

Economic & Commercial Report for the week ending 18th May 2018

1. News analysis related to Trade

Peru:

i. MEF estimates that GDP growth of 5% in April and 6% in May (*Gestión: 17/05/2018*) - The Ministry of Economy estimates the GDP growth between 5% and 6% in April and May. "With the measures that we can take in cooperation with Congress, we hope to resume the path of growth of our economy to reach 5% (annual) in 2021", said Minister David Tuesta. On the other hand, Tuesta explained that more than 50% of the fall in tax collection between 2012 and 2017 was mainly due to lower tax burden policies and SUNAT policies. He also explained that the fall in tax collection of 4% of GDP was due to lack of policies of Sunat (-1.4%), fall in export prices (-1.3%), lower tax burden policies (-0.7%), high demand of refunds (-0.3%) and, finally, the economic cycle (-0.3%).

ii. India expresses its intention to increase trade with Peru (*Gestión: 12/05/2018*) - The Vice President of India, Muppavarapu Venkaiah Naidu, affirmed that the Government of his country wishes to contribute to the development of Peru and strengthen its bilateral relations, which are 55 years old. "Peru is an important partner for us in Latin America, we want to strengthen the relations between our governments and congresses," said the vice president during a meeting with the President of the Peruvian Congress, Luis Galarreta. "This visit is made to strengthen bilateral relations that were established years ago," said Galarreta before expressing his desire to promote all mechanisms proposed by the Executive to strengthen trade and economic relations with India.

iii. Public investment rose 19.6% in April (*El Peruano: 16/05/2018*) - The general government investment increased 19.6% in April this year, driven by the progress of its three components (national, regional and municipal), which accumulates a growth of 15% in the first four months of 2018, reported the Bank Central Reserve (BCR). This investment remains at 4% of gross domestic product (GDP) since October 2017, after representing 3.8% of GDP between May and August of that year.

iv. Non-traditional agro exports grew 25% (*El Peruano: 15/05/2018*) - Shipments of agricultural and agro-industrial products abroad reached \$ 1.351 billion during the first quarter of this year, reported Adex. The most outstanding products were the grapes and mangoes, which together had a share of 47.7% of the total exports. They were followed by asparagus, other preparations used for feeding animals, avocado and cranberry.

v. GDP registers greater advance in the last 13 months (*El Peruano: 15/05/2018*) - In March of this year, the national production grew 3.93% compared to the same month of 2017, reported the National Institute of Statistics and Informatics (INEI). The March variation is the highest rate in the last 13 months since January 2017 (5.08%). Likewise, INEI announced that the national production in the first quarter increased 3.22% and 2.69% in the last 12 months (April 2017-March 2018).

Bolivia:

vi. Evo Morales affirms that economic growth already exceeded 4.5% in May (*El Deber: 12/05/2018*) - President Evo Morales assured that until this month of May, the growth of the Gross Domestic Product (GDP) of Bolivia has already reached 4.5% and it is expected to reach up to 5% by the end of the 2018.

vii. A favorable year for Bolivian exports is projected (*America Economía: 15/05/2018*) - The manager of Bolivia's private Bolivian Foreign Trade Institute (IBCE), Gary Rodríguez, projected a favorable year for Bolivian exports and economic growth, after the data obtained in the sector in the first quarter. An increase in Bolivian exports will improve revenues, overcome the trade deficit, increase the Net International Reserves (NIR) and boost economic growth.

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