

# LATIN BUSINESS CHRONICLE

Monday, March 24, 2008

## Panama Merchandise Mart Expands

Panama International Merchandise Mart aims to become Latin America's largest, thanks in part to Chinese and Indian companies.

### BY CHRONICLE STAFF

At the Panama International Merchandise Mart (PIMM), which aims to become the largest wholesale merchandise center in Latin America, Chinese companies account for the largest contingent of the 1,150 showrooms that have been sold out so far.



**PANAMA MART: Panama International Merchandise Mart is located between Panama City and Colon. (Photo: PIMM)**



That is no coincidence. Despite its small size, Panama is China's third-largest export market in Latin America, behind Mexico and Brazil (the region's two largest economies), according to a *Latin Business Chronicle* analysis of data from China's Ministry of Commerce (see [China: Latin Business Boom](#)).

Also Indian companies are big clients, says Reynald Katz, president of PIMM. The remaining come from countries including Canada, Italy and Venezuela. "Panama is the logistical center of Latin America," he says, explaining why the mart was located there.

### THE PANAMA HUB

PIMM will further add to Panama's growing importance as a regional hub for international business. The country already hosts the Panama Canal, the world's largest shipping registry, the world's second-largest free trade zone after Hong Kong and Latin America's largest international banking center. It is also increasingly being used as a hub for multinationals like Procter & Gamble and Hewlett-Packard (See [Panama: Regional Champion](#)).

The mart will start construction in September and be ready by 2010, according to Katz. PIMM will be developed in the Colon Province in northern Panama at a cost of approximately \$1 billion dollars by Mexico's Bufete Industrial de Ingenieria y Construccion SA de CV (BIICSA). It will be the company's first infrastructure investment in Panama, Duilio Mottura, director of BIICSA for Central and South America, said in a statement.

BIICSA is one of Mexico's largest international property development groups, with projects and operations in 10 countries, including the Punta Bandera and the Rosarito Resorts in Baja California, the Legislative Palace in Mexico City and the petrochemical infrastructure for PEMEX (with Kellogg International – KBR), the company said. BIICSA has also completed projects in South America and the Caribbean.

### **SPANISH HOTEL**

The PIMM will include 6,800 showrooms, four hotels with a total of 1,000 rooms, an office park and onsite condominiums. "We have signed a \$50 million deal a top hotel [chain] from Spain," Katz says. He did not provide further details.

The condominiums are being developed as a convenience for the many foreign companies that are buying at PIMM, but don't have a place to lodge their employees and executives, Katz says.

The mart is located 40 kilometers between Panama City and Colon. "Our land is 683 hectares," Katz says. "No such large space was available in Colon city."

So, how successful can the PIMM become? Similar marts have succeeded in Shanghai, the Panda Mart Dubai and Dallas (the world's largest), Katz points out. PIMM's management now includes Victor Gutiérrez de Piñeres as executive vice president. Gutiérrez de Piñeres is a former manager of international marketing at Dallas Market Center.