



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 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 January 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 about 20 companies, which will promote and share 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



Panamanian Assembly approves withdrawal from Parlacen (Source: Prensa.com) With 39 votes in favour, the Assembly repealed international regulations related to the Central American Parliament (Parlacen). The official withdrawal from the institution will take place on November 24th 2010, reported José Luis Varela, president of the Assembly. He added "... the Vienna Convention establishes a 12 month period for the country to abandon the organism". Varela explained that Parlacen's operational costs are excessive and unnecessary.

Panama economy grew 2.5% in 2009 (Source: martesfinanciero.com) The country's economy grew a remarkable 2.5%, fuelled mostly by the construction industry and domestic demand. On the other side, agriculture was one of the sectors most affected by the crisis, especially by the drop in foreign demand, and by losing a series of tariff benefits under the European SGS-Plus system. The contraction of the international markets affected all exporting sectors. Up to September 2009, official stats reported that exports had dropped 36.2% when compared to the same period of 2008, from \$957.4 million to \$610.4 million.

New minimum wages in Panama (Source: Prensa.com) Monthly minimum wages will be increased between \$31 and \$95, rising on average from \$357 to \$416, varying by industries and regions. This measure will affect 250.000 workers, and will come into effect on January 1st, 2010. Zone 1 - comprised of Panamá, Colón, San Miguelito, David, Santiago, Chitré, Aguadulce, Penonomé, La Chorrera, Arraiján and Bocas del Toro - will see increases between \$33 and \$95. The rest of the country will see increases between \$31 and \$95.



Panama to negotiate FTA with Europe (Source: prensa.com.pa) The country began a negotiation process with the European Free Trade Association (EFTA). This was announced by Panama's Ministry of Commerce and Industries, through a press release. EFTA's Council of Ministries announced its decision of offering its cooperation to Panama.

Cabinet approves Export Subsidy (Source: Presidencia de Panamá) The executive approved a project which regulates the Program for Fostering the Competitiveness of Agricultural Exports. The program will grant incentives to non-traditional agricultural exporters, for them to reduce their commercialization costs, especially those related to packing and transportation. A certificate called CeFA will be issued by the ministry of Economy and Finance to manage the incentive. The tax sacrifice of the program is estimated in \$11.5 million.

\$11 million for Panamanian agriculture (Source: pa-digital.com.pa) Spain will provide funds for increasing basic grain production in Panama. The money will be used to boost rice, beans and corn production. Víctor Pérez, agricultural development minister, stated: The Food and Agriculture Organization will install its Central American offices in Panama. This means they will store in Panama all the seeds that will be distributed in Central America.



Panamanian Metro outlines 1st Phase (Source: Prensa.com) The first line of the system will run for 14.5 kilometres, and will require an investment of \$1 billion. Authorities also unveiled the Metro's logo, which consists of a blue circle with white horizontal bars, in addition to the label "Metro de Panamá". Juan Carlos Varela, Panamanian vice president, informed on the line's length and cost, but didn't give details on which sectors of the city it will cover.

Panama's Banking Centre remains solid (Source: Ansalatina.com) In September, managed assets reached \$64.09 billion, a 0.63% increase when compared to the same period of 2008. Mario de Diego, executive vice president of the Banking Association of Panama, stressed the Centre's solidity, whose assets continue to grow and maintains good liquidity. According to data from the Panamanian Banking Superintendence, "... domestic deposits rose to \$21.13 million, a 12.8% increase if compared to the same period of 2008".



Mars is latest global player to opt for office in Panama (Source: La Estrella) Mars, the US-based confectionery and pet foods company with revenues of \$30 billion a year, chose Panama to set up a regional office. The company, famed for its M&M, Snickers and Dove confections and its Pedigree line of animal products, will service its affiliates throughout the region from the new office. "We're knocking on the doors of all the big global players. They know about Panama's importance to their regional business," said Panama's deputy trade minister, José Domingo Arias.



Canal excavation contract for \$267.7 million (Source: Prensa.com) Such is the amount proposed by the lowest-priced bid, by consortium Fomento de Construcciones y Contrata (FCC), Mexico's ICA and MECO. The project comprises excavating and removing some 27 million cubic meters of material. Other companies bidding for the contract include Brazil's Odebrecht, Belgium's Jan de Nul, and the consortium Impregilo, Sacyr and Cusa (ISC). The Panama Canal Authority must review financial and technical documentation to assure if the proposal complies with all bidding rules, in order to award it. The order to proceed with the project must be issued no later than January 15th, 2010.

Panama axes 73 vessels in tough measures to clean up maritime register (Source: Maritime Global Net) The Panama Maritime Administration says it has cancelled the registration of 73 vessels and tough action is cutting the number of detentions. Measures were announced earlier this year to improve the quality and detention record of the Panamanian flag after its inclusion last year inclusion in the blacklist of the Paris memorandum of understanding. Panama imposed stringent requirements for ships older than 20 years which are now required to submit to a check by an inspector from a recognized organization before calling at a port covered by the memorandum of understanding.



APSA concession comes to an end (Source: Prensa.com) Atlantic Pacific is no longer the concessionaire for the fuel tanks located at both entrances of the Canal. President Ricardo Martinelli stated his intention of conducting a public bidding process to find the new concessionaire. Carlota Mattos, chief of the legal department of the Panama Maritime Authority, argued they want to find the option that is most advantageous for the State.



Residential commercialization starts in Panama Pacífico (Source: Prensa.com) Commercialization of residential areas at economic area Panama Pacífico will start on January 2010. 125 duplex residences will be built in the first stage, out of the total 20.000 planned for the project. Construction of the first buildings in the industrial area started in November. They are storage centers or 'flexi-warehouses' for corporate usage.

Italian company CEDIT could take over Coosemupar (Source: Prensa.com) Centro de Distribución Toscana (Cedit), was the only company bidding to assume operations at troubled Panamanian cooperative Coosemupar. Cedit boasts 80 years of experience in the banana market. The evaluation committee however rejected the bid by Italian company CEDIT, as it failed to comply with the established requisites. The announcement was made by José Carlos Elizondo, Coosemupar interventor. Elizondo commented there are three additional companies interested in acquiring the banana cooperative, as talks will continue.

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.
- Lay on low voltage electrical networks to supply residential buildings.
- Street and recreational lighting, this 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.



Panama to host FAO conference (Source: Prensa.com) The XXXI Regional FAO Conference for Latin America and the Caribbean will be held in Panama, from April 26 to 30, 2010. Organizers expect the presence of ministers and technicians from 33 countries and delegates from 60 organizations. The announcement was made by Panamanian Chancellor Juan Carlos Varela.



Pioneers in international business

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



Pioneers in international business

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

[More information](#)



Pioneers in international business

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 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