

Paraguay announces measures to address economic situation



Paraguayan President Mario Abdo Benítez. Jul. 6, 2022. | Photo: Twitter/@ebypy

Asuncion, July 8 (RHC)-- "Today we are once again facing a complicated world situation, a significant inflationary pressure as a consequence of the war between Russia and Ukraine, and also an impact on the economy due to the drought that hit the agricultural sector during the first half of the year," Paraguayan President Mario Abdo Benítez said Wednesday at a press briefing.

Under the new measures, the elderly care program will add 14 700 beneficiaries and the plan for families living in poverty and vulnerability will add 2 700 family groups. In order to boost employment as well as the productive and transportation sectors, 1.11 billion dollars have been invested in the creation of 50 000 new jobs and the construction of 2,800 housing units for vulnerable families.

The Government will also maintain the reduction of the Value Added Tax (VAT) on commercial income decreed in 2020 and the Selective Consumption Tax (ISC) on fuels.

President Mario Abdo Benítez announced that the Government guarantees economic measures that will help avoid an increase in the price of public transport tickets in Asunción and the metropolitan area. Current prices: Gs. 2,300 (conventional) and Gs. 3,400 (differential).

Furthermore, resources are included in the package for loans to benefit some 11 600 farming families and a provision for public banks not to raise interest rates on loans. According to the Central Bank of Paraguay (BCP), inflation in the country closed the first half of the year at 6 percent. In the same period of 2021 it reached 1.5 percent, a much lower figure.

In terms of Gross Domestic Product (GDP), Paraguay recorded a year-on-year variation of -2.0 percent in the first quarter of the year. The BCP estimates that this performance is partly explained by the negative results of agriculture.

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