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# Editorial

Jeff Bezos gave to the us congress a unique kind on entrepreneurship in freedom

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**A**t the technology antitrust hearing before the United States Congress this Wednesday, July 29, leaders of the world's leading technology companies, Apple, Google, Facebook and Amazon, were questioned by the 15-member House Judiciary Committee in a five-hour hearing. The objective was to determine the suitability of existing competition laws for large technology companies.

The audience witnessed many accusations against these companies of misusing their monopoly power to intimidate their rivals, kill the competition, among others. Even the president of the United States, Donald Trump, expressed his concern and demanded an offensive against the "Big Tech" companies.

But this was the full text of Bezos answer, for many a masterclass in emotional intelligence and how it works in the real world:

» Thank you, Chairman Cicilline, Ranking Member Sensenbrenner, and members of the Subcommittee. I'm Jeff Bezos. I founded Amazon 26 years ago with the long-term mission of making it Earth's most customer-centric company.

On principle of pursuing dreams and happiness without harming others. The Amazon boss begins by telling story of his mother, who gave birth to Bezos as a 17-year-old high school student. Bezos talks about his mother's determination to finish her education,

attending night school with her little baby in tow.

» My mom, Jackie, had me when she was a 17-year-old high school student in Albuquerque, New Mexico. Being pregnant in high school was not popular in Albuquerque in 1964. It was difficult for her. When they tried to kick her out of school, my grandfather went to bat for her. After some negotiation, the principal said, "OK, she can stay and finish high school, but she can't do any extracurricular activities, and she can't have a locker." My grandfather took the deal, and my mother finished high school, though she wasn't allowed to walk across the stage with her classmates to get her diploma. Determined to keep up with her education, she enrolled in night school, picking classes led by professors who would let her bring an infant to class. She would show up with two duffel bags—one full of textbooks, and one packed with diapers, bottles, and anything that would keep me interested and quiet for a few minutes.

Bezos continues with the story of his father, Miguel, a Cuban immigrant who adopted Jeff when he was 4 years old.

» My dad's name is Miguel. He adopted me when I was four years old. He was 16 when he came to the United States from Cuba as part of Operation Pedro Pan, shortly after Castro took over. My dad arrived in America alone. His parents felt he'd be safer here. His mom imagined America would be cold, so she made him a jacket sewn entirely out of cleaning cloths, the only material they had on hand. We still have that jacket; it hangs in my parents' dining room.

» My dad spent two weeks at Camp Matecumbe, a refugee center in Florida, before being moved to a Catholic mission in Wilmington, Delaware. He was lucky to get to the mission, but even so, he didn't speak English and didn't have an easy path. What he did have was a lot of grit and determination. He received a scholarship to college in Albuquerque, which is where he met my mom. You get different gifts in life, and one of my great

gifts is my mom and dad. They have been incredible role models for me and my siblings our entire lives.

About how man always wants to go from a less favorable situation to a better one. Next, Bezos talks about his grandparents, focusing on his grandfather, a civil servant and rancher who taught him a lesson in self-reliance and resourcefulness.

» You learn different things from your grandparents than you do from your parents, and I had the opportunity to spend my summers from ages four to 16 on my grandparents' ranch in Texas. My grandfather was a civil servant and a rancher—he worked on space technology and missile-defense systems in the 1950s and '60s for the Atomic Energy Commission—and he was self-reliant and resourceful. When you're in the middle of nowhere, you don't pick up a phone and call somebody when something breaks. You fix it yourself. As a kid, I got to see him solve many seemingly unsolvable problems himself, whether he was restoring a broken-down Caterpillar bulldozer or doing his own veterinary work. He taught me that you can take on hard problems. When you have a setback, you get back up and try again. You can invent your way to a better place.

Each of these stories helps humanize Bezos. They paint the picture, not of person who would become richest man in the world, but of a man with humble roots.

» I took these lessons to heart as a teenager, and became a garage inventor. I invented an automatic gate closer out of cement-filled tires, a solar cooker out of an umbrella and tinfoil, and alarms made from baking pans to entrap my siblings.

» The concept for Amazon came to me in 1994. The idea of building an online bookstore with millions of titles—something that simply couldn't exist in the physical world—was exciting to me. At the time, I was working at an investment firm in New York City. When I told my boss I was leaving, he took me on a long walk in Central Park. After a lot of listening, he finally said, "You know what, Jeff, I think this is a good idea,

but it would be a better idea for somebody who didn't already have a good job." He convinced me to think about it for two days before making a final decision. It was a decision I made with my heart and not my head. When I'm 80 and reflecting back, I want to have minimized the number of regrets that I have in my life. And most of our regrets are acts of omission—the things we didn't try, the paths untraveled. Those are the things that haunt us. And I decided that if I didn't at least give it my best shot, I was going to regret not trying to participate in this thing called the internet that I thought was going to be a big deal.

» The initial start-up capital for Amazon.com came primarily from my parents, who invested a large fraction of their life savings in something they didn't understand. They weren't making a bet on Amazon or the concept of a bookstore on the internet. They were making a bet on their son. I told them that I thought there was a 70% chance they would lose their investment, and they did it anyway. It took more than 50 meetings for me to raise \$1 million from investors, and over the course of all those meetings, the most common question was, "What's the internet?"

» Unlike many other countries around the world, this great nation we live in supports and does not stigmatize entrepreneurial risk-taking. I walked away from a steady job into a Seattle garage to found my startup, fully understanding that it might not work. It feels like just yesterday I was driving the packages to the post office myself, dreaming that one day we might be able to afford a forklift.

Bezos goes on to detail Amazon's many stumbles over the years. Accumulated losses of nearly \$ 3 billion for 2001.

» Amazon's success was anything but preordained.

Investing in Amazon early on was a very risky proposition. From our founding through the end of 2001, our business had cumulative losses of nearly \$3 billion, and we did not have a profitable quarter until the fourth quarter of that year. Smart analysts predicted Barnes & Noble would steamroll us, and branded us "Amazon.toast." In 1999, after we'd been in business for nearly five years, Barron's headlined a story about our impending demise "Amazon.bomb." My annual shareholder letter for 2000 started with a one-word sentence: "Ouch." At the pinnacle of the internet bubble our stock price peaked at \$116, and then after the bubble burst our stock went down to \$6. Experts and pundits thought we were going out of business. It took a lot of smart people with a willingness to take

a risk with me, and a willingness to stick to our convictions, for Amazon to survive and ultimately succeed.

» And it wasn't just those early years. In addition to good luck and great people, we

have been able to succeed as a company only because we have continued to take big risks. To invent you have to experiment, and if you know in advance that it's going to work, it's not an experiment. Outsized returns come from betting against conventional wisdom, but conventional wisdom is usually right. A lot of observers characterized Amazon Web Services as a risky distraction when we started. "What does selling compute and storage have to do with selling books?" they wondered. No one asked for AWS. It turned out the world was ready and hungry for cloud computing but didn't know it yet. We were right about AWS, but the truth is we've also taken plenty of risks that didn't pan out. In fact, Amazon has made billions of dollars of failures. Failure inevitably comes along with invention and risk-taking, which is why we try



to make Amazon the best place in the world to fail.

» Since our founding, we have strived to maintain a “Day One” mentality at the company. By that I mean approaching everything we do with the energy and entrepreneurial spirit of Day One. Even though Amazon is a large company, I have always believed that if we commit ourselves to maintaining a Day One mentality as a critical part of our DNA, we can have both the scope and capabilities of a large company and the spirit and heart of a small one.

It also explains how the use of empathy was one of the key reasons why Amazon became such a powerful company; the relentless focus on the customer.

» In my view, obsessive customer focus is by far the best way to achieve and maintain Day One vitality. Why? Because customers are always beautifully, wonderfully dissatisfied, even when they report being happy and business is great. Even when they don't yet know it, customers want something better, and a constant desire to delight customers drives us to constantly invent on their behalf. As a result, by focusing obsessively on customers, we are internally driven to improve our services, add benefits and features, invent new products, lower prices, and speed up shipping times—before we have to. No customer ever asked Amazon to create the Prime membership program, but it sure turns out they wanted it. And I could give you many such examples. Not every business takes this customer-first approach, but we do, and it's our greatest strength.

Business is about gaining trust.

» Customer trust is hard to win and easy to lose. When you let customers make your business what it is, then they will be loyal to you—right up to the second that someone else offers them better service. We know that customers are perceptive and smart. We take as an article of faith that customers will notice when we work hard to do the right thing, and that by doing so again and again, we will earn trust. You earn trust slowly, over

time, by doing hard things well—delivering on time; offering everyday low prices; making promises and keeping them; making principled decisions, even when they're unpopular; and giving customers more time to spend with their families by inventing more convenient ways of shopping, reading, and automating their homes. As I have said since my first shareholder letter in 1997, we make decisions based on the long-term value we create as we invent to meet customer needs.

Bezos made clear that Amazon makes decisions based on long-term value, not shortsighted profits. But that does not mean that the company is always right and considers criticism a gift.

» When we're criticized for those choices, we listen and look at ourselves in the mirror. When we think our critics are right, we change. When we make mistakes, we apologize. But when you look in the mirror, assess the criticism, and still believe you're doing the right thing, no force in the world should be able to move you.

» Fortunately, our approach is working. Eighty percent of Americans have a favorable impression of Amazon overall, according to leading independent polls. Who do Americans trust more than Amazon “to do the right thing?” Only their primary physicians and the military, according to a January 2020 Morning Consult survey. Researchers at Georgetown and New York University found in 2018 that Amazon trailed only the military among all respondents to a survey on institutional and brand trust. Among Republicans, we trailed only the military and local police; among Democrats, we were at the top, leading every branch of government, universities, and the press. In Fortune's 2020 rankings of the World's Most Admired Companies, we came in second place (Apple was #1). We are grateful that customers notice the hard work we do on their behalf, and that they reward us with their trust. Working to earn and keep that trust is the single biggest driver of Amazon's Day One culture.

» The company most of you know as Amazon is the one that sends you your online orders in the brown boxes with the smile on the side. That's where we started, and

retail remains our largest business by far, accounting for over 80% of our total revenue. The very nature of that business is getting products to customers. Those operations need to be close to customers, and we can't outsource these jobs to China or anywhere else.

On the principle of voluntary cooperation and free agreements in a society. This is where Bezos's statement begins to take a turn. Knowing that Congress is likely to challenge and criticize Amazon, Bezos demonstrates all the ways his company helps people, the US, and even the world. He knows that raw data won't do that alone; then combine data with narratives and evoke an emotional response. For example, throughout several paragraphs of his statement, Bezos extensively lists the points where Amazon cooperates in this process.

» To fulfill our promises to customers in this country, we need American workers to get products to American customers. When customers shop on Amazon, they are helping to create jobs in their local communities. As a result, Amazon directly employs a million people, many of them entry-level and paid by the hour. We don't just employ highly educated computer scientists and MBAs in Seattle and Silicon Valley. We hire and train hundreds of thousands of people in states across the country such as West Virginia, Tennessee, Kansas, and Idaho. These employees are package stowers, mechanics, and plant managers. For many, it's their first job. For some, these jobs are a stepping stone to other careers, and we are proud to help them with that. We are spending more than \$700 million to give more than 100,000 Amazon employees access to training programs in fields such as healthcare, transportation, machine learning, and cloud computing. That program is called Career Choice, and we pay 95% of tuition and fees toward a certificate or diploma for in-demand, high-paying fields, regardless of whether it's relevant to a career at Amazon.

» Patricia Soto, one of our associates, is a Career Choice success story. Patricia always wanted to pursue a career in the medical field to help care for

others, but with only a high school diploma and facing the costs of post-secondary education, she wasn't sure she'd be able to accomplish that goal. After earning her medical certification through Career Choice, Patricia left Amazon to start her new career as a medical assistant at Sutter Gould Medical Foundation, supporting a pulmonary medicine doctor. Career Choice has given Patricia and so many others a shot at a second career that once seemed out of reach.

» Amazon has invested more than \$270 billion in the U.S. over the last decade. Beyond our own workforce, Amazon's investments have created nearly 700,000 indirect jobs in fields like construction, building services, and hospitality. Our hiring and investments have brought much-needed jobs and added hundreds of millions of dollars in economic activity to areas like Fall River, Massachusetts, California's Inland Empire, and Rust Belt states like Ohio. During the COVID-19 crisis, we hired an additional 175,000 employees, including many laid off from other jobs during the economic shutdown. We spent more than \$4 billion in the second quarter alone to get essential products to customers and keep our employees safe during the COVID-19 crisis. And a dedicated team of Amazon employees from across the company has created a program to regularly test our workers for COVID-19. We look forward to sharing our learnings with other interested companies and government partners.

» The global retail market we compete in is strikingly large and extraordinarily competitive. Amazon accounts for less than 1% of the \$25 trillion global retail market and less than 4% of retail in the U.S. Unlike industries that are winner-take-all, there's room in retail for many winners. For example, more than 80 retailers in the U.S. alone earn over \$1 billion in annual revenue. Like any retailer, we know that the success of our store depends entirely on customers' satisfaction with their experience in our store. Every day, Amazon competes against large, established players like Target, Costco, Kroger, and, of course, Walmart—a company more than twice Amazon's size. And while we have always

focused on producing a great customer experience for retail sales done primarily online, sales initiated online are now an even larger growth area for other stores. Walmart's online sales grew 74% in the first quarter. And customers are increasingly flocking to services invented by other stores that Amazon still can't match at the scale of other large companies, like curbside pickup and in-store returns. The COVID-19 pandemic has put a spotlight on these trends, which have been growing for years. In recent months, curbside pickup of online orders has increased over 200%, in part due to COVID-19 concerns. We also face new competition from the likes of Shopify and Instacart—companies that enable traditionally physical stores to put up a full online store almost instantaneously and to deliver products directly to customers in new and innovative ways—and a growing list of omnichannel business models. Like almost every other segment of our economy, technology is used everywhere in retail and has only made retail more competitive, whether online, in physical stores, or in the various combinations of the two that make up most stores today. And we and all other stores are acutely aware that, regardless of how the best features of “online” and “physical” stores are combined, we are all competing for and serving the same customers. The range of retail competitors and related services is constantly changing, and the only real constant in retail is customers' desire for lower prices, better selection, and convenience.

» It's also important to understand that Amazon's success depends overwhelmingly on the success of the thousands of small and medium-sized businesses that also sell their products in Amazon's stores. Back in 1999, we took what at the time was the unprecedented step of welcoming third-party sellers into our stores and enabling them to offer their products right alongside our own. Internally, this was extremely controversial, with many disagreeing and some predicting this would be the beginning of a long, losing battle. We didn't have to invite third-party sellers into the store. We could have kept this valuable real estate for ourselves. But we committed

to the idea that over the long term it would increase selection for customers, and that more satisfied customers would be great for both third-party sellers and for Amazon. And that's what happened. Within a year of adding those sellers, third-party sales accounted for 5% of unit sales, and it quickly became clear that customers loved the convenience of being able to shop for the best products and to see prices from different sellers all in the same store. These small and medium-sized third-party businesses now add significantly more product selection to Amazon's stores than Amazon's own retail operation. Third-party sales now account for approximately 60% of physical product sales on Amazon, and those sales are growing faster than Amazon's own retail sales. We guessed that it wasn't a zero sum game. And we were right—the whole pie did grow, third-party sellers did very well and are growing fast, and that has been great for customers and for Amazon.

» There are now 1.7 million small and medium-sized businesses around the world selling in Amazon's stores. More than 200,000 entrepreneurs worldwide surpassed \$100,000 in sales in our stores in 2019. On top of that, we estimate that third-party businesses selling in Amazon's stores have created over 2.2 million new jobs around the world.

» One of those sellers is Sherri Yukel, who wanted to change careers to be home more for her children. She started handcrafting gifts and party supplies for friends as a hobby, and eventually began selling her products on Amazon. Today, Sherri's company employs nearly 80 people and has a global customer base. Another is Christine Krogue, a stay-at-home mother of five in Salt Lake City. Christine started a business selling baby clothes through her own website before taking a chance on Amazon. She has since seen her sales more than double, and she's been able to expand her product line and hire a team of part-time employees. Selling on Amazon has allowed Sherri and Christine to grow their own businesses and satisfy customers on their own terms.

» And it is striking to remember how recent all of this is. We did not start out as the largest marketplace—eBay was many times our size. It was only by focusing on supporting sellers and giving them the best tools we could invent that we were able to succeed and eventually surpass eBay. One such tool is Fulfillment by Amazon, which enables our third-party sellers to stow their inventory in our fulfillment centers, and we take on all logistics, customer service, and product returns. By dramatically simplifying all of those challenging aspects of the selling experience in a cost-effective way, we have helped many thousands of sellers grow their businesses on Amazon. Our success may help explain the wide proliferation of marketplaces of all types and sizes around the world. This includes U.S. companies like Walmart, eBay, Etsy, and Target, as well as retailers based overseas but selling globally, such as Alibaba and Rakuten. These marketplaces further intensify competition within retail.

» The trust customers put in us every day has allowed Amazon to create more jobs in the United States over the past decade than any other company—hundreds of thousands of jobs across 42 states. Amazon employees make a minimum of \$15 an hour, more than double the federal minimum wage (which we have urged Congress to increase). We've challenged other large retailers to match our \$15 minimum wage. Target did so recently, and just last week so did Best Buy. We welcome them, and they remain the only ones to have done so. We do not skimp on benefits, either. Our full-time hourly employees receive the same benefits as our salaried headquarters employees, including comprehensive health insurance starting on the first day of employment, a 401(k) retirement plan, and parental leave, including 20 weeks of paid maternity leave. I encourage you to benchmark our pay and

benefits against any of our retail competitors.

» More than 80% of Amazon shares are owned by outsiders, and over the last 26 years—starting from zero—we've created more than \$1 trillion of wealth for those outside shareholders. Who are those shareowners? They are pension funds: fire, police, and school teacher pension funds. Others are 401(k)s—mutual funds that own pieces of Amazon. University endowments, too, and the list goes on. Many people will retire better because of the wealth we've created for so many, and we're enormously proud of this.

» At Amazon, customer obsession has made us what we are, and allowed us to do ever greater things. I know what Amazon could do when we were 10 people. I know what we could do when we were 1,000 people, and when we were 10,000 people. And I know what we can do today when we're nearly a million. I love garage entrepreneurs—I was one. But, just like the world needs small companies, it also needs large ones. There are things small companies simply can't do. I don't care how good an entrepreneur you are, you're not going to build an all-fiber Boeing 787 in your garage.



» Our scale allows us to make a meaningful impact on important societal issues. The Climate Pledge is a commitment made by Amazon and joined by other companies to meet the goals of the Paris Agreement 10 years early and be net zero carbon by 2040. We plan to meet the pledge, in part, by purchasing 100,000 electric delivery vans from Rivian—a Michigan-based producer of electric vehicles. Amazon aims to have 10,000 of Rivian's new electric vans on the road as early as 2022, and all 100,000 vehicles on the road by 2030. Globally, Amazon operates 91 solar and wind projects that have the capacity to generate over 2,900 MW and deliver more than 7.6 million

MWh of energy annually—enough to power more than 680,000 U.S. homes. Amazon is also investing \$100 million in global reforestation projects through the Right Now Climate Fund, including \$10 million Amazon committed in April to conserve, restore, and support sustainable forestry, wildlife and nature-based solutions across the Appalachian Mountains—funding two innovative projects in collaboration with The Nature Conservancy. Four global companies—Verizon, Reckitt Benckiser, Infosys, and Oak View Group—recently signed The Climate Pledge, and we continue to encourage others to join us in this fight. Together, we will use our size and scale to address the climate crisis right away. And last month, Amazon introduced The Climate Pledge Fund, started with \$2 billion in funding from Amazon. The Fund will support the development of sustainable technologies and services that in turn will enable Amazon and other companies to meet The Climate Pledge. The Fund will invest in visionary entrepreneurs and innovators who are building products and services to help companies reduce their carbon impact and operate more sustainably.

