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Comparative study of the importation process of Panama with the importation process in Colombia

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Abstract

The main objective of this research is to establish a comparison between the import processes used in Panama and Colombia through methodologies such as deductive, descriptive and analytical.

The imports of merchandise have become a fundamental process for the economic development of nations, in the case of Panama and Colombia it is interesting to analyze in the first instance the economic behavior of both countries, taking into account that in their history both territories formed one alone and that the separation as two sovereign nations marked an important milestone in its development. In recent years, the economy of Panama has stood out over other countries in the region, based mainly on the use of its geographical location and the provision of services, while Colombia, being a country with great wealth has had a weak economy that has been influenced by problems of social and political order.

For both Panama and Colombia, imports have represented a very important pillar in the economy over the years, since they have allowed both countries to execute a process of modernization that has enabled them to adhere to global economic integration; However, being part of globalization has meant that these countries have to use facilitating instruments for all the actors involved in the process of entering the National Customs Territory.

Keywords: Import Process, Facilitation, Customs Declaration, Customs Clearance, and Customs Authority.

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Introduction

Given the strategic location of Panama and, of course, the possibility of having an inter-oceanic canal, it makes it a reference country for international trade in terms of customs operations, not only in Latin America but also worldwide. However, as a country with knowledge of the management of merchandise transit, which has no discussion, it is interesting to know if that same knowledge is transferred to other customs regimes, in this case the import process.

On the other hand, Colombia, although it is not a country that represents high percentages or volumes of goods entering the international context, it is still striking in terms of its geographical position, covered by ports, with companies located in the Atlantic sea and in the Pacific Ocean.

Now, the present work tries to compare the import process of both countries, not in volume nor in the type of merchandise, but from its operation. Reasons to opt for this comparison, beyond what was previously noted, are even historical aspects since they were ancestrally one, as well as cultural aspects due to the similarity of their people.

Consequently, this comparison seeks to discover similarities and, of course, differences, propose which ones could be adopted for the Colombian case and, based on a detailed analysis of each stage, establish which of the two procedures could be the most appropriate in order to facilitate the trade operations without implying the abandonment by the authorities of customs control.

What has been discussed above raises, as an object of study, a work that covers the regulation of the importation processes of both Panama and Colombia, based on a historical and commercial review of the same, and then come to some conclusions that may perhaps contribute in the future, the establishment of different regulations in favor of quickness that this type of processes require in favor of Colombian importers.

1. Project formulation

1.1. State of the art

The ease of the import regime in a comparative study of the processes enshrined in decree 2685 of 1999 and decree 390 of 2016

Regarding imports, it is evident that currently, the Decree 390 of 2016 governs Colombia primarily, which is a major derogation of Decree 2685 of 1999. At the international level, there are currently two trends in issues of Customs legislation in import regimes, which are risk management and facilitation of international trade. The WTO (World Trade Organization) considers as one of its pillars the principle of facilitation, in this sense; this new decree aspires to become one of the greatest instruments for the facilitation of foreign trade operations in Colombia.

In March 2016 the customs authority made available to its managers, the validity of decree 390, which did not present radical differences compared to its predecessor (Decree 2685) incorporating aspects such as electronic payments, rapid alerts, multimodal infrastructure, simultaneous inspection and exploitation of ICT (Information and Communication Technologies), however, one of the main aspects that are included in the main instrument of regulation of foreign trade in Colombia, is the appearance of a new classification for users, where they are called foreign trade operators, authorized exporter, importer, exporter, among others. (Orrego, Castaño & Londoño, 2016, p. 27-34-35).

Authorized Economic Operator

In accordance with the processes of economic integration at a global level, the opening of markets, the dynamics of cross-border operations and the incorporation of Colombia as an emerging economy in the international framework, it is necessary that the nation begin a process of modification of the laws and regulations that generally govern foreign trade operations, where steps, instruments and processes can be carried out to strengthen aspects of a more solid trade in security matters, benefiting the participants of said operations, based on the suggestions raised by the WCO (World Customs Organization) and the IDB (Inter-American Development Bank).

Thanks to these factors, for the year 2008 the DIAN officially presented to the WCO, the claim to belong to the Normative Framework to simplify and strengthen cross-border trade operations, thus generating a commitment for the nation in a way that should be to conform and adapt the OAS (Authorized Economic Operator) facilitation principle, establishing some essential factors, to carry out a rigorous implementation that makes it possible in some way to safeguard all the figures that intervene in the supply chain, such as inter-institutional coordination, facilitation and process security, international support and partnerships between the public-private sector. (Naufal & Solano, 2017, p.39-40).

The interesting thing about this new qualification is that it covers not only large companies, but also small and medium-sized ones, because it does not have as a minimum requirement in terms of the presented declarations or value of the goods imported or exported from the country, which difference it from figures such as the Permanent Customs User (UAP) and the Highly Exporting User (ALTEX), therefore it can be said that the primary requirement that a company interested in obtaining this accreditation must meet is to demonstrate the safety and transparency in its chain of supply. (Londoño & Montoya, 2014, p. 39).

National Logistics Strategy, 2030 (IDB, 2017)

On the other hand, Panama is an economy highly dependent on the tertiary sector, where the services sector represents 40.2% and trade represents 19.6% of GDP (Gross Domestic Product), these sectors are the foundations of the Panamanian economy. International trade makes Panama position as one of the most important economies worldwide, all this is mainly due to its geographical location for its small stretch between the Pacific Ocean and the Caribbean that allows the transit of a large amount of goods in a way more agile and cheaper, it is for this reason that the government implements strategies aimed at improving operations related to foreign trade, the most outstanding is the recent expansion of the channel; However, in 2016 Panamanian foreign trade was classified as one of the poorest in Central America, due to exports reaching USD 636 million representing 1.2% of GDP, while imports reached USD 11,697 million, generating a negative trade balance of USD 11,062 million. (Inter-American Development Bank, 2017).

Logistics Profile of Panama (Legiscomex, 2013)

Currently Panama is a logistic example to follow, both for Central America and for South America, the migration of the old customs system SICE (Integrated Foreign Trade System) to SIGA (Integrated Customs Management System) gave users the ease to perform customs transactions, within the functionalities of this system are the following: online payment management, presentation of customs declarations, presentation of manifests, container monitoring, among others. In addition, the technology in the ports has also been modernized, in some ports non-intrusive inspections are carried out on the merchandise, this makes it possible for the Unit and Technical Inspection of Containers (UNITEC) to have the control of the loads and detect anomalies in a more agile and timely way, thus performing as redistribution and transshipment of containers, mobilizing figures exceeding 4.5 million Teus annually, which makes it one of the countries with the most modern ports in Latin America and thanks to this, Panama is positioned worldwide as one of the most important countries regarding container movement indexes and one of the first in the Central American and Caribbean region with a participation of 25.6%. (Legiscomex, 2013).

Central American Customs Union

The creation of regional trade blocs is currently an appropriate response for the globalization of the economy and the liberalization of trade worldwide. In agreement, the Central American customs union represents a clear example of a regional bloc for the cooperation and development of intraregional trade operations, thus, it is considered as an instrument that contributes to the facilitation of commercial transactions in Central America. Through the consolidation of a customs area with free circulation of goods and services, with common elements such as the customs administration, tariffs, external commercial policy and the harmonization of commercial regulations. (Castro, 2010, p. 58).

Panama adheres to the Central American customs union in compliance with article 4 of the political constitution that stipulates that the State's fundamental purpose is to establish and strengthen ties to promote regional integration.

1.2. Problem Statement

According to World Bank data (2017), Panama's economy has been one of the fastest growing in the world; for example, the average annual growth was 7.2 percent between 2001 and 2013, more than double the average of the region. The Panamanian economy grew 6.2 percent in 2014, down slightly to 5.8 and 4.9 percent in 2015 and 2016, respectively.

With the planning of carrying out the project to build the second Metro line and the increase in the merchandise traffic originated by the expansion of the Canal, the perspective and the panorama infused in the high growth in the following years, are cataloged as the new opportunities promoted in the first instance by the private sector in areas such as logistics, transport, mining, tourism and financial services, positioning themselves as the key axes for the development of the country.

In the same sense, imports have grown in Panama, even starting from a simple fact, Panama is not a producer or manufacturing country, it is a commercial country. Strong reason to point out that Panama requires the import from basic products to those of high technological advance.

Colombia, according to the World Bank (2017), despite the macroeconomic and structural reforms that have been implemented in recent years, presented weaknesses in domestic demand and strong depreciation of the currency, causing a sharp contraction in imports.

The services sector remained for Colombia as the one that contributed the most to growth due to the dynamism of financial, commercial and construction services, but also saw a slower than expected growth in the first half of 2017, with confidence effects that influence private consumption, investment, and weak external demand and competitiveness issues that affect even the performance of exports.

According to the DANE (2017), the behavior of total imports of the previous year showed a growth of the manufacturing group with 3.9%, which translates into a growth of imports of inputs, something striking when it was becoming custom to import finished products.

Although Colombia has much more industry and production than Panama, it undoubtedly has in common that, according to their territorial and population extension, they present a significant volume of imports, which generates the need to have agile and effective procedures at the moment of entering the merchandise from abroad.

Under the scenario, it is intended to compare both import processes under the following question: What conclusions can a comparison of the import processes between Panama and Colombia provide in order to promote a procedure that facilitates the management of international trade in these countries?

1.3. Objectives

1.3.1. General Objective

To establish through a comparison between the imports processes of Panama and Colombia the similarities and differences that allow promoting a procedure that facilitates the management of international trade in these countries.

1.3.2. Specific objectives

- To review common elements of the history and economy of Panama and Colombia.
- To describe the behavior of imports from Panama and Colombia between the period 2010 - 2017.
- Describe the importation processes in Panama and Colombia and their relationship with the facilitation principle.
- Make a comparison based on the information collected about the import processes of both countries.

1.4. Justification

1.4.1. Theoretical justification

On the subject of imports, it can be considered that there is abundant material, but not a comparison between the importation processes of Panama and Colombia, which is why it is

considered that this work can be a valuable theoretical contribution, among many reasons for the neighborhood of them, their permanent exchange of goods and of course the historical and cultural reasons that have united them.

1.4.2. Social and/or business justification

The economy is very changing and with it the societies, customs, policies and all the development in general of humanity change as well. In the same way, imports behave and, in turn, the rules that regulate foreign trade operations. Recognizing the importance of Panama for the entrepreneur and the Colombian industry, even for the final Colombian consumer, the contribution can be very useful as a source of consultation, so that academics and businessmen have at their disposal a not only informative element but also which aims to perhaps contribute to a common standard to regulate imports between both countries.

1.4.3. Personal justification

As students who choose the title in International Business, apart from fulfilling a degree requirement, it is very important through research, analysis and conclusions, to materialize aspects of training in a document of your own and that can transcend as a source of consultation and appointment for other students, teachers and business and public sector.

1.5. Framework

1.5.1. Theoretical framework

During the nineteenth century Colombia presented a 1.8% annual growth compared to 4.6% registered in the twentieth century, which is why it is considered a country with a slow-moving economy. Regrettably, the progress made did not generate sufficient force to cover the Colombian population that was in a position to work, evidenced in the first instance by the high rates of unemployment, underemployment and informality in which a large part of the country's population worked. The figures obtained show a certain reduction in the gap between Colombia and the developed countries, but it did not do so in terms of the industrialized nations such as Indonesia, Taiwan, Malaysia and South Korea that obtained accelerated growth for its foreign trade operations, established mainly in exports to the

developed world, observed approximately in the middle of the 20th century to the present day. (Kalmanovitz, 2015, p.3)

The perspectives are descending for Colombia in the long term in aspects of growth, basically in the period 1925-1950 prepared in the first place by the Second World War and the great depression that slowed the economy worldwide. (Kalmanovitz, 2015, p.3)

The growth of the gross domestic product (GDP) in the next half-century is close to 5% at the nation level, although the increase in population is such that the gross domestic product (GDP) per person decreases. In the eighties, the depression generated by the Latin American debt incurred in stopping the development of the Colombian economy, although it was the least affected economy in the region; However, the crisis at the end of the century did affect it to a large extent, with an incidence of 4.3% of the gross domestic product (GDP) in 1999. The events that occurred show a worrying projection for the performance of activities in favor of growth of the economy of the Colombian nation, mainly by not making the necessary adjustments to change the bases of the economy and politics that have had great repercussions in the past; aspects such as investment, savings, efficiency in the use and allocation of resources, and the dynamism and globalization of international operations stagnate Colombia's economy. (Kalmanovitz, 2015, p. 3-4).

In the 21st century, the problems of the Colombian economy are entirely different from those faced in the nineteenth century and the twentieth century. Given that, in particular, after the fall in Germany of the Berlin Wall, the huge advances in technological aspects and the giant steps that globalization has today, place a country like Colombia in a position where it can not establish barriers for the exterior and its operations, since this affects it directly or indirectly, for everything that happens in its international environment. On the other hand, local changes have had profound impacts on society and with the end of the conflict will be reported in greater proportion, so, what should be looked to the future is whether Colombian society and its leaders are willing to transform the balances that affect the economic, political, social, territorial and institutional factors to change the order of the structure in the Colombian nation, thus fulfilling the objectives established for the progress of all Colombians. (Caballero & Urrutia, 2016, p.3)

Currently, the fall in oil prices is one of the reasons for the slow growth that Colombia has had in the last 3 years, in 2016 the economic growth of the country was at 2% while in 2017 this figure dropped to 1.8%. During 2016, the devaluation of the Colombian peso and the low domestic demand generated a negative impact on imports, private consumption did not have the expected growth and investment in the extractive industry was reduced due to the low economic outlook. Exports accounted for 1.6% of the country's economic growth.

The sector that contributed the most to the growth of the country's economy was the services sector, compensating for the decline of the extractive industry. On the other hand other natural phenomena damaged the agricultural sector.

On the other hand, Panama consolidated its more than 100 years of sovereignty since the separation of Colombia in 1903, during this separatist process the United States played an important role in providing great support to the Isthmus of Panama.

From the time of colonization, Panama was a very attractive place because of its privileged geographic position that would allow to shorten distances between the Atlantic and Pacific oceans, that is why in 1880 a French company started the excavation of the canal, but it failed in the year 1888, rising a new company in the 90s that also failed, as early as 1902 the United States began to take an interest in the construction of the canal, thus initiating negotiations with Colombia to sign a treaty that would allow the United States to execute this construction and dominate it militarily; finally in the year 1903 Colombia and the United States signed the Hay-Herrán treaty. (Beluche, 2003, p. 12-159). The United States had a leading role in building the Panama Canal and administering it, even with control of the "Canal Zone" which amounted to 1,400 KM² of Panamanian territory until 1999, when it passed into the hands of the State from Panama.

Given the sequence of events, it can be concluded that the separation between Panama and Colombia comes from the pressures exerted by the United States on the Panamanian isthmus. (Beluche, 2003, p. 180).

