

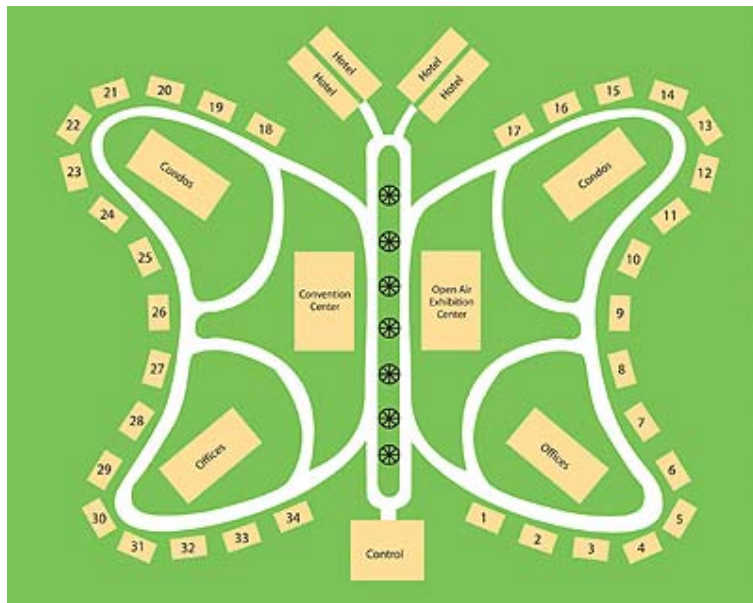


Insider



## PIMM: Invest in \$62,500 Condos and \$100,000 Concessions

By Jessica Ramesch



*What has wings, antennae, and over five thousand showrooms?*

The Colon Free Zone is full to bursting, with long waiting lists for showroom space. So what's the eager import/export entrepreneur to do? The [Panama International Merchandise Mart](#) (PIMM) may be the answer (and don't let the pretty butterfly picture throw you off...these folks mean business). Dennis Smith, a Vice President at PIMM, gives us the inside scoop on the project and its current status. Says Smith: "The CEO and President, Reynald Katz, had the idea for PIMM when he couldn't find showroom space for his business in the CFZ (there was a 2500 person waiting list). He founded PIMM in 2007 to fill the need as a result."

What exactly is PIMM? A [wholesale merchandise mall](#), to be built by 2010, that will offer Latin American and Caribbean wholesale buyers greater convenience closer to home. It's no secret that more and more of these buyers—from countries like Venezuela and Colombia, among others—need an alternative marketplace to the U.S., where heightened visa restrictions can be an obstacle to doing business.

The PIMM complex, on 1500 acres in Buena Vista, Colon Province, will house over 5,000 showrooms for international manufacturers, as well as convention centers, hotels, offices, residential and visitor accommodation, and banks. If you have a product that you want to market to the thousands of wholesale buyers that travel to Colon every month, a showroom of your very own may make sense.

Unlike the CFZ, PIMM will not offer warehousing facilities. (If you need warehousing, this is easily contracted through logistics companies in Panama, see *Zero Capital Investment and Zero Overhead: Start Your Own Import/Export Business* on page 4.) The site is 30 minutes by car from Panama City and 25 miles from the town of Colon. You can reserve your space for as little as \$1,000, and financing is available to the tune of up to 60% over 20 years.



*PIMM is located between Panama City and Colon, off of the Panama-Colon Highway.*

"We have showrooms and [offices](#) from \$2,500 per square meter (about \$232 per square foot), which are a third of what you pay in Europe, China and the U.S." says PIMM CEO and President, Reynald Katz.

According to PIMM representatives, the project's first phase of pre-sales sold out six months ahead of schedule, and [1500 showrooms have been snatched up by eager wholesalers and import/export operations](#). But showrooms aren't the only opportunity offered by PIMM. You may want to consider investing in PIMM concessions or condos.

If you're interested in running a concession, PIMM offers fast food, restaurant, hotel, and even vending machine concessions...and if you have an idea for something different, now's the time to pitch it. CEO Reynald Katz is accepting ideas for concessions, and prices begin at just \$100,000 for food concessions.

Why might you want a concession here? Sheer numbers. PIMM representatives say their "conservative estimate" puts the initial client base at over seven million per year. That's not including the many international and local employees that will work here every day. Imagine how many hot dogs or tofury burgers you'll be able to sell.

And then there's the question of where all these people will stay. PIMM will offer hotel space and condos—a good thing, as Panama is currently experiencing a shortage of hotel rooms nationwide. Investing in a hotel or condo-hotel is looking like it'll be a sure bet anywhere in Panama over the coming years.

If you don't have the capital to finance your own hotel in PIMM, consider buying a condo here—either to offer for rent or just as an investment. Prices start at about \$62,500 for just over 500 square feet, with 1600-square-foot condo units available for around \$187,500. (Units \$80,000 and under might be eligible for preferential financing interest rates...see *Obscenely Low Mortgage Interest Rates* in the "Updates from Around Panama" section on page 15.) [Find more about the condos at PIMM here.](#)

But don't wait too long, things are really moving at PIMM according to Smith: "We have signed a contract for [financing and construction](#) with Mexico's Bufete Industrial de Ingeniería y Construcción S.A. (BIICSA). The company is based in Mexico City and is one of Mexico's largest international property development groups, with projects and operations in 10 countries. And we already have a signed concession agreement with Spain's H. Top Hotels for a 5-star hotel with 300 rooms, to be built in the PIMM complex. In addition, we've finalized or are in contractual negotiations with major wholesalers and manufacturers from throughout Latin America, the U.S., China, India, Japan, and others."

PIMM was even featured in the prestigious [Latin Business Chronicle](#) recently. According to the special report, Chinese and Indian companies are PIMM's biggest showroom buyers.

Construction will begin by August of this year and PIMM will be open for business in 2010.

*Reynald Henry Katz has worked in the international wholesale marketing sector, including serving in a trade-advisor role for the U.S. and other countries. He is the owner and CEO of Serlogin S.A., a multi-million dollar logistics company located in Panama's Colon Free Zone and Scottish Spirits Ltd., an international liquor supplier. For more information or to submit a concession idea, contact [pimmventas2@pimm.com](mailto:pimmventas2@pimm.com).*

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