



Foreign Direct Investment grew 16%

Foreign Direct Investment (FDI) showed extraordinary results in 2016.

A report from the Republic's General Comptroller revealed that FDI reached US\$ 5,209 million (new historic record) in 2016, which surpassed the 2015 figure of US\$ 4,494 million. This increase of US\$ 715 million represented a year-over-year increase of 16%.

Source: Mirta Rodríguez P. - La Estrella (March 4, 2017).

Fitch affirms Panama's ratings at 'BBB'; Outlook stable

Panama's ratings are supported by continued strong and stable macroeconomic performance, which has driven a sustained rise in per-capita income and reflects policies and a strategic location and asset (the Panama Canal) that underpin a high investment rate.

The 38% debt-to-GDP ratio is below the median of 40% that other BBB countries possess.

Source: La Estrella (February 16, 2016).



Panama's Securities Market Superintendent, Marelisa Quintero de Stanziola (Source: Securities Market Superintendency).

Securities Market Superintendency signs IOSCO's MMoU

Panama's Securities Market Superintendency (SMV for its Spanish acronym) signed IOSCO's Multilateral Memorandum of Understanding, by which Panama regains its rights with said organization.

Securities Market Superintendent, Marelisa Quintero de Stanziola, stated that this is a big step that is achieved thanks to the efforts being made by the regulator for the past 15 years, in order to obtain the sufficient powers in terms of international exchange and cooperation. This has been achieved with the special support of the Ministry of Economy and Finance in approving the necessary regulatory changes to achieve the objective in this country issue.



With the signing of this document, Panama has been removed from IOSCO’s observation list, which tagged Panama as a non-cooperative country, became a cooperating country in research issues, and regained the right to voice and vote in the organization’s workgroups.

Source: Securities Market Superintendency (May 16, 2017).

Panama’s economy outgrew first quarter forecasts



Panama’s economy monthly growth (Source: Republic’s General Comptroller. Info: GESE Infography department).

Panama’s economy outgrew previsions for the first quarter of 2017, as evidenced by the Monthly Economic Activity Index (IMAE for its Spanish acronym) that the Republic’s General Comptroller estimates.

According to the IMAE, for the first quarter of 2017, the economy grew 6%, as compared to the same period of 2016.

According to the governmental source, during the first three months of the year, the economic sectors which posted the best results were: construction, mining, commerce, transportation, storing and communications, water and electricity, community activities and restaurants and hotels.

Source: Securities Market Superintendency (May 16, 2017).

Latest 2017 Growth Forecasts

Ministry of Economy and Finance: 5.8%

Source: Ministry of Economy and Finance (February 23, 2017).

Fitch Ratings: 5.0%

Source: Fitch Ratings (February 17, 2017).

CEPAL: 5.9%

Source: CEPAL (February 23, 2017).

International Monetary Fund: 5.1%

Source: International Monetary Fund (March 17, 2017).

World Bank: 5.4%

Source: World Bank (April 19, 2017).

Panama approves law that modifies the business of Trusts



Panama’s Vice-Minister of Economy Iván Zarak (fourth from left to right) and the National Assembly’s President Rubén de León (fifth from left to right) officialize the modifications to the Trusts Law. (Source: Panamanian Ministry of Economy and Finance).

The Panamanian National Assembly approved Law 412, which updates the business of Trusts Law 23 of 2015 on Anti-Money Laundering (AML), prevention of Financing of Terrorism (FT) and Proliferation of Weapons of Mass Destruction (WMD).

The new law establishes new compliance parameters for companies, strengthens the

Non-Financial Subjects Supervision and Regulation and grants the Banking Superintendency additional financial subjects supervision responsibilities.

Law 412 proposes the establishment of a legal platform to promote the local market as a necessary step towards Panama's consolidation as an international fiduciary center and positioning at the forefront of international transparency standards.

The approval of Law 412 is part of the actions that Panama has taken towards strengthening its legal framework and promoting transparency, by which it will be evaluated in May by the Latin-American Financial Action Task Force (FAFT, or GAFILAT for its Spanish acronym).

Source: Mileika Lasso - La Estrella de Panamá (April 27, 2017).

