

PARAGUAY

1. General trends

In 2016 gross domestic product (GDP) in Paraguay grew by 4.1%, up from 3% in 2015 and above the regional average rate. This growth is explained by a 3% expansion in the primary sector, which continues to play a key role in the country's economy. There was also a positive contribution from the secondary sector, as construction and electricity production reported year-on-year growth rates of 18.6% and 12.6%, respectively. On the expenditure side, growth is mainly explained by private consumption and investment, with durable goods purchases and imports for domestic consumption both recovering. Although bank lending to the non-financial private sector slackened relative to 2015, remittance inflows were significantly larger. Investment benefited from favourable weather conditions that made it possible to carry out infrastructure works.

On the fiscal front, Paraguay recorded a deficit of 1.5% of GDP—an improvement on the 2015 result mainly because income growth outpaced expenditure. In the composition of expenditure, there was a slight fall in payroll expenses and larger disbursements of social benefits and debt interest payments. The deficit was partly financed by public borrowing: in March 2016, Paraguay made the fourth sovereign bond issue in its history, thereby raising the total debt to 20.2% of GDP. Monetary policy was mainly expansionary during 2016 and annual inflation reached a level of 3.9%, which is below the threshold set by the Central Bank of Paraguay. The external sector turned the 2015 deficit around to post a current account surplus in 2016 of about 1.7% of GDP.

In 2017 economic activity is forecast to expand at a rate close to 4.0%, driven mainly by agriculture and power generation. The Government expects strong growth in both private and public construction and in the key industrial sectors (meat, beverages and tobacco, metallic and non-metallic industries). Border trade with Argentina is also expected to recover.

2. Economic policy

(a) Fiscal policy

In 2016 the Central Government posted a deficit of 1.5% of GDP, which is the maximum allowed under the Fiscal Responsibility Law. This result represents an improvement on the 2015 figure, when the deficit was 1.8% of GDP.

Total fiscal income grew by 7.0%, mainly as a result of higher tax revenues, which were up by 7.7%. The country's fiscal income is dependent on indirect taxes, since value added tax (VAT) represents 50% of the total tax take. Personal income tax, one of the main direct taxes, was introduced in 2012, but with the peculiarity of having no upper limit on deductible expenses, so the proceeds of the tax are insignificant. Nonetheless, over the last year there was a slight improvement in revenue from taxes on income, profits and capital gains. Non-tax income grew by 6%, mainly due to energy sales through the Itaipú and Yacyretá binational enterprises. Total revenues currently represent around 18.5% of GDP compared to a regional average of 21.7%; and tax pressure, measured by the tax revenue/GDP ratio has remained around 12.5% since 2011.

Public expenditure in 2016 was up by 3.2% on the previous year's level, owing to an increase in social spending, mainly in the *Adulto mayor* and *Tekopora* programs, compounded by higher interest

payments on the debt. Capital expenditure, measure approximately as the net acquisition of non-financial assets, increased by 2.9% compared to its 2015 level.

As the Government financed its activities through borrowing, 2016 ended with a total public debt of 20.2% of GDP, compared to the 18.2% recorded in 2015 and 15% in 2013, when it made its first-ever sovereign bond issue. In early 2016, Paraguay made its fourth issue of this type of debt, for an amount of US\$ 600 million over a 10-year term and an annual interest rate of 5%. This issue pushed the external public debt up to 15.4% of GDP in 2016. In March 2017, another 10-year sovereign bond issue was made for US\$ 500 million at a rate of 4.7% per year. No new debt issues are expected for the remainder of 2017. The nation's Draft General Budget Law for 2017 sees the central government's net borrowing remaining at around 1.5% of GDP. The priorities set in this budget are social policy, targeting education, investment in infrastructure and housing, and improving public management and expenditure quality.

