

Directorate of Economic and Social Analysis

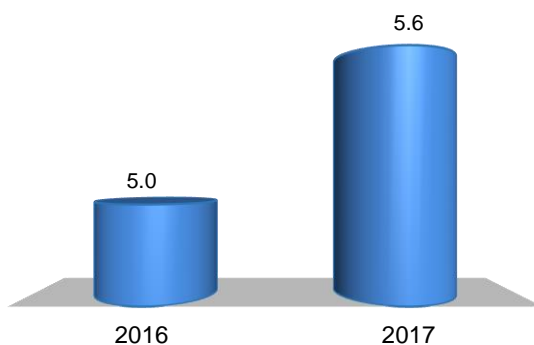
**Preliminary report of Economic and Social activities
January to September 2017^a**

Summary. The Gross Domestic Product (GDP) grew 5.6% accumulated to the third quarter of 2017, showing better results than the ones obtained in the same period of 2016 (5.0%). The outstanding economic activities, both for their growth rate and monetary contribution to GDP growth were: Transportation, storage and communications, especially for the operations of the Panama Canal, the maritime ports, air transport and construction mainly due to the execution of public and private projects. The National Banking System continues with a high liquidity index, from January to September the average was 60.7%. The national inflation rate stood at 0.88%; the group of items and services at the national consumer price index (CPI) that showed a downturn in the price level were: Communications, Food and non-alcoholic beverages.

I. Economic Performance

The GDP at constant prices grew 5.6% accumulated to the third quarter, representing an improvement compared to that experienced in the same period of 2016 when the increase was 5.0%.

Percentage change of Gross Domestic Product:
Accumulated to the third quarter 2016 and 2017



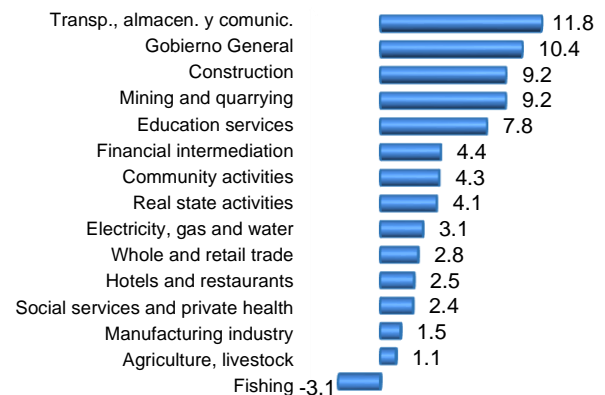
Source: National Statistics and Census Institute.

The economic activities that showed the most dynamism in the first nine months of the year were: Transportation, storage and communications, Central Government, Construction, Exploitation of mines and quarries and Education Service.

Up to the third quarter real GDP at constant prices amounted to B/.29,724.4 million, increasing by

B/.1,567.6 million as compared to the same period of the previous year.

Percentage change of Gross Domestic Product: by
economic activity: To the third quarter of 2017



Source: National Statistics and Census Institute.

In terms of contributions to the absolute variation of real GDP, Transportation, Storage and Communications increased by B/.422 million, generating a contribution of 26.9% to the total increase in GDP, followed by the contribution generated by the market segment of Construction with B/.382.7 million or 24.4% to GDP's total variaton.

The results before mentioned were led by the extraordinary growth of the Panama Canal operations,

^a Unless otherwise stated the variations indicated in this report are estimated in relation to the same period of the previous year.

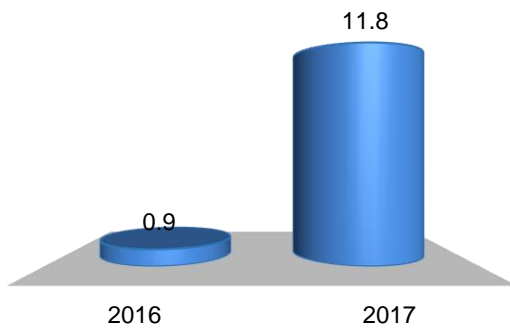
an improved performance of the Port System and air transport; and in the case of Construction, due to the advance in the execution of public and private infrastructure works.

1.1 Transportation, storage and communications

Its added value grew 11.8%, driven by the activities of the Panama Canal, air transport, ports and telecommunications, the latter due to the demand for mobile telephones and services provided such as internet and cable TV.

Air transport grew mainly due to the greater movement of passengers and air freight transportation at Tocumen International Airport.

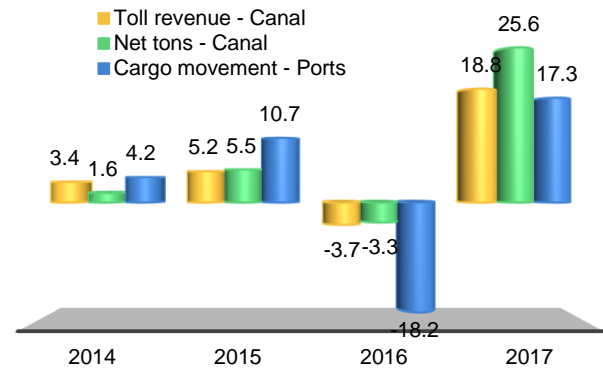
Percentage change of Transportation's Gross Domestic Product, storage and communications:
Accumulated to the third quarter of 2016 y 2017



Source: National Statistics and Census Institute.

