GOBIERNO NACIONAL
CON PASO FIRME
MINISTERIO DE ECONOMÍA Y FINANZAS

Central Government and Non-Financial Public Sector Fiscal Balance

By June 2025

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Executive Summary

During the first half of the year, Panama's fiscal management improved, with clear signs of consolidation, compliance with the legal framework, and enhanced efficiency in spending and revenue, with a reduction in the total and primary deficit. The increase in tax revenues reflects progress in collection efficiency. However, debt, rising interest rates, and the need to protect key public investment must be monitored as not to jeopardize future growth. The country is making progress toward greater fiscal transparency and expenditure management, in line with international best practices.

General Economic Context

- **Robust economic growth:** Panama's economic growth for 2025 is projected between 3.5% and 4.2% according to multilateral organizations, above the Latin American average (2.2%–2.3%). The Monthly Index of Economic Activity (IMAE) grew 5.5% year-on-year as of May, indicating a sustained economic recovery.
- **Underlying risks:** Factors such as geopolitical tensions, trade barriers, and financial volatility could affect the external environment. Nevertheless, stronger domestic demand and a rebound in investment are expected to provide a boost.

Progress in Fiscal Consolidation

- **Non-Financial Public Sector (NFPS) Deficit:** B/.1,958.4 million in the first half of 2025, compared to B/.3,034.3 million in the same period of 2024, representing an improvement of 35.5%.
- **NFPS primary balance:** decreased by more than B/.1,200 million (-0.68% of GDP vs. -2.16% first half of 2024).
- The primary deficit of the NFPS was **B/.614.7 million, 67.1% lower than that recorded in the first half of 2024**, indicating an improvement in structural fiscal health revenues minus expenditures excluding interest).
- **Central Government (CG) Deficit:** amounted to B/.3,157.6 million (3.49% of GDP).
- **Adjustment Plan:** expenditure containment of B/.1.9 billion, equivalent to 2.1% of GDP, was approved through Cabinet Resolution No. 57 of June 10, 2025.
- **Spending reduction:** mainly in capital expenditure (B/.694.8 million less than in the first semester of 2024), while preserving priority projects such as road infrastructure, health, and education.

Revenues

- **NFPS:** Total revenues increased by 7.8%, driven by the Central Government (up 8.2%) and by non-consolidated agencies (up 23.1%).
- **CG: Tax revenues** grew 6.3%, with notable increases in: payroll income tax (B/.51.7 million), property tax (B/.56.6 million), and capital gains tax (B/.44.0 million). The ITBMS (Tax Income Tax) fell 10.3%, or B/.52.1 million, possibly indicating tax evasion or lower formal consumption.
- **Non-tax revenues:** up 15.1%, with strong performance from Canal tolls (up 26.7%) and state-owned companies.
- **Fiscal modernization:** Strengthened audits, implemented digital controls, and launched the "fiscal lottery" to reduce tax evasion and improve tax compliance culture.

Expenditures

- **NFPS spending decreased by 6.2%**, driven by a 30.2% drop in capital expenditure.
- **CG spending decreased by 3.0%,** even with the increase in transfers (7.7% more) and interest payments (15.1% more).
- **Interest payments:** B/.1,343.7 million (15.1% more), meaning a higher financial burden. Even so, the weighted average cost of debt decreased by 0.19 percentage points, a technical achievement.
- **NFPS current savings improved** from -0.84% to -0.68% of GDP in the first semester of 2025.

Currency diversification and exchange rate risk management strategy

- With the aim of optimizing financing cost, generating savings, expanding access to international markets and strengthening fiscal resilience in the face of changing global environments, Panama has expanded the use of instruments in currencies other than the U.S. dollar (see *Annex 3)*.
- Break-even exchange rate analysis shows that interest savings are offset by exchange rate movements, indicating substantial margins.
- Consequently, the strategy focuses on active market monitoring and hedging, making use of sensitivity analysis and stress testing to anticipate adverse scenarios and act preventively, adjusting hedges to mitigate exchange rate impacts without reducing the benefit of interest savings.

