

Legislación Economía



Falta de credibilidad
en los políticos

Situación Económica
del primer semestre



Elecciones en Francia:
Fin de los partidos tradicionales



Deng Xiaoping -
Teng Hsiao-Ping
EL GRAN REFORMADOR

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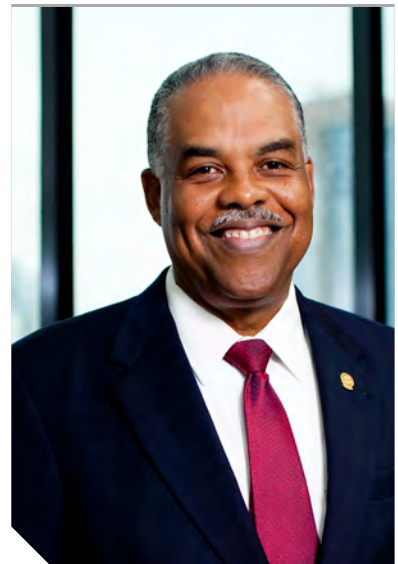
EN LA RADIO

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Por: *La Exitosa*



APR L 2017



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Editorial

ELECTIONS IN FRANCE: END OF TRADITIONAL PARTIES

Last April 23, the first round of presidential elections in France was held, with a result that broke rules in force in that country during the last 50 years: both the Socialists in power and the right parties that have alternated Political hegemony in France, have been left out of contention.

A true political upstart, Emmanuel Macron, a former dissident minister of François Hollande's government, founder of the newest party "En Marche" has been victorious with a small advantage over Marine Le Pen nationalist and ultra right represented in the party "National Front", will be the disputed the second round to be held on 7 May.

Socialists represented by François Fillon, had no chance of success after scandal that press reported for payments of public funds made to his wife and children in terms of alleged services they didn't lend and gifts received from relatives of the candidate. Another surprise has been the 19% voter turnout of Commu-



nist candidate Jean Luc Mélenchon. This election has aroused great interest in Europe, because a letter of permanence or departure from France of European Union is played.

Macron, just 39 years old, is the candidate of financial elites and also of Germans who hope that France will remain within leading nations of Europe, while followers of Marine Le Pen know that she, emulating what happened in Great Britain, will seek France to abandon this association agreement.

Opinion polls and leaders of various parties, including President François Hollande, have argued that what is best for France is a Macron president, who stands as a centrist, liberal, open-minded and avant-garde.

Marine Le Pen, represents those who for several decades have drawn attention to penetration of Islam in France, the need to lay claim to foundations of French Constitution, to recover country's ability to decide on its own destiny, and to eliminate hegemony that Germany has had over France in terms of political, economic, migratory and social decisions. Now, as regards relations between France and Panama, what impact does this presidential election have.

I would venture to say that if Macron succeeds, there would be no change in the substance of French politics on the subject of international fiscal transparency. However, there could be a change in the form of relationship, since it is a new government and could have a different interlocutor from current minister Michel Sapin.

Marine Le Pen, for its part, would represent a break with European Union policies and would probably have to look for local and foreign investment, and therefore could opt for a relaxation of economic relations with countries outside Europe, as doing Great Britain. There would be a much more uncertain line of action.

In two weeks there will be a series of contacts between both candidates and the political forces that lost the first round. Other events that frequently occur in Europe could impact the outcome of the elections in France, although everything seems to favor Macron.

There is a great unknown in this young candidate: he refers to his plans for government, his lack of party structure, his total inexperience in political field, his desire to please the whole society making offers that sound like siren songs and difficult. The situation that the country is experiencing due to high unemployment, exorbitant tax rates and lack of a coherent economic policy for several decades.

Marine Le Pen has captured voters' frustration at weakness of government in the face of terrorist attacks that have caused a great number of deaths and also nostalgia for France's performance within European Economic Union, in accordance with guidelines emanating from government of the Prime Minister Angela Merkel. However, the National Front party doesn't enjoy the confidence of Socialists and much less of communists who in total represent more than 25% of voters.

The future of a country that has had a long relationship of more than a century with our country will be decided on May 7, and therefore what happens in France has an impact on both economic, political, cultural and social relations between both countries.

A distinctive feature of the French people is their robust participation in elections and therefore the desire of majority will be clearly felt between an ambitious young dissident from his own party and an independent heiress of his father Jean-Marie Le Pen, Founder of National Front and propeller of an ultraconservative government. *L&E*

The luck is already set: it will dawn and we will see...

Invited Writer

ECONOMIC SITUATION OF THE FIRST QUARTER

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T

he director of the Center for Economic Studies of the Chamber of Commerce of Panama, Manuel Ferreira, on March 27 made a presentation on "Economic Current of Panama in 2017", from which we have extracted the following elements: The idea of his dissertation was to review some elements that affected our economy in 2016 and the perspective that we have as a country by 2017. Also take a look at international scenario that affects and will affect directly and indirectly in the country, modifying our economy.

He outlined the important background of years 2011-2014 and 2014-2016 that will allow us to see what the economy was:

Factors explaining growth and impacts: years 2011-2014

- Public investment in this period reached approximately 14,000 million Balboas.
- Foreign direct investment in the same period exceeded 14.0379 million Balboas.



- China's economic growth boosted economic activity in Latin America.
- The region's currencies strengthened against the

dollar, making Panama cheaper for our Latin American counterparts.

- Interest rates remained at their lowest levels in recent years.
- Unemployment levels in the country fell from 9.1% in 2005 to 5.1% in 2014 and therefore have a higher purchasing power than in other years.
- The level of inflation in the country increased with an average of 4.5% due to high oil prices.
- It was possible to obtain the degree of invest-

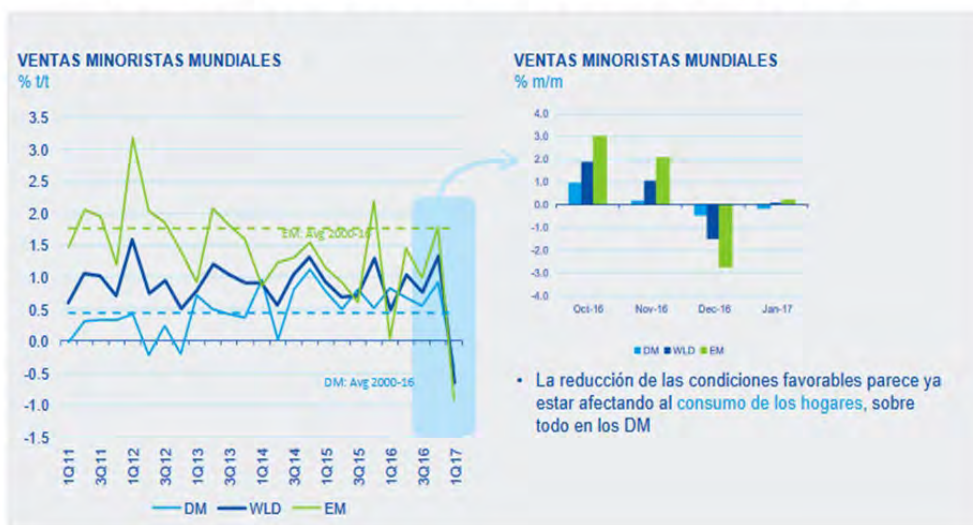
ment grade that obviously reduced the cost of financing both government and private enterprise and its impact on the cost of capital.

- Lack of consistency of the State in its market strategy for the Tourism sector, which neglected the promotion of the country abroad.

Factors explaining growth and impacts: Years 2014-2016

- The deceleration of relevant sectors of

Ventas minoristas mundiales, caen en diciembre y no se presentan mejoras para el I Trimestre 2017.



Factors that will explain economic growth and impacts: Year 2017

- 2017 is where stabilization of economy begins, with a growth in the importation of goods and services.
- Public investment (US\$

the economy is the case of logistics, construction, tourism and commercial sectors.

- Public investment in period from 2014 to 2016 reached approximately 12,109.6 million Balboas.
- Foreign direct investment in the same period exceeded 14,348 million Balboas.
- China's economic growth showed a significant slowdown, which negatively impacted Latin America's economic activity.
- Region's currencies depreciated against the dollar, which makes the country more expensive against our peers in Latin America.
- Interest rates are rising.
- Unemployment levels in the country increased from 5.1% in 2014 to 5.5% in 2016. Reduction in inflation due to falling oil prices.
- The investment grade rating and its impact on cost of capital are maintained.
- Downward Trend in Private Final Consumption.
- Situations such as Panama Papers, Waked case

and more recently Odebrecht case have had different implications and impacts on our economy.

- Free Zone that maintained a significant drop in imports and exports.
- In 2016, at international level, large shipping companies merged to create large alliances that impacted the Panama Canal. We see a Canal that had to compete with the decrease in rates of Suez Canal.

5,148.3 million) and private investment would represent the driving force in the economy.

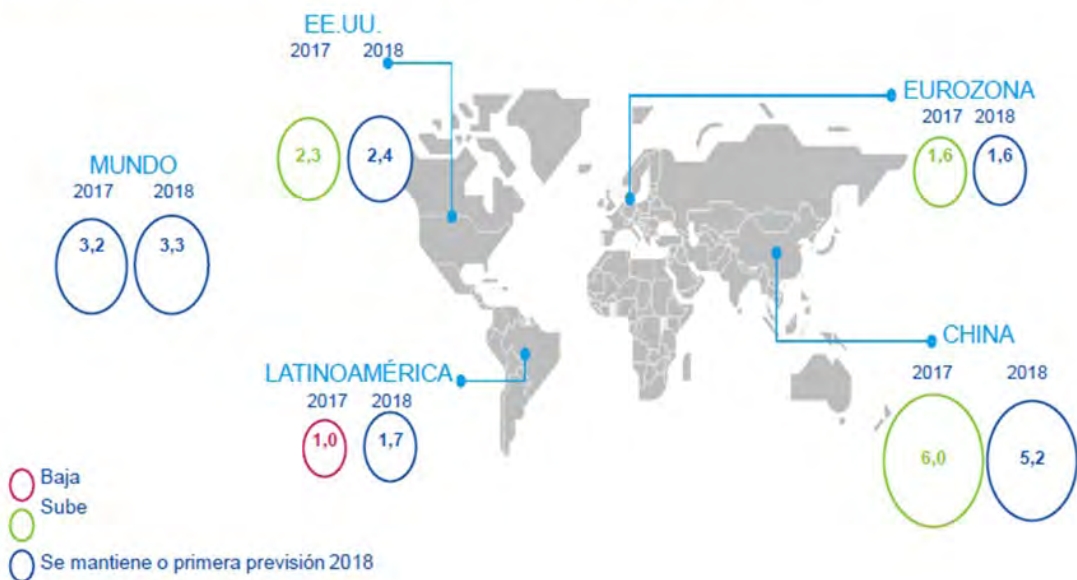
- Relevant projects of public sector: line 2 of the Metro and start of line 3, fourth bridge over the Canal, expansion of Tocumen Airport, urban development of Colón, among others.
- Risk in public investment projects and participation of Odebrecht.
- Investment in private sector, including completion of works by Minera Panamá, a natural gas-based electricity generation project.
- Increase in unemployment rate and rate of inflation.
- Rising oil prices.
- Downward Trend in Private Final Consumption.
- Increase of minimum wage in Government to \$ 600 monthly. (35 thousand employees).
- Banks have greater selectivity in the subject of risk loans and legislation.
- In maritime environment, there is still a glob-

al adjustment. Panama has rebounded due to specific situations in the Port of Bahamas.

- In Construction: we find a residential issue with a deficit and an office market; with an offer on buildings at Calle 50 and Costa del Este.
- The tourism sector received support from both private and government sectors in 2016, but still remains seasonal (beaches, shopping times, etc.), which doesn't provide sustainability in the sector. We lack policies and infrastructure to develop ecotourism in country, unlike Costa Rica.
- We see a troubled international environment, we must expect what the Trump impact will be on global growth, as it will affect US economic policy in world inflation.
- If China maintains its economic slowdown in that will continue to impact us in Maritime sector.

ESCENARIO GLOBAL

La economía se acelera en 2017 y 2018



Fuente: BBVA Research. Latinoamérica incluye: Argentina, Brasil, Chile, Colombia, México, Paraguay, Perú, Uruguay y Venezuela

Normas de INTERÉS

ASSOCIATIONS AND FOUNDATIONS OF PRIVATE INTEREST ARE RULED

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Executive Decree No. 62 of March 30, 2017 regulates associations and foundations of non-profit private interest, churches, congregations, communities or religious associations, federations and subsidiaries whose legal status is recognized, which have been called such as non-profit organizations "NPOs".

Excluded from scope of the Decree are those related to cooperative, trade union, sports, agricultural and other subjects subject to a special legal regime. OSFL refers to a non-partisan private entity that, according to its nature, doesn't

METROPOLITAN OPERA PANAMA HD LIVE IN

Sábado 13 de mayo '17
Panama Canal Miraflores Theatre
11:30 a.m.

Der Rosenkavalier

Entrada:	B/. 35.00
Miembros:	B/. 30.00
Niños:	B/. 10.00
Estudiantes:	B/. 15.00

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receive personal patrimonial benefits, so that its income can't be distributed among its founders, members or directors, without this limiting its existence. Ability to contract these or other personnel, in specific tasks or to provide services.

Within this context, we have that Ministry of Government will publish on its website the list of associations and foundations, which are registered in the register that is carried in Legal Affairs Department, information that must be updated periodically.

It has been established that internal conflicts in NPOs related to the challenge of decisive acts of General Assembly or Board of Directors, when contravening law or statutes, will be within jurisdiction of the ordinary courts of justice. In such a way that the Ministry can't pronounce on them; However, by decision of the parties may be settled through alternative dispute resolution methods that arise.

Another aspect to be mentioned is that the NPOs that have the authorization of the Directorate General of Revenue of the MEF to receive donations deductible from income tax or that receive public funds for execution of projects or that transfer funds to the outside, must present a report to the Ministry corresponding to the previous year on their domicile, board of directors and financial balance sheet.

The above mentioned obligation must be presented during the first three months of the year; However that will be from the year 2018. *L&E*



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A GUIDE FOR OBLIGATED NON-FINANCIAL SUBJECTS IS ESTABLISHED

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Resolution No. I-REG-002-017 of April 3, 2017, which establishes a guide that frames obligations of non-financial obligors for effective enforcement of existing laws on the prevention of money laundering, financing of terrorism and the financing of proliferation of weapons of mass destruction.

The purpose of the regulations is to establish a guide that frames obligations of non-financial obligors for effective application of legal norms in force in prevention of money laundering, financing of terrorism and financing of the proliferation of massive destruction weapons.

In terms of scope, it has been established that non-financial obligors will be subject to compliance with the Regulation in accordance with the provisions of Law 23 of April 27, 2015.

It is indicated that non-financial obligated parties must designate a person or unit responsible for serving as liaison with the Intendance of Supervision and Regulation of Non-Financial Subjects and with the Financial Analysis Unit for the Prevention of Crime of Money Laundering and Financing of Terrorism And for the purposes of the application of measures to prevent money laundering, the financing of terrorism and the financing of the proliferation of weapons of mass destruction, established in article 12 of Law 23 of April 27, 2015.

On the other hand, adequate identification, reasonable verification and documentation must be provided, and due diligence and care must be maintained in order to reasonably prevent such transactions from being carried out with funds or funds from activities related to money laundering, financing of terrorism and financing of the proliferation of weapons of mass destruction.

The standard in question, reaffirms concept of due diligence as a set of rules, policies, procedures, processes and procedures that allow a reasonable knowledge of the qualitative aspects. And quantitative data of client and final beneficiary with special attention to financial and transactional profile of client, the origin of its assets and continuous monitoring of its transactions or operations, when applicable, in accordance with regulations of this Law.

It is emphasized that non-financial obligors must verify identity of final beneficiary.

In this sense, in case of national or foreign legal entities, trusts, private interest foundations, non-governmental organizations, charitable or non-profit institutions whose final beneficiaries can't be identified through shareholding, a record must be obtained, certification or affidavit duly signed by representatives or authorized persons, detailing final beneficiary.

It is also contemplated, as regards politically exposed persons (PEPA), with non-financial obligated persons to adopt an extended or reinforced due diligence of the client for individuals who are under the category of politically exposed foreigner and politically exposed national (whether a client or final beneficiary), considering this high-risk client profile, in accordance with definition established in numeral 18 of article 4 of Law 23 of April 27, 2015.

Another obligation incumbent upon non-financial obligors is to communicate directly to the Financial Analysis Unit for prevention of the crime of money laundering and financing of terrorism any fact, transaction or transaction in which they are suspected to be related to Money laundering offenses,

financing of terrorism and financing of the proliferation of weapons of mass destruction, regardless of the amount that can not be justified or sustained, as well as weaknesses in controls.

Likewise, non-liable financial subjects will have obligation to train staff, who perform direct positions related to treatment, communication and management of relations with customers and suppliers, receiving money, processing transactions, designing products and services and other personnel working in sensitive areas, such as compliance, risks, human resources, technology and internal audit, to enable them to be updated on different typologies, cases and regulations on money laundering, financing of terrorism and financing of Proliferation of weapons of mass destruction. *L&T*

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La Exitosa



CHAGRES PARK MANAGEMENT PLAN IS EXPANDED

On March 29, 2017, the Directorate of Protected Areas and Wildlife of the Ministry of Environment issued Resolution No. DAPVS-004-2017, which approved the extension of the management plan for Chagres National Park for five years.

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Likewise, the Resolution prohibits any activity that contravenes the provisions regarding zoning established in the management plan. *L&E*

FORM OF RECEIPT OF COMPLAINTS IS APPROVED

Through Resolution No. 42-2017 of March 23, 2017, published in Official Gazette No. 28251 of April 4, 2017, National Disability Secretariat (SENADIS) approves Complaints Reception Form on possible violations or transgressions of rules on disability.

The resolution in question is issued in order to comply with good performance of functions given to SENADIS and to have an administrative instrument based on provisions of Law 23 of 2007, which allows to collect in a systematic way data related to recurring complaints and complaints filed by users of the Institution and that this contributes to have a statistical register of rights that are violated to disabled.

The form is composed of nine points, among which we can mention data of com-

plainant; Person or persons affected; Persons or entities responsible for events denounced; Detailed description of the facts; petition; tests; Basis of law; Date of receipt of complaint and signature and data of official receiving the complaint.

We must remember that every living being has rights and obligations and that our country has a set of rules that provide special protection for people with disabilities, emanates from the duty of State protection and all this in order to facilitate the adaptation and Living conditions of these people in society.

