

# INDO - LAC BUSINESS

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The Dawn of  
Economic  
Resurgence

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***Dear Reader,***

Greetings. Till recently, Latin America was regarded as an area of darkness, conflicts and civil wars. The people have since thrown out the dictators and military rulers and chosen the path of democracy. The governments of the region have initiated economic reforms and the pace of growth has been impressive. The current issue of Indo-LAC Business focuses on Central America, comprising Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua. India's trade with these countries has grown steadily in recent years. But the untapped potential is immense. Stressing this aspect, the current issue highlights the areas, which needs to be explored by Indian businessmen. Central American countries are bestowed with natural beauty, round-the-year sunshine, fabulous beaches, rich flora and fauna and a friendly people with welcoming arms. Most of the people who presently dwell in these countries have their deep roots in the ancient Maya culture and traditions. We have a detailed report on Central America's growing tourist potential, which attracted an estimated five million tourists in 2004. Arijit Saraswati, Chief Manager, Export-Import Bank of India, argues how investments and exports have brought about resurgence in the economies of Latin American countries. R. Viswanathan looks after Latin America and the Caribbean Region in the Ministry of External Affairs. He had earlier served as a diplomat in these countries and his insight into Indo-Latin American bilateral trade and economic relations is deep. The issue features two articles by Viswanathan, one on Chile and the other on Mexico, whose economies are flourishing and are poised to offer immense opportunities to Indian businessmen in the field of joint ventures. In fact, Mexico presents a gateway to North America. Every one who owns a car is constantly worried about its safety. But Mumbai-based Micro Technologies has a solution, called 'Micro VBB' this product is being sought after by a large number of countries. We carry a feature on the perfect technological solution to prevent car thefts. Plus, the issue contains our regular features.

Wish you happy reading,

**Satya Swaroop**

Managing Editor

satya@newmediacomm.biz



## Investment, exports spark LAC growth resurgence

- Arijit Saraswati, Chief Manager, Export-Import Bank of India

What started in 2003 strengthened in 2004 and the Latin America & Caribbean (LAC) region registered its best growth performance since 1980. The economies in the region are estimated to have grown by 5.5 per cent, with all except Haiti registering positive growth rates. Growth was primarily led by exports and investments. Private consumption also rose in the year aided by lower interest rates in the region, in general. The export sector benefited from strong global demand matched by high commodity prices. Investments also remained strong in an environment of depressed global interest rates.

The major economies in the region registered improved performances in 2004 with the maximum improvement being noted in case of Brazil, which grew by 5.2 per cent in 2004 compared to a depressed 0.5 per cent growth in 2003. Growth was fuelled by booming exports and strong consumer demand. Recovering from a cumulative output drop of 20 per cent in 2002-03, the maximum growth rate of 17.3 per cent in the region was recorded by Venezuela, which gained from high international fuel prices and expansionary fiscal and monetary policies. Summary of the key economic indicators of the major economies in the LAC region is provided in the chart.

Exports, which played a crucial role in the economic upswing of the region, are estimated to have grown by 24 per cent to US\$ 431 billion in 2004. High global prices of fuel, metals like copper and silver, and agricultural commodities like coffee, soybean, wheat and cocoa boosted export growth. Export growth was

particularly strong in Chile (50 per cent rise), Venezuela (46 per cent rise) and Brazil (30 per cent rise). Imports also grew at an equal pace to US\$ 357 billion in the year. Imports rose by 60 per cent in Argentina, 55 per cent in Venezuela and 28 per cent in Brazil. In recent years, China has emerged as an important trading partner of Latin America and in 2004 Chinese trade with the LAC region continued to remain strong.

Inflation declined for the second consecutive year in many countries in the region. Inflation targeting along with more flexible exchange rate regimes helped in keeping domestic inflation on a check. Though inflation in Venezuela is still significantly high (refer to chart), nevertheless, it has declined considerably compared to the recent past. Certain countries like Brazil, Mexico, Chile increased interest rates with a view to contain inflation. Particularly, in Brazil inflation targeting resulted in currency appreciation which prompted the central bank to heavily intervene in the foreign exchange market with a view to achieve higher exports and higher economic growth. In contrast, in Argentina real interest rates have been consciously kept below zero to provide substantial supply of liquidity.

In recent times, the currency regimes in the LAC region have become more flexible, with the exception of Venezuela, which has pegged its currency to the US dollar. With high commodity prices, sharp rise in the region's term-of-trade and weakening of the US dollar, several currencies in the region appreciated with





respect to the dollar in 2004. However, considering the strength with respect to a basket of currencies, the trade-weighted real exchange rates of many countries weakened in 2004. This was particularly prominent in countries such as Argentina, Venezuela and Peru.

Growth in 2004 was also propelled by higher investments. Net foreign direct investment rose by around 34 per cent in 2004 to an estimated US\$ 39.5 billion, with the major recipients being Mexico, Chile, Brazil, Colombia, Argentina, Trinidad & Tobago and Peru. Also, taking advantage of the low interest rate regime, the LAC economies managed to raise nearly US\$ 10 billion from global bond markets.

Growth in the region is expected to slowdown to around 3.9 per cent in 2005 with moderation in global growth influencing LAC's exports. Moreover, with interest rates tending upwards in US as well as in other industrial markets, capital inflows would be restricted in the LAC region, which would further limit economic growth. Nevertheless, Argentina, Chile and Venezuela are expected to grow over 5.0 per cent in 2005.

#### Chart: Summary of Economic Performance of Select LAC Economies in 2004

Country	GDP Growth (%)	Inflation* (%)	Exports (US\$ bn.)	Imports (US\$ bn.)	FDI, net (US\$ bn.)
Argentina	9.0	6.1	34.1	20.9	1.8
Brazil	5.2	6.1	95.0	62.0	7.1
Chile	6.1	2.4	31.6	22.4	7.2
Colombia	3.9	5.6	16.4	15.5	2.2
Mexico	4.4	5.5	189.0	195.2	13.5
Peru	4.5	3.5	12.3	9.7	1.3
Venezuela	17.3	19.2	39.2	16.0	0.6

Note: all figures are estimated; \*: consumer price inflation at the end of 2004

Source: Institute of International Finance, United Nations Economic Commission for LAC

#### India's Trade With LAC Grows Rapidly In 2004-05

India's exports to the LAC region reached US\$ 1.88 billion while imports amounted to US\$ 1.75 billion during April-February 2004-05, which is well above the corresponding full year figures of US\$ 1.16 billion and US\$ 1.17 billion in 2003-04. As a result, total trade in April-February 2004-05 has surpassed previous year's total by 55 per cent. It is expected that on a full year basis India's trade with LAC region increased by over 60 per cent in 2004-05. This perhaps has been the best instance of bilateral trade performance. Comparing the period April-January of 2004-05 with 2003-04, India's exports to Brazil has increased by over 130 per cent, while the same for Colombia and Venezuela have been 285 per cent and 218 per cent respectively. The major boost has come from exports of petroleum products, while those of pharmaceuticals & chemicals, machinery & instruments, textile & clothing and transport equipment have also registered commendable growth.

In conclusion, with economic recovery in the LAC region matched by a significant rise in trade with

India, the prospects of strengthening of bilateral trade and investment relations are brighter than ever. Recent initiatives taken at the Governmental levels such as the India-Mercosur PTA and India-Chile Framework Trade Agreement are inspiring developments; institutional support such as the Exim Bank's Lines of Credits and other financing

programmes are also in place. These should reinforce the India business community's urge to explore opportunities in the LAC region. ■



# Gateway to US, Mexico keen on joint ventures India



R. Viswanathan

**Will India seize the opportunity? That's the million-dollar question R. Viswanathan raises in the following write-up, giving details of a boom in Indo-Mexican bilateral trade in recent years and the prospects to boost it sky high in the near future. Businessmen in Mexico, the second largest trading partner of the US after Canada, have started looking at India as an emerging economic power. India must capitalize on that reputation, Viswanathan believes.**

India's exports to Mexico reached a record \$871 million in 2004 from \$288 in 2000 and are expected to cross a billion dollars in 2005. Mexico has surpassed Brazil, which accounted for \$556 million in 2004, to become the largest importer of Indian goods in Latin America.

But \$871 million is a mere 0.44 per cent of Mexico's global imports which was \$197 billion in 2004. With a total trade of \$386 billion in 2004, Mexico is a Latin American giant, accounting for almost 40 per cent of the total trade in the region. Mexico has overtaken Brazil as the largest economy, in terms of GDP (\$687 billion) and trade.

After having gone through various crises, Mexico's economy has stabilized and is now healthy with strong fundamentals. It recorded a growth of 4.4 per cent in 2004 and is expected to grow at 4.0 per cent in 2005. Foreign direct investment (FDI) was \$17 billion in 2004. Remittances from Mexicans abroad accounted for another \$17 billion.

Inflation and primary lending rates are in a single-digit. The Government has been following fiscal discipline and has kept current account deficit below 2.0 per cent.

It succeeded in reducing external debt to \$78 billion in 2004, the lowest in 32 years. Foreign exchange reserves have reached a record high of \$65 billion.

Mexico is a member of the Organization for Economic Cooperation and Development (OECD). That means its investment practices and business regulations are generally the same as those of the developed OECD countries.

Mexico is an energy-surplus country; it is one of the largest producers and exporters of crude oil. Mexico produces 3.25 million bpd (barrels per day) and is among the top four oil exporters to the US. Mexico also

has rich deposits of gold, silver, copper, iron and zinc.

Manufactured products account for 89 per cent of total exports, petroleum 8.0 per cent and agro-products 2.4 per cent. This makes Mexico different from the rest of Latin American countries, which mainly export raw materials and commodities. Mexico exports more than one million vehicles annually. It is the main maker of television sets in North America with an annual production of 25 million units. It is a major supplier of textiles to the US.

After Canada, Mexico is the largest trading partner of the US. The US-Mexico bilateral trade reached \$266 billion in 2004, accounting for 11.6 per cent of the US global trade. US accounts for 91 per cent of Mexico's exports and 62 per cent of its imports.

Mexico has signed the maximum number of free trade agreements (FTAs). It has FTAs with 33 countries and has preferential market access to 850 million consumers. These include the US and Canada (North American Free Trade Agreement), the European Union, Latin American countries, Israel and Japan.

India exports engineering products, pharmaceuticals, chemicals, gem and jewellery and textiles to Mexico. It is interesting that engineering products are the major exports (\$300 million) to Mexico, while chemicals and pharmaceuticals dominate exports to the rest of Latin America.

***In addition to its large domestic market, Mexico is the gateway to North America and Central America. Keeping this larger market in mind, Indian business should consider investment and joint ventures in Mexico.***

Steel tycoon L. N. Mittal has invested in a steel plant in Mexico. Indian pharma companies, such as Ranbaxy and Wockhardt, are establishing joint ventures. The Birla group is exploring the possibility of investing in

the manufacturing sector. Surprisingly, Indian IT companies are yet to explore the Mexican market. They have so far only done business as sub-contractors for American IT companies. It is time that the Indian IT companies looked at Mexico seriously and as an independent market, not an adjunct to their business in the US.

India's imports from Mexico have zoomed to \$454 million from \$60 million in 2000. Crude oil accounts for 90 per cent of the imports; Reliance is the sole importer. Other imports include metals, minerals and chemicals, and machinery.

The Engineering Export Promotion Council of India is planning an 'IndiaTech' exhibition of about 200 Indian companies in Mexico this October. The Confederation of Indian Industry (CII), the Federation of Indian Chambers of Commerce and Industry (FICCI), and the India Brand Equity Foundation plan to take high-level business delegations.

Indian exporters should draw inspiration from their Chinese counterparts who dispatched goods worth \$14.5 billion in 2004! The Chinese have invested over

\$60 million and established some 200 joint ventures in Mexico.

Mexican businessmen have started looking at India more seriously as an emerging economic power. This is evident from the increase in the number of Mexican delegations coming to

India. In February, a large team representing the pharmaceutical industry was in India.

Earlier, Indian exporters were discouraged by the delay and the uncertainty of getting visas to Mexico. This problem has now been solved. The Mexican embassy has started issuing visas promptly to executives of reputed companies who have US visas or are part of a business delegation.

There has never been a better time for Indian business to target Mexico than at present. Businessmen should take advantage of the support being given by the Government through its 'Economic Diplomacy' and "Focus-LAC Programme".

*(The author is with the Ministry of External Affairs. The views are personal. Feedback may be sent to rv@rviswanathan.com)*



## Argentina assures 3-yr, multi-entry Visa for Indian businessmen

In a major breakthrough Argentina has assured that multi-entry visa with a validity of three years with entry up to 15 days each would be provided to Indian businessmen visiting Argentina without the need for production of an invitation letter from any Argentine company/business.

The assurance came during the meeting between the Minister of State for External Affairs, Rao Inderjit Singh and Argentine Vice Foreign Minister, Mr. Jorge E. Taiana in Buenos Aires on Tuesday. Shri Singh is currently on an official visit to Argentina.

During the meeting, the possibility for early conclusion of agreements related to Cultural Exchange Programme (CEP), Agricultural Cooperation between INTA and ICAR and Cooperation and Sharing of Expertise in Power Sector was agreed by the two sides. Mr. Taiana expressed great satisfaction for the restart of bilateral cooperation in the field of science and technology (Programme of Cooperation in Science and

Technology for the year 2004-2006 was signed in August 2005) and stated that he was looking forward to the visit of an Indian delegation for the workshop on biotechnology to be held in Buenos Aires in the month of May 2005.

Shri Singh also had another meeting with Mr. Alfredo Vicente Chiaradia, Secretary of State for Commerce & International Economic Relations and his team of six other officials from the Argentine Foreign Office. While appreciating the growth and economic achievements of India, the Argentine side accepted to look into the modalities for bilateral cooperation in the field of automobiles and pharmaceuticals. It expressed its willingness to collaborate and cooperate with Indian institutions viz ONGC Videsh Limited (OVL) towards exploration of petroleum and gas in Argentina. Argentina has also offered to share and cooperate with Indian agricultural scientists its new technological developments including the "no tilling method" of farming.