» We recently opened the largest homeless shelter in Washington state—and it's located inside one of our newest headquarters buildings in downtown Seattle. The shelter is for Mary's Place, an incredible Seattle-based nonprofit. The shelter, part of Amazon's \$100 million investment in Mary's Place, spans eight floors and can accommodate up to 200 family members each night. It has its own health clinic and provides critical tools and services to help families fighting homelessness get back on their feet. And there is dedicated space for Amazon to provide weekly pro-bono legal clinics offering counsel on credit and debt issues, personal injury, housing and

tenant rights. Since 2018, Amazon's legal team has supported hundreds of Mary's Place guests and volunteered more than 1,000 pro-bono hours.

» Amazon Future Engineer is a global childhood-to-career program designed to inspire, educate, and prepare thousands of children and young adults from underrepresented and underserved communities to pursue a computer science career. The program funds computer science coursework and professional teacher development for hundreds of elementary schools, introductory and AP Computer Science classes for more than 2,000 schools in underserved communities across the country, and 100 four-year, \$40,000 college scholarships to computer science students from low-income backgrounds. Those scholarship recipients also receive guaranteed internships at Amazon. There is a diversity pipeline problem in tech, and this has an outsized impact on the Black community. We want to invest in building out the next generation of technical talent for the industry and expanding the opportunities for underrepresented minorities. We also want to accelerate this change right now. To find the best talent for technical and non-technical roles, we actively partner with historically Black colleges and universities on our recruiting, internship, and upskilling initiatives.

» Let me close by saying that I believe Amazon should be scrutinized. We should scrutinize all large institutions, whether they're companies, government agencies, or non-profits. Our responsibility is to make sure we pass such scrutiny with flying colors.

On the importance of freedom and property as basic conditions for progress. To conclude, Bezos becomes patriotic, returns to core values. He completes the circle of the story, drawing on his father's immigrant

background. He even compares the US to Amazon, saying "it's still day one" for the US, alluding to Amazon's philosophy of always thinking like a small business, always trying to avoid bankruptcy.

» It's not a coincidence that Amazon was born in this country. More than any other place on Earth, new companies can start, grow, and thrive here in the U.S. Our country embraces resourcefulness and self-reliance, and it embraces builders who start from scratch. We nurture entrepreneurs and start-ups with stable rule of law, the finest university system in the world, the freedom of democracy, and a deeply accepted culture of risk-taking. Of course, this great nation of ours is far from perfect. Even as we remember Congressman John Lewis and honor his legacy, we're in the middle of a much-needed race reckoning. We also face the challenges of climate change and income inequality, and we're stumbling through the crisis of a global pandemic. Still, the rest of the world would love even the tiniest sip of the elixir we have here in the U.S. Immigrants like my dad see what a treasure this country is—they have perspective and can often see it even more clearly than those of us who were lucky enough to be born here. It's still Day One for this country, and even in the face of today's humbling challenges, I have never been more optimistic about our future.

» I appreciate the opportunity to appear before you today and am happy to take your questions." *L&E*



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Castañedas**

# Invited Writer

## REGULATORY FRAMEWORK OF PUBLIC-PRIVATE PARTNERSHIPS IN PANAMA

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The development of infrastructure projects and public services under the Public Private Partnerships (PPP) scheme are not new in our country. According to the report "Infrascopes of The Economist, Intelligence unit" (document published by the Inter-American Development Bank (IDB)), Panama has awarded a total of 36 infrastructure projects under PPP development models for an approximate value of US \$ 10,100 million between 1990 and 2018.

### These projects include:

- 18 energy projects
- 4 on information and communication technologies
- 5 port projects
- 1 railway
- 2 roads,
- 3 for water and sanitation

The projects mentioned in the aforementioned report have been developed under different special laws (Public Procurement, Law 5 of 1988, Telecommunications Law, etc.) which do not necessarily refer to the PPP model as such, however, they were used to their development due to the absence of a framework law that would regulate the development of projects under the PPP modality, which had caused the country to lag behind in this matter compared to the rest of the Latin American countries. In order to fill this regulatory gap, **Law 93 of 2019 was enacted in Official Gazette No. 28864-B of September 19, 2019, which creates the Public-Private Partnership Regime for Development as an incentive to private investment, by social development and job creation**, which develops the bases, structures and limits regarding execution of projects under PPP modality.

## What is a Public Private Partnership?

Public-Private Partnerships, hereinafter PPPs, are private capital linkage modalities in which experiences, knowledge, equipment, technologies and technical and financial capacities are incorporated, and risks and resources are distributed, in order to create, develop, improve, operate and / or maintain public infrastructure for the provision of public services.

The PPPs regulated by Law 93 of 2019 are materialized in long-term contracts signed between one or more public entities duly authorized by the Law and a legal person from the private sector, for the design, construction, repair, expansion, financing, exploitation, operation, maintenance, administration and / or supply of a good or service to the contracting public entity and / or the end users of a public service. Depending on the particular characteristics of the Project, a PPP may have different phases or stages, such as structuring, design, construction, administration or management..

The main difference between the execution of projects under the PPP modality and the development of projects under other modalities, such as turnkey contracting, is that under the PPP model the financing of the project is the responsibility of the private actor, which will recover its investment according to the modalities and conditions agreed in the contract, thus freeing the State from making a large and short-term disbursement for said cost.

### Fundamental characteristics of PPPs according to Law 93 of 2019:

- In a PPP, the PPP contractor is totally or partially in charge of financing the construction, exploitation, operation and maintenance of the public asset and assumes project risks, depending on each case. Payments for the investment made, as well as operating and maintenance expenses, may be

totally or partially in charge of the contracting public entity and / or the end user of the service. In the PPP contracts, indicators of service provision and quality (service levels) will be established that must be fulfilled by the PPP contractor.

- These are large projects or mega projects, it cannot be applied to this model if the value is less than 15 million dollars, except in the case of municipalities according to the regulations of the Law.

- These are long-term projects, which cannot be longer than 30 years, extendable for up to 10 more years.

### Types of PPPs according to their financing:

- **Self-financed:** those in which all project costs are recovered with the income received by the APP contractor through the collection of rates, prices, tolls, fees or charges in general directly charged to the end user during the term of the APP contract, allowing the APP contractor to obtain a financial return appropriate to the risk assumed, as determined in the APP contract and the corresponding tender documents, some examples of this model may be the execution of transportation lines or highways.

- **Co-financed:** those in which, for the economic sustainability of the project during all or part of the term of the PPP contract, financial resources are required from the State in the form of transfers, guarantees or both, which imply the assumption of firm or contingent commitments by part of the contracting public entity, as established in the tender documents, either due to the absence of payments from the end user or because, if they exist, they are not sufficient to cover the project costs.

### How an PPP project was born?

As established in the Law, the projects to be executed under the PPP modality must originate

by public initiative, and their objectives must be aligned with the Government's Strategic Plan.

The Cabinet Council, when it deems it appropriate, may issue decrees in which it lists the projects that it considers should be executed under the PPP modality, subject to compliance with this Law for its approval.

The public initiative will come from the contracting public entities authorized by the Law to apply the PPP model. In order to be carried out under the PPP modality, the corresponding projects must be included in the Five-Year Investment Plan or in the list drawn up by the Cabinet Council as projects to be considered for execution through the PPP modality.

In principle, the main source of origin of PPP projects is through public initiative, however, later on we will address the possibility that this initiative arises from the private sector through the different structures created by the Law for the analysis and approval of this type of project.

#### **What public entities can access the development of PPP projects?**

Law 93 expressly indicates which public entities can access the development of public-private projects, establishing the following:

- Central Government
- Autonomous and semi-autonomous entities of the Non-Financial Public Sector
- Municipalities
- Commercial companies in which the State owns at least 51% of the capital stock.

On the other hand, the following entities cannot access the execution of projects under the PPP model:

- IDAAN
- ACP

- CSS
- Banco Nacional de Panamá
- Caja de Ahorros
- Banco Hipotecario
- BDA
- Agricultural Insurance Institute
- Superintendency of Securities
- Superintendency of Banks
- Public safety services
- Health services and education
- Mining Concessions for the extraction of metallic minerals.

#### **What actors intervene in the analysis, evaluation, approval and supervision of PPP projects?**

The Law defines 5 actors who intervene in the evaluation, approval and development of PPP projects, namely:

- **Governing Body:** Council of State Ministers (made up of Minister of the Presidency, Minister of Commerce, Minister of Foreign Affairs, MEF, all with the right to speak and vote, and finally the Comptroller General of the Republic with the right to speak .under the command of the Minister of the Presidency, which is constituted as the highest body within the system and is in charge of approving the guidelines and conditions of a specific project.
- **PPP National Secretariat:** Technical unit attached to the Ministry of the Presidency where all the APP initiatives converge for evaluation and subsequent presentation to the GOVERNING ENTITY.
- **Contracting entities:** they function as operational entities by the public sector in the project and are in charge of identifying potential projects, supporting them and executing them according to the guidelines approved by the GOVERNING

**ENTITY.**

- **MEF:** it has a double role, on the one hand, it is an active member with the right to voice and vote within the Governing Body, and parallel to this it is in charge of ensuring the budgetary impact of the projects, collaborating actively and directly with the PPP National Secretariat.

- **Advisory Committee:** made up of businessmen, workers, and academics, in order to observe, issue criteria and propose potential projects, it becomes the binding link with civil society and professional, business and worker unions. The Committee will have the power to make recommendations to the governing body, through the National Secretariat of PPP, related to promoting best practices for the implementation of this Law and to propose projects for possible formulation under the PPP modality. In this way, the advisory committee becomes the only link between the union entities and civil society for the formulation of projects or initiatives under the PPP modality.

**PPP Projects, Tenders and Contracts.**

The National Secretariat of PPP shall evaluate the proposals for potential PPP projects submitted to it by the contracting public entities and the Consultative Committee and submit its considerations and recommendations to the governing body, so that it can determine the convenience and eligibility of these, always trying the best solution to the corresponding public need.

**Proposals for potential PPP projects must be evaluated by the governing body, and must be accompanied by a technical report prepared by whoever submits the proposal, which must include at least the following elements, without prejudice to others defined in this Law and its regulations:**

**1. General social analysis.** It must include at least

a preliminary analysis of the direct and indirect social benefits that the project can represent to the population, an estimate of the number of people that can benefit from the project, identifying the areas with the greatest impact of benefit, and temporary effects and permanent that the execution of project can cause to populations, transport routes, access roads, easements, existing infrastructures, businesses, among others.

**2. Cost-benefit analysis.** It should include a preliminary analysis that compares economic benefits and costs in relation to the execution of project by an individual through a PPP contract, with the execution of the project by the State. The governing body will determine the necessary tools to ensure the objectivity of this analysis.

**3. Proposal for risk distribution.** It must include an initial proposal for distribution of project risks, including, but not limited to, construction, financial, commercial risks, and other risks in different stages of project design, construction, operation and maintenance, among others.

**4. Service indicators.** It must include an initial proposal of the service indicators of the project aimed at ensuring the fulfillment of its purpose, detailing the way of determination, measurement, interpretation and inspection, among others.

**5. Sustainability and feasibility study.**

**6. Analysis of legal aspects.** It must include an analysis of the legal aspects that the execution of the project could reasonably face, including, but not limited to, acquisitions or forced easements, expropriations, effects on easements, roads, access roads, obtaining permits, among others.

**7. Preliminary environmental analysis.**

### Specific purpose company and specific purpose trusts.

The successful bidder of the PPP contract will be obliged to establish, within the term and under the conditions indicated in the tender documents and / or in the PPP contract, as of the notification of the award of the contract, a specific purpose company in the Republic of Panama, as established in the tender documents, which will become the company that owns the PPP contract.

In co-financed PPP contracts, public resources and all resources managed in the project must be administered through a trust with a specific purpose in the Republic of Panama and that must be constituted by the PPP contractor, made up of all the present and future assets and liabilities related to said project. The contracting public entity will have the power to be settlor and/or beneficiary, in addition to having the power to demand the information it deems necessary, which must be delivered directly by the trustee, in the terms and conditions established in the contract of PPP and/or the respective trust agreement.

The trustee of these trusts must have a fiduciary license issued by the Superintendency of Banks of Panama, and must have been previously approved by the governing body, through the National Secretariat of PPP, to act as trustee in said PPP contract.

During the entire period of the PPP contract, the company that owns the PPP contract must obtain the corresponding approval from the contracting public entity, and from the Governing Body, in case it wants to transfer the share ownership or exercise a change of final beneficiary of the company that owns the contract, when said transfer implies changes in its shareholding control. The transfer of the rights of the company that owns the PPP contract that does not have prior authorization from the contracting public entity and the governing body will be null and void, and

will be grounds for termination of the PPP contract

### Benefits and difficulties of the System:

Definitely, the provisions contained in Law 93 of 2019 regarding the development and execution of projects under the scheme of public-private associations constitute a broad and complex regulatory framework according to the characteristics of large projects that can be executed under said modality as defined in the law.

Within this reality, we consider that Law 93 of 2019 provides legal tools for the creation of an adequate climate to attract foreign investment, as well as to reduce the pressure on public finances in the face of the need to undertake the execution of megaprojects required by the country. If properly managed, the PPP system could increase the potential for the private sector to assume partial financing of public works and services, making it easier for the State to increase its savings capacity, or to focus its resources on other social investments that the country requires, thus improving the efficiency of investments. On the other hand, due to the complexity of the system, we identify there are pending difficulties to be addressed in order to make the system fully operational, such as the fact that some aspects of the Law remain in compliance with, for example, if they are not addressed. waiting for a regulation by the executive body. In the same way, the impulse and budget allocation is necessary to make the different pillars of the system work and the training of contracting public entities in the management of large infrastructure projects and / or public services in order to promote the correct and adequate development and implementation of the system in order to obtain the greatest benefits for the State. *L&E*

# Norms of INTEREST

## EXTENSION OF SUSPENSION OF THE EFFECTS OF THE EMPLOYMENT CONTRACT IS EXTENDED UNTIL DECEMBER

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**T**hrough Law 157 of August 3, 2020 published in Official Gazette number 29082-A, temporary employment protection measures are established in companies affected by Covid-19.

It is worth mentioning that Bill 354, today Law 157, was subject to modifications in its original content, both in the first and second debates and opposition by various sectors, especially by the working sector.

The first article of the Law provides that it will apply exclusively to companies that closed, totally or partially, their operations, from the beginning of the State of National Emergency and until December 31, 2020, and to workers whose contracts have been suspended by tacit or express authorization from the Ministry of Labor and Labor Development, in this period.

In its second article, it states that the employer may gradually restart its economic activity by gradually

reintegrating its workers with suspended contracts, taking into consideration the recommendations of the Special Committee on Health and Hygiene and taking into account the sanitary provisions issued by the competent authorities..

In this sense, the hiring of new workers in the same or similar position to that of a worker with a suspended contract is prohibited in order not to violate the right to return to work; however, the hiring of new workers will only be allowed if the companies require new jobs. Likewise, it is contemplated that this decision must be informed in writing to the union or the workers when it doesn't exist.

Another important aspect to point out is that the workers who are not reinstated, with the opening of the companies, will keep their contracts that will be extended, month by month, until December 31, 2020, in accordance with the procedures established for that purpose. , by the Executive Branch, through the Ministry of Labor and Labor Development. In these cases the figure of administrative silence will not apply.

For its part, the third article provides that the gradual reinstatement of workers with suspended employment contracts may not be used as a measure of retaliation or discrimination for trade union, race, sex, religion, health, disability or any other reasons, to the detriment of the workers. Workers may report to the General Directorate of Labor or Regional Directorates the measures of retaliation or discrimination incurred by the employer at the time of determining the gradual reinstatement. The employer who is verified before the administrative labor authorities, who has incurred this prohibition, will be sanctioned with fines ranging from five hundred (B/. 500.00) to one thousand Balboas (B/. 1,000.00) for each discriminated worker, according to the procedure described in Law 53 of 1975.

Law 157 contemplates that the employer that has reactivated its operations may establish work shifts other than those in force in the company, as many times as it deems necessary, but must inform the workers of said changes at least forty-eight hours in advance. However, the companies that have maintained their operations since the declaration of the national state of emergency may not vary their shifts except by mutual agreement and in accordance with the Code.

With regard to the second item of the thirteenth month, it has been established that all workers who don't receive the second item of the Thirteenth month, due to the suspension of the effects of their employment contracts by not having worked between the April 15 and August 15, 2020, they will have the right to receive a bonus, the amount of which will be determined by the Executive Branch will be paid through the Ministry of Economy and Finance.

The employer will pay proportionally the amount that corresponds to the second item of the Thirteenth month to workers who have worked partially in this period, due to the suspension of the effects of their employment contracts. Workers who have

worked uninterruptedly between April 15 to August 15, 2020, will receive payment for the second game of the thirteenth month corresponding to the year 2020, according to Cabinet Decree 221 of November 18, 1971, in charge from the employer, that is, in a single payment on August 15, 2020. It is established that any termination of the employment relationship by mutual consent must be in writing and will not imply a waiver of rights. The employer will deliver to the worker the written termination proposal by mutual consent of the employment relationship so that they can respond to it within a term of no less than 2 business days. If the worker does not respond, it will be understood that he has rejected the proposal. If the mutual consent is signed, without the expiration of term of 2 business days for worker to respond, worker may demand the nullity for that cause before the Labor sectional courts, through an abbreviated process, so that their reinstatement is ordered. The worker's statement that he was not given a two-day term to respond is presumed to be true.

For the purposes of calculating the seniority and compensation premium described in articles 224 and 225 of the Labor Code, respectively, for workers whose contract has been suspended or for workers with reduced working hours, it will be calculated with the wages received during the previous six months or the last monthly salary, before the declaration of the State of National Emergency, whichever is more favorable to the worker.

Regarding the maternity jurisdiction, article 116-A is introduced, which establishes that the computation of the time corresponding to the maternity jurisdiction is suspended during the period of suspension of the effects of employment contracts, when this corresponds to numerals 8 and 9 of article 199 of the Labor Code. The remaining time of the jurisdiction will be reactivated as soon as the worker returns...*L&E*

# EXTEND VALIDITY OF WORK PERMITS

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**T**hrough Resolution No. DM-212-2020 of July 29, 2020, the Ministry of Labor and Labor Development, modifies Resolution No. DM-163-2020 that extends the validity of the work permits that originally expired during the months of March to June 2020, as follows:

**1. Expiration in March, they will be valid until August 31.**

**2. Expiration in April, will be valid until September**

**30.**

**3. Expiration in May, they will be valid until October 31.**

**4. Expiration in June, will be valid until November 30.**

**5. Expiration in the month of July, they will be valid until December 31.** *L&E*

# MAXIMUM SALE PRICES OF BASIC FAMILY FOOD BASKET EXTENDED

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**W**ith the issuance of Decree No. 181 of July 6, 2020, the validity of Executive Decree No. 165 of July 1, 2014, which temporarily establishes the maximum retail prices in Panama for twenty-two products, is extended. basic family food basket, for a term of six (6) additional months. *L&E*

# OPPORTUNITY BANKING GUARANTEE PROGRAM

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The Ministry of Commerce and Industries through Executive Decree No. 191 of July 31, 2020, creates the Program called Guarantee Banking of Opportunities, by which the Authority of Micro, Small and Medium Enterprises, through the Guarantee Fund, will guarantee financing granted by banking entities to microenterprises in their startup stage or that are reinventing themselves.

The Decree provides that these financing will be limited to loans with an amount between B/. 2,000.00 to B/. 5,000.00 with a term of eighty-four months for their cancellation.

The objective of the Program is to facilitate access to credit to microenterprises in their entrepreneurial stage or that are reinventing themselves and for the purposes of applying the Program, the definition of the terms of microenterprise, entrepreneurship and business reinvention is offered.

It adds that the banking entities will formalize their affiliation to the Program, by means of an agreement with the Authority, for which they must send to said institution the formal application for their enrollment in the Program.

The Decree contemplates everything concerning the responsibilities acquired by banking institutions, as well as the rights granted by the provision in question, the requirements that microenterprises must meet to be eligible and also who will not be eligible, among other issues.

