

"...If the world had to choose its capital, the Isthmus of Panama would have been selected for this magnificent destiny, placed as it is in the center of the globe..."

"...The day that our plenipotentiaries exchange their powers, an immortal turning point shall be established in the diplomatic history of America. When, after one hundred centuries, posterity looks for the origin of our public law and evokes the agreements that consolidated their destiny, they shall record with respect the protocols of the Isthmus. In them they will find the plan of our first alliances that shall mark our relations with the universe. Then, what will the Corinthian isthmus be compared to the Isthmus of Panama?" ...

Simon Bolivar



INTRODUCTION

On April 2001, Her Excellency Mireya Moscoso, President of the Republic of Panama, made a public offering to her colleagues Heads of State and Government to make the City of Panama the Permanent Venue of the Free Trade Area of the Americas once the negotiation of this agreement of regional impact ends. The offer made by the Republic of Panama, presented at the highest level, is based on powerful reasons that bestow this candidacy enormous validity, authority and credibility.

REASONS WHY PANAMA DESERVES TO HOST THE PERMANENT VENUE OF FTAA

- **International trade has been part of the country's identity for centuries.**

Panama has been for centuries the natural bridge that facilitates trade and investment in the American continent, both regionally and extra regionally. Ever since the world famous Portobello fairs in the 16th century, which promoted trade between Spain and the colonies, Panama has played an important role in international development and prosperity due to commercial exchange and investment which the country has promoted and facilitated historically.

- **Geographical position: in the center of the hemisphere.**

Panama is equidistantly located in the center of the hemisphere: situated in the indisputable center of the Americas, it has been recognized as a true bridge uniting South, Central and North America with the Caribbean. Likewise,

PANAMA

flight distances are convenient, notwithstanding the point of origin, due to its strategic location, reason why it was chosen as the site of the construction of the world famous Panama Canal, one of the modern engineering marvels of the world and vital artery of hemispheric and global trade.

- **Historical recognition: from Charles V of Spain, Simon Bolivar and Ferdinand of Lesseps to Theodore Roosevelt.**

Visionaries of the stature of Simón Bolívar predicted the destiny of Panama centuries ago. Beginning with Charles V, King of Spain, who understood the crucial role that Panama had to assume not only due to its geographical position, but also because of its unique geographic configuration which makes it literally the narrowest point of the Americas. Since then, construction of a route to unite the oceans was in consideration. Bolívar went further on and convened a congress in Panama considered to be the first endeavor to unify the Hemisphere: The Pan-American Congress of 1826, a meeting of Hispanic American Republics, with the assistance of observers from other nations. The idea of an anfictionic congress was Bolívar's inspiration, based on the historic example of ancient Greeks that took to celebrating assemblies with the participation of all the cities, in order to discuss general topics of common interest. In the mind of Bolívar the idea of the Congress was part and parcel with the site of the meeting, and this was none other than Panama due to its privileged geographical position in America: the Pacific Ocean on one side and the Caribbean on the other, with the Isthmus as a bridge between the two hemispheres. The Liberator emphasized the importance of Panama in several documents, reiterating the vision of Francisco de Miranda. In the official communiqué of December 7, 1824, historically known as the Announcement of the Congress of Panama (signed by the Minister of Foreign Relations José Faustino Sánchez Carrion); Bolívar invited governments to send their plenipotentiaries to the city of Panama, so they could begin, jointly with those of Peru, deliberations on the Pan-American Congress.

The saga of Panama continued. After the failure of the French canal construction effort by Ferdinand de Lesseps, France's national hero, builder of the Suez Canal, Theodore Roosevelt, the charismatic US President, decided to build the Panama Canal, however he first had to convince important local and international public figures of the time. It was his unyielding faith in Panama that made possible the construction of the inter-oceanic Canal that divided the land to unite the world.

Panama has received votes of confidence from prominent individuals who changed world events, due to their firm belief that Panama is the true bridge of the Americas.