# It's much more than wines and salmon Come, discover Chile

It's an open invitation. **R.Viswanathan**, who knows Chile like the back of his hand, believes that Indian businessmen are not fully aware of the opportunities that abound in Chile, the most competitive and open market in Latin America. Not that India ignores Chile. In fact, India is negotiating a preferential trade agreement (PTA) with Chile in order to boost the bilateral trade between the two countries.

Indian businessmen and exporters tend to underestimate Chile as a small country of 15 million people scattered across a ribbon territory on the other side of the Latin American continent. Here are some facts that should open their eyes to the economic and commercial importance of Chile.

Chile is the most dynamic, competitive and open market in Latin America with the strongest macroeconomic fundamentals. It has the highest investment grading in the region according to Moody's, Standard & Poor and Fitch IBCA. The average growth rate of Chile in 1990-2003 was 5.5 per cent and between 1987 and 1997 it was 7.0 per cent, highest in Latin America.

Chile was also the second largest destination (\$7.16 billion) for foreign direct investment in Latin America in 2003, ahead of Brazil (\$7.1 bn). Total FDI in 1994-2003 was \$50 billion. Besides being the recipient of large investment, Chile has also become a major investor in the rest of Latin America. The country's investment was more than \$5 billion in 2004.

In 2003, Chile had more trade with Asia (\$9.6 billion) than with Nafta (\$8.4 bn) or Europe (\$8.6 bn). China is the second largest trade partner for Chile while Japan is the third largest and Korea the sixth largest. China's exports to Chile were worth \$1.2 bn in 2003. Chile has also been successful in diversifying its exports, reducing its dependence on copper to 35 per cent at present from 80 per cent in the 1980s.

As for Chile's trade regime, it is one of the most liberal and transparent in the world. It has a single uniform tariff of 6.0 per cent for imports. It was brought down unilaterally from 15 per cent in the early 90's, making it the lowest tariff among the important Latin American countries.

According to the 2004-05 Growth Competitive Index of the World Economic Forum, Chile is the most competitive market in Latin America. Chile is placed 22nd among 104 economies, ahead of Spain, Belgium and France. Chile also stands as the most transparent country in Latin America and is in 20th place among a total of 146 economies, according to the Corruption Perceptions Index of Transparency International 2004. Moreover, a World Bank survey on 'Doing Business in

2004' says that starting a new business in Chile involves nine procedures and 28 days only, again the best indicators in Latin America. In 2004, Chile was the third largest importer (\$22.4 bn) after Mexico and Brazil in Latin America while its exports in the same year were worth \$31.2 billion.

The country has succeeded in bringing down the public debt level from 100% of GDP in the mid-'80s to less than 14 per cent of GDP in 2003. An associate member of Mercosur, Chile has signed free trade agreements with the US, EU, Canada, Korea and many Latin American countries and is negotiating FTAs with China, Singapore and New Zealand. Per capita GDP is \$4,800.

India's exports to Chile in 2004 were worth \$82 m. There is potential to increase these to over \$300 m per year. The items exported are pharmaceuticals, chemicals, engineering products, vehicles, two-wheelers and textiles. There is scope for supply of helicopters and defence items too.

Iflex got a contract of \$10 m from the Bank of Chile last year. It is the biggest contract for an Indian software company in the whole of Latin America.

Imports from Chile in 2004 were worth \$340 m. Among the main import items were copper (90 per cent of imports), fish-meal, paper and pulp, minerals and metals, fruits and wine.

India is in the process of negotiating a preferential trade agreement (PTA) with Chile which is expected to be concluded in 2005. This should give a boost to bilateral trade. Besides trade, among the areas where there are opportunities for investment and joint ventures are mining, IT and education.

The President of Chile arrived in India on 18 January 2005 on a five-day visit, the first-ever visit by a Chilean head of state. It is part of the 'Look East' policy of Chile, which has started cultivating Asia, its largest trading partner. It is time for Indian businessmen and exporters to realize the importance of Chile and explore the opportunities for business. World-famous Chilean wines and salmon should add to their appetite.

*The author is head of the Latin America division, ministry of external affairs. These are his personal views.* ■



# Stable Central America offers vast export market

- Mrs. Primrose Sharma



The Central American countries Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama occupy the stretch of land connecting North and South America and a land area about half a million sq. kms. The region has a population of about 36 million and a collective GDP of about US \$ 80 billion. Till recently to the outside world the region was more as an area of conflict and turbulence given long civil wars that raged in the region. The wars are over and the region is now moving ahead with efforts at growth and development in areas such as textiles, tourism, agriculture, Information Technology and agro industry.

## Statistics of Central American Countries(2004)

Country	Area (Sq. km)	Population (million)	GDP (US \$ billion)	Per Capita (US \$ )	Literacy	Total Trade (2003-04) with India (US \$ mil)	World Trade (US \$ mil)
Belize	22,966	0.3	1.06	4,051	77%	2.75	980.9
Costa Rica	51,100	4.3	18.2	4,272	95%	46.13	14,026
Dominican Republic	48,730	8.7	15.9	2,070	84%	13.96	13,539
El Salvador	21,040	6.5	16.0	2398	80%	7.64	9,217
Guatemala	108,890	12.7	26.7	2,109	70%	26.56	10,680
Honduras	112,890	6.8	6.6	920	76%	11.96	4,789
Nicaragua	29,494	5.3	4.0	720	81%	6.30	2,770
Panama	78,200	2.9	12.3	4,250	92%	66.27	12,863
<b>Grand Total</b>	<b>573,310</b>					<b>180.57</b>	<b>81,727.9</b>

## Central America - Advantages

- **Steady Economic growth** - In the last few years, countries in the region have moved to the path of steady economic growth. Given their proximity to United States and attracted by the potential of the

region, many MNCs have profitably invested in these countries.

- **Market For Exports** - Central America and Panama offer opportunities for exports on a wide range of products as they are dependent on imports for most of their needs both consumables and means of productions. Their total imports are US \$ 30 billion, with trade with the US alone accounting for US \$ 25 billion in 2004, which is larger than the US's trade with Russia, India and Indonesia.

- **Opportunities For Investments** - The region also offers opportunities for investment in sectors such as textiles, IT, health, drugs and pharmaceuticals, infrastructure, agro-processing, etc.

- **Important Tourist Destination** - The number of tourists coming to the area are also on the rise with some five million tourists visiting the region annually and contributing a significant amount (about US \$ 4 billion) to the nations' economies. Investment in tourism sector also offer opportunities.

- **Favourable Institutional Arrangements for Business** - There are a number of institutional arrangements favourable for doing business with the region such as Caribbean Basin Initiative(CBI) which provides Central American countries better access to the US, their largest market, granting security to the exporters or various bilateral and regional Free Trade Agreements giving free access to their products.

- **Cheap Labour** - Relatively cheap but qualified labour is available making the region attractive for setting up of production lines for exports.

## Trade Pacts

**Free Trade Agreements(FTA)** - There are a number of bilateral as well as regional FTAs in place or being introduced including between the US and Central American countries (Costa Rica, Honduras, El Salvador, Nicaragua, Guatemala and Dominican Republic) signed on May 28, 2004, between CAFTA and Panama, between El Salvador and Panama, etc. which offer advantages for businessmen.

**The Caribbean Basin Trade Partnership Act (CBTPA)** CBTPA, enacted in October 2000, provides Central American countries certain trade benefits.



**Tariffs & Customs Union** - A proposal for a Common Central American Customs Union between the countries of the region, first started between Guatemala and El Salvador, is almost complete and includes other countries of the region. A Common Customs Union and Single Passport are being worked out by the region to facilitate the free flow of goods and people. Five Central American countries, viz. Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua are members of the Central American Common Market (CACM) which provide a system of common external tariffs 'Sistema Arancelario

Centroamericano (SAC)', which generally range between 1 -15 percent, levied on the C.I.F. value. Under the SAC, current duties are generally up to 5 percent for raw materials, 5 -10 percent for intermediate goods, up to 15 percent for finished goods and duty-free for capital goods.



**Single Passport** - Four countries viz. El Salvador, Guatemala, Honduras and Nicaragua, have agreed to a single passport policy to facilitate travel within the region and to lead to the Central American integration in the near future. This should be in place this year (2005).

## Business Entry Requirements for Goods

**Pre-shipment Inspections:** Pre-shipment inspections are not required for merchandise exports to any of the Central American countries.

**Import Licenses:** Import licenses are required, in general, for domestically sensitive agricultural goods (certain poultry products, rice, wheat flour, pasta), certain consumer goods, and luxury items (alcoholic beverages, cigars, and cigarettes). Sanitary and phytosanitary permits from the relevant local ministries are required for import of food products, fresh produce and livestock, cosmetics, pharmaceuticals, chemicals and toxic substances, firearms, explosives, etc.

**Labeling and Marking Requirements:** In general, internationally accepted labeling and marking requirements will meet the requirements in Central America. Food items, pharmaceuticals, and other items for human consumption must be labeled in Spanish.

**Customs:** The customs procedures are generally complex, bureaucratic, and sometimes arbitrary. However, there has been some improvements in the situation recently. Electronic customs clearance procedures have been introduced in all countries.



(More details are given in individual country notes.)

**Customs Brokers:** Customs brokers are mandatory, except for low-value shipments, in all Central American countries except El Salvador.

**Free Trade Zones:** A number of Free Trade Zones (FTZs), Export Processing Zones (EPZs), and Commercial Free Zones (CFZs) operate to foster trade and investment exports in the region. Panama's Colon is the largest FTZ in the Western Hemisphere and the second largest in the world, after Hong Kong. Panama also has 11 EPZs (most in nascent stages) and 7 Petroleum Export Zones (PEZs). Honduras extends FTZ benefits to the entire nation. Costa Rica has eight FTZs. El Salvador has seven large FTZs and over 200 one-factory EPZs.

## Investing in Central America

Central America as a region offers investment opportunities in the following areas:

**Energy:** All seven Central American countries rely heavily on imported petroleum and indigenous hydropower to meet domestic energy demand. Imported petroleum comes primarily from Venezuela

post MFA scenario has hit the region hard and hopes are pinned on CAFTA to lift the region, including the textile sector.

**Drugs and Pharmaceuticals:** The countries are dependent of heavy imports of pharmaceuticals from the US, Mexico, Europe, etc. but costs are high. There is scope for local production as also exports. Some products from India are already in the market.

**Automobiles and Auto Spare parts:** In the absence of adequate public and private transport there is a heavy dependence on private automobiles. There is a scope for production and export of both automobiles and auto-parts in the region as well as supply for the public sector.

**Health:** There is scope for investment in setting up of health related infrastructure.

**IT related education:** There is interest and scope in IT related training. The existing institutes are not adequate for the purpose.

**Agro and Food Processing:** The region is rich in agricultural products which are wasted due to lack of processing facilities. This is true for marine products as well.



and Mexico. Central America consumes no natural gas and very little coal. Historically, hydroelectric power has dominated Central America's electricity sector. However, since opening up to foreign investors in the middle to late 1990s, the use of thermal generation has grown rapidly. These countries are also attempting to integrate their electricity grids in order to reduce prices and potential disruptions. Central America produces small volumes of crude oil, most of which either is sent to the United States for refining or consumed domestically. Guatemala, Central America's largest oil producer, produces approximately 25,000 barrels per day (bbl/d) day.

**Textiles:** Textile products are one of the main items of export. It is profitable because of cheap labour. The



**Railway/Roadways:** Some countries such as Guatemala, Costa Rica, Honduras and Panama have small railway systems, many of which are in disrepair







and dilapidated condition as they have fallen into disuse. Some countries are in the process of improving their roadways as well as integrating their transport networks in the region and are in need of both upgradation and expansion under projects such as the Pueblo Panama Plan which offer scope for cooperation including on joint venture basis.

### Investment Incentives

Availability of some raw materials, low wages, tax breaks, nearness to the large markets in both North and South America, etc. are some incentives to enter the region in addition to country specific incentives in the shape of infrastructure, qualified workers at low cost, big neighbouring markets and the FDI rules of the region which generally favour foreign investors rather than local investors.

### India - Central America

India is developing its relations with countries of Central America in diverse areas, be they economic and commercial, political or cultural.

**Political** - Growing interest in developing relations between India and Central American countries at the political and other levels were in evidence when a delegation of SICA (System of Central American Integration) Foreign Ministers visited India in February 2004. A Declaration to set up a regular dialogue with these countries was signed during the visit and the mechanism prepared the ground for increased cooperation in various fields including the economic and commercial areas. In the latest interaction, Shri Rao Inderjit Singh, MOS of External Affairs visited Honduras during February 2005 for a meeting with the Council of Ministers of SICA. During this meeting MOS announced the offer by India to set up an IT Centre of Excellence in the region as well as donation of 150 three-wheelers. The Government of India has also offered lines of credit on Government to Government basis for sourcing products and services from India. In addition, an EXIM Bank of India offer for a credit to the Central American Bank for Integration(CABEL) is available.

**Economic & Commercial** - Though the present level of trade with the region is modest, it is growing. Exports

from India to the region stood at US \$ 129.13 million while import were US \$ 35.76 million 2003-04.

**Tourism & Culture** - Central America is a popular destination for tourists attracting 5 million in 2004 alone.

### Constraints for Indians In Doing Business With Central American Countries

**Lack of awareness** - A major hurdle the Indian businessman faces in doing business with countries in Central America is the general climate of ignorance about India and its products. Geographical distance also plays a role and is a contributing factor in the limited Indian presence in the region in terms of investment and dearth of Indian products in the markets. The limited number of tourists from India to the region and vice versa is also a reflection of lack of awareness about each other in India and Central America. The challenge is to address this vacuum and create awareness at both ends of the spectrum.

