



Embassy of the Kingdom of the Netherlands

The Panama Newsflash is a publication composed by the Consulate-General of the Kingdom of the Netherlands in Panama and the Embassy of the Kingdom of the Netherlands in San José. The newsflash provides an update in terms of imperative economical developments, the most important tenders and a selection of other relevant business news to do with Panama. This newsflash is shared with a distinctive group of Dutch businesses with special interests in Panama. It is put together on the basis of publicly available information from various sources such as news articles, press releases, and third party information. The Consulate-General of the Kingdom of the Netherlands in Panama and the Embassy of the Kingdom of the Netherlands in San José are not responsible for the accuracy of the published information. If you do not want to receive the Panama newsflash, or wish to add a person to the distribution list or desire to send an observation, please feel free to send a message to sanjose@trade-minbuza.nl.



Trade mission with Dutch Minister Foreign Trade, Frank Heemskerk, to Panama, 10 - 13 Januari 2010 The Dutch Embassy in San Jose would like to inform you that Dutch Minister for Foreign Trade, Mr. Frank Heemskerk, will pay a visit to Panama from 10th-13th of January.

Minister Frank Heemskerk will visit Panama with the objective of enhancing business ties between Panama and The Netherlands. Heemskerk will be accompanied by representatives of 20 companies, which will promote their expertise, particularly in the fields of maritime logistics, infrastructure, and Corporate Social Responsibility.

Representatives of Dutch companies are kindly invited to join Mr. Heemskerk to Panama. The trade mission is open to all companies but will be of special interest to companies in the above mentioned fields.

Please find attached the official invitation by the Dutch Ministry of Economic Affairs (http://www.evd.nl/evenementen/economische_missies/). Do not hesitate to contact the EVD or Consulate General for further information, for more information you can contact: Fred van der Meer, Telephone: +31 (70) 778 8311 E-mail: missies@info.evd.nl



Stichting Hoogbouw Mission to Panama a great success A group of 54 Dutch companies from the Dutch Council on Tall Buildings visited Panama from the 10st till the 13th of November. Dutch Council on Tall Buildings is a foundation which organizes knowledge and network about tall buildings and

related topics in the Netherlands and they visited Chicago and Panama to learn from best practices and to exchange knowledge. Visits were made to several Panamanian construction & architect companies and construction sites.

Panama outbound trade mission to the Netherlands Within the 2g@there program, a group of 15 Panamanian companies from the maritime and logistics sector visited the Netherlands from the 31st of October till the 6th of November. Visits were made to Dutch companies, to the Port of Rotterdam, Schiphol and the expansion project of the Maasvlakte II. Also, mission leader and Viceminister of Trade, Mr. José Domingo Arias, met his counterpart Frank Heemskerck.



Dutch B2B renewable energy and energy saving matchmaking trade mission to Central America and Colombia

The Dutch Embassy in Costa Rica in cooperation with the Dutch Embassy in Colombia, has contracted Metasus Consulting from the Netherlands who completed a study into the opportunities for Dutch companies for renewable energy and energy saving. A trade mission will be planned for May of 2010. For more information contact: Ir. A.T. (Bert) Keesman at e-mail: keesman@metasus.nl or via www.metasus.nl



Dutch outbound trade mission to Central American

EVD has assigned DLV Plant, with the local support of INCAE business school (Ranked #1 in Latin America), the Ministries of Agriculture of Central America, Dutch Embassies in Central America and SNV to organize a B2B Food Processing Trade Mission. DLV Plant is coordinating a trade mission to Central America to help Dutch suppliers get a better understanding of the current market trends. Participants will meet with local branch organizations and companies, receive market briefs, individual matchmaking and possibly tour local commercial facilities. Companies will have the opportunity to exhibit their products and meet with buyers during tabletop display matchmaking sessions. Focus products are: Tomato, Meat and Poultry, Dairy Products, Canned and Shelf Stable Goods, Frozen and Processed, Juices, Spices and Ingredients. Corporate Social Responsibility will be an important topic during the mission. For more information, and to register, please contact Jan Tuinstra at j.tuinstra@dlvplant.nl

Panama will play host to Berlusconi in January for tax talks (Source: ANSA) Italian president Silvio Berlusconi will visit Panama next January. During the state visit, the second round of talks will be held on a double taxation agreement between the two countries in order to help get Panama out of the tax haven list. Panama's president, Ricardo Martinelli, was invited to Italy next December to take part in a conference to analyze topics such as the Panama Canal.

