

EXTRAORDINARY AND PLENIPOTENTIARY DIPLOMATIST

SPECIAL REPORT



PARAGUAY-INDIA

THE STORY SO FAR



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F O R E W O R D

H.E. MR. FLEMING DUARTE **AMBASSADOR OF PARAGUAY TO INDIA**

On the 14th and 15th of May each year, we pay our homage to all the brave men and women, from Paraguay and from all nations, who over the past two hundred and eleven years of our independent history have helped us built the peaceful nation that today we call Paraguay.

Thanks to the founding fathers with the central figure being, Dr. Gaspar Rodriguez, who became our first President. His determination paved the way for the future direction of Paraguay. My salute to countless people from every corner of Paraguay whose name even do not figure in history, but who have built our nation and have also taken it forward in every period.

I am very happy that The Diplomatist is publishing a Special Report on Paraguay-India. The relationship between our two countries has traditionally been warm and friendly, despite the distance that separates us.

The special publication is focussing on cooperation between Paraguay and India in various fields and also on the enormous potential that remains to be tapped. It will seek to highlight Paraguay's strengths and explore new opportunities for partnership between the two countries.

We have in this edition a rich collection of reflections on the Paraguay-India relationship.

The government of India has recently opened its first resident mission in Paraguay which indicates the importance of increasing economic relations with Paraguay. This year, we are commemorating the 61st anniversary of our diplomatic relations.

Bilateral relations between Paraguay and India will be greatly enhanced because investors and entrepreneurs will have the possibility to present their projects directly to local authorities, avoiding the intervention of third parties located in neighbouring countries. There are plenty of opportunities to enhance trade and investment, as well as cooperation between India and Paraguay for the execution of projects, that will benefit the citizens of both countries.

Last year, when pandemic hit our citizens very hard, the Government of India sent a shipment of 2,00,000 doses of India's indigenously developed Covaxin vaccine to Paraguay. We express our gratitude to India for sending Made in India Covaxin vaccines in a timely manner to boost our vaccination programme.

We are currently evaluating our bilateral connections in areas like biotechnology, tourism, clean energy, agriculture, health, science & technology, pharmaceuticals, and outer space. We are equally keen to improve collaboration in cultural and consular matters.

I hope very much that this publication will help create a greater all-round awareness about the potential that exists for further deepening trade and economic relations between Paraguay and India, to the mutual benefit of the two countries.

I commend The Diplomatist for highlighting and celebrating this special partnership.

H.E. Mr. Fleming Duarte
Ambassador of Paraguay to India



F O R E W O R D

H.E. MR. YOGESHWAR SANGWAN **AMBASSADOR OF INDIA TO PARAGUAY**

I am very happy that the Diplomatist is taking out a special edition on the occasion of the 61st anniversary of diplomatic ties between India and Paraguay.

Paraguay has consistently supported India in the international fora.

India opened a Resident Mission in Asuncion in January 2022.

India's vision is to reach a USD 5 trillion economy from a current USD 2.5 trillion in 3 years. Paraguay is a stable country in Latin America and wishes to partner with India in its development trajectory. It offers low taxes and abundant electricity at low costs for investors. It is a member of Mercosur with which India has a PTA. This PTA is under further revision for including more products in its ambit. There are great opportunities in the sectors of solar energy, green hydrogen, fertilizers and IT to name a few.

Like India, Paraguay has a rich cultural heritage and both countries are keen to further promote tourism and enhance people-to-people linkages.

I wish The Diplomatist magazine all the best in its endeavours. The Indian Embassy in Asuncion is always willing to support efforts which would further enhance India-Paraguay relations.

With warm regards,

H.E. Shri Yogeshwar Sangwan
Ambassador of India to Paraguay



M E S S A G E

Dear Friends,

On the remarkable occasion of the 211th Day of Independence, wishing all the Paraguayans a day filled with passion and patriotic spirit. Since its inception in 1961, the bilateral relations between the Republic of India and the Republic of Paraguay have seen a close-knit friendship of 61 years with an exchange of art & culture, trade, and commerce.

During the unprecedented times, both India and Paraguay have collaborated on many fronts which have further strengthened the relationship. It was overwhelming to see, Paraguay expressing gratitude to India for sending Made in India 'Covaxin' vaccines in a timely manner to fight against the pandemic.

Paraguay, like India, is a democratic republic with a population majorly dependent on agriculture and forest produce contributing to more than 25% of the nation's GDP. Just like India, Paraguay too is blessed with diverse flora & fauna, abundant fresh water, and rich natural resources. Guarani, a South American Indian group which is a unique connection with India. With Paraguay Consulate offices opening in more Indian cities including Kolkata, Mumbai and Chennai more cultural exchanges have started to commence. Love for football has created a new bridge of friendship between Kolkata and Paraguay.

Praj, India's most accomplished industrial biotech company, is driven by innovation with a prime focus on the environment, energy, and agriculture process industry. India's stride in the Bioeconomy in recent times has caught the imagination of the world. With the upcoming projects in Paraguay, Praj is committed to providing its' world class innovative solutions.

At Praj, we are truly dedicated to providing sustainable climate action solutions to make the world a better place. I wish to commemorate the 61st anniversary of diplomatic relations in a befitting manner and to the long-lasting friendship between India and Paraguay.

Dr. Pramod Chaudhari
Founder & Executive Chairman, Praj Industries Limited

On The Occasion of The
211th Anniversary of Paraguay's Independence
&

61 YEARS OF FRIENDSHIP *Between* PARAGUAY & INDIA



Praj Is Committed To Provide
Sustainable Climate Action Solutions
To Make World A Better Place



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M E S S A G E S



Mr. Yash Poddar
Honorary Consul of
Paraguay

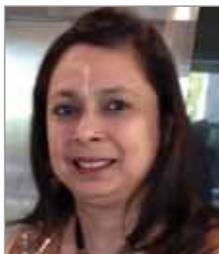
On the momentous occasion of Paraguay's 211th National Day and the opening of India's first permanent diplomatic mission at Asuncion in Paraguay, it is with deep pride that I assert the goodwill between our two countries.

The Embassy of Paraguay in India and all our stakeholders will continue to work to further strengthen bilateral relations in all areas of mutual interest between our two partner countries.

I would like to congratulate the Embassy of Paraguay which, under the able leadership of H.E. Mr Fleming Duarte, Ambassador of Paraguay to India, has once again arranged for a special publication on our country and its Pan India relations through the renowned magazine - The Diplomatist.

I am sure that The Diplomatist will succeed in capturing the existing goodwill between the two nations and also highlight opportunities for increasing trade & commerce while featuring tourist destinations of Paraguay.

I wish The Diplomatist every success for this publication and also for all future publications.



Ms. Vandana Kanoria
Honorary Consul of
Paraguay in Mumbai

This year is Paraguay's 211th Independence Day. A day of pride, reflecting on the past and looking forward to a bright and prosperous future. A big congratulations to the Embassy of Paraguay under the dynamic leadership of H.E. Mr Fleming Duarte, Ambassador of Paraguay to India.

The opening of India's first permanent diplomatic mission at Asuncion in Paraguay, is a momentous occasion and our heartiest congratulations to them. The Embassy and Honorary Consulates will continue to work to grow and enhance cooperation between the two countries in areas of trade and commerce, culture and education.

Thank you Diplomatist for this special publication.

May your issue help in deepening the cordial relations between the two countries and highlight the wonderful destination that is Paraguay and the economic opportunities that are there.

I wish The Diplomatist every success for this publication and also for all future publications.



M. Balasubramanian
Honorary Consul of
Paraguay in Chennai

I am very happy to be part of Paraguay's 211th anniversary and 61 years of diplomatic ties between Paraguay and India. This year in March, India opened its first permanent diplomatic mission in Paraguay. India has donated over one lakh doses of Covaxin to Paraguay. Paraguay is the best country to establish a business in, because of its political stability, kind people and geographical location. It is an agricultural platform for the world. It has abundant natural resources with 95% of the territory suitable for food production. The country has a young efficient, motivated cost-competitive workforce with 70% of its population under the age of 35. Art, culture and entertainment are given importance. Paraguay is a leader in the production of stevia, soya bean, wheat and corn. Paraguay is the largest exporter of power and meat. Football is their national game. Growth-Richness-opportunity is the success mantra of Paraguay.



PARAGUA “Y”

Paraguay, officially the Republic of Paraguay, is a country positioned in central South America. It is a constitutional republic established in 1811 because of independence from Spain, and the elected President is both the head of state and head of government. Paraguay spans 406,752 square kilometers, bordering Argentina, Bolivia, and Brazil.

The letter “Y” means water in the ancient **Guarani Language**. “Y” is also the 6th vowel of letter in the Guarani alphabet, the second official language of Paraguay. The very name of the country means “**Water that comes from the sea**”. The main rivers Paraguay and Parana connect the country to the world, and the ancestor knew that long ago.

A large percentage of the population, especially in rural areas, derives its living from agricultural activity, often on a subsistence basis. However, in recent years, construction, industry, tertiary services, and maquila services have shown an increase in the GDP. Paraguay stands out as the leading exporter of energy in South America and is among the largest net exporters of clean energy worldwide.

