

Webinar

Emerging Stronger after COVID-19:

Science, Technology, and Innovation for Sustainable Development

Panelist

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EARTH INSTITUTE | COLUMBIA UNIVERSITY

TECO-NY
Taipei Economic & Cultural Office in New York

**Emerging Stronger After COVID-19:
Science, Technology and Innovation
for Sustainable Development**



Mitigation of COVID-19 Economic Impact in Paraguay: An STI Approach

Fernando Rivarola – Ministry of Finance – July 16th 2020

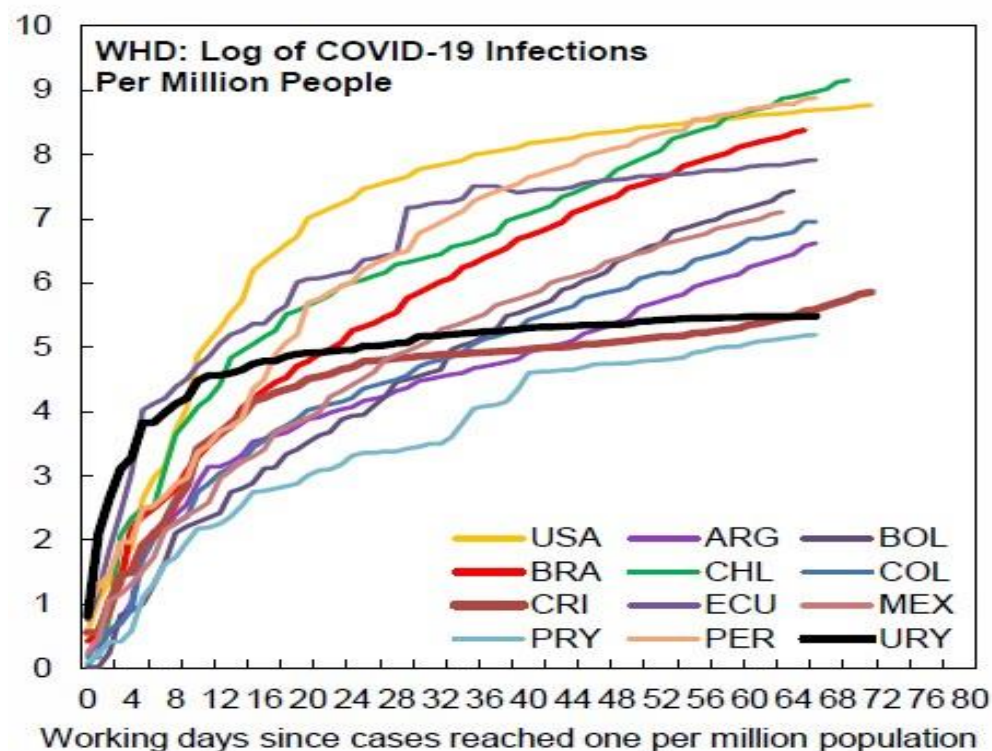


OUTLINE

- **Economic Impact**
- **Short term mitigation: Immediate reaction to the emergency**
- **Long term mitigation: Recovery Plan**

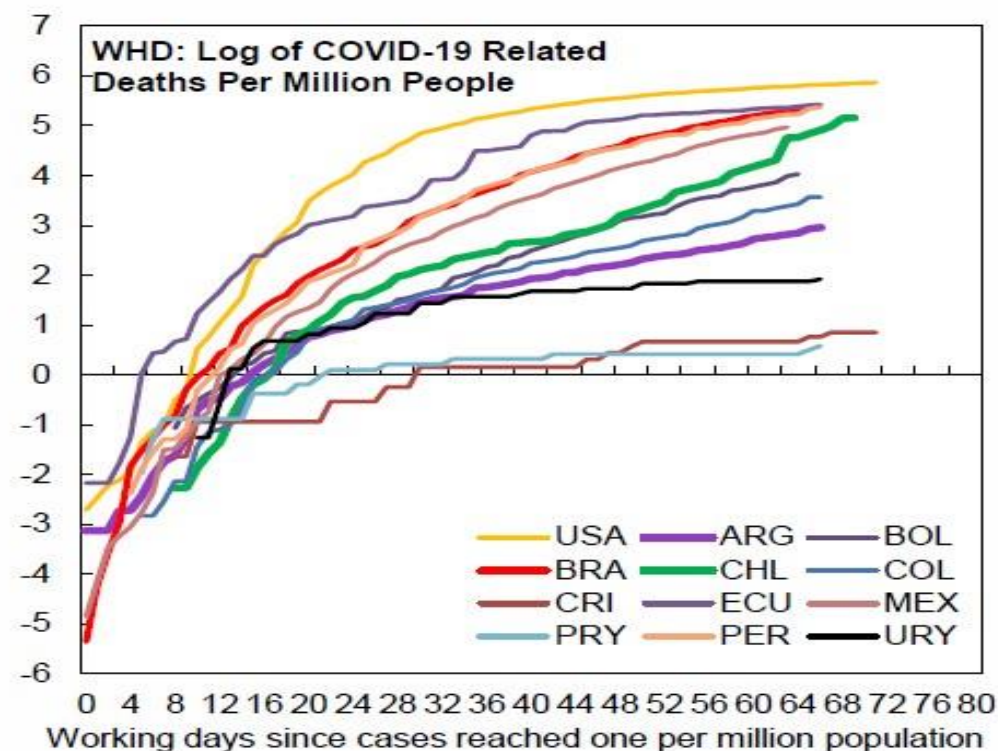
Resisting the advance of Covid-19

Focusing on contagion containment



Sources: Johns Hopkins University; and IMF staff calculations.
Note: $t = 0$ is the 1st day in which infections per million people ≥ 1 .
Data as of June 18, 2020.

