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FEBRUARY 2021

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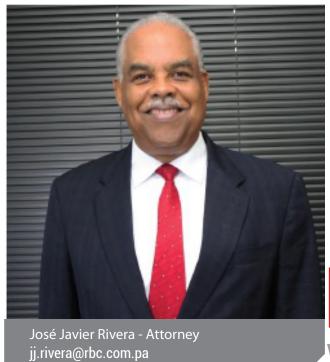
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# Editorial Where are we going?

ne year after the Coronavirus Pandemic was identified in the world, it is necessary to focus not only on what has happened; but, particularly in the great tasks that the country has pending, many of which were irresponsibly placed on pause to maintain an atmosphere of generalized panic and avoid accountability and the execution of a government plan. Let's see some tangible results:

- 1. A precipitous fall in gross domestic product, a paralysis of the business fabric and of formal and informal employment.
- 2. A null execution of the main infrastructure works that could mean a reactivation of the

construction sector.

- 3. A large debt to meet the costs and expenses generated by the pandemic, humanitarian aid to the unemployed, low-income people, but which has not been subjected to control over its relevance and rationality.
- 4. The weakening of control institutions such as: the Judicial Branch, the Public Ministry, the Office of the Comptroller General of the Republic and the Assembly of Deputies.
- 5. Absolute absence of a presidential leadership to attend to a failed, chaotic and inefficient state.

- 6. A bad perception of the country's capacity to face the crisis and a loss of the risk rating.
- 7. A recurring environment of social, political and economic scandals, the most recent being that of child abuse, sexual abuse of minors and other related crimes with the consent of the governing bodies (Mides, Senniaf and Judicial Branch).

Faced with a marked absence of leadership, the country isstumbling, although it has an agenda of crucial projects that could prevent a total and irremediable disaster.

Someoftheurgenttasksonthisagendaarethefollowing:

- 1. Launch a government action plan and also public-private alliances to reactivate employment as of March, when the lockdowns end and most productive activities resume.
- 2. To face in a structured and permanent way the pending tasks with regard to the international image of the country, particularly in the financial and tax areas, policies to combat corruption and to provide certainty of punishment.
- 3. Eliminate from the Executive body all sources of nepotism, influence peddling, conflicts of interest and absolute lack of accountability.
- 4. Reestablish face-to-face activity in all public areas including ministries, autonomous entities, to achieve the reactivation of all public services in quality, quantity and efficiency.

- the State and Panama Ports, concerning the ports of the Pacific sector and establish a policy of free competition and free competition in the port, logistics and development of our competitive advantages, to promote the establishment of multinational companies in Panama, seeking in each activity to increase the national wealth and have a performance in accordance with the use of these strategic resources that the Country has.
- 6. Create a ministry of mining or a totally independent authority with the features of the Panama Canal Authority, eliminating all political interference for the negotiation of contracts between companies dedicated to mining, metallic and non-metallic activities of world rank and develop all the mining potential that the country has for the benefit of the communities located in these sites, accepting international recommendations on the best extraction practices prevailing sustainable development.
- 7. Undertake a thorough sanitation in the Public Ministry so that there is confidence in the Administration of Justice.

As President Guillermo Endara Galimany stated, "THE WORLD IS LOOKING AT US".

It will dawn and we will see... L&E





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### DRAFT CONTENTIOUS-ADMINISTRATIVE PROCEDURAL CODE OF THE REPUBLIC OF PANAMA: AN URGENT UPDATE

he Contentious-Administrative jurisdiction is that destined to the knowledge and application of the Law in the administrative order, in other words, it is the one in charge of regulating the activity of the Public Administration in its contentious version, having to address controversies related to the legality of the administrative acts of particular or general effect, dealing with issues ranging from the regulations of the laws issued by the Executive Branch, municipal agreements or regulations of autonomous institutions to matters related to taxes, provision of public services, public goods, protection of the diffuse rights, the norms of protection to the environment and urban planning; public contracts, personnel actions of public servants, among other matters.

This jurisdiction arose in Panama in 1941 with

the Political Constitution of that date, and was later developed with Law 135 of 1943, organic law of administrative litigation, and later by Law 33 of 1946. Its creation is somewhat late if compared with the development of this jurisdiction in neighboring countries, but vital because despite the little economic development in the country at the time, (According to data from the Comptroller General of the Republic, in the publication "Statistical Extract of the Republic of Panama, from the year 1945, "the Population Census of the year 1940, indicated that the country had a total of 622,576 inhabitants. Public spending for that year amounted to the sum of B/. 32,652,158.18; with 6 Banks (2 state and 4 private); and, the total number of landlines for the cities of Panama and Colon, was 6,300) its intention is to clearly delimit the capacities and attributions that the State has in its role and relationships co n its governed, protecting them from an administrative activity that exceeds the limitations of the Law.

A jurisdiction denatured by the formalities of a reality of more than seventy years ago.

Although Contentious-Administrative legislation has been reformed and developed on several occasions since its creation, the reality is that today this jurisdiction continues to be governed by retrograde rules and formalities with more than seventy years of existence and already widely surpassed by international currents, which, on many occasions, denatures the sense by which this jurisdiction was created.

Proof of this is found in the excessive formalism for access to this jurisdiction which, not infrequently, leads to the inadmissibility of the claims for strictly formal reasons, a fact contrary to the modern procedural principles of access and effectiveness of justice. and to international conventions on human rights that promote access to full justice, of which, it is worth emphasizing, Panama is a signatory.

Not directing the libel of the lawsuit to the president of the Third Chamber; not to designate as part of the process the Procurator of the Administration; Failure to present a certified copy of the contested administrative act with the application or to present a simple copy without a copy of the certification request and without its proof of notification are just some of the capital sins that may involve denial of access to contentious-administrative jurisdiction. In our country. Situation that is not entirely secure either because jurisprudential doctrine of the Chamber is not homogeneous, with both formalistic and conservative criteria as well as guarantees and renovators.

Another of the great shortcomings is the delay for the resolution of the admitted cases, since the average of the conclusion of the processes in this jurisdiction is three years, often reaching up to five years, a term in which the administered ones are in legal uncertainty in relation to their situation, a fact that is aggravated when considering the delay that often occurs within the governmental route (via crucis necessary to access the contentious-administrative jurisdiction) and that in some cases can lead to the generation and accumulation of stratospheric surcharges and interests for the administered.

But this delay is not idle, on the contrary, it has its origin in a multiplicity of factors such as increase in economic activity in the country and that Third Chamber has exclusive competence over administrative contentious, without the possibility of deconcentration in Courts lower because the initiative can be attacked as unconstitutional.

When this jurisdiction was created, our country didn't have great economic development, it didn't have many public institutions, public services were underdeveloped and state payroll was low. But today reality is diametrically different, Panama is an economically developed country that attracts foreign investment, every day there are more state institutions, which in turn generates an increase in the state payroll, as well as in the relations between the State and individuals., a situation that undoubtedly contributes to saturate the capacities of the Third Chamber. And it is that as the states develop economically, likewise more activity will be generated on the part of public institutions, an activity that is not always attached to the law and that is where the Contentious-Administrative jurisdiction must actively intervene, as a guarantor of democracy and protection of the rights of individuals.

The truth is that a 21st century contentiousadministrative jurisdiction must be able to resolve claims of claimants in an expeditious and specialized manner, based, not only on the law or regulations, but also on the principles recognized by administrative law, in constitutional norms, in jurisprudence and in the precedents, all this contributes to the development of the law and gives stability and legal security to the system.

### Draft Contentious-Administrative Procedural Code of the Republic of Panama

Designated by Executive Decree No. 378 of August 24, 2016, modified by Executive Decree No. 82 of February 21, 2017, the Codifying Commission of the Draft Contentious-Administrative Procedure Code was in charge of the drafting of the Draft Contentious Procedure Code- Administrative of the Republic of Panama, a project as ambitious as it is transcendental, since the current Contentious-Administrative legislation is obsolete and incapable of responding to the reality of our country.

The promotion of justice, the strengthening of transparency, the streamlining of processes, the provision of provisional measures and effective enforcement procedures, the protection and guarantee of individual and collective rights, as well as the implementation of international instruments of Protection of human rights in processes under Panamanian law are some of the objectives that guided this project, which seeks to modernize an archaic at a time when the Administration of Justice is overcome by the growing needs of citizens.

The text has a Book divided into twelve Titles: Preliminary Title (Purpose, scope of application and principles) Title I (Jurisdiction and competence) Title II (The Contentious Administrative Procedure) Title III (Beginning of the process) Title IV (Evidence and Allegations), Title V (Of the processes) Title VI (Of the judicial resolutions), Title VII (Forms of termination of the process), Title VII (Unification of Jurisprudential Doctrine), Title IX (Breakdown), Title X (Impediments and Challenges), Title XI (Final Provisions).

Preliminary Title: Purpose, scope of application and principles

As its title indicates, it deals with the object, scope of application, principles of the Contentious-Administrative Jurisdiction. In other words, the purpose of this Code is to regulate processes that are brought before the administrative contentious jurisdiction in order to make effective the preservation of the legal order and the rights recognized in the Political Constitution and in the substantive law. All this in observance of constitutional principles, procedural principles of administrative law and general principles of law such as legality, due process of law, legal security, gratuity, good faith, impartiality, consistency, informality, responsibility, publicity, effectiveness, among others.

### **Title I: Jurisdiction and competence**

It includes the issues of jurisdiction and competence, designating the Third Chamber of the Supreme Court of Justice as the competent Court and clarifying that the jurisdiction of the Court is determined by the acts issued based on the activity of the Public Administration. Additionally, the included matters are delimited (matters arising from acts, omissions, deficient or defective provision of public services, resolutions, orders or provisions that execute, adopt, issue or incur in the exercise of their functions or claiming to exercise them by the servers public or national, provincial, municipal, county authorities, autonomous entities and joint ventures or mixed economy in which the State owns more than fifty percent (50%) of the shares) and excluded (processes that originate by reason of civil or commercial contracts entered into by state entities, legal acts of state entities issued for commercial or strictly private purposes, resolutions issued by justices of the peace, civil, criminal, commercial, labor and transit and land transport conflicts expressly attributed by law to other courts and jurisdictions, acts through which disciplinary sanctions are imposed on members of the national police or other entities to it. etc.).

**Title II: The Contentious Administrative Procedure** 

Itdealswithgeneralmattersrelatingtothe Administrative Litigation procedure, determining the parties, their legal capacity and representation, the intervention of third parties and their paperwork. Among the points indicated, the points referring to the possibility of participating through informal management, the appearance of family members without the need for power of attorney and the recognition of fees after the revocation of the power of attorney are striking.

### **Title III (Start of the process)**

It includes the initial phase of the process, dealing in a comprehensive way with precautionary measures, common requirements to contentious-administrative claims, terms of presentation, means of notification, processing of the claim and its correction, answer, accumulation of processes, sanitation, causes and processing of nullities and exceptions.

In this title we rescue a wise step towards making the precautionary, conservative and protection measures more flexible and greater certainty about their processing. Additionally, we observed a greater flexibility of the requirements common to the lawsuits and the ability to provide evidence, as well as the use of notifications by electronic means, which, if approved, would modernize and incredibly speed up the contentious-administrative process.

### Title IV: Evidence and Allegations

It deals with matters relating to the presentation, processing, evaluation of the evidence and the allegations phase, granting a term of five business days for the presentation of the same. It is important to note that in terms of evidence, the code allows that depending on the particularities of the case, the Court may, ex officio or at the request of a party, distribute the burden when decreeing the evidence during its practice or at any time during the process before failing demanding to prove a certain fact to

the party that is in a more favorable situation to provide evidence or clarify the controversial facts, a perspective applauded due to the guarantee since on many occasions the action or inaction of the Administration prevents users from fully proving their claims. It is also worth mentioning the ability to take tests abroad, for which the provisions of international agreements or, failing that, in the Judicial Code, for the processing of letters rogatory will be followed..

### Title V: Of the processes

This title delimits and extensively deals with the procedures that will be the competence of the contentious-administrative jurisdiction, among which are the processes of Public or Popular Action, Full Jurisdiction Demand, Lesividad Process, Contentious Direct Reparation, Contentious Validity Assessment, Contentious Interpretation, Consultation and Warning of Illegality, Contentious Contract, Legal Viability of Payment or Act, Contentious Human Rights, Settlement of Abstract Condemnation, Administrative Inactivity, Illegality of Arbitration Award, Repetition Against Servants Public and Private in Public Functions, Call of the Public Servant or Former Public Servant to the Process and Summary Process.

### Title VI: Of judicial decisions

As its name indicates, this chapter deals with judicial decisions, their types, means of publication, content, minimum requirements and applicable rules, enforcement and effects.

### Title VII (Forms of termination of the process)

The sentence, types, deadlines for its issuance, scope of same in recognition of the presentations and damages, the abstract sentence, clarification and correction of the sentence, subtraction of matter, effects and execution.

At this point, it is important to note that the

Draft Bill provides for a term of thirty working days for its execution, after receiving the communication, for the Authority to execute and comply with what is resolved in the judgment.

### **Title VII: (Unification of Jurisprudential Doctrine)**

This title includes what is related to the Procedure for Unification of Jurisprudence, admissibility and prohibitions to withdrawal, declaration of expiration of the Instance and resources proceeding against it and transaction.

In this sense, preliminary draft contemplates a procedure for unification of Jurisprudence, a request that can be made by any of the parties in the pleadings phase and in the event that there are judgments with dissimilar jurisprudential doctrine, which have resolved claims similar to those set forth in the demand. The Court may also issue, ex officio, decisions of jurisprudential unification.

### Title IX (Breakdown)

It includes the itemization procedure and the probative force of the copies certified by this procedure, which will have the same probative force as the itemized document.

### **Title X (Impediments and Challenges)**

Determines the causes of Impediments and Challenges, procedure, means of filing, inadmissibility and terms to resolve.

