

Macroeconomic Outlook of Paraguay, 2026

January

July

February

August

March

September

April

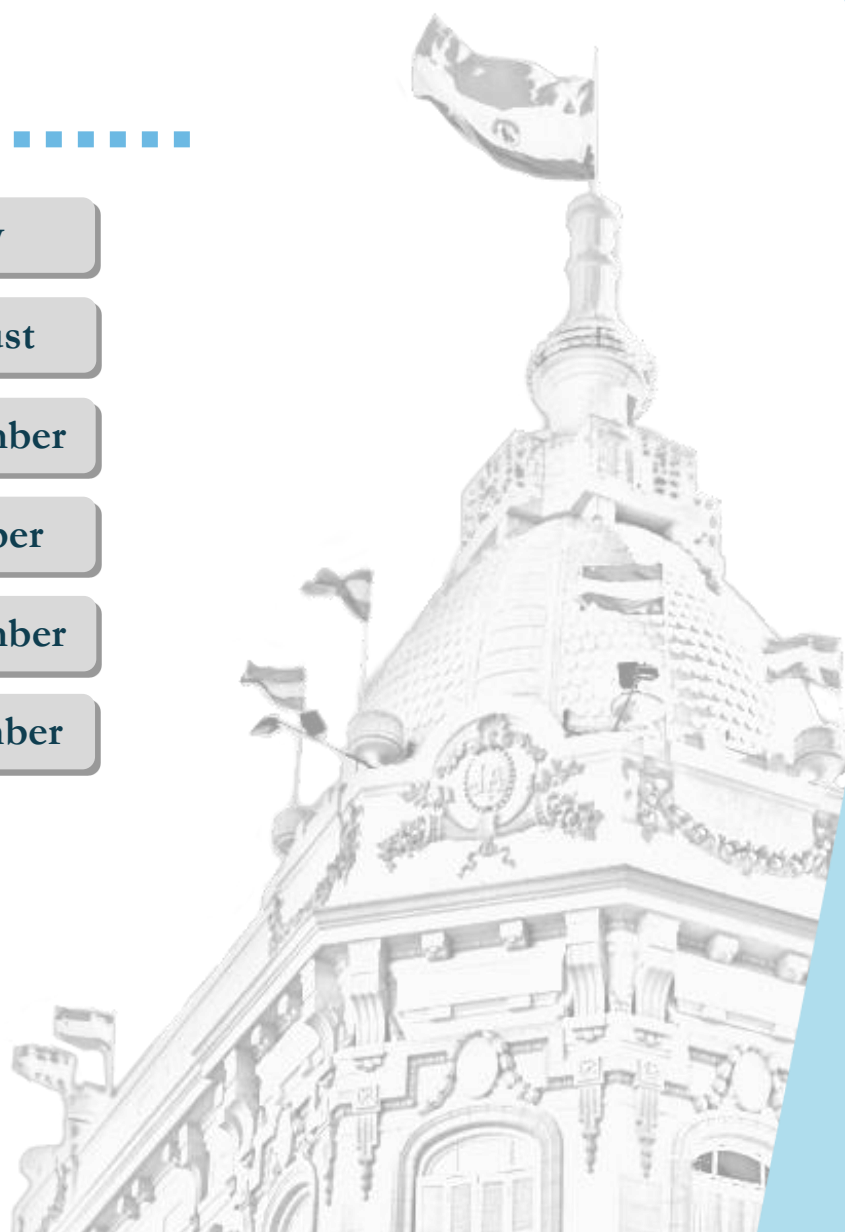
October

May

November

June

December



January 2026

World Economy

“An economy standing firm in the face of divergent forces”

According to the International Monetary Fund's World Economic Outlook (WEO) report, global economic growth is forecast to be 3.3% in 2026 and 3.2% in 2027. There was a slight upward revision for 2026 and no change in the forecast for 2027 compared to the October 2025 WEO.

The outlook for the global economy remains vulnerable to adverse factors such as the effects of changes in trade policy, but these were mitigated by increased investment in technology.

Regional Context

For the **United States**, growth of 2.4% is projected for 2026, supported by fiscal policy and lower monetary policy interest rates, as well as the gradual dissipation of the effects of trade barriers.

