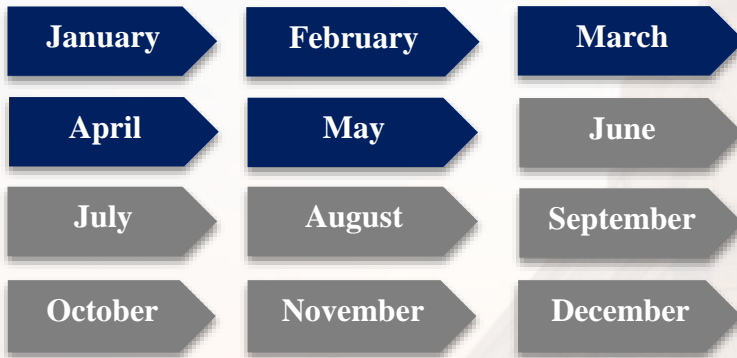


MACROECONOMIC OUTLOOK OF PARAGUAY 2024



MINISTRY OF ECONOMY AND FINANCE

Vice-ministry of Economy and Planning
General Directorate of Debt Policy
Investor Relations Office.



PARAGUÁI
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Vice-ministry of Economy and Planning
General Directorate of Debt Policy



January

Macroeconomic Outlook of Paraguay

World Economic Scenario.

According to the report on World Economic Perspectives of the World Bank, a 2.4% growth has been estimated by 2024, being this the third consecutive year of deceleration. “Projections show that monetary policies, restrictive credit conditions, the low trade level and the world investments have an impact on growth”. Among the main risks, we may emphasize: the recent conflict in the Middle East, financial strains, inflation persistence, world trade fragmentation and disasters related to the weather.

Regional Economic Scenario.

A 1.2% growth is foreseen for advanced economies in 2024, in line with the USA growth. A slight growth increase is foreseen for the Eurozone as the lower inflation fosters real salaries.

Growth in Emerging and Developing Economies (EMEDs) is expected to reach 3.9% between 2024 and 2025. For China, a growth deceleration is estimated. Excluding China, EMEDs growth is projected by 3.5% this year and a 3.8% increase in 2025. This reflects a trade recovery and an improvement of the domestic demand in various sizeable economies, as inflation keeps on decelerating.

Table 1: World Growth, annual variation

	2022	2023e	2024f
World	3.0	2.6	2.4
Advanced Economies	2.5	1.5	1.2
United States	1.9	2.5	1.6
Eurozone	3.4	0.4	0.7
(MEED)	3.7	4	3.9
China	3	5.2	4.5
Latin America and the Caribbean (ALC)	3.9	2.2	2.3
Brazil	2.9	3.1	1.5
Argentina	5	-2.5	2.7

Source: World Bank.



World Economic Outlook

ALC Economic Overview.

Latin America and the Caribbean have experienced a significant economic deceleration, having a 2.2% growth in 2023. This deceleration has taken place within a high inflation context, as well as restrictive monetary conditions, a world trade weakness and adverse weather phenomena. The region economy overview foresees a 2.3% growth for 2024.



Latin American and Caribbean highlights -- Spanish

Macroeconomic Overview in Paraguay.

The growth overview for the domestic economy has been placed among the most positive of the region for 2024.

According to projections of the Central Bank of Paraguay (BCP), the growth expectation of Paraguay is 3.8% for 2024, due to the expansion of the three economic sectors. This keeps on

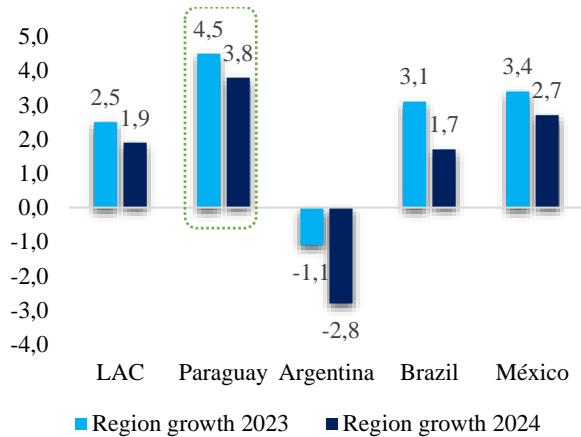


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being one of the most positive expectations among the region countries.

Chart 1: Growth in the region, percentage variation. 2023-2024.



Source: SITUFIN - Ministry of Economy and Finance

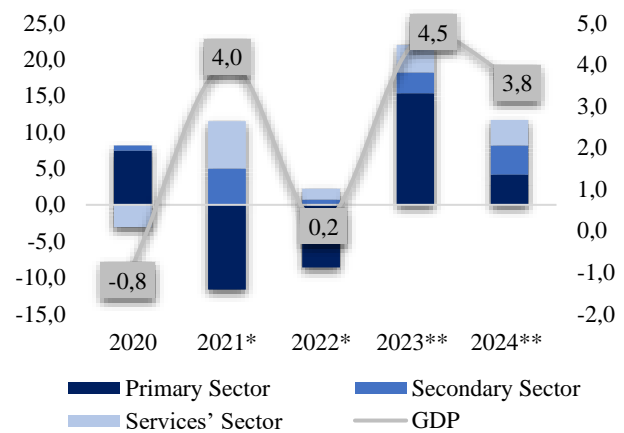
Concerning the **primary sector**, a 4.2% perspective is foreseen, especially explained by the positive expectations as to the weather, which would favor the agricultural production. On the other hand, a 1.6% growth is expected for livestock, in line with improvement projections in this sector, after the United States' market opening, as well as the recent uncertainty reduction as to the overseas demand.

Concerning the **secondary sector**, a 4.7% construction recovery is expected, mainly fostered by the private sector. The positive expected performance in construction and the primary sector, would also contribute in the manufacturing industry with an expected growth of 3.6%. Likewise, good expectations concerning the weather with the Niño phenomenon in the hydrological flow of the Parana River, foresee a good performance as to energy production.

For the **tertiary sector or services**, a 3.5% growth is expected, mainly explained by the positive dynamics of trade.

Concerning the expense, a domestic demand increase is projected, and supported by the private consumption growth of 3.6% and a 5.0% increase of gross fixed capital formation; on the other hand, exports and imports have increased by 3.0% and 2.8% respectively.

Chart 2: Growth by economic sectors. 2020-2024.



Source: Statistic Schedule of the Central Bank of Paraguay.



Central Bank of Paraguay

Public Debt

Debt levels and structures of the Total Public Sector.

The Law 1535/2000 on the “Financial Administration of the State”, in its Article N° 42, establishes that the public debt shall be classified in internal and external, direct and indirect. The direct public debt of the Central Administration is the one assumed as the main debtor; on the other hand, the indirect debt of the Central Administration is the one established by any natural or legal, public or private person, different from itself, but that has its corresponding guarantee or security, duly authorized by the law (state-owned companies, second-tier banks, etc.)

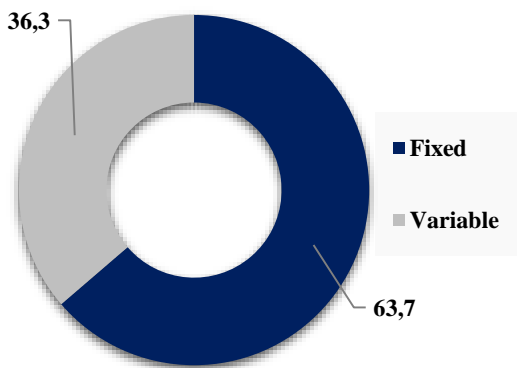


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As of January, a debt level of the Total Public Sector has been registered by 36.4% of the GDP, which is considered sustainable for the country's public finances and is one of the lowest debt levels in the region.

According to the **debt classification of the total public sector debt, per kind of rate as of January, 2024**, it has been observed that 63.7% is at a fixed rate and 36.3% at a variable rate.

Figure 1: Total Public Debt Balance per rate of interest.

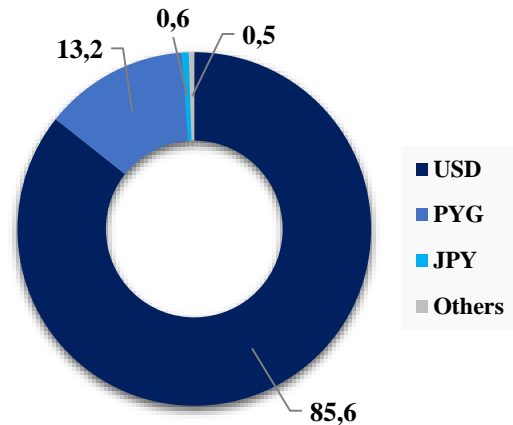


Source: Vice-ministry of Economy and Planning.

On the other hand, the public debt structure per currency as of January, keeps a greater proportion in USD (85.6%) together with PYG (13.2%), JPY (0.6%) and other currencies in (0.5%).

It is worth pointing out that, the greatest debt proportion in Dollars does not represent a risk for the country, because Paraguay perceives income in Dollars as annual royalties for usage of the hydraulic potential of the Parana River for the electric energy production, coming from the binational entities (Itaipu and Yacyreta).

Figure 2: Total Public Debt Balance per currency in percentage.



Source: Vice-ministry of Economy and Planning.



According to the Debt Maturity average.

Due to placements in international markets in longer terms than those of the domestic markets, the average deadline of the Central Administration (ATM) has been increased from 10.9 years (2017) to 11.37 years (2022). This allows a greater public debt maneuverability.

Table 2: Debt Average Maturity (Years*).

Central Administration			
Years	External Debt	Domestic Debt	Total Debt
2017	11,5	2,4	10,9
2018	12,7	3,4	12
2019	13,3	3,4	12,6
2020	14,9	4,8	14,3
2021	12,6	7,6	12,3
2022	11,58	7,12	11,37

* Does not include perpetual debt with the BCP

Source: Vice-ministry of Economy and Planning



Fiscal policy

Financial Situation as of January 2024

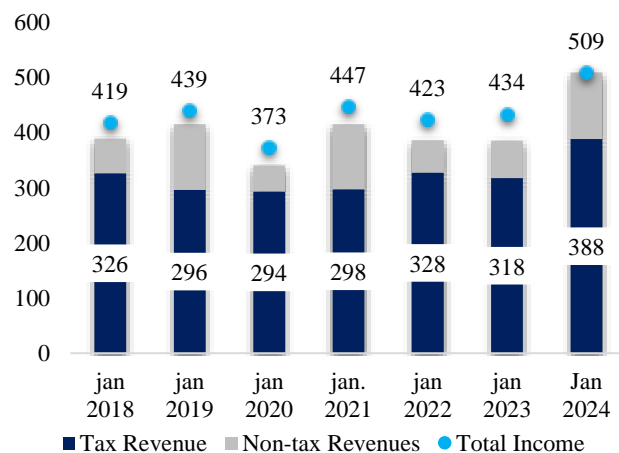
The annualized deficit was 3.46% of the GDP, showing a relative improvement concerning the closing of the fiscal year of 2023, having a deficit of 4.13%, as a consequence of a lower dynamics in the execution of expenses and in the investment registered as of the first month of 2024.

Income

As of 2024, total income registered an increase of 20.3%.

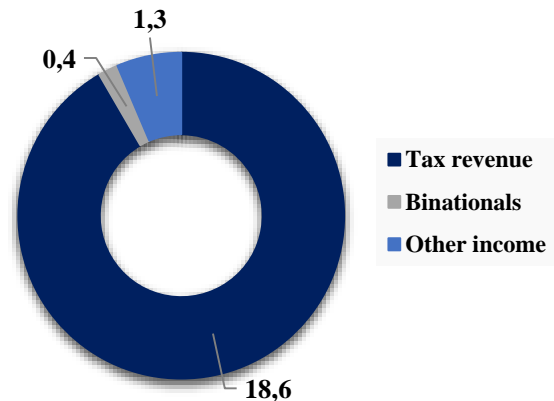
Total income as of the first year of the year, have reached USD 509 million, mainly explained by the good dynamics of tax revenues, being the tax collection emphasized by domestic and foreign taxes, represented by an 18.6% participation within the total income variation.

Chart 3: Income accrued as of January 2024, in million Dollars



Source: SITUFIN – Ministry of Economy and Finance

Chart 3: Income components in percentage.



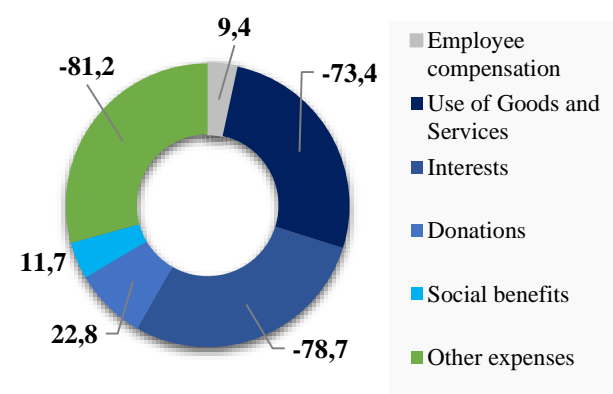
Source: SITUFIN– Ministry of Economy and Finance.

Public Expenditure

The total expense presented a 9.6% reduction as of the first month of the year.

As of January 2024, the total expense presented an inter-annual variation downwards of 9.6% due to a reduction as Payment of Interests and Use of Goods and Services.

Chart 4: Variation Arrangement of accrued expenses in percentage.



Source: SITUFIN– Ministry of Economy and Finance.

Public investment

National System of Public Investment SNIP.

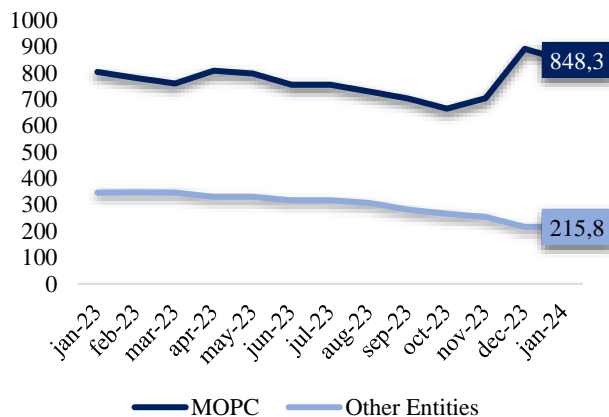
Is the set of standards and instruments aimed at arranging the Public Investment process in order to optimize the use of resources in financing more profitable investment projects from a socio-economic point of view. (PGN 2024)

Investment as of January, 2024.

Concerning the public investment as of the first month of the year, a level has been presented that is kept in line with the fiscal convergence path.

This consists of: USD 848.3 million, representing 1.87% of the GDP corresponding to the Ministry of Public Works and Communications; and; by USD 215.8 million, corresponding to other entities, equivalent to 0.47% of the GDP.

Chart 5: Accrued Investment, in million Dollars

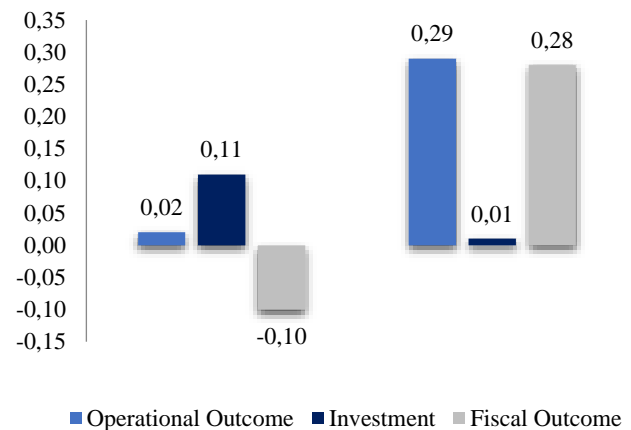


Source: SITUFIN – Ministry of Economy and Finance.

Fiscal indicators in GDP percentage, January 2024.

January has closed with an accrued fiscal outcome of USD 128.8 million representing 0.28% of the GDP. Likewise, it registered a positive operational outcome of USD 133.8 million that is equivalent to 0.29% of the GDP.

Chart 6: Fiscal Indicators in GDP percentage



Source: SITUFIN - Ministry of Economy and Finance.



Monetary Policy

The Central Bank of Paraguay leads the monetary policy under an inflation goal scheme. Since 2011, officially under this goal scheme, the main goal of the Monetary Policy according to the Law N° 6104 that modifies and widens the Organic Law N° 489/95 of the Central Bank of Paraguay (BCP), is to preserve and safeguard the value stability of the currency providing a face foreseeability framework for the Paraguayan economy, on which the economic agents may be based to make decisions concerning consumption and investment.

Inflation

International Context

Concerning the **United States** in inter-annual terms, the Consumer Price Index (CPI) presented a 3.1% increase; likewise, the monthly inflation measured by the CPI and the PPI stood at 0.3% as of January.

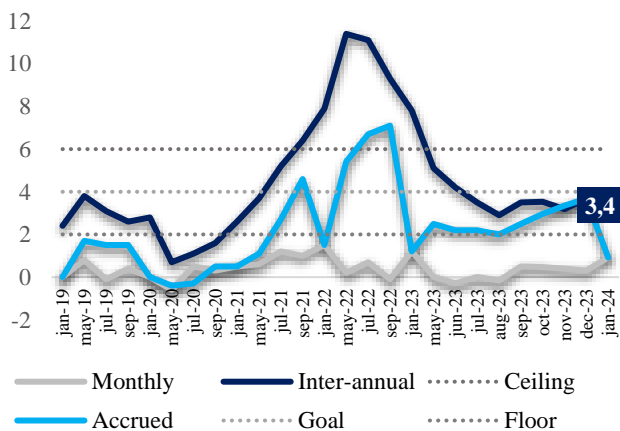
In the **Eurozone**, the inter-annual inflation has been 2.8% pursuant to what has been expected; however, lower than 2.9% of the previous month. The core inflation has also decelerated being from 3.4% to 3.3% in January.

Domestic Context

In Paraguay, the inflation goal, measured by the variation between the Consumer Price Index, is 4.0%, having a tolerance range of 2 points upwards and 2 points below the goal, which allows that the inflation fluctuate within the goal range, considering the Paraguayan economy exposure to external shocks given its features of a small and open economy.

As of January 2024, the inflation inter-annual variation has been 3.4%, whereas the accrued variation as of the first month of the year presents a 0.9% figure.

Chart 6: Inflation as of January 2024, in percentage.



Source: Central Bank of Paraguay

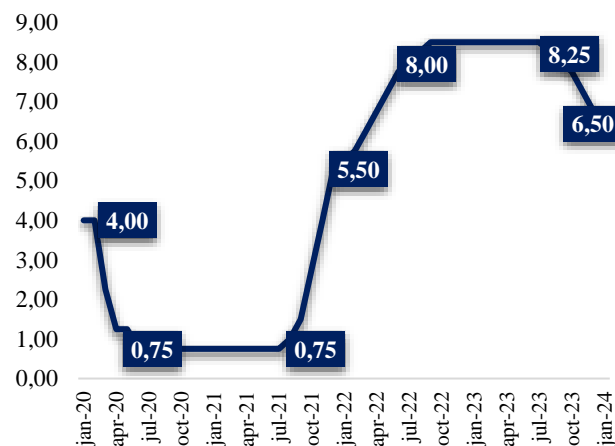
Rate of Interest of the Monetary Policy

This is a monetary policy instrument through which it is exercised influence in the liquidity and the rates of interest of the market that may affect part of the economic activity and has an impact on inflation.

