

# An Ideal Business and Investment Destination for German Companies



MINISTERIO  
DE COMERCIO  
E INDUSTRIAS



PROINVEJ  
PANAMA



GOBIERNO DE LA REPÚBLICA DE  
PANAMA

H.E. Augusto R. Arosemena  
Minister of Trade & Industry of the Republic of Panama

**Capital:** Panama City

**Area:** 75,517 km<sup>2</sup>

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

**GDP:** \$58 billion

**GDP per Capita:** \$13012.60

**Currency:** US Dollar, since 1904

**Inflation 2015:** 0.2%

**Languages:** Spanish (official),  
English (commercial)

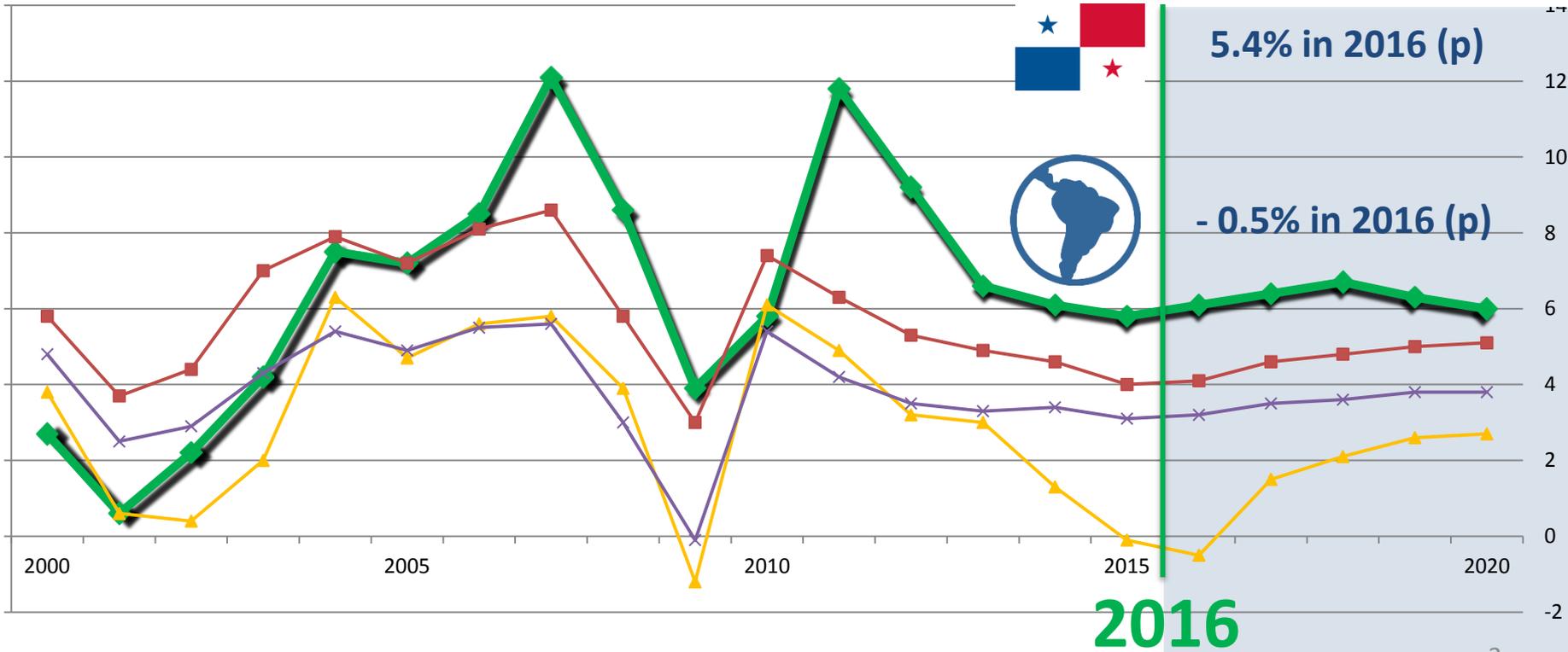




# Sustained Economic Growth Projections to 2020

Real GDP Growth (% Annual Variation)