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UPDATE OF FUND TRANSFERS

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The Superintendency of Banks issued Agreement No.002-2017 of April 18, 2017, which updates provisions on transfers of funds, establishing that the rule will apply to official banks, international license banks and licensing banks in the course of their operations transfer of funds as the ordering bank, intermediary or beneficiary.

The agreement sets out the minimum information parameters that banks must apply in national and international transfers, regardless of whether the payer and the beneficiary are the same person, as part of the risk and due diligence process established by the regulations on the matter.

The standard develops the concepts of transfer of funds, payer, beneficiary, paying bank, beneficiary bank, intermediary bank, international transfer, national transfer, batch transfer and single reference number.

As for basic information of payer and beneficiary of transfers of funds, we have that ordering bank that carries out a national or international transfer must make sure to keep the information requested on the payer and beneficiary, which must be able to be verified with transfer or message related to length of entire payment chain.

Exemptions for implementation of Agreement have been made, background transfers in which payer and the beneficiary

are banks; Transfer of funds arising from a commercial transaction carried out using credit or debit cards, provided that the credit or debit card number accompanies all transfers derived from transaction; And finally transfer of funds, which are linked to a simplified processing account. Another point to note is that bank that performs national or international transfer must ensure that the Know Your Customer policy is properly applied, due diligence procedures established in Agreement on prevention of misuse of banking services.

Provisions contained in the Agreement discussed, will begin to govern next May 5. Agreement No. 002-2017 repeals in all its parts Agreement No.2-2005 of 2005, which established basic guidelines in relation to national and international bank transfers.

New agreement includes in part previous legislation and what is to be is to strengthen and promote proper conditions for growth of international financial center, adjusted to new requirements of Law 23 of 2015, which adopted measures to prevent money laundering, financing of terrorism and financing and proliferation of weapons of mass destruction. *L&F*

LAW 82 ADOPTING MEASURES WITH VIOLENCE IN WOMEN IS REGULATED

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Our country has legal norms aimed at guaranteeing the right of all women of any age to live free of violence in a context of unequal power relations, as well as to prevent and punish all forms of violence against women. Women, which is contained in Law 82 of October 24, 2013.

The rule states, in one of its articles, that it must be regulated, being that, three years after its approval, the Executive sanction Executive Decree No. 100 of April 20, 2017, which aims to regulate Law 82 which adopts measures to prevent violence against women and amends the Penal Code to criminalize femicide and punish acts of violence against women, in order to give effect to its regulations, strengthen institutional mechanisms and establish procedures for its implementation.

The Decree has among its fundamental aspects, inter-institutional coordination to implement effective public policies in care and prevention of all forms of violence, which indicates that each institution must do and the concrete actions that must be taken to comply with the norm, which is translated into prevention, protection, attention and punishment of violence against women.

We have, we assign duties that must comply with Municipalities and County Authorities; To Ministry of Health; Ministry of Education;

Ministry of Labor and Labor Development; Ministry of Social Development; Government ministry; Ministry of Public Security; Public Ministry and the Judicial Branch.

The Public Entities must establish that in each institution and ministry the women's, gender or equivalent office has an area of specialized specialized attention for women facing violence, human resources and economic resources, under the coordination of CONVIMU, in charge of ensuring compliance with the Law.

For example, Ministry of Labor and Labor Development through the Office of Gender and Equal Employment Opportunities, with support of INAMU, will develop a model for reception, investigation, punishment and protection of women victims of violence in the field labor. The Ministry of Social Development, INAMU, the Public Prosecutor's Office and the Municipalities will adopt a regulation of operation and administration, so that public and private entities can manage the progressive services of comprehensive care centers, shelters and shelters by provinces and municipalities with Multiple services for women, victims and their children.

The Public Prosecutor's Office, among other obligations, shall, in compliance with the principle of specialty, create units and offices specialized in violence

against women throughout the country, as well as adapt the facilities at the national level so that it can be interviewed. The victim separately from the aggressor.

It is worth mentioning that CONVIMU is the National Committee against Violence in Women, whose purpose is to combine institutional efforts, advise, monitor and oversee public policies on prevention, promotion, care and eradication of violence against women. Women and femicide, as a matter of national urgency and of social interest.

Another issue to mention is that the Ministry of Security will maintain an updated and computerized registry of perpetrators and information disaggregated by acts of violence against women, whose data will be restricted

access and can only be consulted by the institutions directly involved in the detection, Attention, investigation and prosecution in the processes of violence against women.

Experts in the field, believe that the success of regulation will depend to a large extent on the institutions involved to make a real commitment, not only in the allocation and procurement of funds in the budget, but also in the human resource. Although Executive Decree 100 is an advance to try to guarantee the rights of women and their children, there is much work to be done and it is not the final solution of this type of behavior and that as it is of public knowledge have been increasing In the country, it requires the participation of all social actors. *L&T*



SEMINAR ON IMPACT OF INTELLECTUAL PROPERTY IN BUSINESS WORLD

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On Wednesday, April 19, 2017, the 2nd Seminar on Intellectual Property on the Impact of Intellectual Property in the Business World was held at the Chamber of Commerce, Industries and Agriculture of Panama, organized by the Panama International Chamber of Commerce (ICC). In which participated as exhibitors: Dr. Jorge Chávarro, Regional ambassador of the ICC Intellectual Property Commission and Partner of the firm Cavalier Abogados de Colombia, who spoke on Success of Trademarks: An asset that gives value, whom we interview and talk about their exposure in this article.



However, in this article we refer to exposition of Dr. Chávarro on the value and importance of success of trademarks, a difficult task for a lawyer, since this topic is usually developed by ac-

In addition, as speaker, Dr. Fernando Zapata, Consultant to the World Intellectual Property Organization (WIPO) and Adviser to the Government of Panama in the drafting of Copyright Law, who spoke on "Payment to Collective Management Companies", A subject that we consider important in Panama, because in this country is unknown on the subject, in another edition we will develop this theme.

In addition, Third Superior Court was Judge Luis Camargo, Magistrate of the Third who spoke on "Intellectual Property Litigation." And María Elena Lambraño, Chanel's lawyer, on issues related to Brand Protection, Expansion and Regional Projects "What companies do to combat falsification of their brands".

countants, economists, advertisers, marketers. A brand is communication with the customer, which builds a relationship with the customer, showing their business origin, makes it different from competition and adds value to the product. Factors to consider for a brand:

- An objective audience: different groups have different perceptions.
- Visibility Strategy: Think about the look of product and how you can make use of brand.
- Territories: think of language barriers, cultures, etc.
- Probability of registration: how easy will it be to register in my country and in others?
- Its use on the web: to make it easy to find it as a domain name on the internet.

- Use in social networks: It is a strategy to promote brand before a target audience.
- Definition of the strategy of choice: before launching the brand, it is necessary to perform a regional or global search in trademark registrations, common law uses and in domain names.

In order to define the brand, it is necessary to be clear about the concepts to be transmitted, for example:

- Length: maximum consisting of two words, if they are to be used maps must be very ingenious.
 - Phonetics: simple to pronounce, quick reading, easy to memorize.
 - Musicality: combination of letters that is pleasant. Avoid triptongs.
 - Association: will be more remembered if it makes reference or causes bond with the product, that represents, with its form or essence.
 - New: different from existing ones. The more innovative it will draw the attention of consumers.
 - Build Brand
 - Design: Name- pronounceable word. Logo - graphical representation of the name with the graphic type.
 - Non-pronounceable representations - Drawings, colors, shapes.
 - Registration: before competent authority. Territorial records. Think about countries in which you have presence or where you will start marketing in short term.
 - Branding: The brand is created from a good external and internal communication strategy.
 - Advertising campaign without strategy = spending, not investment.
- For valuation of the brands must be taken into consideration:
- Brand value elements.
 - Performance of the brand in the market.
 - The competitive framework in which the brand operates.
 - Quality of the brand.



- Consumer perception of the brand.
- The association of the brand.
- Brand personality.
- The attitude toward the brand.
- Brand performance in the market: perfor-

- mance of the organization must be evaluated to "convince" potential buyers and other stakeholders involved in the perception, legitimacy and image of an emblem. Incorporation of emotions into purchase decision.
- Competitive framework: if the product becomes competitive when it meets the needs of the consumer.
- Quality of the brand: quality goes in the perception of the consumer (durability, friendly) and doesn't refer to quality of the product, but to the "brand"
- Brand associations: brands are usually associated with an image, giving a greater value to the brand, allowing a relationship to be established, a link for subsequent consumer loyalty.
- The personality of the brand: consumer defines it emotionally, becoming a customer with a sense of belonging. Of convenience, consumer makes a relationship based on the money-time factor; And immediacy is the ease of acquiring the brand's product.
- The attitude toward the brand that derives from the loyalty of consumers towards brands, called lovemarks that inspire "loyalty beyond reason".

It is advisable to value brands, since at a business level that brands have a figure collaborates in accounting of the company, it becomes a nondepreciable asset, it facilitates finding buyer and investors, in ad-

dition it can be used as collateral and in some legislations provide tax benefits. The value of brands in companies is materialized by their fixed assets, goodwill, company value, brands.

Brands have a value in the broad sense and in the strict sense. In the broad sense it consists of its registration, human capital, distribution channels, customers and know-how. In the strict sense it is a mixture of mathematical and economic models that carry the market price, from valuation of similar brands and sale, purchase, franchise, licenses; Gains, an estimate of gains derived from the brand (Direct sale, Licensing, etc.); Intangible, to evaluate the characteristics of the intangible as right and its quantity of classes, countries, time in the market, etc; Cost, have historical cost to create the brand and estimated money and time required to create brand.

Accounting standards that establish criteria for defining an intangible asset that contributes to valuation of trademarks are IAS 38 accounting treatment of intangible assets.

Among these criteria to define what an intangible asset are: Asset: Resource controlled by the entity; And from which benefits are expected. Intangible: identifiable assets, of not monetary character and without physical appearance.

In turn are the criteria to recognize an intangible asset:

- (a) Likelihood that the future economic benefits attributed to it will flow to the entity.
- (b) The cost of the asset can be measured reliably.

Following the interview with Dr. Jorge Chávarro on the valuation of the brands:

1. Why is brand valuation important?

Dr. Chávarro: "Years ago was not valued there was no custom or need but now brands generate business, it is one thing to sell the product with a brand and another thing is to sell business units and another thing is sell companies, then when you are going to sell business units, a company has several years and sells one the easiest is when there is a valuation of the brand, if there is no valuation is necessary, to be able to know if what is being sold is being sold at a price appropriate to the buyer."

2. At what point do you consider that brand valuation should be done?

Dr. Chávarro: "Brand valuation must be done when company starts to generate profits."

3. Which factors influence?

Dr. Chávarro: "When one sees the first copy or attempts to copy a brand, it means that the brand is already taking a value and that I haven't valued it and that I have to have a valuation for when judgments are going to come, If you don't have that figure that I can prove to a judge, it's going to be very difficult." *L&E*



Consult Doctrine & **JURISPRUDENCE**

JUDGMENTS OF THIRD ROOM TO BE EXECUTED FIVE DAYS AFTER NOTIFICATION

Fuente: Procuraduría de la
Administración

The Office of the Attorney General of the Administration, through Consultation C-035-17 of April 5, 2017, had the opportunity to acquit a question raised by the Ministry of Environment and related to establishing if date for execution and compliance with a ruling of the Third Chamber of Administrative Litigation is in accordance with Article 65 of Law 135 of 1943 or is from the notification by Edict made pursuant to Article 64 of the same Act.

The Office of the Prosecutor maintains that the date for the execution and enforcement of a ruling of the Third Chamber of Contentious Administrative is in accordance with Article 64 of Law 135

of 1943, as amended by Law 33 of September 11, 1946, Organic Law The Administrative Litigation Jurisdiction.

Article in reference, indicates that judgments or final self, once extended, will be notified personally to the parties, or by means of an edict that will remain fixed for five days. It adds that judgments of the Tribunal will be enforced five days after personal notification or once the notice has been given by edict, unless within respective term clarification of dark points of the operative part is requested or correction is requested for reasons of error or that the reconsideration or review appeal is filed where appropriate.

In order to regulate its criterion, it relies on judgments issued by Third Chamber of the Supreme Court, which states that Article 64 above clearly states that the resolutions issued by this Chamber will be notified either personally or by edict, as well as In the definition of execution of sentence offered by Guillermo Cabanellas, in statement made by Dr. Edgardo Molino Mola when addressing the administrative procedure in the Third Chamber contained in a ruling that in its pertinent part states "The sentence will be enforced five days after Personal notification or after notification by edict.

Clarification of obscure points of judgments may be requested, within the term of five days that run for execution, but only of the operative part of the judgment.

Once judgment is firm, an integral copy of its text will be given to the corresponding authority, for its execution and compliance"

Taking into account the above, the Attorney General concludes, pointing out that the Ministry of the Environment is legally bound to comply with judicial mandate contained in a ruling of the Third Chamber of Administrative Litigation, once it is enforced, that is, once Made the notification to the parties in accordance with article 64 of Law 135 of 1943, as it was modified by article 40 of law 33 of September 11, 1946. *L&E*

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PARADIGMS BREAKING AFTER IMPLEMENTATION OF THE ACCUSATIVE CRIMINAL SYSTEM AS A NEW JUSTICE ADMINISTRATION SYSTEM

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O

n September 2, the cycle of implementation of the Accusatory Criminal System was completed, this is an adversarial system where parties face equal opportunities before impartial and independent judges who make decisions in the hearing act as established by New Code of Criminal Procedure. This system is structured based on procedural principles, same are logical and philosophical foundations that guide substantive and adjective criminal law, principles are strictly related to the provisions of the Constitution of the Republic of Panama, it is for this reason that can speak of constitutionalisation of criminal law.

The Accusatory Criminal System as a model of administration of justice makes radical changes to criminal procedure and in the action of justice operators, because there is a real separation of functions, the Public Ministry is the one that exercises criminal action, the figure of The extension was requested by judge to obtain evidence that most of the time were to convict the person charged and introduces image of natural judge and completely eliminates prior knowledge of causes, ie if a judge knew A case at the beginning was the one who had

power to decide in that case until the end of it, instead with accusatory court system this changes; Each hearing will be conducted with a different judge, thus ensuring transparency and impartiality of the administrators of justice.

Principle of immediacy exists from the Inquisitive System, but it can be affirmed with certainty that it wasn't practiced by structure of this system, whereas in Accusatory Criminal System, immediacy is the essence of the system, but it shouldn't be confused with Orality, since it is a form of understanding while the immediacy is a form of perception, this procedural principle persecutes that every test is placed directly in perception of judge, without there being through an intermediary of communication of any nature, put that evidence is practiced at hearing.

The public prosecutor's office has authority to investigate, prosecute and sustain the accusation during the oral and public trial when this is pertinent, since it is exclusively the direction of investigation and exercise of criminal action, In previous system of administration of justice the prosecution could carry out searches without any control, now with the new system for the prosecution to

make a search has to be authorized by a judge of guarantees and if carried out without authorization the prosecutor has forty eight hours after raid to support before a judge of guarantees the reason of the same, because in this system of accusatory court prevails judicial control of affectation of fundamental rights.

Orality is the principle that makes the Accusatory Criminal System more agile: interventions of parties and witnesses must be made in oral language and likewise the decision of court will be pronounced verbally in the act of hearing.

This guarantees fairness in a reasonable time, doesn't allow unjustified dilation, absolute mastery of techniques of oral expression that allow construction of a clear intervention and provide quality information to the judge.

The victim in the Accusatory Criminal System has an active participation in the process, victim advocates were created to guarantee their rights and guarantees. This system is designed to use alternative measures of resolution of the criminal conflict in which the victim has a degree of participation.

A new phase is created: the execution or fulfillment in which specialists of the law have the function of ensuring respect for the Human Rights of those deprived of liberty, since they only lose freedom ambulatory, all other rights must be respected and also that established in cases where punishment is different from deprivation of freedom is fulfilled.

L&E



ADMINISTRATIVE TAX TRIBUNAL THROUGH RESOLUTION TAT-ADM-206 OF AUGUST 19, 2016, OF THE RECORD 085-16 IN UNITA ROOM ACCEPTED THE FOLLOWING APPEAL RESOURCE

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The forensic firm, acting on behalf of the taxpayer owner of commercial establishment SERVICIOS TECNOLOGICOS, S.A., filed an appeal for Reconsideration against Resolution No. 201-2618 of June 2, 2016, issued by the Director General of Revenue entrusted, which confirms in all its parts Resolution No. 201-15067 of December 2, September 2015, where taxpayer is punished with a fine of B/. 1,000.00, for failure to comply with the obligation to bill in accordance with formalities established in Law No. 72 of September 27, 2011, which amended Law No. 76 of 1976 and Executive Decree No. 53 of June 16, 2010.

BACKGROUND:

General Directorate of Revenue carried out an inspection and verification of compliance with tax obligations to the taxpayer with the commercial name SERVICIOS TECNOLOGICOS, S.A., on July 26, 2013 and through Process Act No. 1154, it was recorded that the payments received were performed incorrectly. due to the above, deputy general director of revenue proceeded to issue Resolution No. 20115067 of September 2, 2015, in which the taxpayer is punished for payment of the sum of (B/. 1,000.00), for breach of the obligation To invoice in accordance with formalities established in Law No. 76 of 1976, as amended by Law No. 72 of September 27, 2011.

In the Reconsideration Resource against Resolution No. 201-15067 of September 2, 2015, it states the following:

Indicated as false statements made by the Resolution and clarifies that its client in addition to selling technological goods, also offers technical service and when a person carries a technical equipment for repair is attached a proof of delivery and describes data of equipment, not Money is not accepted and no allowances are accepted, this is a mandatory legal document required by ACO-DECO and for proof they attach two copies of the document in question, which according to the inspector implied an irregular billing.

Also noted that it should be noted that for any claim the proof of delivery states that the invoice of the General Directorate of Revenue is required.

Indicated that his represented has its respective fiscal machine. The lawyer filed with the reconsideration remedy as proof two proof of delivery.

Therefore, legal representative asked director general of income, to eliminate the pecuniary sanction interposed to its represented.

CONFIRMATORY ACT:

The background file shows that the general director of revenue ordered by Resolution No. 201-2618 of June 2, 2016, decided to maintain in all its parts Resolution No. 201-15067 of September 2, 2015 and Consider the following: That the main objective of the tax teams is that be used for issuance of fiscal vouchers and other fiscal documents such as non-

fiscal documents, which are generated by the sales of goods and rendering of services. That it is obligation of the taxpayer to use fiscal equipment authorized by the DGI, for each of transactions carried out for sale or rendering of services.

