FINAL REPORT

CONSULTATION & ASSISTANCE

TO THE

INVESTMENT COUNCIL OF PANAMA

DEVELOPMENT ASSOCIATES, INC.

MANAGEMENT AND GOVERNMENTAL CONSULTANTS

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INVESTMENT COUNCIL OF PANAMA

Submitted To:

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Panama City, Panama

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INTRODUCTION

The following report, prepared by a three-man team from Development Associates, Inc., of Arlington, Virginia, is based on evaluation and consultation carried out in Panama during the period October 4 through October 25, 1982. The team members were Mr. Jack Vaughn, team leader, Mr. John Garcia, training, and Mr. Paul Prentice, organization and procedures. (Mr. Prentice was with the team through October 16). This report was conducted under Project Number 525-0190.

The report is divided into six chapters as follows:

I. Current Situation
II. Opportunities
III. Problems
IV. Needs
V. Organization
VI. Training

Each of these chapters is discussed on the following pages. Concluding the report is a Training Annex which provides detailed guidelines for the training program for the Investment Council of Panama.

I. CURRENT SITUATION

The Lazard Freres report on direct foreign investment in Panama, finished in December of 1980, prompted the Government of Panama to request a Lazard Advisory Group to prepare a blueprint for the creation of an independent agency with exclusive responsibility for the promotion of domastic and foreign investment. Proposals and analyses contained in the following report are further refinements and projections of the Lazard Group's recommendations, as well as a summary of the work done by the Development Associates' team.

If some of the Lazard proposals have been overtaken by international and local hard times, it is nonetheless true that the economic and financial disasters to have befallen most of our other friends in the Western Hemisphere in the past year or so tend to provide Panama with increased leverage for attracting investment. Most obvious among these newly-enhanced advantages is the dollar (balboa). But at the very moment Panama's stable dollar (balboa) currency is glittering so brightly, dollars have almost disappeared from Government coffers. In addition, most Panamanian business is operating at a small fraction of capacity.

In terms of the Investment Council of Panama (ICP) activities, now in their fifth month, the Government's current fiscal bind may mean slower development in 1983 than earlier projected. The 1982 budget for the ICP has been fixed at $200,000. For 1983, the Council has programmed something slightly over $2 million.

The only major disagreement the team had with the Lazard Group's proposals was in the budget area. For the first full year of operations, Lazard projected the need for $3.8 million. The Development Associates' team thought this was a bit rich in general, but particularly in costing the proposed overseas offices. It is the team's feeling that the Executive Director of the ICP, Mr. Frank Kardonski, is justifiably cautious in staffing up for overseas representation. The Maquila project (which the Investment Council has absorbed and is discussed later in this report) provides abundant evidence of how costly foreign activities

can become; sometimes with not much to show. With this heritage, the team applauds Mr. Kardonski's creative approach to scrounging, sharing and piggy-backing in starting up the Council's initial overseas facilities and staff. The team believes the Council can do a great deal in 1983 with $2 million. The crucial question is: will it get even that? The hopeful signs are the President's personal endorsement and the potential lobbying force of the Council's Board.

Largely as a result of the Development Associates team's presence, the Council now has an organization and a partially integrated operation. In fact, a great deal of the total time of the three team members was devoted to organizational and procedural questions as the Council moved in just three weeks from being a small group of individuals, paid from the Executive Director's checkbook, to an established organization with basic procedures in place and an office routine in the hands of a new administrative manager.

At a recent meeting of the Board of Directors of the Council it was decided that Board meetings should be held every two weeks for the next few months. It is clear that the greater the involvement of the Board during the formative and lift-off phases of the Council, the better. To date, however, it would appear that the Board has not become fully engaged in this major task.

Another item of note in the current situation concerns the Executive Director's decision not to fill the three key manager positions immediately. Acting managers are being given a chance to prove themselves, while a search for outstanding individuals for these positions goes forward. Realistically, however, decisions on these three posts cannot be postponed much longer.

The team was impressed most of all by the quality of the professional staff hired or secunded by the Council to date. Further, the team believes that no more critical issue lies ahead than assuring that only qualified "winners" be brought on the Council staff. This is especially true in Panama today where the trust level of anything related to Government is unusually low, and where public cynicism is probably at an all-time high. In this environment a strong public relations capability is imperative.

Sharing the spotlight with the staff will be the members of the Board of Directors. An unusually diverse and balanced array of business and government leaders has been assembled for this task. If their energies can be harnessed, and if they can keep their "white hats" on, prospects for Council success will be enhanced.

A final comment on the current situation: the team was rebuffed from all sides in suggesting that labor have some representation within the Council. It seemed most logical to have this representation occur in the form of the Minister of Labor sitting on the Board. For domestic political reasons, rather than organizational or procedural ones, the team's suggestion was not accepted. However, it would be naive to assume that this issue will not come up soon in some controversial fashion.

II. OPPORTUNITIES

Four significant issues loom large in the ICP picture for the balance of this year and the first couple of months of 1983. These include: (1) getting the manager positions filled in the three key offices in Policy and Strategy, Investment Development, and Investor Services; (2) putting an already substantial -- and already burdensome -- ICP information and data flow on the right kind of computer; (3) completing and getting approval of the 1983 budget (at this point several months late in submission) so that personnel and operations planning can be finished; and (4) producing at once the best basic investment profile that can possibly be assembled for prospective investors around the world.

It seems unlikely that today's enhanced potential for attracting increased investment in Panama was foreseen two or three years ago. But since that day, when the first Lazard study was submitted in 1980, and up to the present, the prospective risks and rewards and relative overall advantages -- when Panama is compared to other investment havens around the world -- all show Panama in an impressively improved light. With the disastrous devaluation and inflation suffered by most Latin American currencies in the past three years, combined with the more recent stability of the balboa dollar, Panama is more attractive to growing numbers of prospective investors. The team believes that generally higher Panamanian costs occasioned by dollar denomination of exports and a seventy-five cent minimum wage are overshadowed by the important other comparative advantages Panama enjoys.

Nearly 150 foreign banks now have offices in Panama. They are poised and waiting for new business. Unquestionably there is a large untapped potential and as yet unrecognized opportunities within this banking structure for getting the Investment Council's message out and in winning the confidence and cooperation of these "captive audience" banks. From talking with a wide range of commercial and business people based in Panama it became clear that many U.S. companies are in the process of re-evaluating their investment and export strategies in countries such as Mexico, Guatemala, Costa Rica, Venezuela and Argentina. The combination of Panama's dollar stability and relative political stability (perceived) are

making Panama come out near the top of nearly everybody's relocation list - short or medium term. It is important that ICP's promotional materials highlight Panama's increased investment advantages in an aggressive fashion.

It would appear then that Panama is ideally positioned at this moment in history to accelerate foreign investment as never before. The foundation is there; good infrastructure is in place; sophisticated and trained people are available; banking and communications facilities are world class; labor is highly trainable and abundant; and English is widely spoken. If the ICP can get its act together soon and keep it together for a few years, staying unbureaucratic and uncorrupted, and remembering all the time that is is essentially a <u>service</u> organization and not another bureacracy, it is the team's opinion that Panama could soon be on the way to an investment boom.

III. PROBLEMS

Notwithstanding the opportunities described in the previous chapter, there are real and potential barriers all along the line. Some may be removed through AID or other external assistance; most will require strictly domestic attention. A few fall in the middle, e.g. funding. As was mentioned above, it seems unlikely -- in spite of President de la Espriella's personal commitment and interest in the concept -- that the Council can be assured of the minimum funding needed for 1983. Since this will be in effect the launching year, it would seem important to all concerned that planned steps be taken firmly and on time.

From the considerable evaluation and screening work done by the team on the status of projects already in the files, desks, and minds of the ICP staff, it is clear that one of the most urgent and difficult problems facing the Council is to systematize and reduce this mass of material to workable dimensions. A start has been made on this process, and the time and talents of Kristin Neva (working under a local-hire AID contract) have been helpful in this regard. More assistance will be required to get materials in condition to transfer to a computer (of the right design and capacity).

Two problems on the local scene are cause for serious concern. Their solution will require heroic measures. They are primacy and procedure; i.e., getting the ICP established and recognized as the dominant, centralized force for promoting investment, and amending radically the tedious and labyrinthine procedures faced today by those who wish to invest in Panama.

An example of the procedural maze facing those who wish to move in the industrial-commercial sector is the current case history of the Sindicato de Industriales. According to Sindicato leadership, there are over 400 requests from Panamanian membership pending answer or approval from some governmental agency. Requests for authorization of a new product line, a labor matter, pricing policy, etc., are the kinds of issues which go unresolved routinely for seemingly endless periods in today's Panama.

In terms of new "contracts with the nation" one finds 34 different and separate steps a business must take before receiving final governmental approval. To even the casual observer, at least half of these steps could be combined or eliminated without loss of review or control.

Moreover, throughout the Panamanian Government there is an overabundance of regulatory, control or political bottlenecks which do nothing for investment or the cause of good government. Two of the politically sensitive obstacles are the Labor Code and the Office of Price Regulation. Recognizing that business around the world seems to have targeted these two items as continuing major headaches, it did appear to the Development Associates' team that if greater clarity and parity cannot be brought to pricing and labor policies, many potential investors will be put off. In this regard, it should be recalled that the current labor and pricing pictures were painted over a dozen years by a populist government intent upon redistributing wealth. The political pendulum may well be swinging back enough by now to permit at least the correction of some of the more obvious distortions of law and the disincentives inherent in current Panamanian practices.

With regard to the primacy issue, the problem is both current and longer term. To establish primacy among competing agencies and in the public eye as the coordinator-promoter of new investment will take every bit of energy the ICP Board and staff can muster. Turf, personal, institutional and political challenges abound. Many interested parties will focus their principal interest on seeing the Council fail; or hope it becomes just another local agency staffed with botellas, the Panamanian term for political hack.

It will be of critical importance that ICP be seen as a different and non-competitive group doing a very special coordinating task linked to -- but above -- existing governmental and private groups. Only if the President of Panama and the ICP Board are diligent in establishing and sustaining this primacy, will ICP be able to perform its one-stop, master-coordinator role.

The final problem of note relates to the continuation of the Maquila function and contract. Although it is clearly intended that the Maquila operation be absorbed within ICP and major funding stopped, there appears at the moment to be serious

doubt as to whether these measures will stick. The team did not become entirely aware of the politics and history behind Maquila in the short time they were there. There does, however, seem to be reason for concern that the "Maquila tail may continue to wag the ICP dog."

IV. NEEDS

First in the list of needs for the Investment Council of Panama will be luck. With the rocks and shoals already plainly visible, a modicum of luck will be indispensable to success in getting safely past them. As can be deduced from earlier chapters, a great deal of environmental work needs to be done by Panamanian Government leadership if the Council is to have a chance to flourish. This pertains especially to trimming and shrinking bureaucratic procedures and to rationalizing the Labor Code. Additionally, if the Government is not willing to invest $2-3 million a year in this venture, there will be a correspondingly smaller chance of success.

In terms of AID support, a vital contribution would be to have a full-time, highly qualified industrial promotion-type in country during the key first year of operations. In addition to what such a person could do personally in dealing with overall issues and management, his or her presence would in a sense guarantee that further and future requests for help from AID would be pre-screened and thus more likely to be on target and timely.

Initially, it has been generally agreed by both the Council staff and the Development Associates' team that the most obvious need for help is in the Office of Policy and Strategy. For example, the ICP staff has been wrestling with the problem of attempting to set investment targets -- both in terms of types of investment and product line, as well as numbers, kinds and geographic areas of new jobs to be created. Immediate help in this area for six person-months would be of enormous benefit.

Additionally, it has been suggested that sectoral analyst-types of economists could be used to good advantage in the coming year. It is going to be important at an early date to have an agricultural economist and agricultural marketing talent available. There is, however, a fair abundance of such Panamanian professionals in these fields. Consequently, AID assistance may not be necessary.

In a more macro sense it will become increasingly urgent for Panama to come to grips with its relentless trend toward urbanization. Unless this trend is countered, the population of the country will soon be concentrated along an urban corridor running from Colon to Panama City and up the west coast. Unless new investment can be programmed to outlying and up-country areas, and until Panama's demonitized agricultural sector can be rehabilitated, migration to the urban corridor seems bound to grow. It would appear that important support in coming to grips with this major problem could be provided to the Council by AID.

Closely related to, but outside the immediate purview of the ICP, are the issues of the Port Authority and the Colon Free Zone. The former has become a high-cost, low-performance operation; the latter appears to have outgrown its original mandate and administrative arrangements. Both give the appearance of being in considerable disarray. Therefore, AID should carefully consider possibilities of providing support -- either directly or through the ICP -- to these two entities.

To summarize the needs picture, the team comes out very positive on the ICP organizational and staff-side, and somewhat negative on the prospects of the Government being able to enact or invoke the needed pricing, labor and bureaucratic changes.

The team feels that ICP growth and direction are sound; staff quality is high; leadership is good. Conversely, the Government of Panama faces the need to alter very substantially a series of practices and statutes which could have serious political implications at a time when there is a caretaker government with no clear political mandate. Panama is seen increasingly as a relatively attractive investment base for export-oriented industry. To make the country outstandingly attractive will require several political decisions and changes. In the Development Associates' team's view, that is the bottom line.

V. ORGANIZATION

The first team task was to conduct, together with members of the ICP senior staff and Kristin Neva, a thorough review of the operational and administrative requirements of the ICP. Given the fluid situation when the team arrived regarding the exact organizational structure and functions, the team, in effect, participated in staff working sessions aimed at analyzing the most recent policy directives of the Board, Executive Committee and Executive Director to determine implications for organization, staffing pattern, budget and definition of functions and operations. This exercise occupied the greater part of the first week.

The organizational structure that evolved from these discussions suggested four major subdivisions: two staff offices -- administration and policy-strategy; and two line offices -- investment development and investor services. The overseas offices would operate as extensions of the office of investment development. While most of the major functions to be performed by each office had already been identified and defined in writing by ICP senior staff prior to the arrival of the team, the organizational home of some functions appeared to still be under discussion -- i.e., legal advisor or counsellor and public relations. (See organization chart at the end of this chapter.)

Other functions, such as research on existing investment projects (but not under ICP direct control, either in process or in planning) are still under discussion and definition, both as to which office has major responsibility and as to how to define areas of overlap and provide flexibility without losing control of the function. These, as is indicated below, will be the subject of further study and recommendation when the Administrative Advisor returns in December.

In response to the concern of the Executive Director that he did not have a tracking system in place for identifying the status of various investment projects the Advisor took on the responsibility of developing such a system on a priority basis. Information that the Executive Director wants to have on an up-to-date basis includes the following:

- Status of all projects which have been presented by a potential investor either informally or formally for processing and approval by the relevant agency of the Government of Panama, i.e., MIDA, CONFINA, Planificacion, Maquila, DICOMEX, etc., (regardless of whether the investors have been in contact with ICP or not) in order to be able to pinpoint what roadblocks were being encountered, evaluate the seriousness of the investor, and determine what action, if any, should be taken by ICP;

- Status of all projects, whether in the form of concept papers or feasibility studies or fully researched proposals for which no potential investor had been identified (regardless of whether within the GOP such projects were filed or were being developed or studied) in order to evaluate them and determine which ones ICP should assist by searching for the appropriate investor; and

- An information bank on potential investors who were interested in investing in a local enterprise, in order to determine the degree of interest, the sector or specific enterprise in which interest was expressed, and the approximate amount of investment the potential investor was interested in committing.

Since the development of such a system requires both considerable time and research, the Advisor gave guidelines to Ms. Kristin Neva, who has been assigned to work in the Office of Investor Services and is qualified to perform such a task. She immediately began developing the formats that would be required working with Mr. Ortega and Ms. Unamano. The Advisor has reviewed the work to date which includes both a work sheet format for each project or investor and a spread sheet format which aggregates and indicates present status. ICP will begin utilizing these on a trial basis and the Advisor will review the process-to-date when he returns in December. He is convinced that this is one system that could easily be transferred to a computer when ICP makes the decision to either buy or utilize an existing one (possibly the NCR computer in the Free Zone which is seriously underutilized).

Two other areas in which the Executive Director expressed concern were the lack of a system for tracking the status of actions being taken or needed to be taken in ICP, and the need to establish proper budget accounts and control, with up-to-date information on expenditure rate per category.

In response to the first, the Advisor has prepared the first draft outline of a suggested executive secretariat function which will be partially initiated in the interim before his return in December. At that time he will work with the

Executive Secretary to the Executive Director and the Administrative Officer in perfecting and expanding the function. The formats being prepared by Ms. Neva will also provide a mechanism which address this need.

With regard to the second, the Advisor began to work with the newly appointed Administrative Officer (who entered on duty mid-week of the first week) in revising existing budgets for 1982 in keeping with the reality of available funds and the budgetary implications arising from the team and staff review of organizational structure and staffing, mentioned above.

Both the Executive Director as well as Ms. Ruiz, who had done most of the staff work on the previous budgets, provided useful information and guidelines, and the Administrative Officer was able to prepare a preliminary budget for 1982 which served as the focus for a lengthy meeting in which the Executive Director, senior NIC staff and the Development Associates' team participated. This meeting provided the basis for the final elaboration of the 1982 budget and the preparation of the 1983 budget. Both will be prepared for presentation to the Board at its meeting on 26 October.

The detailed discussion of the proposed 1982 budget provided a forum to discuss other organizational and functional matters and decisions implicit in the budget. This included the confirmation of provisional appointment of three key senior staff -- Ms. Ruiz, Mr. Fonseca, Mr. Ortega -- as the coordinator/organizer, respectively, of the Office of Investment Research (which has been renamed Office of Policies and Strategies), the Office of Investment Development, and the Office of Investor Services. Certain functional areas were clarified while others were identified as needing further analysis. The team members remaining on in Panama for an additional eight days (Vaughn and Garcia) addressed these in conjunction with senior staff.

Since the Office of Administration and its functions had not been as clearly defined as had the other offices, the Advisor drafted a detailed scope of work for the Administrative Officer including suggested objectives, desired results, and major functions. The latter were further detailed by sub-function and activity. It is obvious that, given the recent creation of ICP and the initial

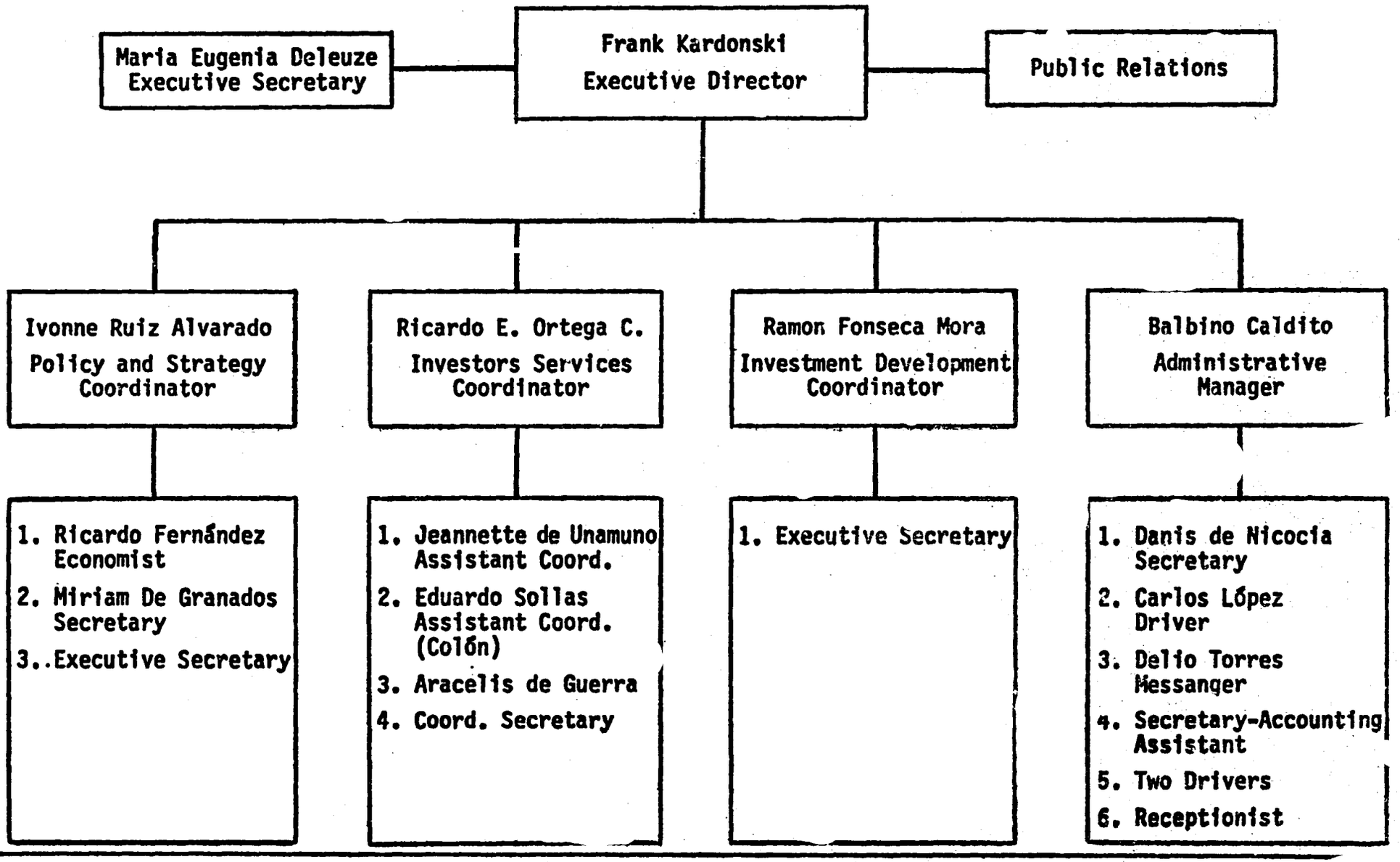
task of setting up the office without an administrative officer on board, few if any administrative systems are in place. The Advisor had spent considerable time with the Administrative Officer helping him set priorities on which functions and operations need to be tackled first and which can be developed and installed over time. The Administrative Officer has prepared a work plan through December which, subject to review and approval of the Executive Director, he will use as a guide. The Advisor will review progress in achieving activity targets not only of the Administrative Officer but of the other senior staff officers as well when he returns in December to assist them in preparing work plans for 1983.

The Advisor has provided the Administrative Officer with a reasonably complete set of administrative forms which can be used as models to be updated and prepared for use in ICP. These and their utilization, as well as the forms suggested for the Executive Secretariat, will be reviewed by the Advisor when he returns in December. He will recommend adjustments and corrections, additions or eliminations according to his findings.

The Advisor has prepared a draft outline for a proposed procedures manual and will work with the Administrative Officer in developing it when he returns, including a personnel policies and procedures manual. The Advisor has briefed the senior staff on one of the tasks he proposes to undertake in December and has requested that each begin work on the subject in the interim: to develop a tracking system for each function that is wholly performed within each office and for each function which depends, in part or in whole, on another office for information, guidance or support. The latter will provide the basis for determining areas where flexibility and coordination are needed.

THE INVESTMENT COUNCIL OF PANAMA

ORGANIZATION CHART



OTHERS:

1. Kristin Neva - Systems Advisor
2. Two Secretaries - Panama Center-Miami

Status as of Oct. 31 1982

VI. TRAINING

One of the major functions of the team was to assist the Investment Council of Panama (ICP) staff in defining training requirements for initial staff, identification of training resources, and development of a tentative training program for ICP staff.

In approaching this task we first reviewed the documentation leading to the establishment of the Council. The Lazard-Freres Study did not address the training of staff other than to assign the Personnel Officer the responsibility for coordinating on-the-job training. The only other reference to training is in a draft document entitled "Expansion del Consejo Nacional de Inversiones: Septiembre 1982-Diciembre 1983." This particular document lists several possible sources for staff training, aimed primarily at the "Promoters" or what are now known as Investment Development personnel. In addition to the Agency for International Development as a resource, the document refers to the Irish Development Authority (IDA) and the United Nations Industrial Development Organization (UNIDO) as potential resources.

Concurrent with this review of existing documentation, the team, in conjunction with senior ICP staff, conducted a thorough review of the administrative, operational, and training requirements of the ICP. Although the discussion was not limited to the training requirements of Investment Development personnel staffing the overseas offices, it was the consensus of staff that these individuals would require the greatest amount of training, followed closely by the individuals that would staff the Investor Services Office. Training topics that came out of the discussion included: (1) the Panamanian infrastructure, to include history, geography, government organization and operations; (2) the economic, financial, and political climate; (3) the Labor Code; (4) incentive decrees and how they operate, etc. Furthermore, staff would need to be fully knowledgeable of the industrial, agricultural, and services sectors, as well as transportation and communications networks, availability of energy and natural resources. In summary, staff must have a working knowledge of Panama as a country, the operation of the various ministries and their impact on applications by potential investors, and a complete understanding of the investment incentives and how they can be used to attract investors.

The responsibility for training and the methodology to be employed was not easily resolved. None of the various staff functions, as they are presently listed, include responsibility for staff development (training), although this is a function that is usually implicit in those of the Administrative Office. The discussion with staff did not result in any resolution in that area. Everybody recognizes the need but no one feels that they can assume or perform that function. Because of the unique characteristics of the ICP, the Training Advisor suggested that the responsibility for training might best be placed within the Office of Policies and Strategies with backup support to be provided by the Administrative Office. The reaction to this suggestion was noncommittal. One staff member felt that at least in his case any training requirements could be filled through on-the-job training techniques.

Comments on training methodology also varied, ranging from reliance on IDA and UNIDO to formal scheduled training followed by on-the-job training and cross-fertilization by assigning people to the various offices to learn how they operate. Following up on the IDA and UNIDO suggestions, the Training Advisor talked to a representative from UNIDO and to a Lazard-Freres representative who had access to IDA's program of instruction. Neither of these two programs meet the immediate training requirements of ICP staff. Both UNIDO and IDA programs focus on management, administration, marketing, planning, project appraisal, management information systems, etc. These topics do not address the needs expressed by staff nor those listed in the ICP Expansion paper. Clearly, the topics are relevant to the ICP staff. These two resources should be utilized as complementary to a basic specific training program that meets the immediate and subsequent needs of the ICP staff as new people are brought on board.

As a result of these discussions, it became apparent that the training needs of the ICP can best be met through a three-pronged approach under the direct control of the ICP and complemented by outside training courses as needed or as they become available. The uncertainty of exact training requirements for specific individuals hired late, along with a somewhat uncertain recruitment schedule, dictates that the training design be flexible. This three-pronged approach provides that flexibility while at the same time ensures that the appropriate training is made available as it is needed.

The proposed ICP training program consists of a new employee orientation guide, an outline for an on-the-job training program, and a detailed training design for a comprehensive investment development training program. Although the UNIDO and IDA training programs are not discussed nor included in detail, reference is made as to their availability and potential utility. Current ICP staff are aware of the existence of these two complementary resources and discussions are already underway for their possible utilization.

Regardless of the background experience, knowledge, and skills of new employees, there still exists a need for providing them with the necessary knowledge relative to the organization and the role they will play. The new employee orientation guide, included in the Training Annex to this report, is designed to assist the Administrative Officer and the immediate supervisor in addressing this need. Although employee orientation is usually a short process it can be expanded as necessary to meet specific needs of an organization. The orientation guide proposed for the ICP is general in scope and flexible. The Administrative Officer will be responsible for its implementation with the appropriate supervisor playing a significant role. As a matter of fact, discussions with the incumbent Administrative Officer reveal that he is already planning for its implementation.

As indicated earlier, it was felt that in some cases, depending on the position, the proposed incumbent's qualifications and the desires of the supervisor, an on-the-job training program will suffice to meet a particular individual's training needs. The scope and intensity of such a program will also tend to vary and a specific program will need to be tailored to the needs of the individual and the position in question. Accordingly, in this area we have provided only an outline of the minimum requirements of a typical on-the-job training program for selected ICP staff. The Administrative Officer will monitor the program and assist the appropriate Office Chief in its development. As a matter of interest, due to the immediate requirements of two individuals recently hired an informal on-the-job training program is currently in process. The Administrative Advisor, working closely with the newly hired Administrative Officer, set in motion a specific set of activities for the Administrative Officer to work on as part of his overall development. Similarly, an individual hired to work in the Investment

Development Office, with the guidance of the Acting Executive Director and the assistance of the Training Advisor, has already embarked on an on-the-job training effort

The third portion of the proposed ICP training program is what we have titled "A Comprehensive Investment Development Training Program" that is designed to cover a period of three to six weeks depending on the desires of the Executive Director and the individual participants' training needs. The program is designed primarily with the Investment Development personnel (promoters) in mind, but is equally applicable to the personnel staffing the Investment Services and Policy and Strategies Offices. The program consists of ten training units that includes three weeks of formal orientation and instruction followed by a cross-fertilization period of assignment to each of the operational offices of the ICP. As presently submitted, the design is skeletal and needs to be "fleshed out" with additional reference material, training aids, identification of guest speakers, and development of useful case studies and practical exercises. The logistics for each training unit are covered in detail in the Logistics Section of each unit.

Once the proposed training program is reviewed and approved or modified as necessary, a Training Coordinator needs to be identified to implement the steps necessary to finalize, coordinate, and implement the training program. The Training Coordinator may be a member of the current staff or arrangements made to bring in someone from outside the organization. Regardless, it is our recommendation that the responsibility for the implementation of the training program be assigned to the Office of Policy and Strategies.

In summary, it was not our intent to discount or overlook training resources outside the ICP, such as those offered by UNIDO and IDA. As mentioned before, their design and program of instruction have much to offer to selected ICP staff. However, the ICP staff must adapt themselves to their availability, and they do not meet the most immediate needs of the ICP. The ICP's immediate requirements can best be met by a training program designed to meet those specific needs conducted in Panama with the full support and participation of incumbent staff and Board members. The team feels that the training design presented in the final section of this report meets those criteria.

TRAINING ANNEX

INVESTMENT DEVELOPMENT TRAINING PROGRAM

I. Training Requirements

II. New Employee Orientation

- Orientation Guide
- Administrative Orientation
- ICP Operations

III. On-The-Job Training Schedule

IV. Concentrated Training Program

- Overview
- Implemention Schedule
- Schedule of Activities
- Unit I: Introductory Session
- Unit II: The Government of Panama
- Unit III: The Labour Code
- Unit IV: Investment Incentives
- Unit V: Investment Council Operations
- Unit VI: Panama Canal Orientation
- Unit VII: The Colon Free Zone
- Unit VIII: Introduction to Banking Laws and Insurance Regulations
- Unit IX: Site Visits to the Interior
- Unit X: Cross Training Assignments

INVESTMENT COUNCIL-PANAMA

Training Requirements

Position	Type of Training/Time Required				Remarks
	Panama			Off-shore	
	Orientation 4-6 hours	On-the-job 4-6 weeks	Concentrated Tng Dev 3-6 weeks	IDA/UNIDO varies	
dministrative Office					
Administrator	X	X			Incumbent in training
Lawyer	X	X			
Accountant	X	X			
Recept/Secy	X				
olicy & Strategies Ofc					
Office Chief	X	X	As required		Incumbent potential trainer
Economists	X	X	X		
nvestment Services Ofc					
Office Chief	X	X	X	as req'd	
Coordinators	X	X	selected units as determined by Chief		
Secretaries	X				
nvestment Develop-ent Office					
Office Chief	X	X	X		
Investment Develop-ment Personnel	X	X	X	as courses become available	
Secretaries	X				Secretaries overseas receive training on site.

INVESTMENT DEVELOPMENT TRAINING PROGRAM

New Employee Orientation Guide

A. Welcome/Overview of ICP Mission, Function, etc.

B. Administrative Briefing

- Office Procedures/Work Hours
- Administrative Rules and Regulations
- Benefits/Taxes/Wages/Insurance
- Organizational Structure
- Copy of Job Description
- Introduction to Other Staff

C. Office Briefing

- Welcome by Office Chief
- Organization and Functions of the Office
- Relationship to Other Offices in the Organization
- Job Assignment Instructions
- Issue Job Related Materials and Equipment
- Introduction to Appropriate People in Ministries and other Agencies

NEW EMPLOYEE ORIENTATION

UNIT - Employee Orientation

Time: Four Hours

Overview:

It is the intent of this training unit to develop a set of activities which will introduce and familiarize the new employee with the Investment Council of Panama (ICP), the staff and the employee's job as it relates to the overall organizational efforts. It also provides an opportunity for ICP personnel to identify the responsibilities of the new employee, to explain ICP policy, services and benefits and provide the new employee with the tools necessary to perform more effectively on the job.