- PANAMA
- ▲ LATAM & THE CARIBBEAN
- EMERGING MARKETS
- × WORLD



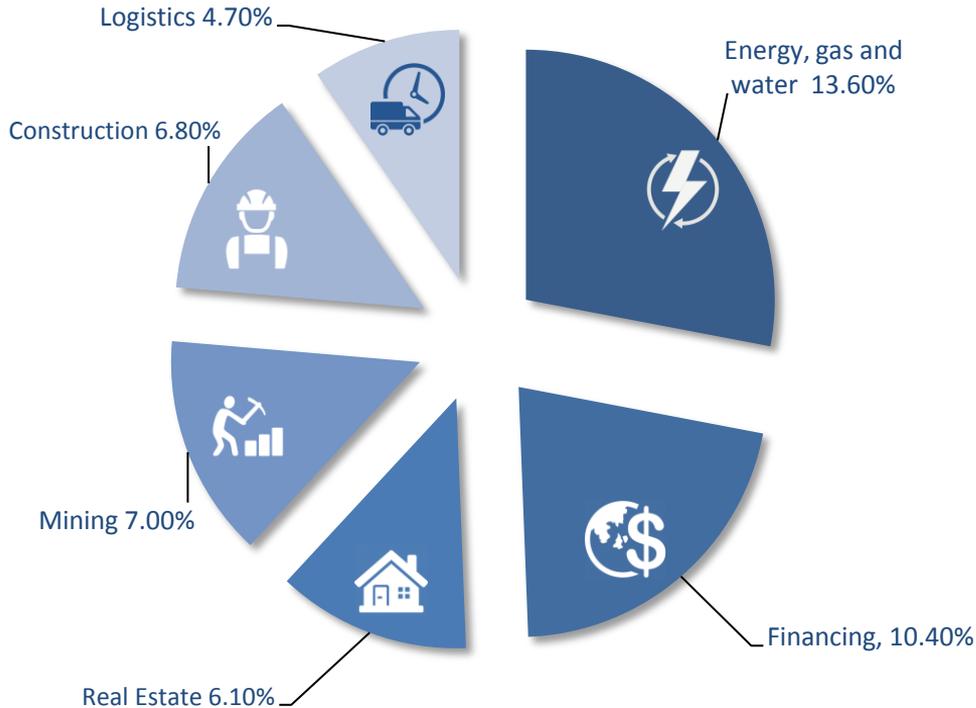
5.4% in 2016 (p)

- 0.5% in 2016 (p)

2016

# Economic Dynamism Sustains Panama's Investment Grade

## Highest growth sectors in 2015:



Investment  
Grade since  
2010



STANDARD  
& POOR'S

BBB  
Stable

FitchRatings

BBB  
Stable



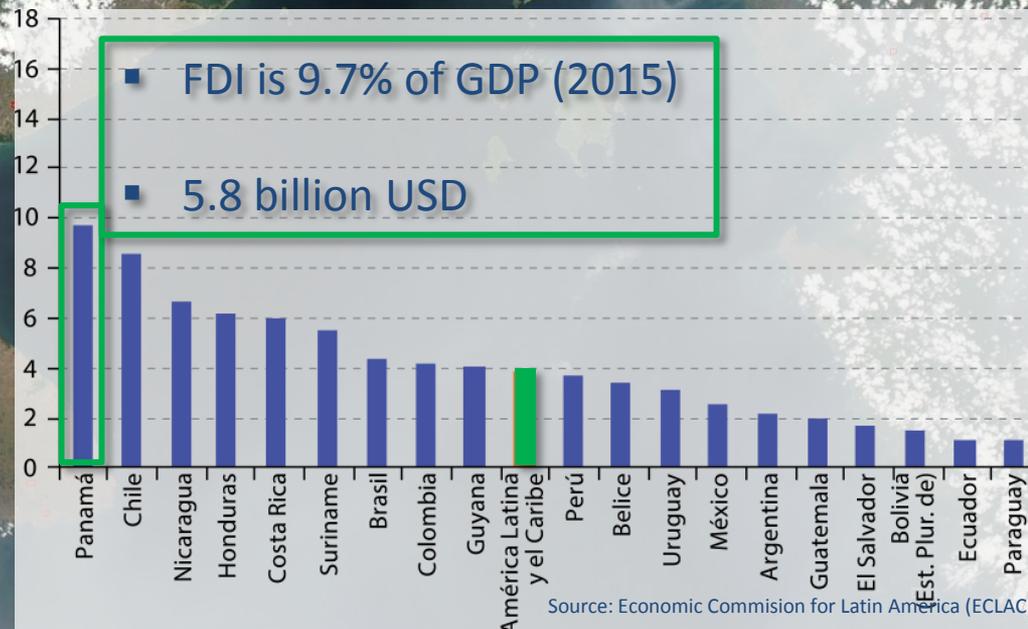
Baa2  
Stable

#12 Worldwide for its Sound  
Macroeconomic Environment



#4 Worldwide for Gross  
National Savings (% GDP)

