



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.

Panama to invest \$3.93 billion in energy projects (Source: pa-digital.com.pa) In 2009, energy demand increased 12%, doubling the rate growth experienced in 2008. If these growth rates continue, the relationship between energy generation and demand could reach a tipping point, leading to energy rationing. The Public Services Authority places its hopes in 20 hydroelectric power projects that would open in 2010 or 2011. 22 new energy generation projects are planned for the next four years. They will add 1.061 MW to the country's power grid, an 87% increase over Panama's current energy generation capacity (1.208 MW). The focus will be put on hydroelectric power generation projects, in which \$1.73 billion will be invested. Additionally, two wind power farms are being built for an estimated \$1 billion, plus \$1.2 billion in thermal generation projects.

\$35 million hydro power plant in Panama (Source: Prensa.com) Spanish company "Grupo TSK" will design and build a \$35 million hydroelectric power plant. It will be located in San Bartolo, in the province of Veraguas, and its construction is slated to start on September 2010. Prensa.com reported that the plant will output 15 MW, enough to power a city with 35.000 to 40.000 inhabitants.

Panama to build \$100 million airport (Source: Prensa.com) The Civil Aviation Authority (AAC) unveiled plans to build a new airport in one of the central provinces of the country. In the press release, the authority also commented that around \$40 million have been invested in the country's airports in 2010. The announcement was made by Rafael Bárcenas, head of the AAC, when presenting Congress a report on his first year of tenure.

New committee to decide who will build Malek airport (Source: Prensa.com) A new verification committee will analyze the proposals submitted to expand Airport E. Malek in Panama. The previous committee had recommended awarding the contract to “Constructora Riva”. In response, the remaining companies filed a formal complaint. “Riva’s competitors argued that the company did not have the minimum required personnel, and that to correct this, Riva included the resume of a different engineer than the one included in the first proposal. In their opinion, this would render the process void”. After conducting an analysis, the Public Purchases Directorate ordered the Civil Aviation Authority to put in place a new reviewing committee.

Panama could mint \$40 million in coins (Source: noticiasnumismaticas.com) The Economy Ministry is waiting for a price quote to mint \$40 million balboas in coins. The quotation was requested to the Royal Canadian Mint. Experts explained that the operation aims to reduce the costs paid by the National Bank of Panama when replacing one dollar bills. Dulcideo De La Guardia, finance ministry, commented that this would increase the use of commercial machines which utilize coins.

\$11 million to promote Panamanian tourism (Source: estrelladepanama.com) In 2010 the Government will invest \$11 million to promote the country as a touristic destination. Representatives from the Chamber of Commerce, Industries and Agriculture of Panama (CCIAP) explained that the objective is to bring more international tourists to the country. “The previous administration did a great job to promote Panama internationally. This government will look to maintain and improve this”, said Manuel Ferreira, economic director at CCIAP. Additionally, Ferreira commented that the project to expand and create new airports will also contribute to increase the number of visitors to the country.

Panama to buy \$10 million in ambulances (Source: pa-digital.com.pa) The Health Minister (Minsa) will invite bids for supplying 120 ambulances to 5 new regional hospitals. This acquisition process will be started once the construction of 5 new hospitals is formally awarded to a company. Minister Franklin Vergara told Panamá América that “...they will try to ‘rescue’ other ambulances which require maintenance to become operative again”.

Panama invites bids for \$7 million training center (Source: CentralAmericaData.COM) Authorities put out to tender an interactive training and formation center for bus drivers. The contract comprises the construction of 12 laboratories, designing academic programs, equipping the facilities and training professors. Bids must be submitted on May 17, at the offices of Inadeh, the national institute for human development training.

Panama to invest \$4 million in minor ports (Source: Autoridad Marítima de Panamá) The Maritime Authority of Panama (AMP) will execute 23 projects in the country’s minor ports, for a total investment of \$4 million. Roberto Linares Tribaldos, head of the AMP, explained these ports need to operate in optimal conditions, as they are the development engine of many isolated communities which rely on maritime transport for their subsistence. He made these statements at a meeting with regional port managers, in which they also discussed other topics such as administrative procedures, port fees, digitalization of documents and the execution schedule for these projects.

“Doing Business in Panama” unveiled (Source: Ministry of Commerce and Industries) The industry ministry teamed up with Citibank to develop “Doing Business in Panama”, a business guide. It includes information and tips on laws, structures, and other topics necessary when establishing foreign companies in Panama. Roberto Henríquez, Commerce Ministry, explained that the document, that will be available in all Citi branches in the country, will explain investors Panama’s benefits in logistics, financial services, agricultural exports and tourism.

Panamanian Banks: Full of Money (Source: martesfinanciero.com) Panamanian banks were prudent and dodged the crisis successfully; they are now full of cash, and eager to lend money. With close to \$13 billion in liquid assets, banks in Panama are getting ready to finance the Government's large infrastructure projects, which require \$2.4 billion in 2010 and \$3.2 billion in 2011. In the 5 years of Martinelli's government, the State is expected to invest around \$15.6 billion. An article in Martesfinanciero.com printed statements by Alexis Arjona, senior vice president at Banco Aliado: "We pay close attention to the government's ambitious infrastructure investment plan, as it will bring many financing opportunities from companies awarded with large contracts". Estimates for Panama's economic growth for the next years are above others like Brazil, Chile and Peru, resulting in an exceptionally optimistic outlook for Panamanian banks.