Since new employees will be joining the organization at several different locations (Panama, Europe, North America and Japan), a detailed orientation of all aspects of ICP, its mission, functions and importance to the Panamanian economy, is essential. This is particularly true for those new employees hired overseas and oriented by the responsible local office manager.

Objectives:

The objective of this unit is to serve as a guide in providing new employees with an orientation to the Investment Council of Panama. Specifically it will:

- Introduce and orient the new employee to staff and the facility.

- Provide the new employee with an understanding of his/her job and the associated responsibilities.

- Provide the employee with the tools and materials necessary for day-to-day operation.

- Explain employee benefits.

Employee Orientation

Discussion:

There are two guides in this unit:

- Administrative Orientation and
- Orientation on ICP operations

These guides were prepared to assist the Administrative staff in acquainting the new employee with the ICP staff and organization; to inform them of the ICP policies, procedures and activities and provide them with the necessary forms and materials to become an active and productive member of the Investment Council of Panama.

In the case of Investment Development Offices in other countries, the Office Chief must assume the responsibility for conducting this orientation for his/her employees.

ICP - NEW EMPLOYEE ORIENTATION

1. ADMINISTRATIVE ORIENTATION

PURPOSE:

To acquaint the new employee with staff and facility; to obtain necessary forms and provide them with pertinent materials; and to introduce the employee to ICP policies and procedures and their role in the overall organizational effort.

SUGGESTED INSTRUCTORS

Administrative Officer

Unit Supervisor

SUGGESTED TIME REQUIREMENTS:

It is expected that the total time for the new employee's introduction to the job will be approximately 4 hours. Suggested times for each activity are included in the suggested approach described below.

SUBJECT AREAS:

1. Introduction to Staff and Facility
2. Office Assignment - Desk-top Equipment
3. New Employee kit
4. ICP Personnel Policies

INSTRUCTIONAL MATERIALS AND AIDS:

New Employee's kit which should include:

- Administrative and personnel rules and regulations and actions pertaining to the employee's unit.
- The employee's job description
- The employee's manual
- Office floor plan
- ICP organization table with names of staff members

NEW EMPLOYEE ORIENTATION

- Manuals or brochures explaining employee benefit programmes (health, life insurance, etc.) and other appropriate forms.
- Personnel and payroll forms and items such as social security forms (formularios de deducciones personales, etc.)

  Desk-top equipment

SUGGESTED APPROACH:

Some preparation can be made prior to the employee's first day. The employee's kit should be checked for completeness and chapters of the Handbook relevant to the new employee's job enclosed. The employee's office space should be verified also. As soon as the new employee reports to work he/she should be introduced to his/her supervisor. The tour of the facility and introduction to the staff should be conducted by the new employee's unit supervisor. The employee should be given a copy of the floor plan and an organizational table of ICP staff which then may be referred to during the tour. It is suggested that this part of the orientation be conducted at the beginning of the employee's first day and take no more than 45 minutes.

Once the tour has been completed, the supervisor should assign the employee to their work place and secure desk-top equipment for them. The employee should also be provided with his/her new employee kit. It is estimated that these functions will take about one-half hour.

The Administrator should conduct an entrance interview for the employee some time during the first day, At this time the employee should fill out all necessary forms, such as social security forms (formularios de deducciones personales). The Administrator should explain employee fringe benefits, paydays, leave, employee performance evaluation, holidays and vacation, and other personnel matters. Other areas pertaining to personnel matters such as keys should also be provided to the new employee at this time.

NEW EMPLOYEE ORIENTATION

During this interview the Administrator should outline orientation training activities planned for new employees during their first and possibly their second week on the job. It is expected that these activities will include:

1. Staff Meeting Experience - To sit in to observe a staff meeting.

2. Client Experiences - Opportunity for employees to meet and talk to clients, for example, by attending a session with potential investors.

3. Background information. An overview of ICP structure and operations

4. Confidentiality - Reasons and requirement for confidentiality of client information.

5. Final Orientation Interview - Discuss orientation experience, finalize any remaining forms, (type of health insurance, other benefits), describe career development and training plan.

The timing for these activities should not be set during this initial interview and by their nature require some flexibility in scheduling. The personnel staff should coordinate these activities with other appropriate staff involved and with the new employee's unit supervisor. About an hour and one-half to two hours should be allowed for this entrance interview.

Upon completion of the Administrator's entrance interview, the new employee is turned over to his/her supervisor who will provide additional information. The supervisor should explain in detail the organization and functions of the office and how that office relates to other elements in the ICP. This is an excellent opportunity to explain to the new employee the importance of working as a team and the need to cooperate and coordinate with the other offices.

It is at this point that the relationship between the new employee and the supervisor is established with the new employee receiving specific instruction on what the job will require of the employee. The employee is also provided with all available and necessary material (documents, publications, procedures, etc. to perform the job.

NEW EMPLOYEE ORIENTATION

Depending on the nature of the employee's duties and the desire of the supervisor, arrangements may be made to introduce the employee to officials or liaison persons in selected ministries of the government. This is covered in more detail in the training unit for "on-the-job training".

NEW EMPLOYEE ORIENTATION PLAN

2. ORIENTATION ON ICP OPERATIONS

PURPOSE:

To provide other experiences for the new employee and introduce them to a broad base of policies, procedures, and activities integral to the ICP operation.

SUGGESTED INSTRUCTORS:

Personnel Staff
Employee's Unit Supervisor
Other Unit Supervisors (as required)

SUGGESTED TIME REQUIREMENTS

It is estimated that a total of 6 hours will be required to complete this instruction. Approximately two hours will be required for each of the following subject areas.

SUBJECT AREAS:

1. Staff Meeting Experiences
2. Client Experiences
3. Final Orientation Interview

INSTRUCTIONAL MATERIALS AND AIDS:

Materials relevant to staff meeting to be attended.

SUGGESTED APPROACH:

During the first week, the employee will be receiving on-the-job training in his/her own unit. The personnel staff should coordinate these orientation activities with the employee's unit supervisor and other unit supervisors who may provide client experiences. The suggested orientaion activities are as follows:

STAFF MEETING EXPERIENCE

Exposure to a staff meeting will provide a meaningful introduction and "feel" for the way ICP staff interact. The new employee should also gain an understanding and appreciation for the problems and/or concerns of a unit and, possibly how they may impact on their own job.

NEW EMPLOYEE OREINTATION

Prior to the employee's staff meeting experience he/she should be provided with appropriate information or staff memos concerning the purpose or objectives of the meeting. If possible, the meeting should be related to the employee's job responsibilities. Since the meeting's purpose is primarily to condu business, the new employee should participate as an observe only.

CLIENT EXPERIENCE

Client experience is when the new employee has an opportunity to observe those whom the organization has been set up to serve. This experience would be especially helpful for those new staff members whose jobs do not involve direct interaction with clients. Client experiences may be provided by having the new employee sit in and observe during an initial briefing for new investors.

The staff meeting and client experiences will probably offer the greatest variability and difficulty in scheduling and therefore should be arranged whenever possible.

BACKGROUND INFORMATION AND CLIENT CONFIDENTIALITY

During the first week the employee's immediate supervisor should explain in detail the background of the Investment Council and why it was formed. The supervisor should review the structure of the Council with the employee as well as the operation. The employee must be made aware of the fact that frequently investors and other business do not want to make public certain aspects of their affairs. As an employee of the Council there will be a requirement to honor the confidentiality of potential investors.

FINAL ORIENTATION INTERVIEW

The final orientation inverview should be a wrap-up of the employee's orientation. The Administrator may want to delay this interview until the second week. This will give the new staff member additional time to assimilate this information, perhaps encounter some problems, complete any unfinished forms, and an opportunity to present some meaningful queries or insights of his own. The Administrator should review the employee's orientation, discuss questions the employee may have and resolve any difficulties the employee may be having at this time. He should also discuss the employee's probationary

NEW EMPLOYEE ORIENTATION

period, and the ICP's method of employee evaluation. Information relating to the employee's career development and further training should be provided and discussed.

SUGGESTED EVALUATION APPROACHES:

The final orientation interview should provide the Administrative staff with an indication of the new employee's understanding of the information covered during the orientation period.

Exhibit 1

INVESTMENT COUNCIL-PANAMA

INVESTMENT DEVELOPMENT TRAINING PROGRAM

On-The-Job Training	Week 1	Week 2	Week 3	Week 4	Second Month	Remarks
1. Participant reads/studies pertinent references assigned by supervisor. *						
2. Supervisor schedules and conducts specific lectures, discussions, or demonstrations.						
3. Participant processes specific cases or other assignments under supervision.						
4. Assignment to other offices for one week at each one. Repeat steps 1-3.						
5. Attendance of related courses of instruction, to include portions of the Concentrated Training Program.						as available.
6. Schedule briefings by pertinent ministries in area of interest.						
7. Supervisor schedules site visits to the Colon Free Zone, Canal Zone, industrial and agricultural areas, and ports.						To be completed with in six mos

* Mission and Functions Manual, pertinent government decrees, investment incentive laws, the Labor Code, Panamanian history, economy, industrial areas, statistics on agriculture, etc.

INVESTMENT DEVELOPMENT TRAINING PROGRAM ON-THE-JOB
TRAINING AND DEVELOPMENT GUIDE

Developed for _____

_____	_____	_____
Date	Supervisor's Name	Name of Employee	Position

Subject	Period Training to be Implemented	Source of Training, if other than Supervisor	Method of Training	Training Resources, Materials, and Aid Required	Date to be Completed

CONCENTRATED INVESTMENT DEVELOPMENT TRAINING PROGRAMME

Overview:

In preparation for the development of this Concentrated Investment Development Programme Outline, numerous discussio were held with the ICP Executive Director and incumbent staf members. The broad mission and functions of the ICP and the individual offices were also reviewed along with the very sketchy job descriptions and skill requirements. In several cases the latter were non-existent and could only be assumed based on the overall functions of each office. Nevertheles the experience and knowledge of the staff on board were extremely helpful in determining the overall training requirements for future staff.

The development of the training programme outline is based on the assumption that potential staff members will already possess the necessary knowledge and skills of their particular speciality. The training programme is therefore designed to provide them with the additional knowledge that is specific to the ICP mission. Thus, the training provides participants with a knowledge of Panama, its government, geography, economy, laws and incentives for investment to enable staff to seek, attract and help potential investors get established in Panama.

Suggested Approach:

A staff member from the ICP, preferably someone from the Office of Policy and Strategies, should be assigned as the lead trainer or at a minimum the Training Coordinator. This individual is responsible for scheduling all activities, making arrangements for facilities and guest speakers (lecturers), collecting and packaging participant material, making travel arrangements, and ensuring participants are fully aware of where they are supposed to be. The Administrative Officer should provide maximum support possible to the Training Coordinator.

Although the outline presented in the following pages is very brief, it provides sufficient guidelines and flexibility to develop and conduct a comprehensive training programme that meets the needs of a particular group of participants. There is sufficient knowledge and experience among the current members of the staff to provide the Training Coordinator with the necessary support to implement a successful training programme.

CONCENTRATED INVESTMENT DEVELOPMENT TRAINING PROGRAMME

In preparation for a specific training event, the Executive Director, in conjunction with senior staff (office chiefs), should provide specific guidelines to the Training Coordinator to enable him/her to modify the attached training outline to meet the desired training objectives for the group to be trained.

In conducting the training maximum emphasis should be placed on participant involvement, encouraging them to assess the instruction and provide the input that can enhance the overall training effort. Participants will bring with them a wealth of knowledge and experience that should be shared with each other. The Training Coordinator, with the assistance of other ICP staff, is encouraged to seek additional references for use during the training either as as outside reading assignments or use during the period of instruction.

Summary:

It should be recognized that the ICP staff, as it works to finalize it organizational structure and define tasks and activities, is also already operational providing services to investors. So, the incumbent staff is in a mode of on-the-job training, which is facilitated by skills and experience mentioned before. As these activities progress, it is the intention of staff to compile an Investment Development Manual which will serve as a future reference for both training and day-to-day operations.

INVESTMENT COUNCIL-PANAMA

INVESTMENT DEVELOPMENT TRAINING PROGRAM

Implementation Schedule

Activity/Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Proposed training plan submitted to USAID & ICP.	△													
2. Approval of training plan.		△												
3. Develop curriculum and finalize Trainer's Manual.			—	—	—									
4. Logistics:														
-Identify trainers & guest speakers. Provide copy of training plan.			—	—										
-Send letters to ministries and offices confirming arrangements for site visits.					—	—								
-Finalize training schedule.				—	—									
-Confirm arrangements for films, slides, etc., to be provided by outside agencies.						△								
5. Confirm training dates with trainers, guest speakers.						△								
6. Notify participants.							—							
7. Conduct formal training.								—	—	—				
8. Cross-training assignments											—	—	—	
9. Evaluate training and submit report.														△

INVESTMENT COUNCIL-PANAMA

CONCENTRATED INVESTMENT DEVELOPMENT TRAINING PROGRAM

TIME	DAY 1	DAY 2	DAY 3	DAY 4	DAY 5
9:00 am	Unit I Introductory Session • Welcome - Exec Dir and member of the Board of Directors. • Mission and functions of the ICP. • Introduction to Panama.	Unit II: The Government Of Panama • Review of previous day's activities. • Panel Discussion The political climate and the potential investor. • Site visit to and orientation on the Ministry of Commerce & Ind.	Unit II (con't). • Site visit to the Ministry of Public Works. • Site visit to the Ministry of Foreign Affairs.	Unit II (con't) • Lecture- Overview of autonomous agencies. • Site visit to the Directorate of Civil Aviation. • Site visit to the National Institute for Telecommunications.	Unit II (con't) • Site visit to the Office of the Comptroller General. • Site visit to the Agricultural Development Bank.
	12:30-2:00 LUNCH	12:15-1:30 LUNCH	11:30-12:45 Lunch	12:15-1:30 Lunch	12:15-1:30 Lunch
2:00 pm	• Tour of City of Panama by car.	• Site visit to and orientation on the Ministry of Health. • Site visit to the Ministry of Labor and Social Services.	• Site visit to the Ministry of Planning and Economic Policy. • Site visit to the Ministry of Housing. • Site visit to the Ministry of Finance and Treasury.	• Site visit to the National Institute for Water and Sewage. • Site visit to the National Finance Corporation.	• Site visit to the National Port Authority. • Tour port facilities.
5:00 pm	• Return to ICP Office	• Review and Summary.	• Review and Summary	• Review and Summary	• Review and Summary.

INVESTMENT COUNCIL-PANAMA

CONCENTRATED INVESTMENT DEVELOPMENT TRAINING PROGRAM

TIME	DAY 6	DAY 7	DAY 8	DAY 9	DAY 10
9:00 am	Unit III: The Labor Code. • Review- Review previous week's activities, especially visit to Ministry of Labor, etc. • Lecture- Overview on history of labor and the Labor Code • Panel Discussion- Panelists discuss provisions of the Labor Code and its impact on investors.	Unit IV: Investment Incentives. • Review- • Lecture- Overview of various incentive decrees. • Group Discussion- Provisions of the incentive laws and how they are used to attract investors to Panama.	Unit V: Investment Council Operations. • Review- • Lecture-Council organization and functions. Role of the Board. • Lecture/Discussion- Responsibilities and functions of the Office of Policies and Strategies. • Lecture/Discussion- Responsibilities and functions of the Investment Development Office.	Unit V (con't) • Group Discussion- Detailed discussion on procedures for ensuring all staff interpret and explain investment incentives accurately. • Summary	Unit VII: The Colon Free Zone. • Trip to Colon for visit and orientation on Free Zone activities and facilities.
	12:00-1:30 Lunch	12:00-1:30 Lunch	12:15-1:30 Lunch	11:30-1:00 Lunch	
	• Group Discussion- Participants and senior ICP staff discuss implications of Labor Code for new investors using sample case studies.	• Case Studies- Participants will review and discuss several case studies, to include Maquila Program projects.	• Lecture/Discussion- The Investment Services Office-procedures and operations. • Lecture- Introduction to the development of standard procedures for explaining the various incentives to investors.	Unit VI: The Panama Canal • Site visit to the Panama Canal Administration Bldg for orientation and tour.	
5:00	• Review and Summary	• Review and Summary	• Review and Summary	• Return to ICP offices. Training Coordinator briefs group for trip to Colon Free Zone.	• Return to Panama City.

INVESTMENT COUNCIL-PANAMA

CONCENTRATED INVESTMENT DEVELOPMENT TRAINING PROGRAM

TIME	DAY 11	DAY 12	DAY 13	DAY 14	DAY 15
9:00 am	Unit VIII: Introduction to Banking laws and insurance regulations. • Lecture- Overview of the banking and insurance industry. • Lecture/Discussion-Site visit to and orientation by staff from the National Banking Commission.	Unit IX: Site Visits to the Interior. • Vacamonte- Tour port facilities. • Chorrera-Industrial sites. • Penonome	Unit IX (con't) • Tour vicinity of David, Rovira, Boquete, Cerro Punta, Volcan. -Citrus groves -Vegetable farms -Tobacco fields -Dairy and cattle farms -Fish hatchery	Unit IX (con't) • Return to Panama City by airplane. • Return to office and write a trip report.	Unit IX (con't) • Trip to Darien Province by car.
	11:30-1:00 Lunch				
	• Lecture/Discussion-Site visit to the Ministry of Commerce for detailed briefing by the staff in the Office of the Superintendent of Insurance. • Return to ICP offices to prepare for site visits to the interior.	• Nata • Aguadulce • Divisa • Arrive in David	• Return to hotel in David at the end of the day.	• Briefing for trip on following day.	• Return to Panama. • Summary and Closure. Include instructions for cross-training assignments. (See Unit X)

INVESTMENT COUNCIL-PANAMA

CONCENTRATED INVESTMENT DEVELOPMENT TRAINING PROGRAM

8:30	Unit X: Cross-training assignments. • Participants will be assigned for one week to each of the three operational ICP offices where they will be incorporated into the regular staff. Participants will perform functions and tasks as assigned by the appropriate office chief of the office to which they are assigned. Assignments will be scheduled so that participants end up in the last week in the office to which they will be permanently assigned.				

CONCENTRATED INVESTMENT DEVELOPMENT TRAINING PROGRAMME

UNIT DESCRIPTION

UNIT I Introductory Session

Time: 7 1/2 hours

Goal: To provide participants with an introduction to Panama and the functions of the Investment Council of Panama (ICP).

Objectives:

1. Participants will become familiar with the "one-stop" function of the ICP.

2. Participants will receive an orientation on Panama and its infrastructure to support new investments.

Logistics:

Arr
two

Assumptions:

For the purposes of this session it will be assumed that the participants have already received an extensive orientation on the mission, organizational structures and functions of the ICP. It is also assumed that by this time each participant already know what his/her position will be in the organization.

UNIT	METHODOLOGY	TIME
Introductory Session	*Lecture *Slide and Film presentations	7 1/2 hours
TRAINER		

TRAINER MATERIALS	PARTICIPANT MATERIALS
* Automobile or Van * Markers * Slides/Films *Flip chart and stand. *Wall map of Panama	*Notebook/pen/pencil *Participant handout - Materials from IPAT, the Government Tourist Bureau - Section 1 - Profile of Panama from Panama Exporters Directory

CONTENT REFERENCES

* Board of Directors By-Laws
* Mission and function statement
* Administrative Procedures
* Directorio de Exportadores de Panama, 1982, Directorio General de Comercio Exterior del Ministerio de Comercio e Industrias
* Panama - A Business Profile

TIME	ACTIVITIES
Day 1	
9:00 - 9:30 A.M.	Welcome: The Executive Director and a selected member of the Board of Directors preferably the President, will welcome the participants and provide a brief overview of the mission and functions of the Council. The President of the Board should also explain the functions of the Board and what its relationship is to both the staff and to the various ministries of the government.
9:30 - 10:00 A.M.	Lecture: Trainer will provide a brief introduction to the "one-stop" service provided by the ICP. Responsibilities and functions of the office of Investor Services and the liaison officers at the ministries will also be addressed.

TIME	ACTIVITIES
10:00-10:15	Coffee Break
10:15-12:30	Introduction to Panama: Utilizing a combination of lecture, discussion, slides, charts, and 16 mm films, the trainer (s) will provide an introduction to and an overview of the following topics related to Panama: * History * Geography * Culture * Natural Resources * Energy Resources * Transportation and communications Systems * Economy * Financial System * International Banking Community * Housing/Schools/Medical Facilities * Labour resources/wage structure * etc. Resources: Selected films and slides are available from the Panama Tourist Audiovisual Department. For example: "Conozca Panama Primero" and "Panama, More Than Just a Canal." Arrangements can be made by submitting a letter to Mr. Romulo Castro, Audivisual Department IPAT).
12:30-2:00	Lunch
2:00-4:00 P.M.	Tour by car of the City of Panama to include: * Tocumen Airport * Old Panama * Docks (Special Visit later in Programme) * Public Market * Santo Tomás Hospital * Iglesia del Carmen * Balboa * Selected schools and residential areas. (Note: Specific areas may be added or deleted based on participant desires and/or trainer requirements).

TIME	ACTIVITIES
4:00-4:30	Return to Office
	Summarize day's activities and briefly discuss the agenda for the following day.

panama
DIRECTORIO DE EXPORTADORES DE PANAMA 1982

A PROFILE OF PANAMA

GENERAL

Panama is much more than just a canal . . . much more. Here, you find what you look for, because it is a cosmopolitan and picturesque country full of pleasant surprises - such as befell Vasco Núñez de Balboa who never imagined the magnitude of what he was about to discover: the Pacific Ocean.

Ever since, visitors to Panama have discovered things that defy the most prodigious imagination.

Among those things, of course, the Canal has a prominent place. The world knows of no other engineering work of this magnitude. It was designed early in the century and placed in operation at the start of the First World War.

On Oct. 1, 1977, the famed Panama Canal entered into another stage of its history. Pursuant to the treaties signed by the then Chief of Government of Panama, Gen. Omar Torrijos Herrera, and the then President of the United States, Jimmy Carter, on Sept. 7, 1977, in Washington, the 16-kilometer (10-mile) wide by 80-kilometer long (50 mile) zone traversed by the Canal began to revert to Panama on Oct. 1, 1979. The process of gradual delivery of the existing infrastructures in the former Canal Zone will take 20 years, ending Jan. 1, 2000.

Despite its 75 years, the Panama Canal still is regarded as one of the world's engineering marvels.

Even with today's advances, it is remarkable to see large container ships slide through the locks to cross from one ocean to the other.

The efficiency of the operation of the Canal is striking even though the waterway was built at the beginning of the 20th Century. The Canal is approximately 80 kilometers (50 miles) long and during transit from one ocean to the other, ships are raised 85 feet above sea level by means of three sets of locks: Miraflores and Pedro Miguel on the Pacific side and Gatun on the Atlantic.

The transit itself takes an average of 8 hours, but ships remain in territorial waters from 14 to 16 hours.

The man-made Gatun Lake, which covers 423 square kilometers (163 square miles), stores the water needed for operating the locks.

GEOGRAPHICAL LOCATION

Located in the very center of the American continent, the Republic of Panama is bounded on the North by the Caribbean Sea; on the South, by the Pacific Ocean; on the East, by Colombia, and on the West by Costa Rica.

Latitude: Between 07° 10' and 09° 40' in the northern hemisphere.

Longitude: Between 77° 55' and 83° 05' in the western hemisphere.

Total area: 77,000 square kilometers (29,730 square miles). The country is bordered by 783 kilometers (477 miles) of coastline on the Atlantic and 1,227 kilometers (767 miles) on the Pacific.

Temperature: The mean temperature is 80° centigrade. Sea level temperature ranges between 80° and 85° Fahrenheit.

Climate: Tropical, similar to other low intertropical latitudes. It is characterized by high temperatures, high humidity and abundant rainfall. The dry or rainless season extends from mid-December until May; while it rains frequently during the other months, a day without sunshine is unusual. The rainy season extends from May until December. Generally speaking, Panamanians do not bother about special clothing for protection from the rain. Annual rainfall ranges from 1,500 to 2,000 millimeters.

Hydrography: On the Atlantic slope, the major rivers are: Changuinola, 140 kilometers (54 miles) long; Indio, 99 kilometers (38 miles); Cricamola, 82 kilometers (32 miles); Sixaola, 65 kilometers (25 miles). On the Pacific, the Bayano, 280 kilometers (108 miles); Tuira, 230 kilometers (89 miles); Santa María, 180 kilometers (69 miles); Chiriquí Viejo, 142 kilometers (55 miles).

POPULATION

Panama's population, which is of diverse origins, is rapidly approaching two million inhabitants. As of May, 1980, it was estimated at 1,830,175. The population growth rate is 2.51% per 100,000 inhabitants (last five-year period). The population density was 23.7 habitants per square kilometer as of May, 1980.

The population is composed of descendants of Spanish conquistadores, Blacks, coastal and mountainside Indians, emigrants of European ancentry, Chinese, and a large percentage (75%) of mestizos – the product of the racial crucible that is Panama.

In the capital city, the racial mixture is particularly pronounced. Here mingle descendants of Blacks brought by the North Americans for the Canal construction, a large hard-working Chinese colony which is completely integrated into Panamanian life, descendants of emigrants from Central Europe who found refuge here from Nazi persecution, and North Americans, Hebrews, Greek, Hindus, Arabs and various other nationalities in a lesser scale.

POLITICAL DIVISION

The Republic is divided politically into 9 provinces, 62 districts (municipalities), 505 "corregimientos" (boroughs) and one Indian reservation (San Blas).

The capital of the Republic is Panama City, slightly above sea level on the Pacific coast, overlooking Panama Bay. It is the country's political, administrative, educational and commercial center, where the largest concentration of urban population lives.

The capital city is fast approaching 900,000 population, but its vitality surpasses that of larger and more populated cities.

The city of Colon, on the northern coast, is a port city, the socio-economic development of which has depended a great deal on ship traffic.

Located at the Atlantic entrance to the Canal and only 55 minutes by highway from the Pacific, it is the principal port handling most of the country's import, export and re-export goods.

In importance, Colon is the second city of the Republic, but because of the amount of commerce carried out there, it is considered one of the principal commercial cities in the Western Hemisphere.

Its port, Cristóbal, is one of the major areas to have reverted to Panama upon the implementation of the new treaties. No less than 15,000 ocean-going vessels under the flags of approximately 70 countries go through the port annually on their way to and from transiting the Panama Canal.

The Colon Free Zone is the most important of its kind in the Western Hemisphere. Export and import freight charges billed here run to over $3.5 billion yearly and this amount may well double in less than five years.

Until recently, its expansion was limited by the lack of physical space, but the recovery of the France Field area opens up a new horizon in its future. Work is progressing there on a container port and at the same time space is being leased or sold to new companies which for years have been on the waiting list.

Other free trade areas in the continent, such as Manaos, Chetumal, Coztumel, etc., depend largely on the Colon Free Zone for supplies - and this is due not only to Panama's privileged geographical position but to the facilities offered by the Free Zone.

The cities of Panama and Colon are in the province surrounding the Canal strip, hence their growth has come under the strong influence of currents derived from the economic activity generated by the Panama Canal.

The city of David is the Republic's third largest. It is located in the western area of the country and is the capital of the Province of Chiriqui. It has a strong agricultural, livestock, industrial and commercial economy which is closely related with Puerto Armuelles, seat of the region's banana activity.

Other major cities in order of importance are Chitré, in Herrera Province; Las Tablas, in Los Santos Province; Penonomé, in Coclé Province; Santiago, in Veraguas Province; Bocas del Toro, in Bocas del Toro Province, and Las Palmas, in Darien Province.

Currency: The Balboa is the national currency. Together with its subdivisions, it is at par with the United States Dollar, which also circulates freely in the country.

Language: Spanish is the official language. English is spoken and understood extensively in the cities.

Today's Panama: Hotels, office buildings, condominiums and residential buildings rise almost daily in today's Panama, more profusely than in any other Latin American capital of comparable size. Native architecture is imaginative and even nostalgic in some cases.

TRANSPORT

HIGHWAYS, STREETS AND ROADS

The country's principal transportation means is its highway system. The Pan American Highway runs West from Panama City for 491.1 kilometers (190 miles) towards the boundary with Costa Rica, and East 316.8 kilometers (122 miles) towards the boundary with Colombia along what has been termed the "Darien Gap" that will complete the land link between Alaska and Tierra del Fuego (under construction).

Major attention is devoted to secondary roads throughout the country in order to link economic activity in remote areas and in farming centers to the various important domestic markets.

For 1980, the country's highway network covered 8,612 kilometers (3325 miles), of which 724.4 kilometers (280 miles) were paved roads, 2,189.6 kilometers (845 miles) asphalt, and the rest unmade.

AIRPORTS

Air transportation has had a remarkable growth in Panama, because of the country's geographical position as a crossroads for world trade and transport. One of the major aspects of this growth is the modern airport service, designed to assimilate the increase in aircraft serving international air commerce.

As of Dec. 31, 1981, the Republic of Panama had six international airports and 120 landings strips. The principal airport is the new Gen. Omar Torrijos Herrera International Airport, where 23 passenger and cargo airlines operate. Of these, 21 are foreign and two are domestic. Ten of the airlines -- eight foreign and two domestic -- provide cargo service exclusively. These figures are as of June 30, 1981.

During 1980, cargo totalling 52,141,000 kilos (523,595 tons) was moved by air, of which 37,936,000 kilos (372,585 tons) were for export.

This new airport was built to meet high standards of air navigation. It is one of the most modern in Latin America and is the largest single airport project completed by the National Government, at a cost of $188 million. It is located in the northwestern area of Panama City at a distance of 20.8 kilometers (8 miles) from downtown, 9º 04' 10" latitude North and 79º 23' 01" longitude West at 135 feet above sea level. The main runway measures 3,050 meters (10,000 feet) long by 45 meters (148 feet) wide. The new runway has been incorporated to the runway of the old terminal in order to double operations and facilities in general.

The airport is provided with facilities and comforts for all users. Outstanding among them are:

Terminal entrance and departure facilities; Civil Aeronautics fire brigade; Instrument landing system, Vehicle traffic signs; Orientation signs inside the airport; Boarding ramps; Security lockers; Electric stairways; Computer-controlled flight service information; A high-capacity telephone exchange; Ground support equipment; Domestic terminal; Ample parking area; Simultaneous satellite service; Bars; Restaurants; Free Zone.

The Gen. Omar Torrijos H. Airport has been designed so that a second phase can be undertaken at any time, consisting of two additional satellites for parking ten additional aircraft next to the air terminal. This will raise to 23 the number of aircraft that can be accommodated next to the main structure.

The old runway fits into the new system and is available for use in the event of congestion.

PORTS

The National Port Authority is the Panamanian government agency charged with the administration, use and operation of all port services including ports designed for the fishing industry.

The Port Authority has under its jurisdiction on the Pacific side the ports of Balboa, Panama and Vacamonte, in the Province of Panama; the

port of Aguadulce, in the Province of Coclé; La Palma, in Darien Province; Port Mutis, in Veraguas, and Pedregal, Armuelles and Petro-Terminal in Chiriquí.

On the Atlantic side, it has responsibility for the ports of Cristobal, Pier 13 and Las Minas Bay in the Province of Colon, and the ports of Almirante and Bocas del Toro in Bocas del Toro Province.

International maritime traffic uses the facilities offered in the ports of Cristobal and Balboa, located at the entrances of the Panama Canal. These ports reverted to Panama on Oct. 1, 1979, upon the implementation of the Torrijos-Carter treaties.

Since the date of the reversion, the National Government has been carrying out through the Port Authority a port policy aimed at developing the country's facilities as a trans-shipment center for world seaborne trada aimed at generating increased demands for the country's port system.

Panama's strategic geographical position with relation to the world's main maritime transport lanes marks the country as an ideal site for a port specializing in the handling of containers. Based on this premise, the Government has conducted studies on a specialized port complex through the World Bank. This project, financing of which is being provided by the Bank, includes the construction of a container port on the Atlantic coast. This port terminal will be provided with facilities for berthing, loading and unloading, storage and other equipment required to meet the needs of international seaborne trade.

This port will provide all facilities for storing and redistributing goods to other ports in the area.

