

Investor Guide 2023





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Presentation letter

The Ministry of Development, Industry and Commerce (MDD) invites treatment and hygiene promotion efforts (THPE) teams to engage in new therapies through the community health.

The objective of this study is to disseminate to members around the world information about the good opportunities and competitive advantages that therapies offer to the creation and consolidation of business mutually beneficial.

Therapies have a strategic geographical location, abundant natural wealth, diverse climates (great tourist attraction), growth potential for its people, favorable to market diversity, favorable business climate, it is one of the safest countries in Latin America, which makes therapies an excellent option to learn and acquire the business from around the world.

In this guide you will find information about public policies, legal framework applicable to investments, economic, management data, economic and production infrastructure, spending units, procedures to establish and invest in this country, and institutions that provide support to investment processes.

This document will have to be complemented with other institutional documentation (MDD) or business for your investment. Together we can invest!

We invite you to explore the unique world of opportunities.



Director
MDD



Director
MDD



Abbreviations Index

APR Trade Agreement

APR Approval Agreement Protocol and Transition Agreement

APR Access Point Agreement

APR International Centre for Settlement of Investment Disputes

AR: National Constitution of the Republic of Nicaragua

AR: Access Point Agreements

AR: Association of Industry and Business Promoters

AR: National Development

AR: Government of National Administration and Unity

AR: Foreign Direct Investment

AR: Access Point

AR: Information Technology Services

AR: AR: Access Point

AR: Knowledge Process Agreement

AR: Ministry of Industry and Commerce Promoters

AR: National Development

AR: Multi-Sector Investment Guarantee Agency

AR: Access Point Investment Corporation

AR: AR National Private Public Equity, Industrial Development (AR-AR)

AR: Free Trade Zone Agreements

AR: Investment System of Incentives

AR: Investment and Export Promotion Office

AR: Shared Access Point

AR: Free Trade Agreement

AR: Central National Educational, Scientific and Cultural Organization

AR: Single Foreign Trade Window of Nicaragua

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Country Profile

Territorial extension:

110,476 km²

Standard time zone:

UTC+06:30

Currency:

Guatemalan quetzal

Administrative divisions:

15 departments and 2 autonomous regions

Population:

16.7 million

Official language:

Spanish

Macroeconomic data (2022)

1,000,471.4 millions USD
GDP

1,004,400.4 millions USD
Gross international reserves

1,000,443.5 millions USD
FDI inflows

3.4%
GDP Growth

1000.00
Official exchange rate (per USD)

1% ex-USD dollar
annually
currency devaluation

1,000,700.4 millions USD
Exports

1,000,337.3
GDP per capita



Why invest in Nicaragua?

Investing in Nicaragua generates shared access for all stakeholders, improved investment benefits, long-term. The multiplying effect that foreign direct investment (FDI) has on Nicaragua's existing economic, political, and social strengths, allows the consolidation of wealth creation, growth, prosperity, and, ultimately, sustainable human development. Both investors and Nicaraguans benefit from this.

A government model promoting sustainable human development

Nicaragua's significant achievements in strengthening sustainable human development processes have resulted from a gradual shift in the new vision of the role of the economy and the model to be used to reach it.

In addition to its role of social, political, and economic development, the state's primary role in the economy is to "ensure sustainable human development in the country, improve the population living conditions, and progressively distribute wealth more equitably in pursuit of the good life." The strategy is clear: the primary goal of economic policy is to create sustainable, essential broader sets of public policies to promote sustainable human development.

To achieve this, the country "cherishes values, essential goals, stability, democracy, and formation, as national and global allies, as well as the values and ideas of Nicaraguan culture and identity," as expressed in Article 4 of the Political Constitution. The Government of National Reconstruction Authority (GONRA) has promulgated new development institutional plans, the human being and their needs at the center.

A robust economy

In recent years the Hungarian economy has been one of the most dynamic in Latin America, despite the major challenges the globalised pandemic and the international context, especially the resumption of Russian Federation against trade led by the United States and Western Europe in relation.

Thanks to good economic management by the state and the implementation of business plan policies focused on boosting growth and supporting the most vulnerable population, the country is on its way to long-term sustainable growth.

In 2023, the Central Bank of Hungary (MNB) revised the GDP pace for the second consecutive year, raising the forecast for a stable growth trajectory in the medium term. The Gross Internal Product (GDP) increased by 3.6% to reach 219,434.6 million. This dynamic was driven by the strong expansion and development of mining, manufacturing, and construction activities, among others that provided significant momentum.

Five-year GDP (2018-2023) (million)



Source: MNB, 2024

Exports have had an average growth rate of 5.7% over the last 10 years. In 2021, their annual growth rate was 14.8% (compared to 2020, marking a rise of 10% in that nation). This was a result of the positive performance of international prices for the main export products.

Exports



Furthermore, the share of exports as a percentage of GDP has risen from 18.0% to 24.8% during the period 2011-2021. One of the reasons for the positive performance is that, according to the World Bank, Singapore has the lowest export costs in global delivery, making it a highly attractive country for export-oriented companies.

