consumption of food necessary to satisfy the minimum daily calorific requirement (*extreme poverty line*) plus an additional amount to cover consumption of non-food essential goods and services such as housing, transport, education, health, clothing and daily household expenses. The poverty line was estimated at C\$11,725.09 (equivalent to US\$568.65) per person per year (or US\$47.39 per person per month or US\$1.56 per day). *Households where per capita annual consumption falls below that line are classified as poor.*

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trade", meaning genuine recognition of imbalances between countries' economies, and correction of the distortions in world markets.

32. Nicaragua's trade policy aims to seek out new international markets, consolidate traditional markets and diversify exportable supply by boosting growth in exports of non-traditional products and promoting FDI to support production; this will encourage job-creation and squares well with the development of vital technology transfer.

33. Trade policy is formulated within the framework laid down in the Constitution of the Republic of Nicaragua, the WTO Agreements, the Tegucigalpa Protocol, the General Treaty on Central American Economic Integration and the Protocols thereto, free trade agreements in force, international treaties and agreements on specific trade topics, and domestic trade law. Its main objective is to ensure that Nicaragua's trade relations with the rest of the world are conducted within the framework of fair, competitive trade, meaning genuine recognition of imbalances between countries' economies, and correction of the distortions in world markets. The Government wants Nicaragua's integration into international trade to occur in fair, equitable conditions that pave the way for new and better opportunities for all sectors of society, especially micro, small and medium-sized businesses.

34. The objectives of external trade policy focus on diversifying production and exportable supply, finding new markets for Nicaraguan goods and services, improving competitiveness, making greater use of existing trade agreements, attracting investment and safeguarding Nicaragua's trade interests.

35. This policy has clearly vitalized exports during the period under review as they have almost doubled in terms of value and are growing faster than imports. The trade balance is still in deficit, however.

36. Nicaragua's exportable supply chiefly comprises goods from the agricultural, agro-industrial and fisheries sectors. New trade agreements have been negotiated as part of the strategy to encourage increased exports and greater diversification of markets and products. Access to new markets, together with high international prices for certain agricultural products, have boosted export performance.

37. The principal goods exported by Nicaragua include coffee, beef, gold, sugar, groundnuts, cheese, shrimps, lobster, crude oil, powdered milk, instant coffee, bread, biscuits, fish, beans, edible oils, cattle, bovine skins and hides, scrap iron or steel, rum, liquid milk, molasses, mineral solvents, cattle offal, cigars and sawn timber.

38. The principal goods imported into Nicaragua have been products such as hydrocarbons, medicines, vehicles, crude oil, zinc sheets, edible oils, mineral fertilizers, propane gas, tyres, radios, televisions, cell phones, computers, computer parts, bread, biscuits, electricity generators and electrical converters, electrical conductors, and iron rods and bars.

Trade between Nicaragua and the world  
US\$ million

Heading	2007	2008	2009	2010	2011
<b>Exports</b>	<b>2,305.66</b>	<b>2,599.49</b>	<b>2,490.95</b>	<b>3,255.71</b>	<b>4,369.15</b>
Definitive	1,235.70	1,503.20	1,397.40	1,846.20	2,277.20
Free zone	1,054.02	1,088.02	1,090.14	1,403.05	1,851.64
Temporary admission	15.94	8.27	3.42	6.46	240.31
<b>Imports</b>	<b>3,794.07</b>	<b>4,540.35</b>	<b>3,605.07</b>	<b>4,418.13</b>	<b>5,277.49</b>
Definitive	3,625.50	4,345.30	3,425.30	4,190.30	5,048.60
Free zone	1.86	2.42	8.36	9.77	6.45
Temporary admission	166.71	192.62	171.41	218.06	222.44
<b>Balance</b>	<b>(1,488.41)</b>	<b>(1,940.85)</b>	<b>(1,114.11)</b>	<b>(1,162.42)</b>	<b>(908.34)</b>
Definitive	(2,389.80)	2,842.10	(2,027.90)	(2,344.10)	(2,771.40)
Free zone	1,052.16	1,085.60	1,081.78	1,393.28	1,845.19
Temporary admission	(150.78)	(184.35)	(167.99)	(211.60)	17.87
<b>Trade</b>	<b>6,099.73</b>	<b>7,139.84</b>	<b>6,096.02</b>	<b>7,673.84</b>	<b>9,646.64</b>
Definitive	4,861.20	5,848.50	4,822.70	6,036.50	7,325.80
Free zone	1,055.88	1,090.45	1,098.50	1,412.82	1,858.09
Temporary admission	182.65	200.89	174.82	224.52	462.75
<b>Growth rates (%)</b>					
<b>Exports</b>	<b>20.8</b>	<b>12.7</b>	<b>(4.2)</b>	<b>30.7</b>	<b>34.2</b>
<b>Imports</b>	<b>20.8</b>	<b>21.6</b>	<b>(7.0)</b>	<b>32.1</b>	<b>23.3</b>
<b>Balance</b>	<b>20.8</b>	<b>3.2</b>	<b>0.2</b>	<b>28.7</b>	<b>32.0</b>
<b>Trade</b>	<b>20.8</b>	<b>(48.1)</b>	<b>(58.7)</b>	<b>89.1</b>	<b>3,619.4</b>

Source: Directorate-General of Customs.

39. The Economic Commission for Latin America and the Caribbean (ECLAC)<sup>4</sup> forecasts that the value of Latin America's exports will climb by around 4 per cent in 2012, with Nicaragua's exports growing at the second highest rate (13.5 per cent) after the Plurinational State of Bolivia (16.2 per cent).

40. Tariff policy is drawn up within the combined framework of Central American Economic Integration and the international trade agreements in force. The Central American Import Tariff, comprising the Central American Tariff System (SAC) and the corresponding import tariff duties (DAI), is in force. The tariff applied by Nicaragua covers 7,359 lines and all tariff rates are *ad valorem*.

41. The Central American Uniform Customs Code (CAUCA) has been in force since 25 August 2008, as have its implementing Regulations (RECAUCA IV), and they form part of Nicaraguan law. The aim of the Code is to provide for the basic customs legislation of the States party in accordance with Central American Common Market (CACM) requirements and the requirements of other regional integration instruments.

42. Nicaragua has adopted the Automated System for Customs Data (ASYCUDA), World version, developed by UNCTAD, for the computerization of customs clearance procedures. Nicaragua supports the implementation of mechanisms for the electronic transmission of data at regional level, which will facilitate and streamline procedures for customs clearance of goods.

<sup>4</sup> ECLAC, Annual Report on Latin America and the Caribbean in the World Economy 2011-2012, published on 13 September 2012.

43. Nicaragua has 13 bound tariff rates of 0 to 200 per cent, with 89 per cent of lines bound at 0 to 40 per cent. There was a proportionately larger number of lines with a zero tariff in 2007 and 2012, however amendments to the SAC opened up additional tariff lines, meaning that the proportion of zero-rated lines has fallen as a share of all tariff lines. Whereas in 2005 this was 46.8 per cent (3,053 lines), in 2012 it was 3,415 lines, or 46.4 per cent.

44. The increase in the number of tariff lines subject to a tariff of over 15 per cent is a consequence of opening up the SAC following the implementation of the fourth and fifth amendments to the Harmonized System. The number of these tariff lines has gradually grown during the period under review: in 2005 there were 61 lines, accounting for 0.93 per cent, and in 2012 there were 93 lines (1.26 per cent).

**Tariff lines subject to an *ad valorem* tariff of over 15%**

	2005	2006	2007	2008	2009	2010	2011	2012
Lines over 15%	61	71	88	90	91	91	91	93
Per cent	0.93%	1.07%	1.27%	1.30%	1.31%	1.31%	1.31%	1.26%

Source: Ministry of Development, Industry and Trade (MIFIC).

45. Trade between the members of the CACM attracts a zero-rate tariff, except for those goods that appear in Annex "A" to the General Treaty on Central American Integration. The average tariff applied under other preferential agreements varies between 0 per cent under the trade agreement with Mexico to 2.8 per cent under the trade agreement with Chinese Taipei. Under its trade agreements, Nicaragua currently grants a zero tariff to Chinese Taipei on 62.6 per cent of tariff lines; to Mexico on 100 per cent; to the United States on 79 per cent; to Panama on 89 per cent; and to the Dominican Republic on 92 per cent.

## (1) QUOTAS

46. Under the rules and disciplines of the World Trade Organization and the trade agreements in force, Nicaragua has import quotas for the products listed hereafter: under the WTO, rice in the husk and powdered milk. Shortages led to quotas for the following products: corn syrup, rice in the husk, rice (*arroz oro*), yellow maize, white maize, butter, powdered milk, cheese, pig meat, soya bean flour, wheat flour, chicken thighs and chicken legs; under the free trade agreement between the Dominican Republic, Central America and the United States (CAFTA-DR), products such as rice (*arroz oro*), rice in the husk, yellow maize, white maize, pig meat, cheese, powdered milk, butter, ice cream, chicken thighs and chicken legs; under the trade agreement with the Dominican Republic, chicken breasts, onions, christophine (chayote) and beans (red, black, white and others); finally, under the trade agreement with Panama, bovine meat, pig meat, onions and shallots, instant coffee and tomato sauce.

## (2) EXPORT PROMOTION

47. In seeking to increase exports further, Nicaragua plans to promote and diversify exports, find new markets and support new exporters and products, especially for small and medium-sized businesses. The public sector has helped to improve the business climate so that there is greater predictability, certainty and competitiveness for business. As a result of efforts in this field, Nicaragua rose seven places in the Global Competitiveness Index in 2012.<sup>5</sup>

<sup>5</sup> Global Competitiveness Index 2012-2013, *World Economic Forum*, 5 September 2012.

48. Other measures to promote exports include improvements to streamline processes and formalities for the operations performed by economic agents working in foreign trade and at maritime, land and air border posts. To promote an export culture, Nicaragua awards a National Prize for Exports annually, holds training seminars on export activities, organizes business conferences, and takes part in international fairs.

49. In recent years Nicaragua has been strengthening institutional forums among public sector bodies and between these and the private sector to promote exports, attract investment, and make headway in trade facilitation. One of these programmes is the brainchild of the Presidential Delegation for Promoting Investment and Facilitating Foreign Trade<sup>6</sup>, a body with Ministerial status, whose purpose is to establish a national system to promote exports and attract investment. Through its Foreign Trade Facilitation Office<sup>7</sup>, the Delegation provides investors and exporters with operational support.

50. Nicaragua continues to apply Law No. 382<sup>8</sup>, Law on Temporary Admission for Inward Processing and Export Facilitation, which determines the customs regime on temporary admission, the aim of which is to allow entry of goods without payment of duties, import taxes or other charges provided that they have been processed, undergo a further operation and are then exported.

51. The National Commission for the Promotion of Exports (CNPE), established under Decree No. 37-91, published in Official Journal No. 158 of 26 August 1991, is the highest policy-making and administrative body for the regime governing temporary admission for inward processing; the Commission has a Technical Secretariat and a Centre for Export Formalities (CETREX) to help it to perform its duties.

### **(3) TRADE AGREEMENTS**

#### **(i) Multilateral trading system**

52. Nicaragua is firmly committed to a fair and equitable multilateral trading system that promotes Nicaragua's further integration into international trade, is of benefit to its economic development, and helps to eliminate poverty and achieve a better standard of living for the population.

53. Nicaragua is in favour of enhancing the WTO's monitoring and supervisory role to eliminate existing protectionist measures and prevent the emergence of new ones in order to ensure openness to trade, transparency, predictability, growth promotion and full and equitable participation of developing and least developed countries.

54. The Doha Round is an opportunity to enhance the system; we have stressed the importance of moving the negotiations to implement the Doha Development Agenda (DDA) forward and of taking political decisions to achieve that objective. Nicaragua considers that achieving substantial improvements in market access will require opening up of markets to agricultural trade, the elimination of non-tariff barriers and all forms of export subsidies, and a substantial reduction in trade-distorting domestic support in the agricultural sector.

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<sup>6</sup> Established by Decree No. 75-2002, adopted on 13 August 2002, published in Official Journal No. 154 of 16 August 2002, subsequently amended by Decree No. 12-2011, adopted on 16 March 2011 and published in Official Journal No. 70 of 12 April 2011.

<sup>7</sup> Established under Article 10 of Amending Decree No. 12-2011.

<sup>8</sup> Law No. 382, Law on Temporary Admission for Inward Processing and Export Facilitation, adopted on 20 February 2001 and published in Official Journal No. 70 of 16 April 2001.

55. Nicaragua endorses the negotiating proposals put forward by the Small and Vulnerable Economies (SVE) grouping; these proposals reflect its national interests, especially in the fields of agriculture, non-agricultural market access (NAMA), services and fisheries subsidies, which seek effective special and differential treatment, along with other flexibilities, enabling SVEs to protect sensitive sectors of their economies. Nicaragua is also a co-sponsor of the proposals submitted by the G-33.

56. Nicaragua welcomes the progress achieved in the field of trade facilitation and has taken an active role in negotiations seeking a consensus on the specific interests of small economies in the future agreement. It is counting on further progress being made in the current negotiations on trade facilitation as this will make it possible to streamline commercial dealings effectively, remove obstacles that increase the cost of trade, and achieve the smooth transit of goods.

57. Nicaragua has notified the following trade agreements pursuant to its WTO commitments: free trade agreement (FTA) between the Government of Nicaragua and the Government of the United Mexican States (1998); FTA between Central America and the Dominican Republic (2002); FTA Dominican Republic - Central America – the United States (CAFTA-DR 2006); FTA between the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei) and the Republic of Nicaragua (2008); and the FTA between Central America and Panama (2009). Trade agreements have been signed with Chile and the European Union but have not yet entered into force. The following trade agreements are pending notification: FTA between Central America and Chile, which will enter into force for Nicaragua and Chile on 19 October 2012; and the FTA between the United Mexican States and the Republics of Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua, which entered into force between Nicaragua and Mexico on 1 September 2012. The legislative approval procedure is under way for the Association Agreement between Central America and the European Union, with 2013 as the expected date of entry into force.

58. Nicaragua has signed unilateral Partial Scope Agreements with Colombia and the Bolivarian Republic of Venezuela that do not grant preferences; they were notified in the context of the Latin American Integration Association (LAIA). The Central American countries are in the process of preparing to notify the Framework Agreement Establishing the Central American Customs Union.

59. Under regional trade agreements, Nicaragua presented the factual examinations of the trade agreements signed with the Government of the United Mexican States, and with the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei) to the WTO in September and November 2010. The factual examination of those with the Dominican Republic, Panama and the United States is scheduled for 2013.

60. The "Aid for Trade" initiative adopted at the Ministerial Conference in Hong Kong, China, and ratified by the 8<sup>th</sup> Ministerial Conference in December 2011, is particularly important for Nicaragua because it will open the way for building the supply capacity and the infrastructure needed to implement the commitments under the WTO Agreements, draw benefit from them, and expand trade.

## **(ii) Central American Integration**

61. Nicaragua is a firm believer in Central American integration and continues to support efforts to embed it further. It is convinced that the region's potential for greater development can be fulfilled

by working together. For that reason, it supports all initiatives aimed at strengthening the institutional, legal and regulatory framework that underpins the foundations of the process of integration in the medium and long term.

