

# INVESTMENT AND DEVELOPMENT OPORTUNITIES IN PANAMA

Panamá La  
**gran**  
conexión



MINISTERIO  
DE COMERCIO  
E INDUSTRIAS



PROINVEK  
PANAMA



GOBIERNO DE LA REPÚBLICA DE  
PANAMÁ

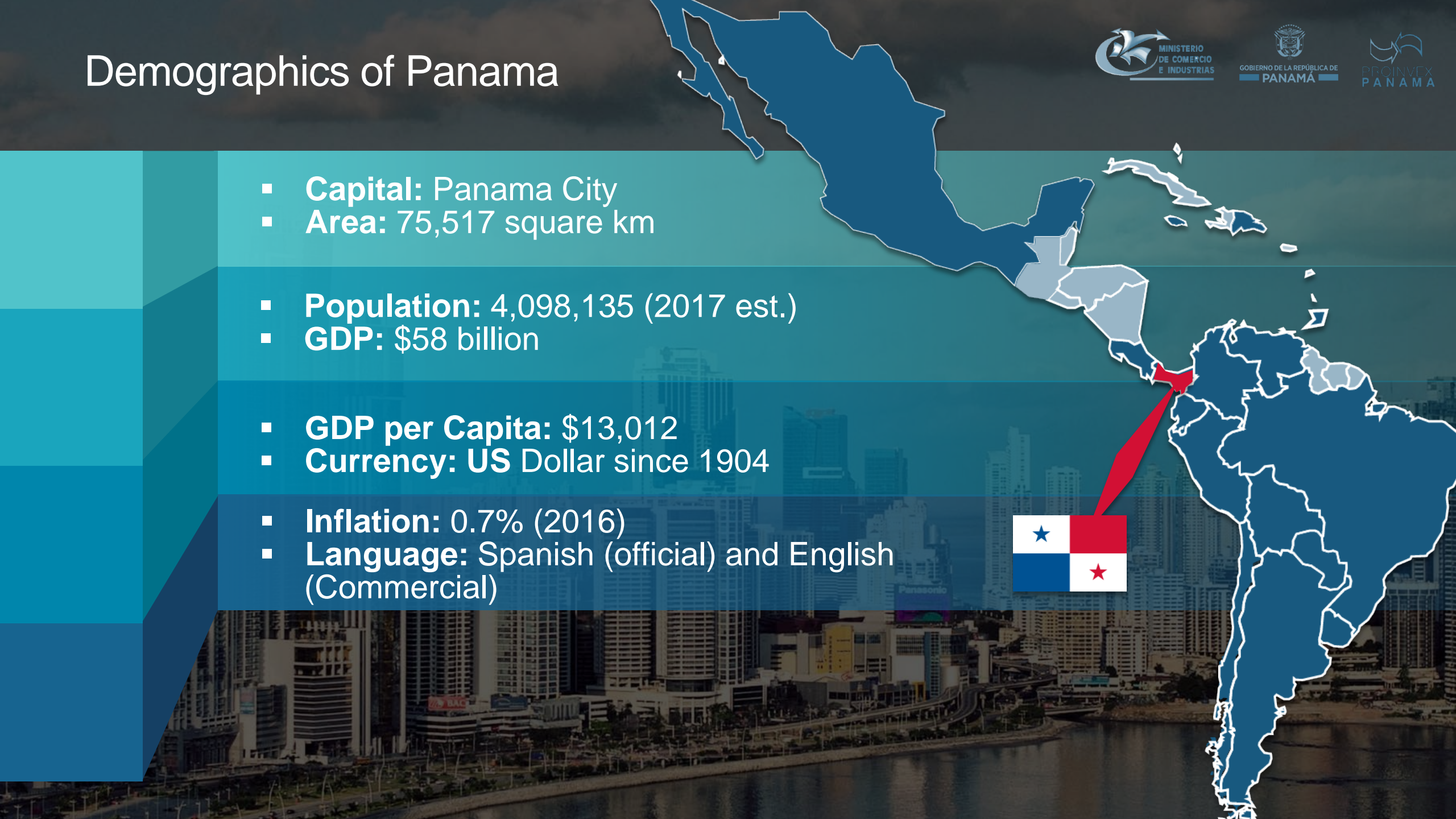
# Panama as business platform



- 01 Demographics and FDI status
- 02 Panama's Trade Facts
- 03 Economy and competitiveness stats
- 04 Strategic sectors and special incentive regimes

# Demographics of Panama

- **Capital:** Panama City
- **Area:** 75,517 square km
  
- **Population:** 4,098,135 (2017 est.)
- **GDP:** \$58 billion
  
- **GDP per Capita:** \$13,012
- **Currency:** US Dollar since 1904
  
- **Inflation:** 0.7% (2016)
- **Language:** Spanish (official) and English (Commercial)