- **Merits obtained as Temporary Venue of FTAA**

In its capacity as Temporary Venue of FTAA from March 1, 2001 to February 28, 2003, Panama was an excellent host to the FTAA Secretariat and Negotiations Venue. By improving the initial terms of reference, Panama successfully fulfilled its responsibilities due to the joint effort of the private and public sectors. The multiple benefits offered by the Panamanian Venue included temporary legal status during the 24-month period in Panamanian territory, diplomatic condition to Secretariat personnel, special airport lines available to FTAA delegates, special discounts and benefits for negotiators, and an efficient Liaison Office between the Panamanian Government and the FTAA Secretariat. Likewise, studies made by the Tripartite Committee indicate that Panama is the FTAA Temporary Venue with lowest costs, thus promoting negotiations and participation of greater numbers of delegates representing different FTAA member countries. Panama's outstanding role was acknowledged in the Ministerial Statement of Quito, Ecuador, of November 2002, when the 34 member countries of the continent expressed their gratitude for "the valuable and substantial support provided by the Government, private sector and people of the Republic of



PANAMA

Panama to the Administrative Secretariat during their stay in the City of Panama." Recognition was also received from representatives of the FTAA co-chair at the Closing Ceremony of the Venue in Panama. US ambassador, H.E. Linda Watt, representing the North American Co-Chair, highlighted the excellent role of Panama as Temporary Venue of FTAA. In addition, Pedro Pablo Assumpcao, at that time ambassador of Brazil, pointed out that Panama is a true alternative with multiple advantages to offer to the American continent if it is selected as the Permanent Venue of FTAA; and that after its outstanding performance as Temporary Venue, it is in an excellent competitive position to be chosen as Permanent Venue of FTAA.

- **A country independent of economic blocks.**

It is well known that Panama is not integrated to any regional economic block; consequently, the country has a neutral demeanor, similar to that of Switzerland. This independence bestows Panama the qualification for an effective representation of the thirty-four FTAA member countries once negotiations are concluded, offering an objective, dignified and serious platform committed to hemispheric integration through trade and investment.

- **Objectivity in focusing trade issues that interest other nations.**

Panama maintains a technical and conciliatory approach regarding international trade matters. This approach has allowed its position in the negotiating table to give due consideration to the reality of smaller economies and, at the same time, due consideration to the need to embrace globalization and open markets concepts, thus building bridges between seemingly different positions.

- **Recognized as the ideal site for head offices of international organizations.**

Panama actually harbors the City of Knowledge, formerly Clayton military base, now an international complex for education, research and innovation, organized to promote and facilitate synergy between universities, scientific research centers, new economy corporations, and international organizations. The City of Knowledge Foundation is a private non-lucrative organization, created in 1998, with a Board composed by representatives from the academic, trade, labor, legislative and government sectors.

International organizations established in Panama include the United Nations International Children Education Fund (UNICEF), the World Food Program (WFP), the Regional International Organization for Agriculture & Cattle Health (RIOACH), the Smithsonian Tropical Research Institute, the Latin America Exports Bank (BLADDEX), the Center of Water of the Humid Tropic for Latin America and the Caribbean (CATHALAC), the Center for the Prevention of Natural disasters in Central America (PNDCA), and the International Federation of Red Cross Societies and the Half Red Moon (IFRC).

Furthermore, Panama hosts the Permanent Secretariat of the Organization of Supreme Courts of the Americas (OCSA), and just recently inaugurated the regional head office of the International Federation of Red Cross Societies and Half Red Moon for Mexico, Central America and the Caribbean which will provide assistance to 23 Red Cross organizations in the American continent.



PANAMA

- **Panama: A Country with a true vocation for international trade.**

Panama is a country with a true vocation for international trade. Its logistical platform includes the Panama Canal, which serves 120 maritime routes of eighty countries in the world; a hub to stock and redistribute merchandise through its Colon Free zone; seven private ports, one of them Manzanillo International Terminal in the Caribbean, that boasts the largest port traffic Latin America with an annual movement of 1.4 million containers, and Balboa, the port with largest movement of merchandise in the Latin American Pacific coast; and an inter-oceanic railway specialized in container transport, moving cargo from coast to coast in 50 minutes to be shipped to other destinations.

The largest merchant fleet in the world flies the Panamanian flag. Likewise, COPA Airlines, with its Hub of the Americas in the Tocumen International Airport, transporting cargo and passengers throughout the American continent; and the regional center of DHL, take advantage of Panama's privileged position to redistribute cargo in the Western Hemisphere. Finally, the Banking Center is a facilitator of international business, with efficient and transparent world class operations.

