



Panama's Economic Environment 2023



FOREIGN TRADE AND COMMERCE

VALUE EXPORT MAJOR COUNTRY DESTINATION (IN DOLLARS)

Value Export major country destination (in dollars)

Country	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 (E)
Brazil	102,862	109,888	2,558,244	2,107,484	4,357,066	6,448,352	8,090,820	4,873,761	128,171,316	88,990,821	124,218,302
Canada	119,797,162	98,081,877	1,431,120	2,118,900	1,218,992	1,375,479	1,297,236	967,647	2,059,347	49,563,488	78,151,452
Chile	7,251,622	6,068,863	7,636,236	10,154,475	2,934,825	3,543,580	3,239,203	3,922,171	2,642,415	2,492,520	2,698,160
China	33,847,921	43,874,909	69,458,794	40,944,167	35,529,555	42,667,955	49,410,816	532,591,033	370,063,029	1,038,770,635	1,194,502,559
China-Taiwan (Formosa)	33,238,727	39,379,738	30,316,945	28,888,807	26,814,232	36,283,565	30,643,925	23,331,110	19,716,048	32,809,161	70,051,465
Colombia	8,426,142	9,285,359	12,282,802	8,654,507	8,463,684	11,856,843	10,406,961	7,119,316	7,891,872	15,231,801	13,552,767
Colon Free Zone	29,301,000	31,359,745	29,796,086	26,482,680	21,900,249	23,292,443	31,210,032	49,942,886	46,360,343	52,725,658	68,153,266
Costa Rica	54,322,738	50,548,309	54,897,819	53,309,960	38,362,686	35,297,615	36,358,959	37,754,745	38,072,526	33,011,888	41,124,811
Dominican Republic	5,626,000	3,912,443	1,973,330	7,905,154	2,776,856	3,757,790	4,824,183	2,739,469	3,007,025	2,729,869	2,912,871
Ecuador	5,037,340	5,940,330	9,621,099	9,502,137	5,935,068	2,390,750	4,162,909	3,769,804	1,248,205	1,177,012	1,231,240
El Salvador	10,653,120	10,029,957	7,300,926	9,603,458	8,894,849	7,598,760	9,261,176	7,336,909	6,750,348	6,469,768	6,882,309
France	1,606,260	425,814	1,481,886	4,887,986	2,055,667	3,572,339	2,814,003	2,489,663	676,107	651,638	679,812
Germany	8,805,059	46,942,623	87,210,461	91,767,724	18,520,235	9,591,998	8,512,348	110,810,152	29,453,019	183,287,213	233,150,145
Guatemala	6,685,605	5,593,444	7,692,610	9,835,879	10,957,048	11,128,495	13,946,714	17,879,627	16,389,638	17,011,938	17,486,768
Honduras	12,971,486	14,763,379	11,708,100	7,668,596	7,274,438	10,194,474	7,395,249	4,826,040	7,217,801	12,304,631	13,320,743
Hong Kong	5,455,745	8,803,687	8,172,914	6,011,195	3,440,726	4,268,647	3,854,687	5,775,672	2,599,485	2,454,685	2,653,533
Italy	33,183,493	36,037,540	22,586,243	18,253,619	13,649,406	8,442,537	11,045,972	7,497,728	7,945,685	7,380,434	11,465,066
Japan	6,336,000	10,934,123	17,516,164	11,758,650	5,500,253	7,445,051	7,140,168	49,108,747	124,850,553	554,746,748	548,446,645
Mexico	5,052,000	6,496,540	11,330,043	13,470,859	6,163,802	6,389,472	6,276,637	16,207,675	20,957,363	29,319,173	38,011,601
Netherlands	48,178,000	59,786,730	42,865,832	28,680,831	96,813,713	109,202,325	114,352,126	143,388,399	141,349,900	114,506,586	114,432,542
Nicaragua	14,120,000	13,804,098	14,093,281	16,867,809	15,453,950	13,457,197	14,903,966	9,850,326	10,757,127	15,383,870	15,739,439
Peru	4,024,000	6,615,054	4,032,424	9,195,409	3,336,251	1,943,738	2,639,995	2,772,082	1,082,421	1,024,950	1,072,881
Portugal	1,762,000	3,623,255	5,467,692	9,273,612	8,822,363	7,233,694	7,930,572	7,532,635	2,600,652	2,457,694	2,570,845
Puerto Rico	5,243,000	5,610,260	4,421,747	6,295,757	6,765,836	4,186,650	7,534,251	3,812,291	5,936,974	5,613,828	6,079,784
Singapore	77,000	656,777	185,724	781,864	366,730	260,607	313,669	693,689	220,710	217,596	225,857
South Korea	24,887,425	15,742,866	16,679,847	12,354,205	11,011,440	7,822,123	8,406,836	72,983,601	136,246,531	386,231,111	269,941,926
Spain	16,130,005	17,809,144	23,957,879	17,444,139	15,350,597	24,051,716	21,089,057	72,730,710	217,200,510	346,401,397	156,475,148
Sweden	39,125,000	28,667,214	470,959	246,266	210,924	38,657	241,702	13,378	57,021	54,593	57,770
Trinidad and Tobago	4,484,000	7,065,898	7,727,023	14,826,190	5,011,784	4,118,598	6,126,559	3,076,034	2,088,787	1,960,716	2,118,845
United Kingdom	17,557,000	23,521,863	11,542,172	9,217,970	13,565,810	9,345,112	9,283,398	10,405,670	13,547,962	21,400,824	21,782,240
United states of America	160,973,059	148,887,041	157,400,095	130,556,339	129,243,838	120,588,780	112,882,084	98,302,436	105,748,979	128,559,809	124,330,603
Venezuela	4,856,000	453,919	4,273,008	1,197,175	648,485	1,088,019	868,252	811,966	2,484,103	2,354,494	2,416,668

VALUE IMPORT MAJOR COUNTRY DESTINATION (IN DOLLARS)

Value Import major country destination (in dollars)

Country	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 (E)
Argentina	142,449,968	94,230,468	69,030,061	55,892,488	53,506,587	87,376,143	125,380,099	127,514,748	84,470,376	140,735,852	165,035,209
Austria	12,988,847	6,893,176	14,256,909	22,956,860	18,631,676	27,984,767	20,957,553	22,853,870	16,820,736	20,544,197	21,034,823
Belgica	51,934,424	110,540,153	34,748,065	45,288,895	52,165,864	74,983,254	57,796,520	63,923,519	34,292,262	52,654,152	55,635,693
Brazil	173,783,513	205,373,643	121,003,129	159,339,764	207,555,128	290,011,711	243,989,793	197,676,651	123,449,859	203,920,522	336,458,821
Canada	57,767,716	64,082,199	86,862,039	116,466,206	122,675,427	90,906,379	89,296,766	102,673,965	59,354,671	54,710,543	86,187,373
Chile	77,581,462	98,086,868	92,688,552	153,620,470	91,189,379	96,729,512	96,708,395	108,865,427	82,149,091	19,041,162	38,764,641
China	809,767,313	1,084,958,211	1,114,314,346	1,158,895,296	1,070,211,864	1,242,932,630	1,335,462,895	1,290,565,756	851,029,722	1,382,141,586	1,644,772,467
China-Taiwan (Formosa)	52,334,329	58,376,852	66,511,746	119,802,498	61,907,717	67,821,812	67,482,620	52,602,599	35,242,126	32,210,394	38,764,641
Colombia	429,932,169	478,740,972	382,220,309	361,599,875	362,126,254	324,660,537	325,732,887	361,652,232	291,466,475	370,990,529	455,849,182
Costa Rica	576,245,406	673,127,703	495,843,921	454,255,231	454,564,069	466,980,167	452,056,499	471,773,338	360,169,145	465,393,760	497,096,929
Cuba	1,020,245	385,957	682,576	927,974	984,308	693,515	822,093	1,759,919	1,051,367	1,214,154	1,280,355
Ecuador	42,654,593	31,936,396	41,948,140	46,351,592	31,654,426	55,694,013	43,912,043	54,570,381	43,357,663	39,760,435	77,345,232
El Salvador	117,332,461	147,331,741	118,886,728	128,149,818	121,050,891	118,156,007	122,101,792	108,277,028	85,344,650	106,014,646	29,260,139
Finland	6,120,606	5,644,347	9,188,857	20,720,851	34,195,749	15,559,768	13,799,972	6,845,542	7,919,414	9,650,185	10,350,086
France	74,121,547	206,837,076	163,686,545	144,924,201	137,430,596	165,471,316	154,356,671	153,781,419	99,301,797	104,768,387	75,458,553
Germany	174,035,729	324,517,660	236,973,181	281,471,573	252,518,788	303,362,394	273,128,260	251,415,012	149,514,478	186,292,340	229,207,198
South Korea	356,003,854	403,096,592	463,198,426	428,646,482	317,900,876	449,676,108	195,500,704	196,459,688	108,604,125	132,049,395	184,946,890
Spain	318,436,042	415,047,377	337,567,947	341,831,160	274,253,476	283,210,926	339,997,195	492,889,394	198,550,243	231,207,387	304,141,116
United states of America	2,976,823,920	3,841,960,626	3,432,525,592	3,137,232,133	2,990,685,375	3,084,343,433	3,281,119,972	3,263,812,356	2,070,087,451	2,939,812,547	3,677,573,239

GROWTH OF EXPORTS

Growth of Exports											
Country		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 (E)
Brazil		6.83%	2228.05%	-17.62%	106.74%	48.00%	25.47%	-39.76%	2529.82%	-30.57%	39.59%
Canada		-18.13%	-98.54%	48.06%	-42.47%	12.84%	-5.69%	-25.41%	112.82%	2306.76%	57.68%
Chile		-16.31%	25.83%	32.98%	-71.10%	20.74%	-8.59%	21.08%	-32.63%	-5.67%	8.25%
China		29.62%	58.31%	-41.05%	-13.22%	20.09%	15.80%	977.88%	-30.52%	180.70%	14.99%
China-Taiwan (Formosa)		18.48%	-23.01%	-4.71%	-7.18%	35.31%	-15.54%	-23.86%	-15.49%	66.41%	113.51%
Colombia		10.20%	32.28%	-29.54%	-2.20%	40.09%	-12.23%	-31.59%	10.85%	93.01%	-11.02%
Colon Free Zone		7.03%	-4.99%	-11.12%	-17.30%	6.36%	33.99%	60.02%	-7.17%	13.73%	29.26%
Costa Rica		-6.95%	8.60%	-2.89%	-28.04%	-7.99%	3.01%	3.84%	0.84%	-13.29%	24.58%
Dominican republic		-30.46%	-49.56%	300.60%	-64.87%	35.33%	28.38%	-43.21%	9.77%	-9.22%	6.70%
Ecuador		17.93%	61.96%	-1.24%	-37.54%	-59.72%	74.13%	-9.44%	-66.89%	-5.70%	4.61%
El Salvador		-5.85%	-27.21%	31.54%	-7.38%	-14.57%	21.88%	-20.78%	-7.99%	-4.16%	6.38%
France		-73.49%	248.01%	229.85%	-57.94%	73.78%	-21.23%	-11.53%	-72.84%	-3.62%	4.32%
Germany		433.13%	85.78%	5.23%	-79.82%	-48.21%	-11.26%	1201.76%	-73.42%	522.30%	27.20%
Guatemala		-16.34%	37.53%	27.86%	11.40%	1.56%	25.32%	28.20%	-8.33%	3.80%	2.79%
Honduras		13.81%	-20.69%	-34.50%	-5.14%	40.14%	-27.46%	-34.74%	49.56%	70.48%	8.26%
Hong Kong		61.37%	-7.16%	-26.45%	-42.76%	24.06%	-9.70%	49.84%	-54.99%	-5.57%	8.10%
Italy		8.60%	-37.33%	-19.18%	-25.22%	-38.15%	30.84%	-32.12%	5.97%	-7.11%	55.34%
Japan		72.57%	60.20%	-32.87%	-53.22%	35.36%	-4.10%	587.78%	154.23%	344.33%	-1.14%
Mexico		28.59%	74.40%	18.90%	-54.24%	3.66%	-1.77%	158.22%	29.31%	39.90%	29.65%
Netherlands		24.10%	-28.30%	-33.09%	237.56%	12.80%	4.72%	25.39%	-1.42%	-18.99%	-0.06%
Nicaragua		-2.24%	2.09%	19.69%	-8.38%	-12.92%	10.75%	-33.91%	9.21%	43.01%	2.31%
Peru		64.39%	-39.04%	128.04%	-63.72%	-41.74%	35.82%	5.00%	-60.95%	-5.31%	4.68%
Portugal		105.63%	50.91%	69.61%	-4.87%	-18.01%	9.63%	-5.02%	-65.47%	-5.50%	4.60%
Puerto Rico		7.00%	-21.18%	42.38%	7.47%	-38.12%	79.96%	-49.40%	55.73%	-5.44%	8.30%
Singapore		752.96%	-71.72%	320.98%	-53.10%	-28.94%	20.36%	121.15%	-68.18%	-1.41%	3.80%
South Korea		-36.74%	5.95%	-25.93%	-10.87%	-28.96%	7.48%	768.15%	86.68%	183.48%	-30.11%
Spain		10.41%	34.53%	-27.19%	-12.00%	56.68%	-12.32%	244.87%	198.64%	59.48%	-54.83%
Sweden		-26.73%	-98.36%	-47.71%	-14.35%	-81.67%	525.25%	-94.47%	326.23%	-4.26%	5.82%
Trinidad and Tobago		57.58%	9.36%	91.87%	-66.20%	-17.82%	48.75%	-49.79%	-32.09%	-6.13%	8.06%
United kingdom		33.97%	-50.93%	-20.14%	47.17%	-31.11%	-0.66%	12.09%	30.20%	57.96%	1.78%
United states of America		-7.51%	5.72%	-17.05%	-1.01%	-6.70%	-6.39%	-12.92%	7.58%	21.57%	-3.29%
Venezuela		-90.65%	841.36%	-71.98%	-45.83%	67.78%	-20.20%	-6.48%	205.94%	-5.22%	2.64%

GROWTH OF IMPORTS

Growth of Imports

Country	2013	2014	2015	2016	2017 (E)	2018	2019	2020	2021	2022 (E)
Argentina	-33.85%	-26.74%	-19.03%	-4.27%	63.30%	43.49%	1.70%	-33.76%	66.61%	17.27%
Austria	-46.93%	106.83%	61.02%	-18.84%	50.20%	-25.11%	9.05%	-26.40%	22.14%	2.39%
Belgica	112.85%	-68.57%	30.34%	15.18%	43.74%	-22.92%	10.60%	-46.35%	53.55%	5.66%
Brazil	18.18%	-41.08%	31.68%	30.26%	39.73%	-15.87%	-18.98%	-37.55%	65.18%	65.00%
Canada	10.93%	35.55%	34.08%	5.33%	-25.90%	-1.77%	14.98%	-42.19%	-7.82%	57.53%
Chile	26.43%	-5.50%	65.74%	-40.64%	6.08%	-0.02%	12.57%	-24.54%	-76.82%	103.58%
China	33.98%	2.71%	4.00%	-7.65%	16.14%	7.44%	-3.36%	-34.06%	62.41%	19.00%
China-Taiwan (Formosa)	11.55%	13.94%	80.12%	-48.33%	9.55%	-0.50%	-22.05%	-33.00%	-8.60%	20.35%
Colombia	11.35%	-20.16%	-5.39%	0.15%	-10.35%	0.33%	11.03%	-19.41%	27.28%	22.87%
Costa Rica	16.81%	-26.34%	-8.39%	0.07%	2.73%	-3.20%	4.36%	-23.66%	29.22%	6.81%
Cuba	-62.17%	76.85%	35.95%	6.07%	-29.54%	18.54%	114.08%	-40.26%	15.48%	5.45%
Ecuador	-25.13%	31.35%	10.50%	-31.71%	75.94%	-21.15%	24.27%	-20.55%	-8.30%	94.53%
El Salvador	25.57%	-19.31%	7.79%	-5.54%	-2.39%	3.34%	-11.32%	-21.18%	24.22%	-72.40%
Finlandia	-7.78%	62.80%	125.50%	65.03%	-54.50%	-11.31%	-50.39%	15.69%	21.85%	7.25%
France	179.05%	-20.86%	-11.46%	-5.17%	20.40%	-6.72%	-0.37%	-35.43%	5.51%	-27.98%
Germany	86.47%	-26.98%	18.78%	-10.29%	20.13%	-9.97%	-7.95%	-40.53%	24.60%	23.04%
South Korea	13.23%	14.91%	-7.46%	-25.84%	41.45%	-56.52%	0.49%	-44.72%	21.59%	40.06%
Spain	30.34%	-18.67%	1.26%	-19.77%	3.27%	20.05%	44.97%	-59.72%	16.45%	31.54%
United states of America	29.06%	-10.66%	-8.60%	-4.67%	3.13%	6.38%	-0.53%	-36.57%	42.01%	25.10%

Macroeconomic Indicators

Panama, a Central American nation with just over 4.4 million inhabitants with coasts on the Caribbean and the Pacific Ocean borders Costa Rica and Colombia. The country is famous for the Canal, which connects the Atlantic and Pacific oceans and is one of the engineering marvels of the world. Despite benefiting from many years of steady economic growth, the country has a relatively persistent poverty rate that disproportionately affects rural indigenous territories. Panama is one of only three carbon negative countries in the world, with more than 33% of the land protected and efforts underway to reforest more areas.

