



Panama-City

Embassy of the Kingdom of the Netherlands

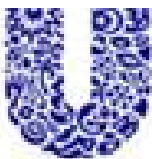
*The Panama Newsflash is a publication composed by the Consulate-General of the Kingdom of the Netherlands in Panama and the Embassy of the Kingdom of the Netherlands in San José. The newsflash provides an update in terms of imperative economical developments, the most important tenders and a selection 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).*

### Dutch companies active in Panama



**Export opportunities to Aruba and Curacao** Panama's Minister of Trade and Industry, Roberto Henriquez, announced that a trade mission will travel to Curacao (22-23 August) and Aruba (25-26 August) to explore Panamanian export potential to both islands. Henriquez confirms the attendance of some 10 Panamanian export companies, all whom are active within the food sector. The Dutch islands import around Usd \$400

million worth of food on a yearly basis. The cost of living on the islands is rising faster than forecasted which is affecting the islands macro-economic stability. The Dutch Embassy in San Jose wants to help the islands of the Kingdom by promoting cheaper food imports from countries such as Costa Rica and Panama. Panama will be visiting the islands with a trade mission from 20-24th of August. Costa Rica concluded its own market scan of the islands that will be presented on the 18th of August to Costarican companies which hopefully will also lead to a trade mission later this year.



**Unilever to install Regional Office in Panama** (Source: Capital.com.pa) With an investment of \$2.5 million, the multinational will serve Central America and the Andean region from an office in Panama. President of the Andean Region and Central America at Unilever, Fernando Acosta, stated that the company has not ruled out expanding its investments in the country in the near future, such as opening new service centers and factories. Unilever Regional Services, will start its operations in Panama by offering a 'Factory Order' service, which receives, enters, processes, allocates to inventory and provides optimal routing for all orders that are generated in the region. Via a



single platform in the region, the company has direct access to the movement of distribution of more than 400 brands

### Other news



**Panama shipyard.** Panama has a canal - soon to double in size - along with two super-ports, and an airport, with more connections than any other in Latin America. The only thing the country needs now is a shipyard, to service the vessels, which pass through the waterway. The Colón Free Zone, which expects to have sales this year of \$24 billion, up 10% from 2010, called for the development of a shipyard in Colón province. So far, neither the CFZ nor the Panamanian government has discussed possible incentives for a shipyard project.

On the other hand, the concept makes sense, as a logical evolution of Panama's logistics package. Currently, ships passing through Panama in need of repairs or maintenance must go to Cartagena, Colombia, nearly 24 hours away. A Panamanian shipyard would reduce travel time, while creating thousands of new jobs in the Colón area, which has high unemployment outside the free zone. Opportunities for Dutch companies in the following areas:

- Construction companies (initial phase)
- Maritime engineers
- Technicians
- Suppliers

**Standard & Poor's and Moody's Investors Service boost Panama.** (source: Petaquilla) Likelihood of upgrade if economy continues to improve. While maintaining Panama's investment grade rating at BBB-, Standard & Poor's improved outlook "reflects the likelihood of an upgrade if the better-than-expected performance of Panama's economy continues over the next year or two". Moody's cited significant improvement, economic growth prospects and the government's solid balance sheet. These announcements follow a June announcement by Fitch Ratings that it was upgrading Panama's rating to BBB.

**Panama Canal to have record budget of \$2.4 billion in 2012.** (source: Efe) Contributions to government will amount to \$950 million. The Panama Canal Authority will have a record budget of \$2.4 billion next year, including \$950 million direct contributions to state funds. The canal authority's administrator said that the amount of the budget reflects the high quality of the services on offer. The amount represents an increase of \$293 million on the last annual budget.



**Panama leads growth in Latin America** (Source: La Estrella) Panama will head economic growth in Latin America with an 8.7 percent rate this year. For the region as a whole, growth is expected to be 4.7 percent, according to the United Nations Economic Commission for Latin America and the Caribbean. The commission says that growth is expected to be spurred by domestic demand. Its report adds a warning on future macroeconomic challenges that might lie in wait.

**Foreign direct investment in Panama surges by 21 percent in the first quarter** (source: Newsroom Panama) Panama leads Latin America in foreign investment, but the logistics sector, including the canal is still the biggest contributor to gross domestic product. Direct foreign investment hit \$746 million during the first quarter of this year, making it 9 percent of GDP. Foreign investment in the first three months of this year represent a growth of 21 percent in comparison with the same period of 2010.



**Panama's Colón Free Zone expects to achieve \$24 billion in sales this year** (source: La Estrella) With some 3,000 companies trading \$10 billion in trading of merchandise in the first five months of this year, the Colón Free Zone in Panama announced its full-year projections. "By the end of this year we expect sales of more than \$24 billion, almost double what it reached five years ago. That means an average of \$2 billion a month," said the free zone manager, Leopoldo Benedetti. Last year, the



zone had a workforce of 30,500.

**Panama budget will surge to \$14 billion next year** (source: La Estrella) Panama's national budget for next year could increase by \$1 billion to more than \$14 billion. Alberto Vallarino, the finance minister, said that the total includes spending on central government, state-owned companies, autonomous bodies and financial intermediaries. Vallarino emphasized that the approval of fiscal reforms "has given the government unprecedented capacity to invest."

**Panama and Costa Rica removed from the OECD gray list on tax havens** (Source: Efe) The Organization for Economic Cooperation and Development no longer considers Panama to be a nation that fails to meet international standards on prevention of money-laundering. One day earlier, Costa Rica was also removed from the "gray list" of tax havens. In order to be removed from the list, Panama signed tax information accords with several countries, including the United States, Mexico, Netherlands and Portugal.

