



Four macro-reasons to invest in Paraguay

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Global Context

Three Key Facts:

The worst is over

Economic dynamic is uneven

Fundamentals will matter



Four macro-reasons to invest in Paraguay

An economy which is.....

Dynamic

Predictable

Resilient

Competitive

Summary



An economy which is.....

Dynamic

Predictable

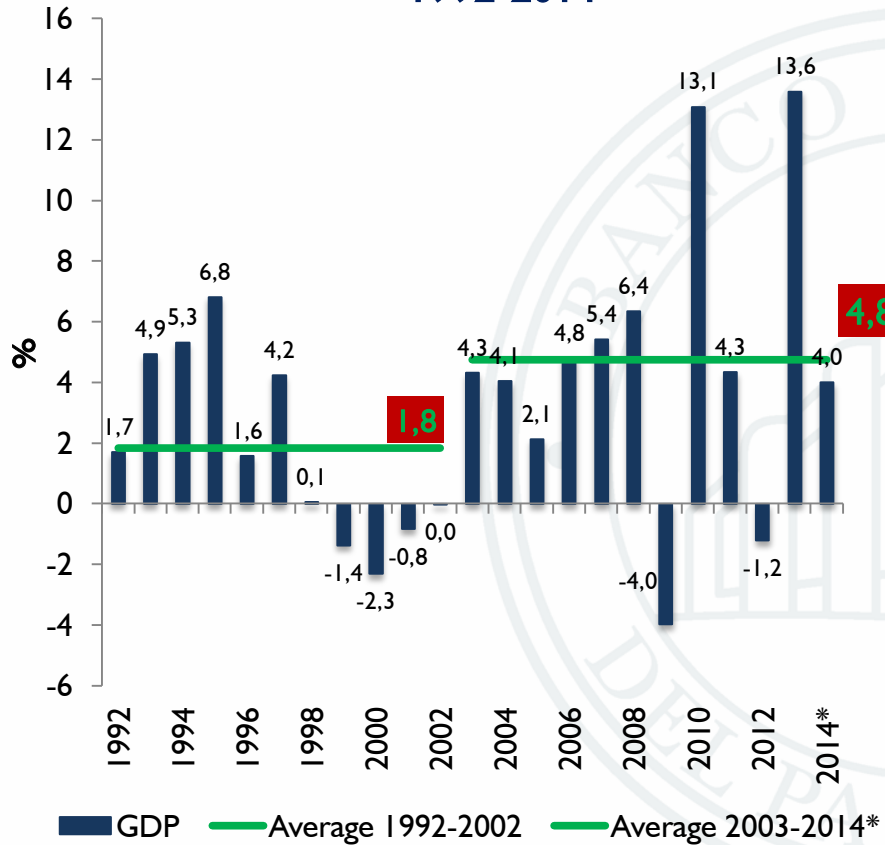
Resilient

Competitive

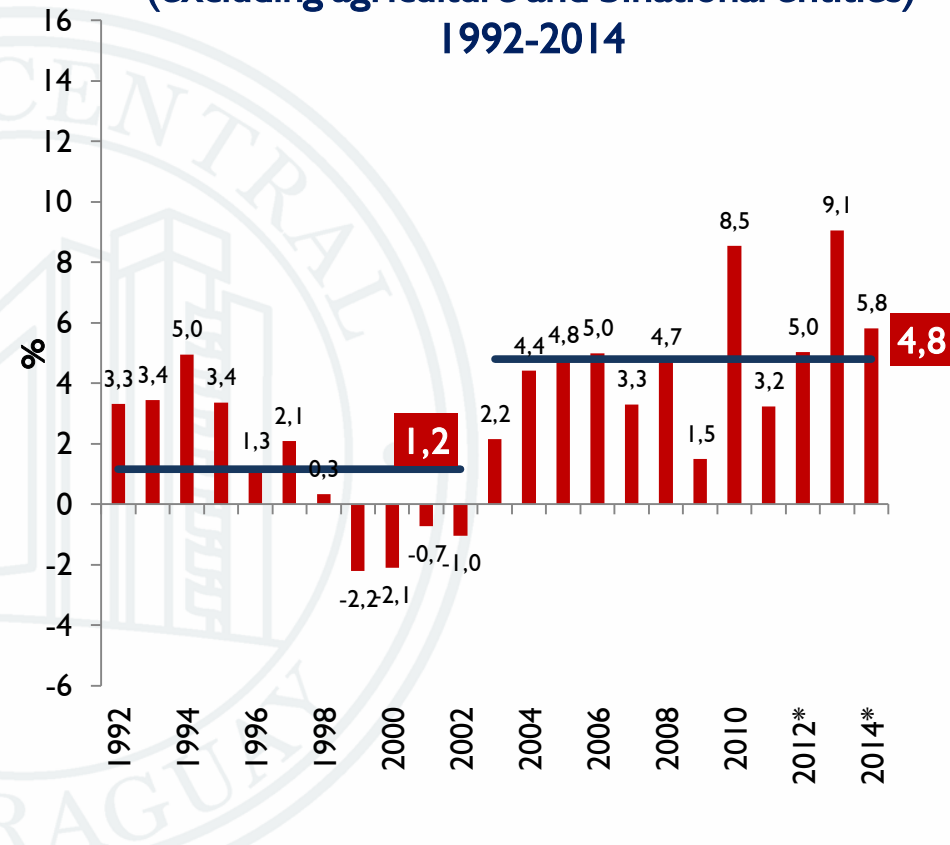


Sustained economic growth over the last decade...