Historically and until now, the Panamanian economy has been based on two aspects, the first one reflects a sector dedicated to services and focused on international insertion, the second corresponds to a sector that has had less strength in the economy; agriculture and

industry, which have been uncompetitive internationally, and therefore are essentially destined for the local market.

Panama in the international environment has been considered one of the fastest growing economies in the last decade, doubling its per capita income between 2004 and 2014. Thanks to the expansion project of the Panama Canal, the country has progressed through a dynamic network of services that cover aspects such as communications, financial services, logistics, ports and commerce, which have positioned themselves as a fundamental source of foreign currency, demanding a significant amount of construction, where projects also affect locally the Metro in Panama City and the Tocumen airport terminal, thus locating the construction sector as a factor of great incidence in the reduction of inequality and poverty. (Hausmann, Espinoza & Santos, 2016, p. 2)

Simultaneously, an air hub is developed in Panama, where more than 120 regional bases of multinationals have settled under the law SEM (Multinational Companies Headquarters Law), where aspects such as improvements in personal security, economic stability and suitable environment for the businesses, add to the migratory and fiscal benefits that flood the nation's economy. (Hausmann, Espinoza & Santos, 2016, p. 2)

The multinational companies that have their operations in the country have reinvested around 70% of their profits in the Panamanian economy, which turns this situation into an aspect of vibrant economy and confidence, being cataloged as a perspective of favorable dependence with a large proportion currency. However, the state continues taking the necessary measures to be able to give a significant reduction to the deficit with important reductions in imports, thanks to Panama's record over the past two decades, increasingly higher deficits, evidenced by imports of goods, which greatly exceed the exports of goods and the surplus of services, based on large Direct Foreign Investments. (Hausmann, Espinoza & Santos, 2016, p. 19-20)

According to Fisher (2016), prospects for future growth in Panama will depend to a large extent on the economic results generated from the expansion of the canal. (Fisher, 2016, p. 55).

Finally, it is important to mention that Panama, being a net importer of all types of merchandise, can see its economy affected by the increase in the price of products, such as oil; On the other hand, since Panama is a dollarized economy, it can also be damaged by devaluations in the value of the dollar that are the product of activities outside the Panamanian isthmus. (Fisher, 2015, p. 53).

1.5.2. Conceptual framework

The present work is supported basically in four (4) variables that at the same time constitute the conceptual essence of the same, namely: goods receipt process in Panama, import process of goods in Colombia, import regimes, facilitation and control, all characteristic of the activity of international trade that is located in turn in economic science.

Imports then, are located in the commerce sector, tertiary sector of the economy that includes wholesale trade, retail, shopping centers and, in general, all those that are related to the activity of trade of various products at the national level or international.

Taking into account the above, it is necessary to recognize the work of the customs authority, because it represents an essential figure in all operations concerning international trade, based on the premise that it is considered an organism created and authorized by the State to exercise activities not only of rights and taxes collection, but also is responsible for exercising control over the goods. (Vilches, 2014, p. 13-14).

Considering that the customs procedure is mandatory for all the actors whose purpose is to participate in foreign trade operations, it is essential that the customs authorities serve as facilitators and managers of the process by guaranteeing the security and expeditious delivery of the merchandise that leads to the reduction of costs and optimization of times, generating an important advantage for companies and countries in the global value chain. (Shujie & Zhao, 2009, cited in Zamora & Navarro, 2013, p. 205).

Now, within a market totally immersed in globalization, where the exchange of goods and services between different States turns out to be a daily environment, customs management stands out as an important point in international trade activities; It is present not only in the

import process but also is visible in the export process, special regimes, transit of goods and logistic operations, hence its relevance in the international commercial field. Customs management represents then a fairly complex and relevant element, in favor of compliance with regulations that ensure safety and ease to all actors who are participants in different processes related to international commercial activity. (Coll, 2015, p. 13).

But the detail of each one of the variables, are in the norms that regulate the activity in each country, as a result of the state power to establish norms and measures to be applied by the respective customs authorities.

1.5.3. Legal framework

Basically the norms that establish the legal framework of the present work, considered as facilitators of the international trade processes, for the nations mentioned in the present investigation, are focused in the first place for Colombia in decrees 390 of 2016 and 349 of 2018. This way mainly the Uniform Customs Code of Central America through Law 26 of 2013 governs Panama.

It is distinguished that with Decree 390 of 2016, cross-border trade operations in Colombia acquire a relevant element of facilitation against the development of these operations, which contributes to solve a problem, such as not having the accurate knowledge to carry out foreign trade procedures without incurring in a violation of the law; figure that is considered essential for the strengthening of the economy of the nation regarding international transactions. However, currently, Colombia has not been an exception to the problems that have been exposed, with the entry into force of the new regulations, such as the ambiguity of the norm and the stagnant implementation of a computer system that allow to apply in a more precise way to this new regulation. (Núñez, 2017, p. 14).

Within the framework of the Central American uniform customs code, fundamental pillars for the development of international trade stand out, such as the facilitation of the operations of all customs regimes, the control by the customs authority and the strengthening of the customs entity, involving different users of foreign trade as customs

brokers, carriers, customs warehouses, importers and exporters. (Barahona y Garita, 2003, p. 3)

1.6. Methodological framework

1.6.1. Research Method

The present investigation is approached from the deductive method, from the general to the particular, basically addressing two (2) variables, the import process from the normative and the economic model through history, mainly based on statistics about imports from both countries.

In turn, the descriptive method will be applied, because it necessarily requires a series of transcriptions on the Colombian and Panamanian customs norms, but this method is also used to describe a bit the behavior of international trade in these countries.

Finally, the analytical method allows obtaining conclusions that lead to develop the general objective of the present investigation.

- **Research focus**

It is considered a qualitative research, since its source is advisory, understanding that there are minimal statistical contributions from secondary sources and not developed by researchers.

- **Type of study**

The type of study is applied, without ignoring that its origin is the own knowledge of those who integrate the present work, but through the consultation the researchers make a description that they conclude applying through the review of the found.

1.6.2. Investigation methodology

- **Techniques and instruments for gathering information**

The consultation is the main technique, the search of secondary sources such as texts, articles, web pages, in order to obtain the information.

Table 1: Type of information by specific objective

Specific objectives	Type of information
Review common elements of the history and economy of Panama and Colombia.	In order to achieve this objective, secondary information is consulted, as they are consulted on the web.
Describe the behavior of imports from Panama and Colombia between the periods 2010 - 2017.	This objective is developed with information from web pages and some works and articles consulted.
Describe the importation processes in Panama and Colombia and their relationship with the facilitation principle.	The information taken for the description is of a secondary nature, since reports, indicators, articles and analyzes that have been prepared in front of the topic on the Web should be consulted. But it is also primary because it is used to consult official pages to cite the rules of each country.

Source: Own elaboration.

- **Selection and analysis of information**

Although there may be a lot of writing about Panama and Colombia regarding international trade and its importation processes, there is no background in research that compares the process between the two countries.

- **Slant control**

When carrying out an analysis, although there are some statistics that allow conclusions to be supported, this fails to avoid subjectivist mistakes of appreciation, without this implying the application of interpretation by researchers.

1.7. Scope

This work essentially covers the figures for 2010-2017, which is why the information that is available comes basically from 2010 and is limited to imports in Panama and Colombia.

2. Investigation Development

2.1. THE HISTORY OF PANAMA AND COLOMBIA, ITS ECONOMY

2.1.1. Historical review of Colombia and Panama

- **Historical Review of Colombia**

In the fifteenth century three huge indigenous families inhabited the Colombian lands, cultures such as the Chibcha established in the cold regions of the center of the country, highlands and Sierra Nevada of Santa Marta; the Arwac located in the surroundings of the Amazon, Caquetá and Putumayo rivers; and the Caribbean, located on the shores of the Atlantic Ocean. Their socio-political organizations were administered through a matriarchal culture, they formed a society based on religious laws and precepts, spread verbally and with a strong sentencing system, additionally their peoples were based on a mixed economy, characterized mainly for agricultural activities, hunting and fishing; thanks to these aspects its infrastructure surpassed the previous cultures. (Presidencia de la República de Colombia, s.f.)

In 1499 on the coasts of the Atlantic the Spanish crown executed the first caravans, in order to penetrate the American lands, where the process of colonization began, which was formed in 1509 in the Gulf of Urabá. In this process the natives were at a great disadvantage because of their diversity of languages, customs and religions. In addition, the Indians exchanged the gold of many generations for items such as cloth, mirrors, which appeared as a minimum value against the pre-Columbian riches, however, the Indians were subjected to work for the colonizers for free but mandatory.

In the invasion, the King of Spain granted each explorer the jurisprudence to colonize his territory by imposing Christianity on Native Americans and forcing them to pay tribute to the Spanish crown. In 1550 the beginning of a new era was founded, distinguished as the colony, in which its structure was of the Royal Audience, made up of the presidents and the viceroys.

However, in the mid-eighteenth century, began in America the dislike in the opposite direction against the political and socio-economic mandate established by the colonizers. The opposition against enlightened absolutism and the great tension at the international level for the independence of the United States of America and the French Revolution, gave rise to engender a pre-independence ambit established in New Granada that originated with the comuneros revolution in Socorro, Santander.

In the middle of the 19th century, the definitive break with the colonial socioeconomic era for Colombia was marked. In New Granada the structure of the Conservative party is originated doctrinaire and philosophically by Mariano Ospina Rodríguez and José Eusebio Caro and the Liberal party by Ezequiel Rojas.

With the implementation of liberal ideas, the nation was incorporated into the capitalist system in the West. The Constitution of Rionegro (1863-1886) symbolizes the success of free trade interests and the establishment of absolute individual freedoms, the exercise of these principles leads to the end of the century a rethinking of the ideological principles of the State. A protectionist regime was then founded, led by the Constitution of 1886 that remained in Colombia for more than a century, characterized by a solid centralism and broad powers granted to the executive power, promoting the start of the process of industrialization of the economy of the Colombian nation.

The thirties of the twentieth century, represented the beginning of a policy of import substitution for Colombia, especially targeting consumer goods; the expansion of the economy essentially in the process of industrialization, originated great changes at the social level, the demand for labor increased migration to the cities and simultaneously increased social confrontations both in the countryside (peasant agitation) and in the city (Labor movement, which gave rise to the establishment of a labor reform). At this time the liberal leader Jorge Eliecer Gaitán emerged as protector of the peasant in the banana areas and strengthened the political party of union of the revolutionary left as a delegate of the popular masses, which consequently imposed Gaitán as a transcendental leader.

In the 1950s, the increase in the power dispute between the liberal parties and the conservative parties gained strength after the death of the leftist politician Jorge Eliecer

Gaitán in 1948, thus intensifying the migration of peasants and people located in rural areas.

In the mountainous areas, eastern plains and peasant regions, armed groups (guerrillas) were known, which put pressure on the government and its power accentuated in the liberal and conservative parties; Due to this pressure, a military dictatorship was constituted to face the problems granted mainly in those areas, however this government was succeeded to a bipartisan change, between conservatives and liberals, appointed national front in 1958, to take power between the periods 1958 to 1974.

In 1960 the communist influences on the part of the armed groups arranged on the towns in the Colombian nation, gave a different character to the conflict, thanks to that a lot of population left their earth and was included in these groups, which intensified in great volume confrontations between the orientation of the Marxist-Leninist guerrillas and the armed forces of the Republic of Colombia, in addition in 1965 the armed group called the National Liberation Army (ELN) appears, in 1967 the People's Liberation Army (EPL) and in 1973 the M-19.

In the presidential period between 1982-1986 the first actions were carried out in order to reduce the armed conflict in Colombia and the first steps were taken to demobilize armed groups such as the M-19 and EPL in the presidential development of Virgilio Barco (1986-1990).

However, before the requirement to transform the Constitution of 1886, a plebiscite was created in 1990 formed by the association of university students, which was approved and influenced the democratic formation of a constituent Assembly, which brought together various forces, such as like that of students, liberals, conservatives, demobilized guerrillas, indigenous people, among others; The new political constitution was conceived in 1991, which has as its base and main objective, ensuring the fulfillment of the rights of Colombians, establishing the national union, strengthening democracy, citizen participation, strengthening justice and consolidating the inner peace.

- **Historical Review of Panama**

From the beginning of its history, Panama has stood out for its geographical position, which incorporated it into what was the first human globalization.

During the nineteenth century, Panama's history was marked by two events: the first, its nonconformity to depend on Colombia and the second, its need to start exploiting its privileged geographical position.

From the year 1739, Panama was included to the Viceroyalty of New Granada, and from the beginning it maintained a very distant relation with Bogota because its economic activities were totally different; even their relations were even stronger with countries like Baltimore, Jamaica, Cuba and New Orleans than with Colombian ports.

In 1808 the independence process began and two years later, Panama adhered to the juntista movement, where it began to adopt certain autonomist measures. The years after this event were of great political tension, especially because the constitution of Cadiz, where several issues such as national sovereignty, equality, freedom of industry and printing, were raised, generated a great impact.

In the year 1814 under the command of Spain, the first thing that the Viceroy Francisco VII did was to abolish the constitution of Cádiz that was in force since 1812, this event caused great clashes between Spanish troops and citizens, this situation triggered the discontent of Panama towards Spain, which is why in November 1821, through an open town hall, its rupture with Spain was executed, and it was decided to join the neighboring country given that Panama, because of its weak military force, was in need of being linked to another territory. The options were: Peru, New Granada or New Spain; the decision taken at the time was to join New Granada, given that in the circumstances that were found was the best alternative, because of the administrative and commercial ties that both nations had been holding for some time. The union of Panama with New Granada was considered something temporary, however this union lasted 82 long years, in which the relationship between both territories was precarious.

During the period of independence from Spain in 1821, the country was able to enjoy certain freedoms associated with slavery and the media, in addition to the popular sector to which a large population of Indians, mestizos and descendants of slaves had the opportunity to participate politically.

Returning to the issue of the importance of the location of Panama, it should be noted that European powers such as England and France were very interested in taking advantage of the Panamanian potential, to which the United States joined, who shared the same interest.

Through the Salgar-Wyse treaty in 1878, Colombia authorized the French to build an interoceanic canal in the Panamanian isthmus. In the year 1880 a French company began to carry out the excavation for the canal, which was a resounding failure, which is why the construction of the canal was ceded to a new company (also French) that in the 90s failed in the attempt.

Faced with the inability of the French to build the canal, and after an arduous process of negotiations that was characterized by great difficulties, in January 1903 the Hay-Herrán agreement was signed between the United States and Colombia, through which Colombia granted the construction of the canal to the North American nation. However, this agreement was less profitable for Colombia than the Salgar-Wyse signed with France, since with the United States was established that they would have territorial control and total sovereignty over 5 kilometers on each side of the canal, while what was agreed with the French only corresponded to 200 meters.

Finally, on November 3, 1903 Panama formally separated from Colombia, driven by the North American imperialism that supported the Panamanian business elites in this process, in order to seize the Isthmus and not for alleged Colombian oppressions towards Panama as it has made believe.

