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Embassy of the Kingdom of the Netherlands

The Panama Newsflash is a publication composed by the Embassy 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 economic 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 Embassy 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.

Arrival of the first Ambassador of the Kingdom of the Netherland stationed in Panama

The Netherlands has decided to open an Embassy in the Republic of Panama. This is remarkable since, due to the economical crisis, the Netherlands is closing twenty Embassies worldwide. However our government values the increasing positive political and economical relation between Panama and the Netherlands and has reserved a modest budget to open an Embassy. The Panamanian government responded enthusiastic to this decision. The opening of an Embassy will intensify both the relation between Panama and the Netherlands, as the assistance offered to the Dutch business in Panama.

The coming months will be dedicated to further set up our Embassy. The first step is made with the arrival of the first Ambassador stationed in Panama, Mr. Wiebe de Boer, on the 19th of November. The 6th of December our Ambassador has presented his credentials to President Ricardo Martinelli. At this moment, it is not clear yet when the Embassy will be opened officially. We will keep you informed through the newsflash.

Dutch companies active in Panama

KLM increases capacity to daily flights between Amsterdam and Panama City

The KLM Royal Dutch Airlines have opened their 7th flight on November 5th. This means that KLM now flies daily with a direct flight between Amsterdam and Panama City. The booming economy in Panama, the many foreign investments and companies and the attractiveness of Panama for tourism are the motive for the extension of direct flights. The 7th flight of KLM will, like the other flights, have a good connection with COPA Airlines for the Americas, and on the side of Amsterdam to the rest of Europe, Africa, Asia and the Middle East. From Panama there are direct connections with COPA



Airlines to amongst others San José, Guatemala, Lima, Managua, San Juan, San Pedro Sula, San Salvador y Tegucigalpa.

The new way of working: The Company, Coworking PTY

Just recently "The Company, Coworking PTY" opened its doors in Panama. The perfect place for foreigners, who are staying in Panama temporarily for work, to create an office or work station instantly in order to work comfortably and receiving business relations with all office services at hand. It is a place for those who want to interact with others for inspiration or to socialize. Offices and meeting rooms are variable in size and are available for short term (per hour or day) or long term. The Company offers a complete package of services, ranging from professional phone answering, copy and printing services, booking business trips or having breakfast prepared. In the stylish Company Café a good cup of coffee or a healthy lunch are available for customers or outsiders. The Company is located in Albrook next to supermarket El Rey, just minutes away from Albrook airport, the Canal, Puente de las Americas and Albrook mall and the national bus terminal. The Company Coworking PTY is founded by Joris van der Heijden, who got inspired by various coworking networks all over Europe.

Past events

Official visits of Minister Roux and Vice Minister Pacheco to the Netherlands

This November both Minister Roux of the Canal Authority and Vice Minister Pacheco of the Ministry of Commerce and Industries visited the Netherlands on an official visit.

For Minister Roux the Dutch expertise on (drink) water management was the main reason to travel to the Netherlands. In a program offered by the Dutch Authority of Water Management (Rijkswaterstaat) Minister Roux was educated in water management solutions, visited the International Water Week Aquatech in Amsterdam and met experts of Dutch companies during a trade dinner organized by NCH. As part of his visit the Minister was shown around sites of water winning in the Biesbosch and the locks of Terneuzen. We hope that the information provided will be of help in the challenge that Panama faces on drink water management.

In the context of participation of Panama in Europort Rotterdam 2011, Vice Minister of International Trade José Pacheco traveled to the Netherlands with a small delegation. Next to the successful assistance and trade conference at Europort in Ahoy, Vice Minister Pacheco was interested in meeting a broader set of Dutch companies and institutions. He spoke to the University of Wageningen, Rabobank, Vopak, Royal Haskoning, the Food Security Authority and the Port of Rotterdam. On the political agenda were the Ministry of Economy, Agriculture and Innovation, and the Mayor of Rotterdam Mr. Aboutaleb. The Vice Minister expressed his interest in intensifying the good relation with the Netherlands and has announced the plan of Panama to organize a 'Panama Invest' investment conference in the near future.