The **Euro Area** is expected to remain stable at 1.3% by 2026, with the moderate growth rate mainly explained by unresolved structural obstacles.

Growth in **Emerging and Developing Market Economies** is expected to remain above 4.0% by 2026.

For **China**, growth of 4.5% is forecast for 2026, in line with the October 2025 WEO forecast, explained by the strong performance of tariff and trade policies.

Table 1: Overview of global economic outlook projections.

	2025	2026	2027
World	3.3	3.3	3.2
Advanced economies	1.7	1.8	1.7
United States	2.1	2.4	2.0
Eurozone	1.4	1.3	1.4
EDME	4.4	4.2	4.1
China	5.0	4.5	4.0
LAC	2.4	2.2	2.7
Brazil	2.5	1.6	2.3
Mexico	0.6	1.5	2.1

Source: WEO – FMI January 2026

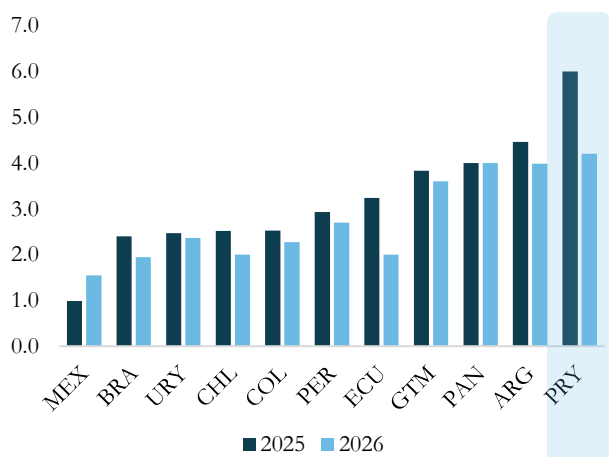
WEO-IMF

Latin America and the Caribbean

As for projections for the region, growth of 2.2% is expected for 2026 and an increase to 2.7% for 2027, as countries approach their potential levels from different cyclical scenarios.

Brazil expects growth of 1.6% for 2026, with an increase to 2.3% for 2027. **Mexico**, for its part, expects growth of 1.5% for 2026 and 2.1% for 2027.

Chart 1: Economic growth of countries in the region.



Source: Statistical Annex to the Economic Report of the Central Bank of Paraguay (WEO Jan-2026).
Note: BCP data for Paraguay, WEO data for other countries. *Estimated data.

WEO-IMF

Domestic Situation

In 2026, GDP growth of 4.2% is expected, according to the GDP Projections report by the Central Bank of Paraguay (BCP), reflecting expansion in the three sectors of the economy: construction, energy production, and water production.

In **the primary sector**, growth of 2.4% is estimated, due to the expected expansion in agriculture, livestock, and other activities.

In **the secondary sector**, growth of 4.0% is forecast, explained by the strong performance expected for manufacturing industries.

For **the services sector**, a variation of 4.6% is expected, supported by the positive dynamics expected for trade and the “other services” component.

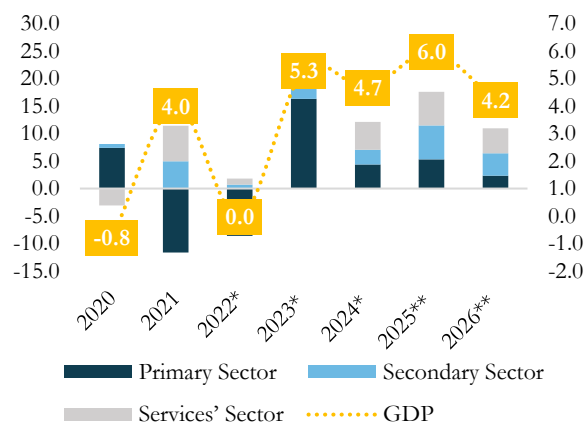
From the **demand** perspective, this is mainly explained by total consumption, with a variation of 4.0%, reflecting the projected increase in growth for both private and public consumption. Gross fixed capital formation is also expected to expand, reflecting the positive outlook for construction and investment in machinery.