After the separation from Colombia, a process of modernization in the country was urgent because it was economically stagnant, this is why a reconstructive process was started, where new institutions were created, large buildings of a public nature, important roads were built paved and hospitals. The modernization of the country was developed in an expeditious manner, since these changes were achieved in less than 25 years.

In 1940 was elected as president Arnulfo Arias, a physician at Harvard University, who implemented reforms such as the 1941 constitution, the granting of votes to women, founded the Agricultural and Commercial Bank, among others. Arias, proposed an aggressive policy so that Panama was exclusively for Panamanians, thus showing a totally anti-United States stance, which led to great political tensions and problems in his mandate causing that by a coup d'état was dismissed of the charge. However, his intrepid character made him get the presidency again on two other occasions in which he was also overthrown. The last time was dismissed by a military coup occurred in 1968 and headed by Omar Torrijos Herrera.

Since then, a military dictatorship was established that lasted two decades, in which Torrijos gained full control of the country, and thanks to his populist policy he won the support of certain social groups, thus promoting his desire to recover the canal area that until that moment it was dominated by the United States. In 1977, an agreement was signed between US President Jimmy Carter and Omar Torrijos, which was baptized as Torrijos-Carter treaties, through which Panama regained its sovereignty over the canal.

After the death of Torrijos in a plane crash in 1981, the presidency was granted to his successor Manuel Antonio Noriega who transformed the nation into a narco-dictatorship, in which corruption and violence characterized his government. Repeatedly the popular rebellion made the attempt to overthrow it, to which Noriega responded with repression, violating the rights and civil liberties of the citizens, popular protests extended from 1987 to 1989.

On December 20 of 1989, the United States executed a military invasion of Panama in order to capture Noriega and judge him for the crime of drug trafficking, finally on January 3, 1990 the dictator turned him over to the US justice system.

After this event, it was very difficult for Panama to return to democracy and recover its economy that was totally ruined. In the year 1990, during the presidency of Guillermo Endara a constitutional reform is carried out in which the military forces are eliminated and the national police is created in its replacement.

The total transfer of the channel to Panamanian hands was executed on December 31, 1999, in the presidency of Mireya Moscoso.

From the capture of Noriega in the 90s to the present, Panama has maintained a multiparty democratic regime, with all the imperfections that democracy brings by nature and has maintained a process of economic recovery.

2.1.2. Historical overview of the economy of Panama and Colombia

- **Historical overview of the Colombian economy**

Around two hundred years overwhelmed by conflicts, inconveniences and predicaments framed history in the Colombian economy since its outbreak as a self-sufficient nation. New Granada coexisted with a natural economy, conditionally prosperous, however, with great social disconformities, this economy was based mainly on gold and agriculture worked in the first instance by farmers, slaves and indigenous people. In the periods of 1802 and 1804 agricultural products represented 40% of exports, additionally, the remaining 60% was in exports of minerals, mainly gold.

For the period between 1800 and 1809 the economy presented positive figures, however later it entered a recession stage, prolonged until the year 1850, consequent to this, the country presented in its thirty six following years, changes in its sovereignty national, established in transformations of great importance such as the construction of a railroad linking the Venezuelan ports with the Colombian structure and the constitution of free banks with large reserves of money; In addition, there was an increase in exports, mainly due to products such as coffee, tobacco and quinoa, however by the end of the eighties the Colombian economy was once again weakened, by then, it was considered one of the most versatile economies in Latin America.

The nineteenth century was elusive for the progress of the nation's economy, due to the collision generated by the disturbances in the mandate, after the pro-independence struggle expanded until about 1850, establishing extremely negative impacts for the gross domestic product in the first In spite of this, in 1907 the mandate in turn managed to cancel the country's external debt and in this way extracted the Colombian country from the

delinquent debtors included in the list of the London stock exchange, recovering certain credibility and obtaining new credits.

In 1911 Colombia returned to normal again in its commercial relations with the United States of America, after its collision and estrangement provided by both parties, thanks to the division of territory and sovereignty between Colombia and Panama in 1903 supported by the American government (United States). In 1923 Colombia entered the economic field of the United States, after taking some recommendations from the Kemmerer mission, founding entities such as the General Comptroller's Office, the Superintendence and the Bank of the Republic; In addition to this, in 1925 the Colombian nation is rewarded in foreign currency, with a multi-million dollar compensation because of the separation it had with the Panamanian Republic, the figure exceeded two hundred million dollars, which were granted to the country by the United States of America.

In 1929 a rupture was generated at the international level with the fall of the stock market known as the Great Depression, originating global adverse factors such as unemployment, closure of companies and increases in poverty rates, added to this, negatively impacted on the Colombian economy, forcing to suspend the investment destined to public works.

In 1976, the Colombian state lives in the designated Bonanza Cafetera, where international prices exceed three US dollars per pound, creating immense resources and income for producers nationwide, which, therefore, gave a boost to the development of the producing regions, in addition to putting in great advances and increase to the progress of the economy of the nation, which in the following year would be, in great instance, overshadowed by a national strike promulgated mainly by the rise in wages, generating disorders and instability in the cities of the country.

In 1990, the government of the current president, Virgilio Barco, issued the project for the internationalization of the economy, a program that in its nature consisted in the liberation of around eight hundred and sixty-one tariff positions, which would facilitate operations in a greater capacity for an adequate assimilation of globalization in Colombian territory, in addition, years later President César Gaviria included the agricultural sector in order to give an incentive to this sector of great presence and participation in the economy of the nation.

In the first decade of the 21st century, the Colombian economy presented in its figures an average growth of 4.3%, which was built amid difficult macroeconomic conditions, such as the negative balance of payments evidenced by a higher negative current account to positive financial accounts. Colombia in recent years, in its branches of production, evidence a large increase by the mining and quarry sector from 2007 and stable growth by the sectors of real estate activities, financial institutions, business services and insurance. However, in contrast to this, the manufacturing sector shows a decrease in its operations figures until around mid-2012, showing how the current governments have encouraged the mining and energy extraction of the nation, leaving aside the options for the manufacturing industries, which lost valuable participation in the country's economy at the time.

- **Historical overview of the economy of Panama**

On the other hand, the economic history of Panama revolves around a very important axis; its geographical position, which has allowed it to have an accelerated growth and stand out from other countries in the region.

During the period of the dictatorship in Panama, led by Omar Torrijos Herrera and started in 1968, the economy of the country was of a nationalist nature, where education, health, agriculture and support were encouraged. from the government to the national industry with incentives such as subsidies.

In 1970 the banking law was proclaimed that gave force to the Panamanian banking system, going from having only 20 banks with assets of around one billion dollars, to having a totally globalized banking sector made up of 120 banks that added assets of fifty thousand Millions of dollars approximately, the growth of this sector generated that the banking credit increased by 32%, and therefore the construction sector had an important boom. During the period between 1969 and 1971, GDP represented a growth of 9.6%, however, in that same period of time, exports showed a weak growth of 4.5%.

The rise in oil prices that took place in 1973 and 1979 generated a negative shock in the Panamanian economy, because the country was an importer of this product. In 1973 and 1974 the barrel of oil went from trading in the international markets from \$ 3.14 to \$ 11.22 and in the years 1979 to 1980 the price of oil went from \$ 12.95 to \$ 22.92 per barrel. This

situation meant that the higher costs that had to be paid for oil were transferred to the consumer price index (CPI), which had increases of 36% and 26% in the periods between 1972-1975 and 1978 -1980, respectively. The behavior of the country's economy due to the increase in oil prices shows that the Panamanian economy is vulnerable to external factors.

Another event that marked the history of the Panamanian economy was the so-called *crisis of Noriega*, which occurred between 1981 and 1989. After the death of Torrijos in 1981, Manuel Antonio Noriega assumes control of the country, a man also belonging to the country's military forces; during his tenure, Noriega made certain changes in economic and political matters in the isthmus that led to a severe crisis that originated in 1985 and intensified in the period from 1987 to 1989. The United States government imposed measures such as restricting Panamanian exports to the American nation, stop the payments made to the government of Panama by the administration of the channel and retain the money of the National Bank of Panama that had its headquarters in the United States; this last measure caused the banking system in the country to collapse due to the absence of capital flow by the central bank. This crisis resulted in a decrease of 13.4% of GDP and the weakening of economic sectors such as construction, industry, commerce and services. The American nation puts an end to this crisis with the military invasion perpetrated in 1989, in which Noriega was captured.

Starting in the 1990s, a democratic system was established in Panama that seeks to lift the country from the crisis in which it was left by the military dictatorship; In this process of reordering the economic, political and social structure of the country, measures were adopted such as restructuring the financial system, retaking the payment of external debt that was interrupted in 1988 under the instruction of Noriega and creating a project in the economic sphere and social in order to transform the negative figures obtained by the crisis period into prosperous figures for the country. The political transformation in the country brought with it the entry of capital that had left during the crisis period and additional manifested important increases in the gross domestic product and sectors such as commercial, industrial, banking, Colon Free Zone and construction.

Finally, the most important fact for Panama, perhaps, has been obtaining total control of the channel that took place in 1999, because over the years it has caused enormous growth in

the economy and has allowed it to consolidate itself every time more like a platform of logistics services very important worldwide.

2.1.3. Panamanian and Colombian economy behavior in the period 2009 to 2017

Economic growth in Colombia has been delayed and slowed down in recent years, when compared to the historical average and even to the global and Latin American macroeconomic environment. For the year 2009, the Colombian economy presented in its growth, one of the lowest rates in the last decade, which showed a variation of 1.7% up compared to the previous year, according to the National Administrative Department of Statistics (DANE); the small degree of increase was the result of the effect of the universal crisis and the high level of unemployment, which negatively affected the development of domestic demand, a circumstance that was evident during the greater proportion of the year in economic groups such as manufacturing production and Commerce. However, by 2010 the Colombian economy manages to recover to a certain extent by closing the year with a 4% growth in the Gross Domestic Product (GDP) thanks to economic sectors that showed a rise in their behavior, such as the exploitation of mines (11,1%), industry and manufacturing (4.9%), transportation (5.1%), commerce, repair services, restaurants and hotels (4.8%), among others, according to the National Administrative Department of Statistics (DANE). As the years continued, the Colombian government presented great expectations regarding its growth, although its economic indicators did not meet the proposed targets annually and closed the year with low prospects and in some periods with great financial risks for the following year.

The country has largely been marked by sectors such as oil, construction, agricultural activities, manufacturing, transportation, service activities, mining and trade that revealed an increase in the Gross Domestic Product year after year, for 2011 increased by 6.6%, in 2012 by 4.40%, in 2013 by 4.9%, in 2014 by 4.40%, in 2015 by 3.10% and finally, in 2016 by 2% according to DANE.

The collapse of oil prices in 2015 had a strong impact on the Colombian economy, which after growing at an average rate of 4.3 percent between 2000 and 2014 - reduced its growth to 3.1 percent in 2015. This affected the exchange rate too, since the relative scarcity of

dollars led to an annual devaluation of more than 50 percent in the third quarter of that year. This was aggravated by the El Niño phenomenon, which was felt with particular intensity between the beginning of 2015 and mid-2016, bringing inflation to 8.6 percent at the end of the second quarter of 2016 and bringing it closer to 9 percent in July.

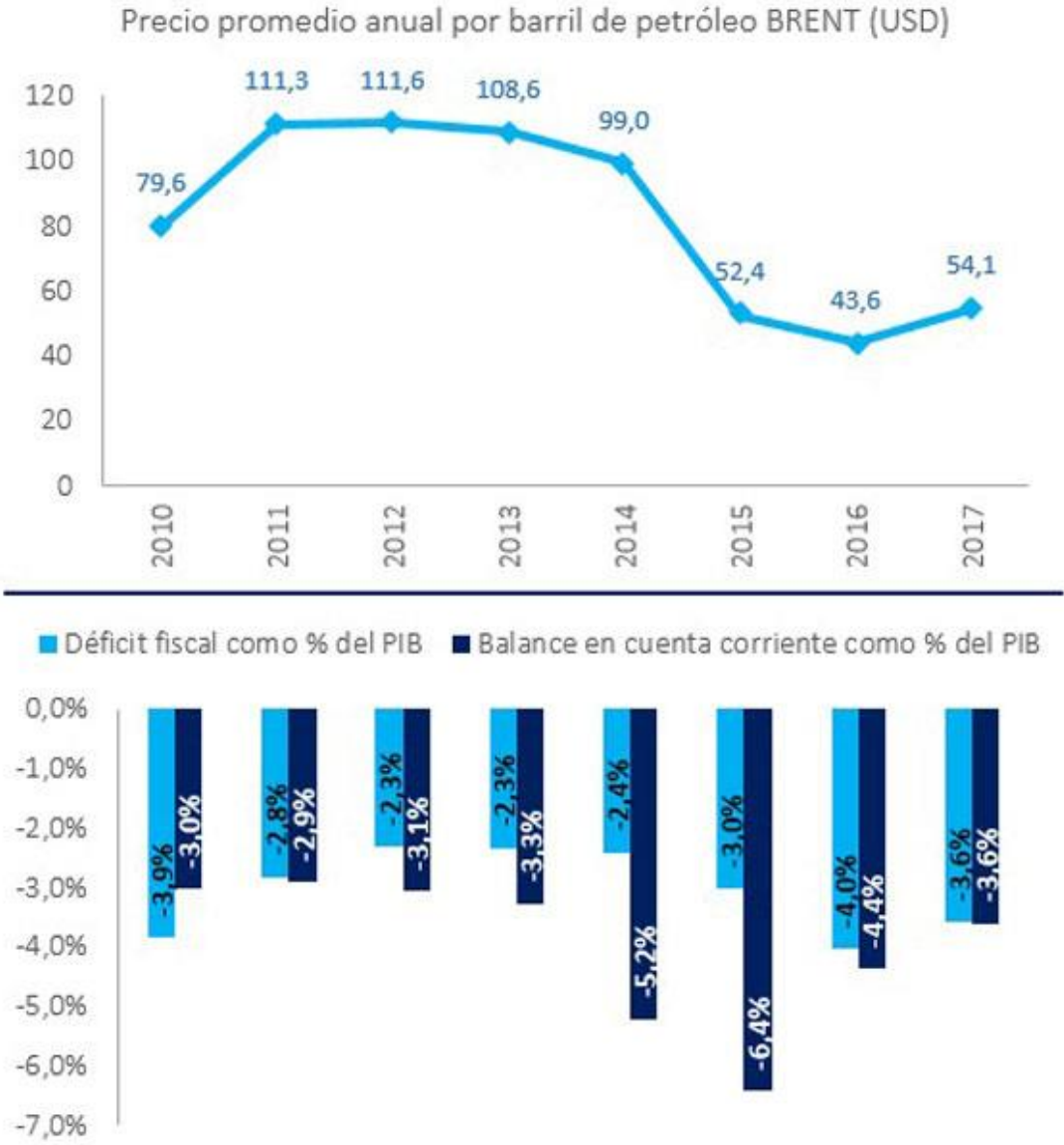
The indicators for 2016 again record one of their lowest developments in recent years, growing only 2% compared to 2015, showing large declines in the use of quarries and mines, despite this, sectors such as the manufacturing industry, construction, insurance, real estate activities and real estate facilities, showed a remarkable growth. On the other hand, in the first quarter of 2017 the Colombian nation recorded even lower growth, which was not evident since 2009, according to the statistics and results provided by the DANE, the economy only grew by 1.8% caused mainly by distrust in the consumers, which generated a decrease in the consumption of the products and services of the economy of the nation, in addition to this, there was a great decrease in the production and oil activities; and finally, another considerable factor is unemployment, which continues to present one of the highest rates in Latin America, with figures that for the year 2016 were 9.2% higher and therefore have an increase for 2017 of 0 , 2% to close the year with a negative result upwards of 9.4%.