**Visa** - Indians face serious difficulties in obtaining visas for Central American countries for both business and tourism purposes. Indian nationals fall in the prior approval category which means that Missions are not authorized to issue visas unless prior approval/clearance from their Governments is obtained. The process can take a few weeks to few months and has discouraged business and trade. (Visa procedures for each country has been given in the Country Note as provided by the concerned country.)

Those planning a visit to the Central American countries must factor in the following:

The Embassy of Panama or the Honorary Consuls of these countries in India should be of assistance. In case of difficulty enquiries can also be directed to the Embassy of India in Panama concurrently accredited to five countries in Central America, i.e. Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua. Establish contact with companies and obtain invitation letters which will facilitate visa issuance. If there are undue delays the Embassy can be contacted for assistance.

(Author is Indian Ambassador based at Panama)

# Costa Rica

## High-Tech Market

## With Huge Tie-Up Potential

Costa Rica has been the Central American success story, priding itself on being a stable democracy. Though still an agricultural country, it has expanded its economy and developed strong technology and tourism sectors. More than half of the Central American high technology market is now in Costa Rica. The standard of living is relatively high. Land ownership is widespread. It has a land area of 51,100 sq. km. and has a population of four million. The per capita income of about US \$ 4,300, is the highest in Central America.

### Advantages & Incentives

Costa Rica is one of the most attractive countries in Central America for doing business. The Costa Rican government aims to attract primarily high-tech corporations to take advantage of its educated, computer literate and disciplined workforce, along with the modern production infrastructure the country is currently creating. The economy is being transformed from its long-time dependence on coffee, bananas and cattle-raising to one centered on microprocessor production and high-tech telecommunications services. The investment-friendly climate and government policies aimed at making Costa Rica "the Silicon Valley of Latin America" has attracted commercial leaders such as Acer, Microsoft, GE, Abbot Laboratories, Continental Airways and Intel Corporation who have made sizable investments in Costa Rica, both financially and physically, with major production and distribution facilities. Western Union has chosen Costa Rica to host its Latin American regional operations center. In 1998, for the first time ever, Costa Rica earned more from high technology exports than from coffee or bananas or even its lucrative, thriving tourism industry. In short, the following factors make Costa Rica an attractive place for doing business:

- Peace and democracy with stable political system
- Highly qualified labour force
- Good access by air, sea and land transportation
- Tax incentives such as exemption from import or local taxes on raw materials, packing goods and components machinery, equipment and spare-parts to be used for production for exports.
- Existence of Duty Free Zones providing advantages

such as - 100 per cent exemption from taxes on capital and assets, exemption from taxes on profits, streamlined processing of documentation required for installation and operation.

- Proximity and access to important international markets through agreements, conventions and bilateral and multilateral treaties
- Streamlined investment procedures
- Simple and streamlined import and export procedures
- Good electricity, water, telecommunications, insurance, banking and health services
- Infrastructure suited to export and tourism needs.
- Public and private centers for technical and academic education.
- Well-organized and active chambers and private associations that participate in the definition of development policies.

### Benefits from Trade Pacts

Costa Rica has GSP benefits granted by Japan, Canada, the European Community, Australia, Austria, New Zealand, Norway, Sweden, Switzerland, Bulgaria, Slovakian Republic, Hungary and Poland. Free Trade Agreements (FTA) - Costa Rica has FTAs with Mexico, Canada and CARICOM and other countries of the region. Costa Rica has an advanced computerized system of handling much of the customs documentation and has a "one stop" import and export window.

### Tourism Potential





Costa Rica with a land size of 19,700 square miles, is only slightly larger than Switzerland. Despite its small size, packed within its borders are dozens of majestic volcanoes, vast expanses of jungle, several mountain ranges, countless rivers, lakes and waterfalls, two peninsulas, bays and 755 miles of coastline stretched along two oceans Costa Rica. In the past decade, this small Central American country has become a major destination for travelers with more than one million tourists in a year. The primary attraction for many visitors is the 850 recorded bird species and the endless varieties of plants and flowers found in the rainforests. Others come for the adventure of whitewater rafting, biking and hiking mountains and active volcanoes. Costa Rica also offers deep-sea fishing and relaxation over excitement, beautiful beaches and golf. It places importance to environmental protection and conservation.

### India - Costa Rica

India's trade with Costa Rica is growing. The main items of export to India are printed circuits, wood and wood products, leather and hides and oil seeds. There is an increasing trend in India's export to Costa Rica. Items like pharmaceuticals, plastics, auto parts, etc. have scope.

Another possible area of cooperation is in the IT sector. Costa Rica handles more than 70 per cent of IT business in the region. The IT companies in the country have evinced interest in cooperation with India. A few companies participated in the Indiasoft 2004 organized by ESC from 8 to 10, February 2004 in New Delhi.

India and Costa Rica enjoy cordial relations. Costa Rica does not have an Embassy in India but has had an Honorary Consulate in New Delhi since 1996. India too does not have an Embassy in Costa Rica. India appointed an Honorary Consul General in San José in 1995. The Ambassador in Panama is concurrently accredited to Costa Rica. India's trade with Costa Rica is growing though for the first time the balance of trade was in Costa Rica's favour in 2004. India's exports to Costa Rica, comprising mainly textiles, tubes, pharmaceuticals, two-wheelers and agro-chemicals grew to US \$ 20.52 million in 2003-04 from US\$ 10.54 million in 2002-2003 while Costa Rica's exports to India during the same period were US \$ 25.61 million and US\$ 5.29 million respectively, reflecting a five-fold increase in a year.

**Potential Areas for Investment** Textiles, agro-processing, telecommunications, tourism infrastructure, construction, computer hardware and software. ●

# Panama



Panama a country of less than three million stands apart from Central America and is more Latino and Caribbean than Central America. The Colon Free Zone (CFZ) and the Panama Canal and its strong banking and shipping sectors make it both a service oriented as well as trade oriented economy and is relatively much more sophisticated than its neighbours.

While bilateral trade has been modest, combined with Indian exports to Colon Free Zone (CFZ) it is the largest in the region. Indian imports from Panama were US\$ 18 million in 2002-03 and our exports during the same period were of US\$ 58 million (to



Panama and CFZ), making Panama one of the largest export destinations for Indian goods in the LAC region. Textiles continues to dominate our product basket, although new products include stainless steel cookware, some pharmaceuticals, chemicals, aluminium and articles thereof and plastics and articles thereof. ●



# Guatemala

## Investment scope in pharma, food & textiles



industries. There have been indications of increase in imports of denim cloth from India for stitching of jeans in Guatemala for export.

### Items of Trade

Indian exports to Guatemala are dominated by automobiles, auto parts, tools, chemicals pharmaceuticals and textiles and there is scope for improving our trade and economic cooperation in these areas.

### Agro-processing

As an agricultural country, Guatemala's coffee, sugar and banana production offer potential areas for investment in the ancillary services for this industry, such as: refrigeration and freezing, vacuum packing, and processing (marmalades, juices, cereals, canning, etc.)

### Growing of Ornamental Plants

Thanks to the diversity of micro climates and extensive arable land, Guatemala is suitable for producing all types of ornamental plants throughout the year. As flower exports have expanded, related industries such as wrapping, boxes, freezing plants, and packaging plants, have developed to support these export efforts.

### Forestry & Ancillary Industry

Guatemala has 4.4 million hectares of forest, large areas of which contain precious woods, supplying the wood working and furniture industry. Furniture manufacturing for export offers significant scope for investment.

### Mining

Guatemala has mineral resources such as limestone, gold, silver, chromium, molybdenum, nickel, marble, and jade, pumice stone, diatomite, etc. which can be tapped.

### Petroleum

Guatemala is the only oil producing country in the

Guatemala with a population of 12 million people and a geographical area of 109,000 sq. km is the most populous country in Central America. Guatemala has the longest history of civil war in the region, lasting 36 years and costing 200,000 lives. But the last decade has seen Guatemala embarked on the path of peace and economic reconstruction. It is the only country in the region where the indigenous people remain in substantial numbers and form over half of the population.

### India & Guatemala

Diplomatic relations were established in the late 1970's though neither country has set up an Embassy. Guatemala does not have Embassy in India and their Mission in Tokyo is concurrently accredited to India. The Embassy of India in Panama is concurrently accredited to Guatemala. Both countries also have an Honorary Consul General in their respective capitals.

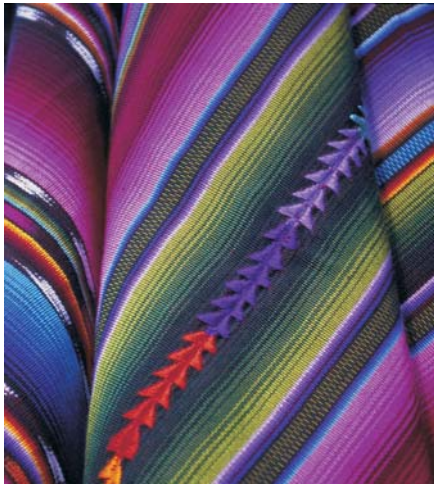
India's economic and commercial cooperation with Guatemala is a few decades old. The two countries signed an Agreement on Trade and Economic Cooperation in 1981, and an Agreement for Cooperation on Cardamom Export in 1983. Bilateral trade has been showing signs of growth, particularly Indian exports to Guatemala. Exports to Guatemala, which were US \$ 18.12 million in 2002-2003, have gone up to US \$ 26.36 million in 2003-04 but imports remain insignificant at US \$ 0.20 million in 2003-04.

Indian exports to Guatemala are largely dominated by auto parts, tools, chemicals and pharmaceuticals and textiles with much potential in pharmaceuticals, light engineering goods, low cost housing, and small scale

region with reserves in four areas which are now gradually being opened for exploration.

## Textiles

The Guatemalan apparel industry has made robust yearly growth since it started exporting in 1980 and at one point was an industry with over 500 factories and some 80,000 workers throughout the country. The post MFA period has hit the industry hard with closure of many maquilas. Manufacturers are diversifying and making efforts to move to specialized areas and are taking advantage of their geographical proximity to



the US, their main market. Guatemala exports manufactured products to the US and to all Western Hemisphere countries. Almost all of Guatemala's apparel production for export takes place outside the country's two operating industrial parks. Local laws permit free-standing factories, wherever located, to secure all fiscal and customs benefits of a free-trade zone operation. Although most of the apparel factories are actually in Guatemala City, there is a growing trend towards setting up new factories in the Central Highlands region where an abundant and skilled labor force is in place. Guatemala encourages both foreign and national investment in the apparel industry.

## Shrimp Farming

The Guatemalan fishing industry, particularly shrimp farming industry, located in the country's Pacific Coast region, has shown substantial increases in production during the last decade.

## Tourism Sector

Tourism reached a milestone during 1993 by closing the gap with coffee as the largest producer of foreign earnings in Guatemala. More than one million tourists came to Guatemala in 2004 with an earning of about US \$ 700 million. Guatemala geographically as well as from its historical heritage has a great deal to offer to the tourists and offer potential for investors.

Just an hour and a half from Miami and Mexico City, Guatemala is a paradise for diversified tourism. Points

of interest include: the Mundo Maya (Maya World), ecological tourism, colonial monuments, and Caribbean and Pacific Coast beaches.

## Advantages & Incentives

As Guatemala continues to increase the export of manufactured products, more and more foreign companies are setting up industries in the country to take advantage of the competitive edge that Guatemala has to offer.

Located just next door to the huge market that has been created under the North American Free Trade Agreement (NAFTA) between Mexico, United States, Canada (with 360 million consumers), and as a member of the Central American market (with 36 million consumers), the geographical proximity substantially lowers time and costs in communication and transportation and makes a "quick response" framework possible.

The government's policy places no limit on foreign investment, foreign ownership by individuals or corporations, or restrictions on repatriation of capital. Its free market economic policies promote and guarantee foreign investment through fiscal incentives, international agreements and bilateral treaties.

Establishment of the "One-Stop Windows" for investment and exports, which reduce the paperwork and speed up processing time for the establishment of companies and the issuance of export licenses. The government is committed to lower tariffs and to eliminate the non-tariff trade barriers. A stable and sophisticated business environment with low inflation, low taxes, a stable currency, and low incidence of litigation.

A large, cheap and skilled labour pool, with great artistic ability is a great asset.

## Infrastructure

Infrastructure on both the Caribbean and Pacific Coasts through trans-country highway and rail systems and ports with good facilities is available.

## Free Trade Zones (FTZ)

The FTZs of Guatemala offer exemption on import duties on machinery, equipment, tools, raw materials, exemption on income tax for five years for commercial activities and 10 years for industries and services activities and exemption on value added tax on operations inside and between free zones.

Foreign-owned enterprises operate in Guatemala with the same legal status as Guatemalan firms and receive the same investment incentives. Foreign investors can obtain investment and insurance financing through the Overseas Private Investment Corporation (OPIC) under the Investment Guarantee Agreement, of which Guatemala is a signatory.



Honduras offers scope for export and investment as the labour is relatively cheaper. Exports which were US \$ 11.62 million in 2001-2002 grew to US \$ 21.65 million during 2002-2003 but has fallen since then. Our main export items are chemicals, machinery, plastics, rubber products, textiles, pharmaceuticals, etc. On the other hand, our import which was US \$ 0.34 million in 2001-2002 has come down to US \$ 0.08 million in 2002-2003. Areas like pharmaceuticals, chemicals, engineering products like spare parts, etc. offer increased cooperation. Honduras has a small railway system which could also be explored for possible cooperation.

Honduras is approximately 1000 miles southwest of Miami and has a mainly mountainous area of 48,200 square miles. To the North it has a large coastal line with the Caribbean Sea and to the South it enjoys a small access to the Pacific.

