PARAGUAY
INVESTMENT CLIMATE STATEMENT
2015

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Executive Summary

Paraguay has a small but rapidly growing open economy with a strong macroeconomic position and the potential for continued growth over the next decade. Major drivers of economic growth in Paraguay are the agriculture, retail, and construction sectors. The Government of Paraguay encourages private foreign investment. Paraguayan law grants investors tax breaks, permits full repatriation of capital and profits, supports assembly plant operations, and guarantees national treatment for foreign investors. Standard & Poor's (BB-), Fitch (BB), and Moody's (Ba1) all upgraded Paraguay's credit ratings in the last two years.

Paraguay scores at the mid-range or lower in most competitiveness indicators, judicial insecurity hinders the investment climate, and trademark infringement and counterfeiting are a major concern. Recent Government of Paraguay measures to improve the investment climate include passing laws addressing competition, public sector payroll disclosures, and access to information. President Cartes Administration also has escalated the importance of intellectual property enforcement.

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).

1. Openness To, and Restrictions Upon, Foreign Investment

Attitude toward Foreign Direct Investment

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 legislation governing public-private partnerships (PPP), with the expectation of prompting an infrastructure boom and launching a new phase in the country's economic development. The GOP is expected to announce in 2015 PPPs for infrastructure modernization projects for the international airport in Asuncion and several highways. Large infrastructure projects are usually open to foreign investors.

Paraguay's export and investment promotion bureau, REDIEX, provides useful information for foreign investors, including business opportunities in Paraguay, registration requirements, and laws, rules, and procedures. Information is available online at http://www.rediex.gov.py/atraccion-de-inversiones.

Other Investment Policy Reviews

Not applicable.

Laws/Regulations of Foreign Direct Investment

Not applicable.

Industrial Promotion

The Government of Paraguay seeks increased investment in the maquila sector and Paraguayan law grants investors a number of incentives. In addition to tax exemptions, 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. Assembly plant (Maquila) operations are not restricted geographically.

Limits on Foreign Control

Not applicable.

Privatization Program

Not applicable.

Screening of FDI

Not applicable.

Competition Law

Paraguay passed a Competition Law in 2013, which entered into force in April 2014. Law 4956/13 explicitly prohibits anti-competitive acts and created the National Competition Commission (CONACOM) as the government's enforcement arm.

Investment Trends

Not applicable.

Table 1

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2014	150 of 175	transparency.org/cpi2014/results
World Bank's Doing Business Report "Ease of Doing Business"	2015	92 of 189	doingbusiness.org/rankings
Global Innovation Index	2014	89 of 143	globalinnovationindex.org/content.aspx?page=data-analysis
World Bank GNI per capita	2013	USD 1,01010	data.worldbank.org/indicator/NY.GNP.PCAP.CD

Millennium Challenge Corporation Country Scorecard

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 per capita gross national income (GNI) or USD 4,125 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/pages/docs/doc/report-guide-to-the-indicators-and-the-selection-process-fy-2015.

2. Conversion and Transfer Policies

Foreign Exchange

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 USD 10,000.

Remittance Policies

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.

3. Expropriation and Compensation

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, groups of squatters have occupied several farms in order to press for agrarian land reform.

4. Dispute Settlement

Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts

Paraguay has a Civil Law legal system based on the Napoleonic Code. A new Criminal Code went into effect in 1998, with a corresponding Code of Criminal Procedure following in 2000. A defendant has the right to a public and oral trial. A three judge panel acts as a jury. Judges render decisions on the basis of (in order of precedence) the Constitution, international agreements, the codes, decree law, analogies with existing law, and general principles of the law.

