Panama reduced its debt more than other countries in the region, despite a declining share of government revenues relative to its GDP

Between 2007 and 2014, public debt decreased by 12.9 percentage points to 37.1% of GDP. This was the largest reduction in the LAC region, which showed an average increase of 4.2 percentage points (from 46.2% to 50.4%) during the same period. Panama achieved such a reduction despite a diminishing share of government revenues, from 26.2% of GDP in 2007 to 20.5% in 2014 while maintaining public spending constant around 23% of GDP. The Panamanian economy expanded rapidly, and the structural balance reported surpluses until the end of 2011. High rates of economic growth in Panama were triggered by the prioritization and development of four key economic sectors: logistics, tourism, agriculture and financial services.

Panama actively supports small businesses through public procurement, and measures the results of this policy

Panama has policies to support procurement from micro, small and medium-sized enterprises (MSMEs), green procurement and to promote procurement of innovative goods and services. Of the 21 LAC countries that support procurement from MSMEs, Panama is among those few countries that assess the results of their strategy.

While Panama has introduced initiatives related to open government, it is one of the few LAC countries without an open government data portal

Along with most LAC countries, Panama has launched a national policy on open government. It has taken steps to increase transparency, guarantee accessibility of government services and information, and ensure responsiveness to new ideas, demands and needs. However, there is room for further progress, since Panama is among the few LAC countries that have not yet established a single point of access (open data portal) to the range of government datasets. Establishing an open data portal is a key condition for achieving high levels of transparency and ensuring effective citizen engagement.
GOVERNMENT INPUTS: FINANCIAL AND HUMAN RESOURCES

Public Finance and Economics

Government revenues (2014, 2015) % of GDP

- Panama: 20.4% (2015), 28.6% (2014)
- LAC average: 20.5% (2014)
- OECD average: 23.2% (2015), 23.6% (2014)

Government expenditures (2014, 2015) % of GDP

- Panama: 23.2% (2015), 33.1% (2014)
- LAC average: 23.6% (2014)
- OECD average: n.a., 2.6%

Government investment (2014) % of GDP

- Panama: 5.0%
- LAC average: 4.0%
- OECD average: n.a.

Government gross debt (2014, 2015) % of GDP

- Panama: 38.8% (2015), 37.1% (2014)
- LAC average: 50.4% (2014)

Fiscal balance (2014, 2015) % of GDP

- Panama: -2.8% (2015), -3.2% (2014)
- LAC average: -4.5% (2014)

Breakdown of tax revenues (2014) % of total taxation

- Goods and services: 35.2%
- Income and profits: 30.0%
- Social security: 16.4%
- Other: 49.5%

Public Employment and Compensation

Public sector employment as % of total employment (2014)

- Panama: 15.2%
- LAC average: 12.0%

Public sector employment filled by women (2014)

- Panama: 55.2%
- LAC average: 50.3%

Source: IMF World Economic Outlook database
Source: IMF Government Finance Statistics database
Source: IMF World Economic Outlook database
Source: IMF Government Finance Statistics database
Source: OECD Revenue Statistics in Latin America (database)
Source: International Labour Organization (database)
**Government Processes**

### Government Institutions

#### Level of influence of the Centre of Government over line ministries (2015)

<table>
<thead>
<tr>
<th>Country</th>
<th>High</th>
<th>Moderate</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panama</td>
<td>20%</td>
<td>47%</td>
<td>33%</td>
</tr>
</tbody>
</table>

Source: OECD 2015 Survey on Centre of Government

#### iREG: Composite indicator on stakeholder engagement (2015)

The max. score for each category is 1, and the max. aggregate score for the composite is 4

<table>
<thead>
<tr>
<th>Country</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panama</td>
<td>1.61</td>
</tr>
</tbody>
</table>

Source: OECD Indicators of Regulatory Policy and Governance for Latin America

#### Civil service merit index (2012-2015)

Composite index from 0 (lowest) to 100 (highest)

<table>
<thead>
<tr>
<th>Country</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panama</td>
<td>45</td>
</tr>
</tbody>
</table>

Source: Inter-American Development Bank, 2014

### Public Procurement

#### Government procurement (2014) *

<table>
<thead>
<tr>
<th>Country</th>
<th>% of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panama</td>
<td>7.7%</td>
</tr>
</tbody>
</table>

Source: IMF Government Finance Statistics database. * See Notes

#### Development of strategic public procurement by objective (2015)

<table>
<thead>
<tr>
<th>Support to</th>
<th>Green public procurement</th>
<th>MSMEs</th>
<th>Procure innovative goods and services</th>
<th>Women owned enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panama</td>
<td>6 12 0</td>
<td>4 19 0</td>
<td>2 12 0</td>
<td>1 3 0</td>
</tr>
</tbody>
</table>

A strategy / policy has been developed by some procuring entities
A strategy / policy has been developed at a central level
A strategy / policy has been rescinded
A strategy / policy has never been developed

Source: 2015 OECD Survey on Public Procurement

### Digital Government

#### Existence of a main national citizens portal for government services and a legally recognised digital identification mechanism (2015)

<table>
<thead>
<tr>
<th>Country</th>
<th>Main national citizens portal for government services</th>
<th>Legally recognised digital identification (e.g. digital signature) mechanism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panama</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

61% Yes
56% No

Source: OECD Survey on digital government performance

#### OURdata Index: Open, Useful, Reusable Government Data (2016) *

Composite index from 0 (lowest) to 1 (highest)

<table>
<thead>
<tr>
<th>Country</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panama</td>
<td>0.44</td>
</tr>
</tbody>
</table>

Source: 2016 OECD Survey on Open Government Data. * See Notes
**GOVERNMENT PROCESSES**

Health Financing Systems And Budget Formulation

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**Health care financing schemes and percentage of population covered (2015)**

**Gini coefficient: Differences in income inequality pre and post-tax and government transfers (2012)**

**Notes**

* Costs of goods and services financed by general government are not included in government procurement because they are not accounted separately in the IMF Government Finance Statistics (database). OURdata index: Panama does not have a one stop shop portal.

For more information on the data (including full methodology and figure notes) and to consult all other Country Fact Sheets:


The Excel spreadsheets used to create the tables and figures in Government at a Glance: Latin America and the Caribbean 2017 are available via the Stat-Links provided throughout the publication: http://dx.doi.org/10.1787/9789264265554-en

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**Government at a Glance: Latin America and the Caribbean 2017**

*Government at a Glance: Latin America and the Caribbean 2017* is the second edition of a joint publication between the Organization for Economic Co-operation and Development (OECD) and the Inter-American Development Bank (IDB). It provides readers with a dashboard of key indicators to inform policy making and benchmark specific interventions. The model is the OECD *Government at a Glance*, which is a fundamental reference, backed by a well-established methodology for OECD member countries. Compared to the previous edition that had a special focus on Public Financial Management and alongside with indicators on public finances and public employment this second version covers a wider range of public management areas including the role and influence of the Centre of Government, Open Government and Open Data policies, Digital Government, Regulatory Governance and practices for Budgeting in health systems.