Finally, it is established that the Program will be valid for eighteen months from the date of the issuance of the first guarantee or until the total placement of the initial funds, which have been assigned by the banking entities for the granting of the loans to be guaranteed by the Program. *L&E*

# MODIFY RULES FOR THE ADOPTION OF TAX EQUIPMENT FOR THE ISSUE OF TAX CHECKS

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**W**ith the issuance of Executive Decree No. 366 of July 31, 2020, articles are modified and added to Executive Decree No. 114 of January 30, 2020 that establishes the rules regarding the adoption of fiscal equipment for the issuance of fiscal receipts and other documents.

The modifications introduced by Executive Decree 366 focus on articles 1, 3, 7, 12, 14, 22, 23, 26, 30, 32, 33, 34 and 36, being among others those indicated below:

**1. In article 1, last paragraph is modified, in the sense of adding that DGI will set and publish date on which use of the data transmission communication device becomes effective, previously it referred to fiscal teams.**

**2. For article 3, the definition of the terms data transmission component and Web application programming interface (Web API) is introduced.**

**3. In numeral 5 of article 7 it is added that total of discounts and returns must be included in the global daily report or "Z" report. Similarly, a paragraph is added that establishes that in cases where it is mandatory to implement the data transmission component by software and not by firmware, the DGI will request that the tax billing software save the total data of each Individual tax document from which the totals of the "Z" report are derived.**

**4. Article 12 is modified by introducing two paragraphs that indicate that all tax teams must have the ability**

to connect and share information via Internet to platform enabled by DGI for these purposes through Web API.

5. Article 14 that establishes the requirements that must be met to obtain authorization to distribute or dispose of tax equipment, numeral 6 is added indicating that a console program must be presented that implements all the commands required to extract tax audit information .

6. For article 30, the term is modified to request the new authorization for previously authorized fiscal teams that are susceptible to adaptation to the new modifications will have a period of three months, counted from the publication of the Decree, before it was six months.

7. Article 33 is modified in the sense of establishing that as of January 2, 2021, every person is obliged to comply with the provisions contained in the Decree in question, he must make the necessary adjustments for its implementation.

8. In this sense, it is established in modified article 34 that as of January 2, 2021, any other means of billing will be prohibited, except those expressly authorized by the DGI. For both articles 33 and 34, a term of six months had been established, which were undoubtedly affected by the pandemic, which has led the Authority to make the necessary adjustments for the implementation of the provision. *L&E*



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# Consulta Doctrina y JURISPRUDENCIA



## VIRTUALITY IN ARBITRATION

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**M**any people consider the 21st century as the era of virtuality, others affirm that virtual reality is the product of the convergence of ideas and discoveries that took place since the 19th century, while groups with philosophical thoughts affirm that virtuality has always existed in man for being something apparent, unreal, imagined, which only exists in an apparent way. The purpose of this study is to comment on the prerogatives of virtuality in the practice of national and international commercial arbitration, also on the protocols and recommendations that have been issued by some recognized arbitration institutions, to carry out virtual hearings, due to the effects of COVID-19 worldwide and the challenges faced by lawyers, parties, experts, centers, that is, all those who participate in an arbitration process, faced with the implementation of these technological advances, due to the substantial changes that we encounter daily in this digitized world.

### **Virtuality.**

The term virtual is very frequent in the field of computer science and technology to refer to the reality constructed through digital systems or formats. Virtual reality is known as the technological system that allows the user to have the feeling of being immersed in a world different from the real one. Virtuality for its part is defined as a technological phenomenon, which offers users of digital technologies a new way of relating, both in time and space, breaking a bit with the precepts and limits imposed by physical reality, and that at the same time provides experiences that are perhaps only possible in that dimension. Therefore, according to connoisseurs of the subject, virtuality, in addition to being a modern phenomenon, basically constitutes a digital dimension, created by man, which allows whoever enters it, the

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possibility of visiting, traveling and interacting in different spaces, without the need to be physically located in them, which in itself breaks one of the first precepts of physics.

The world of virtualization invades a large part of contemporary life and especially it is expected that all educational, religious, and legal institutions, in a short time, generalize the use of new technologies, as a support in all their processes. Such processes of technological incorporation are not completely new in history, what is revolutionary are the ontological and anthropological transformations that underlie these new forms of the virtual, which transmute current reality. Under this virtual lens, unprecedented routes of action and intervention are being traced in the material and social world, says the jurist Dalia Carreño Dueñas.<sup>2</sup>

The teachers Cristian Moreira-Segura - Brenda Delgadillo-Espinoza, indican that in education virtual learning spaces favor aspects that presence limits or simply does not contemplate. Among these facilities of virtuality, the most relevant are associated with the breaking of the distance barrier, the rigidity of schedules and the ease of distribution of study time added to the possibility of combining it with the multiple occupations that the modern lifestyle<sup>3</sup>.

Colombian David Namén Baquero, in his work on virtual arbitration, indicates that, with the emergence of the internet and the implementation of virtual platforms, the distance between individuals is



decreasing, facilitating communication between them. This circumstance is beneficial in arbitration, and originates a unique kind of arbitration treated under the name of virtual arbitration, cyberarbitration, cybitration, e-arbitration or online arbitration. This figure, although more recent in some countries, raises multiple concerns and questions<sup>4</sup>.

All the evolution that arbitration has had in relation to technology and its way of being applied in arbitration proceedings has led some lawyers focused on the subject to affirm that there is a new arbitration classification and they have called it "virtual arbitration". In this study we will not address the issue, because although it seems to us an interesting topic for discussion and analysis, for now we will only focus on commenting on the use of different technological tools in arbitration proceedings.

### **Covid-19 in the world and virtuality.**

By the end of 2019, the World Health Organization is aware of the outbreak of disease caused by coronavirus (COVID-19) identified for the first time in Wuhan (China)<sup>5</sup>.

During the month of January 2020, WHO establishes the corresponding Incident Management Support Team at the three levels of the Organization - Headquarters, regional headquarters and countries - and thus puts the Organization in a state of emergency to address the outbreak. After several meetings of the Emergency Committee, the WHO issues the Report of January 30, 2020, where it indicates the existence of a total of 7,818 confirmed cases worldwide, most of them in China and 82 in 18 other countries.<sup>6</sup>

<sup>2</sup>Dalia Carreño Dueñas. EL DERECHO EN LA ERA DE LA VIRTUALIDAD. NUEVAS REALIDADES, NUEVO DERECHO VIRTUAL

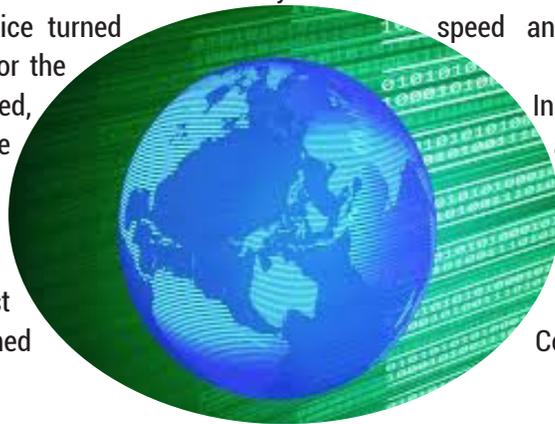
<sup>3</sup>Cristian Moreira-Segura - Brenda Delgadillo-Espinoza La virtualidad en los procesos educativos: reflexiones teóricas sobre su implementación. Tecnología en Marcha. Vol. 28, N.º 1, enero- Marzo de 2015. Pág. 122.

<sup>4</sup>Namén, D. "Problemáticas del arbitraje virtual y algunas reflexiones a la luz del estatuto arbitral internacional colombiano". Revist@ E-Mercatoria, vol. 14, N.º 2, julio - diciembre, 2015. <https://doi.org/10.18601/16923960.v14n2.01>

<sup>5</sup>Organización Mundial de la Salud (OMS) <https://www.who.int/es/emergencias/diseases/novel-coronavirus-2019>

As a result of the contagion, for the month of March 2020, the authorities of the different countries order the suspension of international flights, the closure of companies, restaurants, cinemas, theaters, even the courts of law, which caused some companies could provide their service through the teleworking system. Indeed, many of the institutions and arbitration centers provided the service during the pandemic using the virtual means available to them through virtual platforms, as they had been doing in recent years. Although the demand for the virtual service increased, the institutions already had the experience to adapt to the situation caused by COVID. 19.

Many arbitration centers received complaints online, notifications of complaints and their responses were also given, the exchange of writings and request by email was maintained. With regard to the scheduled hearings, these were conducted virtually, with the Court having the consent and availability of the parties. This practice turned out to be very satisfying for the parties, who, when consulted, expressed their acceptance to continue the process, even in the phases that by custom were carried out in person (test practice). We also learned



that in some countries the arbitration institutions had to suspend the processes, due to decisions issued by the Court of Justice of their respective countries, which ordered the suspension of the terms, including with regard to arbitration jurisdiction.

## Virtuality in Arbitration

### Institutions.

Regarding the application of virtuality in arbitration processes, some countries, mainly Latin American ones, give national arbitration a different treatment from that given to international arbitrations, even with monistic arbitration legislation, they feel a certain resistance to change, opposing the flexibility offered by arbitration imposing those formalities and rituals that we see present in the judicial process. The new practices adopted by the international centers or institutions, after years of discussion, have been made available to the centers, to guarantee the speed and economy of the processes.

In fact, the ICC Court of Arbitration, as well as Permanent Center of Arbitration of The Hague, International Center for the Settlement of Investment Disputes ICSID, the International Center of Arbitration of Madrid,

<sup>6</sup> Informe de Situación de la OMS, de 30 de enero de 2020. <https://www.who.int/es/news-room/detail/27-04-2020-who-timeline---covid-19>

“El Director General de la OMS convoca de nuevo el Comité de Emergencias, antes de los 10 días de plazo y tan solo dos días después de notificarse los primeros casos de transmisión limitada del coronavirus entre seres humanos fuera de China. En esta ocasión el Comité de Emergencias llega a un consenso y recomienda al Director General que el brote constituye una emergencia de salud pública de importancia internacional (ESPII). El Director General acepta la recomendación y declara que el brote por el nuevo coronavirus (2019-nCov) constituye una ESPII. Es la sexta vez que la OMS declara una ESPII desde la entrada en vigor del Reglamento Sanitario Internacional (RSI) en 2005.

El informe de situación de la OMS del 30 de enero señala la existencia de un total de 7818 casos confirmados en todo el mundo, la mayoría de ellos en China y 82 en otros 18 países. La OMS evalúa el riesgo en China como muy alto y el riesgo mundial como alto.”

among many other arbitration institutions, apply virtuality in different phases of the arbitration process, having the law or regulations as support. In the same way, arbitrators in practice are concerned with counting, which empowers the arbitrators and also taking into account the will of the parties. Also United Nations Commission for International Trade Development, which recommends UNCITRAL Model Law on International Commercial Arbitration as a tool for States to take into account the convenience of uniform arbitration procedural law and specific needs of the practice of international commercial arbitration, proposes rules that confer on courts the supplementary discretionary power that allows them to substantiate the proceedings according to the special characteristics of each case, without the limitations imposed by domestic legislation, which is usually applied, even in what has to do with practice tests.

In international and national arbitration practice, many of the phases of process take place virtually, such as notification, receipt of memorials, receipt of evidence, appointment of experts, delivery of expert reports and the allegations, with the holding of certain hearings are also in person. Thus we have that, the hearing to fix the mission statement or the establishment of the case, the examination of the experts and the testimonies, are commonly carried out in person. In fact, the parties' attorneys-in-fact require that the allegations be made orally, regardless of the concluding pleadings brief, which can be sent by mail, if applicable.

After January 2020, the need to hold hearings virtually increased significantly, so that arbitration institutions have had to expand the coverage of their platforms to provide their users with the service they demand and ensure that the processes continue its course, but guaranteeing the parties the equality, the economy and the confidentiality of the case.

The parameters and protocols for the holding and development of hearings have also been established.

In this regard we can highlight that the Center for Conciliation and Arbitration of Panama (CeCAP), did not suspend its activities, serving the public virtually and urged the courts to hold video conferences for the practice of hearings and others within the possibilities. It recently launched the CeCAP guidelines for Virtual Audiences on its website. In the same vein, the Conflict Resolution Center, after a brief suspension of the terms, rescheduled the hearings, establishing in each case the parameters required for holding virtual hearings.

In recent webinars or webinars organized by national and international arbitration institutions, it has been commented on how successful it has been to be able to apply the virtuality of different phases of the process. The lecturers have confirmed that the

parties and the courts have agreed to continue

with the processes virtually, given the impossibility of traveling to the different places, even due to the suspension of flights.

Without fear of being wrong in 90% of the known cases, the parties agreed to continue the process, the others requested time to adapt to the use of technological tools.

The virtuality in arbitration regulations. The possibility of applying virtuality and technological means in the arbitration process is not an option that is applied arbitrarily in the process, nor should it be considered as a consequence of COVID-19, since, as has been mentioned, in many arbitration laws and regulations of the different arbitration institutions, including in Panama, there are norms that allow it, thus the norms related to the fundamental procedural rights of the parties and the determination of the procedure, leave the parties the power to agree on the procedure, and Unless the parties agree that an act



is not held in one way or another, the arbitral tribunal can establish the way to carry out the process and therefore, it is possible to apply virtuality, precisely in order to guarantee equality, fairness, objectivity and impartiality, as highlighted in the UNCITRAL Explanatory Notes, when it refers to the holding of hearings.<sup>7</sup>

Since the promulgation of Decree Law 5 of 1999, an arbitration regime was established for the first time in Panama, and among its rules it was established that the arbitration agreement should be in writing, having the possibility of considering that the arbitration agreement should adopt the form "by written" when it appears in a document signed by both parties, or in a document exchanged between the parties by email or any other form of communication that proves the unequivocal will of the parties.<sup>8</sup>

Another rule of Decree Law 5 in its article 31, referred to virtuality, it was related to the way of notifying the award, since it was allowed, among other ways, to make the notification by sending a copy of it to the parties, by mail, certificate or any other technological means of written communication, which would allow to prove the veracity of its content.<sup>9</sup>

With the approval of the new Law 131 of December 2013, which regulates National and International Commercial Arbitration in Panama, very important changes are introduced, mainly in relation to notifications, precautionary measures and preliminary orders, the deadline for issue the award, the participation of non-signatories of the arbitration clause in the process, among others, highlighting the definitions that on "electronic communication" and "data messages" are introduced in the Law. Law 131 of 2013, follows the line of the UNCITRAL Model Law and welcomes those provisions related to the Substantiation of Arbitration Proceedings, which lead to guaranteeing the parties equitable treatment and the freedom to establish the procedure they wish to follow, with the option that, if not agreed, the court will direct it, as provided in articles 45 and 46:

***"Article 45: The parties shall be treated equally and each of them be given full opportunity to assert their rights."***

***"Article 46: Subject to the provisions of this Law, the parties will be free to agree on the procedure to which the arbitral tribunal must adjust in its actions, being able to submit to the procedure contained in a regulation of an arbitration institution. In the absence of an agreement,***

<sup>7</sup>Notas de la CNUDMI sobre la organización del proceso arbitral. Comisión de las Naciones Unidas para el Derecho Mercantil Internacional. Notas Explicativas de la CNUDMI, Página 35 y 36. <http://www.uncitral.org/pdf/spanish/texts/arbitration/arb-notes/arb-notes-2016-ebook-s.pdf>

<sup>8</sup>17. Audiencias a) Decisión sobre la celebración de audiencias 114. La legislación y los reglamentos de arbitraje suelen permitir que cualquiera de las partes solicite una audiencia para presentar pruebas testimoniales o periciales o formular alegatos verbales. Cuando ninguna de las partes solicita una audiencia, el tribunal arbitral puede determinar si se celebra una. La necesidad de celebrar una audiencia puede considerarse de nuevo más tarde a la luz de los escritos presentados por las partes. 115. Es una práctica aceptada ampliamente que se presenten pruebas escritas, declaraciones de testigos, dictámenes periciales y otras pruebas documentales antes de las audiencias, lo que puede ayudar a centrar las cuestiones que han de tratarse en ellas y evitar que se prolonguen. Para facilitar los preparativos de las partes, evitar malentendidos y evitar que se planteen cuestiones no previstas, el tribunal arbitral puede analizar esas cuestiones con las partes al comienzo del proceso arbitral, así como antes de las audiencias. b)

Calendario de audiencias 116. Normalmente, las audiencias se programan lo antes posible para que los participantes puedan asistir. Es una práctica común que se celebren varias audiencias consecutivas. No obstante, en algunos casos es necesario celebrar audiencias en períodos separados para coordinarlas con los calendarios de actividades de las partes, los testigos, los peritos y el tribunal arbitral.

*the arbitral tribunal may, subject to the provisions of this Law, direct the arbitration in the manner it deems appropriate and without having to resort to the procedural rules of the seat of the arbitration.”*

Article 51 of Law 131 of 2013, regarding “Hearings and Written Proceedings”, indicates that the arbitral tribunal, unless otherwise agreed by the parties, will decide whether to hold hearings to present evidence or to oral arguments, or if the number of witnesses or experts is limited, or if the proceedings will be conducted on the basis of documents and other evidence. However, unless the parties have agreed to hold hearings, the arbitral tribunal shall hold such hearings at the appropriate stage of the proceedings at the request of one of the parties.

Thus, article 53 of the same Law indicates that the arbitral tribunal has the power to exclusively determine the admission, relevance, performance and value of the evidence



and to order at any time the presentation or performance of the evidence that deems necessary. The provisions of Law 131, mentioned above, are the basis for assessing the substantive effect of the arbitration agreement, which obliges the parties to comply with the agreement and formalize the constitution of the arbitral tribunal, collaborating with their best efforts in an expeditious and effective manner, for the development and completion of the arbitration procedure. This rule is effective, so that the Arbitral Tribunal, requires the parties to collaborate in the implementation of virtuality, since the arbitrators also assume the commitment to comply with the deadlines and issue an award. We can conclude, without a doubt, that virtuality is present in arbitration, from the moment the arbitration

institutions receive the claims and transfer them to the parties through the means allowed in their respective regulations.

<sup>8</sup>DECRETO LEY No del 8 de julio de 1999, por la cual se establece El Régimen General de Arbitraje de la Conciliación y de la Mediación, Gaceta Oficial 23837.

Artículo 9: El convenio arbitral deberá constar por escrito. Se entenderá que adopta la forma escrita cuando conste en un documento firmado por ambas partes, o en documento intercambiado entre las partes por medio de télex, fax, correo electrónico o cualquier otra forma de comunicación que acredite la voluntad inequívoca de las partes. El decreto Ley, fue derogado por la Ley 131 de 2013, de manera parcial en lo que respecta al tema del arbitraje, pues se mantiene vigente en lo relativo a la Conciliación y la Mediación.

<sup>9</sup>Artículo 31: El laudo será notificado a las partes en la forma que estas hayan convenido directamente o a través del reglamento aplicable. En su defecto, el laudo se notificará por el secretario del tribunal arbitral, si lo hubiere. En su defecto, por el árbitro único o el presidente del tribunal arbitral, remitiendo copia de este a las partes, mediante correo certificado o cualquier otro medio tecnológico de comunicación escrita, que permita acreditar la veracidad de su contenido.

Hearings to issue the mission statement or fix the cause can be held virtually successfully, there is evidence of this in our Centers. The receipt of witness statements and expert examination has been carried out virtually, usually in cases where the witness or expert was out of the country or it was not possible to arrive on time due to flight complications, having good results regarding the test practice. Although, in arbitrations it is usual to hold face-to-face hearings with the ritualism that the process merits, where the principle of immediacy that this jurisdiction promulgates is put into practice, we have to admit that virtuality has changed the way of conducting the processes and the current situation has forced us to use existing virtual tools. Today, it is common for us to present witnesses or allegations in a virtual room, where each party is in different cities or countries, without any complication or problem, following of course, with the protocols established by the institutions, to guarantee confidentiality and system security.

In fact, with COVID-19, arbitration institutions had to prepare their protocols or guides for virtual hearings, which will surely be the most common practice in these processes.

### Guidance Note from the International Chamber of Commerce CCI.

The ICC International Court of Arbitration issued in April 2020 a document offering Guidance to the parties, lawyers and arbitral tribunals on a series of measures that can be considered to lessen the adverse effects of the COVID-19 pandemic. in ICC arbitrations. The Document that has been called

“Guidance Note” which is available on its website<sup>10</sup>.