¹ SITUFIN (Jan. 2026), obtained from:

Exports and imports also show good growth projections.

GDP Projection

Chart 2: GDP growth by economic sector.



Source: Statistical Annex to the Economic Report of the Central Bank of Paraguay.

BCP Statistical Annex

Fiscal Policy

Financial Situation as of January 2026

In the first month of 2026, the cumulative **fiscal deficit** stood at -0.2% ¹of GDP, equivalent to USD 94.2 million.

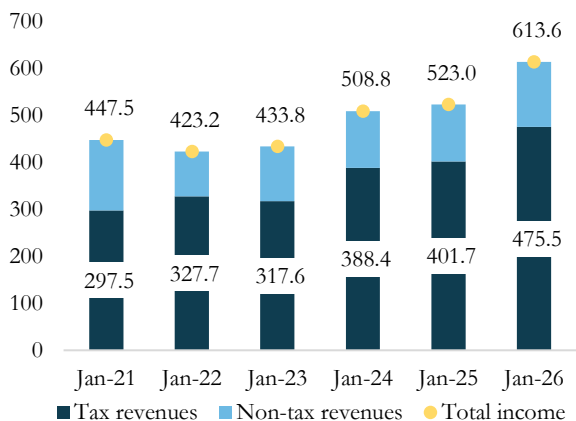
Income

As of January 2026, total income registered a moderate contraction.

Total revenue in January was USD 613.6 million, with a year-on-year variation of -0.5%. The decline in external taxes was offset by internal taxes.

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

Chart 3: Total revenue in January 2026, in millions of dollars.



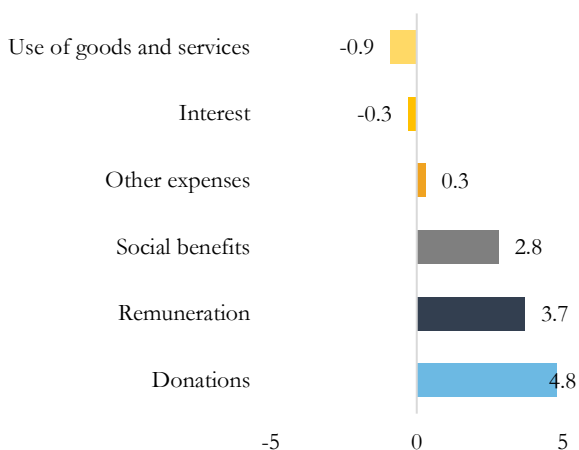
Source: SITUFIN – Ministry of Economy and Finance
 * Preliminary data

SITUFIN 2026

Public Spending

Total cumulative spending was 10.4% in January. In this regard, increases in donations, remuneration, and social benefits allocated to strategic sectors drove spending growth.

Chart 4: Composition of expenditure.



Source: Vice Ministry of Economy and Planning.
 *Preliminary data

SITUFIN 2026

Public Debt

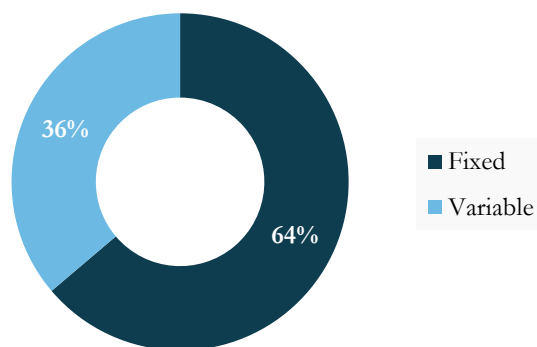
Debt levels and structures of the Total Public Sector

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 **36.4%** 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 2026, 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.

