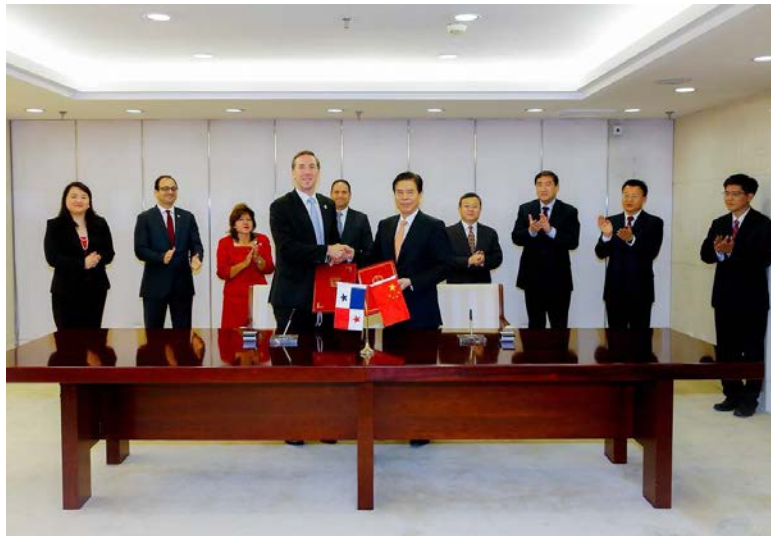


<https://www.presidencia.gob.pa/en/News/Commercial-Agreement-with-China-will-strengthen-Panama-as-a-door-to-enter-America-for-large-Chinese-companies>

## Commercial Agreement with China will strengthen Panama as a door to enter America for large Chinese companies



- Greater access to the Asian market for Panamanian exports
- Establishment of Chinese value added and distribution industries

Panama and China officially launched the negotiations of the Trade Agreement, in a protocol act held in the city of Beijing, which becomes in an historic event just a year of diplomatic relations between the two countries and reaffirms the commitment to deepen the trade relations promoting the exchange of goods and services for mutual benefit for our peoples.

The Ministers of Trade and Industry of Panama, Augusto Arosemena Moreno, and of Commerce of China, Zhong Shan, signed the memorandum that formalizes the negotiations framed in our relationship of trust, always taking as basis of mutual respect, honesty, dialogue and the reciprocal benefit. The ministers announced that the first round of negotiations will be from 9 to 13 July in the city of Panama.

Arosemena said that the primary interest of Panama to sign a Trade Agreement with China is to strengthen the commercial relationship with the second largest economy in the world, to impulse us as a center of value-added operations and regional distribution for large Chinese technology companies, and to potentiate Panamanians exports towards the Asian market.

"We have a firm commitment to reach a beneficial agreement for Panama and the Panamanians, always watching over our best interests, strengthening our strengths in goods and services, and safeguarding our sensitive sectors", said the Minister.

He reiterated that we will work in an alliance with our public and private sectors with a country vision, keeping open the consultations with all the sectors of goods and services of the country throughout the negotiation process to align strategies and set the objectives that we will take to each of the working tables.

The Minister pointed out that the Trade Agreement will improve access to the Asian market for goods exports, giving preferential treatment to our products with greater potential such as agricultural, fishing and agro industrial. Furthermore, we aim to make the Trade Agreement an important catalyst for continuous sustainable development, as well as diversification, competitiveness and scope of exportable of the service sectors.

Currently, China occupies the third position as the destination of Panamanian exports with more than 42 million balboas in 2017, and we are sure that with the Trade Agreement this figure will increase significantly.

He pointed out that the trade balance between China and Panama is a clear sign that our trade in goods is complemented, given that Panama exports mainly coffee, bovine skins and fishmeal to the Chinese market. While China imports to our country high-tech products such as cell phones and televisions, as well as textiles, tires, toys, shoes and footwear, among others.

"We are convinced that our connectivity and competitive advantages such as our logistic platform, economic stability and legal security, open opportunities for Chinese companies, mainly high-tech and manufacturing industries to establish their value-added operations and distribution from Panama for all the Americas", he maintained.

Arosemena said that this Trade Agreement constitutes a high and clear signal of a new stage of commercial relations between China and the rest of Latin America, and of the integration of the strategy of the Strip and the Route in America in the face of the rest of the 21 century. "This FTA will have very important implications in our region, and here the impact will cross our mutual borders, so we are sure that it will mark a new phase of harmonious relations for our future generations", he said.

Note that in this visit to Beijing, the Panama-China Joint Commission was also established to strengthen and promote bilateral cooperation in the areas of economy, trade and investment, promoting not only the well-being between China and Panama, but also between Asia and America. This Commission arises in compliance with a Memorandum signed during the visit to China of President Juan Carlos Varela, with the objective of promoting sustainable development between both countries.

In this official mission participated by the MICI: The Vice Minister of International Trade Negotiations, Diana Salazar; the Chief Negotiator for the FTA with China, Alberto Alemán Arias; and members of the Panamanian negotiating team.