



Paraguay



MINISTERIO DE
HACIENDA

International Trade Report **March, 2017**



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PARAGUAY INTERNATIONAL TRADE SUMMARY* – MARCH 2017

- ✓ Number of countries where Paraguay exports goods: **113**
- ✓ Number of countries from which Paraguay imports goods: **119**
- ✓ Global trade in USD millions (exports + imports): **4.609**
- ✓ Foreign trade ratio (exports/imports * 100): **74**
- ✓ Balance of trade in USD millions: **-689**
- ✓ Balance of trade Paraguay-MERCOSUR in USD millions: **-389**
- ✓ Balance of trade Paraguay-Pacific Alliance in USD millions: **+165**
- ✓ Percent change of international trade (March 2017/2016): **Exports: 16**
Imports: 26

Top destinations for exports of Paraguay	Top origin of imports	Top exported products	Top imported products
1° MERCOSUR	1 MERCOSUR	1 Soybeans	1 Chemical, rubber & plastics
2° The European Union	2 China	2 Beef	2 Machinery & equipment
3 Countries associated to MERCOSUR	3 NAFTA	3 Vegetable fat, oil & pellets	3 Electronic devices

Note: * Exports of electricity not included



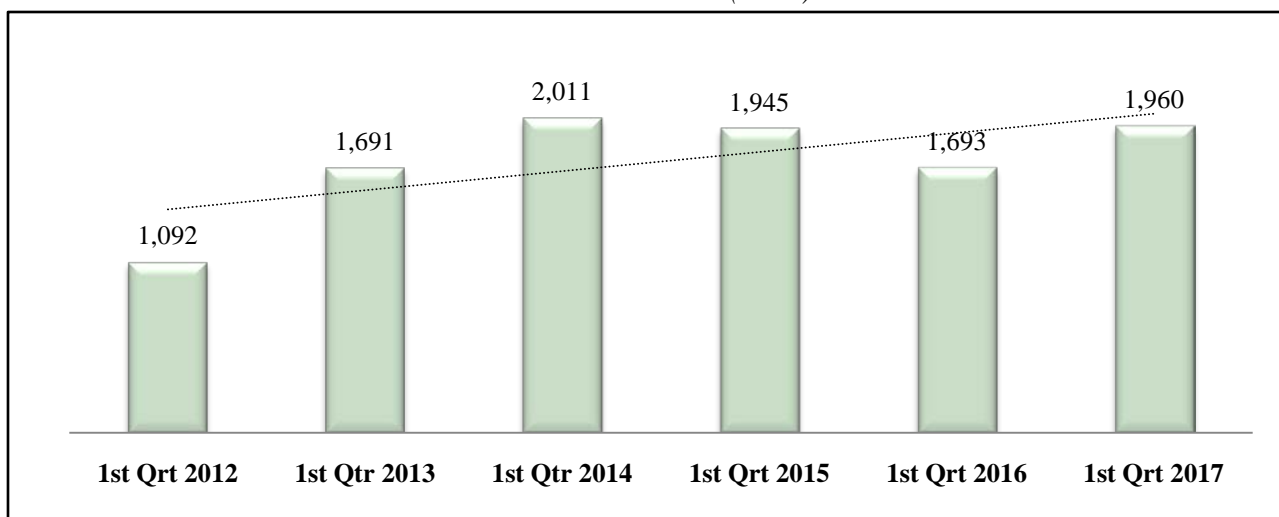
Exports

March, 2017



Graph 1: Evolution of Exports* – March 2012-2017

Millions FOB (USD)



Months	2012	2013	2014	2015	2016	2017
January	337	467	553	593	475	425
February	312	568	687	634	566	677
March	443	656	771	717	652	858

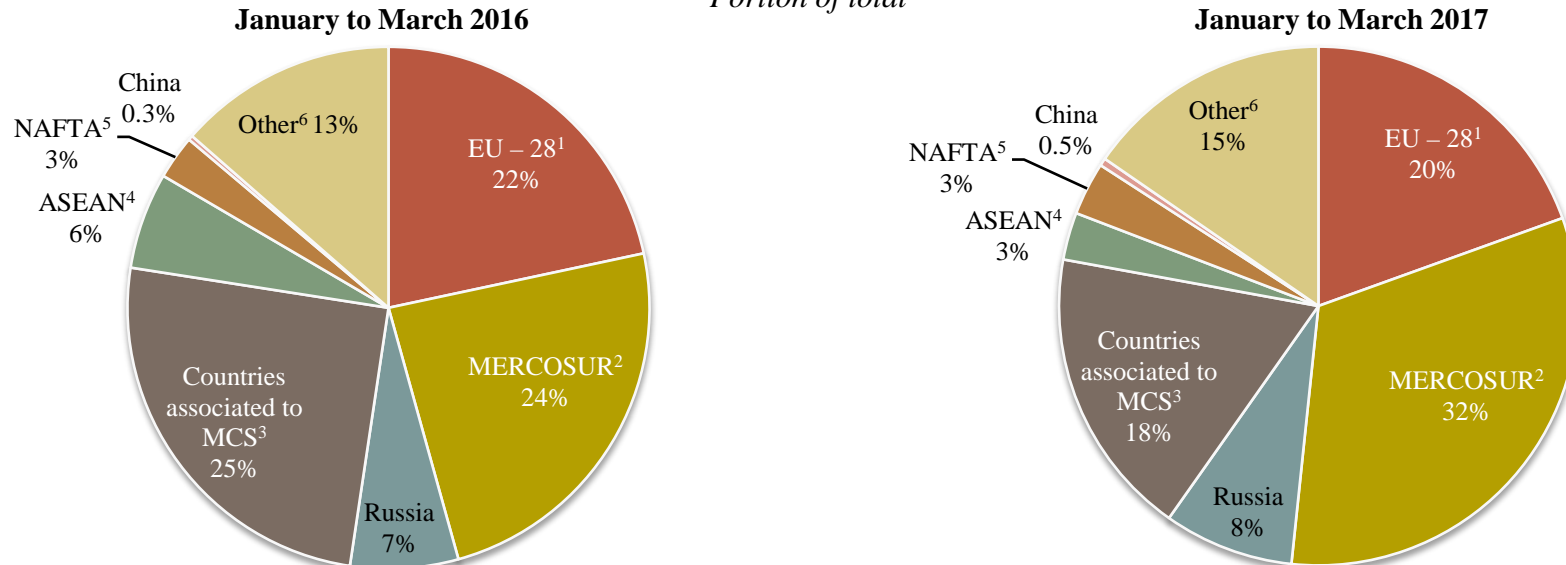
Exports in the period March 2012-2017 totaled USD 1,960 million. This number represents an increase of USD 267 million comparing to the same period in 2016.

Source: MF-DI, based on preliminary data reported by the Central Bank of Paraguay (BCP) for 2017.

Note: *Exports of electricity not included.

Graph 2: Exports* by major trade blocs & countries

Portion of total



69% of exports are concentrated in three blocs: *MERCOSUR* (32%), the *European Union* (20%) and the *Group of Countries Associated to MERCOSUR* (18%), those three blocs as a whole totaled USD 818 million.

Source: MF-DI, based on preliminary data reported the BCP & VUE.

Note: *Exportas of electricity not included.

¹ EU-28: The European Union with 28 member countries.

² MERCOSUR: Argentina, Brasil, Uruguay and Venezuela.

³ Group of countries associated to MERCOSUR: Bolivia, Chile, Colombia, Ecuador, and Peru; and overseas partners: Israel, Egypt, India, and SACU (Botswana, Lesotho, Namibia, South Africa, and Swaziland).

⁴ ASEAN: Indonesia, Malaysia, Philippines, Singapore, Thailand Brunei, Vietnam, Laos, Myanmar, y Cambodia.

⁵ NAFTA: Canada, México and the United States of America.

⁶ Other: Rest of the World.



