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PANAMA

Ibero-American Summit held in Panama

The 5th Ibero-American Ministerial Forum, held in Colón on 21-22 Sep, focused on the environment. Topics addressed included climatic changes, water, waste management, natural disasters and sustainable development.

It was attended by Ministers of the Environment and other representatives from Spain, Portugal, Venezuela, Cuba, the Dominican Republic, Colombia, Ecuador, Peru, Bolivia, Paraguay, Uruguay, Argentina, Chile, Panama, Costa Rica, Nicaragua, El Salvador, Guatemala, Mexico and the UN.

This was a preparatory gathering for the 15th Ibero-American Summit of heads of state, held 14-15 Oct in the Spanish city of Salamanca, which discussed pressing issues such as immigration, terrorism, poverty and the environment (especially natural disasters), as well as trans-Atlantic links between Latin America and Spain, Portugal and Andorra. A total of 22 countries took part in this annual event.

Spain's King Juan Carlos, celebrating 30 years on the Spanish throne, presided over the Salamanca summit, which "requires more action and less rhetoric" in the words of Uruguayan Enrique Iglesias, head of the Ibero-American Secretariat (SEGIB), created at the last summit in Costa Rica a year ago.

Agricultural Sector Damaged by High Fuel Costs

Minister of Agriculture Laurentino Cortizo stated on 22 Sep that the continuing rise in fuel prices due to the international oil crisis has had substantial negative affects on the agricultural sector, which requires that the government "take measures to keep the same prices for consumers."

Although the government of Martin Torrijos has reduced consumer fuel prices by 20% and changed the working hours of public employees to save energy, local chamber of commerce officials predict that energy prices will rise by next Jan.

The National Assembly is considering a bill to further subsidize the price of diesel for the agricultural sector, because “high fuel prices have worsened the situation because most domestic goods are moved with land vehicles,” stated Cortizo.

The problems that high world fuel prices have caused for the Panamanian economy—and not just the transportation sector—have added a note of urgency to the Torrijos administration's announced desire to promote the production of bio-diesel and ethanol fuels in Panama. The Brazilian government has agreed to help Panama set up production of these alternative fuels, which are not particularly cheaper than petroleum-based products but are less vulnerable to world market fluctuations and offer the prospective economic benefits of making Panama a producer of fuel and not just a consumer.

Bus Strike Suspended, Fares Raised

On 20 Oct, bus drivers who own their vehicles and operate them via cooperatives or syndicates in the various provinces stopped work in five provinces of the western region of Panama. The previous day the Land Transportation and Transport Authority (ATTT) had, after weeks of agitation prompted by high fuel prices, announced a series of fare increases in the so-called Interior of Panama.

The government regulates bus fares, and although there was a 67% fare hike in the Panama City Metro Area during the Moscoso administration, bus fares to and from and within the Interior had not gone up in many years. However, the bus drivers complained that the ATTT's schedule of fare increases was inadequate in light of sharp increases in the price of the diesel fuel on which most of their vehicles run. Consequently, bus drivers of routes in Chiriquí, Veraguas, Los Santos, Herrera and Coclé provinces called a 48-hour strike.

The strike call was well heeded, with a few exceptions, among the inter-urban drivers and some local routes in Coclé, Los Santos and Chiriquí provinces. The result was a partial paralysis of economic activity in those provinces. Most Panamanian workers take buses to and from their jobs, so a bus stoppage necessarily disrupts most business sectors.

The strike was mainly peaceful, but there were a few incidents involving rioters and the police. At about 7:00 a.m. riot police swarmed into the Santiago bus terminal to arrest a Veraguas bus driver and tow away two buses that were blocking access to and from the terminal. During the day, the Minister of Government and Justice, Héctor Alemán, issued a threat on behalf of the Torrijos administration that bus drivers who did not immediately return to work would have their permits revoked.

By the morning of 21 Oct, the striking organizations had agreed to end the work stoppage for 10 days to give the government time to modify the tariffs of the various bus routes. The bus drivers are demanding an extra 10 cents on all intra-city routes, 25 cents more for intra-district district fares, and a 25% hike in the price of travel on an inter-urban bus.

The next day the ATTT announced an upward revision of its fare schedule for 105 bus routes in the Interior, granting increases that range from 15 to 20%, or from a nickel to \$1.50 depending on how far along a route a passenger travels. Fare increases for a number of other routes, most notably those in or to and from La Chorrera, are under study and expected to be announced shortly.

Exoneration of Imported Vehicles for Congressmen Reestablished

On 25 Oct, legislators in the National Assembly lifted the suspension of the exoneration of taxes on imported vehicles purchased for their own use, which had been imposed by Assembly president Jerry Wilson last July.

The exoneration measure was temporarily suspended in July after the publication of an investigative report in the daily *Panamá América*, which disclosed that, in less than 10 months, 18 legislators (principals and alternate delegates) had imported tax-free luxury automobiles that cost a total of more than \$1.2 million. This disclosure caused such a fury of criticism that Wilson imposed a 60-day suspension of the exoneration to calm things down. This measure was extended for another 45 days on 7 Sep by the current National Assembly president, Elías Castillo.

According to the resolution approved on 25 Oct, those congressmen who have not yet taken advantage of an exoneration can begin the process of requesting an exoneration, but only one, for the purchase of an imported vehicle for one's personal use, and the ownership of the vehicle cannot be transferred to another person. It was the abuse of this exoneration privilege that got legislators into trouble in the first place, because previously the imported vehicles could be resold at a profit or given to family members.

—*Clifton L. Holland*