Before the COVID-19 pandemic, Panama's economy was growing four times the regional average, propelling it into the high-income country category. From 2014 to 2019, Panama's GDP grew at an average rate of 4.7%, while the LAC region grew at an average rate of 1.1%. In 2020, GDP contracted by 18%, the most significant in the region due to the pandemic.

Panama's economy recovered rapidly in 2021, growing 15.3% and 10.8% by the end of 2022. These considerable increases were achieved due to high vaccination rates, significant investments, and increased exports from a new copper mine. The economy is expected to grow 5.7% in 2023 and 5.8% in 2024. The fiscal deficit is projected at 3.0% and 2.0% of GDP in 2023 and 2024, respectively.

Growth is driven by the service sector, led by wholesale and retail trade, transportation, storage, and communications. However, construction, manufacturing

and mining have also played an important role in Panama's economic growth. Between 2011-2017 the construction of megaprojects led growth (for example, the expansion of the Panama Canal, the Tocumen International Airport, the Panama Metro and the real estate boom in Panama City). The increase peaked at 11.3% in 2011 before gradually slowing to 4.6% during 2015 and 2019 with the completion of most projects.

The Panamanian economy has had a strong recovery, generating a large number of formal jobs and with some of the lowest inflation in the world. The Gross Domestic Product (GDP) at current prices in 2022, totaled \$76,522.5 million. This means that the country reached and exceeded the pre-pandemic GDP level (2019: \$ 68,721.8 million), demonstrating the resilience of the economic structure and the effectiveness of the various actions to provide impetus to economic recovery, which were executed by the public and private sectors.

Mining was also a major driver in 2022, contributing 2.4% of growth. Foreign Direct Investment (FDI) continues to be key. Until the second quarter of 2022, FDI grew 150%, while the Public Private Association (PPP) has a key role in the development of infrastructure in the near future: The East and West Pan-American Highways and the Fourth Electric Transmission Line, are in the stage of perfectibility and feasibility.

GDP GROWTH RATE, INFLATION RATE AND UNEMPLOYMENT RATE

GDP Growth Rate, Inflation Rate and Unemployment Rate

Indicator	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Real GDP Growth	10.25%	8.35%	6.20%	5.80%	4.90%	5.36%	3.59%	3.03%	-17.67%	15.84%	10.81%
Nominal GDP Growth	14.08%	12.36%	8.25%	6.00%	5.86%	6.95%	4.40%	2.86%	-18.12%	18.08%	13.52%
Inflation Rate	5.7	4.0	2.6	0.2	0.7	0.9	0.8	0.2	-1.6	1.63	2.9
Real per capita GDP (US \$)	8,181	8,719	8,632	8,988	9,282	9,813	16,181	16,474	13,374	15,282	16,710
Unemployment rate	4.2%	4.1%	5.2%	5.1%	5.5%	6.1%	6.0%	7.1%	18.5%	11.3%	9.9%

Government (As % of GDP)

(% of GDP)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenue and Grants	16.6%	16.8%	15.7%	15.1%	15.5%	15.1%	14.8%	14.0%	13.4%	12.7%	17.3%
Expenditures	25.9%	26.09%	33.5%	33.8%	34.4%	33.8%	34.0%	33.2%	42.8%	23.7%	21.3%
Current expenditures	16.9%	16.5%	21.8%	23.6%	23.9%	23.8%	24.2%	24.7%	32.1%	18.1%	15.9%
Capital expenditures	9.5%	10.0%	11.7%	10.2%	10.5%	10.0%	9.8%	8.5%	10.7%	5.6%	5.3%
Fiscal deficit	2.1%	3.0%	-4.0%	-3.4%	-2.5%	-3.1%	-2.8%	-2.9%	-10.1%	6.5%	3.9%
Public external debt	28.41%	28.72%	40.1%	43.7%	44.4%	42.1%	39.5%	41.9%	65.6%	58.4%	57.9%

Note: Base year for GDP calculation was changed in 2018.



The trend in economic growth remained strong throughout 2022. The production of goods and services, measured by the Monthly Index of Economic Activity (IMAE), increased 11.1% for the accumulated period from January to September 2022 (last published figure) compared to the same period of the previous year. According to the National Institute of Statistics and Census (INEC), greater growth was observed in the following activities: Other community, social and service personnel activities, Construction, Commerce, Hotels and restaurants, Transportation, storage and communications, Financial intermediation, Fishing, Real estate, business and rental activities, Electricity and water, Manufacturing industries, Mining, among others.

The growth of the economy was reflected in a higher job occupation. When comparing data from the INEC from the Multiple Purpose Survey of April 2022 (last published) with that of the Labor Market Survey of October 2021, the number of employed increased by 101,976 people (5.8%); while, when compared with data from the Telefónica Labor Market Survey of September 2020, it did so in 214,672 people (13.2%). Likewise, in April 2022 there was an increase in the number of formal employees, of 7.2% compared to October 2021 and 21.6% compared to September 2020. leather goods, books, motor vehicles; Come in other.

With this, the unemployment rate has gradually decreased: 18.5% in September 2020, 11.3% in October 2021 and 9.9% in April 2022. While, from January to October 2022, the work contracts registered with the Ministry of Labor and Labor Development (MITRADEL) totaled 199,752, with an interannual growth of 8.8%.

These results show the good economic performance of Panama in a complex scenario in economic, financial and geopolitical matters.

International organizations look favorably on the economic performance of the nation, for example, the Economic Commission for Latin America and the Caribbean (CEPAL), increased Panama's growth prospects for 2023 to 4.6% compared to its last prediction in December of 2022, which was 4.2%, according to the latest report from this organization.

Despite this increase, ECLAC details that the economies of Latin America and the Caribbean face a complex external scenario in 2023, marked by low growth in economic activity and world trade. In addition, to the increases in interest rates worldwide, the financial turbulence observed at the beginning of March was added, which has accentuated the uncertainty and volatility of the financial markets. Although inflationary pressures have slowed, monetary policy rates can be expected to remain high throughout 2023 in the main developed economies.

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According to the Economic Commission for Latin America and the Caribbean (ECLAC), in 2023 the countries of the region once again face limited space for fiscal and monetary policy. As in the rest of the world, inflation in the region shows a downward trend, and although it is expected that the process of raising interest rates in various countries of the region could be nearing its conclusion, the effects of the restrictive policy on private consumption and investment will be felt more strongly this year, given the lags with which monetary policy acts.

In addition, given the recent global financial volatility evidenced by the problems in banks in developed countries and given that regional inflation would remain at levels still high compared to those in force before the pandemic, it is not expected that it will become generalized yet. a cycle of monetary easing in the region.

AVAILABLE STRUCTURES

Social Security	Year	Amount / Numbers
Population protected by social security	2021	2,896,992
New registration of insured people	2021	26,894
Active contributors	2021	1,442,285
Professional Risk Subsidies		
Amount:	2021	16,540,713
Number	2021	8,085
Health	Year	Amount / Numbers
Health infrastructures in the Republic of Panama	2021	755
Hospitals	2021	62
Health Institutions and Clinics	2021	270
Centers and health outposts	2021	423
Health staff practicing in the Republic of Panama (Including physicians, odontologists, nurses, assistant nurses, X-Ray technicians, laboratory technicians.)	2021	16,416
Educational Structure	Year	Amount / Numbers
Budget assigned to education	2019	US\$ 1,821.9 MM 5.1% of GDP
Literacy	2019	Total population: 95.41% Male (15-24 years) : 99.3% Female (15-24 years) : 98.8%
Credits to higher education	2020	1,089
Amount:	2020	US\$ 14,746,092.20
At national level		750
At international level		339
Scholarships granted	2020	840,935
Amount:		198,416,525.00
Enrollment in technical actions	2019	90,107
- Agricultural	2019	5,330
- Industrial	2019	24,752
- Commerce	2019	60,025
Registered universities	2020	56
Enrollment at national level	Year	Amount / Numbers
Elementary	2019	514,018
High School	2019	195,544
University	2019	193,304
Enrollment at private universities	2019	61,768
Graduated at national level	Year	Montos / Números
High School	2019	37,209
Higher Education	2019	70,113
Technical Career	2019	83,505
Programs offered in Private Universities	Year	Amount / Numbers
Bachelors Degree	2019	46.8%
Masters Degree	2019	42.1%
Ph.D.	2019	3.1%
Specialization	2019	4.2%
Technical Level	2019	3.8%
Employed population by level of education	Year	Amount / Numbers
EAP with Bachelor Studies	2019	568k of people (34.45% of EAP)
EAP with Bachelor's Degree	2019	531k people (32.23% of EAP)
EAP with Master Degree	2019	63k people (3.82% of EAP)
EAP with Doctoral Degrees	2019	6.6k people (0.40% of EAP)
EAP with Technical studies	2019	26k people (1.59% of EAP)

Gross Domestic Product

The performance of the Panamanian economy, during the year 2022, measured through the Gross Domestic Product (GDP), in chained volume measurements with the reference year 2018, presented an increase of 10.8% compared to the similar period of the previous year. The GDP registered an amount of \$73,449.3 million for the estimated period, which corresponded to an increase of \$7,164.9 millions.

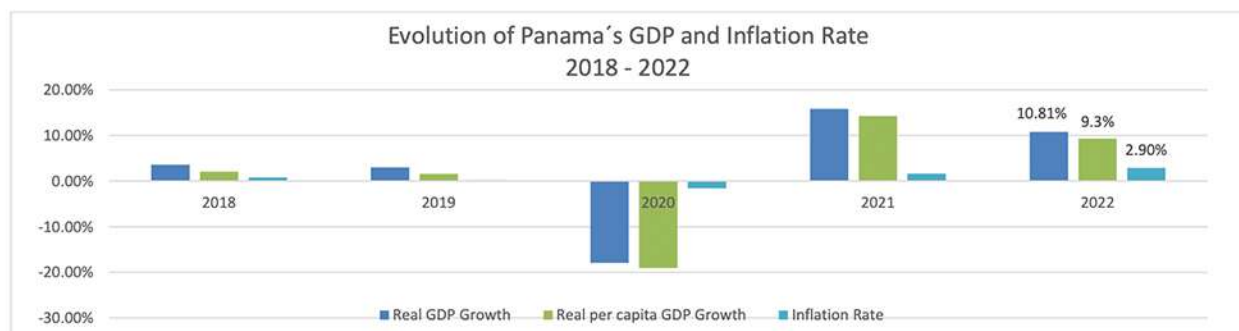
During 2022, economic activities continued their recovery process, thanks to the control of the pandemic, allowing the full opening of the economy, despite the fact that the fourth wave of COVID-19 was generated at the beginning; coupled with external factors, such as the increase in the price of fuel, which led to protests in the country in the middle of the year. However, despite these facts, economic activities continued to recover their pre-pandemic behavior.

Within the internal activities that presented a positive performance, in this period, were: Construction, commercial activities, manufacturing industries, electricity, real estate and business, artistic, entertainment and recreational activities, and other personal services; while education registered a decrease.

Among the added values generated by activities related to the rest of the world, the following presented increases: The Panama Canal, port services, air transport and the Colon Free Zone. While the income generated by the activities of mines and quarries related to the export of copper and its concentrates decreased; likewise, banana exports, in the agricultural sector.

The Panamanian economy managed to overcome the economic effects of the covid pandemic in a complex international context, marked by the war between Russia and Ukraine, the growth in world price levels and the adverse economic effects derived from the pandemic in some countries. Panama's economy, dependent on the service sector, collapsed 17.9% in 2020 due to the almost total paralysis of the country for months due to the pandemic and recovered 15.3% in 2021, according to official statistics. , in the midst of a skyrocketing debt that went from representing around 39% in 2019 to more than 60% last year.

At present, Panama maintains the investment grade but, however, one must be careful about fiscal issues and the lack of progress in the pension reform according to reports from the risk rating agency Moodys at the end of 2022.

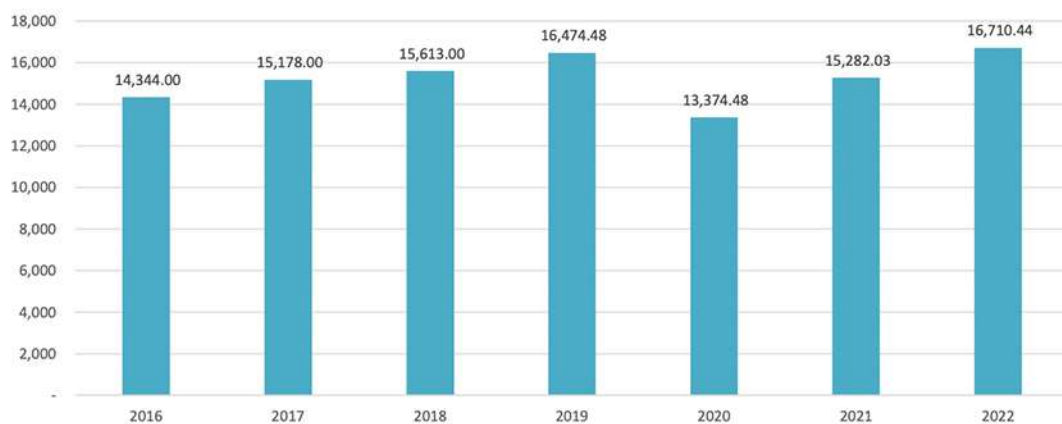


GROSS DOMESTIC PRODUCT

Gross Domestic Product (In Millions of 2018 dollars)

Economic Sectors	2018	2019	2020	2021	2022	% change 2021/2020	% change 2022/2021
Agriculture, forestry, hunting and Fishing	1,595.19	1,684.59	1,716.17	1,797.34	1,890.50	4.73%	5.18%
Mining	848.17	1,039.33	1,336.92	2,734.39	2,905.67	104.53%	6.26%
Manufacturing	3,851.59	3,797.73	3,011.80	3,353.73	3,525.69	11.35%	5.13%
Electricity, gas and water supply	1,380.53	1,407.81	1,431.27	1,529.58	1,575.95	6.87%	3.03%
Construction	11,998.24	12,090.04	6,332.96	8,153.94	9,663.69	28.75%	18.52%
Wholesale and retail trade	12,344.71	12,567.84	10,524.73	12,494.42	14,525.91	18.71%	16.26%
Hotel and Restaurants	2,001.81	2,021.67	774.77	998.77	1,360.26	28.91%	36.19%
Transportation, warehousing and communication	6,880.93	7,454.41	6,292.41	7,357.23	8,364.76	16.92%	13.69%
Financial and Insurance	4,141.74	4,318.64	4,365.83	4,415.50	4,656.97	1.14%	5.47%
Real estate, rental, leasing, professional services and business services	1,304.96	1,351.51	1,166.07	1,240.42	1,400.71	6.38%	12.92%
Private educational services	651.82	682.97	623.86	622.05	609.54	-0.29%	-2.01%
Social services and private health care	621.62	643.99	700.64	712.96	755.07	1.76%	5.91%
Other social services, except government	437.82	449.07	341.15	359.39	401.86	5.35%	11.82%
Government	2,777.73	2,951.86	3,404.36	3,668.80	3,684.22	7.77%	0.42%
Domestic services	303.24	355.31	285.51	267.85	279.94	-6.18%	4.51%
Plus: Net production taxes	2,254.60	2,215.11	1,526.83	1,857.34	2,123.91	21.65%	14.35%
Gross Domestic Product	67,294.17	69,502.68	57,222.72	66,284.37	73,449.29	15.8%	10.8%

Panama's PIB PER CAPITA
2016-2022



A low-angle, upward-looking photograph of several modern skyscrapers with glass facades, set against a clear blue sky. The perspective creates a sense of height and architectural scale. The image is overlaid with a semi-transparent dark blue filter.

