

# NICARAGUA OVERVIEW



2020



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and quality of  
life



**5.**  
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opportunities



# 1. GENERAL INFORMATION





# COUNTRY PROFILE

## Territorial extension

130,373 km<sup>2</sup>

## Population

6.4 million

## Standard time zone

UTC/GMT -6 horas

## Official language

Spanish

## Currency

Cordoba (C\$)

## Official exchange rate\*

C\$34.3 = US\$1.00







# MACROECONOMIC DATA





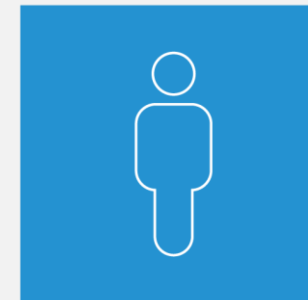
# #1 IN CENTRAL AMERICA

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Lower **export**  
**management**  
**costs**



Lowest  
**homicide**  
**rate**



**High-quality**  
**road** network



Lowest  
**organized**  
**crime** rate



Less time  
to **open a**  
**business**





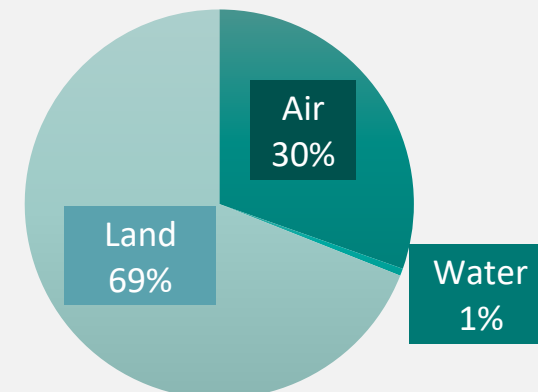
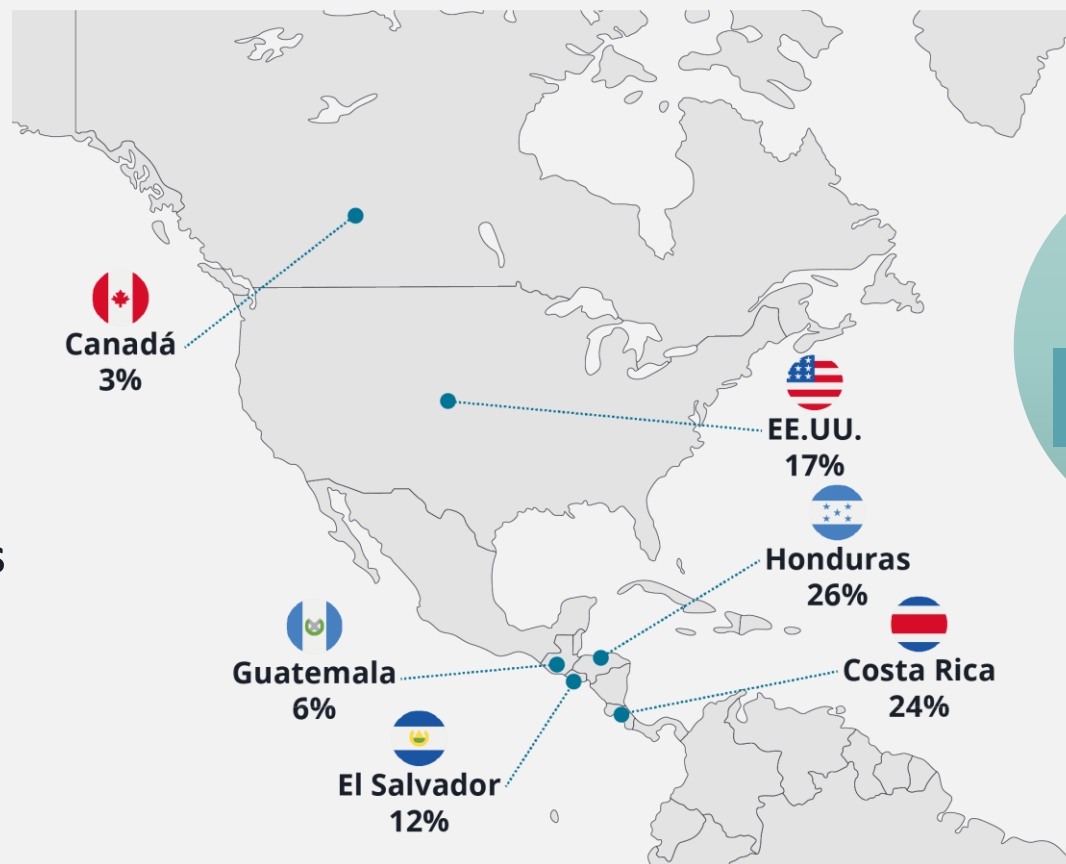
# TOURISM