Among the fewest deaths per million people

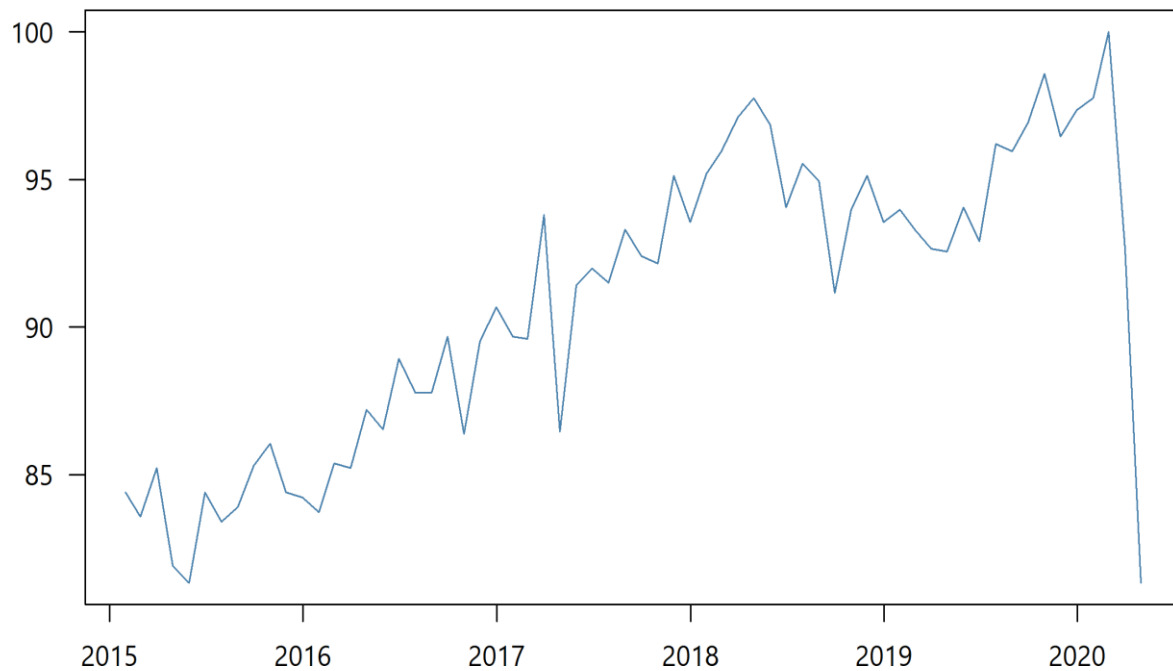


Sources: Johns Hopkins University; and IMF staff calculations.
Note: $t = 0$ is the 1st day in which infections per million people ≥ 1 .
Data as of June 18, 2020.

Lockdown has led to a steep drop in activity

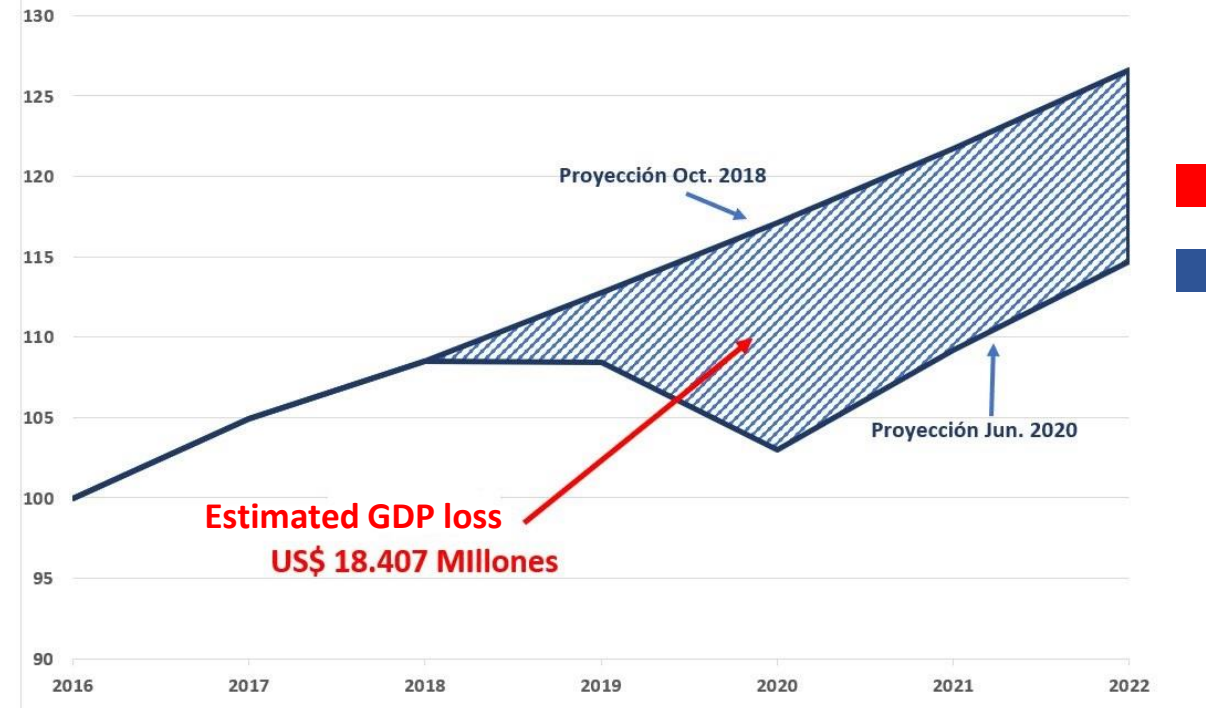
Paraguay: Main Economic Indicators

(February 2020=100)