(b) Monetary policy

Since May 2011, the Central Bank of Paraguay has been conducting monetary policy under an inflation targeting system, which involves a commitment to attain an explicit inflation target over a defined monetary-policy horizon. The target set at that time was 5% per annum with a band of tolerance of 2.5 percentage points. Nonetheless, given the actual trend of inflation in 2014, the fluctuation band was narrowed to ± 2 percentage points and, in 2015, the central target was lowered to 4.5% per year. While this remained the goal throughout 2016, in early 2017, the target was lowered again to 4% per annum with a tolerance of 2 percentage points. The central bank based its decision on the fact that, in most months, the rolling average inflation rate was below 4% year-on-year, over periods of 18 and 24 months, which are considered relevant for monetary policy decision-making.

To implement this system, the central bank uses the monetary policy rate as its instrument, to influence interest rates and market liquidity affecting economic activity and, subsequently, inflation. For most of 2016 monetary policy has been expansionary. Thanks to lower inflationary pressures, both domestic and external, the monetary policy rate in 2016 was cut from 6% to 5.75% in June and to 5.5% in July, where it stayed for the rest of the year.

Bank lending to the non-financial private sector lost momentum in 2015 but remained relatively stable, with year-on-year growth of 0.5%.

(c) Exchange-rate policy

Following the trend of other currencies in the region, the nominal exchange rate of the guaraní against the United States dollar appreciated by 2.1% between January and December 2016, from an average of 5,907 to 5,786 guaraníes per dollar. According to the central bank, after the elections in the United States and the latest interest rate adjustments by the United States Federal Reserve, the dollar has traded in volatile fashion and most of the region's currencies have actually strengthened.

In relation to other currencies, the guaraní appreciated against the Argentine peso (11.3%), but depreciated against the Brazilian real (-20.9%) and the euro (-5.2%).

During the year, the central bank made net purchases in the foreign exchange market totalling US\$ 914.5 million. As of December 2016, the country's international reserves stood at US\$ 7.142 billion, representing an increase of 15.2% over the same month a year earlier. This level of reserves covers 10 months of imports and represents 1.7 times the external debt.

(d) Other policies

In mid-2014, Paraguay formalized its first National Development Plan for 2014-2030, under the Technical Secretariat for Economic and Social Development Planning. The key objective of this Plan is to promote sustained and inclusive growth. It is an instrument for guiding private activity and determines the scope of policies and programmes that are priorities for the Government. As noted in the Plan, the strategies that will guide development in Paraguay will be based on three pillars: poverty reduction and social development, inclusive economic growth, and the integration of Paraguay into global markets. This Plan should be the main input used by the Executive Branch, and by regional and local bodies when defining programs and coordinating actions.

In March 2017, the Minister of Finance set forth a number of guidelines for the country's fiscal policy in the coming years. Paraguay is characterized by its low tax burden and reliance on indirect taxes. While direct taxes are slightly progressive, the revenue collected remains small. To correct this situation, proposals were made to restructure public expenditure and redesign personal income tax. In late 2016, Decree No. 6560/16 was issued, setting limits on deductible expenses. The aim is to steer fiscal policy to broaden the tax base, reduce evasion and improve equity.

3. The main variables**(a) The external sector**

In 2016, the current account posted a surplus of US\$ 459.8 million, equivalent to 1.7% of GDP, thereby reversing the 2015 deficit of 1.0% of GDP.

Sales of goods abroad totalled US\$ 8.494 billion, representing year-on-year growth of 2%. An analysis of the total value of exports reveals an upturn in sales of soya and its by-products (oils and soy flour) and in electric energy; with reductions in sales of flours, cereals and timber. There was also a recovery in re-exports, mainly to Brazil, raising the total exported to US\$ 11.155 billion. Foreign trade was boosted by the reversal of price differentials with Argentina, which generated a significant increase in sales in border areas.

At end-2016, goods imports totalled US\$ 9.042 billion, 5.1% down on the year-earlier level. This is mainly explained by lower imports of intermediate goods, reflecting the fall in the international oil price (fuels and lubricants) and reduced purchases of capital goods.