GROWTH KEY SECTORS

Evolution of Gross Domestic Product

Panama's economy is one of the most stable in America. Among the main activities are financial, tourism and logistics, which represent 75% of GDP (Gross Domestic Product). Panama continues to have one of the highest economic growth rates in the region, but lower than in previous years.

By 2022, the world and the global economy were heading towards an economic recovery after peak moments caused by the Covid-19 pandemic, but the pace was affected by other events, (shocks) among them: the supply chains that still were affected, the war between Russia and Ukraine and the costs of the Petroleum. These factors led to the rise in prices, that is, to the increase in inflation levels worldwide, affecting the economic activity of the world including logistics and international trade. These exogenous events affect Panama, which, being a small service economy, and which imports most of its products, is very susceptible to external shocks.

Looking ahead, Panama will need to deepen its focus on institutional reforms to emerge from the crisis and build back better by: (i) reducing long-term inequalities in human capital and closing gender gaps; (ii) addressing institutional weaknesses to build a more transparent and fiscally sustainable economy and (iii) supporting a more inclusive and environmentally sustainable economic recovery, while promoting adaptation and mitigation to climate change.

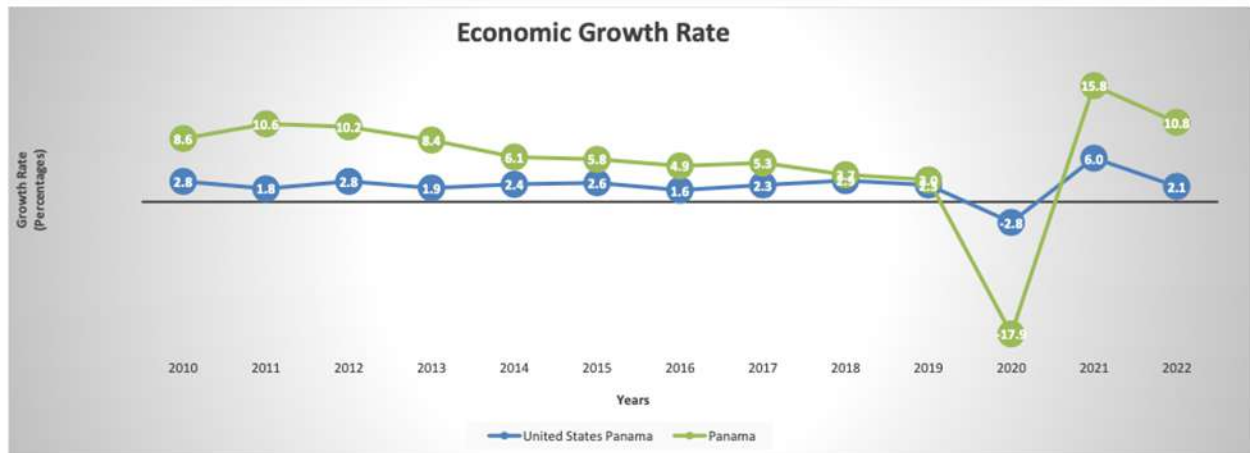
According to the IMF, the recovery has been very vigorous, but the outlook remains uncertain. Product expanded 15% in 2021, and by 2022 it is projected to do so by 10.8%. Employment rebounded strongly, while inflation remained low compared to other countries. The fiscal deficit decreased from 10.4% of GDP in 2020 to 4% of GDP in 2022. However, risks of new external shocks have emerged, such as a more pronounced slowdown in the world economy than expected, new escalations in food and energy prices and disruptions in global capital markets.

There is also uncertainty about the timing of the recovery after the sharp slowdown related to COVID- 19, as well as Panama's growth potential in the medium term given that construction is unlikely to provide growth with the same stimulus of the last 15 years.

Other internal risks include Panama's prolonged stay on the Financial Action Task Force (FATF) gray list and interruptions in copper mining activities after negotiations between the government and Minera Panama on a new contract did not conclude before the deadline set for mid-December 2022.

In summary, for 2022, Panama's real gross domestic product (GDP) increased by 10.8% year-on- year, according to figures from the Comptroller's Office. Growth is above the forecasts of the IMF (9.0%), ECLAC (8.4%) and the World Bank (7.2%)

ECONOMIC GROWTH RATE



The evolution of economic activities in 2022 is presented below:

Agriculture, livestock, hunting and forestry:

The Gross Value Added, for this category of economic activity, grew 5.2% in relation to the previous year, due to the behavior of activities, such as: Rice cultivation, which showed an increase of 3.2%, observed in its planted and harvested surfaces. On the other hand, products related to the external sector such as: Pineapple and watermelon grew 14.2% and 32.1%, respectively. While bananas fell 37.3% and melons 14.2%, in their exports.

The livestock sector registered increases in the slaughter of cattle by 1.3%, pigs by 6.5% and poultry by 4.6%, and egg production by 1.6%; meanwhile, milk production showed a decrease.

Fishing:

The fishing activity presented a growth in its Gross Added Value, due to the increase of registered shrimp exports in thousands of net kilos by 161.8%; however, fish exports reflected a 23.2% decrease.

Mining and quarrying:

The activity of mines and quarries presented an increase in its Gross Added Value of 6.3%, explained by the demand for basic material such as stone, sand and clay, used in the construction sector. However, exports of copper concentrate and its derivatives to the different markets reached an amount of 350,438 tons, affected by the drop in international copper prices.

Manufacturing industries:

The manufacturing industries registered a growth of 5.1% in their Gross Value Added compared to the same period of the previous year.

Among the economic activities that support this increase were: Production of meat and meat products, due to the greater slaughter of cattle, pigs and poultry, the manufacture of cement, the production of milkshakes, the manufacture of sugar and the production of ready-mix concrete. On the other hand, the activities with negative rates in their production were: Dry and dairy products measured through the natural milk used in the industry.

Supply of electricity, gas and water:

The Gross Added Value of electricity supply grew 3.2%; thermal power generation increased by 16.5%; however, renewable energy that includes hydraulic, wind and solar generation decreased by 0.5%. On the other hand, the distribution and transmission of electrical energy showed an increase of 3.8% and 2.9%, respectively. Regarding the category of water supply, sewerage, waste and sanitation as a whole, it registered a growth of 1.8%, where billing by type of user increased by 1.8%, mainly due to higher consumption among residential, industrial and commercial customers.

Construction:

The construction activity presented, during the year, a growth of 18.5%, mainly based on the development of public investment in infrastructure works; as well as the construction of residential and non-residential works. Among the great constructions of 2022 in Panama we have: The new beach corridor, the Gamboa Water Consortium, the Amador Cruise Terminal, expansion of line 1 of the Panama Metro and the construction of line 3 of the Metro.

Wholesale and retail trade, repair of motor vehicles, motorcycles, personal effects and household goods:

The commercial activities, as a whole, presented a positive behavior of 16.3%, due to the increase in the volume of sales in the wholesale trade of products food, beverages, textile products, clothing, construction materials and the sale of solid, liquid, gaseous and other fuels. The retail trade registered growth in the sales of food, fuel for automobiles, hardware items, paints, pharmaceutical products; automobile sales, among others.

Wholesale activities in the Colon Free Zone showed growth in re-exports of products from the chemical industries, electrical machines and appliances; image and sound recording or reproduction devices, their parts and accessories, among others.

Hotels and restaurants:

The sector as a whole registered an increase of 36.2% in its Added Value, mainly due to the performance of restaurant services and the increase in the entry of tourists and visitors to the country. Tourism in Panama generated an economic impact of 4,720 million dollars in 2022, double that of the previous year, thanks to the arrival of 1.94 million visitors, figures that show the recovery of the sector even without reaching the levels prior to the pandemic.

Financial and insurance activities:

The Gross Value Added of financial activities increased by 5.5%, the financial services of the International Banking Center grew, mainly driven by local financial services and commissions earned. The balance of internal loans to the private sector showed positive signs in areas such as: Commerce, personal consumption and manufacturing industries, among others.

The activity of insurance companies reported a decrease, as a consequence of the increase in claims in branches such as: Health, automobile and sureties, compared to a lower growth in earned premiums. For its part, the value generated by insurance brokers showed an increase.

The behavior of the country's International Banking Center (CBI), during 2022, is encouraging and shows the dynamism that the economy is having, which translates into greater access to financing for people and different economic sectors.

Private education services:

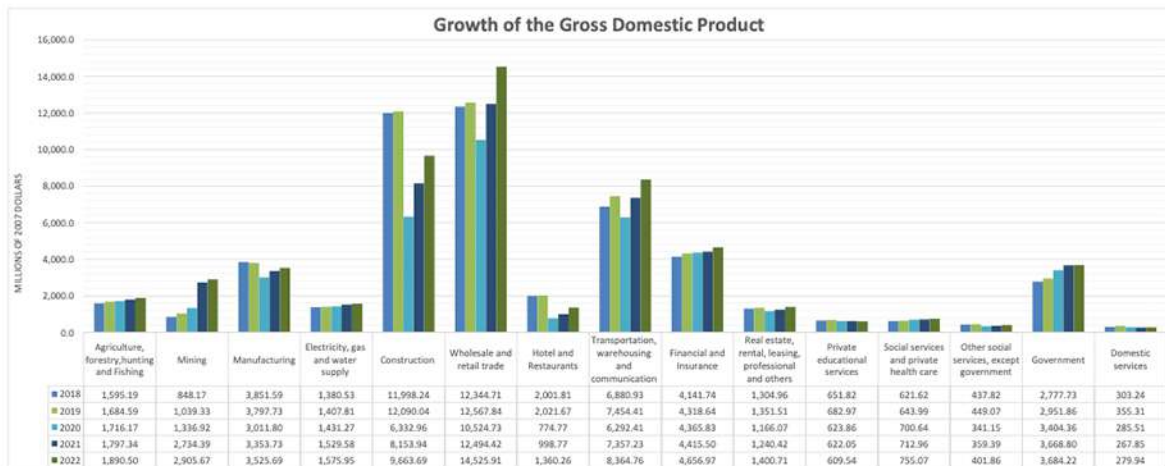
The activity as a whole showed a negative behavior of 2.0%, product of the migration of students from the private sector to the official one, mainly, from the pre-primary and primary education levels; general secondary education; similarly, higher level education.

Real estate activities, professional, scientific and technical activities, administrative activities and support services:

The Gross Value Added of this economic category registered a growth of 5.0%, where real estate market activities registered an increase of 12.9%, due to the positive behavior of transactions carried out with own, rented or third-party assets. Likewise, real estate activity for own final use (home ownership) had an increase of 3.1%.

On the other hand, professional, scientific and technical activities that include legal services, advertising, information technology presented positive contributions of 17.8%. Also, the activities of vehicle and equipment rental, travel agency, security services, building cleaning, among others at 9.3%.

GROWTH OF GROSS DOMESTIC PRODUCT



Teaching:

The activity as a whole showed a negative behavior of 2.0%, product of the migration of students from the private sector to the official one, mainly, from the pre-primary and primary education levels; general secondary education; similarly, higher level education.

Social services and related to human health:

The activities of health services provided by the private sector presented growth of 5.9% due to the increase in demand for medical and dental services; assistants, nurses and laboratories.

Artistic, entertainment and recreational:

The category of artistic, entertainment and recreational economic activity showed a growth of 47.4%, due to the favorable evolution of games of chance, such as lottery and betting sales in casinos and race-tracks. Likewise, the category of other services, which includes personal services and repair of personal belongings, registered growth of 11.8%.

General Government:

The Added Value provided by the General Government, which includes public administration and defense; mandatory enrollment social security plans, education, social services and those related to human health and other non-market services, grew by 0.8%, explained by the increase in salaries in some public institutions, such as: Social Security Fund and Ministry of Health, as well as in the Ministry of Security, Education and others.

Taxes on proceeds net of subsidies:

Taxes on products net of subsidies grew 14.4%, due to the increase in the collection of import taxes and duties, services

(ITBMS) and taxes on products. In turn, subsidies for activities also showed increases.

COMPETITIVENESS

The Global Competitiveness Index (GCI) is a study comparative between economies around the world about the factors that affect competitiveness. Panama occupies position 66 out of 141 economies in the ICG 4.0 - 2019, which incorporates a methodology that seeks consider the changes generated by the fourth revolution industrial. The results of the same help each country to identify which are the factors to improve that affect the competitiveness.

Panama has obtained 61.64 points in the 2019 Competitiveness Index, published by the World Economic Forum, which measures how a country uses its resources and capacity to provide its inhabitants with a high level of prosperity. It has improved its score compared to the report of the previous year in which it obtained 61.03 points.

Panama - Global Competitiveness Index		
Year	Competitiveness Ranking	Competitiveness Index
2019	66th	61.64
2018	64th	61.03
2017	50th	63.43
2016	50th	62.62
2015	48th	63.27
2014	40th	64.32
2013	40th	64.18
2012	49th	62.18
2011	53rd	61.79
2010	59th	60.11
2009	58th	60.57
2008	59th	59.69
2007	60th	58.89

It is in position 66 in the world competitiveness ranking, out of the 141 countries analyzed. His situation has worsened, since in 2018 he was in position 64.

Global Innovation Index

This index reflects the latest global trends in innovation in light of the ongoing COVID-19 pandemic that is holding back productivity growth and posing other challenges. The Index reveals the world's most innovative economies, ranking the innovation performance of some 132 economies and highlighting their strengths and weaknesses. Panama ranked #81/132, improving two positions in relation to the previous year, when he obtained seat #83; but still below the 2020 results (#73). In addition, it is ranked #10 in the Latin American and Caribbean region.

Panama performs above the regional average in three pillars, namely: institutions, infrastructure and creative outlets. Among the lagging pillars are business sophistication and human capital and research.

Transportation and Colon Free Trade

After the Torrijos-Carter Treaties completion, on December 31, 1999, the transportation sector and the Colon Free Trade Zone have undergone a fast growth due to their consolidation as a main part of the cluster of multi-modal transportation services that serves the world maritime trade.

This cluster is basically made up by the Panama Canal, containers transshipment ports, interoceanic railway, bunker supply, the supply of goods to ships in transit through the Canal, legal services, financial intermediation services and the Colon Free Zone.

The Panama Canal will be widened so that Post-Panamax ships can cross it. More than 5.2 billion dollars will be spent in this widening. With such investment, the cluster will be strengthened even more with also important investments.

Colon Free Zone

At the end of December 2022, the commercial activity registered a total of \$ 1,965.3 million, representing a significant increase of 1.8%, compared to the previous year, which marked an activity of \$ 1,930.7 million; For this month, it was possible to reach the levels of 2019 and exceed it by \$574.8 million, which represents an increase of 41.3%.

Imports for this month registered a movement of \$990.8 million, representing a contraction of -2.4% compared to the month of December 2021, which had a record of \$1,015.6 million,

however, when compared to December 2019, an increase of 62.9% is recorded. On the other hand, re-exports closed their commercial activity with \$ 974.5 million, registering a growth margin of 6.5% in relation to December 2021, and when comparing it with the year 2019, an increase of 24.5% is observed.

The accumulated activity for the period from January to December 2022 vs. 2021, closed with a total of \$ 25,922.1 million, representing an increase of 39.1% with respect to the same period of the previous year, which was \$ 18,640.9 million. Accumulated imports for this period registered a total of \$ 13,946.6 million, reflecting an increase of 54.3%, compared to the previous year, in the same way the accumulated re-exports registered a total of \$ 11,975.5 million, presenting a growth of 24.7%, compared to the period of the previous year

The countries with the highest participation in terms of imports are:

Continental China with 32.7%, followed by the European Union with 18.8%, Mexico with 15.1%, followed by the United States of America with 5.2% and Singapore with 5.1%, which represent 76.9% of total imports. registered for this period.