Both visits were a success for which the Embassy would like to thank Rijkswaterstaat, the Ministry of Economy, Agriculture and Innovation, the Municipal of Rotterdam, the Ministry of Foreign Affairs, NCH and the various Dutch companies that have collaborated to come to two interesting and successful visits.

Other news

Panama's economy growing at double-digits (Source: CENA) During the second quarter of 2011, Panama's economic growth was 11.4%, reaching 10.3% during the first six months of the year. Panama's economic growth for the second quarter of 2011 was 11.4% and in the first half was 10.3%, as reported by the minister of Economy and Finance, Frank De Lima, citing figures from the Controller General of the Republic. "We are projecting that by the end of the year, we will close at 9% growth, being, as is traditional, very conservative," said De Lima. The country's growth is a reflection of many factors among which he mentioned: Employment growth and wage increases revealed by a survey carried out by the Controller, the rise in activities on the Panama Canal and ports, development of wholesale and retail sectors, and investments in the financial sector, the Colon Free Zone, construction, tourism and telecommunications. The benefit to Panama is that this growth translates



into job creation, as shown by the figures from the National Institute of Statistics and Census (INEC), which indicate that unemployment has fallen from 6.5% to 5.6%, according to De Lima.

Panama in world's top 50 most competitive (Source: Efe) Panama's economy is among the 50 most competitive in the world and the second in Latin America, beaten only by Chile, according to the 2010-2011 competitiveness report of the World Economic Forum. According to the index, Panama took the 49th place, four places higher than a year ago. Panama was the only country in the region that rose in the rankings. El Salvador fell from 82 to 91, Guatemala from 78 to 84, Costa Rica from 56 to 61, and Nicaragua from 112 to 114.

Obama signs TPC with Panama. By signing the Trade Promotion Agreement (TPC) the American president has given the green light to an agreement that has taken almost five years to be ratified by Congress. Along with the treaty with Panama the president also signed agreements with Colombia and South Korea.

Panama to negotiate tax agreement with UK (Source: Ministry of Economy and Finance) Both countries have agreed to start meetings in Panama, in order to sign a Double Taxation Treaty. Following a visit by the Minister of Economy and Finance, Frank De Lima, to Britain, and also his meeting with David Hartnett of HM Revenue and Customs, both officials have agreed to start meetings in Panama, with the view to signing a Double Taxation Treaty. Minister Frank De Lima reported that in the last two years, the Republic of Panama has developed a strategy to protect international competitiveness of services, making a commitment to adhering to international conventions and agreements on double taxation. As part of this strategy, he has reorganized the High Commission for the Protection of International Financial Services, which is led by Minister De Lima on behalf of the Ministry of Economy and Finance. The head of the MEF has also added new concepts to tax law that did not previously exist, such as transfer pricing and tax residence, and has also given authority to the Department of Revenue (DGI in Spanish), to exchange information with countries with which Panama has a tax treaty. In addition, said De Lima, the 'Know Your Client' policy was enacted for resident agents in tax matters.

\$13 billion in construction projects and growing (Source: Prensa.com) Odebrecht from Brazil and FCC from Spain are the main companies that are obtaining billionaire contracts that attract companies from around the world. The Brazilian company Norberto Odebrecht consortium with the Spanish FCC have been awarded projects such as the Panama Canal expansion \$5,200 million and Metro in Panama for \$1,452 million. The Brazilian company has also acquired the renewal of Curundú (\$ 94 million) and two contracts for a road realignment project being run by the Department of Public Works: the interconnection of Avenida Balboa and Avenida de los Poetas – a contract which includes the third phase of the coastal strip development, for almost \$ 777 million and a project to preserve historical heritage which includes work in Panama Viejo and Casco Antiguo for \$168 million. For its part, the Spanish company is in charge of a road realignment project road having won two contracts totaling \$385.5 million, as well as building the new Luis Chicho Fabrega hospital in Santiago de Veraguas for \$121 million. **Opportunities for Dutch sub-contractors.**