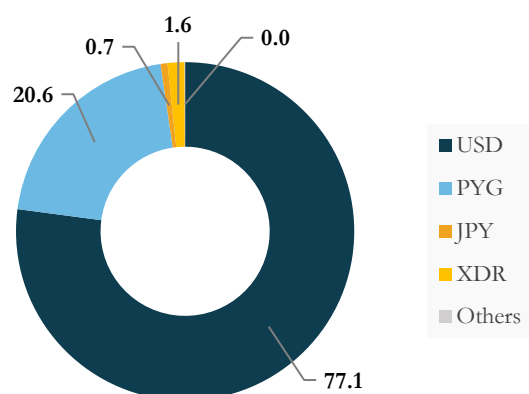


Source: Vice Ministry of Economy and Planning.
 *Preliminary data

The *structure of public debt by currency in January* shows that USD continues to account for the largest share at 77.1%, followed by PYG at 20.6%, JPY at 0.7%, XDR at 1.6%, 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.
*Preliminary data

Debt statistics

Regarding the average maturity of debt.

Due to placements in international markets with longer terms 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

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

The unemployment rate in the United States fell from 4.4% to 4.3% in January. Meanwhile, inflation for the same month was 2.4%, lower than estimated (2.5%).²

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

² Monetary Policy Statement. (February 23, 2026).

Retrieved from:
<https://www.bcp.gov.py/web/institucional/comunicados-del-cpm>

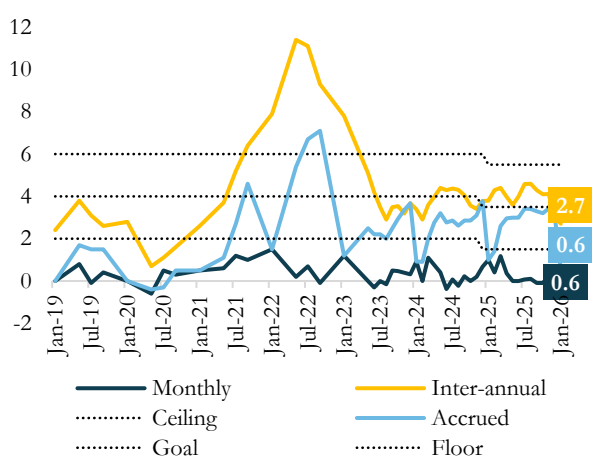
effectiveness of monetary policy, and the credibility of the central bank in guiding the expectations of economic agents. A lower inflation target helps protect the purchasing power of the population, particularly lower-income households. Likewise, lower and more stable inflation is a fundamental element for long-term planning³.

In January, inflation measured by the monthly Consumer Price Index (CPI) was 0.6%, lower than the 1% recorded in January 2025. This is the result of price increases in food, mainly in volatile items and meat, as well as in services. Meanwhile, CPI inflation excluding food and energy (IPCSAE) was 0.2% in January.

In year-on-year terms, total inflation was 2.7%, while year-on-year CPI inflation was 1.9%.⁴

Inflation expectations for the next twelve months and for the monetary policy horizon stood at 3.5%.

Chart 5: Inflation as of January 2026, in percentage.



Source: Central Bank of Paraguay.

Minutes of CPM Meetings

³ Minutes of the Monetary Policy Committee Meeting (December 19, 2024). Retrieved from: <https://www.bcp.gov.py/minutas-de-reuniones-del-cpm-i444>

Monetary Policy Rate

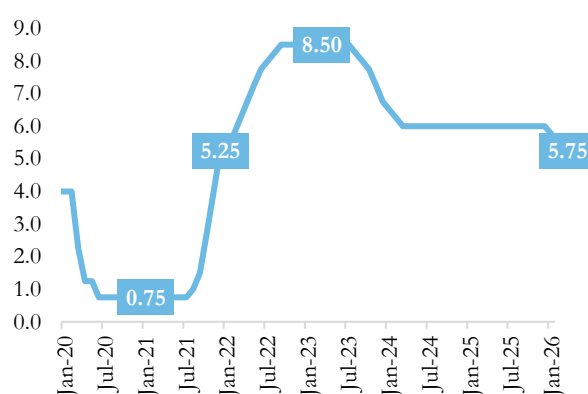
It is a monetary policy instrument used to influence market liquidity and interest rates, which ultimately affects part of economic activity and influences inflation.

Monetary Policy Rate (TPM) as of January 2026

The Monetary Policy Committee (MPC) decided to lower the **Monetary Policy Rate (MPR)** by 5.75% from 6.0% at its first 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.