OECD congratulates Panama for its commitment to transparency



Panama Ambassador to France Pilar Arosemena de Alemán and General Sub-Secretary to the OECD Douglas Frantz (Source: Panamanian Ministry of Foreign Relations).

The Organisation for Economic Co-operation and Development (OECD) congratulated Panama for its commitment to transparency

and fight against tax evasion, after the country's Ambassador to France, Pilar Arosemena de Alemán deposited with the Paris-based agency the ratification of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters (MAC).

Panama decided to incorporate itself into this OECD-promoted mechanism this past October, but was sanctioned by the President Juan Carlos Varela this past February after being ratified by the National Assembly.

"Today [March 16] Panama deposited the ratification of the MAC. By doing so, Panama underlines its commitment to fight tax evasion and established an important previous condition to comply with the commitment to start exchanging information under Common Reporting Standards (CRS) starting in 2018", stated the international organisation.

Source: Victoria Isabel Cardiel C. - La Prensa (March 16, 2017).

Fondo de Ahorro de Panamá (FAP) gains full membership of IFSWF

The Board of the International Forum of Sovereign Wealth Funds (IFSFWF) on March, 2017 approved the application for full IFSWF membership of the Fondo de Ahorro de Panamá (FAP). As a full member of the IFSWF, the FAP voluntarily agrees to uphold the Generally Accepted Principles and Practices, known as the Santiago Principles.

Adrian Orr, Chairman of the IFSWF said:

"We are delighted to welcome the Fondo de Ahorro de Panamá into our community. Sovereign wealth funds continued interest in IFSWF membership highlights their desire to adhere to good governance and investment practices, as well as the value of belonging to a group of like-minded



institutions. We look forward to working with Abdiel Santiago and his team.”

Abdiel A. Santiago M., Secretariat of the Fondo de Ahorro de Panamá, said:

"We are proud to belong to this global community of sovereign wealth funds, and look forward to working with our fellow members on the collaborative application of the Santiago Principles. Notably, obtaining IFSWF membership is testament to our Board’s commitment to transparency and to the development of the FAP as a world-class public investor.”

Source: IFSWF (March 7, 2017).

Panama will have the biggest GDP-per-capita in Latin America starting in 2018

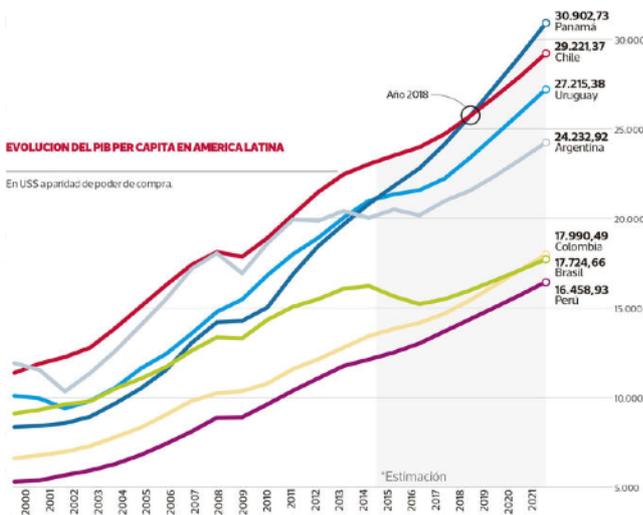


Chart that displays the evolution of GDP-per-capita in Latin America (expressed in US\$ and measured by purchasing power parity). (Source: International Monetary Fund).

According to the International Monetary Fund (IMF) Panama will have the the biggest GDP-per-capita in Latin America starting in 2018.

Chile has been, for over a decade, the Latin American country with the biggest GDP-per-capita. In 2018, Panama will slightly exceed the South American country and the difference will grow bigger.

Economist Felipe Chapman stated that he’s not surprised that the IMF estimated Panama as achieving the biggest regional income-per-capita towards the end of the decade, as measured by purchasing power parity (PPP). “This is good news, which gives us the opportunity to continue reducing poverty levels and improving the national wealth distribution, where we still have a long way to go”.

Raúl Moreira, director of Economic Analysis for the Ministry of Economy and Finance, stated that the forecast is given because of the sustained growth and the strengthening of the dollar.

Source: Roberto González Jiménez - La Prensa (February 22, 2017)..

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