City Hospital contract awarded to FCC. The Spanish company has been awarded the contract for design, construction and financing, after complaints from other bidders were dismissed. The Social Security Department awarded the City Hospital construction project to the Spanish group FCC who submitted a bid of \$587.5 million for the work for planning, design, construction and equipment-supply. Panama's Hospital City will need subcontractors in various areas. The turn-key project, located in the west side of the capital, consists of 32 hectares of land and 200,000 square meters of construction, including 49 operating rooms and more than 1,700 beds, and will be delivered to the Social Security service 36 months after the start of construction. **Opportunities for Dutch contractors, medical consultants and medical equipment supply.**

Oil exploration opportunities in Panama Panama will start a bid process before the end of this year, for exploration rights in new oil fields, said Energy Secretary Juan Manuel Urriola. Last month, Panama's National Energy Secretariat announced the discovery of 900 million barrels of crude oil in two basins on the Caribbean coast of eastern Panama, representing a potential contribution to the country's coffers of \$15 billion over 20 years. A geological study conducted by Venezuelan firm OTS



found the deposits in the Garachine-Sambu and Bayano-Chucunaque-Atrato basins of Darien province, which borders Colombia. The quality of the oil deposits has not yet been determined but Urriola estimated their commercial potential at some \$15 billion in taxes and royalties, based on an estimated price of \$100 per barrel over 20 years. OTS recommended that in the bidding process the exploratory areas be divided into four geographical blocks per basin. The company will submit a prospectus, which will enable the bidding process to start before the end of 2011. No date for the prospectus has yet been announced. **Opportunities for Dutch geologists, oil companies, engineers, environmentalists and equipment suppliers**

Mega refinery in Baru (Source: Prensa.com) A group of investors are interested in building an \$8 billion refinery in the Baru area. Minister of Trade and Industry, Ricardo Quijano, said that a memorandum of understanding, outlining the projects details, would be signed off in the next few weeks. The proposed refinery would be capable of processing about 400,000 barrels of crude oil daily, and would be accompanied by a logistics center and a tourist resort. The idea is not new. The last attempt to install a refinery in Baru sank after the Canadian company Occidental Petroleum lost its concession to drill for oil in Ecuador, which would be the source of the crude oil to be processed in Panama.

'Panama Invest' bears fruit (Source: Panamaamerica.com.pa) Efforts to promote the country in London, Paris, Sao Paulo, Toronto and Madrid among other cities, are now generating tangible results. Multinational companies from around the world have expressed interest in setting up in Panama under the Law of Multinational Corporations. The stable economic growth being experienced in Panama is one of the reasons why international companies are interested in the country, in addition to the benefits provided by being in close proximity to the canal. Aware of what they have to offer as an investment destination, government agencies have staged a number of high-profile 'Panama Invest' events in major cities, in order to promote the country's advantages. Panama expects to have gained about 200 companies under the SEM scheme by 2012, and approximately 500 by 2014. Since 2005, this has contributed \$338 million to the national economy, and has generated 746 jobs for nationals and 1136 for foreign employees.

Help wanted in Panama (Source: Reuters) Even if they build it, maybe no one can run it. Panama is building a global logistics center, including a giant free zone, an airport hub, and a wider canal. Banking and real estate have also grown strongly during the past decade. Panama has a serious talent shortage, the product of one of Latin America's worst education systems, based partly on the World Economic Forum 2011 competitiveness rankings. Panama also has the hemisphere's second widest gap between rich and poor, according to United Nations. In recent years, Panama has been the regional leader in attracting foreign businesses, which need competent staff. Laureate International Universities already has two campuses in Panama. There's room for more big investments in education, as well as small ones. **Investment opportunities:** primary and secondary schools, universities, technical schools and teachers.

Panama's International Banking Center reaches \$75.8 billion in assets (Source: Efe). Assets of Panama's International Banking Center reached \$75.8 billion at the end of the second quarter of this year, an increase of 15 percent on the same period a year earlier. Of that amount, the domestic banking system accounts for \$60.9 billion. The credit portfolio played a major role in the increase by reaching \$25.9 billion. Commercial loans accounted for some 28 percent of the portfolio, followed by mortgages with 27 percent and personal credit with 21 percent.