With respect to the other components of the current account, the services and income accounts both posted deficits (US\$ 221.1 million and US\$ 1,461.2 million, respectively). Foreign direct investment (FDI) reached a level of US\$ 273.6 million and makes an important contribution to the local economy. These inflows generated a 15% increase in the country's international reserves, to over US\$ 7 billion.

By end-2017 the Government expects a current account surplus of around 1.2% of GDP, with both export and import values rising. As of April 2017, the value of foreign sales had increased by 15.0% and purchases were up by 20.9% on their year-earlier levels.

(b) Economic activity

In 2016, GDP in Paraguay expanded by 4.1%, following a weak growth performance in the previous year. Agriculture remains the largest component of the economy, accounting for 29% of GDP

and growing by a cumulative 2.6% during the year. The country's main products include soybeans (which had a strong 2016 season), maize, tobacco, sugar cane, beans and peanuts. The livestock sector, which represents roughly 6% of national product, grew by 3.8% in 2016. This was partly due to an increase in meat exports to Chile, which became the main destination for this product ahead of the Russian Federation for the first time. Another important sector for the Paraguayan economy is hydroelectric power generation by the binational entities. This sector performed well during the year, with 12.6% growth boosted by ample water flows and the sound technical and operating conditions of the hydroelectric plants.

Another of the most dynamic sectors in 2016 was construction, where the cumulative year-on-year growth rate reached 18.6%. This reflected increased investment, both by private enterprise (corporate buildings, apartments and shopping centres) and by the public sector. Weather conditions favoured the construction sector, making it possible to carry out programmed works earlier than scheduled. Initiatives in this area include the launch of a digital platform for the visualization of geo-referenced data on the financial and physical progress of infrastructure projects.

Expenditure growth in 2016 was based on gross fixed capital formation (6.5%) and private consumption. The latter was driven by a recovery in durable goods purchases and increased imports of goods for domestic consumption. Remittances may also have had a positive impact on domestic consumption, reaching a level of US\$ 547 million, up by 19% on the year and currently representing 2% of the country's GDP.

Economic growth looks set to remain around 4.0% per year in 2016, based on positive projections for agricultural production in the primary sector, industry and construction in the secondary sector, and commerce in the tertiary sector. Construction shows good growth prospects thanks to the infrastructure projects planned by the Government for the year, together with hotel and corporate ventures in the private sector. In 2013, the Act to Promote Investment in Public Infrastructure and the Expansion and Improvement of State Goods and Services (Law 5102) was passed, and is likely to be applied through public-private partnership agreements. These partnerships are being promoted with the aim of financing badly needed works, such as road resurfacing (the Transchaco highway) and the upgrading of airport infrastructure. On the expenditure side, growth is driven by higher private consumption and stronger investment. The Government expects a rise in both exports and imports, so net external demand would have a negative impact on growth this year. Nonetheless, this estimate will depend on the pace of recovery in the country's trading partners such as Brazil, and on the behaviour of raw material prices and on climate factors.

(c) Prices, wages and employment

The annual inflation rate rose to 3.9% in 2016, compared to 3.1% a year earlier, but was still within the range set by the central bank (target rate of 4%). This is largely explained by the rise in the prices of certain food products, such as beef, cereals and their derivatives, oils, dairy products and sugar. In contrast, the fall in the price of diesel has allowed for lower urban and interurban transport prices.

In the first quarter of 2017, the year-on-year inflation rate fell to 2.8%. The corresponding low consumer prices reflect reductions in some food prices, partly offset by increases in certain services, such as health and education. In the first case, lower prices on beef cuts, resulting from increased supply, and on flour and bakery products, reflect the reduction in international wheat prices. The price of sugar also rose in the wake of lower Brazilian production levels. On the services front, there were increases in rents, tickets for entertainment events and education expenses; and there were also increases in medical care and

medicines. Lastly, the appreciation of the guaraní against the dollar reduced the price of some durable goods (household appliances). In this scenario, inflation projected for December 2017 is around 3.5%.