Monetary Policy Rate (TPM) as of January 2024

The Monetary Policy Committee (CPM) has decided to reduce the Monetary Policy Rate (TPM) from 6.75% to 6.50%. Concerning this TPM, the Committee points out that, according to the last decisions, it is close to the neutral range.

Chart 7: Monetary Policy Rate (2020-2024)



Source: Central Bank of Paraguay



CPM's Minutes of Meetings

Net International Reserves

The Net International Reserves stock as of January 2024, has achieved a USD 9,941.71 million balance, consisting of USD 541.06 million corresponding to Gold; USD 8,881.53 million Dollars; USD 20.84 million in other

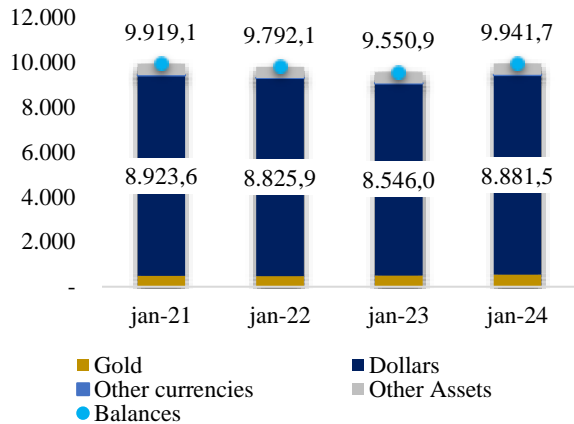


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currencies and USD 498.28 concerning other assets.

Chart 8: RIN composition, in USD million



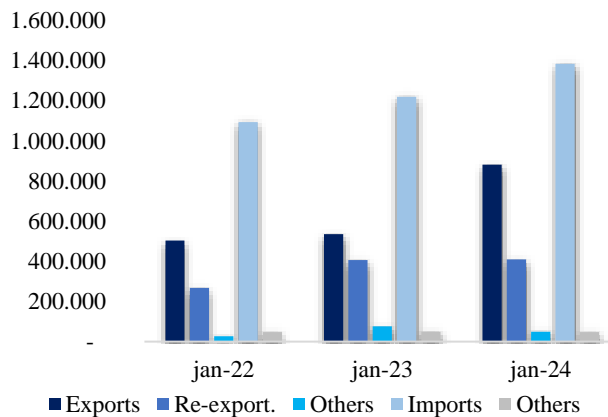
Source: Central Bank of Paraguay.

Balance of Trade

In January 2024, foreign trade figures (Exports plus Imports) represented USD 2,770,239 million.

Total exports as of January 2024, were USD 1,339,073 million. On the other hand, total imports as of January 2024, have been USD 1,431,166 million; finally, the balance of trade has been USD 92,093 million, in favor of imports.

Chart 9: Balance of Trade, in thousands of Dollars.



Source: Central Bank of Paraguay.



Credit Perspective of Paraguay

Sovereign rating history

Paraguay has managed to keep the country risk rating and the stable perspective with the credit rating agencies Fitch and Standard & Poor's (S&P), and even improving the stable perspective to positive with Moody's Investors Service (Moody's) in 2022. In view of context, it is worth pointing out that **Fitch Ratings considering its review in November 2023 increased the Country Ceiling of Paraguay to BBB- (investment grade) from BB+.**

Table 2: Sovereign Risk Ratings 2024.

Risk Rating Agency	Rate	Perspective	Last Review
S&P	BB	Stable	29-mar-2023
Moody's	Ba1	Positive	05-dec-2023
Fitch	BB+	Stable	01-nov-2023

Source: Vice-ministry of Economy and Planning.

Country Ceiling

The Country Ceiling increase implies that in Paraguay, private issuers may go to the international market and fulfill their respective obligations. This occurs because risks in exchange rate controls are mitigated with sound external liquidity, a floating exchange rate, sound policies and macroeconomic institutions and efforts to diversify the economy and attract Foreign Direct Investment.

On **December 5, 2023**, Moody's in its rating review report confirms Paraguay's rating at Ba1 with a positive outlook. The rating agency highlights aspects that influence the country's credit strength, among them the low burden of public debt supported by the history of compliance with goals established in the Fiscal Responsibility Law, it also highlights that Paraguay registers greater growth of the GDP in relation to its peers with the same rating, with a growing potential for economic growth and diversification of the economy.

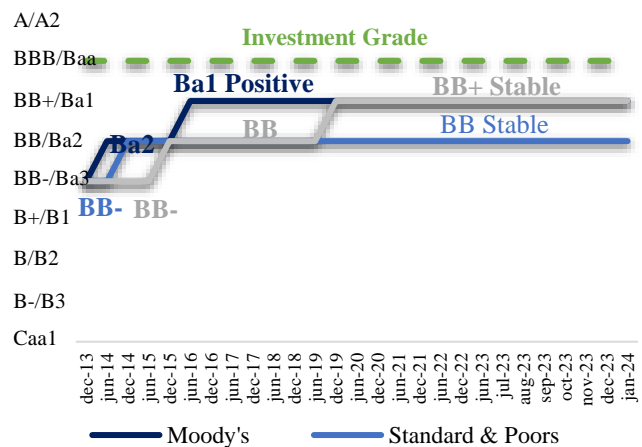
In addition, they highlight that tax administration and the boost in revenue collection have been improved in recent years and reforms have been proposed to the pension system and the Government's commitment to public investment in order to improve the country's road infrastructure.

The rating agency mentions that the positive outlook reflects a history of solid growth and prudent fiscal policy, reflected in the low debt burden comparable to Baa-rated sovereigns. In addition, it is worth mentioning that this implies progress towards the Investment Grade of the country's Sovereign Rating.

Likewise, in spite of the uncertainty worldwide, and in view of this context, many countries of the region have had variations in their risk ratings and perspectives respectively, being Paraguay one of the few countries which has not been affected concerning its risk rating.

Currently, Paraguay is at one step of the investment grade with Moody's and Fitch and at two steps with S&P.

Chart 7: Sovereign Risk Rating of Paraguay Period 2013 – 2024



Source: Vice-Ministry of Economy and Planning.




Other accesses of interest




Please click on the text to address to the Web Site

Monetary Policy Reports

 **National Accounts Report (Fiscal Quarters)** 

 **Statistic Schedule of the Economic Report**

 **Foreign Trade Report (Fiscal Quarters)**

 **Direct Investment**

 **Monetary Policy**

ODS

 **Sustainable Paraguay**

 **Sustainable Development Objectives (ODS)**

Ministry of Industry and Trade

 **MyPIMES**

 **Maquila**

 **Programs and Projects for S&MEs**

Environmental Actions

 **Legal Provisions on environmental policies and actions**

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▶▶ **Monthly Financial Management of
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Schedule

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Economic Indicators / 2020 – 2024					
	2020	2021	2022	2023(*)	2024(**)
Real Sector					
Population (million)	7,252.7	7,353.0	7,453.7	7,554.8	7,656.2
GDP (USD million)	36,145.8	40,284.1	42,093.1	43,389.2	45,536.9
GDP per capita (USD)	4,983.8	5,478.6	5,647.3	5,743.3	5,947.7
GDP (annual variation in %)	-0.8	4.0	0.2	4.5	3.8
Total Consumption (annual variation in %)	-2.2	5.5	1.6	3.6	3.0
Capital Investment (annual variation in %)	5.3	18.2	-1.8	-3.0	5.0
Unemployed Rate (open unemployment)	7.9	6.8	5.7	6.5	nd
Economy Structure					
In view of Supply (percentage change)					
Primary Sector	-3.1	7.4	-11.6	-8.6	15.3
Agriculture	-4.4	9.0	-18.2	-12.5	22.5
Livestock	1.2	4.4	6.2	-0.3	0.0
Others	-1.1	0.9	6.8	-0.7	7.3
Secondary Sector	-3.0	0.7	5.0	0.7	2.9
Industry	-1.1	-1.3	6.9	-0.1	2.3
Construction	2.5	10.5	12.8	-3.2	-5.7
Binationals	-11.5	-2.3	-7.6	7.8	13.8
Tertiary Sector	2.4	-3.1	6.5	1.5	3.8
General Government	4.3	6.4	-3.4	-0.7	4.5
Trade	-1.2	-8.1	14.3	3.4	5.2
Communications	4.6	6.1	4.5	-2.4	0.0
Other Services	3.0	-5.7	7.7	2.1	3.5
Taxes	-2.7	-5.1	9.0	1.1	4.0
In view of Demand (Thousands of USD)					
Total Investment	5,737.84	6,912.80	6,390.53	6,117.22	6,469.13
Total Consumption	22,548.42	24,240.20	23,181.73	23,711.20	24,603.67
Exports	9,844.63	10,236.77	9,536.16	12,335.46	12,796.61
Imports	8,630.26	10,710.55	11,037.34	12,231.79	12,664.43
Monetary and Financial Sector					
Rate of Exchange (PYG per USD, fdp)	6,944.0	6,815.5	7,238.7	7,335.2	7,283.0
Inflation (CPI, annual variation in %, Average, last 12 months)	2.8	2.6	7.9	7.8	3.4
Inter-banking rate of interest (% , fdp)	3.86	0.55	5.15	8.42	6.56
Monetary Aggregates (annual variation of M2 in %)	6.9	20.7	6.3	2.1	10.4
Dollarization Ratio (% of banking deposits in ME)	43.7	42.9	44.8	44.7	-
Banking sector credits granted to the private sector (% of GDP)	8.1	11.9	12.7	8.5	-
Real Salary (annual variation, %)	1.1	5.5	6.9	6.5	-

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External Sector					
(Thousands of USD)					
Exports	898,350.4	770,734.4	797,709.1	1,017,577.6	1,339,072.7
Inter-annual variation in %	-7.8	-14.2	3.5	27.6	31.6
Imports	1,050,337.4	804,339.0	1,141,360.7	1,268,807.4	1,431,165.9
Inter-annual variation in %	8.6	-23.4	41.9	11.2	12.8
Trade Balance	-151,987.1	-33,604.6	-343,651.7	-251,229.8	-92,093.2
% of GDP	-0.4	-0.1	-0.8	-0.6	-0.2
(Million of USD)					
Current Account	669.2	-347.4	-2,993.1	266.6	-
% of GDP	1.9	-0.9	-7.1	0.6	-
Capital and Financial Account	283.8	-299.5	-2,691.2	47.9	-
% of GDP	0.8	-0.7	-6.4	0.1	-
Direct Foreign Investment	7,909.4	8,345.1	8,664.9	8,975.1	-
% of GDP	21.9	20.7	20.6	20.7	-
International Reserves	8,068.5	9,919.1	9,792.1	9,550.9	9,941.7
% of GDP	22.3	24.6	23.3	22.0	21.8
Public Sector					
(% of GDP)					
Income	13.5	13.7	14.0	13.9	1.1
<i>Which: Taxation Income represents</i>	9.5	9.8	10.2	10.1	0.9
Expenses	19.7	17.3	17.0	18.0	0.8
<i>Which: Payment of interests represents</i>	1.1	1.1	1.2	1.7	0.0
Primary Outcome	-5.1	-2.5	-1.8	-2.5	0.3
Fiscal Outcome	-6.1	-3.6	-2.9	-4.1	0.3
Total Debt of the Public Sector	33.8	33.8	35.8	38.2	36.4
Deuda Externa Pública	29.0	29.3	31.7	32.9	31.5
% of the Total Public Debt	85.9	86.7	88.5	87.9	86.6
Domestic Public Debt	4.8	4.5	4.1	4.5	4.9
% of the Total Public Debt	14.1	13.3	11.5	12.1	13.4
Service of the Domestic Public Debt	1.6	1.6	1.8	3.0	0.0

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References:

Remarks and Sources: Chart prepared by the Directorate of Indebtedness Policy (DGPE, Ministry of Economy and Finance), including data of the Central Bank of Paraguay (BCP, Statistical Schedule as of March 12, 2024) and the Ministry of Economy and Finance.

1. The exchange rate corresponds to the one of the last working day of the year.
2. Income and Expenses as of January 2024 are preliminary.
3. These letters shall have the following meanings: M: month (i.e., M12: December); T: Quarter (i.e., T01: quarter 1); n/a: non-available, ME: Foreign Currency; fdp: end of period.
4. (*) means preliminary data subject to changes and (**) projections.
5. Data after 2012 are preliminary and they may be subject to reviews.
6. The Economy Structure includes data in Guaranies as of 2014. Historical data as well as projections correspond to the BCP.
7. Inflation as of January 2024 corresponds to the goal rate of inflation established by the BCP.
8. Other services include: transportation; financial intermediation; residential lease; services rendered to companies; hotels and restaurants and services rendered to households.
9. Binational mean currency income as energy cession of Paraguay to Argentina and Brazil, corresponding to the hydroelectric plants Yacyreta and Itaipu. The Real Sector and Economy Structure projections are figures prepared by the BCP.
10. Public Sector data are figures prepared by the Ministry of Finance. Since 2015, a migration has been performed to the methodology contemplated in the Manual on Statistics of the Public Finances 2001 (MEFP 2001)
11. Exports and imports as of 2024 correspond to January of the mentioned year. (2024, M1).
12. Exports include reexports and other exports. The inter-annual variation of exports/imports as of January 2024 (Jan 2024/Jan, 2023) obtains the accrued variation of exports/imports of the total exports and imports accrued of January 2024, concerning the same period of the year 2023.

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February

Macroeconomic Outlook of Paraguay

World Economic Scenario

World growth projections for 2024 are at 3.1% and for 2025 at 3.2% according to the “World Economic Outlook Update” of the International Monetary Fund (IMF). This result is attributed to China’s fiscal stimulus, as well as greater resilience in the United States, including emerging markets and developing economies.

Regional Economic Scenario

For advanced economies, a downward adjustment in growth is expected, going from 1.6% in 2023 to 1.5% in 2024, with a recovery of 1.8 in 2025. In the United States, growth would decline from 2.5% in 2023 to 2.1% in 2024. On the other hand, in the Eurozone, affected by the conflicts in Ukraine, a recovery is expected from 0.5% in 2023 to 0.9% in 2024.

China’s growth is adjusted by 0.4 percentage points for 2024 with respect to the October 2023 WEO report, thus remaining at 4.6% for 2024 and 4.1% for 2025.

▶▶ **World Economic Outlook (IMF)**

Table 1: Overview of World Economic Outlook projections

	2023	2024*	2025**
World	3,1	3,1	3,2
Advanced Economies	1,6	1,5	1,8
United States	2,5	2,1	1,7
Eurozone	0,5	0,9	1,7
MEED	4,1	4,1	4,2
China	5,2	4,6	4,1
Latin America and the Caribbean	2,5	1,9	2,5
Brazil	3,1	1,7	1,9
México	3,4	2,7	1,5

Source: International Monetary Fund

ALC Economic Outlook

Regarding Latin America and the Caribbean, a decrease in growth is projected from 2.5% in 2023 to 1.9% in 2024. This forecast is affected by Argentina’s negative growth in its economic policy adjustments, mainly with regard to the reestablishment of its macroeconomic stability.

For Brazil and Mexico, improvements of 0.2 and 0.6 percentage points respectively are projected, motivated by a boost in domestic demand and higher-than-expected growth in the main trading partners.

▶▶ **World Economic Outlook**

Growth outlook in Paraguay

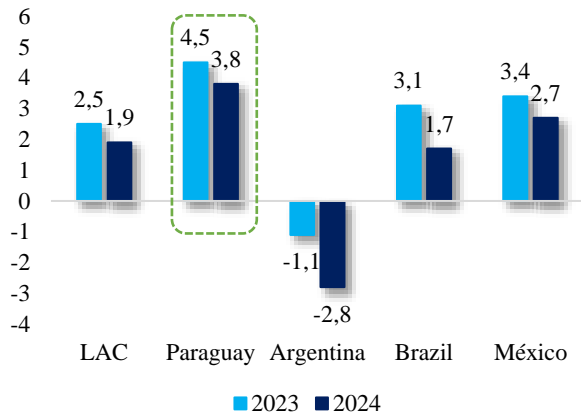
According to the GDP Growth Review prepared by the Central Bank of Paraguay (BCP), the growth projection for the year 2024 stood at 3.8%

◀ **Back to the start**

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driven by the growth of the three sectors within the economy.

Chart 1: Growth in the region, % variation 2023-2024.



Source: SITUFIN – Ministry of Economy and Finance

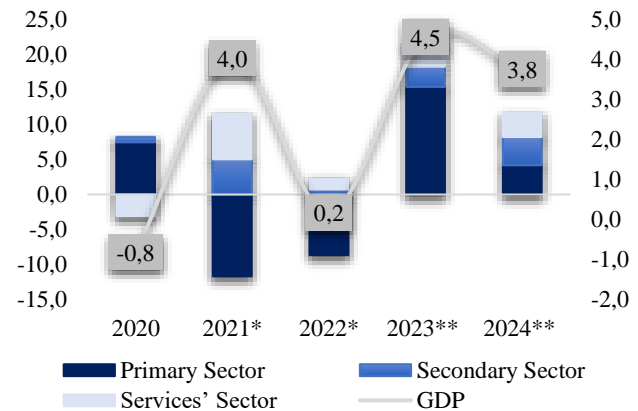
Concerning the **primary sector**, a 4.2% perspective is foreseen, especially explained by the positive expectations as to the weather, which would favor the agricultural production. On the other hand, a 1.6% growth is expected for livestock, in line with improvement projections in this sector, after the United States’ market opening, as well as the recent uncertainty reduction as to the overseas demand.

Concerning the **secondary sector**, a 4.7% construction recovery is expected, mainly fostered by the private sector. The positive expected performance in construction and the primary sector, would also contribute in the manufacturing industry with an expected growth of 3.6%. Likewise, good expectations concerning the weather with the Niño phenomenon in the hydrological flow of the Parana River, foresee a good performance as to energy production.

For the tertiary **sector or services**, a 3.5% growth is expected, mainly explained by the positive dynamics of trade.

Concerning the expense, a domestic demand increase is projected, and supported by the private consumption growth of 3.6% and a 5.0% increase of gross fixed capital formation; on the other hand, exports and imports have increased by 3.0% and 2.8% respectively.

Chart 2: Growth by economic sectors. 2020-2024.



Source: Statistic Schedule of the Central Bank of Paraguay



Public Debt

Debt levels and structures of the Total Public Sector

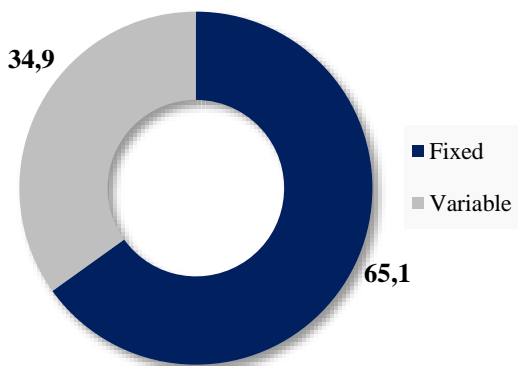
The Law 1535/2000 on the “Financial Administration of the State”, in its Article N° 42, establishes that the public debt shall be classified in internal and external, direct and indirect. The direct public debt of the Central Administration is the one assumed as the main debtor; on the other hand, the indirect debt of the Central Administration is the one established by any natural or legal, public or private person, different from itself, but that has its

corresponding guarantee or security, duly authorized by the law (state-owned companies, second-tier banks, etc.)

