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LATEST NEWS FROM PANAMA

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BUSINESS OPPORTUNITIES IN PANAMA

SOCIAL SECURITY CALLS TENDER FOR HOSPITAL

The Social Security Fund (CSS) has completed financing and called tender for the \$ 45M construction of an hospital in Clayton. The project, which has \$450 million in backing, will be located in a 32 hectare area in Clayton. The project includes construction of five towers that will provide inpatient services, maternal and neonatal care, emergency services, intensive care, and pediatric specialties. The submission and opening of proposals is scheduled for June 28 in the CSS auditorium in the Clayton former military base. Work on the project which is categorized as a turnkey project must be completed within 36 months of obtaining the order to proceed.

If you are interested in receiving details of commercial ventures and additional information on future tender opportunities, please contact Ms. Ivette Martinez, imartinez@pmalawyers.com

CABLE & WIRELESS-PANAMA TO INVEST \$100M

The increased demand for more internet services has led the UK's company to expand its data network. In order to improve internet coverage offered through its data network, the company put into action an expansion plan that began last year when it invested \$50M

The significant growth of the company's portfolio of customers is another reason why they are betting on the expansion. The growth in demand for data services is a global phenomenon that is sharply reflected in Panama which is one of the most advanced countries in Central America in the use of these services, said a company statement. Panama is ranked eighth in the world in terms of the number of cell phones in relation to its population.

A study "Global Information Technology" conducted by the World Economic Forum, analyzed the penetration of the cell phone industry in the world. The analysis shows that Panama, with a population of 3.5M inhabitants, has 164.4 mobile phones per 100 people, a figure which is second only to Asian and European countries.

If you are interested in receiving details of commercial ventures and additional information in the telecommunications sector, please contact Ms. Ivette Martinez, imartinez@pmalawyers.com

NUMBER PORTABILITY IN PANAMA

Starting November 2011, the company Porting Access, will provide a number portability service. The contract includes a tender item of \$1.8M to supply the equipment necessary for systems operation, and another \$400,000 for the update and maintenance for a period of three years.

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GREECE'S AEGEAN TO OPERATE BUNKER FARM IN BOTH ENTRANCES OF THE PANAMA CANAL

The Panama Maritime Authority has granted a 20-year concession to Greek marine fuel logistics company Aegean (NYSE: ANW) to operate onshore storage activities in two ports located along the Panama Canal on an exclusive basis.

Aegean will be operating its storage facilities in the Panamanian ports of Balboa and Cristobal, located at each end of the canal connecting the Atlantic Ocean with the Pacific Ocean. Some 14,000 vessels transit the Panama Canal per year and 20% of them bunker in Panama.

The onshore storage facility on both of these ports is about 3 million barrels with further space for expansion. Aegean has planned to start providing retail bunkering services in the Panamanian ports toward the end of the second quarter of this year.

If you are interested in receiving details of business ventures in the maritime sector, please contact Ms. Maria de Lourdes Marengo, mmarengo@pmalawyers.com and of commercial ventures, please contact Ms. Ivette Martinez, imartinez@pmalawyers.com

TAIWAN, PANAMA SIGN VISA-FREE AGREEMENT

Taiwan and Panama concluded a visa-free agreement Monday to further facilitate exchanges between them.

Visiting Vice President of Taiwan Vincent Siew witnessed the signing of the agreement by Taiwan's Foreign Minister Timothy Yang and his Panamanian counterpart and Vice President Juan Carlos Varela.

Mr. Siew, at the head of a Taiwan delegation of government officials and business executives, met with President Ricardo Martinelli later in the day for talks on bilateral relations between the two countries and other matters of mutual concern.

COPA: PASSENGERS GROWTH IN QT1, 2011

COPA Airlines said in a statement at end of Quarter 1, 2011 that strong demand trends resulted in passenger traffic (RPMs) growth of 20.5% and a consolidated load factor of 77.4%, or 2.6 percentage points below Qt1,10, in light of a 24.5% capacity expansion.

During the first quarter, Copa Airlines took delivery of two Boeing 737-800s. As a result, Copa Holdings ended the quarter with a consolidated fleet of 65 aircraft. For 1Qt1, 11, Copa Holdings reported consolidated on-time performance of 92.4% and a flight-completion factor of 99.8%, maintaining its position among the best in the industry.