The general index of wages and salaries recorded year-on-year growth of 5.7% in December 2016, led by the financial, commerce and manufacturing sectors. The legal minimum wage rose by 7.7% to reach 1,964,507 guaraníes (US\$ 350) in December 2016, representing an increase in real terms. The law that approved the minimum wage hike in November 2016 foreshadows a new wage increase methodology, which will involve annual increases in line with accumulated inflation and will take account of the cost of living and the worker's needs.

The increase in the number of people joining the labour market was not matched by higher rates of job creation, so unemployment increased in 2016. According to data from the Continuous Employment Survey, the average open unemployment rate rose to 7.7% from 6.5% in 2015. This trend mainly reflects the fact that female labour-market participation rose by 1.6 percentage points but was not absorbed by new jobs, which forced the unemployment rate up from 7.6% in 2015 to 9.3% in 2016. By comparison, male labour-market participation declined and the corresponding unemployment rate edged up to 6.3%. No improvement in the labour market is currently discernible; in the first quarter of 2017 the unemployment rate rose to 8.4% compared to 7.6% a year earlier.

Table 1
PARAGUAY: MAIN ECONOMIC INDICATORS

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 a/ |
|---|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| Annual growth rates b/ | | | | | | | | | |
| Gross domestic product | 6.4 | -4.0 | 13.1 | 4.3 | -1.2 | 14.0 | 4.7 | 3.0 | 4.1 |
| Per capita gross domestic product | 4.9 | -5.2 | 11.6 | 2.9 | -2.6 | 12.5 | 3.3 | 1.6 | 2.8 |
| Gross domestic product, by sector | | | | | | | | | |
| Agriculture, livestock, hunting, forestry and fishing | 9.2 | -17.3 | 34.2 | 3.7 | -19.8 | 41.2 | 4.7 | 5.2 | 3.0 |
| Mining and quarrying | 5.0 | 3.0 | 3.2 | 5.3 | 1.5 | 8.9 | 9.5 | 0.3 | 6.7 |
| Manufacturing | 2.0 | -0.8 | 6.3 | -1.6 | 4.6 | 7.9 | 9.5 | 3.1 | 5.3 |
| Electricity, gas and water | 9.4 | -3.8 | 0.0 | 7.3 | 5.1 | 1.2 | -6.7 | 1.6 | 12.6 |
| Construction | 11.0 | 2.0 | 13.0 | 1.5 | 1.0 | 9.6 | 13.8 | 2.5 | 18.6 |
| Wholesale and retail commerce, restaurants and hotels | 4.2 | -3.2 | 10.7 | 3.2 | -2.2 | 10.3 | 5.9 | -0.4 | 3.4 |
| Transport, storage and communications | 5.2 | -3.2 | 6.6 | 9.1 | 7.8 | 12.7 | 5.1 | 1.5 | -1.5 |
| Financial institutions, insurance, real estate and business services | 7.9 | 7.5 | 7.2 | 8.6 | 6.9 | 5.7 | 6.8 | 6.6 | 3.5 |
| Community, social and personal services | 3.9 | 11.5 | 9.1 | 6.2 | 15.9 | 6.0 | 6.1 | 4.2 | 0.3 |
| Gross domestic product, by type of expenditure | | | | | | | | | |
| Final consumption expenditure | 8.1 | -1.4 | 13.4 | 5.5 | 4.8 | 4.5 | 3.8 | 1.9 | 0.9 |
| Government consumption | 3.5 | 13.7 | 12.0 | 5.3 | 21.0 | 3.5 | 4.2 | 4.3 | -2.8 |
