

Webinar

Emerging Stronger after COVID-19:

**Science, Technology, and
Innovation for Sustainable
Development**

Panelist

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International Cooperation and
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Center for Sustainable Development
EARTH INSTITUTE | COLUMBIA UNIVERSITY



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



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

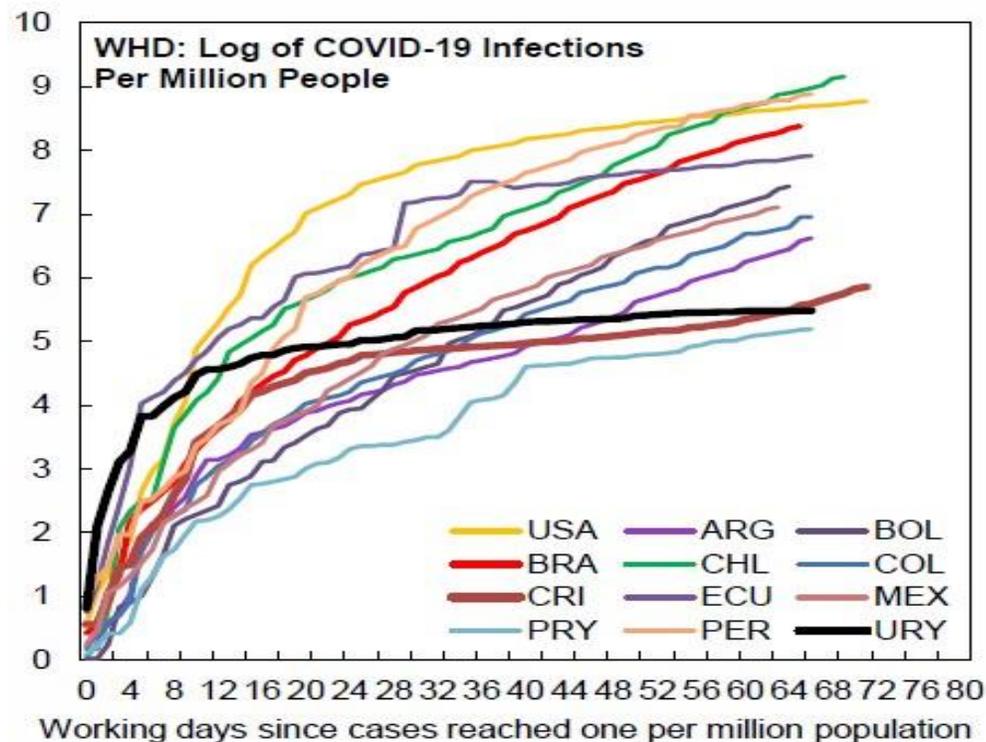
Fernando Rivarola – Ministry of Finance – July 16th 2020