# Panama is a Magnet For Foreign Direct Investment



# Foreign Direct Investment is Growing At a Sustained, Accelerating Rate



17%

FDI Growth 2015 vs. 2014

45%

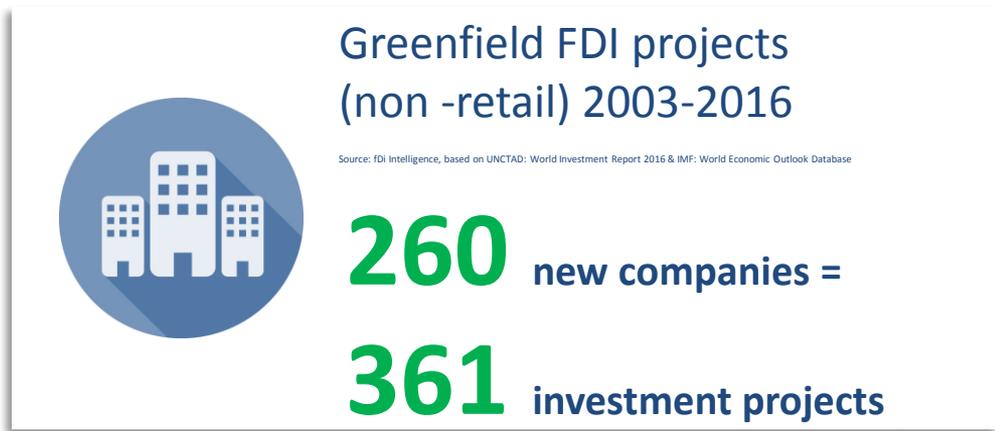
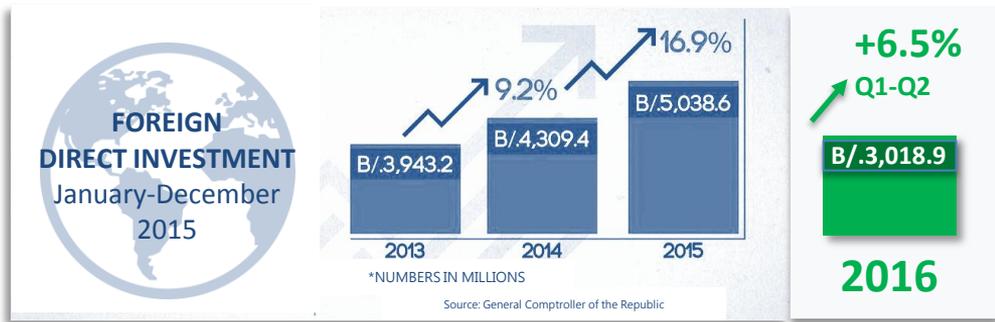
Receives nearly half of all FDI in Central America

57%

of FDI is Reinvestment

85%

Increase in FDI inflows since 2010



# Germany is a Major Investor in Panama With Strong, Historical Bilateral Commercial Relations



33

German companies operating  
in Panama

8

Bilateral agreements  
currently in force

*Agreements:*



- Reciprocal promotion
- Protection of capital investments
- Information Exchange Agreement

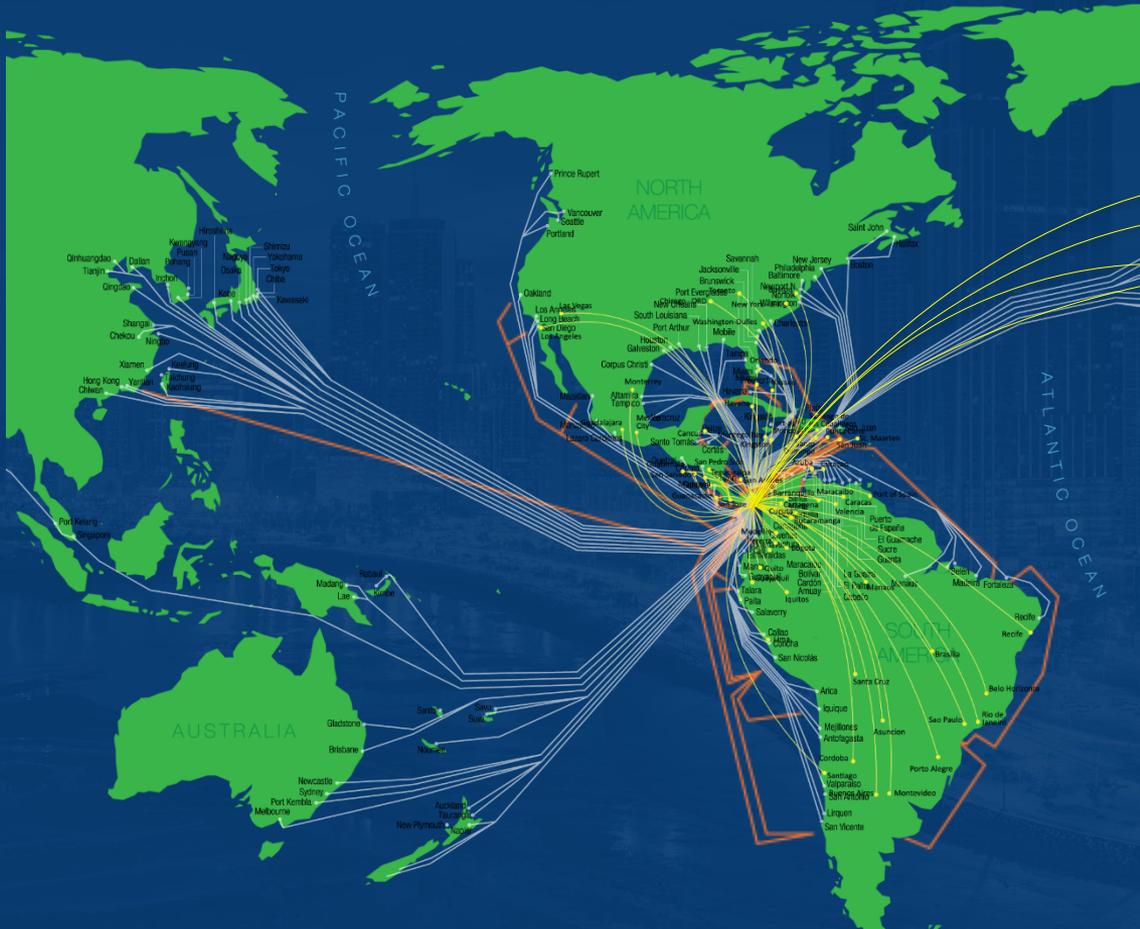
# Panama's Unique Competitive Advantages



