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Law 161 of 2020 and its tax relief
measures for taxpayers



DONALD TRUMP AND HIS MAZE

What happens to our
political parties?

If we protect nature and its biodiversity, we
protect our health

25%
unemployment at
the end of 2020
Speculation or
reality?



In this edition

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Editorial

DONALD TRUMP AND HIS LABYRINTH

In our issue of the magazine for September, we went ahead to delve into the topic of the elections in the United States and presented our readers with a catalog of arbitrary measures emanating from the Trump administration, which should be taken into account to cut so healthy and prefer candidate Joe Biden for being a person who represents a sector of the party aligned with a centrist tendency, accompanied by a candidate who broadens the racial framework and allowed a high-level female representation and a new hope in a country built by immigrants.

We have delayed the publication corresponding to the month of October, because we consider of enormous importance for the United States and for the world, to know the result of an electoral process that in the end has been very close and with a wide participation of

the electorate of both tendencies that reveals a clear division that will have to be faced with great serenity, firmness and with great prevalence in the political dialogue to try to return the democratic waters to their normal cause. Before November 3, a date marked by the electoral calendar as the day of the presidential, senatorial, congressional and other local authorities elections, millions of citizens judiciously chose to cast their vote by mail, taking into account the heated political environment, the risk of contagion by Covid-19 and the crowds that actually occurred on November 3.

As the number of voters was large, the counts have been slow, generating a lot of anxiety, even though the different television networks spent many hours following the development of these elections. It is known that at the beginning, President Trump appeared

with a slight advantage in some states and marked as a possible winner, but, as the votes cast by mail began to be counted, the situation varied until Saturday, September 7, November the candidate Joe Biden, exceeded 270 electoral votes and was proclaimed as the winner in the elections.

An ingrained tradition of North American political culture contemplates that the contender (s) who already know this result, go to the winning candidate and acknowledge their triumph and, therefore, give a boost to the transparency of the vote counting process and in the case of the president of the United States who loses the election, place his team at the disposal of the president-elect for a long and productive period of transition that ends in January of the following year when the president is sworn in and begins his term of government for 4 years.

As we said in our editorial for the month of September, Donald Trump had spent a lot of time disqualifying the vote by mail claiming that it lent itself to electoral fraud and had even threatened North American citizens in the sense of not recognizing the victory of Joe Biden if he was elected with the votes that had been counted, using the mail mechanism.

The President of the United States has fulfilled his promise and has turned the threat into reality, initiating as of November 9, an

executive action to demand the illegality and even the unconstitutionality of the vote by mail and in passing has refused to recognize the triumph of Joe Biden and Kamala Harris, turning their backs on the North American electoral decision, preferring to dedicate long hours of Saturday 7 and Sunday 8 to playing golf. On the other hand, the leaders of most of the countries have congratulated the winners, have recognized the transparency of the process and have made themselves available to address the major pending issues on the international agenda: The Covid-19 Pandemic, the Paris Environmental Pact, trade and tariff issues, multilateral relations, migration policies and world peace.

Joe Biden and Kamala Harris, have called on the American people to achieve national unity, reduce the atmosphere of conflict, urgently address the health issue, agree on financial support for small and medium-sized companies, as well as the unemployed, a new immigration law, among others.

Lacking international support, Donald Trump, who has accumulated an unprecedented political wealth, clings to his loneliness to repeat himself before a mirror, that he is the winner of elections and that no one can pretend to deny him his victory. If we look at his trajectory, this behavior is not strange, because it was enough to reach presidency to start a process of demolishing entire edifice of democracy, withdrawing from main international agreements, he tried to immediately build a wall to separate North America from its neighbors Mexicans and Central Americans, eliminate health protection law



popularly known as Obamacare, generate controversies with Europe's allies, start a trade war with People's China, eliminate nuclear agreement with Europe and Iran and maintain a conflictive situation with many nearby countries like Venezuela, Cuba, and Mexico.

Under the guise of forcing companies to establish themselves in the United States, it increased tariffs on raw materials and finished goods and reduced the importation of 5G technology, not only in the United States, but in the world.

Now, in the case of North Korea and Russia, their policy was complacent, evasive, and undignified.

However, the task of the new leaders of the United States will be very complex, because it is about two extremes that seem not to reach a point of agreement and therefore, in addition to good intentions, it will take a huge dose of pragmatism and political negotiation to restore conditions of trust and collaboration between the United States and its traditional allies. The era of Trump has left its mark because it is a nationalism that has penetrated the minds of those Americans who consider themselves forgotten or even irrelevant within society. It is not a four-year job, because those people do not see in technological development and the challenges that the digital world presents, a place for them as Trump artificially offered them, until their ignorance supine in the face of the Covid-19 pandemic, it ran head-on, eliminating its main engine, which was economic growth and employment, and in this way its famous phrase "let's make North America great", succumbed as if it were a paper boat before the millions of unemployed Americans and the millions of infected and the hundreds of

thousands of dead. In truth, it was Covid-19 that brought Donald Trump to his knees and made him fail in his tyrannical claim to perpetuate himself in power..

These messianic leaders, we have also had it in Panama in recent years and they have destroyed the political parties, the national treasure, but they have caused the greatest damage to the traditional values of a democracy; so much so, that the political parties that now govern us have traced their practices of lack of accountability, patronage, waste of public money and human solidarity in the midst of Covid-19 and now with the recent floods produced by the hurricane " ETA ".

Even with all these vicissitudes, it is no less true that with the advent of a new style of government in the United States, hopes for a democracy of checks and balances are reborn, the good fruits of which can generate policies and actions of another spirit.

We wish President Joe Biden and his Vice President Kamala Harris, health and much serenity for these stormy periods that will have until January 2021, when finally this character who has done so much damage to his own country and the world, must leave in a civilized way or forced his stay in the White House.

Amanecerá y veremos...L&E

Invited Writer

LAW 161 OF 2020 AND ITS TAX RELIEF MEASURES FOR TAXPAYERS

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Through Laws 160 and 161 of 2020, the national government enacted a package of tax relief measures in favor of taxpayers in order to facilitate compliance with tax obligations and, incidentally, mitigate the effects of the health crisis due to COVID 19 in public finances.

Although we have referred on other occasions to the benefits established in favor of taxpayers in the Amnesty Law and its respective extensions, this time we are going to refer to the content and scope of Law 161 of 2020, known as the Soon Law. Payment, a rule that contains a series of relief measures. Next, we will review the content of these Laws in order to know content and scope of these measures:

Law 161 of 2020:

This Law, called the "Prompt Payment Law" establishes a series of additional tax benefits to those

contemplated in the tax amnesty extension contained in Law 160 of 2020. The distinctive element of this regulation is **to grant the benefit of a discount for prompt payment of 10% of the total amount to be paid, for those taxpayers, natural and legal, who pay the expressly established taxes within the three months following the promulgation of this Law.** This benefit is a measure of relief or support to said taxpayers who comply with their obligations within the established deadlines, taking into account that in all the previous moratorium or amnesty laws, benefits and forgiveness are granted to delinquent taxpayers, but it is not recognized to those who pay their tax obligations on time.

The benefit described above applies as follows:

- Applies to taxpayers who have a declared gross income that does not exceed two million five hundred thousand balboas with 00 /100

(B/.2,500,000.00).

- It is applicable to taxes caused or payable between March 20 and July 31, 2020, which are detailed below:

o Income tax (with the exception of the tax that is withheld from employees and non-residents).

o Notice of Operation.

o Complementary Tax.

o Property Tax.

- Taxpayers who meet the aforementioned conditions and have made payments before September 2, 2020, the date this Law came into force, will be granted a tax credit of 10% of the amount paid.

- Taxpayers who pay within the term and subject to the conditions described above will be waived the applicable surcharges, interest and penalties.

This Law was promulgated by Official Gazette No. 29104 of September 2, 2020, for which reason, said tax benefit may be exercised by taxpayers until December 2 of this year.

Likewise, this Law contains other relief measures which we will now expose:

Single rate of legal persons:

The payment without penalty of the single annual rate for legal persons (corporations, limited liability companies, private interest foundations, and others) is extended until December 31, 2020, which should have been canceled as of July 15 of this year.

Payment agreements in Law 161 of 2020:

An interesting element within this Law is the possibility of signing agreements on taxes that have been caused or must be paid between March 20 and July 31 of this year, with the benefit of forgiveness of penalties and interest surcharges. This benefit complements those previously established in Law 99 of 2019 and its extensions (tax amnesty), which only apply to tax debts caused until February 29, 2020.

The benefits described above for taxpayers are subject to the following conditions:

Payment arrangement subscription date	Conditions and benefits
September 2020	25% of the nominal balance must be paid and 100% of fines, surcharges and interest are forgiven.
October 2020	25% of nominal balance must be paid and 95% of fines, surcharges and interest are forgiven.
November 2020	25% of nominal balance must be paid and 90% of fines, surcharges and interest are forgiven.
December 2020	25% of the nominal balance must be paid and 85% of fines, surcharges and interest are forgiven.

- The term for full compliance with the payment arrangement subject to the conditions described above may not exceed April 30, 2021.

- The applicable interest, penalties and surcharges on the debts subject to these payment arrangements will be eliminated once the total amount of the amounts owed is paid within the aforementioned period. Delinquent balances that have not been paid at the expiration of the term for compliance with the payment arrangement (April 30, 2011) will be subject to applicable penalties, surcharges and interest

The benefits described constitute relief measures that can complement other benefits previously granted in other legal instruments such as the Tax Amnesty Law and its application must be evaluated by taxpayers in order to verify its application according to their respective tax and economic reality in these times of difficult as a result of the health crisis due to COVID 19. *L&T*



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25% UNEMPLOYMENT AT THE END OF 2020 SPECULATION OR REALITY?

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Introduction

The economic crisis derived from the pandemic has caused great damage to the productive fabric and dramatic adjustments in the world of work. The suspension of more than 280 thousand contracts registered in MITRADEL is only part of the problem. The paralysis of thousands of companies, dismissals under various modalities and suspensions not registered with the authority, the reduction of working hours and other phenomena don't appear in the labor statistics; And together with the insecurity and uncertainty about the immediate economic and labor future, it is causing great tension and despair among thousands of workers, as well as among small and micro-entrepreneurs.

The survival strategy followed by those most affected by the crisis shows that a large part of the workers with suspended contracts do not remain "with their arms crossed." Its obligatory destination is self-employment to undertake some independent activity or business.

Therefore, the unemployment estimates that triple the most recent official figure and that forecast 25% of the workforce by the end of 2020 are no more than mere speculation, which only adds more uncertainty to the gloomy economic outlook (the IMF estimates a GDP drop of -9% in the current year). In other comparable crises in Panama (late 1980s) with a cumulative fall in GDP of -19% in three years (1986 - 1989), unemployment only increased by 5 percentage points and the informal sector in the same proportion.

The social cost of the current crisis will be paid not only with higher unemployment, but mainly with an increase in self-employment with low productivity, as is already happening; as well as with an increase in informal or unprotected employment in formal companies. All of this will lead to growing inequality and poverty.

This statement is not intended to minimize the

magnitude of the occupational problem, but to calibrate it in its true scope and realities. This will allow a better focus on the content and emphasis of policies and interventions to face the great challenge in its complexity.

Although there is no certainty about the duration of the crisis and about the recovery process, the important thing to bear in mind is that it is a temporary crisis and what remains is to do what is necessary to defend the sources of employment with greater commitment, defend and promote formal and quality employment and improve the productivity and income conditions of the mass of independent workers. The latter will hardly be able to be successful entrepreneurs, due to limitations in their competences, the existing structural restrictions and the deficit of public policies.

The great challenge will also be to face these challenges with greatest possible consensus; and in this it corresponds to business and union leaders to undertake a legitimate, respectful dialogue with the aim of achieving results. It is worth trying, because the alternative to dialogue and consensus will always be the imposition of measures, which are generally rejected by employers and workers.

Estimates of unemployment.

The breakdown of labor relations has a strong impact on the condition of economic activity of the population, in particular on unemployment, underemployment by hours and informal employment, in dimensions that cannot be confirmed since the beginning of the crisis, due to the absence of a continuous employment survey.

Various sources speculate that the unemployment rate will rise to 20% or 25% of the workforce by the end of the year and that informal employment will reach 50%. Although the estimation methodology is not clear, it is assumed that the analysts are simply adding the unemployment in 2019 plus the contracts suspended in 2020 that have not been reactivated, and

relate it to a workforce not specified to obtain this rate.

In reality, these estimates for December 2020, particularly for unemployment, are no more than mere speculation; In the first place, because Panama does not have a continuous employment survey with monthly indicators to verify this estimate and because in December there will be no official survey from INEC.

Furthermore, these estimates ignore the dynamics of the labor market and the conceptual and methodological framework for measuring the activity status of the population, the labor force, employment and unemployment..

Experience indicates that during the current crisis, workers with suspended contracts do not remain "arms crossed" or automatically fall into unemployment. Unemployment is a "luxury" that cannot be afforded by those with financial obligations to attend to. It has been seen that many of them immediately begin to undertake some business on their own, even if it is subsistence, going from a salaried employee to a self-employed worker, which is how the employment survey would record it. This change is inherent in the survival strategy of people in critical situations such as the one experienced in Panama and the world.

The speculative nature of the estimated unemployment figure is also confirmed by reviewing the internationally adopted conceptual and methodological framework for measuring the labor force aged 15 years and over. The definition of unemployment that the INEC follows meets three conditions:

- The person did not work in the reference period of the survey.
- Actively looked for work.
- And is available to work.

With this definition, a large part of the workers with suspended contracts will not fall under the definition of unemployed due to the lack of search and other reasons. In turn, to be classified as employed, the person had to work at least one hour in the reference period, which is a criterion that has been widely criticized in Panama. But in reality, this is only a definition criterion and in the statistics it is possible to identify the number of employed persons who fall into this condition and represent a low proportion of the employed population, which may fall into the condition of underemployment (3.7% in 2018). It is expected that the magnitude of employed persons in a situation of underemployment due to insufficient working hours (employed persons who work less than the normal day, wanting to work more) will increase in the next survey of 2020.

In reality, unemployment is only “the tip of the iceberg”, that is, the most visible component of the employment problem, while the most relevant challenge in quantitative terms is informal employment, due to the various phenomena it hides, where work for Informal self-employment is the most widespread expression of job insecurity.

