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**Report Highlights:**

This report provides U.S. food and agriculture exporters information on how to do business with the Hotel, Restaurant, and Institutional (HRI) sector in Panama. This sector contributes significantly to Panama's economy and is driven by international tourism. The slow re-opening of the industry and general economic recovery post COVID -19 pandemic depends on pandemic control in main markets such as the United States, and key Latin American European countries.

# Market Fact Sheet: Panama

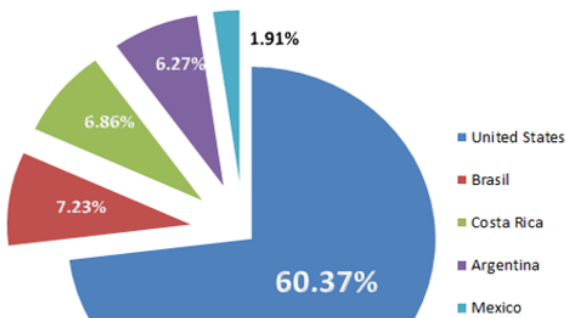
## Executive Summary

Panama's economy was significantly impacted by the COVID-19 pandemic in 2021. Prior to the pandemic, it was ranked as the second fastest growing economy in Latin America and the Caribbean, and its Gross Domestic Product (GDP) growth rate reached 3 percent. Panama's economy continues to struggle but is expected to recover quickly when the pandemic recedes. Panama's economy is based predominately on services (83 percent). Agriculture accounts for only a small portion (2.3 percent).

## Imports of Consumer-Oriented

U.S. exports of consumer-oriented products were valued at \$431.9 million in 2021. The United States has the largest market share followed by Brazil and Argentina. U.S. products are considered high in quality and are well accepted overall. The customs clearance process in Panama is relatively fast and trouble-free.

**Top 5 Food & Beverages Exporters to Panama**



% based on volume of food exports (1,647,008,308,10 Kilograms)  
SOURCE: Panamanian Food Safety Authority

## Food Processing Industry

The food processing industry has experienced a 12 percent growth rate over the last few years due to increases in local food processing plants, tourism and foreigners relocating to Panama.

## Food Retail Industry

The sector constitutes 8.8% of the number of companies in the retail trade sector in general and 1.8% of the national economy. High growth categories include savory snacks, processed meats and seafood, sauces and condiments, processed fruits and vegetables, and dairy products. Competition is based primarily on price and convenience.

### TOP U.S. CONSUMER – ORIENTED PRODUCTS EXPORTS TO PANAMA

- 63.0 Dairy Products
- 54.2 Beer
- 42.6 Pork & Pork Products
- 37.5 Prepared Food
- 33.9 Poultry Meat & Prods (ex. eggs)
- 25.7 Snack Food
- 22.1 Non – Alcoholic Bev (ex. juices)
- 19.0 Processed Vegetables
- 15.5 Condiments & Sauces
- 13.0 Beef & Beef Products
- 11.6 Chocolates & Cocoa Products
- 5.5 Wine & Related Products

**2021 U.S. Exports of Agricultural & Related Products \$741.1 (in millions of dollars)**

**GDP Per Capita PPP \$11,800**  
**Population 4,380,064**

Sources:

<http://gain.fas.usda.gov>  
[www.euromonitor.com](http://www.euromonitor.com)

## I. MARKET SUMMARY

U.S. agricultural exports have benefited from the U.S.-Panama Trade Promotion Agreement (TPA) since it entered into force on October 31, 2012. Almost half of U.S. agricultural exports immediately received duty-free treatment, with most of the remaining tariffs to be eliminated within 15 years. The TPA also provides duty-free access for specified volumes of some agricultural products through Tariff Rate Quotas (TRQs). For more information, please refer to [TPA](#).

The increased flow of tourists in 2019 (**Table 2**), was an indicator of excellent market opportunities for U.S. exporters of food & beverages bound for Panama’s HRI sector.