- **The Mission of a small country with an international vocation: To Serve the World.**

As a result of the responsibilities assumed in the Panama Canal Treaties, Panama must ensure the fast and continuous transit of vessels from all the countries in the world. Its mission of world service was defined since the beginning of the Republic with the motto in its national emblem that reads: FOR THE BENEFIT OF THE WORLD.

The unique Panamanian geographical position allows the country to serve the world as one of the great facilitators of global trade. Approximately 6% of world maritime trade transits the Panama Canal - 15% of the total US trade, 28% of Chilean trade, 28% of Guatemalan trade, 58% of Salvadorian trade, 42% of Peruvian trade, 43% of Ecuadorian trade, and 81% of Nicaraguan trade. Panama's logistical platform has made it possible to make the country a first-class facilitator of trade and investment in the Western Hemisphere, playing a leading role in world trade.

- **Panama: A multi-religious, multi-ethnic and multi-lingual country, historically, South American; geographically, Central American; culturally, part of the Caribbean; with strong ties with North America.**

With influences from all parts of the world, Panama is a cosmopolitan country, with a tolerant society and an ample acceptance of races, nationalities, languages and creeds. The Panamanian nationality is a mixture of influences received from all parts of the world during hundreds of years.

Having reached one hundred years of Republican existence, a tribute was rendered to Panamanian roots, with recognition to the Spanish, US, Chinese, Hindu, West Indian, Hebrew and the native indigenous influences, among others, that have enriched the Panamanian nationality due to their diversity. Panamanian society is unprejudiced and open-minded. A good example of this attribute is the role of women in the economic, social, political and cultural matters of the country, being the only country of the Western Hemisphere with a woman President, as well as the role of Panamanian citizens with diverse ethnical and religious backgrounds in prominent positions in business and political activities.



PANAMA

- **Panama: A natural facilitator of understanding and convergence of the American continent.**

The close relationship between Panama and the Western Hemisphere in its condition of true bridge of the Americas has efficiently contributed to regional understanding. Thus, Panama has taken the responsibility of hosting crucial meetings resulting in positive contributions to peace processes and regional integration. From the Contadora Group meetings, the creation of the Group of Rio, facilitator of the Central American peace agreements, to the responsibility as temporary host of FTAA Secretariat and Negotiations Venue, Panama as a small and neutral country, has been an appropriate forum to promote agreements based on the common interest and understanding of the countries in the region. It has been host to the 2000 Iberian-American Summit, Temporary Presidency of the Central American Integration System (SICA), and the site of important ministerial and business meetings of the region. Panama plays an important leadership role in the region, confirmed in its commitment to make its Capital City, Permanent Venue of FTAA and demonstrated by its true dedication to the economic and social development of the Western Hemisphere.

- **The Aspiration of Panama to Host the Permanent Venue of FTAA: a project of State**

The Panamanian offer to host in the City of Panama, the Permanent Venue of FTAA is a State project, assumed with similar or even greater responsibility than the commitment to be the temporary host of FTAA's secretariat and negotiations venue, the country's commitment for two years. For the aforementioned reason, this project is endorsed by the highest levels of the government, headed by Her Excellency Mireya Moscoso, President of the Republic; the National Assembly, our legislative body, the private, academic and professional sectors, and the Panamanian people, that for over two years were the greatest facilitators of the FTAA negotiating process, particularly during the challenging period the world endured after the appalling aftermath of the September 11 terrorist attacks. It is recognized that during the stay of the FTAA Secretariat in Panama, there were no protests or negative attitudes neither against the activities in progress, nor the personnel of the Secretariat or the Delegates of the different countries in the negotiating process. On the contrary, there was a very positive integration of the visitors to the Panamanian society, which welcomed them in diplomatic, cultural, social and business circles.

