



## Doing Business in Paraguay: 2014 Country

### Commercial Guide for U.S. Companies

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## Chapter 1: Doing Business In Paraguay

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### Market Overview

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- Paraguay has a small but rapidly growing open economy (13.6 percent GDP growth in 2013), with strong demand for U.S. manufactured products, and the potential for continued growth over the next decade.
- U.S.-Paraguay goods trade surpassed \$2.2 billion in 2013, with the United States enjoying a \$1.6 billion surplus. U.S. goods exports of \$1.9 billion included machinery, video games, perfumes and cosmetics, vehicles, and agricultural products. Imports from Paraguay, totaling \$277 million, were primarily soybeans, sugar, wood, gold, and corn.
- Paraguay generally has a strong macroeconomic position. Total foreign direct investment was \$4.5 billion in 2012, with the majority directed to the services sector. The United States is the largest foreign investor in Paraguay, followed by Brazil, Argentina, and Spain. Foreign exchange reserves are USD 5.8 billion, about twice the amount of its external debt. The country's debt-to-GDP ratio is 12.6 percent, the lowest in the region. Inflation was 3.7 percent at the end of 2013, one of the lowest of the region.
- Financing, real estate and business services; trade, communication and restaurant and hotels, household and government services account for 39 percent of the GDP. Industry and mining create 25 percent of the wealth, with agriculture, forestry, fishing and cattle ranching constituting another 21 percent. Construction and water and gas distribution accounts for the remaining 15 percent of the GDP.
- Agriculture commodities dominate Paraguay's exports, accounting for roughly 90 percent of USD 7.4 billion exports in 2013, 46% higher than in 2012. Paraguay is the world's largest exporter of organic sugar, second largest producer and exporter of stevia, sixth largest soy producer, and eighth largest beef exporter.
- Paraguay's large pool of young workers—roughly 70 percent of Paraguay's population is under 35 years of age—is an untapped resource and favors labor-intensive industry sectors.

### Market Challenges

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- Judicial insecurity and corruption hinders Paraguay's investment climate. Many investors find it difficult to adequately enforce contracts, and are frustrated by lengthy bureaucratic procedures, limited transparency and accountability, and impunity. Transparency International's 2013 Corruption Index ranked Paraguay 150 of 177 countries.
- Trademark infringement and counterfeiting are major concerns in Paraguay, and the country is on the United States Trade Representative's (USTR) Special 301 Watch List. Paraguay's porous border region with Argentina and Brazil is known for the sale of pirated goods and contraband. Lack of data protection for pharmaceuticals and shortcomings in the patent regime impede investment and innovation.
- Paraguay ranks low in most competitiveness indicators. The World Bank's Doing Business 2013 ranks Paraguay 109 out of 189 countries for the ease of doing business. The 2013/14 World Economic Forum Global Competitiveness Index ranks Paraguay 119 out of 148 countries.

### Market Opportunities

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- Paraguay's historic low public spending has left critical infrastructure needs unmet, including roads, waterways, airports, ports, and electrical grid. In 2013 Paraguay passed new legislation governing public-private partnerships (PPP). The GOP is expected to announce PPPs in 2014 for infrastructure modernization projects for the international airport in Asuncion, the Paraguay River, and three highways. According to the Minister of Public Works, the GOP will invest in infrastructure USD 16 billion over the next five years. Paraguay's electricity distribution and communications infrastructures are also in need of significant investment and upgrades.
- Other promising areas for U.S. exports and investments include computers and accessories, agricultural and construction machinery, maquila assembly and distribution operations, and processed food.

### Market Entry Strategy

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- Foreign firms interested in establishing operations in Paraguay should hire experienced local attorneys and/or representatives and consider joint ventures with Paraguayan companies to assist them in operating in Paraguay.
- The selection of an appropriate agent/distributor may be a determining factor in success or failure.
- Close contact and periodic visits by foreign suppliers are essential to help reinforce ties with local business counterparts.
- Paraguay's export and investment promotion bureau, REDIEX, prepares comprehensive information about business opportunities in Paraguay. The Investor's Route Map is REDIEX's guide for exporters and investors (<http://www.rediex.gov.py/guia-de-inversiones-inv20>).

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## **Chapter 2: Political and Economic Environment**

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/p/wha/ci/pa/>

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## Chapter 3: Selling U.S. Products and Services

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### Using an Agent or Distributor

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Foreign firms interested in establishing operations in Paraguay should consider hiring experienced local attorneys and representatives to assist them in operating in a sometimes confusing and non-transparent business environment. The selection of an appropriate agent/distributor is a determining factor in success or failure. Many local companies offer specialized marketing to foreign companies interested in the Paraguayan market.

Under Paraguayan Law 194 from 1993, foreign companies must demonstrate “just cause” to terminate, modify, or decide not to renew contracts with Paraguayan distributors. Severe penalties and high fines may result if a court determines that the foreign company ended the relationship with its distributor without first having established that just cause exists. This requirement often leads to expensive out-of-court settlements. In a few cases, the courts have upheld the rights of foreign companies to terminate representation agreements after finding the requisite showing of just cause. However, the effect of the law is to discourage foreign investment, given concerns about potential lawsuits and contractual interference.

Because Paraguay is a relatively small market compared to its neighbors, some unscrupulous local representatives of foreign products have accepted side payments from smugglers in return for turning a blind eye to shipments of pirated or gray market versions of those products destined for Brazil and Argentina. Other representatives have re-exported large volumes of luxury items to distant, third country markets in direct

violation of their distribution agreements. These examples underscore the importance of independently monitoring the activities of representatives and licensees.

## **Establishing an Office**

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The government of Paraguay allows foreign companies to establish branches or subsidiaries. A legally authorized representative must head the branch office, and voting board members must have Paraguayan residency. The documents listed below must be authenticated by a notary public and the Paraguayan consul in the country of the head office, and must be filed and recorded in the Commercial Public Registry within the Ministry of Industry and Commerce in Asuncion. The Sistema Unificado de Apertura de Empresas - SUAE (<http://www.suae.gov.py/bpmSUAE/portal/index.htm>) is the government's single window for registering a company. The process takes about one month.

Documents required:

1. The documents of incorporation and the by-laws of the company;
2. A certificate from a duly authorized government official or the Chamber of Commerce in the headquarters country, certifying the legitimacy of the head office in the country of origin;
3. Minutes from a meeting of the Board of Directors which:
  - Resolve to establish a branch office in the Republic of Paraguay;
  - Assign nominal capital to the branch office (a minimum of USD 10,000 if related to export activities);
  - Establish a domicile of the branch office in Paraguay;
  - Designate the person or persons to manage the branch office; and,
  - Grant power to the person designated to manage the branch office.
4. The legal instruments from the head office delegating management responsibilities in the subsidiary or branch office to the person or persons so designated.

## **Franchising**

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Although franchising operators are ubiquitous in Paraguay, there is still room for growth. Foreign companies have granted franchising rights to local firms in different areas including, but not limited to: fast foods, laundry, electronics, cars, agriculture inputs and equipment, clothing, and pest control.

## **Direct Marketing**

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Direct marketing is not widely used in Paraguay, although a handful of foreign products (toiletries and cosmetics, health products, kitchenware, and apparel) have been offered through direct marketing for a number of years. Companies frequently use social media sites to promote new products and sales.

## **Joint Ventures/Licensing**

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Law 117/91, which guarantees national treatment to foreign firms, also regulates joint ventures. Under the law, the government recognizes joint ventures established through formal legal contracts between the interested parties.

Licensing agreements are widely used for the local production of international brands. Many foreign firms have licensing arrangements with local companies in the areas of apparel, toiletries and cosmetics, pharmaceuticals, processed foods, and video recordings. Trademark infringement, especially of internationally recognized brands, is a major concern in Paraguay.

## **Selling to the Government**

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Paraguay's public procurements have historically involved widespread corruption, although the government is making efforts to enhance transparency and accountability. U.S. firms participating in government tenders are strongly urged to contact the Embassy's Economic and Commercial Section, and submit an advocacy questionnaire through the Advocacy Center in Washington, D.C. once the decision to participate has been made. Embassy advocacy in government tenders in the past has helped ensure a more transparent process, although the new, web-based system has increased transparency.

Paraguay's Public Contracting Law stipulates that all public contracting at the national and local levels with a value in excess of approximately \$6,000 must be done via the National Directorate for Public Contracts (DNCP). Foreign firms can bid on tenders deemed "international" and on "national" tenders through the foreign firms' local legal agents or representatives. Paraguayan law gives preference to locally produced goods in public procurements open to foreign suppliers, even if the domestic good is up to 20 percent more expensive than the imported good.

In October 2013 the Paraguayan Congress passed a law to promote Public-Private Partnerships (PPPs) in public infrastructure and allow for private sector entities to participate in the provision of basic services such as water and sanitation. Implementing regulations for the PPP law were signed in March 2014.

Paraguay is not a signatory to the WTO Agreement on Government Procurement.

## **Distribution and Sales Channels**

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Paraguay does not have preferred or special marketing channels. Imported merchandise can be marketed through subsidiaries of foreign companies, local importers, distributors, and/or dealers. The major distribution and sales centers are the cities of Asuncion, Ciudad del Este, and Encarnacion.

Imports enter the country by air through the Asuncion and Ciudad del Este international airports; by river through the ports on the Paraguay and Parana rivers, after transshipment at sea ports on the River Plate Basin; and by road to Asuncion, Encarnacion, Ciudad del Este, and Pedro Juan Caballero, after transshipment at sea ports in Southern Brazil, the River Plate Basin, and Northern Chile.

## **Selling Factors/Techniques**

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It is generally recommended that sales brochures and material be in Spanish for marketing in Paraguay.

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Paraguay's level of Internet use is increasing very quickly. Local credit card operators and e-commerce operators are common in cities, mainly Asuncion. Some sites, such as supermarkets and electronic e-retailers, are often used by Paraguayans overseas as an option to transfer resources to their relatives, sending goods or "credit coupons" instead of money.

In addition to commercial operations, a company can use the Internet in Paraguay with good results for other business purposes, such as Customer Relationship Management (CRM), on-line help desks, promotions, and advertising.

B2B websites:

- Business Action (local e-business, CRM and marketing consulting firm)  
<http://www.ba.com.py>
- National domain name administration: <http://www.nic.py>
- Paraguayan Website Directory: <http://www.yagua.com>
- Paraguayan Internet Chamber: <http://www.capadi.org.py>

Banks with fully transactional websites:

- Citibank: <http://www.latam.citibank.com/paraguay>
- Sudameris Bank: <http://www.sudameris.com.py/>
- BBVA: <https://www.bbva.com.py>
- Banco Regional: <https://www.bancoregional.com.py>
- HSBC: <http://www.hsbc.com.py>
- Banco Continental: <http://www.bancontinental.com.py>
- Banco Amambay: <http://www.bancoamambay.com.py>
- Vision Banco: <http://www.vision.com.py>
- Banco Familiar: <http://www.familiar.com.py/>
- Banco Atlas: <http://www.bancoatlas.com.py/>
- Banco Itau: <http://www.itau.com.py/>
- Banco Itapua: <http://www.bancoitapua.com.py/>
- Bancop S.A.: [www.bancop.com.py](http://www.bancop.com.py)

## Trade Promotion and Advertising

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The greater Asuncion area is Paraguay's principal advertising center, with over one-third of the total population. Principal media for advertising are television and radio. Other widely used media include newspapers, billboards, signs, and direct mail. Radio is the most important media in rural areas.

