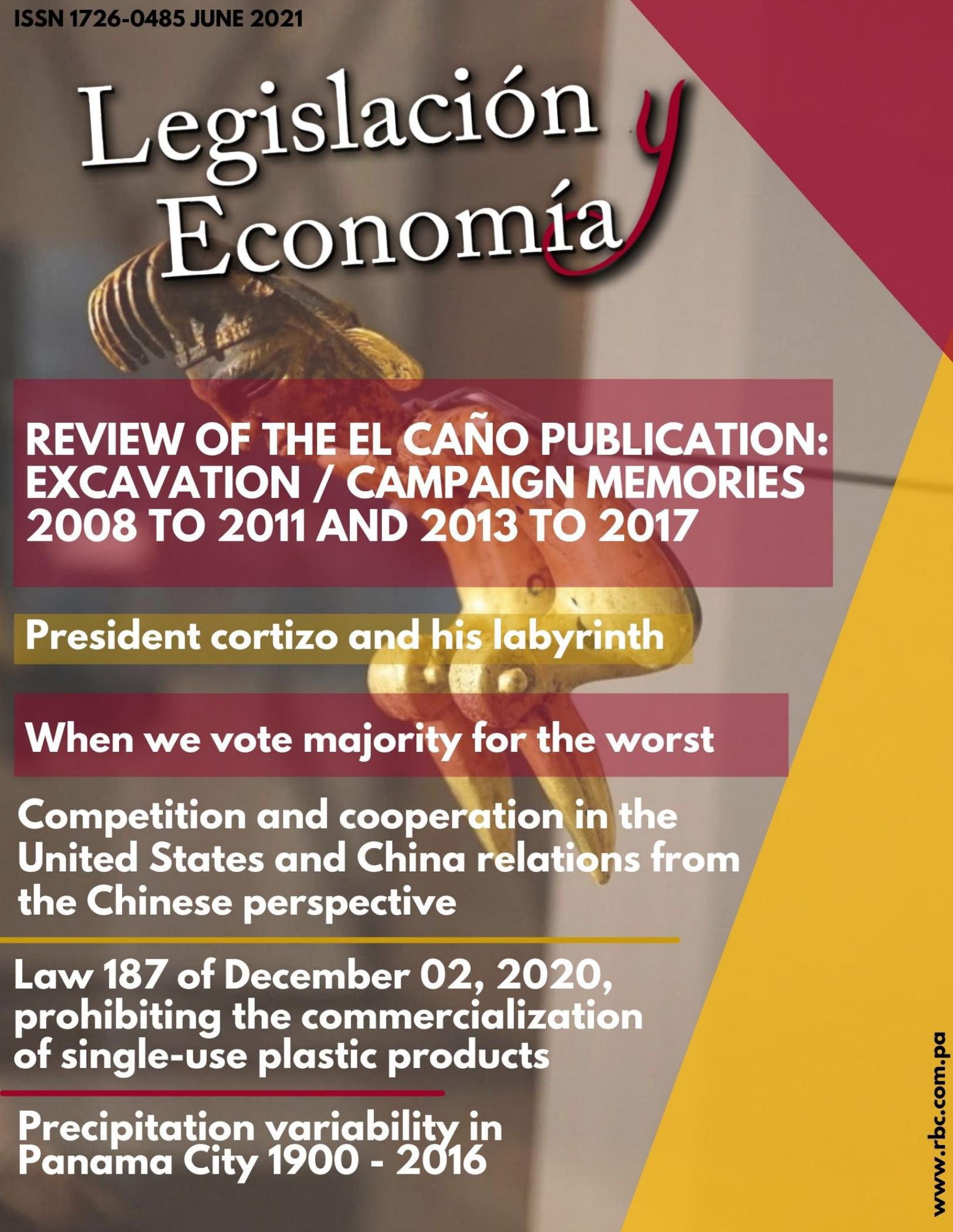


Legislación Economía



**REVIEW OF THE EL CAÑO PUBLICATION:
EXCAVATION / CAMPAIGN MEMORIES
2008 TO 2011 AND 2013 TO 2017**

President cortizo and his labyrinth

When we vote majority for the worst

**Competition and cooperation in the
United States and China relations from
the Chinese perspective**

**Law 187 of December 02, 2020,
prohibiting the commercialization
of single-use plastic products**

**Precipitation variability in
Panama City 1900 - 2016**



In this Edition

José Javier Rivera

Carlos M. Fitzgerald Bernal

Ying Ying Fu

Giovana del C. Miranda Garzola

Lidia Domínguez

Yinnelle Smart

Rafael Fernández Lara

Gustavo Cárdenas Castellero

Claudia Cubas

Ana Sofía Corrales

Ayeisha Williams

Mariela de Sanjur

José Javier Rivera J.
Giovana del C. Miranda G.

Design & Layout:
Gabriela Melgar



Rivera Bolívar y Castañedas



@rbcabogados



@rbcweb

R♦B♦C
Rivera • Bolívar • Castañedas
ATTORNEYS AT LAW

JUNE 2021

Editorial

5



PRESIDENT CORTIZO AND HIS LABYRINTH

Content

43. Politics

WHEN WE VOTE MAJORITY FOR THE WORST

46. Panamanian Economy

COMMENT ON THE CONSUMER PRICE INDEX (CPI):
MAY 2021

MAIN ECONOMIC INDICATORS
JANUARY - DECEMBER 2019-2020 **49**

THE EXECUTIVE BOARD OF THE IMF CONCLUDES
THE ARTICLE IV CONSULTATION WITH PANAMA FOR
2021 **54**

56. World Economy

LABOR MARKETS IN THE REGION WILL DELAY TO
RECOVER FROM THE STRONG IMPACT OF THE
COVID-19 PANDEMIC IN 2020

GLOBAL REACTIVATION IS FIRM, ALTHOUGH
UNEQUAL, AS MANY DEVELOPING COUNTRIES
FIGHT AGAINST THE ENDURING EFFECTS OF THE
PANDEMIC **58**

CLOSING THE DIGITAL DIVIDE COULD CREATE
15 MILLION JOBS IN LATIN AMERICA AND THE
CARIBBEAN **62**

FAO CONFERENCE APPROVES THE NEW STRATEGIC
FRAMEWORK TO PROMOTE THE TRANSFORMATION
OF AGRI-FOOD SYSTEMS **65**

UNDP REPORT **68**

70. Environmental Capsule

76. Psychological Capsule

78. Sport Capsule

84. The Current

86. Cultural Agenda

Normas de Interés

SPECIAL REGIME
FOR ESTABLISHING
PROFESSIONAL SPORTS
ACADEMIES IS CREATED



26 Content

NATA CAPITAL OF CULTURE AND NATIONAL
HISTORY 28

PROGRAM FOR PREVENTION, TREATMENT AND
REHABILITATION OF YOUNG PEOPLE WITH
ADDICTION PROBLEMS 29

ENVIRONMENTAL INCENTIVES 30

DESIGN AND BUILDING STANDARDS 31

DAY HOUSE FOR SENIOR PEOPLE 32

AWARD OF MERIT TO NATIONAL PRODUCER
ENGINEER ARTURO DONALDO MELO SARASQUETA 33

NATIONAL PLAN AGAINST DROUGHT 34

COMPREHENSIVE PEST CONTROL AND
DISINFECTION SERVICE 35

Invited Writer 7

REVIEW OF THE EL CAÑO PUBLICATION:
EXCAVATION / CAMPAIGN MEMORIES
2008 TO 2011 AND 2013 TO 2017, EDITED BY
JULIA MAYO TORNÉ AND PUBLISHED BY
THE EL CAÑO FOUNDATION IN 2020

COMPETITION AND COOPERATION IN THE
UNITED STATES AND CHINA RELATIONS
FROM THE CHINESE PERSPECTIVE 18

Consult, Doctrine & Jurisprudence

THE UNREASONABILITY OF THE
APPLICATION OF THE SANCTION AND
GOOD FAITH IN THE TAX ADMINISTRATIVE
PROCEDURE 36

LAW 187 OF DECEMBER 02, 2020,
PROHIBITING THE COMMERCIALIZATION
OF SINGLE-USE PLASTIC PRODUCTS 41



José Javier Rivera - Partner
jj.rivera@rbc.com.pa

Editorial

PRESIDENT CORTIZO AND HIS LABYRINTH

These days are two years since the inauguration of President Cortizo, back in 2019.

If we go back in time, certainly, the economic, social and political indicators of the country were not promising.

However, the PRD government had prepared a dense and substantial government plan with the participation of a plural number of businessmen, technicians, independents, and politicians with a long tradition in that party.

Recall that, at its premiere, as has happened now, government announced with "great fanfare", an extraordinary loan for more than two billion dollars that would allow them to finance an ambitious investment program that would have the potential to reactivate economy and therefore employment to attract local and foreign investment.

The frank and direct language of the president, generated the perception of a style in which there would be ample communication from the Executive as a whole and that corrective measures would be taken to incorporate, not only the traditional economic sectors, but also address the great social debt in a comprehensive manner with a prevalence of tripartite dialogue.

Obviously, the so-called honeymoon period, passed without controversy, much less tension.

When the Covid-19 pandemic made its mark on the world, Panama seemed distant from that scourge, and therefore, we never imagined that it would come to stay and would easily verify that the country had great weaknesses in its health, education, and institutional systems and leadership. If we looked back at the first press conferences of the president, his health minister,

and other advisers of the time, it seemed that the issues of the pandemic would be dealt with responsibly, efficiently, and particularly with extensive experience.

However, that premise soon cracked because, despite the resources for reasonable attention, improvisation was enthroned. Total neglect of public procurement regulations, complaints of misuse of National Treasury funds and non-compliance with the rules of rationality and budgetary control.

It would be long to list the scandals that have occurred in the country, as well as their diversity, but the truth is that President Cortizo, has lost his political wealth, has disappeared from the public sphere. His leadership as the country's first ship driver has also succumbed.

He has three additional years of mandate according to his political constitution, but he has not been able to articulate in the midst of this unprecedented crisis in the world, a proposal and a government action to travel with certainty along this path.

There is an absolute lack of credibility, despite the great opportunities that a small country like Panama has, and that the pandemic reinforces its ability to undertake new actions in a world that requires countries that can be trusted.

Panamanian society, as a whole, has not been mean to the president; Because from the different segments proposals have emerged on how to reactivate employment, the economy, the public service and surprisingly the dialogues, such as the CSS, Closing Gaps, the initiatives to normalize public and private education, the proposals to introduce reforms to the constitution, improve the conservation of the environment, ensure the supply of water, reactivate cultural activity and other issues that the president has received directly or indirectly, but knows them in their full dimension.

As a citizen of this country, I have meditated on who advises the president of the republic, whom he listens to, because he does not undertake profound changes in his ministerial environment.

Why have you not responded to Guillermo Chapman's proposal to improve the economy and reactivate employment? Why has it taken so long to decide on large infrastructure projects? Why has Jorge Luis Quijano, former administrator of the ACP, allowed the extension of a disgraceful contract with Panama Ports and has not heard the observations? Why hasn't he given you a boost to strengthen the CSS dialogue without preconditions? Why has it not risen above his political commitments and shaken off that circle that surrounds him and causes so much damage to his administration and to the country?

We all know that in reality, the leaders are alone with their conscience and always surrounded by scoundrels and sycophants who isolate them from realities, but President Cortizo promised radical changes and although his original political quota was reduced, the country gave him a unique opportunity to become a statesman, of the stature of Angela Merkel, Konrad Adenauer or emulate the trajectory of Barack Obama, instead of being one more on the list of presidents of this country.

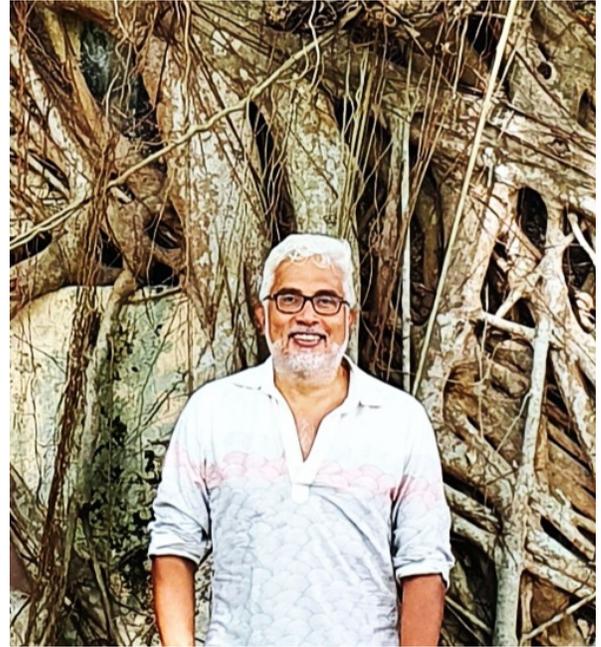
I think he has time, although his opportunities are running out, he can swell his political wealth again if he dares to get rid of those ticks, or as is done in livestock farming, he bathes with a product that targets the high beams of the large majorities and therefore the objectives that appear in their own government plan.

I do not think it is complicated for you, it is a matter of character, leadership and decision to transform a failed administration until now, for a government that restores credibility and trust to all nationals and foreigners who have decided to keep our families in this privileged isthmus.

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



Pluma Invitada



REVIEW OF THE EL CAÑO PUBLICATION: EXCAVATION / CAMPAIGN MEMORIES 2008 TO 2011 AND 2013 TO 2017, EDITED BY JULIA MAYO TORNÉ AND PUBLISHED BY THE EL CAÑO FOUNDATION IN 2020

Carlos M. Fitzgerald Bernal / june 2021
rbcweb@rbc.com.pa

Introduction:

The archaeological site of El Caño, located in the District of Natá, Province of Coclé, about 175 km from Panama City, is one of the emblematic sites to understand the archeology of our country and the region. The publication of the Excavation Memories constitutes an invaluable contribution to the advancement of knowledge about the past of the Panamanian Isthmus and the support received by SENACYT should be applauded. It never hurts to remember that most of the archeology of Panama has not been written in either Spanish or Panama, with the honorable exception of a series of contributions by Richard G. Cooke. There is still a need to translate Panamanian archeology, not

only from other languages but, literally, from scientific jargon: it is necessary to transfer all the wonderful that has been discovered, analyzed and interpreted from our past into a language that is understandable and relevant to the present. , that it is useful to Panamanians and Panamanians to recognize our roots and that it contributes to our identity and sense of belonging. For this reason, the effort of Julia Mayo and her outstanding team is recognized and appreciated because it is an important step in the return process that all researchers must attend: The knowledge of this deep history does not belong exclusively to the archaeologist, but is people's heritage as an

essential asset for the construction of identities.

In the case of Panama, where formal education is limping so much and where the vast majority don't know the roots of history (because we are a light society, which rather subscribes to anecdote as a preferred source of information or trusts myths and legends, that happily replace the facts in the total absence of critical thought) volumes of El Caño are welcome, which not only fill a void and are configured as tools to support construction of necessary narratives about the origins of our identity.

The archaeological site:

Its formal nomenclature is NA-20 and this is how it appears in the literature. It is an extensive site, which has never been precisely delimited, and is part of a system of pre-Columbian settlements that covered the plains of the Río Grande de Coclé basin. There are no records of the original name of this site or its inhabitants, although we know that its builders were sedentary agricultural groups, indigenous to the Isthmus, linguistically and genetically related to the Buglé (sometimes called Guaymí-Sabaneros) of the Central Region or Gran Coclé, one of the three great archaeological regions into which the Isthmus is divided (the Western Region is called Gran Chiriquí and the Eastern Region, Gran Darién).

El Caño is closely linked to the Conte Site (PN-5), probably the best-known site in Panama (and undoubtedly the most important archaeological find of 20th century), especially in the collective imagination, for its hundreds of tombs full of ceramics. and goldsmithing and a series of multiple burials. Not only are they within walking distance of each other, but they are contemporary sites, occupied during the second half of the first millennium AD. where you will find outstanding examples of ceramics, goldsmiths and stonework that denote a refined artistic expression and a highly sophisticated symbolic handling of its inhabitants. It is possible to interpret that in these two places public activities and rituals were concentrated,

through which the elites reaffirmed their authority, projected their secular power and manifested their religious beliefs. Although El Caño is described in the Memoirs and in other publications as a necropolis, we must not forget that evidence of domestic activities has been found, especially garbage dumps, so it is necessary to clarify the description and remember that, detailed investigation of the pattern settlement and the comparative study of areas of activity is a pending task in archeology of El Caño.

The Caño was originally excavated in 1925 by an unscrupulous explorer, Alpheus Hyatt Verrill, who sold his collections to museums in New York. Today the majority of the collection is in the Smithsonian Institution in Washington in the funds of the National Museum of the American Indian. The column-shaped stone sculptures stand out (between carved and simple, about 130 columns and carved pieces were excavated) and the ceramics painted in the Conte and Macaracas styles. In the early 1970s the authorities managed to prevent the destruction of the site (which was to be converted from the peaceful pasture that was into a sugar cane plantation) and excavations began on the artificial mounds, which, in the end, were almost as destructive as the intervention of the heavy equipment of the sugar factory. Much more serious research was conducted during the 1980s and El Caño became one of the most visited cultural sites in the country.

Within the boundaries of the Archaeological Park, inaugurated in 1979, there is a Site Museum (which was reopened in 2019) and outdoor exhibitions. With about eight hectares of extension, surrounded by reed beds, cultivated fields and pastures, in El Caño there are artificial mounds, alignments of basalt and tuff megaliths, and a pavement or road of boulders. In one of the mounds you can see an excavation that shows the stratigraphic sequence and examples of pre-Columbian burials.

Due to its characteristics, El Caño is a unique place in the region. Although the evidence indicates that it was occupied for more than eight centuries, its peak

occurs between the 8th and 11th centuries AD. In specialized literature, the production of polychrome ceramics, goldsmithing and extensive agriculture are associated with hierarchical societies called chiefdoms, but especially funeral rituals and multiple burials. It is possible that El Caño functioned as the central place of a cacicazgo, in conjunction with Sitio Conte: both constitute a cacical cultural landscape with spaces where exchanges of information and goods, communal ritual activities and competitions where the inhabitants of the communities participated. communities that made up the chiefdom, but also human sacrifices and lavish burials associated with elaborate activities to remember the ancestors.

Both El Caño and Sitio Conte were abandoned a few centuries before the conquest, when the main deposit in the basin seems to have been Natá, the seat of the chiefdom described by the Spanish at the beginning of the 16th century. Then there seems to have been a process of reuse of El Caño since ceramic vessels with pieces of goldsmiths and glass beads and human bones were found in the upper part of the artificial mounds. Other finds also included horse bones in these secondary burials. When I started my career, I had the opportunity to do a short research project at El Caño. Through detailed excavation of exposed profiles in two of the mounds I was able to obtain the earliest C-14 dates of the site and determine that the original height of the mounds was raised by several meters. Initially they were housing platforms under which there were some very simple burials, which contrast with what the current El Caño Archaeological Project has found, but because of the offerings they are interpreted as contemporaneous with the ceremonial room of columns. The construction seems to have been a funerary ritual activity to revitalize an ancient sacred site, which was carried out during those first and traumatic years of the conquest, so the mounds of El Caño are probably the last constructions. Pre-Columbian Panama.

The book:

It consists of two volumes and a drop-down annex. The first volume, 362 pages long, is divided into four parts. It begins with an introduction where the background information is found and the generalities of the archaeological site and the El Caño Archaeological Project are described, whose objectives are “to get to know the degree of social, political and economic complexity of the society buried in El Caño and discover the processes that influenced its development”. Next, the second part covers the methodological aspects of the project and describes all the technical aspects of the excavation, organization of the information, specialized analysis and conservation of the findings. This chapter describes the computer platform that complements this publication and that, as we will see later, is one of the most significant contributions of the project to the public, both specialized and general. The third part is possibly the most important, entitled “Characterization of elite tombs” since it describes the archaeological contexts, the stratigraphic sequence of burials and their respective funerary equipment in the 8 tombs excavated between 2008 and 2016. The plans and tables make up a complete record of the finds and account for the complexity of underground burial structures and the challenge of interpreting multiple graves with hundreds of associated artifacts. Finally, in the fourth part the results of an extensive excavation carried out in 2017 are described, in which the pickling allowed to find the vestiges of wooden structures, possibly associated with the activities in the area where the stone column alignments were originally found.

The second volume, 251 pages long, is divided into two parts. The first and most extensive covers non-ceramic materials (both ornamental and utilitarian), which include goldsmith objects (in gold and copper alloys, including earrings, necklace beads, pectorals, plates, nose rings, ear flaps, bracelets and bells), polished and carved stone objects, objects made of bone and animal teeth, necklace beads of pierced teeth (including humans), pyrite mirrors and musical instruments. Axes, adzes, chisels and projectile points were also found. It should be noted the presence of objects made with exotic materials, such as sperm whale teeth and

manatee ribs, objects made with resin from a local tree, the Algarrobo, and the presence of emeralds, whose origin has not been clarified but which are probably from Colombian origin. Panamanian pre-Columbian goldsmithing is recognized on a continental level for its aesthetic quality and iconographic sophistication, and El Caño's materials confirm these findings. It is a pity that only some of these pieces were briefly exhibited when the new site museum exhibit opened to be replaced by replicas. The second part covers the ceramic materials of the renowned Conte Style. It is about 1321 pieces that have been classified according to their manufacturing and finishing characteristics in a series of "tableware" that fully coincide with the well-known materials excavated at the Conte Site in the 1930s and other sites in Central Panama and are described the 15 forms of vessels that have been found. It should be noted that although Carbon-14 dating is not reported in this publication, the dates of the tombs are in the range of 700 to 1000 AD. which coincides, in general, with the chronology of the so-called Conte Style, widely known in archaeological literature and in museum collections around the world for being one of the most iconographically and stylistically sophisticated on the continent.

The content of the second volume is complemented by the Data Repository of the El Caño Archaeological Project (available at the address http://oda-fec.org/nata/view/paginas/view_paginas.php?id=1 especially in the interactive platform of the Repository of Digital Objects ODA). There you can explore the information published in the Memories and carry out a series of data crosses between the contexts and the descriptions. Some of the objects are exhibited in the El Caño Archaeological Park museum, although there are only replicas of the goldsmith's work there. On the other hand, the repository contains the publications made by the project and other technical reports.

Finally, the second volume contains an annex where the excavated stratigraphic units are described in detail, corresponding to the three foldouts contained in an envelope that accompanies the books: the

three sections of a large Harris Matrix of the entire operation, which outlines the sequence stratigraphic of the 8 tombs and defines the physical and temporal relationships of the findings in an annotated dendrogram, as if it were a large genealogical tree.