Panama's Atlantic sector booms as logistics center (Source: La Prensa) The Atlantic sector of Panama is rapidly becoming a major logistics center with the integration of seaports, the railroad, Colón Free Zone, airport and highways. The three Atlantic seaports; Manzanillo, Colón and Cristóbal are leading the Latin American ranking of movement in containers. Manzanillo International Terminal has plans to double capacity with a \$300 million investment. Since it launched operations 16 years ago, Manzanillo has invested \$550 million.

Container movements up 20% (Source: Prensa.com) In the first 8 months of 2011, Panamanian ports moved 4.2 million 20 foot containers, 20.5% more than during the same period in 2010. Using these figures, the port operators estimate that a total of 6 million TEUs will have been moved by the



end of the year, which represents about 500,000 more than in 2010. However, some are cautious about the picture for next year, due to the possible impact of the world trade crisis occurring in Europe and the United States.

Panama wants to become an Agricultural Logistics Center (Source: laestrella.com.pa) The idea is to develop a storage facility for perishable goods coming from South America which would then be exported to the U.S. The minister of Agricultural Development, Emilio Kieswetter, has visited the United States to see a new multimodal logistics platform by the company Gateway Mississippi Gulf Coast, one of the largest logistics centers in the country. It was created with the aim of speeding up exports of perishable products coming from countries like Argentina, Uruguay or Brazil. President Ricardo Martinelli's government in Panama has acknowledged its interest in having the best food distribution center in Central America, and as part of its Cold Chain Logistics System, whose establishment is estimated to cost in the order of \$230 million. With this initiative the government aims to have a logistics distribution system with a controlled environment, allowing products to arrive at their point of sale in perfect condition.

Pineapple producers' high expectations (Source: Prensa.com) The coming into force of the Trade Promotion Agreement (TPC) between Panama and the U.S. has enthused farmers in La Chorrera, the national center of pineapple production. So far the main market for Panamanian pineapples has been the European Union, the implementation of the TPC is bringing hope of access to a more transparent buyer's market less affected by large companies with the buying power to keep prices down. Independent producers in La Chorrera now intend to create an export brand and establish a fixed sales price for exporting companies. Currently, the product enters the U.S. duty-free due to the Caribbean Basin Initiative (CBI) program which was established in 1984 to facilitate trade and promote economic recovery in Caribbean countries, but can be suspended at the discretion of the United States. The implementation of the TPC will perpetuate the Generalized System of Preferences (GSP+) and the CBI, in that the tariff will be zero permanently.

Mining jobs coming to one of Panama's poorest areas (Source: Newsroom Panama). Canada's Inmet Mining to invest \$4.3 billion. In February, Minera Panamá will begin construction of the infrastructure of its copper mine in Donoso, Colon province, and will create thousands of jobs in the second poorest area of the country. The company, owned by Canada's Inmet Mining, will be investing over \$4.3 billion in the project and will produce about 3,000 direct jobs during construction and 2,000 in the ongoing operation. An environmental impact assessment shows that 6,000 people live within 20 kilometers of the mine, including farmers and indigenous people. Most lack health facilities and have only basic education. Some families depend on subsistence farming and artisanal mining.

Tourist arrivals nearly double in Panama (Source: Panamá América) The number of visitors who arrived in Panama nearly doubled, to 1.2 million, in the first half of this year, compared with the same period of 2010. Spending by the tourists came to \$909 million, an increase of 10.3 percent. Salomón Shamah, head of the Tourism Authority, estimates that income from tourism will reach a record \$2 billion this year with more than 2 million visitors arriving in Panama.

Europeans prefer Panama (Source: Prensa.com) The Lufthansa City Center group of agencies has chosen the country as the tourist destination of the year. Despite the economic crisis on the old continent, Europeans are still traveling, and Panama has become one of the favorite destinations for those who choose to vacation farther afield. Arrivals of European tourists to Panama have increased significantly in recent months, and one of the reasons behind the rise is a promotional drive by the Panama Tourism Authority, at various tourism fairs in Europe. Between January and August alone, there was an increase of 11% compared to the same period last year. Another factor that has enhanced the number of European travelers is the designation of Panama as destination of the year, awarded by Lufthansa City Center, an organization that brings together the top 500 travel agencies in the world. During the World Travel Market tourism fair, held in London, the Panamanian delegation convinced three British tour operators to include domestic destinations in their promotional catalogues for next year. Ernesto Orillac, Deputy Administrator of the Panama Tourism Authority (ATP), said the crisis is affecting top destinations, but noted that in the case of Panama, the fact that it is a little-known destination is arousing curiosity among European tourists. For the first time, the canal country has more tourist arrivals than its neighbor Costa Rica. Marketing strategies implemented abroad, coupled



with the increasing flow of foreign investment into the country, are two of the main reasons for the notable growth in the number of visitor arrivals to Panama.

