



PANAMA

REPORT ON THE OBSERVANCE OF STANDARDS AND CODES—DATA MODULE

February 2021

This Report on the Observance of Standards and Codes—Data Module for Panama was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with the member country. It is based on the information available at the time it was completed on January 2020. The views expressed in this document are those of the staff team and do not necessarily reflect the views of the government of Panama or the Executive Board of the IMF.

The Response by the Authorities to this report and the Detailed Assessments Using the Data Quality Assessment Framework (DQAF) are also included.

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REPORT ON THE OBSERVANCE OF STANDARDS AND CODES (ROSC)—DATA MODULE VOLUME I

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This report is based on information provided prior to and during a mission conducted from January 20–24, 2020 and on publicly available information. The mission team comprised Mr. James W. Tebrake (Assistant Director) Mr. Louis Venter (Deputy Division Chief), and Mr. Antonio Galicia-Escotto (Senior Economist), all STA.

Panama is a beneficiary country of CAPTAC-DR, which also comprises Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua.

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Glossary

<i>1993 SNA</i>	<i>System of National Accounts, 1993</i>
<i>2008 SNA</i>	<i>System of National Accounts, 2008</i>
<i>BPM5</i>	<i>Balance of Payments Statistics Manual, fifth edition</i>
CFZ	Colón Free Zone
CG	Comptroller General of the Republic of Panama
COFOG	Classification of Functions of Government
COICOP	Classification of Individual Consumption by Purpose
CPC	Central Product Classification
CPI	Consumer Price Index
DFS	Directorate of Financial Studies
DQAF	Data Quality Assessment Framework
DSBB	Dissemination Standards Bulletin Board
DSC	Directory of Statistics and Censuses
FISIM	Financial intermediation services indirectly measured
E-GDDS	Enhanced-General Data Dissemination System
GFS	Government Finance Statistics
<i>GFSM 1986</i>	<i>A Manual on Government Finance Statistics, 1986</i>
HIES	National Household Income and Expenditure Survey
IIP	International Investment Position
ISIC	National Standard Industrial Classification of All Economic Activities (National version of the ISIC)
MEF	Ministry of Economy and Finance
<i>MFSM</i>	<i>Monetary and Financial Statistics Manual</i>
NFPS	Nonfinancial Public Sector
NSS	National Statistics System
NSSD	National Strategy for Statistical Development
PCA	Panama Canal Authority
PPI	Producer Price Index
ROSC	Report on the Observance of Standards and Codes
SBP	Superintendency of Banks of Panama
WPI	Wholesale Price Index

OVERALL ASSESSMENT

1. Panama’s statistical system is well established by a legal framework that generally provides the necessary authority for the collection and compilation of statistics. Panama has a well-developed macroeconomic statistical system and the government recognizes the importance of good statistics for policy and investment decisions. This Report on the Observance of Standards and Codes (ROSC) is a follow-up to the Panama ROSC issued in 2006. Since 2006, Panama has acted upon a number of the recommendations of the previous ROSC, has passed and implemented new statistical legislation, created the National Statistical Institute and enhanced its statistical compilation and dissemination practices. This report assesses the current state of the statistical system and makes a number of recommendations related to future developments that will further enhance the statistical system. The legal framework assigns responsibility for the socio-economic statistics to the Comptroller General of the Republic of Panama (CG), which is subsequently delegated to the National Statistical Institute (INEC). Among other social and economic data INEC compiles and disseminates national accounts, consumer price index (CPI), government finance, and external statistics. The MEF in collaboration with INEC also compiles and disseminates fiscal statistics. Given Panama’s long history of dollarization and absence of a central bank, there is no assignment of responsibility for compiling and disseminating a complete set of monetary and financial statistics. Instead, the Superintendency of Banks of Panama (SBP) produces banking sector statistics in line with its functions. Consequently, statistical practices for some elements of the DQAF do not apply to this sector (Box 1). Opportunities exist for improving the methodological basis and source data for most datasets.

Box 1. DQAF Assessment in the Absence of a Central Bank

Panama has a long history as a fully dollarized economy without a central bank. The Superintendency of Banks is the official agency designated by law, in its supervisory role for banks, to compile and disseminate banking sector statistics. These statistics do not conform to the methodology in the *Monetary and Financial Statistics Manual (MFSM)*. Panamanian law does not assign responsibility to any agency to disseminate monetary statistics, which have a broader coverage and different analytical approach than banking sector statistics. In Panama’s case, it is not possible to apply the following elements of the DQAF for monetary statistics:

- internationally accepted concepts and definitions for monetary statistics, such as net foreign assets, net credit to the government, broad money, and certain desegregations;
- classification of financial instruments and sectorization by currency and counterparty; and
- data reconciliation by users with other statistical methodologies and data sources, although banking sector data are broadly consistent.

2. Panama has participated in the Enhanced General Data Dissemination System (e-GDDS) since December 2000. Its metadata are regularly updated on the Dissemination Standards Bulletin Board (DSBB). The Panama Statistical System is now well developed, and the authorities should consider working towards subscribing to the Special Data Dissemination

Standard (SDDS). A comparison of Panama's statistical practices to the SDDS for data coverage, periodicity, and timeliness is available in Appendix I.

3. The remainder of this section presents the mission's main conclusions, applying the IMF's Data Quality Assessment Framework (DQAF), May 2012 version. The presentation is in the context of the following DQAF's quality dimensions: Prerequisites of quality (0), Assurances of integrity (1), Serviceability (4), and Accessibility (5) by agency for the first two dimensions and across datasets for the remaining two. This mission did not assess Methodological Soundness (2) and Accuracy and Reliability (3) since these have been assessed during several of technical assistance meeting over the last number of years.

4. Prerequisites of quality and assurances of integrity:

- The CG operates under a legal framework assigning clear responsibility for compiling and disseminating socio-economic statistics, without specifying scope.** The law includes provisions for ensuring timely submission by data reporters, but the nominal amounts of penalties non-compliance are outdated. The confidentiality of reporters' responses is established by law. The CG has achieved de facto independence based on its long tradition of professionalism and has fostered adherence to ethical standards. This was reinforced with an update to the statistical law in 2009 which established the National Statistical Institute. While INEC remains under the authority of the CG, it is given a large degree of operational independence and carries out its functions in a very independent manner. Although, INEC experiences high attrition, staff are well trained and highly professional. While adequate at present, computing equipment, software and facilities would not be able to accommodate the planned program expansion. Salaries are competitive with the rest of the Panama public administration. Staff performance is evaluated, with well-established and understood criteria for salary increases and bonuses. Budget resources are not sufficient for expansion, most seriously for critical updates to the CPI and National Accounts program. Subject to human and technological resource limitations, data sources and methodologies are selected based on statistical considerations. INEC is committed to open communication with users and providing service, meeting their needs by responding to requests for data and metadata. Users' committees are not well developed, and user engagement is ad hoc. As international best practice recommends, government agencies do not have any privileges over the public in access to data. Appropriate quality management processes are in place, but the monitoring of financial needs is not conducted regularly.
- The MEF has authority to manage information related to its legal responsibility for managing public finances and public debt.** The MEF collaborates with the CG and shares data as needed to produce consistent fiscal statistics although the mission highlighted some recent difficulties in data transmission. The confidentiality of data sources is protected by various legal provisions, including the statistics laws. Staff size is adequate, with compensation above the salary level of other public entities. Staff are trained throughout their employment and oriented to meet professional standards and produce quality work. Programs are in place

for evaluating staff performance and measuring and improving the quality of work. Computing and office resources are of very high quality. There are no established procedures for identifying the needs of users. Production of statistics is legally protected from political interference.

- **The SBP is the official agency compiling and disseminating banking sector statistics.** The SBP collaborates with the INEC, MEF, and international agencies, including the Fund, in providing analytically useful data for macroeconomic analysis. Staff size is adequate, and salaries are competitive. Staff are expected to meet high standards for professional and ethical behavior, and have guidelines outlining correct behavior when confronted with potential conflict of interest. Computing equipment and software are up to date and appropriate. The SBP does not have regular formal consultations with private users on data needs. SBP's independence is supported by law. Information is provided transparently and free of charge, without prior access for government agencies.

5. Serviceability of published macroeconomic statistics is satisfactory. The e-GDDS recommendations for periodicity and timeliness are met by most data categories, however, the Panama statistical system has reached a state of development such that it should consider subscribing to the IMF's SDDS.

6. Accessibility of macroeconomic statistics is generally good and summary metadata for all sectors are available in the e-GDDS, but detailed methodology notes are only available for national accounts, CPI, and BOP. Prompt and knowledgeable service and support are provided to users. However, the mission is concerned about the lack of time series data. The data INEC makes available often cover only 1–2 years. Unpublished non-confidential data are generally made available on request from users, but such availability is not publicized.

7. To expand the basis for the assessment, the mission conducted a user survey and held meetings with users to ascertain their views. Overall, users found macroeconomic statistics accurate and reliable, and statistics agencies professional and helpful in providing data. They were satisfied with access to statistics although they did not note difficulty in obtaining access to specialized datasets (such as anonymized microdata files for research purposes). Generally, users, especially in private industry and the financial sector, would appreciate greater periodicity and timeliness in dissemination of data. Some noted a need for improvement in the consistency of statistics, including the development of longer time series. Other areas for improvement included data on Free Trade Zones, more frequent labor statistics, more timely estimates of quarterly GDP, and improved regional data.

8. The remainder of the report is divided into three parts. Part I, provides a summary assessment by dataset based on a four-point scale and by agency and dataset in a tabular format based on the DQAF as well as staff's main recommendations. Part II provides the authorities' response to this report and Part III provides a detailed assessment by sectors.

A. Assessment by Agency and Dataset

9. Assessment of the quality of five macroeconomic datasets—national accounts, consumer price index, government finance, monetary and financial, and balance of payments statistics—was conducted using the DQAF, May 2012. In this section, the results are presented at the level of the DQAF elements and using a four-level rating scale (Table 1). Assessments of the prerequisites of data quality and the assurances of integrity (Dimensions “0” and “1” of the DQAF) for the CG/INEC, MEF, and SBP are presented in Tables 2a–c, respectively. For each dataset, the assessments of serviceability and accessibility (Dimensions “4” to “5” of the DQAF) are shown in Tables 3a–e.

Table 1. Data Quality Assessment Framework¹—Summary Results

Key to symbols: O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; NA = Not Applicable					
Datasets	National Accounts	Consumer Price Index	Government Finance Statistics	Monetary Statistics	Balance of Payments Statistics
Dimensions/Elements					
0. Prerequisites of quality					
0.1 Legal and institutional environment	LO	LO	LO	LNO	LO
0.2 Resources	LO	LO	LO	O	LNO
0.3 Relevance	O	LO	O	LO	O
0.4 Other quality management	LO	LO	LO	O	LO
1. Assurances of integrity					
1.1 Institutional Integrity	O	O	O	O	O
1.2 Transparency	O	O	O	O	O
1.3 Ethical standards	O	O	O	O	O
4. Serviceability					
4.1 Periodicity and timeliness	O	O	LNO	LO	O
4.2 Consistency	LO	O	LO	LO	LO
4.3 Revision policy and practice	LO	LO	O	O	LO
5. Accessibility					
5.1 Data accessibility	O	LO	LO	O	LO
5.2 Metadata accessibility	O	O	LO	LO	O
5.3 Assistance to users	O	O	LO	O	O
Practice observed: current practices generally in observance meet or achieve the objectives of DQAF internationally accepted statistical practices without any significant deficiencies.					
Practice largely observed: some departures, but these are not seen as sufficient to raise doubts about the authorities' ability to observe the DQAF practices.					
Practice largely not observed: significant departures and the authorities will need to take significant action to achieve observance.					
Practice not observed: most DQAF practices are not met. Not applicable: used only exceptionally when statistical practices do not apply to a country's circumstances.					

¹ May 2012 version.39.

Table 2a. Assessment of Data Quality—Dimensions 0 and 1—Comptroller General of the Republic of Panama

0. Prerequisites of quality	1. Assurances of integrity
<p>Legal and institutional environment. Responsibilities for the collection, processing and dissemination of the statistics are identified in the following laws and regulations:</p> <ul style="list-style-type: none"> • the Political Constitution of 1972 (Article 280, Section 1, Chapter 3); • the Organic Law of the Office of the Comptroller General of the Republic of Panama of November 8, 1984 (Law 32, Article 11, Section 11, and Article 53); • the Internal Regulations of the Office of the Comptroller General of the Republic of Panama of September 16, 1997 (Decree 194, Article 1); and • Law 10 of January 22, 2009 that modernizes the national statistical system and establishes the National Institute of Statistics and Censuses (Law 10). • Decree 49 of May 23, 2019 which formalizes the organizational structure of INEC. <p>These instruments make the Office of the Comptroller General of the Republic (CG) the agency responsible for “directing and compiling the national statistics.” Law 10 establishes the National Institute of Statistics and Censuses (INEC) and makes it, under the authority of the CG, responsible for exercising the functions of directing and developing national statistics and instituting organizational and operational structures necessary to comply with Law 10. Law 10 provides a broad range of responsibilities to INEC including the collection, processing and dissemination of national statistics related to society, the economy and the environment.</p> <p>Resources. Although a core staff with adequate experience and training is maintained for compiling statistics, financial resources are required to address program expansion and the execution of large-scale projects. Workspace and access to the Internet and direct phone lines are adequate but do not leave any room for program expansion.</p> <p>Relevance was investigated in 2019 through a user survey. The mission also conducted face to face interviews with both private sector and public sector users. Consistent with what is seen in other statistical agencies, users are demanding increased timeliness, frequency and granularity of data. INEC will need to invest in its underlying data system and innovate in order to address this growing list of needs. INEC should also put in place regular user consultation meetings / systems. The current system is somewhat ad hoc and opportunistic rather than planned.</p>	<p>Professionalism is ensured by a range of measures. The Law of the CG gives technical independence and autonomy to its staff and established INEC, which essentially operates as an independent agency. The Law also gives authority to INEC to collect data from other institutions and calls on users to advice on the direction of the statistical program. Currently INEC/CG do not take advantage of the full set of authorities they have under Law 10. The Law also ensures that CG management is supportive of professionalism through recruitment criteria that focus on relevant academic skills. Staff involved in compiling statistics in CG are given opportunities to enhance their professionalism through participation in external courses and on-the-job training. No external agencies may interfere with the compilation and dissemination of data. Subject to resource limitations, only statistical considerations are taken into account when choosing data sources and statistical techniques, as well as making decisions on disseminating data.</p> <p>Transparency. Although there is public access to the legal framework for the compilation and dissemination of data, this information is not posted on the INEC website. Government agencies do not have pre-release access to the data. Some publications do not identify where additional information on the INEC and its publications can be found. There is no pre-announced notification to users on changes in data and methodologies.</p> <p>Ethical standards. The behavior of the CG staff is governed by the Code of Ethics of Public Servants and by the CG’s By-Laws, which cover conflict of interest, outside employment, and disciplinary actions among others. Ethics is one of the Ten Commandments in the CG that are publicized widely. New staff and current staff are periodically reminded about the importance of observance of ethics to achieve institutional excellence.</p>

Table 2b. Assessment of Data Quality—Dimensions 0 and 1—Ministry of Economy and Finance

0. Prerequisites of quality	1. Assurances of integrity
<p>Legal and institutional environment. The laws give the MEF the mandate to produce government finance data. However, the Constitution gives INEC through the CG the responsibility for the national statistics system. The MEF and CG cooperate to produce fiscal statistics, supported by legal regulations. Meetings are held with respondents and users to facilitate collection of source data and to improve the understanding and use of the published records. The Presidential Decree 7 of 1960 and the Transparency Law ensure the respondents' complete confidentiality. Access to source data generation systems is direct and free flowing.</p> <p>Resources. Staff level is adequate for the production of government finance data, but more staff need training. There is no staff assessment system in place. The physical environment is excellent, and staff have access to the internet, however, computer equipment needs to be improved and modernized. Budget cuts have also affected the available financial resources. There is no system in place for monitoring and, therefore, enhancing the efficient use of resources.</p> <p>Relevance. Staff participate in workshops and seminars on the production of GFS relevant to users. A specific procedure established by the Transparency Law is available to meet the requirements of the users, whose suggestions or comments are included in the dissemination forms when relevant.</p> <p>Other quality management. There is awareness regarding the importance of quality, although there is no specific improvement program or system for quality measurement. Compiling units take the initiative in view of the lack of an institutional policy. Assessments of annual processes are performed, focusing on only one issue at a time. No progress has been made on implementing the recommendations of the 2004 GFS mission, which included adoption of a <i>GFSM 2001</i> migration plan, expansion of the institutional sample, full cash flow compilation for all institutions, and review of procedures for data collection improvement.</p>	<p>Professionalism. There is a strong culture of professionalism and independence in the statistical work, which is supported by the Transparency Law and the Code of Ethics of Public Servants. Within resource limitations, only statistical criteria govern the decisions on collection, compilation and dissemination. The units in charge of the production of statistics monitor possible errors in interpretation by users. These units provide advice and offer statements to correct misinterpretation in a timely manner.</p> <p>Transparency. The legal standards that regulate the collection, compilation, and dissemination of statistical information are on the MEF website. However, the specific articles or sections that support the production of statistics are not identified. Statistical information is delivered simultaneously to all interested parties, including the authorities from the executive and legislative branches. All statistical products clearly identify the producing unit, correctly allocating the responsibility and ownership in joint publications. The proper use of data is constantly monitored. Minor methodological changes introduced to date have been reported in the publications where they were incorporated. No important methodological changes have been introduced in the past few years.</p> <p>Ethical standards. The Transparency Law and the Code of Ethics of Public Servants establish clear standards that protect the production of statistics from political interference. These laws also contain regulations to guard against conflict of interest. There is a strong organizational culture of respect towards professional independence and probity in the production of statistics, which favors the application of the legal standards.</p>

Table 2c. Assessment of Data Quality—Dimensions 0 and 1—Superintendency of Banks of Panama

0. Prerequisites of quality	1. Assurances of integrity
<p>Legal and institutional environment. The SBP is the official agency collecting, compiling, and disseminating banking sector statistics. The legal basis for the compilation and dissemination of monetary statistics, which have a broader coverage and different analytical approach than banking sector statistics, is not clearly assigned to the SBP or any other official agency. Even though the responsibility for compiling monetary statistics is not clearly assigned to the SBP by law, this agency collaborates with international organizations, such as the IMF, in providing data that are analytically useful for macroeconomic analysis. However, these data are not published in national sources following the framework and methodology of international statistical standards, such as the <i>MFSM</i> or the <i>1993 SNA</i>.</p> <p>Resources. The number of employees involved in the compilation of monthly and quarterly statistics is adequate, and salaries are competitive compared to other public and private institutions. Compilers use modern personal computers and adequate software. Financial resources are broadly adequate to support the current programs for compiling statistics.</p> <p>Relevance. In addition to feedback from internal users, obtained through an annual evaluation of the statistical products, the SBP conducts periodic meetings (once a year) and regular telephone contacts with the staff of the CG and MEF to improve the quality and timeliness of the specific reports required by them. However, the SBP does not have a proactive policy of regularly consulting private sector users.</p> <p>Other quality management. To improve staff productivity, achieve excellence, and guarantee user satisfaction through the highest quality of its services, the SBP holds an annual meeting, with participation of all staff. The Economic Studies Department carries out detailed analyses of the quality of the data prepared every quarter.</p>	<p>Professionalism. The statutory provisions under which the SBP compiles banking sector statistics are adequate to support its independence. In this regard, the choice, tenure, and reporting arrangements of the Superintendent are supportive of the professional independence of the SBP. The Superintendent's tenure (five years according to Article 11 of the Decree- Law No. 9 of 1998 on the Banking Regime and on the Superintendency of Banks (DL-9)) does not coincide with that of current government. The Directors' tenure is eight years (Article 9). Qualifications and other requirements for hiring the Superintendent and Directors are also regulated in Articles 10 and 8, respectively; conflict of interest is addressed in Article 12. Removal of Superintendent and Directors is addressed in Articles 14 and 15. The SBP comments on errors of interpretation and misuse of statistics when necessary.</p> <p>Transparency. The DL-9, which is available on the SBP website, contains the terms and conditions under which statistics are collected, processed, and disseminated. Chapter VIII of the DL-9 on "documents and reports" deals with aspects of banking sector reporting requirements, describing the types of information that the SBP is entitled to request from the banks and disclose to the public. All information produced by the SBP is disseminated free of charge. No government official outside the SBP has regular access to banking sector statistics prior to their release on the Web. Major changes on banking sector statistics are not always pre-announced.</p> <p>Ethical standards. There are clear guidelines outlining correct behavior when the staff is confronted with potential conflict of interest situations. In addition to Article 12 of the DL-9 regulating conflict of interests of the Superintendent and directors, the Working Internal Regulation No. 14-98 of August 27, 1998 describes the rights and obligations of the SBP staff (Chapter 7). The regulation is made known to the staff when they join the Institution. This regulation also includes sanctions for misconduct in Chapter 9.</p>

Table 3a. Assessment of Data Quality—Dimensions 4 and 5—National Accounts

4. Serviceability	5. Accessibility
<p>Periodicity and timeliness Meets SDDS requirements.</p> <p>Consistency. Annual Supply and Use Tables are produced, which improves the overall quality and consistency of the national accounts estimates. National accounts statistics are generally consistent with the balance of payments (BOP) statistics. The coverage of the public sector in the national accounts is more comprehensive than that of the fiscal statistics.</p> <p>Revision policy and practice. The revision cycle follows a regular schedule and is made known to the public. The change of base year does not follow a regular schedule. Only analyses and causes of major revisions are made public.</p>	<p>Data accessibility. Although, only short time series data for national accounts are published on the website, http://www.contraloria.gob.pa, longer series, more detail, and unpublished data are available upon request.</p> <p>Metadata accessibility. Detailed methodology is available on the CG website. E-GDDS metadata are updated regularly (most recently in December 2019). Metadata updates are made on a regular basis with comprehensive updates when there is a significant change in sources and methods.</p> <p>Assistance to users. All statistical publications provide contact information such as an email address or phone number. A catalogue of publications and documents is available to users and is updated and published each year. Prompt and knowledgeable service and support on the national accounts data are available to users through a central call center, and key personnel are listed in the national accounts methodology. Assistance to users is monitored through data requests. Inquiries are attended to within seven business days.</p>

