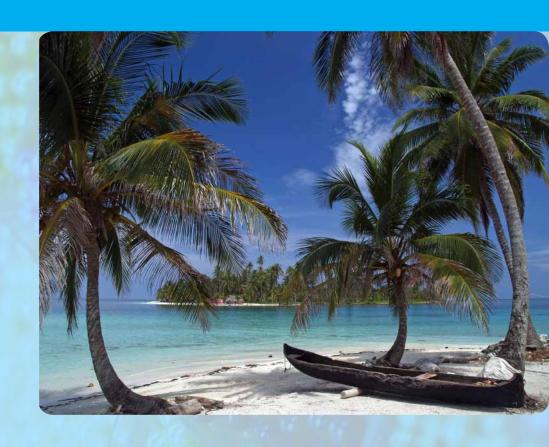
Import-Export Opportunities in Panama



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An International Living Import-Export report

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Opportunities in Panama

t's a little-known fact that Panama is one of the world's great melting pots and cultural diversity centers. In a country of around 3 million inhabitants (and about the size of South Carolina) you'll find expats and descendants from all over the world...as well as seven major indigenous tribes. Unlike in other Central American nations, where native tribes were virtually decimated by the *conquistadors* centuries ago, Panama's tribes continue to boast impressive numbers and live traditionally in vast autonomous reserve areas.

Tribal handicrafts are coveted for their beauty and the quality of the workmanship. Panama doesn't export these in significant numbers, so they are fairly rare on outside markets. For the enterprising mind, the situation spells o-p-p-o-r-t-u-n-i-t-y.

Molas are Panama's most eye-catching native handicrafts. The hand-sewn, multi-layered panels of appliqué form the front of the Kuna tribal dress for women.

The Kuna are Panama's best-known indigenous group for several reasons. Their lands include the Caribbean jewels known as the San Blas Islands (the correct name is not San Blas, but Kunayala). The Kuna have been leaders in the fight for indigenous rights and preservation of the natural resources on which they depend. They established the first autonomous reserve area (known

as a *Comarca*) in Panama, and each Kuna community has its own regulations for its inhabitants and visitors. This serves not only as an example to indigenous communities worldwide but also to encourage carefully controlled eco-tourism.

Colorful molas

The Kuna women are traditionally the makers of *molas*. They cut through between three and five layers of different colored cloth to create vibrant pictures of everything from birds and fish to flowers and abstract tribal patterns. They wear the *molas* over their chests as part of the elaborate dress still commonly used in Panama today. You may not want to wear the whole getup, but tourists find that *molas* make fabulous framed pictures, pillows, even purses.

You can buy *molas* all over Panama, but some of the best places (outside Kunayala itself) include Panama City's Casco Viejo sector and the weekend artisan market in the town of El Valle.



Artisan Melania Gonzalez (pictured with her daughter) and some of the molas made by the Kuna women

It is customary to bargain with sellers, particularly if you plan to buy more than one piece. *Molas* with simple designs can cost as little as \$10 for a panel 12 x16 inches or slightly larger, but for the more complex appliqué expect to pay closer to \$20 a panel. The price will be determined by the complexity of the design, the size of the *mola*, and by how many layers of appliqué the piece required.

No matter what you buy, you're likely to find they're all money-spinners. Even run-of-the-mill *molas* in the U.S. generally sell for upward of \$50...and a \$20 *mola* in Panama can easily fetch \$100 in parts of the U.S. and Canada. You can sell the panels as-is or frame them. Creative types are putting them on clothing trim, satchels and more, and selling finished products at boutique prices.

Hand-woven baskets

Panama's Embera-Wounaan tribes are known for their mastery in basket weaving and carving. You can visit tribe outposts in Panama's Darien province (known as the jungle province) or at handicraft markets in Panama City. The baskets vary in quality—look at the range of color or intricacy of the design and the tightness of the weave. The best woven baskets will even hold water, and take months to make by hand.

Baskets that are more crudely made might run you as little as \$10 for a tiny one (think less than five inches diameter), but the best work will run you anywhere from \$20 to \$50 (or more for large baskets). Turn around and sell these in the U.S. for \$50 to \$200 or even more. Larger baskets are sought-after collectors' items and make a dramatic statement in a boutique window.