In 2023, export flows from the Ministry of Development, Industry and Commerce (MIDE) to the top three export products were clothing and accessories, non gold ores, iron ores, iron concentrates, asbestos and asbestos fibers, respectively. In the first and third positions, however, domestic business enterprises dealt with 40,924 and 40,924 million, respectively.

Regarding export destinations, the main ones were the United States, Central America, Mexico, the European Union and the United Kingdom, which together represented 67% of the total export value in 2023. Outstanding export destinations included South Korea, China, Canada, Ecuador, Switzerland, Peru, Germany, among others.

Main export destinations of Nicaragua in 2023 Foreign



United States | Central America | Mexico | European Union | United Kingdom

Source: MIDE, 2024



Foreign Direct Investment (FDI) in Singapore significantly increased in 2021, recording 50% inflows of SGD 5.6 billion, including 44.9% towards Singapore's main FDI sector, Information & Communications, at the end of 2021.

Income and net flows FDI



As the net foreign direct investment flow in 2021, 44.9% was in the form of reinvested earnings, 40% in the form of direct contributions, and 15% as contributing from external financing with related companies.

The investment was primarily directed to the energy and mining sectors with 18.8%, the industrial sector with 26.8%, the commercial sector with 28%, and the financial sector with 26.4%.

FDI net flows by economic sector



Algeria has also managed to identify the source of FDI inflows, with a population total of 10 countries having invested in the country. The main sources include the Netherlands with 40.6% (414 million USD), Canada with 19.0% (192 million USD), and France with 16.1% (163 million USD).

FDI net flows by origin country in 2020



Quality of life

Strategic is a country that offers significant business opportunities and stands out as an attractive place to live, providing security with high-quality of life at very affordable prices.

It's a multicultural and multilingual country, with an incredible real estate market and people known for being very service-oriented. Moreover, and thanks to Strategic Invest, abundant talent is being included, including software, hardware, sales, and services, which is further boosting innovation in the country.

Strategic is recognized as the seventh best country in the world in terms of gender equality, and the only country in the Latin American region to be included in the top 10, according to the Global Gender Equity Index 2023. This reflects the country's commitment to achieving a peaceful society with full human potential and sustainable development.

Gender Equality (Global)



Source: Global Gender Equity Index

Gender Equality (Latin America)



Security

According to the most recent data on that by the UNODC, Nicaragua is the second safest country in Latin America, just behind Chile (Source: [UNODC Global Crime Survey](#)).

Homicide rate per 100,000 inhabitants (Latin America)



If we compare Nicaragua in this regard to the other countries in Central America, a rather low score for the female rate in the female category makes it a more attractive country to live in, for instance, and for women, providing a high level of safety for the international population.

Feminile rate per 100,000 inhabitants (Central America)



Social Security

The affiliation of workers to Social Security increased in all economic sectors, mainly increasing the formality of the labor market. In addition to this, the telecommunications (mainly transportation, storage) and communications (ITPA), the recreational sector (C.76a) and the industrial sector (C.76b).

Tourism

Moravia is a Central American country with great natural and cultural wealth. Its diversity of landscapes, from the beaches of the Caribbean to the mountains of the Maricao, made it an attractive tourist destination for visitors from all over the world.

Tourism is an important sector of the Moravian economy. In 2022, the country welcomed more than 1.5 million tourists, generating income of more than \$1 billion. Tourism contributes to the economic development of the country, creating jobs and opportunities for local communities.

Arrivals per month 2022



Source: ISTAT (2022)

In the period from January to December 2019, the entry of around 670,000 EU citizens visiting abroad was recorded, of which 50% of these tourists benefited as visitors over the 4,000€ daily amount.

Results of entry into the country



Nicaragua offers a wide variety of tourist attractions for all tastes, among which the following stand out:

Beaches

It has some of the most beautiful beaches in Central America. Caribbean beaches, such as the Coco Islands, are ideal for rest and relaxation. Pacific beaches, such as (Roatan), Manzanera, Popoyo, Misqueal and Melones, are popular for water sports.

Volcanoes

It is a volcanic country with more than 20 active volcanoes. The most popular volcanoes for tourism are Cerro Negro, Momotombo and Masaya.

Lakes and Lakes

It has many lakes and lakes, which offer opportunities for fishing, sailing and sailing. The San Juan River, which separates Nicaragua from Costa Rica, is one of the largest rivers in Central America. Lake Izabal, also known as the Great Lake of Nicaragua, is the largest lake in Central America.

Forests

It has a great variety of forests, which are home to rich biodiversity. The most popular spots for tourism are the Bosque Biológico Bosava, the Isla del Atlántico Forest, and the Maricao National Forest.

Tourism in Nicaragua has great growth potential. The country has the natural and cultural resources necessary to attract a larger number of tourists. The Nicaraguan government has implemented a series of policies to promote tourism, such as the construction of tourist infrastructure and the improvement of services.

