



PATTON, MORENO & ASVAT  
INTERNATIONAL LAWYERS

# PMA BUSINESS LETTER



A PMA Group publication

*LATEST NEWS FROM PANAMA*

January 2011—N°1/2011

---

In this issue

---

## **BUSINESS OPPORTUNITIES IN PANAMA**

---

**Tourists visits increased in 2010**  
**PSA-Panama terminal begins operations**  
**US, Panama Sign Agreement On Tax Information Exchange**  
**Panama's Copa Airlines to Buy 22 Planes from Boeing**  
**Panama Bids Electrical Equipment for \$ 3.88 Million**  
**Panama Canal, Long Beach Ink Marketing Pact**

---

## **PANAMA IN THE INTERNATIONAL NEWS**

---

**Lloyd's List One Hundred 2010 -72. Alberto Aleman Zubieta,  
Chief Executive, Panama Canal Authority**  
**Panama Announces New Ad Campaign to Raise Profile**

---

# BUSINESS OPPORTUNITIES IN PANAMA

---

## TOURISTS VISITS INCREASED IN 2010

Panama expects to attract an estimated 1.7M foreign tourists in 2010, according to a statement issued by Salomon Shamah, Administrator of the Panama Tourism Authority (ATP).

The tourist flow will increase by approximately 150,000 visitors as compared to 2009, said the official. "Panama is hot," he said, noting that tourism income surged 16.6% compared with 2009 figures.

Tourism in the first nine months of this year generated nearly \$246M in Panama. Canadian tourist arrivals this year rose 60%, with tourist visits from the United States rising 14%, and those from Ecuador increasing by 20%.

The strategy for the international promotion of Panama has improved its infrastructure and tourist services.

Although the major tourist markets for Panama are still Latin America and the United States, for 2011 the National Tourism Authority has decided to focus promotional efforts in Europe. Among other things, it has worked on increasing air routes with the old continent, reaching agreements with European based airlines Iberia, KLM and Condor.

**If you are interested in receiving details of commercial ventures and additional information on commercial opportunities, please contact Ms. Ivette Martinez, [imartinez@pmalawyers.com](mailto:imartinez@pmalawyers.com)**

---

## PSA-PANAMA TERMINAL BEGINS OPERATIONS

PSA-Panama International Terminal began operations on December 23 with the arrival of the 12,777dwt 138m-long Beluga Festival carrying 10,000 tons of steel bars from Mexico's Arcelor-Mitral for the GUPC consortium in charge of building the new locks for the Panama Canal expansion.

The 450,000teus terminal, PSA's first foray in the Americas and the first terminal in Panama to begin operations in the last 15 years, was a green field project and will be the fifth major container terminal in the country.

The terminal is built on a 22-hectare property, with a 14-hectare container yard, a 330m-long container and roll on-roll off berth and 14.5m draught. It will be equipped with three 18-row across quay cranes and six RTGs due to arrive early 2011.

PSA-Panama is located at the former Rodman US Navy base on the Western side of the Panama Canal Pacific entrance.

PSA International Pte Ltd handled 56.9M teus in 2009. It operates 28 ports in 16 countries with a global capacity of 111Mteus over 66km of quays. The group is also

present in Latin America after having bought in 2008 a share in Exolgan, the second largest terminal of Buenos Aires. [24/12/10]

**If you are interested in receiving details of business opportunities and commercial ventures in the maritime sector, please contact Mrs. Maria de Lourdes Marengo, [mmarengo@pmalawyers.com](mailto:mmarengo@pmalawyers.com), and Mr. Belisario Porras, [bporras@pmalawyers.com](mailto:bporras@pmalawyers.com)**

---

## **US, PANAMA SIGN AGREEMENT ON TAX INFORMATION EXCHANGE**

U.S. Treasury Secretary Tim Geithner and Panamanian Vice President Juan Carlos Varela have signed a tax information exchange agreement, a step that could move the U.S. closer to ratifying a stalled trade deal with the Central American nation.

It has previously inked a host of such information exchange deals with countries such as Belgium, the Netherlands, Spain and Mexico, in the hopes of being removed from the OECD's Grey list.

Congressional Republicans, who have been pressing for action on the trade deal, said that the announcement shows Panama's desire to cooperate with the U.S.