Throughout 2021, COVID-19 control efforts have gradually allowed a slow reopening of hotels, bars, and restaurants. The proposals for the reactivation of tourism respond to the 18-month Post COVID-19 Strategic Plan, announced by the Tourism Authority last June, with three fundamental lines of operation: **Financial support, training, and stimulation of demand.**

As the situation improves, Panama is rebuilding the sector through innovation, digitization, sustainability, and partnerships. Part of the innovation in the ecosystem is the promotion of “meeting or convention tourism”, which includes travel and hospitality, convention and visitor’s bureau, corporate meeting planning, event venues, equipment providers, among others.

**Table 1. Advantages and Challenges of U.S. Products in Panama**

ADVANTAGES	CHALLENGES
Strategic geographical location and its service-oriented economy. Panama will continue to strengthen its seaports and logistics assets (Panama Canal, seaports, airports, special economic zones, logistics parks, and railroad) over the coming years.	Possible growth in Chinese food and beverage import due to negotiations of the <a href="#">Panama-China free trade agreement</a> that started in July 2018 (negotiations currently on hold). China is expanding its influence across Latin America as Panama is looking to boost re-exports of Chinese goods throughout the region. China is the world’s second most frequent customer to the Canal and the largest supplier to the Colon Free Trade Zone.
Diverse ethnic backgrounds of thousands of tourist and U.S. expats coming to Panama each year. Increased immigration with permanent residence from Venezuela, Colombia, The Antilles, Asia, Europe, and others.	Strong competition in the region with ports in Colombia, the Caribbean, and Mexico.
Static production of agricultural products leading to strong demand for food and feed imports.	Recent governmental protectionist policies making importing food, beverages, and agricultural products more burdensome.

**Table 2. Total Visitors by Port of Entrance.**

<b>Visitors Port of Entrance 2019</b>	<b>Total Visitors</b>
<b>Tocumen International Airport</b>	3,036,719
<b>Paso Canoa Frontier</b>	295,241
<b>Cruise Ports</b>	33,547
<b>Other Ports</b>	25,476
<b>Total</b>	<b>3,095,742</b>
<i>Total Visitors from U.S. in Transit or as destination</i>	<i>795,959</i>

\*Source: Government of Panama, [Migration Service](#)

## **II. ROAD MAP FOR MARKET ENTRY**

### **Entry Strategy**

Panama has an open economy and experiences relatively few market access problems. U.S. products are high quality and are well accepted overall. The customs clearance process in Panama is relatively fast and trouble-free for U.S. exporters that comply with local requirements. Furthermore, most import duties were reduced or will be phased-out to duty free in 15 years as a result of the TPA. Domestic products are generally transported by regular or refrigerated trucks. Location dependent, most of Panama’s trade moves through the Manzanillo International Terminal, Cristobal, Colon Container Terminal, or Colon Port Terminal bearing north (Atlantic), and through the Ports of Balboa and PSA Panama International Terminal bearing south (Pacific). Air cargo is handled through Tocumen International Airport. Grain is handled at [Desarrollo Posicional](#) in the Atlantic coast before ground transport to their final destination.

[SaborUSA](#) is a strategic cross-media marketing plan managed by FAS Panama that promotes demand generation for food and beverages imported from the U.S.A. Under the tag line “Unidos Por Los Sabores”, the campaign celebrates the gastronomic ties between Panama and the United States of America. U.S. exporters are encouraged to review our SaborUSA work and contact us with collaboration ideas.

### **Sub-Sector Profiles**

#### **Food Service**

International food service operators and local companies such as [Sysco](#), [H.T. Tzanetatos](#), [Proserv](#), [Procesadora Monte Azul](#), [Dicarina](#), and others have been serving the food service sector for more than 50 years, providing imports of U.S. food and beverages, logistics in warehousing/transportation, and product sales and marketing. With these institutions and facilities, fueling both local and international cuisines, Panama’s food service industry is among the strongest in the country. In fact, fast food franchises, cafes, bars, bakeries, ice-cream shops, family-owned restaurants, food trucks, street side vendors, convenience stores, and catering services all benefit from this strong trade framework.

