

## CENTRAL AMERICA AND THE CARIBBEAN AS BUSINESS DESTINATIONS

**Central America and the Caribbean** with 90 million consumers is an often-overlooked region of opportunities, stated Chris Bennett from the Caribbean Council. Although the markets are small, and the integration is poor, business can be highly profitable in the long run. The largest economies in the region are **Puerto Rico, Cuba, Dominican Republic, Guatemala and Panama**. The key business areas are energy and extractive industries, transport infrastructure, tourism sector and hurricane reconstruction.

Countries across the region are investing in new conventional energy generation, and incentivizing renewable take up and energy efficiency. Massive potential is identified for solar, wind, tidal/wave and thermal energy. The Caribbean is the leading blue water destination in the world. The best way to succeed in doing business in Central America and the Caribbean is to find a good partner.

Tourism is the most significant economic contributor and employer in the region. It is important for the tourism industry to diversify its markets and products, improve and update much of its hotel stock, expand airlift and inter-island connections, retain competitiveness on price, improve marketing and gain access to low cost finance. **Costa Rica** is a leading tourist destination in the region. **Nicaragua**, Guatemala and **El Salvador** are looking to emulate the success of Costa Rica. **Cuba** is opening ownership for foreigners for the first time.

The main ports in the region are undergoing major upgrade and expansion. Many second-tier ports and inland infrastructure such as roads and bridges need maintenance and repair. Airports are of great importance in the region, which is depended on tourism and aims to attract business as a hub. The cruise market in the Caribbean is very large with approximately 27 million visitors in 2017. New ships and creation of new berths or upgrading existing berths and cruise terminals are in the plans.

**The Dominican Republic** is known as a holiday resort, but it is also a business hub with developed environment and offers incentives which business can enjoy. Logistics between ports and free trade zones play an important role in the Republic's economy. In **Guatemala**, there are plans to develop tourism, textile, service and intermedia industries and agriculture by 2025. **Panama** is a very service-oriented economy with good transport connections. **Cubans** need technology to cultivate different kinds of agricultural products. Energy and logistics sectors also offer business opportunities in Cuba. Danish enterprises are very active in Nicaraguan cacao business.

**Free Trade Agreements** between the EU, Central America and the Caribbean make it easier for Finnish companies to do business in the region. Some countries are also members of the Customs Union and there are attempts to deeper regional integration.

The Finnish Ambassador for the Caribbean, Mr. Jukka Pietikäinen promised to organize "mini fact finding" missions if there are interest among Finnish enterprises.

Yours to Discover – Seminar on Central America and the Caribbean was organized in Helsinki on March 13, 2018 by the Ministry for Foreign Affairs of Finland, Business Finland and the Finnish-Latin American Trade Association.

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