# Dynamic growth on Foreign Direct Investments.



FDI Growth  
2016 vs. 2015

17%



% Share  
Respect to Central America FDI

45%



Reinvestment of profits  
Solid country stability

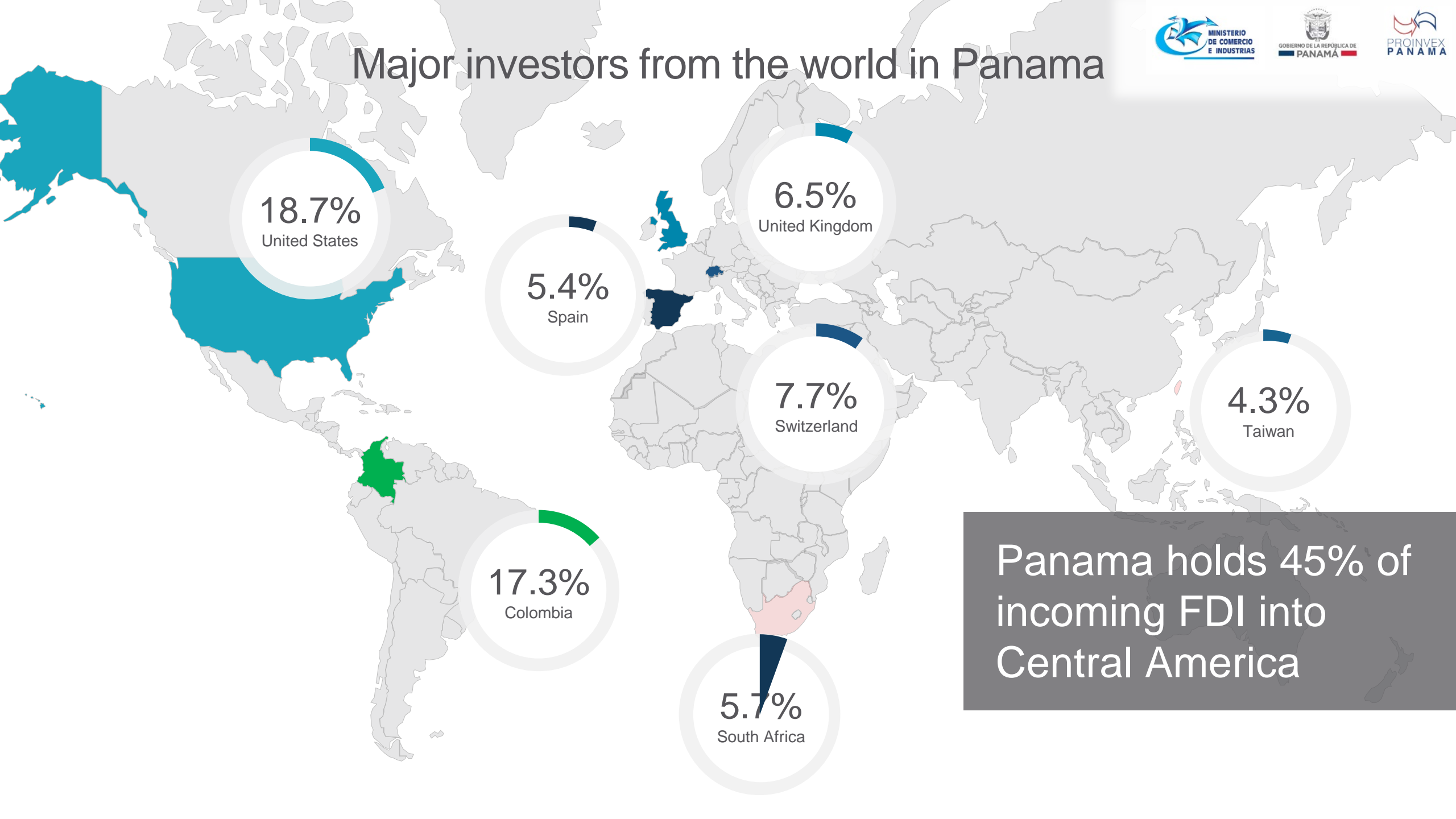
64%



Accumulated FDI growth  
Trend from 2010 up to date

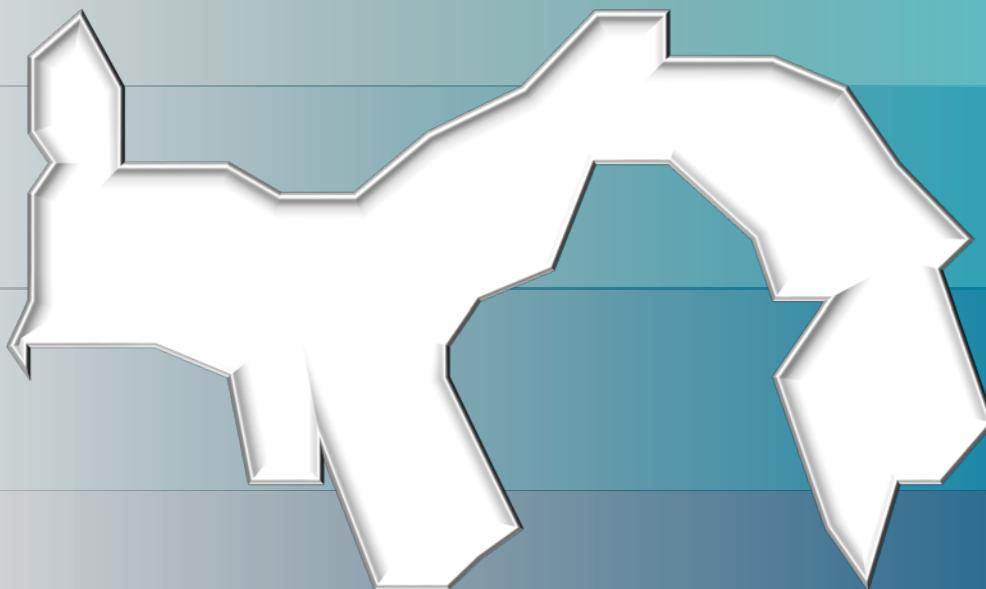
85%

# Major investors from the world in Panama



Panama holds 45% of incoming FDI into Central America

# Panama's trade facts



## Colon Free Zone

In 2016 a total trade volume reached US\$ **19.6** billion with a favorable trade balance for Panama over US\$ **1.1** billion



## US\$ 5,209.3 Million

Of Foreign Direct Investments in 2016  
(7<sup>th</sup> major in LATAM)



## A service based Economy

In 2016, service exports surpassed US\$ **14.6** billion. This sector represented **71.2%** of Panama's GDP



## Top growing sectors in 1<sup>st</sup> Qt of 2017 GDP:

- \*Private Education (11.9%)
- \*Transport Storage and Communications (10.6%)
- \*Wholesale & Retail (9.5%)
- \*Construction (6.6%)

