



Paraguay

Market Overview

Paraguay has a rapidly growing open economy with a strong macroeconomic position and the potential for continued growth over the next decade. The country's debt-to-GDP ratio (18%) and inflation (4.2%) in 2014 were one of the lowest in the region. Paraguay's \$30.7 billion GDP in 2014 was comprised of the services sector (40%); agriculture, forestry, fishing and cattle ranching (24.8%); industries and mining (10.6%); and construction, water, and gas (5.4%). Standard & Poor's, Fitch, and Moody's all upgraded Paraguay's credit ratings in the last two years.

Thanks to a strong demand for U.S. products, including machinery, video games, perfumes and cosmetics, and vehicles, U.S. goods exports totaled \$2.1 billion.

Key Sectors

Agriculture, Maquila Assembly and Distribution Operations, River Engineering Services and Equipment, Vocational Training and Education, Civil Aviation, Construction Materials and Equipment, and Highways.

Upcoming 2016 Partner Post Paraguay Activities

Paraguay's International Tourism Fair (FITPAR), International Franchise Expo, National Restaurant Association Show, Fancy Food Show, and Farm Progress Show.

Relevant U.S. or Host Country Initiatives

In 2013, the Paraguayan Congress passed a law to promote Public-Private Partnerships (PPPs) in public infrastructure and implementing regulations were signed in 2014. In 2015, the Government of Paraguay implemented its first contracts under the new law, with more expected in 2016. Projected large infrastructure projects will require purchasing new or used heavy machinery, as well as engineering, project management consulting, and financial services.

Partner Projects

The Government of Paraguay encourages private foreign investment and has taken steps in recent years to improve the investment climate. Paraguayan law grants investors tax breaks, permits full repatriation of capital and profits, supports assembly plant operations, and guarantees national treatment for foreign investors. Paraguay's export and investment promotion bureau, REDIEX, prepares comprehensive information about business opportunities and a guide for investors. (<http://www.rediex.gov.py/guia-de-inversiones-inv20>).

- **The Export-Import Bank of the U.S. (Ex-Im)**

Exposure: \$17.1 million [FY14]

Sectors: Services (44.5%), Machinery (31%) and Aircraft (16.1%) [FY14]

- **Overseas Private Investment Corporation (OPIC)**

OPIC has committed more than \$250 million across 14 projects in Paraguay since 1983. OPIC's commitments include projects in microfinance, small, and medium enterprise (SME) finance, agriculture, and telecommunications sectors. OPIC's current portfolio and exposure in Paraguay is more than \$60 million in the financial services, agriculture, and consulting sectors.