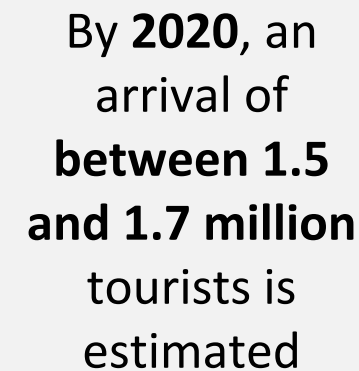
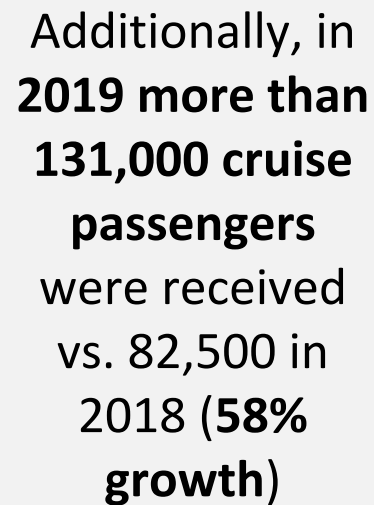
**1.3 millions**  
tourists



**US\$544.4 millions**  
in income  
(4.1% PIB)



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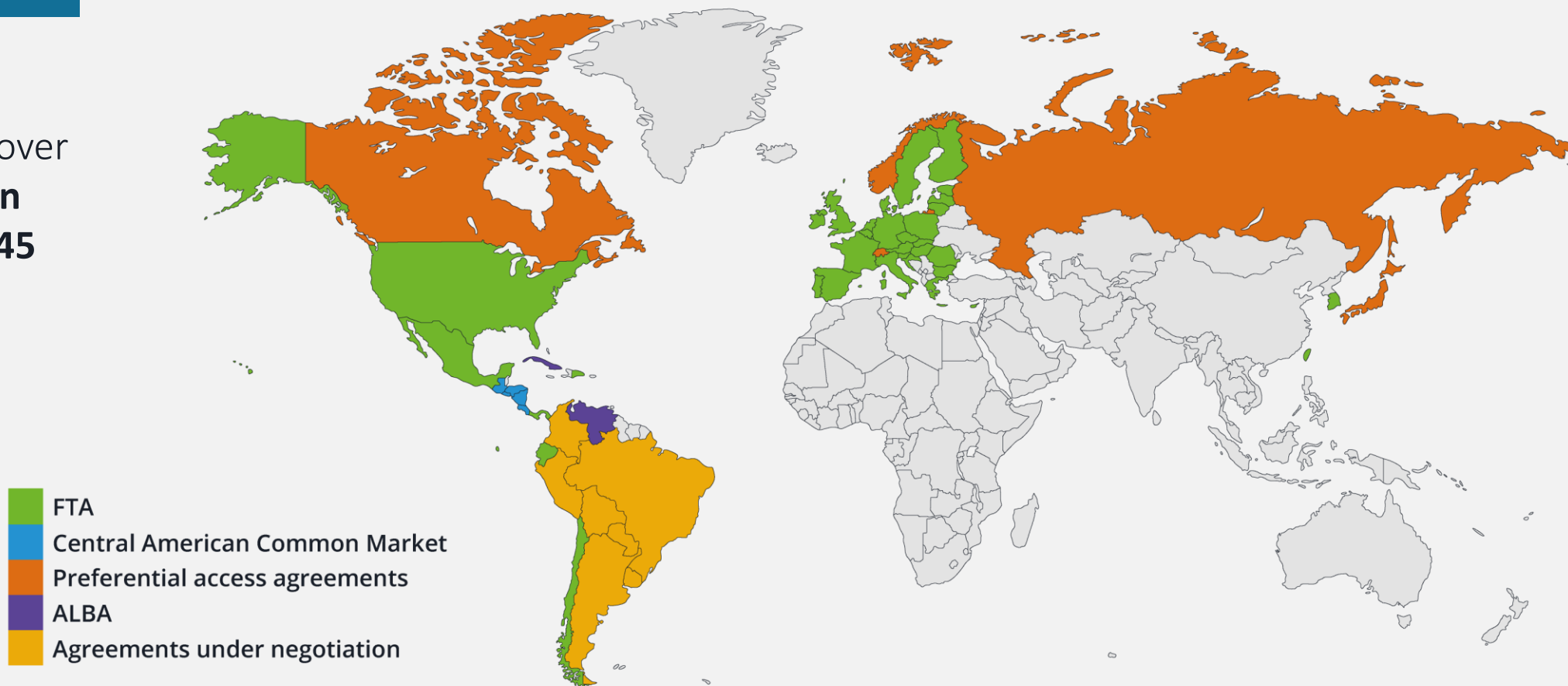






