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PANAMA

Panama Offers Brazil a Pacific Port

A group of Brazilian enterprises and Panamanian President Martin Torrijos reached an agreement to convert the Panamanian Pacific Coast into a logistical platform for Rio de Janeiro exports, which will increase investments and business in Panama.

“The logistical platform that Panama is offering is unique in the region and will serve as support for our exports and, in addition, is an incentive to increase our investments because the opportunities offered by Panama are excellent,” said Paulo Skaf, president of the Federation of Industries of São Paulo State (FIESP).

The vice president of FIESP, João Sabino Ometto, also president of São Martinho, the largest sugar-producing corporation in the world, said that Brazil is stopped by the Andes Mountains that prevent its access to the Pacific Ocean. Sabino recognizes the political stability and the continued economic growth of Panama, which has become an example for the region.

For his part, President Torrijos expressed his intentions to give Brazil opportunities that will benefit their investors and provide employment for Panamanians. “We are offering Brazil our market with the possibility to export to third markets. We are offering Brazil our port of entry into the Pacific, a strategic alliance with two roads that will benefit the industries and Brazilian exporters and will generate employment and opportunities of economic and social development for Panamanians,” said Torrijos.

Panama Attracts Two New Oil Refineries

International investors are planning to build two new oil refineries in Panama with a total investment of \$15 billion that will generate at least 9,000 jobs. The funding for the refineries is coming from investors around the world. The announcements about both refineries took place during the same week, on 15 and 18 May.

The Panamanian government’s desire to become the energy distribution center for oil in Central America is now closer to becoming a reality, as the plan was cut short once before in ’02 when Chevron-Texaco closed their refinery in Colón province.

On 15 May, President Torrijos signed an agreement with Qatar's Vice Minister of Energy, which marks the beginning of the second phase of the refinery project in Puerto Armuelles, located on the Pacific Coast about 20 minutes from the Costa Rican border. This stage includes the plan design, the preparation of the site and an analysis of the infrastructure and construction requirements.

The total investment of \$8.5 billion from Qatar Petroleum and Occidental Petroleum will provide a refining capacity of about 350,000 barrels of crude oil a day.

According to the Panamanian government, the Puerto Armuelles refinery could become the most modern and important industrial project in the Central American region.

On 18 May, the transnational North American petroleum company DuTemp, the European Control-Sud and the Colombian Ecosel announced the investment of \$6.5 billion in the construction of an oil refinery on the Caribbean Coast of Panama with the capacity to produce 250,000 barrels of oil daily.

The architect of the project, Sergio Barreto, said that the agreement will create an ecological refinery with a design that will allow it to reach 100% full conversion, without emissions or waste, and will be built using the most advanced technology available.

According to the president of ControlSud International, Alberto Grosso, the refinery will process high quality, high-octane fuel for export. The construction of the refinery is predicted to begin in six months in Colón province, about 40 miles from Panama City, the nation's capital.

As a bonus to Panama, these corporations have offered the government approximately 60,000 free barrels of oil a day for local consumption once the refinery is in full operation.

Chinese Toothpaste Found With Poisonous Chemical

Diethylene glycol, a poisonous ingredient in some forms of antifreeze and a chemical cousin to glycerin, was found in 6,000 tubes of toothpaste in Panama. On 18 May, Panamanian customs officials said that the product appeared to have originated in China.

Some of the toothpaste, which arrived several months ago in the Colón free trade zone next to the Panama Canal, was exported to the Dominican Republic in seven shipments, customs officials said. Newspapers in Australia and Costa Rica reported that the brands of contaminated toothpaste had been found on their supermarket shelves and have been recalled.

Diethylene glycol is the same toxic chemical that the Panamanian government inadvertently mixed into an assortment of medicines last year, which killed approximately 100 people (Vol. 25, No. 12). Records show that in that episode the poison, falsely labeled as glycerin, a harmless syrup, also originated in China. However, Chinese companies claim that Panama had tampered with the import documents, thereby placing blame on China.

Early in May, *The New York Times* reported that a Chinese factory not certified to make pharmaceutical ingredients had sold 46 barrels of syrup containing diethylene glycol that had been falsely labeled as 99.5% pure glycerin. That syrup passed through several trading companies before ending up in Panama.

Panamanian health officials said diethylene glycol had been found in two brands of toothpaste, labeled in English as Excel and Mr. Cool. "This toxic substance should not be in the contents ... of a

dental product,” the Health Ministry said in a statement. The Ministry noted the substance, which is apparently used as a substitute for a more expensive sweetener and thickener, “is prohibited for use in cosmetics, foods and pharmaceuticals.”

However, Miriam Rodríguez, the spokeswoman for the Health Ministry, said she knew of no one who had become sick from using the toothpaste. Health officials do not believe the toothpaste is very harmful, because it is not swallowed, but they took it out of circulation as a precaution.

Some manufacturers have been accused of using diethylene glycol to substitute glycerin, which is often processed from animal fats and occurs naturally in the human body. The sweet liquid can thicken cough syrup and other remedies while preventing them from dissolving in water and is used in a variety of medicines worldwide.

Editorial note: Similar news stories have appeared in the Costa Rican and Nicaraguan press about the same contaminated toothpastes, allegedly made in China, which were being sold in local stores.

Protests Occur During OAS Meeting

On 4 June in Panama City multiple protests occurred as the Organization of American States (OAS) was meeting. University students, journalists, sympathizers and adversaries of the President of Venezuela, Hugo Chávez, and families of the victims of the diethylene glycol poisoning were the actors in the protest.

The protest started at 10:30 am on 4 June when university students closed the four lanes of Bolivar Street in a demonstration against the OAS. The student protesters joined forces with members of the Ngöbe Bugle Indigenous tribe who were asking the government to stop land expropriation in the coastal areas of Bocas del Toro province. They also were protesting against the hydroelectric projects and other subjects that the OAS Assembly were to discuss, such as poverty, undernourishment, high levels of unemployment and poverty in the country.

Panamanian and Venezuelan journalists were repudiating the actions of the Venezuelan government regarding the lack of freedom of expression due to the recent closure of an opposition television station. At the same time, sympathizers of Chávez were condemning the Panamanian Free Trade Agreement with the US.

—Christina Patchett