62. Central American integration has become stronger in the period under review and its principal achievements include the signature of the Framework Agreement Establishing the Central American Customs Union in December 2007, the entry into force of the CAUCA in August 2008 and its implementing Regulations (RECAUCA), the amendment of the Central American Treaty on Investment and Trade in Services in February 2007, the signature of the Agreement on the Harmonization of Domestic Taxes applicable to Trade between the States Party to the Central American Customs Union in June 2006, and the signature of the Agreement on Mutual Assistance and Technical Cooperation between Tax and Customs Administrations in April 2006.

63. In the Central American common external tariff, 95.7 per cent of tariff lines have been harmonized; the remaining 4.3 per cent, covering sensitive goods such as medicines, metals, oil, agricultural products, vehicles and others, is pending harmonization.

64. Intraregional trade in Central America measured in terms of exports rose from US\$4,450.67 million in 2006 to US\$5,902.39 million in 2010.<sup>9</sup> At April 2012, shares of exports by country were as follows: Guatemala 35.3 per cent; El Salvador 26.2 per cent; Costa Rica 19.8 per cent; Honduras 10.9 per cent and Nicaragua 7.9 per cent.<sup>10</sup>

**(iii) Latin American Integration Association (LAIA)**

65. The Sixteenth Meeting of the LAIA Council of Ministers, held in Montevideo, Uruguay, on 11 August 2011 approved the accession of the Republic of Nicaragua to the 1980 Montevideo Treaty (TM-80). The accession was subsequently approved by Nicaragua's National Assembly under Decree A.N. No. 6758, adopted on 20 March 2012, published in Official Journal No. 57 of 23 March 2012.

66. Nicaragua is in the process of complying with the requirements for accession to the LAIA, as set out in LAIA Committee of Representatives Resolution "ALADI/CR/Resolución 370-21 of 21 July 2010", which include: drawing up the list of exemptions from the Regional Tariff Preference (PAR) and the Market Opening Lists (NAM); communicating its list of exemptions from the PAR to the General Secretariat, which may include a number of items expressed using the CCCN/NALADI nomenclature, not exceeding the number provided for in respect of Relatively Less Economically Developed Countries (PMDERs) (1,920 items); drawing up the corresponding NAM in NALADISA 2012 and signing the Protocols to Regional Agreements (PAR, NAM, Cooperation, etc.). The process of Nicaragua's accession to LAIA will probably be completed within the next six months.

**(iv) Bolivarian Alliance for the Peoples of Our America (ALBA) - the Peoples' Trade Agreement (ALBA-TCP)**

67. On 4 February 2012, Nicaragua signed the Agreement establishing the ALBA-TCP Economic Area (ECOALBA); the objective is to establish an economic area of shared development that seeks to consolidate and expand an alternative model of economic relationships in order to strengthen and diversify production mechanisms and trade, and to lay the foundations for any bilateral or multilateral instruments as may be signed on those subjects by its members.

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<sup>9</sup> Secretariat for Central American Economic Integration (SIECA), Economic Statistics Unit.

<sup>10</sup> SIECA, External Trade Bulletin, January-April 2012, published on 13 September 2012.



68. In terms of implications, what ECOALBA means for the parties includes: the planning and revitalization of economic relations, movement of goods and coordination of methods of production and economic policies among the parties.

69. The Agreement is a framework for the member countries and Article 3 thereof provides that during the period of formation of ECOALBA, namely within two years of its entry into force, the parties are to adopt a regulatory and programmed regime that is to govern the shared area for economic development.

**(v) Mexico**

70. The 14<sup>th</sup> anniversary of the agreement occurred in July 2012.<sup>11</sup> All tariff lines are now zero-rated, except for exemptions. On 1 September this year, the trade agreement between Central America and Mexico entered into force, unifying the three bilateral agreements Mexico had with the Central American countries. The new agreement promotes integration of production and the economy between Central America and Mexico by making regional accumulation possible, thereby facilitating use of materials originating in the treaty signatory countries in order to produce finished goods.

71. Exports from Nicaragua to Mexico rose during the period 2006-2011. Sales on the Mexican market grew from US\$44.1 million in 2005 to US\$88.7 million in 2011, an increase of 101.1 per cent, reflecting an annual average increase of 12.3 per cent over the period. Nicaragua's exportable supply to Mexico is focused on a few goods; in some years, groundnuts accounted for over 50.0 per cent of exports. Also exported to Mexico are cane sugar; bovine meat; unrefined edible oil; shrimps; raw and semi-finished bovine skins and hides; whole and filleted fish; rum; bovine intestines, stomachs and offal; sesame; and books.

72. Imports from Mexico grew at an annual average rate of 11.1 per cent between 2005 and 2011; most worthy of note were purchases of infant food preparations, medicines for human use, passenger and goods transport vehicles, hair preparations, perfumes, toilet waters and televisions.

73. The share of exports in global trade averaged 15 per cent; the trade deficit has been widening and was at its greatest in 2007 at US\$406.7 million.

74. In the period 2006-2011, Nicaragua received US\$602.2 million by way of FDI from Mexico; the amount grew in the first two years of that period and reached a peak of US\$164.3 million in 2008. Since 2009, flows have been uneven and totalled US\$115.1 million in 2011, giving an annual average increase of 16.2 per cent over the period; the FDI went to sectors such as telecommunications, free zones, industry, mining, trade and services, construction, finance, agriculture and energy.

**(vi) Dominican Republic**

75. Trade between Nicaragua and the Dominican Republic under the FTA between Central America and the Dominican Republic rose from US\$10.3 million in 2005 to US\$23.8 million at the end of 2011, an increase of 131.1 per cent, with an average annual increase of 23.3 per cent over the period 2005-2011. Exports grew from US\$7.0 million in 2005 to US\$16.1 million in 2011, while imports rose from US\$3.3 million to US\$10.0 million over the same period.

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<sup>11</sup> The Nicaragua-Mexico FTA was signed at the end of 1997 and entered into force on 1 July 1998 following six years of negotiations during which the two countries signed three Amending Protocols to the Partial Scope Agreement that had been in place between them since 1985.

76. Foreign investment from the Dominican Republic has been low at only US\$420,900 over the period 2006-2011, and has targeted the construction and the trade and services sectors. In 2010 and 2011 there were no reports of investment of Dominican capital.

**(vii) United States**

77. Trade in goods from Nicaragua with the United States has risen during the past seven years; the annual average variation in trade and its constituent parts was positive and rose, except in 2009: despite falls in certain areas because of the international financial crisis, total trade doubled in value over the period from US\$1,707 million in 2005 to US\$3,556 million in 2011 as a result of a strong performance in both exports and imports, which also doubled in value.

78. Exports from Nicaragua to the United States market in 2011 totalled US\$2,607 million, an average annual growth rate of 14.1 per cent between 2005 and 2011. Exports from free zones account for an average of 73 per cent annually of total exports, the remaining 27 per cent covers the national exportable supply of goods outside the textiles and garments segment.

79. FDI from the United States rose between 2005 and 2011 to US\$671.7 million, an average annual growth rate of 28.1 per cent.

**(viii) Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei)**

80. Exports to the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei) increased from US\$10.1 million in 2007 to US\$38.4 million in 2011, an average annual growth rate over the period of 39.5 per cent. Imports grew from US\$15.4 million in 2007 to US\$18.4 million in 2011, an average growth rate of 4.6 per cent over that period.

81. Since the entry into force of the trade agreement in 2008, the structure of trade between the two countries has changed: in 2007 exports from Nicaragua to Chinese Taipei had a 39.7 per cent share of bilateral trade and by 2011 this had risen to 67.6 per cent; for imports, the situation was reversed, and the share of bilateral trade fell from 60.3 per cent to 32.4 per cent.

82. FDI from Chinese Taipei over the period 2007-2011 totalled US\$8.5 million, of which the vast majority, 92.0 per cent (US\$7.8 million), was recorded in 2010 and 2011. Of the total amount of FDI recorded between 2007 and 2011, 80.3 per cent (US\$6.8 million) was in free zones; the rest was in trade, fisheries, industry and tourism.

**(ix) Panama**

83. December 2008 saw the culmination of the negotiations on the bilateral protocol to the FTA between Central America and Panama, which entered into force on 21 November 2009. The Customs Tariff Elimination Schedule began on 1 January 2010.

84. Before the agreement entered into force, exports had grown from US\$6.1 million in 2005 to US\$14.5 million in 2011, an increase of 137.7 per cent, giving an annual average growth rate of 15.6 per cent over the period 2005-2011. In 2011, exports amounted to US\$14.5 million, a 31.0 per cent increase on 2010 (when they were US\$11.0 million). Imports showed average growth of 6.1 per cent between 2005 and 2011, and rose by 40.2 per cent in 2011 compared to the figure for 2010. Nicaragua recorded a US\$3.2 million trade deficit with Panama in 2011. Total FDI over the period 2006-2011 was US\$145.6 million and the greatest inflow was in 2006 with US\$100.6 million.

**(x) Chile**

85. The FTA between Central America and Chile and the bilateral protocol thereto between Nicaragua and Chile entered into force on 19 October 2012; the domestic procedural formalities have been completed in both countries and the exchange of notes of ratification took place in Managua on 20 September 2012. The agreement provides that, upon its entry into force, 97.62 per cent of Nicaraguan products have immediate access to the Chilean market; moreover, some 133 tariff headings will qualify for free trade within five years. For Nicaragua, only 66 per cent of Chilean products are eligible for tariff-free access upon entry into force of the agreement.

**(xi) European Union**

86. The Association Agreement between Central America and the European Union was signed on 29 June 2012 and is currently in the process of being approved and ratified. The Generalized System of Preferences (GSP +) will remain in place until the new agreement enters into force.

87. The trade pillar of the Association Agreement is likely to enter into force between Nicaragua and the European Union in January 2013 once the associated domestic procedures have been completed.

88. Between 2007 and 2011, Nicaragua received a total of US\$270.8 million in FDI from the European Union, but the pattern of investment was uneven: over the four years from 2007 to 2010, annual growth in FDI was 9.6 per cent and reached its peak in 2009 with US\$68.7 million. There was a slight fall of 0.2 per cent in that figure in 2010, followed in 2011 by a 59.0 per cent drop on the amount for 2010 when only US\$28.1 million in FDI was received.

**(4) FOREIGN DIRECT INVESTMENT**

89. The PNDH states that attracting foreign investment is one of the principal tools for promoting Nicaragua's sustainable social and economic development. Over the period 2006-2011, average annual growth in FDI was 28 per cent. In 2011, a growth rate of 90.55 per cent was recorded, equivalent to 13.3 per cent of GDP, the highest in the Central American region.

**Foreign direct investment**

Year	US\$ million	% growth	% of GDP
2006	287	18.49	5.48
2007	382	35.46	6.74
2008	626	63.87	9.83
2009	434	-30.67	6.99
2010	508	17.05	7.71
2011	968	90.55	13.26

Source: ProNicaragua.

90. This performance was achieved through closer coordination between the Government of Nicaragua and the private sector, and by improving the business climate, as evidenced in *Doing Business 2012*, published by the World Bank, which assesses a country's facilities and legislation in terms of doing business; the global assessment of Nicaragua shows that it has moved up four places in the rankings.

91. The levels of public safety in the country and an appropriate legal framework for investment are among the factors that attract investment. Nicaragua has achieved international recognition by becoming one of the safest countries in the western hemisphere and the safest in the region.

CID Gallup Latinoamérica conducted a survey of public safety in Central America spanning a 15-year period, measuring levels of crime and the people threatened by criminal acts in the region, taking account of factors such as the risk inherent in leaving the home and the supply of drugs at educational establishments. The resulting classification ranked Nicaragua as the safest country in the region over the past 15 years, and it maintained that position in the survey for 2010.

92. During the period 2007-2011, FDI mainly went to the energy, telecommunications and mining sectors, and free zones, which accounted for around 78 per cent of all investment over that period. In 2011, the trade and services sector accounted for 12 per cent of all FDI; the five sectors combined accounted for 76 per cent of FDI. Other important sectors were industry, agroindustry, aquaculture and tourism, which together represented 21 per cent of all investment in 2011.

**Foreign direct investment**  
(US\$ million)

Sectors	2007	2008	2009	2010	2011	Total	Growth
Energy	73.1	214.6	222.4	158.9	217.1	886.1	31.3%
Telecommunications	145.1	196.7	61.6	118.7	160.3	682.5	2.5%
Free zones	120.4	88.9	60.8	96.6	130.2	497.1	2.0%
Industry	0.1	32.6	9.0	11.3	96.2	149.2	456.9%
Tourism	21.7	5.0	29.3	51.2	26.5	133.8	5.1%
Agroindustry	0.1	8.1	31.1	36.9	47.7	124.0	455.9%
Aquaculture	0.0	0.0	0.0	0.9	28.2	29.2	n.a.
Mining	11.3	39.1	11.9	25.3	114.3	202.0	78.2%
Trade and services	9.8	41.1	2.7	7.6	118.4	179.6	86.4%
Other	0.0	0.0	5.2	0.5	28.9	34.5	

Source: Interinstitutional Working Group of the Central Bank of Nicaragua. MIFIC and PRONicaragua.

93. In terms of the origins of FDI during the period 2007-2011, the main investing countries were Canada, the United States, Spain, Mexico and the Bolivarian Republic of Venezuela, which together accounted for around 77 per cent of all FDI over that period. FDI from those countries grew at a compound annual growth rate of 20 per cent, from US\$335.7 million in 2007 to US\$690.1 million in 2011. Trade Regulations and Policies.

**(5) TRADE FACILITATION**

94. The Government of Nicaragua has been resolute in driving trade facilitation forward so that individuals and businesses involved in foreign trade can conduct the procedures required for exports and imports in a streamlined, rapid and efficient manner. The aim of the Law on Streamlining Formalities and Services within Government Bodies, adopted in 2009<sup>12</sup>, was to streamline and rationalize formalities and services to ensure that State institutions act in compliance with the standards of economy, transparency, promptness, efficiency and in a spirit of service to resolve issues raised by users promptly and effectively.

95. The External Trade Facilitation Office, which provides operational support to investors and exporters, was established through the Presidential Delegation for Promoting Investment and Facilitating Foreign Trade.

<sup>12</sup> Law No. 691, Law on Streamlining Formalities and Services within Government Bodies, adopted on 16 June 2009 and published in Official Journal No. 144 of 3 August 2009.

96. The duties of the Interinstitutional Commission on Trade Facilitation (CIFCO)<sup>13</sup> are to develop and promote trade, and to establish a channel between the private sector and public bodies involved in foreign trade.

97. The Law on Electronic Signatures<sup>14</sup> permits commercial and governmental transactions using digital communications. The eRegulation project<sup>15</sup>, which is backed by ProNicaragua, will give access to countless electronic government formalities associated with trade facilitation through a single portal.

98. The National Trade Facilitation Group has been set up in Nicaragua as part of the Doha Round negotiations; it is a public-private body whose aim is to agree a position on trade facilitation for Nicaragua at the Round.

#### **(6) TECHNICAL STANDARDS**

99. The PNDH states that products or services for public consumption must be of high quality; it is the Government's duty to establish the required level of quality because quality standards are a means of improving people's standard of living; technical standards are one way of attaining that objective.

100. Between 2006 and 2011, the Government made it a priority to develop a system to promote quality. Substantial resources were provided to bolster the system. The thrust of efforts has been in formulating new standards, international accreditation, metrology, publicizing the system, and training business people and universities to achieve greater sensitivity and make better contributions.

