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## BUSINESS OPPORTUNITIES IN PANAMA

### CUBA AND PANAMA SUCCEED IN TRADE NEGOTIATIONS

Panama announced the conclusion of the process of commercial negotiations with Cuba, which led to the signing of an agreement on a partial reach with chances to compete for the productive sectors, and the services.

According to Panama Ministry of Trade and Industries (MICI) that was the result of three working meetings and two rounds of conversations, the last one celebrated in Havana, from January 21 to 23. The agreement grants access to markets and goods and includes regulations on the exchange of services, customs procedures, rules and a chapter on commercial cooperation, among other aspects.

The Panamanian Ministry said that preferences up to 100% in several items on foods, profiles for roofs, steel structures destined to construction and other products, were reached with tax facilities between 75% and 80% on dairy products, juices and nectars.

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

### PANAMA ANNOUNCES \$1.1Bn FUND TO AID BANKS

President Martin Torrijos announced that the government will create a \$1.11 Bn fund to help local banks struggling to tap tight international credit markets. The fund would be set up by loans from the Andean Development Corporation (CAF), the Inter-American Development Bank and the National Bank of Panama to aid cash-strapped banks operating in the country if needed.

"The resources ... will be managed by the National Bank of Panama through a fund that will grant credit to banks and financial institutions operating the local market," said President Torrijos.

The measure was the result of a three-month investigation into the impact of the U.S. economic slowdown on Panama, a key transit route in world trade between Asia and the United States, he said.

However the country's banking sector, a major component of the local economy, is well capitalized and not in danger of collapse. "This is not a program of subsidies or financial rescue, it is a preventive measure," he added.

### **PANAMA CANAL DEFINES "NEW PANAMAX" VESSEL SIZE**

Responding to shipping queries on maximum vessel size for the future locks, the Panama Canal Authority has issued precise details on dimensions for the next era of Panamax ships. Proposals for the new locks will be received 3 March and the ACP is expected to announce which consortium will be awarded the construction by this May.

"Each of the new lock complexes will have three chambers. The chamber dimensions of the new locks will be 427m long, 55m wide and 18.3m deep," said the ACP in a statement. "The corresponding maximum dimensions for vessels that will transit these locks are 366m LOA [length overall], 49m in beam and 15.2m in tropical freshwater draught. These dimensions define the new Panamax-size vessel," said the ACP.

When the expansion is completed in 2014, the navigational channels will allow transit of what are presently described as post-Panamax containerships; Suezmax liquid-bulk tankers; Capesize drybulk carriers; and larger sizes of LNG carriers, passenger ships and other vessel types, within the established dimensional limits, said the ACP.

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)

### **COPA AIRLINES REPORTS 2008 ON-TIME PERFORMANCE**

Panama-based Copa Airlines, a subsidiary of Copa Holdings has reported its on-time performance for 2008. The airline recorded an on-time performance of 87.5% for its flights in 2008 and a flight-completion factor of 99.6%. Copa Airlines said that it measures on-time performance according to international aviation industry standards.

If you are interested in receiving details of commercial ventures in the aviation sector, please contact Ms. Maria de Lourdes Marengo, [mmarengo@pmallawyers.com](mailto:mmarengo@pmallawyers.com)

### **PANAMA IN THE INTERNATIONAL NEWS**

#### **PICTURE PERFECT PANAMA**

**The move Chanel.Com  
January 26, 2009 By Catherine Deshayes**

With the extension of the Panama Canal, Panama is set to grow from strength to strength and can already lay claim to being Latin America's fastest growing economy...

Last year, visitor numbers increased by an impressive 27 per cent and tourism is already the country's biggest contributor to gross national product. Few locations can stack up as well as the fast growing hub of Panama City with its low levels of consumer debt, a GDP growth expected to exceed 8.7 per cent this year and the world's second highest rate of hotel occupancy in the world.

With current hotel occupancy running at 84.7 per cent, second in the world only to Perth and a rapidly increasing influx of flights and employment comparable to Dubai five years ago, the demand for hotel accommodation in Panama City is at a premium.

#### **Nations Hotel**

Nations Hotel is located in the key financial district of Panama City - Bella Vista - a hotspot for nightlife, shopping and restaurants. This five star hotel is a short walk from the ocean and harbour and is ideal for both international holidaymakers and the business community.

Nations Hotel will offer a range of rooms throughout its impressive 26 storey structure designed by renowned national Architect Musa Asvat Kasu.

Investors can choose between varying sizes of one bedroom hotel rooms and also one and two bedroom apartment units. Each room and unit comes with a unique furniture package while all rooms have ceilings of 10 foot in height ensuring a feeling of space.