That in Resolution No. 201-3424 of March 19, 2012, the Tax Administration authorized for cases of sales to credit or credit, delivery to consumer of a non-fiscal copy of invoice until the total cancellation of the good or service.

APPEAL:

In the file of the Tax Administrative Court, there is the Appeal in which the legal representative stated same arguments in reconsideration and added the following.

That its principal hasn't defaulted in any way the mandate of the tax law and that it observes of contested resolution an effort of the actor to confuse facts, since it is not that they invoice without taking into account legal formalities, of which this is that they have to leave written evidence of the people who leave electronic equipment by legal obligation and they aren't double billing.

He pointed out that the official's good faith is one thing, but this doesn't imply that everything he says is law. If so, he indicated that expense of energy, time, money, public officials, procedural law theories, probative principles and resources should be spared, because what the official says will be law and compares it with the history of King Midas that everything which he touched turned into gold.

Finally, lawyer states that principle of legality and procedural formalities must be respected and that in this case the DGI official didn't provide any material, although could be based on evidence.

COURT CONSIDERATIONS:

Tax Administrative Court is in charge of analyzing main legal aspects, object of present controversy in order to make a just decision and according to Law.

The controversy arose due to an inspection carried out by inspectors of the General Directorate of Income to the taxpayer and it was detected that they made fertilizers incorrectly, specifically indicated that they used double billing. In the opinion of the General Directorate of Revenue, taxpayer fails to comply with Executive Decree No. 53 of June 16, 2010, specifically with Article 28.

In the background file you can see documents that accompany Process Act No. 1154 of July 26, 2013, of the General Directorate of Revenue: A non-fiscal document issued by the authorized fiscal printer maintained by the taxpayer in your business establishment.

The Directorate General of Revenue pointed out that main objective of the tax teams is to be used for issuance of fiscal vouchers and other fiscal documents as well as non-fiscal documents, which are generated by sales of goods and provision of services and in this If taxpayer uses a double billing when using the document called "proof of delivery", which is not issued by the fiscal printer.

Plaintiff's attorney pointed out that taxpayer offers technical service and when a person carries a technical equipment to repair, a proof of delivery is enclosed with it describing data of the equipment to be repaired, no money or Accept payments.

Of procedural records that exist in the file, we can appreciate the Notice of Operation of the taxpayer with the commercial name SERVICIOS TECNOLOGICOS. S.A., which indicates that it is dedicated to the repair activity of technological equipment, among others.

In the revision of the document called "proof of delivery" we note the following clarifications that the taxpayer makes to consumers.

"THIS DOCUMENT IS NOT FISCAL PROOF ASK FOR YOUR INVOICE".
"FOR CLAIMS IT IS MANDATORY TO PRESENT THIS PROOF AND INVOICE OF THE DGI"

Therefore, it is clear to the Tax Administrative Court that document used by taxpayer called "proof of delivery" is not an invoice that proves the provision of service, since the same document indicates that it is not a fiscal invoice and that for Claims must be accompanied by the tax invoice.

This Court is of the opinion that this document is nothing more than a non-fiscal voucher where the equipment that was delivered to taxpayer by consumer is registered, for the provision of the repair service and in which both parties, taxpayer and consumer need record both what was given and what was received.

On the other hand, Tribunal makes a distinction between the "Non-Fiscal Document" which is indicated in definitions of article 3 of Executive Decree No. 53 of June 16, 2010, indicated by the Directorate General of Revenue, which is a document issued by a fiscal team other than invoice and is used in food and beverage outlets or to document the money received from consumer, either by installments or partial payments, which is not part of the conduct performed taxpayer.

It is public knowledge that places that provide repair services can't give an immediate diagnosis of the problem, but equipment is left in custody of taxpayer for review and once reviewed by specialists, consumer is informed of the result of the damage and the cost of repair, so that it indicates if you want to do it or not.

After the analysis carried out by the Tax Administrative Tribunal, the taxpayer considers that

taxpayer owner of commercial establishment SERVICIOS TECNOLOGICOS. S.A.. hasn't failed to comply with the obligation to bill in accordance with formalities established in Law No. 72 of September 27, 2011, which amended Law No. 76 of 1976 and Executive Decree N °. 53 of June 16, 2010, as indicated by the Directorate General of Revenue, and revoke contested decision.

OUR OPINION:

We believe that the DGI should never have initiated proceedings against this taxpayer, because it is clear that document issued by taxpayer was simply a proof of delivery of equipment, and that there was no intention of having a double billing with the intention of evading a tax liability. The State incurred money and time in an unnecessary process, in turn causing taxpayer to pay his defense for an unfounded case.

For its part, the Tax Administrative Court honored its objective obligation to enforce law, understanding in case in question the release of an unfair burden on taxpayer. *L&T*

ROOM OF ADMINISTRATIVE LITIGATION KNOWS APPEAL FOR THE FORENSIC FIRM CASTRO & ROBLES, LEGAL ADVOCATES OF THE COMPANY PANAMA GENCIES COMPANY AGAINST THE EXECUTIVE AUTO N ° 676-15 J.E. OF OCTOBER 8, 2015, DICTATED BY EXECUTIVE COURT OF THE MUNICIPALITY OF PANAMA

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By Resolution of March 17, 2017, Administrative Litigation Chamber, under lecture of Judge Abel Zamorano, pronounces on the Appeal, filed by Forensic Firm Castro & Robles, attorney general of Panama Agencies Company, Inc., Against the Executive Executive No. 676-15/JE of October 8, 2015, issued by Executing Judge of Municipality of Panama, within Executive Process for Coactive Collection.

FOUNDATIONS OF THE APPEAL

Panama Agencies Company, Inc., is based on the following points: Panama Agencies Co., is a commercial company incorporated in West Virginia, United States and is engaged in shipping agency under jurisdiction of The Old Canal Zone.

With the entry into force of the Torrijos-Carter Treaties and in compliance with paragraph 2 of article IX of laws and applicable jurisdiction, a transition period of 30 months is granted for activities within the former Canal Zone. It is for this reason that the shareholders of Panama Agencies Co., decided to transfer their operations to Panamanian jurisdiction, and register first as a foreign company and then for legal and operational reasons incorporates Panama Agencies Company, Inc., as a corporation Panamanian Government, duly registered in the Public Registry, file 86505, roll 8175 and image 2, since March 12, 1982. The company in question undertakes commercial and payroll operations

maintained by Panama Agencies Co. (West Virginia) Notified by the accounting chief of the company and by his legal representatives to the Municipal Treasurer of the District of Panama. When this change was made, Panama Agencies (West Virginia) effectively ceased commercial operations in the Republic of Panama.

In spite of this notification to the Municipal Treasury, by mistake, payment of municipal taxes was continued under number of taxpayer Panama Agencies Co. (West Virginia), company whose operations and return had been absorbed by Panama Agencies Company, Inc. Panama Agencies Company, Inc., was unaware, until it was brought to the attention by an S/N subpoena of October 8, 2015.

Panama Agencies Company Inc., filed an application for tax relief requesting compensation for taxes owed by Panama Agencies Company, Inc., with those paid in error at the expense of Panama Agencies Co. (West Virginia). That is, municipal taxes paid up to 2015, and wrongly credited to the wrong company. In response to the request for tax correction filed, the Executing Judge of the Municipality of Panama, shouldn't issue an executive order that pays against payment, because the tax offsetting is corrected in present process and places taxes paid in the account of appropriate taxpayer, who is Panama Agencies Company, Inc.

THE EXECUTING ENTITY

It is, the Executing Court of the Municipality of Panama, which, through Auto No. 676-15/JE of October 8, 2015, issued a writ of payment against Panama Agencies Company, Inc., until concurrence of B/. 394,282.20, based on requirements by article 1623 of the Judicial Code and titles that served as collection, referred to in number 2, article 1779, in accordance with articles 1612 et seq. It should be noted that the indications on which the present case is based had to be appealed to the government by virtue of what is established in article 1777 of the Judicial Code and it is alleged that the tax correction referred to by the executed company is not recorded in the file.

OPINION OF THE OFFICE OF THE ADMINISTRATION

The Public Prosecutor, in Fiscal Report No. 135 of February 15, 2016, considered that the appeal filed should be declared not viable, since facts on which the appeal is based, should have been appealed in the governing procedure (Article 1777 of the Judicial Code).

DECISION OF THE THIRD ROOM

This Court now resolves the appeal against the writ that issues the order of payment, and which is based essentially on the Municipality of Panama incurs an error, as it accredited payments made by Panama Agencies Company, Inc., On behalf of the company already inactive Panama Agencies Co. (West Virginia), which is why it requests that a debt settlement be made in its favor. Exhibit 1 of enforcement file is the recognition by the Municipal Treasurer of the debt held by Panama Agencies Company, Inc., taxpayer No. 02-1986-366, with Municipality of Panama, in the form of delinquent municipal taxes and the statement of account is attached; Both documents dated October 5, 2015, which served as executive titles.

For this reason, Municipal Treasurer refers the debt to the executing court to carry out the co-

responding procedure of coercive collection. Figure 22, rests the executive car No. 676-15/J.E. Of October 8, 2015, which issues an order of payment against Panama Agencies Company, Inc., in the amount of B/. 394,282.20, which is equivalent to Taxes due B/. 101,370.00, surcharges B/. 19,779.00, interest B/. 194,961.70 and others B/. 78,171.50. It is noted in footnote 31 that the chief accountant of Panama Agencies Company Inc. submits a letter dated March 23, 1984, to the Municipal Treasury reflecting that Panama Agencies Company has fully assumed commercial activities.

However, the executing entity, in Note 1075-2016 of July 22, 2016, states that "After carrying out the checks within the Records Management System of the Fiscal Surveillance Department of the Municipal Treasury Tax Administration, And in the Digital Register of archived processes that are still kept in custody in the Department, there is NO record of request of closing of business or cessation of operations promoted by the legal representative of the companies Panama Agencies Co (West Virginia) or Panama Agencies Company Inc Although the plaintiff (Panama Agencies Company Inc.) Reported on the transfer of the commercial activities of companies in question, it is not known that the Municipality of Panama was notified of the cessation of operations of Panama Agencies Co West Virginia.

Regarding the notification of the cessation of commercial operations, article 86 of Law 106 of 1973, on Municipal Regime, provides that "it is the obligation of every taxpayer who ceases operations to notify Municipal Treasurer in writing, at least 15 Days before being withdrawn from the activity. Failure to comply with the obligation imposed by this article, will pay the tax for the entire time of omission, except due to force majeure."

In addition, it is pointed out that the defendant hasn't provided any evidence to file demonstrating that it was unable to notify the Municipal

Treasurer in writing of cessation of its operations and that it is imputable to pay the tax due to omission. The appellant filed an exception for the payment and prescription of the obligation, in a process for collection in the Municipality of Panama, with the number 830-15 The Third Chamber, declared the exception of prescription partially proved, by means of Judgment of September 19, 2016, On taxes generated from March 1982 to October 2010, maintaining the obligation for the months of November 2010 to October 2015. (The exception of payment declared wasn't proven). It is necessary to point out that the ruling given by this Chamber, has a consequent incidence in the present appeal, so that the Order must be amended, contained in the Executive Order 676-15/J.E.

Of October 8, 2015, by requiring only the municipal taxes owed by the taxpayer Panama Agencies Company, Inc., to the Municipality of Panama, from November 2010 to October 2015. In light of the above, the judges of the Third Chamber of the Supreme Court, MODIFY EXECUTIVE No. 676-15/JE Of October 8, 2015, issued by the Executing Judge of the Municipality of Panama, and establish that the amount owed by the taxpayer Panama Agencies Company, Inc., to the Municipality of Panama, amounts to the amount of Twenty-Two Thousand Four Hundred Fifty-Three Balboas (B/. 22,453.65), in the form of delinquent municipal taxes, surcharges, interest and others, plus judicial expenses that are generated in the executive process followed to the taxpayer.

OUR OPINION:

The central teaching of this case is to keep in mind that there is a clear and forceful legal rule (Article 86 of Law 106 of 1973 - Municipality of Panama Municipality) that obliges taxpayer of Municipality of Panama to notify formally to said Municipality Cease operation 15 days before becoming effective. For all "logical" effects, notification of replacement of Panama Agencies Co (West Virginia) by Panama Agencies Company Inc., Produces the same effect of no-

tification of cessation of operation of the first, but for the legal effects according to the cited rule omitted established legal procedure and consequently, taxes and surcharges that technically no longer paid. Therefore, taxpayer must ensure timely compliance with termination notice stipulated in article 86 of Law 106 of 1973.

L&E

CORTE SUPREMA DE JUSTICIA ORDENA AL ESTADO PANAMEÑO AL PAGO DE UNA INDEMNIZACIÓN POR LOS DAÑOS Y PERJUICIOS MATERIALES Y MORALES CAUSADOS COMO CONSECUENCIA DE UN ACCIDENTE VEHICULAR EN UN AUTOMÓVIL DEL ÓRGANO JUDICIAL

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Ante la Sala Tercera de la Corte Suprema de Justicia fue presentada una demanda contencioso administrativa de indemnización en contra del ORGANISMO JUDICIAL (Estado panameño) al pago de dos millones de balboas (B/.2,000,000.00) en concepto de indemnización por los daños y perjuicios materiales y morales; causados como consecuencia del accidente de tránsito ocurrido el día 22 de noviembre de 2011, en la que resultó lesionada la Sra. NORA INES ARMIEN VERGARA, quien era funcionaria del Órgano Judicial, y tenía la posición de Asistente Administrativa, ocupando el cargo de Sub-Directora de Servicios Generales de dicha entidad gubernamental. Y tenía 18 años consecutivos de servicio dentro del Poder Judicial, quien se encontraba a bordo del Vehículo Nissan Frontier de color gris, propiedad del Órgano Judicial, manejado por el funcionario ALEJANDRO PRAEZ T., en el ejercicio de sus funciones.

DE LA DEMANDA

La demanda Contenciosa Administrativa de indemnización se da como consecuencia de una misión oficial, donde la Sra. NORA ARMIEN se traslada en compañía del Sr. ALEJANDRO PRAEZ, con dirección hacia la Provincia de Colón, cuyo objetivo era inspeccionar la nueva sede del Órgano Judicial en dicha ciudad, toda vez que la misma debía de pasar una Auditoría de Calidad, antes de su inauguración. En el transcurso del viaje a la altura de la antigua carretera de la Zona que comunica a Panamá con Chilibre, el vehículo

en donde viajaba la Sra. NORA ARMIEN pierde el control, volteándose, y estrellándose contra un árbol que se encontraba en la orilla del camino.

Indica el demandante que el motivo de lo que generó el accidente vehicular fueron las malas condiciones mecánicas en las que se encontraba el vehículo Nissan Frontier, propiedad del Órgano Judicial. Y también influyó la impericia del conductor que iba manejando el automóvil. Y que como consecuencia del accidente automovilístico se ha generado daños y perjuicios derivados de las lesiones sufridas a la Sra. NORA ARMIEN, quien además de haber incurrido en gastos médicos y económicos, también se ha visto afectada psicológica y moralmente, al igual que su familia.

Para la parte demandante se han vulnerado el artículo 1644 del Código Civil debido a que está acreditada la conducta dañosa del funcionario, la relación de causalidad entre el acto y el daño causado, así como el monto de la indemnización reclamada que trajo como consecuencia la lesión producto del incidente o suceso automovilístico.

El demandante señala que el artículo 234b del Reglamento de Tránsito considera como obligados de manera solidaria a los propietarios del vehículo involucrado. También considera vulnerado el artículo 1644-A del Código Civil ya que lo dispuesto

en este artículo no fue tomado en consideración, debido a que se causaron daños y perjuicios morales y materiales a la demandante y a su cónyuge, que no fueron reparados.

Acota que es obligación del Estado el poder reparar o responder a éstos daños y perjuicios que se han suscitado por parte de sus funcionarios en el ejercicio de sus atribuciones. En relación al artículo 1645 del Código Civil, consideran que ha sido infringido debido a la vinculación que existe entre la conducta dañosa o lesiva del funcionario, la relación de causalidad entre dicho acto o hecho irregular y el daño causado y el monto de la indemnización reclamada.

Lo que ha generado un daño grave a la Sra. NORA ARMIEN, afectación tal que ha sido de carácter material y moral no sólo a ella, sino también a su familia. Concluyen que el artículo 974 del Código Judicial, se ha vulnerado, ya que existe una obligación que el Órgano Judicial indemnice a los demandantes, como consecuencia de los actos negligentes generados producto de un funcionario que laboraba dentro de ésta institución gubernamental.

Motivan la demanda de indemnización como consecuencia de la relación extracontractual en: El Daño Material: Debido a que la Sra. NORA ARMIEN sufrió lesiones personales como: traumas múltiples, lesión arterial y venosa, lesión arterial branquial y pérdida importante de piel y masa muscular, fracturas y pérdida del brazo y antebrazo derecho incluyendo músculos anteriores, por lo que se le tuvo que hospitalizar e intervenir quirúrgicamente. En consecuencia el daño material no sólo involucra la afectación al patrimonio económico de la demandante (gastos médicos), sino también la pérdida de su trabajo estable con su remuneración económica completa, lo que le ha obligado a pensionarse producto de las lesiones que le imposibilitaban de continuar laborando como asistente administrativa dentro del Órgano Judicial.

El Daño Moral: La pérdida material o sustancia

del brazo y antebrazo, incluyendo los músculos anteriores y ruptura traumática de arteria branquial de la Sra. NORA ARMIEN, que era una persona diestra le ha ocasionado un daño en su personalidad y consecuente afectación moral.

Señalan que la víctima dependía de su trabajo, y se ha visto obligada a pensionarse por la lesión sufrida, afectación ésta que es físicamente insubsanable o irreparable. Estas lesiones son de carácter permanentes, lo que ha producido afectación en su personalidad y la necesidad de asistir a citas médicas constantes, además de ver disminuida su capacidad física. El Agente: En este caso, el Sr. PRÁEZ, viene a constituirse en el único agente que estaba conduciendo el vehículo perteneciente al Órgano Judicial durante el momento en que ocurrió el accidente, mediando culpa o negligencia en relación a su actuar. Por lo que una de las causas que generó el hecho de tránsito fue la impericia del conductor del vehículo, además de las condiciones mecánicas en las que estaba el vehículo Nissan Frontier, propiedad del Órgano Judicial.