101. There are currently 250 standards in force in Nicaragua and all the requirements laid down in the Agreement on Technical Barriers to Trade were complied with during the drafting process. Of these, 122 have been notified to the WTO, the remainder are national competition standards wholly unrelated to export or import trade.

102. The private sector and research bodies, especially those linked to the university sector, have taken a much more active role in formulating the standards. There is greater responsiveness and greater involvement, meaning that the principal economic stakeholders are now more sensitive to the importance of the standards, as is clear from the fact that the average number of annual approvals has risen to 40 compared to the figure of 10 for the immediately preceding period.

103. Efforts have been directed at improving infrastructure to certify and analyse quality. Five laboratories are being built for agricultural and food products and there are already 52 assessment bodies.

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<sup>13</sup> Established under Presidential Agreement No.102-2001, approved on 19 March 2001 and published in Official Journal No. 72 of 18 April 2001, as subsequently amended by Presidential Agreement No. 80-2008, approved on 22 February 2008, published in Official Journal No. 44 of 3 March 2008.

<sup>14</sup> Law No. 729, Law on Electronic Signatures, approved on 1 July 2010 and published in Official Journal No. 165 of 30 August 2010.

<sup>15</sup> eRegulation is the Nicaraguan equivalent of the Trade Facilitation Programme promoted by UNCTAD. To facilitate trade, formalities can be conducted electronically through the portal <http://www.nicaragua.eregulations.org>. The portal currently holds information on each of the formalities.

**(7) SANITARY AND PHYTOSANITARY MEASURES**

104. Nicaragua has enhanced its sanitary and phytosanitary (SPS) measures in an effort to protect human and animal health and life, and to conserve plants. To that end, the authorities have designated the Directorate-General of Agricultural and Livestock Protection and Health (DGPSA), which is part of the Ministry of Agriculture and Forestry (MAGFOR), as the national enquiry point.

105. A larger role in drafting SPS measures has been accorded to private sector and research bodies. Between July 2006 and August 2012, 48 SPS measures were notified to the WTO. All of them complied with the drafting and notification process laid down by the WTO. No Member has turned to the WTO's formal dispute settlement procedure in relation to questions concerning the SPS measures applied by Nicaragua.

**(8) GOVERNMENT PROCUREMENT**

106. Government procurement must be fully transparent to ensure that public money is managed efficiently and to best effect. Given that Law No. 323, Law on Government Procurement, achieved its purpose of changing the culture for managing purchasing by the Government in Nicaragua, a new instrument governing government procurement, namely Law No. 737<sup>16</sup>, Law on Public Sector Administrative Procurement (repealing Law No. 323), was adopted in October 2010; its principal objectives relate to modernizing the legal framework regulating government procurement by introducing international standards and innovative practices to optimize the State resources allocated; they also relate to efficiency and transparency in procurement processes through the use of information and communications technologies, better controls, ethical practices and due process.

107. Law No. 737 provides for the legal regime, in terms of both substance and procedure, that applies to the preparation, award, enforcement and rescinding of government procurement contracts entered into by public sector bodies and entities.

108. The main step forward was the establishment of the Electronic Government Procurement System (SISCAE), an information and management tool for public sector procurement. Its features include publication of the key stages in the procurement process, registration of suppliers, publication of the penalties imposed on suppliers, and publication of the system of prohibitions. The system currently covers all central government entities and the municipalities are gradually signing up to it.

**(9) INTELLECTUAL PROPERTY**

109. Nicaragua is of the view that entrepreneurship is the catalyst for economic growth; the private sector is the source of important innovation that increases the value-added of products and services and results in a better quality of life for the population. The authorities have striven to provide a sound intellectual property system that encourages competitiveness, especially among micro and small businesses.

110. Article 127 of Nicaragua's Constitution provides that "Artistic and cultural creation shall be free and unrestricted. Workers in culture shall have complete freedom to choose forms and modes of expression. The State will endeavour to provide them with the means necessary to create and

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<sup>16</sup> Law No. 737, Law on Public Sector Administrative Procurement, adopted on 19 October 2010 and published in Official Journal Nos. 213 and 214 of 8 and 9 November 2010, respectively.

disseminate their works and shall protect their copyright." The legal framework governing the matter (see Annex, Table 42) is available to all Members of the WTO.<sup>17</sup>

111. During the review period, 300 patents, five utility models and 86 industrial designs were registered. Additionally, 19,540 trademarks were registered, of which 2,367 were national and 15,162 foreign. Some 75 per cent of all trademark applications were registered (44 per cent of national and 73 per cent of foreign applications), 633 copyrights and related rights were recorded. Registration of intellectual property has been growing, reflecting heightened public awareness of the matter and a better understanding of the value-added it brings to the economy.

#### **(10) COMPETITION AND CONSUMER PROTECTION POLICIES**

112. The PNDH is based on the premise that the free market is imperfect and that State intervention to create an appropriate regulatory system is necessary to correct its failings. The premise underlying the plan is that the market can produce socially undesirable results such as social inequality and that State intervention is required to correct them. Accordingly, efforts have been made to strengthen the legal framework promoting free competition.

113. The enactment of Law No. 601<sup>18</sup>, Law on Promotion of Competition, marked the State of Nicaragua's first steps to establish a competition policy. It is implemented through a decentralized body known as the National Institute for the Promotion of Competition, PROCOMPETENCIA, a technical body governed by public law with legal personality, which has own resources and administrative and budgetary autonomy.

114. The aim of Law No. 601 is to promote and safeguard free competition between economic agents to ensure market efficiency and consumer welfare by fostering a culture of competition and preventing, prohibiting and punishing anticompetitive practices. The mere existence of a State entity entrusted with safeguarding free competition improves the business climate and legal certainty; it promotes fair practices in trade matters, the prevention, investigation and punishment of unfair trade practices and conduct, thereby helping to improve Nicaragua's integration into the multilateral trading system and acting as an incentive to FDI. In its first three years, rulings were handed down in 20 cases of violations of the Law on Promotion of Competition.

### **IV. SECTORAL POLICIES AND ECONOMIC OUTLOOK**

#### **(1) AGRICULTURE AND LIVESTOCK**

115. The aim of public policy for the sector is to promote the generation of agricultural, forestry and agro-industrial wealth so as to raise incomes and distribute them more equitably; it also seeks to achieve sustained and incremental improvements in the welfare of the rural and agricultural population, underpinned by demand, markets, profitability, competitiveness, value-added, job creation, local and regional development and the conservation of the environment and natural resources.

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<sup>17</sup> The laws of Nicaragua from 1821 to date can be viewed on the web page of the National Assembly of Nicaragua: <http://www.asamblea.gob.ni/Informacion%20Legislativa>.

<sup>18</sup> The law had a period of *Vactio legis*: it was approved on 28 September 2006, entered into force on 24 June 2007 but the authorities comprising the board of PROCOMPETENCIA were confirmed only on 1 April 2009 and appointments made on 11 May 2009.

116. The reference points that underpinned the formulation of public policy in this sector included: (a) energy and food prices, which it was assumed would rise in real terms in the long term; (b) greater demand for food products; (c) competitive production of more high-quality foods; (d) food sovereignty; and (e) enhanced research, innovation and information. Where livestock are concerned, future efforts are described in the Competitive Reconversion Programme for Livestock, a 16-year programme that aims to transform the sector.

117. The long-term trend towards rising prices for basic foods presents an opportunity for Nicaraguan agriculture: the country has available resources that can be incorporated into the production effort, and a relatively abundant supply of water, biodiversity and human resources to invest. A number of significant technological gaps, however, prevent Nicaragua from increasing output.

118. At June 2012, exports of agricultural origin generated overall f.o.b. values of US\$1,011.9 million, a slight increase of 7.5 per cent compared to the same period in 2011. Coffee is the most important product in the sector and continues to be the biggest generator of foreign currency at US\$310.6 million, followed by beef with US\$201.9 million, sugar at US\$122.1 million, groundnuts at US\$81.3 million, and cheese at US\$47.2 million.

119. The target of the National Production Plan 2012-2013<sup>19</sup> is for agricultural production to grow by 4.5 per cent compared to 2011/2012. In all, 262,285 producers (23.2 per cent of whom are women) will contribute to that growth; 150,858 of the producers (58 per cent) are smallholders<sup>20</sup> (9 per cent women); 103,392 (39 per cent) are medium-sized producers (16 per cent women); and 8,035 (3 per cent) large producers (3 per cent women).

## (2) AGRO-INDUSTRY AND FORESTRY

120. Nicaragua is a country with a tradition of farming; the current Government's efforts are geared to increasing value added by industrializing agriculture. The legal framework is laid down in Law No. 462, Law on the Conservation, Promotion and Sustainable Development of the Forestry Sector.<sup>21</sup>

121. In 2011, the agroindustry sector contributed around 32 per cent of GDP, accounted for 54 per cent of total exports (excluding exports from free-trade zones), and employed around 10 per cent of the working population.

122. Nicaragua has diversified its exportable supply in recent years; the proportion of products with greater value-added is rising, and in 2011 agricultural and forestry exports grew by 23 per cent compared to the previous year.

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<sup>19</sup> MAGFOR (2012), National Production Plan 2012-2013, <http://www.magfor.gob.ni/descargas/planes/PlanNacional2012-2013.pdf>.

<sup>20</sup> "Smallholdings" means farms covering an area of less than 10 hectares; "medium-sized farms" means farms covering an area of between 10 to 200 hectares; and "large farms" means farms covering an area of more than 200 hectares.

<sup>21</sup> Adopted on 26 June 2003 and published in Official Journal No. 168 of 4 September 2003. Decree No 73-2003 (implementing regulations for Law No. 462), was adopted on 3 November 2003 and published in Official Journal No. 208 of 3 November 2003. Law No. 487, Law amending Law No. 462, adopted on 29 April 2004 and published in Official Journal No. 87 of 5 May 2004.



### (3) INDUSTRY

123. The industrialization policy in the PNDH states that, in order to achieve industrialization, efforts will be made to establish an appropriate business climate, invest in human capital, press ahead with innovation and technological development, establish a capital market, ensure access to loans, investment in infrastructure, business services and a market for products.

124. In 2011, industry accounted for 17.4 per cent of GDP. The sector is the second largest contributor to economic growth year on year and comprises 22,509 businesses. There are 4,012 large- and medium-sized companies, the remainder are micro-businesses. Companies in the industrial sector attract the most FDI and in 2011 received US\$226.4 million.

### (4) FISHING AND AQUACULTURE

125. Public policy for this sector seeks to make aquaculture part of food security and to have an effect on the diet of rural populations. It also seeks to promote small-scale fishing and to modify industrial fishing in line with new production processes that improve the economic profitability of the sector in strict compliance with environmental legislation.

126. Law No. 489, Law on Fishing and Aquaculture<sup>22</sup>, lays down the legal regime governing fishing and aquaculture with the aim of ensuring the conservation and sustainable development of hydrobiological resources by optimizing the use of traditional fisheries and promoting diversification into non-traditional fisheries and aquaculture.

127. The Nicaraguan Fishing and Aquaculture Institute INPESCA<sup>23</sup> is the State body with competence for the responsible, transparent administration, development, promotion and control of fisheries and aquaculture-related resources and it ensures sustainability and environmental, economic and social fairness. Since 2007, the aim of public policy in this sector has been to support small producers who engage in small-scale fishing and aquaculture.

128. The plans and strategies for the development of the sector are set out in the *Fishing and Aquaculture Plan*, the *Strategy for Small-Scale Fishing* and the *Rural Aquaculture Plan*. Fisheries and aquaculture exports have grown by 74 per cent in terms of volume, from 139,617 million pounds (2002/2006) to 243,505 million pounds (2007/2011), and by 56 per cent in terms of value, from US\$494,813 million (2002/2006) to US\$771,072 million (2007/2011). They currently rank fourth among exports from Nicaragua. In 2011, production was 65.3 million pounds, which equates to US\$124.4 million.<sup>24</sup> The destinations of the exports were the United States (70 per cent) and Europe (30 per cent).

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<sup>22</sup> Adopted in November 2004, published in Official Journal No. 251 of 27 December 2004, it establishes the legal framework for the sector. Presidential Decree No. 09-2005 sets out the implementing regulations for Law No. 489 and was subsequently amended by Presidential Decree No. 30-2008.

<sup>23</sup> Established in 2007 under Law No. 612, Law Amending and Supplementing Law No. 290, (Law on the Organization, Competence and Procedures of the Executive), as a decentralized autonomous body under the sectoral control of the Office of the President of the Republic. The powers held by the National Fishing and Aquaculture Administration and the Directorate-General of Natural Resources, both answerable to the Ministry of Development, Industry and Trade, were transferred to INPESCA.

<sup>24</sup> Secretariat for Social Communication of the Government of the Republic of Nicaragua (2012), *Boletín Unida Nicaragua Triunfa*, No. 76, 21 August 2012.

129. Nicaragua accords preference to small-scale fishing and this is reflected in the low cost of the operating licence. The law provides for game, scientific, small-scale and industrial fishing. In 2012, 21,000 small-scale fishermen<sup>25</sup> and 13,000 fishing vessels were registered.

130. High fuel costs appear to be boosting mariculture and aquaculture. The latter ties in with Nicaragua's efforts to attain food security; indeed, as part of the country's work to combat poverty, Nicaragua is promoting the National Aquaculture Plan to encourage small-scale aquaculture.

#### **(5) ENERGY**

131. Energy generation is an essential aspect of the PNDH; Law No. 532, Law on the Promotion of Renewable Electricity Generation, published in Official Journal No. 102 of 27 May 2005, lays down incentives for generating projects that draw on the country's renewable energies for the public electricity service.

132. The sector attracted US\$217.1 million by way of FDI in 2011.

133. The main priorities of public policy in the sector are to broaden public access to energy, especially in rural areas, to generate electricity mainly from renewable sources, and to increase energy savings and efficiencies.

134. The target is to increase coverage by 20 per cent, or around 1.2 million people, over the next five years. The distribution network has grown, new circuits to supply rural areas have been built, as have small hydroelectric power stations, and communal solar panels have been installed. Currently 78 per cent of Nicaraguans have access to electricity; in 2006 that figure was only 56 per cent.

135. Only 8 per cent of Nicaragua's potential renewable energy is used (see Annex, Table 48), so changing the process of electricity generation is a priority. In 2012, 45 per cent of the electricity generated will be from renewable sources; in 2007, 80 per cent was from non-renewable sources (hydrocarbons). In 2013, 50 per cent will be from renewable sources and in 2017 that figure will be 80 per cent. Once the investments in transforming the electricity generation process have been amortized, energy prices will start to fall (from 2020), increasing the country's competitiveness, with knock-on effects for industrialization.

#### **(6) TOURISM**

136. The Government of National Reconciliation and Unity has been aware of the benefits of tourism. That is why tourism is such a notable part of the PNDH and forms part of the strategy for economic growth, poverty reduction, and increased gender equality.

137. The PNDH specifically states: *"... Nicaragua is making important changes to its infrastructure so that tourism-related development ... can become a centre of opportunity for foreign and domestic direct investment, which in turn will help tourism to grow. Additionally, the Government's policies of incentives, support for small tourism-related industries and a vigorous policy of positioning the country in the world economy combine decisively to help ensure that the*

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<sup>25</sup> "Small-scale" fishermen means fishermen operating in vessels less than 15 m in length.

