



Panama-City

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 that have 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 wish to receive the Panama newsflash, or would like to add a person to the distribution list, or if you desire to send your comment, please feel free to send a message to [sanjose@trade-minbuza.nl](mailto:sanjose@trade-minbuza.nl).*

### **Spreekdagen Latijns-Amerika, 28 t/m 30 juni 2010**

Verken uw kansen in Argentinië, Brazilië, Chili, Colombia, Costa Rica, Cuba, El Salvador, Honduras, Mexico, Panama, Peru, Suriname en Uruguay. De spreekdagen geven u een unieke gelegenheid om samen met vertegenwoordigers van diplomatieke posten uit verschillende landen te kijken naar uw kansen op de lokale markt.

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### **Netwerkbijeenkomst Latijns-Amerika, 1 juli 2010**

Bent u actief op het gebied van voedingsmiddelenindustrie, duurzame energie of watertechnologie? Latijns-Amerika biedt goede kansen voor Nederlandse ondernemers in deze branches. De landen in dit continent hebben zich al snel hersteld na de economische crisis. Vrijwel alle landen tonen economische groei. Tijdens de netwerkbijeenkomst op donderdagmiddag 1 juli in het Van der Valk Hotel Den Haag Nootdorp kunt u deelnemen aan een van de drie parallelle workshops. Daarnaast zijn de vertegenwoordigers van de diplomatieke posten in het buitenland aanwezig.

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***Panama promoted in Spain as a strategic enclave*** (Source: Presidencia de Panamá) In front of 300 Spanish businessmen, the President of Panama presented his country's investment plan for the next five years. President Martinelli noted that Spain is one of the largest investors in Panama, and told businessmen to take advantage of the country's strategic benefits for installing regional headquarters for transnational corporations. He also remarked that trade between both regions will increase as a result of the recently signed Association Agreement between Central America and the European Union. Traditionally the Spanish have closer ties to Latin American countries but of course the same is true for Dutch companies. In the last couple of years the relations between the Netherlands and Panama have been growing. Both countries show great similarities which offer opportunities.

***Panama and Canada sign FTA*** (Source: Nacion.com) The countries signed a Free Trade Agreement which levies tariffs for 100% of Panama's products and 85% of Canada's. The reserved 15% includes the most sensible products for Panama, such as poultry, onion, paper and cardboard. It will become effective on early 2011, and includes labor and environmental protection dispositions, as well as agreements regarding investments, state purchases and electronic commerce. Roberto Henríquez, Panama's Commerce and Industries Minister, said: "With the agreement, Panama hopes to double its bilateral trade with Canada within 5 years".

***S&P hikes Panama credit to investment grade*** (Source: Reuters) Panama won a second investment-grade rating on its debt, rewarding the country for years of rapid economic growth, trim budgets and tax system overhauls. S&P hiked Panama one notch to BBB-minus from BB-plus and said the outlook for the credit rating is stable. The upgrade, a victory for conservative President Ricardo Martinelli, came as some Southern European countries struggle with debt problems and could attract more investment to Panama.

***Panama looks for double taxation agreements with list of 21 countries*** (Source: La Estrella) The list of the countries that Panama is negotiating double taxation agreements has risen to 20, according to Frank de Lima, the economy deputy minister. The government aims to achieve these agreements by removing Panama's place on the list of tax havens assigned by the Organization of Economic Cooperation and Development. So far, Panama has signed treaties with eight nations, including the Netherlands, Spain, Qatar and France. South Korea, India, Japan, Switzerland, Israel and Britain are also among the countries invited by Panama to negotiate the tax issue.

***Panama is a 'mini-Dubai' lured by major contracts*** (Source: AFP) French companies have been growing as major investors of Panama, attracted as large public works contracts. About 20 French companies and more than 50 Panamanian firms that are related with them have invested \$700 million in contracts in recent years, and the French embassy forecasts the amount to increase to \$1 billion. "Panama is a mini-Miami or a mini-Dubai," said Marco Connti, president of Alstom in Panama.

***Panama places two mega ports for new tenders*** (Source: La Estrella) The government of Panama could soon be putting to tender the construction and administration of two new ports in the country's Pacific coast, said Panama's Economy and Finance minister, Alberto Vallarino. The government is currently in talks with the Panama Canal Authority and the country's marine authority, to evaluate the projects, said Vallarino. One of the terminals would be located north of Panama Ports, while the other would be constructed at Rodman. He added that the Rodman project would use soil extracted from the Canal expansion project.

***Panama receives \$386 million in bids for building of provincial hospitals*** (Source: Efe) Panama's government received offers for five provincial hospitals worth a total of \$386

million. The bidders include FCC Construcción, SEMI and OHL Arellano, all of Spain. The other consortiums include IBT Health (Dominican Republic), Consorcio HPP (Colombia) and Samsung CAP (Korea). The government is going to aims to complete the projects in 2013.