# Export Facts in 2016

US\$ **636.1** millions



31.9%  
Agriculture Products



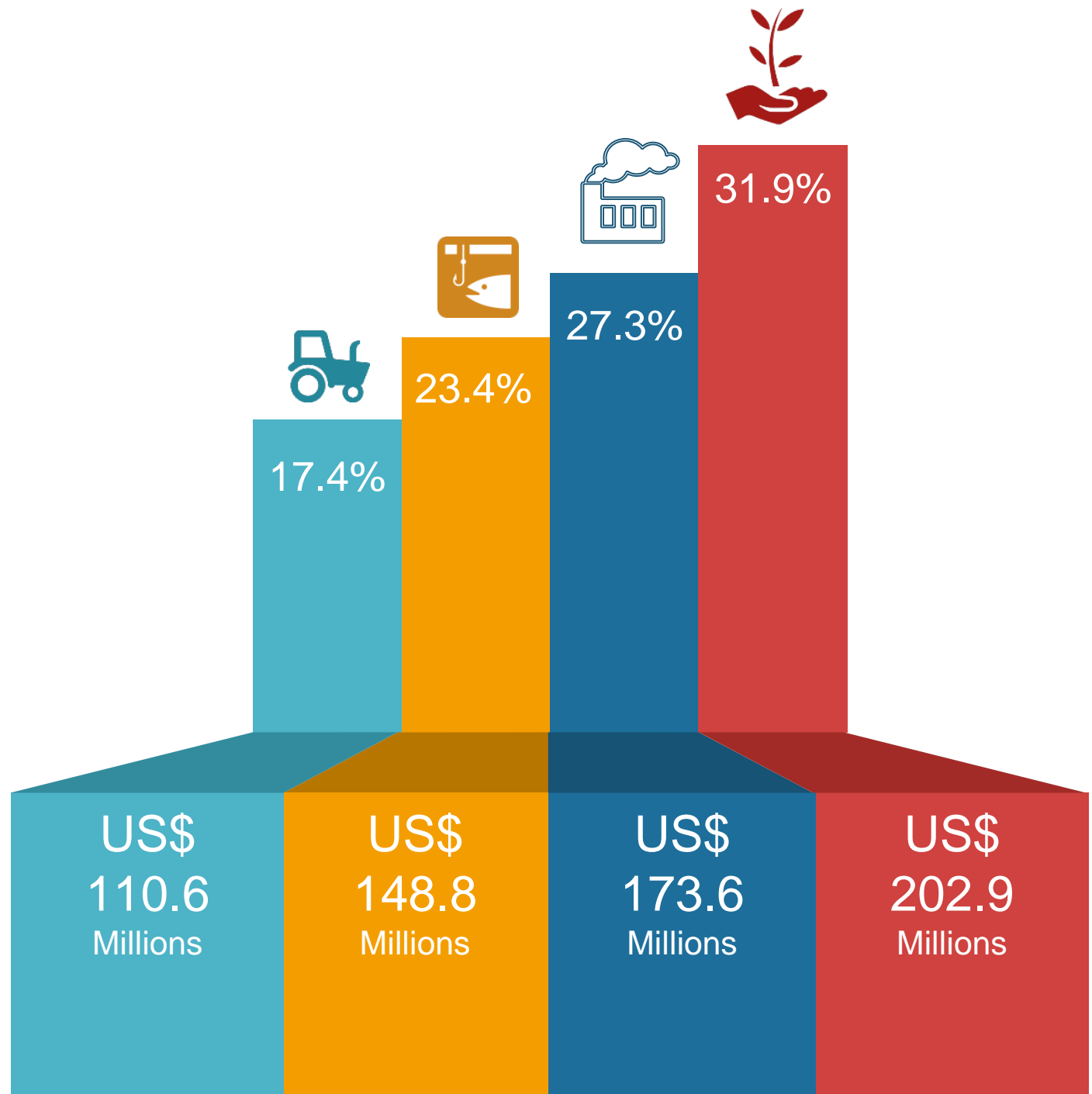
27.3%  
Industrial Products



23.4%  
Sea Products

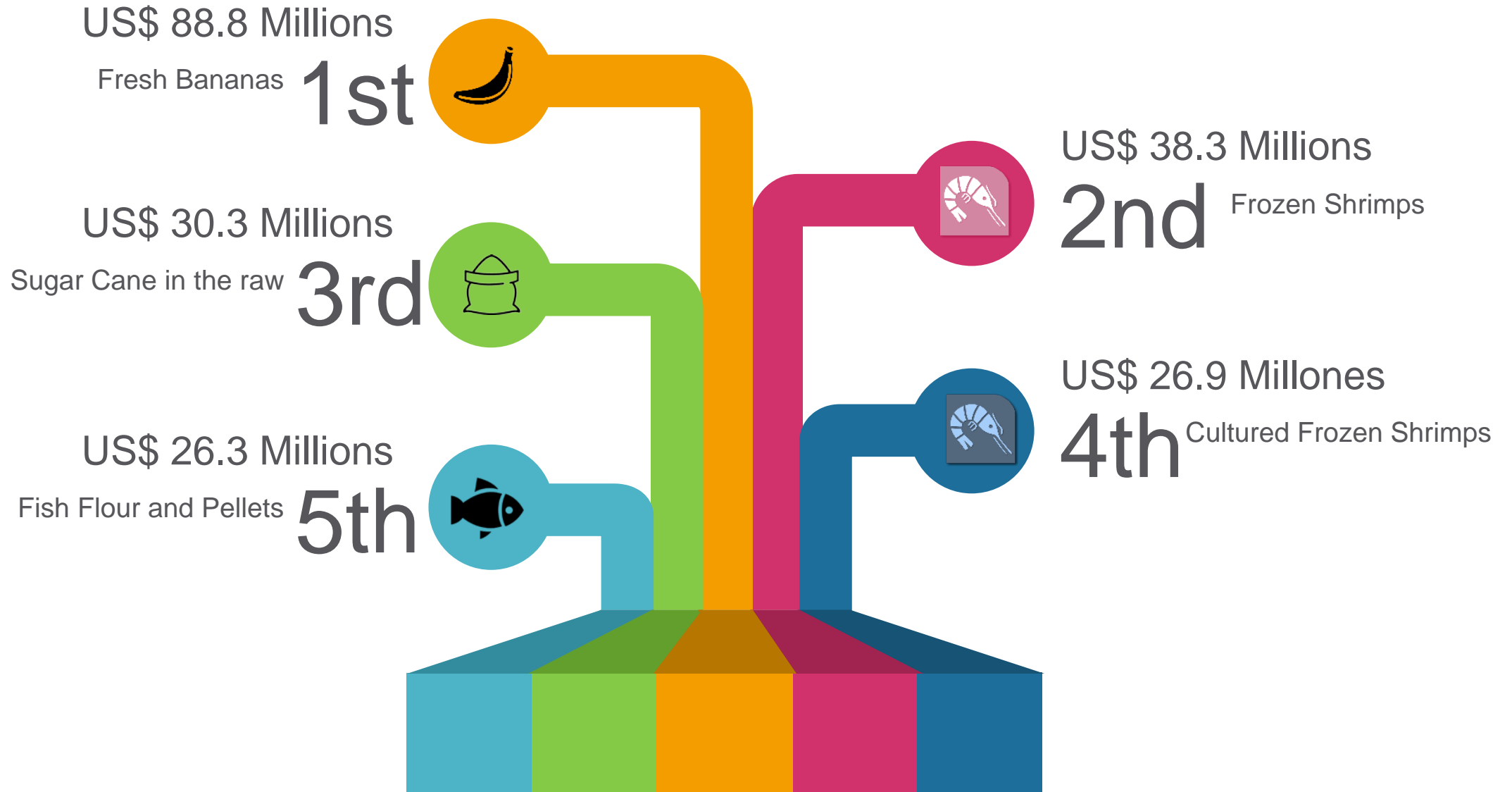


17.4%  
Agro Business Products



# Panamanian Exports in 2016

Top 5 export products by tariff code represents 33.1% of total exports