Table 3b. Assessment of Data Quality—Dimensions 4 and 5—Consumer Price Index

4. Serviceability	5. Accessibility
<p>Periodicity and timeliness. Price collection is daily during the first three weeks of the month. The monthly CPI is published 15 days following the reference month, exceeding e-GDDS recommendations.</p> <p>Consistency. The CPI is internally consistent by category of expenditure and geographical area. Continuous historical series for Panama and San Miguelito are available.</p> <p>Revision policy and practice. CPI data are considered final. The change in the price reference base does not follow a well-established schedule.</p>	<p>Data accessibility. An executive summary on the CPI, which contains an analysis of current trends that facilitate re-dissemination in the media, is posted on the INEC website and sent to a list of permanent users. Comprehensive statistics are available monthly on the INEC website. Although the publication format meets standards, certain relevant series (food items) are not seasonally adjusted.</p> <p>Metadata accessibility. Detailed information on CPI methodology is available on the INEC website. Metadata have been prepared in the context of e-GDDS participation. Complete metadata on the 2007–2008 HIES have been published, which has its own dedicated webpage.</p> <p>Assistance to users. Prompt service is available through the INEC’s call center. A catalogue of publications is available to users. The INEC website has an e-mail address for inquiries.</p>

Table 3c. Assessment of Data Quality—Dimensions 4 and 5—Government Finance Statistics

4. Serviceability	5. Accessibility
<p>Periodicity and timeliness. At the time of the mission none of the data compiled by the MEF or INEC meet the e-GDDS recommendations or SDDS periodicity or timeliness requirements. The latest data are for January 2019 due to the transition from the SIAFPA IT platform to ISTMO.</p> <p>Consistency. Detailed data compiled by the MEF and INEC are consistent with aggregated data presented in the summary tables. Flow data and balances can be reconciled. There is consistency with other statistics because GFS data are used as a source for Balance of Payments and National Accounts. There is no formal reconciliation process with banking statistics. Historical series are not corrected when methodological changes are introduced.</p> <p>Revision policy and practice. Revisions are only done when an error is detected or to replace preliminary with revised data. The preliminary or revised status of the data is clearly identified. Users have access to methodological notes included in the published tables, but there is no systematized process for revisions.</p>	<p>Data accessibility. Statistics are disseminated by the MEF on its website and through press conferences. The information is delivered to all interested parties at the same time. Although, available data are clear, the time series are very short and not available in spreadsheet form, with the exception of monthly public debt data. No historical database is directly available for users. More detailed information can be obtained by request.</p> <p>Metadata accessibility. There are no documents regarding methodological aspects of the compiled series. The e-GDDS metadata are continuously updated, but there is no link to the MEF or CG websites that allow users to consult additional information to complement e-GDDS metadata.</p> <p>Assistance to users. The MEF and CG offer general points of contact that works well, and users receive responses within a short period of time. There are legal regulations for requesting and obtaining historical information. Flow information is disseminated within different MEF units; no information is given on its existence or how to access it.</p>

Table 3d. Assessment of Data Quality—Dimensions 4 and 5—Monetary and Financial Statistics

4. Serviceability	5. Accessibility
<p>Periodicity and timeliness. The periodicity of banking sector statistics meets the e-GDDS recommendations and SDDS requirements, i.e., monthly data. The timeliness of monthly ODCs statistics is consistent with e-GDDS recommendations. Aggregated data are disseminated two months after the end of the reference month. More detailed quarterly data are also published two months after the end of the reference quarter. The SBP publishes data for individual banks, including the National Bank of Panama (NBP), six weeks after the end of the reference month.</p> <p>Consistency. Banking sector statistics disseminated to the public are not reconcilable with those obtained through other data sources because compilers do not follow international standards for monetary statistics, which is not in the mandate of the SBP. The criteria used to sectorize the economy for purposes of compiling banking sector and fiscal data are consistent. However, it is difficult to fully reconcile banking sector statistics with fiscal data (e.g., net credit to government) because accrual recording is largely used in banking sector statistics and cash recording in the fiscal data.</p> <p>Revision policy and practice. Monthly banking sector statistics compiled by the SBP are deemed final when published, as discussed in section 3.5.1. Therefore, there is no need for a regular and permanent revision schedule or implementation of a revision policy at this moment. However, if the SBP decides to disseminate more timely data, a revision policy likely will need to be defined.</p>	<p>Data accessibility. The presentation of banking sector statistics facilitates the interpretation of data and allows monitoring of banking sector and financial developments. The data disseminated on the SBP website contain tables (in pdf and in Excel) presenting data in a clear and user-friendly layout. It contains more detailed monthly and quarterly data for the last five years.</p> <p>Metadata accessibility. Methodological notes on banking sector statistics are not available. The banking law available in the SBP webpage contains descriptions on classification of loans, securities, capital adequacy and other topics that inform on the methodology for presenting the data. Furthermore, the SBP maintains updated metadata in the e-GDDS country page, but a link from the SBP webpage to the IMF's e-GDDS webpage does not exist.</p> <p>Assistance to users. The internal users of banking sector statistics at the SBP get support from compilers at DEE. External users may send their queries through the SBP website or by phone. Written replies to user queries are made in less than three days. The e-GDDS metadata identifies the director of the DEE as the contact person for any query on the statistics disseminated by the SBP.</p>

Table 3e. Assessment of Data Quality—Dimensions 4 and 5—Balance of Payments Statistics

4. Serviceability	5. Accessibility
<p>Periodicity and timeliness of balance of payments and international investment position statistics exceed recommendations of e-GDDS and are in line with SDDS requirements. As for overall ESS, reserves data, and external debt statistics still would need to converge to SDDS periodicity and timeliness requirements.</p> <p>Consistency. Statistics are consistent within the ESS dataset, although discrepancies are not explained. INEC publishes a reconciliation table between balance of payments transactions and positions. Two presentations of balance of payments statistics in both <i>BPM5</i> and <i>BPM6</i> are published.</p> <p>Revision policy and practice. The review cycle is predetermined and reasonably stable from year to year, although it is not public, nor are the causes of the review explained. Users are informed whether data are preliminary or revised.</p>	<p>Data accessibility. Data access is provided through the website. Additional series are disseminated to meet a variety of user needs with various levels of detail, particularly commercial data, although only in <i>BPM5</i> format. Balance of Payments information is published on the IMF's National Summary Data Page (NSDP) and in the INEC website. It gives access to the SDMX program.</p> <p>Metadata accessibility. The e-GDDS metadata is reviewed and updated periodically within the IMF National Summary Data Page (NSDP) accessible through the INEC website. It includes information on concepts, definitions, classifications, data sources, compilation methods, statistical techniques and other relevant methodological aspects and procedures.</p> <p>Assistance to users. Prompt and knowledgeable service and support are available to users. Internal regulations stipulate that answers to inquiries should be handled within seven business days.</p>

B. Staff's Recommendations

Recommendations are based on the review of Panama's statistical practices, discussions with the data producing agencies, and responses from data users. The broad aim is to increase further Panama's adherence to internationally accepted statistical practices and, in the staff's view, enhance the analytical usefulness of Panama's statistics. In each category below, recommendations are listed from higher to lower priority. Some additional specific recommendations are presented in the detailed assessments volume.

Cross-cutting Recommendations

Recommendation 1: Update the National Statistical Plan

- The Statistical Law (Decree 10) gives the CG, through INEC, the responsibility to develop and coordinate the National Statistical Plan, in collaboration with the public entities of the National Statistical System. Currently, Panama does not have an updated National Statistical Plan. It is recommended that INEC and the CG update the National Statistical Plan over the next year and table it with the Executive Body of the Government for endorsement (the last updated plan is for 2013–2018).

Recommendation 2: Institute the National Statistical Council

- The mission found that INEC's engagement with data users is ad-hoc, opportunistic and somewhat unstructured. The Statistical Law (Decree 10) directs the CG and INEC to establish a National Statistical Council (NSC). A first meeting of the NSC was held in early 2018 but meetings have not been held since. INEC has noted that it has been difficult to engage members to participate in the council. The mission recommends that the CG and INEC reconstitute the NSC with members appointed by the President on the advice of the CG and Director of INEC. The NSC should hold bi-annual meetings and prepare an annual report highlighting the activities of the Council to be tabled with the Executive Body and published on the INEC website. Members should include representatives from the public (MEF, NBP, SBP), private and academic sectors. The mission also recommends that a staffed NSC secretariat be established to oversee the operational aspects of the council's work.

Recommendation 3: Establish a National Statistical Coordination Committee

- The Statistical Law (Decree 10) assigns responsibility for the coordination of the National Statistical System to INEC. INEC indicated that they are having difficulty engaging ministries, departments, and entities that either produce official statistics or supply data to INEC. The lack of engagement and access to data is a major impediment in the development of official statistics. The mission recommends that, effective immediately, the Government establish a National Statistical Coordination Committee (NSCC) to be chaired by the Director of INEC comprising the Heads / Directors of other official statistics producing and data supplying

entities. Meetings should be held on a bi-annual basis and an annual report of the committee's activities should be tabled with the Executive Body and the NSC. The establishment of a NSCC, led by INEC, will enable INEC to exercise its authority on data sharing, formulation of statistical programs, common rules on confidentiality, and quality assurance frameworks. The mission also recommended that a staffed NSCC secretariat be established to oversee the operational aspects of the committee's work.

Recommendation 4: Improve the INEC "Brand"

- In 2009, the Government adopted new statistical legislation (Decree 10). An important component of this legislation was to establish a 'culture of statistics' and raise the overall profile of the importance of official data in the country. The new law officially established INEC. While INEC is still 'attached' to the CG, the intention of the legislation was to create an independent statistical institute. While INEC was established as an institute, its brand is still very much tied to that of the CG. The CG's logo, signage, and title are still placed on all publications and is generally the only visible statistical brand in Panama. The mission recommends that INEC review all external-facing communication and branding to ensure that the INEC brand is prominent and, where appropriate, to remove the CG branding.
- While INEC has recently updated its website, the mission found that in order to strengthen the INEC brand, further development is required. INEC should improve the overall structure of the website and improve the tools provided to users to search, discover, and work with INEC data. In addition, all official statistics should be accessible from a single portal. Currently Panama's official statistics are housed on several different websites. A single portal would improve the interaction citizens, governments, and businesses have with the NSS. This will also allow INEC to exercise its responsibility pertaining to standardization of sources, methods, and presentation of official statistics as directed in Law 10.

Recommendation 5: Strengthening Key Macroeconomic Programs

- An important part of the ROSC process was to conduct a quality assessment of the national accounts, price statistics, government finance statistics, monetary and finance statistics, and balance of payments programs. The mission found that for the most part Panama observes or largely observes international best practices. On this basis, the mission recommends making some investment in the period ahead so that Panama may subscribe to the IMF's SDDS.
- The authorities should provide sufficient budgetary, human, and information technology resources to INEC to improve quality in all areas of macroeconomic statistics. Human resources should maintain and expand expertise through training offered by regional and international organizations. Consultation with users should be promoted in all programs.

Recommendation 6: Innovation, Research, and Analysis

- As the fastest growing economy in Latin America, Panama requires a statistical system that can keep pace with its dynamic development. The mission found that while INEC is looking to

modernize its programs through the introduction of new processes, methods, and data sources, a dedicated team is not in place to move this agenda forward. The mission recommended that INEC appoint a senior manager to promote innovation across the organization (e.g., Chief Innovation Officer). As a first step, this manager should develop an overarching innovation strategy with the goal of incorporating new data sources, technology, and methods within INEC's business processes. This modernization plan should form a major part of the National Statistical Plan and its execution should be coordinated through a staffed modernization secretariat within INEC.

Data Category Specific Recommendations

National Accounts

- Recent IMF missions indicated that an update to the benchmark year of their national accounts program is required. The latest benchmark year is 2006 and the structure of the Panama economy has changed significantly since that time. Updating to a 2017 or 2018 benchmark will improve the overall quality of the data and relevance for users.
- The mission recommended that Panama develop an aggressive plan to update their national accounts benchmarks. The project should also include investment in the underlying source data and statistical infrastructure (such as classification systems) to ensure that the national accounts benchmarking occur every five years. Panama should target completing these projects within the next two years and work with the IMF and other international agencies to ensure these projects advance as recommended. This investment is critical for the NSS and requires commitment and resources from the Executive Body to ensure success.

Consumer Price Indices

- Allocate needed human resources and computer and transportation equipment to the Price and Standard of Living Section (PSLS) and the regional offices of the CG for conducting price investigations and CPI compilation.
- Hold regular meetings (at least twice per year) between collection staff in Panama City and the regions to ensure consistent price collection.
- Complete the processing of the 2017–18 HIES as planned and update the CPI weights and include expenditures of all households in the income distribution. This survey and update should be conducted every five years.

Government Finance Statistics

- Fix the ISTMO system and restart data compilation and dissemination of central and general government operations, including data on financing.
- Source data provision must be carried out using electronical workable files containing monthly details.
- Compilation of preliminary GFS and PSDS reports should be established for statistical purposes.

- The MEF should implement a performance system to evaluate efficient use of resources.
- Consideration should be given to implementing a formal program to ensure data quality.
- Revise historical data with new information and bring it in line with new methodologies or provide metadata to explain the break in series and implement a revisions policy.
- Improve the analytical usefulness of the data by disseminating longer time series.
- Post the metadata on the INEC website and provide links from the INEC and MEF websites to the IMF's website.
- Publish a GFS publications catalogue to assist users in finding the data.

Monetary and Financial Statistics

- Establish a formal mechanism to elicit users' needs, particularly those in the non-banking private sector.
- Improve the sectorization of the public sector by following international accepted methodology.
- Expeditiously implement plans to prepare and publish monetary and financial statistics according to international standards.
- Publish an advance release calendar.
- Enhance users access to the metadata, provide a link from the SBP webpage to the IMF's e-GDDS webpage.

Balance of Payments Statistics

- Establish a close relationship with other public institutions that provide source data for the compilation of Balance of Payments statistics to facilitate data sharing and coordination. Expand the number of interinstitutional arrangements.
- Foster training of BOPS staff through participation seminars and courses in Regional Training Centers, such as CAPTAC-DR, IMF HQ, and training offered by other international organizations.
- Consideration should be given to implement a formal program to ensure data quality.
- Aim at limiting the size of revisions to the balance of payments statistics by implementing plans to improve the quality of source data. Explore the possibility that deficiencies in measurement—including of capital flows—have caused high errors and omissions in the balance of payments.
- Achieve coherent presentation of ESS tables and formats in INEC publications by using the BPM6 classification consistently.
- Implement a permanent communication strategy to convey to users revisions on ESS series.



PANAMA

January 2021

REPORT ON THE OBSERVANCE OF STANDARDS AND CODES (ROSC)—DATA MODULE VOLUME II

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RESPONSE BY THE AUTHORITIES

The authorities welcome the recommendations of the IMF mission that visited Panama in January 2020 to prepare the update of the Data Module of the Report on the Observance of Standards and Codes (Data ROSC). The authorities will adopt its recommendations in the updated National Statistics Plan 2020–24, with emphasis in the following areas:

- First, we aim to modernize the National Institute of Statistics and Census (INEC), and increase INEC's resources. We intend to establish a National Statistical Coordination Committee by May 2021, which will meet twice annually with INEC serving as a secretariat and overseeing the operational aspects of the Committee's work.
- Second, we plan to subscribe to IMF's Special Data Dissemination Standard (SDDS) by 2022 by enhancing the coverage, periodicity, and timeliness of data reporting. In particular, we intend to: (i) publish the Data Template on International Reserves and Foreign Currency Liquidity on the National Summary Data page (NSDP) with assistance from the Fund by September 2021; (ii) resume quarterly publication at INEC of the Fiscal Operations of Central Government (CG) and General Government (GG), which are elaborated by the Ministry of Economy and Finance, adding detailed financing data by March 2022; (iii) publish metadata for SDDS related data categories on the National Summary Data Page (NSDP) and a draft of an Advance Release Calendar by December 2021; and (iv) improve periodicity of labor market indicators (employment, unemployment and wages/earning) in line with SDDS requirement moving from semi-annual to quarterly periodicity by March 2022.
- Third, we intend to rebase Panama National Accounts to 2018 and adopt the *System of National Accounts, 2008 (2008 SNA)* conceptual framework by June 2022.



PANAMA

January 2021

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DETAILED ASSESSMENT USING THE DATA QUALITY ASSESSMENT FRAMEWORK (DQAF)

The following detailed information on indicators of statistical practices in the areas of the national accounts, prices, government finance, money and banking, and balance of payments statistics was gathered from publicly available documents and information provided by the officials. This information, which is organized along the lines of the generic DQAF (see Appendix II), was used to prepare the summary assessment of data quality elements, based on a four-part scale of observance, shown in Panama's ROSC—Data Module.

A. National Accounts

0. Prerequisites of Quality

0.1 Legal and Institutional Environment

0.1.1 The responsibility for collecting, processing, and disseminating the statistics is clearly specified

Responsibilities for the collection, processing and dissemination of the statistics are identified in the following laws and regulations:

- the Political Constitution of 1972 (Article 280, Section 1, Chapter 3);
- the Organic Law of the Office of the Comptroller General of the Republic of Panama of November 8, 1984 (Law 32, Article 11, Section 11, and Article 53);
- the Internal Regulations of the Office of the Comptroller General of the Republic of Panama of September 16, 1997 (Decree 194, Article 1); and
- Law 10 of January 22, 2009 that modernizes the national statistical system and establishes the National Institute of Statistics and Censuses (Law 10).
- Decree 49 of May 23, 2019 which formalizes the organizational structure of INEC.

These instruments make the Office of the Comptroller General of the Republic (CG) the agency responsible for “directing and compiling the national statistics.” Law 10 establishes the National Institute of Statistics and Censuses (INEC) and makes it, under the authority of the CG, responsible for exercising the functions of directing and developing national statistics and instituting organizational and operational structures necessary to comply with Law 10. Law 10 provides a broad range of responsibilities to INEC including the collection, processing and dissemination of national statistics related to society, the economy and the environment. INEC is also responsible for coordinating the national statistical system, ensuring the overall quality of national statistics and functions related to training, cooperation and planning.

The national accounts have been compiled and disseminated since 1946. While Law 10 does not identify the specific statistical programs under the responsibility of INEC, it does mandate the organization to process and disseminate a range of economic, social and environmental statistics using internationally accepted standards. In addition, Decree 49-19 calls for the establishment of a Department of National Accounts and assigns it the responsibility to plan, direct, and coordinate the development of Panama's national accounts.

There are operating mechanisms, both internal and external to INEC, that guarantee consistency of methods and results. Internal mechanisms cover the full range of procedures, from design and application of surveys to their use in macroeconomic statistics. External mechanisms consist of committees with representatives of the public and private sectors. For the national accounts, the committee is known as the Interagency Technical Committee on the National Accounts (ITCNA). This committee's main role is to provide advice when INEC changes the base year of its national account's program.

Situations that gave rise to conflict between INEC's power to prepare statistics and other legislation (Banking Act) or entities (Regulatory Body for Public Services, ERSP) were resolved through negotiations that gave INEC access to aggregate data in a manner that prevented individual reporters from being identified. INEC would benefit from access to the individual data as this would substantially improve their quality assurance practices. According to Law 10, INEC has the legislative power to access these data.

0.1.2 Data sharing and coordination among data-producing agencies are adequate

Statistical coordination between INEC and other public entities is established by articles 5, 6, and 7 of Law 10 which provides INEC with the broad authority to dictate statistical standards, oversee the general collection of statistical information and ensure and assess quality.

Article 47 of Law 10 also states that "Public sector entities, legal persons domiciled in Panama or engaged in activities in Panama and natural persons in the national territory shall be required to provide the data and reports requested for the compilation of national statistics, unless they are confidential or restricted access for reasons of national security."

While INEC has the authority to request and receive data from public sector entities for use in statistical purposes their ability to acquire the data they need in the statistical production process seems limited by a lack of cooperation from public sector entities. The development of a functioning coordination group is required in order to enhance and strengthen inter-agency data sharing.

0.1.3 Individual reporters' data are to be kept confidential and used for statistical purposes only

Legislation gives broad protection of the confidentiality of information. Articles 53 through 59 provide that individual data referring to natural or legal persons are "strictly confidential."

Statistical secrecy is mentioned in Article 55 of Law 10, which provides that individual data obtained for producing national statistics may not be produced in court and may not be used for purposes of tax collection, for judicial investigations, or for any purpose other than those of a statistical nature.

In the circulars that are sent out prior to the surveys, respondents are informed of their rights and obligations with respect to supplying information, and they are told that the information they provide will be used for statistical purposes. The surveys carry a heading with the following wording: "The information requested is confidential."

It is a legal obligation of CG personnel to respect confidentiality. Article 78 of Decree 194, dealing with "Duties, Rights and Prohibitions of Public Servants of the Office of the Comptroller General," requires them to "respect the required confidentiality of information relating to their work, as well as confidential administrative matters the disclosure of which could be harmful to the institution." Article 13 of Law 6 provides that "the information defined by this law as confidential may not be disclosed under any circumstances by agents of the State."

Legislation provides for penalties to be imposed on personnel who disclose confidential data. Article 64 of Law 10 provides that an employee in the service of a statistics office who discloses information deemed confidential shall be dismissed from employment and "for the purposes of this article, individual data or a group thereof is considered to have been disclosed when, through willful or negligence by the public servant, such data or group of data becomes known to a person other than the public servant authorized to know because of the performance of his duties."

Article 86 (g) of Decree 194 provides that grounds for dismissal include "disclosure, without prior authorization, of matters relating to the nature of the work performed, as well as administrative matters the disclosure of which would be harmful to the institution." Article 125 stipulates the same conditions for dismissal of employees and definition for disclosure of individual information as cited above for Article 65 of Law 10.

The confidentiality of information is protected by restricting its access to supervisors of each coordination group, who maintain control over access to the database.

Before publication, staff examine all data to ensure that confidential information is not indirectly disclosed.

In the case of investigations that require individual records, INEC will, upon request, process the information and deliver it in aggregated form (for example by activity classification groups), so as not to compromise its confidentiality.

The confidentiality of the data compiled through surveys is protected in an appropriate manner during storage. Reporting forms are stored in the offices of INEC or in a dedicated warehouse with restricted access. Information in written form is destroyed, by shredding or incineration, after five years.

Access to databases is restricted by the use of secret keys. The National Computerization Directorate of the CG is responsible for data security and the Department of Statistical Information Technology (DSIT) of INEC is responsible for dealing with any problems that may arise in the computer programs.

0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response

Law 10 gives INEC authority, under the direction of the CG to compile data for the national statistics. Article 47 of Law 10 states that “Public sector entities, legal persons domiciled in Panama or engaged in activities in Panama and natural persons in the national territory shall be required to provide the data and reports requested for the compilation of national statistics, unless they are confidential or have restricted access for reasons of national security.” There are sanctions for noncompliance, either through refusal to report or through the reporting of inaccurate data.

The sanctions are spelled out in articles 60-67 of Law 10. The CG has the authority to administer fines to organizations in violation of Law 10. These fine depends on the severity of the violation and range from \$10 balboas to \$1000 balboas for a serious offence.

Careful efforts by INEC have eliminated the duplication of requests and the excessive reporting burdens that existed until a few years ago.

