



PATTON, MORENO & ASVAT  
INTERNATIONAL LAWYERS

# PMA BUSINESS LETTER



A PMA Group publication

## *LATEST NEWS FROM PANAMA*

November 2011—N°11/2011

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# BUSINESS OPPORTUNITIES IN PANAMA

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## US RATIFIES FREE TRADE AGREEMENT WITH PANAMA

After years of delay over Democratic concerns over jobs, labor rights and environmental records, the US Congress has finally moved to vote on free trade agreements with South Korea, Colombia and Panama.

The trade agreements were being trumpeted by President Barack Obama and most congressional Republicans as a way to boost exports.

Panama offers a key strategic location for US exporters to sell their goods and also to move them throughout the hemisphere via the Panama Canal. With canal expansion slated for completion in 2014, US companies in the machinery, infrastructure, and services sectors are anxious to see the FTA carried out to boost sales, exports, and employment opportunities for American workers. The agreement will also pave the way for more trade between the two nations, which reached \$6.1 billion in 2010.

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

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## PANAMA LEADS CENTRAL AMERICA FOR EASE OF DOING BUSINESS

Panama is the best place in Central America for "ease of doing business" and in the world ranking stands at 61.

In the ranking published in October by the World Bank, Panama climbed from 72 last year to 61.

The country remains the leader in ease of doing business in Central America, a considerable distance ahead of the rest of the region's countries, but was behind Chile, Peru, Colombia and Mexico.

The report says that the Central American countries moved in "to facilitate business reforms in key areas such as sales tax, property registration, investor protection and procedures for starting a business." The only reform that Doing Business attributed to Panama was in reducing the time needed to start a business. The world ranking is led by Singapore, Hong Kong, New Zealand and the United States.

## TENDER FOR REFORESTATION SERVICES

The National Environmental Authority is putting out to tender reforestation services for an area of two hundred (200) hectares.

According to the specifications the tender is for the procurement of: " Reforestation Services for two hundred (200) acres, with native and adaptable fruit trees in catchment areas, transit and water outflow areas at the Arco Seco in the provinces of Herrera, Los Santos, Veraguas and Cocolé." Panama has received funding from the Inter-American Development Bank for the implementation of the Modernization of Environmental Management for Competitiveness through the National Environmental Authority, and intends to apply part of the funds to financing payments for this project identified as SDC15-2011"

Bids must be delivered before eleven o'clock (11:00 am) on the 17th November 2011.

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

## **COPA TO BEGIN FLIGHTS BETWEEN PANAMA AND PARAGUAY**

COPA airlines announced it will begin operating weekly flights between Panama's hub of the Americas Tocumen airport and Asuncion December 16 of this year.

The flight will start in Asuncion, Paraguay at 2:27am arriving in Panama at 6:44 am, every Wednesday, Friday and Sunday. And from Panama, the flight will leave on Tuesday, Wednesday, Thursday and Saturday at 3:38pm arriving in Asuncion at 11:42pm.

The flight schedule is designed to serve connecting flights to San Jose, Guatemala, Orlando, Miami, Nueva York, Los Angeles, Toronto, México D.F., Cancun, Habana, Punta Cana, Santo Domingo, Nassau, Aruba, San Andrés, Cartagena y Bogota, among others destinations..

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)

## **PANAMA TENDERS SEWAGE TREATMENT**

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 Chitre, south west of Panama City, in the Azuero 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.

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

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## PANAMA IN THE INTERNATIONAL NEWS

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### **PANAMA CANAL COMPLETES MAJOR STEP IN EXPANSION PROGRAM**

**MARITIME EXECUTIVE  
OCTOBER 13, 2011**

In another important milestone of its Expansion Program, the Panama Canal Authority announced the completion of phase three of the dry excavation project in the construction of the Pacific Access Channel (PAC). The Pacific Access Channel will connect the third set of locks with the Culebra Cut and Gatun Lake.

The third phase of the PAC – costing \$36.6 million including design, contractors and management – consisted of excavating 8.2 million cubic meters of materials, cleaning 190 hectares of munitions and explosives of consideration (MECs) and leveling Paraíso Hill from 46 meters to 27.5 meters above sea level.

This dry excavation project was completed within budget, on time and in compliance with strict environmental, safety, hygiene and quality standards.

“As we reach another milestone, we at the Panama Canal are proud to acknowledge that this new third lane will be a game changer in world maritime commerce,” said Panama Canal Authority Administrator/ CEO Alberto Alemán Zubieta. Mr. Alemán Zubieta recently visited ports in the East and Gulf Coasts to showcase the Canal’s progress on expansion and future plans.

To date, three of the four dry excavation projects, which will result in a 6.1-kilometer channel, have been completed for Postpanamax vessels to transit once the Canal Expansion is completed.

The Canal's expansion is on schedule, following the recent commencement of the permanent concrete work for the new locks. The \$5.25 billion project includes the construction of a new set of locks that will double Canal capacity and allow the transit of longer and wider ships.

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## **US-PANAMA TRADE: FAST FACTS**

**LATIN BUSINESS CHRONICLE, OCT 12, 11**

### **Key facts about U.S. trade with Panama.**

BY LBC STAFF--Panama is the 13th-largest trading partner in Latin America for the United States, according to a Latin Business Chronicle analysis of data from the U.S. Census Bureau.

Last year U.S.-Panama trade grew 40.3 percent to \$6.4 billion, according a Latin Business Chronicle analysis. That was the highest increase in Latin America.

Two-way trade is dominated by U.S. exports to Panama, which last year reached \$6.1 billion, an increase of 41.4 percent. That was also the highest growth of any U.S. market in Latin America. Imports from Panama grew 25.3 percent to \$379 million.

During the first half of this year, trade reached \$3.8 billion, a 17.1 percent increase from the first half in 2010, according to another Latin Business Chronicle analysis. That was the fifth-lowest growth among the US trade partners in Latin America.

U.S. exports grew by 18.5 percent to \$3.6 billion, while U.S. imports from Panama fell 4.2 percent to \$188 million.

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