

# Panama adopts new minimum wage rates

Executive Decree No. 1 of January 10, 2024, established the new minimum wage rates by economic activity and regions that will be in effect in Panama as of January 16, 2024, for the next two years.

The minimum wage was set with a differentiated approach for different business sectors, reflected in the percentages of wage increases. For small companies, an increase of 4.5% has been set. Large companies will have a 6% increase. In the specific case of companies in the banana sector, there will be a special increase of 7%.

In addition to these adjustments, a salary increase was made for domestic workers, resulting in a monthly value of B/. 340.00 for Region 1 and B/. 315.00 in Region 2.

These changes have important implications for employers, making it essential that they anticipate and adjust their labor costs according to the specific percentage increases for each type of company.



At Alcogal, we are available to provide legal advice to ensure regulatory compliance in this new economic landscape. Adaptability and business prudence will be the key to success in this new Panamanian labor context.