With regard to the **external sector**, in January 2025, the United States decided to maintain the target range for the federal funds rate at 3.50%–3.75%.

Chart 6: Monetary Policy Rate 2026.



Source: Central Bank of Paraguay.

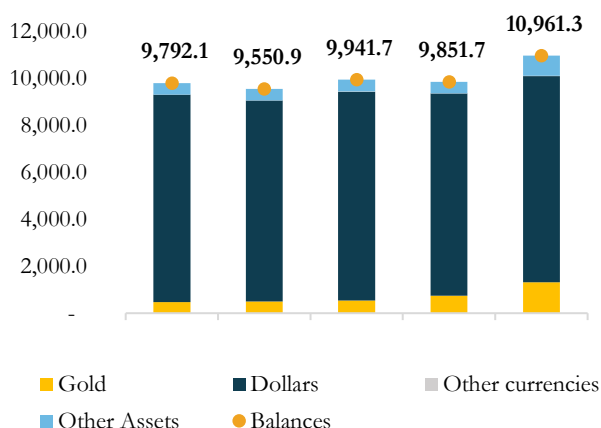
Minutes of CPM Meetings

Net International Reserves

Net international reserves in January 2026 stood at USD 10,961.3 million, comprising USD 1,315.6 million in gold, USD 8,775.8 million in dollars, USD 6.9 million in other currencies in demand accounts, and USD 861.8 million in other assets.

⁴ Table 14b of the Statistical Annex to the Economic Report of the Central Bank of Paraguay

Chart 7: Composition of NIRs, in millions of dollars.



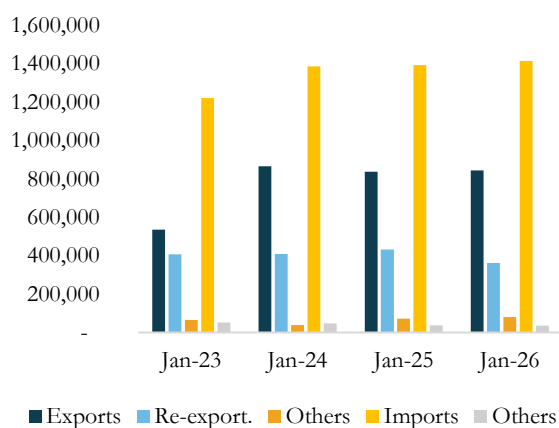
Source: Central Bank of Paraguay. (Preliminary Data)

Balance of Trade

In January 2026, foreign trade figures (exports plus imports) amounted to USD 2,735.1 million.

Total exports in January 2026 amounted to USD 1,286.4⁵ million. *Total imports*, meanwhile, amounted to USD 1,448.6 million. Finally, the trade balance recorded a *surplus* of USD 162.2 million in favor of imports.

Chart 8: Trade balance, in thousands of dollars.



Source: Central Bank of Paraguay. (Preliminary Data)

BCP Statistical Annex

Credit Perspective of 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, internal shocks such as droughts, and the recent uncertainty surrounding international tariff policies.

In its regular update report dated January 23, 2026, *Moody's* rating agency confirmed the Baa3 rating and maintained a stable outlook. The report highlights solid growth, institutional improvements, and limited external vulnerability.

For its part, *Standard & Poor's* changed its outlook from stable to positive in January 2025. Likewise, in its report of December 17 of the same year, it decided to raise the rating to BBB-, changing the outlook from positive to stable, highlighting mainly greater fiscal and monetary flexibility. In this way, Paraguay consolidated its second investment grade.

Finally, *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 upgrade to positive outlook are based on robust economic growth, a solid investment portfolio, low fiscal deficits, the gradual reduction of the proportion of foreign currency debt, solid international reserves, and an active reform agenda.

Table 3: Country risk ratings for 2026.