# Import facts in 2016

US\$ **11,696.9** millions



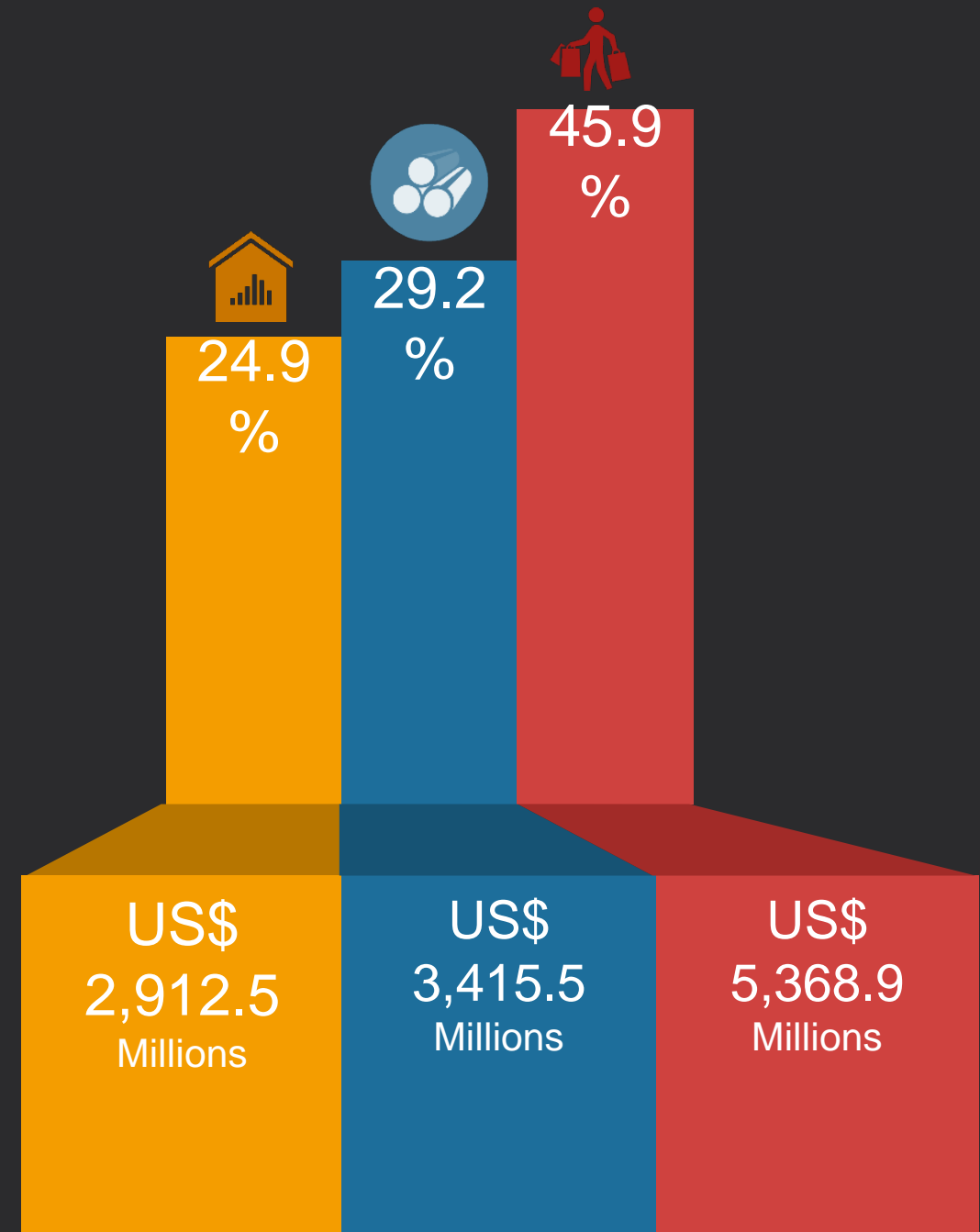
45.9%  
Consumer goods



25.6%  
Intermediate goods

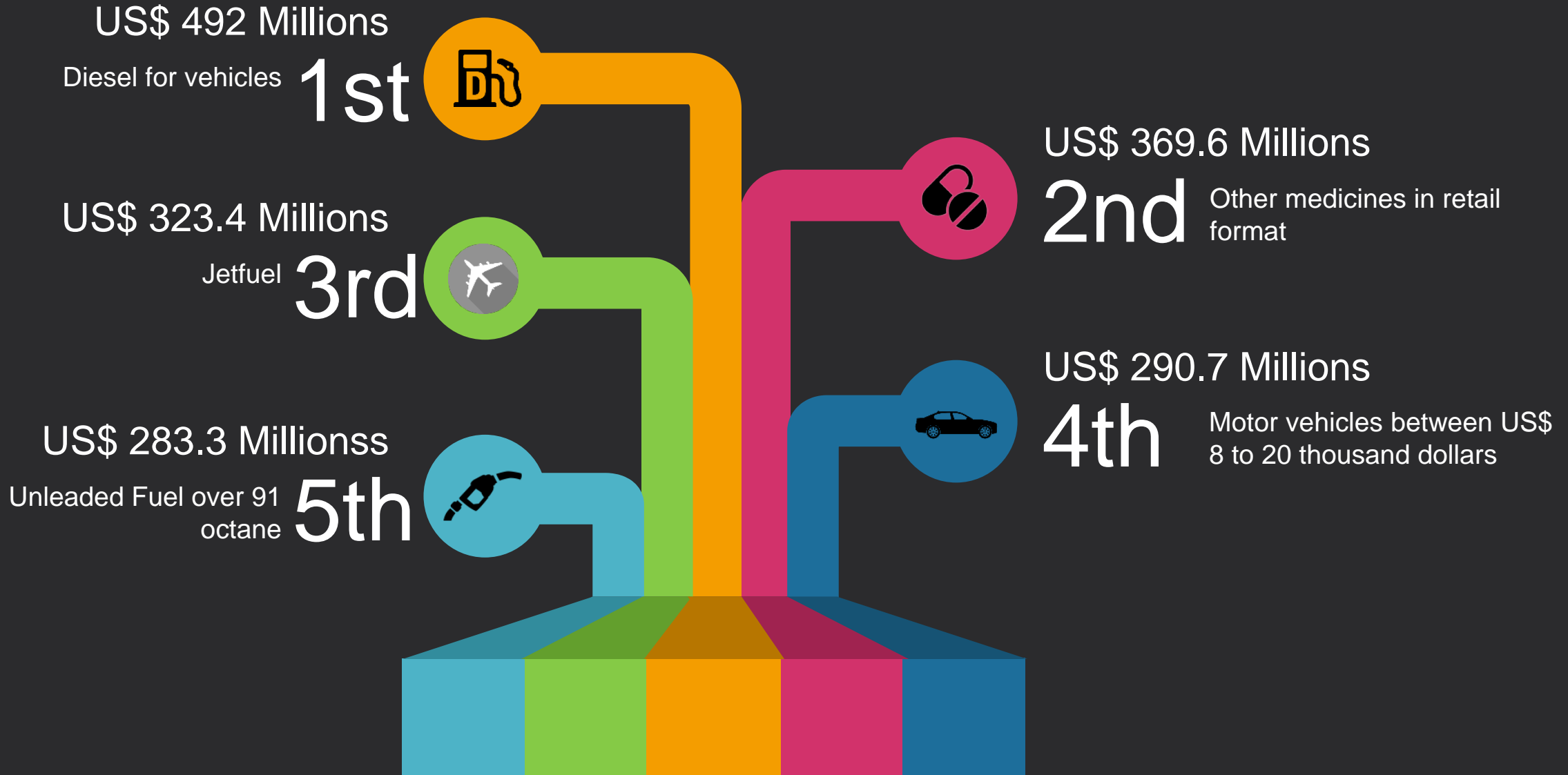


24.9%  
Capital goods



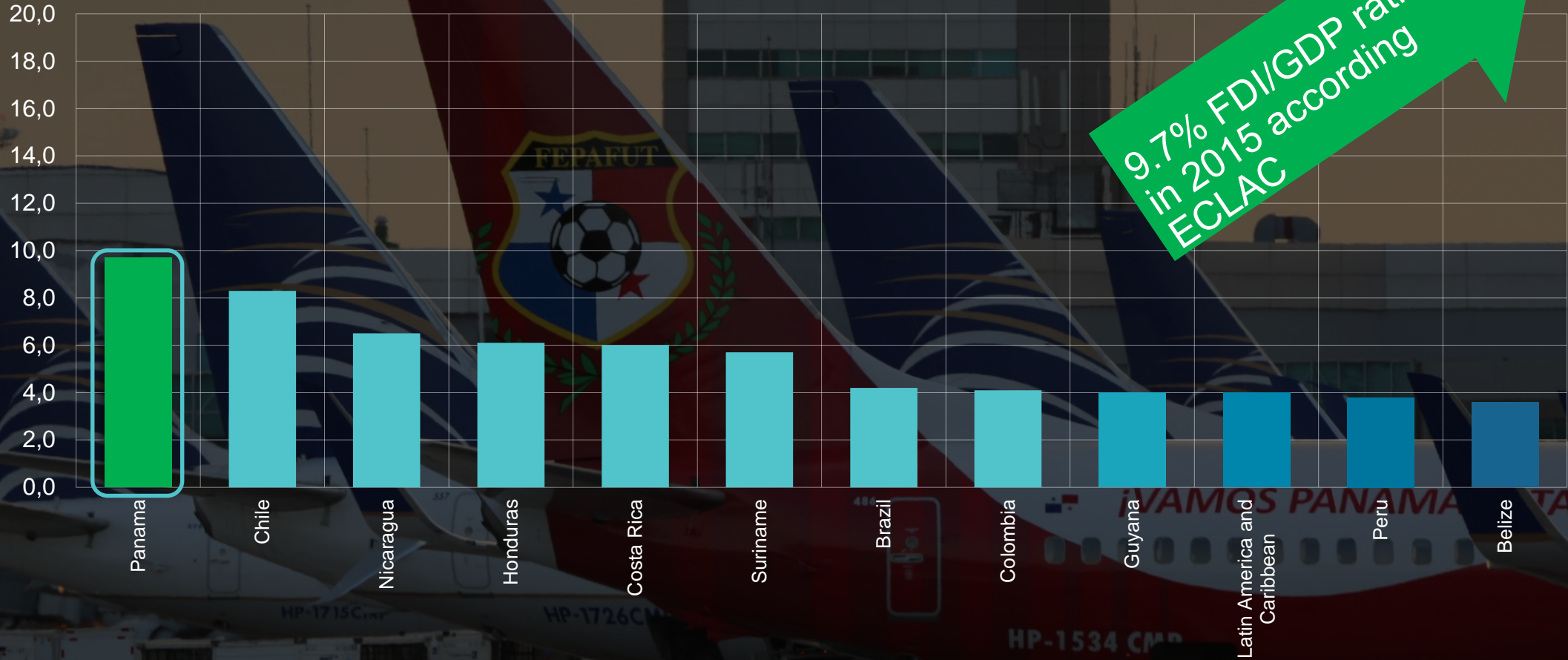
# Panamanian Imports in 2016

Top 5 import products by tariff code reaches 15.1% of total imports