The construction and operation of the Vacamonte fishing port has met the needs of the domestic and international fishing industry for adequate operations. For the seamen-fishermen, fishing captains, industrialists, merchants, mechanics and processing plant workers, it has meant a boom in the fishing industry.

Table 1

MOVEMENT OF COMMERCIAL SHIPPING IN PANAMA BY PORT: 1978 – 80

Puerto 1/	Shipping Movements								
	Total			1978		1979		1980	
	1978	1979	1980	Foreign Trade	Internal	Foreign Trade	Internal	Foreign Trade	Internal
TOTAL	9,844	10,297	8,744	7,617	2,227	7,802	2,495	6,517	2,227
Balboa	2,374	2,167	2,034	2,374	–	2,167	–	2,034	–
Muelle Fiscal	1,283	1,433	1,129	89	1,194	368	1,065	257	872
Cristóbal	3,630	3,779	2,643	3,630	–	3,779	–	2,643	–
Bahía Las Minas (Dry Cargo Dock)	168	171	218	168	–	170	1	218	–
Muelle No. 3	801	870	850	749	52	838	32	817	33
Muelle Folks River	408	419	335	–	408	4	415	1	334
Bahía de Colón	151	76	157	151	–	76	–	155	2
Aguadulce	88	99	89	88	–	93	6	84	5
Bocas del Toro	107	114	129	–	107	–	114	7	122
Almirante	291	279	259	149	142	147	132	163	96
Armuelles	179	142	118	179	–	142	–	118	–
Pedregal	40	34	25	40	–	18	16	20	5
La Palma	a/ 324	714	758	–	a/ 324	–	714	–	758

1/ Excluding petroleum terminals, the port of Vacamonte and the Atlantic Cement Dock.

a/ Started operations August 1st, 1978.

SOURCE: Panama National Port Authority.

THE DIRECTORATE GENERAL OF FOREIGN TRADE IS THE BRIDGE FROM YOUR COMPANY TO THE WORLD

LA DIRECCION GENERAL DE COMERCIO EXTERIOR ES EL PUENTE ENTRE TU EMPRESA Y EL MUNDO

RAILROADS

Two railroads serve the western areas of Bocas del Toro and Chiriqui provinces, near the boundary with Costa Rica, which comprise one of the country's richest agricultural regions. The railroads are used for transportation of persons and products.

The Panama Railroad links the cities of Colon and Panama with a main track 75.6 kilometers (29 miles) long. Branches and sidings bring the total network to 94.4 kilometers (36 miles), plus 15 kilometers (5.8 miles) for other services.

The Panama Railway operates two freight trains daily between the Panama and Colon terminals, with additional trains available as conditions may require. The railroad handles all type of cargoes on its gondolas, flatcars, piggyback cars, cisterns, box cars, refrigerated cars and isothermol cars. Flat cars are used for transporting containers and automobiles. The railroad also has cargo lifts especially designed to handle 20-, 35- and 40-foot containers.

It provides door-to-door, port-to-port and port-to-customs services and handles non-nationalized, container and piggyback cargo.

COMMUNICATIONS

TELECOMMUNICATIONS

Telecommunication services in the Republic of Panama are planned, designed, constructed, operated and administered by the National Institute of Telecomunications (INTEL).

The country is served by 47 automatic telephone exchanges and five electronic exchanges.

Telex services are provided by an international exchange which adequately meets the demands of banks and industrial and commercial enterprises In addition to the microwave service the instalations of International Telephone and Telegraph (ITT), now operated by INTEL, offer supplementary communication by submarine cable which connects Panama with the United States via Jamaica.

Direct-dialling is possible to 54 countries including North America, Central America, South America, Europe, Asia and some countries in Africa.

Responsibility for the communication operations of Tropical Radio Telecomunications (TRT) and the International Telecomunications Satellites (INTERCOMSA) will be assumed by the Panamanian Government in 1983 and 1986 respectively and they will be integrated into the national and international systems.

SPECIAL PROJECTS TO PROMOTE EXPORTS

The Ministry of Commerce and Industries has adopted an aggressive policy of promoting development of industrial sectors for export through projects such as industrial export parks (Albrook), storage and cargo handling facilities (Telfer's Island and Mount Hope).

INDUSTRIAL AND COMMERCIAL AREA AT ALBROOK FIELD

The former military airport at Albrook Field lies scarcely one kilometer from the Port of Balboa and very close to the main railroad line. There development of a 185-hectare area that will include industrial, commercial, service, transport and cargo handling zones is planned. The objective is to offer facilities to attract domestic and international investments, to expand foreign trade and introduce modern technology, all oriented towards the creation of jobs.

COMMERCIAL AND INDUSTRIAL FREE PORT ON THE ATLANTIC SECTOR

In order to take advantage of the flow of cargo transiting the Canal, plans are under study to develop an area for trans-shipment of containers, distribution, consolidation, commercialization and transformation of products in general. The port will be located on the east bank of the Panama Canal on the Atlantic sector adjoining the Mount Hope Industrial Zone and near the Port of Cristóbal, in the area known as Telfer's Island.

The island has an area of 600 hectares (1500 acres), which will be developed as the studies indicate. However, very early cost estimates indicate that the development of the first 65 hectares (162.5 acres) will require an investment of approximately 8/100 million. This investment includes container, assembly and bulk cargo transshipment areas.

PORT OF MENSABE

The Port of Mensabé is located in the Province of Los Santos and is linked to the city of Las Tablas by a 14-kilometer long (8.75 miles) highway. Some decades ago, a concrete pier operated there and handled coastal navigation and cattle unloading operations.

The Port of Mensabe project offers attractive prospects for the Azuero region in coastal navigation and export of lime and meat. It is estimated the port can provide accommodations for vessels of up to 2,500 DWT.

MOUNT HOPE INDUSTRIAL COMPLEX

The Mount Hope Industrial Complex is located on the Atlantic side of the Panama Canal area. It covers an area of 90,823 square meters (227 acres) and includes twelve buildings not in use at present.

Mount Hope can be put to use immediately because of its large potential. because of its large potential. Access is provided by land and by rail. It is less than one kilometer from the Port of Cristóbal and the city of Colon.

This area will be used for storage and industrial activities.

ECONOMY

During the past ten years, the Republic of Panama has made a marked effort to develop its economic resources. Significant gains have made it possible to undertake activities contributing to the growth of the productive and service sectors which account in Panama's economy for approximately 60% of the Gross Domestic Product and employ 50% of the labor force.

Panama thus is aiming its economy at strengthening its geographical position with a sense of national purpose, while stressing the growth of agricultural, cattle, forest and fishing activities and at the same time building up mechanisms to develop domestic industry through a combined policy of import substitutions and export promotion.

Panama's privileged geographical position and its very territorial configuration are, from the viewpoint of maritime transport and international trade, its natural resource of highest economic significance. This favored geographical position has determined Panama's extensive economic dependence on foreign trade.

The following table shows major export products.

On the basis of the various rates of growth evidenced by Panama's economy over the past few years, it is estimated that the current rate is 2.5%. The current population figure is 1.9 million inhabitants and the Gross Domestic Product at current prices for 1981 amounted to 3.35 billion balboas, which means a per capita product of between 1,700 and 1,800 balboas.

AGRICULTURAL SECTOR

Panama has favorable conditions for developing diverse agricultural activities. Farming production and cattle raising utilize 21,000 square kilometers (8108 square miles). There is a good outlook for raising vegetables and fruits, both for local consumption and for export.

Cattle raising is one of the major activities in the rural area, accounting for 74% of the total area in use.

Panama has a potential for exporting beef. The largest cattle herds are in the Province of Chiriqui, followed by the Provinces of Veraguas, Herrera, Los Santos and Panama.

In 1980, the agricultural sector's contribution to the Gross Domestic Product was 13.7%. The sector also employs 28% of the economically active population.

PRINCIPAL EXPORTS OF THE REPUBLIC OF PANAMA FOR THE YEARS 1970, 1976–1979 AND THE FIRST SIX MONTHS OF 1980
(Value in thousands of Balboas)

DETAIL	1970	1976	1977	1978	1979	1980(P)
TOTAL	106,253	228,102	244,600	246,815	291,506	165,379
Sugar unrefined	4,966	26,427	21,880	20,348	25,893	31,612
Bananas	60,831	61,728	66,454	71,927	65,675	24,691
Cocoa	–	1,339	2,116	3,122	3,875	1,517
Coffee	1,705	3,374	5,489	8,858	9,557	7,242
Shrimps	10,168	33,517	29,983	30,251	44,999	19,923
Meat	2,189	4,056	1,465	462	1,526	991
Fishmeal	789	4,468	10,462	4,180	7,873	4,048
Petroleum Products	21,465	66,330	68,259	60,115	72,383	44,846
Other Products	4,140	26,863	38,492	47,552	59,725	30,509

(P) Preliminary Figures

SOURCE: "Economic Financial and Social Report of the Republic of Panama – 1982", Banco Nacional de Panamá

MANUFACTURING INDUSTRY

The expansion shown by this sector along with its progressive effect result from the vigorous growth in the country's economy, which has been stimulated by tariff exemptions and special tax laws aimed at encouraging the establishment and operation of new corporations, both domestic and foreign. The export incentives policy is a major complement to the over-all policy of industrial growth.

The value of manufacturing production has increased noticeably. In the last two years, industries showing the highest rate of growth are: foodstuffs in general, textiles, clothing, leather goods, paper goods, chemicals derived from coal and rubber and plastics. The following comparative table shows the value of manufacturing production in 1979 and 1980.

MONETARY AND BANKING FACILITIES

Banking activity has shown dynamic growth over the past years and has increased its rate of growth and its contribution to the Gross Domestic Product. This significant boom has resulted from the characteristics, advantages, benefits and other determinant elements in Panama's monetary system.

The way was opened for Panama's International Banking Center through Decree No. 198 of July 2, 1970, which provided for reforms to the then existing banking system. As a result, the National Banking Commission was brought into being and incentives were provided for the effective and dynamic growth of domestic and foreign banking in Panama.

As provided by this Decree, the National Banking Commission licenses the operation of any banking business in the country, as follows:

General Licence - issued to banks chartered under Panamanian legislation and to authorized branches of banks chartered under foreign legislation, this license authorizes banking operations in Panama or off shore.

International Licence - issued to banks chartered under Panamanian legislation and to authorized branches of banks chartered under foreign legislation, this license authorizes off-shore banking operations through offices established in Panama.

MANUFACTURING INDUSTRY: VALUE OF PRODUCTION (1)
(In thousands of Balboas)

DETAIL	1979	1980	Variation %
Manufacturing industry	1,216,312	1,513,394	24.4
Food, drinks and tobacco	507,689	627,035	23.5
Textiles, clothing, leather	72,297	79,518	10.0
Wood and wood products, including furniture	24,063	30,160	25.3
Paper and paper products, printing and publishing	65,337	87,981	34.7
Chemical products and chemical products derived from coal rubber and plastic	84,141	107,606	27.9
Non-metalic mineral products, except those derived from petrol or coal	51,806	72,782	40.5
Base metals	11,259	17,920	59.2
Metal products, machinery and equipment	38,606	43,540	12.8
General manufacturing (2)	361,114	446,852	23.7

(1) Estimated
(2) Includes refined petrol

SOURCE: "Economic Financial and Social Report of the Republic of Panama - 1982", Banco Nacional de Panamá.

Representation License - issued to banks chartered under foreign legislation , this license authorizes representation offices exclusively, in Panama.

Decree No. 238 brought about a period of internationalization of Panama's banking.

The number of banks has increased six-fold from 20 in 1970 to 118 at present a period of barely eleven years. All banks operating in Panama enjoy international prestige.

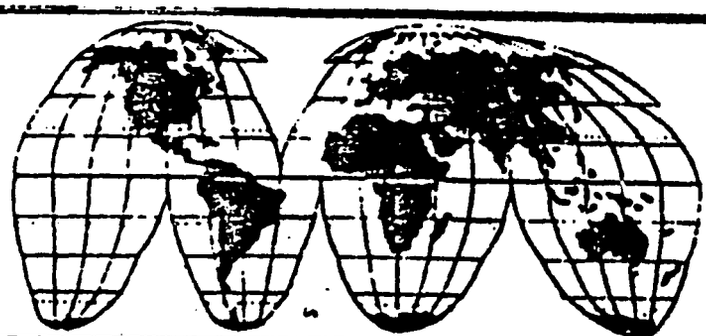
The Center's coverage, from the standpoint of the geographical origin of the banking institutions, also reflects advanced internationalization. In early 1970, Asian banks were not represented in the Center. Japanese, Chinese, Indian and Korean banks today account for nearly 10% of the total number of institutions. Latin American banks represent 44.2%, of which South American banks account for 27.4%.

Panama's geographical position, open economy, ample international transport and communications facilities, the use of the United States dollar as the country's circulating currency, the free transfer of financial resources there are no exchange restrictions - and a pragmatic and flexible legislation, have enhanced the potential of Panama's Banking Center.

According to data furnished by the National Banking Commission, there were 118 banking institutions operating in Panama as of Dec. 16, 1981 - 14 domestic and 104 foreign. Two are state banks. A total of 42 banks are operating under international license, 12 under representation license and 61 under general license.

Exchange rates: There is no exchange control on capital transactions, whether from capital payments by residents or non-residents or from exports.

COMERCIO
EXTERIOR
EN ACCION



DICOMEX - APARTADO 9658, PANAMA 4, REPUBLICA DE PANAMA

1a Sección

expor panama
DIRECTORIO DE EXPORTADORES DE PANAMA 1982

PERFIL DE PANAMA

GENERALIDADES

Panamá es mucho más que un canal . . . mucho más. Usted encuentra lo que desea, ya que es un país cosmopolita y pletórico de agradables sorpresas, como la que recibió Vasco Núñez de Balboa quien nunca imaginó la magnitud de lo que iba a descubrir desde aquí: el Océano Pacífico.

Desde entonces, quienes visitan Panamá han logrado descubrir cosas que desafían a la más prodigiosa imaginación, porque Panamá es algo muy especial.

Dentro de estas cosas, como es natural, el Canal ocupa lugar prominente.

El mundo no conoce otra obra de ingeniería de esta magnitud. Fue diseñado a principios de siglo y ha estado en operación desde los inicios de la primera guerra mundial.

El 1o. de octubre de 1979 el famoso Canal de Panamá entró en otra etapa de su historia.

De acuerdo con los tratados firmados por el entonces Jefe de Gobierno de Panamá, General Omar Torrijos Herrera, y el entonces Presidente de los Estados Unidos Jimmy Carter el 7 de septiembre de 1977, en Washington, la zona donde está enclavado el Canal de 16 Kms. (10 millas) de ancho y 80 Kms. (50 millas) de largo comenzó a revertir a Panamá en esta fecha. El proceso de entrega integral de todas las infraestructuras existentes en la antigua Zona del Canal tomará 20 años y concluirá el 1o. de enero del año 2.000.

El Canal de Panamá, pese a sus 75 años está considerado todavía como una de las maravillas de ingeniería en el mundo.

Aún con los adelantos de hoy es asombroso observar como un enorme barco de contenedores se desliza a través de las esclusas para cruzar de un océano a otro.

Llama extraordinariamente la atención la operación del Canal por su eficiencia no obstante haberse construído al inicio del siglo XX.

El Canal tiene aproximadamente 80 Kms. de largo y para completar el tránsito de un océano a otro, los barcos son levantados a una altura de 85 pies sobre el nivel del mar por medio de tres juegos de esclusas: Miraflores y Pedro Miguel en el Sector Pacífico y Gatún en el Caribe.

El Canal en sí se cruza en ocho horas, pero las naves permanecen de catorce a dieciséis horas en aguas territoriales.

El Lago Gatún de naturaleza artificial y con superficie de 423 Km2 sirve para almacenar el agua indispensable para el funcionamiento de las esclusas.

Localización Geográfica

Ubicada en el pleno centro del Continente Americano, la República de Panamá Limita al Norte con el Mar Caribe, al Sur con el Océano Pacífico, al Este con Colombia y al Oeste con Costa Rica.

Latitud: Entre los 07º 10' y 09º 40' en el hemisferio norte.

Longitud: Entre los 77º 55' y 83º 05' en el hemisferio occidental.

Superficie total: Alcanza los 77.082 Km2. El país está bordeado por 763 Km2 de costa en el Atlántico y 1.227 Km2 en el Pacífico.

Temperatura: la temperatura media es de 27º centígrados. La temperatura a nivel del mar oscila entre los 80 y 85 grados F.

Clima: Tiene un clima tropical similar al de otras bajas latitudes intertropicales.

Tiene temperaturas altas, gran humedad, lluvia abundante. Se habla de la estación seca o desprovista de lluvias desde mediados de diciembre a mayo; pero si bien llueve bastante durante los otros meses, es raro el día en que no salga el sol.

La estación lluviosa va de mayo a diciembre. Los panameños, por regla general, no usan vestuario especial para protegerse de la lluvia. La precipitación fluvial anual va de 1.500 a 2.000 milímetros.

Hidrografía: en el Atlántico los ríos más importantes son: Changuinola con 140 Kms, Indio con 99 Kms. Cricamola con 82 Kms. Sixaola con 65 Kms.

En el Pacífico, el Bayano con 280 Kms., Tuira con 230 Kms., Sta María con 180 Kms., Chiriquí Viejo con 142 Kms.

Población

La población de Panamá de orígenes diversos, se acerca rápidamente a los dos millones de habitantes.

La estimación a mayo de 1980 para toda la República era de 1.830.175 habitantes. Fuente: Censos Nacionales de 1980, Contraloría General de la República, Estadística y Censos. La tasa de crecimiento es de 2.51% por 100.000 habitantes (último quinquenio). La densidad era de 23.7 habitantes por Km2 al mes de mayo de 1980.

Componen la población descendientes de conquistadores españoles, de negros cimarrones, de indígenas de la costa y de la montaña, de familias emigrantes con ancestro europeo, de chinos, indios y un alto porcentaje (72%) de mestizos, producto del crisol de razas que es Panamá.

Básicamente los panameños están conformados por los descendientes de españoles, indios y negros que residieron en el Istmo a lo largo de su historia y los distintos grupos humanos a que han dado lugar las mezclas entre ellos. Existen también los descendientes de europeos, norteamericanos, chinos, hindúes y otros grupos étnicos, viviendo todos en completa armonía.

La ciudad capital, en especial, es un crisol de razas. En ella conviven descendientes de los negros traídos por los norteamericanos para las excavaciones del Canal, una gran colonia china muy laboriosa y completamente especial integrada a la vida panameña descendien-

tes de emigrantes de la Europa Central que encontraron refugio aquí de la persecución hitleriana, norteamericanos, hebreos, griegos, árabes y varias otras nacionalidades en menor escala.

División Político-Administrativa

Panamá se divide políticamente en nueve provincias, 65 distritos (municipios), 505 corregimientos, una comarca indígena (San Blas).

En orden de importancia están las siguientes ciudades principales:

La capital de la República, Ciudad de Panamá, ubicada en la Costa del Pacífico, sobre la Bahía de Panamá y de poca altitud sobre el nivel del mar, es considerada el centro político, administrativo, educativo y comercial del país y aloja la mayor población urbana de la República.

La ciudad capital se acerca aceleradamente a los 900,000 habitantes, pero con una vitalidad propia de ciudades de mucha más extensión y mayor población.

La Ciudad de Colón, situada en la costa norte del Istmo, es considerada, como una ciudad puerto, cuyo desarrollo socio-económico ha dependido en gran parte del tráfico de barcos.

Actualmente aloja la Zona Libre, la cual es un centro libre de comercio internacional.

En importancia, Colón es la segunda ciudad de la República, pero por su comercio, está considerada una de las principales ciudades comerciales del hemisferio. Situada a la entrada del Canal en el Atlántico, y a sólo 55 minutos por carretera del Pacífico, es el principal puerto para el tráfico de casi toda la mercancía de importación, exportación y re-exportación de la Nación.

El Puerto de Cristóbal es una de las principales áreas que revirtió a Panamá tan pronto se inició la ejecución de los nuevos tratados. Por él pasan anualmente no menos de 15.000 buques bajo las banderas de más o menos 60 países que hacen la travesía por el Canal.

La Zona Libre de Colón es la más importante del hemisferio occidental. El movimiento comercial bruto - según el último dato estadístico disponible - sobrepasa la suma de 3.5 mil millones de dólares al año, con tendencia a duplicarse en menos de 5 años.

Hasta hace poco su expansión estaba limitada por falta de espacio físico, pero la recuperación del área de France Field le abre un nuevo horizonte a su futuro.

Allí se trabaja actualmente en un Puerto de Contenedores y al mismo tiempo se alquila o vende espacio a nuevas compañías que por años han esperado un cupo para establecerse.

Otras áreas de libre comercio del continente como Manaos, Chetumal, Cozumel, etc., dependen en gran parte de la Zona Libre de Colón para abastecerse, y ello se debe no sólo a la privilegiada posición geográfica de Panamá, sino a las facilidades que la Zona Libre ofrece.

Las ciudades de Panamá y Colón forman parte de las provincias que rodean la franja canalera, de allí que su crecimiento haya recibido corrientes de gran influencia derivadas de la actividad económica generada por el Canal de Panamá.

La Ciudad de David es la tercera ciudad de la República; está ubicada en la zona occidental del país y es la capital de la provincia de Chiriquí y cabecera del distrito del mismo nombre. Ha desarrollado una progresista economía agrícola, ganadera, industrial y comercial, que guarda gran relación con Puerto Armuelles, debido a la actividad bananera que se desarrolla en esa ciudad.

Otras ciudades en orden de importancia son Chitré en la Provincia de Herrera, Las Tablas en la Provincia de Los Santos, Penonomé en la Provincia de Coclé, Santiago en la Provincia de Veraguas, Bocas del Toro en la Provincia de Bocas del Toro y Las Palmas en la Provincia de Darién.

La moneda nacional es el Balboa. Junto con sus fracciones, está a la par del Dólar de Estados Unidos que también circula libremente en el país.

El idioma oficial es el español. El inglés se habla y se entiende ampliamente en las ciudades.

En el Panamá de hoy surgen a diario hoteles, edificios de oficinas, condominios y residencias con mayor profusión que en cualquier otra capital de Latinoamérica de mayor tamaño. La arquitectura nacional es imaginativa y hasta nostálgica en algunos casos.

Transporte

CARRETERAS, CALLES Y CAMINOS

El principal medio de transporte del país lo constituye el sistema de carreteras. La Carretera Panamericana corre de Este a Oeste de la Ciudad de Panamá hacia la frontera con Costa Rica, con una extensión de 491.1 Kms. y hacia la frontera con Colombia en lo que se ha denominado "Tapón del Darién", con una longitud de 316.8 Kms. que servirán de enlace terrestre entre Alaska y Tierra del Fuego (en construcción).

Son objeto de gran atención los caminos de penetración en toda la República para vincular la actividad económica de regiones remotas y centros agrícolas con los diferentes mercados importantes del país.

Para el año 1980 la red vial en la República registró una extensión de 8,612.9 Kms. de los cuales 724.4 Kms. son caminos con superficie de hormigón, 2,189.6 Kms. de asfalto, y el resto de grava.

AEROPUERTOS

La transportación aérea ha progresado notablemente en la República de Panamá, debido a su posición geográfica que lo convierte en encrucijada para el comercio y el transporte mundiales. Uno de los aspectos sensibles y condicionantes a este desarrollo es el servicio de aeropuerto moderno, capaz de asimilar el gran auge de aparatos aéreos que han venido mejorando el transporte aéreo comercial internacional.

La República de Panamá contaba al 31 de diciembre de 1981 con seis aeropuertos internacionales y 120 pistas de aterrizaje. El principal aeropuerto de la República es el nuevo Aeropuerto Internacional General Omar Torrijos Herrera, en el cual operan 23 compañías aéreas de servicio de pasajeros y carga. De éstas, 21 son extranjeras y dos son nacionales. De servicio de carga exclusivo operan un total de 10 compañías; de éstas, 8 son compañías extranjeras y 2 son nacionales. Estos datos corresponden hasta el 30 de junio de 1981.

En el año de 1980 se transportó por vía aérea 52.141.000 kilos de carga, de los cuales se embarcaron 37.936.000 kilos.

Este nuevo aeropuerto se construye con el fin de mejorar las condiciones exigidas por la navegación aérea. Es uno de los más modernos de América Latina y constituye la más grande obra aeroportuaria construída por el Gobierno Nacional, a un costo de B/.88 millones.

Está ubicado al Noreste de la Ciudad de Panamá a una distancia aproximadamente de 20.8 kilómetros del centro de la ciudad. Queda entre los 9º 04' 10" de latitud norte y 79º 23' 01" de longitud oeste y se encuentra a 135 pies sobre el nivel del mar. La longitud de la pista principal es de 10.000 pies (3.05[illegible] metros) y la anchura de 148 pies (4.[illegible]

metros). Esta ha sido integrada a la pista del antiguo terminal para duplicar las operaciones y facilidades en general.

El nuevo y moderno aeropuerto cuenta con una serie de facilidades y comodidades que ofrecen una enorme ayuda para todos los que utilicen sus servicios. Entre las comodidades más modernas podemos mencionar:

Facilidades para entrar y salir del terminal; Brigada Bomberil de Aeronáutica; Sistema de aterrizaje por instrumentos; Señales para el libre tránsito vehicular; Señales de orientación dentro del aeropuerto; Puentes de abordaje; Casetillas de seguridad para usuarios; Escaleras eléctricas; Sistema de información de vuelos por computadoras; Central telefónica de amplia capacidad; Equipo de apoyo en tierra; Terminal doméstico; Amplia área de estacionamiento; Servicio simultáneo de satélites; Bares; Restaurantes; Zona Libre.

El diseño del nuevo Aeropuerto General Omar Torrijos Herrera permite desarrollar en el momento que fuera necesario, una segunda etapa que consistirá en la construcción de dos satélites adicionales a la nave del edificio, lo que permitirá a diez aeronaves más posarse simultáneamente al terminal aéreo, reuniendo de esta manera, la cantidad de veintitrés aeronaves que a un mismo tiempo podrán acoplarse a la estructura.

Por otra parte se ha previsto que la pista del viejo Aeropuerto sea integrada al nuevo sistema a fin de que sirva de alternativa en la eventualidad de cualquier congestionamiento del tráfico.

PUERTOS

La Autoridad Portuaria Nacional es la institución gubernamental panameña que tiene como objetivo la administración, explotación y operación de los servicios portuarios en los puertos comerciales de uso nacional e internacional, al igual que aquellos destinados a la industria pesquera.

La A.P.N. tiene bajo su jurisdicción en el sector Pacífico los puertos de Balboa, Panamá y Vacamonte en la Provincia de Panamá; el Puerto de Aguadulce en la de Coclé; el de La Palma en Darién; Puerto Mutis en Veraguas; y los puertos de Pedregal, Armuelles y Petro-Terminal, en Chiriquí.

En el área del Atlántico se encuentran bajo responsabilidad de la A.P.N. los puertos de Cristóbal, Muelle 3 y Bahía Las Minas en la Provincia de Colón, y en la de Bocas del Toro, los puertos de Almirante y Bocas del Toro.

El tráfico marítimo internacional utiliza las facilidades que brindan los puertos de Cristóbal y Balboa ubicados en ambas entradas del Canal de Panamá. Estos puertos revirtieron a Panamá el 1o. de octubre de 1979 en virtud de la implementación de los Tratados Torrijos-Carter.

A partir de la fecha de reversión, el Gobierno Nacional, a través de la A.P.N., ha venido desarrollando una política portuaria dirigida a desarrollar las posibilidades de nuestro país como centro de transbordo del comercio marítimo internacional, generando así mayores demandas en nuestro sistema portuario

La estratégica posición geográfica de Panamá en relación con las principales rutas de transporte marítimo del mundo hacen de Panamá un sitio ideal para el establecimiento de un puerto especializado en el manejo de contenedores. Basado en esta premisa, el Gobierno Panameño, a través del Banco Mundial, efectuó los estudios relacionados con un complejo portuario especializado. Este proyecto, cuyo financiamiento ha sido otorgado por el organismo en mención, conlleva la construcción de un puerto de contenedores ubicado en el litoral Atlántico. Este terminal portuario contará con instalaciones para el atraque, carga y descarga, almacenamiento y demás equipo que se requiera para satisfacer las necesidades del comercio marítimo internacional.

Este puerto brindará todas las facilidades para el almacenaje y redistribución de mercaderías a los otros puertos del área.

La construcción y operación del Puerto Pesquero de Vacamonte ha dotado a la industria pesquera nacional e internacional de las facilidades portuarias necesarias para su adecuado funcionamiento.

Además, con dicho puerto se ha dado respuesta positiva al marino-pescador, al capitán de naves pesqueras, al industrial, comerciante, mecánico y al obrero de planta, al desarrollar e incrementar las actividades vinculadas con la industria pesquera.

Cuadro No. 1

MOVIMIENTO DE NAVES DE COMERCIO EXTERIOR Y CABOTAJE EN LA REPUBLICA, SEGUN PUERTO: AÑOS 1978-80

Puerto 1/	Movimiento de Naves								
	Total			1978		1979		1980	
	1978	1979	1980	Comercio Exterior	Cabotaje	Comercio Exterior	Cabotaje	Comercio Exterior	Cabotaje
TOTAL	9,844	10,297	8,744	7,617	2,227	7,802	2,495	6,517	2,227
Balboa	2,374	2,167	2,034	2,374	-	2,167	-	2,034	-
Muelle Fiscal	1,283	1,433	1,129	89	1,194	368	1,065	257	872
Cristóbal	3,630	3,779	2,643	3,630	-	3,779	-	2,643	-
Bahía Las Minas (Muelle Carga Seca)	168	171	218	168	-	170	1	218	-
Muelle No. 3	801	870	850	749	52	838	32	817	33
Muelle Folks River	408	419	335	-	408	4	415	1	334
Bahía de Colón	151	76	157	151	-	76	-	155	2
Aguadulce	88	99	89	88	-	93	6	84	5
Bocas del Toro	107	114	129	-	107	-	114	7	122
Almirante	291	279	259	149	142	147	132	163	96
Armuelles	179	142	118	179	-	142	-	118	-
Pedregal	40	34	25	40	-	18	16	20	5
La Palma	a/ 324	714	758	-	a/ 324	-	714	-	758

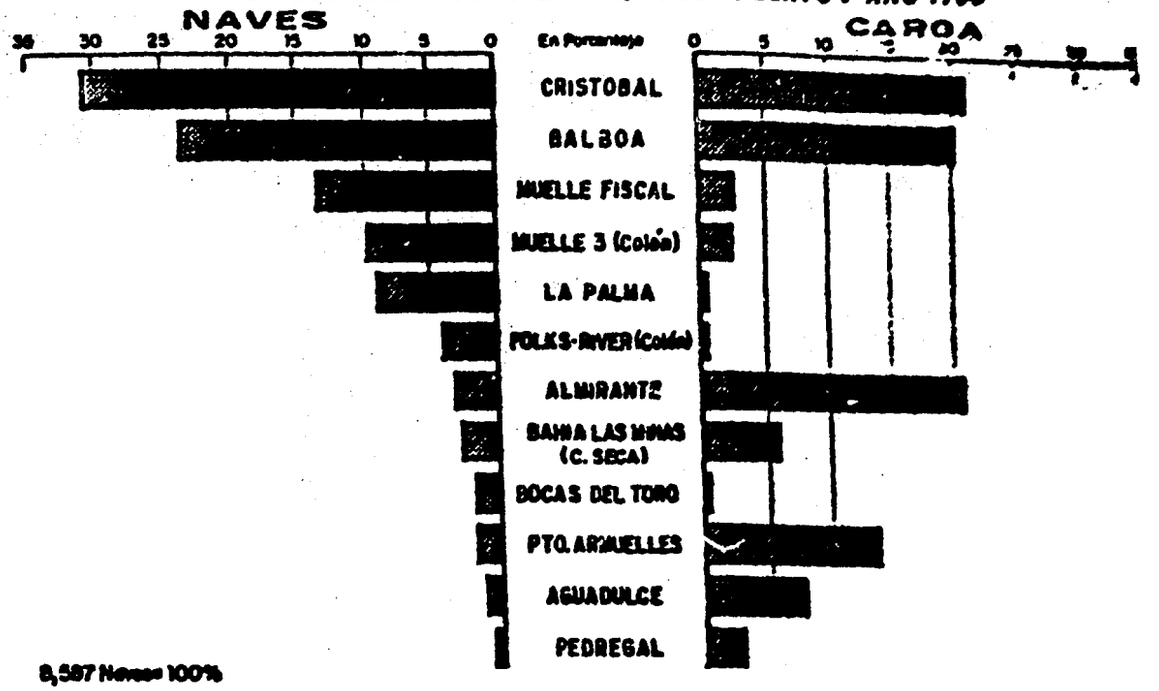
1/ Excluye los Terminales Petroleros, Puerto de Vacamonte y Muelle Cemento Atlántico.

a/ Inició operaciones el 1o. de agosto de 1978.