Tegucigalpa, the capital of Honduras, got its tongue twisting name from the ancient Nahuatl language, meaning "silver mountain" emerging as a mining center during colonial times. San Pedro Sula is called the industrial capital of Honduras. As many as 80 per cent of all industrial parks are within 20 miles of the city. Honduras is one of the poorest and least developed countries in Latin America. Industrial development has been limited, and historically the economy has been dependent on exports of coffee and bananas. It has a population of 7 million (2003) with a per capita income of US \$ 970, the second lowest in Central America, just above Nicaragua. 46 per cent of the population lives below the poverty line. In the past 15 years, however, the economy has been diversified, with the development of non-traditional exports such as cultivated shrimp, melons, and tourism, and the establishment of a growing maquila industry (primarily, assembly for re-export of textiles and apparel). Investment incentives aimed at attracting foreign capital in export industries have been introduced.

### Advantages & Incentives

Several hundred foreign companies have operations in Honduras with high levels of efficiency and the manufacturing industry has expanded across the country.

- The Government promotes and guarantees foreign investments in Honduras
- Special incentives are available for export companies.
- Permanent Tax Holiday
- Availability of productive labor.
- Cheap labor
- Competitive property rental rates
- Qualified bilingual professionals available.
- Efficient port facilities
- Proximity to the U.S.A. speeds production turnover rate (48 hours by ship to gulf ports, 2 hours by air)
- Companies can be located anywhere in Honduras
- No import or export duties for material, equipment or office supplies required by the manufacturing plant, companies are exempt from income, city and county taxes for those in the Free Trade Zones.

### Trade Pacts

Honduras has signed a number of Free Trade Agreements including with the US as part of CAFTA which is to be ratified by the US and is expected to facilitate trade once ratified. In addition, the country is also a beneficiary of the Caribbean Basin Initiative and GSPs granted by various countries.

### Tourism

Tourism attractions of Honduras could be described as nature & adventure, archaeology, Caribbean islands and colonial sites. 1. Nature and adventure - Honduras has 15 national parks, two biosphere reserves, and 10





biological reserves protecting over 200 indigenous bird species, and more than 20 large forest dwelling mammals. Honduras offers white-water rafting/kayaking, jungle trekking surrounded by primeval jungles and rare fauna. 2. Archeology - Honduras is world-famous for its archaeology, particularly the Maya Copán near the Guatemala border. 3. Caribbean the exotic islands in this side of the country offers peaceful atmosphere for holidaying with opportunities to view the reefs, enjoy sea sports, etc. The reefs are home to over 4,000 different types of fish and thousands of species of

plants and animals. 4. Colonial sites - more than 300 years of Spanish colonial history have left their mark in numerous religious, civil and military buildings in Honduras.

## India Honduras

India and Honduras established diplomatic relations on September 28, 1994 though neither country has Embassy in each other's country. India has an Honorary Consul General in Honduras. The Embassy in Panama is concurrently accredited to Honduras. Bilateral trade figures have fluctuated with exports during the last financial year (2003-2004) at US \$ 11.99 million down from US \$ 21.65 in 2002-2003.

**Items of Trade** - Principal export items are chemicals, machinery, plastics, rubber products, textiles, pharmaceuticals, etc.

**Potential Items of Exports** - Items such as pharmaceuticals, chemicals, engineering products such as auto spare parts, industrial chemicals, plastic materials, paper and related products, electrical materials and equipment and medical supplies etc. offer increased opportunity for export.

## Potential Areas for Investment -



**Textile** - The apparel industry has potential for expansion due to the combination of inexpensive and experienced labor, a solid managerial base, and free access to the US. Honduras is the second largest textile exporter in the Caribbean Basin.

**Forestry** - Two-thirds of Honduras is covered with tropical and pine forests, and is the only source of genuine "Honduran mahogany" (*swietenia mahogani*), from which the fine quality mahogany furniture is made. It has also reserves of high quality pine and hardwoods such as rosewood, teak and tropical walnut.



**Fishery** - Shrimp farming has recently been established on Honduras' Pacific coast. Honduras is now the second largest exporter of farmed shrimp in the Western Hemisphere. This sector offers investment for setting up of processing, packaging, freezing, etc.

**Agro-based Industry** - The varied topography in Honduras leads to a variety of climates, suitable for all kinds of fruits and vegetables. The development of processing, canning, freezing, pickling, and packaging offer opportunities for business apart from areas such as producing of juices, purees, concentrates, dehydrated foods, and snack foods.

**Mining** - Honduras has considerable reserves of silver, gold, lead, zinc, tin, iron, copper, coal, pitchblende and antimony. Only silver, lead, zinc and small amounts of gold are being mined. Lead is found in combination with silver.





# Nicaragua

## Chemicals, food-processing offer export potential

inflation rate of less than 5%, and enjoy a stable currency pegged to the US dollar.

### **Educated & Skilled Labour Force**

Nicaragua's people are its most valuable asset. It has low attrition rates - verified at less than one per cent a month in existing inbound call centers, a fast learning curve and low absenteeism. The population of 5.5 million has a labor force of nearly 2 million, over 80 per cent literacy rate, and strong government investment in education.

**Low Operational Costs** - The cost structure for export service & contact center operations in Nicaragua is among the most competitive in Latin America.

**Investment Incentives** - Law for Foreign Investment guarantees an egalitarian attention to national and foreign investors. Export service & contact center operations may apply for incentives under the Free Zone Law which offers incentives such as 100 percent income and capital gains tax exemption, 100 percent value added tax exemption, 100 percent municipal tax exemption, duty free import of equipment, duty free import of transportation equipment and vehicles, minimal registration procedures, no limits on foreign capital and full currency convertibility.

### **Investment Facilitating Agencies**

ProNicaragua, Nicaragua's Investment Promotion Agency dedicated to support foreign investors provides qualified investors with the following free services: General and Personalized Country Information, Customized Site Visits, Facilitation Services during the different stages of a project.

### **Tourism**

The largest and most centrally located of the Central American republics, Nicaragua equals England and

Nicaragua is the poorest country in the region. India has in the past extended government to government credit. Bilateral trade is marginal. India exported US \$ 5.75 million during 2001-2002 and US \$ 5.23 million during 2002-2003. During the same period India imported US \$ 0.58 million and US \$ 0.49 million worth respectively. India's main items of exports are pharmaceuticals, steel products, textile items, chemicals, rubber, plastics, etc. India's imports were mainly wood and wood products, coffee, spices, etc.

With a land area of 129,494 sq km, Nicaragua is the largest Country in Central America. However, in terms of the economy it remains the poorest with a per capita income of US \$ 730. Nicaragua has a population of 5.5 million, and a literacy rate of 67 per cent which is one of the lowest in the region. The country, due to its picturesque landscape, has become a popular tourist destination following the end of the Civil War.

### **Advantages & Incentives**

Nicaragua offers advantages by virtue of its low-cost, but skilled and customer-oriented labor force, availability of bilingual professionals (English and Spanish), a neutral Spanish accent, tax and other government incentives, and a modern and cost-effective telecommunications infrastructure.

In the past 10 years, Nicaragua has been transforming itself into a safe, stable, multi-party democracy. Nicaragua is on a disciplined economic program, supervised by the IMF, to reduce its debt and achieve full macroeconomic independence. This fiscal discipline has allowed Nicaragua to achieve an



Wales in size, and 120,254 square kilometers include volcanoes and inland bodies of water. The landscape of the country can be divided into three distinct regions: the Atlantic lowlands in the east, the Pacific lowlands in the west, and a mountainous central region in between. A row of volcanoes runs through the Pacific lowlands, that extends northward into El Salvador, and southward into Costa Rica-linking the



isthmus in a volcanic spine that has helped to create the rich soil and turbulent geological histories of the region. Known for its intriguing scenery and its friendly people it features an abundance of lakes, rivers, volcanoes, colonial cities, untouched forests and sandy beaches.

### India Nicaragua

India does not have Embassy in Nicaragua. Nicaragua has an Hony. Consul in Delhi while India has an Hony Consul General in Nicaragua. Bilateral trade is marginal and weighted in India's favour. India exported goods worth US \$ 5.96 million during 2003-2004. Our imports are also very modest at US \$ 0.34 million during 2003-04.

**Items of Trade** - Main items of exports from India are pharmaceuticals, steel products, textile items, chemicals, rubber, plastics, etc. India's imports were mainly wood and wood products, coffee, spices, etc.

**Potential Items for Exports** - pharmaceuticals, auto parts and equipment; construction equipment and materials; telecommunication equipment; agricultural, food processing, and refrigeration equipment.

### Potential Areas for Investment

Food processing, chemicals, machinery and metal products, textiles, clothing, petroleum refining and distribution, beverages, footwear, wood, etc. offer opportunity for investment in Nicaragua. ●

## Venezuela & Cuba plan joint shipyard

Venezuela and Cuba have agreed to start a joint shipyard in Venezuela, the government said in a statement in the first week of May 2005, symbolizing the latest sign of strengthening economic ties among the Latin American nations.

The shipyard was among a series of agreements signed between the countries last week during a visit to Havana by President Hugo Chavez, the statement from the Infrastructure Ministry said.

Chavez is an ally and close friend of Cuban leader Fidel Castro. Chavez has repeatedly railed against capitalism and has defied the United States as he strengthens relations with the communist country.

The Cuban government will buy food products such as canned sardines, gelatin, puddings and marmalades, as well as 150 tons of chocolate drinks and 93 tons of condensed milk, the news agency said. Cuba also is to



buy work clothes made in Venezuela, including 400,000 pairs of boots.

The shipyard is to be built in the western Venezuelan state of Zulia. It is to be for repairing naval ships and the construction of small navy ships, Infrastructure Minister Ramon Carrizalez Rengifo said in the statement.

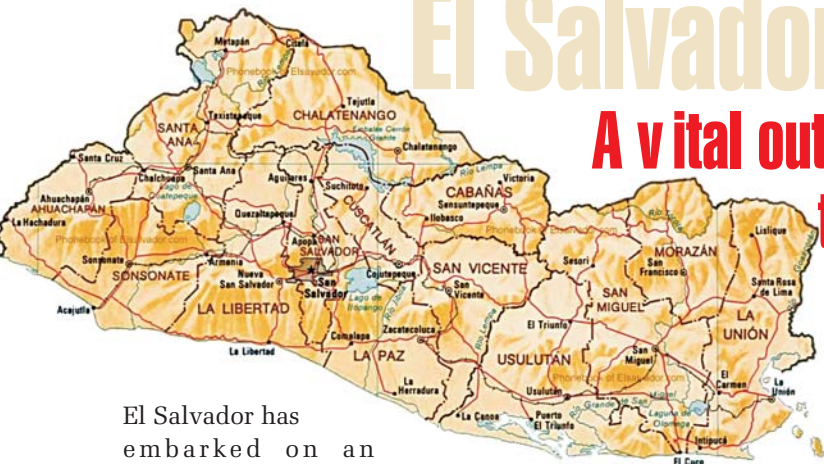
Venezuela, meanwhile, announced last week that the 53,000 barrels of oil it began selling to Cuba on preferential terms in 2000 had now risen to up to 90,000 barrels daily.

Cuba agreed to increase the number of its doctors in Venezuela to 30,000 by year's end. It will also help train 40,000 new Venezuelan doctors.



# El Salvador

## A vital output base close to the US market



El Salvador has embarked on an ambitious programme of recovery besides remaining as a democracy. The signing of a Peace Agreement and the end of a brutal civil war that ravaged the country in the 1980s has ushered in a period of peace and progress.

With a little more than 21,000 sq kms El Salvador is the smallest country in Central America in terms of geography but with a population of more than six million it is the most densely populated country in the region. It has done fairly well in developing its economy and in promoting its high tech industry.

El Salvador's progress in high tech industries in recent times has been noticeable. Trade and economic relations remain modest but on the increase. India's export to El Salvador has gone up from US \$ 3.15 million in 2001-2002 to US \$ 3.72 million in 2002-2003. During the same period, India's import increased from US \$ 0.60 million to US \$ 1.17 million. India's main exports are chemicals, pharmaceuticals, engineering goods, plastics, etc and main imports are wood and wood products.

### Advantages & Incentives

- The United States, which is two to three hours away by air, is El Salvador's leading trade partner enjoying a 50 per cent of its import market share. The U.S. is the destination of 67 per cent of Salvadoran exports. Therefore, using the country as a production base for export offers good opportunities.
- El Salvador offers a platform for industrial and service investments aimed at re-exports to the region.
- The Government of El Salvador views private investment, both domestic and foreign, and increased trade as crucial to development.
- El Salvador has the most open trade and investment environment in Central America and is surpassed in Latin America only by Chile and Mexico.
- The US dollar is the official currency. El Salvador enjoys macroeconomic stability, low inflation, and falling interest rates.

### Trade Pacts

El Salvador has signed a number of Free Trade Agreements (FTAs) including the U.S.-Central American Free Trade Agreement (CAFTA), signed on May 28th, 2004, El Salvador - Panama FTA which is operational.

### Tourism

As many as 25 volcanoes, one-Izalco- is still smoking, a cloud forest with a panoramic view of El Salvador, Guatemala and Honduras from the Summit, 200 miles of unspoiled and uncrowded Pacific Coast beaches, coves and bays, surfing in Central America; colonial and indigenous villages where time has stood still, arts and crafts, towns dedicated to native crafts are some of the tourism attractions.

### India - El Salvador

India and El Salvador have no embassies and both countries are represented through non-resident Ambassadors. India has an Honorary Consul General in San Salvador. The Embassy in Panama is concurrently accredited to El Salvador. El Salvador's Ambassador in London is concurrently accredited to New Delhi. The current level of trade cooperation is modest but offers some scope for growth. India's export to El Salvador almost doubled from US \$ 3.72 million in 2002-2003 to US \$ 6.55 million in 2003-04, while imports fell from US \$ 1.17 million to US \$ 1.09 million in the same period.

**Items of Trade** - India's main exports are chemicals, pharmaceuticals, engineering goods, plastics, etc. while the principal items of imports are wood and wood products.

**Possible Items for Export** - El Salvador offers a steady and growing market for a wide range of goods and services including automotive parts and service equipment, electric power generation and distribution equipment, food processing and packaging equipment, pharmaceuticals, chemicals both organic and inorganic, medical equipment, telecommunication equipment, textile materials and machinery, etc.

