



BUSINESS LETTER

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BUSINESS OPPORTUNITIES IN PANAMA

PANAMA CANAL RECEIVES BIDS FOR LOCKS CONSTRUCTION CONTRACT

Three consortia placed bids for the largest contract of the \$5.3Bn Panama Canal expansion March 3, after 14 months of preparation and meetings between the Panama Canal Authority (ACP) and the prequalified international construction groups. Bidders included: the consortium led by US'Bechtel-Taisei and Mitubishi from Japan, with the subcontractor Wuchang Shipyard from China; the consortium led by Spain's ACS accompanied by several Spanish, German and British companies and the consortium led by the Spanish group Sacyr Vallehermoso, and companies from Italy, US, the Netherlands, Panama and Belgium.

The fourth consortium led by France's Bouygues which included Alstom, Bilfinger and some of the most important Brazilian constructions firms, elected not to participate. "Three of four proposals is a success for a project like this," said ACP Alberto Aleman.

The contract is estimated at \$2.7Bn for the construction of a set of two new locks that will double capacity and allow the transit of larger vessels and post-Panamaxes.

The ACP expects the evaluation process to last until June. A group of 40 local and internal experts will review the technical proposals while the envelopes containing the price proposals, including the ACP owner's price, were locked in a vault at Panama's National Bank and will not be opened until the technical evaluations are completed. The results will be counted

and disclosed in a public forum during which the ACP will award the winner of the contract which will be assigned on "best value" – 55% for the technical aspect and 45% for the bid price. Last month, the Authority contracted the international firm Deloitte as auditor during the evaluation process.

The leading US construction magazine Engineering News Record, ENR, which makes a global ranking of construction companies had for 2008, Hochtief part of ACS group, in the 5th position, ACS in the 6th, Fomento de Construcciones y Contratas, of the ACS Group, in the 9th position and Bechtel in the 11th while Sacyr Vallehermoso was ranked 26th.

The works on the locks construction are expected to begin in 2010.

If you are interested in receiving details of business opportunities and commercial ventures in the maritime sector, and details of the Panama Canal Authority tenders, please contact Ms. Ivette Martinez, imartinez@pmalawyers.com, Mrs. Maria de Lourdes Marengo, mmarengo@pmalawyers.com and Mr. Belisario Porras, bporras@pmalawyers.com

FOREIGN DIRECT INVESTMENT (FDI) GREW BY 25 % IN 2008

Foreign Direct Investment (FDI) grew by 25% in 2008 to \$2,401M, up from \$1,907M the previous year. FDI impacted positively Panama's economic growth of 9.2% during that period. FDI closed nearly the record figure of \$2,497M registered in 2006 and mostly due to the purchase of Panamanian bank Banistmo by the international financial institution HSBC.

LG OPENS CALL CENTER IN PANAMA

LG Electronics Information Consumers Center opened at the end of February and will receive over 3M calls a year in English and Spanish, said the company and will employ 600 agents. The center will receive calls from Panama, Venezuela, Guatemala, Ecuador, Colombia, Peru, Chile, Argentina, Bolivia, Central America, Canada, United States and the Caribbean.

The company invested \$3M in its new premises located in Albrook in a specially refurbished building. The company also opened its first Commercial Air Conditioner Academy in the region that will give training to all personnel in countries from South and Central America and the Caribbean.

If you are interested in receiving details of business opportunities in the commercial sector, please contact Ms. Ivette Martinez, imartinez@pmalawyers.com

PANAMA CANAL OPENS BIDS FOR DREDGING THE ATLANTIC ENTRANCE

The Canal Authority launched March 2, a Request For Proposal (RFP) to dredge the Canal Atlantic entrance. The contract includes the dredging of approximately 15M underwater cubic meters and 800,000 cubic meters of dry excavation. It also includes deepening the Canal's Atlantic entrance to 15.5 meters to allow the transit of post-Panamax vessels through the new set of locks that will be constructed under the Expansion Program.

With the announcement of the RFP, potential contractors will be allowed a period of three and a half months to evaluate site conditions and one

month to submit their proposals.

The contract will be awarded under the lowest price model. Proposals are expected to be submitted on July 15, 2009 with the project completion expected sometime in the second quarter of 2013

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PANAMA IN THE INTERNATIONAL NEWS

SEVEN REASONS WHY PANAMA SHOULD BE YOUR NEXT VACATION DESTINATION

EPOCH TIMES, MARCH 2, 09

As the recession intensifies, it is likely that stress levels within individuals and families are likely to follow suit. For those readers out there who are in a position to detract from all of the hustle and bustle of the rat race and spend some well-deserved time on vacation, I have a recommended destination for you that promise not to break your budget: Panama. Here are seven reasons why to make Panama your destination of choice for this year's vacation:

7. The dollar is still good there; if you are coming from the United States, you would be pleased to know that in Panama, the dollar is accepted as the standard form of currency, leaving you free to roam the country without ever having to visit a currency exchange counter.

6. You can get a short-term tourist Visa card for about \$5; As long as you have a current passport, that \$5 visa will be your only entry fee.

5. Transportation is cheap. I paid under \$300 for roundtrip airfare from Boston with a one-stop connection. What's more is that once you've arrived, an average cab ride is between \$5-\$10 depending on the distance, and you can travel from one end of the country to the other by bus for under \$20

4. The locals are very friendly to Americans and are warm and hospitable towards their visitors.

3. There's lots of fresh fruit year round and if you are anything like me, the humidity will curb your appetite. You can make a week's worth of breakfast on the delicious fruit alone that would cost you merely the change you have collected in your piggy bank. Other meals like lunches and dinners are also very inexpensive, compared to what we have here in the states.

2. The culture is very rich and the country can provide any tourist a variety of activities and new experiences that will build lasting memories for years to come. The Panama Canal, in and of itself, is something to revel in. The man made structure sees about 5% of the entire world's trade pass through its locks. The lock system, by the way, was born out of a concept from Leonardo Da Vinci's sketches & writings and can raise a several thousand ton ship by over 20 meters in a matter of minutes.

1. The old adage, "The Best Things in Life Are Free" is true and Panama boasts lots of them. From lush vegetative jungles and cool misty mountain villages, to sandy white beaches and crystal blue waters, Panama has a lot to offer to any traveler looking for a new adventure.

There is nothing like a good vacation to ease some of the stress from the day to day cycle of working life, but with the economic conditions as they are, scraping together some extra cash for a vacation may not be the easiest thing to do. If you are among those who can afford a little extra money this year to treat yourself to a worthwhile excursion, take my advice and make it to Panama. There's so much to offer there, and you could easily spend a week for two within a thousand dollar budget. Here's to safe and frugal travels!

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