FUENTE: Autoridad Portuaria Nacional.

GRAFICA No 1

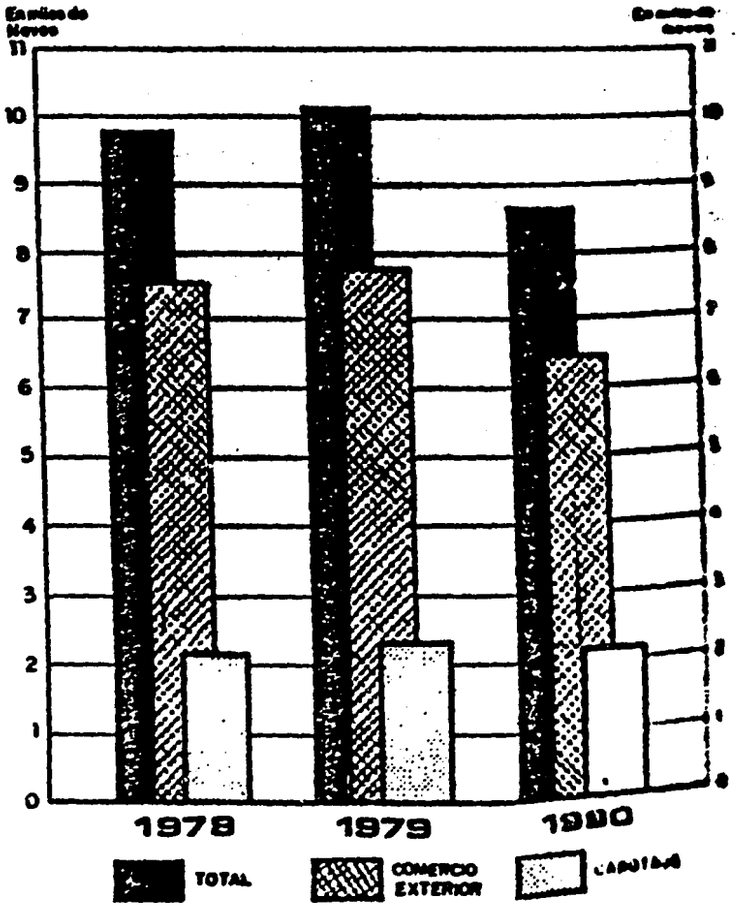
MOVIMIENTO DE NAVES Y CARGA, SEGUN PUERTO : AÑO 1980



Nota: No incluye Bahía de Colón, Terminales Petrolero, Puerto de Vacamonte y Muelle Cemento Artesanos.

GRAFICA No 2

MOVIMIENTO DE NAVES DE COMERCIO EXTERIOR Y CABOTAJE: AÑOS 1978, 1979 Y 1980



Nota. No incluye el Terminal Petrolero.

FERROCARRILES

Dos ferrocarriles sirven las áreas de la parte oeste de las provincias de Bocas del Toro y Chiriquí, cerca de la frontera con Costa Rica.

Esta es una de las regiones agrícolas más ricas del país y el ferrocarril se utiliza para el movimiento de las personas y de la producción.

El Ferrocarril de Panamá es la vía férrea que une Colón y la Ciudad de Panamá con una línea principal de 75.6 Km de la longitud y globalmente constituye una red de 94.4 Km., incluyendo ramales y apartaderos, más . 15.0 Kms. destinados para otros servicios.

El Ferrocarril de Panamá opera dos trenes de carga diarios entre las terminales de Panamá y Colón, con trenes adicionales cuando el volumen de carga lo amerita.

Transporta todo tipo de carga ya que cuenta con vagones góndolas, planos, "piggyback", cisterna, "box car" o vagón cerrado, frigoríficos, isotermos.

Los vagones planos son utilizados en el transporte de contenedores y automóviles. El Ferrocarril cuenta además, con montacargas especialmente diseñados para la operación de carga y descarga de contenedores de 20, 35 y 40 pies respectivamente.

Brinda servicios de puerta a puerta, puerto a puerto y puerto a recinto aduanero, movimiento de carga no nacionalizada, movimiento de carga contenerizada y "piggyback".

COMUNICACIONES

TELECOMUNICACIONES

El servicio de telecomunicaciones en la República de Panamá está planificado, diseñado, construído, operado y administrado por el Instituto Nacional de Telecomunicaciones (INTEL).

En materia de telefonía, el país se sirve de 47 centrales automáticas y 5 centrales electrónicas.

El servicio de telex se suministra con una central internacional que cubre perfectamente la demanda de este tipo de servicios requerido por instituciones bancarias, comerciales e industriales para comunicación con el resto del mundo.

Las instalaciones de la International Telephone and Telegraph (ITT) ahora operadas por el INTEL constituyen un medio de transmisión internacional adicional a las microondas, esto es, un cable submarino que conecta a Panamá con los Estados Unidos, vía Jamaica.

Mediante el sistema de marcación telefónica directa internacional (MADI) se puede establecer comunicación con 54 países de Norte América, Centro América, Sur América, Europa, Asia y algunos países del Africa.

Las operaciones que en materia de comunicaciones realizan actualmente la Tropical Radio Telecomunications (TRT) y la International Telecomunications Satellites (INTERCOMSA) serán asumidas por el gobierno panameño en los años 1983 y 1986 respectivamente para administrar así en forma total el sistema de telecomunicaciones nacionales e internacionales.

PROYECTOS ESPECIALES PARA FAVORECER LA EXPORTACION

El Ministerio de Comercio e Industrias ha adoptado una política agresiva en su tarea de promover el desarrollo de los sectores industriales para la exportación, con proyectos tales como parques industriales para exportación (Albrook) y también proyectos de almacenamiento y manejo de carga (Isla de Telfer/y Mount Hope).

AREA INDUSTRIAL Y COMERCIAL DE ALBROOK FIELD

A sólo un kilómetro del Puerto de Balboa y muy cercano a la ruta del ferrocarril transístmico se encuentra el antiguo aeropuerto militar de Albrook, en el cual se contempla desarrollar un área de 185 hectáreas que incluye zonas industriales, comerciales, de servicios, transporte y movimiento de carga. El objetivo es ofrecer condiciones favorables para atraer inversiones tanto extranjeras como nacionales, expandir el comercio exterior e introducir tecnología moderna; todo orientado a la creación de nuevas fuentes de trabajo.

PROYECTO PUERTO LIBRE COMERCIAL E INDUSTRIAL EN EL SECTOR ATLANTICO

Aprovechando el flujo de carga que transita por el canal, se ha pensado desarrollar un área de trasbordo de contenedores, distribución, consolidación, comercialización y transformación de productos en general. El puerto estará ubicado en la ribera este del canal de Panamá en el sector Atlántico, contiguo a la Zona Industrial de Mount Hope y cercano al Puerto de Cristóbal, en el área conocida como Isla de Telfer.

La isla tiene una extensión de 600 hectáreas las cuales se irán desarrollando de acuerdo a los resultados de los estudios. Sin embargo, estimaciones muy preliminares de costo indican que para el desarrollo de las primeras 65 hectáreas se necesitará una inversión de 100 millones de balboas, aproximadamente. Esta inversión incluirá la habilitación de áreas para contenedores , ensamblaje y trasbordo de carga a granel.

PUERTO DE MENSABE

El Puerto de Mensabé está situado en la Provincia de Los Santos y se comunica con la ciudad de Las Tablas a través de una carretera de aproximadamente 14 kms. de longitud. En el mismo sitio, hace varias décadas estuvo funcionando un muelle de hormigón utilizado para actividades de cabotaje y desembarque de ganado.

La construcción de un muelle en Puerto Mensabé presenta perpectivas halagadoras para la región de Azuero en actividades de cabotaje y para la exportación de cal y carne. Se estima que el puerto podría brindar facilidades para embarcaciones de 2,500 KWT.

COMPLEJO INDUSTRIAL DE MOUNT HOPE

El complejo industrial de Mount Hope está situado en el sector Atlántico del área del Canal de Panamá.

Este complejo tiene un área de 90.823 km2. que incluye doce (12) edificios, los cuales actualmente no están siendo utilizados.

Mount Hope es un área que puede ser utilizada inmediatamente debido a su gran potencial. Cuenta con acceso por vía terrestre y ferrocarril, y está a menos de un kilómetro del puerto de Cristóbal y la ciudad de Colón.

Está área se utilizará para actividades de almacenaje e industriales.

ECONOMIA

Durante los últimos diez años la República de Panamá ha hecho un esfuerzo notable en el desarrollo de sus recursos económicos. Este significativo avance ha hecho posible, a su vez, el desarrollo de actividades que contribuyen al crecimiento de los sectores productivos y de servicios que representan en la economía panameña alrededor del 60 por ciento del Producto Interno Bruto y emplean el 50% de la fuerza laboral.

En este sentido Panamá orienta su economía hacia el fortalecimiento del

uso de su posición geográfica con sentido nacional, pero dando un mayor empuje al desarrollo de las actividades agrícolas, ganaderas, forestales y pesqueras, sin descuidar el importante aspecto del fortalecimiento de los mecanismos que permitan el crecimiento de la industria nacional mediante una política combinada de sustitución de importaciones y de promoción de exportaciones, principalmente esta última.

La privilegiada posición geográfica de Panamá y la propia configuración de su territorio constituyen, desde el punto de vista del transporte marítimo y del comercio internacional, el recurso natural de mayor significación económica. Esta ventajosa posición ha determinado que Panamá mantenga una economía que depende en un alto porcentaje del comercio exterior.

El siguiente cuadro representa los principales artículos para la exportación.

En base a las variaciones en la tasa de crecimiento que ha presentado la economía panameña en los últimos años, se estima que la actual tasa de crecimiento es de 2.5 por ciento. La cifra poblacional actual es 1.9 millones de habitantes y el Producto Interno Bruto a precios corrientes para el año 1981 se calcula en 3.350 millones de balboas, lo que arroja un producto por habitante entre 1,700 y 1,800 balboas.

EXPORTACION DE MERCADERIAS IMPORTANTES DE LA REPUBLICA
AÑOS 1970, 1976 - 1979 Y PRIMER SEMESTRE DE 1980
(Valor F.O.B. en miles de balboas)

DETALLE	1970	1976	1977	1978	1979	1980 (P)
TOTAL	106,253	228,102	244,600	246,815	291,506	165,379
Azúcar sin refinar	4,966	26,427	21,880	20,348	25,893	31,612
Bananos	60,831	61,728	66,454	71,927	65,675	24,691
Cacao	–	1,339	2,116	3,122	3,875	1,517
Café	1,705	3,374	5,489	8,858	9,557	7,242
Camarones	10,168	33,517	29,983	30,251	44,999	19,923
Carnes	2,189	4,056	1,465	462	1,526	991
Harina de pescado	789	4,468	10,462	4,180	7,873	4,048
Productos derivados del petróleo	21,465	66,330	68,259	60,115	72,383	44,846
Otras Mercaderías	4,140	26,863	38,492	47,552	59,725	30,509

(P) Cifras Preliminares.

FUENTE: Contraloría General de la República, Dirección de Estadística y Censo.

Tomado de: "Información Económica Financiera y Social de la República de Panamá—1982" Banco Nacional de Panamá.

SECTOR AGROPECUARIO

Panamá posee condiciones favorables para el desarrollo de las diversas actividades agropecuarias. La producción agrícola con cultivos temporales y permanentes y la ganadería utilizan una superficie de 21.000 km2. Existen buenas perspectivas para el cultivo de vegetales y frutas tanto para consumo local como para exportación.

La ganadería, por su parte, constituye una de las principales actividades del área rural, ocupando el 74% del área bajo explotación.

El país es un productor potencial de carne. La mayor concentración de bovinos se encuentra en la Provincia de Chiriquí, siguiendo en su orden las de Veraguas, Herrera, Los Santos y Panamá.

La contribución del sector agropecuario al Producto Interno Bruto fue en el año 1980 del orden del 13.7% del PIB total. El mismo sector agropecuario ocupa un 28% de la población económicamente activa.

INDUSTRIA MANUFACTURERA

La expansión experimentada por el sector y su efecto progresivo surgen como consecuencia del vigoroso impulso logrado por el desarrollo económico del país, el cual ha sido estimulado por las exoneraciones arancelarias y leyes tributarias especiales, permitiendo la expansión, instalación y operación de nuevas empresas tanto de capital nacional como extranjero. La política de incentivos para el fomento de las exportaciones se acentúa como complemento de la política global de desarrollo industrial.

El valor de la producción manufacturera ha crecido notoriamente. En los últimos dos años, las industrias que han

demostrado mayor dinamismo son: alimentos en general, textiles, prendas de vestir e industrias de cuero, productos de papel, sustancias químicas y productos químicos derivados del carbón, caucho y plástico. El siguiente cuadro comparativo refleja el valor de la producción de la industria manufacturera en los años 1979 y 1980.

INDUSTRIA MANUFACTURERA: VALOR DE LA PRODUCCION (1)
(En miles de balboas)

DETALLE	1979	1980	Variación
Industria Manufacturera	1,216,312	1,513,394	24.4
Prod. Alimenticios, Bebidas y Tabaco	507,689	627,035	23.5
Textiles, Prendas de vestir e Industrias de cuero	72,297	79,518	10.0
Industrias de la Madera y Productos de la madera, incluídos muebles . . .	24,063	30,160	25.3
Fabricación de Papel y Productos de Papel; Imprenta y editoriales	65,337	87,981	34.7
Fabricación de Sustancias Químicas y de Productos Químicos derivados del Carbón; Caucho y Plástico	84,141	107,606	27.9
Fabricación de Productos Minerales no metálicos; exceptuando los derivados del Petróleo y Carbón . . .	51,808	72,782	40.5
Ind. Metálicas Básicas	11,259	17,920	59.2
Fabricación de Prod. Metálicos, Maquinaria y Equipo	38,606	43,540	12.8
Industrias Manufactureras Diversas (2)	361,114	446,852	3.7

1/ Se refiere a estimación de la producción de la Industria Manufacturera.
2/ Incluye refinería de petróleo.

FUENTE: Contraloría General de la República - Dirección de Estadística y Censo.

Tomado de: "Información Económica Financiera y Social de la República de Panamá—1982" Banco Nacional de Panamá.

FACILIDADES MONETARIAS Y BANCARIAS

La actividad bancaria se ha desarrollado en forma dinámica durante los últimos años y ha venido acrecentando su tasa de crecimiento y su participación en la configuración del Producto Nacional Bruto. Este significativo auge registrado en este sector es consecuencia derivada de las características, ventajas, beneficios y elementos determinantes en general del sistema monetario panameño.

El Centro Bancario Internacional de Panamá es el resultado del Decreto de Gabinete No. 238 del 2 de julio de 1970 que creó un nuevo régimen bancario, estableció la Comisión Bancaria Nacional como entidad reguladora del sistema y autorizó los incentivos necesarios para un efectivo y dinámico desenvolvimiento de la banca nacional y extranjera en Panamá.

De acuerdo a este Decreto, la Comisión Bancaria Nacional autoriza previamente el funcionamiento de cualquier negocio de banco mediante la expedición de la respectiva licencia, según estas tres diferentes clases:

Licencia General, que se otorga a los bancos constituidos conforme a la legislación panameña y a las sucursales autorizadas de bancos constituidos de acuerdo con legislación extranjera, para llevar a cabo el negocio de banca en Panamá o en el exterior.

Licencia Internacional, que se otorga a los bancos constituídos conforme a la legislación panameña y a las sucursales autorizadas de bancos constituídos de acuerdo con la legislación extranjera, para realizar, desde una oficina establecida en Panamá, transacciones que se perfeccionen, consuman o surtan sus efectos en el exterior, exclusivamente.

Licencia de Representación, que se otorga a los bancos constituídos de acuerdo con legislación extranjera para establecer exclusivamente oficinas de representación en Panamá.

El Decreto No. 238 de julio de 1970 marca el inicio de un período de notable internacionalización de la banca panameña.

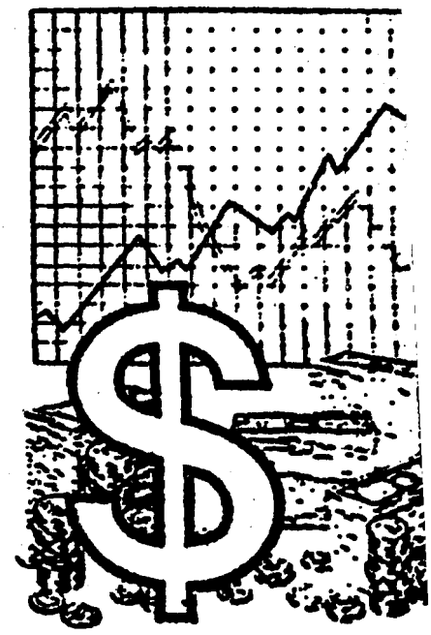
De 20 bancos en 1970 se ha llegado a 118 en sólo 11 años, lo que representa casi la sextuplicación del número de bancos de solidez y prestigio internacional.

La cobertura del Centro, vista en términos de la procedencia geográfica de las entidades bancarias, también da idea de la internacionalización avanzada. A principios de 1970, los bancos asiáticos no estaban representados en el Centro. Hoy, bancos japoneses, chinos, hindúes y coreanos forman casi el 10% del total. Los bancos latinoamericanos integran el 44.2%, del cual los bancos sudamericanos hacen el 27.4%.

La posición geográfica de Panamá, una economía abierta, amplios servicios de transporte y comunicación internacionales, el uso del dólar de los Estados Unidos como moneda circulante y divisa, el libre movimiento de recursos financieros -no hay restricción de cambios- y una legislación bancaria pragmática y flexible, hacen del Centro bancario de Panamá uno de los más prometedores del mundo.

Según datos suministrados por la Comisión Bancaria Nacional, al 16 de diciembre de 1981, operan en Panamá 118 instituciones bancarias de las cuales 14 son nacionales y 104 son internacionales. Dos de estos bancos son oficiales. Un total de 42 bancos privados operan con licencia internacional, 12 con licencia de representación y 61 con licencia general.

Tipos de cambio: No existe control cambiario sobre las transacciones de capital ya sea que provengan de pago de capital de residentes o no residentes o procedentes de las exportaciones.



Exportar significa:

A CORTO PLAZO: IMAGEN
A MEDIANO PLAZO: CONFIANZA
A LARGO PLAZO: UTILIDAD

DICOMEX

- Suministra asesoría técnica sobre la mejor manera de adecuar sus productos a las exigencias de los compradores extranjeros.
- Investiga y selecciona aquellos mercados mundiales que ofrecen las mejores ventajas para sus productos de exportación.

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CONCENTRATED INVESTMENT DEVELOPMENT TRAINING PROGRAMME

UNIT DESCRIPTION

UNIT II - The Government of Panama

Time: 4 Days

Goal:

To provide participants with an overview of the governments insfastructure and its relationship to the potential investor.

Objectives

Participants will:

- Receive an overview of the method of government and the overall organization.
- become acquainted with individual ICP liaison officers in the various ministries.
- receive a detailed orientation on the organization and functions of specific ministries.
- by the end of the four day period of instruction for thi unit, have a working knowledge of the various ministries associated with potential investors.

Logistics:

Two weeks before training date, make necessary arrangements for site visit to the selected ministries.

Make appropriate arrangments for Board Members to serve on the panel to discuss the political issues and their impact on investments in Panama.

UNIT	METHODOLOGY	TIME
The Government of Panama	*Lecture *Site Visits	4 days
TRAINER		

TRAINER/MATERIALS/EQUIPMENT	PARTICIPANT MATERIALS
*Organizational Chart of the Government Infrastructure *Individual Ministry Organizational Charts	Notebook/pen/pencil

CONTENT REFERENCES

*Constitution of 1972
*Ministry Mission and Functions Manuals

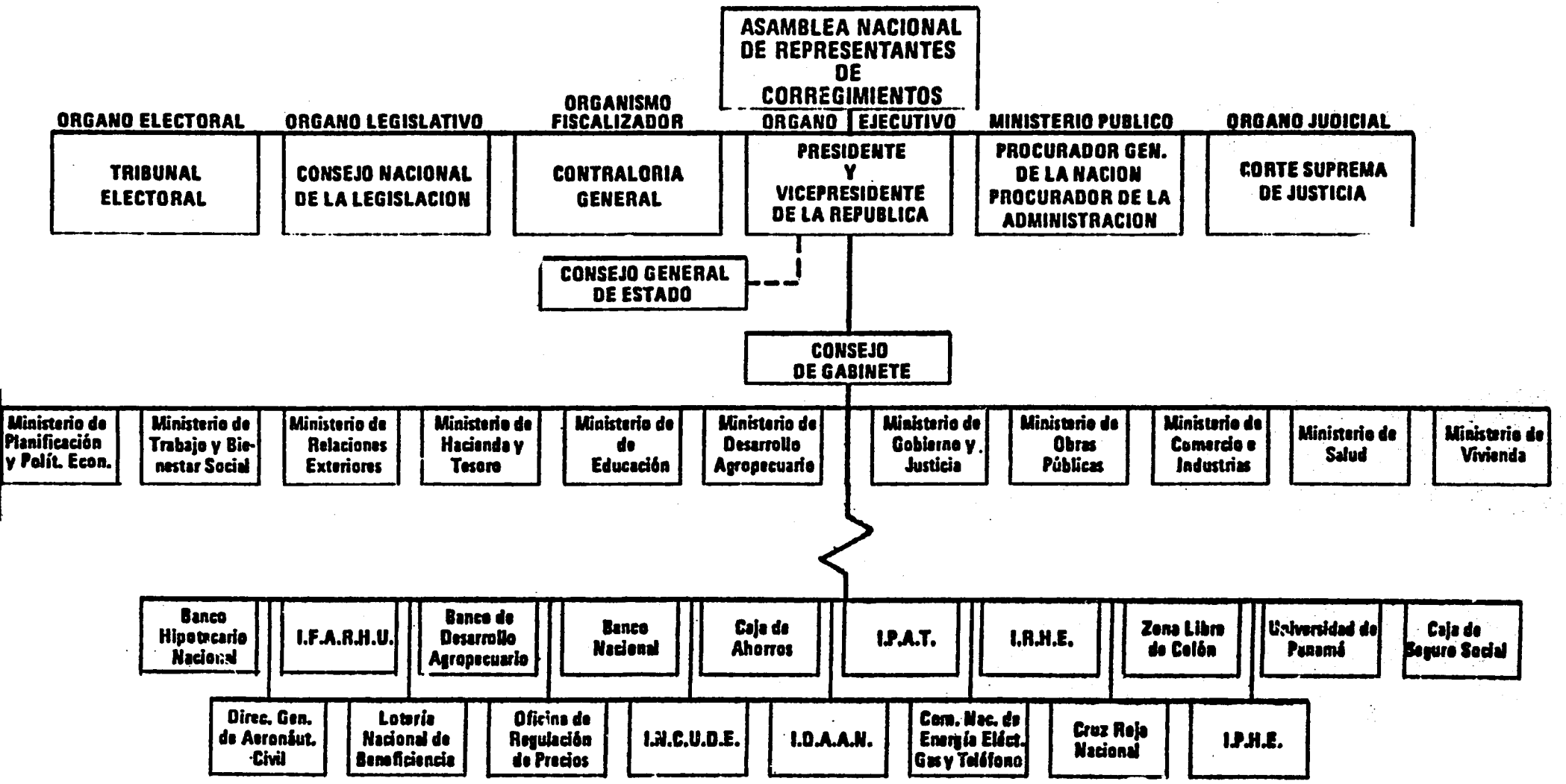
TIME	ACTIVITIES
9:00 am - 9:05 am	Day 1 Review and Linkage: Review previous unit activities and answer any questions participants might have here. Also explain the linkage between the previous unit and this one.
9:05 am - 9:30 am	Lecture: Provide a brief overview of Panama's government explaining the role and relationship of the National assembly to the office of the Presidency and the various ministries. Also cover briefly the ministries and their general function (detail will be covered during the site visit to selected ministries).

TIME	ACTIVITIES
9:30 am - 10:30 am	Panel Discussion: Selected Members of the Board of Directors (3 government and 2 from the private sector) will discuss the current political situation and how it affects the potential investor. Participants will be encouraged to ask questions. Each panelist should limit his remark to five minutes.
10:30 am - 10:45 am	Coffee Break
10:45 am - 11:00 am	Enroute to the Ministry of Commerce and Industry
11:00 am - 12:15 am	Group Discussions: The ICP Liaison Officer at the Ministry of Commerce and Industry will provide a detailed description of the mission and functions of the various elements of the Ministry. Emphasis will be placed on those elements that directly impact on the ICP and its services to investors. Participants will be encouraged to ask questions.
12:15 am - 1:30 pm	Lunch
1:30 pm - 3:00 pm	Site visit and Group Discussion with Liaison Officer at the Ministry of Health. (See above for format.) Special attention to food and drug regulations and quarantine requirements.
3:00 pm - 3:15 pm	Enroute to Ministry of Labour and Social Services.
3:15 pm - 4:45 pm	Site visit and Group Discussion with Liaison Officer at the Ministry of Labour and Social Services.
4:45 pm - 5:00 pm	Enroute to ICP offices.
5:00 pm - 5:15 pm	Review and summary of the day's activities.
	Day 2 Activities for Day 2 will follow the same format for site visits to Ministries as those on the previous days.
8:30 am - 8:45 am	Review schedule for the day. Participants will receive a brief overview of the Ministries to be visited.
8:45 am - 9:00 am	Enroute to Ministry of Public Works.
9:00 am - 10:00 am	Visit with Liaison Officer at Ministry of Public Works.
10:15 am - 11:30 am	Visit with Liaison Officer at the Ministry of Foreign Affairs.
11:30 am - 12:45 am	Lunch

TIME	ACTIVITIES
12:45 am - 2:00 pm	Visit with the Liaison Officer at the Ministry of Planning and Economic Policy.
2:15 pm - 3:15 pm	Visit with the Liaison Officer at the Ministry of Housing
3:30 pm - 4:30 pm	Visit with the Liaison Officer at the Ministry of Finance and Treasury
4:30 pm - 5:00 pm	Review and summary of the day's activities.
8:30 am - 8:45 am	Day 3 Review of previous day's activities and visits to the various Ministries.
8:45 am - 9:15 am	Lecturette: Lead trainer provides a brief introduction and overview of the role of various autonomous and semi-autonomous agencies of the government. This will be followed by site visits to selected agencies.
9:30 am - 10:30 am	Site visit to the Directorate of Civil Aviation (The format for this and subsequent site visits is similar to those to the ministries.)
10:45 am - 12:15 am	Site visits to the National Institute for Telecommunications.
12:15 am - 1:30 pm	Lunch
1:30 pm - 2:30 pm	Site visit to the National Institute of Water and Sewage.
2:45 pm - 4:30 pm	Site visit to the National Finance Corporation.
4:45 pm - 5:00 pm	Review and summary of the day's activities.
8:30 am - 8:45 am	Day 4 Revoew schedule for the day.
9:00 am - 10:30 am	Site visit to the Office of the Comptroller General.
10:45 am - 12:15 am	Site visit to the Agricultural Development Bank.
12:15 am - 1:30 pm	Lunch
1:30 pm - 4:00 pm	Site visit to the National Port Authority. Tour of Port Facilities.

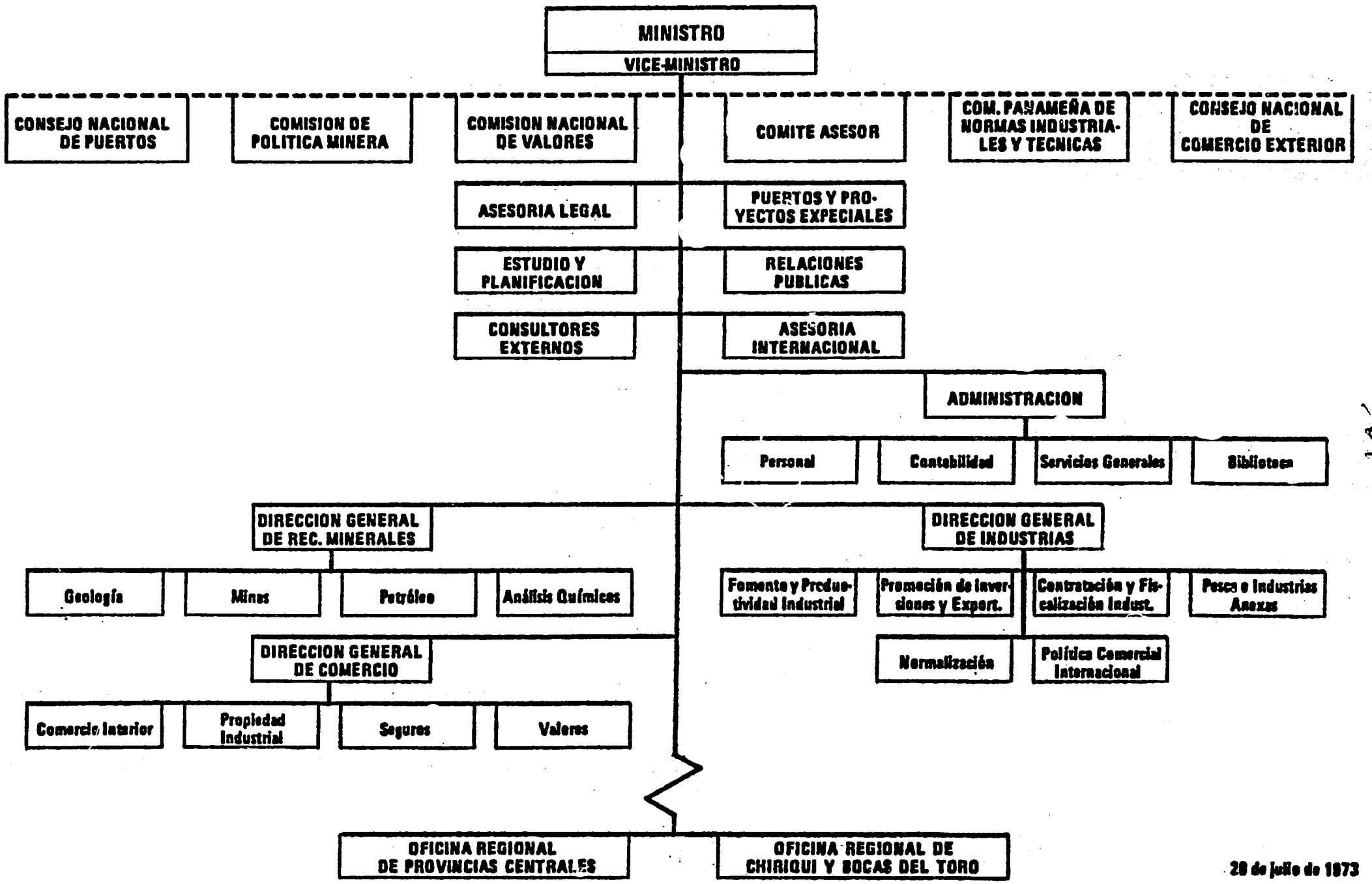
TIME	ACTIVITIES
4:15 pm - 4:30 pm	Review and summary of day's activities. Training Coordinator will also remind participants to read and study Panama's Labour Code in preparation for the next unit. (Unit III)

ORGANIGRAMA DE ACUERDO CON LA CONSTITUCION POLITICA DE 1972*



*Disposiciones Transitorias: ARTICULO 277. Se reconoce como Líder Máximo de la Revolución panameña al General de Brigada Omar Torrijos Herrera, Comandante Jefe de la Guardia Nacional. En consecuencia, y para asegurar el cumplimiento de los objetivos del proceso revolucionario, se le otorga, por el término de seis años, el ejercicio de las siguientes atribuciones: Coordinar toda la labor de la Administración Pública; nombrar y separar libremente a los Ministros de Estado y a los Miembros de la Comisión de Legislación; nombrar al Contralor General y al Subcontralor General de la República, a los Directores Generales de las entidades autónomas y semiautónomas y al Magistrado del Tribunal Electoral, que le corresponde nombrar al Ejecutivo, según lo dispone esta Constitución y la Ley; nombrar a los Jefes y Oficiales de la Fuerza Pública de conformidad con esta Constitución, la Ley y el Escalafón Militar, nombrar con la aprobación del Consejo de Gabinete a los Magistrados de la Corte Suprema de Justicia, al Procurador General de la Nación, al Procurador de la Administración y a sus respectivos suplentes; acordar la celebración de contratos, negociación de empréstitos y dirigir las relaciones exteriores.
El General Omar Torrijos Herrera tendrá, además, facultades para asistir con voz y voto a las reuniones del Consejo de Gabinete y del Consejo Nacional de Legislación, y participar con derecho a voz en los debates de la Asamblea Nacional de Representantes de Corregimientos y de los Consejos Provinciales de Coordinación y de las Juntas Comunales.