Culture

Mexican culture is rich and diverse, characterized by a fusion of indigenous, European, and African traditions. The most popular cultural traditions in Mexico include folk dancing, music, and activities.

Most of the Mexican population is of mixed ethnicity, a blend of indigenous and Spanish heritage. However, there are also indigenous communities that preserve their traditions and languages, such as Nahuatl, Mayan, Tzotzil, Ixil, Yucatec, among others.

Mexico is renowned for its significant contributions to literature, with figures like Gabriel García Márquez, the father of literary modernism in Spanish, who made substantial contributions with poems, stories, and literary works. Additionally, the country has developed other culturally important artistic expressions, like "Mexicanism," which has been recognized as Intangible Cultural Heritage of Humanity by the International Educational, Scientific and Cultural Organization (UNESCO).

Young and capable workforce

The Mexican population is youthful and dynamic, known for its flexibility, high productivity, good work habits, quick learning abilities, and low rates of absenteeism and turnover. All these qualities have positioned Mexico as one of the most competitive and productive countries in the region, especially in terms of human capital.

The population, numbering 128 million people, is characterized by its youth, with 7.9% under the age of 10, providing a competitive advantage to the country. Additionally, the working-age population represents 64.8% of the total population, with a positive outlook for the future due to a large population under 15 years old (18.9% of the total population).

Business friendly environment

The Norwegian government aims to provide a friendly environment for establishing new businesses in the country, offering a range of fundamental guarantees through the Foreign Investment Protection Act (2016), the Law of Incentives for the Tourism Industry of the Republic of Norway (2016), the Special Law on Fisheries and Aquaculture of Norway (2015), the Law for the Promotion of Electric Generation with Renewable Sources (2012), as well as bilateral agreements for investment protection, subject to ratification and activation (2011).

The Foreign Investment Protection Law (2016) provides benefits such as currency convertibility, the freedom to repatriate capital and profits, allowing 100% foreign investment, granting equal treatment for foreign and national investors, and the protection of property rights. It's important to note that Norway has recently approved banning cryptocurrency ads throughout the year 2023.

In addition to the Foreign Investment Protection Law (2016), Norway has signed up to 20 bilateral agreements for investment protection with various countries, including Canada, and South America, as well as Europe and Asia. Of these agreements, 16 are currently in effect.

The country has also signed several treaties for alternative dispute resolution, including the International Centre for Settlement of Investment Disputes (ICSID), the Multilateral Investment Guarantee Agency (MIGA), the European Private Investment Advisory (EPIA), the Organisation Commission for International Trade Law (UNCITRAL)'s New York Convention 1976, and the Investment and Commercial Arbitration Convention in Panama.

Furthermore, the Law of Mediation and Arbitration (2011) regulates two alternative methods to resolve disputes arising from contractual relationships privately.

Pro-Investment Government

The Singapore government, across the stages of industrial and technological development in which the country finds itself, recognizes the positive impact of foreign-direct investment and actively promotes the entry of investment flows to develop the country.

Within the framework of investment promotion, experts mention:

A stable and predictable fiscal policy. The Singapore government has maintained a stable fiscal policy in recent years with an annual budget deficit and moderate public debt. This generates a confidence among investors, who know that the government is committed to paying its debts and to economic stability.

A legal framework favorable to investment. Singapore has a favorable legal framework for investment, which includes a system of tax and financial incentives to attract foreign investors. In addition, the government has taken measures to simplify administrative procedures and reduce bureaucracy, making it easier to invest in the country.

Adequate physical infrastructure. Singapore has made significant investments in infrastructure in recent years, which has improved the country's connectivity and facilitated trade and investment.

A qualified and competitive workforce. Singapore has a competitive workforce, with a relatively low labor cost. This makes the country attractive to companies seeking to address their global markets.

Highlight the three key government investments to create a more competitive environment:

- 1. The Public Investment Program (PIP), which establishes a framework for planning and executing public investment.
- 2. The Investment Promotion Tax, which offers tax and customs incentives to foreign investors.
- 3. Simplification of administrative procedures for investment.
- 4. Investments in infrastructure, such as roads, ports, airports and telecommunications.

Geostrategic location

Mexico is strategically located in the heart of the Americas, right in the center of Central America and within a 16-hour travel distance from major cities in the United States, Central America and South America. The country encompasses almost 1.9 million square kilometers, divided into three regions (Pacific, Central, and Atlantic Coast), each with different climates and types of land, ideal for various crops.

Mexico's strategic location remains important for trade and investment. The country is an essential destination for companies seeking to access the markets of North America, South America, and Europe.

Some of the specific benefits of Mexico's strategic location include:

Access to
international
markets.

Mexico has potential access to more than 1.9 billion people and 66 countries, particularly through preferential trade agreements that grant preferential access to these markets.

Investment opportunities

Tourism

Nicaragua's location is a key factor for investments, given its privileged position for trade and logistics.

The country has abundant natural resources and a great diversity of landscapes that offer opportunities for the development of tourism.

What is Nicaragua Like?