**THINK BIG!**

Panama is a market that serves 300 million middle class consumers in Latin America, with access to 1,300 million consumers globally

# Unbeatable Connectivity In the Heart of the Americas



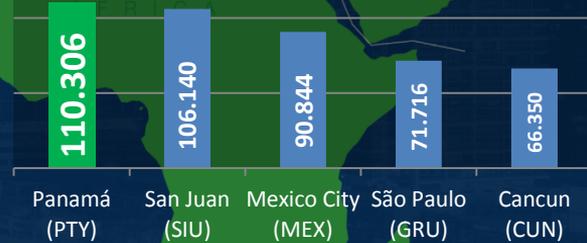
Panama has Latin America's most active ports.

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



Continental connectivity via **7** submarine fiber optics cables

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

Indicators	Global Ranking
FDI and technology transfer	#5
Prevalence of foreign ownership	#8
Business impact of rules on FDI	#10
Effect of taxation on incentives to invest	#12
Financial market development	#12
Firm-level technology absorption	#27
Availability of latest technologies	#31
Panama's Overall Ranking in the WEF's Global Competitiveness Report 2016-2017	#42

Indicators	Global Ranking
<b>Financial market Development</b>	
Financial services meeting business needs	#5
Affordability of financial services	#6
Ease of access to loans	#8
Soundness of banks	#11
Venture capital availability	#22

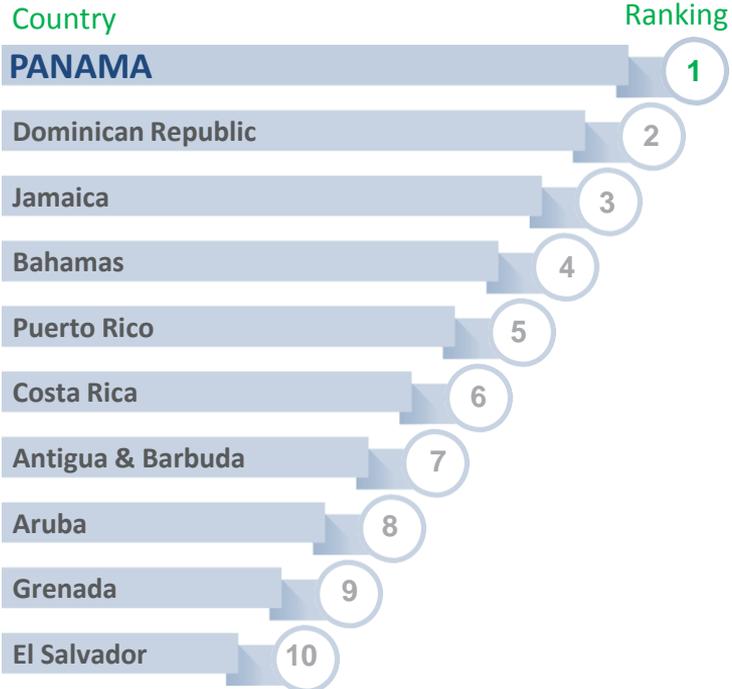
# #12

Worldwide for its financial market development

# Panama's World-Class Infrastructure



Panama has the best overall infrastructure in Central America



\*Source: Caribbean & Central American Countries of the Future 2013/14 (fDi Intelligence)<sup>1</sup>