The main indicators of the Panama Canal experienced an outstanding performance. That is, the revenues from tolls were B/.1,696.7 million or 18.8% more than the same period of the previous year; likewise, net tons grew 25.6% and cargo volume that went through the canal increased by 20.6%, led by the transit of container ships with the highest tonnage, then by liquefied petroleum gas vessels and natural liquefied gas, bulk and vehicle carriers, using both the Panamax and Neopanamax locks. The operation of the third set of locks and a higher growth of world trade were decisive in this outcome.

Percentage variation of traffic and cargo indicators of the Panama Canal and the National Port System: Accumulated to the third quarter of 2014 – 2017



Source: National Statistics and Census Institute.

The main routes through the Panama Canal were between Asia and the east coast of the United States (34%), West Coast of South America and the East Coast of the United States (13%), West Coast of South America and Europe (7%), West Coast Central America and East Coast of the United States (7%) and South America Intercostal (5%), according to the records from the Panama Canal Authority.

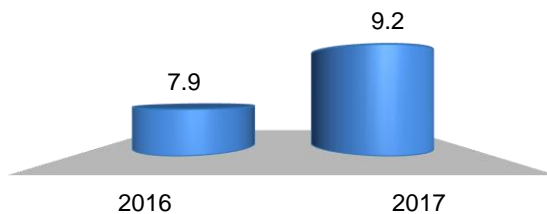
In regards to the National Port System, cargo movement was higher (17.3%) due to increases in bulk cargo (21.1% more), cargo in containers (14.4%) and general cargo (4.5%).

Regarding the movement of TEUs at the ports, it was 5.2 million or 12.6% higher than the previous year where the main ports recorded the following growth: Panama Ports Company Cristobal port 89.5% more, Colon Container Terminal 10.8%, Manzanillo International Terminal 3.9% and Panama Ports Co. Balboa 3.3%.

1.2 Construction

Construction's GDP grew 9.2% or an additional B/.382.7 million, totaling B/.4,540.5 million accumulated to the third quarter in its market segment. It was boosted by an increase in housing construction and in public and private infrastructure projects.

Percentage variation of the Construction's Gross Domestic Product: Accumulated to the third quarter of 2016 and 2017



Source: National Statistics and Census Institute.

An additional B/.244.1 million were registered in building permits (17.5% more), due to an increase in residential permits (24.3%) that grew mainly at the districts of Colón (197.7%), Chitré (47.9%) and Aguadulce (46.9%).

Number of projects, construction cost and areas: Accumulated to the third quarter 2013 - 2017^{a/}

Year	Number of projects	Cost (million of balboas)	Area (thousand square meters)
2013	9,527	1,290.3	2,764.8
2014	9,418	1,513.1	3,315.9
2015	10,220	1,660.6	3,477.0
2016 ^{b/}	8,442	1,396.9	3,260.8
2017 ^{b/}	10,250	1,641.0	3,461.3

^{a/} Corresponds to solicitations for construction permits in the following districts: Aguadulce, Arraiján, Colón, Chitré, David, La Chorrera, Panamá, San Miguelito and Santiago.

^{b/} Except San Miguelito's district.

Source: National Statistics and Census Institute

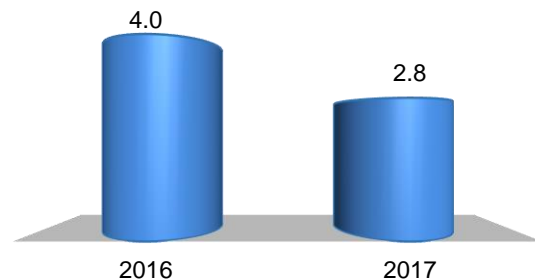
The Ministry of Housing and Land Management (MIVIOT) submitted the budget for the 2018 fiscal year in the amount of B/.380.4 million to the members of the Budget Committee at the National Assembly. More than 85% of the budget will be allocated to the main housing projects that benefit low income families in the country, such as: Urban Renovation of Colon, Roofs of Hope, housing complexes and the Solidarity Housing Fund.

1.3 Wholesale and retail trade

Wholesale and retail trade grew 2.8% because of retail trade that improved considerably in the third quarter. While the sales at the Colon Free Zone decreased.

Domestic wholesale trade increased its added value as a result of the growth of sales in fuels and related products; food, beverages and tobacco; machinery, equipment and materials, according to the Quarterly Reports of the Gross Domestic Product. As a reference, purchases abroad or imports increased by B/.669.7 million or 7.8%, in which consumer goods achieved the highest growth (11.7% more), specially fuels (26.6%) and non-durable goods (7.7%) including food; while the group of intermediate goods grew 7.8% such as the ones used in agriculture (32.8%) and construction (26.8%); while the group of capital goods increased 2.2% due to imports of machinery and appliances used in construction and electricity.

Percentage variation of the Commercial sector's Gross National Product, wholesale and retail: Accumulated to the third quarter of 2016 and 2017



Source: National Statistics and Census Institute.

Retail trade registered a growth of its added value accumulated to September mainly due to the increase it had in the third quarter. According to the Quarterly Report of the Gross Domestic Product during the third quarter the increase was 5.3%, attributed mainly to the increase in the sale of food, beverages, tobacco, and fuels. In addition, promotional strategies implemented in the "Panama Black Weekend" program during September also influenced positively sales in shopping centers, according to information released by merchants.

