

Macroeconomic Outlook of Paraguay, 2025

January	February	March
April	May	June
July	August	September
October	November	December

January 2025

World Economy

According to the International Monetary Fund's global macroeconomic outlook, world growth is expected to remain stable.

Global growth projections stand at 3.3% for 2025 and 2026, virtually unchanged from the October 2024 update of the World Economic Outlook.

As favorable revisions for the United States have been offset by downgrades for other major economies.

Regional context

For the **United States**, growth of 2.7% is projected for 2025, 0.5 percentage points higher than in the October 2024 WEO update. Growth is also expected to fluctuate moderately before reaching potential growth in 2026.

For the **Eurozone**, growth is expected to rebound, but at a more gradual pace than previously anticipated, as geopolitical tensions continue to weigh on confidence due to market uncertainty. The revision was downward to 1% in 2025, and for 2026, growth is expected to increase by 1.4%, explained by stronger domestic demand.

As for **Emerging and Developing Market Economies**, growth performance in 2025 and 2026 is estimated to be broadly in line with the October 2024 projections.

As for China, growth of 0.1% is expected for 2025, reaching 4.6%, mainly due to the fiscal package announced in November, which offsets the negative effect of trade policy and the real estate market. By 2026, growth of 4.5% is forecast, as the effects of trade policy uncertainty dissipate and the increase in the retirement age slows the decline in labor supply.

Table 1: Overview of World Economic Outlook projections.

	2024*	2025**	2026
World	3.2	3.3	3.3
Advanced economies	1.7	1.9	1.8
United States	2.8	2.7	2.1
Eurozone	0.8	1.0	1.4
EDME	4.2	4.2	4.3
China	4.8	4.6	4.5
LAC	2.4	2.5	2.7
Brazil	3.7	2.2	2.2
Mexico	1.8	1.4	2.0

Source: WEO-IMF January 2025.



World Economic Outlook Update
(IMF-Jan 2025)

Latin America and the Caribbean

For **Latin America and the Caribbean**, growth is expected to accelerate slightly in 2025 to reach 2.5%, despite a slowdown in the region's largest economies.

Brazil is projected to grow by 2.2% in 2025, with growth expected to remain steady in 2026.

Finally, **Mexico** is estimated to grow by 1.4% in 2025, rising to 2% in 2026.



World Economic Outlook Update
(IMF-Jan 2025)

Domestic Situation

Paraguay's GDP growth projection remained at 4.0% for 2024, based on estimates from the Central Bank of Paraguay, but with internal adjustments. The estimate for GDP excluding agriculture and binational companies was 5.4%.

The **livestock sector** saw an adjustment from 5.4% to 6.2%, explained by the increase in cattle slaughter. The construction sector saw an adjustment from 3% to 4.8%, due to increased public and private works.

The **electricity and water sector** saw a downward revision from -4% to -4.9% due to lower electricity production by binational companies, explained by the low water flow of the Paraná River.

The **manufacturing industry** was revised downward from 4.4% to 4.1%, mainly due to lower oil production.

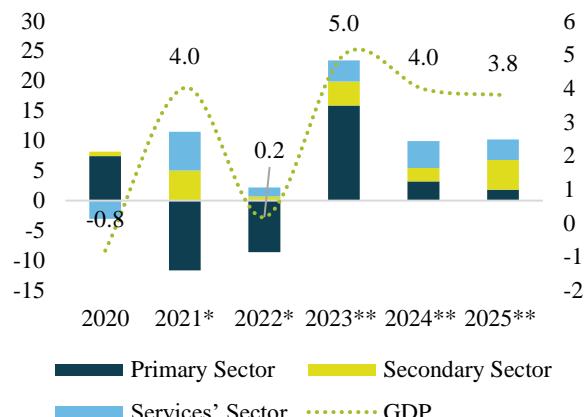
On the **demand side**, public consumption changed from 4.4% to 6.8% due to strong purchasing of goods and services by the central government.

GDP growth of 3.8% is forecast for 2025, mainly due to positive dynamics in the **services sector**, particularly in the areas of trade, household services, and financial intermediation. The **secondary sector** is expected to perform well, especially in manufacturing and construction, as well as positive dynamics in energy production. The **primary sector** is expected to perform well, explained by expansion in agriculture, livestock, and other activities in the sector.



Monetary Policy Report

Chart 1: GDP growth by economic sector in 2025.



Source: Central Bank of Paraguay

* Preliminary figures ** Projection



Economic Report Statistic Schedule (BCP)

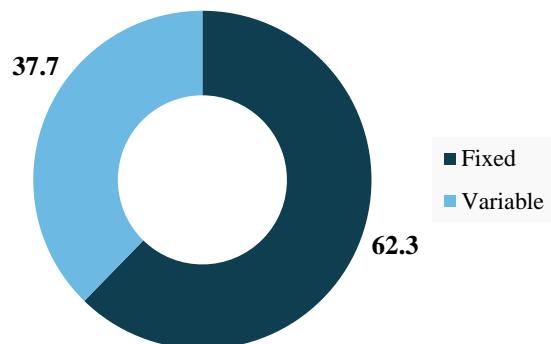
Debt levels and structures of the Total Public Sector

The Law 1535/1999 on "State Financial Administration," in Article No. 42, establishes that public debt shall be classified as internal and external, and direct and indirect. Direct public debt of the Central Administration is that assumed by the latter as the principal debtor. Indirect debt of the Central Administration, on the other hand, is that constituted by any natural or legal person, public or private, other than the Central Administration, but which has the corresponding guarantee, bond, or surety, duly authorized by law (public companies, second-tier banks, etc.).

In January, **total public sector debt** stood at 40.0% of GDP, which is considered sustainable for the country's public finances, representing one of the lowest debt levels in the region.

As for the **classification of total public sector debt by type of rate as of January 2025**, it was observed that **62.3%** is at a fixed rate and **37.7%** at a variable rate.

Figure 1: Total Public Debt Balance per rate of interest

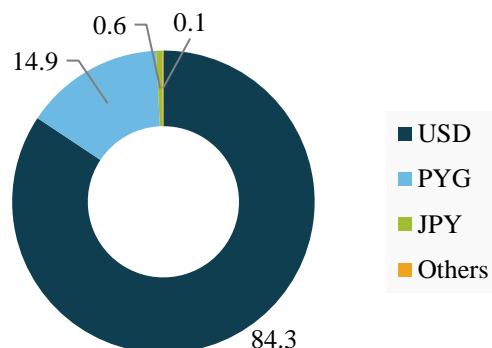


Source: Vice-ministry of Economy and Planning

The **structure of public debt by currency in January** shows a higher proportion in USD (84.3%), followed by PYG (14.9%), JPY (0.6%), and other currencies (0.1%).

It should be noted that the higher proportion of debt in dollars does not represent a risk for the country, as Paraguay receives income in dollars in the form of annual royalties for the use of the Paraná River's hydraulic potential for electricity production by binational entities (Itaipú and Yacyretá).

Figure 2: Total Public Debt Balance per currency in percentage



Source: Vice-ministry of Economy and Planning.



Debt statistics

According to the Debt Maturity average

Due to placements in international markets in longer terms than those of the domestic markets, the average deadline of the Central Administration (ATM) has been increased from 10.9 years (2017) to 11.37 years (2022). This allows a greater public debt maneuverability.

Table 2: Debt Average Maturity (Years*)

Years	Central Administration		
	External Debt	Internal Debt	Total Debt
2017	11.5	2.4	10.9
2018	12.7	3.4	12
2019	13.3	3.4	12.6
2020	14.9	4.8	14.3
2021	12.6	7.6	12.3
2022	11.58	7.12	11.37

Source: Vice-ministry of Economy and Planning

*Does not include perpetual debt with the BCP.



Strategic Guideline

Fiscal Policy

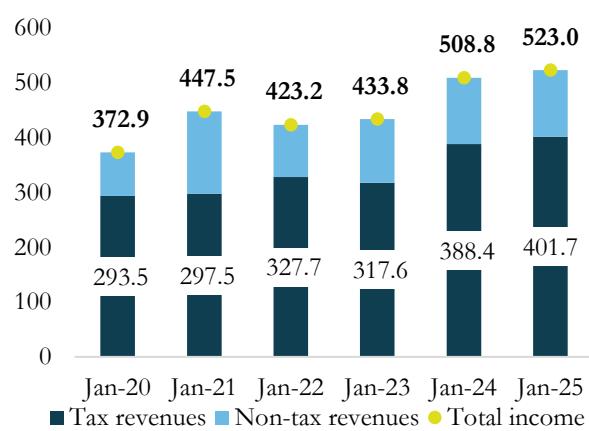
Financial Situation as of January 2025.

At the end of January 2025, the fiscal deficit was -0.1% of GDP, equivalent to USD 28.6 million. Likewise, an operating surplus equivalent to USD 19.5 million was recorded.¹

Income

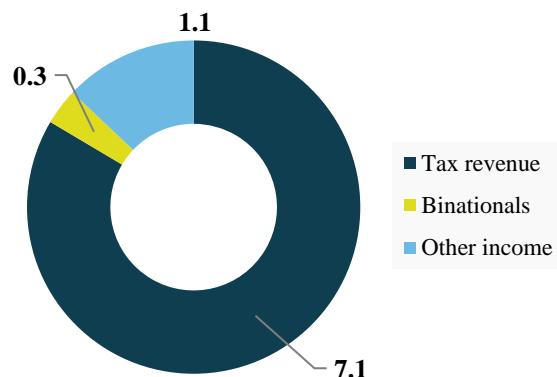
In January 2025, total revenue grew by 8.5%. Total revenue in January was USD 523 million, mainly due to strong tax revenue performance, coming from both domestic and foreign tax collection.

Chart 2: Total Income in January 2025, in million Dollars



Source: SITUFIN – Ministry of Economy and Finance.

Figure 3: Income components in percentage (accrued variation).

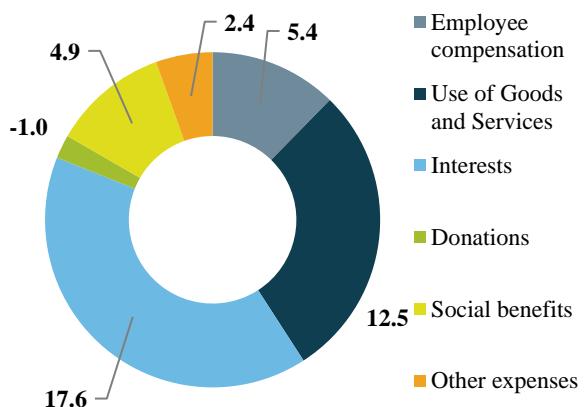


Source: SITUFIN – Ministry of Economy and Finance.

Public Spending

Total expenditure showed a year-on-year increase of 41.8% at the end of January. This result is mainly explained by interest payments, the use of goods and services, and social benefits.

Figure 4: Composition of the variation in accrued expenses in percentage terms



Source: SITUFIN – Ministry of Economy and Finance.

¹ SITUFIN January - 2025. Ministry of Economy and Finance. Retrieved from:

<https://www.mef.gov.py/es/situfin>

Public Investment

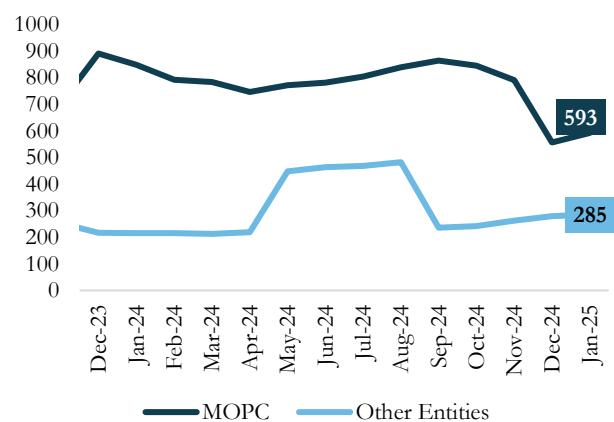
National Public Investment System SNIP

It is the set of rules and instruments aimed at organizing the Public Investment process, to streamline the use of resources in the financing of investment projects for the country, and that they generate positive impacts in society².

Investment in January 2025

Total public investment in January was USD 878.1 million, representing 2.0% of GDP in annualized terms. This is distributed as follows: USD 593.0 million corresponding to the Ministry of Public Works and Communications; and USD 285.1 million to other entities.

Chart 3: Annualized Investment, in million Dollars.



Source: SITUFIN – Ministry of Economy and Finance.



Monetary Policy

The Central Bank of Paraguay leads the monetary policy under an inflation goal scheme. Since 2011, officially under this goal scheme, the main goal of the Monetary Policy according to the Law N° 6104 that modifies and widens the Organic Law N° 489/95 of the Central Bank of Paraguay (BCP), is to preserve and safeguard the value stability of the currency providing a safe foreseeability framework for the Paraguayan economy, on which the economic agents may be based to make decisions concerning consumption and investment.

Inflation

International Context

International prices for both energy and agricultural commodities have risen. Oil prices also rose, driven by concerns about new US sanctions on the Russian energy sector.

In the **United States**, the unemployment rate has been reduced to 4.0% in January with a 0.1% variation. Year-on-year inflation rose to 3%, exceeding the expectations. In this context, the Federal Reserve decided to keep the interest rates of the federal funds within the target range of 4.25 – 4.50, according to what has been expected.

Domestic Context

In **Paraguay**, the Board of Directors of the Central Bank of Paraguay, has recently decided to reduce the inflation target, measured by the variation of the Consumer Price Index (IPC), adjusting it from 4.0% to 3.5% and keeping the tolerance range of 2% above and 2% below. *This decision is based on key factors, such as the favorable inflation evolution according to the goals scheme, which has generally remained below the established objectives, the parent bank credibility in the direction of expectations of the economic agents. A lower inflation goal contributes to protect the purchasing power of the population, particularly of the lower income households. Likewise, a lower and stable inflation is a key element for the long-term planning³.*

² Obtained from:

<https://economia.gov.py/index.php/dependencias/direccion-general-de-inversion-publica>

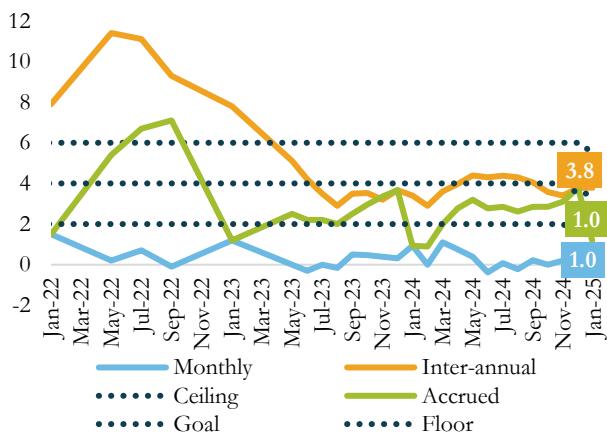
³ Minutes of the Monetary Policy Committee Meeting

As of January, monthly inflation according to the IPC reached 1.0%, mainly explained by the increase of food prices and to a lesser extent of some services.

On the other hand, monthly inflation excluding food and energy prices (IPCSAE) was 0.6%; however, total inflation was 3.8% year-on-year. As regards inflation measured by the IPCSAE, it was 3.9% in January.

Inflation expectations for the next 12 months are 3.7% and for the monetary policy horizon, they have kept in 3.5%.

Chart 4: Inflation as of January 2025, in percentage



Source: Central Bank of Paraguay.

 **Minutes of CPM Meetings**

Monetary Policy Rate

This is a monetary policy instrument through which it is exercised influence in the liquidity and the rates of interest of the market that may affect part of the economic activity and has an impact on inflation.

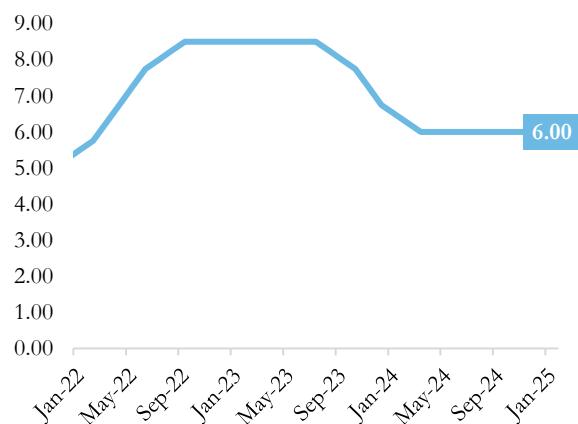
Monetary Policy Rate (MPR) to January 2025
The Monetary Policy Committee (MPC) decided to maintain the Monetary Policy Rate (MPR) at 6% in its January meeting this year, mainly

(December 19, 2024). Retrieved from:
<https://www.bcp.gov.py/minutas-de-reuniones-del-cpmi444>

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explained by the continued positive performance of domestic economic conditions, however, greater caution is expected regarding external conditions such as the pace of interest rate adjustments by the Federal Reserve in 2025, such as the upward behavior of the price of agricultural commodities and oil in January.

Chart 5: Monetary Policy Rate 2025

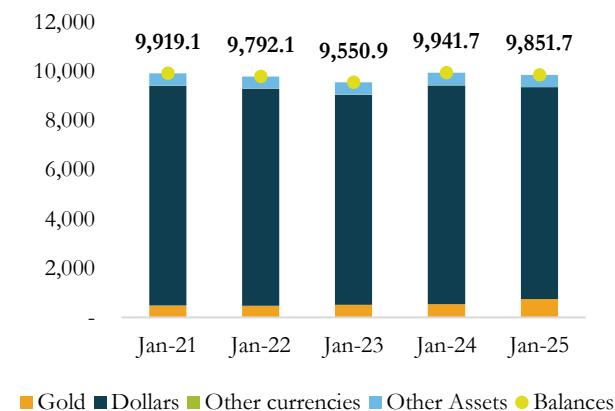


Source: Central Bank of Paraguay.

 **Minutes of CPM Meetings**

Net International Reserves

Net international reserves in January 2025 stood at USD 9,851.7 million, comprising USD 741.1 million in gold, USD 8,612.2 million in dollars, USD 0.9 million in other currencies, and USD 497.1 million in other assets.

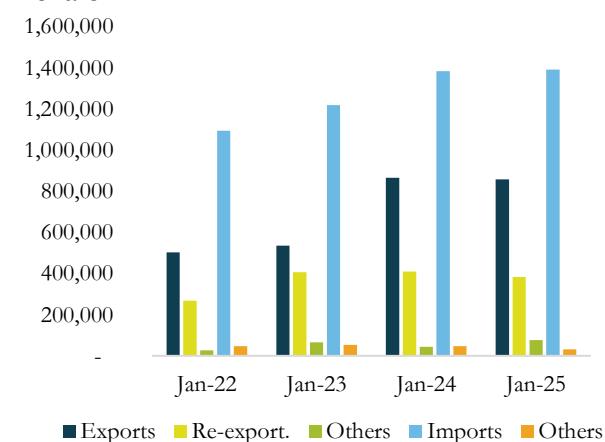
Chart 6: RIN composition, in million Dollars.

Source: Central Bank of Paraguay

BCP's Statistical Schedule

Trade Balance

In January 2025, foreign trade figures (exports plus imports) amounted to USD 2,741.1 million.

Total exports in January 2025 amounted to USD 1,318.1 million. On the other hand, total imports in January 2025 amounted to USD 1,423.0 million. Finally, the trade balance registered a variation of USD -104.9 million, in favor of imports.

Chart 7: Balance of Trade, in thousands of Dollars

Source: Central Bank of Paraguay

BCP's Statistical Schedule
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Credit Perspective of Paraguay Sovereign Risk Rating Record

Paraguay has managed to keep the country risk rating and the perspectives with the credit rating agencies Moody's, Fitch and Standard and Poor's, in spite of adverse conditions, such as external shocks, a pandemic, armed conflicts, and internal shocks such as drought and other weather situations.

In October, 2024, Fitch Ratings agency, confirms Paraguay's rating in BB+ with a stable outlook, backed in its last report that it is based on prudent and consistent macroeconomic policies, as well as a remarkable scenario between the regional countries, as one of the greatest growth outlook, low indebtedness levels and efforts of the government to implement reforms that improve the efficiency concerning institutionality and governance

On the other hand, in January, 2025, Standard and Poor's has decided to keep the sovereign risk rating of Paraguay in BB+, changing the stable to positive outlook, explained by prudent macroeconomic policies implemented by the government and moderate public debt. They also emphasized that the reforms implemented in the last decade have strengthened the credibility of economic institutions.

Table 3: Sovereign Risk Ratings 2025

Rating Agency	Rate	Perspective	Last revision
S&P	BB+	Positive	Jan-08-2025
Moody's	Baa3	Stable	Jan-30-2025
Fitch	BB+	Stable	Oct-22-2024

Source: Vice-Ministry of Economy and Planning.

Annual Reports on Risk Rating

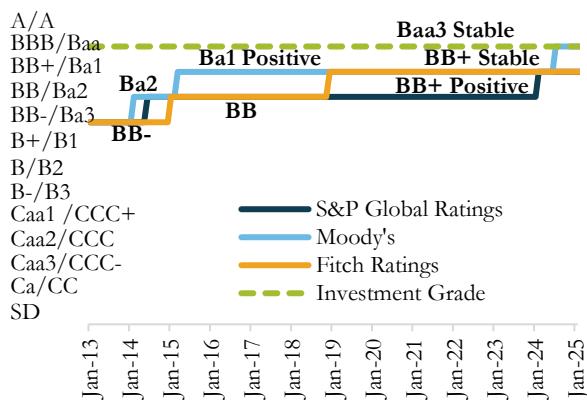
Likewise, Moody's, in its review (**credit opinion**) of January 30, 2025, decided to maintain the

rating at Baa3 with a stable outlook. Its report highlights solid growth, improving institutions, and limited external vulnerability.

To sum up, Paraguay is currently in an investment grade position with Moody's risk rating agency and one-step higher with Fitch and Standard and Poor's.

Chart 8: Sovereign Risk Rating of Paraguay

Period 2013 – 2025



Source: Vice-Ministry of Economy and Planning



Regional Outlook Report

Other accesses of interest

Click on the text to go to the web site.

Monetary Policy Reports



-  [National Accounts Report \(Fiscal Quarters\)](#) 
-  [Statistic Schedule of the Economic Report](#)
-  [Foreign Trade Report \(Fiscal Quarters\)](#)

-  [Direct Investment](#)
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ODS

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-  [Sustainable Development Objectives \(ODS\)\)](#)

Ministry of Industry and Trade

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Ministry of Economy and Finance

- General Budget of the Nation
- Public Investments
- SITUFIN
- Public Debt Statistics
- Debt Monthly Reports
- Monthly Financial Management of the General Budget of the Nation
- Report on Foreign Trade (RCE)
- Planning System according to Outcomes

- Financial Control and Budget Evaluation
- Economic and Commercial Profile
- (ECB) Foreign Trade Bulletin
- BeCAL
- News

National Directorate of Tax Revenues (DNIT)

- Statistics on Collections
- Why to invest in Paraguay

Financial Agency of Development

- Products
- Investors

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Schedule

Economic Indicators / 2021–2025

	2021	2022	2023(*)	2024(**)	2025(**)
Real Sector					
Population (thousands)	6,247.9	6,284.0	6,326.8	6,372.6	6,417.1
GDP (USD million)	40,284.1	42,093.1	43,171.2	44,435.9	45,478.8
GDP per capita (USD)	6,447.6	6,698.4	6,823.5	6,972.9	7,087.2
Real GDP (y-o-y change in %)	4.0	0.2	5.0	4.0	3.8
Total consumption (y-o-y change in %)	5.5	1.6	3.5	5.0	3.3
Capital investment (FBKF) (y-o-y change in %)	18.2	-1.8	-2.8	5.8	3.9
Unemployed Rate (open unemployment)	6.8	5.7	6.5	4.6	nd
Economy Structure					
In view of Supply (percentage change)					
Primary Sector	-11.6	-8.6	15.9	3.2	1.8
Agriculture	-18.2	-12.5	23.4	1.8	2.0
Livestock	6.2	-0.3	0.5	6.2	0.3
Others	6.8	-0.7	5.7	6.0	3.8
Secondary Sector	5.0	0.7	4.0	2.2	5.0
Manufacturing	6.9	-0.1	4.2	4.1	3.9
Construction	12.8	-3.2	-7.1	4.8	4.3
Electricity and Water	-7.6	7.8	15.5	-4.9	8.7
Service sector	6.5	1.5	3.5	4.5	3.4
Government services	-3.4	-0.7	3.0	3.4	2.4
Trade	14.3	3.4	4.9	5.1	3.3
Telecommunications	4.5	-2.4	-0.8	-0.2	-0.9
Other services	7.7	2.1	3.8	5.3	4.3
Taxes on products	9.0	1.1	5.6	9.5	3.7
In view of Demand (Thousands of USD)					
Capital Investment (FBKF)	6,912.8	6,390.5	6,131.7	6,092.8	6,264.0
Total Consumption	24,240.2	23,181.7	23,674.7	23,353.0	23,881.1
Exports of goods and services	10,236.8	9,536.2	12,708.6	11,983.4	12,272.7
Imports of goods and services	10,710.6	11,037.3	11,918.9	11,652.9	11,807.5
Monetary and Financial Sector					
Rate of Exchange (PYG per USD, fdp)	6,815.54	7,238.66	7,335.21	7,810.24	7,893.0
Inflation (CPI, y-o-y change in %)	6.8	8.1	3.7	3.8	-
Interbank interest rate (%, average monthly TIB)	4.3	8.5	7.0	6.2	-
Monetary aggregate (y-o-y change in M2 in %)	8.2	3.2	9.5	12	-
Dollarization Ratio (% of banking deposits in ME)	44.9	45.0	45.0	45.6	-
Banking sector loans to the private and public sectors (% y-o-y change)	13.2	10.2	11.8	17.8	-
Real wage index (y-o-y change, %)	5.5	6.9	4.7	4.4	-

External⁴ Sector					
(Thousands of USD)					
Exports of goods	770,734	797,709	1,007,677	1,318,617	1,318,126
Inter-annual variation in %	-14.2	3.5	26.3	30.9	-0.0
Imports of goods	804,339	1,141,361	1,272,474	1,431,510	1,423,006
Inter-annual variation in %	-23.4	41.9	11.5	12.5	-0.6
Trade Balance of goods	-33,605	-343,652	-264,797	-112,892	-104,880
% of GDP	-0.1	-0.8	-0.6	-0.3	-0.2
(USD Millions)					
Current Account	-442.8	-3,001.9	-243.3	-709.8	-
% of GDP	-1.1	-7.1	-0.6	-1.6	-
Capital and Financial Account	-401.6	-2,769.7	-433.3	-927.5	-
% of GDP	-1.0	-6.6	-1.0	-2.1	-
Foreign Direct Investment	8,862.8	9,231.2	9,829.3	9,966.6	-
% of GDP	22.0	21.9	22.8	22.4	-
International Reserves	9,919.1	9,792.1	9,550.9	9,941.7	9,852
% of GDP	24.6	23.3	22.1	22.4	21.7
Públic Sector⁵					
(% of GDP)					
Income	13.7	14.0	14.0	15.3	1.2
<i>Which: Taxation Income represents</i>	9.8	10.2	10.1	11.5	0.9
Expenses	17.3	17.0	18.1	17.9	1.2
<i>Which: Payment of interests represents</i>	1.1	1.2	1.7	2.0	0.2
Primary Outcome	-2.5	-1.8	-2.4	-0.6	0.1
Fiscal Outcome⁶	-3.6	-2.9	-4.1	-2.6	-0.1
Total Debt of the Public Sector	33.8	35.8	38.4	40.7	40.0
Public External Debt	29.3	31.7	33.2	35.4	34.9
% of the Total Public Debt	86.7	88.5	86.6	86.9	87.2
Domestic Public Debt	4.5	4.1	5.2	5.3	5.1
% of the Total Public Debt	13.3	11.5	13.4	13.1	12.8
Service of the Domestic Public Debt	1.6	1.8	3.1	3.2	0.1

⁴The data in this table correspond to the BCP Statistical Annex for February 2025.

⁵The data on revenue, expenditure, primary results, and fiscal results correspond to the Central Administration.

⁶The data for 2025 corresponds to the month of January 2025.

References:

Remarks and Sources: Chart prepared by the General Directorate of Indebtedness Policy (DGPE, Ministry of Economy and Finance), including data of the Central Bank of Paraguay (BCP, Statistical Schedule as of February 25, 2025) and the Ministry of Economy and Finance.

1. The exchange rate corresponds to the one of the last working day of the year.
2. Income and Expenses as of January 2025 are preliminary.
3. These letters shall have the following meanings: M: month (i.e., M1: January); T: Quarter (i.e., T01: quarter 1); N/A: non-available, MF: Foreign Currency; fdp: end of period.
4. (*) means preliminary data subject to changes and (**) projections.
5. Data after 2012 are preliminary and they may be subject to reviews.
6. The Economy Structure includes data in Guaranies as of 2014. Historical data as well as projections correspond to the BCP.
7. Inflation as of January 2025 corresponds to the goal rate of inflation established by the BCP.
8. Other services include: transportation; financial intermediation; residential lease; services rendered to companies; hotels and restaurants and services rendered to households.
9. Binational mean currency income as energy cession of Paraguay to Argentina and Brazil, corresponding to the hydroelectric plants Yacyreta and Itaipu. The Real Sector and Economy Structure projections are figures prepared by the BCP.
10. Public Sector data are figures prepared by the Ministry of Finance. Since 2015, a migration has been performed to the methodology contemplated in the Manual on Statistics of the Public Finances 2001 (MEFP 2001)
11. Exports and imports as of 2025 correspond to January of the mentioned year. (2025, M1). Exports include reexports and other exports. The inter-annual variation of exports/imports as of January 2025 (January 2025/January, 2024) obtains the accrued variation of exports/imports of the total exports and imports accrued of January 2025, concerning the same period of the year 2024.

February 2025

World Economy

According to the International Monetary Fund's global macroeconomic outlook, global growth is expected to remain stable.

The growth projections, which stand at 3.3% for 2025 and 2026, have practically not changed compared to the updates of the global economic outlook in October 2024.

Favorable reviews have been made for the United States that have offset the reductions in other advanced economies.

Regional Context

For the **United States**, growth is projected at 2.7% in 2025, up 0.5 percentage points from the WEO's October 2024 revision. Growth is also expected to fluctuate moderately to reach potential growth in 2026.

For the **Eurozone**, growth is expected to pick up, but at a more gradual pace than previously forecast, as geopolitical tensions continue to weigh on confidence, due to the level of uncertainty in the market. The revision was downward to 1% in 2025 and by 2026, growth is expected to increase by 1.4%, explained by stronger domestic demand.

For **Emerging Market and Developing Economies**, growth performance in 2025 and 2026 is estimated to be broadly in line with the October 2024 projections.

China is expected to grow by 0.1% to 4.6% in 2025, mainly due to the fiscal package announced in November, which offsets the negative impact of trade policy and the housing market. By 2026, growth of 4.5% is forecast, as the effects of trade policy uncertainty dissipate and the increase in the retirement age slows the decline in labor supply.

Table 1: Projections' Overview of the World Economy Outlook.

	2024*	2025**	2026
World	3.2	3.3	3.3
Advanced Economies	1.7	1.9	1.8
United States	2.8	2.7	2.1
Eurozone	0.8	1.0	1.4
MEED	4.2	4.2	4.3
China	4.8	4.6	4.5
LAC	2.4	2.5	2.7
Brazil	3.7	2.2	2.2
Mexico	1.8	1.4	2.0

Source: WEO – IMF January 2025.

 **World Economic Outlook Update
(IMF-Jan 2025)**

Latin America and the Caribbean

For **Latin America and the Caribbean**, growth is expected to accelerate slightly in 2025 to 2.5%, despite a projected slowdown in the region's largest economies.

In **Brazil**, growth of 2.2% is projected for 2025 and is expected to be maintained by 2026.

Finally, growth of 1.4% is estimated for **Mexico** in 2025, and an increase to 2% by 2026.

 **World Economic Outlook Update
(IMF-Jan 2025)**

Domestic Situation

Paraguay's GDP growth projection was maintained at 4.0% for 2024, based on the estimates of the Central Bank of Paraguay, but with internal readjustments. The estimate for GDP excluding agriculture and binational was 5.4%.

The **livestock sector** registered an adjustment, going from 5.4% to 6.2% due to the higher slaughter rate. The **construction sector** presented an adjustment of 3% to 4.8%, due to the greater execution of public and private works.

The **electricity and water sector** were reviewed downwards, from -4% to -4.9%, due to the lower production of electricity by the binational, affected by the low level of the water flow of the Parana River.

As for the **manufacturing industry**, it was adjusted downwards, from 4.4% to 4.1%, mainly explained by lower oil production.

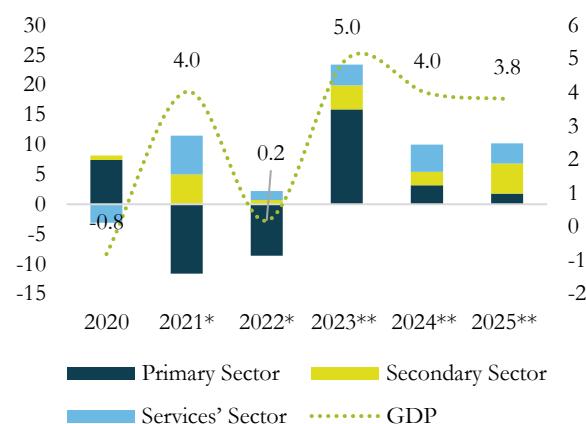
On the demand side, public consumption showed changes, from 4.4% to 6.8%, due to the good dynamics of purchases of goods and services by the Central Government.

For 2025, GDP growth is projected at 3.8%, mostly explained by a positive dynamic in the **services sector**, mainly emphasized in the branches of commerce, services to households and financial intermediation. As for the **secondary sector**, a positive performance is expected, especially in the manufacturing industry and construction, as well as a positive dynamic in energy production. The **primary sector** expects a positive performance, explained by an expansion of agriculture, livestock and other activities of the sector.



Monetary Policy Report

Chart 1: GDP Growth by economic sectors 2025.



Source: Central Bank of Paraguay

* Preliminary figures ** Projection

**Economic Report Statistic
Schedule (BCP)**

Debt levels and structures of the Total Public Sector

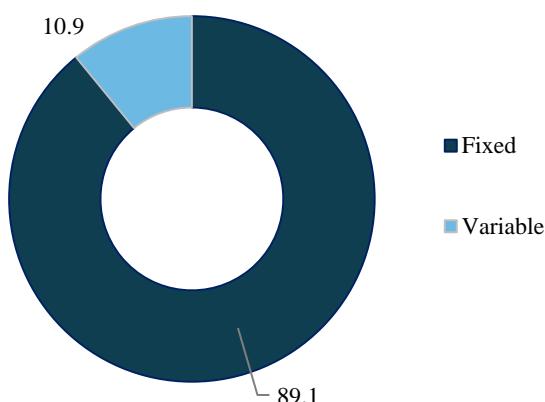
The Law 1535/1999 on "State Financial Administration," in Article No. 42, establishes that public debt shall be classified as internal and external, and direct and indirect. Direct public debt of the Central Administration is that assumed by the latter as the principal debtor. Indirect debt of the Central Administration, on the other hand, is that constituted by any natural or legal person, public or private, other than the Central Administration, but which has the corresponding guarantee, bond, or surety, duly authorized by law (public companies, second-tier banks, etc.).

In February, the **total public sector debt** level stood at 40.1% of GDP, which is considered sustainable for the country's public finances, representing one of the lowest debt levels in the region.

In terms of the classification of total public **sector debt by type** of rate as of February 2025, **89.1%** was found to be at a fixed rate and **10.9%** at a variable rate.



Figure 1: Total Public Debt Balance per rate of interest

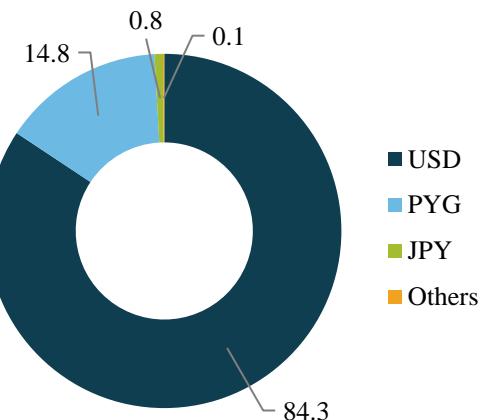


Source: Vice-ministry of Economy and Planning

The **public debt structure by currency in February**, keeps a greater ratio in USD (84.3%), together with PYG (14.8%), JPY (0.8%) and other currencies at (0.1%).

It is worth pointing out that the highest ratio of debt in dollars does not represent a risk for the country, because Paraguay receives income in dollars as annual royalties for the use of the hydraulic potential of the Parana River for the production of electrical energy, coming from the binational entities (Itaipu and Yacyreta).

Figure 2: Total Public Debt Balance per currency in percentage



Source: Vice-ministry of Economy and Planning.



Debt statistics

According to the Debt Maturity average

Due to placements in international markets in longer terms than those of the domestic markets, the average deadline of the Central Administration (ATM) has been increased from 10.9 years (2017) to 11.37 years (2022). This allows a greater public debt maneuverability.

Table 2: Debt Average Maturity (Years*)

Years	Central Administration		
	External Debt	Internal Debt	Total Debt
2017	11.5	2.4	10.9
2018	12.7	3.4	12
2019	13.3	3.4	12.6
2020	14.9	4.8	14.3
2021	12.6	7.6	12.3
2022	11.58	7.12	11.37

Source: Vice-ministry of Economy and Planning

*Does not include perpetual debt with the BCP.



Strategic Guideline

Fiscal Policy

Financial Situation as of February 2025.

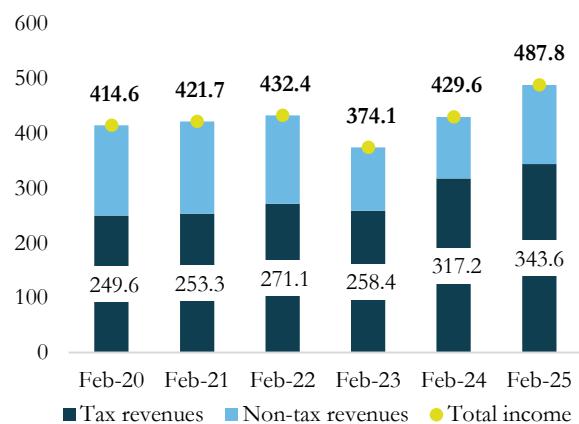
At the end of February 2025, the cumulative fiscal deficit was -0.4% of GDP, equivalent to USD 173.5 million. In annualized terms, the overall result was -3.0% of GDP, explained by higher spending on medicines, school meals, and interest, and by efforts to maintain balanced public investment throughout the year.⁷

Income

In February 2025, total income registered cumulative growth of 13.7%.

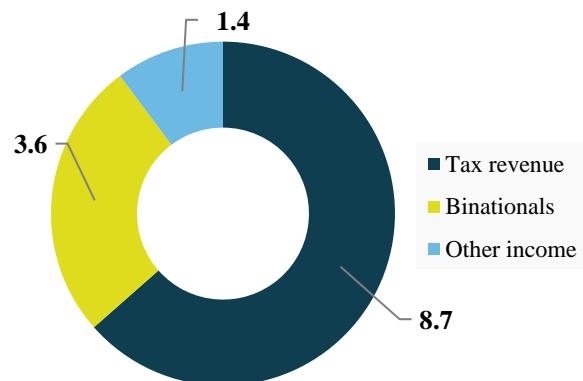
Total revenue in February was USD 487.8 million, mainly due to strong tax revenue performance, coming from both domestic and foreign tax collection, primarily from corporate income tax (IRE), value added tax (VAT), and customs duties. It is also important to note the strong performance of non-tax revenues, which grew by 20.1%, explained by the stronger performance of binational companies.

Chart 2: Total Income in February 2025, in million Dollars



Source: SITUFIN – Ministry of Economy and Finance.

Figure 3: Income components in percentage (accrued variation).

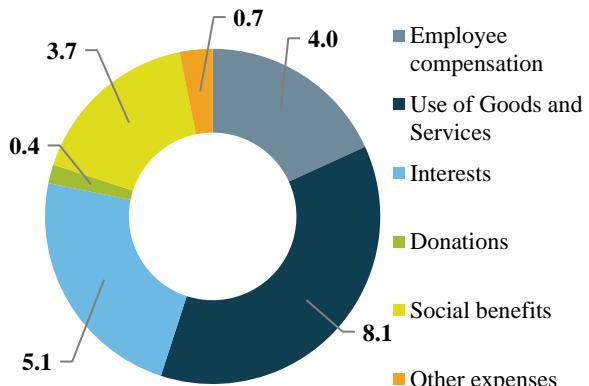


Source: SITUFIN – Ministry of Economy and Finance.

Public Spending

Total expenses presented an accumulated increase of 22.0% at the end of February. This result is mainly explained by the use of goods and services, interest payments and remuneration of strategic sectors.

Figure 4: Composition of the variation in accrued expenses in percentage terms



Source: SITUFIN – Ministry of Economy and Finance.

⁷ SITUFIN February - 2025. Ministry of Economy and Finance. Retrieved from

Public Investment

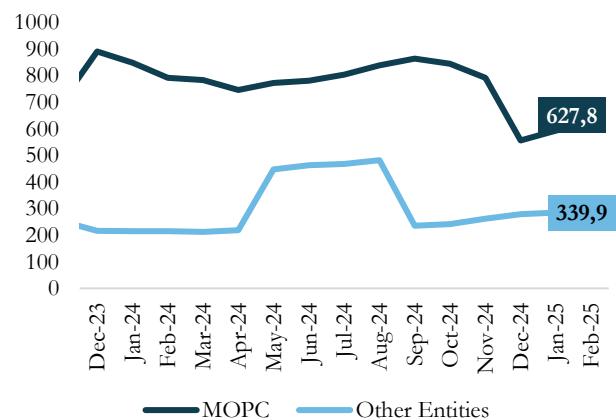
National Public Investment System SNIP

It is the set of rules and instruments aimed at organizing the Public Investment process, to streamline the use of resources in the financing of investment projects for the country, and that they generate positive impacts in society⁸.