Survey design takes account of reporters’ own terminology and the logical sequence of questions facilitates response. When the survey is not to be completed by an INEC employee, the user is helped to complete the forms, which carry telephone numbers, names and e-mail addresses of persons who can be consulted. The questionnaires are accompanied by notes explaining the purpose of the survey and their importance for the production of national statistics, and the most recent information supplied by the reporter. In some cases, published statistical documents are included so that the reporter can see how the information is used.

0.2 Resources

0.2.1 Staff, facilities, computing resources, and financing are commensurate with statistical programs

The National Accounts Department has a staff complement of 34 positions with the vast majority (30) permanent employees and 4 contractual employees. The NAD has five section as summarized in the following table.

National Accounts Department	Permanent	Contract	Total
National Accounts Department	1		1
Goods and Services Section	8		8
Institutional Sector Accounts Section	8	3	11
Integration/Synthesis Section	3		3
Satellite/Special Accounts Section	6	1	7
Foreign Trade Price Index Section	4		4
Total	30	4	34

The NAD is currently developing plans to establish new benchmarks for its national accounts and rebase its volume indexes to 2017 or 2018. The NAD is estimating that it will require an additional 20 staff to complete this exercise.

Salaries for permanent staff are competitive within the public administration as a whole. The core staff has remained stable in recent years, and the average length of service is 12 years.

The following table shows the staffing complement by years of service:

Years of Service	Permanent	Contract	Total
0-5	3	4	7
6-10	17		17
11-15	1		1
16-20	2		2
More than 20	7		7
Total	30	4	34
Percentages of Total			
0-5	8.8	11.8	20.6
6-10	50.0		50.0
11-15	2.9		2.9
16-20	5.9		5.9
More than 20	20.6		20.6
Total	88.2	11.8	100.0

Task rotation is encouraged within the NAD in order to improve staff motivation. Computing resources are adequate for compiling and disseminating the national accounts, and each staff member has their own computer and access to INEC servers. Memory capacity is adequate for handling the databases. There is a general server and a database that affords prompt and secure access. Computer programs for compiling and analyzing statistical series are adequate and all employees have access to the internet. Computer resources are protected; the DSIT performs daily backups of all data in the national accounts server.

Funding is inadequate to undertake large scale projects to improve quality as well as meeting the growing needs of an increasingly diverse user community. Increased resources are required if the NAD is going to be successful in carrying out its functions over the next number of years.

The current facilities are insufficient to meet the needs of expected future expansion of the program. For example, the last major revision to the Panama national accounts was conducted over 10 years ago. It is recommended that Panama revise its national accounts such that they are more closely aligned with the 2008 SNA, they incorporate new data sources (such as data related to new mining activity) and they rebase their constant price estimates to a new base year to better reflect the current structure of the Panama economy. In order to undertake this work Panama will need to increase staff levels.

0.2.2 Measures to ensure efficient use of resources are implemented

Permanent staff are subject to annual appraisals,¹ in which performance is assessed against the competencies of the position and professional development. Annual ratings are assigned as either excellent, good, fair and low. The ratings are assigned based on a combination of performance (80 percent) and professional development (20 percent).

“Excellent” ratings are not limited to any quota. Appraisal scores are averaged every two years and if they are positive (excellent, good) a biennial salary increase is awarded, based on the employee’s job level and a pre-established pay scale that is public knowledge. However, a good performance rating will not translate into a salary increase if the employee has not taken a professional development course. This factor may constitute a ceiling on salary increases, especially for employees with the highest professional qualifications (Master’s or Doctoral degrees). A poor annual appraisal constitutes a warning. In extreme cases, it may be grounds for dismissal. Contract staff are evaluated on the same terms as permanent staff, but the results have no consequences for their pay.

Internal working meetings are held to review the efficiency of work processes. These meetings are mandated by Article 17 of the Internal Regulations of the CG: “Directors, Department Heads, and Section Heads must meet with their immediate subordinates at least once a month in order to coordinate and improve their work.” The NAD frequently seeks the support of international experts to evaluate and implement compilation systems. Recent examples relate to quarterly GDP estimates and the annual accounts (involving in both cases assistance from the CAPTAC-DR), and the preparation of a computer program for benchmarking and seasonal adjustment of series (with financial assistance from the World Bank).

The costs of compiling the statistics can be identified through the annual budget, but they are not regularly assessed, monitored, or compared with other statistical programs.

¹ Quarterly appraisals are now being considered.

0.3 Relevance

0.3.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored

Data users' views on the national accounts program are sought on an ad-hoc and infrequent basis. In August 2019 INEC conducted a user survey as part of its modernization agenda. INEC sent the survey to over 800 individuals and organizations. INEC received 75 responses (which is comparable to the type of response rate most statistical agencies receive for user surveys). While users find INEC very responsive to their questions, helpful in obtaining data and supporting its use, there was some degree of frustration regarding the timeliness, frequency and coverage of the data.

Users are demanding a wider range of data, such as a logistics satellite account, monthly retail sales data and environmental accounts. Given the department's current resource constraints they will not be able to deliver on both improved quality and scope.

NAD staff regularly take part in statistics meetings and seminars organized by international and regional agencies, in particular ECLAC and the CAPTAC-DR.

0.4 Other Quality Management

0.4.1 Processes are in place to focus on quality

Improving the quality of service is one of the principal objectives of the INEC. The authorities make an effort during the staff seminars to foster an appreciation of the need to evaluate the quality of statistical products using statistical techniques for detecting extreme points and checking the consistency of basic information from the various sources used.

A program to assess quality is not in place. In addition, INEC has the legislative obligation to ensure a uniform application of quality across the national statistical system. There does not appear to be a governance structure in place to permit INEC to complete this task.

0.4.2 Processes are in place to monitor the quality of the statistical program

Statistical quality is systematically monitored through the submission of monthly activity reports by the NAD, detailing the work performed, response to users' requests, and the training program. The NAD makes efforts to update its estimation methods, however, there are no quality monitoring procedures in place to inform management on the quality achieved, for example, using reporters' response rates or editing rates. The NAD has a long tradition of hiring experts to assess quality and provide advice on statistical methodology.

0.4.3 Processes are in place to deal with quality considerations in planning the statistical program

Quality issues are considered in planning the statistical program. These include quality improvements identified during ongoing monitoring and in periodic reviews, information on quality standards, and emerging user requirements. The NAD considers the trade-off between timeliness and accuracy/reliability of the data and advises users as to whether the data are estimated, preliminary, or revised.

1. Assurances of Integrity

1.1 Institutional Integrity

1.1.1 Statistics are produced on an impartial basis

Article 1 of Law 32 guarantees the professional independence of the CG, defining it as “an independent government agency of a technical nature.” Articles 5, 6 and 7 of Law 10 states that INEC is an independent institute attached to the CG and it gives INEC powers to reinforce its professional independence and manage the statistical system:

- (a) “At national management level, to exercise the functions of directing and forming national statistics and develop the activities necessary to comply with this Law;
- (b) Power to manage the financial resources allocated in the budget is understood as the ability to manage funds and carry out administrative arrangements for the procurement of goods and services, in accordance with legal procedures, institutional administrative manuals and corresponding budgetary authorizations;
- (c) To issue an opinion on statistical publications;
- (d) Certify the statistics that are prepared by the entities that make up the National Statistical System and give the official character to those that are considered to be of public use.”

There is no law stipulating the length of tenure of the National Director of INEC, but the mechanisms for appointment and removal are applied in ways that support professional independence.

Article 12 of Law 10 provides that the INEC “shall be headed by an employee to be known as the Director of the Institute of Statistics and Censuses, who must be a Panamanian citizen with a background and training in statistics and the capacity to perform executive functions.”

Staff are hired on the basis of profiles established by agreement with the requesting area. Article 22 of Decree 194 provides that “the system for recruitment and selection of internal and external personnel shall take account of personal and professional qualities through an analysis of background (formal and informal education and working experience), psychological and knowledge testing, and interviews, in order to determine aptitudes, traits and knowledge, consistent with the nature of the tasks and the minimum requirements established by the job classification system. The Human Resources Director shall provide a shortlist of the best-qualified candidates to the selection

committee for purposes of the final interview. The selection committee shall consist of the Director or a person appointed by the Director, and the human resources analyst.”

Promotions are awarded in accordance with the performance and professional development appraisal (see section 0.2.2). The training committee evaluates and plans training, in the country and abroad, in response to the needs of each unit.

Staff are encouraged to participate in seminars and professional development activities. Members of the NAD attend meetings of national accounts experts organized by ECLAC, as well as regional meetings hosted by various international organizations.

Processes and activities in the workplace go some way toward promoting a culture of professionalism. While there is a policy for continuous training, the authors of methodological papers are not identified in INEC publications, and this discourages research. However, the author of a research paper may have it recorded with the Human Resources Directorate, which will then take account of that work in the appraisal of professional development.

1.1.2 Choices of sources and statistical techniques as well as decisions about dissemination are informed solely by statistical considerations

Choices of source data, whether surveys or administrative records, and of the statistical methodologies to be used, are based on measurement objectives and data requirements. Cost considerations also come into play in selecting sources and methods. Dissemination decisions are informed solely by statistical considerations, pursuant to Article 10 of Law 10.

1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics

Information is made public through press releases, which include explanatory commentaries designed to prevent interpretation errors by journalists. INEC is responsible for monitoring daily media coverage and tracking the impact of INEC press releases. If it finds a significant error of interpretation, it will issue clarifications in the form of a press release signed by the CG or the Director of INEC.

1.2 Transparency

1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public

The terms and conditions under which statistics are collected, processed and disseminated are not available to the public on INEC’s web page. INEC makes a determined and ongoing effort, through public statements and meetings, to provide information on the terms and conditions under which it operates. Publications do not always indicate where further information can be obtained on the entity responsible for preparing the data.

1.2.2 Internal governmental access to statistics prior to their release is publicly identified

The government has access to the statistics at the same time as other users.

1.2.3 Products of statistical agencies/units are clearly identified as such

All statistical products are clearly identified with the INEC and CG logo. In most cases the CG logo takes precedent over the INEC logo. In the case of joint publications, the part attributable to each entity is identified by its logo. When its data are used by another agency, INEC requests that the source be identified.

1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques

When major changes are introduced in methodology and data sources, notice is provided at the time the series is released, but not in advance. However, in some cases they are reported in national accounts seminars.

1.3 Ethical Standards

1.3.1 Guidelines for staff behavior are in place and are well known to the staff

Staff of the CG are subject to the ethical guidelines in Executive Decree 246 (December 15, 2004), establishing the Uniform Code of Ethics for Public Servants working in government entities, and CG Decree 194. Both of these documents are given to all staff of the CG. The rules of conduct are posted in visible places in all offices of the CG. These rules cover three aspects: "Our 10 Commandments," "Our Duties," and "Restrictions." Staff are reminded of the ethical standards they must meet, at working meetings and through memorandums.

4. Serviceability

4.1 Periodicity and Timeliness

4.1.1 Periodicity follows dissemination standards

GDP statistics are disseminated annually and quarterly, consistent with the IMF's e-GDDS and SDDS.

4.1.2 Timeliness follows dissemination standards

Annual GDP statistics are disseminated within six to nine months after the end of the reference year, consistent with the e-GDDS. Quarterly GDP statistics are disseminated within 75 days after the end of the reference year, consistent with the SDDS requirement.

4.2 Consistency

4.2.1 *Statistics are consistent within the dataset*

Generally speaking, the national accounts are internally consistent. Internal consistency was greatly enhanced with the development of annual supply and use tables. Supply side indicators are generally seen as more reliable than figures on use and most balancing adjustments are therefore included in use categories such as final consumption and investment. The national accounts' imports and exports are not fully consistent with the imports and exports in the annual balance of payments, and general government expenditures in the national accounts are not fully consistent with the GFS.

Quarterly GDP estimates are consistent with annual estimates. The concepts, definitions and classification for compiling quarterly GDP estimates are the same as those used to compile annual estimates.

4.2.2 *Statistics are consistent or reconcilable over a reasonable period of time*

Transactions with the rest of the world can be reconciled with data from the balance of payments, although there are technical and coverage problems. There are differences in figures and measurements between these two frameworks, explained by the following:

- An adjustment for under-recording of exports by free trade zone firms, consisting of trade transactions conducted abroad that are not recorded either as imports or as re-exports in the balance of payments, because they do not take place within Panama's economic territory. These transactions are included as exports of goods in the national accounts, but not in the balance of payments.
- The differing treatment of fees collected by Panamanian consulates abroad for inspection of Panamanian flag vessels belonging to nonresidents. The national accounts treat these transactions as exports of services, while in the balance of payments they are recorded as current transfers.
- The treatment of imports and exports of insurance and reinsurance services.

The above discrepancies should be reconciled between the two frameworks. In the case of business conducted abroad by CFZ firms, the figures should be revised and, if their existence and value can be verified, they should be recorded as exports of services and not as exports of goods.

4.2.3 *Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks*

Government finance statistics can be reconciled with the national accounts. The Panama GFS cover central government and decentralized agencies. In order to reconcile these statistics with the national accounts the PCA and provincial government operations need to be added. According to the guidelines of the SNA 2008 and the GFSM 2014, the PCA should be classified as a non-financial

public corporation, because it is an institutional unit, participates in a market activity and charges market prices for its services.

4.3 Revision Policy and Practice

4.3.1 Revisions follow a regular and transparent schedule

The revision cycle for the annual national accounts is predetermined and reasonably stable from year to year. Estimates for year t are released as follows:

Estimates	Timing
Real GDP, first estimate	March of year $t+1$
Real and nominal GDP, preliminary	September of year $t+1$
Real and nominal GDP, revised (final)	September of year $t+2$

The revision cycle is made known in advance to the public in the calendar of publications posted at the web page. The first estimate is based on quarterly GDP calculations (for the first three quarters) and an initial estimate for the fourth quarter of the preceding year. The preliminary estimate includes information based on surveys, records and financial statements from businesses. The final estimate incorporates a revision of data based on amendments that may originate from the sources. Changes in the base year for the national accounts do not follow a regular schedule.

4.3.2 Preliminary and/or revised data are clearly identified

At the time of their dissemination, the data are identified with footnotes indicating whether they are estimates (E), preliminary (P) or revised (R).

4.3.3 Studies and analyses of revisions are made public (see also 3.5.1)

Results and studies of the revisions to the statistics are not reported to users, except when they are especially significant.

5. Accessibility

5.1 Data Accessibility

5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts)

The annual national account statistics are published in a clear manner, accompanied by charts and tables with various levels of detail and time series that supplement the data to facilitate analysis. However, the estimates are not easy to find on INEC's website. Seasonally adjusted quarterly GDP are not currently available although a project is underway to develop seasonally adjusted data.

5.1.2 *Dissemination media and format are adequate*

The data are disseminated in electronic format, which facilitates their re-dissemination by the media. More comprehensive and/or detailed statistics are also disseminated in paper format (available at the INEC Library) and/or in electronic format.

5.1.3 *Statistics are released on a preannounced schedule*

The statistics are released punctually, in accordance with a preannounced schedule.

5.1.4 *Statistics are made available to all users at the same time*

The statistics are made available to all users at the same time.

5.1.5 *Statistics not routinely disseminated are made available upon request*

The DSC makes available other general statistics that are not regularly published, when these are requested by users. However, the availability of additional statistics is not made known. The seasonally adjusted GDP series are not published, because they are still at the experimental stage. Once this stage is completed, they should be released to users.

5.2 Metadata Accessibility

5.2.1 *Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated*

The sources and methods used for the annual national accounts are described in a document entitled "National Accounts Methodology," available on the INEC web page. The quarterly GDP accounts are described in the document "Estimation Methodology for Quarterly Gross Domestic Product." The e-GDDS metadata are reviewed and updated regularly.

5.2.2 *Levels of detail are adapted to the needs of the intended audience*

General information on the national accounts is available and is made public, via publications and the Internet.

5.3 Assistance to Users

5.3.1 *Contact points for each subject field are publicized*

General assistance to users is provided through the INEC Information Center, which receives requests and concerns, and has an electronic mailbox: cie_dec@contraloría.gob.pa. In addition, INEC's website invites users to submit queries by e-mail and provides telephone numbers and the address for the Library. Some publications make no mention of contact points that can be reached by mail,

telephone, fax or e-mail. The CG is working with the Ministry of Education on a project for “Developing a Statistical Culture,” to create public awareness of statistics and their use. There is an administrative provision that sets a limit of seven days for responding to user requests.

5.3.2 Catalogs of publications, documents, and other services, including information on any charges, are widely available

There is a catalog of publications and documents that includes their prices. This is available over the Internet, under the heading “Dissemination Calendar.”

Table 1. Data Quality Assessment Framework (May 2012 version)—Summary of Results for National Accounts							
<i>(Compiling Agency: Comptroller General of the Republic of Panama)</i>							
Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria							
Element	NA	Assessment				Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	LNO	NO		
0. Prerequisites of q							
0.1 Legal and institutional environment			X			The legal framework was updated in 2009. The legal framework includes many of the internationally recommended best practices related to independence, transparency, scope and governance. While the legal framework is sufficient, more work is required by the CG and INEC to fully exercise the authority they have been afforded under the statistical laws of Panama to enhance the status, authority and relevance of INEC.	Establish a National Statistics Council and a National Statistical Coordination Committee.
0.2 Resources			X			Human and financial resources are slightly smaller, by about 10 percent, than required to carry out all the tasks and for updating of the benchmarks. Additional full-time staff are required to develop updated national account benchmarks as well as address the growing needs of users for additional products and increased timeliness.	By the end of 2020 additional staff should be in place to begin work on the benchmark revisions.
0.3 Relevance		X					
0.4 Other quality management			X			Response rates to surveys and editing rates are not calculated for all surveys.	Work with program areas to develop collection and edit and imputation reports for each processing cycle to help better understand the quality of the source data.
1. Assurances of integrity							
1.1 Institutional Integrity		X					
1.2 Transparency		X					
1.3 Ethical standards		X					
4. Serviceability							
4.1 Periodicity and timeliness		X					

Table 1. Data Quality Assessment Framework (May 2012 version)—Summary of Results for National Accounts (concluded)

4.2 Consistency		X	X			INEC produces annual supply and use tables which help address discrepancies in source data. INEC continues to reconcile the national account's external sector with their balance of payments. Only a few discrepancies remain and there is a work program in place to address the remaining discrepancies.	Develop a 'bridge table' between the national accounts and balance of payments to be published on an annual basis.
4.3 Revision policy and practice			X			The change of base year does not follow a regular schedule. Only analysis and causes of major revisions are made public. INEC does not regularly publish revisions studies.	Develop and publish a revision policy including a commitment to undertake regular benchmark revisions at five-year intervals as well as the release of revision studies associated with each benchmark revision.
5. Accessibility							
5.1 Data accessibility		X					
5.2 Metadata accessibility		X					
5.3 Assistance to users		X					

B. Price Statistics (Consumer Price Index)

0. Prerequisites of Quality

0.1 Legal and Institutional Environment

0.1.1 The responsibility for collecting, processing, and disseminating the statistics is clearly specified

Responsibilities for the collection, processing and dissemination of the statistics are identified in the following laws and regulations:

- the Political Constitution of 1972 (Article 280, Section 1, Chapter 3);
- the Organic Law of the Office of the Comptroller General of the Republic of Panama of November 8, 1984 (Law 32, Article 11, Section 11, and Article 53);
- the Internal Regulations of the Office of the Comptroller General of the Republic of Panama of September 16, 1997 (Decree 194, Article 1); and
- Law 10 of January 22, 2009 that modernizes the national statistical system and establishes the National Institute of Statistics and Censuses (Law 10).
- Decree 49 of May 23, 2019 which formalizes the organizational structure of INEC.

Under the legal framework described for national accounts, the INEC has been compiling and disseminating the CPI since 1952. Operational responsibility for collecting, compiling, and analyzing the CPI lies with the Price Index Section (PI) in INEC. No other institution compiles the CPI.

0.1.2 Data sharing and coordination among data-producing agencies are adequate

INEC is self-sufficient in the production of the CPI. All price and source data for weights are collected and tabulated within INEC. Procedures are in place to provide timely and effective flow of price data between each regional office of INEC and the Price Index Section (PI). Each regional office collects and processes price data that are stored in databases in a server that are electronically accessed by the PSLS located in Panama City.

The National Statistical System (NSS) in Panama includes the CG, all ministries, decentralized public entities, local governments, public enterprises, and other data producing agencies.

Several interinstitutional committees such as the committee on minimum salary statistics meet periodically to coordinate data sharing, projects, and statistical activities. A statistical producers and users committee is generally created every time a new Household Income and Expenditure Survey (HIES) is conducted (although INEC has indicated that this committee was not created for the 2017–2018 HIES cycle). INEC has not established a technical advisory group related to price statistics. Program feedback is received on an ad-hoc basis when INEC feels the need to obtain information from a range of data users that may include representatives of the NSS, the public

sector, nongovernmental organizations, producer's associations, independent researchers, as well as some international organizations.

The flow of information between INEC and the Ministry of Economy and Finance (MEF) for compiling the price quotations of the basic basket of foodstuffs (59 items) is frequent and efficient.

0.1.3 Individual reporters' data are to be kept confidential and used for statistical purposes only

INEC staff are obligated, under the terms of their employment to "safeguard facts and the information on which they have knowledge of by virtue of their exercise of their functions." Confidentiality of data for the CPI is protected by the same legal provisions described for the national accounts.

In the PI, access to confidential data is restricted to those employees who require the information in the performance of their duties. Some institutions have requested the PI records on prices and retail enterprises, and the PI has denied the requests in accordance with the law. However, when unit records are made available for research purposes, the confidentiality of individual data is protected by making all records anonymous. Special aggregation rules are used to prevent residual disclosure when aggregations of survey or other confidential data are disseminated. The PI work procedures for compiling the CPI ensure that data are disseminated only at an aggregated level.

Questionnaires, once processed, are archived in the PI. Information is stored using shelving and filing cabinets located inside the office. Documents containing information are shredded by PI personnel. After the CPI series are updated by introducing new weights and a new price reference base, questionnaires from the old series are eventually destroyed. There are procedures which are the sole responsibility of the supervisor and chief.

A letter is sent to respondents in order to explain the purpose of the information request and the confidentiality of the data to be provided. Price data are collected by visits to retailers. Respondents are informed of the confidentiality of the information and that the data will be used for compiling price indices only. Price collectors fill out price surveys with the information obtained from the respondents. Price surveys include the CG and the INEC's names, the title "Retail Prices," the name of the establishment, the name of the manager, and the identification and code of the retailer. When conducting a HIES, INEC informs respondents through notes or circulars, signed by the Director of INEC or the CG, of their rights and obligations with regard to the provision of information; these documents also state that the information respondents provide is confidential and will be used for the statistical purposes only. In the event of non-response, another letter is sent to informants citing the legal framework on obligatory data reporting and confidentiality of the data to be provided.

The Statistical and Information Technology (DSIT) of INEC has implemented a number of security measures to guard against unauthorized access to its statistical databases.