### **Title XI (Final Provisions)**

The final provisions address issues such as the nonretroactivity of the Code's rules in processes prior to its entry into force, the provision of resources to the Judicial Branch for the operation of the Contentious-Administrative Jurisdiction contemplated in the General State Budget, the Payment of fees and the entry into force and dissemination of this Code. Additionally, and not unimportant, it carries out a series of subrogations and derogations to the provisions contained in Law 135 of 1943, modified by Law 33 of 1946, article 97 of the Judicial Code, article 1165 of the Fiscal Code, as well as the others Preexisting rules on the matters covered by this Code.

This Code seeks to print orality, modernity, agility, flexibility and certainty to the Contentious-Administrative process. Through the use of technological means, the promotion of transparency and fundamental changes in the way in which the processes are carried out, this preliminary draft outlines the guidelines for a contentious-administrative justice aimed at responding quickly and effectively to the needs of the administrated, establishing simple rules, exact terms and friendly procedures so that those who consider themselves affected by an act of the Public Administration can access the Third Administrative Litigation Chamber to obtain a solution to their problems in a timely manner.

We congratulate the wonderful work done by the Codifying Commission of the Draft Contentious-Administrative Procedure Code, a work team that ad-honorem and out of love for the country worked for long months to offer the country a better future through a contentious-administrative jurisdiction. efficient and current. We hope that this initiative will not remain for much longer as another document in the Executive drawer and will soon see the light of day moving to the reality of our country. L&E

Those interested in reading the complete preliminary draft can find it at following link:

http://www.procuraduria-admon.gob.pa/wp-content/uploads/2017/08/Anteproyecto-del-C%C3%B3digo-Contencioso-Administrativo.pdf

# Norms of INTEREST

# LAW 201 OF FEBRUARY 25, 2021 GRADUAL REIMBURSEMENT OF WORKERS

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ith the issuance of Law 201 of February 25, 2021, temporary measures are established to preserve employment and normalize labor relations and other provisions are issued.

Before entering to review Law 201, we consider it appropriate to point out that said norm is related to Executive Decree No. 229, orders the reinstatement of workers suspended as of January 2021 and authorizes closed companies to request the extension of the suspension of contracts and Executive Decree No. 8 of January 14, 2021, which adopts labor measures in response to the restriction of citizen mobilization and subrogates Executive Decree No. 231 of December 28, 2020.

The most relevant points of the recently issued Law 201 and that in most of its articles are those contained or developed in the repealed Executive Decree No. 229 and Executive Decree No. 8:

1. Workers with suspension of the effects of their contracts due to force majeure or unforeseeable circumstances, extended by virtue of Law 157 of 2020 and Executive Decrees 231 of 2020 and 8 of 2021, will be reinstated to their jobs as gradual way

- 2. Companies are urged to apply mobilization restriction measures to carry out their activities through the modalities of telework, paid work leave available, among others.
- 3. In the event that said companies cannot make use of the modalities indicated in the previous point, they must register with the Ministry of Labor and Labor Development the suspension of the effects of the employment contract and it will remain in force while the restriction measures are

### applied.

- 4. Companies that remain closed by provision of the health authority since March 2020 may request the extension of the suspension of the effects of their workers' contracts, as long as said limitation remains in force.
- 5. Once they have been authorized to restart their economic activities, companies will gradually reintegrate their workers, month by month, according to the conditions of each company. The extensions of the suspension of contracts may not exceed five months.

### 6. Primary Sector Companies:

- They will reintegrate the suspended workers gradually month by month, according to the conditions of each company.
- Extension of suspension of contracts may not exceed three months.

### 7. Secondary Sector Companies:

- They will reintegrate the suspended workers gradually month by month, according to the conditions of each company.
- The extension of suspension of contracts may not exceed six months.

### 8. Tertiary Sector Companies:

- They will reintegrate the suspended workers gradually month by month, according to the conditions of each company.
- Extension of suspension of contracts may not exceed eight months.
- 9. The terms of the return of the workers described in the articles in the preceding points may be extended or reduced by mutual agreement

between the company and the workers; if there is a union, it must be agreed with it. Said agreement will be registered by digital means before the General Directorate of Labor or the corresponding regional directorates of the Ministry of Labor and Labor Development within eight days following its signature.

- 10. The presentation of the request and the act of making known the decision to extend the suspension will be processed by digital means or, alternatively, in person at the General Directorate of Labor or at the regional directorates of the Ministry of Labor and Labor Development, as appropriate.
- 11. For workers whose contract has been suspended or their working hours temporarily modified, the calculation of the seniority, vacation, thirteenth and severance premium will be made on the basis of the average wages received during the six months or the last monthly salary, prior to March 2020, whichever is more favorable to the worker.
- 12. For the termination of the employment relationship by mutual agreement, the employer must deliver the proposal to the worker, who will have a term of two business days to accept or not the termination and if he does not answer within said term, it is understood that does not accept the agreement.
- 13. The termination of the employment relationship by mutual consent, dismissal or by unilateral decision of the employer within the three months following the reinstatement of the suspended worker obliges the cancellation of all the benefits to which they are entitled, in a period of up to eight months, with monthly payments not less than the average monthly salary of the worker, until the amount owed is exhausted.
- 14. In the case of small companies described

in Law 1 of 1986 and companies in the tourism sector, the cancellation of these benefits may be made by mutual agreement, in monthly payments not less than the average monthly salary of the worker until the amount is exhausted. amount owed.

- 15. In recent months, there have been a series of inconveniences with respect to the recognition of the maternity leave established in article 72 of the Political Constitution and it has been established:
- The Social Security Fund will recognize, exceptionally, the payment of maternity allowance to insured workers who maintain or have maintained their suspended employment contract, in accordance with the rules relating to the temporary suspension of the effects of employment contracts. work due to force majeure or unforeseeable circumstances, issued due to the COVID-19 pandemic, and which, by virtue of this, have not covered the nine monthly installments in the twelve months prior to the seventh month of pregnancy, required to be entitled to said subsidy.
- To access this exceptional benefit, insured workers must formalize their application no later than July 31, 202 before Social Security Fund, which will be in charge of carrying out the procedure and exceptionally granting the payment of the maternity allowance.
- The Social Security Fund will decline the payment of this exceptional benefit to insured workers whose employers were not up-to-date in the payment of employee-employer fees for the month prior to the first temporary suspension of their employment contract. In these cases, the provisions of article 107 of the Labor Code shall apply. Article 107 establishes, among other things, that if the Social Security Fund is not obliged to cover the maternity allowance, the

obligation will be assumed by the employer.

- The insured worker who has received payment of the sums corresponding to maternity allowance from her employer will not be able to access exceptional benefit established in the previous article.
- 16. Law 201 will be in force until December 31, 2021, with exception of Article 17, which will be in force until June 30, 2022 and which deals with the calculation of labor rights and benefits of suspended and working workers reduced.

In this regard, we consider it appropriate to point out that it seems appropriate to eliminate the reinstatement of suspended workers based on percentages according to the sector to which they belong, establishing a period for such purposes; However, we believe that there are some ambiguities since Article 8 establishes that the terms of return of workers may be extended or decreased by mutual agreement between parties and registered with MITRADEL. We must understand that we can agree with workers a suspension for a term greater than that established in each sector, if so, its implementation would be disadvantageous for both the company and the worker.

On the other hand, it was imperative that the economic recognition of maternity leave is regulated for workers and companies that are in suspension of their contract, since there had been a vacuum in this regard and there was no certainty who should cover maternity leave. However, it is established that if the Social Security Fund does not agree to the payment request, then the company must assume the full payment of the maternity leave, leaving the institution to grant or not the payment of the leave. L&Z

# SPECIAL REGIME FOR AGROPARK OPERATING AND DEVELOPING COMPANIES

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ith the approval of Law 196 of February 8, 2021, the Special Regime is created for the establishment of Operators and Developers of Agroparks, in order to develop a regulatory framework to meet, among others, the following objectives:

- 1. Encourage investment and the establishment of agroparks that contribute to the creation of development poles, which while forming the generation of agribusiness, promote the establishment of value chains based on national assets, in a geographic environment and under specific conditions. suitable.
- 2. Promote agri-food, agro-industrial and related services production, as well as industries related to the forestry sector, sea products and raw materials for the pharmaceutical industry.
- 3. Encourage private investment with national and international development companies with proven experience in these production models, who advise producers, agribusiness and

agribusiness, putting at their disposal state-ofthe-art technology, financing, market, production techniques, transformation, processing and recycling.

- 4. Implement the use of agrotechnology in an efficient and environmentally sustainable way, adopting concepts of cleaner and more sustainable production, good practices and global standards of production, handling, post-harvest and ensuring an integrated management of waste generated from the agricultural production process.
- 5. Optimize water resources in a sustainable way, promoting increased resilience of the agricultural sector.

On the other hand, within the glossary the definition of the terms agroparks, agribusiness, agroindustry, conglomerates, value chain, operator and developer of agroparks, companies installed in agroparks, development pole, agro-food production,

producer incorporated into an agropark is offered.

Law 196 also creates the National Directorate of Agribusiness and the Commission for Productive Chain for Agribusiness, hereinafter COMEPRO, which will have the essential function of promoting coordinated interinstitutional work for the monitoring and use of the agroparks that are established in the national territory.

The National Agribusiness Directorate, hereinafter DINAGRO, will be in charge of promoting, supervising, and monitoring the development of agribusiness conglomerates throughout the national territory based on the policy of promoting national production and generating added value.

Among other functions, DINAGRO will promote and encourage the inclusion and incorporation of agricultural producers in the different authorized agroparks, for which it will implement strategies, plans and programs aimed at promoting, improving, industrializing innovating and production technology. processes with high

Law 196 establishes that any natural or legal person, national or foreign, that promotes the development of productive value chains from the national primary agricultural, livestock, aquaculture, fisheries, forestry production or is part of a chain conglomerate productive plants of value in which the national production is used may apply to obtain a License of Operator and Developer of Agropargues.

Among the requirements to apply for the license, we can mention:

- 1. That the applicant dedicate himself solely to the activities and services established by law.
- 2. That DINAGRO certify that the applicant company has an investment plan with a project development schedule.

- 3. Technical and financial solvency, which must be formally accredited, following the legal regulations that are required.
- 4. Have a title establishing domain or lease ofland where park will be developed.
- 5. That the applicant has experience in the development of value chains or with potential markets for the commercialization of the production.

With regard to the tax and customs regime, we have the companies that have an operating and developer license or the companies authorized to settle within an agropark will enjoy benefits and incentives, while the license or registration lasts:

- 1. Exemption from any contribution, rate, encumbrance or import duty on construction materials, equipment, machinery, vehicles and furniture necessary to carry out its activities for a period of five years.
- 2. Benefit of 3% as an import tax on raw materials, semi-finished or intermediate products and other inputs that enter into the composition or process of making their products.
- 3. Exemption from property tax on new commercial and industrial improvements for a term of twenty years.
- 4. Right that the losses suffered by the companies benefited by Law 196 during the first two fiscal periods from the start of activities are deductible in the five fiscal periods at a rate of 20% for each year.

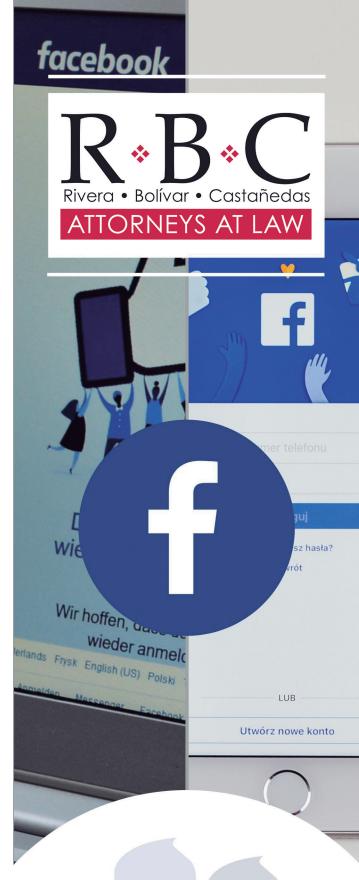
Income tax will be paid at a reduced rate corresponding to 50% of that established in article 699 of the Tax Code and the alternative calculation to income tax (CAIR) will also be applied according to the reduced rate. On the other hand, the dividends generated will pay the dividend tax and complementary tax at a reduced rate of 50% of that established in literal f of article 701 of the Tax Code and will be for the term of the first five years counted from the issuance of the license or resolution that authorizes a company to establish itself within an agro-park.

It has been established that every agricultural producer that joins or forms part of an agropark must proceed to its registration in DINAGRO, for which it will require the certification of the operating and developer company in which the activity to be carried out is detailed, in addition to the requirements established later.

Within this context, agricultural producers that are part of an agropark will receive the same prerogatives and benefits granted to operating and developer companies and must incorporate high technology in production processes, in order to increase productivity and competitiveness, cultivating profitable products for supply the national and international demand.

Finally, agribusinesses or agroindustries installed within an agropark must develop annual social responsibility programs or projects, focused on education and environmental conservation, aimed at the communities where they operate.

The Executive Branch will be responsible for regulating Law 196 within a period of no more than ninety days from its promulgation. L&E



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### MODIFY UNIVERSAL ACCESS AND SERVICE TO INFORMATION TECHNOLOGIES AND TELECOMMUNICATIONS

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n recent days, Law 197 of February 15, 2021 was sanctioned, which modifies Law 59 of 2008, on the service and universal access to information and telecommunications technologies for development, as well as modifies Law 15 of 2012 on the costs of burying the structure cabling of telecommunications and pay television services.

The reform focuses on article 4 of Law 59 that created the Fund for the Development of Services and Universal Access Projects, which is used to finance projects approved by the Board of Directors. Before reform, it was established that it was to finance projects that ensure extension, coverage and quality of services originated with information and telecommunications technologies, for those who do not have the possibility to achieve them due to the limitations of their geographical location and/or its economic conditions. There will be one Fund per operating company.

In this sense, the integration of the resources and contributions of the Fund is modified and 25% of the

product of the assignments of new frequency bands destined to mobile telecommunications services is included, as well as of any public tender of the electronic radio spectrum that it carries out. the Public Services Authority, which will be transferred through the mechanisms provided by the MEF.

