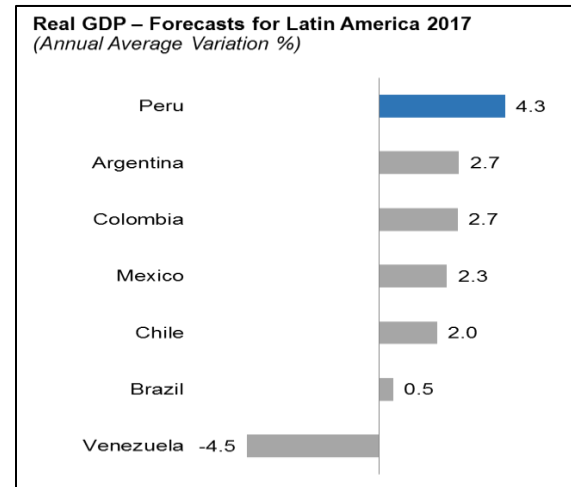


**Economic & Commercial Report for the week ending 31<sup>st</sup> March 2017**

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

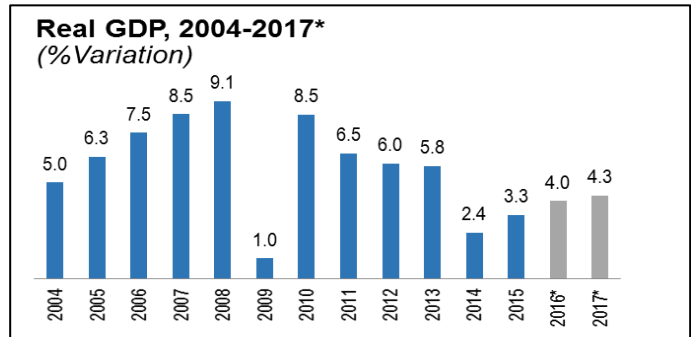
**GDP Growth of Peru**

For the last years, Peru has been showing a very strong and steady GDP's growth despite the global economy slowdown. In 2016, the GDP's growth of Peru was 3.33% and estimations for this year (2017) were 4.3% according to BCR



(Central Reserve Bank of Peru).

The GDP's forecasts of Latin



American countries in 2017 placed Peru as the country with highest growth, followed by Argentina and Colombia (2.7 %). This growth was estimated based on the growth of the mining sector, due to some projects that will start this year, and the agro-products that will find new destinations.

Unfortunately, due to natural disasters affecting most cities in the coastal north of the country caused by El Niño phenomenon, the BCR has reduced its estimations from 4.3% (Dec. 2016) to 3.7% (Mar. 2017).

**2. New analysis related to Trade**

**i. Central Reserve Bank: Peru will have a trade surplus of almost US \$ 4 billion in 2017** (*Andina* : 26/03/2017) – A report of the Central Reserve Bank of Peru (BCR) predicts that Peru will have a trade surplus of US \$ 3.91 billion in 2017. The export of traditional products this year would reach 30.65 billion dollars, a growth of 4.65 billion compared to the 26 billion dollars registered in 2016.

**ii. Peru would grow only 2.4% this year due to the effects of Coastal El Niño, according to Maximixe** (*Gestión* : 24/03/2017) - According to the report by Maximixe (consulting company) the GDP's decrease caused by the Coastal El Niño until February would be 0.7 points, which would reduce the forecast for 2017 from 3.8% to 3.1%. Considering the impact that this may cause between March and May, GDP's growth could fall to 2.8% or 2.4% in 2017.

**iii. Bolivia - Government is planning to seek another investor for Viru Viru if China continues with the delay** (*ABI* – 29/03/2017) - The Minister of Public Works, Mr. Milton Claros, said that other investors are been evaluated for the construction of the intercontinental airport Viru Viru due to the delay of Eximbank of China on approving the feasibility study of the project sent to the entity more than a month ago. Germany, England and India have expressed interest in the project.

### 3. Trade promotion / fairs

i. **India Sourcing Fair by ITPO** : ITPO held its first ever India Sourcing Fair in Lima from March 18-26, 2017 at Centro de Exposiciones Jockey. The 9-day retail fair was formally inaugurated by Mr. Edgar Vasquez, the Peruvian Vice Minister of Foreign Trade. The fair represented more than 70 retailers of handicrafts, jewelery, clothing, furniture items, footwear, etc. With many cultural programmes, yoga workshops etc. arranged everyday in the show, the fair witnessed unprecedented flow of visitors over the nine days.

ii. **CII BSM** : CII organized a one day BSM bring in company representatives of various sectors on 21<sup>st</sup> March 2016. On 20<sup>th</sup> March, it organized the **3<sup>rd</sup> meeting of the Indian Business Forum for Latin American countries** in collaboration with the Embassy, ProInversion and Incham. The meeting was organized to promote Indian investment in Peru. The speakers include Ambassador Sandeep Chakravorty, Mr. Rohit Rao, President Incham, Mr. Carlos Herrera from ProInversin and Mr. Ramon Bueno from EY Peru. On 21<sup>st</sup> March, an **Interactive Session on India-Peru Trade Agreement** was organized at the Embassy. Vice Minister of Foreign Trade Mr. Edgar Vasquez, Professor Carlos Aquino of San Marcos University and Ambassador Sandeep Chakravorty spoke on the occasion. Business leaders of India and Peru participated in the informative session.

Arup Kumar Saha  
Commercial Representative  
March 31, 2017