The Guidance Note was prepared by a working group consisting of Marnix Leijten, Vice-President of the ICC Court (President of the Working Group), Alexis Mourre, President of the ICC Court, together with Vice-Presidents, Members of the Governing Body of the ICC Dispute Resolution Services and also members of the ICC Court Secretary.

The ICC Court in presenting the Guidance Note, reiterates that it recognizes the important role that parties, lawyers and arbitral tribunals play in ensuring that disputes continue to be resolved in a fair, prompt and cost-effective manner. With this note, the procedural tools available to the parties, the lawyers and the courts are recalled to mitigate the delays generated by the pandemic through greater efficiency, and guidance is provided on the organization of conferences and hearings in light of the COVID-19 considerations.

As noted, many of the procedural techniques designed to make arbitration fair and efficient are not new. The Court has issued guidance in Appendix IV of its Rules and in Note to parties and Arbitral Tribunal on the Conduct of Arbitration in Accordance with the ICC Rules of Arbitration. Additional guidance is available in the reports of ICC Commission on Arbitration and ADR entitled “Control of Time and Costs in Arbitration” and “Efficient Conduct of Arbitration - A Guide for In-House Counsel and Other Representatives of parts.”.

The document refers to the means to be used to conduct conferences and indicates: “In making such a determination, arbitral tribunals may wish to take

<sup>10</sup>Op.cit. El artículo 17 de la Ley 131 de 2013, dispone:

Artículo 17. Efectos del acuerdo de arbitraje. Los efectos de pactar un acuerdo de arbitraje son sustantivos y procesales. El efecto sustantivo obliga a las partes a cumplir lo pactado y a formalizar la constitución del tribunal arbitral, colaborando con sus mejores esfuerzos de manera expedita y eficaz, para el desarrollo y finalización del procedimiento arbitral.

El efecto procesal consiste en la declinación de la competencia, por parte del tribunal judicial, a favor del tribunal arbitral y la inmediata remisión del expediente al tribunal arbitral. ....”

<sup>11</sup>Nota de Orientación ICC. <https://iccwbo.org/publication/icc-guidance-note-on-possible-measures-aimed-at-mitigating-the-effects-of-the-covid-19-pandemic-spanish-version>.

into account their broad procedural authority under Article 22 (2) of the Rules, in order, after consulting parties, “to adopt the procedural measures that [the arbitral tribunal] deems appropriate, provided that these don’t violate any agreement of parties.” In addition, amendments to the Rules and practice have progressively recognized the possibility of holding virtual hearings, including Article 24 (4) of the Rules with respect to conference conducting proceedings, Article 3 (5) of Appendix VI of the Rules with Regarding the Abbreviated Procedure and paragraph 77 of the Note regarding operative matters”<sup>11</sup>

Regarding the Cybernetic Protocol, they indicate that “any virtual hearing requires a consultation between the arbitral tribunal and the parties with the aim of implementing measures - often called cybernetic protocol - sufficient to comply with any applicable data privacy regulations. Said measures must also address the privacy of the audience and the protection of the confidentiality of electronic communications within the arbitration procedure and of any electronic document platform.”

**It is indicated that, to ensure that the parties are treated equally and that each party has a full opportunity to present their case during a virtual hearing, the arbitral tribunal must consider:**

- Different time zones when setting hearing dates, start and end times, breaks and duration of each hearing day;
- Logistics of the location of the participants, including, but not limited to the total number of participants, the number of remote locations, the extent to which any participant will be in the same physical location, the extent to which members of the arbitral tribunal can be in the same physical place as the other participants and / or any other participants, the availability and control of the parallel or private rooms;
- Use of real-time transcripts or other form of recording;
- Use of interpreters, whether simultaneous or consecutive;
- Procedures to verify the presence and identification of all participants, including any technical administrator;
- Procedures for the release of testimonial and expert evidence to ensure that the integrity of any oral evidence is preserved;
- Use of supporting documents and evidence, including through shared screen views; and
- Use of an electronic package of documents for the audience hosted on a shared document platform that guarantees access for all participants.

From the reading of the ICC Guidance Note, the protocols issued by the centers and the experiences in different arbitration processes where virtuality has been put into practice, before and during COVID-19, we come to the conclusion that there are elements that we must consider, to assess the convenience of a process where virtuality is present.

- First, we must know the provisions of the applicable Law and the Regulations of the Center or institution that administers the arbitration.
- Amount or amount of the process, to determine if the costs that it could cause justify the investment, in the event that the lawyer or the party does not have the required technology.
- Availability of the parties to adapt to virtuality and not sabotage the process.
- Location of the parties and access to platforms or

<sup>12</sup>Op. cit. Nota de Orientación CCI.

programs, taking into account that technology does not work the same in all countries.

- Circumstances of the process, topics in debate or elements that make virtuality complicated or impossible, this in regards to obtaining evidence or practicing it.
- Have access to reliable programs or platforms, guaranteeing the parties that recordings and transcripts will be available.
- Require the Center or institution to use secure platforms that guarantee the confidentiality of the subject.
- The scheduling of audiences, time and time, are very important, mainly when people with different time zones participate

It is evident that virtuality offers for many a series of advantages, but some also highlight situations that could be disadvantageous.

- There is talk of the lack of Immediation.
- There is concern about the risk in the confidentiality of the processes or that third parties enter the virtual system.
- The possibility that the witness can be led in the practice of the test to answer the questions.
- The possible loss of information or not having all the documents delivered or sent by the parties.
- Costs (some consider the equipment and software used to be expensive).

Surely each of these points can be refuted with good arguments, considering that those same risks are run

in those processes where the hearings are face-to-face and that the participants must seek remedies so that these situations do not cloud the process.

#### CHALLENGES:

- That lawyers learn about the experiences of other countries and accept virtuality as part of the arbitration process.
- Consider acquiring programs and equipment that facilitate the implementation of technology and have the connectivity required for secure virtuality.
- Change of mentality of the parties and lawyers before the unknown.
- The arbitration centers must guarantee the confidentiality and effectiveness of the platforms that they offer to users.

#### CONCLUSIONS:

We can conclude, without a doubt, that virtuality is present in the arbitration, from the moment the arbitration institutions receive the claims and transfer them to the parties and the Arbitration Award is notified.

The laws and regulations of most of the countries contain provisions that introduce virtuality in arbitration proceedings.

The protocols or rules of procedure for virtual hearings issued by institutions such as the ICC, and arbitration centers and organizations are of great use to the court, lawyers and the parties. *L&E*

# Politics

## THE USE OF STATE ASSETS IN POLITICAL CAMPAIGNS

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A simple definition of state assets would encompass all movable and immovable property in public domain, of all kinds, that belong to the State, ministries and other public entities and that together make up National System of State Assets.

In electoral processes, mainly in other Latin American countries and in our country Panama, obviously without excluding other nations and continents, unfortunately public resources, which are numerous, have been used in most cases in favor of official candidate or government, as well as in favor of those candidates for popularly elected positions who support it, in the popular elections that are held.

Some government politicians use all kinds of tricks to fulfill their unhealthy electoral goals in the absence of respect and probity in the management of public goods of all kinds, totally far from what should be guaranteed in a transparent electoral campaign, which strengthen the clear rules that elections must bear in mind in a truly democratic system.

Just as it is important that all citizens are constrained to respect the final result, equally all without exception are obliged to report any type of irregularities or anomalies that I observed before, during and after the elections and especially if the official candidates use public goods in favor of their political campaigns, totally contrary to the indeclinable principle of democracy, which is that there should be an electoral process with clear and transparent rules of competition, where all those who participate and are involved in electoral tournaments, respect them and those who violate them know that they will have to suffer strong sanctions.

“Silence is not an option” for all citizens who observe the mismanagement of state assets in favor of electoral criminals who seek to carry out electoral fraud against the genuine will of the people.

Outlaws within democracy and fraudulent elections always try to achieve illegitimate results, using all kinds of tricks, such as changing the electoral rules shortly after the elections, the distribution of money

in exchange for votes, the use of the means of public transportation to lead voters to cast their vote, blackmail and threats to public officials, disseminate messages in the media and social networks that denigrate and defame opposition candidates, their families and friends, use the offices to prepare and disseminate propaganda in favor of the candidate or candidates for elected positions of the ruling party, offer public services or goods in favor of the population in exchange for their vote, condition the will of the electorate in their favor, make political propaganda at events or public acts in favor of the ruling party, offer gifts and contracts to the private media ac ambio to achieve neutrality or favor the government candidate, use government programs and advertising to make propaganda towards the ruling party, make public events on government works and favor companies in exchange for donations for the government candidate's electoral campaign, promote False complaints, creating false positions and forms in the government to collaborate with the political campaign in favor of the government, not being transparent regarding the economic income received by the official campaign, in short, these and many other harmful practices are used by no few rulers in electoral campaigns to alter the sovereign decision of the peoples.

Our political history includes multiple cases enshrined in our historical texts, in which state assets were used in electoral processes in favor of the official candidate. Let's see some examples:

--- Ramón M. Valdés competed in the 1916 elections, supported by Belisario Porras as President of the Republic, and Don Rodolfo Chiari Robles for the opposition. The government candidate Valdés had obvious support from public officials in favor of his campaign, which degenerated into great violence, including injuries and the use of firearms. Both President Porras and his anointed presidential Valdés were described as lacking in political morality. It was suggested and commented that the government candidate received a monthly salary from the state without performing any type of public functions and that he built his private residence with government material and public employees. It was even said that the electoral campaign deducted a quota from their

salary to public officials, which was used to defray the expenses of the political campaign. His political adversary, Rodolfo Chiari Robles, was not exempt from personal attacks that hinted at irregularities under his responsibility when he took over the management of a state bank. During that campaign, there were intimidations and arrests against supporters of Rodolfo Chiari Robles. When the Board of Electors was due to meet, the delegates who supported Don Rodolfo Chiari left the premises under pressure from the ruling party. On August 2, Ramón Maximiliano Valdés was favored to occupy the high position of President of the Republic for the period 1916-1920.

--- Another electoral process where the state machination became palpable was in favor of the official candidate, Florencio Harmodio Arosemena, who was strongly supported by the President of the Republic, Mr. Rodolfo Chiari Robles, against his opponent Jorge E. Boyd, who was supported by Dr. Belisario Porras Barahona and the National Cheerleader Coalition. On August 5, 1928, given the evident support in favor of the ruling party Arosemena, Porras announced that the National Cheerleader Coalition resigned to participate in the electoral process and therefore the candidate Jorge F. Boyd withdrew from the electoral contest. Florencio Harmodio Arosemena was elected to the Presidency for the four-year period 1928-1932 as the only candidate.

--- Another case occurred in the general elections of 1936, between the government candidate Juan Demosthenes Arosemena and the opposition candidate Domingo Díaz Arosemena. In these elections, the use of state resources was notorious, including irregularities such as impositions exercised by corregidores, mayors, governors and public officials to benefit the official candidate. The foregoing to such an extent that the National Elections Jury first recognized the electoral victory of the opposition candidate Domingo Díaz Arosemena and later on July 7, 1936, due to the dismissal of a member of that electoral entity, the triumph of the Government candidate, Juan Demosthenes Arosemena, by a difference of only 1,845 votes in his favor. Dr. Arosemena took office as President of the Republic on October 1, 1936.

--- For the electoral tournament of 1940, two

presidential candidates appeared, the government candidate, Dr. Arnulfo Arias Madrid, and for the opposition, Dr. Ricardo J. Alfaro. Unfortunately in these elections there was also notorious support from the government levels in favor of his candidate. Even the President of the Republic, Dr. Augusto Samuel Boyd, didn't hide his sympathy for Dr. Arias, whom he accompanied on several political tours. There were dead police officers and guerilla outbreaks. The government was totally biased, persecuting opponents and misusing state resources. Considering this painful reality, the opposition Dr. Ricardo J. Alfaro, considering that the essential guarantees to participate in the electoral campaign didn't exist, withdrew from the electoral contest. In this way, Dr. Arnulfo Arias Madrid remains as the only candidate and assumed the Presidency of the Republic.

--- The electoral campaign called for 1948 had five presidential candidates, the main ones being Dr. Domingo Díaz Arosemena for the ruling party and Dr. Arnulfo Arias Madrid for the opposition. During the course of the elections there were clashes between the opposing political groups and riots, mainly when they delayed giving the results. The opposition candidate, Arnulfo Arias, was initially given a 1,562-vote lead over Díaz. This produced a violent response from supporters of Domingo Díaz Arosemena, who attacked the National Board of Elections and injured two of its members. On July 30, after a tumultuous panorama existed in the country, the National Board of Elections favored Domingo Díaz Arosemena who was credited 78,212 votes compared to the 75,848 accredited to Arnulfo Arias, which created an environment of frustration and anger among the followers of Dr. Arias and a large part of the population. Undoubtedly, these results were questioned by many and the state of decomposition that existed in the country's political environment was evident.

--- Seven presidential candidates participated in the 1964 electoral campaign, but only two of them had any chance of victory. The government candidate Marco Aurelio Robles, backed by eight political parties and Dr. Arnulfo Arias Madrid, supported only by the Panameñista Party. The ruling candidate Robles, according to the official count, obtained 130,154 votes

and the opposition candidate with the Panameñista Party obtained 119,201, that is, there was only a difference of 10,953 votes. The Panameñista Party of Dr. Arnulfo Arias individually obtained 119,201 votes, being the most voted party in that tournament. In these elections there were questions against the National Scrutiny Jury, pointing out to it as promoters of some irregularities. The Panameñista opposition made allegations of electoral fraud and the use of state resources in favor of the official candidate and not a few considered that Dr. Arnulfo Arias Madrid was stripped of the electoral victory.

--- Possibly the elections of May 12, 1968 are among the electoral campaigns with the greatest use of State resources in support of the official candidate, Ing. David Samudio Avila, against the opposition candidate, again Dr. Arnulfo Arias Madrid. Before and after the May 12 elections were verified, there was an atmosphere of violence, shootings, injuries, some deaths, violent clashes between the opposing groups, attacks on the honor and reputation of the candidates, attacks on journalists and on the National Board of Scrutinies and also in the Electoral Tribunal, a series of resignations were raised as a result of threats against their members and their families due to the struggle of rival political groups. Despite so many irregularities, in the end the vote was inclined in favor of the main opposition candidate, Dr. Arnulfo Arias Madrid, who won with a difference in his favor of 41,545 votes over the government candidate Ing. David Samudio Avila. On October 11, 1968, 10 days after taking office as President of the Republic, Dr. Arnulfo Arias Madrid was overthrown for the third time in his political life by the military..

After 16 years of military rule since the coup of October 11, 1968, the first democratic and direct elections were held on May 6, 1984 between the government candidate, Dr. Nicolás Ardito Barleta and again by the opposition Dr. Arnulfo Arias Madrid, 83 years old. The Electoral Tribunal, made up of three magistrates, with two votes in favor and one vote salvage, decided that according to the revised electoral records, Dr. Nicolás Ardito Barleta was favored by a narrow margin of 1,713 votes. However, not a few and the entire opposition stated that a tremendous electoral fraud had taken

place in the election and for many before and during the electoral process the use of state resources was evident. The mandate of Dr. Ardito Barleta was short, because under pressure from the military he resigned 11 months after serving as President of the Republic.

Another of the elections where the use of state resources was notorious was in elections of May 7, 1989. There was also violence, anomalies, theft of ballot boxes, manipulation of electoral records, in short, many irregularities. The main candidates were lawyer Guillermo Endara Galimany for the opposition and for the ruling party Carlos Duque. Faced with the avalanche, an overwhelming number of votes in favor of the opposition candidate, the Electoral Tribunal, controlled by the ruling party, called a press conference to announce that the elections had been canceled due to foreign interference. On December 20, 1989, at midnight, the United States invaded Panama and removed Dictator General Noriega from power, turning Panama City into a battlefield. With the return of democracy after the aforementioned invasion, the subsequent electoral tournaments held to date, undoubtedly, considerably reduced the use of extensive state resources in favor of the government candidate. Despite the above, some more and others less, but none are totally exempted from being singled out for having used state assets, which are many, for the benefit of certain pro-government candidates and especially the election campaign on Sunday, May 4 of 2014, between the candidate of the governmental alliance "United for More Changes", José Domingo Arias, who lost the elections against Eng. Juan Carlos Varela, supported by the alliance of parties called "El Pueblo Primero" of the opposition.

After this synthesized mention of only some of the electoral processes in our republican history that reveals that a great majority of the pro-government candidates were endorsed and

sponsored with state resources by the government of the day, we can conclude the following:

The vast majority of the electoral processes carried out in our country, with few exceptions, the governments of the day supported, some more than others, their respective candidates, making improper use of state resources, sometimes promoting flagrant violations of electoral laws, causing the devaluation of the rule of law and its democratic processes. This inappropriate behavior should be the opposite, that is, governments should strictly comply with electoral regulations. It is important to note and remember that it has practically become a custom that is repeated in the different governments to misuse state assets, including the use of state funds to support forms of the so-called "call centers", dedicated to attacking and defame political opponents.

In a true republican democracy, illicit use of government resources should imply conviction without hesitation with penalties according to the law for constituting an unquestionable crime, which in our opinion should not prescribe. It would be seriously inappropriate for the officials and members of the Electoral Tribunal, invested by law with the necessary authority to regulate, supervise and guarantee the freedom, honesty and effectiveness of the popular vote, to turn a blind eye or indifference to the actions of public officials who fall into improper practices to favor a certain candidate, participating in campaigns with public goods taking advantage of their position, who hold political meetings using government property, using social programs as a mechanism to manipulate the vote, which are problems and realities each increasingly noticeable in the countries of our continent, which unfortunately always accentuate during electoral periods.

Electoral transparency reject any excuse to change electoral laws within a few months of holding an

electoral tournament if it is not the result of the consensus of all political parties. Otherwise, the change in electoral laws would not have equal conditions for all candidates and it would be evident to the population that this change entails the intention of altering the popular will and producing an illegitimate government. Hence, in genuine democracies there must be clear rules of competition. When the rivalry is considered unfair, it causes the population to dissociate itself from the result and, with good reason, ignore and diminish the legitimacy of the results, which would reduce the strength of the government that arises..

Never forget that voting freely in formal elections is one of the most important rights of a citizen in a democracy. This exercise of the vote gives the citizen individual power to decide and gives legitimacy to the authorities that are elected after a competitive process. The sacred work that the electoral authorities must carry out, which are the ones that must supervise and supervise before, during and after the holding of elections, they are the ones who have the greatest responsibility as to whether the electoral tournament in all its facets strictly complied with current legal regulations. Likewise, those magistrates of electoral entities who lean in favor of a certain candidacy must also be severely sanctioned, as unfortunately has existed many times in our elections, disregarding their duty to investigate and inspect everything concerning the improper use of property. of the state, sometimes with the complicity of the electoral authorities that are not aware of the negative impact of these violations and practices in the country, which should lead us to the conviction that it is a priority to make new regulations to our electoral laws that prevent these discretionary uses and that more sanctions are applied to defend democracy and the rule of law.*L&E*



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# Panamanian ECONOMY

## MAIN MONTHLY ECONOMIC INDICATORS: JANUARY-MAY 2019-20

Source: GCRP

### 1. Transport:

#### a. Panama Canal Authority:

The total revenue from the Panama Canal toll for January-May 2020, compared to a similar one in 2019, presented a positive variation of 2.5%; of these, the Neopanamax vessels at 12.0%; on the contrary, Panamax vessels decreased by 6.9%. Net tons increased by 1.5% and cargo volume by 5.9%.

#### a. National Port System:

The movement of TEU containers (container equivalent to 20 feet), increased for the period by 15.9%. Total cargo movement increased by 21.8%, with bulk cargo standing out at 24.5% and containerized cargo at 20.6%.

#### b. Road corridors and passengers transported by

### the Metro and Mi Bus:

Passenger transported by the Panama Metro decreased by 43.0%, compared to the similar period of 2019. On the other hand, the capacity (number of vehicles) and the income (in balboas) of the road corridors, registered negative rates of 45.3% and 44.9%, respectively.