Investment as of February, 2025

Total public investment as of February was USD 967.7 million, which represents 2.2% of GDP, in annualized terms. It is made up of USD 627.8 million that corresponds to the Ministry of Public Works and Communications; and, USD 339.9 million corresponding to other entities.

Chart 3: Annualized Investment, in million Dollars.



Source: SITUFIN – Ministry of Economy and Finance.



Monetary Policy

The Central Bank of Paraguay leads the monetary policy under an inflation goal scheme. Since 2011, officially under this goal scheme, the main goal of the Monetary Policy according to the Law N° 6104 that modifies and widens the Organic Law N° 489/95 of the Central Bank of Paraguay (BCP), is to preserve and safeguard the value stability of the currency providing a safe foreseeability framework for the Paraguayan economy, on which the economic agents may be based to make decisions concerning consumption and investment.

Inflation

International Context

International prices have slowed compared to those reported in January 2025. Regarding agricultural commodities, wheat and corn prices have increased in response to adverse weather conditions. However, soybean prices have decreased in a context of increased supply driven by a favorable harvest in Brazil, as well as higher-than-estimated stocks in the United States.

In the **United States**, the unemployment rate has been increased to 4.1% in February with a 0.1% variation. Year-on-year inflation has been reduced to 2.8%, below the market expectations. In this context, the Federal Reserve decided to keep the interest rates of the federal funds within the target range of 4.25 – 4.50, according to what has been expected.

Domestic Context

In Paraguay, the Board of Directors of the Central Bank of Paraguay has recently decided to reduce the inflation target, measured by the variation of the Consumer Price Index (IPC), adjusting it from 4.0% to 3.5% and keeping the tolerance range of 2% above and 2% below. *This decision is based on key factors, such as the favorable inflation evolution according to the goals scheme that has generally remained below the established objectives, the parent bank credibility in the direction of expectations of the economic agents. A lower inflation goal contributes to*

⁸ Obtained from:



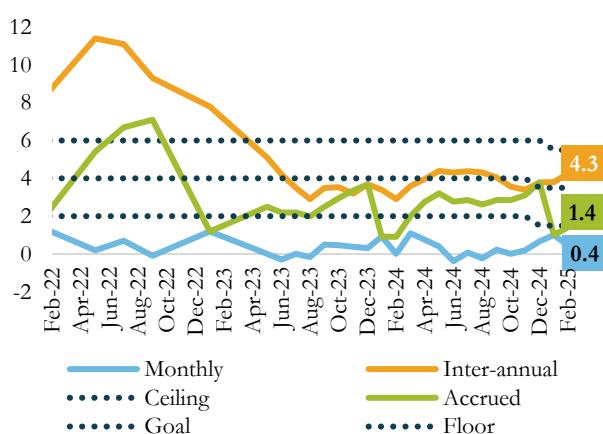
protect the purchasing power of the population, particularly of the lower income households. Likewise, a lower and stable inflation is a key element for the long-term planning⁹.

As of February, monthly inflation according to the IPC reached 0.4%, mainly explained by the increase of fuels and services.

Monthly inflation excluding food and energy prices (IPCSAE) was 0.5%; however, total inflation was 4.3% year-on-year. As regards inflation measured by the IPCSAE, it was 4.1% in February.

Inflation expectations for the next 12 months are 3.7% and for the monetary policy horizon, they have kept in 3.5%.

Chart 4: Inflation as of February 2025, in percentage



Source: Central Bank of Paraguay.



Minutes of CPM Meetings

Monetary Policy Rate

This is a monetary policy instrument through which it is exercised influence in the liquidity and the rates of interest of the market that may affect part of the economic activity and has an impact on inflation.

Monetary Policy Rate (TPM) as of February 2025

The Monetary Policy Committee (CPM) has decided to keep the Monetary Policy Rate (TPM) by 6% in their meeting of February of the present year, mainly explained by the continued positive performance of domestic economic conditions; however, greater caution is expected regarding external conditions such as the pace of adjustments in interest rates by the Federal Reserve in 2025, as well as the behavior of the price of agricultural commodities and oil.

Chart 5: Monetary Policy Rate 2025



Source: Central Bank of Paraguay.

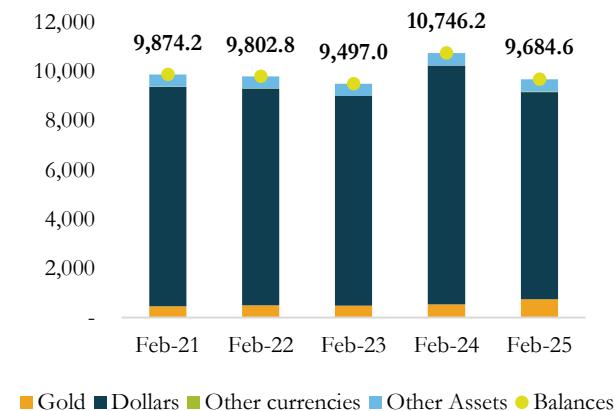


Minutes of CPM Meetings

Net International Reserves

Net international reserves in February 2025 stood at USD 9,684.6 million, comprising USD 747.0 million in gold, USD 8,417.8 million in dollars, USD 21.1 million in other currencies, and USD 498.4 million in other assets.

⁹ Minutes of the Monetary Policy Committee Meeting (19-Dec-2024). Retrieved from:

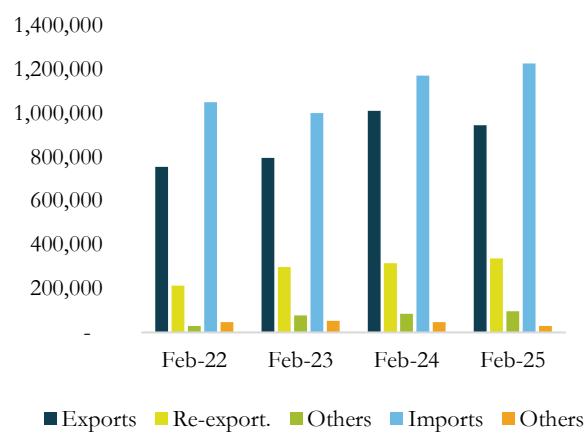
Chart 6: RIN composition, in million Dollars.

Source: Central Bank of Paraguay.

BCP's Statistical Schedule

Balance of Trade

In February 2025, foreign trade figures (exports plus imports) totaled USD 2,633.3 billion.

Total exports in February 2025 amounted to USD 1,377.5 million. On the other hand, total imports in February 2025 amounted to USD 1,255.8 million. Finally, the trade balance registered a variation of USD 121.649 million, in favor of exports.

Chart 7: Balance of Trade, in thousands of Dollars

Source: Central Bank of Paraguay.

BCP's Statistical Schedule


Credit Perspective of Paraguay

Sovereign Risk Rating Record

Paraguay has managed to keep the country risk rating and the perspectives with the credit rating agencies Moody's, Fitch and Standard and Poor's, in spite of adverse conditions, such as external shocks, a pandemic, armed conflicts, and internal shocks such as drought and other weather situations.

In October, 2024, Fitch Ratings agency, confirms Paraguay's rating in BB+ with a stable outlook, backed in its last report that it is based on prudent and consistent macroeconomic policies, as well as a remarkable scenario between the regional countries, as one of the greatest growth outlook, low indebtedness levels and efforts of the government to implement reforms that improve the efficiency concerning institutionality and governance

On the other hand, Standard and Poor's, on their report dated January 8, 2025, has decided to keep the sovereign risk rating of Paraguay in BB+, changing the stable to positive outlook, explained by prudent macroeconomic policies implemented by the government, and a moderated public debt. Likewise, they highlight that the reforms implemented in the last decade have strengthened the credibility of economic institutions.

Table 3: Sovereign Risk Ratings 2025

Rating Agency	Rate	Perspective	Last revision
S&P	BB+	Positive	Jan-08-2025
Moody's	Baa3	Stable	Jan-30-2025
Fitch	BB+	Stable	Oct-22-2024

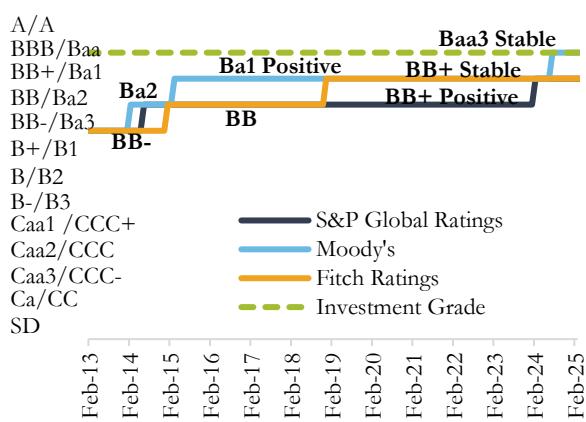
Source: Vice-Ministry of Economy and Planning.

Annual Reports on Risk Rating

Likewise, Moody's Risk Rating Agency has decided to keep its Baa3 rating with a stable outlook. The rating highlights solid growth, improved institutions, and limited external vulnerability.

To sum up, Paraguay is currently in an investment grade position with Moody's risk rating agency and one-step higher with Fitch and Standard and Poor's.

Chart 8: Sovereign Risk Rating of Paraguay
Period 2013 – 2025



Source: Vice-Ministry of Economy and Planning



Regional Outlook Report

Other accesses of interest

Click on the text to go to the web site.

Monetary Policy Reports



-  [National Accounts Report \(Fiscal Quarters\)](#) 
-  [Statistic Schedule of the Economic Report](#)
-  [Foreign Trade Report \(Fiscal Quarters\)](#)

-  [Direct Investment](#)
-  [Monetary Policy](#)

ODS

-  [Sustainable Paraguay](#)
-  [Sustainable Development Objectives \(ODS\)\)](#)

Ministry of Industry and Trade

-  [MyPIMES](#)
-  [Maquila](#)
-  [Programs and Projects for S&MEs](#)

Environmental Actions

-  [Legal Provisions on environmental policies and actions](#)

Ministry of Economy and Finance

- General Budget of the Nation
- Public Investments
- SITUFIN
- Public Debt Statistics
- Debt Monthly Reports
- Monthly Financial Management of the General Budget of the Nation
- Report on Foreign Trade (RCE)
- Planning System according to Outcomes

- Financial Control and Budget Evaluation
- Economic and Commercial Profile
- (ECB) Foreign Trade Bulletin
- Becal
- News

Financial Agency of Development

- Products
- Investors

National Directorate of Tax Revenues (DNIT)

- Statistics on Collections
- Why to invest in Paraguay

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<https://www.mef.gov.py/es/dependencias/viceministerio-de-economia-y-planificacion/inversores>



Schedule

Indicadores Económicos / 2021 - 2025					
	2021	2022	2023(*)	2024(**)	2025(**)
Real Sector					
Population (Thousands)	6,247.9	6,284.0	6,326.8	6,372.6	6,417.1
GDP (USD million)	40,284.1	42,093.1	43,171.2	44,435.9	45,478.8
GDP per capita (USD)	6,447.6	6,698.4	6,823.5	6,972.9	7,087.2
Real GDP (y-o-y change in %)	4.0	0.2	5.0	4.0	3.8
Total consumption (y-o-y change in %)	5.5	1.6	3.5	5.0	3.3
Capital investment (FBKF) (y-o-y change in %)	18.2	-1.8	-2.8	5.8	3.9
Unemployed Rate (open unemployment)	6.8	5.8	5.2	4.6	nd
Economy Structure					
In view of Supply (percentage change)					
Primary Sector	-11.6	-8.6	15.9	3.2	1.8
Agriculture	-18.2	-12.5	23.4	1.8	2.0
Livestock	6.2	-0.3	0.5	6.2	0.3
Others	6.8	-0.7	5.7	6.0	3.8
Secondary Sector	5.0	0.7	4.0	2.2	5.0
Manufacturing	6.9	-0.1	4.2	4.1	3.9
Construction	12.8	-3.2	-7.1	4.8	4.3
Electricity and Water	-7.6	7.8	15.5	-4.9	8.7
Service sector	6.5	1.5	3.5	4.5	3.4
Government services	-3.4	-0.7	3.0	3.4	2.4
Trade	14.3	3.4	4.9	5.1	3.3
Telecommunications	4.5	-2.4	-0.8	-0.2	-0.9
Other services	7.7	2.1	3.8	5.3	4.3
Taxes on products	9.0	1.1	5.6	9.5	3.7
In view of Demand (Thousands of USD)					
Capital Investment (FBKF)	6,912.8	6,390.5	6,131.7	6,092.8	6,260.5
Total Consumption	24,240.2	23,181.7	23,674.7	23,353.0	23,867.5
Exports of goods and services	10,236.8	9,536.2	12,708.6	11,983.4	12,265.8
Importaciones de bienes y servicios	10,710.6	11,037.3	11,918.9	11,652.9	11,800.7
Monetary and Financial Sector					
Rate of Exchange (PYG per USD, fdp)	6,815.5	7,238.7	7,335.2	7,810.2	7,897.5
Inflation (CPI, y-o-y change in %)	6.8	8.1	3.7	3.8	4.3
Interbank interest rate (%, average monthly TIB)	4.3	8.5	7.0	6.2	6.0
Monetary aggregate (y-o-y change in M2 in %)	8.2	3.2	9.5	12.0	12.3
Dollarization Ratio (% of banking deposits in ME)	44.9	45.0	45.0	45.6	46.1
Banking sector loans to the private and public sectors (% y-o-y change)	13.2	10.2	11.8	17.8	19.5
Real wage index (y-o-y change, %)	5.5	6.9	4.7	4.4	-
External Sector¹⁰					
(Thousands of USD)					
Exports of goods	844,844	996,848	1,168,660	1,410,048	1,377,466
Inter-annual variation in %	-18.2	18.0	17.2	20.7	-2.3

¹⁰ The data in this table correspond to the Statistical Annex of the BCP for March 2025.

Imports of goods	893,464	1,095,606	1,051,169	1,216,410	1,255,817
Inter-annual variation in %	-0.2	22.6	-4.1	15.7	3.2
Trade Balance of goods	-48,620	-98,757	117,491	193,638	121,649
% of GDP	-0.1	-0.2	0.3	0.4	0.3
(Millions of USD)					
Current Account	-442.8	-3,001.9	-243.3	-709.8	-
% of GDP	-1.1	-7.1	-0.6	-1.6	-
Capital and Financial Account	-401.6	-2,769.7	-433.3	-927.5	-
% of GDP	-1.0	-6.6	-1.0	-2.1	-
Foreign Direct Investment	8,862.8	9,231.2	9,829.3	9,966.6	-
% of GDP	22.0	21.9	22.8	22.4	-
International Reserves	9,874.2	9,802.8	9,497.0	10,746.2	9,685
% of GDP	24.5	23.3	22.0	24.2	21.3
Public Sector¹¹					
(% of GDP)					
Income	13.7	14.0	14.0	15.3	2.2
<i>Which: Taxation Income represents</i>	9.8	10.2	10.1	11.5	1.6
Expenses and investments	17.3	17.0	18.1	17.9	2.6
<i>Which: Payment of interests represents</i>	1.1	1.2	1.7	2.0	0.3
Primary Outcome	-2.5	-1.8	-2.4	-0.6	-0.1
Fiscal Outcome¹²	-3.6	-2.9	-4.1	-2.6	-0.4
Total Debt of the Public Sector	33.8	35.8	38.4	40.7	40.1
Public External Debt	29.3	31.7	33.2	35.4	35.0
% of the Total Public Debt	86.7	88.5	86.6	86.9	87.3
Domestic Public Debt	4.5	4.1	5.2	5.3	5.1
% of the Total Public Debt	13.3	11.5	13.4	13.1	12.7
Service of the Domestic Public Debt	1.6	1.8	3.1	3.2	0.2

¹¹ The data on revenue, expenditure, primary results, and fiscal results correspond to the Central Administration.

¹² The data for 2025 is cumulative as of February 2025.

References:

Remarks and Sources: Chart prepared by the General Directorate of Indebtedness Policy (DGPE, Ministry of Economy and Finance), including data of the Central Bank of Paraguay (BCP, Statistical Schedule as of March 24, 2025) and the Ministry of Economy and Finance.

1. The exchange rate corresponds to the one of the last working day of the year.
2. Income and Expenses as of February 2025 are preliminary.
3. These letters shall have the following meanings: M: month (i.e., M2: February); T: Quarter (i.e., T01: quarter 1); N/A: non-available, ME: Foreign Currency; fdp: end of period.
4. (*) means preliminary data subject to changes and (**) projections.
5. Data after 2012 are preliminary and they may be subject to reviews.
6. The Economy Structure includes data in Guaranies as of 2014. Historical data as well as projections correspond to the BCP.
7. Inflation as of February 2025 corresponds to the goal rate of inflation established by the BCP.
8. Other services include: transportation; financial intermediation; residential lease; services rendered to companies; hotels and restaurants and services rendered to households.
9. Binational mean currency income as energy cession of Paraguay to Argentina and Brazil, corresponding to the hydroelectric plants Yacyreta and Itaipu. The Real Sector and Economy Structure projections are figures prepared by the BCP.
10. Public Sector data are figures prepared by the Ministry of Finance. Since 2015, a migration has been performed to the methodology contemplated in the Manual on Statistics of the Public Finances 2001 (MEFP 2001)
11. Exports and imports as of 2025 correspond to February of the mentioned year. (2025, M2). Exports include reexports and other exports. The inter-annual variation of exports/imports as of February 2025 (February 2025/February, 2024) obtains the accrued variation of exports/imports of the total exports and imports accrued of February 2025, concerning the same period of the year 2024.

March 2025

World Economy

According to the International Monetary Fund's World Macroeconomic Outlook, global growth is expected to remain stable.

Global growth projections, at 3.3% for 2025 and 2026, are virtually unchanged from the October 2024 World Economic Outlook update.

Because favorable revisions for the United States have been offset by downgrades in other major economies.

Regional Context

For the **United States**, growth is forecast at 2.7% in 2025, 0.5 percentage points higher than in the October 2024 WEO revision. Growth is also projected to fluctuate moderately to potential growth in 2026.

For the **Eurozone**, growth is expected to pick up, but at a more gradual pace than previously forecast, as geopolitical tensions continue to weigh on confidence, due to the level of uncertainty in the market. The revision was downward to 1% in 2025 and by 2026, growth is expected to increase by 1.4%, explained by stronger domestic demand.

For **Emerging Market and Developing Economies**, growth performance in 2025 and 2026 is estimated to be broadly in line with the October 2024 projections.

Regarding **China**, for 2025, a 0.1% increase to 4.6% is expected, mainly explained by the fiscal package announced in November, which offsets the negative effect of trade policy and the real estate market. By 2026, growth of 4.5% is forecast, as the effects of trade policy uncertainty dissipate and the rising retirement age slows the decline in labor supply.

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LAC	2.4	2.5	2.7
Brazil	3.7	2.2	2.2
Mexico	1.8	1.4	2.0

Source: WEO-FMI January 2025.



**World Economic Outlook Update
(IMF-Jan 2025)**

Latin America and the Caribbean

For **Latin America and the Caribbean**, growth is expected to accelerate slightly in 2025 to 2.5%, although a slowdown is anticipated in the region's largest economies.

In **Brazil**, growth is projected at 2.2% for 2025 and is expected to remain stable through 2026.

Finally, growth is estimated at 1.4% for **Mexico** in 2025, increasing to 2% by 2026.



**World Economic Outlook Update
(IMF-Jan 2025)**

Domestic Situation

Paraguay's GDP growth projection showed an upward adjustment from 3.8% to 4.0% for 2025. This growth would be primarily explained by the services sector, whose forecast was revised from 3.4% to 4.0%.

Regarding the **primary sector**, agriculture was revised downward from 2.0% to 0.6%, mainly due to lower soybean production compared to previous estimates, as a result of adverse weather conditions in recent months.

Likewise, the **secondary sector** is expected to see a positive variation, from 4.3% to 4.9%, as a result of increased execution of public and private works observed in recent months.

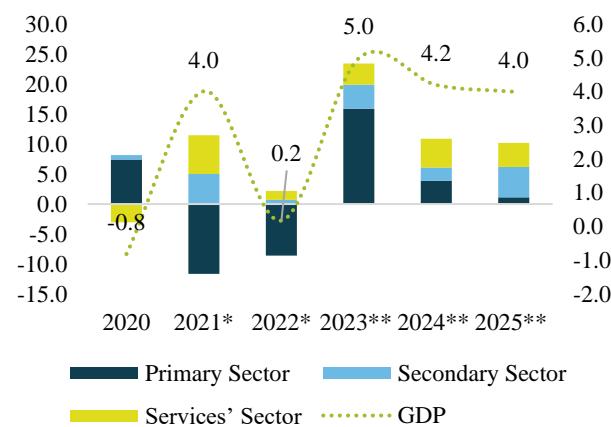
The electricity and water sectors, as well as the manufacturing industry, remain unchanged from the previous revision.

On the spending side, domestic demand is expected to become more dynamic, reflecting an upward revision in private **consumption** from 3.6% to 4.3%, as well as an upward revision in gross fixed capital formation from 3.9% to 4.5%.



Monetary Policy Report

Chart 1: GDP growth by economic sector in 2025.



Source: Central Bank of Paraguay.

*Preliminary figures. **Projection.



Statistical Schedule of the Economic Report. (BCP)

Debt levels and structures of the Total Public Sector

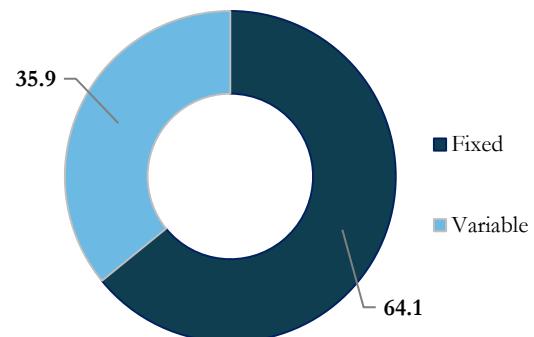
The Law 1535/1999 on “State Financial Administration,” in Article No. 42, establishes that public debt shall be classified as internal and external, and direct and indirect. Direct public debt of the Central Administration is that assumed by the latter as the principal debtor. Indirect debt of the Central Administration, on

the other hand, is that constituted by any natural or legal person, public or private, other than the Central Administration, but which has the corresponding guarantee, bond, or surety, duly authorized by law (public companies, second-tier banks, etc.).

In March, the **Total Public Sector debt** level stood at 41.2% of GDP, considered sustainable for the country's public finances, thus representing one of the lowest debt levels in the region.

Regarding the **classification of total public sector debt by interest rate as of March 2025**, **64.1%** was at a fixed rate and **35.9%** at a variable rate.

Figure 1: Total public debt balance by interest rate.



Source: Vice Ministry of Economy and Planning

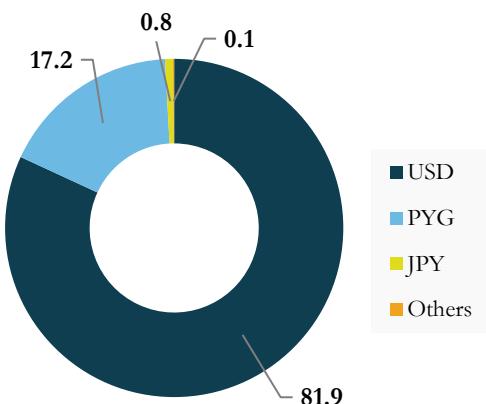
The structure of public debt by currency in March maintained a higher proportion in USD (81.9%), accompanied by PYG (17.2%), JPY (0.8%), and other currencies (0.1%).

It should be noted that the higher proportion of debt in dollars does not represent a risk for the country, as Paraguay receives income in dollars from annual royalties for the use of the Paraná River's hydraulic potential for the production of electricity by binational entities (Itaipú and Yacyretá).



[Back to top](#)

Figure 2: Total Public Debt Balance by Currency in Percentage



Source: Vice Ministry of Economy and Planning

Debt statistics

Regarding the average debt maturity

Due to placements in international markets with longer terms than those in domestic markets, the average maturity of Central Government Debt (ATM) was increased from 10.9 years (2017) to 11.37 years (2022). This allows for greater maneuverability in public debt.

Table 2: Average Debt Maturity (Years*)

Administración Central			
Years	External Debt	Domestic Debt	Total Debt
2017	11.5	2.4	10.9
2018	12.7	3.4	12
2019	13.3	3.4	12.6
2020	14.9	4.8	14.3
2021	12.6	7.6	12.3
2022	11.58	7.12	11.37

Source: Vice-ministry of Economy and Planning

*Does not include perpetual debt with BCP.

Strategic Guideline

Fiscal Policy

Financial Situation as of March 2025.

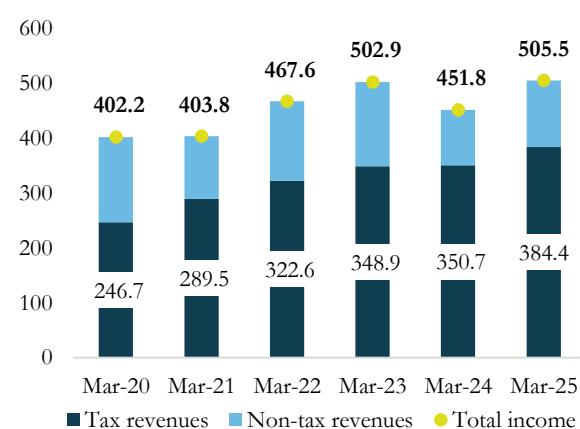
At the end of March 2025, the accumulated fiscal deficit was -0.8% of GDP, equivalent to USD 356.9 million. In annualized terms, the overall deficit was -2.8% of GDP, explained by stronger spending on medicines, school meals, and interest, and by efforts to maintain a balanced execution of public investment throughout the year.¹³

Income

In March 2025, total income registered cumulative growth of 14.8%.

Total revenue in March was USD 505.5 million, mainly due to strong tax revenue performance, coming from both domestic and foreign tax collection, essentially from corporate income tax (IRE), value added tax (VAT), and customs duties. It is also important to note the strong performance of non-tax revenues, which grew by 22.3%, driven by stronger performance from binational companies.

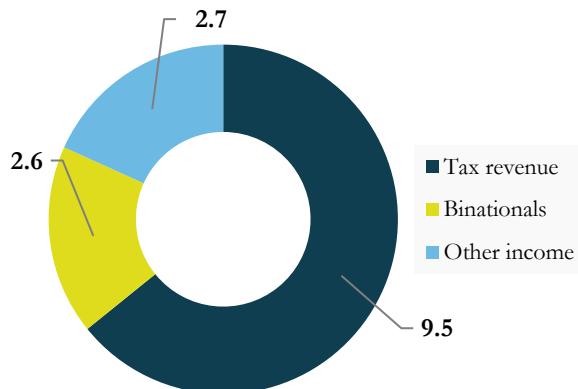
Chart 2: Total revenue in March 2025, in millions of dollars



Source: SITUFIN – Ministry of Economy and Finance.

¹³ SITUFIN March - 2025. Ministry of Economy and Finance. Retrieved from

Figure 3: Income components in percentage terms (cumulative variation).

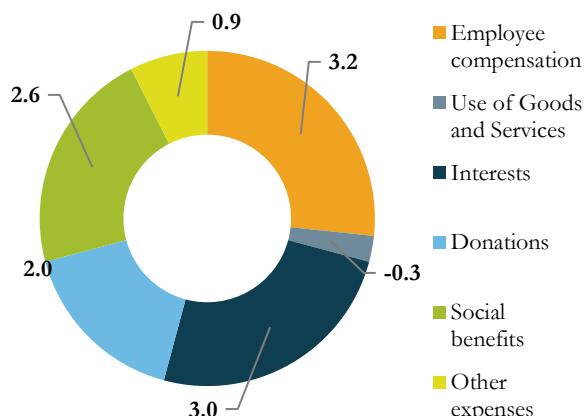


Source: SITUFIN – Ministry of Economy and Finance

Public Spending

Total spending showed a cumulative increase of 11.4% at the end of March. This result is primarily explained by the use of goods and services, interest payments, and salaries from strategic sectors.

Figure 4: Composition of the cumulative expenditure change in percentage terms



Source: SITUFIN – Ministry of Economy and Finance.



Public Investment

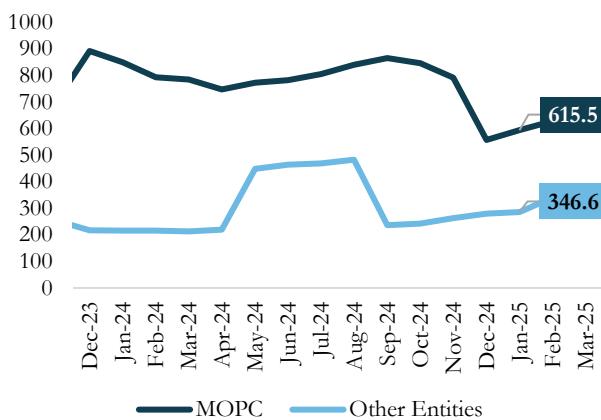
National Public Investment System (SNIP).

This is the set of rules and instruments that aim to regulate the Public Investment process, optimize the use of resources in financing investment projects for the country, and ensure that these generate positive impacts on society.¹⁴

Investment in March 2025

Total public investment, as of March, was USD 962.1 million, distributed as follows: USD 615.5 million corresponding to the Ministry of Public Works and Communications; and USD 346.6 million to other entities.

Chart 3: Annualized Investment, in millions of dollars.



Source: SITUFIN – Ministry of Economy and Finance.



Monetary Policy

The Central Bank of Paraguay (BCP) conducts monetary policy under an inflation targeting scheme, officially adopted in 2011. Under this regime the main objective of Monetary Policy, in accordance with Law No. 6104 that modifies and expands Law No. 489/95 “Organic Law of the BCP”, is to preserve and ensure the stability of the value of the currency by providing a framework of nominal predictability for the Paraguayan economy, on which economic agents can base their decisions on both consumption and investment.

¹⁴ Obtained from:

<https://economia.gov.py/index.php/dependencias/direccion-general-de-inversion-publica>

Inflation

International Context

International prices for oil and key agricultural commodities have slowed in the last month, driven by improved supply prospects and the forecast of lower global demand as a result of increased restrictions on international trade. Meanwhile, wheat prices showed a slight increase, explained by adverse weather conditions in the main producing areas.

In the **United States**, the unemployment rate rose to 4.2% in March, a 0.1% change. Year-on-year inflation was 2.4%, below market expectations.

Domestic Context

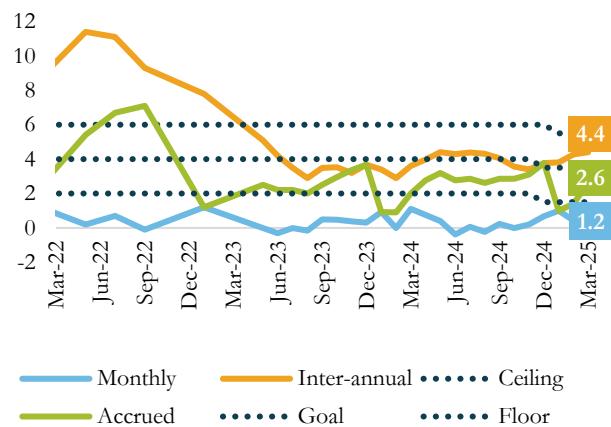
The Board of Directors of the Central Bank of Paraguay recently decided to reduce the inflation target, measured by the change in the Consumer Price Index (CPI), adjusting it from 4.0% to 3.5% and maintaining the tolerance range of 2% above and 2% below. *This decision is based on several key factors, such as the favorable evolution of inflation under the targeting scheme, which has generally remained below established objectives, the effectiveness of monetary policy, and the credibility of the central bank in guiding the expectations of economic agents. A lower inflation target contributes to protecting the purchasing power of the population, particularly that of lower-income households. Furthermore, lower and more stable inflation is a fundamental element for long-term planning.*¹⁵

In March, monthly inflation was 1.2%, explained by variations in volatile components and, to a lesser extent, by other food products.

Monthly inflation excluding food and energy (IPCSAE) was 0.2%; however, in year-on-year terms, total inflation was 4.4%, while IPCSAE inflation was 4.2%.

Likewise, inflation expectations for 2025 have increased from 3.8% to 4.0%, while for the next 12 months and for the monetary policy horizon they remained at 3.7% and 3.5%, respectively.

Chart 4: Inflation as of March 2025, in percentage



Source: Central Bank of Paraguay.



Minutes of CPM Meetings

Monetary Policy Rate

It is a monetary policy instrument that influences market liquidity and interest rates, eventually affecting part of economic activity and impacting inflation.

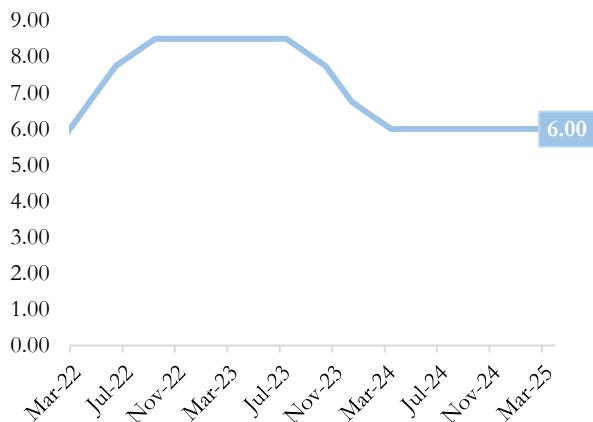
Monetary Policy Rate (MPR) as of March 2025

At its March meeting, the Monetary Policy Committee (MPC) decided to maintain the MPR at 6%.

¹⁵ Minutes of the Monetary Policy Committee Meeting (December 19, 2024). Retrieved from:

<https://www.bcp.gov.py/minutas-de-reuniones-del-cpm-i444>

Chart 5: 2025 Monetary Policy Rate.



Source: Central Bank of Paraguay.

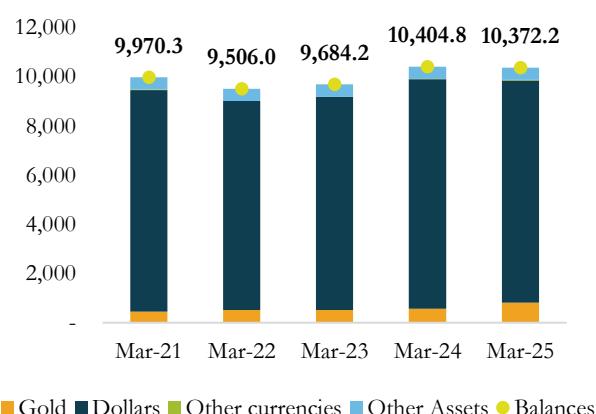


Minutes of CPM Meetings

Net International Reserves

Net international reserves in March 2025 stood at USD 10,372.2 million, comprising USD 809.3 million in gold, USD 9,038.8 million in dollars, USD 22.4 million in other currencies, and USD 501.3 million in other assets.

Chart 6: Composition of NIRs, in millions of dollars



Source: Central Bank of Paraguay.



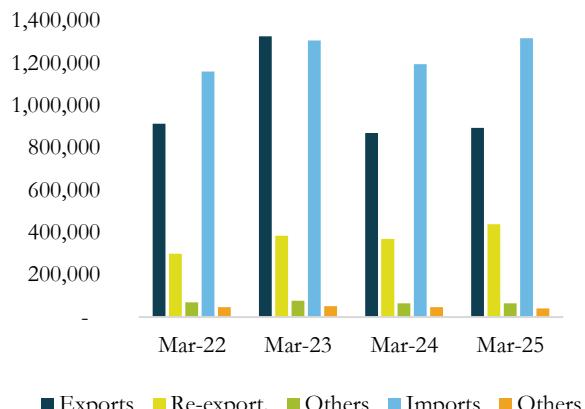
Statistical Schedule of (BCP)

Trade Balance

In March 2025, foreign trade figures (exports plus imports) amounted to USD 2,753.1 million.

Total exports for March 2025 were USD 1,396.1 million. Total imports for February 2025 amounted to USD 1,356.9 million. Finally, the trade balance registered a change of USD 39.2 million, in favor of exports.

Chart 7: Trade Balance, in thousands of dollars



Source: Central Bank of Paraguay.



Statistical Schedule of the Economic Report. (BCP)

Paraguay's Credit Outlook

Sovereign Rating History

Paraguay has managed to maintain a positive trajectory in the evolution of its sovereign rating with rating agencies Moody's, Fitch, and Standard & Poor's, despite adverse conditions such as external shocks, a pandemic, armed conflicts, and internal shocks such as droughts and other climate-related events.

In October 2024, Fitch Ratings confirmed Paraguay's BB+ rating with a stable outlook. The latest report, based on its prudent and consistent macroeconomic policies, as well as a notable economic situation among countries in the region, including one of the strongest growth prospects, low debt levels, and the government's efforts to implement reforms that improve

efficiency in terms of institutions and governance.

For its part, Standard & Poor's, in its January 8, 2025, report, decided to maintain Paraguay's credit rating at BB+, changing the outlook from stable to positive, due to prudent macroeconomic policies implemented by the government and moderate public debt. It also highlights that the reforms implemented in the last decade have strengthened the credibility of economic institutions.

Table 3: Country risk ratings 2025.

Rating Agency	Rating	Perspective	Last revision
S&P	BB+	Positive	Jan-08-2025
Moody's	Baa3	Stable	Jan-30-2025
Fitch	BB+	Stable	Oct-22-2024

Source: Vice Ministry of Economy and Planning.

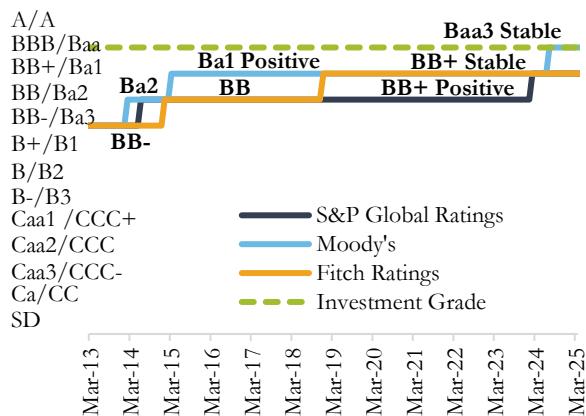


Annual Reports on Risk Rating

Likewise, Moody's, in its credit opinion report of January 30, 2025, decided to maintain the rating at Baa3 with a stable outlook. The report highlights solid growth, improved institutions, and limited external vulnerability.

In summary, Paraguay is currently in an investment-grade position with Moody's and one notch behind with Fitch Ratings and Standard & Poor's.

Chart 8: Paraguay's country rating for the period 2013-2025



Source: Vice Ministry of Economy and Planning.



Regional Outlook Report



Other accesses of interest

Click on the text to go to the web site.

Monetary Policy Reports



-  [National Accounts Report \(Fiscal Quarters\)](#) 
-  [Statistic Schedule of the Economic Report](#)
-  [Foreign Trade Report \(Fiscal Quarters\)](#)

-  [Direct Investment](#)
-  [Monetary Policy](#)

ODS

-  [Sustainable Paraguay](#)
-  [Sustainable Development Objectives \(ODS\)\)](#)

Ministry of Industry and Trade

-  [MyPIMES](#)
-  [Maquila](#)
-  [Programs and Projects for S&MEs](#)

Environmental Actions

-  [Legal Provisions on environmental policies and actions](#)

Ministry of Economy and Finance

-  General Budget of the Nation
-  Public Investments
-  SITUFIN
-  Public Debt Statistics
-  Debt Monthly Reports
-  Report on Foreign Trade (RCE)
-  Monthly Financial Management of the General Budget of the Nation
-  Planning System according to Outcomes
-  Financial Control and Budget Evaluation
-  Economic and Commercial Profile
-  (ECB) Foreign Trade Bulletin
-  BeCAL
-  News

Financial Agency of Development

-  Products
-  Investors
-  Statistics on Collections
-  Why to invest in Paraguay

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Schedule

Economic Indicators / 2021 – 2025

	2021	2022	2023(*)	2024(**)	2025(**)
Real Sector					
Population (Thousands)	6,247.9	6,284.0	6,326.8	6,372.6	6,417.1
GDP (USD million)	40,284.1	42,093.1	43,171.2	44,435.9	45,478.8
GDP per capita (USD)	6,447.6	6,698.4	6,823.5	7,051.6	7,197.5
Real GDP (y-o-y change in %)	4.0	0.2	5.0	4.2	4.0
Total consumption (y-o-y change in %)	5.5	1.6	3.5	5.5	3.9
Capital investment (FBKF) (y-o-y change in %)	18.2	-1.8	-2.8	8.3	4.5
Unemployed Rate (open unemployment)	6.8	5.8	5.2	4.6	nd
Economy Structure					
In view of Supply (percentage change)					
Primary Sector	-11.6	-8.6	15.9	3.9	1.1
Agriculture	-18.2	-12.5	23.4	2.8	0.6
Livestock	6.2	-0.3	0.5	7.3	2.3
Others	6.8	-0.7	5.7	4.3	2.6
Secondary Sector	5.0	0.7	4.0	2.2	5.1
Industry	6.9	-0.1	4.2	4.4	3.9
Construction	12.8	-3.2	-7.1	5.3	4.9
Electricity and Water	-7.6	7.8	15.5	-6.2	8.7
Services Sector	6.5	1.5	3.5	4.8	4.0
Government Services	-3.4	-0.7	3.0	3.2	2.4
Trade	14.3	3.4	4.9	6.0	4.2
Telecommunications	4.5	-2.4	-0.8	-0.9	-0.3
Other Services	7.7	2.1	3.8	5.6	5.0
Taxes on products	9.0	1.1	5.6	10.1	3.7
In view of Demand					
(Thousands of USD)					
Total Investment	6,912.8	6,390.5	6,131.7	6,238.6	6,394.4
Total Consumptions	24,240.2	23,181.7	23,674.7	23,461.9	23,917.4
Exports of goods and services	10,236.8	9,536.2	12,708.6	11,695.6	11,815.5
Imports of goods and services	10,710.6	11,037.3	11,918.9	11,659.9	11,754.4
Monetary and Financial Sector					
Exchange rate (PYG per USD, fdp)	6,815.5	7,238.7	7,335.2	7,810.2	7,962.9
Inflation (CPI, y-o-y change in %)	2.4	10.1	6.4	3.6	4.4
Interbank interest rate (%), average monthly TIB)	0.6	5.9	8.6	6.0	5.9
Monetary aggregate (y-o-y change in M2 in %)	20.8	3.0	5.3	13.1	11.1
Dollarization Ratio (% of banking deposits in ME)	43.9	46.4	46.7	44.9	46.4
Banking sector credits granted to the private sector (% of GDP)	8.8	16.0	8.2	13.2	20.4
Real wage index (y-o-y change, %)	5.5	6.9	4.7	4.4	-

External Sector ¹⁶					
(Thousands of USD)					
Goods exports	1,496,262	1,283,123	1,786,522	1,302,850	1,396,127
Inter-annual variation in %	0.4	-0.1	0.4	-0.3	0,1
Goods imports	1,004,488	1,205,468	1,357,142	1,240,314	1,356,956
Inter-annual variation in %	0.3	0.2	0.1	-0.1	0,1
Trade Balance of Goods	491,774	77,654	429,380	62,537	39,171
% of GDP	1.2	0.2	1.0	0.1	0,1
(Millions of USD)					
Current Account	-429.5	-2,948.4	-176.6	-1,666.0	0
% of GDP	-1.1	-7.0	-0.4	-3.7	0.0
Capital and Financial Account	-401.6	-2,769.7	-433.3	-1,945.1	0
% of GDP	-1.0	-6.6	-1.0	-4.3	0.0
Foreign Direct Investment	8,862.8	9,231.2	9,829.3	10,229.3	0.0
% of GDP	22.0	21.9	22.8	22.8	0.0
International Reserves	9,970.3	9,506.0	9,684.2	10,404.8	10,372
% of GDP	24.7	22.6	22.4	23.2	22.5
Public Sector ¹⁷					
(% del PIB)					
Income	13.7	14.0	14.0	15.1	3.3
<i>Which: Taxation Income represents</i>	9.8	10.2	10.1	11.4	2.5
Expenses and investments	17.3	17.0	18.1	17.7	4.1
<i>Which: Payment of interests represents</i>	1.1	1.2	1.7	2.0	0.5
Primary Outcome	-2.5	-1.8	-2.4	-0.6	-0.3
Fiscal Outcome¹⁸	-3.6	-2.9	-4.1	-2.6	-0.8
Total Debt of the Public Sector	33.8	35.8	38.4	40.2	41.2
Public External Debt	29.3	31.7	33.2	35.0	36.2
% of the Total Public Debt	86.7	88.5	86.6	86.9	87.9
Domestic Public Debt	4.5	4.1	5.2	5.3	5.0
% of the Total Public Debt	13.3	11.5	13.4	13.1	12.1
Service of the Domestic Public Debt	1.6	1.8	3.1	3.1	1.4

¹⁶ The data in this table correspond to the BCP Statistical Annex for April 2025.

