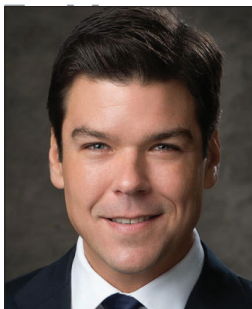


# A growing partnership

By H.E. DANIEL E. FÁBREGA

AMBASSADOR OF PANAMA TO THE UNITED KINGDOM



**DANIEL E. FÁBREGA** was educated in Panama and the United States, earning a Bachelor's Degree in Business Administration at Loyola University in New Orleans, followed by a Master's in Business Administration at the Universidad Latinoamericana de Ciencia y Tecnología (ULACIT) in Panama. Before his appointment as Ambassador, he served as a Company Director and the Vice President for Exports for Varelas Hermanos S.A.

Panama and the United Kingdom have enjoyed more than a century of diplomatic relations, and in recent decades our relationship has been further strengthened by the growing numbers of British businesses that have established a presence in Panama, indeed, the UK is now among the leading investors in my country.

Panama's healthy economic growth and approach to business over the last decade makes it an attractive place for international investors. We're a democratic, outward-looking nation with a strong commercial spirit that understands UK business culture, and we're going to be further strengthening our collaboration with the UK government over the coming years.

We continue to monitor the development of Brexit; there is still much uncertainty, but Panama is fully committed to continue working closely with the UK to further strengthen our bilateral relations to produce positive, tangible results for both countries: we believe we're the perfect regional partner for post-Brexit Britain.

Among the achievements over recent years I would highlight the expansion of the Panama Canal, which is already breaking records in transit capacity. This has generated a ripple effect, with upgraded developments in ports and shipping infrastructure. We will soon inaugurate our expanded airport, designed by Sir Norman Foster. It will reflect the Panamanian landscape, evoking a unique sense of place to welcome visitors to the country, while removing the anonymity of the international hub experience for passengers in transit.

We now have a National Energy Plan which aims for 70 per cent of the energy matrix to come from renewable energy by 2050.

At the same time, we continue to strengthen our democracy through electoral reforms with the participation of the opposition, civil society and government. This unified development will contribute to more transparent and fair elections.

Reflecting its growing confidence on the international stage and an awareness of our regional role, Panama last year established diplomatic relations with China that saw a historic state visit that promises great opportunities for both nations, which will provide further benefits to our economy.

We are working hard to reduce housing deficit gap through the 'Roof of Hope' and the Colón Renovation projects. We are developing the ITSE technical

education centre to meet the growing demand of the banking, logistical agro and commercial sectors

We continue the development of important infrastructure projects to provide basic needs.

We still have much to look forward to, including the celebrations for the 500 anniversary of the foundation of Panama City this year.

And to top things off, we qualified for the World Cup for the first time, reflecting our perseverance and investment in football!

Panama's main advantage is its location, which we continue to capitalise on through policies to create synergies between the canal and our main airport, Tocumen, which has direct flights to 90 international destinations and is one of the fastest-growing aviation hubs in the world. As a result of the incentives we offer to firms to set up regional headquarters we now have more than 140 multinationals in the country. We're also redeveloping the Colón Free Trade Zone on the Pacific coast.

## A COMMITMENT TO CHANGE

The government is committed to creating a level playing field for international and local businesses. The ongoing corruption trials need to be seen in a positive light, because they show that the judicial system isn't afraid to hold the people to account and that public finances are spent appropriately.

Panama's success has never depended on irregular cash flows into our financial system; instead, our achievements are based on hard work. Ours is a small country, but has found an important place internationally. We understand that a world-class international services platform requires a commitment to be responsible global citizens. Panama assumes its obligations to respect international law. We are committed to cooperating as a regional partner or strategic ally both in trade and security matters in the same way we committed ourselves to completing the Panama Canal expansion and protecting our platform of logistics services against organised crime. Panama has decided to defend its financial system and to move forward with the exchange of information in matters of taxation.

Under the administration of President Juan Carlos Varela, who was elected on a platform of transparency and a commitment to tackle corruption, Panama has

Opposite: The Costa Del Este and Corredor Highway snakes along the Pacific Coast

made huge strides in improving our country's business environment. We have worked with global partners on legal frameworks to fight tax evasion, promote transparency and upgrade reporting standards. Meanwhile our banking Superintendent and Minister of Economy and Finance have been creating tough mechanisms to ensure that Panama's financial system is not used for money laundering or financing terrorism. We've signed tax agreements with several G7 countries and generally been applauded by the international community for our work in boosting financial transparency.

Many British firms who abide by the UK 2010 Anti-Bribery Act have had success stories when establishing themselves in Panama. This clearly demonstrates that enterprises can thrive in Panama's clean business environment.

#### REGIONAL GATEWAY

By developing increasingly closer ties with its neighbours, Panama is gradually emerging as an influential regional player. Traditionally, foreign policy was led by matters related to the Canal. Economic sectors associated with international trade, such as the Colón Free Trade Zone, banking, and shipping were the defining interests in Panama's foreign economic relations

But Panama has taken an active, dynamic role in regional politics over recent years, pursuing independent policies backed by a flourishing economy. A member of all the leading global organisations, Panama has aimed for a conciliatory and progressive foreign policy designed to deal effectively with regional crises.

Panama looks actively outward now. As an example of regional cooperation, the government of President Varela has made significant policy improvements in terms of improving cooperation with international organisations, tracking flows of money, and strengthening the local police.

This focus on commerce and trade is crucial to understanding Panama's relations with both the region and the wider world; it has some of the lowest import tariffs in Latin America and is known for its liberal trade and investment regimes. The country has an export-oriented economy and is already a dynamic international hub for such activities as shipping and banking.

Panama's robust political system has weathered many storms, and recent elections have provided proof that the country has returned to stability and transparency. As we take on a growing diplomatic role, the government is helping shape Latin America from within, bridging the northern and southern hemispheres.

Panama enjoys a privileged geographical position linking continents and hemispheres. We are a bridge, socially, politically and diplomatically. London has a



crowded diplomatic marketplace – it can be a challenge to stand out and get your point across. However, I am a firm believer in quality over quantity, and we have a great, hardworking team.

More UK companies are looking to open their regional hubs in Panama. Also, we have seen an increase of British firms participating in different tender processes taking place in our countries. At the same time, the UK Embassy in Panama continues to grow (staff and seniority), highlighting how Panama is a key regional partner of the UK.

The UK and Panama share not only a historic friendship, but also similarities: just as the UK is the gateway to Europe, Panama is the gateway to Latin America. We are both trading nations at heart with a strong maritime history, so I do not doubt our relationship will continue to grow and develop as our mission continues its work.

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