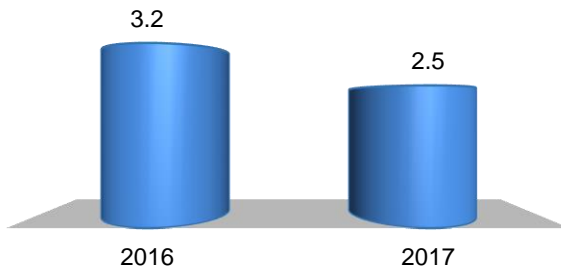
Meanwhile, the sales or re-exports of the Colon Free Zone accumulated to September a decrease of B/.89.4 million or 1.2%, the commercial problems and the economic difficulties their main customers are going through affected the commercial behavior. Thus, the drop in sales was mainly concentrated on exports to: Colombia (B/.115.6 million less), Venezuela (B/.92.5 million less) and Puerto Rico (B/.53.4 million less).

1.4 Hotels and Restaurants

Its GDP grew 2.5%, driven mainly due to the increase in restaurant sales, according to the National

Institute of Statistics and Census (INEC). The arrival of more visitors (2.4% more), hikers (41.5% more) and cruise passengers (87.0% more), arriving to home port, had a positive influence in the performance of the whole activity.

Percentage variation of the Gross Domestic Product of Hotels and Restaurants: Accumulated to the third quarter of 2016 and 2017



Source: National Statistics and Census Institute.

As for the type of incoming visitors, 1.4 million were tourists who accounted for 75.2% of the total, on the other hand, 208 thousand people were hikers and 256 thousand were passengers on cruise ships.

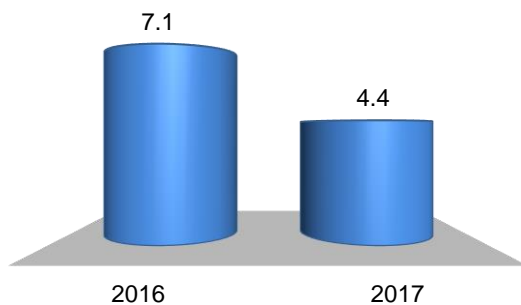
Expenditures incurred by visitors totaled B/.3.5 million or 2.7% more, compared to the year before.

Meanwhile, hotel occupancy was 47.7%, with an availability of 10,500 rooms in the city of Panama.

1.5 Banking

Financial intermediation grew 4.4% due to the performance registered at the International Banking Center, which showed growth in financial services. In addition, domestic loans to the private sector increased, both for personal consumption and construction portfolio balances.

Percentage variation of the Gross Domestic Product of Financial Intermediation: Accumulated to the third quarter of 2016 and 2017

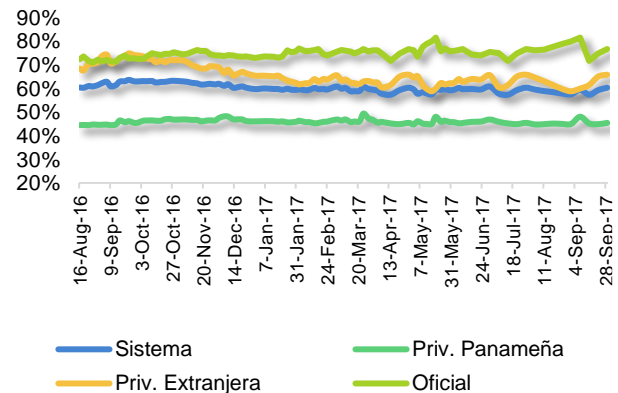


Source: National Statistics and Census Institute.

At the National Banking System more internal deposits were captured (3.3%) and financing was more dynamic in activities such as construction, mortgages, consumption and manufacturing. In addition, the System accumulated 14.1% more in net profits and reserves grew 4.9% with respect to the previous year.

In the nine months of this year liquidity levels have remained high, the average for the National Banking System was 60.7%, the highest being those corresponding to government banks (74.6%), followed by foreign private banks (66.6%) and Panamanian private banks (46.3%).

Liquidity index of the National Banking System, by month and day of information and by origin of the bank: Years 2016 and 2017



Source: Superintendencia of Banks of Panama.

1.6 Stock Exchange

A total of B/.3,731.9 million were traded at the Stock Exchange of Panama, B/.2,086.4 million in the primary market, B/.1,123.9 million in the secondary market and B/.521.6 million in buybacks. In total there were 5,791 transactions, 2.9% more than the previous year.

This year they have traded B/.2,597.1 million less than in 2016 since in that year an extraordinary issuance was made, both from the public and private sectors, breaking a record of trading since 2012.

In the stock market B/.129.0 million were traded with a total of B/.6.3 million shares, B/.4 million more than last year.

Broken down by market and value, the bonds and marketable commercial values of the private sector represented 57.3% (B/.1,196.4 million) of the total traded in the primary market. In the secondary market Treasury Notes of the public sector for B/.405 million and private sector shares for B/.262.3 million

together accounted for 59.4% of the total value traded; in buybacks the traded value was for B/.507.7 millions.