Bankruptcy

Paraguay has a bankruptcy law (154/63) under which a debtor may suspend payments to creditors during the evaluation period of the debtors' restructuring proposal. If no agreement is reached, a trustee may liquidate the company's assets. In the World Bank's 2015 Doing Business Report, Paraguay ranks 106 out of 189 economies in regards to the Ease of Resolving

Insolvency. The report states that on average it takes 3.0 years to reach a resolution regarding insolvency cases .At a cost of 9.0% of the debtor's estate, with the most likely outcome being that the company will be sold as piecemeal sale. The average recovery rate is 20.8 cents on the USD.

Investment Disputes

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 just cause. This 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.

Under two laws, Article 195 of the Civil Procedural Code and Law 1376/1988, a plaintiff pursuing a lawsuit may seek reimbursement for legal costs from the defendant calculated as a percentage (not to exceed 10 percent) of claimed damages. In larger suits, the amount of reimbursed legal costs often far exceeds the actual legal costs incurred.

International Arbitration

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. Foreign decisions and awards are enforceable in Paraguay.

ICSID Convention and New York Convention

Paraguay is a member of the International Center for the Settlement of Investment Disputes (ICSID). Paraguay is also a signatory to The Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention).

Duration of Dispute Resolution

In the World Bank's, 2015 Doing Business Report, Paraguay ranks 90 out of 189 in the category dealing with the Ease of Enforcing Contracts.

5. Performance Requirements and Investment Incentives

WTO/TRIMS

Paraguay has been a World Trade Organization (WTO) member since 19945. They have not signed on to the 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 13,445 bids held by the DNCP in 2014, only 103 were open to international companies. Of those, 25 were awarded to international companies, and only one to a U.S. company. President Cartes Administration, which entered office in 2013, has expressed interest in increasing international participation in infrastructure projects and passed a PPP law to attract higher levels of international participation.

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.

Investment Incentives

Paraguay grants investors a number of tax breaks under Law 60/90, including exemptions from corporate income tax and value-added tax. Paraguay also 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.

Research and Development

Not applicable.

Performance Requirements

Paraguay does not mandate local employment or have excessively onerous visa, residence, work permit or similar requirements inhibiting mobility of foreign investors and their employees. However, the bureaucratic process to comply with these requirements can be lengthy. 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.

Data Storage

Paraguay does not suscribe to a “forced localization” policy which requires foreign investors to use domestic content in goods or technology. There are no requirements for maintaining a certain amount of data storage within Paraguay or for foreign IT providers to turn over source code and/or provide access to surveillance. Paraguayan law requires internet service providers to retain IP address for six months for certain commercial transactions.

6. Right to Private Ownership and Establishment

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.

7. Protection of Property Rights

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. The World Bank's 2015 Business Report ranks Paraguay 60 of 189 for ease of "registering property," noting the process requires 6 procedures, averages 46 days, and costs 1.9% of the property value.

Intellectual Property Rights

Paraguay is on the Watch List and under Section 306 monitoring in the U.S. Trade Representative's (USTR) 2015 Special 301 Report. Issues that affect U.S. firms include: the level of enforcement against piracy and counterfeiting, particularly under the criminal laws, in areas such as Ciudad del Este; judicial inefficiency in intellectual property rights (IPR) cases; lack of protection against unfair commercial use of undisclosed test or other data submitted to the government by agrochemical or pharmaceutical companies; and the use of unlicensed software by the government.

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. During the past 18 months, the Cartes Administration, primarily through DINAPI and partner law enforcement agencies, has escalated enforcement efforts. 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 and signed inter-institutional cooperative agreements to improve IPR protection and enforcement.

Ciudad del Este has been listed in either the USTR Notorious Market List report or the Special 301 Report over the last 15 years. The border crossing at Ciudad del Este and the city itself reportedly serve as a hub for the distribution of counterfeit and pirated products in the tri-border region of Brazil-Argentina-Paraguay and beyond. Paraguayan government agencies track and report on seizures of counterfeit goods. DINAPI reported 93 seizures of counterfeited goods in 2014 with an estimated Manufacturer Suggested Retail Price (MSRP) of USD 131 million.

