



PARAGUAY

LAND OF OPPORTUNITIES



TETĀMBAE' APOPY
HA NĒMU
MOTENONDEHA
MINISTERIO DE
INDUSTRIA
Y COMERCIO





**TETĀMBAE' APOPY
HAÑEMU**
MOTENONDEHA
MINISTERIO DE
**INDUSTRIA
Y COMERCIO**



GOBIERNO NACIONAL
Construyendo Juntos Un Nuevo Rumbo



PARAGUAY TODAY...

The Best
**Investment
Climate** in the
region
(GV)

Top 5
Regional Ranking
"Doing
Business" (WB)

2°
Country with best
ROI in South
America
(22%)

World Class
Food Producer

Logistic Hub
For the
Region

Young
Population
(70/35)

Competitive
Platform **food** to
world, **products and
services** for
the region

**Stable, solvent,
predictable and
reliable** economy.
(Net creditor 2 to 1)



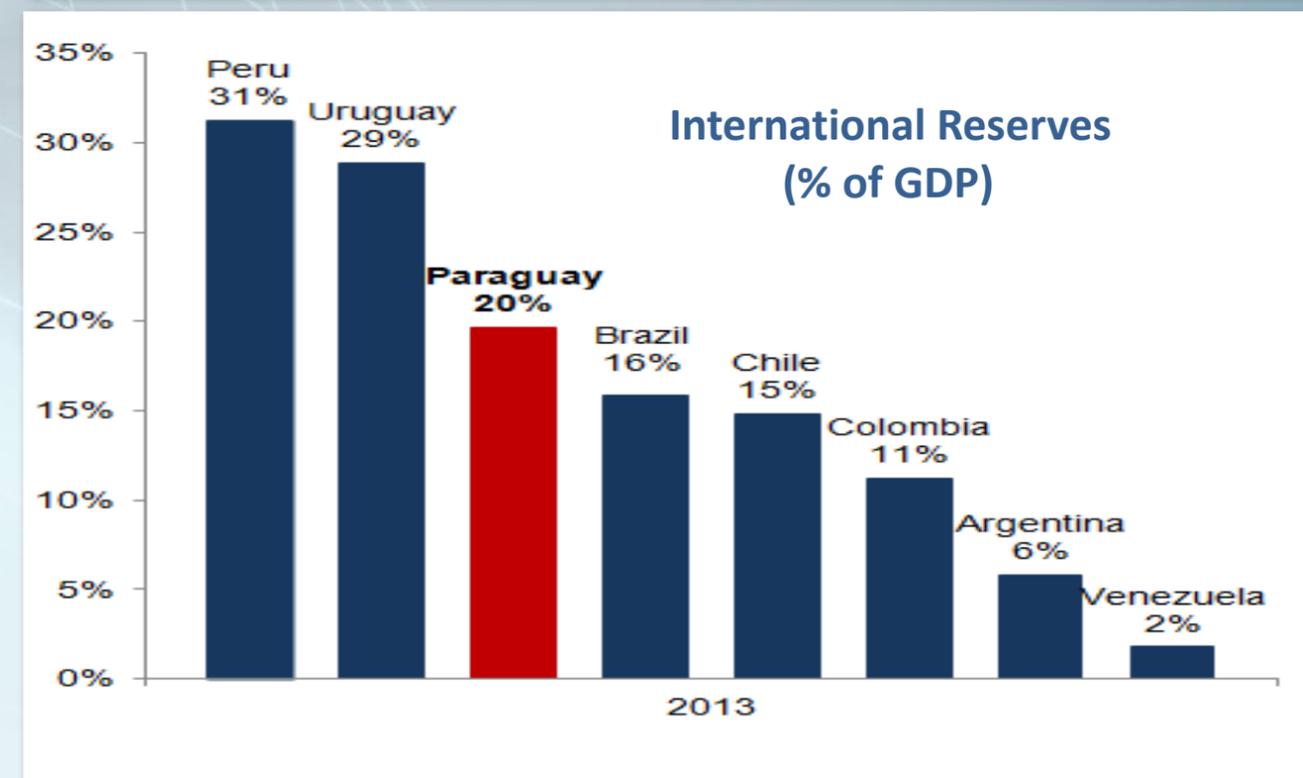
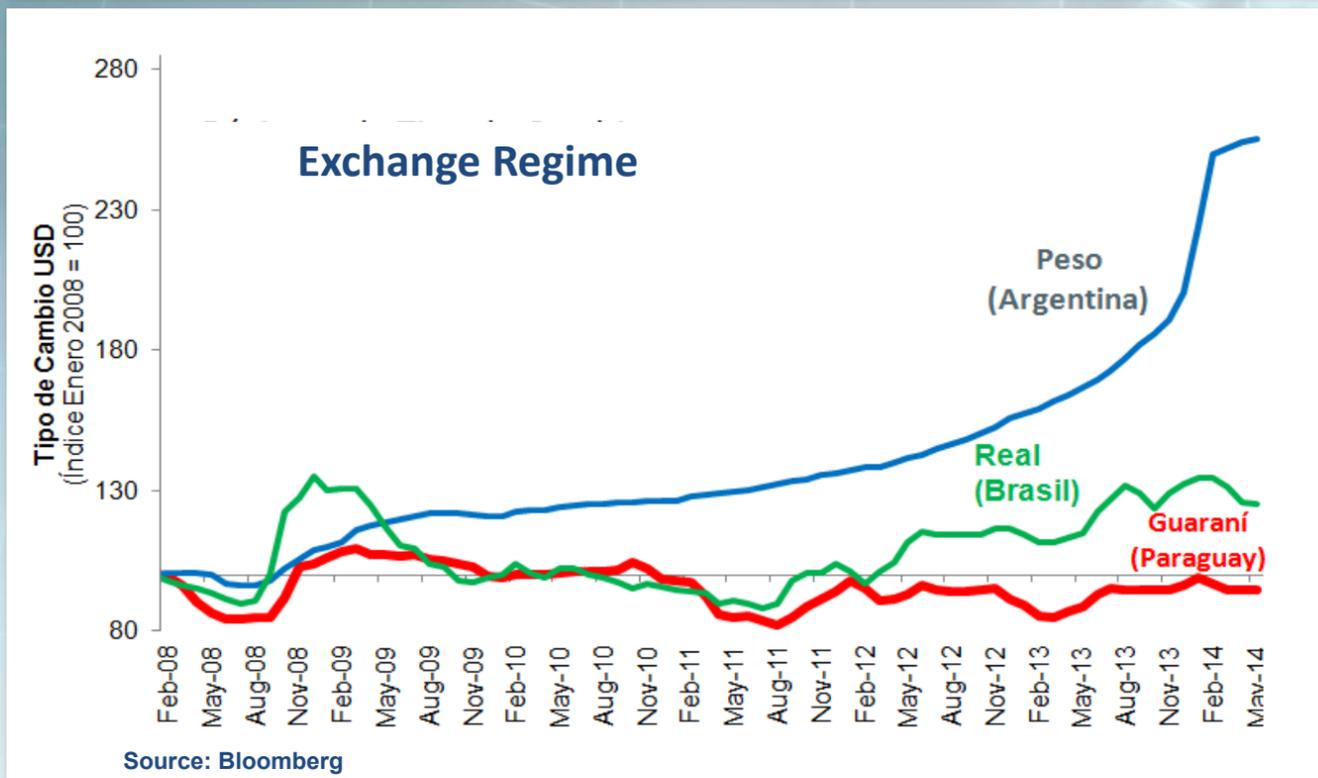
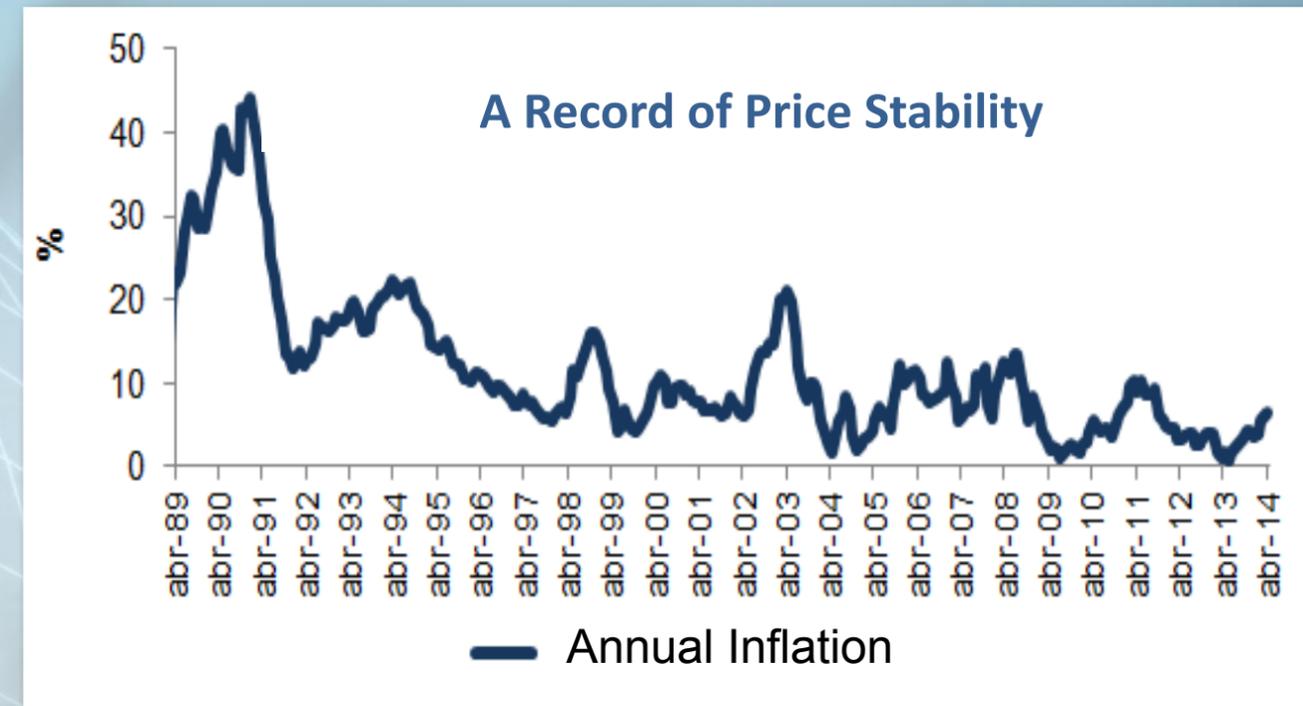
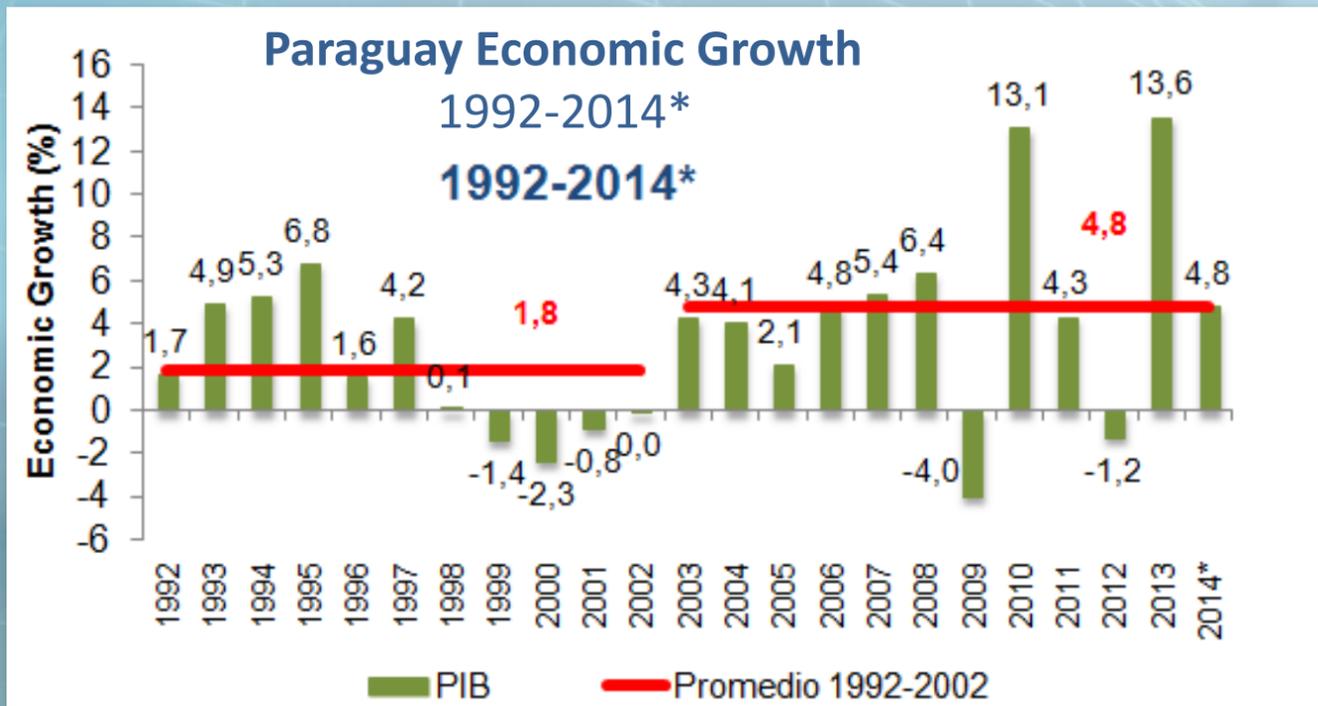
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CONSOLIDATION OF MACROECONOMIC STABILITY