Newspapers most commonly used by local advertisers:

- Diario ABC Color: <http://www.abc.com.py>
- Diario La Nacion: <http://www.lanacion.com.py>
- Diario Ultima Hora: <http://www.ultimahora.com>

Principal television companies:

- Canal 2 Red Guarani: <http://www.redguarani.com.py>
- Canal 4 Telefuturo: <http://www.telefuturo.com.py>
- Canal 5 Paravision: <http://www.paravision.com.py>
- Canal 9 SNT--Sistema Nacional de Television: <http://www.snt.com.py>
- Canal 11 La Tele: <http://www.latele.com.py>
- Canal 13 RPC--Red Privada de Comunicación: <http://www.rpc.com.py>
- Canal Unicanal (Cable): [www.unicanal.com.py](http://www.unicanal.com.py)
- Canal Arandupé (Cable - State-owned): [www.arandupe.edu.py](http://www.arandupe.edu.py)

## Pricing

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Competitive prices and quality are important. Generally, the market is willing to pay a premium for higher quality products. However, substandard or counterfeit items, as well as competition from businesses in the informal economy and contraband goods, make it difficult for genuinely higher quality products to compete fairly for premium prices.

Value-added tax (VAT) is applied to all transactions related to the sale or import of goods, and personal services. In general the VAT rate is ten percent, except for some items like pharmaceutical products, the sale of land, interest charges, commissions, and others, for which the tax rate is five percent. Prices are usually quoted with taxes included.

An excise tax is applied to certain imports and initial sales of national products. The tax rate varies from one to fifty percent, depending on the type of good, and principally affects fuels, alcoholic beverages, tobacco, and certain other goods classified as "luxury" items.

## Sales Service/Customer Support

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The importance of customer support and follow-up cannot be overstated. Even after products have gained acceptance in the market, suppliers should maintain close contact with their local representatives to keep apprised of problems and to assess the market

jointly. Periodic visits by officials from the exporting company are essential to help reinforce ties with customers.

## **Protecting Your Intellectual Property in Paraguay**

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The United States Trade Representative (USTR) listed Paraguay on the Special 301 Watch List in 2014, and the United States continues to monitor Paraguay under Section 306. While Paraguayan authorities have engaged in some raids and seizures of pirated and counterfeit goods, significant concerns remain because of weak border enforcement which allows for transshipment of counterfeit and pirated goods. Ineffective prosecution of IPR violators and court sentences are insufficient to deter infringement. For example, Ciudad del Este has been included in the 2013 Out-of-Cycle Review of Notorious Markets due to the prevalence and sale of counterfeit and pirated goods, including circumvention devices and modified game systems. Infringing goods sold at this and other similar markets in Paraguay are often found in neighboring countries Argentina and Brazil.

Serious concerns also remain about inadequate protection against unfair commercial use of undisclosed test or other data generated to obtain marketing approval for agrochemical or pharmaceutical products and the shortcomings in Paraguay's patent regime. Under Paraguayan laws enacted in 2007 and 2008 (Law 3283 and Law 3519, respectively), Paraguay must be the first country in which marketing approval for agrochemical or pharmaceutical products is sought in order for data protection to be available.

### **Protecting Your Intellectual Property in Paraguay:**

Several general principles are important for effective management of intellectual property ("IP") rights in Paraguay. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Paraguay than in the U.S. Third, rights must be registered and enforced in Paraguay, under local laws. Your U.S. trademark and patent registrations will not protect you in Paraguay. There is no such thing as an "international copyright" that will automatically protect an author's writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Paraguayan market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government generally cannot enforce rights for private individuals in Paraguay. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Paraguayan law. The U.S. U.S. Embassy can provide a list of local lawyers upon request.

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Paraguay require constant attention. Work with legal counsel familiar with Paraguayan laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Paraguay or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

## **IP Resources**

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at [www.StopFakes.gov](http://www.StopFakes.gov).
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**.

- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at [www.stopfakes.gov](http://www.stopfakes.gov).
- For U.S. small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, and Russia. For details and to register, visit: [http://www.abanet.org/intlaw/intlproj/iprprogram\\_consultation.html](http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html)
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: [www.StopFakes.gov](http://www.StopFakes.gov) This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.
- The U.S. Commerce Department has positioned IP attachés in key markets around the world. You can get contact information for the IP attaché who covers Paraguay at: <http://www.uspto.gov/ip/global/attache/>.

## Due Diligence

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Normal procedures for performing due diligence that apply elsewhere are also recommended for Paraguay, including obtaining local legal counsel when evaluating new investments.

The Economic and Commercial Section of the U.S. Embassy in Asuncion, Paraguay, offers [International Company Profile \(ICP\)](#) reports on companies operating in the local market.

The following is a local business information firm often referred to by foreign companies in the same line of business:

- Informconf: <http://www.informconf.com.py>

## Local Professional Services

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For a list of Paraguayan trade and industry associations and business directories, please visit <http://paraguay.usembassy.gov/key-business-links.html>.

## Web Resources

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U.S. Government:

- Advocacy Center: <http://export.gov/Advocacy/assistance.html>

- U.S. Dept. of Commerce website on IP rights: <http://www.stopfakes.gov>
- U.S. Embassy, Asuncion, Paraguay: <http://paraguay.usembassy.gov/business.html>

#### Government of Paraguay:

- Customs Bureau: <http://www.aduana.gov.py>
- Maquila Industry Council: <http://www.maquila.gov.py>
- Export & Investment Promotion Bureau: <http://www.rediex.gov.py>
- National Directorate for Public Contracts: <http://www.dncp.gov.py>
- Ministry of Industry and Commerce Single Window for Business Registration: <http://www.suae.gov.py>
- National Intellectual Property Directorate: <http://www.dinapi.gov.py>
- Paraguayan laws website: <http://www.leyes.com.py>

#### Trade and Industry Associations

- Paraguayan-American Chamber of Commerce: <http://www.pamcham.com.py>
- Paraguayan Chamber of Commerce and Services: <http://www.ccparguay.com.py>
- Paraguayan Customs House Brokers Trade Association: <http://www.cdap.org.py>
- Paraguayan Industrialist Trade Association: <http://www.uip.org.py>
- Paraguayan Exporters Trade Association: <http://www.capex.org.py>
- Paraguayan Importers Chamber: <http://www.cip.org.py>
- Paraguayan Internet Chamber: <http://www.capadi.org.py>

#### Banks:

- Banco Amambay S.A.: <http://www.bancoamambay.com.py>
- Banco Continental S.A.E.C.A.: <http://www.bancontinental.com.py>
- Banco de la Nacion Argentina: <http://www.bna.com.ar/>
- Banco do Brasil S.A.: <http://www.bb.com.br>
- Banco Familiar: <http://www.familiar.com.py>
- Banco Atlas S.A.: <http://www.bancoatlas.com.py>
- Banco Itapua S.A.: <http://www.bancoitapua.com.py>
- Banco Nacional de Fomento: <http://www.bnf.gov.py>
- Banco Regional S.A.: <http://www.bancoregional.com.py>
- Bancop S.A.: <http://www.bancop.com.py>
- BBVA Paraguay S.A.: <http://www.bbva.com.py>
- Citibank N.A.: <http://www.latam.citibank.com/paraguay>
- HSBC Bank Paraguay S.A.: <http://www.hsbc.com.py>
- Itau S.A.: <http://www.itau.com.py/>
- Sudameris Bank S.A.E.C.A.: <http://www.sudameris.com.py>
- Vision Banco S.A.E.C.A.: <http://www.vision.com.py>

#### Other Business Resources:

- Paraguayan Website Directory: <http://www.yagua.com/>
- Paraguayan business information firm: <http://www.informconf.com.py/>
- National domain name administration: <http://www.nic.py>

- Business Action (local e-business, CRM and marketing consulting firm): <http://www.ba.com.py/>
- Paraguayan Arbitration and Mediation Center: <http://www.camparaguay.com>
- Paraguayan NGO business center — Centro de Cooperación Empresarial y Desarrollo Industrial (CEDIAL): <http://www.cedial.org.py>

Paraguayan newspapers:

- ABC Color: <http://www.abc.com.py/>
- La Nación: <http://www.lanacion.com.py>
- Última Hora: <http://www.ultimahora.com>

Paraguayan TV Stations:

- Channel 2 Red Guarani: <http://www.redguarani.com.py>
- Channel 4 Telefuturo: <http://www.telefuturo.com.py>
- Channel 5 Paravision: <http://www.paravision.com.py>
- Channel 9 SNT: <http://www.snt.com.py>
- Channel 11 La Tele: <http://www.latele.com.py>
- Channel 13 RPC: <http://www.rpc.com.py>
- Canal Unicanal (Cable): [www.unicanal.com.py](http://www.unicanal.com.py)
- Canal Arandupé (Cable) - State-owned): [www.arandupe.edu.py](http://www.arandupe.edu.py)

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## Chapter 4: Leading Sectors for U.S. Export and Investment

### **Commercial Sectors**

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- [Telecommunications Equipment](#)
- [Paraguay-Parana Waterway System](#)
- [Highways](#)
- [Civil Aviation Sector](#)
- [Maquila Assembly / Distribution Operations](#)
- [Hydropower Sector](#)

### **Agricultural Sector**

Note on market statistics: The Paraguayan official trade data that is publicly available is rather broadly aggregated, making it difficult to disaggregate the data into specific sectors. Official statistics probably underestimate imports by as much as 60 percent. A great difference may exist between the U.S. Census Bureau and Paraguayan statistics due to under invoicing and non-registered imports (contraband).

## Computer Equipment

### Overview

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	2011	2012	2013
Total Local Production	0	0	0
Imports from the U.S. (a.)	492	411	392

Notes: In millions of U.S. dollars.

a.) Data from the U.S. Census Bureau.

End note.

While imports of computers and accessories have shifted somewhat toward inexpensive items from Asia (including counterfeit goods), buyers from the region coming to Paraguay are still drawn to shop for quality goods imported from the United States at lower prices than in their home countries. It is estimated that nearly half of Paraguay's imports are re-exported. High excise taxes and value added taxes in Brazil and Argentina, which are unaffected by Mercosur common tariffs, could continue to provide incentives to the illegal import/re-export activities of Paraguayan merchants.

Given the informal nature of the re-export trade, there are no reliable estimates of the real size of the market.

### Best Prospects/Services

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Computers and computer accessories are major export items from the United States to Paraguay (26.7 percent of total U.S. exports to Paraguay), and have been so for many years. It is believed that the demand for U.S. quality goods will continue.

### Opportunities

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Senior government officials have stated publicly their intention to upgrade public sector information systems, some of which has already occurred. As purchases are required by public offices, tenders will be published in the government contracting bureau's website (<http://www.contrataciones.gov.py>).

