

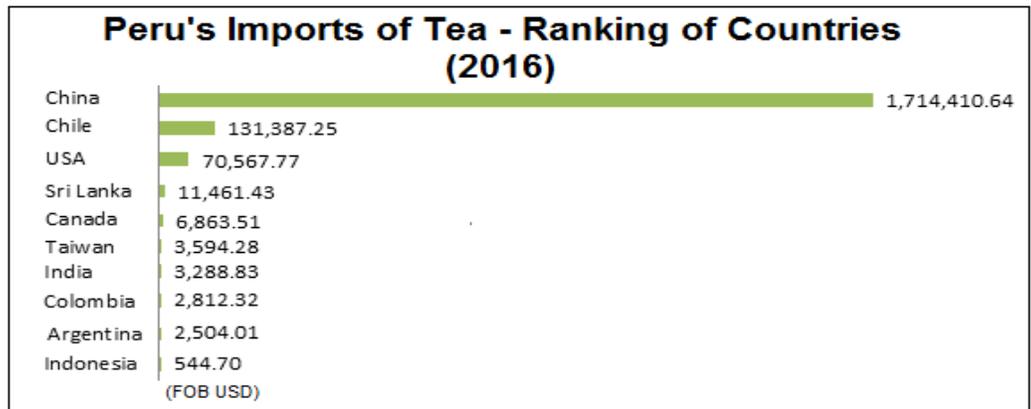
**Economic & Commercial Report for the week ending 23rd February 2017**

**1. Analysis of Trade Data (Peru)**

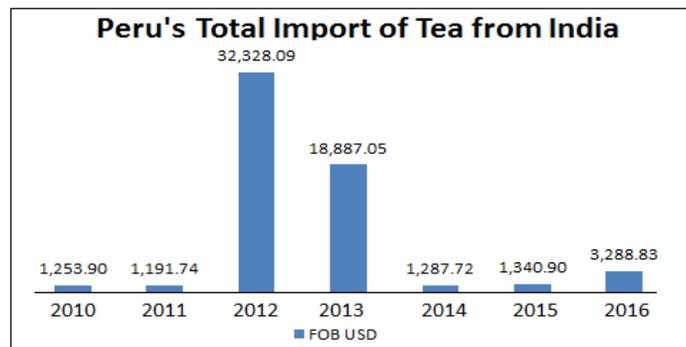
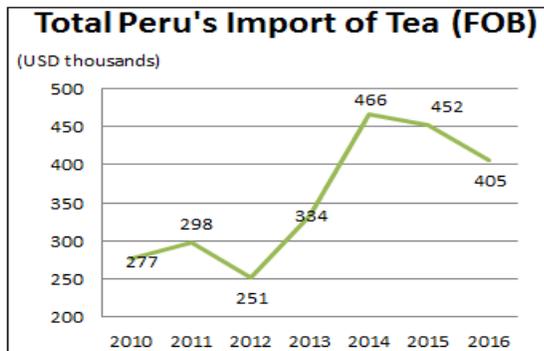
Per Capita Consumption of Tea in cups 2011 - 2021	
Chile	427.7
Argentina	94.8
Uruguay	80.3
Bolivia	75.2
Peru	35.8
Costa Rica	20.4
Colombia	11.6
Brazil	10.7
Mexico	10.2
Venezuela	7.6
Ecuador	1.9
Dominican Republic	1.0
Guatemala	0.9

**Peru: The 5th consumer of tea in Latin America**

According to the Euromonitor International Study, Peru has become an attractive market for this hot beverage industry, and is the fifth consumer of tea in Latam (consumption per capita of 35.8 cups), consuming more than Costa Rica, Colombia, Brazil, Mexico, among others. The sale of tea in Peru in the coming years will be around 138 USD million, 22% more than in 2016, in its varieties of fruits, herbs and greens.



As the consumption of tea is estimated to grow, Indian producers of tea should focus on exports to Peru of the product. As it is shown on the graphics, India's marketshare in tea exports to Peru is very less and it is an opportunity for India in the framework of the proposed Trade Agreement.



**2. New analysis related to Trade**

i. **Private investment will not grow this year** (*Gestión* : 17/02/2017) - According to Moody's, private investment would not show much growth during the first half of the year, but would recover in the second half. It has also corrected its estimation of country's growth to 3.7%, due to the suspension of the southern gas pipeline construction and the Odebrecht effect that may paralyze other projects.

ii. **Ladies Accessories Market attracts seven international brands** (*Gestión* : 21/02/2017) - The jewelry sector has become more attractive and competitive due to low-cost items and attractive products. Jewelry is already a new store category in malls and inside all department stores. This is the reason of the

interest of brands like Accesorize, Bimba and Lola, Dayaday, Romano and Bijuomania to invest in the Peruvian market. Doit is still the leading brand in the sector. In 2013, Doit became a multinational invoicing US \$100 million dollars with more than 450 stores. *(Doit is already importing bijouterie from India)\**

**iii. Southern Gas Pipeline tender to be relaunched in 9 months** *(Andina : 21/02/2017)* - Peru's government will appoint a Peru's Promotion Investment Agency (ProInversion) special committee to relaunch the Southern Gas Pipeline (GSP) tendering process in nine months. Formed by Odebrecht, Enagas and Graña y Montero, the Gasoducto Sur Peruano consortium was forced to return the concession after missing a financing deadline on January 23, amidst Odebrecht's massive graft scandal. The project was assessed US\$262.5 million in guarantees following the termination of the Southern Gas Pipeline contract.

**iv. Peru's exports to US up by 23% in 2016** *(Andina : 22/02/2017)* - According to Peru's Exports and Tourism Promotion Board (PromPeru), total value of Peruvian exports to the US expanded 23% last year as compared to 2015 (from US\$5.02 billion in 2015 to US\$6.18 billion last year). Such expansion was underpinned by a 54.5% rise in traditional exports (from US\$2 billion in late 2015 to US\$3.09 billion in 2016). Traditional mining exports went up by 92.5% last year, while traditional agricultural exports grew 37%. Peru's non-traditional exports of chemical, handicraft, iron and steel metallurgy, and farming industries rose 10.1%, 9.5%, 7.7% and 4.4% respectively last year.

**v. Mexican Company IGSA to invest US \$ 500 million in Peruvian health projects** *(Gestión : 23/02/2017)* - IGSA Medical Services plans to invest US \$ 500 million in Peru for the development of different health infrastructure projects since Peru offers good public policies and provides all necessary guarantees for foreign companies to invest in the country. IGSA entered the Peruvian market three years ago and has invested up to US \$ 12 million: US \$ 3 million in a renal patient care center in Huacho, and US \$ 9 million in the First Clinic of Sports Medicine in Peru, located in Callao.

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