The Government of Paraguay recognizes the need to diversify its economy and has taken steps in recent years to do so. The country has achieved impressive economic growth and shared prosperity over the last 15 years.

Paraguay has achieved impressive economic growth and shared prosperity over the last 15 years. The economy grew at 4.2 percent per year on average (2004-2017), faster than most of its regional comparators. Paraguay’s Central Bank estimates a consolidation of economic expansion, raising the GDP growth projection for this year to 3.0 percent. To this effect, Paraguay has undertaken a reform agenda to improve living conditions and boost potential growth, increasing investment and productivity.

The solvency of macroeconomic performance, added to comparative, competitive and complementary advantages in terms of production factors, is motivating in an unprecedented way the interest of foreign capital in productive investments of Paraguay.

Paraguay is a member of MERCOSUR, UNASUR, the Community of Latin American and Caribbean States (CELAC) and the Organization of American States (OAS), which seek to advance a variety of regional political and economic interests. Also it is important to mention that the country also belongs to several regional development financial institutions such as the Interamerican Development Bank (IADB) and the Latin American Development Bank (CAF), as well as the World Bank to advance a variety of projects towards the sustainable development goals. ■

PARAGUAY /



FACT SHEET

Name of the Country	Republic of Paraguay
Continent	South America
Hemisphere	Southern
Borders	Argentina, Brazil, Bolivia
Capital City	Asunción
Official languages	Spanish and Guaraní
Population	7.5 million
Area	406,752 km ²
Currency	Guaraní
Time Zone	UTC-4
Motto	Paz y Justicia
National Anthem	Paraguayos, República o Muerte
Highest Mountain	Cerro Peró 842 m above sea level
Longest River	Río Paraná 4,880 km
National Sport	Football
Climate	Subtropical to temperate; substantial rainfall in the eastern portions, becoming semiarid in the far west
Terrain	Grassy plains and wooded hills east of Rio Paraguay; Gran Chaco region west of Rio Paraguay mostly low, marshy plain near the river, and dry forest and thorny scrub elsewhere
Natural Resources	Hydropower, timber, iron ore, manganese, limestone

PRESIDENT OF PARAGUAY

H.E. Mario Abdo Benítez is a Paraguayan politician, born on 10th November 1971 in Asunción, the capital of Paraguay. In April 2018, Benítez won the 2018 elections by defeating Efraín Alegre with 46.46 percent of the votes to 42.73 percent.

Politics is not something new in Benítez's life since his father was a private secretary of the Paraguayan dictator Alfredo Stroessner for 25 years. He began his academic training, at the San Andrés School (1976-1989) GED Test USA (1989) where he completed his primary and secondary education. He pursued his university studies at Teikyo Post University, Connecticut, USA (1995), obtaining a Bachelor's Degree in Marketing.

In 1989, he received training from the Armed Forces of the Nation obtaining the title of Sub-Lieutenant of Reserve Aviation and in turn was appointed by the Command of Aeronautics, Military Paratrooper.

He took his first steps in politics in 2005 as a member of the Republican National Reconstruction movement. He later became a member of the Peace and Progress movement and won the Vice Presidency of the Colorado Party in 2005.

He also executed a series of activities in a responsible, committed and successful manner in the private sector. During the period from 1997-2012, he was Chairman of the Board of Storage and Distribution Company of Asphalts S.A.", Aldia S.A," where he executed National and International transport operations with the help of Own Fleet from Brazil and Argentina thereby, fulfilling the responsibilities of strategic planning, finance and audit. He was also involved in the development and implementation of strategic planning, annual budget, billing control, imports and sales, and control of accounts to collect and pay.

In 2013, he was elected to the Senate and became known as a close ally of outgoing President Horacio Cartes. He was then elected leader of the Colorado caucus in the Senate, a position he held for the 2015-2016 legislative session.

In June 2017, he announced his candidacy for the presidency of the Colorado Party and faced off against



another strong contender, Santiago Peña. On Dec. 17, 2017, Benítez defeated Peña and won the primary from Colorado Party members.

In his inaugural speech, Abdo Benítez said "We will build an independent justice system, to end impunity and corruption in our country, impunity is cancer we must defeat. For how long are our people going to endure a relentless justice, which is rigid to the poorest citizens, but pleasant to the ones who have influence?"

"We have the opportunity and the obligation to retake the people's trust. We are all anxious to live in a better country, a fairer and more solidary Paraguay. I can feel there is citizenship willing to make history," he added.

The 46-year-old is committed to take a law-and-order stance and implement business-friendly policies. Paraguay has enjoyed strong economic growth in recent years. ■

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THERE IS GLORY IN THIS STORY



The history of Paraguay is a result of the development and interaction of varying cultures of indigenous peoples in Paraguay and overseas immigrants who together have created modern-day Paraguay. Paraguay celebrates Independence Day on May 15, from 1811 to now.

Paraguay is known to have a history of ‘blood and tears’, yet through it all Paraguayans remain incredibly proud people, displaying strong signs of unity throughout their culture. The Guaraní language, spoken widely in Paraguay, is one of the largest spoken indigenous languages in South America. The country was one of the first to be colonized by the once flourishing Spanish Empire, and soon after it became the wealthiest nation on the continent.

Europeans first made contact with the semi-nomadic tribes that lived in what is now modern-day Paraguay in 1516, and by 1537 the Spanish Empire had founded the city of Asunción, making it one of the first modern settlements on the continent. Its position on the Paraguay River was a strategic site which remained important to the Spanish, who held control for the next 300 years. It was during this time that the evangelical Christian denomination the Jesuits came to eastern Paraguay to convert the local population. The Jesuit presence lasted for nearly 150 years until the central Spanish government banished them since they were unhappy with their practices. ■



THE GUARANI & THEIR LEGACY

The eastern part of present-day Paraguay was occupied by Guaraní peoples for at least 1,000 years before the Spanish colonization of the Americas. Evidence indicates that these indigenous Americans developed a fairly sophisticated semi-nomadic culture characterized by numerous tribes, divided by language, who each occupied several independent multi-village communities.

The indigenous Guaraní culture can be remarkably heralded in the survival of the language, which is spoken by about 90 per cent of the population. The country's inhabitants are mainly mixed race, known as Mestizo, with it is virtually impossible to trace a pure indigenous bloodline in today's Paraguayans. The country has been home to notable immigrant populations; it is estimated that five to seven per cent of Paraguay's population are of German descent, thought to be the largest per cent of immigrants in any South American nation. Most significant are the German Mennonites who settled here in the 1930s and now number at over 25,000. ■



THE COLOURFUL EXPRESSIONS

A great museum to discover more about Paraguay's dual culture between the native people and the Spanish immigrants that arrived in the 16th century is the Mythical Museum Ramón Elías, located 12 miles south of Asuncion. It displays a careful selection of items from a private collector and the museum's founder. It houses many interesting artefacts of Guarani mythology, many from the Jesuit period, as well as items from more recent history, including the Chaco and Paraguayan War.

Typical Paraguayan folk music derives from two separate traditions: the polka, which is of European origin and is generally upbeat, and the Guaranía, which has a slower, swaying beat and was created during the 1920s. The initiator of this music was renowned Paraguayan musician Jose Asuncion Flores, who was influenced by tango music which he heard in neighbouring Argentina. You can visit the Arpa Roga culture centre in Asuncion to learn more about the role of the Paraguayan harp in the country's traditional music. Paraguay holds a Guinness World Record on 500 harpists playing at the same time. ■

INTERNATIONAL RELATIONS

Paraguayan foreign policy has concentrated on maintaining good relations with its neighbours, and it has been an active proponent of regional co-operation. It is a member of the United Nations and has served one term in the UN Security Council in 1967-1969. It maintains membership in several international financial institutions, including the World Bank, the Inter-American Development Bank, the Latin-American Development Bank (CAF), FONPLATA, and the International Monetary Fund. It also belongs to the Organization of American States, the Latin American Integration Association (ALADI), the Rio Group, INTERPOL, MERCOSUR (the Southern Cone Common Market) and UNASUR.

At the political level, diplomatic affairs and international relations of Paraguay are officially handled by the Ministry of Foreign Relations, which answers to the executive branch of the government. The current Minister of Foreign Relations as of 2022 is Julio Cesar Arriola Ramirez.

Paraguay is a member of the following international organizations:

CAN (associate), CAF, FONPLATA, FAO, G-11, G-77, IADB, IAEA, IBRD (also known as the World Bank), ICAO, ICCt, ICRM, IDA, IFAD, IFC, IFRCs, ILO, IMF, IMO, Interpol, IOC, IOM, IPU, ISO (correspondent), ITSO, ITU, ITUC, LAES, LAIA, Mercosur, MIGA, MINURSO, MINUSTAH, MONUSCO, NAM (observer), OAS, OPANAL, OPCW, PCA, Rio Group, UN, UNASUR, UNCTAD, UNESCO, UNFICYP, UNIDO, Union Latina, UNMIL, UNMIS, UNOCI, UNWTO, UPU, WCO, WHO, WIPO, WMO, WTO. ■



"THE OPENING OF THE EMBASSY OF INDIA IN PARAGUAY IS A HISTORICAL MILESTONE"

H.E. MR. FLEMING DUARTE
AMBASSADOR OF PARAGUAY TO INDIA

India has recently opened its first permanent diplomatic mission in Paraguay. How will it help improve bilateral relations between the two countries? Moreover, who will benefit from improving trade and investment?