Embera-Wounaan carvings

You might also consider buying and selling Embera-Wounaan carvings, often made out of natural, sustainable materials such as the soft tagua nut, referred to as "vegetable ivory." Before the widespread use of plastic, tagua was used to make everything from buttons to chess pieces. In fact, some say that there were expensive "ivory" pieces from the Victorian era that were actually made from tagua!



The tagua nut can be made into colorful necklaces like this one

Tagua carvings generally depict the animals of the rainforest...poison dart frogs are a popular motif, particularly the golden frog and red "strawberry" poison dart frog, both of which are endemic to Panama and a symbol of one of the world's most biodiverse regions. Buy carvings for as little as \$5 and you can easily sell them at a 100% markup.

Hand-woven shoulder bags

Another favorite Panama handicraft is the *chacara*, a delicate woven shoulder bag made by the Ngobe-Bugle tribes with lands in and around Bocas del Toro, Veraguas, and Chiriqui. The Ngöbe-Buglé use these bags for transporting everything from market goods to babies. The finer the weave, the more expensive the *chacara*. You can typically find excellent specimens in Panama City or Bocas del Toro for \$15 and up. Sell them for \$40 to \$50 in North America without breaking a sweat.

Beaded collars

The other primary art craft of the Ngöbe-Buglé are *chaquiras*—geometrically designed beaded collars historically used by warriors. (The Ngobe-Bugle men were once known as the hemisphere's fiercest fighters). These large, intricate necklaces were originally made with hand-dyed pebbles, shells, and bones, but today incorporate modern beads tightly woven into intricate designs that represent the landscape. Buy a large *chaquira* "chest plate" for \$20 to \$40 and the item could easily resale for \$75 and up.



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The native dress of the Ngobe women is bright and colorful and the children's version is particularly pretty

The *nahua*, the native dress of the Ngobe women, is comfortable and attractively trimmed with geometrical designs. The *nahua* for small children are adorable. And while an adult dress can cost anywhere from \$40 to \$60 (the machine-sown dresses are cheaper), a kiddie dress will cost you \$10 to \$20. Mark up your buys 50% to 100% and parents are sure to be happy to pay.

Panama: The Colon Free Zone

If you have ever considered starting up an export business, Panama is a great place from which to operate. In the Colon Free Zone, you can reap tax and financial benefits that are unrivalled anywhere else on the planet. Plus, you can gain easy, cost-effective access to a market of more than 500 million consumers in Latin America and the Caribbean.

The Colon Free Zone, located in the City of Colon, near the Atlantic entrance to the Panama Canal, is the second-largest duty-free zone in the world—second only to Hong Kong. Since its inception in 1948, it has grown from a mere 120 acres to over 1,000 acres, is home to more than 1,600 companies from across the globe, and employs over 14,000 people. In the past five years, the zone has averaged annual sales of \$12 billion.

But, despite what you may think, the Colon Free Zone is not just for big business. For more than 50 years, it has been growing its infrastructure, which has helped turn it into the greatest redistribution center for Latin America and the Caribbean. In fact, a new airport is under construction here.

Historically the small Aerodromo Enrique A. Jimenez airport in Colon City hosted only domestic flights, as the runways cannot accommodate larger aircraft. Located in the France Field section of the Free Zone, the airport getting a major facelift. Local sources say the new facility will boast the same capabilities as Panama's Tocumen International. Known as the Hub of the Americas, the latter is the major connection hub for flights between the Americas, and makes it a cinch to travel anywhere in the world.

The new Colon airport will offer international passenger and cargo flights for the thousands of businesspeople who visit the Free Zone every year. Until now, these travelers have typically been forced to fly into Panama City and travel an additional hour or two via train, car or bus to the Free Zone. Recently, the Panama-Colon toll road was completed, shortening drive time to about 45 minutes. Still, for the busy businessperson, direct international flights would save time and money.

By setting up operations in the zone you can take advantage of the region's premier strategic location while you avoid taxes, duties, and tariffs. While profits on sales conducted within Panama are subject to income tax, profits earned from exporting goods to other countries are exempt. Dividends to offshore stockholders are untaxed, as well.

To qualify for these benefits, a minimum of 60% of the goods must be exported. Satisfy this requirement and you'll benefit from the enormous tax incentives as well as from cheap and efficient access to markets.