¹⁷ The data on income, expenses, primary results, and fiscal results correspond to Central Administration.

¹⁸ The data for 2025 is cumulative as of March 2025.



References:

Remarks and Sources: Chart prepared by the General Directorate of Indebtedness Policy (DGPE, Ministry of Economy and Finance), including data of the Central Bank of Paraguay (BCP, Statistical Schedule as of April 21, 2025) and the Ministry of Economy and Finance.

1. The exchange rate corresponds to the one of the last working day of the year.
2. Income and Expenses as of March 2025 are preliminary.
3. These letters shall have the following meanings: M: month (i.e., M3: March); T: Quarter (i.e., T01: quarter 1); N/A: non-available, ME: Foreign Currency; fdp: end of period.
4. (*) means preliminary data subject to changes and (**) projections.
5. Data after 2012 are preliminary and they may be subject to reviews.
6. The Economy Structure includes data in Guaranies as of 2014. Historical data as well as projections correspond to the BCP.
7. Inflation as of March 2025 corresponds to the goal rate of inflation established by the BCP.
8. Other services include: transportation; financial intermediation; residential lease; services rendered to companies; hotels and restaurants and services rendered to households.
9. Binational mean currency income as energy cession of Paraguay to Argentina and Brazil, corresponding to the hydroelectric plants Yacyreta and Itaipu. The Real Sector and Economy Structure projections are figures prepared by the BCP.
10. Public Sector data are figures prepared by the Ministry of Finance. Since 2015, a migration has been performed to the methodology contemplated in the Manual on Statistics of the Public Finances 2001 (MEFP 2001)
11. Exports and imports as of 2025 correspond to March of the mentioned year. (2025, M3). Exports include reexports and other exports. The inter-annual variation of exports/imports as of March 2025 (March 2025 / March, 2024) obtains the accrued variation of exports/imports of the total exports and imports accrued of March 2025, concerning the same period of the year 2024.

April 2025

World Economy

According to the International Monetary Fund's global macroeconomic outlook, the context has changed and governments are reordering their policy priorities..

Since the WEO was published in January 2025, the United States has announced and implemented almost universal tariff measures that have a negative impact on growth and on the formulation of consistent assumptions for the projections.

In this regard, global growth is projected to fall by 2.8% in 2025 and by 3.0% in 2026, previously the January WEO projections stood at 3.3% for both years.



World Economic Outlook Update (IMF-April 2025)

Regional Context

For the **United States**, growth is expected to slow to 1.8%, some 0.9 percentage points below the previous report's release. The situation corresponds to increased political uncertainty, trade tensions as well as a more subdued demand outlook, explained by slower than expected consumption growth.

For the **Eurozone**, a deceleration of 0.2 percentage points is expected to 0.8% by 2025, mainly explained by growing uncertainty and tariff restrictions.

As for **Emerging Market and Developing Economies**, growth is also projected to decline to 3.7% by 2025 and 3.9% by 2026 due to recently adopted trade measures.

Regarding **China**, GDP growth was revised downward from 4.6% to 4.0% by 2025 due to recent tariff impositions.

Table 1: Overview of World Economic Outlook projections.

	2024*	2025**	2026
World	3.3	2.8	3.0
Advanced economies	1.8	1.4	1.5
United States	2.8	1.8	1.7
Eurozone	0.9	0.8	1.2
MEED	4.3	3.7	3.9
China	5.0	4.0	4.0
LAC	2.4	2.0	2.4
Brazil	3.4	2.0	2.0
Mexico	1.5	-0.3	1.4

Source: WEO-FMI April - 2025.



World Economic Outlook Update (IMF-April 2025)

Latin America and the Caribbean

For **Latin America and the Caribbean**, growth is expected to moderate from 2.4% in 2024 to 2.0% by 2025, before rebounding to 2.4% in 2026. This reduction is largely affected by the large downgrade in Mexico's growth from 1.7% in 2025 to 0.6% in 2026, reflecting weaker-than-expected economic activity in the 2024 outlook and the January 2025 outlook, due to the impact of tariff impositions, geopolitical tensions and tighter financing conditions.

Finally, **Brazil** also shows a downward revision of 2.0% growth in 2025 and 2026.



World Economic Outlook Update (IMF-April 2025)

Domestic Situation

Paraguay's GDP growth projection showed an upward adjustment from 3.8% to 4.0% by 2025. This growth would be mainly explained by the service sector whose forecast presented an adjustment of 0.6 percentage points, from 3.4% to 4.0%. Aligned to a better dynamics of commerce, as well as other services, among them mainly represented by financial intermediation, services to households and restaurants and hotels.

Regarding the **primary sector**, agriculture was revised downward from 2.0% to 0.6%, mainly due to lower soybean production compared to previous estimates, as a result of adverse weather conditions in recent months.

Likewise, the **secondary sector** is expected to see a positive variation, from 4.3% to 4.9%, as a result of increased execution of public and private works observed in recent months.

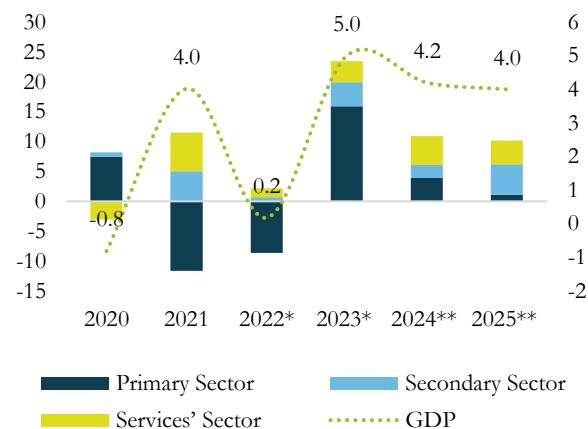
The **electricity and water sectors**, as well as the manufacturing industry, remain unchanged from the previous revision.

On the **spending side**, domestic demand is expected to become more dynamic, reflecting an upward revision in private consumption from 3.6% to 4.3%, as well as an upward revision in gross fixed capital formation from 3.9% to 4.5%.



Monetary Policy Report. (BCP)

Chart 1: GDP growth by economic sector in 2025.



Source: Central Bank of Paraguay.

*Preliminary figures. **Projection.



**Statistical Schedule of the
Economic Report. (BCP)**

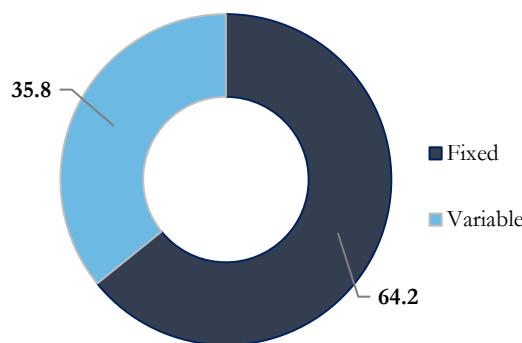
Debt levels and structures of the Total Public Sector

The Law 1535/1999 on "State Financial Administration," in Article No. 42, establishes that public debt shall be classified as internal and external, and direct and indirect. Direct public debt of the Central Administration is that assumed by the latter as the principal debtor. Indirect debt of the Central Administration, on the other hand, is that constituted by any natural or legal person, public or private, other than the Central Administration, but which has the corresponding guarantee, bond, or surety, duly authorized by law (public companies, second-tier banks, etc.).

In April, the **Total Public Sector debt** level stood at 41.3% of GDP, considered sustainable for the country's public finances, thus representing one of the lowest debt levels in the region.

Regarding the **classification of total public sector debt by interest rate as of April 2025**, **64.2%** was at a fixed rate and **35.8%** at a variable rate.

Figure 1: Total public debt balance by interest rate.

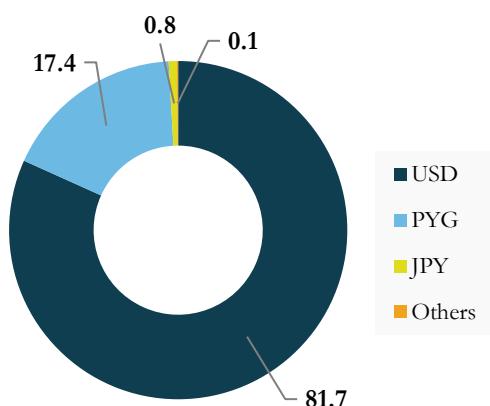


Source: Vice Ministry of Economy and Planning

The structure of public debt by currency in April maintained a higher proportion in USD (81.7%), accompanied by PYG (17.4%), JPY (0.8%), and other currencies (0.1%).

It should be noted that the higher proportion of debt in dollars does not represent a risk for the country, as Paraguay receives income in dollars from annual royalties for the use of the Paraná River's hydraulic potential for the production of electricity by binational entities (Itaipú and Yacyretá).

Figure 2: Total Public Debt Balance by Currency in Percentage



Source: Vice Ministry of Economy and Planning

Debt statistics

¹⁹ SITUFIN April - 2025. Ministry of Economy and Finance. Retrieved from

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Regarding the average Debt Maturity.

Due to placements in international markets at longer maturities than those in domestic markets, it was possible to maintain the average maturity of the Central Government Debt (ATM) from 10.9 years (2017) to 10.0 years (2024).

Table 2: Average Maturity of Debt (Years*)

Central Administration			
Years	External Debt	Domestic Debt	Total Debt
2017	11.5	2.4	10.9
2018	12.7	3.4	12
2019	13.3	3.4	12.6
2020	14.9	4.8	14.3
2021	12.6	7.6	12.3
2022	11.58	7.12	11.37
2023	11.0	6.4	10.6
2024	10.3	6.0	10.0

Source: Vice Ministry of Economy and Planning

*Does not include perpetual debt with BCP.



Strategic Guideline

Fiscal Policy

Financial Situation as of April 2025.

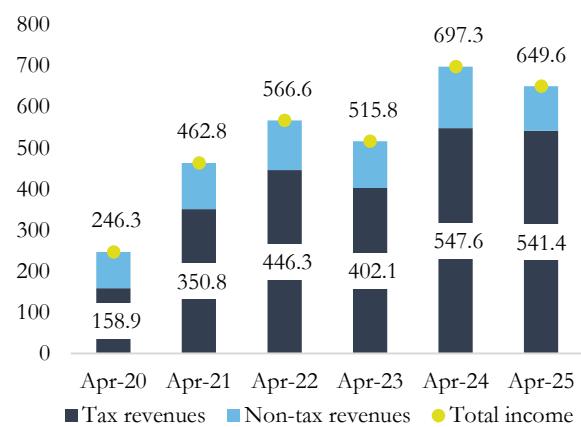
At the end of April 2025, the accumulated fiscal deficit was -0.5% of GDP, equivalent to USD 248.8 million. In annualized terms, there was an overall result of -2.7% of GDP, explained by higher spending on medicines, school meals and interest, as well as efforts to maintain a balanced execution of public investment during the year, which contributed to surpass historical levels in the first four months of the year.¹⁹

Income

In April 2025, total income registered cumulative growth of 9.3%.

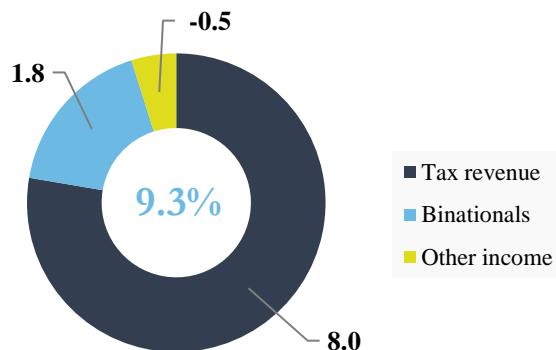
Total revenue in April was USD 649.6 million, mainly due to strong tax revenue performance, coming from both domestic and foreign tax collection, essentially from corporate income tax (IRE), value added tax (VAT), and customs duties. It is also important to note the positive performance of non-tax revenues, which grew by 5.6%, mainly due to the contribution of binational companies.

Chart 2: Total revenue in April 2025, in millions of dollars



Source: SITUFIN – Ministry of Economy and Finance.

Figure 3: Income components in percentage terms (cumulative variation).

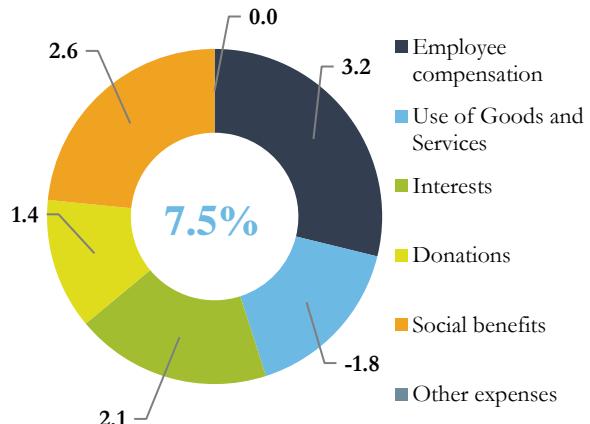


Source: SITUFIN – Ministry of Economy and Finance

Public Spending

Total spending showed a cumulative increase of 7.5% at the end of April. This result is primarily explained by the use of goods and services, interest payments, and salaries from strategic sectors.

Figure 4: Composition of the cumulative expenditure change in percentage terms



Source: SITUFIN – Ministry of Economy and Finance.

Public Investment

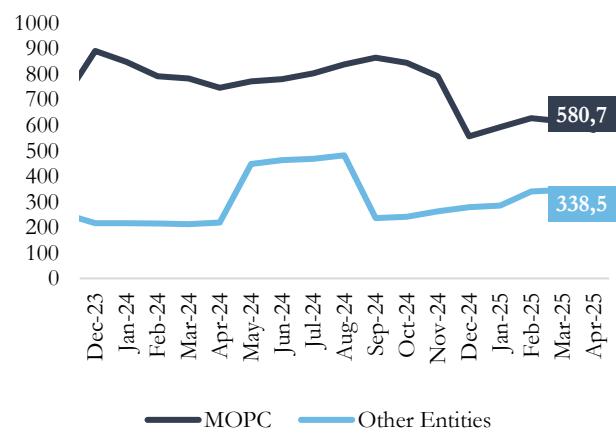
National Public Investment System (SNIP).

This is the set of rules and instruments that aim to regulate the Public Investment process, optimize the use of resources in financing investment projects for the country, and ensure that these generate positive impacts on society.²⁰

Investment in April 2025

Total public investment, as of April, was USD 919.2 million, distributed as follows: USD 580.7 million corresponding to the Ministry of Public Works and Communications; and USD 338.5 million to other entities.

Chart 3: Annualized Investment, in millions of dollars.



Source: SITUFIN – Ministry of Economy and Finance.



Monetary Policy

The Central Bank of Paraguay (BCP) conducts monetary policy under an inflation targeting scheme, officially adopted in 2011. Under this regime the main objective of Monetary Policy, in accordance with Law No. 6104 that modifies and expands Law No. 489/95 "Organic Law of the BCP", is to preserve and ensure the stability of the value of the currency by providing a framework of nominal predictability for the Paraguayan economy, on which

economic agents can base their decisions on both consumption and investment.

Inflation

International Context

International oil prices declined due to lower world demand and improved supply prospects. Agricultural commodity prices fluctuated as a result of weather conditions and tariff policies; soybean and corn prices increased, while wheat prices fell.

In the **United States**, in April, the unemployment rate remained stable at 4.2%. Year-on-year inflation was 2.3%; however, inflation expectations have increased.

In the **Eurozone**, year-on-year inflation was 2.2% (April) and core inflation increased to 2.7%.

Domestic Context

The Board of Directors of the Central Bank of Paraguay recently decided to reduce the inflation target, measured by the change in the Consumer Price Index (CPI), adjusting it from 4.0% to 3.5% and maintaining the tolerance range of 2% above and 2% below.

This decision is based on several key factors, such as the favorable evolution of inflation under the targeting scheme, which has generally remained below established objectives, the effectiveness of monetary policy, and the credibility of the central bank in guiding the expectations of economic agents. A lower inflation target contributes to protecting the purchasing power of the population, particularly that of lower-income households. Furthermore, lower and more stable inflation is a fundamental element for long-term planning.²¹

In the month of April, monthly inflation was 0.4%, due to variations in the prices of food, durable goods and certain services.

Monthly inflation excluding food and energy (IPCSAE) was 0.3%, however, on a year-over-

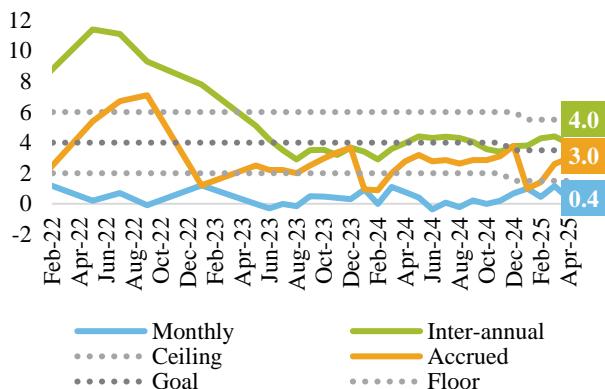
²⁰ Obtained from:
<https://economia.gov.py/index.php/dependencias/direccion-general-de-inversion-publica>

²¹ Minutes of the Monetary Policy Committee Meeting (December 19, 2024). Retrieved from:
<https://www.bcp.gov.py/minutas-de-reuniones-del-cpm-i444>

year basis, total inflation was 4.0%, while IPCSAE inflation was 4.3%.

Inflation expectations for the next 12 months increased from 3.7% to 3.8% and for the monetary policy horizon remained at 3.5%.

Chart 4: Inflation as of April 2025, in percentage



Source: Central Bank of Paraguay.

Minutes of CPM Meetings

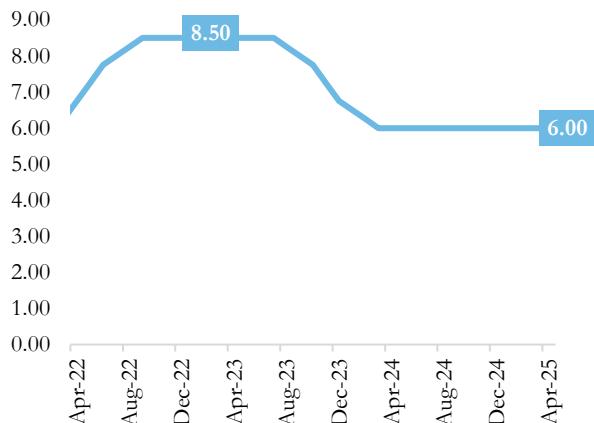
Monetary Policy Rate

It is a monetary policy instrument that influences market liquidity and interest rates, eventually affecting part of economic activity and impacting inflation.

Monetary Policy Rate (MPR) to April 2025

At its March meeting, the Monetary Policy Committee (MPC) decided to maintain the MPR at 6%, mainly due to the continued positive performance of domestic economic conditions, which led to an increase in the GDP growth projection from 3.8% to 4%. Regarding the external sector, reductions in the Federal Reserve's interest rates are expected during 2025, while oil prices registered a reduction.

Chart 5: 2025 Monetary Policy Rate.



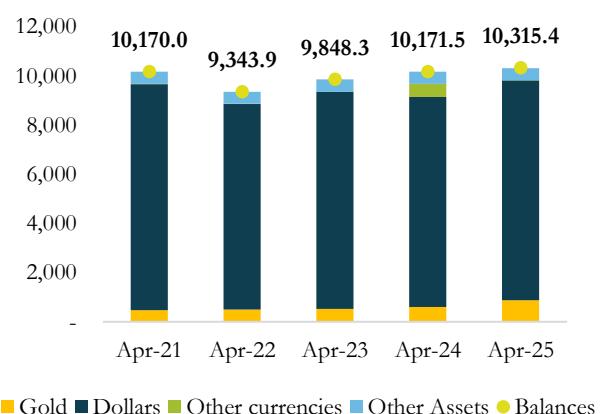
Source: Central Bank of Paraguay.

Minutes of CPM Meetings

Net International Reserves

Net international reserves in April 2025 stood at USD 10,315.4 million, comprising USD 871.8 million in gold, USD 8,936.4 million in dollars, USD 1.3 million in other currencies, and USD 505.4 million in other assets.

Chart 6: Composition of NIRs, in millions of dollars



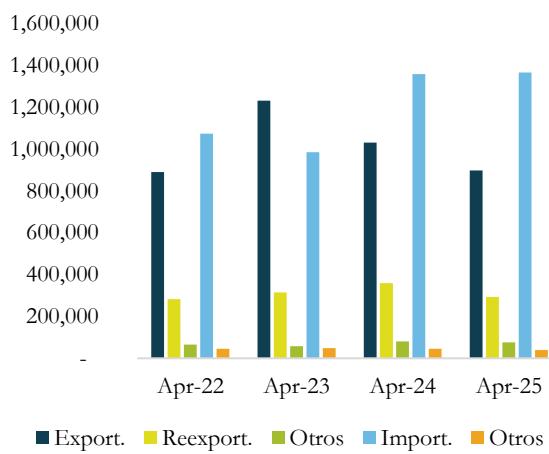
Source: Central Bank of Paraguay.

Trade Balance

In April 2025, foreign trade figures (exports plus imports) amounted to USD 2,672.8 million.

Total exports for April 2025 were USD 1,267.3 million. Total imports for April 2025 amounted to USD 1,405.5 million. Finally, the trade balance registered a change of USD -138.2 million, in favor of imports.

Chart 7: Trade Balance, in thousands of dollars



Source: Central Bank of Paraguay.



Statistical Schedule of the Economic Report. (BCP)

Paraguay's Credit Outlook

Sovereign Rating History

Paraguay has managed to maintain a positive trajectory in the evolution of its sovereign rating with rating agencies Moody's, Fitch, and Standard & Poor's, despite adverse conditions such as external shocks, a pandemic, armed conflicts, and internal shocks such as droughts and other climate-related events.

In October 2024, Fitch Ratings confirmed Paraguay's BB+ rating with a stable outlook. The latest report, based on its prudent and consistent macroeconomic policies, as well as a notable economic situation among countries in the region, including one of the strongest growth prospects, low debt levels, and the government's

efforts to implement reforms that improve efficiency in terms of institutions and governance.

For its part, Standard & Poor's, in its January 8, 2025, report, decided to maintain Paraguay's credit rating at BB+, changing the outlook from stable to positive, due to prudent macroeconomic policies implemented by the government and moderate public debt. It also highlights that the reforms implemented in the last decade have strengthened the credibility of economic institutions.

Table 3: Country risk ratings 2025.

Rating Agency	Rating	Perspective	Last revision
S&P	BB+	Positive	Jan-08-2025
Moody's	Baa3	Stable	Jan-30-2025
Fitch	BB+	Stable	Oct-22-2024

Source: Vice Ministry of Economy and Planning.

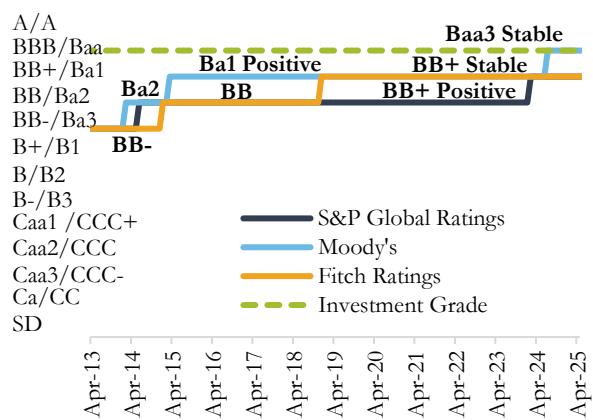


Annual Reports on Risk Rating

Likewise, Moody's, in its credit opinion report of January 30, 2025, decided to maintain the rating at Baa3 with a stable outlook. The report highlights solid growth, improved institutions, and limited external vulnerability.

In summary, Paraguay is currently in an investment-grade position with Moody's and one notch behind with Fitch Ratings and Standard & Poor's.

Chart 8: Paraguay's country rating for the period 2013-2025



Source: Vice Ministry of Economy and Planning.



Other accesses of interest

Click on the text to go to the web site.

Monetary Policy Reports



-  [National Accounts Report \(Fiscal Quarters\)](#) 
-  [Statistic Schedule of the Economic Report](#)
-  [Foreign Trade Report \(Fiscal Quarters\)](#)

-  [Direct Investment](#)
-  [Monetary Policy](#)

ODS

-  [Sustainable Paraguay](#)
-  [Sustainable Development Objectives \(ODS\)\)](#)

Ministry of Industry and Trade

-  [MyPIMES](#)
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-  [Programs and Projects for S&MEs](#)

Environmental Actions

-  [Legal Provisions on environmental policies and actions](#)

Ministry of Economy and Finance

-  General Budget of the Nation
-  Public Investments
-  SITUFIN
-  Public Debt Statistics
-  Debt Monthly Reports
-  Monthly Financial Management of the General Budget of the Nation
-  Report on Foreign Trade (RCE)
-  Planning System according to Outcomes
-  Financial Control and Budget Evaluation
-  Economic and Commercial Profile
-  (ECB) Foreign Trade Bulletin
-  Becal
-  News

Financial Agency of Development

-  Products
-  Investors

National Directorate of Tax Revenues (DNIT)

-  Statistics on Collections
-  Why to invest in Paraguay

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Schedule

Economic Indicators / 2021 – 2025					
	2021	2022	2023(*)	2024(**)	2025(**)
Real Sector					
Population (Thousands)	6,247.9	6,284.0	6,326.8	6,372.6	6,417.1
GDP (USD million)	40,284.1	42,093.1	43,171.2	44,937.3	46,187.1
GDP per capita (USD)	6,447.6	6,698.4	6,823.5	7,051.6	7,197.5
Real GDP (y-o-y change in %)	4.0	0.2	5.0	4.2	4.0
Total consumption (y-o-y change in %)	5.5	1.6	3.5	5.5	3.9
Capital investment (FBKF) (y-o-y change in %)	18.2	-1.8	-2.8	8.3	4.5
Unemployed Rate (open unemployment)	6.8	5.8	5.2	4.6	nd
Economy Structure					
In view of Supply (percentage change)					
Primary Sector	-11.6	-8.6	15.9	3.9	1.1
Agriculture	-18.2	-12.5	23.4	2.8	0.6
Livestock	6.2	-0.3	0.5	7.3	2.3
Others	6.8	-0.7	5.7	4.3	2.6
Secondary Sector	5.0	0.7	4.0	2.2	5.1
Industry	6.9	-0.1	4.2	4.4	3.9
Construction	12.8	-3.2	-7.1	5.3	4.9
Electricity and Water	-7.6	7.8	15.5	-6.2	8.7
Services Sector	6.5	1.5	3.5	4.8	4.0
Government Services	-3.4	-0.7	3.0	3.2	2.4
Trade	14.3	3.4	4.9	6.0	4.2
Telecommunications	4.5	-2.4	-0.8	-0.9	-0.3
Other Services	7.7	2.1	3.8	5.6	5.0
Taxes on products	9.0	1.1	5.6	10.1	3.7
In view of Demand					
(Thousands of USD)					
Capital Investment (FBKF)	6,912.8	6,390.5	6,131.7	6,238.6	6,360.0
Total Consumptions	24,240.2	23,181.7	23,674.7	23,461.9	23,788.7
Exports of goods and services	10,236.8	9,536.2	12,708.6	11,695.6	11,751.9
Imports of goods and services	10,710.6	11,037.3	11,918.9	11,659.9	11,691.2
Monetary and Financial Sector					
Exchange rate (PYG per USD, fdp)	6,815.5	7,238.7	7,335.2	7,810.2	8,006.0
Inflation (CPI, y-o-y change in %)	2.5	11.8	5.3	4.0	4.0
Interbank interest rate (%), average monthly TIB)	0.5	6.5	8.7	5.9	6.0
Monetary aggregate (y-o-y change in M2 in %)	15.3	2.3	8.2	10.8	11.1
Dollarization Ratio (% of banking deposits in ME)	45.4	46.0	46.4	45.5	47.0
Banking sector credits granted to the private sector (% of GDP)	11.5	13.7	8.3	16.0	21.1
Real wage index (y-o-y change, %)	5.5	6.9	4.7	4.0	-

External Sector²²
(Thousands of USD)

Goods exports	1,196,820	1,238,862	1,603,502	1,471,020	1,267,315
Inter-annual variation in %	0.7	0.0	0.3	-0.1	-0.1
Goods imports	946,348	1,120,075	1,034,756	1,404,102	1,405,473
Inter-annual variation in %	0.9	0.2	-0.1	0.4	0.0
Trade Balance of Goods	250,473	118,787	568,746	66,918	-138,158
% of GDP	0.6	0.3	1.3	0.1	-0.3

(Millions of USD)

Current Account	-429.5	-2,948.4	-176.6	-1,666.0	0
% of GDP	-1.1	-7.0	-0.4	-3.7	0.0
Capital and Financial Account	-401.6	-2,769.7	-433.3	-1,945.1	0
% of GDP	-1.0	-6.6	-1.0	-4.3	0.0
Foreign Direct Investment	8,862.8	9,231.2	9,829.3	10,229.3	0.0
% of GDP	22.0	21.9	22.8	22.8	0.0
International Reserves	10,170.0	9,343.9	9,848.3	10,171.5	10,315.0
% of GDP	25.2	22.2	22.8	22.6	22.3

Public Sector²³
(% del PIB)

Income	13.7	14.0	14.0	15.1	4.7
<i>Which: Taxation Income represents</i>	9.8	10.2	10.1	11.4	3.6
Expenses and investments	17.3	17.0	18.1	17.7	5.3
<i>Which: Payment of interests represents</i>	1.1	1.2	1.7	2.0	0.6
Primary Outcome	-2.5	-1.8	-2.4	-0.6	0.1
Fiscal Outcome²⁴	-3.6	-2.9	-4.1	-2.6	-0.5
Total Debt of the Public Sector	33.8	35.8	38.4	40.2	41.3
Public External Debt	29.3	31.7	33.2	35.0	36.2
% of the Total Public Debt	86.7	88.5	86.6	86.9	87.7
Domestic Public Debt	4.5	4.1	5.2	5.3	5.1
% of the Total Public Debt	13.3	11.5	13.4	13.1	12.3
Service of the Domestic Public Debt	1.6	1.8	3.1	3.1	1.6

²² The data in this table correspond to the BCP Statistical Annex for May 2025.

²³ The data on income, expenses, primary results, and fiscal results correspond to Central Administration.

²⁴ The data for 2025 is cumulative as of April 2025.

References:

Remarks and Sources: Chart prepared by the General Directorate of Indebtedness Policy (DGPE, Ministry of Economy and Finance), including data of the Central Bank of Paraguay (BCP, Statistical Schedule as of May 21, 2025) and the Ministry of Economy and Finance.

1. The exchange rate corresponds to the one of the last working day of the year.
2. Income and Expenses as of April 2025 are preliminary.
3. These letters shall have the following meanings: M: month (i.e., M4: April); T: Quarter (i.e., T02: quarter 2); N/A: non-available, ME: Foreign Currency; fdp: end of period.
4. (*) means preliminary data subject to changes and (**) projections.
5. Data after 2012 are preliminary and they may be subject to reviews.
6. The Economy Structure includes data in Guaranes as of 2014. Historical data as well as projections correspond to the BCP.
7. Inflation as of April 2025 corresponds to the goal rate of inflation established by the BCP.
8. Other services include: transportation; financial intermediation; residential lease; services rendered to companies; hotels and restaurants and services rendered to households.
9. Binational mean currency income as energy cession of Paraguay to Argentina and Brazil, corresponding to the hydroelectric plants Yacyreta and Itaipu. The Real Sector and Economy Structure projections are figures prepared by the BCP.
10. Public Sector data are figures prepared by the Ministry of Finance. Since 2015, a migration has been performed to the methodology contemplated in the Manual on Statistics of the Public Finances 2001 (MEFP 2001)
11. Exports and imports as of 2025 correspond to April of the mentioned year. (2025, M4). Exports include reexports and other exports. The inter-annual variation of exports/imports as of April 2025 (April 2025/ April, 2024) obtains the accrued variation of exports/imports of the total exports and imports accrued of April 2025, concerning the same period of the year 2025

May 2025

World Economy

According to the International Monetary Fund's global macroeconomic outlook, the context has changed and governments are reordering their policy priorities..

Since the WEO was published in January 2025, the United States has announced and implemented almost universal tariff measures that have a negative impact on growth and on the formulation of consistent assumptions for the projections.

In this regard, global growth is projected to decline to 2.8% in 2025 and 3.0% in 2026, previously projected at 3.3% in the January WEO projections for both years.

 **World Economic Outlook Update
(IMF-April 2025)**

Regional Context

For the **United States**, growth is expected to slow to 1.8%, some 0.9 percentage points below the previous report's release. The situation corresponds to increased political uncertainty, trade tensions as well as a more subdued demand outlook, explained by slower than expected consumption growth.

For the **Eurozone**, a deceleration of 0.2 percentage points is expected to 0.8% by 2025, mainly explained by growing uncertainty and tariff restrictions.

As for **Emerging Market and Developing Economies**, growth is also projected to decline to 3.7% by 2025 and 3.9% by 2026 due to recently adopted trade measures.

Regarding **China**, GDP growth was revised downward from 4.6% to 4.0% by 2025 due to recent tariff impositions.

Table 1: Overview of World Economic Outlook projections.

	2024*	2025**	2026
World	3.3	2.8	3.0
Advanced economies	1.8	1.4	1.5
United States	2.8	1.8	1.7
Eurozone	0.9	0.8	1.2
MEED	4.3	3.7	3.9
China	5.0	4.0	4.0
LAC	2.4	2.0	2.4
Brazil	3.4	2.0	2.0
Mexico	1.5	-0.3	1.4

Source: WEO-FMI April - 2025.

 **World Economic Outlook Update
(IMF-April 2025)**

Latin America and the Caribbean

For **Latin America and the Caribbean**, growth is expected to moderate from 2.4% in 2024 to 2.0% by 2025, before rebounding to 2.4% in 2026. This reduction is largely affected by the large downgrade in **Mexico's** growth from 1.7% in 2025 to 0.6% in 2026, reflecting weaker-than-expected economic activity in the 2024 outlook and the January 2025 outlook, due to the impact of tariff impositions, geopolitical tensions and tighter financing conditions.

Finally, **Brazil** also shows a downward revision of 2.0% growth in 2025 and 2026.

 **World Economic Outlook Update
(IMF-April 2025)**

Domestic Situation

Paraguay's GDP growth projection showed an upward adjustment from 3.8% to 4.0% by 2025. This growth would be mainly explained by the service sector whose forecast presented an adjustment of 0.6 percentage points, from 3.4% to 4.0%. Aligned to a better dynamics of commerce, as well as other services, among them mainly represented by financial intermediation, services to households and restaurants and hotels.

Regarding the **primary sector**, agriculture was revised downward from 2.0% to 0.6%, mainly due to lower soybean production compared to previous estimates, as a result of adverse weather conditions in recent months.

Likewise, the **secondary sector** is expected to see a positive variation, from 4.3% to 4.9%, as a result of increased execution of public and private works observed in recent months.

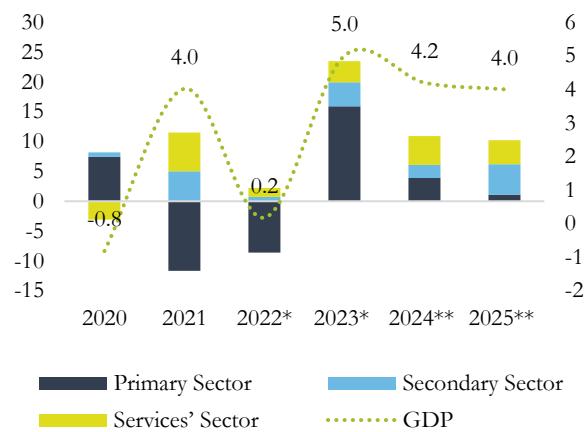
The **electricity and water sectors**, as well as the **manufacturing industry**, remain unchanged from the previous revision.

On the **spending side**, domestic demand is expected to become more dynamic, reflecting an upward revision in private consumption from 3.6% to 4.3%, as well as an upward revision in gross fixed capital formation from 3.9% to 4.5%.



Monetary Policy Report. (BCP)

Chart 1: GDP growth by economic sector in 2025.



Source: Central Bank of Paraguay.

*Preliminary figures. **Projection.



**Statistical Schedule of the
Economic Report. (BCP)**

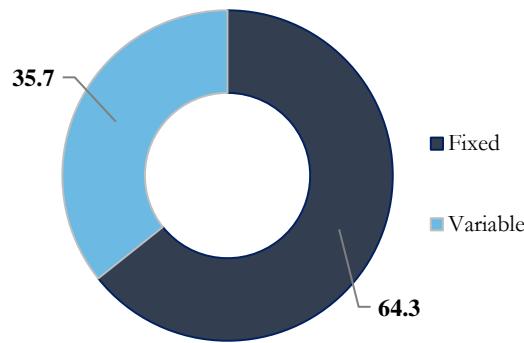
Debt levels and structures of the Total Public Sector

The Law 1535/1999 on "State Financial Administration," in Article No. 42, establishes that public debt shall be classified as internal and external, and direct and indirect. Direct public debt of the Central Administration is that assumed by the latter as the principal debtor. Indirect debt of the Central Administration, on the other hand, is that constituted by any natural or legal person, public or private, other than the Central Administration, but which has the corresponding guarantee, bond, or surety, duly authorized by law (public companies, second-tier banks, etc.).

In May, the **Total Public Sector debt** level stood at **41.2%** of GDP, considered sustainable for the country's public finances, thus representing one of the lowest debt levels in the region.

Regarding the **classification of total public sector debt by interest rate as of May 2025**, **64.3%** was at a fixed rate and **35.7%** at a variable rate.

Figure 1: Total public debt balance by interest rate

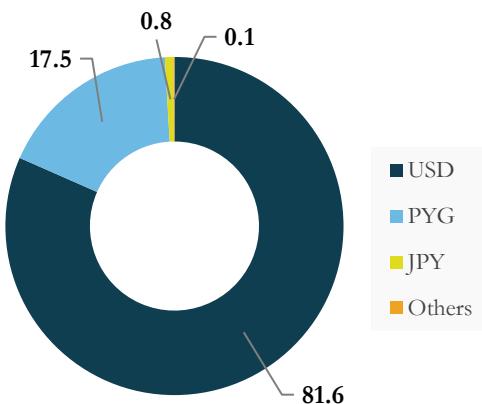


Source: Vice Ministry of Economy and Planning

The structure of public debt by currency in May, maintains a higher proportion in **USD (81.6%)**, accompanied by **PYG (17.5%)**, **JPY (0.8%)** and **other currencies in (0.1%)**.

It should be noted that the higher proportion of debt in dollars does not represent a risk for the country, since Paraguay receives income in dollars from annual royalties for the use of the hydraulic potential of the Paraná River for the production of electricity by the binational entities (Itaipú and Yacyretá).

Figure 2: Total Public Debt Balance by Currency in Percentage



Source: Vice Ministry of Economy and Planning

Regarding the average Debt Maturity.

Due to placements in international markets at longer maturities than those in domestic markets, it was possible to maintain the average maturity of the Central Government Debt (ATM) from 10.9 years (2017) to 10.0 years (2024).

Table 2: Average Maturity of Debt (Years*)

Years	Central Administration		
	External Debt	Domestic Debt	Total Debt
2017	11.5	2.4	10.9
2018	12.7	3.4	12
2019	13.3	3.4	12.6
2020	14.9	4.8	14.3
2021	12.6	7.6	12.3
2022	11.58	7.12	11.37
2023	11.0	6.4	10.6
2024	10.3	6.0	10.0

Source: Vice Ministry of Economy and Planning

*Does not include perpetual debt with BCP.