**Panama Canal users voice outrage over toll increases**

(Source: AFP) Leading users of the Panama Canal voiced outrage at toll increases that take effect next year, call them outsized, unfair and ill-timed. The Panama Canal Authority announced in April it would raise tolls. The hikes set to take effect January 1. "Shippers have suffered from the decrease in traffic, and even now we face an uncertain future" after the economic crisis of 2008, Julio

de La Lastra, of the Shipbuilders' Association of Japan, told a hearing on the tolls.

**Sacyr aims Canal contract will be only the beginning** (Source: La Estrella) Spain's Sacyr Vallehermoso is heading the \$3.1 billion contract for the Panama Canal. However, it aims to win a range of contracts from the Panamanian administration of Ricardo Martinelli. The Spanish constructor aims to slice part of the **\$11 billion share of public works contracts that the government aims to announce over the next two years.**

**Six dredging companies bid for up to \$98 million in Panama contract** (Source: Dredging International) Six international engineering companies submitted bids to dredge an area of the Panama Canal's man-made Gatun Lake that is central to the massive project to upgrade the canal. The Panama Canal Authority said it will now analyze the technical and financial aspects of the bids before awarding the dredging contract to the firm with the lowest-priced bid that meets the requirements.

The primary element within the scope of work for this contract is to widen and deepen the existing navigational channel by dredging approximately 4.6 million cubic metres in the northern most reaches of the Lake. This contract is one component within the ACP's Fresh Water Dredging and Excavation Project for the Canal Expansion, which includes the dredging and/or excavation of about 30 million cubic meters in Gatun Lake and the Gaillard Cut (the narrowest stretch of the Panama Canal). The ACP will do most of the 30 million cubic metres of dredging and excavation within the Fresh Water Dredging and Excavation Project using its own resources, while contracting portions of the project, such as the area included in this contract in Gatun Lake. Over the course of the coming days, the ACP will review the documents submitted to verify the company's experience, technical capacity, financial strength and bonding before awarding the contract.

Below are the companies that submitted bids and the corresponding bid prices in US dollars.

Dredging International	US \$ 39,983,822.82
Jan De Nul	US \$ 57,856,939.00.
China Harbour Engineering Company (CHEC)	US \$ 67,377,423.00
Great Lakes Dredge & Dock	US \$ 72,392,354.34
<b>Boskalis International</b>	US \$ 85,500,207.49
<b>Van Oord</b>	US \$ 97,998.256.97

"We greatly appreciate the interest received from these highly qualified global companies - keeping with the Expansion Program momentum, we look forward to awarding the contract to the winning firm in the coming weeks" said ACP Executive Vice President of Engineering and Program Management Jorge L Quijano.

The ACP has also published another tender for the excavation and dredging of about 3.8 million cubic metres near the Gaillard Cut at the entrance of the new Pacific Locks Access Channel. The ACP expects to receive bids for this contract July 16, 2010.

**\$40 million World Bank loan for sanitation in Panama's poor communities** (Source: Water World) The World Bank Group Board of Directors approved today a US\$40 million loan for Panama in support of the Metro Water and Sanitation Improvement Project. The project will increase the quality, coverage and efficiency of the water supply and sanitation

services in the lower-income neighborhoods of the Panama metropolitan region. The Project will expand coverage of water supply for 100,000 people and sanitation services for 60,000.

***Samtec joins rush of new investments in Panama*** (Source: La Estrella) Another new multinational has launched operations in Panama. Samtec, the US-based manufacturer of electronic connectors supplies companies from telecommunications and the medical industry. Samtec already has a plant in Costa Rica. The new plant in Panama will be in the former Howard US military base.

***South Korea in scheme to train thousands of IT technicians in Panama*** (Source: Efe) Panama needs to develop 25,000 information technology technicians to meet market demands. The IT chamber says at the technicians will need to be trained for about two years. The chamber, the Inter-American Development Bank and South Korea are working on the project.

***Amador received 62% more cruise ships*** (Source: pa-digital.com.pa) The current cruise season concluded in Marina Isla de Flamenco, Amador, with 22 more vessels than the previous one. A total 57 cruise ships docked at the port, carrying 59.386 passengers, 27.868 more than in the previous season. Adaris Romero, marketing chief, explained that Marina Isla de Flamenco turned out to be a key port in the route linking Ft. Lauderdale, Florida, with Los Angeles, California.