India is one of Paraguay's top five export destinations. Total bilateral trade volumes between the countries reached 400 million US\$ Dollars. Paraguay's net trade favoured Paraguay by more than 176.42 million USD in the period 2016-2019. India's exports to Paraguay in 2020 stood at USD 210 million & Paraguay's exports to India amounted to USD 166 million. The government of India's recent move to open the Indian mission in Paraguay indicates the importance of increasing economic relations with Paraguay.

This decision constitutes a very important historical milestone in bilateral relations between Paraguay and India, which will make it possible to deepen political relations, the growth of bilateral trade, investment and economic commitments, cultural exchange and in addition to facilitating greater contacts between the citizens of India and Paraguay and in the direct processing of consular visas at the new embassy. Bilateral relations between India and Paraguay will be greatly enhanced because investors and entrepreneurs will have the possibility to present their projects directly to

local authorities, avoiding the intervention of third parties located in neighbouring countries. In this sense, several areas such as transfer of knowledge in technology, promotion of trade with the establishment of joint ventures between companies from both countries, training of human resources, investments in strategic areas, cultural and tourism promotion, whose activities will be streamlined and supported by both diplomatic representations with greater efficiency.

There are plenty of opportunities to enhance trade and investment between India and Paraguay and the execution of projects will benefit the citizens of both countries. Full support and joint work has been agreed with the Embassy of India in Asunción to coordinate actions aimed at concrete business meetings and exchange of information to tap investment opportunities and ultimately the welfare of the inhabitants of India and Paraguay.

India and MERCOSUR are in talks to expand the agreement, what are the chances of that happening and helping in trade between the two countries?

In this context, our partners in MERCOSUR together can contribute to the reconstruction of a new post-COVID19 international order founded on common values of democracy,

national sovereignty, and market economy. The goal is to find ways of productive complementarity, overcoming several obstacles. In the first place, Paraguay has been exercising the pro-tempore presidency of the free-trade bloc, and the flexibility and openness by authorities- India and Mercosur partners- will be crucial for the progress in the negotiation of new lines – deepening-as well as toward the expansion of the Preferential Trade Agreement. In the last virtual meeting, both agreed to bring documents to be analyzed by the group. The analysis will serve to refresh and prioritize the bloc’s policy towards India and other trading partners. Second, Paraguay and India with other trading partners in MERCOSUR (Brazil, Argentina and Uruguay) failed to make progress in expanding mutual market concessions to at least 3,000 strategic products. These objectives are an important initiative when world trade has been losing its dynamism due to protectionism and the trade war between the large global economic blocs, which even after covid19 new limitations stem with the logistic sectors that challenged further.

All the mentioned factors are unlikely to be alleviated in the short run. Many adjustments must be discussed and agreed upon, an example to mention is that most of the rules of origin relating only to trade in goods with India no longer respond to the dynamics of global value chains and new scenarios will surely emerge with new approaches in the post-COVID-19.

A key aspect is to maintain the special tariff concessions that Paraguay has received from India, in terms of its status of less relative development within the trading bloc.

During the visit of the Vice President of India to his country in 2019, Paraguay sought cooperation in the Space Sector. What can India offer in this sector?

In March 2019, at the bilateral meeting between Vice President M. Venkaiah Naidu and his Paraguayan counterpart Vice-President, Hugo Velázquez, have stated that both the Indian Space Research Organization (ISRO) and the Paraguayan Space Agency could cooperate in: resource mapping; exchange of earth observation data; the manufacture and launch of satellites on a commercial basis; establish a ground station to receive, process and disseminate data from Indian satellites for use in various remote sensing applications.

Space agencies in both countries could collaborate on training related to the manufacture of small satellites, and customized training on specific areas of space technology applications (enhancing the ingenuity for the creation of new ventures and start-ups by young people, including the assessment of natural resources and support for natural disaster management).

The Republic of India is a country that develops its own

satellites, rockets, and launches and has managed to reach the planet Mars with a low-cost spacecraft, the “Mangalyaan” probe thanks to the ingenuity of Indian specialists.

Similarly, today, the training for satellite protection of the population against natural disasters (such as forest fires, storms, and other events), acquire high relevance and would be very useful.

How can the two countries work together in the agricultural sector?

Indian agricultural technology companies are interested in developing projects in Paraguay, especially in the production of Stevia and nuts such as Macadamia and Cashew, highly appreciated and with growing demand in the Indian brand. In addition, which would bring benefits such as:

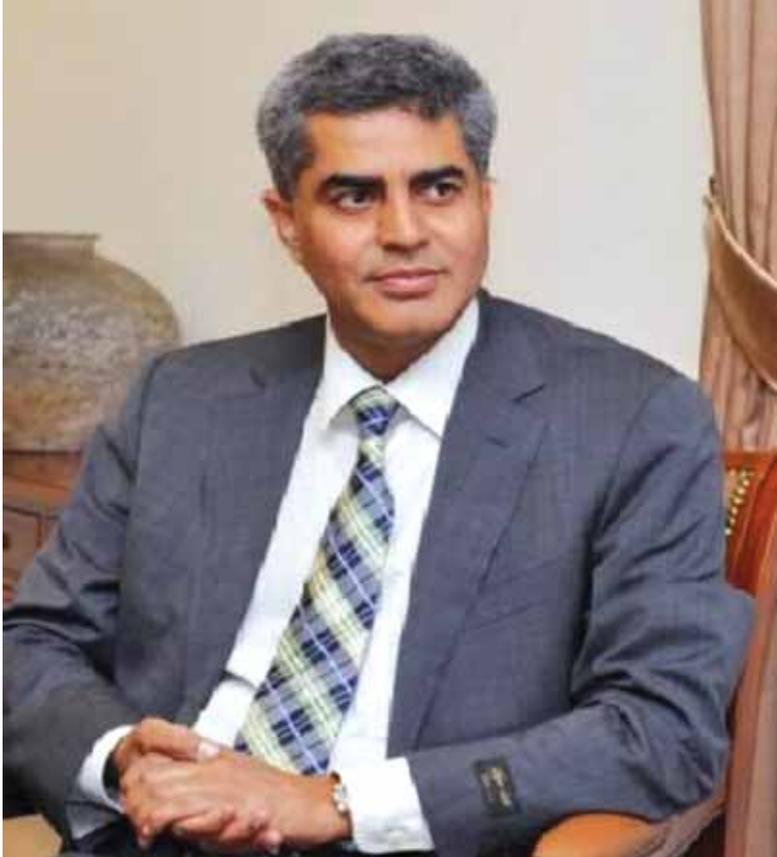
- Transfer of technology that would allow an increase in productivity per hectare by more than 40%.
- Transfer of technology for the processing of primary products, increase in the added value of our primary products.
- Possibility of establishing an Agricultural Center of Excellence for Paraguay and the region, with the purpose of developing new agricultural production techniques.
- Development of sales strategies from e-commerce (electronic platforms).

The technology developed in India has been tested on mango crops, whose productivity per acre was increased 3 times. It has also been tested on rice plantations in Vietnam, where a 40% productivity increase was identified. As for the processing of mango fruits, the interest of a firm to participate in a trade mission this year has materialized.

Human trafficking, illegal immigration, and narcotics is something that every country is trying to fight. Do you think India can offer security solutions to its government?

In relation to these specific issues, India can greatly assist Paraguay with extensive technological cooperation: systems and training on migration control, integrated systems between various Paraguayan institutions such as the National Police, the General Directorate of Migration, the General Directorate of Customs, and the National Anti-Drug Secretariat to efficiently combat drug trafficking, among others.

Likewise, it would be important to develop a strategic alliance between the Ministry of Information and Communication Technologies of Paraguay (MITIC) and the National Computer Center of India (NIC) under the Ministry of Electronics and Information Technology of India (MEITY), to enhance cooperation in cybersecurity and artificial intelligence (AI) solutions. ■



H.E. MR. YOGESHWAR SANGWAN
AMBASSADOR OF INDIA TO PARAGUAY

“With its growing international stature, India wishes to engage more actively with the world for mutual benefit.”

Indian Missions have been celebrating the IDY every year since 2015. Our Embassy will celebrate the IDY this year in Asuncion, Moday waterfalls (Ciudad del Este) and Jesuit Ruins (Encarnacion), the last two being prominent iconic sites in Paraguay.

How does it feel to be appointed as the first resident Ambassador of India to Paraguay? What vision do you hold and co-operation do you seek to strengthen ties with Paraguay?

It feels great to be in Paraguay. Paraguayans like Indians are very kind and friendly. We wish to enhance the political, economic and cultural links between the two countries.

Last year, India and Paraguay commemorated the 60th anniversary of diplomatic relations. How do you see India-Paraguay ties, going forward? What type of initiatives are you planning to build with Paraguay to boost trade and investment during your tenure?