Transactions carried out at the Stock Exchange, according to markets and stock market results: Accumulated to the third quarter of 2015 - 2017

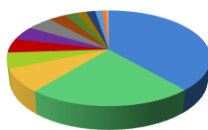
Transaction Type	2015	2016	2017
Transactions by market type, in million of balboas			
Primary	3,984.2	6,329.1	3,731.9
Secondary	2,652.2	3,410.9	2,086.4
Buybacks.....	1,224.1	1,904.0	1,123.9
Buybacks.....	107.8	1,014.2	521.6
Number of transactions	4,895.0	5,628.0	5,791.0
Stock Market			
Value of transaction, million of balboas	135.8	90.4	129.0
Number of shares, thousand units	4,915.2	2,383.3	6,373.1

Source: Stock Exchange of Panama

Issuers such as banks and central government accounted for 61.0% of the total value traded. Sectors such as Services represented 7.8%, Funds 5.3%, Real Estate, Conglomerates and Energy issued 4.8% each out of the total traded at the stock exchange.

Issuance by sector at the Stock Exchange: Accumulated to the third quarter of 2017

(Percent)



■ Government: 38.7%	■ Banks: 22.3%
■ Services: 7.8%	■ Funds: 5.3%
■ Real state: 4.8%	■ Cluster: 4.8%
■ Energy: 4.8%	■ Escrow: 3.2%
■ Factoring: 2.3%	■ Commerce: 1.9%
■ Leasing: 1.7%	■ Finance company: 1.3%
■ Agroindustry: 0.8%	■ Insurance: 0.3%
■ Manufacturing industries: 0.2%	

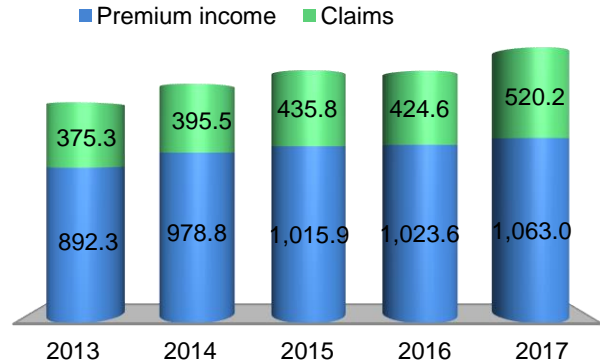
Source: Stock Exchange of Panama.

1.7 Insurance

Insurance companies reported, from January to September 2017, a growth rate in premiums of 3.8% which is higher than the one recorded for the same period of 2016 (3.0%). Insurance has generated premiums in the amount of B/.1,426.3 million, standing

out automobile (B / .206.3 million), health (B / .214.0 million) and life insurance (B / .156.8 million) sectors. Insurance reported 47,598 policies, (3.3%) more than in September of last year and claims also grew B/.95.4 million or 22.5%.

Premium income and Claim payments: Accumulated to the third quarter of 2013 – 2017

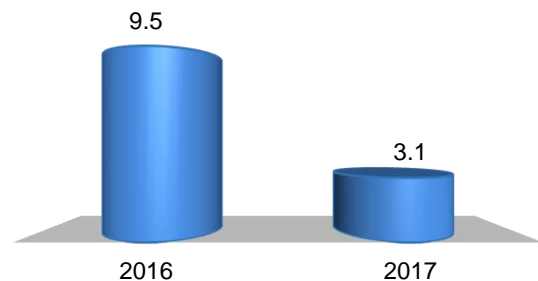


Source: Superintendence of Insurance.

1.8 Power supply, gas and water

Its added value grew 3.1%, due to the growth of electricity generation, distribution and transmission, according to the quarterly GDP reports.

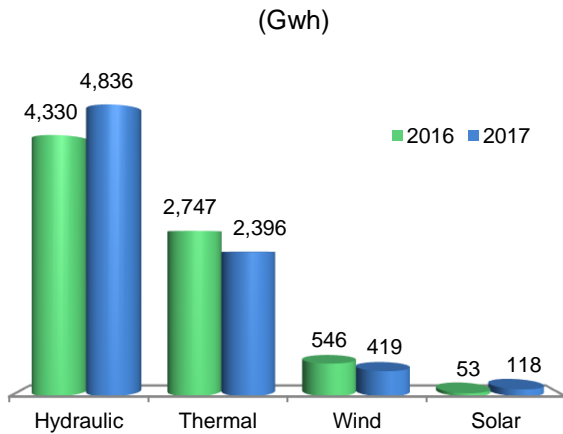
Percentage variation of the Gross Domestic Product of Electricity, Gas and Water: Accumulated to the third quarter of 2016 and 2017



Source: National Statistics and Census Institute.

The national supply of electric power increased by 93.0 Gwh or 1.2%. This year the highest growth in electricity generation came from hydraulic plants (505.4 Gwh or 11.7% more). Solar generation, although it only represents 1.5% of the total produced in the national generation park, increased its contributions by 121.8%. Meanwhile, the reduction in the occurrence of winds in the central area of the country had an impact on the lower production of electricity through wind power plants (23.1% less).

Electricity Gross Generation according to source:
Accumulated to the third quarter of 2016 and 2017



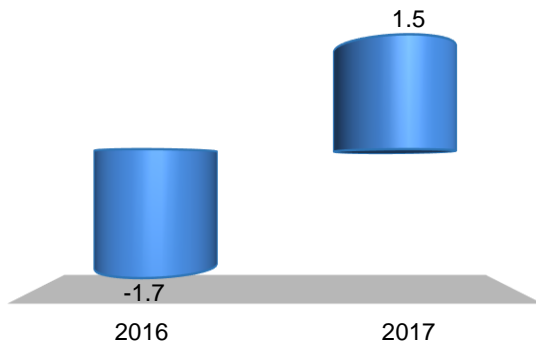
Source: National Statistics and Census Institute.

