

Introduction

Panama is a country located in Central America on the isthmus connecting North and South America. It is bordered by Costa Rica, Colombia, the Caribbean Sea, and the Pacific Ocean. The geography of Panama is mountainous. The government system is a presidential republic; the chief of state and head of government is the president. Panama has a mixed economic system which includes a variety of private freedom, combined with centralized economic planning and government regulation.



Location: Central America

Capital City: Panama City (-5 GMT)

Chief of State: President Jose Raul Mulino Quintero

Head of Govt.: President Jose Raul Mulino Quintero

Currency: Balboa (PAB)

Major Languages: <p>Spanish (official), indigenous languages (including Ngabere (or Guaymi), Buglere, Kuna, Embera, Wounaan, Naso (or Teribe), and Bri Bri), Panamanian English Creole (similar to Jamaican English Creole; a mixture of English and Spanish with elements of Ngabere; also known as Guari Guari and Colon Creole), English, Chinese (Yue and Hakka), Arabic, French Creole, other (Yiddish, Hebrew, Korean, Japanese); note - many Panamanians are bilingual</p>

Primary Religions: <p>Roman Catholic 48.6%, Evangelical 30.2%, other 4.7%, agnostic 0.2%, atheist 0.2%, none 12.3%, unspecified 3.7% (2018 est.)</p>

Calling Code: 507

Voltage: 110

Key Websites

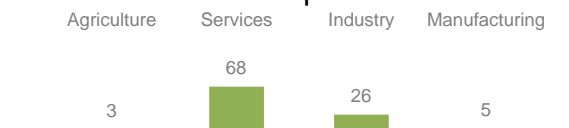
Main Government Page: presidencia.gob.pa

Commerce Ministry: mici.gob.pa

Key Economic Facts

| | |
|--|-----------------------------|
| Income Level (by per capita GNI): | Upper Middle Income |
| Level of Development: | Developing |
| GDP, PPP (current international \$): | \$173.17 billion (2022) |
| GDP growth (annual %): | 10.81% (2022) |
| GDP per capita, PPP (current international \$): | \$39,279.68 (2022) |
| External debt stocks, total (DOD, current US\$): | \$108,866,240,274.60 (2020) |
| Manufacturing, value added (% of GDP): | 4.97% (2022) |
| Current account balance (BoP, current US\$): | -\$2.05 billion (2021) |
| Inflation, consumer prices (annual %): | 2.86% (2022) |
| Labor force, total: | 2,148,792 (2022) |
| Unemployment, total (% of total labor force) (modeled ILO estimate): | 8.79% (2022) |
| Imports of goods and services (current US\$): | \$26.48 billion (2021) |
| Exports of goods and services (current US\$): | \$32.48 billion (2021) |

GDP Composition %



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

| Index | Rank |
|---|-----------|
| Corruption Perceptions Index | 104 / 178 |
| Global Competitiveness Index | 66 / 141 |
| Global Enabling Trade Index | 58 / 136 |
| Global Services Location Index | 54 / 60 |
| Index of Economic Freedom | 55 / 176 |
| International Logistics Performance Index (LPI) | 38 / 160 |
| Inward FDI Potential Index | 67 / 139 |
| KOF Index of Globalization | 62 / 185 |
| Networked Readiness Index (NRI) | 55 / 139 |

Risk Assessment (Provided by Coface)

Country rating: B - Political and economic uncertainties and an occasionally difficult business environment can affect corporate payment behavior. Corporate default probability is appreciable.

Business Climate rating: A4 - The business environment is acceptable. Corporate financial information is sometimes neither readily available nor sufficiently reliable. Debt collection is not always efficient and the institutional framework has shortcomings. Intercompany transactions may thus run into appreciable difficulties in the acceptable but occasionally unstable environments rated A4.

Strengths

- Inter-oceanic canal and related infrastructure (ports, airports, roads, railways) (5% of global maritime trade)
- Flag of convenience (16% of the world's registered cargo capacity in Panama)
- Colón Free Trade Zone, the second-largest import-export platform globally
- Dollarised monetary and financial system, facilitating access to capital markets
- Regional banking and financial center served by a robust telecommunications network
- Touristic potential

Weaknesses

- Strongly exposed to the economic conditions of North and South America
- Low budgetary revenues (17% of GDP)
- Deficiencies in education and vocational training
- Significant socio-economic disparities between the canal zone and the rest of the country
- In the absence of a domestic central bank, monetary policy is dependent on the U.S. Federal Reserve
- Panama Canal operations highly exposed to the effects of climate change (drought, sea level rise)
- Corruption, favouritism and cronyism
- Majority of jobs in the informal sector
- Use of Panamanian-flagged ships to serve countries under sanctions

U.S. Embassy

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<https://pa.usembassy.gov>