

WAVERLEY GATEWAY GUIDE

Connecting International Capital with Emerging & Frontier Markets

PANAMA

America Central

Dialogue | Trust | Partnership

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WHERE AND HOW TO ENTER

KEY INVESTMENT LOCATIONS

Location / Region	Strategic Importance	Priority Sectors
Panama City	The country's financial, banking and corporate capital, home to a leading international banking center	Financial services, corporate headquarters, international banking
Colón Free Zone	The hemisphere's largest duty-free re-export zone, closing 2025 with \$27.886 billion in cumulative trade	Trade, re-export logistics, distribution
Panama Canal / Balboa and Cristóbal port terminals	The world's premier interoceanic canal and its adjoining port terminals, currently mid-transition in ownership following the CK Hutchison concession dispute	Port and canal logistics, global shipping infrastructure
Tocumen International Airport corridor	Latin America's leading aviation hub, anchoring regional air-cargo and passenger connectivity	Aviation logistics, air-cargo, regional hub operations
Panama Pacífico (former Howard Air Force Base)	Established special economic zone offering manufacturing, logistics and office space near the canal's Pacific entrance	Manufacturing, logistics, special-economic-zone investment
Bocas del Toro / Boquete (western Panama)	Established tourism and lifestyle-real-estate corridor popular with international retirees and visitors	Tourism, hospitality, residential real estate
Darién / Panama-Colombia border region	Migration and security corridor along the Darién Gap, with elevated operational and security risk	Limited near-term investment; border security and logistics only

INVESTOR ENTRY ROUTES

- Trade and logistics investment in the Colón Free Zone, riding \$27.886 billion in 2025 trade and a new 280-hectare "New Field" expansion near Enrique A. Jiménez Airport
- Canal-port-linked logistics investment, pending the approval of a \$19 billion BlackRock-led consortium acquisition of the Balboa and Cristóbal terminals from CK Hutchison
- Trade and distribution investment benefiting from Panama's distinct US tariff exclusion, a competitive advantage versus regional peers
- Manufacturing and logistics investment in the Panama Pacífico special economic zone near the canal's Pacific entrance
- International banking and financial-services investment in Panama City, subject to current AML and beneficial-ownership compliance standards
- Tourism and residential real estate investment in the Bocas del Toro/Boquete corridor

MARKET-ENTRY OBSERVATION

Panama's flagship logistics franchises remain genuinely strong: the Colón Free Zone closed 2025 with \$27.886 billion in cumulative trade, boosted by Middle East conflicts rerouting global trade and by a new US tariff exclusion specific to Panama, while new investment project announcements rose 57% to \$982 million, led by logistics and distribution projects. The long-running US-China

standoff over CK Hutchison's canal-port concessions also appears headed toward resolution: a pending \$19 billion BlackRock-led consortium deal would acquire 80% of Hutchison's 43-port global network and 90% of the Balboa and Cristóbal terminals at the Panama Canal, materially reducing China's footprint in the canal ecosystem and likely easing US political pressure on Panama.

Two risks remain genuinely live, however. Headline FDI collapsed 55% in 2025 to \$938 million - reversing three consecutive years above \$2 billion - driven by an 80.1% drop in reinvested earnings and a 47.8% drop in intercompany loans, prompting rating-agency warnings about investor confidence. More structurally, Panama's sovereignty over the Canal itself became a live US-China proxy battleground: President Trump has repeatedly threatened to "take back" the canal since his January 2025 inaugural address, Panama lodged a formal complaint with the United Nations, a Panamanian court scrapped Hutchison's port concession, and the government briefly occupied two Hutchison-run canal ports in February 2026. Panama has since agreed to exit China's Belt and Road Initiative and "reduce the problematic Chinese presence," alongside a new security-cooperation pact granting US forces training and rotational access - an arrangement domestic opposition has criticized as a "camouflaged invasion."

INVESTOR RISK & MARKET ACCESS

KEY ENTRY BARRIERS

Issue	Potential Impact	Possible Mitigation
US-China canal-sovereignty proxy dispute	The Canal and port-concession standoff has become a live geopolitical flashpoint, with real risk of further sudden government action on canal- or port-linked concessions	Monitor the BlackRock-led consortium's acquisition approval and canal-sovereignty statements closely before committing to canal-adjacent assets
Sharp FDI headline collapse	2025 FDI fell 55% to \$938 million, reversing three years above \$2 billion annually, driven by falling reinvested earnings and intercompany loans, with rating agencies warning of investor-confidence risk	Evaluate new-project announcement data (+57% to \$982 million) separately from the aggregate FDI headline
Controversial new US security-cooperation pact	A security pact granting US forces training and rotational access, alongside Panama's commitment to exit the Belt and Road Initiative, has drawn domestic opposition criticism as a "camouflaged invasion"	Monitor opposition and legislative reaction to the pact before entering government-linked ventures
Post-concession port-ownership uncertainty	The pending \$19 billion BlackRock-led consortium acquisition of the Balboa/Cristóbal terminals still requires Panamanian government approval and is not yet closed	Track the deal's approval timeline before underwriting canal-port-linked logistics investment
Migration and security pressure in the Darién region	The Darién Gap border corridor with Colombia remains a significant irregular-migration route, straining security resources	Avoid operations in the Darién corridor pending further stabilization
International banking compliance scrutiny	Panama's offshore financial-services sector continues to face international compliance and reputational scrutiny following historic leaks such as the Panama Papers	Ensure full compliance with current AML and beneficial-ownership standards before financial-services entry
China-exposure unwind risk for the Colón Free Zone	China accounts for 40% of the Free Zone's imports, so a broader reduction in Panama's China footprint could affect zone trade composition	Diversify Free Zone trade partnerships beyond China-sourced goods where possible

INVESTOR RISK NOTE

Waverley views Panama's Canal and Free Zone franchises as genuinely world-class logistics assets now sitting at the center of a live US-China geopolitical contest. The pending port-ownership resolution via the BlackRock-led consortium is a real positive signal, but investors should track both the FDI headline reversal and the sovereignty/security-pact political controversy closely rather than assume the current calm is settled.