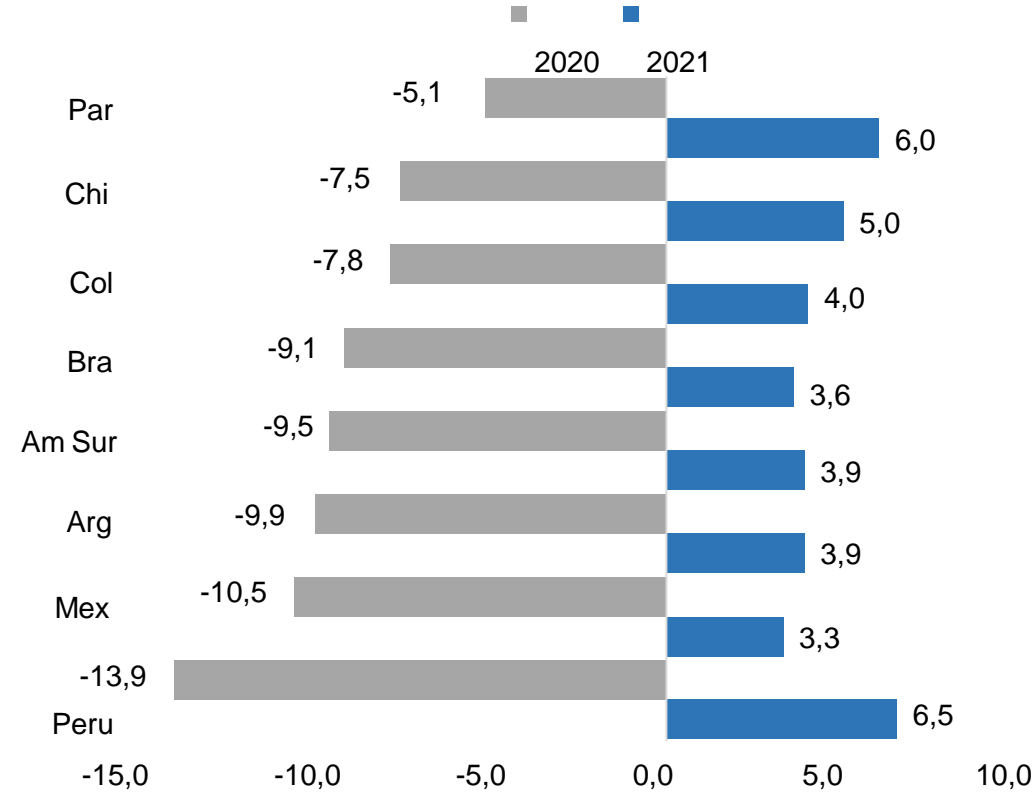
Real GDP Growth

Projections: 2018 vs. 2020

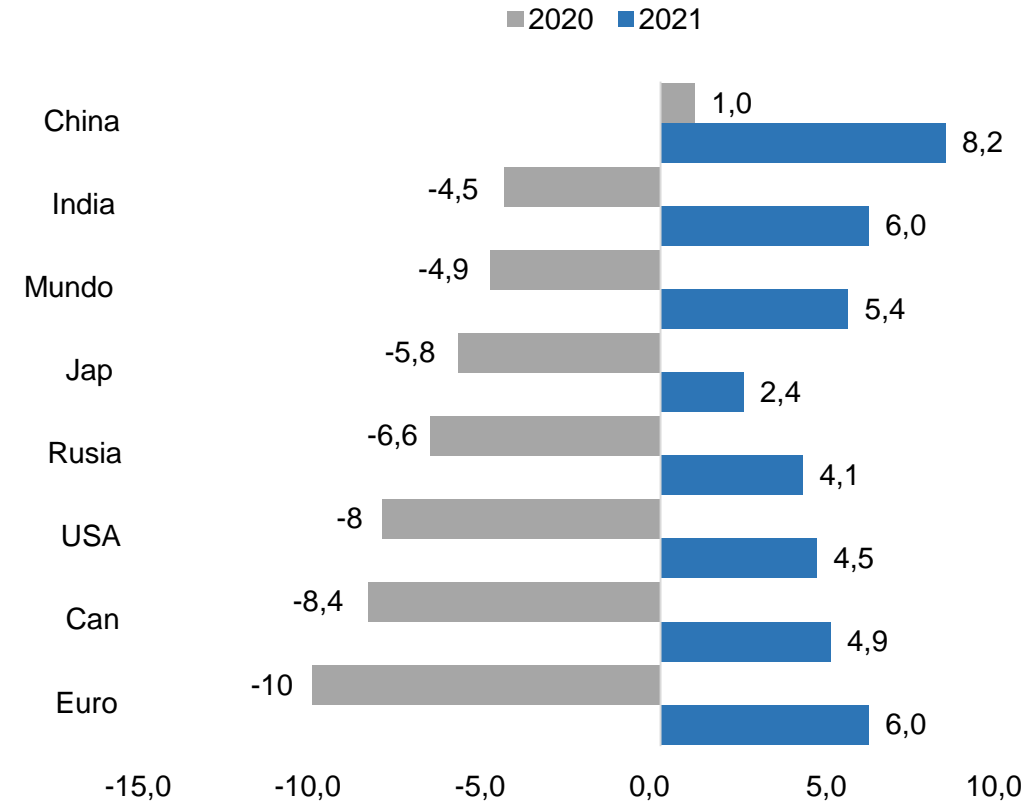


However, showing some resilience to impact

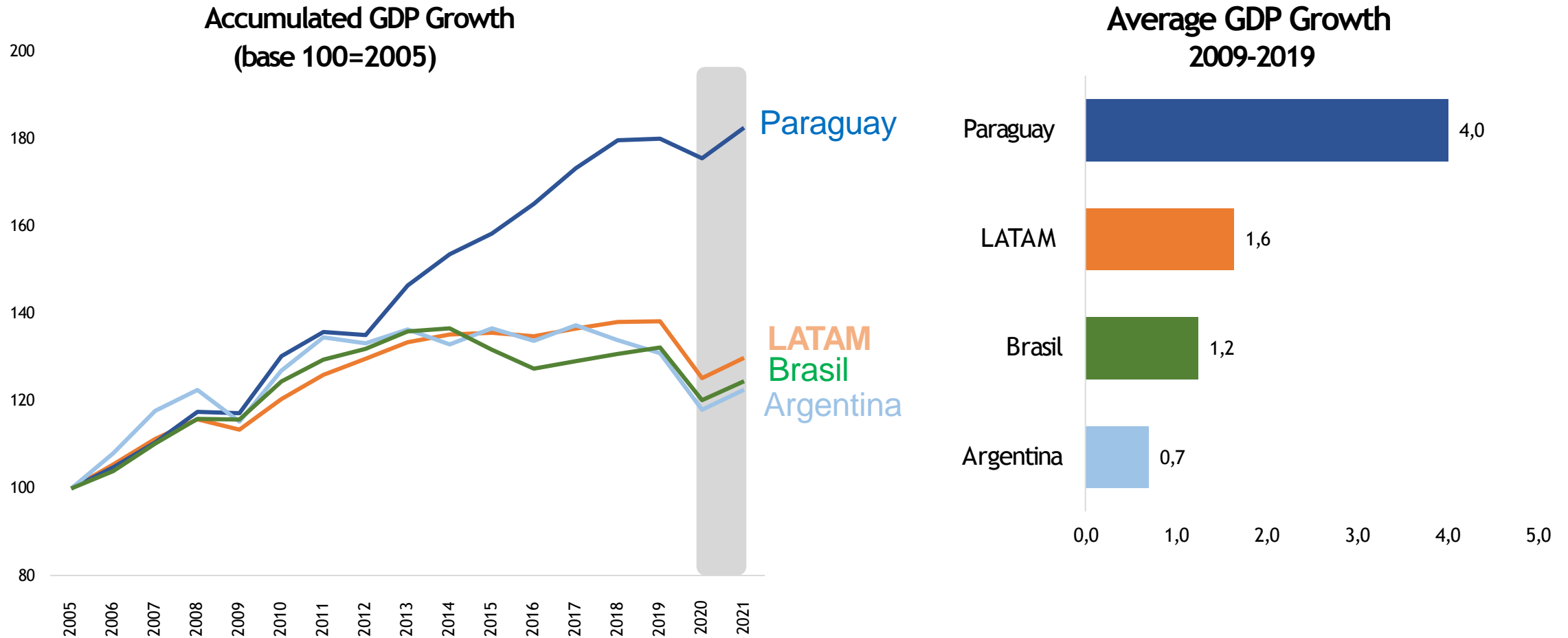
