

The Republic of Paraguay and its efforts to shape the future of Global Trade (2015-2019)

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1. Introduction

In 1991 the Governments of Argentina, Brazil, Paraguay and Uruguay established MERCOSUR with the signing of the Treaty of Asuncion, making it South America's largest multilateral agreement assigned to tackle the commercial, economic and political matters in the continent. With the Treaty of Asuncion, the four nations agreed to ensure a "free movement of goods, services, and factors of production between countries."

According to a [recent publication](#) of the Council on Foreign Relations (CFR): the four nations reached an agreement to "eliminate customs duties, implement a [common external tariff](#) of 35 percent on certain imports from outside the bloc, and adopt a common trade policy toward outside countries and blocs." The analysis of CFR states that: "the charter members hoped to form a common market similar to that of the European Union, and even [considered introducing](#) a common currency." In CFR Backgrounder, Shannon K. O'Neil, Ph. D. a CFR Senior Fellow for Latin America Studies, notes: "MERCOSUR had grand ambitions, it was going to be a customs union with a political side." Furthermore, the nationals of its member countries are eligible to travel and work freely on any of the aforementioned states; simultaneously the MERCOSUR seal is inscribed on the passports of the aforementioned countries. Three years later, in 1994, the four nations signed the Protocol of Ouro Preto, an agreement that fine tuned the coordination of border control operations and ensured a customs union. (CFR, 2019)

Although Argentina and Brazil aspired to mend ties and establish a greater level of regional cooperation in the fields of commerce, economy and political dialogue; the integration of the Republic of Paraguay within MERCOSUR has been highly partial, with a total lack of

coherence shown in the alarming levels of poverty across the nation. Moreover, Asuncion has suffered from rampant domestic corruption at the highest levels of government and its current economic stagnation (above-neutral growth) is the result of political bickering and disagreements that have taken shape between Argentina and Brazil. In the early 1990s, when the two South American Giants were keen to promote their bilateral dialogue and synchronize their commercial partnership, trade and commercial relations among the four countries was experienced a significant growth. On the other hand, since the beginning of the XXI Century until today, MERCOSUR has lost its relevance and simply became a platform of empty talk where the Nation of Paraguay was [always discriminated](#) by the Leftist Governments of Argentina and Brazil, it has become clearly evident that the only landlocked country of the bloc is treated as a [junior partner](#). The recent implementation, enforcement of [external tariffs](#) – applied outside of MERCOSUR – to the Paraguayan [automotive industry](#) that is exporting auto parts in Brazil, is a typical example of Brasilia's brash and arrogant attitude towards the Paraguayan products that are crossing the border.

Despite these political hurdles and geographical disadvantages, the Republic of Paraguay has always shown a political support, reflected a great sense of [responsibility](#) and complied with all multilateral agreements signed within the framework of MERCOSUR. The Paraguayan six-months long Presidency of MERCOSUR in the first half of 2018, marked an important milestone in the overall history of the organization and particularly reached concrete results on its ongoing negotiations with the European Union. Furthermore, Paraguay has provided a constant political support for MERCOSUR to establish close cooperation agreements with the Governments of the Republic of Korea, Republic of Singapore, Republic of China (Taiwan), and the Socialist Republic of Vietnam. This chapter presents a broad range of opportunities and challenges in Paraguay's Foreign Policy; promotes the efforts of the current Paraguayan Government to further strengthen economic globalization thereby fostering international circulation of goods, services, technologies and capital.

2. Methodology and Data:

In order to accomplish the objectives of this academic paper, a qualitative research was undertaken in a field that has limited scholarly publications and research sources, including expanded publications, are scarce. For the preparation of this essay a number of reliable sources were used including: the official websites of the Ministry of Foreign Affairs of Paraguay, Ministry of Foreign Affairs of Singapore, Ministry of Foreign Affairs of Vietnam, Korea and the President's office of Taiwan. At its core is the establishment of Paraguayan Foreign Policy as viewed from Asuncion, whereas elaborating a careful analysis on the economic prospects that exist under the framework of current bilateral and multilateral negotiations that connect Asia's and Europe's highly developed economies with South America's underrated MERCOSUR founding member, the brave Guaraní Nation.