El Nexa Causal: No existe ningún tipo de culpa o negligencia por parte de la víctima, así como intervención de terceros, ni de fuerza mayor o caso fortuito que generara la lesión automovilística. En pocas palabras, no ha existido ninguna circunstancia que provoque la ruptura del ligamen causa-efecto, y en consecuencia la impericia del Sr. ALEJANDRO PRAEZ y el mal estado mecánico del vehículo, constituyen los antecedentes que han generado el daño y la lesión a la parte actora dentro del presente proceso.

DEL INFORME DE CONDUCTA

El Órgano Judicial estableció en su informe de conducta que luego del incidente ocurrido el 22 de noviembre de 2011, la Dirección de Servicios Generales, del Departamento de Transporte del Órgano Judicial emite un reporte el día 25 de noviembre de 2011, suscrito por el señor ALEJANDRO PRÁEZ, en relación al accidente ocurrido.

Donde el Sr. ALEJANDRO PRAEZ reconoce

que el mismo conducía el vehículo Nissan Frontier, color gris, OJ-176. Y cuando se dirigían hacia la ciudad de Colón en el vehículo antes mencionado, por el camino viejo hacia Chilibre a la altura del camino de cruces, el vehículo le tiró hacia la izquierda y luego hacia la derecha, lo que provocó que perdiera el control del mismo, impactando con un árbol y luego volcándose, en un área boscosa.

Que en dicho vehículo viajaba la Sra. NORA INES ARMIEN VERGARA, quien para la época del incidente de tránsito, se desempeñaba como Asistente Administrativa I (período probatorio), mas no como Sub-Directora de Servicios Generales.

De acuerdo a la nota 449/DSG/2014 de 7 de abril de dicho año, la Directora de Servicios Generales del Órgano Judicial indicó que en el Departamento de Transporte no reposaba ningún registro, ni asignación de la misión a la que se dirigían los señores ALEJANDRO PRÁEZ y NORA ARMIEN el día en que se suscitaron los hechos.

Que de acuerdo con el Departamento de transporte de la Dirección de Servicios Generales, el automóvil Nissan Frontier, color gris, OJ-176, recibía el mantenimiento correspondiente. Y por último indicaron que no existe resolución de tránsito relacionada con el accidente automovilístico, por consiguiente el accidente de tránsito no se generó producto de la omisión o negligencia de parte de la entidad pública, quien brinda el mantenimiento de la flota vehicular en tiempo oportuno.

OPINION DE LA PROCURADURÍA DE LA ADMINISTRACIÓN

En su Vista la Procuraduría de la Administración establece que no es posible atribuir responsabilidad al Órgano Judicial en este caso en particular, y considera que en relación al hecho de tránsito acaecido el día 22 de noviembre de 2011, el ORGANISMO JUDICIAL indicó que hasta la fecha no se contaba con la resolución de tránsito relacionada con el accidente del automóvil, así como tampoco es posi-

ble determinar si el accidente de tránsito se dio producto de la omisión o negligencia de la institución, quien brinda el mantenimiento de la flota vehicular en el tiempo oportuno. Continúan argumentando que en el Departamento de Transporte no figura ningún registro en relación a la asignación de la misión a la cual se dirigían los señores ALEJANDRO PRÁEZ y NORA ARMIÉN, el día en que ocurrió el accidente vehicular.

Y que al no existir ninguna resolución de tránsito, así como una constancia de la asignación sobre la misión oficial en la que supuestamente ocurrió el hecho que trajo como consecuencia la lesión o daño a la demandante, se parte de la base que no está acreditada la alegada falla del servicio público que se le atribuye al Órgano Judicial. Que de acuerdo con el informe elaborado por el Departamento de transporte de la Dirección de Servicios Generales, el vehículo Nissan Frontier, color gris, OJ-176 recibía el mantenimiento correspondiente.

Por lo que consideran que el objeto de la demanda contenciosa de indemnización, de ninguna forma se puede enmarcar en el contexto de una falla en la prestación de servicio público adscrito al Órgano Judicial, ya que su actuación consiste en la Administración de Justicia. Señalan que la parte actora no acreditó la falla del servicio público, como consecuencia de una irregularidad, ineficiencia o ausencia del mismo e imputable al Órgano Judicial. El daño que ha podido sufrir la recurrente, no se ocasiona producto de una actuación negligente de parte de ésta entidad pública, por lo que no está presente el elemento del nexo causal.

Por lo que decide la Procuraduría de la Administración considerar que no es posible vincular ni atribuir responsabilidad al Órgano Judicial, como consecuencia de las lesiones y daños sufridos por la parte afectada.

CONSIDERACIONES DE LA SALA

Al analizar el proceso luego del suscitado accidente, se puede comprobar que el motivo del viaje era una misión oficial en la Ciudad Judicial de Colón, previo a su respectiva inauguración, lo cual quedó en evidencia en el expediente, donde figura una nota suscrita y firmada por la Dra. VIELZA RÍOS, Secretaría Administrativa quien mediante nota dirigida al Departamento de Riesgos Profesionales indicó que "la Sra. Nora Armien, estaba asignada el día 22-11-2011 a realizar una misión oficial en Colón, en la sede de la Unidad Judicial Regional de Colón, por tal motivo, su hora de almuerzo también había sido aplazada para después de finalizada su asignación". Por lo que se deduce que la señora Nora Armien si estaba realizando una misión oficial, y se desprende que el percance o incidente se generó dentro de las horas laborables, como consecuencia del cumplimiento de sus labores dentro del Órgano Judicial y en un vehículo de la institución pública.

La Sala señala al informe brindado por el perito del Ministerio Público, donde se pudo determinar el estado de gravedad del accidente que sufrió el vehículo propiedad del Órgano Judicial.

También hace referencia a la constancia de hospitalización de la señora Nora Armien y una certificación de la Caja de Seguro Social, donde certifican que que el señora Nora Inés Armien Vergara, es paciente de Riesgos Profesionales por accidente laboral ocurrido el 22 de noviembre de 2011 tipo volcamiento donde sufrió amputación traumática del miembro superior derecho nivel 1/3 superior húmero (casi desarticulada de hombro). Por lo que se solicita a Riesgos Profesionales la compra de materiales por confección convencional para amputación tipo desarticulación de hombro con cesta con arnés y cable de tensión. Articulación de codo y mano con terminal de gancho y mano cosmética.

A lo que concluyen que el accidente de tránsito que sufriera la Sra. NORA ARMIEN a bordo del vehículo perteneciente al Órgano Judicial

le acarreó a parte de los gastos médicos y económicos; afectaciones mayores, y hasta la pérdida del brazo derecho a la altura del hombro.

Luego de analizar el peritaje e interrogatorio de los peritos de ambas partes que intervinieron en el proceso en relación al accidente de tránsito se pudo determinar que de la inspección efectuada al vehículo Nissan Frontier, que en el historial u hoja de vida del vehículo no figura dentro de la hoja de mantenimiento o de vida vehicular del auto Nissan Frontier, ningún otro registro relativo al mantenimiento del automóvil.

Por consiguiente, la Sala Tercera de la Corte Suprema de Justicia puede observar que el último mantenimiento de los 50,000 KMS que se le efectuó al motor del vehículo Nissan Frontier, perteneciente al Órgano Judicial (OJ-176) fue el día veintidós (22) de junio de dos mil diez (2010). En consecuencia, desde dicho día hasta el momento en que ocurrió el accidente, el día 22 de noviembre de 2011, habían transcurrido aproximadamente diecisiete (17) meses que no constaba ningún mantenimiento efectuado al vehículo del Órgano Judicial. Este hecho es de relevante importancia dentro del proceso, ya que de acuerdo a los informes presentados por los diversos peritos, se arriba a la conclusión que el fenómeno o suceso que ocasionó el aceleramiento y falla del motor del vehículo y el consecuente accidente del mismo fue la falta de mantenimiento al motor del automóvil de la institución pública, lo que traerá aparejado como consecuencia la responsabilidad del propietario (que en este caso es el Órgano Judicial) de las lesiones que sufriera la Sra. NORA INES ARMEN VERGARA.

Considera la Sala que se encuentra acreditado el daño material que sufriera la Sra. NORA ARMIEN como consecuencia de la pérdida de su brazo y antebrazo derecho incluyendo los músculos anteriores; además de las lesiones personales tales como trauma múltiples, lesión arterial y venosa, lesión arterial branquial, pérdida importante

de piel y masa muscular, fracturas del brazo.

Reconoce la Sala el menoscabo del patrimonio económico de la demandante, como consecuencia de los gastos hospitalarios en los que la misma incurrió. Y que en lo relativo al agente, la Sala Tercera de la Corte Suprema de Justicia considera que luego de las pruebas y evidencias aportadas dentro del proceso judicial se ha podido determinar que las lesiones que sufriera la Sra. NORA ARMIEN, se dieron como consecuencia de una falla mecánica que presentara el automóvil producto de la falta de mantenimiento periódico que debía de recibir el mismo, lo que ocasionó la aceleración intempestiva del turbo del carro.

En cuanto al nexo causal, señalan que el accidente automovilístico que sufriera la Sra. NORA ARMIEN, tiene como vinculación o nexo la falta de mantenimiento periódico al vehículo que pertenecía al Órgano Judicial, trayendo como consecuencia la afectación, daño y lesión sobre el brazo y antebrazo derecho de la demandante, lo que le generó lastimosamente la pérdida final de dicho miembro superior. Tampoco aprecia esta Corporación de Justicia que la lesión o el daño que sufriera la Sra. NORA ARMIEN, se diera producto de culpa o negligencia de la víctima, intervención de terceros, fuerza mayor o caso fortuito, que influyera sobre el accidente vehicular que acaeciera el automóvil manejado por el Sr. ALEJANDRO PRÁEZ.

Considera la Sala que al existir una deficiente prestación del servicio de transporte (el cual es necesario que se preste para garantizar la labor que debe desempeñar el Órgano Judicial), lo pertinente es reconocer que la utilización del transporte de la institución va aparejado también a que se brinde una eficiente prestación del servicio público en materia de movilización.

La Sala considera que es evidente que si se observa la afectación como consecuencia del daño material que sufriera la Sra. NORA ARMIEN, lo propio es que también se reco-

nozca de igual manera el daño moral, el cual está contemplado dentro del artículo 1644-A del Código Civil; como consecuencia de una lesión extracontractual o daño material que se generó, lo que debe traer por consiguiente aparejado la obligación de reparar el mismo. De igual manera, tal disposición obliga al Estado a subsanar o remediar el daño moral, tomando en consideración una serie de elementos tales como el decoro, honor, reputación o consideración de la víctima. En cuanto a lo contemplado dentro del artículo 1645 del Código Civil, la Sala estima que el Órgano Judicial es responsable por las actuaciones llevadas a cabo por uno de sus funcionarios, en este caso el Sr. ALEJANDRO PRAEZ, quien era el conductor que pilotaba el vehículo el día en que ocurrió el accidente vehicular, y en relación a la infracción de la presente norma, estima que la misma no es directamente aplicable al caso bajo examen, ya que no se logró determinar directamente que la lesión sufrida por la Sra. NORA ARMIEN VERGARA, se deba como consecuencia de una acción u omisión del Sr. ALEJANDRO PRÁEZ al momento que conducía el vehículo perteneciente al Órgano Judicial. Por último en lo referente a la violación al artículo 974 del Código Civil, considera la Sala que al haberse reconocido la culpa o negligencia por parte del Órgano Judicial en el hecho de tránsito que ocupa el presente proceso, no es necesario entrar a analizar la vulneración de ésta disposición que se estima como infringida.

La Sala Tercera de la Corte Suprema de Justicia considera en relación al concepto reclamado de lucro cesante que si la Sra. NORA ARMEIN hubiera continuado laborando hasta el año en que se hubiese producido su jubilación al cumplir 57 años de edad, la suma que hubiese devengado sería de B/. 273,450.00. Sin embargo, como quiera que a la misma ya había recibido en concepto de pensión por parte de la Caja de Seguro Social la suma de B/. 35,169.42 por los años de 2014 a 2016, lo pertinente sería restar dicha suma de dinero adelantada bajo tal concepto. Así las cosas a

B/.273,450.00 habría que restarle la suma de B/.35,169.42, lo que totalizaría: B/. 238,280.58. A la Sra. NORA ARMIÉN VERGARA DE ANDRADE se le pensiona con una suma de setecientos cincuenta balboas por mes (B/.750.00), dicha suma debe de multiplicarse por la cantidad de 12 meses que tiene un año, lo que arrojaría un total de B/.9,000.00 que debería recibir por año en concepto de pensión (31.750.00 x 12 meses = B/.9,000.00 (en concepto de pensión por año). Del año 2017 al año 2023, se computarían un total de siete (7) años, los cuales multiplicados por B/.9,000.00 por año, darían un total de B/.63,000.00. Por lo tanto, la suma que estima la Sala Tercera de la Corte Suprema de Justicia que debe ser cancelada en concepto de lucro cesante debe ser por el orden de los B/.175,280.58.

En cuanto el cómputo del daño emergente, la suma total de gastos, costos y honorarios mientras estuvo hospitalizada la Sra. NORA INÉS ARMIEN en concepto de daño emergente comprobado mediante facturas asciende a la suma de B/.41,962.00, de acuerdo con el perito contable de la parte actora. Por otra parte, el daño moral estima la Sala que incluye una serie de aspectos que están directamente relacionados con la propia persona, que pueden ser inclusive emotivos, y verse lesionados como consecuencia de la violación de los derechos inherentes a la personalidad.

La afectación a la moral puede darse producto de la lesión al honor, reputación, decoro, vida, fama, estima, etc., que tiene una persona. Para la valoración del daño moral, la Sala analizó previamente los informes de evaluación efectuados por los psicólogos que entrevistaron a la Sra. NORA ARMIÉN VERGARA, ALEJANDRO ANDRADE (esposo) y ALEJANDRO ANDRADE ARMIEN (hijo), donde se evidencia que es materialmente palpable la existencia de un daño moral, como consecuencia de la lesión que sufrió la Sra. NORA ARMEN VERGARA, producto del accidente vehicular, pero indican que la valoración del daño moral no es fácil o sencillo, puesto que no existe una escala o test de me-

dicación o ponderación que nos permita identificar de forma fácil la magnitud de la afectación del daño moral que sufriera la persona que ha visto su decoro o personalidad lesionada.

Aplicando los principios de proporcionalidad y de la sana crítica la Sala estima prudente fijar el daño moral como compensación o reparación originada de los daños materiales causados en el accidente vehicular; la suma de doscientos mil balboas (B/.200.000.00), respecto de los B/1.500.000.00 originalmente solicitados en la demanda de indemnización.

Bajo la ponencia del Magistrado Cecilio Cedallise Riquelme, la Sala Tercera de lo Contencioso Administrativo ORDENA AL ESTADO PANAMÉÑO (Órgano Judicial), a pagar a los señores NORA INES ARMIEN VERGARA y ALEJANDRO ALBERTO ANDRADE ALEGRE, la suma de cuatrocientos diecisiete mil doscientos cuarenta y dos balboas con setenta y nueve centavos (B/.417,242.79), en concepto de indemnización por los daños y perjuicios materiales y morales, causados como consecuencia del accidente vehicular de un automóvil del Órgano Judicial, en el que se vió directamente lesionada la Sra. NORA INES ARMIEN VERGARA.

NUESTRA OPINIÓN

El Estado (Órgano Judicial) es solidariamente responsable por lo antes plasmado. Pero cabe anotar que la Procuraduría no es objetiva al momento de emitir su Vista. Y que al no ceñirse a las pruebas aportadas en la demanda toma una posición subjetiva dentro de su recomendación. Por otra parte consideramos que quedó totalmente probado la relación extracontractual y el daño material como el lucro cesante establecido, pero en cuanto al daño moral no existe una tabla como tal que nos indique la suma cercana que se debe de pagar en estos casos, por lo que el único precedente que se tiene en este tipo de decisiones es la jurisprudencia en materia de indemnización, tal como se utilizó en este comentado fallo. *L&E*

FISCAL ALLEGATES VIOLATION OF DUE PROCESS TO ITS OWN JUDGMENT

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On January 18, 2017, under presentation of Judge Lilianne M Ducruet, First Superior Court of the First Judicial District resolved the Protection of Constitutional Guarantees presented by lawyer Anilu Batista Carles, acting in his capacity as circuit prosecutor of Section Of Decision and Early Litigation of Metropolitan Area, against Oral Hearing Act, celebrated on November 17, 2016, within the carpetilla 201600022744 followed by Crime against the Economic Heritage, in the modality of Agravado Theft, where it appears as imputed Luis Francisco Ducreux García.

By resolution dated November 29, 2016 the protection of constitutional guarantees was admitted, defendant official sent report of proceedings on November 30, 2016.

PROTECTION DEMAND

On October 22, 2016, the Public Prosecutor filed an impeachment against Luis Francisco Ducreux García for the crime against economic patrimony, in the form of an aggravated theft, before the Judge of Guarantees, the judge presented the imputation and recommended to parties resolve conflict through alternative methods of conflict resolution provided by Criminal Procedure Code in its Article 26 and 281.

On November 9, 2016, Mr. Ducreux García, represented by the public defense, Paola Quintero, together with the Public Prosecutor's Office, entered into a penalty agreement, which was countersigned by Mr. Luis Francisco Ducreux García as a signal Of acceptance, but didn't sign it.

At the hearing of validation agreement, Mr. Luis Francisco Ducreux stated that it conditioned the acceptance of the agreement to be transferred to the El Renacer Penitentiary Center, but this condition wasn't part of the penalty agreement.

The judge of guarantees denied the validation of the Agreement of Penalty, based on the conditional petition that made the accused. In the same act of hearing, the Public Ministry requested the Judge of Guarantees to take the actions in the present case back to the investigation phase, in order to avoid an affectation of Fundamental Rights and Guarantees, especially Due Process.

Adds that petition was denied by Judge of Guarantees, without further motivation, violating principle enshrined in Article 22 of Code of Criminal Procedure.

In opinion of the protectionist, decision of the judge violated due process, legality of actions of judicial server and the

right of defense of the parties to criminal process, by not allowing process to be carried out in compliance with the legal procedures that Requires article 340 of the Code of Criminal Procedure.

REPORT OF THE COURT DECLARED

Mónica Barrios Justavino, in her position as judge of guarantees in her report, stated that the indictment was presented in the Hearing Act, complying with the requirements of Article 340 of the Code of Criminal Procedure, technical defense not subject to the accusation That the accusation was formally admitted.

