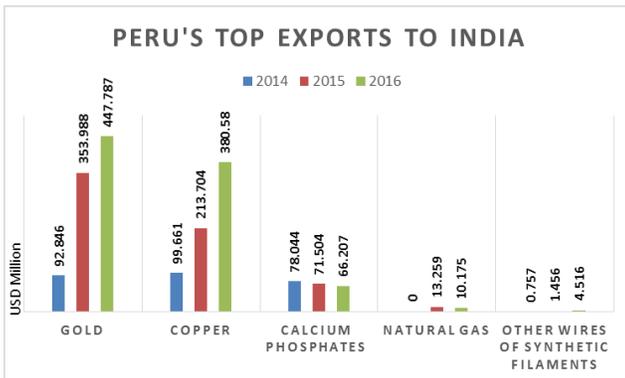
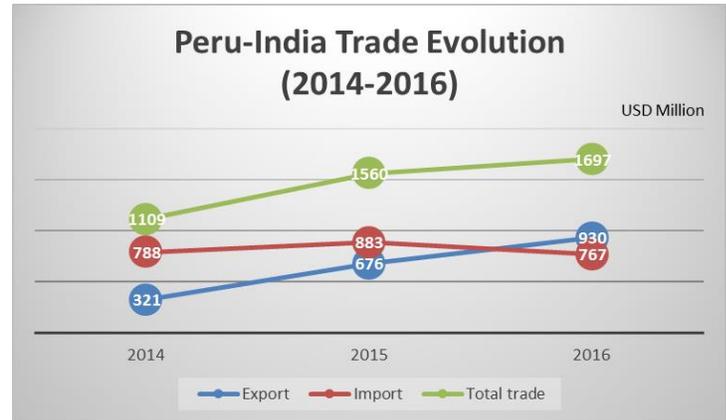


**Economic & Commercial Report for the week ending 07<sup>th</sup> April 2017**

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

**Peru-India trade**

In the last three years the total trade between Peru and India has increased significantly - from USD 1.1 billion in 2014 to USD 1.69 billion in 2016, growing by 53% in two years. Peruvian exports to India have increase the most during the last years, growing by around three times the amount in dollars exported during 2014.



Exports to India in 2014 were USD 321 million, amount that was doubled in 2015 (USD 676 million) and tripled in 2016 (USD 930 million). This mainly is due to growth of gold and copper exports (top items exported to India, which together represented 89% of total export from Peru to India). In the

case of gold, exports have grown by 382% in the last two years. And copper exports grew by 282% from 2014 to 2016.



However, Peruvian imports from India came down last year by USD 116 million (-13%, as compared to 2015). It may be noticed that imports of automobiles and passenger vehicles from India have grown significantly during the last years. Meanwhile, other products (that used to be top five items imported from India) such as iron or steel laminated products, motorcycles, and polyester and cotton yarn have come down significantly.

**2. New analysis related to Trade**

**i. Mining projects affected by rains** (*El Comercio* : 31/03/2017) - According to Macroconsult, transport restrictions, caused by heavy rains, affected Volcan, Milpo, Buenaventura, Miski Mayo, among other projects. Agriculture and trade, along with mining, will be among the most affected industries. About 2,625 km of road are destroyed and 5,856 km have been affected, and more than 242 bridges have been destroyed.

**ii. Import of capital goods would stop falling in 2017** (*El Comercio* : 04/04/2017) - Import of construction supplies reached \$ 1.11 billion in 2016, 22% less than 2015 (Scotiabank). There was a lower demand for computer equipment and zero-growth of import of telecommunications equipment -mobile phones - partly due to weak growth of domestic demand. However, a recovery of the sector is expected during the second half of this year due to reconstruction of the northern coast of the country after El Niño - especially on roads and access.

**iii. PPK: GDP would grow between 3% and 3.5% this year due to floods** (*El Comercio* : 06/04/2017) - After the Ministry of Economy and Finance (MEF) indicated that Peru's economy will only grow by 2% in the first quarter, President of Peru, Pedro Pablo Kuczynski (PPK) said that Peru's GDP will grow between 3% and 3.5% this year, due to the effects of El Niño. The country is better prepared to withstand economic and financial costs than in the past and will use its "substantial" savings, as well as loans, to finance a three-year reconstruction program, he said.

**iv. Bolivia : Government plans to create a vice-minister to attract investors to the country** (*El Razón* : 28/03/2017) - The Minister of Planning, Mrs. Mariana Prado, informed that the new unit will seek to expedite the investment procedures in order to get more investors for different areas/projects. There are companies interested in investing in Bolivia, however, the paperwork and bureaucracy delay negotiations. "With this new institution we will seek to change that", she said.

**v. Bolivia grew by 4.36% to September 2016** (*El Razón* : 29/03/2017) - Bolivia's GDP grew by 4.36 % last September (monthly) thanks to the good performance of all economic activities, except for oil and gas, the National Statistics Institute (INE) confirmed. The accumulated data for the third quarter of 2016 is better than the 4.04% recorded in the previous quarter, but lower than the figure recorded at the close of 2015, which was 4.86 %. The extraction of natural gas and oil, which gives Bolivia its higher tax revenues, continues to show negative figures.

Arup Kumar Saha  
Commercial Representative  
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