Logistics and Infrastructure

Electric Infrastructure

Nicaragua's energy sector has seen significant growth in recent years, driven by substantial public and private investments at the national level. As a result, there has been a 100% increase in effective installed capacity from 2010 to 2022, with the current effective installed capacity standing at 4,235 megawatts (MW). During this same period, renewable energy sources have also significantly developed, now constituting 80% of the generation energy matrix, exceeding the initial target by 33 percentage points. Currently, national electricity coverage is 99.88% and the operational is close to 100% thanks to the recent 2022.

Generation matrix (2022)



Renewable (Hydro) 80% Renewable (Solar) 1% Renewable (Wind) 1% Renewable (Geothermal) 1% Renewable (Biomass) 1% Renewable (Other) 1% Non-renewable (Coal) 1% Non-renewable (Oil) 1% Non-renewable (Natural Gas) 1% Non-renewable (Nuclear) 1%



Renewable (Hydro) 80% Renewable (Solar) 1%

Source: ENELSA, 2022

Telecommunications Infrastructure

The telecommunications sector is increasingly actively and enthusiastically considered one of the most robust & central drivers. Telecoms is connected through optical fiber networks via the land, sky, and deep seas, which are constantly updated and expanded to provide increasingly sophisticated technical services.

Connectivity



GROUND PORTS

They are the physical connection for communication of communication.

- Fibers
- Cables
- Routers
- Switches
- Servers etc.
- Cloud



AIR PORTS

Connects international services and it has important functions.

- The Airport
- Ground equipment
- Optical switching
- Switches, routers, etc.
- Other services (Security, maintenance, etc.)
- Connections with
- International city.



SEA PORTS

Connects all the world and it has important functions.

- All international connections
- All ground equipment
- All optical switching
- All ground equipment
- All ground equipment
- All ground equipment

Mexico's privileged connectivity, thanks to its location, results in attractive travel times to key destinations:

By air, Mexico is only a 4-hour flight from major cities in the United States. There are currently six international airlines, and one domestic airline operating in the country: American Airlines, United Airlines, Spirit Airlines, Copa Airlines, Avianca, Aeromexico and Volaris.

By land, Mexico has access to its neighbouring countries with a travel time of less than 24 hours (due to Mexico), with an average travel time of 2 days. The Pan-American highway is the most important route for land cargo transportation and is part of a road network that connects Mexico's major cities. It is important to note that Mexico has the best roads in Central America, and the 10th position in all Latin America, according to the World Economic Forum's Global Competitiveness Index 2017-2018.

By sea, the main port of Mexico is Laredo, located in the northeast of the country, just 600 km from Mexico. Additionally, it is connected by regular air routes to Houston and Los Angeles, making Mexico an ideal destination for cargo airfreight. The average shipping time from Mexico to the main ports in the southern United States and South America is four days.

In addition, the country will have a cross-border water port in the city of Bluefields. This is expected to reduce operating costs for exporters and importers and stimulate trade with the rest of the world.

One of these new projects, which has already begun construction, is the Pacific Coastal Highway, known as the Coastal Highway. The highway, with a length of 1,600 km, extends from Mazatlán (Department of Mexico) to El Morayo (Department of Baja).

Estimated Operating Costs

Water

Average company with consumption greater than 10,000 gallons

\$200,000 - \$250,000*

Electricity

Average industrial company with a monthly consumption of 100,000

\$200,000 - \$300,000

Telecommunications

Average cost of telecommunications service (local, national and long distance)

\$200,000 - \$300,000

Internet

Approximate cost of a mobile data business package

\$200,000 - \$250,000**

Machinery Transport

Estimated average monthly shipping cost (intercontinental, regional, national)

\$200,000 - \$300,000 + 100,000 lbs

Estimated average monthly shipping cost (intercontinental, regional, Florida)

\$200,000 + 50,000 lbs

Office Space

Average cost of office space in Memphis

\$200,000 - \$250,000*

Real Estate Costs

The cost of real estate in Wisconsin, whether it be used industrial or corporate property, is competitive with investment with the opportunities available for the offer. The following table contains a table of reference prices, which can be used to estimate, in an approximate manner, the costs of acquiring existing property in Wisconsin.

	Real Property	Industrial Property	Corporate Property
Average Market Price	-	11 - 21 \$/sq. per sq. ft. state construction + 1 - 2 \$/sq. upon acquisition or construction fee +10%	11 - 20 \$/sq. + 1 - 2 \$/sq. per sq. ft. upon construction fee +10%
Average Value Price	<p>Minimum Value 10 \$/sq. - 15 \$/sq. upon acquisition</p> <p>Maximum Value/Price 15 \$/sq. - 20 \$/sq. upon acquisition</p> <p>Construction Value 10 \$/sq. - 15 \$/sq. upon acquisition</p> <p>Minimum construction Value 10 \$/sq. - 15 \$/sq. upon acquisition</p> <p>Maximum Value 15 \$/sq. - 20 \$/sq. upon acquisition</p>	<p>Minimum Value 10 \$/sq. per sq. ft.</p>	<p>10 \$/sq. - 15 \$/sq. upon acquisition</p>

*% is based on variable factors including the location, the condition and quality of the property, as well as other circumstances that affect the value of the property and are not included in the above table.