OUR LATEST HIGHLIGHTS ARE...

Monetary stability for the past 70 years.

(The Guaraní is the most stable currency in Southamerica)

4,5% GDP growth (average) for the past 10 years

Most Competitive Tax Scheme
10,10,10

Reestablished markets and diplomatic agreements

Less than **5%** of annual inflation for the past **5 years**

60% annual growth in **Maquila Exports**

Growing Rate of FDI

60% New **Investments** (Paraguayan capital)

Applications to open **new businesses** have **tripled**



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PARAGUAY IN THE WORLD

1st
RENEWABLE ENERGY

2nd
STEVIA PRODUCER

3rd
PRODUCER AND EXPORTER OF YERBA MATE

3rd
FLEET OF BARGE

4th
SOYBEAN EXPORT

4th
WORLD EXPORTER OF YUCA STARCH

4th
MAJOR EXPORTER OF SOYBEAN OIL

5th
MAJOR EXPORTER OF SOYBEAN EXPELLER

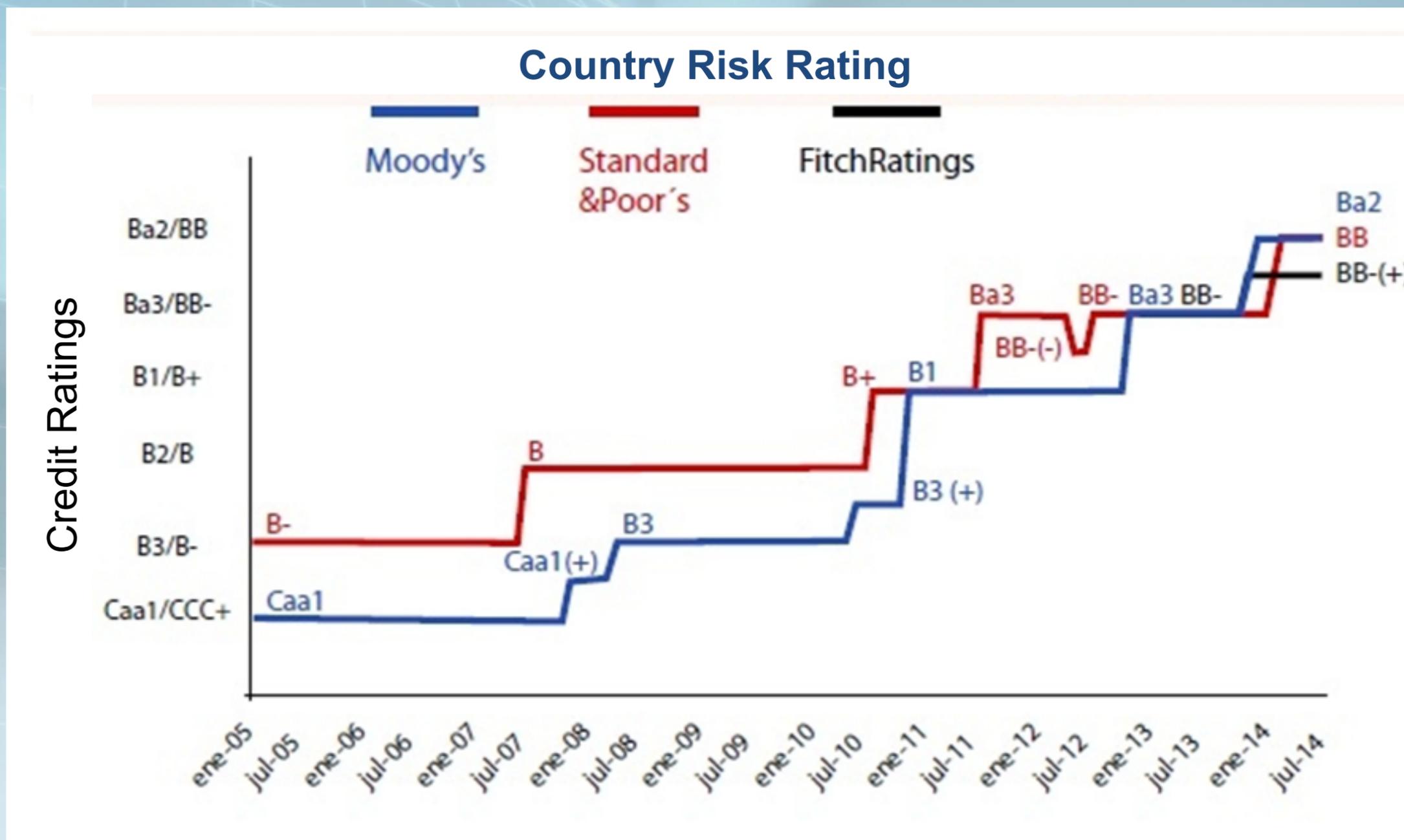
6th
MAJOR SOYBEAN PRODUCER

6th
MAJOR CORN EXPORTER

6th
MAYOR BEEF EXPORTER

10th
MAJOR WEAT EXPORTER

CONTINUOUS IMPROVEMENTS IN COUNTRY RISK RATING



OUR VISION

“A World Class food producer; open and connected to the world; with high rates of development, rule of law and public safety; environmentally sustainable; with women inclusion and young entrepreneurship as trademark; and a Government that promotes solidarity, transparency and zero tolerance to corruption”