Regarding the reforms to Law 15 of 2012, it falls on article 4 in the sense of noting that the product of the assignments of new frequency bands destined to mobile telecommunications services, as well as any other public tender to the spectrum of radioelectric carried out by ASEP, 25% will be transferred to the trust to execute the underground plan at the national level. Before the reform, 50% was allocated.

It should be noted that Law 197 empowers the ASEP and the Universal Service and Access Advisory Board so that through the corresponding mechanisms they adapt their permanent or provisional regulations related to article 4 mentioned above. £&£

# PROCEDURE FOR TRANSFER OF EASTS THAT HAVE NOT BEEN TRANSFERRED TO THE STATE

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hrough Law 198 of February 15, 2021, a special procedure is established for the definitive transfer to the State of the road easements of urbanizations, subdivisions and subdivisions built in Panama as of February 2, 2006.

Law 198 provides that, for transfer of road easements to the State, owners of real estate, urbanizations, subdivisions and subdivisions, whose owners of the real folio or mother estate, must present a memorial to the Ministry of Public Works that contains at least 51 % of signatures of total owners of the urbanization, subdivision or subdivision, requesting the acceptance of the transfer of the royal easements.

Under these parameters, the taxes of the properties

that are transferred to the State, in addition to the tax obligations, such as a sworn statement of property transfers, will be paid by the owners of the properties that request said transfer, as well as the registration and registration of the transfers.

It is worth mentioning that, from the enactment of the Law in question, the State assumes ownership of the road easements of the urbanizations, subdivisions or parcels that have been completed and delivered, provided that it is not expressly declared that they are under the regime of horizontal property or similar.

The Law in reference is of public order and social interest, so it will have retroactive effect until February 2, 2021.  $\mathcal{L}$ 

# TRAVEL AGENCIES AND TOURIST PACKAGES

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ith the enactment of Law 199 of February 15, 2021, travel agencies that have sold or received tickets for tourist packages or services of any kind are temporarily and exceptionally empowered to use after March 19, 2020 and until October 30, 2020, to take the following measures:

- 1. Grant the consumer a credit to be used in services for the same amount within a period of twelve months.
- 2. The credit can be transferred to a third person.
- 3. No additional cost or penalty will be charged for credit recognition.

4. In the event that the final consumer requests the refund of the amount paid, the agency must proceed with the refund within a period of twelve months.

In this order of ideas, consumers who are in these circumstances must make the request within a period of sixty days, counted from the date on which the travel agency, communicates to consumers the means they have for care of requests.

Law 199 modifies literal c of article 9 of Law 73 of 1976, in the sense of adding that the Tourism Authority of Panama, through regulations, will establish the requirements that the place where the travel agency operates must have. L&E

### REGULATIONS SPECIAL REGIME FOR THE ESTABLISHMENT AND OPERATION OF THE EMMA COMPANIES

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xecutive Decree No. 33 of February 4, 2021 regulates Law 159 of 2020 that creates the Special Regime for the establishment and Operation of Multinational Companies for the Provision of Services related to Manufacturing.

Executive Decree 33 establishes the rules and procedures applicable to the installation, administration, maintenance, operation and closure of those national or foreign companies, in accordance with Law 159, they wish to establish a multinational company in Panama for the provision of services related to manufacturing, to carry out from Panama, operations aimed at offering the services defined in the law to your business group, being part of multinational companies with international or regional operations or important in your country of origin.

It is worth remembering the activities that must be carried out by companies seeking an EMMA license:

1. Services related to the manufacturing of

products, machinery and equipment, provided to

companies of the business group.

- 2. Assembly services of products, machinery and equipment, provided to companies of the business group.
- 3. Maintenance and repair services for products, machinery and equipment provided to companies of the business group.
- 4. Services related to the remanufacturing of products, machinery and equipment provided to companies of the business group.
- 5. Services related to the conditioning of products provided to companies of the business group.
- 6. Product development services, research or innovation of existing products or processes provided to the business group.
- 7. Analysis, laboratory, test or other services

related to the provision of services related to manufacturing, provided to companies of the business group.

- 8. Logistics services such as warehousing, deployment and distribution center for components or parts, required for the provision of services related to manufacturing.
- 9. Any other similar service previously approved by the Cabinet Council by means of a reasoned resolution, provided that it complies with the precepts set forth in this law.

Based on the aforementioned, activities covered by the EMMA License will be considered those that refer to activities, services or operations in the multinational company and other companies of the same business group, provided that it is within those indicated in the preceding paragraph.

On the other hand, the Decree develops the concepts of the appropriate terms, multinational company headquarters licensing commission, business group, supplier, substance requirement, EMMA net taxable income, technical secretariat of the commission and logistics services.

We emphasize that substance requirements are understood to be the requirements established in this decree, which must be met by the company holding a multinational company license for the provision of services related to manufacturing in a certain fiscal period, with respect to the activity carried out, in order to access the benefit of the reduced rate of 5% of income tax.

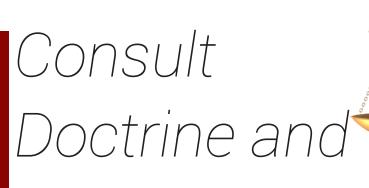
It is established that EMMA companies must comply with the requirements approved by the Licensing Commission of Multinational Companies Headquarters (SEM), which raises, among other requirements, the projection of the number of qualified full-time employees to be hired during the first year operations, which should be appropriate to the nature of the business that the company runs. Another requirement is the approximate estimate of the investment, corresponding to the Commission to establish the minimum amount of assets that the business group must have and the number of affiliates and subsidiaries and associated companies, to which the requesting company will provide the service.

Regarding the procedures, the Directorate of Multinational Companies Headquarters of the MICI, will act as Technical Secretariat of the Commission, to grant the approval of the Licenses. The Decree provides that companies must be registered in the Public Registry of the Republic of Panama, either as a foreign company or as a Panamanian company owned by the multinational company.

The regulations indicate that a multinational company that already has a SEM License may apply for an EMMA license through a summary process. Likewise, a company that is operating in Panama may, through the same legal entity through which it has been carrying out its activities, avail itself of the Regime, delimiting its activities to the EMMA.

Another aspect to highlight is that the establishment of an EMMA will be governed by the principle of administrative efficiency, in such a way that the State institutions and officials in charge of processing those related to EMMA, should improve their administrative efficiency, without adding requirements, eliminating unnecessary formalities and avoiding bureaucratization, in order to quickly and efficiently meet the needs of EMMAs and their employees, in accordance with best practices and international standards applicable to this type of multinational companies. L&E





### JURISPRUDENCE

MINISTRY OF ECONOMY AND FINANCE PRESENTS
PROJECT LAW FOR EXTENSION OF TAX AMNESTY AND
MAKE OTHER TAX MODIFICATIONS

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n Thursday, February 25, 2021, the Vice Minister of Economy, Jorge Almengor, presented before the plenary session of the National Assembly, a bill for the extension of the tax amnesty due to the negative economic repercussions as a result of the COVID-19 pandemic.

### Remembering ...

Through Law 99 of October 11, 2019, a general tax amnesty was granted for payment of delinquent taxes as of June 30, 2019 under jurisdiction of General Directorate of Revenue. Said amnesty was later extended by Law 134 of March 20, 2020, which modifies Law 99 of 2019, extending term to pay, enter into payment agreements with forgiveness of 85% of surcharges and interest until June 30, 2020.

Subsequently, Law 160 of September 1, 2020 was enacted, which again modified Law 99 of 2019 so that taxpayers could pay until December 31, 2020, the delinquent taxes as of February 29, 2020 with the forgiveness of 85% of interest and surcharges or make payment arrangements until December 31, 2020, with an extended term to pay until December 31, 2020 or

until April 30, 2021, depending on the date on which they have subscribed their respective agreements.

In addition to extending the amnesty, these laws have served to modify the entry into force of articles of Law 76 of February 13, 2019, the Tax Procedure Code.

### **Target**

The new initiative is aimed at increasing tax collection and providing relief to taxpayers in complying with delinquent tax obligations as of December 31, 2020 by granting a moratorium until July 31, 2021 with a payment option until December 31. In addition, the project has an additional component aimed at encouraging economic reactivation.

### **Relevant points**

1. It is established that taxpayers can pay until July 31, 2021, delinquent taxes as of December 31, 2020 with forgiveness of 85% of interest and surcharges or enter into payment arrangements until July 31, 2021, paying 25% of nominal

tax owed with an extended term to pay until December 31, 2021 and forgiving 85% of interest and surcharges.

- 2. Add paragraph 6 to article 710 of the Tax Code, granting for reasons of the COVID-19 pandemic a discount of five percent (5%) of the total amount to be paid for income tax and the estimated tax corresponding to the fiscal period. 2020, for those taxpayers who have a gross income of less than two million five hundred thousand balboas (B/. 2,500,000.00), provided that they pay the amount owed within the four months following the entry into force of this law.
- 3. It modifies the paragraph of article 786 of the Fiscal Code, granting a discount of five percent (10%) of the total amount to be paid of the property tax to the taxpayer who, no later than the last day of April of the fiscal year, make the payment of the entire property tax corresponding to that year.
- 4. Adds article 733-B to the Tax Code, allowing companies that the retained earnings in a fiscal period can be capitalized in any subsequent fiscal period, with a view to providing companies with greater liquidity and working capital.
- 5. Add paragraph 2 to article 737 of the Fiscal Code contemplating that tax refunds of less than B/. 5,000.00 for natural persons and B/. 20,000.00 for legal persons are attended through an abbreviated and expedited procedure, however, this procedure does not it is regulated within the Law.
- 6. A term is granted until July 31, 2021 for the presentation of certain reports and declarations that should have been presented by December 31, 2020 and allows the cancellation of fifty percent (50%) of the fines that are generated by late submission of these reports and statements provided that as of December 31, 2021 the remaining fifty percent (50%) is canceled. It

should be noted that this same benefit is granted to those taxpayers who already have penalties charged to their checking account for the late presentation of certain reports and declarations.

- 7. Paragraph 5 is added to article 11 of Law 76 of December 22, 1976, by means of which General Directorate of Revenues of the Ministry of Economy and Finance is empowered to carry out the technological developments necessary for buyers of goods and services can file their complaints for not receiving their tax invoice when making purchases in establishments that sell goods or services to consumers or through digital platforms and other technological means.
- 8. It modifies literal a of article 701 of the Tax Code by making an adjustment so that those taxpayers who carry out real estate sales operations in an unusual way may have the option of applying the regular profit or what is the current situation established by the Code Fiscal which is an assessment of the total operation.
- 9. Article 392 of Law 76 of February 13, 2019 is modified, bringing forward the entry into force of Article 68 of said law, which refers to the means of payment, the making of partial payments and the compensation of debts between a taxpayer or taxpayer is delinquent with the National Treasury due to a national tax, and a state entity that in turn is pending a payment, in order to extinguish the tax obligation with the Tax Administration.

The initiative presented to the Assembly is positive because it is aimed at improving collection, negatively affected by public spending as a result of the COVID-19 pandemic, and reactivating the economy through certain incentives; however, we consider that some points should be improved in the discussion in the Assembly. Such as establishing mechanisms for the proposed "expedited procedure" of refund or a revision of the minimum amount of 25% to pay to make a payment arrangement, which should be reduced to reflect the economic reality that the country is experiencing. L&T

# TRUMP V. MAZARS AND THE POWERS OF THE CONGRESS TO INVESTIGATE THE EXECUTIVE BRANCH

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n February 27, 2019, Michael Cohen, a former attorney for then-President Donald Trump, appeared before the House Oversight and Reform Committee testifying that former President Trump had changed the estimated value of his assets and liabilities in the financial statements. prepared by your accounting firm, Mazars USA, LLP (hereinafter Mazars). The Committee also heard testimony that President Trump may not have disclosed certain financial holdings as required by the Government Ethics Act of 1978.

In order to thoroughly investigate these statements, the House Oversight Committee cited Mazars requesting documents related to the finances of President Trump and his companies from 2011 to the present.

Soon after, President Trump and his companies sued Mazars, asking United States District Court for District of Columbia to declare the subpoena invalid and unenforceable. In response, Oversight Committee intervened to defend his subpoena, so the District Court weighed oral arguments of both parties finally determining that Committee's subpoena was valid and that Mazars should comply with it.

Then both former President Trump and his companies appealed the decision rendered before the D.C. Circuit court. which maintained what was indicated by the District Court. The Circuit court held that the Committee was conducting a "legitimate legislative investigation" on an issue on which Congress could propose legislation and, therefore, the Committee's subpoena was valid and enforceable.

Subsequently, the decision was appealed before the Supreme Court through the figure of the certiorari process, a judicial process to seek judicial review of a decision of a lower court. The Supreme Court of Justice granted the petition for certiorari in December 2019 consolidating the case with Trump v. Deutsche Bank AG & Capital One<sup>1</sup>, related cases where they considered whether the House Financial Services

Committee and House Intelligence Committee may require documents related to President Trump, his family. and your business finances.

In the Trump v. Mazars on July 9, 2020, the Supreme Court held that courts must take into account concerns about the separation of powers when resolving disputes over subpoenas and requests by Congress seeking to obtain personal information from the president. Additionally, he indicated that according to precedents and centuries of history, Congress has broad investigative powers, being able to investigate the Executive Branch and even the president himself.

The court clarified that subpoenas seeking records involving the president must meet a stricter standard than other types of subpoenas. For such subpoenas, the Court establishes a four-factor balancing test to assess the validity of congressional subpoenas seeking personal information from the President. For courts weighing these factors must take into account the "important legislative interests of Congress" along with the "unique position of the president."

First, courts must consider whether "other sources could reasonably provide Congress with the information it needs in light of its particular legislative objective." Second, the subpoenas must be "no broader than is reasonably necessary to support the legislative objective of Congress." Third, "Congress must properly identify its objectives and explain why the president's information will advance its consideration of possible legislation."

Finally, the courts "must be careful to assess the burdens imposed on the president by a subpoena".