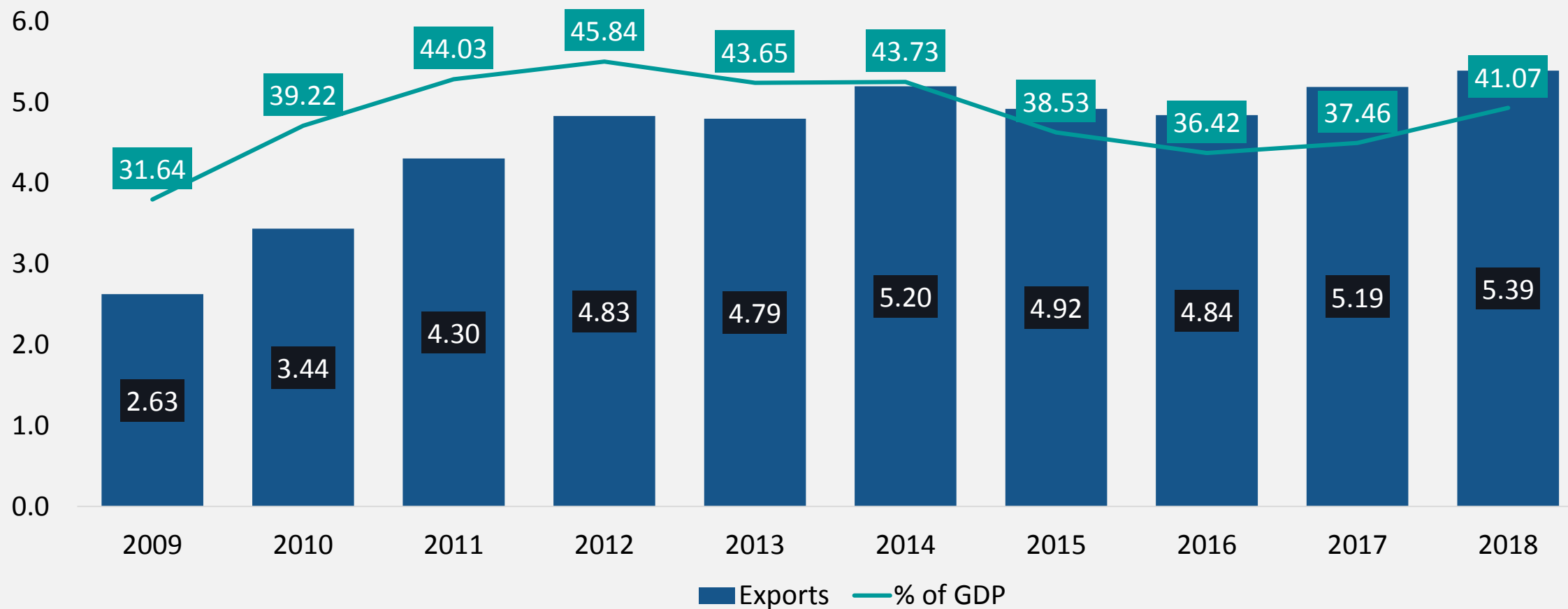
# TRADE AGREEMENTS

Access to over  
**+1.5 billion**  
people in **45**  
**countries**



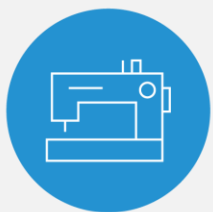


# EXPORTS

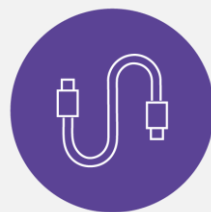




# MOST EXPORTED PRODUCTS



**33.2%**  
textiles and  
apparel



**10.3%**  
automotive  
harnesses



**8.9%**  
beef



**7.8%**  
coffee



**6.9%**  
gold



**4.8%**  
cigars and  
tobacco



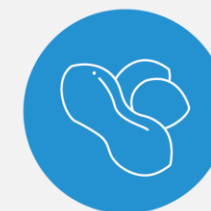
**4.2%**  
fish and  
shellfish



**3.1%**  
dairy  
products



**3.1%**  
sugar



**2.1%**  
peanut



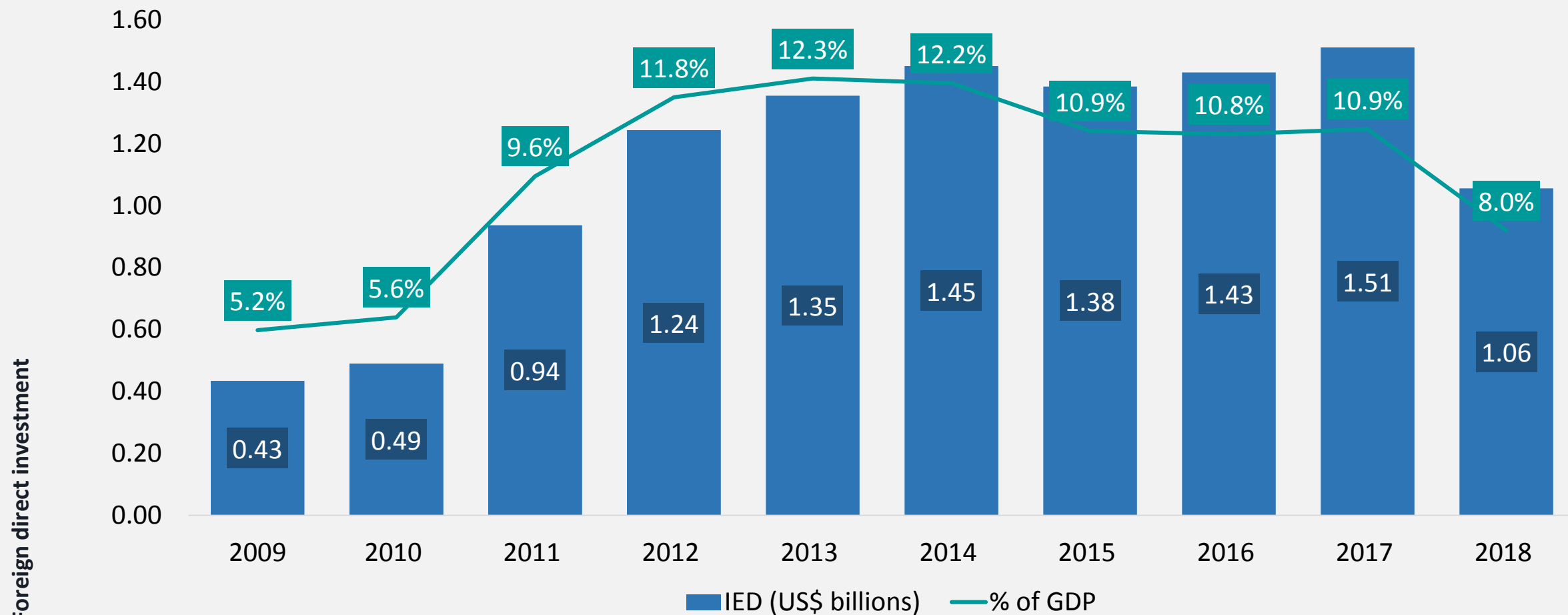


## 2. FOREIGN DIRECT **INVESTMENT**

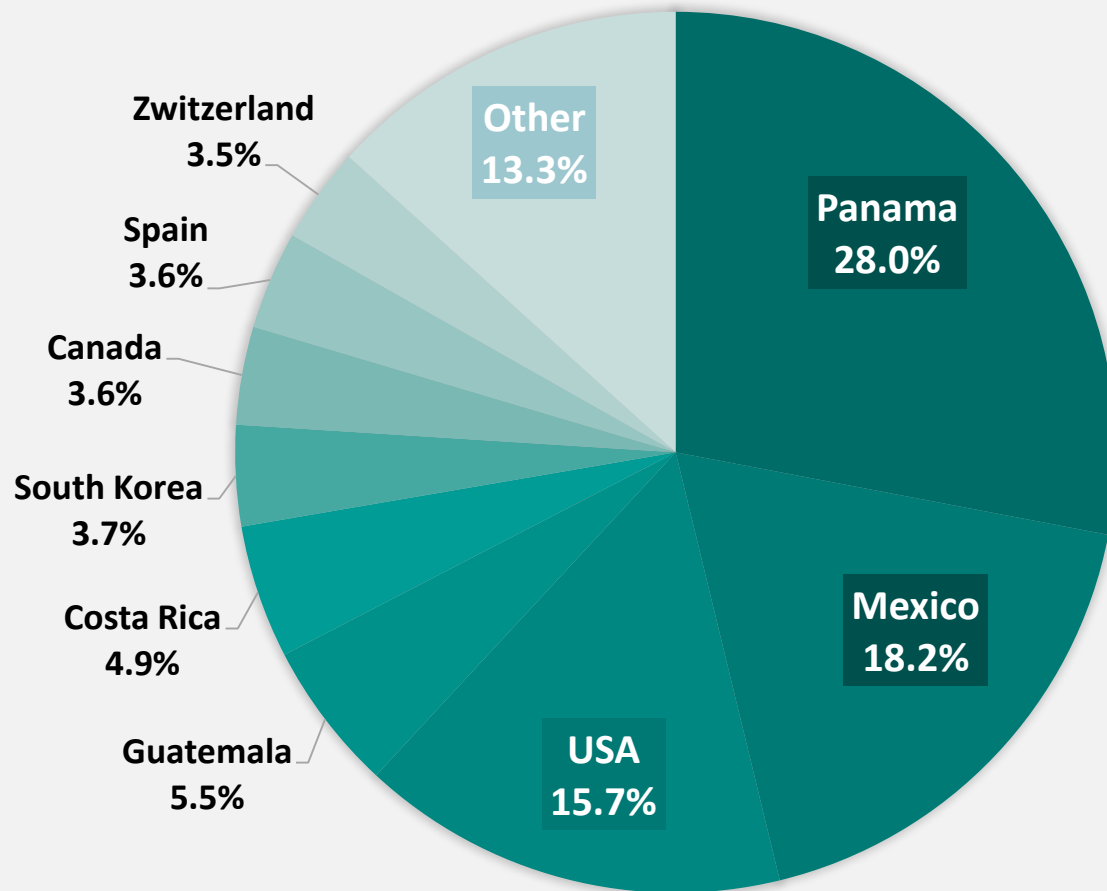




# FDI INFLOWS



# SOURCE COUNTRIES AND INVESTMENT SECTORS IN 2018



**39.2%**  
industry



**20.0%**  
financial



**20.0%**  
trade and services



**7.3%**  
telecommunications



**5.5%**  
mining



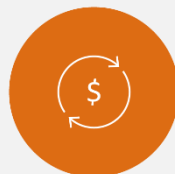


# INVESTMENT INCENTIVES

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## Foreign Investment

Promotion Law  
(Law 344)



Law to **Promote Electricity  
Generation** from Renewable  
Sources (Law 532)

## Industrial Free Trade Zone

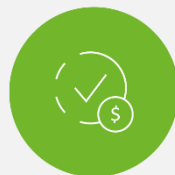
Incentives Law  
(Law 917)



Special Law on **Exploration  
and Exploitation  
of Mines** (Law 387)

## Temporary Admissions

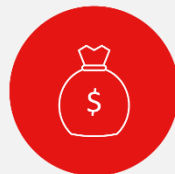
Law  
(Law 382)



**Tourism Industry  
Incentives** Law  
(Law 306)

## Tax Coalition

Law  
(Law 822)