Panama economy could grow 5% in 2010 (Source: Reuters) Panama expects economic growth of at least 5 percent next year and is planning fiscal reform measures as it works to obtain an investment-grade rating on its debt, the finance ministry said. The reforms "will make tax collection more equitable and maintain ideal levels of spending and the deficit," according to Deputy Finance Minister Dulcideo de la Guardia. Standard & Poor's said that the tax reforms were expected to boost government revenues by about 0.75 percent of gross domestic product. For the first time, the reforms could extend Panama's tax reach into the business activities of a major free trade zone. While many Latin American economies have been in recession this year, Panama's economy will grow about 3 percent, said Finance Minister Alberto Vallarino. Next year, the economy will grow "no less than 5 percent.". Panama is currently rated BB-plus by S&P as well as Fitch Ratings. Moody's Investors Service has a Ba1 rating. All three are one notch below investment grade status. Panama's economic growth rate has slowed sharply after averaging above 8 percent in recent year.

Traffic passing through the Panama Canal, a driver of the economy, has fallen due to a worldwide recession. The slowdown has in turn cooled inflation. Consumer prices in Panama rose 0.2 percent in October from the previous month, bringing 12-month inflation rate to 0.7 percent, the national statistics agency said. Consumer prices had risen 8.7 percent in 2008.

Panama will have an Investment Promotion Agency (Source: Prensa.com) The country will create an investment promotion agency similar to those of Chile and Singapore. The announcement was made by Economy Minister Alberto Vallarino, while attending the National Competitiveness Forum. Vallarino explained: "It will be similar to Singapore's in attracting and promoting investment, but similar to the agencies of Chile and Colombia in commercialization and fostering agriculture".

Panama signs Cooperation Agreement with Costa Rica (Source: elfinancierocr.com) The cooperation agreement signed by both countries includes conducting feasibility studies for a train system. Other topics included in the agreement are extending the electric interconnection between both countries, and cultural and educational exchange programs. "The document was signed in Panama City by Costa Rican president Oscar Arias and Panamanian head of state Ricardo Martinelli. It includes directives to foster integration, culture promotion, political dialogue, cooperation in security and border posts, and regulation, technical and educational topics".

Panama buys equity in CAF (Source: laestrella.com.pa) Panama will acquire Series C shares from the Andean Development Corporation (CAF), and thus will be entitled to loans up to \$1 billion. The funds will be used in infrastructure projects such as the Metro system, airports, sewers and roads. Economy Minister Alberto Vallarino said that "... it is very positive to have the support of a multilateral entity as large as CAF for executing a very ambitious public investment plan in the next five years. CAF operates in a very agile way".

CAF will open Regional HQ in Panama (Source: Presidencia de Panamá). The announcement was made by Enrique García, president of CAF, the Andean Development Corporation, while visiting the country. From the Presidency of Panama: "With the installation of this office in Panama, CAF's financial and technical support for our country will increase. It will also be a complement for the International Banking Center". CAF is a multilateral financial institution focused on supporting the sustainable development of its shareholder countries and regional integration. It currently consists of 17 countries in Latin America, the Caribbean and Europe. Its shareholders are Panama, Bolivia, Brazil, Costa Rica, Colombia, Chile, Ecuador, Spain, Jamaica, Mexico, Argentina, Paraguay, Peru, Dominican Republic, Trinidad & Tobago, Uruguay and Venezuela as well as 15 private banks in the Andean region.

Panamanian Banks will pay 50% more taxes (Source: Capital.com.pa) The effective income tax rate paid by banks (known as ISR in Spanish), could increase to somewhere between 14% and 15%. Eduardo Lee, who represents the banking establishment in this negotiation with the State, submitted a proposal in which banks will have to distribute costs proportionally to how much they earn from their domestic and foreign operations. With these changes, domestic operations will be more profitable, which translates in banks paying more taxes in Panama. Moisés Cohen, President of the Banking Association of Panama, explained that "Lee advised banks in this topic, and confirmed that these changes were presented by them. He noted, however, that the government has the last word.