Within the ruling issued by the Court, two opinions were registered that disagreed with the criteria of the majority, Judge Clarence Thomas justified his opposition by arguing that Congress does not have the constitutional authority to cite personal documents, regardless of who they belong to, at all times. that the only possibility for Congress to have the ability to request such documentation would be through a formal investigation of the president carried out under the powers of impeachment of Congress. For his part, Judge Samuel Alito points out that the Chamber should be required to be much more descriptive in terms of the legislation being considered and how the records are relevant to that legislation. If the House is not ordered to do this, he concludes, the subpoenas are inappropriate.

Not knowing the capacity of Congress to carry out requirements would unfairly limit the capacities of this state body to carry out its functions, however, we cannot ignore that the subpoenas and investigations promoted by it could be used as a mechanism of pressure and political persecution which, inevitably, it could lead to state bodies, facing each other. The value of the Judgment analyzed lies in the limitation it makes to the possibility of this type of abuses occurring, establishing essential factors to take into account to evaluate the validity of the congressional citations that seek personal information from the president, always ensuring that said requirement is given for the fulfillment of a particular legislative objective. £&£

<sup>&</sup>lt;sup>1</sup>In April 2019, the United States House of Representatives issued four subpoenas for Trump's financial records. The House Financial Services Committee sent a subpoena to Deutsche Bank regarding "foreign transactions, business statements, debt schedules, net worth statements, tax returns and suspicious activity identified by Deutsche Bank" and also cited Capital bank One for similar matters. Additionally, the Standing Committee on Intelligence of the House of Representatives also cited Deutsche Bank.



### LAW 81 OF 26 OF MARCH 26, 2019 ON PROTECTION OF PERSONAL DATA

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hrough Law 81 of March 26, 2019, the principles, rights, obligations and procedures that regulate the protection of personal data are established, considering their interrelation with private life and other fundamental rights and freedoms of citizens. Any person, natural or legal, of public or private law, lucrative or not, may carry out the processing of personal data, provided that it does so in accordance with this Law and for the purposes allowed in the legal system.

### Important aspects of the Law:

#### • Consent:

The processing of personal data will be carried out as long as there is a manifestation of the will of the owner of the data.

#### Sensitive data:

These refer to the intimate sphere of the owner or those data whose improper use may give rise to some type of discrimination or a serious risk for it. Some examples of these are: data that may reveal aspects of racial or

ethnic origin, religious, philosophical and moral beliefs, union affiliations, opinions on political issues, data referring to health, sexual preference or orientation, genetic data, among others, subjects to regulation and aimed at uniquely identifying a natural person.

These sensitive data may be transferred, in the following cases:

- Existence of an explicit consent by the owner.
- When necessary to safeguard the life of the owner. Finding this physically or legally disabled, in which case the guardians, curators or those with guardianship must give authorization.
- When they are data necessary for the recognition, exercise or defense of a right in a process with competent judicial authorization. Regarding the basic rights of the holders of personal data, the Law establishes the following:
- Access: Obtain the data and know the origin and purpose for which they were collected.

- Rectification: Request data correction.
- Cancellation: Request deletion of data.
- Opposition: Refuse to provide personal data or revoke your consent.
- Portability: Obtain a copy of personal data in a structured manner according to some guidelines cited in the Law.

### Use of personal data:

Those responsible for the processing of personal data may only transfer information about them, when they have the prior, informed and unequivocal consent of the owner, except for the exceptions established by this Law or special laws. The person responsible for the processing of personal data and/ or the custodian of the database may transfer or communicate the data that relates to an identified or identifiable person, after seven years have elapsed since the legal obligation to keep it expired, unless, the owner of the data requests otherwise.

### Personal data protection:

The Personal Data Protection Council is created, which will be made up of:

- 1. The Minister of Commerce and Industries.
- 2. The general administrator of ACODECO.
- 3. The general director of ANTAL.
- 4. The ombudsman.
- 5. A representative of the National Council of Private Enterprise.
- 6. A representative of the National Bar Association.
- 7. A representative of the Banking Association of Panama.

### 8. A representative of the Electoral Tribunal.

### 9. A representative of the Chamber of Commerce, Industries and Agriculture of Panama.

The general administrator of the National Authority for Government Innovation will have the right to speak as a technical advisor and will participate in the meetings of the Council.

This council, within its powers, may advise ANTAI on protection of personal data, recommend actions and regulations, recommend public policies related to the matter, evaluate cases submitted for consultation and develop its internal regulations.

### Infringements and sanctions:

Violations of this Law are classified as minor, serious or very serious. They are established in articles 39, 40 and 41. Similarly, the sanctions will be imposed by the National Authority for Transparency and Access to Information (ANTAI) and will depend on the severity of the same.

Fines can range from one thousand balboas B/. 1,000.00 to ten thousand balboas B/. 10,000.00.

This Law will take effect two years after its promulgation, that is, it comes into effect on March 29 of the current year.. £&£

Puede ver la Ley completa en el siguiente enlace: https://www.asamblea.gob.pa/APPS/LEGISPAN/PDF\_NORMAS/2010/2019/2019\_645\_3008.pdf

# **Politics**



### THE INHERITANCE DONALD TRUMP LEAVES

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hen Mr. DONALD JOHN TRUMP presented his presidential candidacy in June 2015, many considered that his candidacy wouldn't prosper. However, without having the credentials and experience of the other 16 Republican hopefuls, this radical, populist, inclined towards creating controversy and speaking his mind without weighing the consequences, with his vociferous style, aggressive temperament that has left injuries and caused outrage and Anger, he prevailed in the Republican Party presidential primaries held from February 1 to June 7, 2016.

From the moment he came down those escalators on the day of his candidacy announcement, he initiates a series of controversial and inflammatory statements that he never mitigated, including:

• Point out the need to build a wall on the border with Mexico, paid for by Mexico, to prevent the entry of undocumented immigrants, describing Mexican immigrants and other Latin Americans as rapists and drug traffickers. He vows to prevent Muslims from entering the country. His racism was evident in his contempt for Latino and Muslim immigrants, African Americans, Asians, but he also had the cynicism of describing himself as "the least racist you know." This racism was clearly manifested since 2011 when he disqualified the then candidate and then President Obama, accusing him of not having been born in the United States and demanding that he show his birth certificate.

- He noted that John McCain, former presidential candidate, Senator and prominent figure of the Republican Party "is not a hero because he was captured." The coward who avoided military service five times (according to the US Records and Records Administration) during the Vietnam War sought to diminish the hero who endured five years of captivity and torture by the North Vietnamese, who refused to be released with priority due to rank. from his father, the Admiral of the Pacific Fleet.
- He didn't reject the public support that David Duke, leader of the Ku Klux Klan, an organization that promotes white supremacy, racism, anti-Semitism, homophobia, anti-Catholicism and anti-communism, gave him by calling for a vote

### for Trump.

- Responded to criticism from a disabled journalist by imitating the journalist's physical limitation. He showed a sexist dislike towards his co-religionists Carly Fiorina and Megan Kelly, the latter host of a Fox News program. His attacks were continuous against the media that questioned his political programs, to the point of expelling journalist Jorge Ramos from Univisión from a press conference.
- The tactic was always to diminish, disqualify and despise not intellectual capacity and character of his victims, since he couldn't identify them, but physical defects and insignificance that didn't require mental effort. Thus he despised Republican Senator from Florida, Marco Rubio, by calling him a "little guy" ("Little Marco") and because he sweated a lot. He called Jeb Bush, former Florida governor, a "wimp" because he wasn't given to verbal violence. And evidently this amused and affiliated with his illiterate political base.
- His clumsy phrases of him, such as "I could shoot people on Fifth Avenue and I wouldn't lose votes"; or "I will reinstate simulated drowning for terror suspects."
- It is important to remember the accusations of Senator Ted Cruz, candidate for the presidency and participant in the Republican primaries, when he reproached Trump for not being a consistent conservative, having been a Democrat and having been in favor of liberal positions such as abortion and gay marriage.

There were countless actions and wild expressions. The first thing that came to my mind was: Hopefully NO, but if he wins the election he will be a lousy president and possibly will be considered in history as the worst President of the United States.

The surprise came on November 8, 2016, a rainy day and in the face of some protests in different cities in the country, Trump triumphed and became the 45th President of the United States, not because of the popular vote (which he lost by three million of votes) but through the Electoral College system, a system that as

a candidate he reproached and called rigged during the campaign, evidently preparing the ground for actions in case of losing the elections, which he himself expected.

At the end of his first year in office, he fulfilled to some extent some of his controversial electoral promises, namely: The impediment of entry to the country for Muslims; gave the go-ahead for the Keystone XL and Dakota pipelines; withdrew the United States from the Trans-Pacific Treaty; rejected the renewal of NAFTA; canceled Obama Care without replacing it with any other viable health plan; reduced taxes for personal and business income of the highest level of income with serious deficit consequences in the long term and the lack of protection of the middle class and vulnerable population; withdrew the United States from the Paris climate agreement; protected the right of individuals to possess weapons; and his most demagogic promise of all, to restore what is according to his criteria was "American greatness in the world."

In exercise of his presidential mandate, he generated, as expected, frequent confrontations with media since they reported daily the false or misleading versions that he personally disclosed and with him his obsequious servants and followers.

For many, President Trump's constant lying was no longer a surprise, far from it, rather he only continued to make merits as the most liar president in history. The Washington Post, an American newspaper, had "a database to analyze, classify and track suspicious information about the president" and pointed out that thousands of his statements were false and misleading, hence some senators consider Trump to be a pathological liar.

His conscious or involuntary tendency to create controversy brought him many more negative points than positive ones. It is that to Trump, from the beginning, many of his political advisers tried to change the unpleasant image of him and control his unpleasant way of demonstrating and referring disparagingly about others and all this is confirmed by many of the testimonies of his exes advisers.

In addition to being a populist and incompetent president in the performance of his high office, he was accompanied in his government by extremely conflictive characters, who contributed to the chaos, producing an alarming number of personnel changes and high-level resignations due to the lack of coordination and consolidation of a truly professional and experienced team to solve the country's problems. President Trump was characterized by improvisation and superficiality in choosing his main collaborators.

The Trump administration caused growing international distrust due to its withdrawal from the Pacific Alliance in the commercial sphere and from the Paris Agreement on climate change, which made the great northern nation economically and militarily isolated from its traditional allies.

During his misguided administration, he also created clashes with his own intelligence agencies, another cause for concern in the allied countries. It was evident that the United States led by Trump lost influence in some areas and paved the way for China to gain more and more space and influence in the world, as did the Russia of his friend Putin.

On December 13, 2019, Legal Committee of the House of Representatives approved charges of Abuse of Power and Obstruction of Congress against President Trump in response to his attempt to coerce the President of Ukraine into investigating the son of the future rival candidate to the presidency, Joseph Biden, and thus obtain negative information to use against Biden in the campaign of the Year 2020.

On December 18, 2019, House of Representatives approved the impeachment of President Trump, becoming third American president in the history of that country to be formally charged under last resort established in the Constitution for crimes and serious misdemeanors. The indictment was then transferred to the Senate for trial.

In order to remove President Trump, the Senate required the vote of two thirds of its members, 67 votes, to produce a conviction against the president, a fact that was not achieved by keeping President Trump's Republican Party a majority of senators in the Upper House.

Obviously, the acquittal of President Trump in the Senate was due solely to political, individualistic and partisan interests, but it will be largely left to US voters that President Trump violated the constitution, putting national security at risk and undermining the integrity

of the elections of the United States. Year 2020.

Undoubtedly Trump was fortunate because the causes against him didn't include charges for his complicity in the Russian intervention during the 2020 campaign. Let it be clear, the report of the investigation of the Russian intervention never exonerated Trump; it was simply not taken into account because, as President, he couldn't be judged.

Deplorable was the failed strategy of the Trump administration towards its traditional allied countries on practically all continents, which weakened the geopolitical power of the United States of America, aggravated by a team that never finished establishing itself due to its imbalance and high turnover of personnel from first level, unprecedented in Washington. His hostility and incoherence towards intelligence entities in his own country engendered insecurity and mutual suspicion, deepening international internal divisions and mistrust.

Halfway through his term, on November 6, 2018, the so-called "midterm elections" practically became a national referendum on his presidential term. As I pointed out in one of my writings, the Trump Republican Party lost the majority and therefore control of the House of Representatives, half of the legislative power, and the Democratic Party won the majority. The American people began to demonstrate and low popularity of President Trump was also aggravated by the impeachment process against him, which made him the third president of the United States to be called to trial in all history, of his country.

The error of the Republican Senators at that time, the Upper House, to acquit him for having a partisan majority created a disastrous precedent for democracy, for them to first look after their individual and partisan interests despite the fact that the evidence was evident and they didn't take into account he says that the majority of the country's population considered him guilty.

However, we knew that despite some argued to the contrary, Trump's image would be affected by this impeachment or impeachment, for the November 2020 elections because it would carry with it the lasting mark of his impeachment.

When the serious problem of the Coronavirus

appeared in his country, he from the beginning handled pandemic in an irresponsible and disastrous way, downplaying it and did not take the required measures to confront it. The disastrous manifestations of him about the Coronavirus are still remembered: "we have it under control", it is only "a flu", "less serious than the Flu" and many other distortions. His macho stubbornness in not wearing the mask in public events in which he participated greatly harmed the nation.

The country's leader, the President of the United States, precisely the one who should set a good example, irresponsibly encouraged a large number of the population to disregard prudence and basic measures to confront the Coronavirus. The result was unquestionable and irrefutable: The United States of America currently ranks first in the world in terms of deaths and number of infections.

During the year 2021, as a legacy of their incompetence and negligence, deaths and infections increased despite significant increase in the application of vaccines and priority efforts to overcome them at the federal level by the new Biden Administration.

The Trump administration encouraged an increase in racist attacks, a proliferation of deaths resulting from police brutality, including the death of African-American George Floyd, which sparked protests in 50 cities across the country. Trump's reaction was to declare: "When the looting begins, the shooting begins." The reaction of all living ex-presidents, Democrats and Republicans, Carter, Clinton, Bush and Obama, was to harshly censure Trump's performance.