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Paraguayan National Directorate for Public Contracts: <http://www.dncp.gov.py>

Paraguayan Importers Chamber: <http://www.cip.org.py>

Paraguayan Central Bank trade statistics: <https://www.bcp.gov.py/boletin-de-comercio-exterior-trimestral-i400>

Paraguayan-American Chamber of Commerce: <http://www.pamcham.com.py>

Export & Investment Promotion Bureau: <http://www.rediex.gov.py>

U.S. Embassy Asuncion: <http://paraguay.usembassy.gov>

## Agricultural & Construction Machinery

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	2011	2012	2013
Total Local Production	0	0	0
Imports from the U.S. (a)	41	32	51

Note: In millions of U.S. dollars.

a.) Data from the U.S. Census Bureau.

### Best Prospects/Services

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Major drivers of economic growth in Paraguay are the agriculture, retail, and construction sectors. Tractors (and accessories), harvesting machinery, excavators, bulldozers, backhoes and excavators are usually in high demand, depending on the prospects for a successful harvest. Farmers and ranchers are aware that using quality inputs is a key factor in their operations' profitability, and have been adopting advanced production practices. Competition from other exporting countries is strong and U.S. exporters must provide good service to be successful.

Cement and concrete manufacturing in Paraguay is ripe for investment. Domestic production cannot meet current demand, and Paraguay has the most expensive cement and concrete in the region. Demand is projected to rise as the Government of Paraguay begins to invest heavily in public infrastructure projects. Paraguay has abundant raw materials required for production, enough for 2500 years according to the government.

### Opportunities

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Projected large infrastructure projects over the next three to five years will require heavy machinery that must be imported. Paraguay is among the few countries in Latin America that allows the importation of used machinery. There could be an opportunity for irrigation projects in Paraguay, including in the Chaco region in the western half of the country.

## Web Resources

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Paraguayan Importers Chamber: <http://www.cip.org.py>

Paraguayan Central Bank trade statistics: <https://www.bcp.gov.py/boletin-de-comercio-exterior-trimestral-i400>

Paraguayan-American Chamber of Commerce: <http://www.pamcham.com.py>

U.S. Embassy Asuncion: <http://paraguay.usembassy.gov>

## Communications Equipment

### Overview

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	2011	2012	2013
Total Local Production	0	0	0
Imports from the U.S. (a.)	322	334	508

Note: In millions of U.S. dollars.

#### a.) Data from the U.S. Census Bureau

Telecommunications is key sector ripe for investment. There are six fixed lines per 100 inhabitants, and an estimated unmet demand of almost one million lines. The inefficiency of the state-owned fixed-line telephone company, COPACO, has been an opportunity for private mobile communications operators, and investment in the mobile sector has been strong. There are over 6.5 million mobile phone accounts, compared to only 400,000 landlines. Almost 90% of Paraguayans have a cell phone while only 21% of households have landlines. The internet service provider sector is also open to private firms.

### Best Prospects/Services

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Increased mobile phone service, internet services, and landline coverage are the most likely areas of future growth. Although bidding on telecom infrastructure projects will be limited to firms that already have a license in Paraguay, rules do not preclude firms operating in Paraguay from partnering with U.S. firms when submitting bid proposals. In fact, many firms operating in Paraguay may need to partner with a foreign firm to meet the tender's requirements. Furthermore, Paraguay does not produce the inputs necessary for telecom infrastructure projects, creating opportunities for U.S. producers of terminals, fiber optic cable, processors, and software.

### Opportunities

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Paraguay's 2011-2015 National Telecommunications Plan calls for quadrupling the international data transmission capacity and doubling the number of municipalities with fiber optic or broadband connections by 2015. The Government of Paraguay is expected to solicit bids for a national fiber optic connection project. The Government of Paraguay advertises tenders on the Ministry of Public Work's website and the government's public contracting office website. Under Paraguay's Public-Private Partnership law, firms may also propose unsolicited projects.

The U.S. Department of State built the Business Information Database System (BIDS) portal to help U.S. businesses learn about significant international commercial opportunities. The BIDS website features an interactive map that displays descriptions and locations of projects that represent potential contract or tender opportunities for U.S.

businesses. The site also connects U.S. business to detailed information about each project as well as information to contact U.S. embassies overseas.

## Web Resources

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National Telecommunications Commission (CONATEL): <http://www.conatel.gov.py>

National Telecommunications Plan (2011-2015):

<http://www.conatel.gov.py/files/MANUAL%20PLAN%20NACIONAL.pdf>

Paraguayan Communications Company (COPACO): <http://www.copaco.com.py>

National Directorate for Public Contracts: <http://www.dncp.gov.py>

Paraguayan Internet Chamber: <http://www.capadi.org.py>

Paraguayan Importers Chamber: <http://www.cip.org.py>

Paraguayan-American Chamber of Commerce: <http://www.pamcham.com.py>

Paraguayan Export & Investment Promotion Bureau (REDIEX):

<http://www.rediex.gov.py>

U.S. Embassy Asuncion: <http://paraguay.usembassy.gov>

U.S. Department of State Business Information Database System (BIDS):

<http://bids.state.gov/>

## Paraguay-Parana Waterway System

### Overview

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Paraguay's landlocked location at the heart of South America, and at the confluence of the Paraguay and Parana Rivers, places the country at an advantageous position along many of the continent's principal trade routes. The Paraguay and Parana Rivers jointly form a 3,302-kilometer waterway system connecting Argentina, Brazil, Bolivia, Paraguay, and Uruguay. It is a major transportation route for goods from the continent's interior to the Atlantic Ocean through the Rio de la Plata, and vice versa, and carries nearly 80% of Paraguay's trade. At present, the movement of goods on the waterway includes manufactured products, grains, oilseeds, oils and by-products, ore, minerals, steel, and petroleum. However, Paraguay needs significant infrastructure investment to leverage its strategic location.

### Best Prospects/Services

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River engineering projects would create multiple opportunities for U.S. firms. There could be significant potential for sales of engineering and project management services, dredges, river gauges and flood monitoring equipment, and construction equipment and materials.

As the production of several crops increases rapidly, river ports are multiplying rapidly. This is especially noticeable in the area of Villeta which is located only 30 km south of the capital city. Its strategic location, along with Paraguay's low cost of labor, is transforming this city into a booming industrial center where several river ports are under construction. The sudden need of port infrastructure creates a potential opportunity for U.S. exporters.

### Opportunities

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The Government of Paraguay considers the improvement of the country's waterway infrastructure a top priority and is expected to announce projects in 2015. Improvement projects along the Paraguay-Parana waterway could include multiple sub-projects, such as deepening river beds, dredging, constructing ports, improving navigability and safety, and increasing capacity in terms of vessels, maintenance and services.

### Web Resources

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Paraguay-Parana Waterway Intergovernmental Committee:  
[http://www.sspvvn.gov.ar/hparana\\_paraguay.html](http://www.sspvvn.gov.ar/hparana_paraguay.html)

Intergovernmental Coordinating Committee of the River Plate Basin Countries:  
<http://cicplata.org/>

Paraguayan Ministry of Public Works: <http://www.mopc.gov.py>

National Directorate for Public Contracts: <http://www.dncp.gov.py>

U.S. Embassy Asuncion: <http://paraguay.usembassy.gov>

## Highways

### Overview

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Much of Paraguay's road network that moves goods inland is unpaved, and paved arteries are in need of upgrades. The Paraguayan government is working to improve the roads throughout the country, with an aim to create better connectivity within the country and to major transportation arteries in Bolivia, Argentina and Brazil. Some of the projects will be financed directly by the government and others will be executed under the Public-Private Partnership law.

### Best Prospects/Services

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While there are some Paraguayan road building firms, they will not have the capacity to execute all planned projects, creating opportunities for U.S. road construction and engineering services. Other opportunities include the sale of road building machinery and operations of highway concessions.

### Opportunities

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The Government of Paraguay advertises tenders on the Ministry of Public Work's website and the government's public contracting office website. Under Paraguay's Public-Private Partnership law, firms may also propose unsolicited projects.

The U.S. Department of State built the Business Information Database System (BIDS) portal to help U.S. businesses learn about significant international commercial opportunities. The BIDS website features an interactive map that displays descriptions and locations of projects that represent potential contract or tender opportunities for U.S. businesses. The site also connects U.S. business to detailed information about each project as well as information to contact U.S. embassies overseas. .

### Web Resources

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Paraguayan Ministry of Public Works: <http://www.mopc.gov.py>

National Directorate for Public Contracts: <http://www.dncp.gov.py>

Inter-American Development Bank: <http://www.iadb.org>

The World Bank: <http://www.bancomundial.org>

U.S. Embassy Asuncion: <http://paraguay.usembassy.gov>

U.S. Department of State Business Information Database System (BIDS):  
<http://bids.state.gov/>

## Civil Aviation Sector

### Overview

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The Government of Paraguay intends to build a new airport within the grounds of the current Silvio Pettrossi International Airport, and convert the current facility into corporate facilities and administrative offices. In order to make these upgrades, the government will seek investment from companies looking to participate in Public Private Partnerships (PPP). There is also interest in receiving proposals from private capital to build airports in the areas of Chaco'i, Villeta, Coronel Oviedo and Mariscal Estigarribia.

### Best Prospects/Services

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Civil aviation consulting and engineering services, airport infrastructure and technologies, weather monitoring equipment, safety and security equipment, air traffic control systems, and baggage and cargo handling equipment and systems.

### Opportunities

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The Government of Paraguay considers the improvement of the country's civil aviation infrastructure a top priority. Tenders will be advertised on the Ministry of Public Work's website, the Civil Aviation Authority's website and/or the government's public contracting office website. Under Paraguay's Public-Private Partnership law, firms may also propose unsolicited projects.

The U.S. Department of State built the Business Information Database System (BIDS) portal to help U.S. businesses learn about significant international commercial opportunities. The BIDS website features an interactive map that displays descriptions and locations of projects that represent potential contract or tender opportunities for U.S. businesses. The site also connects U.S. business to detailed information about each project as well as information to contact U.S. embassies overseas.

### Web Resources

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Paraguayan Civil Aviation Authority: <http://www.dinac.gov.py>

Ministry of Public Works and Communications: <http://www.mopc.gov.py>

Paraguayan Export & Investment Promotion Bureau (REDIEX):

<http://www.rediex.gov.py>

National Directorate for Public Contracts: <http://www.dncp.gov.py>

U.S. Embassy Asuncion: <http://paraguay.usembassy.gov>

U.S. Department of State Business Information Database System (BIDS):  
<http://bids.state.gov/>

## Maquila Assembly / Distribution Operations

### Overview

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Paraguay offers an interesting alternative for assembly/distribution operations with attractive investment incentives (tax breaks, duty free import of capital goods, unlimited repatriation of capital) and the lowest factor costs (especially energy) in the region. The government has been pushing for the development of this sector, which it sees as an alternative to the informal economy of Paraguay's cities on the border with Brazil and Argentina, and it has experienced rapid growth.

### Best Products/Services

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There are few restrictions on the type of product that can be produced under the maquila system. The combination of relatively low labor and electricity costs makes Paraguay suitable for a variety of manufacturing industries.