POVERTY
REDUCTION



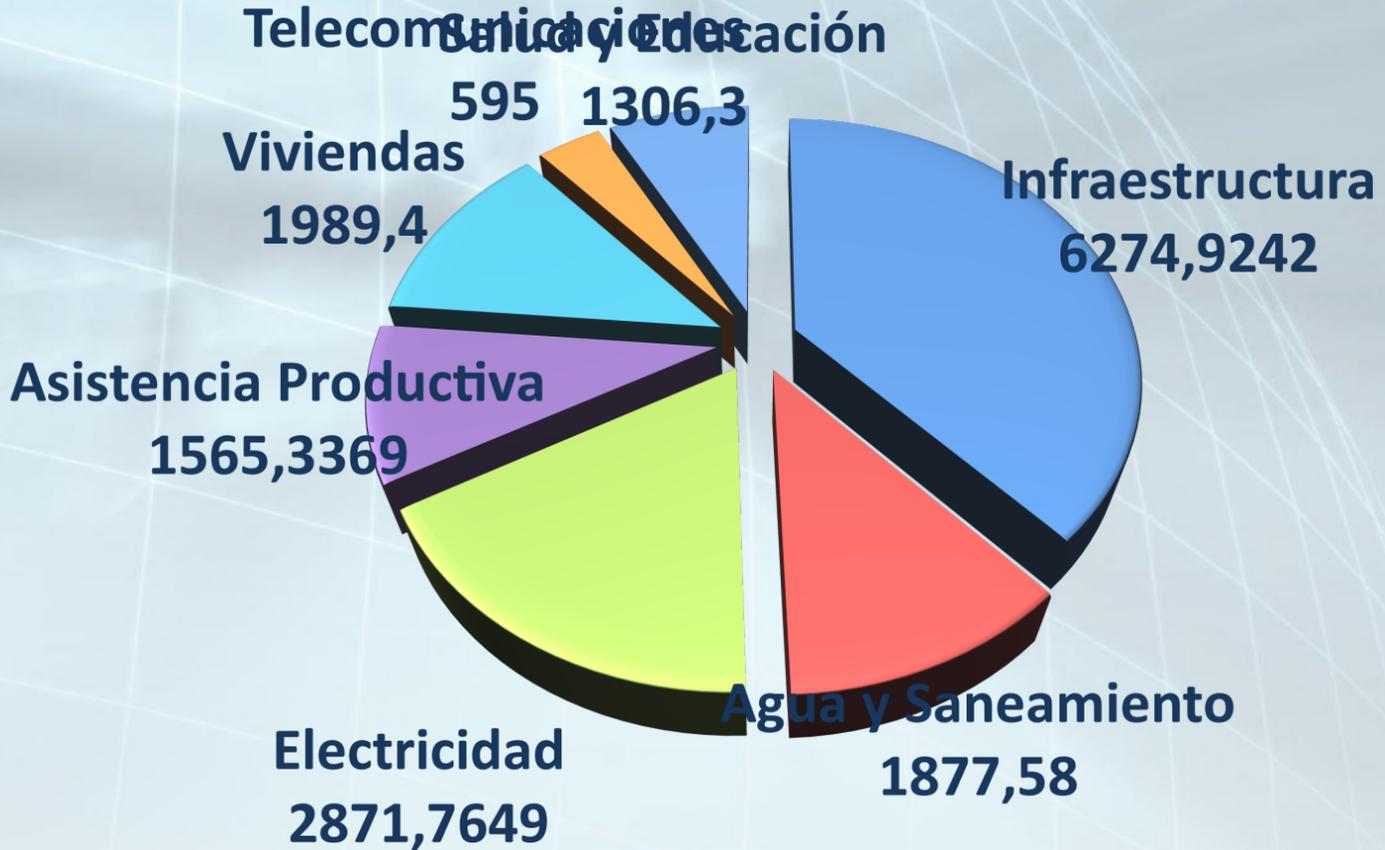
INCLUSIVE
ECONOMIC
GROWTH



INSERTION OF
PARAGUAY IN THE
WORLD

STRONG COMMITMENT TO IMPROVING INFRASTRUCTURE

USD 16,480 million of total investment within the next 5 years:



Fuente: Ministerio de Hacienda

MAIN INFRASTRUCTURE INVESTMENTS

PROJECTS 2013- 2018	LONGITUDE (KM)	APROX. COST (USD)
PROJECT 1: Improvements of roads: - 3,200 km of construction of roads - 15,000 km of maintenance of roads - 12,000 ml replacement of wooden bridges	18212,00	1.296.000.000
PROJECT 2: Routes Nr. 1,2,6 y 7 and networks	800,49	1.296.000.000
PROJECT 3: Water and Sanitation Projects	-----	900.000.000
PROJECT 4: Waterway	-----	104.000.000
PROJECT 5: Route 9 and networks	1045,77	926.640.000

PROJECT 2013- 2018	LONGITUDE (KM)	APROX. COST (USD)
PROJECT 6: Main Electricity Plan	-----	2.573.000.000
PROJECT 7: Management and Maintenance Systems for Road Network -. Road Tolls (11) and freight (10)	5300,00	560.000.000
PROJECT 8: Villeta – Pilar-Paso de Patria Routes	346,25	346.852.500
PROJECT 9: Curuguaty - Pedro Juan Caballero Routes	285,83	242.315.000
PROJECT 10: Access a Second Bridge (Paraguay - Brazil). (Rural Access, Urban Access, ACI)	47,00	172.787.000
PROJECT 11: Urban Electric Train	44,00	250.000.000
TOTAL INVESTMENT		8.359.624.500