The experience of other comparable crises in Panama confirms that a significant drop in the level of economic activity doesn't necessarily translate into an equivalent increase in the unemployment rate. During the political and economic crisis of the late 1980s, GDP cumulatively fell by -19.3% between 1987 and 1989; however,

points and self-employment increased by 5 points.

Looking at the economic growth and employment relationships of that crisis, even with their differences, it does not seem consistent that in 2020, with a fall in GDP of -9% as indicated by recent international estimates (IMF, October 2020), unemployment will triple or something else, according to speculative forecasts. These estimates also do not consider the possibility of a drop in the participation rate, that is, of a possible temporary retirement of a work force (reduction in job search), given the precarious market opportunities.

In Technical Note 16 (4/22/2020) we had estimated that with a drop in GDP estimated at that time between -2% and -3%, the unemployment rate could be around 11% in 2020. Updating this estimate With an expected drop in GDP of -9% (IMF, October 2020), the unemployment rate would rise to around 13.5%.

Myths and realities of informality.

Forecasts of informality hovering around 50% of the workforce are no more than speculation, not only due to the lack of an official measurement at the end of the year. It all depends on the definition or the estimation criteria and the coverage considered (non-agricultural employment or total employment); and obviously the performance that the economy finally has towards the end of the year.

If non-contribution to the Social Security Fund were adopted as the sole measurement criterion, total informal employment, including agricultural and non-agricultural) would already be 52.5% in August 2019 (FUNTRAB, Statistics on employment and wages, <https://funtrab.org.pa/>)

Cuadro 1

Panamá. Evolución de algunos indicadores durante la crisis de fines de los 90

	PIB	Tasa desempleo	Tasa subempleo	% cuenta propia
1986	1.5	10.5	4.1	31.8
1987	-3.8	11.8	5.0	33.4
1988	-15.1	16.3	7.5	39.3
1989	-0.4	16.3	6.6	38.3
Variación 1987-89	-19.3	4.5	1.6	4.9

Fuente: OIT/PREALC, Estadísticas sobre Empleo, ingresos y Pobreza en Panamá en la década de los 80, Panamá, 1992

unemployment only increased by 4.5 percentage

It must be remembered that informality is only

an analytical construction based on certain international criteria and definitions that the INEC has adapted to the national reality; and the important thing is to identify the components behind informality and the phenomena it hides. Informal employment is operationally constructed based on criteria on the characteristics of productive units and employment. According to the official definition of the INEC (<https://www.inec.gob.pa/archivos/P0705547520191127134308Definiciones.pdf>) informal employment is composed of:

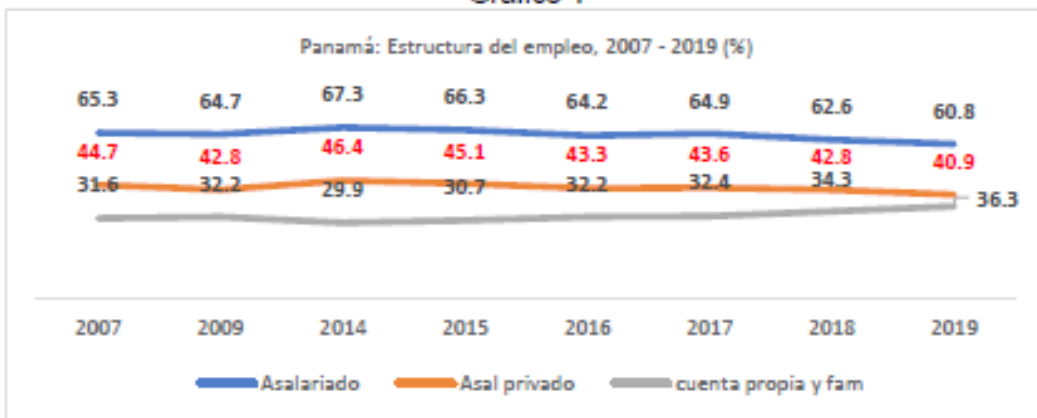
- Self-employed workers who do not contribute to the Social Security Fund, excluding managers, administrators and professionals,
- Private wage earners without a contract or without access to social security.
- Employers of companies with less than 5 employees without access to social security.
- Domestic service employees without access to social security.
- Family workers.

For the United Nations Sustainable Development

logic behind the indicator is that to the extent that countries minimize informal employment, to that extent progress towards the goal of decent work. With this logic, informal employment is considered to be a reflection of precarious employment conditions, low productivity and income, and no rights.

In this sense, what is important for the diagnosis and design of policies is not the qualification of informal half of the workforce. The fundamental thing is the magnitude and characteristics of the different components of informal employment and to discern the causes of informality in each one and the deficit in working conditions and income. For example, the reasons for the informality of about 69 thousand domestic workers (August 2019) are not the same as those of more than 450 thousand own-account workers and family (non-agricultural) classified as informal. The reasons for the informality of the former is the non-compliance with the Law by the employers of the households in their obligation to contribute to social security; while the reasons for the informality of the latter is basically their very low productivity and income due to low scale of their business operations (receiving insufficient income to pay for social security). And in both cases their probably capricious characterization of "informal" doesn't serve much in the design of policies to improve their working conditions and income..

Gráfico 1



The main component of informality is self-employment and, given the inability of the concentrated growth model that the country has followed for decades, self-employment

Goals (SDGs), the percentage of informal employment in total employment is a follow-up indicator to Goal 8 of inclusive growth and decent work and the

will continue to grow significantly in the future. That has already been happening for years.

Between 2007 and 2019 of the 564 thousand new jobs / occupations generated by the economy, 47 of every 100 were self-employed and in the most recent year (2019) employment in private companies decreased in net terms; and all net new jobs were self-employed, family workers, and domestic servants.

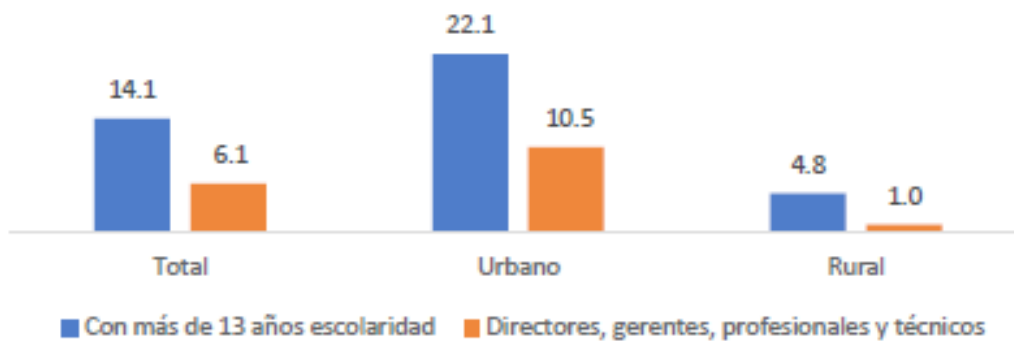
With the deficit and dispersion of the available data, it is not yet possible to confirm how many jobs will be lost in the private sector, but already

entrepreneurs, but this qualifier doesn't correspond to a significant proportion of self-employed workers. Probably some of them could be entrepreneurs if they have the competencies, capacities and level of education - sufficient training to successfully start a business, always understanding that they will require a framework of policies and support programs and that they will have a market or sufficient demand for your products or services.

The main limitation is that the bulk of the self-employed work in low-skilled occupations, have low levels of education, and operate in businesses saturated with other independent workers, with a limited market and little economic viability. This situation is more critical in rural contexts where opportunities for employment and education are less.

Gráfico 2

Panamá. Porcentaje de Trabajadores por cuenta propia y Familiares con más de 13 años de educación y en ocupaciones más calificadas (Agosto de 2019)



Fuente: FUNTRAB, reprocesamiento especial con base en la EML del INEC, agosto, 2019

a large number of people with suspended contracts in the private sector have started independent activities, most of them subsistence.

And although it is known that self-employment will indeed have a significant jump in 2020, the magnitude of this increase is not known with certainty. And given the lack of a continuous employment survey and the frequent changes in the status of activity and labor mobility between categories of occupation (salaried / independent) and branches of activity, it will not be possible to have clarity about the evolution of the labor market in the months subsequent. Changes in the labor market will depend on the dynamics of economic recovery, which is associated with the behavior of the pandemic at the national and international level, health regulations and the effectiveness of public policies.

Self-employed workers are often identified as

In short, informal employment is just an analytical category that hides multiple phenomena and realities, which is built based on some definitions and criteria that may vary among analysts; And as such, it is of little use for analysis and policy design purposes. Following only the criterion of not contributing to social security, informal employment would already represent 52.5% of the total occupation of the country in August 2019; and therefore the estimates published (although they refer to non-agricultural informality) will fall short. Therefore, the challenge is not so much how to turn them into formal workers (which is why we are only left with the concept). The real challenges would be, among others:

- How to improve the productivity and income of independent workers that allows them not only the

simple reproduction of their workforce, but also generate surpluses; and be able to contribute to a pension fund. This will not be feasible for most, but it may be for a proportion of them. In addition, their inclusion in this case also depends on alleviating the high cost of social security for independent workers, who must contribute double (as employer and as worker).

- How to get household employers to pay social security for their domestic employees. This not only depends on household income, but also on the efficiency of the Social Security Fund in collecting the fees.
- How to make SMEs comply with the quotation, understanding that the reasons for non-compliance combine situations of deliberate evasion with inability to pay due to low productivity and limited business income.
- How to avoid the deliberate evasion of large companies that not only breach their contribution, but also do not pay the Savings Bank the discounted contribution to their employees.

The approach of the international financial institutions suggests that informality is the product of excessive State intervention in markets and the rigidity of labor institutions such as the minimum wage, the rights to unionize, collective bargaining and other regulatory aspects. But the reality is much more complex and the reasons for informality must be found in the structural problems of the growth and development model. They could absolutely repeal the Labor Code, and the only thing that would be achieved is the generalized lack of labor protection and by definition, the massification of the informality of labor relations in the private sector; And this hypothetical scenario will not guarantee economic growth such that it would absorb in conditions of full employment or the new workforce, much less half of the employed classified as informal.

Industrial relations priorities towards the end of 2020.

The pandemic surprises Panama with a series of

progressively deteriorating economic and employment variables.

Despite the important growth cycle of the last decade, the economic slowdown from 2012 was automatically reflected in an increase in the unemployment rate to stand at 7.1% in August 2019. Low-productivity employment, represented by labor independent increased its relative weight to 36.3% in 2019; and non-agricultural informal employment followed the economic cycle and reached 45% in that last year. Finally, the proportion of workers who do not contribute to social security reached 52.5% of the total workforce, but the exclusion was greater among domestic service employees (77.4%), salaried employees of SMEs with fewer than 20 employed persons (80.6%) and self-employed (96%).

Parallel to these negative trends, social inequality is accentuated, reflected in a deterioration in the personal and functional distribution of income, in a lag in real market wages with respect to the growth of the economy and widespread poverty that affects one of every five Panamanians and that it is explosive in rural contexts and indigenous areas. (FUNTRAB, Technical Note No. 16).

The health and economic crisis caused by COVID has made these structural problems more evident and has exposed the deficiencies of the economic policies imposed for decades in the country. In addition to these structural problems, the current situation faces some labor challenges:

- Sources of employment in danger of disappearing. The temporary closure of companies (particularly SMEs), due to the pandemic, is turning in many cases into permanent closures, due to the impossibility of restarting operations or doing so partially.
- The high paralysis of economic activity keeps the vast majority of the contracts suspended since the beginning of the pandemic frozen (according to MITRADEL, only 29% of the 280 thousand suspended

contracts have been reactivated). There is no certainty of how many of these contracts will be reactivated in the coming months, or how many of them will result in a termination of the employment relationship. (<https://www.mitradel.gob.pa/estadisticas/>).

- The rigors of the crisis and the desperation of workers in the face of the impossibility of satisfying their basic needs, can generate high labor and social conflict with unpredictable consequences.
- The increasing exclusion of workers from the social security system due to lack of contributions, together with the general rejection of poor health services and provision of medicines and the crisis of the pension program, will translate into another conflictive factor in Panamanian society.

Only a comprehensive and coherent intervention in the areas of health, education, productive promotion, employment and decent work can deactivate the triggers of the social explosion, which if it doesn't occur now, will accumulate enough pressure to do so in the near future.

A broader and more timely effort of public policies is required to defend the sources of salaried employment in the private sector, under the principles of social responsibility, the promotion of productivity and decent work. In this scenario, the economic policy authorities must act with the greatest creativity in the application of the instruments at their disposal and act in a timely manner, and not when the companies have disappeared.

The expulsion of thousands of wage earners to self-employment will require a great public effort to improve productivity and income conditions and the very viability of their businesses and activities. In other words, it is not that self-employment or "entrepreneurship" is the new "engine of employment in the country." It is the forced destination of a large part of the new workforce as a result of an exhausted growth model, which has made more evident the job insecurity that had been growing in the long term.

Most of these workers will continue to operate in subsistence conditions, not only because of skills and abilities deficits, but also because of limited market for their goods and services. For these workers, it is necessary to strengthen training and professional training programs and other support programs in matters of credit, organization, etc. Their leap to being successful entrepreneurs is highly unlikely.

Obviously, there will be a band of independent workers (especially among professionals, technicians and skilled workers who are the minority) with possibilities of undertaking larger-scale businesses, either because they can be linked to the production or marketing chain of other companies or because they manage to offer a differentiated product or a service valued in the market. Public policies should also support these entrepreneurs through training, credit, marketing and other programs, in the search for the sustainability of enterprises.

Additionally, business and trade union organizations must assume a maximum degree of responsibility and social commitment to resolve the latent conflict over the suspension of contracts and its outcome as of January 1, 2021. Understanding that the crisis does not end on December 31 By 2020, employers and workers should sit NOW at a bipartisan table to initially discuss options to minimize the costs of the labor crisis looming over the country and the conditions for the return of workers with suspended contracts.

In other times employers and workers have done it and this time it is also possible to rise to the occasion and not leave it to the last minute. And the table must be attended with an open mind, without prejudice of any kind, reiterating the recognition of the legitimacy of the actors, without imposed agendas and with the willingness to reach agreements.