Conclusions:

The Excavation Memories are highly useful technical documents for specialists and researchers interested in reviewing details or contrasting information. It is not an easy-to-read publication for a non-specialist audience. We emphasize that it is significant that they have been published in Panama, with funds from SENACYT and written in Spanish. They serve as input to deepen on a great variety of methodological and theoretical issues of the anthropological disciplines and heritage conservation, so that they become an indispensable reference for all those who are interested in knowing about Panamanian archeology.

In a future post we will stop to comment on the interpretations of the meaning of the findings. This time we advance only a few points. In the first place, I must point out, although this publication does not make explicit, that the findings of the El Caño Archaeological Project settled an old controversy about the nature of complex societies in Central Panama. At Sitio Conte, located a short distance from El Caño on the Rio Grande riverbank, most of the burials are of adult men. The interpretation was that the main characters of the tombs with multiple burials, although they are recognized as main characters, there was a reluctance among specialists to describe them as hereditary leaders ("Caciques" or "nobles") but as warriors who had acquired power and prestige. as adults in societies with egalitarian values. Now, in El Caño, Dr. Mayo and his team found that the main character of multiple burials could be a child, so it is demonstrated that the status was hereditary and not acquired as an adult and that, therefore, the The cacical society represented was hierarchical and unequal. Until now, what is written about the Panamanian cacicales societies was mainly based on the chronicles of the conquest,

but this ethnohistory required an archaeological contrast that now El Caño allows to clarify. On the other hand, I would like to comment on the presence of emeralds in El Caño. Only one example was previously known, of a gold pendant set with an emerald, from the famous Tomb 11 at Site Conte in the Museum of the University of Pennsylvania. These precious stones tell us about long distance relationships and make us reflect on the idea that Panama was a place of passage and the supposed transitism that characterizes us. The ancient inhabitants of El Caño, who in the Memories and other publications called "los coclé" were the heirs of thousands of years of local evolution. The archeology of the Central Region or Gran Coclé doesn't reflect major external influences, nor is there evidence of migrations or foreign intrusions. Thus, emeralds, as a high-value luxury object, connote regional projections in consumption of luxury goods that tell us about a world-system of just over a thousand years ago whose pattern of exchanges we must investigate. Suffice it to note at this point that also a thousand years ago a series of Panamanian goldsmith objects were deposited as offerings in Cenote de Sacrificios in Chichen Itzá, Yucatán. There was, without a doubt, a whole series of interregional relations that refer us to the origin and development of social complexity where the ancient Panamanians played a prominent role. It remains a pending task to study with creative theoretical perspectives the intersections and overlaps that the presence of these and other artifacts implies in Panamanian and regional archeology.

A note on "los coclé" and the assignment of present terms to refer to ethnic groups or societies in the past also fits here. The ideal and the most respectful, or even consistent with a decolonized scientific praxis, is to use the terms that the natives themselves use to refer to themselves. The El Caño Archaeological Project has chosen to call them according to the provincial toponymy. In fact, in the publications of 1937 and 1942 of the Peabody Museum of Harvard University the main title of the Memoirs of the excavations of the Conte Site was that, Coclé: An archaeological study of

Central Panama and they spoke of the "Coclé Culture" very much in the tradition of archeology of the time, which arbitrarily assigned names and classification labels according to toponymy or the owners of the land, very rarely alluding to deep history or ethnicities.

Thus, we consider that using the term Coclé to refer to the inhabitants of El Caño is ironic since there was a human group identified in historical documents as "coclés" but its territory was located on the Atlantic slope, in the Colonense district of Donoso, outside the current province of Coclé. Coclé, is an important place name and it is not in vain that the province of the same name is named when it was created in the 19th century. Just to contrast, the caves ("those of the cave language" as described in the 16th century documents) that gave the name to the capital and, by extension, to our country, have also been made invisible. Panama does not mean "abundance of fish" but it was the name that the Spaniards recognized for the chiefdom that occupied the territory of what is now the capital district. However, and despite the fact that at least we know how they identified themselves in their own language and we know what their territory was (the caves occupied the entire east of the Isthmus, from the Gulf of Urabá to Punta Chame).

The point may seem irrelevant, but to speak of "the coclé" to some extent denies the Buglé people part of their past. Just as saying that Panama means abundance of fish or butterflies (or that it is a tree) erases from history a human group that became extinct due to conquest and colonization. Thus, although the popular usage is "Ngäbe-Buglé", Bugles and Ngäbes are human groups with different genetics, history, territory and languages. They have a common origin, without a doubt, and their history after the conquest and colonization became one: but to speak of the coclés without qualifying that it is an arbitrary label must be corrected.

Finally, a comment about the Panamanian archaeological heritage that is scattered around the world, in museums and private collections. The

Memories of El Caño show us the richness of the heritage that can be found if one works with meticulousness and persistence and that today is in our country. However, a large part of the materials of the Conte Site and other Panamanian sites is found in the technical reserves of museums and institutions, mainly in the United States and Europe. Can we claim your repatriation? Worth it? The answer to both questions is a resounding YES! It is a challenge that must be taken up by the cultural and foreign relations authorities. In the case of El Caño, it is well documented that Verrill exported the materials without the authorization of the authorities, so that a well-justified claim can be established.

In Volume I, of the Memoirs of El Caño, there is a complete inventory of the sculptures from this site that are found in American museums and that can be objectively claimed. There are also ceramics and goldsmiths. However, excavations carried out at Conte Site by Harvard and Pennsylvania universities did have contracts and complied, in general with current regulations, so that, to claim their repatriation, they should appeal to ethical and patrimonial-cultural principles in a negotiation.

In the case of El Caño, it is also possible to take advantage of the provisions of the federal legislation of the United States, specifically the NAGPRA (initials of the Native American Graves Protection and Repatriation Act of 1990) that has been used successfully by several Latin American countries to achieve the total or partial return of collections extracted from their territories in the past. It is obvious that this requires a good dose of political will but it is also essential that Panama "do the homework", that is, that it sustains its claim objectively and with scientific rigor, preparing a complete dossier and clearly defining public policies at the same time. respect. In this sense, the publication of the Memoirs of El Caño is configured as a powerful tool to achieve this purpose. *L&E*



Photo: Carlos Fitzgerlad

Avioanthropomorphic earring in cast gold showing a character with an elaborate headdress and whose limbs are 2 birds at rest.



Photo: Carlos Fitzgerlad

Two hammered and embossed gold bangles with anthropomorphic designs and a necklace of laminated gold beads.

Photo: Carlos Fitzgerald



Pectorals of hammered and embossed gold, tubular earrings, and laminated cruciform decoration that probably adhered to clothing.

Zoomorphic ceramic vessel representing a prehensile-tailed monkey with two young at its sides.



Photo: Carlos Fitzgerald



Photo: Carlos Fitzgerlad

Alignment of columnar basalt megaliths in El Caño Archaeological Park.



Photo: Carlos Fitzgerlad

Molten gold earring representing two crustaceans (lobsters?) With human faces on the back.



Photo: Carlos Fitzgerald

Three polychrome ceramic effigy vessels depicting characters with elaborate face paint designs and tattoos on their arms.



Photo: Carlos Fitzgerald

Alignment of columnar basalt megaliths in El Caño Archaeological Park.

Foto: Carlos Fitzgerlad



The largest megaliths are in their original position, but most of the alignments are reconstructions from the 1970s.

These pieces are made of volcanic tuff and represent characters in apparently ritual poses, which tells us about the ceremonial character of the site marked by megaliths and sculptures, discovered by A.H. Verrill in 1925.



Photo: National Museum of the American Indian (NMAI), of the Smithsonian Institution in Washington, D.C.

Photo: National Museum of the American Indian (NMAI), of the Smithsonian Institution in Washington, D.C.



Photo: National Museum of the American Indian (NMAI), of the Smithsonian Institution in Washington, D.C.



Photo: National Museum of the American Indian (NMAI), of the Smithsonian Institution in Washington, D.C.

11. Images from 1925, illustrating the findings of alignments of megaliths, as they were found in 1925.

The pieces shown are not in Panama, they were illegally taken by Verrill.

COMPETITION AND COOPERATION IN THE UNITED STATES AND CHINA RELATIONS FROM THE CHINESE PERSPECTIVE

FU, Ying Ying. Competencia y cooperación en las relaciones Estados Unidos y China desde la perspectiva china. Documento de Opinión IEEE 69/2021. http://www.ieee.es/Galerias/fichero/docs_opinion/2021/DIEEE069_2021_FUYING_China.pdf y/o enlace bie3 (consultado 30/06/2021).

S ummary

This year 2021 marks the fiftieth anniversary of ping-pong diplomacy between the United States and China. 2021 also represents an intense relationship between the two countries in the context of the trade war and the technological war (5G, cybersecurity, artificial intelligence, etc.) led by the Government of Donald Trump. As the world's largest economy and second in nominal terms, the United States and China compete on several fronts. The two governments interpret international relations between the two in a different way: the US government positions China as a strategic rival, as a competitor, while the Chinese government sees the US as a possible strategic ally, highlighting the possibility of a win-win (in Chinese: , pinyin: gong ying) based on cooperation. Chinese researchers analyze the relations of the United States and China from a positive perspective, although there are radical differences such as the political system or the value, that is, the ethical principles, between them. Chinese analysts also show different opinions regarding the threat of China's rise, such as a new Cold War and economic decoupling. However, after analyzing the main causes behind the competition between the two countries and the complex relations between China and the United

States, they consider that there are still possibilities of reaching a state of cooperation in said relations.

Introduction

In 2021, the 50-year anniversary of ping-pong diplomacy (in Chinese: , pinyin: ping pang wai jiao) between the United States and China. Fifty years ago, American table tennis delegations met with Chinese delegates during China's participation in the world table tennis championships in Japan in 1971. A year later, Chinese table tennis delegations visited the United States. Thus a contact window was opened and new diplomatic relations were started. The official visit of President Richard Nixon to China in 1972 served to officially establish diplomatic relations between the United States and China within the ideological confrontation of the Cold War (figure 1).

The Shanghai Communiqué (in Chinese: , pinyin: shanghai gongbao) 1972 affirms that both parties agree to respect the Five Principles of Peaceful Coexistence, (in Chinese: , pinyin: heping gongchu wuxiang yuanze), maintaining the differences of the social system and

Ying Ying Fu
rbcweb@rbc.com.pa

¹ 杨洁篪(2021-04-29).以史鉴今, 面向未来, 把握中美关系正确方向.人民日报,006.



Figura 1. Mao Zedong recibió Richard Nixon en 1972. Fuente. People's CN. Disponible en: <http://world.people.com.cn/GB/8212/142261/>

foreign policy of both countries. After the Shanghai Communiqué (1972), the Joint Communiqué on the Establishment of Diplomatic Relations (1979) and the August 17th Communiqué (1982) were signed, which establishes the basic operating guidelines in the relationship between the United States and China..

The normal state of relations has been one of coexistence of competition and cooperation for 50 years. When relations are tilted towards the side of competition, due to the balance between national power and foreign policy, the balance is tilted towards the other side, stressing cooperation agreements. For example, during the Third Crisis of the Taiwan Straits (1995-1996), the attacks of September 11, 2001, relations suffered during the administrations of Barack Obama and Donald Trump. Chinese analysts,

who have a positive outlook, emphasize in these cases the points of cooperation between the two sides. On the contrary, US researchers analyze China from a negative perspective, especially emphasizing the threat of China's rise in the global context.

To facilitate the return to normality in the relations of the United States and China, we must not ignore the differences between the two countries. Next, we will review the development of these relations in the last 50 years, summarizing the direct causes of these difficult relations, to conclude with the possibilities of mutual cooperation that exist from the perspective of China. The main references and sources in Chinese come from the analyzes of Chinese researchers from the CNKI and Wanfang Data, as well as the ideas of the spokesmen of the Ministry of Foreign Affairs,

² Three Joint Communiqués incluyen el Shanghai Communiqué (1972), el Joint Communiqué on the Establishment of Diplomatic Relations (1979), el August 17th Communiqué (1982). Embassy of the People's Republic of China in the United States of America. Disponible en: <http://www.china-embassy.org/chn/zmgx/zywj/lhgb/t705065.htm>

³ 和平共处五项原则：互相尊重领土主权（在亚非会议上改为互相尊重主权和领土完整）、互不侵犯、互不干涉内政、平等互惠（在中印、中缅联合声明中改为平等互利）和和平共处(Mutual respect for each other's territorial integrity and sovereignty; mutual non-aggression; mutual non-interference in each other's internal affairs; equality and mutual benefit, and peaceful co-existing. Ministry of Foreign Affairs of the People's Republic of China). Disponible en: https://www.fmprc.gov.cn/web/ziliao_674904/wjs_674919/2159_674923/t8987.shtml#:~:text=12%E6%9C%8831%E6%97%A5%E5%91%A8%E6%81%A9%E6%9D%A5,%E9%97%B4%E7%9A%84%E9%80%9A%E5%95%86%E5%92%8C%E4%BA%A4%E9%80%9A

⁴ 陈永龙.(2009).变“非敌非友”为相对平等的合作伙伴关系. 国际问题研究(01),4. doi: CNKI:SUN:GJWY.0.2009-01-007. (Cambiar no enemigos y no amigos en una sociedad relativamente igualitaria)

⁵ 赵明昊.(2018).“竞争”与中美关系的当前态势. 战略决策研究(02),47-55+106-107. doi: CNKI:SUN:ZLJC.0.2018-02-006. (La competencia y el estado actual de las relaciones entre China y EE. UU.)

the opinions of the official press, among others.

The divergences between China and the United States

As we have noted above, when the Chinese government deals with relations with the United States, it declares the principle of “seeking common ground, putting differences aside” (Chinese: 求同存异, pinyin: qiu tong cun yi). In this sense, it is worth mentioning three important differences that exist between the two countries. First, the economic development model. The Chinese socialist economy is run by the central government and the US economy functions as a liberal open economy. This means that the United States pays less attention to protecting its native companies than the Chinese government has done for decades. However, as China attains a global economic power, the United States feels an obvious threat.

Second, you have to consider the ethical aspects. United States advocates individual freedom, while China favors collectivism. Traditionally, in China it is proclaimed that it is necessary to sacrifice freedom of the press and movement of minorities in order to protect the common interest of the community. An issue seen from the United States causes great concern when democracy and human rights are considered, especially with regard to minority Chinese ethnicities and regional autonomy.

Third, the asymmetry of knowledge between the two countries. With the rise of China’s national power in the international context and with the increased participation of China in international affairs, especially under Xi Jinping, there are politicians in United States who consider that country is declining in terms of national power and of international

influence, especially after the attacks of September 11, 2001, the financial crisis of 2008 and the mandate of Donald Trump, concluding that China could replace the dominant position enjoyed by the United States. Likewise, there are politicians in the United States who consider China a second Soviet Union.

Regarding the principle of “seeking common ground leaving differences aside” (Chinese: 求同存异, pinyin: qiu tong cun yi) proposed by the Chinese Government, it is an idea that reflects the traditional mentality of China in terms of conducting relations (Chinese: 关 系, pinyin: guan xi) international. The Chinese do not like to reject others or to put opposing opinions directly in relationships with others. It is a characteristic of Chinese politeness. For this reason, we seek to find common ground with others in order to create bonds of friendship and open spaces for cooperation.

In the 1990s, President Jiang Zemin, regarding the United States, once proposed the principle of “increasing trust, reducing problems, developing cooperation, not confrontation” (in Chinese: 增加信任, 减少麻烦, 发展合作, 不搞对抗), aiming to “establish a constructive strategic partnership between China and the United States for the 21st century” (Chinese: 21 世纪).

President Xi Jinping, for his part, raises the new relations with the United States in a scheme “without conflict, without confrontation, with mutual respect and cooperation of mutual benefit.” Some principles that are based on the search for the common interest with the United States.

However, the behavior of the United States shows different forms from China. On the one hand, the government of Donald Trump defined China as the world’s first strategic competitor, and the

⁶ Son bases de datos: CNKI. Disponible en: <https://oversea.cnki.net/index/>. Wanfang Data. Disponible en: <https://www.wanfangdata.com.cn/index.html>

⁷ Los portavoces son Hua Chunying, Wang Wenbin, Zhao Lijian. Disponible en: https://www.mfa.gov.cn/web/fyrbt_673021/

⁸ People’s Daily. Disponible en: <http://www.people.com.cn/> Xinhua News Agency. Disponible en: <http://www.xinhuanet.com/>

⁹ 王缉思(2021-02-04).华盛顿处理对华关系, 须看到中美三个差异.环球时报,014; 张家栋(2021-04-15).认清影响中美关系的三大因素.环球时报,015. (Washington debe ver tres diferencias entre China y Estados Unidos en el manejo de las relaciones con China).

¹⁰ Página oficial de People’s CN. Disponible en: <http://world.people.com.cn/GB/8212/142261/>

¹¹ Intentos de establecer una asociación estratégica constructiva entre China y Estados Unidos para el siglo XXI, People’s Daily. Disponible en: <http://www.people.com.cn/9806/18/current/newfiles/a1010.html>

government of Joe Biden considers China the most serious competitor. The United States emphasizes solving specific problems, while China emphasizes the importance of maintaining general principles in the common relationship. Thus, the United States focuses on the structure of the political system, looking back to the Cold War, emphasizing the human rights of minority ethnic groups or regional politics in Hong Kong, trying to get both parties to take viable measures to solve their differences. specific problems instead of “hiding” differences and opening spaces for mutual understanding.

Conventional explanations of competition between China and United States

In Joe Biden's tenure, competition is emphasized over cooperation. The cause is due to the fact that the difference in national power between the two countries decreases from year to year; which means that the policy of “containment” promoted by the United States does not achieve, from its point of view, the expected results. China's Nominal Gross Domestic Product (GNP) in 2019 reached \$ 14.4 trillion; that is, 66% of the US GNP. However, the competition between the two expands to the commercial field, especially in what concerns technology. The development of China's semiconductor sector challenges the leadership of the United States in the field of technology. This was the cause of the measures carried out by the US

government to limit the entry of Huawei technology products in 2019. In addition, popular sentiment against China, fostered in the United States by Donald Trump, has been increasing and is consolidating. in the time. Such negative opinion of Americans towards China, which was 29% in 2006, reached 73% in 2019. Only in 2019 it showed an increase of 13%.

In Chinese academic circles, three causes are identified as the origin of the aggravation of competition from China and the United States. The first has to do with the gradual rise of China on the international stage, which is accompanied by the increase in China's national power in various aspects, such as the expansion of its limits in accordance with the national interest. For example, China appreciates the strategic value of its maritime spaces in the East Sea and the South China Sea due to its strategic security interest, which causes conflicts with states in that area that are allies of United States in Asia. -Peaceful. To which is added the diplomatic policy of the Chinese Government that leans from keeping low profile (Chinese:) to doing something (chino:). The initiative of the New Silk Road also shows that China becomes the integrator and builder of the international system, proposing its own alternatives on how the international system should be (AIIB, NDB).

The second cause considers that the United States tries to maintain its world hegemony by emphasizing

¹² 习近平构建中美新型大国关系的政治智慧. (La sabiduría política de Xi Jinping al construir un nuevo tipo de relación chino-estadounidense entre las principales potencias). Disponible en: http://www.qstheory.cn/llqikan/2019-06/24/c_1124664986.htm. 王宾 & 许可 (2021-02-08). 推动中美关系健康稳定向前发展. 新华每日电讯, 003. (Promover el desarrollo saludable y estable de las relaciones entre China y EE. UU.)

¹³ 中国是美国“最严峻的竞争对手”？外交部回应. (¿China es el competidor más severo de Estados Unidos? El Ministerio de Relaciones Exteriores respondió). Disponible en: <https://baijiahao.baidu.com/s?id=1690844370437954328&wfr=spider&for=pc>

¹⁴ 王缉思 | 相互了解能缓解中美矛盾吗? . (Wang Jisi | ¿Puede el entendimiento mutuo aliviar los conflictos entre China y Estados Unidos?). Disponible en: https://www.thepaper.cn/newsDetail_forward_11258784

¹⁵ 金灿荣 & 刘丹阳. (2021). 拜登胜选后的中美关系走向. 前线 (01), 40-43. doi:CNKI:SUN:QXZZ.0.2021-01-020. (La tendencia de las relaciones chino-estadounidenses después de la victoria de Biden)

¹⁶ SILVER, L., DEVLIN, K., & HUANG, C. “Unfavorable views of China reach historic highs in many countries”, Pew Research Center, 6, 2020.

¹⁷ 叶晓迪. (2021). 论中美战略竞争态势变化的原因. 战略决策研究 (01), 3-22+101. doi: CNKI:SUN:ZLJC.0.2021-01-001. (Sobre las causas de los cambios en la situación competitiva estratégica entre China y América).

the power transition, which causes increases in tension with China. The United States consolidates international relations through alliances in Asia-Pacific on security and economic issues, with the goal of continuing to maintain its leadership in Asian affairs. To respond to this policy, the Chinese Government highlights its maritime interest by establishing the East China Sea Air Defense Identification Zone (ADIZ), so that the anxiety of the United States to continue maintaining its economic leadership, military and global influence may aggravate the state of competition with China.

The theory of power transition defines the phenomenon by which emerging states challenge dominant states. Because the dominant countries refuse to give more benefits to the emerging ones, they try to change the order of the original power system through a rapid growth of national power. Success in challenging the original system leads to a transition of power from one country to another, marking the opening of a new order. From the American perspective, the initiative of the New Silk Road represents a challenge to the current system on the part of China, which is why panic situations are opened in other States against this initiative in order to balance the situation with the rising power. Chinese. With the initiative, China increases the pressure due to its rise and the United States once again obtains the support of other states, consolidating its regional leadership.

Finally, regarding the third cause, Chinese analyzes pay attention to individual personality and foreign policy developed in recent years by Donald Trump. The personal, capricious, competitive, selfish, etc., are signs that encourage the criterion that Trump wants to change the traditional foreign policy of the United States. His policy towards China shows a random nature based on decisions of small groups, which gives rise to issues different from the previous ones, such as, for example, the trade war and economic decoupling.

In fact, the strategic positioning of the United States towards China is an important factor in relations, as the United States views China as a competitive rival outside of a strategic partnership. In the Cold War, difficult relations between them were alleviated due to the existence of a common rival: the Soviet Union. After the Cold War, because China's national power lagged far behind that of the United States, relations were more cooperative. However, with the rise of China, the United States considers that this country is a new hegemon, being, therefore, a threat.

Although the position of the United States towards China remains negative, in the opinion of Wang Jisi, China increases its weight in the relationship between the two. Through the changes in China, such as the establishment of the People's Republic of China in 1949, the Reform and Opening-up in 1978, and the New Silk Road initiative in 2012, which undoubtedly affect relations. With

¹⁸ YAN, X. "From keeping a low profile to striving for achievement. The Chinese Journal of International Politics", 7(2), 2014, pp. 153-184.