### 2. Foreign trade:

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

The CIF value of imports of goods decreased by 35.9%, of this value, consumer goods by 33.4%, intermediate goods 24.1% and capital goods by 49.6%.

#### b. Net weight of goods imports:

The net weight of imports of goods fell by 23.3%, with falls in consumer goods by 33.9%, intermediate

goods by 10.0% and capital goods by 41.1%.

### c. FOB value of goods exports:

The FOB value of goods exports fell by 3.3%, and also their items: melon by 19.2%, pineapple 14.0%, shrimp 19.8%, fishmeal and fish oil 2.8%, clothing 63.6%, steel waste, copper and aluminum 39.1% and wood 28.9%. On the other hand, positive variations were observed in: banana 8.1%, watermelon 3.9%, fish and fish fillet (fresh, chilled and frozen) 5.6%, unrefined sugar 34.1%, coffee 1.4%, beef cattle 122.7% and , hides and skins in 29.6%.

### d. Weight of goods exports:

The weight of exports of goods increased by 3.1%, with specific increases of: banana 47.8%, unrefined sugar 22.5%, coffee 14.6%, beef 144.5%, and skins and hides 25.2%. They presented negative variations: melon in 3.1%, watermelon 7.8%, pineapple 18.4%, shrimp 6.1%, fish and fish fillet (fresh, refrigerated and frozen) 5.3%, fishmeal and fish oil 7.1%, clothing 57.5%, waste of steel, copper and aluminum 6.7% and wood in 32.1%.

### e. Colon Free Zone:

Data not available to date, due to the source that provides the information.

## 3. Internal trade:

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

The sale of fuel for domestic consumption fell by 33.9%, for its part, gasoline by 29.6%, mainly the 91 octane one at 32.8%, low sulfur diesel by 27.7% and bunker C by 79.0%. Likewise, the sale of liquefied petroleum gas fell by 4.3%.

### 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 13.5%, registering an increase in the Pacific Coast of 12.3% and in the Atlantic of 19.8%.

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

The sale of fuel (bunkering), through barges, increased by 4.8%, mainly that of the Pacific Coast by 10.0%; on the contrary, that of the Atlantic decreased by 14.7%. The total number of ships attended grew by 14.0%.

### e. New cars registered:

The number of new cars registered in the single vehicle registry decreased by 52.9%, and specifically, regular and luxury cars both fell by 51.7%, SUV'S 54.9%, minivans 54.2%, panels 21.1%, pick ups 54.9, buses 41.1 % and trucks in 50.8%.

## 4. Construction:

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

To date, there is no information on the cost of constructions registered by the municipalities. However, there are other indicators related to construction such as the production of ready-mix concrete (measured in m3), decreased by 62.9%, the production of gray cement (measured in metric tons), decreased by 58.7% and its importation in 55.8%.

### b. Construction area (m2) in the main municipalities of the Republic:

Data not available to date, due to the source that provides the information.

## 5. Financial intermediation:

**a. National Banking System:**

The liquid assets of the National Banking System (at the end of the period), increased by 62.9%; and the total loan portfolio at 0.1%. On the other hand, total deposits rose 7.6% and bank liquidity 51.4%.

**b. Stock market indicators:**

The volume traded (in thousands of balboas) by the total market of the Panama Stock Exchange (BVP), was reduced by 40.3%, of this, the primary market by 53.5%. The volume traded (in thousands of balboas) of the stock market in the BVP, grew by 56.6% and the number of shares by 68.6%. The calculated BVP index presented a negative rate of 14.6%.

**c. Insurance:**

The value of written insurance premiums presented a negative variation of 2.1%, mainly, the branches of: personal accidents 37.4%, automobiles 24.8% and technical branches 44.8%. On the other hand, positive variations were observed in: bonds 22.0%, health 5.7%, collective life 3.9% and other transport in 31.5%.

**d. Loans approved by the Banco de Desarrollo Agropecuario:**

Loans approved by the Banco de Desarrollo Agropecuario decreased by 24.8%, especially those directed to agriculture by 7.6%, livestock by 19.4%, fishing by 0.1% and other items by 39.6%.

**6. Leisure Activities:****a. Gross bets:**

Data not available to date, due to the source that provides the information.

**b. Net bets:**

Data not available to date, due to the source that provides the information.

**7. Electricity and water:****a. Electricity supply:**

The supply of electricity (in kilowatt hours) registered by the Commercial Measurement System (SMEC), reflected a negative rate of 2.7%. The renewable energy generated increased by 15.2%; and of this, hydraulic power by 24.2% and thermal sources decreased by 20.7%. Self-generation decreased by 20.0%, while imports rose by 374.0%.

**b. Destination of electricity:**

Electricity billing fell by 7.4%, mainly due to industrial clients by 26.6%, commercial by 19.8%, Government 3.3% and other clients by 6.1%; however, a positive variation of residential properties was observed in 7.7%. In turn, there was growth in the billing of large customers by 39.5%, generators 113.5% and exports by 28.0%.

**c. Water:**

The billing of drinking water (in gallons), in the Republic of Panama, reported a reduction of 0.2%, with a breakdown in: commercial that decreased by 4.1%, industrial by 6.0% and the Government by 0.1%; on the other hand, the residential sector rose by 0.7%.

**8. Manufacturing industries:**

The production of evaporated, condensed and powdered milk rose by 36.0%; However, chicken meat production was reduced by 6.8%, soft drinks by 21.5% and sugar production by 4.0%.

**9. Hotels and travelers entrance:****a. Hotels:**

Data not available to date, due to the source that provides the information.

#### **b. Entry of travelers and their expenses:**

Data not available to date, due to the source that provides the information.

### **10. Public Sector Finance:**

#### **a. Central Government current income:**

The current revenues of the Central Government decreased from January to May by 24.3% and of these, the tax revenues by 28.6%, with direct and indirect revenues at 24.0% and 33.2%, respectively. Non-taxpayers presented a decrease of 1.9%.

### **11. Other related:**

#### **a. Work contracts registered in MITRADEL:**

Data not available to date, due to the source that provides the information.

#### **b. Non-horizontal and horizontal properties listed:**

Registered non-horizontal properties were reduced by 38.0%, specifically, mortgages by 40.6%. For their part, horizontal properties fell by 43.3% and of these, mortgages by 46.3%.

#### **c. Anonymous and common companies:**

The number of companies registered in the Public Registry decreased for the period by 36.2%, the anonymous by 35.9% and the common by 47.0%. *L&E*



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## PANAMA CANAL REITERATES MARITIME RULES FOR THE PROTECTION OF CETACEANS

Source: ACP

**A**s of August 1 and until November 30, 2020, a new period will come into force to comply with the annual speed and maritime traffic recommendations established by the International Maritime Organization (IMO) since 2014, which limits the speed of navigation of the vessels through the established areas. This period coincides with the beginning of the cetacean migration season and sightings in the waters of Panama.

Panama has, since December 1, 2014, maritime traffic separation devices (TSS) located in Cristóbal, in the Caribbean Sea and the coast of the Pacific Ocean, both on the navigation routes of the Canal entrances.

That is why the Panama Canal reiterated to its

clients the need to comply with the TSS schemes established by the IMO in the convergence and high-density zones as a measure to preserve the whales. During the validity of the regulations, the ships that are going to transit the Canal must limit the speed of navigation through the established areas to 10 knots, as mentioned in the regulation.

This measure increases the safety of navigation in areas of convergence and high traffic density, as well as those where the freedom of movement of ships is diminished by space restrictions, obstacles to navigation, depth limitations, conditions unfavorable weather conditions, use of fishing resources, coastal areas and the presence

of sensitive marine species that are important for the protection of species and their habitats.

*"In this way, the Panama Canal reaffirms its commitment to long-term sustainability by promoting the conservation of cetaceans through a call to follow up on the recommendations and guidelines established by existing maritime traffic devices,"* ,said administrator Ricaurte Vásquez Morales.

It is necessary, said the Administrator, to prevent the collisions of cetaceans with vessels and to continue the good environmental practices of the shipping companies that cross the oceans.

Since these devices were put into practice, it has been possible to considerably reduce collisions of humpback whales and other types, with ships, while improving maritime safety and control of vessels passing through jurisdictional waters. from Panama.

Thus, through joint work and a comprehensive approach, the Green Route of Panama, promotes the preservation of Biodiversity and contributes to the national and international conservation efforts established by the International Maritime Organization and International Maritime Transport.*L&E*

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# Informe Preliminar de Recaudación

Junio 2020

## Ingresos Corrientes En Efectivo

Para el mes de junio 2020, los ingresos corrientes reflejan un total de B/. 308.4 millones. De este total, B/. 229.4 millones pertenecen a la recaudación de ingresos tributarios, B/. 67.5 millones a ingresos no tributarios y B/. 1.4 millones a otros ingresos corrientes.

En comparación al presupuesto Ley, para el mes de junio 2020 los ingresos corrientes muestran un déficit de B/. 544.7 millones; versus el año anterior presenta una disminución de B/. 536.9 millones.

Los ingresos tributarios reflejan un déficit de B/. 440.2 millones comparados con el presupuesto y una disminución de B/. 425.5 millones contra el mismo mes del año anterior.

Los ingresos no tributarios muestran un déficit de B/. 96.5 millones comparados con el presupuesto y una disminución contra el año anterior de 60.7%.

### En este informe

- 1 Ingresos Corrientes en Efectivo
- 2 Ingresos Tributarios en Efectivo
- 3 Recaudación con Documentos Fiscales
- 4 Ingresos No Tributarios y Otros Ingresos Corrientes
- 5 Participación de Utilidades y Aportes

Los Ingresos Corrientes muestran un déficit de 63.9% en comparación al presupuesto Ley.

(En B/. Miles)	Junio				Jun19	Rec/Jun19	%
	Real	Presup.	Rec/Pre	%			
<b>TOTAL INGRESOS CORRIENTES</b>	<b>308,378</b>	<b>853,097</b>	<b>(944,729)</b>	<b>(93.3)</b>	<b>340,288</b>	<b>(836,869)</b>	<b>(63.0)</b>
<b>I. INGRESOS TRIBUTARIOS</b>	<b>229,413</b>	<b>679,575</b>	<b>(440,162)</b>	<b>(94.8)</b>	<b>664,878</b>	<b>(425,463)</b>	<b>(64.0)</b>
Impuestos Directos	167,663	491,071	(323,408)	(95.1)	493,992	(326,329)	(64.3)
Impuestos Indirectos	71,590	188,504	(116,914)	(93.8)	194,884	(123,294)	(60.3)
<b>II. INGRESOS NO TRIBUTARIOS</b>	<b>67,509</b>	<b>163,997</b>	<b>(96,487)</b>	<b>(98.8)</b>	<b>171,698</b>	<b>(104,189)</b>	<b>(60.7)</b>
Tarifa, Derechos y Otros	64,768	126,794	(62,026)	(98.8)	163,791	(98,923)	(47.3)
Participación de Utilidades y Aportes	12,031	37,203	(25,172)	(95.8)	67,907	(55,876)	(61.1)
<b>III. OTROS INGRESOS CORRIENTES</b>	<b>1,456</b>	<b>5,525</b>	<b>(4,069)</b>	<b>(95.1)</b>	<b>8,683</b>	<b>(7,227)</b>	<b>(63.7)</b>

Los ingresos corrientes acumulados a junio 2020 totalizaron B/. 2,231.1 millones, reflejando un déficit de B/. 1,384.6 millones comparados con lo esperado en presupuesto y una disminución de B/. 1,154.4 millones contra el acumulado a junio del año anterior. Los ingresos tributarios representaron un 77% del total de ingresos corrientes.

Gráfico 1.1  
Comparativo Ingresos Corrientes  
Acumulados (Junio 2020)  
(en millones de balboas)



(En B/. Miles)	Acumulado Junio				Jun19	Rec/Jun19	%
	Real	Presup.	Rec/Pre	%			
<b>TOTAL INGRESOS CORRIENTES</b>	<b>2,231,090</b>	<b>3,615,764</b>	<b>(1,384,674)</b>	<b>(98.3)</b>	<b>3,389,466</b>	<b>(1,154,376)</b>	<b>(64.8)</b>
<b>I. INGRESOS TRIBUTARIOS</b>	<b>1,767,988</b>	<b>2,794,618</b>	<b>(1,026,630)</b>	<b>(98.8)</b>	<b>2,730,129</b>	<b>(1,042,141)</b>	<b>(67.2)</b>
Impuestos Directos	953,170	1,642,368	(689,197)	(98.2)	1,593,418	(658,238)	(66.0)
Impuestos Indirectos	754,204	1,223,060	(468,856)	(98.8)	1,210,718	(452,064)	(68.0)
<b>II. INGRESOS NO TRIBUTARIOS</b>	<b>594,620</b>	<b>766,764</b>	<b>(169,744)</b>	<b>(94.8)</b>	<b>618,766</b>	<b>(113,745)</b>	<b>(18.2)</b>
Tarifa, Derechos y Otros	395,726	608,064	(212,338)	(95.8)	462,787	(67,061)	(14.6)
Participación de Utilidades y Aportes	110,395	157,610	(47,215)	(98.1)	155,979	(45,704)	(29.3)
<b>III. OTROS INGRESOS CORRIENTES</b>	<b>17,482</b>	<b>54,382</b>	<b>(36,902)</b>	<b>(98.8)</b>	<b>49,234</b>	<b>(28,881)</b>	<b>(62.0)</b>

## Ingresos Tributarios en Efectivo

La recaudación de los ingresos tributarios en junio 2020 resultó B/. 239.4 millones, el cual muestra un déficit de 64.8% frente al presupuesto. En comparación a la recaudación del mismo periodo del año anterior, disminuyó en B/. 425.5 millones, es decir 64% menos.

Los impuestos directos muestran un déficit de 65.1% versus el presupuesto y al ser comparados con la recaudación del año anterior disminuyeron 64.3%. Por otro lado, los impuestos indirectos presentaron un déficit de 63.9% frente al presupuesto.

Los Ingresos Tributarios resultaron con déficit de 64.8% frente al presupuesto.

(En B/. Miles)	Recaudación							
	Real	Presup.	Rec/Pres	%	Jun19	Rec/Jun19	%	
<b>L. INGRESOS TRIBUTARIOS</b>	<b>239,403</b>	<b>673,379</b>	<b>(440,182)</b>	<b>(64.8)</b>	<b>664,976</b>	<b>(425,489)</b>	<b>(64.0)</b>	
<b>IMPUESTOS DIRECTOS</b>	<b>167,833</b>	<b>481,071</b>	<b>(313,238)</b>	<b>(65.1)</b>	<b>469,092</b>	<b>(302,159)</b>	<b>(64.3)</b>	
Renta	185,516	488,362	(302,827)	(67.5)	436,929	(291,414)	(66.7)	
Jurídica	59,786	225,192	(165,485)	(73.5)	219,954	(180,147)	(72.9)	
Natural	62,858	121,030	(58,172)	(48.5)	118,907	(53,148)	(59.6)	
Dividendos y Complementaria	18,280	38,088	(19,808)	(78.2)	78,010	(39,779)	(79.4)	
Otras	4,990	11,064	(6,153)	(62.4)	12,029	(7,148)	(59.3)	
Inmuebles	4,885	11,690	(6,804)	(58.7)	16,236	(11,351)	(69.9)	
Avances de Operación de Empresas	9,225	2,204	4,821	219.0	4,723	5,212	110.4	
Seguro Educativo	7,888	12,708	(4,820)	(41.2)	12,104	(4,208)	(48.1)	
<b>IMPUESTOS INDIRECTOS</b>	<b>71,569</b>	<b>192,308</b>	<b>(120,804)</b>	<b>(63.9)</b>	<b>194,884</b>	<b>(123,055)</b>	<b>(63.2)</b>	
I.T.B.M.S. - Ventas	26,888	71,084	(44,196)	(67.2)	76,818	(49,188)	(68.7)	
I.T.B.M.S. - Importación	16,272	38,736	(22,464)	(58.0)	38,936	(22,664)	(57.3)	
Importación	11,308	24,940	(13,413)	(53.8)	24,993	(13,472)	(53.9)	
Consumo de Combustible	9,280	11,328	(2,048)	(89.8)	14,888	(5,478)	(89.8)	
Impuestos Selectivos al Consumo	6,080	31,388	(27,308)	(81.9)	28,887	(22,807)	(79.0)	
Otros	8,198	8,735	(5,537)	(58.7)	10,496	(4,308)	(41.0)	

Los ingresos tributarios acumulados a junio 2020, fueron B/. 1,707.4 millones, éstos reflejan una disminución de 37.2%, en comparación con lo recaudado del año anterior. Con respecto al presupuesto resultaron con un déficit de 38.9%.

Los impuestos directos muestran un déficit de 38.3% comparados con el presupuesto.

Según el comportamiento de los impuestos indirectos, resultaron con un déficit de 38.8% respecto al presupuesto.

(En B/. Miles)	Recaudación Junio							
	Real	Presup.	Rec/Pres	%	Jun19	Rec/Jun19	%	
<b>L. INGRESOS TRIBUTARIOS</b>	<b>1,707,382</b>	<b>3,796,688</b>	<b>(2,089,306)</b>	<b>(38.9)</b>	<b>3,730,129</b>	<b>(1,013,749)</b>	<b>(37.2)</b>	
<b>IMPUESTOS DIRECTOS</b>	<b>953,179</b>	<b>1,542,353</b>	<b>(589,177)</b>	<b>(38.2)</b>	<b>1,503,415</b>	<b>(550,236)</b>	<b>(36.6)</b>	
Renta	811,218	1,280,279	(469,068)	(48.4)	1,282,878	(481,884)	(48.2)	
Jurídica	150,089	417,282	(267,197)	(68.8)	508,886	(288,802)	(67.1)	
Natural	517,715	575,906	(58,192)	(10.1)	591,720	(74,009)	(12.5)	
Dividendos y Complementario	90,858	203,333	(112,477)	(51.4)	186,581	(97,689)	(47.0)	
Otras	64,565	85,754	(21,191)	(21.9)	76,451	(11,886)	(17.7)	
Inmuebles	46,102	63,139	(17,036)	(27.0)	69,888	(23,786)	(33.0)	
Avances de Operación de Empresas	61,262	124,851	(63,589)	(51.0)	110,873	(59,619)	(52.0)	
Seguro Educativo	84,888	74,071	10,817	(14.6)	70,384	(13,686)	(22.0)	
<b>IMPUESTOS INDIRECTOS</b>	<b>754,203</b>	<b>1,254,335</b>	<b>(499,139)</b>	<b>(38.9)</b>	<b>1,216,708</b>	<b>(463,293)</b>	<b>(38.0)</b>	
I.T.B.M.S. - Ventas	296,479	483,611	(187,132)	(38.6)	476,222	(179,748)	(37.6)	
I.T.B.M.S. - Importación	139,278	257,772	(118,494)	(41.4)	233,769	(94,494)	(40.4)	
Importación	91,326	189,171	(97,845)	(39.0)	185,353	(53,828)	(37.1)	
Consumo de Combustible	60,927	52,088	8,839	(17.0)	97,130	(36,203)	(37.5)	
Impuestos Selectivos al Consumo	99,299	208,059	(108,760)	(51.5)	182,513	(83,214)	(45.6)	
Otros	64,896	69,768	(4,872)	(7.0)	76,800	(11,904)	(18.7)	

Nota: Cifras preliminares

## Recaudación con Documentos Fiscales

Los pagos con documentos fiscales representaron un total de 8/5.4 millones en el mes de junio 2020, donde la cifra más relevante correspondió al rubro de Consumo de Gasolina con 8/5.6 millones.

