



Paraguay






MINISTERIO DE
HACIENDA

International Trade Report January-May 2015



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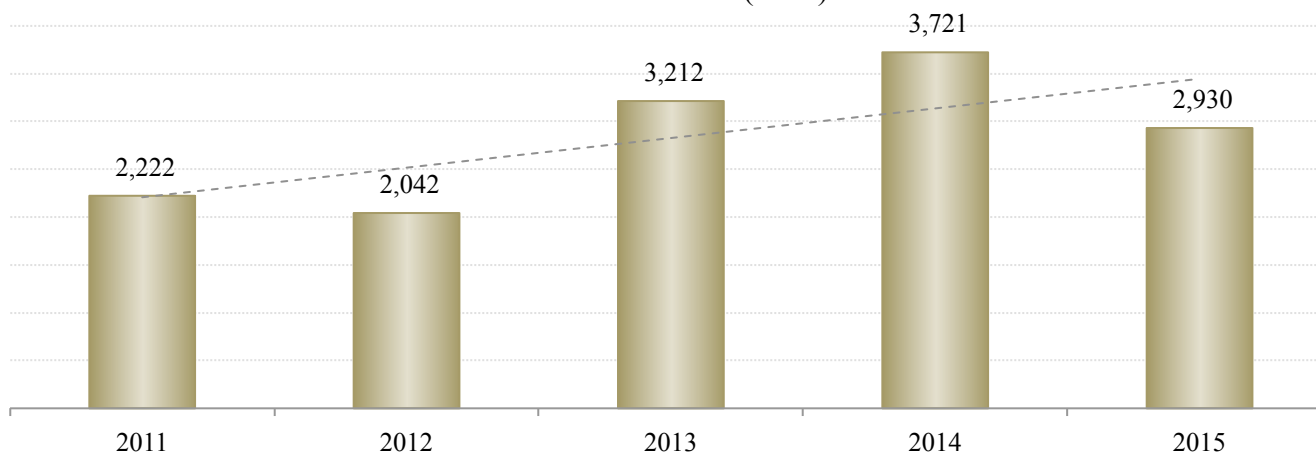
Exports

January to May 2014/2015



Graph 1: Evolution of Exports (January to May 2011-2015)*

Millions FOB (USD)



Month	2011	2012	2013	2014	2015
January	253	335	467	551	593
February	360	310	565	684	634
March	538	441	655	769	717
April	502	428	734	912	485
May	568	527	791	804	500

Total exports of Paraguay in May 2015 was 21% lower than in the same month of the previous year (2014) due to less sales of *oilseeds* and *vegetable fat, oil, and pellets*.

Source: DI-MF, based on preliminary data reported by the CBP¹ and UEW² (2015)

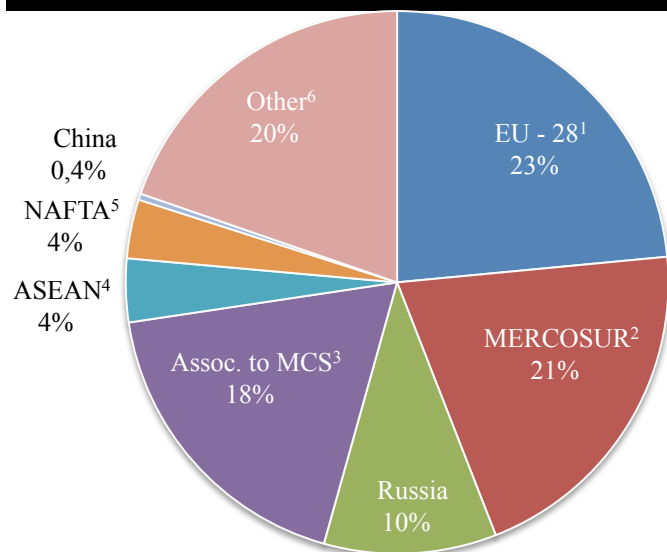
Note: * Exports of electricity not included.

¹ Central Bank of Paraguay

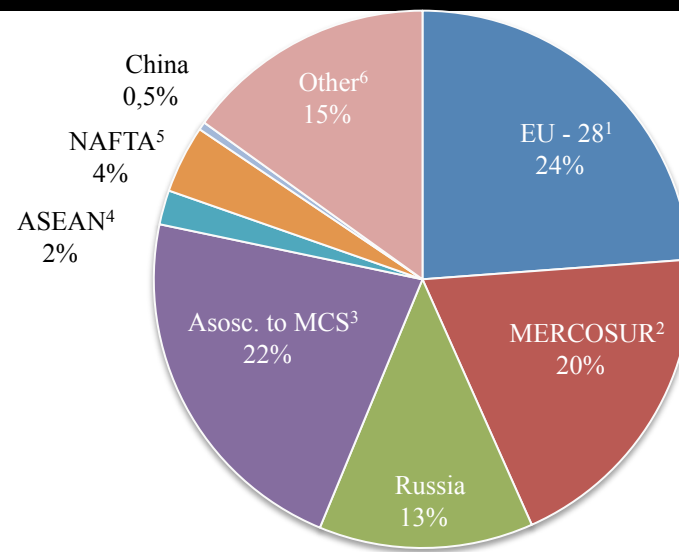
² Unified Exports Window

Graph 2: Exports by major trade blocs and countries*

January-May 2014



January-May 2015



The top destiny for Paraguayan exports in the period January-May 2015 was the *European Union* (USD 698 million), followed by the group of *Countries Associated to MERCOSUR* (USD 646 million), and *MERCOSUR* in the third place (USD 572 million). These 3 major trade blocs represented 66% of total exports in this period.

Source: DI-MF, based on preliminary data reported by the CBP and UEW (2015)

Note: * Exports of electricity not included.

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

² MERCOSUR; Argentina, Brazil, Venezuela, and Uruguay

³ Countries Associated to MERCOSUR (Assoc. to MCS). It is included Regional Partners: Bolivia, Chile, Colombia, Ecuador and Peru, and overseas partners: Israel, Egypt, India and SACU (Botswana, Lesotho, Namibia, South Africa and Swaziland)

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

⁵ NAFTA: Canada, USA, and Mexico

⁶ Other: Rest of the world.



Chart 1: Exports by major trade blocs and countries (January to May 2014/2015)*

Millions FOB (USD)

Regions	Millions (FOB) January-May		Percent change 2014/2015	Impact on exports change
	2014	2015		
EU – 28 ¹	874	698	-20	-5.0
MERCOSUR ²	766	572	-25	-5.0
Russia	382	378	-1.0	-0.1
Associated to MCS ³	680	646	-5.0	-1.0
ASEAN ⁴	141	61	-57	-2.2
NAFTA ⁵	131	119	-9.0	-0.3
China	14	14	2.0	0.01
Other	733	442	-40	-8.0
Total	3,721	2,930	-21	-21

The decline of total Paraguayan exports in the period of January-May 2015, compared to the same period in 2014, was due to the decrease of exports to the *EU* (-20%), *MERCOSUR* (-25%), and to other countries (-40%), which represented the biggest impact on total export.