## **Restaurants**

Restaurants in Panama City are well developed and feature highly ranked world-class chefs in international cuisine. Due to expanding tourism, growing immigration, and higher consumer purchasing power, the selection of restaurants and international cuisine is expected to continue to grow. Currently, the Panamanian Restaurant Association and related business (ARAP) have more than 400 active members. **Panama Restaurant Guide** [www.asociacionderestaurantes.com/](http://www.asociacionderestaurantes.com/)

## **Hotels, Resorts, and Cruises**

The travel and tourism sector are an engine of economic development and a vehicle for sharing cultures. Many factors influence the flow of travelers visiting the country. Panama is an attractive destination, and its dollarized currency is a strength. U.S. and international hotel chains' presence in Panama include the Waldorf, Hilton, Marriott and J.W. Marriott, Bristol, Country Inn, Sheraton, Radisson, Holiday Inn, Intercontinental, Riu, Westin, Wyndham Garden, Novotel, Hotel Las Americas Golden Tower, and Tryp Hotel. Panamanian hotels and resorts primarily procure food and beverages from food service companies and/or directly from distributors, supermarkets, and restaurants. For detailed information on the different hotel and resort options in Panama, please access: <http://www.apatelpanama.com/>

Panama's cruise ship market is expanding from both the United States and Europe as Panama continues to grow as a premier travel destination. Cruise ships to Panama City anchor either at Fuerte Amador and Balboa located at Panama Canal's Pacific Ocean entrance, or Port Colon 2000 in the Caribbean.

## **Institutional**

The institutional sector includes private and public hospitals, the national police, and penitentiary systems. Private hospitals have their own logistical operations for patient meals and to supply their cafeterias, while public hospitals and the police usually bid their requirements on yearly or 5-year term contracts with local food service providers, restaurants, or food processors.

## **III. COMPETITION**

The United States faces stiff competition from other food and agriculture exporters. In addition to the United States, Panama has free trade agreements with Taiwan, Canada, the European Union, Mexico, Colombia (not entered into force), Peru, Guatemala, Costa Rica, Chile, El Salvador, Honduras, Nicaragua, Dominican Republic, Singapore, Israel, Iceland, Liechtenstein, Norway, and Switzerland. Its top competitors, by product they supply, include:

- Central America and China (snack and processed food products)
- Chile, Mexico, and Peru (fruits and vegetables)
- Argentina, Canada, Brazil, and Guyana (grains and oilseeds)
- Canada (meat products)

- Costa Rica, Argentina, New Zealand, and Australia (dairy products)

#### IV. Best Product Prospects Categories.

**Table 3. Consumer Oriented Product Prospects for Panama’s HRI Sector**

<b>CONSUMER ORIENTED PRODUCT PROSPECTS FOR PANAMA’S HRI SECTOR</b>	
<b>PRODUCTS</b>	<b>DESCRIPTION</b>
<b>Alcoholic beverage</b>	<b>Liquor, beer, and wine</b>
<b>Bakery Ingredients</b>	<b>Baking mixes, dried fruits &amp; nuts, fillings, chocolate, whey, yeast, food coloring, etc.</b>
<b>Beef</b>	<b>Fresh, chilled, frozen of high quality (USDA Prime and Choice)</b>
<b>Condiments</b>	<b>Mayonnaise, salad dressings, sauces (BBQ, marinating, soy) mustard, spices, etc.</b>
<b>Cooking ingredients</b>	<b>Vinegar, cider, vegetable oil (corn, sunflower, soybean, canola, olive, tomato paste and puree, etc.)</b>
<b>Dairy Products</b>	<b>Milk, cheese, butter, whipping cream, yogurt, ice cream</b>
<b>Delicatessen</b>	<b>Processed meat and poultry</b>
<b>Frozen Foods</b>	<b>Vegetables, fruits, ready to eat meals, ice cream</b>
<b>Fruits</b>	<b>Fresh, frozen, canned, dried</b>
<b>Mixed drinks, blends</b>	<b>Dried, powder</b>
<b>Non-alcoholic beverage</b>	<b>Juices, coffee, tea, soft drinks, and energy drinks</b>
<b>Pork</b>	<b>Fresh, chilled, frozen</b>
<b>Potatoes</b>	<b>Fresh, Frozen, Pre-cooked, dehydrated</b>
<b>Poultry</b>	<b>Frozen chicken, turkey</b>
<b>Prepared food</b>	<b>Ready to eat single meals (Breakfast, lunch, or dinner + snacks)</b>
<b>Preserved fruit, jam</b>	<b>Preserved fruit, jam, spread</b>
<b>Processed food</b>	<b>Products such as cereals, canned foods, value added rice, noodle, dairy products etc.</b>