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*promotion of tourism generates a multiplier effect on economic activities, creates employment and fosters consumption in line with the overarching objective of the PNDH, namely to combat poverty*".<sup>26</sup>

138. In 2007 the Nicaraguan Tourism Institute (INTUR)<sup>27</sup> drew up the document "Strategic vision for the tourism sector in Nicaragua 2007-2011" setting out the main priorities of the country's tourism policy. It seeks to improve tourism-related provision and to position the country as a tourist destination through a promotion and marketing strategy to stimulate public and private investment in the tourism sector.

139. Nicaragua welcomed 1,121,529 visitors in 2011 (49,869 more than in 2010), a 4.6 per cent rise on the previous year. The main generating markets continued to be Central America and North America with 61.3 per cent and 28.2 per cent, respectively, followed by Europe (6.2 per cent), whose share of tourism from Nicaragua also increased, and other regions (4.1 per cent).

140. In 2011, the sector received US\$121 million in investment. Income from tourism accounted for 25 per cent of exports in 2009; in fact, since 2001 at least, tourism has been the principal activity generating foreign currency (except in 2008 when it was just edged out by coffee exports). "Implementation of the Tourism Development Plan will end in 2020; it anticipates an annual growth in tourist visits of between 10 to 12 per cent."<sup>28</sup>

## (7) MINING

141. The Ministry of Energy and Mining, established in 2007, has responsibility for issuing operating permits for mining concessions. The legal framework<sup>29</sup> in force provides for clear, transparent concepts, specific time-periods, stable fiscal taxes, straightforward requirements, and security for investment with capitalization facilities. Furthermore, the legal framework provides comprehensive coverage of all types of mining, whether for metals or non-metals, in Nicaragua, a factor that was not taken into account in the Laws on Mining and Quarrying that were repealed upon publication of Law No. 387. The benefits also extend to the non-metals sector, opening the way for significant investment in the use of such minerals in, for example, the cement and crushed stone, building stone, or sand exploitation industries.

142. The projections given in the PNDH are aimed at a development package with the construction of basic infrastructure services that create the conditions needed to attract investment in various sectors. Road construction, for example, requires the use of large quantities of materials produced by the mining industry. Similarly, megaprojects such as the Tumarín hydroelectric project and the dry or inter-oceanic canal will require significant volumes of materials produced by the national mining industry when they are executed.

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<sup>26</sup> PNDH 2009-2011, point 97, page 3.

<sup>27</sup> The legal framework is set out in Law No. 298, Law Establishing the Nicaraguan Tourism Institute (INTUR), Law No. 306, Law on Incentives for the Tourism Industry, Law No. 495, General Tourism Law, which was adopted on 2 July 2004 and published in Official Journal No. 184 of 22 September 2004.

<sup>28</sup> Salinas, Mario (2011). *Diario La Prensa*, Managua, 20 May 2011, page 10 A.

<sup>29</sup> Law No. 387, Special Law on Mining Exploration and Exploitation, was adopted on 26 June 2001, published in Official Journal No. 151 of 13 August 2001 and amended in 2005 by Law No. 525, adopted on 15 March 2005, published in Official Journal No. 62 of 31 March 2005. The legal framework is completed by Decree No. 119-2001 (implementing regulations for Law No. 387), and Law No. 730, Special Law on the Use in Infrastructure of Certain Naturally Occurring Deposits, published in Official Journal No. 152 of 11 August 2010.

143. There is huge potential in the mining industry, whether for metals or non-metals, and a total of 272 concessions have been awarded; the area covered by the concessions is 1,990,420 hectares, or 16 per cent of the national territory. Mining contributes 1.8 per cent of GDP. The sector received US\$226.4 million by way of FDI in 2011.

144. The sector received US\$114.3 million by way of FDI in 2011.

#### **(8) BANKING**

145. The figures for banking indicators during the period are such as to generate stability; the national bank, after proving efficient and prudent in withstanding the international economic crisis, emerged from it all the stronger, helped by economic growth. In 2011, the key banking activities indicators showed strong signs of improvement (assets, profitability, risk portfolio, deposits), stimulated in part by the strong performance in almost all sectors of the economy and production, chiefly exports. FDI and remittances from family members.

146. The country is mounting an effort to increase access to banking services in order to raise competitiveness; the level of such access is currently 29.9 per cent (gross loans - GDP), while demographic penetration (branches per 100,000 inhabitants) is 4.5 per cent and geographic penetration is 1.9 per cent (branches per 1,000 km<sup>2</sup>).<sup>30</sup>

147. At June 2012, the total assets of the six banks operating in the country were US\$4,808.91 million, higher than the figure at June 2011, when they were US\$4,540.73 million. In the first six months of 2012 the liabilities of the six banks were US\$4,351.69 million.

148. Also in the first six months of this year, the gross loans portfolio of the six banks stood at US\$2,474.9 million. At the end of 2011, the balance of the financial system's gross portfolio was US\$2,310.2 million. The risk portfolio within the gross portfolio is between 3.14 per cent and 8.5 per cent.

#### **(9) TELECOMMUNICATIONS**

149. The National Development Plan sets out the need to support productive efforts to improve Nicaraguans' standard of living, and the provision of better communications for businesses and the general public is one of the current Government's targets. The telecommunications sector is highly attractive to FDI and the country has huge potential.

150. Telephone density in lines per 100 inhabitants is 4.9 for traditional telephony; there are 287,000 fixed telephony lines, a figure that has remained constant since 2006 when it was 247,000. There were 4.8 million mobile telephone numbers in 2011, so in a country whose population is 5.8 million there are 81.9 mobile phones per 100 inhabitants, whereas in 2006 there were only 1.6 million numbers. There were 143,000 internet connections in 2011, equivalent to 2.4 connections for every 100 inhabitants; in 2006, there were 26,000 connections or 0.4 connections for every 100 inhabitants.

151. Efforts in telecommunications have also focused on areas of social interest; as a result, investments have been made in rural areas of no commercial interest in order to expand the coverage of mobile telephony (37 base stations in remote municipalities), and the National School Connectivity

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<sup>30</sup> Fitch Ratings, Efficiency in Central American Banking Systems, 7 March 2012.

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Plan is being driven through - a US\$90 million investment which will connect all schools in the country to the internet.

## V. CONCLUSION

152. Despite global economic difficulties and the problems posed by the climate, Nicaragua's economy has performed positively in the period under review. The country has demonstrated a firm commitment to uphold free trade and not to adopt protectionist measures. Progress made in investment in infrastructure and human capital will help to stabilize the economy further.

153. The Government of National Reconciliation and Unity is strongly committed to building an integrated society that benefits all Nicaraguans, regardless of gender. Freedom from social unrest must build upon the foundations of the significant progress made in combating poverty; it must promote productive investment in key sectors of the economy that raise the level of employment, incorporate new technologies into production processes, generate clean energy, and maintain a flow of dialogue with the private sector to increase the country's competitiveness.

154. In the period under review there was a significant drop in extreme poverty, however the growth rate must double if poverty is to be eliminated in the medium term.

155. Nicaragua has considerably increased its exports, enhanced its openness to trade and conducted important negotiations on liberalization agreements with its principal partners. The increase in exports has been considerable and sustained, however imports have increased as well, entailing a need to diversify export products, create new products and new businesses, especially small and micro businesses that can take advantage of the opportunities offered by openness to trade.

156. Changes in the electricity generation process are overcoming the country's dependence on hydrocarbons and giving Nicaragua viability. The objective is not only to change the generation process but to increase renewable energy production so that Nicaragua becomes an energy exporter in the short term. The country must also cut energy prices to become more competitive.

157. During the period under review, significant political, social and economic changes have occurred, promoting the construction of a new model of development in Nicaragua; its goal is to eradicate poverty and lay the foundations for fair, equitable economic growth. The model views trade as an extremely good tool for furthering development, for combating poverty and for reducing inequalities.

158. Nicaragua regrets the impasse in multilateral negotiations and reaffirms its determination and drive to continue to work to achieve the objectives of the Doha Development Round and a successful outcome to the negotiations.

159. Nicaragua underlines the need for technical cooperation and efforts by the system to prevent protectionist measures emerging in the guise of technical standards or sanitary and phytosanitary measures; it restates its commitment not to resort to this practice and calls upon the other Members to avoid it.

160. The concept of fair trade involves the elimination of the subsidies and domestic support that occur in some industrialized countries and distort global trade.

161. The system must strengthen the special and differential treatment afforded to developing countries, especially those with small and vulnerable economies such as Nicaragua, and increase Aid for Trade, technical assistance and capacity building.

## ANNEXES

Table 1: General indicators

	km <sup>2</sup>
Total area	130,373.40
Land <sup>1</sup>	120,339.20
Islands	517.4
Lakes and lagoons	10,407.60
Lake Cocibolca	8,138.10
Lake Xolotlán	1,052.90

1 Including islands.

Source: BCN.

Table 2: Economic indicators

	2009	2010	2011
Gross domestic product (US\$ million)	6,213.80	6,590.60	7,297.50
Gross domestic product per capita (US\$)	1,082.10	1,133.30	1,239.20
Real economic growth (%)	-1.5	4.5	4.7
Inflation (%)	0.9	9.2	8
Industrial production (US\$ million)	3,364.40	3,655.90	4,198.60
Agricultural production (US\$ million) <sup>1</sup>	1,696.60	1,848.20	2,089.50
Goods exports (US\$ million)	2,390.50	3,157.50	4,057.00
Goods imports (US\$ million)	-3,929.10	-4,792.20	-6,125.40
Money supply (M1A) (US\$ million)	1,046.10	1,287.00	1,258.90
Gross international reserves (US\$ million)	1,573.10	1,799.00	1,892.30
Domestic public debt (US\$ million) <sup>2</sup>	1,318.30	1,264.00	1,169.90
External public debt (US\$ million)	3,660.90	3,876.40	4,072.60

1 Including livestock, forestry and fisheries.

2 Including Government and BCN debt with the private sector.

Source: BCN.

Table 3: GDP growth rate

	2005	2006	2007	2008	2009	2010	2011
GDP (C\$ million)	81,524.37	91,897.0	104,456.4	123,442.5	126,386.2	140,751.7	163,640.6
Growth	4.3	4.2	3.6	2.8	-1.5	4.5	4.7

Source: BCN.

Table 4: F.o.b. exports by region and country  
(US\$ million)

Country	2006	2007	2008	2009 <sup>a</sup>	2010 <sup>a</sup>	2011 <sup>b</sup>
<b>Total</b>	1,043.9	1,222.1	1,475.3	1,393.8	1,851.1	2,264.0
<b>I. America</b>	853.6	1,005.5	1,193.6	1,162.0	1,540.2	1,855.0
<b>North America</b>	433.2	485.0	585.2	511.6	775.2	1,004.9
Canada	45.3	69.4	74.9	42.3	157.4	273.4
United States	340.1	352.9	437.7	412.5	566.2	648.8
Mexico	47.8	62.7	72.6	56.7	51.7	82.8
<b>Central America</b>	355.2	431.6	495.6	447.7	419.1	435.9
Costa Rica	59.6	86.4	102.0	86.0	82.9	98.8
El Salvador	149.3	168.4	217.2	199.4	206.3	206.6
Guatemala	48.2	65.7	74.9	61.7	68.3	71.0
Honduras	98.2	111.2	101.5	100.6	61.6	59.4
<b>Rest of Latin America and the Caribbean</b>	65.2	89.0	112.8	202.7	345.9	414.3
Argentina	0.0	0.0	0.0	0.0	0.0	0.1
Chile	1.2	3.5	4.6	5.9	5.3	8.3
Colombia	2.0	2.6	6.6	4.0	5.1	7.7
Cuba	0.4	0.7	2.1	1.6	1.0	2.1
Ecuador	0.3	0.5	0.4	0.9	3.5	5.0
Panama	8.5	9.6	10.8	11.3	10.6	14.5
Puerto Rico	28.0	43.8	41.6	40.7	40.1	45.3
Dominican Republic	8.6	4.8	6.4	9.5	12.5	13.8
Bolivarian Republic of Venezuela	2.1	6.3	30.2	119.2	248.6	302.6
Other	14.3	17.1	10.1	9.5	19.1	14.8
<b>II. Europe</b>	165.5	178.1	221.2	184.6	216.2	274.4
<b>European Union</b>	156.5	167.5	212.6	178.5	192.6	245.0
Germany	30.5	24.0	26.8	14.8	22.2	32.9
Belgium	32.5	25.2	28.6	15.7	22.0	34.1
Spain	34.6	43.3	43.3	36.3	39.1	36.4
Finland	7.4	11.9	15.2	15.1	19.0	12.8
France	7.5	10.3	12.6	19.0	28.2	25.9
United Kingdom	5.4	14.0	27.7	40.3	4.7	38.5
Holland	9.7	11.3	14.6	7.4	19.3	11.1
Italy	22.1	17.6	31.4	18.3	24.5	33.4
Sweden	4.1	3.6	7.1	9.1	10.8	14.6
Other	2.5	6.2	5.2	2.4	2.8	5.2
<b>Rest of Europe</b>	9.0	10.6	8.6	6.1	23.6	29.4
Russian Federation	7.8	8.9	6.0	4.7	21.7	19.9
Norway	0.6	0.8	1.3	0.6	0.8	8.4
Switzerland	0.3	0.2	0.1	0.1	0.1	0.3
Other	0.2	0.7	1.2	0.8	0.9	0.9
<b>III. Asia</b>	21.9	34.7	55.9	34.9	85.9	120.1
China (Taiwan)	5.4	10.1	21.2	16.8	29.2	38.4
Japan	9.3	12.8	19.1	9.1	15.5	23.3
Other	7.2	11.7	15.6	9.0	41.1	58.3
<b>IV. Rest of world</b>	2.9	3.8	4.6	12.4	8.8	14.5

Note: Not including free zone.

a Preliminary.

b Estimated.

Source: DGA, CETREX.