Strategic Guideline



Debt statistics



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Fiscal Policy

Financial Situation as of May 2025.

At the end of May 2025, the accumulated fiscal deficit was -0.3% of GDP, equivalent to USD 153 million. In annualized terms, there was an overall result of -2.6% of GDP, explained by higher spending on medicines, school meals and interest, as well as efforts to maintain a balanced execution of public investment during the year, which contributed to surpass historical levels in the first four months of the year.²⁵

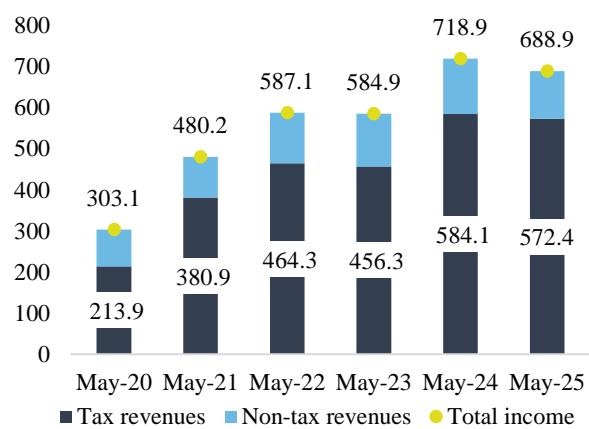
Income

In May 2025, total income registered cumulative growth of 7.7%.

Total revenue in May was USD 688.9 million, mainly due to strong tax revenue performance, coming from both domestic and foreign tax collection, essentially from Corporate Income Tax (IRE), Value Added Tax (VAT), and customs duties.

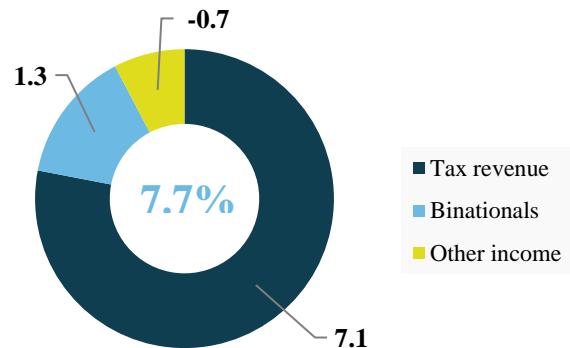
Additionally, it is important to note the positive performance of non-tax revenues, which grew by 2.6%, largely due to the contribution of binational companies.

Chart 2: Total revenue in April 2025, in millions of dollars



Source: SITUFIN – Ministry of Economy and Finance.

Figure 3: Income components in percentage terms (cumulative variation).

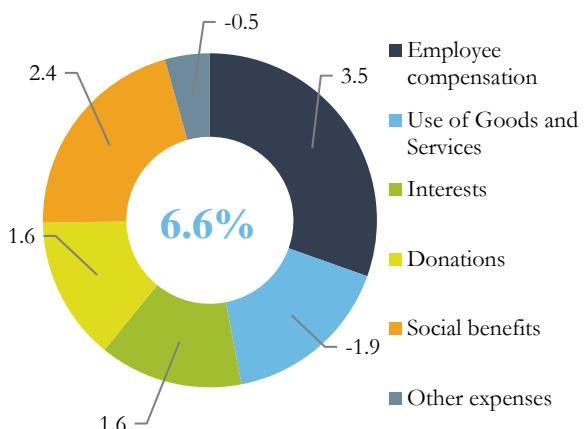


Source: SITUFIN – Ministry of Economy and Finance

Public Spending

Total spending showed a cumulative increase of 6.6% at the end of May. This result is primarily explained by the use of goods and services, interest payments, and salaries from strategic sectors.

Figure 4: Composition of the cumulative expenditure change in percentage terms



Source: SITUFIN – Ministry of Economy and Finance.

 **SITUFIN 2025**

²⁵ SITUFIN April - 2025. Ministry of Economy and Finance. Retrieved from

Monetary Policy

The Central Bank of Paraguay (BCP) conducts monetary policy under an inflation targeting scheme, officially adopted in 2011. Under this regime the main objective of Monetary Policy, in accordance with Law No. 6104 that modifies and expands Law No. 489/95 "Organic Law of the BCP", is to preserve and ensure the stability of the value of the currency by providing a framework of nominal predictability for the Paraguayan economy, on which economic agents can base their decisions on both consumption and investment.

Inflation

International Context

International oil prices declined due to lower world demand and improved supply prospects. Agricultural commodity prices fluctuated as a result of weather conditions and tariff policies; soybean and corn prices increased, while wheat prices fell.

In the **United States**, as of May, favorable conditions persisted in the labor market, maintaining the unemployment rate at 4.2%, while in terms of inflation, this month showed a slight increase from 2.3% to 2.4% in year-on-year terms.

In the **Eurozone**, inflation decelerated to around the European Central Bank's target, showing year-on-year figures of 1.9% and core inflation declined from 2.7% to 2.3% as of May.

Domestic Context

The Board of Directors of the Central Bank of Paraguay recently decided to reduce the inflation target, measured by the change in the Consumer Price Index (CPI), adjusting it from 4.0% to 3.5% and maintaining the tolerance range of 2% above and 2% below.

This decision is based on several key factors, such as the favorable evolution of inflation under the targeting scheme, which has generally remained below established objectives, the effectiveness of monetary policy, and the credibility of the central bank in guiding the expectations of economic

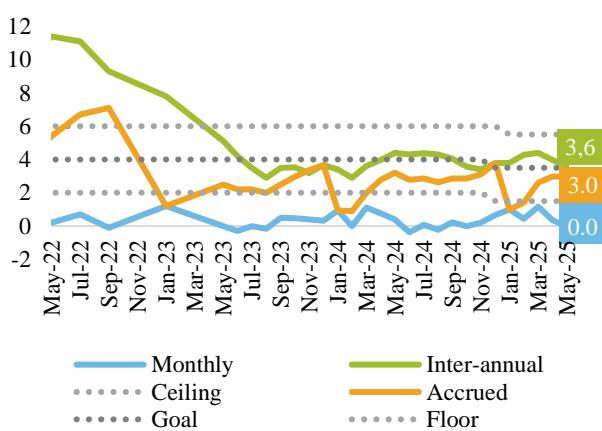
agents. A lower inflation target contributes to protecting the purchasing power of the population, particularly that of lower-income households. Furthermore, lower and more stable inflation is a fundamental element for long-term planning.²⁶

In the month of May, monthly inflation was 0%, due to variations in the prices of food, durable goods and certain services.

Monthly inflation excluding food and energy (IPCSAE) was 0.3%, however, on a year-over-year basis, total inflation was 3.6%, while IPCSAE inflation was 4.3%.

Inflation expectations for the next 12 months increased from 3.7% to 3.8% and for the monetary policy horizon remained at 3.5%.

Chart 3: Inflation as of May 2025, in percentage



Source: Central Bank of Paraguay.



Minutes of CPM Meetings

²⁶ Minutes of the Monetary Policy Committee Meeting (December 19, 2024). Retrieved from:

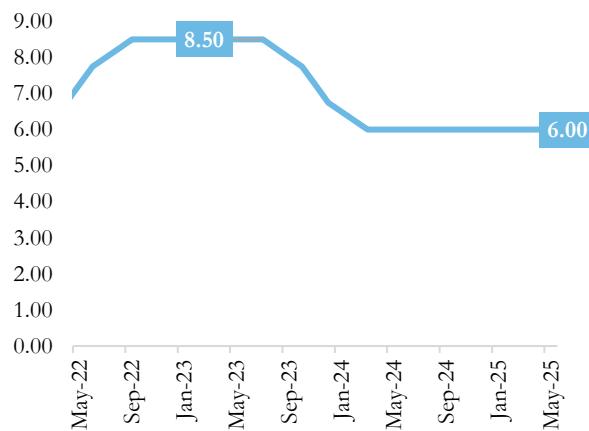
Monetary Policy Rate

It is a monetary policy instrument that influences market liquidity and interest rates, eventually affecting part of economic activity and impacting inflation.

Monetary Policy Rate (MPR) to May 2025

At its May meeting, the Monetary Policy Committee (MPC) decided to maintain the MPR at 6%, mainly due to the continued positive performance of domestic economic conditions, which led to an increase in the GDP growth projection from 3.8% to 4%. Regarding the external sector, reductions in the Federal Reserve's interest rates are expected during 2025, while oil prices registered a reduction.

Chart 4: 2025 Monetary Policy Rate.



Source: Central Bank of Paraguay.

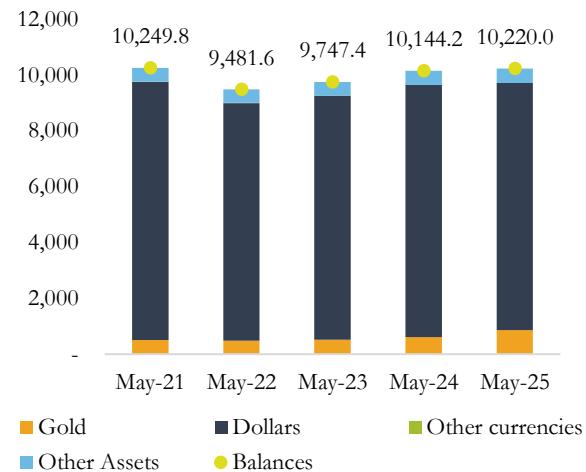


Minutes of CPM Meetings

Net International Reserves

Net international reserves in May 2025 stood at USD 10,220.0 million, comprising USD 863.6 million in gold, USD 8,847.4 million in dollars, USD 2.9 million in other currencies, and USD 506.0 million in other assets.

Chart 5: Composition of NIRs, in millions of dollars



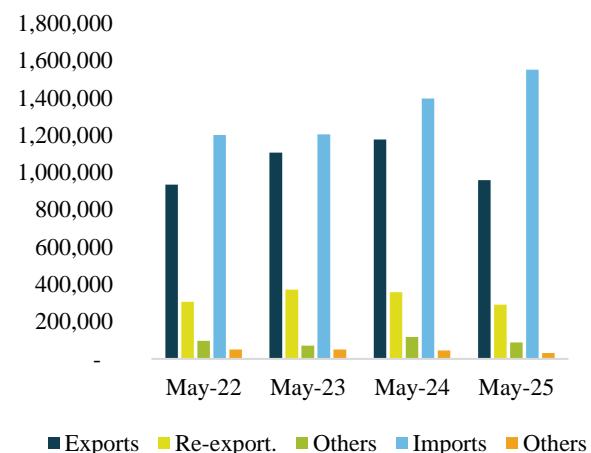
Source: Central Bank of Paraguay.

Trade Balance

In May 2025, foreign trade figures (exports plus imports) amounted to USD 2,920.3 million.

Total exports for May 2025 were USD 1,336.4 million. Total imports for April 2025 amounted to USD 1,583.9 million. Finally, the trade balance registered a change of USD -247.5 million, in favor of imports.

Chart 6: Trade Balance, in thousands of dollars



Source: Central Bank of Paraguay.



Statistical Schedule of the Economic Report. (BCP)

Paraguay's Credit Outlook

Sovereign Rating History

Paraguay has managed to maintain a positive trajectory in the evolution of its sovereign rating with rating agencies Moody's, Fitch, and Standard & Poor's, despite adverse conditions such as external shocks, a pandemic, armed conflicts, and internal shocks such as droughts and other climate-related events.

In October 2024, Fitch Ratings confirmed Paraguay's BB+ rating with a stable outlook. The latest report, based on its prudent and consistent macroeconomic policies, as well as a notable economic situation among countries in the region, including one of the strongest growth prospects, low debt levels, and the government's efforts to implement reforms that improve efficiency in terms of institutions and governance.

For its part, Standard & Poor's, in its January 8, 2025, report, decided to maintain Paraguay's credit rating at BB+, changing the outlook from stable to positive, due to prudent macroeconomic policies implemented by the government and moderate public debt. It also highlights that the reforms implemented in the last decade have strengthened the credibility of economic institutions.

Table 3: Country risk ratings 2025.

Rating Agency	Rating	Perspective	Last revision
S&P	BB+	Positive	Jan-08-2025
Moody's	Baa3	Stable	Jan-30-2025
Fitch	BB+	Stable	Oct-22-2024

Source: Vice Ministry of Economy and Planning.

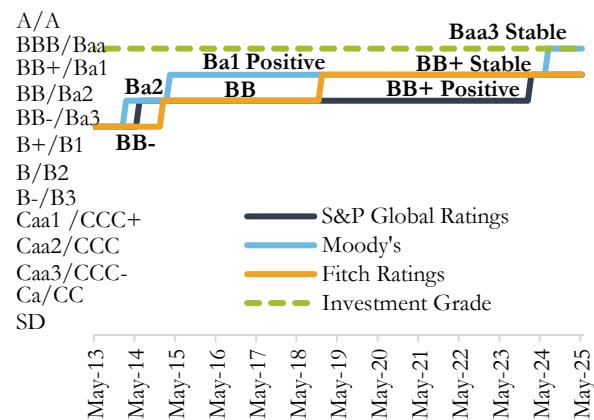


Annual Reports on Risk Rating

Likewise, Moody's, in its credit opinion report of January 30, 2025, decided to maintain the rating at Baa3 with a stable outlook. The report highlights solid growth, improved institutions, and limited external vulnerability.

In summary, Paraguay is currently in an investment-grade position with Moody's and one notch behind with Fitch Ratings and Standard & Poor's.

Chart 7: Paraguay's country rating for the period 2013-2025



Source: Vice Ministry of Economy and Planning.



Regional Outlook Report

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-  Financial Control and Budget Evaluation
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-  Becal
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Financial Agency of Development

-  Products
-  Investors
-  Statistics on Collections
-  Why to invest in Paraguay

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Schedule

Economic Indicators / 2021 – 2025

	2021	2022	2023(*)	2024(**)	2025(**)
Real Sector					
Population (Thousands)	6,247.9	6,284.0	6,326.8	6,372.6	6,417.1
GDP (USD million)	40,284.1	42,093.1	43,171.2	44,937.3	46,187.1
GDP per capita (USD)	6,447.6	6,698.4	6,823.5	7,051.6	7,197.5
Real GDP (y-o-y change in %)	4.0	0.2	5.0	4.2	4.0
Total consumption (y-o-y change in %)	5.5	1.6	3.5	5.5	3.9
Capital investment (FBKF) (y-o-y change in %)	18.2	-1.8	-2.8	8.3	4.5
Unemployed Rate (open unemployment)	6.8	5.8	5.2	4.6	nd
Economy Structure					
In view of Supply (percentage change)					
Primary Sector	-11.6	-8.6	15.9	3.9	1.1
Agriculture	-18.2	-12.5	23.4	2.8	0.6
Livestock	6.2	-0.3	0.5	7.3	2.3
Others	6.8	-0.7	5.7	4.3	2.6
Secondary Sector	5.0	0.7	4.0	2.2	5.1
Industry	6.9	-0.1	4.2	4.4	3.9
Construction	12.8	-3.2	-7.1	5.3	4.9
Electricity and Water	-7.6	7.8	15.5	-6.2	8.7
Services Sector	6.5	1.5	3.5	4.8	4.0
Government Services	-3.4	-0.7	3.0	3.2	2.4
Trade	14.3	3.4	4.9	6.0	4.2
Telecommunications	4.5	-2.4	-0.8	-0.9	-0.3
Other Services	7.7	2.1	3.8	5.6	5.0
Taxes on products	9.0	1.1	5.6	10.1	3.7
In view of Demand					
(Thousands of USD)					
Capital Investment (FBKF)	6,912.8	6,390.5	6,131.7	6,238.6	6,375.3
Total Consumptions	24,240.2	23,181.7	23,674.7	23,461.9	23,845.9
Exports of goods and services	10,236.8	9,536.2	12,708.6	11,695.6	11,780.2
Imports of goods and services	10,710.6	11,037.3	11,918.9	11,659.9	11,719.3
Monetary and Financial Sector					
Exchange rate (PYG per USD, fdp)	6,815.5	7,238.7	7,335.2	7,810.2	7,986.8
Inflation (CPI, y-o-y change in %)	3.7	11.4	5.1	4.4	3.6
Interbank interest rate (%, average monthly TIB)	0.6	7.0	8.7	5.9	6.2
Monetary aggregate (y-o-y change in M2 in %)	11.6	1.3	8.8	10.5	11.1
Dollarization Ratio (% of banking deposits in ME)	46.0	45.9	46.9	45.9	47.5
Banking sector credits granted to the private sector (% of GDP)	12.1	13.8	7.7	15.7	18.6
Real wage index (y-o-y change, %)	5.5	6.9	4.7	4.0	-

External Sector ²⁷					
(Thousands of USD)					
Goods exports	1,284,940	1,336,478	1,548,166	1,651,460	1,336,385
Inter-annual variation in %	3.2	3.2	3.6	3.7	2.9
Goods imports	958,703	1,251,139	1,254,843	1,440,775	1,583,929
Inter-annual variation in %	2.4	3.0	2.9	3.2	3.4
Trade Balance of Goods	326,238	85,339	293,323	210,685	-247,543
% of GDP	0.8	0.2	0.7	0.5	-0.5
(Millions of USD)					
Current Account	-429.5	-2,948.4	-176.6	-1,666.0	0
% of GDP	-1.1	-7.0	-0.4	-3.7	0.0
Capital and Financial Account	-401.6	-2,769.7	-433.3	-1,945.1	0
% of GDP	-1.0	-6.6	-1.0	-4.3	0.0
Foreign Direct Investment	8,862.8	9,231.2	9,829.3	10,229.3	0.0
% of GDP	22.0	21.9	22.8	22.8	0.0
International Reserves	10,249.8	9,481.6	9,747.4	10,144.2	10,220
% of GDP	25.4	22.5	22.6	22.6	22.1
Public Sector ²⁸					
(% del PIB)					
Income	13.7	14.0	14.0	15.1	6.3
<i>Which: Taxation Income represents</i>	9.8	10.2	10.1	11.4	4.9
Expenses and investments	17.3	17.0	18.1	17.7	6.6
<i>Which: Payment of interests represents</i>	1.1	1.2	1.7	2.0	0.8
Primary Outcome	-2.5	-1.8	-2.4	-0.6	0.5
Fiscal Outcome²⁹	-3.6	-2.9	-4.1	-2.6	-0.3
Total Debt of the Public Sector	33.8	35.8	38.4	40.2	41.2
Public External Debt	29.3	31.7	33.2	35.0	36.1
% of the Total Public Debt	86.7	88.5	86.6	86.9	87.6
Domestic Public Debt	4.5	4.1	5.2	5.3	5.1
% of the Total Public Debt	13.3	11.5	13.4	13.1	12.4
Service of the Domestic Public Debt	1.6	1.8	3.1	3.1	0.3

²⁷ The data in this table correspond to the BCP Statistical Annex for June 2025.

²⁸ The data on income, expenses, primary results, and fiscal results correspond to Central Administration.

²⁹ The data for 2025 is cumulative as of April 2025.



References:

Remarks and Sources: Chart prepared by the General Directorate of Indebtedness Policy (DGPE, Ministry of Economy and Finance), including data of the Central Bank of Paraguay (BCP, Statistical Schedule as of June 17, 2025) and the Ministry of Economy and Finance.

1. The exchange rate corresponds to the one of the last working day of the year.
2. Income and Expenses as of May 2025 are preliminary.
3. These letters shall have the following meanings: M: month (i.e., M5: May); T: Quarter (i.e., T02: quarter 2); N/A: non-available, ME: Foreign Currency; fdp: end of period.
4. (*) means preliminary data subject to changes and (**) projections.
5. Data after 2012 are preliminary and they may be subject to reviews.
6. The Economy Structure includes data in Guaranies as of 2014. Historical data as well as projections correspond to the BCP.
7. Inflation as of May 2025 corresponds to the goal rate of inflation established by the BCP.
8. Other services include: transportation; financial intermediation; residential lease; services rendered to companies; hotels and restaurants and services rendered to households.
9. Binational mean currency income as energy cession of Paraguay to Argentina and Brazil, corresponding to the hydroelectric plants Yacyreta and Itaipu. The Real Sector and Economy Structure projections are figures prepared by the BCP.
10. Public Sector data are figures prepared by the Ministry of Finance. Since 2015, a migration has been performed to the methodology contemplated in the Manual on Statistics of the Public Finances 2001 (MEFP 2001)
11. Exports and imports as of 2025 correspond to May of the mentioned year. (2025, M5). Exports include reexports and other exports. The inter-annual variation of exports/imports as of May 2025 (May 2025/ May, 2024) obtains the accrued variation of exports/imports of the total exports and imports accrued of May 2025, concerning the same period of the year 2025, compared to the same period of the previous year

June 2025

World Economy

The International Monetary Fund's World Economic Outlook indicates that the context has changed, and governments are reordering their policy priorities.

Since the publication of the WEO in January 2025, the United States has announced and implemented almost universal tariff measures that have a negative impact on growth and on the formulation of consistent assumptions for projections.

In this regard, global growth is expected to decline to 2.8% in 2025 and 3.0% in 2026, down from the 3.3% forecast for both years in the January WEO projections.



World Economic Outlook Update (IMF–Apr 2025)

Regional Context

For the **United States**, growth is expected to slow to 1.8%, which is about 0.9 percentage points below the previous report. This situation reflects greater political uncertainty, trade tensions, and a more moderate outlook for demand, explained by slower-than-expected consumption growth.

For the **Eurozone**, a slowdown of 0.2 percentage points is expected, reaching 0.8% by 2025, mainly due to growing uncertainty and tariff restrictions.

As for **Emerging and Developing Market Economies**, a decline to 3.7% for 2025 and 3.9% for 2026 is also projected, caused by recently adopted trade measures.

With regard to **China**, GDP growth was revised downward from 4.6% to 4.0% for 2025, remaining constant for 2026, caused by recent tariff impositions.

Table 1: Overview of World Economic Outlook projections.

	2024*	2025**	2026
World	3.3	2.8	3.0
Advanced economies	1.8	1.4	1.5
United States	2.8	1.8	1.7
Eurozone	0.9	0.8	1.2
EDME	4.3	3.7	3.9
China	5.0	4.0	4.0
LAC	2.4	2.0	2.4
Brazil	3.4	2.0	2.0
Mexico	1.5	-0.3	1.4

Source: WEO-IMF April 2025.

Latin America and the Caribbean

For **Latin America and the Caribbean**, growth is expected to moderate from 2.4% in 2024 to 2.0% in 2025, before rebounding to 2.4% in 2026. This reduction is largely affected by the sharp decline in **Mexico's growth**, from 1.7% for 2025 to 0.6% for 2026, reflecting weaker-than-expected economic activity in the 2024 and January 2025 outlooks, due to the impact of tariffs, geopolitical tensions, and tighter financing conditions.

Finally, **Brazil** also sees a downward revision in growth of 2.0% for 2025 and 2026.



World Economic Outlook Update (IMF–Apr 2025)

Domestic Situation

Paraguay's GDP growth forecast was revised upward from 4.0% to 4.4% for 2025. This growth would be driven mainly by the services sector, explained by improved trade dynamics.

The primary sector has also performed well in terms of livestock activities, with high export volumes and values.

For its part, the secondary sector has shown expansion, explained by the strong performance of manufacturing production, while the electricity and water sectors, as well as construction, and have shown stable performance.

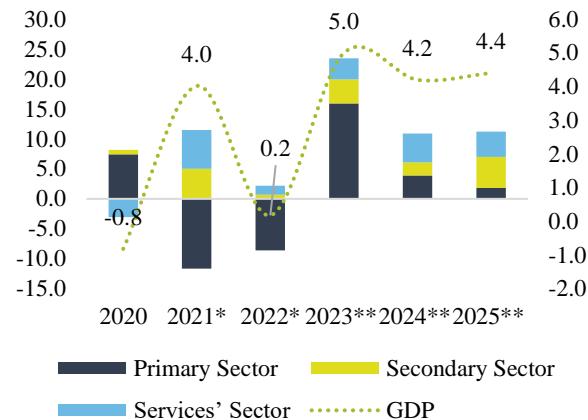
Higher tax revenues on products as of June, as well as greater economic activity, are expected to lead to higher tax growth, with an adjustment from 3.7% to 4.8%. In this context, there would be an upward variation in GDP without agriculture or binational of 4.5%.

Finally, on the expenditure side, GDP growth expansion is mainly explained by improved domestic demand dynamics. Among these, the adjustment in gross fixed capital formation stands out, explained by positive dynamics in investment in machinery and equipment. Another component that is showing favorable performance is private consumption, in line with GDP excluding agriculture and binational companies, showing improved performance.



Monetary Policy Report

Chart 1: GDP growth by economic sector, 2025.



Source: Central Bank of Paraguay.

*Preliminary figures. ** Projection.



Statistical Annex to the Economic Report. (BCP)

Debt levels and structures of the Total Public Sector

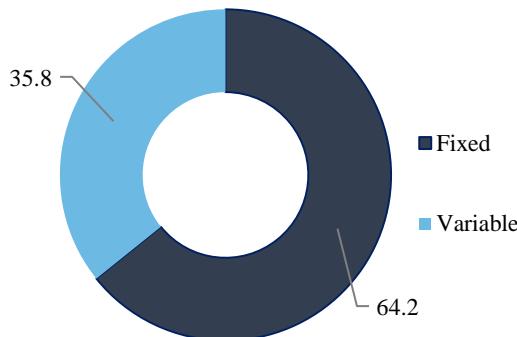
The Law 1535/1999 on "State Financial Administration," in Article No. 42, establishes that public debt shall be classified as internal and external, and direct and indirect. Direct public debt of the Central Administration is that assumed by the latter as the principal debtor. Indirect debt of the Central Administration, on the other hand, is that constituted by any natural or legal person, public or private, other than the Central Administration, but which has the corresponding guarantee, bond, or surety, duly authorized by law (public companies, second-tier banks, etc.).

In June, **total public sector debt** stood at 40.9% of GDP, which is considered sustainable for the country's public finances, representing one of the lowest debt levels in the region.

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As for the **classification of total public sector debt by type of rate** as of June 2025, it was observed that 64.2% is at a **fixed** rate and 35.8% at a **variable** rate.

Figure 1: Total public debt balance by interest rate.

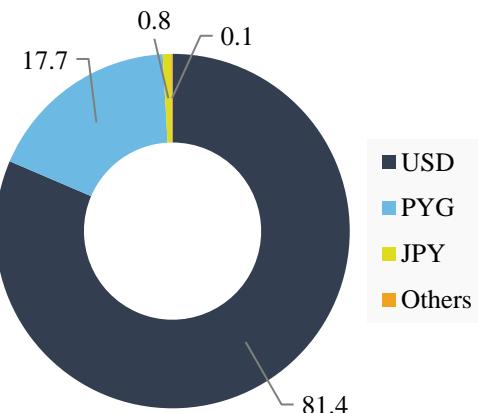


Source: Vice Ministry of Economy and Planning.

The structure of public debt by currency in June shows that USD continues to account for the largest share at **81.4%**, followed by PYG at **17.7%**, JPY at **0.8%**, and other currencies at **0.1%**.

It should be noted that the higher proportion of debt in dollars does not represent a risk for the country, since Paraguay receives income in dollars in the form of annual royalties for the use of the hydraulic potential of the Paraná River for the production of electricity by binational entities (Itaipú and Yacyretá).

Figure 2: Total Public Debt Balance by Currency as a Percentage.



Source: Vice Ministry of Economy and Planning.

Debt statistics

Regarding the average maturity of debt.

Due to placements in international markets with longer maturities than those in domestic markets, the average maturity of the Central Government Debt (ATM) was maintained at 10.9 years (2017) to 10.0 years (2024).

Table 2: Average Debt Maturity (Years*)

Years	Central Administration		
	External Debt	Domestic Debt	Total Debt
2017	11.5	2.4	10.9
2018	12.7	3.4	12
2019	13.3	3.4	12.6
2020	14.9	4.8	14.3
2021	12.6	7.6	12.3
2022	11.58	7.12	11.37
2023	11.0	6.4	10.6
2024	10.3	6.0	10.0

Source: Vice Ministry of Economy and Planning

*Does not include perpetual debt with the Central Bank of Paraguay.

Strategic Guideline

Fiscal Policy

Financial Situation as of June 2025.

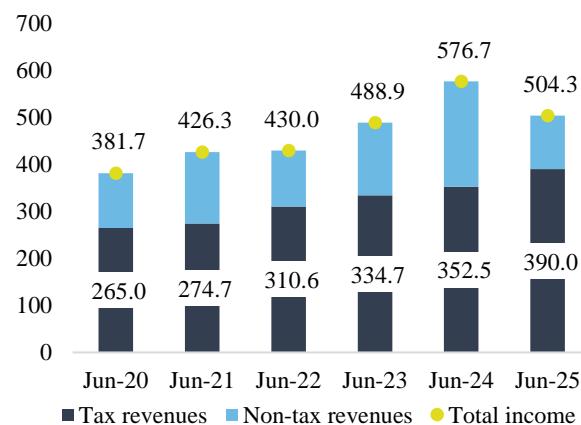
At the end of June 2025, the cumulative fiscal deficit was -0.5% of GDP, equivalent to USD 221 million. In annualized terms, the overall result was -2.76% of GDP, explained by lower revenues from Yacyretá compared to the previous year.³⁰

Income

At the end of the first half of 2025, total revenue recorded cumulative growth of 4.9%.

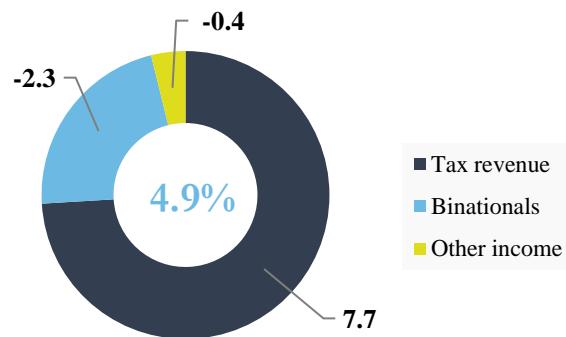
Total revenue in June was USD 504.3 million, mainly due to strong tax revenue performance, coming from both domestic and foreign tax collection, essentially from corporate income tax (IRE), value added tax (VAT), and customs duties.

Chart 2: Total revenue in June 2025, in millions of dollars



Source: SITUFIN – Ministry of Economy and Finance.

Figure 3: Components of income in percentage terms (cumulative variation).

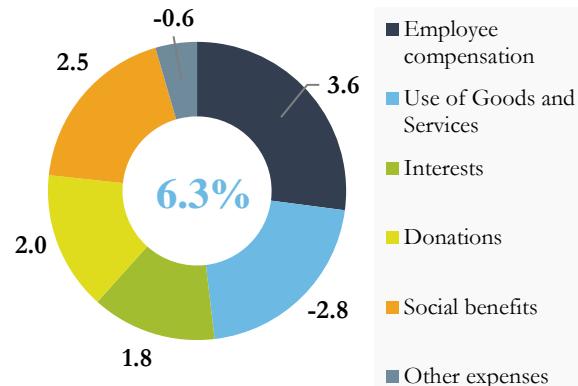


Source: SITUFIN – Ministry of Economy and Finance.

Public Expenditure

Total expenditure showed a cumulative variation of 6.3% at the end of June. This result is mainly explained by the financing of strategic sectors, such as social benefits, salaries, and interest payments.

Figure 4: Composition of the variation in accumulated expenses in percentage terms



Source: SITUFIN – Ministry of Economy and Finance.

 **SITUFIN 2025**

Monetary Policy

The Central Bank of Paraguay (BCP) conducts monetary policy under an inflation targeting framework, officially since 2011. Under this framework, the main objective of monetary policy, in accordance with Law No. 6104, which modifies and expands Law No. 489/95, the Organic Law of the BCP, is to preserve and ensure the stability of the currency by providing a framework of nominal predictability for the Paraguayan economy, on which economic agents can base their consumption and investment decisions.

Inflation

International Context

Recent conflicts have triggered high volatility in commodity prices, particularly oil.

In the **United States**, as of June, favorable conditions persist in the labor market, with the unemployment rate falling from 4.2% to 4.1%. Meanwhile, inflation rose this month from 2.4% to 2.7% year-on-year, exceeding market expectations.

In the **Eurozone**, inflation slowed down, settling around the European Central Bank's target, with figures showing 2.0% year-on-year growth and core inflation remaining at 2.3% in June.

Domestic Context

The Board of Directors of the Central Bank of Paraguay recently decided to reduce the inflation target, measured by the variation in the Consumer Price Index (CPI), adjusting it from 4.0% to 3.5% and maintaining the tolerance range of 2% above and 2% below.

This decision is based on key factors, such as the favorable evolution of inflation under the targeting regime, which has generally remained below the established targets, the effectiveness of monetary policy, and the credibility of the central bank in guiding the expectations of economic agents. A lower inflation target helps protect the purchasing power of the population, particularly lower-income households. Likewise, lower and more stable

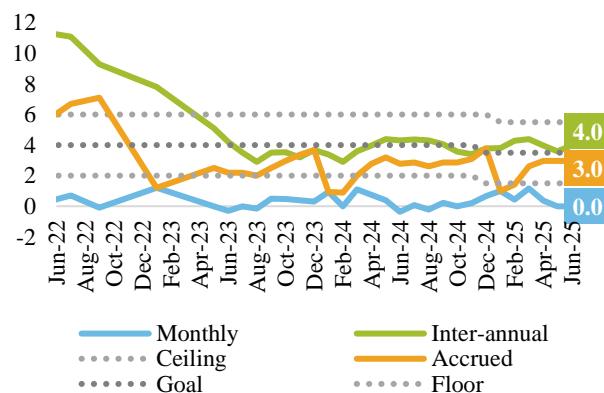
inflation is a fundamental element for long-term planning.³¹

In June, monthly inflation was 0.0%. On the one hand, there were increases in the prices of fuel, clothing, and some services, while on the other hand, there were decreases in the prices of fruits and vegetables, meat, and imported durable goods.

Monthly inflation, excluding food and energy (IPCSAE), varied by 0.2%. In year-on-year terms, total inflation was 4.0%, while year-on-year IPCSAE inflation was 4.1%.

Inflation expectations for the next 12 months remained at 3.7% and for the monetary policy horizon at 3.5%.

Chart 3: Inflation as of June 2025, in percentage.



Source: Central Bank of Paraguay.



CPM Meeting Minutes

³¹ Minutes of the Monetary Policy Committee Meeting (December 19, 2024). Retrieved from:

Monetary Policy Rate

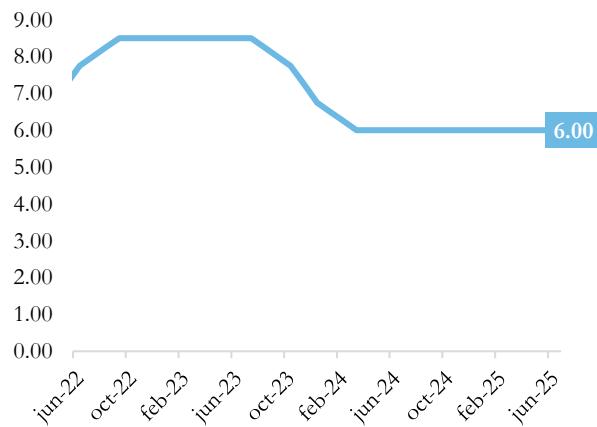
It is a monetary policy instrument used to influence market liquidity and interest rates, which ultimately affects part of economic activity and influences inflation.

Monetary Policy Rate (TPM) as of June 2025

The Monetary Policy Committee (MPC) decided to maintain the Monetary Policy Rate (MPR) at 6% at its June meeting this year, mainly due to the continued positive performance of domestic economic conditions, which led to an increase in the GDP growth forecast from 4.0% to 4.4%.

With regard to the external sector, interest rate cuts by the Federal Reserve are expected during 2025, while oil prices have fallen.

Chart 4: Monetary Policy Rate 2025



Source: Central Bank of Paraguay.

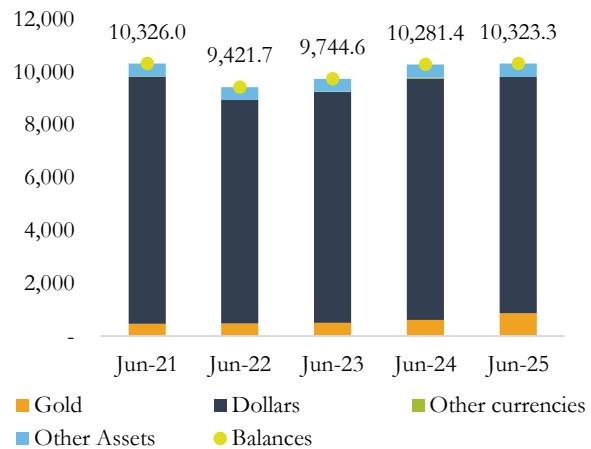


CPM Meeting Minutes

Net International Reserves

Net international reserves in June 2025 stood at USD 10,323.3 million, comprising USD 866.4 million in gold, USD 8,943.2 million in dollars, USD 5.1 million in other currencies in demand accounts, and USD 508.6 million in other assets.

Chart 5: Composition of NIRs, in millions of dollars.



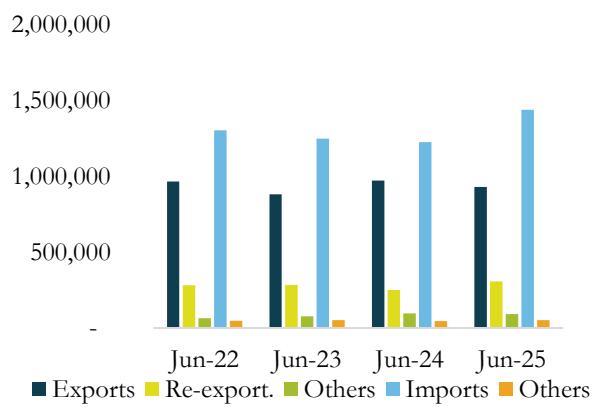
Source: Central Bank of Paraguay.

Trade Balance

In June 2025, foreign trade figures (exports plus imports) amounted to USD 2,820.8 million.

Total exports in June 2025 amounted to USD 1,330.6 million. Total imports, meanwhile, amounted to USD 1,490.2 million. Finally, the trade balance recorded a deficit of USD -159.5 million, in favor of imports.

Chart 6: Trade balance, in thousands of dollars



Source: Central Bank of Paraguay.



BCP Statistical Annex

Credit Outlook for Paraguay

Sovereign Rating History

Paraguay has managed to maintain a positive trajectory in the evolution of its sovereign rating with Moody's, Fitch, and Standard and Poor's rating agencies, despite adverse conditions such as external shocks, a pandemic, armed conflicts, and internal shocks such as droughts and other climatic situations.

In October 2024, Fitch Ratings confirmed Paraguay's BB+ rating with a stable outlook, based on its latest report, which cites prudent and consistent macroeconomic policies, as well as a remarkable situation among countries in the region, with one of the highest growth prospects, low levels of indebtedness, and the government's efforts to implement reforms that improve institutional and governance efficiency.

For its part, Standard & Poor's, in its report dated January 8, 2025, decided to maintain Paraguay's credit rating at BB+, changing the outlook from stable to positive, explained by prudent macroeconomic policies implemented by the government and moderate public debt. They also highlight that the reforms implemented over the last decade have strengthened the credibility of economic institutions.

Table 3: Country risk ratings for 2025.

Agency	Rating	Perspective	Last revision
S&P	BB+	Positive	Jan-08-2025
Moody's	Baa3	Stable	Jun-30-2025
Fitch	BB+	Stable	Oct-22-2024

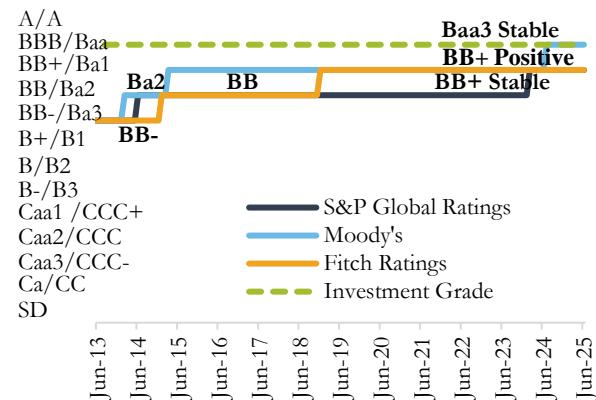
Source: Vice Ministry of Economy and Planning.

Annual Rating Reports

Likewise, in its credit opinion report dated June 30, 2025, Moody's rating agency has decided to maintain its Baa3 rating with a stable outlook. The report highlights solid growth, institutional improvements, and limited external vulnerability.

In summary, Paraguay currently has an investment grade rating with Moody's and is one notch below with Fitch Ratings and Standard & Poor's.

Chart 7: Country rating for Paraguay for the period 2013-2025



Source: Vice Ministry of Economy and Planning.

Regional Outlook Report

Other accesses of interest

Click on the text to go to the web site.