As of February, a debt level of the Total Public Sector has been registered by 38.3% of the GDP, which is considered sustainable for the country's public finances and is one of the lowest debt levels in the region.

According the debt classification of the total public sector debt, per kind of rate as of February, 2024, it has been observed that 65.1% is at a fixed rate and 34.9% at a variable rate.

Figure 1: Total Public Debt Balance per rate of interest.



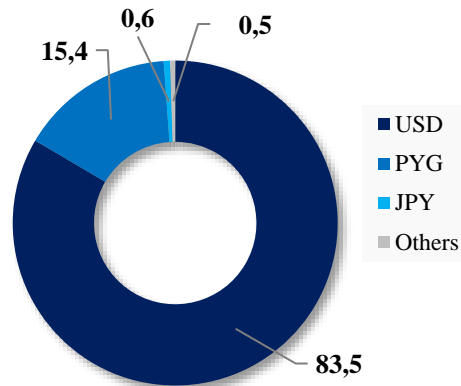
Source: Vice-ministry of Economy and Planning

On the other hand, the public debt structure per currency as of February, keeps a greater proportion in USD (83.5%) together with PYG (15.4%), JPY (0.6%) and other currencies in (0.5%).

It is worth pointing out that, the greatest debt proportion in Dollars does not represent a risk for the country, because Paraguay perceives income in Dollars as annual royalties for usage of the hydraulic potential of the Parana River for the

electric energy production, coming from the binational entities (Itaipu and Yacyreta).

Figure 2: Total Public Debt Balance per currency in percentage.



Source: Vice-ministry of Economy and Planning



According to the Debt Maturity average

Due to placements in international markets in longer terms than those of the domestic markets, the average deadline of the Central Administration (ATM) has been increased from 10.9 years (2017) to 11.37 years (2022). This allows a greater public debt maneuverability.

Table 2: Debt Average Maturity (Years*)

Years	Central Administration		
	External Debt	Domestic Debt	Total Debt
2017	11,5	2,4	10,9
2018	12,7	3,4	12
2019	13,3	3,4	12,6
2020	14,9	4,8	14,3
2021	12,6	7,6	12,3
2022	11,58	7,12	11,37

* Does not include perpetual debt with the BCP.

Source: Vice-ministry of Economy and Planning



Fiscal policy

Financial Situation as of February 2024

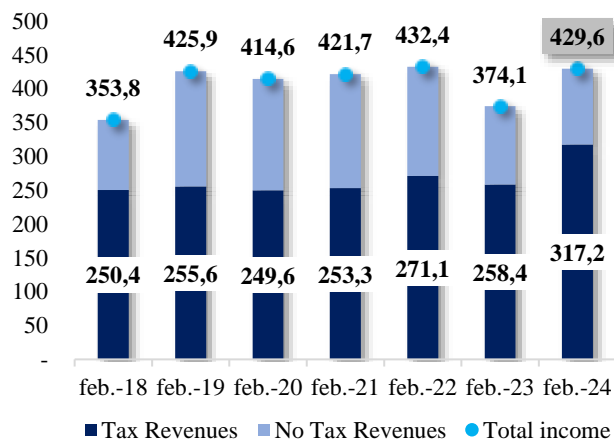
As of February, the accrued fiscal outcome was USD 17.6 million which represents 0.04% of the GDP. Likewise, a positive operational outcome of USD 38.7 million was registered, representing 0.08% of the GDP. In addition, the annualized deficit as of February was 3.34% of the GDP, showing a better outcome concerning the closing of 2023 of 4.1%.

Income

As of February 2024, total income increased by 17.1%.

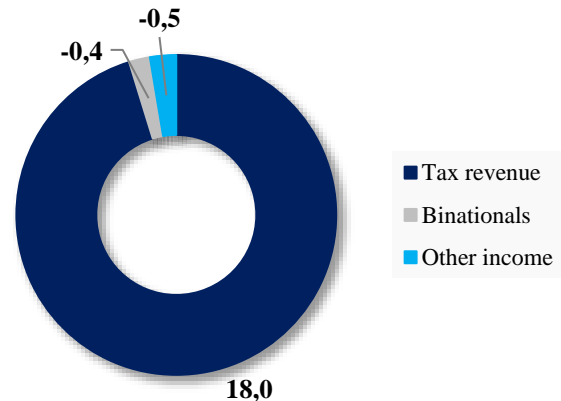
Total income as of the second month of the year, have reached USD 429.6 million. The income increase is mainly due to the positive evolution of tax revenues were presented a nominal variation of 25.3%.

Chart 3: Income accrued as of February 2024, in million Dollars.



Source: SITUFIN – Ministry of Economy and Finance.

Figure 3: Income components in percentage.



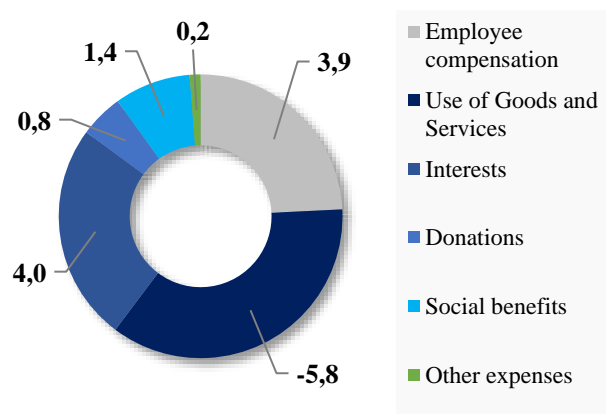
Source: SITUFIN – Ministry of Economy and Finance.

Public Expenditure

The total expense presented an accrued increase of 4.5%.

The outcome is mainly explained by the payment of interests and the increase in remunerations for the Ministry of Education and Culture (MEC), the Ministry of Public Health and Social Welfare (MSPBS) and the Law Enforcement Officers (FFPP). This increase was accompanied by a slowdown in primary current spending.

Chart 4: Variation Arrangement of accrued expenses in percentage.



Source: SITUFIN – Ministry of Economy and Finance.

Public Investment

National System of Public Investment SNIP.

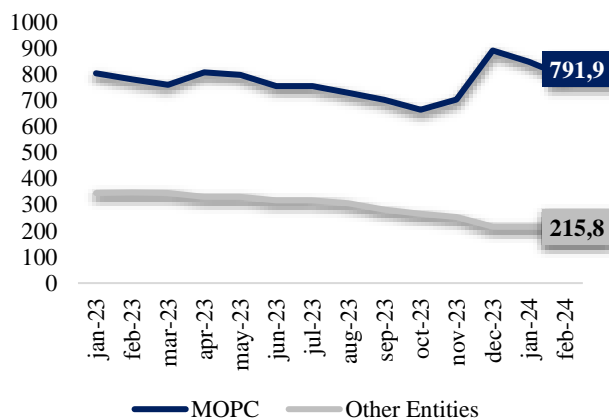
Is the set of standards and instruments aimed at arranging the Public Investment process in order to optimize the use of resources in financing more profitable investment projects from a socio-economic point of view. (PGN 2024)

Investment as of February, 2024

In the second month of the year, the level of public investment is in line with the path of fiscal convergence.

The investment as of February was: USD 1,007.2 million which consists of USD 791.9 million corresponding to the Ministry of Public Works and Communications and USD 215.3 million to other entities.

Chart 5: Accrued Investment, in million Dollars.



Source: SITUFIN – Ministry of Economy and Finance.



Monetary Policy

The Central Bank of Paraguay leads the monetary policy under an inflation goal scheme. Since 2011, officially under this goal scheme, the main goal of the Monetary Policy according to

the Law N° 6104 that modifies and widens the Organic Law N° 489/95 of the Central Bank of Paraguay (BCP), is to preserve and safeguard the value stability of the currency providing a face foreseeability framework for the Paraguayan economy, on which the economic agents may be based to make decisions concerning consumption and investment.

Inflation

International Context

In the **United States**, the monthly inflation rate as of February measured by the CPI was 0.4%, in line with expectations, but higher than what was observed in January, of 0.3%. Monthly inflation measured by the IPP was 0.6%, a result higher than the expected 0.3%.

In the **Eurozone**, inflation slowed down in February, although it was above the expected rate. The interannual inflation was 2.6% in February, slightly above the expected 2.5%, but lower than the month of January, which was 2.8% while core inflation slowed down from 3.3% to 3.1% in the same period.

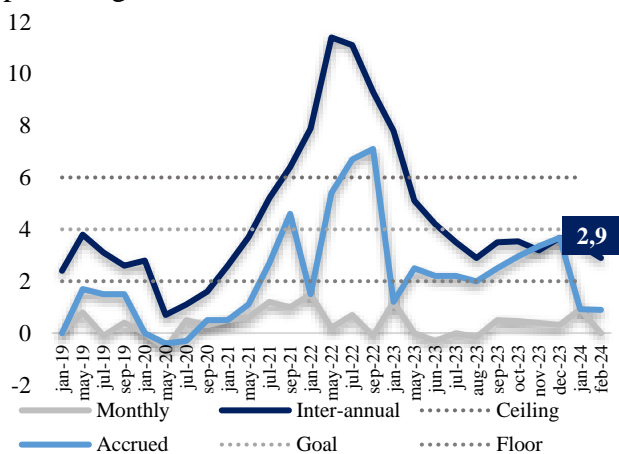
Domestic Context

In Paraguay, the inflation goal, measured by the variation between the Consumer Price Index, is 4.0%, having a tolerance range of 2 points upwards and 2 points below the goal, which allows that the inflation fluctuate within the goal range, considering the Paraguayan economy exposure to external shocks given its features of a small and open economy.

As of February 2024, the monthly inflation of the CPI was 0%, presenting price increases of services and a reversion of some volatile prices of the family shopping basket.

Interannual inflation stood at 2.9%, IPCSAE inflation was 0.4% monthly and 3.5% interannual.

Chart 6: Inflation as of February 2024, in percentage.



Source: Central Bank of Paraguay.

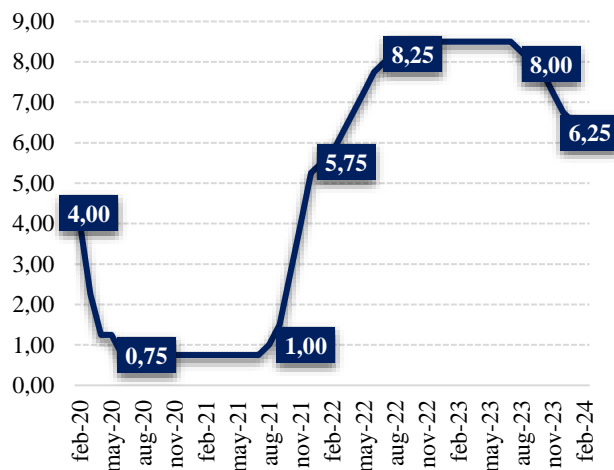
Rate of Interest of the Monetary Policy

This is a monetary policy instrument through which it is exercised influence in the liquidity and the rates of interest of the market that may affect part of the economic activity and has an impact on inflation.

Monetary Policy Rate (TPM) as of January 2024.

The Monetary Policy Committee (CPM) has decided to reduce the Monetary Policy Rate (TPM) by 25 percentage points from 6.50% to 6.25%.

Chart 7: Monetary Policy Rate (2020-2024)



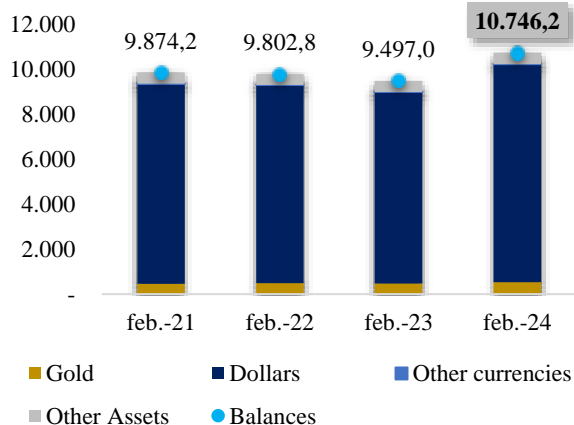
Source: Central Bank of Paraguay.

CPM's Minutes of Meetings

Net International Reserves

The Net International Reserves' stock as of February 2024, has achieved a USD 10,746.19 million balance, consisting of USD 539.87 million corresponding to Gold; USD 9,697.76 million in Dollars; USD 10.13 million in other currencies and USD 498.43 concerning other assets.

Chart 8: RIN composition, in million Dollars.



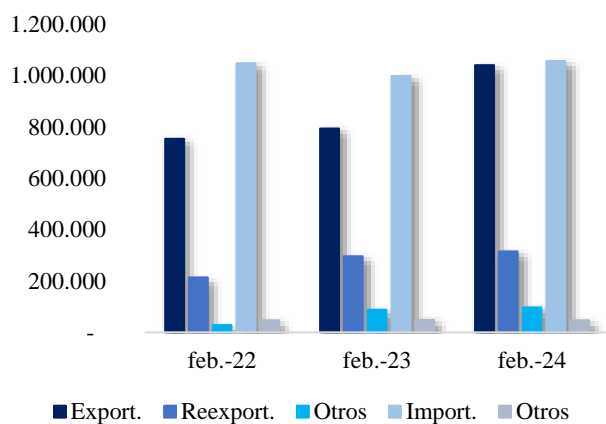
Source: Central Bank of Paraguay

Balance of Trade

In February, 2024, foreign trade figures (Exports plus Imports) represented USD 2,557.5 million.

Total exports as of February, 2024, were USD 1,453.3 million. On the other hand, total imports as of February, 2024, have been USD 1,104.3 million; and finally, the balance of trade has been USD 349.0 million, in favor of exports.

Chart 9: Balance of Trade, in thousands of Dollars.



Source: Central Bank of Paraguay



BCP Statistical Schedule

Credit Perspective of Paraguay

Sovereign Risk Rating Record

Paraguay has managed to keep the country risk rating and the perspectives with the credit rating agencies Fitch and Standard & Poor's (S&P). It is worth pointing out that Fitch Ratings in view of its review of November, 2023, increased Paraguay's Country Ceiling to BBB- (investment grade) from BB+.

Table 2: Sovereign Risk Ratings 2024.

Risk Rating Agency	Rate	Perspective	Last Review
S&P	BB+	Stable	01-feb-2024
Moody's	Ba1	Positive	05-dic-2023
Fitch	BB+	Stable	01-nov-2023

Source: Vice-ministry of Economy and Planning

The Country Ceiling increase implies that in Paraguay, private issuers may go to the international market and fulfill their respective obligations. This occurs because risks in exchange rate controls are mitigated with sound external liquidity, a floating exchange rate, sound policies and macroeconomic institutions and efforts to diversify the economy and attract Foreign Direct Investment.

In December 5, 2023, Moody's, in its rating review report confirms Paraguay's rating at Ba1 with a positive outlook. The risk rating agency highlights aspects that influence the country's credit strength, among them, the low burden of public debt supported by the compliance records of goals established in the Fiscal Responsibility Law. Likewise, it stands out that Paraguay registers a greater GDP growth in relation to its peers with the same rating, having a growing potential for economic growth and diversification of the economy. In addition, they highlight that tax administration and the boost in revenue collection have been improved in recent years and reforms have been proposed to the pension system and the Government's commitment to public investment in order to improve the country's road infrastructure.



Back to the start

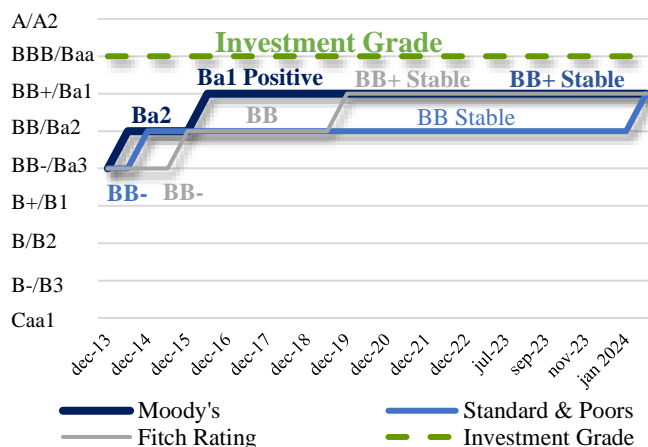
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The risk-rating agency mentions that the positive outlook is based on a solid growth record and a prudent fiscal policy, reflected in the low debt burden that has allowed Paraguay to be one of the few countries that has not seen its credit rating affected.

On February 1, 2024, Standard and Poor's, after 10 years, has decided to increase Paraguay's rating from BB to BB+, keeping the stable outlook. The report from the aforementioned risk rating agency emphasizes that the country's government institutions have gradually matured in recent years, with greater predictability and continuity in Economic Policies through changes in the administration; it emphasizes that the approval of the laws that create institutions such as the Directorate of National Tax Revenues, the Ministry of Economy and Finance, the Superintendency of Securities and the most recent, the Superintendency of Pensions are key to guaranteeing the efficient operation of institutions.

Currently, Paraguay is at one step of the investment grade with the three most important risk rating agencies; Moody's, Fitch Ratings and Standard and Poor's.

Chart 7: Sovereign Risk Rating of Paraguay
Period 2013 – 2024.



Source: Vice-Ministry of Economy and Planning.