Our endeavour would be to connect companies in the two countries through webinars and delegation level meetings and explore beneficial partnerships. We will engage with prominent business Chambers and tour operators in both countries to enhance business ties and people-to-people linkages.

Which are the areas where companies from India and Paraguay can work in partnership? Are there any challenges that hamper India's trade and investment relations with Paraguay? How do you think these will be addressed?

There are immense opportunities in areas like solar energy, green hydrogen, fertilizers and IT to name a few. Indian businessmen and ordinary tourists have faced difficulties in obtaining Paraguayan visas. We are taking this up with Paraguayan authorities for resolution.

With a growing international influence, India is starting to exhibit a prominent voice when it comes to matters and affairs on global level. How would you reflect on India's foreign affairs strategy?

With its growing international stature, India wishes to engage more actively with the world for mutual benefit.

Yoga is an invaluable gift of India's ancient tradition. The country has always been promoting yoga all over the world. How in your opinion India can capitalize on its unique customs and cultural hallmarks to create a strong national brand to shape the country's future on the world stage?

It was Hon'ble Prime Minister Narendra Modi's initiative to have 21 June declared as the International Day of Yoga (IDY) in UN in 2014. Indian Missions have been celebrating the IDY every year since 2015. Our Embassy will celebrate the IDY this year in Asuncion, Moday waterfalls (Ciudad del Este) and Jesuit Ruins (Encarnacion), the last two being prominent iconic sites in Paraguay.

India and Mercosur are in talks for expanding the existing Preferential Trade Agreement (PTA) between the two sides. But the negotiations were put on hold because of the global pandemic. How soon can we see progress on this front?

Talks to revise the India-Mercosur PTA are already on.

Last message...

There is tremendous potential in India-Paraguay relations and our Embassy will make all efforts to enhance the same. ■

INDIA & PARAGUAY

THE STORY SO FAR

Political Relations

Diplomatic relations between India and Paraguay were established in 1961. The Embassy of India in Buenos Aires, Argentina, acted as concurrently accredited to Paraguay for more than 15 years. On 30 December 2020, the Government of India approved the opening of a Resident Mission of India in Asunción and started to operate in March of 2022. The Embassy of Paraguay in India was officially opened in March 2006 and now has Honorary Consulates in Mumbai, Chennai and Kolkata.

Bilateral Interactions

Vice President of India Shri M. Venkaiah Naidu paid an official visit to Paraguay from 5-7 March 2019 - the senior-most visit from India to Paraguay since the establishment of diplomatic relations. The Vice President was accompanied by a high-level delegation including the Minister of State for Tourism Shri K.J. Alphons, Member of Parliament, Shri R. K. Kashyap and senior Government officials.

The then President of Paraguay Mr. Fernando Lugo visited India in May 2012, accompanied by Paraguayan Ministers of Foreign Affairs, Agriculture & Animal Husbandry and Commerce, besides senior officials.

A telephonic conversation was held between External Affairs Minister (EAM) of India Dr. S. Jaishankar and Paraguayan Foreign Minister Mr. Euclides Acevedo Candia on 11 March 2021, subsequent to which the Government of India sent a gift of 200,000 doses of the Made in India Covid-19 vaccine Covaxin to Paraguay. The doses were received at Asuncion in two lots of 100,000 each on 29 March and 25 April and were formally handed over in each case by Ambassador Dinesh Bhatia to Foreign Minister Euclides Acevedo and Minister of Public Health and Social Welfare Julio Borba.

Earlier, EAM held a telephonic conversation with the then Paraguayan Foreign Minister Mr. Antonio Rivas Palacios on

30 April 2020, during which he conveyed India's decision to gift medicines and protective gear to Paraguay to support the country in its fight against the COVID-19 pandemic. On 25 August 2020, the gift was formally handed over by Ambassador Bhatia to the Minister of Public Health and Social Welfare of Paraguay, Dr. Julio Daniel Mazzoleni Insfran, in a virtual ceremony.

EAM had earlier met the then Paraguayan Foreign Minister on the sidelines of the 74th UNGA on 26 September 2019 in New York. Ministerial-level visits between the two countries have taken place from time to time. Paraguayan Minister of Tourism Ms Sofia Montiel de Afara, visited India to attend the World Tourism Day celebrations on 30 September 2019, and met Vice President of India and Minister of Tourism Shri Prahlad Singh Patel. An agreement on tourism was signed between the both ministers.

A Paraguayan Parliamentary Delegation visited India in 2010 and an Indian Parliamentary Delegation visited Paraguay in 2012.

The third Foreign Office Consultations between the two countries took place in Asuncion in December of 2021 and have been institutionalized through the signing of an MOU in 2002. The first round of Foreign Office Consultations was held in Asunción in October 2010 and the second round in New Delhi in August 2015.

ECONOMIC AND COMMERCIAL RELATIONS

Bilateral Trade

Paraguay's trade surplus with India in the last 6 years has grown on an annual average in the order of 16%. Regarding the period from January to December 2019, the trade surplus reached US\$ 8,926,309. A profile market study has been developed for both India and the countries of the competition to promote the placement of new items with exportable offer. Special interest was aroused in importing higher volumes and



new products such as: Mango, Unconventional Chia, Soy, Sesame and Sunflower Oils, Organic Rice, Stevia, Macadamia and Cashew Nuts, Mungo Type Beans.

According to official Indian sources, our main export product, Paraguayan soybean oil has tripled in the last decade. Currently in India there is a middle class of 150 million people, in the next decade this would increase to 400 million people. This demographic projection is expected to be positive for Paraguayan exports. India ranks 5th in Paraguayan exports worldwide.

For the fiscal year 2020-21, the India-Paraguay bilateral trade stood at USD 176.42 million. India's exports to Paraguay were valued at USD 160.81 million, while Paraguay's exports to India were valued at USD 15.61 million. The main export items of Paraguay to India are waste and scrap of iron, steel, aluminum, copper and lead, soybean crude oil, hides & skins of bovine and essential oils. Main export items from India to Paraguay include iron and steel, plastics, fungicides, insecticides, tobacco and auto parts.

Paraguay is a member of MERCOSUR. An India-MERCOSUR Preferential Trade Agreement (PTA) was concluded on 25 January 2004 and became operational in June 2009. Preferential duty (10-20 % in most cases) is given to certain Indian Products entering MERCOSUR countries and vice versa. India offers an additional 10% margin of preference to Paraguay for a Tariff Rate Quota of imports of crude soybean oil up to 30,000 MT/year.

Investments and Joint Ventures

Mahindra vehicles (pick-ups) have made a mark in Paraguay. Tata commercial vehicles, Royal Enfield motorcycles and Bajaj motorcycles have distributorship in the country. A joint venture plant, Carmenta, between Paraguayan firm, Grupo Barr and Alok Masterbatches has been producing masterbatches (plastic industry) since May 2011. Vemarcorp, an Indian-owned company in the province of Villa Hayes became the first steelmaker in Paraguay to produce recycled steel in 2018.

Business- and investment-promotion visits from India to Paraguay in the recent past have included buyer-seller meetings by a Pharmexcil delegation in August 2015, a visit

by a CII delegation in September 2012 and a visit by an EEPC delegation in March 2010. A trade and investment missions has been advanced in 2019 by the Paraguayan Embassy in Delhi, to the Business Expo in Mariano Roque Alonso. The occasion also served the signature of a MOU between Corporation of Indian Industries (CII) and Union Industrial Paraguaya (UIP). The main economic sectors explored by the mission were biotechnology, agriculture, plastics, fertilizers, and tourism. Seminars on doing business with India have been organised by the Indian Mission in collaboration with local partners from time to time.

Cultural Relations

There is a significant following of Indian arts, culture and heritage among Paraguayans. Indian Food Festivals and all editions to date of the International Yoga Day have seen enthusiastic participation by Paraguayans. Indian movies have been screened in various editions of the International Film Festival in Kolkata and Goa. Seven Boxes a successful Paraguayan Film has been projected during the Indo-Paraguayan Film and Cultural Forum in Noida As part of the celebrations of the 150th birth anniversary of Mahatma Gandhi, commemorative stamps were launched by Vice President Shri Venkaiah Naidu and his counterpart Mr Hugo Vélazquez in Asuncion in March 2019. A vegetarian food festival was also organized as a part of the Gandhi@150 celebrations.

Paraguayan artist like Berta Rojas (renown guitar player), Liza Bogado (folk singer), Chiara D'Odorico (pianist player), Veronica Barboza (singer) and Mariano Gonzalez Ramirez (renown Harpist) also visited India to delight the local audience with Paraguayan music.

Technical and Development Cooperation

India offers 10 scholarships under the ITEC program to Paraguay. Nine (9) diplomats from Paraguay have attended past editions of the Professional Course for Foreign Diplomats at the Sushma Swaraj Institute of Foreign Service, New Delhi. A Paraguayan scholar also benefited with a scholarship in the Indian Institute of Technology (IIT) with a PHD in Engineering. An India-Paraguay Center for Excellence in Information Technology is proposed to be set up in Paraguay.