The INEC intranet can only be accessed with an authorized user's name and password, and different levels of access have been established for the various users. There is also an external firewall to prohibit access to INEC's intranet and databases, an anti-spam module, and antivirus software. CPI databases are administered by the PI of INEC.

PI personnel compiling the CPI have access to individual source information and are aware of the confidentiality of the data and the penalties imposed by the statistical legal framework and the CG internal regulations.

0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response

Under the legal framework described for national accounts, information collected for the CPI must be used solely and exclusively for statistical purposes and macroeconomic analysis.

Anyone who fails to comply with the legal provisions, or who provides false or incomplete information, will be penalized by a fine."

However, these penalties are low, particularly in the case of large and medium enterprises, and there is no mechanism to preserve its value in real terms. The enabling legal provisions for requesting information have rarely been invoked and penalties for noncompliance have not been levied. The authorities prefer to encourage voluntary reporting by explaining in detail to respondents the intended use of the requested information, its confidential nature, and its importance for assessing the economic conditions of the country.

HIES and censuses are announced through newspapers, radio, television, and a letter to respondents with explanations of purpose. In general, INEC assists respondents in completing and submitting the questionnaires through regular visits to enterprises in the sample and by providing a point of contact. Price surveys are filled out by interviewers who collect data through store visits.

The latest HIES survey was conducted in 2017–2018. The data are currently being processed and should be released during in 2020. Most of the price information for the CPI is collected directly by PI staff or regional staff through in store visits. PI letters signed by the Director of INEC or the CG, which include the legal provisions that obligate respondent to provide statistical information to the CG, are sent to respondents that fail to respond to surveys. If they refuse to provide the data, they are substituted by other retailers that sell the same items and are located in the same marketplace. Statistical information is provided to respondents when requested.

Instruments to collect information on price and weights are designed to reduce respondent burden, and an attempt is made to take into account the time constraints of the respondent.

0.2 Resources

0.2.1 Staff, facilities, computing resources, and financing are commensurate with statistical programs

The number of personnel to carry out the price collection is satisfactory both at the central office in Panama City and in the regional offices. In total there are 26 professionals in the PI, with 11 that collect data and 4 responsible for analyzing the results. There is also a team of 11 responsible for the HIES, including updating the price basket weights.

The mix of staff in the Price Index Section (excluding the regional offices) involved in the compilation of the CPI (excluding the individuals involved in the updating of the basket and production of the HIES) is as follows:

Statistics Department	Permanent	Contractual	Total
Price and Standards of Living Section (CPI ³¹)			
Chief	1		1
Deputy Chief	1		1
Supervisor of Statistic II	1		1
Analysts	1		1
Statisticians	9	2	11
Total	13	2	15

The collection of price information by PI staff would be greatly enhanced if they could use tablets or some other form of electronic data collection technology when collecting prices. Currently, the price information is recorded on a paper questionnaire by the price collection team and the prices are subsequently transcribed into the prices database at INEC. Electronic data collection would improve both the quality of the price information and the efficiency with which the data are processed.

The years in service of the staff involved in the CPI compilation are as follows:

Years in service	Staff at the PI Section		
	Permanent	Contractual	Total
0–4		2	2
4–8	2		2
8–16	7		7
16–24	1		1
24–33	3		3
Total	13	2	15

CPI staff members receive on-the-job training, as well as formal training through courses and seminars on mathematics, statistics, and introduction to index numbers, including a few abroad. PI management noted that the amount of training is currently not adequate given the growing

difficulty in measuring prices in a highly digitalized and globalized world. It is expected that in 2020 a new *Consumer Price Index Manual* will be approved by the United Nations Statistical Commission. It will be important that INEC seeks out training opportunities for their staff to ensure the CPI incorporates the latest international recommendations.

A recent re-classification of positions within the CG has ensured that salaries at the PI are competitive with other ministries and across the various departments within the CG. PI staffing levels and personal have remained stable over the last number of years.

The PI staff in charge of preparing the CPI has sufficient computing equipment and is capable to handle large databases. An 'in-house' system has been developed to process the price statistics, including the CPI. The CPI is presently computed using applications developed in SQL (e.g., an SQL database is used to store CPI data). A daily back-up of CPI data is made. Regional offices have somewhat limited capacity, but it has been improving in recent years.

The CG building has adequate working facilities (cooling, restrooms, and power system to support CG's computing system). The PI staff do not have access to tablets or other portable collection equipment. Transportation equipment for CPI data collection is insufficient and some vehicles are in poor condition. Sometimes price data collection has been delayed due to the lack of transportation equipment, as these vehicles must be shared with the work programs of other surveys. In addition, the allowance for food assigned to price collectors is insufficient for certain areas that are not close to the office; therefore, price collectors have to return to the office taking more time to collect the data.

Short and medium-term work programs are taken into account in the budgetary process. Requests for funding for special projects such as conducting the HIES, changing the reference base of the index, expanding its coverage, and conducting studies for improving CPI methodology are included as part of the budgetary process for special surveys. When undertaking these large-scale projects, the PI receives dedicated project funding.

0.2.2 Measures to ensure efficient use of resources are implemented

INEC developed a five-year strategic plan that covered the period 2013–2018. The five-year strategic plan was broken down into individual annual work plans. Those plans were administered by each organizational unit of INEC. Currently, INEC is developing a modernization plan for the institute. The modernization plan is considering significant changes in the operation of the price statistics programs including updates to the basket and integration of new data sources (such as web-scraped data and other forms of administrative or big data).

The performance of INEC personnel is annually evaluated, and a quarterly review of staff performance is conducted. These evaluations and reviews, along with tests, are used when promoting personnel.

Assignment of responsibilities among the PI and regional offices is clear. Every position at the CG has a profile with specific functions and tasks as well as minimum requirements. Supervisors meet regularly in order to measure progress, define the work to be undertaken, and analyze the CPI results. Working meetings are held in accordance with work requirements. Budget procedures are carried out on a line item-by-item basis to help allocate financial resources. Periodic assessments are made of the resources employed for compiling statistics, but no comparisons are made to other statistical programs. In addition, resource needs are not reviewed regularly to ensure that scarce resources are employed efficiently in addressing major data problems or meeting new data priorities.

Daily productivity rates are calculated for data collection, processing, and analysis. There are also data verification systems. In the event of errors and inconsistencies, clarification is sought with respondents and corrections made. An efficient application was developed in Oracle to improve data validation processes and keep digital records of data corrections and revisions.

0.3 Relevance

0.3.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored

INEC does not have a price measurement advisory group, nor does it hold regular meetings with users. When INEC is considering major changes to its prices program it will convene meetings with users in order to obtain their views. INEC does ensure that contact information is available each time it releases price statistics. Users indicated that INEC was very helpful and responsive to their questions. In addition, INEC maintains a list of price statistics users. Currently they have 383 contacts designated as price statistics users.

0.4 Other Quality Management

0.4.1 Processes are in place to focus on quality

The 2013–2018 INEC strategic plan, as it is administered by the organizational units, possesses the essential characteristics of a total quality management program. It provides the framework for continuous structured review of the allocation of resources, as well as the different elements of data quality, including accuracy, methodological soundness, reliability, serviceability, and accessibility. A goal of the strategic plan was to enhance the quality, credibility, and timeliness of statistics.

The PI has among its short-term goals an update to the CPI basket and associated weights. Results for the latest HIES should be released in 2020 and will form the basis of the basket update process.

The CG, the Director of the INEC, and staff meet regularly with the media to discuss economic developments as well as to report on the INEC's projects for improving the quality of statistics, including providing information on new indicators and surveys.

Price collectors and analysts are periodically trained on errors to be avoided: respondent errors, errors when completing questionnaires, transcription errors, and analysis errors. The PI and regional offices' staff meet very infrequently to assess data collection and changes in item specifications. Staff training emphasizes that data must be consistent in order to achieve the desired quality. The program would benefit from more frequent meetings between staff in the regional office and staff in headquarters.

The PI is currently working on the rollout of an integrated database with all information from the INEC to support timely and consistent use of price statistics.

0.4.2 Processes are in place to monitor the quality of the statistical program

Effectiveness rates by field agent are calculated: number of questionnaires collected by month and number of errors by item. Field supervisors in the central office call field agents to ask for explanations on comments in the questionnaires.

Response rates to price surveys are not calculated and complete monitoring processes are not in place to inform managers on the quality of ongoing statistical activities (e.g., editing rates, revisions history, and timeliness evaluations). Nonetheless, the nonresponse rate for the price surveys is negligible and informants are replaced if necessary. In addition, owing to budgetary constraints, regular visits to regional offices to oversee price collection are infrequent. These visits served as a means for verifying abnormalities detected during the monthly review of data in the central office. The PI occasionally delivers seminars to regional price collectors, but more are required to ensure uniform collection of price data.

Compilers have access to expert guidance on the quality of their statistics and on strategies for improving data production when international organizations provide assistance or when the INEC contracts experts. International consultants provide guidance on adopting recommendations on current methodologies to facilitate regional comparisons.

The PI has established practices and procedures to ensure the quality of the CPI at all levels of production including data collection, data processing, and index tabulation and dissemination. The monthly price collection phase of the CPI is reviewed at both the regional level and the national level. Some questionnaires are randomly selected for verification. Any detected problems are referred to the supervisors at the section and the unit levels. Data entry and screening are handled at the PI and the regional offices. Computer listings allow for review and validation of the index at each level of compilation. This process permits a consistent review of data from all parts of the country. Any errors are corrected after consultation with respondents and the regional staff, when necessary. The index aggregates are also reviewed and analyzed by PI staff at various administrative levels before the index is published.

There is a manual on data collection and processes to supervise data collection and apply consistency checks. Information from a sub-sample of questionnaires is verified by the regional

supervisors in their visits. Staff keep records of errors and improvements to be incorporated in the new surveys to improve the compilation process. Follow-ups are also performed by means of monthly reporting to managers.

0.4.3 Processes are in place to deal with quality considerations in planning the statistical program

The five-year strategic planning system of INEC and the form in which it has been implemented is strong evidence of INEC's commitment to quality assurance, which also is signaled by analyses of the tradeoffs among resource availability, timeliness, and accuracy/reliability.

INEC has an ongoing program to identify changes in specifications for CPI market basket items, especially clothing, motor vehicles, and high technology items. New item specifications are introduced into the index as needed.

Although there are no official mechanisms, such as a users' survey or official advisory groups, for obtaining feedback from users and/or guidance on methodological issues regarding the CPI, the CG convenes, on an ad hoc basis groups of experts to discuss issues relating to the prices program. In addition, the National Strategy for the Development of Statistics (NSDS) plays an important role in overall program planning. Users' needs are monitored through data requests and users' comments obtained through the INEC website. The PI has a list of 383 permanent users that receive CPI data by e-mail.

1. Assurances of Integrity

1.1 Institutional Integrity

1.1.1 Statistics are produced on an impartial basis

Consistent with the legal framework, INEC recognizes the importance of the professional independence of its staff. Professionalism is evident in the prerequisites applied by INEC for hiring personnel. Hiring and promotion of INEC employees are governed by the CG regulations and are based on professional merit. These regulations ensure that political affiliation is not taken into account when hiring and promoting personnel.

Professionalism is promoted by encouraging staff participation in training opportunities, workshops and seminars, to ensure awareness and understanding of statistical standards and good statistical practices. Staff attending training courses and seminars have to make a presentation on their content to colleagues at the completion of the training.

INEC employees are encouraged to carry out research projects and to participate in conferences, lectures, and professional meetings with other professional groups. Usually research papers are the result of the employees' own initiative. The methodological studies prepared by INEC professionals are circulated for internal review and, when appropriate, for outside review. Institutional papers

submitted for publication must be approved by the administration of the INEC. However, lately, the increasing demand for CPI data and the challenges associated with price index compilation in the face of increased digitalization have limited the number of staff dedicated to research and analysis.

The CPI is produced and disseminated without any outside influence. The procedures of collection and compilation of the CPI are governed only by technical considerations.

Professionalism is promoted by the occasional publication of methodological papers or special studies. Conversation groups involving staff of the different units forming the INEC meet regularly to discuss international recommendations and practical treatments. Staff are internally evaluated every three months.

Standards set within INEC have regard for professional behavior, courtesy toward respondents, integrity, impartiality in hiring, execution of official duties, and the avoidance of influence by third parties.

In order to protect the reputation of the CG and INEC, CPI, publications are reviewed and validated by all levels of the hierarchical chain within the institution.

1.1.2 Choices of sources and statistical techniques as well as decisions about dissemination are informed solely by statistical considerations

The selection of source data and statistical techniques for the compilation of statistical series is based solely on statistical considerations, within the limits of available resources. The sources and methods for compiling the CPI are fully under the control of INEC and concepts and practices generally follow international standards. Appropriate sources and statistical techniques are used, with no outside interference or attempted interference in matters of sources, methods, and dissemination. Decisions in this regard are made internally after careful consideration of methodological recommendations by international organizations. Summary documentation on source data and methodology employed for compiling the CPI has been prepared and is available to the public.

1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics

When necessary, INEC responds to erroneous interpretations of the CPI through press releases and conferences. The INEC office follows the press and television very carefully with regard to references to the statistics compiled. After the CPI has been published on the INEC website, the CPI data and an executive summary on CPI trends are sent to reporters by e-mail and posted on the INEC website. These comments identify the main underlying factors behind unusual figures and movements, in order to improve user understanding and reduce the likelihood of misinterpretation. The CG and the Director of the INEC are entitled to respond to public criticism of statistics or instances of misuse of statistics, but there have been few instances where response to public criticism has been required.

1.2 Transparency

1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public

The INEC website includes a summary methodology and the technical conditions under which the CPI is calculated. The methodology is easily accessible and is published and referenced with each data release. The INEC website contains an e-mail address to direct requests for information, suggestions, and contact INEC personnel. INEC publications contain information on the INEC website, its address, and phone and fax numbers.

1.2.2 Internal governmental access to statistics prior to their release is publicly identified

The PI indicates that the approval of published index series is exempt from outside interference and that CPI series are not provided to any government agency prior to their official release.

1.2.3 Products of statistical agencies/units are clearly identified as such

All INEC publications include the CG and INEC logos. In the case of joint publications, each entity, whether public or private, is clearly identified with its logo or in the footnotes of all published tables. The INEC has a policy of releasing publications on the CPI in a standard format (titles, colors, typography, etc.).

1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques

Major changes in methodology or data sources are not publicized before implementation. However, some permanent users are informally notified when they request CPI data. Also, a report with a summary table of the main differences between the new CPI and the previous index (October 2002=100) is published.

1.3 Ethical Standards

1.3.1 Guidelines for staff behavior are in place and are well known to the staff

A manual of instructions issued to field agents and supervisors provides guidelines about staff behavior. CG staff are not authorized to alter or change statistical data received from respondents. The CG's ethical guidelines are based on the Executive Decree No. 246 Code of Uniform Ethics of Public Servants of December 15, 2004 and the CG's By-Law. Each new employee is informed of the Code of Ethics and the CG's By-Law and is given a personal copy of these documents. Furthermore, ethics is one of the ten commandments of the CG.

The Code of Ethics includes rules on staff conduct and definitions on probity, prudence, justice, discretion, dignity, decorum, honor, respect, independence of criteria, and other concepts on ethical

standards to be observed by public servants. Similarly, the Code of Ethics and the CG's By-Law include prohibitions. Article 34 in Chapter IV of the Code of Ethics states: "The public servant shall not give, solicit or accept directly or indirectly, gifts, benefits, promises or other advantages of individuals or staff." Article 35 establishes that "The public servant shall not solicit accept or admit money, grants, benefits, gifts, favors, promises or other advantages, directly or indirectly, in the following situations:

- a) To accelerate, delay, do or not do the tasks related to their functions;
- b) To influence other public servant," ...in order to do what it is mention in a).

Chapter VI on Sanctions of the Code of Ethics and VIII on Disciplinary Regime of the CG's By-Law present the sanctions to apply to the personnel that do not comply with the prohibitions. These sanctions include verbal and written reprehension, work suspension without salary, and dismissal of the employee.

4. Serviceability

4.1 Periodicity and Timeliness

4.1.1 *Periodicity follows dissemination standards*

Prices are collected daily. The periodicity for the compilation of the CPI is monthly, meeting e-GDDS recommendations and SDDS requirements.

4.1.2 *Timeliness follows dissemination standards*

The monthly CPI is published 15 days following the reference month, which exceeds e-GDDS recommendations and SDDS requirements.

4.2 Consistency

4.2.1 *Statistics are consistent within the dataset*

For the CPI, the all-items index tabulations are consistent regardless of whether the aggregations are made by category of expenditure or by geographical area.

4.2.2 *Statistics are consistent or reconcilable over a reasonable period of time*

The revised CPI at national level for urban areas began publication in November 2014 with a price reference period of 2013=100. Continuous historical series for the CPI, with 2013 as reference base, are available for the period January 2013–December 2014.

Detailed methodological notes that identify and explain the main breaks and discontinuities in time series (1952=100, 1962=100, 1975=100, 1987=100, October 2002=100, 2013=100), and their causes

are available on the INEC website. No adjustments have been made to maintain consistency over time.

Both the press release and the monthly publication of the CPI on the CG website include a brief analysis of the index and an explanation of any unusual price behavior.

4.2.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks

Consistency is verified by comparing the rate of growth of the CPI with those of selected Wholesale Price Indices (WPI) for imports, agriculture, and manufacturing, although, these indices have different coverage and conceptual frameworks. The CPI is also consistent with the implicit price deflator of private final consumption expenditures in the national accounts.

4.3 Revision policy and Practice

4.3.1 Revisions follow a regular and transparent schedule

Monthly CPI data are final. Preliminary figures were only published when the new series were first released. In principle, data may be revised only in cases of error. The household income and expenditure surveys needed for updating the CPI market basket have been conducted every 10 to 13 years, which is not adequate. HIES should be conducted at least every five years. The latest HIES was conducted in 2017–2018. Data for the 2017–2018 HIES have not been published.

A detailed documentation of the latest CPI revision is available. A detailed publication with the results of the 2007–2008 HIES for Panama and San Miguelito districts is also available to users. When CPI data are revised in the event of errors an (R) is included in the table to indicate the revision.

4.3.2 Preliminary and/or revised data are clearly identified

CPI preliminary figures were clearly identified in the publication when the series was first released. In the unusual event that errors are discovered after publication, corrections are incorporated into the following month's index with an indication – (R) – that the figure was revised.

4.3.3 Studies and analyses of revisions are made public (see also 3.5.1)

A study on the last CPI revision was publicized, and a special publication, *Encuesta de Ingresos y Gastos de los Hogares, 2007–2008*, presents the results of the 2007–2008 HIES check if this is published and is available to the public.

5. Accessibility

5.1 Data Accessibility

5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts)

Two bulletins are published – one for the Consumer Price Index and one for the Agricultural Price Index and Wholesale Trade Price Index. The Consumer Price Index (2013=100) bulletin presents the monthly inflation for the current year compared with the same month of the previous year for the national-level CPI and the cumulated inflation for March, June, September, and December. More detail, a historical series, and the index of purchasing power of the balboa is published in January with the results of December. Charts and tables are included for Panama and San Miguelito districts, the rest of urban areas of the country, and at national level with detailed indices, and percentage changes at different levels of COICOP aggregations for December of the previous year and for the previous and current months. The CPI hard-copy publication for the new series is being reviewed for publication. (\$\$\$)

In addition, there is a monthly summary journal, *Consumer Price Indices (Indice de Precios al Consumidor)*, which is posted on INEC's website and includes monthly prices indices and price changes at division, aggregation, groups, and sub-group level for the current and the previous years for the National Urban CPI, the CPI of Panama and San Miguelito districts, and the CPI of the rest of urban areas, as well as an analysis of current price trends.

Annual CPI data are published in *Panama in Figures (Panamá en Cifras)*. Charts and tables at all levels of disaggregation for the CPI at the national level, for Panama and San Miguelito districts, and for the rest of the urban areas are included in this publication.

Although the publication formats for the CPI meet standards, relevant series (e.g., food items) are not disseminated in a seasonally adjusted form.

5.1.2 Dissemination media and format are adequate

Price indexes are published on the INEC website as well as distributed directly to users who have requested that INEC email them a copy of the data when released. The statistics presented are detailed and comprehensive, and contain tables, charts, and an analysis of current trends that facilitate dissemination. Current statistics can be accessed through the INEC website. The PI provides monthly detailed price data by COICOP at the group, subgroup, class and subclass level of detail.

5.1.3 Statistics are released on a preannounced schedule

A published schedule for the dissemination of the index is posted on the INEC website every year in

the first week of January. It is also available in hardcopy. CPI statistics are disseminated punctually according to the calendar of dissemination.

5.1.4 Statistics are made available to all users at the same time

The public is informed of the statistics being released and of the procedures to access them on the INEC website and in the publications. CPI statistics are made available to all users at the same time. Publications contain information on the INEC website, INEC's address, and phone and email address. The INEC website also includes a page to direct requests and contact INEC personnel.

5.1.5 Statistics not routinely disseminated are made available upon request

Historical, unpublished, non-confidential CPI data are available for the national urban index, Panama and San Miguelito districts' indices, the indices of the rest of urban areas, and indices at the item level and at higher-level of COICOP aggregations upon request as well as HIES data. The availability of additional statistics and the procedures for obtaining them are not made known to the public.

5.2 Metadata Accessibility

5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated

A detailed methodology of the CPI is available on the INEC website. Information on 2007–2008 HIES's national average household income, and expenditure by item, class, group, and division and urban area are published on the INEC website. Additional detail is available by request. Fully details related to the methodology, result and data for the 2007–2008 HIES are available at the following web address: <https://www.inec.gob.pa/Aplicaciones/EIGH2008/intro.html>.

5.2.2 Levels of detail are adapted to the needs of the intended audience

A summary of CPI methodology is published annually and updated when the base year is updated. The detailed methodology documents the concepts, scope, classification system, data sources and statistical techniques, although it is somewhat out of date. These publications are designed for different types of index users, from the typical consumer to the economic analyst.

5.3 Assistance to Users

5.3.1 Contact points for each subject field are publicized

Prompt and knowledgeable service and support on the CPI is available to all index users through the INEC's Statistical Information Center (CIE). The CIE provides assistance to users and regularly circulates important information to users via email and other distribution channels. Assistance to users is monitored through data requests but not reviewed periodically.

5.3.2 *Catalogs of publications, documents, and other services, including information on any changes, are widely available*

A catalogue of INEC's publications is available from the INEC website. It is published at the beginning of the year. In addition, INEC presents a dissemination / publication calendar. A copying fee may be charged for documents that are out of print or for information in the databases.