Panama: Hub of the world. Panama will likely have more opportunities in a wide variety of areas, following the announcement that seven airlines are interested in direct flights to Tocumen International. With potential flights between Panama and each of Europe, Asia and the Middle East, Panama can expect more investors, as well as tourists. Airlines which have expressed interest are Cathay Pacific, Eva, Singapore, Korean, British, Lufthansa and Emirates. Panama has for some time been developing a logistics centre, similar to those of Hong Kong and Singapore, in this case centred on the canal, as well as Latin America's biggest free zone, a significant banking network, and the regional airport with the greatest number of connections among South, Central and North America. **Opportunities for international banking, real estate and tourism.**

Wind power bids submitted (Source: Prensa.com) Four companies participated in the tender for the supply of wind power for the period 2014-2028. Bids submitted ranged between 9 and 12 cents per kilowatt, under the tender issued by the Electricity Transmission Company Inc. (Etesa). The four companies who submitted the proposals belong to the Panamanian Wind Union, SA; Helium Energi Panama SA with two bids, and Innovent Central America SA and Fersa Panama SA with one each. Representatives from the state-run company said that they hope to reveal the result of the tender in about two weeks. Wind energy is generated using the strength of the wind, and this is giving a new impetus to investment in clean technologies. Wind energy generates most power when the water level is low, resulting in significant savings by reducing the reliance on energy from petroleum derivatives. To date regulators have issued five final permits for wind generation totaling 565MW. Licences were issued to Fersa for projects Toabre (225MW) and Anton (105MW) and to Unión Eólica Panameña for projects Nuevo Chagres (169MW), Marañón (18MW) and Portobelo (48MW). Panamanian Public Services Regulator, ASEP, is evaluating 14 other wind projects which would generate a total of 1.48GW. **Opportunity for Dutch sub-contractors.**

Spanish shipyard wins contract for tugs (Source: ACP) The company Astilleros Armon has won a \$158 million contract for the construction of 14 tugs for the Panama Canal Authority. A release by the Panama Canal Authority (ACP) states that the 14 new tugs are being acquired to increase the current fleet to meet the projected growth of transits through the waterway. The contract was awarded to the company offering the best value proposal where the price had a weighting of 35% and the technical proposal, 65%. The tender was open to as wide an audience as possible and had the participation of 20 companies from countries in South America, Europe and Asia. The contract involves the construction, testing and staggered delivery of 14 tractor-type tugs of 70 tons, the first of which will be received within 600 days after award. The tugs will be able to assist the largest vessels transiting the current and expanded Canal, with transit operations, anchoring and other manoeuvres in the waterway. The Panama Canal currently has a fleet of 32 tugs to assist the more than 14,000 transits that occur every year. In contrast to the current system, the new canal locks will operate without engines and the tugs will be assisting the passage of the ships.

Business between the shipping sectors of Peru and Panama (Source: Prensa.com) A group of Panamanian companies has explored potential business deals with the Inca country's shipping services, signing an agreement between the respective business associations. The Peruvian navy's Industrial Service has won an international tender to build five hopper barges for the Panama Canal. This is just one of many deals that may be struck between the shipping services of Panama and Peru, who are currently in talks to take advantage of business opportunities that may arise between the two nations. A Panamanian delegation, led by the Ministry of Commerce and Industry, the Maritime Authority and the Canal Authority, visited Peru and signed a cooperation agreement with the Peruvian Association of Port Operators, involving over 30 companies in the maritime and logistics sectors of the Andean country. During this meeting Panamanian companies learned of the port expansion projects already developed in Peru, as well as important programs for the increase in transit and transshipment facilities that are being managed by this trading partner. The Panama Maritime Chamber, a guild that constitutes more than 180 companies, promoted the meeting as part of the business opportunities it wants to make available to its members.