¹⁹ 李巍. (2017) 《制度之战：战略竞争时代的中美关系》. 社会科学文献出版社. 第39页. (Guerra de sistemas: relaciones chino-estadounidenses en la era de la competencia estratégica).

²⁰ 孙茹. (2012) 美国亚太同盟体系的网络化及前景. 国际问题研究(04), 39-50. doi: CNKI:SUN:GJWY.0.2012-04-007. (Redes y perspectivas del sistema de la Alianza Asia-Pacífico de EE. UU.).

²¹ ORGANSKI, A. F. K. "Power transition", Realism Reader, 207, 2014.

²² 游启明. (2019). 美国对“一带一路”倡议的评估解读: 霸权认同理论的视角. 国际观察(03), 95-119. doi: CNKI:SUN:GJGC.0.2019-03-007. (Evaluación e interpretación estadounidense de la iniciativa "One Belt One Road": una perspectiva de la teoría de la identidad hegemónica).

²³ 尹继武, 郑建君 & 李宏洲. (2017). 特朗普的政治人格特质及其政策偏好分析. 现代国际关系(02), 15-22+66. doi: CNKI:SUN:XDGG.0.2017-02-003. (Análisis de las preferencias políticas y los rasgos de personalidad política de Trump).

²⁴ 马延滨. (2020). 特朗普政府对华贸易决策中的“小集团思维”. 战略决策研究(04), 24-36+105. doi: CNKI:SUN:ZLJC.0.2020-04-002. (El «pensamiento de grupos pequeños» en las decisiones comerciales de la Administración Trump con China).

the United States, it is observed that China's behaviors are dominant on the international scene.

In particular, the United States believes that the New Silk Road initiative demonstrates China's intention to change the existing world order. The structure of the New Silk Road currently includes 10 continents, excluding North America. In this sense, China could control the entire continental corridor of Eurasia including the maritime corridor, once all the infrastructures were completed. To carry out a containment policy, the United States responds with its Free and Open Indo-Pacific strategy, renaming the United States Indo-Pacific Command (USINDOPACOM) to Pacific Command (CDRUSINDOPACOM), for its acronym in English), where the US military will be located in the Indo-Pacific zone.

This strategy aims to establish a three-tier US alliance system. At the highest level are the Five Eyes States (United Kingdom, Canada, Australia, New Zealand and the United States). The second level is made up of the members of NATO. And the third level is the Indo-Pacific alliances. Territorial coincidence with the New Silk Road increases tension in China's relations with the United States.

Chinese proposals in the development of the relationship

The tension that has been aggravated by competition

between the two countries, makes Chinese analysts consider it as new Cold War (United States against China). Research from China's Renmin University shows that more than 60% of Chinese researchers believe that the United States has started the new Cold War against China. However, Yang Yao believes that the competition between China and the United States has not yet reached the level of the previous one, since the Cold War (the United States against the Soviet Union) represented a world confrontation in all dimensions; The United States and China only compete today on the technological and geopolitical aspects (in the Western Pacific). In addition, Yu Haiyang and Ma Yue consider that the China-United States confrontation does not belong to a war, but to a new scheme in international relations, since the technological field is the main battlefield between them; and the United States, for its part, focuses on limiting technology exports or global supply chains in order to achieve absolute dominance in that environment rather than eliminating or destroying.

From the Chinese perspective, including the existing environments of divergence and competition, it is still possible to reduce tension and avoid a new Cold War. To maintain a stable state of relations, China needs to ensure mutually assured interdependence with the United States, especially in global sectoral supply chains. The high interdependence in the economy and international trade increases the economic benefits for the two parties and increases the cost of conflicts

²⁵ 王缉思、黄仁伟：中美可能长期对抗，我们该另起炉灶吗？(Wang Jisi y Huang Renwei: China y Estados Unidos pueden enfrentarse durante mucho tiempo, ¿deber íamos empezar de nuevo?). Disponible en: https://www.guancha.cn/HuangRenWei/2019_06_29_507488_s.shtml

²⁶ Los 10 continentales son: Sudeste de Asia, Sur de Asia, Asia Central, Noreste de Asia, Medio Oriente, Europa Central y Oriental, Europa Occidental, África, América Latina, Australia, Nueva Zelanda, Pacífico Sur. Consulte la página oficial de la Franja y Ruta. Disponible en: <https://www.yidaiyilu.gov.cn/>

²⁷ 王缉思、黄仁伟：中美可能长期对抗，我们该另起炉灶吗？(Wang Jisi y Huang Renwei: China y Estados Unidos pueden enfrentarse durante mucho tiempo, ¿deber íamos empezar de nuevo?). Disponible en: https://www.guancha.cn/HuangRenWei/2019_06_29_507488_s.shtml

²⁸ 中国人民大学重阳金融研究院中美人文交流课题组：“中国能应对好美国‘新冷战’攻势”，《环球时报》2020年7月7日，第7版。(Grupo de Intercambio de Humanidades China-Estados Unidos del Instituto de Estudios Financieros de Chongyang, Universidad Renmin de China: “China puede hacer frente a la nueva ofensiva de la guerra fría de Estados Unidos”, Global Times). Disponible en: <https://baijiahao.baidu.com/s?id=1671507259659066524&wfr=spider&for=pc>

²⁹ 姚洋.(2020).中美怎样才能避免走向热战. 企业观察家(08),74-81. doi: CNKI:SUN:QYGC.0.2020-08-025. (¿Cómo pueden China y EE. UU. Evitar una guerra caliente?).

between them. States that are rationalistic in their operation seriously calculate the cost / benefit of their actions before raising conflicts or disputes in order to avoid the phenomenon of decoupling.

The Chinese manufacturing industry owns the entire manufacturing chain, ranking as a world leader. Of the 500 industrial products in the world, China has 220 with the highest world production. However, technology products are dominated by the US, with the addition that 80% of semiconductor production in China depends on abroad. The United States is the main destination for Chinese exports and the main country of origin of the currency to China. China is also the main export destination for US agricultural products (figure 2). Therefore, with the deep economic interdependence in many sectors, it is very difficult to perform decoupling without considering common interests. In this sense, China has to consolidate development in sectors related to the United States in a possible decoupling.

Therefore, in the non-traditional security aspect there is more space for cooperation between them in three aspects. The first is the health area against COVID-19 in the world. In China's view, the country is seen as having a responsibility to help less developed and poorer states where the virus is most concentrated. China is willing to collaborate with the United States in technological areas related to vaccine R&D to make these more universal and applicable.

The second aspect has to do with climate change. China is committed to the goal of peak carbon dioxide emissions by 2030 and is striving to achieve



carbon neutrality by 2060. Losses related to climate change are universal and irreversible. China hopes to expand cooperation with the United States in terms of project design, technology exchange, and development of general criteria and standards. The third aspect focuses on the recovery of the world economy and financial stability in the post-pandemic era. The joint GNP of China and the United States is almost a third of the global economy, so the stability of the economy depends on the relationship between them. Economic cooperation through the G20 platform could increase global economic governance.

Regarding traditional security, Wang Fan indicates that, based on the Free and Open Indo-Pacific strategy, it is possible that the United States will return to the Joint Comprehensive Plan of Action (JAPAN) with Iran in its consideration of geopolitics in Eurasia.

In addition, to resolve the issue of North Korea's

³⁰ 于海洋 & 马跃.(2020).新铁幕抑或新冷战:美中关系现状及中国应对之道. 社会科学(04),15-27. doi: 10.13644/j.cnki.cn31-1112.2020.04.003. (El nuevo telón de acero o la nueva guerra fría: las relaciones actuales entre Estados Unidos y China y la respuesta de China).

³¹ 张宇燕 & 徐秀军.(2021).确保相互依存与新型中美关系的构建. 国际问题研究(01),41-54+125-126. doi: CNKI:SUN:GJWY.0.2021-01-004. (Garantizar la interdependencia y construir un nuevo tipo de relación entre China y EE. UU.).

³² 安嘉理.(2020).专访张宇燕: 新冠疫情对全球经济的冲击和世界格局演化. 中国银行业(05),18-20+6. doi: CNKI:SUN:ZGBK.0.2020-05-008. (El impacto de la nueva epidemia de la corona en la economía global y la evolución del patrón mundial).

³³ (2021).上海国际问题研究院学术活动选粹陈东晓: 拜登执政后如何重建可持续和富有韧性的中美关系. 国际展望(01),159. doi: CNKI:SUN:GJZW.0.2021-01-008. (Cómo reconstruir relaciones sostenibles y resilientes entre China y EE. UU. Después de que Biden asuma el cargo).

³⁴ La intervención de Xi en el debate general de la 75ª Sesión de la Asamblea General de las Naciones Unidas. Xinhua News Agency. Disponible en: http://spanish.xinhuanet.com/2020-09/23/c_139388840.htm

nuclear program, the United States needs China's agreement and support.

Conclusions

In short, the relationship between the United States and China today shows a state of competition rather than cooperation. The United States positions China as a global strategic rival, moving the relationship towards competition, while China tries to find more possibilities for cooperation. However, it is imperative to take into account the increase in temperature in relations given the rise of China's national power and the increase in its external influence. Both parties are exploring the limits of the other party's national interest through commercial opposition or technological opposition.

The scenario of the relationship shows that China can

make concessions in macro aspects and foreign policy, but it is intransigent in micro and domestic aspects. Notably, the US position is more dependent on China's foreign policy, while China's position falls within the sphere of US national interest, especially with regard to military security. This would reduce the concern of the United States in maintaining world hegemony³⁸. On the other hand, China should emphasize the economic character, leaving the military character in regional cooperations based on the platform of the Regional Comprehensive Economic Association (RCEP), the Asian Infrastructure Investment Bank (AIIB, for its acronym in English) and the ANSA-China Free Trade Area, thus being able to fulfill its objective of expanding regional influence step by step.^{L&E}

³⁵ FAN, W. "The Future of China-US Relations: Toward a New Cold War or a Restart of Strategic Cooperation?" , *China Int'l Stud.*, 83, 102, 2021.

³⁶ Consulte el PIB anual de 2019 en el Data de World Bank. Disponible en: https://data.worldbank.org/indicador/NY.GDP.MKTP.CD?end=2019&most_recent_value_desc=true&start=2019&view=bar

³⁷ FAN, W. "The Future of China-US Relations: Toward a New Cold War or a Restart of Strategic Cooperation?" , *China Int'l Stud.*, 83, 102, 2021.

³⁸ 孙学峰.(2018).中美战略竞争时代的 中国安全战略. *战略决策研究*(02),26-39+106. doi: CNKI:SUN:ZLJC.0.2018-02-004. (La estrategia de seguridad de China en la era de la competencia estratégica entre China y EE. UU.).

Norms of INTEREST

SPECIAL REGIME FOR ESTABLISHING PROFESSIONAL SPORTS ACADEMIES IS CREATED

Giovana del C. Miranda G. - Attorney
giovana.miranda@rbc.com.pa

With the enactment of Law 219 of June 3, 2021, development of minor categories of Panamanian baseball is promoted through a high performance center and Special Regime is created for the Establishment of Transnational Baseball Professional Sports Academies or other sports discipline in Panama, which must be regulated.

It has been established that the purpose of Law 219, among others, is to promote national and foreign investment for the construction of infrastructures for the comprehensive and high-performance training of athletes, as well as to encourage the establishment of transnational sports venues, to invest in the establishment of professional baseball academies or other disciplines and to stimulate the country's economy with the development of all those activities that generate the construction, development and operation of professional sports academies.

In this order of ideas, the Board of Trustees of

the National Baseball Performance Center in Panama is created, as a non-profit entity, with legal status, its own assets and autonomy in its administrative, economic and financial regime.

On the other hand, the Law confers a series of benefits for the creation of transnational professional sports academies, among which we can mention:

- 1. When they generate profits from their activity or operations, they will pay 5% income tax.**
- 2. They will not be subject to the use of fiscal equipment.**
- 3. They will not have the obligation to obtain a notice of operations.**
- 4. They will be exempt from paying real estate taxes on the construction of infrastructure for the development of academies up to a maximum of**

US \$ 10,000,000.00 for a period of 20 years.

5. They will be exempt from all types of taxes, contributions, rates, levies or import duties on all types of merchandise, products, equipment, services and others brought into the country.

6. The local investor who builds sports academies on public or private land to lease, will be exempt from paying for real estate on the land and construction up to a maximum of US \$ 10,000,000.00.

7. They will be exempt from paying the tax on the transfer of personal property and the provision of services.

8. A special immigration regime is created, within which it will be possible to request an executive staff visa, a temporary staff visa for a technical body, a dependent visa for an executive staff or a temporary coaching staff, an athlete visa and the special immigration program for short stay.

9. Those salaries and other labor remunerations, including salary in kind, received by persons with an executive staff visa, temporary technical staff, athletes, will be exempt from the payment of income tax, social security contributions and educational insurance. hired by academies. *L&E*

facebook

R B C
Rivera • Bolívar • Castañedas
ATTORNEYS AT LAW



Find us on Facebook:

**Rivera, Bolívar y
Castañedas**

NATÁ CAPITAL OF CULTURE AND NATIONAL HISTORY

Giovana del C. Miranda G. - Attorney
giovana.miranda@rbc.com.pa

Through Law 220 of June 4, 2021, the city of Natá is declared the capital of culture and national history within the framework of the celebration of the 500 years of foundation as one of the oldest cities on the Pacific coast.

Similarly, the El Caño archaeological park is declared a National Historic Monument, these declarations include from May 20, 2021 to May 19, 2023.

The National Commission for Investment, Social and

Economic Development of the District of Natá is created within the framework of its 500 years of foundation and the Committee for the Celebration of 500 years.

It will be the responsibility of the Ministry of Education to include in the curriculum of the History subject the value and history of the Natá district, as well as the 500 years of its founding as one of the oldest cities on the Pacific coast. *L&E*

PROGRAM FOR PREVENTION, TREATMENT AND REHABILITATION OF YOUNG PEOPLE WITH ADDICTION PROBLEMS

Giovana del C. Miranda G. - Attorney
giovana.miranda@rbc.com.pa

Law 221 of June 8, 2021, creates the National Program for the Prevention, Treatment and Rehabilitation of young people with addiction problems, in order to establish the guidelines to rescue young people with addiction problems, dependents or consumers of some type of drug or illicit substance, through prevention measures and addiction control treatments to achieve rehabilitation and social reintegration. It is worth mentioning that the Program is aimed at young people between 12 and 18 years of age who are dependent or consumers of

some type of drug, prioritizing treatment in the population most prone to falling into these vices. On the other hand, programs aimed at prevention should be developed taking into account the protection factors of young people, reducing risk factors and promoting preventive policies focused on the family, considering all forms of addiction and strategies to resist the offer to substances with addictive potential.

We conclude by commenting that Law 221 will take effect from the entry into force of fiscal year 2022. *L&E*

ENVIRONMENTAL INCENTIVES

Giovana del C. Miranda G. - Attorney
giovana.miranda@rbc.com.pa

Through Law 223 of June 8, 2021, exemptions and incentives in environmental matters are established as of the fiscal period of 2022, in order to promote sustainable commercial practices in the counterclaim of companies and the development of the industry of the recycling in Panama.

Law 223 provides that legal entities specialized in the operation of industrial recycling plants that are endorsed by the Ministry of the Environment will be exempted, for a period of five years, from the payment of the following taxes: 1. Income; however, they must submit the annual income statement for informational purposes to the Ministry of Economy and Finance. 2. Dividend or distributive participation quota between national and international partners or shareholders. 3. Import of equipment and machinery required for manufacturing.

Within this context, natural and legal persons that reconvert their activity, replacing their plastic products with biodegradable materials that do not contain plastic and are endorsed by the MY ENVIRONMENT, will enjoy the following benefits for a period of five years: 1. Exemption import tax on equipment and machinery. 2. The 15% discount on income tax.

It will correspond to the Ministry of Economy and Finance to regulate Law 223 and establish the procedure through which taxpayers can avail themselves of the incentives. In turn, MI AMBIENTE will regulate what the Law requires according to

its competence and the procedure by which the guarantee will be granted to the recycling plants and to the natural and legal persons that have reconverted their activity in accordance with Law 187 of 2020.

It is worth mentioning that Law 187 of December 2, 2020 is the one that regulates the reduction and progressive replacement of single-use plastics, aiming to establish the regulatory framework that governs single-use plastic products in the national territory as part of the public environmental policy of the state.

Law 187 provides that as of July 1, 2021, the general use and marketing of single-use plastic products indicated in the preceding paragraph, either individually or as part of another product, at the national level is prohibited.:

1. **Plastic ear swabs.**
2. **Plastic laundry covers.**
3. **Plastic rods to hold balloons.**
4. **Plastic toothpicks.**
5. **Plastic cocktail sticks.**
6. **Plastic sticks for candies.**
7. **Rings for cans.** *L&E*

DESIGN AND BUILDING STANDARDS

Giovana del C. Miranda G.- Attorney
giovana.miranda@rbc.com.pa

Recently, Law 226 of June 8, 2021 was enacted, which provides that all regulations related to buildings emanating from regulations or any official legal instrument must be complied with by designers, builders and any authority responsible for the review and

registration of the plans and corresponding documents. It establishes the norm that non-compliance with the regulations will entail for those responsible, once verified, the application of civil, criminal and administrative sanctions that correspond. *L&E*

DAY HOUSE FOR SENIOR PEOPLE

Giovana del C. Miranda G.- Attorney
giovana.miranda@rbc.com.pa

Law 228 of June 23, 2021 was enacted, by which the Casa Día Program is created for the elderly, it will operate within the territorial district of Panama.

Regarding the description of the program, it has been established that through it, executed through a public-private component and the Ministry of Social Development as executing agency, which will implement a support network for older adults in a situation Dependency, through the comprehensive work modality focused on the needs and potentials of each of the users, with the aim of supporting and strengthening in the elderly the execution of their daily life activities, without removing them from their environment family and community, to promote their connection with him.

The Program will be developed under two modalities or typology of day house:

1. Day house for people with physical, functional and / or social problems.

2. Day home for people with moderate cognitive impairment.

The general objective of the Program is to promote and strengthen the autonomy and independence of the elderly in order to contribute to delaying

the loss of functionality and keeping them in their family and social environment through regular attendance at a day home. where social health and support services will be temporarily delivered.

Another objective of the Program is: 1. To promote healthy lifestyle habits in older adults, both physically and cognitively. 2. Promote the independence of the basic and instrumental activities of daily life. 3. Encourage older adults' access to information and incorporation into social resources through the activation and empowerment of formal and informal support networks. 4. Guide, inform and educate families and / or informal caregivers of the elderly in gerontology issues that allow them to have knowledge and tools that facilitate their adaptation to the environment and social health care.

In accordance with the glossary of terms contained in Law 228, a day house is understood to be the physical space with adequate habitability conditions where older adults are cared for, providing them with social health and preventive family support services during the day, through promotion of activities of daily living, basic and instrumental, socio-cultural and promotional activities for active aging, the purpose of which is to promote the autonomy, independence and permanence of older adults in the usual environment. *L&E*

AWARD OF MERIT TO NATIONAL PRODUCER ENGINEER ARTURO DONALDO MELO SARASQUETA

Giovana del C. Miranda G. - Attorney
giovana.miranda@rbc.com.pa

Through Law 229 of June 23, 2021, the Decoration of Merit to the National Producer Engineer Arturo Donaldo Melo Sarasqueta is created in recognition of the person who, due to his performance, trajectory, promotion, promotion, protection and in national and international representation, perform in favor of the primary sector.

In the same way, it is the Decoration Commission

who will be in charge of presenting a shortlist to the President of the Republic to choose the person to whom this distinction will be awarded, which will be delivered on December 15 of each year. date of birth of the entrepreneur and producer.

The regulation of the Law in question falls to the Ministry of Agricultural Development. *L&E*

NATIONAL PLAN AGAINST DROUGHT

Giovana del C. Miranda G. - Attorney
giovana.miranda@rbc.com.pa

The Ministry of the Environment issued Resolution No. DM-0321 of June 15, 2021, through which the National Plan against Drought is approved, which has, among others, the following objectives:

- 1. Organize actions in an institutional manner where the issue of drought is the main focus to reduce the associated negative impacts.**
- 2. Assist in the achievement of the goals established in various national instruments under an orderly coordination, with predefined and supported roles and responsibilities.**
- 3. Meet international commitments regarding disaster risk management and its articulation**

with adaptation to climate change.

- 4. Propose an institutional scheme that allows monitoring and advance forecasting for the issuance of early warnings and timely planning.**
- 5. Address pressing needs such as risk reduction, implementation of long-range adaptation measures, and fulfillment of national development goals.**
- 6. Generate spaces for participation, strengthening the ties of cooperation between the various unions in society, which in turn reduce the sustainability required for greater resilience and social well-being.** *L&E*

COMPREHENSIVE PEST CONTROL AND DISINFECTION SERVICE

Giovana del C. Miranda G.- Attorney
giovana.miranda@rbc.com.pa

The Mayor's Office of Panama issued Mayor Decree No. 004 of June 9, 2021, which repeals Mayor Decree No. 1474 of May 22, 2000, which regulates the activity of fumigation companies.

With the issuance of the Alcaldicio Decree in reference, new rules are established for companies that provide pest control and disinfection, as well as for users obliged to carry out fumigation activities, since issues such as comprehensive regulation of control of pests, frequency of application, requirements, validity of license and renewal, suitability of personnel and quality of products, digital certifications, recommendation of home services, sanctions.

Under these parameters, it has been established that all commercial establishments that store elaborate, handle, sell, transport or transform food products or beverages, as well as those that are dedicated to lodging, care for the elderly, the sick, children and those who provide everything type of health or other

similar services must have comprehensive pest control management at least once a month. Before the entry into force of the Decree it was every 2 months.

On the other hand, it is indicated that all other economic activities, offices or shops will be at least every 2 months, that is, they decrease the period since it was previously every 4 months.

For the purposes of providing the disinfection or nebulization service, the natural or legal person who wishes to provide said service must have a certificate of sanitary inspection, issued by the MINSA and register with the Department of Legal and Justice of the Mayor's Office of Panama .

The Decree provides that every company that currently offers pest control services and adds disinfection services must notify the Municipality of Panama of the added service and comply with all requirements. *L&E*

Consulta Doctrina y



JURISPRUDENCIA

THE UNREASONABILITY OF THE APPLICATION OF THE SANCTION AND GOOD FAITH IN THE TAX ADMINISTRATIVE PROCEDURE

Yinnelle Smart - Attorney
yinnelle.smart@rbc.com.pa

In the field of law, there is no case that is too small or so simple that it cannot make an important contribution to national jurisprudence. This is the case of Resolution N° TAT-RF-035 of April 21, 2021 issued by the Administrative Tax Court.