Indian Community

Around 800 Indians live in Paraguay, mainly in Ciudad del Este, a city in the southeast of Paraguay on the border with Brazil and Argentina. Approximately 200 of them are NRIs and the remaining are PIOs who are involved in trading, wholesale and retail business. Villa Hayes concentrates over 50 NRIs as employees at the Vemarcorp plant and their family members. ■

Source: <https://www.indembarg.gov.in/page/india-paraguay-bilateral-relations/>



INDIA PARAGUAY

BILATERAL RELATIONS

By Priti Singh

India's deepening interest in Latin America is becoming more marked by several positive developments in recent years. India has recently opened its first resident mission in Paraguay. Diplomatic relations between India and Paraguay had been established in 1961 but the Indian embassy in Argentina had till now represented India in Paraguay, with an Honorary Consulate in Asuncion. Paraguay already has an embassy in New Delhi since 2006 and has been showing keen interest in expanding its relations with India.

The first Paraguayan President to visit India was Fernando Lugo in 2012 accompanied by several of his Ministers. From the Indian side, Vice President M. Venkaiah Naidu visited Paraguay in 2019 with a focus on improving trade relations between the two countries, inviting the business community to invest in India. There have been ministerial-level meetings between the two countries and foreign office consultations

have been institutionalized since 2002 (Ministry of External Affairs, India). There is, thus, no doubt about a new constructive and confident attitude evidenced by the two countries towards each other, be it a result of the realization of mutual complementarities or global developments of the twenty-first century. This relationship at the moment seems to be focussed more on economic issues of trade and investment opportunities.

Bilateral Economic Relations

Paraguay is rich in natural resources and essentially an agricultural economy, which has been doing well since 2003. Paraguay is one of the South American countries that benefited from the rise in prices of agricultural goods in the first decade of the twenty-first century. According to a multi-dimensional review of Paraguay carried out by OECD in 2018, Paraguay has been growing since the early twenty-first century

at an average rate of 4.6% per annum with poverty rates seeing a decline from 58% to 27% by 2015 and increasing levels of employment. The country implemented its first National Development Plan in 2014 aimed at reducing poverty; having inclusive growth and becoming a part of the global economy.

According to India's Ministry of External Affairs, total trade between India and Paraguay for the year 2019-2020 is approximately US\$ 152.24 million. Of this, Indian exports to Paraguay were almost US\$ 127 million and Paraguay's exports to India were about US\$ 25 million. The main composition of goods exported from Paraguay to India are soybean oil, leather and hides and essential oils along with some iron scrap, aluminium, lead and copper. Paraguayan imports from India include iron and steel, plastics, fungicides, insecticides, tobacco and auto parts. Goods being traded shows a high complementarity between the two countries.

A point to be noted is that soybean oil is one of the main items in agricultural goods (11.2%) being imported by India mainly from Argentina, Brazil and Paraguay, but 94% of shipments from Paraguay were soybean oil (Exim Bank of India and the Inter-American Development Bank 2019). While this pattern of trade between Paraguay with India has raised concerns among scholars and policymakers about how sustainable this trade focussing on primary goods can be for Paraguay, it has been pointed out in a study by the World Bank (2018) that diversification of products, branding and clustering can help countries such as Paraguay overcome this problem. Another concern is that the cost of bilateral trade in goods between Latin American countries and India (due to tariff and non-tariff barriers and transport inefficiency) is high—it varied from 289% (Jamaica) to 138% (Brazil) in 2016 (Exim Bank of India and IDB 2019). However, a closer look reveals that these costs have been decreasing over the years for all countries including Paraguay, which is somewhere in between these two extremes at around 160%. It may be argued that over the year with the increasing volume of trade, costs will decline.

Expanding Areas of Cooperation

There are many other areas of cooperation between Paraguay and India that can prove beneficial for both and are fast expanding. While establishing the new embassy in Paraguay, India had already identified various sectors of possible cooperation apart from

trade. These included cooperation in technology and education, Information Technology, space, pharmaceuticals, tourism and cultural ties such as yoga and the supply of teachers for English in Paraguay.

Indian businesses already have some success stories in Latin America under the Made in India initiative. For instance, the Indian company Mahindra began its tryst with Latin America in the 1990s through its market in Paraguay with its automobile sector as well as farm equipment. Indian companies can also provide defence equipment such as devices for night vision, body armour and smart aerial vehicles for surveillance especially for use along the borders. Paraguay also has its own space agency that was established in 2014. In 2019, cooperation on commercial launching of satellites, sharing data on earth observation, space technology and natural disaster management training was discussed between space agencies of the two countries. India has been offering ITEC scholarships to Paraguay, which seeks support from India in technological innovation and the generation of hydropower and solar energy.

At the third Foreign Office Consultations between India and Paraguay held in December 2021 in Asuncion, apart from the agricultural exchange, health and pharmaceuticals were the main points for discussion. India had supplied Covaxin vaccines to Paraguay at the peak of the Covid-19 pandemic, which has only highlighted the viability and reliability of Indian pharmaceuticals and generic medicines for Paraguay, as they are cost-effective. The new Indian mission in Paraguay will also be actively participating in expanding the Preferential Trade Agreement between India and MERCOSUR that has been in operation since 2009. Paraguay is presently the Pro Tempore President of the regional grouping and can prove to be beneficial for India.

Paraguay is the only country in South America which continues to maintain diplomatic relations with Taiwan, despite its loss of financial flows from China and the Chinese soybean market. India, with its foreign policy of multi-alignment, has signed three strategic partnerships with the larger Latin American countries of Argentina, Brazil and Mexico. Seeking more partners in the region can be advantageous for India and India is a valuable partner for Paraguay in Asia. ■

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INVEST IN PARAGUAY

ECONOMIC-COMMERCIAL AND INVESTMENT PANORAMA

BY LÍA RODRÍGUEZ DE LA VEGA¹, MATÍAS IGLESIAS²

Paraguay, one of the oldest republics in Latin America, is in the central zone of South America, bordering Brazil and Bolivia to the north, Brazil and Argentina to the east, Argentina to the south and Argentina and Bolivia to the west. According to the projections of the General Directorate of Statistics, Surveys and Censuses / DGEEC (2015), it has a population of 7.5 million. The official languages of the country are Spanish and Guaraní (because the languages of indigenous peoples are part of the nation's cultural heritage).

As for its dynamic with India, both countries established relations in 1961. Paraguay opened its Embassy in India in 2006, while India was represented in Paraguay through its Embassy in Buenos Aires, Argentina, for 15 years. The government of India in March 2022, opened its first resident mission in Paraguay which indicates the importance of increasing economic relations with Paraguay.

In 2012, Paraguayan President Fernando Lugo visited India, becoming the first Paraguayan president to do so, while this year (2019), the Vice President of India, M Venkaiah Naidu, visited Paraguay (MEA, 2019). For the rest, a tiny community of 800 Indian emigrants resides in the country.

In the given context, this article aims to characterize the economic dimension of Paraguay, as well as highlight its investment landscape.

Economy

Paraguay has a small, moderately diversified, and open economy, which since the beginning of 2000 stands out for its stability, with an average growth of around 4.5 percent per year, higher than most of its regional peers (Broncano, Mendoza and Vega, 2019). ECLAC (2018) points out that the expansion of GDP was based on agriculture, with the growth of 4.0 percent year-on-year, in the manufacturing industry (12.4%), Finance (12%), and trade (12%). On the expenditure side, growth continues to be explained by private consumption and investment.

Among the main Paraguayan products are soy (which with its derivatives, such as oils, represents about 35 percent of total exports), rice, beans, and tobacco. The livestock sector, which now represents around 2.2 percent of the national product, experienced moderate growth and forestry exploitation grew by 9.8 percent. In the secondary sector, the manufacturing industry grew by 12.4 percent driven by the production of paper, chemicals, machinery, and equipment and 11 percent of manufactures of agrarian origin (MAO) driven by the production of oils, milling and baking, beverages, and tobacco. Construction, which was the engine of growth in 2016, slowed down (-1.5%). There was also growth in the services sector, mainly in commerce (12%), hotels and restaurants (10.6%) and services to households (8%).



Another important sector for the economy of the country is the production of hydroelectric energy, with Paraguay being the largest producer per capita, and the largest exporter of clean and renewable electric power in the world (21% of total exports).

Regarding mining resources, in 2017, the Mining Director of the Vice Ministry of Mines and Energy, under the Ministry of Public Works and Communications (MOPC), pointed out that the mining industry in the country began to grow in 2003 and that currently, the country modifies some regulations to facilitate the arrival of foreign mining investments. For the rest, reserves of uranium, titanium, gold, nickel, cobalt, and chromium have been discovered.

The Paraguayan economic growth was accompanied by a reduction in total poverty, which from 2016 to 2017 was reduced from 28.86 percent to 26.40 percent, while extreme poverty was reduced from 5.73 percent to 4.41 percent for being placed at its historical minimum. The World Bank highlights a rapid increase in the income of the poorest 40 percent of the population and the fact that the middle class almost doubled in size since 2003, reaching 38 percent of the total population (Llorente & Cuenca, 2019).