Table 2. Data Quality Assessment Framework (May 2012 version)—Summary of Results for the Consumer Price Index

(Compiling Agency: CG)

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria

Element	NA	Assessment				Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	LNO	NO		
0. Prerequisites of quality							
0.1 Legal and institutional environment			X			While the legal framework is sufficient, more work is required by the CG and INEC to fully exercise the authority they have been afforded under the statistical laws of Panama to enhance the status, authority and relevance of INEC.	Establish a functioning National Statistical Council and National Statistical System Coordination Committee.
0.2 Resources			X			The PI has sufficient staff for compiling and analyzing the CPI but does not have sufficient staff to carry out developmental work as evidenced by the long delays between basket updates. In addition, collection staff are not using the latest collection technology (such as tablets). Price collection could be streamlined if updated technology was implemented.	INEC should add resources to its price index unit so that the unit can engage in research and development activities. INEC should purchase tablets to facilitated price collection.
0.3 Relevance			X			A users' survey was conducted in the framework of the NSSD, but no formal process has been established for consultation with policy departments and CPI users. However, users' needs are monitored through data requests. Users' committees are rarely created.	INEC should establish a Price Measurement Advisory Committee that meets at least once a year and provides both methodological and operational advice to the Price Index Unit.
0.4 Other quality management			X			Editing rates are not calculated. Data adjustment history is not kept. Users committees are only created when a new survey is conducted. In addition, there is little contact between regional staff and staff in headquarters. This has an impact on consistency in the prices collected among regions.	INEC should ensure there are regular meetings among price collection staff to ensure consistency in collection across the various regions.
1. Assurances of integrity							
1.1 Professionalism		X					
1.2 Transparency		X					
1.3 Ethical standards		X					

Table 2. Data Quality Assessment Framework (May 2012 version)—Summary of Results for the Consumer Price Index (concluded)						
4. Serviceability						
4.1 Periodicity and timeliness		X				
4.2 Consistency		X				
4.3 Revision policy and practice			X		Preliminary data are identified. CPI data are final and only corrected in the event of errors. The change in the price reference base has not followed a well-established schedule (bases of the CPI: 1952, 1962, 1975, 1987, October 2002, and 2013).	INEC should develop and publish a 'basket update' schedule. Ideally, basket updates should be made at least every 5 years.
5. Accessibility						
5.1 Data accessibility			X		Seasonally adjusted data are not published. Unpublished, but non-confidential, sub-aggregates of the statistics are available to users upon request, but the availability of this information is not publicized.	INEC should publish seasonally adjusted data along with a note explaining the methods.
5.2 Metadata accessibility		X				
5.3 Assistance to users		X				

C. Government Finance Statistics

0. Prerequisites of Quality

0.1 Legal and Institutional Environment

0.1.1 The responsibility for collecting, processing, and disseminating the statistics is clearly specified

Responsibilities for the collection, processing and dissemination of the statistics are identified in the following laws and regulations:

- the Political Constitution of 1972 (Article 280, Section 1, Chapter 3);
- the Organic Law of the Office of the Comptroller General of the Republic of Panama (CG) of November 8, 1984 (Law 32, Article 11, Section 11 and Article 53); and
- the Internal Regulations of the Office of the Comptroller General of the Republic of Panama of September 16, 1997 (Decree 194, Article 1).
- Law 97 of 1998 created the Ministry of Economy and Finance (MEF) through a merger of the Ministry of Finance and Treasury and the Ministry of Planning and Economic Policy. That law gives the MEF the following functions: to analyze and assess economic performance and to report quarterly to the executive and to the public (Article 2 (A.2)); and to keep the government accounts and prepare consolidated financial statements for the public sector which, once they are audited by the CG, constitute the official source of data on the financial situation of the public sector (Article 2 (C.6)). Article 11 provides that the MEF and the CG must share all fiscal, budgetary, financial and statistical information on the public sector, including that processed through the Financial Administration System of Panama (SIAFPA).
- Law 10 of January 22, 2009 that modernizes the national statistical system and establishes the National Institute of Statistics and Censuses (INEC) (Decree 10).

These instruments make the CG the agency responsible for “directing and compiling the national statistics.” Law 10 establishes INEC and makes it, under the authority of the CG, responsible for exercising the functions of directing and developing national statistics and instituting organizational and operational structures necessary to comply with Law 10.

Law 10 provides a broad range of responsibilities to INEC including the collection, processing and dissemination of national statistics related to society, the economy and the environment. INEC is also responsible for coordinating the national statistical system, ensuring the overall quality of national statistics and functions related to training, cooperation and planning.

While Law 10 does not identify the specific statistical programs under the responsibility of INEC, it does mandate the organization to process and disseminate a range of economic, social and

environmental statistics using internationally accepted standards. It can be assumed that the government finance statistics are included implicitly within INEC's functions.

Situations that gave rise to conflict between INEC's power to prepare statistics and other legislation (Banking Act) or entities (Regulatory Body for Public Services, ERSP) were resolved through negotiations that gave INEC access to aggregate data in a manner that prevented individual reporters from being identified. INEC would benefit from access to the individual data as this would substantially improve their quality assurance practices. According to Law 10, INEC has the legislative power to access these data.

0.1.2 Data sharing and coordination among data-producing agencies are adequate

As indicated, coordination between the MEF and INEC is legally mandated. Inter-institutional working groups comprising staff from GFS, national accounts, and balance of payments, as well as other INEC offices that use fiscal information interact and/or coordinate to fulfill this mandate. In practice, this involves regular data reconciliation meetings for detecting discrepancies, analyzing and correcting them, as necessary, or preparing a common methodological explanation if no corrections are required for either entity. However, the MEF's units provide INEC with cumulative reports, in PDF, that do not allow for the identification of corrections to previous months' information.

Coordination between the MEF and INEC also covers other macroeconomic statistical systems where the MEF provides fiscal data. The Fiscal and Financial Statistics (FFS) section of the INEC, compiles data for the central administration and municipalities; while the Public Policy Directorate (DPP) of the MEF compiles data for the extra-budgetary institutions, the Social Security Fund and non-financial public corporations. Reconciliation of the GFS also ensures that the data in the national accounts and the balance of payments are validated by both agencies. Statistical coordination with other public entities is established by Article 54 of Law 3. In compliance with its mission, the Comptroller General's Office directs and coordinates the statistics produced by public entities. Article 11 of Law 32 grants the CG the power to create the necessary technical committees to improve the national statistics.

0.1.3 Individual reporters' data are to be kept confidential and used for statistical purposes only

Data confidentiality of individual reporters is fully guaranteed by Chapter II of Law 10 of January 22, 2009, and Article 54 of Law 32. The confidentiality of the information is protected by limiting its access to the supervisors of each coordination group, who maintain control over access to the database.

0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response

Title VI of Chapter I of Law 10 of January 22, 2009, establishes the obligation to provide data. Law 32 gives INEC the authority to collect data for national statistics. Article 54 of said law establishes that INEC will request information for statistical purposes from public or private entities or persons. Said entities and persons must provide the requested information. Data collection activities should respect the underlying legal authority, in accordance with Article 1 of Decree 7 of 1960. The reporter has the legal obligation to provide data and there are penalties for non-compliance, both for refusing to inform and for reporting inaccurate data. Reporters' response obligations are regulated by Article 8 of Decree 7, which states that all state agencies, legal entities domiciled in Panama or that conduct business there, and natural persons within the national territory must provide the data and reports requested to compile national statistics, unless those reports are restricted for reasons of national security.

Penalties are detailed in Article 9 of that Decree: The heads of public offices and other persons who do not provide the data and reports referred to in Article 8, or who deliberately or through extreme negligence provide false information, are subject to a fine of B / 5-100 "and" the payment of the fine does not exonerate that person from the obligation to provide true reports and data. The amount of the fines has not been updated since 1960 and there is no mechanism to update it. For the most part, fines are not applied in practice.

0.2 Resources

0.2.1 Staff, facilities, computing resources, and financing are commensurate with statistical programs

Both the MEF and INEC are responsible for compiling government finance statistics and the Public Credit Directorate (DCP) compiles the public debt statistics. Although both units have a core group of trained staff, more trained staff are needed to expand the statistical work. The physical environment (in terms of workspace and furnishings) is excellent and staff have access to the internet, however, computer equipment needs to be improved and modernized. Budget cuts have also affected the available financial resources. Of the nine staff in the MEF (Head, assistant manager, two supervisors, and five technical staff) two have been trained on the methodology of the *Government Finance Statistics Manual 2014 (GFSM 2014)* and two out of five people in charge of fiscal statistics from the FFS section in INEC have taken the course. Twenty-four staff from the MEF and four staff from INEC attended a one-week public sector debt statistics (PSDS) course in 2019.

0.2.2 Measures to ensure efficient use of resources are implemented

INEC has a merit system that evaluates, and every two years remunerates staff financially based on two variables (training and performance). New staff are selected based on profiles that place special emphasis on experience.

There is no system to assure efficient use of resources. Budget preparation uses the incremental cost method, adding new resources as new needs are identified and new personnel are taken on/or in the course of broader institutional undertakings such as replacement of computer equipment.

0.3 Relevance

0.3.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored

Fiscal statistics disseminated by the INEC and the MEF were assessed, as both sets of statistics are consistent and relevant for policy makers and fiscal analysts. Staff occasionally participate in meetings, seminars and workshops on subjects related to the improvement of the production of GFS, organized by international and regional agencies, in particular the IMF/CAPTAC-DR. The participation in these regional forums provide assistance to staff to identify methodological changes or new developments that help staff to evaluate the relevance of the statistics and improving the production of the GFS.

Great efforts are made to inform users through the web, the information center, newsletters, and emails. However, user needs are not researched through any formal system, but rather through analysis of consultations and individual requests, for which the Transparency Act establishes a formal channel of contact. In August 2019 INEC conducted a user survey as part of its modernization agenda. INEC sent the survey to over 3,000 individuals and organizations. INEC received 75 responses. While users find INEC very responsive to their questions, helpful in obtaining data and supporting its use, there was some degree of frustration regarding the timeliness, frequency and coverage of the data. Information requested by users is incorporated into the dissemination formats if it is deemed of interest to a significant number of users. INEC is developing a mechanism for coordinated consultation and improvement called the National Strategy for the Development of Statistics (NSDS). Among other things, this project intends to meet the users' requirements and needs.

0.4 Other Quality Management

0.4.1 Processes are in place to focus on quality

Although there is no specific program in place for improving quality, this is one of the main objectives of INEC, as confirmed in its Five-Year Strategic Plan. The authorities make efforts during personnel seminars to encourage appreciation of the need to evaluate the quality of statistical products using statistics techniques to detect extreme points and verify the consistency of basic information from the various sources used. Quality initiatives have been taken by the compiling units (INEC GFS and MEF PSDS), although of limited scope (short courses, workshops, specific short-term advisory services). Attention is given to ensuring that training courses stress quality aspects in the compilation of statistics.

0.4.2 Processes are in place to monitor the quality of the statistical program

There are no measurements of quality indicators, although there is a quality-oriented organizational culture. Statistical processes are systematically monitored through monthly activity reports, which details the work done, the response to user requests, and the training program. However, there are no quality monitoring procedures to inform management about the quality achieved, for example, using reporter response rates or editing rates. INEC and the MEF consider the trade-off between data timeliness and accuracy / reliability, and alert users if the data are estimated, preliminary or revised.

0.4.3 Processes are in place to deal with quality considerations in planning the statistical program

Quality matters are considered in the planning of the statistical program. These include quality improvements identified during continuous monitoring and periodic reviews. The various dimensions of quality are recognized, and priority is given to timely delivery of the information. However, strong and intensive efforts are made at data reconciliation across institutions, in order to guarantee accuracy, and working hours are often extended as deadlines approach.

1. Assurances of Integrity

1.1 Institutional Integrity

1.1.1 Statistics are produced on an impartial basis

Professional independence in compiling and disseminating the GFS is based on the provisions of the Transparency Act and the Uniform Code of Ethics for Public Servants. In addition, paragraph 3 of Article 3 of Law 10 of January 22, 2009, establishes that in the performance of statistical tasks the official is recognized, and professional independence is to be respected.

Article 1 of Law 32 guarantees the professional independence of the CG, defining it as “an independent governmental agency”. Article 5, 6 and 7 of Law 10 establishes that the INEC is an independent institute attached to the CG and grants INEC the power to reinforce its professional independence and to administer the statistical system:

- (a) Concerning national management, to exert the functions to direct and compile national statistics and to develop the activities necessary to fulfill this Law;
- (b) To be able to administer the assigned financial resources in the budget to carry out administrative adjustments for the acquisition of goods and services, in accordance with the legal procedures, institutional administrative manuals, and the corresponding budgetary authorizations;
- (c) To express an opinion on statistical publications;
- (d) To certify the statistics prepared by the organizations that form the National Statistical System and to grant official status to statistics which are considered of public use.

The duration of the mandate of the National Director of the INEC is not legally set, but the mechanisms for appointment and removal support operational and technical independence.

The Transparency Act (Article 22) establishes penalties of up to twice the monthly salary for employees who obstruct access to information or who destroy or alter a document or record. Article 27 requires all government agencies and offices to establish and publish their respective codes of ethics, which must include aspects relating to conflicts of interest, and staff are required to report any act of corruption to a superior.

The Uniform Code of Ethics for Public Servants requires central government agencies to observe the provisions of Article 27 of the Transparency Act, establishing the principles of independence of judgment (Article 21), proper fulfillment of duties (Article 24) and the obligation to report (Article 29), all of which can be interpreted as supporting independence and professionalism in statistical work.

In addition, the organizational culture respects these principles and guarantees compliance with the law. As a result, persons responsible for compiling the statistics have remained in their positions despite changes of government, and the process for hiring new staff is governed by selection procedures based on clear and pre-defined professional profiles.

1.1.2 Choices of sources and statistical techniques as well as decisions about dissemination are informed solely by statistical considerations

As noted in the previous section, both the organizational culture and legislation protect those responsible for statistical work from political interference when it comes to selecting the most appropriate sources and methods for compiling the GFS or introducing any change in statistical processes. However, in some cases the INEC constrains the compilation process to legal definitions on which entities (specifically SOEs) are part of the public sector. For example, since PCA is legally defined as a private entity it is not included in Panama's fiscal accounts,

1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics

The compilation units provide assistance on technical aspects of the published GFS. The Minister of Economy and Finance holds a press conference when releasing the Quarterly Economic Report.

Although there is no official policy, the compiling units are constantly on watch for interpretation errors by users of the figures, and they correct such errors either through direct contact or press releases.

1.2 Transparency

1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public

The MEF website provides access to the various laws governing data gathering, compilation and release of the statistics it produces, except for the Uniform Code of Ethics for Public Servants.

The terms and conditions under which statistics are collected, processed and disseminated are not available to the public on INEC's website. However, a determined and continuous effort is made through public statements and meetings to provide information on the terms and conditions under which it operates. Publications do not always indicate where more information can be obtained about the entity responsible for preparing the data.

1.2.2 Internal governmental access to statistics prior to their release is publicly identified

No information is provided in advance either to the executive or legislative branches: the statistics are delivered simultaneously to all interested parties.

1.2.3 Products of statistical agencies/units are clearly identified as such

All statistical products clearly identify the compiling entity and unit. In the case of joint publications, the entity responsible for preparing the data is identified separately from the entity producing the analysis.

Use of the figures is monitored constantly to ensure that they are correctly used and that their authorship is attributed. All statistics products are identified with the INEC logo. In the case of joint publications, the part attributable to each entity is identified by its logo. When their data are used by another agency, INEC requests that the source be identified.

1.2.4 Advance-notice is given of major changes in methodology, source data, and statistical techniques

There have been no major changes in recent years to the methodology used for compiling the GFS. When minor changes are made to the methodology and data sources, a notice in the form of methodological notes or tables identifying changes are provided at the time the data are published, but not in advance.

1.3 Ethical Standards

1.3.1 Guidelines for staff behavior are in place and are well known to the staff

The behavior guidelines in force are of general knowledge by staff and is contained in Law 10 of January 22, 2009 and in the Standard Code of Ethics for Public Servants (Executive Decree 246 of December 15, 2004). Ethical rules are understood and respected by staff, and they are explained in

the induction procedure for new employees. The organizational culture also serves as a barrier to any kind of interference by any extraneous authority or entity.

4. Serviceability

4.1 Periodicity and Timeliness

4.1.1 Periodicity follows dissemination standards

The MEF has compiled quarterly and annual reports for the central and general government while data for the central administration and local governments are compiled annually by INEC. However, at the moment no GFS or PSDS statistics are available. The latest data are for January 2019. The mission was informed that the fiscal data do not comply with the periodicity recommendations due to the transition from the SIAFPA IT platform to ISTMO.

4.1.2 Timeliness follows dissemination standards

At the moment none of the data compiled by the MEF or INEC meet the e-GDDS recommendations or SDDS timeliness requirements due to the transition mentioned above.

4.2 Consistency

4.2.1 Statistics are consistent within the dataset

The statistics published by the MEF and by INEC are consistent over time: the annual data correspond to the sum of the quarterly data, which in turn are equivalent to the sum of the monthly data. There is reasonable consistency between flow data (transactions) and stock data (debt). The aggregates shown in the summary tables correspond to the sum of the categories included in the detailed tables.

4.2.2 Statistics are consistent or reconcilable over a reasonable period of time

INEC publishes statistical series covering five years which can be validated over time. For both flows and stock positions data prepared by MEF, series that cover relatively short periods are provided (generally the total of the previous year and cumulative to date for the current year). On the other hand, changes in the data source, methodology or techniques are reported through notes to the statistics tables, but the historical series is not corrected. The series has been available since 1994 for the flows prepared by MEF, and since 1990 for those produced by INEC. Quarterly debt figures compiled by MEF are available since 1997, while monthly figures are available since August 2004.

4.2.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks

The public debt data prepared by the MEF are used as the source for compiling the balance of payments statistics. Flows data reconciled between the MEF and INEC are in turn provided for the

national accounts. Thus, there is consistency between these three macroeconomic statistics systems. With respect to statistics from the banking sector, prepared by the SBP, an internal reconciliation is performed through a request for information that the MEF sends to the SBP: however, there is no formal procedure for reconciling these figures between the two entities.

4.3 Revision Policy and Practice

4.3.1 Revisions follow a regular and transparent schedule

There is no regular or predefined schedule for data revisions either in the MEF or in INEC. Revisions are made only when an error or inconsistency is detected, or when newly compiled information allows the published figures to be updated. Revisions are reported by means of notes to the tables containing the new information.

4.3.2 Preliminary and/or revised data are clearly identified

Both the MEF and the INEC clearly identify the preliminary or revised status of the data in the published statistical tables, and the preliminary data are regularly replaced by revised data, when the required information is available. At the time of dissemination, the data are identified with footnotes that indicate whether they are estimates (E), preliminary (P) or revised (R).

4.3.3 Studies and analyses of revisions are made public (see also 3.5.1)

Statistics users have access only to the methodological notes attached to the statistical tables. The studies of the statistics revisions are not reported to users, except when they are especially significant.

5. Accessibility

5.1 Data Accessibility

5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts)

Although, the statistical series are disseminated broadly following the components defined in *GFSM 1986* the time series included in the MEF publications are short, only providing information for the two preceding years and cumulative to date for the current year, in the case of flows, and for the preceding year and cumulative to date for the current year, in the case of the public debt. The published data are clear, and tables and charts are provided for the benefit of users. Certain additional series are published with greater detail on various items, in an effort to meet the needs expressed by users interested in specific subjects.

The statistics are disseminated through regular publications that both the MEF and INEC make available to the public. The data are disseminated in printed and electronic formats, which facilitates its redesign by the media. However, because they are presented in PDF format instead of EXCEL,

they do not meet the needs of other users. More complete and / or detailed statistics are also disseminated in hard copy (available in INEC's Library) and / or in electronic format.

5.1.2 *Statistics are released on a preannounced schedule*

INEC's fiscal statistics are released according to a schedule announced in advance (generally at the beginning of the year). The same is true for the public debt information published by the MEF. In both cases, the statistics are published punctually.

In the case of the operational statement prepared by the MEF, although the timeframe is set in the Budget Law, there is no published schedule informing users in advance as to when the series will be published.

5.1.3 *Statistics are made available to all users at the same time*

Fiscal statistics from both the MEF and INEC are made available to all interested parties at the same time.

5.1.4 *Statistics not routinely disseminated are made available upon request*

Both the MEF and INEC provide information to users on request. The Transparency Act established a standard format for information requests, which are submitted in writing through mail, e-mail, or at general contact points indicated at the web pages of the MEF and INEC. However, a full set of available data is not disseminated.

5.2 Metadata Accessibility

5.2.1 *Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated*

E-GDDS metadata are kept up to date, but there is no link for accessing that information from the web pages of the MEF or INEC. INEC is working towards disseminating the metadata on its website.

5.2.2 *Levels of detail are adapted to the needs of the intended audience*

The only metadata available are those on the IMF's website. However, a set of updated metadata is regularly sent to the IMF for review and approval.

5.3 Assistance to Users

5.3.1 *Contact points for each subject field are publicized*

The MEF and INEC both offer general contact points (not specifically for the GFS) on their web pages, and they also offer the possibility of consultation by e-mail, regular mail, and even in person, with respect to the data published. Although there is no specific contact point for GFS, responses to

consultations and inquiries from users are delivered promptly, as a result of policies adopted by the compiling units, in the case of the MEF, and an institutional policy, in the case of INEC, which has instituted a correspondence tracking system and has set a time limit of seven working days for providing a response.

The foregoing is supplemented by the rules in the Transparency Act on access to information and the obligation to respond to citizens' requests.

5.3.2 Catalogs of publications, documents, and other services, including information on any charges, are widely available

INEC has up-to-date catalogs of its publications, including statistical series and documents. The MEF does not have such catalogs, but in the case of the public debt the information is found in the section corresponding to the DCP, which allows access to all published information on this topic. With GFS flow data, on the other hand, the lack of catalogs is significant because the information is scattered among various sections of the MEF web page and there is no guidance on how to use them.

Table 3. Data Quality Assessment Framework (May 2012 version)—Summary of Results for Government Finance Statistics <i>(Compiling Agency: Ministry of Economy and Finance)</i>							
Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria							
Element	NA	Assessment				Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	LNO	NO		
0. Prerequisites of quality							
0.1 Legal and institutional environment			X			Data sharing and coordination among agencies needs to be improved.	Source data provision should be carried out using electronic workable files containing monthly details. Compilation of preliminary GFS and PSDS reports should be established.
0.2 Resources			X			No regular staff assessment is performed by the MEF and there is no monitoring system for enhancing efficient use of resources. INEC has a merit system that evaluates, and every two years rewards staff financially based on two variables (training and performance).	The MEF should implement a performance system.
0.3 Relevance		X					
0.4 Other quality management			X			Although there is no specific program in place for improving quality it is one of the main objectives of INEC, as confirmed in its Five-Year Strategic Plan. There are no quality monitoring procedures to inform management about the quality achieved. However, INEC and the MEF consider the trade-off among data timeliness and accuracy / reliability, and alert users if the data are estimated, preliminary or revised.	Consideration should be given to implement a formal program to ensure data quality.
1. Assurances of integrity							
1.1 Institutional Integrity		X					
1.2 Transparency		X					
1.3 Ethical standards		X					
4. Serviceability							
4.1 Periodicity and timeliness				X		Latest available data are for January 2019.	Fix the ISTMO and restart data compilation and dissemination as soon as possible.