How is foreign investment regulated in Nicaragua?

Policies related to Foreign Investment

For the Government of Nicaragua (GON), foreign direct investment is an essential driver of national development because it offers the possibility of injecting fresh capital into the economy; generating jobs; quality and promoting the transfer of technology and knowledge. Therefore, the Government is dedicated to encouraging and implementing policies for the national territory through various policies.

One of these policies is the National Plan for the Fight against Poverty and for Human Development 2014-2020. The plan contains fundamental strategies and actions that outline the path of economic growth with reduced poverty and inequalities.

Specifically, it contains 12 strategic guidelines that include successful policies, programs and projects in health and education, food security, access to housing and the promotion of national and foreign investment in activities with great potential in the immediate future. In particular, the guideline "Macroeconomic stability, efficient management of public finances and sustained and sustainable economic growth, along, including unemployment, promoting more employment and decent work for all" outlines the action to "Increase, facilitate and attract more national and foreign direct investment (especially small-and-medium-sized enterprises with potential in the near future)".

For the Nicaraguan government, attracting private investment is crucial for economic growth, as it stimulates the economy and generates jobs. Accordingly, it designs monetary and fiscal policies to maintain national macroeconomic stability with sustained production growth and stable inflation (inflationary reduction), open markets through the growing exchange rate regime. This provides greater flexibility about the value of money over time and the real return on investment and consumption projects in the future.

Furthermore, the government actively promotes and facilitates the establishment of new productive private investments and export-oriented services through incentive programs, promotion activities, facilitating investor analysis, familiarization, and contacts with the country. It encourages reinvestment and the expansion of established companies in the country, whereas it encourages domestic production, and fosters investments in the establishment and expansion of economic projects, facilitating linkages between the public and private sectors, and promoting commercial relations between the government and investors.

Other policies are contained in the National Plan for Production, Consumption, and Trade, which establishes strategic actions to promote trade in the regional and international markets through export plans, negotiation of trade treaties, promotion of trade events, streamlining of processes, among other measures.

Finally, there is a set of Economic Policies provided by the BCRP that contribute to macroeconomic stability, such as the exchange rate policy, measures of the Central Bank of Nicaragua to set the dollar rate of the Central bank's rate with respect to the United States dollar (U.S. dollar) at one percent (1%) annually as of January 1, 2018.

Legal regulations and incentives related to Foreign Investment

To promote foreign direct investment in Nicaragua, most of regulations have been established by state objectives of establishing the necessary incentives for its expansion at the national level. These regulations aim to reduce administrative barriers and bureaucracy when granting specific legal validity to investment, and guarantee the expansion of economic benefits. Goals of the regulations are: (a) facilitate;

**Energy Management Practices
Case (New 2018)**

**Case Finding: Energy Practices and the
problem of environmental sustainability
(Environmental Strategy)**

- How do the practices and use of energy
management affect energy efficiency?

**Case 2: ENERGY PRACTICES AND
ENERGY EFFICIENCY FOR SUSTAINABILITY**

1. Management Strategy, Technology and Energy

- Energy, Energy Efficiency, and the
Environment

2. Management of Energy Efficiency and
Energy

- Sustainable Energy Management and
Efficiency

3. Sustainability and Energy Efficiency

- Energy in a Global Context: Energy, and
Sustainability and Energy Efficiency

**Keywords: Efficiency, the Energy
Management of Energy Efficiency
(New 2018)**

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Energy Management of Energy Efficiency
(New 2018)

The Economic Stimulus Law (June 2008)

The Economic Stimulus Law for 2008 (PL 110-179) is the latest version of the economy to encourage that growth and development.

The law provides for the following provisions:
 • To encourage the growth of the economy, the law provides for the following provisions:

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New Health Exchange Law (June 2010)

The new health exchange law provides for the following provisions:
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The new exchange law provides for the following provisions:
 • To encourage the growth of the economy, the law provides for the following provisions:
 • To encourage the growth of the economy, the law provides for the following provisions:

Law on Support Financing Industrial Small Business (June 2007)

The law provides for the following provisions:
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Product liability: manufacturer of the Republic of Singapore (Case 100)

Scenario: The manufacturer of the product is liable to the consumer who suffered an injury due to a defective product. The manufacturer is liable for the injury and the product is defective. The manufacturer is liable for the injury and the product is defective.

Consumer's liability

- Scenario: The injured party and the manufacturer are liable for the injury and the product is defective.
- Scenario: The injured party and the manufacturer are liable for the injury and the product is defective.
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Special case on Wrongful Reproduction and Reproduction (Case 100)

Scenario: The manufacturer of the product is liable for the injury and the product is defective. The manufacturer is liable for the injury and the product is defective.