In this sense, an agenda must be adopted that includes not only current issues, but also those related to the main structural challenges faced in labor market. In this, it must be taken into account

that solution of many of these challenges requires intervention of government, for which at some point, after some bipartite consensus, the dialogue table will have to be expanded at the tripartite level..

Methodologically, each sector could come up with a short list of problems and challenges that should be resolved through dialogue. Next, proceed to prioritize the most relevant issues and establish the parameters and rules to start the dialogue, which should be very simple. In prioritizing topics of interest, some basic questions should be considered:

- What actions are required in the situation to defend the sources of employment?
- How to ensure the survival of workers and companies (particularly SMEs), while the national emergency lasts?
- How to defend and promote formal employment in the current situation and in the medium term?
- How to ensure compliance with the fundamental principles and rights at work, particularly freedom of association, collective bargaining and non-discrimination in employment or occupation?
- How to improve productivity as the foundation of sustainable companies?
- How to improve the real wages of workers as a mechanism to improve income distribution?
- How to ensure once and for all, professional, pertinent, efficient and inclusive training as an instrument to overcome the crisis and advance towards the goals of productivity, decent work and social inclusion?

Depending on the results of the initial dialogue process, the thematic agenda could be expanded and other more complex issues within the reach of both sectors could be incorporated.

This suggestion for an immediate bipartite dialogue on priorities of the situation is based on the premise that between employers and workers it is more feasible to initiate conversations without further formalities, regulations and restrictions, as has been demonstrated in the *Fundación del Trabajo (FUNTRAB)*.

Once the willingness of the actors has been confirmed, this process of dialogue could begin with the sole condition of mutual respect and recognition and that it be a direct dialogue between business leaders and trade unions.. This initiative must take into account that the national government is calling for a "dialogue for the centenary", which would be a broader process of a political nature and that would include a multiplicity of issues not yet specified.

Overcoming the crisis and moving towards sustainable development depends on the ability of political and social actors to agree on fundamental things that allow the country to transform towards a truly democratic, efficient and transparent institutionality and towards an inclusive economy and society.

The initiation of a bipartite dialogue would be an autonomous decision of the social actors and its results and agreements could feed any other dialogue initiative that is taken at a higher level. It is worth trying because the alternative to dialogue and consensus will always be the imposition of measures, which are generally rejected by employers and workers. *L&E*

Norms of INTEREST

LEGAL FRAMEWORK FOR THE CONTROL AND PREVENTION OF TUBERCULOSIS

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With the approval of Law 169 of October 12, 2020, the legal framework for the control and prevention of tuberculosis in Panama is established, the objective of which is to establish the legal framework that allows the organization and operation of a coordinated multisectoral system and participatory for the promotion of well-being and prevention of tuberculosis in all its forms, its detection and early and adequate treatment to reduce its incidence, prevalence and mortality throughout the territory.

Among the aspects developed by the Law, we can mention that a jurisdiction is established in favor of workers affected by the disease, by establishing that they can only be dismissed from their jobs for just cause and prior judicial authorization from the sectional courts of work or in the case of officials assigned to the administrative career, it will correspond to the Appeal and Conciliation Board.

The Ministry of Health will be responsible for directing, supervising and evaluating the development of the programs that make up the Monitoring and Evaluation Plan of the National Plan and the National Technical Standard for Tuberculosis Control, in the effort to prevent and control the disease.

Under this parameter, the Technical Commission for the Monitoring of Tuberculosis Control is created to monitor the implementation of the National Strategic Plan for Tuberculosis Control.

Finally, the norm establishes that the Minsa, the Social Security Fund, the Ministry of Education, official and private universities, private companies and other government institutions, must promote education and guidance through the mass media aimed at the general population, with an emphasis on populations most at risk of exposure to tuberculosis. *L&E*

COMPREHENSIVE PROTECTION FOR EARLY CHILDHOOD AND EARLY INTEGRAL DEVELOPMENT

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In recent days, Law 171 of October 15, 2020 was sanctioned, which will be applied for the comprehensive protection of the rights of children in early childhood throughout the country, both in the public, private or private sphere.

The Law 171 in reference, is composed of VII Chapters in which topics such as; General Provisions, Comprehensive Early Childhood Development, Early Childhood Governance, Early Childhood Advisory Council, Technical Secretary for Comprehensive Early Childhood Care, Technical Committee for Comprehensive Early Childhood Care, Financing, Monitoring and Enforcement, Additional Provisions and Final Provisions.

It indicates the norm, which will be understood as early childhood as the period that covers the first eight years of life of boys and girls, and State policy will give priority to the protection of pregnant women, the first thousand days of life of the child, their early childhood development and early inclusion.

Within this context, it has been established that the state policy will be mandatory throughout the national territory and all Central Government entities, decentralized institutions, local governments and private or private institutions or

organizations will be co-responsible in its execution, in accordance with their respective powers.

Likewise, the Comprehensive Early Childhood Care Route (RAPI) is adopted through which the State must design and implement programs, public policies and permanent budgets, assigned for the recognition and comprehensive protection of the rights of the girls and boys in early childhood, as well as their integral, evolutionary and adequate development, without discrimination of age or stage of development.

Another aspect to mention is that numeral 9 of article 709 of Tax Code is modified by stating that natural persons will have the right to deduct from their taxable income, school and early childhood care expenses incurred with respect to their minor dependents of age, including tuition and school fees, as well as school supplies and school transportation, related to first level of education or general basic education and second level of education or secondary education. The modification introduces the term of first instance, the rest remains the same.

It is worth mentioning that the Executive Branch will install the Early Childhood Advisory Council, within three months following the entry into force of the Law and this will be regulated within the six months following entry into force, that is, to as of October 16, 2020. *L&E*

NATIONAL COMPETITIVENESS PROGRAM

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By Executive Decree No. 266 of October 27, 2020, the organizational and functional structure of the National Program for Industrial Competitiveness of the Ministry of Commerce and Industries is established.

In this regard, we can point out that National Program for Industrial Competitiveness is a permanent program, at national level, to implement a national policy for industrial development, aimed at boosting industrial and agro-industrial productivity and competitiveness, enhancing investment and promoting changes in productive structure of the country, to generate national added value.

For such purposes, the MICI will establish the mechanisms and schemes for the activities carried out by public, private and academic entities, related to the formulation, development and implementation of policies that promote

competitiveness and industrial development in the country, under a vision of medium and long term.

It has been established that the Program is organized by the operational and planning entities, which are listed below: 1. National Council for Industrial Policy. 2. General Directorate of Industries of the MICI. 3. Technical Committee for Industrial Competitiveness. 4. Coordination Department of the National Industrial Competitiveness Program.

On the other hand, the Technical Committee for Industrial Competitiveness is created, in order to have permanent collaboration, participation and advice for the development and implementation of policies, plans and projects that are found and approved for the development and execution of the policies, plans and projects that are found and approved through the Program.

The Executive Decree in question provides that MICI and the entities of national government entities that develop policy instruments and programs in matters of industrial or agroindustrial promotion and competitiveness, will publish the information of said instruments through their electronic portals and other media. communication available, so that interested parties can access their content.

The rule is added that, in order to enjoy benefits of the Program projects, the interested parties must submit their request to entities in charge of their implementation in accordance with the mechanisms established for this purpose and meet requirements established in the manuals or instructions designed for it.

In this regard, we can indicate that this Executive Decree is related to Law 76 of November 23, 2009, which dictates standards for the development and promotion of the industry regulated by Executive Decree 37 of April 10, 2018.

Reason for which Executive Decree 266 repeals articles 3, 4 and 5 of Decree 37 which contemplated that the design, coordination, compliance and implementation of the National Industrial Competitiveness Program were assigned a coordinator of the Program, with the repeal of the aforementioned articles functions will be under the supervision of the Technical Committee for Industrial Competitiveness (CONAPI).*L&E*



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CREATE IMMIGRATION SUBCATEGORY OF PERMANENT RESIDENT IN QUALITY OF QUALIFIED INVESTOR

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Through Executive Decree No. 722 of October 15, 2020, the subcategory of permanent resident as a qualified investor is created within the immigration category of permanent resident, for maintaining investment activities in Panama.

The Executive Decree contemplates that to demonstrate the purpose of establishing residence within the Qualified Investor category, the applicant must make in the Republic of Panama a minimum investment of FIVE HUNDRED THOUSAND DOLLARS (US \$ 500,000.00) from a foreign source, either by title. personal or through a legal entity, in which the applicant is always the final beneficiary of the shares of the legal entity that holds the investment.

To request the Permanent Residence Permit as a Qualified Investor, the applicant must prove one of the following forms of investment, which must be maintained for a minimum period of five (5) years:

- **For real estate investment reasons.**
- **By reason of real estate investment through a promise of sale contract.**
- **Due to investments made through a Brokerage House with a license approved by the**

Superintendency of the Stock Market of Panama. - Due to investment in Fixed Term Deposit in the banking sector.

The processing of the application for permanent residence as a Qualified Investor must be resolved in a period not exceeding thirty (30) days and the applicant and his dependents are not required to be in Panama at the time of submitting the application, with the obligation that, prior to the issuance of any immigration card, the filiation process is complied with in the Immigration Registry of the National Migration Service.

On the other hand, it has been provided that during the first twenty-four (24) months from the entry into force of the Executive Decree, the investment by reason of real estate investment, directly or through contracts of promise of sale may be for an investment THREE HUNDRED THOUSAND DOLLARS (US \$ 300,000.00) in the purchase of real estate in Panama.

It allows that upon the entry into force of the Executive Decree, foreigners who are pending or have initiated applications for Provisional Permit as their Own Economic Solvency for investment in real estate, can request the change of immigration status to the subcategory of Permanent Resident in Quality of Qualified Investor for Investment in Real Estate. *L&E*

POST COVID BIOSECURITY SANITARY CERTIFICATE

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Through Resolution No. 3100 of October 14, 2020, the Ministry of Health approves in all its parts the format and content of the document called Post Covid-19 Biosafety Sanitary Certificate that will be issued by the Regional Health Directorates, to the establishments of health interest that comply with biosecurity standards.

Likewise, the format and content of the document called the Verification List is approved to obtain the Sanitary Certificate of Biosafety of the establishments of sanitary interest.

On the other hand, the flow chart related to the Company Certification Request Process for the return to normality post-Covid is authorized.

The Resolution establishes that any company that has remained operating, or whose reactivation is authorized, must comply with the guidelines and protocols issued by the MINSA, as a prevention and control measure

against the risk of infection by COVID-19, regardless of compliance with the pre-established requirements for the operation contained in the current regulations.

It provides that in order to obtain the Biosafety Sanitary Certificate, establishments of sanitary interest, public or private institutions, companies and the economic sector in general, must comply with the content of Resolution 405 of May 11, which adopts the Guidelines for the return to normality of post-Covid-19 companies and establishes prevention and control measures, to achieve a return to work in an orderly, gradual and safe manner.

It will be the responsibility of the Regional Health Directorates to suspend or revoke the Health Certificate, granted to establishments of health interest, when it is found, through a health inspection carried out by the appropriate personnel, that they are violating current health regulations. *L&E*

EMAIL NOTIFICATION ENABLED IN THE DGI

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The General Directorate of Income of the Ministry of Economy and Finance, issued Resolution No. 201-6803 of October 1, 2020, which orders the notification of the administrative acts emanating from the Department of Transfer Prices of said Directorate to the mail electronic file provided by the taxpayer in the Single Taxpayer Registry of the "e-Tax2" system, while the state of emergency lasts.

The Resolution indicates that the notification will be understood to have been made five (5) business days after the email is sent, to which the resolution or administrative act to be notified will be attached.

However, the term to file administrative appeals against the notified act will begin to run once the state of emergency is lifted. *L&E*

GENERAL DIRECTORATE OF FINANCIAL COMPANIES

T

hrough Resolution No. 76 of October 7, 2020, the Ministry of Commerce and Industries empowers the General Directorate of Financial Companies, to receive procedures from financial companies, pawn shops, money remittance houses, history agency of credit, financial leasing, complaints and certifications via email.

Within the reception of documents and requests, are among others the authorization requests for the opening, cancellation of the authorization, opening or closing of a branch, communication

of changes that affect the marginal, presentation of financial statements, payment of annual fee for inspection services, authorization issuance fee, complaints, certification requests.

In the case of the discharges of the complaints and the resources for reconsideration and / or appeal, as well as the support, they must be presented in person at the facilities of the General Directorate of Financial Companies. *L&E*

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NATIONAL DECENTRALIZATION AUTHORITY

W

With the approval of Executive Decree No. 587 of September 23, 2020, measures are adopted in relation to the National Decentralization Authority. The Decree indicates that the fulfillment of the first phase of the decentralization process is recognized, according to the terms established in article 29 of Law 37 of 2009, as amended by Law 66 of December 29, 2015.

Consequently, the Ministry of Economy and Finance will adopt the administrative and budgetary measures that are necessary for the implementation of the National Decentralization Authority, as an autonomous and administrative entity, with

its own budget, responsible for carrying out the decentralization process, as well as to integrate the Authority, the other management structures and instruments established for the fulfillment of the subsequent phases of the decentralization process.

In such a way, that the budget items required for the operation of the Authority must be incorporated into the General State Budget for the period 2021.

However, the Decree in question will come into force as of January 1, 2021. *L&E*

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Politics



WHAT HAPPENS TO OUR POLITICAL PARTIES?

Our political parties are entities of public interest established and recognized by the electoral law, whose purpose is to ensure the participation of a group of individuals who collaborate with each other in favor of a doctrine established in the democratic system, sharing objectives, values, projects and government programs with the aim of executing them when they form a government, seeking to increase the living conditions of citizens through different preferences of ideas.

Political organizations are part of modern states and are essential and irreplaceable in the incorporation of representative and government bodies. According to the Panamanian Electoral Court, the closing of the last electoral roll as of December 31, 2018, there were 2,757,823 Panamanians authorized to vote. Of these, 1,385,076 are women and 1,372,747 are men. Of those eligible to vote, a total of 1,424,515 are registered in political parties versus 1,333,308 who are not affiliated with any political party. This means that more than half of Panamanians authorized to cast their vote are registered in political groups, which shows the majority preference of

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Panamanians to be affiliated and registered in political parties and this has been the case in the latest electoral rolls. provided by the Electoral Tribunal.