### Opportunities

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Paraguay has a unique advantage under the Mercosur agreement which allows products to be marked as "made in Paraguay/Mercosur" with a minimum amount of value that must come from *the region* (Mercosur) of only 40%. The remaining 60% could be from any other country of the world. Once labeled as "country of origin Paraguay/Mercosur," the product may be re-exported to any Mercosur country tax free (in Paraguay, these products pay a 1% tax over the value-added in Paraguay). For example: an automotive spare part that is only 60% complete could be imported into Paraguay (tax free) where components from Brazil, Argentina, Uruguay and Paraguay are added in order to complete the product for sale. Once the product is finished, it could be re-exported into any Mercosur country paying only a 1% tax.

However, although Paraguay is an active Mercosur member, Brazil and Argentina regularly find non-tariff reasons to block Paraguayan goods from entering their markets, especially in certain industries. Maquilas providing necessary semi-finished inputs for factories in Brazil or Argentina (such as auto-parts destined for automobile factories in those countries) will find less resistance.

### Web Resources

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Paraguayan Export & Investment Promotion Bureau: <http://www.rediex.gov.py>

Paraguayan Maquila Industry Council: <http://www.maquila.gov.py>

Paraguayan Ministry of Industry and Commerce: <http://www.mic.gov.py>

U.S. Embassy Asuncion: <http://paraguay.usembassy.gov>

## Agricultural Sectors

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Paraguay is the world's largest exporter of organic sugar, second largest producer and exporter of stevia, sixth largest soy producer, and eighth largest beef exporter.

Paraguay's attempts to improve agricultural and livestock production present opportunities for basic inputs, such as animal genetics. Farmers and ranchers are aware that using quality inputs is a key factor in their operations' profitability, and have been adopting advanced production practices, providing opportunities for fertilizers, pest control, and farm equipment. Competition from other exporting countries, especially Brazil, is strong, and U.S. exporters must provide good service to be successful.

In late 2013, the World Organization for Animal health (OIE) reinstated Paraguay's status as a country free of Foot-and-Mouth Disease (FMD) with vaccination, paving the way for Paraguay to increase beef exports. This creates opportunities for U.S. meat and poultry processing equipment. Parts for processing equipment are also a good prospect for U.S. exports, given the current trend to repair existing machines.

Processed foods and high-value items, including processed fruits, vegetables, and beverages, also show promise for U.S. exporters. Fresh fruits and vegetables have weaker demand, but frozen and canned products have gained wide acceptance for their convenience and uniform quality.

Paraguay has the potential to become an important player in the world's biofuel sector. The government has expressed interest in biofuels, with legislation to promote biofuels production and consumption already in place. Focus is currently on sugar-based ethanol production for local market and export, and on biodiesel production by small rural producers for local market. Biodiesel and ethanol producers will focus on increasing production and expanding exports. Plant construction projects and production expansion will present sales opportunities for U.S. suppliers of building and construction materials and biofuels processing machinery.

Paraguay is the world's second-largest producer of Stevia after China. After the December 2008 FDA approval of derivatives of Stevia leaves, Paraguay also has a potential to establish its reputation as a world provider of Stevia. The most important market for Stevia is currently the food and beverage industry, where it is chiefly employed as a sweetener and a flavoring agent. The health market takes second place in importance. In third place there are the byproducts made from the plant residues such as teas and other extractive industries. The use of imported machinery to process Stevia is expected to increase due to FDA approval and local companies' competitiveness in world markets.

## Web Resources

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Paraguayan Ministry of Agriculture: <http://www.mag.gov.py/>

Paraguayan-American Chamber of Commerce: <http://www.pamcham.com.py>

Paraguayan Central Bank trade statistics: <https://www.bcp.gov.py/boletin-de-comercio-exterior-trimestral-i400>

Paraguayan Chamber of Exporters and Marketers of Cereals and Oleaginous (CAPECO): <http://www.capeco.org.py>

Paraguayan Rural Association (ARP -): <http://www.arp.org.py>

Paraguayan Chamber of Stevia Producers: <http://www.camarastevia.org.py>

Paraguayan Chamber of Supermarkets: <http://www.capasu.org.py>

Paraguayan Importers Chamber: <http://www.cip.org.py>

Export & Investment Promotion Bureau: <http://www.rediex.gov.py>

U.S. Embassy Asuncion: <http://paraguay.usembassy.gov>

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## Chapter 5: Trade Regulations and Standards

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- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
- [U.S. Export Controls](#)
- [Temporary Entry](#)
- [Labeling and Marking Requirements](#)
- [Prohibited and Restricted Imports](#)
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### Import Tariffs

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Paraguay is a founding member of the MERCOSUR common market, formed in 1991. MERCOSUR's full members are Argentina, Brazil, Paraguay, Uruguay, and Venezuela. MERCOSUR's Common External Tariff (CET) averages 11.5 percent and ranges from 0 percent to 35 percent ad valorem, with a limited number of country-specific exceptions. Paraguay's average bound tariff rate in the WTO is significantly higher at 33.5 percent. According to current MERCOSUR procedure, any good imported into any member country must pay the CET to that country's customs authorities. If the product is re-exported to any other MERCOSUR country, the CET must be paid again to the second country upon importation there. Thus, for any U.S. good imported into landlocked Paraguay via any other MERCOSUR country, all of which have ocean ports, the CET is effectively doubled.

Paraguay's import tariffs tend to be much lower than the CET, ranging from 0 percent to 30 percent, with an average applied tariff rate of 10.1 percent. Paraguay is permitted to maintain a list of 649 exceptions to the CET until December 31, 2019. At the MERCOSUR Common Market Council (CMC) ministerial meeting in December 2011, MERCOSUR members agreed to allow member countries to increase import duty rates temporarily to a maximum rate of 35 percent on 100 items per member country. In June 2012, the MERCOSUR CMC authorized each member country to increase tariffs on an additional 100 products. To date, Paraguay has not raised tariffs pursuant to these ministerial decisions.

Paraguay's tariff schedule web site, showing the Mercosur CET tariff and the current national tariff: <http://www.vue.org.py/aranceles/aranceles.html>.

### Trade Barriers

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Paraguay is largely open to imports, but some products face restrictions, such as firearms. Paraguay prohibits the importation of used clothing and cars over 10 years old. Also, seasonal restrictions are sometimes implemented, affecting fresh vegetables and the like to protect local producers.

Paraguay requires non-automatic import licenses on personal hygiene products, cosmetics, perfumes and toiletries, textiles and clothing, insecticides, agrochemicals, and poultry. Obtaining a license requires review by the Ministry of Industry and Commerce. Imports of personal hygiene products, cosmetics, and perfumes and toiletries also require a health certification and therefore must undergo a review by the Ministry of Health. The process usually takes 10 days but can take up to 30 days for goods that require a health certification. Once issued, the health certifications are valid for 30 days.

### **Import Requirements and Documentation**

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Documents required for general imports include a banker's draft or letter of credit issued by a local bank as well as the following documents provided by the merchandise vendor: (a) commercial invoice, (b) bill of lading, (c) packing list, and (d) certificate of origin. Import documentation, such as the commercial receipt, certificate of origin, and cargo manifest, must be certified by either the Paraguayan consulate in the country of origin or at the Ministry of Foreign Affairs in Paraguay; the latter requires an additional fee.

Import operations must be processed through authorized banks with notification to the Central Bank of Paraguay.

### **U.S. Export Controls**

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At this time, the U.S. Government maintains no export controls specific to Paraguay. Normal controls are maintained on military equipment, high-tech information systems, and equipment of a highly sensitive nature. Items on the Munitions Control List are also a controlled export to nearly all countries worldwide, including Paraguay, requiring special licenses from the Department of State or Department of Commerce depending upon the item. You can see the current list of export controls at the U.S. Bureau of Industry and Security (BIS) website: <http://www.bis.doc.gov>.

For information on controls on exports of defense articles, see the State Department's Directorate of Defense Trade Controls (DDTC) at: <http://www.pmdtc.state.gov>.

### **Temporary Entry**

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Paraguay has a temporary entry system, which allows duty free admission of capital goods such as machinery, tools, equipment, and vehicles to carry out public and private construction work. The government also allows temporary entry of equipment for scientific research, exhibitions, training or testing, competitive sports, and traveler or tourist items. The following documents are required for temporary entry: (a) a letter stating the reason for temporary entry; (b) a detailed list of the equipment, including the

purchase price of each item; and (c) a local insurance policy covering the cost of the duties waived. For travelers and tourists, a local customs broker can process these documents prior to arrival.

Merchandise introduced into the country under the temporary entry system may be nationalized in Paraguay by paying the requisite duties. The temporary admission system, allows entry of certain goods for subsequent re-export for a period of up to 12 months, which can be renewed once. Temporary entry for ten days for merchandise in transit is also permitted.

## **Labeling and Marking Requirements**

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Paraguayan regulations require that the country of origin be labeled on domestic and imported products. Expiration dates are required on medical products and some consumer goods. Health warnings on hazardous products, such as cigarettes, must be labeled in a visible place. Imported beer is required to display detailed manufacture and content information in Spanish, labeled at the point of packaging. A similar regulation applies for textile products and shoes. Soaps and detergents must be clearly labeled "tripolyphosphate-free." Negotiations for Mercosur -wide labeling requirements are underway.

For more information please check the following websites:

- Ministry of Industry and Commerce: <http://www.mic.gov.py>
- Center for Communication Rules, Norms, and Studies (CERNECO): <http://www.cerneco.com.py> (select "Legislacion de la Publicidad" on top bar).
- Paraguayan laws website: <http://www.leyes.com.py>.

## **Prohibited and Restricted Imports**

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Paraguay's customs authority may enforce strict regulations concerning importation of items such as firearms, medications, toys resembling weapons, or protected species. There are prohibitions for used motor vehicles over ten years old and soaps/detergents that contain sodium tripolyphosphate.

## **Customs Regulations and Contact Information**

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The Paraguayan Customs Authority publishes regulations, decrees, customs code, and tariff nomenclature information on its website. Paraguay requires all companies operating in the country to contract the services of a customs broker. Customs broker fees are standardized by Paraguayan law.

National Customs Directorate  
+595 (21) 416-2116  
E-mail: [car@aduana.gov.py](mailto:car@aduana.gov.py)  
Website: <http://www.aduana.gov.py>

## Standards

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## Overview

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The standards regime in Paraguay includes obligatory and voluntary standards. Public and private conformity assessment bodies operate in the country.

The National Institute of Technology, Standardization and Measurement (INTN) is the government organization in charge of developing Paraguay's standards regime.

Standards affecting meat and by-products are handled by the National Animal Quality and Health Service (SENACSA) and those affecting agricultural chemicals and the like are handled by the National Seed and Vegetable Quality and Sanitation Service (SENAVE), both bureaus under the Ministry of Agriculture and Livestock, <http://www.mag.gov.py>.

Specific standards relating to health matters and foodstuffs fall under the scope of the Ministry of Public Health, through the INAN-National Institute of Food and Nutrition, <http://www.inan.gov.py>.

The Ministry of Industry and Commerce, Direccion General de Defensa del Consumidor, controls standards on labeling and marking, <http://www.mic.gov.py>. Legislation may be found in the following reference site for Paraguayan laws, <http://www.leyes.com.py>.

The listed government institutions all act as conformity assessment bodies in their respective fields. Private firms acting as conformity assessment companies in Paraguay are SGS, Lloyds, and TÜV.

