

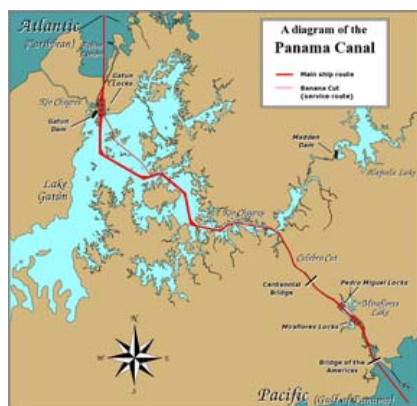
Panama has one of the fastest growing economies in the world. This has held true during the recent world economic recession, where Panama continues to realize sustained growth. The real-estate market in Panama is particularly attractive for people looking to live, work, retire and invest there. Panama's real-estate development is a result of direct foreign investment in the Panama economy, the fast growing middle-class, great retirement benefits, low cost of living, excellent weather (no hurricanes, tidal waves or tornadoes) and favorable tax laws including those that prevent real estate taxes for 20 years.

Location

Panama is a relatively small country in Central America that shares its borders with Costa Rica to the north and Columbia to the south. The country has just over 3 million citizens that speak Spanish; however, English is widely known and understood. Panama is home to pristine white sand beaches, world-class sport fishing, great surfing, beautiful mountains and lush rainforests that all provide for exploration and adventure. Panama is only a two and half hour plane ride from Miami, Florida and enjoys a healthy relationship with the United States. Because of this relationship, Panama has no military, and accepts the US dollar everywhere. The country enjoys a tropical climate year round with cooler temperatures in mountains. There has not been an earthquake, hurricane, volcano or tsunami for over a hundred years! Panama's most valuable resource and driving factor in the globalization of the country is the Panama Canal although, tourism and foreign investment has been increasing rapidly.

Canal

The Panama Canal is a man-made canal which joins the Atlantic and Pacific Ocean. Because all Asian exports including those from China, Japan, Singapore, and India go through the canal to reach the United States Eastern and Gulf coasts, the Panama Canal is critical to maritime vessels saving time and money in bringing cargo to its final destination. Cargo and cruise ships leaving the port of Miami and Caribbean destinations headed to the Pacific also



must pass through the canal. The canal is so important that cargo and other ships are built to comply with the "Panamax" standard of vessel size so that they are not too wide or long to pass through the canal. However, due to improvements in technology (the canal was built in 1914) and an increasing number of modern ships that exceed this limit, the Panama Canal has been undergoing a five billion dollar expansion since 2006. The expansion project will increase the number of ships that can pass through per day, expand the width of the

locks and make the process more efficient and economical for both the vessels and the country. Two new locks are being created in addition to the existing locks and the existing locks are going to continue to run indefinitely. This is a major economic factor in sustaining Panama's growth, as the canal continues to bring revenues to the expanding economy.

Economy

International banking services (there are 139 banks in Panama!) and re-exportations from the Colon Free Zone are Panama's major exports and its economy is mainly service based. Because it is home to the Panama Canal, and its proximity to both South and North America Panama has become a shipping, banking, and communications hub that the world depends on. International shipping has been paramount to Panama's economy for almost a hundred years. Naturally, many people from around the world participate in this industry and because of this Panama is a melting pot of religion, culture, and people of all races. Panamanians and their government are very friendly and welcoming towards foreigners and consider the visit to their country a complement. Due to Panama's development to cater to these industries and their employees, Panama has many first world amenities. Cable TV, widespread cell phone coverage, high-speed internet, and hospitals with American trained doctors are standard in Panama's major cities. Conveniently, Local and worldwide calls can be made instantly, and at very affordable rates. In addition to these first world amenities tourists and residents enjoy the second largest Free Trade Zone in the world, the largest retail mall in Latin America, and the largest kosher supermarket in the entire world.

Medical tourism has been increasing significantly as Panama has continued to receive international praise for its quality and affordability of healthcare. Considering its convenient location close to the United States and its American trained doctors, it's no mystery why Americans are coming to Panama for surgeries that cost on average 40 to 70% less. It's interesting to note that Panamanians have a very respectable life expectancy rate of 76 years old which is equal to that of most first world countries. Additionally, Panama is recognized as a safe country with a stable democracy around the world. Embassies and consulates of many developed countries are established in Panama ready to serve their citizens. The culmination of such makes Panama an attractive and safe destination for all.

