



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.

Mission for the Maritime, Logistics and Transport sectors to Panama



The Embassy in San José, Consulate in Panama City, NCH (Dutch Centre for Trade Promotion) in the Netherlands organised a Maritime, Logistics and Transport trade mission to Panama from the 12th to the 16th of October. Thanks to its strategically important location, the Panama Canal, the construction of main ports on both sides of the Panama Canal as well as the attractive

investment conditions and taxation system many international logistics and transport companies have decided to open up branches in Panama. Multinationals have established regional offices thanks to the excellent connections by air to Central and South America from Panama City. Due to ongoing economic growth, major projects such as the enlargement of the Panama canal and including trade promoting policies proposed by the new government Panama is an attractive market for Dutch business. This time a record participation of Dutch companies is visiting Panama. The focus of the mission is on matchmaking. INTRACORP has conducted a market study which formed the basis in terms of information about opportunities for the participants. The market study aims at finding tangible information on business opportunities and the key actors and contacts. The results have been presented to Dutch companies during a Panama Maritime Conference in The Hague organised by NCH.

Each Dutch company will be meeting Panamanian counterparts individually during this mission.

The aim is to do matchmaking in a targeted manner. The brokers have been contracted by the Embassy and Consulate on a no cure no pay contract. Furthermore, participants will be able to visit the Panama Canal Authorities, Port Authorities, terminals and a ship-building

yard. For more information you can contact our commercial department at the Dutch Embassy in San José thru email sanjose@trade-minbuza.nl or our Consulaat-Generaal in Panama (Dieter Ploeger), Phone: (00507) 263 6494. Email: consuladonl@cwpanama.net

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. For more information, and to register, please contact Jan Tuinstra at j.tuinstra@dlvplant.nl

Panama records 1.9 percent year-on-year economic growth in second quarter (Source: Dow Jones) The Panamanian economy expanded 1.9 percent in the second quarter of this year, compared with the same period a year ago, led by the construction and telecommunication industries. The construction industry in Panama expanded 2.3 percent in the second quarter, while telecommunications expanded 17 percent. Agriculture was hurt by a 34 percent reduction of banana exports.

Sacyr aims to hire 6,000 workers for Canal project (Source: Expansión) The consortium headed by Spain's Sacyr Vallehermoso aims to hire more than 6,000 persons to build the third set of locks for the Panama Canal. Most of the people contracted will be from Panama, however Sacyr intends to mobilize view Spanish workers mostly on specialized positions . The \$3.2 billion contract for the project stipulates that Sacyr and its partners, Italy's Impregilo , Jan de Nul from Belgium and Panama's Constructora Urbana will be rewarded or penalized in accordance to meeting deadlines or not.

Panama Canal revenue 9 percent up despite 4.5 percent drop in volume shipped (Source: Dow Jones) The Minister of Economy and Finance stated that Panama canal's total revenue for the first seven months of this year rose 9 percent compared with the same period a year earlier. Even though shipping volume fell 4.5 percent revenue has not been affected. The volume shipped through the canal during the first seven months of this year fell 24.7 million tons. The canal's total revenue rose to \$836 million from January to July, thanks to a fee increase for passengers and container ships. The ministry attributed the volume decline to the global recession.



Jan De Nul wins \$89.6 million contract to dredge Panama Canal entrance (Source: Journal of Commerce) Belgium's Jan De Nul won the contract to dredge the Panama Canal's Atlantic entrance as part of the canal's expansion program. The Panama Canal Authority awarded a very competitive bid and offered the contract to Jan De Nul for \$89.6 million.

The tender also included an option to dredge an additional 2.3 million cubic meters for approximately \$16.4 million. Other bidders noticeably offered much higher: Joint Venture Boskalis-Dredging International at \$177.6 million; Van Oord Dredging at \$162.2 million; China Harbour Engineering at \$116.7 million, and Great Lakes Dredge & Dock at \$195.9 million.

Panama Canal expansion may aid Colombian coal exports to Asia (Source: Reuters) Colombian coal exporters will seek to take advantage of booming demand in Asia when the Panama Canal expansion is completed in 2013. Colombia, the world's fifth-largest exporter of steam coal, has been hit by falling demand in key European and the US markets, and has

been the only producing country unable to sell into Asia due to high freight costs. "They (producers) potentially could be shipping out coal from Colombia across the Pacific. Obviously it would depend on the size of ship and how they develop this canal," said Will Fray, shipping analyst with London-based consultants Maritime Strategies International.

\$600 Million for coal plant (Source: Prensa.com) The Government expects to invite bids for the construction of a coal power plant in 2010. It would generate 300 megawatts, and could be operational in 2014. The State could do the investment, and state-owned company Egesa could operate it, or it could be done under a concession model.



