



Panamá Province

POP 1.7 MILLION / AREA 11,887 SQ KM / ELEV SEA LEVEL TO 100M

Includes ➔

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Best Spots to Explore

- ➔ Parque Nacional Soberanía (p78)
- ➔ Miraflores Locks (p76)
- ➔ Lago Bayano (p82)
- ➔ Archipiélago de Las Perlas (p84)
- ➔ Pacific beaches (p90)

Best Places to Sleep

- ➔ Canopy B&B (p80)
- ➔ Mamallena Ecological (p89)
- ➔ Canopy Tower Ecological (p78)
- ➔ La Casa Amarilla (p89)
- ➔ Gamboa Rainforest Resort (p80)

Why Go?

Panamá Province has a rich history of pirates, plunder and pearls. Although it's the most populated province in the country, Panamá can be as big or as small as you want it to be. Tranquil rainforests and sizzling beach scenes are yours to explore, and the comforts of the capital are never more than an hour away.

The principal attraction remains the world's most daring engineering marvel. Explore the Panama Canal and its expansion by visiting its locks, boating through its watery recesses or hiking along its jungle-clad shore. It is also the unlikely host of one of the most accessible and best-studied tropical rainforests on the planet.

Day trips from Panama City abound, ranging from beaches and surf breaks to ferry trips to the island village of Taboga. Farther flung is the Archipiélago de Las Perlas, which attracts everyone from the moneyed elite to the occasional *Survivor* TV series.

When to Go

➔ **Dec–Apr** High season at the Pacific coast beaches when trade winds and dry weather translate to the perfect time to windsurf or kitesurf; beaches are usually full and hotels charge high season rates.

➔ **May–Nov** For huge savings, hit the resorts in the low season. Calmer conditions favor wakeboarders.

➔ **Aug–Oct** A visit to Isla Taboga or Archipiélago de Las Perlas is pleasant year-round, but if you want to see migrating humpback whales come when they put on spectacular displays. It's even possible to spot them on your ferry ride out to the island.

HISTORY

Throughout the 16th and 17th centuries, the Spanish used the isthmus as a transit point for shipping plundered gold between Peru and Spain. The main route was the famous cobblestoned Camino Real (King's Hwy), linking Panamá to Portobelo and serving as the only road across the isthmus for hundreds of years. In the 1700s, the route was abandoned in favor of shipping gold around Cape Horn, due to repeated pirate attacks, the most famous of which was Captain Henry Morgan's 1671 sacking of Panamá Viejo (p45).

As early as 1524, King Charles V of Spain had ordered a survey to determine the feasibility of constructing a trans-isthmian water route. But it wasn't until the 1880s that any country dared to undertake the momentous project of carving a trench through these dense jungles and mountains. The first canal attempt came from a French team led by Ferdinand-Marie de Lesseps, bolstered by his prior success building the Suez Canal.

Sadly, the French team grossly underestimated the difficulties and some 22,000 workers died during the construction attempt. Most lives were lost to yellow fever and malaria, which led to the establishment of an enormous quarantine on Isla Taboga. It was not yet known that mosquitoes were the disease vector. Several decades later, the USA learned from the mistakes of the French and succeeded in completing the canal in 1914.

Today the waterway rests firmly in the hands of the Panamanian government, and the face of the canal is rapidly changing as an ambitious expansion is completed.

AROUND PANAMA CITY

Panama Canal

One of the world's greatest human-made marvels, the Panama Canal stretches 80km from Panama City on the Pacific side to Colón

EXPANDING THE CANAL

In 2006 Panamanians, betting on burgeoning international shipping needs, voted to expand the canal. The plan was to widen and deepen existing navigation channels as well as constructing of two new locks. One of the biggest transportation projects in the world, this mega-project was planned at a projected cost of US\$5.25 billion; it has now surpassed the US\$17 billion mark as it nears completion and works have stretched more than a decade. Originally planned for inauguration at the canal's 100-year anniversary in 2014, the expansion is now expected to open in mid-2016. The resulting new locks will be 60% wider and 40% longer. Container traffic is expected to triple. But will it meet increased world shipping needs?

As container ships get bigger the need to accommodate them is plain. The increased traffic and volume through the canal will inject a huge boost into the Panamanian economy. The country will maintain its current role as the maritime logistics center in the Americas, and everything from the Free Trade Zone of Colón to the international financial hub of Panama City is likely to boom. It may increase tourism, since the new locks will be able to accommodate large cruise ships.

The rationale for the expansion is that the demands of the international maritime shipping community have changed. Although as much as 5% of the world's total sea commerce traverses the Panama Canal, the Suez Canal in Egypt, capable of handling larger vessels, serves more than 6%. Furthermore, the Panama Canal is already operating at more than 90% of its maximum capacity and will reach its saturation point in less than five years.

The biggest challenge the Panama Canal faces is luring in the enormous post-Panamax vessels, which currently depend on either the US Trans-continental Railway or the Suez Canal. Those in favor of canal expansion are hoping that this lucrative market will adopt the Panama route, especially as trade between Asia and the continental east coast increases.

Critics from all sectors of Panamanian society have serious concern that the expansion will not offset its construction costs, which have more than tripled from original estimates. Financing requires billions in loans from various foreign government-owned banks, in addition to funding by the Panamanian government and the Panama Canal Authority. Since tolls will increase significantly over the next 20 years, the hope is that the expected flow of post-Panamax vessels through the canal will eventually pick up the tab.