The zone has developed a specific infrastructure that ensures easy and cost-effective distribution of goods internationally. It has unified and centralized its strong transportation network in order to reduce paperwork, freight costs, and transit time. Though few entrepreneurs are aware of it, the efforts of the Free Zone have helped make Panama one of the greatest and most cost-effective bases from which to export goods.

Getting to Colon and the CFZ

You can get to Colon by car or train. It's about an hour and a half by car (less on weekends and non-peak hours). The train tends to be full so book your ticket in advance. Hotels in Colon tend to have high occupancy rates, so if you intend to stay, reserve ahead of time. Royal Caribbean Cruise Lines has made Colon one of its home ports, and began offering cruise itineraries departing from Colon at the end of 2008, so there is an ever greater demand for hotel rooms during the November to April cruise season.

Shopping in the Zone

Anyone can visit, but the Colón Free Zone is essentially an enclosed commercial park. You need to take your passport with you to obtain a pass to get in. Taxis and rental cars aren't allowed into the area, so be prepared to do a lot of walking.

The Zone operates mainly on a wholesale policy. Think warehouses stocked high with everything from shoes to electrical goods to jewelry. The storefronts are essentially showrooms for bulk buyers. A scant few companies sell on a retail basis to tourists and casual shoppers, but prices aren't much different to Panama City—and the Free Zone has strict customs regulations. You aren't allowed to take your merchandise with you.

Along with proper customs documents, wholesale consignments have to leave the Zone with an authorized carrier. Smaller retail purchases get sent in-bond to Tocumen International Airport, while most large purchases are loaded into containers for transport by air or by sea.

More about Panama...

Panama is far more developed and modern than most people anticipate. The idea that moving to Panama means a move away from the First-World could not be farther from the truth.

This country has the most advanced and modern infrastructure in Central America...First-World convenience at Third-World prices—you can still take a taxi across town for a couple dollars, see a movie for under \$4, get a trim at the barbershop for \$5...or have dinner for two with a bottle of wine at one of the city's trendy restaurants for just \$30. Here you can find the same luxuries and amenities that you would hope for anywhere else, and can even afford more of them due to Panama's low cost of living.

Panama City is a bustling, vibrant, and exciting metropolis. There's a reason it's called the "hub of the Americas," and you can thank the Panama Canal for that. For more than 100 years, it's been the conduit between east and west, north and south. The influence of many different nationalities is vast. Walk the streets of Panama City and you will hear dozens of different languages...including English.

Outside the city, there are beautiful beaches everywhere, with the Atlantic Ocean on one side and the Pacific on the other. But there's more to Panama than a sophisticated city and gorgeous beaches. There are rolling green tropical mountains, fertile farmlands, lush rainforests, and small towns where foreign visitors are made to feel like family. There truly is something for everyone in Panama.

Climate and landscape

Panama is located on the narrowest and lowest part of the Isthmus of Panama that links North America and South America. Panama's two coastlines are referred to as the Caribbean (or Atlantic) and Pacific, rather than the north and south coasts.

Panama has a tropical climate. Temperatures are uniformly high—as is the relative humidity—and there is little seasonal variation. Diurnal ranges are low; on a typical dry-season day in the capital city, the early morning minimum may be 75° F and the afternoon maximum 84° F. The temperature seldom exceeds 90° F for more than a short time. Temperatures on the Pacific side of the isthmus are somewhat lower than on the Caribbean, and breezes tend to rise after dusk in most parts of the country. Temperatures are markedly cooler in the higher parts of the mountain ranges, and frosts occur in the Cordillera de Talamanca in western Panama.

Climatic regions are determined less on the basis of temperature than on rainfall, which varies regionally from less than 4–10 feet per year. Almost all of the rain falls during the rainy season,

which is usually from April to December, but varies in length from seven to nine months. In general, rainfall is much heavier on the Caribbean than on the Pacific side of the continental divide. The annual average in Panama City is little more than half of that in Colón. Although rainy-season thunderstorms are common, the country is outside the hurricane belt.

Cost of living

Panama offers a very comfortable retirement solution, in part because the nation is much more developed than most visitors expect. Many are shocked by the modernity of Panama and the clusters of skyscrapers that define Panama City's skyline. All of the amenities one could wish for are readily available.

By moving to Panama, you will enjoy the benefits of a developing economy where you can still take a taxi across town for a buck or two, get your haircut for a couple of dollars, or enjoy dinner for two with a bottle of wine at one of the finest restaurants in Panama City for a mere \$30.