**Table 3. Data Quality Assessment Framework (May 2012 version)—Summary of Results for Government Finance Statistics
(concluded)**

4.2 Consistency			X			No revisions of historical data are made when new methodologies are implemented, or new information is available.	Revise historical data with new information. Revise historical data to bring it in line with new methodologies or provide metadata to explain the break in series.
4.3 Revision policy and practice		X					
5. Accessibility							
5.1 Data accessibility			X			Data are presented in PDF format instead of Excel and therefore, do not meet the needs of private sector users.	Make data available in Excel format to enhance its usability for users.
5.2 Metadata accessibility			X			E-GDDS metadata are updated but there is no link to the MEF or INEC websites. Additional information is provided upon request.	Provide a link from the INEC and MEF websites to the IMF's website and post the metadata on the INEC website.
5.3 Assistance to users			X			Lack of GFS publications catalog poses difficulties in identifying published information and where to find it.	Prepare and publish a GFS publications catalog. A more friendly framework for statistical publications must be developed by the MEF.

D. Monetary Statistics

0. Prerequisites of Quality

0.1 Legal and Institutional Environment

0.1.1 The responsibility for collecting, compiling and disseminating statistics is clearly assigned

The Superintendency of the Banks of Panama (SBP) is the official agency responsible for collecting, compiling, and disseminating banking sector statistics. The legal basis for the compilation and dissemination of monetary statistics, which have a broader coverage and different analytical approach than banking sector statistics, is not clearly assigned to the SBP or to any other official agency in the country.

The SBP was created by Decree-Law No. 9 of 1998 (DL-9) of the Banking Regime as an autonomous agency of the Government, with its own legal personality and budget. According to the DL-9, the SBP acts independently in carrying out its functions and is subject to fiscal control by the CG. This control does not imply influence in any form on the administrative functions of the SBP.

Article 5 of the DL-9 enumerates the functions of the SBP. Among these functions, the responsibility for compiling and disseminating statistics is not specified.

Article 57 of the DL-9 regarding reporting to the SBP of audited financial statements states that “Banks in the system should present to the SBP their financial statements within 30 days following the end of each calendar quarter.” The SBP publishes statistical information semi-annually, monthly and quarterly. It is published in an aggregate form and individually. In addition, it publishes a joint report on the financial situation of the Panamanian banking system. This Article provides for publication of banking sector statistics on an aggregated level. The authorities also established the Financial Coordination Council (CCF) (Superintendence of Banks, Superintendence of Securities, Superintendence of Insurance, Financial Companies of the ICIM, Cooperative Institute) with a portal where summary statistics are posted). However, other financial intermediaries that are not banks and, therefore, not supervised by the SBP are not covered by the DL-9.

Even if the responsibility for compiling monetary statistics is not clearly assigned to the SBP by law, this agency collaborates with international organizations, such as the IMF, in providing data that are analytically useful for macroeconomic analysis. There is a link from the SBP website to the website of the Central American Monetary Council where the standardized reports are published following the framework and methodology of international statistical standards, such as the *Monetary and Financial Statistics Manual (MFSM)* or the *System of National Accounts of 1993 (1993 SNA)*.

0.1.2 Data sharing and coordination among data producing agencies are adequate

Adequate data sharing arrangements are in place within the SBP to ensure the flow of information among its pertinent departments, which is facilitated by a data warehouse. The SBP compiles and disseminates individual and aggregated information gathered from the reports of commercial banks, and savings houses. The data are available to internal users and shared with other governmental agencies through special reports. No other agency in the country compiles financial sector data, and only INEC disseminates regularly a summary of the data provided by the SBP.

Coordination among agencies interested in the analysis of financial sector data (MEF, INEC, and NBP) is adequate. Reports with the specific requirements of each agency—in standard format and more detailed—are prepared shortly after the data are published on the Internet.

0.1.3 Respondents' data are kept confidential and used for statistical purposes only

All individual reports from banks are kept confidential. Articles 110 and 111 of the Decree-Law establish the confidentiality of data that financial corporations provide to the SBP. This article states that the information collected by the SBP of individual clients of a bank could only be revealed to the competent authorities following the law and within a criminal procedure. Further, the SBP, including all its staff and external auditors, consultants and nominated inspectors, are to demonstrate appropriate behavior with all information given to them or gathered by them according to this Decree-Law, and consequently they should not reveal this information to third parties, except appropriate authorities in SBP. According to this Article, exceptions are those reports or documents that, according to this Decree-Law, have to be disseminated to the public. The public servants who, owing to their positions, have access to the information described in the Article are obliged to keep appropriate reserve even after leaving their functions.

Article 86 includes penalties on staff who disclose confidential data. It states that staff found in breach of Article 185 y 186; DE-52 could be liable for penalties of up to 500,000 balboas, irrespective of any other civil or criminal sanctions that might apply.

A channel of encrypted data protects the information sent by the banks to the SBP. Access to individual financial corporation data are restricted to authorized personnel using access passwords.

0.1.4 Statistical reporting is supported by legal mandate and/or measures implemented to encourage voluntary response

The legal provisions underpinning the obligation of banks to report data needed to compile the statistics required by the SBP are contained in the legislation cited above (item 0.1.1). In addition, Article 54 of the DL-9 on the right to require information from banks or economic groups states that the SBP has the right to require any bank, or any company belonging to the economic group to which the bank belongs, to provide documents and reports on its operations and activities.

Article 55, regarding the presentation of audited financial statements, states that “Within three months following the end of the fiscal period, banks with general or international license should report to the SBP their financial statements related to their operations performed in or from the Republic of Panama, according to the case.”

According to Article 58, “All banks should send to the SBP within the period and form defined by the SBP: A statement showing the assets and liabilities and earnings from their establishments in Panama at the closing of their operations in the latest working day of the previous month, and a report containing (1) an analysis and classification of its loans and securities portfolio of their establishments in Panama at the closing of their operations, and (2) the reconciliation of the capital account. Any other information with the frequency required by the SBP, and irrespective of what it is described in Article 59.”

0.2 Resources

0.2.1 *Staff, financial and computing resources are commensurate with institutional programs*

- *Human resources*

The banking statistics used for official national publications and submissions to international organizations such as the IMF are compiled by the Directorate of Financial Studies (*Dirección de Estudios Financieros (DFS)*) consisting of three Managers, one coordinator, and eleven analysts. All have university education with specialization in economics, finance, statistics, or banking. Most of the staff have sufficient experience in compiling statistics and mobility of the staff is low.

Each employee has a personal computer and access to the Internet. Most have attended relevant courses at the IMF and other international organizations.

The number of employees involved in the compilation of monthly and quarterly statistics is adequate. Salaries are competitive compared to other public and private institutions.

- *Financial and computing resources*

Financial resources are broadly adequate to support the current programs for compiling statistics.

Compilers of statistics use modern personal computers with adequate software. The technical staff use Stata, Excel, Word, Acrobat, and PowerPoint in a Windows environment. The compilation of banking statistics is performed using a data transmission and compilation system developed internally by the SBP.

0.2.2 Measures to ensure efficient use of resources are implemented

All programs in the SBP are subject to budget considerations and regular performance assessments. Monthly activity reports (*Informes de Gestión Mensual*) are prepared by the DFS and delivered to the General Secretariat (*Secretaría General*) for monitoring. Work programs with budgetary requests are prepared annually for approval by SBP management. A financial Stability Report is published annually. It is also printed and provided to specialized users.

Statistical databases are periodically updated to guarantee the efficient use of resources. In addition, a very efficient data transmission procedure for reporting institutions, which includes a rich set of validation tests, guarantees the absence of processing errors such as accounting, coding, editing, or tabulation errors.

Staff performance evaluations are conducted annually, and staff are expected to complete their objectives set at the beginning of the year.

0.3 Relevance

0.3.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored

In addition to feedback from internal users, obtained through an annual evaluation of the statistical products, the SBP conducts periodic meetings (once a year) and regular telephone contacts with the staff of INEC and the MEF to improve the quality and timeliness of the specific reports required by them. In the first quarter, the presentation of the financial results of the International Banking Center is made, where the interpretation of the financial aggregates is shared. In addition, workshops are held every year with the specialized written press. On the other hand, there is a channel called *Bank Support and Bank Superintendence*, where all banks can ask questions about accounting or statistical interpretations of the information they send, as well as the use of statistics. In general, feedback on the relevance of the statistics is obtained in the course of responding to specific data requests and consultations.

SBP staff participates in seminars and conferences on statistics organized by international and regional organizations, which provide a forum to identify new and emerging data requirements and to help in assessing the relevance of SBP's banking sector statistics. Furthermore, the SBP has plans to compile and disseminate, as a complement to the banking sector statistics currently published, monetary statistics based on internationally accepted standards.

0.4 Other Quality Management

0.4.1 Processes are in place to focus on quality

The SBP recognizes that the quality of the statistics is essential for sound supervision and accurate analysis of the banking system. Quality awareness is embodied in the law. Agreement 6-2012,

establishes that the technical accounting standards used in the preparation of accounting records and the presentation of financial statements of regulated subjects are the IFRS, in addition, agreement 9-2019 establishes that US-GAAP may be used with prior authorization by the SBP, in those cases in which the characteristics of a banking group justify it. In addition, the SBP is sensitive to the importance of data quality and its dimensions, as evidenced by its participation in the e-GDDS.

To improve staff productivity, achieve excellence, and guarantee user satisfaction through the highest quality of its services, the SBP holds an annual meeting with staff. During the meeting, each department presents the results of the tasks carried out in the past year and the work plan for the next one. In addition, the DFS participates in the ISO 9000 program. Currently there is a department that audits the process of compiling and publishing statistics. At the same time, members of DFS are offered training all year round, both nationally and internationally, in financial matters and international standards.

0.4.2 Processes are in place to monitor quality during the planning and implementation of the statistical program

The SBP is in charge of monitoring the quality of the data reported by financial institutions under its supervision. DFS verifies that data-reporting practices followed by banks are consistent with SBP prescribed guidelines.

The DFS, the Information Systems Directorate (*Dirección de Informática, DI*), Banking Supervision Directorate, and the Risk Directorate, meet regularly to assess and improve the data transmission system and discuss changes in data requirements, such as modifications to the catalogue of accounts or complementary data (*átomos*) submitted by banks.

The DFS carries out detailed analyses of the quality of data processed every quarter. The scope of the analysis is wide both in terms of detail and inter-temporally (historical series), resulting in the identification of systematic errors and the provision of better instructions to avoid recurrences.

When a particular financial institution does not correct systematic errors, supervisors visiting these institutions include in their agendas issues related to data reporting.

The SBP has a Unit of Technical Support (UTS) that assists reporting institutions with their queries. The UTS records the frequency of errors by institution and period. These records are used to identify recurrent problems in the data reported and to propose solutions to address them.

1. Assurance of Integrity

1.1 Institutional Integrity

1.1.1 *Statistics are compiled on an impartial basis*

The statutory provisions under which the SBP compiles banking sector statistics are adequate to support its independence in conducting these functions. In this regard, the choice, tenure, and reporting arrangements of the Superintendent are supportive of the professional independence of the SBP. Although, the Superintendent's tenure (five years according to Article 11 of the DL-9) coincides with that of the current government, the tenure of the directors is eight years (Article 9). Qualifications and other requirements for hiring the Superintendent and Directors are also regulated in Articles 10 and 8, respectively; issues of conflict of interest are set forth in Article 12. Removal of Superintendent and Directors is addressed in Articles 14 and 15.

Recruitment and promotion of compilers are based on relevant aptitude and/or expertise in statistics; there is no formal annual performance review. On-the-job training in methodology and compilation methods is provided, including participation in seminars, courses, and workshops arranged by regional and international organizations. Staff participating in these external training opportunities are invited to deliver a seminar presentation summarizing the knowledge acquired during the course or seminar.

1.1.2 *Choices of data sources and statistical methods as well as decisions about dissemination are informed solely by statistical considerations*

The sources, methods, and statistical techniques used for compiling banking sector statistics are based on statistical considerations (e.g., coverage, timeliness, and reliability of the source data). The source data used for compiling banking sector statistics (i.e., balance sheets of the banks and savings houses and complementary information) largely meet the statistical requirements for decision-making purposes and for publication. The definitions and statistical techniques are based on methodological considerations.

In addition to statistical or analytical considerations, some decisions about dissemination are also determined by regulatory considerations. For example, the reference interest rates for the local mortgage market used by banks for subsidized mortgage loans have to be published on a quarterly basis, as established by the law. However, in 2018, the SBP discontinued publishing interest rates for residents vs. non-residents, which deteriorated the analytical value of data.

1.1.3 *The appropriate statistical entity is entitled to comment on errors of interpretation and misuse of statistics*

Erroneous interpretation or misuse of banking sector statistics by data users is infrequent. If there are significant errors in the interpretation of disseminated data by the media, the SBP issues an

official response with the relevant clarifications. In addition, the Public Relations Department has a unit responsible for preparing an internal bulleting with articles on the financial system appearing in the press, including articles using SBP data sources. Since the publication of the Report on Banking Activity (*Carta Bancaria*) with many tables and considerable data, the number of erroneous interpretations of the data has been reduced considerably.

1.2 Transparency

1.2.1 *The terms and conditions under which statistics are collected, compiled, and disseminated are available to the public*

The DL-9, which is available on the SBP website, contains the terms and conditions under which statistics are collected, processed, and disseminated. Chapter VIII of the DL-9 on “documents and reports” deals with aspects of banking sector reporting requirements, describing the types of information that the SBP is entitled to request from the banks and disclose to the public. All the information produced by the SBP is disseminated free of charge.

1.2.2 *Internal governmental access to statistics prior to their release is made known to the public*

No government agency outside the SBP has access to banking sector statistics prior to their release. Officials from other government agencies (CG and MEF) who request specific data sets receive them several days after the official release of data to the public through the SBP website. The *Banco Nacional de Panama* (National Bank of Panama), *Caja de Ahorros* (Savings Association), *Banco de Desarrollo Agropecuario* (Agriculture and Livestock Development Bank), and *Ministerio de Desarrollo Agropecuario* (Ministry of Agriculture and Livestock Development) receive the same set of statistics disseminated on the SBP website immediately after their release.

1.2.3 *Products of statistical agencies/units are clearly identified as such*

The SBP only disseminates data to the general public through its website. Therefore, its statistical products are clearly identified. All published banking sector information bears the SBP logo. Moreover, in cases where statistics are reproduced in documents outside the SBP or newspapers, the SBP is generally identified as source of the data.

1.2.4 *Advance notice is given of major changes in methodology, source data, and statistical techniques*

Every time the SBP issues a prudential regulation it puts it on its website for consultation, and after approval it is published. In the same way when there are methodological changes in the compilation of the statistics, the explanation and reason for the changes are provided in detail. However, methodology changes are not always preannounced.

1.3 Ethical Standards

1.3.1 *Guidelines for staff behavior are in place and are well known to the staff*

There are clear guidelines outlining the correct behavior when the staff is confronted with potential conflict of interest situations. In addition to Article 12 of the DL-9 regulating conflict of interest for the Superintendent and directors, the Internal Rules of Procedure (*Reglamento Interno de Trabajo*) No. 14-98 of August 27, 1998 describes the rights and obligations of the SBP staff (Chapter 7). The regulation is made known to the staff when they join the Institution. This regulation also includes sanctions for misconduct in Chapter nine.

4. Serviceability

4.1 Periodicity and Timeliness

4.1.1 *Periodicity follows dissemination standards*

The periodicity of banking sector statistics meets the e-GDDS recommendations and SDDS requirements, i.e., monthly data.

4.1.2 *Timeliness follows dissemination standards*

The timeliness of monthly statistics for the other depository corporations (ODCs) is consistent with e-GDDS recommendations but not the SDDS requirements (one month after reference period). Aggregated data are disseminated two months after the end of the reference month. More detailed quarterly data are also published two months after the end of the reference quarter. On the tradeoffs among the dimensions of data quality, timeliness is not regarded as one of the most important elements of data quality. Banks report data promptly (10 working days, or two weeks, after the end of the reference month) and the SBP publishes data for individual banks, including the NBP, six weeks after the end of the reference month. The receipt and compilation of statistics is fully automated, including a series of checks and validations on incoming banks data.

4.2 Consistency

4.2.1 *Statistics are consistent within the dataset*

The banks' records of claims on, and liabilities to, each other show discrepancies because of differences in the time of recording of financial transactions. However, these discrepancies are not significant. Sometimes there may be recording differences owing to operations in transit, but these operations are easily detected and corrected.

4.2.2 Statistics are consistent or reconcilable over a reasonable period of time

Available monthly banking sector data begin in 1970 and are reconcilable, although early data are very aggregated. Data disseminated to the public only begin in December 2001. Older series are internally available in paper format. The SBP has plans to construct longer time series with available data and to publish these data in the near future.

4.2.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks

The banking sector statistics disseminated to the public are not reconcilable with those obtained through certain other data sources that follow internationally recommended standards for the compilation of monetary and financial statistics, which is not in the mandate of the SBP. It is not possible, for example, to reconcile fully net foreign assets with corresponding items in the balance of payments statistics, although the residency criterion is followed in both statistics. However, the SBP and INEC regularly verify that the data in the banking sector statistics are consistent with those in the balance of payments.

The criteria used to sectorize the economy for purposes of compiling banking sector and fiscal data are consistent. However, it is difficult to reconcile fully banking sector statistics with fiscal data (e.g., net credit to government) because accrual recording is largely used in banking sector statistics and cash recording in the fiscal data. Furthermore, state or local governments are not separately identified, thus they are included in the central government in compiling *Claims on Central Government* and *Liabilities to Central Government*, respectively; likewise, assets and liabilities of nonfinancial public corporations are generally not separately identified and included with other nonfinancial corporations. In addition, and as in the case of the comparability with the balance of payments, the analytical framework for banking statistics does not facilitate the reconciliation with fiscal data, including on public nonfinancial corporations. Moving towards a consistent classification in macroeconomic statistics is desirable.

4.3 Revision Policy and Practice

4.3.1 Revisions and/or updates follow a regular and transparent schedule

Monthly banking sector statistics compiled by the SBP are deemed final when published, as discussed in section 3.5.1. Therefore, there is no need for a regular and permanent revision schedule or implementation of a revision policy at this moment. However, if the SBP decides to disseminate more timely data, a revision policy may need to be established.

Monthly statistics are nevertheless reviewed every quarter by comparison with the more detailed quarterly data that banks are obliged to report to the SBP. If significant changes in the monthly data occur, users are notified by means of footnotes. The content of the statistics is reviewed on a continuous basis, particularly by contrasting monthly and quarterly data.

4.3.2 Preliminary and/or revised/updated data are clearly identified

Disseminated data are always final. From the perspective of the SBP, which publishes not only aggregated data but individual bank data as well, preliminary data do not exist because compilers only publish the data that have been already validated and approved by the corresponding department in the SBP.

4.3.3 Studies and analyses of revisions are made public

Revisions are extremely unusual owing to the SBP policy of publishing only final data. Therefore, studies and analyses of revisions that occasionally take place are not for publication. Nonetheless, the SBP intends to produce and publish analyses of revisions if the decision is made to disseminate preliminary data timelier than is currently the case (i.e., shortening the publication lag for aggregated data from two to one month after the end of the reference month).

5. Accessibility

5.1 Data Accessibility

5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts)

The presentation of banking sector statistics facilitates the interpretation of data and allows monitoring of banking sector and financial developments. The data disseminated on the SBP website contain tables presenting data in a clear and user-friendly layout. It contains more detailed monthly and quarterly data for the last five years.

5.1.2 Dissemination media and format are adequate

The media used in the dissemination of data are adequate for users who have access to the Internet, as both recent and (limited) historical data can be consulted on the SBP website (<http://www.superbancos.gob.pa>). Regarding the format for dissemination, the SBP disseminate the data using PDF and Excel files

5.1.3 Statistics are released on a preannounced schedule

There is no preannounced advance release calendar to the public. However, DEF follows an internal production and publication schedule and dissemination is done at regular intervals (monthly and quarterly).

This year, for the first time, an advance release calendar will be published on the SBP's website.

5.1.4 *Statistics are made available to all users at the same time*

Monthly and quarterly banking sector statistics are disseminated simultaneously to the public on the SBP website.

5.1.5 *Statistics not routinely disseminated are made available upon request*

Unpublished (but nonconfidential) data are made available upon request, with the approval of management. All information requested by users is free of charge. The SBP website has a facility for users to send questions or queries to the SBP. However, the SBP does not inform users of the availability of data online or the extent of content, such as the degree of detail available or the length of the historical series.

5.2 Metadata Accessibility

5.2.1 *Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated*

The SBP does not provide users with methodological notes on banking sector statistics. Nonetheless, the banking law available in the SBP webpage contains descriptions on classification of loans, securities, capital adequacy and other topics that inform on the methodology for presenting the data. Furthermore, the SBP maintains updated metadata in the e-GDDS country page, but a link from the SBP webpage to the IMF's e-GDDS webpage does not yet exist.

5.2.2 *Levels of detail are adapted to the needs of the intended audience*

Detailed methodological notes describing the main concepts and definitions of the disseminated data are not available for the specialized user. However, detailed methodological notes on interest rates and legal liquidity are available, among others. However, the SBP plans to add more methodological notes on the conceptual framework of the published statistics.

5.3 Assistance to Users

5.3.1 *Contact points are publicized*

The internal users of banking sector statistics at the SBP get support from compilers at DEE. External users may send their queries through the SBP website or by phone. Written replies to user queries are made in less than three days.

The e-GDDS metadata identifies the director of the DIEE as the contact person for any query on the statistics disseminated by the SBP.

5.3.2 Publications, documents, and other services, including information on any charges, are widely available

The vehicle for informing the public about banking sector statistics is the SBP's website, the only dissemination channel used by the SBP.

Table 4. Data Quality Assessment Framework (May 2012 version)—Summary of Results for Monetary Statistics							
<i>(Compiling Agency: Superintendency of Banks of Panama)</i>							
Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria							
Element	NA	Assessment				Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	LNO	NO		
0. Prerequisites of quality							
0.1 Legal and institutional environment			X			The Law does not clearly assign responsibility to the Superintendency of Banks of Panama (SBP) to disseminate monetary statistics. However, this agency collaborates with international organizations, such as the IMF, in providing data that are analytically useful for macroeconomic analysis.	Evaluate whether the legal basis for the compilation and dissemination of monetary statistic can be added to SBP's Law at the time of an update.
0.2 Resources		X					
0.3 Relevance				X		Formal mechanisms for consulting private sector users' needs and identifying new data requirements have not been established.	Expediently implement plans to prepare and publish monetary and financial statistics according to international standards. Establish a formal mechanism to obtain users' need from the non-banking private sector.
0.4 Other quality management		X					
1. Assurances of integrity							
1.1 Institutional Integrity		X					
1.2 Transparency		X					
1.3 Ethical standards		X					
4. Serviceability							
4.1 Periodicity and timeliness				X		Periodicity and timeliness of disseminated statistics for ODCs meets the e-GDDS recommendations, but not the SDDS timeliness requirements.	Improve the timeliness of the ODCs data. Panama does not have a central bank. The NBP performs some of the functions of a central bank.