Genesis

The General Directorate of Revenues of the Ministry of Economy and Finance, in exercise of its supervisory power, ex officio carried out a visual inspection on November 20, 2015, to a taxpayer in order to verify and supervise the tax team, the type of billing used, tax receipts and advertisement to consumers. As a result of said investigation, Process Record No. 0009784 of November 20, 2015 was drawn up, in which the following type of irregularity was indicated:

"The taxpayer tells us that the Fiscal Equipment Maintenance Book and the "Z" report are taken to the main office, therefore, they were not kept at the time of the inspection."

Therefore, the General Directorate of Income of

the Ministry of Economy and Finance, through Resolution No. 201-18922 of November 26, 2015, resolved to SANCTION the taxpayer for the payment of the sum of THOUSAND BALBOAS WITH 00/100 (B/.1,000.00), due to the breach of the obligation to keep the Repair and Maintenance Control book in good condition and updated, as established by Law 72 of September 27, 2011, which amended Law 76 of September 22, December 1976 and Executive Decree 53 of June 16, 2010.

Appellant's arguments

When the decision of the original administrative act was known, the attorney for the appellant filed a formal Appeal for Reconsideration on July 7, 2016, against Resolution No. 201-18922 of November 26, 2015, stating the reasons in which you do not agree with the decision made, indicating, among other things, the following points to highlight:

1. It indicates that on November 20, 2015, the day of the inspection that was carried out at 10:30 p.m., the DGI officials were attended by the night

manager of the establishment who informed the inspectors that the Book of repair, maintenance and control of the Fiscal Team, was in the office of the establishment so he could not show it.

2. He states that the manager did not show it because the office, located in that same place, was under lock and key, since Manager wasn't there due to being during daytime working hours and is responsible for office keys.

Together with the aforementioned Appeal for Reconsideration, the attorney-in-fact provided several documentary evidence, including the copies checked before a Notary Public of the Control, Repair and Maintenance Book.

Result of the reconsideration

During the reconsideration phase, the Tax Administration maintained the appealed resolution in all its parts, through Resolution No. 201-2885 of May 9, 2018 based on the following core aspects:

1. The Tax Administration emphasized the diligence carried out on November 20, 2015, where officials from the General Directorate of Revenues of the Ministry of Economy and Finance, indicated that, at the time of the inspection, the taxpayer didn't supply the Book of Control, Repair and Maintenance in breach of the provisions of paragraph 3, article 27 and article 1 of Executive Decree 53 of June 16, 2010.

2. That the appellant in the same way, has the obligation to keep in the premises, the Book of Control, Repair and Maintenance, so it is necessary to remember that one of the duties of the users of fiscal equipment, is precisely to keep the book in the premises, in good condition and up-to-date, a situation that can only be verified, according to the aforementioned resolution, at the time of the inspection, to corroborate the exact data in said book with those corresponding

to the tax team.

3. The Tax Administration also argues that despite the fact that the notarized copies of the Fiscal Equipment Repair and Maintenance Control Book are presented as documentary evidence and it is valid evidence in accordance with 857 of the Judicial Code, the circumstance that occurred does not vary. at the time of inspection, that is, the presentation of the pre-named Book must be on the spot, not later, extemporaneously.

4. For the aforementioned reasons, the DGI also points out that, due to the non-observance of the taxpayer of his obligations as a user of the Fiscal Equipment, entails the respective sanction imposed on him as provided in article 33 of Executive Decree 53 of June 16, 2010.

Appeal phase

The attorney-in-fact for the taxpayer presented a formal Appeal against Resolution No. 201-18922 of November 26, 2015 and its confirmatory act before the Secretariat of Procedures of the Administrative Tax Court. In his appeal brief, he reiterated the arguments already made in the Reconsideration Appeal and added the need to take into account the nature of the activities of the commercial establishment, a bar, and as such it carries out the activity of selling liquors and restaurant services. and when the tax team is found at the bar, it is not logical to keep the Book and Book already mentioned near it, as it could suffer some damage, get wet, get lost or disappear.

She also points out that his client didn't breach the obligation indicated in regulation, since the Book was in the premises, but in a locked office, the latter in the hands of the day manager who was no longer present at the time of the inspection. .

The appeal was admitted by the TAT through Resolution TAT-ADM-227 of August 6, 2019, ordering

the transfer of the aforementioned appeal to the Director of the DGI, so that within the term granted he could proceed with the presentation, of consider it, statement of opposition. Opportunity that was taken advantage of by the Tax Administration in a timely manner, when presenting its opposition brief without counter-evidence and reiterating in its generality, the same arguments on which both administrative acts already issued were focused.

Through Resolution TAT-PR-074 of November 20, 2020, some documentary evidence was admitted and not admitted. Through Resolution N ° TAT-ALF-008 of June 29, 2020, the court of the increase granted the parties a term of five (5) business days from the date of notification, for both to present their arguments written endings.

Court considerations

Considering the expositions of the parties, this Court examines each of the arguments argued and observes that the object of the controversy is the existence or not of a tax offense, as a result of not having the Repair and Maintenance Control book, at the time in which the General Directorate of Income carries out the inspection of the commercial premises. Thus, the Ad quem Court begins by carrying out an analysis of the regulations in force in the case at hand, to subsequently carry out a recount of the arguments outlined by the parties from the beginning of the controversy and prosecute its analysis with respect to the authority of the administration. tax, according to cabinet decree 109 of 1979.

From this point of view, it indicates that although, as provided by Cabinet Decree 109 of May 7, 1970, the Tax Administration, within its oversight function, has the task of carrying out "inspections" to verify whether or not the taxpayer complies with the Formal duties, also, as defined in section "a" of article 19 of said legal exemption, also has to summon taxpayers so that, verbally or in writing, within a reasonable

period of time, they can answer the questions they consider about the circumstances related to the taxable event provided for in the respective Law.

In the aforementioned sense, the Court of Appeal refers to what the author LIBARDO RODRÍGUEZ points out, and that is that in Administrative Law the so-called "ADMINISTRATION MECHANISMS OF ACTION" prevail, that is, from the legal point of view the Administration activity is executed through the following mechanisms: Administrative acts, administrative events, administrative operations, de facto means, administrative omissions.

Tax records are, in their context, an instrument of proof or materialization of a certain diligence tending to nurture an administrative procedure of a tax nature, which is aimed at adopting a final decision or which comply with a requirement subsequent to it; The foregoing is known in Administrative Law as preparatory, accessory or mere formalities; However, a sector of the doctrine does not classify the "acts" as administrative acts properly such, but as a simple administrative action of verification. They are also known in Administrative Law as: preparatory, accessory or mere formalities and auto head of process.

Although the Proceedings have a probative value, since through them the Tax Administration "perceives" directly the different violations and administrative offenses to the Tax Law, from the material point of view, we cannot lose sight of the fact that from the formal aspect, it is processed as a pre-constituted or anticipated test that generates the administrative sanctioning act.

It is clear to the Court that the legal asset protected in relation to formal tax obligations will be the tax function exercised by the Tax Administration (management, tax control, inspection and collection powers) and to the extent that taxpayers fail to comply with their tax obligations formally, the tax function is impaired, but in our opinion, the Tax Administration did not comply with the execution

of the powers that by Cabinet Decree, have been granted, trying to comply with the fundamental principles and guarantees that the taxpayer has.

The court points out that, as stated by the author Alejandro Altamirano in his book *Tax Law (general theory)* on page 730: "The treasury officials must draw up a certificate of verification (of process) that it is a document in which They leave established the preliminary aspects of the inspection procedure, the statements that the taxpayer wishes to make, and also sets a date for the summons to the taxpayer in order to offer his discharge and also the proof that he makes of his right. This defense hearing is set on a date that cannot be earlier than five days into the inspection procedure or greater than fifteen days." As we have already indicated, Cabinet Decree 109 of 1979 also establishes those powers to the national inspector, and more than being an optional aspect, it obliges him according to the Constitution, that is, to give the taxpayer the right to assume your own defense on a date established by the Treasury so that you can make your discharges (the next day).

In accordance with the above, the Argentinean administrator and doctor of law Roberto Dromi, refers to the benignity of the administrative procedure on page 78 of his book "The Administrative Procedure", in the following terms:

Informalism

"It is about the excuse, in favor of the interested party, of the observation of non-essential formal requirements and that can be fulfilled later. It requires a benign interpretation of the precise formalities contained in the procedure. The formalism, by itself, can be harmful to the Administration and frustrate constitutionalized procedural remedies that deserve broad protection. It should be interpreted more favorably by the company, as it translates the legal rule "in dubio pro actione", that is, the most favorable interpretation to the exercise of the right of action, to ensure, as far as

possible, beyond the difficulties of a formal decision on the merits of the matter that is the subject of the procedure. The administrative procedure should not be conceived as an obstacle course, but as an orderly channel capable of guaranteeing the legality and merit of the administrative action while respecting and safeguarding subjective rights. As practical applications of this principle, we mention the following in an exemplary way:... d) the Administration must correct obvious formal errors of the administered ...".

With what has been indicated up to this moment, we observe that the taxpayer's guarantee was violated to the due defense, for which he couldn't demonstrate that in fact he had the Repair and Maintenance Control book not only in the premises, but also in good condition.

It is also important to rescue from this same author, Altamirano when he refers to the unreasonableness of the sanction by virtue of the double role that the Fiscal Authority plays in the first instance. What he points to below:

"The unreasonableness of the application of the sanction appears with the application, in a mechanical way that the administrative officials exercise the fiscal power in their charge, since it is not usual for said official who drives the summary to carry out a deep and serious investigation of the circumstances of the fact and the adequate basis of the administrative act that imposes the penalty. On the contrary, this summary, to a large extent, is based on the considerations enunciated by the inspectors, who are often doubtful. It couldn't be otherwise, since the tax authority plays the dual role of accuser and judge, at least in the first instance that is processed in administrative headquarters. Reasonableness consists of the adequate proportion or relationship between the end pursued by law and the means chosen to achieve it. The unreasonableness of the penalty is directly linked to the arbitrary and anti-functional exercise of the DGI, when it doesn't admit reasons that justify the behavior of the taxpayer, when there is no fiscal damage, when it can fulfill its audit

task without prejudice to which the penalty, when there are circumstances that exclude the subjective responsibility of the taxpayer and the intervening official does not value them among many others, and likewise persists in its purpose and imposes the sanction”.

In this sense, the TAT observes when reviewing the procedural records that the Tax Administration, by not fulfilling its role in terms of its power to summon the taxpayer for their discharges before the administrative sanctioning act was issued, did not assess the circumstances that possibly they would exclude the taxpayer from liability, due to their inaction in the face of the role that must be fulfilled by all those administered without exception and which mainly consists of verifying whether a fiscal damage is really being given to the State or it is preventing the real and true taxpayer taxation. In the same way, it considers that the Tax Administration didn't observe fundamental principles such as that of good faith, since the fault of the taxpayer was always presumed, without the Tax Administration allowing proof to the contrary (proving the inexistence of a fact or right), even when the DGI's actions by virtue of this public faith are presumed certain.

The appeals court warns that the DGI has established itself in the practice of said actions, as a general rule, that, although the taxpayer presents evidence in the corresponding phase and where the contradictory party really begins, which is with its Appeal for Reconsideration, the Treasury tends to hold the taxpayer responsible in any case despite the presentation of the proof, regardless of whether any cause has prevented him from fulfilling his obligation at a certain time. Thus, it considers that the examiners could also, if they did not want to carry out the function of summoning the taxpayer the next day, have carried out the diligence at the commercial establishment during daytime hours and comply with their inspection and review of what they saw fit and power. not only verify if the Book was on the premises, but also certify that it was in good condition as argued by the taxpayer,

remembering that due to the type of activity of the same, Bar / Restaurant was also perfectly viable.

Thus, after considering the elements of fact and law, the Administrative Tax Court, assessing the arguments of the parties and the documentary evidence, deems it appropriate to revoke the decision adopted by the General Directorate of Revenue.

Within the case under analysis, the opportunity that the Administrative Tax Court takes to advise the General Directorate of Revenues of the appropriate procedure that it must implement before ruling on penalties to taxpayers, in accordance with section “a” of article 19, is striking. of Cabinet Decree 109 of May 7, 1970 and the guaranteeing principles found in article 215 of the Political Constitution of the Republic of Panama establishes. The actions of the Tax Administration always seek to be based on what is established by the Law, however the Appeal Court censures it for selecting the powers that it wishes to use, almost always to the detriment of the taxpayers. There are few times that the Third Chamber of Contentious-Administrative matters has referred to the importance of good faith in the relations between the Administration and those administered. Thus we find that in the judgment of March 28, 2019 under the presentation of Judge Abel Augusto Zamorano the following:

“Within this context, it should be remembered that the Public Administration, vis-à-vis the administered, in the exercise of public function and within an administrative procedure in which a legal relationship is integrated, represents a unit in said relationship, and that said subordination in the decision must respect the principles of good faith and legitimate confidence, since it cannot be ignored that the State is in a privileged position with respect to the administered.”

We hope that the call for attention issued by the Administrative Tax Court through Resolution N ° TAT-RF-035 of April 21, 2021 will serve the General Directorate of Revenues to rectify its refusal to proceed in pursuit of a more guaranteeing action in accordance with the constitutional principles and current guarantee currents at the national and international level. *L&E*

LAW 187 OF DECEMBER 02, 2020, PROHIBITING THE COMMERCIALIZATION OF SINGLE-USE PLASTIC PRODUCTS

Lidia Domínguez - Legal Assistant
lidia.tribaldos@rbc.com.pa

Since July 20, 2019, Law 1 of January 19, 2018 came into force, which prohibited the use of polyethylene plastic bags in Panama and promoted the use of reusable bags in commercial establishments such as supermarkets, grocery stores, pharmacies and Retail businesses, to the approval of environmental groups, the annoyance and uncertainty of those who were dedicated to the manufacture of plastic products and the questioning of consumers, who started a habit, not very common for Panamanians, which constituted a great challenge to reduce the volumes of garbage and pollution generated by the constant use of plastic materials.

With this initiative to eradicate polluting plastics, Panama is placed among the countries that have national regulations, designed to “promote concrete

ideas to reduce and replace this type of products, being the first country in Central America to create the regulation on bags made of polyethylen”. Thus, it is recognized by the Mar Viva Foundation, a tireless fighter for the environment in our country.

But the “pioneer”, Law 1 of January 19, 2018, only paves the way towards a plastics-free initiative. Law 187 of December 2, 2020, has a greater objective, as part of a strategy to “promote and encourage in a transversal way the sustainable development of the country, progressively reducing and replacing the use of single-use plastic products with alternatives with less negative impact on the environment and health.”

With this, it seeks to achieve a more sustainable environment by establishing the reduction and the progressive replacement, until 2023, of single-

use plastic pollutants, by biodegradable materials.

Law 187 establishes specific objectives so that the necessary actions are fulfilled in order to achieve the progressive replacement of 11 single-use products, by products manufactured with reusable, recyclable, biodegradable materials. The process of prohibition of general use and commercialization comes in three phases: in the first, which begins in July 2021, there are plastic ear swabs, plastic covers for laundry clothes, plastic rods, to hold balloons, plastic toothpicks, plastic cocktail sticks, plastic candy sticks and can rings. The Ministry of the Environment will be the entity in charge of plan, it must establish indicators and supervise the progress of established goals and render accounts to citizens about the progress and results.

The standard prohibits the replacement of single-use plastics with options labeled as biodegradable plastics. Plastic reeds that must be used for provision of medical services are exempt, making them only available with a medical prescription. Panama Canal Authority is also allowed to dictate its own internal policies for reduction and replacement of single-use products in accordance with what is most feasible and convenient for operation of the Canal and its water security.

This law begins to take effect on Thursday, July 1, and as we mentioned, it regulates the reduction and replacement of single-use plastics in the country.

According to reports from the United Nations Environment Program, Panama is one of the 87 countries that have implemented regulations

on polyethylene products and another 12 are mentioned that have announced imminent actions to control or eliminate their use.

This strategic plan that seeks to protect the environment, is implemented in parts, as it is known that, by July 2022, the prohibition, use and commercialization of plastic packaging for eggs, plastic stirrers and disposable plastic dishes must be put into practice; while as of December 31, 2023, the use and commercialization of plastic reeds will be eliminated.

Now, what happens with the companies that are dedicated to the manufacture and marketing of all these products that are on the list of being prohibited and withdrawn from the market, as we have indicated. The Independent deputy and proponent of the law, Edison Broce, points out that a consensus has been established, in which different times will be taken into account for the Law to come into force, since those that come into force in July 2021 are those that less hit the Panamanian industry, but already in 2022 and 2023, those who enter, do impact. We know that at a time, when the situation caused by the pandemic hits the national economy, the necessary measures must be established so that companies that are dedicated to the manufacture of products, which are no longer in the national market, can look for an option, In order not to be affected in its economic production, because although it seems difficult, as the replacement of plastic bags occurred at first, we will also have to get used to not using products that even though we think we cannot substitute, we will be contributing our help the conservation of the planet. *L&E*

Politics

WHEN WE VOTE MAJORITY FOR THE WORST

Rafael Fernández Lara - Independent Lawyer
rbcweb@rbc.com.pa

Sometimes peoples are in a dire predicament. And I say that they, because it is the people, only all voters, who are at this crossroads, when they vote overwhelmingly for the worst of two bad candidates. Therefore, voters are absolute ones responsible for such circumstances. This has been the specific case of Peru for the second round of elections of the general elections of 2021 held on Sunday, June 6 of this year, where the candidate of Peru Libre, Pedro Castillo, won the highest number of popular votes with 8,835,579 votes against Keiko

Fujimori of the Popular Force Party with 8,791,521 votes, for a difference of 44,048 votes in favor of Pedro Castillo. Voter turnout in the second round was 18,713,454, or 74,711% of total eligible voters.

In the first round, held on April 11, 2021, the presidential candidates García and Fujimori occupied the first places. In this first round, 10 candidates participated, including the first two mentioned, whose names, parties, popular votes obtained and number of seats in Congress were:

NAME	PARTY	POPULAR VOTES OBTAINED	NUMBER OF SEATS IN THE CONGRESS
Rafael López Aliaga	Renovación Popular	1,692,279	13
Hernando De Soto	Avanza País	1,674,201	7
Yonhy Lescano	Acción Popular	1,306,288	16
Verónica Mendoza	Juntos por el Perú	1,132,577	5
Cesar Acuña	Alianza para el Progreso	867,025	15
George Forsyth	Victoria Nacional	814,516	0
Daniel Urresti	Podemos Perú	821,721	5
Julio Guzmán	Partido Morado	325,608	3
Winner of the first round: Pedro Castillo	Perú Libre	2,724,752	37
Second place of the first round: Keiko Fujimori	Fuerza Popular	1,930,762	24

The difference in first-round votes between winner Pedro Castillo over Keiko Fujimori, in second place, was 793,990 votes and 13 in congressional seats. The general participation of Peruvian voters in the first round was 17,713,716 or 70.048% of all eligible voters.

José Pedro Castillo Terrones, the 51-year-old was a practically unknown union leader, teacher, and politician in Lima. He was long linked to the unionism of education workers in Peru, occupying positions such as President and General Secretary of some of these organizations. Some have linked him to the Shining Path terrorist group, which he has categorically denied. In 2002 he ran for Mayor of Anguía for the Peru Posible party and did not get the position. He was a member of the Cajamarca Committee of Peru Posible from 2005 to 2017. He gained notoriety in 2017 by leading a teachers' strike in various regions of Peru, which lasted 75 days.

In mid-2020 Pedro Castillo began his career to be elected as President of Peru and during the course of the campaign he was characterized by contradicting himself in a series of messages, contradictions on critical issues such as the Constitutional Court, the Ombudsman's Office, prohibition of imports of products of which there is production in Peru, among others.

He surprised when, in the first electoral round, he achieved the first place of the popular votes, disconcerting a large part of the elite of the South American country and thus guaranteeing his participation in the second electoral round in front of former Congresswoman Keiko Fujimori of Fuerza Popular. This first victory led to congratulations from the former presidents of Bolivia, Evo Morales, and Uruguay, José Mujica. Castillo Terrones is a socialist and populist. Some consider him an ultra-leftist for claiming principles of Marxism-Leninism

declared by the Free Peru Party, which supports him. However, he defines himself as a progressive and not a Marxist. He defined the Maduro government in Venezuela as a democratic government and defended the non-interference of third parties in that country.

Once the victory was achieved in the first electoral round, Pedro Castillo received the support of Verónica Mendoza, from the Juntos por el Perú party, on the moderate left, who obtained 1,132,577 popular votes in the first electoral round.

The Nobel Prize in Literature and former presidential candidate of Peru in 1990, Vargas Llosa, despite the fact that he had previously fought against Fujimori in a systematic way, pointed out that "if we elect Pedro Castillo, we will probably not hold more free elections in the history of Peru, "Since it considered that the Free Peru Party would establish" a socialist or communist system that is going to be added to Venezuela, Cuba and Nicaragua", expressing its conviction saying "I do not want my country to be the potential Venezuela, where five million have fled to find a job and not starve".



For her part, **Keiko Sofía Fujimori Higuchi**, 46, has been a business administrator with a university degree obtained in the United States. She held the position of First Lady of Peru from 1994 to 2000 as the eldest daughter of former President Alberto Fujimori, who is currently in prison. She was a Congresswoman for Metropolitan Lima from 2006 to 2011. In 2010 she assumed the presidency of the Popular Party, a political organization that represents the so-called Fujimorism. Persevering in her aspirations,

she tried to become president in 2011 and 2016.

Both times she lost; first against Ollanta Humala from Gana Peru –who obtained 7,937,704 votes, Keiko Fujimori obtained 7,490,647, for a difference in favor of Humala of 447,057- and then against Pedro Pablo Kuczynski from Peruanos por el Cambio –who obtained 8,596,704 votes, Keiko Fujimori obtained 8,555,880, for a difference in favor of Kuczynski of 41,057.

In October 2018, she was preliminarily arrested on charges of money laundering resulting from alleged irregular contributions to her campaign and the Lava Jato corruption scandal; she was released at the end of 2019. Keiko returned to preventive prison in January 2020 and the Appeals Chamber ordered her release upon appearance in May of the same year. In the year 2021 she aspires for the third time to the presidency of Peru. Regardless of what will be the result of the nullity challenges of some 200,000 votes requested by Keiko Fujimori, she considered that none of the competing candidates in the second electoral round represented the best option to occupy the first magistracy of the nation..



Castillo, who at present obtained a majority of votes, if he occupies the Presidency of the Republic will not have any type of experience or preparation, so it is to be expected that he will lead Peru to a situation of political, economic and social instability, developing a state controller that will undoubtedly cause capital flight and frighten private investment. Fujimori is a well-known and controversial politician in Peru. She was accused of receiving money from companies like Odebrecht for her 2011 and 2016 campaigns and for alleged crimes of money laundering and obstruction of justice, among others.