**Possible areas of Investment** - Areas such as health, IT, agro-processing, tourism, etc. offer opportunities for investment.

A Journey through Heritage Land

# The World of the Maya

Much of Central America's culture and tradition have their deep roots in the ancient civilization of the Maya people, who once lived in that land and enriched it with their knowledge of various subjects, ranging from mathematics to astronomy and agriculture to architecture. The mighty Maya people also made great strides in the complex areas of socio-politics and economics. That was before Christ and the millennium that followed. Then came the Spanish conquerors, bringing with them the European culture, their language and deep Roman Catholic faith and spread these across the region. Thus, Central America is the convergence of an ancestral tradition profusely splashed with Spanish influence that has given the region an

enchancing colonial touch. The towering Mayan temples and the cathedrals and churches built by the Spanish conquerors are architectural and heritage marvels.

The nature added its own magic and bounty to Central America in the form of dark rain forests, cloud-kissing mountains and volcanoes, sprawling lush green valleys, golden beaches, and round-the-year sunshine. As if all these are not enough, there are the people, the descendants of the Mayas, with friendly smiles and welcoming arms. That is Central America for you!

Today, Central America is a popular destination for tourists worldwide, whose numbers swelled to five million in 2004. Now, "El Mundo Maya" - the World of the Maya which draws tourists in droves once comprised Guatemala, Belize, Mexico, Honduras, El Salvador and thereabouts.







As they say in Guatemala, the World of the Maya has many faces: some of them ancient as found carved on the towering temples of the region, others as modern as those of the people who live in Guatemala today. They are the descendants of the mighty Maya people whose customs and traditions are still part of the fabric of Guatemalan life.

Guatemala is a showcase of natural history and dramatic landscapes, yet its most distinguishing asset is the rich and colorful traditions of the various ethnic communities. Each group has its own language, its special folklore, yet they share a common ancestral heritage as expressed in religion, music, dance, food and even social organization.

While Spanish and Mayan traditions integrate into the country's cultural fabric, the purest of the Maya influences can be found in both the performing and design arts. The handicraft of textiles, in particular, is purely Mayan and a wonderfully colorful, part of the everyday dress.

In La Antigua Guatemala, visitors stroll the same cobblestone streets, enjoy many of the same buildings and monuments that stood when this was regarded as one of the most beautiful capitals in Spanish America. In Antigua and Guatemala City, the celebrations for Lent and Holy Week are still spectacular and attract people from all over the world.

It is still possible to experience the clamor and color of an outdoor Indian market where handicrafts are made and sold in the same manner as in days gone by.

Early inhabitants of Guatemala's Caribbean coast required stern fortitude and bravery to defend themselves from the pirates who sailed those waters. These traits, as well as unfailing good humor, are part

of the rhythms of the traditional dances of the Garifuna who inhabit the region today.

## PACIFIC COAST

Guatemala's Pacific Coast is characterized by the volcanic black sand beaches found there. These are much like the beaches found on many South Pacific atolls. The best known of these beaches are found in the regions of Retalhuleu, Suchitepéquez, Escuintla and Santa Rosa. Among these beaches are La Empalizada, El Semillero, Zipacate and Hawaii. In the region of Escuintla, beautiful waterfalls add to the natural beauty of the caves at San Pedro Mártir.

**Origin of the San Juan River:** Located 15 miles from Huehuetenango in Aguacatán, you can visit the spectacular origin of this river which flows from the side of the Cuchumatanes Range.

## Alta Verapaz

Most of the rivers in this region offer spectacular waterfalls. Among them are the Cahabón, which is great for white water rafting. The area consists of a series of naturally terraced pools in limestone terrain branching off the Cahabon River. Nearby there is a cave through which the river runs.

## Baja Verapaz

Chorros, the bathing resort, is located in Rabinal as are two valleys with particularly impressive beauty. One, San Jerónimo, is watered by several rivers and dotted with historical sites. Urram, the other, can be best appreciated from the hill where the Cahyup archeological site is located.

## East of Guatemala city



**Lake Guija:** Located in the region of Jutiapa, on the border with El Salvador, Lake Guija is a refreshing oasis in this very hot department. Nearby, are lakes Atescatempa, El Comendador, Pasaco, El Obajuelo and the Great Lake.

**Ipala Lake and Volcano:** This area, located in Chiquimula, is great for hiking. The lake is in the crater of the volcano.

**El Petén,** the northernmost department of Guatemala was once the center of the ancient Maya people. Reminders and remains of this civilization are found within an area covering more than 125,000 square miles and five countries

Today, the place is still called "El Mundo Maya" - the World of the Maya - who lived not only in Guatemala, but in Belize, Mexico, Honduras and El Salvador.

The development of the Maya culture covers three periods: (1) Pre-classic from 2000 BC to 300 AD, (2) Classic from 300 to 900 AD, and (3) Post-classic from 900 to 1500 AD.

The hieroglyphics they developed to convey their thoughts have not yet been totally deciphered and are found in their codex, stelae and monuments as well as in the evolution of their ethical, aesthetic and religious thinking.



Many of the Indian dialects, presently spoken by the different ethnic groups in Guatemala, have a common linguistic root: the Maya.

## Sololá

Solola is located in the highlands 84 miles from Guatemala City, is well known for its market festivals. Its major festival, Nim Jij Sololá (Grand Day of Sololá), is celebrated on August 15th.

## Panajachel

The main tourist center of this region is Panajachel, located on the shores of Lake Atitlán. The town dates back to pre-Columbian times, and today is a lively resort community of hotels, restaurants and shops. It is also the hub where visitors can travel by boat to other villages around the lakeshore.

## Guatemala city

The Handicrafts Market in the country's capital is located 10 minutes from La Aurora Airport and offers a great variety of crafts from the surrounding towns.

## Caribbean Coast

The Afro-Caribbean people (called Garífunas) who settled in this area at the mouth of Río Dulce, are of major importance to the region. The best opportunities to visit this region and the town of Livingston to fully appreciate the folklore are during Holy Week, the festivities of San Isidro Labrador (November 29th) and of the Virgin of Guadalupe (December 12th).

## Castillo de San Felipe de Lara

This historic old fort was built at the mouth of Rio Dulce and Lake Izabal as a defense against the pirates who raided Guatemala's Atlantic Coast during the 16th century

## East of Guatemala

### Estanzuela:

Six miles from Zacapa is the town of Estanzuela, famous for its hand-embroidered products and its Paleontology, Archeology and Geology Museum. Skeletons of large prehistoric animals, archeological pottery and lithic fragments are on display. The material at this museum comes from Estanzuela and surroundings, and the northeastern part of Guatemala.



### Esquipulas:

Undoubtedly, the major attraction of the Department of Chiquimula is the town of Esquipulas, 34 miles from Chiquimula and 104 miles from Guatemala City. Its impressive Basilica houses the image of the Black Christ, revered by Guatemalans and others alike.

**Eco-tourism** Three types of sub-tropical forests are found in Guatemala: warm and very humid; cool and very humid; warm and dry forest.

**Warm and very humid forests** are found throughout the country in the departments of Izabal, El Petén, Alta Verapaz, Santa Rosa, Escuintla, Suchitepéquez, Retalhuleu, San Marcos, Quiché and Quetzaltenango.

Altitude in this area range from 59 feet to over 5,000 feet above sea level. The temperature varies between 70 °F to 82 °F. The area contains over 60 different species of trees as well as aquatic vegetation inhabited by nesting, spawning fish and crustaceans. There are about 180 species of native birds and over 300 species of migrating birds.

**Cool and very humid forests** are found in the departments of Alta Verapaz, Baja Verapaz, Jutiapa, Quiché and Huehuetenango. The altitude varies from 558 to 2,133 feet above sea level. Temperature is in the range of 68 °F to 80 °F.

The vegetation of the area differs with the altitude and ranges from weeds, bushes and ferns (some arboreal) to palms. There are more than 50 species of trees and hundreds of orchids and bromeliads. Butterflies and beetles, amphibians, lizards and snakes are plentiful. The most spectacular bird of the region is the quetzal - the national bird of Guatemala.

**Warm and dry forests** are found in the departments of Santa Rosa, Jutiapa, Izabal, El Petén, Escuintla, Suchitepéquez, Retalhuleu, Quetzaltenango and San Marcos. They are found from sea level to 1,312 feet in a temperature of 66 °F to 86 °F. This type of forest is located in areas of brackish water so that mangroves and bulrushes are prevalent. The area also has a great variety of fruit trees, medicinal plants and other timber. Many different species of mammals, reptiles and birds are there.

Lake Atitlán, which is volcanic in origin, is the main tourist attraction in the region of Sololá. The lake is 90 miles from Guatemala City, and has been described by experts as the most beautiful lake in the world. It is located 5,125 feet above sea level, covers an area of 50 square miles and has a depth of 1,600 feet. Its clear waters are home to several species of fish including the very edible black bass.

Three spectacular volcanoes - Tolimán, Atitlán and San Pedro - form a natural backdrop for the lake waters which change colors with the varying light. Lake Atitlán is a mecca for water sports: fishing, swimming, diving, water skiing and boating. The surrounding mountains are a natural springboard for hang gliding and competitions are often held there.

### Lake Amatitlan

Lake Amatitlán is located 17 miles south of Guatemala City. To really enjoy the beauty of this six square mile lake, it is necessary to view the lake by boat. You can also get a spectacular view of the lake and surroundings from the lookout atop United Nations Park. This is reached by funicular from Las Ninfas Park.





# EL SALVADOR

## The country with a SMILE

In honor of its ancestry and the vigor of its name, El Salvador keeps its doors open to the world. Come to visit us and discover the enchantment of the millenary Mayan culture, take a look at the vitality and exuberance that exists within the country's geography, discover the attraction of our dark sand beaches and then, let yourself be captured by the silent nights that lengthen into dawn.

The city of San Salvador is the prosperous and cosmopolitan capital of the country, having all the modern advantages of a large metropolis and also, in contrast, the historic architecture of the old neighborhoods.

But the real fascination of El Salvador is in its environment, in its light, aromas and the faces of its

people.

El Salvador has enormous natural bonanza, but its greatest treasure are the men, women and children that inhabit it; they are characterized by their sincere laughter, their hospitality and industriousness which have earned for the country the name "the Country with a Smile".

With peace as its banner, the time of concord is being affirmed in El Salvador. Its inhabitants are aware of the great opportunities that liberty and progress bring. That is why their culture is aimed toward the permanence of these values. El Salvador is again a striving country, full of the life that destiny has market out for it since the glorious age of its ancestors: the Mayan people.



## Beaches

Thanks to the generosity of a climate favored by the sun and to a volcanic soil of extraordinary fertility, El Salvador takes pride in the invaluable treasures in its ecosystem

With 300 kilometers of coastline, enjoying a tropical climate and sunny days by the seashore is one of the most common occupations of its inhabitants. Locals and outsiders enjoy the most complete and modern tourist infrastructure in places like La Costa del Sol, where the gray sand is the ideal background to sun bathe, practice some sport or simply relax. The eastern coastal area is characterized by having perfect places to reside, and it is there where some of the most beautiful beaches of the country are located.

In the Department of Ahuachapán, the most valuable ecological patrimony of the Salvadoran territory is found. At the El Imposible forest, the diversity of its plant species goes above 350, alternating with innumerable springs of crystal clear water and unspoiled areas. It also shelters more than 350 different species of birds and 500 varieties of butterflies. This park is considered a Cultural Heritage for Humanity and constitutes the last refuge for spectacular animal species. Nancuchiname, El Jocotal Lagoon, the Misty Montecristo Woods, Deininger Park and Cerro Verde are other reserves established for the conservation of the country's flora and fauna.

In El Salvador there are more than 25 extinct volcanoes with small and large craters.

El Salvador has many places of incomparable beauty, many of them with relatively easy access and very picturesque.

Along its 20,742 square kilometers there are plains,

steep mountains, rivers, ravines, marshes, beaches brimming with sun and life and impressive volcanic formations, some of them still active.

From the impressive vestiges found in the land where El Salvador now rises, it can be deduced that this land has been one of the most populated in the world during the last 3,500 years. Despite being the smallest country in the Mayan World, its abundant cultural equipment - in large measure still unexplored - makes it one of the most impressive archeological mysteries in the Americas.

One of the most important discoveries of the last few years in the Mayan World occurred in Joya de Cerén, declared as a Heritage for Humanity by UNESCO, an enigmatic village 30 kilometers northeast of San Salvador.

Architectural constructions of a religious order can be constantly seen nationwide, leaving with their construction a perfect example of styles that go from classic to baroque and churrigueresque.

The creativity of Mayan-Salvadoran artisans extends across all the territory, whether in the production of articles made of clay, ceramics, bamboo, wood or textiles.

Likewise, the convergence of an ancestral culture with a Mayan Spanish influence, has colored its countenance with an enchanting colonial touch that makes it more attractive as a heritage for humanity.

El Salvador; a country immortalized by combining the prodigies of nature with the preeminence of human management; a friendly country, with wonderful customs and millenary traditions; an essential country within the Mayan World. •





Last century, Nicaragua was well traveled, not as a destination, but rather as a quick route to California. Nearly one hundred thousand Goldrushers traveled the transit Route. This route is now considered Nicaragua's "golden corridor: for tourism, as the river and Lake where Vanderbilt's and Morgan's steamers once sailed is now a protected area and an ideal destination for ecotourism.

### Corn Islands

Also known as *Islas del Maiz*, these palm-fringed islands off the Caribbean coast are popular with Nicaraguan vacationers. In centuries past, they were also popular with buccaneers, who used them as a base for raiding Caribbean shipping. Today, those looking for a non-resort island experience will enjoy them. However, as with other areas on the Caribbean coast, they are far removed from Nicaragua's principal attractions.

There are two islands: Great Corn (*Isla del Maize Grande*) and Little Corn (*Isla del Maize Pequena*). Great Corn is the primary destination for travelers because of its superior beaches, excellent fishing and crystal clear water. The snorkeling there is quite good, offering views of beautiful coral formations and the wreck of a Spanish galleon. Little Corn has no facilities, no electricity and no cars. What it has is quiet beaches and good coral.