The slowdown in recent years could then be understood as caused by "exogenous shocks" or outside the normal functioning of the Colombian economy, since international oil prices or climatic phenomena are beyond the control of the country's economic authorities. (Botero, G., 2018).

Many analysts and economists pose a scenario, where if the country wants to direct its course to obtain the goals proposed by the government in terms of its economic growth, it is necessary to have and establish minimum conditions such as macroeconomic solidity and establish a social and political environment, in addition, a dynamic and gradual investment is needed to obtain high growth rates. According to Botero García (2018), the slowdown of the Colombian economy seems to have come to an end in 2017. He points out that, on the one hand, the country has managed to stop the deterioration of its balance of payments and fiscal accounts afterwards of the fall in the price of oil at the end of 2015, and on the other hand, the Government has managed to stabilize inflation by reorienting its monetary policy.

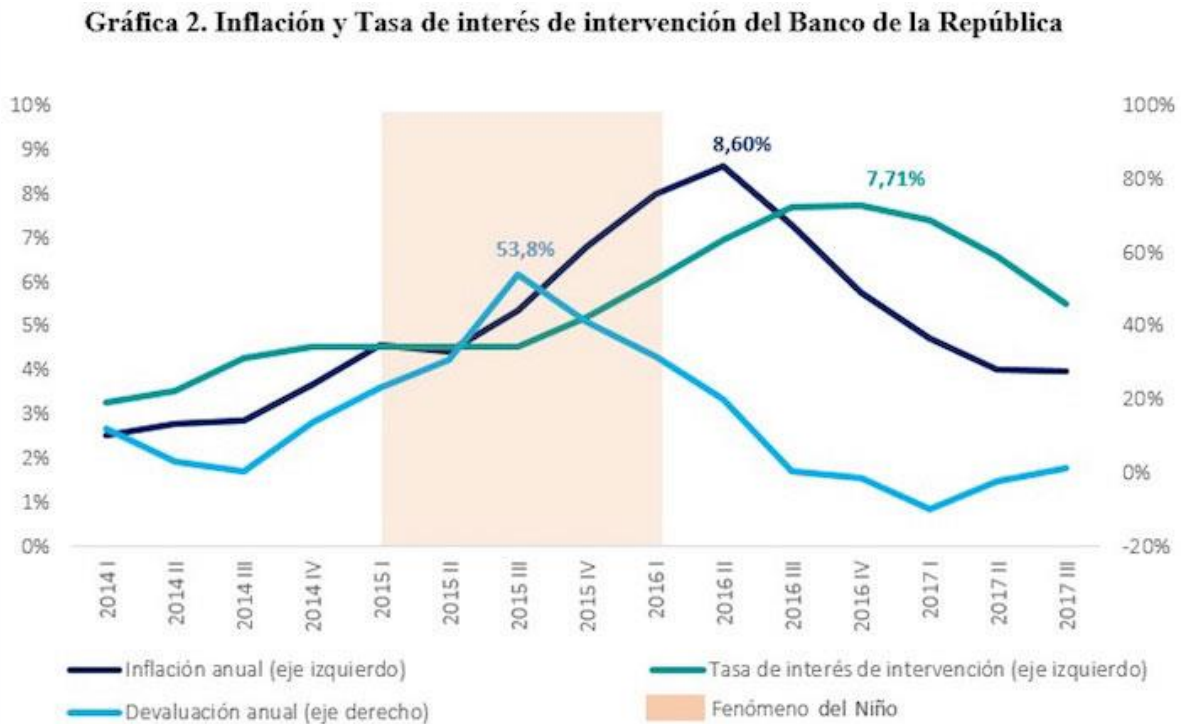
The conditions seem set to start a new cycle of prosperity, although on this occasion it could be expected that the reactivation will be much more moderate than usual, due to the deterioration in the potential growth that the economy can achieve and which is announced as the biggest problem of the next years. (Botero, G., 2018)

Graph 1: Oil price, fiscal deficit and account balance



Source: Banco de La República (2018)

Graph 2: Inflation and Intervention Interest Rate of the Bank of the Republic



Source: Banco de La República (2018)

On the other hand, in the last decade Panama has been classified as one of the fastest growing economies worldwide. The Panama Canal has generated a large number of logistic, financial and commercial services that have allowed a large flow of foreign currency in the country in turn that the construction sector has strengthened.

The process of channel expansion initiated in 2007 marked an important milestone in the Panamanian economy, as this ambitious project attracted a large amount of private investment in the country.

In 2009, the growth of the Panamanian economy was slow due to the global economic crisis that reduced the number of vessels that crossed the channel, in 2010 the economy is restored and begins to grow at double digits in the years 2011 (10.8%) and 2012 (10.7%), leading the growth of the countries of the region; the factors that made such growth possible were the increase in public and private investment, greater capacity for direct foreign investment and the provision of services.

Since 2013, the Panamanian economy suffered a slowdown and began to grow at one digit figures (8.4%), in 2014 the economy grew by 6.2%, due to the decline in pineapple exports and a fall in the commercial activities of the Colon Free Zone, however, during this period highlights the good performance of the port and air sector, financial services and services provided by the channel. In the following years, the outlook was not encouraging for Panama, in 2015 the Panamanian economy recorded a growth of only 5.8% and in 2016 registered an even weaker growth (4.9%), this loose the behavior of the economy was attributed to the fall of the canal's operations by 1.1%, which was caused by the 8.5% decrease in the services provided to the ships. Panama's port (including the canal) and commercial activity was affected in 2016 by the weakened growth of the global economy, which was registered at 2.2%, considering the United Nations to have the lowest growth rate since the financial crisis global event in 2009.

In the first semester of 2017, the Panamanian economy recorded a growth of 5.8%, which was promoted by the services and logistics sector and by the increase in domestic consumption. This panorama is encouraging for Panama and according to the analyzes carried out by the IMF (International Monetary Fund) the country consolidates itself as the leader of the region in terms of economic growth.

According to David Saied, economist and director of the INEC, since 2018 the country may have the highest GDP per capita in Latin America to continue with the growth rate that currently holds.

2.2. PANAMA AND COLOMBIA IMPORTS BEHAVIOR BETWEEN 2010 AND 2017

2.2.1. Main products imported to Colombia and Panama since 2010

In accordance with the figures provided by the National Administrative Department of Statistics (DANE), purchases abroad made by the economy of the Colombian nation have in recent years brief variations according to the origin of the products, cataloging as the main suppliers to the United States, China, Mexico, Brazil and Germany, presenting themselves as follows:

Table 2: Main origins of imports in Colombia (2010 - 2017)

País de Origen	2010	2011	2012	2013	2014	2015	2016	2017
Estados Unidos	10.437	13.549	14.178	16.337	18.193	15.512	11.878	12.014
China	5.477	8.176	9.822	10.363	11.790	10.032	8.631	8.754
México	3.857	6.059	6.453	5.496	5.273	3.853	3.411	3.437
Brasil	2.370	2.740	2.851	2.590	2.466	2.084	2.117	2.286
Alemania	1.611	2.147	2.267	2.207	2.531	2.267	1.708	1.874
Japón	1.157	1.438	1.677	1.479	1.525	1.227	1.116	1.231
Ecuador	835	1.066	1.090	882	918	783	805	715
España	502	614	789	963	967	915	918	967
Venezuela	305	563	533	431	440	292	190	220

Cifras en Millones de USD (Valor CIF)

Fecha de publicación: 20 de marzo 2018

Recovered from: the National Administrative Department of Statistics (DANE)

For 2010, in the period between January and December, imports of US origin corresponded to 25.8% equivalent to 10,437,000 CIF dollars, being this the main supplier of the Colombian economy, followed by China that occupies the second place with a 13.5% share equivalent to 5,477,000 CIF dollars. In third place is Mexico with a participation percentage of 9.5% equivalent to 3,857,000 CIF dollars, fourth place Brazil with a participation of 5.8% equivalent to 2,370,000 CIF dollars and in the fifth position is Germany with a 4.1% share equivalent to CIF 1,611,000.

For 2011, in the period between January and December, imports of US origin corresponded to a 24.9% equivalent to 13,549,000 CIF dollars, this being the main supplier of the Colombian economy, followed by China which occupies the second place with a 15% share equivalent to 8,176,000 CIF dollars. In third place, Mexico is positioned with a

participation percentage of 11.1% equivalent to 6,059,000 CIF dollars, in fourth place, Brazil is located with a 5.0% share equivalent to 2,740,000 CIF dollars and in the fifth position it is located Germany with a 4.1% share equivalent to 2,215,000 CIF dollars.

For 2012, in the period between January and December, imports of US origin corresponded to 24% equivalent to 14,178,000 CIF dollars, this being the main supplier of the Colombian economy, followed by China, which ranks second with a 16.3% share equivalent to 9,822,000 CIF dollars. In third place is Mexico with a percentage of participation of 10.9% equivalent to 6,453,000 CIF dollars, fourth place Brazil with a participation of 4.8% equivalent to 2,851,000 CIF dollars and in the fifth position is located Germany with a 4.0% share equivalent to \$ 2,267,000 CIF dollars.

For 2013, in the period between January and December, imports of US origin corresponded to 27.5% equivalent to 16,337,000 CIF dollars, being the main supplier of the Colombian economy, followed by China that occupies the second place with a participation of 17.4% equivalent to 10,363,000 CIF dollars. In third place, Mexico is positioned with a participation percentage of 9.3% equivalent to 5,496,000 CIF dollars; fourth place Brazil with a 4.4% equivalent to 2,590,000 CIF dollars and in the fifth position is Germany with a 3.7% equivalent to \$ 2,207,000 CIF dollars.

For 2014, in the period between January and December, imports of US origin corresponded to a 28.4% equivalent to 18,193,000 CIF dollars, being the main supplier of the Colombian economy, followed by China, which ranks second with an 18.4% equivalent to 11,790,000 CIF dollars. In third place, Mexico is positioned with a participation percentage of 8.2% equivalent to 5,273,000 CIF dollars, in fourth place, Germany with a 4.0% share equivalent to 2,531,000 CIF dollars is located and in the fifth position it is located Brazil with a 3.9% share equivalent to \$ 2,466,000 CIF dollars.

For 2015, in the period between January and December, imports of US origin corresponded to a 28.7% equivalent to 15,512,000 CIF dollars, being the main supplier of the Colombian economy, followed by China, which ranks second with an 18.6% share equivalent to 10,032,000 CIF dollars. In third place, Mexico is positioned with a percentage of participation of 7.1% equivalent to 3,853,000 CIF dollars, in fourth place, Germany is

located with a participation of 4.2% equivalent to 2,267,000 CIF dollars and in the fifth position is located Brazil with a 3.9% share equivalent to 2,084,000 CIF dollars.

For 2016, in the period between January and December, imports of US origin corresponded to 26.5% equivalent to 11,878,000 CIF dollars, being the main supplier of the Colombian economy, followed by China, which ranks second with a participation of 19.2% equivalent to 8,631,000 CIF dollars. Third, Mexico is positioned with a percentage of participation of 7.6% equivalent to 3,411,000 CIF dollars, in fourth place is Brazil with a participation of 4.7% equivalent to 2,117,000 CIF dollars and in the fifth position is Germany with a participation of 3.8% equivalent to 1,708,000 CIF dollars.

For 2017, in the period between January and December, imports of US origin corresponded to 26.1% equivalent to 12,014,000 CIF dollars, being the main supplier of the Colombian economy, followed by China, which ranks second with a 19% share equivalent to 8,754,000 CIF dollars, Third, Mexico is positioned with a participation percentage of 7.5% equivalent to 3,437,000 CIF dollars, fourth, Brazil is located with a 5.0% share equivalent to 2,286,000 CIF dollars and in the fifth position is located Germany with a 4.1% share equivalent to 1,874,000 CIF dollars.

Table 3: Imports in Colombia according to main imported chapters (2010 - 2017)

Capítulos	2017	2016	2015	2014	2013	2012	2011	2010
Calderas, máquinas y partes	5.485.287	5.262.236	6.924.614	8.210.875	7.918.266	8.274.697	7.437.035	6.030.990
Combustibles y aceites minerales y sus productos	3.723.037	3.834.973	5.133.498	7.561.288	6.388.883	5.679.039	3.854.233	2.081.112
Aparatos y material eléctrico, de grabación o imagen	4.977.975	4.571.092	5.588.389	6.630.996	5.989.510	5.544.719	4.992.954	4.091.013
Vehículos, partes y accesorios	3.632.263	3.773.420	4.220.197	6.192.714	5.403.287	6.576.279	6.527.860	4.079.580
Materias plásticas y manufacturas	2.129.011	2.112.993	2.379.918	2.699.223	2.425.850	2.348.849	2.189.633	1.679.697
Productos químicos orgánicos	2.037.210	1.914.130	2.072.437	2.380.402	2.386.947	2.216.746	2.184.801	1.880.165
Productos farmacéuticos	2.191.162	2.108.504	2.332.118	2.382.079	2.317.239	2.105.195	1.692.512	1.469.095
Cereales	1.510.751	1.555.161	1.649.779	1.689.699	1.852.230	1.922.657	1.710.295	1.279.856
Fundición, hierro y acero	1.348.346	1.252.059	1.596.938	2.012.370	1.734.983	1.891.847	1.736.004	1.387.071
Instrumentos y aparatos de óptica, fotografía, cinematografía	1.373.150	1.389.114	1.652.161	1.876.061	1.706.772	1.613.035	1.442.750	1.211.792
Manufactura de fundición, de hierro o acero	810.119	618.614	907.112	1.264.631	1.193.680	1.403.153	1.589.824	914.436
Navegación aérea o espacial	1.001.605	925.529	2.569.146	2.372.442	2.321.344	1.275.256	2.550.880	1.681.445
Caucho y manufacturas	929.266	846.116	969.501	1.131.057	1.151.860	1.221.547	1.150.005	859.248
Productos diversos de las industrias químicas	912.413	901.602	1.027.663	1.059.952	1.033.180	940.715	851.338	699.927
Abonos	668.976	585.445	793.721	787.436	721.885	864.692	896.138	604.467
Residuos industrias alimentarias. Alimentos para animales	757.187	745.140	746.617	879.543	842.070	789.737	613.228	540.048
Papel, cartón y sus manufacturas	589.354	553.033	605.115	693.161	684.806	710.502	719.089	640.697
Grasas y aceites animales o vegetales	598.142	600.428	494.967	593.034	522.395	644.257	619.625	457.357
Calzado, botines, artículos análogos y partes	355.341	336.360	391.322	481.340	490.251	581.548	490.886	328.243
Aceites esenciales, perfumería, cosméticos	571.386	564.517	613.346	625.540	604.394	581.641	538.748	418.178
Disposiciones de tratamiento especial	415.246	514.498	617.112	662.735	651.984	558.729	503.417	337.534
Algodón	373.170	420.783	419.538	510.985	458.604	521.626	566.219	464.755
Productos químicos inorgánicos	350.401	337.817	367.082	379.348	395.264	442.950	416.381	336.205
Extractos curtientes, pinturas, tintas	378.690	366.158	389.897	426.353	376.292	389.999	379.850	311.757
Cobre y sus manufacturas	289.214	259.786	307.333	389.485	406.306	379.964	423.519	371.446

Cifras en Millones de USD (Valor CIF)

Fecha de publicación: 20 de marzo 2018

Recovered from: the National Administrative Department of Statistics (DANE)

According to the statistics presented by the National Administrative Department of Statistics (DANE), the main products, by chapter, imported by the Colombian economy are:

Year 2010

1. Boilers, machines and parts, corresponding to a CIF value 6.030.990 USD.

2. Apparatus and electrical, recording or image material, corresponding to a CIF value 4.091.013 USD.
3. Vehicles, parts and accessories, corresponding to a CIF value 4.079.580 USD.
4. Fuels and mineral oils and its products, corresponding to a CIF value 2.081.112 USD.
5. Organic chemicals, corresponding to a CIF value 1.880.165 USD.