3. Analysis and Discussion

Paraguay, MERCOSUR and the European Union

On July 17th, 2019, in Santa Fe - Argentina, President Mario Abdo Benítez celebrated the historic agreement signed between MERCOSUR and the European Union. The Paraguayan head of state stated that the latest strategic alliance will change the history of integration within MERCOSUR and generate great opportunities for the development of nations. In this context Mr. Abdo Benítez stressed that cooperation with European Union must go beyond commerce and trade partnership, it should incorporate new models of regional integration so that the MERCOSUR Bloc can be consolidated as a competitive platform of production (PY-MFA, 2019). In the plenary session of MERCOSUR Summit, were also discussed the ongoing projects in information technology and lowering the costs of internet connection in the region (PY-MFA, 2019).

Before his counterparts of MERCOSUR, the President of Paraguay H. E. Mr. Mario Abdo Benítez, expressed his satisfaction on the current agreement that was signed between the

Southern Common Market and the European Union; an important pillar for the integration and development of South American Nations.

The Paraguayan Head of State emphasized the relevance of this Alliance and the opportunities that European markets represent for the agricultural products of Paraguay and the other member nations of MERCOSUR. In his statement, President Abdo Benítez added: “this agreement will change the history of integration of our people in MERCOSUR, it opens opportunities for our products and companies to reach new markets with zero tariffs, in a market with more than 500 million consumers and inhabitants of 28 countries, with a GDP of over US\$ 34 Billion, a market with a consolidated flow of capital that will open huge opportunities to our people while engaging in the highest standards of competition at the global level (PY-MFA, 2019).”

In 2015-2017, Paraguay and the European Union have enjoyed a fairly mild level of trade and investment cooperation; E.U. imports from Paraguay registered a minor increase, from €1.006bn to 1.153bn. At the same time, Paraguay’s imports from E.U. recorded a moderate increase in the same period, from €610 million in 2015 to €682 million in 2017 (EC, 2019). In 2017, the European Union was Paraguay's third most important trading partner (after Brazil and Argentina); accounting for 10 percent of Paraguay’s total trade; in 2017, E.U.-Paraguay trade amounted for €1.798 billion (EC, 2019).

It must be emphasized that E.U. imports from Paraguay are dominated by agricultural products (87.2 percent of total imports from Paraguay into the E.U. in 2017). In the same period, E.U. exports to Paraguay are dominated by manufactured goods, particularly 42.9 percent in machinery and transport equipment and 22.7 percent in chemical products (EC, 2019). The E.U. is an important investor in Paraguay; between 2014 and 2016, E.U. Foreign Direct Investment (FDI) stocks in Paraguay increased from €863 million to €1.2 billion (EC, 2019).

On October 21st, 2016, the Vice Minister for Regional Economic Integration of Paraguay, Ambassador Rigoberto Gauto Vielman was interviewed by the national media to report on the status of negotiations between MERCOSUR and the European Union. The Paraguayan Chief

negotiator stressed the importance of reaching an agreement on the Intellectual Property, Public Contracts and Customs and Border Inspection legislation (PY-MFA, 2019).

In 2015 - 2016, Ambassador Gauto was engaged in extensive negotiations with his counterparts in Brussels; the Paraguayan delegation addressed a number of issues that are related to fair trade and fulfillment of treaties signed within the framework of World Trade Organization, that guarantee free trade and open markets as well as expressed Paraguay's commitment to follow the requirements that enable parties to reach a better flow and development of commerce (PY-MFA, 2016).

Paraguay and the Southeast Asian Countries

In August 15-17, 2018, President Tsai Ing-wen, conducted an official visit to the Republic of Paraguay, considered by many scholars as Taiwan's most trustworthy ally in Latin America. In her meeting with her fellow countrymen residing in Paraguay and other South American countries, President Tsai Ing-wen stated: "I'm delighted to once again visit Paraguay, our most geographically distant ally. ... Thank you for being with us this evening, and thank you for your love and support of Taiwan. In addition to our expatriates from Asunción, I know that many people drove hours to get here from Ciudad del Este. Some also came from even more distant places like Argentina, Brazil, Chile, and even Mexico. I'm grateful that so many expatriates spent so much time to come all the way to Paraguay to join us. I remember that, I met with our expatriates on the same spot on my previous visit to Paraguay. I'm truly happy to meet with Taiwan's hard-working, dedicated expatriates abroad in here. Many of you also attended the last banquet here two years ago, and I want to thank you again for having travelled a long way from different parts of Latin America to be here. It heartens me every time I meet with overseas expatriates in different countries. So every time when I travel abroad, I always look forward to meeting Taiwanese expatriates in different countries." [Republic of China (Taiwan), 2018]

On June 20th, 2019, the President of Taiwan Tsai Ing-wen received a delegation chaired by the Paraguayan Minister of Industry and Commerce Liz Cramer. The president welcomed Minister Cramer and her delegation to Taiwan. On this unique occasion, President Tsai Ing-wen stated

that Taiwan will continue to work in partnership with all economic sectors of Paraguayan society to expand bilateral development and cooperation on many development areas (PY-MIC, 2019).

