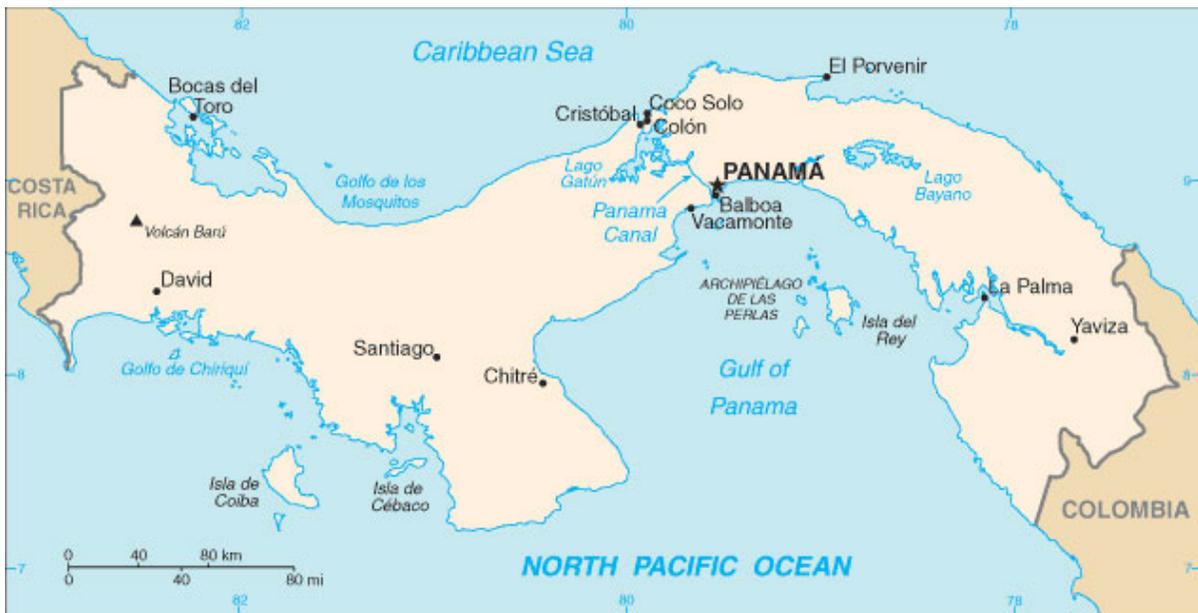


Planting Your Flag in Panama

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Why Panama?



Panama, often referred to as “The Bridge of the World,” has been proclaimed Central America's next must-see destination. The country's natural assets are many, and include a kaleidoscopic landscape with some of the region's most glorious Caribbean and Pacific beaches, pristine rainforests, and peaks blanketed in cloud forests. The sizzling cosmopolitan capital of Panama City has been compared to Miami or Hong Kong, and of course, there is the canal.

The contrast of the modern, highly developed Panama City with the remarkable biodiversity is just one of the features that make Panama unique. Panama owns a cultural multiplicity that makes it unique in the region; one of the biggest contributors to this cultural richness is the constant presence of people from all parts of the world. The origin of this singular cultural mix is without a doubt the crossroads characteristic of the country. In addition, the intense connection of Panama's 3.8 million inhabitants with the sea makes it very similar to an island of the Caribbean. Spanish is the official language of Panama, but many languages can be heard in Panama City due to the constant international traffic.

History of Panama

Prior to declaring its independence from Spain in 1821, Panama was already an important interoceanic trade hub. Founded in 1517, Panama Viejo is today a picturesque set of ruins. It was the first city in the Americas built on the Pacific Ocean, and was built as the city to receive all the riches the Spanish plundered from the Incan Empire of Peru. The loot was transported by mule across the isthmus to the Atlantic coast for shipping to Spain.

In 1671, Panama Viejo was destroyed and burnt down by the English pirate Henry Morgan. There's a museum on site with exhibits on the history and daily life, including artifacts archaeologists are finding in ongoing excavations. Most of the exhibits and signage are in Spanish, so unless you speak Spanish, this is a trip best taken with a tour operator.

The "second" Panama City, the Casco Viejo sector of the city, dates from the 17th century Spanish era. Historical buildings dot the area including 17th century churches, convents and 18th and 19th century buildings reflecting Panama City's long history as the cross-roads of the Americas. Adding to the sector's beauty are panoramic views of the Pacific and the rest of Panama City.