Table 4. Data Quality Assessment Framework (May 2012 version)—Summary of Results for Monetary Statistics (concluded)							
4.2 Consistency				X		Banking statistics are not reconcilable with other sectoral statistics because their analytical framework is focused only on supervision, with a need to also focus on macroeconomic policymaking.	Improve the sectorization of the public sector.
4.3 Revision policy and practice			X				
5. Accessibility							
5.1 Data accessibility			X				
5.2 Metadata accessibility				X		Methodological notes on banking sector statistics are not available on the SBP website. However, the e-GDDS metadata are kept up to date., Detailed methodological notes are not made available to the public.	Provide a link from the SBP webpage to the IMF's e-GDDS webpage.
5.3 Assistance to users			X				

E. Balance of Payments Statistics

0. Prerequisites of Quality

0.1 Legal and Institutional Environment

0.1.1 The responsibility for collecting, processing, and disseminating the statistics is clearly specified

The Political Constitution of the Republic of Panama of 1972 adjusted to the Reform Acts of 1978, the Constitutional Act of 1983, the Legislative Acts No. 1 of 1993 and No. 2 of 1994, and Act No. 1 of 2004, whose single text was published in the Official Gazette No. 25176 of November 15, 2004, assigned the task to the Office of the Comptroller General of the Republic (CG): "...to keep national accounts, including those relating to internal and external debt, as well as " to guide and form National Statistics..." Law 32 of November 8, 1984 defines the powers of the CG in the area of National Statistics. Law 10 of January 22, 2009, modernizes the National Statistical System and creates the National Institute of Statistics and Censuses (INEC). Decree 49-2019 of May 23, 2019 formalizes the organizational structure of INEC and approves the Organization and Functions' Manual of the Institute.

INEC carries out and coordinates social and economic statistical activities in general and is authorized to request data from the public and private entities. Work arrangements are consistent with the explicit assignment of INEC responsibilities. The Balance of Payments Section (BOPS) of the INEC is directly responsible for data collection, compilation and processing of the balance of payments, international investment position and international reserves.

The laws that support the compilation and dissemination of macroeconomic statistics in Panama do not make specific reference to balance of payments statistics. However, the legal framework supports these tasks in the area of external sector statistics. For example, Law 10 of January 22, 2009 states among the various functions of INEC: "...to collect, process, prepare, analyze, publish and disseminate statistics that contribute to the best information, aiming at the solution of the different economic, social, demographic, and environmental problems, facing the state and individuals..." According to the same Law, the confidentiality of the data used for statistical purposes is guaranteed (Article 52) and it establishes nominal sanctions (Article 62) for reporters for non-compliance. For serious infractions the maximum sanction is 1,000 balboas.

0.1.2 Data sharing and coordination among data-producing agencies are adequate

INEC is a decentralized agency with regional offices to collect and process primary information. Although there are no formal institutionalized agreements between INEC and some other data providers, INEC has established informal mechanisms with some public and private sector entities to obtain information for the compilation of balance of payments statistics. There is coordination with

the Superintendency of Banks, the Superintendency of Insurance, MEF and the National Bank of Panama. Although there are meetings with other agencies on balance of payments issues and technical working groups, the relationship between government institutions is not institutionalized. Customs provides monthly import and export data. MEF on the other hand provides information on external debt. The expenses of embassies abroad are provided by the Ministry of Foreign Affairs. The Section of the Statistical Directory of Companies and the Section of Business Surveys, which are part of INEC, are responsible for the annual updating of the lists of companies used in the different surveys. In addition, there is a cooperation agreement with the Panama Tourism Authority (PTA) to obtain data on migratory flows to help compile travel data in the balance of payments. Although informal coordination with other government agencies is present, the lack of formal institutionalized agreements with data providers continues to affect the coverage and timeliness of source data.

There are currently some limitations for obtaining information on embassy expenses and the necessary coordination is being undertaken with the Ministry of Foreign Affairs. Fostering data sharing with Customs and other key government agencies would allow the reporting of granular trade data, including on commodity exports, in analytical tables.

In recent years no seminars have been organized on the methodology used in the preparation of balance of payments statistics.

0.1.3 Individual reporters' data are kept confidential and used for statistical purposes only

For balance of payment purposes, the Law supports the compilation and dissemination of data. In surveys and other statistical inquiries, respondents are informed of their rights and obligations regarding the provision of information. The note or circular that accompanies the survey form refers to the confidentiality of the information that will be used for statistical purposes in an aggregate manner. This part is drawn from Articles 52-57 of Law 10.

With regard to the compilation process in the balance of payments statistics and the management of primary and intermediate data, Article 47 of the Code of Ethics of the CG of 2010 mentions that "...The public servants of the Comptroller General will not disclose to third parties the information obtained as a result of the process of its basic function, except to comply with legal requirements that correspond to the Comptroller General and as part of the normal procedures of said basic function..."

Law 10, in its Article 64, states: "...The public servant who discloses or provides individual data will be removed from office, without prejudice to the penalty established in the Criminal Code. For the purposes of this Article, it is considered that single/broader information have been disclosed when, through intent or negligence on the part of the public official, said data or group of data becomes known to a person other than the public official authorized to know it because of the performance of his duties."

Confidentiality is protected through computer permissions for access to information. In addition, the report forms are stored in filing cabinets with access limited to only the officials involved in the task. In the stages of compilation and validation of balance of payments statistics, only the unit staff in charge of specific accounts knows the individual information.

The cover letter that accompanies surveys and other requests for statistical information, explicitly mentions that the requested information will be treated in a strictly confidential manner in general and used only to compile balance of payments statistics.

Statistical tables and reports on balance of payments data are prepared in a manner that prevents the disclosure of individual data. The BOPS does not disseminate data for a particular item if the number of respondents is less than three. Computer systems prevent unauthorized access to individual data through password protection. To ensure adequate protection of resources, each employee has a unique username and secret password that guarantees proper use of the equipment. In addition, INEC has two servers, which keep a backup of all data for security reasons.

0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response

The data-producing agency has the legal authority to collect the necessary data to compile the statistics set forth in Articles 47-51 of Law 10, and the collection activity is consistent with the legal authority, in accordance with the Constitution, and the Law 10.

The compilation carried out through surveys includes a sheet with instructions and definitions. The circular accompanying the survey form also refers to confidentiality issues and the instruction sheet includes articles of the law related to obligations and penalties. In addition, assistance is provided to any respondent who requests it. This may include a visit to the requesting company and guidance to complete the form. The survey forms are sent using a list that contains the name of the company, the person responsible for completing the form, the address of the company, the telephone number, email and usual postal address. There are four periods to collect quarterly information throughout the year.

0.2 Resources

0.2.1 Staff, facilities, computing resources, and financing are commensurate with statistical programs

There are nine employees involved in the collection of balance of payments data in the BOPS. A separate unit, in charge of external trade statistics and migration statistics, provides data to the balance of payments. Qualifications and training are adequate, and staff motivation seems high. Staff retention is good, as evidenced by the fact that several staff members received training in balance of payments statistics in IMF courses and subsequently remained on the team. A supervisor, a statistics and census analyst, and two statisticians have not received training in balance of

payments statistics at the IMF courses. The staff in charge of travel services within the balance of payments has not received training in balance of payments statistics, despite having eight years in the section. The most recent time that a staff of the INEC attended balance of payments courses dates to 2014.

The resources in the balance of payments unit are not entirely adequate. Some senior management positions at BOPS are not fully staffed. The Department of Economic Statistics has seven sections pertaining to: Economic Indicators, Fiscal and Financial Statistics, Industrial Statistics, Environmental Statistics, Foreign Trade, Price Index and Balance of Payments.

Currently, the Balance of Payments Section has a chief, a deputy, a secretary, two statistical supervisors, a census analyst, four statisticians and a staff of the PTA. In the view of the INEC there should be three supervisors and 6 statisticians. Currently, the statistics and census analyst performs supervisory functions in the financial account and is in charge of a series of data. Likewise, the supervisor of the current account area is responsible for some other data series and the supervisor of the area of foreign direct investment performs tasks in collecting and processing the survey.

INEC has a policy of offering a training program aimed at all staff, with periodic reviews of effectiveness. An effort is made to provide the most experienced staff with training in relevant topics in order to specialize them so that they can play a supervisory role in case of staff turnover (within the unit). The CG maintains a performance evaluation program and, therefore, all employees have the opportunity to meet the requirements, which entitles them to a salary increase every two years.

In the BOPS, each employee has a computer, with access to email and internet and there is a printer shared with the Fiscal and Financial Statistics Section, and three telephone lines. The computer programs used for statistical compilation are not adequate and are not updated. There is a lack of software to analyze statistical series. However, surveys are collected efficiently by electronic means. The facilities have some limitations in terms of physical space and density.

Funding for statistics is inadequate. It is determined in a preliminary draft budget, which often undergoes cuts before approval, resulting in the transfer of funds to other statistical activities that are considered to be of higher priority. There are well-defined budgetary procedures for statistical activities, but they are subject to cuts. The budget is prepared annually in the face of financial constraints, which makes it difficult to plan statistical improvements. INEC receives some technical assistance from international agencies to carry out methodological improvements and training.

0.2.2 Measures to ensure efficient use of resources are implemented

The management of CG promotes the efficient use of resources that are shared with staff and are described in the Code of Ethics of public servants of the CG and in the Code of Conduct, among

others. The CG has implemented an annual performance review. Work meetings are held, according to the requirements and complexity of the work.

The data-producing agency seeks assistance from external experts to evaluate statistical methodologies and compilation procedures through direct consultations. This may take place when there is a change in the methodology or the introduction of new statistics.

There is no specific provision to measure the resources used to compile balance of payments statistics. However, the resources used to compile balance of payments statistics are monitored and there are budgeting practices to help allocate resources to priority areas.

0.3 Relevance

0.3.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored

The BOPS maintains a close dialogue with the data users, who are kept informed through newsletters, brochures and information available on the CG website.² However, there are no formal monitoring procedures for data users. A calendar for the dissemination of data is made available to the press. The email address is included in each note sent to users. INEC holds seminar meetings with reporters and users of balance of payments statistics. Data users are kept informed about the compilation methodologies through metadata disseminated in the Balance of Payments, Panamanian Statistics and the website of the e-GDDS. Data publications identify a staff member responsible for each time series and encourage data users to submit questions and comments. The balance of payments unit aims at answering these inquiries within seven business days.

In view of budget constraints, the staff in charge of the compilation of the balance of payments does not participate in statistical meetings and seminars organized by international /regional organizations or professional organizations. A structured and periodic consultation process is carried out with policy departments / ministries and other main data users. Through the SDDS Preparation Project, feedback mechanisms have been established with national and international stakeholders to strengthen the National Statistical System (NSS) and statistical management capabilities. INEC conducted a survey of data providers using Google forms which were based on NSS listings.

0.4 Other Quality Management

0.4.1 Processes are in place to focus on quality

INEC management is sensitive to all dimensions of data quality and promotes a shared interest for quality throughout the organization. The strategic plans are prepared to establish the main objectives of each unit and are periodically evaluated to measure the results. Staff training programs

² https://www.inec.gob.pa/publicaciones/Default2.aspx?ID_CATEGORIA=4&ID_SUBCATEGORIA=24.

emphasize the importance of quality and give staff an understanding of how quality can be achieved. The staff is instructed on how to achieve data consistency to produce high quality information.

The organization provides an infrastructure for quality by recognizing trade-offs, economies of scale and the interrelationships across data sets.

0.4.2 Processes are in place to monitor the quality of the statistical program

The BOPS prepares monthly reports for management, summarizing in concrete form the status of all activities (surveys), that is, forms sent, received, pending, analyzed, tabulated, etc. The compilation areas have access to expert guidance on the quality of their statistics and strategies to improve data production, for example, through regular communication with IMF experts.

Periodic reviews have been carried out to identify the steps necessary to maintain quality requirements. However, there are no such revisions at this time, and revisions to external sector statistics are not disclosed to users.

0.4.3 Processes are in place to monitor to deal with quality considerations in planning the statistical program

Although there are no explicit processes, INEC evaluates work programs to identify deficiencies and to determine the need to improve data quality. Plans for major revisions in balance of payments statistics are currently being considered.

1. Assurance of Integrity

1.1 Institutional Integrity

1.1.1 Statistics are produced on an impartial basis

There are legal provisions that give the CG professional independence. The law establishes, recognizes and respects professional independence. In practice, the official nature of INEC is recognized by CG within its regulations. Although management positions within INEC are subject to replacement, professional independence is maintained. Professionalism in statistical production is evident from adherence to international methodologies and recommendations.

Although the CG law does not specify the term or hierarchical level of the head of INEC, his professional independence is maintained. For recruitment, work profiles are established for each area at INEC. There is a policy for the promotion of classification and reclassification of positions, and a performance evaluation system that provides for salary increases every two years. A culture of professionalism is fostered through continuous training in specific areas. A training committee evaluates and plans the training both nationally and internationally, in response to the needs of each administrative unit. This training plan includes material on balance of payment methodology

for suppliers and users. With the growing demand for information and the implementation and classification of new methodologies in recent years, the time devoted to research, and information analysis has been limited.

1.1.2 Choices of data sources and statistical techniques as well as decisions about dissemination are informed solely by statistical considerations

INEC staff is independent to choose data sources (for example, administrative records or surveys). The choice of source data is based on statistical considerations. Article 13 of Law 10 Section (8) mentions that the National Director of INEC will have among other functions "...Making decisions regarding the methods of data collection for statistical purposes, as well as for its compilation, dissemination means and deadlines for the disclosure of official statistics..."

There is no interference from other agencies in the choice of data sources and compilation methods. The selection is based on data quality, availability, opportunity, cost and data needs, guided by the objective of meeting international standards. Users are informed in advance about the dissemination calendar of the main aggregates through the Advance Release Calendar, which is also sent to the press. Within the limits of available resources, decisions about the timing, methods and other aspects of dissemination are based solely on statistical considerations without interference from other government agencies.

1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics

INEC seeks to avoid misinterpretation or misuse of statistics by providing explanatory materials and information sessions, press releases, and comments on the trends and behavior of the data. There is no formal policy or a well-established custom to deal with misinterpretations of data or misuse of statistics. However, when interpretation errors are detected, the authorities respond by clarifying or confirming the statistical results. The Directorate of Social Communication in the CG maintains a monitoring system to track news reports in the media (television and press).

1.2 Transparency

1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public

The CG through its Social Communication Directorate makes an active and continuous effort to inform the public about the terms and conditions under which it operates, including through press releases, meetings, and conferences. The names of the contact persons for each thematic field are published in the balance of payments publications. The transparency of the statistical data is guaranteed by the CG Law and in the objectives of the BOPS contained in Decree No. 49-2019. The data is published by electronic means, email and on the Internet. It is common that the terms and conditions under which statistical series are compiled and disseminated are presented during

seminars. Although it is widely known to the public that additional information about INEC and its products are available on demand, this information is not widely publicized.

1.2.2 Internal governmental access to statistics prior to their release is publicly identified

In previous years, the most senior authorities had prior access to information. Currently, information is delivered simultaneously to all users.

1.2.3 Products of statistical agencies/units are clearly identified as such

Statistical products are clearly identified with logos, letterheads and names. In the case of joint publications, all agencies clearly identify themselves with the logo of the institutions involved, including INEC. INEC requests that the source of the data be included when used by another entity.

1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques

Although only on exceptional occasions, the public is notified in advance (for example, articles in newsletters, reports or press releases) when significant changes in the methodology, sources and statistical techniques are introduced. In the case of balance of payments statistics, the bulletin has included "explanatory notes," which report changes in the methodology and in certain technical aspects. A notice was also provided on changes in the methodology for recording transactions in the free zone and bank transactions, among others. No metadata corresponding to revisions is published.

1.3 Ethical Standards

1.3.1 Guidelines for staff behavior are in place and are well known to the staff

The Uniform Code of Ethics of Public Servants of December 15, 2004 applies to the central government and, therefore, to the CG and INEC. The Code of Ethics of the CG was published in 2010. Each employee receives a copy of the Code of Ethics and Internal Regulations, which are strictly enforced. The staff periodically is reminded of the standards, usually through memoranda and work meetings. Article 21 of the Uniform Code of Ethics, which refers to the independence of criteria, establishes that public servants should not be involved in situations, activities or interests that are incompatible with their functions or that imply a conflict of interest. They must refrain from any conduct that may affect their independence of judgment in the performance of their duties.

There are clear guidelines that make the connection between ethics and staff work. For example, Article 28 of the Code of Ethics mentions that public servants should not use for their own benefit or that of third parties or for purposes that are not official, any information they may have knowledge of by reason or in the course of the year of his duties, and that is not intended for the general public. Nor can they use for their own benefit or that of third parties any information that may convey an undue advantage, lead to violation of legal provisions or generate discrimination of any

kind. Ethics is one of the Ten Commandments the CG that are widely publicized. New and current staff are regularly reminded of the importance of observance of ethics to achieve institutional excellence.

4. Serviceability

4.1 Periodicity and Timeliness

4.1.1 *Periodicity follows dissemination standards*

The periodicity of the balance of payments statistics meets the SDDS requirements. Quarterly and annual data are compiled and disseminated for the balance of payments and international investment position statistics.

4.1.2 *Timeliness follows dissemination standards*

Quarterly balance of payments statistics are disseminated within one quarter after the reference period, meeting the SDDS requirements. Annual balance of payments statistics are disseminated three months after the end of the reference period.

4.2 Consistency

4.2.1 *Statistics are consistent within the dataset*

The concepts, definitions and classifications to produce quarterly and annual statistics are the same. Annual statistics are the sum of the quarterly statistics, and the annual data is assigned to the quarterly data using the appropriate methods. While stable over the long-term, errors and omissions are high when compared with other emerging economies with high GDP growth. Financial flows are reconciled with changes in the international investment position, but the high errors and omissions suggest the need to explore measurement gaps in the current and capital and financial accounts. Each year, the bulletin publishes a table with information on the initial position, the transactions, other changes and the final position.³

4.2.2 *Statistics are consistent or reconcilable over a reasonable period of time*

The data is consistent within the data set and for a reasonable period of time. Financial transactions are reconciled with changes in the international investment position. The statistics are reconcilable with other statistical sectors, although there are no explanatory notes that address the discrepancies. When changes are made to the source data, methodology or techniques, historical series are reconstructed as far back as reasonably possible. However, the revisions carried out in the historical series are not explained, as there is also no clear and published data review policy. However, when

³ https://www.inec.gob.pa/publicaciones/Default2.aspx?ID_CATEGORIA=4&ID_SUBCATEGORIA=24.

BOPS began compiling balance of payments statistics in accordance with BPM5 and the series was back casted for the period since 1990, complete information for users was prepared and published.

Currently, the detailed methodological notes that accompany the quarterly data identify and explain the main interruptions and discontinuities in the time series of the balance of payments, their causes and the adjustments made to maintain consistency over time. Explanations about unusual trends are provided in the analytical part of the publications but are not included as a component in the publicly available database. For the period starting in 2015, two published tables show the compilation of external statistics under the standards recommended by *BPM6* and *BPM5*.

4.2.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks

Balance of payments data on trade in goods are not reconciled with international merchandise trade data, although balance of payments statistics are largely consistent with national account statistics, basically due to recommended adjustments in BP manuals on customs statistics records. Banking sector transactions in balance of payments statistics are largely consistent with monetary and financial statistics. The external public debt data prepared by the MEF are used as a source to compile the balance of payments and external debt statistics prepared by INEC, which ensures consistency with GFS.

4.3 Revision Policy and Practice

4.3.1 Revisions and/or updates follow a regular and transparent schedule

The review cycle is predetermined and reasonably stable from year to year. However, it is not disclosed to the public, nor is the cause of the reviews explained. However, as soon as the revisions are made, the public is notified in print and on the INEC website. Comments each time the balance of payments is disseminated, either as preliminary or revised data have ceased to be made public through a press release. BOPS should resume issuing the publication of press releases at the time of dissemination and mark the data as preliminary or revised.

4.3.2 Preliminary and/or revised/updated data are clearly identified

At the time of data dissemination, users are informed when the data is preliminary. The information is printed with a reference mark (P) indicating that the data is preliminary. Similarly, when revisions are made, a reference mark (R) is placed on the tables, indicating that the data has been revised.

4.3.3 Studies and analyses of revisions are made public

There are no formal studies or analysis of the revisions, thus no documentation is published.

5. Accessibility

5.1 Data Accessibility

5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts)

The balance of payments statistics are disseminated according to the standard components both in the presentation of *BPM5* and *BPM6* and with time series. The BOPS disseminates the balance of payments in accordance with standard and analytical presentations following the recommendations of *BPM5* and *BPM6*.

Additional series are disseminated to meet a variety of user needs with various levels of detail, particularly commercial data, although only in *BPM5* format. The graphs and tables in the quarterly and annual bulletins facilitate the analysis. Comments on the developments of the current period are always included.

5.1.2 Dissemination media and formats are adequate

The INEC Statistical Information Center is responsible for disseminating the balance of payments statistics, which it provides to the press and the media through a press release. The data is disseminated on the CG/INEC website with the required timeliness as specified in the statistics dissemination calendar provided at the beginning of the year and available at:

<https://www.inec.gob.pa/calendario/Default.aspx>.

The same data are published in the quarterly and annual bulletins. Recent data can be consulted for free through electronic formats. As part of the e-GDDS, Balance of Payments information is published on the IMF's National Summary Data Page (NSDP), incorporated into the INEC website in September 2018.

5.1.3 Statistics are released on a preannounced schedule

A schedule prepared by the INEC and provided to the press announces in advance the dates on which the statistics will be published. In addition, this is published on the CG website in the first week of January. Statistics are published promptly according to the previously announced calendar.

5.1.4 Statistics are made available to all users at the same time

External sector statistics data are disclosed simultaneously to all users interested in the date and /or time specified in the previously announced schedule, and the press does not receive prior information. The public is informed about the statistics that are published and the channel through which they are published. There is no prior access to balance of payments data by the government

or any other party that does not participate in the collection, verification and dissemination of the data.

5.1.5 *Statistics not routinely disseminated are made available upon request*

In addition to the published balance of payments statistics, specialized non-confidential tabulations can be provided free of charge. However, the availability of unpublished statistics is not publicized. Users are informed of the relevant contact information.