Source: DI-MF, based on preliminary data reported by the CBP and UEW (2015)

Note: * Exports of electricity not included.

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³ Countries Associated to MERCOSUR (Assoc. to MCS). It is included Regional Partners: Bolivia, Chile, Colombia, Ecuador and Peru, and overseas partners: Israel, Egypt, India and SACU (Botswana, Lesotho, Namibia, South Africa and Swaziland)

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⁵ NAFTA: Canada, USA, and Mexico

⁶ Other: Rest of the world.



Chart 2: Exports by major group of products (January to May 2014/2015)*

Millions FOB (USD)

Products	Millions (USD) January-May		Percent change	Impact on exports change (%)
	2014	2015		
Oilseeds	1,671	1,093	-35	-16
Vegetable fat & oil	713	569	-20	-4.0
Beef products	543	551	1.0	0
Maize	178	99	-45	-2.0
Leather	108	94	-13	-0.4
Chemicals, rubber, and plastics	86	75	-13	-0.3
Machinery and equipment	46	60	30	0.4
Wheat	10	55	464	1.0
Textiles	42	46	10	0
Processed rice	50	41	-18	-0.2
Other	273	246	-10	-1.0
Total	3,721	2,930	-21	-21

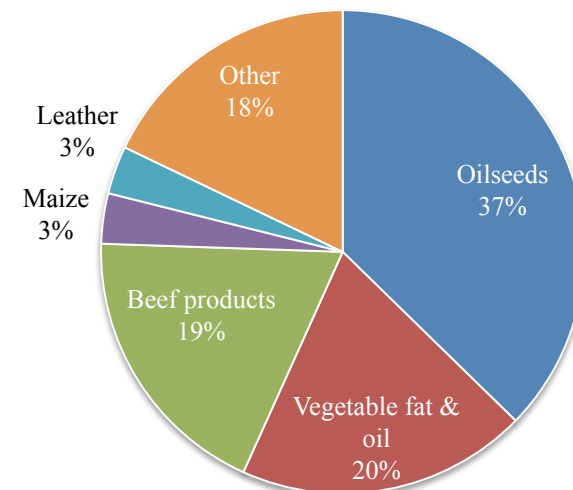
Oilseeds (37%); vegetable fat & oil (20%); and beef products (19%) represented the major portion of Paraguayan exports (76%).

Exports of *oilseeds* decreased by 16%, and mostly impacted on total exports outcome.

Source: DI-MF, based on preliminary data reported by the CBP and UEW (2015)

Note: * Exports of electricity not included

January-May 2015 (%)



January-May 2014 (%)

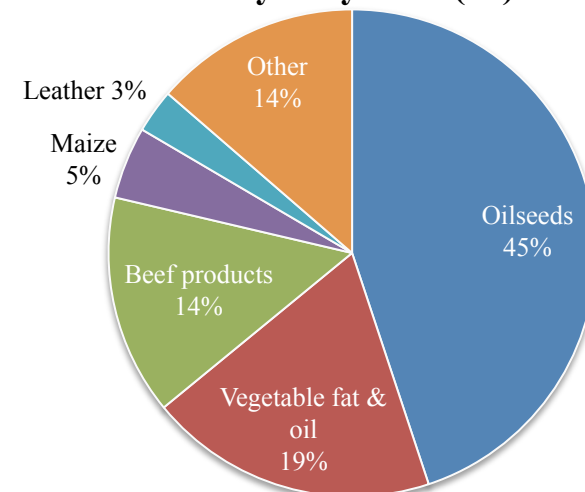
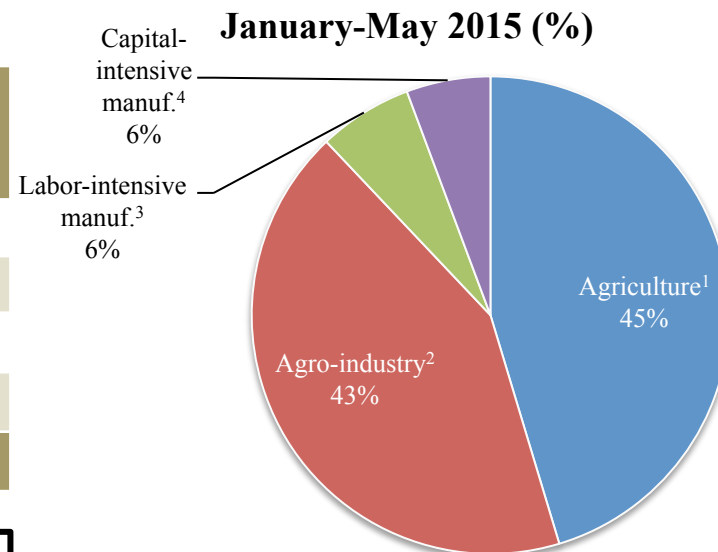


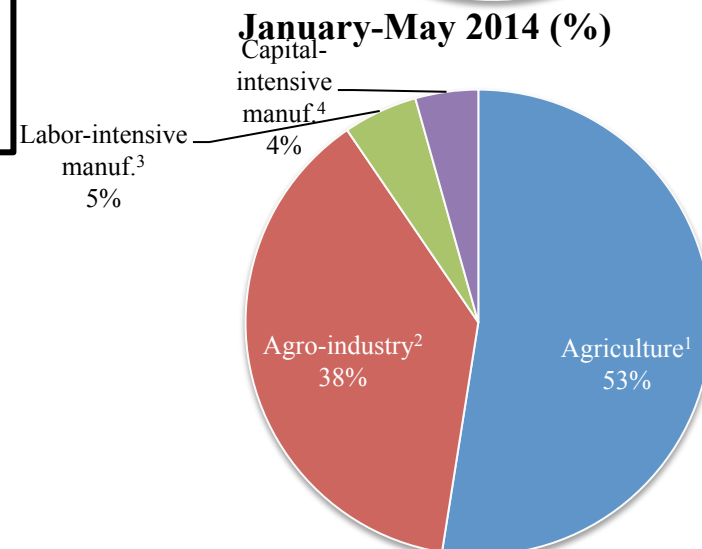
Chart 3: Exports by factor intensity (January to May 2014/2015)*

Millions FOB (USD)

Sectors	Millions (USD) January-April		Percent change	Impact on exports change
	2014	2015		
Agriculture ¹	1,953	1,329	-32	-17
Agro-industry ²	1,413	1,248	-12	-4.0
Labor-Intensive Manufacturing ³	192	187	-3.0	-0.2
Capital-Intensive Manufacturing ⁴	162	167	3.0	0.1
Total	3,721	2,930	-21	-21



The major part of Paraguayan exports decline was due to the contraction of the *Agriculture* sector, which registered USD 600 million less than in the same period of 2014.