OUTLINE

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

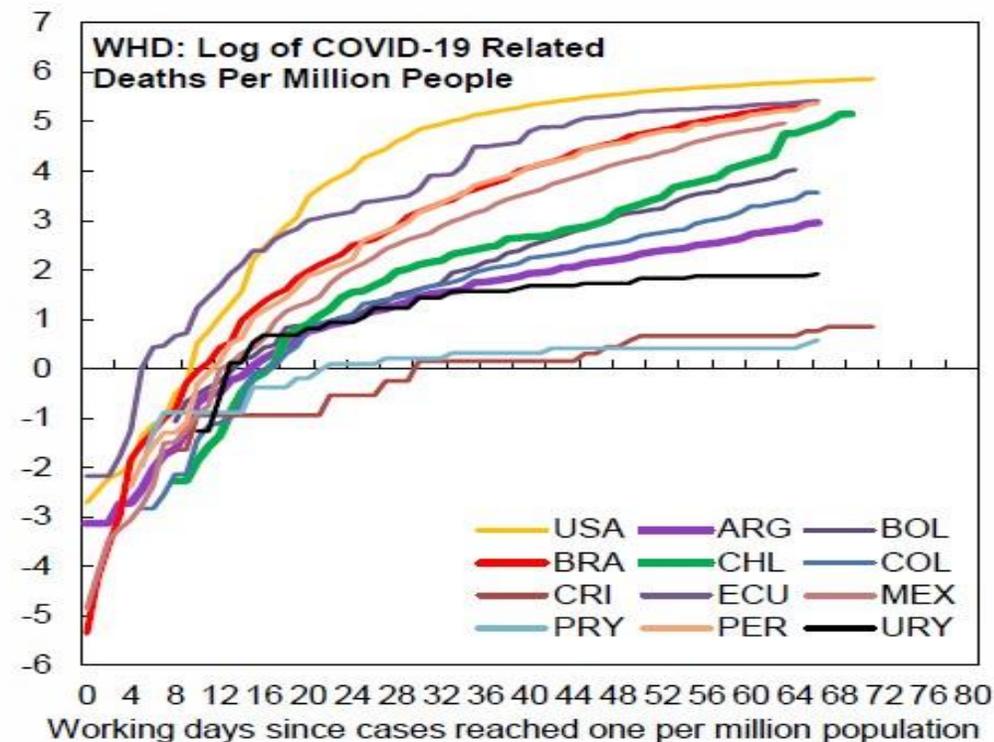
Resisting the advance of Covid-19

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

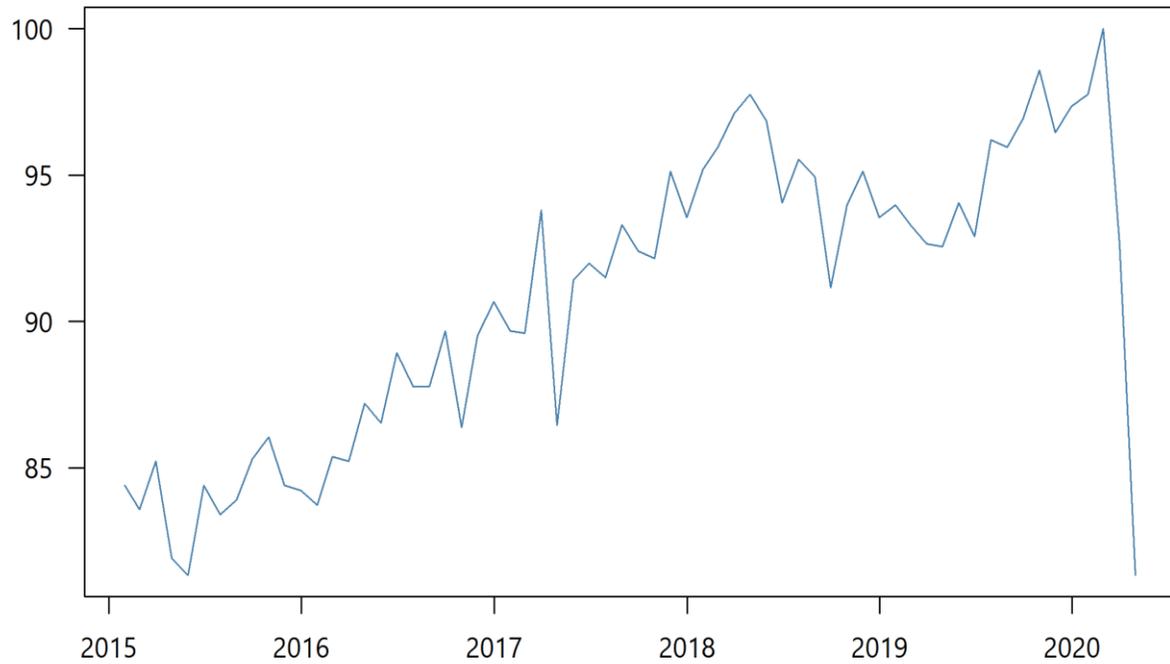


Sources: Johns Hopkins University; and IMF staff calculations.
 Note: t = 0 is the 1st day in which infections per million people ≥ 1 .
 Data as of June 18, 2020.

Lockdown has led to a steep drop in activity

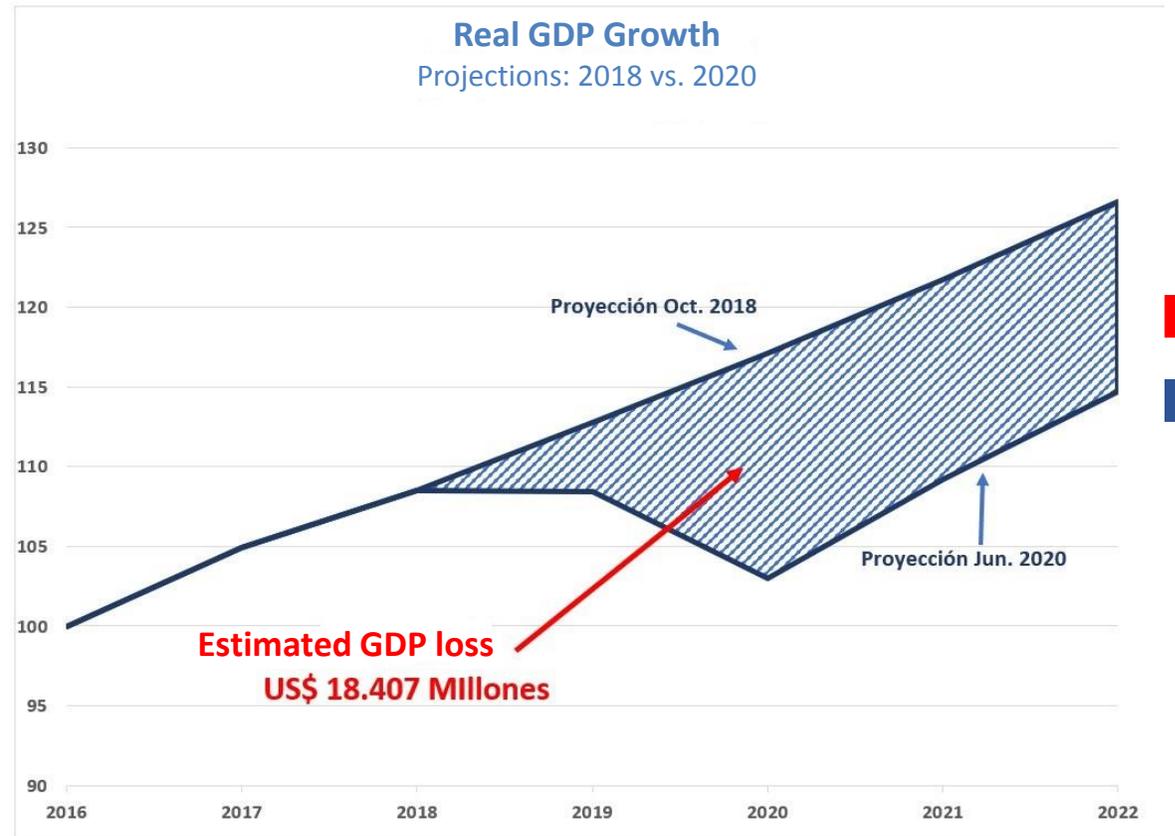
Paraguay: Main Economic Indicators

(February 2020=100)