### El Castillo

The town of El Castillo came into being when a Spanish fort was built in the 1700s to defend against pirates and British forces trying to make their way

onto Lake Nicaragua. Today, the old stone fort, called El Morro, has been partly restored and has exhibits on its long history.

The town of El Castillo itself is tranquil and interesting. Several times a day, the locals go out on the river in their canoes and fish with nets. There's a lovely hotel in town constructed of indigenous woods. It was sponsored by the Spanish government and is a surprising sight in such a remote area. To the east of El Castillo, the scenery is more pristine. The **Indio Maiz Biological Reserve** is a rain-forest preserve located at the confluence of Rio San Juan and Rio Bartola. It incorporates 8,685 sq mi/22,500 sq km of forest that is home to monkeys, tapirs, coatis and many other species. It's possible to take guided hikes into the area (inquire about the language skills of the guides - some don't speak English).

### Granada

Granada (pop. 89,000) is usually seen as a day trip from Managua, but its inexpensive hotels (some of them in restored colonial buildings) and lakeshore bars and restaurants make it a viable home base while staying in Nicaragua. Founded on the shore of Lake Nicaragua in 1524, Granada is the nation's oldest city (its rival, Leon, was established later the same year). It's worth a visit to see its colonial architecture, much of which is being restored thanks to funding from Spain. The city's main landmark is the Convento de San Francisco, which was built in 1529. These days it's a museum complex that displays festival masks and a rare collection of basalt statuary that was discovered on an island in Lake Nicaragua. The statues are believed to be more than 2,000 years old.



The **Mt. Mombacho** volcano is also nearby and has recently been designated a national park. Transportation up the mountain is available. Often enveloped by clouds, the mountain is home to lots of humming birds and orchids. *Granada is 30 mi/50 km southeast of Managua.*

## Lake Nicaragua

This is the largest lake in Central America - about 100 mi/60 km long and 50 mi/30 km wide - and one of the 20 largest in the world. Since the late 1800s, there have been plans to dig a trans-Nicaragua shipping channel connecting the Caribbean and the Pacific, with Lake Nicaragua as the centerpiece. Construction was actually begun on the project by a U.S. company, but it was never completed. Later, the Panama Canal became the route between the Caribbean and the Pacific.

Though it's a freshwater lake, Lake Nicaragua was once home to large numbers of species usually found in salt water - sharks, tarpon, swordfish and sawfish. Unfortunately, their numbers have been greatly reduced - the sharks, in particular, have been fished to near extinction. Winged creatures have fared better. A large population of birds nests on the roughly 350 islands in the lake.

## Leon

Just west of Lake Managua, Leon (pop. 220,000) was first established in 1524, though it was destroyed in an earthquake in 1610 and rebuilt in a different spot. It served as the capital of Nicaragua until 1857. Today, the city has a large university student population and is considered the intellectual capital of Nicaragua.



Long the liberal hub of the country, it was one of the strongholds of the anti-Somoza forces during the revolution. The Sandinistas still remain a powerful force in the city.

The cathedral located across from the central plaza, is the largest in Central America. It contains magnificent colonial religious art and the tombs of some of Nicaragua's most famous citizens, including the poet Ruben Dario, who was one of the most influential Spanish-language poets of the late 1800s and early 1900s. Dario's boyhood home is now a museum highlighting his life and works. Cultural activities are frequent at the renovated municipal theater and at the Casa de Cultura, which has a permanent art collection.

One of the city's greatest attractions is its spirited street life: Mariachi bands and marimba players stroll the streets. Children often go door to door with 10-foot-tall puppets, reciting humorous poetry and beating on drums and trash-can covers. One fun way to observe the activity is to take a ride on the "topless







bus" that cruises the city on warm nights. The cost is less than US\$0.25. In January, the city hosts a Festival of the Arts.

Nicaraguans are passionate about baseball, but those passions can sometimes get out of hand: Unless you're attending with people who know their way around, you may want to steer clear. The season runs October-April, and there are usually several games a week at the National Stadium (Estadio Nacional) on Avenida Williams Romero.

Many of the country's principal attractions (Leon, Lake Nicaragua, Granada, Masaya, Masaya Volcano National Park and others) can be visited on day trips from Managua. Also nearby, and visible from the city, is Momotombo Volcano. The mountain can be climbed, but to do so, you'll need a permit from the Instituto Nicaraguense de Energia, located in Managua.

## Masachapa

If it weren't for the excellent beach, Masachapa would

have little to recommend it (it's really just a small, dirty coastal town on the Pacific Ocean). But the beach (Pochomil) is the most pleasant one in Nicaragua - clean, a wide stretch of white sand. It can also be enjoyable to watch the fishermen unload their hauls at the end of the day: The whole town, it seems, comes out to help them pull their boats in.

## Masaya

The center of Nicaragua's folk culture, Masaya (pop.75,000) is the spot for dancing, festivals, music and handicrafts. Some of the craftwork is produced in the city, but Masaya also serves as a market for goods produced elsewhere in the country. The Mercado de Artesanias should not be missed: In addition to exquisite paintings, jewelry, leatherwork and ceramics, the market offers hand-embroidered shirts, dresses and tapestries and musical instruments. The hammocks for sale there are the best in Central America - hand-knotted, very colorful and very inexpensive.

Masaya's festivals are among the country's most resplendent. In February, on the Sunday of Lazarus, a fiesta is held, highlighted by a parade. Beginning on 30 September, a weeklong festival honors the town's patron saint.

To the west of Masaya is the **Masaya Volcano National Park** (Parque Nacional Volcan Masaya), which contains three cones: Masaya, Santiago and Nindiri. Santiago and Nindiri are still active, offering views of smoke and boiling mud. For a spectacular view of the entire countryside, climb up the 184 stone steps next to the Santiago crater to the Spanish Cross: It was built by the Conquistadors in 1529 in hopes of persuading





the volcano to stop its eruptions. The park is closed from time to time if the activity becomes too great, so check ahead to be sure it's open. A volcano museum with a cafe and nature center is located near the park entrance.

Lake Masaya, located inside the park, is the site of ancient petroglyphs and is home to a rare species of tree frog. *Masaya is 20 mi/30 km southeast of Managua.*

## Matagalpa

Lying well to the northeast of Managua, Matagalpa (pop. 115,000) is noted for its climate and surrounding mountain countryside. Abundant foliage and cool weather provide a break from the heat and dust of Nicaragua's other cities. One of the area's key attractions is **Selva Negra** (Black Forest), a 495-acre/200-hectare nature reserve located a short way out of Matagalpa. This is one of Nicaragua's prime ecotourism attractions. The forest contains extensive hiking trails, horseback riding and an impressive cloud-forest ecosystem. Amidst the cedar, pine, mahogany and orchids, you'll find howler monkeys, coatis, armadillos and some 200 species of birds. The area can be explored from the Selva Negra Lodge, a resort hotel situated along a lovely lagoon.

## Montelimar

Montelimar was once the beach getaway of dictator Anastasio Somoza. After he fled the country in 1979, following a shootout at the estate, the Sandinistas turned it into a luxury resort complete with villas, restaurants, bars, discos and a casino. Moreover, it's

located on one of the most dazzling beaches in the region. Montelimar is an all-inclusive resort: All food, lodging and even alcohol are included in the price. Though Montelimar doesn't encourage its guests to venture away from the resort, there are other beach areas nearby, including **La Boquita**. Some have overnight accommodations, but they are rudimentary - many notches below Montelimar. At the resort you can rent bicycles or scooters, or even arrange for guided tours to other parts of the country. *60 mi/100 km southwest of Managua.*

## San Juan Del Sur

Located near the Costa Rican border, San Juan is a fishing village on the Pacific that has become a seaside resort. It offers beaches, rocky vistas and seaside restaurants. Surfing is possible, though the waves are rather small. If you visit, take mosquito repellent. The nearby nature reserves at **Chacocente** and **La Flor** are used by sea turtles, who come up on shore to lay their eggs. *San Juan del Sur is 60 mi/95 km south of Managua.*

## Eco-tourism

The rising interest in ecotourism has drawn travelers eager to see Nicaragua's natural attractions. Indeed, the country contains far more lakes than the rest of Central America (including the very large Lake Nicaragua), and there are now a number of protected areas and nature preserves. The Masaya Volcano National Park provides some of the most accessible active volcanoes in the region. Budget travelers will be attracted by Nicaragua's relatively low prices. •



# COSTA RICA

## The land of 'Eternal Spring'

Costa Rica occupies a privileged spot in the heart of Central America. It's territory touching both the Atlantic and Pacific oceans. The Caribbean region of Costa Rica stands out for its variety of aquatic ecosystems and its beautiful white and black sand beaches, providing an ideal setting for activities such as sport fishing, snorkeling, and sun bathing. The Pacific coast concentrates big tourist centers and its beaches are very popular for surfing, for example Esterillos, Jaco, Hermosa, Boca Barranca. In the Golfito region, near the Marino Ballena National Park, surfing fans can find the famous "long lefthander wave." No wonder, more than one million tourists visit Costa Rica each year.

In addition, Costa Rica is characterized by an impressive scenic beauty, consolidated system of protected areas, social and political stability, high educational levels, and efficient infrastructure and services.

The country's strategic position, in the heart of the western hemisphere, the Government's positive attitude towards foreign investment, its infrastructure, access to international markets, and labor quality and cost, make Costa Rica an ideal place to establish commercial operations.

### History & Culture

Costa Rican culture is in many ways a reflection of its racial diversity. The predominant influence has long been European, which is reflected in everything from the official language -- Spanish -- to the architecture of the country's churches and other historic buildings. The indigenous influence is less visible, but can be found in everything from the tortillas that make part of a typical Costa Rican meal, to the handmade ceramics sold at roadside stands.

An important aspect of Costa Rica's cultural legacy is their love for peace and democracy. The Ticos, as the local people are called, like to stand out that their nation is the exception in Latin America, where military dictatorships have long dominated politics.

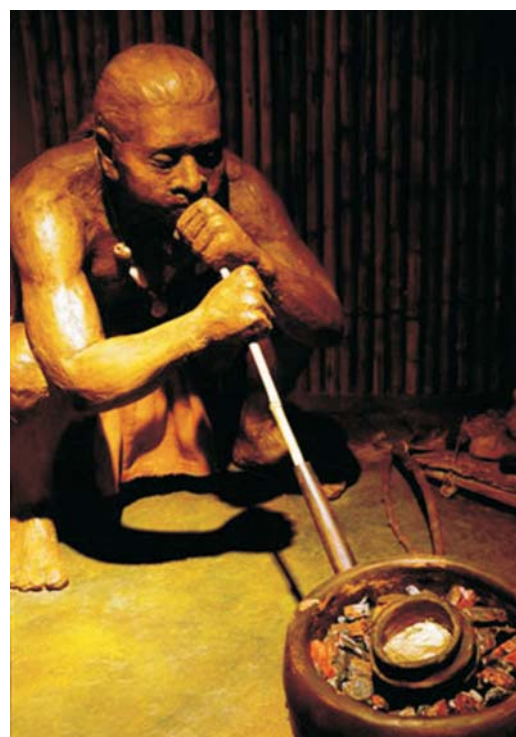
They take pride in having more than one hundred years of democratic tradition, and almost half a century without an army. The army was abolished in 1948, and the money the country saves by not expending in military issues is invested in improving the Costa Ricans' standard of living, which has fostered a culture of social peace that makes it such a pleasant place to visit.

### Hospitality

The Ticos, as Costa Ricans are commonly known, are famous for their hospitality. People say the Ticos are their nation's greatest asset, and once you've experienced their friendliness and spontaneity, you'll have no doubt to that regard. The Ticos are a mixed race. Though most of the country's 3.3 million inhabitants descend from Spanish immigrants, many families originated in other parts of Europe, Asia, Africa and, indeed, Central America.

### Geography

Rugged highlands are found throughout the country, ranging from



approximately 1,000 to 2,000 meters (3,000 to 6,000 feet above sea level). The Guanacaste Mountain Range, Central Mountain Range, and Talamanca Mountain Range are the main mountain ranges extending the entire length of the country. There are several active volcanoes (Arenal Volcano, Irazu Volcano, Rincon de la Vieja Volcano and Turrialba Volcano) and the country's highest mountain (Chirripo Hill) with a height of 3,819 m/12,530 ft. The country has a relatively long coastline in both the Atlantic and Pacific oceans, as well as a number of rivers and streams that attract specialist kayakers and rafters from all over the world.

## Climate

Costa Rica's year round climate is pleasant with naturally occurring breezes, cooling down most of the coastal areas. Temperatures in the highlands and mountains are not so cold, especially during day, producing an 'eternal spring' feeling. The average annual temperatures range from 31.7°C (89°F) on the coast to 16.7°C (62°F) inland. The rainy or green season lasts from May to December with noticeably drier days during the rest of the year.

Going to the beach is a must when traveling to Costa Rica and a nice suntan is always possible.

## Communications

Costa Rica has one of the most advanced telecommunications systems in Latin America, with telephones and fax machines all over the country, and an increasing number of businesses online. Newspapers and magazines from North America and several European nations are sold in many shops and hotels in and around the capital. It's easy to get around Costa Rica, and traveling within the country can be quite inexpensive.

## Agriculture

You don't have to drive very far in Costa Rica -- past the coffee, pastures, bananas and other crops -- to realize that agriculture is the basis of its economy. Coffee has historically been the country's most important crop, and Costa Rica continues to produce some of the finest coffee in the world. However in recent years less traditional crops have been playing an increasingly important economic role. Bananas are the second most important export crop, with vast plantations covering parts of the Caribbean lowlands, there is also significant land dedicated to the cultivation of pineapples, sugar, oranges, rice, hardwoods and ornamental plants, as well as raising cattle for beef and dairy products.