**Pensioners and Retirees** Law  
(Decree 628)



# FOREIGN INVESTMENT FACILITATION

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**Free** currency  
convertibility



**Freedom to  
repatriate** capital  
and profits



**100% foreign  
investment  
capital**

**Equal treatment**  
for national and  
foreign investors



**Full protection** of  
property rights

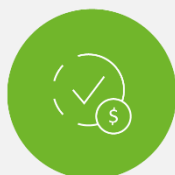


**Fixed currency**  
devaluation against  
the US\$





# INVESTMENT INCENTIVES



## Temporary Admissions Law (Law 382)

### REQUIREMENT:

Export at least 25% of total sales, for a value of no less than US\$50,000

### EXEMPTION (PROPORTIONAL):

Import taxes



## Industrial Free Trade Zone Incentives Law (Law 917)

### REQUIREMENT:

- Export 100% of total sales

### EXEMPTION (100%):

- Income Tax (IR) \*
- Import taxes
- Municipal taxes
- Value Added Tax (VAT)
- Capital gains
- Property tax

\*Valid for 10 years, with the possibility of extending once.

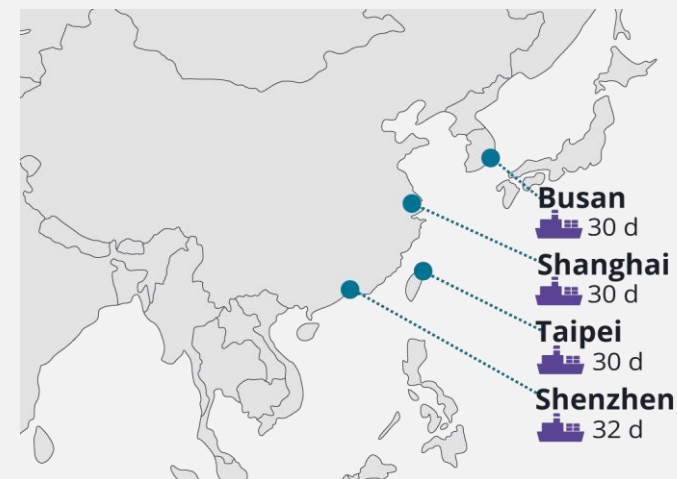
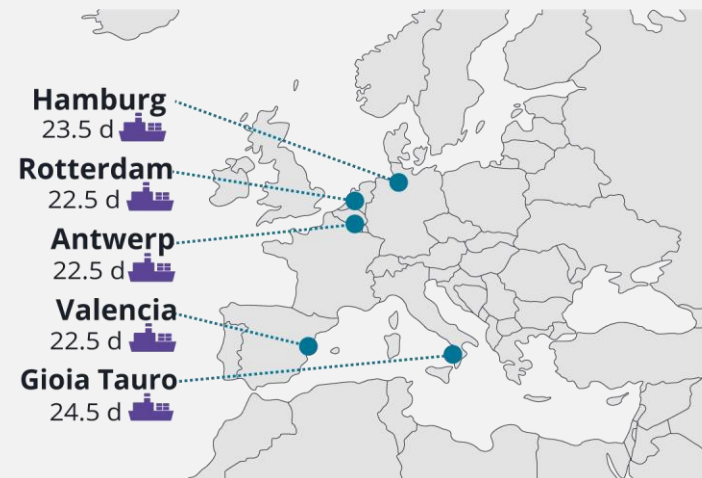


### 3. LOGISTICS AND INFRASTRUCTURE





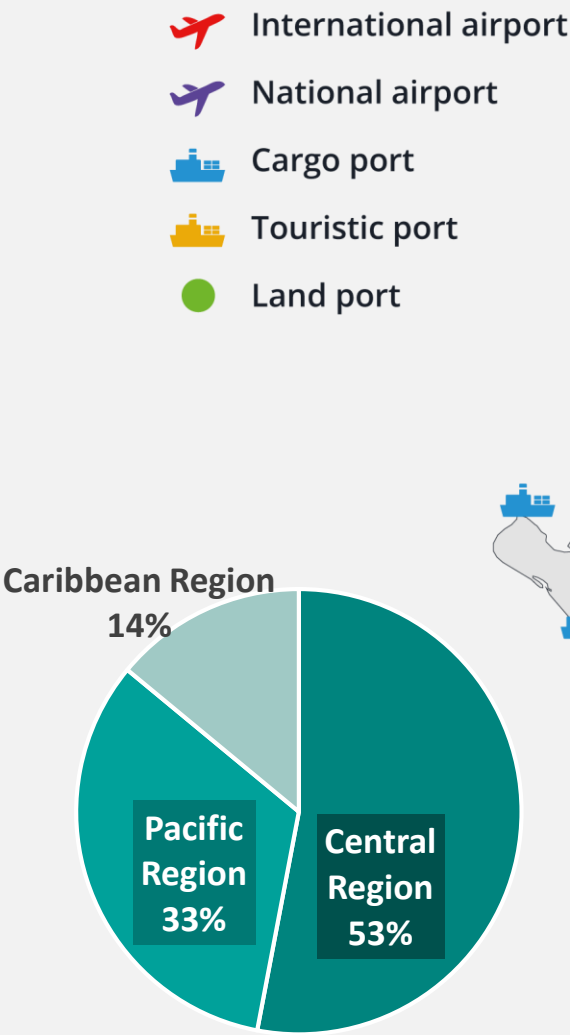
# CONNECTIVITY



# PORTS AND ROADS



24,763 km  
national road  
network







# TELECOMMUNICATIONS COVERAGE

**100%**  
municipalities  
with 3G  
internet coverage



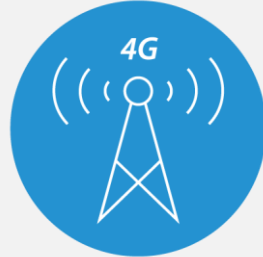
**100%**  
population with  
access to cellular  
phone services



