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Ricardo Martinelli celebrates his win

Times Online, Sunday May 3, 2009

A multi-millionaire supermarket tycoon has won Panama's presidential elections, in a rare right-wing election triumph for a region that has become used to leftist leaders.

Ricardo Martinelli's success as a business magnate persuaded voters that he was the best person to help Panama survive the global recession, which has slowed the country's recent stellar economic growth.

The leader of the opposition conservative party Alliance for Change pledged to guide the country through the world economic crisis and an ambitious expansion of the Panama Canal.

Electoral Tribunal President Erasmo Pinilla called Martinelli the "indisputable winner" after preliminary results showed him with 61 percent support and governing party candidate Balbina Herrera with 37 percent. Former President Guillermo Endara was a distant third. The winner was announced with 87 percent of the votes counted.

The government has struggled to rein in crime and high prices and Mr. Martinelli, 57, managed to win over many low-income voters as well as business leaders who regard him as an ally.

"We can't continue to have a country where 40 percent of Panamanians are poor," the self-made millionaire and supermarket owner said in a victory speech. The U.S.-educated, pro-business Mr. Martinelli, who owns Panama's largest supermarket chain, said he would work for a national unity government because "that is what the country is counting on."

"Tomorrow we will all be Panamanians and we will change this country so that it has a good health system, good education, good transportation and good security," he said.

Ms Herrera, a 54-year-old, who served as housing minister under outgoing President Martin Torrijó's, conceded defeat late on Sunday and promised to respect the results. She vowed to form "a responsible, but very energetic opposition, because we have stopped being a country of economic growth, with our house in order and a canal expansion plan in March."

Election officials said that with 53 percent of voting stations reporting, Mr Martinelli's coalition had won 37 seats in the 71-seat National Assembly and Ms Herrera's bloc had 23 seats. Panamanians also elected a vice president, mayors and other local officials.

"Martinelli has received strong support and I believe that he can achieve the change he's promised," said Carlos Rodriguez, a 46-year-old taxi driver. "He has had great success as a businessman and now I hope he can do a good job in government."

The victor, whose five-year term starts July 1, will have to guide this poor Central American country through the global economic crisis and the \$5.25 billion project to increase the Panama Canal's capacity and allow it to accommodate larger ships.

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The canal is Panama's economic motor and both Mr Martinelli and Ms Herrera supported its expansion, but the world's economic woes have generated uncertainty over the project, which is receiving \$2.3 billion in international financing. Approved in a 2006 referendum, the project is expected to create about 5,000 direct jobs between 2010 and 2011, when construction is at its peak, authorities says.

The previous government saw its popularity undermined by the global economic crisis, Panama's slowing growth and crime. Panama's economy had grown at an average annual rate of 8.7 percent over the past five years and unemployment fell from 12 percent to 5.6 percent, improvements fueled by foreign and state investment by the Torrijo's government. But growth has slowed, with economists predicting growth of just 3 percent to 4 percent for the year.

Amid the growing economic gloom, Mr Martinelli played up his business experience as owner of the Super 99 supermarket chain. He vowed to attract foreign investment and promote free trade, particularly with Panama's main trading partner, the United States. Panama has agreed on a free trade accord with the U.S., but the pact has been held up in the U.S. Congress by concerns over Panamanian labor rights and banking rules that could help tax evaders.

Mr Martinelli, who has a degree from the University of Arkansas, lost in his first run for the presidency in 2004 and returned for Sunday's election at the head of a four-party conservative coalition.

Ms Herrera, who ran for the governing coalition led by the Democratic Revolutionary Party, had promised to spread the wealth from Panama City to the poorer province and indigenous communities.

Few problems were reported despite heavy turnout at the country's 2,382 voting stations, observers from the Organization of American States said in a preliminary report issued after polls closed. More than 2.2 million people were eligible to vote.

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