\$7.8 Million in Vegetable Oil Plant (Source: Prensa.com) A new plant for extracting vegetable oil from African palm will start operating on December 4th, after a \$7.8 million investment. It is located in Barú, in the province of Chiriquí, and is owned by Coopemapachi (Association of Palm Oil Producers from Chiriquí). It is capable of processing 20 tons per

hour. "This plant ... will produce raw oil and coconut oil, as well as coconut flour". Projects like these are interesting for the above mentioned mission for renewable energy and energy saving technologies.

Panama will extract Copper from 'Cerro Colorado' Mine (Source: Prensa.com) 'Cerro Colorado' located in Ngäbe Buglé, is one of the world's largest copper reserves. Ricardo Quijano, Commerce and Industries vice minister, confirmed the government's decision of putting to use the mining potential of 'Cerro Colorado'. According to Quijano: "... this project, like Petaquilla, will help develop the country's poorer areas, so they must be seen in a positive light, ... there won't be natural damage, as environmentalists complain, because Cerro Colorado, 'is an empty hill'".

Copa Airlines Traffic Up 16% (Source: Prensa.com) In October, Copa Airlines carried 16.6% more passengers than the same month of 2008. This month was also the lowest so far 2009 (81.9%). "October was the second consecutive month with better results than 2008, confirming that the Panamanian Airline has recovered its strong growth rate, which was stopped by the economic crisis and the A(H1N1) flu", reported Prensa.com.

Panama Canal expansion puts pressure on ports to revamp facilities (Source: Miami Herald) As expansion of the Panama Canal moves forward, on-time and on-budget, it is more important than ever that key ports around the world also make the necessary preparations to keep up with demand. Ports that don't keep up won't be able to accommodate the new, larger post-Panamax ships that are increasingly dominant on the world's waterways since the start of canal expansion. The expansion project will build a new lane of traffic along the canal by 2014 through the construction of a new set of locks, doubling the canal's capacity and allowing more traffic and passage of longer, wider ships.

Ports and planes cement trade bonds between Singapore and Panama (Source: Latin Business Chronicle) Tay Kok Kiang, president of Singapore-based ST Aerospace, Asia's biggest plane-maintenance company, sees growing demand for the firm's services through its three-year old Panama facility. And another Singapore-based company, PSA International, the world's second-largest container terminal operator, is building a terminal at the Pacific entrance of the Panama Canal. The current and future business generated by ST Aerospace and PSA is helping cement Panama as Singapore's top trading partner in Latin America. Singapore's trade with Panama is twice as large as its second-largest trade partner in Latin America, Brazil.



Jumeirah to bring Dubai glamour to Panamá (Source: Emirates Business) Jumeirah, the Dubai-based luxury hotel management group, said it has been appointed by Spain's Grupo Mall to manage a luxury property for the real estate developer in Panama City. Jumeirah manages Burj Al Arab, the world's most luxurious hotel. The Los Faros de Panamá complex will consist of three towers, each boasting residences, offices and a luxury hotel, respectively. The hotel will comprise 400 hotel rooms and suites. The Jumeirah Group-managed property will be one of the tallest towers in Latin America, with the central building standing at 361 metres and 85 floors. The two lateral towers will reach 266 metres in height with 75 floors.

Panama files for new debt of up to \$2.5 billion (Source: Dow Jones) The Republic of Panama filed with the US Securities and Exchange Commission plans to possibly sell up to \$2.5 billion of debt securities and warrants. The government said it will use net proceeds from the sale to refinance domestic and external indebtedness, and for other budgetary purposes. The country has filed to sell billions of dollars in debt securities in recent years. Panama's gross domestic product expanded 2.4 percent in the first half of the year, and the

country is poised to emerge from the world crisis without a single negative quarter. Panama's credit-rating outlook was raised to positive by Standard & Poor's, putting the country on the cusp of an investment-grade rating, as tax increases and faster economic growth help keep the budget deficit in check. S&P boosted the outlook from stable on the nation's BB+ rating, which is one level below investment grade and in line with countries including Egypt and Romania. The Panama Canal, which is undergoing a \$5.25 billion expansion project through 2014 to handle larger vessels, will help propel the country's economy, S&P said. President Ricardo Martinelli's tax reform will boost revenue by about 0.75 percent of gross domestic product, helping fund the country's "ambitious program of public investment," according to S&P. Recently, Standard & Poor's said Panama may join the list of investment-grade countries.