Throughout much of the 19th Century, Panama was part of present-day Colombia, then called New Granada. The relationship was always tenuous, and maintained largely through US intervention on behalf of Colombia. It was during this time that initial attempts at building the Panama Canal took place.

The attempt by France to build the canal in 1882 ended in disaster, with the project ultimately being taken up and executed by the US Army Corps of Engineers during the first decade of the 20th Century. These events were very much tied to Panama's separation from Colombia in November of 1903. Panamanians make it clear that this was not independence from Colombia, but a parting of ways. They were never culturally Colombian.

Panama experienced huge periods of growth during the 20th Century due to its close ties with the US and the influx of foreign trade brought by the canal. In addition to that modern marvel of engineering, Panama has a rich heritage of indigenous influence. The government has sought to recognize the importance of the native communities in Panama by renaming regions and extending them special land rights.

Government

The Republic of Panama is an independent and sovereign State, represented by democratically elected officials. The public power is exercised by three bodies: legislative, executive, and judicial. In their separation they are harmonized, united in cooperation and limited by the classic system of checks and balances.

The current President of Panama is Juan Carlos Varela. President Varela is very friendly to tourism and foreign investment, and continues to promote infrastructure and development projects. Due to this openness, Panama City is replacing Miami as the meeting destination of the Americas. Visas are easy to obtain, and the government has a long history of working with the US and many other countries.

Panama's Economy Today

Panama maintains a free market, dollar-based economy, and has a GDP of US\$42.65 billion. Inflation rates have remained low. Between 2005 and 2010, Panama's economy expanded at the fastest rate in the Americas at over 8% a year, and at a record 10.6% in 2011 due to the government spending on infrastructure projects, and expansion work of the Panama Canal. The country's biggest export is pharmaceuticals, followed by refined petroleum.

Panama has recently invested US\$5.3 billion in a Panama Canal project to increase the flow of ships per year through its locks. The Canal currently sees about 5% of world trade movement, and with the expansion of its locks, the Panama Canal will have the capacity to accommodate larger ships. An additional US\$1.5 billion has been invested in the metro line through the capital, Panama City, and surrounding areas. These projects are expected to promote above-average growth for the next several decades.

The country has already begun a five-year, \$13.6 billion investment plan that focuses on schools, hospitals, sewers, and roads. In order to help reduce inequality, pensions for the poor and a universal scholarship have been initiated. These projects are signs of real economic confidence, and reflect Panama's growing tourism and international trade markets. With a very low rate of unemployment and many large infrastructure projects underway, quality of life is improving for Panamanians as well as tourists and expats.

Currency & Pricing

Panama's official currency is the Balboa, which in actuality is another name for the US Dollar, eliminating the need for currency exchange. This also allows seamless business transactions between US citizens and Panamanian companies.

Panama is a diverse country, with many different regions and lifestyles. The price chart below focuses on Panama City, and prices may vary throughout the country. This chart does not take into account the "Free Zones" in Panama, which are commercial areas that are not subject to many taxes and duties, resulting in a lower price. The cost of living is a primary factor in bringing expats to Panama. As you can see, a high quality of life can be had at a very low cost.

<i>Service/Product</i>	<i>Renting (USD)</i>	<i>Owning (USD)</i>
Rent (Average for 2BR) Depends on size, location and season	\$1,000	-
Utilities Electric Gas Water Trash	\$150	\$150
Internet	\$40	\$40
Restaurant (Once per week) Meal Beer	\$80 \$5-\$15 \$2.00	\$80 \$5-\$15 \$2.00
Groceries: Eggs (Dozen) Milk (Gallon) Bread (Loaf)	\$200 \$2.25 \$6.25 \$2.50	\$200 \$2.25 \$6.25 \$2.50
Gas (Gallon)	\$3.85	\$3.85
Taxi (Once per week) Distance: 2km	\$20 \$5	\$20 \$5
Total:	\$1,490	\$490

Exploring Panama

While the United States has long had a close relationship with Panama, longtime expats and visitors to the country have been joined by many new tourists in recent years due to Panama's many natural and cultural attractions. In 2014, the country welcomed close to 1.7 million tourists, a number that has been growing by nearly 10% year over year. The majority of visitors come from the United States and Canada, but South America is rapidly becoming the main source of tourism revenue.