Chart 1: Exports* by major trade blocs & countries

Millions FOB (USD) – January to March 2016-2017

Regions	Millions FOB (USD)		Percent change	Impact on exports growth (percent)
	Jan – Mar 2016	Jan – Mar 2017		
EU - 28 ¹	367	382	4	1
MERCOSUR ²	407	630	55	13
Russia	113	159	40	3
Group of Countries Associated to MCS ³	425	355	-17	-4
ASEAN ⁴	101	58	-43	-3
NAFTA ⁵	46	65	41	1.1
China	5	9	93	0.3
Other ⁶	230	302	31	4
Total	1,693	1,960	16	16

The regions or countries that most showed dynamism in export trade were: MERCOSUR and Russia, in the second place. Both destinations impacted the most on exports outcome.

Source: MF-DI, based on preliminary data reported by the BCP & VUE.

Note: *Exports of electricity not included.

¹ EU-28: The European Union with 28 member countries.

² MERCOSUR: Argentina, Brasil, Uruguay and Venezuela.

³ Group of countries associated to MERCOSUR: Bolivia, Chile, Colombia, Ecuador, and Peru; and overseas partners: Israel, Egypt, India, and SACU (Botswana, Lesotho, Namibia, South Africa, and Swaziland).

⁴ ASEAN: Indonesia, Malaysia, Philippines, Singapore, Thailand Brunei, Vietnam, Laos, Myanmar, y Cambodia.

⁵ NAFTA: Canada, México and the United States of America.

⁶ Other: Rest of the World.



Chart 2: Exports* by product group

Millions FOB (USD) – January to March 2016-2017

Products	Millions FOB (USD)		Percent change	Impact on exports growth 2016/2017 (percent)
	Jan - Mar 2016	Jan - Mar 2017		
Oilseeds	504	682	35	11
Beef product	314	419	33	6
Vegetable fat, oil & pellets	340	274	-19	-4
Machinery & equipment	44	82	87	2
Chemical, rubber & plastics	42	60	41	1
Leather products	45	59	33	1
Processed rice	34	52	56	1
Other cereals	131	51	-61	-5
Textiles	23	39	66	1
Paddy rice	13	37	195	1
Other	204	204	0.01	0.001
Total	1,693	1,960	16	16

70% of exports are concentrated on: *oilseeds* (35%); *beef product* (21%) and *vegetable fat, oil & pellets* (14%). Of the above, only fats, oils and soybean pellets dropped (-19%), compared to the previous period.

Source: MF-DI, based on preliminary data reported by the BCP for 2017.

Note: *Exports of electricity not included.

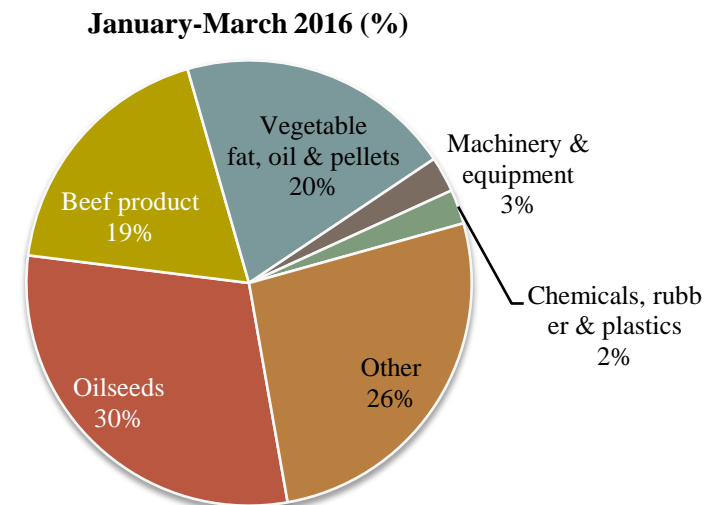
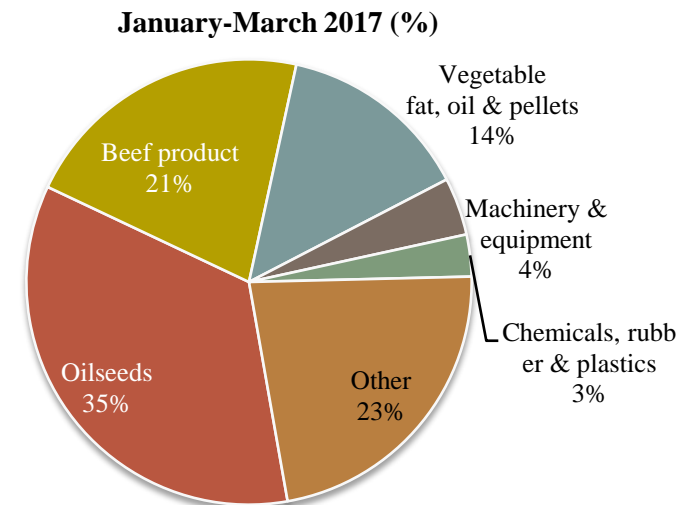


Chart 3: Exports* of main commodities

Millions FOB (USD) & thousands of tons

Products	Millions FOB (USD)			Thousands of tons		
	Jan - Mar 2016	Jan - Mar 2017	Δ 2017/ 2016	Jan - Mar 2016	Jan - Mar 2017	Δ 2017/ 2016
Oilseeds (soybeans)	504	682	35	2,471	2,453	-1
Beef products	314	419	33	78	84	7
Vegetable fat, oil & pellets	340	274	-19	730	629	-14
Rice (peeled & non-peeled)	46	90	94	140	163	17
Maize (corn)	131	51	-61	308	192	-38
Wheat	55	25	-54	155	110	-29

Source: MF-DI, based on preliminary data reported by the BCP for 2017.

Note: *Exports of electricity not included.

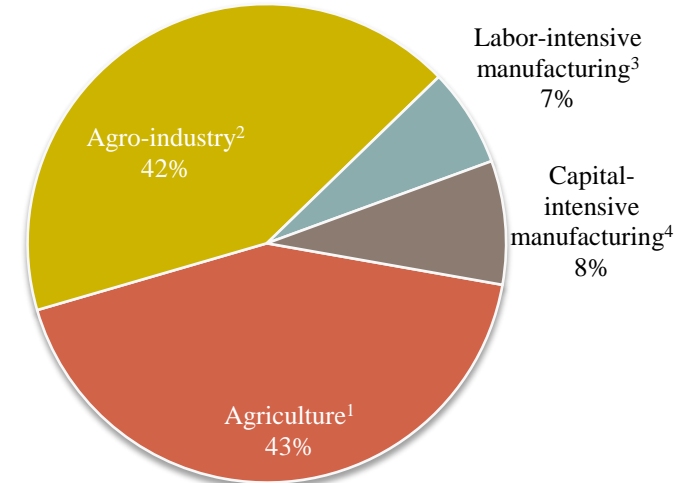


Chart 4: Exports* by factor intensity

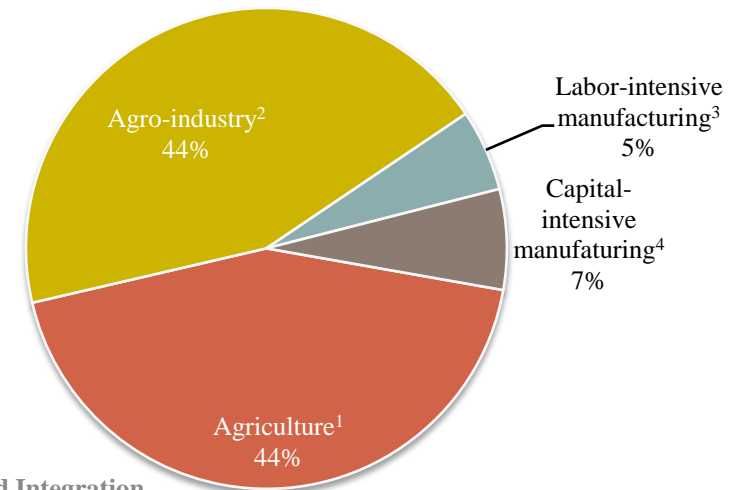
Millions FOB (USD) - January to March 2016-2017

Sectors	Millions FOB (USD)		Δ 2017/ 2016	Impact on exports growth (percent)
	Jan - Mar 2016	Jan - Mar 2017		
Agriculture ¹	738	837	13	6
Agro-industry ²	748	828	11	5
Labor-intensive manufacturing ³	93	131	41	2
Capital-intensive manufacturing ⁴	114	164	43	3
Total General	1,693	1,960	16	16

January-March 2017 (%)



January-March 2016 (%)



Agro-industry (42%) and *agriculture* (43%) took over exports in terms of participation. Both sectors increased their values from the same quarter of 2016.