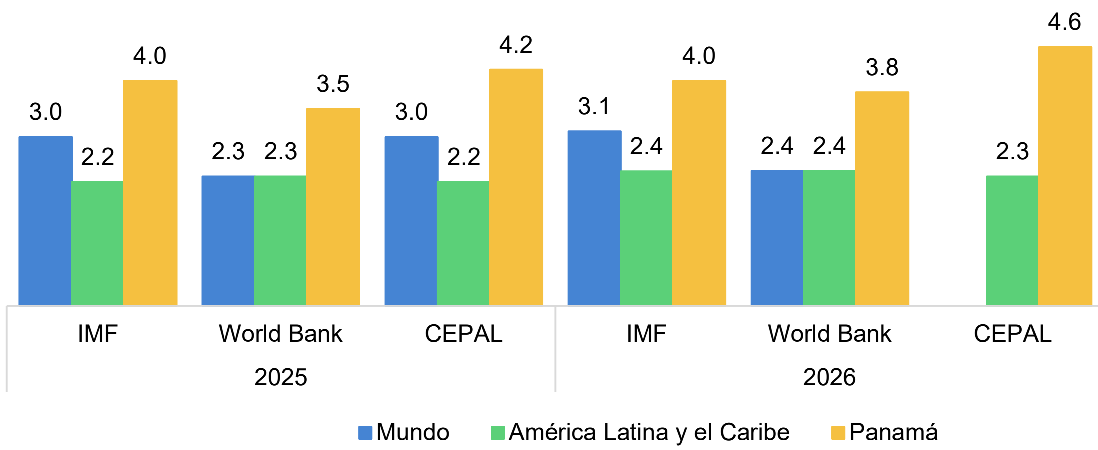
A. Economic growth estimates for the World, Latin America and Panama

1. **Global economic growth.** The global economy is expected to grow 3.0% in 2025 and 3.1% in 2026, according to projections of the International Monetary Fund (IMF) published in its July 2025 report [1]; that is, an upward revision compared to the forecasts made in April of this year. Key factors to the upward revision were the advance of imports into the United States in the face of tariff increases and lower effective tariff rates than initially announced, both measures boosting international trade; improvements in financial conditions and fiscal expansion measures in some major economies have also supported the outlook.

   The main risks that could affect global economic growth projections include increase in tariff rate beyond those already announced and the implementation of trade restrictions on specific goods such as electronics, pharmaceuticals, and critical inputs; heightened uncertainty regarding economic policy, geopolitical tensions, fiscal deficits and debt in some major economies; and volatility in financial markets. On the positive side, trade negotiations and agreements between countries stand out, as they help reduce uncertainty and provide greater predictability for policymaking.

Chart No. 1
Real Gross Domestic Product growth projections for Panama, Latin America and the Caribbean, and the World, by projection source: 2025 and 2026

(In percentage)



Source: World Bank, as of June 2025; IMF, for Latin America and the world, as of July 2025, and for Panama, April 2025; and ECLAC, as of August 2025.

   For the **Latin American and Caribbean (LAC) region,** the IMF projects growth of 2.2% in 2025 and 2.4% in 2026. Meanwhile, the World Bank projects that LAC's real Gross Domestic Product (GDP) will grow by 2.3% in 2025[2] and 2.4% in 2026, with trade restrictions and lower commodity prices impacting the region's performance. The Economic Commission for Latin America and the Caribbean (ECLAC) projects that the region will grow by 2.2% in 2025 and 2.3% in 2026.

2. **Panama's economic growth.** In this complex global scenario, major international economic organizations project that Panama will register economic growth above the Latin American and Caribbean average in 2025. The IMF, the World Bank, and ECLAC **forecast real GDP growth** of 4.0%, 3.5%, and 4.2%, respectively, for Panama [3]. According to the World Bank, the recovery of