Also, she is haunted by the stigma of her last name and

with it the background of her father, one of the main reasons why many don't vote for her. Proof of this is that the other movements that participated in the first round, which are moderate, liberal and center-right forces, didn't strongly support Keiko Fujimori although some thought they would do so in the second round.

None of the finalists was one of the best presidential candidates to direct the destinies of the country. But, in our opinion, worst of all is that the more dangerous of the two obtained more votes even if it was a narrow advantage, which will have immediate dire consequences for the country. The Peruvian people made mistakes that other nations have made by not carefully evaluating the trajectory of the candidates who intend to be elected president of the republic. The election for public office, especially that of the nation's first magistracy, should be closely linked to an in-depth analysis of the population on what the candidate represents in itself and if there are reasonable indications that his future administrations will solve the problems or not. serious national problems.

Under no pretext can the great responsibility that citizens have when casting their vote be exonerated, which is to choose those who are truly the best candidates. It is equally important to understand that abstaining from voting implies the negligent abandonment of the commitment to the future of the country, an omission with all kinds of negative consequences. Then will come the constant criticisms, laments and songs of always about what the chosen ones could have done and did not do. Too late, the die is cast. Actually, the only person responsible for the election of the rulers are the voters, the citizens, including those who do not reflect when voting or abstain, and later lament their mistake. *L&E*

Panamanian ECONOMY

COMMENT ON THE CONSUMER PRICE INDEX (CPI): MAY 2021

Source: GCRP

Monthly variation of the National Urban CPI (May 2021 compared to April 2021):

The National Urban CPI showed an increase of 0.2%. The groups that reflected increases were: Transportation at 1.0%; Miscellaneous goods and services at 0.3%; Food and non-alcoholic beverages, and Restaurants and hotels both 0.2%.

The growth observed in the Transport group was due to the rise in three of its seven classes: "Passenger transport by air" by 7.5%, due to the increase in the price of airfare; "Fuels and lubricants for personal transportation equipment" by 2.6%, due to the increase in the price of automobile fuel, and "Spare parts and accessories for personal transportation equipment" by 0.2%, due to the rise in the price of spare parts for automobile.

The Miscellaneous Goods and Services group registered 0.6% growth in one of its ten classes, "Other appliances, articles and products for personal care", due to the rise in the price of personal care items and other personal care products.

The increase reflected in the Food and non-alcoholic beverages group was due to the increase in four of its

eleven classes. The greatest variations were in the "Meat" classes by 0.7%, due to the rise in the price of chicken and pork; "Mineral waters, soft drinks, fruit and vegetable juices" by 0.5%, due to the growth in the price of juices, hydrating drinks, energizers and sodas, and mineral water; and "Legumes-Vegetables" by 0.3%, due to the rise in the price of canned beans.

The Restaurants and hotels group presented an increase in one of its two classes, "Restaurants, cafes and similar establishments" by 0.2%, due to the increase in the price of food and non-alcoholic beverages outside the home, and ready-to-go meals.

The groups Housing, water, electricity and gas, Health, Communications, and Education remained unchanged.

The groups that registered decreases were: Alcoholic beverages and tobacco in 0.4%, Clothing and footwear in 0.2%, Furniture, articles for the home and for the ordinary maintenance of the home, and Recreation and culture both in 0.1%.

The decrease observed in the Alcoholic beverages

and tobacco group was due to the reduction in two of its four classes, "Wine" in 4.1%, and "Beer" in 0.8%.

The Furniture, household articles and ordinary household maintenance group showed a decrease in two of its eleven classes "Small household electrical appliances" and "Non-durable household goods" both in 0.4%.

The reduction in the class "Small household electrical appliances" was due to the decrease in the price of small household equipment; and in "Non-durable household goods" it was due to the drop in the price of cleaning and maintenance products, and equipment for household cleaning.

The decrease presented in the Recreation and culture group was due to the drop in five of its sixteen classes. The greatest variations were in the classes "Equipment for the reception, recording and reproduction of sounds and images" in 0.8%, and "Domestic animals and related products" in 0.7%.

The decrease in the class "Equipment for the reception, recording and reproduction of sounds and images" was

due to the reduction in the price of sound equipment; and in "Domestic animals and related products" it was due to the decrease in the price of accessories and pet food.

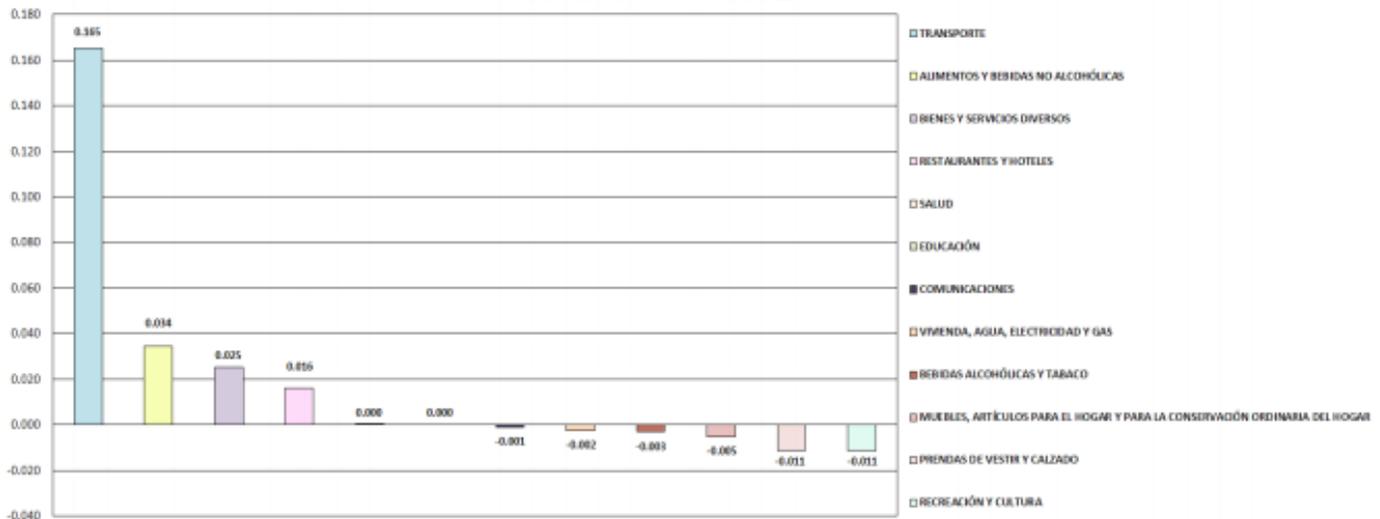
• **Interannual variation of the National Urban CPI (May 2021 compared to May 2020):**

The National Urban CPI showed an interannual variation of 1.9%. In the groups that observed increases were: Transportation in 14.8%; Food and non-alcoholic beverages at 1.5%; Alcoholic beverages and tobacco, and Health both at 1.0%; Restaurants and hotels in 0.7%; and Furniture, household items and ordinary household maintenance by 0.3%.

The groups Recreation and culture, Education, and Miscellaneous goods and services remained unchanged. The groups that reflected decreases were: Housing, water, electricity and gas in 8.8%; Clothing and footwear in 0.4%; and Communications at 0.1%.

Next, the graph with the monthly incidence by group of the National Urban CPI for May 2021:

Gráfica 1. INCIDENCIA MENSUAL DEL ÍNDICE DE PRECIOS AL CONSUMIDOR NACIONAL URBANO: MAYO DE 2021



Incidence: Corresponds to the contribution of each group with respect to the total variation of the National Urban Index, therefore, the sum of the incidents results in the variation of the index. *L&E*

**CUADRO 1. INCIDENCIA Y VARIACIÓN PORCENTUAL MENSUAL DEL ÍNDICE DE PRECIOS AL CONSUMIDOR NACIONAL URBANO, SEGÚN GRUPO DE ARTÍCULOS Y SERVICIOS: MAYO DE 2021
BASE 2013=100**

Grupo de artículos y servicios	Ponderaciones	Incidencia	Variación mensual
TOTAL	100.0	0.2	0.2
Alimentos y bebidas no alcohólicas	22.4	0.034	0.2
Bebidas alcohólicas y tabaco	0.7	-0.003	-0.4
Prendas de vestir y calzado	7.7	-0.011	-0.2
Vivienda, agua, electricidad y gas	8.5	-0.002	0.0
Muebles, artículos para el hogar y para la conservación ordinaria del hogar	7.8	-0.005	-0.1
Salud	3.4	0.000	0.0
Transporte	16.8	0.165	1.0
Comunicaciones	4.3	-0.001	0.0
Recreación y cultura	9.7	-0.011	-0.1
Educación	2.4	0.000	-
Restaurantes y hoteles	6.7	0.016	0.2
Bienes y servicios diversos	9.8	0.025	0.3

- Cantidad nula o cero.

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

EVOLUCIÓN DEL ÍNDICE DE PRECIOS AL CONSUMIDOR NACIONAL URBANO TOTAL, ALIMENTOS Y BEBIDAS NO ALCOHÓLICAS Y TRANSPORTE: ENERO-DICIEMBRE DE 2020 Y ENERO-MAYO DE 2021



CUADRO 2. EVOLUCIÓN DEL ÍNDICE DE PRECIOS AL CONSUMIDOR NACIONAL URBANO, SEGÚN GRUPO DE ARTÍCULOS Y SERVICIOS: ENERO-MAYO DE 2021

Grupo de artículos y servicios	Variación porcentual mensual				
	2021				
	Enero	Febrero	Marzo	Abril	Mayo
TOTAL	0.3	0.6	0.4	0.1	0.2
Alimentos y bebidas no alcohólicas	0.2	-0.1	-0.1	-0.1	0.2
Bebidas alcohólicas y tabaco	0.5	0.0	0.3	-0.2	-0.4
Prendas de vestir y calzado	0.0	-0.1	-0.1	0.0	-0.2
Vivienda, agua, electricidad y gas	0.4	0.1	0.5	0.0	0.0
Muebles, artículos para el hogar y para la conservación ordinaria del hogar	-0.1	0.3	0.1	0.1	-0.1
Salud	0.0	0.1	0.2	0.0	0.0
Transporte	1.6	2.9	2.3	0.7	1.0
Comunicaciones	-0.1	0.0	0.0	-0.1	0.0
Recreación y cultura	0.0	-0.1	0.0	0.0	-0.1
Educación	-1.4	4.6	-	-	-
Restaurantes y hoteles	0.0	0.1	0.2	0.1	0.2
Bienes y servicios diversos	0.1	-0.1	0.0	0.1	0.3

- Cantidad nula o cero.

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

PRINCIPALES INDICADORES ECONÓMICOS ENERO – DICIEMBRE 2019-2020

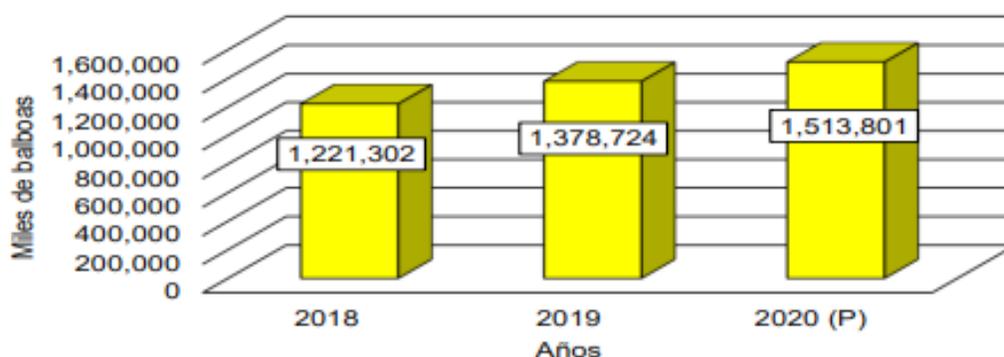
Source: GCRP

The 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 the statistics economic. As the pending information for 2020 is completed, the information will be published on the INEC portal.

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.

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



b. National Port System:

The movement of total cargo increased by 9.8%, with bulk cargo standing out by 8.5% and containerized 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 in 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 in 46.0%.

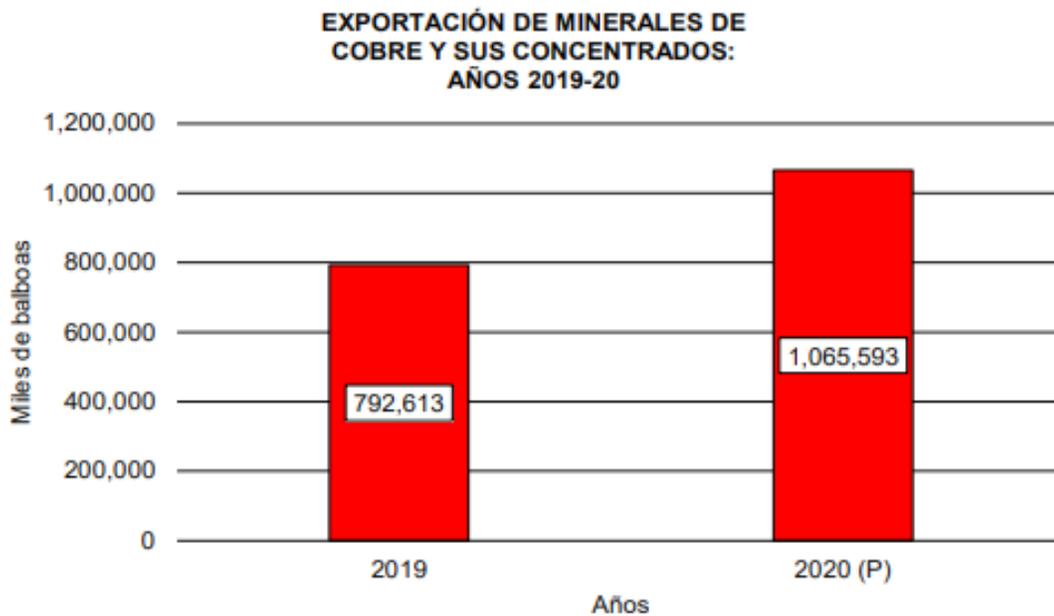
b. Net weight of goods imports:

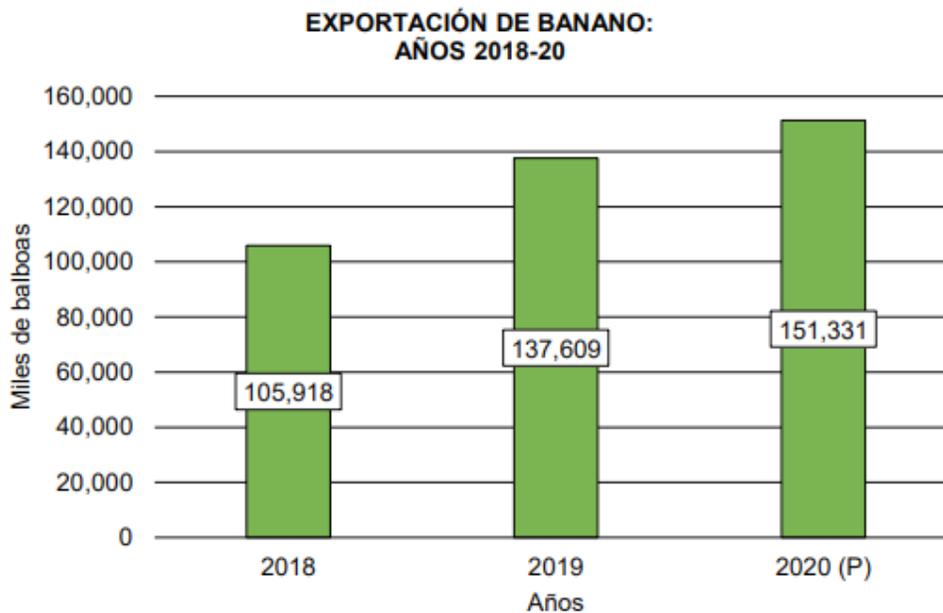
The net weight of imports of goods registered a negative variation of 32.0%, with a drop in capital goods by 40.8%, as well as consumer goods by 37.5% and intermediate goods by 40.8%. 25.6%.

c. FOB value of exports of goods:

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%, scrap steel, 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%, scrap steel, copper and aluminum 5.2%, wood 18.2% and others 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:

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%, a coast that accounts for 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 decreased 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%, pick-ups 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. Construction area (m2) in the main municipalities:

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 in 55.6%.

5. Financial intermediation:

b. Stock market indicators:

Volume traded (in thousands of balboas), for the 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%.

c. Insurances:

The value of written premiums contracted by 3.2%, mainly, the personal accident line by 38.9%, automobiles 16.3%, and the 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%.

d. 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 on 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 supply of electricity (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%. In turn, there were increases in the billing of large clients in 18.9% and in exports in 36.7%.

c. 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:

Slaughter of pigs increased 3.6% for period in question; however, decreases were reported in slaughter of cattle and the production of chicken meat in 4.4% and 12.6%, respectively. The production of evaporated, condensed and powdered milk grew by 39.9%; in the 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. Central Government current income:

The current revenues of the Central Government decreased in the period from January to December 2020 by 22.5% and of these, the tax revenues

by 27.9%, with the direct and indirect revenues at 23.0% and 33.7%, respectively. Likewise, non-taxpayers presented a decrease of 9.9%.

11. Other related:

a. Work contracts registered in the Mitradel:

Work contracts registered at the 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:

The registered non-horizontal properties 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 the Public Registry decreased by 26.7% and of its components, the anonymous by 26.3% and the common in 38.2%.*L&E*

THE EXECUTIVE BOARD OF THE IMF CONCLUDES THE ARTICLE IV CONSULTATION WITH PANAMA FOR 2021

Source: IMF

The Panamanian economy suffered a drastic contraction in 2020 in a context of mobility restrictions and measures to address the COVID-19 pandemic, along with the global recession.

Real GDP growth experienced an unprecedented 17.9% drop in 2020, and the unemployment rate soared to 18½% in September 2020. The drastic loss of tax revenue due to lockdown and associated effects on demand precipitated a marked deterioration in the fiscal position; on the other hand, spending on health and social programs related to COVID was largely offset by a redirection of other spending. The fiscal deficit of the non-financial public sector reached around 10% of GDP, which is in line with the amended fiscal rule.

The external current account improved to a surplus of 2% of GDP in 2020, thanks to the sharp contraction in imports, lower oil prices, increased copper exports, and the resilience of fiscal revenues generated by the Canal. The financial sector remained stable, well capitalized

and liquid despite the strong shock of the pandemic and the moratorium on making payments on loans.

Panama continues on the gray list of the Financial Action Task Force (FATF). Although the FATF recognized the measures taken by the authorities to improve the AML / CFT regime in the February 2021 Plenary, the progress wasn't enough to remove Panama from the list of countries with strategic deficiencies. The FATF noted that deadline for implementing all elements of FATF action plan had expired and encouraged Panama to address remaining deficiencies as soon as possible.

Although a vigorous recovery is expected in 2021, risks continue to slope downward

Growth would recover to 12% in 2021 and converge towards the potential of around 5% in the medium term. However, the economic outlook continues to be surrounded by an unusual degree of uncertainty due to the impact of the pandemic. Internal

downside risks include delays in addressing the elements of the FATF action plan and improving the effectiveness of the AML / CFT regime and tax transparency frameworks; an increase in credit delinquency due to the moratorium; setbacks in fiscal consolidation that jeopardize market confidence. External risks include new waves of pandemic and the persistence of international trade weaknesses that restrict the flow of traffic and tax revenues generated by the Canal. In addition, natural disasters and extreme weather events could cause loss of life and livelihoods, disrupt Canal activity, agriculture and tourism.

Board of Executive Directors Evaluation

The CEOs broadly agreed with technical staff's assessment. Panama suffered a pronounced economic contraction in 2020 amid rigorous containment measures and mobility restrictions deployed in face of COVID-19 pandemic. A rebound in global economy and conducive macroeconomic policies would underpin a vigorous recovery in 2021. Directors praised authorities' commitment to protecting health and lives of the Panamanian people through a vaccination program. They emphasized the need to remain cautious in the face of persistent global uncertainties, and especially in relation to the emergence of new strains of COVID-19.

Directors stressed the importance of adhering to the fiscal rule to ensure debt sustainability in the medium term. The fiscal consolidation envisaged for after the pandemic should be accompanied by a strengthening of medium-term planning. Directors highlighted the need to strengthen the fiscal framework to enhance the credibility of the fiscal strategy and fine-tune the public financial management framework to enhance transparency and prevent delays in public payments.

The Panamanian banking system remained resilient during the pandemic and is generally well regulated.

However, the financial system is still vulnerable to unforeseen shocks. Close supervision and vigilance are necessary to safeguard stability. Directors emphasized the need for tolerance in the application of the regulations granted to credits after the pandemic to be limited and phased out, reinforced by a supervisory action plan and rigorous surveillance. Special provisioning requirement for modified loans should be continually recalibrated depending on circumstances. Given high proportion of modified loans, a risk-focused review of all banks' loan portfolios, including an assessment of quality of critical assets, would help assess banks' credit exposures and capital buffers.

Directors emphasized the importance of improving the financial integrity framework. Exiting the FATF gray list should remain a priority, including by expeditiously addressing the remaining deficiencies in the AML / CFT regulatory framework. Efforts to improve tax transparency should continue, in close collaboration with the European Union.

Directors called for structural reforms to promote competitiveness and growth potential by improving business climate, strengthening policies related to labor mobility, governance and institutional capacity, promoting innovation and technological advancement in critical industries and deepening of financial inclusion.

It is also necessary to enhance the skills level of the workforce, streamline the insolvency framework, and improve the functioning of the judicial system so that Panama remains an interesting destination for doing business. The directors were pleased with the long-term objectives of increasing the efficiency of spending, especially in the health, education and social spheres, which includes improving the living conditions of indigenous populations. *L&E*

World ECONOMY

LABOR MARKETS IN THE REGION WILL DELAY TO RECOVER FROM THE STRONG IMPACT OF THE COVID-19 PANDEMIC IN 2020

Source: ECLAC

During 2020, the regional GDP registered a contraction of -7.1%, the highest in the last century, which in turn generated a drop in employment and an increase in the unemployment rate that reached 10.5% on average by 2020, ECLAC and ILO indicate in a new study released today.

This Monday, June 14, the Economic Commission for Latin America and the Caribbean (ECLAC) and the International Labor Organization (ILO) launched the 24th edition of their joint publication Labor Situation in Latin America and the Caribbean (June 2021), available from now on internet, in which they analyze the effect of crisis caused by COVID-19 on main indicators of the labor market in 2020.