At the beginning of Panamanian independence in 1903 there was a small number of political parties that with the passage of time increased until we became a multi-party political system and proof of this is that at present there have been around 155 political parties and more than 43 alliances of political parties.

The largest number of political parties that have participated in a single general election in Panama was 19 political groups in the 1964 elections, followed by 16 political organizations in 1994, 15 electoral organizations in the 1984 electoral event, a total of 12 groups in the 1999 elections and 11 political groups in the 1989 electoral tournament.

The political constitutions that Panama has had throughout its republican era have contemplated political parties as an entity representing citizens in elections, with exception of a large part of

duration of the military mandate in our country.

Since political parties have the purpose of seeking the common good of citizens and therefore of society, in reality we see that the conscious citizens of our country have been able to observe and confirm that our political parties, for several decades now, They are not performing the role that corresponds to them in the rule of law and in the democracy that we currently live in. Political parties with an ideological presence have disappeared and some of them prevail, unfortunately only defending their political, economic and other interests. It is practically a reality that in the political activity related to the inscriptions of new affiliates in a political party, these are carried out without taking into account at all the ideological concept of the political group to which it is affiliated, which should be known to the new registered member. , and when they do, not infrequently they do it in exchange for a promise, an economic benefit and also in order to obtain a job in the government of the day or in the near future.

It is evident that political parties promote their participation in representative entities through programs and support of candidates in the respective electoral tournaments. As when attending the general elections, they want to consolidate and achieve power through popular suffrage, to be part of the government and put their programs into practice.

A duly organized political party has the duty to inform its affiliates about activities of different types that they carry out, including ideological seminars, about their economic situation and to integrate through internal elections, the militants who will form part of all the internal organizations of the party, who will Ultimately they will give you mobility and operation to have a game going and active. However, registered members of the parties frequently confirm that the main directors of the political parties do not summon the internal organizations to meet in order to discuss the different issues of the current problems of the country and suggest, after study, possible recommendations or solutions to the problems. themselves. They do not even comply with the internal statutes that

oblige internal bodies to meet every certain time..

All these and other anomalies make our political parties become mute entities, that don't have communication between the people and the government and that do not have the proper participation in the media to express their points of view on possible remedies to the different difficulties that the country constantly faces. A political party has the duty to activate and function through internal party bodies at all times and not only to do so when an electoral tournament is to be held in the near future, which makes it a solely electoral and clientelistic organization.

The performance of the main leaderships of our political parties leaves much to be desired. Our political parties, sine qua non requirements of the democratic system of government, we reiterate that unfortunately they are not fulfilling their mission, which is totally negative for the strengthening of the political party system. Undoubtedly, a large part of the population is experiencing disenchantment and frustration with some of the political parties, mainly those called "traditional", because when they achieve political power they fall short or do not fulfill most of their electoral campaign promises and this coupled with cases of corruption of some of its members who do not suffer the due consequences. As a consequence of scourge of impunity, its image is deteriorating and greatly accentuating distrust of citizens in all aspects of politics.

It is essential that the leadership of the political groups reconsider and recognize internally and objectively that they are not fulfilling the role that corresponds to them, thus causing apathy in the population towards the political parties by blaming them for all national calamities. If the leaders of political organizations are interested in recovering lost credibility, they must always remember that their main objective is not only to obtain victory in popular elections, but also have an ethical duty to focus on the analysis of national affairs and issues. public and international and express themselves emphatically about them, looking for a solution to them. The political leaders who lead

their parties to function solely as electoral entities without ideological mystique or participation in national life, in effect corrupt their followers because it is inevitable that achieving perks remains as the only incentive to serve as members of the party..

It is a true and unfortunate fact that citizens in general increasingly distrust the political class and its leaders. This, to the point that when any government intends to hold a public act in order to build a great work for the benefit of the population, the first thing many think is that bribes have previously been distributed among government officials related to the play. Could it be, we wonder, that after so many follies we have finally reached the day when “no one believes in anyone anymore.” We also wonder if we have already reached the bottom to accept and recognize that sad reality. It is important that we make a call to our governments, to the established political parties of both the government and the opposition and to those new parties that intend to register and emphasize that as we are sadly going, we do not see anything hopeful but a path full of problems and frustrations and that When considering the not too distant future that popular adage comes to mind that says “nobody knows what they have until they lose it”. *L&E*



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World ECONOMY

COMMENT ON THE CONSUMER PRICE INDEX (CPI): APRIL 2020

Source: GCRP

Interannual variation of National Urban CPI (April 2020 in relation to its similar in 2019):

National Urban CPI presented an interannual variation of -2.4%. In the groups that were observed decreases were: Transportation 12.8%; Communications 1.6%; Alcoholic beverages and tobacco 1.5%; Recreation and Culture 1.3%; Food and non-alcoholic beverages 1.0%; Clothing and footwear 0.5%; Furniture, articles for the home and for the ordinary maintenance of the home, and Health both 0.1%.

The groups that presented increases were: Education 3.1%; Housing, water, electricity and gas 1.0%; Restaurants and hotels 0.7% and Miscellaneous goods and services 0.3%.

- Monthly variation of National Urban CPI (April compared to March 2020):

The National Urban CPI showed a decrease of -1.3%. The groups that presented decreases were: Transportation with 7.9% and Housing, water, electricity and gas with 0.2%.

The decrease registered in the Transportation group was due to the decrease in one of its seven classes, "Fuel and lubricants for personal transportation

equipment" with 28.5%, due to the decrease in the price of automobile fuel.

The decrease reflected in the Housing, water, electricity and gas group was due to the decrease in one of its eight classes, "Gas" with 3.9%, due to the reduction in the price of the 100-pound gas tank. The groups Alcoholic beverages and tobacco, Clothing and footwear, Health, Communications, Recreation and culture, Education, and Restaurants and hotels, remained unchanged.

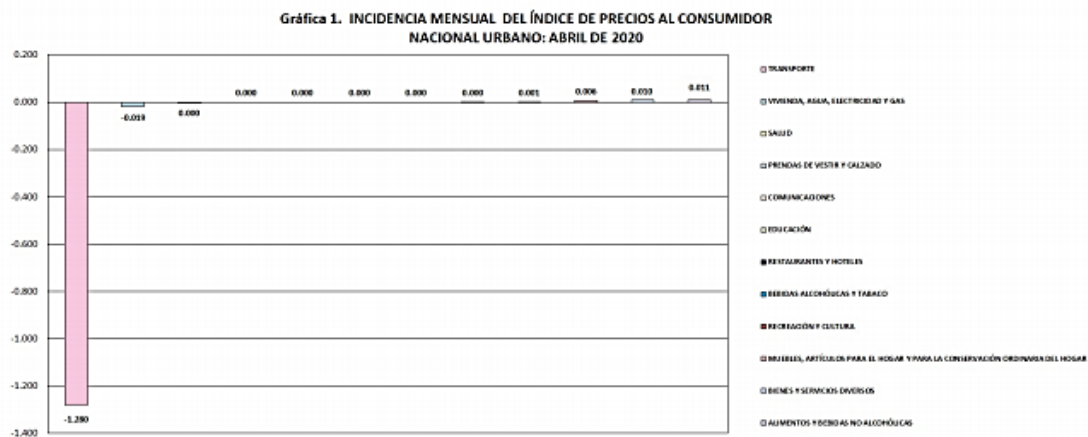
The Food and non-alcoholic beverages group showed an increase in seven of its eleven classes. The greatest variation was in the "Fruits" class with 1.7%.

The group Furniture, articles for the home and for the ordinary maintenance of the home showed an increase in one of its eleven classes.

The greatest variation was in the class "Non-durable household goods" with 0.3%, due to the rise reflected in the price of cleaning and maintenance products.

The group Miscellaneous goods and services presented an increase in two of its ten classes. The greatest variation was in the class "Other services n.e.c." with 0.4%, due to the increase in the price of photocopies. *L&E*

A continuación, la gráfica con la incidencia mensual por grupo del IPC Nacional Urbano de abril de 2020:



Incidencia: Corresponde a la contribución de cada grupo respecto a la variación total del Índice Nacional Urbano, por ello, la suma de las incidencias da como resultado la variación del índice.

**CUADRO 1. INCIDENCIA Y VARIACIÓN PORCENTUAL MENSUAL DEL ÍNDICE DE PRECIOS AL CONSUMIDOR NACIONAL URBANO, SEGÚN GRUPO DE ARTÍCULOS Y SERVICIOS: ABRIL DE 2020
BASE 2013=100**

Grupo de artículos y servicios	Ponderaciones	Incidencia	Variación mensual
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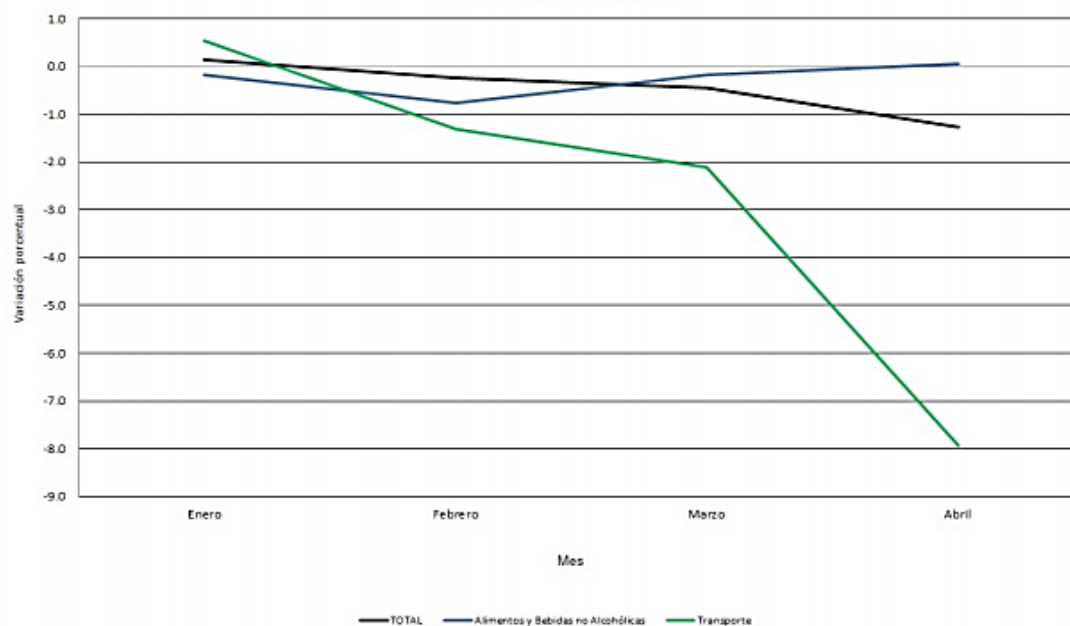
**CUADRO 1. INCIDENCIA Y VARIACIÓN PORCENTUAL MENSUAL DEL ÍNDICE DE PRECIOS AL CONSUMIDOR NACIONAL URBANO, SEGÚN GRUPO DE ARTÍCULOS Y SERVICIOS: ABRIL DE 2020
BASE 2013=100**

Grupo de artículos y servicios	Ponderaciones	Incidencia	Variación mensual
TOTAL	100.0	-1.3	-1.3
Alimentos y bebidas no alcohólicas	22.4	0.011	0.1
Bebidas alcohólicas y tabaco	0.7	0.000	0.0
Prendas de vestir y calzado	7.7	0.000	-
Vivienda, agua, electricidad y gas	8.5	-0.019	-0.2
Muebles, artículos para el hogar y para la conservación ordinaria del hogar	7.8	0.006	0.1
Salud	3.4	0.000	0.0
Transporte	16.8	-1.280	-7.9
Comunicaciones	4.3	0.000	-
Recreación y cultura	9.7	0.001	0.0
Educación	2.4	0.000	-
Restaurantes y hoteles	6.7	0.000	-
Bienes y servicios diversos	9.8	0.010	0.1

- Cantidad nula o cero.

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

Gráfica 2. EVOLUCIÓN DEL ÍNDICE DE PRECIOS AL CONSUMIDOR NACIONAL URBANO TOTAL, ALIMENTOS Y BEBIDAS NO ALCOHÓLICAS Y TRANSPORTE: ENERO-ABRIL DE 2020



CUADRO 2. EVOLUCIÓN DEL ÍNDICE DE PRECIOS AL CONSUMIDOR NACIONAL URBANO, SEGÚN GRUPO DE ARTÍCULOS Y SERVICIOS: ENERO-ABRIL DE 2020

Grupo de artículos y servicios	Variación porcentual mensual			
	2020			
	Enero	Febrero	Marzo	Abril
TOTAL	0.1	-0.3	-0.4	-1.3
Alimentos y bebidas no alcohólicas	-0.2	-0.8	-0.2	0.1
Bebidas alcohólicas y tabaco	0.3	-0.1	-0.2	0.0
Prendas de vestir y calzado	-0.1	-0.1	0.0	-
Vivienda, agua, electricidad y gas	0.6	0.1	-0.3	-0.2
Muebles, artículos para el hogar y para la conservación ordinaria del hogar	0.0	1.4	-0.2	0.1
Salud	0.1	-0.1	0.0	0.0
Transporte	0.5	-1.3	-2.1	-7.9
Comunicaciones	0.0	-0.3	0.0	-
Recreación y cultura	0.0	-0.4	-0.2	0.0
Educación	0.3	2.8	-	-
Restaurantes y hoteles	0.1	0.0	0.1	-
Bienes y servicios diversos	0.3	0.1	0.0	0.1

- Cantidad nula o cero.

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

MAIN MONTHLY ECONOMIC INDICATORS:

Source: GCRP

Comments Pending indicators (from August or before): capacity and income of the corridors; commercial movement in the Colon Free Zone; cost of building permits; construction area; hotels and employment contracts.

The changes in the health measures established by COVID-19 and the opening of the economic blocks to August 31, 2020 (August 26, economic activities were opened), generated a positive impact on the collection and dissemination of data. Even with the measures adopted in the face of the state of health emergency, the statistical data will continue to be published, and as the economic activities open, the data from the sectors that are needed will be incorporated.

1. Transport:

a. Panama Canal Authority:

The total revenue from the Panama Canal toll for January-August 2020, compared to the same period in 2019, presented a negative variation of 0.4%; of these, those of Panamax vessels decreased by 8.5%; however, Neopanamax increased by 7.4%.