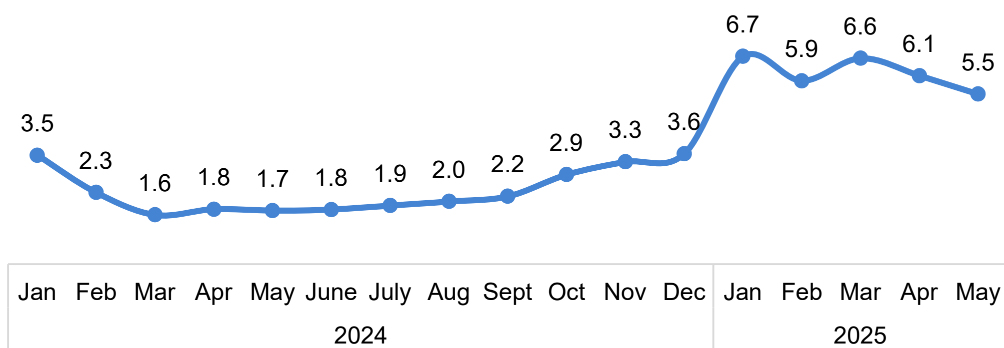
[1] World Economic Outlook Update [Online] . International Monetary Fund. July 2025. Available at: < https://www.imf.org/en/Publications/WEO/Issues/2025/07/29/world-economic-outlook-update-july-2025 >
[2] Global Economic Outlook: Latin America and the Caribbean [online] . World Bank. June 2025. Available at: < https://thedocs.worldbank.org/en/doc/8bf0b62ec6bcb886d97295ad930059e9-0050012025/related/GEP-June-2025-Regional-Highlights-LAC-SP.pdf >
[3] The IMF's projections for Panama were published in April 2025. The World Bank's projections were published in June 2025. ECLAC's projections were published in August 2025.

Panama's economy would be driven by solid domestic demand and the revival of both public and private investment [4]. According to ECLAC, Panama's economy has shown resilience this year, thanks to the dynamism of the services sector and private consumption [5].

This year, the national economy has delivered positive results. The production of goods and services, as measured by the Monthly Index of Economic Activity (IMAE), grew 5.5% in the cumulative period from January to May 2025 (year-on-year, original series), indicating that economic recovery is being sustained, as growth in the same period last year was 1.7%.

Chart No. 2
Variation of the Monthly Index of Economic Activity (IMAE), accumulated by month[1/], original series with reference year 2007: Years 2024 and 2025

(In percentage)



[1/] Variation of the accumulated average for that month, compared to the accumulated average for the same month of the previous year.

Source: National Institute of Statistics and Census.

These results reflect the full operating capacity of the Panama Canal following the normalization of weather conditions, the positive performance of the National Banking System, the increase in electricity generation and the rise in exports of fisheries, agricultural, and industrial products.

However, economic activity slowed in April and May, due to work stoppages in the construction and banana production sectors, as well as road closures, particularly in the province of Bocas del Toro. Most of these effects—except for the impact on banana production—have already been reversed, leading the **Ministry of Economy and Finance (MEF) to maintain its economic growth projection at 4.0%.**

B. Performance of public finances during the first half of 2025

1. **Deficit: The preliminary balance of the Non-Financial Public Sector (NFPS)** recorded an accumulated deficit of **B/.1,958.4 million,** equivalent to **2.16% of the estimated GDP.** *(see Annex 1).* **The Central Government's (CG) Fiscal Balance** showed a deficit by **B/.3,157.6 million or 3.49% of GDP.** *(see annex 4).*

   Law No. 445 of October 28, 2024, which amended the Fiscal Social Responsibility Law (LRSF), set a fiscal deficit ceiling for the NFPS of 4.0% of GDP for the 2025 fiscal year, with the objective of complying with a prudent fiscal policy and sustainable public debt.

[4] Panama: Overview [online]. World Bank. April 17, 2025. Available at: < https://www.worldbank.org/en/country/panama/overview >
[5] Economic Survey of Latin America and the Caribbean 2025 [online] . ECLAC. August 2025. Available at: < https://www.cepal.org/es/publicaciones/82263-estudio-economico-america-latina-caribe-2025-movilizacion-recursos >

2. **Revenue: Total revenue for both the NFPS and CG balances were higher compared to June of the previous fiscal year.**

    - **NFPS revenues were 7.8% higher than the same period in 2024,** totaling B/.6,812.0 million.

      Current revenues of the General Government (GG) amounted to B/.6,464.6 million, increasing by 6.4% (B/.386.9 million). Of this amount, the consolidated Central Government recorded B/.3,954.6 million, the Social Security Fund B/.2,406.8 million, and the Consolidated Agencies B/.103.2 million. These revenues constitute 94.9% of the total revenues of the NFPS.

      The Operational Balance of Public Companies showed a surplus of B/.96.6 million, while the balance of Non-Consolidated Agencies and Others totaled B/.240.9 million, reflecting an accumulation of bank deposits.