Source: DI-MF, based on preliminary data reported by the CBP and UEW (2015)

Note: * Exports of electricity not included.

Note: each sector includes

¹ Agriculture: *soybeans; maize; and wheat.*

² Agro-industry: *soy flour and pellet; beef (frozen and refrigerated); and gross soy oil.*

³ Labor-Intensive Manufacturing (LIM): *bovine leather and skin; footwear parts; and wood.*

⁴ Capital-Intensive Manufacturing (KIM): *plastic demijohns; waste of copper, and several metals foundry.*



Chart 4: Top products exported to Brazil (January to May 2014/2015)*

Millions FOB (USD)

Products	Millions (USD) January-May		Participation (%) January-May		Percent change 2014/2015
	2014	2015	2014	2015	
Soybeans	226	90	37	19	-60
Refrigerated beef	57	59	9	13	3.0
Cables for spark plugs	38	51	6	11	34
Rice	62	47	10	10	-24
Wheat	9	30	2	6	216
Plastic containers	20	22	3	5	10
Synthetic blankets	8	16	1	3	93
Maize	39	12	6	3	-68
Frozen beef	10	11	6	3	8.0
Animal fat	7	9	1	2	35
Other	141	121	23	26	-19
Total	619	467	100	100	-24

The top four products exported to Brazil – *soybeans, refrigerated beef, cables for spark plugs, and rice* – represented 53% of total exports to this country.

Refrigerated beef (16%) and *cables for spark plugs* (34%) kept growing compared to the same period of 2014, whilst exports of *soybeans* decreased by 60%.

It is worth to mention the exports of *wheat* leap, which increased by 216%, accounting for USD 30 million compared to USD 9 million in the same period in 2014.

Source: DI-MF, based on preliminary data reported by the CBP and UEW (2015)

Note: * Exports of electricity not included.



Chart 5: Top products exported to Argentina (January to May 2014/2015)*

Millions FOB (USD)

Products	Millions (USD) January-May		Participation (%) January-May		Percent change 2014/2015
	2014	2015	2014	2015	
Papers and cartons	4	6	9	12	47
Gross soybean oil	...	5	...	11	...
Textile wadding	3	4	8	9	22
Bananas	2	3	4	7	117
Cow leather	3	3	6	6	8.0
Foundry waste	...	2	...	5	...
Plastic containers	1	2	3	4	49
Other seats	3	2	7	4	-33
Stones (decorative pebbles)	3	2	7	4	-38
Glass containers	5	2	11	4	-63
Other	20	16	45	33	-20
Total	44	47	100	100	8

Exports to Argentina is more diverse. The top 5 products sent to Argentina represented less than half (45%) of total exports to this country in the period January-May 2015.

The most dynamic products were *bananas*, which exports increased by 117%, and *papers & cartons*, which exports increased by 47%.

Source: DI-MF, based on preliminary data reported by the CBP and UEW (2015)

Note: * Exports of electricity not included.



Chart 6: Top products exported to Uruguay (January to May 2014/2015)*

Millions FOB (USD)

Products	Millions January-May		Participation (%) January-May		Percent change 2014/2015
	2014	2015	2014	2015	
Soybean pellets & flour	15.1	10.8	20	19	-29
Tobacco (dry limb & leaves)	12.6	9.6	17	17	-24
Maize	10.8	6.7	15	12	-38
Gross soybean oil	2.7	4.3	4	8	60
Foot-and-mouth disease vaccinations	...	3.3	...	6	...
Bran of leguminous	2.9	2.2	4	4	-22
Cow leather	1.8	3.4	2	6	88
Electrical transformers	1.6	1.5	2	3	-7
Cotton trousers	1.3	1.4	2	2	3
Wheat	...	1.3	...	2	...
Other	25.7	10.8	34	20	-58
Total	75	55	100	100	-26

The products with the biggest participation rate in exports also registered the biggest contraction during the period January-May 2015.

Total exports to Uruguay declined by 26% in this period.

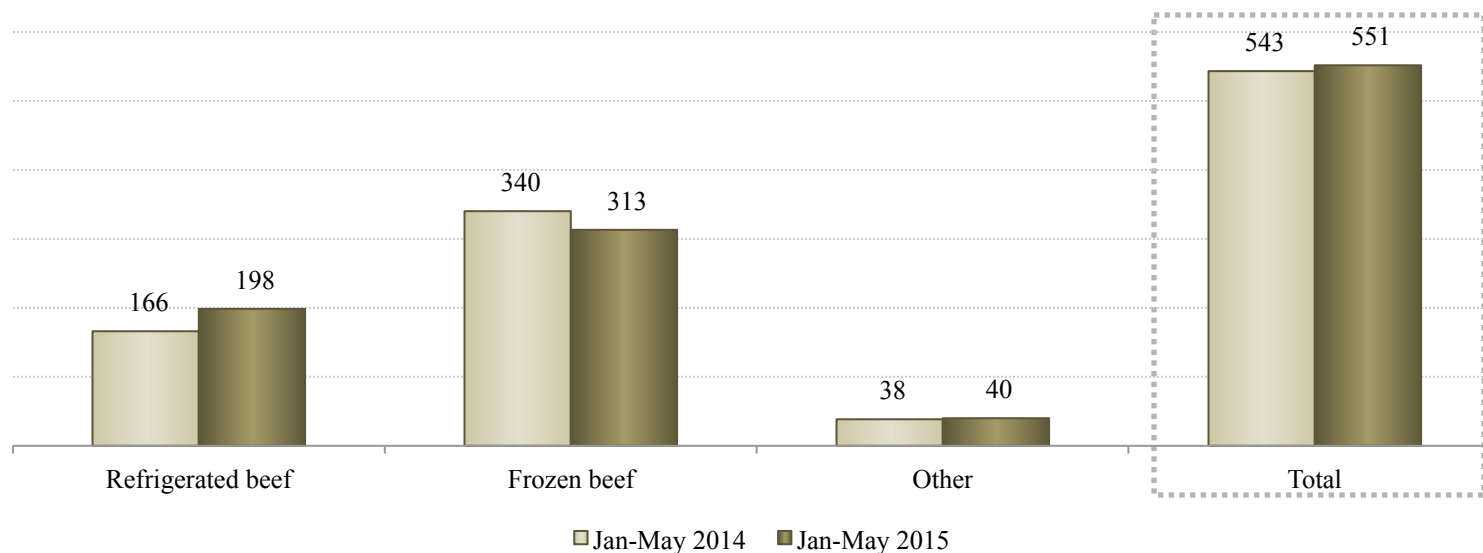
Fuente: DI-MF, based on preliminary data reported by the CBP and the UEW (2015)

Note: *Exports of electricity not included



Graph 3: Exports of beef, by type of product (January to May 2014/2015)

Millions FOB (USD)



Exports of *beef* increased by 1% during the period January-May 2015 compared to the same period in 2014.