| Private consumption | 8.6 | -3.0 | 13.5 | 5.6 | 2.8 | 4.6 | 3.7 | 1.5 | 1.4 |
| Gross capital formation | 20.6 | -12.5 | 22.7 | 10.8 | -13.5 | 20.2 | 11.0 | 1.2 | 6.5 |
| Exports (goods and services) | 0.9 | -8.2 | 19.9 | 6.2 | -6.7 | 18.4 | 4.3 | -1.3 | 3.0 |
| Imports (goods and services) | 7.0 | -8.5 | 24.8 | 10.4 | -3.5 | 6.8 | 5.3 | -4.0 | -0.8 |
| Percentajes of GDP | | | | | | | | | |
| Investment and saving c/ | | | | | | | | | |
| Gross capital formation | 16.4 | 13.8 | 16.2 | 17.1 | 15.1 | 15.4 | 16.3 | 16.8 | 18.0 |
| National saving | 17.5 | 17.6 | 16.4 | 17.9 | 13.9 | 17.5 | 16.4 | 15.8 | 19.7 |
| External saving | -1.1 | -3.8 | -0.2 | -0.8 | 1.2 | -2.1 | -0.1 | 1.1 | -1.7 |
| Millions of dollars | | | | | | | | | |
| Balance of payments | | | | | | | | | |
| Current account balance | 200 | 604 | 49 | 200 | -286 | 612 | 27 | -287 | 460 |
| Goods balance | 1 050 | 1 124 | 882 | 854 | 571 | 1 662 | 1 026 | 581 | 1 367 |
| Exports, f.o.b. | 9 731 | 7 756 | 10 474 | 12 639 | 11 654 | 13 605 | 13 105 | 10 898 | 11 155 |
| Imports, f.o.b. | 8 681 | 6 632 | 9 593 | 11 784 | 11 083 | 11 942 | 12 079 | 10 317 | 9 789 |
| Services trade balance | -155 | 40 | -84 | -181 | -170 | -219 | -222 | -244 | -221 |
| Income balance | -1 110 | -1 079 | -1 305 | -1 187 | -1 445 | -1 551 | -1 383 | -1 297 | -1 461 |
| Net current transfers | 414 | 519 | 557 | 714 | 759 | 720 | 606 | 672 | 775 |
| Capital and financial balance d/ | 195 | 312 | 270 | 582 | 262 | 424 | 1 112 | -272 | 498 |
| Net foreign direct investment | 263 | 71 | 462 | 581 | 697 | 252 | 382 | 260 | 274 |
| Other capital movements | -68 | 240 | -192 | 1 | -435 | 172 | 729 | -533 | 224 |
| Overall balance | 395 | 915 | 319 | 782 | -24 | 1 036 | 1 138 | -560 | 957 |
| Variation in reserve assets e/ | -394 | -915 | -319 | -784 | 25 | -1 036 | -1 131 | 560 | -957 |
| Other financing | 0 | 0 | 0 | 2 | 0 | 0 | -7 | 0 | 0 |
| Other external-sector indicators | | | | | | | | | |
| Real effective exchange rate (index: 2005=100) f/ | 73.8 | 81.6 | 80.1 | 71.7 | 73.0 | 68.3 | 66.1 | 67.1 | 69.8 |
| Terms of trade for goods (index: 2010=100) | 102.3 | 100.0 | 100.0 | 102.4 | 103.4 | 102.8 | 103.3 | 98.9 | 96.9 |
| Net resource transfer (millions of dollars) | -915 | -767 | -1 036 | -603 | -1 184 | -1 127 | -279 | -1 569 | -964 |
| Total gross external debt (millions of dollars) | 3 220 | 3 177 | 3 713 | 3 970 | 4 563 | 4 776 | 6 126 | 6 513 | 7 122 |
| Average annual rates | | | | | | | | | |
| Employment | | | | | | | | | |
| Labour force participation rate g/ | 61.7 | 62.9 | 60.5 | 60.7 | 64.3 | 62.6 | 61.6 | 61.6 | 62.6 |
| Open unemployment rate h/ | 7.4 | 8.2 | 7.4 | 6.9 | 7.9 | 7.7 | 7.8 | 6.5 | 7.7 |
| Visible underemployment rate h/ | 6.6 | 8.2 | 7.2 | 6.1 | 5.3 | 4.7 | 4.8 | 4.6 | 4.0 |