Record cargo in Panama Canal (Source: ACP) The 322 million tons that passed through the Panama Canal during the 2011 fiscal year, exceed the load recorded in 2010 by 7.1%, and is 2.9% above the previous record achieved in 2007. Panama Canal tonnage sets historic record, at 322.1 million tons. This milestone also demonstrates that "Channel management model has made it possible to continually improve service levels to our customers, while increasing the benefits to Panama. The fiscal year of the Panama Canal runs from October 1 to September 30.

Concession for fuel terminal (Source: Prensa.com) The Panamanian Maritime Authority has directly granted a concession for a terminal with 66 fuel storage tanks in Balboa and Cristobal to a Greek company. The company Aegean Oil Terminals (Panama), S.A., will operate the space for 20 years. Since December 2009, the State has been in control of the 66 tanks after the concession held by company Atlantic Pacific, S.A. (APSA) expired. Although the Panamanian Maritime Authority had indicated that it would make a new bid, it was decided to award the grant directly to the company Aegean Oil Terminals. One argument pointed out the urgent need for a private operator to be responsible for making investments in the facilities that are necessary in order to avoid accidents such as the spill that occurred in Colon due to a leak in a pipe damaged by the passage of time.

Fuel Terminal in Melones (Source: Prensa.com) The initial \$43 million 12 storage tank project on the island in the Pacific has increased to 16 tanks with an investment of almost \$60 million. The project, which is 60% complete, is being developed by Burkell Holding Inc. and includes a loading pier for shipping fuel. The scope of this project has widened from what was originally planned. To begin with 12 storage tanks of various sizes were planned and now 16 units will be constructed. This will increase the hydrocarbon storage capacity possible to an estimated 2 million barrels.

New Cruise Port could also provide fuel (Source: Prensa.com) A proposed cruise port in Amador, Panama, could also serve to supply bunker fuel for ships. The location of the new terminal, the Amador Causeway, is located near Balboa storage tanks, which has caught the attention of representatives from several cruise companies. Ernesto Orillac, Deputy Administrator of the Panamanian Tourism Authority, said the new port and the expansion of the Panama Canal will open new routes for cruise lines connecting the east coast of the United States to the Pacific. Shipping companies have visited the site in order to make technical recommendations regarding the specifications of the tender being prepared by the Panama Maritime Authority. The project proposed by the government has raised expectations in the tourism industry, considering the success of the cruise terminal in Colon and that this could be complement and another exit point in the Pacific.

Livestock for breeding (Source: Prensa.com) Farmers are trying to improve herd genetics by crossing breeds from their own region with others from Europe. With the aim of improving the supply of meat for an increasingly demanding public, Panamanian farmers have focused on genetic improvement of livestock, achieving tangible results in terms of quality and production level. While the Zebu breed, native to the region, has features that make it more suitable for Panama's climate, its flesh is harder and has less flavor than the European breeds. With cross-breeding, Panamanian farmers are trying to create varieties that have the best of both breeds. In the IDIAP's Carlos Ortega experimental station, located in Gualaca in the province of Chiriqui, breeders are working with a herd of 700 cattle. Of these, 400 are recipient females that have been inseminated with breeds such as Senepol, Simmental, Red Angus, Beefmaster and Brown Swiss, among others. Animals bred there are auctioned to small farmers to help them improve the quality of their cattle, according to Pedro Guerra, livestock researcher at the Agricultural Research Institute of Panama. The aim is to produce good quality meat that can compete with imported beef cuts at low cost to the consumer.

Opportunity for Dutch genetic suppliers.