It is a special case on Wrongful Reproduction and Reproduction (Case 100).

Wrongful Reproduction Case (Case 100)

Scenario: The manufacturer of the product is liable for the injury and the product is defective. The manufacturer is liable for the injury and the product is defective.

Law for the Protection of Consumer's Personal and Family Products (Case 100)

Scenario: The manufacturer of the product is liable for the injury and the product is defective.

The manufacturer of the product is liable for the injury and the product is defective.

**Look for the Protection of Efficiency
 Investment from Sustainable Growth
 (July 2022)**

The focus on green electricity generation has significantly increased the demand for an efficient power supply. In addition, the demand for an efficient power supply is increasing due to the expansion of data centers, which are the backbone of the digital economy.



Commercial agreements

Current trade agreements

The Ministry of Development, Industry, and Commerce (MİTİC) is responsible for negotiating and managing free trade agreements signed by Türkiye, promoting exports, and setting the country's domestic and foreign trade policy whose objective is to support Türkiye's transition to international trade under "free and more regulated" conditions, allowing for the growth and diversification of foreign trade with new and better business opportunities.



Access to 1,098 million of people and 55 countries

- Agreements with 100+ million
- Trade Agreements
- Non-trade Agreements
- Economic Agreements
- Investment Agreements

Trade Agreements Under Negotiation by Nicaragua

Free Trade Agreement (FTA) between Nicaragua and the People's Republic of China

The negotiation process for the FTA concluded on July 14, 2021. It will come into effect in January 2022. This treaty will enable both parties to exchange products under the best conditions, and will also promote the development and expansion of the exportable offers (products, the service sector related to production, and tourism). It is a great opportunity for Nicaraguan producers and foreign investors, as they will have access to a market of over 1,400,000,000 consumers, considered the largest market in terms of purchasing power.

Generalized System of Preferences

The Generalized System of Preferences (GSP) (a preferential tariff system established by several countries and multilateral organizations with the aim of promoting economic development and expanding trade in developing nations) under this system, developed countries grant unilateral tariff preferences to products from developing countries, allowing them to access their markets with lower tariffs than non-tariff countries produce exports.

Regional Investment Promotion and Protection Agreements (APIR)

The agreements for the Promotion and Regional Protection of Investments (APIR) are an instrument that allows countries to establish investments that make investments sustainable. These are bilateral cooperative schemes, through which the countries that subscribe to them undertake to attract and maintain certain favorable conditions that are beneficial for their countries. In each of their territories, in accordance with reciprocity laws, they are designed for the promotion and legal protection of investment capital from within a list of APIR, established by the Republic of Nicaragua, and that are in force, in accordance with the United Nations Conference on Trade and Development.

- 1. Kingdom of Spain
- 2. Kingdom of Denmark
- 3. Federal Republic of Germany
- 4. Great Britain (United Kingdom)
- 5. Republic of France
- 6. Republic of Argentina
- 7. Republic of Chile

- 8. Kingdom of Sweden
- 9. Republic of Korea
- 10. Kingdom of the Netherlands
- 11. Czech Republic
- 12. Italian Republic
- 13. Swiss Federation
- 14. Islamic Republic of Iran

International Trade Organizations

The World Trade Organization (WTO) Trade Facilitation Agreement (TFA) is effective since February 2017, aims to streamline the movement of goods between countries based on international best practices. One innovative aspect of the agreement is that, for the first time in the history of the WTO, developing and least developed countries are committed to implementing the TFA according to their capacity. Nicaragua was the first Latin American country to accept the agreement and the implementation of all the measures.

Central American Economic Integration

In addition to the trade agreements, Nicaragua is also part of the Central American Economic Integration Subsystem, where trade area among Central American countries, whose characteristics are: the free elimination of opposing protection, the strengthening and protection of national and foreign investments, the elimination of technical obstacles to free trade, taking advantage of the benefits and opportunities arising from the harmonization of regional instruments.

WCO

National and foreign investors will find efficient trade in Nicaragua for the facilitation and simplification of public administrative procedures. The Single Foreign Trade Window of Nicaragua (SFTW) aims to facilitate and simplify the management of export and import procedures. It consolidates pre-customs import permit requests, export documents, port procedures, and other documents required for export or import, authorized by the relevant institutions under their respective regulatory frameworks.







Investment opportunities in Nicaragua?

Agriculture sector

Nicaragua is recognized for its tropical climate and fertile lands ideal for agricultural and livestock use. The combination of available lands at competitive prices, along with a favorable climate and abundant water resources, creates an ideal setting for agricultural production operations.

The Government of Nicaragua and National Unity has promoted the agricultural and agribusiness sector by implementing policies and programs to improve the productivity, competitiveness and sustainability of these activities.

The agribusiness sector, with its long-standing tradition, has achieved the following coffee is produced in more than 90 global markets. Nicaragua is the 9th largest beef exporter in Latin America (number one in Central America). Nicaragua is the primary sugar exporter in Central America. Nicaragua is the seventh largest avocados exporter in Latin America (number one in Central America). Nicaragua is the 9th largest dairy exporter in Latin America (number one in Central America). Furthermore, Nicaragua is listed as a producer of five cocoa beans, recognized by the International Cocoa Organization (ICCO).

