

Economic & Commercial Report for the week ending 30th of March 2018

1. News analysis related to Trade

Peru:

i. OECD expects upturn in tax collection in the region (*El Comercio: 27/03/2018*) - The tax collection of Latin America and the Caribbean will rebound in the next few years before an expected improvement in the economic climate, although there are pending tasks regarding structural reforms and the income tax, said on Tuesday a report prepared by the OECD and ECLAC. The Organization for Economic Cooperation and Development (OECD) and the Economic Commission for Latin America and the Caribbean (ECLAC) highlighted that the rise in prices of raw materials promises a better outlook, after the tax collection on the GDP inter-regional fell 0.3 points year-on-year in 2016.

ii. Government plans to execute 367 projects in 13 regions of the country (*La Republica: 26/03/2018*) - As part of the reconstruction of the coastal El Niño that hit the country in 2017, the Ministry of Transport and Communications (MTC) plans to execute 367 land infrastructure projects in 13 regions of the country, for which resources of the tune of S/- 5912.5 million will be used by 2020. The MTC will deploy a two-phase strategy for this process. In the first stage of reconstruction planned for this year, the ministry will return all the national roads affected to the state prior to the occurrence of the phenomenon. In the second stage, called changes -which will be applied in 2019 and 2020- the improvement of infrastructures will be made based on the definitive technical studies. "The MTC will recover and improve the structures of 222 bridges, to which they will allocate, approximately S/- 1001.4 million," said the coordinator of the Ministry for Reconstruction with Changes, Paulo Mesía.

iii. Peru recognized at int'l food fair in India (*Andina: 27/03/2018*) - Peru won a bronze medal—in the foreign participants' category—for the outstanding presentation of its stand and products at the AAHAR 2018 International Food and Hospitality Fair, the Exports and Tourism Promotion Board (PromPeru) informed 27th March. Deemed as India's most important fair in the food industry, the event attracted foreign and domestic visitors, as well as manufacturers, distributors, and suppliers. The Peruvian delegation was composed of 11 firms which exhibited their exportable offer consisting of Superfoods such as quinoa, chia, dried fruits, nuts, cacao in different presentations, sauces made from capsicums, as well as energy drinks based on quinoa, maca, and other exotic fruits. Coffee, chocolate, purple corn, Cusco's giant corn (snacks with hot pepper, salt, or quinoa), and sacha inchi oil were also showcased on the occasion. As a result of this participation, deals worth US\$3 million are expected to be closed in the following 12 months. Moreover, the national delegation organized a tasting of avocados, a product that recently entered the Indian market. AAHAR 2018 International Food and Hospitality Fair took place on March 13-17 in New Delhi.

iv. MTC would award more than US \$ 665 million in six new regional broadband projects (*Gestion: 28/03/2018*) - The Ministry of Transport and Communications (MTC), through the Telecommunications Investment Fund (FITEL), plans to award this year, via the Private Investment Promotion Agency (ProInversión), six new regional "Band Installation" projects Broad for Integral Connectivity and Social Development ", with financing of US\$ 665.4 million, which includes a 10-year operation subsidy. The six projects will be developed in the regions of Áncash, Arequipa, Huánuco, La Libertad, Pasco and San Martín and will benefit 1.2 million Peruvians from 2,007 rural localities. The purpose of the projects is to increase access to telecommunications services through the installation of broadband transport networks, which will connect provincial capitals with district capitals through 9,881 kilometers of fiber optic.

Bolivia:

v. Ethanol will fuel growth of GDP by almost 1% in 2019 (*Cambio: 30/03/2018*) - The agroindustrial process for the production of ethanol biofuel will increase the growth of the national Gross Domestic Product (GDP) by almost 1% in 2019, informed Cambio, general manager of IBCE, Gary Rodríguez. According to the executive of the Bolivian Foreign Trade Institute (IBCE), this year the sugarcane sector of Santa Cruz department is committed to producing 80 million liters of anhydrous alcohol to generate ethanol through the state oil company YPFB, which would represent an economic movement close to \$ 60 million. The impact of the ethanol project will be diverse, Rodríguez added, because it will allow the creation of 27 thousand new jobs, in addition the fuel consumer will have a new alternative, the State will collect more taxes, there will be more economic movement and others.

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