- **Panama: a country with valuable people who exceed locally and internationally**

The Panamanian economy stands out because approximately 70% of its GDP is generated by the Services Sector. This is the result of its high quality human resources who compete internationally, excelling in their capacity and performance in legal, banking, financing, insurance, reinsurance, arbitration, among many other productive activities. One of the first export products of the country include excellent attorneys' firms, with world class lawyers graduated from the best law schools in the world. Moreover, there are excellent mediators and arbitrators that through traditional Panamanian mediation and arbitration activities are key players in the resolution of extra-judicial controversies derived from the interpretation and application of contracts and multilateral and bilateral agreements, both domestically and internationally. Furthermore, world class Panamanian economists and bankers hold important executive positions worldwide. Currently, Panama has a large level of professionals who stand out in diverse productive areas, but for the most part in all direct or indirect activities associated to trade, investment and regional integration.



PANAMA

- **Panama: A Democratic Country with a culture of peace**

Panama is a democratic country, where peace is cherished and promoted. Panama is the only country in the Western Hemisphere, jointly with Costa Rica, that has constitutionally abolished its army, and where important decisions are reached through ample dialogue between representatives of political and social sectors in the country. Thus, the Constitutional Title that regulates the Administration of the Panama Canal was the result of national consensus.

Panama is a small country that with patience and perseverance, achieved through negotiation and diplomacy the transfer of the Panama Canal and its adjacent areas in an orderly and peaceful manner; in an atmosphere of harmony and responsibility between the most powerful country in the world and the second least populated country in Central America.

- **Panama: A small and neutral country that has traditionally assumed great responsibilities with the world with proven capacity to host the Permanent Venue of FTAA**

Panama has just celebrated its first 100 years of existence, and has been managing for over four years, the Panama Canal, faultlessly. Under Panamanian administration, the time crossing the waterway has been reduced in one third; accidents have decreased to historical minimums with no pattern of comparison because of the larger volume in transits; huge undertakings have been accomplished such as the widening of Galliard Cut, in order to allow a two-way transit in the narrowest section of the Canal, this task being achieved 10 years ahead of time and at lesser costs in hundreds of millions of US dollars, in contrast to the original estimates made by the previous administration; a ISO 9001 certification has been obtained for the largest number of public servants in the world, among many other achievements which underline the seriousness with which Panamanians assume their commitments.

Panama is a small, neutral country that serves the world and offers a committed, safe and sound platform, to administer, implement and interpret the Free Trade Agreement of the Americas. Panama has demonstrated that small countries can play an important role in contributing to the progress and development of the Western Hemisphere, through trade and investment and, specifically, in the integration process.

Favoring Panama as Permanent Venue of FTAA will ensure an independent administration and implementation of this crucial trade agreement for the American continent. Panama is committed to exercise its neutral role as host if chosen as permanent host of the FTAA. This implies an equal commitment with each country in the hemisphere to meet their expectations and needs in the implementation of a treaty that should be instrumental for the well-being and progress of the 34 nations of the hemisphere that are currently negotiating this important regional integration agreement.



Panama Canal Authority Administration Building

PANAMA

ELEMENTS TO BE CONSIDERED IN THE EVALUATION OF THE CITIES PRESENTING THEIR BIDS TO HOST THE FTAA SECRETARIAT



Tocumen International Airport - The Hub of the Americas

I. SECTION ONE - TRANSPORTATION

Tocumen International Airport, located in the city of Panama, is the most important hub in the Americas - linking air routes between every country in the continent with the rest of the world and offering convenient schedules and flight connections for more than two million passengers per year.

Panama's Copa Airlines became business partner with Continental Airlines, the second largest airline in the United States with more destinations in the continent, crafting the most effective and strategic alliance in Latin American and Caribbean aviation history. During 2003, the Tocumen hub provided both companies with the infrastructure necessary to transport more than 1.3 million passengers from Panama to 30 destinations in 20 countries in the Americas.

Each year, more than 52,000 airport operations are carried out in Tocumen. There are 15 direct flights from Panama city to the 34 capitals of member countries of the Free Trade Area of the Americas (FTAA) and 18 others can be reached through a single stop. Tocumen also offers direct flights to another seventeen major cities in the Americas.

Since the Republic of Panama is located in the center of the Western Hemisphere, this position makes its capital city be considered halfway between Canada in the north and Chile and Argentina in the south. For this reason, Tocumen airport offers short, comfortable and equidistant travel times for all passengers in the region.