According to the document, the greatest impacts were observed in the second quarter of last year when the confinement and containment measures of the pandemic were implemented. These measures produced a sharp drop in economic activity, employment and hours worked. Many workers, mainly informal, could not continue with their productive work and had

to withdraw from the market, which prevented them from generating income for their homes and acting counter-cyclically as in previous crises. Likewise, the closure of care services and schools implied a heavy workload within homes, which in general is distributed unevenly, especially overloading women.

As of the third quarter of the year, a return of workers to the labor market and a gradual increase in employment is observed. However, the year 2020 ended with lower levels of participation and employment and higher levels of unemployment compared to those observed prior to the pandemic.

"Given the depth of the impact of crisis in 2020 on region's labor markets, countries should implement policies that stimulate job creation particularly in most vulnerable groups such as youth and women," said Alicia Bárcena, Executive Secretary from ECLAC, and Vinícius Pinheiro, ILO regional director for Latin America and the Caribbean, in the foreword to the document. Both executives also highlighted the importance of regulating new

forms of contracting through digital platforms.

According to the report, the contraction of employment in 2020 was much deeper in sectors such as hotels (19.2%), construction (11.7%), commerce (10.8%) and transport (9.2%), which together they account for about 40% of regional employment. In turn, industry (8.6%) and other services (7.5%) also registered contractions, while in agriculture the loss of jobs was comparatively lower (2.4%).

Both United Nations agencies emphasize that it is essential to think of strategies that allow to lay the foundations for a return with better working conditions for all workers. This implies supporting the recovery of employment in the categories and sectors highly affected, improving institutional aspects related to health and safety at work, the formalization of workers, the promotion of the labor inclusion of women and the adequate regulation of new modalities of employment.

In this edition of Labor Situation in Latin America and the Caribbean, ECLAC and ILO also examine key aspects of decent work for workers mediated by digital platforms. During pandemic, these workers were a very important source of employment due to need to reduce personal contacts and maintain distribution of essential goods. However, the evidence suggests that there is a high precariousness of this type of work characterized by instability, long working hours, absence of social and labor protection and the lack of options for dialogue and representation.

The report highlights the need to design adequate regulatory frameworks to meet the objective of establishing and protecting social and labor rights for these new, expanding work modalities. *L&E*



R B C
Rivera • Bolívar • Castañedas
ATTORNEYS AT LAW





Follow us on Twitter:

@rbcabogados

GLOBAL REACTIVATION IS FIRM, ALTHOUGH UNEQUAL, AS MANY DEVELOPING COUNTRIES FIGHT AGAINST THE ENDURING EFFECTS OF THE PANDEMIC

Source: World Bank

The global economy is projected to expand at 5.6% in 2021, the fastest post-recession pace in 80 years, and that effect will largely be due to the strong rebound in some of the major economies. However, according to the World Bank in its June 2021 Global Economic Outlook, many emerging markets and developing economies continue to fight the COVID-19 pandemic and its aftermath.

Despite the reactivation, by this end of the year, world production will be around 2% lower than what was projected before the pandemic. By 2022, per capita income losses will not have been reversed for roughly two-thirds of emerging markets and developing economies. Among low-income economies, where vaccination has been delayed, the effects of the pandemic have negated achievements in reducing poverty and exacerbated insecurity and other long-standing problems.

the pandemic continues to create poverty and inequity in the population of developing countries around the world", said World Bank Group President David Malpass. "It is critical that coordinated initiatives are pursued globally to accelerate vaccine delivery and debt relief, especially for low-income countries. As the health crisis subsides, policymakers will need to address the lasting effects of the pandemic and take steps to drive green, resilient and inclusive growth while protecting macroeconomic stability".

Among major economies, growth in the United States is projected to hit 6.8% this year as a result of large-scale fiscal support and reduced restrictions due to the pandemic. In other advanced economies, growth is also strong, albeit lower. Among emerging markets and developing economies, China is forecast to rebound 8.5% this year on stifled demand.

Also, emerging markets and developing economies

together are anticipated to expand 6% this year, driven by higher demand and higher commodity prices. However, in many countries reactivation is being delayed because COVID-19 cases have re-emerged and vaccination is progressing slowly, and because in some cases policy assistance has been withdrawn. Except for China, the rebound in this group of countries is expected to be more moderate, 4.4%. In turn, the recovery between emerging markets and developing economies is expected to be moderate, 4.7%, in 2022. Even so, the achievements in this group of economies are not enough to recover the losses experienced during the 2020 recession, and production in 2022 is forecast to be 4.1% lower than expected before the pandemic.

Per capita income in many emerging markets and developing economies is also expected to continue below pre-pandemic levels, and losses will exacerbate deficiencies related to health, education and living standards. Even before the COVID-19 crisis, the main growth drivers were expected to lose momentum; This trend is likely to increase due to the footprints that the pandemic will leave.

Growth in low-income economies this year is expected to be the slowest in 20 years (except for 2020), reflecting, in part, the very slow pace of vaccination. In addition, low-income economies are anticipated to expand 2.9% in 2021, before rebounding to 4.7% in 2022. The group's production level in 2022 is expected to be 4.9% lower compared to projected before the pandemic.

An analysis section of the Global Economic Outlook report examines how reducing trade costs, such as those associated with complex logistics and border procedures, could help recovery between emerging markets and developing economies by facilitating trade. Although trade costs have fallen in the last 15 years, they are still almost 50% higher

in these countries than in advanced economies, largely because of higher shipping and logistics costs. Efforts to streamline business processes and authorization requirements to improve transportation infrastructure and management, encourage broader distribution of information, and strengthen competition in internal logistics and retail and wholesale could lead to savings considerable cost.

“The links between trade and international value chains have been a vital engine for the economic advancement of developing economies and have helped many people lift themselves out of poverty. However, it has been determined that, with current trends, world trade growth will slow over the next decade”, said World Bank Group Vice President of Equitable Growth, Finance and Institutions, Indermit Gill. “As developing economies recover from the COVID-19 pandemic, lower trade costs may create an environment conducive to re-engaging in global supply chains and restarting business growth”.

In another section of the report, the rebound in world inflation that has accompanied the recovery in economic activity is analyzed. The 2020 global recession led to the smallest drop in inflation and the subsequent fastest rise in inflation of the last five global recessions. While global inflation is likely to continue rising for the remainder of this year, it is expected to remain within target ranges in most inflation-targeting countries. In emerging markets and developing economies where inflation exceeds the established target, a monetary policy response may not be justified if it is temporary and inflation expectations remain well established.

“Higher inflation globally could complicate policy choices in emerging markets and developing

economies in the coming months, as some of these economies still rely on expansionary support measures to ensure a lasting recovery”, said Ayhan. Kose, director of the World Bank’s Outlook Group. “Unless the risks of having record debt levels are addressed, these economies remain vulnerable to financial market stress if investor confidence about risks deteriorates due to inflation pressures in the economies. Advanced”.

Rising food prices and accelerating aggregate inflation can also add to problems related to food insecurity in low-income countries, where policymakers must ensure that rising inflation rates do not weaken inflationary expectations and must resist the temptation to subsidize or establish price controls to avoid putting further upward pressure on world food prices. Instead, it would be more useful to have policies that focus on expanding social safety net programs, thereby improving the logistics and climate resilience of local food supplies.

Regional perspectives:

East Asia and the Pacific: Growth in the region is projected to accelerate by 7.7% in 2021 and 5.3% in 2022.

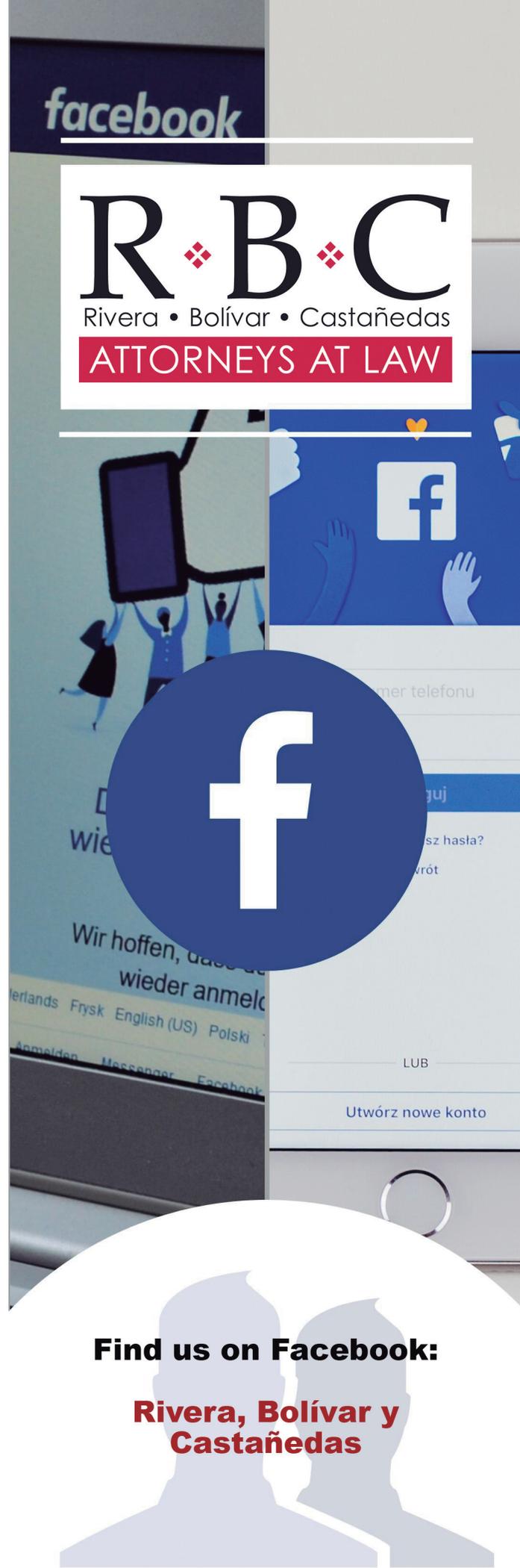
Europe and Central Asia: The regional economy is forecast to grow 3.9% this year and 3.9% next year.

Latin America and the Caribbean: Regional economic activity is expected to grow 5.2% in 2021 and 2.9% in 2022.

Middle East and North Africa: Economic activity in the Middle East and North Africa is forecast to increase 2.4% this year and 3.5% next year.

South Asia: Economic activity in the region is expected to expand by 6.8% in 2021 and 6.8% in 2022.

Sub-Saharan Africa: The region’s economic activity is on track to increase by 2.8% in 2021 and 3.3% in 2022. *L&E*



Find us on Facebook:

**Rivera, Bolívar y
Castañedas**

Cuadro 1.1 PIB real¹
(Porcentaje de cambio respecto del año anterior)+ A2:J2

	2018	2019	3	2021p	2022p	2023p	Diferencias de puntos porcentajes respecto de las proyecciones de agosto de 2021	
							2021p	2022p
Mundo	3.2	2.5	-3.5	5.6	4.3	3.1	1.5	0.5
Economías avanzadas	2.3	1.6	-4.7	5.4	4.0	2.2	2.1	0.5
Estados Unidos	3.0	2.2	-3.5	6.8	4.2	2.3	3.3	0.9
Zona del euro	1.9	1.3	-6.6	4.2	4.4	2.4	0.6	0.4
Japón	0.8	0.0	-4.7	2.9	2.8	1.0	0.4	0.3
Me Mercados	4.6	3.8	-1.7	6.0	4.7	4.4	0.8	0.4
Asia Oriental y el Pacífico	6.5	5.8	1.2	7.7	5.3	5.2	0.3	0.1
China	6.8	6.0	2.3	8.5	5.4	5.3	0.6	0.2
Indonesia	5.2	5.0	-2.1	4.4	5.0	5.1	0.0	0.2
Tailandia	4.2	2.3	-6.1	2.2	5.1	4.3	-1.8	0.4
Europa y Asia central	3.5	2.7	-2.1	3.9	3.9	3.5	0.6	0.1
Federación Rusa	2.8	2.0	-3.0	3.2	3.2	2.3	0.6	0.2
Turquía	3.0	0.9	1.8	5.0	4.5	4.5	0.5	-0.5
Polonia	5.4	4.7	-2.7	3.8	4.5	3.9	0.3	0.2
América Latina y el Caribe	1.8	0.9	-6.5	5.2	2.9	2.5	1.4	0.1
Brasil	1.8	1.4	-4.1	4.5	2.5	2.3	1.5	0.0
México	2.2	-0.2	-8.3	5.0	3.0	2.0	1.3	0.4
Argentina	-2.6	-2.1	-9.9	6.4	1.7	1.9	1.5	-0.2
Oriente Medio y Norte de África	0.8	0.6	-3.9	2.4	3.5	3.2	0.3	0.3
Arabia Saudita	2.4	0.3	-4.1	2.4	3.3	3.2	0.4	1.1
Irán, Rep. Islámica del ³	-6.0	-6.8	1.7	2.1	2.2	2.3	0.6	0.5
Egipto, Rep. Árabe de ²	5.3	5.6	3.6	2.3	4.5	5.5	-0.4	-1.3
Asia meridional	6.4	4.4	-5.4	6.8	6.8	5.2	3.6	3.0
India ³	6.5	4.0	-7.3	8.3	7.5	6.5	2.9	2.3
Pakistán ²	5.5	2.1	-0.5	1.3	2.0	3.4	0.8	0.0
Bangladesh ²	7.9	8.2	2.4	3.6	5.1	6.2	2.0	1.7
África al sur del Sahara	2.7	2.5	-2.4	2.8	3.3	3.8	0.0	-0.2
Nigeria	1.9	2.2	-1.8	1.8	2.1	2.4	0.7	0.3
Sudáfrica	0.8	0.2	-7.0	3.5	2.1	1.5	0.2	0.4
Ángola	-2.0	-0.6	-5.2	0.5	3.3	3.5	-0.4	-0.2
Paridas informativas								
PIB real¹								
Países de ingreso alto	2.3	1.6	-4.7	5.3	4.0	2.2	2.1	0.5
Países en desarrollo	4.7	3.9	-1.4	6.3	4.8	4.5	0.8	0.4
MEED sin incluir a China	3.2	2.4	-4.3	4.4	4.2	3.7	1.0	0.6
MEED que exportan productos básicos	2.0	1.8	-4.0	3.6	3.3	3.1	0.6	0.0
MEED que importan productos básicos	6.0	4.9	-0.6	7.3	5.4	5.0	1.0	0.6
MEED que importan productos básicos, sin incluir China	4.9	3.2	-4.7	5.4	5.3	4.5	1.6	1.2
Países de ingreso bajo	4.7	4.3	0.7	2.9	4.7	5.6	-0.5	-0.7
BRICS	5.8	4.9	-0.3	7.5	5.2	4.7	1.1	0.6
Mundo (ponderaciones de PPA) ⁴	3.6	2.8	-3.2	5.7	4.5	3.5	1.4	0.6
Volumen comercial mundial⁵	4.2	1.2	-8.3	8.3	6.3	4.4	3.3	1.2
Precios de productos básicos⁶								
Precio del petróleo	29.4	-10.2	-32.8	50.3	0.0	0.9	42.2	-13.6
Índice de precios de productos básicos no energéticos	1.7	-4.2	3.0	22.5	-2.5	-2.7	20.1	-3.8

Fuente: Banco Mundial.

1. Headline aggregate growth rates are calculated using GDP weights at average 2010-19 prices and market exchange rates. The aggregate growth rates may differ from the previously published numbers that were calculated using GDP weights at average 2010 prices and market exchange rates.

2. GDP growth rates are on a fiscal year basis. Aggregates that include these countries are calculated using data compiled on a calendar year basis. Pakistan's growth rates are based on GDP at factor cost. The column labeled 2019 refers to FY2018/19.

3. GDP growth rates are on a fiscal year basis. Aggregates that include these countries are calculated using data compiled on a calendar year basis. The column labeled 2018 refers to FY2018/19.

4. World growth rates are calculated using average 2010-19 purchasing power parity (PPP) weights, which attribute a greater share of global GDP to emerging market and developing economies (EMDEs) than market exchange rates.

5. World trade volume of goods and nonfactor services.

6. Oil price is the simple average of Brent, Dubai, and West Texas Intermediate prices. The non-energy index is the weighted average of 39 commodity prices (7 metals, 5 fertilizers, 27 agricultural commodities). For additional details, please see <https://www.worldbank.org/commodities>.

Note: e = estimate; f = forecast. World Bank forecasts are frequently updated based on new information. Consequently, projections presented here may differ from those contained in other World Bank documents, even if basic assessments of countries' prospects do not differ at any given date.

Country classifications and lists of EMDEs are presented in table 1.2. BRICS include: Brazil, the Russian Federation, India, China, and South Africa. Due to lack of reliable data of adequate quality, the World Bank is currently not publishing economic output, income, or growth data for Turkmenistan and República Bolivariana de Venezuela. Turkmenistan and República Bolivariana de Venezuela are excluded from cross-country macroeconomic aggregates.

CLOSING THE DIGITAL DIVIDE COULD CREATE 15 MILLION JOBS IN LATIN AMERICA AND THE CARIBBEAN

Fuente: BID

A new IDB report assesses the development of broadband in 26 countries in the region. According to a new study by the Inter-American Development Bank (IDB), Latin America and the Caribbean could dramatically increase employment and boost sustainable economic growth if it closed its digital connectivity gap with respect to members of the Organization for Cooperation and Development Economic (OECD).

Closing the gap with respect to OECD countries would generate more than 15 million direct jobs, boost regional economic growth (GDP) by 7.7% and increase productivity by 6.3%, according to the study.

The study, *Digital Divide in Latin America and the Caribbean: Annual Report of the Broadband Development Index*, assesses the state of broadband distribution in 26 countries in the region and estimates size of the gap compared to countries OECD.

"Delays in connectivity and digitization in Latin American and Caribbean countries have drastically aggravated the economic and social impacts of COVID-19. However, this reality also represents

a historic opportunity to reduce inequality, and generate employment and sustainable economic growth," said IDB President Mauricio Claver-Carone.

"The IDB is taking measures to promote a digital ecosystem that helps the region to make these investments, to design national broadband plans and to create the public-private alliances necessary to expand coverage for all citizens, especially the most vulnerable." Added Claver-Carone.

The IDB indicates that the countries of the region would need US \$ 68,500 million to fill the gap. Of the total, 59% should be used to improve connectivity in urban areas, which is usually the responsibility of the private sector. On the other hand, 41% of the total should go to rural areas, where public investments are usually the main source of financing. Furthermore, according to the study, more public-private partnerships are needed to close the gap with OECD countries.

The study shows the evolution of broadband development in each country according to four pillars: "Public policies and strategic vision", "Strategic regulation", "Infrastructures" and

“Applications and training”. The report, whose first edition was launched in 2011, seeks to help countries understand the main gaps in their development, as well as investment opportunities.

The report indicates that the region still has significant gaps in broadband distribution and 4G

technology coverage relative to OECD countries. In terms of affordability, the average citizens of the region should spend more than 20% of their income to access broadband services, a figure well above the 3% recommended by the International Telecommunications Union for these services to be considered affordable.

Escenario de cierre de la brecha con respecto a la OCDE*				
País	Inversión necesaria para el cierre de la brecha - móvil	Inversión necesaria para el cierre de la brecha - fijo	Aumento estimado del empleo directo	% del total de la inversión en áreas rurales
Brasil	\$ 4,057,805,055	\$ 17,758,097,269	3,727,628	31.0%
México	\$ 3,790,612,056	\$ 8,013,328,140	3,048,264	42.9%
Colombia	\$ 2,006,378,307	\$ 3,803,526,628	1,519,161	41.3%
Argentina	\$ 1,406,288,593	\$ 3,285,952,468	1,045,961	20.7%
Perú	\$ 1,069,530,775	\$ 3,827,997,489	917,206	45.8%
Venezuela	\$ 1,129,186,788	\$ 2,974,694,670	905,420	34.6%
Guatemala	\$ 1,125,241,660	\$ 1,148,699,142	839,725	74.2%
Ecuador	\$ 666,634,444	\$ 1,233,195,390	520,673	62.8%
Haití	\$ 595,543,939	\$ 378,651,741	476,061	70.2%
Honduras	\$ 501,252,454	\$ 852,678,253	392,007	68.5%

*Ver tabla completa del escenario de cierre de brecha con respecto a la OCDE de 26 países de la región [aquí](#).

Highlights and Recommendations

According to the global ranking of the broadband development index - which includes 65 countries - the highlights for Latin America and the Caribbean were the following:

- Barbados, Uruguay and Argentina were the countries that advanced the most in the ranking, climbing to positions 11, 9 and 6 respectively since 2018. In the case of Barbados, the reason for the increase was the significant improvement in the pillar of “Public policies and strategic vision”; Uruguay, for its part, has improved considerably in the “Infrastructure” pillar, and Argentina, the “Strategic Regulation” pillar.
- The first country in the region in the 2020 ranking is Barbados, in position 31, followed by Chile, Costa Rica, Brazil, Argentina, Uruguay and the Bahamas in positions 33, 38, 39, 40, 42 and 43, respectively.
- With respect to the pillars of the index, Latin America and the Caribbean reduced the gap of “Strategic regulation” in 2020 compared to 2018, while the gap has increased sharply in the pillars of “Public policies and strategic vision” and “Applications and training” (see box below). These gaps are due to delays in the implementation of public policies and the development of digital capabilities that can contribute to the use of new technologies in the region.

	ALC		OCDE (miembros)		Brecha	
	2018	2020	2018	2020	2018	2020
IDBA	4.53	4.6	6.15	6.3	1.62	1.7
Políticas Públicas y Visión Estratégica	3.88	3.75	5.73	6.43	1.85	2.68
Regulación Estratégica	5.55	5.23	6.7	5.94	1.15	0.71
Infraestructuras	4.13	4.27	5.94	6.12	1.81	1.85
Aplicaciones y Capacitación	4.18	4.29	6.21	6.52	1.69	2.23

Based on the results of the index, the report highlights the following recommendations for Latin America and the Caribbean:

- **Central American countries:** investment in infrastructures and development of applications and pedagogical programs in the use of technology.
- **Caribbean countries:** investment in infrastructure and updating of normative and

regulatory frameworks.

- **Countries of the Southern Cone:** modernization of infrastructures and development of production models based on digital technologies.
- **Andean countries:** investment in infrastructure and development of public policies that allow the implementation of public-private partnerships to reach the most remote areas. *L&E*

FAO CONFERENCE APPROVES THE NEW STRATEGIC FRAMEWORK TO PROMOTE THE TRANSFORMATION OF AGRI-FOOD SYSTEMS

Source: FAO

Members of the Food and Agriculture Organization of the United Nations (FAO) approved today the new Strategic Framework that will drive the Organization's efforts to transform agri-food systems and address hunger, poverty and inequality during the next decade.