Panama's biodiversity and the unique feature of the Panama Canal create perennial tourism interest. The modern Panama City, the "Business Hub of the Americas," is set on a beautiful bay, and has a booming business district, first-world infrastructure, a non-stop nightlife, great restaurant variety, attractive residential neighborhoods and the only rainforest in the world within city limits in the Metropolitan Park. Panama City is also the safest city in Central America for both tourists and businessmen.

Sport fishers are drawn to Coiba Island, one of the world's biggest fishing meccas, while others head to the San Blas Islands on the Caribbean coast for a laidback beach vacation. The country is easy to navigate, with many of the more popular destinations just off the Pan-American Highway. Primary options for travel between cities are car, bus, and plane. Buses are normally air conditioned, and cost an average of \$3 per hour. Renting a car is the most flexible option, and can be accomplished in Panama City, David, Colón, and other locations. If you need to get to the main bus terminal, which is near the domestic airport (Albrook), you can take any bus that lists Albrook as its destination.



As tourism has grown in Panama, so have the services offered. Resorts and expat communities are growing on the Pacific Coast, and there are many tour operators waiting to introduce visitors to Panama's amazing biodiversity. Panama's climate is quite unique due to the proximity of Atlantic and Pacific Oceans, and has led to very diverse cultures and cuisine.

Getting to Panama

International flights to Panama depart from several U.S. cities, including Atlanta, Boston, Chicago, Denver, Houston, Miami, New York, Newark, Orlando, Los Angeles, and Washington D.C. Daily flights also depart from Toronto, Canada and several airports in Europe.

Available airlines include:

- American Airlines
- Copa
- Delta
- Spirit Airlines
- United Airlines

Before booking your flight, make sure your passport is valid until at least 6 months after your planned departure from Panama. The law is 3 months, but it's better safe than sorry in case you choose to extend your trip. If you are coming from the US, you will not need a visa before traveling to Panama. You will instead be issued a tourist card, valid for 180 days. Do note that as a tourist, you are granted free medical insurance for any injury occurring while on Panamanian soil for the first 30 days of your stay.

Attractions

Panama is a diverse country, both geographically and culturally. From the Caribbean to the Pacific, North America to South, Panama is an inherently interesting place.



Bocas del Toro

Discovered by Christopher Columbus, Bocas del Toro is a well-traveled tourist town on the Caribbean coast that offers spectacular scuba diving and other nature tourism. Whether there to hike, swim, or both, visitors are sure to have a relaxing experience.

Coiba National Marine Park

The park, located off the Azuero Peninsula, contains a stunning variety of sea life, and is a great location for a dive. Coiba Island is the largest island in Central America, and you are likely to see many of the 800 species of marine life present in the area.

Colón Free Trade Zone

The second largest tax-free trade area in the world is the Colón Free Trade Zone. It has home to thousands of companies and sees tens of thousands of visitors per year.

Panama Canal

The Panama Canal is often called the “Wonder of the Modern World,” and for good reason. An engineering marvel, the Panama Canal is a must-visit attraction for those visiting or living in Panama.

San Blas Islands

Consisting of 365 islands, most of which are uninhabited, the San Blas Islands are a beautiful destination on the Caribbean coast, and home to the Kuna Indians. This is the perfect sanctuary for a private day at the beach.



Local Cuisine

Panama is accustomed to catering to international tastes in its cuisine, and the country's status as the land bridge between North and South America also encourages great diversity of ingredients.

Ingredients

Popular ingredients in Panamanian cookery include corn, rice, wheat, plantains, cassava, beef, chicken, pork and seafood.

Bollos

Corn dough boiled in cornhusk or plantain leaves. There are two main types: fresh corn bollos, and dry corn bollos. The dry corn type is sometimes flavored with butter or stuffed with beef.

Empanadas

Pockets that can be made either from flour or corn, and stuffed with meats, cheese, and sometimes sweet fillings, such as fruit marmalade. The variation made with cassava is called Carimañola.

Patacones

Smashed and fried green plantain disks, known in other countries as Tostones.

Ropa Vieja

Originally a Spanish dish, Ropa Vieja ("Old Clothes") is shredded flank steak or brisket served in a tomato sauce. It is often served with beans, rice, plantains and/or cassava.