On the other hand, the transit of Neopanamax vessels grew by 7.4%, as did the net tons and the cargo volume by 4.9% and 9.3%, respectively.

b. National Port System:

The movement of TEU containers (container equivalent to 20 feet), increased for the period by 9.1%. Total cargo movement increased by 10.8%, with bulk cargo standing out at 8.3% and containerized by 14.4%. On the other hand, there was a negative variation in the general load of 50.1%.

c. Road corridors and passengers transported by the Panama Metro and MiBus:

Passengers transported by the Panama Metro decreased by 60.7% and those by MiBus by 53.5%.

2. Foreign trade:

a. CIF value of imports of goods:

The CIF value of imports of goods decreased by 41.2%, due to significant decreases in consumer goods by 39.1%, intermediate goods by 32.4% and capital goods by 52.7%.

b. Net weight of goods imports:

The net weight of imports of goods fell by 34.6%, with falls in consumer goods by 40.8%, intermediate goods by 27.5% and capital goods by 47.6%.

c. FOB value of goods exports:

The total FOB value of goods exports registered a negative variation of 9.7%, these were: pineapple in 19.7%, shrimp 49.9%, fishmeal and fish oil 30.6%, melon 19.2%, watermelon 13.3%, other seafood 65.1%, clothing 62.8%, coffee 12.8%, hides and leather 7.3%, steel, copper and aluminum waste 40.9% and wood 29.7%.

On the contrary, good performance was observed in the categories: banana in 7.8%, fish and fish fillet (fresh, refrigerated and frozen) 23.5%, unrefined sugar 7.8% and beef in 66.8%.

d. Weight of goods exports:

The weight of goods exports was reduced by 2.0%. The items that reported decreases were: pineapple 23.3%, shrimp 43.3%, fishmeal and fish oil 37.9%, melon 3.1%, watermelon 22.7%, other seafood 91.2%, clothing 59.2%, steel waste, copper and aluminum 17.7% and wood 29.9%, among others. There were positive changes in banana of 25.2%, fish and fish fillet (fresh, chilled and frozen) 18.7%, coffee 1.5% and beef in 83.2%.

e. Colon Free Zone:

Information available until July 2020.

3. Internal trade:**a. Sale of fuels for national consumption:**

The sale of fuels for national consumption was reduced by 38.7%, showing a greater decrease in the categories of: gasoline by 33.6%; mainly, that of 91 octane 35.4%; low sulfur diesel 30.5% and bunker C at 67.9%. Likewise, the sale of liquefied petroleum gas fell by 5.2%.

b. Sale of marine fuel in ports, according to coastline:

The sale of marine fuel (bunkering) in ports, measured in metric tons, reported a positive variation of 4.6%, registering an increase in the Pacific Coast of 6.6%; however, in the Atlantic it decreased by 4.3%.

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

The sale of fuel (bunkering), through barges, decreased by 11.0% and as part of this, the Atlantic Coast by 28.7%, the Pacific Coast by 6.3%. The total number of ships attended fell by 4.1%.

d. New cars registered:

The number of new cars registered in the Unique Vehicle Registry decreased by 60.4%, specifically, regular cars by 60.8%, luxury cars 61.1%, SUV'S 62.6%, minivans 61.6%, panels 45.4%, pick-ups 56.6%, buses 52.6 % and trucks at 55.8%.

4. Construction:**a. Cost of constructions registered by the main municipalities in the Republic:**

To date, only information on the cost of constructions registered by the municipalities is available until July 2020. However, there are other indicators related to construction for August, such as the production of ready-mixed concrete (measured in m³), which fell by 74.8%, the production of gray cement (measured in metric tons), which decreased by 56.1% and its import by 50.3%.

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

Information available until July 2020.

5. Financial intermediation:**a. National Banking System:**

The liquid assets of the National Banking System (at the end of the period), increased by 58.8% and total deposits by 7.1%. For its part, the total loan portfolio was reduced by 2.1%. Bank liquidity increased by 48.3%.

b. Stock market indicators:

The volume traded (in thousands of balboas), for the

total market of the Panama Stock Exchange (BVP), decreased by 1.0%, and the greatest impact occurred in the primary market, which was less by 10.4%. The volume traded (in thousands of balboas) of the stock market in the BVP, was reduced by 35.1%; however, the number of shares rose 28.5%. The calculated BVP index presented a negative rate of 18.3%.

c. Insurance:

The value of written premiums presented a negative variation of 4.1% for the period in question and in that sense, there were the following premiums: individual life 5.4%, personal accidents 43.9%, automobiles 22.8% and technical lines 38.4%. On the contrary, favorable performance was observed in the segments of: health 5.9%, life group 2.9%, fire and multi-peril 5.2%, other transport 13.0% and surety at 6.8%.

d. Loans approved by the Banco de Desarrollo Agropecuario:

Loans approved by the Agricultural Development Bank (BDA) were reduced by 7.0%, especially those directed to fishing by 17.3% and other items by 46.1%. However, loans oriented to agriculture and livestock grew by 44.4% and 3.7%, respectively..

6. Leisure activities:

a. Gross bets:

The gross sale of the draws of the National Charity Lottery decreased by 65.5%. The report of the total gross bets of the Gaming Control Board, registered a negative rate of 73.2%; and as part of these: type "A" slot machines at 74.0%, gaming tables 73.6%, sports event betting rooms 45.0%, racetrack 71.7% and bingo rooms at 74.1%.

b. Net bets:

Net sale of lottery draws decreased by 68.4%. The total net bets registered by the Gaming Control Board were reduced by 70.7%, of which type "A" slot machines fell by 72.4%, sports betting rooms 38.6%, gaming tables

75.0%, racetrack 70.7% and bingo halls at 65.4%.

7. Electricity and water:

a. Electricity offer:

The supply of electricity (kilowatts/hour), registered by the Commercial Measurement System (SMEC), fell by 4.8%, given that thermal energy was reduced by 39.6%, however, the renewable energy generated increased by 27.7% and from this, the hydraulics in 33.5%. Self-generation decreased by 43.7%, while imports increased by 282.8%.

b. Destination of electricity:

Electricity billing fell 11.4%, mainly due to lower demand from industrial customers at 29.4%, commercial customers 26.3% and Government 6.8%; however, a positive variation of residential properties was observed at 6.4%. In turn, there were increases in the billing of large clients by 25.2%, generators 56.4% and exports by 46.9%.

c. Water:

The billing of drinking water (in thousands of gallons) in the Republic, showed a reduction of 0.1%. The sectors that contributed to this result are broken down: commercial, which decreased 6.1%, industrial 8.2% and Government 0.02%; for its part, the residential sector rose by 1.3%.

8. Manufacturing industries:

There were decreases in the production of chicken meat in 12.5% and the slaughter of cattle and pigs in 4.0% and 2.6%, respectively. Likewise, sugar production fell by 4.0%, salt 8.9%, alcoholic beverages 39.1%, soft drinks 22.3% and rectified alcohol by 6.5%. On the other hand, the production of evaporated, condensed and powdered milk rose 44.5%, as well as pasteurized milk in 16.2%, natural milk used for the production of related products 0.7% and tomato derivatives in 9.4%.

9. Hotels and travelers entrance:

a. Hotels:

Available until December 2019.

b. Entry of travelers and their expenses:

The entry of travelers and their expenses decreased by 75.1%, of these, tourists 71.6%, excursionists 68.1% and passengers on cruise ships 37.1%. The same behavior was registered by passengers in transit through the Tocumen International Airport and cruise ships in 78.6% and 38.2%, respectively. Expenses incurred by tourists fell by 73.2%.

10. Public Sector Finance:

a. Current income of the Central Government:

The current revenues of the Central Government decreased in the period from January to August 2020 by 30.7% and of these, the tax revenues by 31.8%, with direct and indirect revenues at 24.7% and 39.6%, respectively. Non-taxpayers presented a decrease of 24.4%.

11. Other related:

a. Work contracts registered in the Mitradel:

Work contracts registered at the Central Headquarters of the Ministry of Labor and Labor Development (Mitradel), were reduced by 74.3% and at its regional headquarters 64.0%.

b. Non-horizontal and horizontal properties listed:

Registered non-horizontal properties decreased by 44.5% and specifically, mortgages by 48.6%, likewise, horizontal properties decreased by 48.2% and of these, mortgages by 53.5%.

c. Anonymous and common companies:

The total number of companies in the Public Registry decreased by 33.7% and of its components, the anonymous by 33.3% and the common by 46.7%. *L&E*



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CANAL DE PANAMÁ

Source: ACP

PANAMA CANAL CLOSES FISCAL YEAR 2020 WITH 475 MILLION TONS

The Panama Canal closed fiscal year 2020 with 475.1 million tons, as a result of having offered an uninterrupted service to its clients and a safe environment for its collaborators, amid the impact that the Covid-19 pandemic caused globally.

"At all times, the Canal's priority was to ensure well-being of almost 10,000 men and women that make up its human team, who reaffirmed their commitment by adapting to changes imposed by this pandemic, in order to guarantee continuous operation of the highway" Said the administrator, Ricaurte Vásquez Morales. Fiscal period that ran from October 1, 2019 to September 30, presented two different scenarios for the Panama Canal, with a first semester that was projected above expectations, until COVID-19 outbreak disrupted life and world economy.

The effects of the slowdown caused by the pandemic were felt more in the interoceanic highway between

last May and July, with a reduction of around 20% in transits, mainly in the segments of passenger ships, vehicle carriers and liquefied natural gas (LNG). Transits and cargo movement began to normalize in August and September, the last two months of the fiscal year, which allowed closing with a total of 475.1 million tons (CP-SUAB, volume measure of the Universal Tonnage System of Panama Canal Ships), according to preliminary figures.

As a world trade route, the interoceanic highway reflects trends of global economy that this year will contract between 5% and 6% as a result of pandemic, and with a greater fall of up to 8% in the United States, the main customer of the Canal, based on estimates from the International Monetary Fund (IMF).

In the midst of this scenario, the Panama Canal ended its fiscal year with a 2% reduction in transits, adding 13,369 compared to the estimated budget,

while the 475.1 million tons CP-UMS meant a 4% drop in comparison with the projected.

Compared to fiscal year 2019, high-draft transits remained at very similar levels, and the total CP/UMS tonnage grew 1%.

Continuous and safe service

This level of operations and results was possible due to the measures adopted to preserve the well-being of employees, mitigating the transmission of the coronavirus among the Canal's workforce.

Last March, for example, the interoceanic highway adjusted its work teams with the essential human resources required to preserve a safe and continuous operation. Another part of the collaborators was on vacation and a portion teleworked as administrative support.

Market behavior

Fiscal year 2020 was marked by the trade war between the United States and China, the tightening of environmental policies in the maritime industry and, of course, the pandemic, which continues to impact the world economy.

Container ships remained the most relevant market segment in the Panama Canal, contributing 35% of Panama's PC / UMS tons with 166.3 million tons (UMS-PC), followed by:

- **Bulk carriers: 80.9 million tons.**
- **Tankers / chemical tankers: 69.2 million tons.**
- **LNG: 46.4 million tons.**
- **Gas carriers: 44.6 million tons.**

When comparing fiscal year 2020 against the previous year, it is observed that there were very similar results, with a general increase in CP/UMS

tonnage in the order of 1%. However, expectations for FY 2020 were optimistic; in fact, the results for the first half of the fiscal year were above projections.

As of March 2020, the impact of pandemic is beginning to be felt in the passenger segment, which, due to the health controls implemented that ended the cruise season early, closed 10% lower than expected. Other segments severely affected by market conditions due to the pandemic were vehicle carriers and LNG, whose PC / UMS tonnages were 21% and 15%, respectively, below budget.

The negative impacts in these segments were partially mitigated by the good performance of the liquefied petroleum gas (LPG) and bulk carriers that registered CP / UMS tonnage 27% and 21%, respectively, above projected.

Maximum draft

The Panama Canal reached the end of its fiscal year offering its clients, for the first time in 20 months, a draft of 50 feet, the maximum offered by neopanamax locks, as a result of resource planning measures, efficient use of water and recent rains in its watershed.

In this way, the Canal provides a more profitable route to the industry, contributing to the global economic recovery. A draft of 50 feet allows ships to transit with a greater amount of cargo, which translates into benefits for customers because it makes the transport of goods more efficient. At the end of its fiscal year, the Panama Canal also launched this month the process to have an optimized water resource management system, by announcing the specifications for the prequalification of those interested in participating in the tender for the design, construction and implementation of this project.*L&E*



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World ECONOMY

ECLAC STRESSES CRUCIAL ROLE OF REGIONAL INTEGRATION AND IMPORTANCE OF PUBLIC-PRIVATE PARTNERSHIP FOR POST-VOYD-19 RECOVERY

Source: ECLAC

The Economic Commission for Latin America and the Caribbean (ECLAC) highlighted the key role played by the private sector - and especially the chambers of commerce - and regional integration, in the economic recovery after coronavirus crisis, in a high-level virtual event organized by Association of United States Chambers of Commerce in Latin America and the Caribbean (AACCLA).

The meeting entitled "Forecast on Latin America and the Caribbean" is part of the AACCLA Annual Conference, which brings together 23 United States Chambers of Commerce (AmChams) and includes more than 20,000 companies that represent more than 80% of North American investment in the region. It was headed by José Luis Sánchez, president of AACCLA; Tom Donohue and Neil Herrington, CEO and senior vice president for the Americas, respectively, of the US Chamber

of Commerce; and featured a special intervention by the President of Argentina, Alberto Fernández.

In his speech, President Fernández highlighted the great opportunity that the pandemic represents to think about the future in another way and to rethink the current economic system. "It is time to build a different capitalism, more supportive, that requires social cohesion. We cannot be calm with a capitalism that promotes the concentration of income in so few, and the concentration of poverty in so many. We must make the economy grow with solidarity criteria, generating social cohesion, and in an environmentally sustainable way ", declared the president.

In his participation, the Executive Secretary of ECLAC stressed that the current crisis will be long and deeper than expected, and that due to the uncertainty

it generates, it will take several years to achieve a recovery. "If we consider the average growth rate of the past decade, of 1.8%, the regional GDP will only return to the levels it had in 2019 by 2025," he explained.