Although racism in the United States has always been latent, in the four-year period of the Trump Administration an invisible line was drawn in the country between white and non-white Americans. Racist rhetoric increased and right-wing extremists and hate groups made their presence felt across the country, another indisputable legacy of the Trump administration.

I always affirmed that President Trump would be defeated in the general elections of November 3, 2020. My articles were a chronicle of that result that I announced. After four years of a chaotic administration, former President Trump will go down in history as the worst administration that country has ever had. His stubbornness in not recognizing his

spectacular and extensive defeat both in the popular vote and in the electoral votes is natural; Trump has to know that if he admits that he knew that he had been legitimately defeated he could meet Mussolini's fate; he has to know that that uneducated and violent mob he calls his "base" would turn against him if he admits to knowingly deceiving them, as in effect he did.

Undoubtedly, the evidence presented, analyzed, seen and heard is unquestionable on Trump's incitement to insurrection to the mob of misaligned with poisoned minds who on January 6, 2021 tried to carry out a coup and interrupt the process constitutional certification of the Electoral College votes from the November 3, 2020 elections. They invaded with a violent assault on the United States Capitol, endangering the lives of Vice President Mike Pence and his family, legislators from both parties and security agents, leaving six deaths and hundreds of injuries among the security forces. They raided, occupied and looted several of its rooms causing stupor and indignation in a country not used to this type of wild scenes.

Before the face of the world, without pause and for months, Trump promoted the lies and misinformation of a false electoral fraud and incited his terrorist fanatics to violently protest that January 6, with clear intentions to promote a coup in the great nation from North. All this confirms the severe crisis left by the Trump administration in the country that he claims to be a beacon of freedom and the most consolidated democracy in the world.

As it should be, the Lower House of the United States Congress approved by majority to initiate the fourth political trial or impeachment process of its entire history against Donald John Trump, who for the second time and in a four-year period was subjected to a procedure as extraordinary as it is shameful, accused of the crime of "Incitement to Insurrection."

The impeachment went to its second phase, it was up to the Senate, as the Upper House, to judge and give a verdict, again. It was very interesting to observe the position taken by the Republican senators regarding the unquestionable exhortation that Trump made to attack the Capitol, promoting the realization of one of the most reprehensible acts against democracy in that country. The Republican senators in the first impeachment against Trump were marked in

history by his inexcusable behavior, despite the fact that there was clear and diaphanous evidence that implied the guilt of then President Trump.

As unfortunately expected, in the second impeachment against Donald Trump, again the majority of the Republican senators acquitted the nefarious character, again betraying his oath to defend the Constitution, democracy and the rule of law, abandoning the fundamental democratic values of States. United, with a vote of 57 senators blaming him and 43 senators acquitting him, which didn't meet the two-thirds required to convict.

Needless to say, if the vote had been by secret ballot, there would probably have been many more Republican senators voting against Trump, probably enough to reach those two-thirds of the votes required. It could have resembled what happened with Republican Congresswoman Liz Cheney, in third position in the leadership of the Republicans in Congress, who voted in favor of the presentation of the impeachment against President Trump in the House of Representatives, due to his role in the assault on Congress on January 6.

This vote by Congresswoman Cheney caused Republican congressmen sympathetic to Trump to introduce a motion to remove Cheney from her leadership position within the Republican opposition caucus, which was brought to a vote among the caucus members. Cheney was favored to stay in the leadership with 145 votes compared to 61 who voted for her removal. How interesting the difference it makes to be able to vote in secret.

This example is one more that shows the large number of Republicans both in Congress and in the Senate, who fear to demonstrate against Trump and his base of uneducated because the price to pay is that they present contenders and force primaries bringing adverse votes that eliminate them from the next midterm electoral event - midterm - in 2022; this in addition to relentless persecution in the media supporters of Trump and threats to their lives and that of their families.

This is how the principle of the defense of democracy was again subordinated to pursue their political and individualistic interests and because of the fear they felt before the autocratic and vengeful president that was Trump. For this little brave attitude

of the Republican legislators they can backfire.

In our view, Mr. Trump and all that he represents will hardly assume power again in the United States. There are still other cases that will come to light about Trump. Over time, that support that he doesn't represent now and will not represent the majority of the American people will gradually dissipate.

The disastrous era Trump passed and will not return. "Trump is a criminal, a political arsonist who should be sent to a criminal court," commented Jean Asselborn, Foreign Minister of Luxenburg. These expressions and other worse ones will always be present in the descriptions of what Trump symbolizes.

Trump's legacy to his nation is disastrous and dire. The worst economic crisis in the United States since the Second World War. A polarized and divided country, accentuating and promoting a racial crisis. An isolation fromfriendly and traditional countries in these four years.

The effects will still be felt in the country due to mismanagement of pandemic, which will unfortunately continue the number of deaths and those infected. The Trump Administration's policy against climate change was detrimental to the United States and the world, systematically relaxing regulations in favor of the polluting industry.

Hispromise of America First made the United States alien to the world, isolationist, contrary to the conventions and organizations that make up the international community and a practically total failure of its foreign policy. He disqualified NATO and the European Union and his policy towards Latin America has been totally erratic. As for the Republican Party to which Trump belongs at the moment, he leaves it more divided than ever and those fissures will deepen over time.

The legacy left by the Trump Administration will be remembered in the annals of history as the most fateful that the great northern nation has had and his performance as president will be judged as the worst in its history. Undoubtedly, the vast majority of the population now and much more in the future, will consider that it is well deserved.

## Panamanian ECONOMY

### IN 2020, TRAFFIC ACCIDENTS WERE REDUCED BY 29.3%

Source: GCRP

ccording to preliminary data from the National Institute of Statistics and Census, in 2020 there were 21 thousand 327 fewer cases compared to 2019 when there were 30,201 cases.

The most significant reduction was between the period April to August when the national quarantine was in force and sanitary fences and different mobility measures were adopted to avoid the spread of COVID-19. However, in the last four months of the year there was a slight rebound.

Panama and West Panama were positioned

with a percentage of 71.4%, followed by Chiriquí with 9.5% and the rest of the provinces 19.1%.

INEC data also reflects that in 2020 there were 178 deaths from traffic accidents, 130 fewer fatalities than in 2019, whose figure was 308.

As in January 2020 the health emergency measures were not yet in force, the first month of the year reflects the highest number of deaths with 30 and the lowest was April with 6 deaths, being the month where restrictions were already maintained at the national level. L&E

### MAIN MONTHLY ECONOMIC INDICATORS

Source: GCRP

he year 2020 presented difficulties and inconveniences for obtaining statistical data due to the effect of the COVID-19 pandemic; Even so, the National Institute of Statistics and Census (INEC) continued with its work of collecting data for the "Main monthly economic indicators (PIEM)" and presenting it in due time, in order to meet the demand of users of economic statistics.

### 1. Transport:

### a. Panama Canal Authority:

The total revenue from the Panama Canal toll for January-December 2020, compared to the same period in 2019, presented a positive variation of 1.7%; of these, the Neopanamax vessels increased by 9.8%; however, Panamax decreased 7.0%. On the other hand, the transit of high-draft Neopanamax vessels grew by 7.4%, as did net tons and cargo volume by 5.0% and 15.3%, respectively...

### **b. National Port System:**

Total cargo movement increased by 9.8%, with bulk cargo exceeding 8.5% and containerized cargo by 12.0%; on the other hand, there was a negative variation in general cargo at 42.4%. The movement of TEU containers (container equivalent to 20 feet) increased for the period by 5.3%.

### c. Road corridors and passengers transported by the Panama Metro and MiBus:

In the highway corridors, negative variations in capacity and income were registered in 46.6% and 46.0% respectively. Passengers transported by the Panama Metro decreased by 59.3% and those of MiBus by 53.1%.

### 2. Foreign trade:

### a. CIF value of imports of goods:

The CIF value of imports of goods decreased by 37.1%, due to significant decreases in: consumer goods 36.4%, intermediate goods 28.8% and capital goods by 46.0%.

### b. Net weight of goods imports:

The net weight of imports of goods registered a negative variation of 32.0%, with a drop in capital goods by 40.8%, as well as consumer goods by 37.5% and intermediate goods by 25.6%.

### c. FOB value of goods exports:

The total FOB value of exports of goods increased by 14.7%, mainly due to the heading of copper minerals and their concentrates 34.4%; other items that contributed were: banana 10.0%, fish and fish fillet (fresh, refrigerated and frozen) at 23.0% and unrefined sugar 4.1%. On the other hand, negative rates were reported in: Melon 24.4%, watermelon 16.8%, pineapple 29.2%, shrimp 47.7%, other seafood 65.0%, fish meal and oil 30.2%, coffee 7.6%, clothing 49.8%, meat cattle 7.5%, hides and skins 15.6%, steel waste, copper and aluminum 31.8% and wood in 21.9%.

### d. Weight of goods exports:

The total weight of goods exports presented a positive variation of 1.9%. The items that reported increase were: copper minerals and their concentrates 14.8%, banana 8.9%, and fish and fish fillet (fresh, refrigerated and frozen) 23.7%; On the contrary, other items were reduced: Melon 10.7%, watermelon 26.5%, pineapple 31.2%, shrimp 42.8%, other seafood 84.5%, unrefined sugar 4.4%, fish meal and oil 37.4%, coffee 3.7%, clothing 48.9%, hides and skins 3.4%, steel, copper and aluminum waste 5.2%, wood 18.2% and other 4.1%.

#### e. Colon Free Zone:

For period January-December 2020 compared to its similar in 2019, the value of the trade (in thousands of balboas) decreased by 21.9%; of these, CIF imports at 23.0% and FOB re-exports at 21.0%. Likewise, the weight of the trade (in thousands of metric tons) in 20.5%; with imports and re-exports at 22.4% and 18.4%, respectively.

#### 3. Internal trade:

### a. Sale of fuels for national consumption:

The sale of fuels for domestic consumption was reduced by 35.9%, with a greater decrease, mainly heading of: 91 octane gasoline by 31.9%, low sulfur diesel by 25.7% and bunker C by 69.1%. Likewise, sale of liquefied petroleum gas fell by 3.9%.

### b. Sale of marine fuel in ports, according to coastline:

The sale of marine fuel (bunkering) in ports, measured in metric tons, reported a positive variation of 3.6%, registering an increase in the Pacific Coast of 3.7%, the coast that explains 83.7% of the total and in the Atlantic of 2.8%.

### c. Sale of marine fuel through barges and ships serviced:

The sale of fuel (bunkering), through barges, decreased by 11.4% and as part of this, the Pacific Coast by 6.3%. For that coast it represents 83.9% of sales and the Atlantic coast reduced sales by 30.9%. The total number of ships attended fell by 13.2%.

### d. New cars registered:

The registration of new cars in the Unique Vehicle Registry decreased by 49.7%, specifically, regular cars by 53.7%, luxury cars by 53.9%, SUV'S by 49.3%, minivans by 56.2%, panels by 36.1%, pickups by 41.0 %, buses in 52.3% and trucks in 43.1%.

#### 4. Construction:

### a. Cost of constructions registered by the main municipalities:

The total cost of the constructions, additions and repairs decreased by 54.9%, the greatest affectation originated in the residential works in 58.5%, which represents 55.5% of the total cost. The most affected districts were: Panama 55.8% (district that represents 65.8% of the total construction cost), Colón 64.4%, Arraiján 52.5% and Aguadulce, Chitré, David, La Chorrera and Santiago, grouped in 50.1%.

### b.Constructionarea(m2)inthemainmunicipalities:

The construction area in m2 was reduced by 60.6%, of these, residential works by 63.4% and non-residential by 53.5%. All the districts reported

negative variations: Panama in 60.5%, Colón 52.9%, Arraiján 56.6% and grouped (Aguadulce, Chitré, David, La Chorrera and Santiago) in 63.6%.

#### c. Other indicators related to construction:

Ready-mix concrete production (in metric tons) fell 69.7%. On the other hand, the production and sale of gray cement (in metric tons) decreased by 45.0% and 45.4%, respectively, as did imports by 48.8% and the CIF value by 55.6%.

#### 5. Financial intermediation:

#### a. Stock market indicators:

The volume traded (in thousands of balboas), for total market of the Panama Stock Exchange (BVP), decreased by 4.7%, mainly due to the primary market at 17.4%, which means 68.8% of the market, for On the contrary, growth was reported in the secondary market 52.0% and buybacks in 30.8%. The volume traded (in thousands of balboas) of the stock market in the BVP, decreased by 44.0% and the number of shares by 31.1%. The calculated BVP index presented a negative rate of 21.6%.

#### b. Insurance:

The value of written premiums contracted by 3.2%, mainly, personal accidents by 38.9%, automobiles 16.3%, and technical lines by 26.8%. Positive changes were registered in: Health 6.1%, collective life 2.2%, bonds in 10.4% and other transport (cargo transport and helmet) 9.6%. Claims decreased by 18.5%.

### c. Loans approved by the Agricultural Development Bank:

Loans approved by the Agricultural Development Bank (BDA) increased by 21.3%, especially those directed to agriculture by 61.6%, livestock by 33.0% (based on 56.0% of the total loaned) and fishing by 30.9%. However, loans to other items fell by 18.7%.

#### 6. Leisure activities:

#### a. Gross bets:

The report of the total gross bets of the Gaming Control Board registered a negative rate of 71.1%; and as part of these: Type "A" slot machines in 71.5% (they represent more than 85% of gross bets), game tables 75.0%, sports event betting rooms 36.9%, racetrack 81.2% and bingo rooms in 77.4%.

#### b. Net bets:

The total net bets registered by the Gaming Control Board were reduced by 69.7%, of which type "A" slot machines fell by 70.8% (which observe more than 75% of the net bets). of sporting events 31.2%, gaming tables 77.8%, racetrack 80.4% and bingo halls in 71.6%.

#### 7. Electricity and water:

#### a. Electricity supply:

The electricity supply (kilowatts/hour) registered by the Commercial Measurement System (SMEC), decreased by 4.6%, due to the decrease in thermal energy with 53.9% (however, the renewable energy generated increased by 37.9% and of this, the hydraulic one in 44.3%). Self-generation decreased by 44.6%, while imports decreased by 6.8%.