Year 2011

1. Boilers, machines and parts, corresponding to a CIF value 7'437.035 USD.
2. Vehicles, parts and accessories, corresponding to a CIF value 6'527.860 USD.
3. Apparatus and electrical, recording or image material, corresponding to a CIF value 4'992.954 USD.
4. Fuels and mineral oils and its products, corresponding to a CIF value 3'854.233 USD.
5. Air or space navigation, corresponding to a CIF value 2'550.000 USD.

Year 2012

1. Boilers, machines and parts, corresponding to a CIF value 8'274.697 USD.
2. Vehicles, parts and accessories, corresponding to a CIF value 6'576.279 USD.
3. Fuels and mineral oils and its products, corresponding to a CIF value 5'679.039 USD.
4. Apparatus and electrical, recording or image material corresponding to a CIF value 5'544.719 USD.
5. Plastics and manufactures, corresponding to a CIF value 2'348.849 USD.

Year 2013

1. Boilers, machines and parts, corresponding to a CIF value 7'918.266 USD.
2. Fuels and mineral oils and its products, corresponding to a CIF value 6'388.883 USD.

3. Apparatus and electrical, recording or image material, corresponding to a CIF value 5'989.510 USD.
4. Vehicles, parts and accessories, corresponding to a CIF value 5'403.287 USD.
5. Plastics and manufactures, corresponding to a CIF value 2'425.850 USD.

Year 2014

1. Boilers, machines and parts, corresponding to a CIF value 8'210.875 USD.
2. Fuels and mineral oils and its products, corresponding to a CIF value 7'561.288 USD.
3. Apparatus and electrical, recording or image material, corresponding to a CIF value 6'630.996 USD.
4. Vehicles, parts and accessories, corresponding to a CIF value 6'192.714 USD.
5. Plastics and manufactures, corresponding to a CIF value 2'699.223 USD.

Year 2015

1. Boilers, machines and parts corresponding to a CIF value 6'924.614 USD.
2. Apparatus and electrical, recording or image material, corresponding to a CIF value 5'588.389 USD.
3. Fuels and mineral oils and their products, corresponding to a CIF value 5'133.498 USD.
4. Vehicles, parts and accessories, corresponding to a CIF value 4'220.197 USD.
5. Air or space navigation, corresponding to a CIF value 2'569.146 USD.

Year 2016

1. Boilers, machines and parts, corresponding to a CIF value 5'262.236 USD.
2. Apparatus and electrical, recording or image material, corresponding to a CIF value 4'571.092 USD.
3. Fuels and mineral oils and its products, corresponding to a CIF value 3'834.973 USD.

4. Vehicles, parts and accessories, corresponding to a CIF value 3´773.420 USD.

5. Plastics and manufactures, corresponding to a CIF value 2´112.993 USD.

Year 2017

1. Boilers, machines and parts, corresponding to a CIF value 5´485.287 USD.

2. Apparatus and electrical, recording or image material, corresponding to a CIF value 4´977.975 USD.

3. Fuels and mineral oils and its products, corresponding to a CIF value 3´723.037 USD.

4. Vehicles, parts and accessories, corresponding to a CIF value 3´632.263 USD.

5. Pharmaceutical products, corresponding to a CIF value 2´191.162 USD.

Regarding imports towards Panama, according to figures published by the National Institute of Statistics and Census (INEC), imports by major suppliers show significant variations over the years, consolidating countries such as the United States, China, Costa Rica, Mexico, Colombia and South Korea as the main origins of imports from the Republic of Panama.

Table 4: Main origins of imports in Panama (2010 - 2017)

PAÍS DE ORIGEN	2010	2011	2012	2013	2014	2015	2016	2017
ESTADOS UNIDOS	2.517.437.202	2.817.597.731	2.981.241.446	3.165.220.402	3.433.514.155	3.138.619.552	2.991.225.199	3.084.343.433
CHINA	489.540.786	689.700.023	810.274.131	1.024.500.586	1.312.390.496	1.159.391.039	1.071.826.707	1.242.932.630
COSTA RICA	443.697.716	509.774.411	571.385.796	526.248.760	501.839.536	454.196.997	454.388.130	466.980.167
MEXICO	394.548.416	445.065.955	561.913.255	529.988.383	571.805.014	620.719.400	619.076.934	625.046.147
COLOMBIA	298.780.436	477.558.270	430.565.831	396.728.904	382.219.866	361.599.123	362.209.947	324.660.537
COREA DEL SUR	292.787.678	303.796.876	355.723.060	363.659.369	463.198.426	428.913.866	317.904.010	449.676.108
JAPON	289.067.085	292.057.406	290.218.213	278.807.338	275.844.063	295.517.968	317.227.854	280.533.752
BRASIL	244.914.003	217.386.412	173.921.096	191.808.372	122.142.834	159.339.203	207.555.045	290.011.711
GUATEMALA	170.585.244	196.520.778	212.227.629	188.932.389	190.805.809	183.873.882	175.628.274	173.401.833
ESPAÑA	162.962.016	294.402.571	318.471.391	372.211.252	337.584.185	341.775.511	274.320.020	283.210.926

*Cifras en Balboas (Valor CIF)

Recovered from: the National Institute of Statistics and Census (INEC)

Imports of US origin represented in the period from 2010 to 2017 the main origin of goods imported into the country. In 2010, imports originating in the United States represented 27.6% of total imports corresponding to a CIF value of 2,517.4 million balboas; for 2011,

its participation was 24.8% of total imports corresponding to a CIF value of 2,817.5 million balboas; during 2012 it obtained a 23.9% participation in relation to total imports corresponding to a CIF value of 2,981.2 million balboas; for the year 2013, the percentage of participation of products of US origin rises to 24.3% of total imports, with a CIF value of 3,165.2 million balboas; in 2014, the United States participates with 25% of total imports corresponding to a CIF value of 3,433.5 million balboas; for the year 2015 it represents a participation of 25.9% corresponding to a CIF value of 3,138.6 million balboas; During 2016, the percentage of participation of US products was 25.6, corresponding to a CIF value of 2,991.2 million balboas and finally; In the year 2017, the United States participated with 24.2% of the total imports of the country, corresponding to a CIF value 3,084.3 million balboas.

As the second largest supplier of the Panamanian economy is China, who occupies this position during the entire period analyzed (2010 to 2017). In 2010, imports from the Asian giant represented 5.4% of total imports corresponding to a CIF value of 489.5 million balboas; for 2011 its participation increased to 6.1% of total imports corresponding to a CIF value of 689.7 million balboas; during 2012 it obtained a 6.5% share in relation to total imports corresponding to a CIF value of 810.3 million balboas; for 2013, the percentage of participation of products of Chinese origin rises to 7.9% of total imports, with a CIF value of 1,024.5 million balboas; In 2014, China increased its participation percentage to 9.6% of total imports, corresponding to a CIF value of 1,312.4 million balboas; for the year 2015 it maintains its participation in 9.6% corresponding to a CIF value of 1,159.3 million balboas; during 2016 the percentage of participation of Chinese products was 9.2, corresponding to a CIF value of 1,071.8 million balboas and finally; In the year 2017, the People's Republic of China participated with 9.8% of the country's total imports, corresponding to a CIF value 1,242.9 million balboas.

Third, Costa Rica is the supplier of the Republic of Panama during the period from 2010 to 2012. In 2010, imports originating in the Central American country represented 4.9% of total imports corresponding to a CIF value of 443.7 million balboas; for the year 2011 its participation was reduced to 4.5% of the total imports corresponding to a CIF value of 509.8 million balboas; during 2012 it obtained a 4.6% share in relation to total imports

corresponding to a CIF value of 571.4 million balboas. During the years 2013 to 2016, Costa Rica falls to the fourth position in the ranking of main suppliers; for 2013, the percentage of participation of products of Costa Rican origin represents 4% of total imports, with a CIF value of 526.2 million balboas; In 2014, Costa Rica reduced its percentage of participation to 3.7% of total imports corresponding to a CIF value of 501.8 million balboas; for the year 2015 it maintains its participation in 3.7% corresponding to a CIF value of 454.2 million balboas; during 2016 its percentage of participation increased to 3.9 corresponding to a CIF value of 454.4 million balboas and finally; In the year 2017, Costa Rica regained the third place participating with 4.9% of the country's total imports, corresponding to a CIF value of 625 million balboas.

During the year 2010, Mexico ranks as the fourth supplier of the Panamanian economy with a 4.3% share equivalent to a CIF value of 394.5 million balboas; for the year 2011 falls to the fifth position with a CIF value of 445 million balboas equivalent to 3.9% of total imports; In 2012, the Mexican nation regained the fourth place in the list of major suppliers in Panama, by participating with 4.5% corresponding to a CIF value of 561.9 million balboas. Over the years 2013, 2014, 2015 and 2016, Mexico is positioned as the third supplier of the Panamanian nation, with 4.1% shares equivalent to a CIF value of 529.9 million balboas, 4.2% equivalent to a CIF value of 571.8 million balboas, 5.1% equivalent to a CIF value of 620.7 million balboas and 5.3% equivalent to a CIF value of 619 million balboas respectively. Finally, for the year 2017, Mexico is again in the fourth position with a CIF value of 466.9 million balboas corresponding to 3.7% of the total imports of the country.

As the fifth largest supplier of the Panamanian economy, Colombia stands for 2010 with a share of 3.3% of total imports, equivalent to a CIF value of 298.8 million balboas; In 2011, products of Colombian origin climbed one position, ranking fourth with a participation percentage of 4.2% corresponding to a CIF value of 477.6 million balboas; During the years 2012 and 2013, Colombia is again in the fifth position, with shares of 3.4% corresponding to a CIF value of 430.6 million balboas and 3% equivalent to a CIF value of 396.7 million balboas respectively. By 2014, the Colombian nation falls to the seventh position displaced by South Korea and Italy, participating with 2.8% of total imports,

corresponding to a CIF value of 382.2 million balboas. During 2015, Colombia climbed to the sixth position with a 3% share equivalent to a CIF value of 361.6 million balboas; In the year 2016, the Republic of Colombia ascends to the fifth place, with a participation of 3.1% that corresponds to a CIF value of 362.2 million balboas and finally; in the year 2017, it falls again to the sixth place with a participation of 2.6% in relation to the total imports of the country, equivalent to a CIF value of 324.7 million balboas.

During the years 2014, 2015 and 2017, South Korea held the fifth position as supplier of the Panamanian isthmus, with a share in 2014 of 3.4% equivalent to a CIF value of 463.2 million balboas. In 2015 and 2017, it holds a 3.5% share equivalent to 428.9 and 449.7 million balboas respectively.

Table 5: Imports in Panama according to main imported products (2010 - 2017)

Descripción arancelaria	2017	2016	2015	2014	2013	2012	2011	2010
Carburantes tipo diésel para vehículos automóviles	637.837.271	492.010.709	537.893.707	1.210.808.302	1.031.675.752	970.205.447	968.105.780	666.008.018
Vehículos y automotores de toda clase	598.596.105	721.799.274	765.437.282	546.826.121	529.240.263	539.493.594	583.371.615	265.887.551
Carburantes para reactores y turbinas, (Jet Fuel)	426.439.884	323.480.438	308.885.032	502.473.239	497.687.212	477.912.313	426.541.047	257.588.550
Los demás medicamentos, (excepto los productos de las partidas 30.02, 30.05 ó 30.06 constituidos por productos mezclados o sin mezclar, preparados para usos terapéuticos o profilácticos, dosificados o acondicionados para la venta al por menor	378.786.548	369.666.280	330.735.545	249.584.115	270.127.213	260.684.065	230.844.181	213.679.232
Gasolina sin plomo de calidad superior a 91 octanos	355.171.175	283.354.657	272.398.805	139.268.627	267.459.436	276.499.462	252.984.107	175.436.836
Gasolina sin plomo de calidad superior a 87 octanos, pero inferior o igual a 91 octanos	220.415.470	201.511.415	240.196.273	165.389.236	334.022.519	378.895.171	356.109.845	241.970.879
Los demás aceites combustibles pesados, incluso preparados (Fuel Oils, ejemplo: Bunker C, Low viscosity)	154.008.196	98.302.547	104.741.300	130.778.067	201.351.607	331.262.749	217.297.309	218.430.952
Las demás estructuras prefabricadas, excepto las de la partida 94.06 de fundición, hierro o acero	106.536.466	60.451.190	205.930.987	106.357.241	84.596.976			38.001.305
Barras y varillas deformadas (corrugadas), para reforzar concreto (hormigón), de hierro o acero	96.947.317	83.928.145	123.948.396	175.881.544	187.585.230	169.685.143	152.156.691	110.347.983
Partes identificables como destinadas, exclusiva o principalmente, a las máquinas de las partidas 85.01 u 85.02	90.308.392							38.631.042
Teléfonos móviles (celulares) y los de otras redes inalámbricas	89.794.287	79.134.637	81.769.214	86.567.865	101.295.170	105.969.101	95.365.488	110.377.891
Maíz	84.200.568	72.377.973	86.262.218	80.151.451	96.545.917	102.643.389	113.965.715	83.828.880
Tortas y demás residuos sólidos de la extracción del aceite de soja (soya), incluso molidos o en "pellets"	67.242.045	74.159.458	64.669.912	86.883.821	89.430.519	75.535.939	79.063.968	68.812.889
Grúas de pórticos	37.183.784				67.740.489	49.737.887	72.811.885	62.891.000
Aparatos receptores de televisión, incluso con aparato receptor de radiodifusión o grabación o reproducción de sonido o imagen incorporado, en colores		16.305.503	53.016.735		65.324.112		59.347.556	53.358.111

Own elaboration with data from the National Institute of Statistics and Census (INEC)

According to the data provided and obtained by the National Institute of Statistics and Census (INEC), the figures presented in recent years, for the main foreign products that flood the economy of the Panamanian nation, are displayed as follows:

Year 2010

1. Diesel type fuels for motor vehicles, corresponding to a CIF value of 666,008,018 balboas.
2. Vehicles and motor vehicles of all kinds, corresponding to a CIF value of 265,887,551 balboas.
3. Fuels for reactors and turbines, (Jet Fuel), corresponding to a CIF value of 257,588,550 balboas.
4. Unleaded petrol of a quality exceeding 87 octane but less than or equal to 91 octane, corresponding to a CIF value of 241.970.879 balboas.
5. Other heavy fuel oils, whether or not prepared (Fuel Oils, example: Bunker C, Low viscosity), corresponding to a CIF value of 218.430.952 balboas.