Recaudación con Documentos Fiscales - Junio 2020 Preliminar						
(En M/ Bolivianos)	C.R.C./C.R., C.H.F./C.A.T./E.M.R., C.E.P.A./C.R. Y C.F.P.	*CREDITOS FISCALES	Total Junio		Acumulado Junio	
			2020	2019	2020	2019
<b>INGRESOS CORRIENTES</b>	833,760	5,586,774	6,420,534	28,130,850	47,833,833	87,889,388
<b>INGRESOS TRIBUTARIOS</b>	833,760	5,586,774	6,420,534	28,130,550	45,235,833	87,889,388
<b>IMPUESTOS DIRECTOS</b>	212,860	-	212,860	21,286,832	8,778,507	87,885,796
Banco Nacional	-	-	-	323	323,389	751
Banco Jurídica y Zona Libre	106,226	-	106,226	10,586,662	7,754,781	45,114,618
Dividendos y Complementarios	-	-	-	688,183	840	686,583
Inmuebles	-	-	-	21,662	100,413	221,882
Activa de Operación de Empresas	23,635	-	23,635	-	182,903	321,890
Otros	-	-	-	-	13,382	-
<b>IMPUESTOS INDIRECTOS</b>	620,900	5,586,774	6,207,674	6,843,718	36,457,326	80,997,592
I.T.B.M.S. - Importación	418,487	-	418,487	53,377	1,360,560	452,732
I.T.B.M.S. - Ventas	27,668	-	27,668	126,258	768,685	588,698
Importación	174,759	-	174,759	40,144	946,363	227,677
Primas de Seguro	-	-	-	-	4,338,388	4,141,688
Consumo de Gasolina (Gas Licuado)	-	5,586,774	5,586,774	6,615,943	29,031,875	35,135,657
Declaración Timbra	-	-	-	-	5,599	248
Banco y Casas de Cambio	-	-	-	-	-	-
<b>INGRESOS NO TRIBUTARIOS</b>	-	-	-	380	2,688,817	1,208
Tasa Unica, S.A.	-	-	-	380	1,800	1,208
Regalía de Recursos Minerales Metálicos	-	-	-	-	2,688,437	-
Otros Ingresos Varios	-	-	-	-	3,785	-

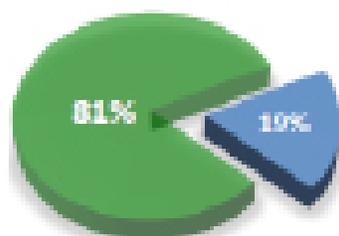
\*Créditos Fiscales: Incluye Gas Licuado, Devolución por Acreditamiento, Equivo Fiscal, Generación Hidroeléctrica, Crédito por Resolución y Crédito por Agente de Retención (ITBM)

### Recaudación Efectiva de Ingresos Corrientes y de Documentos Fiscales: Junio 2020: en miles de bolivianos

Meses	Efectiva	Documentos Fiscales	Total
Enero	525,033	5,382	530,414
Febrero	476,645	9,567	486,212
Marzo	411,855	9,816	421,671
Abril	269,609	6,604	276,213
Mayo	330,577	10,341	340,918
Junio	300,370	6,401	314,791
<b>Total Acumulado</b>	<b>2,233,089</b>	<b>47,931</b>	<b>2,279,020</b>

Nota: Cifras preliminares

Los recaudos en tasas, derechos y otros, para el mes de junio, representaron un 81% del total de ingresos no tributarios.



■ Tasas, derechos y otros  
■ Participación de utilidades y aportes

## Ingresos No Tributarios y Otros Ingresos Corrientes

La suma de los ingresos no tributarios en junio B/.67.5 millones, refleja un déficit de B/.96.5 millones, en comparación al presupuesto ley 2020.

Tasas, Derechos y Otros con déficit de 56.8% respecto al presupuesto y disminución de 47.3% en comparación al mes de junio de 2019.

Los Otros Ingresos Corrientes B/.1.4 millones muestran déficit de 83.1% versus presupuesto y disminución de 83.7% respecto al mes de junio del año anterior.

(En B/. Miles)	Junio						
	Real	Presup.	Rec/Pre	%	Jun19	Rec/Jun19	%
<b>II. INGRESOS NO TRIBUTARIOS</b>	67,539	163,997	(96,457)	(58.8)	171,699	(104,159)	(60.7)
<b>TASAS, DERECHOS Y OTROS</b>	54,788	128,724	(73,936)	(56.8)	112,791	(58,003)	(47.3)
Peajes y Serv. del Canal	38,723	43,403	(4,680)	(10.4)	48,427	(11,704)	(24.2)
Tasa Anual (Sociedades Anónimas)	5,528	16,160	(10,632)	(45.8)	7,534	(2,006)	(26.7)
Concesiones	-	5,761	(5,761)	(100.0)	24,471	(24,471)	(100.0)
Otros	12,480	67,368	(54,888)	(81.5)	23,358	(10,868)	(46.7)
<b>PART. DE UTILIDADES Y APORTES</b>	12,831	35,263	(22,431)	(63.6)	67,908	(55,080)	(81.1)
Dividendos del Canal	-	-	-	-	-	-	-
Dividendos de empresas con capital mixto	2,565	1,702	773	45.1	15,137	(12,572)	(83.1)
Otros aportados gubernamentales	10,266	33,471	(23,204)	(71.1)	52,771	(42,498)	(80.5)
<b>III. OTROS INGRESOS CORRIENTES</b>	1,418	5,325	(3,907)	(83.1)	8,633	(7,215)	(83.7)

En el acumulado a junio 2020 de los ingresos no tributarios B/.506 millones, refleja un déficit de B/.260.7 millones, en comparación a lo esperado en presupuesto ley 2020.

Por otro lado, muestran una disminución de B/.112.7 millones, es decir 18.2% menos que el año anterior.

Los ingresos acumulados en Peajes del Canal muestran un superávit de B/.20.5 millones frente al presupuesto y un aumento de 3% comparados con el año anterior.

La Participación de Utilidades y Aportes refleja un déficit de B/.47.6 millones y una disminución de 39.3% versus el año anterior.

Los Otros Ingresos Corrientes resultaron con un déficit de 66.6% en comparación a lo esperado en presupuesto ley.

(En B/. Miles)	Acumulado Junio						
	Real	Presup.	Rec/Pre	%	Jun19	Rec/Jun19	%
<b>II. INGRESOS NO TRIBUTARIOS</b>	506,028	766,764	(260,736)	(34.0)	618,766	(112,738)	(18.2)
<b>TASAS, DERECHOS Y OTROS</b>	395,735	688,954	(293,219)	(42.6)	462,767	(67,031)	(14.5)
Peajes y Serv. del Canal	373,343	381,634	8,291	2.1	384,513	7,229	1.9
Tasa Anual (Sociedades Anónimas)	39,084	49,604	(10,520)	(41.6)	34,976	(5,892)	(16.8)
Concesiones	14,561	35,684	(21,123)	(59.2)	50,000	(35,439)	(70.9)
Otros	79,739	271,281	(191,542)	(70.6)	113,278	(33,539)	(29.6)
<b>PART. DE UTILIDADES Y APORTES</b>	110,293	177,810	(67,516)	(38.0)	155,999	(45,704)	(29.3)
Dividendos del Canal	-	-	-	-	-	-	-
Dividendos de empresas con capital mixto	15,368	34,307	(18,937)	(55.2)	15,736	(3,330)	(21.2)
Otros aportados gubernamentales	94,925	133,483	(38,558)	(28.9)	137,271	(42,368)	(30.9)
<b>III. OTROS INGRESOS CORRIENTES</b>	17,687	52,821	(35,134)	(66.6)	48,577	(28,890)	(59.5)

## Participación de Utilidades y Aportes

Detallamos a continuación la participación de utilidades de empresas estatales y aportes del mes de junio 2020 (cifras en B/. millones):

Entidad	Junio	Acumulado Junio
Lotería Nacional de Beneficencia		16.3
Registro Público		11.8
Autoridad del Tránsito		1.0
Autoridad de Marítima de Panamá	7.1	45.8
Dividendos PTP	2.5	15.4
Autoridad de Turismo de Panamá	1.9	7.2
Zona Libre de Colón	1.1	7.7
Banco Nacional de Panamá		5.0
<b>TOTAL</b>	<b>12.8</b>	<b>100.3</b>

*Nota: Cifras preliminares sujetas a verificación*

# Recaudación de las Administraciones Provinciales

## RECAUDACIÓN ADMINISTRACIÓN PROVINCIAL DE DOGAS DEL TORO, POR MESES, SEGUN IMPUESTOS, 2020

(En balboas)

DETALLE	ENERO	FEBRERO	MARZO	ABRIL	MAYO	JUNIO	TOTAL
<b>I. INGRESOS CORRIENTES (III+IV+V)</b>	333,383	258,131	318,675	322,399	116,478	465,163	1,804,229
<b>II. INGRESOS TRIBUTARIOS (III+IV)</b>	231,690	205,608	287,284	65,519	107,913	173,810	1,066,833
<b>III. IMPUESTOS DIRECTOS</b>	58,261	101,549	205,908	48,654	66,486	150,912	631,769
Persona Natural	6,212	6,857	23,765	2,263	4,843	24,054	67,994
Persona Jurídica	7,556	22,778	43,865	4,434	15,635	84,339	178,626
Patrimonias	1,268	4,339	3,241	4,447	3,135	10,625	26,045
Dividendos							0
Complementario	306	2	17,607	2,095	2,541	6,896	28,648
Autoridad del Canal							0
Zona Libre de Coldre							0
Transferencia Bienes Inmuebles	4,110	3,512	17,006	4,611	4,727	1,725	35,691
Ganancia por enajenación de valores	7,999	10,658	20,079	17,395	7,091	2,333	65,455
Ganancia por enajenación de inmuebles	25,728	44,137	3,768	2,474	12,813	236	88,157
Inmuebles	5,081	9,269	76,577	10,936	16,891	11,403	140,152
Avenas de operación de las empresas	173,429	104,959	81,376	16,864	36,437	22,899	435,064
<b>IV. IMPUESTOS INDIRECTOS</b>	168,580	97,562	78,322	15,883	34,583	21,173	416,104
I.T.B.M.S. - Ventas							0
Primas de Seguro							0
I.S.C. - Cerveza		2,289					2,289
I.S.C. - Licores y Vinos							0
I.S.C. - Gaseosas							0
I.S.C. - Joyas y Armas							0
I.S.C. - Televisión, Cable y Microonda	1,254		1,377				2,631
I.S.C. - Suerte y Azar	3,595	4,209	1,677	981	1,854	1,725	14,041
Declaración Timbres							0
Bancos y Casa de Cambios							0
Licencia Comercial y Profesional							0
<b>V. INGRESOS NO TRIBUTARIOS</b>	72,433	33,999	15,935	254,749	5,654	277,651	664,412
<b>TASAS, DERECHOS Y OTROS</b>	72,433	33,999	15,935	254,749	5,654	277,651	664,412
Tasa Anual, S.A.	55,180	21,976	7,036	3,321	5,830	22,732	116,047
Derecho Único		1,385	900		300		2,565
Tasa de Aviso de Operación	400	650	510	139	210	350	2,250
Inscrip. Registro del Municipio - T.A.O.	195	240	150	25	85	175	870
Otros (1)	16,658	9,748	7,339	251,261	3,259	254,395	542,660
<b>VI. OTROS INGRESOS CORRIENTES</b>	29,259	18,534	15,456	2,341	3,962	3,702	72,984
Otros Ingresos (3)	29,259	18,534	15,456	2,341	3,962	3,702	72,984

(1) Incluye: Transferencias corrientes, servicios de vigilancia, ingresos varios y otros.

(3) Incluye: Fondos incorporados, tales como: rentas de activos, ingresos por venta de bienes y servicios, tasas, derechos y otros.

# RECAUDACIÓN ADMINISTRACIÓN PROVINCIAL DE COCLÉ, POR MESES, SEGÚN IMPUESTOS, 2020

(En balboas)

DETALLE	ENERO	FEBRERO	MARZO	ABRIL	MAYO	JUNIO	TOTAL
<b>I. INGRESOS CORRIENTES (II+V+VI)</b>	1,096,326	1,160,337	691,587	220,834	215,531	1,375,880	4,670,496
<b>II. INGRESOS TRIBUTARIOS (III+IV)</b>	725,539	981,064	610,030	206,542	154,337	1,285,782	3,963,295
<b>III. IMPUESTOS DIRECTOS</b>	345,411	447,005	419,733	153,502	121,181	1,234,068	2,720,901
Persona Natural	39,959	36,060	31,797	25,172	14,784	35,231	182,944
Persona Jurídica	75,507	53,841	71,533	64,043	37,834	256,505	539,264
Famílias	916	7,873	27,950	397	3,053	23,095	63,284
Dividendos	8,771	13,682	1,500	0	4,193	3,608	31,754
Complementario	6,978	7,561	38,020	16,157	6,701	64,799	140,216
Autoridad del Canal	0	0	0	0	0	0	0
Zona Libre de Colón	0	0	0	0	0	0	0
Transferencia Bienes Inmuebles	24,349	16,096	35,568	0	3,003	91,596	170,612
Ganancia por enajenación de valores	0	0	0	0	0	250	250
Ganancia por enajenación de inmuebles Inmuebles	99,265	40,827	71,269	0	3,987	141,481	356,830
Avisos de operación de las empresas	82,823	161,752	14,555	26,244	15,488	526,040	826,901
<b>IV. IMPUESTOS INDIRECTOS</b>	6,843	109,312	127,600	21,490	32,138	91,463	388,845
I.T.B.M.S. - Ventas	380,128	534,059	190,296	53,040	33,156	51,714	1,242,394
Primas de Seguro	366,547	509,013	184,720	50,864	31,558	48,641	1,191,343
I.S.C. - Cerveza	0	0	0	0	0	0	0
I.S.C. - Licores y Vinos	0	0	0	0	0	0	0
I.S.C. - Gaseosas	0	0	0	0	0	0	0
I.S.C. - Joyas y Armas	0	0	0	0	0	0	0
I.S.C. - Televisión, Cable y Microonda	0	0	0	0	0	0	0
I.S.C. - Siente y Azar	0	0	0	0	0	0	0
Declaración Timbres	272	16,408	359	0	0	0	17,039
Bancos y Casa de Cambios	13,308	8,638	5,218	2,176	1,598	3,073	34,011
Licencia Comercial y Profesional	0	0	0	0	0	0	0
<b>V. INGRESOS NO TRIBUTARIOS</b>	191,043	113,882	29,463	3,187	28,191	60,295	426,061
<b>TASAS, DERECHOS Y OTROS</b>	191,043	113,882	29,463	3,187	28,191	60,295	426,061
Tasa Anual, S.A.	113,728	68,026	9,160	1,817	21,666	37,596	251,993
Derecho Único	1,485	885	570	0	0	0	2,940
Tasa de Aviso de Operación	1,620	1,650	880	150	1,860	1,930	8,090
Inscrip. Registro del Municipio - T.A.O.	665	695	365	90	855	840	3,510
Regalía de Recursos Minerales	0	0	0	0	0	6,906	6,906
Otros (1)	73,545	42,626	18,488	1,130	3,810	13,023	152,622
<b>VI. OTROS INGRESOS CORRIENTES</b>	89,743	65,391	52,095	11,105	33,004	29,803	281,141
Otros Ingresos (3)	89,743	65,391	52,095	11,105	33,004	29,803	281,141

(1) Incluye: Transferencias corrientes, servicios de rigilancia, ingresos varios y otros.

(3) Incluye: Fondos incorporados, tales como: rentas de activos, ingresos por venta de bienes y servicios, tasas, derechos y otros.

## RECAUDACIÓN ADMINISTRACIÓN PROVINCIAL DE COLÓN, POR MESES, SEGÚN IMPUESTOS, 2020

(En balboas)

DETALLE	ENERO	FEBRERO	MARZO	ABRIL	MAYO	JUNIO	TOTAL
<b>I. INGRESOS CORRIENTES (I+V+VI)</b>	2,621,055	2,258,452	2,175,485	151,735	366,200	1,315,608	8,888,535
<b>II. INGRESOS TRIBUTARIOS (III-IV)</b>	2,059,719	1,835,172	1,924,160	97,657	245,172	1,144,210	7,306,089
<b>III. IMPUESTOS DIRECTOS</b>	1,511,265	1,490,960	1,436,561	54,729	182,372	1,063,218	5,739,105
Persona Natural	30,750	33,598	52,201	501	9,069	28,534	154,743
Persona Jurídica	67,230	47,504	21,977	4,301	28,059	69,472	238,543
Fianzillas	51,360	1,959	61,047		785	17,243	132,394
Dividendos	670,743	304,682	184,895		8,670	59,483	1,248,473
Complementario	41,382	56,643	87,350	728	8,138	159,226	393,267
Autoridad del Canal							0
Zona Libre de Colón	17,767	44,724	57,564	591	22,352	65,476	208,254
Transferencia Bienes Inmuebles	20,002	12,242	7,660	2,240	4,553	1,769	48,285
Ganancia por enajenación de valores	362		499,900			10,000	510,262
Ganancia por enajenación de Inmuebles	27,713	43,300	30,631	1,950	6,003	58,546	168,143
Inmuebles	442,361	588,488	136,733	11,829	15,728	182,927	1,378,076
Aúso de operación de las empresas	141,776	297,811	297,003	32,409	79,035	410,542	1,258,665
<b>IV. IMPUESTOS INDIRECTOS</b>	348,454	344,211	487,598	42,928	62,800	80,932	1,566,984
I.T.B.M.S. - Ventas	492,583	307,313	431,976	22,058	49,058	69,434	1,393,061
Primas de Seguro	7,541	3,781	6,862	4,067	5,402	4,208	31,861
I.S.C. - Carneza							0
I.S.C. - Ucores y Vinos							0
I.S.C. - Gaseosas							0
I.S.C. - Joyas y Armas							0
I.S.C. - Televisión, Cable y Microonda							0
I.S.C. - Suerte y Azar	19,346	89	40				19,475
Declaración Timbres	28,985	33,028	28,720	16,804	7,700	7,350	122,587
Bancos y Casa de Cambios							0
Licencia Comercio y Profesional							0
<b>V. INGRESOS NO TRIBUTARIOS</b>	329,504	244,512	91,784	9,672	49,926	91,862	811,261
<b>TASAS, DERECHOS Y OTROS</b>	329,504	244,512	91,784	9,672	49,926	91,862	811,261
Tasa Anual, S.A.	268,783	105,492	45,212	3,950	11,832	49,112	484,389
Derecho Unico	900	2,590	585			1,200	5,275
Tasa de Auto de Operación	1,980	2,480	1,380	160	1,290	2,310	9,610
Inscrip. Registro del Municipio - T.A.O.	865	820	490	60	525	895	3,655
Otros (3)	56,977	133,130	44,117	5,502	30,279	38,336	308,340
<b>VI. OTROS INGRESOS CORRIENTES</b>	231,832	178,769	159,540	44,406	77,103	79,536	771,185
Otros Ingresos (3)	231,832	178,769	159,540	44,406	77,103	79,536	771,185

(1) Incluye: Transferencias corrientes, servicios de vigilancia, ingresos varios y otros.

(3) Incluye: Fondos incorporados, tales como: rentas de activos, ingresos por venta de bienes y servicios, tasas, derechos y otros.

