

Panama eyed for economic development riches

Diverse business opportunities available

Premium content from Tampa Bay Business Journal - by Mark Holan, Staff Writer

Date: Friday, May 20, 2011



COURTESY OF TAMPA HILLSBOROUGH ECONOMIC DEVELOPMENT CORP.

Tampa Hillsborough Economic Development Corp. Manager of International Trade & Investment Kathy Acevedo and President and CEO Keith Norden at the Panama Canal.

Business and political leaders are focusing fresh attention on economic development opportunities in Panama.

A delegation of more than a dozen corporate executives, port and airport officials and Tampa Mayor **Bob Buckhorn** traveled to the Central American nation May 4-7.

And planning is under way for another Tampa Bay delegation to visit Panama Oct. 7-13. The [Greater Tampa Chamber of Commerce](#) and [AAA Auto Club South](#) are organizing the trip.

Attention is focused on business opportunities related to expansion of the famous canal that bisects the isthmus, as well as enticing Panama-based [Copa Airlines](#) to make direct flights to Tampa.

Business and government officials said they are leveraging existing relationships and developing new connections now in hopes of landing new business in the years to come.

“Panama with the canal expansion is a place we need to understand and pursue whether a great amount of business develops or just some business,” said **Keith Norden**, president and chief operating officer of the Tampa Hillsborough Economic Development Corp.

Panama is in the middle of a construction boom, said **Mario Longhi**, president and CEO of Gerdau Long Steel North America, another member of the delegation.

“The opportunity for us goes with the infrastructure growth,” Longhi said.

[Gerdau’s role in Canal expansion](#)

Panama is building two new bridges over the canal, an expanded warehouse and manufacturing district, plus residential, retail and golf course development, he said.

“The port facility will be expanded in two phases,” Longhi said. “They are very well organized. You have a very diverse group of businesses looking at opportunities down there.”

Longhi said he expects activity to remain intense for several years. “A five-year horizon seems like a pretty safe bet.”

Panama is “business friendly for U.S. companies,” said **Herb Goetschius**, chairman of [McNichols Company](#), a perforated metal business that makes wire mesh, grating, railing guards and industrial flooring.

He said the company could still get a piece of the canal expansion, since its products typically are used toward the end of large infrastructure projects.

Goetschius said America’s former operation of the canal has a positive “lingering impact” and noted that Panama still uses our currency. He is hopeful for final passage of the U.S. Panama Free Trade Agreement, which would lift or ease tariffs outside the canal zone.

“I hope Tampa can take advantage of this relationship,” he said. “I think it would bode well for us.

Familiarity breeds understanding

Tampa’s effort to build business relationship with Panama is being spurred by longtime connections of port Director and CEO **Richard Wainio**. He grew up in Panama and spent more than 20 years working in executive positions, including executive director for the American Chamber of Commerce and Industry in Panama.

"I was very impressed by the well-organized relationships we already have there," Buckhorn said. "**Richard Wainio** has a very good reputation there."

As mayor, Buckhorn has seat on the Economic Development Corp. board and the port and airport boards. He is keen on seeing Copa switch one of its Orlando flights to [Tampa International Airport](#).

"Starting the process with Copa was the best thing that came about," said Buckhorn. "We weren't on their radar before and we are now. If we get a foothold there, then there will be opportunities to broaden to Central and South America."

A Continental Airlines affiliate, Copa bills itself as the "Hub of the Americas," with 49 destinations in 27 countries.

Tampa International Airport CEO **Joe Lopano** and Vice President of Marketing **Chris Minner** made a data-driven presentation to Copa executives.

They showed data indicating a potential customer base of up to 312 people a day flying from TIA to Panama City, where they could stay or make connections. Most of those people are now driving to other Florida airports.

TIA is exploring new international flights to Frankfurt, Germany; Sao Palo, Brazil, Bogota, Columbia and Mexico City, which also have strong Tampa-based passenger numbers. But Minner noted that each decision by airlines to add another connection is a little tougher than approving the previous city.

"The airlines have to make a business decision," he said. "They have to be convinced to look at the data for themselves. But we've convinced ourselves of the profitability of these routes."

A decision on adding new flights could take years.

Panama at a glance

- Located between Costa Rica and Columbia, with the Caribbean Sea to the east and Pacific Ocean to the west.
- Est. GDP in 2008 was \$25.04 billion. Est. annual growth rate of 5.6 percent.
- Natural resources include timber, copper and gold.
- Agriculture includes bananas, corn, coffee, shrimp and livestock.
- Service sector includes the Panama Canal, container ports, banking, flagship registry, tourism, and medical and health care.

Source: U.S. Department of State