

Friday, March 27, 2020

Issuance of Sovereign Bonds will contribute to an adequate performance of the financial sector

The Superintendency of Banks of Panama (SBP) recognizes the work done by the fiscal team behind the successful issuance of sovereign bonds for the amount of USD 2.5 billion, expiring on 2056, accomplished under the current unprecedented circumstances the country is experiencing, to face the crisis triggered by Covid-19.

This timely initiative of the National Government was demanded three times more than the offered amount. Despite lesser expectations of global growth and commercial stress, the issuance received a great reception, which shows the trust in macroeconomic and fiscal management policies presented by the Cortizo administration and all of his economic team, led by Dr. Hector Alexander.

With this transaction, Panama actively participates in the Latin American sovereign debt market in the long part of the curve, with the successful 35-year issue, being the first Latin American country to place these instruments since the outbreak of the coronavirus pandemic.

Additionally, we see in a positive light the approval of the use of the Panama Savings Fund as a guarantee to obtain funds under the current context.

We have witnessed the work the country's economic team has been doing to mitigate the economic and financial impact of Covid-19, since the team's top priority is to guarantee availability of funds to ensure the health of Panamanians.

These measures will help the adequate performance of the financial system as a guarantee of potential market liquidity needs to ensure that the payment system continues working, without shocks and improving the conditions for loans to continue going smoothly.

We acknowledge, once again, the work done by the National Government, for its high degree of commitment and the support we so badly need during this global pandemic that is affecting the Panamanian society.