      Net Loan Granting, meaning loan recoveries exceeding disbursements, reflected a positive balance of B/.3.5 million. These resource flows came from the National Mortgage Bank, the Agricultural Development Bank, and the Institute for the Training and Utilization of Human Resources (IFARHU).

      he B/.491.6 million increase in total NFPS revenues was mainly due to higher Central Government collections (B/.300.1 million), improved Operational Balance (B/.45.8 million), and higher Non-Consolidated Agency revenues (B/.45.2 million).

    - **Total revenue from the Central Government's Fiscal Balance totaled B/. 4,021.0 million** in the first half of the year, up 7.9% or B/. 293.5 million from the same period last year.

      The *current revenue of the CG* consisted of *tax revenues of B/.3,255.5 million (81.0% of total current revenues) and non-tax revenues of B/.765.1 million (19.0% of total).*

      Tax revenues increased (B/.192.8 million or 6.3% more), due to a B/.202.0 million rise in direct taxes, notably: Income Tax collected from payrolls (B/.51.7 million), corporate income tax (B/.34.2 million), property tax (B/.56.6 million), and capital gains tax on securities (B/.44.0 million).

      Indirect tax revenues decreased (B/.9.2 million or 0.7% less), the largest drop was the ITBMS on sales (B/.52.1 million or 10.3%). However, selective consumption taxes increased by B/.21.6 million, particularly on beer, cigarettes, automobiles, among others.

      Non-tax revenue rose by B/.100.5 million (15.1%), driven by higher fees, charges, and other income (up B/.81.9 million), especially Panama Canal tolls and services (B/.59.5 million or 26.7% higher) due to greater cargo volume through the waterway. Also noteworthy were higher revenues from profit sharing and contributions from state-owned companies (up B/.62.2 million or 35.0%), mainly from Tocumen International Airport (B/.36.0 million) and the National Lottery (B/.25.5 million).

3. **Expenditures: Total NFPS and CG expenditures were down 6.2% and 3.0%,** respectively, compared to the same period last year.

    - ***NFPS consolidated total expenditures*** *amounted* to B/.8,770.4 million in the first half of 2025, of which 81.7% corresponded to current expenditure and 18.3% to capital expenditure.

      Current expenditures, excluding interest payments, totaled B/.5,818.2 million, decreasing by B/.65.8 million. The decrease was due to lower expenses for the General Government (B/.256.4 million), while expenses for the CSS increased by B/.182.9 million.

      Interest payments on debt at the end of the first half of the year were B/.1,343.7 million, B/.176.3 million higher than the same period last year.

      Capital expenditures totaled B/.1,608.6 million. The following entities were particularly noteworthy:

      - The Ministry of Public Works allocated B/.285 million, primarily for the construction, maintenance, and rehabilitation of the road network, streets, and avenues. Meanwhile, the Ministry of Health recorded an expenditure of B/.187.6 million, with a significant amount allocated for the construction and improvement of health facilities.

  - The CSS allocated B/.272.8 million, largely for commitments related to the New Hospital Complex (Health City) and for the acquisition of machinery and medical equipment for polyclinics nationwide. Meanwhile, the IFARHU (National Institute of Health and Human Development) has disbursed B/.130.1 million in excellence scholarships and the Pase-U program, benefiting more than 737,482 university, middle, pre-secondary, and high school students.

  The NFPS primary balance—total revenues minus total expenditures excluding interest payments—was negative at B/.614.7 million as of June.

- ***CG total expenditure*** amounted *to* B/.7,178.5 million in the first half of 2025, decreasing by 3.0% compared to the previous fiscal year.

  Current expenditures totaled B/.5,833.9 million, up 5.5%. With increases in the following areas:

  - Debt interest payments, up B/.176.3 million, reflecting the historical stock; however, responsible management and the government's debt policy have reduced the Weighted Average Cost by 0.19 p.p.
  - Current transfers, up B/.142.5 million, due to the disbursement from the IVM-MEF-CSS Trust Fund at the National Bank of Panama (BNP) to the CSS of B/.396.4 million, covering the operational deficit of the defined benefit system for fiscal year 2022. This transfer from CG to CSS affects only the CG Balance.
  - Other expenses in B/.43.8 million, due to swap coverage payments.

  These increases were offset by decreases in Goods and Services (-B/.37.0 million) and Personnel Services (-B/.21.9 million), the latter reflecting the public payroll rationalization policy that prioritizes value-generating hires for the State.

  Capital expenditures totaled B/.1,344.7 million as of June 2025, down by B/.527.2 million.