## Standards Organizations

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The MERCOSUR Standards Association (Asociacion Mercosur de Normalizacion - AMN) is composed of the standards institutes of Argentina, Brazil, Paraguay, and Uruguay, which work together to establish Mercosur -wide standards.

Asociación Mercosur de Normalización (AMN)

Av. Paulista, 726  
10º andar – cj. 1001  
CEP: 01310-910  
São Paulo – SP – Brasil  
Tel: 55 11 3283-5276  
Fax: 55 11 3285-6115  
Fax: 55 11 3285-2074  
secretaria@amn.org.br  
<http://www.amn.org.br/en/>

The following is a list of Paraguayan government bodies responsible for developing domestic standards.

- National Institute of Technology, Standardization and Measurement Institute (INTN): <http://www.intn.gov.py>
- National Animal Quality and Health Service (SENACSA): <http://www.senacsa.gov.py>
- National Seed and Vegetable Quality and Sanitation Service (SENAVE): <http://www.senave.gov.py>
- National of Food and Nutrition Institute (INAN): <http://www.inan.gov.py>
- Ministry of Industry and Commerce, Consumer Protection Directorate: <http://www.mic.gov.py>

#### **NIST Notify U.S. Service**

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>.

#### **Conformity Assessment**

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Conformity assessment includes all activities needed to demonstrate compliance with specified requirements relating to a technical regulation or voluntary standard. Conformity assessments can include includes test and calibration laboratories, product certification bodies, accreditation bodies, inspection and verification units, quality system registrars, and others. The following are the main national testing organization(s) and conformity assessment bodies.

- National Institute of Technology, Standardization and Measurement Institute (INTN): <http://www.intn.gov.py>
- National Animal Quality and Health Service (SENACSA): <http://www.senacsa.gov.py>
- National Seed and Vegetable Quality and Sanitation Service (SENAVE): <http://www.senave.gov.py>
- National of Food and Nutrition Institute (INAN): <http://www.inan.gov.py>

- Ministry of Industry and Commerce, Consumer Protection Directorate:  
<http://www.mic.gov.py>

## Product Certification

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Product certification is regulated by the ISO standards. Paraguay has no mutual recognition agreements (MRAs) with U.S. organizations.

## Accreditation

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The local accreditation body is the following government entity:

- National Accreditation Organism (ONA) under the National Counsel of Science and Technology (CONACYT): <http://www.conacyt.gov.py>

One local company has been accredited to specifically certify meat and by-products. Accreditation of labs is not a requirement, but rather voluntary.

## Publication of Technical Regulations

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The National System of Information and Notifications (Sistema Nacional de Informacion y Notificacion Sobre Reglamentos Tecnicos, Normas y Procedimientos de Evaluacion de la Conformidad - SNIN), under the Ministry of Industry and Commerce, acts as a data bank for all standards-related matters (e.g., proposals, comments/input, approvals).

Final regulations are published in the government's Official Gazette, <http://www.gacetaoficial.gov.py>. Each organization submits final regulations to the Ministry of Foreign Relations, which submits them to the World Trade Organization.

## Labeling and Marking

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Paraguayan regulations require that the country of origin be labeled on domestic and imported products. Expiration dates are required on medical products and some consumer goods. Health warnings on hazardous products, such as cigarettes, must be labeled in a visible place. Imported food and beverage products are required to display detailed manufacture and content information in Spanish. A similar regulation applies for textile products and shoes. Soaps and detergents must be clearly labeled "tripolyphosphate-free." Negotiations for Mercosur -wide labeling requirements are underway.

For more information please check the following websites:

- Ministry of Industry and Commerce: <http://www.mic.gov.py>
- Center for Communication Rules, Norms, and Studies (CERNECO):  
<http://www.cerneco.com.py>,

- Paraguayan laws website: <http://www.leyes.com.py>.

## Contacts

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Instituto Nacional de Tecnologia, Normalizacion y Metrologia (INTN)

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Asuncion, Paraguay

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E-mail: [intn@intn.gov.py](mailto:intn@intn.gov.py)

Web: <http://www.intn.gov.py>

Servicio Nacional de Calidad y Salud Animal (SENACSA)

Ruta Mariscal Estigarribia, Km 10½

San Lorenzo, Paraguay

Ph: (595-21) 501374, 507862

Fx: (595-21) 507863

E-mail: [senacsa@senacsa.gov.py](mailto:senacsa@senacsa.gov.py)

Web: <http://www.senacsa.gov.py>

Servicio Nacional de Calidad y Sanidad Vegetal y de Semillas (SENAVE)

Edificio Planeta I, Piso 15

Calle Humaita 145

Asuncion, Paraguay

Ph & Fx: (595-21) 445769, 441549, 441491

E-mail: [presidencia@senave.gov.py](mailto:presidencia@senave.gov.py)

Web: <http://www.senave.gov.py>

Instituto Nacional de Alimentacion y Nutricion (INAN)

Av. Santisima Trinidad e Itapua

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Fx: (595-21) 208-315  
E-mail: [commercialasuncion@state.gov](mailto:commercialasuncion@state.gov)  
Web: <http://paraguay.usembassy.gov>

## Trade Agreements

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Paraguay is a founding member of the Southern Common Market (MERCOSUR – Mercado Comun del Sur), formed in 1991. Other full members are Argentina, Brazil, Uruguay, and Venezuela. MERCOSUR has trade agreements with Egypt, India, Israel, Palestine, and the Southern African Customs Union (SACU).

Paraguay is also a founding member of the Association for Latin American Integration (ALADI – Asociación Latinoamericana de Integración). ALADI member countries sign regional and bilateral agreements that allow partial trade liberalization that can then be extended to other members.

**U.S. Government**

- U.S. NIST Notify U.S. Service: <http://www.nist.gov/notifyus>
- U.S. Embassy in Asuncion, Paraguay: <http://paraguay.usembassy.gov>

**Paraguayan Government**

- Paraguayan Ministry of Industry and Commerce: <http://www.mic.gov.py>
- Paraguayan Ministry of Agriculture and Livestock: <http://www.mag.gov.py>
- Paraguayan Customs Bureau: <http://www.aduana.gov.py>
- Paraguayan tariff schedule: <http://www.vue.org.py/aranceles/aranceles.html>
- National System of Information and Notifications: <http://www.snin.gov.py>
- Paraguayan accreditation body: <http://www.conacyt.gov.py>
- Paraguayan national gazette: <http://www.gacetaoficial.gov.py>
- Reference site for Paraguayan laws: <http://www.leyes.com.py>
- Paraguayan standards and testing organizations:
  - Instituto Nacional de Tecnologia, Normalizacion y Metrologia <http://www.intn.gov.py>
  - Servicio Nacional de Calidad y Salud Animal <http://www.senacsa.gov.py/>
  - Servicio Nacional de Calidad y Sanidad Vegetal y de Semillas <http://www.senave.gov.py>.
  - Instituto Nacional de Alimentacion y Nutricion <http://www.inan.gov.py>.

**Other**

- Mercosur (Southern Common Market): <http://www.MERCOSUR.int>
- Mercosur standards association: <http://www.amn.org.br>
- Association for Latin American Integration (Asociación Latinoamericana de Integración – ALADI): <http://www.aladi.org/>
- Center for Communication Rules, Norms, and Studies (CERNECO): <http://www.cerneco.com.py>

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## Chapter 6: Investment Climate

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### Openness to Foreign Investment

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The Government of Paraguay (GOP) encourages private foreign investment. Paraguay guarantees equal treatment of foreign investors under law 117/91 and permits full repatriation of capital and profits under law 60/90. Paraguay has historically maintained the lowest tax burden in the region, with a 10% corporate tax rate and a 10% Value-added Tax (VAT) on most goods and services.

The GOP recognizes the need to improve Paraguay's infrastructure. In 2013 Paraguay passed new legislation governing public-private partnerships (PPP), which the GOP hope will prompt an infrastructure boom and launch a new phase in the country's economic development. The GOP is expected to announce in 2014 PPPs for infrastructure modernization projects for the international airport in Asuncion, the Paraguay River, and three highways. Paraguay's electricity distribution and communications infrastructures are also in need of significant investment and upgrades. A 400-kilometer 500-kilovolt transmission line, two new sub-stations, and other major infrastructure improvements to the power grid are currently underway. More remains to be done for the power grid, especially around and within Asuncion. Paraguay also is in the process of seeking bids for extending communications lines to the countryside. These projects are usually open to foreign investors.

Paraguayan law supports maquila operations, with the value-add subject to a 1% tax rate. In most cases, inputs are allowed to enter Paraguay tax free, and up to 10% of

production is allowed for local consumption after paying import taxes and duties. Maquila operations are not restricted geographically or by industry.

The WTO conducted a Trade Policy Review of Paraguay in 2011, which is available at [http://www.wto.org/english/tratop\\_e/tpr\\_e/tp345\\_e.htm](http://www.wto.org/english/tratop_e/tpr_e/tp345_e.htm).

**TABLE 1:** The following chart summarizes several well-regarded indices and rankings.

Measure	Year	Rank or value	Website Address
TI Corruption Perceptions index	2013	150 of 177	<a href="http://cpi.transparency.org/cpi2013/results/">http://cpi.transparency.org/cpi2013/results/</a>
Heritage Foundation's Economic Freedom index	2013	80 of 177	<a href="http://www.heritage.org/index/ranking">http://www.heritage.org/index/ranking</a>
World Bank's Doing Business Report "Ease of Doing Business"	2014	109 of 189	<a href="http://doingbusiness.org/rankings">http://doingbusiness.org/rankings</a>
Global Innovation Index	2013	100 of 142	<a href="http://www.globalinnovationindex.org/content.aspx?page=gii-full-report-2013#pdfopener">http://www.globalinnovationindex.org/content.aspx?page=gii-full-report-2013#pdfopener</a>
World Bank GNI per capita	2012	\$3400	<a href="http://data.worldbank.org/indicator/NY.GNP.PCAP.CD">http://data.worldbank.org/indicator/NY.GNP.PCAP.CD</a>

**TABLE 1B - Scorecards:** The Millennium Challenge Corporation, a U.S. Government entity charged with delivering development grants to countries that have demonstrated a commitment to reform, produced scorecards for countries with a 2012 per capita gross national income (GNI) of \$4,085 or less. A list of countries/economies with MCC scorecards and links to those scorecards is available here: <http://www.mcc.gov/pages/selection/scorecards>. Details on each of the MCC's indicators and a guide to reading the scorecards are available here: <http://www.mcc.gov/documents/reports/reference-2013001142401-fy14-guide-to-the-indicators.pdf>.

Indicator	Score
MCC Gov't Effectiveness*	12% - Not Passing
MCC Rule of Law	23% - Not Passing
MCC Control of Corruption	19% - Not Passing
MCC Fiscal Policy	88% - Passing
MCC Trade Policy	79% - Passing

MCC Regulatory Quality	50% - Not Passing
MCC Business Start Up	19% - Not Passing
MCC Land Rights and Access	55% - Passing
MCC Natural Resource Protection	42% - Not Passing

## Conversion and Transfer Policies

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No restrictions exist in Paraguay on the conversion or transfer of foreign currency. Law 60/90 permits the repatriation of capital and profits. There are no controls on foreign exchange transactions, apart from bank reporting requirements for transactions in excess of USD 10,000.