LEGAL FRAMEWORK ORIENTED TO ENHANCE COMPETITIVENESS

Fiscal Responsibility Act

**Public – Private Partnership
Act**

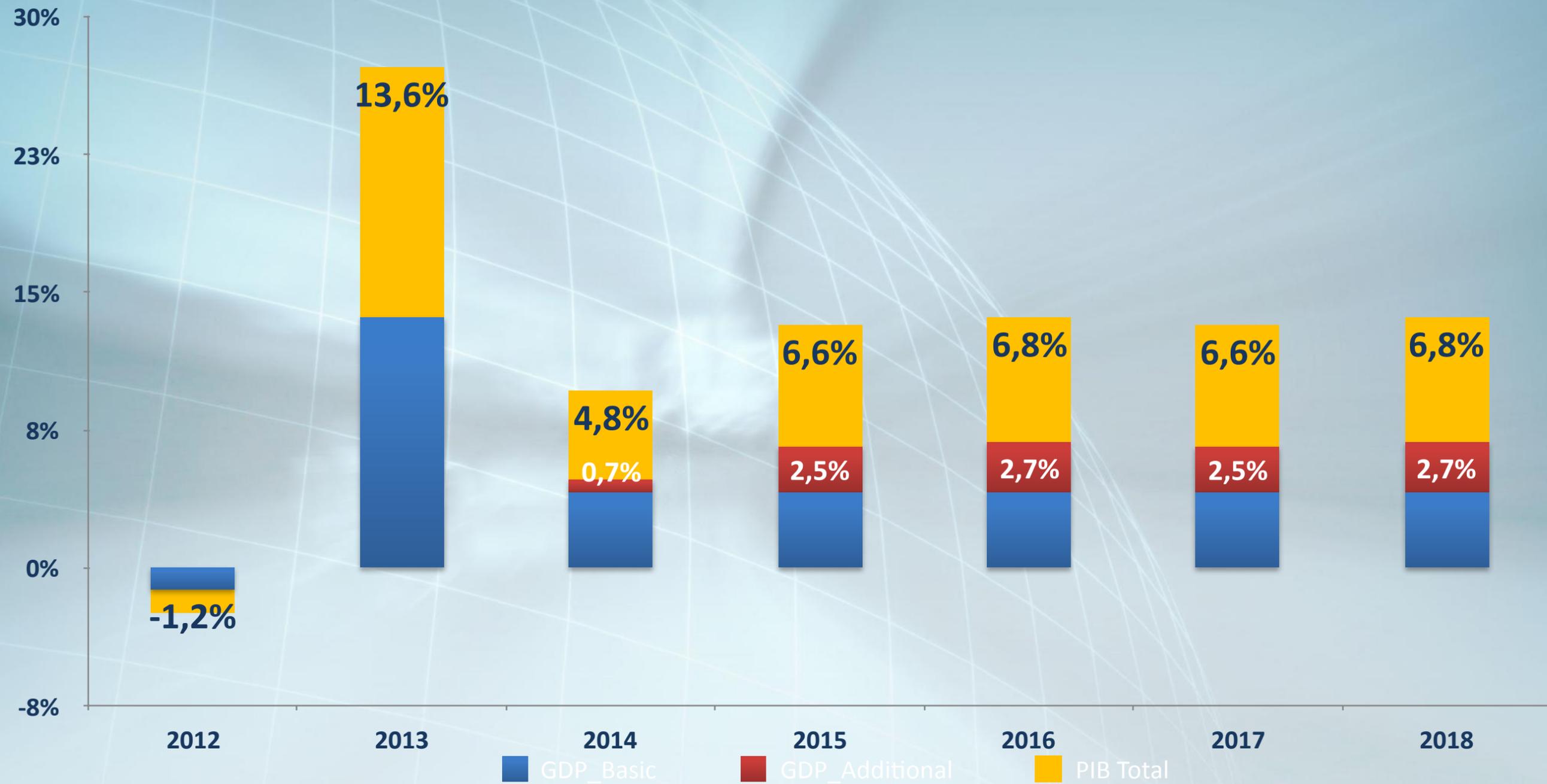
5074 Act

**Investment Security Act:
In Process**

**Tax Scheme
10:10:10**

**Implementation of the Vision
"Simple Country" - "Serious
Country"**

GDP GROWTH





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AVAILABLE RESOURCES



YOUNG LABOR FORCE



GOOD FINANCIAL FORECAST



STRATEGIC LOCATION



LOWEST TAX BURDEN IN THE REGION



RAW MATERIAL WITH QUALITY AND LOWER COST



CLEAN ELECTRICITY WITH LOWER COST



ECONOMIC STABILITY



SUSTAINABLE ECONOMIC GROWTH

COMPETITIVE TAX SCHEME

TAXES	PY	AR	UR	BR
Corporate Income Tax(*)	≤10%	35 %	25%	34%
Personal Income Tax	10%	35 %	25%	27,5%
Value Added Tax (VAT)	≤10%	21 %	23%	25%

(*) Obs: If distributed internationally may be up to 27.5%.



Tariffs on Capital Goods Import (Machinery and Equipment). **0%**

(VAT) Capital Goods (Inside and outside the country) **0%**

DEBT: Tax on remittances, Capital, Interest and Commissions (Per Investment > USD 5 mn) **0%**

INCOME: Income on dividends and profits (For Investing > USD 5 mn for 10 years) **0%**



Paraguay has the most competitive Tax Scheme in the Region

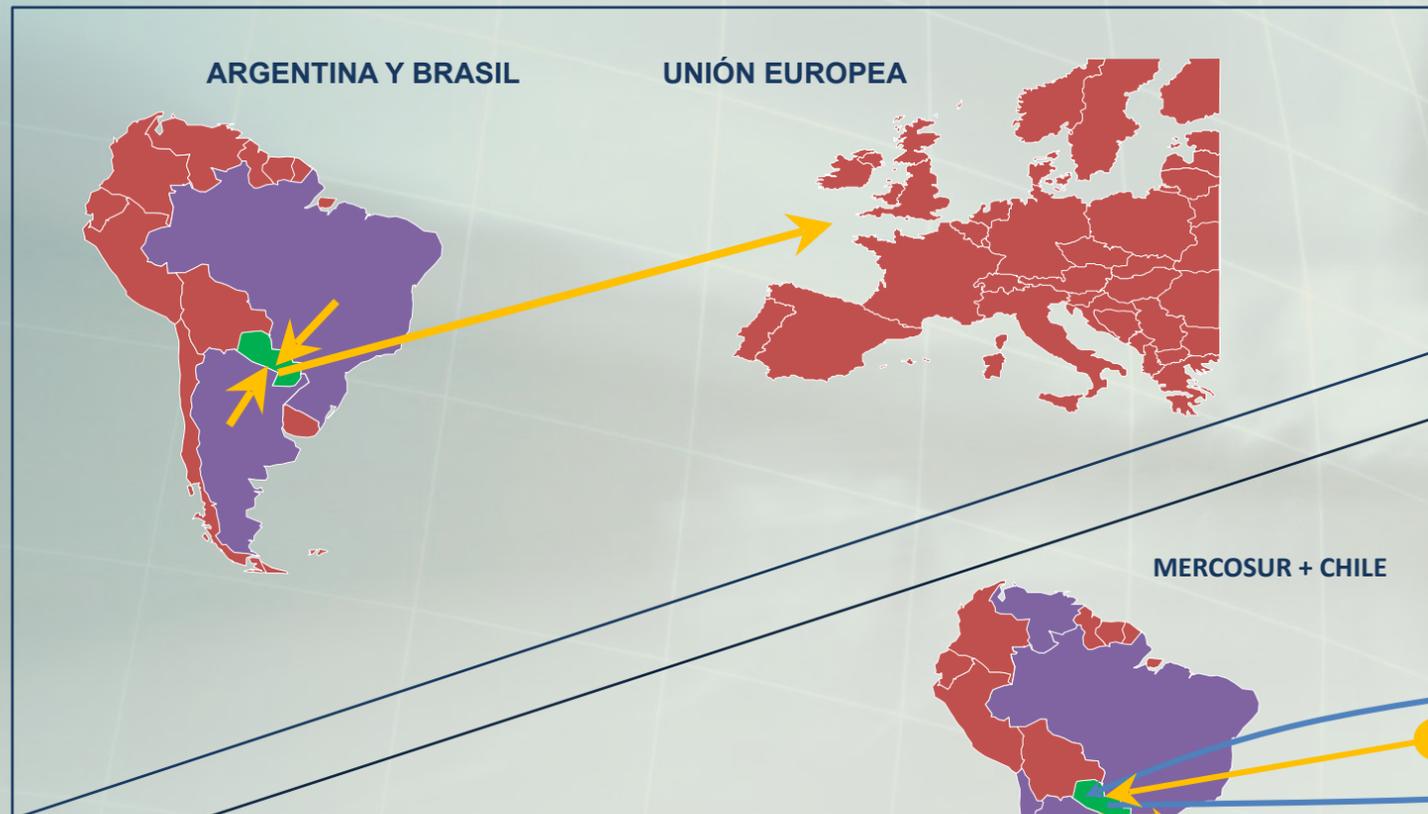
Source: Treasury (www.hacienda.gov.py)

Sector	Competitive Factors		Paraguay vs. Brazil
<ul style="list-style-type: none"> • Clothing • Footwear • Autoparts • Electronics • Agricultural products • Chemical products and Metalwork 	Labor	Trained labor force	(-) 53,2%.
		Machine Operator	(-) 29,3%.
		Untrained labor force	(-) 35,2%.
	Wage/Hours (Average in USD)	Average Wage/ Month	(-) 20,7%.
	Young Population		(+) 8,0%.
	Electricity cost	USD/MWh	(-) 63,6%.
	Tax	VAT	(-) 63,2%.
INCOME TAX		(-) 60,0%.	

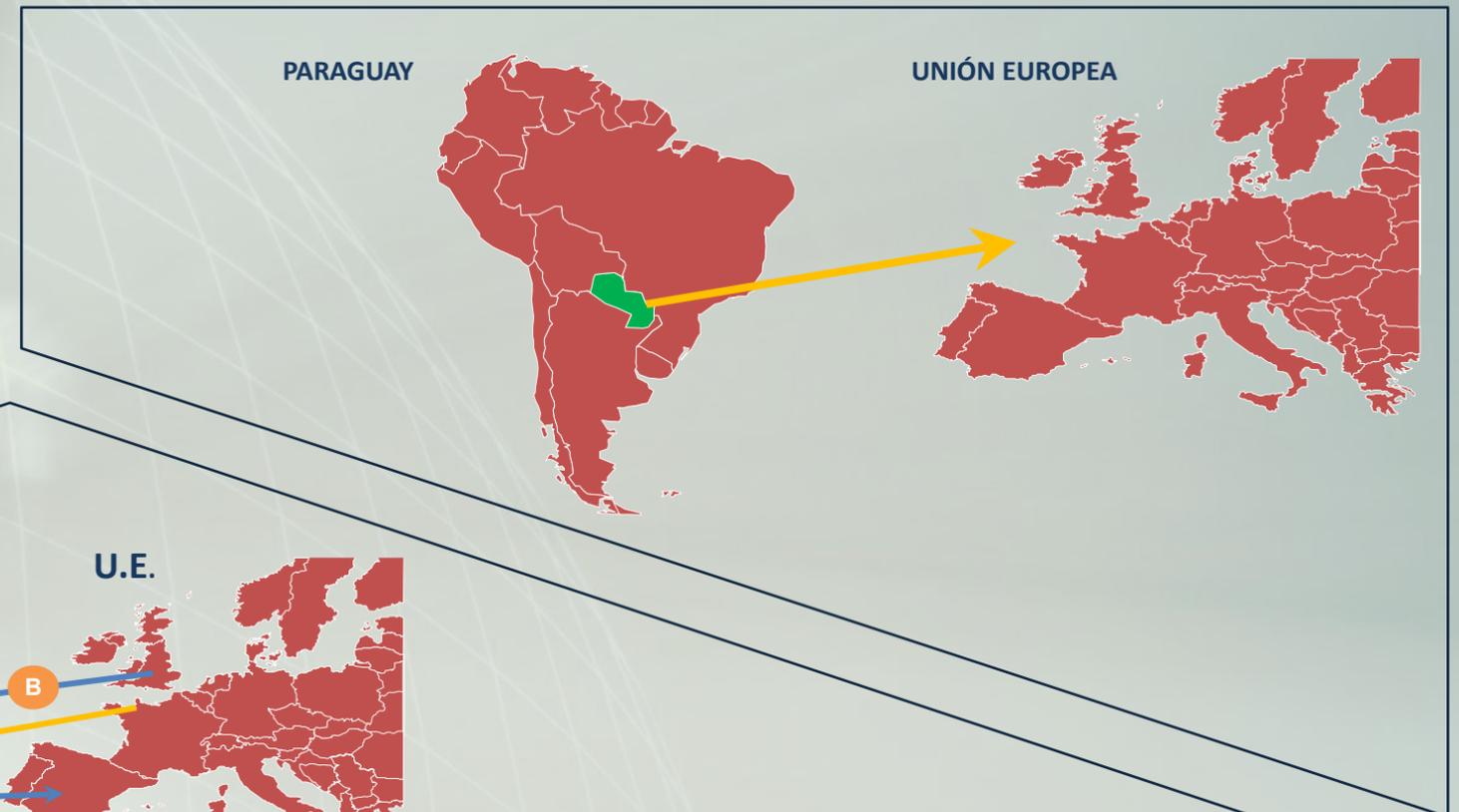
Source: Supply Chain Report, IPIE - IDB, progress report, jan2014