Source: MF-DI, based on preliminary data reported by the BCP for 2017.

Note: *Exports of electricity not included.

Each category mainly includes:

¹Agriculture: soybeans; maize; and wheat.

²Agro-industry: soybean flour and pellets; beef (frozen and refrigerated); and rough soybean oil.

³Labor-Intensive Manufacturing: bovine leather and skin; footwear parts; and other woods.

⁴Capital-Intensive Manufacturing: plastic demijohns; waste of cooper; and several metals foundry.



Chart 5: Main products exported to Brazil*

Millions FOB (USD) – January to March 2016-2017

Products	Millions FOB (USD)		Participation (percent)		Δ 2017/ 2016
	Jan - Mar 2016	Jan - Mar 2017	Jan - Mar 2016	Jan - Mar 2017	
Cables for spark plugs	35	64	10	15	86
Rice	30	70	9	16	129
Soybeans	71	62	21	14	-13
Refrigerated beef	35	38	10	9	10
Maize	19	31	6	7	68
Wheat	51	25	15	6	-50
Plastic containers	12	14	4	3	15
Synthetic blankets	7	12	2	3	59
Animal fat	5	9	1	2	95
Bovine leathers	2	9	1	2	262
Other	66	106	20	24	59
Total	333	441	100	100	32

Exports for the first quarter of 2017, destined to Brazil, increased by 32% over the same period of 2016, mainly impelled by shipping of *cables for spark plugs* (86%); *rice* (129%); *refrigerated beef* (10%) and *maize* (68%).

Highlights the remarkable increase which succeeded in bovine leathers, whose numbers went from \$2 million to \$9 million.

Source: MF-DI, based on preliminary data reported by the BCP & VUE for 2017.

Note: *Exports of electricity not included.



Chart 6: Main products exported to Argentina*

Millions FOB (USD) - January to March 2016-2017

Products	Millions FOB (USD)		Participation (percent)		Δ 2017/ 2016
	Jan - Mar 2016	Jan - Mar 2017	Jan - Mar 2016	Jan - Mar 2017	
Soybeans	11.0	103.3	25	69	840
Cables for sparkplugs	5.7	8.2	13	6	43
Glass containers	1.9	4.2	4	3	125
Cotton trousers	2.3	4.0	5	3	73
Papers & cartoons	2.2	2.4	5	2	11
Bananas	3.0	2.1	7	1	-29
Stones (type Boulder)	0.3	2.1	1	1	561
Filter for cigarettes	2.0	1.9	4	1	-5
Cassava starch (Fécula de mandioca)	0.3	1.7	1	1	513
Plastic containers	0.9	1.3	2	1	44
Other	14.9	17.8	33	12	20
Total	44.4	149.1	100	100	236

By March 2017, exports to the Argentina tripled. Mainly driven by the dynamics of *soybeans* and followed to a lesser extent by: *cables for sparkplugs, glass containers and cotton trousers*.

Source: MF-DI, based on preliminary data reported by the BCP & VUE for 2017.

Note: *Exports of electricity not included.



Chart 7: Main products exported to Uruguay*

Millions FOB (USD) - January to March 2016-2017

Products	Millions FOB (USD)		Participation (percent)		Δ 2017/ 2016
	Jan - Mar 2016	Jan - Mar 2017	Jan - Mar 2016	Jan - Mar 2017	
Maize	4	8	15	21	89
Tobacco (dry leaves & limbs)	7	8	24	19	12
Bovine leather	2	5	7	13	160
Soy flour & pellets	1	3	4	9	174
Foot-and-mouth vaccines	-	3	-	7	-
Refrigerated beef	2	2	6	4	-5
Bran of leguminous	1	2	5	4	6
Crude soybean oil	-	1	-	2	-
T-shirts	0,3	1	1	1	102
Underwear	1	1	2	1	-14
Other	10	8	35	19	-25
	29	41	24	19	40

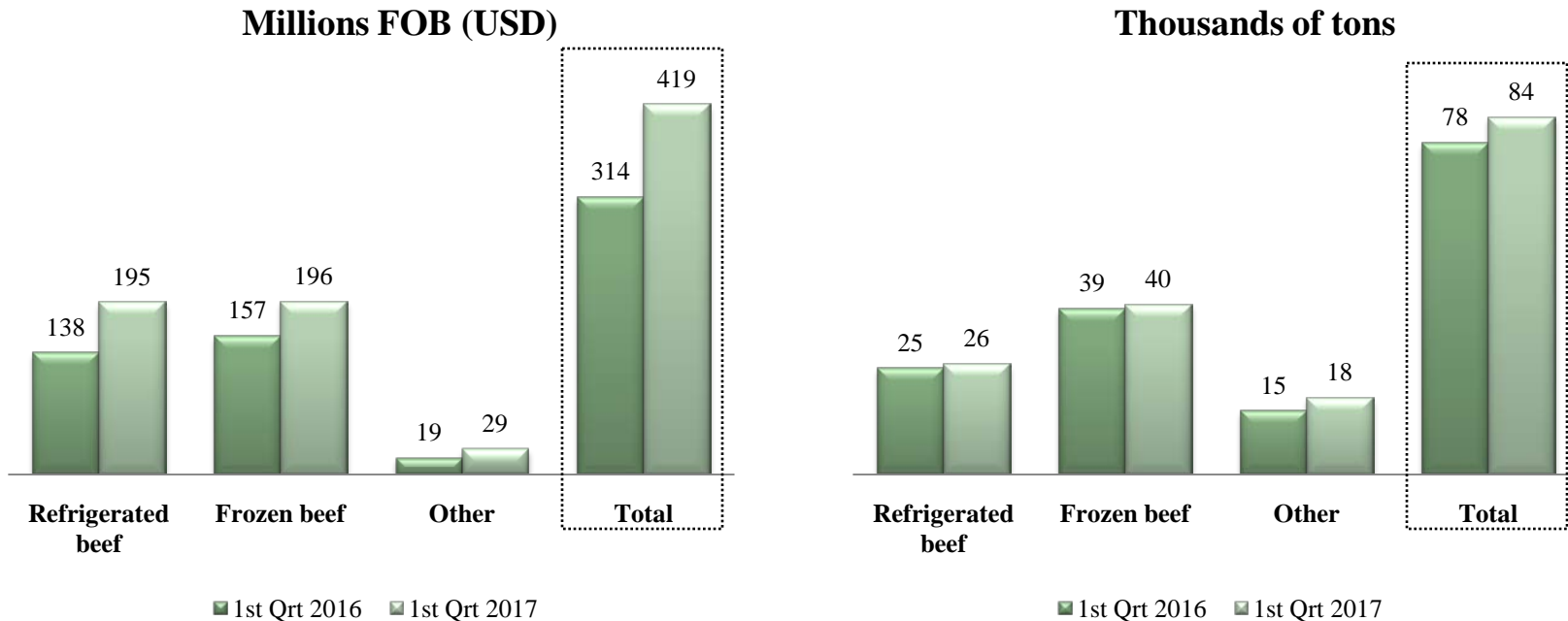
In 2017, exports to Uruguay increased by 40% for the analyzed period. Three products totaled 53% of exports to Uruguay: *maize*, *tobacco (dry leaves & limbs)* and *bovine leather*. The above were the most dynamic exceeding shipments of the previous period by 89%, 12% and 160%, respectively.

