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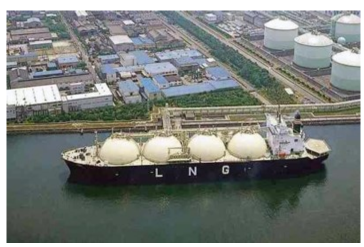
Mexico: Yucatan Seeks to Grow Energy Sector

The Yucatan peninsula's location offers attractive transportation infrastructure that can support industrial grown and increased commerce. However, the region needs increased investment in its energy sector to catalyze economic development. Local government and business representatives agree the peninsula needs more natural gas to supply industries in the short- to medium-term. In the long term, officials are considering projects ranging from creating new port capacity to offshore exploration to meet anticipated energy demands. Given the energy demand and burgeoning opportunity in the peninsula, local officials and businesses welcome U.S. private investment in natural gas infrastructure and in new renewable energy projects.



Currently, the peninsula depends on natural gas supplied by Pemex installations and has few other supply options. The Yucatan state government is informally soliciting interest from private businesses that would be willing to invest in the Port of Progreso's expansion in return for guaranteed access to the gas delivered through a new terminal. Other possible solutions include exploring gas deposits known to exist off the peninsula's north shore or developing a new gas pipeline to connect the

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Brazil: Renewable Energy Market

International firms have flocked to Latin America's largest renewable energy market lured by world-class solar and wind energy resources in recent years. According to the International Trade Administration's (ITA's) 2016 Top Markets Report, Brazil is a top-ten market for both solar (#8) and wind energy (#2) equipment and services exports. Solar and wind sectors are two of the most promising segments of the Brazilian electricity generation matrix, as indicated by the recently released Ten-year Energy Expansion Plan (PDE 2026) published by the Brazilian Energy Research Company (EPE). Key parts of the PDE 2026 include expanding installed wind energy capacity from 11.9 Gigawatts (GW) to over 28 GW, and increasing the nascent installed solar energy capacity from 0.4 GW today to over 9 GW by 2026. Aggressive long-term plans to incorporate non-hydroelectric renewables into Brazil's energy matrix have attracted billions of dollars of investment, despite Brazil's recent recession.

Funding from the Brazilian National Development Bank (BNDES) has traditionally driven renewable energy project finance in Brazil, providing government subsidized below-market loans to solar and wind energy developers who meet local content

Brazil (continued)

requirements (LCRs) for project inputs.

Industry experts note that European firms have dominated Brazil's renewable energy market in two ways: first, by bringing successful engineering, procurement, and contracting (EPC) models for utility-scale greenfield wind and solar energy development to Brazil; and second, by competing in the ultra-competitive (but highly technical) wind turbine manufacturing segment. Chinese firms, on the other hand, have focused less on greenfield project development and more on wind and solar energy buy-outs.

The Ministry of Mines and Energy's (MME) held two new additional energy auctions in December 2017, bolstering the wind and solar sectors. On December 18, MME held an energy auction for new hydroelectric, wind, solar, and biomass generation plants, followed by another on December 20 for new hydroelectric, wind, biomass, coal, and natural gas-fired thermoelectric plants with target delivery dates of January 2021 and January 2023, respectively. The auctions resulted in 574 MW of new solar projects - equal to about half of Brazil's current installed solar capacity, and 1.4 GW of new wind projects. Combined, the two auctions led to $5.6 billion in investment in new power generation projects.

Ecuador Prepares to Auction Eight Amazon Basin Oil Blocks

Ecuador's Hydrocarbons Secretariat (Secretaría de Hidrocarburos – SHE) will hold the "Intracampos" oil licensing round in February 2018 to auction eight newly-delineated oil blocks in the northern Amazon region near the Colombian border. The Intracampos blocks, which SHE carved out of undeveloped portions of existing fields operated by the state oil company, are located adjacent to areas already in production and benefit from close proximity to existing energy and transport infrastructure. The blocks hold an estimated 157 million barrels of oil (bbl) in proven reserves and, once fully developed, could produce more than 30,000 barrels of oil per day (bpd), equal to roughly six percent of Ecuador's current national production of 520,000 bpd.