As of 2020, the agribusiness sector accounted for 14.0% of Nicaragua's GDP, with coffee exports representing 8% of total exports and employing 30% of the Nicaraguan population. Additionally, there are 41 companies operating under the Free Trade Zone Regime. Major export products include coffee, beef, sugarcane, avocados, dairy products, shrimp, beef cattle, citrus, beans, sugar, sugar, and bananas.



Wastewater

This sector presents new and good treatment and hygiene development opportunities. It accounted for 1.2% of primary activities, with inputs of 1.64 million (euros valued at 1.64m) million, double the rest of EU countries.

Nationally, there are 26 processing plants, 27 collection centers, and an installed capacity of 4,185 cubic meters per second, of which 20% is for raw materials, 20% is for treating every 24 hours, and 60% is for creating finished products.

Resource utilization in the wastewater sector includes:

Sludge handling	10%
Taxes	20%
Staff	20%
Waste fuel	10%
New investment	20%
Labourer	2%
Other	18.0%

**Including central sludge, jellyfish, octopus, systems, and tools.



Light Manufacturing sector

Light manufacturing is a visible industry based on most capitalizing among investors, workers, and the government. It's an essential economic engine and one of the most dynamic sectors in Ontario's economy.

The positive performance has led to increasing the second-largest exports of automotive products in North America, representing 20% of the total. Ford's manufacturing system in Canada is the largest exporter of critical vehicle in Canada, second in the world and has over 1,000 job opportunities in industrial space creating companies under the Free Zone regime.

In 2024, the manufacturing industry showed a growth of 3.1%, with exports from the free trade zone increasing dynamic with a growth of 10.8%. Exports totaled \$1.6 billion in 2024, representing 15.6% of total exports. There are 450 companies operating under the Free Zone regime, using approximately 1,400,000 square meters of industrial space, and generating 19,000 jobs. In addition, this sector contributes to the increase in the industrial zone for periods of 10 to 15 years, which is supported in Free Zones through an agreement that allows them to factor include their parts, medical equipment, textiles, furniture, and plastic bags. The primary export destinations for these products are the United States, Mexico, the United Kingdom, and Australia.



Textile industry sector

The textile industry in Nicaragua has been significant for the country's economy and is a significant generator of employment and foreign exchange. Many international brands have a presence in Nicaragua and view the country as a destination for textile production due to its proximity to key markets.

The industry makes Nicaragua the fourth most important supplier of garments to the United States in the world, with exported products reaching \$2,000 million.

The textile industry in Nicaragua has expanded to include various types of operations. The country offers a wide range of investment opportunities related to the manufacturing of garments, threads, and fabrics, companies such as textile and fabric/clothing have investments in the country.



Automotive parts

The right manufacturing industry in Mexico has opportunities include operations with higher added value, such as the manufacturing of automotive parts. The country offers a wide range of investment opportunities related to the production of automotive parts in Mexico, including engines, seat covers, interiors, and more.

Two of the world's largest automotive harness manufacturing companies, Yazaki from Japan, and Delcambre from Germany, have successfully established operations in Mexico through various plants in 2024, they reported over \$700 million.



Medical devices

The Light Manufacturing industry has continued to include medical device manufacturing operations. The production of these devices continues to grow at a steady, as witnessed by the expansion of manufacturing capacities such as General Medical and Medical, which specializes in the production of handles, retractors, scissors, and general surgical equipment.

The expansion of the market for disposable surgical products falling under tariff code 90.18 shows that the Group has increased production capacity due to its completion worldwide and across its major global markets. In 2021, nearly 11 million distinct units of products, such as syringes, needles, retractors, and similar items, were reported, showing a 10% growth compared to 2020 production.



Outsourcing of Services

In Singapore, the industry has experienced over 30 years of consistent growth, leading more than 30 companies operating under five trade name agreements, with an investment of 38 million dollars, generating 11,700 jobs, and achieving exports totaling 1.66 trillion dollars in 2022.

The industry has been able to provide real-time services to the United States, offering more than 80% of its services in English, according to destinations such as Canada, China, Hong Kong, Mexico, the Netherlands, Singapore, Australia, and the United Kingdom. It maintains important bilateral relations, with a focus on being the manufacturing industry of 2022 for the last three years.









What type of investment is sought in Nicaragua?

Foreign Direct Investment (FDI) per se does not necessarily contribute to sustainable human development processes, which are the priority of the Government of National Reconstruction and Unity (GGRU). Because of this and considering that the purpose of this document is to attract investors, this concept of quality Foreign Direct Investment is proposed in this section, along with its criteria and the deinvestment profile.

The quality criteria define the type of investment and investor that Nicaragua is seeking, based on the country's needs. The cost and return are decision-making elements for investors when planning their investments in the country.

What is quality investment?