1.9 Manufacturing Industry

The GDP of this activity increased 1.5%, surpassing the decrease it experienced the previous year.

A favorable element for the future of this activity was the enactment of Law 25 of May 23, 2017. This Law dictates measures for the promotion and development of the industry, highlighting as main benefits, the granting of a certificate for Industrial Development which constitutes a tax credit. This credit accounts for 40% of each and every investment in research and development, training of human resources, investment and reinvestment, environmental management and the increase in employment associated with increased production.

Percentage variation of the Gross Domestic Product of the Manufacturing Industry: Accumulated to the third quarter of 2016 and 2017



Source: National Statistics and Census Institute.

From January to September the production of natural milk (2.5%) and alcoholic beverages (10.0%)

stood out, the latter mainly due to the production of beer.

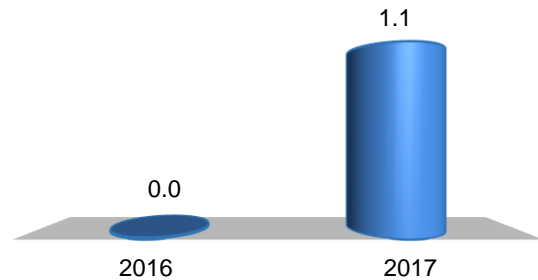
In the manufacture of non-metallic minerals such as the production of premixed concrete increased (11.6%) mainly due to the construction of macro projects such as the line 2 of the Metro.

In the production for the export markets the volume of fishmeal and fish oil increased heavily (81.3%).

1.10 Agriculture and livestock

The activity grew 1.1% accumulated to the third quarter of 2017. The GNP volume of this activity was B/.575.3 million.

Percentage variation of the Gross Domestic Product of agriculture and livestock: Accumulated to the third quarter of 2016 and 2017



Source: National Statistics and Census Institute.

It is in the third quarter of 2017 where the activity achieved more favorable growth (2.9%), more than the same period of 2016, due to increases in rice production (11.4%) because of bigger harvested areas; the production of bananas (28.2%) and pineapple (4.9%), measured by their exports.

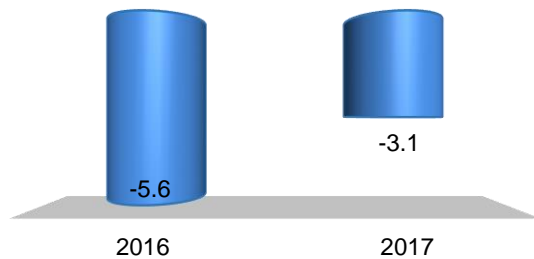
The livestock sector grew 3.5%, due to higher slaughter of poultry (5.6%) and bigger production of pigs (4.7%); likewise, the production of poultry eggs grew 3.1% in the last quarter compared to the previous year.

Forestry activity, on the other hand, grew 5.9%, associated with the behavior of the wood industry, those exports reflected increases of 61.3% in the quantities exported of raw wood.

1.11 Fishing

Fishing produced B/.117.5 million in the third quarter. However, it represented a fall of 3.1% in relation to its 2016 level, as a result of the lower catch of fish sold for export.

Percentage variation of the Gross Domestic Product of fishing: Accumulated to the third quarter of 2016 and 2017



Source: National Statistics and Census Institute.

Likewise, exports fell 12.4% (gross weight), generating 3.5% less revenue to the country due to sales in the international market. However, the quantity of crustacean sold increased 2.7%, especially of shrimp and cold water jumbo shrimp (15.4%), mainly exported to the North American and Chinese markets.

Regarding the total unloading of marine species received in the port system was 33.3% lower than the previous year, mainly at Vacamonte Port (43.0%), Panama (2.2%) and Mensabé (38.4%).

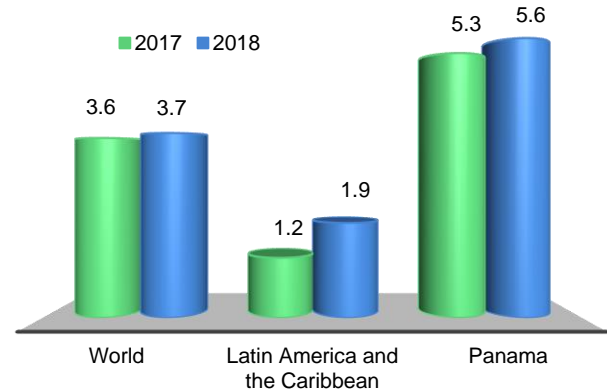
II. International Economic Environment

Global economic growth continues to increase, strengthened by growing demand and conditions that for the time being favor international trade. This upturn, which began in mid-2016, has a positive effect in Latin America and the Caribbean, nevertheless, growth is expected to be at moderate levels, according to the Inter-American Development Bank (IDB) in its macroeconomic report to June 2017

On the other hand the International Monetary Fund (IMF), in its economic outlook of October 2017 for the end of 2017, estimated growth for the Euro Zone at 2.1%, Japan, 1.5%; Russia, 1.8%; China 6.8%; United States 2.2% and the economies of the emerging markets 4.6%, where financial conditions are favorable together with a process of monetary normalization. The IMF estimates global growth to be at 3.6% at the end of 2017 and projected 3.7% by 2018.