Tenders

The Panamanian government, under President Martinelli, has been in place for 5 months. Several mayor projects are now being formulated and tendered.

Panama Metro begins consulting process (Source: Prensa.com) The consortium Geoconsult/Cal and Mayor/Poyry formally joined the Metro task force today. Antonio Guevara, Director at Poyry Mexico, explained that Geoconsult will conduct the geological, geotechnical and local advising studies; Cal and Mayor will conduct demand, civil structures and urban development studies; and Poyry will be the overall responsible of the system. Prensa.com reported: "According to Government projections, the project could go out to tender between February and March 2010". Estimated investments total around USD 1.500 million.

Panama Canal invites bids for vehicle bridge (Source: Panama Canal Authority) The Panama Canal Authority started the process for building a vehicle bridge, by putting out to tender its feasibility study. The contractor will be responsible for analyzing the feasibility of building a tunnel or a bridge to the north of the existing Gatun locks and the new post-panamax locks in the Atlantic side. Bidders will have 30 days to prepare their proposals. This contract will be awarded in January 2010, and must be completed in 7 months. For further information please visit <http://www.pancanal.com/eng/pr/press-releases/2009/11/18/pr369.html>. On the same website, more detailed information of the tender can be found. Go to 'financial information', then to 'information systems' and click on 'tenders online'. Fill in 'tender number' 96986.

Tender for \$270 Million "Metro Bus" system (Source: CentralAmericaData.COM) The project comprises design, procurement and operation of a new public transportation system for Panama City. In the proposal, candidate companies must include a passenger demand study, route design, operations plan, driver training plans, and maintenance and user information programs. They must also provide a fleet reposition plan and an investment program in terminals. The deadline for submitting offers is February 26, 2010, at the offices of the Panamanian Transport Authority. For further information on the tender: <http://www.panamacompra.gob.pa/panamacompra/detallegeneral.aspx?ID=2009-1-03-0-08-LV-001408> More than 20 companies have shown interest in taking part in the tender to operate Panama's proposed new public transport system, the Metro Bus. The companies that want to compete are drawn from 10 countries, officials say. The new transport system is slated to launch operations next year in Panama's capital.

\$75 Million Corundú Project goes out to Tender (Source: Prensa.com) The 'Government City' project includes the construction of 15 buildings to house 20.000 employees. It will be built in an area of 64 hectares, close to the final station of the future Metro system, explained Edwin Lewis, from architecture firm Clement & Sons Designers. "The buildings should be designed with a 'Canal Architecture' concept, and will be three to four stories tall. The lower level will house stores and restaurants, explained engineer Rogelio Dumanois, structural designer. In addition to the buildings, the project includes an amphitheater, day-care and a football and a baseball court". It comprises an urban transformation for 160.000 square meters, over one thousand meters of sidewalks and segregated cycle facilities, institutional buildings, recreational and sport facilities, parks, libraries, as well as working on the Curundú river to prevent flooding. The project comprises studies, design and construction of Project Corundú. Bids must be submitted before December 21, and the project includes the construction of several structures:

- Channelization, dredging and improving the base of river Curundú.
- Construction of drinkable water network and sewage.
- Construction of pedestrian and bikeway paths for approx. 1,000 meters.
- Construction of buildings of three (3) levels and up to twelve (12) apartments each.
- Laying of low voltage electrical networks to supply residential buildings.
- Street and recreational lighting. Includes electric lighting.
- Construction of green areas and recreational facilities.
- Construction of a building with three (3) levels for institutional uses.
- Construction of a building with three (3) levels for use by small and medium businesses and industry, with an approximate area square thousand feet (1.700 m2).