Monetary Policy Reports



-  [National Accounts Report \(Fiscal Quarters\)](#) 
-  [Statistic Schedule of the Economic Report](#)
-  [Foreign Trade Report \(Fiscal Quarters\)](#)

-  [Direct Investment](#)
-  [Monetary Policy](#)

ODS

-  [Sustainable Paraguay](#)
-  [Sustainable Development Objectives \(ODS\)\)](#)

Ministry of Industry and Trade

-  [MyPIMES](#)
-  [Maquila](#)
-  [Programs and Projects for S&MEs](#)

Environmental Actions

-  [Legal Provisions on environmental policies and actions](#)

Ministry of Economy and Finance

- General Budget of the Nation
- Public Investments
- SITUFIN
- Public Debt Statistics
- Debt Monthly Reports
- Monthly Financial Management of the General Budget of the Nation
- Report on Foreign Trade (RCE)
- Planning System according to Outcomes

- Financial Control and Budget Evaluation
- Economic and Commercial Profile
- (ECB) Foreign Trade Bulletin
- Becal
- News

National Directorate of Tax Revenues (DNIT)

- Why to invest in Paraguay
- Statistics on Collections

Financial Agency of Development

- Products
- Investors

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Schedule

Economic Indicators / 2021 – 2025

	2021	2022	2023(*)	2024(**)	2025(**)
Real Sector					
Population (thousands)	6,247.9	6,284.0	6,326.8	6,372.6	6,417.1
GDP (USD million)	40,284.1	42,093.1	43,171.2	44,937.3	46,680.7
GDP per capita (USD)	6,447.6	6,698.4	6,823.5	7,051.6	7,274.4
Real GDP (y-o-y change in %)	4.0	0.2	5.0	4.2	4.4
Total consumption (y-o-y change in %)	5.5	1.6	3.5	5.5	4.2
Capital investment (FBKF) (y-o-y change in %)	18.2	-1.8	-2.8	8.3	8.5
Unemployed Rate (open unemployment)	6.8	5.8	5.2	4.6	nd
Economy Structure					
In view of Supply (percentage change)					
Primary Sector					
Agriculture	-18.2	-12.5	23.4	2.8	0.6
Livestock	6.2	-0.3	0.5	7.3	5.0
Others	6.8	-0.7	5.7	4.3	2.6
Secondary Sector					
Industry	6.9	-0.1	4.2	4.4	4.1
Construction	12.8	-3.2	-7.1	5.3	4.9
Electricity and Water	-7.6	7.8	15.5	-6.2	8.7
Services Sector					
Government Services	-3.4	-0.7	3.0	3.2	2.4
Trade	14.3	3.4	4.9	6.0	5.3
Telecommunications	4.5	-2.4	-0.8	-0.9	0.5
Other Services	7.7	2.1	3.8	5.6	4.9
Taxes on products	9.0	1.1	5.6	10.1	4.8
In view of Demand					
(Thousands of USD)					
Capital Investment (FBKF)	6,912.8	6,390.5	6,131.7	6,238.6	6,645.0
Total Consumptions	24,240.2	23,181.7	23,674.7	23,461.9	23,999.9
Exports of goods and services	10,236.8	9,536.2	12,708.6	11,743.6	11,678.6
Imports of goods and services	10,710.6	11,037.3	11,918.9	11,659.9	11,904.4
Monetary and Financial Sector					
Exchange rate (PYG per USD, fdp)	6,815.5	7,238.7	7,335.2	7,810.2	7,955.8
Inflation (CPI, y-o-y change in %)	4.5	11.5	4.2	4.3	4.0
Interbank interest rate (%, average monthly TIB)	0.6	7.5	8.7	6.0	6.2
Monetary aggregate (y-o-y change in M2 in %)	11.4	0.8	9.8	9.9	12.6
Dollarization Ratio (% of banking deposits in ME)	46.1	45.7	46.7	46.0	46.4
Banking sector credits granted to the private sector (% of GDP)	10.1	15.1	7.8	15.4	19.4
Real wage index (y-o-y change, %)	5.5	6.9	4.7	4.0	-

External Sector³²
(Thousands of USD)

Goods exports	1,368,618	1,312,445	1,242,007	1,318,345	1,330,630
% of GDP	3.4	3.1	2.9	2.9	2.9
Goods imports	1,055,760.7	1,350,146.4	1,300,862.2	1,270,213.9	1,490,159.7
% of GDP	2.6	3.2	3.0	2.8	3.2
Trade Balance of Goods	312,857.7	-37,701.7	-58,854.7	48,131.0	-159,529.3
% of GDP	0.8	-0.1	-0.1	0.1	-0.3

(Millions of USD)

Current Account	-429.5	-2,948.4	-176.6	-1,742.3	-498.5
% of GDP	-1.1	-7.0	-0.4	-3.9	-1.1
Capital and Financial Account	-423.7	-2,666.9	-301.6	-1,810.6	-79.5
% of GDP	-1.1	-6.3	-0.7	-4.0	-0.2
Foreign Direct Investment	8,862.8	9,231.2	9,829.3	10,229.3	10,345.2
% of GDP	22.0	21.9	22.8	22.8	22.2
International Reserves	10,326.0	9,421.7	9,744.6	10,281.4	10,323.3
% of GDP	25.6	22.4	22.6	22.9	22.1

Public Sector³³
(% of GDP)

Income	13.7	14.0	14.0	15.1	7.4
<i>Which: Taxation Income represents</i>	9.8	10.2	10.1	11.4	5.8
Expenses and investments	17.3	17.0	18.1	17.7	7.8
<i>Which: Payment of interests represents</i>	1.1	1.2	1.7	2.0	0.9
Primary Outcome	-2.5	-1.8	-2.4	-0.6	0.5
Fiscal Outcome³⁴	-3.6	-2.9	-4.1	-2.6	-0.5
Total Debt of the Public Sector	33.8	35.8	38.4	40.2	40.9
Public External Debt	29.3	31.7	33.2	35.0	35.8
% of the Total Public Debt	86.7	88.5	86.6	86.9	87.5
Domestic Public Debt	4.5	4.1	5.2	5.3	5.1
% of the Total Public Debt	13.3	11.5	13.4	13.1	12.5
Service of the Domestic Public Debt	1.6	1.8	3.1	3.1	2.0

³² The data in this table correspond to the BCP Statistical Annex for August 2025.

³³ The data on income, expenses, primary results, and fiscal results correspond to Central Administration.

³⁴ The data for 2025 is cumulative as of June 2025.

References:

Remarks and Sources: Chart prepared by the General Directorate of Indebtedness Policy (DGPE, Ministry of Economy and Finance), including data of the Central Bank of Paraguay (BCP, Statistical Schedule as of Aug-05-2025) and the Ministry of Economy and Finance.

1. The exchange rate corresponds to the one of the last working day of the year.
2. Income and Expenses as of June 2025 are preliminary.
3. These letters shall have the following meanings: M: month (i.e., M6: June); T: Quarter (i.e., T02: quarter 2); N/A: non-available, ME: Foreign Currency; fdp: end of period.
4. (*) means preliminary data subject to changes and (**) projections.
5. Data after 2012 are preliminary and they may be subject to reviews.
6. The Economy Structure includes data in Guaranes as of 2014. Historical data as well as projections correspond to the BCP.
7. Inflation as of June 2025 corresponds to the goal rate of inflation established by the BCP.
8. Other services include: transportation; financial intermediation; residential lease; services rendered to companies; hotels and restaurants and services rendered to households.
9. Binational mean currency income as energy cession of Paraguay to Argentina and Brazil, corresponding to the hydroelectric plants Yacyreta and Itaipu. The Real Sector and Economy Structure projections are figures prepared by the BCP.
10. Public Sector data are figures prepared by the Ministry of Finance. Since 2015, a migration has been performed to the methodology contemplated in the Manual on Statistics of the Public Finances 2001 (MEFP 2001)
11. Exports and imports as of 2025 correspond to June of the mentioned year. (2025, M6). Exports include reexports and other exports. The inter-annual variation of exports/imports as of June 2025 (June 2025/June, 2024) obtains the accrued variation of exports/imports of the total exports and imports accrued of June 2025, concerning the same period of the year 2025, compared to the same period of the previous year

July 2025

World Economy

The International Monetary Fund's global macroeconomic outlook expects global growth to slow as trade-related distortions ease.

Global growth is expected to be 3.0% in 2025 and 3.1% in 2026. This reflects a concentration of investment prior to tariffs, lower effective tariff rates than those announced in April, improved financial conditions, and fiscal expansion in some major jurisdictions.

In addition, global growth is expected to slow, as noted in the April 2025 WEO projections, as a result of possible increases in effective tariffs.

World Economic Outlook Update (IMF–Jul, 2025)

Regional Context

In 2025, growth of 1.9% is forecast for the **United States**, which is an upward revision of 0.1 percentage points from the April WEO. This improvement is explained by lower effective tariffs than initially announced and more flexible financial conditions—including a weaker dollar—although this effect is partially offset by a faster slowdown in private demand and lower immigration.

For 2026, a slight increase to 2.0% is projected, with an upward revision of 0.3 percentage points from the April forecast, driven mainly by the implementation of the OBBBA fiscal package, which encourages corporate investment and raises GDP by an average of 0.5% over the 2025–2030 horizon.

For the **Eurozone**, growth of 1.0% is projected for 2025, which implies an upward revision of 0.2 percentage points compared to the April WEO. This improvement is mainly explained by Ireland's strong GDP performance, driven by a historic increase in pharmaceutical exports to the United States and the opening of new production plants.

Growth of 1.2% is forecast for 2026, unchanged from the April forecast. This result reflects the disappearance of the anticipation effect, which returns growth to its potential level. In addition, the gradual increase in defense spending is expected to have an impact in the coming years, given the bloc's commitment to reach the spending levels planned for 2035.

As for **Emerging and Developing Market Economies**, growth of 4.1% is also projected for 2025 and 4.0% for 2026.

For **China**, GDP growth is estimated to be revised upward to 4.8%, representing an increase of 0.8 percentage points compared to the April WEO. This adjustment is mainly due to stronger-than-expected activity in the first half of 2025 and the significant reduction in bilateral tariffs between the United States and China. Growth in the first half of the year was sustained by stronger exports, boosted by the depreciation of the renminbi and consumption-oriented fiscal measures.

As for the projection for 2026, GDP growth of 4.2% is expected, with a variation of 0.2 percentage points compared to April, mainly explained by lower effective tariff rates and a partial recovery in inventories.

Table 1: Overview of World Economic Outlook projections.

	2024*	2025**	2026
World	3.3	3.0	3.1
Advanced economies	1.8	1.5	1.6
United States	2.8	1.9	2.0
Eurozone	0.9	1.0	1.2
EDME	4.3	4.1	4.0
China	5.0	4.8	4.2
LAC	2.4	2.2	2.4
Brazil	3.4	2.3	2.1
Mexico	1.4	0.2	1.4

Source: WEO-IMF April 2025.

Latin America and the Caribbean

For **Latin America and the Caribbean**, growth is expected to slow to 2.2% in 2025 and recover to 2.4% in 2026.

Finally, **Brazil** also saw an upward revision, with growth of 2.3% for 2025, representing a variation of 0.3 percentage points compared to the April projections, and growth of 2.1% is expected for 2026.



World Economic Outlook Update (IMF-Jul, 2025)

Domestic Situation

Paraguay's GDP growth forecast was revised upward from 4.0% to 4.4% for 2025. This growth would be driven mainly by the services sector, explained by improved trade dynamics.

The primary sector has also performed well in terms of livestock activities, with high export volumes and values.

Secondary sector activity has expanded, driven by strong manufacturing performance, while the electricity and water sectors, as well as construction, and have remained stable.

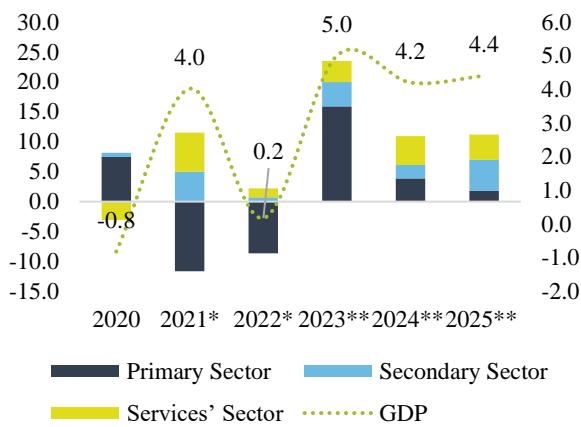
Higher tax revenues on products as of June, as well as greater economic activity, are expected to lead to higher tax growth, with an adjustment from 3.7% to 4.8%. In this context, there would be an upward variation in GDP without agriculture or binational of 4.5%.

Finally, on the expenditure side, GDP growth expansion is mainly explained by improved domestic demand dynamics. Among these, the adjustment in gross fixed capital formation stands out, explained by positive dynamics in investment in machinery and equipment. Another component that is showing favorable performance is private consumption, in line with GDP excluding agriculture and binational companies, showing improved performance.



Monetary Policy Report

Chart 1: GDP growth by economic sector, 2025.



Source: Central Bank of Paraguay.

*Preliminary figures. ** Projection.



Statistical Annex to the Economic Report. (BCP)

Debt levels and structures of the Total Public Sector

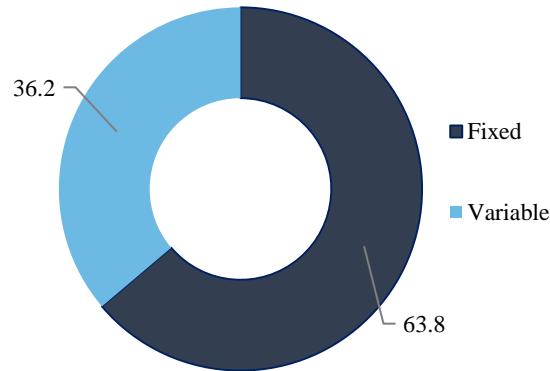
The Law 1535/1999 on "State Financial Administration," in Article No. 42, establishes that public debt shall be classified as internal and external, and direct and indirect. Direct public debt of the Central Administration is that assumed by the latter as the principal debtor. Indirect debt of the Central Administration, on the other hand, is that constituted by any natural or legal person, public or private, other than the Central Administration, but which has the corresponding guarantee, bond, or surety, duly authorized by law (public companies, second-tier banks, etc.).



In July, **total public sector debt** stood at 41.9% of GDP, which is considered sustainable for the country's public finances, representing one of the lowest debt levels in the region.

As for the **classification of total public sector debt by type of rate** as of July 2025, it was observed that **63.8%** is at a fixed rate and **36.2%** at a variable rate.

Figure 1: Total public debt balance by interest rate.

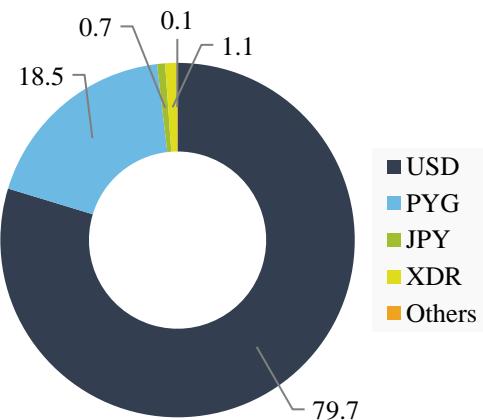


Source: Vice Ministry of Economy and Planning.

The structure of public debt by currency in July shows that **USD** continues to account for the largest share at **79.7%**, followed by **PYG** at **18.5%**, **JPY** at **0.7%**, **XDR** **1.1%** and **other currencies** at **0.1%**.

It should be noted that the higher proportion of debt in dollars does not represent a risk for the country, since Paraguay receives income in dollars in the form of annual royalties for the use of the hydraulic potential of the Paraná River for the production of electricity by binational entities (Itaipú and Yacyretá).

Figure 2: Total Public Debt Balance by Currency as a Percentage.



Source: Vice Ministry of Economy and Planning.



Debt statistics

Regarding the average maturity of debt.

Due to placements in international markets with longer maturities than those in domestic markets, the average maturity of the Central Government Debt (ATM) was maintained at 10.9 years (2017) to 10.0 years (2024).

Table 2: Average Debt Maturity (Years*)

Years	Central Administration		
	External Debt	Domestic Debt	Total Debt
2017	11.5	2.4	10.9
2018	12.7	3.4	12
2019	13.3	3.4	12.6
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2023	11.0	6.4	10.6
2024	10.3	6.0	10.0

Source: Vice Ministry of Economy and Planning

*Does not include perpetual debt with the Central Bank of Paraguay.



Strategic Guideline

Fiscal Policy

Financial Situation as of June 2025.

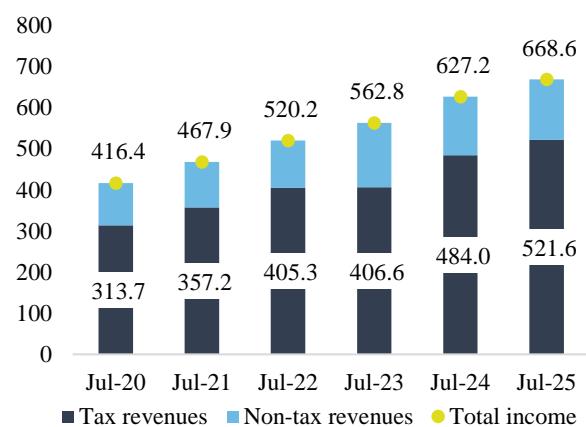
At the end of July 2025, the cumulative fiscal deficit was -0.5% of GDP, equivalent to USD 221 million.

Income

As of July 2025, total revenue recorded cumulative growth of 5.1%.

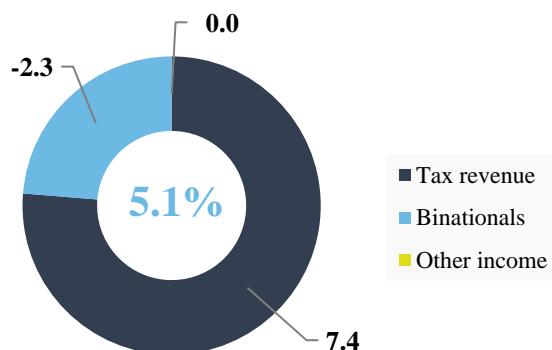
Total revenue in July was USD 668.6 million, driven mainly by tax collection, which contributed 7.4 percentage points, offsetting the decline in non-tax revenue.

Chart 2: Total revenue in July 2025, in millions of dollars



Source: SITUFIN – Ministry of Economy and Finance.

Figure 3: Components of income in percentage terms (cumulative variation).

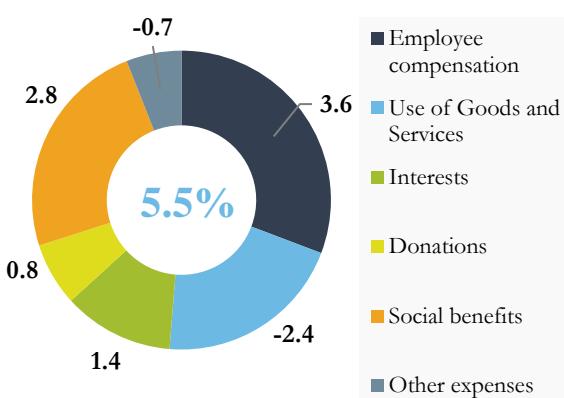


Source: SITUFIN – Ministry of Economy and Finance.

Public Expenditure

Total spending showed a cumulative variation of 5.5% at the end of July, with a notable slowdown in the pace of growth. Salaries financed by tax revenues remained below the historic low of 2024, with 80% allocated to health, education, and security.

Figure 4: Composition of the variation in accumulated expenses in percentage terms



Source: SITUFIN – Ministry of Economy and Finance.



Monetary Policy

The Central Bank of Paraguay (BCP) conducts monetary policy under an inflation targeting framework, officially since 2011. Under this framework, the main objective of monetary policy, in accordance with Law No. 6104, which modifies and expands Law No. 489/95, the Organic Law of the BCP, is to preserve and ensure the stability of the currency by providing a framework of nominal predictability for the Paraguayan economy, on which economic agents can base their consumption and investment decisions.

Inflation

International Context

In the **United States**, as of July, the unemployment rate rose from 4.1% to 4.2%, while inflation remained at 2.7% year-on-year.

In the **Eurozone**, inflation remained stable, hovering around the European Central Bank's target, with figures showing 2.0% year-on-year.

Domestic Context

The Board of Directors of the Central Bank of Paraguay recently decided to reduce the inflation target, measured by the variation in the Consumer Price Index (CPI), adjusting it from 4.0% to 3.5% and maintaining the tolerance range of 2% above and 2% below.

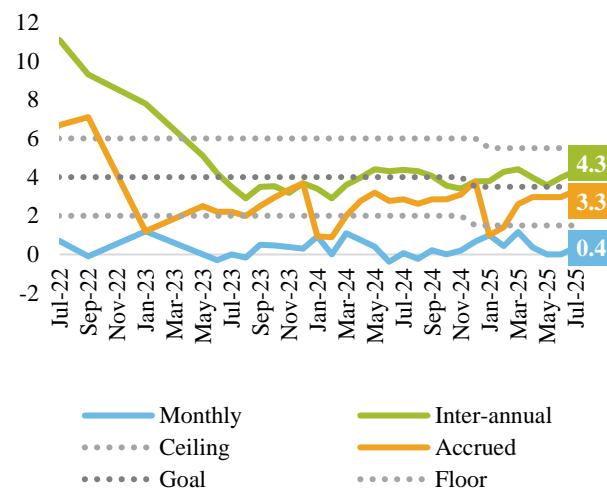
This decision is based on key factors, such as the favorable evolution of inflation under the targeting regime, which has generally remained below the established targets, the effectiveness of monetary policy, and the credibility of the central bank in guiding the expectations of economic agents. A lower inflation target helps protect the purchasing power of the population, particularly lower-income households. Likewise, lower and more stable inflation is a fundamental element for long-term planning.³⁵.

In July, monthly inflation was 0.4%, due to rising prices for fruit, vegetables, fuel, and some services, while prices for durable goods fell due to the appreciation of the exchange rate.

Monthly inflation, excluding food and energy (IPCSAE), varied by 0.1%. In year-on-year terms, total inflation was 4.3%, while year-on-year IPCSAE inflation was 3.8%.

Inflation expectations for the next 12 months remained at 3.7% and for the monetary policy horizon at 3.5%.

Chart 3: Inflation as of July 2025, in percentage.



Source: Central Bank of Paraguay.



CPM Meeting Minutes

Monetary Policy Rate

It is a monetary policy instrument used to influence market liquidity and interest rates, which ultimately affects part of economic activity and influences inflation.

Monetary Policy Rate (TPM) as of July 2025

The Monetary Policy Committee (MPC) decided to maintain the Monetary Policy Rate (MPR) at 6% at its July meeting this year, mainly due to the continued positive performance of domestic economic conditions, which led to an increase in the GDP growth forecast from 4.0% to 4.4%.

With regard to the external sector, interest rate cuts by the Federal Reserve are expected during 2025, while oil prices have fallen.

³⁵ Minutes of the Monetary Policy Committee Meeting (December 19, 2024). Retrieved from:

Chart 4: Monetary Policy Rate 2025



Source: Central Bank of Paraguay.

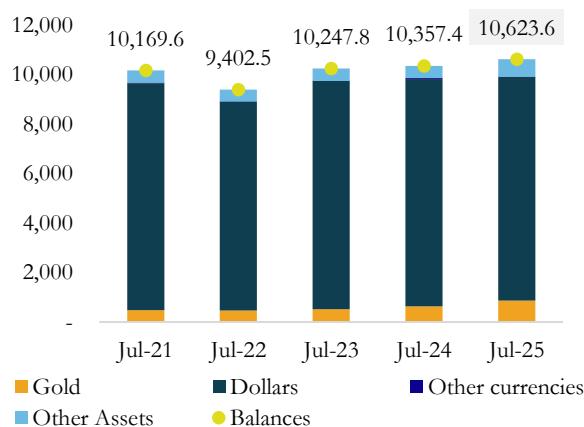


CPM Meeting Minutes

Net International Reserves

Net international reserves in July 2025 stood at USD 10,623.6 million, comprising USD 867.7 million in gold, USD 9,050.0 million in dollars, USD 2.3 million in other currencies in demand accounts, and USD 703.5 million in other assets.

Chart 5: Composition of NIRs, in millions of dollars.



Source: Central Bank of Paraguay.

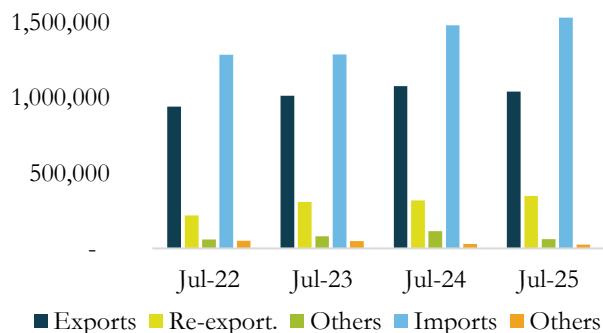
Trade Balance

In July 2025, foreign trade figures (exports plus imports) amounted to USD 3,016.3 million.

Total exports in July 2025 amounted to USD 1,455.9 million. Total imports, meanwhile, amounted to USD 1,560.3 million. Finally, the trade balance recorded a deficit of USD -104.4 million, in favor of imports.

Chart 6: Trade balance, in thousands of dollars

2,000,000



Source: Central Bank of Paraguay.



BCP Statistical Annex

Credit Outlook for Paraguay

Sovereign Rating History

Paraguay has managed to maintain a positive trajectory in the evolution of its sovereign rating with Moody's, Fitch, and Standard and Poor's rating agencies, despite adverse conditions such as external shocks, a pandemic, armed conflicts, and internal shocks such as droughts and other climatic situations.

In October 2024, Fitch Ratings confirmed Paraguay's BB+ rating with a stable outlook, based on its latest report, which cites prudent and consistent macroeconomic policies, as well as a remarkable situation among countries in the region, with one of the highest growth prospects, low levels of indebtedness, and the government's efforts to implement reforms that improve institutional and governance efficiency.

General Directorate of Debt Policy

www.mef.gov.py

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For its part, Standard & Poor's, in its report dated January 8, 2025, decided to maintain Paraguay's credit rating at BB+, changing the outlook from stable to positive, explained by prudent macroeconomic policies implemented by the government and moderate public debt. They also highlight that the reforms implemented over the last decade have strengthened the credibility of economic institutions.

Table 3: Country risk ratings for 2025.

Agency	Rating	Perspective	Last revision
S&P	BB+	Positive	Jan-8-2025
Moody's	Baa3	Stable	Jul-30-2025
Fitch	BB+	Stable	Oct-22-2024

Source: Vice Ministry of Economy and Planning.

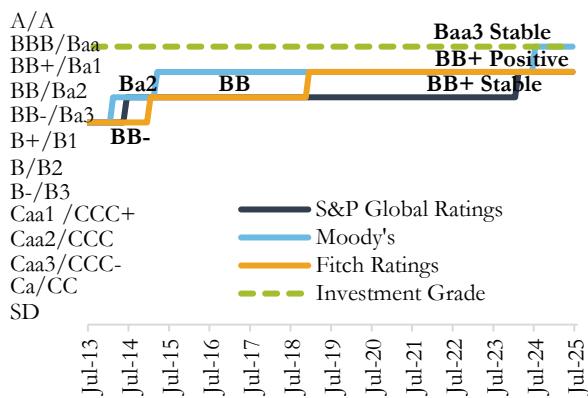


Annual Rating Reports

Likewise, in its credit opinion report dated June 30, 2025, Moody's rating agency has decided to maintain its Baa3 rating with a stable outlook. The report highlights solid growth, institutional improvements, and limited external vulnerability.

In summary, Paraguay currently has an investment grade rating with Moody's and is one notch below with Fitch Ratings and Standard & Poor's.

Chart 7: Country rating for Paraguay for the period 2013-2025



Source: Vice Ministry of Economy and Planning.



Regional Outlook Report

Other accesses of interest

Click on the text to go to the web site.

Monetary Policy Reports



-  [National Accounts Report \(Fiscal Quarters\)](#) 
-  [Statistic Schedule of the Economic Report](#)
-  [Foreign Trade Report \(Fiscal Quarters\)](#)

-  [Direct Investment](#)
-  [Monetary Policy](#)

ODS

-  [Sustainable Paraguay](#)
-  [Sustainable Development Objectives \(ODS\)\)](#)

Ministry of Industry and Trade

-  [MyPIMES](#)
-  [Maquila](#)
-  [Programs and Projects for S&MEs](#)

Environmental Actions

-  [Legal Provisions on environmental policies and actions](#)

Ministry of Economy and Finance

-  General Budget of the Nation
-  Public Investments
-  SITUFIN
-  Public Debt Statistics
-  Debt Monthly Reports
-  Monthly Financial Management of the General Budget of the Nation
-  Report on Foreign Trade (RCE)
-  Planning System according to Outcomes

-  Financial Control and Budget Evaluation
-  Economic and Commercial Profile
-  (ECB) Foreign Trade Bulletin
-  Becal
-  News

Financial Agency of Development

-  Products
-  Investors

National Directorate of Tax Revenues (DNIT)

-  Statistics on Collections
-  Why to invest in Paraguay

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Schedule

Economic Indicators / 2021 – 2025

2021 2022 2023(*) 2024(**) 2025(**)

Real Sector		2021	2022	2023(*)	2024(**)	2025(**)
Population (Thousands)		6,247.9	6,284.0	6,326.8	6,372.6	6,417.1
GDP (USD million)		40,284.1	42,093.1	43,171.2	44,937.3	46,680.7
GDP per capita (USD)		6,447.6	6,698.4	6,823.5	7,051.6	7,274.4
Real GDP (y-o-y change in %)		4.0	0.2	5.0	4.2	4.4
Total consumption (y-o-y change in %)		5.5	1.6	3.5	5.5	4.2
Capital investment (FBKF) (y-o-y change in %)		18.2	-1.8	-2.8	8.3	8.5
Unemployed Rate (open unemployment)		6.8	5.8	5.2	4.6	nd
Economy Structure						
In view of Supply (percentage change)						
Primary Sector		-11.6	-8.6	15.9	3.9	1.8
Agriculture		-18.2	-12.5	23.4	2.8	0.6
Livestock		6.2	-0.3	0.5	7.3	5.0
Others		6.8	-0.7	5.7	4.3	2.6
Secondary Sector		5.0	0.7	4.0	2.2	5.2
Industry		6.9	-0.1	4.2	4.4	4.1
Construction		12.8	-3.2	-7.1	5.3	4.9
Electricity and Water		-7.6	7.8	15.5	-6.2	8.7
Services Sector		6.5	1.5	3.5	4.8	4.2
Government Services		-3.4	-0.7	3.0	3.2	2.4
Trade		14.3	3.4	4.9	6.0	5.3
Telecommunications		4.5	-2.4	-0.8	-0.9	0.5
Other Services		7.7	2.1	3.8	5.6	4.9
Taxes on products		9.0	1.1	5.6	10.1	4.8
In view of Demand						
(Thousands of USD)						
Capital Investment (FBKF)		6,912.8	6,390.5	6,131.7	6,238.6	7,001.3
Total Consumptions		24,240.2	23,181.7	23,674.7	23,461.9	25,286.8
Exports of goods and services		10,236.8	9,536.2	12,708.6	11,743.6	12,304.8
Imports of goods and services		10,710.6	11,037.3	11,918.9	11,659.9	12,542.7
Monetary and Financial Sector						
Exchange rate (PYG per USD, fdp)		6,815.5	7,238.7	7,335.2	7,810.2	7,551.0
Inflation (CPI, y-o-y change in %)		5.2	11.1	3.5	4.4	4.0
Interbank interest rate (%, average monthly TIB)		0.6	7.5	8.7	6.0	6.2
Monetary aggregate (y-o-y change in M2 in %)		12.9	1.0	9.9	9.6	13.2
Dollarization Ratio (% of banking deposits in ME)		46.3	46.0	46.4	45.9	45.7
Banking sector credits granted to the private sector (% of GDP)		10.3	12.6	10.2	15.0	16.7
Real wage index (y-o-y change, %)		5.5	6.9	4.7	4.0	-

External Sector³⁶
(Thousands of USD)

Goods exports	1,390,831	1,221,599	1,405,483	1,513,792	1,455,929
% of GDP	3.5	2.9	3.3	3.4	3.1
Goods imports	1,107,620	1,338,842	1,340,393	1,512,697	1,560,338
% of GDP	2.7	3.2	3.1	3.4	3.3
Trade Balance of Goods	283,211	-117,244	65,090	1,096	-104,409
% of GDP	0.7	-0.3	0.2	0.0	-0.2

(Millions of USD)

Current Account	-429.5	-2,948.4	-176.6	-1,742.3	-498.5
% of GDP	-1.1	-7.0	-0.4	-3.9	-1.1
Capital and Financial Account	-423.7	-2,666.9	-301.6	-1,810.6	-79.5
% of GDP	-1.1	-6.3	-0.7	-4.0	-0.2
Foreign Direct Investment	8,862.8	9,231.2	9,829.3	10,229.3	10,345.2
% of GDP	22.0	21.9	22.8	22.8	22.2
International Reserves	10,169.6	9,402.5	10,247.8	10,357.4	10,623.6
% of GDP	25.2	22.3	23.7	23.0	22.8

Public Sector³⁷
(% of GDP)

Income	13.7	14.0	14.0	15.1	8.7
<i>Which: Taxation Income represents</i>	9.8	10.2	10.1	11.4	6.8
Expenses and investments	17.3	17.0	18.1	17.7	9.2
<i>Which: Payment of interests represents</i>	1.1	1.2	1.7	2.0	1.0
Primary Outcome	-2.5	-1.8	-2.4	-0.6	0.5
Fiscal Outcome³⁸	-3.6	-2.9	-4.1	-2.6	-0.5
Total Debt of the Public Sector	33.8	35.8	38.4	40.2	41.9
Public External Debt	29.3	31.7	33.2	35.0	36.4
% of the Total Public Debt	86.7	88.5	86.6	86.9	86.9
Domestic Public Debt	4.5	4.1	5.2	5.3	5.5
% of the Total Public Debt	13.3	11.5	13.4	13.1	13.1
Service of the Domestic Public Debt	1.6	1.8	3.1	3.1	2.1

³⁶ The data in this table correspond to the BCP Statistical Annex for September 2025.

³⁷ The data on income, expenses, primary results, and fiscal results correspond to Central Administration.

³⁸ The data for 2025 is cumulative as of July 2025.

References:

Remarks and Sources: Chart prepared by the General Directorate of Indebtedness Policy (DGPE, Ministry of Economy and Finance), including data of the Central Bank of Paraguay (BCP, Statistical Schedule as of 09/09/2025) and the Ministry of Economy and Finance.

1. The exchange rate corresponds to the one of the last working day of the year.
2. Income and Expenses as of July 2025 are preliminary.
3. These letters shall have the following meanings: M: month (i.e., M7: July); T: Quarter (i.e., T03: quarter 3); N/A: non-available, ME: Foreign Currency; fdp: end of period.
4. (*) means preliminary data subject to changes and (**) projections.
5. Data after 2012 are preliminary and they may be subject to reviews.
6. The Economy Structure includes data in Guaranies as of 2014. Historical data as well as projections correspond to the BCP.
7. Inflation as of July 2025 corresponds to the goal rate of inflation established by the BCP.
8. Other services include: transportation; financial intermediation; residential lease; services rendered to companies; hotels and restaurants and services rendered to households.
9. Binational mean currency income as energy cession of Paraguay to Argentina and Brazil, corresponding to the hydroelectric plants Yacyretá and Itaipú. The Real Sector and Economy Structure projections are figures prepared by the BCP.
10. Public Sector data are figures prepared by the Ministry of Finance. Since 2015, a migration has been performed to the methodology contemplated in the Manual on Statistics of the Public Finances 2001 (MEFP 2001).
11. Exports and imports as of 2025 correspond to July of the mentioned year. (2025, M7). Exports include reexports and other exports. The inter-annual variation of exports/imports as of July 2025 (July 2025 / July, 2024) obtains the accrued variation of exports/imports of the total exports and imports accrued of July 2025, concerning the same period of the year 2025, compared to the same period of the previous year.

August 2025

World Economy

According to the International Monetary Fund's global macroeconomic outlook, global growth is expected to slow as trade-related distortions ease.

Global growth is expected to be 3.0% in 2025 and 3.1% in 2026. This reflects a concentration of investment prior to the implementation of tariffs announced in April 2025 and lower-than-expected effective tariff rates; an improvement in financial conditions; and fiscal expansion in some major

Likewise, global growth is expected to decline, as observed in the April 2025 WEO projections, as a result of possible increases in effective tariffs.



World Economic Outlook Update (IMF–July 2025)

Regional Context

For 2025, growth of 1.9 percent is expected in the **United States**, representing an upward revision of 0.1 percentage points from the April WEO. This improvement is explained by lower effective tariff rates than initially announced and more flexible financial conditions—including a weaker dollar—although this effect is partially offset by a faster slowdown in private demand and lower immigration.

To 2026, a slight increase to 2.0% is projected, with an upward revision of 0.3 percentage points from the April forecast, driven mainly by the implementation of the OBBBA fiscal package, which encourages corporate investment and would raise GDP by an average of 0.5% over the 2025-2030 horizon.

For the **Eurozone**, growth of 1.0% is projected for 2025, which implies an upward revision of 0.2 percentage points compared to the April WEO. This improvement is mainly explained by Ireland's strong GDP performance, driven by a historic increase in pharmaceutical exports to the United States and the opening of new production plants.

To 2026, growth is expected to reach 1.2%, unchanged from the April forecast. This result reflects the disappearance of the front-loading effect, which returns growth to its potential level. In addition, the gradual increase in defense spending is projected to have an impact in subsequent years, given the bloc's commitment to reach target spending levels by 2035.

As for **emerging and developing market economies**, growth of 4.1% is also projected for 2025 and 4.0% for 2026.

China's GDP growth is estimated to be revised upward to 4.8%, representing an increase of 0.8 percentage points compared to the April WEO. This adjustment is mainly due to stronger-than-expected activity in the first half of 2025 and the significant reduction in bilateral tariffs between the United States and China. Growth in the first half of the year was sustained by stronger exports, boosted by the depreciation of the renminbi and consumption-oriented fiscal measures.

As for the projection for 2026, GDP growth of 4.2% is expected, with a variation of 0.2 percentage points compared to April, mainly explained by lower effective tariff rates and a partial recovery in inventories.

Table 1: Overview of World Economic Outlook projections.

	2024*	2025**	2026
World	3.3	3.0	3.1
Advanced economies	1.8	1.5	1.6
United States	2.8	1.9	2.0
Eurozone	0.9	1.0	1.2
EDME	4.3	4.1	4.0
China	5.0	4.8	4.2
LAC	2.4	2.2	2.4
Brazil	3.4	2.3	2.1
Mexico	1.4	0.2	1.4

Source: WEO-IMF July 2025

Latin America and the Caribbean

In **Latin America and the Caribbean**, growth is expected to slow to 2.2% in 2025 and recover to 2.4% in 2026.

Finally, **Brazil** also saw an upward revision, with growth of 2.3% for 2025, representing a variation of 0.3 percentage points compared to the April projections, and growth of 2.1% is expected for 2026.



World Economic Outlook Update (IMF-July 2025)

Domestic Situation

Paraguay's GDP growth forecast was revised upward from 4.0% to 4.4% for 2025. This growth would be driven mainly by the services sector, explained by improved trade dynamics.

The primary sector has also performed well in terms of livestock activities, with high export volumes and values.

Secondary sector activity has expanded, driven by strong manufacturing performance, while the electricity and water sectors, as well as construction, and have remained stable.

Higher tax revenues on products as of June, as well as greater economic activity, are expected to lead to higher tax growth, with an adjustment from 3.7% to 4.8%. In this context, there would

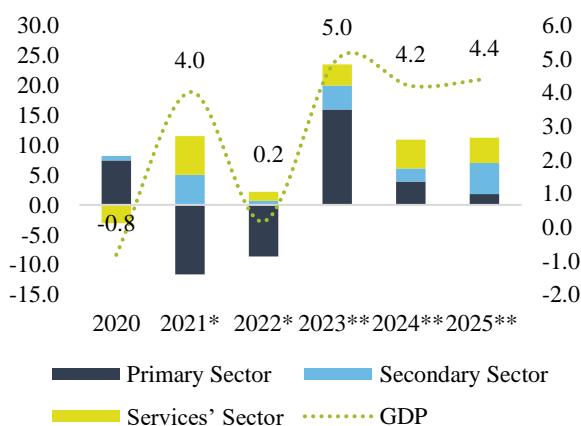
be an upward variation in GDP without agriculture or binational of 4.5%.

Finally, on the expenditure side, GDP growth expansion is mainly explained by improved domestic demand dynamics. Among these, the adjustment in gross fixed capital formation stands out, explained by positive dynamics in investment in machinery and equipment. Another component that is showing favorable performance is private consumption, in line with GDP excluding agriculture and binational companies, showing improved performance.



Monetary Policy Report

Chart 1: GDP growth by economic sector, 2025.



Source: Central Bank of Paraguay.

*Preliminary figures. ** Projection.



Statistical Annex to the Economic Report. (BCP)

Debt levels and structures of the Total Public Sector

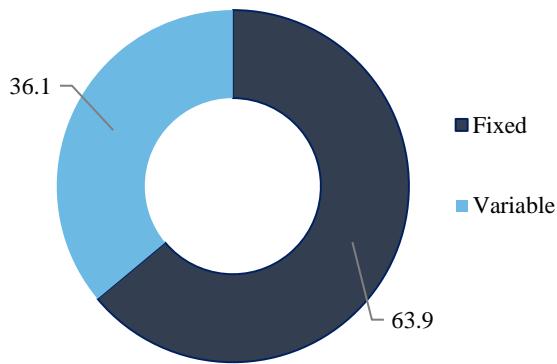
The Law 1535/1999 on "State Financial Administration," in Article No. 42, establishes that public debt shall be classified as internal and external, and direct and indirect. Direct public debt of the Central Administration is that assumed by the latter as the principal debtor. Indirect debt of the Central Administration, on the other hand, is that constituted by any natural or legal person, public or private, other than the Central Administration, but which has the corresponding guarantee, bond, or surety, duly

authorized by law (public companies, second-tier banks, etc.).

In August, the **total public sector debt** level stood at **42.3%** of GDP, which is considered sustainable for the country's public finances, representing one of the lowest debt levels in the region.

In terms of the **classification of total public sector debt by type of rate** as of August 2025, 63.9% is at a **fixed rate** and 36.1% at a **variable rate**.

Figure 1: Total public debt balance by interest rate.

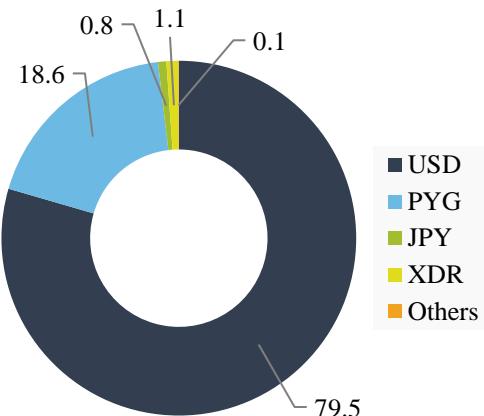


Source: Vice Ministry of Economy and Planning.