# Panama is leading FDI Attraction In Latin America

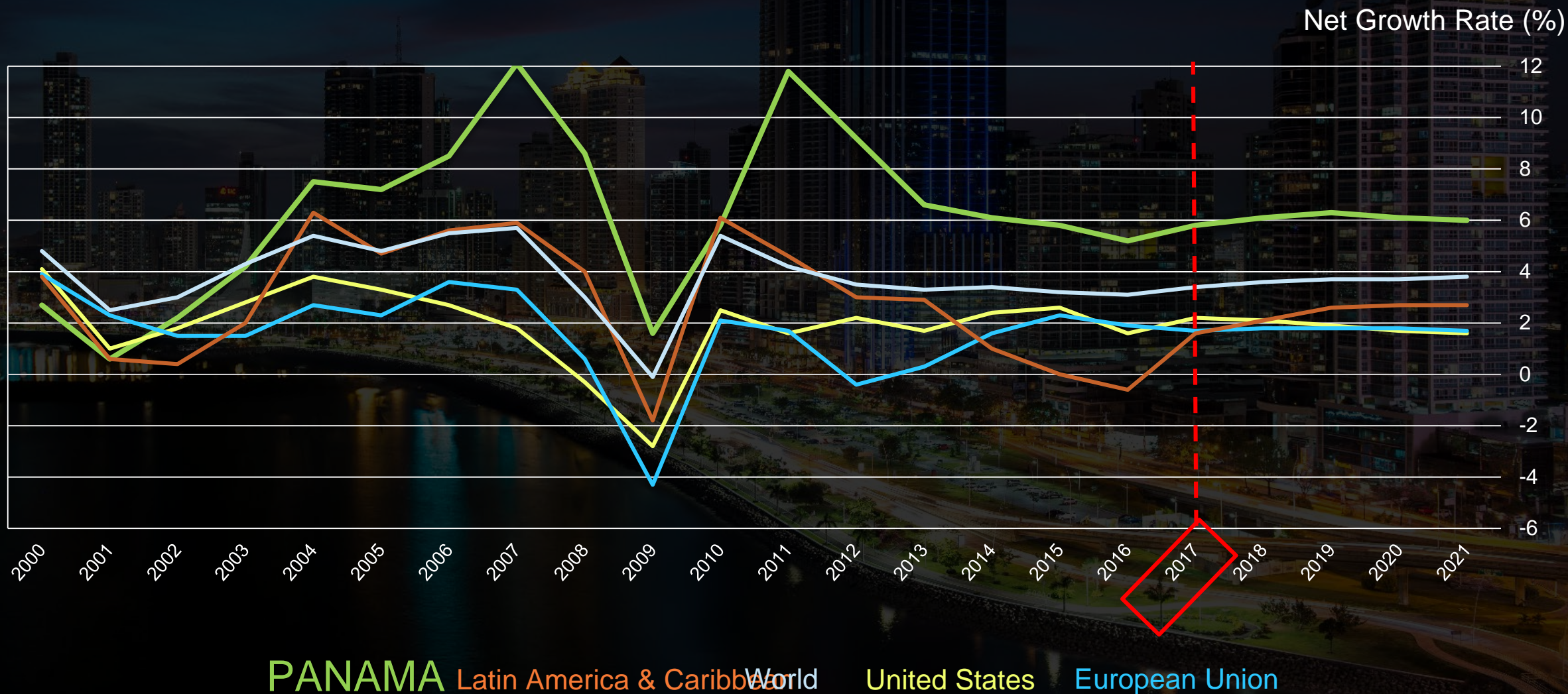
FDI/GDP ratio (%)



9.7% FDI/GDP ratio  
in 2015 according  
ECLAC

# An unprecedented economic boost

Forecasted growth rate on GDP over 6% until 2021 according to IMF

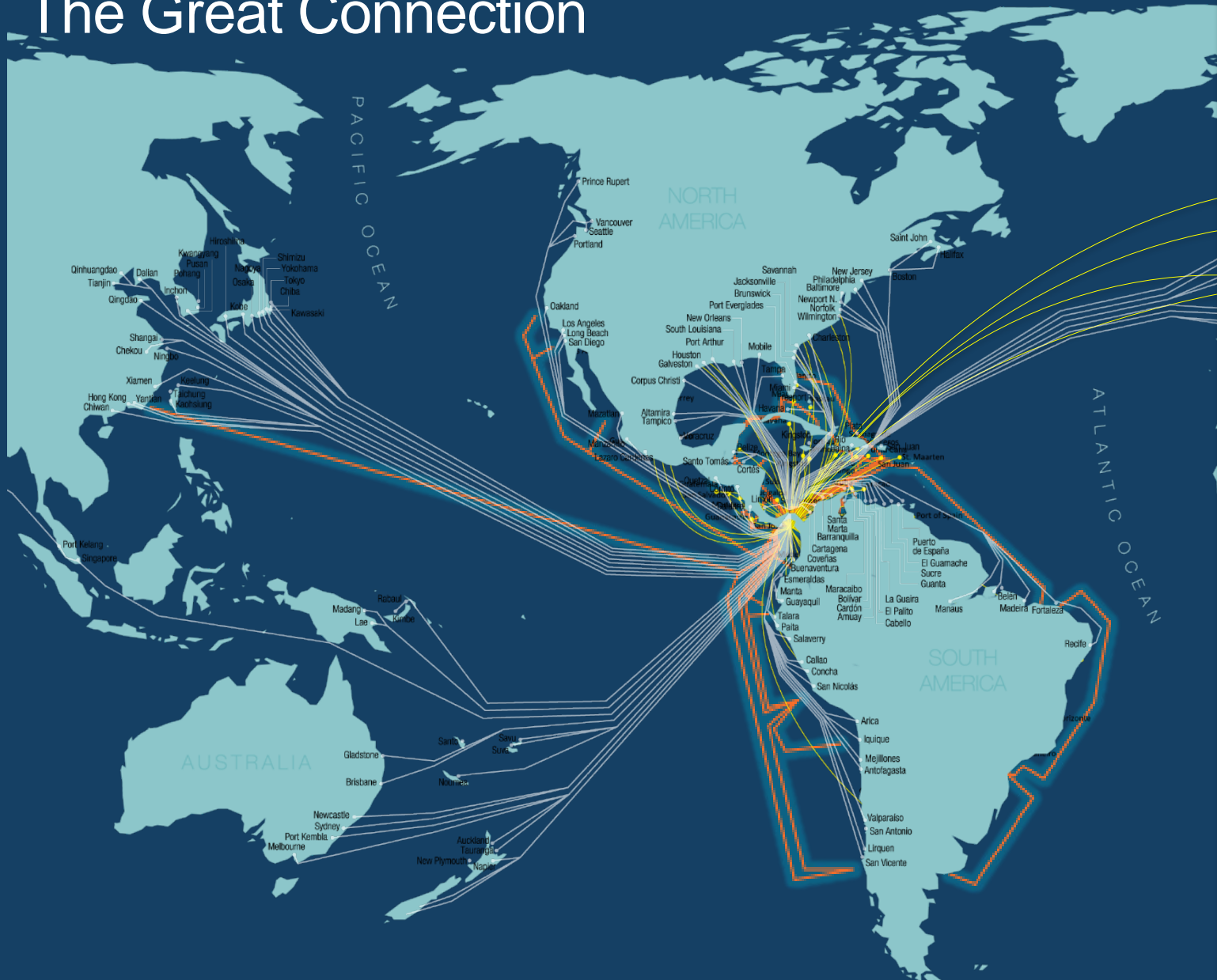






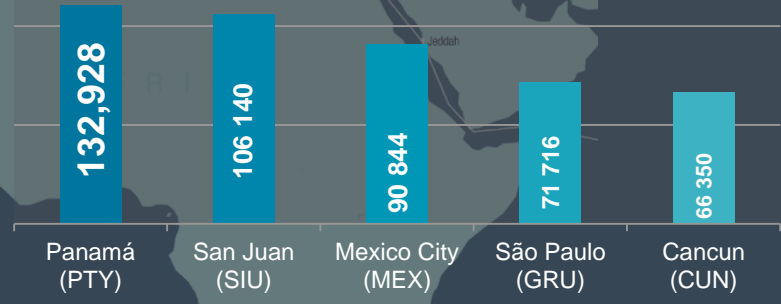
Panamá have the two most active ports of Latin America in both oceans:

