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ANNOUNCEMENT

The International Who's Who of Shipping & Maritime Lawyers lists in its 2009 edition our firm Patton, Moreno & Asvat and our lawyers Dr. Ebrahim Asvat, Lic. Maria de Lourdes Marengo and Lic. Maria Teresa Diaz G. amongst the most renowned lawyers in Panama.

BUSINESS OPPORTUNITIES IN PANAMA

KLM INCREASES FLIGHTS PANAMA-AMSTERDAM

KLM will be increasing its flights on the Panama-Amsterdam route. While KLM Royal Dutch Airlines had cancelled some flights and redistributing them on more attractive destinations, the company has announced it will be adding two weekly flights for Panama-Amsterdam responding to the good performance of the route.

This increase reflects the strength of the growing market and the fruitful cooperation with Copa Airlines along this route, which was launched less than a year ago.

Latin Americans looking to fly to Europe without going through the hassle of getting a US visa and passing through US immigration and customs found a viable alternative in flights from Panama offered by KLM (to Amsterdam) and Iberia (to Spain).

If you are interested in receiving details of commercial ventures in the aviation sector, please contact Ms. Maria de Lourdes Marengo, mmarengo@pmaalawyers.com

NEW IMMIGRATION LAW TO BE ENFORCED IN AUGUST 1, 2009

The New Immigration Law will be enforced August 1, 2009 and will expedite the immigration process and make the system more effective, Panamanian authorities said.

The new immigration law will require the Immigration department to approve or deny

applications made by foreigners in 60 working days, otherwise the residency or visa application will be approved automatically.

In 2007, 3.8M foreigners visited the country as tourists or as investors. In 2008, this figure went up by 16%, said the head of Immigration Clovis Sinisterra.

The new Immigration Law contemplates the creation of the Immigration Consulting Council that will dictate immigration policies in the country.

If you are interested in receiving details of the new Immigration Law and of the process to obtain an investor's visa, please contact Ms. Jazmina Sanchez, jsanchez@pmalawyers.com

BUILDING A NEW TOWN: PANAMA PACIFICO

The construction of Panama Pacifico in Howard, the former US Air Force Base, is well on track. The former military base is being developed by UK's London and Regional Properties Panama. L&R will build some 20,000 houses, offices and a business international park which will consist of 26 buildings, two expandable warehouses and 14 other buildings of multiple purposes.

Some 18 international and local companies, including a branch of Panama's Technological University are already on location or awaiting delivery of their buildings or offices.

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

PANAMA IN THE INTERNATIONAL NEWS

PANAMA THE LATEST TO TAKE ADVANTAGE OF UPTICK IN RISK APPETITE

WALL STREET JOURNAL,
March 18, 2009

Panama is the latest emerging market to take advantage of a small window of opportunity during the ongoing credit crisis, reopening its 2015 senior global notes as risk appetite returns, at least for now.

Panama is selling \$323 million to fund its general budget, according to a fund manager term sheet. Earlier, a Panama Finance Ministry official had put the size at around \$120 million. Traders said the deal will likely be severely oversubscribed. Panama is seizing the moment as spreads have tightened in recent days.

"Any moment you have some stability, it makes sense to come to the market," an emerging-market trader in New York said.

Mexico, Colombia and Brazil earlier this year also took advantage of similar opportunities to sell their bonds, and the books on these deals were oversubscribed multiple times. In the case of Panama, the move will provide a needed boost of liquidity for a well-liked credit, said Kathryn Rooney, an emerging-markets macroeconomics strategist with Bulltack Capital Markets in Miami.

"It is, along with Peru, the best name to be at the moment," Rooney said. Panama is expected to grow 2.5% this year, she said. That respectable number would be followed by the breakneck pace of 9.2% growth in 2008 and 11.5% in 2007.

Panama, a dollarized economy, also enjoyed a fiscal surplus of 0.5% of gross domestic

product in 2008, or nearly \$98 million, and expects the same fiscal surplus of 0.5% of GDP this year. Its debt profile is also trending down, to 45% of GDP in 2008 from 54% of GDP in 2007.

"Panama is a strong story...because it's not solely based on one thing," Rooney said. Its construction, tourism and financial sectors were "all firing on all cylinders for the past three years." Its famous canal is expanding, and nearly all the project's financing has been secured through multilaterals.

One of the few rubs for Panama is lack of liquidity for its bonds, which the reopening seeks to address. "This keeps Panama in the game," she said.

The bonds mature in March 2015 and carry a coupon of 7.25%. Lead bookrunners in the deal are Morgan Stanley (MS) and UBS (UBS), and the reopening is scheduled to price later Wednesday.

The bonds lost 2 1/4 to \$101 bid early Wednesday afternoon, according to Reuters. Moody's rates Panama Ba1 with a stable outlook, while Standard & Poor's rates it BB+, also with a stable outlook. Fitch rates it BB+ with a positive outlook.

A TRIP TO PANAMA IS A TRIP TO BIRD PARADISE

THE GAZETTE, CANADA,
March 19, 2009

Tiny country hosts 972 species

When it comes to birding, I am convinced that I get more thrills from showing a new bird to a novice bird-watcher than seeing one the first time myself.

