



SECTOR
AUTO PARTS
AND ASSEMBLY



AUTO PARTS AND ASSEMBLY SECTOR

By the year 2000, Paraguay had reached an industrial scale in the two-wheeled vehicle industry when the assembly companies applied for the benefits of the National Automotive Policy. This is the sector's specific incentive system, which encourages motorcycle assembly companies' installation.

By 2016, they had enough expertise and added four-wheeled vehicles to their production line.

The auto parts sector is divided into two segments: a) domestic auto parts manufacturers, oriented towards the domestic and replacement markets; and b) export auto parts exporters, supplying the main OEMs in the

region (Brazil and Argentina). They started operations in 2013 by producing wiring harnesses or wiring systems for vehicles, and ever since their production volume has been increasing, except for the pandemic period.

In 2020, Paraguay signed bilateral agreements in the automotive sector with Brazil and Argentina, respectively. The agreements established the legal framework for the development of the automotive sector in the country to access the markets of these two countries. The agreements established the legal framework developing the country's automotive sector to access these two countries' markets.



SECTOR POTENTIAL

Paraguay is part of the regional value chain of the automotive industry, thanks to its geographical location, competitive electricity costs, human capital, favorable business climate, and macroeconomic stability.

These favorable conditions, offered by Paraguay in the context of the "MERCOSUR" integration process, encouraged multinational industries in the sector to establish in Paraguay and access regional markets.

The size of the regional automotive industry offers growth opportunities through the increase in the percentage of participation in the value chain, of parts and components of Paraguayan origin.

Paraguay can become a key element in the regional value chain of electric vehicles, currently incipient but with a lot of potential.





INVESTMENT INCENTIVE SCHEMES

- **Law Nr. 4838/12** - National Automotive Policy.
- **ACE 74** - Bilateral Automotive Agreement Paraguay – Brazil.
- **ACE 13** - Bilateral Automotive Agreement between Paraguay and Argentina.
- **All current investment scheme apply** (See Country Profile)



MAIN SECTOR INDICATORS

Number of Auto part Companies in the Maquila Regime (CNIME)

20



Number of Assembly Companies (DPAN)

7



Number of Auto part Companies – Tier 2 (DPAN)

9



Number of employees
 (2021 – CNIME, DPAN)



9,773

Women
55%

Men
45%

Gender Distribution
 Auto part Companies in
 Maquila Regime (AIAP)

Foreign Direct Investment
 (2019 – Central Bank)



USD 246
 Millones

Origins of FDI (Industrial Development Directorate – MIC)



Germany



Brazil



Continental China



South Korea



United States



Japan



Uruguay



SECTOR

AUTO PARTS AND ASSEMBLY



Geographical Location of Companies



- Central
- Alto Parana

Gross Value of Industrial Production (Central Bank)



USD 246
Millions

USD 236.8
Millions
Exports
(2021 – Central Bank)



Main Items of Export (2019 – REDIEX)

- **USD 272.9**
Millions
Electrical conductors for vehicles
- **USD 3.2**
Millions
Other Auto Parts

Exports Distribution (2019 – VUE)