During QT 1, 11, the Company entered into agreements for the long-term lease of four new 737-800s to be operated by Copa Airlines. One of these aircraft is scheduled for delivery in the second half of 2012, while the other three aircraft are scheduled for delivery during 2013.

If you are interested in receiving details of business ventures in the aviation sector, please contact Ms. Maria de Lourdes Marengo,
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INSURANCE SECTOR GROWTH AT UNPRECEDENTED RATE

In the first three months of the year, the total amount of premiums grew by 22.23%. The insurance business in the country is growing by leaps and bounds. In the first quarter of 2011, subscriptions for premiums totaled \$263.6M. Insurers have paid claims for damages of \$139.2M more than in the same period in 2010.

Industry sources agree that activity in general is growing strongly, driven by the dynamism of the economy, and the development of the Canal and other infrastructure projects. Among the premiums with the largest increase, those that stand out are bonds (68.8%), technical branches (77.23%), liability (46.70%) and others (95.25%).

According to the Superintendent of Insurance and Reinsurance the payments for claims in the first quarter totaled \$187.8M, 286% higher than the \$48.6M in the same period of 2010. The loss portfolio which marked the greatest growth was fire, which for the first quarter had \$102.5M in losses in 2010. Following this category are the risks associated with the health, life and auto, and others.

If you are interested in receiving details of commercial ventures and additional information in the insurance sector, please contact Ms. Ivette Martinez, imartinez@pmalawyers.com

PANAMA IN THE INTERNATIONAL NEWS

PANAMA CANAL TRAFFIC POSIED TO REACH RECORD, CHIEF SAYS

BLOOMBERG

May 10, 2011

By Eric Martin - Shipments through the Panama Canal are on pace to climb to a record this year, surpassing levels set before the global economic slump, canal Chief Executive Officer Alberto Aleman said.

Traffic volume increased about 20 million metric tons from October through March from the same period a year earlier, a 13 percent gain, Aleman said. Shipments for fiscal year 2010 were 300 million metric tons, up from 298 million in 2009 and trailing the record 312 million in 2007, according to the Panama Canal Authority. In December, Aleman predicted 1.5 percent growth for 2011.

"We've seen in every segment of the canal very positive growth," Aleman said today at an event in Washington. "Panama is becoming and will become the biggest logistics center of the Americas."

The 50-mile (80-kilometer) canal connecting the Atlantic and Pacific oceans is spending \$5.25 billion to expand, a project that began in 2007, adding locks on both sides of the canal and deepening the waterway.

The U.S., which completed building the canal more than 96 years ago, remains the biggest customer. Port authorities from Houston to New York are jostling for business from ships able to pass through a wider canal. The expansion may slash transportation costs as vessels as long as the Eiffel Tower carry Asian goods to ports in the U.S. South and East.

As much as 25 percent of shipping traffic may be diverted from Los Angeles and Long Beach, California, the busiest U.S. ports, once the canal can accommodate larger ships heading from Asia to Atlanta and Baltimore, Fitch Ratings said in February.

PANAMA: LATIN AMERICA'S FDI LEADER

LATIN BUSINESS CHRONICLE

May 5, 2011

Business is finding that tiny Panama has become much easier to locate on a world map. With breakneck economic growth, a \$5.25-billion expansion of its famous canal and a capital city skyline unlike any in Central America, Panama has made a quick transformation from a military-run backwater to an outstanding economic performer that is the envy of its regional peers.

Panama attracted \$2.36 billion in FDI in 2010, continuing a trend that has had the seen the country of 3.4 million people average above \$2 billion per year in FDI since 2006. Last year's FDI figure was the equivalent of 8.8 percent of Panama's \$26.8 billion economy. That was a higher rate than any other country in the region, including Chile, according to the Latin Business Chronicle analysis.

"The foreign investor finds everything here," says Nicolas Ardito Barletta, the president of the PanAm Development Corporation, a regional business-services firm based in Panama City. Barletta points to carrier Copa Airlines, Panama's expanding international airport, the canal, ports, telecom infrastructure and Panama's geographic location as the key components to the country's recent success. "The advantage is the connectivity," says Barletta, a former president of Panama who also heads Panama's private sector-led National Competitiveness Center, or CNC, which guides the government meeting competition-boosting priorities.

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