# Panama The Great Connection



1. Balboa: 3,468,283 TEU
2. Cristobal: 3,286,736 TEU

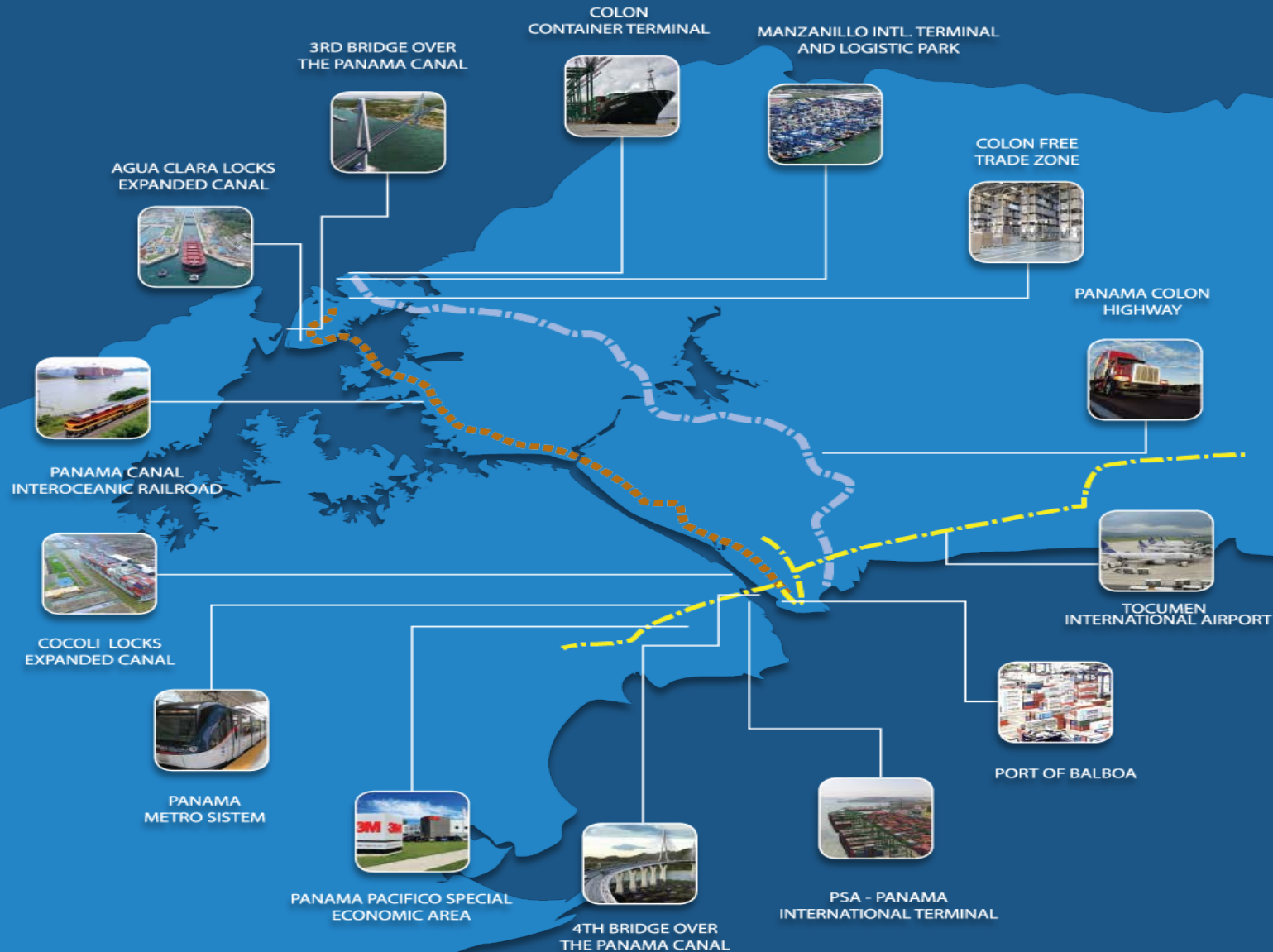
With **90** destinations, Tocumen International is the best connected airport in Latin America



Connectivity through **7** submarine fiber optic cables

- 100% of regional traffic
- 97% of internationalvoice traffic
- 90% electronic data transmission
- Virtual unlimited bandwidth

# A Multimodal platform able to connect 2 oceans through 80 km.



Metro Line System by 202  
Interoceanic Railway  
Panama-Colon Highway



# FTA with key partners Around the world



**20** Agreements

**60** countries  
involved

Market Access:  
**1,300** Million  
Consumers

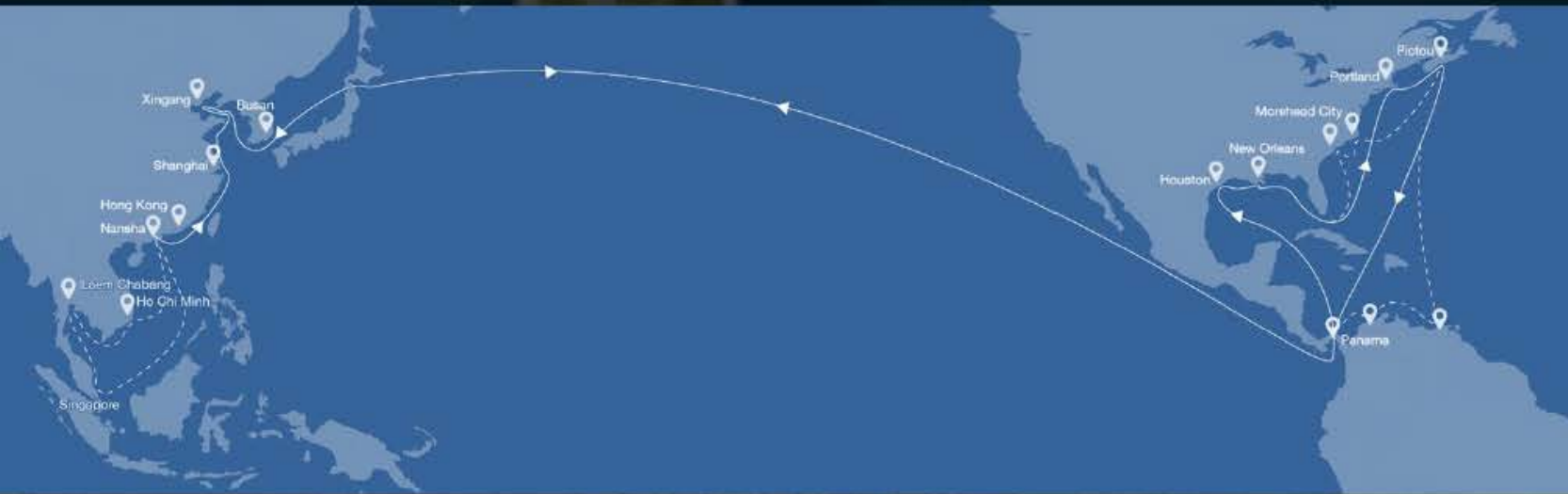
Purchasing Power  
**+\$ 29,000**  
per capita



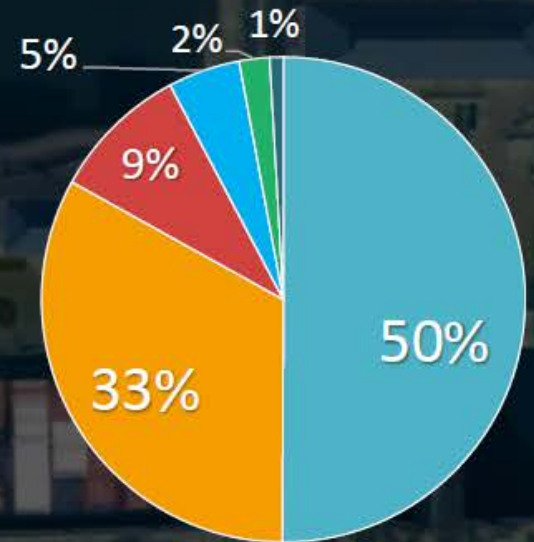
# Panama is transforming global trade patterns

# +1500<sub>ytd</sub>

Neopanamax transits



Neopanamax Transits per Segment



- Containers
- Dry Bulk
- LPG
- Vehicle carrier
- LNG
- Others

# A new multimodal free trade zone in Tocumen International



Projected demand:

From 158k tons x year, to  
**+303,000 tons**  
 by 2040

Opportunity for:



Perishables



Cosmetics



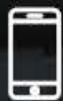
Spare parts



E-commerce



Precision Instruments



High-Tech



Pharma & medical devs.