Source: MF-DI, based on preliminary data reported by the BCP & VUE for 2017.

Note: *Exports of electricity not included.



Graph 3: Exports of beef, by type of products



By March 2017, exports of beef, in dollars, registered an increase of 33% over the same period in 2016. This behavior is explained by the increase in both *refrigerated beef* (41%) and *frozen beef* (25%). By the side of the volumes (in tons), it was observed that beef products increased by 7% compared to the same period in 2016.

Source: MF-DI, based on preliminary data reported by the BCP for 2017.



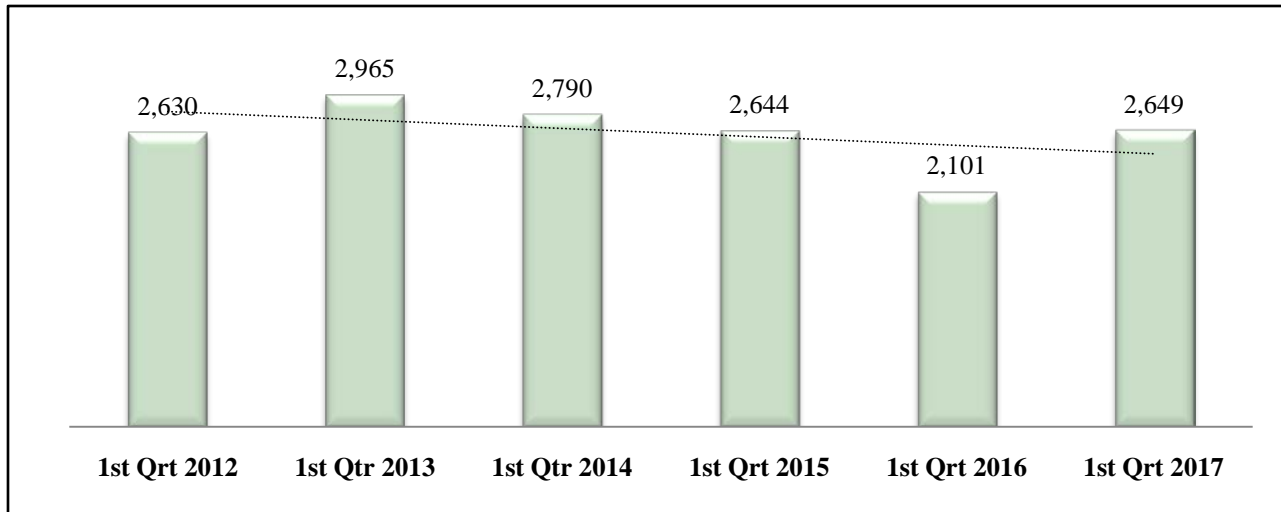
Imports

March, 2017



Graph 4: Evolution of Imports* – January to March 2012-2017

Millions FOB (USD)



Months	2012	2013	2014	2015	2016	2017
January	844	1.078	937	894	702	868
February	828	950	922	843	682	801
March	959	937	931	907	717	979

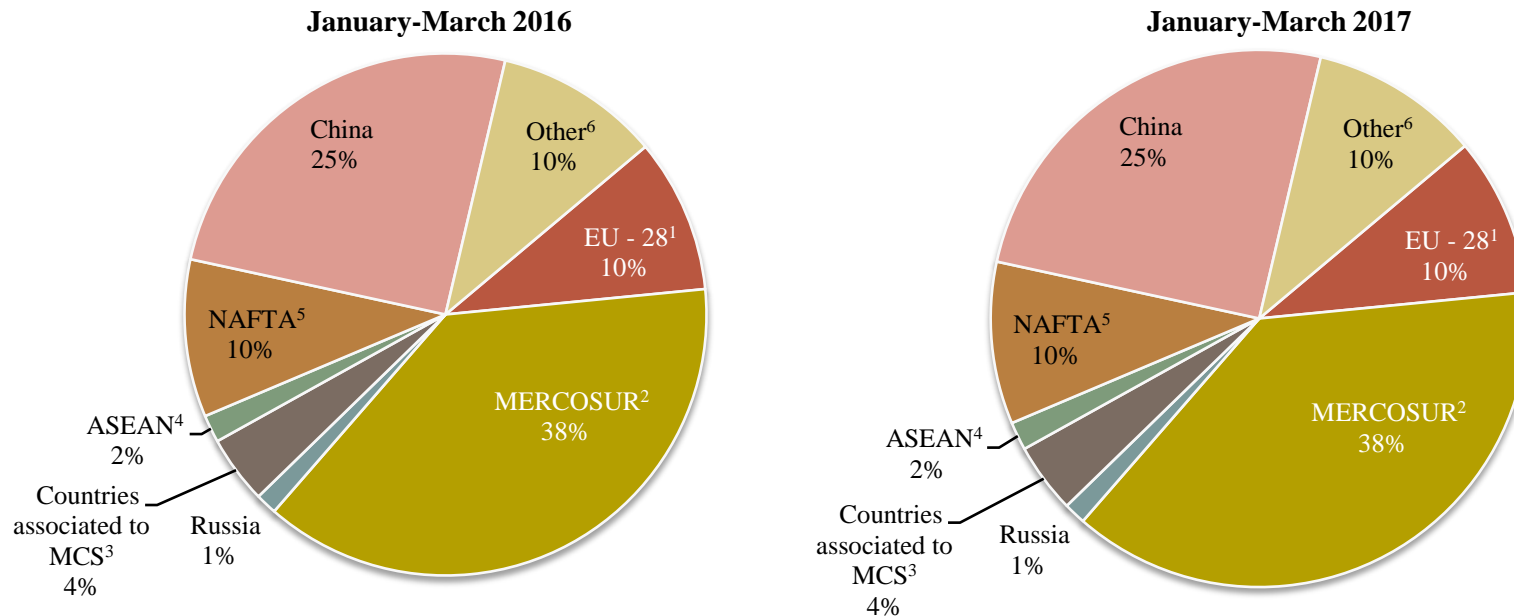
Imports of March 2017 increased by 26%, which represented an increase of US\$ 548 million, over the same period in 2016.

Source: MF-DI, based on preliminary data reported by the BCP for 2017.

Note: *Imports of registered products.

Graph 5: Imports* by major trade blocs & countries

Portion of total



MERCOSUR trade bloc was the top supplier of Paraguay, reaching numbers around the USD 1,012 million. The second major supplier was China, from which imports accounted for USD 801 million.

Source: MF-DI, based on preliminary data reported by the BCP.

Note: *Imports of registered products.

¹ EU-28: The European Union with 28 member countries.

² MERCOSUR: Argentina, Brasil, Uruguay and Venezuela.

³ Group of countries associated to MERCOSUR: Bolivia, Chile, Colombia, Ecuador, and Peru; and overseas partners: Israel, Egypt, India, and SACU (Botswana, Lesotho, Namibia, South Africa, and Swaziland).

⁴ ASEAN: Indonesia, Malaysia, Philippines, Singapore, Thailand Brunei, Vietnam, Laos, Myanmar, y Cambodia.

⁵ NAFTA: Canada, México and the United States of America.

⁶ Other: Rest of the World.



Chart 8: Imports by major trade bloc & countries

Millions CIF – January to March 2016-2017

Regions & countries	Millions CIF (USD)		Δ 2017/ 2016	Impact on imports growth 2017/2016
	Jan - Mar 2016	Jan - Mar 2017		
EU - 28 ¹	201	219	9	1
MERCOSUR ²	797	1,012	27	10
Russia	28	13	-52	-1
Group of countries associates to MCS ³	89	107	20	1
ASEAN ⁴	36	34	-6	-0.1
NAFTA ⁵	205	229	12	1
China	531	801	51	13
Other ⁶	214	234	9	1
Total	2,101	2,649	26	26

Dynamics of imports was because of the increase in purchases from China (13%) and MERCOSUR (10%)

Source: MF-DI, based on preliminary data reported by the BCP .