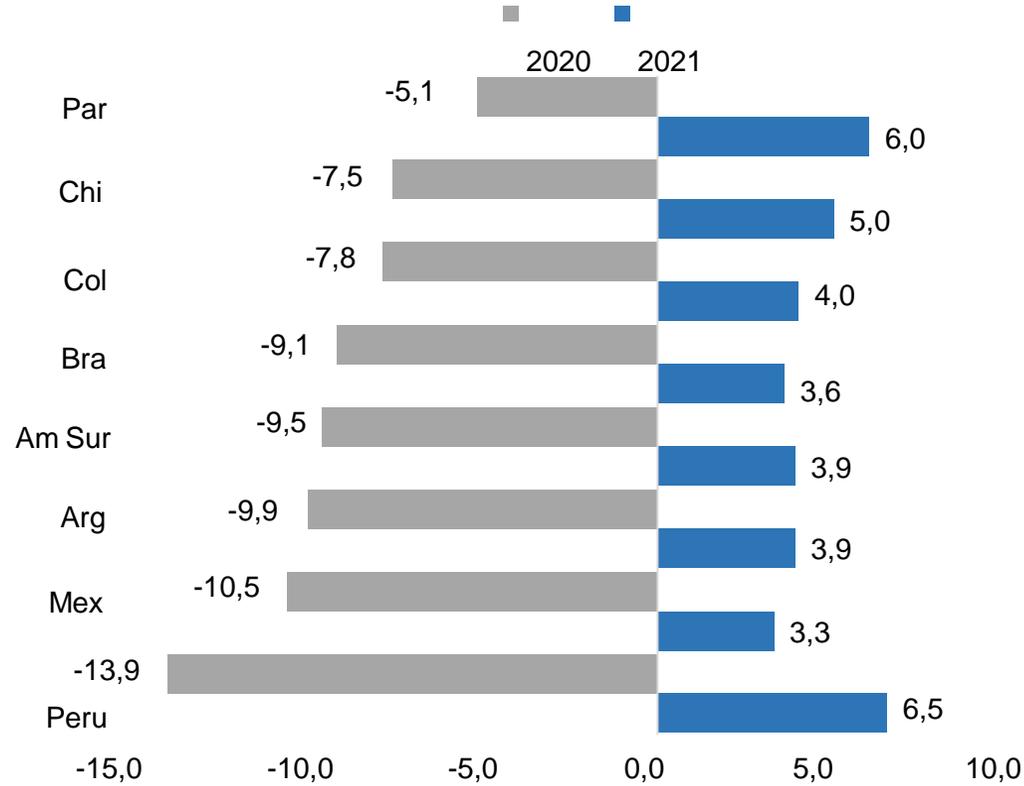
Real GDP Growth

Projections: 2018 vs. 2020

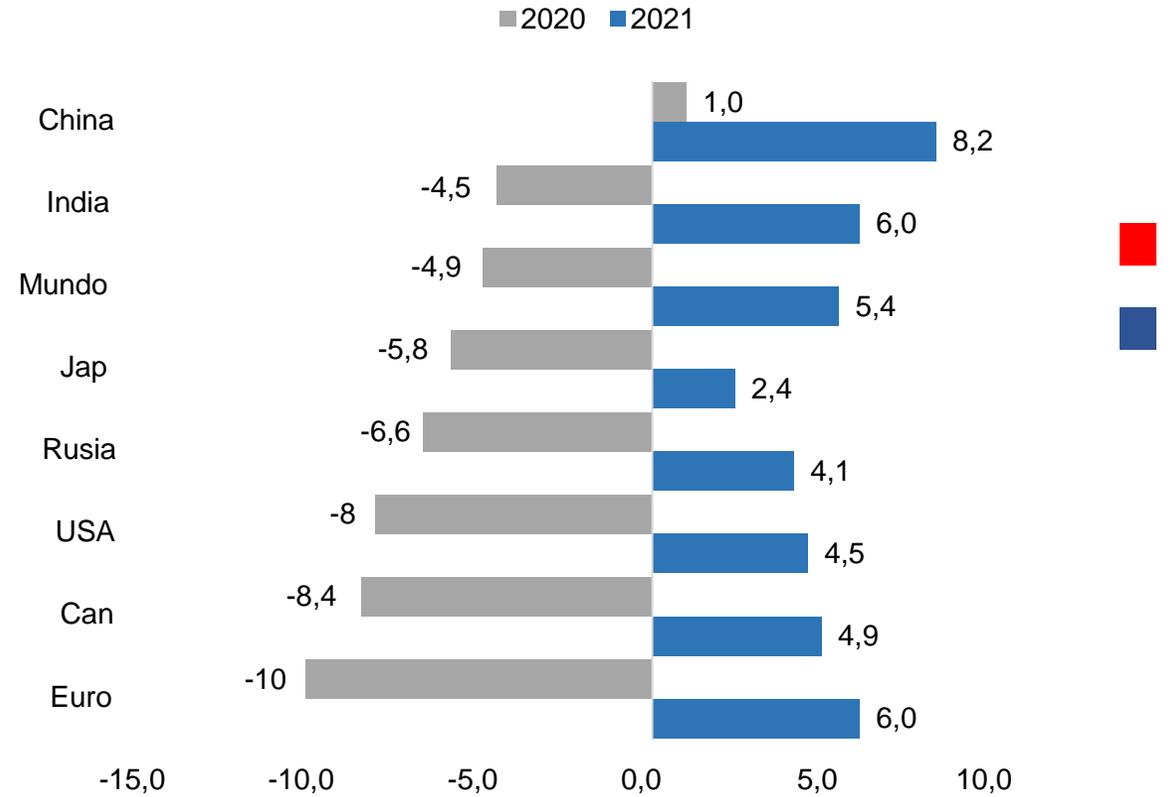


However, showing some resilience to impact

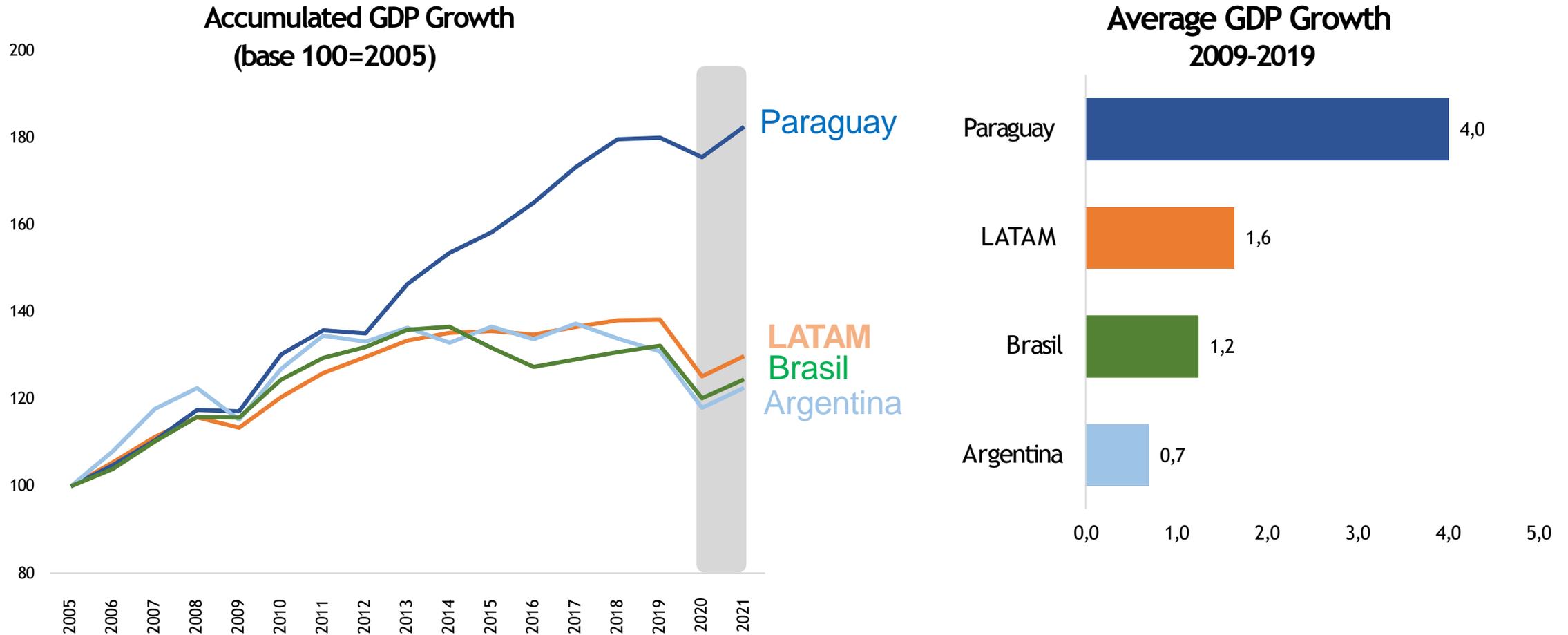
Deep Recession, but not as deep as other countries...



Biggest Global GDP fall since 1929



Paraguay entered the crisis with sound fundamentals and sustained economic growth