The pandemic has revealed and magnified the region's structural gaps, such as inequality and low productivity, said Alicia Bárcena. To face its effects, ECLAC has made a series of proposals for the short and medium term, among which are a basic emergency income (equivalent to a poverty line), a bonus against hunger (for people in a situation of poverty), a digital basket that allows reducing the gap of 40 million households that do not have adequate connectivity in the region, deepening regional integration and international cooperation, since the fiscal efforts of national governments -which until now they have invested 4% of GDP on average and 10% in loan guarantees for companies - they will not be enough.

"Globally, the pandemic is reinforcing two interrelated trends: the first is the shift towards less interdependence in production, trade and technology between the main world economies, especially between the United States and Europe, on the one hand, and China, on the other. The second is that world trade is less open and more influenced by geopolitical and national security considerations, with more frequent disputes and weakened multilateral governance," she said.

The pandemic has also revealed the weakness of intraregional trade, Bárcena continued, which this year will "collapse", reaching only 11%, the same level as in the 1980s. "We need to take advantage of this historic opportunity and really put trade as engine of growth, but growth that has equality and sustainability at the center ", he emphasized.

This requires placing emphasis on trade facilitation, infrastructure and logistics, and promoting investment in dynamic sectors such as renewable

energy and the digital economy, he added. A harmonization and standardization of technical capabilities is also necessary, especially in the free trade agreements already implemented in the Pacific Alliance area and in Central America with Mexico..

"I think we are ready to implement a great trade facilitation agreement and move towards a regional digital market," he stated.

In digital matters, Bárcena remarked that the private sector must be included to close the large infrastructure gaps that still persist and that prevent, for example, 32 million girls and boys in the region from being able to access tele-education. "We must really guarantee access to digital technologies and that is why we have suggested a basic digital basket, which includes a cell phone, a laptop or tablet, and a broadband access plan, which allows digital access to all citizens. . This would cost 1% of GDP. It is possible to do it, and we definitely need the private sector to join this initiative," she said.

"We need public policies, incentives and regulations to guarantee fair development and adoption of these technologies. The private sector will play a crucial role in this, especially the chambers of commerce. We need a dialogue between the public and private sectors to improve connectivity and digital accessibility," Bárcena told AACCLA associates.

In terms of stimulating jobs to reactivate the cycle of production, income and consumption, the Executive Secretary of ECLAC recalled that the agency has proposed measures such as co-financing the payroll of the 2.6 million micro and medium-sized enterprises that has been affected by the crisis, through soft credits and extended grace periods for medium-sized companies, as well as the rescue of large companies under certain conditions, such as not investing in tax havens or redistributing profits among its shareholders.

"We must also move towards universal social protection and protect the most vulnerable, such as the elderly and women, who have been the most affected by the pandemic due to their extra burden of care work, both paid and unpaid," Indian. "Likewise, formalization is one of the engines of growth: we have 159 million informal workers in the region (54% on average), so they can access social protection and health programs, which are urgent at this time", added.

Alicia Bárcena emphasized that crisis is hitting the most dynamic technological industrial sectors the hardest and that deepens the region's structural problems. "This means that, unless appropriate policies are implemented to strengthen these industries, a regressive structural change is very likely to occur, leading to a reprimarization of the region's economies," she warned.

"Chambers of commerce and business associations have been playing a key role during the crisis. Business will play a crucial role in recovery. That is why we must maintain a dialogue with the private sector to increase productivity, innovation, and the creation of quality jobs. Move, for example, towards clean renewable energies, electrification in urban transport, investments in digitization and nature-based, agroecological solutions, and foster infrastructure and the adoption of new technologies with improved skills. Chambers of commerce can also play a key role in advancing towards the 2030 Agenda, the Sustainable Development Goals, and thus achieve a better, different recovery in a world that is more sustainable and inclusive", concluded the senior United Nations official. United.L&E

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AUTHORITIES OF LATIN AMERICA AND THE CARIBBEAN AND OF THE UNITED NATIONS CALL TO CHANGE THE DEVELOPMENT MODEL TO OVERCOME THE CURRENT CRISIS AND REBUILD BETTER, BY INAUGURATING THE THIRTY-EIGHTH SESSION OF ECLAC

Source: ECLAC

The thirty-eighth session of the Economic Commission for Latin America and the Caribbean (ECLAC), the most important biennial meeting of this regional United Nations organization, was inaugurated today with a call to change the development model and redouble efforts towards a post-COVID-19 recovery guided by the principles of inclusive development, equality and sustainability.

The meeting will conclude on Wednesday, October 28 and is held for the first time in the history of the organization in a virtual way due to the pandemic, it was inaugurated by the Presidents of Costa Rica, Carlos Alvarado, and Cuba, Miguel Díaz-Canel, together with the Secretary UN General, António Guterres, the Executive Secretary of ECLAC, Alicia Bárcena, the Secretary General of the Organization for Economic Cooperation and Development (OECD), Ángel Gurría, and the Managing Director of the International Monetary Fund (IMF), Kristalina Georgieva (via video message).

The meeting is attended by authorities and

representatives of the 46 member states of ECLAC and the 14 associate members, the agencies, funds and programs of the United Nations system in the region, the 25 resident coordinators, representatives of society in its most diverse expression, as well as academic institutions, trade union organizations and personalities from the private sector.

In his opening remarks, the UN Secretary General, António Guterres, expressed his satisfaction at being once again at the opening of a session of ECLAC, given that he also participated in the opening of the thirty-seventh meeting held in 2018 in La Havana Cuba.

"I meet you again today in a world very different from that one, and I am forced to do so from the physical distance to which the COVID-19 pandemic forces us. The year 2020 has placed the world in front of an unprecedented scenario. No country and no person escapes the impacts of the pandemic. This puts cooperation and multilateralism at the center of our work more than ever," said the highest authority of the United Nations.

"The pandemic marks a before and after and leaves the world a clear message: solidarity is, today more than ever, our only lifeline. In July I presented a special report on the impacts of COVID-19 in the region. In it, we analyzed the multiple inequalities and vulnerabilities and highlighted the need for a profound change in the development model", Guterres recalled.

"Along these lines, tomorrow ECLAC will present its new document Building a new future: a transformative recovery with equality and sustainability. The document specifically follows up on the principles that I raised in the General Assembly on the urgency of moving towards a new global social and environmental pact that includes a sustainable energy transition", declared the Secretary General, who also reiterated the commitment of the United Nations to support the countries of the region and accompany them in their efforts to face this challenge, and to imagine a new development paradigm that is inclusive, egalitarian and sustainable.

For his part, the president of Cuba, Miguel Díaz-Canel, highlighted the importance of coordinated cooperation between countries at all levels in order to overcome the multiple crises facing Latin America and the Caribbean.

"It is essential to continue betting on a renewed and strengthened multilateralism, for solidarity cooperation and the search for concerted and innovative solutions. There will be no development without peace, and no peace without development. We reiterate our commitment to solidarity cooperation based on mutual respect, disinterested help and complementarity, under the invariable principle of sharing what we have, not what is left over," declared the president.

He also acknowledged the action of ECLAC, and in particular its Executive Secretary Alicia Bárcena, for her dedication and effort towards sustainable development in Latin America and the Caribbean, and expressed her support and good wishes to Costa Rica,

a country to which Cuba hands over the Presidency of ECLAC in this thirty-eighth session of the Commission.

Meanwhile, in her message sent to the meeting, the Managing Director of the IMF, Kristalina Georgieva, specified that the pandemic is above all a human tragedy. "Latin America and the Caribbean has been badly hit. It is an economic tragedy too. The region will not return to pre-pandemic GDP levels until 2023. And inequality is expected to continue increasing," he said..

Georgieva explained that since the beginning of the crisis, the IMF has extended its financial support to the region by 64 billion dollars, and expressed its willingness to do more, above all, to be a reliable and committed partner of the countries.

"This is a once-in-a-century opportunity to build a world that is fairer and more equitable, greener and more sustainable, smarter and more resilient to change. A world that our children deserve", concluded the top management of the Fund.

In his speech, the Secretary General of the OECD, Ángel Gurría, indicated that to ensure a sustainable and inclusive recovery, the countries of Latin America and the Caribbean have to take advantage of the crisis to renew the social pact, putting well-being as the main objective of public policies.

"The region is facing one of the most serious crises in its history. The only way to get out of it and prevent something so serious from happening again is to rebuild better. In Latin America that means putting emphasis on well-being and social cohesion", he declared.

For her part, in her inaugural speech at the thirty-eighth session of ECLAC, Executive Secretary Alicia Bárcena highlighted the profound integration and multilateral vocation of Costa Rica, a country that today assumes the Presidency of ECLAC, and

underlined the support, leadership, commitment and collaboration provided by Cuba during the two years in charge of the Presidency of the Commission.

"COVID-19 has highlighted and magnified the structural problems of the development model in Latin America and the Caribbean: intersecting inequalities, mediocre growth, low productivity, insufficient export diversification, little fiscal space, and growing environmental deterioration. As the Secretary General, António Guterres, said in his report on the impact of the crisis in the region, the recovery after the pandemic should be an opportunity to transform the development model of Latin America and the Caribbean and, at the same time, strengthen democracy, safeguard human rights and maintain peace, in line with the 2030 Agenda for Sustainable Development", declared the senior United Nations official.

Faced with the difficult scenario that the crisis is presenting -with a strong economic contraction of -9.1% and regional trade of -14%, an increase in unemployment by 44 million people, in poverty by 45 million, with effects particularly serious on women, youth, indigenous people, Afro-descendants and migrants- Bárcena highlighted the seven proposals that ECLAC has put forward to connect the emergency with recovery: 1) Extend the basic emergency income for 12 months to the entire population in poverty; 2) Extension of terms and grace periods in loans to MSMEs; 3) A basic digital basket to guarantee the digital inclusion of 40 million households that are not connected; 4) Expansive fiscal and monetary policies that sustain a longer period of spending; 5) International solidarity: debt relief in the Caribbean and interest payments in Central America and create sub-regional resilience funds; 6) Recovery and investment plans around dynamic sectors, with solutions based on nature; and 7) Closing gaps to achieve universal health and social protection regimes. "In the position paper that we will deliver tomorrow,

we present economic evidence on the importance of implementing a virtuous combination of social and environmental policies that, together with economic, technological and industrial policies, become the basis for a new development project. With this document we are specifying the urgency of growing to equalize and equalize to grow", emphasized Alicia Bárcena.

"We propose to replace the culture of privilege with a culture of equality that guarantees rights, builds citizenship, and disseminates capabilities and opportunities. New forms of global governance are needed to collectively provide global public goods, such as universal health (a coronavirus vaccine for all), climate security and protection of the atmosphere, financial stability, and peace and human rights" declared the Executive Secretary of ECLAC.

Finally, and to officially open the meeting, the President of Costa Rica took the floor to indicate that his country assumes the Presidency of ECLAC with great enthusiasm and reaffirmed its commitment to promote the mandate of this Commission considering the principles of international cooperation, solidarity and promotion of human rights, leaving no one behind.

"The pandemic has exposed the deep development gaps that our societies are going through: inequality, poverty, job insecurity, the technological gap, precarious urbanization and gender inequality," said President Alvarado. "These are very complex times for the region and for each of our countries. That is why the discussions of these three days will be more relevant than ever", he stressed.

"High indebtedness and scarce fiscal space limit the possibilities of States to respond adequately to the effects of the pandemic. Against this background, existing policies are insufficient. It means that we must bring more actors into the dialogue. We must build new social pacts. All sectors are called to

contribute ", emphasized the Costa Rican president.

"We call on the international and regional community to agree on a global plan, similar to a Marshall plan for recovery from the pandemic and its economic and social consequences, which according to the UN should amount to at least 10% of world GDP. As part of this global plan, it is necessary to increase liquidity and access to financing under favorable conditions for our countries. That is why we have carried out the proposal of the Fund to Alleviate the Economy of COVID-19 (FACE), "said President Alvarado.

The President of Costa Rica also thanked ECLAC and Alicia Bárcena for their clarity and their comprehensive tools and proposals to address the crisis. "Our response to current challenges must respond to the three structural crises posed by ECLAC: the crisis of inequality, the economic crisis and the environmental crisis. There is only one way: to get ahead and get better, leave no one behind and 'take the bull by the horn,' "Alvarado finally declared..

During the thirty-eighth session of ECLAC, a dialogue will be held between foreign ministers and high-ranking authorities from Latin America and the Caribbean on the post-COVID-19 economic recovery and the Committee on South-South Cooperation will meet. Tomorrow, Tuesday, October 27, the Executive Secretary Alicia Bárcena will present the position document Building a new future: a transformative recovery with equality and sustainability, while on Wednesday 28, ECLAC will deliver its report of activities with the work carried out, including those of its organs subsidiaries, and the mandates that will guide their work during 2022 will be defined. *L&E*



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THE IMPACT OF COVID-19 ON COMMODITY MARKETS IS MAINLY NOTICED IN PRICES OF ENERGY; DEMAND FOR OIL IS LIKELY TO CONTINUE TO CONTRACT AFTER 2021

Source: World Bank

According to the World Bank, while the prices of metals and agricultural commodities have recovered from the effects of the COVID-19 pandemic and will register moderate increases in 2021, it is expected that that year the prices of the Despite showing a slight recovery, energy will stabilize at levels lower than those existing before the pandemic.

According to the biannual Commodity Markets Outlook report, oil prices fell dramatically during the early stages of COVID-19 and have only partially reached pre-pandemic levels, while oil prices Metals posted a fairly modest decline and are back to pre-crisis levels. Agricultural prices were largely unaffected by the pandemic, but the number of people at risk of food insecurity has risen as a result of the broader effects of the global recession..

"The impact of COVID-19 on commodities has been uneven and could linger for a long time in energy markets," said Ayhan Kose, Acting Vice President

of Equitable Growth, Finance and Institutions and Director of the Bank Group's Outlook Group. World. "When the fall in commodity prices is short-lived, stimulus policies can cushion its impact. However, when prices remain depressed for an extended period, policymakers must find solutions so that their economies can smoothly adjust to a new normal. Due to COVID 19, the new normal for oil-exporting emerging and developing economies came earlier. In the world of the new coronavirus, these countries must be more active in implementing policies aimed at reducing their dependence on oil revenues ".

