

# PANAMA INVESTED OVER A BILLION DOLLARS IN HOSPITALITY



Panama Tourism Board (ATP) recently reported that despite not exceeding the numbers of 2011, tourism investment in accommodation centers last year exceeded U.S. \$400 million for the second year in a row.

According to the report submitted by the ATP, investments in 2012 were \$ 5.3 million less than the figure recorded in 2011. In total, between 2010 and 2012 investment in hotels, hostels and other accommodation facilities reached \$1,013 million. By number of rooms, this investment meant the market entry to 4,000 new units of housing, bringing the country's total inventory to be about 30,000 rooms.

This growth in supply was one of the reasons why hotel occupancy decreased to 10% last year in the capital city. **Although the amount of international tourists increased by 4.6% in 2012, it was not enough to fill the new rooms entering the market.**

There are 58 new accommodation providers that opened their doors last year - 39.6% are in the capital city, 25.8% in the province of Chiriqui, and the rest are located in Colon, Cocle, Bocas del Toro and Los Santos. 90% are local with less than 100 rooms, mostly boarding houses, cottages and bungalows.

The report also informed about large projects that were opened in 2012, like the Westin Playa Bonita with 611 rooms and the Hard Rock Café with over a thousand rooms.

With the new law on tourism incentives, the private sector expects that investors will increasingly look in the center of the country, where it is necessary to build new infrastructure. The legislation includes tax incentives not only for new stores, but also for existing local expansions.

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