**2.8 million**  
smartphones  
countrywide



**42%**  
4G LTE mobile  
internet coverage



**85%**  
population with  
access to  
mobile internet



**1.3**  
mobile phone lines  
per capita





# ENERGY

**97.2%**

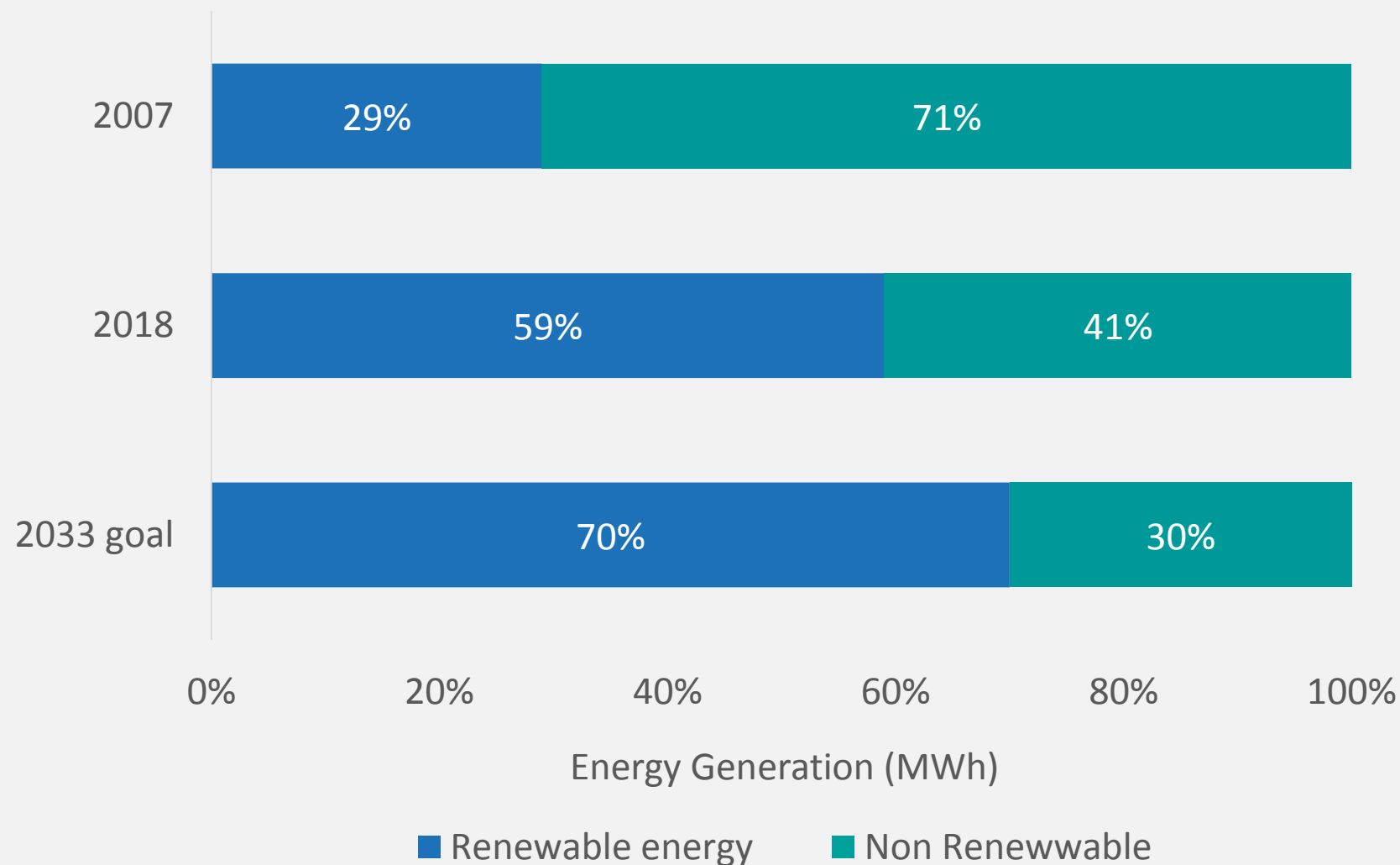
of the national territory with electricity coverage