OPPORTUNITIES TO EXPLORE

1 Attract industries from Argentina and Brazil, through the **GSP+** (Exportable competitiveness from Paraguay)



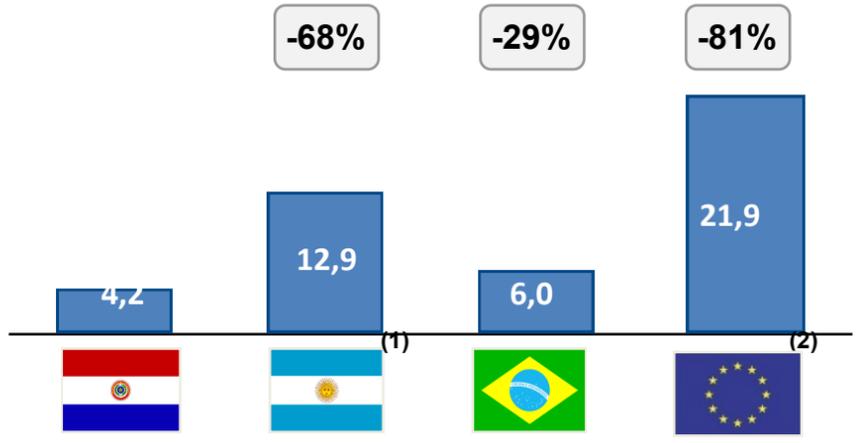
2 Empower the local market and investment considering the increased competitive advantages.



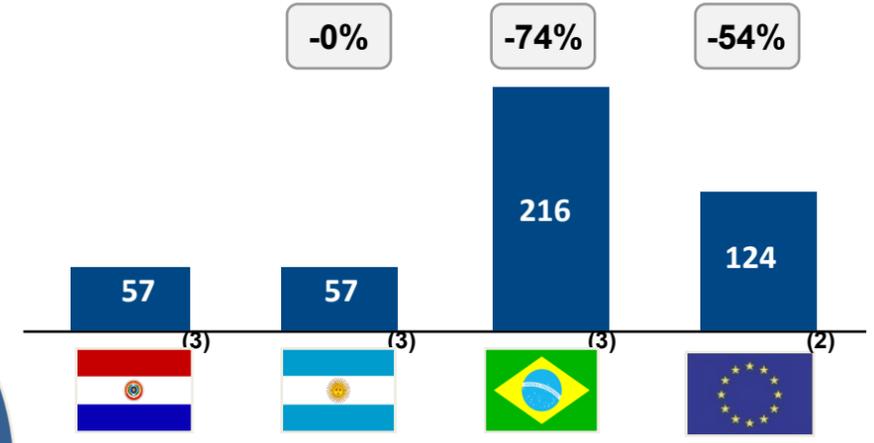
3 Attract European Industries considering the direct and preferential access to Mercosur.

SECTORS	MFN TARIFFS	GSP+ TARIFFS
CLOTHING MANUFACTURE	12,0%	0,0%
FOOD	12,2%	0,0%
PLASTIC ARTICLES	6,5%	0,0%
INSECTICIDES AND OTHER PESTICIDES	6,5%	0,0%
LEATHER	5,5%	0,0%
ANIMAL FEED AND OTHER ANIMAL FOODS	9,6%	0,0%
SHOES	17,0%	0,0%

LABOR COST 2012 (USD x HOUR) – SOCIAL COST

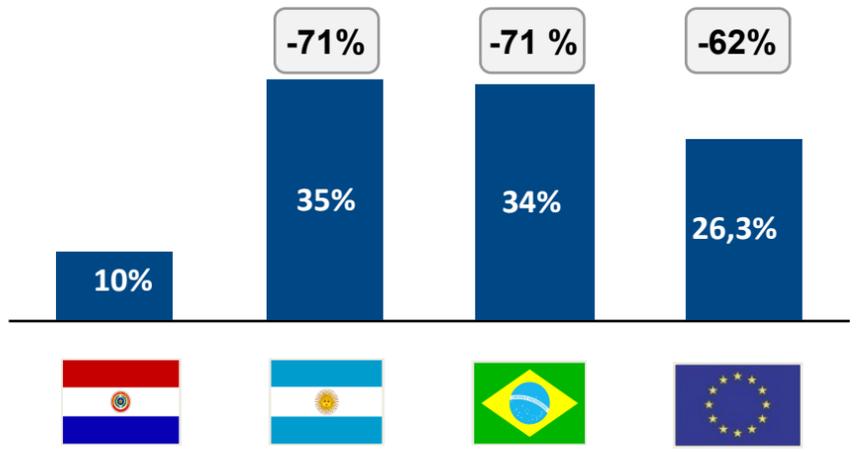


ENERGY PRICING - INDUSTRIAL SECTOR Year 2012 (USD x MWH WITHOUT TAX)

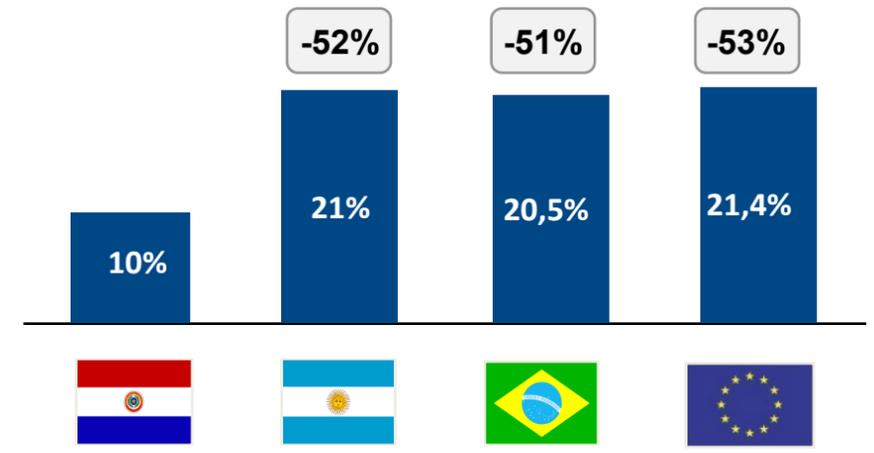


**Main
Competitive
Advantages in
Paraguay for
Companies**

INCOME TAX 2012

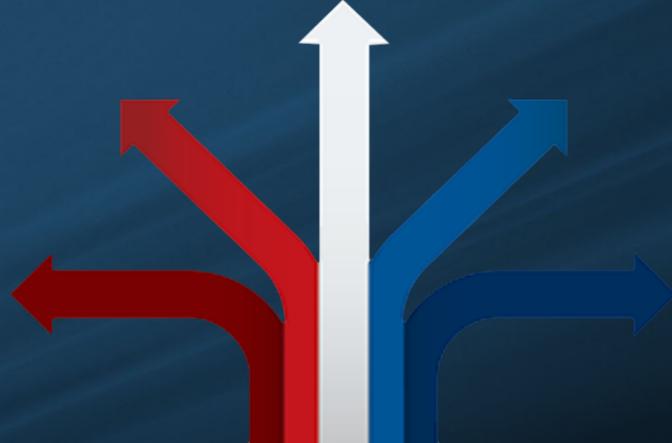


VALUE ADDED TAX (VAT) 2013



% Diferencia de Paraguay

Source: ANDE, Eurostat, CIER, U.S. Bureau of Labor Statistics, KPMG statistics, Oanda y análisis Arthur D. Little



TOUR DE
OPORTUNIDADES



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América economía » Negocios & Industrias

Internacional País Negocios & Industrias Economía & Mercados Análisis & Opinión Política & Sociedad

Aéreo | Agro | Alimentos y Bebidas | Automotriz | Banca | Energía | Infraestructura | Minería y Metalurgia | Petróleo

Inicio > Negocios & Industrias > Agro > Paraguay y Ucrania son los países con mayor potencial de crecimiento agrícola

Paraguay y Ucrania son los países con mayor potencial de crecimiento agrícola



Europa, Paraguay
Las compañías internacionales de agronegocios han identificado a ambas naciones porque tienen amplio espacio para crecer, tanto en extensión como en intensidad.