The structure of public debt by currency in August shows that **USD** continues to account for the largest share at **79.5%**, followed by PYG at **18.6%**, JPY at **0.8%**, XDR at **1.1%**, and other currencies at **0.1%**.

It should be noted that the higher proportion of debt in dollars does not represent a risk for the country, as Paraguay receives income in dollars in the form of annual royalties for the use of the Paraná River's hydraulic potential for electricity production by binational entities (Itaipú and Yacyretá).

Figure 2: Total Public Debt Balance by Currency as a Percentage.



Source: Vice Ministry of Economy and Planning.



Debt statistics

Regarding the average maturity of debt.

Due to placements in international markets with longer maturities than those in domestic markets, the average maturity of the Central Government Debt (ATM) was maintained at 10.9 years (2017) to 10.0 years (2024).

Table 2: Average Debt Maturity (Years*)

Years	Central Administration		
	External Debt	Domestic Debt	Total Debt
2017	11.5	2.4	10.9
2018	12.7	3.4	12
2019	13.3	3.4	12.6
2020	14.9	4.8	14.3
2021	12.6	7.6	12.3
2022	11.58	7.12	11.37
2023	11.0	6.4	10.6
2024	10.3	6.0	10.0

Source: Vice Ministry of Economy and Planning

*Does not include perpetual debt with the Central Bank of Paraguay.



Strategic Guideline

Fiscal Policy

Financial Situation as of August 2025.

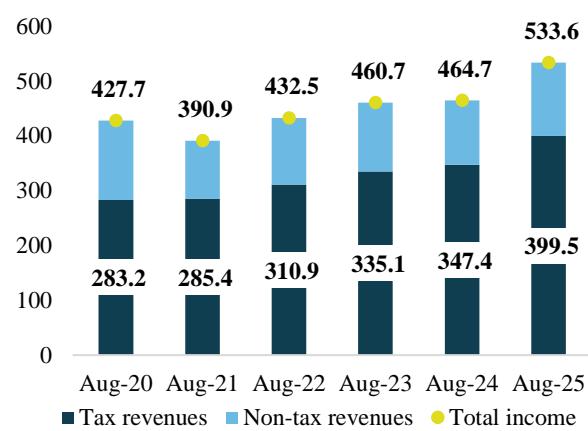
At the end of August 2025, the cumulative fiscal deficit was (0.8% of GDP), equivalent to USD 388 million.

Income

As of August 2025, total revenue registered cumulative growth of 5.7%.

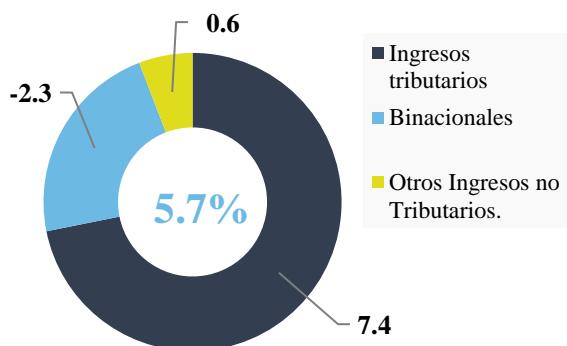
Total revenue in August was USD 533.6 million, driven mainly by tax revenue, both domestic and foreign.

Chart 2: Total revenue in August 2025, in millions of dollars



Source: SITUFIN – Ministry of Economy and Finance.

Figure 3: Components of income in percentage terms (cumulative variation).

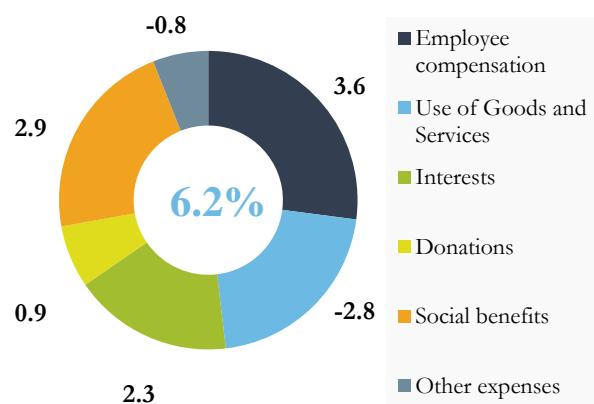


Source: SITUFIN – Ministry of Economy and Finance.

Public Spending

Total spending showed a cumulative variation of 6.2% at the end of August, maintaining the slowdown observed at the beginning of the year. The increase in spending is mainly explained by wages and social benefits in strategic sectors. In this regard, tax-financed wages remain below the historic low of 2024, with 80% allocated to health, education, and security.

Figure 4: Composition of the variation in accumulated expenses in percentage terms



Source: SITUFIN – Ministry of Economy and Finance.



Monetary Policy

The Central Bank of Paraguay (BCP) conducts monetary policy under an inflation targeting framework, officially since 2011. Under this framework, the main objective of monetary policy, in accordance with Law No. 6104, which modifies and expands Law No. 489/95, the Organic Law of the BCP, is to preserve and ensure the stability of the currency by providing a framework of nominal predictability for the Paraguayan economy, on which economic agents can base their consumption and investment decisions.

Inflation

International Context

In the **United States**, as of August, the unemployment rate has registered cumulative increases, while inflation rose by 2.9% year-on-year.

Local Context

The Board of Directors of the Central Bank of Paraguay recently decided to reduce the inflation target, measured by the variation in the Consumer Price Index (CPI), adjusting it from 4.0% to 3.5% and maintaining the tolerance range of 2% above and 2% below.

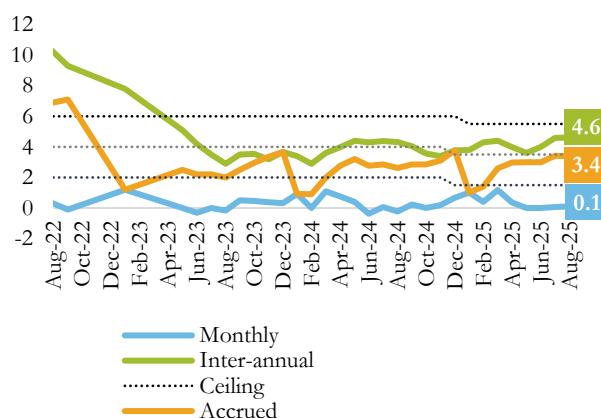
This decision is based on key factors, such as the favorable evolution of inflation under the targeting regime, which has generally remained below the established targets, the effectiveness of monetary policy, and the credibility of the central bank in guiding the expectations of economic agents. A lower inflation target helps protect the purchasing power of the population, particularly lower-income households. Likewise, lower and more stable inflation is a fundamental element for long-term planning.³⁹.

In August, monthly inflation was 0.1%, mainly explained by increases in food prices and prices for the main services in the basket, which were mitigated by decreases in fuel prices and prices for imported durable goods, as a result of the dynamics of the exchange rate of the Guarani against the dollar during the month.

Monthly inflation, excluding food and energy (IPCSAE), was 0.0%, while year-on-year total inflation was 4.6% and year-on-year IPCSAE inflation was 3.4%.

Inflation expectations for the next 12 months remained at 3.7% and for the monetary policy horizon at 3.5%.

Chart 3: Inflation as of August 2025, in percentage.



Source: Central Bank of Paraguay



CPM Meeting Minutes

Monetary Policy Rate

It is a monetary policy instrument used to influence market liquidity and interest rates, which ultimately affects part of economic activity and influences inflation.

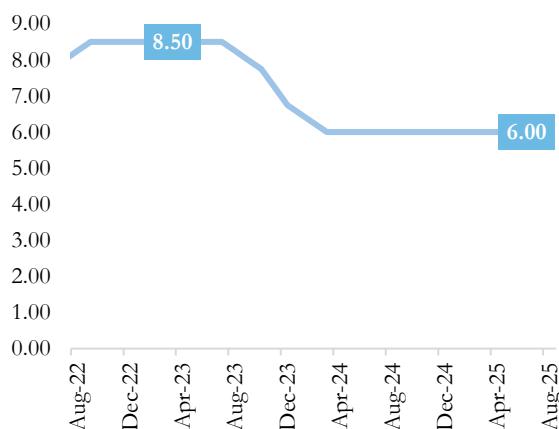
Monetary Policy Rate (TPM) as of August 2025

The Monetary Policy Committee (MPC) decided to maintain the Monetary Policy Rate (MPR) at 6% at its August meeting this year, mainly due to the continued positive performance of domestic economic conditions, which led to an increase in the GDP growth forecast from 4.0% to 4.4%.

With regard to the external sector, interest rate cuts by the Federal Reserve are expected during 2025, while oil prices have fallen.

³⁹ Minutes of the Monetary Policy Committee Meeting (December 19, 2024). Retrieved from:

Chart 4: Monetary Policy Rate 2025



Source: Central Bank of Paraguay

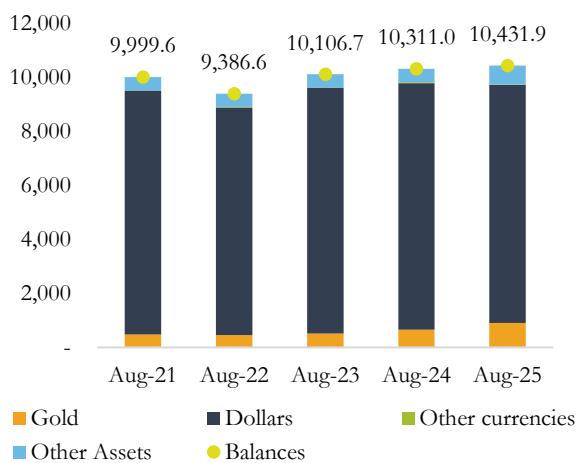


CPM Meeting Minutes

Net International Reserves

Net international reserves in August 2025 stood at USD 10,431.9 million, comprising USD 898.7 million in gold, USD 8,818.8 million in dollars, USD 7.3 million in other currencies in demand accounts, and USD 707 million in other assets.

Chart 5: Composition of NIRs, in millions of dollars.



Fuente: Banco Central del Paraguay.

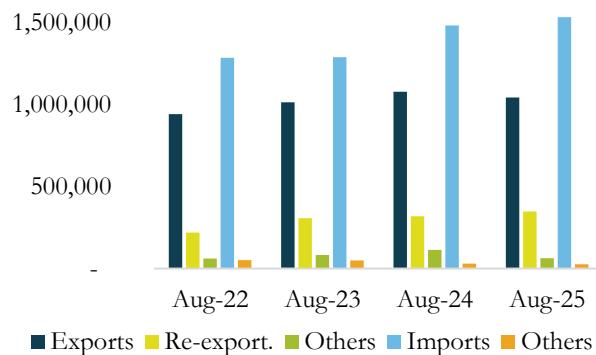
Trade Balance

In August 2025, foreign trade figures (exports plus imports) amounted to USD 3,072.5 million.

Total exports in August 2025 amounted to USD 1,541.4 million. Total imports, meanwhile, amounted to USD 1,531.1 million. Finally, the trade balance registered a surplus of USD 10.4 million in favor of exports.

Chart 6: Trade balance, in thousands of dollars

2,000,000



Source: Central Bank of Paraguay. (Preliminary numbers)



BCP Statistical Annex

Credit Outlook for Paraguay

Sovereign rating history

Paraguay has managed to maintain a positive trajectory in the evolution of its sovereign rating with Moody's, Fitch, and Standard and Poor's rating agencies, despite adverse conditions such as external shocks, a pandemic, armed conflicts, and internal shocks such as droughts and other climatic situations.

In October 2024, the rating agency Fitch Ratings confirmed Paraguay's BB+ rating with a stable outlook, based on its latest report, which cites prudent and consistent macroeconomic policies, as well as a remarkable situation among countries in the region, with one of the best growth prospects, low levels of debt, and the government's efforts to implement reforms that improve efficiency in terms of institutions and governance.

For its part, Standard & Poor's, in its report dated January 8, 2025, decided to maintain Paraguay's credit rating at BB+, changing the outlook from stable to positive, citing prudent macroeconomic policies implemented by the government and moderate public debt. It also highlighted that the reforms implemented over the last decade have strengthened the credibility of economic institutions.

Table 3: Country risk ratings for 2025.

Agency	Rating	Perspective	Last revision
S&P	BB+	Positive	Jan-08-2025
Moody's	Baa3	Stable	Jul-30-2025
Fitch	BB+	Stable	Oct-22-2024

Source: Vice Ministry of Economy and Planning.

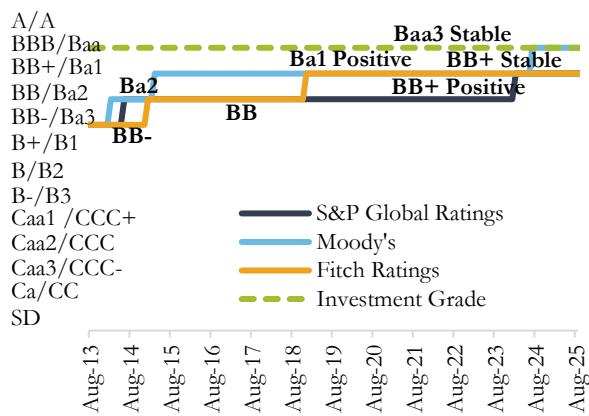


Annual Rating Reports

Likewise, in its credit opinion report dated July 30, 2025, Moody's rating agency has decided to maintain its Baa3 rating with a stable outlook. The report highlights solid growth, institutional improvements, and limited external vulnerability.

In summary, Paraguay currently has an investment grade rating with Moody's and is one notch below Fitch Ratings and Standard & Poor's.

Chart 7: Country rating for Paraguay for the period 2013-2025



Fuente: Viceministerio de Economía y Planificación



Regional Outlook Report



Other accesses of interest

Click on the text to go to the web site.

Monetary Policy Reports



-  [National Accounts Report \(Fiscal Quarters\)](#) 
-  [Statistic Schedule of the Economic Report](#)
-  [Foreign Trade Report \(Fiscal Quarters\)](#)

-  [Direct Investment](#)
-  [Monetary Policy](#)

ODS

-  [Sustainable Paraguay](#)
-  [Sustainable Development Objectives \(ODS\)\)](#)

Ministry of Industry and Trade

-  [MyPIMES](#)
-  [Maquila](#)
-  [Programs and Projects for S&MEs](#)

Environmental Actions

-  [Legal Provisions on environmental policies and actions](#)

Ministry of Economy and Finance

- General Budget of the Nation
- Public Investments
- SITUFIN
- Public Debt Statistics
- Debt Monthly Reports
- Monthly Financial Management of the General Budget of the Nation
- Report on Foreign Trade (RCE)
- Planning System according to Outcomes

- Financial Control and Budget Evaluation
- Economic and Commercial Profile
- (ECB) Foreign Trade Bulletin
- Becal
- News

National Directorate of Tax Revenues (DNIT)

- Why to invest in Paraguay
- Statistics on Collections

Financial Agency of Development

- Products
- Investors

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<https://www.mef.gov.py/es/dependencias/viceministerio-de-economia-y-planificacion/inversores#:~:text=%C3%99ltimos%20Informes%20de%20las%20Calificadoras%20de%20Riesgo>



Schedule

Economic Indicators / 2021 – 2025

	2021	2022	2023(*)	2024(**)	2025(**)
Real Sector					
Population (Thousands)	6,247.9	6,284.0	6,326.8	6,372.6	6,417.1
GDP (USD million)	40,284.1	42,093.1	43,171.2	44,937.3	46,680.7
GDP per capita (USD)	6,447.6	6,698.4	6,823.5	7,051.6	7,274.4
Real GDP (y-o-y change in %)	4.0	0.2	5.0	4.2	4.4
Total consumption (y-o-y change in %)	5.5	1.6	3.5	5.5	4.2
Capital investment (FBKF) (y-o-y change in %)	18.2	-1.8	-2.8	8.3	8.5
Unemployed Rate (open unemployment)	6.8	5.8	5.2	4.6	nd
Economy Structure					
In view of Supply (percentage change)					
Primary Sector	-11.6	-8.6	15.9	3.9	1.8
Agriculture	-18.2	-12.5	23.4	2.8	0.6
Livestock	6.2	-0.3	0.5	7.3	5.0
Others	6.8	-0.7	5.7	4.3	2.6
Secondary Sector	5.0	0.7	4.0	2.2	5.2
Industry	6.9	-0.1	4.2	4.4	4.1
Construction	12.8	-3.2	-7.1	5.3	4.9
Electricity and Water	-7.6	7.8	15.5	-6.2	8.7
Services Sector	6.5	1.5	3.5	4.8	4.2
Government Services	-3.4	-0.7	3.0	3.2	2.4
Trade	14.3	3.4	4.9	6.0	5.3
Telecommunications	4.5	-2.4	-0.8	-0.9	0.5
Other Services	7.7	2.1	3.8	5.6	5.8
Taxes on products	9.0	1.1	5.6	10.1	4.8
In view of Demand					
(Thousands of USD)					
Capital Investment (FBKF)	6,912.8	6,390.5	6,131.7	6,238.6	7,536.9
Total Consumptions	24,240.2	23,181.7	23,674.7	23,461.9	25,286.8
Exports of goods and services	10,236.8	9,536.2	12,708.6	11,743.6	12,329.1
Imports of goods and services	10,710.6	11,037.3	11,918.9	11,659.9	12,771.8
Monetary and Financial Sector					
Exchange rate (PYG per USD, fdp)	6,815.5	7,238.7	7,335.2	7,810.2	7,313.6
Inflation (CPI, y-o-y change in %)	5.6	10.5	2.9	4.3	4.6
Interbank interest rate (%, average monthly TIB)	0.6	8.3	8.4	6.0	6.0
Monetary aggregate (y-o-y change in M2 in %)	12.5	0.7	11.2	10.5	12.2
Dollarization Ratio (% of banking deposits in ME)	46.3	46.1	45.9	46.2	45.7
Banking sector credits granted to the private sector (% of GDP)	11.1	12.1	10.5	16.4	14.0
Real wage index (y-o-y change, %)	5.5	6.9	4.7	4.0	4.4

External Sector⁴⁰
(Thousands of USD)

Goods exports	1,192,662	1,250,834	1,512,641	1,267,853	1,541,434
% of GDP	3.0	3.0	3.5	2.8	3.3
Goods imports	1,146,868.0	1,447,801.9	1,383,463.2	1,340,836.6	1,531,055.3
% of GDP	2.8	3.4	3.2	3.0	3.3
Trade Balance of Goods	45,793.8	-196,968.1	129,178.1	-72,983.1	10,378.7
% of GDP	0.1	-0.5	0.3	-0.2	0.0

(Millions of USD)

Current Account	-411.5	-2,921.8	-105.7	-1,488.8	-943.2
% of GDP	-1.0	-6.9	-0.2	-3.3	-2.0
Capital and Financial Account	-353.8	-2,552.3	-316.9	-1,789.9	-193.9
% of GDP	-0.9	-6.1	-0.7	-4.0	-0.4
Foreign Direct Investment	8,862.8	9,231.2	9,829.3	10,229.3	10,443.5
% of GDP	22.0	21.9	22.8	22.8	22.4
International Reserves	9,999.6	9,386.6	10,106.7	10,311.0	10,431.9
% of GDP	24.8	22.3	23.4	22.9	22.3

Public Sector⁴¹
(% of GDP)

Income	13.7	14.0	14.0	15.1	9.8
<i>Which: Taxation Income represents</i>	9.8	10.2	10.1	11.4	7.6
Expenses and investments	17.3	17.0	18.1	17.7	10.6
<i>Which: Payment of interests represents</i>	1.1	1.2	1.7	2.0	1.3
Primary Outcome	-2.5	-1.8	-2.4	-0.6	0.5
Fiscal Outcome⁴²	-3.6	-2.9	-4.1	-2.6	-0.8
Total Debt of the Public Sector	33.8	35.8	38.4	40.2	42.3
Public External Debt	29.3	31.7	33.2	35.0	36.7
% of the Total Public Debt	86.7	88.5	86.6	86.9	86.8
Domestic Public Debt	4.5	4.1	5.2	5.3	5.6
% of the Total Public Debt	13.3	11.5	13.4	13.1	13.2
Service of the Domestic Public Debt	1.6	1.8	3.1	3.1	2.4

⁴¹ The data on income, expenses, primary results, and fiscal results correspond to Central Administration.

⁴² The data for 2025 is cumulative as of August 2025.

References:

Remarks and Sources: Chart prepared by the General Directorate of Indebtedness Policy (DGPE, Ministry of Economy and Finance), including data of the Central Bank of Paraguay (BCP, Statistical Schedule as of 09/09/2025) and the Ministry of Economy and Finance.

1. The exchange rate corresponds to the one of the last working day of the year.
2. Income and Expenses as of august 2025 are preliminary.
3. These letters shall have the following meanings: M: month (i.e., M8: August); T: Quarter (i.e., T03: quarter 3); N/A: non-available, ME: Foreign Currency; fdp: end of period.
4. (*) means preliminary data subject to changes and (**) projections.
5. Data after 2012 are preliminary and they may be subject to reviews.
6. The Economy Structure includes data in Guaranies as of 2014. Historical data as well as projections correspond to the BCP.
7. Inflation as of august 2025 corresponds to the goal rate of inflation established by the BCP.
8. Other services include: transportation; financial intermediation; residential lease; services rendered to companies; hotels and restaurants and services rendered to households.
9. Binational mean currency income as energy cession of Paraguay to Argentina and Brazil, corresponding to the hydroelectric plants Yacyreta and Itaipu. The Real Sector and Economy Structure projections are figures prepared by the BCP.
10. Public Sector data are figures prepared by the Ministry of Finance. Since 2015, a migration has been performed to the methodology contemplated in the Manual on Statistics of the Public Finances 2001 (MEFP 2001)
11. Exports and imports as of 2025 correspond to August of the mentioned year. (2025, M8). Exports include reexports and other exports. The inter-annual variation of exports/imports as of August 2025 (August 2025/ August, 2024) obtains the accrued variation of exports/imports of the total exports and imports accrued of August 2025, concerning the same period of the year 2025, compared to the same period of the previous year

September 2025

World Economy

According to the International Monetary Fund's global macroeconomic outlook, global growth is expected to slow as trade-related distortions ease.

Global growth is expected to be 3.0% in 2025 and 3.1% in 2026. This reflects a concentration of investment prior to the implementation of tariffs announced in April 2025 and lower-than-expected effective tariff rates; an improvement in financial conditions; and fiscal expansion in some major

Likewise, global growth is expected to decline, as observed in the April 2025 WEO projections, as a result of possible increases in effective tariffs.



World Economic Outlook Update (IMF–July 2025)

Regional Context

For 2025, growth of 1.9 percent is expected in the United States, representing an upward revision of 0.1 percentage points from the April WEO. This improvement is explained by lower effective tariff rates than initially announced and more flexible financial conditions—including a weaker dollar—although this effect is partially offset by a faster slowdown in private demand and lower immigration.

To 2026, a slight increase to 2.0% is projected, with an upward revision of 0.3 percentage points from the April forecast, driven mainly by the implementation of the OBBBA fiscal package, which encourages corporate investment and would raise GDP by an average of 0.5% over the 2025-2030 horizon.

For the **Eurozone**, growth of 1.0% is projected for 2025, which implies an upward revision of 0.2 percentage points compared to the April WEO.

This improvement is mainly explained by Ireland's strong GDP performance, driven by a historic increase in pharmaceutical exports to the United States and the opening of new production plants.

To 2026, growth is expected to reach 1.2%, unchanged from the April forecast. This result reflects the disappearance of the front-loading effect, which returns growth to its potential level. In addition, the gradual increase in defense spending is projected to have an impact in subsequent years, given the bloc's commitment to reach target spending levels by 2035.

As for **emerging and developing market economies**, growth of 4.1% is also projected for 2025 and 4.0% for 2026.

China's GDP growth is estimated to be revised upward to 4.8%, representing an increase of 0.8 percentage points compared to the April WEO. This adjustment is mainly due to stronger-than-expected activity in the first half of 2025 and the significant reduction in bilateral tariffs between the United States and China. Growth in the first half of the year was sustained by stronger exports, boosted by the depreciation of the renminbi and consumption-oriented fiscal measures.

As for the projection for 2026, GDP growth of 4.2% is expected, with a variation of 0.2 percentage points compared to April, mainly explained by lower effective tariff rates and a partial recovery in inventories.

Table 1: Overview of World Economic Outlook projections.

	2024*	2025**	2026
World	3.3	3.0	3.1
Advanced economies	1.8	1.5	1.6
United States	2.8	1.9	2.0
Eurozone	0.9	1.0	1.2
EDME	4.3	4.1	4.0
China	5.0	4.8	4.2
LAC	2.4	2.2	2.4
Brazil	3.4	2.3	2.1
Mexico	1.4	0.2	1.4

Source: WEO-IMF July 2025

Latin America and the Caribbean

In **Latin America and the Caribbean**, growth is expected to slow to 2.2% in 2025 and recover to 2.4% in 2026.

Finally, **Brazil** also saw an upward revision, with growth of 2.3% for 2025, representing a variation of 0.3 percentage points compared to the April projections, and growth of 2.1% is expected for 2026.



World Economic Outlook Update (IMF-July 2025)

Domestic Situation

Paraguay's GDP growth forecast for 2025 was revised upward from 4.4% to 5.3%. This growth would be driven mainly by the primary and tertiary sectors.

The **primary sector** has showed significant adjustment, with estimated growth of 5.1%, supported by improved performance in agriculture, explained by more favorable yields in key crops.

The tertiary sector is consolidating its position as the main engine of growth, with estimated growth of 5.3%, due to greater dynamism in trade and other services.

The secondary sector has also contributed to economic growth, with its projection rising to 5.4% thanks to strong performance in the construction and manufacturing sectors.

From the expenditure perspective, the forecast was revised upward, mainly due to stronger domestic demand.

As a result, GDP excluding agriculture and binational companies grew by 5.3%, which is 0.9 percentage points above the forecast in the previous report.



Monetary Policy Report

Chart 1: GDP growth by economic sector, 2025.



Source: Central Bank of Paraguay.

*Preliminary figures. **Projection.



Statistical Annex to the Economic Report (BCP)

Debt levels and structures of the Total Public Sector

The Law 1535/1999 on "State Financial Administration," in Article No. 42, establishes that public debt shall be classified as internal and external, and direct and indirect. Direct public debt of the Central Administration is that assumed by the latter as the principal debtor. Indirect debt of the Central Administration, on the other hand, is that constituted by any natural or legal person, public or private, other than the

General Directorate of Debt Policy

www.mef.gov.py

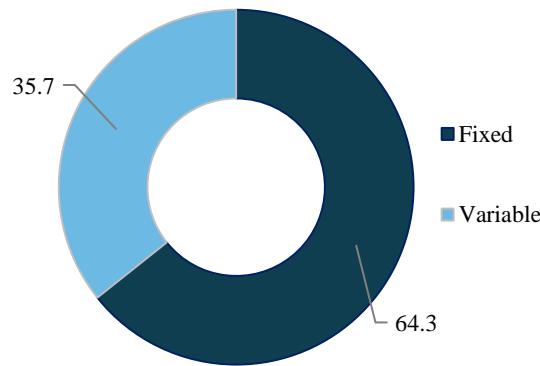
[Back to top](#)

Central Administration, but which has the corresponding guarantee, bond, or surety, duly authorized by law (public companies, second-tier banks, etc.).

In September, **total public sector debt stood** at **41.1%** of GDP, which is considered sustainable for the country's public finances, representing one of the lowest debt levels in the region.

In terms of the **classification of total public sector debt by type of rate** as of September 2025, **64.3%** is at a fixed rate and **35.7%** at a variable rate.

Figure 1: Total public debt balance by interest rate.

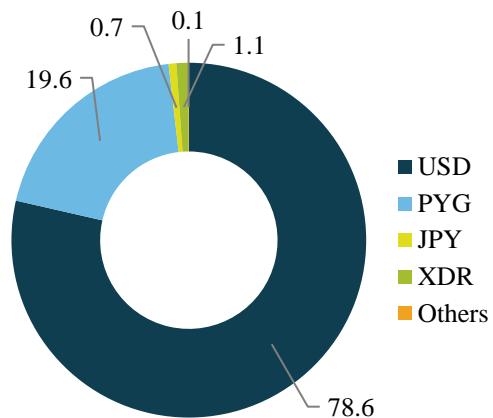


Source: Vice Ministry of Economy and Planning.

The structure of public debt by currency in September shows that **USD** continues to account for the largest share at **78.6%**, followed by PYG at **19.6%**, JPY at **0.7%**, XDR at **1.1%**, and other currencies at **0.1%**.

It should be noted that the higher proportion of debt in dollars does not represent a risk for the country, as Paraguay receives income in dollars in the form of annual royalties for the use of the Paraná River's hydraulic potential for electricity production by binational entities (Itaipú and Yacyretá).

Figure 2: Total Public Debt Balance by Currency as a Percentage.



Source: Vice Ministry of Economy and Planning.

Debt statistics

Regarding the average maturity of debt.

Due to placements in international markets with longer maturities than those in domestic markets, the average maturity of the Central Government Debt (ATM) was maintained at 10.9 years (2017) to 10.0 years (2024).

Table 2: Average Debt Maturity (Years*)

Years	Central Administration		
	External Debt	Domestic Debt	Total Debt
2017	11.5	2.4	10.9
2018	12.7	3.4	12
2019	13.3	3.4	12.6
2020	14.9	4.8	14.3
2021	12.6	7.6	12.3
2022	11.58	7.12	11.37
2023	11.0	6.4	10.6
2024	10.3	6.0	10.0

Source: Vice Ministry of Economy and Planning

*Does not include perpetual debt with the Central Bank of Paraguay.

Strategic Guideline

Fiscal Policy

Financial Situation as of September 2025.

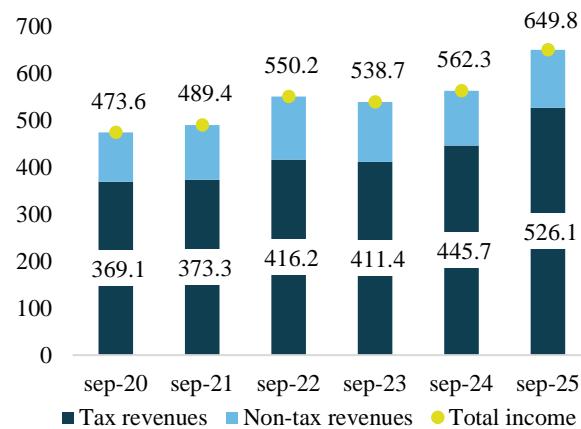
At the end of September 2025, the cumulative fiscal deficit was (0.9% of GDP), equivalent to USD 436 million.

Income

As of September 2025, total revenue registered cumulative growth of 5.8%.

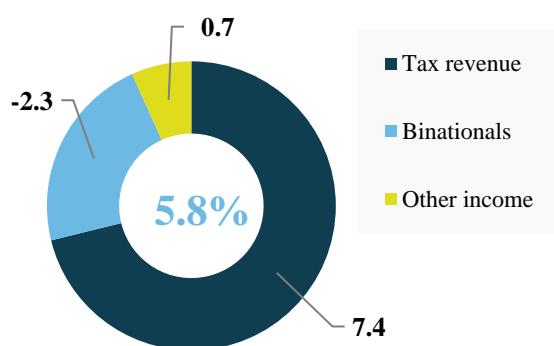
Total revenue in *September* was USD 649.8 million, driven mainly by tax revenue, both domestic and foreign.

Chart 2: Total revenue in September 2025, in millions of dollars



Source: SITUFIN – Ministry of Economy and Finance.

Figure 3: Components of income in percentage terms (cumulative variation).

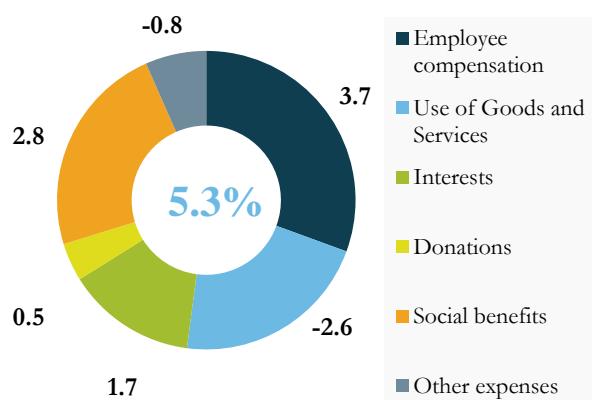


Source: SITUFIN – Ministry of Economy and Finance.

Public Spending

Total spending showed a cumulative variation of 5.3% at the end of September, maintaining the slowdown observed at the beginning of the year. The increase in spending is mainly explained by wages and social benefits in strategic sectors. In this regard, tax-financed wages remain below the historic low of 2024, with 80% allocated to health, education, and security.

Figure 4: Composition of the variation in accumulated expenses in percentage terms



Source: SITUFIN – Ministry of Economy and Finance.



Monetary Policy

The Central Bank of Paraguay (BCP) conducts monetary policy under an inflation targeting framework, officially since 2011. Under this framework, the main objective of monetary policy, in accordance with Law No. 6104, which modifies and expands Law No. 489/95, the Organic Law of the BCP, is to preserve and ensure the stability of the currency by providing a framework of nominal predictability for the Paraguayan economy, on which economic agents can base their consumption and investment decisions.

Inflation

International Context

In the United States, the labor market has shown signs of moderation. Meanwhile, year-on-year inflation stood at 3.0% in September (2.9% in August)⁴³.

Local Context

The Board of Directors of the Central Bank of Paraguay recently decided to reduce the inflation target, measured by the variation in the Consumer Price Index (CPI), adjusting it from 4.0% to 3.5% and maintaining the tolerance range of 2% above and 2% below.

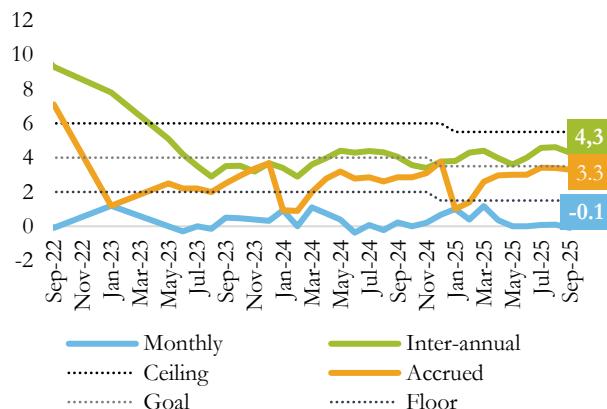
This decision is based on key factors, such as the favorable evolution of inflation under the targeting regime, which has generally remained below the established targets, the effectiveness of monetary policy, and the credibility of the central bank in guiding the expectations of economic agents. A lower inflation target helps protect the purchasing power of the population, particularly lower-income households. Likewise, lower and more stable inflation is a fundamental element for long-term planning.⁴⁴.

In September, monthly inflation was -0.1%, as a result of reductions in fuel and imported goods prices, partially offset by increases in certain foods, such as beef and fruit and vegetable products. Meanwhile, inflation excluding food and energy (IPCSAE) was -0.2%.

In year-on-year terms, total inflation was 4.3%, while year-on-year CPI-SAE inflation was 2.8%.

Inflation expectations for the next 12 months remain steady at 3.7% and for the monetary policy horizon at 3.5%.

Chart 3: Inflation as of September 2025, in percentage.



Source: Central Bank of Paraguay



CPM Meeting Minutes

Monetary Policy Rate

It is a monetary policy instrument used to influence market liquidity and interest rates, which ultimately affects part of economic activity and influences inflation.

Monetary Policy Rate (TPM) as of September 2025

The Monetary Policy Committee (MPC) decided to maintain the Monetary Policy Rate (MPR) at 6% at its September meeting this year, mainly due to the continued positive performance of domestic economic conditions, which led to a further adjustment in the GDP growth forecast from 4.4% to 5.3%.

With regard to the external sector, the market expects additional cuts in the Federal Reserve's target interest rate range at its upcoming meetings this year.

⁴³ Monetary Policy Statement, Oct. 2025. Retrieved from: <https://www.bcp.gov.py/web/institucional/comunicados-del-cpm>

⁴⁴ Minutes of the Monetary Policy Committee Meeting (December 19, 2024). Retrieved from: <https://www.bcp.gov.py/minutas-de-reuniones-del-cpm-i444>

Chart 4: Monetary Policy Rate 2025



Source: Central Bank of Paraguay

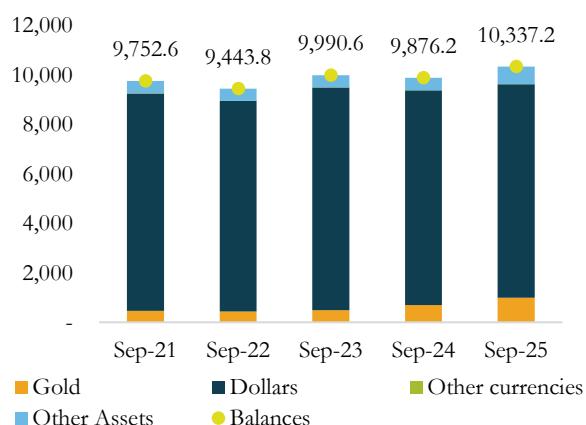


CPM Meeting Minutes

Net International Reserves

Net international reserves in September 2025 stood at USD 10,337.2 million, comprising USD 994.6 million in gold, USD 8,632.0 million in dollars, USD 2.7 million in other currencies in demand accounts, and USD 707.8 million in other assets.

Chart 5: Composition of NIRs, in millions of dollars.



Fuente: Banco Central del Paraguay.

Trade Balance

In September 2025, foreign trade figures (exports plus imports) amounted to USD 3,016.7 million

Total exports in September 2025 amounted to USD 1,436.2⁴⁵ million. Total imports, meanwhile, amounted to USD 1,580.3 million. Finally, the trade balance registered a surplus of USD 144.1 million in favor of imports.

Chart 6: Trade balance, in thousands of dollars

2,000,000

1,500,000

1,000,000

500,000



Source: Central Bank of Paraguay. (Preliminary numbers)



BCP Statistical Annex

Credit Outlook for Paraguay

Sovereign rating history

Paraguay has managed to maintain a positive trajectory in the evolution of its sovereign rating with Moody's, Fitch, and Standard and Poor's rating agencies, despite adverse conditions such as external shocks, a pandemic, armed conflicts, and internal shocks such as droughts and other climatic situations.

In October 2024, the rating agency Fitch Ratings confirmed Paraguay's BB+ rating with a stable outlook, based on its latest report, which cites prudent and consistent macroeconomic policies, as well as a remarkable situation among countries in the region, with one of the best growth prospects, low levels of debt, and the

⁴⁵ Data from the BCP Statistical Annex as of November 2025.



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government's efforts to implement reforms that improve efficiency in terms of institutions and governance.

For its part, Standard & Poor's, in its report dated January 8, 2025, decided to maintain Paraguay's credit rating at BB+, changing the outlook from stable to positive, citing prudent macroeconomic policies implemented by the government and moderate public debt. It also highlighted that the reforms implemented over the last decade have strengthened the credibility of economic institutions.

Table 3: Country risk ratings for 2025.

Agency	Rating	Perspective	Last revision
S&P	BB+	Positive	Jan-08- 2025
Moody's	Baa3	Stable	Jul-30-2025
Fitch	BB+	Stable	Oct-22-2024

Source: Vice Ministry of Economy and Planning.

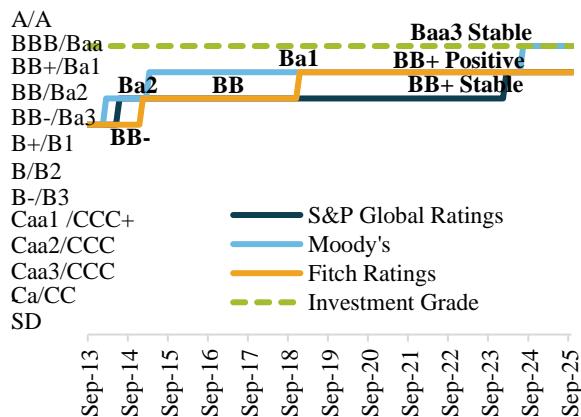


Annual Rating Reports

Likewise, in its credit opinion report dated July 30, 2025, Moody's rating agency has decided to maintain its Baa3 rating with a stable outlook. The report highlights solid growth, institutional improvements, and limited external vulnerability.

In summary, Paraguay currently has an investment grade rating with Moody's and is one notch below Fitch Ratings and Standard & Poor's.

Chart 7: Country rating for Paraguay for the period 2013-2025



Fuente: Viceministerio de Economía y Planificación



Regional Outlook Report

Other accesses of interest

Click on the text to go to the web site.

