

APPENDIX 3 TO ANNEX XI

PARAGUAY – LIST OF MFN EXEMPTIONS

Sector or sub-sector	Description of measure indicating its inconsistency with Article 8.3 (Most-Favoured-Nation Treatment)	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
All sectors	Paraguay reserves the right to adopt or maintain preferential treatment in terms of market access and national treatment with respect to MERCOSUR States.	MERCOSUR States	Indefinite	Secure deeper integration processes with neighbouring countries
Internal Waterways Transport	Paraguay reserves the right to adopt or maintain national treatment measures with respect to international cargo transportation and passengers for authorised suppliers of the signatory countries of the “Hidrovia Paraguay-Paraná” treaty.	Argentina, Brazil, Bolivia, Paraguay and Uruguay	Indefinite	Promotion of regional integration

Sector or sub-sector	Description of measure indicating its inconsistency with Article 8.3 (Most-Favoured-Nation Treatment)	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
Bilateral investment promotion and protection agreements	The provisions of these conventions guarantee investors from the other contracting party freedom to transfer and invest capital and any other sum related to investments. They also guarantee investors against the non-commercial risks to which their investment is exposed.	Countries with which Paraguay has investment promotion and protection agreements	Indefinite	Bilateral agreements to provide improved conditions of legal security for the investment of foreign capital in Paraguay
Land transport	Paraguay reserves the right to adopt or maintain national treatment measures with respect to international cargo transportation and passengers for authorised suppliers of the signatory countries of ATIT (Agreement on International Land Transport).	Signatories are Argentina, Brazil, Bolivia, Chile, Paraguay, Peru and Uruguay.	Indefinite	Facilitate transport among neighbouring countries within the “Southern Cone” region on the basis of reciprocity treatment for service suppliers

Sector or sub-sector	Description of measure indicating its inconsistency with Article 8.3 (Most-Favoured-Nation Treatment)	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
Professional Services and construction	Measures or international agreements allowing for market access on a reciprocity basis or providing for differential treatment to specific countries.	All countries	Indefinite	Development of local policies and laws and regulations.