
INDIA-PANAMA BILATERAL BRIEF

Political

India-Panama relations are the oldest in the Central American region dating back to the middle of the 19th Century when groups of Indians came to Panama to work on the construction of Panama Railways and later the Panama Canal in the early 20th Century. The diplomatic relations between India and Panama were established in 1962. Panama has a Resident Mission in New Delhi and had in 2018 designated a new position of Consul General, Mumbai for providing better and expedited visa-issuance facilities for Indian businessmen and tourists. India enjoys warm and cordial political relations with Panama.

2. Our bilateral relations got a fillip due to the high-profile visit of Hon'ble Vice President of India (HVP), Shri M Venkaiah Naidu to Panama from 8 - 10 May 2018. The visit of MoS (ML) in April 2022 added to the warmth of relations. Secretary (East) co-chaired the second India-Panama Foreign Office Consultations in Panama on 23 November 2022. Foreign Minister Janiana Tewaney visited India in January 2023 at the invitation of GoI to attend PBD at Indore. She also attended Global Investors Summit in Indore and participated in Voice of Global South virtually. An agreement on training diplomats was signed between EAM and FM. EAM was in Panama in April on 24-25 on a four countries tour. During his visit, he interacted with Foreign Minister Janaina Tewaney and met President Laurentino Cortizo. The views on expanding bilateral relations were exchanged. The previous Foreign Minister Janiana Tewaney (FMJT) visited India at the invitation of Observer Research Foundation of India to attend ninth edition of Raisina Dialogue 2024 at New Delhi. She also had a meeting with EAM on 22 February 2024. Both sides expressed desire to enhance the relations especially in economic sphere.

Recent visits

8-12 January 2023: Foreign Minister Janiana Tewaney visited India at the invitation of GoI to attend PBD at Indore. She also attended Global Investors Summit in Indore and participated in Voice of Global South virtually. An agreement on training of diplomats was signed between EAM and FM.

24-25 April, 2023: EAM Dr. S Jaishankar visited Panama on official visit and met President Laurentino Cortizo Cohen. He held delegation

level talks with the Foreign Minister Janaina Tewaney Mencomo. Both sides expressed keenness to strengthen bilateral relations. The two sides discussed topics of mobility, pharmaceuticals, digital technology, energy, trade and investment. SICA-India Foreign Ministers' meeting was also held.

21-22 February 2024: The then Foreign Minister Janiana Tewaney (FMJT) visited India at the invitation of Observer Research Foundation of India to attend ninth edition of Raisina Dialogue 2024 at New Delhi. She also had a meeting with EAM on 22 February 2024. During the discussions with FMJT, inter alia, EAM stated on the Mobility Partnership Agreement that the best way to combat illegal migration is to facilitate mobility of genuine travellers. During the meeting FMJT mentioned that MMPA is under discussion. FMJT added that the matter will be discussed during FM's meeting hosted by Panama with Mexico, Colombia, Costa Rica and Representative from US. EAM also mentioned during the meeting that the best way to combat illegal migration is to facilitate mobility of genuine travellers.

20-22 August, 2024: Minister of State for External Affairs (MoS-PM) Mr. Pabitra Margherita, visited Panama on official visit and met the Hon'ble President Mr. Jose Raul Mulino Quintero (PJRM) for a courtesy call on. He held delegation level talks with his counterpart Mr. Javier Martinez-Acha, Minister of External Relations of Panama. Both sides expressed keenness to strengthen bilateral relations. During the meeting, the following issues was discussed:

(a) India's candidature for the UNSC Non-Permanent Membership (2028-29) elections (b) Visa and Mobility issues (c) Recognizing of India Pharmacopoeia (d) Migration and Mobility Agreement, inter-alia, the two sides discussed also on the topics of pharmaceuticals, digital technology, energy, trade and investment.

On November 23, 2024 the presiding judge of the Supreme Court of Justice, María Eugenia López Arias, participated in the 25th International Conference of Chief Justices of the World held in Lucknow, India.