For further information see:

<http://www.panamacompra.gob.pa/panamacompra/detallegeneral.aspx?ID=2009-0-14-0-08-LV-003277>

Panama invites bids for \$700.000 feasibility study (Source: PanamáCompra) This study is for a Scientific and Technological R&D Center, known in Spanish as CIDECYT. CIDECYT will engage in scientific and technological research for diverse applications, both practical and scientific, both for the Technical University of Panama as well as for the national and international scientific community. State institutions will work with this center in several development projects in the next years. Objective of the feasibility study is to determine if it is feasible to install a Scientific and Technological R&D Center in the Chame district. It must help develop the western region of the province of Panama, strengthening the academic community in scientific and technological aspects. The study must also design the Center. According to the bidding rules, the winning company will have 360 days to finish the study.

For further information on the tender:

<http://www.panamacompra.gob.pa/panamacompra/detallegeneral.aspx?ID=2009-1-95-0-08-LV-003441>.

Events



Call for participation at ExpoComer on 03-06 March

The Dutch Embassy will be present at the Expocomer Fair on 03-06 March, together with several stands from Aruba and possibly Curacao. The fair will host an exhibition area of 1000 stands, where national and international businesses from almost 40 countries will exhibit their supplies and demands, as well as the services and products in the following areas: food & beverages, textiles & accessories, services, technology and construction. The fair offers a unique opportunity to establish business contacts with businessmen, high ranking multinational executives, products and services suppliers, government authorities, international companies and

agencies, seminars, among others. The organization of this fair is in the hands of the Panama Chamber of Commerce. For more information or participation you can visit the website: www.expocomer.com or contact our Consulate-General in Panama, Mr. Dieter Ploeger, Tel.: 00507 263 6494. Dutch companies which cannot be present may wish to send folder material etc. through the Consulate-General. Email: consuladonl@cwpanama.net.

More information



TRADEPLATFORM:

In 2009 the Departments of Commerce of the Dutch Embassies Guatemala-City, Managua and San Jose developed a tradeplatform. This Business to Business (B2B) tool helps Central American and Dutch companies find each with

the aim of exchanging information and doing business. On the website www.doingtradeincentralamerica.com different information sources for Dutch companies interested in doing trade with Central American companies are grouped together. The Embassy of the Netherlands has launched the trade platform on the 1st of November and can be found on the website www.centralamericab2b.com. This service is provided free of charge. The advantages of this trade platform include the possibility to advertise your company for free, publish your trade leads, search for potential contacts or partners in the different countries and sectors and contact companies you would be interested in. Additionally, events that could be potentially interesting to Dutch or Central American companies will be published on this platform. To maximize the accessibility of all parties, the website is in English. Furthermore, a short manual will be provided to make the usage of the website as easy as possible.

To benefit from all these services, please register your company on http://www.centralamericab2b.com/index.php?option=com_comprofiler&task=registers.



EVD Panama country webpage

The EVD has a Panama country webpage where you can find up to date information, such as: business news, economical developments, tenders, country information (incl. fact sheet and laws), interesting sectors, activities, important documents and the business country guide from the Embassy of the Kingdom of the Netherlands. For more information please visit the website: www.evd.nl/landen. More information can be obtained from Judith Brussee, country manager Panama, through email panama@info.evd.nl or by phone (0031) 070-7788692.



Embassy of the Kingdom of the Netherlands as information source

On the internet site from the Embassy of the Kingdom of the Netherlands in San José (covering the countries Panama, Costa Rica, Honduras and El Salvador) you can find general information on the specific countries but also commercial information. Our 'handelswijzers' (business trade guides) entail broad and up-to-date information on how to do business in each of the four countries. It is a useful tool/guide for Dutch exporters and investors. Visit: www.holanda.cr, www.handelswijzer.com, www.doingtradeincentralamerica.com or www.centralamericab2b.com.

For more information you can contact our commercial department at the Dutch Embassy in San José thru email sanjose@trade-minbuza.nl or by phone (00506) 2296 1490 (Carel Richter, Hans Buhrs or Monique van Hussen).

You can also contact our Consulaat-Generaal in Panama (Dieter Ploeger), Phone: (00507) 263 6494 or (00507) 264 7257. Email: consuladonl@cwpanama.net