The Pensionado program

As a qualified *pensionado*/retiree in Panama, you will be entitled to residency plus a host of discounts, including:

- 50% off entertainment—such as movies, theaters, concerts, and sporting events anywhere in the country
- 30% off bus, boat, and train fares
- 25% off airline tickets
- 50% off hotel stays from Monday through Thursday
- 25% off at restaurants
- 15% off hospital bills (if no insurance applies)
- 10% off prescription medicines
- 50% off closing costs for home loans and more...

You'll also get a one-time exemption from duties on the importation of household goods (up to \$10,000) and an exemption every two years from duties for the importation or, better yet, local purchase of a car.

Health care

Panama offers high quality medical care and modern hospitals in the metropolitan areas. For example, the Johns Hopkins-affiliated Punta Pacifica Hospital is the most technologically advanced medical center in Latin America.

In the city of David, in the Chiriquí Province in the western region of Panama, there are two medical centers with modern facilities, and growing towns like Boquete, Chiriqui, and Coronado, and Province of Panama have new medical centers scheduled to open in the next year. Many Panamanian doctors are U.S.-trained, and the standards at the top city hospitals compare very favorably with those in the U.S., Canada, and Europe.

Prices for prescription drugs are low as well, because manufacturers price them for the market. Plus, some drugs that require a prescription elsewhere are available over the counter in Panama.

Our favorite locations in Panama

Panama City



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If you're looking for inexpensive cosmopolitan living—but with the conveniences you'd expect in New York, Chicago, Miami, or any other major First-World city—you need to take a serious look at Panama City.

Panama City boasts a skyline of skyscrapers, modern office buildings, and hotels of shining glass and steel with world-class views of the Bay of Panama. The city is a major international commerce and banking hub, home to more than 80 of the world's largest banks and other giant multi-national corporations such as Federal Express, DHL, and Price Costco. There's a reason it's called the "hub of the Americas," and you can thank the Panama Canal for that. For more than 100 years, it's been the conduit between east and west, north and south. The influence of many different nationalities is vast. Walk the streets of Panama City and you will hear dozens of different languages...including English.

You can dine in five-star restaurants. Attend plays, symphonies, and the ballet and shop at the many unique boutiques. And in Panama City, you can enjoy these First-World luxuries at about half the price you'd pay in any U.S. city.

You don't have to be in Panama City long to see that it wasn't built overnight. The city is an enticing blend of colonial and modern architecture. A place where old meets new, and where it is an everyday experience to see a Kuna Indian dressed in a traditional colorful, beaded costume walking side by side with a businessman (or woman) carrying a briefcase and conducting business via their cell phone.

Boquete



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The forested mountains of Boquete offer another kind of paradise in Panama. This little valley, located in the mountainous Chiriquí region at an elevation of 3,500 feet, is one of the world's most wondrous refuges. Due to its elevation, daytime temperatures rarely dip below 70° F in Boquete and rarely climb above 80° F.

Nights are cool and comfortable. Boquete is ideal, therefore, as either a year-round, full-time retreat, or as a place to escape to for several weeks of the year. In our minds, it's hard to imagine a better haven than this little village. Boquete's lush green hills, flowing rivers, and spectacular waterfalls make it one of the most unspoiled retirement retreats in the world today.

Retirees have flocked to this retirement gem. With banks, B&Bs, hotels, and museums, Boquete is fast becoming an eco-tourist's mecca. From our vantage point in Panama, we've noticed that Boquete has more to offer every time we look. In the last few years a number of new developments have sprung up, including a riverside restaurant, a hotel, a folklore shop with arts and crafts from Central America, a visitors' center, and a sports center with basketball courts and baseball fields.

Find out more about Panama

Panama is not only the most sophisticated offshore haven in the Americas, with some of the cheapest beachfront in both the Caribbean and on the Pacific Coast, but it also has the best retiree benefits in the world. Learn more about one of the world's top retirement destination in our *Panama: The Owner's Manual*. It contains more than 200 pages of maps, property listings, details on cost of living, health care, banking, and residency requirements...plus contacts to help you buy, rent, start a business, retire, and travel in this glorious country. We think you'll enjoy finding out more. For more details, see:

https://orders.internationalliving.com/120SPTOMUP/U120N1UB/index.htm?pageNumber=2.