

Paraguay's Peña Wants More Ag Exports to China While Maintaining Ties With Taiwan

By Gene Kuleta

WASHINGTON—Paraguayan President Santiago Peña said Wednesday that he wants to increase exports, particularly of agricultural goods, to China while still maintaining formal diplomatic relations with Taiwan.

"The sector that we think we should expand our trade is agricultural production—grains and beef," Peña told the Advisor in an interview in Washington.

"We are very open. We think that Paraguay has good, high quality, competitive production. China is buying from the region, so it makes perfect sense for them also to buy from Paraguay. We are very clear that, from our side, there are no restrictions to maintain that relationship with China."

Paraguay is the only country in South America that maintains formal relations with Taiwan instead of China. Peña said breaking off relations with Taiwan won't happen while he is president. "They have been always pushing for not recognizing Taiwan any more, and we think that this is not something that is going to happen, at least not during my administration," Peña said in the interview. "We have a longstanding commitment with Taiwan. They have been very good friends."

Peña spoke with the Advisor after a round table discussion at the Inter-American Dialogue. He said during the discussion that his government is seeking to increase trade

with several countries and does not want to over-rely on any one trading partner. "We are now in the process of opening the Mexican market, the Japanese market. We argue that it is not good for countries if they have a high dependence on China," he said during the discussion.



Peña // Photo: Latin America Advisor.

Paraguay's agricultural sector has pushed for the country to establish relations with China in order to open the Asian country's market to products such as beef and soybeans. Peña said at the discussion Wednesday that Brazilian President Luiz Inácio Lula

da Silva has also tried to convince him to switch diplomatic recognition to Beijing.

"The pressure comes in different ways. One of the ways is from Brazil, our largest trading partner. President Lula in one of our conversations, he said to me, 'Santiago, China is so big.' I said to him, 'President, I recognize China is huge, but I'd rather cross the river to reach Brazil than to go all the way to the ocean to get to China,'" said Peña.

During his trip to the United States, Peña is also scheduled to visit San Francisco and has a series of meetings related to security and technology on his agenda.

On Friday, he heads to Taipei, where he is expected to attend the inauguration of Taiwan's new president, Lai Ching-te, who is to be sworn in on Monday.