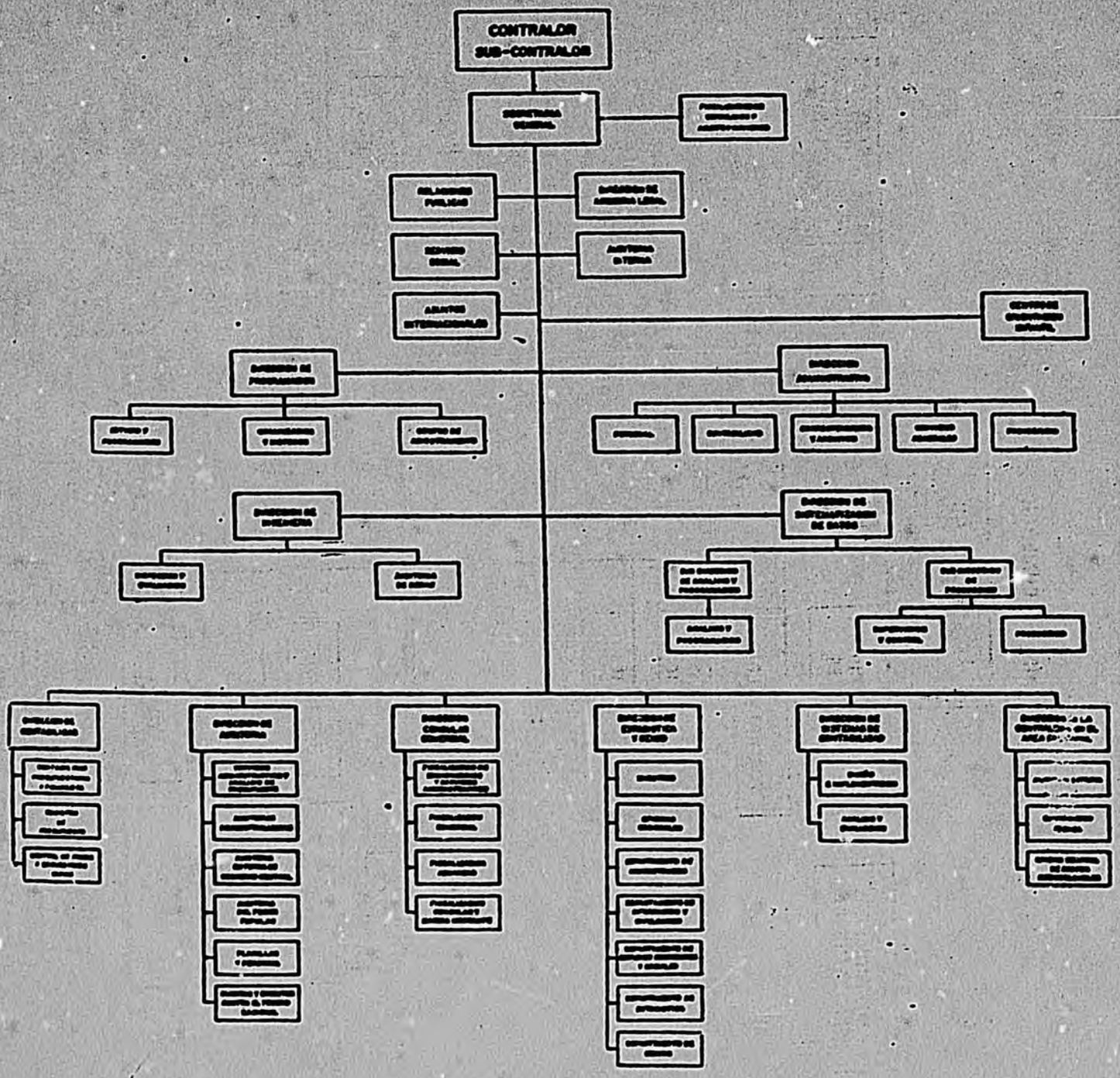
MINISTERIO DE COMERCIO E INDUSTRIAS



29 de julio de 1973

REPUBLICA DE PANAMA

ORGANIZACION DE LA CONTRALORIA GENERAL DE LA REPUBLICA



CONCENTRATED INVESTMENT DEVELOPMENT TRAINING PROGRAMME

UNIT DESCRIPTION

UNIT III - The Labour Code

Time: 6 hours

Goal: To develop an understanding of Panama's labour laws and their impact on potential investors and their operations.

Objectives:

1. During this period of instruction participants will become familiar with the Labour Code and how it affects both foreign and local investors.

2. By the end of the instruction period participants will be able to:

   Explain the labour code to a potential investor.

Logistics:

Two weeks before the scheduled training date, the Training Coordinator will make necessary arrangments for the panelists' participation. Informal contact will be follo up by a letter requesting their participation.
The Coordinator will also get copies of the Labour Code and assign participants to read the Code on the night preceding this unit.

UNIT III	METHODOLOGY	TIME
The Labour Code	* Lecture * Outside readings * Case study * Practical exercise	6 hours
TRAINER		

TRAINER MATERIALS	PARTICIPANT MATERIALS
Flip Chart Stand Flip Chart Markers	Notebook Pen/pencil Student handout - Blank forms for incentive contract

CONTENT REFERENCES

* Panama: A Business Profile - Arosemena, Noriega y Castro, et al., 1979
* Legislación Sobre Incentivos a la Producción Nacional Manufacturera, Sindicato de Industriales de Panama, March 1980
* Export Panama Panama Exporters Directory, 1982, DICOMEX, Ministry of Commerce and Industry
* Labour Code

TIME	ACTIVITIES
9:00 - 9:15 am	Review: Training Coordinator reviews the previous week's activities with special emphasis on the site visit to the Ministry of Labour and Social Services. Participants will be provided an opportunity to ask questions.
9:15 - 9:30 am	Lecture: Training coordinator/Lead Trainer provides a brief overview on the history of labour in Panama leading to the development of the current labour code.
9:30 - 9:45 am	Coffee Break
9:45 - 12:00 Noon	Panel Discussion: A group of 3-4 people representing the Ministry of Labour, ICP staff, and a member of a local union will discuss the provisions of the labour code. (The purpose of this discussion is to become fully knowledgeable of the labour code provisions and how they affect potential investors. Every effort should be made to avoid confrontation on sensitive issues.)

TIME (Continued)

9:45 - 12:00 Noon (Con't)	Participants will be encouraged to ask questions either during the panelist's presentation or afterward, according to the wishes of the panelists.
12:00 - 1:30 pm	Lunch
1:30 - 4:30 pm	Group Discussion: The Training Coordinator will make arrangements for a roundtable group discussion between participants and senior ICP staff (preferably the Office Chiefs that have considerable experience in this area) to explore the implications of the Labour Code for new investors. Sample case studies should be discussed. The group may also, at this time, consider developing appropriate recommendations for the Board of Directors for modification of the Labour Code.
4:30 - 4:45 pm	Summary: Training Coordinator will summarize the day's activities and assign outside reading in preparation for the next day. Participants will read the booklet "Legislación Sobre Incentivos a la Producción Nacional Manufacturera."

Concentrated Investment Development Training Program

Unit Description

UNIT IV - Investment Incentives

TIME: 6 hours.

GOAL: To gain an understanding of the various incentives for investors.

OBJECTIVES: Participants will study the various decrees on investment incentives and be able to explain them to a potential investor. In addition by the end of this unit of instruction participants will be able to explain the steps in processing an incentive contract between the government and the investor.

LOGISTICS: None

UNIT IV Investment Incentives	METHODOLOGY	TIME
TRAINER	* Lecture * Group discussion * Case studies	6 hours

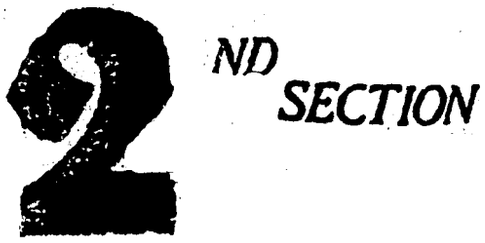
TRAINER MATERIALS	PARTICIPANT MATERIALS
Flip Chart Stand Flip Chart Marker	Notebook Pencil/pen Student handout - Blank forms for inactive contracts

CONTENT REFERENCES

* Legislación Sobre Incentivos a la Producción Nacional Manufacturera, Sindicato de Industrias de Panamá, March 1980.
* Export Panama, Panama Exporters Directory, 1982, DICOMEX, Ministry of Commerce and Industry.
* Doing Business in Panama, Price Waterhouse & Co., July 1980.

TIME	ACTIVITIES
9:00 - 9:15 am	Review: Training Coordinator will review previous day's activities and allow participants to ask any questions.
9:15 - 10:15 am	Lecture: The lead trainer will provide an overview of the various incentive decrees, explain their specific purpose and provisions, and cite examples of how they may be used to attract investments to Panama.
10:15 - 10:30 am	Coffee break
10:30 - 12:00 Noon	Group Discussion: Participants will discuss the reading assignment and their understanding of the legislation. Allow for questions and answers.

TIME	ACTIVITIES
12:00 - 1:30 p.m.	Lunch.
1:30 - 4:30 p.m.	Case Studies: Lead trainer will present several actual cases, to include projects under the Maquila Program, to demonstrate how the various incentives decrees were used. Trainer will also explain how a Contract between the government and an investor is processed.
4:30 - 4:45 p.m.	Summary: Trainer will review the day's activities and answer any final questions.



FOREIGN TRADE

BALANZA COMERCIAL
(Miles de Balboas o Dólares U.S.A.)
BALANCE TRADE
(Thousands of Balboas or Dollars U.S.A.)

Año	Exportación (FOB) Export (FOB)	Importación (FOB) Import (FOB)	Saldo Balance
1976	228,102	779,729	-551,627
1977	243,051	777,761	-534,710
1978	244,235	844,797	-600,562
1979	294,739	1,062,913	-768,174
1980	350,615	1,290,434	-939,819

FUENTE: Contraloría General de la República
SOURCE: Contraloría General de la República

The creation of a governmental agency responsible for the promotion of Panama's exports was spurred by the major need to turn around the deficit in the country's balance of payment, which already has reached unprecedented figures.

This deficit behavior is closely linked to the limited diversification of Panamanian exports as to both products and markets, as well as to the low level of processing.

Panama belongs to the so-called Third World -a group of developing countries- and thus is part of the group of countries producing and exporting some basic products to international markets in developed countries, also comprising a small group.

This is borne out by the statistical analysis of Panama's exports by product and market. The average over the past five years shows that 8 products, classified as traditional, account for approximately 80% of exports. This percentage is made up of petroleum products (from crude imported for processing locally), bananas, shrimp, sugar, coffee, fish flour, cocoa and beef. The remaining 20% is made up of non-traditional products. Forty-six per cent of Panama's exports were destined to the United States market and 13% went to Europe, mainly to members of the European Economic Community.

Export promotion is aimed at turning the consumer industrial sector into a source of foreign exchange and an agent for diversification of primary export products.

The implementation of this economic policy involves managing the various instruments needed for export development, including: fiscal and exchange incentives, financial resources, international credit and transport insurance systems, trade information centers, commercial offices abroad, fairs, trade missions, etc.

Panama has developed its own system in this field. It has reached into the capitalist markets through coffee, cocoa, bananas, shrimp and sugar production. Law 413 of 1970, providing incentives for domestic manufacturing production, marked the start of export promotions, now assigned to the General Directorate of Foreign Trade of the Ministry of Commerce and Industry.

Law 108 of 1974, authorizing the issuance of Certificates of Tax Installment Payments, is part of the Panamanian effort to create instruments for

HOW TO EXPORT

Requisites and the best procedures depend on the nature and destination of the product to be exported. The following documents (with varying number of copies) are required for exporting Panamanian products:

EXPORT DOCUMENTS AND PROCEDURES

1. CUSTOMS FORM (Export and Reexport Declaration). (One original and six copies are recommended).

To obtain it: The exporter should submit a commercial invoice to a customs broker who will transcribe the information to the Customs Form for Export-Reexport Declaration or to the Customs Form used for exporting under bilateral treaties. Customs brokers are empowered by law to issue the documentation.

2. COMMERCIAL INVOICE (One original and three copies are recommended).

This document is prepared by the exporter; it sets forth, as required by Panama's customs regulations, specifications of the goods such as unit price, total value, quantity and description of the goods.

3. PACKAGE LIST (one original and four copies are suggested).

This is an inventory of the contents of each crate in a shipment. It is prepared by the person arranging the export shipment and sets forth the quantity and specifications by item. It is required for customs control of the exporter and the importer.

4. CERTIFICATE OF ORIGIN (One original and three copies are recommended).

It sets forth information on the origin of the goods, the raw materials used in the manufacture and the name and address of the exporter.

To obtain it: Submit a copy of the commercial invoice covering the shipment. This certificate is issued by the following agencies:

a. Panamá Chamber of Commerce, Industries and Agriculture.
b. Industrialists Union of Panama.
c. Institute of Agricultural Marketing - International Marketing.
d. Ministry of Commerce and Industries - Directorate of Foreign Trade (S.G.P.) - Directorate of Marine Resources.
e. Ministry of Agricultural Development - National Directorate of Livestock Products - Directorate of Renewable Natural Resources.

FORM A: Form A also serves the purposes of the Certificate of Origin and was designed especially for use with exports conducted under the Generalized Preference System (SGP).

System of which Panama is a beneficiary country, are the following:

a. GEC
b. United States
c. Canada
d. Japan
e. Switzerland
f. Australia
g. Austria
h. Sweden
i. Finland
j. Norway
k. New Zealand
l. Bulgaria
m. Czechoslovakia
n. Hungary
o. Poland
p. U.S.S.R.

5. OTHER CERTIFICATES

CERTIFICATE OF QUALITY (One original and three copies). Issued by the University of Panama.

It is used generally upon the request of the importer. Some analysis are certified by COPANIT, it is necessary to issue certificates based on required quality norms.

PHYTOSANITARY CERTIFICATE (One original and three copies). Issued by the Department of Plant Sanitation and Agricultural Quarantine (Ministry of Agricultural Development). Certifies the absence of plagues, insects or endemic diseases in shipments of agricultural products.

CERTIFICATE OF PUBLIC SANITATION (One original and three copies). Issued by the Ministry of Health. Certifies the absence of toxic chemical and organic substances, purity of component elements, indexes of biological tolerance, etc., in processed foods and pharmaceutical products

CERTIFICATE OF ANIMAL HEALTH (One original and three copies). Issued by the Directorate of Agricultural Inspection and Quarantine of the Ministry of Agricultural Development. Used for exporting livestock products or live animals. Certifies the absence of foreign toxic substances or biological matters in livestock products and the absence or epidemic diseases in live animals for export.

6. SPECIAL DOCUMENTS (One original and three copies).

In some cases, special permits are required for exporting under the lists published by the Ministry of Commerce and Industries, the Office of Price Regulation and the Institute of Agricultural Marketing.

DIRECTORATE GENERAL OF FOREIGN TRADE (DICOMEX)

WHAT IS DICOMEX

It is an agency assigned to the Ministry of Commerce and Industries, charged with the objective of stimulating foreign trade and strengthening the Balance of Payments by promoting exports in close association with the country's economic and social development programs.

WHAT DICOMEX DOES

As to exports, "Dicomex

a) Identifies new exportable products.

b) Identifies problems connected with exports and applies corrective measures.

c) Establishes a policy of expansion into new markets for national export products.

d) Promotes and strengthens nontraditional exports through direct action to foster production in the various industrial and agricultural sectors.

e) Evaluates the export capacity of the various industries.

f) Conducts research on prices, technology, possibilities and outlook of foreign markets.

g) Reviews commercial agreements and suggests the advisability of entering into those which are advantageous to the country's development by opening up new markets to diversify and increase exports.

h) Carries out training programs on exports with the assistance of international agencies.

i) Analyzes procedures, mechanisms and other requisites affecting imports in other countries.

j) Establishes the necessary contacts between Panamanian producers and foreign buyers.

k) Recommends export incentives.

l) Advises, coordinates, sponsors and participates in exhibits, international fairs and commercial and industrial missions.

m) Administers, supervises and coordinates commercial information activity as a source for channelling export promotions.

Table 2

F.O.B. VALUE OF MERCHANDIZE IN THE TRADE BETWEEN PANAMA AND THE CENTRAL AMERICAN AREA OF FREE TRADE UNDER PREFERENTIAL TARIFFS FOR THE YEARS 1979—1981 (IN BALBOAS)

Countries	1979			1980			1981 (1)		
	Imports	Exports	Balance	Imports	Exports	Balance	Imports	Exports	Balance
Total	27,260,527	21,449,591	(5,810,930)	37,488,437	29,591,885	(7,896,552)	23,738,890	10,988,705	(12,750,185)
Costa Rica	17,238,217	15,043,445	(2,194,772)	24,480,296	19,800,820	(4,679,476)	15,634,635	6,339,054	(9,235,581)
Guatemala	5,380,445	1,351,018	(4,029,427)	8,652,140	3,366,296	(5,285,844)	5,395,303	1,498,363	(3,896,940)
El Salvador.	3,029,280	3,885,444	856,164	3,126,161	4,079,680	953,519	1,708,216	1,737,535	29,319
Honduras.	482,786	740,487	275,701	487,626	1,162,862	675,236	427,545	586,529	158,984
Nicaragua	1,129,799	429,197	(700,602)	742,214	1,182,227	440,013	573,191	767,224	194,033

(1) Only includes the first semestre of 1981.
SOURCE: Customs documents pertaining to the Treaties of Free Commerce and Preferential exchange signed with Central America.

PANAMANIAN COMMERCIAL COUNSELLORS ABROAD

USA
MR. LEON VARELA
Commercial Attaché
Panamanian Embassy
2862, Mc Gill Terrace, N.W.
Washington, D.C. 20008
Tel. (202) 483-1407, 483-1413

USA
MR. JESUS R. CHECA
Commercial Advisor
Panamá Center
848, Brickell Ave,
Suite 1200 D.
Miami, Florida 33131
Tel. (305) 379-7280

SWITZERLAND
MR. ROGELIO TRIBALDOS, A.
Commercial Attaché
Panamanian Consulate
Owenstrasse 19 P.O. Box 8023
Zurich I
Tel. 01-221-3989

2ª Sección

COMERCIO EXTERIOR

BALANZA COMERCIAL
(Miles de Balboas o Dólares U.S.A.)
BALANCE TRADE
(Thousands of Balboas or Dollars U.S.A.)

Año	Exportación (FOB) Export (FOB)	Importación (FOB) Import (FOB)	Saldo Balance
1976	228,102	779,729	-551,627
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1978	244,235	844,797	-600,562
1979	294,739	1,062,913	-768,174
1980	350,615	1,290,434	-939,819

FUENTE: Contraloría General de la República
SOURCE: Contraloría General de la República

La creación de una dependencia gubernamental encargada de la promoción de las exportaciones de Panamá ha sido impulsada por la importante necesidad de invertir la tendencia deficitaria de la balanza de pagos que se ha venido desarrollando hasta alcanzar cifras sin precedentes.

Este comportamiento deficitario está íntimamente relacionado con la escasa diversificación de nuestras exportaciones en cuanto a productos y mercados, así como al reducido grado de procesamiento de los productos.

Panamá pertenece a los países del Tercer Mundo, o sea los que están en vías de desarrollo, y constituye junto con otros un grupo de productores y exportadores de algunos renglones básicos para suplir mercados internacionales de otro número reducido de países desarrollados.

Esta afirmación se comprueba mediante el análisis estadístico de las exportaciones de Panamá según productos y mercados. El promedio de los últimos cinco años indica que ocho productos, considerados tradicionales, representan aproximadamente el 80% de las exportaciones. Este porcentaje lo componen los productos derivados del petróleo, bananos, camarones, azúcar, café, harina de pescado, cacao y carnes. El otro 20% lo forman los llamados productos no tradicionales. De estas exportaciones el 46% fueron con destino al mercado de los Estados Unidos de Norteamérica y el 13% a Europa, especialmente a los países de la Comunidad Económica Europea.

El objetivo de la promoción de las exportaciones es el de convertir al sector industrial consumidor en generador de divisas y diversificador de las exportaciones de productos primarios.

La aplicación de esta política económica conlleva la administración de los diversos instrumentos necesarios para el fomento de exportaciones, tales como: incentivos fiscales y cambiarios, recursos financieros, sistemas de seguros de crédito y transporte internacional, centrales de información comercial, oficinas comerciales en el exterior, ferias, misiones comerciales, etc.

Panamá ha desarrollado su propio proceso dentro de este campo; ha llegado al mercado capitalista con la producción de café, cacao, banano, camarones y azúcar. La Ley 413 de 1970 sobre Incentivos a la Producción Nacional Manufacturera inicia la promoción de las exportaciones, hoy a cargo de la Dirección General de Comercio Exterior del Ministerio de Industria y Comercio.

La Ley 108 de 1974 por medio de la cual se otorgan los Certificados de Abono Tributario, forma parte de los esfuerzos de Panamá por crear instrumentos para incentivar las exportaciones no tradicionales.

Las exportaciones de Panamá durante el año 1981 con relación a 1980 han

COMO EXPORTAR

La acción que pone en marcha el proceso de exportación, es la recepción del pedido del comprador. Previamente, en la cotización se han establecido los términos de la venta incluyendo precios por producto, calidad, especificaciones de estilo, color, dimensiones, peso, forma de empaque, medio de transporte, fecha de entrega y forma de pago. En el pedido, se confirman todos estos detalles en forma explícita o se hace referencia a la cotización recibida.

De acuerdo con la naturaleza y el destino del producto a exportar, se llevan los requisitos y se sigue el procedimiento más recomendable. Para la exportación de productos panameños se requieren los siguientes documentos variando el número de copias.

Documentos y Trámites de Exportación

1. FORMULARIO ADUANERO (Declaración de Exportación y Reexportación). (Se recomienda un (1) original y seis (6) copias.

Para su obtención: El interesado deberá presentar al corredor de aduana una factura comercial para que éste pueda transcribir los datos al formulario Aduanero de Declaración de Exportación-Reexportación o el formulario Aduanero que se utiliza para exportar al amparo de los Tratados Bilaterales; de esta forma podrá obtener esta documentación, ya que ellos (corredores de aduana) están facultados por la ley para su expedición.

2. FACTURA COMERCIAL (Se recomienda un (1) original y tres (3) copias.)

Documento que confecciona el exportador y que de acuerdo a nuestras reglamentaciones aduaneras indica las especificaciones de la mercadería tales como: Precio unitario, valor total, cantidad y descripción de la mercadería.

3. LISTA DE EMPAQUE (Se sugiere un (1) original y cuatro (4) copias).

Consiste en el inventario del contenido de cada bulto dentro de un embarque. La elabora la persona que prepara el embarque de exportación, indicando la cantidad y las especificaciones por artículo. Es requisito para el control de la aduana del exportador y el importador.

4. CERTIFICADO DE ORIGEN (Se recomienda (1) un original y tres (3) copias).

Consigna información sobre el origen de la mercadería, de la materia prima utilizada para su fabricación y el nombre y dirección del exportador.

Para su obtención: Es necesario presentar una copia de la factura comercial que ampara el embarque.

Este certificado es expedido por las siguientes entidades:

a. Cámara de Comercio, Industrias y Agricultura de Panamá.
b. Sindicato de Industriales de Panamá.
c. Instituto de Mercadeo Agropecuario – Mercadeo Internacional.
d. Ministerio de Comercio e Industrias - Dirección de Comercio Exterior (S.G.P.)* Dirección de Recursos Marinos.
e. Ministerio de Desarrollo Agropecuario - Dirección Nacional de Productos Pecuarios - Dirección de Recursos Naturales Renovables.

FORMULARIO A:

El Formulario A también cumple las funciones de Certificado de Origen y se diseñó especialmente para ser utilizado en aquellas exportaciones que se hagan al amparo del Sistema Generalizado de Preferencias (SGP).

Los países que han establecido un Sistema Generalizado de Preferencias, del cual Panamá es país beneficiario, son los siguientes:

a. Comunidad Económica Europea
b. Estados Unidos
c. Canadá
d. Japón
e. Suiza
f. Australia
g. Austria
h. Suecia
i. Finlandia
j. Noruega
k. Nueva Zelandia
l. Bulgaria
m. Checoslovaquia
n. Hungría
ñ. Polonia
o. U.R.S.S.

5. OTROS CERTIFICADOS

CERTIFICADO DE CALIDAD (Un (1) original y tres (3) copias). Es expedido por la Universidad Nacional de Panamá. Se utiliza generalmente a petición del interesado (importador). Algunos análisis son refrendados por COPANIT; es necesario expedir certificaciones basadas en normas de calidad exigidas.

CERTIFICADO FITOSANITARIO (Un (1) original y tres (3) copias. Lo extiende el Departamento de Sanidad Vegetal y Cuarentena Agropecuaria (M.I.D.A.). Certifica la ausencia de plagas, insectos o enfermedades endémicas en los embarques de productos agrícolas

CERTIFICADO DE SANIDAD ANIMAL (Un (1) original y tres (3) copias). Extendido por la Dirección de Inspección y Cuarentena Agropecuaria del M.I.D.A. Se utiliza para la exportación de productos pecuarios o de animales vivos. Certifica la ausencia de sustancias tóxicas o materias biológicas extrañas en los productos pecuarios y la ausencia de virus o enfermedades epidémicas en los animales vivos a exportar.

CERTIFICADO DE SANIDAD PUBLICA (Un (1) original y tres (3) copias). Extendido por el Ministerio de Salud y certifica la ausencia de substancias tóxicas químicas y orgánicas, pureza de elementos componentes, índices de tolerancia biológica, etc., en alimentos procesados y productos farmacéuticos.

6. DOCUMENTOS ESPECIALES (Un (1) original y tres (3) copias).

En algunos casos se requieren permisos especiales para efectuar la exportación de acuerdo a las listas publicadas por el Ministerio de Comercio e Industrias, Regulación de Precios e Instituto de Mercadeo Agropecuario.

DIRECCION GENERAL DE COMERCIO EXTERIOR (DICOMEX)

QUE ES LA DICOMEX

Es un organismo adscrito al Ministerio de Comercio e Industrias, cuyo objetivo es estimular el Comercio Exterior y fortalecer la Balanza de Pagos mediante el fomento de las exportaciones en estrecha vinculación con los programas de desarrollo económico y social del país.

QUE HACE DICOMEX

En cuanto a las exportaciones tiene los siguientes objetivos:

a) Identifica nuevos productos exportables.

b) Identifica los problemas relacionados con las exportaciones y aplica medidas correctivas.

c) Establece una dinámica de expansión hacia nuevos mercados para los productos de exportación nacionales.

d) Promueve las exportaciones no tradicionales y evita su deterioro mediante la acción directa de promoción de la producción en los diversos sectores industriales y agrícolas.

e) Evalúa la capacidad exportadora de las industrias.

f) Desarrolla investigaciones de precios, tecnología, posibilidades y perspectivas de los mercados extranjeros.

g) Revisa tratados comerciales y sugiere la conveniencia de suscribir aquellos que significan ventajas para el desarrollo del país, permitiendo la apertura de nuevos mercados para diversificar e incrementar las exportaciones.

h) Realiza programas de capacitación en materia de exportaciones con la colaboración de organismos internacionales.

i) Analiza los procedimientos, mecanismos y otros requisitos que afectan las importaciones en otros países.

j) Establece los contactos necesarios entre productores panameños y compradores extranjeros.

k) Recomienda incentivos a la exportación.

l) Asesora, coordina, patrocina y participa en exposiciones, ferias internacionales y misiones comerciales e industriales.

m) Administra, supervisa y coordina la actividad de información comercial como fuente para canalizar la promoción de exportaciones.

Cuadro No. 2

VALOR F.O.B. DEL INTERCAMBIO COMERCIAL ENTRE PANAMA Y LOS PAISES CENTROAMERICANOS AL AMPARO DEL TRATADO DE LIBRE COMERCIO E INTERCAMBIO PREFERENCIAL – AÑOS 1979-1981 (EN BALBOAS)

PAISES	1979			1980			1981 (1)		
	Importación	Exportación	Saldo	Importación	Exportación	Saldo	Importación	Exportación	Saldo
Total	27,260,527	21,449,591	(5,810,930)	37,488,437	29,591,885	(7,896,552)	23,738,898	10,988,785	(12,750,185)
Costa Rica	17,238,217	15,043,445	(2,194,772)	24,480,296	19,800,820	(4,679,476)	15,634,635	6,339,054	(9,235,581)
Guatemala	5,380,445	1,351,018	(4,029,427)	8,652,140	3,366,296	(5,285,844)	5,395,303	1,498,363	(3,896,940)
El Salvador	3,029,260	3,885,444	856,164	3,126,161	4,079,680	953,519	1,708,216	1,737,535	29,319	
Honduras	464,786	740,487	275,701	487,626	1,162,862	675,236	427,545	586,529	158,984
Nicaragua	1,129,799	429,197	(700,602)	742,214	1,182,227	440,013	573,191	767,224	194,033

Nota: (1) Sólo está incluído el 1er. semestre de 1981.
Fuente: Formularios aduaneros aplicables a los Tratados de Libre Comercio y de Intercambio Preferencial suscrito en Centroamérica.

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RD SECTION

export panama
DIRECTORIO DE EXPORTADORES DE PANAMA 1982

EXPORT GUIDE

Incentive Law for National Manufactured Products

CABINET DECREE No. 413
Of December 30, 1970

As published in Official Gazette No. 16767 of January 1, 1971. By which a new legislation on incentives for national manufacturing production is adopted:

THE PROVISIONAL GOVERNMENT JUNTA

WHEREAS

- To provide the conditions necessary for a greater development of the Nation as a principle of economic policy.
- Industrial development constitutes one of the most important factors to achieve the economic development of the Nation.
- Measures must be taken to promote industrial development, geographically balanced, by means of granting special incentives for the installation of plants in identified areas of hinterland.
- It is necessary to stimulate exports and a rational substitution of imports.
- For achieving these purposes it is essential to grant fiscal incentives to the national manufacturing production.
- According to the above, a reform of the present legislation on fiscal incentives for the national manufacturing production is necessary.

A CABINET DECREE IS AMENDED

CABINET DECREE No. 172
(Of August 24, 1971)

Whereby the Cabinet Decree No. 413 of December 30, 1970, which adopted a new legislation on incentives for national manufacturing production is modified.

THE PROVISIONAL GOVERNMENT JUNTA

WHEREAS

1. Industrial development is one major area for the economic development of the Nation;
2. Present legislation does not fully meet national economic policy requirements;
3. Incentives must be granted for national manufacturing production, achieving at the same time a better geographical distribution through the granting of incentives.

DECREES:

CHAPTER I

PURPOSE AND FIELD OF APPLICATION

FIRST: The State will grant adequate stimulus through contracts, according to the present Cabinet Decree, to the national or foreign enterprises contributing to the welfare of the Nation, and which are convenient for the economic advancement and development of the Nation.

SECOND: For the purposes of this Cabinet Decree, industrial Enterprises will be taken as those engaged in the transformation of national or foreign raw materials and semimanufactured or intermediate products, and also assembling enterprises.

PARAGRAPH: Enterprises engaged in complementary activities such as marketing of industrial products, packing of products or gathering of farm, cattle, forest of fishing materials, without an industrial process intervening, will not qualify to receive the benefits from this Decree.

