TRANSNATIONAL ALLIANCE TO COMBAT ILLICIT TRADE
TRACIT.ORG

COUNTRY PROFILE

PANAMA

Panama plays an important role in global commerce supported by its strategic location and advanced logistics infrastructure. At the same time, Panama is considered a jurisdiction at moderately high risk for illicit trade, with exposure to the movement of smuggled excisable goods, counterfeit consumer and commercial products, and illicit financial flows alongside its legitimate economy.

AT A GLANCE

81st GLOBAL RANK

2nd REGIONAL RANK

49.6 SCORE OUT OF 100

STRONGEST AREA
Taxation and Economic Environment

WEAKEST AREA
Supply Chain Intermediaries

OVERVIEW

Panama's moderately high-risk assessment can be attributed to its relatively low scores across the six categories reviewed by the TRACIT Illicit Trade Index, which evaluates the country's vulnerability to illicit trade. Panama's total score of 49.6 translates to a global ranking of 81st out of 158 countries. While it is not among the worst performers in the region, its level of exposure to illicit trade is high relative to its economic sophistication and institutional development.

KEY VULNERABILITIES

- Weak supply chain monitoring and enforcement
- Under regulation in the Colon Free Zone
- Active criminal presence and persistent informal economy

KEY SECTORS AFFECTED

- Illicit Tobacco
- Illicit Alcohol
- Counterfeit Goods
- Illicit Gold

MAJOR DRIVER

The Colon Free Zone

Weak oversight and limited due diligence requirements allow high volumes of goods to enter, exit, and move "in transit" with minimal scrutiny.

POLICY RECOMMENDATIONS

- Strengthen the regulatory framework for transparent and effectively governed FTZs.
- Leverage ANA's current nationwide anti-smuggling priorities and systematic operations by scaling up targeted, technology-enabled controls in Panama's FTZs
- Strengthen customs inspection capacity and risk-based targeting.
- Strengthen anti-corruption controls within customs and enforcement agencies.