Note: *Imports of registered products.

¹ MERCOSUR: Argentina, Brasil , Venezuela y Uruguay

² UE-28: Unión Europea con 28 países miembros.

³ TLCAN: Canadá, EE.UU., y México

⁴ Asociados al MERCOSUR (Asociados. al MCS): que incluye los Asociados Regionales: Bolivia, Chile, Colombia, Ecuador, Perú, y los Extrarregionales: Israel, Egipto, India y SACU (Botswana, Lesoto, Namibia, Sudáfrica, y Suazilandia)

⁵ ASEAN: Indonesia, Malasia, Filipinas, Singapur, Tailandia, Brunéi, Vietnam, Laos, Birmania, y Camboya.

⁶ RdM: Resto del Mundo.

Chart 9: Imports* by product group

Millions CIF (USD) – January to March 2016-2017

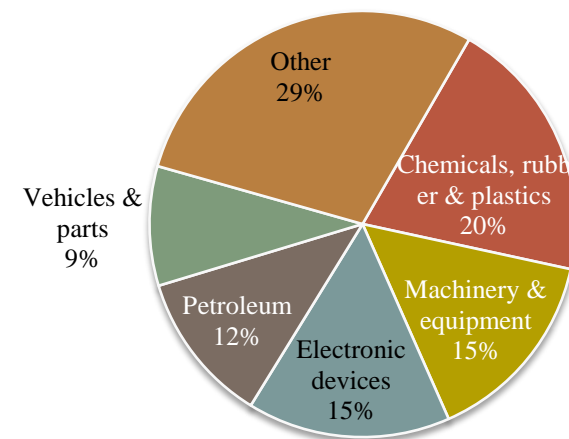
Products	Millions CIF (USD)		Δ 2017/ 2016	Impact on imports growth 2017/2016
	Jan – Mar 2016	Jan - Mar 2017		
Chemicals, rubber & plastics	441	532	20	4
Machinery & equipment	318	397	25	4
Electronic devices	263	408	55	7
Petroleum & coal products	251	306	22	3
Vehicles & parts	215	240	12	1
Food products	74	92	24	1
Drinks & tobacco	65	71	10	0,3
Other manufacturing	63	95	52	2
Textiles	52	69	32	1
Paper products, publications	51	60	19	0,5
Other	307	379	24	3
Total	2,101	2,649	26	26

5 product group represented 71% of total imports. The products that had more influence on imports growth were: electronic devices (7%); chemicals (4%); and machinery (4%).

Source: MF-DI, based on preliminary data reported by the BCP.

Note: *Imports of registered products.

January-March 2017 (%)



January-March 2016 (%)

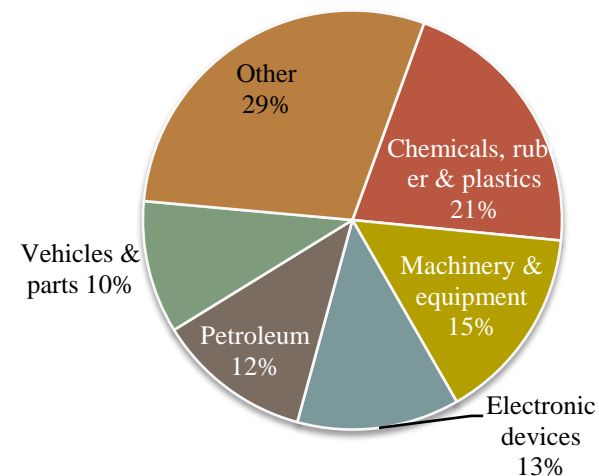
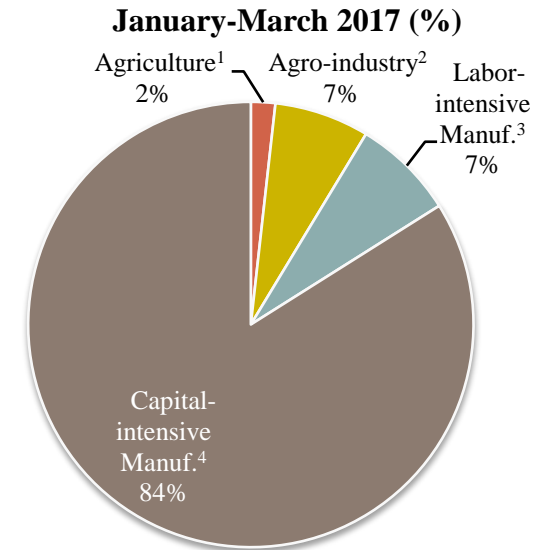


Chart 10: Imports* by factor intensity

Millions CIF (USD) – January to March 2016-2017

Sectors**	Millions CIF (USD)		Δ 2017/ 2016	Impact o imports growth 2017/2016 (%)
	Jan - Mar 2016	Jan - Mar 2017		
Agriculture ¹	46	47	1	0.02
Agro-industry ²	151	182	20	1
Labor-Intensive Manuf. ³	152	196	29	2
Capital-Intensive Manuf. ⁴	1,751	2,224	27	22
Total General	2,101	2,649	26	26



Capital-intensive manufacturing (84%) increased by 27% in relation to the previous period, and it was the sector that boosted the achieved growth.

Source: MF-DI, based on preliminary data reported by the BCP.

Note: *Imports of registered products.

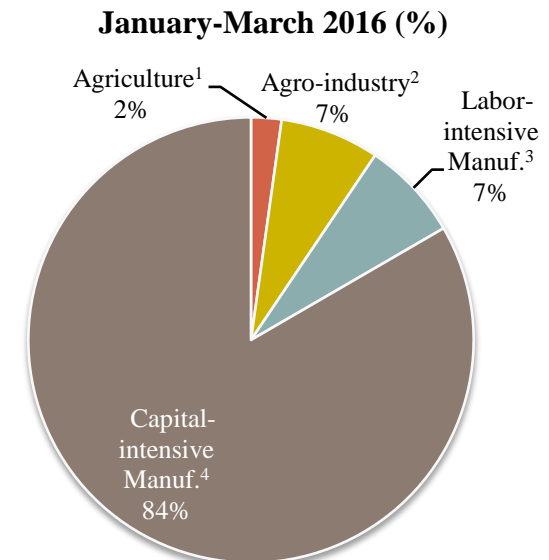
****Each category mainly includes:**

¹ Agriculture: tobacco (dry leaves); maize for sowing; and waste of tobacco.

² Agro-industry: malt beer; basic input for drinks preparation; and cigarettes.

³ Labor Intensive Manuf.(LIM): cables for several filaments; footwear; and polyethylene paper.

⁴ Capital-intensive manufacturing (KIM): gasoil; laptops; and mineral or chemical fertilizers.