For their part, the countries with the highest participation in re-exports for this period were:

Venezuela with 19.5%, Panama with 12.3%, Colombia with 6.7%, Costa Rica with 6.0%, followed by Nicaragua with 5.8%, Cuba with 4.5%, Honduras with a participation of 4.7%,

the Republic Dominican Republic with a 4.2% share, El Salvador with a 3.9% share and the United States with 3.8% respectively, representing 71.4% of the total re-exports.

When referring to the handling of accumulated cargo, for this period January - December 2022 vs 2021, they registered a total movement of 2,149.2 thousand metric tons, reflecting a growth of 22.6%, which in physical terms represents an increase of 396.3 thousand metric tons more than those mobilized for the same period of 2021 and when compared to 2019, this reflects an increase in physical terms of 498.5 thousand metric tons, representing an increase of 30.2%.

The accumulated cargo handling of imports for this period was 1,168.1 thousand metric tons, representing a growth of 23.7% compared to the year 2021. On the other hand, accumulated re-exports registered a cargo movement of 981.1 thousand metric tons, representing a growth of 21.4% in relation to the previous year.

The countries that registered the highest physical volume of imports were:

Continental China with 32.8%, the European Union with 19.8%, Mexico with 14.3%, followed by the United States with 5.3% and Singapore with 5.0%, representing 77.2% of the total imported.

For the line of re-exports, the countries with the greatest movement in physical terms are:

Venezuela with 9.9%, Panama with 9.4%, Costa Rica with 7.5%, followed by Colombia with 6.8%, Nicaragua with 5.8%, the Dominican Republic with 5.6%, Guatemala with 5.3%, Honduras with 5.0%,

They are followed by Puerto Rico with 4.9% and the United States, both with 4.6%, representing 64.8% of the total re-exports.

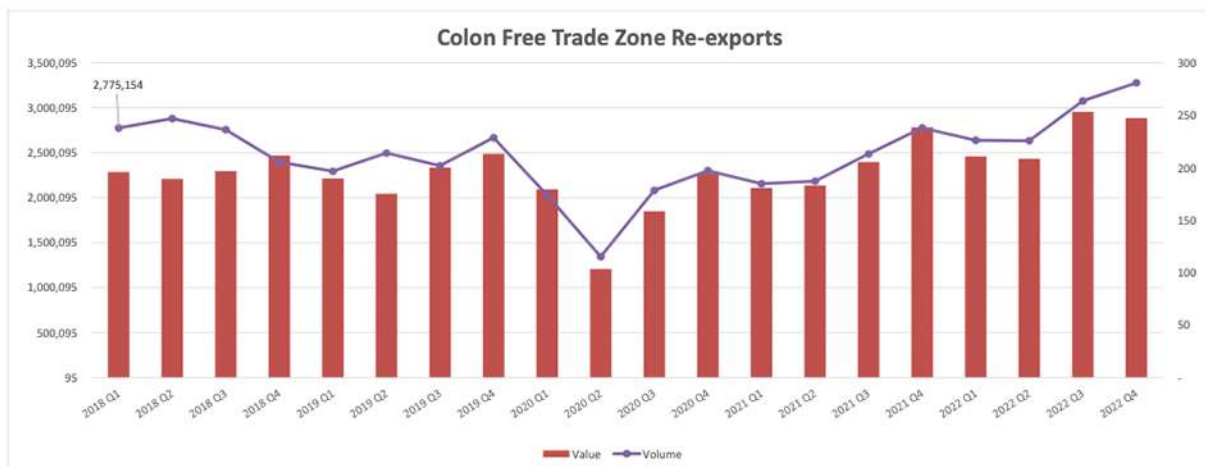
Movement of ships in the National Port System

For the period January-December 2022, a total of 97,136 ships arrived at Panamanian ports (private and state), which represented an increase of 15.0% compared to the same period in 2021. The behavior of the arrival of ships due to traffic, in private ports, registered a global increase of 41.0% compared to the same period of January-December of the year 2021. The arrival of foreign trade ships decreased by 0.03%, while that of cabotage increased by 51.5%.

In relation to the types of ships that arrive at private ports on the Pacific and Atlantic coasts, container ships are the ones that largely arrived at our ports, corresponding to a total of 5,163 for the period January-December 2022.

Of the total number of container ships, 1,863 ships (36.0%) arrived at the port of Manzanillo International Terminal; 1,030 ships (19.9%) arrived at the port of PPC Balboa; 957 ships (18.5%) arrived at the Colon Container Terminal port; 646 ships (12.5%) arrived at the port of PPC Cristóbal; 616 ships arrived at the port of PSA (11.9%). 40 ships (0.8%) and 58 refrigerated container ships arrived at the port of Bocas Fruit Co. and 11 ships (0.2%) arrived at other ports.

GROWTH OF GROSS DOMESTIC PRODUCT



In addition to the container ships in the period January-December 2022, 536 liquid bulk carriers, 369 Ro-Ro, 218 oil tankers, 203 conventional freighters, 179 solid bulk carriers, 123 cruise ships, 77 gas carriers, 70 refrigerators, as well as than other types of ships.

Private Ports

The cargo mobilized, in private ports, was in the order of 107.4 million metric tons, this represented a decrease of 3.5% compared to the same period in 2021. To mention the main ports that due to their cargo volume registered an increase in their loads we have the Terminal Granelera port with 78.1%, the port of Colon Container Terminal with 34.8%, the Payardi Terminal Co. port with 17.6%, and the port of Melons with 16.5%, among others, however some ports suffered a decrease in their cargo by 2022.

State Ports

The cargo mobilized in state ports was in the order of 481 thousand metric tons, this represented a global increase of 43.2% compared to the same period in 2021. Foreign trade cargo as well as cabotage, maintained growth of 77.1% and 42.8% respectively for the year 2022. In summary, 62.5% of the ports reported increases in their loads.

Container Movement

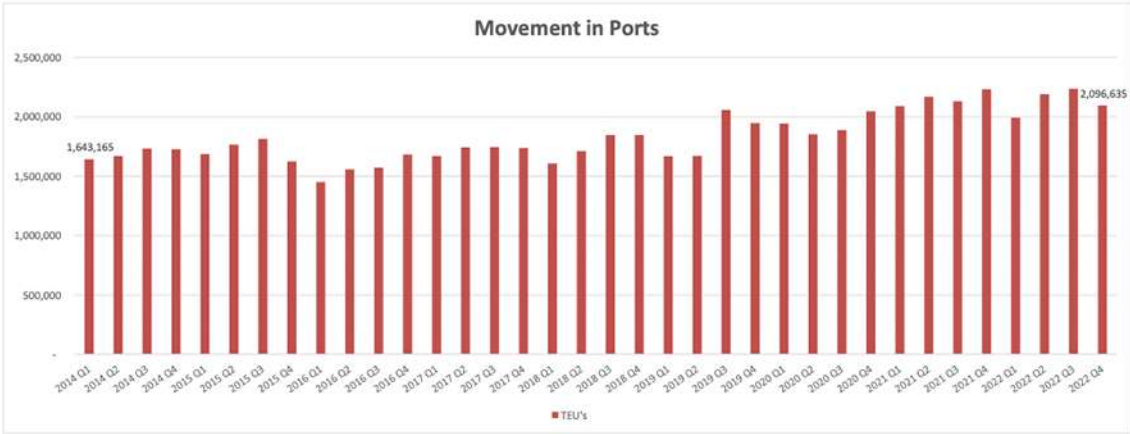
In Panama, we have six (6) port facilities dedicated to container traffic: three (3) in the province of Colón, one (1) in the province of Bocas del Toro - Caribbean coast, and two (2) located in the province of Panama Pacific coast. For the period January - December of the year 2022, the movement of containers in units was 4.7 million, registering a decrease in this activity of 2.6%, when comparing this same period with the year 2021. The terminals specialized in handling containers, mostly registered decreases in their container movements for the year 2022. Only the Colon Container Terminal port, registered an increase of 37.2% compared to the year 2021.

Despite this behavior of the movement of containers in our ports for the year 2022, we continue to be the country with the highest mobility in the region.

In our ports specialized in containers, we can find other characteristics, in addition to their unloading and loading operations, such as; by type: which describe whether the containers are full or empty; by size: where they are detailed containers in their 20', 40' and 45' condition, which are the most frequent in arrivals at our ports and; lastly, the containers by destination: which are classified as local, Free Zone and transshipment.

The large participation of Panamanian ports in world cargo trade reflects that full containers are the that mainly move in these terminals; however, the replacement of empty containers also represents part of the operations.

MOVEMENT IN PORTS



MOVEMENT OF CONTAINERS IN TEU's

For the period January-December 2022, the movement of containers in TEUs (Twenty-foot Equivalent Unit) was 8.5 million, registering a decrease in this activity of 1.2% compared to the same period in 2021. Most of the ports registered a decrease in their movements. The port of Colon Container Terminal, registered an increase of 37.1%, compared to the year 2021.

The movement of containers, by destination in TEU, details the behavior according to the classification; being the transshipment movement the one that represents the greatest activity with 88.9%, followed by local containers with 10.5% and those from the Free Zone with 0.6%.

The port that carried out the most transshipment movement in its operation, for the period January- December 2022, was: Manzanillo International Terminal with 31.8%, followed by Panama Ports Co. Balboa with 26.0%; Colon Container Terminal with 16.2%; PSA (Panama International Terminal) with 14.0%, Panama Ports Co. Cristóbal with 11.6%, and Bocas Fruit Co. with 0.4%.

MOVEMENT OF VEHICLES IN THE NATIONAL PORT SYSTEM

Currently, the National Port System includes two ports that carry out the unloading operation and shipments of rolling cargo, which are Manzanillo International Terminal and Panama Ports Co. Balboa. However, the port of Panama Ports Co. Cristóbal, mobilized rolling cargo for the year 2022 reached 214,812 units compared to 172,583 in the same period of the previous year 2021.

PASSENGER MOVEMENT

The movement of domestic passengers, for this period from January to December of the year 2022, was 1,800,183 people who moved from one point to another throughout the national territory by road. maritime; which registered an increase of 46.0%, compared to the same period in 2021 when it closed at the figure of 1,232,621.

CRUISE MOVEMENT

The reactivation of this activity in our specialized ports for the year 2022, registered 128 cruise ship arrivals, however the activity for the year 2021 began in the second semester, let us remember that the period of inactivity was the result of the stoppage of operations due to the Pandemic of COVID- 19.

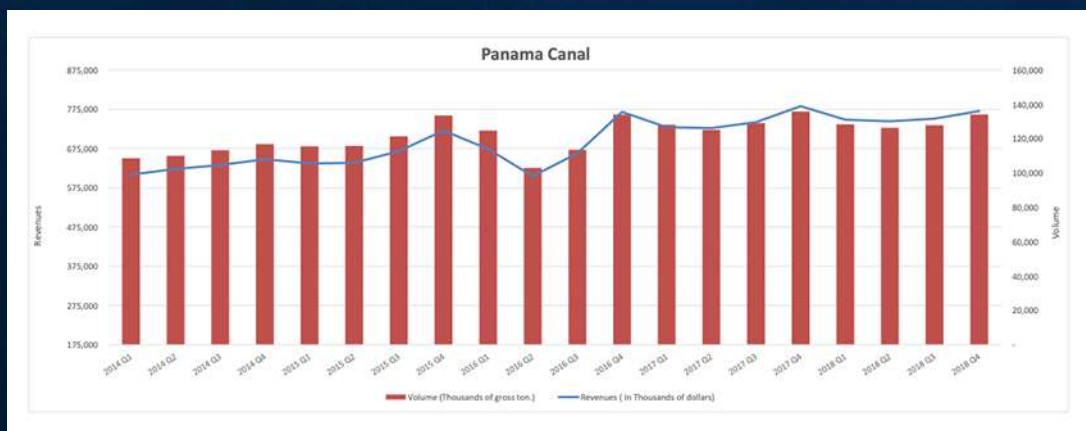
PANAMA CANAL

The Panama Canal faces challenges every year, and 2022 was no different. The world-wide scenario, still marked by the pandemic's impact on the supply chain, China's blockades, and geopolitical tensions that hampered world trade, tested the adaptability and innovation of the Canal workforce.

In the 2022 fiscal year, Panama Canal made contributions to the National Treasury for \$ 2,494.4 million: 20% more than those made in the 2021 fiscal year, thanks to the effective management of the waterway's resources and the effort and labor of Canal workers. With this, the nation has received \$23,216.9 million in total contributions during the 23 years of the Panamamanaged Canal. Without a doubt, the accomplishments of the 2022 fiscal year constitute a significant turning point for the nation and a source of pride for the entire Panama Canal team.

The operational figures are also very significant. At the end of the 2022 fiscal year, the Canal serviced 14,134 transits: 6.3% above 2021 and 6.1% above 2020. In addition, the Canal closed the fiscal year with 518.5 million PC/UMS tons (Panama Canal Universal Measurement System). The total PC/UMS tons transited during the 2022 fiscal year represents an increase of 0.4% compared to the 2022 fiscal year and 8.4% above the tonnage registered in 2020.

The cargo tonnage that transited through the waterway was mainly driven by containerized cargo and liquid bulk (such as diesel, gasoline, and other hydrocarbons), showing a 29% increase, derived from the increase in the demand from Chile and refinery parks in California. Even so, there was a decrease in the volumes of dry bulk and liquefied natural gas (LNG). The latter was affected by the conflict in Ukraine, which led to the diversion of US exports from Asia to Europe, an exchange further encouraged by price spreads.



As proof of the commitment to meet the growing demands of the maritime industry and to be a trusted partner to global trade, the Canal continue to break our own records. For instance, in July 2022 was successfully executed the transit of the container ship with the greatest cargo capacity ever observed in the Canal.

The Canal and its Operations

At the end of the fiscal year, the Panama Canal registered 518.8 million PC/UMS tons, a 0.4% increase compared to the tonnage of the previous fiscal year. Total income from tolls was \$3.028 billion, a 2.0% increase. The increase in tonnage was driven by the containership segment, with a 6.6% increase to 196.4M PC/UMS tons; followed by the tanker vessels, with a 11.6% increase to 72.6M PC/UMS tons and the passenger vessels with a significant increase of 612.9% to 6.1M PC/UMS tons, when compared to fiscal year 2021. Close to 72.1% of the Canal's cargo origin or destination was the United States, mainly from the East Coast and US ports located in the Gulf of Mexico. Containers, grains, and energy commodities are the main products using the Panama Canal route.

The Neopanamax locks registered 53% of the PC/UMS tonnage being the most important the container, LPG, and LNG vessels. Transits totaled 14,239 transits, an increase of 6.7% compared to the previous fiscal year. There was a greater number of transits of tanker, container, general cargo, and passenger vessels.. The latter registered an increase in transits of 658.8% for a total of 129 transits, because of the COVID-19 post-pandemic reactivation of this market. In contrast, there was less traffic of LNG vessels because of changes in trade patterns due to the impact of the Russian invasion to Ukraine, and less traffic of bulk carriers as a result, partially, of less grain purchases by China from the United States.

Financial Performance

Fiscal year 2022 financial performance for the Panama Canal showed strong revenue growth, increase in profitability margins, efficiency and productivity, and a decrease in leverage despite the economic impact of the Russian - Ukraine conflict and China's 'Zero COVID-19' policy. Growth and robust financial results are based on a conservative institutional framework, transparent, autonomous, and prudent governance, that aims towards sustainable growth with a long-term outlook.

The Canal concluded fiscal year 2022 with \$4.323 billion in revenues, \$364 million or 9.2% more than fiscal year 2021. Since fiscal year 2020, Canal revenues and tonnage increased at a compound annual growth rate (CAGR) of 12.0 and 4.5%, respectively. (CAGR: is a measure used specifically in business and investing contexts that determines the growth rate over multiple time periods.)

The fiscal year 2022's revenue growth, was mainly due to transit-related services charges adjustments, known as others maritime services, mainly in reservations and auctions. In addition to an increase of 2.1 million tons PC/UMS, compared to fiscal year 2021.

Telecommunications

The telecommunications activity grew, due to the favorable evolution in the demand for mobile telephony and services provided such as the Internet when distance education and teleworking were established. Telecommunications activity grew, due to the favorable evolution of the demand for mobile telephony and services provided such as the Internet with the introduction of distance education and teleworking.

The reform to the Telecommunications Law, which allowed consolidation in Panama, opened the doors to the purchase of Telefónica by Millicom, within the framework of a divestment process of the Spanish company in Central America.