# RECAUDACIÓN ADMINISTRACIÓN PROVINCIAL DE CHIRIQUÍ, POR MESES, SEGÚN IMPUESTOS, 2020

(En balboas)

DETALLE	ENERO	FEBRERO	MARZO	ABRIL	MAYO	JUNIO	TOTAL
<b>I. INGRESOS CORRIENTES (I+V+VI)</b>	4,757,909	4,047,438	3,944,471	2,053,452	1,766,911	3,431,999	20,002,180
<b>II. INGRESOS TRIBUTARIOS (III+IV)</b>	2,892,156	2,254,637	2,374,339	656,662	919,271	2,117,758	11,214,824
<b>III. IMPUESTOS DIRECTOS</b>	1,686,104	1,318,201	1,607,711	363,868	627,736	1,740,602	7,344,152
Persona Natural	118,476	98,511	66,525	11,521	16,857	95,627	407,516
Persona Jurídica	353,770	108,804	373,433	139,833	107,384	478,726	1,562,168
Fianzillas	52,854	11,003	3,024	1,530	29,634	12,874	110,899
Dividendos	289,114	256,565	326,483	600	52,068	116,553	1,041,404
Complementario	139,211	34,144	54,609	5,407	22,364	913,105	568,840
Autonad del Canal						0	0
Zona Libre de Colón						0	0
Transferencia Bienes Inmuebles	308,147	152,146	116,555	3,389	60,144	84,037	533,418
Ganancia por enajenación de valores	111,677	11,329	22,400		21,000	196,435	362,841
Ganancia por enajenación de Inmuebles	271,528	322,594	247,757	7,120	111,551	122,699	1,083,248
Inmuebles	212,578	286,241	100,596	41,617	106,042	169,403	916,477
Avisos de operación de las empresas	28,749	36,866	296,330	152,792	91,463	151,142	757,341
<b>IV. IMPUESTOS INDIRECTOS</b>	1,206,052	936,436	766,629	292,854	291,545	377,156	3,870,672
I.T.B.M.S. - Ventas	1,186,489	922,619	743,907	282,125	286,881	367,185	3,789,216
Primas de Seguro						0	0
I.S.C. - Cerveza						0	0
I.S.C. - Ucores y Vinos						0	0
I.S.C. - Gaseosas						0	0
I.S.C. - Joyas y Armas						0	0
I.S.C. - Televisión, Cable y Microonda						0	0
I.S.C. - Suarte y Azar	126						126
Declaración Timbres	19,428	13,818	10,221	9,729	4,664	9,971	67,830
Bancos y Casa de Cambios			12,500	1,000			13,500
Licencia Comercial y Profesional						0	0
<b>V. INGRESOS NO TRIBUTARIOS</b>	1,668,640	1,645,483	1,457,291	1,385,377	830,369	1,275,863	8,262,824
<b>TASAS, DERECHOS Y OTROS</b>	1,668,640	1,645,483	1,457,291	1,385,377	830,369	1,275,863	8,262,824
Tasa Aneal, S.A.	453,585	168,269	50,484	11,918	31,902	130,005	846,164
Derecho Único	4,445	3,345	1,300			300	9,390
Tasa de Aviso de Operación	4,930	5,380	2,580	550	5,180	4,900	23,520
Inscrip. Registro del Municipio - T.A.O.	1,620		925	200	2,055	1,890	6,730
Regalía de Recursos Minerales	12,827	18,250	7,199	2,739	616	742	42,373
Otros (1)	1,191,232	1,450,240	1,394,804	1,369,769	790,576	1,138,026	7,334,646
<b>VII. OTROS INGRESOS CORRIENTES</b>	197,112	147,318	112,840	11,613	17,271	38,378	524,532
Otros Ingresos (3)	197,112	147,318	112,840	11,613	17,271	38,378	524,532

(1) Incluye: Transferencias corrientes, servicios de vigilancia, ingresos varios y otros.

(3) Incluye: Fondos incorporados, tales como: rentas de activos, ingresos por venta de bienes y servicios, tasas, derechos y otros.

## RECAUDACIÓN ADMINISTRACIÓN PROVINCIAL DE DARIÉN, POR MESES, SEGÚN IMPUESTOS, 2020

(En balboas)

DETALLE	ENERO	FEBRERO	MARZO	ABRIL	MAYO	JUNIO	TOTAL
<b>I. INGRESOS CORRIENTES (II+IV+VI)</b>	22,654	20,672	5,740	6,089	34,494	11,854	101,503
<b>II. INGRESOS TRIBUTARIOS (III+IV)</b>	16,952	7,745	1,762	5,714	33,009	8,566	73,742
<b>III. IMPUESTOS DIRECTOS</b>	11,402	3,712	473	545	31,459	7,914	55,525
Persona Natural	936	591	166	100	100	771	2,665
Persona Jurídica		423	3		2,662	73	3,161
Planillas						6,538	6,538
Dividendos						0	0
Complementario		208	103		905	10	1,281
Autoridad del Canal						0	0
Zona Libre de Colón						0	0
Transferencia Bienes Inmuebles	2,167	79			584		2,829
Ganancia por enajenación de valores	3,250	111			875		4,236
Ganancia por enajenación de inmuebles	4,576	1,255		237	26,002	317	32,368
Inmuebles	473	1,060	201	208	271	225	2,428
Avisos de operación de las empresas	5,550	4,032	1,289	5,169	1,551	626	18,217
<b>IV. IMPUESTOS INDIRECTOS</b>	4,900	3,290	994	4,945	945	371	15,445
I.T.B.M.S. - Ventas							0
Primas de Seguro							0
I.S.C. - Cerveza							0
I.S.C. - Licores y Vinos							0
I.S.C. - Gaseosas							0
I.S.C. - Joyas y Armas							0
I.S.C. - Televisión, Cable y Microonda							0
I.S.C. - Suerte y Azar							0
Declaración Timbres	650	743	295	224	606	255	2,772
Bancos y Casa de Cambios							0
Licencia Comercial y Profesional							0
<b>V. INGRESOS NO TRIBUTARIOS</b>	5,687	10,017	3,828	375	1,485	3,294	24,686
<b>TASAS, DERECHOS Y OTROS</b>	5,687	10,017	3,828	375	1,485	3,294	24,686
Tasa Anual, S.A.	1,260	1,710	600	350	300	460	4,680
Derecho Único		3,400					3,400
Tasa de Aviso de Operación	160	340	140	10	70	290	1,010
Inscrip. Registro del Municipio - T.A.O.	90	170	70	5	35	160	590
Otros (1)	4,177	4,397	3,018	10	1,080	2,364	15,066
<b>VI. OTROS INGRESOS CORRIENTES</b>	15	2,510	150	0	0	0	3,075
Otros Ingresos (3)	15	2,510	150	0	0	0	3,075

(1) Incluye: Transferencias corrientes, servicios de vigilancia, ingresos varios y otros.

(3) Incluye: Fondos incorporados, tales como: rentas de activos, ingresos por venta de bienes y servicios, tasas, derechos y otros.

RECAUDACIÓN ADMINISTRACIÓN PROVINCIAL DE HERRERA, POR MESES, SEGÚN IMPUESTOS, 2020

(En balboas)

DETALLE	ENERO	FEBRERO	MARZO	ABRIL	MAYO	JUNIO	TOTAL
<b>I. INGRESOS CORRIENTES (III+IV+V)</b>	717,297	814,683	556,904	424,389	188,468	438,828	3,137,467
<b>II. INGRESOS TRIBUTARIOS (III+IV)</b>	519,480	647,464	508,153	417,320	163,385	405,026	2,662,827
<b>III. IMPUESTOS DIRECTOS</b>	300,932	395,778	282,319	158,651	117,429	338,458	1,588,567
Persona Natural	15,156	14,958	30,267	2,013	5,309	14,475	82,179
Persona Jurídica	32,810	94,853	17,545	73,245	24,565	91,881	334,910
Planillas	7,239	1,246	1,511	426	816	2,422	13,660
Dividendos	3,909						3,909
Complementario	2,438	12,880	1,137	28,409	1,353	20,175	66,342
Autoridad del Canal							0
Zona Libre de Colón							0
Transferencia Bienes Inmuebles	37,251	25,164	37,935	603	12,757	15,790	129,499
Ganancia por enajenación de valores	1,705	52					1,757
Ganancia por enajenación de inmuebles	138,800	104,017	127,557	16,473	28,078	56,574	471,499
Inmuebles	39,837	77,824	25,241	7,691	18,407	36,878	205,877
Avisos de operación de las empresas	21,787	64,813	44,127	29,791	26,055	95,263	278,836
<b>IV. IMPUESTOS INDIRECTOS</b>	218,548	231,086	225,033	238,069	47,935	71,368	1,074,200
I.T.B.M.S. - Ventas	211,089	245,541	217,747	256,885	47,025	67,288	1,045,576
Primas de Seguro							0
I.S.C. - Carneza							0
I.S.C. - Uvones y Vinos							0
I.S.C. - Gaseosas							0
I.S.C. - Joyas y Armas							0
I.S.C. - Televisión, Cable y Microonda							0
I.S.C. - Suerte y Azar							0
Declaración Timbres	7,459	6,145	8,086	1,784	930	4,280	28,684
Bancos y Casa de Cambios							0
Licencia Comercial y Profesional							0
<b>V. INGRESOS NO TRIBUTARIOS</b>	139,374	140,297	32,056	3,143	20,799	30,510	386,180
<b>TASAS, DERECHOS Y OTROS</b>	139,374	140,297	32,056	3,143	20,799	30,510	386,180
Tasa Anual, S.A.	132,791	26,453	9,400	1,350	8,233	21,465	199,682
Derecho Unico	800	245					1,045
Tasa de Aviso de Operación	740	620	450	200	1,160	1,000	4,170
Ins.rip. Registro del Municipio - T.A.O.	320	235	150	70	560	410	1,745
Regalía de Recursos Minerales	7,967	7,156	6,175		7,961		29,159
Otros (1)	16,755	105,289	15,881	1,523	2,896	7,035	150,309
<b>VI. OTROS INGRESOS CORRIENTES</b>	38,743	26,922	16,294	3,926	2,484	290	88,460
Otros Ingresos (3)	38,743	26,922	16,294	3,926	2,484	290	88,460

(1) Incluye: Transferencias corrientes, servicios de vigilancia, ingresos varios y otros.

(3) Incluye: Fondos Incorporados, tales como: rentas de activos, ingresos por venta de bienes y servicios, tasas, derechos y otros.

RECAUDACIÓN ADMINISTRACIÓN PROVINCIAL DE LOS SANTOS, POR MESES, SEGÚN IMPUESTOS, 2020

(En balboas)

DETALLE	ENERO	FEBRERO	MARZO	ABRIL	MAYO	JUNIO	TOTAL
<b>I. INGRESOS CORRIENTES (IH-V+VI)</b>	273,559	213,382	160,426	99,381	239,927	231,752	1,218,627
<b>II. INGRESOS TRIBUTARIOS (IIH-IV)</b>	215,075	154,672	135,816	98,119	224,927	198,607	1,050,616
<b>III. IMPUESTOS DIRECTOS</b>	136,729	100,804	103,375	82,286	203,267	163,519	800,060
Persona Natural	7,722	6,794	18,400	2,278	5,341	6,106	46,640
Persona Jurídica	4,214	6,910	1,269	12,476	18,891	63,605	117,366
Patillas	8,290	3,973	8,700	1,329	2,798	1,805	26,895
Dividendos				15,731		2,168	17,899
Complementario	65	203	616	416	10,110	14,736	26,146
Autoridad del Canal							0
Zona Libre de Colón							0
Transferencia Bienes Inmuebles	23,390	15,385	10,052	3,560	10,031	17,488	80,916
Ganancia por enajenación de valores					85,315		85,315
Ganancia por enajenación de inmuebles	60,813	41,449	26,802	4,950	18,744	26,767	179,526
Inmuebles	29,418	31,553	17,435	15,611	4,372	10,610	108,999
Acosos de operación de las empresas	2,816	3,618	20,050	25,935	37,665	20,234	110,359
<b>IV. IMPUESTOS INDIRECTOS</b>	78,347	43,788	36,441	15,832	31,660	34,488	230,556
I.T.B.M.S. - Ventas	72,695	38,436	31,403	14,216	19,647	31,312	207,409
Primas de Seguro							0
I.S.C. - Cerveza							0
I.S.C. - Ucores y Vinos							0
I.S.C. - Gasolina							0
I.S.C. - Joyas y Armas							0
I.S.C. - Televisión, Cable y Microonda							0
I.S.C. - Suerte y Azar							0
Declaración Timbres	5,652	5,652	5,039	1,616	2,013	3,175	23,147
Bancos y Casa de Cambios							0
Licencia Comercial y Profesional							0
<b>V. INGRESOS NO TRIBUTARIOS</b>	49,370	45,867	14,361	865	12,303	27,227	149,993
<b>TASAS, DERECHOS Y OTROS</b>	49,370	45,867	14,361	865	12,303	27,227	149,993
Tasa Anual, S.A.	38,299	9,516	4,350	400	4,850	20,615	78,029
Derecho Único	1,120	855					1,985
Tasa de Ariso de Operación	1,020	640	640		890	800	3,990
Inscrip. Registro del Municipio - T.A.O.	375		160		355	395	1,285
Regalía de Recursos Minerales							0
Otros (1)	8,546	34,856	9,211	465	6,208	5,417	64,703
<b>VI. OTROS INGRESOS CORRIENTES</b>	9,114	13,044	6,249	397	2,697	6,518	38,018
Otros Ingresos (3)	9,114	13,044	6,249	397	2,697	6,518	38,018

(1) Incluye: Transferencias corrientes, rendidos de vigilancia, ingresos varios y otros.

(3) Incluye: Fondos incorporados, tales como: rentas de activos, ingresos por venta de bienes y servicios, tasas, derechos y otros.

RECAUDACIÓN ADMINISTRACIÓN PROVINCIAL DE PANAMÁ, POR MESES, SEGÚN IMPUESTOS, 2020

(En balboas)

DETALLE	ENERO	FEBRERO	MARZO	ABRIL	MAYO	JUNIO	TOTAL
<b>I. INGRESOS CORRIENTES (I+IV+VI)</b>	342,147,299	291,737,745	268,979,348	146,442,770	140,169,347	196,767,413	1,361,537,935
<b>II. INGRESOS TRIBUTARIOS (II+IV)</b>	307,464,692	276,498,109	261,232,317	141,362,958	135,669,453	188,968,779	1,291,084,191
<b>III. IMPUESTOS DIRECTOS</b>	163,093,539	168,007,981	176,119,902	96,973,780	105,142,301	155,349,886	864,657,389
Persona Natural	1,842,587	2,023,902	3,008,608	486,134	826,879	2,165,845	10,334,653
Persona Jurídica	7,270,080	11,085,478	21,596,548	20,386,039	11,719,821	55,306,202	127,473,230
Famílias	113,594,819	130,768,278	87,845,792	40,030,961	38,530,603	50,838,595	461,609,047
Dividendos	7,648,975	9,529,309	21,651,289	11,443,541	9,975,423	9,949,209	62,793,896
Complementario	1,464,531	1,323,062	4,836,092	9,701,193	3,033,057	11,892,631	32,250,565
Autoridad del Canal	8,138,882	6,709,088	7,018,298	6,240,733	6,038,191	9,301,235	44,046,448
Zona Libre de Colón	480,325	105,369	1,773,732	239,449	870,281	3,233,022	6,682,178
Transferencia Bienes Inmuebles	2,261,290	1,558,134	1,673,179	263,000	1,273,864	1,077,450	8,107,078
Ganancia por enajenación de valores	2,115,464	2,170,703	3,357,076	1,302	21,844,899	301,832	29,791,174
Ganancia por enajenación de inmuebles Inmuebles	6,190,374	4,695,202	4,510,997	821,943	2,666,332	2,663,191	21,566,129
Avisos de operación de las empresas	8,919,341	19,491,298	2,286,024	4,715,990	2,317,739	3,913,466	41,641,857
<b>IV. IMPUESTOS INDIRECTOS</b>	3,177,890	2,546,170	15,562,166	2,613,417	5,435,203	9,025,118	38,361,965
I.T.B.M.S. - Ventas	<b>144,371,153</b>	<b>88,490,128</b>	<b>85,092,414</b>	<b>44,459,178</b>	<b>30,527,153</b>	<b>33,618,893</b>	<b>406,426,802</b>
Primas de Seguro	90,454,367	65,808,543	55,252,494	30,892,827	21,906,317	24,827,486	288,602,033
Consumo de Combustible	7,494,717	7,584,092	9,578,590	8,374,026	5,794,818	5,030,669	43,856,912
I.S.C. - Cerveza	6,203,915	4,696,098	4,511,686	794,809	84,552	117,682	16,468,742
I.S.C. - Licores y Vinos	1,600,369	483,378	923,514	56,001	104,409	228,746	3,389,447
I.S.C. - Gaseosas	859,174	771,274	726,390	168,989	157,445	219,771	2,903,043
I.S.C. - Joyas y Armas		0		150			150
I.S.C. - Televisión, Cables y Microonda	3,586,900	3,228,355	3,046,520	1,735,677	1,459,995	2,055,129	15,112,675
I.S.C. - Suerte y Azar	4,539,116	3,768,809	2,704,175	133,754		14,971	11,160,824
Declaración Timbres	1,652,839	1,897,183	1,802,952	1,102,916	619,315	1,078,787	8,153,091
Bancos y Casa de Cambios	7,844,540	192,397	6,546,993	1,200,000	1,000,300	45,653	16,829,883
Licencia Comercial y Profesional							0
<b>V. INGRESOS NO TRIBUTARIOS</b>	<b>31,648,146</b>	<b>11,593,021</b>	<b>5,277,086</b>	<b>1,748,327</b>	<b>2,654,254</b>	<b>6,984,822</b>	<b>54,928,905</b>
<b>TASAS, DERECHOS Y OTROS</b>	<b>31,648,146</b>	<b>11,593,021</b>	<b>5,277,086</b>	<b>1,748,327</b>	<b>2,654,254</b>	<b>6,984,822</b>	<b>54,928,905</b>
Tasa Anual, S.A.	10,971,660	4,923,443	2,584,169	1,082,908	1,994,990	5,208,581	26,745,750
Derecho Único	18,885	20,465	12,985	600		880	53,805
Tasa de Aviso de Operación	37,980	39,280	24,200	3,910	28,080	46,800	180,250
Inscrip. Registro del Municipio - T.A.O.	9,985	11,425	5,905	1,110	10,470	14,890	53,745
Regalía de Recursos Minerales	305,794	305,488	187,298	28,105		48,604	995,349
Regalía de Recursos Minerales Metálicos		4,573,752					0
Otros (1)	20,243,843	1,659,178	2,482,529	628,694	620,714	1,265,048	26,900,006
<b>VI. OTROS INGRESOS CORRIENTES</b>	<b>3,034,461</b>	<b>3,646,615</b>	<b>2,469,946</b>	<b>3,314,486</b>	<b>1,845,540</b>	<b>1,213,811</b>	<b>15,524,859</b>
Otros Ingresos (3)	3,034,461	3,646,615	2,469,946	3,314,486	1,845,540	1,213,811	15,524,859

(1) Incluye: Transferencias corrientes, servicios de vigilancia, ingresos varios y otros.

(3) Incluye: Fondos incorporados, tales como: renta de activos, Ingresos por venta de bienes y servicios, tasas, derechos y otros.

RECAUDACIÓN ADMINISTRACIÓN PROVINCIAL DE VERAGUAS, POR MESES, SEGÚN IMPUESTOS, 2020

(En bolívares)

DETALLE	ENERO	FEBRERO	MARZO	ABRIL	MAYO	JUNIO	TOTAL
<b>I. INGRESOS CORRIENTES (II+V+VI)</b>	1,198,259	933,916	799,099	376,762	499,138	581,370	4,388,545
<b>II. INGRESOS TRIBUTARIOS (III+IV)</b>	916,659	755,546	709,619	368,067	467,783	522,867	3,740,542
<b>III. IMPUESTOS DIRECTOS</b>	445,011	358,169	339,385	192,088	371,613	307,871	2,014,138
Persona Natural	10,032	11,027	16,673	1,457	2,879	11,545	63,613
Persona Jurídica	133,616	45,634	101,194	29,932	187,024	83,276	580,675
Patentes	19,981	8,963	2,594	21	11,746	32,453	75,758
Dividendos	7,087		700			7,787	
Complementario	21,001	4,404	71,464	111	822	29,204	127,066
Autoridad del Canal							0
Zona Libre de Colón							0
Transferencia Bienes Inmuebles	94,947	62,361	18,167		12,091	5,061	182,668
Ganancia por enajenación de valores							0
Ganancia por enajenación de inmuebles	145,190	153,983	83,358	8,895	25,325	11,097	427,988
Inmuebles	69,820	60,656	7,873	77,134	10,912	17,382	243,777
Avisos de operación de las empresas	3,338	11,341	37,362	74,538	120,674	107,853	355,106
<b>IV. IMPUESTOS INDIRECTOS</b>	471,648	597,577	970,239	175,979	96,170	214,997	1,726,404
I.T.B.M.S. - Ventas	454,707	583,728	957,944	172,630	93,409	210,501	1,672,920
Primas de Seguro							0
I.S.C. - Carneza							0
I.S.C. - Licores y Vinos							0
I.S.C. - Gaseosas							0
I.S.C. - Joyas y Armas							0
I.S.C. - Televisión, Cable y Mieronda							0
I.S.C. - Suerte y Azar							0
Declaración Timbres	5,000						5,000
Bancos y Casa de Cambios	11,941	13,649	12,289	3,348	2,761	4,496	48,484
Licencia Comercial y Profesional							0
<b>V. INGRESOS NO TRIBUTARIOS</b>	154,273	88,990	31,595	4,180	10,492	39,205	328,735
<b>TASAS, DERECHOS Y OTROS</b>	154,273	88,990	31,595	4,180	10,492	39,205	328,735
Tasa Anual, S.A.	109,390	54,240	15,656	2,508	2,350	20,955	205,098
Derecho Único	1,185	570				285	2,040
Tasa de Aviso de Operación	2,300	1,650	750	90	1,700	2,180	8,670
Inscrip. Registro del Municipio - T.A.O.	890	725	280	25	660	1,005	3,585
Regalía de Recursos Minerales	9,438	1,430	3,341	4,217	7,302	7,302	25,729
Otros (1)	91,070	90,976	11,567	1,558	1,564	7,479	83,613
<b>VI. OTROS INGRESOS CORRIENTES</b>	127,327	89,380	57,886	4,515	20,863	19,297	319,268
Otros Ingresos (3)	127,327	89,380	57,886	4,515	20,863	19,297	319,268

(1) Incluye: Transferencias corrientes, servicios de vigilancia, ingresos varios y otros.