Source: DI-MF, based on preliminary data reported by the CBP and UEW (2015)

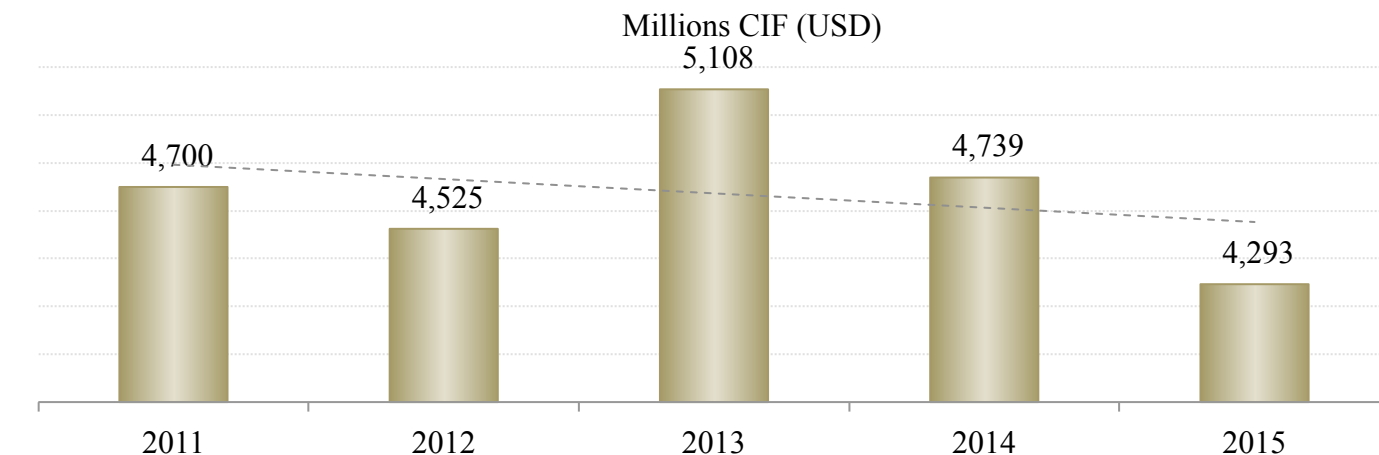


Imports

January to May 2014/2015



Graph 4: Evolution of imports (January to April 2011-2015)



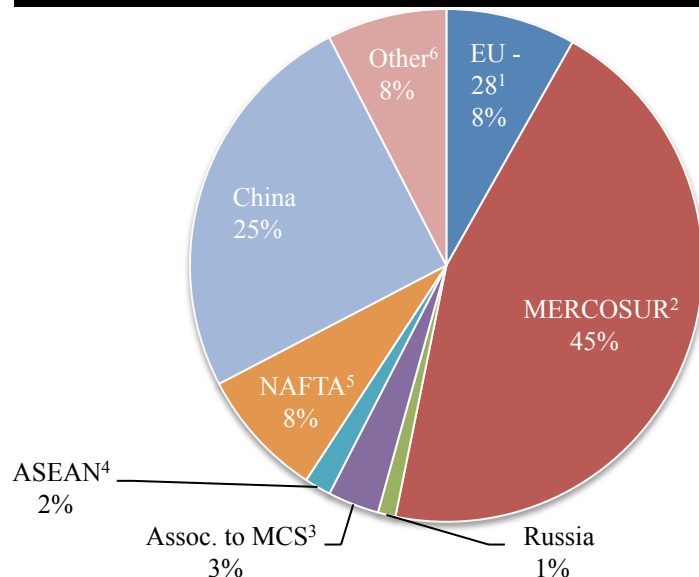
Month	2011	2012	2013	2014	2015
January	878	844	1,078	937	884
February	860	828	950	922	836
March	960	959	937	931	895
April	949	932	1,135	964	869
May	1,053	963	1,008	986	809

Total imports during the period January-May 2015 decreased by 9% compared to the same period in 2014.

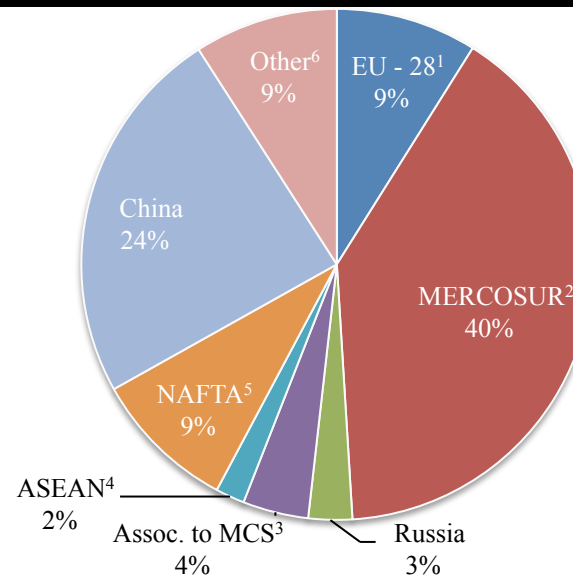
Average imports in the period January-May in the last five years was USD 4,673 million.

Graph 5: Imports by major trade blocs and countries

January-May 2014



January-May 2015



MERCOSUR trade bloc was the major supplier of Paraguay in the period January-May 2015. Total imports from this trade bloc accounted for USD 1,721 million in this period.

China was the second supplier of Paraguay. Imports from this country totaled USD 1,031 million in the same period.

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

⁵ NAFTA: Canada, USA, and Mexico

⁶ Other: Rest of the world.

