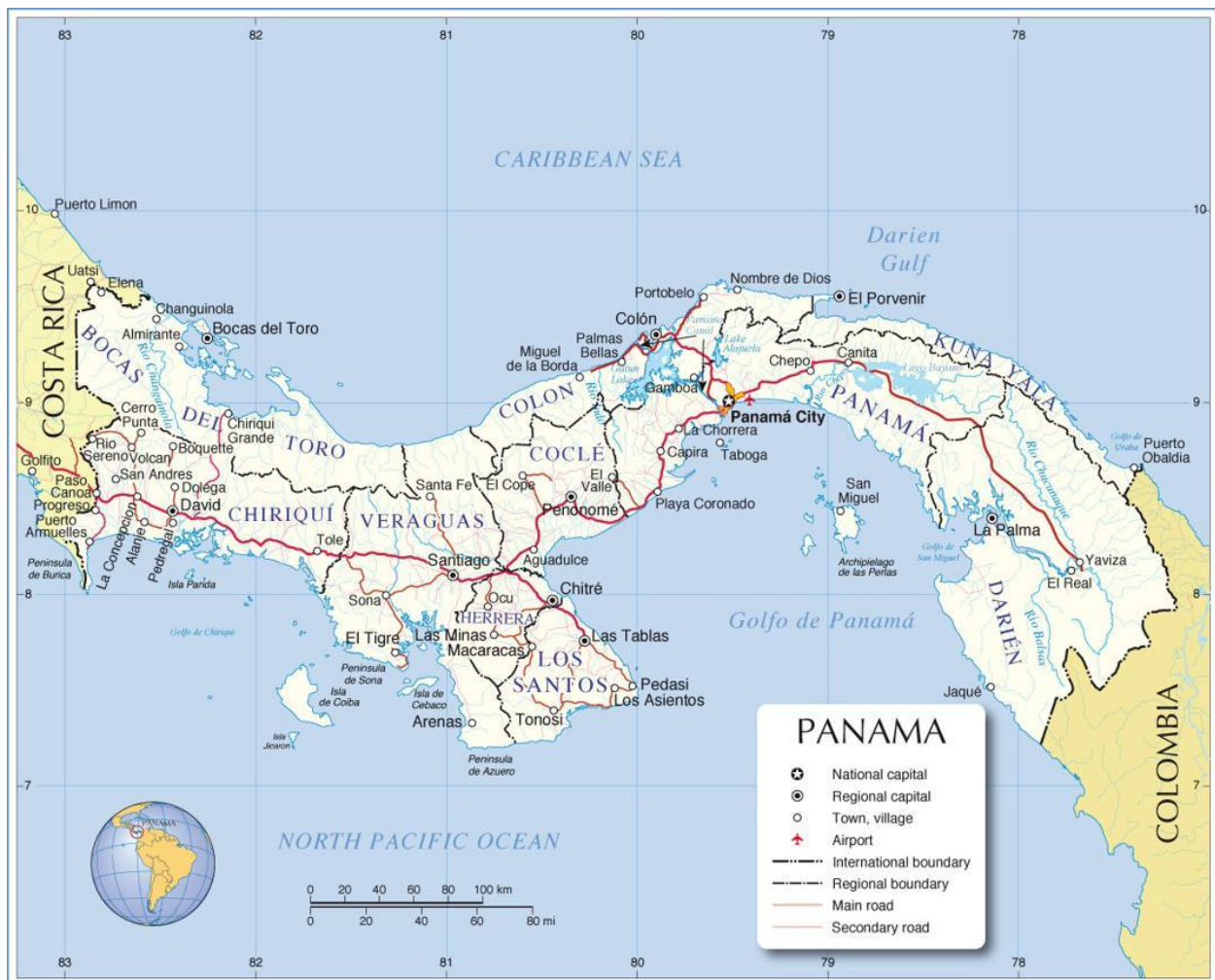


CIA World Factbook–Style Country Report

Republic of Panama PA





General Information

Category	Information
Official Name	Republic of Panama (República de Panamá)
Capital	Panama City
Government	Presidential constitutional republic
Independence	3 November 1903 (from Colombia)
Area	75,420 sq km
Population	~4.5 million
Official Language	Spanish
Currency	Panamanian Balboa (PAB) and U.S. Dollar (USD)
Time Zone	UTC-5
Internet TLD	.pa

Executive Summary

Panama occupies one of the world's most strategically important geographic positions. The Panama Canal links the Atlantic and Pacific Oceans and remains one of the critical chokepoints of global maritime commerce, making Panama disproportionately influential relative to its size.

The country enjoys one of Latin America's strongest service-based economies, centered on shipping, logistics, banking, finance, and international trade. Political institutions remain comparatively stable, although corruption, organized crime, migration pressures through the Darién Gap, and dependence upon canal revenues present continuing strategic challenges. Panama maintains no standing military, relying instead on specialized public security forces.