Economic growth in Paraguay 1992-2014



Economic growth in Paraguay (excluding agriculture and binational entities) 1992-2014



Source: CBP

Dynamic

Predictable

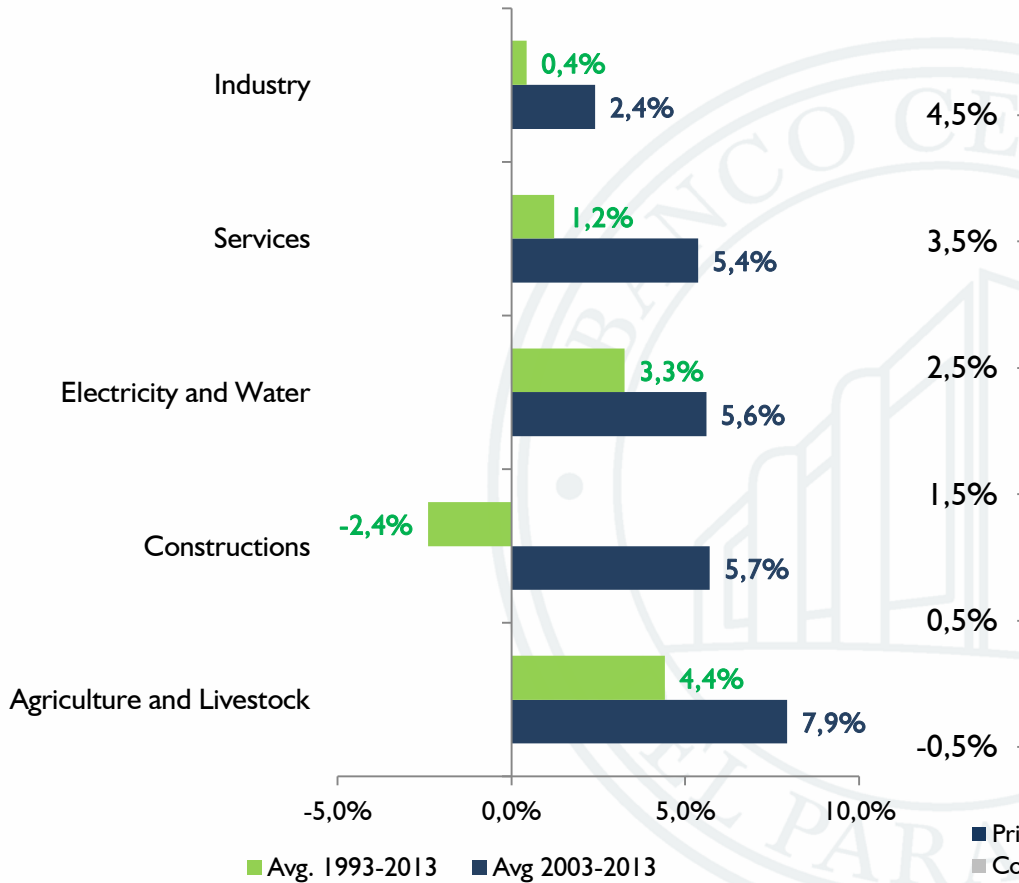
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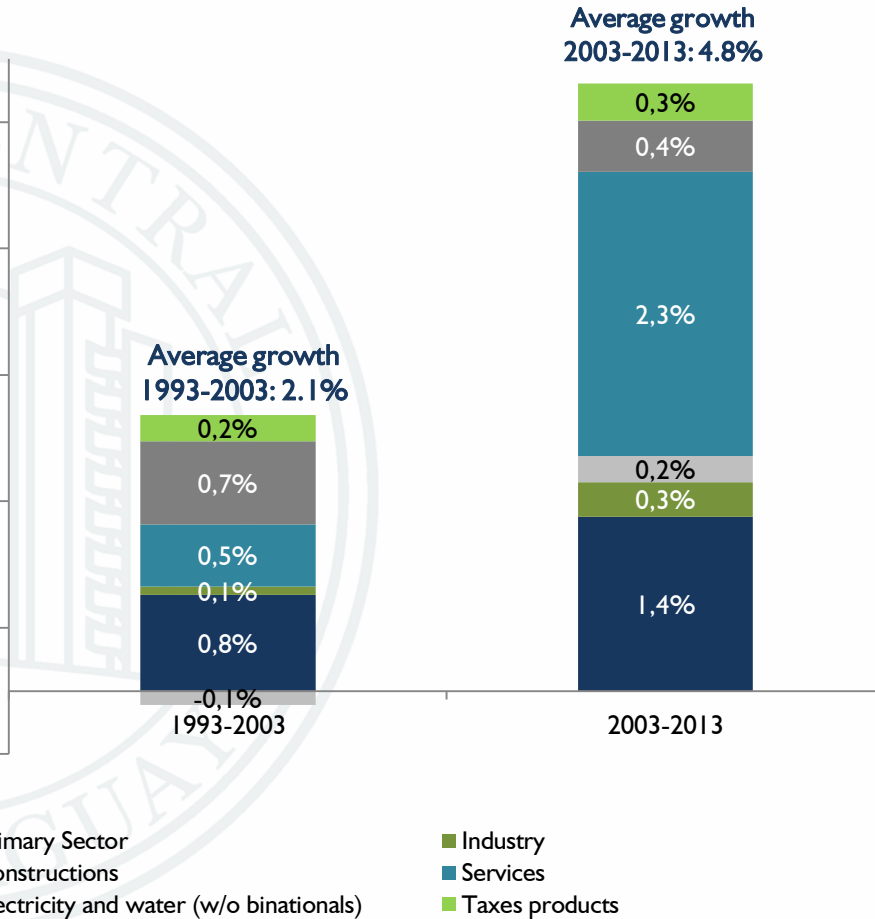


...with an undeniable diversification and good dynamic all across sectors

Average economic growth per sectors 1993-2013



Contribution to GDP per sectors



Source: CBP.