Year 2011

1. Diesel type fuels for motor vehicles, corresponding to a CIF value of 968,105,780 balboas.
2. Vehicles and motor vehicles of all kinds, corresponding to a CIF value per 583.371.615 balboas.
3. Fuels for reactors and turbines, (Jet Fuel), corresponding to a CIF value per 426.541.047 balboas.
4. Unleaded petrol of a quality exceeding 87 octanes but less than or equal to 91 octane, corresponding to a CIF value of 356.109.845 balboas.
5. Unleaded petrol of a quality exceeding 91 octanes, corresponding to a CIF value of 252.984.107 balboas.

Year 2012

1. Diesel type fuels for motor vehicles, corresponding to a CIF value of 970.205.447 balboas.

2. Vehicles and motor vehicles of all kinds, corresponding to a CIF value of 539,493,594 balboas.

3. Fuels for reactors and turbines, (Jet Fuel), corresponding to a CIF value of 477.912.313 balboas.

4. Medicines for retail sale, corresponding to a CIF value of 260,684,065 balboas.

5. Unleaded petrol with quality above 91 octanes, corresponding to a CIF value of 276,499,462 balboas.

Year 2013

1. Diesel type fuels for motor vehicles, corresponding to a CIF value of 1,031,675,752 balboas.

2. Vehicles and motor vehicles of all kinds, corresponding to a CIF value of 529,240,263 balboas.

3. Fuels for reactors and turbines, (Jet Fuel), corresponding to a CIF value of 497,687,212 balboas.

4. Unleaded petrol of a quality exceeding 87 octanes but less than or equal to 91 octanes, corresponding to a CIF value of 334.022.519 balboas.

5. Medicines for retail sale, corresponding to a CIF value of 270.127.213 balboas.

Year 2014

1. Diesel type fuels for motor vehicles, corresponding to a CIF value of 1.210.808.302 balboas.

2. Vehicles and motor vehicles of all kinds, corresponding to a CIF value of 546,826,121 balboas.

3. Fuels for reactors and turbines, (Jet Fuel), corresponding to a CIF value of 502,473,239 balboas.

4. Medicines for retail sale, corresponding to a CIF value of 249,584,115 balboas.
5. Bars and rods deformed (corrugated), to reinforce concrete (concrete), iron or steel, corresponding to a CIF value of 175.881.544 balboas.

Year 2015

1. Vehicles and motor vehicles of all kinds, corresponding to a CIF value of 765,437,282 balboas.
2. Diesel type fuels for motor vehicles, corresponding to a CIF value of 537,893,707 balboas.
3. Medicines for retail sale, corresponding to a CIF value of 330,735,545 balboas.
4. Fuels for reactors and turbines, (Jet Fuel), corresponding to a CIF value of 308,885,032 balboas.
5. Unleaded petrol with quality above 91 octanes, corresponding to a CIF value of 272,398,805 balboas.

Year 2016

1. Vehicles and motor vehicles of all kinds, corresponding to a CIF value of 721,799,274 balboas.
2. Diesel type fuels for motor vehicles, corresponding to a CIF value of 492,010,709 balboas.
3. Medicines for retail sale, corresponding to a CIF value of 369,666,280 balboas.
4. Fuels for reactors and turbines, (Jet Fuel), corresponding to a CIF value of 323,480,438 balboas.
5. Unleaded petrol with a quality above 91 octane, corresponding to a CIF value of 283,354,657 balboas.

Year 2017

1. Diesel type fuels for motor vehicles, corresponding to a CIF value of 637,837,271 balboas.
2. Vehicles and motor vehicles of all kinds, corresponding to a CIF value of 598,596,105 balboas.
3. Fuels for reactors and turbines, (Jet Fuel), corresponding to a CIF value of 426,439,884 balboas.
4. Medicines for retail sale, corresponding to a CIF value of 378,786,548 balboas.
5. Unleaded petrol with quality above 91 octane, corresponding to a CIF value of 355,171,175 balboas.

2.2.2. Importation figures to Colombia and Panama since 2010

According to the customs declarations registered in the IT systems of the DIAN, for the period between 2010 and 2017, imports in Colombia presented a variation as follows:

For the period between January and December 2010, imports increased by 23.7% compared to the same period of the immediately previous year, going from a total value of US \$ 32,897.7 million CIF to US \$ 40,485.6 million. Basically responsible for the increase in total imports, were the products of chapter 87 of the customs tariff of Colombia (vehicles and their parts), evidencing an increase of 54.3% equivalent to a value of US \$ 4,079.6 million, which corresponded to US \$ 2,644.0 million in the previous year. In the second instance, it was influenced, to a large extent, by the increase in purchases abroad of electric recording and image equipment and equipment, belonging to chapter 85, equivalent to 35.3% and finally the growth of 67, 9% in fuels and mineral oils from chapter 27.

For the period between January and December 2011, imports increased by 34.4% compared to the same period of the immediately previous year, going from a total value of US \$ 40,485.6 million to US \$ 54,232.6 million. The main cause of the increase in total imports in 2011 was due to the 60% increase presented by the vehicles and their parts belonging to chapter 87 of the Colombian customs tariff, going from a value of US \$ 4,079.6 million in 2010 to US\$ 6,527.9 million in 2011. In second instance is the increase of 85.2%, of

mineral fuels and oils; and finally the 23.3% growth of chapter 84, with products such as boilers, machines and their parts.

For the period between January and December 2012, imports increased by 7.2% compared to the same period of the immediately previous year, going from a total value of US \$ 54,232.6 million to US \$ 59,047.7 million. The total increase in imports is mainly affected by the 37.1% increase in the country's income from extractive industry products and fuels that in the previous year (2011) amounted to US \$ 4,818.2 million and for the year 2012 were US \$ 6,608.0 million, in addition to this, another of the products that influenced this growth were mineral lubricants and their related products, from US \$ 3,853 million in 2011 to US \$ 5,660.0 million in the 2012 and lastly, manufactures presented an increase of 3.5%, thanks in the first instance to the large purchases of chemical products and their related products..

For the period between January and December 2013, imports increased by 0.5% compared to the same period of the immediately previous year, going from a total value of US \$ 59,047.7 million to US \$ 59,381.2 million. The change registered is due in the first place to the increase of imports of products in the extractive industry, mineral lubricants, fuels and related products, increasing by 11.2% from US \$ 5,740.9 million in 2012 to US \$ 6,386 , 7 million in 2013, which granted 1.1% up in the total variation. On the other hand the entrance to the country of chemical products and related products registered a growth of 3.8% and products such as fish, crustaceans, mollusks and aquatic invertebrates and their preparations showed an increase of 24.9%, contributing 1.3% to the total variation.

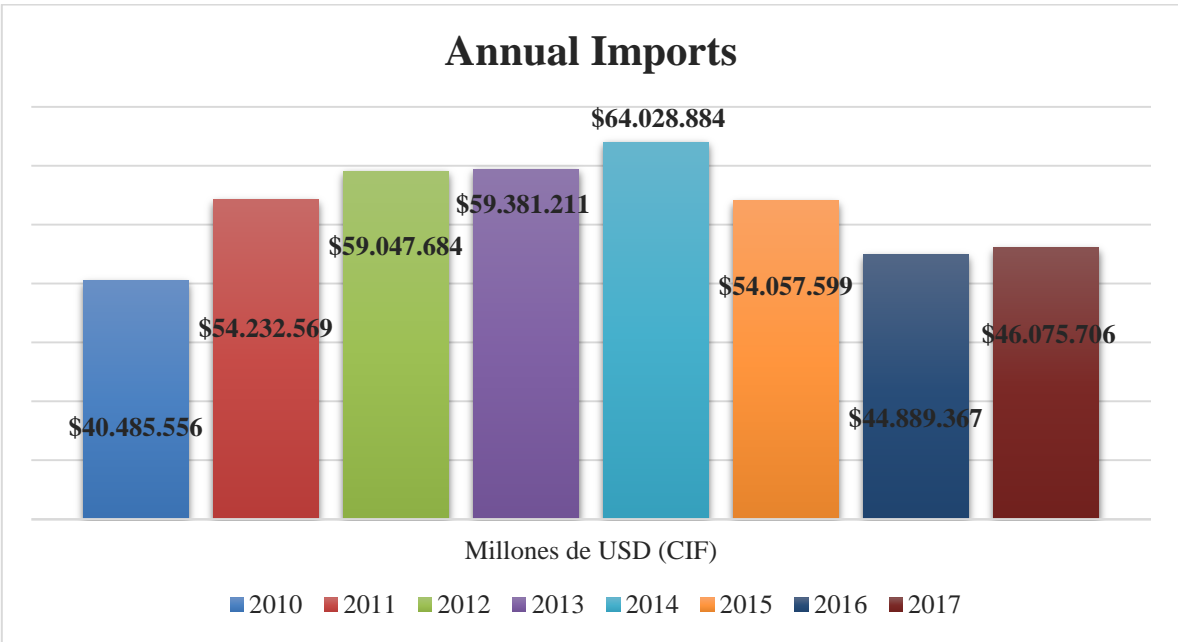
For the period between January and December 2014, imports increased by 7.8% compared to the same period of the immediately previous year, going from a total value of US \$ 59,381.2 million to US \$ 64,028.9 million. This upward variation was obtained in the first place due to the 6.8% increase in purchases abroad of manufactured goods, from US \$ 45,614.4 million CIF in 2013 to US \$ 48,735.8 CIF in 2014, and an increase of 16.4% in the group of fuels and articles of extractive industries, from US \$ 7,326.1 million CIF to US \$ 8,525.5 million CIF in 2014. According to total imports, manufactures have a participation of 76.1 %, extractive products and fuels 13.3%, agricultural products, food and beverages 10.2% and the remaining 0.4% constituted by the other sectors.

For the period between January and December 2015, imports decreased by 15.6% compared to the same period of the immediately previous year, going from a total value of US \$ 64,028.9 million to US \$ 54,057.6 million. This phenomenon was mainly due to the decrease in the importation of manufactures, which presented a downward variation of 14%, from a figure of US \$ 48,735.8 million CIF in 2014 to US \$ 41,934.2 million CIF in 2015; Secondly, the products of extractive industries are located this year, after declining by 29.7%, representing for 2015 a figure of US \$ 5,992.0 million CIF, which in 2014 was US \$ 8,525.5 million CIF.

For the period between January and December 2016, imports decreased by 17.0% compared to the same period of the immediately previous year, going from a total value of US \$ 54,057.6 million to US \$ 44,889.4 million. This adverse action occurs in the first instance due to the decline of 19.10% in total imports of manufactures, going from a figure of US \$ 41,934.2 million CIF in 2015 to US \$ 33,921.9 million CIF in 2016. On the other hand, another of groups that generated a negative impact, was the group of fuels, presenting a negative variation of 23.9 and mineral lubricants and their related products a 25.3% downward.

For the period between January and December 2017, imports increased by 2.6% compared to the same period of the immediately previous year, going from a total value of US \$ 44,889.4 million in 2016 to US \$ 46,075.7 million. This upward trend was generated in the first instance by the increase in purchases abroad of manufactures, presenting an increase of 3.9%, thanks to the considerable purchases of transport equipment and machinery, going from a CIF value of US \$ 33,921.9 million in 2016 at a CIF value of US \$ 35,232.0 million in 2017, contributing 1.4% to the total variation.

Graph 3: Annual imports in Colombia in millions of dollars CIF (2010 to 2017)



Own elaboration with data from the Administrative Department of Statistics

According to the figures provided by the National Institute of Statistics and Census of the Republic of Panama, imports have sustained important behaviors year after year, taking into account that Panama is a country highly dependent on imported merchandise.

For the year 2010, the country's imports showed an increase of 17.1% with respect to the immediately previous year, going from a total CIF value of 7,800,570,847 balboas to 9,136,516,537 balboas.

In 2011, the country's imports showed an increase of 24.1% compared to 2010, going from a total CIF value of 9,136,516,537 balboas to 11,339,727,017 balboas.

During 2012, Panamanian imports showed an increase of 10.2% compared to the previous year, going from a CIF value of 11,339,727,017 balboas to 12,494,341,436 balboas.

In 2013, imports showed an increase of only 4.3% compared to the previous year, going from a CIF value of 12,494,341,436 balboas to 13,030,804,702 balboas.

For the year 2014, imports made in Panama showed an increase, going from a CIF value of 13,030,804,702 balboas in 2013 to a CIF value of 13,707,202,892 balboas in 2014, which represents a growth percentage of 5.2 %.

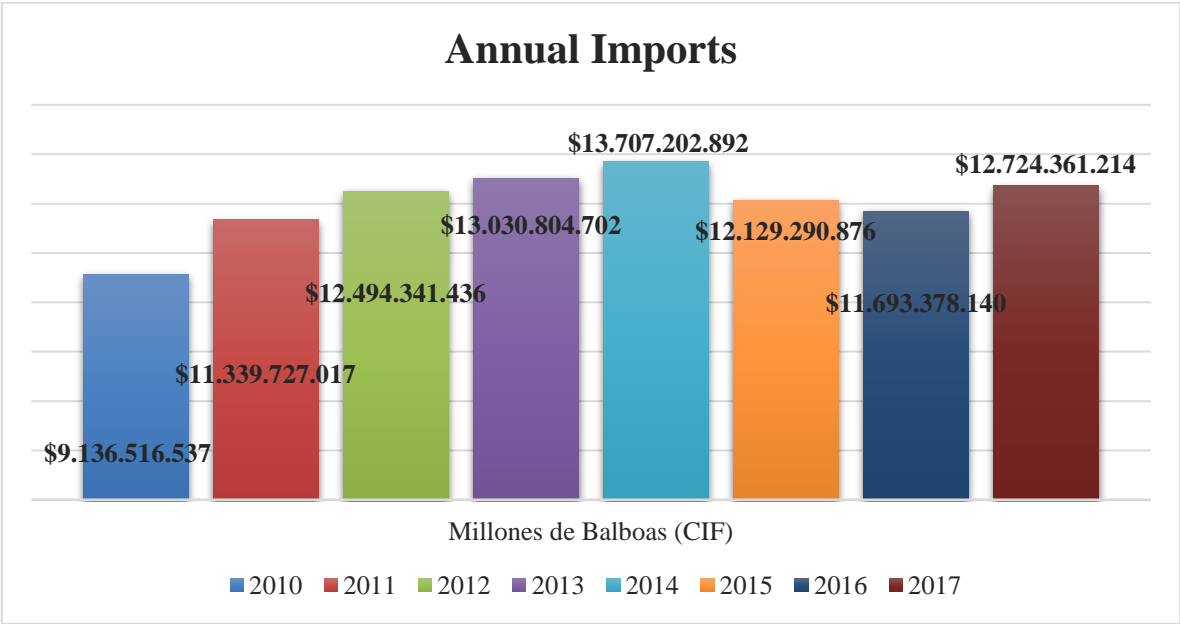
The behavior of imports in 2015 shows a decrease of 11.5% over the immediately previous year, going from a CIF value of 13,707,202,892 balboas to 12,129,290,876 balboas; this behavior is attributed to the completion of works of great importance in the country, such as line 1 of the metro and of course the extension made to the canal.