- The CG primary balance, total revenues minus total expenditures excluding interest payments, was negative at B/.1,813.9 million as of mid-year.

C. Measures to ensure compliance with the 2025 fiscal target

1. Fiscal discipline measures. The National Government is committed to the country's macro-fiscal stability through compliance with the Fiscal Social Responsibility Law. Therefore, the Ministry of Economy and Finance has adopted a series of measures, namely:

- **On the revenue side**, enhanced auditing has been carried out through on-site auditors and technological controls.
- Investments have begun in modernizing the General Directorate of Revenue (DGI), implementing stricter controls, and directly combating tax evasion. The goal is to modernize the tax system and eventually incorporate artificial intelligence.
- To improve auditing and ensure that businesses issue proper invoices—thus preventing tax evasion—the “fiscal lottery” (Executive Decree No. 26 of June 2, 2025) was implemented as an incentive for consumers to request legal invoices when making purchases. These invoices can be converted into lottery tickets with attractive prizes.
- Regarding **expenditures,** the Cabinet Council, through Resolution No. 57 of June of this year, adopted a spending containment plan amounting to B/.1,900.0 million, equivalent to 2.1% of GDP, to correct any imbalance between revenues and expenditures, so that fiscal results are in line with the fiscal target set for the current year.

Table No. 1
General State Budget Adjustment Plan for Fiscal Year 2025

Detail	Amount (millions of balboas)	% of GDP
Total Expense	**1,900.0**	**2.1**
Operation	426.5	0.5
Investment	1,473.5	1.6
Central Government	**1,536.0**	**1.7**
Operation	304.0	0.3
Investment	1,232.0	1.4
Decentralized Institutions	**298.8**	**0.3**
Operation	100.1	0.1
Investment	198.7	0.2
Public Companies	**28.7**	**0.0**
Operation	18.2	0.0
Investment	10.5	0.0
Financial Intermediaries	**36.5**	**0.0**
Operation	4.2	0.0
Investment	32.2	0.0

Source: Cabinet Council. Cabinet Resolution No. 57 of June 10, 2025.

Annexes

Annex No. 1
Preliminary consolidated fiscal balance of the Non-Financial Public Sector

(In millions of balboas)

Detail	June 2025 Preliminary 1	June 2024 Preliminary 2	Difference Absolute 3= (1-2)	Difference Percentage 4=3/2
Total Income	**6,812.0**	**6,320.5**	**491.6**	**7.8%**
Current Income General Government	6,464.6	6,077.6	386.9	6.4%
Central Government	3,954.6	3,654.5	300.1	8.2%
CSS [1/]	2,406.8	2,328.8	78.0	3.3%
Consolidated Agencies	103.2	94.3	8.9	9.4%
Operational Balance of Public Companies	96.6	50.8	45.8	90.3%
Unconsolidated Agencies and Others	240.9	195.7	45.2	23.1%
Capital Income	6.41	4.9	1.5	29.7%
Net Loan Granting [2/]	3.5	-8.6	12.1	-140.6%
Donations	0.0	0.0	0.0	...
Total Expenditure	**8,770.4**	**9,354.7**	**-584.3**	**-6.2%**
Current expenditure	**7,161.8**	**7,051.3**	**110.5**	**1.6%**
Current Expenditure (excluding interest payments)	5,818.2	5,884.0	-65.8	-1.1%
Central Government	3,500.3	3,756.7	-256.4	-6.8%
CSS	2,141.1	1,958.1	182.9	9.3%
Consolidated Agencies	176.8	169.1	7.7	4.6%
Interests	1,343.7	1,167.4	176.3	15.1%
External Interests	1,164.5	1,046.4	118.1	11.3%
Internal Interests	179.2	120.9	58.2	48.1%
Capital Expenditures	**1,608.6**	**2,303.4**	**-694.8**	**-30.2%**
% of GDP	1.78%	2.67%	-0.89%	
General Government Current Savings	**-697.3**	**-973.7**	**276.4**	**-28.4%**
% of GDP	-0.77%	-1.13%	0.36%	
Current Savings of the NFPS	**-359.7**	**-727.2**	**367.5**	**-50.5%**
% of GDP	-0.40%	-0.84%	0.45%	
Total Savings (Total Income less Current Expenditure)	**-349.8**	**-730.9**	**381.1**	**-52.1%**
% of GDP	-0.39%	-0.85%	0.46%	
Primary Balance	**-614.7**	**-1,866.9**	**1,252.1**	**-67.1%**
% of GDP	-0.68%	-2.16%	1.49%	
Total Balance [3/]	**-1,958.4**	**-3,034.3**	**1,075.9**	**-35.5%**
% of GDP	**-2.16%**	**-3.52%**		
Estimated Nominal GDP for 2025	***90,573***	***86,260***		

1/ The current income of the CSS contains the income of the Mixed Subsystem and the Exclusively Defined Benefit Subsystem.