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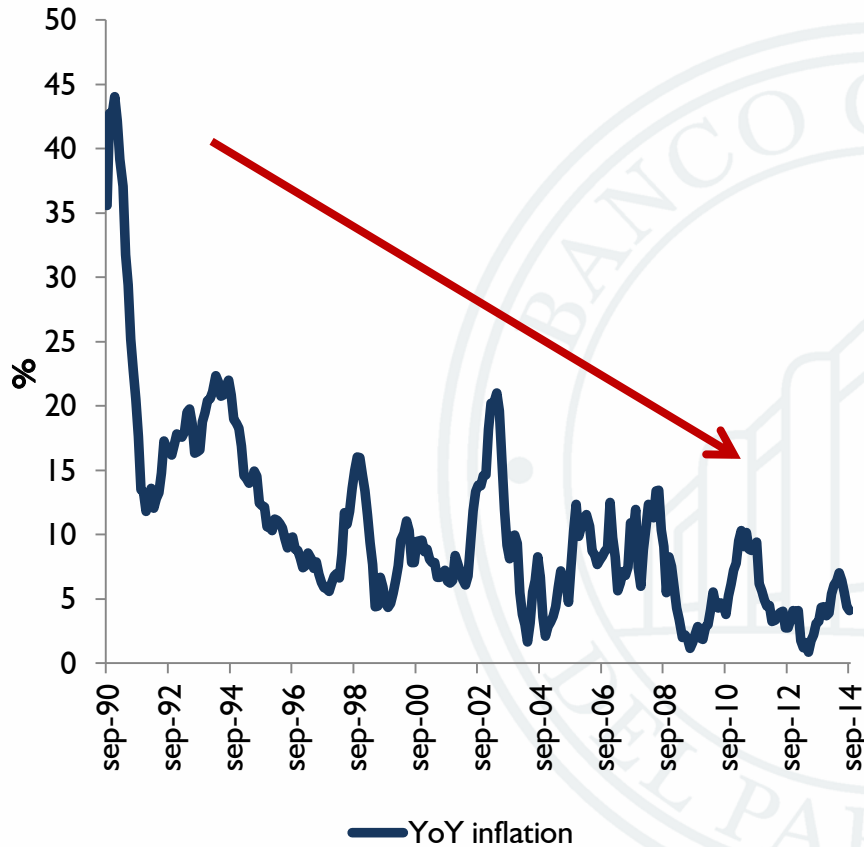
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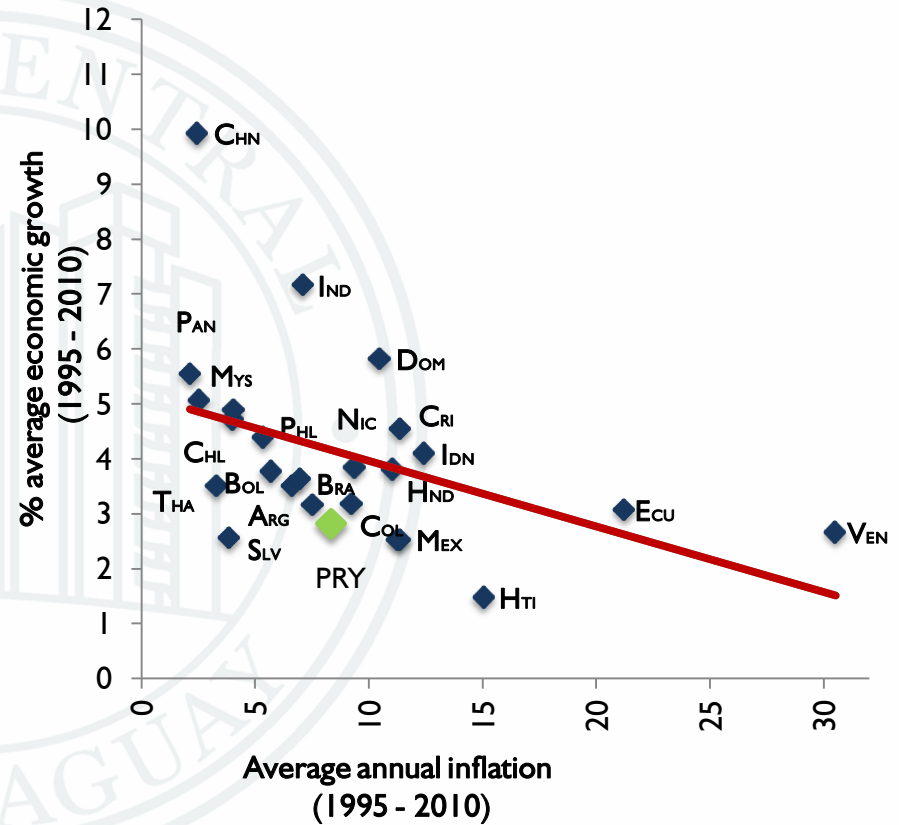


A CB committed to maintain stable and low levels of inflation...