**Table 5: F.o.b. merchandise exports by main products (Part A)**  
(US\$ million)

<b>Product</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009<sup>a</sup></b>	<b>2010<sup>a</sup></b>	<b>2011<sup>b</sup></b>
<b>Total (A+B+C+D)</b>	<b>1,043.9</b>	<b>1,222.1</b>	<b>1,475.3</b>	<b>1,393.8</b>	<b>1,851.1</b>	<b>2,264.0</b>
<b>A. Agriculture:</b>	<b>385.6</b>	<b>406.2</b>	<b>549.9</b>	<b>462.8</b>	<b>570.4</b>	<b>663.7</b>
<b>Coffee</b>						
Value	207.1	188.1	278.3	236.8	341.6	429.3
Volume (thousands of qq)	1,889.5	1,599.0	2,101.4	1,771.5	2,245.9	1,922.1
Average price	109.6	117.7	132.4	133.6	152.1	223.3
<b>Peanuts</b>						
Value	43.0	56.0	90.2	65.9	61.8	96.1
Volume (thousands of qq)	1,483.9	1,577.4	1,729.5	1,648.8	1,465.4	1,623.5
Average price	29.0	35.5	52.2	40.0	42.2	59.2
<b>Live cattle</b>						
Value	39.3	42.2	26.8	17.8	21.5	18.6
Volume (thousands of kg)	30,073.1	31,758.1	18,125.1	13,516.2	17,472.9	13,478.5
Average price	1.3	1.3	1.5	1.3	1.2	1.4
<b>Beans</b>						
Value	37.0	39.9	79.8	61.5	59.4	30.2
Volume (thousands of kg)	54,099.5	53,221.8	57,850.9	62,555.9	55,032.4	27,063.3
Average price	0.7	0.8	1.4	1.0	1.1	1.1
<b>Bananas</b>						
Value	9.6	9.9	9.6	11.7	6.6	2.4
Volume (thousands of boxes) <sup>1</sup>	1,796.3	1,839.2	1,641.8	1,648.6	946.6	386.0
Average price	5.4	5.4	5.9	7.1	7.0	6.2
<b>Unmanufactured tobacco</b>						
Value	5.0	4.8	5.3	5.1	6.7	6.3
Volume (thousands of kg)	859.9	755.4	757.6	666.5	767.6	635.2
Average price	5.8	6.3	7.0	7.6	8.7	9.9
<b>Mangoes</b>						
Value	2.4	3.0	2.0	2.7	2.2	3.4
Volume (thousands of kg)	5,426.9	5,659.2	4,120.7	5,638.6	4,263.2	5,510.1
Average price	0.4	0.5	0.5	0.5	0.5	0.0
<b>Quequisque</b>						
Value	6.1	7.7	8.0	9.2	7.5	6.7
Volume (thousands of kg)	11,647.0	14,380.8	16,199.7	17,562.2	13,311.9	13,901.8
Average price	0.5	0.5	0.5	0.5	0.6	0.0
<b>Watermelons and melons</b>						
Value	6.0	7.6	2.4	0.8	1.2	1.7
Volume (thousands of kg)	9,310.0	12,503.4	6,834.0	4,187.4	5,596.2	9,018.7
Average price	0.6	0.6	0.4	0.2	0.2	0.0
<b>Sesame</b>						
Value	4.4	6.9	6.6	6.5	7.4	6.3
Volume (thousands of qq)	82.0	146.1	82.0	104.9	130.1	97.9
Average price	53.4	47.1	80.9	61.8	57.0	63.8
<b>Ferns</b>						
Value	1.1	1.1	1.3	1.5	1.2	0.0
Volume (thousands of kg)	669.3	630.1	651.2	749.6	552.3	21.3
Average price	1.6	1.7	2.0	2.1	2.3	0.0
<b>Other</b>						
Value	24.6	39.1	39.4	43.3	53.3	62.6

a Preliminary.

b Estimated.

Source: BCN, DGA, CONICAFE.

Table 6: F.o.b. merchandise exports by main products (Part B)  
(US\$ million)

Product	2006	2007	2008	2009 <sup>a</sup>	2010 <sup>a</sup>	2011 <sup>b</sup>
<b>B. Fisheries:</b>	<b>101.8</b>	<b>107.0</b>	<b>99.2</b>	<b>88.9</b>	<b>115.4</b>	<b>124.4</b>
<b>Lobster</b>						
Value	40.0	46.8	36.9	31.1	40.4	45.9
Volume (thousands of lb)	2,665.4	2,782.2	2,473.0	3,106.3	3,022.8	3,419.0
Average price	15.0	16.8	14.9	10.0	13.4	13.4
<b>Shrimp</b>						
Value	48.6	46.1	48.3	44.5	57.9	62.2
Volume (thousands of lb)	25,652.1	24,541.4	21,382.1	24,732.8	25,160.0	27,555.2
Average price	1.9	1.9	2.3	1.8	2.3	2.3
<b>Fresh fish</b>						
Value	13.2	14.1	14.0	13.4	17.1	16.3
Volume (thousands of lb)	8,311.6	8,074.3	7,650.5	7,502.8	8,899.4	8,047.7
Average price	1.6	1.7	1.8	1.8	1.9	2.0
<b>C. Mining:</b>	<b>59.8</b>	<b>66.1</b>	<b>83.4</b>	<b>86.3</b>	<b>215.7</b>	<b>364.7</b>
<b>Gold</b>						
Value	55.3	61.4	78.2	81.2	208.3	352.3
Volume (thousands of oz/t)	99.4	91.7	93.5	88.0	179.0	229.7
Average price	556.9	669.0	835.8	922.6	1,163.5	1,533.9
<b>Silver</b>						
Value	1.3	1.6	1.7	2.0	4.5	9.4
Volume (thousands of oz/t)	108.3	123.3	116.3	134.9	222.7	268.5
Average price	11.7	13.4	15.0	14.7	20.3	35.1
<b>Other</b>						
Value	3.2	3.1	3.5	3.1	2.9	3.0
<b>D. Manufacturing:</b>	<b>496.8</b>	<b>642.7</b>	<b>742.9</b>	<b>755.8</b>	<b>949.6</b>	<b>1,111.2</b>
<b>1. Food products</b>	<b>340.0</b>	<b>435.0</b>	<b>490.5</b>	<b>532.1</b>	<b>716.3</b>	<b>879.0</b>
<b>Meat</b>						
Value	148.1	179.5	210.7	230.6	307.6	427.0
Volume (thousands of lb)	107,585.8	130,630.7	139,492.7	156,755.0	185,480.5	230,443.2
Average price	1.4	1.4	1.5	1.5	1.7	1.9
<b>Sugar</b>						
Value	60.3	74.5	50.4	50.0	126.8	156.3
Volume (thousands of qq)	4,919.8	5,252.3	3,522.2	3,078.7	5,991.6	6,011.6
Average price	12.2	14.2	14.3	16.3	21.2	26.0
<b>Other</b>						
Value	131.7	180.9	229.4	251.5	281.9	295.6
<b>Of which:</b>						
<b>Cheese</b>	34.5	49.6	66.2	76.9	68.7	81.4
<b>Wheat flour</b>	7.5	4.9	8.7	7.6	7.6	8.8
<b>Instant coffee</b>	13.8	16.6	22.4	22.0	21.2	24.4
<b>Biscuits</b>	7.8	6.9	9.3	13.0	15.9	22.7
<b>Edible offal</b>	8.1	9.5	10.8	8.6	10.7	12.9
<b>Powdered milk</b>	22.6	38.8	47.4	35.7	44.1	37.3
<b>Ice cream (ice lollies, cones)</b>	3.0	3.1	3.3	3.5	3.4	3.7
<b>Yoghurt</b>	1.5	0.9	0.1	0.0	0.0	0.0

a Preliminary.

b Estimated.

Source: DGA, BCN.

**Table 7: C.i.f. imports by use or economic purpose**  
(US\$ million)

	2006	2007	2008	2009 <sup>a</sup>	2010 <sup>a</sup>	2011 <sup>b</sup>
<b>Total f.o.b.</b>	<b>2,777.6</b>	<b>3,311.3</b>	<b>3,995.4</b>	<b>3,229.1</b>	<b>3,872.5</b>	<b>4,863.5</b>
<b>Total c.i.f.</b>	<b>3,014.8</b>	<b>3,610.6</b>	<b>4,316.7</b>	<b>3,489.0</b>	<b>4,173.2</b>	<b>5,203.7</b>
<b>Consumer goods</b>	<b>1,065.5</b>	<b>1,195.5</b>	<b>1,398.6</b>	<b>1,250.1</b>	<b>1,497.4</b>	<b>1,654.8</b>
<b>Non-durable</b>	818.9	939.0	1,120.5	1,041.1	1,211.5	1,339.3
<b>Durable</b>	246.6	256.5	278.1	208.9	285.9	315.5
<b>Oil, fuel and lubricants<sup>1</sup></b>	<b>680.9</b>	<b>829.0</b>	<b>990.5</b>	<b>699.0</b>	<b>776.0</b>	<b>1,256.4</b>
<b>Crude oil</b>	366.0	403.5	477.1	346.8	419.8	615.6
<b>Fuel and lubricants</b>	310.9	421.0	512.7	352.0	355.6	639.3
<b>Electricity</b>	4.0	4.5	0.8	0.2	0.6	1.4
<b>Intermediate goods</b>	<b>729.1</b>	<b>899.8</b>	<b>1,091.0</b>	<b>870.1</b>	<b>1,122.4</b>	<b>1,337.4</b>
<b>For agriculture</b>	122.0	155.8	225.6	182.4	222.4	271.9
<b>For industry</b>	449.0	545.9	649.4	525.4	681.2	799.7
<b>Construction materials</b>	158.1	198.1	216.1	162.3	218.8	265.8
<b>Capital goods</b>	<b>533.3</b>	<b>678.4</b>	<b>826.5</b>	<b>658.1</b>	<b>768.6</b>	<b>947.2</b>
<b>For agriculture</b>	33.7	40.1	49.0	32.7	58.6	64.7
<b>For industry</b>	273.1	370.8	497.2	403.6	440.7	532.1
<b>Transport equipment</b>	226.5	267.5	280.3	221.7	269.3	350.4
<b>Miscellaneous</b>	<b>6.0</b>	<b>7.8</b>	<b>10.0</b>	<b>11.7</b>	<b>8.8</b>	<b>8.0</b>

Note: Does not include free-zone adjustment.

1 Fuel and lubricants include electricity imports between 1960 and 1989.

a Preliminary.

b Estimated.

Source: DGA, MEM.

**Table 8: C.i.f. imports by region and country (Part A)**  
(US\$ million)

Country	2006	2007	2008	2009	2010	2011
<b>Total</b>	<b>3,014.8</b>	<b>3,610.6</b>	<b>4,316.7</b>	<b>3,489.0</b>	<b>4,173.2</b>	<b>5,203.7</b>
<b>I. America</b>	<b>2,310.8</b>	<b>2,769.7</b>	<b>3,242.5</b>	<b>2,618.0</b>	<b>3,147.6</b>	<b>3,943.6</b>
<b>North America</b>	1,062.2	1,338.9	1,292.9	960.7	1,283.0	1,348.2
<b>Canada</b>	24.8	27.5	36.9	24.2	37.6	36.5
<b>United States</b>	631.7	824.2	896.3	692.9	908.6	905.4
<b>Mexico</b>	405.7	487.2	359.7	243.6	336.8	406.3
<b>Central America</b>	693.0	808.0	968.0	832.5	965.8	1,189.7
<b>Costa Rica</b>	261.1	308.0	344.9	319.7	350.2	438.2
<b>El Salvador</b>	157.6	172.6	223.6	170.0	197.5	234.0
<b>Guatemala</b>	198.3	222.8	261.9	217.4	280.3	347.8
<b>Honduras</b>	75.9	104.6	137.6	125.4	137.8	169.7
<b>Rest of Latin America and the Caribbean</b>	555.6	622.8	981.6	824.8	898.8	1,405.7
<b>Argentina</b>	69.4	66.6	26.6	24.4	22.0	46.2
<b>Chile</b>	38.9	36.0	55.3	12.6	21.1	20.0
<b>Colombia</b>	12.8	14.8	15.7	17.8	18.5	16.5
<b>Cuba</b>	1.0	6.3	1.6	3.0	3.6	1.3
<b>Ecuador</b>	75.6	135.1	107.5	41.4	31.2	10.0

Country	2006	2007	2008	2009	2010	2011
Panama	24.4	13.8	16.5	11.9	13.6	16.9
Puerto Rico	5.0	3.3	0.6	0.6	2.3	2.0
Dominican Republic	5.4	4.5	5.1	4.0	5.7	7.1
Bolivarian Republic of Venezuela	212.9	208.7	622.7	601.6	669.4	1,139.8
Other	110.2	133.8	130.1	107.5	111.5	145.9

Table 9: C.i.f. imports by region and country (Part B)  
(US\$ million)

Country	2006	2007	2008	2009 <sup>a</sup>	2010 <sup>a</sup>	2011 <sup>a</sup>
<b>Total</b>	<b>3,014.8</b>	<b>3,610.6</b>	<b>4,316.7</b>	<b>3,489.0</b>	<b>4,173.2</b>	<b>5,203.7</b>
<b>II. Europe</b>	<b>215.2</b>	<b>265.7</b>	<b>268.7</b>	<b>254.5</b>	<b>279.5</b>	<b>347.1</b>
<b>European Union</b>	169.1	224.4	211.2	202.2	233.3	261.5
Germany	41.4	83.7	50.1	42.4	51.6	65.0
Belgium	14.4	7.9	6.0	11.5	8.7	11.5
Spain	36.6	36.9	47.6	51.7	65.0	54.7
Finland	2.3	2.5	1.3	1.8	1.4	1.6
France	16.7	15.4	17.2	18.1	18.8	21.0
United Kingdom	8.7	16.2	10.3	9.8	12.7	15.9
Netherlands	10.6	12.5	20.0	9.5	12.1	13.3
Italy	12.8	13.2	17.7	24.2	25.6	32.6
Sweden	11.7	21.0	18.1	12.9	17.0	21.5
Other	13.9	15.0	22.9	20.4	20.3	24.3
<b>Rest of Europe</b>	46.1	41.3	57.5	52.2	46.2	85.7
Russian Federation	24.9	24.0	42.8	38.8	27.5	67.9
Norway	0.2	0.2	0.8	0.5	0.8	0.3
Switzerland	8.7	8.6	12.4	9.5	13.9	13.7
Other	12.3	8.5	1.5	3.4	4.0	3.7
<b>III Asia</b>	<b>478.6</b>	<b>565.4</b>	<b>796.8</b>	<b>609.2</b>	<b>735.0</b>	<b>900.1</b>
South Korea	44.0	41.7	123.6	123.9	64.6	90.8
China (Taiwan)	16.6	15.4	21.0	13.6	16.9	18.4
Japan	113.2	121.5	122.8	80.2	120.8	145.0
Other	304.9	386.8	529.3	391.5	532.8	645.9
<b>IV Rest of world</b>	<b>10.1</b>	<b>9.7</b>	<b>8.7</b>	<b>7.2</b>	<b>11.0</b>	<b>12.8</b>

Note: Does not include free-zone adjustment.

a Preliminary.

Source: DGA, MEM.