Deep Recession, but not as deep as other countries...



Biggest Global GDP fall since 1929



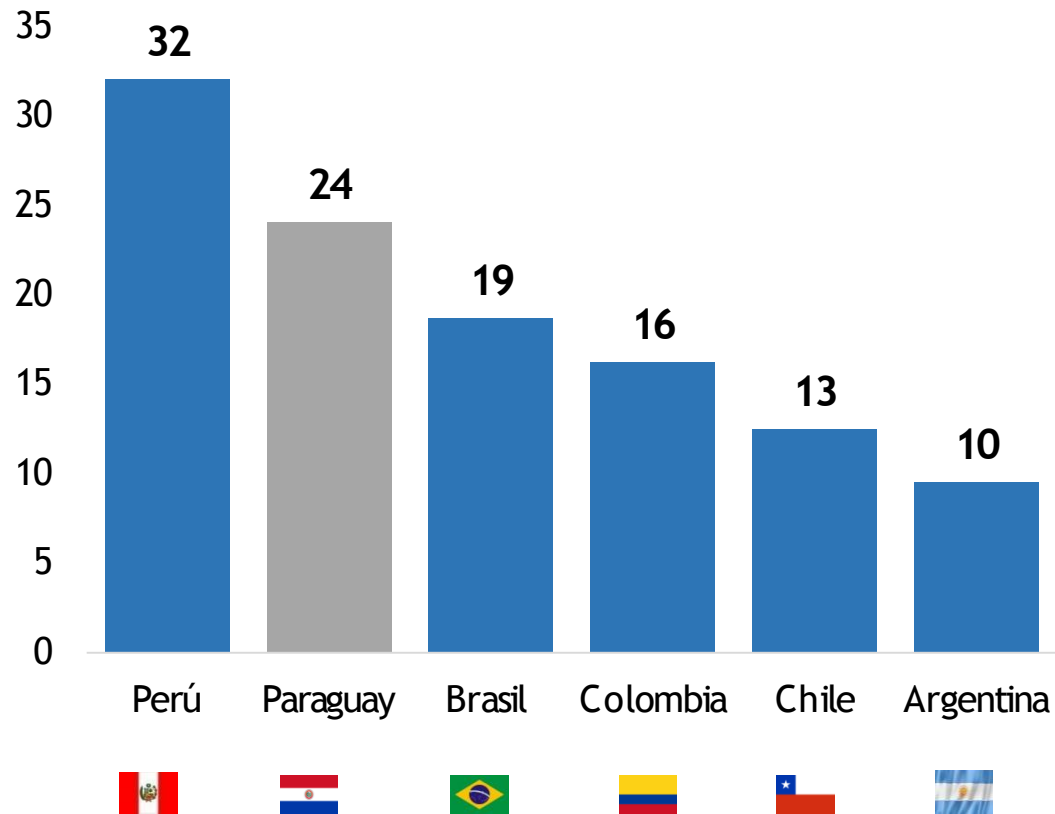
Paraguay entered the crisis with sound fundamentals and sustained economic growth