"The fact that we have now signed a Tax Information Exchange Agreement with Panama should remove any remaining hurdles to moving forward with this important trade agreement, something we should do as soon as possible," said Rep. Dave Camp (R., Mich.). Camp will assume the chairmanship of the Ways and Means Committee when Republicans take control of the House in January.

Geithner said the signing of the tax information exchange deal heralds "a new era of openness and transparency" between the nations.

The agreement will permit the nations to seek information from each other on all types of national taxes in criminal and civil matters for tax years beginning Nov. 30, 2007.

"Upon entry into force, the new [agreement] will provide the United States with access to the information it needs to enforce U.S. tax laws, including information related to bank accounts in Panama," the Treasury Department said.

**If you are interested in receiving details of financial ventures and additional information on financial opportunities, please contact Ms. Ivette Martinez, [imartinez@pmalawyers.com](mailto:imartinez@pmalawyers.com)**

---

## **PANAMA 'S COPA AIRLINES TO BUY 22 PLANES FROM BOEING**

Panama-based Copa Airlines has signed a contract to buy 22 Boeing 737-800 aircraft for \$1.7 Bn.

Executives from the two firms inked the deal in a ceremony at the U.S. Department of Commerce in Washington.

The contract includes an option for Copa to acquire 10 additional planes, which would bring the value of the transaction to nearly \$2.4Bn.

Also present for the signing were Panamanian Vice President Juan Carlos Varela and Washington state Congressmen Dave Reichert and Jim McDermott, who represent districts with Boeing manufacturing facilities.

Boeing will deliver the 22 planes to Copa Airlines between 2015 and 2018.

**If you are interested in receiving details of business ventures in the aviation sector, please contact Ms. Maria de Lourdes Marengo, [mmarengo@pmalawyers.com](mailto:mmarengo@pmalawyers.com) and of commercial ventures, please contact Ms. Ivette Martinez, [imartinez@pmalawyers.com](mailto:imartinez@pmalawyers.com)**

---

## **PANAMA BIDS ELECTRICAL EQUIPMENT FOR \$3.88M**

The Electric Transmission Company is bidding the supply and installation of autotransformer No. 4 at the substation Panama.

The project includes the following:

-Supply, install, testing and commissioning of a power autotransformer

230/115/13.8 KV, 210/280/350 MVA Substation Panama.

- Development of project at the Panama Substation

The date for submission of proposals is January 28, 2011.

**If you are interested in receiving details of commercial ventures, please contact Ms. Ivette Martinez, [imartinez@pmalawyers.com](mailto:imartinez@pmalawyers.com)**

---

## **PANAMA CANAL, LONG BEACH INK MARKETING PACT**

The Panama Canal Authority and the Port of Long Beach signed a memorandum of understanding in which both parties agreed to work together to generate new business and economic growth and promote international trade between Long Beach and the east coast of Latin America via the canal.

Alberto Aleman Zubieta, administrator and chief executive officer of the Panama Canal, and Richard D. Steinke, executive director of the Port of Long Beach, said areas of cooperation could include promoting best practices in engineering, dredging and the environment, with an emphasis on reducing carbon emissions.

A \$5.25 Bn project is underway to widen the canal. When completed in 2014, the canal's capacity will be doubled and the largest containerships in service today will be able to transit the canal.

**If you are interested in receiving details of business opportunities and commercial ventures in the maritime sector, please contact Mrs. Maria de**

Lourdes Marengo, [mmarengo@pmalawyers.com](mailto:mmarengo@pmalawyers.com), and Mr. Belisario Porras, [bporras@pmalawyers.com](mailto:bporras@pmalawyers.com)

---

## PANAMA IN THE INTERNATIONAL NEWS

---

### LLOYD'S LIST ONE HUNDRED 2010

#### 72. ALBERTO ALEMAN ZUBIETA, CHIEF EXECUTIVE, PANAMA CANAL AUTHORITY

##### LLOYD'S LIST

December 14, 2010

Alberto Alemán Zubieta has been the driving force behind the modernisation of the famous 96-year-old shortcut between the Atlantic and Pacific oceans

As administrator of the Panama Canal Authority, Alberto Alemán Zubieta has been the driving force behind the modernisation of the famous 96-year-old shortcut between the Atlantic and Pacific oceans.

In the relatively short time that the waterway has been under Panamanian control (the US government handed it over on New Year's Eve 1999), Alemán and his team have turned it into one of the most efficient and reliable stretches of the global logistics supply chain.