Gross Domestic Product growth projected for the regions: Years 2017 and 2018

(Percent)



Source: International Monetary Fund.

For the Latin American and Caribbean region IMF estimates a growth of 1.2% in 2017. They consider that the recovery of the region is gradual and its long-term growth continues to be weak due to the fact that the largest exporters of raw materials are still somewhat affected by low prices. The agency establishes that there are signs of recovery in the growth of several of the large countries of the region, such as Brazil, Mexico and Argentina (0.7%, 2.1% and 2.5% respectively for 2017).

For Panama the IMF estimates an economic growth of 5.3% for 2017 and 5.6% for 2018, an improvement over the performance of 2016 leading regional growth.

Fiscal update

The deficit of the Non-Financial Public Sector was B/.1,430 million (B/.585 million or 69.3% more). Revenues decreased mainly on those non-consolidated Agencies and other (B/.207 million less), which were counteracted by the increase of the Social Security Fund (B/.119 million more) and Central Government (B/.90 million more). Expenses increased, mainly personal services of the Central Government (B/.297 million more) allocated to wage increases and special laws, among other. The debt of the Non-Financial Public Sector rose to B/.23,380.2 million, 8.3% more than in September 2016.

Summary of the balance of Non-Financial Public Sector: Accumulated to the third quarter of 2016 and 2017

(Million of balboas)

Detail	2016	2017	Variation	
			Absolut	Percentage
Revenue.....	8,326	8,323	-3	0.0
Current of Central Government	7,789	8,047	257	3.3
Other ^{1/}	537	276	-261	-48.6
Expenditures	9,170	9,752	582	6.3
Current	6,551	7,185	634	9.7
Capital expenditures..	2,620	2,568	-52	-2.0
Current savings	1,755	1,156	-599	-34.1
Surplus or deficit	-845	-1,430	-585	69.3

^{1/} Public enterprises (operational balance), Non-Consolidated Agencies and other, capital income, net concessions on loans and donations.

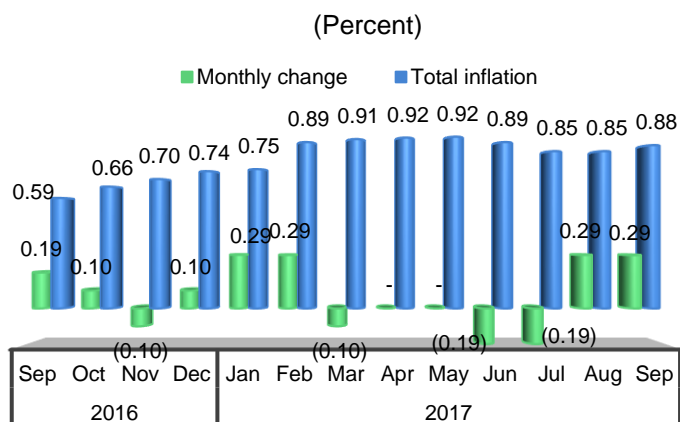
Source: Ministry of Economics and Finance.

IV. Cost of living

4.1 Inflation

The national inflation rate (calculated from January to September) was 0.88%. At the districts of Panama and San Miguelito was 0.34% and at the rest of the country was 1.1%.

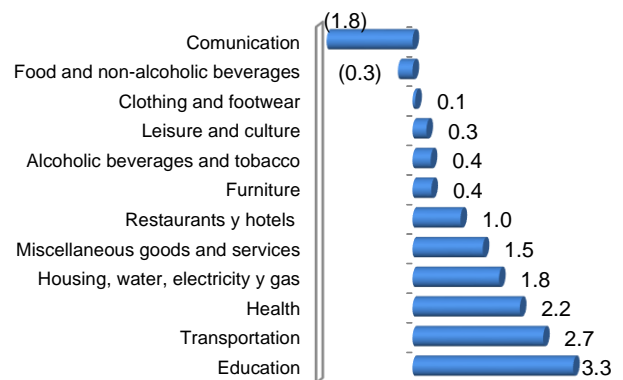
Monthly variation of the price index paid by national consumers and national inflation rate, by month: Years 2016 and 2017



Source: National Statistics and Census Institute and Ministry of Economics and Finance.

Segregated by group of items and services the national consumer price index (CPI) showed a reduction in the price level of some groups such as: Communications, because of cheaper phone hardware units, and Food and non-alcoholic beverages, especially oils, fats and fruits. On other groups the price increased mainly due to: Education, because of a higher price level in tuition at high schools, and Transportation because higher prices on fuel and lubricants.

Percentage variation of the urban price level according to group of items and services: Accumulated to the third quarter of 2017



Source: Ministry of Economics and Finance.

According to data received from the National Statistics and Census Institute (INEC), the national urban CPI went from 104.4 in August to 104.7 in September, experiencing a variation of 0.29%. The CPI of the groups of alcoholic beverages and tobacco (0.55%), food and nonalcoholic beverages (0.10%) and furniture, was reduced, allowing the consumer greater purchasing power; while Communications, Education, Restaurants and hotels did not show any changes; in the other groups increased, mainly Transportation (1.9%).

4.2 Family food basket

In the districts of Panama and San Miguelito, as of September, the average caloric cost of the basic family food basket was B/.305.63 (B/.1.67 or 0.54% less than in the same period of 2016) and in the urban rest of the country B/.280.47 (B/.0.04 or 0.01% less). In Panama and San Miguelito, the following groups cost less: Meats, Fats, Cereals, Eggs and Vegetables, while in the urban rest were: Fats, Meat and Eggs.