At the time of interrogating the accused on the knowledge of the rights that assist him in signing an agreement, which implies renunciation of his rights and if he accepted the agreement signed by him, and the question asked by the undersigned on whether the same I signed because a fingerprint was stamped on the agreement, the defendant stated that he did sign but he didn't want to sign it because he needed the prosecutor to comply with a condition for the charge, I proceeded not to accept the agreement as valid. Accused I do not accept it.

Regarding request made by the Public Prosecutor's Office to reverse the decision, there is no criminal procedural rule that empowers judges to backtrack a judicial act that had already been presented with its proponent fulfilling all the requirements of article 340 of CPP.

DECISION OF THE COURT OF PROTECTION

The present Action to Support Constitutional Guarantees questions the refusal of the Judge of Warranty, to retract criminal process followed to Luis Francisco Ducreux García to investigation phase; Since Judge

of Guarantee didn't validate Agreement of Penalty presented in said act of oral hearing.

In this regard, it should be remembered that the criminal prosecution process (not subject to special procedures or judgments), is divided into different phases or consecutive stages which are ventilated through hearings, the Accusatory Criminal Procedure is structured in phases.

Penalty Agreements between Public Prosecutor and accused may be made once completed and before presenting accusation before Judge of Guarantees.

The Prosecutor, spontaneously and without request of the Judge of Guarantees, made an accusation against Luis Francisco Ducreux García, in accordance with the last paragraph of article 5 of the Code of Criminal Procedure (Without formulating charges there will be no trial nor penalty without proven accusation) ; Starting in detail each of the budgets described in article 340 of the Code of Criminal Procedure. Then, to present before the Judge of Guarantees the Agreement of Penalty.

The amparo court considers that it is clear that there was no contravention of procedural formalities, since the presentation of the agreement breaks with the harmony of the criminal process.

It is extremely striking that the protectionist argues that there has been a violation of due process when accusation is made verbally, in contravention of provisions of article 340 et seq. Of the Code of Criminal Procedure, since the protectionist is the one who formulates the prosecution on behalf of the Public Ministry. That is, the protectionist is claiming as a violation of due process of its own bankruptcy.

On the other hand, the protectionist also

argues in present constitutional action that the Judge of Guarantees didn't motivate its refusal to return the process to investigation phase; However, after hearing technological support of audio incorporated as antecedent of the attacked act, the Court of Protection considers that the Judge of Guarantee did establish in the Hearing Act that it wasn't possible to revert process to investigation phase, since The next stage, that is, the formulation of the accusation was actually given.

DECISIÓN:

The Court of Amparo considers that in this case, what is appropriate is to DENY the Protection, since accused judicial officer has not violated Articles 17 and 32 of the Political Constitution, by denying the request to take the case back to the phase of Research carried out by the protectionist, Lic. Anilu Batis-ta Carles, Circuit Prosecutor of Decision and Early Litigation Section of Metropolitan Area.

COMMENTS

The new System of Administration of Justice of accusatory court, breaks several paradigms, since this system is forged under strict application of principles being orality a crucial element in the Criminal Accusatory System. In the Summary Protection can be observed deficiencies in the interpretation of the criminal procedural rules by the Public Ministry to argue that legal procedures established in Article 340 of Criminal Procedure Code weren't complied with at the time the Judge denied the Penalty Agreement, The accusation by prosecution was very spontaneous, there were no objections, once the accusation has been made and admitted no new evidence can be incorporated at the time oral trial is conducted. The essence of the Accusatory Criminal System is a guarantor, even the Public Prosecutor's Office has the inquisitive

or statistical mentality if it could be called.

This new system, where most of the performances are provided orally, has the advantage that all audiences are recorded in audio and video and it can be requested as evidence when a right or a guarantee of people That are part of a process or as the subject of the Protection Action, in this case the audio record is supplied to the Court of Protection and in this way verifies the truth about what was alleged, as it did in This case by distorting the opinion of the protectionist on the motivation of decision of the Judge. *L&T*

Política

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IS THERE A LACK OF CREDIBILITY IN OUR POLITICS?

A mediados del siglo XIX el granadino Rufino Cuervo en frase sobria manifestó: "El que quiere conocer a Panamá que venga, porque se acaba". Esto por aquella realidad que se vivía en el istmo en esa época, cuando pertenecíamos a Colombia y en consecuencia éramos afectados por las enfermedades, conflictos internos y desatención general del gobierno colombiano.

After our independence from Colombia in 1903, the incipient Republic of Panama was formed through all kinds of difficulties and ups and downs, natural in any nation that sought to consolidate its institutions and stability in order to guarantee the peace and tranquility of its citizens.

Throughout our history we have had large numbers of electoral processes with irregularities and questioning, with clashes between political protagonists, in order to achieve desired power. But it is also fair to acknowledge that after American invasion of Panama in 1989 that overthrew dictator Noriega, subsequent electoral processes and to date have represented an acceptable improvement for their respect to the popular will, regardless of whether or not they can be considered perfect and faultless.

In this historical compendium obviously we can't leave aside the era of military control that for several decades dominated the country as a cor-

ollary of a coup d'état in 1968, which implemented a totalitarian regime, with mitigating and aggravating factors during the time they exercised power and that cut off values of equality and freedom, democratic principle of respect for constitutionality of human rights, true freedom of expression and other characteristics inherent in democracy.

With the passing of years the way of proceeding from our political class has been questioned in general opinion of the population, and now more than ever.

In our public scenario, political organizations, instead of improving their performance, don't fulfill their role as public interest entities whose purpose is to favor collaboration of citizens in democratic way and contribute to the integration of national representation, based on an ideology, a program of government to determine objectives, and above all to manifest continually on national problems, in order to suggest ideas and approaches with the intention of remedying them.

The deplorable fact is that our political parties are not fulfilling the purpose for which they were constituted. They are not manifested neither their managers nor their internal organizations. They don't meet continuously, and instead of conducting training seminars and ideological training to potential members, they promote a task of exchanging favors when they take political power or from the opposition in exchange for electoral support.

Leadership of our political parties is not reinforcing or stabilizing political system, they don't evaluate public policies, they are not recruiting or forming selection of potential political leaders, they are not guiding public opinion. They don't convey principles, projects or ideas that promote civic learning and are not opinion makers. They don't channel citizens' requests for powers of state. They are not maximizing democratic political participation.

On the contrary, with their actions they are weakening democracy and the democratic system of government. To the extent that its leaders and the political parties themselves hardly have power to call in protests or political demonstrations, because of their lack of credibility. It is a responsibility, whether you like it or not, that falls on those who have led the parties for years. The political elite is not renewed, and the few who could give it a new image are kept away because they don't submit to the powerful, who in one form or another are also responsible for lack of credibility that most have in our political class.

In addition to the above, political scene is complicated, and there is a marked hostility between economic groups, perceived by population, in their desire to increase or conserve their wealth of power and commercial influence. When faced with this diversity of elephants of economic

power, grass is the one that suffers; Yes, the weak are the most affected when the strongest or most powerful face.

In addition to present deficiency of political groups and conduct of their ruling class, some of them are increasingly deepening their antagonism, leading to mutual hatred or hatred that may lead to vengeance and violence. I constantly think that our political class, which is increasingly discredited every day, doesn't assimilate its enormous responsibility to maintain, consolidate and continue democracy as a system of government.

If this deteriorates further, rule of law runs the risk of disappearing and we will have to face dire consequences, such as the emergence of populism, which instead of benefiting, represents an impairment of progress, respect for human rights and peace between our nations.

Another serious problem facing our duly constituted political organizations is the absence of formation and emergence of genuine leaders and leaders aiming to be at the forefront of our political groups to bring them to political power, with the will to serve the country and solve problems with goals not only for themselves but also for others and especially the most needy.

Our country demands leadership from truly committed leaders, with an effective leadership in their environment, who generate credibility based on their honesty, their sacrifice and resolute confrontation with a widespread problem in the world such as corruption. We approach dangerously, if we have not already arrived, to lamentable and pernicious situation in which no one believes in anyone.

On the other hand, we perceive certain small groups that imply that they rep-

resent vaunted civil society (when all civil society really integrate it all), rightly censuring behavior of political parties in force that are becoming increasingly weakened, On the national problematic, perhaps pretending to supplant political parties because of their evident incapacity, when what they should do is to organize themselves as a political group constituted to represent a new option for the electorate among the diversity of political organizations established in the country.

This recommendation is appropriate in view of the fact that we can not speak of democracy, as it is conceived in the western world, without the participation of political parties, irrespective of their present poor performance, because they must be primordial promoters and agglutinators of social interests and they are, of course, a sine qua non of democracy and the rule of law, as is the presence of the three organs of the state which are a consequence of the popular free will of electoral processes.

Panama, our small country but big in heart, goes through situations that demand solidarity of all without exception. The political parties must renew

their procedure to avoid undermining a system that, although imperfect, turns out to be the best of all, Democracy.

Political leaders, those who exercise constituted power, members of the different organs of the state, economic powers, all mainly and with equal responsibility, must change, therefore improving, their way of conducting themselves so as not to sink into despair and chaos, like other nations, and don't try to look for other alternatives that are seen by our own experience and other countries, which turned out to be worse.

Obviously our country is far from that lapidary phrase of Rufino Cuervo quoted at the beginning of this article, because Panama is a great nation, even with its problems and difficulties that we all perceive, live and face. We are aware of the positive aspect of our country, with an index of sustainable economic well-being and other undeniable realities that makes us reflect on what we have and build and that for nothing in the world we must forget, let alone lose.

L&E



Panamanian

ECONOMY

Source: CGRP

CONSUMER PRICE INDEX

M

onthly evolution of the National Urban CPI to March 2017, compared to December 2016, showed a variation of 0.5% β The National Urban CPI of March compared to February 2017, presented a monthly variation of -0.1%.

The groups that showed an increase in the National Urban CPI in March compared to February were: Health and Miscellaneous goods and services, both with 0.5%; Restaurants and hotels with 0.2%; Clothing and footwear, Recreation and

culture, and Education all with 0.1%. Increase reflected in the Health group is mainly due to the increase in five of its seven classes. The largest variation was in the "Dental services" class with 1.4%, due to increase in price of dentistry service. The group Miscellaneous goods and services showed increases of six of its ten classes. The largest increase was in "Social Protection" class with a variation of 3.2%, due to increase in price of childcare services.

The Restaurants and hotels group was influenced by increase in

one of its two classes, "Restaurants, cafes and similar establishments" with 0.1%, by the rise in price of meals and soft drinks outside home.

The clothing and footwear group increased in two of its four classes, "Cleaning, repair and rental of clothing" and "Shoes and other footwear", both with a variation of 0.2%. The increase that reflected the class "Cleaning, repair and rental of clothing" was a result of the increase in price of laundry service and laundry.

In the class "Shoes and other shoes" was for the increase in the price of shoes, slippers and men's flip-flops. The increase registered in the Recreation and Culture group was caused by increases in three of its sixteen classes. The largest variation was in "Cultural services" class with 1.2%, due to increase in price of the entrance to nightclub.

In the Education group increased one of its four classes, "Education not attributable to any level" with 0.8%, due to increase in the price of supplementary education. Housing, water, electricity and gas remained unchanged. The groups with negative variations were the following: Transport -0.3%; Food and non-alcoholic drinks -0.2%; Furniture, articles for home and for ordinary household maintenance, Communications and Alcoholic beverages and tobacco, all -0.1%.

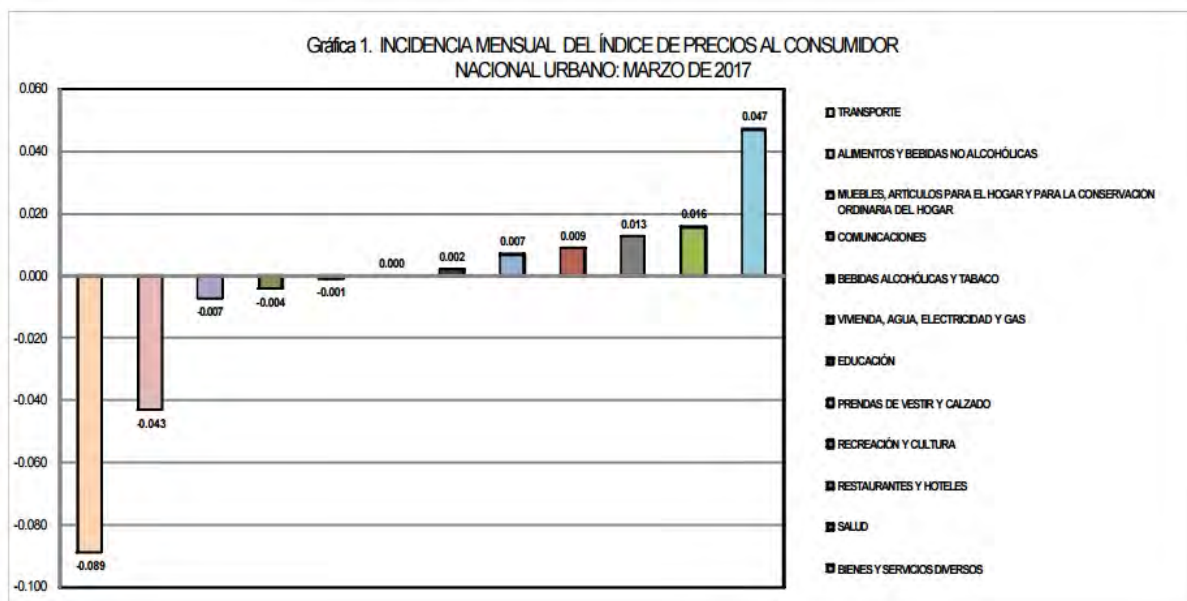
In the Transport group, two of its seven classes, "Fuels and lubricants for personal transport equipment", decreased by -0.8%, due to reduction in price of fuel for automobiles and "Air passenger transport" 4.5%, due to

the drop recorded in price of airfare. The decrease reflected in the group Food and Non-Alcoholic Beverages, is due to decrease of four of its eleven classes.

The greatest variation was in the "Legumes and vegetables" class with -1.3%, due to the reduction in price of legumes. In the Furniture, housewares and for the ordinary home maintenance group, reflected four of their eleven classes. The class with greatest decrease was "Large household appliances, electric or not" with -0.6%, due to reduction in price of home appliances for the home. The decrease observed in Communications group was mainly due to reduction in one of its two classes, "Telephone equipment" with -0.6%, due to the drop in price of mobile phones.

In the group Alcoholic beverages and tobacco presented reductions two of its four classes. The largest variation was in class "Distilled beverages" with -0.3%. When comparing the National Urban CPI of March 2017, with its similar of 2016, the following increases were observed: Transport 5.0%; Education 3.5%; Housing, water, electricity and gas 2.9%; Health 2.0%; Miscellaneous goods and services 1.7%; Restaurants and hotels 1.5%; Clothing and footwear 0.6%; Recreation and culture 0.5%; Alcoholic beverages and tobacco 0.4%; Furniture, articles for the home and for ordinary household maintenance 0.3%; And Food and non-alcoholic beverages 0.1%. The Communications group decreased -3.0%.

Below, graph with monthly incidence per group of National Urban CPI of March 2017:

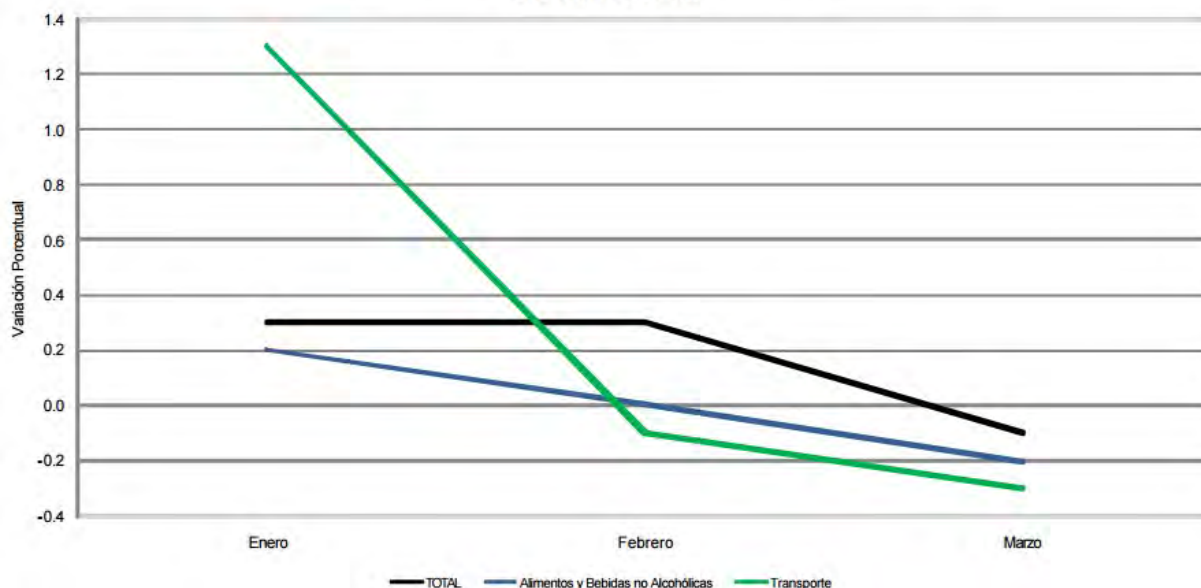


Incidence: corresponds to contribution of each group with respect to total variation of National Urban Index, therefore, the sum of incidents results in variation of the index.