Inflation over the decades



Inflation and economic growth



Source: CBP

Dynamic

Predictable

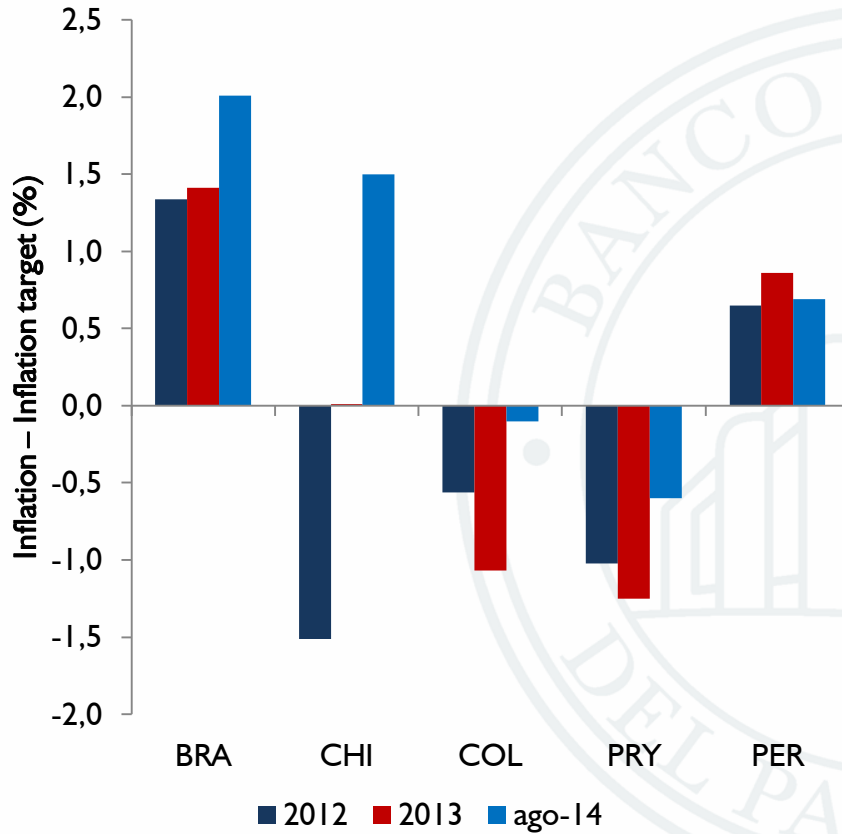
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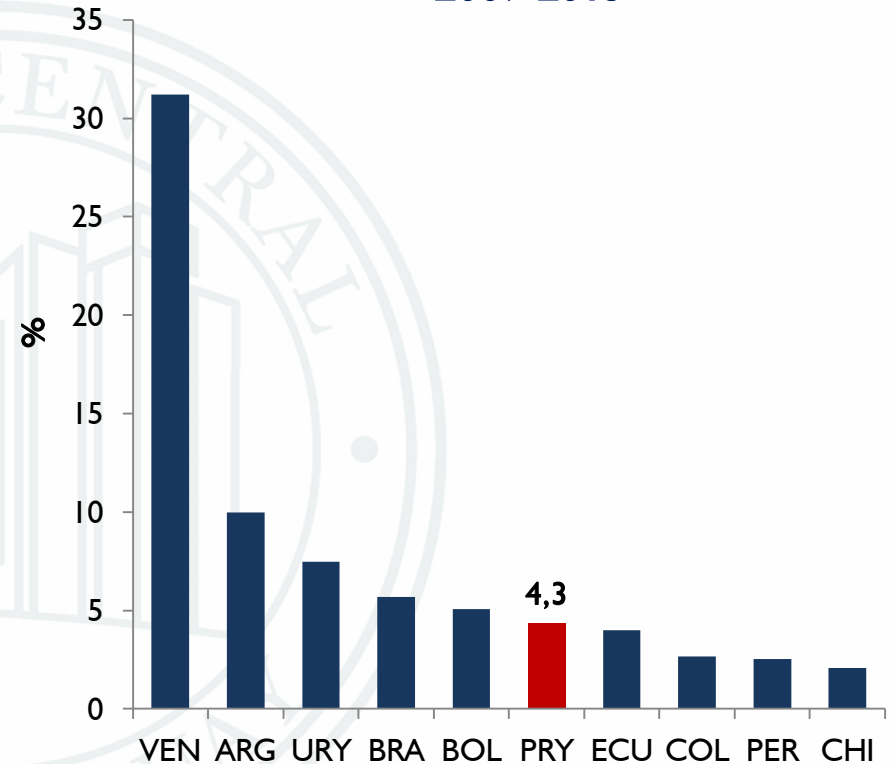


...while monetary policy has been enhanced by the implementation of an IT regime

Inflation target differential



Average YoY inflation 2009-2013



Source: CBP and IMF

Dynamic

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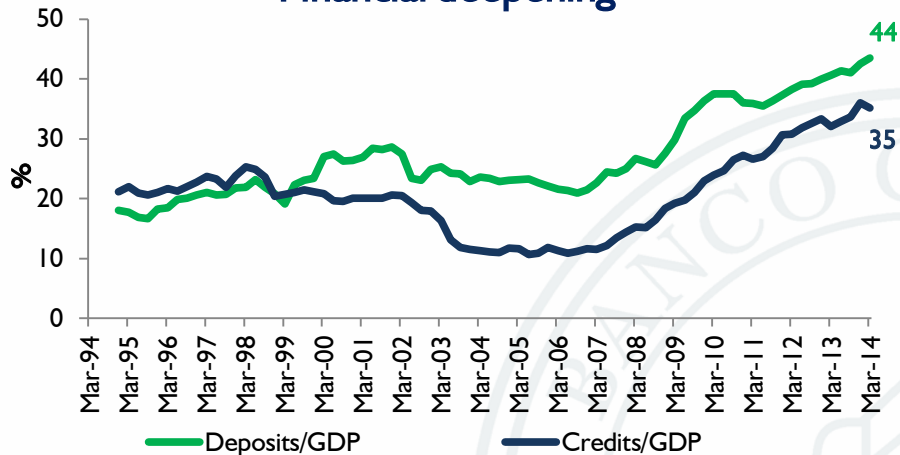
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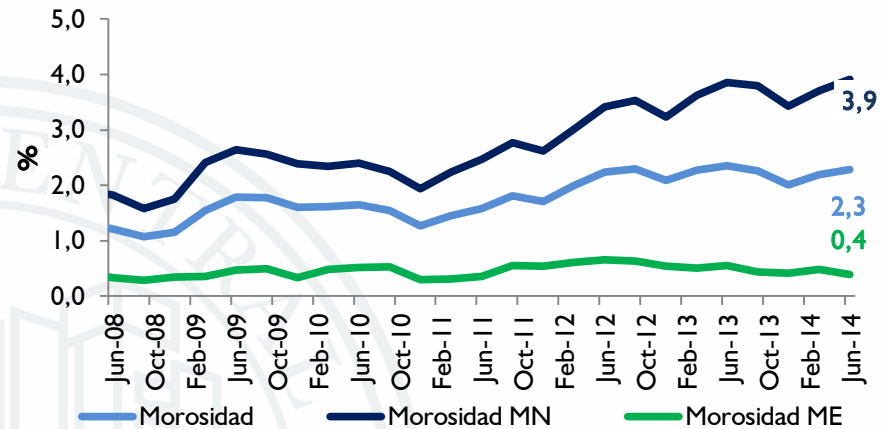