<sup>1</sup>Note: Infrastructure refers to Internet, ports and airports



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%)

\*Source: World Economic Forum, Global Competitiveness Index 2016-2017

# Panama is the Latin American Leader In Logistics Capacity and Development



## #1

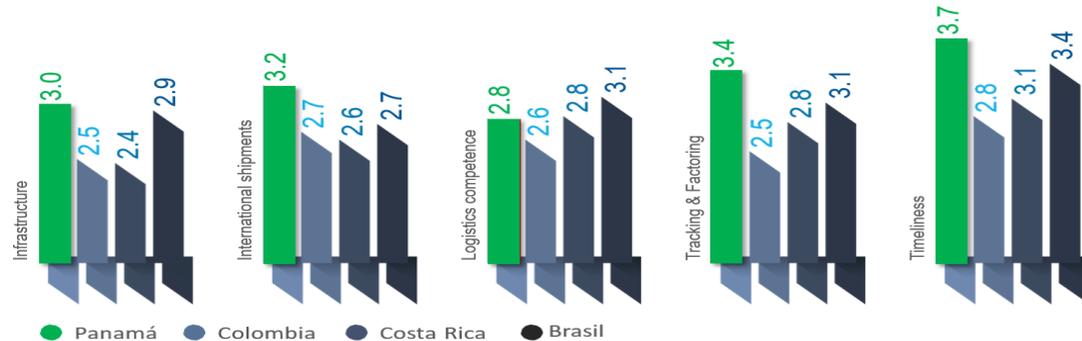
in Latin America according to the World Bank's Logistics Performance Index 2016

## #40

worldwide in logistics performance ranking, beating neighboring countries in nearly all indicators



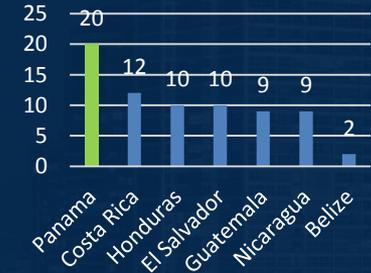
THE WORLD BANK



# Connectivity and Market Access by way of Panama's Ample Trade Agreement Network



20 Agreements  
Reaching 60 Countries



Access Markets of  
1,300MM Consumers

Purchasing Power  
+\$29,000 per capita

# Unparalleled Quality-of-Life in a Tropical Paradise



# Panama is among the Safest Countries in Latin America to Live, Do Business, and Retire



## REGIONAL SECURITY INDEX LATIN AMERICAN COUNTRIES



Country	Danger Level	Trend
Costa Rica	2	⊞
Chile	2	⊞
Uruguay	2	⊞
<b>Panama</b>	<b>3</b>	⊞
Ecuador	3	⊞
Dominican Rep.	3	⊞
Peru	3	⊞
Paraguay	3	⊞
Argentina	3	⊞
Nicaragua	4	⊞
Bolivia	4	⊞
Colombia	4	⊞
Brazil	4	⊞
El Salvador	4	⊞
Mexico	5	⊞
Haití	5	⊞
Guatemala	5	⊞
Honduras	5	⊞
Venezuela	5	⊞



Panama City is **#1** in Central America & **#3** in Latin America for its quality of life\*