During 2016, imports decreased again, corresponding to 3.6%, going from a CIF value of 12,129,290,876 balboas in 2015 to a CIF value of 11,693,378,140 balboas in 2016.

The behavior of imports in the year 2017 shows an increase of 8.82% over the immediately previous year, going from a CIF value of 11,693,378,140 balboas to 12,724,361,214 balboas.

The variations presented in the periods described above are mainly caused by the behavior of the oil price that has caused the value of the imported goods to increase in years such as 2010, 2011, 2012, 2013, 2014 and 2017; and decrease in years such as 2015 and 2016. The country's imports have been marked mainly by products belonging to sections of the harmonized system, such as mineral products with an average participation of 19.4%, transport material with an average participation of 10, 4% and machines and appliances, electrical equipment and parts thereof; sound recording or reproducing apparatus, television image and sound recording or reproducing apparatus, and parts and accessories of these devices with an average participation of 19.04%.

Graph 4: Annual imports in Panama in millions of CIF Balboas (2010 to 2017)



Own elaboration with data from the National Institute of Statistics and Census

2.3. COMPARATIVE OF IMPORTATION RULES IN PANAMA AND COLOMBIA IN THE IMPORT PROCESS

2.3.1. The facilitation principle in international trade rules

When talking about "facilitation", it is done with the purpose of making reference to something agile, diaphanous, timely and fast; However, the opposite of "facilitation" makes consider and think of hundreds of requirements, a great amount of paperwork or paperwork and rigorous documentation.

The ninth ministerial conference of the WTO (World Trade Organization), held in Bali in 2013, predominated mainly due to the disagreement on the part of merchants worldwide about the high volumes of documentation for the transit of goods between borders on an international level.

According to the UNCTAD (United Nations Conference on Trade and Development), it was calculated that in an average customs operation, an average of twenty to thirty different agencies, forty documents and two hundred data elements, of which 15% must intervene they repeat themselves and, at least, the need arises between 60% and 70%, to rewrite all the data, in addition to these factors, UNCTAD highlights, that even with the reduction of tariffs worldwide, the cost to fully comply with the customs requirements in the different nations turns out to be greater, in some cases, than the duties and taxes to be paid in a customs transaction. (OMC, 2014)

This statistical reference serves to express that a call for permanent International Trade has been to achieve facilitation of foreign trade operations.

The need to implement procedures that contribute to the facilitation of trade is not a recent issue. Since 1974, the Kyoto agreement came into force, whose objective is to establish guidelines through which customs processes are simplified and harmonized worldwide without implying a reduction of control by the customs authority.

The Kyoto agreement was drafted under the patronage of the Customs Cooperation Council - now the World Customs Organization - and amended in 1999; this modification was driven mainly by the increase in the exchange of merchandise worldwide, the advancement of technology and the obligation to modernize customs administrations and convert them into more competitive institutions. Finally, the revised version of the agreement came into force in 2006. (González, Pomahuallca, 2014)

Kyoto is then an instrument that implements good practices within the following fields: Information technology, risk management, information on customs laws and regulations, audit-based controls, customs resource system, pre-arrival information, consultation with the business sector and coordinated interventions.

The Andean Community of Nations (CAN), through Decision 671 concerning the harmonization of customs regimes, recognized the need to accept the foundations proposed by the Kyoto Convention in its updated version, with the purpose of aligning the regulations applied to customs regimes in commercial transactions between its member countries, as well as imports from third countries.

Regarding this issue, Londoño (2014) points out that the CAN also demands interconnection between the customs of its member countries, through the adoption of two key instruments: the Andean Integrated Tariff (ARIAN) and the Single Customs Document (SAD). ; In addition, it is also necessary to standardize the special customs regimes, as well as to establish mechanisms to avoid disparities in terms of preferences granted to third parties, thereby complying with the objective of modernizing - and of course simplifying - customs processes.

In Colombia, it became necessary to amend Law 6 of 1971, after a term of more than 40 years that made it obsolete in terms of Free Trade Agreements; that is why the country was urged to implement a new norm that would appropriate Colombian foreign trade and establish clear and proper principles and objectives that would allow it to acquire autonomy, so that it would be left to intermingle with other legislation such as taxation, administrative, civil and even criminal. (Londoño, 2014)

Consequently, in 2013, Law 1609 was enacted, which established in its Article No. 3 that the National Government at the time of transforming or modifying the tariffs, tariffs and other provisions corresponding to the customs regime, will be obliged to take into account the following objectives:

- a. To facilitate the development and application of the International Agreements and Treaties signed and valid for Colombia, and participation in economic integration processes.
- b. To adapt the provisions that regulate the Customs Regime to the commercial policy of the country, to the promotion and protection of national production to the agreements and treaties signed and in force for Colombia, to the principles and norms of International Law.
- c. To facilitate and expedite foreign trade operations, to guarantee the dynamics of commercial exchange, the access of products and services to internal and external markets and the competitiveness of Colombian products and services in the international market.
- d. To promote the use of modern and environmentally sustainable technologies and media that meet the needs and good practices recognized by international law.
- e. Encourage the adoption of simplified procedures that contribute to the facilitation and streamlining of foreign trade operations.

It comes from the aforementioned objectives, an evident tendency to facilitate international trade operations, through the promotion of treaties, with technology or through simple procedures.

The law also incorporates a number of foundations, of which Coordination and Collaboration and Security and Facilitation, which directly correspond to the objectives of simplifying the development and use of Free Trade Agreements and Agreements (FTA) and to encourage the adoption of simplified methods that cooperate with facilitation and stimulate the speeding up of international trade operations. (Londoño, 2014).

At the same time, the new customs statute (Decree 390 of 2016) takes up these principles and highlights the facilitation as a fundamental and key piece of operations and foreign trade transactions, and even, the current Decree 349 issued on February 20, 2018, has been designated as a facilitating decree; in relation to this, Cárdenas (2018), states that, with it, the international trade of the nation will be favored, mainly due to the regulation of sanctions and simplification of procedures. In this way, the aforementioned decree is established as the most significant tool regarding the facilitation of foreign trade in Colombia. (Cárdenas, 2018)

As a facilitation instrument in the Panamanian nation, the signature of the Tegucigalpa Protocol of 1991 is highlighted, along with countries such as Honduras, Guatemala, Costa Rica, Nicaragua and El Salvador, through which the Central American Integration System (SICA) is created. It deals with economic, environmental, cultural, educational, political and social issues. Within the aforementioned Integration System, there is the Central American Economic Integration Subsystem that aims to establish a customs union through the creation of a free trade zone and the implementation of a common tariff.

In 2013, the integration of Panama into the Central American Economic Integration Subsystem was formally carried out, which meant that the FTA between Panama and Central America acquires validity only in matters that are not addressed by the integration protocol, and that is why that, through law 26 of April 17, 2013, the country adopts the Central American Uniform Customs Code (CAUCA) and the Central American Uniform Customs Code (RECAUCA), in order to facilitate and harmonize customs processes within the region.

On the other hand, Decree Law 1 of February 13, 2008 that creates the National Customs Authority and dictates provisions concerning the customs regime in the Republic of Panama, in its Article 18 by referring to the Operating Principles by which acts the Panamanian customs authority, states that the organization and management will be established based on the principles of harmonization of procedures, transparency, simplification, flexibility and efficiency in control, inspection, security and user service and, among its functions, established Article 22 of the aforementioned regulation highlights: 4) Managing, strengthening and consolidating the customs policy, applying

modernization criteria. 7) Facilitate foreign trade and guide users on their duties and rights before the Authority.

It also highlights the modernization of the customs computer system (Integrated Customs Management System), in order to facilitate and streamline processes to all customs users (including the customs authority).

Finally, Panama and Colombia share certain automated trade facilitation tools that are mentioned below:

Single Window of Foreign Trade (VUCE): This tool is a platform for facilitating procedures before State entities, allowing the channeling of information in a more optimal and agile way.

Authorized Economic Operator (AEO): This program is framed within the guidelines of the Regulatory Framework for Securing and Facilitating World Trade (SAFE) of the World Customs Organization (WCO), to simplify trade worldwide and provide security to the entire logistics chain.

What this program seeks is to establish a relationship of trust between the companies and the customs authority through the recognition of a reliable and safe user aimed at importers, exporters, transporters and customs agents who implement security measures within their logistics chain. Some of the benefits that this certification brings are the streamlining of the process and the reduction of inspections by the customs authority.

Digital Ports: It is a program that seeks to encourage the use of information technologies in port processes in order to streamline and make more effective the operations executed in maritime terminals.

The first stage of this program, supported by the secretariat of the Latin American and Caribbean Economic System (SELA) with the support of the Development Bank of Latin America (CAF), was carried out in 2014, in the ports of Buenaventura and Cartagena in Colombia and Balboa and Colón in Panama.

It is observed, therefore, that, both at the level of Colombia and Panama, the Facilitation Principle in foreign trade operations has been incorporated into the recent customs regulations and with this, a modern trend in customs regimes is complied with.

2.3.2. Description of the import process in Panama

The import process in Panama is carried out, essentially with the following steps:

1. Tariff classification of the product and preparation of the goods declaration

Identification of the tariff heading corresponding to the product to be imported and after that, the agency of customs brokers elaborates the corresponding goods declaration in the Integrated System of Customs Management.

2. Transmit load manifest

The international freight forwarder must transmit the cargo manifest through SIGA (Integrated Customs Management System) 48 hours in advance for maritime mode, 2 hours in advance for air mode and for terrestrial mode at the moment in which above the means of transport. In this stage, the ACI must record the information regarding the merchandise object of entry to the country as weight, packages, cargo arrangement, type of merchandise, among others.

3. Validate cargo manifest

The customs computer system validates the information transmitted by the freight forwarder. If the information complies with the provisions of the standard, you can proceed with the following activity; if it does not comply with the provisions of the standard, the loading agent must transmit the cargo manifest again correctly.

4. Apply risk analysis

In this stage, the risk analyst of the customs authority carries out verification of the manifests transmitted and outlines the goods that will be the object of intrusive and non-intrusive inspection.

5. Reception of the manifest

The customs warehouse carries out the receipt of the cargo manifest.

6. Reception of the mean of transport

The cargo inspector of the customs authority carries out the physical or documentary inspection of the profiled goods.

6.1. Enter the inspection visit made in the customs system, and

6.2. Authorize the unloading of merchandise

7. Unload

The temporary deposit realizes the unloading of the merchandise and proceeds to send the report of unloading to the customs authority through the computerized system customs.

8. Inventory control

The cargo inspector of the customs authority proceeds to verify the discharge report sent by the deposit versus the manifesto initially submitted, through the customs computer system. In the event that the system throws surplus or missing during this review, proceeds with activity 8.1, 8.2 and 8.3. If, on the other hand, there is compliance between the manifested and the downloaded, proceed with activity 9.

8.1. Establish leftovers and shortages

The cargo customs inspector notifies the international freight forwarder of the inconsistencies found (surplus or missing).

8.2. Justify leftovers and shortages

The international cargo agent must justify to the customs authority through the customs computer system, the reasons for which the difference between the manifest and the discharge report was presented.

8.3. Rectify manifest

The loading agent must rectify the manifest according to the downloaded merchandise.

9. Register completion in the customs computer system

The customs inspector of cargo enters the customs computer system the completion of the operations of unloading the merchandise.

10. Transmit the goods declaration

The goods declaration corresponding to the product to be imported into the customs system must be transmitted for validation.

11. Validate and accept the goods declaration

The computer system of the National Customs Authority verifies the data entered in the customs declaration of merchandise, in case of arriving to present any irregularity, the system will issue an alert informing the mistake that this document presents and therefore, will return it to the previous activity, which consists of transmitting the customs declaration of goods again. However, in case the validation does not express any alert, the system will give way to the following activity.

12. Cancel the taxes, duties and fees of the product to be imported

At the moment in which the declaration has been verified, the importer will proceed to make the payment of the taxes, rights and fees electronically through the different payment platforms or in the banks authorized by the National Customs Authority (ANA).

13. Upload the supporting documents to the customs system

In the customs computer system, all import support documents (commercial invoice, transport document, value declaration and license when required) must be listed by entering their number, date and selecting the type of document; After this, the file of each of the documents listed above must be uploaded.

14. Apply Risk (Risk Analysis System)

Any customs declaration of merchandise will be subject to the risk analysis system and this will determine the process to which the merchandise subject to import must be submitted. The system is parameterized so that when the analysis process is finished, a color (green, orange or red) will result, which will determine the process to follow.

14.1. Register release without revision

In this case, the computer system of the ANA will proceed with the release of the merchandise, designating the green color based on the Risk Analysis System, in which only the following activities must be executed:

14.1.1. Check required documentation according to the corresponding standard.

14.1.2. Break down the documentation.

14.1.3. Send copy to file.

14.1.4. Register the exit pass in the customs computer system of the National Customs Authority.

14.2. Conduct documentary inspection

In this case, the computer system of the ANA, designates the orange color, in which the customs authority will proceed to verify the content of the documents consigned in the system, carrying out the following activities:

14.2.1. Verify the content of the customs declaration of merchandise.

14.2.2. Check that the supporting documentation corresponds to the information stipulated in the customs declaration of merchandise.

14.2.3. Examine compliance with tariff (tax) and non-tariff obligations (DGI permits, OGAS permits, GORGAS permit, among others).

14.2.4. To define compliance with the documentary review and if it fully complies, continue with activity 13.2.5 and 13.2.6 otherwise continue with activity 13.2.7.

14.2.5. Break down and separate the support documentation of the operation and proceed to send a copy to archive.

14.2.6. Enter in the customs computer system of the ANA the exit pass of the merchandise.

14.2.7. For the cases in which the information and / or documentation consigned does not comply with the established requirements; the incidents of the documentary review that could reach the following criteria are recorded.

