



PATTON, MORENO & ASVAT  
INTERNATIONAL LAWYERS

# PMA BUSINESS LETTER



A PMA Group publication

*LATEST NEWS FROM PANAMA*

May 2011—N°5/2011

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## **BUSINESS OPPORTUNITIES IN PANAMA**

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**MINERA PANAMA TO INVEST \$25M IN 2011**

Minera Panamá, a subsidiary of Inmet Mining Co., will invest \$25M this year in infrastructure projects and environmental management, in reforestation and ecological recuperation plan, and will add to the 210 hectares that have already been reforested. This new plan will require \$6M worth of investment to be carried out across the country in coordination with Panama's National Environmental Authority (ANAM in Spanish. The Canadian owned mining company awaiting the go ahead for the biggest private investment operation in Panama had discovered a new deposit. The company has a 13,000-hectare concession in Colón. The infrastructure to build includes a rail link and a port, to ship copper through the canal to Asia. Minera Panama said it was expecting the full results in order to determine if the Balboa deposit would extend the mine life to more than 30 years, or increase the impact of the project area of 5,900 hectares for future mining. The initial drilling gave the highest results achieved in 40 years of exploration and drilling, said the company said. The future mine, is scheduled to produce copper in 2015.

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

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## **PANAMA INVITES TENDERS FOR HEMODIALYSIS FACILITIES**

The country's social security agency (CSS in Spanish) is going to tender for the implementation and maintenance of hemodialysis units. The contract comprises the design, equipment installation and setup as well as both preventative and corrective maintenance of the hemodialysis units for a period of 52 weeks.

The tender includes contracts for the design, fitting of the physical space and / or construction of infrastructure both internally and externally to existing hospitals, equipment installation, setting up and providing preventive and corrective maintenance of the hemodialysis units, and also the provisions for patient intake to the hemodialysis program of the Social Security Department. The date for submission of tenders is 6 June 2011.

**If you are interested in receiving details of commercial ventures and opportunities and know more about tenders called by Panama's government, please contact Ms. Ivette Martinez, [imartinez@pmalawyers.com](mailto:imartinez@pmalawyers.com)**

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## **AEGEAN MARINE PETROLEUM IN PANAMA MOVE**

Greece's Aegean Marine Petroleum Network has received from the Panama Maritime Authority (AMP) a 20-year concession to operate onshore storage facilities in Panama.

Aegean said it expects to commence physical supply operations at both entrances of the Panama Canal by the end of the second quarter of 2011. The two onshore storage facilities total about 3M barrels in capacity, with room for expansion, Aegean said.

Bunker sales in Panama total around 3M tons in volume.

"By establishing a presence on both ends of the Panama Canal, Aegean has significantly expanded its network for the global supply of marine fuel and strengthened its future growth prospects," said Aegean president Nikolas Tavlarios.

**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)**

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## **CEMEX SUPPLIES CEMENT FOR PANAMA CANAL EXPANSION**

CEMEX has begun supplying cement as part of its contract to provide over 500,000 tons of cement to Consorcio Grupo Unidos por el Canal, the primary contractor for the Panama Canal expansion project. The CEMEX contract represents an integral phase of the Canal expansion project, which includes two locks, the excavation of access channels to the new locks and the widening and deepening of navigational channels.

During the next 38 months, beginning in January 2011 and lasting until February 2014, CEMEX will have a constant flow of building materials going 24 hours a day, seven days a week, to assist in the construction of the third set of locks of the Panama Canal expansion project in the Pacific. The company will provide specially designed products for the engineering requirements of the Panama Canal expansion project.

CEMEX won this supply contract after competing with local and international companies vying for it.

Over the past two years, CEMEX has invested approximately \$300M in its Panamanian operations, including its plant where it has tripled its cement production capacity.

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

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**COPA HOLDINGS SECURES FINANCING FOR PURCHASE OF AIRCRAFT.**

Copa Holdings, S.A. has announced that it had mandated J.P. Morgan to provide Export-Import Bank of the United States (Ex-Im Bank) guaranteed funding for five 737-800 aircraft scheduled to deliver in 2011.

The Facility, totaling US\$178.5 million, includes 12-year financing terms at very competitive rates and will finance all direct Boeing purchases scheduled for delivery to Copa Airlines in 2011. J.P. Morgan will act as the sole arranger and facility agent for the Term Loan Facility, which is available on delivery of the Aircraft on either a floating or fixed rate basis. COPA will also have the option to effect a conversion, subject to Ex-Im Bank's approval, of the floating rate term facility into a fixed rate term facility.

"We are very pleased with J.P. Morgan's support in securing our 2011 aircraft financing needs under very competitive terms. These five 737-800s will play an important role in our future growth plans", commented Victor Vial, CFO of Copa Holdings.