Clothes & shoes

representing

**3% growth**  
 every year

# Value proposition for value-added logistics services from Panama

Segment

Family

Chain

Perishables



Highly perishable

Semi-Perishables

Extra-regional intermodal

Extra-regional air

Intraregional air

Extra-regional sea

B2C



B2C segments

Vehicles, spare parts / accessories, heavy duty

Pharmaceuticals

Durable goods (clothing, shoes, furniture, cosmetics, leather)

Electric, electronics & home appliances

Medical equipment

Import/re-export sea-air

Import/re-export air-air, sea-air

Import/re-export e-market channel

Import/re-export traditional channels

Bulk



Liquid bulk  
LNG / LPG

Dry bulk  
(Agriculture, others)

Sea-sea

Sea-sea & sea-land

Intermodal sea-road

FDI & Technology Transfer

#5

Prevalence of foreign ownership

#8

Impact rules of business on FDI

#10

WORLD ECONOMIC FORUM

#2

In Latin America and 40 worldwide

In competitiveness

#12

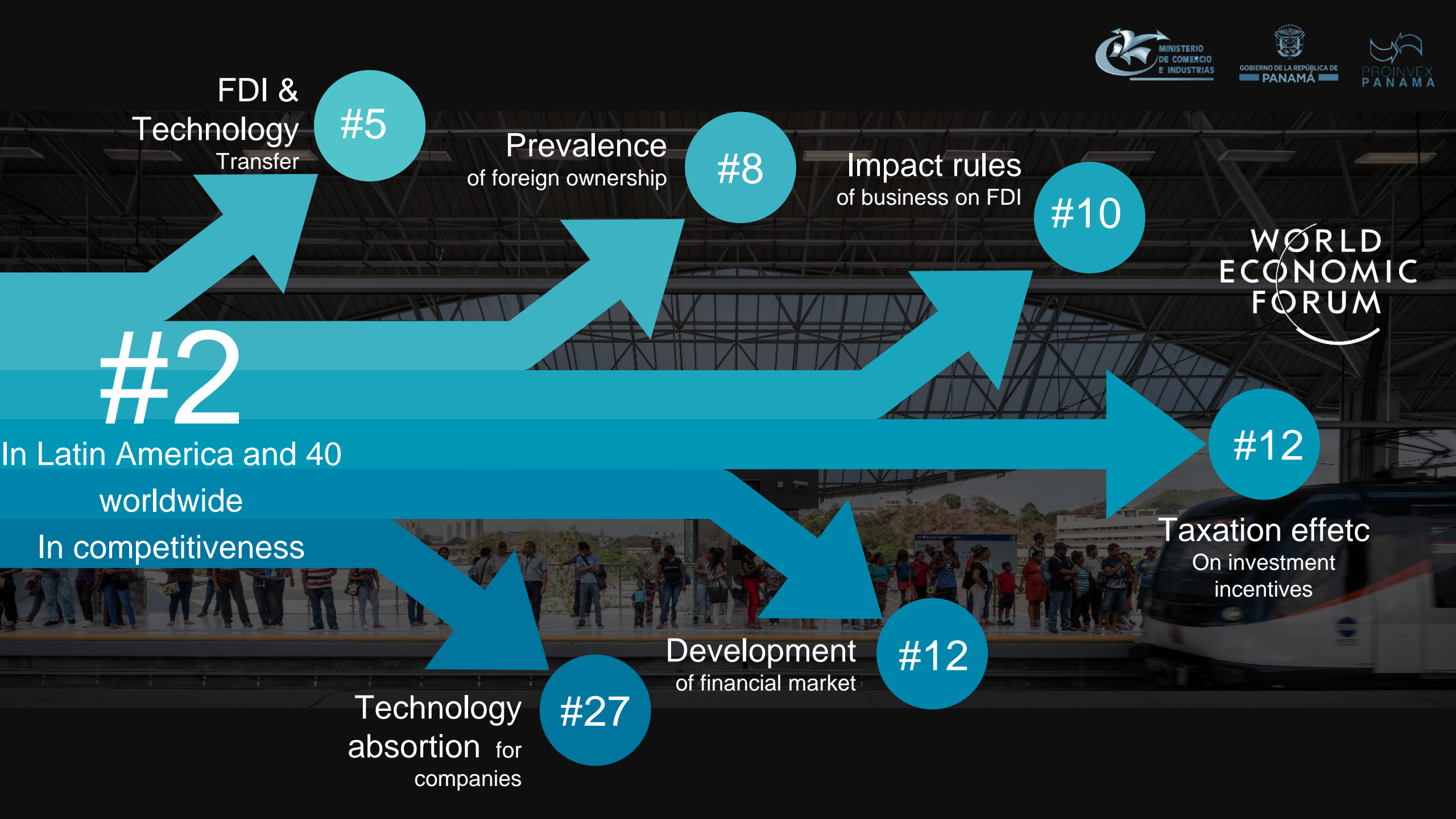
Taxation effect On investment incentives

Technology absorption for companies

#27

Development of financial market

#12



# The Financial Center of Panama

Among most competitiveness in the world

#6

Availability of  
Financial  
Services

#8

Ease of access to  
loans

#11

Solvency of  
banks

#22

Venture  
capital  
availability

#5

Financial services  
comply with markets  
needs

#12

Worldwide for the development  
Of its financial market



90 banks (local and  
International)

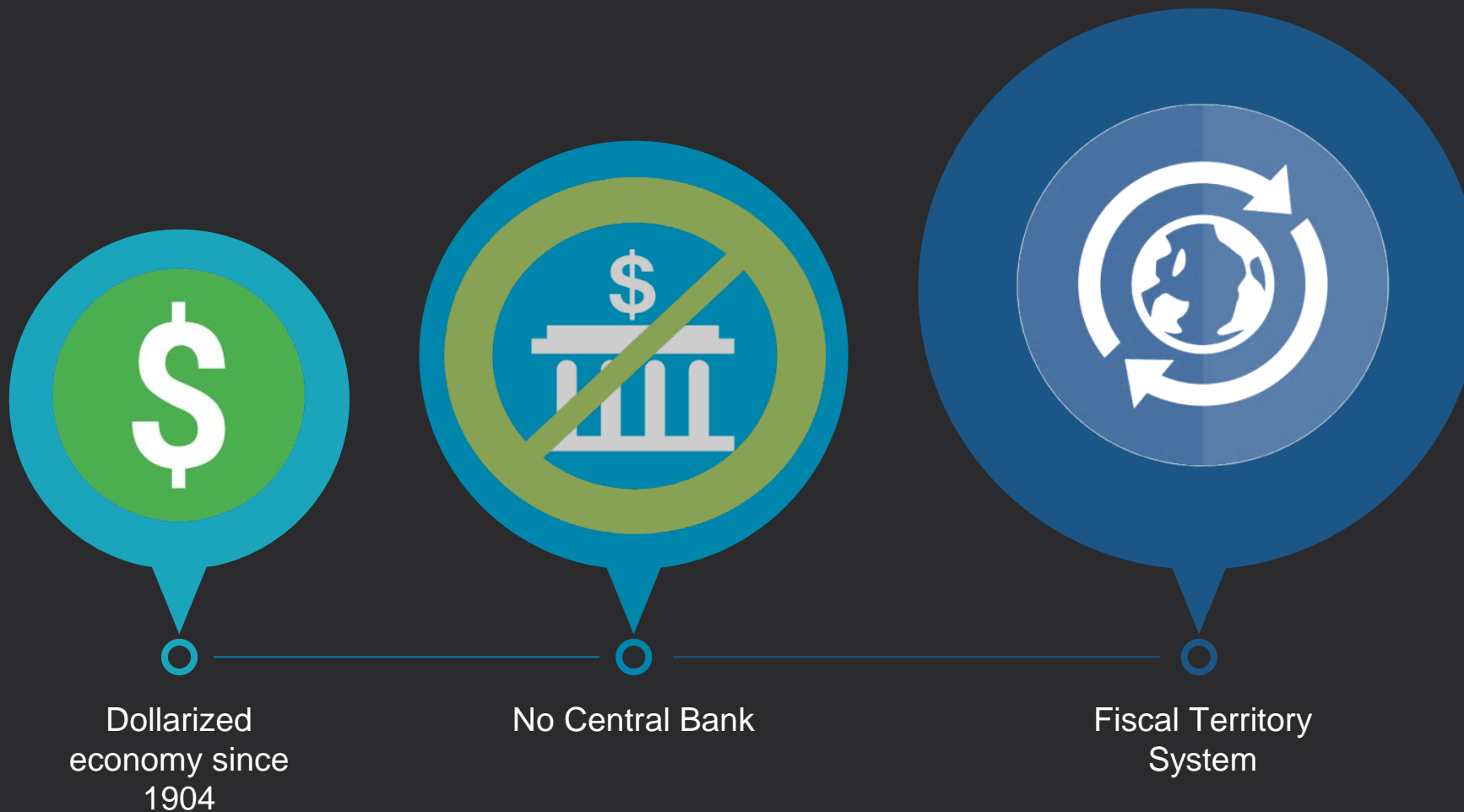


+118 billion in assets



606 million in profits  
by April 2017

# Panama's comparative advantage with positive impact for trade and investment environment



# Panamanian infrastructure ranks on top compared to competitive markets\*

Worldwide ranking on maritime infrastructure quality, air and telecommunications

\*Fuente: Foro Económico Mundial, Índice de Competitividad Global 2016-2017



#8



#5



#6

#1

Panama

#2

Dominican Rep.

