



Trade Americas Update

January 2006

Business Opportunities

Canada

Industry: Household and Office/Institutional Furniture

The Canadian household furniture market for new and traditional products is growing. Future growth in mass-market and niche segments will be influenced by the state of the economy, the housing market and inflation.

The Canadian household furniture market grew by 15% in 2004 and grew at a slower pace in 2005. The U.S. has traditionally dominated the Canadian import market and although Canada imports household furniture from other countries, the United States is still the major supplier of higher quality household furniture in the Canadian marketplace.

Similarly, the Canadian office/institutional furniture market experiences steady growth over the last decade. The U.S. Commercial Service in Toronto believes that growing consumer demands for more contract furniture solutions, less corporate designs, and demand for more green furniture products will increase and present good opportunities for U.S. manufacturers of office/institutional furniture interested in exporting to Canada.

The Canadian market for office/institutional furniture grew by 13% in 2004 to US\$3.2 billion. The U.S. Commercial Service in Toronto expects this industry segment will grow further in 2005 to US\$3.3 billion. This is good news for U.S. exporters who can currently supply 50% of the Canadian office/institutional furniture market. The province of Ontario is the primary destination for office and institutional furniture imported into Canada and accounts for 86% of the U.S. total office/institutional furniture exports destined to this country. The current strength of the Canadian dollar, relative to the U.S. dollar, has made imports for this furniture category from the United States cheaper thereby increasing the performance of U.S. exports in this market.

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

For more information regarding office/institutional furniture, click [here](#).

Chile

Industry: Medical Equipment

Integramedica, one of Chile's most important Medical Service Centers, has decided to open three new medical clinics in the next four years in the city of Santiago. Until now, Integramedica's business has been centered on ambulatory (outpatient) procedures and exams. At present, all major surgeries are being transferred to other clinics, but Integramedica's own medical staff makes the operations.

Even though Integramedica's present number of patients assures them a market share, they are going to be operating in a very competitive market. For this reason, they are requiring cost effective medical equipment, evaluated in a project to handle the local price level, high technical standards, and the increasing tendency of health insurance to keep costs as low as possible. Integramedica's investment decisions are made considering financial feasibility and not academic or theoretical medical exercises.

The clinics should be capable of solving middle complexity surgeries, specialized in gynecology - obstetrics, surgery, ophthalmology, otorhinolaryngology, urology and traumatology. The main clinic, expected to open sometime this year, is planned to be equipped with intensive care units, three general operating rooms and one major ambulatory operating room. Integramedica is considering 80 - 100 rooms and 100,000 square feet per clinic.

Integramedica would like to explore with U.S. businesses any commercial possibility to purchase American made equipment (or at least with 51% American made components, to meet EXIM Bank requirements) for all areas, especially in the operating

rooms, ICU, radiology and others of the sort. Integramedica has an approved US\$6 million credit line with the PNC Bank.

For further information, contact Patricia.Jaramillo@mail.doc.gov

Dominican Republic

Industry: Hotel and Restaurant Equipment

After the lull following September 11, 2001, Caribbean tourism has, once again, begun to boom. New hotels, resorts, and restaurants are constantly being established, with existing enterprises undergoing renovations. An ever-increasing demand for hotel and restaurant equipment, coupled with a reliance on imports, has created vast export opportunities to Barbados and the Dominican Republic for U.S. suppliers. Moreover, the United States continues to maintain its status as the predominant trading partner of both countries.

With the upcoming implementation of the Central American-Dominican Republic Free Trade Agreement, exports of hotel and restaurant equipment from the United States to the Dominican Republic will rise significantly.

In the Dominican Republic, there is minimal local production in the hotel and restaurant equipment sector, as evidenced by the fact that imports constituted 96.8% of the aggregate market in 2004. Moreover, the Dominican Republic acquired 40% of total imports, valued at US\$18 million, from the United States in 2004.

Activities necessary for the promotion of tourism are constantly stimulating the hotel and restaurant equipment market. The Dominican Republic is deemed the predominant vacation destination among its Caribbean contemporaries. As such, the hotel and restaurant equipment sector is expected to continue to benefit from the construction and renovation of restaurants and hotels in the area.

