

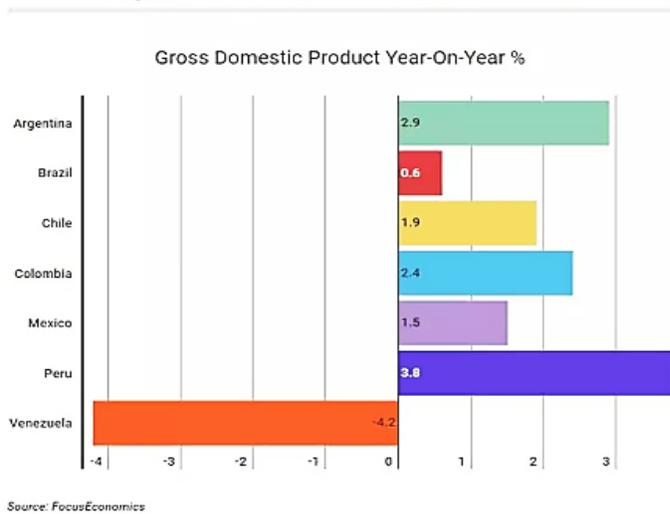
Economic & Commercial Report for the week ending 12th April 2017

1. Analysis of Trade Data (Peru)

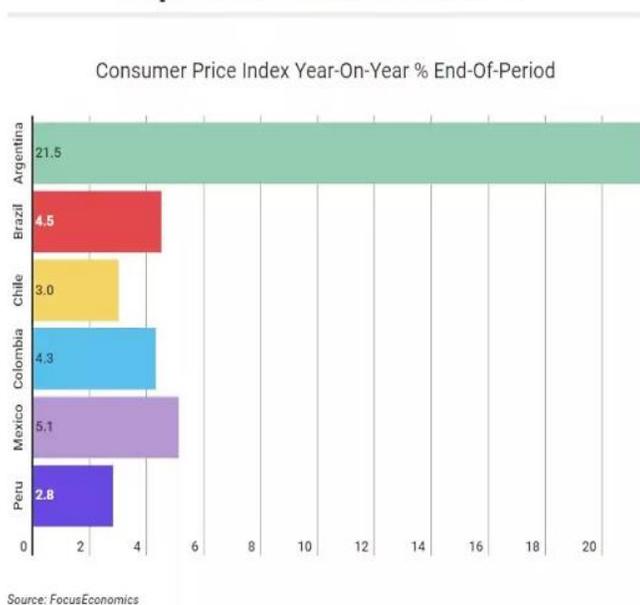
Political Risk Analysis: How Will Peru's Economy Perform In 2017?

“Although GDP is expected to grow by 2.5-3% in the current year, because of the floods and its consequences, the prediction of growth for the next decade is 3.5% and 4%. President Kuczynski’s policy priority is to make Peru a dynamic economy and a good place to do business, and encourage economic diversification. He is committed to help the country move forward and he has some good ideas, but it’s not clear if he will get the chance to implement them because of Fuerza Popular, the opposition party which dominates the congress. They have already shown that they are prepared to oppose Kuczynski's government and its political objectives.” said Katie Micklethwaite, a Latin America analyst at Maplecroft, a political risk consultancy.

Expected GDP Growth In 2017



Expected Inflation In 2017



Peru is one of Latin America’s fastest growing economies although it also faces a range of long term problems such as poverty and the lack of Human Capital. Overall, Peru’s economy is doing reasonably well despite lower commodity prices. “In the longer term, Peru’s biggest weakness is its dependence on natural resources, I categorize Peru as “high risk” in terms of its dependence on commodity exports” said Micklethwaite.

[Source: Forbes Magazine, March 30, 2017]

2. New analysis related to Trade

i. Peru Central Reserve Bank forecasts more economic activity in coming quarters (Andina : 10/04/2017) - "Economic activity is expected to gradually show higher dynamism in coming quarters," BCR (Central Reserve Bank) Economic Studies Central Manager Adrian Armas said. "We've been having two-digit export prices growth rates this year, something we hadn't seen for at least five years," he underlined. Lastly, Armas said 2017 economic growth expectations for the country stand at 3.0%-3.5%. BCR forecasts greater GDP expansion in 2018.

ii. Sunat: Imports increased 12.8% in March (*El Comercio : 10/04/2017*) - Imports reached a value of US \$ 3,265 million (CIF value, product price that includes both the cost of goods, and transport and maritime insurance) in March this year, the amount was higher by 12.8 % compared to the same month in 2016, Sunat said. With the result of March, in the first three months of the year the value imported reached US \$ 9,247 million, 7.9% more than the same period of 2016.

iii. Volume of exported copper grew 44% in February (*El Comercio : 11/04/2017*) - During the second month of this year, there were higher shipments of concentrated copper from the Las Bambas, Chinalco, Cerro Verde and Antapaccay mines. The volume of shipped copper reached 231 thousand MTF, up by 44.2% from the same month last year (160 thousand MTF), the Central Reserve Bank (BCR) reported.

Bolivia:

iv. Exports from Bolivia total US \$ 1.069M in the first two months (*America Economía : 11/04/2017*) - According to the INE (National Statistics Institute) Exports of manufactures totaled US\$359 million; Minerals, US \$ 326 million; Natural gas, US \$ 311 million and those of the agriculture and livestock sector were US \$ 46 million. The sale of zinc, silver and lead pushed the growth of global exports of the mining sector compared to the first two months of 2016, of 240 million dollars.

v. Trade deficit grows 17% to February (*Los Tiempos : 12/04/2017*) - The trade deficit in February 2017 was 303 million dollars, 44 million dollars more than the trade deficit of the same period of 2016 (259.1 million dollars), reported the National Institute of Statistics (INE). The import of fuels and lubricants almost doubled its value. As of February 2017, \$ 124.6 million was imported, compared with \$ 83.1 million imported in the same period.

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