Enterprises engaged in the production of farm, cattle, forest or fishing, raw materials and to its transformation as an integrated industrial process, may avail themselves of the benefits of this Law for the whole of their integrated operations.

CHAPTER II

OF THE BENEFITS

THIRD: The industrial enterprises that avail themselve of the status of this Cabinet Decree and devote their whole production to export will enjoy the fiscal incentives established by the following articles:

a) Total (100%) exemption during the term of validity of the contract, of duties, taxes, tariffs, rates or du-

ties of whatever class or name, on the import of machinery, equipment and spare parts to be used in the production process. Excluded are, construction materials, vehicles, office furniture and equipment, and any other input not to be used in the production process.

b) Total (100%) exemption during the term of validity of the contract, of duties, taxes, tariffs, rates or duties of whatever class or name, on the import of raw materials, semi-manufactured products or any other inputs such as the containers or packaging going into the composition or into the process of manufacturing the product.

c) Total (100%) exemption during the term of validity of the contract, of duties, taxes, tariff rates or duties of whatever class or name on the import of fuels and lubricants used in the manufacturing activities of the firm.

d) Total (100%) exemption, during the term of validity of the contract, from income pax payments on the benefits from its exports, exceptions made of extractive industries or of those employing the natural resources availing themselves of this Cabinet Decree, even though they devote only parts of their productions to exports.

e) Total (100%) exemption, during the term of validity of the contract, from export taxes.

f) Total (100%) exemption, during the term of validity of the contract, from sale taxes.

g) Total (100%) exemption, during the term of validity of the contract, from taxes on the capital or the assets of the enterprise, exception made of license fees and real estate taxes.

h) All other exemptions and benefits hereby established.

FIRST PARAGRAPH: Export is understood to be the sale of products outside the national territory, even though it derives from contracts entered into within the country. Exportation is also the sale of products and packages manufactured nationally in the local market, as long as the seller of such products and packages dedicates himself exclusively to supplying them to companies devoting not less than 90% of their sales to exports.

Likewise, it will consider as export the sales made within the Panamanian territory called Panama Canal Zone, as long as it will not be a part of the Panamanian Customs Territory.

SECOND PARAGRAPH: An assesment of three per cent (3%) of all taxes and other fiscal duties exempted in each case for enterprises benefited hereunder is established. The yield from this assesment will be used to pay the expenses of technical assistance and industrial scientific reasearch services.

FOURTH: Companies which do not wish to operate under the exemption mentioned in Article 3, clause d, but still choose to pay the income tax, will have the right to receive from the Government, throught the National Bank, and as a loan, for a term of up to five (5) years, an amount equivalent to the total tax they would have paid during the two preceding years. Such loan will be granted at an interest rate not higher than fifty percent (50%) of the bank's interest rate on that date. The Nation reserves its rights to change proportionally the interest rate in case the banking rate increases.

FIFTH: The enterprises availing themselves of the policy of this Cabinet Decree and alloting their production to the domestic market will enjoy the fiscal incentives provided in the following paragraphs:

a) Total (100%) exemption, during the term of validity of the contract, from import duties, and from taxes, tariffs rates or duties of whatever class or denomination on the import of machinery, equipment and spare parts to be used in the production process. Exclusion is made of construction materials, vehicles, office furniture and equipment, and of any other input not to be used in the production process.

b) Total (100%) exemption, during the term of validity of the contract, from import duties, taxes, tariff rates or duties of whatever class or denomination on the import of raw materials, semi-manufactured products or any other input, as well as on containers or packagings, fuels and lubricants going into the composition and manufacturing process of products to be alloted to the domestic market.

c) Exemption from income tax over net profits reinvested in expansion of plant capacity or in producing new items, provided it is made in fixed assets in the proportion in which such reinvestment will be greater than 20% of the net taxable income during the corresponding fiscal year.

d) Special system for carrying losses over for income tax payment purposes, so that losses during any year of operations within the effectiveness of the contract may be deducted from taxable income within the three (3) years immediately succeeding the one in which they were incurred. The deduction may be effected during any of the three years or spread over them. Losses not deducted during the period referred to in this article may not be deducted in subsequent years nor will they cause whatsoever rebate from the National Government.

e) Calculation of assets depreciation, using one of the following methods:

1. Applying annually at 12.5% of the Value of their machinery and equipment, without exceeding the residual value of same.

2. Applying a fixed and constant percentage over the decreasing value of the total investment without deduction of residual value.

The percentage will not exceed the double of the maximum depreciation percentage established in the Depreciation Table of the Fiscal Code in effect on the corresponding fiscal year or in the International Revenue Service Resolution in the case of enterprises having obtained percentages different from those established in the Fiscal Code.

Once the taxpayer has adopted a depreciation method for a given asset, he will not be allowed to change it without prior authorization from the Internal Revenue Service.

PARAGRAPH: An assessment of three percent (3%) of all taxes and other fiscal duties exempted in each case for enterprises benefited hereunder is established. The yield from this assessment will be used to pay the expenses of technical assistance and industrial scientific research services.

SIXTH: Article Six in Cabinet Decree No. 413 of December 30, 1970, is repealed.

SEVENTH: Enterprises established or to be established at the Districts of David, Renacimiento, Santiago, Chitré, Los Santos, Las Tablas, Aguadulce, Natá and Penonomé, wether they devote their production totally or partially to either the domestic market or to export, will be entitled to the following:

a) Total (100%) exemption during the term of validity of the contract, from duties, taxes, tariffs, rates or duties of whatever class or name, on the import of machinery, equipment and spare parts to be used in the production process. Excluded are: construction materials, vehicles, office furniture and equipment, and any other input not to be used in the production process.

b) Total (100%) exemption during the term of validity of the contract, from duties, taxes, tariffs, rates or duties of whatever class or name on the import of raw materials, semi-manufactured products or any input going into the composition or into the manufacturing process of the product.

c) Total (100%) exemption during the term of validity of the contract, from duties, taxes, tariffs, rates or duties of whatever class or name on the import of fuels and lubricants used in the manufacturing activities of the firm.

d) Total (100%) exemption during the term of validity of the contract from paying state taxes on the lots, buildings and facilities devoted to the manufacturing activity concerned.

e) Total (100%) exemption, during the term of validity of the contract, from income tax payments on the benefits from its exports, exceptions made of extractive industries or of those employing the natural resources of the country.

As for earnings from sales to the domestic market, they will be entitled to a 100% exemption from income taxduring the first five (5) years of operations and to a 50% during three (3) years thereafter.

EIGHTH: In order to promote industrial development and stimulate exports, the Nation will,

appropriate incentives to exporting such as:

a) Financial Assistance to promote exports by granting loans at interest rates lower than normal; financing to cover pre-export and post-shipping costs; insurance policies on export credits to protect the seller from the commercial and political risks to which its credits are subjected, and export subsidies in deserving cases.

b) Strengthen the Ministry of Commerce and Industry International Trade Department, in order to conduct marketing studies, to establish communication channels and contacts with private institutions and importers to organize and advise industrial entrepreneurs for them to participate in fairs and shows abroad, to study and formulate programs and to establish adequate bases procuring the development and optimal use of the country's international trade.

c) Cooperate in the financing of feasibility studies and will make available to industrial entrepreneurs economic feasibility studies of industrial projects.

d) Promote the development of industrial parks for the entrepreneurs to obtain lots buildings and other facilities therein at reasonable prices and convenient payment conditions.

e) Strengthen, re-orient and speed up formation of educational programs, oriented as to satisfy the industrial needs of the country at the levels of vocational education accelerated training and on-the-job training.

f) Propitiate the establishment of small industries in the hinterland of the Republic though technical assistance programs as it is defined in the Directives of this Gabinet Decree.

The Economic Development Institute (Instituto de Fomento Económico (IFF) will be authorized to import, free from any duty, machinery and spare parts for small industries requiring it for their development or operations.

Goods purchased by IFE hereunder will be sold at cost through this agency to individuals who may prove they are being or will be engaged in such operations or activities.

CHAPTER III

ON TARIFF PROTECTION

NINTH: Enterprises availing themselves of this Cabinet Degree will enjoy adequate fiscal protection against foreign competition when the national products meet the country's needs regarding quantity, quality and price, as the relevant government agencies will determine. The increase of taxes, duties, fees or charges might be granted only when the enterprises will begin to produce items similar to the foreign items on which the increase of fiscal charges or any other protective measures are to be imposed.

TENTH: All enterprises under a contract pursuant to this Cabinet Degree will be granted special protection against unfair foreign competition in the case it quotes prices for products to be imported into the national territory having dumping characteristics, as defined in Article 17 herein.

ELEVENTH: Excepting a previous authorization from the Ministry of Finance and Treasury, articles im-

ported with total or partial fiscal franchise by enterprises under exemption will not be sold in the Republic until two (2) years after their introduction. In any case they will have to pay the exempted charges. Excepted are raw materials embodied in manufactured products, used containers and sub-products from manufacturing.

TWELFTH: The totality or partially exempted import of machinery, equipment, spare parts and accessories, fuels and lubricants, semi-manufactured and finished products, containers and other components will not be allowed if they are produced in the country in acceptable quantity, quality and competitive prices. It is nevertheless understood that enterprises alloting their whole production to export will be able to import from abroad all their inputs, even if they are produced in the country in acceptable quantity and quality.

Enterprises alloting only part of their production to export will be able to import from abroad, with fiscal franchise, the inputs for those products that will be actually alloted to export, even if those inputs are produced in the country in acceptable quantity and quality.

Discrepancies as to quantity and quality will be settled by the Ministry of Commerce and Industry.

For the purposes of this Cabinet Decree, the following prices will be considered competitive.

a) In the case of non-farming products, those not exceeding by more than 20% the CIF value of foreign products similar to or substitutes for the national ones.

b) In the case of agricultural products, those not exceeding by more than 50% the CIF value of foreign products similar to or substitutes for the national ones.

PARAGRAPH: The prices for enterprises availing themselves of this Cabinet Degree will be fixed by the relevant Government Agencies.

THIRTEENTH: The State reserves the faculty of importing or authorizing the importation of any foreign article similar to those produced by an enterprise protected by this Cabinet Decree, provided such import be necessary to complete the needs of national consumption when national industries are not producing enough to meet such consumption.

CHAPTER IV

THE QUOTA SYSTEM

FOURTEENTH: In order to give adequate protection to themselves of this Cabinet Decree, the import quota system is established, which will be regulated and managed by the Ministry of Commerce and Industry or by the Government Agency the Executive Branch may appoint.

FIFTEENTH: Enterprises entering contracts protected hereunder for request from the Ministry of Commerce and Industries for the establishment of quotas for products similar to those manufactured on the basis of the system herein established.

This includes three kinds of quotas:

1. Quotas for normalizing imports.
2. Quotas for international protection.
3. Quotas for proportional market.

SIXTEENTH: Normalizing quotas have the aim of preventing exaggerated or abnormally high imports to which the knowledge of the beginning of a national production of articles similar to the imported ones may give rise.

Such quotas will be enacted, upon petition by the interested party, when he will file his contract application. The quota will in no case be in effect for a period longer than the one provided in the contract for initiating production.

SEVENTEENTH: The purpose of the Protection limits is to protect local industries against unloyal international competition (dumping). When the customs tariff is not sufficient to avoid that situation, the mentioned limits must be fixed for products manufactured abroad when it is proved that they represent an unloyal competition against one or more national products. It will be understood that international unloyal competition exists when that product's sale price in the country where it is manufactured is higher than the FOB price fixed to the importer requesting it from Panama. It will be also understood that dumping exists when there is a sudden decrease in the price of the product for the Panamanian importers.

EIGHTEENTH: Proportional market quotas have the purpose of securing national consumers a supply of products when domestic producers are not able to provide the amount or quality required by the national market.

CHAPTER V

APPLICATIONS FOR CONTRACT

NINETEENTH: Any natural or juridical person, national or foreign willing to avail himself of the benefits of this Cabinet Decree, will file through a lawyer, the corresponding application at the Ministry of Commerce and Industry on the forms to be supplied for that purpose at the Price of ten balboas (B/ 10.00) each.

TWENTIETH: Attached to the application there will be a technical study containing at least, the following information:

a) The conditions of the market for the Industry involved.

b) Description, quantity and value of the articles to be produced or being produced in the country by the Industry applying, indicating the percentage to be exported and the percentage to be devoted to satisfy national consumption.

c) Personnel to be employed stating number, qualification and salary

d) Raw materials to be used indicating, if they are foreign their origin and the possibilities of replacing then with others locally produced.

e) Value added in the industrial processing.

f) Value; quality and kind of facilities, machinery and equipment to be used.

g) Financial projections of the enterprises for the first five years, starting from the initiation of operations.

h) District of location of the plant or plants and dates on which the enterprises will begin and end its installation and will begin its production if it is not operating already.

i) Description of the product to be produced as for its physical, chemical, biological and composition features.

CHAPTER VI

CONTRACTS, PROCESSING AND EXECUTION

TWENTY FIRST: The benefits and fiscal incentives granted by this Cabinet Decree and the obligation corresponding to each specific case will be convened by contract between the interested party and the Executive Branch through the Ministry of Commerce and Industry. It is understood that all provisions of this Cabinet Decree are embodied in the corresponding contracts and will begin to be in force as of their publication in the industrial Property Bulletin, which will be done within the ten (10) days following signature.

TWENTY SECOND: The applications shall be registered by the Ministry of Commerce and Industry at the time of its presentation in the presence of the applicant or his representative and in a special register kept for that purpose, not excluding the possibility of being denied when not fulfilling the legal requirements and bylaws. A copy of application will be given to the applicant as evidence of receipt.

TWENTY THIRD: The Ministry of Commerce and Industry may require from the applicants additional documents,data and information deemed necessary for the processing of the respective application.

If up to ten (10) working days should elapse without the applicant providing the documents, data or information requested, the Ministry of Commerce and Industry will suspend the processing of the application. However the Ministry of Commerce and Industry may reinitiate and approve the processing of the application, even if said documents were presented after the time stipulated, if the delay was due to force majeure, or to justifiable reasons according to the Ministry's opinion.

TWENTY FOURTH: The applicant will be entitled to receive written information form the Ministry of Commerce and Industry about the status of his application after thirty (30) working days from the date of presentation. Such report must be notified in person to the applicant if he is a natural person, or to its legal representative if it is a juridical person after no more than five (5) working days after the request for the report has been presented.

CHAPTER VII

OBLIGATIONS OF THE ENTERPRISES

TWENTY FIFTH: The fiscal benefits from this Cabinet Decree will be granted to enterprises binding themselves:

a) To invest or to attest having invested in the country and in the authorized activity, the amount shown on the contract, and to maintain same during the duration of the contract.

b) To initiate the investment within the term fixed by the contract, which will not be longer than six (6) months starting from the publication of the respective contract in the Industrial Property Bulletin.

c) To begin production within the term stated in the contract, which will not exceed two years, except in special cases where the nature of the producing activity will require a longer period of time. The term will be computed from the date of the publication of the contract in the Industrial Property Bulletin.

d) To produce and offer to national consumption good quality articles, within their respective class, according to the standards established by the relevant official authority.

e) Employ Panamanians, with the exception of specialized experts and technicians needed who will be requested through an application previously submitted to the Ministry of Commerce and Industry and approved by the Ministry of Labor and Social Welfare. Each foreign expert or technician employed by the enterprise must train, at least, one Panamanian in his special field or offer his services, financed by the enterprise, to the IFARHU or to some technical or vocational school of the country for the training programs of the educational institution for an 18 months period, unless it has been convened upon otherwise with the official agency that approved his contract.

g) To sell its products in the national market wholesale and at prices not higher than those agreed upon with the relevant government agencies.

h) Not to engage or participate in retailing.

i) To establish a performance bond to guarantee the execution of the contract, for an amount equal to 3% of the investments to be carried out according to same. The bond will in no case be more than B/.30,000.00. This bond must be in cash or in Government bonds and will be maintained during the whole term of validity of the contract.

j) To waive any diplomatic claim, in the case of enterprises formed totally or partially with foreign capital.

TWENTY SIXTH: The enterprises availing themselves of this Cabinet Decree agree on taking all reason-

able precautions according to the healthiest industrial practice, for the purpose of preventing pollution of the environment and will comply with all regulations and instructions prescribed by the Nation in this respect.

TWENTY SEVENTH: The Ministries of Finance and Treasury and of Commerce and Industry, in accordance with the rules of this Cabinet Decree, will be responsible for watching over the fulfillment of the obligations contracted by the industrial enterprises availing themselves of the benefits granted by this Cabinet Decree.

TWENTY EIGHTH: To facilitate the discharge of the fiscal duties over the contracts, the enterprises availing themselves of the benefits of this Cabinet Decree will comply with the following requirements:

a) They will keep the record for the true entry of duty-free articles, and this record will be accessible to officials authorized to examine them.

b) They will keep accounting books with records allowing to check inventories, fixed assets, and depreciation according to the laws and regulations in effect for that matter, all at the disposal of officials from the Ministry of Finance and Treasury, and of the Ministry of Commerce and Industry.

c) They will cooperate for the best performance of the provisions of this Cabinet Decree at any given time, by providing the information that may be required by the authorities from the Ministry of Finance and Treasury and of Commerce and Industry relative to the application of the benefits which have been granted to them.

CHAPTER VIII

SANCTIONS

TWENTY NINTH: The non-fulfillment by the enterprises of the obligations provided in Article 25, (a), (b) and (c) in this Decree, will cause the loss of the benefits granted to it and the nullification of the contract without recourse to courts, but by an admininistration routine, unless the enterprise proves that the non-fulfillment is due to an act of God or force majeure, in a way satisfactory to the Ministry of Commerce and Industry.

The Ministry of Commerce and Industry must make known to the Executive Branch the non-fulfillment of any obligation causing the loss of the benefits awarded to the enterprise.

THIRTIETH: Any natural or juridical person, importer of raw materials, fuels, lubricants, containers, packing materials, machinery, equipment and spare parts, semi-manufactured products and any other articles in general, exempted under this Cabinet Decree that will sell, rent, transfer, negotiate, dispose of or in any other way give a use different to the use which the exemption was granted, will be condemned to the payment of a fine equal to three times the unpaid taxes or duties, as well as to the confiscation of the goods in question.

In the case of relapse the fine will be ten (10) times the duties or taxes unpaid and confiscation of the goods in question.

PARAGRAPH 1: When the illicit acts mentioned in this article have been committed with the complicity of Public Administration officials, these will be punished with dismissal, this not excluding the other pertinent sanctions.

PARAGRAPH 2: The Executive Branch, through the respective Ministry, will be the authority empowered to impose the penalties established in this article.

THIRTY FIRST: The obstruction or refusal by the enterprise to allow the revisions and audits of the accounting books and records, as well as the inspection of warehouses, depots, plants, and other facilities will be punished with a fine of B/.500.00 to B/1,000.00, which will be levied by the Ministry of Commerce and Industries.

THIRTY SECOND: Any official or public employee who will divulge or misuse the data required for the application of this Cabinet Decree or blackmails or tries to blackmail the enterprises or its representatives, will be dismissed from his post and deprived of the possibility of performing any job in the public administration for a period of five years, other responsibilities notwithstanding.

CHAPTER IX

GENERAL PROVISIONS

THIRTY THIRD: Official and semi-official agencies, and the autonomous and semi-autonomous institutions, municipalities, State-owned enterprises, public and private institutions established for social welfare and all others receiving any economic assistance from the State or participating somehow of public funds, have an obligation to buy the raw materials, containers, fuel, semi-manufactured products and other articles produced in the country at the rate needed, when they are offered and are of acceptable quality and competitively priced.

For these purposes the sale price will be considered competitive when it is not higher than 20% of the average CIF price of foreign products similar to local ones or when they replace the latter. Exception is made to farm products where a sale price will be considered competitive when it is not higher than 50% of the average CIF price of foreign products similar to local ones or replacing them.

The difference referring to quantity, quality and possibility of substitution of a product will be resolved by a dictum of the Ministry of Commerce and Industry.

PARAGRAPH: This article will not be applicable to purchase of medical products, orthopedical aids or any other supplies meant for curative or preventive medicine.

THIRTY FOURTH: Individuals and corporations carrying out projects and works through contracts awarded by the Government of Panama or one of its institutions, will be under the same conditions as stated in the preceding article.

PARAGRAPH: The stipulations contained in Articles 10th and 33rd will not be applicable to national or international organizations that, in the opinion of the

Executive Branch, are devoted to import articles exclusively for beneficial social welfare purpose.

THIRTY FIFTH: The Ministry of Commerce and Industry must publish every year an account of the enterprises receiving the benefits from this Cabinet Decree, indicating the conditions and terms of the concessions awarded.

THIRTY SIXTH: The existing enterprises sheltered by protection contracts signed with the Nation will be able to avail themselves of the benefits of this Cabinet Decree, by waiving the former contract. The term in the new contract will in no case exceed the remaining years of effectiveness of the former.

PARAGRAPH: Enterprises availing themselves of the benefits under this Cabinet Decree to engage in activities similar to the existing activities sheltered under contracts with the Nation, will enjoy said benefits for a term not to exceed the number of years remaining of the oldest contract within the relevant industrial activity.

THIRTY SEVENTH: The existing enterprises sheltered by protection contracts signed with the Nation, may, at the termination of their contracts, enter a new one based on this Cabinet Decree.

PARAGRAPH ONE: Those enterprises that may have enjoyed contractual benefits based on the preceding legal provision for less than five years will be entitled to enjoy all of the benefits under this Cabinet Decree.

PARAGRAPH ONE: Those enterprises that may have enjoyed contractual benefits based on the preceding legal provision for less than five years will be entitled to enjoy all of the benefits under this Cabinet Decree.

PARAGRAPH TWO: Those enterprises that may have enjoyed contractual benefits based on preceding legal provisions for more than five years will be entitled to enjoy those benefits they will specifically agree upon with the Nation.

THIRTY EIGHT: When an enterprise applies for a contract for developing economic activities similar to the existing ones, protected by the Nation, that enterprise will have the right to sign a contract in the same terms as the existing contracts, and for a duration not exceeding the remaining time of the oldest contract.

THIRTY NINTH: Contracts hereunder will be entered into for a 15 year period, starting form the date of their publication in the boletin de la Propiedad Industrial, excepting those concerning enterprises to be established in districts referred to in Article 7, whose term will be 20 years.

FORTIETH: The Executive Branch will dictate the rules for this Cabinet Decree.

FORTY FIRST: Law 25 of February 7, 1957 on Promotion of Production, is repealed. Any other legal provision contrary to this Decree is likewise repealed.

Contracts existing at the date of publication of this Cabinet Decree, based on previous legal provision, will be valid until the termination of their respective terms.

BE IT COMMUNICATED AND PUBLISHED

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EXPORT AND FISCAL INCENTIVE LAW

NATIONAL LEGISLATION COUNCIL
EXPORT AND FISCAL INCENTIVES
ARE GRANTED

LAW No. 108
(Of December 30th, 1974)
Whereby Incentives for export are granted

THE NATIONAL LEGISLATION COUNCIL

DECREES:

CHAPTER I

APPLICATION AND PURPOSES

ARTICLE 1o. The "Tax Allowance Certificates" (CAT) are created as an instrument to promote the non traditional exports of goods produced or elaborated totally or partially in Panama.

ARTICLE 2o. For the purposes of this law, the merchandise produced or elaborated totally or partially in Panama, will be considered as non traditional export, with the exception of the following exports:

a) Sugar cane,
b) Banana, fruit of mashed bananas,
c) Honey and Molasses,
d) Cocoa (the fruit),
e) Coffee (the seed),
f) Fresh refrigerated or frozen shrimps,
g) Fresh, refrigerated or frozen cattle meat,
h) Rawhide,
i) Rough timber,
j) Cattle, porcine, and horses, alive, except that of pure breed,
k) Fish meal,
l) Other oils from fish and sea animals,
m) Scrap iron,
n) Raw tortoise shell,
o) Fruit extracts (citrus),
p) Petroleum and its by-products,
q) Sales protected by bilateral agreements of free commerce or preferential trade,
r) Sales made from Colon Free Zone to foreign countries,
s) Minerals, metals and by products.

ARTICLE 3o. All natural and juridical persons that export to other countries articles produced or elaborated in Panama, totally or partially, may apply for and receive the benefits of this law, according to the following classification:

a) Enterprises whose export products have a minimum national content of 20% in the cost of manufacturing or production and have a content of at least 20% of national added value; and

b) Enterprises whose export products have a minimum national content of 10% in the cost manufacturing or production provided that they are located outside of the metropolitan area as determined by the regulations set forth by the Executive Branch.

ARTICLE 4o. The benefits referred to in Article 5o. will be granted by the Ministry of Treasury, depending on a favorable resolution of the Commission for Export Incentives, within the following 15 days of its presentation.

CHAPTER II

OF THE INCENTIVES

ARTICLE 5o. The natural or juridical persons that fulfill the requirements set forth in Article 3o. of this law and those to be established in the by-laws referred to in Article 9o. literal e) of this law, may request a Tax Allowance Certificate (CAT) equivalent to 20% of the national added value of the exported product.

ARTICLE 6o. The Tax Allowance Certificates (CAT), which issuance is authorized by the present law, will be transferable and nominative documents, exempted from all type of taxes and will not earn any interest.

The Tax Allowance Certificates (CAT) will be issued by the Ministry of Treasury in national coin and will be used for effecting payment of all national direct taxes and import taxes of the enterprise.

The Tax Allowance Certificates (CAT) may be effective 9 months after their date of issue, whensoever they are not used within the same fiscal period.

The Tax Allowance Certificates (CAT) expire 4 years after their issue date.

ARTICLE 7o. The exporter of non-traditional products will receive the Tax Allowance Certificate after all requirements established in the present law and its regulations have been fulfilled.

CHAPTER III

OF THE TECHNICAL COMMISSION FOR EXPORT INCENTIVES

ARTICLE 8o. The Technical Commission for Export Incentives is hereby created, will be attached to the Ministry of Commerce and Industry, and will be formed by the following members:

a) The Minister of Commerce and Industry, who will preside over it, or any public official of the Ministry appointed by the Minister.

b) The Minister of Treasury or any public official of the Ministry appointed by said Minister.

c) The Minister of Planning and Economic Policy or any public official of the Ministry appointed by the Minister.

d) A Member of the Legislation Council, appointed by the Executive Branch.

e) A representative from the Panama Industrial Union, selected by the Executive Branch from three candidates presented by said Union.

ARTICLE 9o. The Technical Commission for Export Incentives will have the following duties:

a) To advise the National Government about all regulations to be taken concerning fiscal incentives for exports.

b) To make judgements about the content of national added value of each exportable product in order to fix the amount of Tax Allowance Certificates.

c) To recommend to the Executive Branch the ways or instruments considered necessary to promote the export of non-traditional products.

ARTICLE 10o. The measures approved by the technical Commission for Export Incentives should be published in the Bulletin of the Industrial Property of the Ministry of Commerce and Industries.

ARTICLE 11o. The Ministry of Commerce and Industries will verify in each case that exports benefitted with the Tax Allowance Certificates conform with the specifications presented by the company to the Technical Commission for Export Incentives when submitting their request.

ARTICLE 12o. This law will be in force from its promulgation.

LET IT BE KNOWN AND PUBLISHED

DECREE No. 5
(Of January 19, 1979)

By which the granting of incentives for the Assembly Industries is regulated.

The President of the Republic in use of the powers vested in him by law.

WHEREAS

Cabinet Decree 413 of December 30, 1970, modified by Cabinet Decree No. 172 of August 24, 1971 gives fiscal incentives to the companies dedicated to industrial assembly activities; Article 40 of Cabinet Decree 413 of December 30, 1970, modified by article 23 of Cabinet Decree No. 172 of August 24, 1971 empowers the Executive Committee to dictate strict regulations;

DECREES

FIRST: Industrial companies dedicated to assembly activities can enter into contract with the Nation pursuant to the provisions of Cabinet Decree 413 of December 30, 1970, modified by Cabinet Decree No. 172 of August 24, 1971 and what is established by the present law.

SECOND: It is understood by assembly industry, those that are dedicated to the transformation of articles and semi-manufactured parts into finished products by means of joined process.

THIRD: The inputs and semi processed parts which enter the National Territory to be assembled by the Industrial Assembly Companies, are understood to be a temporary importation and hence will not be subject to the payment of taxes, rates, duties or encumbrances whatsoever and its legal introduction into the National Territory, will be done in accordance with the provisions of the Following Article:

FOURTH: In order for the assembly industries to bring into the National Territory the articles and partly processed parts that are required for their specific activity, it will only be necessary to present a commercial invoice, a list of shipment and the respective bill of lading. The merchandise will be consigned to the Contractor, who for transportation of these articles from the port of arrival to the place of operation of the industry will have to fill out a form provided by the General Income Bureau. The goods will be in the custody of an inspector from the General Income Bureau, or the vehicle that carries this transport will have the respective security seal that is customary in these cases.

The articles and semi-processed parts that come into the country pursuant to this contract, consigned to a Contractor can not be transferred to another.

FIFTH: The Assembly companies will bind themselves in the respective incentive contract, to export their entire output of the finished products, and will waive expressively the right to solicit and obtain the Certificate of Taxpayer Guarantee.

PARAGRAPH: In the event the assembly companies wish to sell their products locally, they must ask and obtain an authorization from the Inter-Ministerial commission established pursuant to the present Regulatory Decree.

SIXTH: Export of finished products will not be taxed, encumbranced, rated or contributed whether generally or specifically. In order to send the finished products abroad, the General Income Bureau will furnish a special form for exportation and the merchandise will physical-

ly be in the custody of customs inspectors or the vehicle that carries it will be sealed with security seals customary in cases like this.

SEVENTH: The Contractor must keep a registry of the inventory of the articles and semi-processed parts introduced temporarily into the country, as well as inventories of the finished products and exported products, in such a way that the book inventories that appear accordingly in the register will be exactly the same as the physical inventories stored in the Contractor's warehouses. Any discrepancy will be subject to the payment of the corresponding taxes.

EIGHTH: The Contractor may establish the place of business where the assembly process is to take place, wherever it fits in the best of his interest, prior the approval of the Interministerial-Commission. The General Income Bureau will take the precautions it deems necessary in order to supervise the entrance and exits of inputs and semi-processed parts as well as the finished products; with these measures the General Income Bureau may maintain Customs Inspectors permanently within the assembly sites.

NINTH: In the cases in which the physical presence of an Inspector is required at the sites, the Contractor will pay all expenses caused by the Nation with the presence of the inspectors at those sites, articles six and seven of the present decree will be in the account of the Contractor.

TENTH: The Assembly Companies will be exempt from the payment of Income tax in the Republic of Panama during the term of the Contract. In the case of a corporation, a dividend tax will be paid in accordance with the provisions of the Fiscal Code.

ELEVENTH: The Contractor binds himself to provide a minimum rate of employment by month, which will be fixed in each case in the negotiation of the respective contract.

TWELVTH: The contract will not compel the Contractor to re-export its wastes, and the Nation can be granted the right to use them. Likewise the Contractor must agree not to commerce with wastes generated by his industry.

THIRTEENTH: For labor purposes, the Contractor can enter into Temporary Work Contracts in such a way that the employment generated fluctuates in accordance with the needs of the assembly industry.

FOURTEENTH: The efforts made to enter into the assembly contract that is regulated by this law, will be done through an Inter-Ministerial Commission, which will be made up by an official of the Finance and Treasury Ministry who will preside over it, an official of the Labor and Social Welfare Ministry, and an official of the Ministry of Commerce and Industries, designated by the Executive.

FIFTEENTH: The Inter-Ministerial Commission referred to in the above article, will be responsible for the fast, prompt and efficient processing of the Contract and of all administrative procedure that the Contractor must fulfill. The Ministries and State entities must give the said Commission all the cooperation required to comply with its efforts.

SIXTEEN: The present Decree will be in effect from its promulgation.

