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**Report Highlights:**

This report provides information to U.S. exporters of agricultural and related products on how to do business with the retail food sector in Panama. Panama is one of the top markets for U.S. consumer-oriented products in Central America. Each year Panamanian importers keep up with the food retail industry and new trends by attending USDA endorsed food trade shows. U.S. consumer-oriented products exported to Panama from January through June 2019 amounted to \$392.5 million. In recent years, the consumption of more health conscious food has significantly contributed to increased U.S. exports of consumer-oriented products. These products had nutrient claims such as low fat, low sodium, gluten free, baked and sugar free. In addition, an increase in dual-income households has resulted in a growing demand for ready-to-eat frozen and prepared foods.

# Market Fact Sheet: Panama

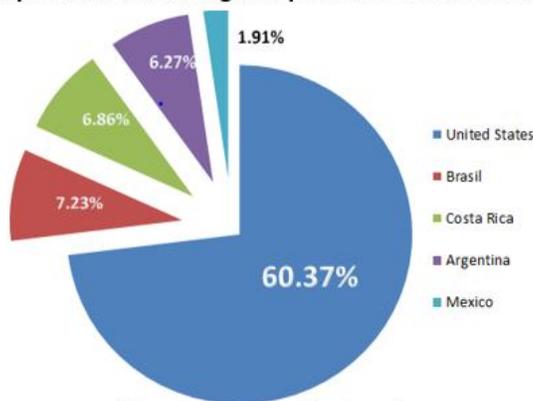
## Executive Summary

Panama enjoyed a strong, growing economy in 2019. Based on the World Economic Forum’s Global Competitiveness Report 2019, Panama is the best place to retire in 2019 and ranked 3<sup>rd</sup> in the [Best Countries Open for Business ranking](#). Its Gross Domestic Product (GDP) growth rate reached 4.5% in 2019. Panama’s economy is based predominately on services (82%); agriculture accounts for only a small portion of the economy (2.4%).

## Imports of Consumer-Oriented Products

Panama is the 27<sup>th</sup> largest market for U.S. consumer-oriented products and reached \$392.5 million in exports in 2018. In the first half of 2019, these exports totaled \$178.4 million. U.S. products are seen as high quality and well accepted. The customs clearance process in Panama is relatively fast and problem-free.

### Top 5 Food & Beverages Exporters to Panama 2018



% based on volume of food exports  
Source: Panamanian Food Safety Authority

## Food Processing Industry

The food processing industry has experienced 10% growth over the last couple of years due to an increase in tourism and foreigners relocating to Panama.

## Food Retail Industry

Food retail sales of U.S. consumer-oriented products totaled US\$392.5 million in 2018. High growth categories include savory snacks, processed meats and seafood, sauces and condiments, ready meals, processed fruits and vegetables, dairy products, and snack foods.

### Quick Facts CY 2018

#### Imports of Consumer-Oriented Products (US \$392.5 million in 2018) TOP 10 U.S. CONSUMER – ORIENTED PRODUCTS EXPORTS TO PANAMA 2018 (in millions of dollars)

- \$45.9 Prepared Food
- \$21.4 Processed Vegetables
- \$46.0 Dairy Products
- \$15.2 Chocolates & Cocoa Products
- \$32.2 Poultry Meat & Prods (ex. eggs)
- \$14.3 Condiments & Sauces
- \$38.7 Pork & Pork Products
- \$17.6 Non – Alcoholic Bev.
- \$27.6 Snack Food
- \$9.4 Beef & Beef Products

\*Source: U.S Census Bureau Trade Data

GDP Per Capita PPP: \$24,262 (2019)

Population: 4,210,507 (June 2019)

Total Exports of Agricultural & Related Products to Panama: \$623.3 Million (Oct-July 2019)

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

## SECTION I. MARKET SUMMARY

Modern food retailers have been improving in quality and convenience. Supermarkets, hypermarkets and independent food stores, which are most popular among consumers, primarily drive the grocery market in Panama. **Supermarket chains** are increasing their presence by opening new stores in populated areas across the country and offering online grocery shopping and delivery services. Store brands are becoming prevalent in these chains and allow retailers the opportunity to set themselves apart from the competition and offer customers more choice.

