

JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)
TECHNICAL SECRETARIAT OF PLANNING, PARAGUAY

**THE STUDY
ON
THE ECONOMIC DEVELOPMENT
OF
THE REPUBLIC OF PARAGUAY**

FINAL REPORT

**CURRENT ECONOMIC AND SOCIAL SITUATION
&
GENERAL CONSTRAINING FACTORS OF
COMPETITIVENESS : MAIN REPORT**

VOLUME 2

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**DAIWA INSTITUTE OF RESEARCH LTD.
PACIFIC CONSULTANTS INTERNATIONAL**

PREFACE

In response to a request from the Government of the Republic of Paraguay, the Government of Japan agreed to conduct a Study on the Economic Development of the Republic of Paraguay, and entrusted the study to the Japan International Cooperation Agency (JICA).

JICA organized a study team composed of Daiwa Institute of Research Ltd. and Pacific Consultants International. The team, headed by Mr. Hidesuke KOTAJIMA of Daiwa Institute of Research Ltd., visited the Republic of Paraguay five times between October 1998 and September 2000. In addition, JICA set up an advisory committee headed by Professor Akio HOSONO, of the Research Institute for Economics and Business Administration, Kobe University, which examined the study from technical points of view.

The team held discussions and conducted joint field research with the Paraguayan counterpart team, which was headed by the Technical Secretariat of Planning and composed of officials from relevant ministries. Based on these joint efforts, the team prepared the Draft Final Report and presented it to the Government of the Republic of Paraguay in August 2000. After returning to Japan, the team conducted further studies and compiled the final results found in this report.

I hope this report will contribute to forming an appropriate Development Strategy for the Paraguayan economy. I also hope it enhances the friendly relations between the two countries.

I wish to express my sincere appreciation to the Paraguayan counterpart team and others concerned for their close cooperation throughout the study.

November 2000



Kunihiko Saito

President

Japan International Cooperation Agency

November 2000

Mr. Kunihiko Saito
President,
Japan International Cooperation Agency

Dear Mr. Saito,

Letter of Transmittal

We, hereby, have the pleasure of submitting the "Study on the Economic Development of the Republic of Paraguay." The report describes the results of the Study conducted by Daiwa Institute of Research Ltd. and Pacific Consultants International, in accordance with the contract entered into with the Japan International Cooperation Agency (JICA).

Our Study Team carried out five field surveys between October 1998 and September 2000. While in Paraguay, the Team conducted a joint study with the Paraguayan counterpart team, composed of different ministry officials, to formulate development strategies along with projects for implementation, in order to enhance the economic competitiveness. In the process, skills and technology were also transferred to Paraguay. Based on results of the field surveys in Paraguay and study activities in Japan, the team prepared this report, in cooperation with the Paraguayan side.

In view of the urgency of strengthening the economic competitiveness and the socio-economic development of the Republic of Paraguay as a whole, we recommend that the Paraguayan government implement these suggestions without delay.

We wish to take this opportunity to express our sincere gratitude to the Technical Secretariat of Planning and other authorities concerned in the Republic of Paraguay for the kind cooperation and warm hospitality they extended to our Team. We also wish to express our deep gratitude to your Agency, the Ministry of Foreign Affairs, the Japanese Embassy in Paraguay, and the JICA Paraguay office.

Very truly yours,



Hidesuke Kotajima
Team Leader,
The Study on the Economic Development of the
Republic of Paraguay