**1,596 MW**

is the installed capacity

In 2007 the national coverage was

**52%**





# FREE TRADE ZONES



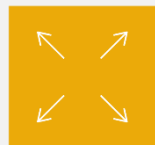
**52**  
Industrial parks



**+122,000**  
jobs



**187**  
user companies

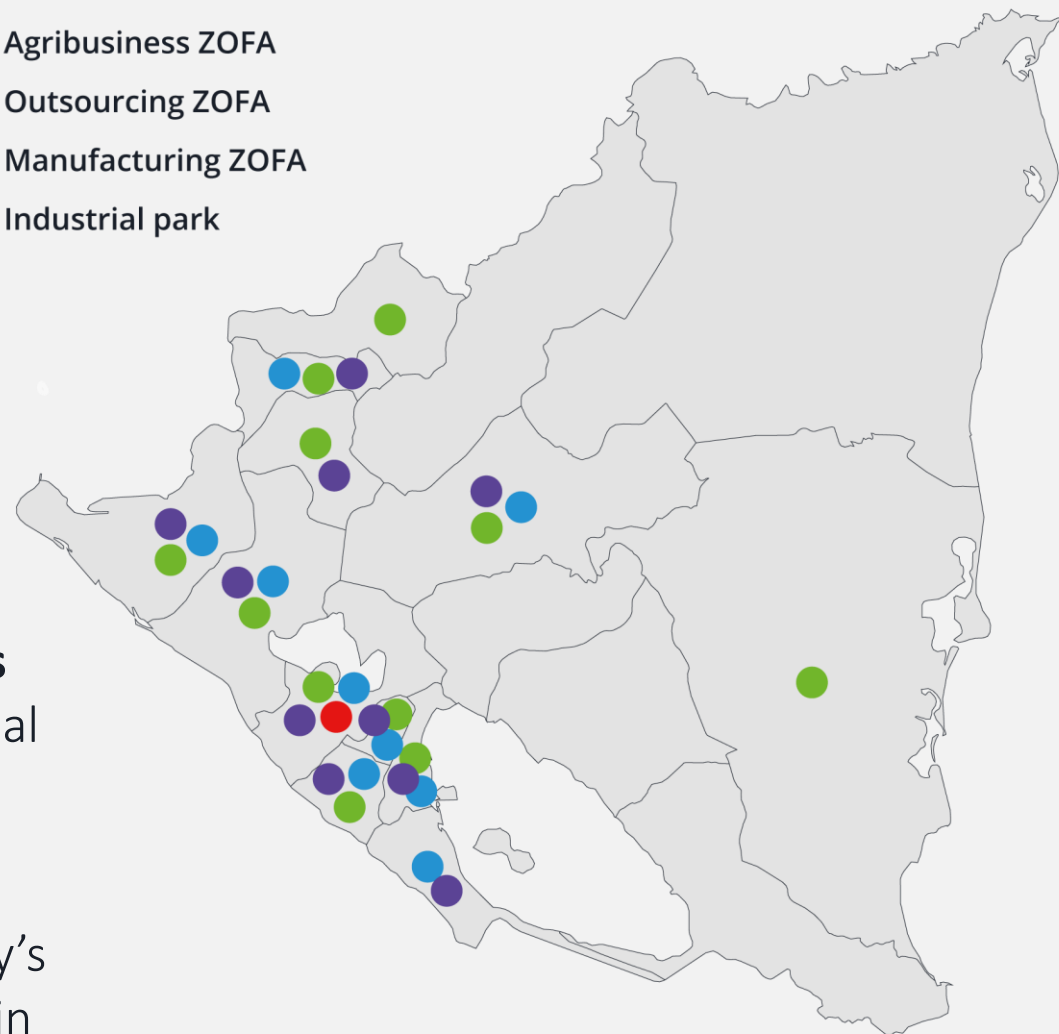


**+1.5 millones**  
m<sup>2</sup> of industrial  
space in use



**53%**  
of the country's  
total exports in  
2018

- Agribusiness ZOFA
- Outsourcing ZOFA
- Manufacturing ZOFA
- Industrial park





## 4. HUMAN CAPITAL AND QUALITY OF LIFE





# WORKFORCE

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**76.1%**  
of the  
population  
under 40 years  
of age