Paraguay is a member of the Financial Action Task Force against Money Laundering in South America (GAFISUD), a Financial Action Task Force (FATF)-style regional body. Its most recent mutual evaluation, conducted by the International Monetary Fund (IMF), can be found here: <http://www.imf.org/external/pubs/ft/scr/2009/cr09235.pdf>.

## Expropriation and Compensation

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Private property has historically been respected in Paraguay as a fundamental right. However, there have been several cases in recent years of expropriations of land without prompt and fair compensation. In recent years landless groups have occupied several farms in order to press for agrarian land reform.

## Dispute Settlement

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Law 117/91 guarantees national treatment for foreign investors. This law allows international arbitration for the resolution of disputes between foreign investors and the Government of Paraguay.

Under Paraguayan Law 194/93, foreign companies must demonstrate just cause to terminate, modify, or decide not to renew contracts with Paraguayan distributors. Severe penalties and high fines may result if a court determines that a foreign company ended the relationship with its distributor without first establishing that just cause exists, which sometimes compels Paraguayan distributors to seek expensive out-of-court settlements first. Nevertheless, cases are infrequent and courts have upheld the rights of foreign companies to terminate representation agreements after finding the requisite showing of just cause.

Paraguay is a member of the International Center for the Settlement of Investment Disputes (ICSID).

## Performance Requirements and Incentives

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Paraguay grants investors a number of tax breaks under Law 60/90. Voting board members of any company incorporated in Paraguay must have legal residence, which takes a minimum of 90 days to establish, posing a potential obstacle to foreign investors.

Regarding customs procedures, Paraguay requires that specific documentation for each import shipment (e.g., the commercial receipt, certificate of origin, and cargo manifest) be certified by either the Paraguayan consulate in the country of origin or, by paying an additional fee, at the Ministry of Foreign Affairs in Paraguay. Paraguay also requires all companies operating in the country to contract the services of a customs broker. Customs broker fees are standardized by Paraguayan law.

Paraguay is not a signatory to the WTO Agreement on Government Procurement. Paraguayan law (4558/11) gives preference in government bids to locally produced goods even if they are up to 20% more expensive than imported goods. Public institutions in charge of large infrastructure projects historically pose difficulties for foreign investors. The Dirección Nacional de Contrataciones Públicas (DNCP or *National Directorate for Public Contracts*) exists to ensure transparency and fairness in public bids that exceed USD 150,000. American investors have described significant frustration during bidding attempts. Of the 15,299 bids held by the DNCP in 2013, only 91 were open to international companies. Of those, 41 were awarded to international companies, a much higher percentage than previous years. The Cartes Administration, which entered office in August 2013, has expressed interest in increasing international participation in infrastructure projects and passed a PPP law to attract higher levels of international participation.

## **Right to Private Ownership and Establishment**

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Foreign and domestic private entities may establish and own business enterprises. Foreign businesses are not legally required to be associated with Paraguayan nationals for investment purposes.

There is no restriction on repatriation of capital and profits. Private entities may freely establish, acquire, and dispose of business interests.

## **Protection of Property Rights**

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### ***Real Property***

The 1992 constitution guarantees the right of private property ownership. While it is common to use real property as security for loans, the lack of consistent property surveys and registries often makes it impossible to foreclose. In some cases, acquiring title documents for land can take two years or more.

### ***Intellectual Property***

Paraguay is currently on the Watch List and under Section 306 monitoring in the U.S. Trade Representative's (USTR) Special 301 Report. The Government of Paraguay has taken positive steps toward strengthening IPR, particularly since President Cartes took office in August 2013. In October 2013, President Cartes signed the implementing regulation (Decree 460) for Law 4798 of 2012 that created the National Directorate of

Intellectual Property (DINAPI). DINAPI is now the Paraguayan government authority responsible for the issuance and protection of copyrights, trademarks, patents, industrial designs, and geographical indications. Additionally, the law authorizes DINAPI's enforcement arm, the General Enforcement Directorate, to conduct administrative investigations and initiate proceedings at customs checkpoints and businesses. In December 2013, DINAPI granted pharmaceutical patents to two U.S. companies, the first patents reportedly granted since 2005. DINAPI has also undertaken outreach to the public, signed inter-institutional cooperative agreements to improve IPR protection and enforcement, and has stepped up enforcement operations, including at the border.

Ciudad del Este has been named in either the USTR Notorious Market List or the Special 301 Report for over 15 years. The border crossing at Ciudad del Este and the city itself have been the focus of U.S. and international attention as a hub for the distribution of counterfeit and pirated products in the tri-border region of Brazil-Argentina-Paraguay and beyond.

Concerns remain about inadequate protection against unfair commercial use of undisclosed test or other data generated to obtain marketing approval for pharmaceutical products and the shortcomings in Paraguay's patent regime. Law 3283/07 and Law 3519/08 require that pharmaceutical products and agrochemical products be first registered in Paraguay to be eligible for data protection. The law also limits data protection to five years instead of the more commonly accepted international standard of ten years. Additionally, law 2593/05 that modifies Paraguay's patent law has no regulatory enforcement. Because of this, foreign pharmaceutical companies have seen their patented products openly replicated and marketed under other names by Paraguayan pharmaceutical companies.

For over a decade the United States maintained a Memorandum of Understanding (MOU) with Paraguay pertaining to IPR protection and enforcement. This MOU expired in April 2012, and negotiations were re-launched in March 2014.

Paraguay has ratified all of the Uruguay Round accords, including the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS), and has ratified two World Intellectual Property Organization (WIPO) copyright treaties. For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

## **Transparency of Regulatory System**

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The business registration process was modified in 2006 with U.S. assistance. The GOP instituted a coordinated system among all the offices involved, reducing the number of steps and the time to open a business to 35 days and lowering the cost to approximately USD 250. This is an improvement; however, some aspects of opening a business are still lengthy and costly, such as building health inspections and environmental licenses.

Historically, regulatory agencies' supervisory functions over telecommunications, energy, potable water, and the environment are inefficient and opaque. Politically motivated changes in the leadership of regulating agencies negatively impact firms and investors. Corruption has historically been common in these institutions as time consuming processes provide opportunities for front-line civil servants to seek bribes to accelerate

the paperwork. The Cartes Administration, which entered into office in August 2013, voiced its commitment to combatting corruption and has taken positive steps to promote transparency.

## **Efficient Capital Markets and Portfolio Investment**

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Paraguay's banking system includes 16 banks with a total USD 16.5 billion in assets and USD 11.2 billion in deposits. Non-performing loans in the banking sector totaled just 2% of total loans in 2013. The banking system is generally sound but remains overly liquid. Long term financing for capital investment projects is scarce. Most lending facilities are short term.

Credit is available but expensive. High collateral requirements are generally imposed. The high cost of capital makes the stock market an attractive, although underdeveloped option. Paraguay has a relatively small capital market that began less than 20 years ago. As of December 2013, the Asuncion Stock exchange consisted of 108 companies, totaling USD 132 million in transactions. Many family-owned enterprises fear losing control, dampening enthusiasm for public offerings.

In 2011, Banco Bilbao Vizcaya Argentaria (BBVA) Paraguay raised USD 100 million through a private offering of 9.75 percent bonds that will mature on February 11, 2016. BBVA Paraguay will use the proceeds for long-term investment in agribusiness and reforestation in Paraguay. In 2012, Banco Continental S.A.E.C.A., one of the largest banks in Paraguay, issued debt for USD 200 million due in 2017. In January 2014, Banco Regional, the largest private local bank in Paraguay, issued debt for USD 300 million. These transactions are very important to the banking sector in Paraguay and its ability to access the international capital market.

The Government of Paraguay issued Paraguay's first sovereign bonds in 2013 for USD 500 million to accelerate development in the country. The issuance supported the government's effort to finance key infrastructure development programs designed to promote economic and social development and job creation. Projects include a four-lane highway linking Asuncion to Ciudad del Este, a 500kV line from the Yacyreta Dam to Villa Hayes, improvements to the national electricity grid, and upgrades to the waterway infrastructure.

## **Competition from State Owned Enterprises**

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Paraguay's State Owned Enterprises (SOEs) are active in the petroleum distribution, cement, electricity (distribution and generation), water, and land-line and cellular telecommunication sectors. In general, SOEs are monopolies with no private sector participation. Most operate independently but maintain an administrative link with line ministries, namely the Ministry of Public Works & Communications.

SOEs' corporate governances are weak. Only the Itaipú and Yacyretá bi-national hydroelectric dams have a board of directors. Other SOEs operate with politically appointed advisors and executives. Only the two bi-national dams are required to have an independent audit. The SOEs are often overstaffed and are an outlet for patronage,

resulting in poor administration and services. Some SOEs burden the country's fiscal position, running deficits most years.

## Corporate Social Responsibility

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Corporate Social Responsibility (CSR) is growing with the support of Paraguay's largest firms. Additionally the private sector is taking measures to institutionalize ethical business conduct under initiatives such as the *Pacto Etico Comercial* (Business Ethics Pact). An initiative sponsored by the U.S. Department of Commerce, the *Pacto Etico Comercial* includes over 100 local, U.S., and international companies that committed to creating a code of ethics and undergoing a rigorous auditing process to reach certification.

## Political Violence

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Paraguay has not traditionally been affected by political violence. While Paraguay has been spared the large number of kidnappings that occur in neighboring Latin American countries, a few high profile cases have occurred in recent years, most of them attributed to purported members of the leftist Paraguayan People's Army (EPP). The GOP has responded to the EPP threat with combined military and police operations. Land invasions, marches, and organized protests occur, mostly by rural and indigenous communities making demands on the government, but these events rarely turn violent.

## Corruption

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Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U. S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

**U.S. Foreign Corrupt Practices Act:** In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain

foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at:  
<http://www.justice.gov/criminal/fraud/>

**Other Instruments:** It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. This country is party to [add instrument to which this country is party], but generally all countries prohibit the bribery and solicitation of their public officials.

**OECD Antibribery Convention:** The OECD Antibribery Convention entered into force in February 1999. As of March 2009, there are 38 parties to the Convention including the United States (see <http://www.oecd.org/dataoecd/59/13/40272933.pdf>). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA. [Insert information as to whether your country is a party to the OECD Convention.]

**UN Convention:** The UN Anticorruption Convention entered into force on December 14, 2005, and there are 158 parties to it as of November 2011 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. Paraguay is a party to the Un Convention.

**OAS Convention:** In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as

mutual legal assistance and technical cooperation. As of December 2009, the OAS Convention has 34 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>) [Insert information as to whether your country is a party to the OAS Convention.]

**Council of Europe Criminal Law and Civil Law Conventions:** Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States). As of December 2011, the Criminal Law Convention has 43 parties and the Civil Law Convention has 34 (see [www.coe.int/greco](http://www.coe.int/greco).) [Insert information as to whether your country is a party to the Council of Europe Conventions.]

**Free Trade Agreements:** It is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners. Anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>.

**Local Laws:** U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.

**Assistance for U.S. Businesses:** The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company’s overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its Website at [www.trade.gov/cs](http://www.trade.gov/cs).

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department’s Advocacy Center and State’s Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center “Report A Trade Barrier” Website at [tcc.export.gov/Report\\_a\\_Barrier/index.asp](http://tcc.export.gov/Report_a_Barrier/index.asp).

