

THE ECONOMIC CLUB

O F W A S H I N G T O N, D. C.

**Excerpts from the Signature Event featuring His Excellency Juan
Carlos Varela Rodríguez, President of the Republic of Panamá**

June 20, 2017

“ . . . I want to focus on the highlights of Panama’s economic renaissance. In under 30 years, Panama has evolved from a dictatorship to a peaceful, effective, and sustainable democracy, and has become one of the fastest-growing economies in the hemisphere.”

“Panama embodies the meaning of the phrase “developing nation.” Our judicial and legal institutions, and our democratic culture, are still emerging. We are still righting ourselves on the illiberal politics that marked Cold War leadership across much of Latin America. These policies strangled and isolated Panama, but we continue to develop. And, today, a small globalized country like Panama can influence the course of the mighty, acting as a model for prosperity in the region as a result of our unwavering commitment to transparency, economic and social development, and the rule of law.”

“ . . .our economic success story reaches back more than a century, to the opening of the canal. But our full potential did not become realized until the Panamanian economy began its long arc at the forefront of Latin American growth in 2004. Growth remained steady, even though the peak of the global financial crisis in 2009. Our dollarized economy grew by 6.2 percent in the first quarter of 2017, with unemployment below 5.5 percent and inflation under 1 percent. The increasing GDP per capita has helped to reduce poverty in the country to 22 percent, and significant investment in infrastructure has made Panama more accessible and comfortable to visitors, and more attractive to business from all over the world.”

“In a service to the globe, the expansion of the Panama Canal is the single most important infrastructure investment in our region. Not only does it enable greater flexibility and economies of scale through the transit of larger ships for world trade, but it also provides an opportunity to reevaluate supply chains to maximize the benefits that can be achieved. Today, the Panama Canal is the ideal hub for transshipment activities, regional distribution centers, and logistical services. The canal directly serves over 144 sea routes, 160 countries, 1,700 ports, and 3.5 billion people, exponentially reducing the distance and time of waterborne supply chain passages. . . . The expansion has almost tripled the canal’s capacity, and has the potential to open new services such as the distribution of liquefied natural gas, LNG. . . . the impact is felt in your own backyard. . . . nearly 70 percent of canal cargo originates from or is destined to the U.S. As to the United States, its southern ports are experiencing a record foreign trade boom thanks to the expanded canal, which allow Asian cargo ships to reach them more easily.”

“ . . . we have become the hub of the Americas, a platform that facilitates communication and connectivity between our continent and the rest of the world. Panama is a land of opportunity, a country at the service of the world.”

“ . . . the main challenges for our region remain inequality, poverty, and lack of opportunity, which erode stability and security. Because of our geographic position and accustomed neutrality, Panama has recently played a key role in promoting regional peace. We have served as a major safe zone for persons who have been displaced from conflict areas such as Colombia and Venezuela. Our economic development and trade have brought the whole region forward, providing a stabilizing effect. And our dedication to missions which promote intercultural exchange, understanding, and exploration have brought individuals from a tremendous array of backgrounds to the table, paving a path of peace and opportunity for the future.”

“ . . . the expansion of the Panama Canal is going to have a huge impact in the United States economy, especially because all this LNG big tankers that are now exporting gas from Louisiana to Asia, and also the grains from the U.S. to Asia. So it’s really a game changer for the East Coast, and many new ports have expanded their capacity to be able to receive the Post-Panamax ships. And that’s going to make trade between Asia and the East Coast of the United States more accessible, and it’s going to be a lot better for trade and for commerce.”