Source: Mercer, Quality of Living Ranking 2016



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 2016<sup>2</sup>

\*Source: World Economic Forum, Travel and Tourism Competitiveness Report 2015

<sup>2</sup> Source: Travel+Leisure, Best Places to Travel in 2016



# Human Resources & Panamanian Talent

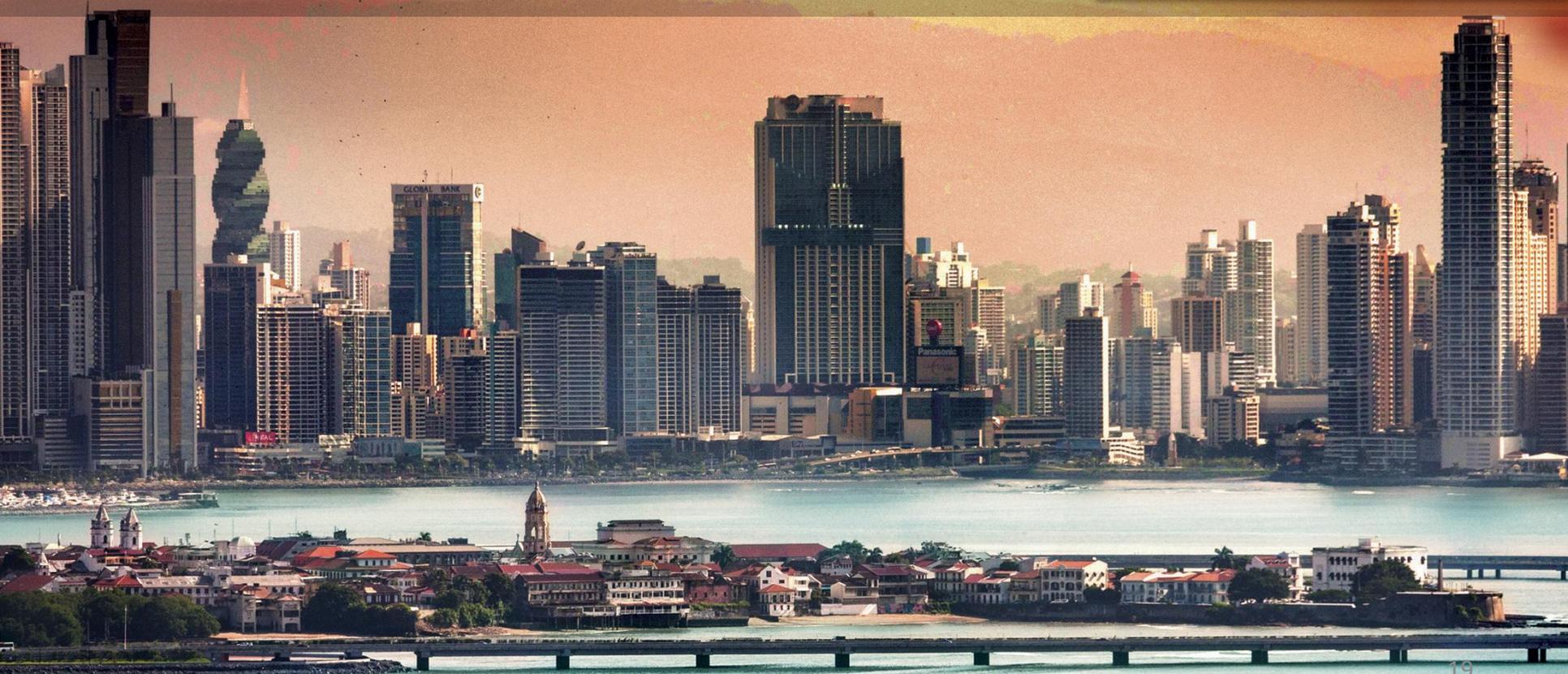




PANAMÁ  
**Bilingüe**



# Business Friendly Policies Facilitating Investment



# Panama's Competitive Advantages Favorable to International Trade



U.S. Dollar  
Since 1904



No Central  
Bank



Territorial Tax  
System

Only the revenues generated on Panamanian soil  
are subject to taxes

# Investment Stability Law: Panama is a Stable & Secure Business Environment



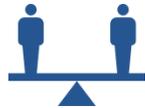
Panama's Investment Stability: **Law 54 of 1998**



Promotes and protects investments in Panama in strategic growth sectors



Establishes a predictable and stable legal framework for investment for a 10-year period



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)

