

Panama Best Place to Do Business in Latin America

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This article is from the Panama Realtor newsletter. Roberto According to the Latin Business Chronicle's annual Latin Business Index (released this week), Panama is the number one country in the region for doing business. Last year, Panama just barely missed nabbing the number one spot on the index—it went to Chile, which swapped places with Panama to rank second this year.

With Panama and Chile attaining scores of 17.63 and 17.61, respectively, Uruguay rounded out the top three this year with a score of 16.3. Venezuela retained the dubious distinction of worst business climate in Latin America with a score of 1.4 (second-worst country, Haiti, has a much higher score of 7.8).

Panama gained the top spot thanks to improvements in a variety of categories, including: doing business, economic freedom, competitiveness and technology. The improvements helped offset Panama's lower GDP score compared to last year.

The index covers 19 countries and is the broadest measure of business climate in Latin America. The index considers data beyond GDP, taking into account considerations such as political freedom, ease of starting a business and corporate tax rates. In the globalization and competitiveness category, for example, Panama moved up from second place last year to knock Costa Rica out of the top spot.

A recent LBC article detailing the report says: "Panama is now the only country that is among the top five in all our five main categories." In addition to this ranking, Panama continues to be the most globalized country in the region, as per the LBC's Latin Globalization Index.

This year, Panama also moved up six spots on The World Bank's Doing Business survey to 77th place worldwide. Panama ranked number one in the Latin America/Caribbean region in the survey's Trading Across Borders category, and number three in the Getting Credit and Starting a Business categories. Per the World Bank, Panama made progress in property registration and construction permit transactions. "A smart move, since much of Panama's recent growth and expected future growth will come from real estate and construction," says the Latin Business Chronicle.

Factors contributing to economic growth in Panama include the \$5.2 billion [Panama Canal](#) expansion mega-project and Panama's fast-growing shipping sector.

[Panama Pacifico](#)

, one of the largest real estate projects in the world today, is luring multinationals like Dell and Caterpillar into setting up regional headquarters in Panama. The tiny Central American nation also boasts the

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, where NGOs such as UNICEF have regional headquarters, as well as the world's top shipping registry, the world's second-largest free zone (after Hong Kong), and the region's largest international banking district.