Table 1 (concluded)

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 a/ |
|--|---|------|------|-------|------|------|-------|------|---------|
| Prices | Annual percentages | | | | | | | | |
| Variation in consumer prices (December-December) | 7.5 | 1.9 | 7.2 | 4.9 | 4.0 | 3.7 | 4.2 | 3.1 | 3.9 |
| Variation in nominal exchange rate (annual average) | -13.5 | 14.3 | -4.4 | -11.7 | 5.4 | -2.6 | 3.6 | 16.6 | 9.0 |
| Variation in average real wage | -0.7 | 4.5 | 0.6 | 2.8 | 0.7 | 2.2 | 1.2 | 0.4 | 0.6 |
| Nominal deposit rate i/ | 6.2 | 3.4 | 2.0 | 4.2 | 5.5 | 9.2 | 6.2 | 7.4 | 6.7 |
| Nominal lending rate j/ | 13.5 | 14.6 | 12.5 | 16.9 | 16.6 | 16.6 | 15.7 | 14.4 | 15.6 |
| Central government | Percentajes of GDP | | | | | | | | |
| Total revenue | 15.8 | 17.5 | 17.1 | 18.0 | 19.0 | 17.1 | 17.9 | 18.7 | 18.3 |
| Tax revenue | 11.8 | 12.9 | 13.2 | 13.8 | 14.3 | 13.1 | 14.4 | 14.2 | 13.8 |
| Total expenditure | 13.5 | 17.4 | 15.8 | 17.0 | 20.6 | 18.8 | 19.0 | 20.5 | 19.7 |
| Current expenditure | 11.1 | 13.4 | 12.5 | 13.3 | 16.0 | 15.1 | 15.4 | 16.4 | 15.4 |
| Interest | 0.6 | 0.5 | 0.4 | 0.3 | 0.2 | 0.3 | 0.4 | 0.6 | 0.7 |
| Capital expenditure | 2.5 | 4.0 | 3.3 | 3.8 | 4.7 | 3.8 | 3.6 | 4.1 | 4.3 |
| Primary balance | 2.8 | 0.7 | 1.7 | 1.3 | -1.4 | -1.4 | -0.7 | -1.1 | -0.7 |
| Overall balance | 2.2 | 0.1 | 1.3 | 1.0 | -1.7 | -1.7 | -1.1 | -1.8 | -1.5 |
| Central government public debt | 13.4 | 13.9 | 12.1 | 9.8 | 11.3 | 13.0 | 15.8 | 17.6 | 20.1 |
| Domestic | 2.2 | 2.8 | 2.4 | 1.7 | 2.6 | 4.8 | 4.9 | 4.4 | 4.2 |
| External | 11.2 | 11.1 | 9.7 | 8.2 | 8.7 | 8.2 | 10.8 | 13.1 | 15.9 |
| Money and credit | Percentages of GDP, end-of-year stocks | | | | | | | | |
| Domestic credit | 16.5 | 18.0 | 21.5 | 24.2 | 29.7 | 29.2 | 30.8 | 38.0 | 33.1 |
| To the public sector | -4.1 | -6.5 | -7.1 | -8.1 | -5.6 | -8.5 | -10.2 | -9.9 | -10.6 |
| To the private sector | 20.9 | 25.2 | 29.2 | 33.0 | 35.9 | 38.7 | 42.5 | 49.7 | 45.8 |
| Monetary base | 9.4 | 12.8 | 10.8 | 11.0 | 12.5 | 10.5 | 10.6 | 10.6 | 10.3 |
| Money (M1) | 12.2 | 16.2 | 15.3 | 15.4 | 16.3 | 16.3 | 16.1 | 16.2 | 16.0 |
| M2 | 17.5 | 23.0 | 22.1 | 23.4 | 25.5 | 26.1 | 25.6 | 26.2 | 25.9 |
| Foreign-currency deposits | 11.1 | 12.6 | 14.0 | 13.6 | 14.6 | 16.4 | 18.4 | 22.9 | 21.2 |