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

Mexico

Industry: Fertilizer

The vast majority of fertilizers used in Mexico are nitrogenous and inorganic. While the use of fertilizers is neither as heavy nor as widespread as in the U.S., demand is increasing at a rapid rate. Local production is minimal and has not been able to keep up with the

growing market. Foreign fertilizers are seen as being higher quality, in particular those from the U.S., and this provides for profitable opportunities for new entrants. However, despite rising demand for fertilizers, the U.S. has been losing market share. While the market grew 31% in 2005, U.S. imports only grew by 3%. Much of this may be explained by the high cost of petroleum inputs. Still, imports of U.S. nitrogenous fertilizers have increased, just not in line with market growth. There are plenty of opportunities for newcomers in this arena despite increased global competition. Although inorganic fertilizers make up 98% of the market, organic compounds have great growth potential as agriculturalists look to these crops for increased profit margins.

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

Nicaragua

Industry: Cold Change Storage Equipment

The cold chain in Nicaragua is seriously lacking in many areas, impairing quality and compliance with sanitary standards on goods for both export and domestic consumption. The country's cold chain system, especially cold storage rooms, refrigerated containers, and refrigerated trucks are in high demand, but price is a major issue in purchase considerations. As such, used equipment in good condition is in high demand. Loan programs for promoting exports of dairy products are currently being implemented; details can be obtained from the Comision Nacional de Promocion de Exportaciones (CNPE, National Commission for Exports Promotion).

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

Peru

Industry: Food Processing and Packaging Equipment

The Peruvian market for food and beverage processing and packaging (FPP) equipment totaled US\$79.9 million in 2003, US\$83.9 million in 2004, and US\$91.8 million in 2005. Imports are expected to grow at an average annual rate of 6.1% for the next two years. In 2005, the U.S. was the principal supplier of food and beverage processing and packaging equipment with market share of 13.5%, followed by Brazil (8.4%), Italy (5.8%), and Germany (4.4%).

From 2001 until present, Peru experienced strong, export GDP growth. High mineral prices, fiscal austerity and agricultural exports that benefited from the Andean Trade Promotion and Drug Eradication Act (ATPDEA) contributed to Peru's excellent economic performance. The ATPDEA will expire on December

31, 2006. On December 7, 2005, Peru and the United States completed Trade Promotion Agreement (TPA) negotiations. Once ratified, the TPA will provide U.S. exporters better and reciprocal access to Peru's markets and an improved commercial and investment climate. The prospect of a ratified TPA is generating increased expectations within the Peruvian food and beverage processing and packaging industry because the agreement continues and expands existing ATPDEA benefits. Local food producers interviewed for this study expressed optimism about the benefits that the TPA will offer to the local economy. The advent of a TPA is prompting local food and beverage producers to consider replacing and upgrading existing equipment with more advanced and automated equipment, both in the processing and packaging production methods. The 9.4% growth of the FPP sector as well as the 25% growth of the agribusiness sector are the driving forces behind foreign and local entrepreneurial initiatives.

The local industrial food sector is very diverse and includes many important segments such as beverage, fish/seafood, fruit, edible oils, grain, dairy products, meat and sausages, poultry, biscuits, chocolate and confectionary, and sugar. Therefore, the type of equipment in demand for the next few years (2006-2007) will also be diverse. To be successful, U.S. companies will need to be well versed regarding the new equipment needs of local processed food producers. According to industry specialists, Peruvian prepared packaged meals, targeted to ethnic groups worldwide, will constitute a growing market niche for U.S. equipment and packing material suppliers. It is necessary to provide value-added and customized solutions, both in equipment and services, to succeed as supplier to this industry. The Commercial Service recommends that U.S. exporters hire a local representative to track trends and advise them about new equipment requirements.

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

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

Venezuela

Industry: Hair Care Products

Hair care products constitute a significant and promising sub sector within the overall Venezuelan cosmetic and toiletry market. These products have a long-established acceptance in Venezuela, where core items such as shampoos are regarded as essential purchases.