2/ Includes loan granting from institutions such as IFARHU, BHN and BDA.
3/ Consolidated by financial records.

Source: CGR, Superintendency of Banks, BNP, CA, Decentralized Entities, MEF.

Annex No. 2
Preliminary Financing of the Non-Financial Public Sector

(In millions of balboas)

	June 2025	June 2024
TOTAL	**1,958.4**	**3,034.3**
% of GDP	***2.16%***	***3.52%***
External Debt	**1,122.6**	**3,478.2**
Net disbursement	1,125.8	3,492.7
Disbursement	2,931.4	4,006.9
Amortization	1,805.6	514.2
Financial Investment	-3.2	-14.5
Internal Debt	**1,159.4**	**1,348.8**
Net disbursement	1,159.4	1,348.8
Disbursement	1,598.9	2,771.9
Amortization	439.5	1,423.1
Bank Resources [1/]	**1,357.3**	**204.3**
National Bank of Panama	1,433.6	99.1
Savings bank	-145.3	-140.7
Private Banks	69.0	246.0
Checks in circulation	**61.3**	**132.3**
Others [2/]	**-1,742.1**	**-2,129.4**

Prepared by: Macro Fiscal / DPP.

1/ Corresponds to the use or accumulation of deposits in public and private banks; an accumulation of money carries a negative sign (-) and a use of money carries a positive sign (+).
2/ Includes deposits in transit, accrued, CUT investments, adjustments for transfers, for flows and for amortization and disbursement operations.

Source: CGR, Superintendency of Banks, BNP, CA, Decentralized Entities, MEF.

Annex No. 3
Technical Box:
Currency diversification strategy and exchange risk management
First half of 2025

As part of its medium- and long-term sovereign strategy, Panama has intensified the use of instruments in currencies other than the US dollar, seeking to optimize financing costs, expand access to international markets, and strengthen fiscal resilience in the face of changing global environments. Although the country has used the dollar as its official currency since 1904 (with the Balboa pegged at 1:1), currency diversification is a key tool for reducing dependence on a single market and improving its negotiating position with lenders and debt holders.

During the first half of 2025, significant transactions in euros totaling **EUR 2.4 billion were executed:**

- **Banco Santander, SA:** EUR 1.2 billion, estimated effective rate of 5.33%, 2-year maturity, referenced to the EURIBOR 6M.
- **Merrill Lynch International:** EUR 1.2 billion, estimated effective rate of 5.31%, 2-year maturity, referenced to the EURIBOR 6M.

These transactions generate estimated annual savings of USD 47.97 million and USD 47.68 million versus dollar alternatives. The exchange rate *break-even* analysis—the EUR/USD level at which the interest savings would be offset—indicates a substantial margin (1.4264 and 1.4266 vs. the current market at 1.1655), confirming that current conditions do not warrant immediate hedging. Consequently, the strategy focuses on actively monitoring the markets, avoiding hedging costs, and preserving the financial advantage.

Subsequent events

In July 2025, Panama completed additional transactions in Swiss francs totaling **USD 2,381.1 million,** reinforcing its currency diversification strategy:

- **CITI:** USD 1,261.8 million, converted at a fixed rate in USD, eliminating exchange rate risk.
- **BBVA:** USD 1,119.3 million.

These transactions generate estimated annual savings of USD 85.93 million and USD 117.23 million compared to dollar alternatives. The exchange rate *break - even* analysis (2.9936 vs. current market value of 1.2396) reflects a wide margin, so the same management strategy remains in place: prioritize constant market monitoring, avoid unnecessary hedging, and plan for refinancing in the same currency or on other favorable terms at maturity.

This differential confirms that current conditions do not justify immediate hedging, therefore, the strategy remains focused on active monitoring, avoiding hedging costs, and preserving the financial advantage.