### FOOD RETAILERS STRUCTURE IN PANAMA

Wholesalers or Membership Club Stores  
 Supermarket chains  
 Convenience Stores  
 Pharmacies  
 Mom & Pop's  
 Wet Markets



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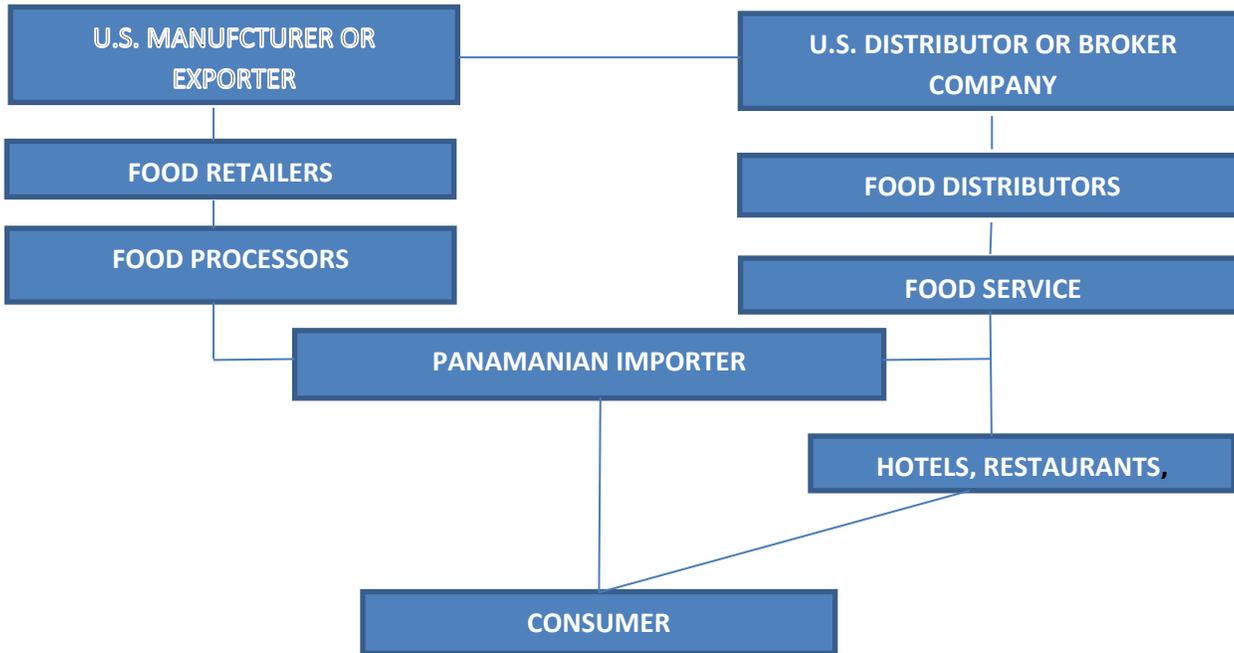
**Independent grocery and convenience stores** are also transforming their store plans by strategically opening stores in more convenient locations—usually in local neighborhoods. There are approximately 11,000 of these independent grocery and convenience stores in Panama. There are also mini-convenience stores (conventional sized stores with expanded foodservice) and hyper-convenience stores with an extensive variety of product offerings and in-store seating for foodservice. **Pharmacies** have also leveraged their small size, convenient locations and proximity to consumers to offer more consumer-oriented products such as canned and dry food, snacks, dairies, ethnic specialties, wide selection of fine wine, beers and spirits, and pet food.

**Table 1. Advantages & Challenges**

ADVANTAGES AND CHALLENGES FACING U.S. PRODUCTS IN THE RETAIL SECTOR IN PANAMA	
ADVANTAGES	CHALLENGES
The ease of shipping from the United States to Panama, which was further helped by the Panama Canal expansion.	Growth in Chinese food and beverage imports.
Local retailers and distributors usually negotiate exclusive contracts with U.S. exporters.	U.S. exporters are inclined to work with higher volumes and larger markets.
Local importers frequently search for new-to-market products in order to compete. Big and small chains attend U.S. food trade shows to keep up with market trends and update their portfolios of food products.	Recent governmental protectionist policies making importing food, beverages and agricultural products more burdensome.
Large numbers of tourists visiting Panama each year, and a prevalent U.S. expatriate community.	Strong competition in the following sectors: snacks and processed food (China and Central America), fruits (Chile, Mexico and Peru), grains and oils (Argentina, Canada and Brazil), meat (Canada), dairy products (Costa Rica, Argentina, New Zealand and Australia).
Expansion of store brands (private labels) among supermarket chains that use U.S. consumer-oriented imports. Offered in most food and non-food grocery categories such as: fresh, frozen and refrigerated food, canned and dry foods, snacks, ethnic specialties and ready to eat prepared food.	Supermarkets are offering store brands (private labels) that do not use U.S. consumer-oriented imports. Store brands are growing in popularity as they offer shoppers more selection, better value, and savings.