However, the figures are an estimate since DINAPI does not always receive data regarding seizures conducted by other agencies.

Customs officers have the authority to seize, but not destroy, counterfeit goods. Customs must contact the IP prosecutor to obtain a judicial order for the destruction. Property owners have the right to defend their case before the court. Counterfeit goods are held in government storage at no cost to the rights holder. While the rights holder is not legally obligated to pay for the destruction of the counterfeit good, it is common practice in order to ensure prompt destruction. The government should conduct the destruction, but lacks funding to do it in a timely fashion.

Concerns remain about inadequate protection against unfair commercial use of proprietary test or other data generated to obtain marketing approval for agrochemical or pharmaceutical products and the shortcomings in Paraguay's patent regime. Law 3283 from 2007 and Law 3519 from 2008, (1) require pharmaceutical products and agrochemical products to be registered first in Paraguay to be eligible for data protection; (2) allow regulatory agencies to use test data in support of similar agricultural chemical product applications filed by third parties; and (3) limit data protection to five 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/.

Resources for Rights Holders

• Albert Keyack
Regional IP Attaché
U.S. Consulate General - Rio de Janeiro
+ 55 (21) 3823-2499
Albert.Keyack@trade.gov

• Natalie van der Horst
Deputy Political and Economic Counselor
U.S. Embassy Asuncion
+ 595 (21) 213-715
CommercialAsuncion@state.gov

• National Intellectual Property Directorate: http://www.dinapi.gov.py/

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

• Local Lawyers:
http://photos.state.gov/libraries/paraguay/5/Consular/Attorneys%20at%20Law.pdf

8. Transparency of the Regulatory System

Proposed Paraguayan laws and regulations, including those pertaining to investment, are usually available in draft form for public comment after introduction into Senate and Chamber of Deputies committees. In most instances, there are public hearings where members of the general public or interested parties can provide comments.

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. President Cartes Administration, which entered into office in 2013, voiced its commitment to combating corruption and has taken positive steps to promote transparency.

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 7 procedures, 35 days and lowering the cost to 39.9% of income per capita, according to the World Bank. This is an improvement; however, some aspects of opening a business are still lengthy and costly, such as building health inspections and environmental licenses.

9. Efficient Capital Markets and Portfolio Investment

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 2014, the Asuncion Stock exchange consisted of 133 companies, totaling USD 177 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. In August 2014, Paraguay issued USD 1 billion worth of 30-year bonds. Proceeds are to finance key infrastructure development programs designed to promote economic and social development and job creation. Standard & Poor's, Fitch, and Moody's all upgraded Paraguay's credit ratings in the last two years. *

Money and Banking System, Hostile Takeovers

Paraguay's banking system includes 17 banks with a total USD 18.1 billion in assets and USD 13.3 billion in deposits. Non-performing loans in the banking sector totaled just 1.8% of total loans in 2014. 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. 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.

The Paraguayan capital markets are essentially focused on debt issuances. As the listing of stock is limited, with the exception of preferred shares, Paraguay does not have clear rules regarding hostile takeovers and shareholder activism.

10. Competition from State-Owned Enterprises

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 have audited accounts and the results are published online.

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.

OECD Guidelines on Corporate Governance of SOEs

Not applicable.

Sovereign Wealth Funds

Paraguay does not have a sovereign wealth fund.

11. Corporate Social Responsibility

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.

OECD Guidelines for Multinational Enterprises

Not applicable.

12. Political Violence

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.

13. Corruption

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. 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.

Under President 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 apolitical 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 and collaborate on a National Anticorruption Plan.

In May 2014, President Cartes signed Law 5189, mandating the disclosure of all government payroll information. By September, 40 government institutions, including the presidency, ministries, judicial branch, state-owned companies, and local and state entities, had disclosed information on the names of employees, salaries, bonuses, and extraordinary compensation. In September 2014, President Cartes signed an access to information law guaranteeing public access to government information. The new law established a legal framework regarding processing times, fees, criminal or administrative sanctions for noncompliance, appeals mechanism for reviews of disclosure denials, and lists of exceptions outlining the grounds for nondisclosure.