Source: DI-MF, based on preliminary data reported by the CBP (2015)



Chart 7: Imports by major trade blocs and countries (January to May 2014/2015)

Millions CIF (USD)

Regions	Millions (USD) January-May		Percent change	Impact on imports change 2015/2014
	2014	2015		
EU-28 ¹	388	383	-1.0	-0.1
MERCOSUR ²	2,132	1,721	-19	-9.0
Russia	53	119	126	1.0
Assoc. to MCS ³	153	178	16	1.0
ASEAN ⁴	79	79	-1.0	-0.01
NAFTA ⁵	386	391	1.0	0.1
China	1,189	1,031	-13	-3.0
Other ⁶	358	390	9.0	1.0
Total	4,739	4,293	-9	-9

MERCOSUR and *China* were the largest supplier of Paraguay during the period January-May 2015. Imports from both origins totaled USD 2,752, and represented 64% of total imports.

Imports from *MERCOSUR* registered the sharpest decline in this period, and mostly explains the decline of total imports.

Source: DI-MF, based on preliminary data reported by the CBP (2015)

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

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Chart 8: Imports by major group of products (January to May 2014/2015)

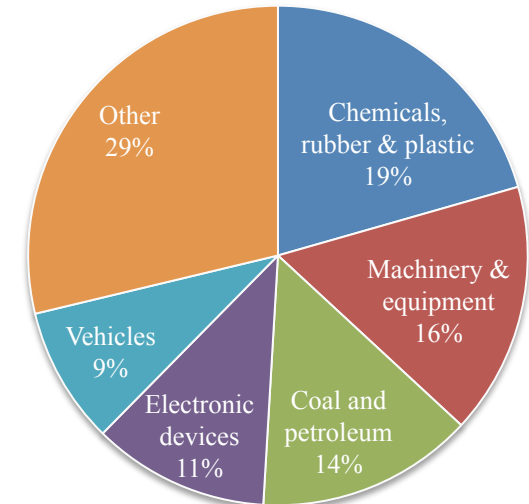
Millions CIF (USD)

Products	Millions (USD) January-May		Percent change	Impact on imports change 2014/2015
	2014	2015		
Chemicals, rubber, & plastic	903	883	-2.0	-0.4
Machinery & equipment	747	700	-6.0	-1.0
Coal & petroleum products	745	603	-19	-3.0
Electronic devices	625	491	-21	-2.8
Vehicles & their pieces	419	381	-9.0	-0.8
Other manufacturing	147	150	2.0	0.1
Food products	145	137	-5.0	-0.2
Beverages & tobacco	104	111	6	0.1
Ferrous metals	151	108	-29	-0.9
Textiles	107	104	-3.0	-0.1
Other	646	624	-3.0	-0.5
Total	4,739	4,293	-9	-9

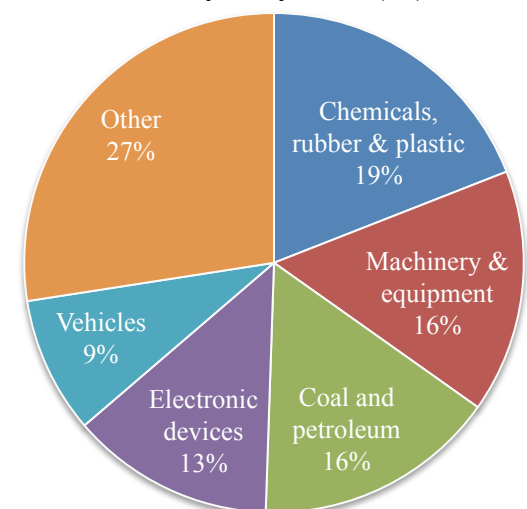
Chemicals, machinery, petroleum, and electronic devices represented the major portion of Paraguayan imports (60%).

Imports decline could mostly be explained by the decrease of purchase of *petroleum* and *electronic devices*.

January-May 2015 (%)



January-May 2014 (%)



Source: DI-MF, based on preliminary data reported by the CBP (2015)

Chart 9: Imports by factor intensity (January to May 2014/2015)

Millions CIF (USD)

Sectors	Millions (USD) January-May		Percent change	Impact on imports change 2015/2014
	2014	2015		
Agriculture ¹	118	96	-19	-0.5
Agro-industry ²	273	273	-0.1	-0.01
Labor-Intensive Manuf. ³	333	316	-5.0	-0.4
Capital-Intensive Manuf. ⁴	4,014	3,608	-10	-9.0
Total	4,739	4,293	-9	-9

The decline of total imports in the period January-May 2015 (-9%), compared to the same period in 2014, could be explained by lower imports of *capital-intensive manufacturing* (mainly *petroleum* and *electronic devices*).

Source: DI-MF, based on preliminary data reported by the CBP (2015)

Note: each sector includes

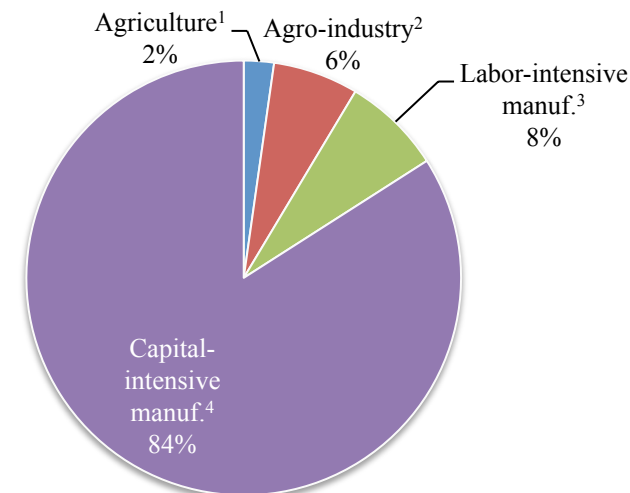
¹ Agriculture: *soybeans; maize; and wheat.*

² Agro-industry: *soy flour and pellet; beef (frozen and refrigerated); and gross soy oil.*

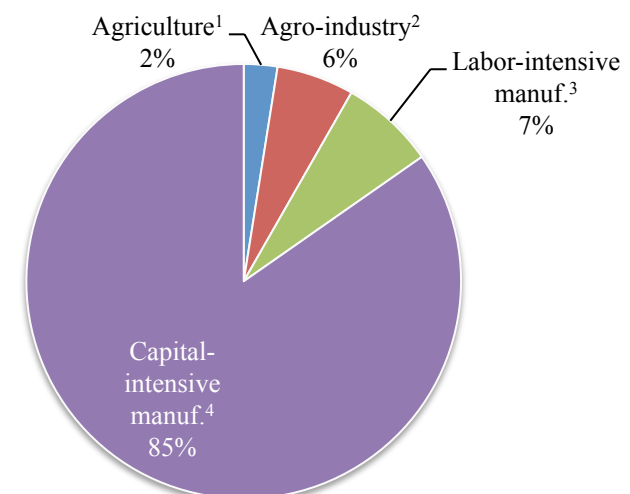
³ Labor-Intensive Manufacturing (LIM): *bovine leather and skin; footwear parts; and wood.*