Agency	Rating	Perspective	Last revision
<i>S&P</i>	BBB-	Stable	Dec-17- 2025
<i>Moody's</i>	Baa3	Stable	Jan-23-2026
<i>Fitch</i>	BB+	Positive	Oct-06-2025

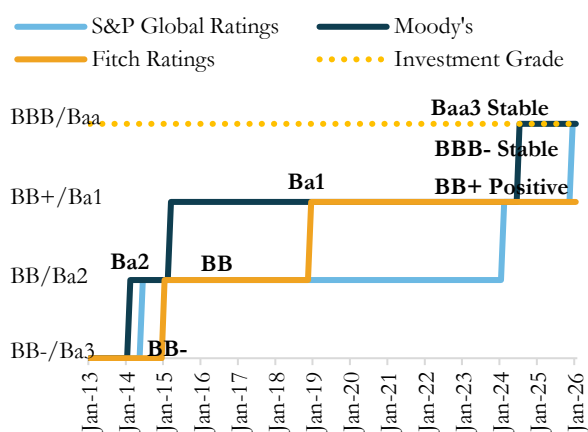
Source: Vice Ministry of Economy and Planning.

Annual Rating Reports

⁵ Data from the BCP Statistical Annex as of January 2026.

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 9: Country rating for Paraguay for the period 2013-2026.



Source: Vice Ministry of Economy and Planning.

[Regional Outlook Report](#)

Other Points 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

Mipymes

Maquila

Programs and Projects for Mipymes

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)

Statistics on Collections

Why to invest in Paraguay

Financial Agency of Development

Products

Investors



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Schedule

Economic Indicators / 2022 - 2026					
	2022	2023	2024(*)	2025(*)	2026(**)
Sector Real					
Population (Thousands)	6,284.00	6,326.00	6,372.00	6,417.00	6,460.00
GDP (USD million)	41,981.03	43,193.66	45,220.99	49,487.65	56,456.41
GDP per capita (USD)	6,680.60	6,827.07	7,096.14	7,711.87	8,739.17
Real GDP (y-o-y change in %)	0.0	5.3	4.7	6.0	4.2
Total consumption (y-o-y change in %)	1.3	3.3	5.5	4.0	4.0
Capital investment (FBKF) (y-o-y change in %)	-1.8	-2.8	9.6	14.5	3.6
Unemployed Rate (open unemployment)	5.8	5.2	4.5	4.9	n.d.
Economy Structure					
In view of Supply (percentage change)					
Primary Sector	-8.6	16.3	4.4	5.3	2.4
Agriculture	-12.5	23.4	2.2	5.6	2.2
Livestock	-0.3	0.5	6.7	5.0	1.8
Others	-0.7	9.3	14.9	3.9	4.5
Secondary Sector	0.7	4.0	2.7	6.2	4.0
Industry	-0.1	4.1	4.5	5.3	3.7
Construction	-3.2	-7.1	5.9	5.4	3.5
Electricity and Water	7.8	15.5	-4.9	9.4	5.7
Services Sector	1.1	4.0	5.1	6.1	4.6
Government Services	-2.9	2.7	2.8	3.8	2.6
Trade	3.4	4.9	6.1	8.0	4.0
Telecommunications	-2.4	6.7	1.0	0.1	3.0
Other Services	2.1	3.8	6.1	7.0	5.6
Taxes on products	1.1	5.6	11.2	5.2	5.0
In view of Demand					
(Thousands of USD)					
Capital Investment (FBKF)	6,390.53	6,131.71	6,312.51	8,394.21	8,745.48
Total Consumptions	23,120.76	23,562.73	23,354.51	28,211.79	29,505.75
Exports of goods and services	9,530.19	12,337.13	11,409.08	13,806.71	14,231.75
Imports of goods and services	11,037.34	11,918.87	11,690.05	14,825.55	15,311.77
Monetary and Financial Sector					
Exchange rate (PYG per USD, fdp)	7,238.66	7,335.21	7,810.24	6,725.00	6,687.26
Inflation (CPI, y-o-y change in %)	7.9	7.8	3.4	3.8	2.7
Interbank interest rate (% average monthly TIB)	5.2	8.4	6.6	6.1	5.9
Monetary aggregate (y-o-y change in M2 in %)	6.2	1.9	10.3	12.5	12.6
Dollarization Ratio (% of banking deposits in ME)	45.2	44.9	44.7	46.1	n.d.
Banking sector credits granted to the private sector (% of GDP)	11.3	8.7	10.8	19.5	n.d.
Real wage index (y-o-y change, %)	6.9	4.7	4.0	4.4	n.d.

