



### Overall performance

Paraguay has seen a significant increase in infrastructure investment, thanks in part to greater private financing and foreign equity investment. With relatively low levels of public debt and a stable financial system, the supply of capital for infrastructure projects is likely to remain strong, subject to longer-term global macroeconomic uncertainties resulting from the COVID-19 pandemic. Despite some improvements in the regulatory environment, the ease and cost of starting a business remains a weak point, hindering competition and investment.

Drivers	Rank (1/6)	Rank change (2017-20)	Score (100)	Emerging	Aspiring	Contender	Top performer	Global leader
Governance	73	-	26	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Regulatory frameworks	47	↓ 3	58	Green	Green	Green	Light Blue	Light Blue
Permits	72	↓ 2	30	Blue	Blue	Light Blue	Light Blue	Light Blue
Planning	32	↓ 3	77	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue
Procurement	75	↓ 2	19	Light Green	Light Green	Light Green	Light Green	Light Green
Activity	3	↑ 20	74	Teal	Teal	Teal	Teal	Teal
Funding capacity	46	↓ 2	31	Orange	Orange	Orange	Orange	Orange
Financial markets	54	↑ 3	27	Yellow	Yellow	Yellow	Yellow	Yellow

### Paraguay at a glance

**\$5,692**  
GDP per capita  
(USD, 2019)

**7.2 million**  
Population  
(2019)

**6.0% of GDP**  
Infrastructure investment  
(2019 estimate)

**1.5% of GDP**  
Infrastructure gap  
(2019 estimate)

**59.8**  
Infrastructure quality  
(0-100, 100 is best, 2019)

**—**  
Private infrastructure investment  
(5-year average, USD, 2019)

### Top performing metrics



100/100

#### Private infrastructure investment

Paraguay had a high level of private infrastructure investment as a share of GDP over the last five years, at 1.1%. It has enacted new legislation governing PPPs and turnkey projects aimed at attracting private investment in infrastructure projects.



100/100

#### Value of closed PPP infrastructure deals

The value of privately financed PPP infrastructure projects in Paraguay remains high. Government reforms, a stable financial system and the continued availability of investment opportunities, have all helped attract private investment.



90.7/100

#### Financial stability

Paraguay's financial system remains stable with solvency indicators in line with the Basel capital requirements. The government has also continued to improve regulation of the sector which should help maintain stability. However, the long-term impact of the COVID-19 pandemic is a concern.

### Opportunities to grow



0/100

#### Cost to start a business

According to the World Bank, the cost of starting a business is 52.2% of income per capita. Reducing the cost to start a business could ease the entry of new firms, and increase the appeal of Paraguay to international firms looking to expand.



0/100

#### Transparency in public procurement

Paraguay does not make public procurement notices available online that detail both procurement procedures and shortlisting criteria. A more transparent process could encourage more participation and competition, which drive value for money.



No

#### Published infrastructure procurement guidelines

Paraguay does not publish guidelines for the procurement of infrastructure projects. Publishing guidelines makes contractors aware of the government's processes, expectations and requirements, improves transparency and helps the government achieve better value for money.

For guidance on how to improve these metrics, please see the [Paraguay Country Page](#) on the InfraCompass website.



## ECONOMY OVERVIEW

GDP (\$US billion, 2019)	40.7	Population (million, 2019)	7.2	Unemployment rate (2019)	4.7%
GDP per capita (\$US, 2019)	5,692	Urbanisation ratio (2018)	62.0%	Inflation rate (2019)	3.5%
GDP growth rate (annual, 2019)	1.0%	Gross Government Debt (% of GDP, 2019)	24.0%	Digital Adoption Index (0-1 best, 2016)	0.54
GDP per capita growth rate (annual, 2019)	-4.1%	Sovereign risk rating (2019)	46	Gini coefficient (0-100 worst, 2017)	48.8

## METRIC SCORES

The below metrics are normalised so that they all range from 0 to 100. For original metrics and data sources, please see <https://infracompass.github.org/>

GOVERNANCE		REGULATORY FRAMEWORKS		PERMITS	
Post-completion reviews?	No -	Effect of taxation on incentives to invest	67 ↓	Cost to start a business	0 -
Infrastructure or PPP unit/agency?	Yes -	Prevalence of foreign ownership	57.2 ↑	Dealing with construction permits	61.6 -
Recovery rate	23 ↑	Product market regulation, network sectors	53.7 <sup>^</sup> -	Quality of land administration	40 -
Rule of law	39.2 ↑	Regulatory (including competition) quality	47.5 ↑	Registering property	58.9 -
Shareholder governance	0 -	Strength of insolvency framework	59.4 -	Time required to start a business	22.7 -
Political stability and absence of violence	48 ↓	Investment promotion agency?	Yes -		
PLANNING		PROCUREMENT		ACTIVITY	
Published project pipeline?	Yes -	Average procurement duration – transaction RFP	55.7 -	Infrastructure investment	52.8 ↑
Published infrastructure plan?	No -	Degree of transparency in public procurement	0 ↓	Private infrastructure investment	100 ↑
Preparation of PPPs	89 -	Published procurement guidelines?	No -	Value of closed PPP infrastructure deals	100 -
Economic analysis assessment?	Yes -	Procurement of PPPs	80 -	Value of closed infrastructure deals with foreign equity sponsorship	41.8 ↑
Market sounding and/or assessment?	Yes -	PPP contract management	83 -		
Environmental impact analysis?	Yes -				
FUNDING CAPACITY		FINANCIAL MARKETS		<b>Drawing on data from:</b> International Monetary Fund, Organisation for Economic Co-operation and Development, World Bank, World Economic Forum, IJ Global, CEPII, Oxford Economics, Trading Economics, and Deloitte.	
GDP per capita	7.3 ↑	Domestic credit to private sector	20.8 ↑		
Gross government debt	81.4 ↓	Financing through local equity market	44.9 ↓		
Long term GDP growth trend	41.6 ↓	Stocks traded	0.1 <sup>^</sup> -		
Summary credit rating	46 -	Financial depth	31.6 ↑		
		Financial stability	90.7 ↑		

**Metric key:**

↑ Increase from InfraCompass 2017    ↓ Decrease from InfraCompass 2017    - No change from InfraCompass 2017

**Note:**

'Top performing metrics' are the metrics with the highest score out of 100.

'Opportunities to grow' are the metrics with the lowest weighted score out of 100. These metrics would have the greatest impact on the overall score.

<sup>^</sup>Denotes interpolated metric data. See Technical Appendix for further explanation on the interpolation techniques.