TO BE EXECUTED, NOTIFIED
AND PUBLISHED

Given in the City of Panama, on the 19th day of the month of January, 1979

DR. ARISTIDES ROYO
President of the Republic

ING. JUAN JOSE AMADO III
Minister of Commerce and Industry

EXPORTAR

SIGNIFICA:

A CORTO PLAZO: IMAGEN

A MEDIANO PLAZO: CONFIANZA

A LARGO PLAZO: UTILIDAD

3a Seccion

GUIA DE EXPORTACION

LEY DE INCENTIVOS A LA PRODUCCION NACIONAL MANUFACTURERA

ADOPTASE UNA NUEVA LEGISLACION SOBRE INCENTIVOS A LA PRODUCCION NACIONAL MANUFACTURERA

DECRETO DE GABINETE NUMERO 413
(De 30 de diciembre de 1970)

"Por el cual se adopta una nueva legislación sobre incentivos a la producción nacional manufacturera"

LA JUNTA PROVISIONAL DE GOBIERNO
CONSIDERANDO:

Que es un principio de política económica el proveer condiciones necesarias para un mayor desarrollo de la Nación;

Que el desarrollo industrial constituye uno de los factores más importantes para lograr el desarrollo económico de la Nación;

Que es necesario estimular la exportación y una racional substitución de importaciones;

Que para lograr estos propósitos resulta indispensable conceder incentivos fiscales a la producción nacional manufacturera; y

Que en vista de lo anterior se hace necesaria la reforma de la legislación vigente sobre incentivos fiscales a la producción nacional manufacturera.

MODIFICASE UN DECRETO DE GABINETE
DECRETO DE GABINETE NUMERO 172
(De 24 de agosto de 1971)

Mediante el cual se modifica el decreto de Gabinete No. 413 de 30 de diciembre de 1970, por el cual se adopta una nueva legislación sobre incentivos a la producción nacional manufacturera.

LA JUNTA PROVISIONAL DE GOBIERNO
CONSIDERANDO:

1. Que el desarrollo industrial constituye uno de los aspectos más importantes en el desarrollo económico de la Nación;
2. Que la actual legislación no cumple plenamente los cometidos de la política económica nacional;
3. Que es menester darle incentivos a la producción nacional manufacturera, logrando al mismo tiempo una mejor distribución geográfica mediante la concesión de incentivos.

DECRETA:

CAPITULO I
OBJETO Y CAMPO DE APLICACION

PRIMERO: De acuerdo con las disposiciones de este Decreto de Gabinete, el Estado brindará estímulos adecuados por medio de contratos a las empresas industriales, nacionales o extranjeras, que contribuyan de una manera efectiva al progreso y desarrollo económico de la Nación.

SEGUNDO: Para los efectos del presente Decreto de Gabinete, se considerarán empresas industriales las que se dediquen a la transformación de materias primas y de productos semimanufacturados o intermedios y las de ensamblaje.

PARAGRAFO: Las empresas que se dediquen a actividades complementarias tales como la comercialización de productos industriales, el envase de productos o la obtención de materias agropecuarias, forestales o pesqueras, sin que medie un proceso de transformación industrial, no podrán acogerse a los beneficios de este Decreto de Gabinete.

Las industrias que se dediquen a la obtención de materias primas agropecuarias, forestales o pesqueras y a su transformación como un proceso integrado, pueden acogerse a los beneficios de este Decreto de Gabinete para la totalidad de las operaciones integradas.

CAPITULO II
DE LOS BENEFICIOS:

TERCERO: Las empresas industriales que se acojan al régimen del presente Decreto de Gabinete y que destinen el total de su producción a la exportación, gozarán de los incentivos fiscales establecidos en los siguientes incisos:

a) Exoneración total (100 %) durante el término de du-

racion del contrato, de los impuestos de introducción, contribuciones, gravámenes, tasas o derechos de cualquier clase o denominación sobre la importación de maquinarias, equipos y respuestos que se utilicen en el proceso de producción. Se excluyen los materiales de construcción, vehículos, mobiliarios y útiles de oficina y cualquier otro insumo que no se utilice en el proceso de producción.

b) Exoneración total (100 %) durante el término de duración del contrato, de los impuestos de introducción, contribuciones, gravámenes, tasas o derechos de cualquier clase o denominación sobre la importación de materias primas, productos semielaborados o cualquier otro insumo, así como envases y empaques que entran en la composición o en el proceso de elaboración del producto.

c) Exoneración total (100 %) durante el termino de duración del contrato, de los impuestos de introducción, contribuciones, gravámenes, tasas o derechos de cualquier clase o denominación sobre la importación de combustibles y lubricantes que se utilicen en las actividades de fabricación de la empresa.

d) Exoneración total (100 %) durante la vigencia del contrato del pago del impuesto sobre la renta sobre las ganancias provenientes de sus exportaciones, con excepción de las industrias extractivas o que exploten recursos naturales del país; Esta exoneración será aplicable a todas las empresas que se acojan al presente Decreto de Gabinete, aún cuando destinen sólo parte de su producción a la exportación.

e) Exoneración total (100 %) durante la vigencia del contrato de impuesto sobre la exportación.

f) Exoneración total (100 %) durante la vigencia del contrato de impuestos sobre las ventas.

g) Exoneración total (100 %) durante la vigencia del contrato de impuestos que graven el capital o los activos de la empresa, salvo los impuestos de patentes o inmuebles.

h) Todas las otras exoneraciones y beneficios que se establecen en el presente Decreto de Gabinete.

PARAGRAFO PRIMERO: Por exportación se entiende la venta de productos fuera del territorio nacional, aunque se origina en contratos celebrados en el país. También se reputará exportación, la venta en el mercado doméstico de productos, envases o empaques de manufactura nacional, siempre y cuando el vendedor de dichos productos, envases o empaques se dediquen exclusivamente a suministrarlos a empresas que destinen no menos del 90 % de su producción a la exportación.

Igualmente, se considerará como exportación, las ventas que se hagan dentro del territorio panameño denominado Zona del Canal de Panamá, mientras éste no forme parte del territorio aduanero panameño.

PARAGRAFO SEGUNDO: Establécese una cuota equivalente al tres por ciento (3 %) de los impuestos y otras cargas fiscales que en cada caso se exoneran a las empresas amparadas de acuerdo con el presente Decreto de Gabinete, cuyo producto se aplicare a sufragar los gastos de los servicios de asistencia técnica e investigación científica industrial.

CUARTO: Las empresas que, a pesar de su derecho a acogerse a la exoneración de que trata el inciso d) del artículo anterior optan por pagar el impuesto sobre la renta, tendrán derecho a recibir del Gobierno, a través del Banco Nacional y en calidad de préstamo, por un plazo hasta de cinco (5) años, una suma equivalente al monto del impuesto que hubieran pagado en los dos años inmediatamente anteriores. Dicho préstamo se otorgará a una tasa de interés que no será mayor del cincuenta (50 %) de la tasa de interés bancario vigente a la fecha en que se otorgue, reservándose, la Nación el derecho de variar la tasa de interés, proporcionalmente, en caso de que el interés bancario aumente.

QUINTO: Las empresas que se acojan al régimen del presente Decreto de Gabinete y que dediquen su producción al mercado doméstico gozarán de los incentivos fiscales establecidos en los siguientes incisos:

a) Exoneración total (100 %) durante el término de duración del contrato, de los impuestos de introducción, contribución, gravámenes, tasas o derechos de cualquier clase o denominación sobre la importación de maquinarias, equipos y repuestos que se utilicen en el proceso de producción. Se excluyen los materiales de construcción, vehículos, mobiliarios y útiles de oficina y cualquier otro insumo que no utilice en el proceso de producción.

b) Exoneración total (100 %) durante el término de duración del contrato, de los impuestos de introducción, contribución, gravámenes, tasas o derechos de cualquier clase o denominación sobre la importación de materias primas, productos semielaborados o cualquier otro insumo, así como envases o empaques, combustibles y lubricantes que entren en la composición y proceso de elaboración de los productos que se destinen al mercado doméstico.

c) Exoneración del impuesto sobre la renta sobre las utilidades netas reinvertidas para la expansión de la capacidad de la planta o para producir artículos nuevos, siempre que se trate de activos fijos, en la parte que esa reinversión sea superior al 20% de la renta gravable en el ejercicio fiscal de que se trate.

d) Régimen especial de arrastre de pérdida para efectos del pago del impuesto sobre la renta consistente en que las pérdidas durante cualquier año de operación dentro de la vigencia del contrato podrán deducirse de la renta gravables en los tres (3) años inmediatamente posteriores al año en que se produjeron. La deducción podrá realizarse durante cualquiera de los tres años o promediarse durante los mismos.

Las pérdidas no deducidas durante el período a que se refiere este artículo no podrán deducirse en años posteriores ni causarán devolución alguna de parte del Gobierno Nacional.

e) Cálculo de la depreciación de sus bienes, utilizando uno de los siguientes métodos:

1. Aplicando anualmente un 12.5 % del valor de sus maquinarias y equipos sin exceder el valor residual

de los mismos.

2. Aplicando un porcentaje fijo y constante sobre el saldo decreciente de la inversión total, sin deducción del valor residual.

El porcentaje no será superior al doble del porcentaje máximo de depreciación señalado en la Tabla de Depreciación del Código Fiscal y Vigente en el ejercicio fiscal de que se trate o en la Resolución de la Dirección General de Ingresos cuando se trate de empresas que hayan obtenido porcentajes distintos a los establecidos en el Código Fiscal.

Una vez que el contribuyente adopte un método de depreciación para un determinado bien no podrá cambiar el mismo sin la autorización previa de la Dirección General de Ingresos.

PARAGRAFO: Establece una cuota equivalente al tres por ciento (3 %) de los impuestos y otras cargas fiscales que de cada caso se exoneran a las empresas amparadas de acuerdo con el presente Decreto de Gabinete, cuyo producto se aplicará a sufragar los gastos de los servicios de asistencia técnica e investigación científica industrial.

Derógase el Artículo SEXTO del Decreto de Gabinete No. 413 de 30 de diciembre de 1970.

SEPTIMO: Las empresas que se establezcan o que estén establecidas en los distritos de David, Renacimiento, Santiago, Chitré, Los Santos, Las Tablas, Aguadulce, Natá, Penonomé y la Provincia de Colón independientemente que destinen su producción total o parcialmente al mercado doméstico o a la exportación, tendrán derecho a lo siguiente:

a) Exoneración total (100 %) durante el término de duración del contrato, de los impuestos de introducción, contribuciones, gravámenes, tasas o derechos de cualquier clase o denominación sobre la importación de maquinarias, equipos y repuestos que se utilicen en el proceso de producción. Se excluye los materiales de construcción, vehículos, mobiliarios, útiles de oficina y cualquier otro insumo que no se utlice en el proceso de producción.

b) Exoneración total (100 %) durante el término de duración del contrato, de los impuestos de introducción, contribuciones gravámenes, tasa o derechos de cualquier clase o denominación sobre las importaciones de materias primas o cualquier otro insumo que entren en la composición del producto o en el proceso de elaboración.

c) Exoneración total (100 %) durante el término de duración del contrato, de los impuestos de introducción, contribuciones, gravámenes, tasas o derechos de cualquier clase o denominación, sobre la importación de combustible y lubricantes que se utilicen en las actividades industriales de la empresa.

d) Exoneración total (100 %) durante la vigencia del contrato, del pago del impuesto de inmuebles sobre los terrenos, edificios e instalaciones destinados a la actividad fabril de que se trate.

e) Exoneración total (100 %) durante la vigencia del contrato, del pago del impuesto sobre la renta respecto a las ganancias provenientes de sus exportaciones, con excepción de las industrias extractivas y de las que exploten recursos naturales del país. Con respecto a las ganancias provenientes de ventas realizadas para el consumo doméstico, tendrán derecho a exoneración del 100 % del impuesto sobre la renta durante los primeros cinco años de producción de la empresa y del 50 % durante los tres años subsiguientes. Modificados por la Ley 24 del 18 de abril de 1978.

OCTAVO: Con el propósito de promover el desarrollo industrial y fomentar las exportaciones, la Nación tomará las siguientes medidas:

a) Concederá adecuados estímulos a la exportación, tales como: Asistencia Financiera para promover la exportación otorgando créditos a intereses menores que los normales; Financiamiento de Créditos de exportaciones para proteger al vendedor contra los riesgos comerciales y políticos a que están expuestos sus créditos de exportación y; Subsidios a las exportaciones cuando así lo amerita el caso.

b) Reforzará el Departamento de Comercio Internacional del Ministerio de Comercio e Industrias a objeto de realizar estudios de mercado, establecer canales de comunicación y contactos con las instituciones e importadores privados, organizar y asesorar a los industriales para que participen en ferias, exposiciones en el exterior, estudiar y formalizar programas y establecer las bases adecuadas que procuren el desarrollo y óptimo aprovechamiento del comercio exterior del país.

c) Colaborará en el financiamiento de los estudios de factibilidad y pondrá a disposición de los industriales todos los estudios que se realicen o se hubieren realizado.

d) Promoverá el desarrollo de parques industriales, en donde los empresarios puedan obtener terrenos, edificios y otras facilidades a precios razonables y términos de pagos convenientes.

e) Reforzará, reorientará y acelerará los programas educativos de formación profesional, destinados a satisfacer en forma sostenida las necesidades de la industria nacional en los niveles de educación vocacional, adiestramientos acelerados y capacitación en el empleo.

f) Propiciará el establecimiento de pequeñas industrias, a través de programas de asistencia técnica, tal como se define en el reglamento del presente Decreto de Gabinete.

g) El Banco Nacional de Panamá, podrá importar, libre de impuesto, maquinarias, equipos y repuestos para la pequeña industria manufacturera y para la industria de servicio que sean fuente de apoyo de las mismas, con financiamiento del Banco Nacional de Panamá que la requiera, para el desarrollo o explotación de sus actividades. Los bienes importados, vendrán consignados a dicha institución bancaria y a través de la apertura de Cartas de Crédito.

Los bienes adquiridos por el Banco Nacional de Panamá, de acuerdo con el presente Artículo serán vendidos al precio de costo por intermedio de esta Institución Bancaria a las personas que comprueben que se dedican a tales labores o actividades. El Banco Nacional de Panamá cubrirá el impuesto de importación correspondiente,

si por cualquier motivo, el equipo, maquinaria o repuesto introducidos al país, con motivo del presente artículo, no son destinados al desarrollo de la pequeña industria.

PARAGRAFO: El Banco Nacional de Panamá podrá otorgar las facilidades crediticias anteriormente mencionadas para pequeñas industrias manufactureras y para las industrias de servicios que sean fuentes de apoyo de las mismas, de conformidad con sus programas de financiamiento para la pequeña industria. (Ley No. 31 de 30 de junio de 1978).

CAPITULO III
DE LA DIRECCION ARANCELARIA

NOVENO: Las empresas que se acojan al presente Decreto de Gabinete gozarán de protección fiscal adecuada contra la competencia extranjera cuando el producto nacional llene las necesidades del país en cantidad, calidad y precio, según lo determinen las entidades oficiales pertinentes. La elevación de impuestos, contribuciones, derechos o gravámenes podrá dispensarse sólo cuando la empresa comience a producir artículos similares a los extranjeros sobre los cuales se imponga el aumento de cargas fiscales o cualesquiera otras medidas de protección.

DECIMO: A todas las empresas amparadas por contrato celebrado a tenor del presente Decreto de Gabinete, se les otorgará protección especial contra la competencia desleal extranjera en caso de que ésta cotice precios para productos a ser importados al territorio nacional que tengan características de competencia desleal (dumping), según se define en el Artículo Decimo Séptimo (17o.), del presente Decreto de Gabinete.

DECIMO PRIMERO: Salvo previa autorización del Ministerio de Hacienda y Tesoro, los artículos importados con franquicia fiscal por las empresas bajo exoneración, no podrán ser vendidos en la República sino dos años después de su introducción. En todo caso deberán pagar las cargas eximidas calculadas a base del valor actual de los artículos en venta. Se exceptúan las materias primas incorporadas en los productos elaborados, los envases usados y los subproductos de manufactura.

DECIMO SEGUNDO: No se permitirá importación exonerada de maquinaria, equipo, repuestos y accesorios, combustibles, lubricantes, materias primas, productos semielaborados, envases y demás componentes cuando se produzcan en el país en cantidad suficiente, calidad aceptable y precios competitivos.

Es entendido, sin embargo, que las empresas que destinen el total de su producción a la exportación podrán importar del exterior todos sus insumos, independientemente de que los mismos se produzcan en el país en calidad y cantidad aceptable.

Las empresas que sólo destinen parte de su producción a la exportación, podrán importar del exterior, con franquicia fiscal, los insumos de los productos que efectivamente destinen a la exportación, aunque dichos insumos se produzcan en el país en cantidad y calidad aceptable.

Las discrepancias en cuanto a la cantidad y calidad serán resueltas por el Ministerio de Comercio e Industrias.

Para los efectos del presente Decreto de Gabinete se reputarán competitivos los siguientes precios:

a) En el caso de materias primas no agropecuarias, los que no superen en más del 20 %el valor CIF de los productos extranjeros similares a los nacionales o sucedáneos de éstos.

b) En el caso de materias primas agropecuarias, los que no superen en más del 50 % del valor CIF de los productos extranjeros similares a los nacionales o sucedáneos de éstos.

PARAGRAFO: Los organismos oficiales competentes deberán fijar los precios a las empresas que se acojan al presente Decreto de Gabinete.

DECIMO TERCERO: El Estado se reserva la facultad de importar o autorizar la importación de cualquier artículo extranjero similar a los producidos por la empresa amparada por este Decreto de Gabinete, siempre y cuando que dicha importación fuere necesaria, para complementar las necesidades del consumo nacional cuando las empresas nacionales no produjeran lo suficiente para la satisfacción de dicho consumo.

CAPITULO IV

DECIMO CUARTO: Con el propósito de dar adecuada protección a las empresas que se acojan al presente Decreto de Gabinete, créase el sistema de cuotas de importación que serán fijadas por el Ministerio o por la entidad oficial que designe el Organo Ejecutivo.

DECIMO QUINTO: Las empresas que celebran al amparo del presente Decreto de Gabinete, podrán solicitar del Ministerio de Comercio e Industrias que se establezcan cuotas de importación para productos similares a los que fabriquen con base en el sistema que aquí se determina:

El sistema mencionado consta de tres tipos de cuotas:

1. Cuotas de normalización de importaciones.

2. Cuotas de protección internacional.

3. Cuotas de mercado proporcional.

DECIMO SEXTO: Las cuotas de normalización tienen el propósito de evitar importaciones exageradas o anormalmente altas a que pueda dar lugar el conocimiento del inicio de la producción nacional de artículos similares a los importados.

Dichas cuotas serán establecidas, a participación del interesado, cuando éste presente su solicitud de contrato. En ningún caso la cuota estará en vigencia por un período mayor que el señalado en el contrato para el inicio de la producción.

DECIMO SEPTIMO: Las cuotas de protección internacional tienen como finalidad proteger a la industria doméstica contra la competencia internacional desleal (dumping), cuando el arancel aduanero no baste para evitar dicha situación. Las mencionadas cuotas deberán fijarse para los productos manufacturados en el extranjero cuando se compruebe que representan una competencia desleal contra uno o más productos nacionales. Se entenderá que existe competencia desleal internacional (dumping) cuando el precio de venta del produc-

to de que se trate en el país que los fabrica sea mayor que el precio F.O.B. fijado al importador que lo solicite desde Panamá. También se entenderá que existe dumping cuando se registre un descenso brusco en el precio a que corrientemente se ha venido vendiendo el producto a los importadores panameños.

DECIMO OCTAVO: Las cuotas de mercado proporcional tienen el propósito de asegurarle a los consumidor nacionales la oferta de productos cuando los productores domésticos no estén en capacidad de proporcionar las cantidades o la cantidad demandada por el mercado nacional.

CAPITULO V
DE LAS SOLICITUDES DE CONTRATOS:

DECIMO NOVENO: Toda persona, natural o jurídica, nacional o extranjera, que desee acogerse a los beneficios de este Decreto de Gabinete, presentará por medio de un abogado, con poder bastante, la correspondiente solicitud al Ministerio de Comercio e Industrias, en los formularios que serán proporcionados por el mismo al precio de diez balboas (B/.10.00) cada uno.

VIGESIMO: A la solicitud se acompañará un estudio técnico que contenga, por lo menos, la información siguiente:

a) Las condiciones del mercado para la industria de que se trate.

b) Descripción, cantidad y valor de los artículos que van a producir o esté produciendo en el país la empresa solicitante, indicando qué porcentaje de la producción se exportará y que porcentaje se destinaría a satisfacer el consumo nacional.

c) Personal que ocupará, indicando la cantidad, calificación y salario.

d) Materias primas que utilizará, indicando, en caso de ser extranjeras, su procedencia las posibilidades de sustituírlas por otras de producción nacional.

e) Valor agregado en el procesamiento industrial.

f) Valor, calidad y clase de las instalaciones, maquinarias y equipo que habrá de utilizarse.

g) Proyecciones financieras de la empresa por los cinco primeros años, a partir del inicio de operaciones.

h) Localización distritorial de la planta y fechas en que la empresa comenzará y terminará su instalación e iniciará su producción en caso de no estar funcionando.

i) Descripción del producto a producir con respecto a sus características físicas, químicas, biológicas y de composición.

CAPITULO VI
DE LOS CONTRATOS:

SU TRAMITE Y CELEBRACION:

VIGESIMO PRIMERO: Los beneficios e incentivos fiscales otorgados por este Decreto de Gabinete y las obligaciones correspondientes en cada caso específico se pactarán por contrato entre el interesado y el Organo Ejecutivo por conducto del Ministerio de Comercio e Industrias. Todas las disposiciones del presente Decreto de Gabinete se entienden incorporadas a los contratos respectivos y comenzarán a regir desde su publicación en el Boletín de la Propiedad Industrial, lo cual se hará dentro de los diez (10) días siguientes a su firma.

VIGESIMO SEGUNDO: Las solicitudes deberán ser registradas por el Ministerio de Comercio e Industrias en el mismo acto de presentación, en presencia del solicitante o de su representante y en un registro especial que para tales efectos se llevará, sin perjuicio de que sean denegadas si no llenaran los requisitos legales y reglamentarios. Una copia de la solicitud sellada será entregada al peticionario como constancia de la recepción de ésta.

VIGESIMO TERCERO: El Ministerio de Comercio e Industrias podrá pedir a los solicitantes los documentos datos e informaciones complementarias que estimen convenientes para tramitar y decidir la respectiva solicitud. Si transcurrieren diez (10) días hábiles sin que el solicitante proporcione la información adicional solicitada, el Ministerio de Comercio e Industrias suspenderá la tramitación de la solicitud. No obstante, el Ministerio de Comercio e Industrias podrá reanudar la tramitación de la solicitud y resolverla, aún cuando la información adicional solicitada se presentare con retraso, si el mismo fue debido a fuerza mayor o a motivos que, a juicio de dicho Ministerio, justifiquen la demora.

VIGESIMO CUARTO: El solicitante tendrá derecho a que el Ministerio de Comercio e Industria lo informe, por escrito, sobre el estado en que se encuentra la tramitación de su solicitud de contrato, pasados treinta (30) días hábiles a partir de la presentación de la misma. Dicho informe deberá ser notificado personalmente al solicitante en caso de ser una persona natural o a su representante legal en caso de ser una persona jurídica, a más tardar cinco (5) días hábiles después de presentada la solicitud de informe.

CAPITULO VII
OBLIGACIONES DE LAS EMPRESAS

VIGESIMO QUINTO: Los incentivos fiscales de este Decreto de Gabinete se otorgarán a las empresas que se obliguen a:

Invertir o demostrar que han invertido en el país, en la actividad industrial autorizada la suma de capital que el contrato señale, y mantener dicha inversión, por lo menos, durante todo el tiempo de la vigencia del mismo.

b) Iniciar las inversiones dentro del plazo que determine el contrato, el cual no será mayor de seis (6) meses contados a partir de la publicación en el Boletín de la Propiedad Industrial del respectivo contrato.

c) Comenzar la producción dentro del término que el contrato fije, el cual no excederá de dos (2) años, salvo casos especiales en que la naturaleza de la actividad productora exija un plazo mayor de tiempo. El plazo comenzará a contarse a partir de la fecha de publicación del contrato en el Boletín de la Propiedad Industrial.

d) Producir y ofrecer al consumo nacional, artículos

de buena calidad, dentro de sus respectivas clases, de acuerdo con las normas que establezca la autoridad oficial competente.

e) Ocupar empleados panameños con excepción de los expertos y técnicos especializados necesarios, previa solicitud al Ministerio de Comercio e Industrias y la aprobación del Ministerio de Trabajo y Bienestar Social. Cada experto o técnico extranjero que la empresa ocupe deberá entrenar por lo menos, un panameño en el ramo de su especialidad o brindar por cuenta de la empresa, sus servicios al IFARHU o a alguna escuela técnica o vocacional del país, para los programas de adiestramiento, de la institución docente, por un término de 18 meses, salvo que se haya pactado algo distinto con el organismo oficial que aprobó su contratación.

f) Fomentar la producción nacional de materia prima y de artículos que la originan o con los cuales puedan elaborarse dichas materias, en las condiciones que determine el contrato.

g) Vender sus productos en el mercado nacional al por mayor y a precios no mayores de los convenidos con los organismos oficiales competentes.

h) No emprender o participar en negocios de venta al por mayor.

i) Constituir fianza para garantizar el fiel cumplimiento del contrato, por suma igual al 3% de las inversiones a realizar según el mismo. En ningún caso la fianza será mayor de B/. 30.000.00.
Esta fianza debe constituírse en efectivo o en bonos del Estado y se mantendrá por todo el tiempo de vigencia del contrato.

j) Renunciar a toda reclamación diplomática, cuando se trate de empresas formadas total o parcialmente con capital extranjero.

VIGESIMO SEXTO: Las empresas que se acojan al presente Decreto de Gabinete convienen en tomar las precauciones razonables de acuerdo con la práctica industrial más sana, con el objeto de evitar la contaminación del medio ambiente y cumplirán con todos los reglamentos o instrucciones que dicte la Nación a este respecto.

VIGESIMO SEPTIMO: Los Ministerios de Hacienda y Tesoro y Comercio e Industrias, de acuerdo con el Reglamento del presente Decreto de Gabinete, tendrán la responsabilidad de velar por el cumplimiento de las obligaciones contraídas por las empresas industriales que se acojan a los beneficios que otorga el presente Decreto de Gabinete.

VIGESIMO OCTAVO: Para facilitar la fiscalización a que se refiere al Artículo anterior, las empresas que se acojan al beneficio del presente Decreto de Gabinete, cumplirán con los siguientes requisitos:

a) Llevarán un registro para el fiel asiento de los artículos exonerados y este será accesible a los funcionarios con autoridad para examinarlos.

b) Llevará la contabilidad organizada con registros que permitan la comprobación de inventarios, activos fijos y depreciación de acuerdo a las leyes y reglamentos que rigen la materia, todo a la disposición de los funcionarios del Ministerio de Hacienda y Tesoro y Ministerio de Comercio e Industrias.

CAPITULO VIII
DE LAS SANCIONES

VIGESIMO NOVENO: El incumplimiento por las empresas de las obligaciones señaladas en los incisos a),b) y c) del Artículo Vigésimo Quinto del presente Decreto de Gabinete acarreará la pérdida de la fianza, de los beneficios otorgados a ésta y la resolución del contrato por vía administrativa, a menos que la empresa pruebe a satisfacción del Ministerio de Comercio e Industria que el incumplimiento se debe a causa de fuerza mayor o caso fortuito.

El Ministerio de Comercio e Industrias pondrá en conocimiento del Organo Ejecutivo el incumplimiento de cualquier obligación que conlleve la pérdida de los beneficios otorgados a la empresa.

TRIGESIMO: Toda persona, natural o jurídica, importadora de materia primas, combustible, lubricantes, envases, materiales de empaque, maquinarias, equipo y repuesto, productos semielaborados y cualquiera otros artículos en general elaborados al amparo del presente Decreto de Gabinete, que vendiera, arrendara, traspasase, negociare, dispusiera o en cualquier forma diere un uso diferente a aquel para el cual se le hubiere concedido la exoneración, será condenada al pago de una multa igual al triple de los derechos o impuestos dejados de pagar, así como al comiso de los efectos de que se trate.

PARAGRAFO I: Cuando los actos ilícitos señalados en el presente artículo hayan sido ejecutados en cumplimiento con funciones de la Administración Pública, éstos serán sancionados con la destitución sin perjuicio de las demás sanciones que procedan.

PARAGRAFO II: El Organo Ejecutivo, por conducto del Ministerio respectivo, será la autoridad que impondrá las sanciones que se establecen en este Artículo.

TRIGESIMO PRIMERO: El entorpecimiento o negativa de la empresa a permitir las revisiones y exámenes de los libros y registros de contabilidad al igual que la inspección, de las bodegas, almacenes, fábricas y demás instalaciones, será penado con multa de B/.500.00 a B/.1,000.00 la cual será impuesta por el Ministerio de Comercio e Industrias.

TRIGESIMO SEGUNDO: Cualquier funcionario o empleado público que divulgara o utilizase indebidamente los datos recabados para la aplicación de este Decreto de Gabinete o extorsionase o tratase de extorsionar a las empresas o a sus representantes, será destituído del cargo y privado de desempeñar funciones públicas por un periodo de cinco años, sin perjuicio de la responsabilidad que le cupiera.

CAPITULO IX

DISPOSICIONES GENERALES

TRIGESIMO TERCERO: Los organismos oficiales y semioficiales y las instituciones autónomas y semiautónomas, los municipios, las empresas del Estado, instituciones públicas y privadas establecidas para fines de beneficencia social y todas aquellas otras que reciben cualquier ayuda económica del Estado o que tenga alguna

participacion de fondos públicos, están en la obligación de comprar las materias primas, envases, combustibles, productos semielaborados, productos elaborados y demás artículos producidos en el país en la medida que los necesitan cuando haya oferta de los mismos y sean de calidad aceptable y precio competitivo.

Para estos fines el precio de venta se considerará competitivo cuando no supere en más de veinte por ciento (20 %) el precio CIF promedio de los productos extranjeros similares a los nacionales o sucedáneos de éstos, excepto en el caso de productos de origen agropecuario en que se considerará precio de venta competitivo cuando no supere en más de 50 % del precio CIF promedio de los productos extranjeros similares a los nacionales o sucedáneos de éstos.

Las discrepancias en cuanto a cantidad, calidad y posibilidad de sustitución de un producto serán resueltas por dictamen del Ministerio de Comercio e Industrias.

PARAGRAFO: El presente artículo no será aplicable a las compras de productos medicinales, aparatos ortopédicos o cualquiera otros productos destinados a la medicina preventiva o curativa.

TRIGESIMO CUARTO: Las personas naturales o jurídicas que realicen proyectos y obras mediante contratos otorgados por el Gobierno Panameño o alguna de sus instituciones, estarán sometidas a las mismas condiciones señaladas en el Artículo anterior.

PARAGRAFO: no serán aplicables las disposiciones contenidas en los artículos Décimo (10) y trigésimo Tercero (33o.) de los arganismos nacionales e internacionales que a juicio del Organo Ejécutivo, se dediquen a importar artículos exclusivamente para fines benéficos o de asistencia social.

TRIGESIMO QUINTO: El Ministerio de Comercio e Industria deberá publicar anualmente una relación de las empresas acogidas a los beneficios del presente Decreto de Gabinete con indicación de las condiciones y términos de las concesiones otorgadas.

TRIGESIMO SEXTO: Las empresas existentes amparadas por contratos de fomento industrial celebrados con la Nación, podrán acogerse al presente Decreto de Gabinete, renunciando al contrato anterior. El plazo del nuevo contrato podrá ser un período de diez (10) años o por igual número de años que le resten al contrato renunciado, cual de los dos sea mayor. (Modificado por Ley No. 92 de 22 de dici. _re de 1976).

TRIGESIMO SEPTIMO: Las empresas existentes amparadas con contrato de protección celebrada con la Nación, a la terminación de sus respectivos contratos, podrán celebrar uno nuevo basado en el presente Decreto de Gabinete.

PARAGRAFO PRIMERO: Las empresas que hubieren gozado de beneficios contractuales basados en disposiciones legales anteriores, por un período menor de cinco años podrán gozar de la totalidad de los beneficios establecidos en este Decreto de Gabinete.

PARAGRAFO SEGUNDO: Las empresas que hubieren gozado de beneficios contractuales basados en disposiciones legales anteriores, por un período mayor de cincon años podrán gozar de aquellos beneficios que específicamente pacten con la Nación.