# Special Economic Regimes & Competitive Incentives



**Fiscal**

**Labor**

**Immigration**

**Customs**



+260 COMPANIES, INCLUDING FORTUNE 500  
AND FORBES GLOBAL 2000 FIRMS



# STRATEGIC GROWTH SECTORS



Logistics



Business  
Services



Tourism



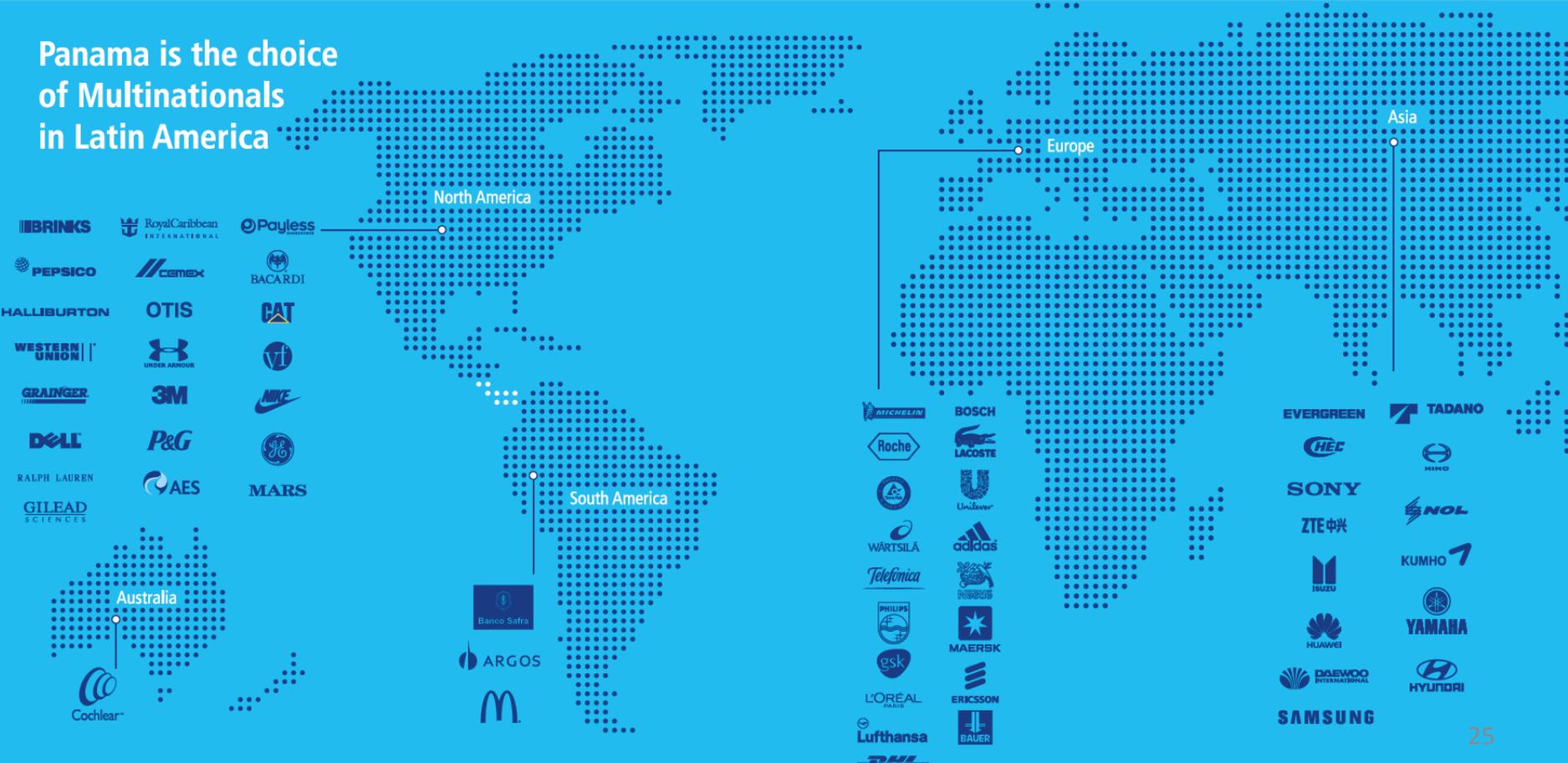
Energy



# Multinational Headquarters, Business Services & Shared Services Deliver Centers

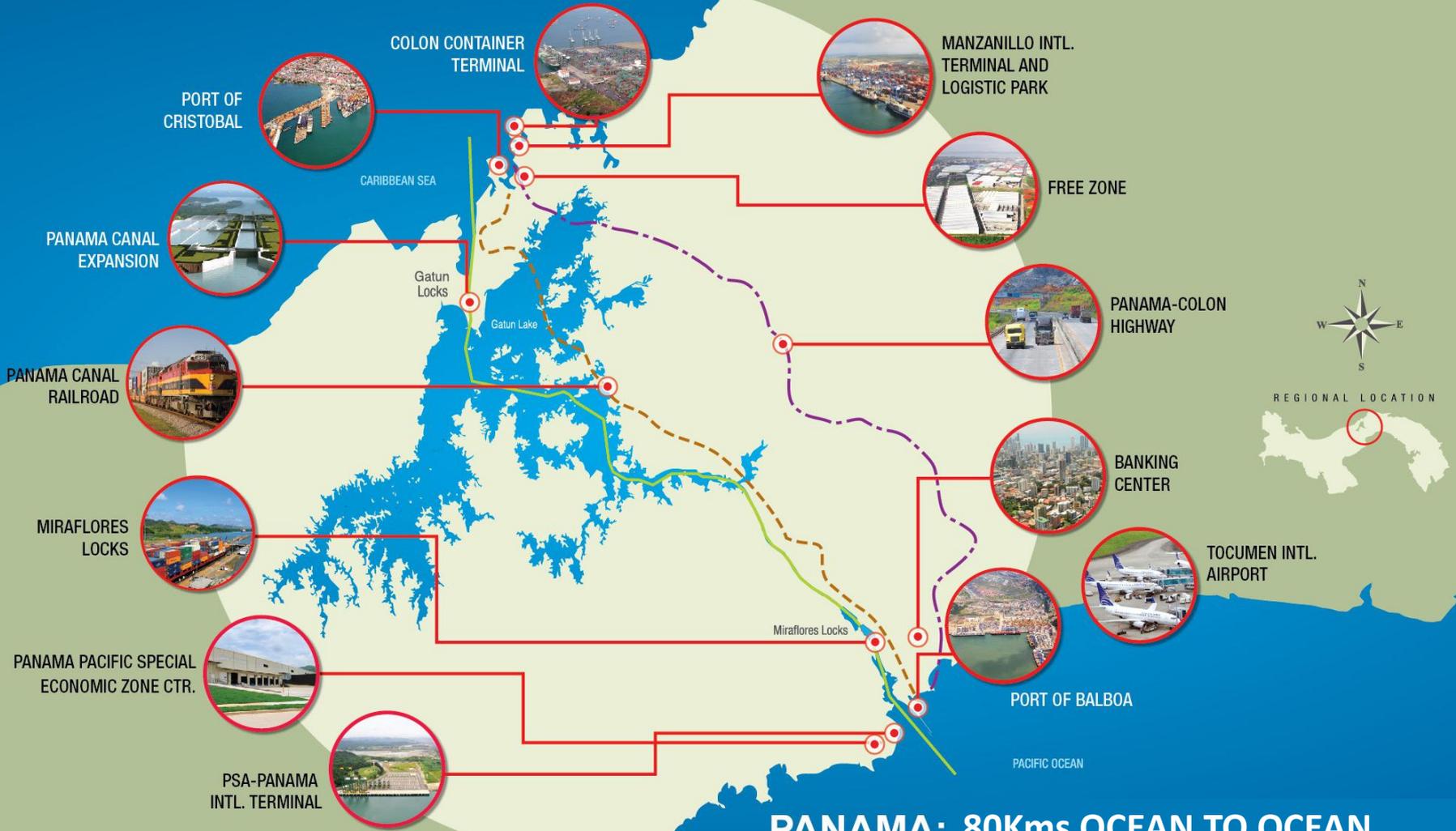


Panama is the choice of Multinationals in Latin America









PORT OF CRISTOBAL

COLON CONTAINER TERMINAL

MANZANILLO INTL. TERMINAL AND LOGISTIC PARK

PANAMA CANAL EXPANSION

FREE ZONE

PANAMA CANAL RAILROAD

PANAMA-COLON HIGHWAY

MIRAFLORES LOCKS

BANKING CENTER

TOCUMEN INTL. AIRPORT

PANAMA PACIFIC SPECIAL ECONOMIC ZONE CTR.

PORT OF BALBOA