From a risk management perspective, the potential impact on principal is limited, as it is expected to refinance in the same currency at maturity or evaluate new issuances under favorable terms. This discipline—combined with ongoing sensitivity analysis and adverse scenarios testing—enables Panama to maintain a sustainable debt profile, with a competitive average cost and prudent management of foreign exchange risk, in line with the best practices of sovereign debt management offices.

In the medium and long term, the strategy includes:

- Maintaining a balanced composition of debt between fixed and variable rates to reduce exposure to upward interest rate cycles.
- Diversifying currencies and markets to broaden the investor base and access favorable conditions in different economic environments.
- Refinancing maturities in the same currency when conditions allow and/or evaluating opportunities in other currencies or instruments such as financing options.
- Strengthening the use of sensitivity analysis and *stress testing* to anticipate adverse scenarios and take preventive action.

This comprehensive, disciplined, and proactive approach strengthens Panama's financial resilience and consolidates a sustainable debt profile, aligned with international best practices in sovereign debt management and with the commitment to maintaining macroeconomic stability.

Annex No. 4
Preliminary Fiscal Balance of Central Government Operations

(In millions of balboas)

Detail	June 2025 Preliminary 1	June 2024 Preliminary 2	Difference Absolute 3= (1-2)	Percentage 4=3/2
Total Income	**4,021.0**	**3,727.5**	**293.5**	**7.9%**
Current Income	**4,020.6**	**3,727.3**	**293.3**	**7.9%**
1. Taxpayers	3,255.5	3,062.7	192.8	6.3%
Direct	1,969.5	1,767.5	202.0	11.4%
Indirect	1,286.0	1,295.2	-9.2	-0.7%
d/c Tax Documents	108.1	75.4	32.7	43.4%
2. Non-Taxable	765.1	664.6	100.5	15.1%
Capital Income	0.4	0.1	0.2	164.6%
Donations	0.0	0.0	0.0	...
Total Expenditure	**7,178.5**	**7,402.0**	**-223.4**	**-3.0%**
Current expenditure	**5,833.9**	**5,530.1**	**303.8**	**5.5%**
Personal Services	2,064.8	2,086.7	-21.9	-1.0%
Goods and Services	298.1	335.1	-37.0	-11.0%
Transfers [1/]	1,994.9	1,852.4	142.5	7.7%
d/c Tax Documents	108.1	75.4	32.7	43.4%
Debt Interest	1,343.7	1,167.4	176.3	15.1%
Others [2/]	132.3	88.5	43.8	49.5%
Current Savings	**-1,813.3**	**-1,802.8**	**-10.5**	**0.6%**
% of GDP	-2.00%	-2.09%	0.09%	
Total Savings (Total Income less Current Expenditure)	**-1,812.9**	**-1,802.6**	**-10.2**	**0.6%**
% of GDP	-2.00%	-2.09%	0.09%	
Capital Expenditures	**1,344.7**	**1,871.9**	**-527.2**	**-28.2%**
% of GDP	1.48%	2.17%	-0.69%	
Primary Balance	**-1,813.9**	**-2,507.1**	**693.2**	**-27.7%**
% of GDP	-2.00%	-2.91%	0.90%	
Total Balance [3/]	**-3,157.6**	**-3,674.5**	**516.9**	**-14.1%**
% of GDP	**-3.49%**	**-4.26%**	**0.77%**	
Estimated Nominal GDP for 2025	***90,573***	***86,260***		

1/ In 2025, the Ministry of Economy and Finance transferred B/.396.6 million to the Social Security Fund (CSS) to cover the deficit of the Defined Benefit Subsystem for the 2022 fiscal year. This operation affects the balance of the CG but is consolidated in the balance of the NFPS.
2/ The increase in Other Expenditures is due to the payment of a B/.96.6 million swap hedge.
3/ Reconciled by financial records.

Source: CGR, Superintendency of Banks of Panama, BNP, CA, Decentralized Entities, MEF.