Sancocho

Sancocho is the national dish of Panama, and varies by region. The primary ingredients are chicken, yam, and culantro. There are many optional ingredients, including onions, spices, corn, and hot sauce. Sancocho is also used to represent the cultural diversity of Panama.

The Southward Movement of Expats to Panama

Panama has become one of the most popular destinations for North American expats due to its attractive incentives, first-world infrastructure and services, and excellent options for entertainment. The country is currently home to nearly 200,000 expats, 30% of whom are from the United States. Additionally, thousands of Europeans have immigrated to Panama to escape high prices and cold climates.

Many “Top 10” lists have been consistently ranking Panama near the top of the heap for quality of life, cost of living, government incentives, cuisine, and the list goes on. Residents have been impressed with the ease of doing business with Panama’s government, and many say they have felt very safe and welcomed in their new home.

Retirees and other expats with certain visas can take advantage of perks like half-price movies, restaurants, car service, hotel stays, doctor visits, and more. Panama has whole-heartedly embraced its role as the crossroads of the world, and has been rewarded with a large, happy expat population. Panama can also provide an excellent education through its private school system at a fraction of the cost of private schools in the US. Medical facilities are also world class, due to an affiliation with Johns Hopkins.



Panama draws retirees and other expats from around the world with its cosmopolitan cuisine, diverse climate, and attractive quality of life. Panama’s diverse identity allows it to attract expats from many regions for many reasons.

Business in Panama

Panama City has quickly risen to become the “Business Hub of the Americas” as the government continues a very open visa policy and actively encourages international business. Panama also makes it easy for foreigners and residents to start their own businesses. There are certain professions retained for Panamanians, such as architects and doctors, but overall doing business is simplified by use of the US dollar, many English speakers, and favorable government programs. Starting your own business in Panama requires consulting a Panamanian attorney.

As international meetings and travel have become more and more prohibitive in the current economic climate, Panama City has been able to offer an alternative to traditional markets like Miami and Orlando. The city has been successful in marketing itself based on a simpler visa process than the US, and by offering lower prices for comparable or better services.

Why Timber is Huge in Panama

Panama is one of the largest centers of biodiversity outside of the Amazon, due in large part to the country’s rainforests and climate. During the 20th Century, however, much of the forest was overharvested with little thought for sustainability. In response, the Panama government has instituted reforestation incentives for specific timber species. Property that is certified reforested through ANAM (Autoridad Nacional de Ambiente de Panama), receive special benefits such as exclusion from annual property tax and from income tax derived from income produced from the reforested property.

Panama’s climate, particularly in the west, is perfect for growing timber, and many individuals and organizations have taken advantage of current reforestation incentives to plant their own forests. The alluvial soil combined with perfect length of rainy season has led to great success for companies operating in the region. Teak is one of the most suited for reforestation projects due to its shorter growth cycle and unique qualities that protect it from harm. This sort of timber investment is receiving greater and greater interest due to its financial viability, as well as the opportunity it offers to help restore the environment.

Let Panama Hold One of Your Nest Eggs

In today's economic and political climate, it can seem like less is certain than ever before. At eight years out from the beginning of the recession that affected nearly every individual and market worldwide, stock markets in the US have soared, economic "miracles" have been proclaimed, and many people have actually begun to feel better about their economic security. That's all great news and like so many things, true economic strength is driven by a healthy, confident middle class.

That's why traditional markets are so worrying right now. Even as short-term prospects improve for hardworking people, the shaky foundations of low interest rates and unprecedented money supply upon which today's markets are built fail to guarantee the security investors need. Tech companies and startups have long been a source of bubbles and massive investment, but now technology has changed the market itself in ways that make the system almost unrecognizable.

The majority of transactions are now automated, controlled by algorithms and occurring in the space of milliseconds. Many financial experts say it would now be impossible for a single human being to comprehend what is happening at any given moment, as algorithms layered over one another make the decisions. And make the mistakes. Transactions and value have "disappeared" seemingly without explanation. While this is a fairly micro example, the lack of certainty is reflected almost across the board.

