

Panama

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2020 has undoubtedly been a unique year, for my country, Panama, the year began with a long list of challenges to face, which made it look complicated and demanding of intelligence and creativity.

On the one hand, an economy that had been declining towards its natural growth adjustment, after several years of exorbitant public investments, among these, the expansion of the Panama Canal, the construction of the Metro, the new International Airport and many other public infrastructures such as roads, schools, hospitals etc., with an investment that brought the external debt from fifteen billion dollars in 2015 to thirty-two billion dollars in 2019, and an economic growth of almost 12% in 2010, to 10 % in 2012, 6% in 2017, up to a realistic 3% in 2018.

Even so, the perspectives of all the rating agencies recognized at the end of 2019 that Panama would continue with reasonable sustained economic growth, between 3 and 4%, which in the region is a positive rate.

On the other hand, during 2017 and 2018 the exhaustion of the Panamanian economic model, based fundamentally on the economy of financial and legal services, was evident in the face of the constant attack mainly by the European Union against the national banking center and corporate services, product of the international scandal unfairly called the Panama Papers.

The dire implications of being blacklisted, the risk of losing banking correspondents, and the direct actions of justice in many countries against law firms, accountants, banks, and other financial service providers, was evident and resulted in the closure, merger or retirement of several banks and the reduction to negligible levels in the constitution of corporations and the opening of bank accounts and the administration of patrimonial trusts.

Added to this reality is the Covid-19 pandemic, with the paralysis of the economy for more than five months and a tightening process that is going through serious difficulties similar to those of the rest of the world and that already glimpses an unprecedented economic cataclysm of which it will take many years to recover.

Our company, a boutique firm of five lawyers, dedicated mainly to procedural, criminal and civil law, corporate and administrative law, has tried to adapt to reality and expand services to other branches such as labor law, which today demands significant attention given the processes of closing companies.

In the judicial aspect, in the same way, we have managed agreements to comply with their obligations through mediation techniques with creditors, taking into account that the generalized

crisis has affected everyone, as well as some processes of sale and merger of companies and contracts related to real estate.

The economic and health situation of the country will continue to be very complicated for several months, probably for the rest of 2021, when we aspire to achieve significant coverage of available vaccines.

It is a global reality, in which we are committed to coping, making the most of technology and virtual communications, and providing assistance to our clients to defend and preserve their companies, which with so much sacrifice and effort they have built for many years.

We know that our reality is the same as our colleagues around the world, it does not matter if they are large or small countries, industrialized or developing nations, or large or small companies. Even in these crises, it is common for the larger ones to suffer more than the smaller ones because the latter have less burden to adjust.

We all suffer equally, but we will all overcome the crisis, it just takes faith, perseverance and determination.