The World Bank stresses that during the last few years, monetary policy remains consistent with inflation targets, with a flexible exchange rate that continues to cushion external shocks and foreign reserves at prudent levels. The Fiscal Responsibility Law supports fiscal prudence, establishing a deficit limit of 1.5 percent (Llorente & Cuenca, 2019).

Investment opportunities

The stability of the economy, the abundance of energy and the legal and tax regime make Paraguay a particularly attractive country for foreign investment in this region of the world. Also, the government of Paraguay is strongly committed to the promotion of foreign investment since it considers it essential for the development of the country.

Potential sectors of investment and productive integration

- Food industry,
- Auto Parts,
- Logistics,
- Real estate,
- Leather and footwear,
- Agricultural and organic production,
- Biofuels,
- Mining and cement production,
- Mechanical metal sector,
- Forestry,
- River and land ports,
- Financial sector;
- Call centers, etc.



The sectors of greatest interest for investment in Paraguay are currently: the agricultural sector, construction, real estate, infrastructure, telecommunications, automotive, financial, call-center services, food, furniture, agro-industry and those sectors that require significant energy consumption.

The sectors of greatest interest for investment in Paraguay are currently: the agricultural sector, construction, real estate, infrastructure, telecommunications, automotive, financial, call-center services, food, furniture, agro-industry and those sectors that require significant energy consumption. In turn, labor-intensive production activities can constitute investment





opportunities in sectors such as textiles, footwear, leather, furniture equipment and the automotive industry. Other sectors that offer opportunities are hotels, tourism, public and private services, and barge shipyards (OECEA, 2018).

In addition to its macroeconomic stability, Paraguay has a legal framework aimed at attracting foreign investment. For example, Law 60/90 establishes the regime of fiscal incentives for the investment of national and foreign capital. The Maquila Law allows foreign companies to settle in Paraguay as maquila industries, introducing raw materials with a series of fiscal and tax incentives to assemble and manufacture products using national labor, to finally re-export them. This regime has already allowed Paraguay to start attracting foreign investment for the establishment of maquiladoras, both in the textile sector and in the development of car components.

We should also mention the tax advantages in the automotive sector, the Law 5.542 guarantee for investments and existing free zones. Indeed, the country also has the third largest free trade zone in the world: Ciudad del Este, after Miami and Hong Kong.

Moreover, there are no restrictions on the purchase of real estate and land by foreigners, there is no impediment or limitation to the departure of capital from the country, except when the amount exceeds \$10,000, for prevention of money laundering, or there is no type of exchange control (OECEA, 2018).

Companies that want to invest in Paraguay will find comparatively low operating costs, although they have increased in recent years, especially the rental of offices and industrial buildings; abundant energy and labor; moderate

costs of electricity, water services or local communications (OECEA, 2018).

It should be considered that Paraguay is a founding member of MERCOSUR, together with Argentina, Brazil, and Paraguay. The agreement has as its most important advantages the free circulation of goods, services and productive factors among the countries, the adoption of an external tariff and a standard commercial policy, the free distribution of citizens,



etc. This means that although the Paraguayan market is small, the potential market is much higher. Thus, the maquiladoras of car components based in Paraguay supply the assemblers of Brazil and Argentina. In effect, MERCOSUR is the leading trade partner and Brazil, and Argentina are the central exporting countries of Paraguay.

In terms of infrastructure, about 90 percent of the 65,000 km of interurban routes in Paraguay are dirt roads. More investment is required in airports, roads, river dredging (without having a maritime coastline, there are ports on the Paraguay and Paraná rivers, which give access to the Atlantic Ocean, through the Paraná-Paraguay Waterway), and electricity networks for greater Internal use of the energy of the Itaipú and Yacretá dams. Itaipu, being the second largest dam in the world, only uses about 22 percent of its capacity, according to the Ministry of Public Works and Communications. On the one hand, renegotiation of the treaty with Brazil that establishes the compensation of the neighboring country for the use of energy will be fundamental for the current government. Whereas, on the other hand, the Analysis and Diffusion Center of the Paraguayan Economy / CADEP also points out that the country has low levels of domestic consumption due to various obstacles.

As for legal insecurity and corruption, they are one of the country's challenges and were identified by all the candidates and political parties that took part in the presidential elections of 2018. In this context, the current president Abdo Benítez, upon taking office, placed a strong emphasis on corruption and impunity. For the latter, the government has embarked on a program to reform the judicial system (Llorente & Cuenca, 2019).

Conclusion

During the visit of Vice President Naidu, the importance of Paraguay as a food producer was highlighted, with natural complementarities with India, convening Indian investments. Also, both countries agreed to explore new areas of collaboration, including hydraulics and solar, health, information and communication technology, agricultural machinery, space and biotechnology, railroads and infrastructure related to tourism. The specific areas discussed included agricultural processing, the supply of equipment such as tractors from India, the modernization of the energy sector, and the supply of medical equipment and generic drugs, which could be useful for the Paraguayan health system (MEA, 2019).

Undoubtedly, the arrival of more FDI will ultimately enhance the human resources of Paraguay, constituting a key opportunity for any country in its trajectory of projection in Latin America. ■

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STEVIA

A SWEET OPPORTUNITY

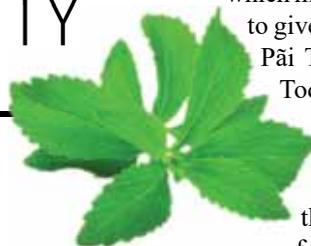
Stevia, (*Stevia rebaudiana*), also called sweet leaf, is native to Paraguay, where it has a long history of use by the Guarani people. It is the world's most fashionable sweetener. The reasons for its success? It has no calories, is suitable for diabetics and is of natural origin. Its extract is 300 times sweeter than sugar.

Stevia is a shrubby plant to 112 feet tall and about 1 foot wide, with toothed, oblong to lance-shaped, papery-textured leaves to about 2 inches long. Clusters of small white flowers with purple throats appear in summer atop wandlike stems.

Paraguay is one of the main countries where *Stevia rebaudiana* or ka'a he'ë (Guarani) is cultivated. Ka'a he'ë, which means 'sweetgrass' in Guarani, or *Stevia Rebaudiana* to give it its scientific name, has been part of Paraguay's Pãi Tavyterã indigenous people's lives for centuries.

Today, it is produced on an industrial scale.

The Pãi Tavyterã were among the first to take advantage of stevia's healing properties and sweetness. The herb is now traded worldwide and the community has long argued for compensation for something they consider their natural heritage. ■





PICK-ME-UP

YERBA MATE, ON THE RISE!

We usually kick-start the day with a cup of joe and frequently consume it throughout the day to keep up our energy. Though, in other corners of the globe like South America, people start their day with a drink you may not know much about — yerba mate.

Yerba mate is a South American drink that provides an excellent alternative to coffee and has legendary health benefits. This tea has ancient origins and is often referred to as the “tea of the gods.”

Yerba mate is used to making a beverage known as a mate. When served cold, the drink is called tereré in Guaraní. It is traditionally consumed in central and southern regions of South America, primarily in Paraguay, as well as in Argentina, Uruguay, southern and central-western Brazil, the Chaco region of Bolivia and southern Chile

Yerba mate is popular in Paraguay, where people are seen walking the streets carrying the mate and termo (thermal vacuum flask) in their arms.

The flavour of brewed mate resembles an infusion of vegetables, herbs, grass and is reminiscent of some varieties of green tea. Some consider the flavour to be very agreeable, but it is generally bitter if steeped in boiling

water. Flavoured mate is also sold, in which the mate leaves are blended with other herbs (such as peppermint) or citrus rind.

In Paraguay a mate infusion, called tereré in Spanish is consumed as a cold or iced beverage, usually sucked out of a horn cup called guampa with a bombilla. Tereré can be prepared with cold water (the most common way in Paraguay).

Paraguayans have a tradition of mixing mate with crushed leaves, stems, and flowers of the plant known as flor de Agosto (the flower of August, plants of the genus *Senecio*, particularly *Senecio grisebachii*), which contain pyrrolizidine alkaloids. Modifying mate in this fashion is potentially toxic, as these alkaloids can cause a rare condition of the liver, veno-occlusive disease, which produces liver failure due to progressive occlusion of the small venous channels in the liver.

The striking health benefits of drinking yerba mate include increased energy and enhanced weight loss. There are many impressive health benefits attributed to drinking yerba mate (or mate, for short), including: mental focus, reduced fatigue, antioxidant activity and enhanced sports performance. ■

WE THINK WE ARE IN LOVE



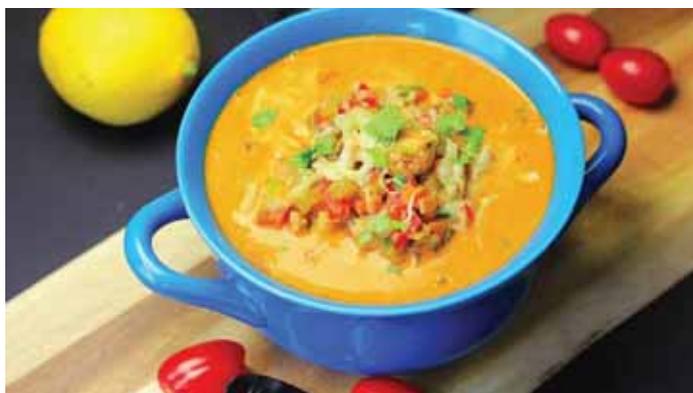


Sizzling with Latin American flair and fusing a range of Latino and European flavours, Paraguayan food is one of South America's undiscovered culinary delights. The Paraguayan cuisine has a marked influence of the Guarani people, infusion with the Spanish cuisine and other marked influences coming from the immigration received by bordering countries such as Italian cuisine and Portuguese food.