***Ocean Dream cruise to visit Panama*** (Source: pa-digital.com.pa) "Ocean Dream", a cruise ship owned by Spanish company Pullmantur, will depart from the port of Colón every Friday. Between October 2010 and June 2011, the vessel will depart from Colón and visit Cartagena, Sta. Marta, Aruba, Curacao and La Guaria, returning to Colón afterwards. Pullmantur is aiming for the Latin American market, offering an "all-inclusive" service. They want to take advantage of the large number of Latin American destinations which connect with Panama's Tocumen International Airport.

***Korea interested in Panamanian copper*** (Source: Prensa.com) Korean companies are interested in the Gnäbe-Buglé field (Cerro Colorado), and the copper mining project by "Minera Panama" in Cocolé. Lee Myung-bak, president of South Korea, will visit Panama in June. He will meet with President Ricardo Martinelli to discuss Korea's involvement in the country's mining projects. Two months ago, Martinelli publicly stated that by request from the Korean Government, they would change the Panama's mining laws, as the current regulations impede granting mining concessions to foreign government entities.

***Panama to invest \$250 million in financial tower*** (Source: pa-digital.com.pa) Architecture studio Skidmore, Owings & Merrill presented their initial design for the proposed building "Torre Financiera" (Financial Tower). The government will build it in the location of the former U.S. embassy in Balboa Avenue, and it will house all the State's economic and financial institutions. Its proposed elliptical design is not the first of its kind. The Agbar tower, inaugurated in 2005 in Spain, is very similar. Alberto Vallarino that "the tower's conceptual design was entrusted to Skidmore Owings & Merrill, and required an investment of \$300.000".

***Panama consumes more imported cheese*** (Source: Prensa.com) In the first two months of 2010 the country imported a total 732 tons of cheese; 46% accounted for cheese for consumption, and the rest for industrial uses. In comparison, in the same period of 2009, Panama imported 1.017 tons, but only 34% accounted for cheese intended for consumption, with the rest being used for industrial purposes (mainly for producing yellow cheese). Of the country's total cheese demand, 4.000 metric tons correspond to imported products and 2.000

to domestic production, reported Euclides Díaz, executive secretary of the National Livestock Breeder's Association.

## Tenders

***\$75 Million to Expand Tocumen Airport*** (Source: mef.gob.pa) Tocumen, the International Airport of Panama, subscribed to a \$75 million loan to improve the country's infrastructure. A \$75 million loan was subscribed between Tocumen International Airport, "Banco Nacional de Panama", "Caja de Ahorros" and the Bank of Nova Scotia Panama, to build the northern section of Tocumen International airport, explained Finance Minister Frank De Lima. De Lima added that the money will be used exclusively to build the north terminal, platform and administrative building, as well as remodeling the main façade, building the presidential salon and expanding the airport's fuel distribution network.

***Panama to Build New Airport in Penonomé*** (Source: Prensa.com) The district of Penonomé, located in the province of Coclé, was chosen as the most suitable location for building a new airport. Authorities from the Economy and Public Works Ministry inspected the area and concluded that Penonomé complies with most of the requisites to host a new airport. The project will cost between \$80 and \$100 million, and it will be put out to tender sometime in early 2011, once its location is officially confirmed. Federico Suárez, Public Works Minister, explained that the project includes building new access roads from the Panamerican Highway.

***Panama to Build \$300 Million Hospital*** (Source: laestrella.com.pa) The Social Security Institute (CSS) will invite bids for the construction of a new set of buildings to replace "Arnulfo Arias Madrid" complex, a hospital facility. CSS has not yet defined where the new complex will be located, explained Guillermo Sáez Llorens, director of the entity. The Health Ministry had recently announced the construction of five new hospitals for \$386 million in five different provinces.

***Panama Puts \$12 Million Educational Center Out to Tender*** (Source: CentralAmericaData.COM) The Education Ministry invited companies to bid for designing, building and equipping an education center in Playa Leona. The acquisition method will favor the proposals that include more value, rather than price. Bids must be submitted on June 15 at the offices of the Education Ministry. The Education Ministry intends to hire a company to design, develop blueprints and get them approved in all required institutions, build, provide all required equipment and personnel to deliver this project completed. These services must be provided by a company specializing in designing and building public infrastructure.

***Panama Invites Bids for Sewage Treatment Plant*** (Source: bnamericas.com) In April, authorities will invite companies to bid for conducting a feasibility study for building a water treatment plant in Colón. Representatives from Idaan, the National Sewers Institute, commented that if the project turns out to be feasible, they would proceed to invite bids for its construction. From Bnamericas.com: "The want to build a project similar to the one constructed in the province of Panama, where contamination levels have been reduced thanks to an integral disinfection program".

***Cold Chain Could Start in September*** (Source: pa-digital.com.pa) The start of the project, which seeks to reduce the loss of perishable goods, has been delayed due to the lack of statistics from the agriculture industry. Authorities are currently developing the list of products which would be included in the project, and they expect to invite bids on September.

