

Panama independence day

Amid rapid economic growth, nation pushes social protection agenda

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CHARGE D' AFFIRES A.I. OF PANAMA

On behalf of the government of the Republic of Panama, I would like to extend my heartfelt congratulations to all Panamanian citizens in Japan on the occasion of the 111th anniversary of our independence.



I would also like to greet Their Imperial Majesties Emperor Akihito and Empress Michiko, as well as the noble Japanese people.

Panama has Latin America's fastest growing economy and it is a priority for President Juan Carlos Varela's government, inaugurated July 1, to preserve the essential macro-economic conditions for all Panamanians to participate in their country's economic success.

Panama's economic growth has been one of the fastest in Latin America over the past decade, with real gross domestic product (GDP) expansion averaging over 8 percent from 2006 to 2012. Moreover, Panama has experienced an aver-



Panama Canal (left), Panama City EMBASSY OF PANAMA

age annual growth of 8.7 percent over the last decade, with positive growth maintained during the global economic downturn. Growth in 2012 reached 10.7 percent, the highest in Latin America, before slowing slightly to 8.5 percent last year.

Forecasts predict Panama will show the greatest expansion in Latin America once again in 2014. This is supported on the backdrop of a diversified economy, including a well-developed service sector, centered on the Panama

Canal, related logistics and distribution services and its large international financial center. Services account for around 80 percent of the GDP.

The Panama Canal expansion and a number of mega-projects have boosted the economy, which it is expected to continue growing steadily. This represents a historic opportunity to make progress in reducing poverty and inequality, an opportunity which the Varela government is ready to seize.

The government recognizes



the vital need to develop a more effective social protection system as a crucial step to accelerating poverty reduction in Panama. In order to broaden the base of potential beneficiaries, the government has announced initiatives to further increase private sector competitiveness and improve access to education and health, in addition to developing skills and stimulating innovation.

To further address these challenges, the government has introduced various pro-

grams to reduce poverty and increase access to services. The "Red de Oportunidades" a conditional cash transfer program, for instance, provides \$50 to the poorest mothers so their children can go to school and receive basic health and nutrition services. This program currently benefits more than 357,000 people.

The government of Panama has also committed additional resources to social protection programs, such as the "120 a los 65" program that provides \$120 to more than

100,000 retirees over 65 years of age who are not covered by pension programs and the "Beca Universal" program that grants a monthly scholarship of \$30 to 550,000 students in public and eligible private schools.

In order to confront Panama's development challenges, the government's agenda is focusing on maintaining economic growth that builds on the country's competitive advantages. The overall policy framework encompasses a development-based foreign policy which supports domestic targets of a foreign policy agenda to promote dialogue and political convergence, human development and democratic governance.

Within this crosscutting spectrum aimed at supporting growth for sustainable human development, the central goal is delivering greater opportunities for the populace at large together with a transparent and efficient public sector that provides returns to society (Serving People First). This broader context comprises areas such as governmental transparency, accountability, fighting corruption and impunity, public security, health, social protection, rural development, environment protec-

tion, infrastructure expansion and efficiency in the public sector. During the tenure of Varela's government, addressing these challenges and seiz-

ing the opportunities with the participation of all Panamanians will be critical for Panama to move toward a higher level of human development and prosperity.

Congratulations
on the 111th Anniversary of
the Independence of
the Republic of Panama

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