**3.2 million**  
people in the  
labor force  
2019



**818 thousand**  
formal  
employment  
(average 2018)



**35 thousand**  
new professionals  
in 2018

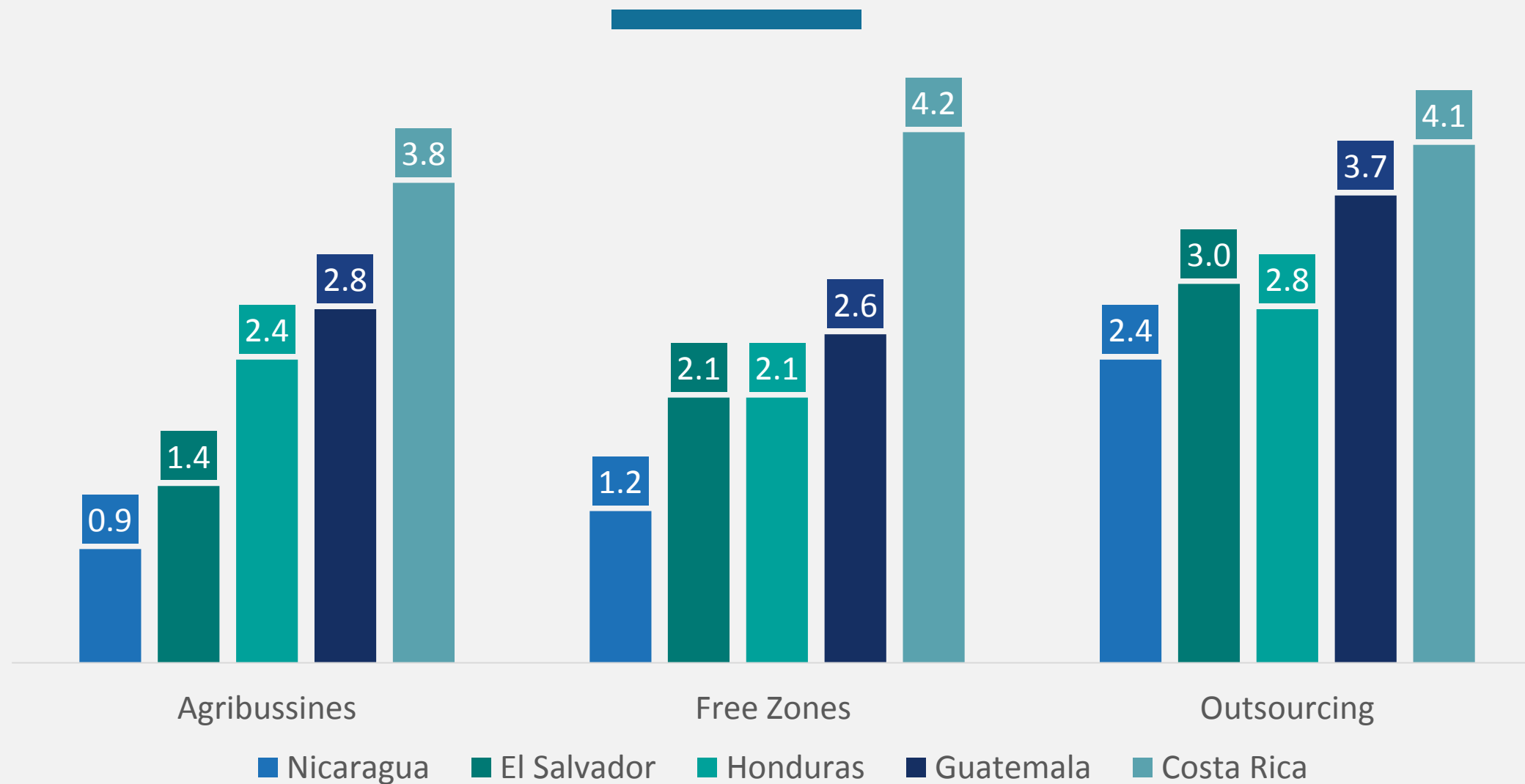


**44.2%**  
underemployment  
2018



**5.5%**  
open  
unemployment  
2018

# WAGE COMPETITIVENESS (US\$ PER HOUR)



Source: PRONicaragua (2019).

Note: Wages include fringe benefits





# SOCIAL DEVELOPMENT

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**56.2%**  
of total  
Government  
expenditure in  
social investment



**41.4%**  
poverty alleviation  
since 2009  
(currently at  
24.9%)



**52.7%**  
extreme poverty  
alleviation since  
2009 (currently at  
6.9%)



# 5. INVESTMENT OPPORTUNITIES







# AGRIBUSINESS



Tropical  
fruits



Vegetables



Roots and  
tubers



Plants  
and  
flowers



Forestry



Agro  
exportation





# INDUSTRY DATA

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**Coffee** trading in over 40 markets worldwide



Main **cigar** exporter in Central America



Largest producer of **livestock and beef** in Central America



Acknowledged as fine and **flavor cocoa** producer by ICCO

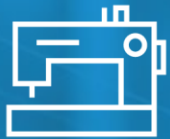


Fifth largest exporter of **shellfish** to Europe in Latin America (#1 in Central America)



# LIGHT MANUFACTURING

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Textiles  
&  
apparel



Footwear



Medical  
devices



Auto parts





# INDUSTRY DATA

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Main exporter of **automotive harnesses** in Central America (84.44.30)



Provider for brands such as **FORD, GMC, BMW, VOLKSWAGEN, CHRYSLER**



Main exporter of **knitted fabrics** in Central America (cotton)



Over **970,000 square meters of industrial space** occupied by Free Trade Zone companies



**47.3%** of the country's total exports in 2018





# OUTSOURCING

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Business Process  
Outsourcing (BPO)



Shared Services  
Centers (SSC)



Knowledge Process  
Outsourcing (KPO)



# INDUSTRY DATA

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**Real-time services** to the United States



84% of the labor force offering **services in English**



An **increasing number of destinations**: United States, Costa Rica, Germany, Mexico, Netherlands, Canada, Argentina, Australia, United Kingdom



**Competitive and stable salaries** (the call center's basic salary has been stable for the past three years -US\$550)



Increasing **process complexity** (finance, accounting, digital marketing, SSC)



# COMPANIES DOING BUSINESS

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# SERVICES

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*Official  
Investment  
Promotion  
Agency of  
Nicaragua*



## ASSESSMENT AND DECISION-MAKING

Tailor-made  
information  
packages about the  
country

Comparative  
analyses and cost  
models

Arrangement upon  
request of visits in  
order to meet with  
key actors



## ESTABLISHMENT

Provide contacts of  
goods and service  
suppliers

Support in finding  
real estate  
solutions



## AFTER-CARE SERVICES

Guidance in permit  
procedures

Assistance in  
difficulties that  
require  
negotiations with  
State institutions



# PRONicaragua

AGENCIA DE PROMOCIÓN DE INVERSIONES  
INVESTMENT PROMOTION AGENCY



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