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INTERNATIONAL INVESTMENT CONFERENCE: PANAMA: IT'S HAPPENING NOW!

On March 24, the Council of the Americas (COA), in collaboration with the Government of Panama and the World Bank, hosted the 2010 Latin American Cities Conference in Panama City entitled "Panama: It's Happening Now."

The forum came at the heels of the recent announcement made by Fitch Ratings, which upgraded Panama's credit rating to investment grade status for the first time in the country's history.

Given Panama's increasing presence as a logistics hub in the region and the Government's public investment plan, Panama is poised to attract unprecedented levels of foreign direct investment in strategic sectors of the economy, such as logistics, agriculture, technology, and tourism. Moreover, the construction of the Panama Canal's third set of locks begins this year and could amount to 1 percent of real annual GDP growth in 2010.

COMPETITIVENESS

Minister of Commerce and Industry Roberto Henriquez kicked off the Conference with a detailed presentation of President Martinelli's commercial agenda, which includes comprehensive trade agreements with Canada, the European Union and Colombia, as well as a \$12 billion investment plan to improve the competitiveness of the Panamanian economy. He also unveiled the Administration's plans to improve the

country's infrastructure, including an advanced and more interconnected transportation system, all in an effort to cement Panama as the logistics hub of the Americas.

FOREIGN INVESTMENT

In his keynote address President Ricardo Martinelli highlighted Panama's diversified economy, its stability and boundless potential for growth. He also noted his Administration's efforts to establish clear standards for investment and transparency as well as his Administration's trade and economic policies to boost exports and spur economic growth.

"The outlook for Panama is very positive, which is why we invite you to come and invest," said President Martinelli in his remarks.

ECONOMIC OUTLOOK

Panama was part of a select group of countries that came out unharmed and with a positive economic record from the most recent worldwide economic slowdown. The economy is expected to grow at 5% in 2010 and, with the most recent fiscal reform, the Administration aims to increase fiscal sustainability and revenues while reducing fiscal deficits in the years ahead. "Our country is on a very clear path to sustained growth," stressed Minister of Economy and Finance, Alberto Vallarino during the COA Conference. Panama is also planning to reduce its debt to GDP to 35% by 2014.

PANAMA WINS INVESTMENT GRADE

On March 23, after years of steady economic growth and macroeconomic stability, Fitch Ratings announced that Panama had reached investment grade status.

With Fitch's new credit rating of BBB-minus, Panama joins only four other Latin American countries to have achieved investment grade, including Mexico, Peru, Chile, and Brazil. "The upgrades reflect a sustained improvement in public finances, underpinned by recent tax reforms, and the economy's resilience to the global financial crisis and associated recession," Fitch said in a statement.

The achievement of investment grade makes it more attractive to banks and creditors who aim to invest in Panama and, it grants the Government of Panama access to cheaper financing.



From left, US Secretary of Transportation Ray LaHood, President Ricardo Martinelli, and US Ambassador to Panama, Barbara Stephenson.

AMBASSADOR ALEMAN PARTICIPATES IN OPPORTUNITY PANAMA

On April 19, Ambassador Jaime E. Aleman attended "Opportunity Panama," a one-day business conference held in Sarasota, Florida. The event was hosted by a coalition of Florida business leaders.

Ambassador Aleman and US Representative Vern Buchanan underscored the great potential in the US Panama trade relations, specially in sectors such as tourism, logistics and technology to more than 130 businessmen and maritime executives in attendance.

Also in attendance were representatives from Panama's Colon Free Zone and other international trade experts who discussed how new market prospects and opportunities will be available with the expansion of the Canal. Panama currently imports nearly \$1.5 billion worth of goods



PANAMA CANAL AUTHORITY AND ALABAMA STATE PORT AUTHORITY SIGN MOU

On April 21, Panama Canal Administrator Alberto Aleman Zubieta and Alabama State Port Authority Director James Lyons signed a Memorandum of Understanding (MOU) to strengthen the commercial ties between the two entities. "As the global economy recovers, we must continually pursue smart business partnerships", said Mr. Aleman Zubieta.

As the Panama Canal undergoes its historic expansion, the Alabama State Port Authority has already embarked on port improvements to address the expected traffic growth in the coming years.