#### b. Destination of electricity:

Electricity billing decreased by 10.9%, mainly due to a lower demand from industrial customers by 28.7%, commercial 25.4% and Government 7.2%; however, a positive variation of the residential ones was observed in 7.0%. At the same time, there were increases in the billing of large clients in 18.9% and in exports in 36.7%.

#### b. Water:

The billing of drinking water (in thousands of gallons) in the Republic showed a barely perceptible increase of 0.1%; where the sector that contributed was the residential one with growth of 1.8%. On the other

hand, negative variations were recorded in the sectors of: Commercial 7.3% and industrial in 11.1%.

#### 8. Manufacturing industries:

The slaughter of pigs increased 3.6% for period in question; however, decreases were reported in slaughter of cattle and production of chicken meat in 4.4% and 12.6%, respectively. The production of evaporated, condensed and powdered milk grew by 39.9%; in same sense, pasteurized milk at 15.9% and natural milk for the production of related products 0.2%. Decreases were registered in the production of alcoholic beverages in 29.4%, soft drinks 17.6% and rectified alcohol in 2.7%.

#### 9. Hotels and travelers entrance:

#### a. Hotels: (january-september)

The daily averages of occupied rooms and overnight stays during the period January-September 2020 vs. 2019 decreased by 71.2% and 65.2%, respectively; as well as the percentage of occupancy in 71.2%.

### b. Entry of travelers and their expenses: (January-September)

For the period January-September 2020 compared to 2019, the entry of travelers (in thousands of people) was reduced by 77.6%, of these visitors by 72.7% and those of direct transit and crew members by 79.3%. The expenses incurred by them also decreased by 75.3%.

#### 10. Public Sector Finance:

#### a. Current income of the Central Government:

The current revenues of the Central Government decreased in the period from January to December 2020 by 22.5% and of these, tax revenues by 27.9%, with direct and indirect revenues at 23.0% and 33.7%, respectively. Likewise, non-taxpayers presented a drop of 9.9%.

#### a. Work contracts registered in the Mitradel:

Work contracts registered at the Central Headquarters of the Ministry of Labor and Labor Development (Mitradel), were reduced by 73.0% and at its regional headquarters 61.1%.

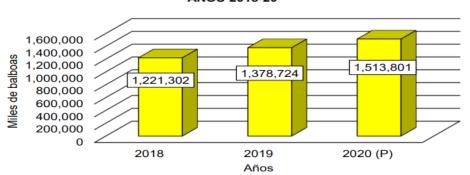
### b. Non-horizontal and horizontal properties inscribed:

Non-horizontal properties registered decreased by 38.2% specifically, mortgages by 45.5%, as well as horizontal properties by 48.0% and of these, mortgages by 51.5%.

#### c. Anonymous and common companies:

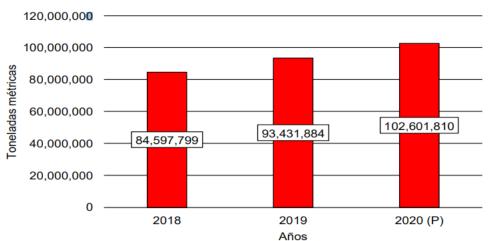
The total number of companies in Public Registry decreased by 26.7% and of its components, anonymous companies by 26.3% and common companies in 38.2%. L&E

#### INGRESOS POR PEAJE DE NAVES NEOPANAMAX: AÑOS 2018-20

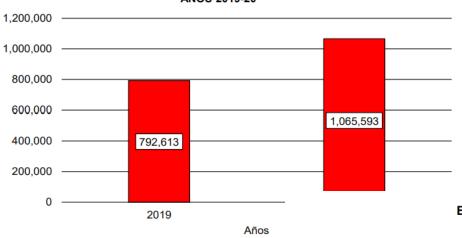


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#### MOVIMIENTO DE CARGA EN EL SISTEMA PORTUARIO NACIONAL: AÑOS 2018-20

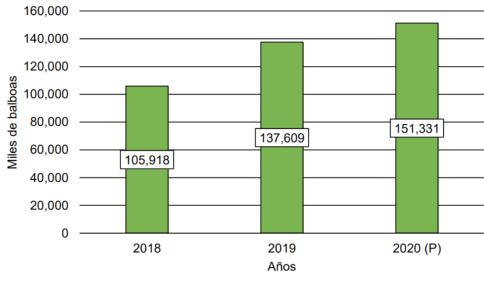


#### EXPORTACIÓN DE MINERALES DE COBRE Y SUS CONCENTRADOS: AÑOS 2019-20



Miles de balboas

#### EXPORTACIÓN DE BANANO: AÑOS 2018-20



## COMMENT ON THE CONSUMER PRICE INDEX (CPI): NOVEMBER 2020

Source: GCRP

onthly variation of the National Urban CPI (November 2020 compared to October 2020): The National Urban CPI showed a reduction of 0.1%.

The groups that registered decreases in were: Transportation 1.3%; and Alcoholic beverages and tobacco at 0.4%. The Transportation group presented loss in three of its seven classes. The greatest variations were in the classes, "Passenger transport by air" in 10.6%, due to the decrease in the price of airfare, and "Fuels and lubricants for personal transportation equipment" in 3.1%, due to the reduction in the price of automobile fuel.

The decrease observed in the Alcoholic beverages and tobacco group was due to the decrease in three of its four classes. The class with the greatest variation was "Wine" at 3.1%.

The groups Clothing and footwear, Housing, water, electricity and gas, Furniture, articles for the home and for the ordinary maintenance of the home, Health, and Education remained unchanged.

The groups that reflected increases were: Food and non-alcoholic beverages by 0.3%; Communications, Recreation and Culture, Restaurants and hotels,

and Miscellaneous goods and services all at 0.1%. The Food and non-alcoholic beverages group showed an increase in six of its eleven classes.

The greatest variation was in the class "Legumes-Vegetables" in 2.8%, due to the in the rise price of legumes and tubers.

The increase observed in the Communications group was the result of the rise in one of its two classes, "Telephone equipment" in 0.7. The increase reflected in the Recreation and Culture group was caused by the increase in five of its sixteen classes. The greatest variation was in the class "Photographic equipment" at 1.0%.

The increase in the Restaurants and hotels group was due to the 0.1% increase in one of its two classes, "Restaurants, cafes and similar establishments", due to the increase in the price of food and non-alcoholic beverages outside the home.

The Miscellaneous goods and services group showed growth in two of its ten classes, "Jewelry, wall clocks and wrist watches" by 0.5%, due to the increase in the price of jewelry, and "Other appliances, articles and products for care personal

"by 0.2%, due to the rise in the price of beauty items.

and footwear, and Communications both at 0.2%.

#### Interannual variation of the National Urban CPI (November 2020 compared to November 2019):

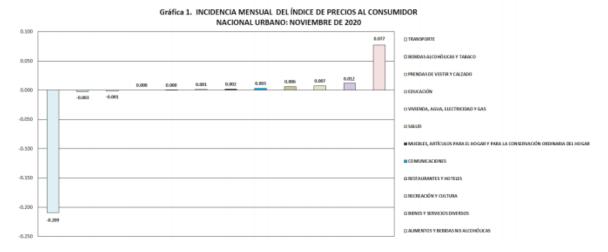
The National Urban CPI showed an interannual variation of -2.0%. In the groups that were observed decreases were: Housing, water, electricity and gas in 9.5%; Transportation in 6.6%; Education

in 6.3%; Recreation and Culture in 0.7%; Clothing

The Food and non-alcoholic beverages group remained unchanged.

The groups that registered increases were: Furniture, articles for the home and for the ordinary maintenance of the home in 0.9%; Alcoholic beverages and tobacco at 0.7%; Health at 0.5%; Miscellaneous goods and services at 0.3%; and Restaurants and hotels in 0.1%. L&E

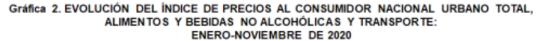
A continuación, la grática con la incidencia mensual por grupo del IPC Nacional Urbano de noviembre de 2020:



Incidencia: Corresponde a la contribución de cada grupo respecto a la variación total del Índice Nacional Urbano, por ello, la suma de las incidencias da como resultado la variación del índice.

CUADRO 1. INCIDENCIA Y VARIACIÓN PORCENTUAL MENSUAL DEL ÍNDICE DE PRECIOS AL CONSUMIDOR NACIONAL URBANO, SEGÚN GRUPO DE ARTÍCULOS Y SERVICIOS: NOVIEMBRE DE 2020 BASE 2013=100

Grupo de artículos y servicios	Ponderaciones	Incidencia	Variación mensual		
TOTAL	100.0	-0.1	-0.1		
Alimentos y bebidas no alcohólicas	22.4	0.077	0.3		
Bebidas alcohólicas y tabaco	0.7	-0.003	-0.4		
Prendas de vestir y calzado	7.7	-0.001	0.0		
Vivienda, agua, electricidad y gas	8.5	0.000	0.0		
Muebles, artículos para el hogar y para la conservación					
ordinaria del hogar	7.8	0.002	0.0		
Salud	3.4	0.001	0.0		
Transporte	16.8	-0.209	-1.3		
Comunicaciones	4.3	0.003	0.1		
Recreación y cultura	9.7	0.007	0.1		
Educación	2.4	0.000	0.0		
Restaurantes y hoteles	6.7	0.006	0.1		
Bienes y servicios diversos	9.8	0.012	0.1		





CUADRO 2. EVOLUCIÓN DEL ÍNDICE DE PRECIOS AL CONSUMIDOR NACIONAL URBANO, SEGÚN GRUPO DE ARTÍCULOS Y SERVICIOS: ENERO-NOVIEMBRE DE 2020

Grupo de artículos y servicios	Variación porcentual mensual										
	2020										
	Enero	Febrero	Marzo	Abril	Mayo	Junio	Julio	Agosto	Septiembre	Octubre	Noviembre
TOTAL	0.1	-0.3	-0.4	-1.3	0.0	0.5	-0.4	0.0	0.1	-0.1	-0.
Alimentos y bebidas no alcohóticas	-0.2	-0.8	-0.2	0.1	0.0	0.3	0.5	0.2	0.0	-0.2	0.3
Bebidas alcohólicas y tabaco	0.3	-0.1	-0.2	0.0	0.0	0.8	0.5	-0.2	-0.1	0.2	-0.4
Prendas de vestir y calzado	-0.1	-0.1	0.0			0.0	0.0	0.0	0.0	0.0	0.
Vivienda, agua, electricidad y gas	0.6	0.1	-0.3	-0.2	0.0	0.1	-9.7	0.1	0.0	-0.2	0.0
Muebles, artículos para el hogar y para la conservación											
ordinaria del hogar	0.0	1.4	-0.2	0.1	0.0	-0.1	0.1	0.2	-0.2	0.3	0.0
Salud	0.1	-0.1	0.0	0.0	0.0	0.4	0.0	0.0	0.2	-0.1	0.
Transporte	0.5	-1.3	-2.1	-7.9	1.1	3.0	2.3	-0.3	0.3	-0.3	-1.
Comunicaciones	0.0	-0.3	0.0		-	-	0.3	0.0	-0.1	-0.1	0.
Recreación y cultura	0.0	-0.4	-0.2	0.0		0.0	0.0	0.0	0.1	0.0	0.
Educación	0.3	2.8	-		-6.3	-	-3.0	-	-	-	
Restaurantes y hoteles	0.1	0.0	0.1		-	0.0	-0.1	-0.2	0.0	-0.2	0.
Bienes y servicios diversos	0.3	0.1	0.0	0.1	0.1	-0.3	-0.1	0.2	0.0	-0.2	0.

Cantidad nula o cero

<sup>0.0</sup> Cuando la cantidad es menor a la mitad de la unidad o fracción decimal adoptada para la expresión del dato.

# World ECONOMY



C E P A L

NEW EDITION OF THE DEMOGRAPHIC OBSERVATORY OF LATIN AMERICA AND THE CARIBBEAN ANALYZES THE IMPACT OF THE PANDEMIC ON THE MORTALITY OF THE REGION'S COUNTRIES

Source: ECLAC

he impact of the coronavirus pandemic (COVID-19) on mortality in the countries of the region and the possible effects of deaths associated with this disease on life expectancy at birth in the 38 countries and territories of the region, are analyzed in the new edition of the Demographic Observatory of Latin America and the Caribbean 2020, a document prepared by the Latin American and Caribbean Demographic Center (CELADE) -Population Division of the Economic Commission for Latin America and the Caribbean (ECLAC).

The new edition of the Observatory, entitled Mortality by COVID-19: evidence and scenarios, presents a new format that will analyze each year a demographic issue of interest to the region and that will have versions in Spanish and English. According to the document, the appearance of

COVID-19 hit the region in a context of generalized and systematic improvements in life expectancy concomitant with some setbacks in certain causes of death and the still significant presence of disease burdens associated with inequality persistent.

He adds that, since the first case detected in Latin America and the Caribbean (Brazil, February 25, 2020), the pandemic has presented great economic and social challenges for the region, ranging from direct effects on health systems and on the health of the population to the indirect effects generated by social distancing measures, with consequences on economic supply and demand, the suspension of certain productive activities, increased unemployment and the global economic recession. Vulnerability to the pandemic is exacerbated by the structural challenges of poverty, deep inequality and the weakness of social protection

and health systems in the region, the publication notes.

Added to these challenges are difficulties in quantifying and diagnosing magnitude and evolution of problem in region, which limits informed decision-making. Mortality and health data are an essential source of diagnosis and decision-making for public health. And Latin America and the Caribbean presents significant challenges in the completeness of the civil registration and health information systems.

The Observatory reveals that the ten countries with the highest number of deaths whose cause is classified as COVID-19 until October 31, 2020 per 100,000 inhabitants are Peru, Brazil, Bolivia, Chile, Ecuador, Mexico, Argentina, Panama, Colombia and Bahamas. In this group, the range of values oscillates between 104.2 and 36.1 deaths classified as COVID-19 per 100,000 inhabitants.

