

Panama Seeks to Seduce Movie Producers With Financial Incentives

The Central American country will provide financial reward for projects with investments above \$500,000



Lights, camera, action. Panama is seeking to attract film production companies with increased financial incentives. (Bloomberg/ Dhiraj Singh)

By **Mary Triny Zea**

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Panama City — Panama's film-production industry has been in decline since 1949, when the first homemade movie, 'Cuando muere la ilusión' was premiered at the now defunct Teatro Presidente cinema, while subsequent attempts to project the country's image onto the big screen were unsuccessful, above all due to a lack of government support.

But today, lights, cameras and actors could return to the Central American country following the introduction of greater incentives for film production companies proposed by the Panama Film Commission (CFP), part of the Ministry of Trade and Industry, that provide an investment rebate of 25% for foreign productions investing more than \$500,000 in productions on Panamanian soil.

Until now, a 15% rebate was paid to production investing at least \$3 million, following a 2012 proposal by a group of independent filmmakers that pushed for legislation for the industry.

Since 2020, the 25% economic return applies to productions carried out in the country and covers feature films, TV programs and series, commercials, music videos, corporate promotional films, documentaries, video game design and creation, and other forms of visual content creation.

All foreign production companies wishing to take advantage of the rebate must, through a local production company, hire a certified public accountant to conduct an audit of the financial affairs

CFP director Essie Mastellari said during the recent WAWA Business Forum 2022 that the CFP was created to promote and facilitate the development of the film industry in Panama, providing producers and directors with the necessary support and benefits to open up new opportunities for film production in the country.

In addition to the 25% return on investment, other benefits will be provided, such as facilitating the production process with a one-stop shop for customs, immigration and location permits.

Mastellari said that, in 2021, Panama's film industry captured investments totaling \$8.5 million, with production companies from the US, France, Russia, Norway, Spain, Germany, Mexico and Denmark creating content in the country, either television commercials, reports, reality shows or documentaries.

Actors such as Dwayne Johnson, Benicio del Toro, Daniel Craig and Mark Wahlberg, among others, have participated in productions in Panama, she said.