(3) Incluye: Fondos Incorporados, tasas como: rentas de activos, ingresos por venta de bienes y servicios, tasas, derechos y otros.

RECAUDACIÓN ADMINISTRACIÓN PROVINCIAL DE PANAMÁ OESTE, POR MESES, SEGÚN IMPUESTOS, 2020  
(En balboas)

DETALLE	ENERO	FEBRERO	MARZO	ABRIL	MAYO	JUNIO	TOTAL
<b>I. INGRESOS CORRIENTES (III+IV+V)</b>	888,833	1,058,029	801,316	56,135	172,345	298,192	3,274,850
<b>II. INGRESOS TRIBUTARIOS (III+IV)</b>	640,837	905,121	744,253	50,242	150,912	219,307	2,710,671
<b>III. IMPUESTOS DIRECTOS</b>	457,376	594,432	348,886	45,476	56,897	196,772	1,809,839
Persona Natural	43,697	56,013	69,357	141	2,199	12,375	183,981
Persona Jurídica	71,340	34,569	16,056	2,234	3,318	73,054	200,581
Familias	29,809	6,552	16,901	3,411	39,184	6,456	102,307
Dividendos	61,109						61,109
Complementario	3,908	14,218	11,757	1,036	4,326	12,937	48,183
Autoridad del Canal							0
Zona Libre de Colón							0
Transferencia Bienes Inmuebles	27,795	13,294	23,097	8,500	1	9,934	82,620
Ganancia por enajenación de valores	45,967	25,072	77,908	12,750	123	750	750
Ganancia por enajenación de inmuebles	144,569	528,369	13,344	15,477	30,295	30,201	177,624
Inmuebles	29,188	16,345	90,256	1,927	17,451	35,261	762,257
Avales de operación de las empresas	189,461	210,689	425,967	4,766	54,014	22,535	900,832
<b>IV. IMPUESTOS INDIRECTOS</b>	179,521	207,763	423,274	4,627	50,701	20,436	886,323
I.T.B.M.S. - Ventas							0
Primas de Seguro							0
I.S.C. - Cerveza							0
I.S.C. - Ucores y Vinos							0
I.S.C. - Gaserosas							0
I.S.C. - Joyas y Armas							0
I.S.C. - Televisión, Cable y Microonda							0
I.S.C. - Suerte y Azar							0
Declaración Timbres							0
Bancos y Casa de Cambios	3,939	2,927	2,090	138	3,313	2,100	14,530
Licencia Comercial y Profesional							0
<b>V. INGRESOS NO TRIBUTARIOS</b>	235,602	138,682	50,023	3,419	20,802	52,407	500,935
<b>TASAS, DERECHOS Y OTROS</b>	235,602	138,682	50,023	3,419	20,802	52,407	500,935
Tasa Anual, S.A.	90,512	32,646	11,378	1,000	4,450	14,048	154,033
Derecho Único	4,810	3,785	4,600				7,195
Tasa de Aviso de Operación	2,020	1,850	1,140	170	2,300	2,840	10,330
Inscrip. Registro del Municipio - T.A.O.	925	720	385	70	1,095	1,385	4,580
Regalía de Recursos Minerales	91,481	43,592	2,723				150,162
Otros (1)	48,855	56,089	32,797	2,179	12,957	21,767	174,644
<b>VI. OTROS INGRESOS CORRIENTES</b>	12,394	14,226	7,040	2,474	632	26,478	63,244
Otros Ingresos (3)	12,394	14,226	7,040	2,474	632	26,478	63,244

(1) Incluye: Transferencias corrientes, servicios de vigilancia, ingresos varios y otros.

(3) Incluye: Fondos incorporados, tales como: rentas de activos, ingresos por venta de bienes y servicios, tasas, derechos y otros.

# World ECONOMY

INCREASED PRODUCTIVITY, MAIN DRIVER OF POVERTY REDUCTION, IS IN DANGER BECAUSE OF THE DAMAGE CAUSED BY COVID-19

Source: World Bank

**A**ccording to a comprehensive study by the World Bank, policy makers will need to take substantive steps to support increased productivity, a force that has helped lift millions of people in developing countries out of poverty, in order to overcome the serious problems faced in this area as a result of the economic disruptions caused by the COVID-19 pandemic.

Productivity growth, a fundamental basis for income growth and poverty reduction, has been declining globally and in emerging market and developing economies since the financial crisis of 2007-09, in which it constitutes the sharpest, longest and most extensive slowdown in productivity in decades, according to the report "Global Productivity: Trends, Drivers, and Policies." It is also noted that evidence from recent pandemics and deep recessions suggests that the COVID-19 pandemic could further reduce labor productivity over the next few years unless policy action is urgently taken.

*"Productivity levels in emerging market and*

*developing economies continue to represent less than 20% of the average in advanced economies, and just 2% in low-income countries",* said Ceyla Pazarbasioglu, Vice President of Equitable Growth, Finance and Institutions of the World Bank Group. *"There is, perhaps, a glimmer of hope, given that the behavioral changes resulting from the pandemic will accelerate the adoption of new technologies, the achievement of greater efficiencies in companies, and the pace of scientific innovation. However, it is critical to ensure that these benefits are widely distributed and that technology-driven labor market shocks are properly managed".*

The report, the first of its kind, is based on a comprehensive data set spanning 35 advanced economies and 129 emerging market and developing economies. It establishes that the factors that have stimulated increased productivity, such as the growth of the working-age population, academic achievement and the increase in global value chains, have disappeared or have receded since the

international financial crisis of 2007-09. It is further noted that the collapse of global trade and disruptions in global supply chains during the current pandemic, if prolonged, could be particularly detrimental to the prospects for increased productivity in emerging market economies and economies. Developing.

While productivity levels in emerging market and developing economies have historically lagged behind advanced economies, the decline in poverty rates in recent decades was an encouraging sign that some of these economies had achieved success. advances in productivity and income. Convergence toward higher productivity levels has been linked to a number of factors, including increased political stability, improved education systems, diversification of economies, and integration into global supply chains. However, the current decline in global manufacturing, the slower pace of trade growth, the erosion of human capital, and the bleak outlook for commodity prices could pose further difficulties in closing the gap.

*"Even before the COVID-19 pandemic, there was a broad-based slowdown in productivity growth", said Ayhan Kose, director of the World Bank's Outlook Group. "This indicates that any policy package to reactivate productivity growth must have a similar broad base. A comprehensive policy package should stimulate investment in human and physical capital, promote the reallocation of resources to more productive sectors, foster the adoption of technologies and innovation, and foster a sound institutional and macroeconomic environment".L&E*



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CEPAL

## THE CONTRACTION OF THE REGION'S ECONOMIC ACTIVITY GETS DEEPEN CAUSED BY THE PANDEMIC: IT WILL FALL -9.1% IN 2020

Source: ECLAC

**E**conomic activity in the world is falling more than expected a few months ago as a result of the crisis derived from the coronavirus disease (COVID-19) and, with it, the negative external impacts on Latin America and the Caribbean are increasing through the commercial channel, terms of trade, tourism and remittances. In addition, the region is today at the epicenter of the pandemic and, while some governments have begun to ease containment measures, others have had to continue or even intensify them given the persistent increase in daily cases of the disease.

This is stated by ECLAC's special COVID-19 Report No. 5, entitled ***Facing the increasing effects of COVID-19 for a reactivation with equality: new projections***, which was presented this Wednesday, July 15 by the Executive Secretary of the organization of the United Nations, Alicia Bárcena, in a virtual press conference held from Santiago de Chile.

According to the report, given that both the external and internal shock have intensified, the region will show a fall in gross domestic product (GDP) of -9.1% in 2020,

with decreases of -9.4% in South America, -8.4% in Central America and Mexico and -7.9% for the Caribbean excluding Guyana, whose strong growth leads the subregional total to a smaller contraction (-5.4%).

The document states that the drop in economic activity is of such magnitude that, at the end of 2020, the level of GDP per capita in Latin America and the Caribbean is similar to that observed in 2010, that is, there will be a decline of 10 years at the per capita income levels.

***"An also greater increase in unemployment is now expected, which in turn will cause a significant deterioration in the levels of poverty and inequality,"*** said Alicia Bárcena in her presentation.

The regional unemployment rate is expected to be around 13.5% at the end of 2020, which represents an upward revision (2 percentage points) of the estimate presented in April and an increase of 5.4 percentage points with respect to the value recorded in 2019 (8.1%). With the new estimate, the number of unemployed would reach 44.1 million

people, which represents an increase of close to 18 million compared to the 2019 level (26.1 million unemployed). These figures are significantly higher than those observed during the global financial crisis, when the unemployment rate increased from 6.7% in 2008 to 7.3% in 2009 (0.6 percentage points), indicates the report of the Economic Commission for Latin America and the Caribbean (ECLAC).

On the other hand, the fall of -9.1% in GDP and the increase in unemployment would have a direct negative effect on household income and their possibility of having sufficient resources to satisfy basic needs.

In this context, ECLAC projects that the number of people living in poverty will increase by 45.4 million in 2020, bringing the total number of people in that condition from 185.5 million in 2019 to 230.9 million in 2020, a figure that represents 37.3% of the Latin American population. Within this group, the number of people living in extreme poverty would increase by 28.5 million, from 67.7 million people in 2019 to 96.2 million people in 2020, a figure that is equivalent to 15.5% of the total population.

ECLAC also projects greater inequality in the distribution of income in all the countries of the region: the Gini index would increase between 1% and 8% in the 17 countries analyzed, and the worst results are expected in the largest economies. large in the region.

According to the report, the countries of the region have announced large packages of fiscal measures to face the health emergency and mitigate its social and economic effects. Furthermore, the magnitude of the current crisis has led the monetary authorities

to include conventional and unconventional tools in their actions. The actions of the central banks of the region have been aimed not only at mitigating the effects of the crisis and laying the foundations for an eventual reactivation, but also at preserving the macro-financial stability of the economies.

*“Although the countries of the region have announced very important measures, as the confinement extends, additional efforts are required to satisfy basic needs and sustain household consumption. ECLAC has made several proposals including the implementation of an emergency basic income as an instrument of social protection, a bonus against hunger - equivalent to 70% of a regional extreme poverty line (67 dollars in 2010) and whose total cost is estimated at 27.1 billion dollars, 0.52% of regional GDP), and various initiatives to support companies and workers at risk. For the implementation of any of these lines of action, it is necessary to strengthen role of international financial institutions so that they can better support the countries”,* emphasized Alicia Bárcena.

*“National efforts should be supported by international cooperation to expand policy space through increased concessional financing and debt relief. Likewise, advancing equality is essential for effective control of pandemic and for a sustainable economic recovery in Latin America and the Caribbean,”* said Bárcenas. *L&E*

## TOURISM WILL BE ONE OF THE ECONOMIC SECTORS MOST AFFECTED IN LATIN AMERICA AND THE CARIBBEAN AS A CAUSE OF COVID-19

Source: ECLAC

The coronavirus pandemic has not only caused a humanitarian disaster, but has also paralyzed several key sectors of the Latin American and Caribbean economy, such as tourism. The World Tourism Organization estimates that international tourist arrivals at a global level could decrease between 58% and 78% in 2020. A new ECLAC publication indicates that this sector was one of the first to be affected by the resulting crisis of COVID-19 and will be one of the hardest hit in the region.

The document Recovery measures for the tourism sector in Latin America and the Caribbean: an opportunity to promote sustainability and resilience, released today by the United Nations regional commission as part of its analysis and monitoring reports on the crisis of the COVID-19 indicates that as a result of the current crisis caused by the pandemic, the arrival of international tourists in the region fell by 50% in March and close to 100% as of April. International and domestic flights have also decreased to almost zero. And in the Caribbean, the cruise industry has been particularly hard hit.

According to report, tourism is a key generator of foreign exchange, income and employment throughout the region. In 2019, it represented 42% and 10% of total exports in the Caribbean and Latin America, respectively. The tourism economy, which includes

both tourism and all the sectors that depend on it, represented 26% of total GDP in the Caribbean and 10% in Latin America. Furthermore, it accounted for 35% of employment in the Caribbean and 10% in Latin America.

The study adds that an impact scenario shows that the drop in tourism could lead to a decrease in total GDP growth in the Caribbean and Latin America of 8 percentage points and 1 percentage point, respectively, while total employment could decrease 9 percentage points in the Caribbean and 2 percentage points in Latin America.

The countries of the region have adopted measures to mitigate the economic and social effects of the pandemic on tourism and prepare the sector for recovery, the document said. These recovery measures should also increase the diversification of the sector and its social and environmental sustainability, the agency indicates.

In this regard, ECLAC emphasizes that the governments of the region should intensify collaboration to keep cross-border transport networks as open as possible, develop joint guidelines and protocols to reestablish travel and tourism, and promote the exchange of good practices between countries to face the crisis and future development of the sector. *L&E*

## ILO WORLD SUMMIT PROMOTES COMMITMENT TO BUILD A WORLD OF BETTER WORK AFTER THE COVID-19 PANDEMIC

Source: ILO

**G**lobal dignitaries participating in the summit discussed various strategies for the post-COVID-19 pandemic to address the vulnerabilities revealed by the virus outbreak, in particular the lack of social protection, the economy, informality, inequality and climate change.

Mr. Guy Ryder, Director-General of International Labor Organization (ILO), has welcomed commitment and determination of several global dignitaries to promote a better world of work as main measure of recovery from COVID crisis -19.

In his closing address to the World Summit on COVID-19 and the world of work, the Director General stated:

"I consider worthy of mention the high degree of commitment and determination that has been jointly achieved to overcome the crisis. And to facilitate advances that lead to a more favorable situation. On this basis, everything else can be achieved."

***"We have very effective mechanisms to get back to normal in the world of work,"*** said Mr. Ryder. ***"Some of them are very familiar to us, such as social dialogue and international labor standards. We also have a supplementary asset, somewhat innovative. Our Centennial Declaration for the Future of Work. We are aware of its effectiveness as a worksheet route to help us take appropriate action in the future."***

Several Heads of State and Government, as well as prominent business and trade union leaders from around the world, participated in three-day international event, which took place online from 7 to 9 July. The Summit was largest online gathering of workers, employers and governments ever held, with participation of prominent leaders from the United Nations, WHO, IMF, WTO and OECD.

Mr. António Guterres, Secretary General of the UN, stated: ***“This world summit provides an opportunity for representatives of governments, workers and employers to formulate effective response measures.”*** Recovering from the crisis ***“does not mean having to choose health or employment to the detriment of the economy. All these areas are mutually related. We will obtain satisfactory results or fail in all of them”.***

***“We have a strong starting point to facilitate action and the adoption of solutions, namely the ILO Centenary Declaration, as well as the 2030 Agenda for Sustainable Development and Goal 8 of the SDGs on decent work and growth economic. Collaboration will allow us to emerge from this crisis stronger, with more decent jobs and a more promising, egalitarian and ecological future that benefits all,”*** added Mr. Guterres.

***“Our systems, jobs and livelihoods are closely related to the economy,”*** said Dr. Tedros Adhanom Ghebreyesus, Director-General of the World Health Organization (WHO). ***“WHO calls on governments and employers ‘and workers’ organizations in the health sector to develop effective and sustainable programs at the national level on occupational safety and health for health workers. We have a duty to act accordingly. together to protect those who protect us.”***

Several strategies were discussed at Summit to address the broad vulnerabilities that the pandemic has highlighted in the world of work, in particular the needs of people who do their work without social protection or in the informal economy; the promotion of full and productive employment and sustainable enterprises; the adoption of measures aimed at ensuring that reducing poverty, promoting equality and combating climate change are essential elements of the recovery process; and the measures that the international community can take to promote compliance with the United Nations 2030 Agenda for Sustainable Development.

The first part of the summit, which took place from 1 to 2 July, included several virtual events on a regional scale that spanned Africa, the Americas, the Arab States, Asia and the Pacific, and Europe and Central Asia. Representatives of governments, employers, workers and regional organizations discussed the enormous effects of the pandemic on their economies, labor markets and societies, as well as the response measures taken at the national level. The conclusions of these regional events were addressed in the debates held this week in the framework of the World Summit

On the last day of the World Summit, the ILO Constituents Day, provided ministers and prominent worker and employer representatives from the 187 ILO member States with a forum for discussion to share their views on how the ILO Centennial Declaration can guide action to facilitate recovery from the pandemic and forge a better world of work.<sup>L&E</sup>

# ENVIRONMENTAL

## Capsule



### A NEW PROBLEM AGAINST THE ENVIRONMENT: DISPOSABLE MASKS AND GLOVES IN THE STREETS

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The pandemic caused by the coronavirus and some quarantine times that we have lived this year due to COVID-19 has given the planet a respite in terms of pollution and greenhouse gas emissions.

Unfortunately, today we face a new problem against the environment: disposable masks, latex gloves, bottles of hand sanitizer and other items of protective equipment to avoid contagion by COVID-19, we have daily seen them in the streets, sewers and that eventually lead to rivers and beaches.

While it is true, masks and gloves have become valuable elements to protect lives and stop the spread of Covid-19, but if they are not disposed of correctly they pose a serious damage to the



environment, so that once used, They should be thrown into the garbage container, since in the same way the health authorities have indicated that they can cause a danger when thrown onto the public highway because they could be contaminated.

According to studies, disposable masks are usually made of polypropylene, a plastic material that comes from fossil fuels. This material decomposes into microplastics that end up in waterways and are ingested by marine species, and it is estimated that it can take 400 years to decompose.

Likewise, it is indicated that gloves made from nitrile or vinyl are not biodegradable, while those made from latex, although they are biodegradable, are estimated to require 30 years to decompose.

To better manage the recycling of this waste, it

is necessary to separate both the masks and the gloves from the rest of the garbage, as follows:

- You must put the mask and gloves in a plastic bag, and immediately put it in a second garbage bag, well insulated from everything.
- Once it is placed in a double bag, it must be deposited in the garbage can with a lid that we keep in our homes. Once the bag is full, it will be deposited 'exclusively' in the gray container on the Street.

Properly dispose of these products will prevent the spread of the virus and will help prevent pollution of the planet, rivers and beaches. If 1% of the masks that are used are disposed of incorrectly, we would end up with 10 million masks a month polluting the environment. That is why it is essential to influence the correct management of waste.

The COVID-19 pandemic has been the biggest health crisis in the last 100 years, it has caused an economic crisis and is on the way to deepening the climate crisis with the new phenomenon that has been added and that also endangers wildlife.

To all this must be added the low awareness and civility of citizens who continue to dump garbage on the streets, parks, rivers and beaches on a daily basis. We must remember that we play a fundamental role and that with a simple action such as not throwing garbage on the streets, we can take care of ourselves, others and our planet.

**"It is only the beginning and if nothing changes it will become a true ecological and even health disaster"** *L&E*



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