

**WORLD TRADE
ORGANIZATION**

RESTRICTED

WT/TPR/G/146
31 March 2005

(05-1272)

Trade Policy Review Body

Original: English

TRADE POLICY REVIEW

PARAGUAY

Report by Paraguay

Pursuant to the Agreement Establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), the policy statement by Paraguay is attached.

Note: This report is subject to restricted circulation and press embargo until the end of the meeting of the Trade Policy Review Body on Paraguay.

49. The National Customs Directorate is the institution responsible for administering import procedures. These procedures are set forth in the Customs Code (Law No. 2.422 of 5 July 2004) which entered into force on 11 January 2005, replacing the previous code (Law No. 1.173/85)³. The National Customs Directorate controls imported products through the use of different channels. The new Customs Code incorporates the channel system and defines the channels explicitly.

50. Decree No. 13.721, notified to the WTO in 2004, establishes supplementary regulations to Laws Nos. 260/93 and 444/94, by which the WTO Agreement on Customs Valuation was ratified and declared to be the applicable standard for establishing the customs value of imports. Moreover, the new Customs Code (Law No. 2.422) introduces a special reference, in Article 261, to international agreements and the regulations thereto, which are to be taken into account when examining the Value Declaration.

51. Export procedures are set forth in the Customs Code (Law No. 2.422), which stipulates that all exporters be registered in the National Exporter Documentation Register (RNE) regulated by Decree 4.672/05. Exporters that have registered their companies through the computerized system SOFIA are exempted from this requirement, and their registration remains valid until April 2005. From April onwards, registration in the RNE will be mandatory.

Government procurement

52. Law No. 2.051 of 21 January 2003 (Law on Government Procurement – LCP), regulated by Decree No. 21.909 of 11 August 2003, establishes the statutory provisions governing all public procurement in Paraguay. Implementation of the Law on Government Procurement, and essentially of the procurement portal, altered the way in which procurement takes place in Paraguay. The main changes involve the establishment of a single legal framework for all agencies, giving greater security to suppliers and facilitating their participation. Standard tender documents also contribute to that objective. Access to information not only on procurement, but in other areas as well, has made it easier to exercise control: in this case, control of what the government plans to purchase, what it actually does purchase, how much it pays and from whom the purchase is made. A reduction in the time needed to pay the supplier has also encouraged participation by enterprises in the tendering procedures, essentially helping the small enterprises. Greater participation clearly means greater competition, and hence lower procurement costs for the State. Depending on the domain, costs have decreased by 20 to 30 per cent. While in some areas, such as fuels, costs have increased owing to the market situation, in others, for example medicaments, they have decreased by almost 40 per cent. Another important element is the simplicity of citizen control, which is in fact beneficial to the State as a whole. The transparency of procedures enhances the country's credibility, not only with taxpayers and suppliers, but also with international financial institutions.

Agriculture – Creation of new entities for animal health and plant health

53. The Paraguayan government is currently introducing changes in the organization and operational structure of the Ministry of Agriculture and Livestock (MAG), the main public body in the agricultural sector, in order to improve the efficiency with which it fulfils its basic roles and so that it can respond to the current and future realities of the agricultural sector.

54. As a part of this process, two new entities were recently created with legal personality under public law, independent and with their own resources: the National Animal Quality and Health Service (SENACSA) and the National Plant and Seed Quality and Health Service (SENAVE), which replace operational units that existed within the structure of the MAG.

³ Law No. 1.173/85, of 17 December 1985.