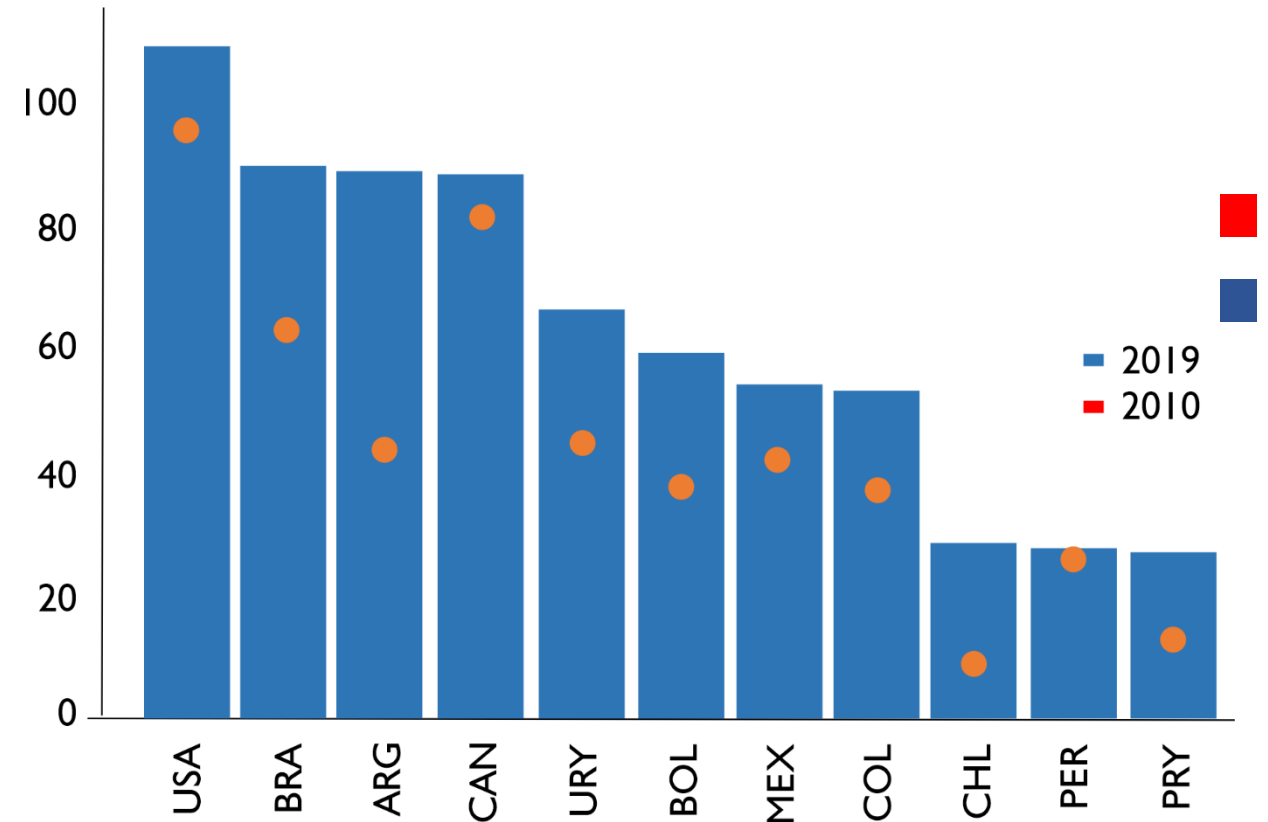
Sources: FMI (WEO), BCP

Maintaining solid foundations

International Reserves (% of GDP)
May 2020



External Debt (% of GDP)
2019 and 2010