Table 1. INCIDENCE AND PERCENTAGE VARIATION OF THE PRICE INDEX TO THE URBAN NATIONAL CONSUMER, ACCORDING TO ARTICLES AND SERVICES GROUP: MARCH 2017

Grupo de artículos y servicios	Ponderaciones	Incidencia	Variación mensual
TOTAL	100.0	-0.1	-0.1
Alimentos y Bebidas no Alcohólicas.....	22.4	-0.043	-0.2
Bebidas Alcohólicas y Tabaco.....	0.7	-0.001	-0.1
Prendas de Vestir y Calzado.....	7.7	0.007	0.1
Vivienda, Agua, Electricidad y Gas.....	8.5	0.000	-
Muebles, Artículos para el Hogar y para la Conservación Ordinaria del Hogar.....	7.8	-0.007	-0.1
Salud.....	3.4	0.016	0.5
Transporte.....	16.8	-0.089	-0.3
Comunicaciones.....	4.3	-0.004	-0.1
Recreación y Cultura.....	9.7	0.009	0.1
Educación.....	2.4	0.002	0.1
Restaurantes y Hoteles.....	6.7	0.013	0.2
Bienes y Servicios Diversos.....	9.8	0.047	0.5

Gráfica 2. EVOLUCIÓN DEL ÍNDICE DE PRECIOS AL CONSUMIDOR NACIONAL URBANO TOTAL, ALIMENTOS Y BEBIDAS NO ALCOHÓLICAS Y TRANSPORTE: ENERO-MARZO DE 2017



MAIN MONTHLY ECONOMIC INDICATORS: JANUARY-FEBRUARY 2016-17

Fuente: CGRP

1

Transportation:

Of the Panama Canal indicators, toll revenues increased by 17.0 percent, net ton by 26.3 percent, and cargo volume transported by 23.1 percent. Also, transit of ships by Panama Canal increased in 3.7 percent. Movement of cargo through the National Port System (NPS) grew by 11.0 percent and, mainly, general and containerized cargo, by 1.8 and 26.5 percent, respectively. The movement of containers in TEU (container equivalent to 20 feet), increased by 16.4 percent.

2

Foreign trade:

a. CIF value of imports of goods:

The CIF value of goods imports registered a positive change of 3.9 percent, influenced by increases in consumer

goods by 11.0 percent and capital goods by 1.2 percent; However, there was a decline in intermediate goods of 4.7 percent.

b. FOB value of goods exports:

The FOB value of goods exports registered a negative variation of 2.1 percent and the most influential items that fell were: banana 14.8 percent, melon 58.2 percent, watermelon 78.5 percent, pineapple 0.5 percent, shrimp 24.7 percent, fresh fish and fish fillets (fresh, chilled and frozen) at 16.1 percent, other seafood 37.3 percent, coffee 39.7 percent, beef cattle 4.5 percent, cattle standing 62.2 percent And, hides and skins at 42.1 percent.

There were positive variations in: petroleum products 29.1 percent, unrefined sugar 16.6 percent and clothing in 74.2 percent.

c. Weight of goods exports:

The weight of exports of goods (net kilos) fell by 4.5 percent, with declines in the categories: banana 13.1 percent, melon 53.6 percent, watermelon 90.1 percent, pineapple 3.4 percent, shrimp 32.4 percent, Fresh fish, fish fillets (fresh, chilled and frozen) by 3.6 percent, other seafood 67.3 percent, coffee 50.9 percent, beef cattle 4.9 percent, cattle standing 78.7 percent, skins and Hides at 43.3 percent.

Positive behavior was reported in: petroleum derivatives of 28.3, unrefined sugar 4.9 percent, fish meal and oil 226.4 percent and clothing in 52.5 percent.

d. Colon Free Zone:

The commercial movement of the Colon Free Zone in both value and weight increased by 23.3 percent and 7.6 percent, respectively, for period January-February 2016 compared to the same period of previous year.

Internal trade:

a. Sale of fuels for national consumption: The sale of fuels for total national consumption fell by 3.6 percent, mainly consumption of bunker C by 32.9 percent and gasoline by 91 octane by 7.6 percent; However, there was a positive change in 95 octane gasoline by 13.9 percent and liquefied petroleum gas by 4.4 percent.

b. Registered cars:

The number of new registered cars, which obtained a single vehicle registration, decreased by 12.2 percent and segments that were reduced were: regular cars at 14.9 percent, luxury cars 8.8 percent, minivans 23.9 percent, panels 37.6 percent, Pick ups 21.9 percent, buses 25.1 percent and trucks at 15.3 percent; However, SUVs (Sports Utility Vehicle) presented positive variation of 0.3 percent.

Building:

The value of permits for construction, additions and repairs recorded a negative variation of 5.1 percent, mainly non-residential works at 13.6 percent; However, residential construction increased by 3.3 percent. At the regional level, the districts that declined were: Panama 10.6 percent, Colon and 28.8 percent, and Arraijan at 3.8 percent; By contrast, increased the district of San Miguelito in 106.8 percent and districts of David, Chitré, Santiago, Aguadulce and La Chorrera grouped in 12.1 percent.

Financial Intermediation:

a. National Banking System:

Data not available, to date, by source providing the information.

b. Stock Market Indicators:

The trading volume (in Balboas) of stock market by Panama Stock Exchange (BVP) rose by 491.6 percent and the number of shares by 1,649.7 percent. The secondary market increased by 72.3 percent, however, primary market fell by 20.0 percent and repurchase by 51.1 percent. The calculated index in the BVP was 4.2 percent.

c. Insurance:

The total value of subscribed premiums increased by 2.5 percent, the most outstanding segments were: individual life 5.9 percent, personal accidents 6.4 percent, health 11.3 percent, collective life of 13.5 percent, fire and multi-risk 10.8 percent, Automobiles 0.6 percent and bonds at 37.2 percent. There were decreases in sector of other transport in 11.2 percent.

d. Loans approved by the Agricultural Development Bank:

Loans approved by the Agricultural Development Bank (BDA) were reduced by 24.2 percent, of those for agriculture in 14.3, livestock 44.4 percent and fishing in 59.9

percent. Other items grew by 0.2 percent.

Outdoor activities:

a. Gross bets:

The gross bets report (including paid prizes) of operators of games of chance and chance, registered a positive variation of 0.1 percent, mainly, "A" slot machines increased by 0.7 percent and sports betting rooms in 26.6 percent; However, those of racetrack were reduced by 6.6 percent, bingo halls 9.3 percent and gaming tables by 6.6 percent.

b. Net betting:

Net bets (excluding prizes) decreased by 5.1 percent, mainly gambling tables by 38.7 percent and the racecourse by 9.6 percent; On the other hand, there was a positive change in the bingo halls of 35.7 percent, slot machines "A" in 0.5 percent and sports betting in 24.7 percent.

Electricity and water:

a. Electricity supply:

The national supply of electricity decreased by 0.6 percent, due to decrease in gross electricity generation by 1.3 percent, as well as its components: thermal 15.4 percent and wind in 22.8 percent; However, hydraulic generation increased by 13.1 percent and solar by 196.4 percent.

b. Destination of the electricity:

The destination of the electric energy offered registered a 1.8% drop in consumption, mainly residential (3.3%), commercial (2.2%), industrial (6.7%) and government (1.4%); On the contrary, that of other customers increased by 11.0 percent, large customers 10.8 percent, and generators by 58.7 percent.

c. Water supply:

The billing for drinking water in the Republic increased by 1.3 percent, linked to sectors: commercial by 1.2 percent, residential by 1.5 percent and Government by 1.5 percent; However, the in-

dustrial rate was reduced by 7.7 percent.

Manufacturing industries:

There were increases in slaughter of pigs in 2.4 percent, production of evaporated milk, condensed and powdered milk 1.3 percent, alcoholic beverages 3.5 percent and alcohol rectified in 10.2 percent. Decreases in beef slaughter were observed in 12.9 percent, chicken meat 0.2 percent, pasteurized milk 2.5 percent, natural milk used for the manufacture of derived products 1.8 percent and salt 69.1 percent.

Hotels and entrance of passengers:

a. Hotels:

Hotel activity in Panama City reported a positive variation in the average daily overnight stays during the period of 24.1 percent; On the contrary, it registered a slight increase in the daily average of quarters occupied during the period in 0.6 percent and the percentage of occupation during the period in 0.2 percent.

b. Entry of passengers residing abroad and their expenses:

Data not available, to date, by source providing the information.

Public Sector Finance:

a. Current income of Central Government: Tax revenue increased 8.2 percent, due to a 16.9 percent increase in direct taxes and indirect taxes of 3.3 percent, with the transfer of personal property tax and the provision of sales services at 5.9 percent. And insurance premiums at 72.8 percent. Non-tax revenues decreased by 23.2 percent.

Other Related:

a. Registered labor contracts in MITRADEL: Labor contracts reported at the MITRADEL headquarters decreased by 6.6 percent. Of these, those defined at 6.3 percent, undefined at 9.6 percent, and those at work determined at 4.7 percent.

MANEUVER CENTER OF TRAINING OF THE CANAL ADDS SCALE MODEL OF NOSE LNG

Source: ACP



CANAL DE PANAMÁ

The Panama Canal Scale Maneuvering Training Center added a new scale model of a LNG (Liquefied Natural Gas) vessel for the training of tug boat pilots and captains in vessel maneuvers Neopanamax. The new vessel is the LNG Stream of 11.88 meters in length, 1.95 meters in the sleeve, 0.46 meters in draft and 6.2 tons in displacement.

This model is based on the ship of the same name that has 269.9 meters in length, 48.7 meters of sleeve and 124,000 tons of displacement. A year ago, the Center for Simulation, Research and Maritime Development (SIDMAR) of the Panama Canal Authority inaugurated its operations for the training of practitioners facing the expanded channel, which, after 10 months of its inauguration, has surpassed one thousand transits of Neopanamax ships.

The expanded Canal receives a steady stream of vessels, mostly container ships, liquefied petroleum gas (LPG) and LNG vessels, which is a new segment for the interoceanic route. This training center, unique in its style in Latin America, has 15.5 hectares, 3.6 training area, with a water volume of 40 thousand cubic meters and two lakes that are connected by a channel, similar to the Culebra cut.

The lake in the northern part is 2.6 hectares and in the south of 0.7 hectares. The length of the Culebra cut is 518 meters. In the north lake

is the zone of deep waters, that resembles the approach to the breakwater of the Atlantic.

There are also different berths, new locks as well as the original and the current tunnel. The scale simulation center was built where a previously uncollected material deposit operated in Summit, Gamboa.

The models of ships that were constructed are the same ones that today pass through new locks: a bulk carrier, a container ship and the newly added LNG ship.

The first two scale models correspond to Nord Delphinus (bulk carrier of 10 meters in length, 1.7 meter of sleeve, 58 centimeters of draft, and that displaces 8.8 tonnes) and Maersk Edinburgh (container carrier of 14.64 meters in length, 1.93 meters of sleeve, 60 centimeters of draft and displacing 11.8 tonnes), manufactured in Port Revel, France.

According to Capt. Peter Pusztai, supervisor of the SIDMAR Center "in a year the practitioners have been more self-confident, they can take the challenge more firmly and also through these exercises they know what to expect, what conditions or Situations will be encountered with respect to the maneuverability of the ship " According to Captain Pusztai this "is the best system to use since it resembles almost 100% to real life". *L&E*

REFORM AGREEMENT BETWEEN STATE AND BANAPIÑA DE PANAMÁ, S.A.

Source: CGRP

The General Comptroller of the Republic endorsed the Agreement between the State and Banapiña de Panamá, SA, which has as objective and in accordance with terms and conditions development of a project with a view to reactivating the banana activity, creating new Jobs and economic investments with direct and indirect impact on social and economic aspects of the Barú-Alanje and Chiriquí Grande-Bocas del Toro areas.

It is estimated that the project will be developed

in a period of no more than seven years with a minimum investment by the company of ONE HUNDRED MILLION BALBOAS (B/. 100,000,000.00), generating an approximate 3,100 direct jobs and consequent generation of 12 thousand Indirect employment in trade and services activities.

The Contract already approved must pass through corresponding legal procedures to be formalized as a Contract Law after its approval by the Legislative Assembly. *L&E*

FOREIGN DIRECT INVESTMENT WORTH B/. 5,209.3 MILLION

Source: MEF

A report from the Department of Economic and Social Analysis of the Ministry of Economy and Finance (MEF) reveals that Foreign Direct Investment (FDI) in Panama in 2016 amounted to B/. 5,209.3 million compared to B/. 4,494.2 million of 2015, ie increased by 15.9%, which demonstrates its dynamism and investor confidence in country's macroeconomic performance.

The document reflects that the increase in FDI, reinvested earnings, which are reinvested locally (66.5% of the total or B/. 3,462.6 million), followed by other investments (18.5% of the total or B/. 965.6 Million) and shares and capital participation (15.0% of the total or B/. 781.1 million).

It also indicates that Panama maintained the growth rate of FDI, in circumstances in which rest of the region faced an adverse economic

environment due to fall of up to 8% in capital flows, according to the Economic Commission for Latin America and the Caribbean (ECLAC).

The MEF report mentions among factors that helped to achieve good results, use of the dollar, logistics system led by activities of the Canal, ports, railroad, Colon Free Zone, development of the hub of the Americas , International Banking Center and policies of incentive and attraction of investments that offer fiscal, migratory and labor advantages, helped the good results.

The analysis of the MEF underlines that in 2016 the highest number of companies established in Panama was registered with SEM (Multinational Enterprises Headquarters). In that sense, the Ministry of Commerce and Industry granted a total of 25 new licenses to multinational companies. *L&E*

World

ECONOMY

Source: Fondo Monetario Internacional

FISCAL MONITOR EXECUTIVE SUMMARY 2017

M

Mayor protagonismo de la política fiscal (capítulo 1)
La economía mundial está transitando grandes transformaciones, entre las que se incluyen una desaceleración de la productividad, cambios tecnológicos y un proceso de integración de la economía mundial. Surgen así nuevas demandas de políticas públicas que faciliten estas transformaciones y, al mismo tiempo, amortigüen el impacto sobre quienes se ven negativamente afectados. La política fiscal tiene que adoptar un mayor protagonismo para promover un crecimiento sostenible e inclusivo.

Por otra parte, habida cuenta del alto grado de incertidumbre que tiñe las perspectivas económicas y las limitaciones de las cuentas públicas, es

preciso entender y gestionar mejor los riesgos.

Así pues, la política fiscal tiene la difícil tarea de lograr más y mejores resultados en un contexto de recursos más limitados. Cambios en las posiciones fiscales y riesgos elevados En 2016, las economías avanzadas flexibilizaron su posición fiscal en una quinta parte de un punto porcentual del PIB, poniendo así fin a una tendencia de consolidación fiscal gradual de cinco años.

Se espera que su posición fiscal agregada se mantenga neutral en general en 2017, y en los años subsiguientes. En consecuencia, la deuda pública de las economías avanzadas debería estabilizarse a mediano plazo, promediando

más de un 100% del PIB, en lugar de disminuir, como se preveía anteriormente. En las economías de mercados emergentes y en desarrollo, el deterioro de las posiciones fiscales parece haber llegado a su fin, aunque la mejora esperada depende esencialmente de lo que suceda en los mercados de materias primas. Los países exportadores de petróleo están implementando grandes planes de consolidación para adecuar el gasto al ingreso, y se prevé una reducción de sus déficits fiscales de alrededor de USD 150.000 millones entre 2016 y 2018 (donde la mejora, el próximo año, provendrá en esencia del saldo no petrolero).

En el caso de los países importadores de petróleo, en 2017 el déficit fiscal debería mantenerse mayormente estable en relación con el PIB, seguido de una consolidación gradual a mediano plazo. La incertidumbre en materia de políticas futuras y los riesgos macroeconómicos empañan las perspectivas fiscales en el mundo. Varios factores contribuyen a esta incertidumbre: la falta de precisión sobre el tamaño y la composición del estímulo fiscal previsto en Estados Unidos, varios comicios electorales que tendrán lugar en Europa y el próximo congreso del partido comunista en China. En las economías de mercados emergentes y en desarrollo, el incremento más rápido de las tasas de interés, una revalorización significativa del dólar de EE.UU. y los precios más bajos de las materias primas podrían exacerbar la vulnerabilidad de la deuda y provocar la materialización de pasivos contingentes, en particular aquellos vinculados a las garantías implícitas del gobierno en los préstamos del sector empresarial.

El rumbo de la política fiscal En los últimos diez años, se ha vuelto a evaluar la función de la política fiscal atendiendo a circunstancias específicas, en particular la crisis financiera mundial, y a los nuevos estudios académicos que emplean datos macroeconómicos y de encuestas. En general, la política fiscal es percibida como una potente herramienta para promover un crecimiento inclusivo, y puede contribuir a estabilizar la economía, en particular durante recesiones profundas y cuando la política

monetaria ha perdido eficacia. Por otra parte, los altos niveles de deuda, los desafíos demográficos a largo plazo y los riesgos fiscales elevados requieren inexorablemente una gestión sólida de las finanzas públicas. En particular, las políticas deben inscribirse en un marco a mediano plazo creíble que garantice la sostenibilidad de la deuda, gestione los riesgos de manera adecuada y aliente a los países a generar protecciones durante períodos de recuperación económica.

En líneas generales, son tres los objetivos principales que deben regir la aplicación de la política fiscal, aunque un margen acotado de maniobra del presupuesto y las posibles concesiones que deban hacerse limitan la capacidad de los gobiernos de perseguir estos objetivos de manera simultánea. La política fiscal debe ser contracíclica.

Una respuesta fiscal contracíclica debe apoyarse principalmente en estabilizadores automáticos y ser simétrica (es decir, que debe ser expansiva en las épocas malas y endurecerse en los períodos de bonanza). Sin embargo, en aquellos países que padecen de una prolongada falta de demanda y una política monetaria acotada, como es el caso de Japón, es posible recurrir a medidas de estímulo fiscal discrecional, combinadas con reformas estructurales y una política de expansión monetaria continua para sortear las trampas de la deflación-deuda, incrementando el PIB nominal.

En la zona del euro, la posición cíclica agregada también justifica una posición fiscal agregada un poco más expansiva este año; pero esto podría ser difícil de lograr dada la ausencia de centralización fiscal. En el otro extremo, las economías con escasos recursos ociosos e indicios de presiones inflacionarias deben, en general, retirar las medidas de estímulo fiscal para reconstruir las protecciones. En Estados Unidos, donde la economía está próxima al pleno empleo, la consolidación fiscal podría comenzar el próximo año con miras a una fuerte reducción del endeudamiento.

En China, dados los niveles sólidos de empleo y el repunte esperado de la inflación, el déficit fiscal

“aumentado” debería disminuir a mediano plazo para permitir el reequilibrio de la economía, de modo que se reasignen los recursos fiscales de inversión pública extrapresupuestaria a partidas de gasto presupuestadas con destino a asistencia social, educación y salud. Sin embargo, recurrir a la flexibilidad de la política fiscal para estabilizar el ciclo económico no siempre es factible.

En algunos países, la consolidación fiscal se justifica independientemente de las condiciones cíclicas, para asegurar la sostenibilidad fiscal frente a grandes shocks (por ejemplo, en los países exportadores de materias primas), o para restablecer la confianza del mercado. La política fiscal debe favorecer al crecimiento. Las medidas fiscales y del gasto pueden utilizarse como instrumentos estructurales para apoyar a los tres motores del crecimiento a largo plazo: la reserva de capital físico, la fuerza laboral y la productividad (el efecto a corto plazo de estas medidas puede, no obstante, depender de la situación económica general).

