

Panama gateway opens to Latin America, Caribbean



Mr. Roberto Henriquez, Minister of Commerce of Panama (3rd from left) along with Mr. Vishnu N Hade, Indian Ambassador to Panama (2nd from left), Mr. Adolfo Linares Franco, President of Chamber of Commerce, Industry and Agriculture of Panama (extreme left) and Mr. Inocencio Galindo, President of EXPOCOMER (extreme right) inaugurating India Pavilion at EXPOCOMER.

The Federation of Indian Export Organization participated in EXPOCOMER 2010 held from March 3-6, 2010 in Panama City, Panama. EXPOCOMER is the leading international trade fair of the Latin American region. The fair was well publicized and had good footfall of visitors. Besides India, exhibitors from Argentina, Brazil, China, Colombia, Costa Rica, Cuba, Spain, France, Korea, Mexico, Panama, Taiwan and other countries participated. The currency of Panama is the balboa which is guaranteed by the US and is equivalent to US dollars. In practice, the US dollar is used for all economic purposes.

The India Pavilion was inaugurated by Mr Roberto Henriquez, Minister of Commerce of Panama along with Mr Vishnu N. Hade, Indian ambassador to Panama, Mr Adolfo Linares Franco, President of Panama Chamber of Commerce and Mr Inocencio Galindo, President of EXPOCOMER.

As many as 27 companies from India participated in the fair which

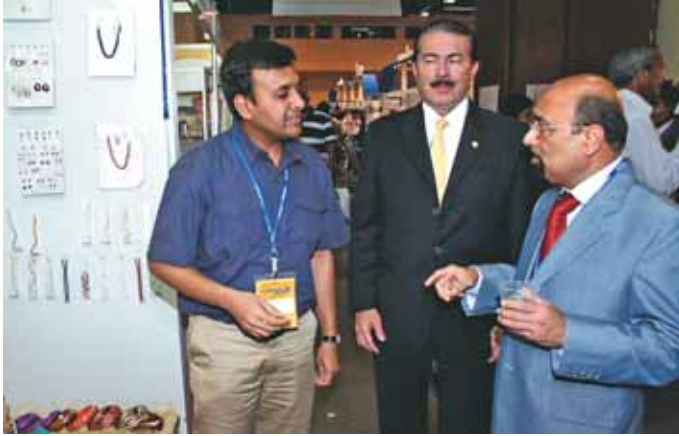
was attended by more than 500 exhibitors from around the world. While inaugurating the India Pavilion, the Indian Ambassador said EXPOCOMER will give excellent exposure to the Indian companies and also lead to furtherance of India's interests and opportunities in expediting commerce. Mr Hade said Indian companies should make use of the line of credit extended to Panama. The FIEO delegation included companies from sectors such as jute, handicrafts,

scarves, fashion accessories, home textiles like cushion covers, bed sheets, table mats, cotton linen and silk fabrics, carpets, tobacco products, liquor, automotive parts etc.

A large number of local importers namely Panafoto, Casa Bee's, Casa Del Dacron, Grumax Zona Libre, Importadora Central, Noritex, Orotex Internacional etc were invited to visit the India Pavilion. In his message to the exhibitors Mr A. Sakthivel, Presi-



From left, Mr. Inocencio Galindo, President of EXPOCOMER; Mr. Roberto Henriquez, Minister of Commerce of Panama; Mr. Vishnu N Hade, Indian Ambassador to Panama; Mr. S C Panda, Development Commissioner Noida SEZ; Mr. Naveen Saxena, Second Secretary, Embassy of India, Panama and Mr. Abhishek Tayal, Deputy Director, FIEO



Mr. Vishnu N Hade, Indian Ambassador and Mr. Roberto Henriquez, Minister of Commerce of Panama with one of Indian participants

dent, FIEO said that participation in EXPOCOMER will open new vistas for Indian companies looking for business opportunities in Panama and neighbouring countries.

EXPOCOMER should boost India-Panama trade, which has not been steady. India's export to Panama increased 80% to reach \$123 million in 2008-09 over the previous year, which was 69% lower than the year before that. The total bilateral trade between the two countries was \$258 million in 2008-09 and the trade balance was slightly in favour of Panama.

Colon Free Zone

The Colon Free Zone (CFZ) is a gigantic entity at the Atlantic gateway to the Panama Canal, dedicated to re-export an enormous variety of merchandise to Latin America and the Caribbean. With over 2,500 companies operating within its 450 hectares,

it is not only the world's biggest free zone after Hong Kong, but the best geographically located, and therefore the one with the best, most efficient and fastest distribution facilities. It is served by five major ports – all within a few kilometres. Some of the few features are as follows:

1. The Free Zone handles more than \$16 billion in imports and re-exports each year.
2. The zone hosts 250,000 buyers, business people and tourists each year.
3. Major markets include South America, Central America and North America.
4. "Tax free" is the key phrase involved in nearly all operations in the Colon Free Zone. In the Colon Free Zone companies obtain fiscal benefits such as:
 - No sales tax, no production tax.

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Mr. Anand Sharma, Hon'ble Commerce and Industry Minister has announced Rs. 625 crores package for exporters of garments, electronics, petroleum and agro chemicals. **FIEO demands for granting Market Linked Focus Products Scheme for garments sector for exports to US and EU has been agreed to.** Exports of garments to US and EU made on or after 1.4.2010 shall be legible for 2% benefit of Market Linked Focus Products Scheme till 30th September, 2010. For other sectors the benefit has been extended from 1.1.2010. The relevant Public Notice bearing Nos. 52 and 53 dated 31st March, 2010 are available at FIEO Website: www.fieo.org

- Tax exemption on income derived from abroad.
- No tax or duty on imports to or re-exports from the Free Zone to foreign countries.
- Income tax for the companies established in the Colon Free Zone is the same one that applies at the national level.
- Dividends to offshore stockholders are untaxed.
- There is no capital gains tax on the sale of Free Zone assets that have been held at least two years.
- There is no capital investment tax.
- No municipal or other local taxes apply to Free Zone firms.

More information on the Colon Free Zone can be get from www.colonfreezone.com



From left to right Mr. V S Velayutham, Chairman, Texprocil, Mr. Vishnu N Hade, Indian Ambassador to Panama, Mr. S C Panda, Development Commissioner Noida SEZ and Mr. Abhishek Tayal, Deputy Director, FIEO

Immigration Issue

While entering Panama at the immigration checks, passports of Asian nationals are withheld with the immigration authorities. Individuals are asked to collect their baggage and after some time (may be an hour or so) the individuals are returned their passports. It was informed that the passports are withheld to check the visas. However, it is not international practice to withhold passports and ask the visitors to immigrate without passport in hand. ■