Approved on the last day of the 42nd session of the FAO Conference - the supreme decision-making body, in which all FAO Members meet, that is, 194 countries plus the European Union -, the Strategic Framework for 2022-2031 seeks to support the 2030 Agenda for Sustainable Development by transforming towards more efficient, inclusive, resilient and sustainable agri-food systems, to achieve better production, better nutrition, a better environment and a better life without leaving anyone behind.

The Strategic Framework focuses on Sustainable Development Goal 1 (SDG 1) (end poverty), SDG 2 (zero hunger) and SDG 10 (reduction of inequalities), as well as supporting the achievement

of the broader agenda related to the SDGs.

To operationalize the Framework, FAO will apply four cross-cutting "accelerators" in all its programmatic interventions in order to maximize efforts and facilitate the management of necessary offsets, in accordance with national priorities. These accelerators are technology, innovation, data, and additions (governance, human capital, and institutions).

Twenty priority program areas were formulated, constituting interdisciplinary and issue-based technical themes, in which FAO has a comparative advantage, a long track record and the ability to act.

In his closing remarks to the Conference, FAO Director General Mr. QU Dongyu thanked Members for their valuable participation and strong support for the Strategic Framework.

"We highly appreciate your support for our

vision and our efforts to transform the concept into action," Mr. QU told the Conference. "It is an important task that we humbly accept."

The Conference also approved the Program of Work and Budget for 2022-23 and the Medium Term Plan for 2022-25. These three documents will guide FAO's work at a critical time when the world is grappling with the repercussions of the coronavirus disease (COVID 19) pandemic, which could increase the number of hungry people by up to 132 million chronicled by the end of 2021. These strategic documents also reinforce and complement the organizational and managerial changes already introduced to make FAO a more modular, flexible and agile organization.

In its final report, the Conference emphasized the importance of promoting innovation, digital technologies and data with a view to transforming agri-food systems. Members also expressed support for major FAO initiatives, including the Hand in Hand Initiative and the COVID 19 Response and Recovery Program.

The Director General underscored the value of collaboration and support from Members. "We will continue to maintain a constructive dialogue, both officially and informally, based on mutual respect and trust," he stressed.

Mr. Hans Hoogeveen was elected the new Independent Chairman of the Board

Chaired by Mr. Michał Kurtyka, Minister of Climate and Environment of Poland, the Conference elected Ambassador Hans Hoogeveen, Permanent Representative of the Kingdom of the Netherlands to the United Nations organizations in Rome, as the new Independent President of the Council for the next biennium (2021-23).

In another milestone in the history of the

Organization, FAO Members were able to vote in person at Headquarters in Rome and New York to elect the new Independent Chairperson of the FAO Council using a voting modality that they had chosen from among the options proposed by the Secretariat. The election was a model of the democratic governance process of the United Nations.

Mr. Hoogeveen has worked with FAO in various capacities for more than 25 years. He has chaired the FAO Program Committee, the informal consultations on the 10 elements of agroecology and the Working Group on Food Systems and Nutrition of the Committee on World Food Security (CFS), and has served as Vice-Chair of the Regional Conference of the FAO for Europe.

The outgoing Independent Chairman of the Council, Mr. Khalid Mehboob of Pakistan, stated that it had been an honor and a privilege to hold that position for the past four years.

Mr. Mehboob has been involved in FAO's work since 1969. For 40 years (1969 to 2009) he worked for FAO, starting as a junior professional and rising to the rank of Assistant Director-General. From 2010 to 2017, Mr. Mehboob served as the Alternate Permanent Representative of Pakistan to FAO.

Progress made by FAO in tackling climate change was welcomed

The Conference also welcomed the progress made under the previous Program of Work for 2018-19, noting that FAO had achieved 95% of its targets in that period. He also commended the Organization for mobilizing significant funds for climate action during the past biennium and welcomed the decision to anchor the priority program areas of the new Strategic Framework to the 2030 Agenda.

On the opening day of the Conference, the President

of Italy, Sergio Mattarella, and Pope Francis pledged to support FAO in its efforts to build a better world based on sustainable agri-food systems that can provide healthy diets, and affordable for all and resistant to future crises.

Tech entrepreneur and philanthropist Mr Bill Gates delivered the McDougall Memorial Lecture, a tribute to the legacy of Mr Frank Lidgett McDougall, an Australian agricultural expert who was instrumental in the creation of FAO.

In his speech, Mr. Gates stressed that investing in science and technology was essential to promote climate-resilient agriculture and help small farmers. Following his presentation, a high-level round table was held with the participation of ministers of agriculture from all regions..

The FAO Conference is held every two years. The Conference determines the strategies and policies of the Organization, approves the budget and makes recommendations to Members on food and agriculture issues.

The 42nd Session of the Conference was the first in history to be held virtually. Its opening day was attended by an unprecedented turnout of more than 1,300 people from around the world, including 119 ministers. *L&E*

RBC

Rivera • Bolívar • Castañedas

ATTORNEYS AT LAW



**Follow us on
Instagram:**

@rbcweb



UNDP REPORT

Source: UNDP

The Report reflects the determination of UNDP in the face of the serious repercussions of the COVID-19 pandemic. While 2020 was a year of tragedy, it was also the year when people around the world demonstrated what we are capable of when we work together in a complex and highly uncertain environment.

Working with 170 countries and territories allows UNDP to gain a broad perspective of the world, helps us understand the relationships between local and global, and between attention to detail and results at scale, as well as how they impact each other. By working with countries and local communities, we can identify and create development solutions that are magnified through our global network.

Thanks to our development contexts and flagship solutions, UNDP can tackle the most complex integrated problems from different angles while always keeping in mind the most macro objective: the Sustainable Development Goals. This is because there

are no big or small challenges if we work together.

During 2020 the world also reframed the climate crisis as a climate emergency and defined it as the most important challenge for our generation. The report highlights the work that is being done around the world to face this challenge, such as the UNDP Climate Promise, in which 118 countries are participating, including Panama and 35 partners.

In Panama, UNDP focuses efforts on the development of mechanisms for the territorialization of public policies, adapting them to local contexts; the articulation of an institutional management close to the citizens, which prioritizes accountability; and the incorporation of the environment in solutions focused on social welfare and economic growth with a specific focus on effective governance and under the principles of gender equality.

UNDP research shows that promoting ambitious but viable investments in the SDGs, in areas such

as governance, social protection, green recovery and digitization, could lift an additional 146 million people out of extreme poverty by 2030. Most of these people live in fragile and conflict-affected states, highlighting the importance of investing now in integrated actions to advance the SDGs.

UNDP has also proposed the adoption of new perspectives on the future of development: from the introduction of a basic temporary income for all poor people to the launch of a new human development index adjusted to planetary pressures, part of the Edition marking the 30th anniversary of the UNDP Human Development Report, The Next Frontier: Human Development and the Anthropocene.

The United Nations Development Program is the leading United Nations agency dedicated to ending the injustice of poverty, inequality and climate change. We work with our extensive network of experts and partners in 170 countries to help nations build integrated and durable solutions for people and the planet. You can get more information at pa.undp.org or follow us at [@PNUDPanama.L&E](https://twitter.com/PNUDPanama.L&E)



R B C

Rivera • Bolívar • Castañedas

ATTORNEYS AT LAW





Follow us on Twitter:

@rbcabogados

Cápsule Environmental



PRECIPITATION VARIABILITY IN PANAMA CITY 1900 - 2016

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

S ummary

This brief paper focuses on the variability of precipitation around Panama City over a 116-year period, from 1900 to 2016. This 116-year study of monthly rainfall averages is based on data recorded by 13 stations located within the Panama Canal basin. The objective of this brief writing is to visualize the anomalies, the behavior and the tendencies of the precipitations during the study period. The data were obtained from the Smithsonian Institution, mapped from ArcMap and analyzed with Rstudio. The results show the behavior of rainfall, extreme events in excess or deficit of rainfall, as well as trends throughout the study period. The interest of carrying out this brief and light study consists in seeing graphically how the behavior of this important variable has been in the course of the 20th century and the first quarter of the 21st century.

Rainfall in Panama City during the period 1900 - 2016

The Republic of Panama has a high rainfall varying across the country, due to this variability the country is

divided into 6 hydric regions depending on the volume of rain it receives, thus the Western Caribbean region is identified with an average rainfall of 3,000 900 l / m² / year, the Western Pacific region with an average of 3,100 l / m² / year. The Central Pacific region with an average of 1,400 l / m² / year, the Central region with 2,500 l / m² / year, the Eastern Caribbean region with 1,360 l / m² / year and the Eastern Pacific region.

According to the National Water Security Plan 2015-2050, the total availability of fresh water has been estimated at 119.5 billion cubic meters, of which only approximately 25.8 percent are used. Of this 25.8 percent, 1.3% is destined for human consumption throughout the nation, a percentage that derives from the rains that fall and drain over the entire Panamanian territory. Rainfall and drinking water are closely related, since the drinking water that Panamanians consume and have consumed throughout history depends on rainfall and climatic factors that condition it. The city of Panama, located on the Pacific coast, is home to 55% of the total population of the country, around 1.63

million inhabitants who many times without knowing the natural process that leads to the water reaching their taps, doing a wrong use of this, without attributing to it the true ecological and human value that merits.

The water in Panama City comes mostly from the Panama Canal basin, from which it is dammed, made drinkable and distributed to the entire population, this through the Panama Canal Authority and of the National Institute of Aqueducts and Sewers (IDAAN). This entire urban ecosystem consumes approximately 98,851.9 million gallons of water per year, according to the National Aqueduct and Sewer Institute (IDAAN), which represents 0.37 million cubic meters of water compared to the 0.40 million determined by the National Plan of Water Security 2015-2050. Therefore, the supply and demand in the end is adjusted at the national level. However, this consumption has increased over the years, especially in the last 4 decades where the demand for water has increased, expanding the construction of water treatment plants and therefore water consumption.

To visualize how the rainfall behavior has been in the last century, 13 stations were selected with average data for each month. These stations are distributed within the

Panama Canal basin, most of them are in the eastern part of the basin. Figure 1 presents the study área.

The selection of the stations was due to the fact that they present the largest amount of recorded data out of a total of 68 active stations. Of course, the selected stations presented data gaps, but they were covered using the average method using the closest stations with the most similar topoclimatic characteristics. Once the entire period of time was completed, it was analyzed through the Rstudio programming language. Table 1 presents the characteristics of the stations used. Interestingly, in the Panama Canal basin there are stations that have been operating since the end of the 19th century, when the French were making their attempt to build a canal. The rest of the stations were installed during the United States administration when they were in command of the defunct Canal Zone.

Once the data gaps were completed, the first step was to observe the average of the 13 stations, and to identify the variability of rainfall. In this way, it is possible to see that the Escandalosa station, located in the upper basin of the Chagres River, registers the highest average rainfall, while the one that registered the lowest average for the 116 years was

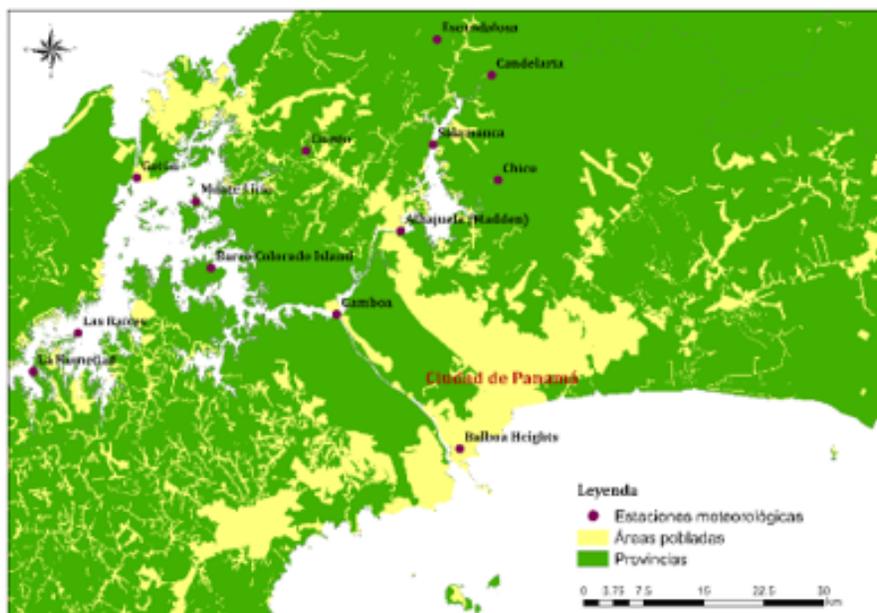


Figura 1. Ubicación de las estaciones meteorológicas
Fuente: Data de lluvias obtenidas a través de la base de datos del Instituto Smithsonian, Panamá. Mapa elaborado a través de ArcMap.

Tabla 1. características físicas de las estaciones utilizadas.

No	Estaciones	Elevación (m.s.n.m)	Coordenadas		Inicio de servicio
			Latitud	Longitud	
1	Alhajuela (Madden)	39.62	1017897.94	651549.10	1-Jul 1899
2	Balboa Heights	30.48	990618.47	658953.00	1-Jan-1891
3	Barro Colorado Island	33.53	1013267.93	627848.47	1-Apr-1925
4	Candelaria	97.54	1037450.14	662913.87	1-Sep-1933
5	Chico	103.63	1024274.82	663701.63	1-Nov-1932
6	Ciento	38.10	1027959.81	639700.89	1-Apr-1947
7	Escandalosa	480.06	1041937.58	656092.14	1-Jan-1948
8	Gamboa	31.39	1007454.88	643528.95	1-Jun-1881
9	Gatún	30.48	1024588.00	618565.42	1-Jan-1905
10	La Humedad	30.48	1000272.05	605600.95	1-Aug-1925
11	Las Raíces	33.53	1005109.31	611235.99	1-Jan-1912
12	Monte Lirio	33.53	1021647.06	625959.66	1-Dec-1907
13	Salamanca	79.25	1028757.32	655596.08	1-Jan-1900

Fuente: Data de lluvias obtenidas a través de la base de datos del Instituto Smithsonian, Panamá.

the Balboa Heights station, located in the Pacific Coast. Table 2 presents the average rainfall for each season, while Figure 2 illustrates this average.

Once the averages for each station were recorded, the anomalies of the rains during the study period were plotted. This is done from the following equation:

$$\text{Anomaly\%} = \left(\frac{\text{Monthly Precipitation} - \text{Total Average}}{\text{Total Average}} \right) * 100$$

Where Anomaly% refers to the data that was created for each month during the study period, monthly precipitation is nothing more than the data recorded for each station per month, and the monthly average refers to the total average of all the stations in each month.

The graph of the anomalies (Figure 3) is composed of a positive part that are all the bars located from zero upwards and the negative bars that are those located from zero downwards. The positive bars indicate that,

Tabla 2. Promedio de precipitaciones 1900 - 2016.

Estación	Promedio (mm)	Estación	Promedio (mm)
Alhajuela	198.69	Gamboa	177.98
Balboa Height	153.03	Gatún	246.39
Isla Barro Colorado	214.88	Humedad	206.63
Candelaria	241.73	Montelirio	230.96
Chico	214.07	Raíces	195.07
Ciento	242.29	Salamanca	198.88
Escandalosa	247.21		

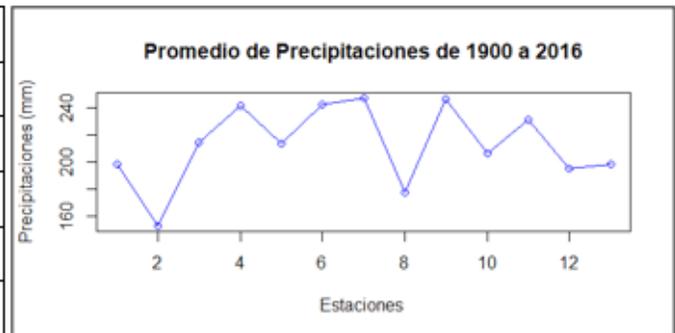


Figura 2. Promedio de precipitaciones de 1900 al 2016.

Fuente: Data de lluvias obtenidas a través de la base de datos del Instituto Smithsonian, Panamá. Gráficas trabajadas a través de paquetes aplicados en Rstudio.

during that month, the rains have been higher than the total average, and the negative bars indicate the opposite, which can be translated as a rainfall deficit.

During study period, extreme events of maximum rainfall can be observed, in Figure 3, 4 peaks stand out, the first was registered in November 1909 with an

average of 769.95 mm, second event was registered in October 1923 with an average of rain of 763.23 mm, the third event is visualized for November 1935 while with an average of 1007.24 mm, the largest of the data sample, while the last event is recorded in December 2010 with a value of 998.15 mm. Being the 2010 event the one with the greatest evidence of an

extreme event, receiving the name of “La Purísima”.

As for the events that represent precipitation deficits, they are recorded throughout the sample in a constant manner. The deficit months coincide with the dry season in Panama, which usually starts from December in some years or January to March. However, during 1997 and 1998 there was an identical deficit in the average rainfall, which coincides with the El Niño Phenomenon for those years, an event that caused severe droughts and losses not only in the capital city, but throughout the country. Figure 3 illustrates the anomalies.

For a better visualization of the information, we proceeded to convert the base data into time series

and then graph these time series with their respective trend. This was achieved through Rstudio. The trends in each season vary according to the precipitation regimes, following a descending behavior in the dry months and ascending in the humid months; Therefore, a similar behavior can be observed throughout the study period. However, when observing each station separately, it can be seen that the Balboa, Candelaria, Chico, Gatún, Humedad, Isla Barro Colorado, Montelirio and Salamanca stations do not present a trend that can be interpreted as an increase or decrease in rainfall, while the Gamboa and Escandalosa stations show an increase in the trend and the Alhajueta, Raíces and Ciento stations show a very slight reduction in rainfall. Figure 4 illustrates

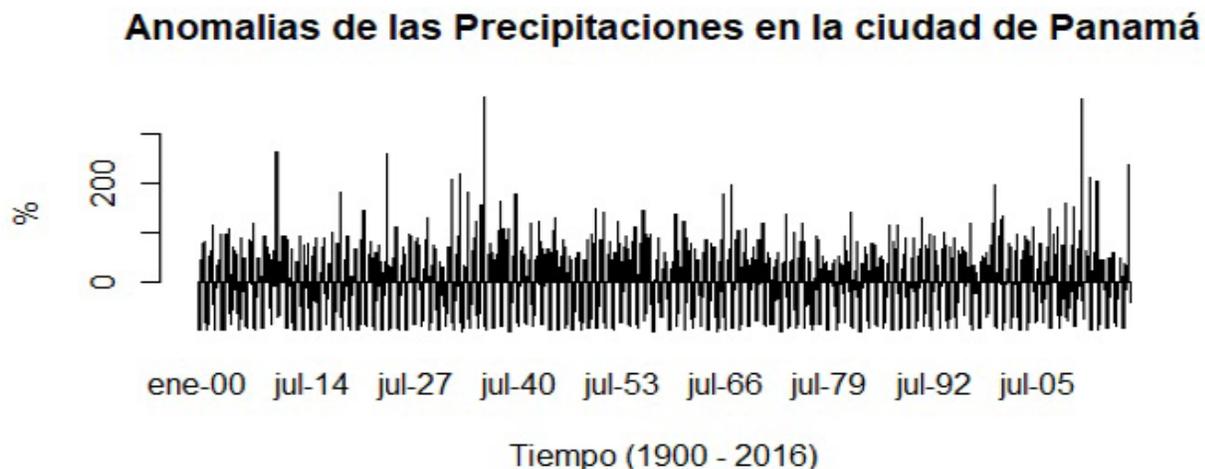


Figura 3. Anomalías de las precipitaciones en la ciudad de Panamá
Fuente: Data de lluvias obtenidas a través de la base de datos del Instituto Smithsonian, Panamá. Gráficas trabajadas a través de paquetes aplicados en Rstudio.

the precipitation regime and trends for each station.

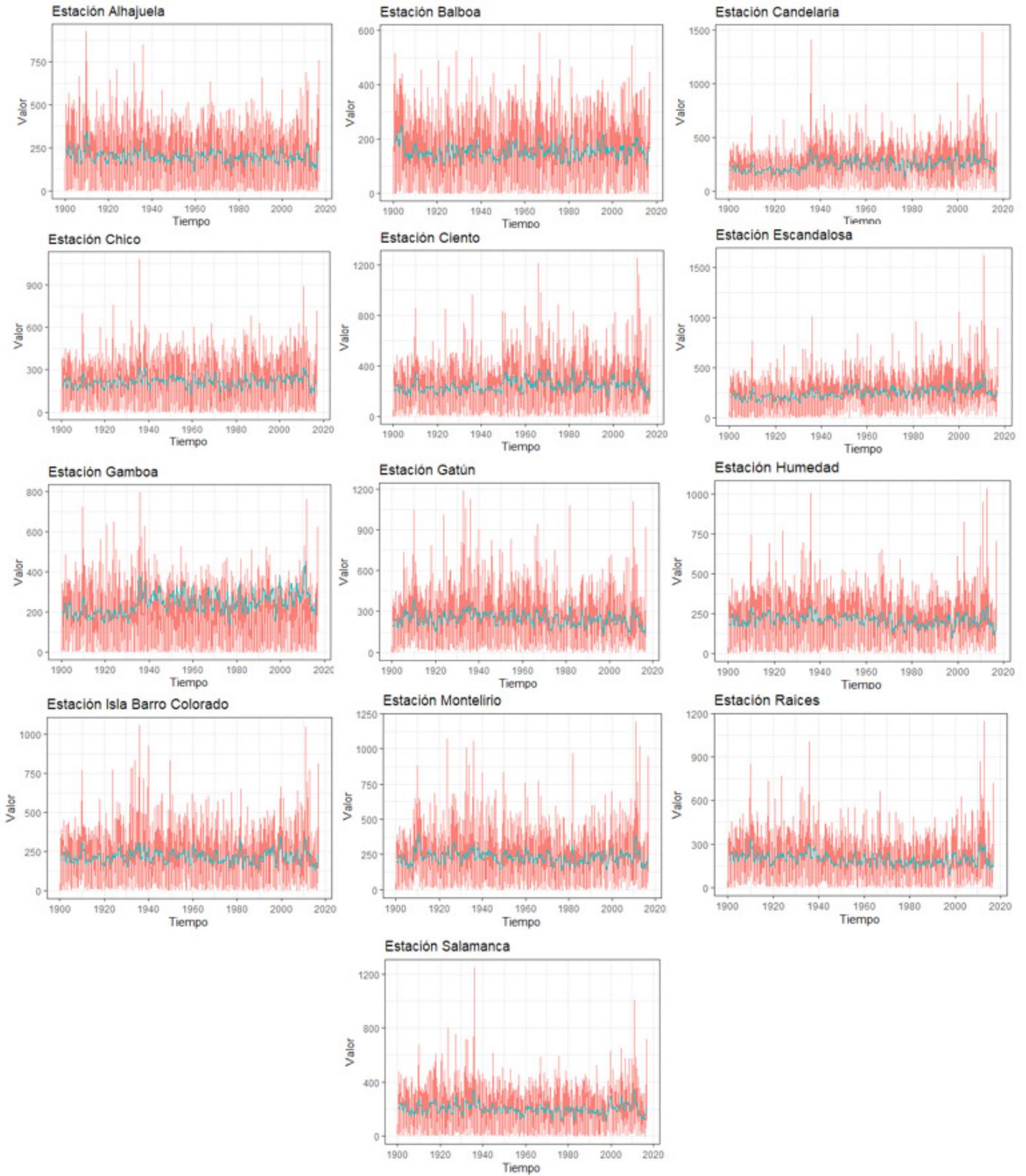
Conclusión

This brief and light descriptive study shows that rainfall in Panama City does not show a considerable reduction during the study period, but rather that it has been maintained and in some stations there is an increase in rainfall. This study only seeks to present in a rapid way the variability of precipitation in Panama City, taking into account that the stations

studied are outside the city, but from which the impact of this in the metropolitan area can be assumed. Finally, it is important to highlight that this study is part of a much more in-depth study for a future publication of a scientifically and methodologically better supported and elaborated nature.