Tenders



\$33 million sewage treatment tender (Source: CentralAmericaData.COM) Panama's national institute responsible for drainage and sewers (IDAAN in Spanish) is seeking bidders to carry out improvement works for a regional sewage system. The sewer project is located in the town of Chitré, south west of the Panamanian capital on the Azurero Peninsula. According to the bid terms and conditions, the contract includes the design and construction of a sewage treatment plant to increase the capacity of the town's sewerage system. The winner of the contract will develop designs for all the works required and will therefore be responsible for any defects or omissions from the plans, even where they have been approved by IDAAN. More specifically the design should include:

- Control center and laboratory with wiring, lab furniture, washing facilities, WC etc.
- Dosing facility for chlorine gas or ultra-violet light
- Flow measuring equipment
- Drying station
- Drainage system
- Roadways and footpath access routes to all areas of the plant
- Drinking water and plumbing system
- Perimeter fence

Bids should be presented by 20 December 2011. For more details please see the original documentation.

Progress on shipyard tender in Panama. The Maritime Authority has taken receipt of the Braswell Shipyard facilities, for safe keeping for the duration of the bidding process that will award a concession for its management. The Maritime Authority of Panama received on 7 October, the shipyard's facilities located in the Pacific area, better known as Braswell Shipyard, for the purpose of safeguarding them while the tender process takes place and a concession is granted for them. The Administrator of the AMP Roberto Linares conducted an inspection of the shipyard's facilities with his team in order to check its status and begin the process of custody of the goods which lie there, whilst the Electronic System for Public Procurement, Panama Buy, process takes place. Linares called for all interested companies, both domestic and foreign to participate in the bidding process, the specifications and conditions of which will be announced shortly by the Electronic System for Public Procurement, Panama Buy. The Government, through the AMP, will ensure the best interests of the State, in carrying out this announcement about the future of the shipyard and urges all stakeholders to participate. For more information those interested can approach the AMP's headquarters, located in the PanCanal, building, Plaza Albroom, or call 501-5118 or 501-5119 (cell). The shipyard is located on the Pacific side of Panama and has three docks for repairing ships, one with the same dimensions as the locks capable of handling Panamax vessels, or five small ships at once. It is considered an important asset for the auxiliary maritime industry.

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 \$6 million hospital project (Source: CentralAmericaData.COM) The Social Security Department has issued a tender for the building of two new units at the Hospital of Changuinola, in the province of Bocas del Toro. According to the specifications, the works will comprise a new Gynecology, Obstetrics and Pediatrics inpatients unit, and an inpatients unit for Surgical Medicine and psychiatry. The deadline for the completing work is 540 calendar days after receiving the order to proceed. The approval meeting is scheduled for December 6, 2011 and the deadline for submission of bids is December 23, 2011.

Panama to purchase laptops for \$23.3 million (Source: CentralAmericaData.COM) The Ministry of Education has issued a tender for the purchase of 93,500 laptops. The acquisition of laptops is for a government initiative called "Provision of Educational Laptops to Students - Spreading the Technology." Detailed technical specifications: Equipment Format: Clamshell, Processor: Dual Core Atom, N550, 1.5 GHz, Main Memory: Minimum 2 GB DDR3 800/1067, Internal hard disk capacity: 250GB Minimum. Deadline for submission of bids is 30 November 2011.

Equipment purchase tender for \$3 million (Source: CentralAmericaData.COM) The Colon Free Zone has put out to tender the purchase of equipment for the improvement of stormwater pumping stations in the sector France field. According to the specifications of the tender the equipment required includes:

- **STORMWATER PUMP STATION # 1**

Requires three axial flow driven pumps, Worthington type, model 24KLD24, with capacity of 13,000 gallons per minute and dynamic height of 23 feet and capable of handling solids up to 6 inches. The discharge pipe is 24 inches with a flange to attach to the pump.

- **STORMWATER PUMP STATION # 2**

Requires three axial flow driven pumps, Worthington type, model 24KLD24 with capacity of 13,000 gallons per minute and dynamic height of 17.5 feet and solids handling capability of up to 6 inches. The discharge pipe is 24 inches with a flange to attach to the pump.

- **STORMWATER PUMP STATION # 3**

Requires four axial flow driven pumps, Worthington type, model 20KMD24 with capacity of 15,000 gallons per minute and dynamic height of 29 feet and capable of handling solids up to 6 inches.

- **STORMWATER PUMP STATION # 4**

Requires four axial flow driven pumps, Worthington type, model 20KLD capacity of 20 9,000 gallons per minute and dynamic height of 25 feet and capable of handling solids up to 6 inches. The download is flanged.