**Table 10: Consolidated non-financial public sector operations<sup>1,2</sup>**  
(C\$ million)

	2006	2007	2008	2009	2010	2011	Average annual rate
<b>1. Revenue</b>	<b>25,458.0</b>	<b>30,240.2</b>	<b>35,317.9</b>	<b>36,499.2</b>	<b>42,334.9</b>	<b>51,347.9</b>	<b>15.1</b>
Taxes	17,056.9	19,975.7	22,818.3	23,240.1	26,789.4	33,258.9	14.3
Social contributions	4,148.7	4,920.9	6,023.2	6,804.1	8,090.2	9,432.9	17.9
Other revenue <sup>3</sup>	4,252.4	5,343.6	6,476.4	6,455.0	7,455.3	8,656.2	15.3
<b>2. Expenditure</b>	<b>24,178.3</b>	<b>27,720.6</b>	<b>34,782.8</b>	<b>36,555.2</b>	<b>40,367.0</b>	<b>46,739.9</b>	<b>14.1</b>
Employee remuneration	7,235.1	8,447.1	10,600.2	11,993.1	12,638.7	14,257.1	14.5
Purchasing of goods and services	5,498.3	6,531.8	9,158.8	7,869.4	9,248.0	11,614.7	16.1
Interest	1,712.1	1,592.6	1,466.9	1,732.8	2,020.2	2,375.1	6.8
Domestic	1,132.8	1,123.0	941.5	1,162.9	1,399.7	1,636.0	7.6
External	579.4	469.5	525.4	569.9	620.5	739.1	5.0
Current and capital transfers	6,084.2	7,157.8	8,092.0	8,148.7	9,054.1	10,428.0	11.4
Social benefits	2,445.3	2,987.1	4,176.8	5,430.0	5,949.0	6,311.3	20.9
Other expenditure <sup>4</sup>	1,203.2	1,004.1	1,288.0	1,381.3	1,457.0	1,753.7	7.8
<b>3. Net operating profit (1-2)</b>	<b>1,279.7</b>	<b>2,519.7</b>	<b>535.2</b>	<b>(56.0)</b>	<b>1,967.9</b>	<b>4,608.0</b>	<b>29.2</b>
<b>4. Net acquisition of non-financial assets</b>	<b>4,694.9</b>	<b>5,399.2</b>	<b>5,296.0</b>	<b>6,139.6</b>	<b>5,693.3</b>	<b>7,493.0</b>	<b>9.8</b>
<b>5. Total expenditure (2+4)</b>	<b>28,873.2</b>	<b>33,119.7</b>	<b>40,078.8</b>	<b>42,694.7</b>	<b>46,060.4</b>	<b>54,232.9</b>	<b>13.4</b>
<b>6. Cash surplus or benefit before grants (3-4)</b>	<b>(3,415.2)</b>	<b>(2,879.5)</b>	<b>(4,760.9)</b>	<b>(6,195.6)</b>	<b>(3,725.5)</b>	<b>(2,885.0)</b>	<b>(3.3)</b>
<b>7. External grants</b>	<b>4,042.8</b>	<b>4,216.8</b>	<b>3,847.4</b>	<b>4,380.8</b>	<b>3,010.5</b>	<b>3,695.5</b>	<b>(1.8)</b>
<b>8. Cash surplus or benefit after grants (6+7)</b>	<b>627.6</b>	<b>1,337.3</b>	<b>(913.5)</b>	<b>(1,814.8)</b>	<b>(715.0)</b>	<b>810.6</b>	<b>5.2</b>
<b>9. Financing</b>	<b>(627.6)</b>	<b>(1,337.3)</b>	<b>913.5</b>	<b>1,814.8</b>	<b>715.0</b>	<b>(810.6)</b>	<b>5.2</b>
Internal, net	(4,101.2)	(4,613.8)	(1,387.6)	(3,060.9)	(3,973.9)	(4,880.9)	3.5
Of which: BCN	(1,354.5)	(2,986.0)	257.7	(865.0)	(1,098.0)	(219.7)	(30.5)
External, net	3,249.7	3,275.8	2,300.7	4,874.2	4,688.8	4,070.4	4.6
Privatization revenue	223.8	0.7	0.4	1.5	0.0	0.0	
<b>Memorandum:</b>							
<b>Current saving</b>	<b>4,576.9</b>	<b>5,894.6</b>	<b>4,288.7</b>	<b>2,970.2</b>	<b>5,569.2</b>	<b>8,499.0</b>	<b>13.2</b>

1 Methodology used in accordance with the Government Finance Statistics Manual (GFSM, analytical framework 2001).

2 Includes Central Government, INSS, ALMA, ENATREL, ENACAL, ENEL, EPN and TELCOR.

3 Includes revenue from ENATREL, ENACAL, ENEL, EPN and TELCOR services.

4 Includes transport operator and electricity subsidies.

Source: MHCP, BCN, INSS, ALMA, ENATREL, ENACAL, ENEL, EPN and TELCOR.

**Table 11: Central Government tax revenue**  
(C\$ million)

	2006	2007	2008	2009	2010	2011
<b>Income tax (IR)</b>	<b>4,540.6</b>	<b>5,752.7</b>	<b>7,003.4</b>	<b>7,839.7</b>	<b>8,480.9</b>	<b>11,334.9</b>
<b>Value added tax (VAT)</b>	<b>6,708.9</b>	<b>8,024.9</b>	<b>9,008.8</b>	<b>8,870.7</b>	<b>10,352.5</b>	<b>12,876.0</b>
Domestic VAT	2,631.8	3,102.5	3,138.7	3,831.9	4,028.3	4,605.3
VAT imports	4,077.1	4,922.5	5,870.1	5,038.8	6,324.2	8,270.6
<b>Selective consumption tax (ISC)</b>	<b>3,747.0</b>	<b>4,098.9</b>	<b>4,518.3</b>	<b>4,391.6</b>	<b>5,541.3</b>	<b>6,069.9</b>
ISC fiscal industry	887.0	928.6	1,120.7	1,062.4	1,135.4	1,312.6
ISC oil by-products	1,882.3	2,107.6	2,162.2	2,276.6	2,698.9	2,700.1
ISC imports	935.9	1,025.5	1,180.1	975.2	1,558.6	1,901.4
Other	41.8	37.2	55.4	77.4	148.5	155.8
<b>Import duties (DAI)</b>	<b>1,003.0</b>	<b>1,029.6</b>	<b>1,122.8</b>	<b>907.9</b>	<b>1,135.1</b>	<b>1,448.9</b>
<b>Other taxes</b>	<b>21.1</b>	<b>20.3</b>	<b>21.3</b>	<b>24.0</b>	<b>20.3</b>	<b>22.0</b>
<b>Tax revenue</b>	<b>16,020.5</b>	<b>18,926.4</b>	<b>21,674.5</b>	<b>22,033.8</b>	<b>25,530.0</b>	<b>31,751.7</b>

Source: MHCP budget outturn reports.

**Table 12: Central Government tax revenue**  
(Percentage of GDP)

	2006	2007	2008	2009	2010	2011
<b>Income tax (IR)</b>	<b>4.9%</b>	<b>5.5%</b>	<b>5.7%</b>	<b>6.2%</b>	<b>6.0%</b>	<b>6.9%</b>
<b>Value added tax (VAT)</b>	<b>7.3%</b>	<b>7.7%</b>	<b>7.3%</b>	<b>7.0%</b>	<b>7.4%</b>	<b>7.9%</b>
Domestic VAT	2.9%	3.0%	2.5%	3.0%	2.9%	2.8%
VAT imports	4.4%	4.7%	4.8%	4.0%	4.5%	5.1%
<b>Selective consumption tax (ISC)</b>	<b>4.1%</b>	<b>3.9%</b>	<b>3.7%</b>	<b>3.5%</b>	<b>3.9%</b>	<b>3.7%</b>
ISC fiscal industry	1.0%	0.9%	0.9%	0.8%	0.8%	0.8%
ISC oil by-products	2.1%	2.0%	1.8%	1.8%	1.9%	1.7%
ISC imports	1.0%	1.0%	1.0%	0.8%	1.1%	1.2%
Other	0.1%	0.0%	0.0%	0.1%	0.1%	0.1%
<b>Import duties (DAI)</b>	<b>1.1%</b>	<b>1.0%</b>	<b>0.9%</b>	<b>0.7%</b>	<b>0.8%</b>	<b>0.9%</b>
<b>Other taxes</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Tax revenue</b>	<b>17.4%</b>	<b>18.1%</b>	<b>17.6%</b>	<b>17.4%</b>	<b>18.1%</b>	<b>19.4%</b>

Source: MHCP budget outturn reports.

**Table 13: Central Government tax revenue**  
(Percentage of total)

	2006	2007	2008	2009	2010	2011
<b>Income tax (IR)</b>	<b>28.3%</b>	<b>30.4%</b>	<b>32.3%</b>	<b>35.6%</b>	<b>33.2%</b>	<b>35.7%</b>
<b>Value added tax (VAT)</b>	<b>41.9%</b>	<b>42.4%</b>	<b>41.6%</b>	<b>40.3%</b>	<b>40.6%</b>	<b>40.6%</b>
Domestic VAT	16.4%	16.4%	14.5%	17.4%	15.8%	14.5%
VAT imports	25.5%	26.0%	27.1%	22.9%	24.8%	26.1%
<b>Selective consumption tax (ISC)</b>	<b>23.4%</b>	<b>21.7%</b>	<b>20.9%</b>	<b>19.9%</b>	<b>21.7%</b>	<b>19.1%</b>
ISC fiscal industry	5.5%	4.9%	5.2%	4.8%	4.5%	4.1%
ISC oil by-products	11.8%	11.1%	10.0%	10.3%	10.6%	8.5%
ISC imports	5.8%	5.4%	5.4%	4.4%	6.1%	6.0%
Other	0.3%	0.2%	0.3%	0.4%	0.6%	0.5%
<b>Import duties (DAI)</b>	<b>6.3%</b>	<b>5.4%</b>	<b>5.2%</b>	<b>4.1%</b>	<b>4.5%</b>	<b>4.6%</b>
<b>Other taxes</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>
<b>Tax revenue</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: MHCP budget outturn reports.

**Table 14: Functional structure of central government expenditure**  
(C\$ million)

	2006	2007	2008	2009	2010	2011
<b>Total expenditure</b>	<b>23,895.70</b>	<b>27,150.30</b>	<b>31,577.20</b>	<b>33,561.50</b>	<b>35,968.70</b>	<b>43,156.60</b>
<b>Social services</b>	<b>10,324.60</b>	<b>12,298.90</b>	<b>15,161.00</b>	<b>16,621.70</b>	<b>17,406.80</b>	<b>19,830.10</b>
Education	4,409.80	5,276.70	6,580.90	7,408.90	7,562.00	8,231.50
Health	3,161.50	3,899.80	4,579.40	5,128.00	5,246.60	5,910.30
Other	2,753.30	3,122.40	4,000.70	3,894.20	4,598.20	5,773.10
<b>Economic services</b>	<b>2,833.30</b>	<b>4,055.40</b>	<b>4,584.70</b>	<b>4,978.40</b>	<b>5,231.30</b>	<b>6,220.20</b>
<b>Defence and security</b>	<b>2,701.00</b>	<b>3,143.70</b>	<b>3,367.20</b>	<b>3,585.60</b>	<b>3,909.10</b>	<b>4,384.70</b>
<b>Government administration</b>	<b>3,599.70</b>	<b>2,692.80</b>	<b>3,352.00</b>	<b>3,166.90</b>	<b>3,216.90</b>	<b>3,911.80</b>
<b>Public debt servicing</b>	<b>4,437.06</b>	<b>4,959.45</b>	<b>5,112.26</b>	<b>5,208.82</b>	<b>6,204.53</b>	<b>8,809.72</b>

Source: BCN.

**Table 15: Functional structure of Central Government expenditure**  
(% of GDP)

	2006	2007	2008	2009	2010	2011
<b>Total expenditure</b>	<b>26.0%</b>	<b>26.0%</b>	<b>25.6%</b>	<b>26.6%</b>	<b>25.6%</b>	<b>26.4%</b>
<b>Social services</b>	<b>11.2%</b>	<b>11.8%</b>	<b>12.3%</b>	<b>13.2%</b>	<b>12.4%</b>	<b>12.1%</b>
Education	4.8%	5.1%	5.3%	5.9%	5.4%	5.0%
Health	3.4%	3.7%	3.7%	4.1%	3.7%	3.6%
Other	3.0%	3.0%	3.2%	3.1%	3.3%	3.5%
<b>Economic services</b>	<b>3.1%</b>	<b>3.9%</b>	<b>3.7%</b>	<b>3.9%</b>	<b>3.7%</b>	<b>3.8%</b>
<b>Defence and security</b>	<b>2.9%</b>	<b>3.0%</b>	<b>2.7%</b>	<b>2.8%</b>	<b>2.8%</b>	<b>2.7%</b>
<b>Government administration</b>	<b>3.9%</b>	<b>2.6%</b>	<b>2.7%</b>	<b>2.5%</b>	<b>2.3%</b>	<b>2.4%</b>
<b>Public debt servicing</b>	<b>4.8%</b>	<b>4.7%</b>	<b>4.1%</b>	<b>4.1%</b>	<b>4.4%</b>	<b>5.4%</b>

Source: BCN.

**Table 16: Functional structure of Central Government expenditure**  
(% of total expenditure)

	2006	2007	2008	2009	2010	2011
<b>Total expenditure</b>	<b>26.0%</b>	<b>26.0%</b>	<b>25.6%</b>	<b>26.6%</b>	<b>25.6%</b>	<b>26.4%</b>
<b>Social services</b>	<b>11.2%</b>	<b>11.8%</b>	<b>12.3%</b>	<b>13.2%</b>	<b>12.4%</b>	<b>12.1%</b>
Education	4.8%	5.1%	5.3%	5.9%	5.4%	5.0%
Health	3.4%	3.7%	3.7%	4.1%	3.7%	3.6%
Other	3.0%	3.0%	3.2%	3.1%	3.3%	3.5%
<b>Economic services</b>	<b>3.1%</b>	<b>3.9%</b>	<b>3.7%</b>	<b>3.9%</b>	<b>3.7%</b>	<b>3.8%</b>
<b>Defence and security</b>	<b>2.9%</b>	<b>3.0%</b>	<b>2.7%</b>	<b>2.8%</b>	<b>2.8%</b>	<b>2.7%</b>
<b>Government administration</b>	<b>3.9%</b>	<b>2.6%</b>	<b>2.7%</b>	<b>2.5%</b>	<b>2.3%</b>	<b>2.4%</b>
<b>Public debt servicing</b>	<b>4.8%</b>	<b>4.7%</b>	<b>4.1%</b>	<b>4.1%</b>	<b>4.4%</b>	<b>5.4%</b>

Source: BCN.

**Table 17: Evolution of the tax revenue structure**

	2006	2011
Income tax (IR)	28.3%	35.7%
Customs duties (DAI)	6.3%	4.6%
Value added tax (VAT)	41.9%	40.6%
Selective consumption tax (ISC)	23.4%	19.1%

Source: MHCP budget outturn reports and BCN Statistical Yearbook.

**Table 18: Public debt balance**  
(US\$ million)

	2006	2007	2008	2009	2010	2011
<b>Total debt balance</b>	<b>5,862.7</b>	<b>4,652.4</b>	<b>4,765.4</b>	<b>4,979.2</b>	<b>5,140.4</b>	<b>5,242.5</b>
<b>External debt balance</b>	<b>4,526.7</b>	<b>3,384.6</b>	<b>3,511.5</b>	<b>3,660.9</b>	<b>3,876.4</b>	<b>4,072.6</b>
Central Government	2,637.3	1,422.5	1,491.2	1,737.0	1,936.4	2,139.0
Rest of non-financial public sector	22.0	45.1	67.0	73.5	71.0	73.6
Central Bank	1,835.6	1,886.8	1,924.9	1,824.3	1,843.2	1,860.0
Rest of financial public sector	31.8	30.3	28.4	26.1	25.9	0.0
<b>Domestic debt balance</b>	<b>1,336.0</b>	<b>1,267.8</b>	<b>1,254.0</b>	<b>1,318.3</b>	<b>1,264.0</b>	<b>1,169.9</b>
Central Government	1,000.3	934.7	884.2	909.3	910.3	899.8
Central Bank	335.7	333.1	369.8	409.0	668.4	600.6

Source: BCN.