The constitution requires all public employees, elected officials and employees of independent government entities, to disclose their sources of income and their assets no later than 15 days after taking office or being reappointed. A new law that went into effect in January 2014 further requires that the employee additionally 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 August 2013 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.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

Paraguay signed and ratified the United Nations Anticorruption Convention in 2005.

Resources to Report Corruption

General Auditors Office
Bruselas 1880, Asuncion, Paraguay
+ 595 21 620 0260
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

Anti-Corruption Secretariat
El Paraguayo Independiente esquina Río Ypané, Asunción, Paraguay
+ 595 21 450-001/2
http://www.senac.gov.py/

Seeds for Democracy
Roma 1055 casi Colón, Asuncion, Paraguay
+ 595 21 420 323
semillas@semillas.org.py

14. Bilateral Investment Agreements

Paraguay has bilateral investment agreements or treaties with the following countries: Austria; Belgium; Chile; Costa Rica; Cuba, Czech Republic, El Salvador; France; Germany; Hungary; Italy, Korea; Luxembourg; the Netherlands; Peru; Portugal, Romania; South Africa; Spain; Switzerland; Taiwan; the United Kingdom; and Venezuela.

Paraguay is a founding member of the MERCOSUR common market, formed in 1991. MERCOSUR has investment protocols for internal and external investment. MERCOSUR's full members are Argentina, Brazil, Paraguay, Uruguay, and Venezuela. MERCOSUR has investment agreements with Canada, Egypt, India, Israel, Mexico, Palestine, Peru, and the Southern African Customs Union (SACU).

Bilateral Taxation Treaties

The United States and Paraguay do not have a Bilateral Investment Treaty, a Free Trade Agreement, or a Bilateral Taxation Treaty.

15. OPIC and Other Investment Insurance Programs

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 loans for small and medium sized enterprises (SMEs) and micro finance loans.

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

16. Labor

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 provides for increased protections for full-time employees who have completed ten consecutive years of employment. Firms often periodically renew "temporary" work contracts instead of hiring through 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. The law prohibits anti-union discrimination, including retribution against union organizers and strikers, and sets a financial penalty. Employers are not, however, 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.

17. Foreign Trade Zones/Free Ports/Trade Facilitation

Paraguayan Law 523/95 (which entered into force in 2002) permits the establishment of Free Trade Zones. Paraguay has two Free Trade Zones in Ciudad del Este. 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.

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

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 of Data: BEA; IMF; Eurostat; UNCTAD, Other
Economic Data	**Year**	**Amount**	**Year**	**Amount**	
Host Country Gross Domestic Product (GDP) ($M USD)	2014	30,062	2013	29,000	www.worldbank.org/en/country
Foreign Direct Investment	**Host Country Statistical source***		**USG or international statistical source**		**USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other**
U.S. FDI in partner country ($M USD, stock positions)	2013	2,095	2013	2,369	www.bea.gov
Host country's FDI in the United States ($M USD, stock positions)					Information not available.
Total inbound stock of FDI as % host GDP	2013	7.3%	2013	8.2%	

Table 3: Sources and Destination of FDI

IMF Coordinated Direct Investment Survey (CDIS) statistics are for 2013. Outward Direct Investment data is not available.

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations *(US Dollars, Millions)*					
Inward Direct Investment			**Outward Direct Investment**		
Total Inward	5149	100%	Total Outward	Not available	100%
United States	2110	41%			
Brazil	841	16%			
Argentina	525	10%			
Spain	239	5%			
United Kingdom	193	4%			
"0" reflects amounts rounded to +/- USD 500,000.					

Table 4: Sources of Portfolio Investment

IMF’s Coordinated Portfolio Investment Survey (CPIS) data are not available for Paraguay.

19. Contact for More Information

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