Monetary Policy Reports



-  [National Accounts Report \(Fiscal Quarters\)](#) 
-  [Statistic Schedule of the Economic Report](#)
-  [Foreign Trade Report \(Fiscal Quarters\)](#)

-  [Direct Investment](#)
-  [Monetary Policy](#)

ODS

-  [Sustainable Paraguay](#)
-  [Sustainable Development Objectives \(ODS\)\)](#)

Ministry of Industry and Trade

-  [MyPIMES](#)
-  [Maquila](#)
-  [Programs and Projects for S&MEs](#)

Environmental Actions

-  [Legal Provisions on environmental policies and actions](#)

Ministry of Economy and Finance

- General Budget of the Nation
- Public Investments
- SITUFIN
- Public Debt Statistics
- Debt Monthly Reports
- Monthly Financial Management of the General Budget of the Nation
- Report on Foreign Trade (RCE)
- Planning System according to Outcomes

- Financial Control and Budget Evaluation
- Economic and Commercial Profile
- (ECB) Foreign Trade Bulletin
- Becal
- News

National Directorate of Tax Revenues (DNIT)

- Why to invest in Paraguay
- Statistics on Collections

Financial Agency of Development

- Products
- Investors

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<https://www.mef.gov.py/es/dependencias/viceministerio-de-economia-y-planificacion/inversores#:~:text=%C3%9Altimos%20Informes%20de%20las%20Calificadoras%20de%20Riesgo>



Schedule

Economic Indicators / 2021 – 2025

	2021	2022	2023(*)	2024(**)	2025(**)
Sector Real					
Population (Thousands)	6,247.9	6,284.0	6,326.8	6,372.6	6,417.1
GDP (USD million)	40,284.1	42,093.1	43,171.2	44,937.3	48,442.5
GDP per capita (USD)	6,447.6	6,698.4	6,823.5	7,051.6	7,549.0
Real GDP (y-o-y change in %)	4.0	0.2	5.0	4.2	5.3
Total consumption (y-o-y change in %)	5.5	1.6	3.5	5.5	4.2
Capital investment (FBKF) (y-o-y change in %)	18.2	-1.8	-2.8	8.3	8.5
Unemployed Rate (open unemployment)	6.8	5.8	5.2	4.6	nd
Economy Structure					
In view of Supply (percentage change)					
Primary Sector	-11.6	-8.6	15.9	3.9	5.1
Agriculture	-18.2	-12.5	23.4	2.8	5.6
Livestock	6.2	-0.3	0.5	7.3	5.0
Others	6.8	-0.7	5.7	4.3	2.6
Secondary Sector	5.0	0.7	4.0	2.2	5.4
Industry	6.9	-0.1	4.2	4.4	4.3
Construction	12.8	-3.2	-7.1	5.3	5.4
Electricity and Water	-7.6	7.8	15.5	-6.2	8.7
Services Sector	6.5	1.5	3.5	4.8	5.3
Government Services	-3.4	-0.7	3.0	3.2	3.8
Trade	14.3	3.4	4.9	6.0	7.0
Telecommunications	4.5	-2.4	-0.8	-0.9	0.4
Other Services	7.7	2.1	3.8	5.6	5.8
Taxes on products	9.0	1.1	5.6	10.1	5.0
In view of Demand					
(Thousands of USD)					
Capital Investment (FBKF)	6,912.8	6,390.5	6,131.7	6,238.6	7,949.9
Total Consumptions	24,240.2	23,181.7	23,674.7	23,461.9	26,672.2
Exports of goods and services	10,236.8	9,536.2	12,708.6	11,743.6	13,004.6
Imports of goods and services	10,710.6	11,037.3	11,918.9	11,659.9	13,471.6
Monetary and Financial Sector					
Exchange rate (PYG per USD, fdp)	6,815.5	7,238.7	7,335.2	7,810.2	7,158.7
Inflation (CPI, y-o-y change in %)	6.4	9.3	3.5	4.1	4.3
Interbank interest rate (%, average monthly TIB)	0.9	8.3	8.0	6.0	5.9
Monetary aggregate (y-o-y change in M2 in %)	11.4	1.3	10.6	11.3	10.8
Dollarization Ratio (% of banking deposits in ME)	46.3	46.1	45.9	46.4	44.8
Banking sector credits granted to the private sector (% of GDP)	11.9	12.6	10.1	16.7	11.5
Real wage index (y-o-y change, %)	5.5	6.9	4.7	4.0	4.4

External Sector⁴⁶
(Thousands of USD)

Goods exports	1,182,556	1,217,273	1,459,344	1,169,754	1,436,174
% of GDP	2.9	2.9	3.4	2.6	3.0
Goods imports	1,210,205.5	1,403,544.9	1,450,889.0	1,267,765.7	1,580,296.0
% of GDP	3.0	3.3	3.4	2.8	3.3
Trade Balance of Goods	-27,649.5	-186,271.4	8,455.4	-98,011.4	-144,121.7
% of GDP	-0.1	-0.4	0.0	-0.2	-0.3
(Millions of USD)					
Current Account	-411.5	-2,921.8	-105.7	-1,488.8	-943.2
% of GDP	-1.02	-6.94	-0.24	-3.31	-1.9
Capital and Financial Account	-353.8	-2,552.3	-316.9	-1,789.9	-193.9
% of GDP	-0.9	-6.1	-0.7	-4.0	-0.4
Foreign Direct Investment	8,862.8	9,231.2	9,829.3	10,229.3	10,443.5
% of GDP	22.0	21.9	22.8	22.8	21.6
International Reserves	9,999.6	9,386.6	10,106.7	10,311.0	10,430.0
% of GDP	24.8	22.3	23.4	22.9	21.5

Public Sector⁴⁷
(% of GDP)

Income	13.7	14.0	14.0	15.1	11.0
<i>Which: Taxation Income represents</i>	9.8	10.2	10.1	11.4	8.6
Expenses and investments	17.3	17.0	18.1	17.7	11.9
<i>Which: Payment of interests represents</i>	1.1	1.2	1.7	2.0	1.5
Primary Outcome	-2.5	-1.8	-2.4	-0.6	0.6
Fiscal Outcome⁴⁸	-3.6	-2.9	-4.1	-2.6	-0.9
Total Debt of the Public Sector	33.8	35.8	38.4	40.2	41.1
Public External Debt	29.3	31.7	33.2	35.0	35.4
% of the Total Public Debt	86.7	88.5	86.6	86.9	86.0
Domestic Public Debt	4.5	4.1	5.2	5.3	5.7
% of the Total Public Debt	13.3	11.5	13.4	13.1	14.0
Service of the Domestic Public Debt	1.6	1.8	3.1	3.1	2.8

⁴⁷ The data on income, expenses, primary results, and fiscal results correspond to Central Administration.

⁴⁸ The data for 2025 is cumulative as of September 2025.

References:

Remarks and Sources: Chart prepared by the General Directorate of Indebtedness Policy (DGPE, Ministry of Economy and Finance), including data of the Central Bank of Paraguay (BCP, Statistical Schedule as of 07/11/2025) and the Ministry of Economy and Finance.

1. The exchange rate corresponds to the one of the last working day of the year.
2. Income and Expenses as of September 2025 are preliminary.
3. These letters shall have the following meanings: M: month (i.e., M9: September); T: Quarter (i.e., T03: quarter 3); N/A: non-available, ME: Foreign Currency; fdp: end of period.
4. (*) means preliminary data subject to changes and (**) projections.
5. Data after 2012 are preliminary and they may be subject to reviews.
6. The Economy Structure includes data in Guaranies as of 2014. Historical data as well as projections correspond to the BCP.
7. Inflation as of September 2025 corresponds to the goal rate of inflation established by the BCP.
8. Other services include: transportation; financial intermediation; residential lease; services rendered to companies; hotels and restaurants and services rendered to households.
9. Binational mean currency income as energy cession of Paraguay to Argentina and Brazil, corresponding to the hydroelectric plants Yacyreta and Itaipu. The Real Sector and Economy Structure projections are figures prepared by the BCP.
10. Public Sector data are figures prepared by the Ministry of Finance. Since 2015, a migration has been performed to the methodology contemplated in the Manual on Statistics of the Public Finances 2001 (MEFP 2001)
12. Exports and imports as of 2025 correspond to September of the mentioned year. (2025, M9). Exports include reexports and other exports. The inter-annual variation of exports/imports as of September 2025 (September 2025/ September, 2024) obtains the accrued variation of exports/imports of the total exports and imports accrued of September 2025, concerning the same period of the year 2025, compared to the same period of the previous year.

October 2025

World Economy

A A new global economic outlook is slowly taking shape. By 2025, global growth is expected to be 3.2% and 3.1% by 2026, representing an improvement over July's projections. However, growth remains moderate compared to historical data.

This situation is due to increased uncertainty and protectionism based on recent international events.

World Economic Outlook Update (IMF–October 2025)

Regional Context

For **advanced economies**, growth of 1.6% is projected for 2025 and is expected to remain steady in 2026, representing a decrease of 0.2 percentage points compared to the growth observed in 2024.

In the **United States**, growth of 2.0% is forecast for 2025 and a slight increase to 2.1% for 2026. This downward revision is mainly due to increased political uncertainty, the implementation of trade barriers, and slower growth in both the labor force and employment.

On the other hand, for the **Eurozone**, a slight increase in growth to 1.2% is estimated for 2025, while for 2026 a slight decrease of 0.1 percentage points is expected, standing at 1.1%.

Although these projections show an improvement over the April and July WEO, they imply a downward revision of 0.4 percentage points from the October 2024 WEO.

For **emerging and developing market economies**, growth is projected at 4.2% for 2025 and 4.0% for 2026.

For **China**, growth of 4.8% is estimated for 2025 and a downward projection of 4.2% for 2026.

Table 1: Overview of World Economic Outlook projections.

	2024*	2025**	2026
World	3.3	3.2	3.1
Advanced economies	1.8	1.6	1.6
United States	2.8	2.0	2.1
Eurozone	0.9	1.2	1.1
EDME	4.3	4.2	4.0
China	5.0	4.8	4.2
LAC	2.4	2.4	2.3
Brazil	3.4	2.4	1.9
Mexico	1.4	1.0	1.5

Source: WEO-IMF October 2025

Latin America and the Caribbean

For **Latin America and the Caribbean**, growth is expected to remain stable at 2.4% for 2025 and to decline slightly to 2.3% in 2026.

Finally, for **Brazil**, there is also an upward revision for 2025, with growth of 2.4%, while for 2026 a slowdown to 1.9% is forecast. This evolution is explained, in part, by the increase in tariffs applied by the United States to its exports, which affects the dynamism of the country's external demand.



World Economic Outlook Update (IMF–October 2025)

Domestic Situation

Paraguay's GDP growth forecast for 2025 was revised upward from 4.4% to 5.3%. This growth would be driven mainly by the primary and tertiary sectors.

The **primary sector** has showed significant adjustment, with estimated growth of 5.1%, supported by improved performance in agriculture, explained by more favorable yields in key crops.

The **tertiary sector** is consolidating its position as the main engine of growth, with estimated growth of 5.3%, due to greater dynamism in trade and other services.

The **secondary sector** has also contributed to economic growth, with its projection rising to 5.4% thanks to strong performance in the construction and manufacturing sectors.

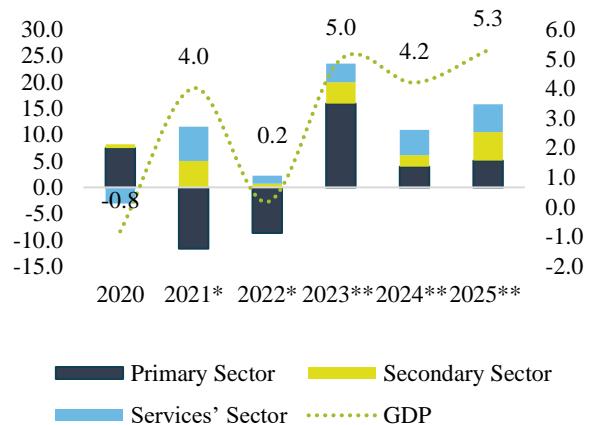
From the expenditure perspective, the forecast was revised upward, mainly due to stronger domestic demand.

As a result, GDP **excluding agriculture and binational companies** grew by 5.3%, which is 0.9 percentage points above the forecast in the previous report.



Monetary Policy Report

Chart 1: GDP growth by economic sector, 2025.



Source: Central Bank of Paraguay.

*Preliminary figures. ** Projection.



Statistical Annex to the Economic Report (BCP)

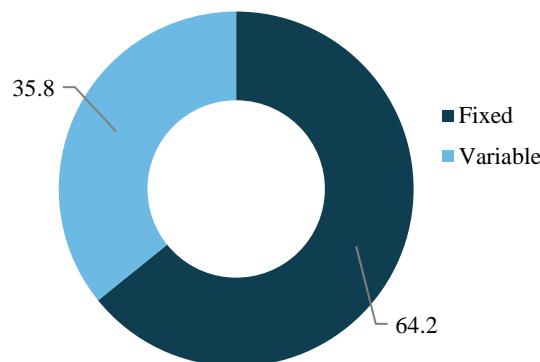
Debt levels and structures of the Total Public Sector

The Law 1535/1999 on "State Financial Administration," in Article No. 42, establishes that public debt shall be classified as internal and external, and direct and indirect. Direct public debt of the Central Administration is that assumed by the latter as the principal debtor. Indirect debt of the Central Administration, on the other hand, is that constituted by any natural or legal person, public or private, other than the Central Administration, but which has the corresponding guarantee, bond, or surety, duly authorized by law (public companies, second-tier banks, etc.).

In October, **total public sector debt stood** at **41.1%** of GDP, which is considered sustainable for the country's public finances, representing one of the lowest debt levels in the region.

In terms of the **classification of total public sector debt by type of rate** as of October 2025, **64.2%** is at a fixed rate and **35.8%** at a variable rate.

Figure 1: Total public debt balance by interest rate.

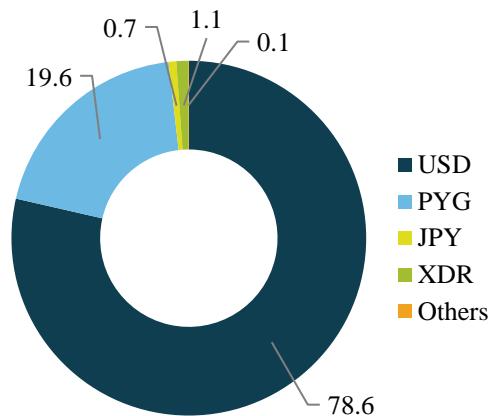


Source: Vice Ministry of Economy and Planning.

The structure of public debt by currency in October shows that **USD** continues to account for the largest share at **78.6%**, followed by PYG at **19.6%**, JPY at **0.7%**, XDR at **1.1%**, and **other currencies** at **0.1%**.

It should be noted that the higher proportion of debt in dollars does not represent a risk for the country, as Paraguay receives income in dollars in the form of annual royalties for the use of the Paraná River's hydraulic potential for electricity production by binational entities (Itaipú and Yacyretá).

Figure 2: Total Public Debt Balance by Currency as a Percentage.



Source: Vice Ministry of Economy and Planning



Debt statistics

Regarding the average maturity of debt.

Due to placements in international markets with longer maturities than those in domestic markets, the average maturity of the Central Government Debt (ATM) was maintained at 10.9 years (2017) to 10.0 years (2024).

Table 2: Average Debt Maturity (Years*)

Central Administration			
Years	External Debt	Domestic Debt	Total Debt
2017	11.5	2.4	10.9
2018	12.7	3.4	12
2019	13.3	3.4	12.6
2020	14.9	4.8	14.3
2021	12.6	7.6	12.3
2022	11.58	7.12	11.37
2023	11.0	6.4	10.6
2024	10.3	6.0	10.0

Source: Vice Ministry of Economy and Planning

*Does not include perpetual debt with the Central Bank of Paraguay.



Strategic Guideline

Fiscal Policy

Financial Situation as of October 2025.

At the end of October 2025, the cumulative fiscal deficit was (1.1% of GDP), equivalent to USD 528 million⁴⁹.

Income

As of October 2025, total revenue registered cumulative growth of 5.6%.

Total revenue in October was USD 585.2 million, driven mainly by tax revenue, which contributed 7.3 percentage points, mitigating the effects of the reduction in non-tax revenue.

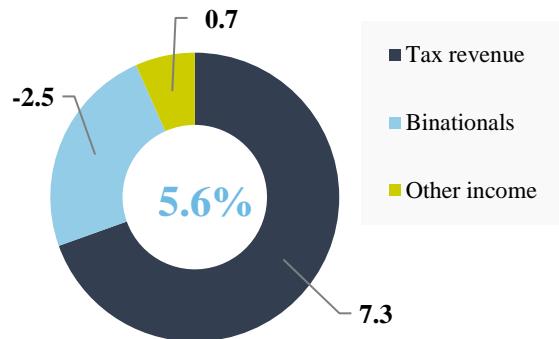
Chart 2: Total revenue in October 2025, in millions of dollars



Source: SITUFIN – Ministry of Economy and Finance.



Figure 3: Components of income in percentage terms (cumulative variation).



Source: SITUFIN – Ministry of Economy and Finance.

Public Spending

Total spending showed a cumulative variation of 4.7% at the end of October, maintaining the slowdown observed at the beginning of the year. The increase in spending is mainly explained by wages and social benefits in strategic sectors. In this regard, tax-financed wages remain below the historic low of 2024, with 80% allocated to health, education, and security.



Monetary Policy

The Central Bank of Paraguay (BCP) conducts monetary policy under an inflation targeting framework, officially since 2011. Under this framework, the main objective of monetary policy, in accordance with Law No. 6104, which modifies and expands Law No. 489/95, the Organic Law of the BCP, is to preserve and ensure the stability of the currency by providing a framework of nominal predictability for the Paraguayan economy, on which economic agents can base their consumption and investment decisions.

⁴⁹ SITUFIN as of October 2025. Retrieved from:
<https://www.mef.gov.py/es/situfin>

Inflation

International Context

The unemployment rate in the United States rose from 4.3% to 4.4%. Meanwhile, inflation in October was 3%⁵⁰.

Local Context

The Board of Directors of the Central Bank of Paraguay recently decided to reduce the inflation target, measured by the variation in the Consumer Price Index (CPI), adjusting it from 4.0% to 3.5% and maintaining the tolerance range of 2% above and 2% below.

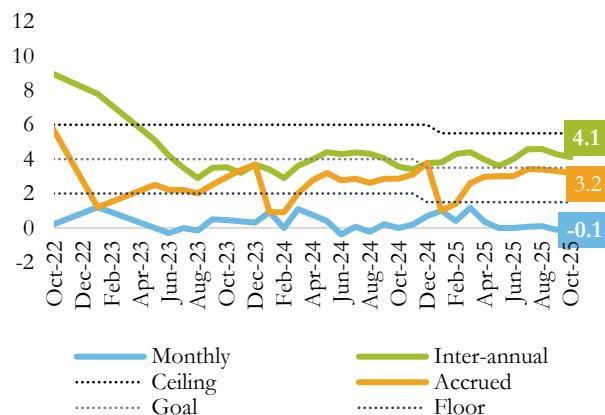
This decision is based on key factors, such as the favorable evolution of inflation under the targeting regime, which has generally remained below the established targets, the effectiveness of monetary policy, and the credibility of the central bank in guiding the expectations of economic agents. A lower inflation target helps protect the purchasing power of the population, particularly lower-income households. Likewise, lower and more stable inflation is a fundamental element for long-term planning.⁵¹.

In October, inflation measured by the monthly Consumer Price Index (CPI) was -0.1%, as a result of reductions in fuel prices, in line with the reduction in international crude oil prices and imported goods as a result of the appreciation of the nominal exchange rate of the Guaraní against the dollar observed in recent months, partially offset by increases in certain foods, mainly beef and some services in the basic basket. Meanwhile, inflation excluding food and energy (IPCSAE) was -0.2%.

In year-on-year terms, total inflation was 4.1% in October, while year-on-year CPI-SAE inflation was 2.3%.

Inflation expectations for the next 12 months remain constant at 3.7% and for the monetary policy horizon at 3.5%.

Chart 3: Inflation as of October 2025, in percentage.



Source: Central Bank of Paraguay



CPM Meeting Minutes

Monetary Policy Rate

It is a monetary policy instrument used to influence market liquidity and interest rates, which ultimately affects part of economic activity and influences inflation.

Monetary Policy Rate (TPM) as of October 2025

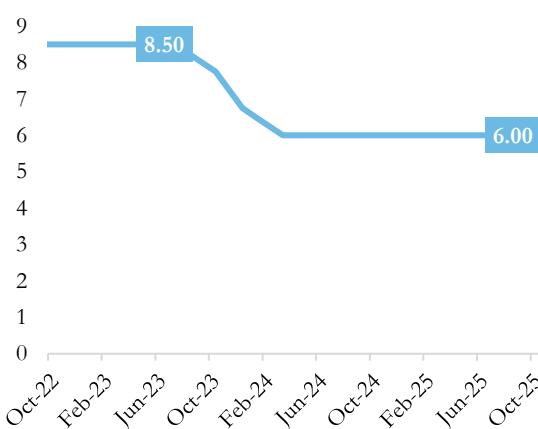
The Monetary Policy Committee (MPC) decided to maintain the Monetary Policy Rate (MPR) at 6% at its October meeting this year, mainly due to the continued positive performance of domestic economic conditions, which led to a further adjustment in the GDP growth forecast from 4.4% to 5.3%.

With regard to the **external sector**, the market expects additional cuts in the Federal Reserve's target interest rate range at its upcoming meetings this year.

⁵⁰ Monetary Policy Statement, Oct. 2025. Retrieved from: <https://www.bcp.gov.py/web/institucional/comunicados-del-cpm>

⁵¹ Minutes of the Monetary Policy Committee Meeting (December 19, 2024). Retrieved from: <https://www.bcp.gov.py/minutas-de-reuniones-del-cpm-i444>

Chart 4: Monetary Policy Rate 2025



Source: Central Bank of Paraguay

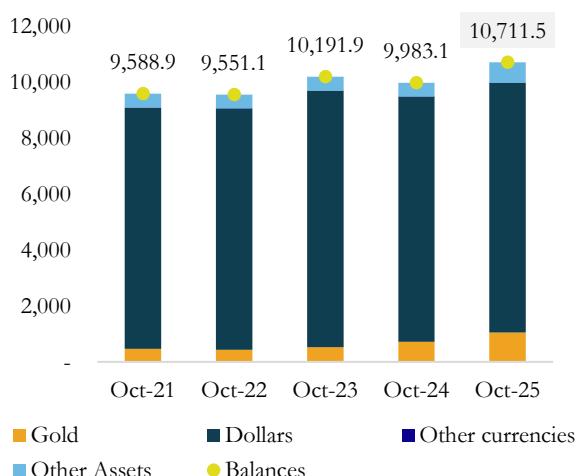


CPM Meeting Minutes

Net International Reserves

Net international reserves in October 2025 stood at USD 10,711.5 million, comprising USD 1,052.2 million in gold, USD 8,920.0 million in dollars, USD 2.4 million in other currencies in demand accounts, and USD 736.6 million in other assets.

Chart 5: Composition of NIRs, in millions of dollars.



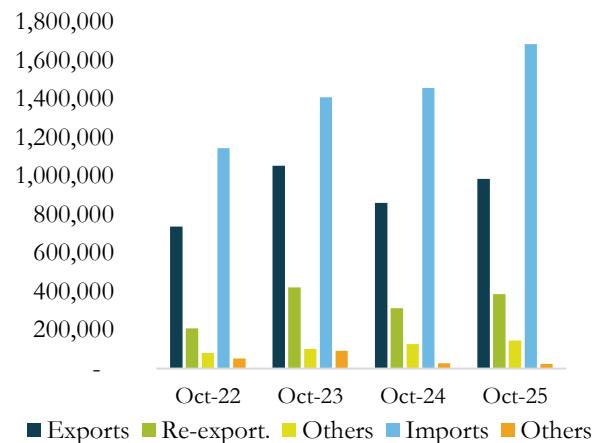
Source: Central Bank of Paraguay. (Preliminary numbers)

Trade Balance

In October 2025, foreign trade figures (exports plus imports) amounted to USD 3,225.6 million

Total exports in October 2025 amounted to USD 1,516.9⁵² million. Total imports, meanwhile, amounted to USD 1,708.6 million. Finally, the trade balance registered a surplus of USD 191.6 million in favor of imports.

Chart 6: Trade balance, in thousands of dollars



Source: Central Bank of Paraguay. (Preliminary numbers)



Statistical Annex to the Economic Report (BCP)

Credit Outlook for Paraguay

Sovereign rating history

Paraguay has managed to maintain a positive trajectory in the evolution of its sovereign rating with Moody's, Fitch, and Standard and Poor's rating agencies, despite adverse conditions such as external shocks, a pandemic, armed conflicts, and internal shocks such as droughts and other climatic situations.

Standard & Poor's, in its report dated January 8, 2025, decided to maintain Paraguay's credit rating at BB+, changing the outlook from stable to positive, citing prudent macroeconomic policies

⁵² Data from the BCP Statistical Annex as of November 2025.



implemented by the government and moderate public debt. It also highlighted that the reforms implemented over the last decade have strengthened the credibility of economic institutions.

Likewise, in its credit opinion report dated July 30, 2025, **Moody's** rating agency has decided to maintain its Baa3 rating with a stable outlook. The report highlights solid growth, institutional improvements, and limited external vulnerability.

For its part, in its annual rating review report dated October 6, 2025, **Fitch Ratings** decided to change the outlook from stable to positive, confirming Paraguay's BB+ rating. The factors supporting the positive outlook are based on robust economic growth, a solid investment portfolio, low fiscal deficits, and the gradual reduction of the proportion of foreign currency debt, the solid level of international reserves, and an active reform agenda.

Table 3: Country risk ratings for 2025.

Agency	Rating	Perspective	Last revision
S&P	BB+	Positive	Jan-08- 2025
Moody's	Baa3	Stable	Jul-30-2025
Fitch	BB+	Positive	Oct-06-2025

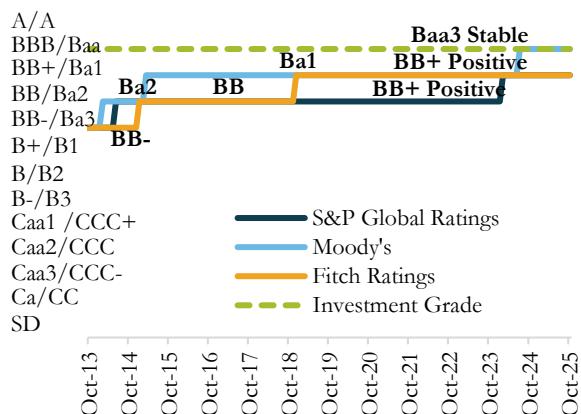
Source: Vice Ministry of Economy and Planning.



Annual Rating Reports

In summary, Paraguay currently has an investment grade rating with Moody's and is one notch below Fitch Ratings and Standard & Poor's.

Chart 7: Country rating for Paraguay for the period 2013-2025



Regional Outlook Report



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Schedule

Economic Indicators / 2021 – 2025

	2021	2022	2023(*)	2024(**)	2025(**)
Sector Real					
Population (Thousands)	6,247.9	6,284.0	6,326.8	6,372.6	6,417.1
GDP (USD million)	40,284.1	42,093.1	43,171.2	44,937.3	48,442.5
GDP per capita (USD)	6,447.6	6,698.4	6,823.5	7,051.6	7,549.0
Real GDP (y-o-y change in %)	4.0	0.2	5.0	4.2	5.3
Total consumption (y-o-y change in %)	5.5	1.6	3.5	5.5	4.2
Capital investment (FBKF) (y-o-y change in %)	18.2	-1.8	-2.8	8.3	16.8
Unemployed Rate (open unemployment)	6.8	5.8	5.2	4.6	nd
Economy Structure					
In view of Supply (percentage change)					
Primary Sector	-11.6	-8.6	15.9	3.9	5.1
Agriculture	-18.2	-12.5	23.4	2.8	5.6
Livestock	6.2	-0.3	0.5	7.3	5.0
Others	6.8	-0.7	5.7	4.3	2.6
Secondary Sector	5.0	0.7	4.0	2.2	5.4
Industry	6.9	-0.1	4.2	4.4	4.3
Construction	12.8	-3.2	-7.1	5.3	5.4
Electricity and Water	-7.6	7.8	15.5	-6.2	8.7
Services Sector	6.5	1.5	3.5	4.8	5.3
Government Services	-3.4	-0.7	3.0	3.2	3.8
Trade	14.3	3.4	4.9	6.0	7.0
Telecommunications	4.5	-2.4	-0.8	-0.9	0.4
Other Services	7.7	2.1	3.8	5.6	5.8
Taxes on products	9.0	1.1	5.6	10.1	5.0
In view of Demand					
(Thousands of USD)					
Capital Investment (FBKF)	6,912.8	6,390.5	6,131.7	6,238.6	8,064.8
Total Consumptions	24,240.2	23,181.7	23,674.7	23,461.9	27,057.8
Exports of goods and services	10,236.8	9,536.2	12,708.6	11,743.6	13,192.6
Imports of goods and services	10,710.6	11,037.3	11,918.9	11,659.9	13,666.3
Monetary and Financial Sector					
Exchange rate (PYG per USD, fdp)	6,907.0	7,176.8	7,384.8	7,866.7	7,056.7
Inflation (CPI, y-o-y change in %)	7.6	8.1	3.5	3.6	4.1
Interbank interest rate (%), average monthly TIB	0.9	8.3	8.0	6.0	5.9
Monetary aggregate (y-o-y change in M2 in %)	11.4	1.3	10.6	11.3	10.8
Dollarization Ratio (% of banking deposits in ME)	46.3	46.1	45.9	46.4	44.8
Banking sector credits granted to the private sector (% of GDP)	11.9	12.6	10.1	16.7	11.5
Real wage index (y-o-y change, %)	5.5	6.9	4.7	4.0	4.4

External Sector⁵³
(Thousands of USD)

Goods exports	1,179,944	1,026,855	1,576,888	1,300,162	1,516,989
% of GDP	2.9	2.4	3.7	2.9	3.1
Goods imports	1,295,675.2	1,196,415.9	1,500,636.9	1,483,095.5	1,708,645.9
% of GDP	3.2	2.8	3.5	3.3	3.5
Trade Balance of Goods	-115,731.1	-169,561.2	76,251.1	-182,933.7	-191,657.4
% of GDP	-0.3	-0.4	0.2	-0.4	-0.4

(Millions of USD)

Current Account	-411.5	-2,921.8	-105.7	-1,488.8	-943.2
% of GDP	-1.02	-6.94	-0.24	-3.31	-1.95
Capital and Financial Account	-353.8	-2,552.3	-316.9	-1,789.9	-193.9
% of GDP	-0.9	-6.1	-0.7	-4.0	-0.4
Foreign Direct Investment	8,862.8	9,231.2	9,829.3	10,229.3	10,443.5
% of GDP	22.0	21.9	22.8	22.8	21.6
International Reserves	9,588.9	9,551.1	10,191.9	9,983.1	10,711.5
% of GDP	23.8	22.7	23.6	22.2	22.1

Public Sector⁵⁴
(% of GDP)

Income	13.7	14.0	14.0	15.1	12.1
<i>Which: Taxation Income represents</i>	9.8	10.2	10.1	11.4	9.5
Expenses and investments	17.3	17.0	18.1	17.7	13.2
<i>Which: Payment of interests represents</i>	1.1	1.2	1.7	2.0	1.6
Primary Outcome	-2.5	-1.8	-2.4	-0.6	0.5
Fiscal Outcome⁵⁵	-3.6	-2.9	-4.1	-2.6	-1.1
Total Debt of the Public Sector	33.8	35.8	38.4	40.2	41.1
Public External Debt	29.3	31.7	33.2	35.0	35.4
% of the Total Public Debt	86.7	88.5	86.6	86.9	86.0
Domestic Public Debt	4.5	4.1	5.2	5.3	5.8
% of the Total Public Debt	13.3	11.5	13.4	13.1	14.0
Service of the Domestic Public Debt	1.6	1.8	3.1	3.1	3.0

⁵⁴ The data on income, expenses, primary results, and fiscal results correspond to Central Administration.

⁵⁵ The data for 2025 is cumulative as of October 2025.

References:

Remarks and Sources: Chart prepared by the General Directorate of Indebtedness Policy (DGPE, Ministry of Economy and Finance), including data of the Central Bank of Paraguay (BCP, Statistical Schedule as of 17/11/2025) and the Ministry of Economy and Finance.

1. The exchange rate corresponds to the one of the last working day of the year.
2. Income and Expenses as of October 2025 are preliminary.
3. These letters shall have the following meanings: M: month (i.e., M10: October); T: Quarter (i.e., T04: quarter 4); N/A: non-available, ME: Foreign Currency; fdp: end of period.
4. (*) means preliminary data subject to changes and (**) projections.
5. Data after 2012 are preliminary and they may be subject to reviews.
6. The Economy Structure includes data in Guaranies as of 2014. Historical data as well as projections correspond to the BCP.
7. Inflation as of October 2025 corresponds to the goal rate of inflation established by the BCP.
8. Other services include: transportation; financial intermediation; residential lease; services rendered to companies; hotels and restaurants and services rendered to households.
9. Binational mean currency income as energy cession of Paraguay to Argentina and Brazil, corresponding to the hydroelectric plants Yacyreta and Itaipu. The Real Sector and Economy Structure projections are figures prepared by the BCP.
10. Public Sector data are figures prepared by the Ministry of Finance. Since 2015, a migration has been performed to the methodology contemplated in the Manual on Statistics of the Public Finances 2001 (MEFP 2001)
11. Exports and imports as of 2025 correspond to October of the mentioned year. (2025, M10). Exports include reexports and other exports. The inter-annual variation of exports/imports as of October 2025 (October 2025/October, 2024) obtains the accrued variation of exports/imports of the total exports and imports accrued of October 2025, concerning the same period of the year 2025, compared to the same period of the previous year.

November 2025

World Economy

A A new global economic outlook is slowly taking shape. By 2025, global growth is expected to be 3.2% and 3.1% by 2026, representing an improvement over July's projections. However, growth remains moderate compared to historical data.

This situation is due to increased uncertainty and protectionism based on recent international events.

World Economic Outlook Update (IMF–October 2025)

Regional Context

For **advanced economies**, growth of 1.6% is projected for 2025 and is expected to remain steady in 2026, representing a decrease of 0.2 percentage points compared to the growth observed in 2024.

In the **United States**, growth of 2.0% is forecast for 2025 and a slight increase to 2.1% for 2026. This downward revision is mainly due to increased political uncertainty, the implementation of trade barriers, and slower growth in both the labor force and employment.

On the other hand, for the **Eurozone**, a slight increase in growth to 1.2% is estimated for 2025, while for 2026 a slight decrease of 0.1 percentage points is expected, standing at 1.1%.

Although these projections show an improvement over the April and July WEO, they imply a downward revision of 0.4 percentage points from the October 2024 WEO.

For **emerging and developing market economies**, growth is projected at 4.2% for 2025 and 4.0% for 2026.

For **China**, growth of 4.8% is estimated for 2025 and a downward projection of 4.2% for 2026.

Table 1: Overview of World Economic Outlook projections.

	2024*	2025**	2026
World	3.3	3.2	3.1
Advanced economies	1.8	1.6	1.6
United States	2.8	2.0	2.1
Eurozone	0.9	1.2	1.1
EDME	4.3	4.2	4.0
China	5.0	4.8	4.2
LAC	2.4	2.4	2.3
Brazil	3.4	2.4	1.9
Mexico	1.4	1.0	1.5

Source: WEO-IMF October 2025

Latin America and the Caribbean

For **Latin America and the Caribbean**, growth is expected to remain stable at 2.4% for 2025 and to decline slightly to 2.3% in 2026.

Finally, for **Brazil**, there is also an upward revision for 2025, with growth of 2.4%, while for 2026 a slowdown to 1.9% is forecast. This evolution is explained, in part, by the increase in tariffs applied by the United States to its exports, which affects the dynamism of the country's external demand.



World Economic Outlook Update (IMF–October 2025)

Domestic Situation

Paraguay's GDP growth forecast for 2025 was revised upward from 4.4% to 5.3%. This growth would be driven mainly by the primary and tertiary sectors.

The **primary sector** has showed significant adjustment, with estimated growth of 5.1%, supported by improved performance in agriculture, explained by more favorable yields in key crops.

The **tertiary sector** is consolidating its position as the main engine of growth, with estimated growth of 5.3%, due to greater dynamism in trade and other services.

The **secondary sector** has also contributed to economic growth, with its projection rising to 5.4% thanks to strong performance in the construction and manufacturing sectors.

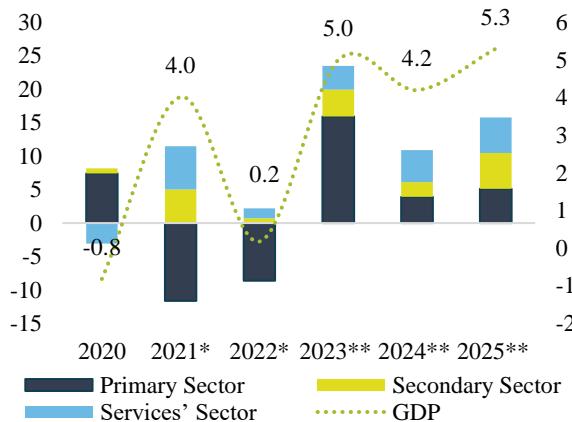
From the expenditure perspective, the forecast was revised upward, mainly due to stronger domestic demand.

As a result, GDP **excluding agriculture and binational companies** grew by 5.3%, which is 0.9 percentage points above the forecast in the previous report.



Monetary Policy Report

Chart 1: GDP growth by economic sector, 2025.



Source: Central Bank of Paraguay.

*Preliminary figures. ** Projection.



Statistical Annex to the Economic Report (BCP)

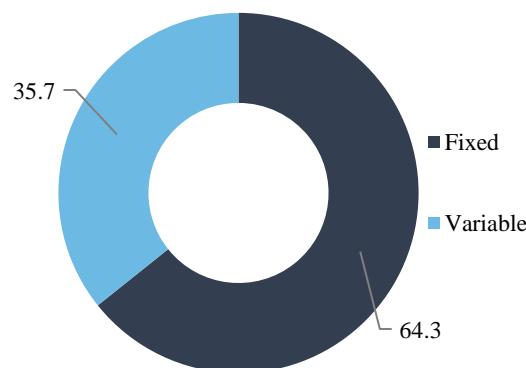
Debt levels and structures of the Total Public Sector

The Law 1535/1999 on "State Financial Administration," in Article No. 42, establishes that public debt shall be classified as internal and external, and direct and indirect. Direct public debt of the Central Administration is that assumed by the latter as the principal debtor. Indirect debt of the Central Administration, on the other hand, is that constituted by any natural or legal person, public or private, other than the Central Administration, but which has the corresponding guarantee, bond, or surety, duly authorized by law (public companies, second-tier banks, etc.).

In November, the **total public sector debt level stood** at 40.3% of GDP, which is considered sustainable for the country's public finances, representing one of the lowest debt levels in the region.

In terms of the **classification of total public sector debt by type of rate** as of November 2025, 64.3% was found to be at a fixed rate and 35.7% at a variable rate.

Figure 1: Total public debt balance by interest rate.

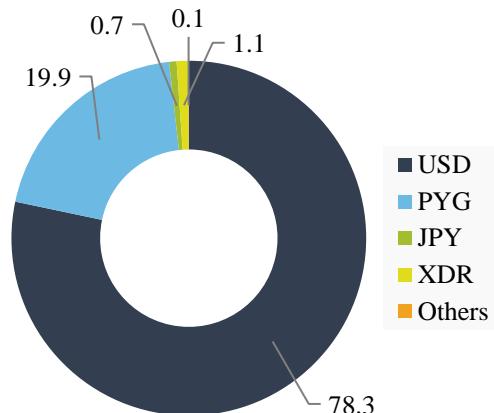


Source: Vice Ministry of Economy and Planning.

The **structure of public debt by currency in November** shows that USD continues to account for the largest share at **78.3%**, followed by PYG at **19.9%**, JPY at **0.7%**, XDR at **1.1%**, and other currencies at **0.1%**.

It should be noted that the higher proportion of debt in dollars does not represent a risk for the country, as Paraguay receives income in dollars in the form of annual royalties for the use of the Paraná River's hydraulic potential for electricity production by binational entities (Itaipú and Yacyretá).

Figure 2: Total Public Debt Balance by Currency as a Percentage.



Source: Vice Ministry of Economy and Planning



Debt statistics

Regarding the average maturity of debt.

Due to placements in international markets with longer maturities than those in domestic markets, the average maturity of the Central Government Debt (ATM) was maintained at 10.9 years (2017) to 10.0 years (2024).

Table 2: Average Debt Maturity (Years*)

Central Administration			
Years	External Debt	Domestic Debt	Total Debt
2017	11.5	2.4	10.9
2018	12.7	3.4	12
2019	13.3	3.4	12.6
2020	14.9	4.8	14.3
2021	12.6	7.6	12.3
2022	11.58	7.12	11.37
2023	11.0	6.4	10.6
2024	10.3	6.0	10.0

Source: Vice Ministry of Economy and Planning

*Does not include perpetual debt with the Central Bank of Paraguay.



Strategic Guideline

Fiscal Policy

Financial Situation as of November 2025.

At the end of November 2025, the cumulative fiscal deficit was 1.3% of GDP, equivalent to USD 635 million.⁵⁶

Income

As of November 2025, total revenue recorded cumulative growth of 5.5%.

Total revenue in November was USD 665.4 million, driven mainly by tax revenue, which contributed 7.0 percentage points, mitigating the effects of the reduction in revenue variation by binational companies.

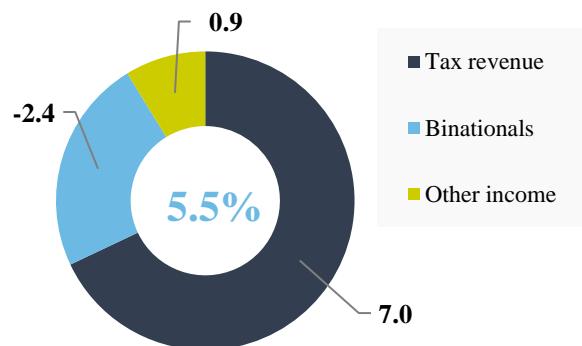
Chart 2: Total revenue in November 2025, in millions of dollars



Source: SITUFIN – Ministry of Economy and Finance.



Figure 3: Components of income in percentage terms (cumulative variation).



Source: SITUFIN – Ministry of Economy and Finance.

Public Spending

Total accumulated spending was 3.2% in November, the lowest growth in recent years, maintaining the moderate pace of expansion observed since the beginning of the year. In this regard, salaries financed with tax revenues remain below the historic low recorded in 2024, with 80% allocated to the health, education, and security sectors.



Monetary Policy

The Central Bank of Paraguay (BCP) conducts monetary policy under an inflation targeting framework, officially since 2011. Under this framework, the main objective of monetary policy, in accordance with Law No. 6104, which modifies and expands Law No. 489/95, the Organic Law of the BCP, is to preserve and ensure the stability of the currency by providing a framework of nominal predictability for the Paraguayan economy, on which economic agents can base their consumption and investment decisions.

⁵⁶ SITUFIN as of November 2025. Retrieved from: <https://www.mef.gov.py/es/situfin>

Inflation

International Context

The unemployment rate in the United States rose from 4.4% to 4.6% in November. Meanwhile, inflation for the same month was 2.7%, below the 3.0% forecast⁵⁷.

Local Context

The Board of Directors of the Central Bank of Paraguay recently decided to reduce the inflation target, measured by the variation in the Consumer Price Index (CPI), adjusting it from 4.0% to 3.5% and maintaining the tolerance range of 2% above and 2% below.