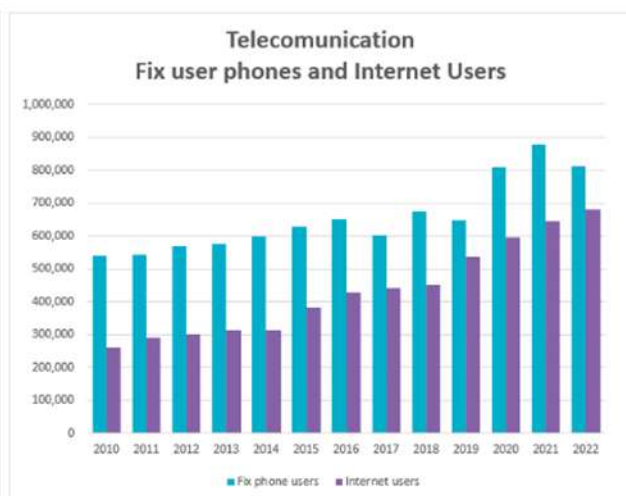
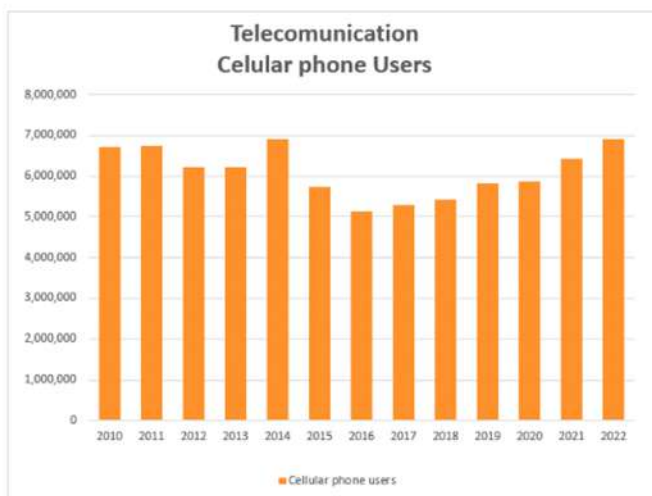
In 2022, the deep consolidation process of the telecommunications market in Panama was completed. Millicom was left with the Telefónica operation, and Liberty Latin America with Claro. This is the case that Digicel decided to abandon the operation that it lost in that country -and began to operate through an auditor- which is why the National Authority for Public Services (ASEP) determined the search for a third operator to guarantee the competition in that market.

While this process has been underway since the beginning of 2023, the Panamanian telecommunications market shows various changes in its operation: industry investments are going through a period of recovery, at values similar to those registered a decade ago.

On the other hand, the billing of the sector was at the best levels of the last 10 years. The mobile business remains unchanged: mobile broadband is stable while the pre-paid segment continues to be chosen by Panamanians, as it has a level of adherence of more than 80 percent. This does not mean, however, that its ARPU continues to be one of the highest in the region, in a behavior that shows in relation to the best historical indicators.

Fixed telephony is in a process of contraction both in number of lines and minute traffic and ARPU, in a behavior that follows the trend of the industry worldwide.

With the upcoming arrival of a new operator and the reinforcement of established telecoms, the Panamanian mobile market is on the brink of a transformation. The announcement of the acquisition of Claro Panamá from América Móvil by Cable & Wireless Panamá precipitated the departure of Digicel, the third mobile operator in the market and part of a group that is going through a delicate financial situation. In this way, the entry of a new third operator is expected, while the regulator ASEP has proceeded to reinforce the operations of the two largest telecoms in the market with spectrum.



Construction and Real Estate

According to the Comptroller General of the Republic, between January and December 2022 the cost of new projects, added to the investment for repairs and modifications, reached 918.8 million dollars.

The figure is 27 percent higher than the 722.6 million reported in 2021; that is to say, an additional 196.2 million dollars. The results are higher than the estimate of the Panamanian Chamber of Construction (Capac), which was betting on annual growth between 8.0 and 10 percent.

Construction and tourism were the sectors most affected by the mobility restrictions that the Government kept in force for eight months in 2020 due to the pandemic.

Cost of constructions, additions and repairs registered by the municipalities in the Republic:

The total cost of construction, additions and repairs presented a positive variation of 27.2%, this result was mainly due to the districts with the highest increases such as: Panama at 23.1%, Colón 60.8%, the grouped Aguadulce, David, Santiago, La Chorrera and Chitré in 15.9% and Arraiján 60.4%. Of these, Residential 21.0% and Non-residential 42.9%.

Construction area in M2 of the main municipalities in the Republic:

The construction area increased by 37.9%. The districts with the highest growth were: Panama 57.2%, the grouped Aguadulce, Chitré, David, La Chorrera and Santiago at

24.4% and Arraiján 42.3%. However, a negative rate was registered in the district of Colón, for 39.2%. The area in Residential works grew 25.8% and in Non-residential works by 91.2%.

Other indicators related to construction:

The production, sale and export of gray cement increased by 15.5%, 12.5% and 72.6%, respectively. Similarly, the production of ready-mix concrete at 24.7%. Imports of gray cement decreased by 95.8%.

The districts of Panama, Arraiján, La Chorrera (West Panama) and David (Chiriquí) stood out last year as the main destinations for investment in residential projects, while in commercial construction Panama, Arraiján and La Chorrera stand out, along with the eastern Colon province.

The Building Construction Census for the first quarter of 2022, compared to the same period in 2021, reflected a total increase in built areas in square meters of 45.2%, in the districts of Panama and San Miguelito. The buildings with the largest constructed areas were: Apartment buildings with 152,808 M2 individual housing 52,829 M2 and others 17,133 M2.

In the first quarter of 2021, in the districts of Panama and San Miguelito, 691 new works were carried out, with a total built area of 45,144 M2; while in the same quarter of 2022 there were 987, with 98,064 M2, presenting an increase of 42.8% in the number of new buildings.

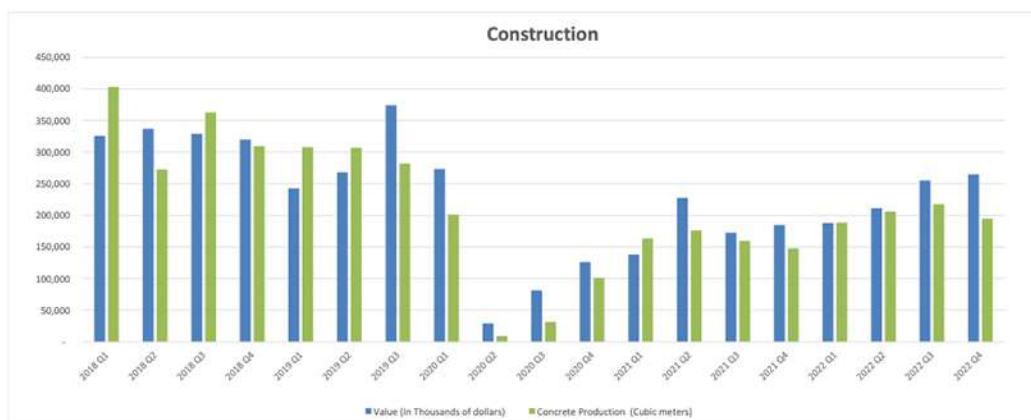
Of the built-up areas in these two districts, by 2022, individual dwellings occupied 35,840 M2, apartment buildings 28,039 M2, others 12,771 M2, duplexes 7,749 M2, warehouses 6,273 M2, commerce 3,649 M2, educational centers 2,813 M2, religious centers 485 M2, industry 225 M2, offices 220 M2. M2

Real Estate Activity

It is an important sector of the economy as develops, builds, promotes, finances, manages and sells real estate; element that also promotes the welfare of a country. It is competitive because there are many developers, builders and sellers must provide the best product and / or service overseas and local client activity. The biggest challenge is to maintain attractive and competitive prices that meet good quality they offer. Real estate development, is an activity that spans the country, offering buildings for housing, offices, commerce, and entertainment houses like beaches and / or mountains- so it must be competitive to keep pace with demand.

The current state of the real estate market in Panama is solid, with a market that continues to grow and offers solid opportunities for investors looking to capitalize on the many advantages that the country has to offer.

Prices have risen steadily since 2009, reaching a peak in 2019 before falling slightly in 2020 due to the Covid-19 pandemic. Despite the slowdown, the demand for real estate in Panama remains high.



According to the National Council of Housing Promoters (Convivienda), real estate sales showed a slight growth of almost 7%, but below the projections given for this 2022, still far from the figures registered prior to the covid pandemic 2019. By 2022, 6,518 real estate units were sold, which is equivalent to more than \$692.4 million in sales, thus observing a slight recovery.

Market experts recognize the need to extend the preferential interest law, some tranches of which expire at the end of December 2022 and others on January 1, 2023. The expiration of these tranches renders the preferential interest benefit void for some homes who have their occupancy permit after that date. The extension of the preferential interest tranche for real estate units up to \$120 thousand is the one that needs to be extended.

In accordance with the Preferential Interest Law, enacted in 2021, mortgage loans granted from the enactment of the law until August 2024, with exceptions, will have the benefits established in Law No. 3 of 1985, which is the first on preferential interest.

According to Convivienda statistics, 82% of the real estate units that are purchased are in the preferential interest range and 17% in the range up to \$350,000. Currently in Panama, there are 2,000 real estate units in inventory, according to data from the organization. On the other hand, the office rental market in Panama City at the end of 2022 remained in positive territory, so it is expected that this year the office rental market, as well as sales, will become even more dynamic.

The banking area made up of the areas of Marbella and Obarrio is the one with the largest amount of inventory of square meters of offices, with 719,000. Of this total, 532,000 are occupied and some 6,000 square meters have been placed in the last quarter of 2022. 26% is available. In that area there are 50 buildings that have offices for rent or sale, there are banks, some shopping centers, public institutions and companies.

The average square meter for rent requested costs 12.43 dollars, while the average price for sale reaches 2,077.97 dollar

Leasing of Industrial Buildings 2020	Details
Office (25 M ² - 350 M ²)	US\$ 500 - 12,000 monthly
- Class A (Banking Area) x (M ²)	US\$ 8.50 - US\$ 18.00
- Class A (Costa del Este) x (M ²)	US\$ 12.90 - US\$ 22.00
- Class A (San Francisco) x (M ²)	US\$ 12.00 - US\$ 19.25
- Class A (Transitmica / T. Muerto) x (M ²)	US\$ 8.50 - US\$ 15.00
- Class A (Balboa Avenue) x (M ²)	US\$ 19.56 - US\$ 22.00
Warehouse (500 M ² - 2,500 M ²)	US\$ 1,380 - 22,000 monthly

Average Housing Rental Costs	Details
Apartament - Class A	USD 1,000 - 5,500 monthly
House - Class A	USD 1,250 -10,000 monthly

Other submarkets are more dedicated to Classes B and C are the North of the city center (Betania), which has the highest availability of square meters (39.6%), and registered low recruitment. And the former Panama Canal Zone (Ancón) remained stable compared to the previous period.

The San Francisco area has 30 buildings and 416,000 square meters of inventory, of which 295,000 are occupied. At the end of December, 1,500 square meters had been placed. In that corregimiento, the square meter for rent costs 16.11 dollars and for sale 2,831.21 dollars.

The Downtown area, made up of the banking area, Cinta Costera and San Francisco, is the largest area and ranked first in terms of demand in the fourth quarter of 2022, followed by the Este submarket. This area also registered the highest net absorption in 2022, with 24,000 square meters, which represents 50% of the absorption for the year.

Panama East has an offer of 21 buildings with 360,000 square meters, of which the majority are occupied, 295,000 square meters, and only 17.8% is available for rent or sale. Said sector is mainly made up of Costa del Este and Santa María, it has become the new commercial district, with an inventory of Class A/A+ office buildings, that is, high quality.

Tourism

Tourism in Panama generated an economic impact of 4,720 million dollars in 2022, double that of the previous year, thanks to the arrival of 1.94 million visitors, figures that show the recovery of the sector even without reaching the levels prior to the pandemic.

The number of tourists is 1,945,000, more than double the 800,000 of the previous year, which was a low figure because the world was still coming out of the effects of the pandemic. This number of international tourists represents an increase of 141.9% compared to 2021, according to official figures from the Panama Tourism Authority (ATP/Ministry of Tourism)

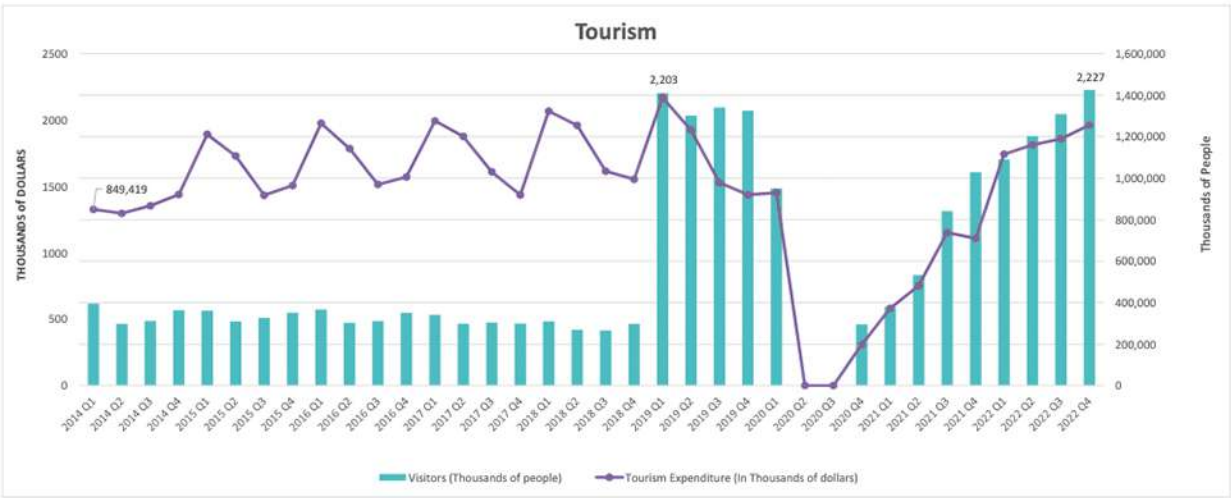
The economic impact also grew by 105.1% compared to the previous year, after generating 4,720 million dollars in 2022, while in 2021 it was 2,302 million dollars.

Most tourists are from the United States, followed by Colombia and Venezuela, and enter through Tocumen International Airport, the country's main airport and an important hub.

Also through cruise ships, a recent bet by the country with the creation of a large port in Panama City, near the Pacific entrance of the Canal, and which grew by almost 440% compared to 2021. This number of international tourists represents an increase of 141.9% compared to 2021, according to official figures from the Panama Tourism Authority (ATP/Ministry of Tourism).

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The flow of visitors to Panama from January to December 2022, registered a total of 1,945,646 visitors, with an increase of 141.9% compared to its counterpart in 2021, that is, 1,141,252 more visitors than in 2021.

The Tocumen International Airport and main port of entry reported an increase of 128.4% compared to 2021. The Paso Canoas Border registered an increase of 76.9%, the Cruise ports increased by 439.5% and Other Ports registered an increase of 196.0% . The Tocumen International Airport received 1,520,177 visitors in the period from January to December 2022, while in 2021 it received 665,472 visitors, which means an increase of 128.4%, and an absolute variation of 854,705 more visitors.

Hotel Offer (January to December 2022)

According to preliminary figures corresponding to hotels with tourism category in Panama City, in the period from January to December 2022, according to monitoring of the hotels, it is estimated that the Occupancy Percentage is around 53.0%, of the 32 thousand hotel rooms, there are approximately 9 thousand rooms that are out of inventory.