MARKET ACCESS

Panama offers a US dollar-based economy (the balboa is pegged 1:1 to the US dollar), the Panama Canal as an irreplaceable global trade chokepoint, the Colón Free Zone's duty-free re-export regime, and a distinct, currently-held US tariff exclusion that sets Panama apart from regional peers.

WHO SHOULD THE INVESTOR MEET?

INSTITUTIONAL LANDSCAPE

Actor	Why It Matters	Waverley Engagement Angle
Panama Canal Authority (ACP)	Manages canal operations and sits at the center of the ongoing US-China sovereignty dispute	Primary point of engagement for canal-linked infrastructure and logistics investment
Colón Free Zone Administration / Ministry of Commerce and Industry	Administers the Free Zone's duty-free re-export regime and the new "New Field" expansion	First point of contact for Free Zone trade and logistics incorporation
National Maritime Authority	Now administering the formerly Hutchison-run canal ports pending the BlackRock-led consortium's acquisition approval	Engage for updates on canal-port ownership and operational transition
Ministry of Economy and Finance (MEF)	Publishes FDI and macroeconomic data and engages with credit-rating agencies	Primary source for verifying current investment-climate data
Office of the Presidency (Mulino administration)	Leads canal-sovereignty negotiations and the new US security-cooperation pact	Monitor for developments on both the sovereignty dispute and the security pact's political reception
Superintendency of Banks / Panamanian Banking Association	Oversees the international banking sector's AML and compliance standing	Engage for financial-services licensing and compliance requirements
US Embassy / Southern Command (security-cooperation counterpart)	Counterpart to the new training and rotational-access security agreement	Relevant for monitoring the pact's implementation and domestic political reaction

CURRENT INTERNATIONAL BUSINESS CHANNELS

Most inbound capital flows through Colón Free Zone Administration-facilitated trade and logistics incorporation, direct engagement with the Panama Canal Authority and (pending approval) the BlackRock-led consortium for port-linked logistics investment, Ministry of Commerce facilitation for Panama Pacífico special economic zone entry, and Superintendency of Banks-regulated channels for financial-services investment.

INVESTOR PROFILE BEST SUITED

Best suited to trade and logistics investors targeting the Colón Free Zone and canal-port ecosystem; financial-services firms operating within current AML and compliance standards; Panama Pacífico manufacturing and logistics investors; and tourism/real estate investors in the Bocas del Toro/Boquete corridor - all best suited to investors comfortable monitoring a live US-China sovereignty dispute.

FROM INTELLIGENCE TO ENGAGEMENT

STEP 1: Confirm sector and corridor fit

Decide between Colón Free Zone trade/logistics, canal-port-linked logistics, Panama Pacífico manufacturing, or tourism/real estate investment.

STEP 2: Engage the Colón Free Zone Administration or Ministry of Commerce

Confirm incentive eligibility and registration requirements before committing capital.

STEP 3: Track the port-acquisition and sovereignty dispute

Monitor the BlackRock-led consortium's acquisition approval and canal-sovereignty developments before any canal-adjacent commitment.

STEP 4: Monitor the US security-cooperation pact's reception

Track opposition and legislative reaction to the new security pact before entering government-linked projects.

STEP 5: Ensure financial-services compliance

Confirm full AML and beneficial-ownership compliance before any international banking or financial-services entry.

WAVERLEY'S ROLE

- Track the BlackRock-led consortium's acquisition of the Balboa/Cristóbal terminals and broader US-China canal-sovereignty developments
- Monitor FDI trend data and rating-agency commentary on Panama's investment climate
- Coordinate introductions to the Colón Free Zone Administration, the ACP and the Ministry of Commerce for sector-specific entry
- Screen Free Zone trade/logistics, Panama Pacífico manufacturing and tourism opportunities against current incentive and geopolitical-risk data

INVESTOR CALL TO ACTION

Waverley Gateway positions investors to capture Panama's world-class canal and Free Zone logistics franchises while explicitly tracking the live US-China sovereignty dispute and the new security pact's political reception - engage now to secure positioning ahead of the port-ownership transition's resolution.

Sector and corridor screening -> Geopolitical and compliance due diligence -> Institutional introductions -> Structured entry

WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE

Near-term opportunities concentrate in Colón Free Zone trade and logistics expansion (including the New Field project), canal-port-linked logistics investment pending the BlackRock-led consortium's acquisition close, Panama Pacífico manufacturing and logistics, and Bocas del Toro/Boquete tourism and real estate.

POSITIONING

Panama offers genuinely world-class canal and Free Zone logistics franchises, reinforced by a distinct US tariff exclusion and a pending ownership resolution that would reduce China's footprint in the canal-port ecosystem.

That franchise sits inside a live US-China geopolitical contest over canal sovereignty, a sharp FDI headline reversal, and a politically controversial new US security pact. Waverley frames Panama as a top-tier logistics hub best entered with active monitoring of the sovereignty dispute and security-pact political reception, rather than a static read of its historic stability.

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