Other accesses of interest




Please click on the text to address to the Web Site

Monetary Policy Reports




-  [National Accounts Report \(Fiscal Quarters\)](#) 
-  [Statistic Schedule of the Economic Report](#)
-  [Foreign Trade Report \(Fiscal Quarters\)](#)

-  [Direct Investment](#)
-  [Monetary Policy](#)

ODS

-  [Sustainable Paraguay](#)
-  [Sustainable Development Objectives \(ODS\)](#)

Ministry of Industry and Trade

-  [MyPIMES](#)
-  [Maquila](#)
-  [Programs and Projects for S&MEs](#)

Environmental Actions

-  [Legal Provisions on environmental policies and actions](#)

Ministry of Economy and Finance



Financial Agency of Development



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Schedule

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Economic Indicators / 2020 – 2024					
	2020	2021	2022	2023(*)	2024(**)
Real Sector					
Population (million)	7.252,7	7.353,0	7.453,7	7.554,8	7.656,2
GDP (USD million)	36.145,8	40.284,1	42.093,1	43.389,2	45.536,9
GDP per capita (USD)	4.983,8	5.478,6	5.647,3	5.743,3	5.947,7
GDP (annual variation in %)	-0,8	4,0	0,2	4,5	3,8
Total Consumption (annual variation in %)	-2,2	5,5	1,6	3,6	3,0
Capital Investment (annual variation in %)	5,3	18,2	-1,8	-3,0	5,0
Unemployed Rate (open unemployment)	7,9	6,8	5,7	6,5	nd
Economy Structure					
In view of Supply					
(percentage change)					
Primary Sector	7,4	-11,6	-8,6	15,3	4,2
Agriculture	9,0	-18,2	-12,5	22,5	4,9
Livestock	4,4	6,2	-0,3	0,0	1,6
Others	0,9	6,8	-0,7	7,3	4,2
Secondary Sector	0,7	5,0	0,7	2,9	4,0
Industry	-1,3	6,9	-0,1	2,3	3,6
Construction	10,5	12,8	-3,2	-5,7	4,7
Binationals	-2,3	-7,6	7,8	13,8	4,3
Tertiary Sector	-3,1	6,5	1,5	3,8	3,5
General Government	6,4	-3,4	-0,7	4,5	3,4
Trade	-8,1	14,3	3,4	5,2	3,4
Communications	6,1	4,5	-2,4	0,0	1,5
Other Services	-5,7	7,7	2,1	3,5	3,8
Taxes	-5,1	9,0	1,1	4,0	3,7
In view of Demand					
(Thousands of USD)					
Total Investment	5.737,8	6.912,8	6.390,5	6.117,2	6.467,3
Total Consumption	22.548,4	24.240,2	23.181,7	23.711,2	24.596,7
Exports	9.844,6	10.236,8	9.536,2	12.335,5	12.793,0
Imports	8.630,3	10.710,6	11.037,3	12.231,8	12.660,9
Monetary and Financial Sector					
Rate of Exchange (PYG per USD, fdp)	6.944,0	6.815,5	7.238,7	7.335,2	7.285,0
Inflation (CPI, annual variation in %, Average, last 12 months)	2,4	2,5	9,3	6,9	2,9
Inter-banking rate of interest (% , fdp)	3,79	0,47	5,46	8,56	6,25
Monetary Aggregates (annual variation of M2 in %)	5,6	21,0	5,7	2,7	10,4
Dollarization Ratio (% of banking deposits in ME)	43,9	42,3	45,2	45,3	44,8
Banking sector credits granted to the private sector (% of GDP)	8,0	10,5	14,5	8,5	12,5
Real Salary (annual variation, %)	1,1	5,5	6,9	6,5	-

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External Sector					
(Thousands of USD)					
Exports	1.033.060,5	844.843,8	996.848,4	1.179.868,7	1.453.278,8
Inter-annual variation in %	-3,3	-18,2	18,0	18,4	23,2
Imports	895.309,0	893.464,0	1.095.605,6	1.047.502,1	1.104.251,8
Inter-annual variation in %	-5,4	-0,2	22,6	-4,4	5,4
Trade Balance	137.751,5	-48.620,2	-98.757,2	132.366,7	349.027,0
% of GDP	0,4	-0,1	-0,2	0,3	0,8
(Million of USD)					
Current Account	669,2	-347,4	-2.993,1	266,6	-
% of GDP	1,9	-0,9	-7,1	0,6	-
Capital and Financial Account	283,8	-299,5	-2.691,2	47,9	-
% of GDP	0,8	-0,7	-6,4	0,1	-
Direct Foreign Investment	7.909,4	8.345,1	8.664,9	8.975,1	-
% of GDP	21,9	20,7	20,6	20,7	-
International Reserves	8.215,0	9.874,2	9.802,8	9.497,0	10.746,2
% of GDP	22,7	24,5	23,3	21,9	23,6
Public Sector					
(% of GDP)					
Income	13,5	13,7	14,0	13,9	2,0
<i>Which: Taxation Income represents</i>	9,5	9,8	10,2	10,1	1,5
Expenses	19,7	17,3	17,0	18,0	2,0
<i>Which: Payment of interests represents</i>	1,1	1,1	1,2	1,7	0,2
Primary Outcome	-5,1	-2,5	-1,8	-2,5	0,2
Fiscal Outcome	-6,1	-3,6	-2,9	-4,1	0,0
Total Debt of the Public Sector	33,8	33,8	35,8	38,2	38,3
Deuda Externa Pública	29,0	29,3	31,7	33,0	33,5
% of the Total Public Debt	85,9	86,7	88,5	86,6	87,3
Domestic Public Debt	4,8	4,5	4,1	5,1	4,9
% of the Total Public Debt	14,1	13,3	11,5	13,4	12,7
Service of the Domestic Public Debt	1,6	1,6	1,8	3,0	0,4

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References:

Remarks and Sources: Chart prepared by the Directorate of Indebtedness Policy (DGPE, Ministry of Economy and Finance), including data of the Central Bank of Paraguay (BCP, Statistical Schedule as of March 12, 2024) and the Ministry of Economy and Finance.

1. The exchange rate corresponds to the one of the last working day of the year.
2. Income and Expenses as of February 2024 are preliminary.
3. These letters shall have the following meanings: M: month (i.e., M2: February); T: Quarter (i.e., T01: quarter 1); n/a: non-available, ME: Foreign Currency; fdp: end of period.
4. (*) means preliminary data subject to changes and (**) projections.
5. Data after 2012 are preliminary and they may be subject to reviews.
6. The Economy Structure includes data in Guaranies as of 2014. Historical data as well as projections correspond to the BCP.
7. Inflation as of February 2024 corresponds to the goal rate of inflation established by the BCP.
8. Other services include: transportation; financial intermediation; residential lease; services rendered to companies; hotels and restaurants and services rendered to households.
9. Binationals mean currency income as energy cession of Paraguay to Argentina and Brazil, corresponding to the hydroelectric plants Yacyreta and Itaipu. The Real Sector and Economy Structure projections are figures prepared by the BCP.
10. Public Sector data are figures prepared by the Ministry of Finance. Since 2015, a migration has been performed to the methodology contemplated in the Manual on Statistics of the Public Finances 2001 (MEFP 2001)
11. Exports and imports as of 2024 correspond to February of the mentioned year. (2024, M2).
12. Exports include reexports and other exports. The inter-annual variation of exports/imports as of February 2024 (Feb 2024/Feb, 2023) obtains the accrued variation of exports/imports of the total exports and imports accrued of February 2024, concerning the same period of the year 2023.



March

Macroeconomic Outlook of Paraguay

World Economy

The world economy is constant but slow; there are differences between regions.

The world economy keeps on showing an amazing resilience; after a series of negative events, growth has been constant.

In view of the world context, the economy shall keep growing by 3.2% in 2024, according to the International Monetary Fund (IMF), at the same pace as in 2023. The growth resilience is explained by a favorable evolution of the supply, particularly due to the dissipation of shocks concerning the energy costs and the remarkable increase of the labor supply that have contributed to the significant migratory flows in advanced economies.



World Economic Scenario (IMF)

Regional Context

In the advanced economies, such as the United States, expectations show a good economy performance, with a GDP growth projection of 2.7% for 2024.

A GDP growth of 0.8% and 4.6% are expected for the Eurozone and China, respectively.

Table 1: World Economy Overview

	2023	2024*	2025**
World	3,2	3,2	3,2
Advanced Economies	1,6	1,7	1,8
United States	2,5	2,7	1,9
Eurozone	0,4	0,8	1,5
MEED	4,3	4,2	4,2
China	5,2	4,6	4,1
Latin America and the Caribbean	2,3	2,0	2,5
Brazil	2,9	2,2	2,1
México	3,2	2,4	1,4

Source: International Monetary Fund



WEO Outlook Table (IMF)

Latin America and the Caribbean

For Brazil, the growth outlook is 2.2% for 2024 and 2.1% for 2025. On the other hand, for Mexico, a 2.4% growth is expected for 2024, and 1.4% for 2025.



World Economic Outlook (IMF)

Macroeconomic Overview in Paraguay

The economic activity has shown a good performance throughout the last months.

Growth has shown an interannual variation of 4.9%, in the last quarter of 2023; (0.8% quarter-on-quarter growth), explained by the positive dynamics of services, manufacturing industries, livestock, electricity and water. The GDP without agriculture and binationals registered an interannual variation of 5.8% (1.1% quarter-on-quarter growth).

Concerning the expense, net exports and private consumption showed a positive behavior; however, public consumption and the growth formation of fixed capital, registered a reduction in interannual terms. As a result, the GDP accrued a 4.7% growth and the GDP without agriculture and binationals showed a 2.8% increase as of the closing of 2023.

According to the Monthly Indicator of Economic Activity (IMAEP), during the second quarter of the year, a positive dynamics shall continue to be observed, fostered by services and manufacturing sectors.

On the other hand, the GDP growth projection for this year is kept by 3.8%; however, certain adjustments have been performed in the internal arrangements.



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Vice-ministry of Economy and Planning
General Directorate of Debt Policy

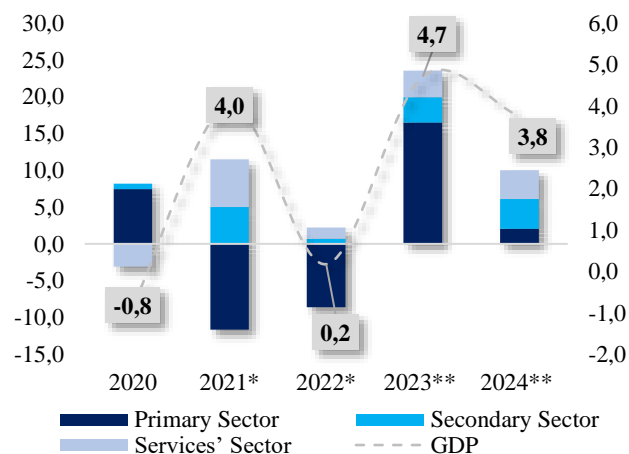
For the agricultural sector, a slight downwards variation from 4.2% to 2.0% has been registered, explained by the adverse weather conditions observed in the first months, that caused a reduction in the production of certain crops.

Concerning the secondary sector, the industry shows an upwards variation from 3.6% to 4.1%, represented by the dynamism observed in the different areas of manufacturing.

Concerning the tertiary sector or services, a better dynamics than the foreseen one has been shown, having a positive variation of 0.8 p.p, remaining in 4.3% for 2024.

▶▶ Report on Monetary Policy

Chart 2: GDP Growth by economic sectors 2024.



Source: Central Bank of Paraguay

▶▶ Statistic Schedule of the Economic Report. BCP

Debt levels and structures of the Total Public Sector

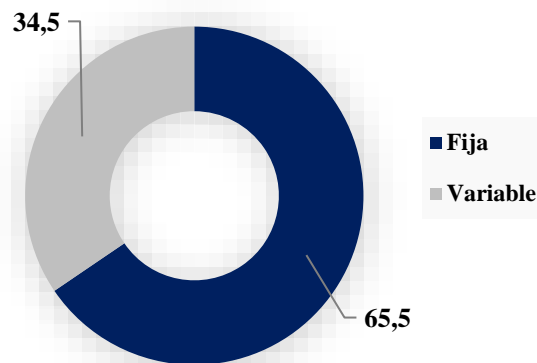
The Law 1535/2000 on the “Financial Administration of the State”, in its Article N° 42, establishes that the public debt shall be classified in internal and external, direct and indirect. The direct public debt of the Central Administration is the one assumed as the main debtor; on the other hand, the indirect debt of the Central Administration is the one established by any

natural or legal, public or private person, different from itself, but that has its corresponding guarantee or security, duly authorized by the law (state-owned companies, second-tier banks, etc.)

As of March, a debt level of the Total Public Sector has been registered by 38.5% of the GDP, which is considered sustainable for the country’s public finances and is one of the lowest debt levels in the region.

According the debt classification of the total public sector debt, per kind of rate as of March, 2024, it has been observed that 65.5% is at a fixed rate and 34.5% at a variable rate.

Figure 1: Total Public Debt Balance per rate of interest

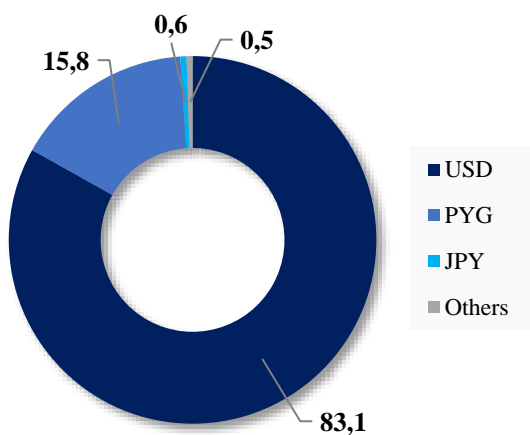


Source: Vice-ministry of Economy and Planning

On the other hand, the public debt structure per currency as of March, keeps a greater proportion in USD (83.1%) together with PYG (15.8%), JPY (0.6%) and other currencies in (0.5%).

It is worth pointing out that, the greatest debt proportion in Dollars does not represent a risk for the country, because Paraguay perceives income in Dollars as annual royalties for usage of the hydraulic potential of the Parana River for the electric energy production, coming from the binational entities (Itaipu and Yacyreta).

Figure 2: Total Public Debt Balance per currency in percentage



Source: Vice-ministry of Economy and Planning



Debt Statistic

According to the Debt Maturity average

Due to placements in international markets in longer terms than those of the domestic markets, the average deadline of the Central Administration (ATM) has been increased from 10.9 years (2017) to 11.37 years (2022). This allows a greater public debt maneuverability.

Table 2: Debt Average Maturity (Years*)

Years	Central Administration		
	External Debt	Domestic Debt	Total Debt
2017	11,5	2,4	10,9
2018	12,7	3,4	12
2019	13,3	3,4	12,6
2020	14,9	4,8	14,3
2021	12,6	7,6	12,3
2022	11,58	7,12	11,37

* Does not include perpetual debt with the BCP.
Source: Vice-ministry of Economy and Planning



Strategic Guidelines

Fiscal Policy

Financial Situation as of March 2024

March has closed with an accrued fiscal deficit of USD 265.3 million, equivalent to -0.6% of the GDP. Concerning the annualized fiscal deficit, it

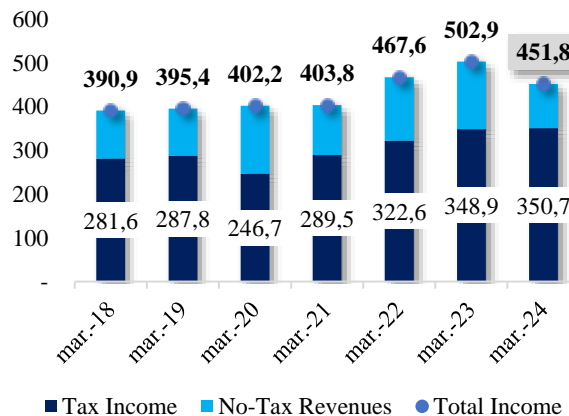
has shown an improvement related to the fiscal closing of 2023, of 3.6% of the GDP, due to a lower dynamics in the execution of expenses and investment, as well as a good performance of tax revenues.

Income

As of March, 2024, total income increased by 9.4%.

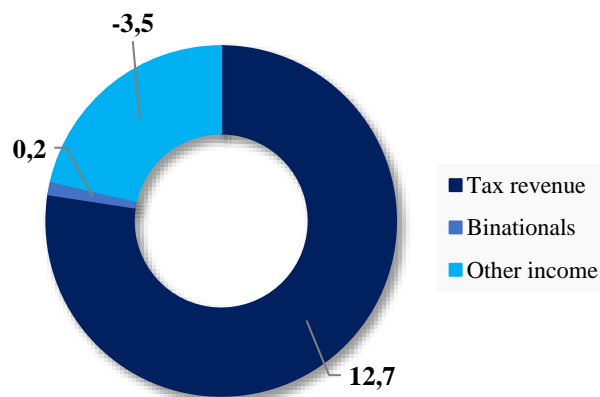
Total income as of the third month of 2024, have reached USD 451.8 million, mainly explained by the good dynamics of tax revenues, coming from domestic and foreign taxes' collection.

Chart 3: Income accrued as of March 2024, in million Dollars.



Source: SITUFIN – Ministry of Economy and Finance.

Figure 3: Income components in percentage (accrued variation)



Source: SITUFIN – Ministry of Economy and Finance.

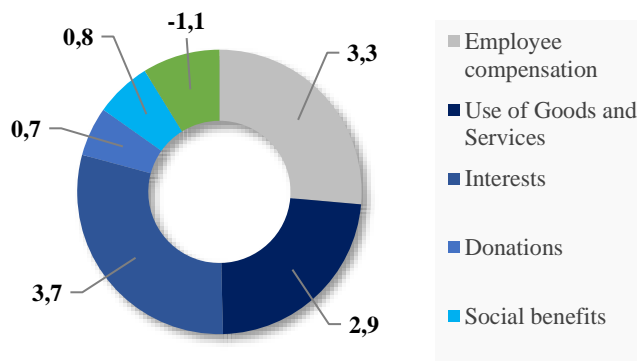


Public Expenditure

The total expense showed an accrued increase of 10.2%, as of March.

The outcome is mainly explained by a deceleration of the primary current expenditure, aiming a lower percentage of tax revenues at financing personal services expenses of the Public Sector.

Chart 4: Variation Arrangement of accrued expenses in percentage



Source: SITUFIN – Ministry of Economy and Finance.

Public Investment

National System of Public Investment SNIP.

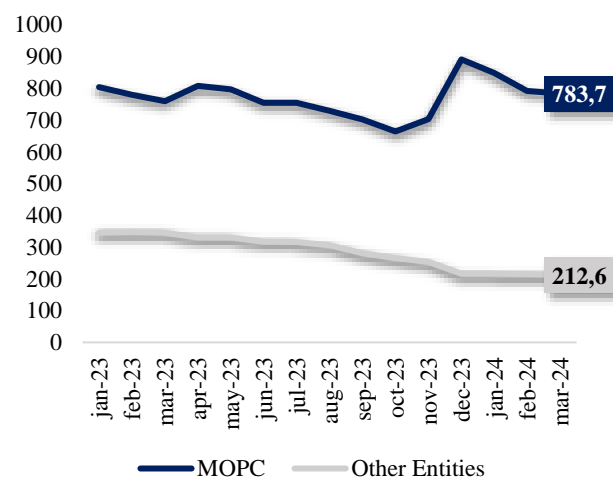
Is the set of standards and instruments aimed at arranging the Public Investment process in order to optimize the use of resources in financing more profitable investment projects from a socio-economic point of view. (PGN 2024)

Investment as of March, 2024

As of March, the level of public investment is in line with the path of fiscal convergence.

The total public investment as of March was USD 996.3 million, which represents 2.2% of the GDP. This consists of USD 783.7 million corresponding to the Ministry of Public Works and Communications, and USD 212.6 million corresponding to other entities.

Chart 5: Accrued Investment, in million Dollars



Source: SITUFIN – Ministry of Economy and Finance.



Monetary Policy

The Central Bank of Paraguay leads the monetary policy under an inflation goal scheme. Since 2011, officially under this goal scheme, the main goal of the Monetary Policy according to the Law N° 6104 that modifies and widens the Organic Law N° 489/95 of the Central Bank of Paraguay (BCP), is to preserve and safeguard the value stability of the currency providing a face foreseeability framework for the Paraguayan economy, on which the economic agents may be based to make decisions concerning consumption and investment.

Inflation

International Context

The global economy has kept resilient in a scenery characterized by a moderate reduction of inflation, that is to say, inflation rates have been reducing, but at a lower pace.

In the **United States**, inflation has continued to decelerating during the first months of the year, the monthly inflation rate as of March measured by the CPI was 0.4%, whereas the interannual inflation was 3.5% in the same month.