V. Social update

5.1 Employment contracts

Up to the third quarter, 327,259 entries of recruitment contracts were registered. At the regional offices, the increase in recruitments was 4,081 or 3.5%, adding up to 119,150 registrations; in this group, the three types of entries presented increases, especially those hires for unlimited working periods (1,630 or 9.3%, more) and hires for limited time periods (1,562 or 3.2%, more), which has compensated for the lower registration of recruitment contracts in the central offices of the city of Panama that amounted to 208,109 contracts.

Number of registered recruitment contracts, by type: Accumulated to the third quarter of 2015 – 2017 (P)

Region	2015	2016	2017 (P)
Total	<u>338,299</u>	<u>341,572</u>	<u>327,259</u>
Fixed time hires....	131,244	134,842	136,123
Unlimited time	82,831	82,208	75,336
Fixed time project.	124,224	124,522	115,800

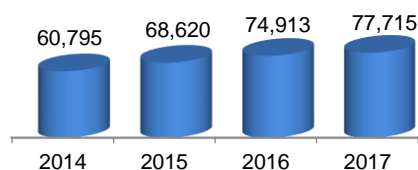
Source: Ministry of Work and Social Development.

5.2 Education

Job training

The availability of job training proposed by the National Institute of Vocational Training and Training for Human Development (INADEH) has allowed an increase in the enrollment of 2,802 students, from a total of 77,715 enrolled. There are 28 training areas, divided into 3 sectors: Commerce and service that hosted 67 out of every 100 enrolments, followed by Industrial training with 27% and Agriculture with 6%.

Number of people enrolled in the programs of the National Institute of Vocational Training and Human Development according to the training area: Accumulated to the third quarter of 2014 – 2017



Source: National Institute of Vocational Training and Human Development

The areas facing high demand were: Information technology, Languages, Social risk, Handicrafts, Civil construction and Electricity and electronics.

100 young adolescents between 16 and 17 years old across the country are receiving training in courses such as: English, Computer Science, Gastronomy, Hospitality, Beauty, Refrigeration, and Basic Electricity. More complex courses such as automotive mechanics, only 17 year-olds are allowed to enter. With these trainings it is sought that more than 200 thousand young people that neither work nor study get the basic necessary training to enter the labor market ".

The social program called "The New Colon Family Gathering", which is also part of INADEH, has trained 4,080 families of the 5,000 planned, which will occupy the apartments offered by the Ministry of Housing. The training have been based on issues related to coexistence, culture, gender, skills, prevention of domestic violence, among others. This training is a requirement to be able to receive the housing solution. 80% of the enrollments are unmarried women with children.

Literacy projects

Number of literate people in the program "Muévete por Panamá", according to provinces and indigenous communities: Accumulated to the third quarter of 2016 and 2017

Provinces and indigenous areas	2016	2017(P)
Total.....	<u>1,244</u>	<u>1,551</u>
Provincias:		
Bocas del Toro.....	127	323
Coclé.....	16	5
Colón	33	11
Chiriquí	309	408
Darién	17	31
Herrera.....	55	43
Los Santos.....	33	11
Panamá	100	86
Panamá Este	-	13
Panamá Centro.....	55	40
San Miguelito	30	26
Chepo	15	7
Panamá Oeste	139	122
Arraiján	-	18
La Chorrera.....	139	104
Veraguas.....	118	44
Indigenous areas:		
Emberá Wounaan	57	-
Ngábe Buglé	240	467

Source: Ministry of Social Development

The “Muévete por Panamá” program, during the first nine months of 2017, alphabetized 1,551 people from rural and marginal urban areas, 307 more than during the same period of 2016. According to data from the Ministry of Social Development (MIDES) 79.9% of the assigned budget was executed, the previous year was 73.5%.

In the Ngäbe Buglé indigenous region the amount of trained people increased (227 more), followed by the provinces of Bocas Del Toro, Chiriquí and Darién (196, 99 and 13 people, respectively). The beneficiaries of the program are located mainly in the indigenous Ngäbe Buglé region (30.1% of the total), and in the provinces of Chiriquí (26.3%) and Bocas Del Toro (20.8%).

5.3 Help for people with disabilities

The National Secretariat for Disability (SENADIS) from January to September benefited 3,182 people in conditions of poverty and social vulnerability; predominantly with certifications and legal advice granted to 2,561 people.

SENADIS invested B/.215,820 for the creation of 303 family businesses; B/.190,607 for the acquisition of hearing aids, prostheses, wheelchairs, growth hormones and walking aids, among other. Also invested B/.37,100 to cover for health and education expenses of 243 people for a total investment of B/.443,527 .

More resources were allocated to the group of 6 to 15 years (B/.111.346 or 25.1% of the total) and to the group of 36 to 45 years (B/.75,685 or 17.1%).

5.4 Program 120 at 65

Average number of beneficiaries and amount of funds transfers from the Economic Assistance Program for the Elderly 120 to 65: Accumulated to the third quarter of 2013 - 2017

Detail	2013	2014	2015	2016	2017
Average number of beneficiaries ..	85,265	87,461	102,345	127,225	127,492
Funds transfers (Million of balboas).....	77.0	94.3	109.0	137.4	137.8

Source: Ministry of Social Development

The program of economic assistance to people who are 65 years of age or older benefited 127,492 people in a situation of vulnerability, 267 or 0.21% more

than in the same period of 2016. The Ministry of Social Development (MIDES) disbursed B/.137.8 million, B/.446,040 more than in the previous year.

