

IMF and World Bank raise Panama's 2026 growth forecasts

When	No date given
Where	Panama
Source	casasolution
Published	2026-10-08 09:00-05:00
Discovered	2026-10-08 09:00-05:00
Link	https://casasolution.com/imf-raises-panamas-2026-growth-forecast-to-5-and-the-world-bank-to-4-2-double-the-regional-average/

Summary

After an October 7 mission, the IMF lifted Panama's 2026 growth forecast to about 5% and the World Bank to 4.2%, roughly double the Latin American average, while flagging risks around Canal water supply, the Cobre Panama mine and port contracts.

Details (summary of the article)

Casa Solution reports that on 7 October 2026 the International Monetary Fund closed a two-week mission in Panama and raised its growth forecast for the year to roughly 5%, up from 3.8%; the World Bank the same day moved its estimate from 3.9% to 4.2%. The upgrades follow INEC figures showing GDP up 5.5% in the first half of 2026 and 6.4% in the second quarter, against a regional forecast of only 2.2% for Latin America and the Caribbean. Both lenders credit Panama Canal transits, logistics, commerce, tourism, air connectivity and financial services for the strength. The IMF noted the public-sector deficit fell to 3.7% of GDP in 2025, below the legal ceiling, and urged further tightening to 3% in 2027 and 1.5% by 2030, using extraordinary Canal income to pay down debt and protecting the investment-grade rating. It also called tax collection low, suggesting better administration and a wider ITBMS base, and described banks as well capitalized though regulators should watch construction, commercial real estate, preferential-interest housing loans and consumer credit. Risks named include drought affecting Canal operations (the Canal Authority has set aside \$82 million for the Río Indio reservoir in its 2027 budget), the pending Cobre Panama decision, unresolved port concessions, slow job and wage growth and rising informality. Forecasts for 2027-2028 sit around 4-5%.