Seafood	Fresh, chilled, frozen salmon, crab, scallop, oysters, octopus
Snacks	Cookies, salty snacks, crackers, nuts
Soup, Soup bases, broth	Canned, dried/powder
Vegetables	Fresh, frozen, canned, preserved
Wine & Beer	Spirits, cider, craft beer

\*Source: [BICO Report](#)

## V. Key Contacts and Further Information

### GOVERNMENT AGENCIES IN PANAMA

Panamanian Food Safety Authority (AUPSA)	<a href="http://www.aupsa.gob.pa">http://www.aupsa.gob.pa</a>
Tourism Authority of Panama (ATP)	<a href="https://www.atp.gob.pa/">https://www.atp.gob.pa/</a>

### CHAMBER OF COMMERCE

Chamber of Commerce, Industries and Agriculture	<a href="https://panamcham.com/es">https://panamcham.com/es</a>
American Chamber of Commerce Panama	<a href="https://panamcham.com/en">https://panamcham.com/en</a>

### INTERNATIONAL CHAIN HOTELS AND RESORTS IN PANAMA

Association of Hotels in Panama	<a href="http://www.apatelpanama.com">www.apatelpanama.com</a>
Association of Small Hotels in Panama	<a href="http://www.hoppan.net">www.hoppan.net</a>

### LOCAL FAIRS AND TRADE SHOWS

ExpoComer	<a href="http://www.expocomer.com">www.expocomer.com</a>
Pretelt Meat Fest	<a href="https://www.youtube.com/watch?v=wxPw1DTpmWw">https://www.youtube.com/watch?v=wxPw1DTpmWw</a>
Felipe Motta Feria de Vinos	<a href="http://www.felipemotta.com">www.felipemotta.com</a>
PMA Food show	<a href="http://www.pmafoodshow.com">www.pmafoodshow.com</a>

### ASSOCIATIONS AND ORGANIZATIONS

<b>Association of Merchants and Distributors of Foods</b>	<a href="http://afiliateaacovipa.blogspot.com/">http://afiliateaacovipa.blogspot.com/</a>
<b>Retail Center of Panama (CEREP)</b>	<a href="http://www.retailpanama.com">www.retailpanama.com</a>
<b>Gastronomy Club of Panama</b>	<a href="http://www.clubgastronomicodepanama.org">www.clubgastronomicodepanama.org</a>
<b>TRADE PUBLICATIONS</b>	
<b>The Restaurant Panama City</b>	<a href="https://therestaurantpty.com/">https://therestaurantpty.com/</a>
<b>SOCIAL MEDIA AND BLOGS</b>	
<b>El Buen Diente</b>	<a href="http://elbuendiente.com">elbuendiente.com</a>
<b>La Guía del Foodie</b>	<a href="http://laguiadelfoodie.com">laguiadelfoodie.com</a>
<b>U.S. EMBASSY IN PANAMA</b>	
<b>U.S. Department of Agriculture (USDA) Foreign Agricultural Services (FAS)</b>	<a href="mailto:AgPanamaCity@fas.usda.gov">AgPanamaCity@fas.usda.gov</a> (507) 317-5297/ 317-5801/317-5163 fax
<b>U.S. Commercial Service</b>	<a href="http://www.buyusa.gov/panama/en/">www.buyusa.gov/panama/en/</a> (507) 317-5000

**Attachments:**

No Attachments