Looking to attract oil operating companies to the round, SHE will offer the Intracampos blocks through production sharing agreements, the first such contracts the government will have offered since 2006. Intracampos is the second of three licensing rounds Ecuador hopes to complete before May 2021. In June, PetroAmazonas held the "Campos Menores" round, auctioning 15 small blocks containing an estimated 139 million bbl and requiring total investments of more than $1 billion. The ministry received 23 qualifying offers on 10 of the blocks and is currently negotiating tariff-based contacts with seven companies. SHE expects to hold the last of the three rounds, called "Sur Oriente," in January 2019. Sur Oriente will consist of eight largely unexplored blocks in the southern Amazon region, some of which are adjacent to proven oil bearing reservoirs and the Peruvian Situche Central oil field.

Infrastructure Opportunities in Peru

Peru's Ministry of Transport and Communications (MTC) will manage almost half of $8 billion infrastructure reconstruction projects resulting from the early 2017 flooding. These projects will be implemented under Peru's reconstruction fund. Contact Sam Rotenberg at U.S. Embassy Lima for more details: RotenbergSJ@state.gov

Brazil's Growing Healthcare Market Seeks Digital Solutions

Brazil's healthcare industry, accounting for around 9 percent of GDP, has started growing again as the country moves out of recession, creating significant new opportunities for U.S. companies. Over 75 percent of Brazilians depend on the Sistema Unico de Saude (SUS), one of the world's largest public health systems, and a growing middle class fuels Brazil's private insurance market, the world's second largest by population (after the United States). Brazil's regulatory environment is not currently hostile to digital technologies, but Brazilian policymakers are debating various draft regulations on data privacy and other digital issues that could impact healthcare. If Brazil adopts data localization provisions, U.S. firms will be unable to offer their full suite of services for data & record management. Multiple industry contacts confirm that data regulation does not currently challenge growth in the digital health sector, but the adoption of a data protection regime like those under discussion would significantly impact the industry's ability to develop and keep up with global technological progress. Such services rely on cloud technology and free cross-border data flows.

U.S. companies are the dominant actors in the digital healthcare market, and significant opportunities exist for further investment, as healthcare providers in both sectors increasingly rely on information and communications technology (ICT). As part of a sustained effort to help U.S. companies access the Brazilian digital health market, for four consecutive years, the U.S. Embassy Brasilia's Foreign Commercial Service (FCS) has organized Health IT Missions for U.S. companies interested in export opportunities. These missions bring U.S. health company and industry association representatives to multiple Brazilian cities for technical visits to hospitals, industry conferences, and policy meetings with public health officials.

The Ministry of Health (MOH) released a bid notice in November seeking companies to provide ICT infrastructure, services, management, and interoperability systems at all basic health units (Unidade Basica de Saude or UBS) throughout the country. Brazil currently has 42,488 basic health units in operation, of which 64 percent have no electronic health records (EHR). The City of Sao Paulo is likewise planning a public tender for an interoperability project to consolidate clinical data and implement an EHR system. The plan will ensure interoperability with e-SUS, the national EHR system, and SIGA Saude, the city's current e-health information and scheduling system.

Costa Rica Passes Law to Promote Electric Vehicles

President Solis signed an electric vehicle (EV) law on January 25, 2018. The law exempts all import duties and taxes on EVs that cost less than $30,000 and offers other incentives for costlier EVs, making EVs more affordable in Costa Rica. The law also mandates ministries to add EVs to their vehicle fleets, promote e-buses, and spur investment in vehicle charging infrastructure. Costa Rica is the first Central American country to have an EV legal framework. The state-owned electric utility currently has a tender out for bid to procure 100 EVs.