In the **Eurozone**, the interannual inflation was 2.4% in March; the core inflation has slowed down from 3.1% to 2.9% interannual in the same period.

Domestic Context

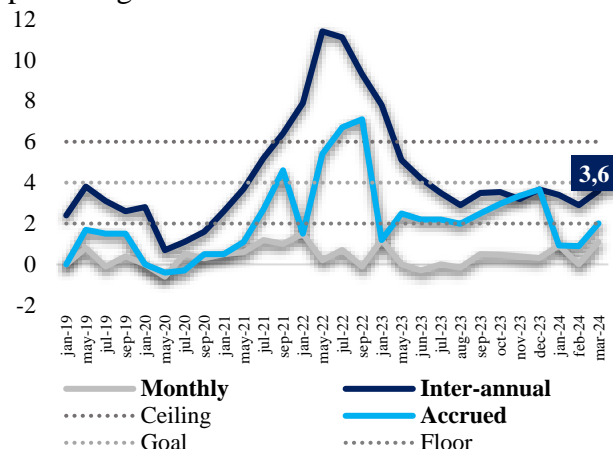
In **Paraguay**, the inflation goal, measured by the variation between the Consumer Price Index, is 4.0%, having a tolerance range of 2 points upwards and 2 points below the goal, which allows that the inflation fluctuate within the goal range, considering the Paraguayan economy exposure to external shocks given its features of a small and open economy.

Concerning the local context, inflation expectations are in line with the goal of 4%.

As of March, 2024, the monthly inflation of the CPI has shown a variation of 1.1%, explained by price increases in certain food prices, especially the volatile components (fruit and vegetables), as well as fuels, that increased in March.

Inflation excluding food and energy costs (IPCSAE) was 0.1% in March. In view of inter-annual terms, CPI and IPCSAE variations were 3.6% and 3.4%, respectively.

Chart 6: Inflation as of March, 2024, in percentage.



Source: Central Bank of Paraguay.

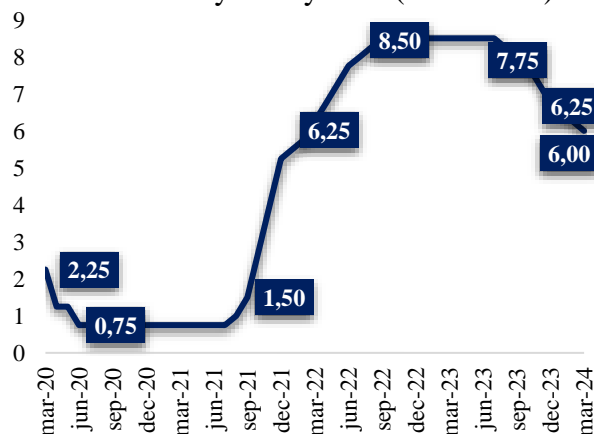
Rate of Interest of the Monetary Policy

This is a monetary policy instrument through which it is exercised influence in the liquidity and the rates of interest of the market that may affect part of the economic activity and has an impact on inflation.

Monetary Policy Rate (TPM) as of March, 2024

The Monetary Policy Committee (CPM) has decided to reduce the Monetary Policy Rate (TPM) from 6.25% to 6.00%.

Chart 7: Monetary Policy Rate (2020-2024)



Source: Central Bank of Paraguay.



CPM's Minutes of Meetings

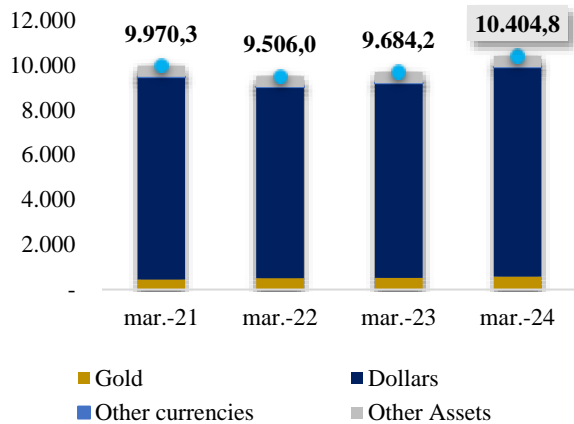


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Net International Reserves

The Net International Reserves' stock as of March 2024, has achieved a USD 10,404.77 million balance, consisting of USD 573.27 million corresponding to Gold; USD 9,330.54 millions in Dollars; USD 2.79 millions in other currencies and USD 498.17 concerning other assets.

Chart 8: RIN composition, in million Dollars.



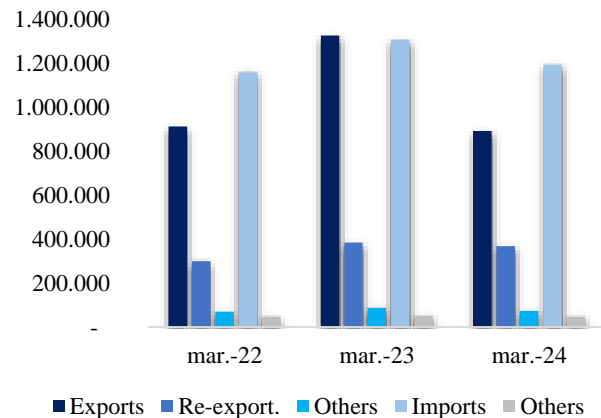
Source: Central Bank of Paraguay.

Balance of Trade

In March, 2024, foreign trade figures (Exports plus Imports) represented USD 2,574.5 million.

Total exports as of March, 2024, were USD 1,334.9 million. On the other hand, total imports as of March, 2024, have been USD 1,239.5 millions; and finally, the balance of trade has been USD 95.4 million, in favor of exports.

Chart 9: Balance of Trade, in thousands of Dollars



Source: Central Bank of Paraguay.



Statistic Schedule of the Economic Report. BCP

Credit Perspective of Paraguay

Sovereign Risk Rating Record

Paraguay has managed to keep the country risk rating and the perspectives with the credit rating agencies Fitch and Moody's. It is worth pointing out that Fitch Ratings considering its review of November, 2023, increased Paraguay's Country Ceiling to BBB- (investment grade) from BB+.

Table 2: Sovereign Risk Ratings 2024

Risk Rating Agency	Rate	Perspective	Last Review
S&P	BB+	Stable	01-feb-2024
Moody's	Ba1	Positive	05-dec-2023
Fitch	BB+	Stable	01-nov-2023

Source: Vice-ministry of Economy and Planning.



Annual Reports on Risk Rating



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Country Ceiling

The Country Ceiling increase implies that in Paraguay, private issuers may go to the international market and fulfill their respective obligations. This occurs because risks in exchange rate controls are mitigated with sound external liquidity, a floating exchange rate, sound policies and macroeconomic institutions and efforts to diversify the economy and attract Foreign Direct Investment.

In December 5, 2023, Moody's, in its rating review report confirms Paraguay's rating at Ba1 with a positive outlook. The risk rating agency highlights aspects that influence the country's credit strength, among them, the low burden of public debt supported by the compliance records of goals established in the Fiscal Responsibility Law. Likewise, it stands out that Paraguay registers a greater GDP growth in relation to its peers with the same rating, having a growing potential for economic growth and diversification of the economy.

In addition, they highlight that tax administration and the boost in revenue collection have been improved in recent years and reforms have been proposed to the pension system and the Government's commitment to public investment in order to improve the country's road infrastructure.

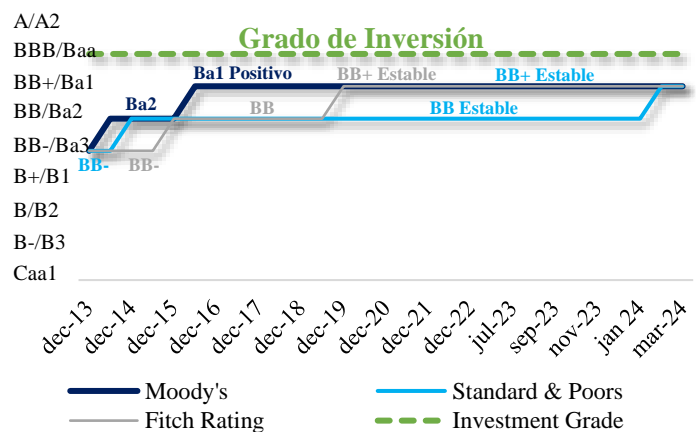
The risk rating agency mentions that the positive outlook is based on a solid growth record and a prudent fiscal policy, reflected in the low debt burden that has allowed Paraguay to be one of the few countries that has not seen its credit rating affected.

On February 1, 2024, Standard and Poor's, after 10 years, has decided to increase Paraguay's rating from BB to BB+, keeping the stable outlook. The report from the aforementioned risk rating agency emphasizes that the country's government institutions have gradually matured

in recent years, with greater predictability and continuity in Economic Policies through changes in the administration; it emphasizes that the approval of the laws that create institutions such as the Directorate of National Tax Revenues, the Ministry of Economy and Finance, the Superintendency of Securities and the most recent, the Superintendency of Pensions are key to guaranteeing the efficient operation of institutions.

Currently, Paraguay is at one step of the investment grade with the three most important risk rating agencies; Moody's, Fitch Ratings and Standard and Poor's.

Chart 7: Sovereign Risk Rating of Paraguay
Period 2013 – 2024.



Source: Vice-Ministry of Economy and Planning






Other accesses of interest




Please click on the text to address to the Web Site

Monetary Policy Reports

 [National Accounts Report \(Fiscal Quarters\)](#) 

 [Statistic Schedule of the Economic Report](#)

 [Foreign Trade Report \(Fiscal Quarters\)](#)

 [Direct Investment](#)

 [Monetary Policy](#)

ODS

 [Sustainable Paraguay](#)

 [Sustainable Development Objectives \(ODS\)\)](#)

Ministry of Industry and Trade

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 [Programs and Projects for S&MEs](#)

Environmental Actions

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Ministry of Economy and Finance

➤➤ **General Budget of the Nation**

➤➤ **Public Investments**

➤➤ **SITUFIN**

➤➤ **Rendering of Accounts**

➤➤ **Statistics on Public Debt**

➤➤ **Debt Monthly Reports**

➤➤ **Monthly Financial Management of
the General Budget of the Nation**

➤➤ **Report on Foreign Trade (RCE)**

➤➤ **Planning System according to
Outcomes**

➤➤ **General Directorate of Cooperation
for Development**

➤➤ **Estadísticas de las Recaudaciones**

➤➤ **Por qué invertir en Paraguay**

➤➤ **Control Financiero y Evaluación
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➤➤ **Becal**

➤➤ **News**

Financial Agency of Development

➤➤ **Products**

➤➤ **Investors**

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Vice-ministry of Economy and Planning
General Directorate of Debt Policy



Schedule

Vice-ministry of Economy and Planning
General Directorate of Debt Policy

Economic Indicators / 2020 – 2024					
	2020	2021	2022	2023(*)	2024(**)
Real Sector					
Population (million)	7.252,7	7.353,0	7.453,7	7.554,8	7.656,2
GDP (USD million)	36.145,8	40.284,1	42.093,1	43.009,2	45.323,8
GDP per capita (USD)	4.983,8	5.478,6	5.647,3	5.693,0	5.919,9
GDP (annual variation in %)	-0,8	4,0	0,2	4,7	3,8
Total Consumption (annual variation in %)	-2,2	5,5	1,6	2,9	3,2
Capital Investment (annual variation in %)	5,3	18,2	-1,8	-3,5	5,0
Unemployed Rate (open unemployment)	7,9	6,8	5,7	6,5	nd
Economy Structure					
In view of Supply (percentage change)					
Primary Sector	7,4	-11,6	-8,6	16,5	2,0
Agriculture	9,0	-18,2	-12,5	23,3	1,8
Livestock	4,4	6,2	-0,3	0,5	1,6
Others	0,9	6,8	-0,7	12,5	4,2
Secondary Sector	0,7	5,0	0,7	3,4	4,0
Industry	-1,3	6,9	-0,1	3,1	4,1
Construction	10,5	12,8	-3,2	-7,5	4,7
Binationals	-2,3	-7,6	7,8	16,0	3,1
Tertiary Sector	-3,1	6,5	1,5	3,6	3,9
General Government	6,4	-3,4	-0,7	3,4	3,4
Trade	-8,1	14,3	3,4	4,4	3,4
Communications	6,1	4,5	-2,4	-0,8	2,4
Other Services	-5,7	7,7	2,1	4,0	4,5
Taxes	-5,1	9,0	1,1	3,3	3,7
In view of Demand (Thousands of USD)					
Total Investment	5.737,8	6.912,8	6.390,5	6.084,5	6.404,1
Total Consumption	22.548,4	24.240,2	23.181,7	23.533,9	24.355,6
Exports	9.844,6	10.236,8	9.536,2	12.864,6	13.210,2
Imports	8.630,3	10.710,6	11.037,3	12.428,2	12.806,9
Monetary and Financial Sector					
Rate of Exchange (PYG per USD, fdp)	6.943,98	6.815,54	7.238,66	7.335,21	7.317,59
Inflation (CPI, annual variation in %, Average, last 12 months)	2,5	2,4	10,1	6,4	3,6
Inter-banking rate of interest (% , fdp)	3,41	0,55	5,90	8,63	5,73
Monetary Aggregates (annual variation of M2 in %)	5,8	20,7	3,1	5,3	12,2
Dollarization Ratio (% of banking deposits in ME)	44,9	43,4	45,9	46,5	44,7
Banking sector credits granted to the private sector (% of GDP)	6,3	9,1	15,9	7,5	11,8
Real Salary (annual variation, %)	1,1	5,5	6,9	6,5	-

Vice-ministry of Economy and Planning
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External Sector					
(Thousands of USD)					
Exports	1.063.679	1.496.262	1.283.123	1.796.504	1.334.982
Inter-annual variation in %	-8,1	40,7	-14,2	40,0	-25,7
Imports	796.051	1.004.488	1.205.468	1.357.142	1.239.542
Inter-annual variation in %	-19,5	26,2	20,0	12,6	-8,7
Trade Balance	267.628	491.774	77.654	439.362	95.439
% of GDP	0,7	1,2	0,2	1,0	0,2
(Million of USD)					
Current Account	669,2	-347,4	-2.993,5	109,6	-
% of GDP	1,9	-0,9	-7,1	0,3	
Capital and Financial Account	283,8	-299,5	-2.691,2	-436,1	-
% of GDP	0,8	-0,7	-6,4	-1,0	
Direct Foreign Investment	7.909,4	8.345,1	8.664,9	8.905,6	-
% of GDP	21,9	20,7	20,6	20,5	
International Reserves	8.241,1	9.970,3	9.506,0	9.684,2	10.404,8
% of GDP	22,8	24,7	22,6	22,3	22,8
Public Sector					
(% of GDP)					
Income	13,5	13,7	14,0	14,0	3,1
<i>Which: Taxation Income represents</i>	9,5	9,8	10,2	10,1	2,4
Expenses	19,7	17,3	17,0	18,1	3,7
<i>Which: Payment of interests represents</i>	1,1	1,1	1,2	1,7	0,5
Primary Outcome	-5,1	-2,5	-1,8	-2,5	-0,2
Fiscal Outcome	-6,1	-3,6	-2,9	-4,2	-0,6
Total Debt of the Public Sector	33,8	33,8	35,8	38,5	38,5
Deuda Externa Pública	29,0	29,3	31,7	33,3	33,4
% of the Total Public Debt	85,9	86,7	88,5	86,6	86,8
Domestic Public Debt	4,8	4,5	4,1	5,2	5,1
% of the Total Public Debt	14,1	13,3	11,5	13,4	13,2
Service of the Domestic Public Debt	1,6	1,6	1,8	3,1	0,9

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References:

Remarks and Sources: Chart prepared by the Directorate of Indebtedness Policy (DGPE, Ministry of Economy and Finance), including data of the Central Bank of Paraguay (BCP, Statistical Schedule as of April 17, 2024) and the Ministry of Economy and Finance.

1. The exchange rate corresponds to the one of the last working day of the year.
2. Income and Expenses as of March 2024 are preliminary.
3. These letters shall have the following meanings: M: month (i.e., M3: March); T: Quarter (i.e., T01: quarter 1); n/a: non-available, ME: Foreign Currency; fdp: end of period.
4. (*) means preliminary data subject to changes and (**) projections.
5. Data after 2012 are preliminary and they may be subject to reviews.
6. The Economy Structure includes data in Guaranies as of 2014. Historical data as well as projections correspond to the BCP.
7. Inflation as of March 2024 corresponds to the goal rate of inflation established by the BCP.
8. Other services include: transportation; financial intermediation; residential lease; services rendered to companies; hotels and restaurants and services rendered to households.
9. Binational mean currency income as energy cession of Paraguay to Argentina and Brazil, corresponding to the hydroelectric plants Yacyreta and Itaipu. The Real Sector and Economy Structure projections are figures prepared by the BCP.
10. Public Sector data are figures prepared by the Ministry of Finance. Since 2015, a migration has been performed to the methodology contemplated in the Manual on Statistics of the Public Finances 2001 (MEFP 2001)
11. Exports and imports as of 2024 correspond to March of the mentioned year. (2024, M3).
12. Exports include reexports and other exports. The inter-annual variation of exports/imports as of March 2024 (Mar 2024/Mar, 2023) obtains the accrued variation of exports/imports of the total exports and imports accrued of March 2024, concerning the same period of the year 2023.

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April

Macroeconomic Outlook of Paraguay

World Economy

The world recovery is constant but slow; there are differences between regions.

The world economy keeps on showing an amazing resilience; after a series of negative events, growth has been constant.

In view of the world context, recent projections assert that the world economy shall be growing at a similar pace as the one of 2023 during 2024-25. This shall be together with a constant stabilization of the general and basic inflation.

World Economic Outlook (IMF)

Regional Context

In the advanced economies, such as the United States, expectations show a good economy performance, with a GDP growth projection of 2.7% for 2024 and 1.9% for 2025, respectively.

A GDP growth of 0.8% and 4.6% are expected for the Eurozone and China, respectively.

Table 1: Projections' Overview of the World Economy Perspectives.

	2023	2024*	2025**
World	3,2	3,2	3,2
Advanced Economies	1,6	1,7	1,8
United States	2,5	2,7	1,9
Eurozone	0,4	0,8	1,5
MEED	4,3	4,2	4,2
China	5,2	4,6	4,1
Latin America and the Caribbean	2,3	2,0	2,5
Brazil	2,9	2,2	2,1
Mexico	3,2	2,4	1,4

Source: International Monetary Fund

WEO Outlook Table (IMF)

Latin America and the Caribbean

For Brazil, the growth outlook is 2.2% for 2024 and 2.1% for 2025. On the other hand, for Mexico, a 2.4% growth is expected for 2024, and 1.4% for 2025.

World Economic Outlook (IMF)

Domestic Situation in Paraguay

The economic activity has shown a good performance throughout the last months.

Growth has shown an interannual variation of 4.9%, in the last quarter of 2023; (0.8% quarter-on-quarter growth), explained by the positive dynamics of services, manufacturing industries, livestock, electricity and water. The GDP without agriculture and binationals registered an interannual variation of 5.8% (1.1% quarter-on-quarter growth).