Brazil
82%



Argentina
13%



United States
5%





LIST OF MAIN COMPANIES

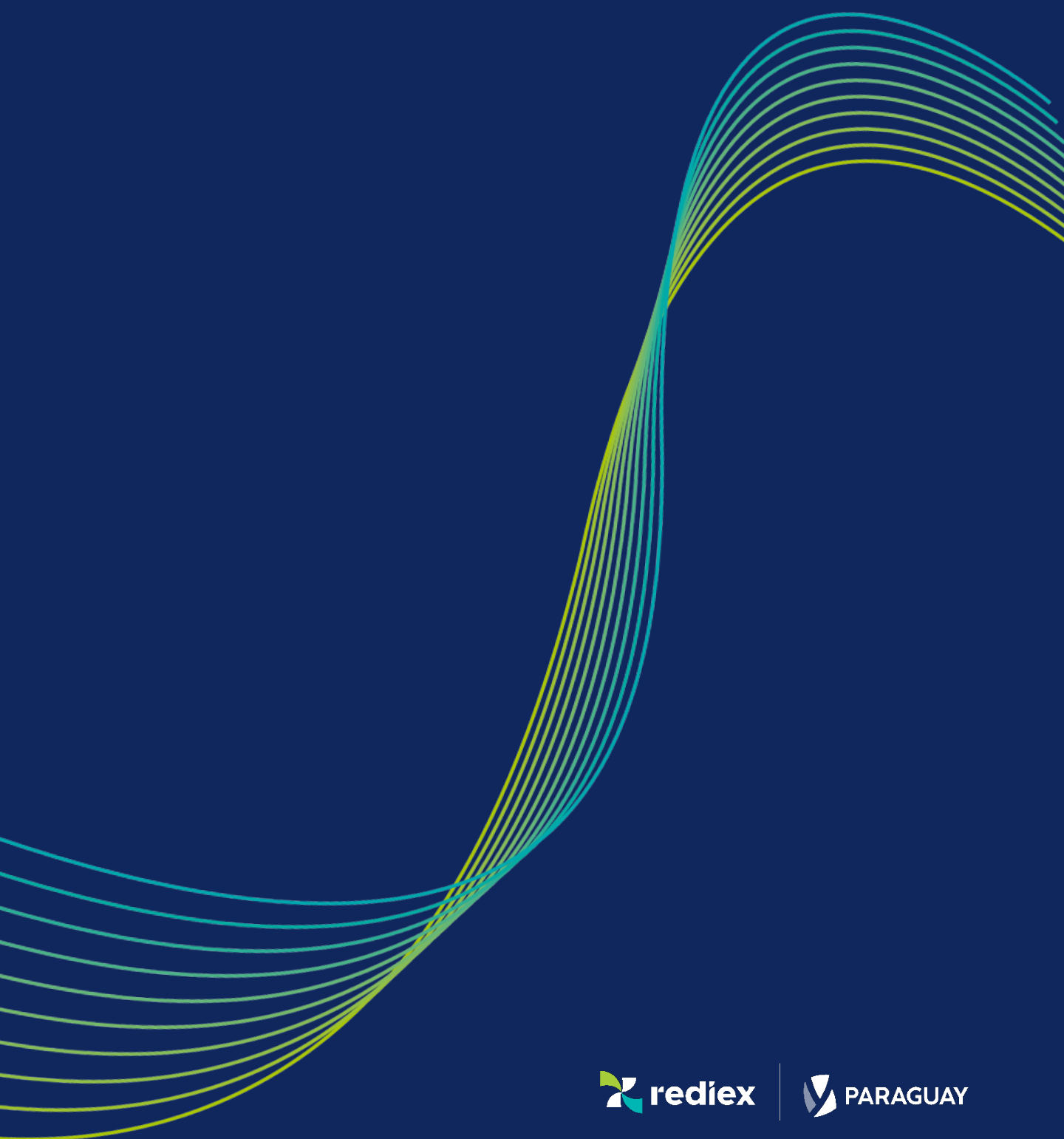
COMPANY	ITEM
• Yazaki Paraguay S.R.L.	○ Cable harnesses
• Leoni Wiring Systems de Paraguay S.R.L.	○ Cable harnesses
• THN Paraguay S.R.L.	○ Cable harnesses
• Fujikura Automotive Paraguay S.A.	○ Cable harnesses
• Sumidenso ParaguaY S.R.L.	○ Cable harnesses
• Kromberg & Schubert	○ Cable harnesses
• EDC S.A.	○ Automotive suspension parts
• I.F.A. Automotive Lightining S.A.	○ Electrical circuits for automotive luminaires
• MSK AS	○ Water pumps for light vehicles
• BP Americas Paraguay SA	○ Electronic products - Automobile radios
• FARRES SACEI-Química del Automóvil	○ Automotive accumulator
• CORSAT SRL	○ Metallurgy, auto parts and metal motorcycle parts
• Masterlat S.R.L.	○ Rubber and plastics industry
• Multiflex S.R.L.	○ Rubber and plastics industry
• Regopar S.A.	○ Rubber industry
• ELASTICOS SAJONIA S.R.L.	○ Suspension parts
• SAMBARIE S.R.L.	○ Vehicles for cargo and passenger transportation
• CHACOMER AUTOMOTORES S.A.	○ Vehicles for cargo transportation
• Alex S.A.	○ Motorcycles and cargo transportation vehicles
• Inverfín S.A.E.	○ Motorcycles
• Pauny Paraguay S.A.	○ Agricultural machinery – tractors



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