All this, coupled with a solid and stable financial system

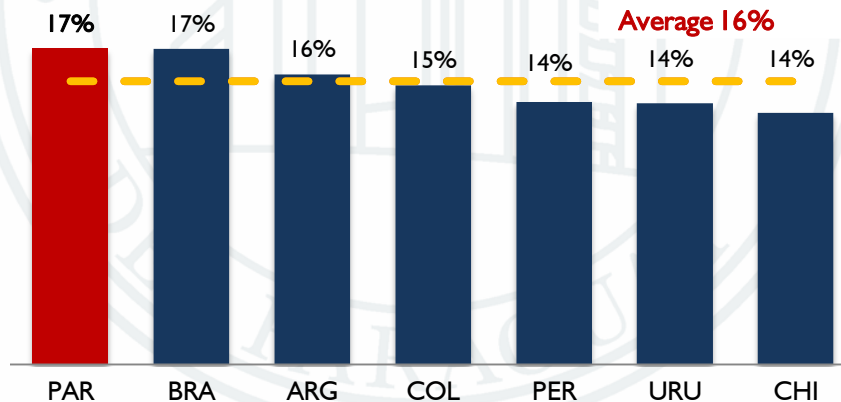
Financial deepening



Non performing loans



Solvency ratio



Source: IMF

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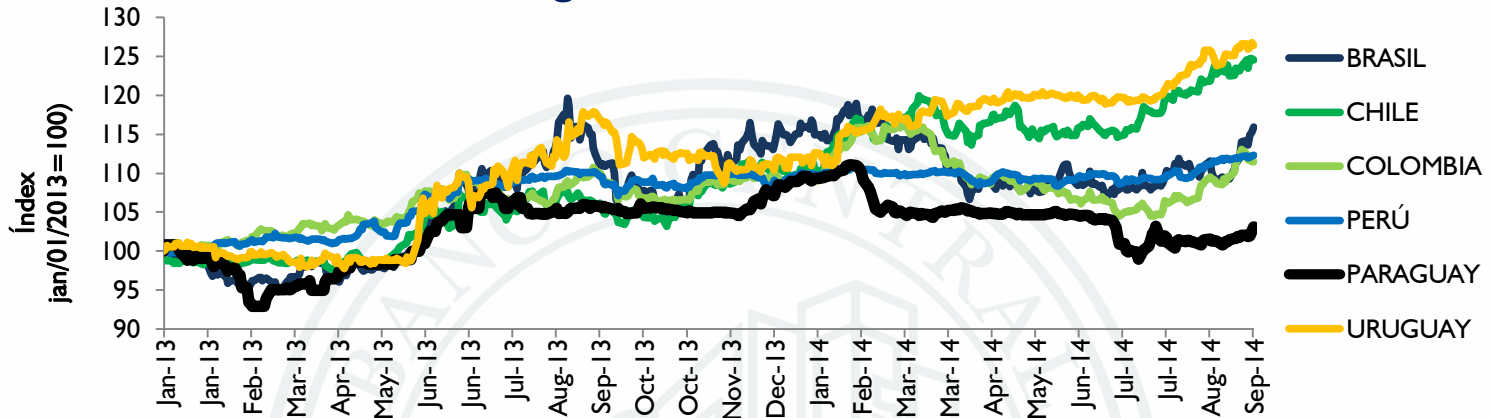
Resilient

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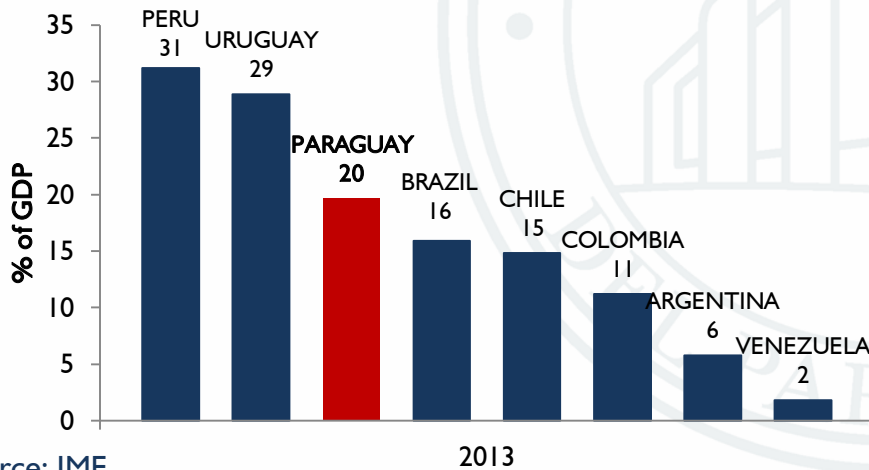