In March 2025, ProPanama Administrator Mr. Gerardo Peláez attended the 10th CII LAC Conclave and met EAM on the sidelines. A CII-ProPanama MoU was signed to deepen institutional collaboration.

In May 2025, a Multiparty Parliamentary Delegation from India visited Panama. The delegation met the President of Panama, Mr. José Raúl Mulino, the President of the National Assembly, Mrs. Dana Castenada

and FMJMA. Panama reaffirmed its support for India's permanent membership in the UN Security Council and condemned terrorism.

In July 2025, Vice Minister Mr. Carlos Hoyos visited India for discussions with MoS(PM), Secretary (West), Additional Secretary, Ministry of Commerce, and officials of IIT Delhi. He reiterated Panama's support for India's right to self-defence and its candidature for permanent membership of the UN Security Council.

In September 2025, EAM and FMJMA co-chaired the 5th India-SICA Meeting in New York.

In December 2025, the Vice Minister of Economy, Ms. Eida Gabriela Saiz, participated in the Global Forum on Transparency and Exchange of Information for Tax Purposes held in New Delhi.

Economic

3. Given its strategic location, and close cultural and political linkages with Latin American countries, Panama could be a useful hub for India to base its economic and business outreach efforts in Latin America. Panama also hosts a very influential international offshore and onshore banking services center. There are about 70 international and national banks based in Panama with assets of over US\$ 93 billion and a very efficient and active financial services market that could be utilized increasingly by Indian companies. Excellent connectivity with North American markets would be another advantage for corporate and entrepreneurs wishing to tap into the Central American and North American markets. The US Dollar is accepted in the economy as an advantage. Keeping the above in mind, India could position itself as a valuable partner for adding a new dimension to Panama's economic development processes i.e., based on knowledge-based industries such as consultancy, finance, IT, health services, insurance, education, software development, science, and technology, etc.

4. India-Panama trade in 2024-25 was US\$ 453.31 million. The main items of India's exports to Panama consist of minerals, Apparel & textiles, pharmaceuticals, miscellaneous manufactured articles, man-made fibres & filaments, electrical and electronic equipment, soap & washing preparations, medical/surgical instruments, and accessories, etc. The Main items imported from Panama include iron & steel, teak and other wood pulp, aluminium & articles thereof, mineral fuels, oils & waxes; mineral products, hides & skins, leather, etc. Both India and Panama, are among the few fastest-growing economies in the world. Panama witnessed average economic growth of 5% during the last decade.

5. Potential to boost economic ties exists in agriculture, engineering, health, energy, and information technology, and a multi-pronged strategy to enhance bilateral trade in merchandise and services is needed. Panama also invited Indian companies to invest in the Colon Free Zone. Two professors from India were invited to the annual Congress of Engineering, Science, and Technology held at the Technology University of Panama in October 2022 as research in science, engineering, technology, and mathematics is much needed.

6. Indian companies could form joint venture projects for the cultivation of lentils, oil seeds, and food grains, which are crucial import items, besides conducting joint research in dairy farming, seeds, and pulses. Indian companies can also work towards leveraging the opportunities arising from the growth in high demand for IT products and services within the region. Panama is one of the most stable and fastest growing economies in Latin America and a commercial hub of Central America. Panama & United States Trade Promotion Agreement further gives direct access to the American market to any investor in Panama. Its good relationship with North America helps as a destination for firms seeking to reduce their reliance on production bases in Asian countries.

7. The large Indian community present in Panama could be engaged to enhance trade and investment and joint ventures/ partnerships could be created. A delegation from Panama including prominent persons of Indian origin could be invited to India to show them around the facilities in India be it in health, textiles, machinery, or the IT sector. Most of the Indian businesses are in the Colon Free Zone which provides a good platform to reach out in the region, and it could be increasingly used by Indian businessmen in addition to other special economic zones. Indian companies are interested in the health, energy, infrastructure, IT, and telecommunication sector. In January 2026, representatives from Indian Companies participated in the LAC International Economic Forum in Panama City.

