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Panamanian President to join world and regional industry leaders for launch of Latin America's first diamond, jewelry and colored stones trading center

PANAMA: JANUARY 27, 2014 - President Ricardo Martinelli, Panama's head of state, will join leaders of the international and Latin American diamond, jewelry and precious stones industries, who will gather in Panama City on March 17 and 18 for the launch the Panama Gem & Jewelry Center. It will be the first dedicated facility for the diamond, jewelry and colored stones trades in the region that includes South and Central America, Mexico and the Caribbean.

Anchoring the new center will be the Panama Diamond Exchange (PDE), which was established as the first and only diamond bourse in all of Latin America, and which is recognized by the World Federation of Diamond Bourses.

"This is a real milestone event for the global diamond, jewelry and colored stone industries, and one that ranks in order of importance with the establishment of the trading centers in Shanghai and Dubai," said Eli Izhakoff. "Just as they were catalysts for the dramatic growth of massive new markets, I am confident that the same will be the case for Panama and Latin America."

"Visitors to Panama will most definitely have their eyes opened," stated Erez Akerman, PDE President. "This is a country that is experiencing a substantial economic boom, largely as result of it serving as a hub and world access point for Latin America, which likewise has grown into a major world market force. The facts that the Panama Gem & Jewelry Center has the support of the Panamanian government and parliament, which view it as a strategic asset, makes the whole project even more exciting."

Construction has already begun on the first stage of the more than \$200 million project, which involves a structure that will house the trading floor and offices of the diamond bourse, as well as extensive office space for companies. It is scheduled for completion and occupation by the fourth quarter of this year.

The second phase of the project will include the development of a high-rise tower, where the lower floors will include the offices and trading floor of PDE and a jewelry mall, and the upper floors will include offices of diamond, jewelry, colored gemstone, pearl and precious metals companies, as well as service providers.

Designed by Ignacio Mallol, one of Latin America's most celebrated architects, the Panama Gem & Jewelry Center is being developed by Grupo Verde Azul and Grupo Los Pueblos, two of the region's leading property development and management companies.

“This is world-class project, which will include an iconic building and state-of-the-art facilities, which will place both Panama and Latin America at the forefront of the world’s diamond, jewelry and colored stone industry,” said Alberto Vallarino Clement, head of Grupo Verde Azul and a previous Minister of Economy and Finance of the Republic of Panama. “We are delighted to be part of this enterprise, which is consistent with our national strategy to make Panama the trading and business hub of the Americas.”

The Panama Gem & Jewelry Center has received the strong support of the Panamanian government and parliament, which regard it as an economic project on national importance. Together with President Martinelli, who will be the guest of honor at the launch event, other ministers and political leaders will attend the event.

To promote the establishment of the Panama Gem & Jewelry Center as the Latin American industry’s primary trading hub, the Panamanian parliament recently passed legislation that recognizes the area of the PDE facility to be a Free Zone, where residents do not incur customs duties on goods traded within the center and they are exempt from paying corporate taxes. Panama also joined the Kimberley Process in 2013.

The preferential tax and customs environment will provide the Panama Gem & Jewelry Center with one of the most attractive financial environments globally, and with the added advantage that the Panamanian facility will function as the primary gateway to one of the world’s largest untapped markets for diamonds, jewelry and colored stones.

Latin America’s diamond, jewelry and colored stone sector is currently estimated to be worth \$8 billion in sales per annum, and its industry includes more than 11,500 jewelry outlets, more than 320 mining companies and almost 750 wholesalers of diamond, jewelry and colored stones.