Large buffers to face external shocks

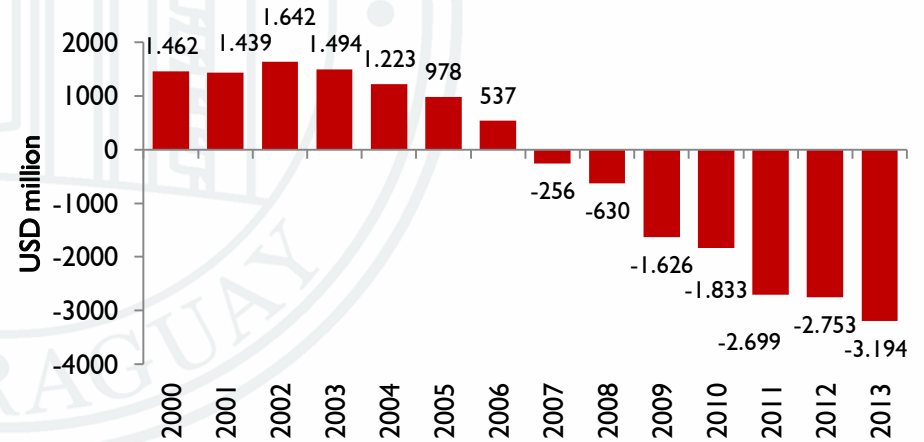
Exchange rate in selected countries



Official foreign reserves



Net external position



Source: IMF

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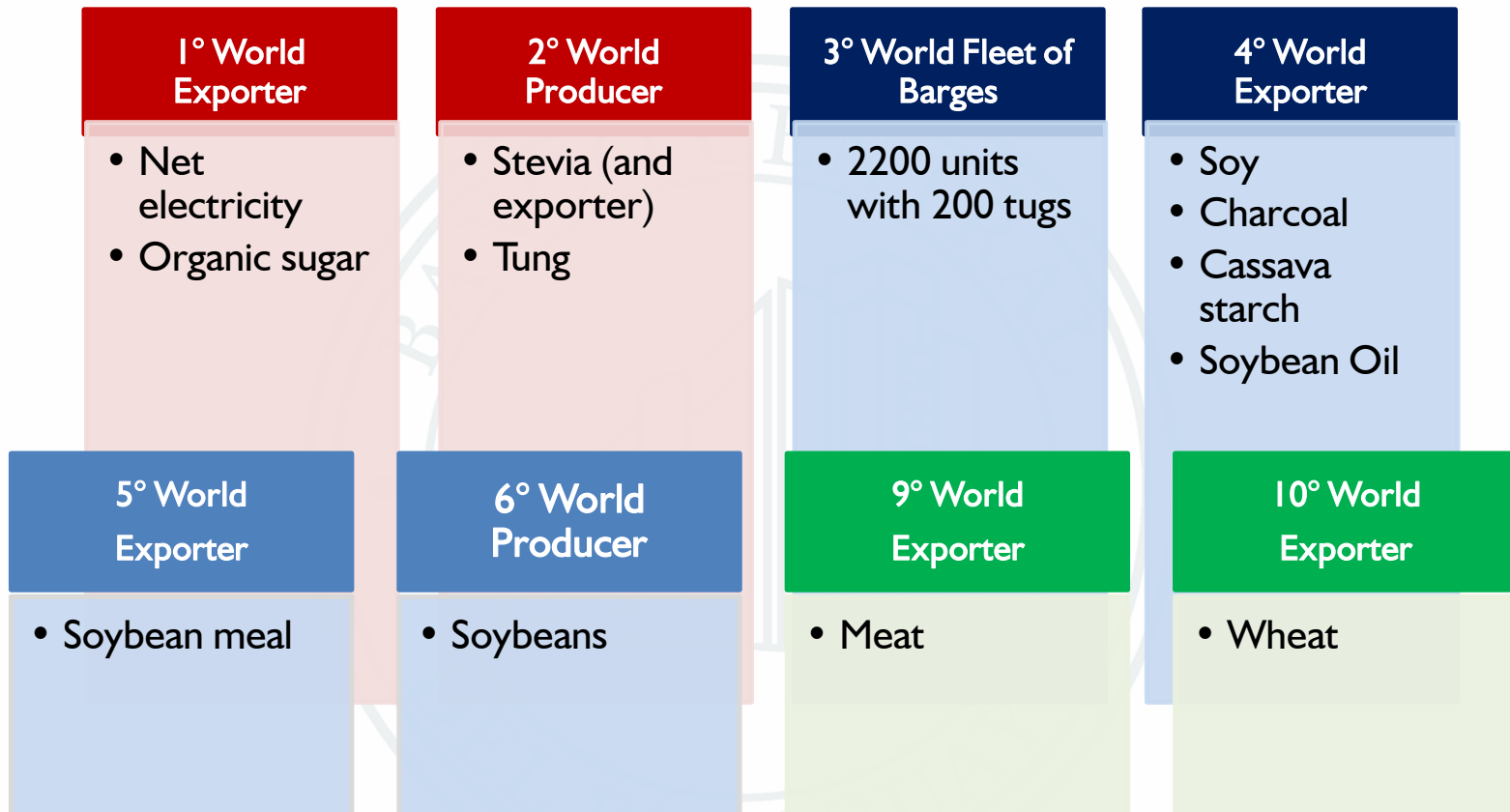
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Paraguay has an extraordinary production capacity...