US Secretary of Transportation Meets with Panamanian Officials and Visits Panama Canal

On his first official visit to Panama, US Secretary of Transportation Ray LaHood held meetings with several top officials in the country, including President Ricardo Martinelli. This two-day visit focused on the expansion of the Panama Canal, as well as other improvements to several components of Panama's transportation sectors and industries.

Secretary LaHood and his U.S. delegation kicked off the trip with a visit to the Miraflores Locks, one of the Panama Canal expansion sites. He discussed the Canal and its economic importance with Panama Canal Authority Administrator and CEO Alberto Aleman Zubieta and Minister of Canal Affairs Romulo Roux.

"With two out of every three ships that pass through the Canal either going to or coming from the United States, we have a

fundamental interest in the Canal's continued success and in Panama's economic progress," Secretary LaHood said. "I was delighted to see the work on the Canal's expansion, which will have a profound impact on the way goods move around the world."

The second day of Secretary LaHood's visit included a meeting with Roberto Roy, Executive Secretary of the Metro, and culminated with an official visit to President Ricardo Martinelli. Talks focused on bilateral collaboration in the development of urban communications and airport infrastructure.

"The United States and Panama share an economic partnership that has benefited both our economies and encouraged broader economic opportunities for all," said Secretary LaHood.

Ambassador Aleman Attends Global Trade Policy Forum

On April 14, Ambassador Jaime E. Aleman attended the Global Trade Policy Forum in San Antonio, Texas, to discuss the future of trade and the global economy. Hosted by the Free Trade Alliance, this half-day event invited top experts and global leaders to address issues affecting the United States' and the region's business community.

Ambassador Aleman focused his presentation on the benefits the US-Panama trade agreement would have for U.S. businessmen and their companies. "These trade agreements have the potential to increase the competitiveness of U.S. products in these markets, create U.S. jobs, and bolster relationships with important allies around the globe," said Ambassador Aleman in his remarks.

Also in attendance was Undersecretary for the U.S. Commerce Department's

International Trade Administration, Francisco Sanchez, who in his remarks addressed the concerns of the three pending bilateral trade agreements. "I am hopeful; I am confident the trade agreements will get to Congress," he said. "I am less confident on the timetable."

WITA Diplomatic Series: Embassy of Panama

On April 22, Ambassador Aleman hosted "WITA Diplomatic Series" for a discussion on the business and trade opportunities that exist between the US and Panama, specially in light of the expansion of the Panama Canal.

"From the Panama Canal to our consumption of US exports, the commercial relationship between Panama and the US has been historically intertwined," said Ambassador Aleman. "On top of it, Panama has become a commercially strategic location for US businesses to expand in Latin America."

REGIONAL SECURITY

GUATEMALA CITY, GUATEMALA-

On behalf of President Martinelli, Minister of Economy and Finance Alberto Vallarino traveled to Guatemala to meet with Secretary Clinton to discuss regional political stability, security and trade in the Western Hemisphere, vowing to intensify their fight against drug trafficking in the region on March 3.

From left, Presidents of Dominican Republic, Leonel Fernandez; Honduras, Porfirio Lobo; Costa Rica, Oscar Arias, Secretary Clinton, Guatemala, Alvaro Colom; Belize, Dean Barrow; El Salvador, Mauricio Funes; Panama, Minister Vallarino.



A Conversation with Ambassador Aleman

On March 4, Ambassador Jaime E. Aleman joined NDN Latin American Policy Initiative Chair Nelson Cunningham and US Representative Eliot Engel, Chairman of the Western Hemisphere subcommittee, for a discussion on the challenges and opportunities facing US-Panama relations.

“At the core of US-Panama relations today are national security concerns, drug trafficking and money laundering in the region, the strengthening of democracy, Panama Canal expansion project, and foreign investment and trade”, stated Ambassador Aleman. He also urged Congress to ratify the pending trade agreements, quickly noting that Panama is pursuing other trading partners while the US waits around.

US Representative Engel called on Administration officials to engage in a “geopolitical vision, aligning with countries that share similar ideals,” such as Panama. Concerning bilateral economic relations, Rep. Engel stated the main obstacle to passing the pending US trade agreements was the US political agenda, making it a political rather than substantive issue.