Currency Income:

The Foreign Currency Income registered in the period from January to December 2022, was 4,720.6 million balboas (does not include international transport) unlike 2021 with 2,302.0 million balboas, that is, about 2,418.6 million balboas more than the previous year, the which represents a percentage increase of 105.1%, if compared to its counterpart in 2021. The average length of stay of a visitor in Panama is approximately 8 days and they are spending an average of 2,426 balboas per stay and 303 balboas daily

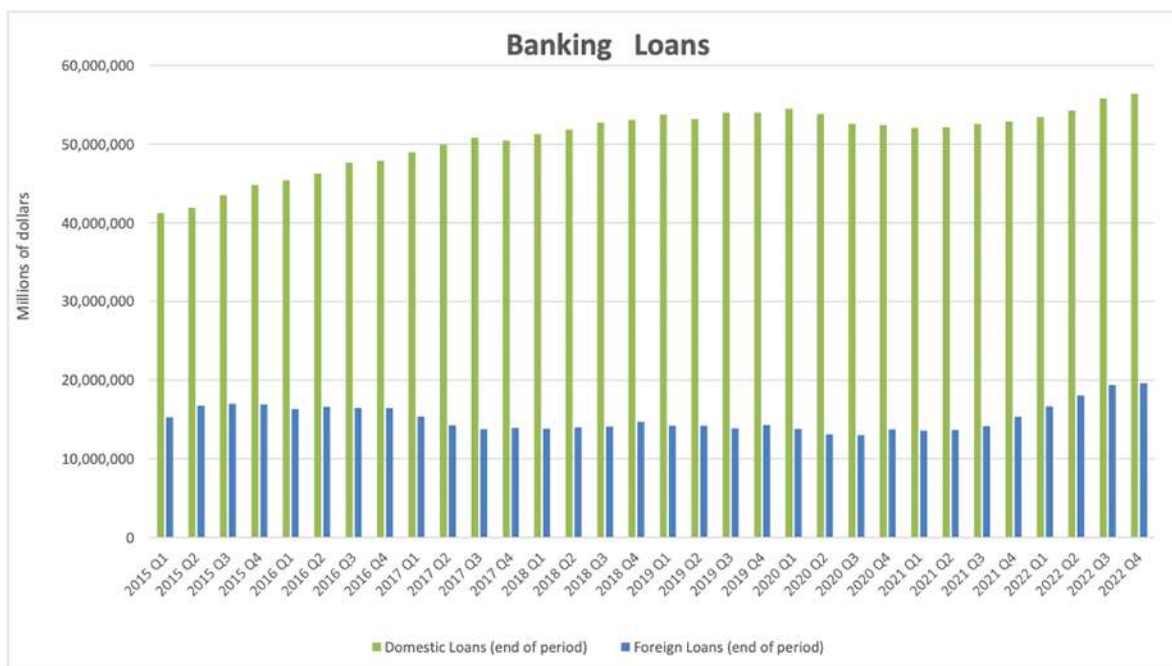
Industries Banking, Insurance and

Bank System

The banking sector evolved positively at the rate of economic performance in 2022, after difficult periods as a result of the pandemic. Despite a difficult economic context, marked by problems in global supply chains, high levels of inflation, sharp increases in monetary policy rates by central banks, both in advanced and developing economies, Panama closed the year with a positive expansion in 2022. The latest data available show that the Panamanian economy would have grown by 11% up to the third quarter and advanced data show signs that the economy will have increased its annual performance by around two digits.

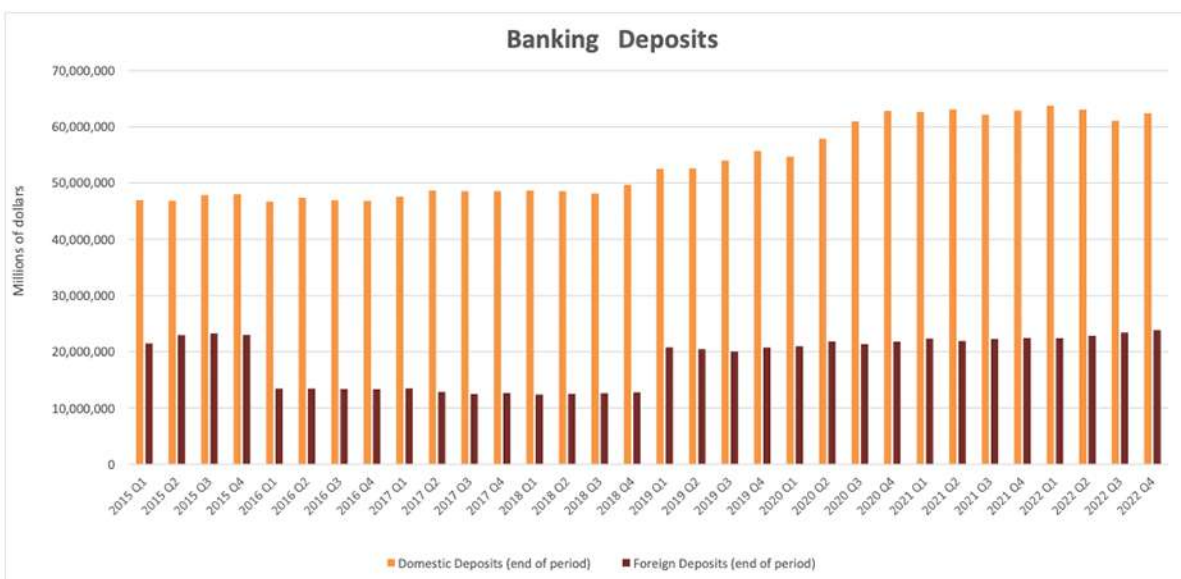
At the end of 2022, the bank maintains adequate levels of capital and liquidity, and continues to show a system with stable financial fundamentals. During the year, the continuous growth of the credit portfolio has allowed an improvement in profitability, while a reduction in the risky portfolio is observed. Similarly, it highlights that funding levels are stable and liquidity levels easily meet the provisions of the regulations regulatory. In compliance with Agreement 12-2022, on December 31, the provisions regarding modified credits were terminated, by providing this regulation the guidelines and parameters for the purposes of the definitive restoration of the credit portfolio classified in the category "Special Mention Modified " to the provisions of Agreement No. 4-2013.

As of December 2022, the national banking system (SBN) registered growth in the gross local loan portfolio, which reached a balance of USD 58,586.1 million, with an increase of 6.3% compared to the data reported at the end of 2021, which is equivalent to a growth of USD 3,460 million in one year. With regard to new loan applications and disbursements so far this year, they continue to be positive. At the end of December 2022, these reached an accumulated amount of USD 23,134 million, a growth of 32% compared to the same period in 2021. Although there was a significant acceleration in the second part of the year, the accumulated amount of these disbursements was below what was granted in 2019.



At the end of 2022, the profits of CBI banks totaled USD 1,901.3 million, a figure that represents an increase of 45.8% compared to the same period of the previous year. With this result, the net profit of the bank would be at levels higher than the year prior to the pandemic. It should be noted that the improvement in profitability indicators took place despite the fact that during 2022 the average annual financial margin in Intermediation has narrowed, which would account for increases in term deposit rates, without, on the contrary, there being significant increases in the active part, with which the credit spread has been reduced.

Deposits in the CBI as of December 2022 registered a total of USD 98,379.6 million, an increase of USD 1,364.8 million (1.4%) compared to the same period in 2021. For their part, external deposits registered an increase of USD 1,744 million reaching a balance of USD 35,744.5 million, an increase of 5.1%, where Colombia maintains the largest participation by registering 21% of foreign deposits. The excess liquid resources accumulated during the pandemic are expected to continue to decline in the coming months, which could lead to a contraction of local deposits with greater availability. The data at the end of the year show that internal deposits fell by 0.6% at the end of 2022. However, the liquidity of banking entities is expected to remain solid, since banks have an active participation in the deposit market and have access to local and global capital and debt markets.



It is concluded that, at the end of 2022, banking is resilient, and although it faces challenges from a more complex economic environment and financing conditions, it is in a position to mitigate the increase in asset risks. Going forward, it is essential to continue correcting the remaining imbalances generated during the pandemic and restore slack, along with prioritizing initiatives that favor the strengthening of the financial system, particularly through capitalization levels. This will allow the CBI to continue contributing to economic development and the well-being of families, by facilitating the intermediation of resources and helping the economy absorb the external and local financial pressures of the current situation.

Profitability indicators

As of December 2022, the CBI presented positive profitability indicators higher than those observed in previous months. Thus, the Center's total results reached 1.39% of assets (ROA) and 11.83% of net worth (ROE) respectively. This increase occurred in a context of improvements in the placement of credits, the greater positive contribution of extraordinary results and the decrease in provisions for asset impairment. Although this result is positive, it is noteworthy that it is heterogeneous among credit entities, and there are still challenges to be faced, among which are the final recognition of the impairment of rescheduled loans, maintaining the capitalization of profits to continue having equity strength, and continue with the process phasing out temporary regulatory flexibilities included under the category of modified credits.

It should be noted that the improvement in profitability indicators took place despite the fact that in 2022 the average annual financial margin between loan and deposit operations fell by 0.32 percentage points. The foregoing would account for the increases in term liability rates, without, on the contrary, there being significant increases in the active part, with which the credit spread has been reduced.

Insurance Market

The total value of written insurance premiums reported a positive variation of 5.6%, of which: Personal accidents 26.5%, other transportation 24.3%, health 13.6%, sureties 8.5%, automobiles 2.7%, and individual life 0.6%. Claims also grew 0.5%; On the other hand, technical lines showed negative variation 33.2% and other premiums 2.0%.

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The insurance sector closed the year 2022 with a volume of written premiums of \$1,702 million, registering a growth of 5.6% compared to the previous year and exceeding \$1,700 million for the first time in a single year, as both confirmed by the country's insurance regulator. The result occurs in an environment of economic growth after the impact of the pandemic, a health crisis that raised the level of awareness about the importance of insurance, specifically health insurance.

The health branch is, in fact, the most important among all the products offered by insurers in Panama. In 2022, the premiums written in health policies totaled \$421.9 million, a figure that represents an increase of 13.6% compared to the 2021 record, according to figures revealed by the Superintendence of Insurance and Re-insurance of Panama.

This increase in premiums comes hand in hand with a 15.1% increase in the number of current policies. Currently it is a necessity to have health insurance given the difficulties that the social security system is going through, in addition to policies that cover any disease, there are complementary products that cover specific diseases and that have had a significant increase in sales..

For their part, claims in the health branch also rose with a total amount of \$314.4 million in 2022, representing an increase of 8.1% compared to the previous year. This is explained by the fact that health patients have resumed non-urgent procedures and preventive examinations, which had been stopped during the pandemic.

The second most important line of business for the insurance sector is auto, with total written premiums of \$285.5 million, an increase of 2.7% compared to the previous year. In 2022, the rates charged on car policies began to recover the levels of 2019, after the discounts that were applied during the pandemic due to less exposure to risk due to circulation restrictions.

However, inflation is also putting pressure on spending by insurers. Claims paid totaled \$184.5 million, that is,

an increase of 11.2% when compared to the previous year due to the increase in accidents after the lifting of restrictions and in an environment of higher costs.

Stock indicators:

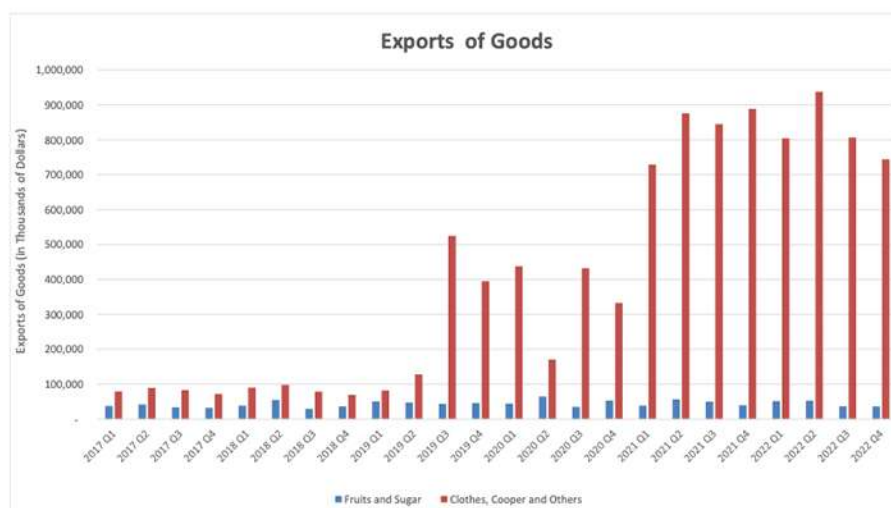
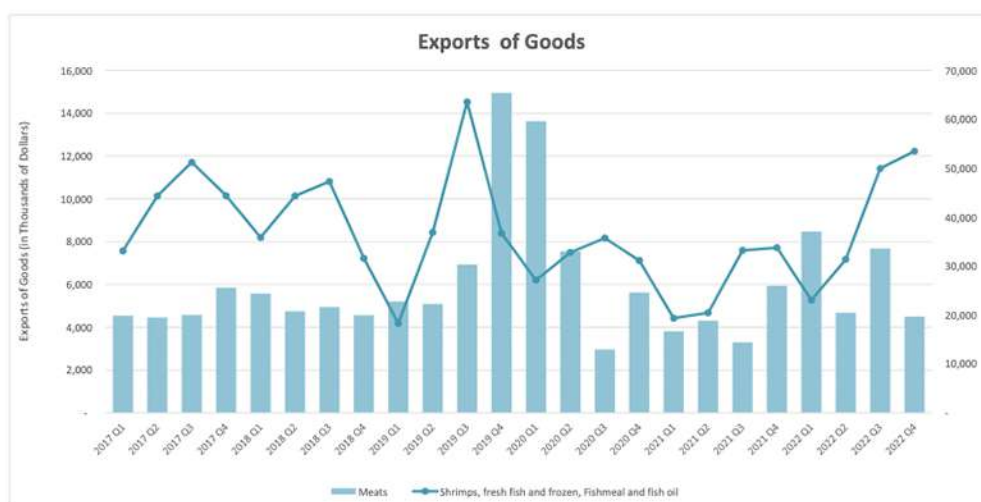
The volume traded by the total market of the Latin American Stock Exchange (Latinex) registered a negative rate of 35.2%, the primary market fell 38.2% and the secondary 43.3%. On the other hand, a positive variation was observed in the repurchase market at 153.1%. In the stock market, the index (Latinex) showed negative variations of 0.2%, the volume traded 17.7% and the number of shares 47.4%.

Export of agricultural and manufactures goods

Panamanian exports in the year 2022 amounted to a record total of \$3,652.2 million dollars. If we include copper concentrate, there is an accumulated performance of total exports higher than that of 2021 by only 0.2%, explained by the drop in the value of copper exports that amounted to \$2,797.2M (\$141.0M less than in the year 2021). However, by excluding copper, we have this period with the highest values since 2010, and the \$855.0M represented a 20.8% increase in

Copper and banana exports led exports in the exported FOB value, compared to the year 2021, which was \$708.0M.

2022 and represented, respectively, 76.6% and 3.5% of the accumulated total, followed by exports of frozen shrimp with 1.6%, crude palm oil with 1.4% and medicines with 1.3%, in the top-5, which slightly exceeds that of rough teak, which moves to sixth place



Main markets

Linked to porphyry copper exports, the main destinations for our exports in 2022 were China, Japan, South Korea, India and Germany. If we exclude copper exports, in our international sales the United States of America maintains first place, followed by the Netherlands, Taiwan, sales through the Colon Free Zone, and then Continental China, which is our fifth largest market. important export.

Commercial Schemes

Excluding copper, 77.8% of our exports in 2022 were sold to countries with which we have a current trade agreement. In the case of trade blocks as a destination for our exports, the European Union ranks first, followed by the Central American Common Market (MCCA) and the Latin American Integration Association (ALADI)

On the other hand, exports of added value (manufacturing) from special regimes exceed \$216M, which added to registered exports (copper concentrate and other registered exports), yields a grand consolidated total of \$3,868.3M. It is worth noting that exports other than copper exceed \$1,070M

Regarding national imports in FOB value, for the period under study, these totaled \$ 13,527.6 million, increasing their value by 30.7%, compared to the previous year, observing increases of 25.9% in consumer goods, 29.3% in goods intermediate goods and 44.3% in capital goods. However, the detail of imports in CIF value, during 2022 versus 2021, showed a fall within consumer goods, household utensils, which fell 19.5%; however, the rest of consumer goods increased their value, standing out fuels, lubricants and related products with 81.7%, non-durables 16.6% and semi-durables 10.7%..