Over the past few days, Minister Cramer and the members of her delegation had meetings and engaged with leaders of the government and public sector. The Paraguayan guests attended the second joint committee meeting on the Taiwan-Paraguay Economic Cooperation Agreement, and held an information sharing meeting focused on investment opportunities in Paraguay. President Tsai expressed confidence that both countries benefit greatly from these activities. [President of China (Taiwan), 2019]

According to the office of media relations under the President of Taiwan, “President Tsai mentioned that when she visited Paraguay last year, she keenly felt the close cooperative ties between Taiwan and Paraguay. There are about 4,000 Taiwanese citizens currently doing business in Paraguay, and they have invested a combined total amount of more than US\$100 million. She expressed hope that Taiwan and Paraguay will build on the current foundation to further enhance investment ties [Office of President of the Republic of China (Taiwan), 2019].”

Furthermore, the president pointed out that, “in addition to Minister Cramer’s current visit, Taiwan’s Minister of Economic Affairs Shen Jong-Chin (沈榮津) will lead a delegation of companies to Paraguay next month, and the two sides will hold a Taiwan-Paraguay Economic Cooperation Meeting in a collaborative effort to strengthen our partnership.”

During her meeting with Minister Cramer, President Tsai further pointed out that “deeper cooperation between Taiwan and Paraguay over the past three years is gradually beginning to show results. For example, the Taiwan-Paraguay Economic Cooperation Agreement entered into effect in February of last year, and Paraguay’s exports to Taiwan from January through May of this year totaled US\$18.1 million, up by 90% year-on-year.”

The president of Taiwan said that she hopes “to use enhanced Taiwan-Paraguay commercial ties to help Taiwanese companies bolster their global presence. Paraguay is a member of Mercosur, so when Taiwanese companies invest in Paraguay or set up business locations there, it helps Taiwan to use its foothold in Paraguay to set its sights on the rest of South America (President of Taiwan, 2019).”

On April 6th, 2017, the Director General of Bilateral Relations, Ambassador Luis Fernando Ávalos had a meeting with the Ambassador of Socialist Republic of Vietnam Ambassador Nguyen Dinh Thao. During this meeting both diplomats revitalized the pending items that were discussed during the Second Ministerial Meeting focused on strengthening of bilateral partnership that was held in November, 2016.

Ambassador Ávalos raised the following matters that pertain to the bilateral agenda: measures to increase the presence of Paraguayan products in Vietnam, organization of high level official visits in Vietnam and Paraguay; and the visit of Vietnamese business leaders to Asuncion, scheduled for July, 2017. In addition to the Ministry of Foreign Affairs, the Honorable Chamber of Deputies of Paraguay has played a vital role in strengthening the bilateral legislative cooperation with Vietnam (PY-MFA, 2019).

Congresswoman Esmérita Sánchez de Da Silva, Chairwoman of the Human Rights Committee, has shown a great level of leadership in strengthening the dialogue and cooperation between the Socialist Republic of Vietnam and the Republic of Paraguay. Congresswoman Esmérita Sánchez de Da Silva has introduced a series of legislative initiatives that generate a greater economic and cultural cooperation with the Socialist Republic of Vietnam. Mrs. Da Silva, joined by other members of Honorable Chamber of Deputies (HCD), has worked tirelessly towards establishing the Congressional Paraguay – Vietnam Friendship Committee (PY-HCD, 2019).

On July 21st, 2017, Mr. Tran Duy Dong, the Director General of Commerce Department with the Americas, in the Ministry of Industry and Commerce of Vietnam, held a fruitful meeting in Asuncion with the Chief of Staff of Vice Minister of Economic Relations and Integration, Ambassador Didier Olmedo. Both parties emphasized the positive commercial relations that exist among both nations and were committed to further strengthen the cooperation in trade and economic projects. In this context the Vietnamese envoy presented a draft agreement that would establish a Bilateral Council of Commerce and Investments whose principal role would be to identify upcoming measures that will promote commerce and investment projects between Paraguay and Vietnam. This agreement aspires to bring the Paraguay – Vietnam Cooperation at the highest levels (PY-MFA, 2019).