Ambassador Aleman supported this view, saying there remain only “minor issues” that can be resolved fairly quickly. He said Panama is committed to taking the necessary steps and is working closely with the Office of the US Trade Representative to secure the ratification of

the pending US-Panama Trade Promotion Agreement.

Secretary of Energy in Conference in DC

On April 15, representative from every country in the Western Hemisphere attended the Energy and Climate Ministerial of the Americas, hosted by the Inter-American Development Bank and US Department of Energy.

Energy ministers and other high-ranking officials from over 20 governments, including Panama’s Secretary of Energy Juan Manuel Urriola, gathered to talk about the progress of the Americas energy agenda, including a number of energy projects throughout Latin America and the Caribbean. The discussions centered around the need to decrease energy losses and improve energy efficiency in the Americas.

Current projects include the integration of Central America’s national electricity grids and the creation of a regional power market through SICA. There are also discussions on a plan to link infrastructure for long distance electrical transmission from Panama to Chile.

Frank Mora Visits Panama

Frank Mora, US Deputy Assistant Secretary of Defense for Western Hemispheric Affairs, visited Panama at the end of March to discuss security concerns within and around the region. Talks focused primarily on drug-trafficking in neighboring Colombia and the potential effects it can have on the Panama Canal.

“Colombia’s problem is Panama’s problem,” Mora said. “To think otherwise is a concept of the twentieth century.” Mora stated that both guerrilla warfare and drug-trafficking in Central and South America pose problems to the security in Panama and that the training and equipment to combat these threats are essential for police forces in the country.

AJC in Panama

President Ricardo Martinelli, Vice President and Minister of Foreign Affairs Juan Carlos Varela, and Ambassador Jaime E. Aleman met with members of the American Jewish Committee in Panama on Tuesday, March 23, for a three-day visit concerning foreign investment and political ties between Panama and Israel.

Vice President Varela discussed the economic and logistical benefits of foreign investment in the country, and the advantages they can bring. The 14-member delegation, headed by AJC President Richard Sideman, also met with members of Panama’s Jewish community and signed an association agreement with Panama’s central Jewish organization. Their visit follows President Martinelli’s recent trip to Israel.

“President Martinelli has made abundantly clear that Panama stands by the side of a fellow democracy,” AJC Director David Harris said. “We could not be more admiring and appreciative.”■

CHEF FROM THE EMBASSY OF PANAMA COOKS OFF EMBASSY CHEF CHALLENGE 2010

For the second consecutive year, Cultural Tourism DC played host to the Embassy Chef Challenge, a head-to-head cooking competition among chefs from embassies throughout the District. A two-part challenge, this year's cook-off featured ten chefs, including our own Chef Ana Victoria Mas.

Challenge Sweden kicked off the preliminary competition on March 7 with Embassy Chefs having to battle it out in an Iron Chef style challenge.

The competition moved on to the Embassy of Sweden, who played host to the culmination of Embassy Chef Challenge 2010, on March 18. Ten chefs cooked for over 400 guests and seven judges throughout the evening, showcasing both their food and countries.

At the end of the event, Chef Einat Admony of the Embassy of Israel was named the People's Choice winner, while the Embassy of Belgium's Chef Jan Van Haute won the title of Embassy Chef

2010 with his intricate display of pork belly and Brussels sprouts.

We congratulate Chef Ana for her dedicated effort in representing our Embassy and country!



Chef Ana Victoria Mas preps one of her dishes for the competition ahead.



EMBASSY PARTICIPATES IN TREE PLANTING ACTIVITY

The Embassy of Panama participated in the Woodland Normanstone Neighborhood Association's Tree Planting Event on Saturday, March 13. Several Embassy personnel joined Ambassador Jaime E. Aleman, his wife, and the community in planting trees and contributing to the picnic lunch afterwards.

Along with the Embassy of Panama, the Embassies of Australia, Azerbaijan, Belgium, Finland, and Venezuela were also present. The neighbors shared a pleasant afternoon, celebrating both an appreciation for their community and a love of their environment.

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