**Table 19: Public debt balance as a percentage of GDP**  
(US\$ million)

	2006	2007	2008	2009	2010	2011
<b>Total debt balance</b>	<b>112.1%</b>	<b>82.2%</b>	<b>74.8%</b>	<b>80.1%</b>	<b>78.0%</b>	<b>71.8%</b>
<b>External debt balance</b>	<b>86.5%</b>	<b>59.8%</b>	<b>55.1%</b>	<b>58.9%</b>	<b>58.8%</b>	<b>55.8%</b>
Central Government	50.4%	25.1%	23.4%	28.0%	29.4%	29.3%
Rest of non-financial public sector	0.4%	0.8%	1.1%	1.2%	1.1%	1.0%
Central Bank	35.1%	33.3%	30.2%	29.4%	28.0%	25.5%
Rest of financial public sector	0.6%	0.5%	0.4%	0.4%	0.4%	0.0%
<b>Domestic debt balance</b>	<b>25.5%</b>	<b>22.4%</b>	<b>19.7%</b>	<b>21.2%</b>	<b>19.2%</b>	<b>16.0%</b>
Central Government	19.1%	16.5%	13.9%	14.6%	13.8%	12.3%
Central Bank	6.4%	5.9%	5.8%	6.6%	10.1%	8.2%

Source: BCN.

**Table 20: Comparison of general and extreme poverty levels in urban and rural areas**

	2005		2009	
	Generally poor	Extremely poor	Generally poor	Extremely poor
Urban	30.9	6.7	26.8	5.6
Rural	70.3	30.5	63.3	26.6

Source: Living Standards Measurement Survey (EMNV) 2005 and 2009.





MFN tariffs	2005	2006	2007	2008	2009	2010	2011	2012
40	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
45	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
55	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
60	0.1%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
61	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
170	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
164	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
<b>General total</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: MIFIC.

Table 25: Import tariff quotas established in 2006-2011 - CAFTA-DR (United States)

(Unit of measurement: metric tonne)

Tariff quota/ year	Tariff heading	Tariff quota/MFN	2006		2007		2008		2009		2010		2011	
			Total volume of quota	Total volume imported	Total volume of quota	Total volume imported	Total volume of quota	Total volume imported	Total volume of quota	Total volume imported	Total volume of quota	Total volume imported	Total volume of quota	Total volume imported
Rice	1006.20.00 1006.30.10 1006.30.90 1006.40.00	0/60 0/60 0/60 0/60	13,650	13,650	14,300	14,194	14,950	13,526	15,600	7,482	16,250	15,410	16,900	13,860
Rice in the husk	1006.10.90	0/45	92,700	92,663	95,400	95,151	98,100	98,100	100,800	96,630	103,500	100,500	106,200	63,424
Yellow maize	1005.90.20	0/15	68,250	65,152	71,500	62,178	74,750	65,736	78,000	70,347	81,250	74,791	84,500	80,488
White maize	1005.90.30	0/15	5,100	4,697	5,200	2,777	5,300	0	5,400	4,301	5,500	0	5,600	0
Pork	0203.11.00 0203.12.00 0203.19.00.10 0203.19.00.90 0203.21.00 0203.22.00 0203.29.00.10 0203.29.00.90	0/15 0/15 0/15 0/15 0/15 0/15 0/15 0/15	1,100	0	1,200	26	1,300	172	1,400	351	1,500	362	1,600	641
Cheese	0406.10.00 0406.20.90 0406.30.00 0406.40.00 0406.90.10 0406.90.20 0406.90.90	0/40 0/35 0/40 0/15 0/40 0/5 0/40	575	104	604	120	634	163	666	172	699	243	734	255
Powdered milk	0402.10.00 0402.21.11 0402.21.12 0402.21.21 0402.21.22 0402.29.00	0/60 0/60 0/60 0/60 0/60 0/60	650	36	683	36	717	311	752	148	790	0	829	264
Butter	0405.10.00 0405.20.00	0/40 0/15	150	109	158	35	165	35	174	105	182	110	191	169
Other dairy products	1901.90.90 2202.90.90	0/15 0/15	50	0	52	0	55	0	58	0	61	0	64	0
Ice cream (litres)	2105.00.00	0/40	72,815	7,894	76,456	5,244	80,279	5,610	84,293	6,735	88,507	6,375	92,933	6,770
Chicken thighs and legs*	0207.13.99.20 0207.14.99.20 1602.3200A	0/35 0/35 0/40	---	---	---	---	317	211	635	632	952	949	1,269	1,246

\* Quota not applied in 2006 and 2007.

**Table 26: Import tariff quotas established in 2006-2011 - CAFTA-DR (Dominican Republic)**

(Unit of measurement: metric tonne)

Tariff quota/year	Tariff heading	Tariff quota/MFN	2006		2007		2008		2009		2010		2011	
			Total volume of quota	Total volume imported	Total volume of quota	Total volume imported	Total volume of quota	Total volume imported	Total volume of quota	Total volume imported	Total volume of quota	Total volume imported	Total volume of quota	Total volume imported
Chicken breasts	0207.13.91 0207.14.91	10/35 10/35	443	0	443	0	443	0	443	0	443	0	443	0
Onion and shallots	0703.10	7.5/15	375	0	375	0	375	0	375	0	375	0	375	0
Beans (red, black, white and others)	0713.31 0713.33 0713.32	0/15 0/30 0/30	1,800	0	1,800	0	1,800	0	1,800	0	1,800	0	1,800	0

**Table 27: Import tariff quotas established in 2006-2011 - World Trade Organization (WTO)**

(Unit of measurement: metric tonne)

Tariff quota/year	Tariff heading	Tariff quota / MFN	2006		2007		2008	
			Total volume of quota	Total volume imported	Total volume of quota	Total volume imported	Total volume of quota	Total volume imported
Rice in the husk	1006.10.90	0/45	4,972	4,759.48	4,972.00	4,256.00	4,972	4,894
Powdered milk			1,743.00	1,546.22	1,743.00	1,449.00	1,743	581
Skimmed	0402.10.00	0/60	696	517.24	367.00	74.00	237	54
Whole	0402.21.21 0402.21.22	20/60 20/60	1,047	1,028.98	1,376.00	1,375.00	1,506	527
Tariff quota/year	Tariff heading	Tariff quota / MFN	2009		2010		2011	
			Total volume of quota	Total volume imported	Total volume of quota	Total volume imported	Total volume of quota	Total volume imported
Rice in the husk	1006.10.90	0/45	4,972.00	4,861.10	4,972.00	4,833.20	4,972.00	4,650.00
Powdered milk			1,742.60	1,008.92	1,743.00	1,323.20	1,743.00	1,183.70
Skimmed	0402.10.00	0/60	348.60	37.98	523.00	128.25	265.00	24.00
Whole	0402.21.21 0402.21.22	20/60 20/60	1,394.00	970.94	1,220.00	1,194.95	1,478.00	1,159.70

**Table 28: Import tariff quotas established in 2006-2011 - Lack of supply**

(Unit of measurement: metric tonne)

Tariff quota/year	Tariff heading	Tariff quota / MFN	2006		2007		2008	
			Total volume of quota	Total volume imported	Total volume of quota	Total volume imported	Total volume of quota	Total volume imported
Maize syrup	1702.90.20	0/40	100	40	100	21	80	57
Rice in the husk	1006.10.90	0/45	55,000	53,400	44,159	44,159	35,000	24,484
Rice	1006.20.00 1006.30.10 1006.30.90 1006.40.00	0/60 0/60 0/60 0/60	--	--	--	--	--	--
Yellow maize	1005.90.20	0/15	51,503	50,444	77,150	71,455	93,930	51,120
White maize	1005.90.30	0/15	--	--	--	--	--	--
Butter	0405.20.00	15/40	241	194	114	114	300	193
Powdered milk	0402.10.00 0402.21.22	20/60 20/60	249	185	280	76	--	--
Cheese	0406.10.00	0/40	--	--	12	10	--	--
	0406.20.90	0/35						
	0406.30.00	0/40						
	0406.90.90	0/40						

Tariff quota/year	Tariff heading	Tariff quota / MFN	2006		2007		2008	
			Total volume of quota	Total volume imported	Total volume of quota	Total volume imported	Total volume of quota	Total volume imported
Pork	0203.11.00	0/15	238	74	--	--	-	--
	0203.12.00	0/15						
	0203.19.00.10	0/15						
	0203.19.00.90	0/15						
	0203.21.00	0/15						
	0203.22.00	0/15						
	0203.29.00.10	0/15						
	0203.29.00.90	0/15						
Soya bean flour	2304.00.10.10	0/5	16,096	15,133	--	--	--	--
Wheat or meslin flour	1101.00.00	0/10	--	--	--	--	10,000	1,580
Thighs and legs*	0207.13.99.20	0/35	--	--	--	--	1,000	994
	0207.14.99.20	0/35						
	1602.32.00A	0/40						
Tariff quota/year	Tariff heading	Tariff quota / MFN	2009		2010		2011	
			Total volume of quota	Total volume imported	Total volume of quota	Total volume imported	Total volume of quota	Total volume imported
Maize syrup	1702.90.20	0/40	100	82	100	99	100	58
Rice in the husk	1006.10.90	0/45	--	--	--	--	50,000.00	46,651.00
Rice	1006.20.00	0/60	--	--	--	--	12,000.00	1,061.00
	1006.30.10	0/60						
	1006.30.90	0/60						
	1006.40.00	0/60						
Yellow maize	1005.90.20	0/15	46,800	26,247	48,400	44,399	18,200.00	16,125.41
White maize	1005.90.30	0/15	--	--	--	--	20,000.00	2,365.00
Butter	0405.20.00	15/40	--	--	--	--	--	--
Powdered milk	0402.10.00	20/60	--	--	--	--	--	--
	0402.21.22	20/60						
Cheese	0406.10.00	0/40	--	--	--	--	--	--
	0406.20.90	0/35						
	0406.30.00	0/40						
	0406.90.90	0/40						
Pork	0203.11.00	0/15	--	--	--	--	--	--
	0203.12.00	0/15						
	0203.19.00.10	0/15						
	0203.19.00.90	0/15						
	0203.21.00	0/15						
	0203.22.00	0/15						
	0203.29.00.10	0/15						
	0203.29.00.90	0/15						
Soya bean flour	2304.00.10.10	0/5	--	--	--	--	--	--
Wheat or meslin flour	1101.00.00	0/10	--	--	--	--	--	--
Thighs and legs*	0207.13.99.20	0/35	--	--	--	--	1,752.00	1,751.00
	0207.14.99.20	0/35						
	1602.32.00A	0/40						

\*The importation period for this quota was August 2008-January 2009.

**Table 29: Import tariff quotas established in 2006, 2010 and 2011 - Panama**  
(Unit of measurement: metric tonne)

Tariff quota/year	Tariff heading	Tariff quota / MFN	2006		2010		2011	
			Total volume of quota	Total volume imported	Total volume of quota	Total volume imported	Total volume of quota	Total volume imported
Beef	0201.10.00.00	0/30	--	--	1,500	0	1,605	0
	0201.20.00.11	0/30						
	0201.20.00.19	0/30						
	0201.20.00.91	0/30						
	0201.20.00.99	0/30						
	0201.30.00.11	0/30						
	0201.30.00.19	0/30						
	0201.30.00.91	0/30						
	0201.30.00.99	0/30						
	0202.10.00.00	0/30						
	0202.20.00.11	0/30						
	0202.20.00.19	0/30						
	0202.20.00.91	0/30						
	0202.20.00.99	0/30						
	0202.30.00.11	0/30						
	0202.30.00.19	0/30						
0202.30.00.91	0/30							
0202.30.00.99	0/30							
Pork	0203.19.00.10	0/15	--	--	15	0	15	0
	0203.19.00.90	0/15						
	0203.29.00.10	0/15						
	0203.29.00.90	0/15						
Onions and shallots	0703.10.11	0/15	--	--	200	0	208	0
	0703.10.12	0/15						
	0703.10.13	0/15						
	0703.10.19	0/15						
	0703.10.20	0/15						
Instant coffee	2101.11.00.10	0/15	--	--	30	0	35	0
	2101.12.00.00	0/15						
Tomato sauce	2103.20.00	0/15	--	--	450	0	450	0
Ketchup	2103.20.00	0/15	--	--	50	0	50	0

Note: Tariff quotas were first applied in 2010 under the FTA with Panama.

**Table 30: Nicaragua-Mexico trade performance**  
(US\$ million)

	2005	2006	2007	2008	2009	2010	2011*	AARC
<b>Trade</b>	259.8	477.0	522.7	490.2	300.4	372.5	495.0	11.3%
<b>Exports</b>	44.1	47.6	58.0	82.0	56.8	51.6	88.7	12.3%
<b>Imports</b>	215.7	429.4	464.7	408.2	243.6	320.9	406.3	11.1%
<b>Balance</b>	<b>-171.6</b>	<b>-381.8</b>	<b>-406.7</b>	<b>-326.2</b>	<b>-186.8</b>	<b>-269.3</b>	<b>-317.6</b>	10.8%

\* Preliminary.

AARC Average annual rate of change.

Source: MIFIC.

**Table 31: FDI from Mexico**  
(US\$ thousand)

Economic sector	2006	2007	2008	2009	2010	2011*	Total	%
Telecommunications	45,500.0	117,115.0	160,782.2	38,406.4	84,062.7	85,863.6	531,729.9	88.30%
Free zones	6,290.0	7,900.0	3,100.0	12,683.2	4,475.3	1,990.7	36,439.2	6.05%
Industry	-	-	-	-	-	22,661.4	22,661.4	3.76%
Mines	-	3,392.3	456.7	-	-	3,329.9	7,178.9	1.19%
Trade and services	1,000.0	-	43.6	-	-	657.2	1,700.9	0.28%
Construction	1,600.0	-	-	-	-	-	1,600.0	0.27%
Finance	-	-	-	-	-	525.9	525.9	0.09%
Agriculture	-	-	-	-	115.2	125.8	241.0	0.04%
Energy	-	-	-	-	103.0	-	103.0	0.02%
<b>Total</b>	<b>54,390.0</b>	<b>128,407.3</b>	<b>164,382.5</b>	<b>51,089.6</b>	<b>88,756.2</b>	<b>115,154.5</b>	<b>602,180.2</b>	<b>100.00%</b>

\* Preliminary.

Source: Investment Promotion Policy Directorate (DPFI), MIFIC.

**Table 32: Trade balance and trade with the Dominican Republic**  
(US\$ million)

	2006	2007	2008	2009	2010	2011*
Exports	8.6	4.8	6.4	9.5	12.5	13.8
Imports	5.4	4.5	11.6	9.8	5.6	10.0
Trade balance	3.2	0.4	-5.2	-0.3	7.0	3.8
Trade	14.0	9.3	17.9	19.3	18.1	23.8

Source: MIFIC.

**Table 33: Nicaragua-United States trade performance**  
(US\$ million)

	2005	2006	2007	2008	2009	2010	2011*	AARC
Trade	1,707.0	2,153.0	2,423.0	2,611.0	2,314.0	2,881.0	3,556.0	13.0
Exports	1,182.0	1,526.0	1,608.0	1,707.0	1,612.0	2,012.0	2,607.0	14.1
Domestic	306.8	367.7	372.1	478.2	451.8	606.5	694.1	14.6
Free zones	875.2	1,158.3	1,235.9	1,228.8	1,160.2	1,405.5	1,912.9	13.9
Imports	525.4	626.7	814.7	904.2	701.7	868.6	949.3	10.4
Balance	656.6	899.3	793.3	802.8	910.3	1,143.4	1,657.7	16.7

\* Preliminary.

AARC Average annual rate of change.

Source: MIFIC.