At the same time in 2017, Asuncion welcomed twenty business leaders from Vietnam, whose principal interest was to establish business projects in Paraguay in the fields of logistics, agricultural and textile manufacturing (PY-MFA, 2019).

On March 7th, 2019, Paraguay's Minister of Foreign Affairs Luis Alberto Castiglioni received the members of MERCOSUR – ASEAN Chamber of Commerce. On this occasion the Chairman of this organization Mr. Rodolfo Caffaro Kramer requested to Paraguay's Chief Diplomat the possibility of establishing a closer commercial cooperation with the region of South – East Asia, a market of over 650 million consumers with a Gross Domestic Product exceeding 2.45 Billion Euros and has an estimated economic growth of 7 percent.

Among the member nations of MERCOSUR, the Republic of Paraguay and its Ministry of Foreign Affairs has solely pressured the other South American governments to pursue a long term strategy of close commercial partnership and dialogue with all member countries of ASEAN. The region of South East Asia is expected to have more than 65 percent of the world's middle class, as a result it represents a huge market potential and a growing presence of consumer goods.

On February 15th, 2017, the Ambassador of Paraguay in the Republic of Korea, Raúl Silvero Silvagni, gave an interview for the Korea Post Newspaper. In this occasion the Paraguayan diplomat underscored the importance of Paraguay – Korea partnership and invited the Korean business leaders to proactively look upon Paraguay as a country with great international investment potential and macro-economic stability.

Ambassador Silvagni reiterated that business cooperation between Korea and Paraguay is a gold mine. First of all the Korean Companies have been present in Paraguay for many years and they have regional offices in Asuncion. Secondly, the Korean companies enjoy a great reputation in Paraguay; at the same time Asuncion has a positive perception of Korean products, considered to be highly sophisticated, automotive products are made with a cutting edge technology and factories are managed by a leadership with advanced training (PY-MFA, 2019).

In 2017, Paraguay and Korea celebrated their 55th anniversary of diplomatic relations, in this regard; both governments are committed to strengthen their partnership in the areas of commerce, culture, sports diplomacy and implementation of tertiary education projects among the public universities of Paraguay and Korea.

Furthermore Paraguay has always supported the Republic of Korea in the international stage. The economic cooperation with Korea has greatly impacted the economy and development of Paraguay. Currently there are more than 6,000 Korean immigrants that are living in Paraguay and strive to develop the Paraguayan economy. In 2019, this community celebrated its 54th anniversary of establishing their homes and businesses in Paraguay.

Currently the economic partnership between Korea and Paraguay consists in the areas of infrastructure, public works, food industry, logistics and services, textiles and clothing and auto parts. The Government of Paraguay has established strategic relations with the Republic of Korea and both nations have created a mutual framework of cooperation that is constantly developing and maturing (PY-MFA, 2019).

In this context, on June 14th, 2019, the Vice Minister of Economic Relations and Integration of Paraguay, Ambassador Juan Ángel Delgadillo, visited Seoul and met with the Korean authorities in order to further strengthen the bilateral dialogue in the economic and commercial spheres. During his visit in South Korea, Ambassador Juan Ángel Delgadillo delivered a keynote speech to Korea's key business leaders, inviting them to carefully consider investing in the Paraguayan market, knowing that the country's economic growth is propitious towards allowing international investments in agriculture and food industry to generate employment and ensures significant capital gains. Furthermore Ambassador Delgadillo conducted a visit to the innovation city of Pangyo and held a meeting with the leadership of Hyundai automotive group (PY-MFA, 2019).

On June 21st, 2018, Ambassador Raúl Silvero participated in the most important Trade Fair in Seoul, Korea; where the Paraguayan Delegation was promoting the following products: Chia, Organic Sugar, Stevia, Vegetable Carbon, and Vegetable (Soy) Oil.

In 2017, the exports of Paraguayan Products in the Korean market reached over US\$ 94 million, the bilateral commerce had secured a 50 percent increase compared to the level of Paraguayan exports into the Korean market in 2016 (with a total value of only US\$60 million). Among the most important Paraguayan products, present in the Korean market, are: Wheat, Cereals, Organic Sugar, and Processed Food, Leather products, Vegetable Carbon and other items (PY-MFA, 2019).

On October 4th, 2019, in Busan, Republic of Korea was held the IV Roundtable of Negotiations for the Free Trade Agreement between MERCOSUR and the Republic of Korea. Under this framework the East Asian country is coming ever closer to signing a trade agreement with the South American Trade Block.