External Sector					
(Thousands of USD)					
Goods exports	797,709.05	1,007,677.39	1,313,125.41	1,342,825.24	1,286,419.64
% of GDP	1.9	2.3	2.9	2.7	2.3
Goods imports	1,141,360.74	1,272,474.44	1,431,509.74	1,428,559.00	1,448,636.23
% of GDP	2.7	2.9	3.2	2.9	2.6
Trade Balance of Goods	-343,651.69	-264,797.05	-118,384.32	-85,733.76	-162,216.58
% of GDP	-0.8	-0.6	-0.3	-0.2	-0.3
(Millions of USD)					
Current Account	-2,699.52	61.04	-1,521.68	-902.54	-
% of GDP	-6.4	0.1	-3.4	-1.8	0.0
Capital and Financial Account	-2,257.23	-799.94	-2,385.78	-1,200.20	-
% of GDP	-5.4	-1.9	-5.3	-2.4	0.0
Foreign Direct Investment	10,260.26	11,430.56	11,980.35	12,821.24	-
% of GDP	24.4	26.5	26.5	25.9	0.0
International Reserves	9,825.00	10,196.77	9,872.26	11,000.84	10,961.33
% of GDP	23.4	23.6	21.8	22.2	19.4
Public Sector [1]					
(% del GDP)					
Income	14.1	14.0	15.0	14.3	1.0
<i>Which: Taxation Income represents</i>	10.3	10.1	11.3	11.2	0.8
Expenses and investments	17.0	18.1	17.6	16.3	1.2
<i>Which: Payment of interests represents</i>	1.2	1.7	2.0	1.9	0.1
Primary Outcome	-1.8	-2.4	-0.6	-0.1	0.0
Fiscal Outcome	-3.0	-4.1	-2.5	-2.0	-0.2
Total Debt of the Public Sector	35.9	38.4	40.0	41.3	36.4
Public External Debt	31.7	33.2	34.8	35.1	31.0
% of the Total Public Debt	88.5	86.6	86.9	85.0	85.3
Domestic Public Debt	4.1	5.2	5.2	6.2	5.4
% of the Total Public Debt	11.5	13.4	13.1	15.0	14.7
Service of the Domestic Public Debt	1.8	3.0	3.1	3.4	0.1

References:

Observations and Sources: Table prepared by the General Directorate of Debt Policy (DGPE, Ministry of Economy and Finance), with data from the Central Bank of Paraguay (BCP, Statistical Annex as of 03/03/2026) and the Ministry of Economy and Finance.

1. The exchange rate corresponds to that of the last business day of the year.
2. Income and Expenses as of January 2026 are preliminary.
3. M: Month (example: M1: January); T: Quarter (example: T01: Quarter 1); n/d: not available; ME: Foreign Currency; fdp: end of period.
4. (*) indicates preliminary data subject to change, and (**) indicates projections.
5. Data after 2012 are preliminary and may be subject to revision.
6. The Economic Structure section contains data in constant guaranías as of 2014. Historical data and projections are provided by the Central Bank of Paraguay (BCP).
7. Inflation as of January 2026 corresponds to the inflation target set by the BCP.
8. Other services include: transportation; financial intermediation; business services; Hotels, restaurants, and household services.
9. Binational revenues are understood to be foreign currency income from Paraguay's transfer of energy to Argentina and Brazil, corresponding to the Yacyreta and Itaipu hydroelectric dams. The projections for the Real Sector and the Structure of the Economy are figures prepared by the Central Bank of Paraguay (BCP).
10. Public Sector data are figures prepared by the Ministry of Economy and Finance. Starting in 2015, a migration to the methodology outlined in the 2001 Public Finance Statistics Manual (MEFP 2001) was implemented.
11. Exports and imports for the year 2026 correspond to the month of January of that year (2026, M1). Exports include re-exports and other exports. The year-on-year change in exports/imports January 2026 (January 2026/January 2025) captures the cumulative change in exports/imports of the total accumulated exports and imports for January 2026, in relation to the same period of the previous year.