A population of 25 million Venezuelans, a favorable cultural predisposition toward this type of product, and a growing consumer demand fueled by high oil prices all contribute to the strength of the Venezuelan hair care products market

According to Venezuelan Customs figures, hair care product imports have grown at an annualized rate of roughly 5% over the last four calendar years, from US\$ 36.6 million in 2000 to US \$57 million in 2004. The subsector's value has grown through the popularity of the higher-margin products and growth in areas such as colorants and styling agents.

Positive growth factors, combined with imports' dominance of the subsector, mean that the Venezuelan hair care products market represents significant opportunity to U.S. exporters with the right type of hair care products to offer and an interest in entering, or expanding their presence in, the Venezuelan market.

However, exchange control factors, consumer prices that are rising faster than real wages, and the impact of oil price volatility on a petroleum-based economy are the negative factors U.S. exporters should factor into their decisions about the Venezuelan hair care products market.

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

Trade Events

Brazil

Industry: Construction Machinery

The Brazilian market for construction machinery is currently estimated at US\$ 2.2 billion. The Public-Private-Partnership bill (PPP) approved by the federal government in 2005 should bring a new flow of investments in infrastructure projects, contributing to the expansion of the construction machinery market in the coming years.

M&T Expo (www.mtexpo.com.br) is the largest construction machinery show in South America and will take place on June 6 – 10, 2006 in Sao Paulo, Brazil. It is held every three years and in its last edition 234 exhibitors featured the latest equipment, product innovations, and technological advances attracting more than 25,000 industry professionals from around the world. For 2006, more than 32,000 visitors are expected with more than 300 exhibitors and 800,000 square feet of exhibition space.

M&T Expo is sponsored by the Brazilian Association of Technology and Equipment Maintenance – Sobratema (www.sobratema.org.br) and organized by Alcantara Machado Feiras e Negocios (www.alcantara.com.br). If your company is interested in exhibiting at the show you should contact the organizer at info@alcantara.com.br.

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

For more information regarding the Public-Private Partnership bill, click [here](#).

Canada

Industry: Hardware, Home Improvement, Lawn and Garden, Building Products and Equipment

The Council of American States in Canada (CASC) and the U.S. Commercial Service is organizing a Meet the Buyers™ Seminar that will help businesses connect with Canada's Hardware/Home Improvement Retail Industry.

This one-day program will take place in Toronto on Monday, April 3, 2006 and consists of a morning seminar that will identify trends in the Canadian hardware/home improvement industry, as well as outline the presentation criteria by the retail buyers themselves. In addition, U.S. companies will have the opportunity to network with Canadian manufacturers in attendance at this morning seminar. In the afternoon, only U.S. participating firms will be invited to have a brief one-on-one meeting with buyers from such retailers as Home Depot Canada, RONA, Sears Canada, Canadian Tire Corporation, Home Hardware and Lowe's Canada (which is planning to open its first ten stores in the Greater Toronto Area by 2007).

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

Chile

Industry: Mining Technology

Chile, as one of the most important mining countries in the world, will host FRAGBLAST-8. This symposium is organized by ASIEX - Asociación Chilena de Ingenieros Explosivistas A.G.- the Chilean Chapter of the International Society of Explosives (ISEE). The meeting aims to bringing together scientists, engineers and practitioners from all parts of the world who are applying and developing explosives technology, blasting techniques, measurement and monitoring techniques, as well as researchers in fracture mechanics, wave propagation and rock damage mechanisms in the field of rock fragmentation, blasting

and other similar energetic processes. It will provide a forum for reassessment, discussion and dissemination of the latest theory and practice in this area.

FRAGBLAST - 8 will take place from Sunday, May 7th to Thursday, May 11th, 2006, at Universidad de los Andes, School of Engineering, in Santiago.

For more information, please contact Carlos.Capurro@mail.doc.gov

Colombia

Industry: CATV Broadband and Converging Technologies

Andina Link is the top trade show for the Latin American market of CATV Broadband and new converging technologies. Andina Link has been uniting the industry for eleven consecutive years now with a yearly growth of 30%. Last year's show had 1500 visitors (objective public only) and 100 exhibitors. In Andina Link' 2006, Cartagena will gather all cable operators and all cable associations from thirteen countries: El Salvador, Nicaragua, Honduras, Guatemala, Bolivia, Costa Rica, Panama, Venezuela, Colombia, Peru, Ecuador, Bolivia and the Dominican Republic. Present will be distributors and manufactures of new technologies, programmers and TV channels from around the world, and other companies related to this growing industry. Andina Link's exhibitors are technology, services and programming companies that want to enter or are already working in the Latin American market.