Copa Holdings is a leading Latin American provider of passenger and cargo services. The Company, through its operating subsidiaries, provides service to 52 destinations in 25 countries in North, Central and South America and the Caribbean with one of the youngest and most modern fleets in the industry, consisting of 66 aircraft: 40 Boeing 737NG aircraft and 26 EMBRAER-190s.

**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)**

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## **MEXICO ICA TO BUILD \$238M AVENUE IN PANAMA CITY**

ICA, Mexico's largest engineering and construction company, has won a \$238M contract with Constructora Meco to reconstruct and expand Panama City's Domingo Diaz avenue.

The project for Panama's Public Works Ministry must be completed within 36 months and is part of a roadway reorganization being carried out by the Panamanian government, Mexico City-based ICA said in a statement. The winning consortium is 70 percent owned by ICA and 30 percent owned by Meco.

The project calls for redoing 12.3 kilometers (7.6 miles) of the avenue.

"The Avenida Domingo Diaz project is another example of ICA's strong and continuing presence in the Republic of Panama. This announcement reaffirms ICA's commitment to continue expanding our engineering and construction activities in select Latin American markets," said ICA.

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## **PANAMA CANAL AWARDS DREDGE CONSTRUCTION**

**The Panama Canal Authority (ACP) has awarded a \$43m contract to Dutch company IHC Engineering Business Ltd., a part of IHC Merwede Group, for the design and construction of a new backhoe dredge.**

The addition of this new dredge to the ACP's existing fleet in December 2012 will increase the ACP's ability to effectively dredge as part of the expansion program and future maintenance projects.

IHC Engineering Business Ltd. will be responsible for the design, construction, tests and delivery of the hydraulic backhoe dredge. The dredge, powered by diesel engines, will have the capacity to dredge to a depth of 18m underwater with a bucket of at least 11 cubic meters.

The dredge will be built with state-of-the-art equipment, enhancing its performance and increasing efficiency.

If you are interested in receiving details of business opportunities and commercial ventures in the maritime sector and about tenders called by the Panama Canal Authority, 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)

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## PANAMA IN THE INTERNATIONAL NEWS

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### PANAMA WON'T VOLUNTARILY SHARE INFORMATION ON TAX ACCOUNTS

**BLOOMBERG**

**April 14, 2011**

**By Eric Sabo** - Panamanian banks won't voluntarily forward clients' account information to U.S. regulators as they step up efforts to prosecute alleged tax cheats, Finance Vice- Minister Frank De Lima said.

U.S. investigators must provide specific allegations of tax crimes before the Central American country shares information on its bank customers, he said.

"There will be no fishing expeditions and no automatic exchange of information," De Lima said in an interview today in Panama City.

The tax-information exchange agreement was signed by Treasury Secretary Timothy F. Geithner and Juan Carlos Varela, Panama's vice president and foreign affairs minister, in November and covers information since Nov. 30, 2007. Panama's Congress approved the accord yesterday in a bid to clear the way for a free-trade

agreement with the U.S. The nations began negotiations on a tax-exchange treaty in 2002.

Sandra Salstrom, a spokeswoman for the U.S. Treasury, said that the "vast majority" of existing tax accords only allow data to be shared upon request by either country.

"There is no obligation to spontaneously or automatically exchange tax information," Salstrom said today in an e-mailed statement.

The tax accord will allow both nations to exchange information on bank accounts, a requirement sought by U.S. lawmakers such as Senator Carl Levin, a Michigan Democrat, before they consider approving the trade agreement.

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## **OBAMA LAUDS FREE TRADE DEAL WITH PANAMA**

### **ASSOCIATED PRESS**

**April 29, 11**

WASHINGTON – President Barack Obama commended Panama's president for his leadership in resolving issues that had stalled a key free trade agreement between their two countries and said he expected Congress to ratify the pact as part of a broader trade package.

Obama says he was confident that the deal would be good for the economy in both the U.S. and Panama. He spoke in the Oval Office alongside President Ricardo Martinelli.

Later, Martinelli told The Associated Press that Obama expressed hope that the treaty would be ratified before Congress adjourns in August.

"We are confident now that a free trade agreement would be good for our country, would create jobs here in the United States, open up new markets with potential for billions of dollars of cross-border trade," Obama said. "We think it would be also very good for Panama and allow additional economic exchanges between our two countries."

The Panama agreement is one of three trade pacts the Obama administration intends to send to Congress. The other two are with Colombia and South Korea.

The U.S.-Panama deal was completed this month after the Panamanian government signed off on a provision to deter would-be tax evaders from using banks in the Central American country as tax havens.

Obama also said Panama would be a key partner in regional security and the promotion of democracy in Latin America.

"Panama has been one of the leaders that we've worked with in trying to roll back the incursion of the drug cartels into the region," Obama said.

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