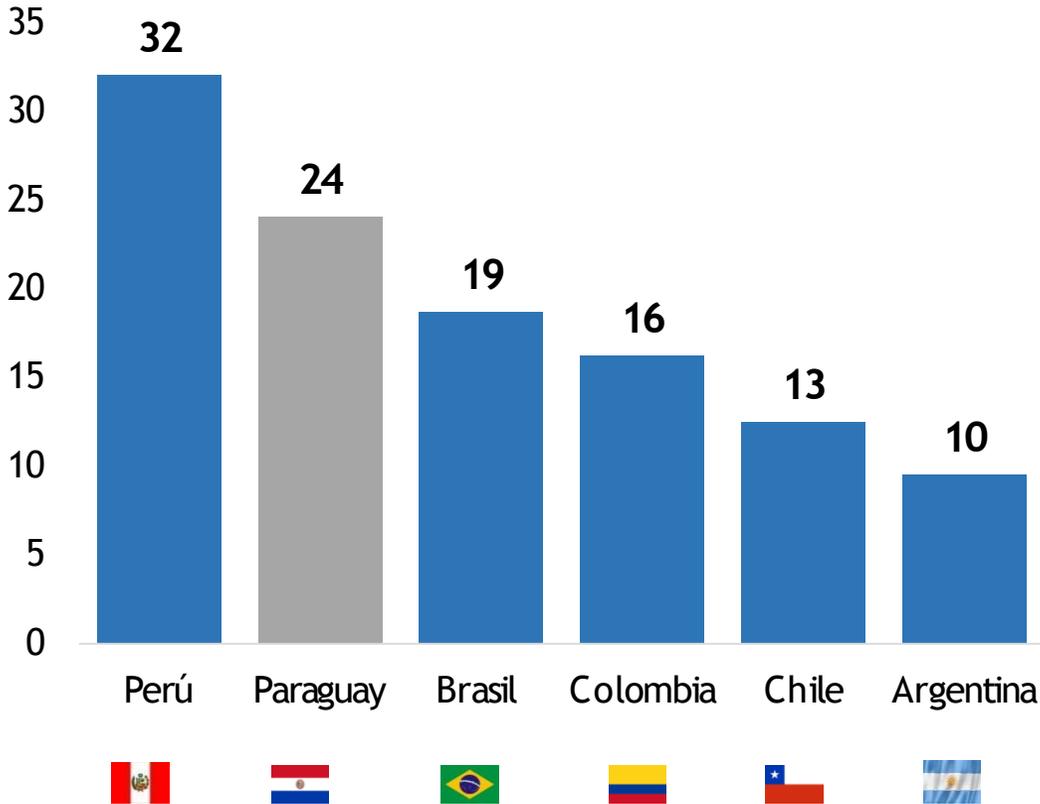


Sources: FMI (WEO), BCP

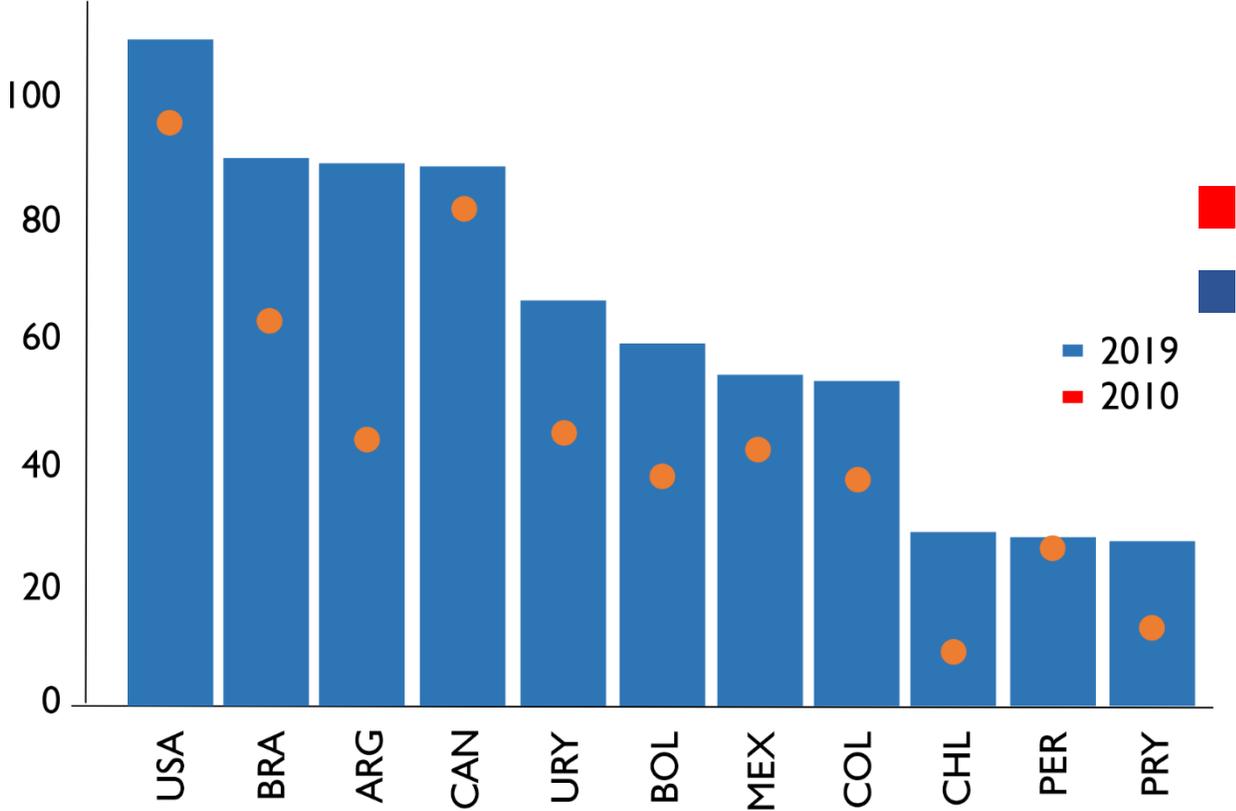


Maintaining solid foundations

International Reserves (% of GDP)
May 2020



External Debt (% of GDP)
