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**Report Highlights:**

This report outlines how U.S. food and agriculture exporters engage with the hotel, restaurant, and institutional (HRI) sector in Panama. This sector plays a vital role in Panama's economy and is driven by international tourism. As of September 2023, tourism generated \$4.511 billion in foreign currency, and it is projected that by the end of 2024, this figure will exceed \$5 billion, accounting for 6% of the country's gross domestic product.

# Market Fact Sheet: Panama

## Executive Summary

The retail sector in Panama remains competitive, where the industry is more agile and innovative to better serve its customers. Panama's economy is based predominately on services (83 percent). Agriculture accounts for a small portion (3 percent). The legal currency is the dollar.

## Imports of Consumer-Oriented Products

Panama is the 23rd largest market for U.S. consumer-oriented product exports and U.S. exports were valued at \$546.1 million in 2023. The United States has the largest market share followed by Brazil and Argentina. The customs clearance process in Panama is relatively fast and trouble-free. U.S. products are considered high quality and are well- accepted overall.

## Food Processing Industry

Panama's roughly 150 food processing companies include dairy, meat and poultry, fishery products, fruits, beverages and spirits, bakery, snacks, and pet food, among others. growth categories include snacks, processed meats, seafood, sauces, and condiments, processed fruits, and vegetables, and dairy products. Competition is based primarily on price and convenience.

## Food Retail Industry

High growth categories include snacks, processed meats, seafood, sauces, and condiments, processed fruits, vegetables, and dairy products. Competition is based primary on price and convenience.

## Quick Facts CY 2024

The U.S. – Panama Trade Promotion Agreement (TPA) entered into force on October 31, 2012, nearly 56 percent of U.S. agricultural exports became duty-free upon entry-into-force, with most of the remaining tariffs phased out over 15 years <https://www.fas.usda.gov/data/panama-fairs-country-report-4>

The TPA provides duty-free access to 110 Panamanian products that are exported to the United States market.

## List of Top 10 Agriculture Products in Panama

- |                     |               |
|---------------------|---------------|
| 1) Specialty coffee | 6) Sugar cane |
| 2) Papaya           | 7) Cacao      |
| 3) Pineapple        | 8) Fish       |
| 4) Melons           | 9) Palm Heart |
| 5) Banana           | 10) Squash    |

Strengths	Weaknesses
Strong demand for consumer-oriented product	Recent governmental protectionist policies
Opportunities	Threats
Importers frequently search for new-to-market products to compete	Strong competition from other trade partners

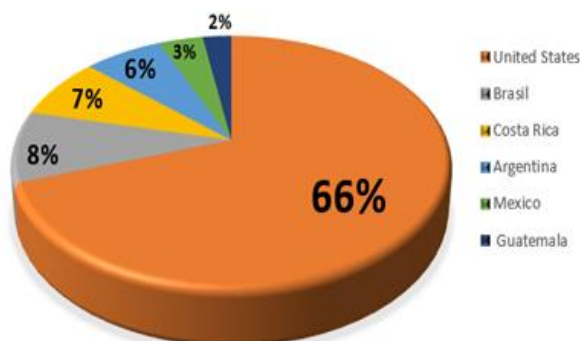
## Top Host Country Foodservice Providers

- |                        |                           |
|------------------------|---------------------------|
| 1) Dicarina            | 6) Proserv                |
| 2) Pedersen            | 7) Procesadora Monte Azul |
| 3) Sysco               | 8) Dist. Hermanos Gago    |
| 4) Distribuidora Nimar | 9) Interfood PTY          |
| 5) H.T. Zanetatos      | 10) Pretelt Gourmet Meats |

## GDP/Population

GDP: \$83 Billion  
Population 4.5 million

TOP FOOD & BEVERAGES EXPORTERS TO PANAMA



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 HRI industry in Panama has been experiencing growth, particularly as the country continues to develop Panama as a tourist destination. The increased flow of tourists especially in areas like Panama City, has led to an increased demand for diverse dining options and high-quality hospitality services. From January to September 2024, a total of 2,032,574 visitors (**Table 2**), is an indicator of an excellent market opportunities for U.S. exporters of food & beverages bound for Panama’s HRI sector.

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.**

Visitors Port of Entrance January – September 2024	Total Visitors
<b>Tocumen International Airport</b>	1,522,224
<b>Paso Canoa Frontier</b>	73,975
<b>Cruise Ports</b>	201,371
<b>Other Ports</b>	235,004
<b>Total</b>	<b>2,032,574</b>

\*Source: Government of Panama, [Panamanian Tourism Authority](#).

## **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 destination. See [Eyes on Panama video](#)

[SaborUSA](#) is a strategic cross-media marketing plan managed by FAS Panama (The Foreign Agricultural Service) 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 digital platform](#) and contact us with collaboration ideas. Sabor USA is also a channel to communicate upcoming trade events: Trade Missions announcements to Panama, U.S. commercial trade shows, and trainings for food producers and importers. For more information, please visit <https://saborusa.com.pa/seccion/form&seleccion=buyers-section>

## **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, tourism, and conventions sectors 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. From January through September 2024 total visitors by port of entrance through the cruise ports was 201,371 passengers. **(Table 2)**

### **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

CONSUMER ORIENTED PRODUCT PROSPECTS FOR PANAMA’S HRI SECTOR	
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	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

\*Source: [BICO Report](#)

## V. Key Contacts and Further Information

GOVERNMENT AGENCIES IN PANAMA	
Panamanian Food Agency (APA)	<a href="http://www.apa.gob.pa">www.apa.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> Video
Pretelt Meat Fest	<a href="https://www.youtube.com/watch?v=wxPw1DTpmWw">https://www.youtube.com/watch?v=wxPw1DTpmWw</a>
Felipe Motta Wine Fest	<a href="http://www.felipemotta.com">www.felipemotta.com</a>
ASSOCIATIONS AND ORGANIZATIONS	
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>
Panamanian Restaurant Association and related business (ARAP)	<a href="http://www.asociacionderestaurantes.com/">www.asociacionderestaurantes.com/</a>
SOCIAL MEDIA AND BLOGS	
Sabor USA Panama	<a href="http://www.saborusa.com.pa">www.saborusa.com.pa</a>
El Buen Diente	<a href="http://www.jorchanis.com/elbuendiente/">www.jorchanis.com/elbuendiente/</a>
La Guía del Foodie	<a href="http://laguiadelfoodie.com">laguiadelfoodie.com</a>

U.S. EMBASSY IN PANAMA	
U.S. Department of Agriculture (USDA)	Agpanamacity@fas.usda.gov
Foreign Agricultural Service	<a href="https://pa.usembassy.gov/agricultural-affairs-office/">https://pa.usembassy.gov/agricultural-affairs-office/</a>
Telephone:	(507) 317-5297/ (507) 317-5801
Economic Section, U.S. Department of State	PNM-ECU@state.gov
Telephone:	(507) 317-5000
U.S. Commercial Service	<a href="http://www.buyusa.gov/panama/en/">www.buyusa.gov/panama/en/</a>
Telephone:	(507) 317-5000

#### Attachments:

No Attachments