Geography

Location

Central America, bordering Costa Rica and Colombia, with coastlines on both the Caribbean Sea and Pacific Ocean.

Terrain

- Mountainous interior
- Tropical rainforests
- Coastal plains
- Numerous rivers supporting canal operations

Highest Point

- Volcán Barú
- 3,475 m

Climate

- Tropical maritime
- Wet season: May–January
- Dry season: January–May

Natural Resources

- Copper
- Timber
- Hydroelectric potential
- Fisheries
- Agricultural land

Map Reference

Panama forms the narrow land bridge connecting North and South America while separating the Caribbean Sea from the Pacific Ocean.

Its geographic position is among the most strategically valuable in the Western Hemisphere.

People and Society

Category	Data
Population	~4.5 million
Median Age	~31 years
Urban Population	~70%
Life Expectancy	~80 years
Literacy	Very high

Ethnic Composition

- Mestizo (majority)
- Indigenous peoples
- Afro-Panamanians
- White
- Asian communities

Major indigenous groups include:

- Ngäbe
- Guna (Kuna)
- Emberá
- Buglé
- Wounaan

Government

Type

Presidential Constitutional Republic

Administrative Divisions

- 10 Provinces
- Several Indigenous autonomous regions (Comarcas)

Legal System

Civil law with constitutional framework.

Economy

Panama possesses one of Latin America's highest per-capita incomes and one of the region's most internationally connected economies.

Major economic sectors include:

- Panama Canal operations
- International banking
- Logistics
- Shipping
- Free trade
- Tourism
- Construction
- Financial services

Major Exports

- Canal services
- Copper
- Financial services
- Agricultural products
- Seafood

Major Trading Partners

- United States
- China

- Latin America
- European Union

Panama uses the U.S. dollar alongside the Balboa, providing monetary stability but limiting independent monetary policy.

Transportation

Panama possesses one of the most developed transportation systems in Central America.

Major assets include:

- Panama Canal
- Balboa Port
- Colón Port
- Tocumen International Airport
- Panama Canal Railway
- Extensive highway network

The country also hosts one of the world's largest ship registries.

Energy

Primary sources include:

- Hydroelectric power
 - Natural gas
 - Imported petroleum
 - Expanding renewable energy
-

Communications

Modern telecommunications infrastructure includes:

- Nationwide mobile coverage

- Extensive fiber-optic connectivity
 - International banking communications
 - Canal-related digital infrastructure
-

Military and Security

Armed Forces

Panama abolished its military following the 1989 U.S. intervention.

Security responsibilities are carried out by:

- National Police
- National Aeronaval Service (SENAN)
- National Border Service (SENAFRONT)

Primary missions include:

- Border security
- Counter-narcotics
- Maritime patrol
- Counter-smuggling
- Protection of critical infrastructure

Approximately 30,000 personnel serve within these security organizations.

Intelligence Assessment

Strategic Importance

Global Rating: Very High

The Panama Canal remains one of the world's essential maritime chokepoints.

Disruptions to canal operations would significantly affect:

- Global shipping
- Energy transportation

- Supply chains
 - International trade
 - U.S. strategic mobility
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Internal Security

Primary concerns include:

- Drug trafficking
- Money laundering
- Organized crime
- Corruption
- Illegal migration through the Darién Gap

Despite these challenges, Panama remains among the more politically stable countries in Central America.

External Relations

Panama maintains strong diplomatic and economic relations with:

- United States
- Latin American neighbors
- European Union
- China
- International maritime organizations

Balancing U.S. strategic interests with expanding Chinese commercial investment remains a significant long-term policy consideration.

Infrastructure Assessment

Sector	Rating
Transportation	Excellent
Maritime Infrastructure	Excellent
Banking	Excellent
Telecommunications	Very Good
Energy	Good
Healthcare	Good

Economic Outlook

Strengths

- Canal revenues
- Dollarized economy
- Regional financial hub
- Stable banking system
- Strategic geography

Weaknesses

- High inequality
 - Dependence on services
 - Climate impacts on canal water levels
 - Exposure to global trade fluctuations
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Strategic Outlook (2026–2031)

Panama is expected to remain one of the Western Hemisphere's most strategically valuable states due to its control of the Panama Canal and its role as a logistics and financial hub. Long-term success will depend on maintaining canal competitiveness, adapting to water resource challenges affecting canal operations, strengthening anti-

corruption efforts, and managing geopolitical competition between major powers while preserving its neutrality and commercial openness.

ATLAS Intelligence Assessment

Category	Rating
Political Stability	High
Economic Strength	High
Military Capability	Low (No standing military)
Internal Security	Moderate
Regional Influence	High
Global Strategic Importance	Very High
Overall National Stability	High

Overall Intelligence Confidence: High

ATLAS Strategic Risk Level: Moderate — Panama remains one of the most stable countries in Central America, but its critical global infrastructure and exposure to organized crime, migration pressures, and great-power competition ensure it will remain of enduring strategic significance.