Las zonas "arables" del planeta son escasas por efecto del aumento de la población y la presión sobre la demanda de alimentos, la degradación de los suelos y el cambio climático.

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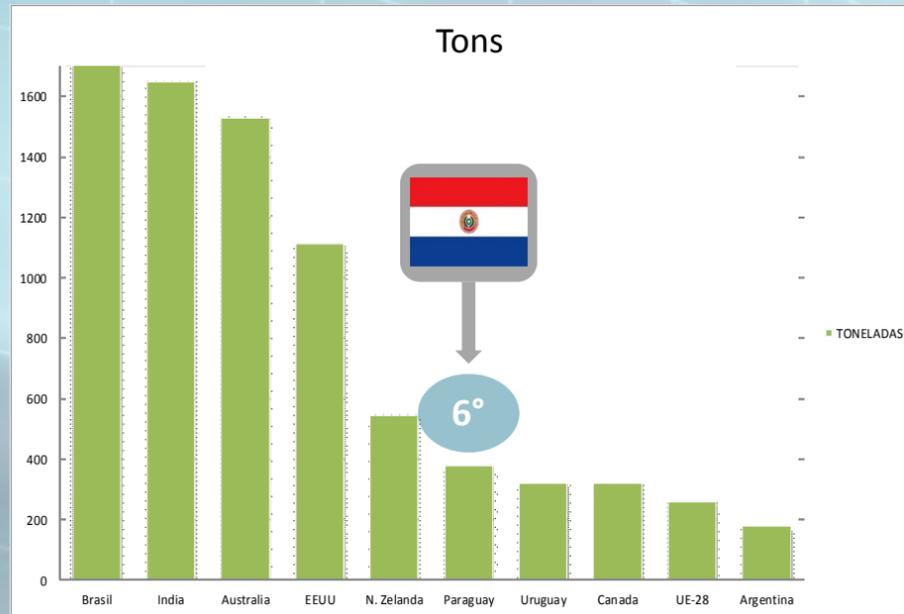
Paraguay can increase its agricultural output by 300% with:

Technology

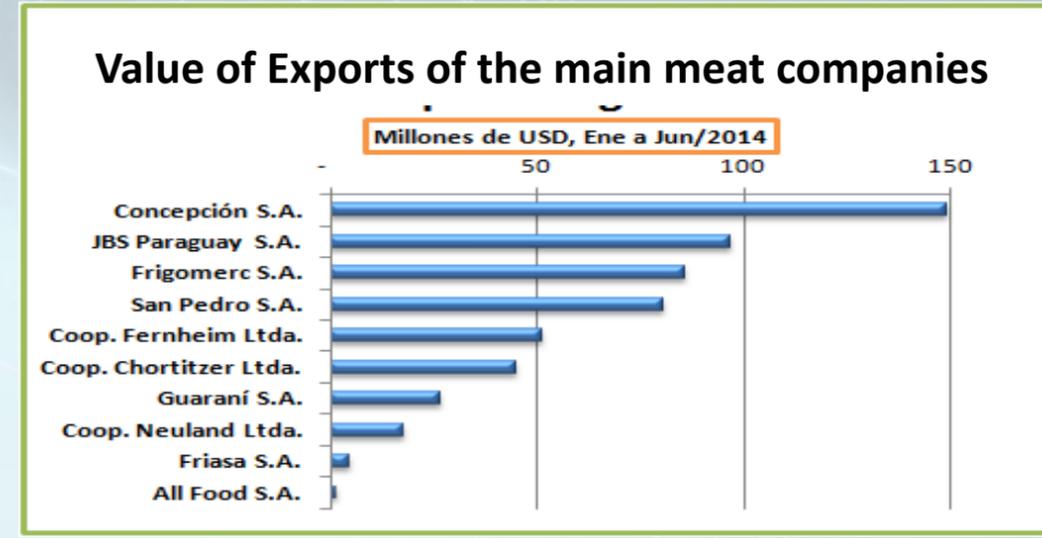
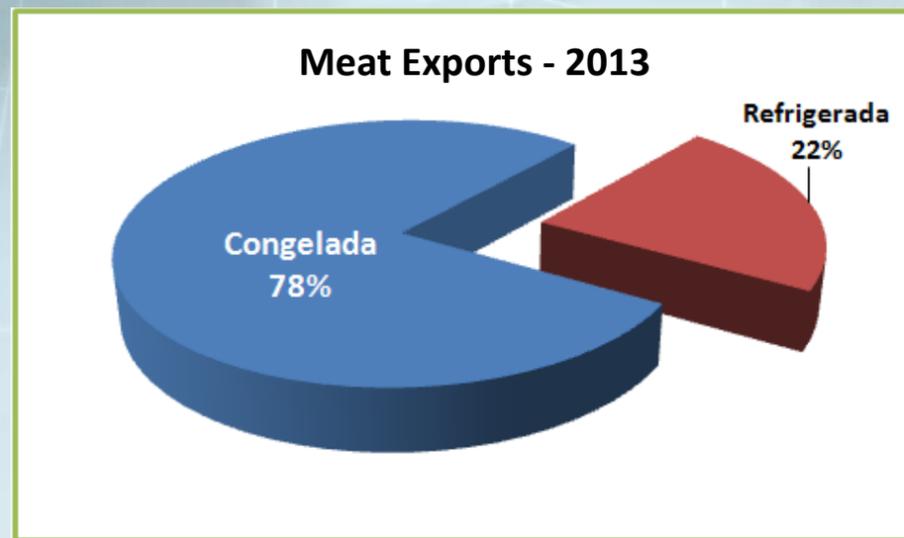
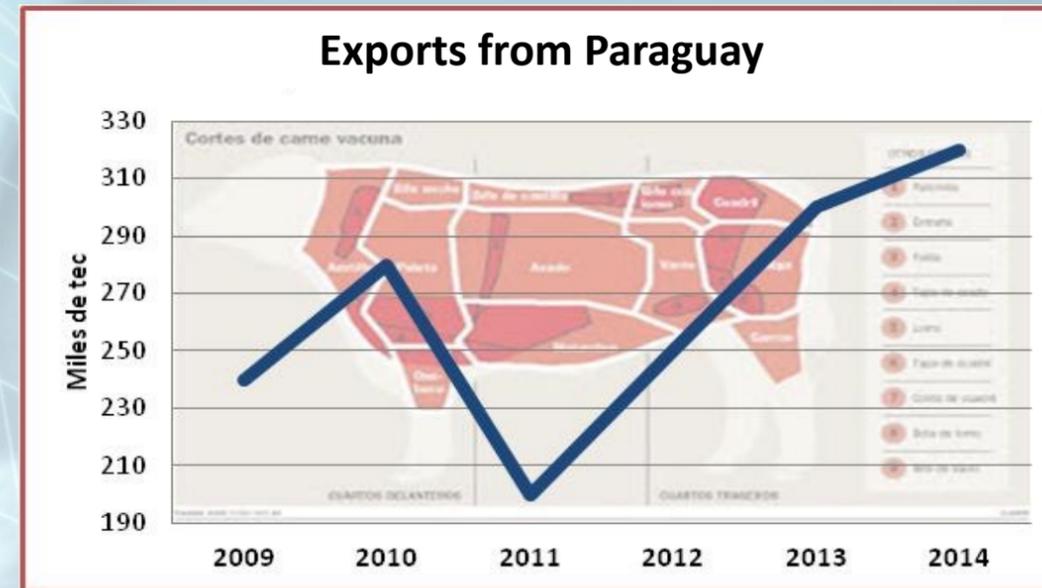
Territorial Planning

Irrigation System

Paraguay regained its status from the World Organization for Animal Health (OIE) as free of Foot and Mouth Disease (FMD) with a vaccination regime.



(Source: ARP with data of USDA, 2013)



LOGISTIC HUB:

TRANSPORTATION OF GRAINS, MEAT,
MINING

TRANSPORT OF GRAINS

TODAY: Through Paranagua or Santos.
Time: aprox. 45 days.
Distance: 1500 km aprox.
Cost: Expensive freight due to Interstate tolls and limited time scheduled for freight.

PHASE 1: Bitrains transport pathway through Pedro Juan Caballero to Concepcion. Hidrovia to Nueva Palmira..
Time: between 15 y 20 days.
Distance: 800 km. Aprox (Concepción).
Cost: aprox. cost reduction of USD 500 million per year.

PHASE 2: Exit to the Pacific.