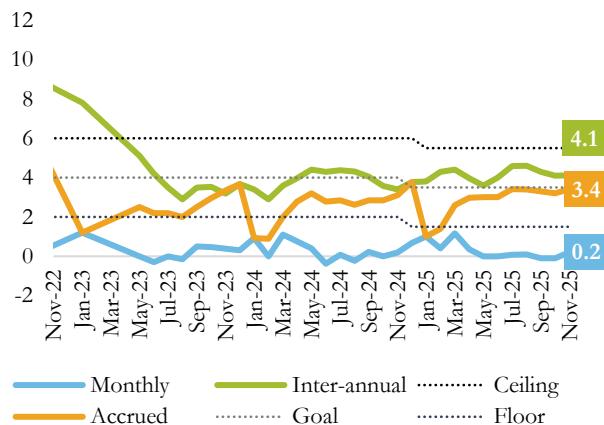
This decision is based on key factors, such as the favorable evolution of inflation under the targeting regime, which has generally remained below the established targets, the effectiveness of monetary policy, and the credibility of the central bank in guiding the expectations of economic agents. A lower inflation target helps protect the purchasing power of the population, particularly lower-income households. Likewise, lower and more stable inflation is a fundamental element for long-term planning.⁵⁸.

In November, inflation measured by the monthly Consumer Price Index (CPI) was 0.2%, as a result of increases in the prices of foods such as beef and fresh fruit, partially offset by price reductions in some vegetables. Meanwhile, inflation excluding food and energy (IPCSAE) was 0.3%.

In year-on-year terms, total inflation was 4.1% in November, while year-on-year CPI-excluding-food-and-energy inflation was 2.2%.

Inflation expectations for the next 12 months remain constant at 3.7% and for the monetary policy horizon at 3.5%.

Chart 3: Inflation as of November 2025, in percentage.



Source: Central Bank of Paraguay



CPM Meeting Minutes

Monetary Policy Rate

It is a monetary policy instrument used to influence market liquidity and interest rates, which ultimately affects part of economic activity and influences inflation.

Monetary Policy Rate (TPM) as of November 2025

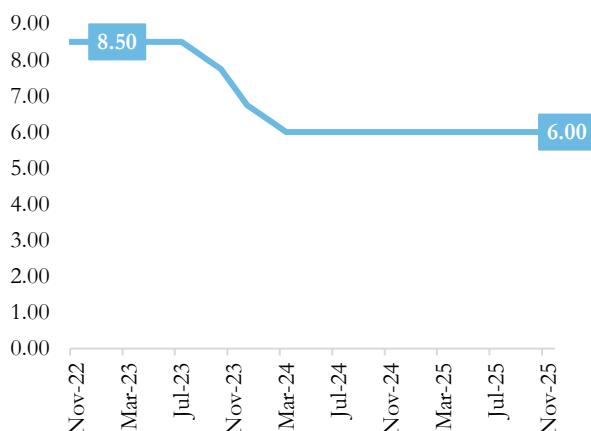
The Monetary Policy Committee (MPC) decided to maintain the Monetary Policy Rate (MPR) at 6% at its November meeting this year, mainly due to the continued positive performance of domestic economic conditions, which led to a further adjustment in the GDP growth forecast from 4.4% to 5.3%.

With regard to the **external sector**, the Federal Reserve reduced the target range for the federal funds rate. Likewise, international oil prices continue to fall.

⁵⁷ Monetary Policy Statement, Oct. 2025. Retrieved from: <https://www.bcp.gov.py/web/institucional/comunicados-del-cpm>

⁵⁸ Minutes of the Monetary Policy Committee Meeting (December 19, 2024). Retrieved from: <https://www.bcp.gov.py/minutas-de-reuniones-del-cpm-i444>

Chart 4: Monetary Policy Rate 2025



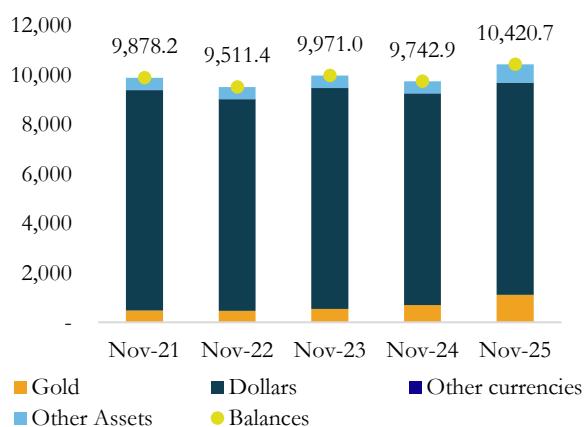
Source: Central Bank of Paraguay

CPM Meeting Minutes

Net International Reserves

Net international reserves in November 2025 stood at USD 10,420.7 million, comprising USD 1,104.9 million in gold, USD 8,576.1 million in dollars, USD 2.6 million in other currencies in demand accounts, and USD 736.7 million in other assets.

Chart 5: Composition of NIRs, in millions of dollars.



Source: Central Bank of Paraguay. (Preliminary numbers)

Trade Balance

In November 2025, foreign trade figures (exports plus imports) amounted to USD 2,982.1 million.

Total exports in November 2025 amounted to USD 1,389.7 million. Total imports, meanwhile, amounted to USD 1,592.4 million. Finally, the trade balance recorded a surplus of USD 202.7 million in favor of imports.

Chart 6: Trade balance, in thousands of dollars

2,000,000

1,500,000

1,000,000

500,000

-

Nov-22 Nov-23 Nov-24 Nov-25

■ Exports ■ Re-export ■ Others ■ Imports ■ Others

Source: Central Bank of Paraguay. (Preliminary numbers)



Statistical Annex to the Economic Report (BCP)

Credit Outlook for Paraguay

Sovereign rating history

Paraguay has managed to maintain a positive trajectory in the evolution of its sovereign rating with Moody's, Fitch, and Standard and Poor's rating agencies, despite adverse conditions such as external shocks, a pandemic, armed conflicts, and internal shocks such as droughts and other climatic situations.

Standard & Poor's, in its report dated January 8, 2025, decided to maintain Paraguay's credit rating at BB+, changing the outlook from stable to positive, citing prudent macroeconomic policies implemented by the government and moderate public debt. It also highlighted that the reforms implemented over the last decade have

General Directorate of Debt Policy

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strengthened the credibility of economic institutions.

Likewise, in its credit opinion report dated July 30, 2025, **Moody's** rating agency has decided to maintain its Baa3 rating with a stable outlook. The report highlights solid growth, institutional improvements, and limited external vulnerability.

For its part, in its annual rating review report dated October 6, 2025, **Fitch Ratings** decided to change the outlook from stable to positive, confirming Paraguay's BB+ rating. The factors supporting the positive outlook are based on robust economic growth, a solid investment portfolio, low fiscal deficits, and the gradual reduction of the proportion of foreign currency debt, the solid level of international reserves, and an active reform agenda.

Table 3: Country risk ratings for 2025.

Agency	Rating	Perspective	Last revision
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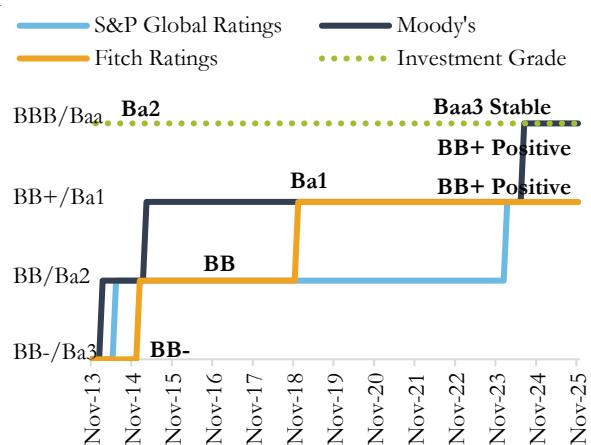
Source: Vice Ministry of Economy and Planning.



Annual Rating Reports

In summary, Paraguay currently has an investment grade rating with Moody's and is one notch below Fitch Ratings and Standard & Poor's.

Chart 7: Country rating for Paraguay for the period 2013-2025



Regional Outlook Report



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Schedule

Economic Indicators / 2021 – 2025

	2021	2022	2023(*)	2024(**)	2025(**)
Sector Real					
Population (Thousands)	6,247.9	6,284.0	6,326.8	6,372.6	6,417.1
GDP (USD million)	40,284.1	42,093.1	43,171.2	44,937.3	48,442.5
GDP per capita (USD)	6,447.6	6,698.4	6,823.5	7,051.6	7,549.0
Real GDP (y-o-y change in %)	4.0	0.2	5.0	4.2	5.3
Total consumption (y-o-y change in %)	5.5	1.6	3.5	5.5	4.2
Capital investment (FBKF) (y-o-y change in %)	18.2	-1.8	-2.8	8.3	16.8
Unemployed Rate (open unemployment)	6.8	5.8	5.2	4.6	nd
Economy Structure					
In view of Supply (percentage change)					
Primary Sector	-11.6	-8.6	15.9	3.9	5.1
Agriculture	-18.2	-12.5	23.4	2.8	5.6
Livestock	6.2	-0.3	0.5	7.3	5.0
Others	6.8	-0.7	5.7	4.3	2.6
Secondary Sector	5.0	0.7	4.0	2.2	5.4
Industry	6.9	-0.1	4.2	4.4	4.3
Construction	12.8	-3.2	-7.1	5.3	5.4
Electricity and Water	-7.6	7.8	15.5	-6.2	8.7
Services Sector	6.5	1.5	3.5	4.8	5.3
Government Services	-3.4	-0.7	3.0	3.2	3.8
Trade	14.3	3.4	4.9	6.0	7.0
Telecommunications	4.5	-2.4	-0.8	-0.9	0.4
Other Services	7.7	2.1	3.8	5.6	5.8
Taxes on products	9.0	1.1	5.6	10.1	5.0
In view of Demand					
(Thousands of USD)					
Capital Investment (FBKF)	6,912.8	6,390.5	6,131.7	6,238.6	8,085.5
Total Consumptions	24,240.2	23,181.7	23,674.7	23,461.9	27,127.1
Exports of goods and services	10,236.8	9,536.2	12,708.6	11,743.6	13,226.4
Imports of goods and services	10,710.6	11,037.3	11,918.9	11,659.9	13,701.4
Monetary and Financial Sector					
Exchange rate (PYG per USD, fdp)	6,815.5	7,238.7	7,335.2	7,810.2	7,038.7
Inflation (CPI, y-o-y change in %)	7.4	8.3	3.2	3.4	4.1
Interbank interest rate (%), average monthly TIB)	3.0	8.5	7.5	6.2	5.9
Monetary aggregate (y-o-y change in M2 in %)	8.2	3.6	9.7	11.5	12.9
Dollarization Ratio (% of banking deposits in ME)	45.9	46.2	46.4	46.4	44.7
Banking sector credits granted to the private sector (% of GDP)	12.1	10.7	10.7	17.8	11.5
Real wage index (y-o-y change, %)	5.5	6.9	4.7	4.0	4.4

External Sector⁵⁹
(Thousands of USD)

Goods exports	1,208,979	1,126,943	1,423,818	1,124,008	1,389,712
% of GDP	3.0	2.7	3.3	2.5	2.9
Goods imports	1,356,632.8	1,348,453.7	1,378,385.0	1,344,961.1	1,592,382.4
% of GDP	3.4	3.2	3.2	3.0	3.3
Trade Balance of Goods	-147,653.6	-221,510.7	45,433.3	-220,953.4	-202,670.7
% of GDP	-0.4	-0.5	0.1	-0.5	-0.4

(Millions of USD)

Current Account	-411.5	-2,921.8	-105.7	-1,488.8	-943.2
% of GDP	-1.02	-6.94	-0.24	-3.31	-1.95
Capital and Financial Account	-353.8	-2,552.3	-316.9	-1,789.9	-193.9
% of GDP	-0.9	-6.1	-0.7	-4.0	-0.4
Foreign Direct Investment	8,862.8	9,231.2	9,829.3	10,229.3	10,443.5
% of GDP	22.0	21.9	22.8	22.8	21.6
International Reserves	9,878.2	9,511.4	9,971.0	9,742.9	10,420.7
% of GDP	24.5	22.6	23.1	21.7	21.5

Public Sector⁶⁰

(% of GDP)					
Income	13.7	14.0	14.0	15.1	13.4
<i>Which: Taxation Income represents</i>	9.8	10.2	10.1	11.4	10.5
Expenses and investments	17.3	17.0	18.1	17.7	14.7
<i>Which: Payment of interests represents</i>	1.1	1.2	1.7	2.0	1.9
Primary Outcome	-2.5	-1.8	-2.4	-0.6	0.6
Fiscal Outcome⁶¹	-3.6	-2.9	-4.1	-2.6	-1.3
Total Debt of the Public Sector	33.8	35.9	38.4	40.0	40.3
Public External Debt	29.3	31.7	33.2	34.8	34.6
% of the Total Public Debt	86.7	88.5	86.6	86.9	85.8
Domestic Public Debt	4.5	4.1	5.2	5.3	5.7
% of the Total Public Debt	13.3	11.5	13.4	13.1	14.2
Service of the Domestic Public Debt	1.6	1.8	3.0	3.1	3.3

⁶⁰ The data on income, expenses, primary results, and fiscal results correspond to Central Administration.

⁶¹ The data for 2025 is cumulative as of November 2025.

References:

Remarks and Sources: Chart prepared by the General Directorate of Indebtedness Policy (DGPE, Ministry of Economy and Finance), including data of the Central Bank of Paraguay (BCP, Statistical Schedule as of 15/12/2025) and the Ministry of Economy and Finance.

1. The exchange rate corresponds to the one of the last working day of the year.
2. Income and Expenses as of November 2025 are preliminary.
3. These letters shall have the following meanings: M: month (i.e., M11: November); T: Quarter (i.e., T04: quarter 4); N/A: non-available, ME: Foreign Currency; fdp: end of period.
4. (*) means preliminary data subject to changes and (**) projections.
5. Data after 2012 are preliminary and they may be subject to reviews.
6. The Economy Structure includes data in Guaranies as of 2014. Historical data as well as projections correspond to the BCP.
7. Inflation as of November 2025 corresponds to the goal rate of inflation established by the BCP.
8. Other services include: transportation; financial intermediation; residential lease; services rendered to companies; hotels and restaurants and services rendered to households.
9. Binational mean currency income as energy cession of Paraguay to Argentina and Brazil, corresponding to the hydroelectric plants Yacyreta and Itaipu. The Real Sector and Economy Structure projections are figures prepared by the BCP.
10. Public Sector data are figures prepared by the Ministry of Finance. Since 2015, a migration has been performed to the methodology contemplated in the Manual on Statistics of the Public Finances 2001 (MEFP 2001)
11. Exports and imports as of 2025 correspond to November of the mentioned year. (2025, M11). Exports include reexports and other exports. The inter-annual variation of exports/imports as of November 2025 (November 2025/November, 2024) obtains the accrued variation of exports/imports of the total exports and imports accrued of November 2025, concerning the same period of the year 2025, compared to the same period of the previous year.

December 2025

World Economy

A new global economic landscape is slowly taking shape. By 2025, global growth is expected to be 3.2% and 3.1% by 2026, representing an improvement over July's projections. However, growth remains moderate compared to historical data.

This situation is due to increased uncertainty and protectionism based on recent international events.



World Economic Outlook Update (IMF–October 2025)

Regional Context

For **advanced economies**, growth of 1.6% is projected for 2025 and is expected to remain steady in 2026, representing a decrease of 0.2 percentage points compared to the growth observed in 2024.

In the **United States**, growth of 2.0% is forecast for 2025 and a slight increase to 2.1% for 2026. This downward revision is mainly due to increased political uncertainty, the implementation of trade barriers, and slower growth in both the labor force and employment.

On the other hand, for the **Eurozone**, a slight increase in growth to 1.2% is estimated for 2025, while for 2026 a slight decrease of 0.1 percentage points is expected, standing at 1.1%.

Although these projections show an improvement over the April and July WEO, they imply a downward revision of 0.4 percentage points from the October 2024 WEO.

For **emerging and developing market economies**, growth is projected at 4.2% for 2025 and 4.0% for 2026.

For **China**, growth of 4.8% is estimated for 2025 and a downward projection of 4.2% for 2026.

Table 1: Overview of World Economic Outlook projections.

	2024*	2025**	2026
World	3.3	3.2	3.1
Advanced economies	1.8	1.6	1.6
United States	2.8	2.0	2.1
Eurozone	0.9	1.2	1.1
EDME	4.3	4.2	4.0
China	5.0	4.8	4.2
LAC	2.4	2.4	2.3
Brazil	3.4	2.4	1.9
Mexico	1.4	1.0	1.5

Source: WEO-IMF October 2025



World Economic Outlook Update (IMF–October 2025)

Latin America and the Caribbean

For **Latin America and the Caribbean**, growth is expected to remain stable at 2.4% for 2025 and to decline slightly to 2.3% in 2026.

Finally, for **Brazil**, there is also an upward revision for 2025, with growth of 2.4%, while for 2026 a slowdown to 1.9% is forecast. This evolution is explained, in part, by the increase in tariffs applied by the United States to its exports, which affects the dynamism of the country's external demand.

Domestic Situation

Paraguay's GDP growth projection for 2025 was revised upward from 5.3% to 6.0%. This growth is explained by greater-than-expected dynamism in economic activity.

In the **tertiary sector**, there was an upward adjustment from 5.3 to 6.1 percent, mainly explained by the dynamics of trade and the “other services” component, which includes restaurants and hotels, household services, and business services.

For its part, the **secondary sector** also showed greater-than-expected growth, from 5.4% to 6.2%, due to increased dynamism in manufacturing industries and the electricity and water sector, which also showed higher-than-expected growth due to increased local electricity distribution.

Similarly, the **primary sector** showed marginal growth of 5.1 to 5.3 percent, represented by higher growth in the forestry and fishing sectors.

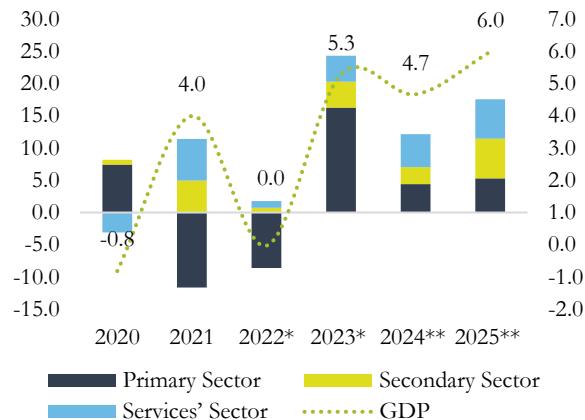
From the **expenditure perspective**, there was greater expansion than expected, explained by the positive dynamics of both exports and imports.

Thus, **GDP excluding agriculture and multinationals** grew by 6.1%, which is 0.8 percentage points above the forecast in the previous report.



Monetary Policy Report

Chart 1: GDP growth by economic sector, 2025.



Source: Central Bank of Paraguay.

*Preliminary figures. ** Projection.



Statistical Annex to the Economic Report (BCP)

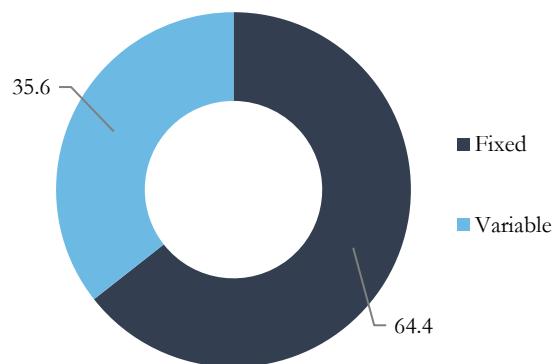
Debt levels and structures of the Total Public Sector

The Law 1535/1999 on “State Financial Administration,” in Article No. 42, establishes that public debt shall be classified as internal and external, and direct and indirect. Direct public debt of the Central Administration is that assumed by the latter as the principal debtor. Indirect debt of the Central Administration, on the other hand, is that constituted by any natural or legal person, public or private, other than the Central Administration, but which has the corresponding guarantee, bond, or surety, duly authorized by law (public companies, second-tier banks, etc.).

In December, the **total public sector debt level stood** at 41.2% of GDP, which is considered sustainable for the country's public finances, representing one of the lowest debt levels in the region.

In terms of the **classification of total public sector debt by type of rate** as of December 2025, 64.4% was found to be at a fixed rate and 35.6% at a variable rate.

Figure 1: Total public debt balance by interest rate.

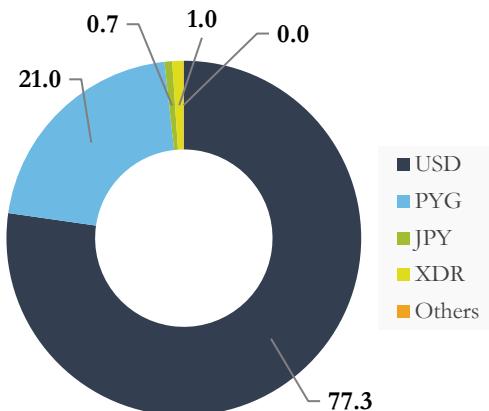


Source: Vice Ministry of Economy and Planning.

The **structure of public debt by currency in December** shows that USD continues to account for the largest share at **77.3%**, followed by PYG at **21.0%**, JPY at **0.7%**, XDR at **1.0%**, and other currencies at **0.0%**.

It should be noted that the higher proportion of debt in dollars does not represent a risk for the country, as Paraguay receives income in dollars in the form of annual royalties for the use of the Paraná River's hydraulic potential for electricity production by binational entities (Itaipú and Yacyretá).

Figure 2: Total Public Debt Balance by Currency as a Percentage.



Source: Vice Ministry of Economy and Planning



Debt statistics

Regarding the average maturity of debt.

Due to placements in international markets with longer maturities than those in domestic markets, the average maturity of the Central Government Debt (ATM) was maintained at 10.9 years (2017) to 10.0 years (2024).

Table 2: Average Debt Maturity (Years*)

Central Administration			
Years	External Debt	Domestic Debt	Total Debt
2017	11.5	2.4	10.9
2018	12.7	3.4	12
2019	13.3	3.4	12.6
2020	14.9	4.8	14.3
2021	12.6	7.6	12.3
2022	11.58	7.12	11.37
2023	11.0	6.4	10.6
2024	10.3	6.0	10.0

Source: Vice Ministry of Economy and Planning

*Does not include perpetual debt with the Central Bank of Paraguay.



Strategic Guideline

Fiscal Policy

Financial Situation as of December 2025.

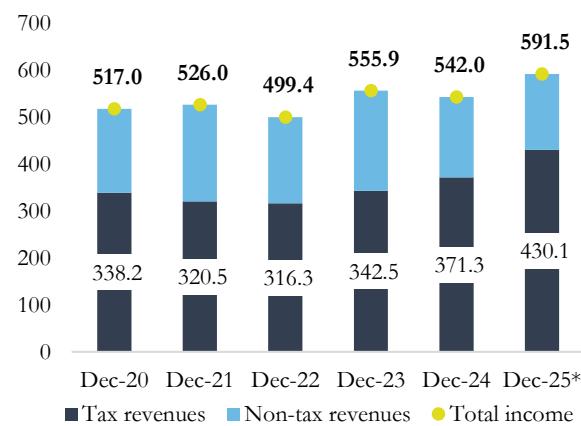
In the last month of 2025, the cumulative fiscal deficit stood at 2.0% of GDP, equivalent to USD 1.047 billion⁶², achieving a reduction of Gs. 1.100 billion compared to the end of 2024.

Income

As of December 2025, total revenue recorded cumulative growth of 4.5%.

Total revenue in December was USD 591.5 million, driven mainly by tax revenue, which contributed 8.6 percentage points, mitigating the effects of the reduction in non-tax revenue.

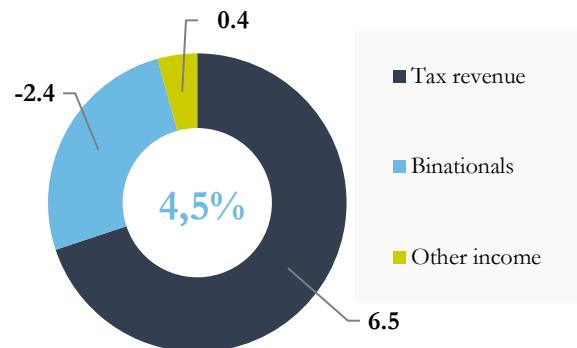
Chart 2: Total revenue in December 2025, in millions of dollars



Source: SITUFIN – Ministry of Economy and Finance.



Figure 3: Components of income in percentage terms (cumulative variation).



Source: SITUFIN – Ministry of Economy and Finance.

Public Spending

Total accumulated spending was 3.4% in December. In this regard, tax-financed salaries remain contained, while social benefits increased.



Monetary Policy

The Central Bank of Paraguay (BCP) conducts monetary policy under an inflation targeting framework, officially since 2011. Under this framework, the main objective of monetary policy, in accordance with Law No. 6104, which modifies and expands Law No. 489/95, the Organic Law of the BCP, is to preserve and ensure the stability of the currency by providing a framework of nominal predictability for the Paraguayan economy, on which economic agents can base their consumption and investment decisions.

⁶² SITUFIN as of December 2025. Retrieved from:
<https://www.mef.gov.py/es/situfin>

Inflation

International Context

The unemployment rate in the United States was 4.4% in December. Meanwhile, inflation for the same month was 2.7%, in line with estimates.⁶³

Local Context

The Board of Directors of the Central Bank of Paraguay recently decided to reduce the inflation target, measured by the variation in the Consumer Price Index (CPI), adjusting it from 4.0% to 3.5% and maintaining the tolerance range of 2% above and 2% below.

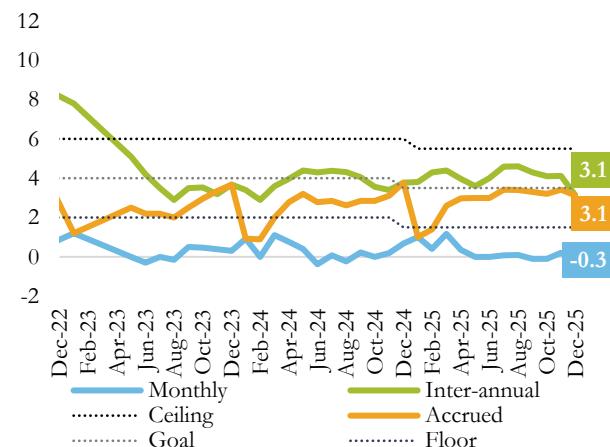
This decision is based on key factors, such as the favorable evolution of inflation under the targeting regime, which has generally remained below the established targets, the effectiveness of monetary policy, and the credibility of the central bank in guiding the expectations of economic agents. A lower inflation target helps protect the purchasing power of the population, particularly lower-income households. Likewise, lower and more stable inflation is a fundamental element for long-term planning.⁶⁴

In December, inflation measured by the monthly Consumer Price Index (CPI) was -0.3%, as a result of lower food prices. However, higher prices for services moderated the decline observed during the month.

In year-on-year terms, total inflation was 3.1% in December, while year-on-year CPI-ATE inflation was 2.3%.⁶⁵

Inflation expectations for the next 12 months remain constant at 3.7% and for the monetary policy horizon at 3.5%.

Chart 3: Inflation as of December 2025, in percentage.



Source: Central Bank of Paraguay



CPM Meeting Minutes

Monetary Policy Rate

It is a monetary policy instrument used to influence market liquidity and interest rates, which ultimately affects part of economic activity and influences inflation.

Monetary Policy Rate (TPM) as of December 2025

The Monetary Policy Committee (MPC) decided to maintain the Monetary Policy Rate (MPR) at 6.0% at its December meeting this year, mainly due to the continued positive performance of domestic economic conditions, which led to a further adjustment in the GDP growth forecast from 5.3% to 6.0%.

With regard to the **external sector**, in December 2025, the United States decided to lower the target range for the federal funds rate, and the market anticipates additional cuts for 2026.

⁶³ Monetary Policy Statement (January 30, 2026).

Retrieved from:

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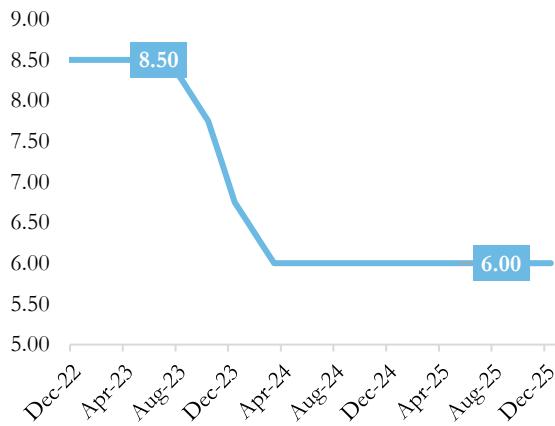
⁶⁴ Minutes of the Monetary Policy Committee Meeting (December 19, 2024). Retrieved from:

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<https://www.bcp.gov.py/minutas-de-reuniones-del-cpm-i444>

⁶⁵ Table 14b of the Statistical Annex to the Economic Report of the Central Bank of Paraguay

Chart 4: Monetary Policy Rate 2025



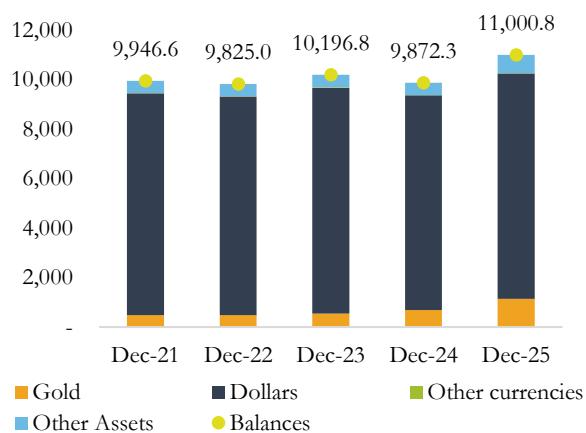
Source: Central Bank of Paraguay

CPM Meeting Minutes

Net International Reserves

Net international reserves in December 2025 stood at USD 11,000.8 million, comprising USD 1,143.3 million in gold, USD 9,112.6 million in dollars, USD 3.8 million in other currencies in demand accounts, and USD 740.2 million in other assets.

Chart 5: Composition of NIRs, in millions of dollars.



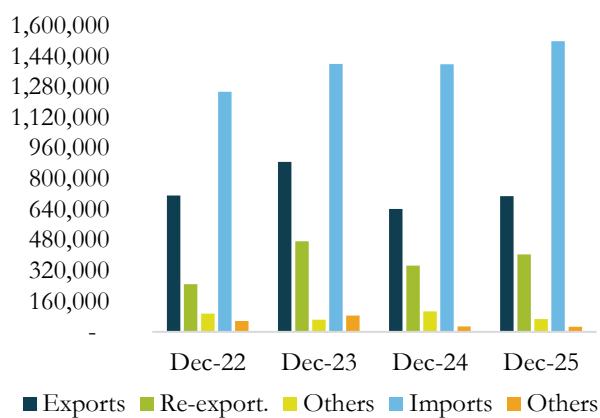
Source: Central Bank of Paraguay. (Preliminary numbers)

Trade Balance

In December 2025, foreign trade figures (exports plus imports) amounted to USD 2,726.4 million.

Total exports in December 2025 amounted to USD 1,181.0 million. Total imports, meanwhile, amounted to USD 1,545.4 million. Finally, the trade balance recorded a surplus of USD 364.4 million in favor of imports.

Chart 6: Trade balance, in thousands of dollars



Source: Central Bank of Paraguay. (Preliminary numbers)



Statistical Annex to the Economic Report (BCP)

Credit Outlook for Paraguay

Sovereign rating history

Paraguay has managed to maintain a positive trajectory in the evolution of its sovereign rating with Moody's, Fitch, and Standard and Poor's rating agencies, despite adverse conditions in recent years, such as external shocks, a pandemic, armed conflicts, and internal shocks such as droughts and the recent uncertainty surrounding international tariff policies.

In its credit opinion report dated July 30, 2025, Moody's rating agency confirmed Paraguay's Baa3 rating and maintained its stable outlook. The report highlights solid growth, institutional improvements, and limited external vulnerability.

For its part, **Fitch Ratings**, in its annual rating review report dated October 6, 2025, decided to change the outlook from stable to positive, confirming Paraguay's BB+ rating. The factors supporting the improvement in the outlook to positive are based on robust economic growth, a solid investment portfolio, low fiscal deficits, the gradual reduction in the proportion of foreign currency debt, the solid level of international reserves, and an active reform agenda.

Finally, **Standard & Poor's**, after changing the outlook from stable to positive in January 2025, decided in its report of December 17 of the same year to raise the rating to BBB-, changing the outlook from positive to stable, highlighting mainly greater fiscal and monetary flexibility. Paraguay thus consolidated its second investment grade.

Table 3: Country risk ratings for 2025.

Agency	Rating	Perspective	Last revision
S&P	BBB-	Stable	Dec-17- 2025
Moody's	Baa3	Stable	Jul-30-2025
Fitch	BB+	Positive	Oct-06-2025

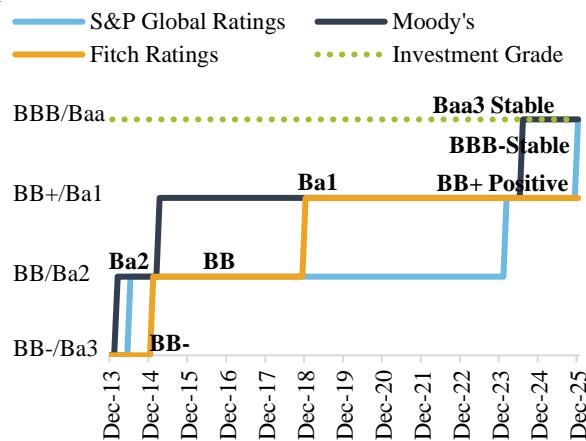
Source: Vice Ministry of Economy and Planning.



Annual Rating Reports

In summary, Paraguay closes 2025 with significant achievements in its credit ratings, reaching its second investment grade with S&P (BBB- Stable) and confirming its rating with Moody's (Baa3 Stable). It is also one step away from investment grade with Fitch Ratings (BB+) with an optimistic outlook explained by its positive outlook.

Chart 7: Country rating for Paraguay for the period 2013-2025



Source: Vice Ministry of Economy and Planning.

Regional Outlook Report



Other accesses of interest

Click on the text to go to the web site.

Monetary Policy Reports



-  [National Accounts Report \(Fiscal Quarters\)](#) 
-  [Statistic Schedule of the Economic Report](#)
-  [Foreign Trade Report \(Fiscal Quarters\)](#)

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-  [Sustainable Development Objectives \(ODS\)\)](#)

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-  [Maquila](#)
-  [Programs and Projects for S&MEs](#)

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- Public Investments
- SITUFIN
- Public Debt Statistics
- Debt Monthly Reports
- Monthly Financial Management of the General Budget of the Nation
- Report on Foreign Trade (RCE)
- Planning System according to Outcomes

- Financial Control and Budget Evaluation
- Economic and Commercial Profile
- (ECB) Foreign Trade Bulletin
- Becal
- News

National Directorate of Tax Revenues (DNIT)

- Statistics on Collections
- Why to invest in Paraguay

Financial Agency of Development

- Products
- Investors

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Population (Thousands)	6,247.9	6,284.0	6,326.8	6,372.6	6,417.1
GDP (USD million)	40,270.5	41,981.0	43,193.7	45,221.0	49,487.6
GDP per capita (USD)	6,445.4	6,680.6	6,827.1	7,096.1	7,711.9
Real GDP (y-o-y change in %)	4.0	0.0	5.3	4.7	6.0
Total consumption (y-o-y change in %)	5.5	1.3	3.3	5.5	4.0
Capital investment (FBKF) (y-o-y change in %)	18.2	-1.8	-2.8	9.6	14.5
Unemployed Rate (open unemployment)	6.8	5.8	5.2	4.6	nd
Economy Structure					
In view of Supply (percentage change)					
Primary Sector	-11.6	-8.6	16.3	4.4	5.3
Agriculture	-18.2	-12.5	23.4	2.2	5.6
Livestock	6.2	-0.3	0.5	6.7	5.0
Others	6.8	-0.7	9.3	14.9	3.9
Secondary Sector	4.9	0.7	4.0	2.7	6.2
Industry	6.8	-0.1	4.1	4.5	5.3
Construction	12.8	-3.2	-7.1	5.9	5.4
Electricity and Water	-7.6	7.8	15.5	-4.9	9.4
Services Sector	6.5	1.1	4.0	5.1	6.1
Government Services	-3.4	-2.9	2.7	2.8	3.8
Trade	14.3	3.4	4.9	6.1	8.0
Telecommunications	4.5	-2.4	6.7	1.0	0.1
Other Services	7.7	2.1	3.8	6.1	7.0
Taxes on products	9.0	1.1	5.6	11.2	5.2
In view of Demand					
(Thousands of USD)					
Capital Investment (FBKF)	6,912.8	6,390.5	6,131.7	6,312.5	8,394.2
Total Consumptions	24,240.2	23,120.8	23,562.7	23,354.5	28,211.8
Exports of goods and services	10,230.1	9,530.2	12,337.1	11,409.1	13,806.7
Imports of goods and services	10,710.6	11,037.3	11,918.9	11,690.0	14,825.6
Monetary and Financial Sector					
Exchange rate (PYG per USD, fdp)	6,815.5	7,238.7	7,335.2	7,810.2	6,725.0
Inflation (CPI, y-o-y change in %)	6.8	8.1	3.7	3.8	3.1
Interbank interest rate (%), average monthly TIB)	4.3	8.5	7.0	6.2	5.9
Monetary aggregate (y-o-y change in M2 in %)	8.2	3.2	9.5	12.0	13.2
Dollarization Ratio (% of banking deposits in ME)	44.9	45.0	45.0	45.6	44.2
Banking sector credits granted to the private sector (% of GDP)	13.2	10.2	11.8	17.8	11.0
Real wage index (y-o-y change, %)	5.5	6.9	4.7	4.0	4.4

External Sector⁶⁶
(Thousands of USD)

Goods exports	973,200	1,057,284	1,423,490	1,096,269	1,181,047
% of GDP	2.4	2.5	3.3	2.4	2.4
Goods imports	1,305,900.0	1,311,281.0	1,485,581.1	1,426,754.5	1,545,395.0
% of GDP	3.2	3.1	3.4	3.2	3.1
Trade Balance of Goods	-332,700.0	-253,997.0	-62,091.5	-330,485.4	-364,348.0
% of GDP	-0.8	-0.6	-0.1	-0.7	-0.7

(Millions of USD)

Current Account	-243.2	-2,699.5	61.0	-1,521.7	-902.5
% of GDP	-0.60	-6.43	0.14	-3.36	-1.82
Capital and Financial Account	-323.9	-2,257.2	-799.9	-2,385.8	-1,200.2
% of GDP	-0.8	-5.4	-1.9	-5.3	-2.4
Foreign Direct Investment	9,823.7	10,260.3	11,430.6	11,980.3	12,821.2
% of GDP	24.4	24.4	26.5	26.5	25.9
International Reserves	9,946.6	9,825.0	10,196.8	9,872.3	11,000.8
% of GDP	24.7	23.4	23.6	21.8	22.2

Public Sector⁶⁷

(% of GDP)					
Income	13.7	14.1	14.0	15.0	14.3
<i>Which: Taxation Income represents</i>	9.8	10.3	10.1	11.3	11.2
Expenses and investments	17.3	17.0	18.1	17.6	16.3
<i>Which: Payment of interests represents</i>	1.1	1.2	1.7	2.0	1.9
Primary Outcome	-2.5	-1.8	-2.4	-0.6	-0.1
Fiscal Outcome⁶⁸	-3.6	-3.0	-4.1	-2.5	-2.0
Total Debt of the Public Sector	33.8	35.9	38.4	40.0	41.2
Public External Debt	29.3	31.7	33.2	34.8	35.1
% of the Total Public Debt	86.7	88.5	86.6	86.9	85.0
Domestic Public Debt	4.5	4.1	5.2	5.2	6.2
% of the Total Public Debt	13.3	11.5	13.4	13.1	15.0
Service of the Domestic Public Debt	1.6	1.8	3.0	3.1	3.4

⁶⁷ The data on income, expenses, primary results, and fiscal results correspond to Central Administration.

⁶⁸ The data for 2025 is cumulative as of December 2025.

References:

Remarks and Sources: Chart prepared by the General Directorate of Indebtedness Policy (DGPE, Ministry of Economy and Finance), including data of the Central Bank of Paraguay (BCP, Statistical Schedule as of 16/01/2025) and the Ministry of Economy and Finance.

1. The exchange rate corresponds to the one of the last working day of the year.
2. Income and Expenses as of December 2025 are preliminary.
3. These letters shall have the following meanings: M: month (i.e., M12: December); T: Quarter (i.e., T04: quarter 4); N/A: non-available, ME: Foreign Currency; fdp: end of period.
4. (*) means preliminary data subject to changes and (**) projections.
5. Data after 2012 are preliminary and they may be subject to reviews.
6. The Economy Structure includes data in Guaranies as of 2014. Historical data as well as projections correspond to the BCP.
7. Inflation as of December 2025 corresponds to the goal rate of inflation established by the BCP.
8. Other services include: transportation; financial intermediation; residential lease; services rendered to companies; hotels and restaurants and services rendered to households.
9. Binational mean currency income as energy cession of Paraguay to Argentina and Brazil, corresponding to the hydroelectric plants Yacyreta and Itaipu. The Real Sector and Economy Structure projections are figures prepared by the BCP.
10. Public Sector data are figures prepared by the Ministry of Finance. Since 2015, a migration has been performed to the methodology contemplated in the Manual on Statistics of the Public Finances 2001 (MEFP 2001)
11. Exports and imports as of 2025 correspond to December of the mentioned year. (2025, M12). Exports include reexports and other exports. The inter-annual variation of exports/imports as of December 2025 (December 2025/December, 2024) obtains the accrued variation of exports/imports of the total exports and imports accrued of December 2025, concerning the same period of the year 2025, compared to the same period of the previous year.