Source: Ministry of Industry and Trade

Dynamic

Predictable

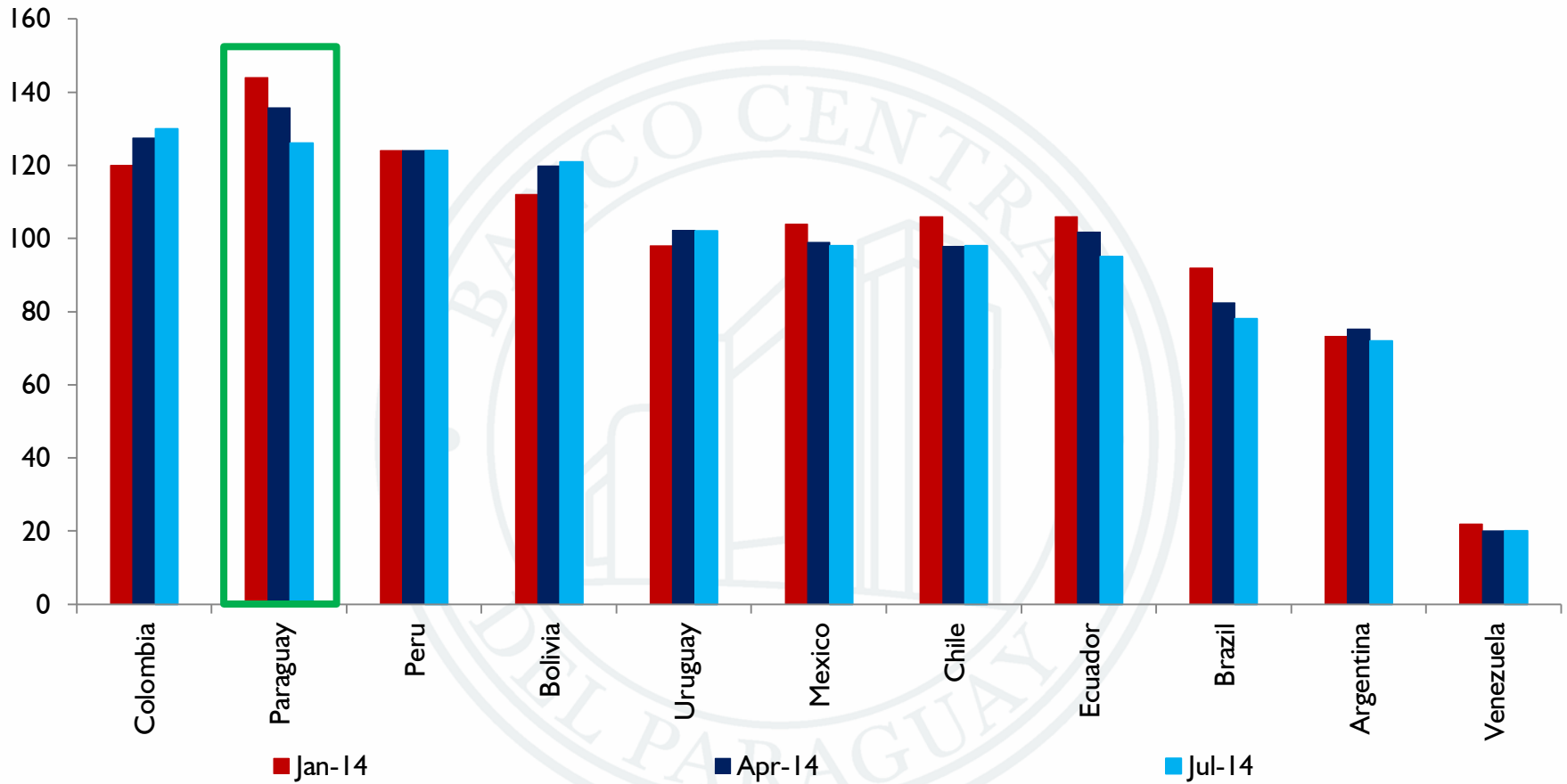
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...and one of the best business climate in the region.