Tender for Health Center for \$25.8 million (Source: CentralAmericaData.COM) The Social Security Department of Panama has put out to tender the construction of the Gustavo A. Roosin clinic in the province of Chiriqui. According to the specifications the tender is for the design, preliminary and final plans, specifications and construction of the Polyclinic Gustavo A. David Ross, Province of Chiriqui. The date for submission of bids is December 21, 2011. The deadline for the execution of the works is 18 months after receiving the order to proceed.



Concessionary award offered for duty free shops (Source: Prensa.com) Tocumen Airport's administration has announced a concessionary award for shops selling luxury leather goods. The date of submission of bids is scheduled for December 20. The new annex will have 14 modules in which there are plans to install at least 25 stores in the duty free area, or tax-free zone. Concessionary awards will also be offered for electronics shops, jewelers, liquor stores and perfumeries.

Regulator issues geothermal concession call (Source: Business News America) Panama's public services regulator Asep is accepting power generation concession requests this month for geothermal resource Barú-Colorado, BNAmericas has learned. The call follows submission by Central Geothermal of a concession request for the area for a 5MW project.

An Asep resolution that outlines the procedure for awarding hydro and geothermal generation concessions requires publication of the request to allow other developers to express interest in the same resource. The project covers 129km² in the country's northwest near the border with Costa Rica and skirts the Barú and Colorado volcanoes. Results from previous work in the 1970s and 1980s indicate a reservoir with temperatures ranging 180-220 degrees Celsius.

Panama does not boast geothermal power production. Installed capacity at end-June totaled 2.05GW, of which thermo represented 51.4% (1.06GW) and hydro 48.6% (997MW). Preliminary estimates presented by West Japan Engineering Consultants in 2006 pegged the country's geothermal potential at 42MW (24MW Barú-Colorado, 18MW El Valle de Antón), according to state transmission company Etesa.

Panama Canal earns \$1 billion a year (Source: Central American Link) The Panama Canal swelled the country's coffers by a record \$1 billion in the 2010-2011 fiscal year, bringing the total earned since control of the waterway was handed over by the United States to some \$6.6 billion. The key 80-kilometer conduit has brought in more for Panama's economy in the past 12 years than it did in the 85 years that it was under US administration after its inauguration in 1914. The canal is currently undergoing a major \$5.25-billion project to expand its choked capacity.

SSA Marine invests \$200 million in Panama ports (Source: Central American Link) US-based SSA Marine announced an investment of more than \$200 million to boost the port infrastructure and services of Panama's Atlantic coast. The investment will boost the facilities of the Manzanillo International Terminal, a SSA affiliate, and will include dredging of the access channel and three new wharves for the post-Panamax vessels that will use the Panama Canal after its expansion in 2014. Ricardo Martinelli, the Panamanian president, said that, following the ratification of the US trade accord between Panama and the United States "more companies are interested in investing in Panama, and the Manzanillo terminal is one of them."

Panama selected as one of world's 10 leading maritime powers. Vote in London makes Linares representative (Source: Central American Link) Panama was reelected in category "A" of the Council of the International Maritime Organization at its general assembly in London. Panama's representative will be the administrator of the Panama Maritime Authority, Roberto Linares. Of the organization's 170 countries, only 10 are in the select group of category A, considered the world's leading maritime powers.

Note: for more information on these and other tenders, please contact nltrade@cwpanama.net

Events



April 18-20, 2012 Panama Canal Authority to host **World Infrastructure Congress**. Geotechnical, electrical, structural and civil engineering The Panama Canal Authority will host its first-ever best practices Engineering and Infrastructure Congress. Occurring in Panama City, Panama, the congress will convene world-renowned experts in geotechnical, electrical, structural and civil engineering. In addition, it will showcase infrastructure projects from around the world and update attendees on the progress of the Canal Expansion Program.

[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.



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 (Luc Schillings or Hans Buhrs).

You can also contact our Embassy in Panama (Jennie van Haren), Phone: (00507) 263 6494 or (00507) 264 7257. Email: nltrade@cwpanama.net