Among countries with at least one death classified as COVID-19, the lowest values were registered in Curaçao (0.61 deaths per 100,000 inhabitants), Cuba, Uruguay, Haiti, Nicaragua, Barbados, Venezuela (Bolivarian Republicof), Antigua and Barbuda, Jamaica, and Trinidad and Tobago (7.6 deaths per 100,000 population).

He adds that the evidence indicates that mortality from COVID-19 is indeed higher for the elderly population. In addition, once the virus is contagious, mortality is higher in places with fragile health systems, where there are more comorbidities and, therefore, lower life expectancy at birth. Countries with a higher proportion of older adult population, on the one hand, and with a lower life expectancy at birth, on the other, may be more affected by the mortality of the pandemic once they are infected, based on the characteristics observed mortality from the virus. Likewise, the document indicates that, according to research, the greatest impact on life expectancy

at birth would be recorded in North America, Europe and in Latin America and the Caribbean due to their aging population structure. In those regions, each percentage increase in the prevalence of COVID-19 can decrease life expectancy at birth by approximately 0.1 years. With a prevalence of 10%, approximately 1 year of life expectancy would be lost, and at 50%, 5 years. Five years less in life expectancy at birth in Latin America and the Caribbean means going back to the levels of 20 years ago in the region. Thus, Latin America and the Caribbean may be one of the most affected regions due to its aging age structure.

The 2020 Demographic Observatory warns that the fatality rate from COVID-19 may be changing and not stable, both due to the mutations of the virus and the affected population and due to changes in medical practice and treatment as it "learns" With the pandemic, something that, in turn, may be different in different countries. Likewise, knowledge about the prevalence of the disease accumulated in one year remains imprecise. However, although it may seem hasty to indicate whether the observed behaviors impact life expectancy at birth, the results of the simulations warn of possible stagnations or setbacks in this indicator. They may be greater if the context of deep inequalities characteristic of the region is considered, which may be affecting population groups in situations of greater vulnerability. Along with this, an increase in deaths from untreated diseases cannot be ruled out due to the crisis and the lack of clear actions on the part of governments to make the population aware of the need to continue ongoing treatments, as well as the preventive check-ups.

"All of the above highlights the urgent need to advance urgently in the implementation of universal health policies that guarantee a fundamental human right such as the right to life," the document states. L&E

### THE RAPID GROWTH OF THE DIGITAL ECONOMY CALLS FOR A CONSISTENT POLICY RESPONSE

Source: ILO

he growth of digital platforms brings opportunities and challenges for workers and businesses, and also raises the need for an international policy dialogue.

According to the most recent edition of the ILO's World Employment and Social Outlook 2021 report, digital work platforms have multiplied by five in the last decade.

This growth has highlighted the need for international policy dialogue and regulatory cooperation, enabling more coherent action for decent work opportunities and boosting the growth of sustainable businesses..

According to the report World Employment and Social Outlook: The role of digital platforms in transforming the world of work, digital platforms are opening up new possibilities, in particular for women, people with disabilities, young people and women. people who are left out of conventional labor markets. With regard to companies, the platforms allow them to access a broad, flexible and highly skilled worker base, in addition to expanding their customer base.

The report revolves around two main types of digital work platforms: web digital platforms, in which

workers perform their tasks online and remotely, and location-based platforms, in which people, such as taxi drivers or delivery men carry out their work in a specific geographic location. Its conclusions are based on surveys and interviews carried out with some 12,000 workers and representatives of 85 companies from different sectors and parts of the world.

#### New problems for workers and companies

The problems for platform workers are related to working conditions, regularity of work and income, and the inability to enjoy rights to social protection, freedom of association and collective bargaining. Working hours are often long and unpredictable. Half of digital platform workers earn less than US\$ 2 per hour. Additionally, there are noticeable pay gaps on some platforms. The report notes that COVID-19 pandemic has brought many of these issues even further into evidence.

Many companies are faced with the problem of unfair competition, lack of transparency regarding data and pricing, and expensive commissions. For their part, small and medium-sized companies (SMEs) have difficulties accessing financing and digital infrastructure.

The new opportunities created by digital job platforms are blurring the clear distinction that used to exist between employees and self-employed. General working conditions are determined by terms of the service contract, which are usually defined unilaterally. The tasks of assigning and evaluating work, and managing and supervising workers increasingly depend on algorithms, not human beings.

The report points to the need for coherent and coordinated policies in the face of the fact that platforms operate in different jurisdictions, to ensure that they offer decent work opportunities and promote the growth of sustainable companies.

"Digital job platforms are opening up opportunities that did not exist before, in particular for women, youth, people with disabilities and marginalized groups around the world. It is a positive factor. The new problems they raise must be solved through international social dialogue so that workers, employers and governments can benefit fully and equally from these developments. Regardless of their contractual status, all workers must be able to exercise their fundamental labor rights, said ILO Director-General Guy Ryder.

#### The digital gap

The distribution of the costs and benefits of digital platforms in the world is very uneven. 96% of investments in this type of platform are concentrated in Asia, North America and Europe. 70 percent of the profits are concentrated in just two countries: the United States and China.

Work on digital web platforms is outsourced by companies from the North and performed by workers from the South, who earn less than their counterparts in developed countries. This growth inequality of the digital economy perpetuates the digital divide and could exacerbate inequalities. Looking to the future

Many governments, companies and workers' representatives, including trade unions, have started to address some of these issues, but the answers are diverse and this causes uncertainty for all parties.

The fact that digital labor platforms operate in several jurisdictions raises the need for dialogue and coordination at the international level around policies, in order to achieve regulatory security and the application of international labor standards, the report points out.

The report calls for social dialogue and international regulatory cooperation between digital labor platforms, workers and governments, to achieve over time the implementation of a more effective and consistent strategy on a series of objectives that allow:

- The correct classification of the labor situation of workers, in line with the classification systems of the countries.
- Transparency and accountability for algorithms, both for workers and companies.
- The enjoyment of the right to bargain collectively of the self-employed workers of the platforms.
- Access for all workers, including digital platform workers, to adequate social security benefits, by expanding and adapting policy and legal frameworks where appropriate.
- Access of platform workers, when they so decide, to the courts of local jurisdiction. £&£

# Environmental Capsule

# CLIMATE CHANGE AND GROUNDWATER: A LITERARY APPROACH

Gustavo Cárdenas Castillero - Geographer, Hydrologist and Hydrogeologist rbcweb@rbc.com.pa

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ummary.

The consequences of global warming on the planet can be studied, measured and projected in different fields, from the social to the economic, from the political to the cultural, as well as in the historical as well as in the field of applied sciences. Regarding applied sciences, the relationship that climate change has with groundwater is discussed in this writing, the evolution of the study of both, from a brief point of view, the beginning of studies analyzing the impact of climate change on the groundwater, the most relevant results, as well as trends. To open this writing, we start with the big question: How does climate change affect groundwater? The effects of climate change have been measured in the variation of climate variables such as temperature, precipitation, as well as in winds and humidity, but it is on the first two mentioned that they exert the greatest impact on the aguifers, mainly

affecting recharge. This has a negative impact on the livelihoods of thousands of people around the planet, as well as the activities that depend on this vital resource, such as agriculture, industries and mining.

#### Introduction

The areas with the greatest water impact from the study of climate change, temperature increase and rainfall variation are identified in arid, semi-arid or humid regions, where the demand for water, pollution and poor management of water resources are synonymous of scarcity. However, before discussing this current issue, we must know a little what groundwater is, what is an aquifer, what is hydrogeology and above all what climate change implies. Groundwater is the water found in the subsoil depending mainly on the porosity and permeability of the rocks. In this case, an aquifer

<sup>&</sup>lt;sup>1</sup>The Czech University of Life Sciences in Prague, also known as the Czech University of Agriculture, is an agricultural research and education university established in 1906.

is the porous and permeable behavior of rocks, which allows the accumulation and circulation of water.

and understand the impact of climate change.

An aquifer is a black box, underground water reservoir formed by a system that is composed of a reservoir, internal hydrogeological mechanisms, cycle, variability in space and time conditions. However, an aquifer that has not been previously studied requires

a deep study of geological, geomorphological, land use and geophysical reconnaissance. The latter makes it possible to identify the main soil formations at different depths. As for hydrogeology, this is the discipline that studies groundwater in its different aspects. This term comes from the French scientist Jean Baptiste Lamarck, who in 1802 published Hydrogeology, in relation to the birth of biology as a science. Based on his work, Lamarck explains his

theory on the formation of basins in marine

and terrestrial areas over time.

Climate change is consequence of the rapid global warming observed since the Industrial Revolution. Following a more precise definition, the United Nations Convention defines climate change as "a change

in climate, directly or indirectly attributable to human activity that alters the composition of the atmosphere" affecting the entire globe in various scenarios. The study of climate took an important stage from the 1950s, when it was possible to measure the increase in carbon dioxide in the atmosphere, and from there part of the international scientific community has been working tirelessly in the creation of scenarios and projections that manage to simulate Studies carried out in the last 40 years have yielded basic

information

to understand how profound are

the effects that climate

change has on groundwater and, above all, how these are already being reflected in the environment. While for some areas a decrease in precipitation, an increase in daytime and nighttime temperatures, droughts, and a reduction in aquifer recharges are expected; in other regions the opposite effect is had. Increased recharge, floods, increased river flow. Therefore, in addition to water resources, ecosystems, fauna, flora and human

activities

This literary approach to climate change briefly describes the evolution of both disciplines from the 17th century to the present day. Highlighting contributions main

that helped to understand

compromised.

how groundwater works and what

climate change implies as a consequence of global warming. The last part of this approach focuses slightly on the main findings about the impact of climate change on groundwater..

#### Literary Review: Climate and Hydrogeology

Studies on groundwater and processes directly related

to climate were born separately. After the review of Meinzer [1934], the first study on groundwater was presented by Pierre Perrault in 1674, where this researcher explains that the rain directly feeds the streams and that the filtration of the streams on the lower slopes supplies the groundwater, which eventually resurfaces in the low-lying lands. Following the review of Meinzer [1934], in 1684 Edmé Mariotté presented that the water derived from rain and snow penetrates the pores of the earth until it accumulates in the wells. In relation to the climate, at the end of this century, in the years 1687 and 1691, Edmund Halley published two articles that further developed his interests in "Philosophical meteorology". The first of these works was an attempt to experimentally verify the balance that must result between the evaporation of water from the oceans, rain and the water discharged to the sea by rivers.

During the next two centuries, research and experiments related to groundwater and climate did not make any major advance. It is not until the nineteenth century when the scientific community receives important results. This century began with the birth of the term hydrogeology by the French Jean Baptiste Lamarck in 1802. Two decades later the first predictions of possible global warming were made, when Joseph Fourier, a French mathematician and physicist, proposed in 1824 the hypothesis that gases in the atmosphere could create barriers that trap and hold heat. Later, in 1837, a publication in "The American Journal of Science and Arts", Fourier supposed that, over a long period, the amount of heat retained by the atmosphere could alter the natural evolution of the Earth. Two decades later, in 1859, Tyndall investigated how the Earth's atmosphere stayed warm and was the first to show that atmospheric CO2 gas dulls infrared radiation from the sun and could therefore have negative effects.

In relation to groundwater and according to Meinzer [1934], in Europe during the 1840s, important investigations were carried out by different researchers such as Eugene Belgranf, who in 1846 made a fundamental distinction between permeable and impermeable formations applied to groundwater. Later, in 1847, Karl Gustav Bischof presented studies focused on the chemistry of groundwater and Jules Dupuit in 1848 presented contributions in the investigation of the movement of groundwater. During the following decade, in 1856 the United States contributed to the work of George G. Shumard who made a brief report on the prospects for artesian wells. In this same year, in France, Henri Darcy, established the minimum of the groundwater flow. This work, described many years later, marked "the birth of groundwater hydrology as a quantitative science" (Miller & Gray, 2002). Later, in 1857, George Cook made a brief discussion on the artesian condition of groundwater and Jean Dumas published "La Science des Fontaines".

Years later, Tyndall's results were independently confirmed by Arrhenius and Thomas Chamberlin between 1897 and 1899 (Corfee-Morlot, Maslin, & Burgess, 2007), who calculated that human activity could substantially heat the global atmosphere by adding carbon dioxide to it. carbon. However, it was Arrhenius who identified the link between global warming, the burning of fossil fuels, and increased atmospheric concentrations of C02 (Hart & Victor, 1993).

#### **Viatic**

With the beginning of the 20th century, the study of groundwater increased. In 1905 the treatises on groundwater hydraulics by Léon Pochet and Edmond Maillet were published (Meinzer, 1934). Around the same time, Kellogg [1987] described that the idea that humanity could raise the earth's temperature was

addressed in various articles and books in the 1920s and 1930s, especially by biologists and ecologists. In 1931 an important contribution was made in the hydrological and hydrogeological sciences with the publication of Richard's equation by Lorenzo Richard.

In general, during the first half of the 20th century, studies and publications on possible global warming were carried out, this according to the "Royal Meteorological Society". Despite the studies carried out, neither society nor the scientific community showed interest in the greenhouse effect at that time. The attention of the moment was focused on other horizons, such as those of World War II, political tendencies, plus the dubious credibility that prevailed in the social environment that human activities could really affect the climate compared to greater natural forces.

Two decades after World War II, Charles Keeling measured the concentration of atmospheric CO2 in Antarctica and on Mauna Loa, Hawaii. These curves known as the Keeling curves have become one of the main icons of the global warming debate documenting the annual upward trend in CO2 concentration since 1958 (Corfee-Morlot et al., 2007).

The 1960s marked the beginning of scientific studies that confirmed the greenhouse effect or the global warming theory. According to the work of Song [2010],

during this same decade a period of cooling began in both hemispheres, having a durability of around 10 years, possibly as an effect of the Second World War, as the industrial world was with low productivity. This effect was measured at sea surface temperatures

in the Northern Hemisphere, which remained relatively low. This effect ended in the 1970s, when temperatures rose again.