14.2.7.1. Require information and additional documentation.

14.2.7.2. Request the payment of penalties and infractions when necessary..

14.2.7.3. Require correction of the customs declaration of merchandise, in the cases that are necessary.

14.2.7.4. Request the physical corroboration of the merchandise, in the cases that legally and technically merit it.

14.2.7.5. To record the corresponding actions in the circumstantial act and to correspond and not incur or notice more mistakes or omissions continues with activity 14.2.5 and 14.2.6.

14.3 To conduct the physical/documentary verification

In this case, the computer system of the ANA designates the color red, in which the customs authority will proceed to verify the content of the documents and perform an intrusive inspection of the merchandise subject to import, carrying out the following activities:

14.3.1. Review the content of the goods declaration in relation to the supporting documents of the import and verify that the tariff and non-tariff obligations (import permits) have been complied.

14.3.2. Perform the physical inspection of the merchandise in whole or in part, verifying compliance between the physical findings, the supporting documents and the customs declaration of merchandise.

14.3.3. Verify that all information declared is in accordance with the provisions of the law.

14.3.4. If conformity is determined in the physical and documentary review made to the merchandise, continue with activities 14.3.5 and 14.3.6, otherwise, continue with activity 14.3.7.

14.3.5. Break down and separate the support documentation of the operation and proceed to send a copy to file.

14.3.6. Enter in the customs computer system of the ANA the exit pass of the merchandise.

14.3.7. For cases in which there is no agreement between the physical findings, the supporting documents and the customs declaration, the official of the customs authority must record the incidences of the physical review that could come to consist of the following criteria:

14.3.7.1. Require information and additional documentation.

14.3.7.2. Request the payment of penalties and infractions when necessary..

14.3.7.3. Require correction of the customs declaration of merchandise, in the cases that are necessary.

14.3.7.4. In case the information is correct, continue with activity 14.3.5 and 14.3.6.

2.3.3. Description of the import process in Colombia

The import process in Colombia consists of the following steps:

1. Identify the appropriate tariff heading for the product that is required to be imported in accordance with the nomenclature of the harmonized system developed by the World Trade Organization (WTO).

2. Verify in accordance with the assigned tariff subheading, if the product that is to be imported requires some approval before governmental entities such as the National Institute for Drug and Food Surveillance, the Colombian Agricultural Institute, the Superintendence of Industry and Commerce, the Ministry of Mines and Energy, the Ministry of Transport,

the Ministry of Environment (ANLA), the Superintendence of Private Security and Surveillance, the Ministry of Agriculture, among others.

3. Submit Registration or Import License (if required) through the computer system of the Foreign Trade Single Window (VUCE).

4. The customs agency prepares the customs declaration in the computerized system of the Directorate of National Taxes and Customs in accordance with the current regulations; at this moment the import duties (tariff and VAT charges) are settled. If the FOB value of the import is equal to or greater than 5000 dollars, the Andean declaration of value corresponding to a document supporting the customs declaration must be completed, in which the customs value of the imported goods is determined.

5. The international freight forwarder and / or transporter must consign prior to the arrival of the merchandise through the Unique Model of Income, Services and Automated Control (MUISCA) of the DIAN, the information referring to the merchandise object of entrance to the country as weight, packages, cargo layout, type of merchandise, among others.

6. The transporter must present through the Unique Model of Income, Services and Automated Control (MUISCA) of the DIAN, the cargo manifest information, corresponding to the merchandise object of entry to the country.

7. The transporter must inform through the Unique Model of Income, Services and Automated Control (MUISCA) of the DIAN, the arrival of the cargo in the national customs territory.

8. As soon as the merchandise arrives in the country, the transport document is released to the international transport company (Freight Forwarder and / or Shipping Company for maritime mode and Cargo Agent or Airline for air mode), this process consists in canceling the expenses generated by the international transport of merchandise and subsequently claim the original of the Bill of Lading son and / or master, or in the aerial case, the air waybill.

9. The international freight forwarder and / or transporter must submit through the Unique Model of Income, Services and Automated Control (MUISCA) of the DIAN, the report of

download and inconsistencies, which reports the unloading of goods and inconsistencies presented between the manifested load and the unloaded load.

10. After this, the deposit proceeds to generate return and receipt form for the merchandise to be reflected in the Customs Computer System (SYGA) and therefore the inventory query is generated in the Siglo XXI system, with which the importer can start the clearance process. In cases where the transport document is cut as direct download, the shipping company or international freight forwarder proceeds by sending the information directly to SYGA.

11. Once the inventory query is generated in the DIAN system (Siglo XXI), it proceeds to file the documents that support the commercial operation, such as commercial invoice, packing list (if applicable), transportation document, Andean declaration of value (if applicable), bill for freight and expenses (issued by the shipper, shipping company or airline), general mandate before the DIAN (Directorate of National Taxes and Customs), insurance policy, certificate of origin (if applies), approval from Colombian regulatory entities (if applicable), among others. After this, we proceed to present the customs declaration through the computerized system of the DIAN, at this time a consecutive number of acceptance of the declaration is generated, as soon as we have that number, we proceed to cancel the customs duties generated before any bank and when the payment is reflected in the customs system, we proceed to request selectivity, which can be automatic, documentary or physical.

11.1. If the selectivity is automatic, it means that the system automatically assigns the release number and therefore the importer can dispose the merchandise.

11.2. If the selectivity is documentary, it means that an inspector appointed by the customs authority will review the documents supporting the import and the customs declaration to verify that everything complies with the provisions of the regulation; After this revision, if everything is in order, the customs officer proceeds to assign the respective release number and at that moment the importer can dispose of the merchandise.

11.2.1. If, on the contrary, during the documentary inspection the inspector of the customs authority detects any inconsistency in the information recorded in the import declaration in

relation to the information contained in the supporting documents, the importer must make the corrections corresponding to the customs declaration with the payment of the respective sanction, if applicable.

11.2.1.1. The corrected declaration in what corresponds is reviewed by the customs inspector, and if conformity is established between what was declared and the supporting documents, it is proceeded to assign the release number and at that moment that the importer can dispose of the merchandise.

11.3 If the selectivity is physical, it means that an inspector appointed by the customs authority will randomly review 10% of the merchandise, the documents supporting the import and the customs declaration to verify that everything complies with the provisions of the regulation; After this revision, if there is agreement between what is found physically, the supporting documents and the customs declaration, the customs officer proceeds to assign the respective release number and at that moment the importer can dispose the merchandise.

11.3.1. If, on the other hand, during the physical inspection the inspector of the customs authority detects any inconsistency in the information recorded in the import declaration in relation to the inspected merchandise and the information contained in the supporting documents, the importer must make the corrections corresponding to the customs declaration with the payment of the respective sanction if applicable.

11.3.1.1. The customs inspector reviews the corrected statement in what corresponds, and if conformity is established between the declaration, the supporting documents and the physical findings, the release number is assigned and at that moment the importer can dispose of the merchandise.

2.4. SIMILARITIES AND DIFFERENCES IN THE PANAMANIAN AND COLOMBIAN REGULATIONS ON THE IMPORT PROCESS

2.4.1. Similarities in the normativity

The similarities with respect to the import processes of both countries lie in the following aspects:

The issue of profiling of Panama is similar to the Colombian in terms of the procedural aspect, since there is a scenario in which the merchandise does not require a customs inspector to review, another in which the customs declaration must be reviewed with respect to the documents by a customs inspector and finally, one in which the inspector of the customs authority must physically check the merchandise with respect to the declared and consigned in the supporting documents.

Both have a risk management system in which certain parameters are entered for the documental and physical profiling that are carried out on the merchandise. Both countries adopted the term inspection to refer to the inspections carried out by the customs authority. In both countries, the import process is carried out systematically, evidencing one of the elements of the facilitation principle.

Both in Panama and Colombia, scanners are used in the primary areas of entry of goods from abroad, to perform non-intrusive inspections of the goods, in order to facilitate the process of customs control.

2.4.2. Differences in regulations

The differences regarding the import processes of both countries lie in the following aspects:

Profiling in Panama is defined by colors (green, orange and red), however in Colombia the system simply emits a screenshot where the result of the selectivity is reported (automatic, documentary or physical).

Regarding the filing of supporting documents on import, in Colombia only the document number and the date of each document must be related in the customs computer system, while in Panama, in addition to typing the document number and the date, you must upload the document file. Additionally, this process in Colombia is done before accepting the declaration and in Panama it is done after payment.

The declaration of value must be completed in Panama for any merchandise, however in Colombia the FOB value of the merchandise must exceed 5000 USD in order for the declaration of value to be necessary.

There is also a difference in some terms used:

The declaration of importation into Colombia is called the customs declaration and in Panama the declaration of merchandise.

The documents that support the import are called in Colombia support documents and in Panama support documents.

The declarants are named in Panama as a customs broker agency and in Colombia as a customs agency.

The form in which the total value in customs of the merchandise is discriminated is named in Panama Declaration of the Value in Customs of Imported Goods and in Colombia Andean Declaration of Value (DAV).

As support for an importation into Panama, it is necessary to submit 6 documents (commercial invoice, transport document, declaration of value, certificate of origin, licenses and regulations), meanwhile, in Colombia a total of 10 documents are required (commercial invoice, packing list, transport document, declaration of value when the FOB value of the merchandise exceeds 5000 USD, certificate of origin, insurance policy, DIAN general power of attorney, freight and expense invoice, registration or import license and permits or requests in special cases before government entities).

The commercial invoice is required in original in Colombia while in Panama it is enough for the importer to present it in a copy.

Regarding the general regulations that frame the customs operations, it is possible to show a great difference, because Panama through law 26 of 2013 was incorporated into the Central American economic integration to which countries like Guatemala, Nicaragua, Costa Rica belong. , Honduras - and of course Panama - and adopted the Uniform Customs Code of Central America (CAUCA) and the Central American Uniform Customs Code Regulation (RECAUCA), while in Colombia Decree 390 of 2016 was implemented, which applies only and exclusively for Colombia.

2.4.3 Normative comparative table

Table 6: Normative comparative table

PANAMÁ	COLOMBIA
Normatividad aduanera grupal (Centroamérica)	Normatividad aduanera individual (solo aplica para Colombia)
Aforo	Aforo
Declaración de mercancías	Declaración Aduanera
Documentos de apoyo	Documentos soporte
Agencia de corredores de aduana	Agencia de aduanas
Declaración del Valor en Aduana de las Mercancías Importadas	Declaración Andina de Valor
Factura comercial en copia	Factura comercial en original
Sistema de gestión de riesgo	Sistema de gestión de riesgo
Levante sin revisión	Levante automático
Aforo documental	Aforo documental
Aforo físico	Aforo físico
Proceso de importación sistematizado	Proceso de importación sistematizado
Emplea inspecciones no intrusivas	Emplea inspecciones no intrusivas
Perfilación por colores	Perfilación por medio de un aviso que emite el sistema informático aduanero
Son (6) los documentos de apoyo requeridos para el proceso de importación	Son (10) los documentos soporte requeridos para el proceso de importación
Se debe subir los documentos de apoyo como tal al sistema informático aduanero	Únicamente se debe digitar número y fecha de los documentos soporte en el sistema informático aduanero
Se radican los documentos de apoyo después del pago de los impuestos	Se radican los documentos soporte antes de aceptar la declaración aduanera
La declaración del valor se requiere en todos los casos	La declaración del valor se requiere cuando el valor FOB de la mercancía supera los USD 5000

Source: Own elaboration

3. Conclusions

Both Colombia and Panama have a common origin, separated later by social, economic and above all political factors, generating two different geopolitical spaces that have had a direct impact on the economy and thus on the management of international trade.

Panama, throughout its history, has known how to take advantage of its privileged strategic location in favor of the country's economic growth; Despite being a relatively small country (4,034,119 inhabitants in 2016 according to data published by the World Bank), it is possible to show that the Isthmus has consolidated as one of the fastest growing economies in the region, mainly thanks to the good performance of the tertiary sector and globalization that has allowed it to become a supremely important logistics platform worldwide; On the other hand, Colombia, being a larger country (48,653,419 inhabitants in 2016 according to data published by the World Bank) and with great wealth in terms of natural resources, has sustained weak economic growth over the years has been largely caused by political (bad administrations and corruption) and social (armed groups) factors.

Undoubtedly, the Panamanian economy is supported by the income obtained by the Panama Canal, understood by the latter as the infrastructure that impacts international trade directly and all analogous businesses around it, such as ports, logistics centers, free trade and services. Therefore, manufacturing and agriculture remain in the background. Colombia, on the other hand, has an economic diversity, sectored by its regions and with emphasis on the climate of each region.

The WTO (World Trade Organization) and the WCO (World Customs Organization), welcomed the so-called "Facilitation Principle" with the purpose of stipulating globally, processes that are framed in promoting, streamlining and simplifying international trade procedures. Thus, both in Panama and Colombia, the progress that has been made in facilitating foreign trade operations can be observed. In both nations it can be seen that processes, norms and laws have been adopted, which are designed strictly and primarily to advance substantially in facilitating international trade transactions in each nation; On the other hand, it is observed that Panama internally stipulated law 01 of 2008 and was adopted at the regional level and was included in CAUCA (Uniform Central American Customs

Code) and Colombia internally issued Decree 390 of 2016 and at the regional level, it is part of CAN (Andean Community of Nations). In conclusion, it can be perceived that these important economies in Latin America have been given the task of implementing this type of development in order to give an added value to their economy, thus establishing a more prosperous trade and at the same time with great benefits for both countries.

From the figures obtained in the investigation, it is possible to show that Panama is a country highly dependent on imported products, year after year there are high figures that exceed those presented by Colombia exorbitantly. The economy of Panama is mainly oriented to the service sector, which is why it is necessary for the country to resort to the demand of products produced abroad that range from basic goods such as food to high technology to meet domestic demand; Colombia, on the other hand, although it has high import figures, is not considered a country totally dependent on imports given that it has an agricultural sector that can supply domestic demand in a large proportion.

Risk management is considered in both countries as a fundamental pillar in international trade operations due to the fact that through this instrument a balance is sought between the facilitation of customs operations and the control by the customs authority that allows to establish users or risk operations and in turn provide benefits to users who generate confidence before the customs authority, currently these benefits are granted to foreign trade operators through the qualification of Authorized Economic Operator.

Thanks to the normative comparative table, it can be seen that both countries have great similarity in terms of how to carry out their merchandise import processes, these similarities are given primarily in aspects such as filing of documents in customs digital systems, profiling of goods for inspection by the competent authority, scanners for non-intrusive inspections, management of computer systems, among others. However, these nations also have differences in their import processes, which mainly lie in two aspects, in the first instance that the supporting documents required when importing a product in Panama are around 6 documents, while Colombia requires around of 10 documents; and in the second instance, the Panamanian nation through Law 26 of 2013 joined the Central American economic integration and adopted the CAUCA (Uniform Customs Code of

Central America), while Colombia, unlike Panama, has an individual main customs regulation which is decree 390 of 2016.

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