Fernando Duque, executive secretary of the Cold Chain, told newspaper Panamá América that “there are 24 products already included due to their high production volumes. These include lettuce, tomato and cabbage. They also want to check with the supermarkets, to see if any other product must be included”.

**Panama Invites Bids For \$178 Million Highway Construction** (Source: CentralAmericaData.COM) The country published bidding rules for designing and constructing a highway linking David with Boquete and another linking La Villa with Las Tablas. The project to reconditioning and widening of the road between David and Boquete has an estimated cost of \$108 million, whereas the other highway is expected to cost \$70 million. Interested companies have until April 26<sup>th</sup> to submit their bids.

**\$218 Million for Panamanian Highway** (Source: pa-digital.com.pa) The funds will be spent on completing the highway, which links Madden with “los Cuatro Altos” in the province of Colón. Economy vice Minister Frank de Lima explained that the extension will start at “Quebrada López” all the way up to “los Cuatro Altos”. De Lima also commented that such an enlargement would improve the Logistics Center “significatively”.

**Panama Invites Bids for \$101 Million Highway Works** (Source: CentralAmericaData.COM) The contract comprises design and construction for rehabilitating and widening the highway linking Divisa and Chitré. Interested companies must submit their bids on March 31 2010. A homologation meeting will take place on March 16th, at 10.30 AM, in Curundú, Building 1022, Contracts Administration Directorate.

**Note: for more information on these and other tenders, please contact [nltrade@cwpanama.net](mailto:nltrade@cwpanama.net)**

**Events**

**Expo Logistics Panama in October** Atlapa Conventions Center will host Expo Logistics Panama on October 7<sup>th</sup> and 8<sup>th</sup>, 2010. The event includes conferences, and is intended for businessmen from the maritime, ports and aerial transportation industries. According to its organizers, Expo Logistics Panama is an international trade show for logistics and multimodal transportation, and is the largest in the region.



**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, have contracted Metasus Consulting from the Netherlands who

completed a study about the opportunities for Dutch companies in the sectors of renewable energy and energy saving. Coming September 2-10 a Dutch trade mission on renewable energy and energy efficiency is scheduled to Panama, Costa Rica and Colombia. As a result of preparatory market surveys in 2009, many business opportunities were identified in biomass / biofuels, waste 2 energy, solar and wind energy as well as energy efficiency. Private and public sector organizations can also participate in development cooperation projects or invest in hydropower or biofuels. Financial instruments of a.o. FMO and NL EVD International make it even more attractive to participate. The mission is organized by MetaSus, in collaboration with the Dutch renewable energy umbrella organization DE Koepel and local partners. NL EVD Internationaal, the Dutch Agency for international business and cooperation supports the mission and the Dutch Embassies are actively cooperating to turn

the event into a success. For more information contact: Ir. A.T. (Bert) Keesman by e-mail: [keesman@metasus.nl](mailto:keesman@metasus.nl) or via [www.metasus.nl](http://www.metasus.nl)



### **Dutch B2B matchmaking trade mission to Central America**

The 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, the Dutch Embassies in Central America and SNV to organize a B2B Tomato & Dairy Trade Mission. The mission will also focus on social corporate responsibility and fair trade. The events will take place in Panama and Costa Rica, where representatives and branch organizations from whole Central America will be present. A trade mission will be planned for 14-20 of November. For more details send an e-mail to Jan Tuinstra at [j.tuinstra@dlvplant.nl](mailto:j.tuinstra@dlvplant.nl)

**More information**



### **TRADE PLATFORM:**

In 2009 the Departments of Commerce of the Dutch Embassies Guatemala-City, Managua and San Jose developed a trade platform. 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](http://www.doingtradeincentralamerica.com) several 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](http://www.centralamericab2b.com). This service is provided free of charge. The advantages of this trade platform include the possibility to promote your company for free, publish your trade leads, search for potential contacts or partners in the different countries and sectors, and contact the companies that you are 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 for all parties, the website is in English. In addition, 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](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 in the areas of: 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](http://www.evd.nl/landen). More information can be obtained from Judith Brussee, country manager Panama, through email [panama@info.evd.nl](mailto:panama@info.evd.nl) or by phone (0031) 070-7788692.



### **Embassy of the Kingdom of the Netherlands as information source**

On the website of 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 about the specific countries but also commercial information. Our 'handelswijzers' (business trade guides) entail broad and up-to-date information about 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](http://www.holanda.cr), [www.handelswijzer.com](http://www.handelswijzer.com), [www.doingtradeincentralamerica.com](http://www.doingtradeincentralamerica.com) or [www.centralamericab2b.com](http://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](mailto:sanjose@trade-minbuza.nl) or by phone (00506) 2296 1490 (Carel Richter or Hans Buhrs).

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