



Foreword by
Rupert Goodman DL
Chairman and Founder
FIRST

It gives me great pleasure to introduce this Official Report on Panama to mark the Official Visit of President Juan Carlos Varela to the United Kingdom. I am especially grateful to His Excellency Daniel Fábrega, the Panamanian Ambassador, and his Embassy staff for all their help and guidance in the preparation of this report. We are also very grateful to President Varela for contributing such an important and personal article.

This official visit is particularly timely and will help focus the attention of business leaders and policy makers on the many opportunities that exist in Panama.

The strength of the UK's partnership with Panama is underlined by this presidential visit. Simon Hart, the Prime Minister's Trade Envoy for Panama made a visit to Panama in April 2018 and her Majesty's Ambassador to Panama, Damion Potter, has done much to help facilitate interaction at the highest levels between both nations.

Originally settled by the Spanish in the 16th Century, Panama joined the Republic of Gran Colombia in 1821 which dissolved in 1830, and Panama seceded from Colombia in 1903. The Panama Canal was built by the US Army Corps of Engineers between 1904-1914. Between 2007-2016 a major canal expansion plan was undertaken – essentially doubling the capacity of the canal.

Panama's economy is based on a well developed services sector which accounts for more than seventy per cent of GDP. The

principal services include insurance, offshore banking, tourism, management of container ports and the operation of The Panama Canal. Panama's leading edge transport and logistics sector has boosted economic growth – with estimated GDP growth rate of 5.3 per cent for 2017.

The United Kingdom is the fourth largest investor in Panama with more than US\$ 3.5 billion of holdings. The UK has a very strong export record to Panama – boosted by the Colón Free Trade Zone. The UK's main exports to Panama include beverages, organic chemicals, pharmaceutical products and transport equipment.

Panama's economic development provides important opportunities for strengthening the bilateral trade relationship. Of particular importance is Panama's major infrastructure strategy, offering investment opportunities in housing, roads and urban planning, hospitals and energy – especially renewables.

The Official Visit of President Varela to the United Kingdom, while providing an opportunity for private discussions, will give us all an opportunity to study the important developments in Panama and to weigh carefully the opportunities for both countries to work together even more closely.

We at FIRST are delighted to have been asked to produce this official publication to mark the President's Official Visit and hope that it contributes, in a small way, to its success and the further development of the bilateral relationship especially in the area of trade and investment. **F**