Concerning the expense, net exports and private consumption showed a positive behavior; however, public consumption and the gross formation of fixed capital, registered a reduction in interannual terms. As a result, the GDP accrued a 4.7% growth and the GDP without agriculture and binationals showed a 2.8% increase as of the closing of 2023.

According to the Monthly Indicator of Economic Activity (IMAEP), during the first quarter of the year, positive dynamics shall continue to be observed, fostered by services and manufacturing sectors.

On the other hand, the GDP growth projection for this year is kept by 3.8%; however, certain

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adjustments have been performed in the internal arrangements.

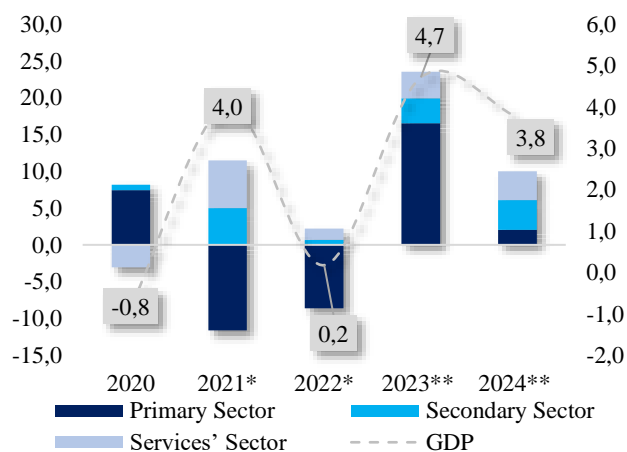
For the **agricultural sector**, a slight downwards variation from 4.2% to 2.0% has been registered, explained by the adverse weather conditions observed in the first months, that caused a reduction in the production of certain crops.

Concerning the **secondary sector**, the industry shows an upwards variation from 3.6% to 4.1%, represented by the dynamism observed in the different areas of manufacturing.

Concerning other **services**, better dynamics than the foreseen one has been shown, having a positive variation of 0.8 p.p., remaining in 4.3% for 2024.

Report on Monetary Policy

Chart 2: GDP Growth by economic sectors 2024.



Source: Central Bank of Paraguay

Statistic Schedule of the Economic Report. BCP

Debt levels and structures of the Total Public Sector

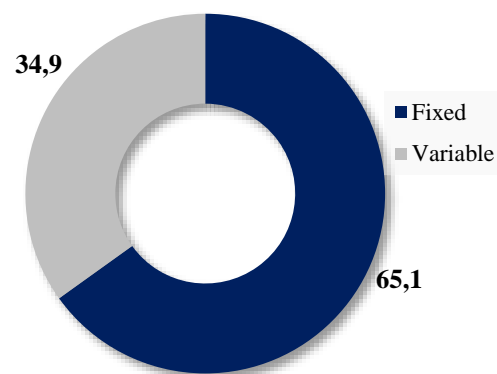
The Law 1535/2000 on the “Financial Administration of the State”, in its Article N° 42,

establishes that the public debt shall be classified in internal and external, direct and indirect. The direct public debt of the Central Administration is the one assumed as the main debtor; on the other hand, the indirect debt of the Central Administration is the one established by any natural or legal, public or private person, different from itself, but that has its corresponding guarantee or security, duly authorized by the law (state-owned companies, second-tier banks, etc.)

As of April, a debt level of the Total Public Sector has been registered by 38.4% of the GDP, which is considered sustainable for the country’s public finances and is one of the lowest debt levels in the region.

According the debt classification of the total public sector debt, per kind of rate as of April, 2024, it has been observed that 65.1% is at a fixed rate and 34.9% at a variable rate.

Figure 1: Total Public Debt Balance per rate of interest



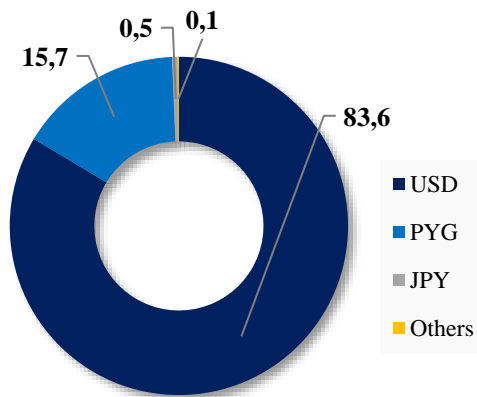
Source: Vice-ministry of Economy and Planning

On the other hand, the public debt structure per currency as of April, keeps a greater proportion in USD (83.6%) together with PYG (15.7%), JPY (0.5%) and other currencies in (0.1%).

Vice-ministry of Economy and Planning
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It is worth pointing out that, the greatest debt proportion in Dollars does not represent a risk for the country, because Paraguay perceives income in Dollars as annual royalties for usage of the hydraulic potential of the Parana River for the electric energy production, coming from the binational entities (Itaipu and Yacyreta).

Figure 2: Total Public Debt Balance per currency in percentage



Source: Vice-ministry of Economy and Planning.



Debt Statistic

According to the Debt Maturity average

Due to placements in international markets in longer terms than those of the domestic markets, the average deadline of the Central Administration (ATM) has been increased from 10.9 years (2017) to 11.37 years (2022). This allows a greater public debt maneuverability.

Table 2: Debt Average Maturity (Years*)

Years	Administración Central		Total Debt
	External Debt	Domestic Debt	
2017	11,5	2,4	10,9
2018	12,7	3,4	12
2019	13,3	3,4	12,6
2020	14,9	4,8	14,3
2021	12,6	7,6	12,3
2022	11,58	7,12	11,37

* Does not include perpetual debt with the BCP.

Source: Vice-ministry of Economy and Planning.



Strategic Guidelines

Fiscal Policy

Financial Situation as of April 2024

April has closed with an accrued fiscal deficit of USD 212.4 million, equivalent to -0.5% of the GDP. The annualized fiscal deficit as of April, 2024 was 3.4% of the GDP, showing a relative improvement concerning the fiscal closing of 2023, in which the fiscal deficit was 4.1% of the GDP. This is explained, partly, because of the good performance of tax revenues¹.

Income

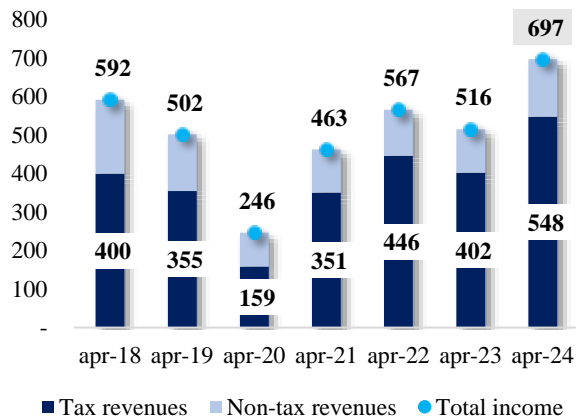
As of April, 2024, total income shows an accrued growth of 17.4%.

Total income in April, 2024, were USD 697.3 millions, mainly explained by the good dynamics of tax revenues, coming from domestic and foreign taxes' collection.

¹ SITUFIN – Ministry of Economy and Finance. Obtained from: <https://www.mef.gov.py/situfin/>

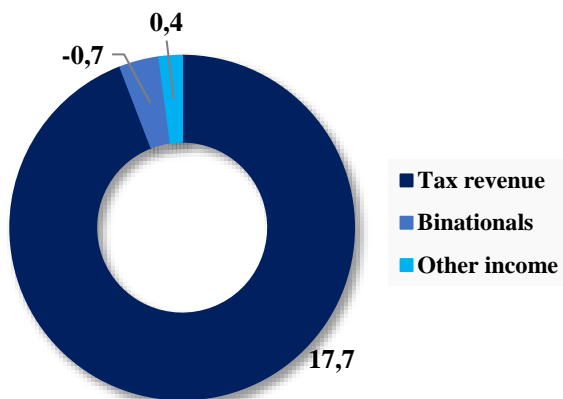


Chart 3: Income accrued as of April 2024, in million Dollars.



Source: SITUFIN – Ministry of Economy and Finance

Figure 3: Income components in percentage (accrued variation).



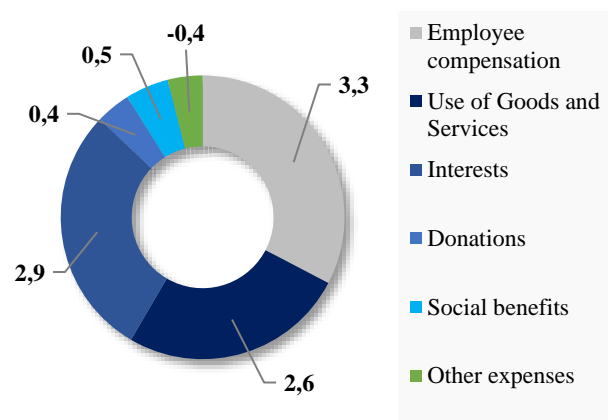
Source: SITUFIN – Ministry of Economy and Finance.

Public Expenditure

The total expense showed an accrued increase of 9.4%, as of April.

This outcome is mainly explained by remunerations, interests, use of goods and services. It is worth pointing out that 65.8% of expenses are aimed at Health, Education, Security, Retirement and Pension benefits.

Chart 4: Variation Arrangement of accrued expenses in percentage



Source: SITUFIN – Ministry of Economy and Finance

Public Investment

National System of Public Investment SNIP.

Is the set of standards and instruments aimed at arranging the Public Investment process in order to optimize the use of resources in financing more profitable investment projects from a socio-economic point of view. (PGN 2024)

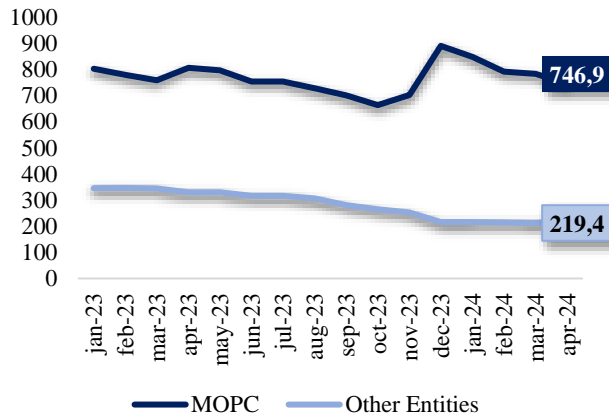
Investment as of April, 2024

As of April, the public investment level is in line with the path of fiscal convergence, as well as the economic growth dynamics.

The total public investment as of April was USD 966.3 million, which represents 2.3% of the GDP. This consists of USD 746.9 million corresponding to the Ministry of Public Works and Communications, and USD 219.4 million corresponding to other entities.

Vice-ministry of Economy and Planning
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Chart 5: Accrued Investment, in million Dollars.



Source: SITUFIN – Ministry of Economy and Finance.



Monetary Policy

The Central Bank of Paraguay leads the monetary policy under an inflation goal scheme. Since 2011, officially under this goal scheme, the main goal of the Monetary Policy according to the Law N° 6104 that modifies and widens the Organic Law N° 489/95 of the Central Bank of Paraguay (BCP), is to preserve and safeguard the value stability of the currency providing a face foreseeability framework for the Paraguayan economy, on which the economic agents may be based to make decisions concerning consumption and investment.

Inflation

International Context

In view of the international context, oil costs as well as their by-products have been reduced due to geopolitical strains in the Middle East. On the other hand, food commodities have shown an upturn mainly caused by adverse weather conditions in the producers' regions.

In the United States, inflation has been placed below the market expectations.

Domestic Context

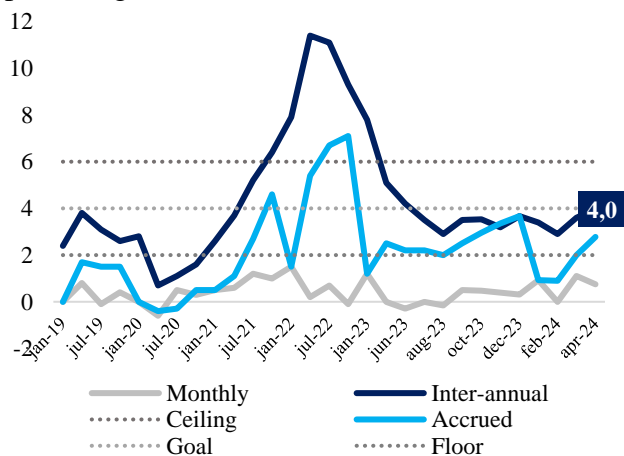
In Paraguay, the inflation goal, measured by the variation between the Consumer Price Index, is 4.0%, having a tolerance range of 2 points upwards and 2 points below the goal, which allows that the inflation fluctuate within the goal range, considering the Paraguayan economy exposure to external shocks given its features of a small and open economy.

Concerning the local context, inflation expectations are in line with the goal of 4%.

As of April, 2024, the monthly inflation of the CPI was 0.8%, as a consequence of the prices' increase of volatile components of the basic food basket (fruit and vegetables).

Inflation excluding food and energy costs (IPCSAE) was 0.2% in April. In view of inter-annual terms, CPI and IPCSAE variations were 4.0% and 3.4%, respectively.

Chart 6: Inflation as of April, 2024, in percentage.



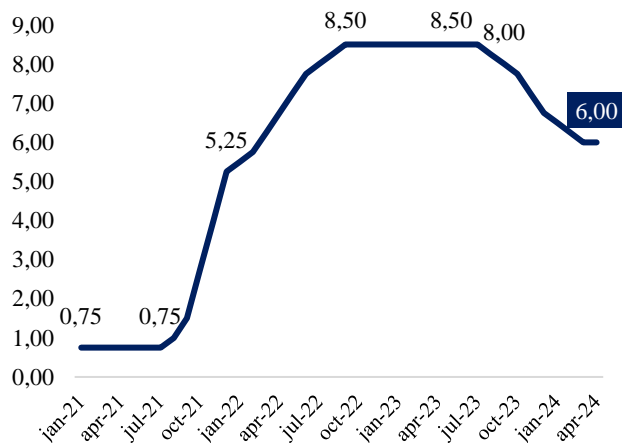
Rate of Interest of the Monetary Policy

This is a monetary policy instrument through which it is exercised influence in the liquidity and the rates of interest of the market that may affect part of the economic activity and has an impact on inflation.

Monetary Policy Rate (TPM) as of April 2024

The Monetary Policy Committee (CPM) has decided to keep the Monetary Policy Rate (TPM) by 6.00% in April of the present year.

Chart 7: Monetary Policy Rate (2021-2024)



Source: Central Bank of Paraguay.

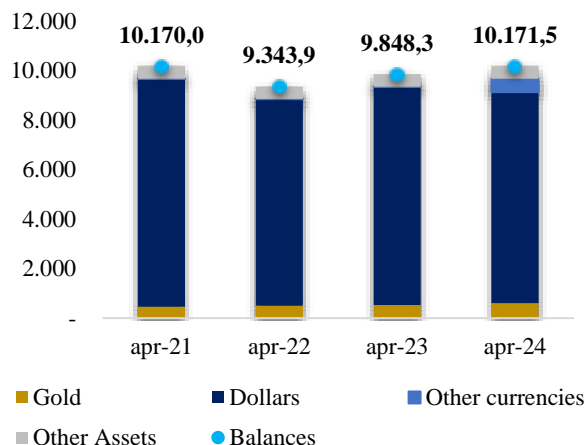


CPM's Minutes of Meetings

Net International Reserves

The Net International Reserves' stock as of April 2024, has achieved a USD 10,171.5 million balance, consisting of USD 604.88 million corresponding to Gold; USD 8,527.64 millions in Dollars; USD 541.24 millions in other currencies and USD 497.27 concerning other assets.

Chart 8: RIN composition, in million Dollars.



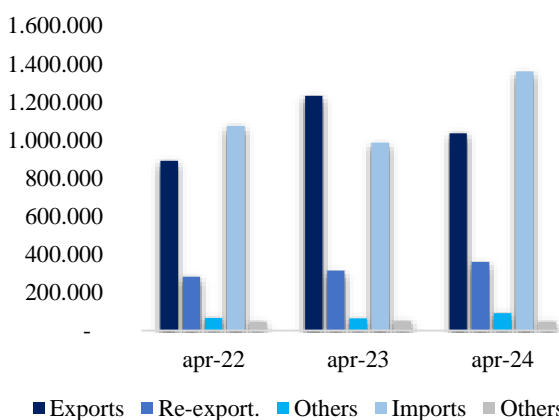
Source: Central Bank of Paraguay

Balance of Trade

In April, 2024, foreign trade figures (Exports plus Imports) represented USD 2,890.0 million.

Total exports as of April, 2024, were USD 1,485.8 million. On the other hand, total imports as of April, 2024, have been USD 1,404.2 millions; and finally, the balance of trade has been USD 81.6 million, in favor of exports.

Chart 9: Balance of Trade, in thousands of Dollars



Source: Central Bank of Paraguay



BCP Statistic Schedule



Back to the start

Credit Perspective of Paraguay

Sovereign Risk Rating Record

Paraguay has managed to keep the country risk rating and the perspectives with the credit rating agencies Fitch and Moody's. It is worth pointing out that Fitch Ratings considering its review of November, 2023, increased Paraguay's Country Ceiling to BBB- (investment grade) from BB+.

Table 2: Sovereign Risk Ratings 2024

Risk Rating Agency	Rate	Perspective	Last Review
S&P	BB+	Estable	01-feb-2024
Moody's	Ba1	Positiva	05-dic-2023
Fitch	BB+	Estable	01-nov-2023

Source: Vice-ministry of Economy and Planning.



Annual Reports on Risk Rating

Country Ceiling

The Country Ceiling increase implies that in Paraguay, private issuers may go to the international market and fulfill their respective obligations. This occurs because risks in exchange rate controls are mitigated with sound external liquidity, a floating exchange rate, sound policies and macroeconomic institutions and efforts to diversify the economy and attract Foreign Direct Investment.

In December 5, 2023, Moody's, in its rating review report confirms Paraguay's rating at Ba1 with a positive outlook. The risk rating agency highlights aspects that influence the country's credit strength, among them, the low burden of public debt supported by the compliance records of goals established in the Fiscal Responsibility Law. Likewise, it stands out that Paraguay registers a greater GDP growth in relation to its peers with the same rating, having a growing

potential for economic growth and diversification of the economy.

In addition, they highlight that tax administration and the boost in revenue collection have been improved in recent years and reforms have been proposed to the pension system and the Government's commitment to public investment in order to improve the country's road infrastructure.

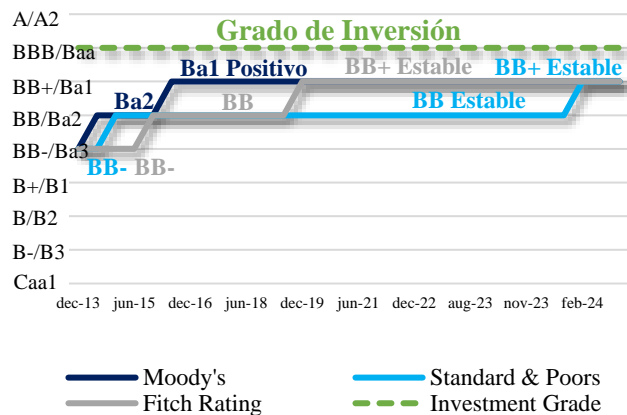
The risk rating agency mentions that the positive outlook is based on a solid growth record and a prudent fiscal policy, reflected in the low debt burden that has allowed Paraguay to be one of the few countries that has not seen its credit rating affected.