Cutting canal transit times by a third during his tenure, he has also been responsible for pushing through record toll increases, more than doubling the cost of the transiting the waterway.

Extracting greater value from more than 140 shipping routes passing through the isthmus has been part of a strategy to turn the ACP into a market-oriented business dedicated to maximising profits for its shareholders, the Panamanian people.

Alemán's success has been to convert the ACP from a profit-neutral utility into an entity that generates revenues of \$2.1bn a year and has handed \$4.9bn to the Panamanian government since 2000.

Its strong financial position has enabled it to drive ahead with one of the most important infrastructure expansion projects to shipping, the \$5.3bn widening of the canal.

Already well under way, expansion will almost double the waterway's capacity, allowing 12,500 teu containerships, suezmax tankers and capesize bulkers to transit for the first time.

While Alemán's place in the waterway's rich history is assured, he will not be ACP administrator when the new set of locks opens in 2014. His second seven-year term as administrator runs until September 2012, when he says he will step down to

concentrate on his golf swing. Others believe he may be tempted to use his exemplary record at the ACP to run for president in time for the big day.

---

## **PANAMA ANNOUNCES NEW AD CAMPAIGN TO RAISE PROFILE OF STABLE, COMPETITIVE ECONOMY WITH U.S. INVESTORS**

**PR WIRE SERVICE**

**December 16, 2010**

WASHINGTON, Dec. 16, 2010 /PRNewswire-USNewswire/ -- Today the Republic of Panama is launching a new advertising campaign designed to highlight the country as an attractive investment destination for U.S. investors by contrasting continued instability in international markets with Panama's stable, growing and highly competitive economy.

The first phase of the "Panama: Where The World Meets" campaign is being launched with full page ads in the Wall Street Journal, Politico and Roll Call newspapers and across a spectrum of online news sites promoting the country's upgrade to an Investment Grade rating this year.

(Photo: <http://photos.prnewswire.com/prnh/20101216/DC18928>)

"Panama's dollar economy, our infrastructure, our simplified tax structure and of course our location make us a great and attractive place for new investments and global economic development," said Ricardo Martinelli, president of the Republic of Panama, in an introductory message on the campaign's website, [www.meetpanama.com.pa](http://www.meetpanama.com.pa).

Panama was rated as the 2nd most competitive economy in Latin America by the World Economic Forum's Global Competitiveness Report 2010-2011. It's expected to almost double its GDP between 2009 and 2010 and the International Monetary Fund projects that Panama will have the fastest growing economy in Latin America by 2015.

During his first year in office, President Martinelli led a major tax reform effort that simplified structures and cut corporate rates and began implementing a 5-year, \$13.6 billion infrastructure investment plan that will significantly modernize and diversify Panama's strong logistics capabilities. The combination of those factors led to an upgrade in Panama's sovereign debt rating to Investment Grade.

The first phase of the "Panama: Where the World Meets" campaign will run through the first quarter of 2011 with placement in a broad range of financial media outlets throughout the U.S.

---

**Legal Disclaimer**

The content and the opinions expressed on this publication have been provided for information purposes only. It should not be relied on as a substitute for specific legal advice on any particular topic. If you require advice or have questions or comments on its subject, please speak to your usual contact at Patton Moreno & Asvat.

**Copyright and Reproduction Notice**

Unless otherwise stated, the contents of this website are the property of Patton Moreno & Asvat and copyright © Patton Moreno & Asvat. Reproduction of part or all of the contents of the website pages in any form is prohibited except in accordance with the following exceptions:

**License to copy for personal use**

You may download or print extracts from the website pages ("the material") for your personal use only

**License to Recopy for Limited Purposes**

You may forward or recopy the material to individual third parties for their personal use only provided always that:

- You acknowledge **Patton Moreno & Asvat** as the source of the material. You must include the acknowledgement and the Patton Moreno & Asvat website address ([www.pmalawyers.com](http://www.pmalawyers.com)) in the forwarded or the copy of the material.
- You expressly inform the third parties that these Disclaimer, Copyright and Reproduction Notices apply to them and that they must comply with them.

This license to forward or recopy does not permit incorporation of the material or any part of it in any other work or publication, whether in hard copy, electronic or any other form. In particular (but without limitation) no part of the Patton Moreno & Asvat website pages including but not limited to this publication may be distributed or copied for any commercial purpose.

**Patton, Moreno & Asvat ©**