Economic Climate Index

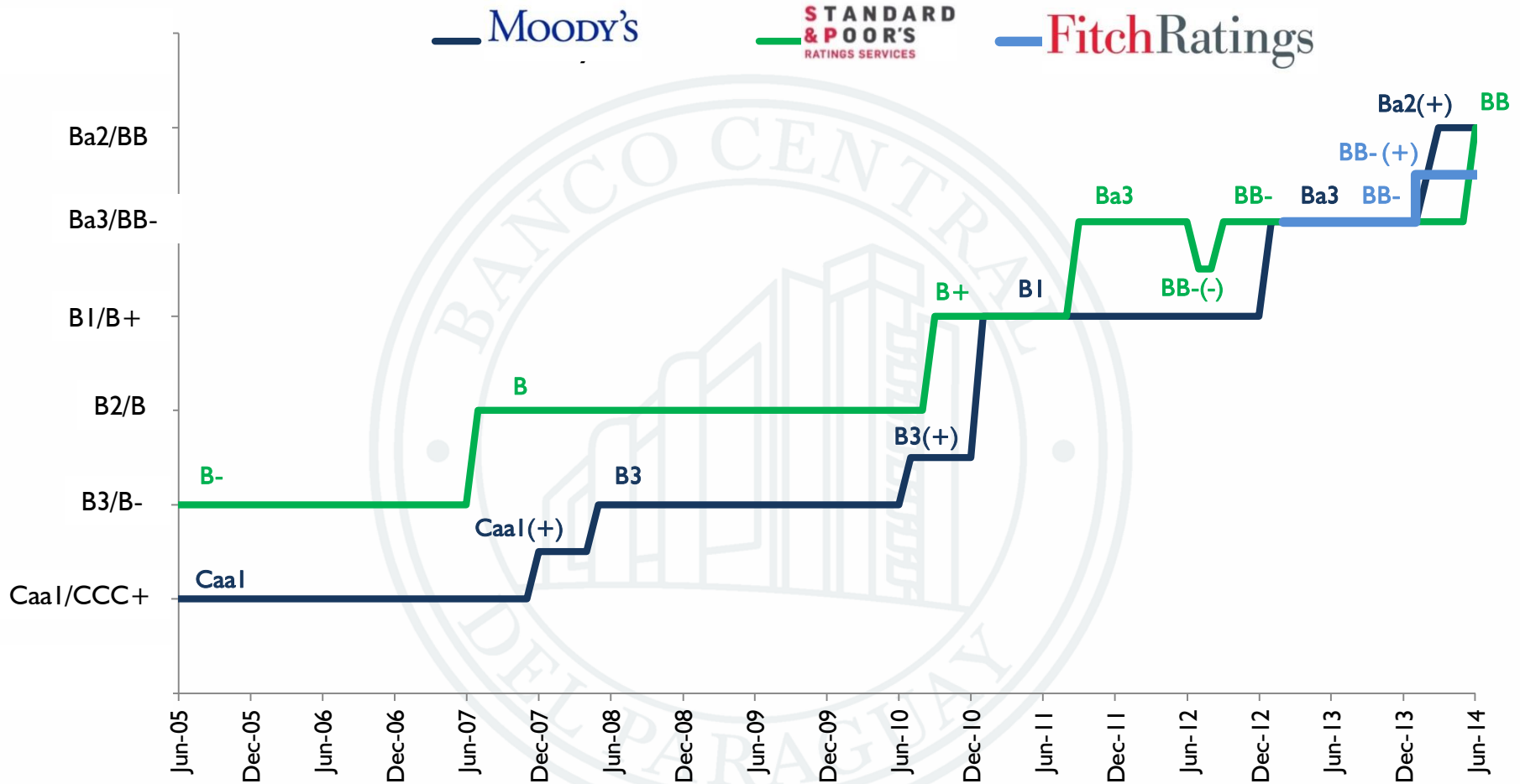


Source: Getulio Vargas Foundation. Bloomberg





Sound macro-framework led to steady improvements in credit rating...



Source: Bloomberg

Dynamic

Predictable

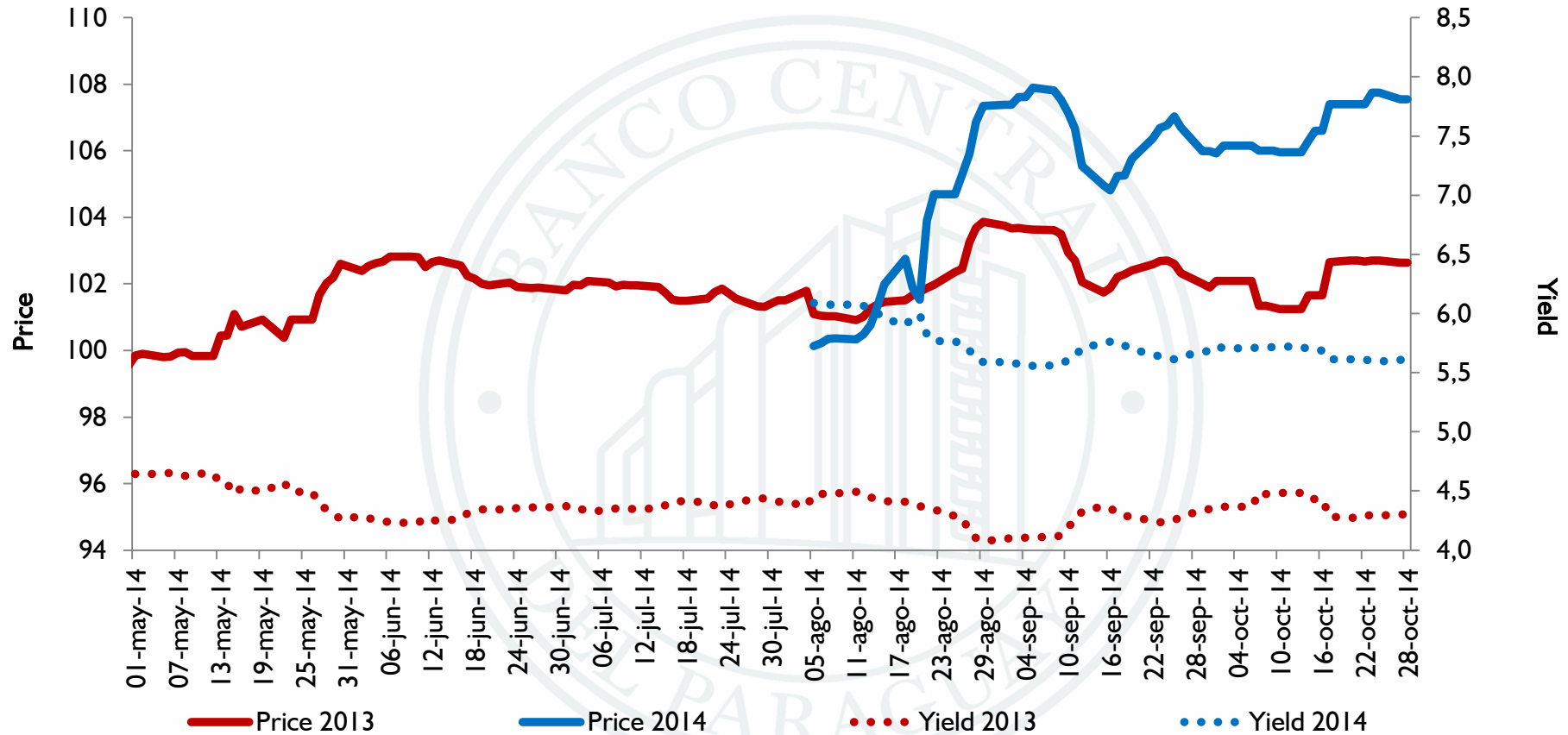
Resilient

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...and successful sovereign bond issuances

Price and yield of sovereign bonds



Source: Bloomberg



Summary

Paraguay: A bright spot in South America



Increased economic growth over the last decade



Low inflation levels and sound financial system



Good buffers against external shocks



Leading position as a producer/ exporter of key agribusiness products

Offering a stable macroeconomic environment for medium and long term which is crucial to attract private investment needed to generate income, create employment and reduce poverty



THANK YOU