8.000.000 tn/year:
 iestimated demand for energy + wooden products

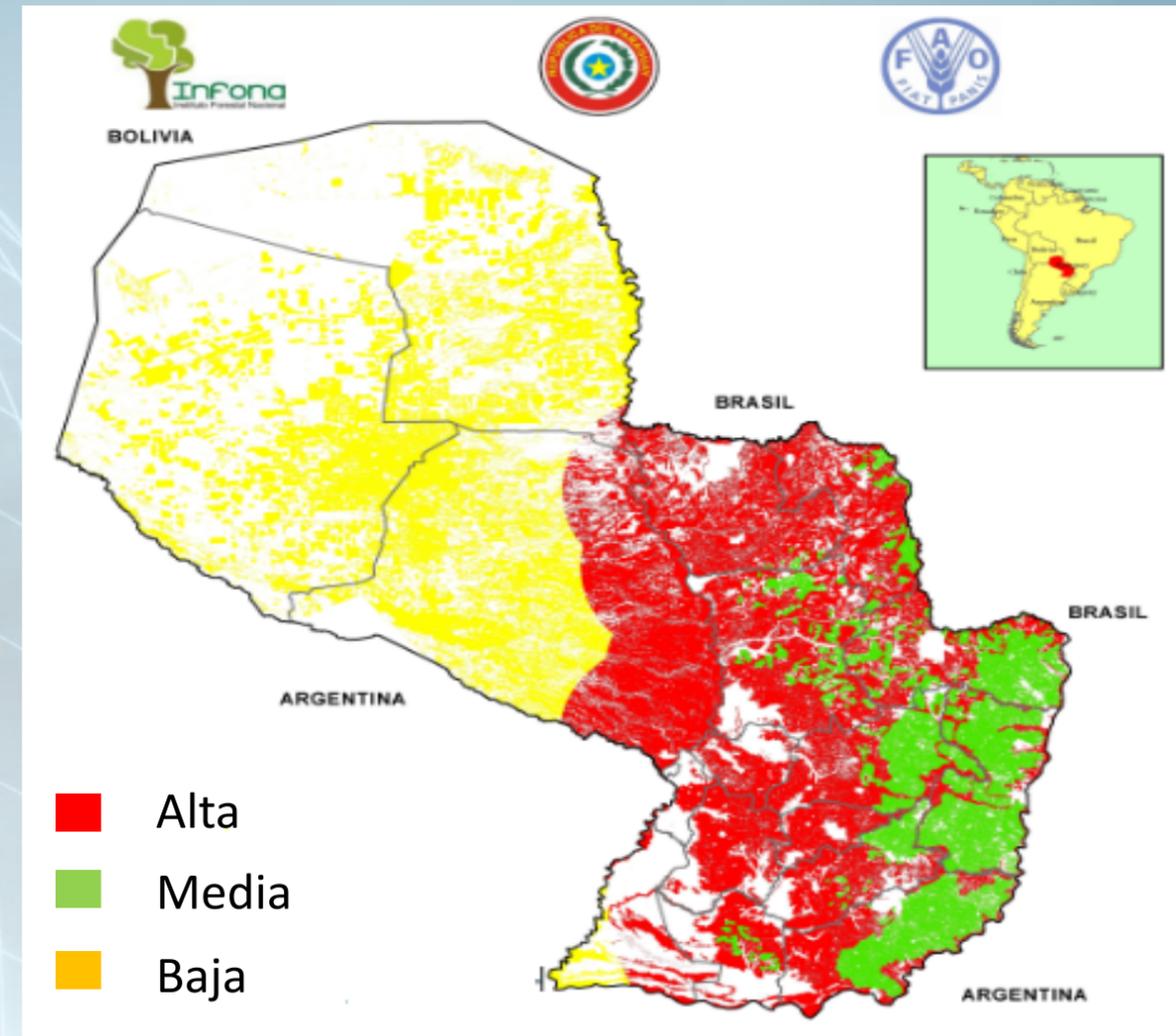
60.000 ha declared: Stock for reforestation

=
22.000.000 tn.

2,75 years, since the native wood finishes

50.000 ha/year:
 Reforestation amount required to meet current demand

Suitable surface for Commercial Reforestation



ORDEN	DPTO.	SUPERFICIE (Has.)			SUP. TOTAL
		ALTA	MEDIA	BAJA	
TOTALS		9.433.095,80	7.328.713,71	3.243.915,61	20.005.725,12

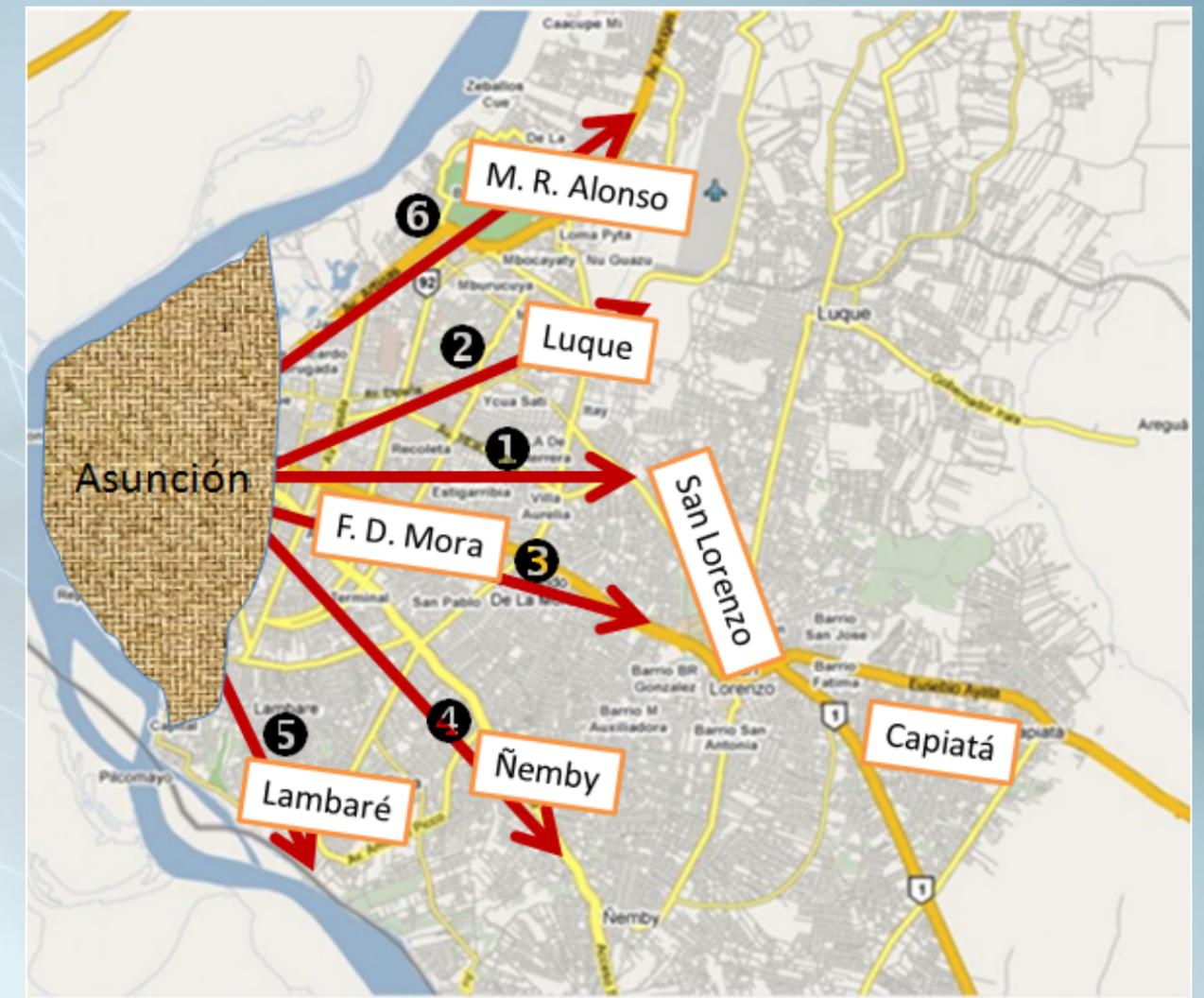
ESTIMATED DEMAND

100.000 new houses per year

300.000 houses (maintenance)

800.000 houses (minor repairs and maintenance)

Main areas of housing development - Asunción and Vicinity Areas



Fuente: SENAVITAT

30% annual growth in the sector
 2015 /16: 20 new projects - more than
USD 450 million of new
 investments.



MAIN INVESTMENTS

Sobre Aviadores	En dólares
▶ World Trade Center	50.000.000
▶ Ampliación Shopping del Sol	40.000.000
▶ Dazzler Tower Condo Hotel	25.000.000
▶ Condo Hotel Esplendor	25.000.000
▶ Torre Aviadores I	14.000.000
▶ Aloft Hotel	8.000.000
▶ Discoteca Bambuddha	500.000
▶ Restaurante del grupo Isla Alta	500.000
Sobre Santa Teresa	
▶ Blue Tower	130.000.000
▶ The Tower	30.000.000
▶ Torres Santa Teresa	15.000.000
▶ The One	10.000.000
▶ Quantum	6.000.000
Trinidad	
▶ Torres Mirador	30.000.000
Boggiani	
▶ Edificio Miami	17.000.000
Barrio Jara	
▶ Complejo Amistad	2.500.000
▶ Balkonia	9.000.000
Lambaré	
▶ Parque Perón	7.000.000
San Jorge	
▶ Edificio Murano	4.000.000
Lillo	
▶ Galería Comercial - Fanal	2.500.000