5.5 Opportunity network

From January to September, the Opportunity network program benefited, on average, 57,259 families living in poverty and extreme poverty, with an investment of more than B/.25.0 million. There were 12,495 households or 17.9% less than the average reported in 2016 during the same period, as only families in conditions of extreme poverty were benefited with the program.

Beneficiary Households of the Opportunity Network Program, per province and native areas: Accumulated to the third quarter of 2016 and 2017

Provinces and indigenous areas	2016		2017		
	Average	I QTR	II QTR	III QTR	Average
Total	<u>68,152</u>	<u>63,954</u>	<u>55,108</u>	<u>52,715</u>	<u>57,259</u>
Provinces	<u>40,121</u>	<u>37,756</u>	<u>29,132</u>	<u>27,137</u>	<u>31,342</u>
Bocas del Toro ...	4,819	4,561	4,062	3,334	3,986
Coclé	7,92	7,761	6,177	5,679	6,539
Colón.....	2,587	2,280	1,692	1,558	1,843
Chiriquí	5,642	5,240	3,305	2,935	3,827
Darién.....	2,502	2,340	2,089	2,042	2,157
Herrera.....	1,283	1,226	1,105	1,067	1,133
Los Santos	810	753	651	491	632
Panamá	4,388	4,102	2,921	2,920	3,314
Panamá Oeste....	3,848	3,542	2,362	2,397	2,767
Veraguas	6,351	5,951	4,768	4,714	5,144
Indigenous Areas	<u>28,031</u>	<u>26,198</u>	<u>25,976</u>	<u>25,578</u>	<u>25,917</u>
Emberá Wounnan	1,370	1,372	1,371	1,362	1,368
Guna Yala	3,820	3,396	3,395	3,264	3,352
Ngäbe Buglé	22,840	21,430	21,210	20,952	21,197

Source: Ministry of Social Development

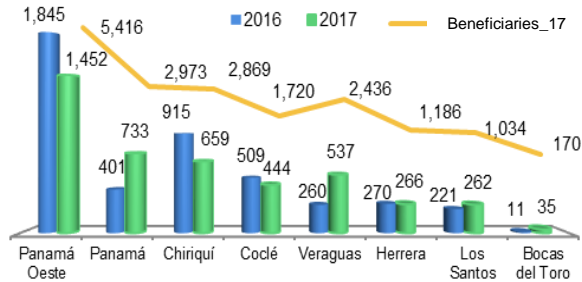
5.6 Fund for Housing

As of September this year, the Solidarity Housing Fund has granted B/.41.0 million for the acquisition of 4,388 housing solutions, 44 or 1.0% less than to September of last year. They were 17,804 low income people (families with a monthly income of up to B/.1,200.00), that improved their quality of life.

Greater number of housing permits were granted in the provinces of Panama Oeste (1,452), Panamá (733), Chiriquí (659) and Veraguas (537). They accounted for 3,381 or 77.1% of the total permits that were granted in these provinces for a total amount of B/.31.6 million. The number of permits was lower

in Bocas del Toro (35) because only one developer builds this type of housing.

Number of beneficiaries and housing permits issued by the Solidarity Housing Fund by provinces: Accumulated to the third quarter 2016 and 2017

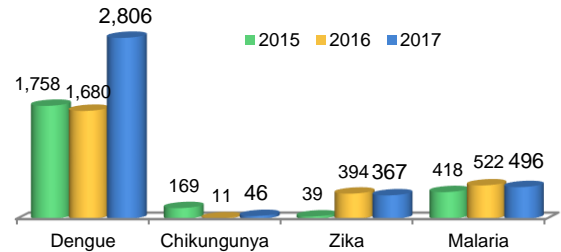


Source: Ministry of Housing.

5.7 Epidemiology of vector diseases

There were 3,715 cases of vector diseases caused by the bite of the *Aedes Aegypti* and *Anopheles* mosquitoes. Those infected by the Zika virus decreased by 27 compared to 2016, mainly in Bocas del Toro (18 fewer) and Panama Metro (32 fewer), although in the latter most of the cases are concentrated 125 of the 367 reported. Those infested by the Malaria virus also decreased, in the third quarter were 496 cases, 26 less than in the previous year.

Confirmed cases of Dengue, Chikungunya, Zika and Malaria: Accumulated to the third quarter of 2015 – 2017



Source: Ministry of Health. Epidemiology Department.

Those infested by the Dengue virus amounted to 2,806, 1,126 more according to records of the Epidemiology Department of the Ministry of Health (MINSa). The health regions most affected by the virus were at the Metropolitan Area (605 cases), Bocas del Toro (504) and Panama East (324). While there were fewer infected people in the regions Ngäbe Buglé (1), Guna Yala (31), Veraguas and Los Santos (with 44 each).

The infested with the Chikungunya virus were 46, concentrated mainly in the Metropolitan region (10), Panama West (9) and San Miguelito (4).

MINSa keeps fighting to eradicate the mosquito that transmits these diseases, however, it requires more cooperation from the population eliminating the breeding places, in order to avoid aggravating the situation.