

INDIA-PANAMA BILATERAL BRIEF

Political

India-Panama relations are the oldest in the Central American region dating back to the middle of the 19th Century when groups of Indians came to Panama to work on the construction of Panama Railways and later the Panama Canal in the early 20th Century. The diplomatic relations between India and Panama were established in 1962. Panama has a Resident Mission in New Delhi and had in 2018 designated a new position of Consul General, Mumbai. India enjoys warm and cordial political relations with Panama.

2. Our bilateral relations further strengthened due to the high-profile visit of Hon'ble Vice President of India (HVP), Shri M Venkaiah Naidu to Panama from 8 - 10 May 2018. The visit of Minister of State, Smt. Meenakshi Lekhi in April 2022 added to the warmth of relations. Secretary (East) co-chaired the second India-Panama Foreign Office Consultations in Panama in November 2022. Foreign Minister Janiana Tewaney visited India in January 2023 to attend Parvasi Bhartiya Diwas in Indore. She also attended Global Investors Summit in Indore and participated in Voice of Global South virtually. An agreement on training diplomats was signed between External Affairs Minister(EAM) and Foreign Minister of Panama in January 2023. EAM visited Panama in April on 24-25, 2023. During his visit, he interacted with Foreign Minister Janaina Tewaney and met President Laurentino Cortizo. Both sides expressed desire to enhance the relations especially in the economic sphere.

Economic

3. Given its strategic location, and close cultural and political linkages with Latin American countries, Panama could be a useful hub for India to base its economic and business outreach efforts in Latin America. Panama also hosts a very influential international offshore and onshore banking services center. There are about 70 international and national banks based in Panama with a very efficient and active financial services market that could be utilized increasingly by Indian companies. The US Dollar is accepted in the economy as an advantage.

4. India-Panama trade in 2022-23 was US\$ 597.91 million (Exports to Panama, US\$ 314.56 million and Imports from Panama, US\$ 283.35 million). The main items of India's exports to Panama consist of minerals, Apparel & textiles, pharmaceuticals, miscellaneous manufactured articles, manmade fibers & filaments, electrical and electronic equipment, soap & washing preparations, medical/surgical instruments, and accessories, etc. The Main items imported from Panama include iron & steel, teak and other wood pulp, aluminum & articles thereof, mineral fuels, oils & waxes; mineral products, hides & skins, leather, etc.

5. Panamanian economy continues to be mainly a services sector-oriented economy that heavily relies on the Panama Canal; tourism inflows, banking transactions undertaken by the massive banking, and extensive re-export of commercial merchandise undertaken by various companies located in Panama's Colon Free Trade Zone.

6. While bilateral trade between both countries continues to be in the range of US\$600 million, there are promising prospects for stepping up Indian exports in areas such as pharmaceuticals and engineering items. Panama is also very keen to benefit from India's expertise in IT and software.

Culture

7. **Sri Sri Ravi Shankar**, the founder of the Art of Living Foundation last visited Panama in 2018. He was presented with a parchment as a "distinguished guest of the Province of Panama" for his quality as a humanitarian leader and peace ambassador. He visited Panama again in August 2019 when he addressed and interacted with a large cross-section of Panamanian society.

8. **Nobel Peace Prize Laureate Shri Kailash Satyarthi** visited Panama in February 2017, at the invitation of the First Lady of Panama, who had visited India in Dec 2016 for participation in the "Laureates and Leaders for Children: Summit 2016.

9. **Yoga:** Yoga is very popular and there is a demand for yoga teachers. International Day of Yoga is celebrated annually at prestigious venues supported

by the First Lady, Mayor of Panama, National Cultural institute, Ministry of Culture, and Ministry of External Relations. In 2022, the event was telecast live by the Ministry including from Panama.

Capacity Building

10. India Technical and Economic Cooperation (ITEC): Under India-SICA cooperation, India set up an IT Centre of Excellence in the City of Knowledge in August 2006 and after operating it successfully for about two years, it was handed over to the Panamanian authorities in July 2008. The IT Centre was later upgraded in 2015 at the request of Panamanian authorities. Four Indian APTECH Experts trained 25 Panamanian trainers under a three-month program. Panama has been allocated 25 slots under ITEC scholarships this year.

11. In 2020, the Government of India donated a medical aid package for Covid-related medical assistance to Panama, consisting of 1,10,000 HCQL tablets and other medicines and medical supplies, and the consignment of medicines was delivered to the Ministry of Health of Panama in June-July, 2020.

Indian Community

12. Panama's Indian community originates from Punjab, Gujarat, and Sindh (now a part of Pakistan). Around 15,000 PIOs and NRIs (mostly Gujaratis and Sindhis) live in Panama. There are several places of Indian worship in Panama – a Hindu Temple, a Gurudwara, two Mosques in Panama City, and another Hindu Temple in Colon. The Sindhi community is mostly engaged in wholesale/retail trade and the Gujarati community is in the micro-credit business. The community has contributed to Panamanian society. In January 2021, the National Assembly passed a law creating National Council for Indian ethnicity to advise the Government. The Committee has been constituted in August 2023.

October 2023

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