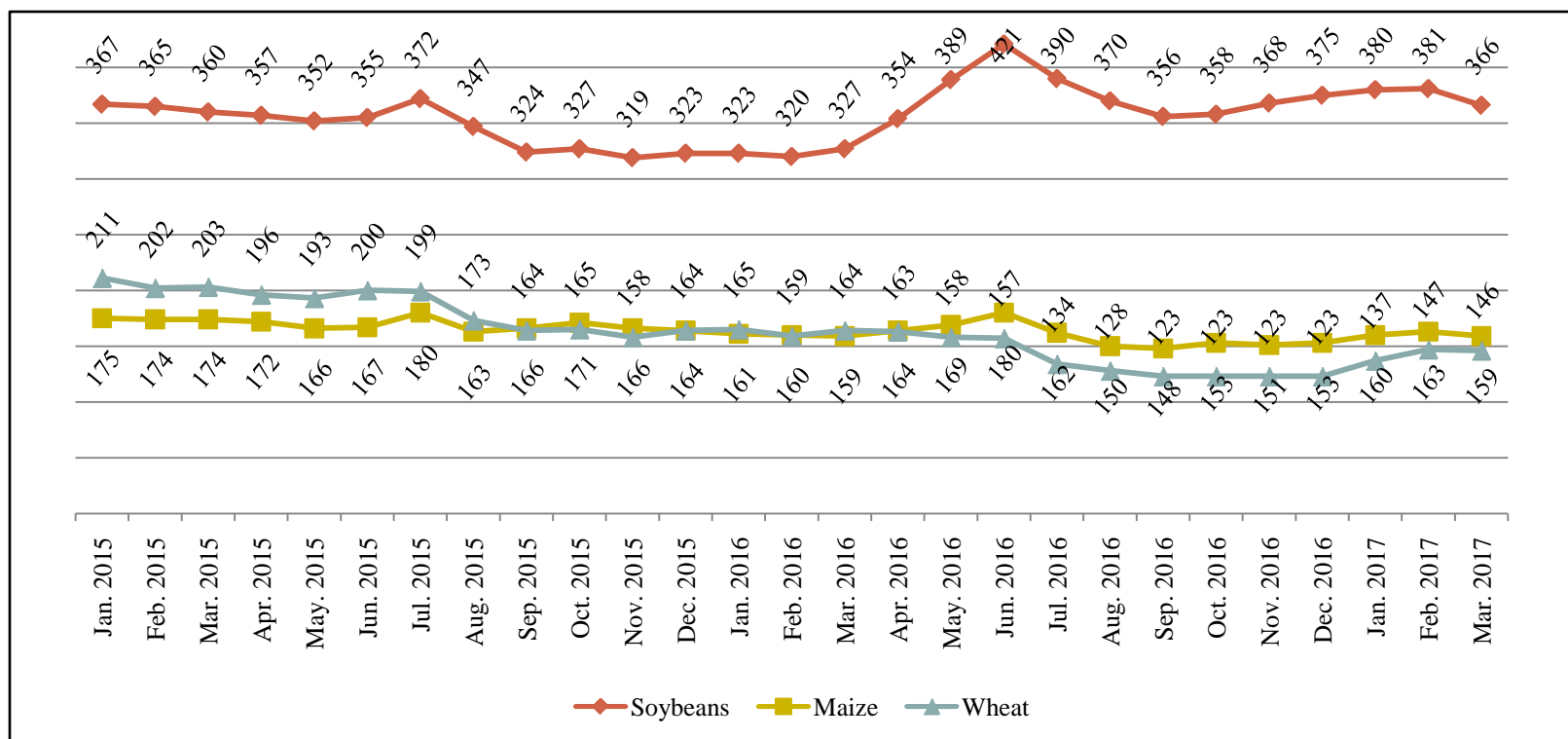


Trade Indicators



Graph 6: Price of Soybean, Maize & Wheat

Chicago Stock Market (USD/ton)

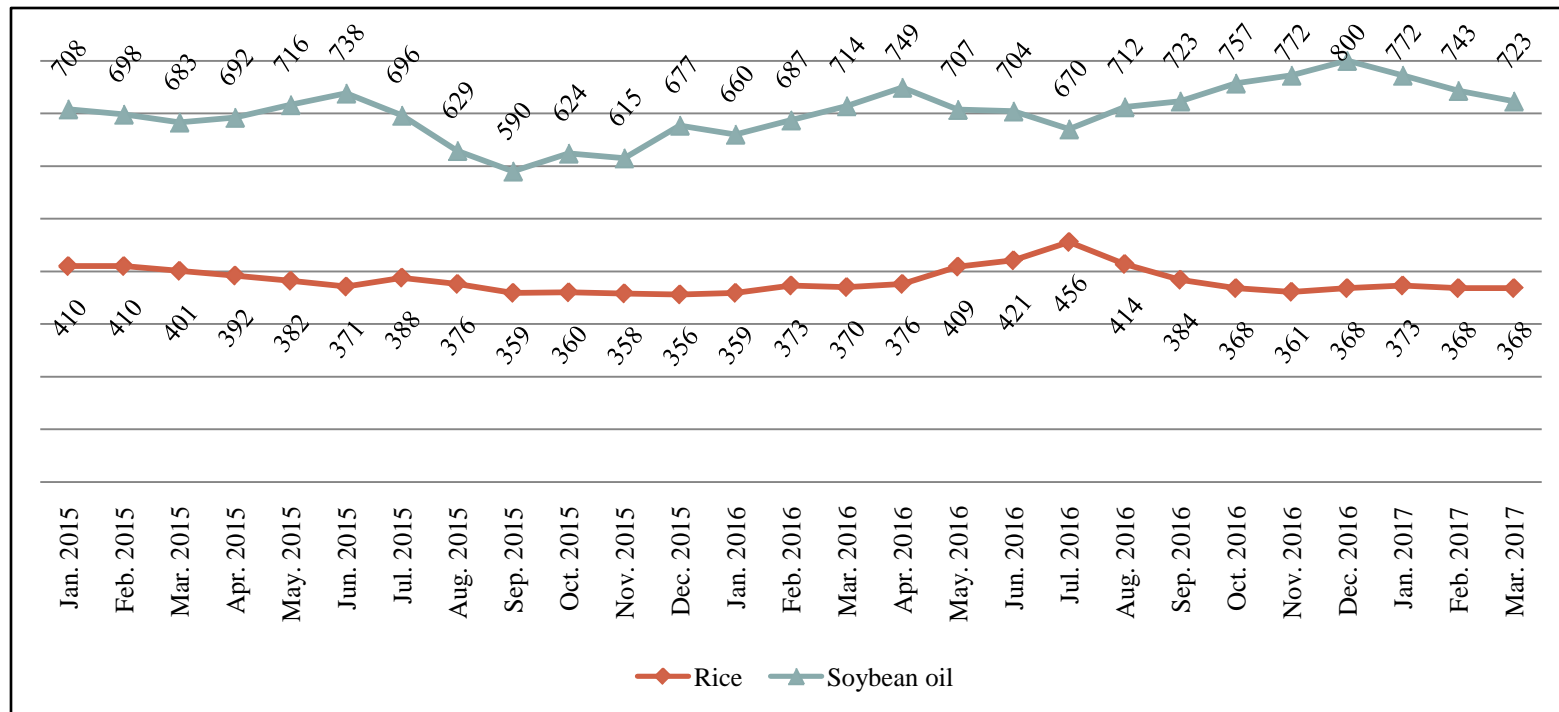


Source: DI-MF, based on data reported by the US Department of Agriculture

By March 2017, in inter-annual terms, the price of soybeans increased by 12%. On the other hand, maize and wheat decreased by 11% and 0.1%, respectively.

Graph 7: Price of Rice & Soybean Oil

Chicago Stock Market (USD/ton)