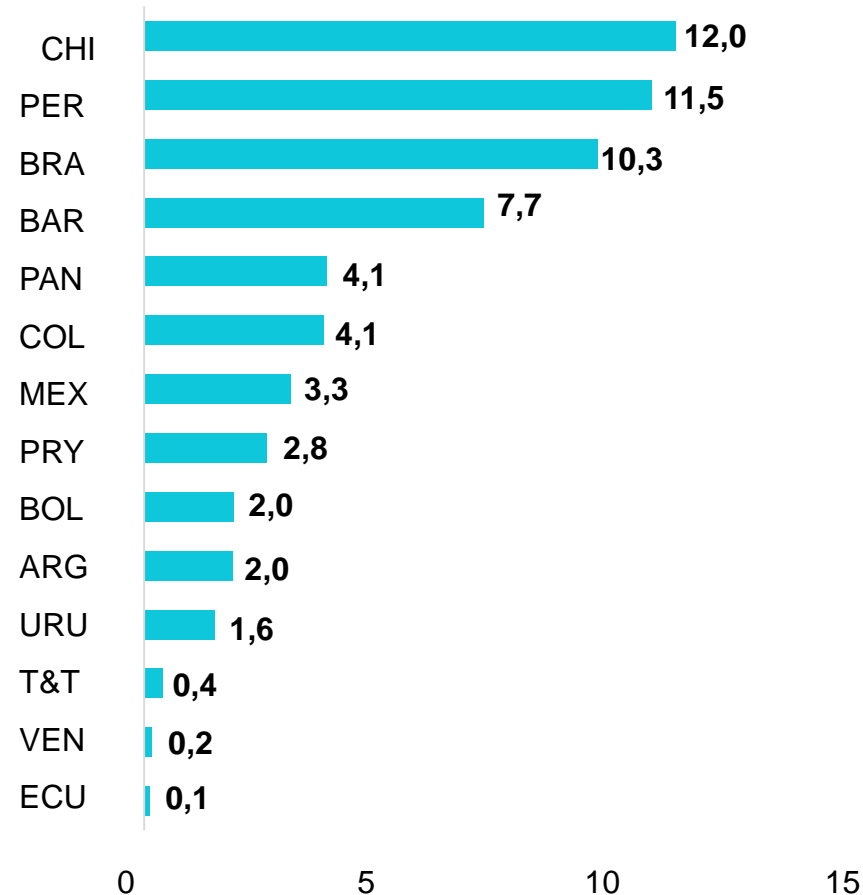


Short Term Mitigation: Immediate reactions to the Emergency

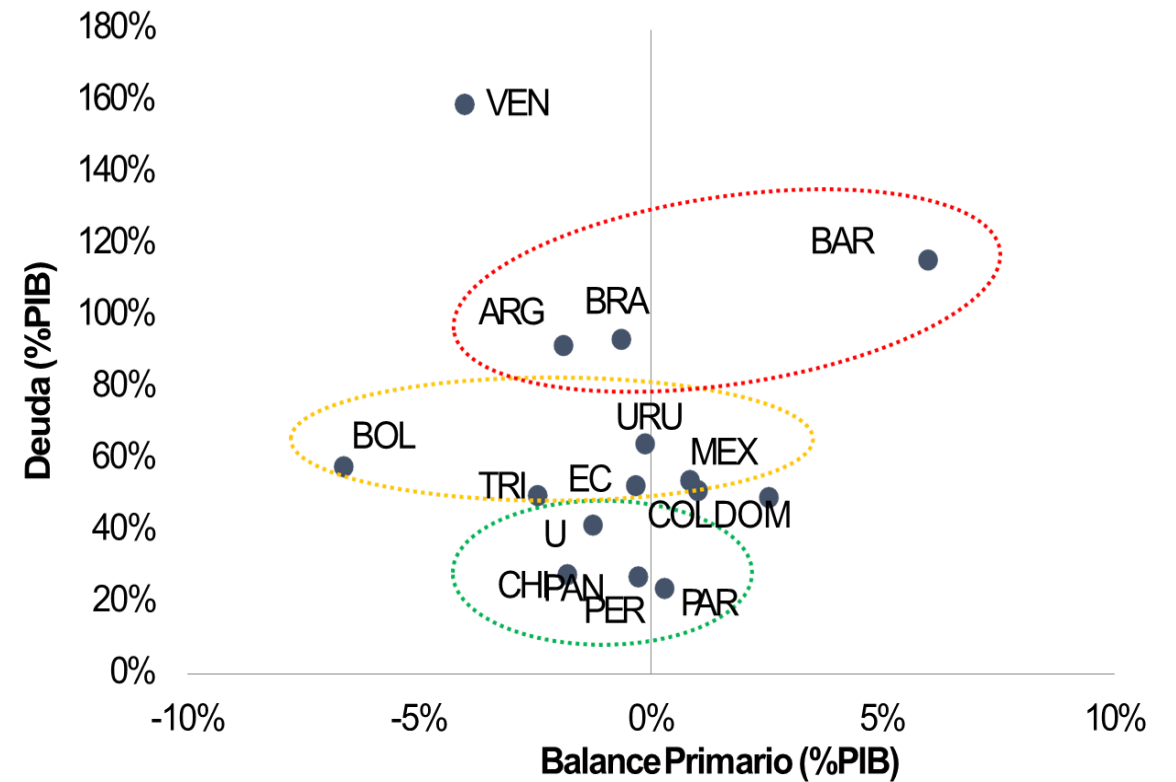


The only way through...