Los fundamentos para incrementar la inversión pública siguen siendo contundentes en muchos países, a la luz de los bajos costos de endeudamiento y de las grandes deficiencias en materia de infraestructura, aunque también se debe garantizar la eficiencia de la inversión mediante una cuidadosa selección, gestión y evaluación de los proyectos. Los regímenes de impuestos de sociedades más favorables al crecimiento, que se centran en gravar las rentas y reducir las prácticas engorrosas de administración tributaria, pueden promover la inversión privada. Por ejemplo, en Estados Unidos, la reforma del impuesto sobre la renta de sociedades podría ayudar a revitalizar el dinamismo de las empresas y la inversión.

Por otra parte, los países deben continuar esforzándose por propiciar un mejor entorno para la creación de empleo: en las economías avanzadas, reduciendo los impuestos al trabajo cuando sean elevados, haciendo un uso más intensivo de las políticas activas del mercado laboral, y adoptando medidas de gasto específicas para los grupos vulnerables; y en los países emer-

gentes y en las economías en desarrollo, mejorando el acceso a la atención sanitaria y a la educación. Casi todos los países necesitan aumentar la participación de la mujer en la fuerza laboral. En cuanto a la productividad, existe un amplio espectro de políticas que pueden fomentar la innovación, incluidas medidas tributarias que reducen la asignación ineficiente de recursos entre empresas (véase el resumen del capítulo 2).

La política fiscal debe promover la inclusión. La integración económica mundial y los cambios tecnológicos han contribuido al crecimiento y a la prosperidad económica, y desde la década de 1980 han sacado a mil millones de personas de la pobreza. Pero las mejoras en el ámbito mundial no siempre han sido compartidas ampliamente dentro de cada país. Por ejemplo, en los últimos 30 años, en las economías avanzadas, los ingresos del 1% de mayor ingreso aumentaron a un ritmo tres veces superior a los del resto de la población.

La política fiscal puede desempeñar una función muy importante para garantizar que los sectores pobres y la clase media participen del dividendo del crecimiento. Uno de los desafíos consiste en identificar instrumentos tributarios y de transferencia que promuevan la inclusión y, al mismo tiempo, creen incentivos atractivos para invertir y trabajar. Por citar un ejemplo, en varios mercados emergentes y economías en desarrollo podrían ampliarse los programas de transferencias de efectivo condicionadas: transferencias a hogares pobres que exigen, por ejemplo, que los niños asistan a clínicas de salud y a la escuela. Las políticas fiscales inclusivas también pueden ayudar a las personas a participar y a adaptarse plenamente a una economía en cambio a través de un mejor acceso a educación, capacitación y servicios de salud de calidad, así como a través del seguro social.

Lograr un crecimiento sostenible e inclusivo con altos niveles de deuda Los tres objetivos delineados anteriormente ofrecen una guía para las autoridades económicas, pero la mayoría de los países tienen protecciones fiscales limitadas, lo

que los obliga a ser selectivos en sus decisiones presupuestarias. Si se necesitan recursos adicionales, se los deberá captar de la manera que resulte menos perjudicial para el crecimiento, sin poner en juego la sostenibilidad de la deuda.

Para los países que tienen margen de maniobra fiscal, una opción consiste en financiar las políticas mediante endeudamiento adicional. Pero la deuda debe usarse con prudencia. La rentabilidad de los proyectos financiados con deuda debe compensar ampliamente el costo y los riesgos de un mayor apalancamiento. Evaluar cuánto puede aumentarse el endeudamiento público de manera segura es una tarea difícil. Recientemente el FMI ha elaborado un nuevo marco que combina una diversidad de indicadores y herramientas para ponderar el "espacio fiscal" de manera más sistemática y consecuente en los países.

En este contexto, la caída persistente de las tasas de interés posiblemente haya aliviado las restricciones del presupuesto público en las economías avanzadas; si el diferencial entre las tasas de interés y la tasa de crecimiento del PIB se mantuviera persistentemente en niveles más bajos que en las últimas décadas, los países podrían sostener niveles más altos de deuda pública.

Para los países sin espacio fiscal, se debe crear margen de maniobra dentro de sus presupuestos: pueden recaudar más ingresos o reducir el gasto para ejecutar las políticas deseadas sin consecuencias para el presupuesto. En lo que respecta al ingreso, la prioridad debe ser identificar las medidas menos distorsivas disponibles, lo que significa aquellas medidas que menos reducen los incentivos de trabajo, ahorro e inversión.

Las opciones incluyen ampliar la base tributaria (mediante la eliminación de exenciones y de tasas preferenciales de impuestos) y aumentar los impuestos indirectos e inmobiliarios. En China, por ejemplo, un incremento significativo de los impuestos sobre combustibles fósiles aumentaría los ingresos públicos y, al mismo tiempo, contribuiría a reducir las emisiones y mejorar la

eficiencia energética. En lo que respecta al gasto, un mejor direccionamiento del gasto y una mayor eficiencia, preferentemente en el marco de un examen integral del gasto, a menudo puede generar ahorros. En particular, los países pueden eliminar los subsidios generalizados que benefician desproporcionadamente a los grupos de más alto ingreso, y en cambio adoptar medidas direccionadas hacia quienes más necesitan.

Si bien todas estas medidas podrían permitir captar recursos adicionales, la reasignación de impuestos y del gasto dentro de un marco presupuestario determinado podría, empero, presentar dificultades políticas para su concreción.

Modernización del sistema tributario para aumentar la productividad (capítulo 2)
En la actualidad, las autoridades económicas se enfrentan al desafío de aumentar la productividad total de los factores, el principal catalizador de los niveles de vida a largo plazo. Para superar ese reto es preciso utilizar todos los instrumentos de política, y en particular políticas fiscales favorables al crecimiento. El capítulo 2 sostiene que modernizar el sistema tributario de un país es importante para impulsar la productividad porque puede reducir las distorsiones que no permiten que los recursos se canalicen donde son más productivos.

El capítulo presenta varias conclusiones fundamentales:

- Los países pueden obtener importantes mejoras de productividad al reducir la asignación ineficiente de recursos entre empresas. La asignación ineficiente de recursos es el resultado de varias políticas públicas o de mercados con un funcionamiento deficiente que permiten que empresas menos eficientes obtengan participación de mercado en desmedro de empresas más eficientes. Las estimaciones indican que eliminar las distorsiones que causan la asignación ineficiente de recursos podría generar cuantiosas mejoras de productividad y aumentar las tasas de crecimiento anual del PIB real en aproximadamente un punto porcentual durante 20 años.

- Una forma en que los países pueden poner fin a la asignación ineficiente de recursos consiste en modernizar el diseño de sus sistemas tributarios para garantizar que las decisiones que tomen las empresas obedezcan a razones comerciales, y no tributarias. En particular, los países pueden lograr mejoras importantes de la productividad reduciendo la discriminación de las políticas tributarias en razón del tipo de activo, de las fuentes de financiamiento, o de las características de las empresas, como la formalidad y el tamaño.

- Minimizar los tratamientos tributarios que discriminan entre tipos de activos de capital y de financiamiento puede ayudar a inclinar las decisiones de las empresas hacia inversiones que son más productivas, en lugar de inversiones con más ventajas tributarias. A modo de ejemplo, los tratamientos tributarios que favorecen el financiamiento con deuda al financiamiento con capital crean una asignación ineficiente de fondos al gravar con una tasa marginal más alta la inversión en investigación y desarrollo, que depende más del capital de origen patrimonial en comparación con otras inversiones en bienes de capital. La disparidad tributaria entre tipos de activos de capital también afecta a las decisiones de inversión de las empresas. Estas dos distorsiones pueden eliminarse si se adopta un impuesto sobre flujos de efectivo o se aplica

una desgravación para el sistema de capital corporativo, que admite deducir de impuestos la tasa normal de la rentabilidad del capital.

- Los gobiernos deben estimular el crecimiento de empresas productivas estableciendo condiciones de igualdad entre empresas. A modo de ejemplo, mediante la evasión tributaria, las empresas informales pueden seguir funcionando a pesar de su baja productividad. Una administración tributaria más sólida puede ayudar a reducir la ventaja de costos desleal de la que gozan estas empresas en desmedro de competidores más productivos que cumplen con sus obligaciones tributarias. Otro ejemplo de medidas que igualan las condiciones entre empresas consiste en estimular el crecimiento y la productividad entre las pequeñas empresas, reduciendo los costos de cumplimiento tributario y direccionando el beneficio tributario hacia nuevas empresas en lugar de pequeñas empresas, a fin de evitar desincentivos al crecimiento que dan origen a la "trampa de la pequeña empresa."

En síntesis, la forma en que los gobiernos gravan los impuestos incide en la productividad. Mejorar el diseño de las políticas tributarias ayuda a eliminar las distorsiones que frenan el desarrollo de las empresas más productivas, generando un impacto positivo en la productividad y el crecimiento agregados. *L&E*



GROWTH RETURNS TO LATIN AMERICA AND INCREASES CONTRACYCLICAL POLICIES

Source: World Bank

In a positive change, a large number of countries in Latin America and the Caribbean are pursuing countercyclical fiscal policies for the first time in history, allowing them to spend more on hard times and save on boom times, according to The World Bank's new semi-annual report for the region.

"Against the wind and the tide: Fiscal policy in Latin America and the Caribbean from a historical perspective" argues that this transformation is significant for a region that has often turned to pro-cyclical spending: intensifying risk of overheating of its economies during periods of Bonanza and deepening recessions during difficult ones.

According to the Consensus Forecasts, region's GDP is expected to grow 1.5 percent this year and 2.5 percent by 2018, ending a six-year economic slowdown, including a recession in the past two years. If materialized, expected recovery in Brazil and Argentina will largely explain region's return to growth. Mexico is expected to grow about 1.4 percent, while Central America and the Caribbean will maintain a steady growth rate of about 3.8 percent.

However, fiscal accounts in many countries have suffered as a result of the downturn. By 2016, 29 of the 32 countries faced fiscal deficits, largely due to higher spending. The region's average gross debt stands at 50 percent of GDP.

However - in a significant shift from the past - many countries are now in a better position to escape this difficult predicament, according to the report.

"Traditionally, Latin American and Caribbean countries have been procyclical, either because of political pressure to raise spending during the boom or because of lack of access to international capital in difficult times", said Carlos Végh, chief economist at the Bank For Latin America and the Caribbean. "As a result, they often fell into a procyclical fiscal trap, leading them to higher government debt and fiscal deficits, as well as lower credit ratings, leaving them few options to reverse the situation."

In response to global financial crisis of 2008, the number of Latin American countries with countercyclical fiscal policies increased from 10 to 45 percent. Countries such as Chile, Colombia, Costa Rica, El Salvador, Gua-

temala, Mexico, Paraguay and Peru began to increase public spending or to lower taxes in an attempt to stimulate economy. Although these measures resulted in fiscal deficits, they were the result of a concerted effort to minimize the slowdown.

On the other hand, those countries that contin-

ued their pro-cyclical policies should now further consolidate their fiscal accounts if they are to minimize the risk of a deterioration in their credit rating and an increase in funding expenditure, according to the report.

"While countries may still be tempted to spend rather than save during the next positive economic cycle, fiscal developments over the past decade give us confidence that countries will avoid these risks and act prudently," said Végh.

"In the midst of an external environment characterized by frequent



shocks and high volatility, this prudence will allow them to make public policy an instrument that will help them overcome the next slowdown and preserve social achievements." *L&E*

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ECONOMIC ACTIVITY OF LATIN AMERICA AND THE CARIBBEAN WILL EXPAND 1.1% IN 2017

Source: CEPAL

The Economic Commission for Latin America and the Caribbean (ECLAC) updated region's economic activity growth forecasts for 2017 and expects an average expansion of 1.1% during this year, according to the United Nations Agency press release. This projection is slightly below that estimated in December 2016 which was 1.3%.

As in previous years, during 2017 growth will show differentiated dynamics between countries and subregions, says ECLAC. The economies of South America, specializing in the production of primary goods, especially oil, minerals, and food will register an average growth of 0.6%.

This represents a slight downward revision from the 0.9% projected last December. The growth dynamics in 2017 accounts for an increase in external demand for these economies - there is foreseen a greater growth of commercial partners of countries of the subregion - and for prices of commodities that will result in 2017 higher in average than those in force in 2016.

Meanwhile, for Central American economies, a growth rate of 3.6% in 2017 is expected, instead of the 3.7% projected in December. This is basically explained by observed resilience in domestic demand - which is expected to be the main driver this year - as well as by a good growth forecast for the main trading partner of these economies: the United States.

For the English-speaking or Dutch-speaking Caribbean, an average growth of 1.4% is forecast for 2017, slightly above projected rate in December (1.3%). According to ECLAC, in order to sustain the highest expected growth in 2017, it is necessary to give greater dynamism to investment and increase productivity through innovation, environmental sustainability and job protection. In this context, investment in infrastructure must play a key role as it is the basis of sustainable growth.

Likewise, ECLAC points out that it is necessary to strengthen social and productive investment in a framework of smart fiscal adjustments. In this sense, sustainability of region's public finances should be sought, but in a context of policies that take into account both the impact on long-term growth capacity and social conditions of region's inhabitants. *L&E*

SOCIAL DIALOGUE IS ESSENTIAL FOR FORGING FUTURE OF THE WORK WE WANT

Source: OIT

The International Labor Organization (ILO) concluded the historic event on the future of work with a strong call on global community to make social dialogue between governments and social partners a key tool to build a world of work that doesn't leave No one behind.

Sinterizing two days of meetings, ILO Director-General Guy Ryder stated: "Future of work must be inspired by considerations of humanity, social justice and peace. Otherwise, we are heading towards a dark future, towards a dangerous future. "Nowwemusttranslateourthoughtsintoresults, intoconcrete results," he added. "It is necessary to respond to the concerns of young people, who wonder if there is a future work for them."

The Global Dialogue: Future of the work we want brought together leading economists and academics, representatives of governments and social partners (employers 'and workers' organizations) to discuss the profound changes that are rapidly transforming world of work. More than 700 people attended the event in Geneva, and thousands joined the discussion and participated through Internet and social networks.

Among speakers, Lord Robert Skidelsky of the University of Warwick, UK, main speaker of the dialogue, said that international solutions are needed to harmonize the process of adapting to the future of work: "We can't rely solely on market forces. We can't stop innovation, but we can direct it," he added.

The event included a special session aimed at the future of youth work, with special attention

to transition from school to work, the organization of the world of work and its regulation. Guy Ryder reminded the audience that future of work is a global challenge that deserves a global response, but also one that "takes into account diverse circumstances of our 187 Member States" and importance of sharing their respective experiences.

The Director-General of the ILO emphasized the need to promote innovation and development, while maintaining social objectives of the Organization.

The Global Dialogue is part of the broader ILO Centennial Initiative aimed at exploring future of work and better understanding drivers of these unprecedented changes, including technological innovation, work organization and production, globalization, climate change, migration and demography. Initiative aims to gather views of main actors in the world of work on all these issues.

More than 167 countries have taken part in the ILO Initiative so far, and 107 countries have participated in national and regional dialogues that have been or are being carried out around the world. Its conclusions will contribute to informing the high-level world Commission on the future of work to be instituted by the ILO in coming months.

The report of the Commission will enrich debate at the International Labor Conference in 2019. *L&E*

TOWARDS A MORE SAFE INTERNATIONAL PLANTS AND SEEDS TRADE

Fuente: FAO

The international body that oversees plant health has taken a big step forward with approval of a new global standard to try to ensure that international trade in plants and seeds, while remaining very profitable, is both safer. The governing body of the International Plant Protection Convention (IPPC), the Commission on Phytosanitary Measures (CPM), adopted the standard at its 12th meeting, which concluded yesterday in Incheon, Republic of Korea.

In a globalized world, food and agricultural products are in continuous movement. Ships constantly sail from one port to another, transporting more than 500 million large steel containers with all sorts of goods every year, to every corner of the globe.

Unfortunately, this cargo can sometimes hide some stowaways: agricultural pests that, once on land, can devastate crops: from caterpillars to giant African snails or Argentine ants. The rapid growth of agricultural trade through virtual markets is aggravating the situation, making it difficult for countries to ensure that all consignments - whether large or small - don't contain insects or diseases.

And risk of spread of pests through seeds generates special concern. Unlike other agricultural products intended for consumption - such as wheat, barley or lentils - seeds are of major concern: when they are intended for planting, there is a greater danger that any pest they contain can settle and spread after being planted.

Coping with this threat is a very complex task.

Seed companies often carry out breeding programs in many countries to be able to harvest more than one crop each season. These seeds are sent to all corners of the planet and cleaned, processed,



tested and packaged before being sold and reshipped, sometimes after being stored for long periods of time. Their final destination may be unknown at the time

of exporting from the country of origin.

All this makes it very difficult - if not impossible - to take into account all phytosanitary import requirements of countries that will eventually acquire seeds.

By proposing standardized approaches to risk assessment and testing, the new standard will help to harmonize the way countries address challenges of international seed trade, thus facilitating this trade - valued at some \$ 12 billion and assuring that shipments guarantee food supplies to a growing world population.



Protect plants: vital to feed a hungry world.

FAO recognizes that work of the IPPC is essential to achieving Sustainable Development Goals. Protecting plant health around the world means achieving sustainable agriculture, building resilience to climate change, protecting biodiversity and facilitating safe trade.

"Because the IPPC is the only organization that establishes phytosanitary health standards recognized by governments and facilitates international trade, decisions taken will be essential to further protect global plant resources, the very foundation of life," he said. Kundhavi Kadiresan, Assistant Director-General of FAO and Re-

gional Representative for Asia and the Pacific. "In fact," he added, "FAO's vision of a world without hunger can only come true with healthy plants free of regulated pests." "These standards, based on consensus, are the most effective way to prevent the introduction and spread of pests in new environments and avoid devastating consequences for plants as well as for biodiversity, food security and trade," he said. For his part Jingyuan Xia, Secretary of the IPPC.

At the same time, the Commission on Phytosanitary Measures continues to study guidelines for an import regulatory system and a range of treatments that prevent pests from entering wood packaging and methods to prevent fruit flies from affecting citrus fruit.