If you look at the political cartoons in the paper, you might notice that the lifeboat is a pretty commonly used image to convey that uncertainty. The problem today is you can't build a lifeboat out of stock. Even "safe" asset classes are now at the mercy of central bankers and unstable markets both in the US and abroad. It's as if there's only one ship on the water, and everyone has been forced to hitch his or her future to it just to stay afloat. Some though, have broken from the pack and found solid ground to invest in. Literally.

Agricultural land, specifically timber, is an asset that literally grows out of the ground, just as long as it receives the proper care. When the recession hit in 2008, trees didn't disappear. They didn't wait until the market had recovered to start growing again. They grew in size and value each year.

Panama is a popular choice for timber projects due to its ideal climate for growing teak, as well as the attractive residency benefits it offers foreign investors. Owning part of a teak plantation presents the owners with a secure, tax-deferred, sustainable investment, as well as the “Plan B” insurance offered by an attractive Panama residency.

Remember the lifeboat example? Coincidentally, teak is uniquely suited for use in shipbuilding due to its natural water resistance, meaning that a teak investment not only provides the economic and personal security of Panama residency and consistent growth, but also could be turned into an actual lifeboat after its harvest.

While industries and lifestyles are constantly changing, there are those certain products and materials that remain indispensable. Teak is one of those commodities that has remained a necessary purchase around the world due to its unique natural properties, such as resistance to water, fire, and rot, and its physical beauty. Once you see the benefits of a Panama residency, you will agree that the security it provides for your most important asset, yourself, is indispensable as well.

Panama offers very attractive residency incentives to foreigners, and certain timber opportunities have paired land ownership with Panama residency. For US and Canadian citizens, and citizens of 48 other countries, the Friendly Nations’ Visa is the easiest to obtain and maintain, and one of the most desirable residencies in the world right now for many reasons.



Friendly Nations' Visa Advantages:

The Friendly Nations' Visa is one of the most popular permanent residencies in the world right now because of its ease to obtain and maintain. As a resident of this visa, you:

- Are able to obtain a work visa to legally work in country.
- Can apply for citizenship only after 5 years of having residency.
- Only need to visit Panama one day every two years to maintain your permanent residency status.

Planting a flag in Panama is one of the wisest decisions to be made in this time of economic insecurity due to the country's stable economy and growing markets, and timber ownership provides the steady, long-term growth strategy savvy investors are looking for.

Below, find the documentation and criteria required to apply for permanent residency under the Friendly Nations' Visa program.

Applying for Friendly Nations' Residency

When you decide to obtain residency, you will be introduced to a Panamanian attorney. The attorney will work with you from the beginning of the process all the way to the end, until residency is in your hands. Don't speak Spanish? No problem. The attorneys are bilingual and will translate all documents for you.

You and the attorney will discuss your timeline and decide what steps when make the most sense for you. They will double check that you have all the right documents prior to your visits to the country as well.

Click [here](#) for a complete list of friendly nations and more detailed requirements.

Conclusion

Panama has truly established itself not only as the “Business Hub of the Americas,” but also as a top destination for tourists and expats of all backgrounds. The country is able to offer an amazing quality of life at a low cost, and also has a true gem of a city in the cosmopolitan Panama City. Those on just a short visit can experience the vibrant nightlife of the city, and the next day be alone on a virgin Caribbean beach. Or, head down to the Azuero Peninsula, Panama’s premiere Pacific coastline. There you will find Coiba island and its remarkable biodiversity.

Those looking to stay permanently or plan for a future retirement will find a wealth of real estate options and reasons to stay. Panama has one of the most attractive foreign residencies in the world, and they make it remarkably easy to obtain and maintain. North Americans often feel right at home in Panama, and the country has something to offer everyone. Aside from great incentives for residency and business, the investment opportunities in the timber markets have also drawn many North Americans to Panama in recent years.

Savvy investors are the ones who look for opportunities outside the mainstream. As the offshore world has become more accessible, investments like teak have attracted millions of dollars from both individuals and huge organizations such as the Harvard Endowment. At the same time, Panama has welcomed such investment and proven itself to be a great destination for North American businesses and individuals. The country is the perfect environment not only for teak, but for international business as a whole. Panama’s openness to foreign visitors, residents, and investors made it the perfect home for Hardwoods Unlimited.

Want to position yourself for profit and security? See how the timber industry is entering the portfolio of many successful investors, and learn how you, too, can be a part of it. [Click here for more information.](#)