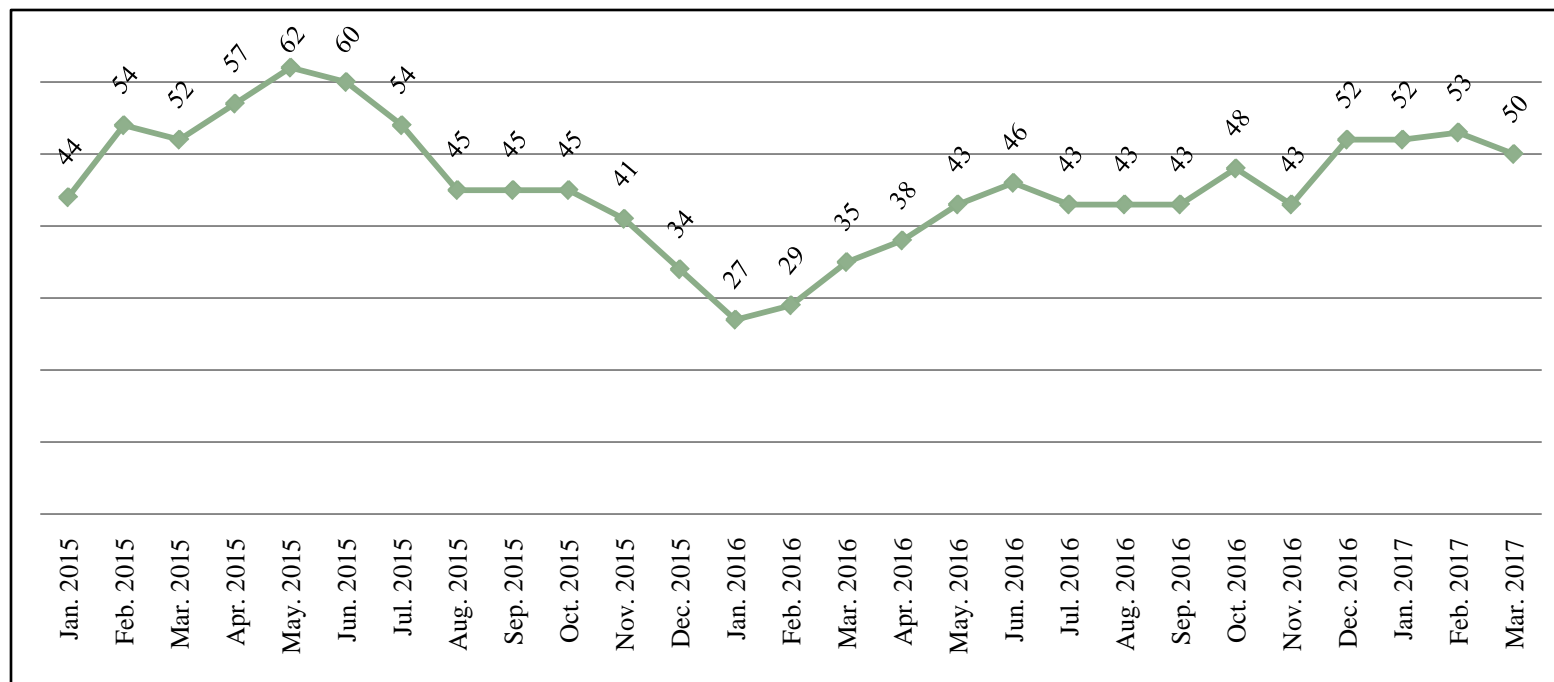


Source: DI-MF, based on data reported by the US Department of Agriculture

By March 2017, in inter-annual terms, the price of rice fell by 1%, while soybean oil increased by 1%.

Graph 8: OPEC basket reference* oil price

USD per barrel



Source: DI-MF, based on data reported by the Organization of Petroleum Exporting Countries (OPEC)

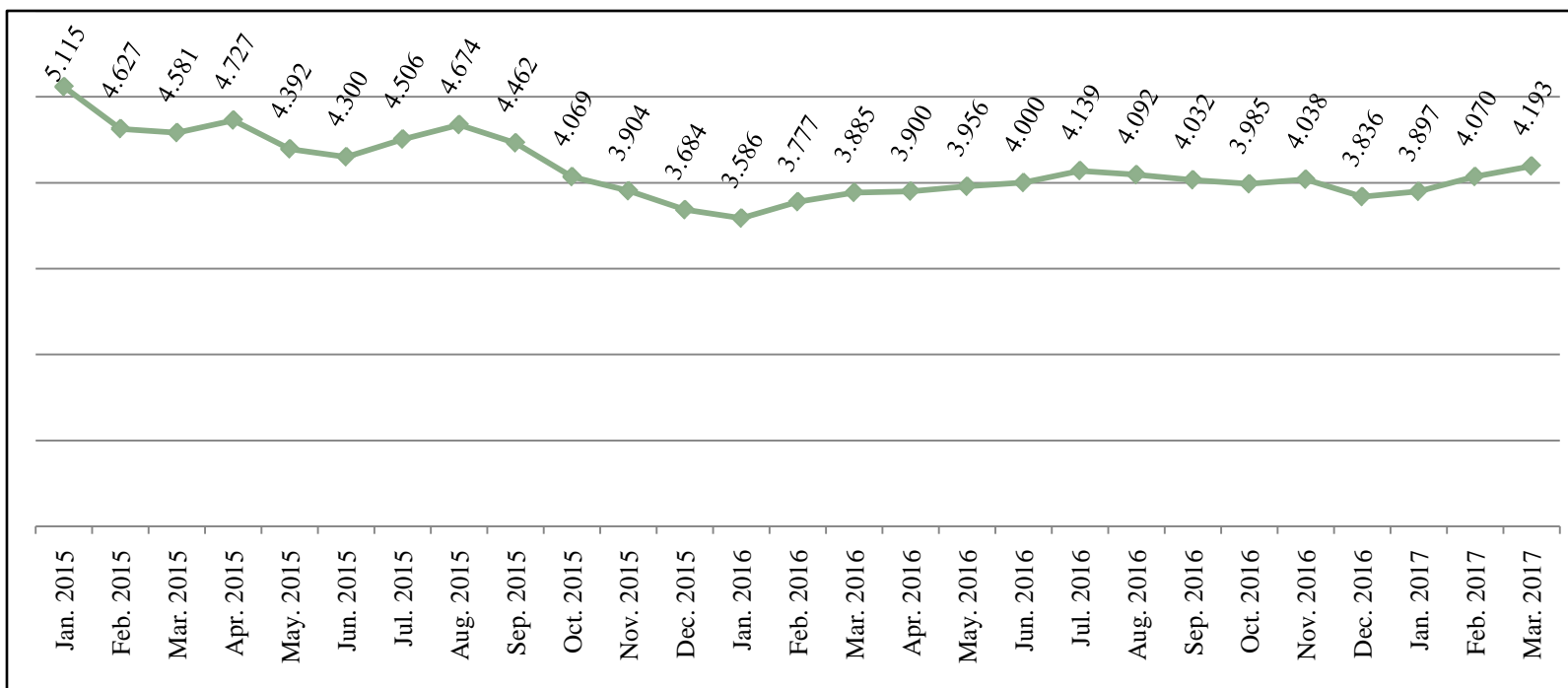
The OPEC basket reference price in March was USD 50 per barrel, which means an increase of 45% in inter-annual terms.

The OPEC Reference Basket (ORB) includes: Saharan blend (Algeria), Girassol (Angola), Oriente (Ecuador), Minas (Indonesia), Iran Heavy (Islamic Republic of Iran), Basra Light (Iraq), Kuwait Export (Kuwait), Es Sider (Libya), Bonny Light (Nigeria), Qatar Marine (Qatar), Arab Light (Saudi Arabia), Murban (UAE), and Merey (Venezuela).