An additional advantage contributing to the success of this hub for Latin America and the Caribbean is Panama's favorable climate, which enables Tocumen to have an around-the-clock operation, throughout the year, without migration and customs requirements for transiting passengers. It should be noted that the airport only closes down, due to adverse climatic conditions, an average of eight hours per year.

PANAMA

Tocumen offers expeditious ground transportation to the center of the city by way of the Southern Corridor - a 19.5-kilometer speedway which includes an uninterrupted marine thoroughfare, providing a fast, convenient, accessible, affordable and safe transportation alternative.

Tocumen's modern facilities include banks and money exchange houses, restaurants, a casino, a business center with Internet access, rest areas, airline VIP lounges, such as American Airline's Admirals Club, COPA-Continental President's Club and the Royal Salon, a privately owned company whom for a reasonable fee provides VIP services to passengers and airlines as well including the immigration tramits; two diplomatic and consular lounges, and the most complete duty free shopping area of any airport terminal in the region.

Considering the sustained passenger growth in the past twelve years, as well as the fact that Panama experienced nearly an 8% increase in tourism during 2003, the government corporation that administers Tocumen International Airport is planning to expand the terminal by 14,875 square meters. This project should be completed by 2006 and, among other improvements, would almost double the number of passenger boarding lounges and gates, as well as the baggage handling capacity, incorporating new internal circulation areas and new shopping sections, restaurants and recreation areas.

Regarding the requirements established in the Co-Chair's Document pertaining to "Elements to be considered when assessing cities presenting their aspirations to become the location of the FTAA Secretariat", the Republic of Panama provides the requested information below; while a chart of Panama's offer concerning air routes and fares, including special prices to FTAA officials, is shown in Section III.

A. AIR TRANSPORTATION

- A.1. CURRENT COST IN US DOLLARS OF ECONOMY CLASS ROUND TRIP AIR FARES, WITHOUT ANY RESTRICTION, OF THE MOST DIRECT ROUTES FROM EACH CAPITAL OF THE FTAA MEMBER COUNTRIES TO THE CITY OF PANAMA.**
- A.2. DAILY AND WEEKLY NON-STOP AND ONE-STOP FLIGHT FROM EACH CAPITAL OF THE FTAA MEMBER COUNTRIES TO THE CITY OF PANAMA.**
- A.3. APPROXIMATE TRAVEL TIME OF THE FLIGHT OPTIONS FROM EACH CAPITAL OF THE FTAA MEMBER COUNTRIES TO THE CITY OF PANAMA.**

Table I includes information about requirements A.1., A.2. and A.3. Moreover, the Republic of Panama presents, in Table 2, details pertaining to other cities in the continent with direct flight services to Tocumen International Airport. Section III presents the significant airfare discounts offered by Panama to FTAA personnel and members of permanent missions credited to the FTAA, should Panama be selected as the site of the Permanent Secretariat of this regional integration effort.