⁴ Capital-Intensive Manufacturing (KIM): *plastic demijohns; waste of copper, and several metals foundry.*

January-May 2015 (%)



January-May 2014 (%)

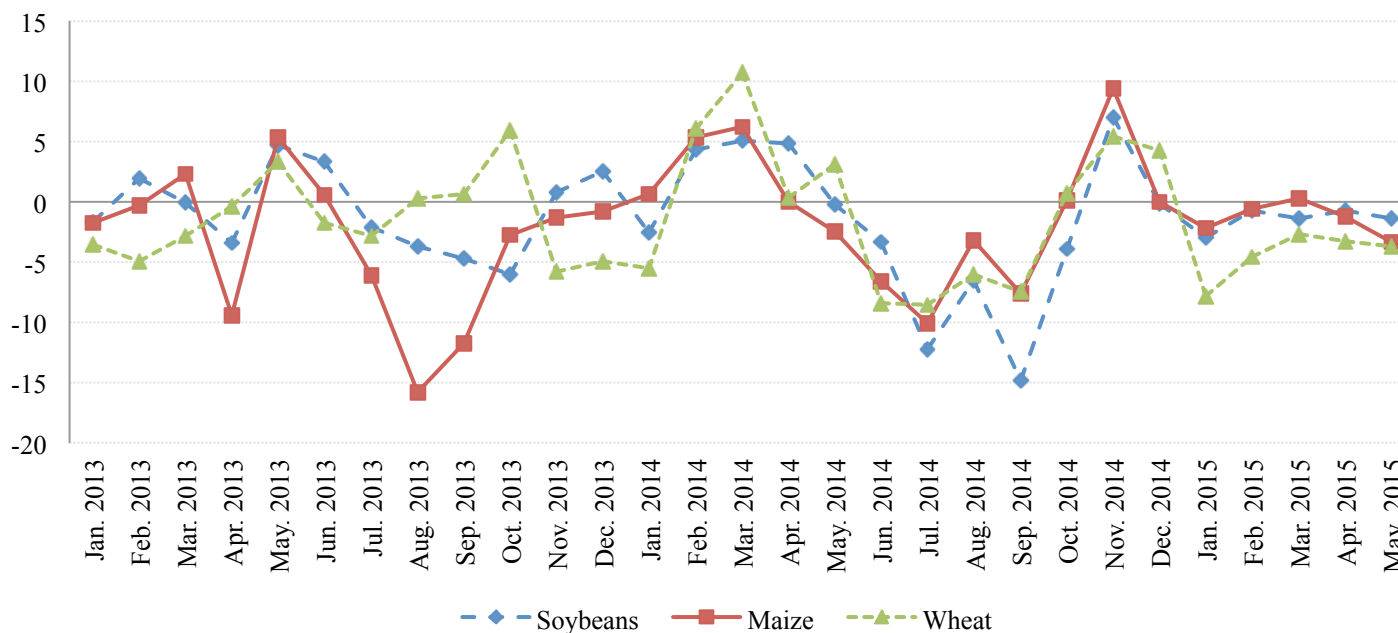




Selected Indicators

Graph 6: Soybean, maize, and wheat monthly price (USD/t)

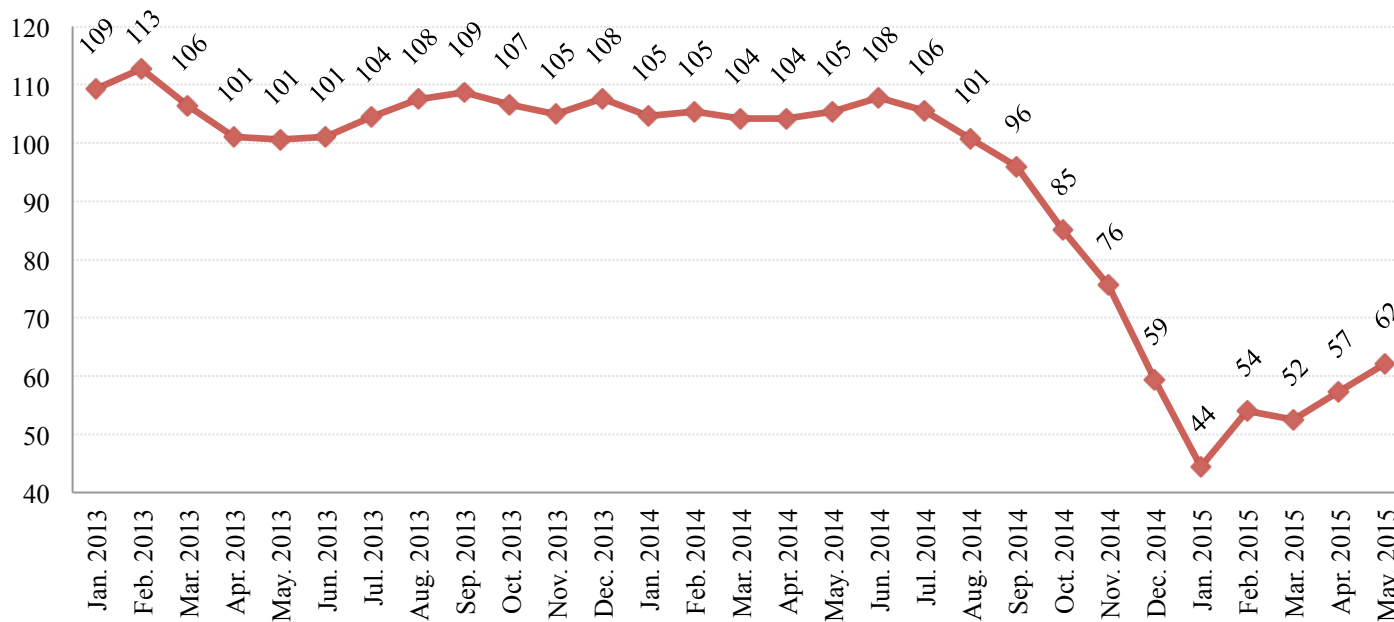
(Index January 2012 = 100%)



The price of *soybeans*, *maize*, and *wheat* decreased by 36%, 23%, and 36%, respectively, in May 2015 compared to the same month in 2014.