**Table 4: Inter-annual growth rates - Trade with the United States**

	2005	2006	2007	2008	2009	2010*	2011
Trade	-	26.1	12.5	7.8	-11.4	24.5	23.5
Exports	-	29.1	5.4	6.2	-5.6	24.8	29.6
Domestic	-	19.9	1.2	28.5	-5.5	34.2	14.4
Free zones	-	32.3	6.7	-0.6	-5.6	21.1	36.1
Imports	-	19.3	30.0	11.0	-22.4	23.8	9.3
Balance	-	36.9	-11.8	1.2	13.4	25.6	45.0

\* Preliminary.

Source: USITC, DGA.

**Table 35: FDI from the United States, 2005-2011**  
(US\$ thousand)

Economic sector	2005	2006	2007	2008	2009	2010	2011	Total	%
Free zones	29,064.0	30,697.0	77,070.0	43,400.0	20,148.7	31,123.3	32,702.1	264,205.0	39.3%
Energy	-	4,417.0	1,154.3	59.7	1,149.9	133,748.2	26,963.7	167,492.9	24.9%
Tourism	5,413.3	18,222.5	4,167.2	1,308.5	20,045.1	32,537.9	17,740.6	99,435.1	14.8%
Trade and services	-	10,283.3	1,180.0	868.2	1,466.3	3,565.4	61,309.7	78,672.9	11.7%
Forestry	-	-	-	6,222.0	13,300.2	9,749.8	-	29,272.0	4.4%
Agriculture	-	-	-	-	87.3	48.4	12,894.5	13,030.1	1.9%
Industry	1,500.0	7,140.0	-	-	41.3	149.5	3,477.5	12,308.3	1.8%
Aquaculture	-	-	-	-	-	-	2,814.5	2,814.5	0.4%
Finance	-	-	-	-	2,213.1	-	-	2,213.1	0.3%
Mining	-	-	-	-	281.0	581.5	840.7	1,703.1	0.3%
Construction	-	-	-	-	83.3	442.2	-	525.5	0.1%
Fisheries	-	-	-	-	-	-	62.3	62.3	0.009%
Telecommunications	-	-	15.0	-	-	-	-	15.0	0.002%
<b>Total</b>	<b>35,977.3</b>	<b>70,759.7</b>	<b>83,586.5</b>	<b>51,858.4</b>	<b>58,816.2</b>	<b>211,946.2</b>	<b>158,805.6</b>	<b>671,750.0</b>	<b>100.0%</b>
<b>%</b>	<b>5.4%</b>	<b>10.5%</b>	<b>12.4%</b>	<b>7.7%</b>	<b>8.8%</b>	<b>31.6%</b>	<b>23.6%</b>	<b>100.0%</b>	

Source: DPFI, MIFIC.

**Table 36: Trade and trade balance with the United States excluding free zones**  
(US\$ million)

	2005	2006	2007	2008	2009	2010	2011*
<b>Trade</b>	<b>832.1</b>	<b>994.5</b>	<b>1,186.8</b>	<b>1,382.4</b>	<b>1,153.5</b>	<b>1,475.0</b>	<b>1,643.4</b>
<b>Exports</b>	306.8	367.7	372.1	478.2	451.8	606.5	694.1
<b>Imports</b>	525.4	626.7	814.7	904.2	701.7	868.6	949.3
<b>Balance</b>	<b>-218.6</b>	<b>-259.0</b>	<b>-442.6</b>	<b>-426.0</b>	<b>-249.9</b>	<b>-262.1</b>	<b>-255.2</b>

\* Preliminary.

Source: USITC, DGA.

**Table 37: Trade and trade balance with the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei)**  
(US\$ million)

	Year					AARC
	2007	2008	2009	2010	2011*	
<b>F.o.b. exports</b>	10.1	21.2	16.8	29.3	38.4	39.5
<b>C.i.f. imports</b>	15.4	21.0	13.6	16.3	18.4	4.6
<b>Trade balance</b>	-5.3	0.3	3.2	13.0	20.0	-
<b>Trade</b>	25.5	42.2	30.4	45.5	56.9	22.1
<b>% Exports</b>	39.7	50.3	55.2	64.3	67.6	-
<b>% Imports</b>	60.3	49.7	44.8	35.7	32.4	-

\* Preliminary.

AARC Average annual rate of change.

Source: MIFIC.

**Table 38: Trade and trade balance with Panama**  
(US\$ million)

	2005	2006	2007	2008	2009	2010	2011*	AARC
<b>Trade</b>	<b>18.4</b>	<b>29.7</b>	<b>23.7</b>	<b>27.3</b>	<b>23.2</b>	<b>23.7</b>	<b>32.1</b>	<b>9.7</b>
<b>Exports</b>	6.1	8.5	9.6	10.8	11.3	11.0	14.5	15.6
<b>Imports</b>	12.4	21.3	14.1	16.5	11.9	12.6	17.7	6.1
<b>Balance</b>	-6.3	-12.8	-4.6	-5.6	-0.7	-1.6	-3.2	-10.6

\* Preliminary.

AARC Average annual rate of change.

Source: MIFIC.

**Table 39: FDI received in 2011, by country of origin**  
(US\$ million)

Country	Amount
Canada	255.52
United States	158.81
Spain	115.59
Mexico	115.52
Venezuela	45.01
Korea	32.04
Brazil	16.58
Italy	10.07
Russia	6.06
Germany	4.9
Other	208.16
<b>Total</b>	<b>968.26</b>

**Table 40: Companies created under the one-stop investment facility (VUI)**

Type of capital	2006	2007	2008	2009	2010	2011	Total
<b>Domestic</b>	481	549	533	399	444	472	2,878
<b>Foreign</b>	72	51	55	31	28	30	267
<b>Mixed</b>	94	66	65	54	50	60	389
<b>TOTAL</b>	<b>647</b>	<b>666</b>	<b>653</b>	<b>484</b>	<b>522</b>	<b>562</b>	<b>3,534</b>

Source: VUI, MIFIC.

**Table 41: Size of companies created under the one-stop investment facility (VUI)**

Size/year	2006	2007	2008	2009	2010	2011	Total
<b>Micro</b>	88	50	29	37	28	107	339
<b>Small</b>	59	41	55	61	49	271	536
<b>Medium</b>	462	572	568	384	441	184	2,611
<b>Large</b>	12	3	1	2	4	0	22
<b>Not defined</b>	26	0	0	0	0	0	26
<b>TOTAL</b>	<b>647</b>	<b>666</b>	<b>653</b>	<b>484</b>	<b>522</b>	<b>562</b>	<b>3,534</b>

Source: VUI, MIFIC.



**Table 42: Current legal framework governing trade-related aspects of intellectual property**

Area	Amendments and additions
Copyright and related rights	Law No. 577, Law on Amendments and Additions to Law No. 312, Law on Copyright and Related Rights. Published in Official Journal <i>La Gaceta</i> No. 60 of 24 March 2006. Decree No. 24-2006, Amendments to Decree No. 22-2000, Regulations to the Law on Copyright and Related Rights. Published in Official Journal <i>La Gaceta</i> No. 63 of 29 March 2006.
Programme-carrying satellite signals	Law No. 578, Law on Amendments and Additions to Law No. 322, Law on the Protection of Programme-Carrying Satellite Signals. Published in Official Journal <i>La Gaceta</i> No. 60 of 24 March 2006.
Trademarks and other distinctive signs	Law No. 580, Law on Amendments and Additions to Law No. 380, Law on Trademarks and Other Distinctive Signs. Published in Official Journal <i>La Gaceta</i> No. 60 of 24 March 2006.
Patents, utility models and industrial designs	Law No. 579, Law on Amendments and Additions to Law No. 354, Law on Patents, Utility Models and Industrial Designs. Published in Official Journal <i>La Gaceta</i> No. 60 of 24 March 2006. Law No. 634, Law on Amendments and Additions to Law No. 354, Law on Patents, Utility Models and Industrial Designs. Published in Official Journal <i>La Gaceta</i> No. 196 of 12 October 2007. Decree No. 16-2006, Amendment to Decree No. 88-2001, Regulations to the Law on Patents, Utility Models and Industrial Designs. Published in Official Journal <i>La Gaceta</i> No. 57 of 21 March 2006.
Test data or undisclosed information on new pharmaceutical products	Ministerial Decision (MINSa) No. 115-2006, Procedure for the Protection of Test Data or Undisclosed Information on New Pharmaceutical Products. Published in Official Journal <i>La Gaceta</i> No. 58 of 22 March 2006.
General procedures for the approval of the registration and marketing of new pharmaceutical products for veterinary use and agricultural chemical products	Ministerial Decision (MAGFOR) No. 07-2006, General Procedures for the Approval of the Registration and Marketing of New Pharmaceutical Products for Veterinary Use and Agricultural Chemical Products. Published in Official Journal <i>La Gaceta</i> No. 58 of 22 March 2006.
Penal Code	Law No. 641, Penal Code. Published in Official Journal <i>La Gaceta</i> Nos. 83, 84, 85, 86 and 87 of 5, 6, 7, 8 and 9 May 2008.
Ancestral traditional medicine	Law No. 759, Law on Ancestral Traditional Medicine. Published in Official Journal <i>La Gaceta</i> No. 123 of 4 July 2011.

Source: MIFIC.

**Table 43: Patents and industrial designs listed in the Intellectual Property Register**

Form of protection	2006	2007	2008	2009	2010	2011
Invention	39	52	52	51	45	61
Utility model	3	0	0	0	0	2
Industrial design	13	2	20	17	21	13
<b>Total</b>	<b>55</b>	<b>52</b>	<b>72</b>	<b>68</b>	<b>66</b>	<b>76</b>

Source: MIFIC.

**Table 44: Trademarks and other distinctive signs listed in the Intellectual Property Register**

Origin	2006	2007	2008	2009	2010	2011
Domestic	547	579	466	278	97	400
Foreign	2,669	2,981	2,502	1,795	2,136	3,079
<b>Total</b>	<b>3,216</b>	<b>3,560</b>	<b>2,968</b>	<b>2,073</b>	<b>2,233</b>	<b>5,490</b>

Source: MIFIC.

**Table 45: Copyright and related rights listed in the Intellectual Property Register**

Status	2006	2007	2008	2009	2010	2011
Applied for	139	87	100	118	142	138
Registered	113	66	87	111	121	133

Source: MIFIC.

**Table 46: Laws and regulations forming the current legal framework for the promotion of competition**

	Date of adoption	Official Journal No.
Laws		
<b>Law No. 601 - Law on the Promotion of Competition</b>	Adopted on 28 September 2006	Published in Official Journal <i>La Gaceta</i> No. 206 of 24 October 2006
<b>Law No. 668 - Law on Amendments and Additions to Law No. 601, Law on the Promotion of Competition</b>	Adopted on 14 August 2008	Published in Official Journal <i>La Gaceta</i> No. 174 of 9 September 2008
<b>Law No. 773 - Law on Amendments to Law No. 601, Law on the Promotion of Competition</b>	Adopted on 21 September 2011	Published in Official Journal <i>La Gaceta</i> No. 200 of 24 October 2011
Regulations		
<b>Regulations to Law No. 601, Law on the Promotion of Competition</b>	Decree No. 79-2006, approved on 21 December 2006	Published in Official Journal <i>La Gaceta</i> No. 10 of 15 January 2007

Source: PROCOMPETENCIA.

**Table 47: F.o.b. exports of fishery products 2006-2011 and estimate for 2012**  
(US\$ million)

Year and month	Shrimp		Total				Total
	Farmed	Marine	Shrimp	Lobster	Fish	Other	
2006	38.4	10.2	48.6	40.0	10.4	2.8	101.8
2007	36.0	10.1	46.1	46.8	11.4	2.6	107.0
2008	40.8	7.5	48.3	36.9	11.5	2.5	99.2
2009	37.7	6.8	44.5	31.1	10.3	3.1	88.9
2010	48.7	9.2	57.9	40.4	14.2	2.9	115.4
2011	55.6	6.6	62.2	45.9	15.4	0.9	124.4
2012*	76.4	8.0	84.4	40.1	15.3	0.8	140.7
<b>Growth</b>							
2011/2006	44.5%	-35.1%	27.9%	15.0%	48.3%	-67.3%	22.3%
2012/2011	37.6%	21.4%	35.9%	-12.7%	-0.8%	-12.3%	13.0%

Source: INPESCA.

**Table 48: Exploited energy potential**

GENERATION TYPE	POTENTIAL (MW)	EFFECTIVE INSTALLED CAPACITY (MW)	PERCENTAGE EXPLOITED (%)
HYDROELECTRIC	2,000	98	5%
GEOTHERMAL	1,500	63	4%
WIND	800	63	8%
BIOMASS	200	120	60%
<b>TOTAL</b>	<b>4,500</b>	<b>344</b>	<b>8%</b>

Source: MEM, June 2012.

Table 49: Generation projects entering into operation in 2012-2016

Project	Generation type	Capacity (MW)	Investment (US\$ million)		Entry into operation
			Total	Unit	
<b>1. Projects with a generation licence</b>					
San Jacinto Tizate, Phases I and II	Geothermal	72.0	415.0	5,764	36 MW in Dec 2011, 36 MW in Dec 2012
Blue Power	Wind	39.6	110.0	2,778	July 2012
Eolo	Wind	37.5	105.0	2,800	July 2013
Larreynaga	Hydroelectric	17.2	58.9	3,424	May 2013
Hidropantasma	Hydroelectric	12.0	43.3	3,608	July 2013
Tumarín (governed by Special Law)	Hydroelectric	253.0	1,126.0	4,451	January 2017
Alba Rivas	Wind	40.0	110.0	2,750	September 2014
<b>Subtotal</b>		<b>471.3</b>	<b>1,968.2</b>	<b>4,176</b>	
<b>2. Ongoing projects**</b>					
Casita - San Cristóbal / Exploration contract	Geothermal	35.0	140.0	4,000	January 2015
El Hoyo - Monte Galán / Exploration contract	Geothermal	35.0	140.0	4,000	January 2015
Alba Geo / Exploration contract	Geothermal	35.0	140.0	4,000	January 2015
<b>Subtotal</b>		<b>105.0</b>	<b>420.0</b>	<b>4,000</b>	
<b>3. Projects with a high likelihood of implementation**</b>					
Boboké	Hydroelectric	70.0	252.6	3,609	September 2016
Geotérmico	Geothermal	35.0	140.0	4,000	June 2016
<b>Subtotal</b>		<b>105.0</b>	<b>392.6</b>	<b>3,739</b>	
<b>TOTAL</b>		<b>681.3</b>	<b>2,780.8</b>	<b>11,915.2</b>	
<b>4. Projects with a provisional licence that are under consideration*</b>					
R.E. Wind	Wind	63.0			
Blue Power Energy Oriente	Wind	42.0			
La Campana	Wind	39.1			
Vientos Alisios (generation licence pending)**	Wind	40.0	108.0	2,700	
<b>Subtotal</b>		<b>184.1</b>	<b>-</b>	<b>-</b>	

\* Cost and date of entry into operation not yet established.

\*\* Estimated costs.

Source: MEM, June 2012.

Table 50: Number of tourists entering the country

	2006	2007	2008	2009	2010	2011
<b>Tourists</b>	890,939	978,337	1,010,323	1,010,065	1,071,668	1,121,537
<b>% Growth</b>		<b>9.81%</b>	<b>3.27%</b>	<b>-0.03%</b>	<b>6.10%</b>	<b>4.65%</b>

Source: BCN.