2019 and 2010



Source: FMI, BCP, Bloomberg



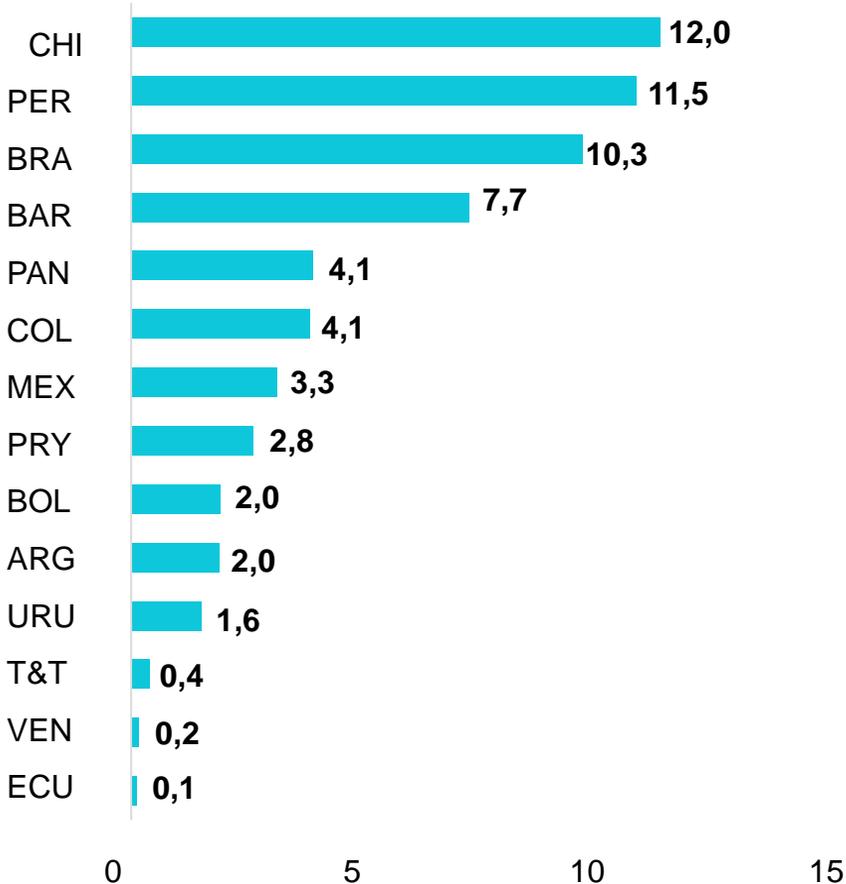


Short Term Mitigation: Immediate reactions to the Emergency

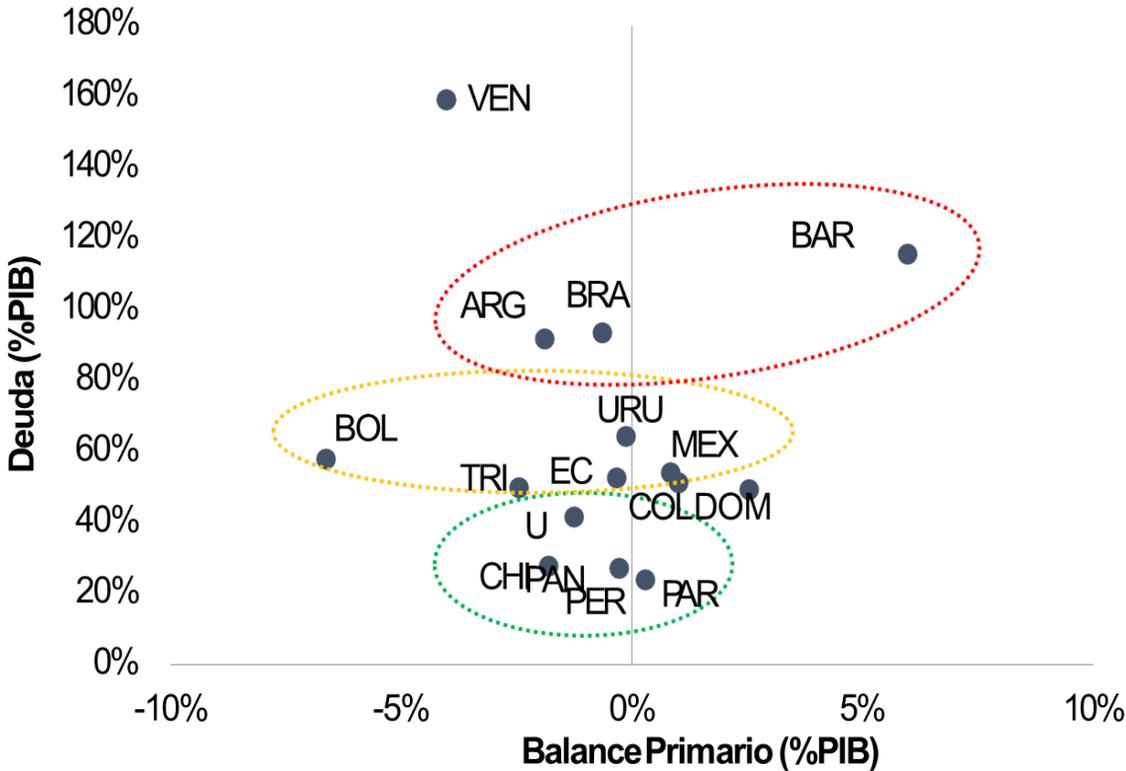


The only way through...