With this agreement Korea will be increasing its exports towards South America's markets and will have a greater participation in the e-commerce, investments and public works in the region. Furthermore, large corporations of Korea will have greater opportunities to establish their branch offices in Paraguay and Argentina.

On August 30th, 2017, Paraguayan Vice Minister of Foreign Affairs, Ambassador Óscar Cabello Sarubbi held a bilateral meeting with Singapore's Principal Minister of State for Defense Dr. Mohamed Maliki Osman; in the city of Busan, South Korea. This meeting was organized in the sidelines of the annual forum of Latin America and East Asia Forum of Cooperation. In his statement, Ambassador Sarubbi expressed the decision of the Government of Paraguay to increase its presence in South – East Asia, taking into account the strategic role of Singapore in the Pacific. Moreover, the bilateral cooperation in commerce and culture and the exchange of professional experiences are a priority of the current government of Paraguay. In this context, the Paraguayan delegation expressed its support towards fostering a constant inter-regional dialogue between MERCOSUR and ASEAN. During this meeting Ambassador Sarubbi was joined by the Paraguayan Ambassador Raúl Silvero, Asuncion's diplomatic representative to the Government of Singapore. Furthermore, both parties agreed to strengthen the need of establishing contacts between the public universities of Paraguay and the National University of Singapore, an agreement was reached to establish an alliance between the “Carlos A. López”

Scholarship Program and the Universities of Singapore; so that Paraguayan students can study abroad. On the other hand, Vice Minister Cabello addressed the need to establish a great level of cooperation in the fields of commerce, bilateral economic relations, logistical port administration and urban planning. It is a well known fact that Singapore is one of the most important logistical and commercial hubs in the world, with its strategic position and vast experience in international commerce, its government can be an ideal partner of Paraguay in the Pacific (PY-MFA, 2019).

On April 7th, 2017, in Buenos Aires – Argentina was held the Ministerial Meeting of member nations of MERCOSUR and ASEAN Nations, including Malaysia, Brunei, Vietnam, Cambodia, Laos, Burma, Singapore, Thailand and the Philippines. On the other hand, MERCOSUR countries were represented by the Ministers of Foreign Affairs: Eladio Loizaga (Paraguay), Susana Malcorra (Argentina), Aloysio Nunes (Brazil), and Rodolfo Nin Novoa (Uruguay).

Knowing that ASEAN does not negotiate in a bloc, as it happens with MERCOSUR, it was agreed to initiate the dialogue between MERCOSUR and Singapore, later on the upcoming draft of this commercial agreement would be replicated with the other countries of South East Asia. The Government of Singapore had sent its Minister of Foreign Affairs Vivian Balakrishnan and Minister of Commerce to lead the negotiations of Buenos Aires with the Four Nations of MERCOSUR (SG-MFA, 2019).

On October 3-5, 2018, the MERCOSUR member nations organized another round table of talks with the Government of Singapore in Montevideo, Uruguay; in order to make progress on the Free Trade Agreement that both parties are deeply interested to accomplish. The Meeting of Montevideo made a significant progress after the inaugural meeting of July 23rd (2018) in Puerto Vallarta, Mexico. At the meeting in Montevideo, both delegations addressed the following matters: the commerce of goods; laws in defense of products' origin; protection mechanisms of commerce; technical obstacles to commerce; border customs cooperation; commercial issues in strategic investments; sanitary and phytosanitary certification matters and investment climate. These ongoing negotiations are taking place under the framework of a trade agreement between MERCOSUR and Singapore, an ambitious plan that is using the rules and regulations of World Trade Organization as the road map of these deliberations. In the same context ASEAN has

demonstrated a great interest to develop commercial ties with Paraguay, knowing that the land locked country offers a great opportunity of complementary commercial cooperation and further strengthening of economic diplomacy on both regions (PY-MFA, 2019).

On March 19th, 2019, the Minister of State for Foreign Affairs of the Republic of Singapore Mr. Sam Tan Chin Siong conducted an official visit to Paraguay; he is the highest official of Singapore visiting Asuncion since the establishment of diplomatic relations in December 10th, 1992. During his visit Minister Tan Chin had a bilateral meeting with the Minister of Foreign Affairs of Paraguay Mr. Luis Alberto Castiglioni Soria; both parties discussed the current state of negotiations between MERCOSUR and Singapore as well as shared thoughts on how to further expand the cooperation with other ASEAN countries. In this context both Ministers agreed to elevate the cooperation and friendship of both countries into a higher level; at the same time the potential opening of an honorary consulate of Singapore in Asuncion would further strengthen the bilateral ties. In the fields of commerce and investments, an emphasis was placed upon the need to strengthen the bilateral commerce, and diversification of products that could be imported from Singapore and brought into the Paraguayan and MERCOSUR markets. At the same time Paraguay aspires to export organic beef products into the markets of Singapore and those of other ASEAN nations (SG-MFA, 2019).