The CMF also seeks approval of its proposal for 2020 to be formally declared International Plant Protection Year after the FAO Council has given a green light to a draft resolution to this end. *L&E*

Lisbeth Martéz - Assistant

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Illustrious PEOPLE

DENG XIAOPING - TENG HSIAO-PING

(1904/08/22 - 1997/02/19)

Architect of the Reforms and Modernization
of Mainland China

He was born in Sichuan, China, on August 22, 1904. Was a politician and leader of the People's Republic of China (1978-1997). His name was initially Xixián. Coming from a family of hakka from several dynasties. His father was Deng Wenming

and were landowners, so they had a decent condition.

He studied in France in early 1920s and then returned to China to work in Communist Party in various positions joining Mao Zedong in Jiangxi around 1930, partic-

ipating in the Long March, 1934-1935.

During China's struggle against Japanese aggression (1937-1945), he served as political commissar of the Army and was promoted to Central Committee of the party in 1945.

After creation of communist government in 1949, entered the Communist hierarchy under Mao's patronage, serving as finance

minister (1953-1954) and party general secretary (1956-1966). He was distinguished as pragmatic in opposition to the defense of Mao's revolutionary zeal, especially after the failure of the Great Leap forward of Mao and thus was exposed to radical attacks during Cultural Revolution.

In 1967, he was expelled from office and disappeared until Zhou Enlai was appointed deputy prime minister in 1973. When Zhou died in the early months of 1976, Mao's radical allies, the Band of Four, purged Deng again, but after Mao's death and fall of the group at the end of that year,

was rehabilitated by Hua Guofeng in 1977. He expelled Hua from power, placed his proteges Zhao Ziyang and Hu Yaobang in upper spheres and began his campaign for the new development of China.

The Cultural Revolution

The Great Proletarian Cultural Revolution was a mass movement promoted by Mao Zedong himself. The latter, using his most revolutionary language and relying on faithful collaborators like Lin Biao, encouraged the masses to maintain at all costs revolutionary spirit in face of the possibility that, in moments of weakness of the revolution, rightist and capitalist infiltrators could lead to Policies contrary to the true ideology of the party.

Mao's aim in launching the Cultural Revolution seems to have been to regain his power, which had been questioned following economic failure of the Great Leap Forward. In the face of Deng and Liu's attempt to keep Mao away from day-to-day tasks of government, Mao mainly mobilized young men to attack those who were not faithful to his leadership. At this time a large number of posters appeared condemning Liu Shaoqi and Deng Xiaoping as capitalists and rightists. At the same time, Mao's cult of personality, promoted by Lin Biao, reached its most extreme dimensions.

During 1968, Deng and his wife Zhuo Lin remained in their house in Beijing under house arrest. In October of that year, the 8th Congress of the Communist Party stripped Deng of all his charges and in 1969 Deng was sent to Jiangxi Province, where he and his wife worked in a tractor workshop. His family would suffer the worst excesses of the violence of the Cultural Revolution; His son Deng Pufang was paraplegic after being thrown through a window of

Peking University by young red guards who accused him of being a capitalist.

The turning point in Deng's situation came after death of Lin Biao, Mao's successor. Deng Xiaoping began to get in touch with collaborators who remained in Beijing, where the situation seemed to be calming down. In August 1972, he sent a letter to Mao apologizing for his counterrevolutionary acts. This attitude allowed him to be rehabilitated in February of 1973, when he was ordered to return to Beijing, where it would be incorporated again to direction of the party.

The struggle for power with Hua Guofeng

After the death of Mao Zedong, Deng Xiaoping was in Beijing separated from his political positions. The struggle for power was established between Hua Guofeng, the successor appointed by Mao, and the Band of Four, the group of four party leaders, including Mao's wife, Jiang Qing, who had carried out organization of the Cultural Revolution.

Hua Guofeng had the Band of Four arrested, blaming them for the worst excesses and disorders of the Cultural Revolution. In this way, Hua seemed to consolidate his power, and the Band of Four became the scapegoat of the most radical actions of last years of Maoism. This allowed Hua to present himself as a faithful heir and continuator of President Mao's legacy.

However, while Hua had few support within the party, many of leaders who had suffered purges of Cultural Revolution supported Deng Xiaoping, who, from his voluntary exile in the southern city of Canton, had requested his rehabilitation. Deng's personal prestige seems to have led Hua Guofeng and his collaborators to accept his political rehabilitation. On July 22, 1977,

during the Third Plenary Session of the Xth Congress of the Central Committee of the Communist Party, Deng returned to the government, regaining the positions of deputy prime minister, vice chairman of the Central Committee of the Political Bureau, vice-General Staff of the People's Liberation Army.

At the same time, supporters of Deng Xiaoping, such as Zhao Ziyang, party leader in Sichuan, increased their influence in the party thanks to successes of small-scale economic reforms in rural areas.

Rise to power and economic reforms:

Thanks to the support of other party leaders and to having regained their official positions, in 1978 rise to power of Deng was already unstoppable. Although Hua Guofeng formally took top positions in the People's Republic, his position, with hardly any support, was increasingly difficult. In December 1978, during the Third Plenary Session of the Eleventh Congress of the Central Committee of the Communist Party of China, Deng Xiaoping held the reins of power.

In fact, Chinese policy of the following years would be marked by guidelines defined in speech given by Deng Xiaoping at that meeting. His colleagues came to occupy positions in the Political Bureau, and Hua Guofeng, while retaining all three posts as party chairman, Prime Minister of the State Council and chairman of the Central Military Commission, was relegated to secondary positions. A common situation was repeated throughout Chinese history, where nominal charges often have little relation to real power.

From 1979 accelerated economic reforms of capitalist type, although maintaining rhetoric of communist style. The commune system was progressively dismantled and peasants began to have more freedom to manage lands they cultivated and sell their

products in the markets. At same time, China's economy opened up abroad. On January 1 of that same year, the United States began to recognize the People's Republic of China diplomatically, abandoning the Taiwan authorities, and trade contacts between China and the West began to grow. Already in late 1978, the Boeing aviation company had announced the sale of several 747 aircraft to the airlines of the People's Republic of China, and beverage company Coca-Cola had announced its intention to open a production plant in Shanghai.

In early 1979, Deng Xiaoping made an official visit to the United States, during which he met with President Jimmy Carter and several congressmen in Washington and visited the NASA space center in Houston, as well as headquarters of Boeing and Coca-Cola in Seattle and Atlanta, respectively. With such significant visits, Deng made clear that Chinese regime's new priorities were economic and technological development.

True to his famous phrase that "no matter how the cat is white or black, the important thing is that catches mice", pronounced in 1960, and that so many criticisms had caused him, Deng Xiaoping, along with his closest collaborators, such as Zhao Ziyang, who in 1980 relieved Hua Guofeng as prime minister, and Hu Yaobang, who in 1981 did the same with the post of party chairman, took the reins of power and with the purpose of advancing in the so-called "Four Modernizations" (economy, agriculture, scientific and technological development and national defense) set in motion an ambitious plan to open and liberalize the economy. The last position of power held by Hua Guofeng, chairman of the Central Military Commission, passed precisely to Deng Xiaoping in 1981.

Unlike Hua Guofeng, who had needed to hoard charges to prove his authority, Deng only formally occupied post of chair-

man of the Central Military Commission, but no one doubted his role as supreme leader of the People's Republic of China.

During the 1980s, Deng led expansion of economy and, at political level, took over negotiations with United Kingdom for the return of Hong Kong territory, meeting personally with British Prime Minister Margaret Thatcher. The result of these negotiations was the Sino-British Joint Declaration signed on December 19, 1984, which agreed to return Hong Kong territory to China for 1997. The Chinese government undertook to respect economic system and individual freedoms of the then British colony during the fifty years following the return.

In the economic sphere, rapid growth faced several problems. On the one hand, 1982 population census had revealed extraordinary growth of the Chinese population, already exceeding one billion people. Deng Xiaoping continued the plans initiated by Hua Guofeng to restrict birth by imposing the Single Child Law, whereby most couples could only have one child under penalty of administrative sanctions.

On the other hand, growing economic freedom was translating into greater freedom of opinion and critical voices were beginning to emerge with the system, such as the famous dissident Wei Jingsheng, who coined the term "fifth modernization" to refer to democracy, a missing element of renovating plans of Deng Xiaoping. In the late 1980s, discontent with regime authoritarianism and increasing inequalities led to the greatest crisis of Deng Xiaoping's power stage.

The 1989 Protests

The death of Hu Yaobang on April 15, 1989 sparked numerous protests in the country. In Beijing's Tiananmen Square, demonstrations of mourning over the death of Hu, a re-

formist who had been removed from power two years earlier, gradually transformed into a large concentration of people, mostly young students demanding more freedoms and the emergence of power from conservative politicians like Prime Minister Li Peng.

Protests intensified, and on May 20 martial law was declared. Despite this, demonstrators didn't leave the square and continuation of the protests caused the division in the Political Bureau of the Communist Party.

On the one hand, reformists like Zhao Ziyang defended the possibility of a dialogue, while Prime Minister Li Peng defended the use of military force to dislodge the square and end the protests. Although the details aren't well known, information that has been leaking in recent years seems to confirm that Deng Xiaoping hesitated for quite some time until he finally proved Li Peng and authorized the use of force on June 4.

Violent repression of the protests claimed an unknown number of victims, between 400 and several thousand dead, depending on the sources. Zhao Ziyang, who until then had been considered the natural successor to Deng Xiaoping, was evicted from power and spent the rest of his life, until his death in 2005, under house arrest, while the conservative sector headed by Li Peng was strengthened within the party.

However, Deng Xiaoping did not choose Li Peng as successor. Instead, Deng called the then-mayor of Shanghai Jiang Zemin, who had managed to maintain public order in Shanghai during the protests, and placed him as his successor in the Political Bureau, handing him the only major charge Deng still occupied Official, the president of the Central Military Commission.

Legacy and historical valuation

Deng Xiaoping died in Beijing at the age of 92, on February 19, 1997. In the last years of his life he had been out of public life and, suffering from Parkinson's disease, he could barely communicate with his associates.

Despite his advanced age, until his death he was considered the supreme leader of China and even after his disappearance, the Communist Party of China has followed in broad strokes policies that Deng had put in place. His successor Jiang Zemin ceded power to another leader also close to Deng Xiaoping, former President of the People's Republic of China Hu Jintao.

According to his supporters, under the leadership of Den Xiaoping, China, with more than one billion people, began a time of economic development with only historical precedents.

In spite of the social problems that were derived from the economic reforms. They consider that Deng Xiaoping's policies removed hundreds of millions of Chinese people from absolute poverty and placed the People's Republic on the path to becoming one of the world's economic superpowers.

L&E

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Is it easier for Panama to qualify for the World Cup in 2026?

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Increase in number of places available for World Cup in 2026 could be beneficial for some confederations that currently have few. One of them is the Confederation North, Central American and the Caribbean of Soccer (CONCACAF).

CONCACAF will receive six, which will represent changes in the competition system in qualifiers and more opportunities for other teams, other than the traditional Mexico and the United States, to live their experience in a World Cup.

CONCACAF currently has three and a half seats, the latter being defined by the way of the repechage.

The places in the other confederations will be divided as follows: Asia, eight direct places; Africa, nine; Conmebol, six; Oceania, one; And UEFA, sixteen.

The FIFA Council Committee (International Federation of Associated Football) has drawn up the draft squares for that World Cup, whose

seat has not yet been defined.

This plan will be presented to the Council for ratification during the meeting that group will hold on May 9 this year in Manama, Bahrain.

Will this be the opportunity for countries that have not been able to qualify for their first World Cup to reach that longed goal?

Will this be the opportunity for countries that have not been able to qualify for their first World Cup to reach that longed goal?

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Panama shines in the III Special Olympics Latin American Games

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Panamanian delegation that participated in III Latin American Games of Special Olympics obtained 62 gold medals.

The important sporting event, which brought together more than 800 athletes from 21 countries, ends this Thursday, April 27.

The closing ceremony of the III Latin American Games takes place in the Arena Roberto Durán, in the sports city Irving Saladino. Athletes, who moved with relatives to Panama for a week, said

they have a great experience and many friends from Latin America.

The delegation of Panama, made up of 180 athletes, also achieved 46 silver and 57 bronze medals in various disciplines. The country was raised in the competitions of bowling, athletics, volleyball and swimming.

Reggaetón group Comando Tiburón and Kafu Bantón from Colón enlivened the closing ceremony of the third edition of the Latin American Games. *L&T*



III JUEGOS LATINOAMERICANOS
**OLIMPIADAS
ESPECIALES**
PANAMÁ 2017

You lose to a glory Of the Panamanian Football



Three minors were sent to jail on suspicion of involvement in the killing of Panamanian soccer player Amílcar Henríquez, the judicial body said.

Minors between the ages of 15 and 17 are charged with the “alleged commission of crimes against life and personal integrity homicide and attempted murder, illicit association to commit crime and against collective security.”

The decision was taken by the Criminal Court of Adolescents of the Atlantic province of Colon, where Henríquez was shot to death on Saturday.

These three young people will be provisionally detained for a year, at which time the prosecution will have to conclude the investigation of the facts.

Henríquez was shot dead when he met some friends in a street in Sabanitas, a suburb of the city of Colón.

Several men with pistols got out of a car and opened fire on the group, killing the footballer and one of his companions, while another was injured.

Trajectory of Amílcar Henríquez

Henríquez played in the United Arab Club of Colon. Previously, he had done it in the Colombian teams Independiente de Medellín (2012-2014), América de Cali (2015-2016), Real Cartagena (2015) and Atlético Huila (2009-2012) and Costa Rican Santacruceña (2008).

He was also a player of the Panamanian team, with which he played 83 games since 2005 and with which he raised the Copa Centroamericana in 2009, in addition to participating in four World Cup qualifying rounds. *L&E*

Cultural Capsule

THEATER



- La Huaca-Atlapa Theater: All Standup Tour Luis Chataing, May 27th.
- Teatro La Plaza: The Diary of Anne Frank until May 27.
- La Plaza Theater: Shrek until June 3rd.
- La Plaza Theater: Opera Pop 165, May 16.
- Anayansi Theater / ATLAPA: Avoid from 25 to 28 May.
- Theater The Station: Snow White in the Farm of the Three little pigs until the 21 of May.
- Theater Aba: Two Adams for an Eve until May 28.
- Inida Theater: Couples before going to bed from 2 to 14 May.
- Theater In Circle: Couples before going to bed from 9 to 11 May.
- El Ángel Theater: The one who wants to know Panama to come, that is finished "on 23, 24 or 25 May.
- El Angel Theater: Treasure Island until May 28.
- The Station Theater: Divorced, Evangelical and Vegetarian from April 2 to May 28.

CINEMA

- May 5: Koe No Katachi- A Silent Voice.
- May 6: Bolshoi Ballet A hero of our time.
- May 11: Who seeks finds.
- May 11: King Arthur-The Legend of the Sword.
- May 11: Alien-Covenant.
- May 18: If I don't wake up.

FESTIVALES Y FERIAS



- IX Festival Alfredo de Saint Malo: from May 31 to June 11 at the University of Panama.
- XVI International Guitar Encounter Panama 2017 May 28-31 Convention Center Building 184 City of Knowledge.
- Panama drinks fest 2017, May 26 and 27, Hotel Sortis.
- Mariaton - on Radio Maria from May 19 to 21.



CONCERTS AND PRESENTATIONS

- Soy Luna, May 9, Amador Convention Center.
- Fonseca Tour Connection, May 26, Amador Convention Center.
- Concert of Film with the Philharmonic Orchestra, in the Ateneo City of Knowledge May 4 and 5 at 8.00 p.m.
- Full Moon of Drums, Sunday, April 30 in Complex Sports Active Club 20-30- Colón.
- World Music Panama: Ateneo of the City of Knowledge: Diego Schissi. Quintero, Thursday, May 18 at Ateneo of the City of Knowledge-Clayton.
- Dreams Limitless Fashion Show: May 9, American Trade Hotel Hall.
- Pimpinela in Concert, ATLAPA, May 11.
- Opera Gala, Theater College San Agustín, May 11.

SPORTS



- Ultimate Combat Challenge (boxing) Fantastic Casino, Albrook Mall, Saturday, May 20.
- Circuit Championship, Second Valid 2017, Road to Mendoza-La Chorrera.

SEMINARS, CONGRESSES, COURSES AND EXPO

- 7th Prodem Seminars Workshop on the Entrepreneurial Ecosystem of Latin America. 2-5 May, City of Knowledge-Clayton.
- Influencer Marketing Summit 2017, May 10, Hotel Riu Plaza Panama.
- Panama Conscious Forum, May 20, Hotel Miramar.

MUSEUMS AND EXHIBITIONS



- MAC: Centennial of the Panamanian Red Cross: Origins 1917. April 8 to May 14, 2017. *L&E*

ACTIVIDADES Y FESTIVIDADES VARIAS



- May 1 Labor Day.
- May 5 Commemoration of the Polvorín (1914), firemen pay tribute with a parade that begins in the Plaza 5 of May.
- May 6: San Martin de Porres.
- 7 of May: Day of the cartoonist.
- May 10: Pesach Sheni.
- May 13: Our Lady of Fatima.
- May 14: International Mother's Day.
- May 15 International Day of the Family.
- May 15: World Art Day.
- May 17: Day of the Accountant.
- May 17: National recycling day.
- May 18: International Museum Day.
- May 18: Day of the Braids.
- May 21: Physician's Day.
- May 22: The Holy Trinity.
- May 26: San Felipe Neri.
- May 28: Ascension of our Lord Jesus Christ.
- May 30: Civic Day and Commemoration of the National Black Ethnicity.
- May 31: Visitation of the Blessed Virgin Mary.

Commemoración del Polvorín (1914)



FAIRS

- 54th Fair of Azuero until May 1.



Legislación Economía

EN LA RADIO



Todos los viernes 9:30 a.m.

Por:

La Exitosa



Alianzas alrededor del Mundo

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

Guevara & Gutiérrez S. C. Servicios Legales- BOLIVIA

Machado Associados Advogados e Consultores- BRASIL

DSN Consultants Inc- CANADÁ

Lewin & Wills Abogados- COLOMBIA

Rivera, Bolívar y Castañedas- PANAMÁ

Espinosa & Asociados- CHILE

Lawnetworker S.A. Asesores Legales- ECUADOR

Peter Byrne & Associates- ESTADOS UNIDOS

Machado Associados Advogados e Consultores- ESTADOS UNIDOS

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

Estudio Rubio Leguia Normand & Asociados- PERU

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

Pellerano & Herrera- REPÚBLICA DOMINICANA

Alvarado & Asociados- NICARAGUA

Torres, Plaz & Araujo- VENEZUELA

Facio & Cañas- COSTA RICA