**Panama claims it has oil, and bids are to be invited** (Source: Efe) A geological study has revealed the presence of oil in four Panamanian regions, said the country's energy secretary, Juan Urriola. Bids will be invited for exploration of the quality and quantity of the oil, Urriola added. The study lasted for seven months. It was carried out by a Venezuelan company, OTS Internacional. The discoveries were made in the provinces of Bocas del Toro and Darién, as well as Azuero in central Panama and on the Caribbean coast.

**Panama brings natural gas to region in \$250 million deal** (source: La Estrella) Panama's government agreed with Spain's Repsol and local company CNG Clean Energy to import natural gas. The first stage will be the construction of a liquefied natural gas (LNG) terminal. The LNG will be transported by ship to the Las Minas bay on the Caribbean coast. The regasification terminal will require an investment of \$250 million and should be ready to come on stream by 2014.

**Procter & Gamble to set up regional centre in Panama** (source: La Estrella) Procter & Gamble, the consumer goods transnational, will soon open a regional distribution centre in Panama. The new centre will form a key part in the company's strategy for Latin America. DHL Global Forwarding and Colon Import & Export will be working closely with Procter & Gamble on the development of the project.

**Colombia's Las Américas to invest \$70 million in Panama** (source: Portafolio) Colombia's Las Américas hotel group is going beyond its nation's borders. Now that the second stage of a major complex has been completed in Cartagena, Las Américas is aiming for an investment in Panama. The Panama scheme is to be known as Las Américas Golden Tower. It will have some 285 rooms, with an investment of \$70 million.

**New Marriott Resort in Panama** (Source: CentralAmericaData.COM) Situated near the city of San Carlos on the Pacific, 55 kilometers from Panama City, will be the site of the new Panama Marriott Resort Casamar, a 5 star hotel with 180 rooms in several interconnected buildings. The community resort will include a number of condominiums and villas, tropical gardens, walking paths, independent restaurants, shops, a health club and a beach club. The Pacific coast of Panama, a traditional weekend destination for wealthy Panamanians, is rapidly developing as a tourist destination with the development of quality resorts.

## Tenders

**New tender for \$500 million City Government** (Source: Prensa.com) By declaring as void the contract call for design of the City Government, the Government of Panama will launch a new tender. Determined by the evaluation committee, none of the three companies which submitted bids, F. G.



Guardia y Asociados, Consorcio Ciudad Gubernamental Proyecto Arnaiz, and Omniconsult, managed to meet the minimum requirements set out in the terms and conditions of the project. Ministry sources explained that when the deadlines are met, a new tender will be summoned.

**Panama to invite tenders for \$180 million Oncology Hospital** (Source: Prensa.com) The new clinical facility being contracted by the country's Ministry of Health is expected to cost \$180 million. The new oncology hospital is scheduled to be completed by the beginning of 2015 and will be located in Clayton, just west of Panama City. Work is due to begin at the beginning of 2012. Vice-minister of health, Julio Santamaría, stated that the project has the permits necessary to proceed and has been approved by the Finance and Economy Ministry, which will assign it a budget item

**Panama invites bids for \$102 million health centers** (Source: Panamá América) The bidding is for the study, plan development, construction and equipment of 10 primary care health centers. The technical specifications chapter outlines the requirements and scope as well as the design to develop, the blueprint for plans and implementation, construction and civil engineering equipment and the furniture for the ten Innovative Primary Health Care Centers. The execution of the project may not exceed 15 months.

**Panama to invite tenders for new \$300 million Canal Bridge (Source: Yahoo! Noticias)** In the coming three months an invitation to tender will be issued for a \$300 million project to construct a new bridge over the Panama Canal. The announcement was made by Panamanian Vice President and Minister of Foreign Affairs, Juan Carlos Varela, who added that the bridge will be built on Panama's Atlantic side and will improve connections between a region of Colón province and Panama City. This project will be very important for many remote communities of Colón since it will improve access to the capital so that can be in the city within minutes, or continue to the rest of the country.

**\$ 200 million infrastructure project** (Source: Prensa.com) Panamanian Government will tender the modernization of the Master Plan which will include a project to create three new landfills at the Bay of Panama. The project includes landfills at Avenida de los Poetas (in Chorrillo), another one in front of the Frank Gehry Museum and the third one at Naos Island where they would build a marina and a dock. For construction of the landfills material from the Canal expansion will be used. The modernization of the Master Plan includes new land use and financing. An inter-institutional committee which currently works on the project is examining potential sources of funding, like the transfer of resources from other public institutions and private partnerships.

**Tender for Parking Lots at end of 2011** (Source: Prensa.com) By the end of the year, the Mayor of Panama will put out for tender the construction of underground car parks in the capital. This was announced by the advisor to the Mayor of Panama, Jose Isabel Blandon, who added they expect to have the final designs and plans for the project ready by that date. There are several proposals for the development of this project, including locating the parking underneath parks, as has been done in Porras Park, Andres Bello (via Argentina) and Harry Strunz (Calle 50).

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

## Events



Sept. 22-23, 2011, ATLAPA Convention Center, Panama City, Panama EXPO LOGISTICA Panama is directed to executive and professional staff of companies in general, seaports, air ports, air and land transport, cargo movement, universities, freight, storage warehouse, import and export companies, among others.



EXPO LOGISTICA Panama is the ideal site to meet business contacts and update about the last trends on logistics matters.

## [More information](#)



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### **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 other 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.



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### **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 (Luc Schillings or Hans Buhrs).

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