It is a reality nowadays that all technologies are converging. That is why in 2006, Andina Link is bringing together all the broadband, and new technologies like: Interactive TV, HDITV, Contents on demand, (VOD/SVOD), High Speed Modems, next generation Networks, Internet Telephony, Data, On-Line Gaming, Home Networking, etc. Andina Link 2006 will take place in the beautiful city of Cartagena de Indias, Colombia, February 20th, 21st and 22nd in the convention center.

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

Mexico

Industry: Clinical Laboratory

The Mexican market for clinical diagnostic products is still highly dependent on foreign technology. Health regulations require some diagnostic products to obtain a sanitary registration and a sanitary import permit. Compliance with these requirements may only be

achieved through a local distributor or representative. Expo Lab 2006 trade show is an excellent opportunity to network with potential business partners and for innovative product exposure.

Mexico offers an excellent market for clinical diagnostic products. Diagnostic products must be registered with Mexican health authorities, and in some cases require a sanitary import permit issued by the Secretariat of Health Clinical, which is why U.S. companies must appoint a qualified Mexican distributor. The import market for this sector has been growing steadily for the past few years; in 2004 imports for clinical diagnostic products totaled US \$137 million, and are expected to read US \$150 million in 2005. The U.S. is the largest foreign supplier of clinical diagnostic products to the Mexican market accounting for 53% of the total import market.

Every year, the Mexican Association of Clinical Biochemistry (AMBC) holds a National Congress and trade show (Expo Lab) gathering about 1200 professionals in clinical laboratory fields such as clinical chemistry, microbiology, hematology, and immunology. This time, the National Congress and Expo Lab will take place in Acapulco from March 4th to 8th, 2006 at Las Brisas Hotel.

The scientific program will cover current topics about the clinical laboratory through pre-congress sessions, conferences, symposia, individual works, as well as accreditation and education symposia with participation of Mexican and international speakers. The official language of the event is Spanish but there will be simultaneous translations for the scientific sessions.

Expo Lab is an excellent opportunity for market exposure for U.S. firms. Expo Lab is one of the leading trade shows in Mexico for the latest technologies in the clinical laboratory (instruments, equipment, materials, reagents, etc.).

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

Useful Websites

Ever need any information on a country in Latin America? Look into these resources!

[Andean Trade Promotion and Drug Eradication Act](#)

To learn more about the Andean Trade Promotion and Drug Eradication Act (ATPDEA) that affects trade with

Bolivia, Ecuador, Columbia and Peru, read the official White House proclamation at the above link.

[Commercial Service Market of the Month: the River Plate Region](#)

The US Commercial Service highlights the River Plate Region of South America, consisting of Uruguay and Argentina, as a strategic trade location this month. Facts about these two countries, including economic agreements and treaties, government statistics, industry reports, and export prospects are all available at this website.

[Inter-American Development Bank](#)

Since 1959, the Inter-American Development Bank has worked as a development institution in the Latin American world. Its website provides a wealth of information on politics, trade and economics in the region, various development projects, research, and country profiles.

[LATIN TRADE](#)

The Latin Trade website provides reports regarding trade news and updates in Latin America.

[National Law Center for Inter-American Free Trade](#)

The National Law Center for Inter-American Free Trade is a 501(c)(3) non-profit research and educational institution affiliated with the James E. Rogers College of Law at the University of Arizona in Tucson, Arizona. The Center is dedicated to developing the legal infrastructure to build trade capacity and promote economic development in the Americas. Their website provides information regarding laws and regulations in the Americas, translation services, search engines, and country reports.

[World Bank Spotlight on Brazil](#)

Throughout the year, the World Bank profiles different countries worldwide and provides a comprehensive profile of that country on their website. Currently, the World Bank is highlighting Paul Wolfowitz's December visit to Latin America's largest country: Brazil. This site provides information regarding his visit, as well as various reports on topics ranging from AIDS and the Amazon to literacy and energy projects. Pictures, profiles, and statistics are also available.