## SECTION II. ROAD MAP FOR MARKET ENTRY

**Table 2. Panama: Market Structure**



**Entry Strategy:** Panama has an open economy and relatively few market access problems. U.S. products are seen as high-quality and are well accepted overall. The customs clearance process in Panama is relatively fast and problem-free for U.S. exporters that comply with local requirements. As a result of the U.S.-Panama Trade Promotion Agreement (TPA) in 2012, most import duties were reduced or will be phased out to be duty-free in a few years. For more information, please refer to: [Fairs Export Certificate Report](#) or [TPA](#).

**Table 2. Panama’s Top Retailers**

WHOLESALE & SUPERMARKETS	NUMBER OF STORES	WEBSITE
PriceSmart, Inc.	5	<a href="http://www.pricemart.com">www.pricemart.com</a>
MegaDepot	1	<a href="http://www.megadepot.com.pa">www.megadepot.com.pa</a>
Super 99	47	<a href="http://www.super99.com">www.super99.com</a>
El Rey	22	<a href="http://www.gruporey.com.pa">www.gruporey.com.pa</a>
Riba Smith	8	<a href="http://www.ribasmith.com">www.ribasmith.com</a>
El Machetazo	11	<a href="http://www.elmachtetazo.com">www.elmachtetazo.com</a>
SPECIALTY STORES		
Orgánica Store	5	<a href="http://www.organicastore.com">www.organicastore.com</a>

Mercadito Biológico	1	<a href="https://www.instagram.com/elmercaditobiologico/?hl=es">https://www.instagram.com/elmercaditobiologico/?hl=es</a>
Felipe Motta	13	<a href="http://www.felipemotta.com">www.felipemotta.com</a>
Deli Gourmet	8	<a href="http://www.granddeligourmet.net">www.granddeligourmet.net</a>
Super Kosher	1	<a href="http://www.skosher.com">www.skosher.com</a>
La Casa del Jamón	1	<a href="http://www.hnosgago.com">www.hnosgago.com</a>
Entremas (Tzanetatos)	3	<a href="http://www.tzanetatos.com">www.tzanetatos.com</a>
Pretelt Meats	3	<a href="http://www.preteltmeats.com">www.preteltmeats.com</a>
Foodie Specialty Supermarket	2	<a href="http://www.foodiepa.com">www.foodiepa.com</a>
ZAZ Food Store	8	<a href="http://www.zaz.com.pa">www.zaz.com.pa</a>
Va y Ven/ Terpel	10+	<a href="http://www.terpelpanama.com">www.terpelpanama.com</a>
Quick Shops/ Terpel	28	<a href="http://www.terpelpanama.com">www.terpelpanama.com</a>
<b>WET MARKETS</b>		
Sea Food Public Market	1	
San Felipe Neri Public Market	1	<a href="https://mupa.gob.pa/medio-ambiente/23-fijos/atencion-al-contribuyente/471-mercados">https://mupa.gob.pa/medio-ambiente/23-fijos/atencion-al-contribuyente/471-mercados</a>
Merca Panama	1	
Mi Tienda (IMA)	221	<a href="http://ima.gob.pa/app/vermapa1.php">http://ima.gob.pa/app/vermapa1.php</a>
Chain of Cold National Markets S.A.	4	<a href="http://www.cadenadefrio.com.pa">http://www.cadenadefrio.com.pa</a>

### SECTION III. COMPETITION

The United States faces stiff competition from other agricultural exporting countries. As with the United States, Panama has free trade agreements with Canada, the European Union, Mexico, Colombia, Peru, Guatemala, Costa Rica, Chile, El Salvador, Honduras, Nicaragua, Dominican Republic, Singapore, Israel, Iceland, Liechtenstein, Norway and Switzerland. Its top competitors (by product) include:

- Central American countries and China (snack and processed food products)
- Chile, Mexico, and Peru (fruits and vegetables)
- Argentina, Canada, Brazil, and Guyana (grain and oilseeds)
- Canada (meat products)
- Costa Rica, Argentina, New Zealand and Australia (dairy products)

**Table 3. High Demand Agricultural Products and Main Suppliers to Panama**

PANAMA'S IMPORTED AGRICULTURAL PRODUCTS IN HIGH DEMAND AND MAIN SUPPLIERS			
PRODUCT CATEGORY	MAJOR SUPPLY SOURCES	STRENGTHS	ADVANTAGES & DISADVANTAGES OF LOCAL SUPPLIERS
Corn	U.S. and Argentina	Competitive Price	Not enough local production
Rice	U.S., Guyana and Brazil	Competitive Price	Not enough local production