The hotel boasts a restaurant, bar and lounge, business centre, conference space and parking garage. You can also enjoy a pool deck, fitness centre and spa, flat screen TVs, outdoor terraces, 24 hour security, valet parking, laundry service and high speed Internet access. One bedroom hotel rooms, (from 34 square metres) start at £95,245; one bedroom apartments (from 52 square metres) start at £142,865 and two bedroom apartments (from 86 square metres) start from £357,972.

Investments start from just £37,801 with a 60 per cent LTV mortgage and the expected net yields are in excess of 12 per cent. The payment schedule starts with a £5000 reservation fee and then a payment of 15 per cent on the signing of the sale and purchase agreement, minus the reservation fee.

Panama looks like such a solid bet as staggering tourism growth looks set to increase demand further and the rental potential looks extremely strong for the future.

Ben Jefferis, Sourcing Manager at Property Frontiers, said, "We have always believed that South America will escape the wider reaches of the global credit crisis.

"Due to its very low level of consumer debt, Panama, along with Brazil, offers the greatest long term potential for growth and security.

"Panama has very few rivals in its potential for economic expansion. A combination of infrastructure, finance, tourism, taxation and the second highest hotel occupancy rate in the world make this a country worth serious consideration," added Mr Jefferis.

## **OFF THE BEATEN TRACK: PANAMA CITY**

### **THE WALL STREET JOURNAL January 27, 2009**

Editor Monica Williams on what to do, where to eat and where to stay in Panama's capital.

**What to Do:** Panama might be best known for a 94-year-old canal, but the city itself is a burgeoning tourist destination. The old and new converge in Casco Viejo, a colorful Unesco World Heritage Site. Stroll the colonial quarter's narrow stone streets, where decrepit 19th-century mansions abut sidewalk cafes, chic shops and galleries. Don't miss the Baroque golden altar at Iglesia San José or the African herons outside the presidential palace. Tropical Panama is the only Latin American metropolis with a rainforest within city limits. Take an early hike at Parque Natural Metropolitano, a 655-acre park about 15 minutes from downtown. The most strenuous trail, La Cieneguita, is the best for bird and wildlife watching (Tel. 507-232-5516, [www.parquemropolitano.org](http://www.parquemropolitano.org)). After dark, Panama's nightlife is vibrant -- and doesn't get going until at least midnight. The Calle Uruguay district is packed with restaurants, bars and dance venues. For something mellow, nurse a glass of French wine at Ma Maison lounge bar (Calle 49 near Calle Uruguay, Tel. 507-264-4608). No visit to Panama is complete without seeing the Panama Canal. Watch tankers and container ships transit the narrow passage at Miraflores Visitors Center, which has observation decks and a multimedia museum. Call ahead for scheduled crossings (\$8 adult admission, Tel. 507-276-8325, [www.pancanal.com](http://www.pancanal.com)).

**What to Eat:** Located on the Pacific coast, Panama City is rich in seafood. The boisterous Mercado del Mariscos has more fishmongers than tourists, and the seafood is as fresh as it gets. Ceviche is available in the stalls of the fish market; in the casual second-floor restaurant, seafood entrees are about \$5 to \$9 (Avenida Balboa and Calle 15 Este). Book a table at the popular Restaurante Tinajas for traditional Panamanian dishes such as yucca country pie or chicken pot tamale. There's a lively folkloric dance performance five nights a week (Calle 51, Bella Vista, Tel. 507-263-7890, [tinajaspanama.com](http://tinajaspanama.com)). Manolo Caracol is ideal for adventurous diners. There is no menu; sit back and wait as the chef sends out a surprise lineup of up to 12 dinner courses, all for \$25 (Calle 3 at Avenida Central Sur, Tel. 507-228-4640, [manolocaracol.com](http://manolocaracol.com)). For an ocean breeze and spectacular views, dine at Mi Ranchito on the Amador Causeway (Isla Naos, Tel. 507-228-4909).

**Where to Stay:** Centrally located in the financial district, the five-star Bristol Panama has 56 rooms with decor from Panamanian artists. There's also an acclaimed restaurant, Las Barandas (Rooms from

\$200; Aquillino de la Guardia at Obarrio; Tel. 507-265-7844; [thebristol.com](http://thebristol.com)). Originally built in 1893, the renovated Canal House Panama in Casco Viejo offers spacious rooms with exposed brick walls and plush beds (Rooms from \$155; Calle 1RA and Avenida A; Tel. 507-228-1907; [canalhousepanama.com](http://canalhousepanama.com)).

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