Size of Fiscal Packages (%GDP) June 2020

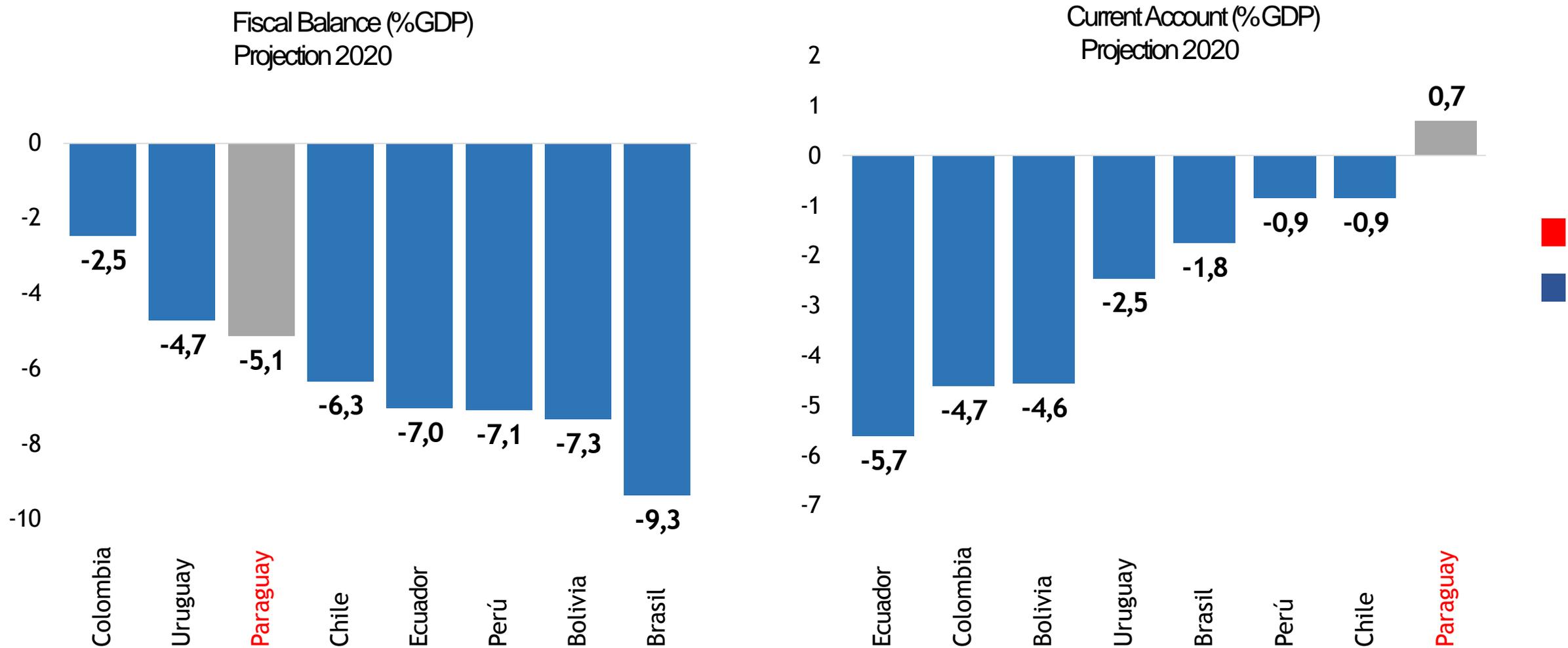


Gross Public Debt and Primary Balance (%GDP) 2019



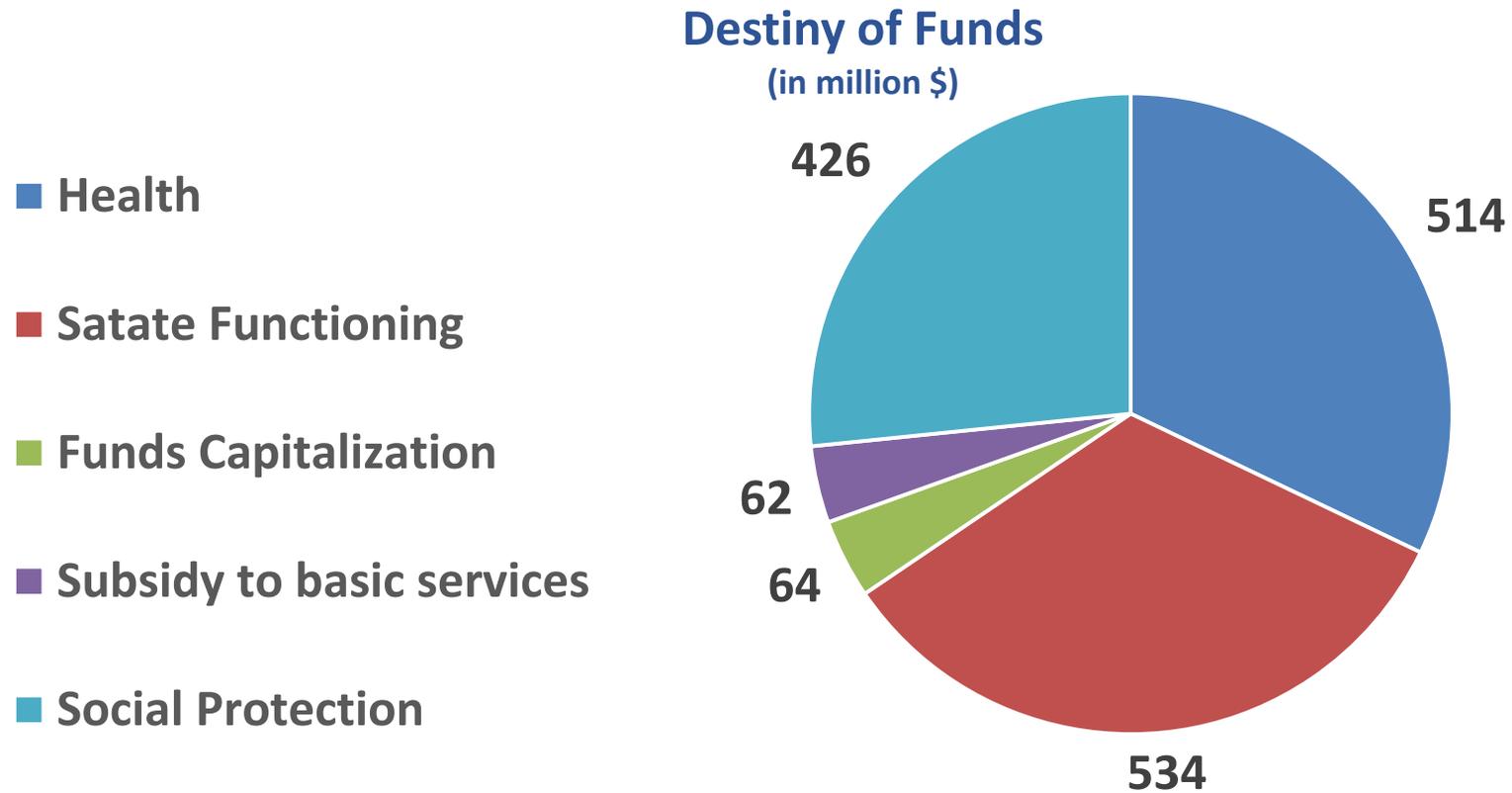
Fuente: CAF basado en IMF World Economic Outlook Oct-19, datos oficiales y estimaciones propias.

