

Comforting thoughts

Derek Sambrook muses on notions of safety, past and present – and whether safe havens really exist



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In September, as the aeroplane landed and the tyres touched the tarmac at Tocumen International Airport, just outside Panama City, I thought about events which had taken place the previous week while I had been in Europe.

So often I had reflected on the relative safety of Latin America from the scourge of international terrorism, due in part to its disinclination to swim in the mainstream of world politics. But that previous week had seen earthquakes in Mexico, hurricanes in the Caribbean and President Trump's special brand of inflammatory rhetoric directed towards Cuba and Venezuela at the United Nations.

Comforting to think, I mused, that, as with terrorism, none of those events directly affected Panama where I live.

I had, coincidentally, recently written an article for the International Tax Planning Association mentioning the many nuances in the definition of a tax haven after the furore following the Panama Papers (featured in my column last month).



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In it I had argued that today, however, more people appear to be talking about safe havens, whether they are wealthy, comfortable or poor.

Such havens are far easier to define, simply offering sanctuary not just from international terrorism, but from the increasing international outbreaks of political instability and social conflict.

People wish to manage their lives, not just their wealth (if they have any), with as little stress as possible, with or without the advance of the robots, in their Franklinitan pursuit of happiness.

OF JUNTAS PAST

Certainly for most of the 1980s most of the citizens of Panama experienced very little happiness thanks to General Manuel Noriega, probably the last of the region's traditional military strongmen, who died in May of this year. Nicolás Maduro may be travelling towards tyranny, but he has never worn a uniform (unless, perhaps as a bus driver).

Notwithstanding President Trump's

threats of military action, we have probably reached the point to apply Napoleon Bonaparte's view: "Never interfere with an enemy when he's in the process of destroying himself". We must wait and see.

Panama and Chile could not be more geographically apart in the region, and yet they share common ground in other ways. Within a year of each other both Generals in their respective countries were removed from power, and since then both countries have been economically and politically transformed, undergoing a political metamorphosis.

But unlike Chile's Augusto Pinochet who was defeated by the vote of the people, Manuel Noriega was brought down by the United States of America which invaded Panama in 1989.

Both men, in fact, had attended the School of the Americas in Columbus, Georgia, a facility set up to train military personnel from countries that supported America's Latin American policy at the time.

General Noriega's downfall came when he betrayed the US interests he had once supported and also conspired with Colombia's cocaine cartels.

Relations today between Panama and the US are very good, even if some of President Trump's policies are testing Panama's natural regional loyalties. A suggestion that America might invade (a sensitive word in Panama) Venezuela has angered many Latin Americans across the region, coupled with the fact that relations between Cuba and America are slowly eroding to the point that the US secretary of state has put "under review" the closing of his country's embassy in Cuba after a health scare which has affected some 21 American employees in the embassy in Havana.

The Cuban government is suspected of being behind the illness, but which it denies, that has caused headaches, dizziness and hearing loss. Then there are lingering doubts over a border wall with Mexico as well as the fate of the North American Free Trade Agreement in which Mexico is a key player.

CHINESE CONTRAST

It would not be the first time that the American flag has been lowered in Cuba for an indefinite time, but its symbolism in 2017 would not be lost on those who fought hard, along with former President Barack Obama, to illustrate that diplomacy works no matter how much bitterness exists between countries.

Diplomacy is certainly working in Panama and in September Chinese Foreign Minister Wong Yi visited the country when both China's flag and glasses were raised with the opening of the local embassy of the People's Republic of China.

Diplomatic relations had been established in June and Panama becomes the second Central American country to establish them with China after Costa Rica did in 2007.

A Chinese company is building a new deep-water port at an estimated

cost of \$1bn near the Panama Canal. The project will turn Margarita Island at the Caribbean mouth of the canal into the 13th-largest container port in the world and forms part of China's Belt and Road initiative which President Xi Jinping announced back in 2013 and which requires hundreds of billions of US dollars to be invested in infrastructure right across Eurasia and into South America.

Up to June this year Chinese groups had announced plans to buy or invest in nine overseas ports with a combined estimated outlay of just over \$20bn.

Nearer to home, the Chinese have ignored Charles de Gaulle's sardonic remark made about Brazil when the late French president visited Rio de Janeiro in the 1960s: "Brazil is not a serious country". They are taking the country seriously enough to invest heavily, despite Brazil's simmering political eruptions.

Nine of the 10 largest infrastructure deals in the region have been done there since 2013 and China Merchants Port Holdings, for example, has agreed to purchase 90% of TPC Participacoes which will give the Chinese company its first port-operating capabilities in Brazil.

Taking the region as a whole, Chinese companies have agreed nearly \$8bn in new infrastructure deals in Latin America since the beginning of this year.

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ANCIENT INSPIRATION

The Belt and Road project draws its inspiration from the ancient trade route between China and the West that not only carried goods, but ideas, between the two great civilisations

of Rome and China, such as Christianity and Buddhism.

Unfortunately, in the same way, diseases never experienced before by its victims were carried and decimated populations. Huge numbers of the indigenous peoples of South America suffered a similar fate due to diseases brought by the conquistadors after landing on its shores.

This ancient caravan route was known as the Silk Road with silk going to the West and gold, silver and wools coming from there. It started in China's Shaanxi Province and involved a 4,000-mile journey which followed the Great Wall of China to the Levant where the merchandise would be shipped across the Mediterranean Sea.

Not surprisingly, few traders travelled the entire route and middlemen were used. But as Rome gradually lost its Asian territory and Arabian power grew in the Levant, the journey proved to be a lot more perilous. It eventually lost its importance when new sea routes to Asia were discovered.

Today sea containers rather than camels are the vital purveyors of goods and underscore the importance of the Panama Canal.

In June when China's diplomatic ties with Panama were sealed, Panamanians celebrated the first anniversary of the expanded Canal's inauguration. Since the new locks opened, more than 2,000 giant Neopanamax vessels have passed through them. The China Council for the Promotion of International Trade, however, is watching the flow of finance, not just ships, and wants to promote Panama "as a regional headquarters for Chinese banks", recognising the country's relevance as the region's main banking centre.

As I write this, I am once again reminded about the subject of safe havens in the wake of the political chaos in Spain's Catalonia and the mindless massacre in October of people in Las Vegas in the American state of Nevada. An act of domestic terrorism in a city that is known as the gambling capital of the world and where the roll of the dice was momentarily replaced by the rattle of rapid rifle fire, but still chance chose the winners and the losers.

Nowhere is safe and it is a foolish man who says otherwise, but you can still hedge your bets, as more people are starting to do. Some places can even prove to be havens both for taxes and safety; but still, safety first and so being taxed, rather than shot to death – whoever aims the rifle – is surely a better outcome. ■