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

a/ Preliminary figures.

b/ Based on figures in local currency at constant 1994 prices.

c/ Based on values calculated in national currency and expressed in current dollars.

d/ Includes errors and omissions.

e/ A minus sign (-) indicates an increase in reserve assets.

f/ Annual average, weighted by the value of goods exports and imports.

g/ Nationwide total.

h/ Up to 2009, figures correspond to the urban total. From 2010 to 2016, they correspond to Asuncion and urban areas of Central Department.

i/ Weighted average of effective interest rates on time deposits.

j/ Commercial lending rate, local currency.

Table 2
PARAGUAY: MAIN QUARTERLY INDICATORS

| | 2014 | | | | 2015 | | | | 2016 | |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------|
| | Q.1 | Q.2 | Q.3 | Q.4 | Q.1 | Q.2 | Q.3 | Q.4 | Q.1 | Q.2 a/ |
| Gross domestic product (variation from same quarter of preceding year) b/ | 6.7 | 2.7 | 1.9 | 0.7 | 1.5 | 6.3 | 5.3 | 3.4 | 6.6 | ... |
| Gross international reserves (millions of dollars) | 6 733 | 7 081 | 6 727 | 6 261 | 6 164 | 6 859 | 6 918 | 6 988 | 7 353 | 7 860 c/ |
| Real effective exchange rate (index: 2005=100) d/ | 63.7 | 67.5 | 67.2 | 70.2 | 66.6 | 69.4 | 70.9 | 72.2 | 71.7 | 71.2 c/ |
| Consumer prices (12-month percentage variation) | 2.6 | 2.5 | 3.7 | 3.1 | 4.7 | 4.7 | 3.5 | 3.9 | 2.8 | 3.4 c/ |
| Average nominal exchange rate (guaranies per dollar) | 4 760 | 5 053 | 5 311 | 5 696 | 5 795 | 5 611 | 5 552 | 5 727 | 5 667 | 5 579 |
| Nominal interest rates (average annualized percentages) | | | | | | | | | | |
| Deposit rate e/ | 8.3 | 7.6 | 7.6 | 6.0 | 7.7 | 6.0 | 7.2 | 5.8 | 6.2 | ... |
| Lending rate f/ | 14.3 | 14.6 | 13.6 | 15.0 | 16.4 | 16.0 | 15.3 | 14.8 | 15.7 | ... |
| Interbank rate | ... | 6.1 | ... | 6.1 | 7.0 | 6.3 | 8.1 | ... | ... | ... |
| Monetary policy rates | 6.7 | 6.2 | 5.8 | 5.8 | 5.9 | 5.9 | 5.6 | 5.5 | 5.5 | 5.5 |
| International bond issues (millions of dollars) | - | 280 | - | - | 600 | - | - | - | 500 | - c/ |
| Domestic credit (variation from same quarter of preceding year) | 21.6 | 22.0 | 31.0 | 29.0 | 18.6 | 8.9 | 1.3 | -3.3 | -4.7 | -1.0 g/ |
| Non-performing loans as a percentage of total credit | 2.0 | 2.2 | 2.6 | 2.6 | 2.8 | 3.0 | 3.2 | 3.1 | 3.1 | 3.1 g/ |

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

a/ Preliminary figures.

b/ Based on figures in local currency at constant 1994 prices.

c/ Figures as of May.

d/ Quarterly average, weighted by the value of goods exports and imports.

e/ Weighted average of effective interest rates on time deposits.

f/ Commercial lending rate, local currency.

g/ Figures as of April..