Size of Fiscal Packages
(%GDP) June 2020



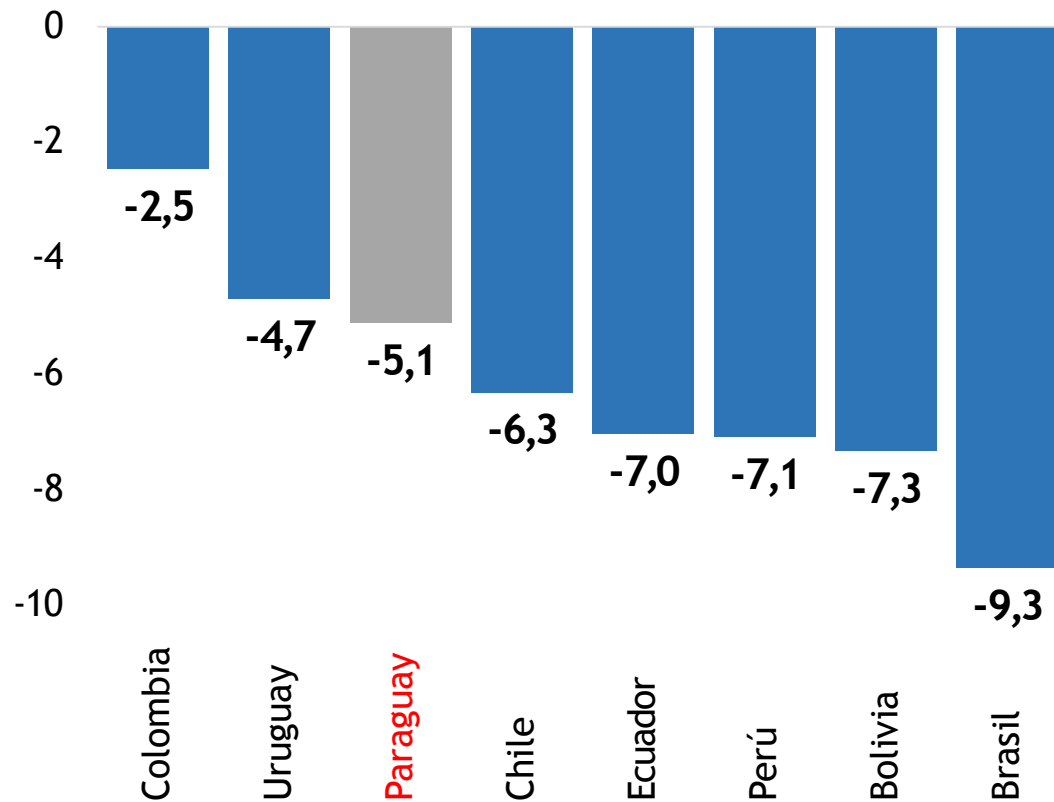
Gross Public Debt and Primary Balance
(%GDP) 2019



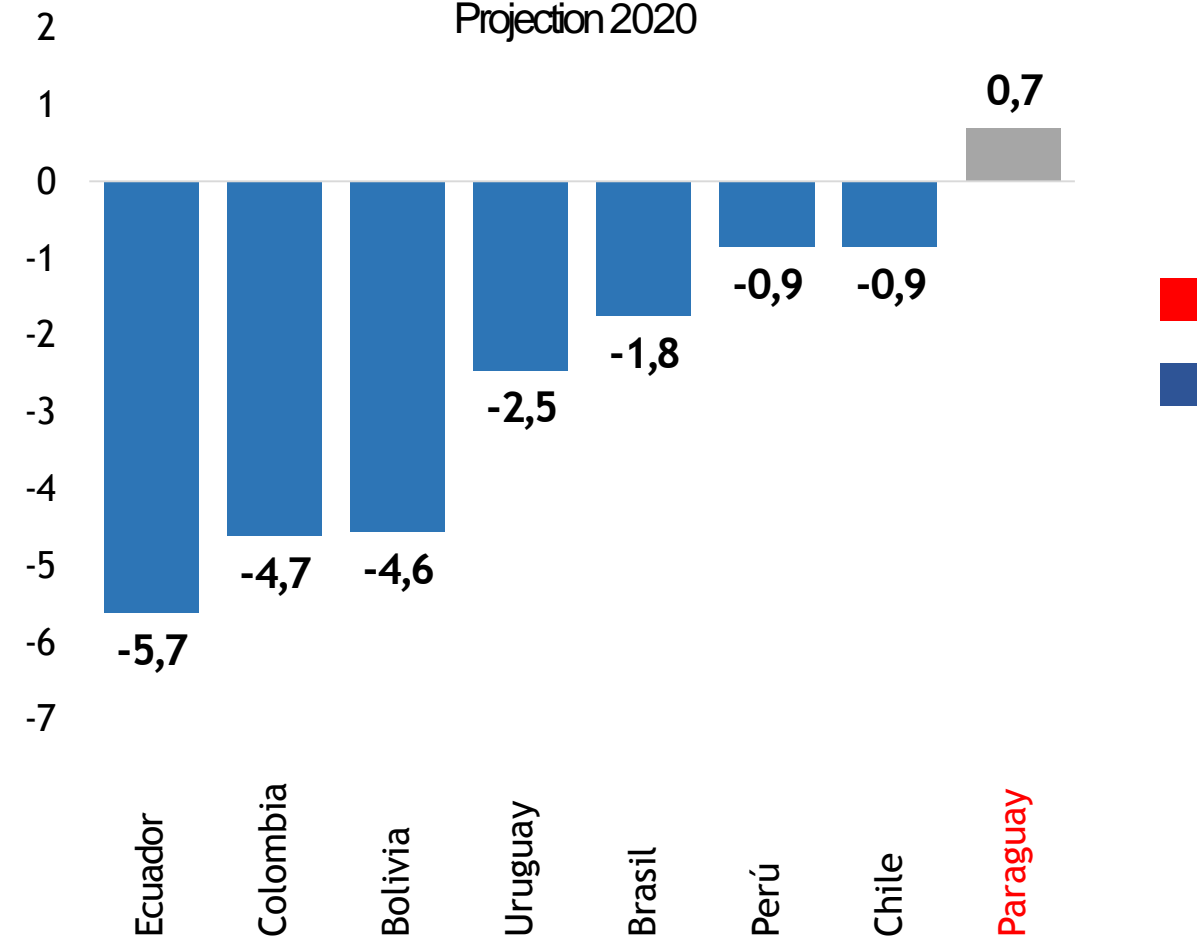
Fuente: CAF basado en IMF World Economic Outlook Oct-19, datos oficiales y estimaciones propias.

