

Doing Business in Panama | Panamanian Social and Business Culture

A Panamanian Culture Overview

Fact File

- **Official name** – Republic of Panama
- **Population** – 3,360,474*
- **Official Languages** – Spanish
- **Currency** – Panama Balboa (PUB)
- **Capital city** – Panama City
- **GDP** – Purchasing power parity \$38.83 billion**
- **GDP Per Capita** – Purchasing power parity \$11,700**



Overview

Panama is located on the Isthmus of Panama, a narrow stretch of terrain between the Caribbean Sea and the Pacific Ocean. Between 1538 and 1821, Panama was part of the Spanish Empire until the Latin American wars of independence which were waged across the region. Panama is perhaps best known for the Panama Canal, an achievement of mankind which linked the West to the East, and took months off travelling time from Europe to Asia. With American funding, the canal opened in 1914 and is set to be expanded in the next decade. It is essential to understand Panamanian culture and society prior to doing business in Panama.

Panamanian Culture - Key Concepts and Values

Religion – Over 85% of the population is Roman Catholic and there is a strong adherence to religion. This also includes folk beliefs which are mixed with Catholic dogma to form a unique take on western religion.

Families - Family ties and relationships are very important in Panama. Family commitments will often overtake those of the individual.

Intercontinental Mix – Due to Panama's geographic location between North America and Latin America and its history of American interventions, Panamanians tend to be influenced by a mix of both cultures. This creates a complex societal mix which must be considered before doing business in Panama.

Doing Business in Panama

Panama has a diversified economy based on banking, commerce, tourism and trading. The Panama Canal plays a major role in the trade and global influx in and out of the country. Over the past five years, Panama has experienced growth and expansion in its economy, only slowing due to the global economic crisis. Doing business successfully with counterparts in Panama requires a comprehensive understanding of Panama's social and business culture.

Panama Business Part 1 - Working in Panama (Pre-departure)

- **Working practices in Panama**
 - Most businesses in Panama operate from 8.00 to 17.00 or 18.00. Banks are typically open from 8.00-13.30.
 - Panamanians are flexible with regards to time, so business meetings or social events might begin late. Punctuality is usually respected in the context of dealing with foreigners.
 - It's always best to reconfirm meetings a few days beforehand as things can change at the last minute.
 - Whilst a large majority of Panamanians speak English fluently, translating documents and presentation materials into Spanish will show respect and understanding.
- **Structure and hierarchy in Panamanian companies**
 - Hierarchy and titles remain very important to Panamanians. You must remember to show respect and use the appropriate titles when meeting colleagues and clients in Panama.
 - Education is valued in Panama. Foreigners are often valued for their international expertise so don't be afraid to share your credentials at some stage.
 - The number of women working in Panama is steadily increasing, however the number of women in managerial positions remains at a constant low.
- **Working relationships in Panama**
 - Panamanians can sometimes be reluctant to say 'no' so be patient and willing to work to reach an honest and genuine answer.
 - In Panama there is no clear line between professional and personal relationships. Be prepared to mix both worlds when working with your counterparts in Panama.

Panama Business Part 2 - Doing Business in Panama

- **Business practices in Panama**
 - Shaking hands is a common greeting when meeting your counterparts and colleagues in Panama.
 - In a business context, you should always be ready to present your business card. Your business card should be printed in English on one side and Spanish on the other.
 - Businesswomen should always include their colleagues' partners in invitations for business dinners.
 - A conservative style should be used when dressing for business meetings. Suits for men and dresses or skirts and blouses for women are most typical.

Panamanian Business Etiquette (Do's and Don'ts)

- ✓ DO begin conversations with small talk. Talk about sports, hobbies etc.
- ✓ DO make eye contact in conversation. It shows interest in the subject and creates an atmosphere of trust.
- ✓ DO remember to use titles when talking to your Panamanian colleagues.
- ✗ DON'T give gifts when entertaining work colleagues and counterparts.
- ✗ DON'T point your index finger as this considered rude and vulgar. Use your full hand to indicate.
- ✗ DON'T be too loud or wild when conversing with Panamanians. Allow them take the lead.

Panama Culture Quiz - True or False

1. Panamanian culture and society has been partly affected by the Americans.
2. You should always bring gifts on business dinners and events.
3. A lot of Panamanians speak English.
4. Titles are unimportant in Panamanian society so using first names is more prominent.
5. You should mention political events to show you are up-to-date with local events.

Panama Culture Quiz - Answers

1. True. The U.S has been a big influence on Panamanian culture.
2. False. You should always avoid bring gifts to business dinners.
3. True. English-language ability is high in Panama, with many Panamanians speaking English as well as Spanish.
4. False. Titles should always be used. Only use first names once a strong and lasting relationship has been forged.
5. False. Avoid conversation taboos such as politics. Small talk should be based around hobbies, baseball and soccer etc.

Author: Richard Ferguson, MA Translation and Interpreting Studies

* Source: CIA World Factbook 2009

** Source: CIA World Factbook 2008

Contact Details

Communicaid
Mitre House
12-14 Mitre Street
London
EC3A 5BU

Tel: +44 (0)203 370 8500

Fax: +44 (0)203 370 8501

E: info@communicaid.com

W: www.communicaid.com