Likewise, intermediate goods increased, mainly construction materials with 32.1%, raw materials and intermediate products for industry (excluding construction) 30.1%, raw materials and intermediate products for agriculture 20.1% and other inputs 11.0%. Similarly, the value of capital goods rose, highlighting construction 41.6%, transportation and telecommunications equipment 36.0%, agriculture 29.3% and other capital goods 25.5%.

In summary during 2022, the external current account of Panama ended with a deficit balance of \$3,001.5 million, increasing its value by 46.4%, compared to what was registered the previous year, as a result of the negative amount of \$11,786.7 million in the item of goods, which increased its value 117.3%. Services totaled \$11,793.0 million, improving 46.9%, and the income and current transfers components, with a deficit of \$2,963.2 million and \$44.5 million, respectively, decreased, in the same order, by 38.7% and 124.5%, versus the previous year.

Employment

The National Institute of Statistics and Census (INEC) presented the results of the 2022 Multiple Purpose Survey. In the survey reference month, the population aged 15 and over was 3,291,858. The Economically Active Population (PEA) of the country was located at 2,049,616 people, which meant 62.3% of the population aged 15 and over. While the unemployment rate decreased 1.4 percentage points, compared to October 2021, that is, from 11.3% to 9.9%; while the number of employed increased by 101,976 people Economically Active Population (EAP)

For April 2022, the PEA (employed and unemployed) was 2,049,616 people, with an increase of 83,149 people in relation to October 2021. An increase in this population was observed both in the urban area (71,982 people) and in the rural area 11,167 people) for both sexes.

The male EAP for this month was 1,196,772 people, with an increase of 29,611 men compared to October 2021. As for the female EAP, there were 852,844 women, registering an increase of 53,538 people from one year to the next for the reference month. Regarding the geographical areas, 1,495,980 people corresponded to the urban EAP, while in the rural area, the EAP was 553,636. The provinces and district where there was an increase in the EAP were in this order: Kuna Yala (10.1%), Bocas del Toro (8.7%), Chiriquí (6.3%) and Panama (6.1%). The greatest decreases were observed in the Ngäbe Buglé (6.7%) and Emberá (3.6%) comarcas.

Working population

The employed population, at the national level, was reflected in 1,846,363 people, increasing by 101,976 employed people compared to October 2021. This increase was observed in both sexes (52,292 men and 49,684 women). It was estimated that there were 1,091,377 employed and 754,986 employed. 24.1% of the employed were young people, from 15 to 29; years, 62.2% between 30 and 59 years.

And 13.7% over 60 years of age. By area of residence, 1,320,204 employed persons resided in the urban area and 526,159 employed persons in the rural area. For urban and rural areas, an increase in this population of 87,348 and 14,628 people, respectively, was observed. The provinces that had the highest percentage growth in their employed population, compared to 2021, were: Panama Oeste (13.3), Bocas del Toro (10.2) and Panama (6.9), representing in absolute terms that the number of employed increased by 34,801, 6,298 and 47,860 people, respectively. The Kuna Yala Region registered an increase of 11.9 in its employed population.

Employed population by category in economic activity

The greatest rises in the number of employed persons by category of economic activity occurred in Activities of extraterritorial organizations and bodies and undeclared activities (263.3%), Arts, entertainment and creativity (23.4%) and Other service activities (21.9%). Meanwhile, th were observed.

Percentage decreases in the employed in the categories: Information and communication (13.2), Social services and those related to human health (4.8) and Administrative activities and support services (0.5). By area of residence of the employed population, there were percentage increase in the urban area in the following economic activities: Activities of extraterritorial organizations and bodies and undeclared activities (259.4), Other service activities (26.0), Arts, entertainment and creativity (23.4) and Water supply; sewerage, waste management and sanitation activities with (19.4); while those that registered the highest percentage decreases were: Information and communication (11.1), Social services and those related to human health (5.8) and Mining and quarrying (4.3)

Unemployed Population

The unemployed population at the national level was 203,253 people, as observed in the Multiple Purpose Survey of April 2022, decreasing by 8.5% compared to October 2021, where 222,080 unemployed were registered. By sex, it was estimated that there were 105,395 unemployed men and 97,858 women, observing a decrease in the percentage variation of 17.7 and 4.1, respectively. Youth unemployment represented 54.2% of total unemployment, this means that out of every 100 unemployed, 54 are between 15 and 29 years of age. In terms of percentage variation, decreases were also observed by area geographic: 8.0 in the urban area and 11.1 in the rural area.

Open Unemployment Rate

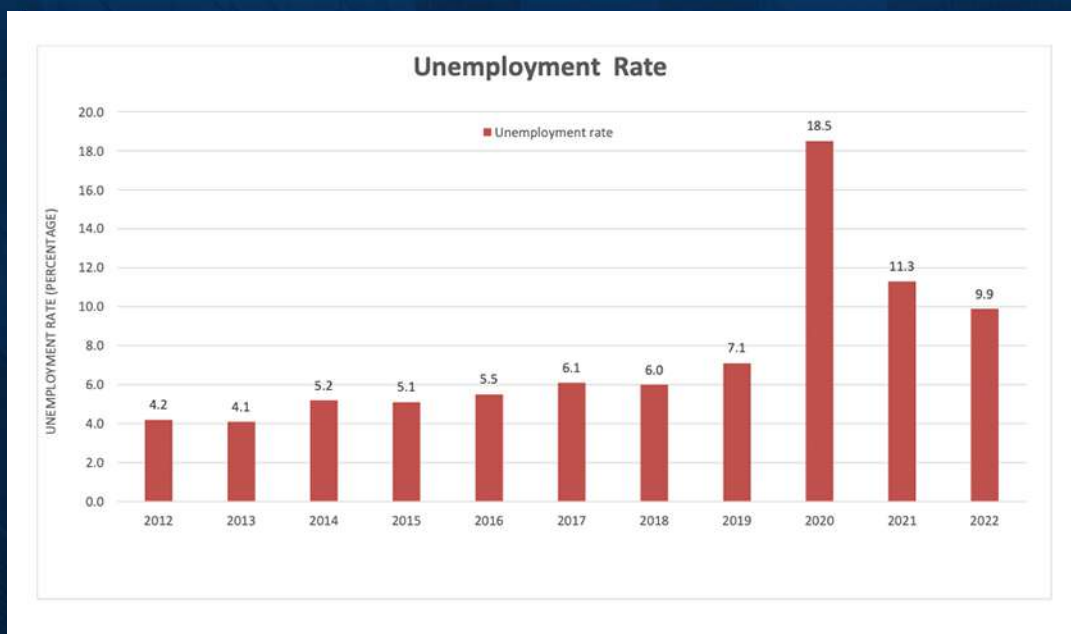
Of the 203,253 people who stated that they were unemployed, 82.2% stated that they were actually looking for work, making specific arrangements and being available in case a job comes up.

These people found themselves in open unemployment. The percentage of open unemployment went from 8.5, in October 2021, to 8.2 in April 2021.

this year. For men this percentage decreased from 8.0 to 6.9, and for women it increased by 0.6 percentage points, since it went from 9.3 to 9.9. Of the 167,110 people who declared to be openly unemployed, the percentage distribution showed that the majority belong to the young population (15 to 29 years old) with 54.9%, while 42.0% were between 30 and 59 years old and a small percentage were 60 years of age and older (3.1%).

By area, it was estimated that the percentage in the urban area was 9.8 and in the rural area 3.7. The provinces with the highest percentage of open unemployment were: Panamá Oeste (11.3), Colón (10.3) and Panamá (10.2). The lowest rates occurred in the provinces of Los Santos (1.9).

UNEMPLOYMENT RATE



Inflation Rate

The National Urban CPI for December 2022-21 presented an interannual variation of 2.1%. The CPI in the districts of Panama and San Miguelito for December 2022-21 reflected an interannual variation of 1.9%. The CPI for the Rest of the City for December 2022-21 showed an interannual variation of 2.2%. The accumulated National Urban CPI for January-December 2022-21 registered a variation of 2.9%. The National Urban CPI for December is estimated at 107.8

The National Urban CPI December/November experienced a variation of 0.2%. The groups that reflected increases were: Alcoholic beverages and tobacco at 1.8%; Food and non-alcoholic beverages 0.6%; Restaurants and hotels 0.3%; and Miscellaneous goods and services 0.2%. The increase observed in the group Alcoholic beverages and tobacco was due to the increase in two of its four classes: "Beer" in 3.2%, and "Wine" 0.2%

The increase presented in the Food and non-alcoholic beverages group was due to growth in eight of its eleven classes. The greatest variation is reflected in the class "Legumes-Vegetables" at 3.9%, due to the increase in the price of canned tubers, legumes and beans.

The Restaurants and hotels group showed an increase in one of its two classes, "Restaurants, cafes and similar establishments" by 0.3%, due to the rise in the price of meals and non-alcoholic beverages outside the home, prepared meals to go, and alcoholic beverages out of home. The Miscellaneous goods and services group registered a 0.5% increase in one of its ten

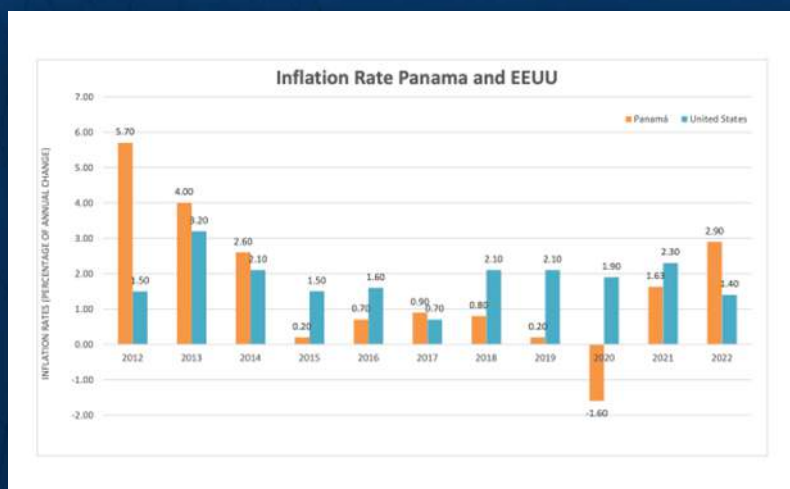
The groups Furniture, articles for the home and for the ordinary maintenance of the home; Transport; and Recreation and culture reflected a slight variation, and Education remained unchanged. The groups that reflected decreases were: Health at 0.3%; Clothing and footwear, Housing, water, electricity and gas, and Communications, all 0.1%. The decrease registered in the Health group was due to the reduction in four of its seven classes, with the greatest variations being observed in the classes: "Dental services" at 0.8%, due to the decrease in the price of dental services, and "Pharmaceutical products" 0.5%, due to the decrease in the price of medicines.

The Clothing and footwear group reflected a decrease in two of its four classes: "Shoes and other footwear" by 0.2%, due to the reduction in the price of girls' slippers and sandals, and "Clothing" by 0.1%, due to the decrease in the price of sweaters and pants for girls.

The decrease registered in the Housing, water, electricity and gas group was caused by the decrease in two of its eight classes. The greatest variation was in the class "Materials for maintenance and repair of the home" at 0.8%, due to the drop in the price of Materials for home repair. The reduction in the Communications group was due to the decrease in one of its two classes: "Telephone equipment" by 1.1%.

The National Urban CPI reflected an inter-annual variation of 2.1%. The groups that showed increases were: Food and non-alcoholic beverages 5.2%; Restaurants and hotels 4.9%; Alcoholic beverages and tobacco 3.6%; Education 2.6%; Miscellaneous goods and services 2.5%; Housing, water, electricity and gas 1.5%; Furniture, articles for the home and for the ordinary maintenance of the home 1.0%; and Transport 0.8%. The groups that presented decreases were: Health in 2.4%; clothing and footwear; and Communications, both 0.4%; and Recreation and culture 0.2%.

PANAMA & USA INFLATION RATE



Foreign Direct Investment

Panama is a leading country in the Central American region. It is the country that receives the most direct foreign investment from Central American countries", according to ECLAC. Foreign direct investment flows are highly influenced by what the Colon Free Zone represents for the country. Also wholesale and retail trade, economic activities that have been affected by the health crisis.

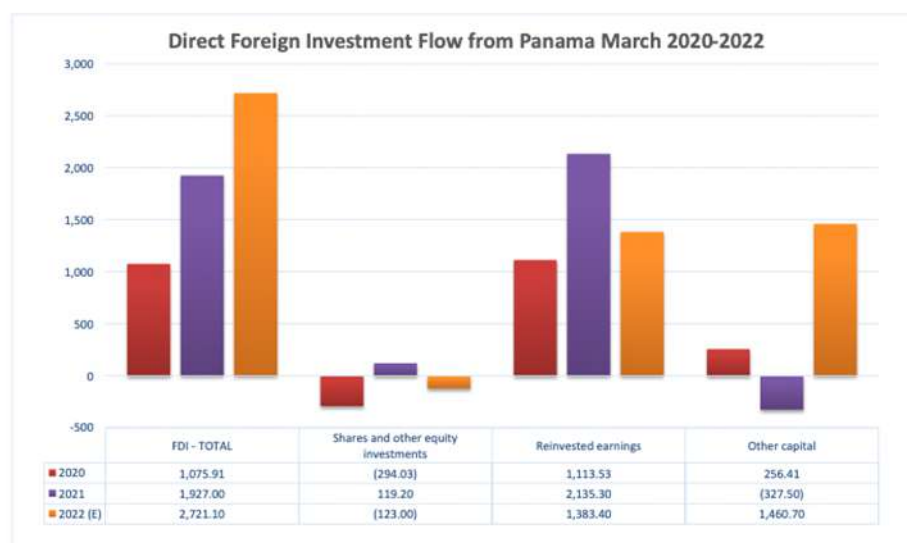
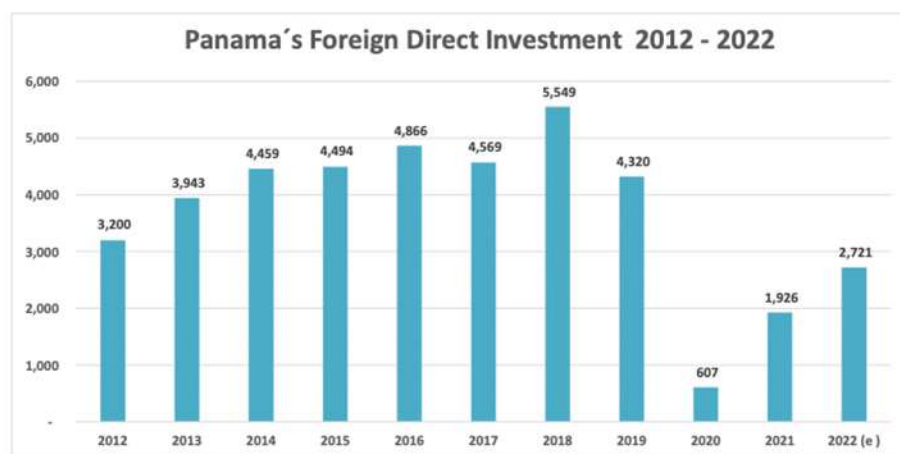
In relation to the income item, in 2022, a negative balance of \$ 2,963.2 million was registered, where the income from Foreign Direct Investment (FDI) presented a decrease of \$ 1,992.6 million, -33.4% versus the 2021. Includes a negative balance of \$ 609.2 million in total dividends and distributed profits, decreasing 28.9%, and reinvested and undistributed profits, with a deficit amount of \$ 1,383.4 million, down 35.2% versus the year previous.

When comparing foreign remittances 2022 against the previous year, an increase of 1.8% in remittances and a decrease of 8.4% in those received was observed. The gradual reopening of the economy in Panama, culminated in the emergency of the COVID-19 pandemic, allowed the reopening of jobs, where many foreigners residing in our country re-enter the labor market, giving them the opportunity to transfer money to their countries of origin. Among those issued, the following stood out: Colombia, Nicaragua, the United States, the Dominican Republic and Mexico; and among those received, the following stood out: the United States, followed by Colombia, Ecuador, the United Kingdom and

Nicaragua. The data included transfers from remittance houses, from banks and other alternative channels.

Flow of Foreign Direct Investment (FDI) in the Panamanian economy:

The period under study reached a net balance of \$ 2,721.1 million, generating a positive absolute variation of \$ 794.2 million, translated into an increase of 41.2% compared to 2021, mainly influenced by the economic activity of Wholesale and Retail Trade.