Pork & Potatoes	U.S. and Canada	Competitive Price	Not enough local production
Onions	U.S. Netherlands and Peru	Competitive Price	Low local seasonal production
Fresh Fruits (apples, pears, grapes)	U.S. and Chile	Different growing season-not real competition	Not produced locally
Snacks	U.S., Costa Rica, Colombia, Guatemala, Mexico and China	Competitive Price-U.S. product is preferred	Low local production

## SECTION IV. BEST PRODUCT PROSPECTS

**Consumer Preferences:** In recent years, Panamanians have consumed more convenience and healthy foods. This has increased prospects for U.S. food exports and created higher import demand in the following categories: low fat, low sodium, gluten free, sugar free, fresh fruits (such as apples, grapes, peaches and pears), organic foods, processed fruits (especially canned fruits), snack foods (including corn chips, popcorn, cookies and candies), processed and canned vegetables (especially canned mixed vegetables, yellow sweet corn, peas, mushrooms, and garbanzo beans), and frozen processed products (such as pizza and ready-to-eat foods).

**Table 4. Top Prospects for U.S. Consumer-Oriented Exports to Panama**

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

## SECTION V. KEY CONTACTS AND FURTHER INFORMATION

### GOVERNMENT AGENCIES IN PANAMA

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

### CHAMBER OF COMMERCE

Chamber of Commerce, Industries and Agriculture	<a href="http://www.panacamara.com">www.panacamara.com</a>
American Chamber of Commerce Panama	<a href="http://www.panamacham.com">www.panamacham.com</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>

### RESTAURANTS/FAST FOOD

Association of Restaurants in Panama ARAP	<a href="http://www.asociacionderestaurantes.com">www.asociacionderestaurantes.com</a>
Degusta Panama	<a href="http://www.degustapanama.com">www.degustapanama.com</a>

### LOCAL FAIRS AND TRADE SHOWS

Panama Bebidas Fest	<a href="http://www.expobebidapty.com">www.expobebidapty.com</a>
ExpoComer	<a href="http://www.expocomer.com">www.expocomer.com</a>
Coffee fest	<a href="http://www.coffeefestpanama.com">www.coffeefestpanama.com</a>
Preteit Meat Fest	<a href="https://www.youtube.com/watch?v=wxPw1DTpmWw">https://www.youtube.com/watch?v=wxPw1DTpmWw</a>
PMA Food show	<a href="http://www.pmafoodshow.com">www.pmafoodshow.com</a>
Retail Day	<a href="http://www.retailpanama.com">www.retailpanama.com</a>

### ASSOCIATIONS AND ORGANIZATIONS

Association of Merchants and Distributors of Foods and Similar in Panama (ACOVIPA)	<a href="http://www.acovipa.org">www.acovipa.org</a>
Retail Center of Panama (CEREP)	<a href="http://www.retailpanama.com">www.retailpanama.com</a>
Gastronomy Club of Panama	<a href="http://www.clubgastronomicodepanama.org">www.clubgastronomicodepanama.org</a>

### TRADE PUBLICATIONS

Horeca Panama	<a href="http://www.horeca-magazine.com">www.horeca-magazine.com</a>
The Restaurant Panama City	<a href="http://www.the-restaurantpty.com">www.the-restaurantpty.com</a>
Guía de Restaurantes de Panamá	<a href="mailto:guia-arap@rgpublicaciones.com">guia-arap@rgpublicaciones.com</a>

### FOOD AND BEVERAGE SOCIAL MEDIA AND BLOGS

El Buen Diente	<a href="http://elbuendiente.com">elbuendiente.com</a>
La Guía del Foodie	<a href="http://laguiadelfoodie.com">laguiadelfoodie.com</a>

### U.S. EMBASSY IN PANAMA

U.S. Department of Agriculture (USDA) Foreign Agricultural Services (FAS)	<a href="mailto:AgPanamaCity@fas.usda.gov">AgPanamaCity@fas.usda.gov</a> <a href="http://panama.usembassy.gov/fas.html">http://panama.usembassy.gov/fas.html</a> (507) 317-5297/ 317-5801/317-5163 fax
Economic Section, U.S. Department of State	<a href="mailto:PNM-ECU@state.gov">PNM-ECU@state.gov</a> (507) 317 5000
U.S. Commercial Service	<a href="http://www.buyusa.gov/panama/en/">www.buyusa.gov/panama/en/</a> (507) 317 5000

**Attachments:** No Attachments