In recent years, foreign investment in Panama has climbed significantly and Panama has become recognized an international hotspot. Major publications such as Fortune, Newsweek, London Financial times, International living, AARP, and the New York Times have spread word about Panama's real estate market, tax incentives, low cost of living, and fabulous weather causing international attention from retirees, investors, and vacationers. In 2007 international

arrivals in Panama went up 30% to 1.1 million which was the fastest growth in the hemisphere. The country's real GDP grew 11.2 percent in the same year and 9.5% percent the year after. The IMF forecasts 7.5% growth in 2009, a relatively small change considering nearly everywhere outside of Panama is in global recession. Unemployment in Panama is currently 5.5% percent which is the lowest it's been in 40 years. Additionally, prior to the 2009 world recession, Panama had averaged 1.5% inflation for twenty years. Although slightly affected because of global rising food and fuel cost, when visiting Panama you would not even notice there is a recession! In fact, IMF directors commented that Panama's financial sector has not been negatively affected by the global financial turmoil, noting the 'remarkable turnaround' in the non-financial public sector as well; these factors, combined with the strong economic growth, contributed to Panama's improved credit rating from Standard and Poor's earlier this year, earning the country a BB+ (stable). Furthermore, Hotel occupancy rates are steady at 80 to 90% and the government of Panama has asked developers to build more hotels because there simply isn't enough rooms to accommodate the increase in foreigners and businessmen.

Major hotel names have moved to Panama including Donald Trump, who has begun building the Trump Ocean Club International Hotel and Casino, and has announced plans in 2009 to build a second project. The Seminole Tribe's Hard Rock International plans its first Latin American hotel in Panama, and Miami based Nikki Beach Hotels and Resorts has plans to build an oceanfront resort and city tower. "Panama is gaining from tough U.S security rules after September 11, 2001, which makes it more cumbersome for foreigners to obtain U.S visas and cross U.S gateways." According to the president of Nikki Beach Hotels, "A lot of our international customers refuse to come to the United States now because of the hassles. It's so much easier to get into other countries." Jamaica's all inclusive chain SuperClubs is opening its first Central American resort in Playa Blanca as well. Panama is also becoming more accessible, as of late 2008 Royal Caribbean Cruise Lines made Panama one of its home ports and Dutch airline KLM, now merged with Air France, has resumed direct flights from Amsterdam to Tocumen airport in Panama City in response to increasing demand.

Multinational corporations such as Hewlett Packard, Dell, DHL, Adidas, Caterpillar, Procter and Gamble, Roch, Merck, Peugeot, Hyundai Heavy Industries, Western Union and more have announced the opening or expansion of their Latin American regional headquarters, and/or their call centers in Panama due to government tax incentives, relatively low-cost labor, a willingness to provide visas for foreign born executives, and Panama's increasing relevance and prime location with regards to the international community.

Macroeconomic projects

While the gaming and casino industry continues to report record revenues year over year, the banking industry extends its growth, foreign investment rises and tourism and eco tours flourish, the macro-economic projects in Panama assure a smooth and robust growth trend in Panama for the foreseeable future. Of course, the expansion of the Canal is the most publicized expansion due to its world-wide benefits and massive economic impact on world trade.

In the energy sector, there are twelve hydro-electric power plants being built or in the planning stages in the provinces of Chiriquí and Bocas Del Toro and wind turbine companies are in negotiations to supplement electricity. The Brazilian company Petrobras is planning an ethanol refinery plant in Panama from which it can redistribute ethanol more efficiently to North, Central and South America.

The Panama Maritime Authority is building a new pacific port complete with container port and access yard at the entrance to the Panama Canal and the Manzanillo International terminal is undergoing a dock expansion project to better serve the expected increase in traffic from the shipping industry. There are water projects, highway systems, school expansions, and hospitals being built throughout Panama to accommodate the forecast of growth in both the foreign and domestic population seeking to live in Paradise.

For more information about Panama and the unique Rodabi real-estate opportunities you can participate in join us on our *FREE* live webinar every Wednesday, 8:30 PM (Eastern)

Click the "Webinar" tab above