Source: DI-MF, based on preliminary data reported by the CBP (2015)

Graph 7: Oil monthly price (OPEC basket price)

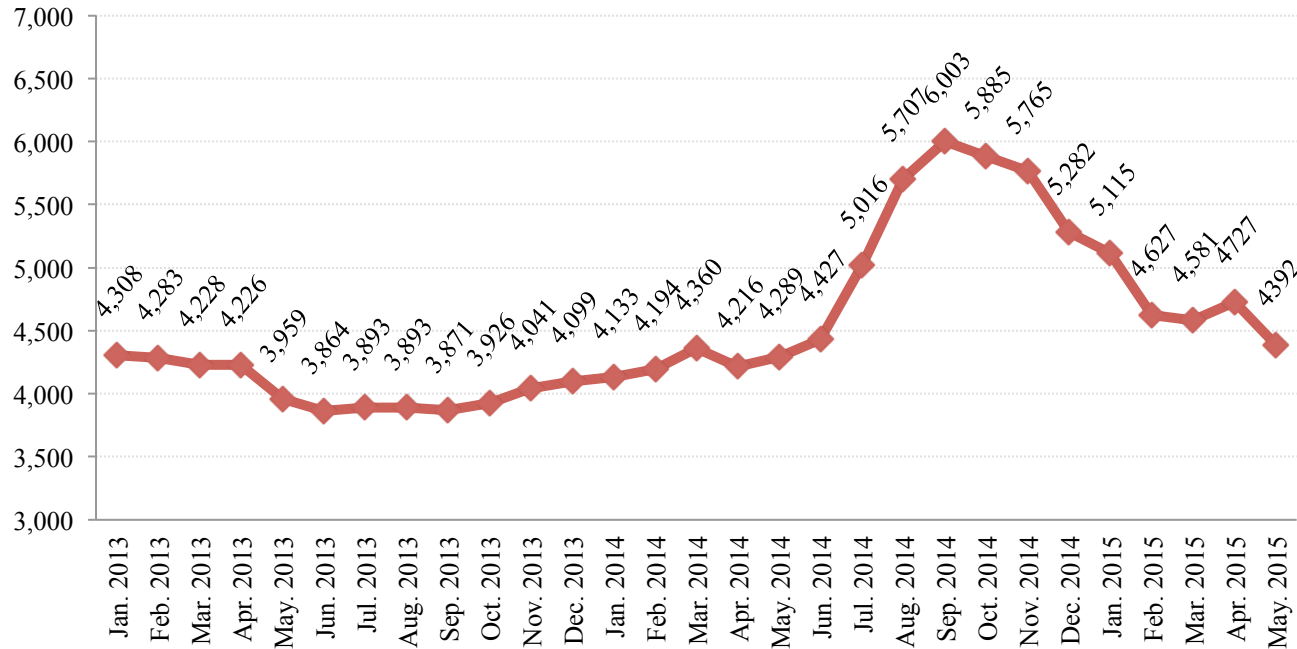


Source: OPEC basket price

After declining for six months, the price of crude oil started to recover in January 2015, and the tendency is to keep increasing.

Nevertheless, the oil price in May 2015 was 41% lower compared to the same month in 2014.

Graph 8: Beef monthly price in the US market (USD/t)
(Index January 2012 = 100%)



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

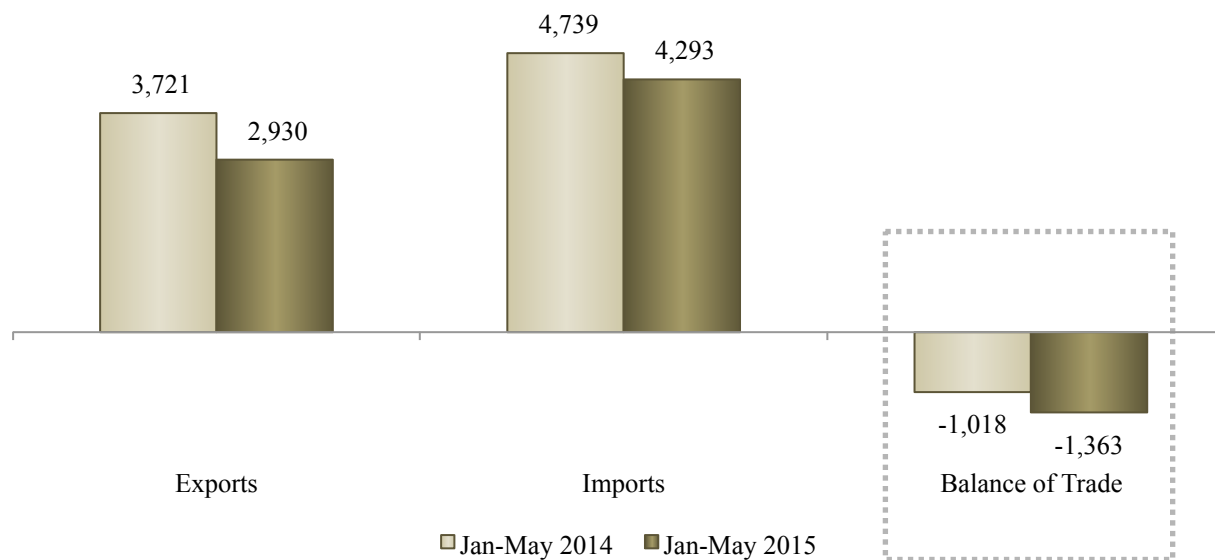
The price of *beef* in the US market reached its highest value in September 2014 after being stable during the last two years. However, it started to decline since October 2014.

The price kept declining during the first five months of 2015, and it seems like it would go back to its 2013 trend.



Graph 9: Balance of trade of Paraguay (January to May 2014/2015)*

Millions (USD)