TRIGESIMO OCTAVO: Cuando una empresa solicitare un contrato para desarrollar actividades económicas similares a las existentes, amparadas con contratos con la Nación celebrados de acuerdo con el presente Decreto de Gabinete, tendrá derecho a celebrar contratos en los mismo términos de dichos contratos y por un plazo que no excederá el número de años que tenga pendiente el contrato de mayor antigüedad .

TRIGESIMO NOVENO: Los contratos a que se refiere el presente Decreto de Gabinete se firmarán hasta por un plazo de 15 años, contados a partir de la fecha de publicación del contrato en el Boletín de la Propiedad Industrial, salvo los relativos a las empresas que se establezcan en los distritos mencionados en el Artículo 7o., los cuales podrán pactarse hasta por un plazo de 20 años.

CUADRAGESIMO: El Organo Ejecutivo dictará el Reglamento del presente Decreto de Gabinete.

CUADRAGESIMO PRIMERO: Deróganse la Ley 25 de 7 de febrero de 1957, sobre Fomento a la Producción. Asimismo se deroga cualquier disposición legal que sea contraria a este Decreto de Gabinete.

Los contratos existentes a la fecha de la promulgación de este Decreto de Gabinete basados en disposiciones legales anteriores, serán válidos hasta la extinción de sus respectivos términos.

CUADRAGESIMO SEGUNDO: Este Decreto de Gabinete regirá a partir de su promulgación.

COMUNIQUESE Y PUBLIQUESE

ING. DEMETRIO B. LAKAS

Presidente de la Junta Provisional de Gobierno

LIC. ARTURO SUCRE P.
Miembro de la Junta Provisional de Gobierno

FIRMAN TODOS LOS MINISTROS.

LEY DE INCENTIVOS A LA EXPORTACION Y FISCALES

CONSEJO NACIONAL DE LEGISLACION

OTORGANSE UNOS INCENTIVOS A LA EXPORTACION Y FISCALES

LEY No. 108
(de 30 de diciembre de 1974)

Por la cual se otorgan incentivos a la exportación

EL CONSEJO NACIONAL DE LEGISLACION

DECRETA:

CAPITULO I

APLICACION Y OBJETIVOS

ARTICULO 1o. Créanse los Certificados de Abono Tributario (CAT) - como instrumento para fomentar las exportaciones no tradicionales de - bienes producidos o elaborados total o parcialmente en Panamá.

ARTICULO 2o. Para los efectos de esta ley, se considerarán como exportaciones no tradicionales las mercancías producidas o elaboradas total o parcialmente en Panamá, con excepción de las siguientes exportaciones:

a) Azúcar de caña
b) Banano en fruta y puré de bananos
c) Mieles y melazas de caña
d) Cacao en grano
e) Café en oro (grano)
f) Camarones frescos refrigerados o congelados
g) Carnes de ganado vacuno, fresca, refrigerada o congelada
h) Cuero de ganado vacuno sin curtir
i) Madera en trozos
j) Ganado vacuno, porcino y caballar en pie, excepto de raza fina,
k) Harina de pescado
l) Otros aceites de pescado y de animales marinos
m) Chatarras
n) Carey en bruto
ñ) Extractos de frutas (Cítricos)
o) Petróleo y sus derivados
p) Ventas al amparo de tratados bilaterales de libre comercio o trato preferencial
q) Ventas efectuadas desde la Zona Libre de Colón al extranjero
r) Minerales, metales y sus derivados

ARTICULO 3o. Podrán solicitar y acogerse a los beneficios de esta Ley, todas las personas naturales o jurídicas que exporten a otros países bienes producidos o elaborados total o parcialmente en Panamá, de acuerdo con la siguiente clasificación:

a) Empresas cuyos productos de exportación tengan un contenido nacional mínimo de 20% en el costo de manufactura o producción y contengan por lo menos un valor agregado nacional de 20% y

b) Empresas cuyos productos de exportación tengan un contenido nacional mínimo de 10% en el costo de manufactura o producción, siempre y cuando se encuentren ubicados fuera del área metropolitana, según se determine en el Reglamento que dicta el Organo Ejecutivo.

ARTICULO 4o. Los beneficios a que se refiere el Artículo 5o. serán concedidos por el Ministerio de Hacienda y Tesoro, previo el dictamen favorable de la Comisión de Incentivos a las Exportaciones, dentro de los siguientes 15 días de su presentación.

CAPITULO II

SOBRE LOS INCENTIVOS

ARTICULO 5o. Las personas naturales o jurídicas que cumplan con los requisitos establecidos en el artículo 3o. de esta Ley y con lo que se establezca en el Reglamento a que se refiere el Artículo 9o. literal e) de esta Ley, podrán solicitar un Certificado de Abono Tributario (CAT) equivalente a un 20% del valor agregado nacional de los bienes exportados.

ARTICULO 6o. Los Certificados de Abono Tributario, cuya emisión autoriza la presente Ley, serán docu-

mentos nominativos transferibles, estarán exentos de toda clase de impuestos y no devengarán intereses.

Los Certificados de Abono Tributario serán emitidos por el Ministerio de Hacienda y Tesoro, en moneda nacional y servirán para el pago de todos los impuestos nacionales directos y de importación de la empresa.

Los Certificados de Abono Tributario podrán hacerse efectivos después de 9 meses de la fecha de su emisión.

Los Certificados de Abono Tributario caducan a los 4 años después de la fecha de su emisión.

ARTICULO 7o. El exportador de productos no tradicionales recibirá los Certificados de Abono Tributario después que cumpla con todos los requisitos que se estipulen en la presente Ley y su reglamentación.

CAPITULO III

SOBRE LA COMISION TECNICA DE INCENTIVOS A LAS EXPORTACIONES

ARTICULO 8o. Créase la Comisión Técnica de Incentivos a las Exportaciones, la cual estará adscrita al Ministerio de Comercio e Industrias e integrada por los siguientes miembros:

a) El Ministro de Comercio e Industrias quien la presidirá o el funcionario de ese Ministerio que él designe;

b) El Ministro de Hacienda y Tesoro o el funcionario de ese Ministerio que él designe;

c) El Ministro de Planificación y Política Económica o el funcionario de ese Ministerio que él designe;

d) Un miembro de la Comisión de Legislación, designado por el Organo Ejecutivo;

e) Un representante del Sindicato de Industriales de Panamá, escogido por el Organo Ejecutivo de una terna que presentará dicho Sindicato;

ARTICULO 9o. La Comisión Técnica de Incentivos a las exportaciones tendrá las siguientes funciones:

a) Asesorar al Gobierno Nacional sobre cualesquiera medidas a tomar con relación a incentivos fiscales a la exportación.

b) Dictaminar sobre el contenido de valor agregado nacional de cada producto exportable para propósito de fijar la cantidad de Certificados de Abono Tributario, de acuerdo con el Reglamento que dicte el Organo Ejecutivo.

c) Recordar al Organo Ejecutivo los mecanismos o instrumentos que considere para fomentar las exportaciones de productos no tradicionales.

CAPITULO IV

DISPOSICIONES GENERALES

ARTICULO 10o. Las resoluciones que adopte la Comisión Técnica de Incentivos a las exportaciones se publicarán en el Boletín de la Propiedad Industrial del Ministerio de Comercio e Industrias.

ARTICULO 11o. El Ministerio de Comercio e Industrias podrá comprobar en cada caso que las exportaciones beneficiadas con los Certificados de Abono Tributario se ajusten a las especificaciones presentadas por la empresa a la Comisión Técnica de Incentivos a las Exportaciones al hacer su respectiva solicitud.

ARTICULO 12o. Esta Ley rige a partir de su aprobación.

COMUNIQUESE Y PUBLIQUESE

Dado en la Ciudad de Panamá, a los 30 días del mes de diciembre de mil novecientos setenta y cuatro.

DECRETO No. 5
(de 19 de Enero de 1979)

Por medio del cual se reglamentan el otorgamiento de incentivos a las industrias de ensamblaje.

El Presidente de la República en uso de las facultades que le confiere la Ley.

CONSIDERANDO:

Que el Decreto de Gabinete 413 de 30 de diciembre de 1970, modificado por el Decreto de Gabinete No. 172 de 24 de agosto de 1971 brinda Incentivos Fiscales a las Empresas que se dediquen a las actividades industriales de Ensamblajes.

Que el artículo 40 del Decreto de Gabinete 413 del 30 de diciembre de 1970, modificado por el artículo 23 del Decreto de Gabinete No. 172 de 24 de agosto de 1971 faculta al Organo Ejecutivo para dictar las reglamentaciones de rigor;

DECRETA:

PRIMERO: Las Empresas Industriales que se dediquen a las actividades de Ensamblaje, podrán celebrar Contrato con la Nación, conforme las disposiciones del Decreto de Gabinete 413 de 30 de diciembre de 1970, modificado por el Decreto de Gabinete No. 172 de 24 de agosto de 1971, y lo establecido en el presente Decreto.

SEGUNDO: Entiéndase por industria de Ensamblaje aquellas que se dediquen a la transformación de insumos y partes semielaboradas en productos terminados mediante proceso de acoplamiento.

TERCERO: Los insumos y partes semiprocesadas que ingresen al Territorio Nacional para ser ensamblados por las Empresas Industriales ensambladoras se entiende que constituyen una importación temporal y por lo tanto no estarán sujetos al pago de impuesto, tasa, derecho

y gravamen alguno y su introducción legal al Territorio Nacional se hará conforme a lo dispuesto en el Artículo siguiente:

CUARTO: Para que las empresas ensambladoras puedan introducir al Territorio Nacional los insumos y partes semiprocesadas que requieran para su actividad industrial específica no se requerirá más documentación que la factura comercial, lista de empaque y el respectivo conocimiento de embarque. La mercancía deberá venir consignada a nombre del Contratista, quien para trasladar dichos insumos o partes desde el puerto de llegada al local donde opera la Industria, deberá llenar un Formulario que a su disposición pondrá la Dirección General de Ingresos. El transporte será custodiado físicamente por Inspectores de la Dirección General de Ingresos o vehículo que realice el transporte llevará los respectivos sellos de Seguridad usuales en estos casos.

Los insumos o partes semiprocesadas que ingresan al país conforme este Decreto consignadas a un contratista no podrá ser transferidas a otro.

QUINTO: Las empresas Ensambladoras, deberán comprometerse en el respectivo Contrato de incentivos a exportar la totalidad de los productos terminados que elaboren, y renunciar expresamente a solicitar y obtener Certificados de Abono Tributario.

PARAGRAFO: En caso de que deseen vender localmente los productos por la Industria ensamblados, deberán solicitar y obtener la autorización respectiva de la Comisión Interministerial que se establezca conforme al presente Decreto Reglamentario.

SEXTO: La exportación de los productos terminados no causan ningún impuesto, gravamen, tasa o contribución ya sean estos generales o específicos. A los efectos de enviar el producto terminado al exterior, la Dirección General de Ingresos suministrará un formulario especial de exportación, y la mercancía a exportarse será custodiada físicamente por inspectores de aduana o el vehículo que realice el transporte estará cerrado con los Sellos de Seguridad usuales en estos casos.

SEPTIMO: El Contratista deberá llevar un registro de los inventarios de los insumos y partes semiprocesadas introducidos temporalmente al país, y de los inventarios de los productos terminados y productos exportados, en forma tal que los inventarios teóricos que aparezcan según sus registros sean exactamente igual a los inventarios físicos que permanecen almacenados en los locales o depósitos del Contratista. Cualquier diferencia que resulte será objeto de una liquidación de los impuestos respectivos.

OCTAVO: El Contratista podrá instalar el local donde se efectúe el proceso de ensamblaje en el lugar que más se adecúe a sus intereses, previa aprobación de la Comisión Interministerial. La Dirección General de Ingresos tomará las medidas que considere conveniente para fiscalizar las entradas y salidas de los insumos y partes semiprocesadas, y de los productos terminados, dentro de estas la Dirección General de Ingresos podrá adoptarla y mantener Inspectores permanentes en los locales de ensamblaje.

NOVENO: En los casos que se requiera la presencia física de Inspectores en los locales, el Contratista se deberá comprometer a sufragar los gastos que ocasione a la Nación la presencia de Inspectores en su local. Así mismo, las Custodias físicas que se hacen referencia en los Artículos seis y siete del presente Decreto serán por cuenta del Contratista.

DECIMO: Las Empresas Ensambladoras estarán durante el término de duración del Contrato exonerados del pago del Impuesto sobre la Renta en la República de Panamá. Cuando se trata de personas jurídicas, se deberá pagar, el Impuesto de Dividendos que establece el Código Fiscal.

DECIMO PRIMERO: El Contratista se comprometerá a generar un promedio mínimo de empleos mensuales, el cual será fijado en cada caso en la negociación del respectivo Contrato.

DECIMO SEGUNDO: En el respectivo Contrato que se celebre, no se obligará al Contratista a reexportar los desperdicios, pudiéndose conceder al Estado el derecho a hacer uso de los mismos. Así mismo el Contratista se deberá comprometer a no comerciar con los desperdicios que en su Industria se generen.

DECIMO TERCERO: Para efectos laborales, los Contratistas podrán celebrar Contratos de Trabajo de Temporada, en forma tal que, los empleos generados fluctúen de acuerdo a las necesidades de la Industria de Ensamblaje.

DECIMO CUARTO: Las gestiones que interesados realicen para celebrar los Contratos de Ensamblaje que en este Decreto se reglamente, se gestionarán a través de una Comisión Interministerial la cual estará integrada por un Funcionario del Ministerio de Hacienda y Tesoro, quien la presidirá, un Funcionario del Ministerio de Trabajo y Bienestar Social y un Funcionario del Ministerio de Comercio e Industrias, designado por el Organo Ejecutivo.

DECIMO QUINTO: La Comisión Interministerial que hace referencia el artículo anterior, será responsable por la tramitación ágil, expedita y eficiente del Contrato respectivo y de toda tramitación administrativa que posteriormente deba realizar el Contratista. Los Ministerios y Entidades del Estado deberán prestar a dicha Comisión toda la cooperación necesaria pra que su gestión pueda cumplirse a cabalidad.

DECIMO SEXTO: El presente Decreto empezará a regir a partir de su promulgación.

CUMPLASE COMUNIQUESE Y PUBLIQUESE

Dado en la ciudad de Panamá a los 19 días del mes de Enero de 1979

DR. ARISTIDES ROYO
Presidente de la República

ING. JUAN JOSE AMADO III
Ministro de Comercio e Industria

DESCRIPCION DEL TRAMITE DEL CONTRATO CON LA NACION

1.- FOMENTO Y ASISTENCIA EMPRESARIAL

Determina si la actividad a desarrollar por la empresa solicitante corresponde a lo estipulado por la Ley de Incentivos. Si aplica, se vende formulario y asesora al interesado sobre la tramitacida del contrato.

2.- INTERESADO

Compra formulario y llena el mismo.

3.- FOMENTO Y ASISTENCIA EMPRESARIAL

Recibe la solicitud, revisa la documentación y asigna un número con la finalidad de determinar su secuencia de tramitación.

4.- CONTRATACION INDUSTRIAL

Recibe el formulario, verifica la documentación, la registra y envía al Departamento de Evaluación.

5.- EVALUACION ECONOMICA/COPANIT

Recibe el formulario, revisa la documentación, notifica a Copanit, que hace la evaluación de normas técnicas de calidad simultáneamente y remite a "Fiscalización Industrial".

6.- FISCALIZACION INDUSTRIAL

Recibe el formulario y revisa las materias primas para verificarque las mismas no se fabrican en el país.

7.- EVALUACION ECONOMICA

Evaluación recibe las observaciones hechas por Fiscalización Industrial y lleva a cabo la evaluación técnica economica.

8.- SUB-DIRECCION GENERAL DE INDUSTRIAS

Revisa los resultados de la evaluación y envía a la Dirección General de Industrias.

9.- DIRECCION GENERAL DE INDUSTRIAS

Analiza los resultados y remite a Contratación con observaciones.

10.- CONTRATACION INDUSTRIAL

Mecanografía el contrato y lo remite a Asesoría Legal.

11.- ASESORIA LEGAL

Revisa el contrato, hace observaciones y remite a Contratación.

12.- CONTRATACION INDUSTRIAL

Remite el contrato a la Dirección General de Industrias.

13.- DIRECCION GENERAL DE INDUSTRIAS

Envía el expediente completo a la Junta de Directores.

14.- MINISTRO Y JUNTA DE DIRECTORES

Analizan y aprueban o desprueban el contrato.

15.- DIRECCION GENERAL DE INDUSTRIAS

Recibe contrato y le remite a Contratación Industrial.

16.- CONTRATACION INDUSTRIAL

Contratación llama al interesado para la firma (previa entrega de bonos y timbres).

17.- INTERESADO

El interesado firma el contrato y lo deja en Contratación.

18.- CONTRATACION INDUSTRIAL

Contratación redacta carta para el contralor y la envía junto con el contrato a la Dirección General de Industrias para el Visto Bueno.

19.- DIRECCION GENERAL DE INDUSTRIAS

La Direccion General de Industrias pone el Visto Bueno y envía carta y contrato al Despacho del Ministro para la firma.

20.- DESPACHO DEL MINISTRO

El Ministro firma carta y remite expediente a contratación.

21.- CONTRATACION INDUSTRIAL

Contratación envía expediente, original, y dos copias del contrato y recibo provicional de bonos a la Contraloría General de la República.

22.- CONTRALORIA

Recibe documentos, envía a Asesoría Legal y al Contralor para el refrendo. Hace recibo final de bonos y envía al Ministro de Comercio e Industrias.

23.- DESPACHO DEL MINISTRO DE COMERCIO

Recibe el expediente completo y remite a Contratación.

24.- CONTRATACION

Contratación redacta carta para el Ministro de la Presidencia y remite a la Dirección General de Industrias para el Visto Bueno.

25.- DIRECCION GENERAL DE INDUSTRIAS

La Dirección General de Industrias aprueba y devuelve a Contratación.

26.- CONTRATACION

Contratación remieta al Despacho del Ministro para la firma.

27.- DESPACHO DEL MINISTRO DE COMERCIO

Ministro firma la nota y devuelve a Contratación.

28.- CONTRATACION

Contratación envía expediente a la Presidencia.

29.- PRESIDENCIA

El señor Presidente firma, se pone el número al contrato, y remite al despecho del Ministro de Comercio e Industrias.

30.- DESPACHO DEL MINISTRO

El Ministro de Comercio e Industrias recibe el expediente y remite al Departamento de Personal.

31.- DEPARTAMENTO DE PERSONAL

Personal recibe el expediente, solicita a Contratación copias (6) adicionales del contrato para autenticar y enviar una copia a Propiedad Industrial, 3 a la Contraloría, una al Vice-Ministro de Hacienda y Tesoro, una a Asuntos Financieros y 2 a Contratación; además archiva el original.

32.- CONTRATACION

Contratación recibe el expediente con dos copias y avisa al interesado para que vaya a Propiedad Industrial a pagar la publicación del contrato.

33.- INTERESADO

El interesado se dirige a Propiedad Industrial a pagar la publicación.

34.- DIRECCION DE PROPIEDAD INDUSTRIAL

Propiedad Industrial publica el contrato en el Boletín de la Propiedad Industrial

Concentrated Investment Development Training Program

Unit Description

UNIT V - Investment Council Operations

TIME: 9 hours.

GOAL: To obtain an understanding and knowledge of the Council's approach and strategy for attracting investors to Panama.

OBJECTIVES:

1. Participants will obtain a detailed working knowledge of the role, responsibilities, and functions of:

   a) The Board of Directors
   b) Investment Development Office
   c) Policies and Strategies Office
   d) Investment Services Office.

2. Participants will learn the standard procedures for interpreting and furnishing guidelines on the various incentives.

LOGISTICS:

UNIT V	METHODOLOGY	TIME
Investment Council Operations TRAINER	* Lecture * Group discussion	9 hours

TRAINER MATERIALS	PARTICIPANT MATERIALS
Flip Chart Stand Flip Chart Markers Organization Chart	Notebook Pen/pencil

CONTENT REFERENCES

* Board of Directors By Laws (To be finalized)
* Council Organization and Functions Manual (In preparation)

TIME	ACTIVITIES
9:00 - 9:15 a.m.	DAY 1 Review: The Training Coordinator will briefly review the material covered in the previous unit to ensure there are no unanswered questions.
9:15 - 9:30 a.m.	Lecture: Using the Organization Chart, the Training Coordinator will briefly review the Council Organization and relationship between the various offices. The role of the Board of Directors should also be reviewed. If possible, a member of the Board should be present for this training session as an observer and as a resource person.

TIME	ACTIVITIES
9:30 - 10:30 a.m.	Lecture/Discussion: The Chief of the office of Policies and Strategies provides an indepth orientation on the functions of the office, staffing, resources available, resources needed, data bank, and services to be provided to the other offices within the Council The stage should be set at this time for the discussion later on in this unit on developing standard procedures for interpreting incentive guidelines. The Chief should also provide a status report on the progress made in establishing the office.
10:30 - 10:45 a.m.	Coffee Break
10:45 - 12:15 p.m.	Lecture/Discussion: Chief of the Investment Development Office provides a similar orientation on his office and the offices established (or to be established overseas).
12:15 - 1:30 p.m.	Lunch
1:30 - 3:30 p.m.	Lecture/Discussion: Chief of the Investment Services Office provides a detailed orientation on office procedures and operations. Also covers in depth the services provided not only to new investors but existing investors as well.
3:30 - 3:45 p.m.	Break
3:45 - 4:30 p.m.	Lecture: The Chief of the Policies and Strategies Office outlines the procedures for ensuring that all elements follow a standard procedure for interpreting the various incentives. An indepth discussion will follow on Day 2 of this unit.
4:30 - 4:45 p.m.	Summary.

TIME	ACTIVITIES
9:00 - 11:30 a.m.	Group Discussion: The participants, along with the chiefs of the three major offices will discuss the standardized procedures. The objective is to ensure that Investment Development personnel overseas do not present a different view point from the staff here in Panama. The investor must be able to get accurate factual information that will stand up to detailed scrutiny. By the end of this session all participants must be knowledgeable of, and agree on the standards for interpreting the various incentives.
11:30 - 11:45 a.m.	Summary: Training Coordinator summarizes the activities of the entire training unit.

CONCENTRATED INVESTMENT DEVELOPMENT TRAINING PROGRAM

UNIT DESCRIPTION

UNIT VI - Panama Canal Orientation

Time: 4 hours.

GOAL: To familiarize participants with the history and operation of the Panama Canal.

OBJECTIVES:

-Participants will become familiar with the history of the Canal and the Zone.

-Participants will observe the operation of one of the locks on the canal

LOGISTICS:

-Training coordinator will make the necessary arrangements for a special briefing and tour of the canal facilities. This must be done at least two weeks before the scheduled date. Arrangements must also be made for transportation of participants to the Administration Building.

UNIT VI	METHODOLOGY	TIME
Panama Canal Orientation	* Lecture * Tour	4 hours
TRAINER		

TRAINER MATERIALS	PARTICIPANT MATERIALS
Automobile	None

CONTENT REFERENCES

* Tratados del Canal de Panama, April 1980.

TIME	ACTIVITIES
1:00 - 1:05 pm	Group gathers at ICP office in preparation for tour of Panama Canal.
1:05 - 1:25 pm	Enroute to Canal Zone Administration Building.
1:30 - 4:00 pm	Orientation by Canal Zone staff and tour of facilities to include Mira Flores locks.
4:00 - 4:30 pm	Return to ICP Offices.
4:30 - 5:00 pm	Training Coordinator will provide an orientation and instructions to participants on the scheduled trip to Colon and tour of the Colon Free Zone. Participants should be informed at this time if they will have the option of staying in Colon for the weekend if they so desire.

CONCENTRATED INVESTMENT DEVELOPMENT TRAINING PROGRAM

UNIT DESCRIPTION

UNIT: VII - The Colon Free Zone

TIME: 4 days

GOAL: To become familiar with the operation, geography and facilities available in the Colon Free Zone.

OBJECTIVES:

Participants will:

- Receive an orientation on the Free Zone, its operation, investment incentives, and facilities.
- Tour selected areas of the Free Zone, to include the old France Field and the new containerport at Coco Solo.
- Become familiar with the Free Zone laws and how they benefit and regulate potential investors.

LOGISTICS:

1. The Training Coordinator, with the assistance of the Administrator, will coordinate departure times (Panama to Colon by train at 6:45 am - Colon to Panama by launch through the Canal) and purchase of the necessary tickets.
2. At least two weeks before the scheduled training date, coordinate with officials from the Free Zone to make arrangements for orientation and tour. The ICP Investment Services Coordinator stationed in the Free Zone can be extremely useful in helping with the arrangements.
3. After coordinating with Free Zone officials, the Training Coordinator will develop a more specific and detailed agenda for the day's activities.

UNIT VII	METHODOLOGY	TIME
The Colon Free Zone	* Lecture * Tour	10 hours
TRAINER		

TRAINER MATERIALS	PARTICIPANT MATERIALS
	Notebook Pen/pencil

CONTENT REFERENCES

* Zona Libre de Colon, Directory and Buyers Guide, Focus Publications

TIME	ACTIVITIES
6:30 am	Group meets at railroad station in Panama.
6:45 - 8:45 am	Enroute to Colon (groups will be met at the Colon railroad station by a representative from the Free Zone).
9:00 - 4:00 pm	Orientation and tour of the Free Zone facilities.
4:30 pm	Return to Panama by launch through the Canal. Those desiring to stay in Colon for the weekend should be made aware of the train and launch schedules on weekend.

CONCENTRATED INVESTMENT DEVELOPMENT TRAINING PROGRAM

UNIT DESCRIPTION

UNIT: VIII - Introduction to Banking Laws and Insurance Regulations.

TIME: 6 1/2 hours

GOAL: To familiarize participants with Panama's Banking Laws and Insurance regulations.

OBJECTIVES:

1. Participants will become familiar with the requirements for the three types of banking licenses, the operations of the National Banking Commission, and the procedures for obtaining a banking license.

2. Participants will visit the National Banking Commission offices.

3. Participants will become familiar with the functions and responsibilities of the Superintendent of Insurance.

LOGISTICS:

Arrangements for an orientation at the National Banking Comission will be made at least two weeks prior to the training date.

Similar arrangements will be made with the Ministry of Commerce and Industry to visit the Superintendent of Insurance.

UNIT VIII Introduction to Banking Laws & Insurance Regulations	METHODOLOGY	TIME
TRAINER	* Lecture	6½ hours

TRAINER MATERIALS	PARTICIPANT MATERIALS
	Notebook Pen/pencil

CONTENT REFERENCES

* Decree No. 198, July 2, 1970.

TIME	ACTIVITIES
9:00 - 9:30 am	Lecture: Training Coordinator will provide an overview on the banking and insurance industry in Panama, with relevant statistics. For example, there are currently over 130 banks and more than 30 insurance companies operating in Panama. Potential investors will be looking into some of these areas for investment.
9:30 - 11:30 am	Lecture/Discussion: Visit to the National Banking Commission for a detailed orientation on rules, regulations, procedures for obtaining licenses. Also, should cover the impact of the banking industry on available financing for investors.

TIME	ACTIVITIES
11:30 - 1:00 pm	Lunch
1:30 - 3:30 pm	Lecture/Discussion: Visit to the Ministry of Commerce and Industry for a detailed briefing from the staff in the office of the Superintendent of Insurance. Participants will be provided information on insurance regulations and their impact on inver[illegible] as well as the potential for new investments in the insurance area.
3:30 - 3:45 pm	Return to ICP Offices.
3:45 - 4:30 pm	Preparation for Site Visits to the Interior: Training Coordinator will provide detailed information on the scheduled trips into the interior of Panama. (Sites to be visited will be selected in coordination with the Executive Director). Participants will be provided with background information on the sites to be visited. Participants will also receive information on accommodations, what charges they will be responsible for, etc.

CONCENTRATED INVESTMENT DEVELOPMENT TRAINING PROGRAM

UNIT DESCRIPTION

UNIT: IX - Site Visits to the Interior

TIME: 4 days

GAOL: To acquaint participants with the various facilities and investment opportunities available in the interior of Panama.

OBJECTIVES:

1. Participants will become familiar with existing industrial, agricultural, fishing, and port facilities outside the urban areas of Colon and Panama City.
2. Participants will experience first hand the utility of existing transportation networks.

LOGISTICS:

Training Coordinator, with the assistance of the Administrator will make the necessary arrangements for travel and hotel accommodations, at least two weeks in advance of the scheduled trip. Specific arrangements must also be made with appropriate officials at the sites to be visited. In addition, depending on the size of the group, arrangements must be made for either a van or a bus to transport the group. Coordinator should also make necessary arrangements for payment of expenses.

NOTE:

The sites listed in this unit may be changed at the discretion of the Executive Director. These are merely suggestions.

UNIT IX Site Visits to the Interior	METHODOLOGY	TIME
TRAINER		4 days

TRAINER MATERIALS	PARTICIPANT MATERIALS
	Notebook Pen/pencil Handouts containing information on sites to be visited Road map of Panama

CONTENT REFERENCES

TIME	ACTIVITIES
7:30 am - 10:00 pm	<u>Day 1</u> Group departs Panama City for Vacamonte to tour the port facilities and obtain information on the fishing industry in Panama. From there, the group will travel on the Autopistā to Chorrera. The Training Coordinator will point out the industrial areas that are being developed in the vicinity of Chorrera and the potential for future investment. The tour will continue on past Penonomé to Nata, Aguadulce, and Divisa. On this portion, they will visit coffee and sugarcane plantations, shrimp farms, desalination plants and the National Agricultural Institute. The group will then continue at night to the city of David arriving at the hotel around 10:00 pm.

TIME	ACTIVITIES
8:00 am	Day 4 Group departs for Darien Province by road. Participants will visit an experimental black pepper plantation and observe first hand the tremendous potential for future development in Darien Province.
4:00 pm	Return to Panama city.
4:00 - 5:00 pm	Summary and Closure This completes the formal training program. The Training Coordinator will open up this last session to questions and comments by participants. Participants will be asked to submit a narrative evaluation of the entire training program to include recommendations for improvement. Training Coordinator will also provide instructions for the remaining three weeks of cross-training assignments. (See Unit X)
9:00 am - 6:00 pm	Day 2 The group will spend the day touring the citrus groves in the vicinity of Rovira and the vegetable farms around Boquete. In the area of Cerro Punta and Volcan, the group will visit tobacco fields and dairy and cattle farms and a newly established fish hatchery.
9:00 am - 10:00 am	Day 3 Group returns to Panama city by airplane.
10:00 am - 1:00 pm	Rest and recuperation.
1:00 pm - 4:00 pm	Participants will be asked to write a trip report recording their observations and suggesting recommendations for future trips. An essential element of the report will be to elicit recommendations for potential investment projects. These reports will be submitted to the chief Policies and Strategies Office for incorporation into their data base. Copies should also be furnished to the Chief, Investment Development Office.
4:00 pm - 4:30 pm	Training/Coordinator will provide instructions for the trip on the following day to Darien Province.

CONCENTRATED INVESTMENT DEVELOPMENT TRAINING PROGRAM

UNIT DESCRIPTION

Unit X: - Cross Training Assigments

Time: Three weeks

Goal: To provide participants with a detailed understanding of the responsibilities, functions, and activities of each operational element of the Investment Council of Panama.

Objectives:

By the end of the three week period each participant will have a working knowledge of the operation of the:

* Investment Services Office
* Investment Development Office
* Policies and Strategies Office

Logistics: None

Suggested Approach:

Participants should be divided into three groups with a group assigned to each office for a period of one week. At the end of the week the groups rotate so that at the completion of three weeks each participant will have spent one week in each office. Each office chief should develop a plan of work that incorporate the participant into the existing staff structure.

The training in each office should start with a 30-60 minute orientation by the Office Chief. In this session participants should be provided with: 1) review of the office organization and functions; 2) current projects or other work in progress; a 3) the proposed assignment for the participant. In this latter role, participants should be treated and utilized as a regular staff member with specific task assignments. Every effort should be made to ensure the participant learns as much as possible about the overall operation of the office. This may require different assignments every day. However, the Office Chief must make the final determination on the best way to utilize the participant to his and the office's best advantage.

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At the end of the week, the participant should be required to submit a written report to the Office Chief on what he/she accomplished and learned. Participants should also be encouraged to provide recommendations either for improving the training or improving office operations procedures or both. At the time the report is submitted (afternoon of last day in that office), the Office Chief should conduct an exit interview to review and summarize the week's activities.