Paraguayan cuisine is based a lot on corn and cornflour, but even if you will find these ingredients in most foods, the taste is certainly different.

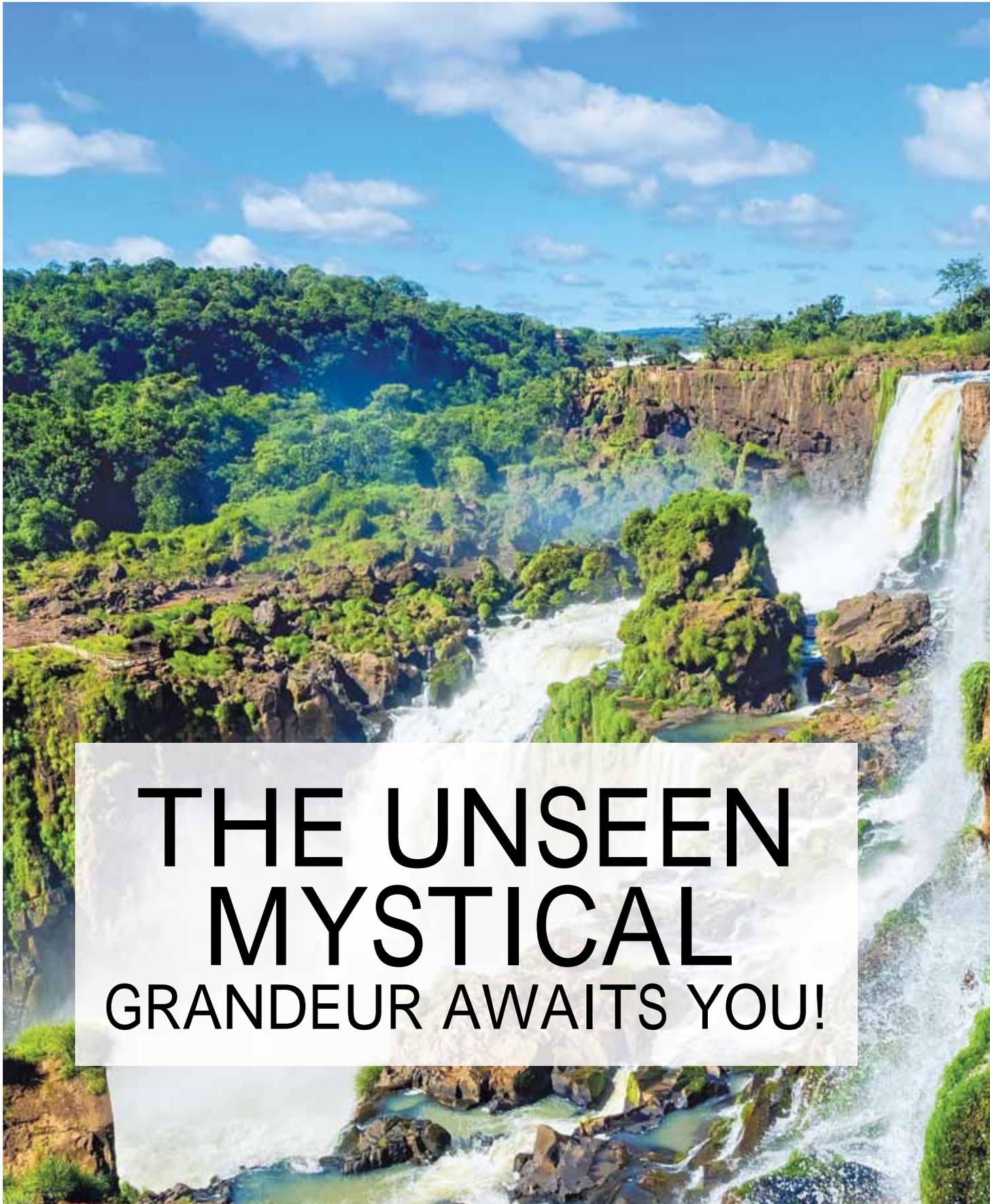
Meat, vegetables, manioc, maize, and fruits are common in Paraguayan cuisine. Barbecuing is both a cooking technique and often a social event, and are known as the Asado. Many dishes are based on corn, milk, cheese and meat, and fish caught in rivers are also eaten. There are about 70 varieties of chipa (cake) in Paraguay. Most chips are made from manioc flour, which is derived from cassava, and cornmeal.

So let those taste buds tingle, as we take a closer look at Paraguay's most popular and traditional foods.



COMMON DISHES

- Sopa paraguaya
- Dumplings
- Chipa is a bread made with manioc, egg and cheese.
- Chipa Guasú is a cake made with corn grains and is an original and common food of Paraguay. It's often served at the Asado.
- Chipa so'ó is another type of cake.
- A traditional kiveve is made using pumpkin or "andai", water, salt, oil, onion (chopped into very small pieces), milk, sugar, cornflour and fresh cheese.
- Lampreado, better known as Payaguá Mascada, is a fried cake made from manioc flour.
- Mazamorra is a cooked corn mush dish.
- Mbaipy-so-ó is a corn pudding with meat.
- Mbejú is a starch cake and staple food of the Paraguayan diet.
- Milanesa, is a breaded meat cutlet, fried, baked or sauteed.
- Authentic Paraguay cheese
- Parrillada is a dish of meat cooked over hot banana leaves and coals.
- Pira caldo is a fish soup that is part of the traditional cuisine.
- Sopa paraguaya is a traditional Paraguayan dish. Literally meaning "Paraguayan soup," Sopa paraguaya is similar to cornbread. Corn flour, pig fat (lard) or butter, cheese and milk or whey are common ingredients. It's a spongy cake that is rich in calories and protein content and is the national dish of Paraguay. Though it is native to Paraguay, this dish can be found in other Spanish-speaking countries.
- Soyo is a thick soup of meat crushed in a mortar, seasoned with several spices and vegetables.
- Vori Vori is a thick, yellow soup with little balls made of cornmeal, cornflour, and cheese. ■



**THE UNSEEN
MYSTICAL
GRANDEUR AWAITS YOU!**



Paraguay is the ideal South American destination for nature tourists and environmentally conscious travellers. It is one of the world's largest hydroelectric producers, with the huge Itaipú Dam standing as a prime example of a non-carbon-producing energy source. A system of national parks and nature preserves shows a growing conservation effort.

Paraguay has a diverse collection of landscapes, with most major South American ecosystems represented within its borders. The expansive Gran Chaco, a mostly uninhabited, semi-arid savanna, covers the western half of the country, while eastern Paraguay is characterized by lush forests, cities and wide rivers. Throughout the country, there are chances for nature-oriented sightseeing in places that have not yet experienced an eco-tourism boom. Some of the interesting nature sites include the following.

The ancient Paraguayans used to say that the primary source of wisdom in the world was a waterfall that issued forth from the inner earth and out into the realm of humankind.

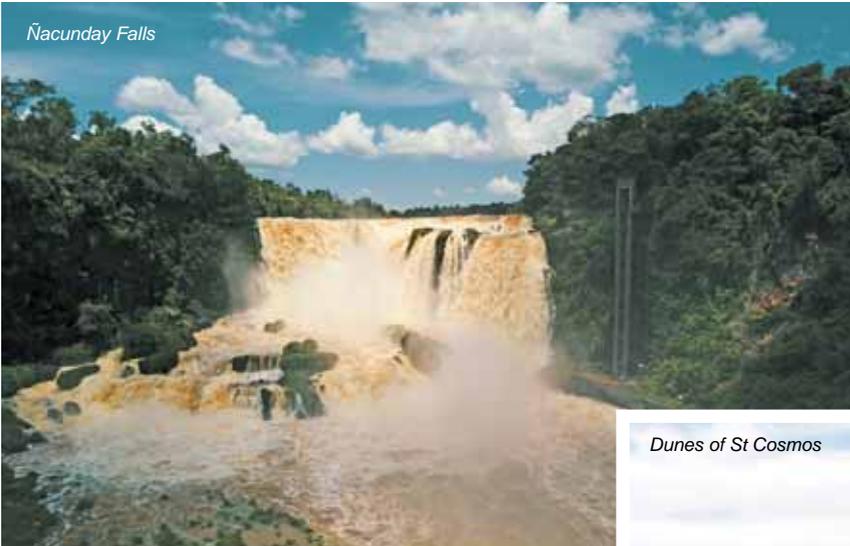
Koi and Chorori Hills

The Koi and Chorori Hills located on the northwest side of Lake Ypacaraí is a protected area of 5 hectares connected to the Ybytypanemá summits. These scenic mountains are known for their columnar sandstones formed 40 million years ago as a result of strong magmatic events. Similar geological formations are found only in Egypt, South Africa and Canada. In 1993, they have declared a Natural Heritage Site for their unique geology. The polygonal shape of these sandstone hills is remarkably beautiful and the whole area resembles a honeycomb.