## Tourism

Though agriculture remains the basis of the national economy, tourism has earned more than any single export crop during the last few years, and the tourism industry continues to grow providing new employment opportunities, and stimulating the conservation of our complex biodiversity.

Some holidays can be attractive for travelers, such as the last week of the year, when there are parades and many other activities in San Jose and throughout the country. On July 25 every year (the annexation of the province of Guanacaste), the main towns in this northwest province are overflowing with revelry and folklore. Carnival, which is celebrated in the Caribbean port of Limon during the week of October 12, is another colorful affair.

## Ecotourism

Considered one of the most bio-diverse regions in the world, Costa Rica is divided in 20 natural parks, eight biological reserves, and a series of protected areas that captivate ecotourism lovers. The variety of activities includes horseback riding, hiking mountainous paths in the cloud forests, and guided bird-watching tours.

Tortuguero National Park is especially famous for sea turtle nesting that takes place every year, and the natural canals that abound in protected species such as crocodiles, manatees, and otters.







Dr. P. Sekhar

# Micro VBB - Owners' PRIDE & CAR THIEVES' Nightmare

Imagine, you have finally managed to get the tickets for the hit movie running currently at the city's most popular multiplex. You rush home and break the news to the family. They are ecstatic. You all pile into your dream car and arrive at the mall housing the multiplex much before the movie starts to spend time shopping. The parking lot is full and you have no choice but to park your vehicle a little away from the entrance.

The next few hours are spent happily. The movie was great, so was the shopping. Exhausted, all of you trudge wearily out of the entrance towards the spot where you had parked the car. Your heart skips a beat as you find only empty space and no car. The shopping bags drop down at your feet. Your worst nightmare has come true! Your dream car has vanished as a dream does on waking! You rush towards the security shouting. He pleads helplessness. When you lose your temper, he points to the board prominently displayed, which says "Parking at owner's risk".

You go to the nearest police station and lodge a complaint. They are pessimistic about recovering your vehicle. Actually, they are right, very few vehicles, which are stolen, get recovered. In fact, these are exceptions to the rule. Even if your vehicle is recovered, it is in such a bad state that you need to shell out a tidy sum to put it back into reasonably good shape.

Is this the fate waiting to befall a car owner? Absolutely not, if **Micro Technologies (India) Ltd.**, has anything to do with the security of the vehicle.

It was this helplessness of car owners that provided an impetus to Dr. P. Sekhar, Chairman and Managing Director, Micro Technologies (India) Ltd, to come up with a foolproof technological solution to prevent car thefts. The technocrat and his team at Micro have achieved the incredible; they designed the Micro Vehicle Black Box (Micro VBB), which in time may frustrate car thieves and compel them to seek an

alternative, if not an honest, vocation.

"A car, after home, is a person's most treasured possession. To have it stolen or broken into and vandalized is a trauma, which stays at the back of his mind for a long time," says Dr. Sekhar, explaining what motivated him to think up a security solution.

"Till we launched Micro VBB, there were no security devices, which actually helped a person take charge of the situation and do something constructive about it. Most of the devices in the market, even now are simple immobilizers, which are effective over a very short range. In fact, there is no device apart from Micro VBB, which allows you act decisively, when the theft is taking place at a remote location, even if you are thousands of miles away, through your mobile," he adds.

The performance of Micro VBB has proved that the product has actually surpassed its claims, which is very rare.

## Micro VBB - The magical vehicle security product

The product is the perfect blend of IT, auto security and the mobile phone. It brings to life the IT expertise of Micro Technologies, which already has over 60 tested and tried software packages. Micro VBB is extremely user friendly and easy to install.

## What can Micro VBB do?

When Micro VBB is installed in a vehicle, the latter turns into a fortress. Yes, like any other fortress, it can come under attack, but the difference is it can defend itself. When a car thief tries to break into your vehicle and enters through any door, you will immediately receive an SMS on your mobile informing you about the intrusion. You can just send a pre-defined SMS back to the Micro VBB control unit and it will stop the vehicle. Even though the vehicle may be in motion.



And it will even render the original key useless. You need to send an SMS to restart it. Imagine you have forgotten your vehicle keys in the car. Just use your mobile to open the door and start the key.

You can be anywhere in the world and yet you can stop the vehicle with your mobile phone. According to Dr. Sekhar, one of his prospective clients before becoming a distributor for Micro VBB in Dubai, used his mobile to stop a car in Mumbai, India!

Micro VBB has an in-built two-way communication device, which allows anyone to speak to your driver but your driver can only speak with you at the touch of a button. It is a dedicated line, which he can use to communicate only with you. This feature prevents misuse of phone.

It also has a GSM based location finder, which enables you with a simple SMS, to find out the location of your vehicle. This feature is especially useful for chauffeur-driven vehicles. This feature is widely used by fleet owners, call taxis and transporters to find out the location of their vehicles. Micro VBB works with all kinds of vehicles, from luxury cars like the Lexus to tourist buses.

Apart from these features, the company is planning to

launch the following:

**Door Open Message:** Micro VBB lets you know about the opening of doors, dickey or bonnet. It will even tell you which of these is open.

**Air-conditioner ON/OFF:** Just send a simple SMS and you can start your AC, even before you enter the car. This feature will be very useful during the summers.

### Micro VBB performance

Since its launch about a year ago, Micro VBB has succeeded beyond expectations in India and abroad. Micro VBB has presence not only in India but countries like Nigeria, South Africa, Singapore, Kuwait, China and even Japan has shown very positive response to this product.

Now, back to the movie and imagine again! If only you had installed Micro VBB in your car, you would have received an intrusion message, while choosing a shirt or trying it on at the mall, you could have sent an SMS immobilizing the car. You could even have caught the miserable thief, whose mission had failed. And walking out of the entrance after the matinee show, you could have found your dream car responding to you, as you start it with your mobile, and driven it into the sunset. ■





# Revitalización del crecimiento en la región LAC

~ Arijit Saraswati, Director Gerente, Export-Import Bank of India

Lo que se inició en el 2003, se fortaleció en 2004 y la región de Latinoamérica y Caribe (LAC) registró su mayor crecimiento desde 1980. Se estima que las economías de la región han crecido en un 5,5%, con todos los países, excepto Haití, registrando tasas de crecimiento positivas. El crecimiento ha sido debido principalmente a las exportaciones e inversiones. El consumo privado también aumentó durante el año, ayudado por menores tasas de interés en la región en general. El sector de las exportaciones se benefició de una fuerte demanda global unida a los elevados precios de los productos. Las inversiones también se mantuvieron fuertes, en un ambiente de tasas de interés general reducidas.

Las principales economías de la región registraron mejoras en 2004; la mayor mejora alcanzada por Brasil, que creció en un 5,2% en el 2004 frente al reducido 0,5% del 2003. El crecimiento se disparó gracias al extraordinario aumento de las exportaciones y a la fuerte demanda de los consumidores. Recuperándose de una caída acumulada del rendimiento del 20% en 2002-2003, la máxima tasa de crecimiento de la región la alcanzó Venezuela con un 17,3%, que se benefició de los elevados precios internacionales del crudo y de las políticas expansionistas fiscales y monetarias. En la tabla se presenta el resumen de los principales indicadores económicos para la región LAC.

Las exportaciones, que jugaron un papel crucial en el remonte de la región, se estima que crecieron en un 24% sobre los 431.000 millones de dólares americanos de 2004. Los elevados precios

internacionales del crudo, de metales como el cobre y la plata y de productos agrícolas como el café, la soja, el trigo y el cacao, intensificaron el crecimiento de las exportaciones. El aumento de la exportación fue especialmente fuerte en Chile (aumento del 50%), Venezuela (aumento del 46%) y Brasil (aumento del 30%). También las importaciones crecieron a un ritmo similar hasta los 357.000 millones de dólares americanos en el año. Las importaciones crecieron en un 60% en Argentina, un 55% en Venezuela y un 28% en Brasil. En los últimos años, China se ha revelado como un importante socio comercial de Latinoamérica y durante el 2004, el comercio chino con la región LAC continuó siendo fuerte.

La inflación se redujo por segundo año consecutivo en muchos países de la región. Las medidas antiinflacionistas junto con políticas de cambio más flexibles, ayudaron a mantener las inflaciones nacionales bajo control. Aunque la inflación en Venezuela es todavía significativamente alta (ver tabla), sin embargo, se ha reducido considerablemente comparando con épocas recientes. Algunos países como Brasil, México y Chile aumentaron los intereses con el objetivo de contener la inflación. En Brasil en particular, las medidas antiinflacionistas tuvieron como resultado la apreciación de la moneda, lo que llevó al banco central a intervenir fuertemente en el mercado de divisas con el objetivo de obtener mayores exportaciones y mayor crecimiento económico. En Argentina, por el contrario, los intereses reales se han mantenido bajo cero a propósito, con objeto de obtener un importante aporte de liquidez.



En las últimas épocas, las políticas monetarias en la región LAC se han hecho más flexibles, con excepción de Venezuela, que ha equiparado su moneda con el dólar americano. Con los elevados precios de los productos, el rápido incremento de la balanza comercial en la región y el debilitamiento del dólar americano, muchas monedas de la región se han apreciado respecto al dólar en 2004. Sin embargo, considerando la fortaleza con respecto al conjunto de monedas, los cambios reales de muchos países perdieron valor durante el año 2004. Esto es particularmente cierto para países como Argentina, Venezuela y Perú.

El crecimiento durante el 2004 fue impulsado también por mayores inversiones. Las inversiones directas netas extranjeras crecieron alrededor el 34% en 2004, respecto a una estimación de 39.500 millones de dólares americanos, siendo México, Chile, Brasil, Colombia, Argentina, Trinidad y Tobago y Perú, los principales receptores. Asimismo, beneficiándose de la política de intereses bajos, las economías de LAC consiguieron obtener cerca de 10.000 millones de dólares americanos del mercado global de bonos.

Se espera que el crecimiento de la región se desacelere alrededor de un 3,9% en 2005 debido a que la moderación del crecimiento global influenciará las exportaciones de LAC. Además, la tendencia alcista de los intereses en los EE.UU. y en otros mercados industriales, reducirá entrada de capital en la región LAC, lo que limitará el crecimiento económico. Sin embargo, se espera que Argentina, Chile y Venezuela crezcan sobre un 5% en 2005.

**Tabla: Resumen del funcionamiento económico de determinadas economías de LAC en 2004**

País	Incrmento del PIB (%)	Inflación* (%)	Exportaciones (miles de mill. USD)	Importaciones (miles de mill. USD)	Inversión extranjera, neto (miles de mill. USD)
Argentina	9.0	6.1	34.1	20.9	1.8
Brasil	5.2	6.1	95.0	62.0	7.1
Chile	6.1	2.4	31.6	22.4	7.2
Colombia	3.9	5.6	16.4	15.5	2.2
México	4.4	5.5	189.0	195.2	13.5
Perú	4.5	3.5	12.3	9.7	1.3
Venezuela	17.3	19.2	39.2	16.0	0.6

Nota: todas las cifras son estimadas; \*: inflación de los precios al consumo al final de 2004

Fuente: Instituto de Finanzas Internacionales, Comisión Económica de Naciones Unidas para LAC

### El comercio de India con LAC crece rápidamente en 2004-05



Las exportaciones de India a la región LAC alcanzaron los 1.880 millones de dólares americanos, mientras que las importaciones montaron 1.750 millones durante Abril-Febrero 2004-05, muy por encima de las correspondientes cifras totales de 1.160 millones de USD y 1.170 millones de USD para 2003-04. Como resultado, el comercio total en Abril-Febrero 2004-05 ha superado al total del año anterior en un 55%. Se espera que, en un cálculo anual, el comercio de India con la región LAC, aumente alrededor de un 60% en 2004-05. Este ha sido, quizás, el mejor ejemplo de funcionamiento de comercio bilateral. Comparando el periodo Abril-Enero de 2004-05 con el de 2003-04, las exportaciones de India a Brasil se han incrementaron alrededor de un 130%, mientras que el mismo parámetro para Colombia y Venezuela ha sido de 285% y 218%, respectivamente. El mayor impulso ha provenido de las exportaciones de productos del petróleo, mientras que la química y farmacia, instrumental y maquinaria, prendas de vestir y textiles y los equipamientos para el transporte, también han registrado un crecimiento considerable.

En conclusión, con una recuperación económica de la región LAC, acompañada por un aumento significativo del comercio con India, las perspectivas de fortalecimiento del comercio bilateral son mejores que nunca. Las recientes iniciativas tomadas a nivel de gobierno, como la PTA India-Mercosur y el Acuerdo Marco Comercial India-Chile, son acontecimientos alentadores; también están los apoyos institucionales como las líneas de créditos del Exim Bank y otros programas de financiación. Esto debería reforzar el interés de la comunidad de negocios de India en estudiar las posibilidades de la región LAC. ■



# Turismo en la India

**"Si existe un lugar en la faz de la tierra, en el que todos los sueños de los hombres han encontrado una morada desde tiempos muy remotos -desde que el hombre empezó a soñar con la existencia, ese lugar es la India."**

**Romain Rolland**

La India no sólo es un país rico en culturas, etnias y religiones; también posee todo lo imaginable para satisfacer los gustos más exquisitos de los visitantes: playas soleadas, frescas colinas, templos de delicadas esculturas, antiguos monumentos, majestuosos hoteles-palacio...

Podrá deleitarse con el estilo de vida de los Maharajás, conseguir jazmines de delicado perfume, objetos de artesanía tallados, platería fina incrustada con piedras preciosas, trajes de sorprendentes colores, alfombras tejidas a mano y magníficos cuadros pintados en seda, todo a muy buenos precios.

Desde el primer momento notará el deseo de una

vida armoniosa. Se maravillará con las fiestas y los templos y si le atrae el camino espiritual, la India le ofrece las sabidurías del Hinduismo, Islamismo, Budismo, Jainismo, Sikhismo, Zoroastrismo, Judaísmo y todas sus creencias.