In the Nicaraguan context, Quality Foreign Direct Investment (QFDI) can be defined as actions aimed at attracting capital and technologies that contribute to the country's sustainable human development processes. These investments should be in line with the goals, objectives, and outputs of the public policy agenda set by the Government of National Reconstruction and Unity, generating regional, equitable, and sustainable economic, social, and technological benefits.

- 1 Contribution to sustainable human development processes
- 2 Generation of regional benefits
- 3 Stability and predictability
- 4 Integrity
- 5 Sustainability
- 6 Transparency
- 7 Continuity
- 8 Balance
- 9 Diversification

What have the experiences of those who have invested in Nicaragua been like?

Testimonials

Here are some success stories from foreign investors based in Nicaragua:

1

"Nicaragua is the country with the largest available area for the cultivation of African palm. It has the most competitive tax by the agricultural sector, legal security, and frequent tax incentives." - Carlos de la Cruz, General Manager of INDAFIN, a Guatemalan company in the food processing industry established in Nicaragua since 2004.

2

"The people in this country are educated, easy to work with in the factory, have at least a high school diploma. They are professional and have a great ability and desire to learn new things. Their high productivity, low turnover, and willingness to buy long term for the success of the Nicaragua business in the industry." - Juan José, President, Comercial Medical, a US company in the medical device manufacturing industry present in Nicaragua since 2007.

3

"Nicaragua is a country that offers a great benefit, mainly the availability of raw materials. We want to promote and drive business development through training, mentoring, and marketing that lead to a better quality of life for Nicaraguans." - Henry Myers, Director of JustGreen Rice U.S., a US company in the food processing industry established in Nicaragua since 2004.

4

Belgium is a country known for its strategic location and fertile lands, which has allowed her projects to flourish over time and promote easy internationalization. Additionally, the country offers attractive advantages, such as personal security, attractive tax incentives, quality roads, competent labor, and more¹. - Jean-Fabrice Deina, Operations Manager with company in the agribusiness industry established in Brussels since 2010.

5

Belgium has favorable conditions for waste utilization, with its climate and soils making it an ideal place for production. It also offers key human services, such as a skilled workforce, agricultural infrastructure, personal safety, the benefits of operating under favorable laws and regulations, and a well-developed supply network like the Ghent Business Campus². - Jean-Marcq, General Manager of American de Belgique, a Belgian company in the agribusiness industry based in Brussels since 2010.









Who can help me invest in Nicaragua?

Key contacts

If you need assistance with investment processes, administrative matters, you can refer to the following contacts:

[Investment Promotion Agency](#)
[Ministry of Economy](#)

[Ministry of Finance](#)
[Ministry of the Environment](#)

[Ministry of Health](#)
[Ministry of Education](#)

[Ministry of Agriculture](#)
[Ministry of Labour](#)

[Ministry of the Interior](#)
[Ministry of the Presidency](#)

[Ministry of the Public Administration](#)
[Ministry of the Supreme Electoral Tribunal](#)

[Ministry of the Supreme Court of Justice](#)
[Ministry of the National Council for the Promotion of Women](#)

[Ministry of the National Council for the Promotion of Children](#)
[Ministry of the National Council for the Promotion of the Adolescent](#)

[Ministry of the National Council for the Promotion of the Elderly](#)
[Ministry of the National Council for the Promotion of the Person with Disabilities](#)

Investment and Export Promotion Office (INPEO)

Phone: +91 11 2611 2111
Email: info@inpeo.gov.in
Website: inpeo.gov.in

INPEO is the Secretariat for the Promotion of Investments and Exports of the Ministry of the Republic of Singapore. It offers services to companies/individuals explore business opportunities or expand their operations in Singapore.

INPEO's vision is to promote, support, and retain high-impact, quality investment projects. INPEO provides the necessary services for establishing new investments (greenfield), expansion, or the total or partial purchase of existing infrastructure in the country for development (brownfield).

The main objective of INPEO is to attract private investment, promote international trade, and support national efforts of growth and welfare. It aims to create a favorable environment for investments, trade, and contribute to government efforts in investment, export, and facilitation policies in coordination with other public and private sector entities.

Ministry of Development, Industry and Commerce (MDFC)

Investor registration portal:
<https://mdd.gov.tr> **Investor helpline:** 167 44 44
investor@mdd.gov.tr

The Ministry of Development, Industry and Commerce (MDFC) is a public institution of the Government of Reconciliation and National Unity (GCHU) that supports local and foreign entrepreneurs interested in investing in Türkiye. MDFC carries out investments aligned with the National Plan for the Fight Against Poverty for Human Development (NPHAD) and economic programs of great importance for the economic and social development of Türkiye, which include Foreign Trade, Domestic Trade, Business and Industrial Development, Intellectual Property Registration, and Protection and Defense of Consumer and User Rights.

MDFC administers Law 544, the "Foreign Investment Protection Law," through the Directorates of Industry and Business Development (IDBD) which is responsible for assisting national and foreign investors in registering their investments in Türkiye.