Paraguay does not have twin deficits



Fuente: FMI, BCP.

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

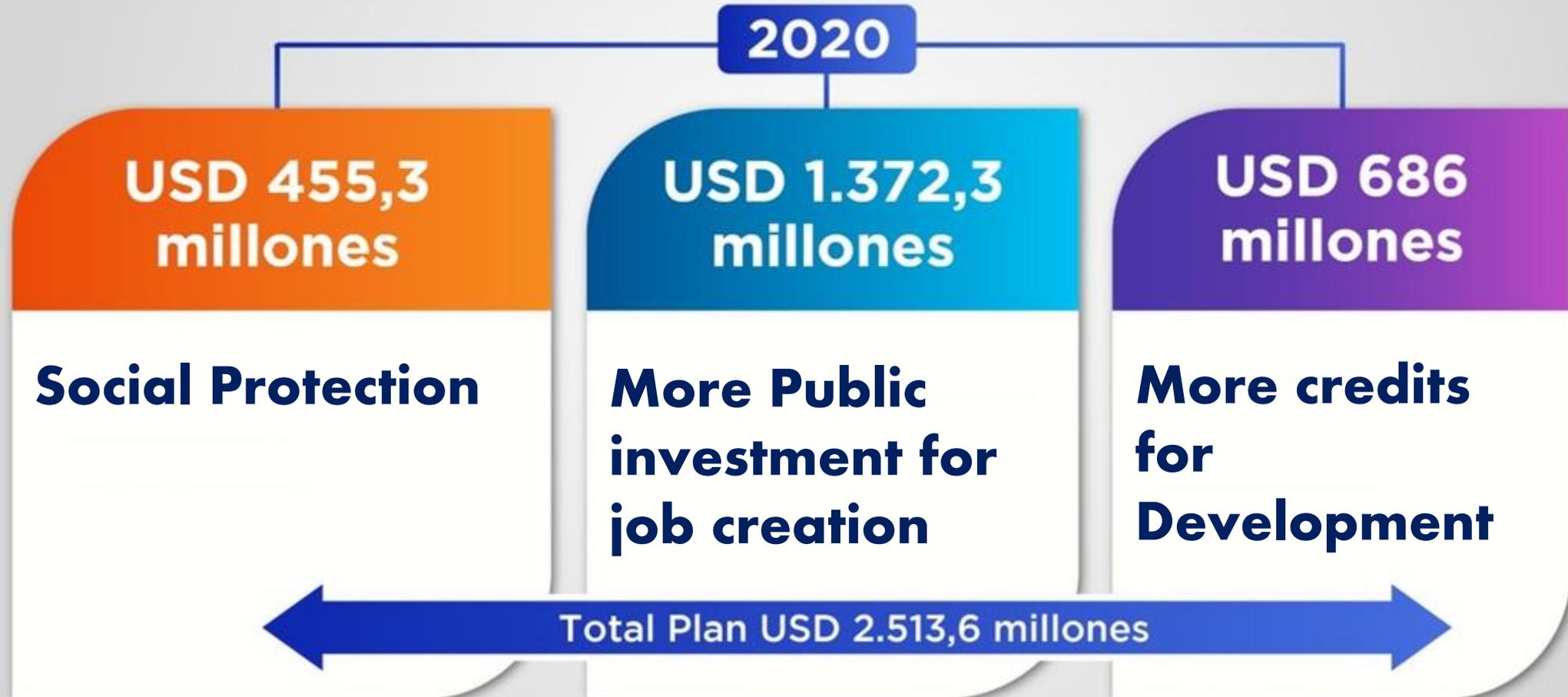
6

Capitalization of funds for Cattle producers

7

Easening of the monetary policy

TOTAL RECOVERY PLAN



Transversal Reforms for the State Transformation



Thank you!