Monday Waterfall

The ancient Paraguayans used to say that the primary source of wisdom in the world was a waterfall that issued forth from the inner earth and out into the realm of humankind. And yet, of truth they have spoken you could say, for the Monday Waterfall really does evoke a sort of spiritual epiphany amidst many of its onlookers. This majestic waterfall running 40 meters down and 120 meters wide remain a major tourist attraction in Paraguay. It offers the ultimate experience for lovers of nature, while a tour here will lead adventurers to the basin of the waterfall, where the roar of a million tons of water plunging from the cliff walls all around echos incessantly.

Ñacunday Falls



Vallemí Caverns



Dunes of St Cosmos



Ojo de Mar



Ñacunday Falls

The Ñacunday Falls is known as the Niagara Falls of Paraguay. Located 900 meters from the meandering waters of the Paraná river, they form a single stream 40 meters long, flowing downwards over a giant basalt step; one of the most astonishing displays of raw power in South America. The Ñacunday Falls form a part of the Ñacunday National Park, famous for its astonishingly rich fauna and flora. This is the place to watch the spectacular dances of the river otters as they dive down through the water in pursuit of eels and other exotic river fish.

Vallemí Caverns, San Lázaro

In the bowels of the hills of the San Lázaro Vallemí area, this maze of labyrinthine paths invites travellers to descent into the heart of the earth, where pure adventure awaits amidst an underground network of mysterious caves, including the caverns of Tres Cerros, Calera Risso, Campa Jhopo, and Cerro San Lázaro. These openings in the earth have existed for millions of years and require explorers to walk and crawl through narrow passages deep below the surface.

Eye of the Sea (Ojo de Mar)

This mysterious, natural lake is about 50 kilometres from the city of Bella Vista, Amambay, and 120 kilometres from the Pedro Juan Caballero Rinconada colony. With its crystal-clear, turquoise waters and lavish, sub-tropical vegetation, the lake looks like a paradise on earth. Its origins are unknown, but geologists say it must have emerged over 250 million years BC. Take the plunge into the pleasant waters inhabited by a variety of fish and linger there expectantly waiting to meet some unique species of amphibians!

Dunes of St Cosmos and Damian

Journey to the amazing dunes of St Cosmos and Damian, located in the centre of Yacyretá lake, formed by the waters of the Paraná river itself. These dune towers rising over 30 meters high are the glorious remnants of Mount Ybycuí. The dunes form an island, surrounded by pristine waters and majestic scenery. Set sail with a hop-on, hop-off boat to reach the dunes and chose a path to walk and explore.

Tree Tunnel, Santa Rita

Often strange are things of beauty, and the Tree Tunnel in Santa Rita is truly beautiful! Dreamlike and magical, this



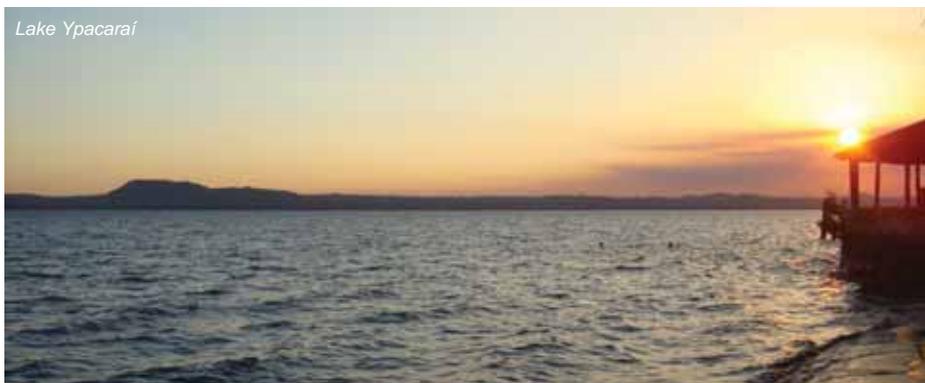
Tree Tunnel, Santa Rita



Pantanal



Kururu Kua



Lake Ypacaraí

green tunnel made of tall trees and beautiful flowers stretches 400 meters on Route 6 in Panama Alto. Cross it by car or on foot and rest assured that this enchanting journey will make you feel infinitely closer to the great poets of the Romantic age of Paraguay. As you walk or drive, become aware of the nostalgic atmosphere floating silently above you and enjoy the stillness that comes from the setting!

Lake Ypoá

Just 65 kilometres from Asunción is Lake Ypoá, the largest lake of Paraguay. Located in the Ypoá National Park, the lake is surrounded by lush vegetation and directly linked to the eco-region of Ñeembucú. Visitors can walk through the jungle all around the lake to experience the extraordinary biodiversity of the region. Be prepared for unexpected encounters with noisy monkeys and don't forget to bring the gear for an unforgettable barbecue under the star-studded sky!

Kururu Kua: The Aquatic Cave in the Heart of Amambay

When a group of explorers travelling to Ojo de Mar accidentally discovered the Kururu Kua in 2007, they called it "a freak of nature". The aquatic cave hiding in the heart of Amambay is a geological miracle because, unlike most of the caves in the world, it does not consist of limestone, but of sandstone. Since 2004, this breathtaking network of tunnels and underwater caves has been open for divers who seek the ultimate adventure. The caves are 100 meters deep and 300

meters wide, surrounded by a blue lagoon of transparent water. Explore 1000-year-old fossils in the pitch-black abyss of the caves and meet the unique species that inhabit its surrounding environs.

Lake Ypacaraí

Around 25 kilometres east of Asunción, travellers will meet with Lake Ypacaraí, Paraguay's most famous. There are many legends associated with the origins of its name. Some say that Ypacaraí means "sacred lake"; the legend speaks of Luis de Bolaños, a Franciscan missionary who blessed the place around 1600. In our times, the lake became famous because of the song "Memories of Ypacaraí", written by Demetrio Ortiz. But whatever the origins of its name, this beautiful lake located near three cities – Areguá, San Bernardino, and Ypacaraí – is a major tourist destination and truly worth the hype!

Pantanal

Wildlife observation and sport fishing, accommodation in estancias and activities in the middle of nature characterize the Pantanal as a destination for nature especially for the long-distance foreign public. A few kilometres north of Bahía Negra is the Biological Station Tres Gigantes, a strategic place as a Research Centre, accommodation and activities prepared for the visitor. It is part of the Pantanal Reserve Paraguayan of 15,000 ha. ■

LET'S EXPLORE MAGICAL PLACES



Palacio de López

It is a national monument which has a great historical significance. Behind its walls, the emancipation from the Spanish colonial rule was planned in a silent and brave manner. This palace in Asunción, Paraguay, that serves as a workplace for the President of Paraguay, and is also the seat of the government of Paraguay.

La Santísima Trinidad de Paraná and Jesús de Tavarangue

These are exceptional examples of the Jesuit missions built in the 17th and 18th centuries throughout this region. The archaeological ruins of these urban complexes represent a fusion of cultures in which the process of Christianisation permitted the indigenous population to retain elements of their traditional culture. It is included in the World Heritage List by UNESCO. The light show conducted at the site is an attraction that a visitor should not miss.



Triple Frontier

It is a tri-border area along the junction of Paraguay, Argentina and Brazil, where the Iguazú and Paraná rivers converge. Near the confluence are the cities of Ciudad del Este; Puerto Iguazú and Foz do Iguazú. This area is near Iguazú Falls and the Itaipú hydroelectric plant.

Iguazu Falls

Iguazú Falls are among the most majestic natural wonders on Earth – four times as wide as Niagara. Another popular site to see majestic waterfalls is the Municipal Park Monday and its main attraction – approximately 45 m tall and 120 m wide waterfall named Saltos del Monday – are located in the Presidente Franco District, Alto Paraná Department, Paraguay.



Itaipu Dam

The Itaipu Dam is a huge hydroelectric dam on the Paraná River between Brazil and Paraguay. It's known for its nighttime light shows and views from the central lookout. The Production Building's command room controls the dam's turbines. Nearby on the Paraguayan side, the Museum of the Guaraní Land has exhibits on indigenous culture. Just north, the Tati Yupí Sanctuary is a wildlife reserve with trails and birdlife.

The National Pantheon of the Heroes

It is a building and landmark of Asunción, Paraguay, and a national monument of Paraguay. The National Pantheon is the mausoleum of the country, where lie the remains of the great heroes of Paraguayan history such as Don Carlos Antonio López (1st president Constitutional), Mariscal Francisco Solano López, Mariscal José Félix Estigarribia (hero and winner of the Chaco War against Bolivia) and his wife. The ceremonial changing of the guard is held several times a day.



The South American Football Museum

It is a thematic museum dedicated to football and a convention centre that is located in the facilities of Conmebol, in the city of Luque in the South American country of Paraguay. The museum has an area of 9,450 square meters, was built by the South American Football Confederation and opened on January 29, 2009.

PHOTO FEATURE





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