

Introduction

Paraguay is a country in South America. Neighboring countries include Argentina, Bolivia, and Brazil. Paraguay lies on both banks of the Paraguay River, which runs through the center of the country. The government system is a presidential republic; the chief of state and head of government is the president. Paraguay has a free market system in which the market sets the prices. Paraguay is a member of the Common Market of the South (Mercosur).



Location: South America

Capital City: Asuncion (-4 GMT)

Chief of State: President Santiago Peña Palacios

Head of Govt.: President Santiago Peña Palacios

Currency: Guarani (PYG)

Major Languages: Spanish (official) and Guarani (official) 46.3%, only Guarani 34%, only Spanish 15.2%, other (includes Portuguese, German, other Indigenous languages) 4.1%, no response 0.4%; note - data represent predominant household language (2012 est.)

Primary Religions: Roman Catholic 80.4%, Protestant 7% (Evangelical (non-specific) 6.7%, Evangelical Pentecostal 0.1%, Adventist 0.1%, Protestant (non-specific) 0.1%), Believer (not belonging to the church) 5.7%, other 0.6%, agnostic 0.1%, none 0.2%, unspecified 6.2% (2023 est.)

Calling Code: 595

Voltage: 220

Key Websites

Commerce Ministry: mic.gov.py

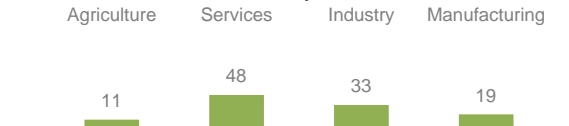
Export Promotion Agency: redidx.gov.py

Investment Promotion Agency: redidx.gov.py

Key Economic Facts

Income Level (by per capita GNI):	Upper Middle Income
Level of Development:	Developing
GDP, PPP (current international \$):	\$108.34 billion (2022)
GDP growth (annual %):	0.08% (2022)
GDP per capita, PPP (current international \$):	\$15,977.31 (2022)
External debt stocks, total (DOD, current US\$):	\$21,352,787,181.70 (2021)
Manufacturing, value added (% of GDP):	19.40% (2022)
Current account balance (BoP, current US\$):	-\$2.71 billion (2022)
Inflation, consumer prices (annual %):	9.77% (2022)
Labor force, total:	3,428,200 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	6.89% (2022)
Imports of goods and services (current US\$):	\$16.43 billion (2022)
Exports of goods and services (current US\$):	\$14.39 billion (2022)

GDP Composition %



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

Index	Rank
Corruption Perceptions Index	126 / 178
Global Competitiveness Index	97 / 141
Global Enabling Trade Index	107 / 136
Global Services Location Index	55 / 60
Index of Economic Freedom	76 / 176
International Logistics Performance Index (LPI)	74 / 160
Inward FDI Potential Index	106 / 139
KOF Index of Globalization	79 / 185
Networked Readiness Index (NRI)	105 / 139
Open Budget Index	51 / 114

Risk Assessment (Provided by Coface)

Country rating: B - Political and economic uncertainties and an occasionally difficult business environment can affect corporate payment behavior. Corporate default probability is appreciable.

Business Climate rating: B - The business environment is mediocre. The availability and the reliability of corporate financial information vary widely. Debt collection can sometimes be difficult. The institutional framework has a few troublesome weaknesses. Intercompany transactions run appreciable risks in the unstable, largely inefficient environments rated B.

Strengths

- Well-developed agricultural sector (soybeans and beef)
- Abundant hydroelectric resources and forest potential conducive to green energy production
- Prudent fiscal and monetary policies

Weaknesses

- Dependency on the agricultural sector and a handful of trading partners (Brazil and Argentina)
- Vulnerability to climatic conditions
- Significant informal market (40% of GDP), smuggling with Argentina
- Low fiscal resources (17% of GDP)
- Weak governance (corruption and cronyism)
- Poor infrastructure (waterways, roads, power lines)
- Deficient health and education services

U.S. Embassy

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