#3

Jamaica

#4

Bahamas

#5

P. Rico

Panama has the best infrastructure of Central America

\*Fuente: Caribbean & Central American Countries of the Future 2013/14 (fDi Intelligence)



# Panama leads the region in logistic performance

#1



In Latin America according to Logistic Performance Index of World Bank in 2016.

#40



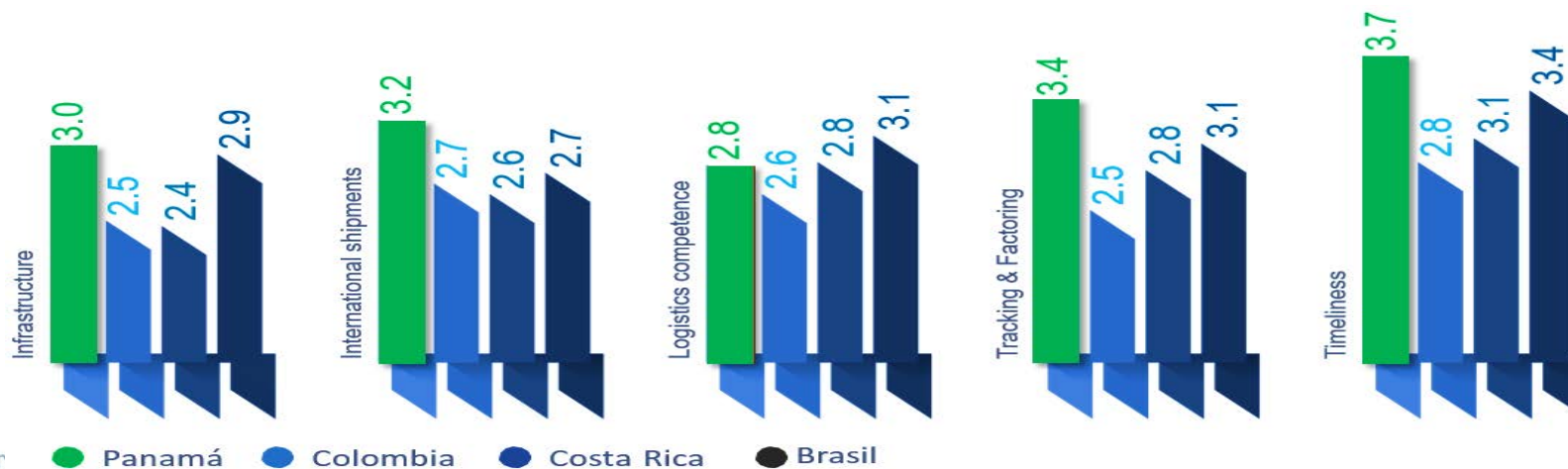
Worldwide due to its logistic capacity, with comparative advantages in major indicators



THE WORLD BANK  
IBRD • IDA | WORLD BANK GROUP



The Logistics Performance Index and Its Indicator





# Competitive incentives and special regimes



FREE TRADE  
ZONES  
PANAMA



PANAMÁ PACÍFICO  
Área Económica Especial



PANAMA  
MHQ  
Multinational Headquarters



ZONA  
LIBRE DE  
COLÓN  
FREE ZONE



PANAMA  
FILM  
COMMISSION



Ciudad  
del Saber

Special regimes  
Boosting development  
Promoting innovation



MINISTERIO  
DE COMERCIO  
E INDUSTRIAS



GOBIERNO DE LA REPÚBLICA DE  
PANAMÁ



PROMEX  
PANAMÁ



LABOR



FISCAL



INCENTIVES



CUSTOMS



MIGRATION

0% taxes in profits from re-exports  
0% taxes for imports or re-exports  
0% taxes on profits

3,000 companies  
30,000 employments


One of the major logistic centers for multimodal redistribution in the world


2nd largest FZ of the world

Ideal hub to access markets of Central America, The Caribbean and Andean Pact



  
A Public-Private development, through a master plan and Special Economic Area. One of the most ambitious economic developments in the world

  
290 companies, including Fortune 500 and Forbes Global 2000

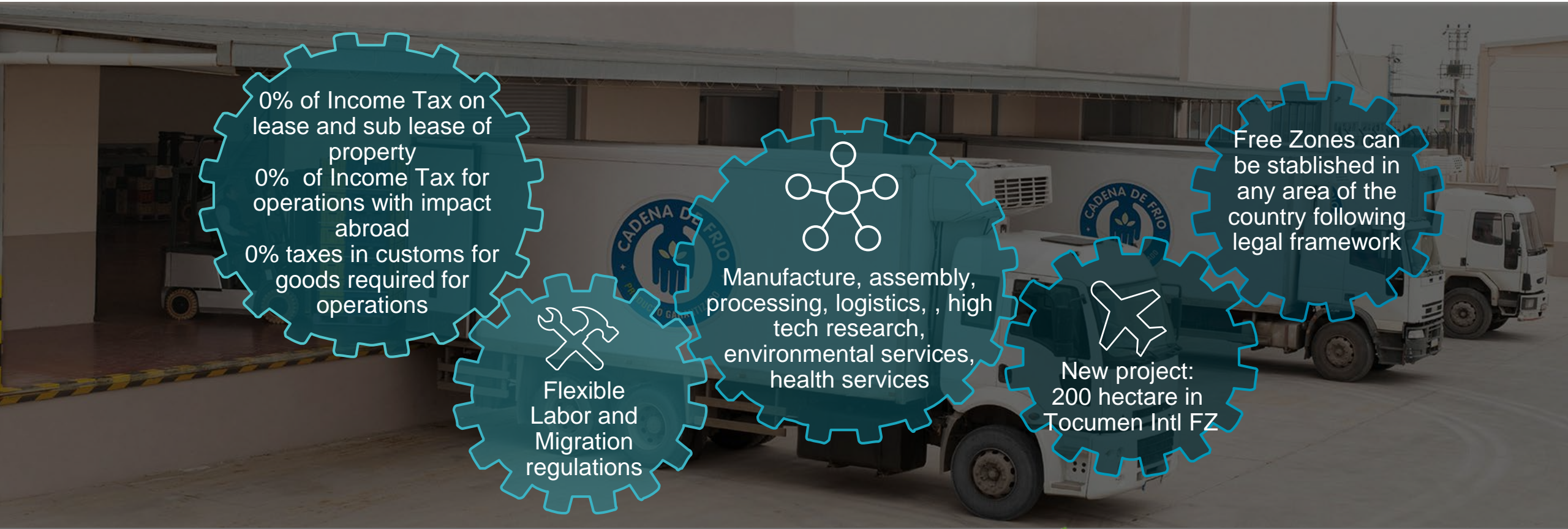
  
Ideal place for logistic operations, high value services, light manufacture and maritime services

  
International Airport Category #7

Special Incentives: Fiscal, Labor, Migration, and customs

Norte Calle C, Edificio No. 9116 PanAmerica Corporate Center





0% of Income Tax on lease and sub lease of property  
0% of Income Tax for operations with impact abroad  
0% taxes in customs for goods required for operations



Flexible Labor and Migration regulations



Manufacture, assembly, processing, logistics, , high tech research, environmental services, health services



New project: 200 hectare in Tocumen Intl FZ

Free Zones can be established in any area of the country following legal framework

Thank you for your time!

**Panama**  
The  
**great**  
connection



GOBIERNO DE LA REPÚBLICA DE  
**PANAMÁ**



[www.proinvex.mici.gob.pa](http://www.proinvex.mici.gob.pa)



@proinvexpma