Metro construction will require 3.000 workers (Source: laestrella.com.pa) 3.000 workers will be employed to build the 14 kilometers of the first line of Panama's upcoming metro system. Roberto Roy, Metro Secretary, explained that the winning consortium will be responsible of hiring and administering the payroll. Works include the construction of 13 stations, of which 8 will be located underground, and will be built in parallel. Roy added that the three participating consortiums have until July 30 to submit their proposals, after which the evaluating committee will have a month to review them. The winner will be announced on September.

Panama begins oil exploration (Source: laprensagrafica.com) It will begin in the province of Darién, close to the border with Colombia, where there is surface oil. President Ricardo Martinelli spoke at CADE (Annual Conference of Business Executives) and said: "There is oil in Panama; we have confirmed that the Colombian veins continue in Panama". In 1970, oil corporations surveyed and found crude in the Panamanian Pacific Ocean. In the past years, 36 perforations were conducted in those areas under study. 'Black gold' was found in Cañazas, Panama and Garachiné, in Darién.

Panama hopes to produce ethanol in 2013 (Source: pa-digital.com.pa) The country expects to build and operate an ethanol plant in three years, after it resumed an agreement with Brazil. Juan Urriola, Energy Secretary, explained that in less than 60 days they will make an announcement related to the construction of this plant. "The Ministry of Agricultural Development (MIDA), is negotiating with sugar cane growers to increase the number of available hectares to supply ethanol production", reported Panamá América. "The regions that produce the most sugar cane are Natá, Aguadulce, Alanje, Santiago, Santa Marta, Pesé and Ocú".

Panamanian breweries to invest \$35 million (Source: Prensa.com) Breweries "Barú Panamá" and "Nacional" will invest to enlarge their production facilities and improve their sales infrastructure. Etienne Strijp, CEO of "Cervercería Barú Panamá", explained they will expand the factory due to increased demand for the product (26% in 2009 vs 2008). Paulo Loo, national sales director at "Cervercería Nacional", commented that their planned investment for 2010 is above \$20 million. From this, over half will be used to modernize the production facility and the remainder will be used to improve points of sale, enlarge the truck fleet and acquire new technologies.

Panama invites bids for designing 8 public marketplaces (Source: Presidencia de Panamá) The Cold Chain Secretary reported that in May 5th they will conduct a standardization meeting and on May 20th they will receive the proposals. After this, the government will put out to tender the construction of these public marketplaces, in 8 separate processes, one for each marketplace. They will be installed in Panama City, Chorrera, David, Veraguas, Las Tablas, Chitré, Penonomé and Colón. Minister Jimmy Papdimitriu stated that

“they will introduce economic dynamism to these areas, as well as job opportunities and quality products at good prices”.

\$2 million road study in Panama (Source: Ministerio de Obras Públicas) The government of Asturias donated the resources to the to the Public Works Ministry in order to conduct a nationwide road study. It is intended to be used as a reference when developing plans and projects at the Ministry. Through the General Road Directorate, the Government of Asturias committed to share its experience in developing road plans, quality control, and consulting and public acquisitions processes.

Panama’s Cold Chain moves forward (Source: Prensa.com) The company hired to assess the nations’ agricultural production will deliver its report on June 4. Such report will detail how much of each good is sown in every region of the country, and will be a key supply for writing the bidding rules for selecting the company that will develop, build and manage the project. The contract to build and manage the project for 10 to 15 years will be awarded by December 2010. The winning company must comply with all the requisites defined in the bidding rules.

Containerized port throughputs 2009 ranking (Source: Economic Commission for Latin American and Caribbean) Panama's Colón and Balboa are first in Central America (2 and 3 in Latin America), followed by Limón in Costa Rica (13), Cortés in Honduras (22), Santo Tomás (29), Puerto Barrios (31) and Quetzal (36) in Guatemala. The economic crisis in the region last year reduced port activity in Latin America and the Caribbean, according to a recent ranking prepared by ECLAC. Of the 75 ports included in ECLAC's ranking, only five had higher TEUs, although in several cases, this increase is due solely to a greater handling of empty containers. According to ECLAC, the situation in the region is not too different from that of the rest of the world, which also experienced lower containerized port throughputs in 2009.

Otis Elevators to open regional HQ in Panama (Source: Prensa.com) The Commerce Ministry of Panama announced that company Otis Elevators will install its regional headquarter in Panama. Otis becomes the 33rd company to take advantage of Law 41 of 2007, which created a special regime for establishing and operating regional headquarters for multinational corporations. Commerce Minister José Domingo Arias explained that “the multinational chose Panama as a platform to expand its operations in Latin America, creating jobs and transferring technology to Panamanians”.

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 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, were 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 26th 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 "significantly".

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@cvpanama.net

Events

Expo Logistics Panama in October Atlapa Conventions Center will host Expo Logistics Panama on October 7th and 8th, 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 or via 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

[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 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. 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.



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. More information can be obtained from Judith Brussee, country manager Panama, through email panama@info.evd.nl or by phone (0031) 070-7788692.



Ambassade van het
Koninkrijk der Nederlanden

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, 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 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