4. Conclusion and Policy Recommendations

The Republic of Paraguay, as a dynamic member of MERCOSUR, has vigorously promoted the relations of South America's trade bloc with European Union and the countries of South East Asia, including the Association of Southeast Asian Nations (ASEAN). In this regard the bilateral dialogue of Paraguay with Singapore, Vietnam and other countries, has further developed Asuncion's commercial and trade cooperation with this part of the world.

In addition Paraguayan bilateral diplomacy has, simultaneously, forged a trusted partnership between MERCOSUR and the Southeast Asian Economic Tigers that have established an admirable leadership in terms of strengthening global trade and are emerging as pioneers of global development principles in South America. In this context, at a slower speed paired with a greater level of bureaucracy, the European Union aims to further explore the trade advantages

with MERCOSUR countries. Nevertheless, over the next decade, the nations of South America will have an opportunity to experience the positive impact of ever growing trade partnership with the European Union countries. In the contrary to the aspirations, spirit of harmonious partnership, and information included above, the Government of Paraguay decided in September 2018 to close its embassy in Jerusalem (State of Israel), in 2014 closed its embassy in Jakarta, Republic of Indonesia, and continues to maintain frozen relations with one of the most important countries of the Association of Southeast Asian Nations (ASEAN). As the only landlocked country in South America, a founding member of MERCOSUR; the Republic of Paraguay is poised to defend its national interests and continues to forge, with the assistance of Washington, practical initiatives in economic diplomacy so that Itapúa's agricultural commodities and organically grown food products nationwide, can reach new markets and new consumers. In the same vein, Paraguayan Government must take firm actions towards establishing medium size logistical parks in the deep water ports of Chile and Peru, both countries may very well serve as lasting natural bridge heads connecting Paraguayan agricultural and food industry products with Southeast Asian markets. The development of an expanded intermodal rail shipping network and modern highway transportation system connecting the cargo shipyards on the shores of Paraguay and Parana Rivers with the two South American countries, Chile and Peru (crossing through Argentina), would be a strategic advantage to Paraguay and all countries involved, including Argentina and Bolivia. In the same context MERCOSUR would earn a reputation for its advanced transportation infrastructure and secure a greater leverage when negotiating with countries on the other sides of the Pacific and Atlantic. Establishing air shipment routes through Paraguay's regional airports is another strategic necessity for Asuncion to secure a better presence in international commercial platforms as well as increase its leverage on negotiations conducted within MERCOSUR or independently reaching Free Trade Agreements with ASEAN and other regional trade blocs. At the moment Paraguay has only one international airport, six regional airports only suitable for landing of small passenger planes and a large, unfinished, military airport in the Chaco-Paraguay. In the next four years, the Government of Mario Abdo Benitez must establish a strong partnership with Washington in order to secure a geopolitical support so that new trade routes and shipping harbors can be established in the territories of Chile and Peru, provided that Argentina's Government allows Paraguayan trucks to use its road

infrastructure. The geopolitical pressure from the north is also imperative to preserve Paraguay's energy sovereignty and establish new airline routes that could further help mitigate the country's surging need to satisfy an ever growing demand for its organic products in many parts of the world, including Europe and Central Asia Nations that maintain friendly ties with North America. National Economy of Paraguay is deeply connected to International Trade and Economic Diplomacy; the primary task of the Ministry of Foreign Affairs is to further strengthen the national presence in international markets and rapidly, consistently improve Paraguay's national image abroad.

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The Department of Itapúa is located in Southern Paraguay; it has one of the highest economic growths in the nation and South America. The City of Fram in Itapúa, is known as the ‘Capital of Wheat’ in Paraguay, it represent an important source of products that are exported to Europe and Asia. Furthermore the city of Bella Vista (Itapúa) is the capital city of Yerba Mate (*Ilex paraguariensis*); a large portion of its production is exported to Germany and other European countries. Mr. Lauro Raatz Recziegel, the founder of yerba mate “Pajarito”, has exported the organic *Ilex paraguariensis* in the most demanding markets of Europe, Middle East and Asia.

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