Annex No. 5
Preliminary Financing of the Central Government

(In millions of balboas)

	June 2025	June 2024
TOTAL	**3,157.6**	**3,674.5**
% of GDP	*3.49%*	*4.26%*
External Debt	**1,122.6**	**3,478.2**
Net disbursement	1,125.8	3,492.7
Disbursement	2,931.4	4,006.9
Amortization	1,805.6	514.2
Financial Investment	-3.2	-14.5
Internal Debt	**1,159.4**	**1,348.8**
Net disbursement	1,159.4	1,348.8
Disbursement	1,598.9	2,771.9
Amortization	439.5	1,423.1
Bank Resources 1/	**1,505.3**	**423.6**
National Bank of Panama	1,582.8	319.6
Savings bank	-146.5	-142.0
Private Banks	69.0	246.0
Checks in circulation	**-1.7**	**46.4**
Others 2/	**-628.0**	**-1,622.6**

Prepared by: Macro Fiscal / UTPP.

1/ Corresponds to the use or accumulation of deposits in public and private banks; an accumulation of money carries a negative sign (-) and a use of money carries a positive sign (+).
2/ Includes deposits in transit, accrued, CUT investments, adjustments for transfers, for flows and for amortization and disbursement operations.

Source: CGR, Superintendency of Banks, BNP, CA, Decentralized Entities, MEF.

Annex No. 6
Current transfers: January to june 2025

(In millions of balboas)

Detail	Executed
Current Transfer	**1,994.9**
Tax Documents	**108.1**
Preferential Interest	5.4
Liquefied Gas	80.1
Others	22.5
Consolidated Agencies	**362.5**
Agricultural Development Bank (BDA) R/.	3.9
National Mortgage Bank (BHN)	1.7
Agricultural Marketing Institute (IMA) R/.	31.0
University of Panama (UP)	161.1
IFARHU R/.	164.8
Public Companies	**17.1**
Panama Metro, SA	-
My Bus R/.	-
IDAAN	10.5
Colon Free Zone	-
Panama Maritime Authority (AMP)	-
Panama Tourism Authority (ATP) R/.	6.6
Civil Aeronautics Authority (AAC)	-
CSS	**610.3**
CSS- Fejupen	4.5
Beer Tax	4.6
CSS- 0.8% Basic Salaries	60.2
CSS - Liquor Tax	5.9
Sustainability of the Regime (Law 51)	466.6
Maternity and Sickness Benefit (Law 51)	6.9
Subsidy - CSS Interest Fluctuations	5.6
Increases in Pensions and Retirements (DG 51)	49.7
Contribution of the Actuarial Technical Board	0.0
Diethylene glycol Life Pension	3.9
Affected Neonates Heparin	0.0
Widow's Pension	0.4
Banana Workers' Pensions	1.9
Unconsolidated Agencies	**409.2**
To the Private Sector	**487.8**
Solidarity Housing Fund R/.	5.7
Program 120/65 R/.	84.9
Tariff Stabilization	42.7
Western Tariff Fund	22.3
Subsidies to Political Parties	1.8
Board of Trustees of the Jose Domingo de Obaldia Hospital	18.3
Board of Trustees of Santo Tomás Hospital	42.8
Children's Hospital Board of Trustees	28.9
National Oncology Institute Board of Trustees	15.8
Supplementary Fund Loan Form	9.2
Special Retirements	9.0
National Grain Production R/.	31.5
Guardian Angel R/.	9.3
Opportunity Network R/.	12.8
Subsidy for the Investment of Share Capital R/.	1.5
Other transfers to the private sector	151.4

Note: R/. Transfers/subsidies were reclassified from Investment to transfers/subsidies in Operation.

Source: Ministry of Economy and Finance.

Annex No. 7
Capital Expenditures: January to june 2025

(In millions of balboas)

Detail	Executed
Capital Expenditure	**1,344.7**
Direct Investment	**704.7**
Capital Transfer	**640.0**
Consolidated Agencies	**34.3**
Agricultural Development Bank (BDA)	0.0
National Mortgage Bank (BHN)	0.0
Agricultural Marketing Institute (IMA)	0.0
University of Panama (UP)	34.3
IFARHU	0.0
Public Companies	**222.7**
Panama Metro, Inc.	101.2
My Bus	0.0
IDAAN	121.5
Colon Free Zone	0.0
Panama Maritime Authority (AMP)	0.0
Panama Tourism Authority (ATP)	0.0
Civil Aeronautics Authority (AAC)	0.0
Unconsolidated Agencies	**371.4**
Private Sector	**11.5**
Sterile Fly Production Plant Equipment	0.8
Other transfers to the private sector	10.8

Source: Ministry of Economy and Finance.