**Guidance on the U.S. FCPA:** The Department of Justice's (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department's present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ's Fraud Section Website at [www.justice.gov/criminal/fraud/fcpa](http://www.justice.gov/criminal/fraud/fcpa). Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at [http://www.ogc.doc.gov/trans\\_anti\\_bribery.html](http://www.ogc.doc.gov/trans_anti_bribery.html). More general information on the FCPA is available at the Websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

Public sector corruption, including bribery of public officials, remains a challenge for U.S. firms operating in Paraguay. Paraguayan law provides criminal penalties for official corruption; however, impunity impedes effective implementation. Historically, officials in all branches and at all levels of government have engaged in corrupt practices, and cases can spend years in the courts without any satisfactory resolution. Under the Cartes Administration, the GOP has taken several steps to combat corruption, including the creation of a transparent, internet-based government procurement system; the appointment of respected officials to key posts; and increased civil society input and oversight. In October 2013, the National Procurement Agency, the Civil Service Secretariat, the Auditor General, the Anticorruption Secretariat, and the Solicitor General signed an MOU to strengthen coordination among key players in the fight against corruption. Under the MOU, these Executive Branch institutions are working collaboratively on a National Anticorruption Plan.

The constitution requires all public employees, including elected officials and employees of independent government entities, to disclose their income and assets at least 15 days after taking office or being appointed and again within 15 days after finishing their term or assignment. A new law that went into effect in January 2014 requires that the employee include information on the assets and income of spouses and dependent children. The new law does not require officials to file periodically when changes occur in their holdings. Following the inauguration of the new government, the president, vice president, the 10 ministers of the executive branch and 22 other minister-rank and high-ranking employees of the Cartes administration filed their financial disclosure forms in compliance with the constitution.

Judicial insecurity and corruption in the judicial system hinders Paraguay's investment climate. Many investors find it difficult to enforce adequately contracts and are frustrated by lengthy bureaucratic procedures, limited transparency and accountability, and impunity.

### **Anti-Corruption Resources**

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a “Lay-Person’s Guide to the FCPA” is available at the U.S. Department of Justice’s Website at: <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: [http://www.oecd.org/departement/0,3355,en\\_2649\\_34859\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/departement/0,3355,en_2649_34859_1_1_1_1_1,00.html). See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>.
- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: [http://www.ogc.doc.gov/trans\\_anti\\_bribery.html](http://www.ogc.doc.gov/trans_anti_bribery.html).
- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi/2009](http://www.transparency.org/policy_research/surveys_indices/cpi/2009). TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/publications/gcr>.
- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 213 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See <http://info.worldbank.org/governance/wgi/index.asp>. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://data.worldbank.org/data-catalog/BEEPS>.
- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See <http://www.weforum.org/s?s=global+enabling+trade+report>.
- Additional country information related to corruption can be found in the U.S. State Department’s annual *Human Rights Report* available at <http://www.state.gov/drl/rls/hrrpt/>.
- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 106 countries with respect to governance and

anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: <http://report.globalintegrity.org/>.

Paraguyan Resources to report corruption:

- General Auditors Office  
Bruselas 1880, Asuncion, Paraguay  
+ 595 21 620 0260  
[atencion@contraloria.gov.py](mailto:atencion@contraloria.gov.py)
- Public Ministry  
Nuestra Señora de la Asunción c/ Haedo, Asuncion, Paraguay  
+ 595 21 454 611  
<http://www.ministeriopublico.gov.py/contenidos/menu/institucion/denunciar/index.php>
- Seeds for Democracy  
Roma 1055 casi Colón, Asuncion, Paraguay  
+ 595 21 420 323  
[semillas@semillas.org.py](mailto:semillas@semillas.org.py)

## **Bilateral Investment Agreements**

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Paraguay has bilateral investment agreements or treaties with the following countries: Argentina; Austria; Belgium; Brazil; Chile; Costa Rica; Ecuador; El Salvador; France; Germany; Hungary; Korea; Luxembourg; the Netherlands; Peru; Romania; South Africa; Spain; Switzerland; Taiwan; the United Kingdom; Uruguay; and Venezuela.

## **OPIC and Other Investment Insurance Programs**

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The United States and Paraguay signed a 1992 investment guaranty agreement, allowing OPIC to begin full operations in Paraguay. OPIC has financed telecommunications, forestry, and various renewable energy projects. OPIC has also partnered with Citibank to support over USD 160 million in loans for small and medium sized enterprises (SMEs) and for micro finance loans.

Paraguay is a member of the World Bank's Multilateral Investment Guarantee Agency (MIGA).

## **Labor**

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With a population growth rate above 3% per annum and 70% of the population below the age of 35, job creation to meet the large and growing labor force is one of the most pressing issues for the Government of Paraguay. However, the weak education system limits the supply of well-educated workers and is an obstacle to growth.

Paraguay's labor code makes it very difficult to lay-off a full-time employee who has completed ten consecutive years of employment. Firms often opt for periodic renewals of "temporary" work contracts instead of long term contracts.

Paraguayan law provides for the right of workers to form and join independent unions (with the exception of the armed forces and the police), bargain collectively, and conduct legal strikes. The law prohibits binding arbitration and retribution against union organizers and strikers. While the law prohibits anti-union discrimination and sets the financial penalty, employers are not required by law to reinstate workers fired for union activity, even in cases where labor courts fine firms for anti-union discrimination.

The minimum age for formal, full-time employment is 18. Adolescents between the ages of 14 and 17 may work if they have a written authorization from their parents, attend school, do not work more than four hours a day, and do not work more than a maximum of 24 hours per week. Adolescents between the ages of 16 to 18 who do not attend school may work up to six hours a day, with a weekly ceiling of 36 hours. The law also permits "light work" for children between the ages of 12 and 14. The government has not formally defined what constitutes permitted light work for children between ages 12 and 14.

### Foreign-Trade Zones/Free Ports

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Paraguay is a landlocked country with no seaports but has numerous private and public inland river ports. About three-fourths of commercial goods are transported by barge on the Paraguay-Parana river system that connects Paraguay with Buenos Aires, Argentina and Montevideo, Uruguay. Paraguay has agreements with Uruguay, Argentina, Brazil, and Chile on free-trade ports and warehouses for the reception, storage, handling, and trans-shipment of merchandise.

### Foreign Direct Investment Statistics

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**TABLE 2: Key Macroeconomic data, U.S. FDI in host country/economy**

	Host Country Statistical source*		USG or International Statistical source		USG or International Source
<b>Economic Data</b>	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (Millions U.S.	2012	\$24,000	2012	\$25,500	<a href="http://www.worldbank.org/en/country">http://www.worldbank.org/en/country</a>

<i>Dollars)</i>					
<b>Foreign Direct Investment</b>	Host Country Statistical source*		USG or international statistical source		<a href="http://www.bea.gov/">http://www.bea.gov/</a>
U.S. FDI in partner country (Millions U.S. Dollars, stock positions)	2012	\$2068	2012	\$2369	
Host country's FDI in the United States (Millions U.S. Dollars, stock positions)	Not available	Not available	2012	-\$2	
Total inbound stock of FDI as % host GDP	2012	19%	Not available	Not available	

\* Host country statistical data source: [www.bcp.gov.py](http://www.bcp.gov.py)

**Contact Point at Post**

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Natalie van der Horst  
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U.S. Embassy Asuncion  
+ 595 21 213 715  
[CommercialAsuncion@state.gov](mailto:CommercialAsuncion@state.gov)

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## Chapter 7: Trade and Project Financing

- [How Do I Get Paid \(Methods of Payment\)](#)
- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
- [Project Financing](#)
- [Web Resources](#)

### How Do I Get Paid (Methods of Payment)

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The method of payment most used by local importers is by letter of credit, followed closely by wire transfers. Under the second method a local importer, through his/her bank, transfers payment to the foreign exporter upon notice (proof) of shipment of the merchandise. This method is preferred by businesses that have established mutual confidence, and involves less administrative costs than a letter of credit. Other methods of payment are used to a lesser degree.

The following is a credit-rating firm operating in Paraguay:

- Informconf: <http://www.informconf.com.py>

### How Does the Banking System Operate

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Banks and finance companies are regulated by the Banking Superintendent, which is housed within, and is under the direction of, the Central Bank of Paraguay. Although, deposits are supposed to be guaranteed up to 30 million Guarani's (approximately USD 6,818 as of July 2014), the Deposit Insurance program does not have a legal framework to implement the deposit protection. The Central Bank operates autonomously, although it is not truly independent because it needs the Treasury to capitalize it.

The financial sector regulated by the Central Bank also includes 11 finance companies dedicated to smaller consumer operations not served by banks. The banking system operates mostly on short to medium term credit (12 months is the usual maximum for commercial transactions, although private finance of vehicles and homes is available on longer terms) in both local and foreign currency.

There is also a large credit union sector in Paraguay which is self-regulated and does not fall under the purview of the Central Bank. Credit unions could hold as much as one-third of total financial system assets, but their assets are not included in Central Bank data.

### Foreign-Exchange Controls

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There are no controls on foreign exchange transactions, apart from bank reporting requirements for transactions in excess of USD 10,000. Importers and exporters can buy and sell foreign exchange freely at commercial banks, finance companies, or exchange houses at the going market rate.

## U.S. Banks and Local Correspondent Banks

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Citibank is the only U.S. bank operating in Paraguay. Nearly all banks have correspondent banking arrangements with U.S. banks, primarily in New York and Miami.

## Project Financing

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Both import and export financing are limited. Local banks provide revolving credit for up to 360 days, which may be renewable. High nominal and real interest rates (generating high spreads in both dollars and local currency) present a major obstacle to medium and long term financing.

Local commercial banks provide exporters direct financing, pre-financing of exports backed by a letter of credit, and discounting of letters of credit upon shipment of the merchandise. Local insurance companies offer importers and exporters a full range of services covering trade activities.

The World Bank, the Inter-American Development Bank (IDB), and the Andean Development Bank (CAF) provide project financing for basic infrastructure projects, water systems, and roads. Both the U.S. Export-Import Bank (EX-IM) and the U.S. Overseas Private Investment Corporation (OPIC) can provide services for transactions involving Paraguay.

