AN IDEAL BUSINESS & INVESTMENT DESTINATION

H.E. AUGUSTO R. AROSEMENA
Minister of Trade & Industry of the Republic of Panama
Capital: Panama City

Area: 75,517 km²

Population: 4,037,043 (2016 est.)

GDP: $58 billion (2016 p.)

GDP per Capita: $13012.60

Currency: US Dollar, since 1904

Inflation 2015: 0.2%

No Central Bank

Languages: Spanish (official), English (commercial)
Sustained Economic Growth Projections to 2020
Real GDP Growth (% Annual Variation)

- 0.5% in 2016 (p)

5.4% in 2016 (p)

PANAMA
LATAM & THE CARIBBEAN
EMERGING MARKETS
WORLD
Economic Dynamism Sustains Panama’s Investment Grade

Main growth sectors in 2015:

- Logistics 4.70%
- Construction 6.80%
- Mining 7.00%
- Real Estate 6.10%
- Energy, gas and water 13.60%
- Financing, 10.40%

Investment Grade since 2010

- Standard & Poor’s BBB Stable
- Fitch Ratings BBB Stable
- Baa2 Stable

#12 Worldwide for its Sound Macroeconomic Environment

#4 Worldwide for Gross National Savings (% GDP)
Foreign Direct Investment is Growing At An Unprecedented, Accelerating Rate

- **17%** FDI Growth 2015 vs. 2014
- **45%** Receives nearly half of all FDI in Central America
- **57%** of FDI is Reinvestment
- **10%** FDI is about 10% of Panama’s total GDP
- **85%** Increase in FDI inflows since 2010

Greenfield FDI projects (non-retail) 2003-2016

- 260 new companies = 361 investment projects

Source: FDI Intelligence, based on UNCTAD World Investment Report 2016 & IMF World Economic Outlook Database
The United States is Panama’s Most Important Trade Partner

**Free Trade Agreement** in force Oct. 21, 2011

- **$8.2 billion** total (two way) goods trade during 2015.
- **+$5 billion** U.S. FDI stock in Panama
- **+$1.2 billion** Panama FDI stock in U.S.
- 27/130 U.S. multinationals in the MHQ Regime
### Indicators

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<th>Global Ranking</th>
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<td>Prevalence of foreign ownership</td>
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### Indicators (Financial market Development)

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<td>Financial services meeting business needs</td>
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<td>Affordability of financial services</td>
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<td>Ease of access to loans</td>
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<td>Soundness of banks</td>
<td>#11</td>
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<td>Venture capital availability</td>
<td>#22</td>
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</table>

**Worldwide for its financial market development**
Panama has the best overall infrastructure in Central America

Country | Ranking
---|---
PANAMA | 1
Dominican Republic | 2
Jamaica | 3
Bahamas | 4
Puerto Rico | 5
Costa Rica | 6
Antigua & Barbuda | 7
Aruba | 8
Grenada | 9
El Salvador | 10

According to the WEF’s Global Competitiveness Index, Panama ranks:

- #5 WORLDWIDE for Port Infrastructure Quality
- #6 WORLDWIDE for Airport Infrastructure Quality
- #8 WORLDWIDE in mobile-cellular subscriptions / 100 pop. (174.2%)
Panama is the Latin American Leader in Logistics Capacity and Development

in Latin America according to the World Bank’s Logistics Performance Index 2016

worldwide in logistics performance ranking, beating neighboring countries in nearly all indicators
Panama is the Great Connection
In the Heart of the Americas

Panama has Latin America’s most active ports.
On two oceans

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

Tocumen has the largest number of direct international flights in Latin America, offering more than 85 destinations

Panamá
San Juan
Mexico City
São Paulo
Cancún

Continental connectivity via 7 submarine fiber optics cables

- 100% regional traffic
- 97% international voice traffic
- 90% transmission of electronic data
- Virtually unlimited bandwidth

Panama is the Great Connection
In the Heart of the Americas
Ample Trade Agreement Network

- 20 Agreements
- Reaching 60 Countries
- Access Markets of 1,300MM Consumers
- Purchasing Power +$29,000 per capita
Panama is among the Safest Countries in Latin America to Live, Do Business, and Retire

Panama is ranked as the happiest country in the world & #1 for the wellness of its people*
* Source: Gallup-Healthways Global Well-Being Index 2013 & 2014

#1 in Central America & #4 in Latin America in the UNDP’s Human Development Index*
*Source: UNDP, Human Development Index 2015

#1 retirement destination in the world*
*Source: International Living, Global Retirement Index 2016

#1 in tourism in Central America*
#1 travel destination in the world in 2016²
³ Source: Travel+Leisure, Best Places to Travel in 2016
Special Economic Regimes & Competitive Incentives
Foreign investors have the same rights and obligations as local investors and companies.

Panama’s dollarized economy has one of the lowest inflation rates in the world, at .2% (2014-2015)

Source: National Institute of Census and Statistics (INEC)
Multinational Headquarters, Business Services & Shared Services Deliver Centers
STRATEGIC GROWTH SECTORS

- Logistics
- Business Services
- Tourism
- Energy
### Strategic Government Investment Plan
#### 2015-2019: $20,000 million

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metro Line 2</td>
<td>$1,857 million</td>
</tr>
<tr>
<td>4th Bridge over the Canal</td>
<td>$1,200 million</td>
</tr>
<tr>
<td>National Road Network</td>
<td>$923 million</td>
</tr>
<tr>
<td>Water &amp; Sanitation Projects (various)</td>
<td>$2,116 million</td>
</tr>
<tr>
<td>Social Housing</td>
<td>$1,260 million</td>
</tr>
<tr>
<td>Colon Urban Renewal</td>
<td>$746 million</td>
</tr>
<tr>
<td>Tocumen Airport (New - South Terminal)</td>
<td>$800 million</td>
</tr>
<tr>
<td>Perico Cruise Port</td>
<td>$200 million</td>
</tr>
<tr>
<td>Chan II Hydro Plant</td>
<td>$1,049 million</td>
</tr>
<tr>
<td>Transmission Lines (various)</td>
<td>$685 million</td>
</tr>
<tr>
<td>Public Education Projects</td>
<td>$765 million</td>
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<tr>
<td>Mi Escuela Primero</td>
<td>$817 million</td>
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<tr>
<td>ITSE</td>
<td>$178 million</td>
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<tr>
<td>Panama Bilingüe</td>
<td>$125 million</td>
</tr>
<tr>
<td>Hospitals &amp; Health Infrastructure</td>
<td>$2,035 million</td>
</tr>
</tbody>
</table>

*Note: The image includes a bar chart for visual representation.*
Colón Puerto Libre will transform the city of Colón, on the Caribbean coast of Panama, into a world class shopping destination. Colón is the perfect homeport location for cruiseships and together with the new Panama Canal, the Caribbean culture and cuisine, and direct flights to more than 90 cities in the Americas and Europe, the special regime of Colón Puerto Libre will create a colorful and culture rich shopping experience. The time to invest in Colón is now!
Private Investment is Already Happening In Colon *Puerto Libre*
We hope to see you in Panama soon!

Thank you for your valuable time.

www.proinvex.mici.gob.pa

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