The 1970s set the standard for awareness of the effects of climate change. In the midst of the effervescence of the Cold War, the first traces of the environmental movements began to take color. According to the United Nations Environment Program, the first Earth Day took place in 1970, when 20 million people in the United States took to the streets to protest what they considered an environmental crisis: oil spills, pollution by carbon dioxide, river pollution among other human actions (Soto, 2020). Parallel to what was happening in the United States, in 1972 the Soviet Union lost large areas of crops due to inclement weather. In this same year, the Peruvian fisheries collapsed due to the impact of the El Niño phenomenon, which was beginning to attract international attention. In 1974, the United States was hit by severe droughts that showed the vulnerability of the North of the American continent. In the African Sahel, droughts reached their highest peaks during this decade, causing massive migrations.

The 1980s were at the time the hottest years on record. However, this was exceeded for each decade that followed. The 1980s recorded seven of the eight warmest years through 1990. Even the coldest years of the 1980s were warmer than the warmest years of the



1880s. During this decade, 1987 was the warmest year in the 1980s, followed in temperatures by 1983 and 1981 (Shabecooff, 1988). During this decade, exactly in 1988, the Intergovernmental

Panel on Climate Change (IPCC) was created in response to the undoubted evidence of the rapid change in climate variables. Since its inception, the scientific evidence that supports this fact has increased by far, extending to different fields of science, humanity, economics, social sciences, among others..

The 1990s begins with the first IPCC report revealing that the planet has warmed 0.5 °C in the last century. The IPCC warns that only strong measures to halt the rise in greenhouse gas emissions will prevent serious global warming. In this decade the beginning of international negotiations based on the contributions of the IPCC, in 1992 the Convention on Climate Change, signed by 154 nations in Rio Brasil. Later, in 1997, the Kyoto Protocol agreed to legally binding emission cuts for industrialized nations. During this decade, the El Niño Phenomenon hit again and the year 1998 is considered the hottest year of the hottest decade of the century.

The new century began with the opinion of the scientific community and the scenarios where a possible increase of up to 6°C is warned by the end of the 21st century if forceful actions weren't taken. During this decade, the study and arguments of the possible impact of climate change on the increase in extreme meteorological phenomena began. In 2007, in the Fourth Assessment Report the IPCC firmly blamed humanity for global warming. The year 2010 makes an international trend with a global average temperature of 0.88°C, still above pre-industrial levels. In fact, the 2010s mark the decade when the impacts of climate change are unmistakable. As temperatures rose. Arctic sea ice melted much faster than models had predicted. The world's coral reefs suffered widespread and devastating bleaching events. And regions around the world faced some of the costliest, deadliest and most extreme droughts, hurricanes, heat waves and wildfires in recorded history (Marshall 2006 and Levin

2019).

During this decade, the Paris agreement took place in 2015, where an agreement was drawn up between 179 countries and the European Union to keep the increase in global temperature below 2°C and, if possible, below 1.5°C. In 2018, the concentrations of carbon dioxide (CO2), methane (CH4) and nitrous oxide (N20) reached new all-time highs (Gray, 2016 and McGrath, 2019). Borunda (2020), following a report published by the National Oceanic and Atmospheric Administration (NOAA) and the National Aeronautics and Space Administration (NASA) in January 2020, confirmed that 2010 to 2019 was the hottest decade since it began. record keeping 140 years ago.

#### Impact of climate change on groundwater

To discuss the advances in groundwater and climate change studies, it is important to mention that a large part of these results have been given as a result of the climate change scenarios presented by the IPCC since 1991. The creation of the IPCC in 1988 opened the doors to studies and essential information on the effects of climate change on hydrogeological resources. The first report was published in 1991 and integrated four scenarios (A, B, C and D) according to the concentrations of carbon dioxide. Scenario A presented a scenario of little or no measures to curb emissions, while the other three scenarios were based on increasing control levels. The following year, in 1992, the United Nations held a Conference on Environment and Development in Rio de Janeiro, where the IPCC presented six more scenarios (IS92a-f), taking into account future greenhouse gas emissions and Aerosol precursors based on assumptions related to population and economic growth, technological change, energy availability and fuel mix during the period 1990-2100. The second report was presented in 1995 and the third IPCC assessment report in 2001

, which was made up of new scenarios (A1, A2, B1 and B2). In 2007, the IPCC presented a fourth report that moved from the above scenarios to the representative concentration pathways (RCP). In 2014, penultimate report was published, prompting an increase in studies in all parts of the world. Figure 1 illustrates scientific production up to 2020 of studies focused on groundwater versus climate change.

Climate change affects aquifers affecting recharge, this measured through its impact on precipitation, evapotranspiration and temperature. These three variables are essential to determine the supply capacity of an aquifer after a period of rain or during the optimal seasons for recharge. When temperatures rise, evapotranspiration increases, causing dry soils and inefficient infiltration. The opposite situation to

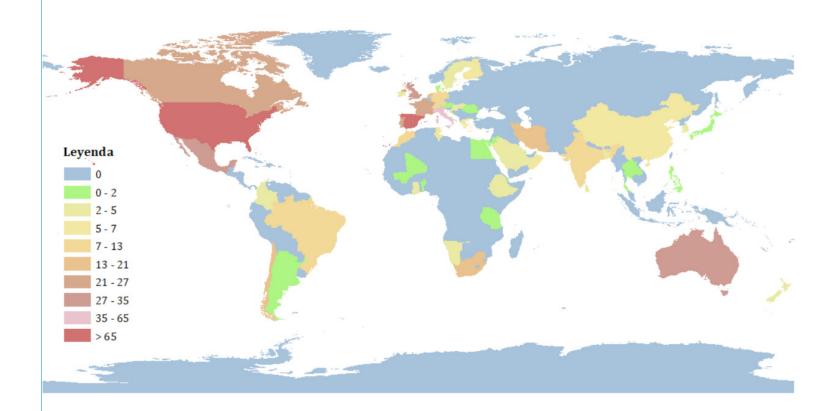


Figura 1. Países que han realizado estudios sobre los efectos del cambio climático en el agua subterránea. Fuente : Scopus Data & Bibliometrix R package.

Mapa realizado a partir de la frecuencia con que las naciones han realizado estudios en este tópico. El primer estudio identificado que relaciona los efectos del cambio climático en el agua subterránea fue realizado en Australia en 1988. En la década posterior Reino Unido y los Estados Unidos realizaron estudios en el mismo tópico. A partir de la década de 2000 los estudios en este tema han incrementado exponencialmente, pasando de países desarrollados a países en vías de desarrollo. Actualmente lideran en colaboraciones Estados Unidos, España, Italia, Australia y Canadá.

low recharge is overcharge, which occurs in regions where snow predominates during winter and in high northern and southern latitudes. This is explained in the following way, as the temperature increases due to global warming, the durability of the snow has to be less, so the melting has to happen earlier and with greater speed, including in this case also the glacial ones. Therefore, overcharges could generate an increase in river flows, floods, lakes in areas below sea level. Having negative effects on the quality of life of the population and on the agricultural activities on which the human being depends.

Climatic variability decreases the recharge rate in arid and semi-arid places such as in Mediterranean areas, densely populated islands, in desert areas of Australia, North Africa and in central and northern Chile. The opposite case is observed in the Alps, Himalayas or near the Andes. Studies carried out over last 40 years have identified that climate change is not the only pressure that degrades water in aquifers, but rather overexploitation of underground water resources, contamination by chemicals such as pesticides, fertilizers, herbicides or waste water. Animals put the quality of groundwater at risk, as well as residential and industrial waste.

Despite all the work done so far, much information is lacking in critical water-scarce regions. For example, Central Africa, whose region is a particular case. Here there are areas in which the quality of drinking water is not optimal. In addition to environmental and political problems, in this region there are not enough economic resources for the correct management of drinking water. Another region where research on this topic is scarce is Central America. This geographical area presents a water deficit in specific periods during summers and extreme events caused by the "El Niño" phenomenon, especially in areas located on the Pacific coast. The islands of the Caribbean, the

islands of the South Pacific and the densely populated islands should prioritize the study of hydrogeological resources since it is usually the main source of fresh water. These areas need to study the quantity and quality of groundwater and how climate change impacts it..

#### Conclution

In summary, the recharge of the aquifer by direct infiltration of rain can be an essential process when there is a significant period in which the rain exceeds the evapotranspiration. While the first study involving groundwater and climate change was conducted to study the impact of saline intrusion on a coastal aquifer of the Australian subcontinent, today there are more concise and clear projections and scenarios of the possible effects of climate change. Due to the results obtained in the last two decades, it has been possible to integrate these effects into the water management of some regions and create policies to help protect groundwater.

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# THE CURRENT

# THE ELEGANCE OF THE HEDGEHOG - MURIEL BARBERY



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he Elegance of the Hedgehog is a thoughtful novel about loneliness in our society, too preoccupied with appearances to really know people, isolating them through our prejudices. However, the inevitable attraction of opposites allows two very different women, Renée Michel and Paloma Josee, to regain hope in the human being through a sincere but misunderstood friendship.

A novel by the French writer Muriel Barbery, where she tells us the story of an adult and a girl who live in a Bourgeois building called La Rue Grenelle. A building where people live with a very comfortable life, economically speaking, including deputies, kitchen critics, painters, among others.

Renée Michel: 54 years old, the building's janitor for 27 years who goes unnoticed in the eyes of the residents because of her façade of being an uneducated and vulgar woman. She is disinterested in culture and art, in fact she feels a lot of affinity with literature, art and good music. Also, she knows grammar very

well. For which she placed her cat "Leon" to honor a Russian writer Leon Tolstoy. No tenant comes to think that she could handle this knowledge, in fact, she reads secretly and always behind her porter shield.

Paloma Josse: A 12-year-old girl, who like Renée, has a very pessimistic point of life. She practically hates everything that surrounds her, especially adults, her father who is a deputy, her mother, a prepared woman but who has never had the need to work, her older sister, a student of philosophy with an intellectual character; Paloma carefully plans her suicide when she turns 13, not before without setting her home on fire. This character before ending her life, she writes all the wonders of her to see if she found any valid reason to live.

The lives of both will be changed by the arrival of a Japanese named Kakuro Ozu, to the building, who was a man who did not have the same culture, since he did not let himself be carried away by appearances, but by the true essence of people. Without so much effort, he will bring out the best in each of them.

Together they will discover the beauty of little things.

Renée and Paloma are very lonely characters, because they are fed up with so much hypocrisy. Therefore, they both get to know each other better and despite their age difference, they get along very well. They were in the same situation, they covered themselves like the hedgehog, of everything that they did not like and they did not want to integrate into society, and they did not let them get to know them as they really were.

As the chapters progress, it is intended to demonstrate the obsession of the Josee family to preserve their social status and

s and

their privileged standard of living prevents them from appreciating that, in reality, they are fish trapped in a luxurious fish tank while they contemplate with contempt the sea of mediocrity That surrounds them. However, Paloma is aware that this circumstance and, for this reason, she writes a diary about the beauty

of the simplest acts whose paragraphs

will end up allowing her to know the elegance hidden behind the armor created by Renée.

In all the chapters they have notes of authors, sentences from some books, several dialogues that are attractive, the author Muriel Barbery, with this book

so full of knowledge, teaches us that life challenges us in opportunities, but the substance is always With what attitude we face it, just as Paloma and Renée learned this colossal lesson, some reader will contemplate it and will also know how to interpret it.

As the story progresses, the goalkeeper evolves, showing herself to the world as it is, since everyone already knows her secret, while Paloma finds reasons that make her see life with other senses without removing the desire to commit suicide.

The ending is completely unexpected; the author can pause a scene while she triggers the thoughts of the characters without it being noticeable or disconcerting; the acid humor and full of historical and general culture references amuses at the same time that she teaches, and the reflections and conclusions cleverly interspersed make that the reader can arrive at his own of her.

This work allows us to discover beyond the apparent, starting with the title "The elegance of the Hedgehog" which makes reference to the fact that a person can

be tough and look dangerous on the outside, but on the inside they are soft, sensitive and beautiful like a sea urchin. The novel invites us to live with enthusiasm and fully enjoy those details for which life is worthwhile. We appreciate that everyone, regardless of their condition, can relate to each other and that each one of us is an important piece in this puzzle called Society, in which, unfortunately, there are prejudices of social classes. She also implies that everyone is born, grows and develops their own tastes and afflictions which we must not hide, regardless of whether there are people who despise us for this, since like them, there are people who give us their sight. good and they consider us as we are. This will allow us to meet people who are really worth it.

Some phrases that caught my attention from The Hedgehog's Elegance:

- "People think they crave and chase stars, but they end up like goldfish in a fish tank."
- "The ability we have to manipulate ourselves so that the foundations of our beliefs do not shake in the least is a fascinating phenomenon."
- "That is what the future is for: to build the present with real projects of living beings."
- "How is the value of a life decided?
- "When you decide to die it is because you think it is in the order of things. Like a delicate step, a soft slip towards rest."

#### "It must be that death drives us a little crazy."

#### "Tragedy is a teacher to learn from."

Published in 2006, L'Élégance du hérisson – The Elegance of the Hedgehog— is a novel by the French author, Muriel Barbery. becoming the hit of the season with more than a million copies sold and 30 weeks at number 1 in sales. Thanks to this success, he was awarded the Prize of French Libraries (Prix des Libraires) in 2007

It is a book acclaimed by critics and the general public. Likewise, the title has received more than 30 editions, exceeded one million copies sold and successfully adapted to the big screen (Le hérisson, 2009). Achieving great critical and public success, and reaching a total collection close to 11 million euros. In Spain, where it premiered on December 11, it was awarded at the Valladolid International Film Week. In the United States, it was presented at the Seattle International Film Festival, where it received the award given by the public and was also awarded by the Female Circle of Film Critics of the United States. The Hedgehog was the winning film at the Cairo International Film Festival where it received up to four awards, including best director, for Mona Achache.

It contains a deep story, very thoughtful and quite common in the digitized world of the 21st century. While superficiality is the most palpable theme in the plot, Barbery reflected a lot of messages in his narration. Which invite the reader to pay attention to the small details of life, those that make each day valuable. L&E



**Muriel Barbery** 



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