

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 Laurentino "Nito" Cortizo Cohen

Head of Govt.: President Laurentino "Nito" Cortizo Cohen

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 %

Agriculture Services Industry Manufacturing



**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)
- Fully dollarized economy, financial stability
- Colón Free Zone, second-largest import-export platform in the world
- Regional banking and financial center served by excellent telecommunications
- Tourism potential

Weaknesses

- Highly exposed to North and South American economic conditions
- Low budget revenues (13% of GDP)
- Gaps in education and vocational training
- Large social and economic disparity between the canal area and the rest of the country
- Corruption and cronyism, bureaucracy

U.S. Embassy

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