On February 1, 2024, Standard and Poor's, after 10 years, has decided to increase Paraguay's rating from BB to BB+, keeping the stable outlook. The report from the aforementioned risk rating agency emphasizes that the country's government institutions have gradually matured in recent years, with greater predictability and continuity in Economic Policies through changes in the administration; it emphasizes that the approval of the laws that create institutions such as the Directorate of National Tax Revenues, the Ministry of Economy and Finance, the Superintendency of Securities and the most recent, the Superintendency of Pensions are key to guaranteeing the efficient operation of institutions.

Currently, Paraguay is at one step of the investment grade with the three most important risk rating agencies; Moody's, Fitch Ratings and Standard and Poor's.



Chart 7: Sovereign Risk Rating of Paraguay
Period 2013 – 2024





Source: Vice-ministry of Economy and Planning


Other accesses of interest




Please click on the text to address to the Web Site

Monetary Policy Reports

 [National Accounts Report \(Fiscal Quarters\)](#) 

 [Statistic Schedule of the Economic Report](#)

 [Foreign Trade Report \(Fiscal Quarters\)](#)

 [Direct Investment](#)

 [Monetary Policy](#)

ODS

 [Sustainable Paraguay](#)

 [Sustainable Development Objectives \(ODS\)](#)

Ministry of Industry and Trade

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▶▶ **Public Investments**

▶▶ **SITUFIN**

▶▶ **Rendering of Accounts**

▶▶ **Statistics on Public Debt**

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▶▶ **Report on Foreign Trade (RCE)**

▶▶ **Planning System according to
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▶▶ **General Directorate of Cooperation
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▶▶ **Por qué invertir en Paraguay**

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▶▶ **Products**

▶▶ **Investors**

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Schedule

Vice-ministry of Economy and Planning
General Directorate of Debt Policy

Economic Indicators / 2020 – 2024					
	2020	2021	2022	2023(*)	2024(**)
Real Sector					
Population (million)	7.252,7	7.353,0	7.453,7	7.554,8	7.656,2
GDP (USD million)	36.145,8	40.284,1	42.093,1	43.009,2	45.323,8
GDP per capita (USD)	4.983,8	5.478,6	5.647,3	5.693,0	5.919,9
GDP (annual variation in %)	-0,8	4,0	0,2	4,7	3,8
Total Consumption (annual variation in %)	-2,2	5,5	1,6	2,9	3,2
Capital Investment (annual variation in %)	5,3	18,2	-1,8	-3,5	5,0
Unemployed Rate (open unemployment)	7,9	6,8	5,7	6,5	nd
Economy Structure					
In view of Supply (percentage change)					
Primary Sector	7,4	-11,6	-8,6	16,5	2,0
Agriculture	9,0	-18,2	-12,5	23,3	1,8
Livestock	4,4	6,2	-0,3	0,5	1,6
Others	0,9	6,8	-0,7	12,5	4,2
Secondary Sector	0,7	5,0	0,7	3,4	4,0
Industry	-1,3	6,9	-0,1	3,1	4,1
Construction	10,5	12,8	-3,2	-7,5	4,7
Binationals	-2,3	-7,6	7,8	16,0	3,1
Tertiary Sector	-3,1	6,5	1,5	3,6	3,9
General Government	6,4	-3,4	-0,7	3,4	3,4
Trade	-8,1	14,3	3,4	4,4	3,4
Communications	6,1	4,5	-2,4	-0,8	2,4
Other Services	-5,7	7,7	2,1	4,0	4,5
Taxes	-5,1	9,0	1,1	3,3	3,7
In view of Demand (Thousands of USD)					
Total Investment	5737,8	6912,8	6390,5	6084,5	6328,2
Total Consumption	22548,4	24240,2	23181,7	23533,9	24066,8
Exports	9844,6	10236,8	9536,2	12864,6	13053,6
Imports	8630,3	10710,6	11037,3	12428,2	12655,1
Monetary and Financial Sector					
Rate of Exchange (PYG per USD, fdp)	6943,98	6815,54	7238,66	7335,21	7405,41
Inflation (CPI, annual variation in %, Average, last 12 months)	2,0	2,5	11,8	5,3	4,0
Inter-banking rate of interest (% , fdp)	1,57	0,55	6,47	8,67	5,86
Monetary Aggregates (annual variation of M2 in %)	12,2	15,3	2,4	8,2	13,3
Dollarization Ratio (% of banking deposits in ME)	43,7	44,8	45,5	46,5	45,0
Banking sector credits granted to the private sector (% of GDP)	5,2	12,1	13,6	7,9	14,0
Real Salary (annual variation, %)	1,1	5,5	6,9	6,5	-

Vice-ministry of Economy and Planning
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External Sector					
(Thousands of USD)					
Exports	684.614	1.196.820	1.238.862	1.611.371	1.485.824
Inter-annual variation in %	-40,8	74,8	3,5	30,1	-7,8
Imports	498.434	946.348	1.120.075	1.034.756	1.404.218
Inter-annual variation in %	-49,6	89,9	18,4	-7,6	35,7
Trade Balance	186.180	250.473	118.787	576.615	81.606
% of GDP	0,5	0,6	0,3	1,3	0,2
(Million of USD)					
Current Account	669,2	-347,4	-2.993,5	109,6	-
% of GDP	1,9	-0,9	-7,1	0,3	-
Capital and Financial Account	283,8	-299,5	-2.691,2	-436,1	-
% of GDP	0,8	-0,7	-6,4	-1,0	-
Direct Foreign Investment	7.909,4	8.345,1	8.664,9	8.905,6	-
% of GDP	21,9	20,7	20,6	20,5	-
International Reserves	9.257,6	10.170,0	9.343,9	9.848,3	10.171,5
% of GDP	25,6	25,2	22,2	22,7	22,3
Public Sector					
(% of GDP)					
Income	13,5	13,7	14,0	14,0	4,7
<i>Which: Taxation Income represents</i>	9,5	9,8	10,2	10,1	3,6
Expenses	19,7	17,3	17,0	18,1	4,8
<i>Which: Payment of interests represents</i>	1,1	1,1	1,2	1,7	0,6
Primary Outcome	-5,1	-2,5	-1,8	-2,5	0,1
Fiscal Outcome	-6,1	-3,6	-2,9	-4,2	-0,5
Total Debt of the Public Sector	33,8	33,8	35,8	38,5	38,4
Deuda Externa Pública	29,0	29,3	31,7	33,3	33,4
% of the Total Public Debt	85,9	86,7	88,5	86,6	86,8
Domestic Public Debt	4,8	4,5	4,1	5,2	5,1
% of the Total Public Debt	14,1	13,3	11,5	13,4	13,2
Service of the Domestic Public Debt	1,6	1,6	1,8	3,1	1,2

Vice-ministry of Economy and Planning
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References:

Remarks and Sources: Chart prepared by the Directorate of Indebtedness Policy (DGPE, Ministry of Economy and Finance), including data of the Central Bank of Paraguay (BCP, Statistical Schedule as of May 10, 2024) and the Ministry of Economy and Finance.

1. The exchange rate corresponds to the one of the last working day of the year.
2. Income and Expenses as of April 2024 are preliminary.
3. These letters shall have the following meanings: M: month (i.e., M4: April); T: Quarter (i.e., T01: quarter 1); n/a: non-available, ME: Foreign Currency; fdp: end of period.
4. (*) means preliminary data subject to changes and (**) projections.
5. Data after 2012 are preliminary and they may be subject to reviews.
6. The Economy Structure includes data in Guaranies as of 2014. Historical data as well as projections correspond to the BCP.
7. Inflation as of April 2024 corresponds to the goal rate of inflation established by the BCP.
8. Other services include: transportation; financial intermediation; residential lease; services rendered to companies; hotels and restaurants and services rendered to households.
9. Binational mean currency income as energy cession of Paraguay to Argentina and Brazil, corresponding to the hydroelectric plants Yacyreta and Itaipu. The Real Sector and Economy Structure projections are figures prepared by the BCP.
10. Public Sector data are figures prepared by the Ministry of Finance. Since 2015, a migration has been performed to the methodology contemplated in the Manual on Statistics of the Public Finances 2001 (MEFP 2001)
11. Exports and imports as of 2024 correspond to April of the mentioned year. (2024, M4).
12. Exports include reexports and other exports. The inter-annual variation of exports/imports as of April 2024 (April 2024/April, 2023) obtains the accrued variation of exports/imports of the total exports and imports accrued of April 2024, concerning the same period of the year 2023.

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May

Macroeconomic Outlook of Paraguay

World Economy

The global economy is expected to stabilize for the first time during 2024 after several years of negative shocks.

The world economy shall stabilize but at a weak level compared to recent historical parameters.

Likewise, global growth shall remain stable at 2.6% during 2024 until reaching an average of 2.7% in the period 2025-2026, which is lower than the average of 3.1% of the decade prior to COVID-19.

World Economic Perspectives (WB)

Regional Context

In the United States, growth could be stronger than expected due to continued strong labor supply dynamics driven by an absorption of working-age immigrants and rising labor force participation.

Weaker-than-expected growth is expected for China, caused, for example, by a longer and deeper slowdown in the real estate sector that directly impacts investment and has spillover effects.

Table 1: Projections' Overview of the World Economy Perspectives

	2023	2024*	2025**
World	2,6	2,6	2,7
Advanced Economies	1,5	1,5	1,7
United States	2,5	2,5	1,8
Eurozone	0,5	0,7	1,4
MEED	4,2	4,0	4,0
China	5,2	4,8	4,1
Latin America and the Caribbean	2,2	1,8	2,7
Brazil	2,9	2,0	2,2
Mexico	3,2	2,3	2,1

Source: World Economic Perspectives (WB).

Projections' Table (WB)

Latin America and the Caribbean

A slowdown in growth is foreseen for Latin America and the Caribbean from 2.2% in 2023 to 1.8% in 2024, and, in addition, a recovery is expected for 2025, reaching 2.7%.

For the Brazilian economy, a moderate growth of 2% is projected for 2024 and 2.2% for 2025.

Concerning Mexico, growth would also present a deceleration, remaining at 2.3% for 2024 and 2.1% for 2025.

World Economic Outlook (WB)

Domestic Situation

The economic activity has shown a good performance throughout the last months.

Growth has shown an interannual variation of 4.9%, in the last quarter of 2023; (0.8% quarter-on-quarter growth), explained by the positive dynamics of services, manufacturing industries, livestock, electricity and water. The GDP without agriculture and binationals registered an

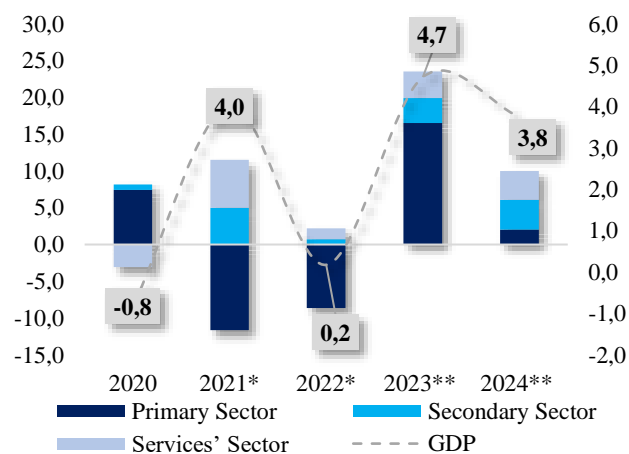
interannual variation of 5.8% (1.1% quarter-on-quarter growth).

Concerning the expense, net exports and private consumption showed a positive behavior; however, public consumption and the gross formation of fixed capital, registered a reduction in interannual terms. As a result, the GDP accrued a 4.7% growth and the GDP without agriculture and binationals showed an increase as of the closing of 2023.

On the other hand, the GDP growth projection for this year is kept by 3.8%; however, certain adjustments have been performed in the internal arrangements.

Report on Monetary Policy

Chart 2: GDP Growth by economic sectors 2024.



Source: Central Bank of Paraguay

Statistic Schedule of the Economic Report. BCP

It is worth pointing out that the Monthly Indicator of Economic Activity (IMAEP), as of April registered an interannual growth of 7.8%. With this result, a growth of 4.8% was accumulated in the first quarter of 2024.

IMAEP (April, 2024) - BCP

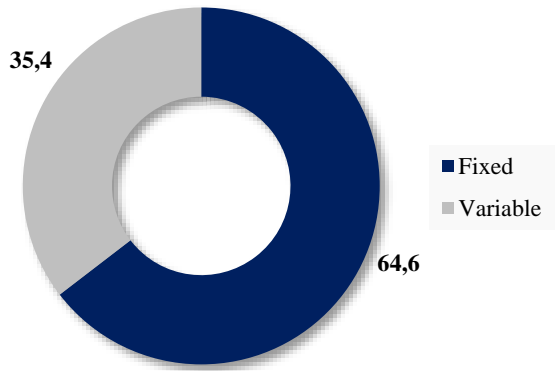
Debt levels and structures of the Total Public Sector

The Law 1535/2000 on the “Financial Administration of the State”, in its Article N° 42, establishes that the public debt shall be classified in internal and external, direct and indirect. The direct public debt of the Central Administration is the one assumed as the main debtor; on the other hand, the indirect debt of the Central Administration is the one established by any natural or legal, public or private person, different from itself, but that has its corresponding guarantee or security, duly authorized by the law (state-owned companies, second-tier banks, etc.)

As of May, a debt level of the Total Public Sector has been registered by 38.9% of the GDP, which is considered sustainable for the country’s public finances and is one of the lowest debt levels in the region.

According the debt classification of the total public sector debt, per kind of rate as of May, 2024, it has been observed that 64.6% is at a fixed rate and 35.4% at a variable rate.

Figure 1: Total Public Debt Balance per rate of interest

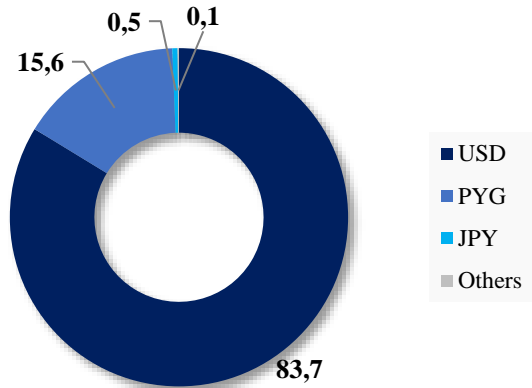


Source: Vice-ministry of Economy and Planning

On the other hand, **the public debt structure per currency as of May**, keeps a greater proportion in USD (83.7%) together with PYG (15.6%), JPY (0.5%) and other currencies in (0.1%).

It is worth pointing out that, the greatest debt proportion in Dollars does not represent a risk for the country, because Paraguay perceives income in Dollars as annual royalties for usage of the hydraulic potential of the Parana River for the electric energy production, coming from the binational entities (Itaipu and Yacyreta).

Figure 2: Total Public Debt Balance per currency in percentage



Source: Vice-ministry of Economy and Planning



According to the Debt Maturity average

Due to placements in international markets in longer terms than those of the domestic markets, the average deadline of the Central Administration (ATM) has been increased from 10.9 years (2017) to 11.37 years (2022). This allows a greater public debt maneuverability.

Table 2: Debt Average Maturity (Years*)

Years	Administración Central		
	External Debt	Domestic Debt	Total Debt
2017	11,5	2,4	10,9
2018	12,7	3,4	12
2019	13,3	3,4	12,6
2020	14,9	4,8	14,3
2021	12,6	7,6	12,3
2022	11,58	7,12	11,37

* Does not include perpetual debt with the BCP.

Source: Vice-ministry of Economy and Planning



Fiscal Policy

Financial Situation as of May 2024

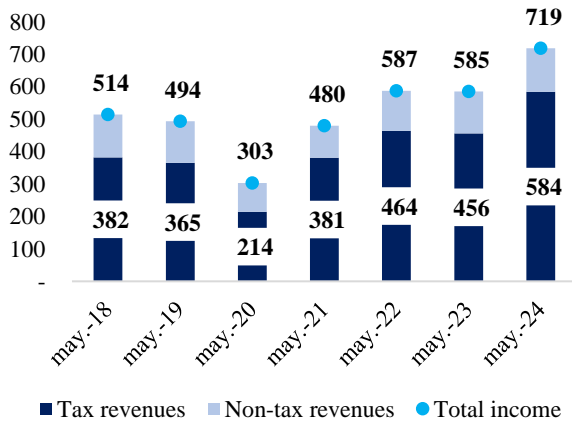
May has closed with an accrued fiscal deficit of USD 116.7 million, equivalent to -0.2% of the GDP. The annualized fiscal deficit as of May, 2024 was 3.2% of the GDP, showing a relative improvement concerning the fiscal closing of 2023, in which the fiscal deficit was 4.1% of the GDP. This is explained, partly, because of the good performance of tax revenues¹.

Income

As of May 2024, total income shows an accrued growth of 20.3%.

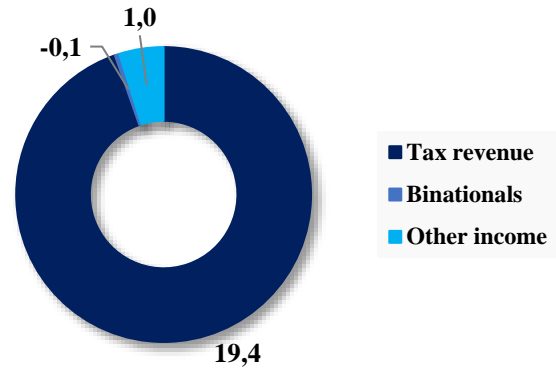
Total income in May 2024, were USD 718.9 millions, mainly explained by the good dynamics of tax revenues, coming from domestic and foreign taxes' collection.

Chart 3: Income accrued as of May 2024, in million Dollars.



Source: SITUFIN² – Ministry of Economy and Finance

Figure 3: Income components in percentage (accrued variation)



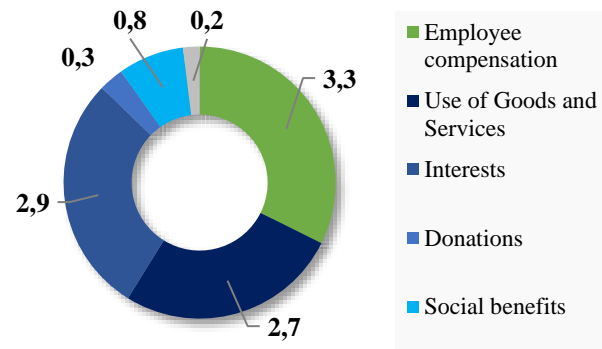
Source: SITUFIN – Ministry of Economy and Finance

Public Expenditure

The total expense showed an accrued increase of 10.2%, as of May.

This outcome is mainly explained by remunerations, interests, use of goods and services. It is worth pointing out that there has been an increase in the execution of expenses in the strategic sectors of the national government such Health, Education, Security, promotion and social action.