5.2 Metadata Accessibility

5.2.1 *Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated*

In annual publications such as INEC's "Avance en Cifras" the Balance of Payments presents a complete section on sources and methods which is updated periodically. Metadata includes information on concepts, definitions, classifications, data sources, compilation methods, statistical techniques and other relevant methodological aspects and procedures. However, this section should be updated on a continuous basis. INEC does not disseminate balance of payments metadata on its website. The e-GDDS metadata is reviewed and updated periodically on the IMF's National Summary Data Page (NSDP), linked to the INEC website.

5.2.2 *Levels of detail are adapted to the needs of the intended audience*

According to user requests, the data is processed to meet their needs. Only non-confidential data is provided upon request and with authorization from the Directorate. A complete document on sources and methods are prepared to inform analysts and other users of statistics on the methods and techniques for compiling the balance of payments. These brief documents on ESS are updated periodically on INEC's website.

5.3 Assistance to Users

5.3.1 *Contact points are publicized*

Fast and well-informed service and support are available for statistics users. Data inquiries are handled through the INEC Statistical Information Center. The Department of Information and Dissemination also promotes statistical culture as contemplated in Law 10 (Articles 68-74), providing broader accessibility of data to users. User assistance is monitored and reviewed periodically through the Integrated Correspondence System (SICO) of the CG. In addition, internal regulations stipulate that answers to inquiries should be handled within seven business days.

5.3.2 Publications, documents, and other services, including information on any charges, are widely available

INEC provides a list of balance of payments publications, documents, and other services, with annual updates. A list of publications is available on its website. The prices of the statistical products and services are clearly disclosed, and assistance is provided for placing orders. Catalogs of publications, documents, and other services are available, and updated regularly. The Publications Section determines the prices of hard-copy publications. Some are distributed free of charge.

Table 5. Data Quality Assessment Framework (May 2012 version)—Summary of Results for Balance of Payments Statistics							
<i>(Compiling Agency: Comptroller General of the Republic of Panama)</i>							
Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria							
Element	NA	Assessment				Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	LNO	NO		
0. Prerequisites of quality							
0.1 Legal and institutional environment			X			No clear mandate in the Statistical Law to compile external sector statistics. Limited number of interinstitutional arrangements to compile ESS.	The legal framework endorses the collection of data to support the solution of economic problems. Follow up in specific cases such as with the Ministry of Foreign Affairs.
0.2 Resources				X		Qualification are adequate and staff motivation seems high. Significant stress in the compilation and dissemination process due to inadequate funding to produce ESS. Training on new methodology to BOPS staff is overdue.	Expand budgetary resources aimed at BOPS. Foster training of BOPS staff in Regional Training Centers, international organizations, and at IMF HQ.
0.3 Relevance		X					
0.4 Other quality management			X			The process to focus on quality is not formalized, although it is one of the main objectives of INEC, as confirmed in its Strategic Plans. There is little monitoring of intersectoral consistency. INEC evaluates work programs to identify deficiencies and to determine actions to improve data quality.	Consideration should be given to implement a formal program to ensure data quality. Aim at limiting the size of revisions to the balance of payments statistics by implementing plans to improve the quality of source data.
1. Assurances of integrity							
1.1 Institutional Integrity		X					
1.2 Transparency		X					
1.3 Ethical standards		X					

**Table 5. Data Quality Assessment Framework (May 2012 version)—Summary of Results for Balance of Payments Statistics
(concluded)**

4. Serviceability						
4.1 Periodicity and timeliness		X				
4.2 Consistency			X		Statistics are consistent within the ESS dataset, although discrepancies are not explained. INEC publishes a reconciliation table between balance of payments transactions and positions.	Reconcile ESS with corresponding measures from other statistical domains and document and explain the differences.
4.3 Revision policy and practice			X		The review cycle is predetermined and reasonable stable from year to year, although it is not publicized, nor is the cause of the revision explained.	Implement a communication strategy to explain revisions to ESS series.
5. Accessibility						
5.1 Data accessibility			X		Data are published in BPM6 and BPM5 presentations.	Move towards a single presentation of ESS using BPM6, including analytic tables.
5.2 Metadata accessibility		X				
5.3 Assistance to users		X				

Appendix I. Current Practices Compared to the Special Data Dissemination System Requirements

The mission met with the National Institute of Statistics and Censuses (INEC), Ministry of Economy and Finance (MEF), Superintendency of the Banks of Panama (SBP), and Office of the Comptroller General (CG). It worked closely with the officials to review the compilation and dissemination practices for SDDS data categories and assessed their readiness to subscribe to the SDDS. This note reflects the mission's consultations with the authorities and information obtained during previous STA missions.

Panama meets most SDDS coverage requirements, except in government finance and external sector statistics. INEC does not produce the Data Template on International Reserves and Foreign Currency Liabilities (Reserve Template) and the classification of official reserve assets should be improved to meet the SDDS requirements. In the absence of a Central Bank, a state-owned bank, the National Bank of Panama (NBP), is the government's fiscal agent and performs some of the functions of a monetary authority.

On coverage, the following actions are needed to meet the SDDS requirements:

- **Restart the compilation of government finance statistics and expand the data to include financing;**
 - **Compile the Reserves Template *with* monthly periodicity and timeliness of one month after the reference period (see central bank survey below);**
 - **Align the recording of reserve assets to the methodology of the *Sixth Edition of the Balance of Payments and International Investment Position Manual, (BPM6)*.**
- SDDS requirement: Data should cover foreign currency reserve assets, gold, the reserve position in the IMF, SDRs, and other reserve assets. Data need to be disseminated on a monthly basis within one week after the reference period (see central bank survey below).
-
- Current practice: The total amount of assets classified as official reserve assets held at the NBP may not be fully under the control of the monetary authorities. The NBP reports total liquid external assets with limited knowledge on whether these assets could be used to address a balance of payments financing need. In addition, the government has not performed a comprehensive analysis of the liquidity of its external assets.
-
- Follow-up action needed: The Ministry of Economy and Finance to agree with the NBP on what constitutes official reserve assets, broadly following the definition in the methodology of the *Sixth Edition of the Balance of Payments and International Investment Position Manual, (BPM6)*.
- Subsequently,** Panama's Reserves Template can be prepared in line with the *International Reserves*

and Foreign Currency Liquidity: Guidelines for a Data Template. There are several gaps in timeliness and periodicity, as noted in Table 1.

The following actions are needed to meet SDDS requirements for periodicity and timeliness:

Production index— Improve timeliness from 55 days to six weeks.

Labor market— Improve periodicity from semi-annual to quarterly

Central government operations— Restart compilation and improve periodicity from one quarter to one month; improve timeliness from 45 days to one month.

General government operations—Restart compilation and disseminate annual data within two quarters.

Deposit corporations survey—Improve timeliness from two months to one month.

Central bank survey—As, the “central bank survey” is constructed from the balance sheet of the NBP which is not a central bank and does not conduct monetary policy it is agreed that the timeliness of this data category does not need to meet the SDDS timeliness requirement.

However, this issue needs to be revisited together with the need to compile the *Data Template on International Reserves and Foreign Currency Liquidity* and *Official reserve assets*.

Interest Rates—Improve periodicity from monthly to daily; improve timeliness from 50 days to one day.

Stock Market—Improve periodicity from monthly to daily; improve timeliness from one month to one day.

Official reserve assets—Improve timeliness from one month to one week.

External Debt—Improve timeliness from two quarters to one quarter.

If these issues are addressed the authorities could be in a position to subscribe to the SDDS—making use of the available periodicity and timeliness flexibility options where needed. IMF staff are available to assist the authorities.

Appendix Table 1. Practices Compared to the SDDS Coverage, Periodicity, and Timeliness of Data						
SDDS Data Category	Coverage (meets SDDS requirement)	Periodicity		Timeliness		Comments
		SDDS	Panama	SDDS	Panama	
Real Sector						
National accounts	Yes	Q	Q	Q	75 days	
Production index/indices	Yes	M	M	6W (1M encouraged)	55 days	
Employment	Yes	Q	SA	Q	Q	
Unemployment	Yes	Q	SA	Q	Q	
Wages/earnings	Yes	Q	SA	Q	Q	
Consumer price index	Yes	M	M	M	15 days	
Producer price index	Yes	M	Q	M	M	
Fiscal Sector						
General government operations	No	A		2Q		See text above
Central government operations	No	M		M		See text above
Central government debt	Yes	Q	M	Q	M	
Financial Sector						
Depository Corporations survey	Yes	M	M	M	2 M	
Central bank survey						See text above
Interest rates		D	M	...	50 days	
Stock market: share price index	Yes	D	M	...	M	
External Sector						
Balance of Payments	Yes	Q	Q	Q	Q	
Official reserve assets Reserves template		M	M	1 W	Q+	See text above
Merchandise trade	Yes	M	M	8W (4-6W encouraged)	6-7 W	
International Investment Position	Yes	Q	Q	3Q (1Q encouraged)	Q	

Appendix Table 1. Practices Compared to the SDDS Coverage, Periodicity, and Timeliness of Data (concluded)						
SDDS Data Category	Coverage (meets SDDS requirement)	Periodicity		Timeliness		Comments
		SDDS	Panama	SDDS	Panama	
External debt	Yes	Q	Q	Q	2 Q	
Exchange rates	Yes	D	M	...	M	
Addendum: Population	Yes	A	A	...	A	

Note: Periodicity and timeliness: (D) daily or days; (W) weekly or with a lag of no more than one week from the reference data or the closing of the reference week; (M) monthly or with a lag of no more than one month; (Q) quarterly or with a lag of no more than one quarter; (A) annually; and (...) not applicable. *Italics indicate encouraged categories.*

Appendix II. Data Quality Assessment Framework—Generic Framework (May 2012 Framework)

Quality Dimensions	Elements	Indicators
<p>0. Prerequisites of quality</p>	<p>0.1 Legal and institutional environment—<i>The environment is supportive of statistics</i></p> <p>0.2 Resources—<i>Resources are commensurate with needs of statistical programs.</i></p> <p>0.3 Relevance—<i>Statistics cover relevant information on the subject field.</i></p> <p>0.4 Other quality management—<i>Quality is a cornerstone of statistical work.</i></p>	<p>0.1.1 The responsibility for collecting, processing, and disseminating the statistics is clearly specified.</p> <p>0.1.2 Data sharing and coordination among data-producing agencies are adequate.</p> <p>0.1.3 Individual reporters' data are to be kept confidential and used for statistical purposes only.</p> <p>0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response.</p> <p>0.2.1 Staff, facilities, computing resources, and financing are commensurate with statistical programs.</p> <p>0.2.2 Measures to ensure efficient use of resources are implemented.</p> <p>0.3.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored.</p> <p>0.4.1 Processes are in place to focus on quality.</p> <p>0.4.2 Processes are in place to monitor the quality of the statistical program.</p> <p>0.4.3 Processes are in place to deal with quality considerations in planning the statistical program.</p>
<p>1. Assurances of integrity</p> <p><i>The principle of objectivity in the collection, processing, and dissemination of statistics is firmly adhered to.</i></p>	<p>1.1 Institutional Integrity—<i>policies and practices are guided by professional principles.</i></p> <p>1.2 Transparency—<i>Statistical policies and practices are transparent.</i></p> <p>1.3 Ethical standards—<i>Policies and practices are guided by ethical standards.</i></p>	<p>1.1.1 Statistics are produced on an impartial basis.</p> <p>1.1.2 Choices of sources and statistical techniques as well as decisions about dissemination are informed solely by statistical considerations.</p> <p>1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics.</p> <p>1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public.</p> <p>1.2.2 Internal governmental access to statistics prior to their release is publicly identified.</p> <p>1.2.3 Products of statistical agencies/units are clearly identified as such.</p> <p>1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques.</p> <p>1.3.1 Guidelines for staff behavior are in place and are well known to the staff.</p>
<p>2. Methodological soundness</p> <p><i>The methodological basis for the statistics follows internationally</i></p>	<p>2.1 Concepts and definitions—<i>Concepts and definitions used are in accord with internationally accepted statistical frameworks.</i></p> <p>2.2 Scope—<i>The scope is in accord with internationally</i></p>	<p>2.1.1 The overall structure in terms of concepts and definitions follow internationally accepted standards, guidelines, or good practices.</p> <p>2.2.1 The scope is broadly consistent with internationally accepted standards, guidelines, or</p>

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<p><i>accepted standards, guidelines, or good practices.</i></p>	<p><i>accepted standards, guidelines, or good practices.</i></p> <p>2.3 Classification/sectorization—<i>Classification and sectorization systems are in accord with internationally accepted standards, guidelines, or good practices.</i></p> <p>2.4 Basis for recording—<i>Flows and stocks are valued and recorded according to internationally accepted standards, guidelines, or good practices</i></p>	<p>good practices.</p> <p>2.3.1 Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices.</p> <p>2.4.1 Market prices are used to value flows and stocks.</p> <p>2.4.2 Recording is done on an accrual basis.</p> <p>2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices.</p>
<p>3. Accuracy and reliability</p> <p><i>Source data and statistical techniques are sound and statistical outputs sufficiently portray reality</i></p>	<p>3.1 Source data – <i>Source data available provide an adequate basis to compile statistics.</i></p> <p>3.2 Assessment of source data—<i>Source data are regularly assessed.</i></p> <p>3.3 Statistical techniques—<i>Statistical techniques employed conform to sound statistical procedures</i></p> <p>3.4 Assessment and validation of intermediate data and statistical outputs—<i>Intermediate results and statistical outputs are regularly assessed and validated.</i></p> <p>3.5 Revision studies—<i>Revisions, as a gauge of reliability, are tracked and mined for the information they may provide.</i></p>	<p>3.1.1 Source data are obtained from comprehensive data collection programs that take into account country-specific conditions.</p> <p>3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required.</p> <p>3.1.3 Source data are timely.</p> <p>3.2.1 Source data—including censuses, sample surveys, and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide statistical processes.</p> <p>3.3.1 Data compilation employs sound statistical techniques to deal with data sources.</p> <p>3.3.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques.</p> <p>3.4.1 Intermediate results are validated against other information where applicable.</p> <p>3.4.2 Statistical discrepancies in intermediate data are assessed and investigated.</p> <p>3.4.3 Statistical discrepancies and other potential indicators or problems in statistical outputs are investigated.</p> <p>3.5.1 Studies and analyses of revisions are carried out routinely and used internally to inform statistical processes (see also 4.3.3).</p>
<p>4. Serviceability</p> <p><i>Statistics, with adequate periodicity and timeliness, are consistent and follow a predictable revisions policy.</i></p>	<p>4.1 Periodicity and timeliness— <i>Periodicity and timeliness follow internationally accepted dissemination standards.</i></p> <p>4.2 Consistency— <i>Statistics are consistent within the dataset, over time, and with major datasets.</i></p>	<p>4.1.1 Periodicity follows dissemination standards.</p> <p>4.1.2 Timeliness follows dissemination standards.</p> <p>4.2.1 Statistics are consistent within the dataset.</p> <p>4.2.2 Statistics are consistent or reconcilable over a reasonable period of time.</p> <p>4.2.3 Statistics are consistent or reconcilable with</p>

Quality Dimensions	Elements	Indicators
		those obtained through other data sources and/or statistical frameworks.
	4.3 Revision policy and practice — <i>Data revisions follow a regular and publicized procedure.</i>	4.3.1 Revisions follow a regular and transparent schedule. 4.3.2 Preliminary and/or revised data are clearly identified. 4.3.3 Studies and analyses of revisions are made public (see also 3.5.1).
5. Accessibility <i>Data and metadata are easily available and assistance to users is adequate.</i>	<p>5.1 Data accessibility—<i>Statistics are presented in a clear and understandable manner, forms of dissemination are adequate, and statistics are made available on an impartial basis.</i></p> <p>5.2 Metadata accessibility—<i>Up-to-date and pertinent metadata are made available.</i></p> <p>5.3 Assistance to users—<i>Prompt and knowledgeable support service is available.</i></p>	5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts). 5.1.2 Dissemination media and format are adequate. 5.1.3 Statistics are released on a preannounced schedule. 5.1.4 Statistics are made available to all users at the same time. 5.1.5 Statistics not routinely disseminated are made available upon request. 5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques are available, and differences from internationally accepted standards, guidelines, or good practices are annotated. 5.2.2 Levels of detail are adapted to the needs of the intended audience. 5.3.1 Contact points for each subject field are publicized. 5.3.2 Catalogs of publications, documents, and other services, including information on any charges, are widely available.

Appendix III. Users' Survey

1. With the assistance of INEC, the mission conducted an informal survey of users to ascertain their views on selected aspects of the quality of Panama's macroeconomic statistics. The survey used a questionnaire developed by IMF staff. The survey was targeted to users of macroeconomic statistics. Questionnaires were sent to sixty-nine users. Twenty responses were received from a broad range of users, including, the private sector, government agencies, international agencies, market, and consulting companies. As a complement to the survey, and the mission's own assessment of macroeconomic statistics, two meetings with key users of Panama's economic data were organized by the INEC.

2. About 90 percent of survey respondents indicated that they made regular use of national accounts, price, and monetary and financial statistics. Regular use of government finance, monetary, and balance of payments statistics was indicated by around sixty five percent of respondents. Analysis of trends for longer-term policy formulation was given by seventy five percent of respondents as their purpose in the use of official statistics. A higher proportion of intended use was given to economic research (90 percent). Analysis of general economic background was the least cited purpose (50 percent).

3. Methodological soundness, accuracy, and reliability of Panama's macroeconomic statistics were viewed in general as satisfactory. Most respondents were broadly satisfied with coverage and detail, standing out CPI and BOP. Panama's statistics were regarded as comparable or higher quality than those disseminated by neighboring countries by in average 29 percent of respondents. On a five-point scale (1 = poor and 5 = excellent), the average rating for the overall quality of official statistics across was a little bit less than 30 percent in all sectors for the highest scale. A large percentage of respondents believed that official statistics could be disseminated with a periodicity and timeliness better suited to their needs. Some respondents mentioned that consistency among statistical sectors could be improved.

4. Users were satisfied with access to statistics, making about equal use of official websites (85 percent), and e-mail correspondence (75 percent). They expressed some concern about having to contact several departments or units in the INEC, based on their respective areas of specializations, to inquire about statistics. They indicated a need for better adherence to calendars for the release and revision of data, with a particular need for improvement in revision policy for fiscal statistics. Despite these shortcomings, they credited statistical agencies, especially INEC and the Superintendence of Banks, with providing additional breakdowns and explaining revisions on request. Overall, users viewed statistics agencies as professional and helpful in providing data.

Meetings with Users

5. To complement the users' views of official statistics in Panama, the mission met with two groups of key users of macroeconomic statistics represented by economist from the public and private sector, consultants, as well as with main organizations of the private sector in Panama. Overall, users views were consistent with the findings of the survey and the main areas for improvement identified by users were in line with the findings of the IMF staff. A common denominator in all the meetings was the need to improve the timelines of statistics. Users in private industry would like to see more detailed sectoral breakdowns, as this would provide more useful

information for business and investment. In meetings, users expressed specific concerns about the consistent timelines lags in the publication of National Accounts.

Appendix Box 1. Comments by Users of Macroeconomic Statistics

It is important for INEC to conduct continuous consultation with users to address their needs. Reactivate the operation of the group that conforms the National Statistics System. Greater geographic detail especially in Excel format would be useful. INEC staff are committed to its mandate. Enhance your work mystique and promote the introduction of initiatives to modernize and provide information with greater timeliness.

- In countries within the region, such as Chile or Colombia, the periodicity of the information is much better and access to databases is more expeditious. For example, the database on household surveys. On the other hand, relevant publications to analyze the economy such as unemployment, are calculated twice a year and data are not comparable because it comes from surveys with different sample. In the countries mentioned above, a quarterly measurement of unemployment is prepared. In addition, the information provided by these countries on national accounts is much more extensive.
- In national accounts, the frequency with which the data are uploaded could be improved. Including more information and giving continuity to the series would be useful, since there are cases in which calculations of some variable are made for specific years and no follow-up is possible.
- The national accounts at the regional level could be published more quickly, since at the moment, they are published with a lag of almost a year, making it difficult to analyze the situation in other provinces; Provincial estimates should contain the same or at least as many variables as the aggregated data.
- The splicing of national accounts on a 2007 base year basis was not carried out from that year backwards, that is, from 2006 backwards, the base of INEC calculations is at 1996 prices, so it is opportune to perform the splicing.
- Unemployment data could be published quarterly, as in countries in the region. In addition, it would be very convenient for researchers to have access to the database of the survey of households with less bureaucracy, for example, being able to download it directly from INEC's website.
- There are publications such as on Public Finance, which have lagged data up to two years, despite the fact that other sources (for example the MEF) have already published it. It is appropriate to update the components of the CPI, since the maximum ten-year base criteria is long overdue in line with general recommendations of multilateral organizations.
- The monthly economic indicators have an approximate lag of three months, making timely economic analysis difficult. That gap could be narrowed.
- In terms of consumption, there are not many indicators, only the collection of proxy variables, and car sales. It is urgent to have retail data.
- Non-financial business survey statistics are not regularly updated. The latest data currently on INEC's website is from 2016.
- The statistical entities do a great job with the few resources they have. There is room for improvement, the statistics should fulfill their mission.
- Import and export statistics should be delivered in a shortest period of time to make this information more useful. It should be highlighted that the lag has been shortened.

Appendix Box 1. Comments by Users of Macroeconomic Statistics

(concluded)

- More detail is needed on the services sector in the national accounts. Producer prices for manufactured goods should be published. The GDP by expenditure and by income should be published on a more timely basis. The publication "Panama in Figures" is two years behind.
- INEC should publish timely updates, inform about base year changes, and disclose all data at the same time. We require new statistics, new indicators, for example in retail and wholesale trade. Historical series of various data have been removed, making it difficult to search for information and to make comparisons.
- INEC must publish monthly information on the production of grains, rice and corn.
- It is important to note that we have been using statistics for 19 years, so we have seen our statistics grow and improve. The continuity of the provincial data is very valuable, so the implementation of the provincial GDP was very important. On the web, the section on comparisons should be improved in the Foreign Trade Statistics Consultation System, since it does not allow the visualization of all the available tables. Colón Free Zone information should also be available on the web. I congratulate INEC because it always complies with the publication and dissemination of information to users.
- Include in the new census information related to sports and culture, for example: How many coliseums are there in Panama: stadiums, courts, gymnasiums, sports arena and others. How many athletes are there in Panama: professional, amateur, federated, Olympic, others? How many types of sports are practiced in Panama and which are the most popular? Establish what is the potential for sports. How many centers or cultural sites exist in Panama: Theaters, concert venues, parks, etc. How many: artists, musicians, cultural promoters. What are the preferred activities of Panamanians: musical concerts, opera, carnivals, live performances, etc. Identify what is the demand for culture.