I visited Panama with my wife and our two offspring this past December as part of our annual Christmas getaway from the stress of gift-giving. While Derek and Erin prefer to go to places that offer body-surfing and snorkeling, I always insist that there be opportunities for me to see new birds.

Bridging two continents, the tiny country of Panama is home to more bird species than any other in Central America; some are resident year-round, while many are migrants from the U.S and Canada. Panama encompasses a mere 78,000 square kilometers but contains an amazing avifauna of around 972 species. Canada, just a tad short of a million square kilometers, is home to about 482 bird species.

We chose the Royal Decameron Beach Resort in Farallon and, as expected, the first birds I laid eyes upon after stepping off the shuttle bus were blue-gray tanager, great-tailed grackle, social flycatcher, magnificent frigatebird, and brown pelican. I particularly enjoyed watching a horde of black vultures gobbling up a good-size fish carcass that was washed up on the beach.

It is certainly possible to do some decent birding right on the grounds of the resort. A fellow Quebecker named Jean Bernier and his companion racked up about 75 species without even getting into a vehicle!

I befriended Jean during the one birding excursion offered by the resort to the Cerro Campana National Park. Our guide was a 32-year-old Indian named Igua Jiminez.

When we arrived just inside the park gates and Jiminez pointed out a hawk perched above the road in a tree and called it a roadside hawk, I was a bit apprehensive about his birding skills. It was clearly a broad-winged hawk, a migrant species that commonly breeds in North America. I kept my mouth shut because all birders, including me, are prone to occasionally making snap but incorrect identifications.

My fears were unfounded. Within the next hour, "Iggy" demonstrated his excellent birding skills, pointing out by song alone, a number of birds in the tropical rainforest, including antshrikes, eleania, and leaftossers.

Neither of my kids are especially interested in bird-watching, although they do enjoy seeing the more spectacular species from time to time. But for my daughter, Erin, there is one exception - toucans, specifically the famous keel-billed toucan or "Fruit Loops" bird. So I made it my goal to show her one.

The four of us rented a car and headed off to one of Panama's jewels for bird-watching - Pipeline Road, a national park.

Pipeline Road (or Camino del Oleoducto) has consistently set world record bird counts in a 24-hour period - up to 367 different birds, including thick-billed motmot, slaty-tailed trogon, and of course, keel-billed toucan.

We had barely parked the car when I looked up into a tall dead tree and spotted about five birds with toucan-like beaks. I had my binoculars into Erin's hands within five seconds and she got her first look at, well, not a keel-billed toucan, but a collared aracari. Close, but no cigar!

I was proud of my daughter when she spotted a breath-taking violaceous trogon, a new species for me.

So did Erin eventually see her keel-billed toucan? Well, she did spot a silhouette of one flying high over the road while departing Cerro Campana, but it was not sufficient to quell her desire to get a really good look.

Secretly, this pleases me. A best buddy of mine has purchased a winter home on the grounds of the Royal Decameron and you can be darn sure that both Erin and I will knocking on his door more than once in the not-too-distant future.

FOR SALE...IN PANAMA

NEW YORK TIMES

March 19, 2009

Prices have softened in Panama, but they haven't crashed, said Robert Adams, chief executive officer of New Global Initiatives, a global marketing company in Maryland that researches emigration from the United States. Mr. Adams, who lives in Panama City, said most banks in Panama lend foreign buyers a maximum of 70 percent of the purchase price, although Panamanian citizens can borrow up to 80 percent.

Panama City and outlying beach towns are popular with expatriates, Mr. Adams said. A beachfront house in Coronado, about an hour's drive west of Panama City, averages about \$1 million, according to Simon Hurst, managing director of Knightsbridge Investment Group, a real estate firm in Panama City. Houses not directly on the beach cost much less, around \$350,000. Prices drop the farther you go from Panama City, but in remote parts of the country, the high costs of transporting materials outweigh any other savings, Mr. Adams said. Prices for a comfortable apartment in Panama City range from \$175,000 to \$400,000, Mr. Adams said. In Casco Viejo, one of the few areas in the city with historic architecture, prices tend to be a little higher. According to Mr. Hurst, property is in limited supply in Casco Viejo so it sells very quickly — especially renovated apartments in historic buildings. He estimates that there are fewer than 1,000 historic buildings, of which only about 20 percent have been renovated. Although the area has little new construction, apartments are available preconstruction for about \$2,300 per square meter (\$214 per square foot), Mr. Hurst said. Refurbished apartments start at that price.

WHO BUYS IN PANAMA CITY

Panama is gaining popularity as a retirement destination, Mr. Adams said, describing people from the United States as the biggest group of foreign buyers. There are also a significant number of European and Canadian retirees. Mr. Adams added that people from Colombia, Venezuela and other Latin American countries are also starting to buy.

BUYING BASICS

"Buying real estate in Panama is easy," said Mr. Hurst, adding that the only significant overhead costs come in legal fees, which average \$1,500 to \$2,000. The seller pays a transfer tax equal to 2 percent of the purchase price, as well as the real estate agent's commission, usually about 5 percent, he said. The seller also pays capital gains taxes of 10 percent of the profits made on the property.

Many people set up a corporation to buy property. Mr. Hurst says that it costs about \$1,000 to set up such a corporation, and that there are tax advantages when the property is sold.

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