Paraguay does not have twin deficits

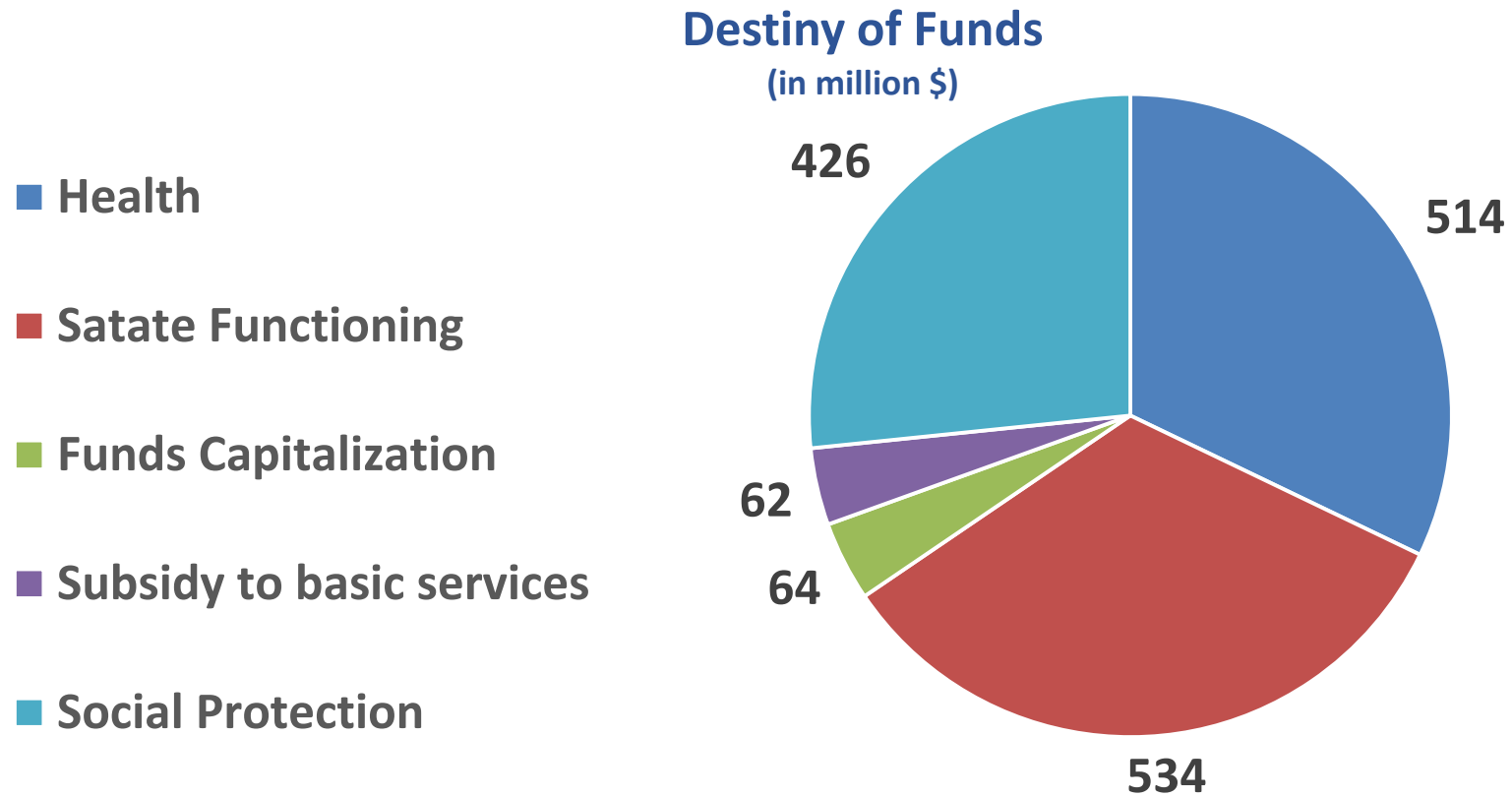
Fiscal Balance (%GDP)
Projection 2020



Current Account (%GDP)
Projection 2020



Enough Fiscal Room allowed us to take credit for U\$D 1,600 Million





Long Term Mitigation: The Recovery Plan



Three Approaches to Action

State Transformation



Social Protection



Investments for Employment



Credits for Development

Social Protection – U\$D 861 Million



Implementación a partir del **segundo semestre** del año (julio - agosto 2020)

Business and Labor Reconversion



Some KEY sectors that have been identified



**Creative industries
and ICT Services**



**E-commerce and
Courier for the Frontiers**



**Agribusiness with
Added Value and
Regional logistics**



- Actualmente ya se cuenta con 106.792 estudiantes inscriptos en cursos e-learning.
- Asesoramientos a MIPYMES para acceso al crédito con BNF.
- 2.700 beneficiarios en el Programa de Capacitación del Pequeño Productor Rural.

Fuente: MTESS

USD 1,372 Million

Is the Public Investment estimated for the second half of 2020, generating more than 120,000 direct and indirect jobs



La inversión total en el 2020 alcanzaría USD 1.842 millones

Electronic Government

Through the ICT Ministry for the next following months

**More than
2,000 public
schools with
internet
connectivity**

**New
systems for
public
operations
and
electronic
files**

**Setting up
new ICT
equipments
on health
centers
throughout
the country**

**Digitalization
of people
files on the
Civil Registry**

**Free internet
connectivity
in public
parks**

**Setting up
internet
connectivity
in more than
1,000 Police
Stations**

Financing mechanisms to address Credit Market constraints and provide more liquidity

1

Long term funds for Private Investment

2

Guarantee Funds for Housing

3

Compensation funds for small businesses

4

Credits from the Development Agency

5

Capitalization of funds for Agribusiness

6

**Capitalization of funds for Cattle
producers**

7

Easening of the monetary policy

TOTAL RECOVERY PLAN



Transversal Reforms for the State Transformation



Thank you!