

# Paraguay National Day Special

## Longstanding economic ties lay foundation for future growth

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Paraguay is not very well-known among the Japanese, but it has caught the country's attention for more than 100 years. Paraguay has become a new home for thousands of Japanese people who

are attracted by its benefits and commercial opportunities. The country is considered an important development hub for businesses, being located in a strategic enclave in the heart of South America.

A former Spanish colony, Paraguay is geographically larger than Japan and smaller than France. It has a population of 7.4 million people, with a third of it concentrated around Asuncion. Both Japan and Paraguay have maintained growing cultural and commercial exchanges since bilateral relations began in 1919. This is especially true in the years following 1936, when negotiations laid the foundations for the arrival of the first colony of Japanese immigrants that year.

Over time, many Japanese settled in Paraguay before and after World War II, forming one of the most important foreign communities in the country. The community's economic strength resulted from their organizing cooperative societies of agricultural producers. The community was also involved in the important process of Paraguay's industrialization and capitalization, mainly by strengthening commercial ties with the Far East.

Paraguay has no coastlines, but it has important fluvial navigation routes with ports at two of the largest rivers in the world — Parana and Paraguay. These exit directly into the Atlantic Ocean through Buenos Aires or Montevideo, and by land to the ports of Paranagua and Santos in Brazil. Paraguay also has access to port facilities in the Pacific Ocean via Iquique and Antofagasta in Chile.

Paraguay's geographical location and its

economy, based mainly on the export of cereals, meat and other food industries, give the country more stability regarding international commodities markets and see it better prepared to face a global financial crisis in the wake of the COVID-19 pandemic.

Paraguay's advantageous location in the center of South America gives the country a key role in bioceanic projects, among them a railway project that seeks to unite Brazil with Chile, and a waterway system in the Rio de la Plata basin that has become crucial for exportation. Paraguay has the third-largest river fleet in the world, ranking behind the United States and China. It is thus not surprising that the significant Japanese shipyard company Tsuneishi Shipbuilding Co. established a base in Paraguay in 2011 after a long history of more than 60 years of relationship since the founding of the Kambara Kisen office in the city of Encarnacion in 1957.

The Japan International Cooperation Agency has accurate information on Paraguay's situation, since it has collaborated for several decades to develop the Paraguayan economy. The technical assistance it has provided has been auspicious, not only among Japanese immigrants and their descendants, but also to the entire Paraguayan society with the introduction of new agricultural products and the applica-

tion of technologies that have improved production.

Many of Paraguay's most important companies are owned by Japanese citizens or their descendants, as is the case of the Maehara Group, well-known for being the country's main egg producer; its activities also include cattle farming and operating financial and insurance companies. Other companies include the Toyotoshi Group that imports and distributes cars, spare parts and high-tech products from Japan, in addition to auto parts produced in Paraguay; Shiro-sawa Company, which produces foods and snacks (one of the main exporter of sesame to Japan); and Kurosu & Co., representing tractor and machinery brands; among other business groups. It is important to mention that an increasing number of Japanese companies are putting down roots in Paraguay. These companies, such as Fujikura, Yazaki and Sumitomo Wiring Systems, are mainly in the automotive sector.

In the face of the current COVID-19 pandemic, Paraguay was the first Latin American country to decree an early quarantine, resulting in the region's lowest number of infected and deceased people, and without collapsing the health system. It is still too early to forecast the impact this pandemic will have on the country's economy, but

because of its economic stability, Paraguay, as mentioned before, should avoid a worst-case scenario. This would be due to an expected high increase in the primary sector according to the Central Bank of Paraguay; the economy in total is expected to shrink 2.5 percent. Good luck Japan, good luck Paraguay.

*Eduardo Nakayama contributed to the creation of this article.*

*This content was compiled in collaboration with the embassy. The views expressed here do not necessarily reflect those of the newspaper.*



Colonia Yguazu was founded by Japanese immigrants in 1961. SENATUR



Workers at Toyotoshi Group, TG Cuir, make leather seats for Toyota and Lexus cars. TOYOTOSHI GROUP, TG CUIR

CONGRATULATIONS  
TO THE PEOPLE OF  
THE REPUBLIC OF PARAGUAY  
ON THE OCCASION OF  
THE ANNIVERSARY OF  
THEIR INDEPENDENCE

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to the People of  
the Republic of Paraguay  
on the Occasion of  
the Anniversary of  
Their Independence

 Mitsubishi Corporation