India cuenta con buenas conexiones y servicios de transporte aéreo, trenes y carreteras que conectan casi todas las ciudades del país. Indian Airlines, la aerolínea estatal local, y un gran número de aerolíneas comerciales privadas le ofrecen los mejores servicios. Existen conexiones aéreas internacionales desde Delhi, Mumbai (Bombay), Chennai (Madras), Thiruvananthapuram, Bangalore, Kolkata (Calcuta) y otras.

Por otro lado, si lo que desea es practicar deporte de aventura y vivir experiencias extremas en su viaje de vacaciones, India es el lugar ideal. Le brinda toda una gama de actividades que combinan perfectamente naturaleza con emociones. Desde montañismo, deportes acuáticos, deportes aéreos como viajes en globo, ala delta, parapente hasta safaris en camello, en caballo, en elefante; o, si lo prefiere en los tradicionales vehículos 4 x 4.

A pesar de la distancia existente entre la India y los países latinoamericanos, es posible viajar fácilmente a la India ya que se ofrecen varias conexiones aéreas a través de Europa o EEUU. Además, los costos turísticos en la India (alojamiento, comida, transporte) son menores que en Perú o Bolivia - muchas veces los gastos en la India representan la mitad del costo del pasaje.

En esta página, se incluye una breve descripción de la riqueza turística que le ofrecen las cuatro regiones principales de la India.

El Templo de Oro  
(Amritsar)



## *El norte: Punto de encuentro de encuentro del continente*

Delhi, el punto céntrico del país incluye dos ciudades: el viejo Delhi, capital de la civilización del imperio mongol, con calles estrechas y bazares, y Nueva Delhi, una ciudad moderna con amplias avenidas, altos edificios y parques. Delhi es un punto estratégico desde donde se puede explorar los estados del Rajasthan, Punjab, Uttar Pradesh, Uttaranchal, Himachal Pradesh y Madhya Pradesh.

En Agra usted verá aquel incomparable monumento al amor, el Taj Mahal, indudablemente un magnífico ejemplo de la arquitectura de estilo mongol.

Hacia el este, en la ciudad sagrada de Varanasi, miles de hindúes (fieles de la religión Hinduista) acuden a bañarse al río sagrado de Ganges.

Al Sudoeste de Delhi, se encuentra Jaipur, la ciudad rosada. Uno de los lugares más extraordinarios en Jaipur es el impresionante Palacio de los Vientos, donde 953 ventanas se asoman al mundo.

## *El Oeste: Una puerta a la aventura*

El Puerto de Mumbai es la puerta a la India. Esta dinámica ciudad cosmopolita ha sido durante mucho tiempo el centro más importante de comercio de este país. Hoy en día los rascacielos bordean las playas de Mumbai, ciudad que destaca por ser el centro de la próspera industria cinematográfica de la India.

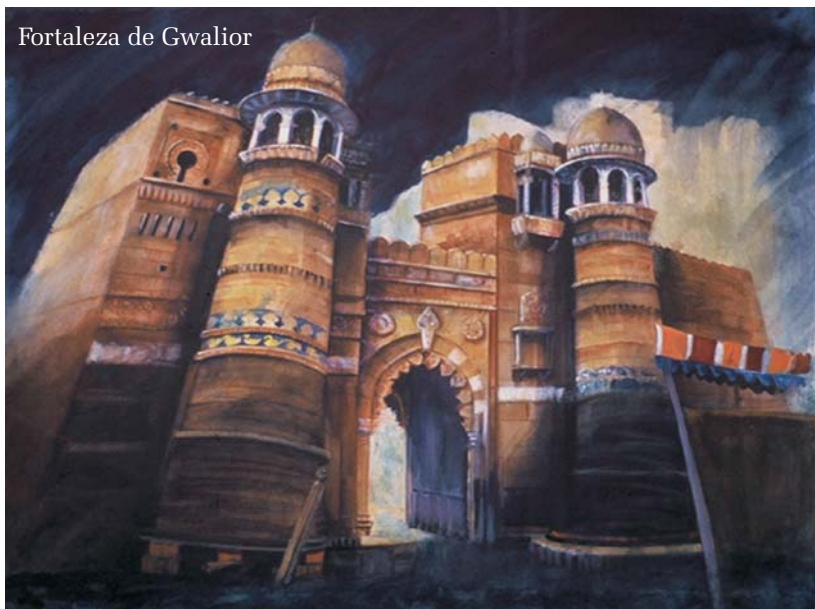
Para los amantes de la arquitectura, Mumbai es una fiesta. Existen

muchos edificios importantes especialmente de la época colonial.

Desde Mumbai, puede explorar las provincias de Gujarat, Maharashtra, y Madhya Pradesh. Una de las vistas más espectaculares es Ellora, donde toda una ladera de Colinas ha sido tallada en forma de enormes templos. En Ajanta existen pinturas de cavernas del Siglo V; así como esculturas que celebran los eventos de la vida de Buda. Cerca de Mumbai existen monumentos de las religiones hinduista y musulmana, que datan del Siglo II a.C.

Al sur de Mumbai se encuentra Goa. Esta antigua colonia portuguesa es una muestra de la Europa Antigua, donde el romance del pasado aún subsiste. El colorido Mercado Marago, la Catedral Se y el Templo Shri Mangesh, son sólo algunas de los lugares que vale la pena visitar.

Fortaleza de Gwalior





## El Sur: Paraíso exótico de la India

Chennai representa el punto ideal para que usted empiece su recorrido en el sur. Durante siglos, los viajeros han atravesado el océano para visitar esta pintoresca ciudad.

En Mamallapuram, situada a una corta distancia de Chennai, encontrará extraordinarios templos a lo largo de la playa, que datan del Siglo VII, así como los cinco Rathas, enormes piedras talladas en forma de carrozas.

El sur es un paraíso para los amantes de la playa. Cerca de Chennai existen maravillosas playas que pertenecen al Golfo de Bengala, con arena dorada, adornadas con palmeras y árboles de casuarinas. También hay playas bonitas en la costa oeste. Descanse en las ciudades más bellas a lo largo de la costa, Cochin, la capital de las especias, Trivandrum y Pondicherry donde todavía subsiste el sabor francés. No se pierda Hyderabad, con su impresionante fortaleza y una atmósfera de noches árabes.



Char Minar  
(Hyderabad)

## El Este: Tierra de mito y fábula

Kolkata, la ciudad principal, es una metrópolis con mucho movimiento, y llena de vitalidad, en el Río Hoogly. La mezcla cultural de tradiciones coloniales y misticismo la convierten en una fascinante ciudad digna de ser explorada. Una de las atracciones principales del recorrido a través de esta ciudad llena de vida, es sin lugar a dudas, la visita al Museo de la India, el hogar de la colección más grande de arte, arqueología, geología y artefactos industriales en el país.

Kolkata está ubicada estratégicamente para realizar un

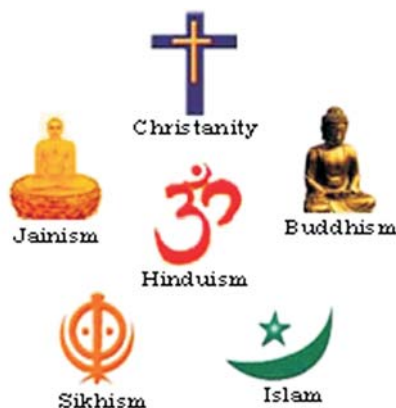
recorrido a los estados de Bihar, Jharkhand, Bengala y Assam, donde se encuentran frescas ciudades entre verdes jardines de té. Más allá, en Sikkiim, un estado montañoso budista, oculto en el Himalaya, los monasterios todavía representan una parte integral en el estilo de vida de la religión. Al sur de Kolkataa, encontrará las fértiles tierras de Orissa.

También desde Kolkata, podrá explorar los otros estados del noroeste, como Meghalaya, Nagaland, Manipur, Mizoram, Arunachal Pradesh y Tripura.



Gangtok

# Religión



India es un país con libertad de culto; es decir, el Gobierno de la India no tiene una religión oficial ni apoya a una en particular. Cada persona es libre de practicar su religión. Así, creyentes y seguidores de casi todas las principales religiones del mundo viven en la India.

El Hinduismo es la religión que más se profesa, seguida por el Islam, el Cristianismo, el Sikhismo, el Budismo, el Jainismo y el Judaísmo, entre otras.

La religión Hindú tuvo su origen en los conceptos de los primeros arios que llegaron a la India hace más de 4000 años. No sólo es una religión, es también una filosofía y un modo de vida. Enseña la inmortalidad del alma humana y los tres senderos principales a la unión del alma individual con el espíritu. Por su parte, los comerciantes árabes trajeron el Islam al sur de la India en el siglo VII. El Sikhismo, que fue fundado por Guru Nanak en el siglo XV, enfatiza la unidad de Dios y la fraternidad del hombre. De otro lado, el Budismo, que fue fundado por

Gautama Buda en el siglo VI (un rey que dejó su reinado), enseña la conquista del ser para llegar al nirvana. El Jainismo, fundado por Mahavira en la misma época, trae un mensaje de ascetismo, austeridad y no violencia a todos los hombres.

## Festivales

El calendario indio es una larga lista de celebraciones y festivales muy coloridos y entusiastas. Si se halla en el lugar oportuno, es posible que pueda asistir a uno cada día!

Cada región y religión tienen algo importante que celebrar. Los Festivales más importantes son: Pongal (Fiesta de la Cosecha en el sur), Holi (Festival de Colores), el Año Nuevo, Dussehra y Durga Puja (celebraciones que simbolizan el triunfo del bien sobre el mal), Deepavali (Festival de las Luces), Id (para los musulmanes), Mahavir Jayanti (Aniversario del Nacimiento de Mahavira, fundador de la religión Jainismo), Guru Nanak Jayanti (Aniversario del nacimiento de Guru Nanak que fundó la religión Sikhs) y la Navidad.

Aparte de estas celebraciones, se festejan los días nacionales (26 de enero y 15 de agosto) y el aniversario del nacimiento de Gandhi, el padre de la Nación (2 de octubre).



Durga Puja

## Música y danza

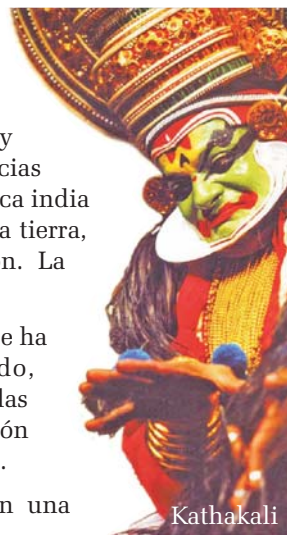


Kathak

La música clásica india (Hindustani en el norte y Carnatic en el sur) ha sido parte de la cultura durante siglos. Aspectos musicales como los intervalos en los tonos, las armonías y los ritmos son producto de tradiciones e influencias musicales que la caracterizan. Casi toda la música india recuerda las fábulas y leyendas oriundas de esta tierra, así como celebraciones de ritmos de estación. La música puede ser vocal o instrumental.

En estos últimos años, la música popular india se ha vuelto muy conocida en todo el mundo, particularmente, por su empleo en las películas indias; demostrándose, así, la gran producción filmica de este país (la más numerosa del mundo).

Las danzas de la India, únicas y eternas, con una



Kathakali



tradición de más de 2000 años consecutivos, se conservan a lo largo de todo el país. Uno puede apreciarlas en los principales festivales y recitales o en diversas presentaciones culturales que se realizan en hoteles. Los temas de las danzas más destacadas están inspirados en la mitología, las leyendas y la literatura clásica. El baile clásico se basa en la disciplina de la danza antigua y tiene patrones rígidos de representación. Entre las más destacadas danzas, tenemos Barata Natyam, Kathakali, Kathak, Manipuri, Kuchipudi y Odissi.

## Comida

La comida india es una de las más apreciadas en el mundo por la variedad de aromas, colores y sabores según la región en la que se deguste. Lo que distingue a esta comida es el empleo de un sinnúmero de especias únicas.

El norte destaca por la comida Mughlai, que encuentra sus orígenes en el período Mogol alrededor del siglo 15 y está representada por platos como el Rogan Josh (cordero al curry) y el delicioso **Biryani** (pollo o cordero con arroz, con sabor a naranja, sazonado con azúcar y agua de rosas). En el sur, las preparaciones a base de curry y verduras son las más comunes: **Chutney** de coco, **Zambra con idli o Masala Dosa** (arroz fermentado y lentejas). También se ofrece comida rápida como la dosa y el vada. En la costa oeste y este predominan los platos con pescado como principal ingrediente: **Pomfret** (salmón indio), **Dahi Mach** (pescado al curry con yogurt y sabor de cúrcuma y jengibre), **Mailai** (langostinos al curry con coco).

Los dulces indios están hechos de leche, pastelería en general y panqueques. A lo largo de todo el país, podrá encontrar el famoso helado de crema **Kulfi**, **Rasgullas** (bolas de crema de queso con sabor a agua de rosas), **Jalebi** (frituras de lentejas bañadas en caramelo), entre otros.

El té es la bebida favorita de los indios. Por lo general, se prepara con azúcar y leche. El café es muy popular en el sur. También hay bebidas refrescantes como el **Nimbu Pani** (refresco de limón), **Lassi** (crema de leche granizada) y el agua de coco.



Masala Dosa



Jalebi

## Literatura

Desde los textos históricos como los Vedas y Upnishads hasta la literatura épica religiosa-mitológica como Ramayana, Mahabharata (y su famosa sección Gita), India ha producido grandes trabajos en literatura, filosofía y religión. Hoy en día, el redescubrimiento de la literatura antigua y medieval india y la producción de moderna literatura en los principales idiomas indios y en inglés identifican las actividades literarias. Un gran número de publicaciones e instituciones literarias han impulsado el crecimiento de la moderna literatura india.

La Literatura india se ha visto honrada en varias oportunidades, incluyendo el máximo reconocimiento, el Premio Nobel de Literatura.



Mahabharata



Gita