CB&I lands \$100 million contract for expansion of Trans-Panama pipeline (Source: Upstream Online) US engineering player CB&I has won a \$100 million engineering, procurement and construction job on the phase two expansion of the Trans-Panama pipeline. The job was awarded by Panamanian outfit Petroterminal de Panama (PTP). CB&I said its workscope includes the design and construction of 5.4 million barrels of crude oil storage and the associated civil, mechanical and electrical work at PTP's terminal facilities. CB&I, which built the original PTP storage tanks in the late 1970s, won the contract for the expansion's first phase in May last year.



US backs feasibility study of air cargo facility with cold storage in Panama (Source: Logistics Management) While the Canal expansion is getting most of the ink, Panama is also wooing US air cargo shippers. As a consequence, the US Trade and Development Agency has awarded a \$258,000 grant to Gulf Coast International Cargo Panama to help conduct a feasibility study on the construction of an air cargo facility with cold storage capability at Tocumen International Airport. US companies may compete for the study through the Federal Business Opportunities web site. Gulf Coast Panama will select the company.

Panama's water institute says it needs investment of \$530 million (Source: Panama Star) Panama's National Water and Sewage Institute is floundering in debt and requires investments of \$530 million if it is to improve its service, its director, Manuel González Ruiz, said. Last year's deficit alone stands at \$39 million. In total, the institute is owed \$120 million in unpaid bills. Of the \$530 million needed to improve services, González said \$200 million is needed to improve drinking water supply and \$330 to improve sewage treatment.

BNP Paribas quits Panama after 57 years (Source: ANSA) French bank BNP Paribas has sold its Panama operations after 57 years in the country. Bank officials attributed the move to strategic and political motives, the Panamanian daily La Prensa reported. The newspaper said that one of the motives was that Panama is on the "gray" list of the Organization for Economic Cooperation and Development. The bank's decision reflects the OECD's strong pressure on countries it rates as fiscal paradises, it added. BNP Paribas is also leaving Argentina, Uruguay and Costa Rica, according to the report. Panama has indicated it wants to negotiate a fiscal agreement with the Netherlands. Pretalks already have started.

Construction sector still going strong (Source: La Estrella) Panama's construction companies are opening new market niches. Work on luxury housing developments may be close to a standstill but \$449.7 million was invested in the first seven months of the year in offices, shopping malls and hotels. Official figures show that construction of non-housing projects rose by 112.6 percent through July compared with the same period of last year. Some 22 hotels are currently under construction, and work is about to commence on the La Chorrera shopping mall, a \$70 million project. **The Embassy sees opportunities for Dutch companies in the following areas:**

- Consulting engineers
- Construction companies
- Equipment suppliers
- Environmental analysts
- Architects
- Electric equipment suppliers
- Lawyers and accountants

Hotel building boom in Panama threatens to overtake Costa Rica (Source: Panama Star) Panama is among the hottest destinations for hotel development right now, with 19 major projects comprising 4,119 rooms in development as of the close of the third quarter of last year, according to Portsmouth, New Hampshire-based Lodging Econometrics. Given that volume, says Hotels magazine, Panama soon will overtake the ever-popular market of Costa Rica as the hottest development destination in Central America. For example, Bern enterprises plans to open and manage another two hotels this year, including an exclusive 20-villa cluster adjacent to the company's InterContinental Playa Bonita Resort.

Riu chooses Panama City for next year's launch of Riu Plaza brand (Source: Hotelsmag.com) Riu Hotels & Resorts has chosen the city of Panama to inaugurate the Riu Panama Plaza hotel, its first city establishment and the first of the Riu Plaza brand, on November 1, 2010. This new accommodations offering will provide exceptional services designed for both business travelers as well as those who travel for pleasure. The Riu Panama Plaza is a modern hotel located at a privileged site in the heart of the business and banking district of the city of Panama, 21 km from Tocumen International Airport.

Events



Panama Logistics Expo 2009 (Source: webpicking.com) On October 14 and 15, companies will show their products and services, forming contacts between themselves and potential customers. Panama Logistics Expo 2009, to be held at the Vasco Núñez de Balboa Convention Center, will bring together multinational companies, suppliers, government representatives, consultants, agents and freight and passenger transport companies. Among those attending the conference are: The Panama Canal Authority, Colón Free Trade Zone, SENACYT (National Secretary of Science, Technology and Innovation,), Kawasaki, Suez Canal Authority, Cranfield University, Latin America Logistics Center, DHL Global Forwarding, KPMG Mexico and PROINTEC Panama.

More information



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.



Ambassade van het
Koninkrijk der Nederlanden

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