A barrel of oil is expected to cost, on average, USD 44 in 2021, higher than the USD 41 estimated for 2020. Demand is forecast to increase, albeit slowly, as long as restrictions on tourism and travel remain in place due to health problems, and in a context in which world economic activity will return to pre-pandemic levels only after 2022. Restrictions on supply are expected to be lifted steadily. Energy prices

in general - which also include natural gas and coal - will recover considerably in 2021, after registering large falls in 2020, which is an upward revision from the April forecasts. The appearance of a second wave of infections that generates more confinements and reduces consumption, as well as the existence of delays in the development and distribution of vaccines, could lead to energy prices falling more than expected.

In 2021, metal prices, after falling in 2020, are expected to register moderate increases, thanks to the gradual recovery of the world economy and constant stimulus from China. If world growth were to continue to slow down for an extended period, prices would fall more than expected.

In 2021, agricultural prices, after increasing by around 3% in 2020, are expected to increase slightly as a result of the shortfall in edible oil production. Food insecurity concerns remain high in several emerging and emerging market economies. These concerns are motivated by the impacts of the global recession on income, the difficulties in the availability of food at the local level, and the customs restrictions that have restricted the supply of work. Food price inflation has accelerated considerably in several countries.

The pandemic is just the latest in a series of shocks to hit the commodity market. One of the report's featured articles analyzes the nature of these shocks for 27 commodities during the period 1970-2019. It is concluded that extremely persistent ("permanent") and short-lived ("transitory") shocks have contributed almost equally to the variation in the price of basic products, although there is a great variety among these products. Permanent shocks account for most of the variability in the price of agricultural commodities, while temporary shocks have a greater impact on the

price of industrial commodities. The varying duration of such shocks highlights the need for flexible policies.

A temporary alteration in the price of basic products may require the adoption of fiscal stimulus policies to moderate consumption; It is recommended that, during boom periods, countries dependent on commodity exports subject to cyclical price swings create fiscal buffers and use them during periods of economic depression to support economic activity. In countries that are highly dependent on commodities subject to permanent shocks, structural policies, such as diversification and expansion of the tax base, may be necessary to facilitate adjustments to the new economic environment. It highlights the need for flexible policies. A temporary alteration in the price of basic products may require the adoption of fiscal stimulus policies to moderate consumption; It is recommended that, during boom periods, countries dependent on commodity exports subject to cyclical price swings create fiscal buffers and use them during periods of economic depression to support economic activity. In countries that are highly dependent on commodities subject to permanent shocks, structural policies, such as diversification and broadening of the tax base, may be necessary to facilitate adjustments to the new economic environment. *L&E*

OUTLOOK FOR THE WORLD ECONOMY OCTOBER 2020 EXECUTIVE SUMMARY

Source: International Monetary Fund

The world economy is beginning to leave behind the lows to which it fell during the Great Lockdown in April. But as the COVID-19 pandemic continues to spread, many countries have slowed the pace of reopening and some are re-instituting partial lockdowns to protect susceptible populations.

Although China's recovery has occurred more quickly than expected, the long road that the global economy will have to travel to return to pre-pandemic activity levels remains susceptible to hurdles. World growth outlook and risks.

Short term outlook. According to projections, world growth will reach -4.4% in 2020; that is, a less severe contraction than forecast in the June 2020 World Economic Outlook Update (WEO report).

This revision reflects better-than-expected GDP levels for the second quarter, particularly in advanced

economies, whose activity began to improve earlier than expected when lockdowns eased in May and June, as well as signs of a recovery stronger in the third trimester. Global growth is projected at 5.2% in 2021, slightly less than forecast in the June 2020 WEO Update, given that the expected slowdown for 2020 will be more moderate and is consistent with expectations of persistent distancing Social.

After the contraction in 2020 and the recovery in 2021, the level of world GDP in 2021 would be just 0.6% above that of 2019. Growth projections imply large negative output gaps and high unemployment rates this year and next in both advanced and emerging market economies.

Medium-term outlook. According to projections, after the 2021 rebound, global growth will cool down to around 3.5% in the medium term. That implies merely limited progress toward projected 2020–25 path of economic activity before the pandemic, in both advanced

and emerging market and developing economies.

It also represents a severe setback to the projected improvement in average living standards for all groups of countries. The pandemic will erase the progress made since the 1990s towards reducing global poverty and exacerbate inequality.

People who depend on a daily labor wage and are not protected by a formal safety net were exposed to sudden income losses when restrictions on mobility were imposed.

Among them, migrant workers living far from their country of origin have minor access to traditional support networks. This year, nearly 90 million people could fall below the extreme deprivation threshold of \$ 1.90 a day.

Furthermore, the closure of schools during the pandemic poses a significant new challenge that could constitute a serious setback for human capital accumulation.

The dull medium-term growth prospects are accompanied by a significant projected increase in the stock of sovereign debt. The downward revisions to potential output also imply a smaller tax base than expected in the medium term, which aggravates debt service difficulties.

The baseline projection assumes that social distancing will continue in 2021, but will decline as vaccine coverage grows and therapies improve.

Local transmission of the virus is assumed to have decreased to low levels everywhere by end of 2022. Medium-term projections also assume that economies will experience lasting damage due to the depth of recession and the need for structural change, which will have persistent effects on potential output.

These effects include adjustment costs and

impacts on the productivity of surviving companies as workplace safety improves, amplification of the shock due to company bankruptcies, costly reallocation of resources between sectors and exit from the economy. discouraged worker workforce.

Lasting damage is expected to add to the forces that have adversely affected productivity growth in many economies in the years leading up to the pandemic: a relatively slow increase in investment that slowed the accumulation of physical capital, smaller improvements in human capital and slower progress in efficiency achieved by combining technology with factors of production.

Risks. The uncertainty around the baseline projection is unusually acute. The forecast is based on economic and public health factors that are inherently difficult to predict. A first layer is related to the trajectory of the pandemic, the response that public health must give and the associated disorders of internal activity, particularly in the case of sectors where contact is intensive.

Another source of uncertainty is the magnitude of the global spill-over effects generated by weak demand, the decline in tourism, and the decline in remittances.

A third set of factors has to do with the mood of financial markets and its implications for international capital flows.

In addition, there is uncertainty around the damage suffered by the supply potential, which will depend on the persistence of the shock produced by the pandemic, the scope and effectiveness of response policies, and the degree of incompatibility between sectoral resources.

Advances in vaccines and treatments, as well as changes adopted in the workplace and by consumers to reduce transmission, could allow activity to return to pre-pandemic levels faster than currently anticipated,

without triggering repeated waves of infection. Likewise, a prolongation of fiscal countermeasures in 2021 could push growth above the forecast, which includes only the measures implemented and announced to date.

However, the risk that growth levels turn out to be worse than projected remains considerable. If the virus re-emerges, the advancement of treatments and vaccines is slower than anticipated, or countries' access to them remains uneven, economic activity could disappoint expectations, with renewed social distancing and stricter confinements.

Given the severity of the recession and the possible cancellation of emergency support in some countries, an increasing number of bankruptcies could compound the losses in terms of jobs and income.

Deteriorating sentiment in financial markets could cause a sudden suspension of new loans (or refinancing of debts) to vulnerable economies.

Furthermore, the cross-border spill-over effects produced by weakening external demand could amplify specific shocks in some countries..

Economic policy priorities: short-term imperatives, medium-term challenges. In addition to combating the deep short-term recession, policymakers will have to address complex challenges to put economies on a path of further productivity growth, while ensuring that benefits are equitably distributed and that debt remains sustainable .

Many countries already face difficult trade-offs between implementing measures to shore up short-term growth and avoiding a new accumulation of debt that will be difficult to address later, given the blow that crisis has given to potential output.

Therefore, policies to support the economy

in the short term should be designed with a view to guiding economies on paths of more vigorous, equitable and resilient growth.

Tax and spending measures should prioritize initiatives that help stimulate potential output, ensure participatory growth that benefits all, and protect vulnerable populations.

Most likely, the additional debt assumed to finance such initiatives will ultimately have zero cost, since it will have increased the size of the economy and the future tax base, contrary to what happens when indebtedness finances poorly targeted subsidies or unproductive current expenditure.

Investing in health, education, and high-yield infrastructure projects that also help steer the economy toward less carbon dependence can further those goals.

Research spending can facilitate innovation and technology adoption, the main catalysts for long-term productivity growth.

On the other hand, establishing mechanisms to preserve critical social spending can guarantee the protection of the most vulnerable groups and, at the same time, promote activity in the short term, since disbursements will go to groups with a greater propensity to spend their disposable income. than wealthier people. In all cases, adherence to the strictest rules on debt transparency will be essential to avoid refinancing difficulties and an increase in sovereign risk premiums that make borrowing more expensive throughout the economy.

Since shock is universal and risks are common to all countries, multilateral efforts are needed

to fight the health and economic crisis.

A critical priority is to fund advance international purchase commitments for vaccines currently in the clinical trial stage, to incentivize rapid expansion of production and international distribution of doses at affordable prices (for example, promoting multilateral initiatives development and manufacturing of vaccines, such as the Coalition for Innovations in Preparedness for Epidemics and the GAVI Alliance).

This is particularly important in view of the uncertainty and the risk of failure in the search for effective and safe vaccines. A related priority is assisting countries with limited health care capacity.

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Governments should do everything possible to fight

the health crisis and mitigate the deep slowdown, while remaining prepared to adjust economic policy strategy as the pandemic and its impact on activity evolve.

If the fiscal rules limit the room for maneuver, it would be justified to suspend them provisionally, committing at the same time to follow a gradual path of consolidation once the crisis is over in order to restore compliance with the rules in the medium term.

A margin of maneuver for immediate spending needs could be created by prioritizing the measures launched against the crisis and cutting unproductive and poorly targeted subsidies.

Extending the maturities of the public debt and ensuring low interest rates as far as possible would help reduce debt service and free up resources that could be redirected towards mitigating the crisis.

While it will be difficult to adopt new tax revenue measures during the crisis, governments may need to consider increasing the progressive taxes applied to the wealthiest individuals and those relatively less affected by the crisis (for example, by raising rates current tax rates for higher income categories, more expensive properties, capital gains and wealth), as well as the possibility of modifying the taxation of companies to ensure that they pay taxes in line with their profits.

Countries should also cooperate with the design of international corporate taxation to respond to the challenges of the digital economy. As the pandemic continues to spread, all countries - including those in which infections appear to have peaked - must ensure that their health systems can absorb increased demand. This means having adequate resources and prioritizing health spending as needed, including screening tests, contact tracing, personal protective equipment, life-saving equipment such as respirators, and facilities, such as emergency rooms, units

intensive care and isolation wards. Countries where infections continue to rise must contain the pandemic with mitigation measures that slow transmission.

As Chapter 2 shows, lockdowns work in reducing infections. Mitigation measures, a much-needed investment in public health, pave the way for economic recovery after the slowdown caused by mobility constraints.

In such cases, economic policy should limit the damage by cushioning the income losses of affected individuals and companies, while supporting the reallocation of resources, away from the sectors where contact is intensive and which are more likely to be affected. being restricted for an extended period.

Career reorientation and the acquisition of new skills are initiatives that should be carried out to the extent possible, so that workers can seek employment in other sectors. As the transition could take time, displaced workers will need prolonged income support as they prepare for work and seek other positions.

As a complement to these measures, an accommodative and generalized monetary and fiscal response - provided there is fiscal space - can help avoid a deeper and longer slowdown, even if initially mobility restrictions prevent stimulating spending.

As countries reopen, policies should underpin the recovery by gradually eliminating targeted support, facilitating the reallocation of workers and resources to sectors less affected by social distancing, and, to the extent possible, generating stimulus where needed .

Some of the fiscal resources released by this targeted support should be redirected towards public investment; for example, in sustainable energy, improving the efficiency of electricity transmission and refurbishing buildings to reduce their carbon footprint.

In addition, as lifelines are withdrawn, social spending should be expanded to protect the most vulnerable population when there are gaps in the safety net.

In such cases, the authorities could improve sick leave and family care, expand access to unemployment insurance and strengthen coverage of health benefits as necessary. When inflation expectations are anchored, accommodative monetary policy can ease the transition by containing borrowing costs.

Beyond the pandemic, international cooperation is needed to defuse trade and technological tensions between countries and address the shortcomings - for example, in trade in services - of the rules-based multilateral trading system. Countries must also act collectively to implement climate change mitigation commitments.

As Chapter 3 explains, joint action - especially by the largest emitters - combining a sustained rise in carbon prices with measures to boost green investment is a necessary step to reduce emissions, in line with limiting the rise in global temperature to the targets of the 2015 Paris Agreement.

A mitigation plan that is widely adopted and promotes growth could stimulate international activity through investment in green infrastructure in the short term, with little cost to output in the medium term, as economies reorient from the fossil fuels towards cleaner technologies.

Compared to inaction, such a plan would significantly improve revenues in the second half of the century, avoiding damage and catastrophic risks caused by climate change.

Furthermore, the health situation would start to improve immediately in many countries thanks to the reduction of local air pollution. The international

community should also take urgent action to strengthen defenses against dire health crises; for example, by increasing stocks of protective equipment and essential medical supplies, funding research, and ensuring that countries with limited health capacity receive adequate and uninterrupted assistance, including through support from international agencies.

Regional Economic Outlook: Europe

Europe: Economic Policy Measures in Response to COVID-19

The COVID-19 pandemic has serious social and economic consequences for Europe. Since the start of the pandemic and until mid-October 2020, more than 240,000 people have lost their lives in Europe, and it is estimated that almost 7 million people have been infected with the virus. The early spring lockdowns, voluntary social distancing, and associated disruptions in supply chains, and shrinking demand led to an unprecedented collapse in economic activity. Real GDP declined by approximately 40% in the second quarter of 2020 (annualized quarter-on-quarter), with a deeper contraction observed in the advanced economies of Europe, where the virus spread first, compared to the emerging economies of Europe.

The cost of the pandemic in Europe could have been much higher if the unprecedented strong and multifaceted response to the crisis had not occurred. Across Europe, governments rolled out major tax programs to support households and businesses, and job retention programs preserved at least 54 million jobs. Central banks undertook substantial monetary expansion, through conventional and unconventional means, to support the flow of credit and avoid disturbances in financial markets. Macroprudential measures were also relaxed in order to cushion the impact of the crisis on banks and borrowers. The European Union relaxed existing rules to deal with rising fiscal deficits and

support households and businesses. In an important show of solidarity, it is also mobilizing supranational resources to finance new mechanisms against the pandemic and complement national fiscal policies..

