

Prices start at US\$150.00 a day

Want to travel in a luxury car? Do not buy it, rent it

Following an increase in visitors that by October 2007 had reached 1,080,819 visitors, or 18% more than during the same period last year, renting companies, travel agencies, tour operators, and others have seen an opportunity in the business of renting cars.

Some companies that specialize in this area have been involved in this activity for several years, while other companies just began to offer their services a few months ago.

Starting in February 2007, Arrendadora Economica began to offer rental of luxury cars like Lexus, Jaguar, Mercedes and Audi. Presently, this rental company located in Nuevo Reparto El Carmen, has at its disposition a fleet of eight luxury cars. Its last acquisition was a 2008 convertible Audi to see its acceptance among their clientele.

(See Box: Requirements to rent a car)

This company offers from small cars to large ones; however, the first are the most sought after due to price considerations. An Audi A4 can be rented for the daily rate of US\$130 while the convertible for US\$350 and the Lexus has an approximate price of US\$600. The company also offers the services of a driver for US\$50 for eight hours.

Edmundo Gonzalez, general manager of Arrendadora Economica, said most of the clients renting these luxury cars are foreign corporation executives; but he added demand "has been a little slow".

Risky business - This businessman said he wanted to explore the market because of the large number of visitors coming into the country.

Both Gonzalez, as well as Gloria Elisa de Vallarino, general manager of Hertz, were of the opinion this is a highly risky business since most of the repair parts for these vehicles are difficult to find and insurance policies costs are too high.

"Damage repair to one of these models is not the same as with other models", said Vallarino.

Another rental car company offering luxury car rentals is Hertz which as of today counts with approximately 20 units. Among their car models are BMWs, Renaults, Nissan Muranos, and Nissan Patrols; full of extra equipment, leather seats, and other accessories normal to luxury cars.

Daily rates vary between US\$115 and US\$150 without any type of coverage. With coverage the daily rates would be between US\$150 and US\$200.

The manager said that there has always been a demand for luxury car rentals; but, in the past Japanese luxury cars were mainly used, while in the present European cars are number one in this field.

Local customers who rent luxury cars do it mainly to wait on visiting foreign investors; however, there are foreigners who also ask directly for this kind of service.

In Tourism - Panamataxi Tourism is another company with approximately two years of offering transportation service in luxury cars. Presently, the company has four Honda Odyssey luxury minivans registered as Servicios Especiales de Turismo. Each one has a capacity for six passengers. The units



also include a DVD player, insurance coverage against theft, accident, fire, and other liabilities; and a bilingual driver.

The minivans of Panamataxi can be rented by one or two persons for US\$20 an hour with all services. However, as additional persons are included the price increases; for a third person the price costs an additional US\$5 and US\$10 depending on destination. The company also offers corporation rates where the daily rate is US\$150.

About 90% of their clients are locals, among them hotels, restaurants, and real state agencies; while the remaining 10% are foreigners, both tourists and investors.

The clientele has been increasing, said Jose Avila Thompson, owner of the company. The key to this business resides in personalized service, and not to try to "force" tours on your clients.

Business has been good, and the owners of Panamataxi attribute the demand for services to their internet page at www.panamataxi.com.

Jeannine Pascale Rauchenstein de Avila clarified that Panamataxi focus in providing

passenger transportation services, and that their packages have no provisions for tips, food, entrance costs, boarding, or personal expenses.

The company's owners are of the opinion they have no competition in providing "personalized one on one service" they offer to their clientele.

Unlike a rental car company, clients of Panamataxi have the option to hire a driver, who besides being a driver also can function as a guide who speaks from English to Cantonese.

Future Plans - Panamataxi wants to become a tour operator sometime in the future. They are holding conversations with a Spanish businessman, owner of a travel agency, in order to accomplish this transition.

Requirements to rent a car

- The renter must be at least 25 years of age
- Present an identity card (if Panamanian)
- Present a passport (if a foreigner)

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