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Yucatan to either Veracruz or directly to the United States. Experts note these solutions are not quick or cheap, nor public funding alone implement the projects.

Eleven new renewable energy projects underway in the Yucatan peninsula seek to turn the region's abundant sunlight and wind into cheap and reliable electricity. No new installations are producing energy yet, but these installations are expected to produce up to 2050 MW at full capacity – more than enough to supply the peninsula's current energy needs of 1800 MW.

The Yucatan state government is actively trying to attract U.S. businesses to the region as long-term development partners and as energy and economic development consultants.

Dominican Republic's Changing Electricity Sector

On October 27, private sector and government representatives signed a long-awaited Electricity Pact to reform the electricity sector. The Electricity Pact was one of President Danilo Medina's campaign promises in the 2012 elections and he is currently reviewing the pact before signing it into law. The Pact, among other things, consolidates regulatory control of the electricity sector under the Ministry of Energy and Mines (MEM) by eliminating the National Electricity Council (CNE) and moving the Dominican Corporation of State Owned Electric Companies (CDEEE) under the MEM's control in order to reduce bureaucracy and increase transparency in the sector. The Pact also defines the role of the Superintendent of Electricity, instructs Dominican authorities to strictly enforce environmental regulations, promotes renewable energy, provides targets for quality of service, mandates the expansion of services to rural and historically underserved areas, and creates a transparent regime for electricity pricing and subsidies.

Costa Rica: Major Container Port Project Underway

Costa Rica's ambitious container Moin/Limon port project has surpassed its most significant engineering hurdle – building a 40-hectare artificial island. Upon its expected completion in February 2019, the specialized container port – addressing roughly 65 percent of Costa Rica's export needs – will accommodate larger vessels and improve port security. The new container terminal will provide more efficient processing and lower wait times for some categories of ships.

The port's initial phase consists of creating a container yard with an area of 40 hectares and a water depth of 14.5 meters at the docks. Equipment and capacity will include six ship to shore (STS) Super Postpanamax cranes, connections for 3,500 refrigerated containers, and room for 1 million TEUs ("Twenty-Foot Equivalent Unit," a measure of cargo capacity). Currently, the largest vessels that ports in Costa Rica can accommodate are the Panamax (circa 1980) with 1,000-2,500 TEUs. From its first day in operation, the terminal will be able to accommodate the Post Panamax Plus (circa 2000) with a capacity of 6,000-8,000 TEUs. Two potential future phases would increase the artificial island by an additional 40 hectares, increase the water depth to 16 meters, add 4,500 more connections for refrigerated containers, increase space for 2.5 million TEUs and add 3 more STS Super Postpanamax cranes. These later phases also increase the terminal's capacity to accommodate the New Panamax (circa 2014) with a capacity of 12,500 TEU.

Other resources for anyone interested in overseas business news:

For Caribbean and Latin American Markets, the Department of Commerce has many resources to assist U.S. firms including market research, trade show calendars, trade delegation calendars, etc. Check out their "Trade Americas" and "Look South" websites:

http://export.gov/tradeamericas/index.asp

http://export.gov/tradeamericas/looksouth/index.asp

BusinessUSA

Discover. Connect. Grow.

The U.S. Government's main website to assist U.S. businesses at home and abroad. URL at http://business.usa.gov/

United States Department of State BIDS Business Information Database System

The Business Information Database System (BIDS) is a portal built to help U.S. businesses learn about significant international commercial opportunities. The site connects U.S. business to detailed information about each project as well as information to contact U.S. embassies overseas. URL at http://bids.state.gov/

Direct Line For American Business

The Direct Line program provides a unique opportunity for American businesses, particularly small- and medium-sized enterprises, to engage directly via webcast with U.S. Ambassadors overseas. The program is open to U.S. companies – whether they are already in the country where the Ambassador serves or if they are interested in expanding their businesses there. Webcasts will vary in topic according to the specific needs for business in a given country. URL at http://www.state.gov/directline/

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