## Web Resources

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### U.S. Government:

- Export-Import Bank of the United States: <http://www.exim.gov>
  - Country Limitation Schedule:  
[http://www.exim.gov/tools/country/country\\_limits.html](http://www.exim.gov/tools/country/country_limits.html)
- OPIC: <http://www.opic.gov>
- Trade and Development Agency: <http://www.tda.gov/>
- SBA's Office of International Trade: <http://www.sba.gov/oit/>
- USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>
- U.S. Agency for International Development: <http://www.usaid.gov>

### Multilateral Development Banks

- Andean Development Bank: <http://www.caf.com>
- Inter-American Development Bank: <http://www.iadb.org>
- International Monetary Fund: <http://imf.org>
- The World Bank: <http://www.bancomundial.org>

### Paraguayan Government:

- Central Bank: <http://www.bcp.gov.py>
- Credit Union Regulatory Authority: <http://www.incoop.gov.py>

Commercial Banks in Paraguay:

- Banco Amambay S.A.: <http://www.bancoamambay.com.py>
- Banco Continental S.A.E.C.A.: <http://www.bancontinental.com.py>
- Banco de la Nacion Argentina: <http://www.bna.com.ar/>
- Banco do Brasil S.A.: <http://www.bb.com.br>
- Banco Familiar: <http://www.familiar.com.py>
- Banco Atlas S.A.: <http://www.bancoatlas.com.py>
- Banco Itapua S.A.: <http://www.bancoitapua.com.py>
- Banco Nacional de Fomento: <http://www.bnf.gov.py>
- Banco Regional S.A.: <http://www.bancoregional.com.py>
- BBVA Paraguay S.A.: <http://www.bbva.com.py>
- Citibank N.A.: <http://www.latam.citibank.com/paraguay>
- HSBC Bank Paraguay S.A.: <http://www.hsbc.com.py>
- Itau S.A.: <http://www.itau.com.py/>
- Sudameris Bank S.A.E.C.A.: <http://www.sudameris.com.py>
- Vision Banco S.A.E.C.A.: <http://www.vision.com.py>
- Bancop S.A.: <http://www.bancop.com.py>

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## Chapter 8: Business Travel

- [Business Customs](#)
- [Travel Advisory](#)
- [Visa Requirements](#)
- [Telecommunications/Electric](#)
- [Transportation](#)
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### **Business Customs**

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There are no specific local business customs beyond the bounds of normal courtesy. Paraguayans are informal in observing appointment times, but foreign business visitors should not take such liberties when arriving for scheduled meetings. For social events, it is customary for Paraguayans to arrive up to 30 minutes late. Persons are normally addressed by their academic or professional title, e.g. Doctor, Engineer, Architect, or Licenciado, in the case of university graduates. Business dress follows similar patterns to those of the United States.

### **Travel Advisory**

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Any travel advisories can be found at:

[http://travel.state.gov/travel/cis\\_pa\\_tw/cis\\_pa\\_tw\\_1168.html](http://travel.state.gov/travel/cis_pa_tw/cis_pa_tw_1168.html)

U.S. Department of State Consular Info Sheet for Paraguay:

[http://travel.state.gov/travel/cis\\_pa\\_tw/cis/cis\\_997.html](http://travel.state.gov/travel/cis_pa_tw/cis/cis_997.html)

### **Visa Requirements**

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A passport and visa are required to enter Paraguay. U.S. citizens arriving by air may obtain a “Visa en Arribo” (visa upon arrival) at Silvio Pettrossi International Airport in Asuncion. The current fee for the Visa en Arribo is USD160, payable in U.S. currency (credit cards not accepted). If not arriving at Silvio Pettrossi International Airport, prior to traveling to Paraguay, travelers must apply for a visa in person or by secure messenger at the Paraguayan Embassy in Washington, DC, or the nearest Paraguayan consulate, and you must pay a fee. Travelers under the age of 18 must provide a notarized authorization from a parent or guardian with the visa application. For longer stays, a temporary residence visa, valid for one year and renewable, can be obtained

once in Paraguay. Visas must be obtained from the Paraguayan consulates in Washington D.C., New York, Miami or Los Angeles.

U.S. companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/>

U.S. Embassy Asuncion Consular Section website:  
<http://paraguay.usembassy.gov/service.html>

## **Telecommunications/Electric**

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The telecommunications infrastructure in Paraguay has improved in recent years, although landline service from the state-owned monopoly can be slow and expensive. Mobile communication has been growing rapidly in recent years. Most telecomm providers offer 3G and 4G in urban areas. Business travelers often obtain a mobile phone locally for extended stays. Internet connections are slow, but the quality of connections is improving gradually and service is becoming more widely available. Most hotels in Asuncion and Ciudad del Este offer WiFi. Electricity in Paraguay is 220V and 50Hz.

## **Transportation**

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Air connectivity to Paraguay is expanding. American Airlines is the only carrier to offer non-stop service between the United States and Paraguay; it flies non-stop between Miami and Asuncion. Other international carriers have non-stop flights between Asuncion and Buenos Aires, Argentina; Montevideo, Uruguay, Sao Paulo, Brazil; Lima, Peru; Santiago, Chile; Santa Cruz, Bolivia; and Panama City, Panama. TAM offers daily in-country air service between Asuncion and Ciudad del Este and Ciudad del Este and Sao Paulo.

Many local and foreign bus companies offer in-country and international service to the major cities in Paraguay and neighboring countries. The urban bus transportation system is inadequate for business purposes.

Asuncion's taxi network is reasonably well developed; however, some taxis are in poor repair and most lack air conditioning and seat belts. Motor vehicle rental service is available with or without a driver. Visitors can hire a "remise," which is a dedicated car with driver that has better quality and security than a taxi.

## **Language**

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Paraguay has two official languages: Spanish and Guarani. In practice, Spanish is the dominant language of business and government. A significant percentage of the

business community understands Portuguese. English and German are also understood by many.

## Health

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Adequate medical facilities, prescription and over-the-counter medications, supplies, and services are available in Asuncion. Elsewhere these are limited, and in rural areas may not exist. There is no endemic hepatitis or malaria in Asuncion, although risks increase in some rural areas. Outbreaks of dengue fever (a mosquito-borne disease) are recurrent and occur in urban and rural areas. Cases of dengue and malaria are two to three times more likely to occur in the warm months between January and May. Yellow fever cases are rare. Insect precautions are recommended. Sanitary conditions are generally adequate. Bottled water is recommended.

Information on vaccinations and other health precautions can be found on the U.S. Center for Disease Control website: <http://wwwn.cdc.gov/travel/default.aspx>.

## Local Time, Business Hours, and Holidays

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Paraguay is four hours behind Greenwich Mean Time, and one hour ahead of U.S. Eastern Standard Time. Paraguay implements daylight savings time by advancing clocks one hour, generally from mid-October to mid-March, meaning that it is two hours ahead of EST during the U.S. winter, but at EDT during the U.S. summer.

Commercial working hours are generally 8:00 am to 12:00 noon, and -2:30 pm to 7:00 pm Monday through Friday; and 8:00 am to 12:00 noon Saturdays. Banking hours are 8:30 am to 4:00 pm Monday to Friday, but most banks only receive the public up to 1:30 pm.

The following are national holidays in Paraguay:

January 1:	New Year
March 1:	Heroes' Day (*)
March/April:	Holy Thursday & Good Friday
May 1:	Labor Day
May 14-15:	Independence Day
June 12:	Chaco Armistice (*)
August 15:	Founding of Asuncion
September 29:	Victory at Boqueron
December 8:	Virgin of Caacupe Day
December 25:	Christmas Day

(\*): Some holidays observed on Mondays.

## Temporary Entry of Materials and Personal Belongings

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The government allows temporary entry of equipment for scientific research, exhibitions, training or testing, competitive sports, and traveler or tourist items. The following

documents are required for temporary entry: (a) a letter stating the reason for temporary entry; (b) a detailed list of the equipment, including the purchase price of each item; and (c) a local insurance policy covering the cost of the duties waived. For travelers and tourists, a local customs broker can process these documents prior to arrival.

## Web Resources

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U.S. Department of State: <http://travel.state.gov>

U.S. Embassy Asuncion: <http://paraguay.usembassy.gov/>

Paraguayan Embassy, Washington, D.C.: <http://www.embaparusa.gov.py>

U.S. Center for Disease Control: <http://wwwn.cdc.gov/travel/default.aspx>

Paraguayan Consulates in the United States of America:

- Los Angeles, CA: <http://www.mre.gov.py/la/>
- Miami, FL: <http://www.consulparmiami.org/>
- New York, NY: <http://www.consulparny.com>
- Washington, D.C.: <http://www.embaparusa.gov.py>

Airlines that serve Asuncion:

- Aerolineas Argentinas: [www.aerolineas.com.ar](http://www.aerolineas.com.ar)
- Amazonas Linea Aerea: [www.amazonas.com](http://www.amazonas.com)
- American Airlines: [www.aa.com](http://www.aa.com)
- Avianca : [www.avianca.com](http://www.avianca.com)
- BQB Lineas Aereas: [www.flybqb.com](http://www.flybqb.com)
- Copa Airlines: [www.copaair.com](http://www.copaair.com)
- GOL: [www.voegol.com.br](http://www.voegol.com.br)
- LAN: [www.lan.com](http://www.lan.com)
- TAM: [www.passiontoflyandserve.com.br/tamairlines](http://www.passiontoflyandserve.com.br/tamairlines)

Paraguayan cellular telephone service providers:

- AMX Paraguay (Claro): <http://www.claro.com.py>
- Hola Paraguay (Vox): <http://www.vox.com.py>
- Nucleo (Personal): <http://www.personal.com.py>
- Telecel (Tigo): <http://www.tigo.com.py>

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## Chapter 9: Contacts, Market Research and Trade Events

- [Contacts](#)
- [Market Research](#)
- [Trade Events](#)

### Contacts

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#### PARAGUAYAN GOVERNMENT OFFICES:

- Ministry of Agriculture and Livestock: <http://www.mag.gov.py>
- Ministry of Finance: <http://www.hacienda.gov.py>
- Ministry of Industry and Commerce: <http://www.mic.gov.py>
- Ministry of Public Works and Communications: <http://www.mopc.gov.py>
- Central Bank of Paraguay: <http://www.bcp.gov.py>
- Customs Bureau: <http://www.aduana.gov.py>
- National Maquila Industry Bureau: <http://www.maquila.gov.py>
- National Directorate for Public Contracts: <http://www.dncp.gov.py>
- Standards and Technology Institute: <http://www.intn.gov.py>

#### PARAGUAYAN TRADE OR INDUSTRY ASSOCIATIONS:

- Paraguayan-American Chamber of Commerce: <http://www.pamcham.com.py>
- Paraguayan Chamber of Commerce and Services:  
<http://www.ccparguay.com.py>
- Customs Brokers Association: <http://www.cdap.org.py>
- Paraguayan Industrialists Association: <http://www.uip.org.py>
- Paraguayan Importers Chamber: <http://www.cip.org.py>
- Federation of Production, Industry, and Commerce: [feprinco@quanta.com.py](mailto:feprinco@quanta.com.py)
- Construction Chamber of Paraguay: [www.capaco.org.py](http://www.capaco.org.py)

#### U.S. EMBASSY:

- <http://paraguay.usembassy.gov/business.html>  
Phone: + 595 21 213 715  
Fax: + 595 21 208 315  
Email: [CommercialAsuncion@state.gov](mailto:CommercialAsuncion@state.gov)

### Market Research

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To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/mrktresearch/index.asp> And click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents/index.asp>

Local trade events are listed in the following website: <http://www.rediex.gov.py/>.

Paraguay's two largest annual trade events focus on the agricultural sector. The International Livestock, Industry, Agriculture, Commerce, and Services Expo/Fair– (<http://www.expo.com.py>) takes place outside Asuncion every July. Expo Santa Rita (<http://www.exposantarita.com.py/>) takes place in the eastern region of the country, every year in early May.

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## Chapter 10: Guide to Our Services

The President's National Export Initiative marshals Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities** and **support them once they do have exporting opportunities**.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: [www.export.gov](http://www.export.gov)

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link:

<http://export.gov/paraguay/servicesforuscompanies/index.asp>.

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E)**.

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

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