Graph 9: Price of beef in the US market

USD per ton



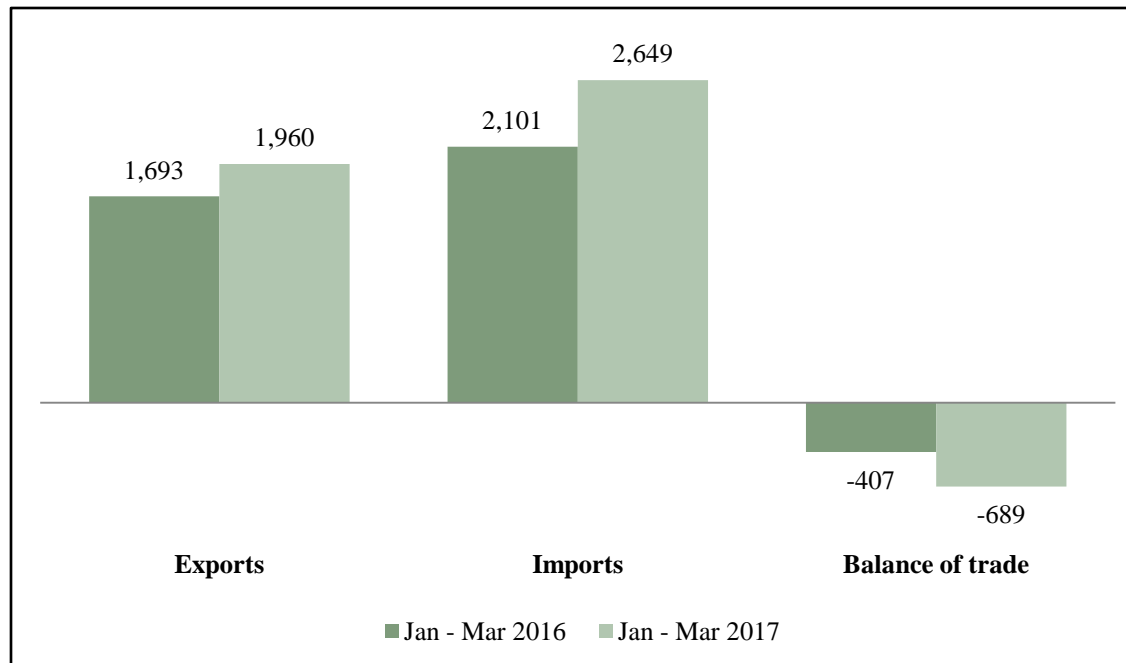
Source: DI-MF, based on data reported by the US Department of Agriculture

The price of *beef*, in inter-annual terms, fell by 8% in March 2017. However, an upward trend has been observed since January 2016.



Graph 10: Balance of trade of Paraguay

Millions (USD) – January to March 2016-2017



Source: DI-MF, based on preliminary data reported by the BCP for 2017

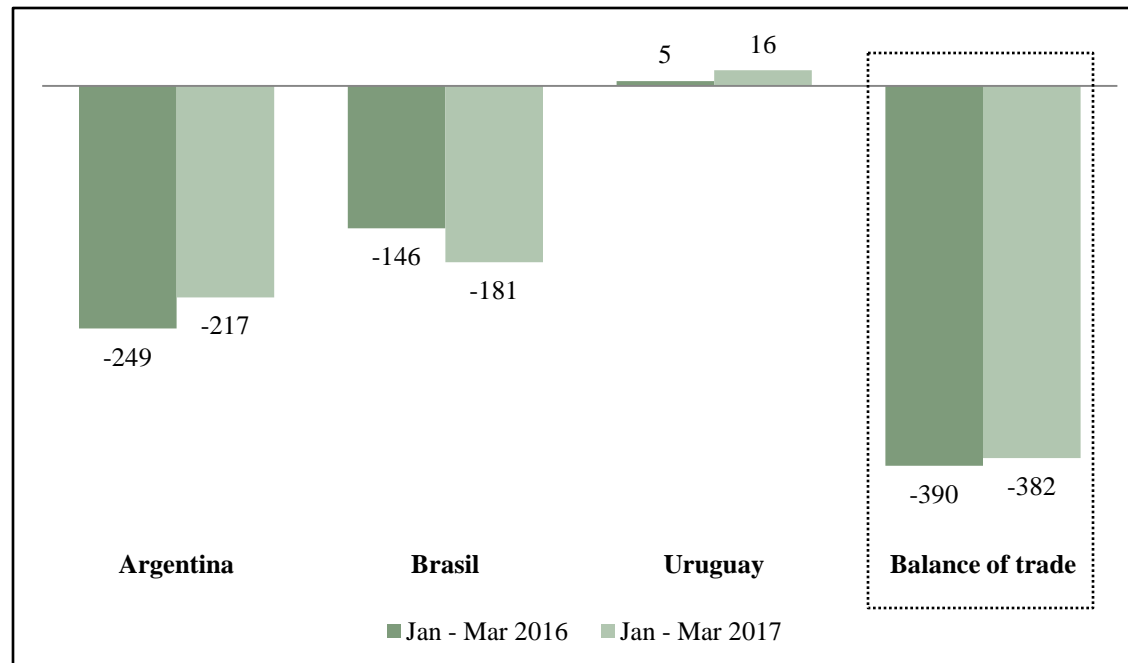
Note: *Exports of electricity not included

Exports measured in millions FOB (USD) and imports measured in millions CIF (USD)



Graph 11: Balance of trade of Paraguay with its MERCOSUR partners

Millions (USD) - January to March 2016-2017



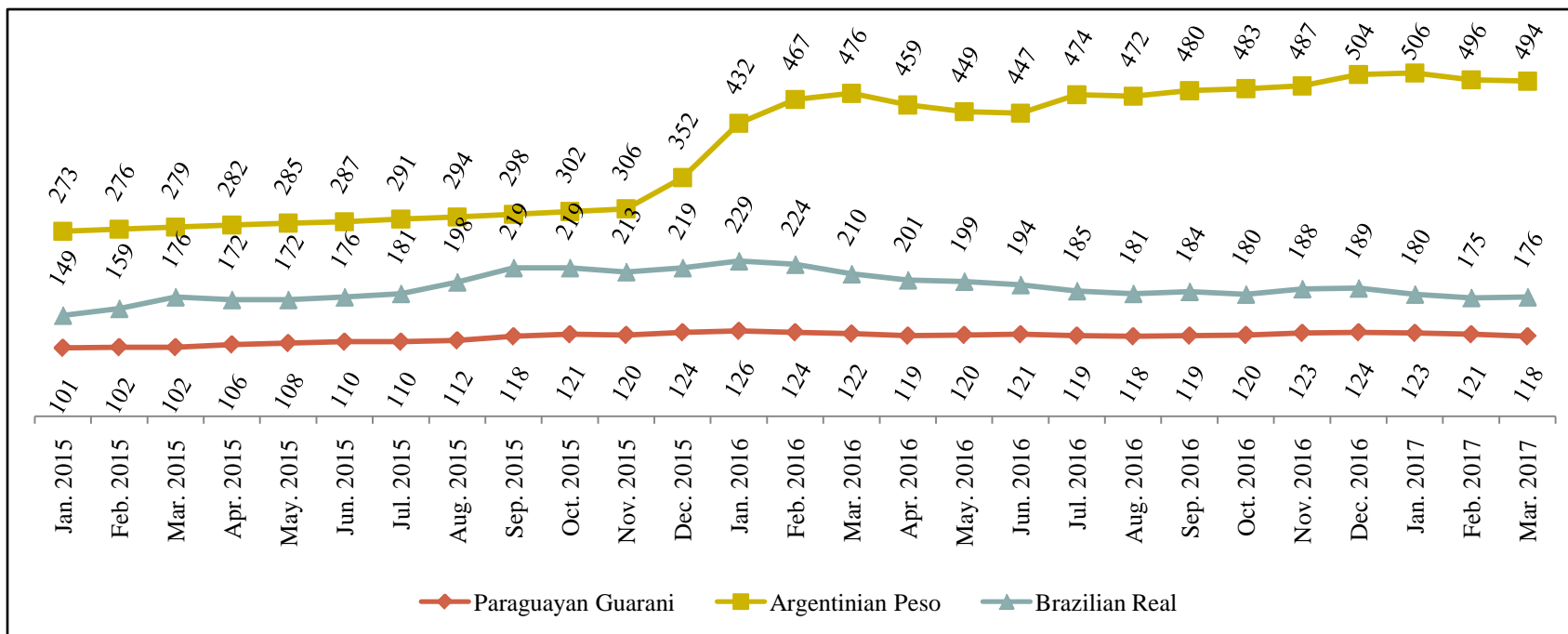
Source: DI-MF, based on preliminary data reported by the BCP & VUE for 2017.

Note: * Exports of electricity not included



Graph 12: Nominal effective exchange rate (BRL, ARS, PYG, USD)

Base 2008



In March 2017, the Paraguayan currency, the *Guarani*, appreciated by 3%, in inter-annual terms. And, so far in the year, the appreciation was 5%.

Source: DI-MF, based on data reported by the Central Bank of Chile

*Monthly average exchange rate



Paraguay



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