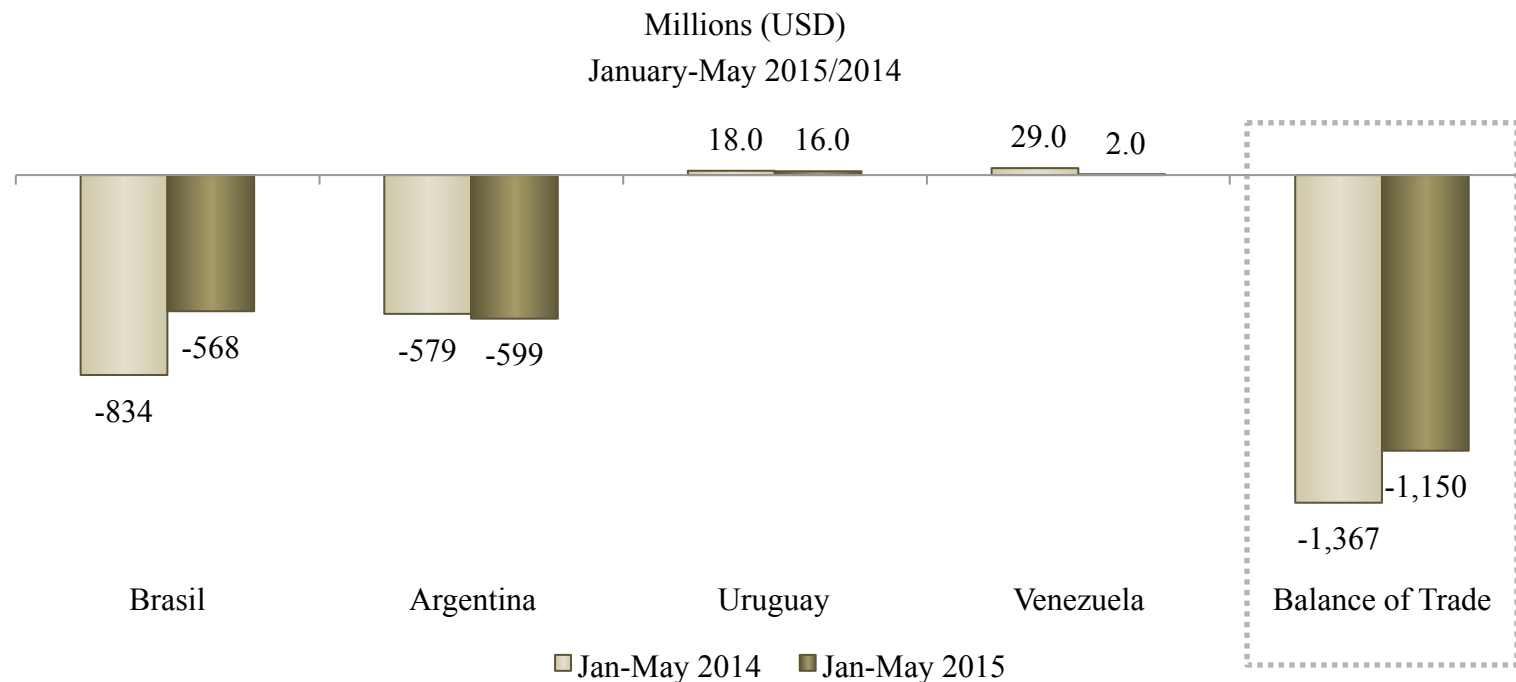
Total Paraguayan exports decreased by 21% during the period January-May 2015 compared to the same period in 2014, whilst imports decreased by 9% in the same period. This change in exports and imports led to an increase of the trade deficit, which grew around 34%.

Source: DI-MF, based on preliminary data reported by the CBP and UEW (2015)

Note: * Exports of electricity not included.



Graph 10: Balance of trade of Paraguay and its MERCOSUR partners*



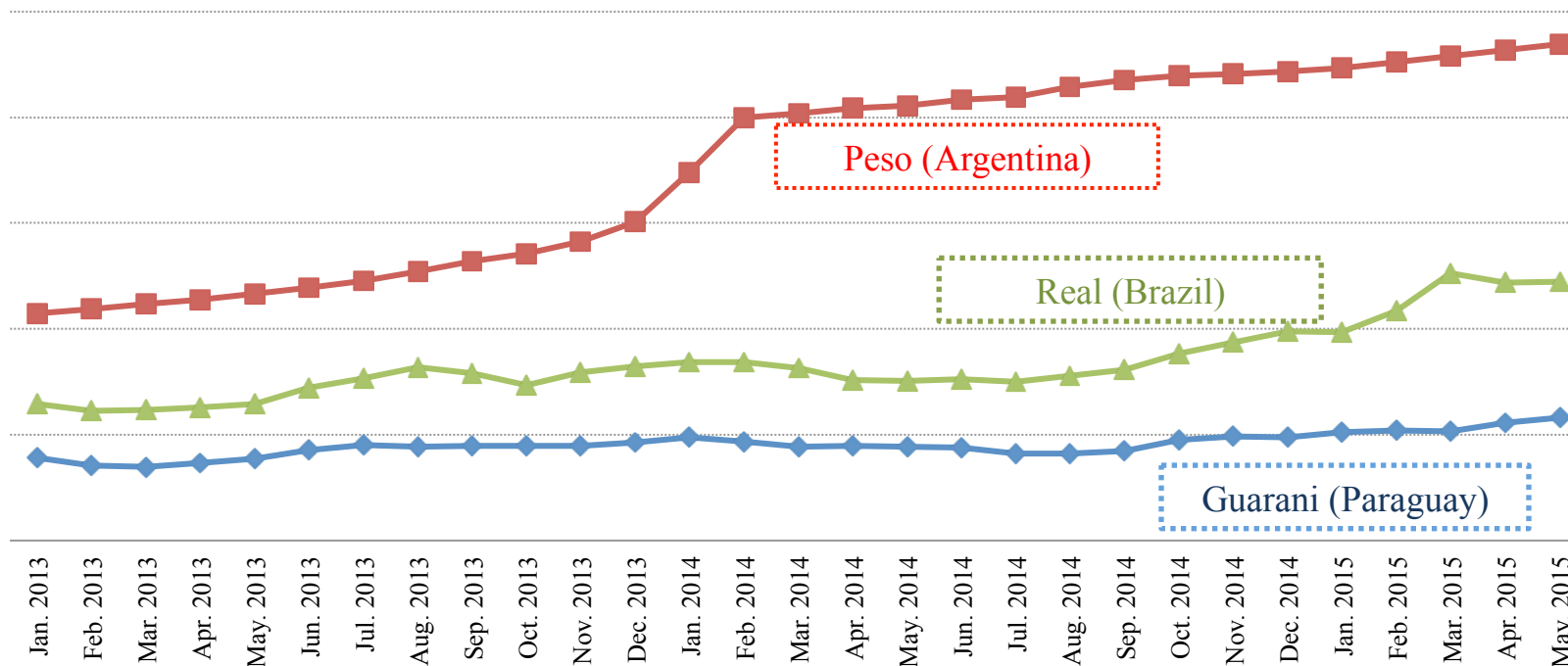
Source: DI-MF, based on preliminary data reported by the CBP and UEW (2015)

Note: * Exports of electricity not included.

The trade deficit of *Paraguay* with its *MERCOSUR* partners during the period January-May 2015 decreased by 16% comparing the same period in 2014.

Graph 11: Currency exchange rates (PYG-BRL-ARS/USD)*

(Index January 2008 = 100%)



The Paraguayan currency, the Guarani, depreciated in relation to the US dollar by 14% in May 2015. However, the accumulated depreciation rate during the first five months of 2015 was 7%.

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

*Monthly exchange rate

Paraguay



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International Trade Report **January-May 2015**

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Directorate of Integration – Dep. of Commerce Strategies and Integration