PSA-PANAMA INTL. TERMINAL

PACIFIC OCEAN

CARIBBEAN SEA

Gatun Locks

Gatun Lake

Miraflores Locks

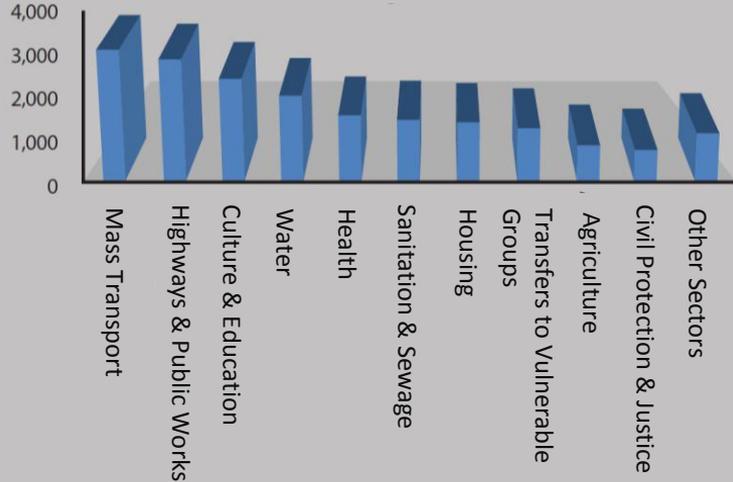


REGIONAL LOCATION



**PANAMA: 80Kms OCEAN TO OCEAN**

# Strategic Government Investment Plan 2015-2019: \$20,000 million



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



## **“THE NEXT INVESTMENT DESTINATION IN THE CARIBBEAN”**

Colon Puerto Libre will transform the city of Colon, on the Caribbean coast of Panama, into a world class shopping destination. Colon 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 Colon Puerto Libre will create a colorful and culture rich shopping experience. The time to invest in Colon 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.



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