Chart 4: Variation Arrangement of accrued expenses in percentage



Source: SITUFIN – Ministry of Economy and Finance

² SITUFIN — Ministry of Economy and Finance.
Obtained <https://www.mef.gov.py/situfin/>

Public Investment

National System of Public Investment SNIP.

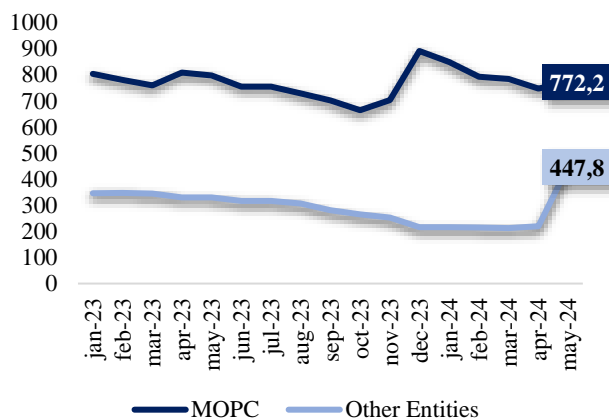
Is the set of standards and instruments aimed at arranging the Public Investment process in order to optimize the use of resources in financing more profitable investment projects from a socio-economic point of view. (PGN 2024)

Investment as of May, 2024

As of May, the public investment level is in line with the path of fiscal convergence, as well as the economic growth dynamics.

The total public investment as of May was USD 1220.0 million, which represents 2.3% of the GDP. This consists of USD 772.2 million corresponding to the Ministry of Public Works and Communications, and USD 447.8 million corresponding to other entities.

Chart 5: Accrued Investment, in million Dollars



Source: SITUFIN – Ministry of Economy and Finance



Monetary Policy

The Central Bank of Paraguay leads the monetary policy under an inflation goal scheme. Since 2011, officially under this goal scheme, the

main goal of the Monetary Policy according to the Law N° 6104 that modifies and widens the Organic Law N° 489/95 of the Central Bank of Paraguay (BCP), is to preserve and safeguard the value stability of the currency providing a face foreseeability framework for the Paraguayan economy, on which the economic agents may be based to make decisions concerning consumption and investment.

Inflación

International Context

In view of the international context, oil costs have increased slightly to around USD 85 per barrel while agricultural commodity prices have decreased because of improvements in weather conditions.

In the **United States**, inflation has been placed below the market expectations while the labor market was mixed.

Domestic Context

In Paraguay, the inflation goal, measured by the variation between the Consumer Price Index, is 4.0%, having a tolerance range of 2 points upwards and 2 points below the goal, which allows that the inflation fluctuate within the goal range, considering the Paraguayan economy exposure to external shocks given its features of a small and open economy.

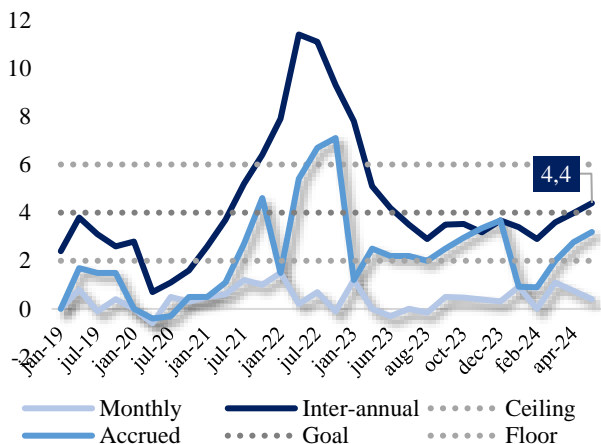
Concerning the local context, inflation expectations are in line with the goal of 4%.

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As of May, 2024, the monthly inflation of the CPI was 0.4%, as a consequence of the prices' increase of volatile components of the basic food basket (fruit and vegetables) and some durable goods.

On the other hand, excluding food and energy costs (IPCSAE), monthly inflation was 0.3%. In view of inter-annual terms, CPI and IPCSAE variations were 4.4% and 3.5%, respectively. Core inflation stood at 0.2% monthly and 3.2% year-on-year.

Chart 6: Inflation as of May, 2024, in percentage



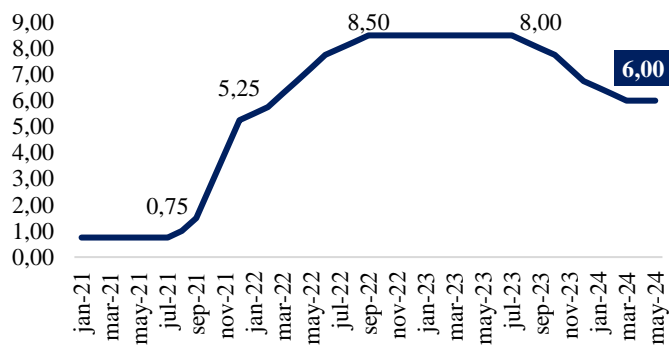
Source: Central Bank of Paraguay

Monetary Policy Rate

This is a monetary policy instrument through which it is exercised influence in the liquidity and the rates of interest of the market that may affect part of the economic activity and has an impact on inflation.

Monetary Policy Rate (TPM) as of May, 2024 The Monetary Policy Committee (CPM) has decided to keep the Monetary Policy Rate (TPM) by 6.0% in May of the present year.

Chart 7: Monetary Policy Rate (2020-2024)



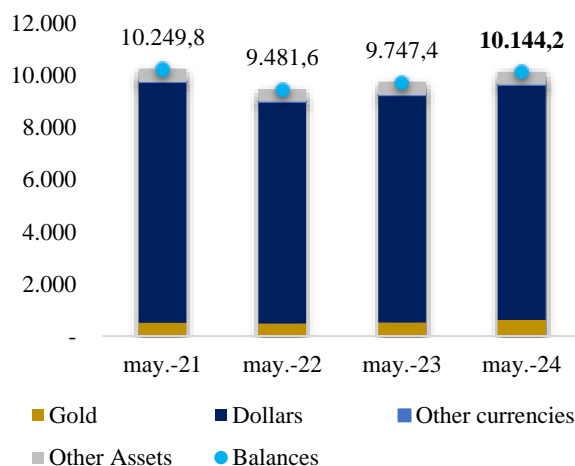
Source: Central Bank of Paraguay.

CPM's Minutes of Meetings

Net International Reserve

The Net International Reserves' stock as of May 2024, has achieved a USD 10,144.2 million balance, consisting of USD 614.0 million corresponding to Gold; USD 9,029.2 millions in Dollars; USD 2.3 millions in other currencies and USD 498.7 millions concerning other assets.

Chart 8: RIN composition, in million Dollars.



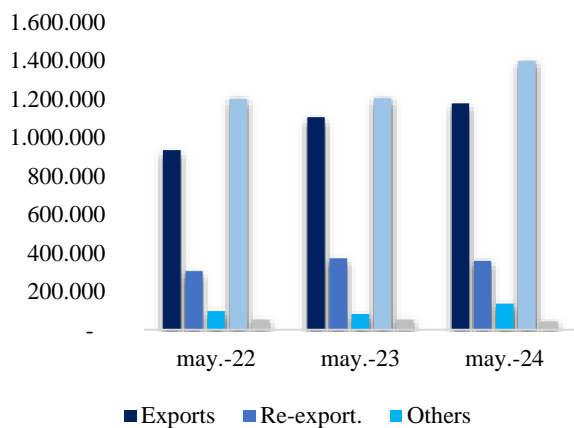
Source: Central Bank of Paraguay

Balance of Trade

In May, 2024, foreign trade figures (Exports plus Imports) represented USD 3,109.9 million.

Total exports as of May, 2024, were USD 1,669.2 million. On the other hand, total imports as of May, 2024, have been USD 1,440.7 millions; and finally, the balance of trade has been USD 228.4 million, in favor of exports.

Chart 9: Balance of Trade, in thousands of Dollars



Source: Central Bank of Paraguay

BCP Statistic Schedule

Credit Perspective of Paraguay

Sovereign Risk Rating Record

Paraguay has managed to keep the country risk rating and the perspectives with the credit rating agencies Fitch and Moody's. It is worth pointing out that Fitch Ratings considering its review of November, 2023, increased Paraguay's Country Ceiling to BBB- (investment grade) from BB+.

Table 2: Sovereign Risk Ratings 2024

Risk Rating Agency	Rate	Perspective	Last Review
S&P	BB+	Estable	01-feb-2024
Moody's	Ba1	Positiva	05-dic-2023
Fitch	BB+	Estable	01-nov-2023

Source: Vice-ministry of Economy and Planning

Annual Reports on Risk Rating

Country Ceiling

The Country Ceiling increase implies that in Paraguay, private issuers may go to the international market and fulfill their respective obligations. This occurs because risks in exchange rate controls are mitigated with sound external liquidity, a floating exchange rate, sound policies and macroeconomic institutions and efforts to diversify the economy and attract Foreign Direct Investment.

In December 5, 2023, Moody's, in its rating review report confirms Paraguay's rating at Ba1 with a positive outlook. The risk rating agency highlights aspects that influence the country's credit strength, among them, the low burden of public debt supported by the compliance records of goals established in the Fiscal Responsibility Law. Likewise, it stands out that Paraguay registers a greater GDP growth in relation to its peers with the same rating, having a growing potential for economic growth and diversification of the economy.

In addition, they highlight that tax administration and the boost in revenue collection have been improved in recent years and reforms have been proposed to the pension system and the Government's commitment to public investment

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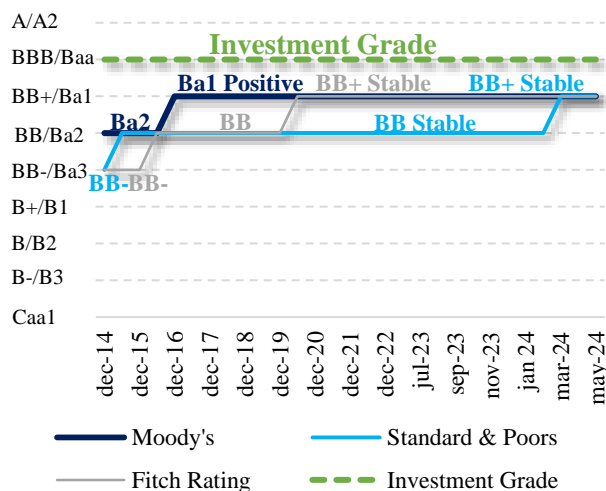
in order to improve the country's road infrastructure.

The risk rating agency mentions that the positive outlook is based on a solid growth record and a prudent fiscal policy, reflected in the low debt burden that has allowed Paraguay to be one of the few countries that has not seen its credit rating affected.

On February 1, 2024, Standard and Poor's, after 10 years, has decided to increase Paraguay's rating from BB to BB+, keeping the stable outlook. The report from the aforementioned risk rating agency emphasizes that the country's government institutions have gradually matured in recent years, with greater predictability and continuity in Economic Policies through changes in the administration; it emphasizes that the approval of the laws that create institutions such as the Directorate of National Tax Revenues, the Ministry of Economy and Finance, the Superintendency of Securities and the most recent, the Superintendency of Pensions are key to guaranteeing the efficient operation of institutions.

Currently, Paraguay is at one step of the investment grade with the three most important risk rating agencies; Moody's, Fitch Ratings and Standard and Poor's.

Chart 7: Sovereign Risk Rating of Paraguay
Period 2013 – 2024



Other accesses of interest



Please click on the text to address to the Web Site

Monetary Policy Reports

 **National Accounts Report (Fiscal Quarters)** 

 **Statistic Schedule of the Economic Report**

 **Foreign Trade Report (Fiscal Quarters)**

 **Direct Investment**

 **Monetary Policy**

ODS

 **Sustainable Paraguay**

 **Sustainable Development Objectives (ODS)**

Ministry of Industry and Trade

 **MyPIMES**

 **Maquila**

 **Programs and Projects for S&MEs**

Environmental Actions

 **Legal Provisions on environmental policies and actions**

Ministry of Economy and Finance

General Budget of the Nation

Public Investments

SITUFIN

Rendering of Accounts

Statistics on Public Debt

Debt Monthly Reports

**Monthly Financial Management of
the General Budget of the Nation**

Report on Foreign Trade (RCE)

**Planning System according to
Outcomes**

**General Directorate of Cooperation
for Development**

Estadísticas de las Recaudaciones

Por qué invertir en Paraguay

**Control Financiero y Evaluación
Presupuestaria**

Perfil Económico y Comercial

**BIDI (Boletín Informativo de la
Dirección de Integración)**

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Vice-ministry of Economy and Planning
General Directorate of Debt Policy



Schedule

Vice-ministry of Economy and Planning
 General Directorate of Debt Policy

Economic Indicators / 2020 – 2024					
	2020	2021	2022	2023(*)	2024(**)
Real Sector					
Population (million)	7.252,7	7.353,0	7.453,7	7.554,8	7.656,2
GDP (USD million)	36.145,8	40.284,1	42.093,1	43.009,2	45.323,8
GDP per capita (USD)	4.983,8	5.478,6	5.647,3	5.693,0	5.919,9
GDP (annual variation in %)	-0,8	4,0	0,2	4,7	3,8
Total Consumption (annual variation in %)	-2,2	5,5	1,6	2,9	3,2
Capital Investment (annual variation in %)	5,3	18,2	-1,8	-3,5	5,0
Unemployed Rate (open unemployment)	7,9	6,8	5,7	6,5	nd
Economy Structure					
In view of Supply					
(percentage change)					
Primary Sector	7,4	-11,6	-8,6	16,5	2,0
Agriculture	9,0	-18,2	-12,5	23,3	1,8
Livestock	4,4	6,2	-0,3	0,5	1,6
Others	0,9	6,8	-0,7	12,5	4,2
Secondary Sector	0,7	5,0	0,7	3,4	4,0
Industry	-1,3	6,9	-0,1	3,1	4,1
Construction	10,5	12,8	-3,2	-7,5	4,7
Binationals	-2,3	-7,6	7,8	16,0	3,1
Tertiary Sector	-3,1	6,5	1,5	3,6	3,9
General Government	6,4	-3,4	-0,7	3,4	3,4
Trade	-8,1	14,3	3,4	4,4	3,4
Communications	6,1	4,5	-2,4	-0,8	2,4
Other Services	-5,7	7,7	2,1	4,0	4,5
Taxes	-5,1	9,0	1,1	3,3	3,7
In view of Demand					
(Thousands of USD)					
Total Investment	5.737,8	6.912,8	6.390,5	6.084,5	6.242,6
Total Consumption	22.548,4	24.240,2	23.181,7	23.533,9	23.741,2
Exports	9.844,6	10.236,8	9.536,2	12.864,6	12.877,0
Imports	8.630,3	10.710,6	11.037,3	12.428,2	12.483,9
Monetary and Financial Sector					
Rate of Exchange (PYG per USD, fdp)	6.944,0	6.815,5	7.238,7	7.335,2	7.507,0
Inflation (CPI, annual variation in %, Average, last 12 months)	0,7	3,7	11,4	5,1	4,4
Inter-banking rate of interest (% , fdp)	0,81	0,55	7,00	8,68	5,95
Monetary Aggregates (annual variation of M2 in %)	18,2	11,6	1,3	8,8	10,5
Dollarization Ratio (% of banking deposits in ME)	43,7	46,0	45,9	46,9	45,9
Banking sector credits granted to the private sector (% of GDP)	6,8	12,1	13,8	7,7	15,7
Real Salary (annual variation, %)	1,1	5,5	6,9	4,7	-

Vice-ministry of Economy and Planning
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External Sector					
(Thousands of USD)					
Exports	809.462	1.284.940	1.336.478	1.558.273	1.669.222
Inter-annual variation in %	-26,0	58,7	4,0	16,6	7,1
Imports	656.732	958.703	1.251.139	1.254.843	1.440.775
Inter-annual variation in %	-31,7	46,0	30,5	0,3	14,8
Trade Balance	152.730	326.238	85.339	303.431	228.448
% of GDP	0,4	0,8	0,2	0,7	0,5
(Million of USD)					
Current Account	669,2	-347,4	-2.993,5	109,6	-
% of GDP	1,9	-0,9	-7,1	0,3	-
Capital and Financial Account	283,8	-299,5	-2.691,2	-436,1	-
% of GDP	0,8	-0,7	-6,4	-1,0	-
Direct Foreign Investment	7.909,4	8.345,1	8.664,9	8.905,6	-
% of GDP	21,9	20,7	20,6	20,7	-
International Reserves	9.382,0	10.249,8	9.481,6	9.747,4	10.144,2
% of GDP	26,0	25,4	22,5	22,7	22,4
Public Sector					
(% of GDP)					
Income	13,5	13,7	14,0	14,0	6,3
<i>Which: Taxation Income represents</i>	9,5	9,8	10,2	10,1	4,9
Expenses	19,7	17,3	17,0	18,1	6,6
<i>Which: Payment of interests represents</i>	1,1	1,1	1,2	1,7	0,8
Primary Outcome	-5,1	-2,5	-1,8	-2,4	0,6
Fiscal Outcome	-6,1	-3,6	-2,9	-4,1	-0,2
Total Debt of the Public Sector	33,8	33,8	35,8	38,5	38,9
Deuda Externa Pública	29,0	29,3	31,7	33,3	33,8
% of the Total Public Debt	85,9	86,7	88,5	86,6	86,8
Domestic Public Debt	4,8	4,5	4,1	5,2	5,1
% of the Total Public Debt	14,1	13,3	11,5	13,4	13,2
Service of the Domestic Public Deb	1,6	1,6	1,8	3,1	1,5

Vice-ministry of Economy and Planning
General Directorate of Debt Policy

References:

Remarks and Sources: Chart prepared by the General Directorate of Indebtedness Policy (DGPE, Ministry of Economy and Finance), including data of the Central Bank of Paraguay (BCP, Statistical Schedule as of June 21, 2024) and the Ministry of Economy and Finance.

1. The exchange rate corresponds to the one of the last working day of the year.
2. Income and Expenses as of May, 2024 are preliminary.
3. These letters shall have the following meanings: M: month (i.e., M5: May); T: Quarter (i.e., T01: quarter 1); n/a: non-available, ME: Foreign Currency; fdp: end of period.
4. (*) means preliminary data subject to changes and (**) projections.
5. Data after 2012 are preliminary and they may be subject to reviews.
6. The Economy Structure includes data in Guaranies as of 2014. Historical data as well as projections correspond to the BCP.
7. Inflation as of May, 2024 corresponds to the goal rate of inflation established by the BCP.
8. Other services include: transportation; financial intermediation; residential lease; services rendered to companies; hotels and restaurants and services rendered to households.
9. Binationals mean currency income as energy cession of Paraguay to Argentina and Brazil, corresponding to the Hydroelectric plants Yacyreta and Itaipu. The Real Sector and Economy Structure projections are figures prepared by the BCP.
10. Public Sector data are figures prepared by the Ministry of Finance. Since 2015, a migration has been performed to the methodology contemplated in the Manual on Statistics of the Public Finances 2001 (MEFP 2001)
11. Exports and imports as of 2024 correspond to May of the mentioned year. (2024, M5).
12. Exports include reexports and other exports. The inter-annual variation of exports/imports as of May, 2024 (May, 2024/May, 2023) obtains the accrued variation of exports/imports of the total exports and imports accrued of May, 2024, concerning the same period of the year 2023.