References

- High Level Committee on Water Security. (2016). . National Water Security Plan 2015-2050: Water for



All. Panama.

- National Aqueduct and Sewer Institute (IDAAN). (2021). Statistical Bulletin No. 34. Year 2017 - 2020. Panama: IDAAN.
- National Institute of Statistics and Census (INEC). (2013). Estimation and projection of the population of the province of Panama by district, according to sex and age: July 1, 2010 to 2020. Panama: INEC.
- RStudio Team. (2020). RStudio: Integrated Development for R. RStudio, PBC, Boston, MA URL. Retrieved from <http://www.rstudio.com/>.
- Smithsonian Tropical Research Institute - Panama Canal Authority. (2019). Rainfall of the Panama Canal Basin. Panama. *L&E*



Gustavo Cárdenas Castellero

Perfil: El autor es Geógrafo Profesional de la Universidad de Panamá. Posee Maestría en Medio Ambiente, ecología e Hidrociencias de la Universidad Pierre et Marie Curie, la Sorbona, Paris. Actualmente cursa estudios de doctorados en el tema de impacto de la variabilidad de las temperaturas y precipitaciones en la recarga natural de acuíferos en la Universidad Ciencias de la Vida de Praga.

Psychological

Capsule



JUNE 22: PSYCHOLOGIST'S DAY IN PANAMA

Claudia Cubas - Assistant
repcion@rbc.com.pa

P psychology is a broad and complex science that participates in the social sciences and medical sciences, since its field of study covers the behavioral and biological aspects of individuals, with the aim of facilitating the transformation of new cognitive, emotional and behaviors that improve people's quality of life.

The development of the field of psychology is reflected in its many specialties: clinical psychology, educational psychology, social psychology, industrial and organizational psychology, legal and forensic psychology, medical psychology, community psychology, sexuality psychology, family psychology and therapy, psychopathology, psychophysiology, clinical neuropsychology, psychopedagogy, school psychology, social psychology, developmental psychology, rehabilitation psychology, psychopharmacology, psychotherapy, health psychology, exercise

and sport psychology, among others.

This profession came to Panama when the Nazi party came to power in Germany and the subsequent persecution to which Jews and intellectuals were subjected throughout Europe.

The first formal course taught on this new human science was offered by Professor Francisco Céspedes, in a course on Educational Psychology, where he addresses the fundamentals of this discipline.

In 1965 when Federico Velásquez, Víctor Gómez and Vicente Bayard created the School of Psychology, in the Department of Education of the Faculty of Philosophy, Letters and Education and began work with an enrollment of 107 students, in a single shift, with a plant teacher of other disciplines and a pedagogical model. The Technical Council of Psychology, CTP is the governing body for the ethical exercise of the

profession of psychology, established by Law 56 of September 16, 1975, promulgated in Official Gazette 17 948, of October 15, 1975. It has the responsibility of being the competent body to grant the suitability that enables the correct exercise of the profession in our environment, and to ensure the ethical exercise of the profession of Psychology in the national territory. Currently, the exercise of the profession of Psychology in Panama is recognized by Law 55 of December 3, 2002.

What day is celebrated?

The day of the psychologist that commemorates depending on the region where you are located, for example:

- **Peru: April 30**
- **Cuba: April 13.**
- **Guatemala: July 23.**
- **Ecuador: August 14.**
- **Mexico: May 20.**
- **Chile: November 12.**
- **Uruguay: December 4.**
- **Argentina: October 13.**
- **Colombia: November 20**
- **El Salvador: October 10.**
- **Venezuela: November 22**
- **Dominican Republic: April 6.**

In Panama, the day of the Psychologist is commemorated to the mental health professional on June 22, since on June 22, 1975 the Law of Regulation of Professional Practice was approved. It is a day that aims to highlight the work of the professionals who have worked every day to provide adequate guidance for those who require or request it.

The 5th-year student from University of Panama, Soliette Navarro, comments that in the psychology faculty several conferences were held for a whole week and the students were very happy, since they had the opportunity to live with exhibitors both national and international. Despite the fact that this year, they still did not attend in person, they participated in conferences virtually.

Navarro, considers that in our country they are not giving due importance to the profession, but in the same way the same health professionals have taken action against this, he also expressed that there are negative labels regarding psychological care and this is due to ignorance regarding the duty of psychologists, many people do not know what their work is and in this way they make negative comments that they emit regarding the people who do come and label them as "crazy".



Soliette Navarro, estudiante de la Universidad de Panamá.

Finally, the message of the young student is, "I invite my future colleagues to further promote the importance of ensuring our mental health, that psychologists are the ideal professionals to treat mental health, which influences many areas".

Mental illnesses can be explained by factors such as the experience of living in insecurity and hopelessness, social change, and the risks of violence or physical health problems. Therefore, the psychologist's day is important since they are the ideal professionals, who will provide all their knowledge to those people who have faced social and organic changes, among others, that occur around them.

Today, we need and must remove social labels, about mental illnesses or that the person go to therapy because they live in a society where risk factors predominate in a person's life. *L&E*

Sport Capsule



Ana Sofía Corrales
rbcweb@rbc.com.pa



We live in a very changing world. And we must be clear that life is not static, it is always in motion, despite the fact that sometimes we do not perceive it this way. The world will not stop and wait for us to be ready to meet the challenges that lie ahead. Although we do have the right to take a break internally and meet again.

As I heard in a video on social networks, a minute underwater is not the same as a minute laughing

with friends or a minute doing something we don't like or something that makes us very happy.

Therefore, I invite you to challenge yourself every day and make the best use of our time and despite the difficulties that arise, let us know that it is only a challenge and we still have life and as long as we have it, everything we want is possible. We are much more than those difficulties.

Soccer



National Soccer

The National Soccer team achieved its pass to the octagonal final of the Concacaf with the aim

of reaching a place for the Qatar 2022 World Cup of the 3 direct quotas or the repechage.

On the journey to achieve this pass they faced Anguilla on June 5, where the Panamanian eleven surprised with a resounding victory, leaving a historical score of 13 to 0. Later in their encounter with the Dominican Republic, the National team overcame the visitors with a resounding 3-0 on home soil.

When going up in group D and going to the knockout phase of Concacaf, Panama had to face Curaçao, a country that has players in the European leagues. This phase involved round-trip matches.



as long as they manage to adapt to its guidelines and execute the orders and tactics of the game, which have borne fruit and we have seen a selection with many more proposals and that have managed to specify.

As Christiansen put it: "I want to win, I want to win well, I want to play well and convince." And we see the results of him on the field of play. Not letting the guys get trusting, but just keep giving 100%.

We highlight the comments of the match against Anguilla, that despite the fact that the score was favorable for the nationals, the instructions were to continue pressing, generating scoring opportunities

In the first leg, Panama looked well planted on the field of play, where at the beginning it was somewhat defensive, although later it became more dynamic, there were many more proposals, achieving a score, 2-0. However, an error by goalkeeper Luis Mejía, who left a rebound, took its toll and the game ended 2-1, forcing Panama to win in the second leg or at the most, a draw.



and achieving. There was no better way to respect the opponent than to continue playing with intensity.

In the same way, Anguilla's effort is applauded, with all the difficulties they

went through for the match.

The second leg, in Curaçao, was quite close and even more so when Édgar Bárcenas unfortunately threw a penalty. Despite this, a 0-0 draw was achieved, which gave Panama the classification. The technical director Thomas Christiansen, in these games has taken the time to study the players, to prove an important generational change for the moment based on their merits and achievements as players. Which is why we have been surprised at times by those summoned or not summoned to the meetings. However, it aims to lead the team to victory,

This June 30, Panama has a friendly against Mexico, which reverts of great importance, since in the next round they will face each other in an official qualifying match for the Qatar 2022 World Cup. **Below, schedule of the next Gold Cup games to be played from July 10 to August 1 in the United States:**

Panama is in group D with Honduras, Qatar and Granada.

Calendario partidos de la Octagonal



The technical director indicates that those summoned are a mixture of experience and youth.

CONCACAF Gold Cup · Group stage · Matchday 1 of 3

Qatar
 Panama

Tue, Jul 13
6:00 PM

CONCACAF Gold Cup · Group stage · Matchday 2 of 3

Panama
 Honduras

Jul 17
8:30 PM

CONCACAF Gold Cup · Group stage · Matchday 3 of 3

Panama
 Grenada

Jul 20
8:00 PM

Women's Soccer League

On the female side, the girls from Tauro FC are proclaimed champions in the Women's Soccer League (LFF) on Plaza Amador.

Copa América

The Copa América has had football fans very attentive, with very interesting matches. Down the table of positions until the closing of this note:

Group A

Club	MP	W	D	L	GF	GA	GD	Pts	Last 5
1  Argentina	4	3	1	0	7	2	5	10	✓✓✓-○
2  Uruguay	4	2	1	1	4	2	2	7	✓✓-×○
3  Paraguay	4	2	0	2	5	3	2	6	×✓×✓○
4  Chile	4	1	2	1	3	4	-1	5	×-✓-○
5  Bolivia	4	0	0	4	2	10	-8	0	××××○

Group B

Club	MP	W	D	L	GF	GA	GD	Pts	Last 5
1  Brazil	4	3	1	0	10	2	8	10	-✓✓✓○
2  Peru	4	2	1	1	5	7	-2	7	✓-✓×○
3  Colombia	4	1	1	2	3	4	-1	4	××-✓○
4  Ecuador	4	0	3	1	5	6	-1	3	- - -×○
5  Venezuela	4	0	2	2	2	6	-4	2	×- -×○

Olympic Games Tokyo 2020

We are a few days away from the opening of the Tokyo 2020 Olympic Games, which may be the most expensive Olympics in history, being affected by the current pandemic and the rental costs of the villas and payment of salaries for the 2020-2021 postponement.

They will take place from July 23 to August 8, 2021.

Despite the fact that it has been heard about

postponing this Olympic event to be able to expect more visitors and that the majority of the population is vaccinated, this is seen as impractical due to the subsequent availability of the villas.

After much analysis, 10 thousand national spectators have been allowed in, foreign visitors are prohibited. Although the celebration of the games without an audience is not entirely ruled out, as indicated by

Prime Minister Yoshihide Suga, after Tokyo recently came out of a state of emergency, on June 21.

The Olympic Village has been inaugurated on the artificial island of Tokyo's artificial bay, which will house athletes and technical personnel with about 18 thousand beds for Olympic athletes and another 8 thousand for Paralympics.

These large facilities of 44 hectares and with all the biosecurity measures, have strict rules for their future residents, such as:

- They will not be allowed to move outside the facilities of the village, nor move in the capital of Nippon or other cities.
- They will not be able to go out to commercial premises, so within the villa they have restaurant service with more than 70 menus.



- The dining rooms have transparent separating screens.

- They will be tested daily for Covid-19 by saliva, with a clinic inside the Olympic Village.

The Panamanian delegation is joined by Alonso Edwards, who will participate in his third Olympics.

On the other hand, judokas Miryam Roper and Kristine Jiménez, also achieved

their pass to the 2020 Olympic Games.

At the moment, Panama will have 7 representatives at this event: Atehyna Bylon in boxing; the cyclist Christopher Jurado, the marathoner Jorge Catelblanco, the 400-meter hurdler, Gianna Woodruff; sprinter Alonso Edwards; judokas Miryam Roper and Kristine Jiménez.

Baseball

Panama is among the 4 places given by the Pan American Baseball Confederation (Copabe) for the XXX Youth Baseball World Cup, to be played from September 10 to 19.

After the cancellation due to the Pandemic of the Premundial, which was to be played in the month of July in Mexico, Copabe established the following parameters for the World Cup qualifier:

- The participants in the last 3 Pan American



Games were taken into account.

- Medal table and classification in the last Pan American events.

- Medal in the last World Cups in the category.

Copabe chose the first two in the world ranking, being the United States, however, as the host, the

next two were chosen, which were Mexico and Cuba. And the other two places were for the countries with the highest participation in Copabe qualifying tournaments, being Panama and Canada. Since Brazil gave up its participation, the place was taken by Canadians.

Panama is now resuming training, since they had stopped with the cancellation of the Premundial. Now the boys are much more motivated and with a fixed goal.

Basketball

Basketball is reactivated, and with the participation of 12 teams, divided into two groups, the U17 Men's National Championship will be played from July 12 to

17 at the Abel Bravo School in the province of Colón. While the women's branch will see action at the Women's U17 National Championship from July 20-24.

Grupo A



- Coclé
- Colón
- Darién
- Panamá
- Comarca de Guna Yala
- Chiriquí

Grupo B



- Bocas del Toro
- Herrera
- Los Santos
- Panamá Oeste
- Veraguas
- Distrito de San Miguelito

Achievements

Panama had a delegation of 14 athletes between men and women in the Pan American Youth and Cadet Championship that was hosted by Mexico.

Panamanians Yusneiry Agrazal and Yorlenis Morán obtained 2 silver medals.

In this tournament also the



Panamanians Wilfredo López achieved a silver medal in the Greco-Roman style in the 72 kg. In this same style, Max Madrid obtained a bronze medal in the 97 kg, Juan Cantillo in the 130 kg. He was left with the bronze medal and Samir Marciaga in the 45kg division, Free Cadet category, was left with the silver medal. *L&E*



The Current

STEM COMPETENCES AND THEIR EVOLUTION

Ayeisha Williams - Assistant
ayeisha.williams@rbc.com.pa

During the 1990s, the National Science Foundation (NSF) coined the acronym "STEM" to group the terms Science, Technology, Engineering, and Mathematics.

Its success is closely linked to the increasing digitization in which our society is immersed. This reality is estimated to generate, in Spain alone, more than a million new jobs by 2021, many of them linked to the STEM profile.

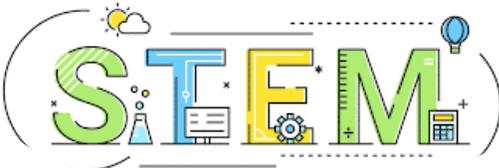
This concept is a new way of training children in these areas of knowledge from an early age. All with the purpose of responding to the need for professionals in the scientific and technological field.

It is a way of learning based on solving problems, asking questions and seeking new answers.

The importance of this learning method lies in the type of thinking that it fosters (logical-

mathematical, critical, etc.) and in the skills for development in the adult world: teamwork and assertiveness and assessment of discussions.

The main objective is to boost the capacities of students of both genders and of all ages in the four disciplines in an integrated manner. Developed countries use STEM education to improve their leadership and competitiveness by creating new leaders and researchers with the ability to solve societal challenges.



STEM eminently seeks to develop the following skills in students:

- Investigation.
- Critical thinking.
- Problem solving.
- Creativity.

- **Communication.**
- **Collaboration.**

This type of education must be developed from childhood as it allows children to explore and understand the world around them and develop linguistic, collaborative and imaginative skills, essential skills in these early ages.



Through the explanation of hypotheses and ideas, they make connections between the objectives of problem solving and the processes carried out.

Differences between STEM and STEAM:

Recently, the letter “A” has been included in these selected activities for innovation, belonging to those of Art + Design (plastic arts and design in our academic system) that are behind the vital impulses

Countries like South Korea, Australia, France, Great Britain, Germany, Singapore, Japan, China and many more have seriously embraced STEM education as an alternative for advancement.

to positively transform the economy 21st century.

Stem encourages students to work as a team and learn to solve real problems on which they must make decisions and reflect; increase your ability to solve problems creatively; promote individual critical thinking and self-esteem and boost their communication skills. Furthermore, the use of emerging technologies minimizes the “intimidating” feeling they produce.

Thus, the acronym STEM has been transformed into STEAM. With this, the jobs and training associated with the “A” have come to occupy a fundamental role.

For most international organizations, these disciplines are considered fundamental for societies, because they contribute to achieving greater competitiveness and, therefore, can help achieve greater economic prosperity. *L&E*

STEM	STEAM
Por definición significa Ciencia, Tecnología, Ingeniería y Matemáticas, por sus siglas en inglés.	El único cambio en su definición es la “A” que se refiere al “Arte”.
Como metodología se refiere al estudio y la forma de conectar las disciplinas (<i>Ciencia, Tecnología, Ingeniería y Matemáticas</i>) con el entorno, los conocimientos y las actividades diarias.	Como metodología se refiere a la implementación de las disciplinas (<i>Ciencia, Tecnología, Ingeniería y Matemáticas</i>) en formas artísticas y actividades lúdicas.
Por naturaleza para las actividades STEM se emplean habilidades intrapersonales e interpersonales como la creatividad y el trabajo en equipo.	Potencia el desarrollo de habilidades intrapersonales e interpersonales como la creatividad, el trabajo en equipo y el pensamiento crítico.

Agenda Cultural

Por: Mariela de Sanjur
mariela.sanjur@rbc.com.pa



THEATER

- La Plaza Theater: El Mentiroso until July 17 / Panatickets.com
- El Ángel Theater: Virtual room:
 - o Orgasmos comedy.
 - o Healthy and tasty to continue enjoying.
 - o To bed with thieves.
- Aba Theater: All-inclusive hotel until August 1.
- Aba Theater: Frozen 2 on July 4.
- La Estación Theater: El Camarón from July 3 to 10.
- La Estación Theater: Virtual Room <https://teatrolaestacion.net/inicio/>
 - o Husband affairs.
 - o Toxic love.
 - o 13 and Tuesday.
- National Theater: Mama Mia! To benefit the Telethon from July 15 to 25 / Panatickets.com
- National Theater: 5th Anniversary Concert of the Network of Youth Orchestras and Choirs of Panama July 10 / reservations alopez@micultura.gob.pa

Ser socio del Club La Prensa **te da más beneficios**

TEATRO LA PLAZA PRESENTA

El Mentiroso

40% descuento Club La Prensa

PRODUCTOR LENIN BELLOSO
DIRECTOR AARON ZEBEDE

DIEGO MEDINA Y MONICA LAURI

Aplica en las funciones del 23, 25 y 30 de junio, hora: 7:30 p.m.

Boletos de venta en: tustiquetes.com

Para más información escribir a club@prensa.com

TEATRO NACIONAL

MAMMA MIA!
EL MUSICAL

DESDE EL 15 DE JULIO

PRODUCCIÓN EJECUTIVA AARON ZEBEDE
DIRECCIÓN JOSÉ LÓPEZ
DIRECCIÓN JOSÉ "YEP" GARCÍA
DIRECCIÓN JOSÉ CHARRI

MD

TEATRO ABA

LIBELLULA

UN HOTEL
CON "TODO INCLUIDO"

Dirección AGUSTÍN CLÉMENT
Producción Ejecutiva KRISTAL PEREZ HORTA

18 de Junio a 1 de Agosto de 2021

FUNCIONES: Jue. - Vier. 7 PM • Sab. 5 PM - 7 PM • Dom. 4 PM - 6 PM
Boletos: \$12 (Preventa) • \$15 (Mismo día)

Actuaciones por orden alfabético:
Abdiel Tapia • Ali Arrocha • Anibal Espinosa • Anna Karina Rodríguez
Carlos Caballero • Diana Vega • Eric Gómez • Idania "Kiki" Ceville • Janett Vázquez
Luis Gustavo Macías • Nelson Figueroa • Oscar Murillo • Sandy Correa

@teatroaba www.teatroaba.com

MUSEUM

- Pensar Arte Cuir on July 3 must register in the Link of the profile of @mac_panama
- Canal Museum:
 - Organic Panama, green growth fair on July 3 and 4:
 - o Join the # Soy Planeta movement.
 - o Conferences.
 - o Green carpet: sustainable fashion show.
 - o La Carrera the "Green Route of the Helmet" sign up @panamacapitalemociones.
 - o Bio Market.
 - o Learn more about the event on Instagram @ panamacapitalemociones.



CONCERTS AND EVENTS

- Archdiocesan Campaign from June 15 and returning envelopes July 15, 2021.

VARIOUS ACTIVITIES AND FESTIVITIES

- July 3: International Plastic Bag Free Day.
- July 4: Independence Day of the United States of America.
- July 7: Soil Conservation Day.
- July 14: Anniversary of the Taking of the Bastille (France).
- July 11: Foundation of the Ernesto J. Castellero National Library.
- July 11: World Population Day.
- July 16: Patron Saint festivities of the Virgen del Carmen.
- July 16: Day of the boy and girl.
- July 20: Patrons of Santa Librada.
- July 24: Birth of Simón Bolívar.
- July 25: Driver's Day.
- July 25: Santiago Apóstol.
- July 26: International Day for the defense of the Mangrove Ecosystem.
- July 26: Grandparents' Day.
- July 27: World Hepatitis Day. *L&E*



Alianzas alrededor del Mundo

Mitrani, Caballero, Rosso Alba, Francia, Ojam & Ruiz Moreno- ARGENTINA

Guevara & Gutiérrez S. C. Servicios Legales- BOLIVIA

Machado Associados Advogados e Consultores- BRASIL

DSN Consultants Inc- CANADÁ

Lewin & Wills Abogados- COLOMBIA

Rivera, Bolívar y Castañedas- PANAMÁ

Espinosa & Asociados- CHILE

Lawnetworker S.A. Asesores Legales- ECUADOR

Peter Byrne & Associates- ESTADOS UNIDOS

Machado Associados Advogados e Consultores- ESTADOS UNIDOS

Ortiz, Sosa, Ysusi y Cía., S.C.- MÉXICO

Estudio Rubio Leguía Normand & Asociados- PERU

Adsuar Muñoz Goyco Seda & Pérez-Ochoa, P.S.C.- PUERTO RICO

Pellerano & Herrera- REPÚBLICA DOMINICANA

Alvarado & Asociados- NICARAGUA

Torres, Plaz & Araujo- VENEZUELA

Facio & Cañas- COSTA RICA