Government

The Panamanian economy as a whole managed to overcome the economic effects caused by the COVID-19 pandemic, in a complex international context, marked by the war between Russia and Ukraine, growth in world price levels and the adverse economic effects derived from the pandemic in some countries. The country's economic recovery, measured by the growth of the real Gross Domestic Product (GDP), was evident in the third quarter of 2022, when it stood at 11.0%. Meanwhile, with the economic indicators available, it is estimated that real GDP for the entire year 2022 grew around 10.5%.

The growth of the economy was reflected in a higher job occupation. When comparing data from the INEC from the Multiple Purpose Survey of April 2022 (last published) with that of the Labor Market Survey of October 2021, the number of employed increased by 101,976 people (5.8%); while, when compared with data from the Telefónica Labor Market Survey of September 2020, it did so in 214,672 people (13.2%). Likewise, in April 2022 there was an increase in the number of formal employees, of 7.2% compared to October 2021 and 21.6% compared to September 2020.

With this, the unemployment rate has gradually decreased: 18.5% in September 2020, 11.3% in October 2021 and 9.9% in April 2022. Percentage of what was originally considered in the budget for 2020 and that somehow, represented a thickening of the level of the country's fiscal deficit.

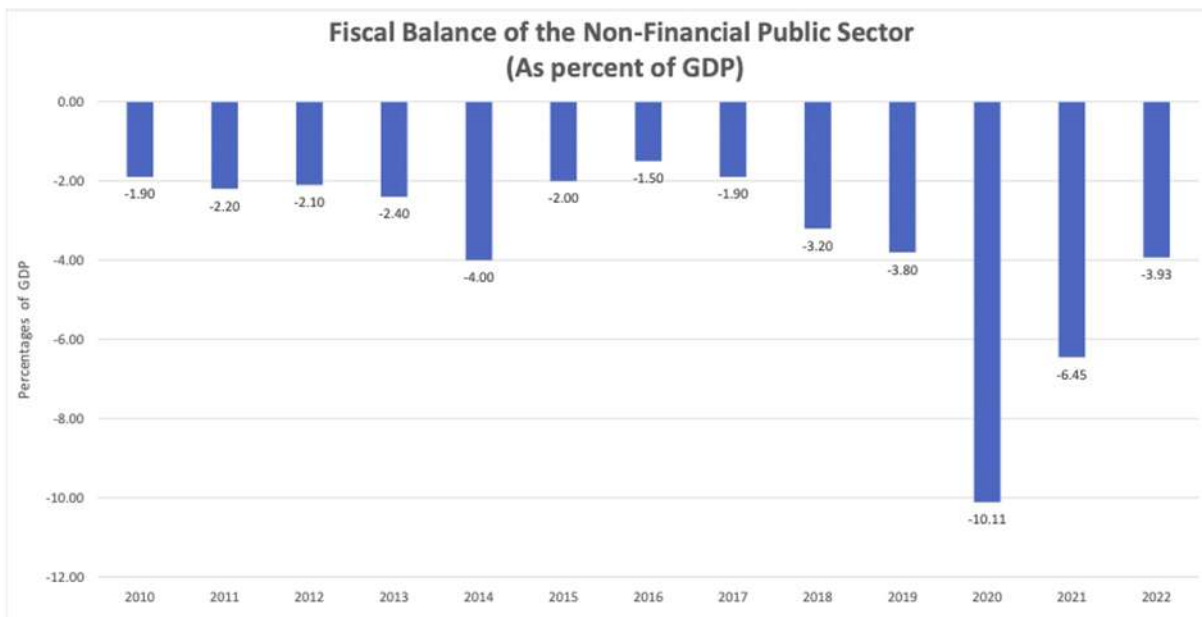
While, from January to October 2022, the work contracts registered with the Ministry of Labor and Labor Development (MI-TRADEL) totaled 199,752, with an interannual growth of 8.8%.

In terms of public finances in Panama, the increase in total revenues (\$ 1,612.4 million or 13.8%), exceeded that of total expenses (\$ 272.7 million or 1.7%), thus reducing the deficit of the Non- Financial Public Sector (SPNF) as of December 2022 compared to the same period of the previous year (\$ 1,339.7 million or 30.8% less).

The fiscal deficit of the SPNF totaled \$ 3,005.5 million, equivalent to 3.93% of nominal GDP projected in 2022 (\$ 76,507 million). This result complies with the provisions of Law No.185 of November 25, 2020, which establishes that the SPNF fiscal deficit as of December 2022 must represent a maximum of 4.0% of GDP, less than what is provided for 2021 (between 7.0 % and 7.5%).

It is important to indicate that the estimate of GDP at current prices for the year 2022 is based on the GDP base of 2021 of \$ 67,406.7 million, according to the preliminary series of National Accounts with reference year 2018 published on February 8, 2023 by the INEC, while the nominal GDP estimate for 2022 takes into account the growth rate of the Panamanian economy in the first nine months of the year (11.0%), the trend of economic indicators for the last months of 2022 that are found available and the increase in the price level in 2022.

FISCAL BALANCE OF THE NON-FINANCIAL PUBLIC SECTOR (AS PERCENT OF GDP)



As every year, once the official figure for 2022 is published by the INEC, the corresponding update will be made.

Balance of the Non-Financial Public Sector

The preliminary total balance of the SPNF showed an accumulated deficit as of December 2022 of \$ 3,005.5 million, which represents 3.93% of the estimated GDP. In this way, it was within the provisions of the Fiscal Social Responsibility Law (4.0%, according to Law No. 185 of November 25, 2020). NFPS income (\$ 13,273.2 million) increased as a result of the good economic performance of the country. Total expenses (\$ 16,278.7 million) grew, mainly those of capital.

Income

The current income of the General Government (\$ 13,111.4 million), which groups the great part of the total income of the SPNF, reflected an increase of \$ 1,721.9 million or 15.1% compared to the same period of 2021, highlighting the Central Government (\$.1,377.6 million more), mainly due to higher tax collections driven by the good performance of economic activities.

The Social Security Fund (CSS) represented an important growth in income (\$ 304.8 million more), as a result of a greater collection of regular and special quotas, due to the generation of formal employment in the private sector.

Regarding the rest of the entities, the Public Companies presented a negative operational balance of \$ 10.7 million. The accumulated deposits of the Non-Consolidated Agencies and others decreased by \$ 99.4 million, as a result of a greater budgetary execution of the entities that comprise them, as well as of the municipalities. While capital income was lower by \$ 5.8 million.

Expenses

Total consolidated NFPS expenses were \$ 16,278.7 million, showing an increase of \$ 272.7 million or 1.7%. Current expenses excluding interest payments totaled /10,884.7 million, \$ 220.6 million more; the CSS was the one with the greatest weight in the increase, explained by the payments of benefits for retirement and pensions.

Capital expenditure (\$ 4,076.4 million) increased by \$ 274.5 million, as a result of greater execution in capital investment projects. Among the most important investments in execution:

- Those of the Ministry of Public Works (MOP) are highlighted with \$ 548.3 million, for road maintenance and rehabilitation works. They followed in order: the Ministry of Health (MINSa) with \$ 382.9 million, in environmental health, construction and improvements of health facilities and sanitary supplies; the Ministry of Education (MEDUCA) with \$ 204.5 million, mainly for maintenance, equipment, rehabilitation and construction projects financed through educational insurance, as well as the construction and rehabilitation of schools nationwide; and the Ministry of Agricultural Development with \$ 137.9 million, highlighting what corresponds to the strengthening of the national production of grains.

- Metro de Panama S.A. executed \$ 404.1 million, for the extension and construction works of Line 2 and 3 of the Metro, while the Institute for the Training and Use of Human Resources (IFARHU) in the Educational-Universal Social Assistance Program (PASE-U) disbursed \$ 349.6 million in scholarships benefiting approximately 669,282 thousand basic, pre-secondary and secondary education students.

- In addition, in 2022, the payments of the Panama Solidarity Plan amounted to \$ 411.4 million, destined for digital vouchers and solidarity bags.

The primary balance of the SPNF totaled -\$ 1,688.0 million. On the other hand, the result of current savings for fiscal year 2022 was positive for \$ 1,087.5 million, which allowed financing 26.7% of capital spending.

Financing

The accumulated financing of the NFPS at the end of the fiscal period of 2022 was \$ 3,005.5 million, being 30.8% below that corresponding to the previous fiscal period. This financing was made up of resources from external debt that totaled \$ 4,006.0 million; It should be noted that these resources refer to net disbursements, that is, disbursements less amortizations.

The result of internal debt operations was negative in \$ 222.6 million, reflecting that for fiscal year 2022 there was a greater amortization than disbursement, corresponding to the maturity of the 2022 Treasury Bond.

On the other hand, the resources or bank deposits reflected an accumulation of \$ 236.2 million, broken down as follows: the bank resources of the SPNF in the Savings Bank reflected an accumulation of \$ 451.3 million, while those deposited in the National Bank of Panama (BNP) and private banks showed a use of deposits for \$ 175.1 million and \$ 40.0 million respectively.



TRADE & INVESTMENT AGREEMENT

Trade & Investment Agreement

Multilateral Agreements	
World Trade Organization (WTO)	Member since 1997
Bilateral Agreements: Free and Limited Trade Agreements	
Andean Community (CAN)	Trade Agreement (in process)
Asociación Latinoamericana de Integración (ALADI)	Integration to the Montevideo's Treaty -2011
Canada	Free Trade Agreement 2010
CARICOM	Trade Agreement (in process)
Central America Trade Pact	Limited participation - Free Trade Agreement
Chile	Free Trade Agreement 2008
China - Taiwan	Free Trade Agreement 2004
Colombia	Free Trade Agreement (in process)
Costa Rica	Free Trade Agreement 2003
Cuba	Trade Agreement 2009
Czech Republic	Trade Agreement 1980
Dominican Republic	Trade Agreement 1987
EFTA - ALC: Islandia	Free Trade Agreement 2014
EFTA - ALC: Liechtenstein	Free Trade Agreement 2014
EFTA - ALC: Noruega	Free Trade Agreement 2014
EFTA - ALC: Suiza	Free Trade Agreement 2014
El Salvador	Free Trade Agreement
Europe	Limited Trade Agreement 2010
European Union and Central America (ADA)	Trade Agreement 2013
European Free Trade Association	Free Trade Agreement in process
Guatemala	Trade Agreement 1975
Haiti	Trade Agreement 1973
Honduras	Free Trade Agreement 2009
Hungary	Trade Agreement 1979
Israel	Agreement on Trade and Economic Cooperation 2010
Korea	Free Trade Agreement 2021
Libia	Limited Trade Agreement 1979
Mexico	Free Trade Agreement 2014
Nicaragua	Free Trade Agreement 2010
Peru	Trade Agreement 2011
Poland	Trade Agreement 1996
Republic of Bulgaria	Trade Agreement 1980
Romania	Trade Agreement 1992
Russia	Trade Agreement 1989
Singapore	Free Trade Agreement 2006
Taiwan	Free Trade Agreement 1982
Trinidad & Tobago	Free Trade Agreement 2013
United States of America	Free Trade Agreement 2006
Central American Customs Union	In process
Israel	Free Trade Agreement 2020
Dubai	Memorandum of Commercial Understanding - 2018
Bolivia	Market Opening Agreement in favor of Bolivia - 2012
UK- Northern Ireland and Central America	Association Agreement 2019

Investment Protection Agreements	
Argentina	1998
Canada	1998
Chile	1996
Cuba	1999
Czech Republic	2000
Dominican Republic	2003
UK and Northern Ireland	1985
France	1985
Germany	1989
Korea	2002
Mexico	2005
Netherlands	2001
Spain	1998
Switzerland	1985
Taiwan	1992
Ukraine	2004
United States	1991
Uruguay	1998
Suecia	2008
Finland	2009
Belgium	2009
Italy	2010
Finland	2010
Qatar	2010
Israel	2010
Belgian-Luxembourg Economic Union	2010

Agreements to prevent double taxation
México
Portugal
Singapore
Nederland
Luxembourg
Qatar
Groenlandia (Treaty of exchange of tax information)
Denmark (Treaty of exchange of tax information)
USA (Treaty of exchange of tax information)
Sourth Korea
Spain
Barbados
Italy
France
Israel
Czech Republic
England
Ireland
Belgium
United Arab Emirates
Hungary
Bahrain
Republic of Austria
Germany
Vietnam

Operating Cost	
Labor Force and Wages	Details
Available Labor Force	1,631,691
Minimum Salary (Services)	US\$ 3.24 p/h
Average Monthly Salary (Services)	USD 673.92
Professionals (Montly Payment)	Details
Bilingual Secretary	USD 970.00
Accountant	USD 1,770.00
Engineer	USD 2,200.00
Manager	USD 3,500.00
Cost of Water (At least than 10,000 gallons)	Details
Residential	USD 1.36
Industrial	USD 1.15
Commercial	USD 1.15
Official	USD 0.80
Cost of Electricity per kw/h	Details
Residential (Low Voltage)	US\$ 2.61
Commercial (Averge Stress)	US\$ 11.44
Industrial (High Voltage)	US\$ 11.46
Cost of Telecommunications	Details
International calls (not applicable to call centers)	US\$ 0.08
Broadband internet (100 MB) Monthly	US\$ 35.00
Leasing of Industrial Buildings 2020	Details
Office (25 M ² - 350 M ²)	US\$ 950 - 10,000 monthly
- Class A (Banking Area) x (M ²)	US\$ 12.00 - US\$ 17.00
- Class A (Costa del Este) x (M ²)	US\$ 12.00 - US\$ 25.00
- Class A (San Francisco) x (M ²)	US\$ 16.00 - US\$ 18.00
- Class A (Transitmica / T. Muerto) x (M ²)	US\$ 8.00 - US\$ 18.00
- Class A (Balboa Avenue) x (M ²)	US\$ 14.00 - US\$ 23.00
Warehouse (500 M ² - 2,500 M ²)	US\$ 1,100 - 22,500 monthly
Port Costs	Details
Movement of Container	
- Average cost per container export	USD 1,012.00
- Average cost per container import	USD 1,207.00
Average Housing Rental Costs	Details
Apartament - Class A	USD 750 - 5,000 monthly
House - Class A	USD 1,200 - 10,000 monthly
Average Education Costs	Details
Private Schools (deferred annuity and monthly payments)	
Elementary	US\$ 650 monthly
High	US\$ 750 monthly
Transport	US\$ 65 monthly

Investment & Export Financing		
Institution	Coverage	Country
EximBank	Full Coverage	United States
OPIC	Full Coverage	United States
MIGA	Full Coverage	United States
Japan EximBank	Full Coverage	Japan
BICSA	Full Coverage	Panamá / Costa Rica
BAC CREDOMATIC NETWORK	Bill of Credit - Full Coverage	Central America and Mexico
Banco Lafise	Bill of Credit - Full Coverage	Panamá
St. Georges Bank	Bill of Credit - Full Coverage	Panamá
Banístmo	Bill of Credit - Full Coverage	Panamá
Banco Aliado	Bill of Credit - Full Coverage	Panamá
MULTIBANK	Bill of Credit - Full Coverage	Panamá
Banco General	Bill of Credit - Full Coverage	Panamá
SCOTIA BANK	Bill of Credit - Full Coverage	Worldwide
Metro Bank S.A.	Bill of Credit - Full Coverage	Panamá
BDA	80% - until Full Coverage	Panamá
Bladex	95% Coverage	Panamá
FINDEC	\$500M x Business (Credit Line)	Panamá (National Government)
PROCOM	50% - 80% Coverage of Investment	Panamá (National Government)
CFI (MICI)	25% - 35% Coverage of Investment	Panamá (National Government)
CFA (MICI)	10% - 15% (Marketing costs, packaging and packing)	Panamá (National Government)
Inter-American Development Bank	Trade Finance. Facilitation Program (TFFP):	
	- Banco Aliado S.A.	
	- Global Bank Corporation	
	- BBVA Panama	
	- Banco General S.A.	
Organization of the Petroleum Exporting Countries	- Multibank Inc.	
	Fund for International Development (OFID)	Intergovernmental Development Finance Institution
International Finance Corporation - World Bank	- Multibank	
	World Trade Finance Program (GTFP):	International Financial Institution
	- Banco Ficohsa Panamá \$10M (Credit Line)	



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