PANAMA

Table No. 1
Air Transportation

From	Direct Flights	Direct Flights Frequency	Number of Connec.	Connection Frequency	Stop overs	Connecting City	Travel Time in hours	Fare in US\$
Montevideo	0	0	3	Daily	1	Sao Paulo/Buenos Aires/Santiago	12.52	845
Paramaribo	0	0	2	1/4/5/7	2	Curacao/Caracas/Port of Spain/Kingston	12.5	1,668
Port of Spain	0	0	3	Daily	1	Miami/Caracas/Newark	9	780
Caracas	2	Daily	2	Daily	1	Bogota/Miami	2.16	534
Guatemala	1	Daily	2	Daily	1	San Jose/ Miami	2.2	655
Georgetown	0	0	1	Daily	1	Miami	13.55	1,510
Sto. Domingo	2	Daily	1	Daily	1	Miami	2.22	524
Quito	2	Daily	3	Daily	1	San Jose/Bogota/Miami	1.45	389
San Salvador	1	Daily	2	Daily	1	San Jose/Miami	1.5	540
Managua	2	Daily	2	Daily	1	San Jose/Miami	1.3	440
Washington D.C.	0	0	4	Daily	1	Newark/Houston/Atlanta/Miami	6.34	930
Lima	2	Daily	2	Daily	1	Bogota	3.29	513
Port au Prince	1	1/4	1	Daily	1	Miami	3.4	499
Kingston	1	1/4	3	Daily	1	San Juan/SanJose/Miami	1.55	475
Nassau	0	0	3	Daily	1	Miami/Atlanta/Orlando	5.35	876
Bridgetown	0	0	3	Daily	1	San Juan/Kingston/Miami	10.45	1,220
Belmopan	0	0	3	Daily	1	San Jose/San Salvador /Miami	5.2	696
La Paz	0	0	1	Daily	1	Santa Cruz	7.5	649
Tegucigalpa	1	Daily	2	Daily	1	San Jose/Miami	2	651
Mexico D.F.	3	Daily	6	Daily	1	Bogota/San Jose/Miami/ Orlando/Houston/Newark	3.35	643
San Jose	4	Daily	6	Daily	1	Bogota/Miami/Houston/ Newark /San Juan	1.15	459
Bogota	3	Daily	3	Daily	1	Cartagena/Medellín/San Andres	1.1	318
Brasilia	0	0	3?	Daily	1	Sao Paulo / Buenos Aires	11.5	1,356
Santiago	1	Daily	4	Daily	1	Bogota / Santa Cruz /Miami/Atlanta	6.4	880
Buenos Aires	1	Daily	4	1/4/6	1	Bogota / Santa Cruz/Miami	7.2	839
Asuncion	0	0	1	3	1	Santa Cruz	15.2	940
St. John's	0	0	2	Daily	1	San Juan / Miami	10.45	1,109
St. George	0	0	1	1/2/3/5/6/7	2	San Juan	10.45	1,200
Basseterre	0	0	1	1/3/4/5/6/7	1	San Juan	8.05	1,072
Castries	0	0	3	Daily	1	San Juan	9.17	1,089
Kingstown	0	0	2	Daily	2	San Juan/Miami	7.29	1,314
Ottawa	0	0	4	Daily	1	Newark/Houston/Miami/Atlanta	9.52	943
Roseau	0	0	1	1/2/3/5/6/7	1	San Juan	10.00	1,134

90 days unrestricted round-trip economy class fares. Valid as of 1 February 2004

PANAMA

Table No. 2
**Other cities in the hemisphere with direct flights to
 Tocumen International Airport**

Santa Cruz	Cancun	Miami	Guayaquil	Newark	Houston
Atlanta	Cali	San Juan	Los Angeles	Medellin	Sao Paulo
Guayaquil	Barranquilla	San Andres	Orlando		

B. GROUND TRANSPORTATION

B.1. COST, TIME, DISTANCE IN KILOMETERS AND FREQUENCY OF GROUND TRANSPORTATION OPTIONS (TAXI, BUS, RAILROAD) FROM THE AIRPORT TO THE CITY CENTER.

Tocumen International Airport (TIA) has the following ground transportation options from the terminal to downtown Panama:

- * **Tourism Taxis:** These are based at the airport and work exclusively to provide passenger transportation services to the city center. The taxi fleet consists of modern, air-conditioned and white colored vehicles, each identified with a visible registration number.
- * **Regular Bus Routes:** These are part of the city's public transportation network. They are convenient and affordable in terms of price, route coverage, frequency of stops and availability of vehicles. Some have air-conditioning.
- * **Shuttle Services:** This is a complementary service offered by a large number of hotels in the city.
- * **Car Rental:** There are eight car rental companies at TIA conveniently located in the terminal and offering a variety of models.

Table 3 presents ground transportation services from Tocumen International Airport to the center of the city of Panama through the Southern Corridor highway taking into consideration specific means of transportation, cost and frequency.

The ride through the 19.5-kilometer, toll highway which borders the southern internal coast area of the city of Panama, should take no longer than 15 minutes.

Another option included in Table 3 is the Boyd-Roosevelt Avenue, an urban thoroughfare with heavy traffic during peak hours, through which the 35-kilometer ride to the city center could take approximately 40 minutes.

B.2. TAXI COST PER KILOMETER / MILE

The city's regular taxi service comprises more than 16,000 vehicles, which represents a considerable amount vis-à-vis the population density. Taxis are available within six geographic zones at any time of the day and the fares are very low. The fare for one passenger traveling within a 5-kilometer radius should be approximately US\$1.00.

PANAMA