Total Investment USD 426 million

**FOOD
INDUSTRY**

**TEXTILE AND
CLOTHING
INDUSTRY**

**METALLURGICAL
AND LIGHT
METAL
MECHANICS
INDUSTRY**

AUTOPARTS

**LEATHER AND
FOOTWEAR
INDUSTRY**

REFORESTATION

LOGISTIC

**LIVESTOCK
PRODUCTION,
SLAUGHTER
FOR EXPORT**

**AGRICULTURAL
TRANSFORMATION**

**PUBLIC
INFRASTRUCTURE
(≥ 7000 USD
MILLION)**

**RIVER PORTS
AND LAND
PORTS**

AIRPORTS

WATERWAY

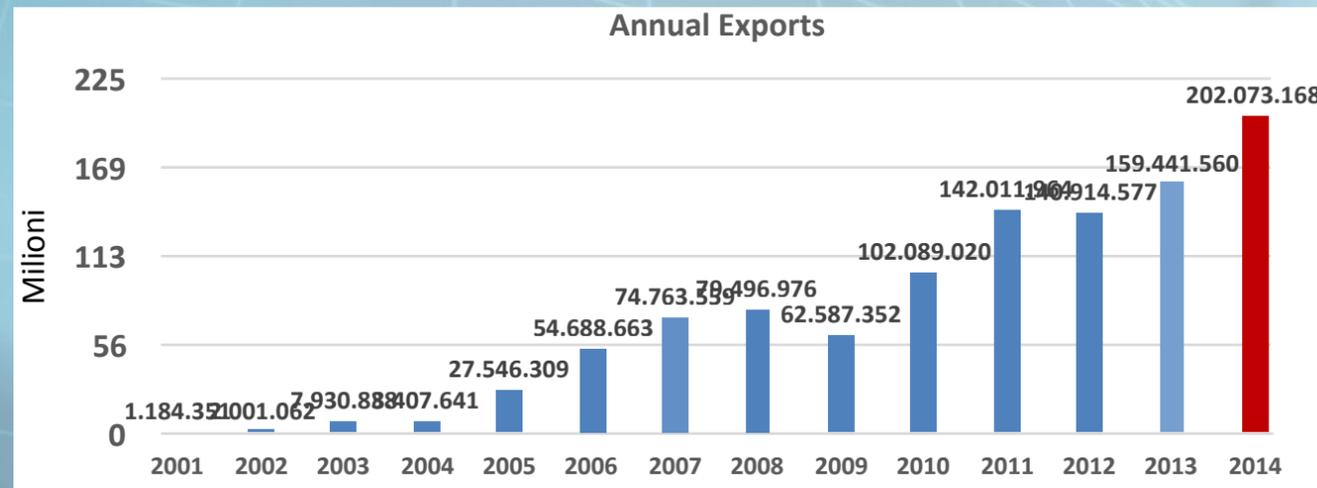
**RAILWAY PASSENGER
TRANSPORTATION**

REAL STATE

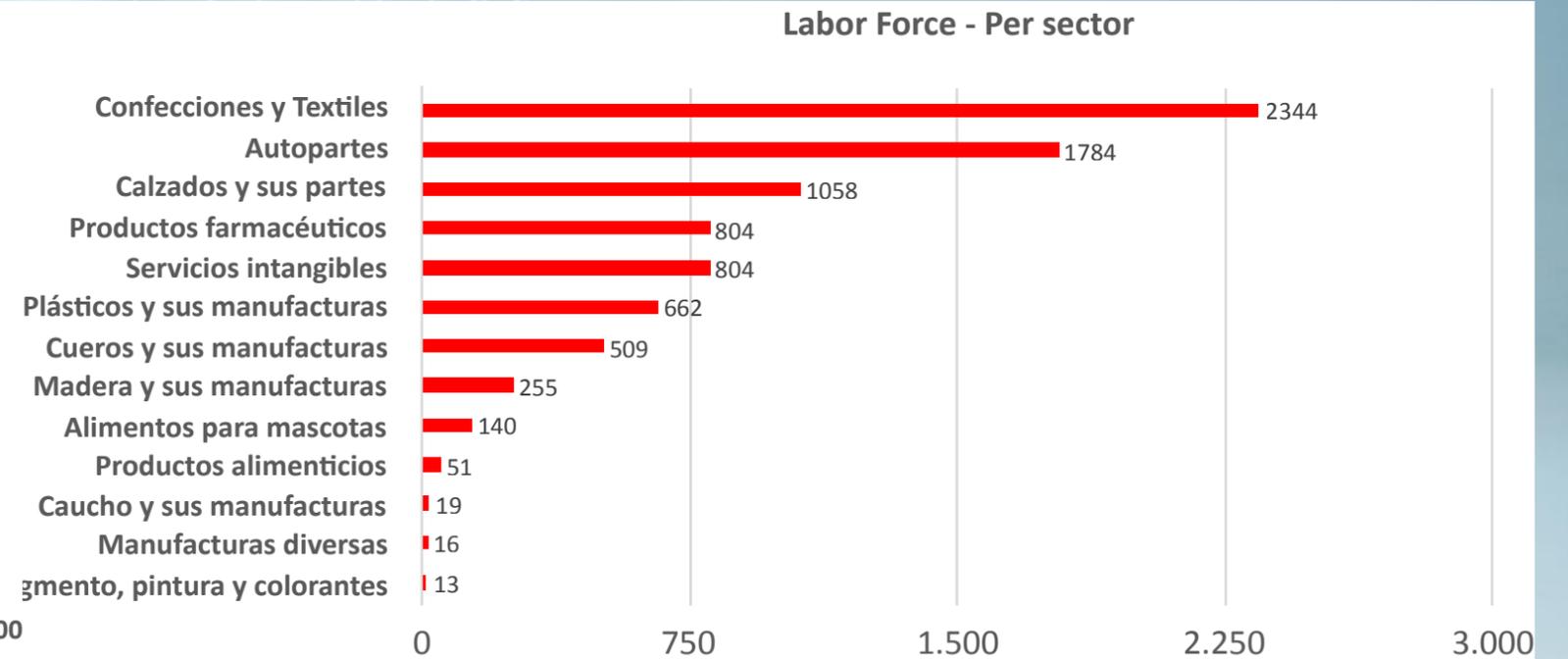
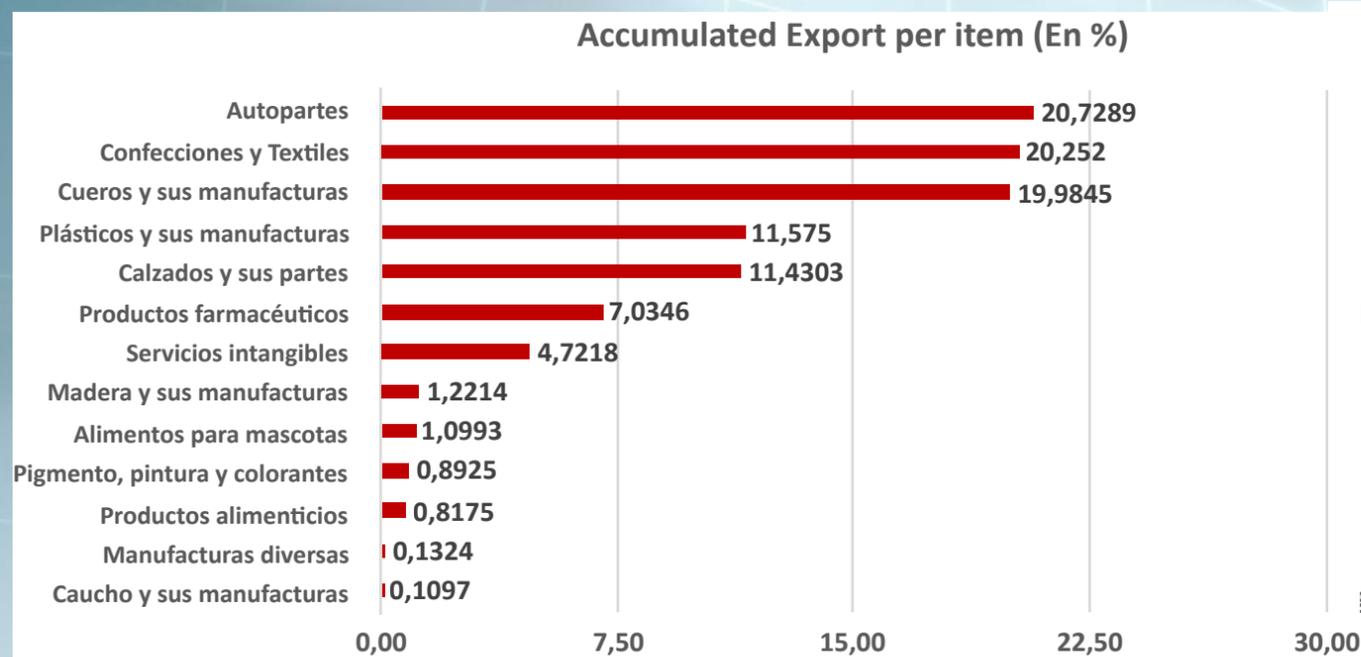
**LIVESTOCK AND
AGRICULTURAL
PRODUCTION**

**BUSINESS
SERVICES**

**FINANCIAL
SECTOR**



- ↑ **52%** annual growth in the sector
- ↑ **24** new approved projects approved (2014).
- ↑ **20%** total exports to Brazil (Brazilian companies in PY).
- ↑ **10** new projects in the pipeline.



PARAGUAY

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THANK YOU



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