However, the outlook for 2020 remains bleak and the recovery will be long and uneven. The European economy is projected to contract by 7% in 2020 and rebound by 4.7% in 2021. The headline inflation level is projected to decline to 2% in 2020 - 1 percentage point below its 2019 level - and will subsequently increase to 2.4% in 2021.

The prospects are exceptionally uncertain. The current outbreak of infections across Europe is perhaps the biggest downside risk at the moment. A no-deal Brexit would also imply an additional and possibly considerable shock to activity amid the pandemic.

A key challenge for economic authorities in the short term will be to gauge the speed and scope of the de-escalation in order to minimize immediate social and economic damage. It will be imperative to maintain supportive policies until the recovery is fully entrenched. A premature withdrawal of supportive policies could push countries back into recession, reversing much of what has been achieved so far. Support for viable businesses and jobs should be maintained, for example through job retention programs. The continuation of an accommodative monetary policy is justified by the moderate inflation outlook and the considerable idle capacity in the economy. Banking supervisory authorities must continue to act with prudential flexibility so as not to compromise the flow of credit.

Chapter 2 analyzes how differences in de-escalation policies between European countries influenced economic activity and subsequent infections. In countries that began to reopen early on the infection curve or that opened all sectors at a rapid pace in a relatively short period, reopening is associated

with a larger wave of infections. However, the recent increase in infections has been associated with lower mortality rates than in the first wave.

Chapter 3 attempts to quantify the possible impact of the coronavirus crisis on the liquidity and solvency risks of companies in Europe and examines the extent to which the announced policies could mitigate these risks in 2020. The combination of programs of Job retention, debt moratoriums, grants and loan guarantees can be effective in meeting the liquidity needs of companies, especially in advanced economies in Europe. At the same time, the ability of the announced policy measures to limit the increase in solvency risks appears to be more limited. The chapter concludes that careful calibration of policies will be needed to better support companies that are considered viable in the long term and facilitate the orderly exit of companies that are unlikely to be successful in the post-pandemic economy.

Policies must also address medium-term challenges as economies move from recession to recovery. This crisis has compounded pre-existing challenges and created new ones. Pre-pandemic challenges include low productivity growth, climate change, the digital transition, an aging population, and rising inequality. In addition, the crisis caused damage to potential supply, an increase in debt and a decline in the accumulation of human capital. It is imperative that policies address all of these challenges, thereby facilitating recovery, reducing the scars of the crisis in the medium term and helping Europe transform into a more resilient, green and smarter economy in the post-pandemic future. *L&E*



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THE ILO AND IOM SIGN AN AGREEMENT TO STRENGTHEN THEIR COLLABORATION ON MIGRATION GOVERNANCE

Source: ILO

The International Labor Organization (ILO) and the International Organization for Migration (IOM) signed an agreement to establish a framework of cooperation and collaboration with the aim of increasing the benefits of migration for all.

The framework includes joint support to improve migration governance, capacity building and policy coherence at the national, regional and global levels. In addition, other areas of work could be developed.

The agreement was signed by Guy Ryder, Director General of the ILO, and António Vitorino, Director General of the IOM, on Friday 23 October at the ILO headquarters in Geneva.

At the end of the agreement signing ceremony, Guy Ryder stated: "This agreement establishes an important

alliance between our two organizations. Together, we will be stronger and more effective both to fulfill our respective mandates and to collaborate in areas that are crucial to reshaping the world of work, in a way that is more inclusive, equitable and sustainable".

"The COVID-19 pandemic has a huge impact on economies and societies. Vulnerable groups, especially migrant workers and their families, are being disproportionately affected. There could not be a better time to deepen our partnership and join forces so that we can help countries and our constituents rebuild a better future," added Guy Ryder.

"The agreement we signed today will help us to further consolidate our collaboration at a time when joint solutions are so necessary, with a pandemic that particularly affects the most vulnerable. As we move

toward post-pandemic recovery, we fully support the call to rebuild a better world together, leveraging the added value of each partner. Together with the ILO, we can create many things and we look forward to developing close cooperation with the broader United Nations family, and with our partner governments, the private sector and civil society", declared António Vitorino.

This new ILO-IOM agreement is based on the comparative advantages of the two agencies, their technical capacity and their respective constituents. By promoting joint initiatives, the agreement aims to strengthen the governance of international migration and encourage cooperation, capacity building, as well as joint activities to promote migrants' rights and decent work opportunities.

The promotion of social dialogue will allow workers 'and employers' organizations - which have the same participation as governments in the tripartite structure of the ILO - to contribute to policy discussions.

Over the next six months, a work plan will be drawn up to promote collaboration at the global, regional. This agreement will seek to increase the agencies' joint contribution to their member states, United Nations country teams and societies in order to achieve the 2030 Sustainable Development Agenda goals.

In addition, it will allow the ILO and IOM to strengthen support to their respective members in the implementation of the Global Compact for Safe, Orderly and Regular Migration and to participate in other debates and forums on regional and global migration policies. At country levels and, above all, facilitate the implementation of the agreement on the ground where both agencies work directly with the affected populations. *L&E*

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Environmental Capsule

IF WE PROTECT NATURE AND ITS BIODIVERSITY, WE PROTECT OUR HEALTH

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The term biodiversity reflects the quantity, variety and variability of living organisms. It includes diversity within species, between species, and between ecosystems.

The concept also encompasses the way this diversity changes from place to place and over time. Indicators such as the number of species in a given area can help to track certain aspects of biodiversity. Biodiversity is everywhere, both on land and in water. It includes all organisms, from microscopic bacteria to the most complex plants and animals.

Biodiversity plays an important role in the functioning of ecosystems and the many services they provide. These include nutrient cycling and water cycling, soil formation and retention, resistance to invasive species, pollination of plants, climate regulation,

pest control, and pollution. In the case of ecosystem services, what matters is not only the number of species present but also which species are abundant.

Climate change, deforestation, the destruction of habitats, the trafficking of species, intensive agriculture or the overexploitation of the seas have altered the balance of ecosystems, and this loss of biodiversity will have serious consequences for humanity.

The National Association for the Conservation of Nature (ANCON) in its publication of Sustainability Report 2019 emphasizes the appearance of COVID-19 and its high level of contagion among other issues and in turn reminds us that it is time to take it seriously the commitment we have with the planet since conserving nature and its biodiversity is the best vaccine against pandemics and so many

diseases linked to pollution and loss of habitats.

Our permanence on the planet depends on the conservation of biodiversity. Diseases such as COVID-19 represent more than 60% of the infectious human diseases currently known as other coronaviruses, the severe acute respiratory syndrome that was transmitted from civet cats, the Middle Eastern respiratory syndrome that was transmitted from camels, the Ebola and Avian Flu among many others.

Panama is home to approximately 3.4% of the world's amphibian species, 2.3% of its reptile species, 9% of known bird species, and 4.8% of mammal species. In Panama alone, a total of 220 species of freshwater fish and 1,157 species of marine fish have been identified. It is also among the top 25 countries in the world in terms of diversity of flowering plant species. In the territory 10,444 species of plants are known (3.3% of the world diversity).

Panama is a small country that maintains a reservoir of significant biodiversity for the Planet and the human species.

With the support of all, ANCON will be able to continue its work and thus contribute to the conservation of our country's biodiversity and thereby ensure that the new normal includes more sustainable development models that preserve what we have, that promote restoration of degraded ecosystems, sustainable management of waste and residues and responsible consumption, innovations in conservation with more research and above all of making alliances.

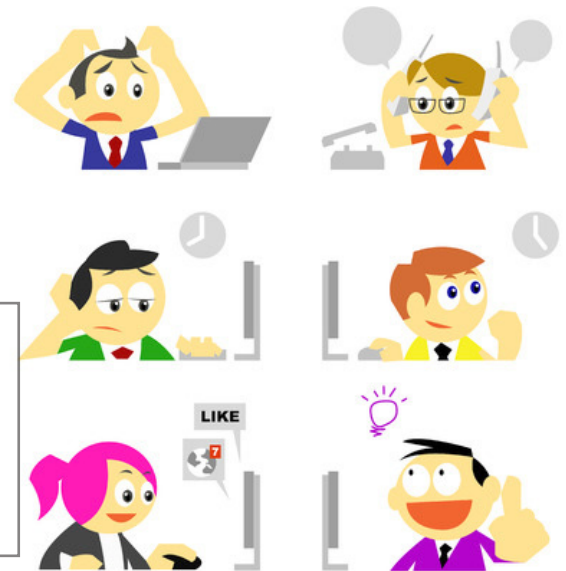
Currently the National Association for the Conservation of Nature maintains more than 15 current initiatives that depend on resources to be able to continue carrying them out, among which are mentioned the conservation of the Punta Patiño Private Natural

Reserve, the Perresénico Farm (both with eagles nests harpía, the national bird of Panama), initiatives such as the Alliance for the Million to restore 1,000,000 hectares of degraded soils in Panama, the restoration of the Escárrea river basin, the days of beach cleaning to raise awareness, recycling programs : Recicla por tu Futuro, Integral Waste Management of Isla Taboga and in the Environment, the establishment of a botanical garden with native species, the restoration of mangroves, the execution of a conversion project to silvopastoral systems in our biodiversity focus Darién, the support to the Sustainable Finance Working Group, the environmental education program for students with the MEDUCA, participation in the review and proposal of environmental regulations, the development of various environmental awareness campaigns and the # LessPlástico campaign for Panama.

ANCON firmly believes that conserving nature and biodiversity, curbing the extinction of species, maintaining the integrity of natural systems, ending illegal trafficking and consumption of wild animals, mitigating climate change, changing the current production and consumption model. and, assuming that our health and well-being depend directly on the health of the Planet, is the fundamental direction to avoid future pandemics.

With the pandemic that we have lived through due to COVID-19, we can realize that if we took the right measures with our planet we could have less air pollution, reduce climate change, healthier drinking water systems and cleaner streets.

We must work together on the importance of reflecting on how we can "better rebuild (the new normal)" to protect our forests and promote the restoration of areas of importance for the conservation of biodiversity and sensitize the community to promote a culture of respect and love for the environment. *L&E*



The Current

ORGANIZATIONAL BEHAVIOR

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I wanted to share this topic with you since it seems to me that it is very important to remind you about how the work environment should be within the organization and I think that with this I can help you improve it..

First of all, let's define concept "Organizational Behavior": According to Idalberto Chiavenato (Brazilian Writer) Organizational behavior refers to the study of people and groups that act in organizations. It deals with the influence that all of them have on organizations and the influence that organizations have on them".

This focuses on the observable behaviors of collaborators individually or in groups, such as absenteeism, turnover, productivity, among others. This also includes very important topics such as motivation, the behavior of the leaders and above all communication.

The objectives of organizational behavior improve quality of productivity and the services provided

within the organization, also prepare staff to make decisions that are low level, that is, they do not require approval of a manager or boss.

Other objectives is to understand how people behave within the organization. How do they do it? Why do they do it? Not only to detect, but clearly understand why they do it, in order to predict the future behavior of the collaborator.

Why is organizational behavior important?

It is said that the Human Resource is the most valuable resource that exists within organizations in the same way we must catalog organizational behavior, since it is of the utmost importance that managers or directors who are in charge of the well-being of employees and the company,

know all the relationships that affect a work team.

People in the organization are a vital element of it, for which they require extraordinary treatment as human beings with needs, interests and experiences. They must be taken into account to produce motivations that lead to the achievement of organizational objectives.

Organizational behavior lies in the following 10 points:

1. It helps to predict what people will do within companies.

2. Study how to predict the behavior of individuals and groups.

3. Seeks effective results through the study of individuals, groups and the structure of the company.

4. Has good skills in dealing with people.

5. Includes the ability to understand employees.

6. Is fed back with the results of organizational behavior.

7. Has knowledge of the abilities of individuals and groups to work with greater efficiency and productivity.

8. It is a basic requirement to be able to be successful in running a business.

9. Replace intuition with systematic study.

10. Seeks to adapt human resources with cutting-edge technology.

They can be classified into four areas:

People and groups: the people who work in a company are part of the internal social system, which is made up of individuals and groups large and small. There are informal or unofficial groups, as well as formal and official groups.

The workforce is made up of very diverse people, with different levels of education, culture, knowledge, and skills. Employers are recommended to be prepared to face situations in which some people try to impose their way of working, setting aside their commitment to the company.

Human groups are characterized by their dynamism: they form, change and disintegrate.

Structure: in every company people are related in a structured way so that their work can be coordinated effectively. The absence of structure would generate chaos, in addition to serious problems of cooperation, negotiation and decision-making within the organization.



Technology: the main contribution of technology is the increase in worker productivity. Likewise, it influences the tasks that people perform and significantly affects labor relations. So much so that construction workers in a building are not related in the same way as those in a casino.

Environment: every company works in a context of an internal and an external environment; and it is part of a larger system that includes many other elements such as the government, state institutions, the private sector, families, etc..

The main idea of observing organizational behavior is that it allows the organization to make decisions that lead to greater efficiency on the part of its members. Now, this is not an easy task, this takes a constant process of investigation and observation.

As I had already mentioned previously, there are parameters to meet to carry out a complete analysis of organizational behavior, which focus on indicators:

- absenteeism;
- time for the execution of tasks;
- human failures;
- quality and quantity of production;
- degree of productivity.

The theory of variables of organizational behavior consists of 3 levels: organizational, group and individual, which in turn are influenced by the environment.

The individual level has certain beliefs or principles, such as:

- people have different needs and are always looking to satisfy them;
- man has limited response capacity;
- man perceives and evaluates;
- people think ahead and choose how to behave.

Regarding the group level, it is segmented into formal groups, made up of command, task and temporary teams, and informal groups, made up of interest and friendship groups.

Finally, the organizational level assesses companies and institutions as a group, which integrates different activities and efforts with common objectives.

These are some of the most important and relevant elements of organizational behavior, which is a fundamental concept to promote human development in organizations.

Do you want to know a little more? In the next issue I will be expanding a little more on the subject.

To be continue...*L&E*



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