8. While the Government of Panama continued to project Panama as a major logistical and transportation hub in Central and Latin America, the Panamanian economy continues to be mainly a services sector-oriented economy that heavily relies on the Panama Canal; tourism inflows, banking transactions undertaken by the massive banking, and extensive re-export of commercial merchandise undertaken by various companies located in Panama's Colon Free Trade Zone.

9. Some main sectors with a potential for trade and investment are as under:

(i) **Pharmaceuticals:** Panama is the 3rd largest buyer in Central America of pharmaceutical products, and it imports most of its pharmaceutical products. Only 6% of what is sold in Panama is made here in the country. All pharmaceutical medicines are 100% import free.

(ii) **Teak:** In Panama, approximately 80 thousand hectares of timber trees are grown for commercial trade. Teak, cocobolo, mahogany, and Caribbean pine are the main species that are cultivated here. 95% of the teak produced in Panama is exported to India.

(iii) **IT Products and services with a focus on the financial services sector**

(iv) **Automobiles and auto parts:** Automobiles are one of the major items of import in Panama from countries like Japan, South Korea, Mexico, etc. Indian companies who already have a footprint in Latin America can easily gain access to this market.

(v) **Potable Wind/Solar Energy:** Panama is the top energy consumer in Central America, and imports more than 80% of its energy to meet its needs. On 7th March 2024, the previous Ambassador of Panama to India, Yasiel Burillo handed over the Instrument of Ratification to ISA at New Delhi. Panama also signed the foundation document for the Global Biofuel Alliance in April 2024.

(vi) **Food products/Agricultural Machinery:** The agricultural sector has lost importance over the years, accounting for less than 10% of GDP today. The imports of food products have accelerated over recent years, and Indian companies can step in for the provision of seeds, produce as well as light agricultural machinery.

Education

10. Under India-SICA cooperation, India set up an IT Centre of Excellence in the City of Knowledge in August 2006 and after operating it successfully for about two years, it was handed over to the Panamanian authorities in July 2008. The IT Centre was later upgraded in 2015 at the request of Panamanian authorities. Four Indian APTECH Experts trained 25 Panamanian trainers under a three-month program, which culminated on 17 February 2016. Panama has been allocated 25 slots under ITEC scholarships this year. Last year due to full utilization of 25 ITEC slots, from the current Fiscal Year the ITEC slots have been increased to 30.

Development Partnership Initiatives

11. **Donation:** In 2020, the Government of India donated a medical aid package for Covid-related medical assistance to Panama, consisting of 1,10,000 HCQL tablets and other medicines and medical supplies, and the consignment of medicines was delivered to the Ministry of Health of Panama from June-July, 2020.

12. On February 05, 2025, India and Panama signed the MoU on 'Agreement Between Government of India and Government of the Republic of Panama regarding Indian Grant Assistance for Implementation of **Quick Impact Projects (QIPs)**'. Later on 18 November, 5 MoUs for implementation of India-Panama Quick Impact Projects (QIPs) were signed.

Lines of Credit Projects

13. During Hon'ble Vice President (HVP)'s visit to Panama, two tangible initiatives for strengthening technical and technological cooperation were announced - (i) the setting up of a Centre for Biodiversity & Drug Discovery for US\$ 10 million, and (ii) setting up of a Centre for Technology & Innovation for US\$ 15 million.

Indian Community

14. Panama's Indian community originates from Punjab, Gujarat, and Sindh (now a part of Pakistan). Around 15,000 PIOs and NRIs (mostly Gujaratis and Sindhis) live in Panama. There are several places of Indian worship in Panama – Hindu Temples, a Gurudwara, Mosque in Panama City, and another Hindu Temple in Colon. The Sindhi community is mostly engaged in wholesale/retail trade and the Gujarati community is in the micro-credit business. The community is financially well-settled and has contributed to Panamanian society. In January 2021, the National Assembly passed a law creating National Council for Indian ethnicity to advise the Government. The Committee has been constituted in August 2023.

June 2026