

**Economic & Commercial Report for the week ending 19<sup>th</sup> May 2017**

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

**Imports in Peru in 2016**

**Intermediate Goods**

Imports of intermediate goods amounted to US \$ 15,607 billion and had a slight fall (4.2%). In turn, this group maintained the largest share of total imports, with 43%. In this category, fuels increased by 43%, which surpassed the strong reduction of the previous year (-34.5%). However, the raw material for the industry, such as textiles, chemicals, steel, etc, decline 7.4%, while raw materials for agriculture such as soy, corn, wheat, etc, decreased by 1.4%.

Main imported intermediate goods in 2016			
N°	Product	Mill. US\$	Var.% 16/15
1	Crude oil or bituminous mineral oils	1,632	0.70%
2	Petroleum oils with a sulfur content not exceeding 50ppm	1,292	0.30%
3	Corn	581	5.80%
4	Residues of soy beans	457	6.10%
5	Other types of wheat	387	-17.20%
6	Petroleum oil	307	17.20%
7	Soy Oil	277	-3.40%
8	Bio Diesel	236	21.00%
9	Polypropylene, in primary forms	205	-20.80%
10	Polyethylene of density less than 0.94	186	-6.20%
<b>Subtotal</b>		<b>5,560</b>	<b>0.10%</b>
<b>Total</b>		<b>15,607</b>	<b>-4.20%</b>

Source: SUNAT

**Consumer Goods**

Consumer goods amounted to US \$ 8,769 billion (-1.9%). No imports of consumer goods grew during 2016. Imports of non-durable consumer goods amounted to US \$ 4,743 million (-2.2%) and accounted for 54.1% of the total. On the other hand, imports of durable consumer goods reached US \$ 4,026 billion (-1.6%) and accounted for 45.9%

Main imported consumer goods in 2016			
N°	Product	Mill. US\$	Var.% 16/15
1	Spark ignition vehicles, of a cylinder capacity of between 1,500 cm3 and 3,000 cm3	794	-0.01
2	Spark ignition vehicles, of a cylinder capacity of between 1,000 cm3 and 1,500 cm3	461	-0.023
3	Tv's	375	0.035
4	Other medicines for human health	317	-0.043
5	Motorcycles and cycles of 50 cc to 250 cc	165	-0.034
6	Semi-milled or wholly milled rice, whether or not polished or glazed	165	0.138
7	Other footwear with uppers of textile materials and rubber or plastic sole.	148	-0.031
8	4x4 vehicles, with displacement greater than 3,000 cm3	143	1.228
9	Motor vehicles of gasoline, of a cylinder capacity of less than 1,000 cm3	117	0.147
10	Other refined cane or beet sugar in solid form	108	-0.04
<b>Subtotal</b>		<b>2778</b>	
<b>Total</b>		<b>8769</b>	

Source: SUNAT

**2. News analysis related to Trade**

**i. First quarter closed with trade surplus of US \$ 1,123 million** (*El Comercio* : 19/05/2017) - In the first three months of the year, a trade surplus of US \$ 1,123 million was registered in the trade balance, the Central Reserve Bank (BCR) reported today. In the same period of 2016, the result was a deficit of US \$ 636 million. The monetary authority indicated that this difference is due to an increase of the prices of the commodities and to greater volumes of export. Thus, in the first quarter, exports reached US \$ 10,116 million.

**ii. Peru-Asia: Trade Exchanges exceed US \$ 7.6 billion** (*El Comercio* : 15/05/2017) - In the first three months of the year, trade between Peru and the countries of Asia totaled US \$ 7,646 million, 23% more than for the same period of last year, making it the highest rate in the last five years. According to Center of Foreign Trade (CCEX) of the Lima Chamber of Commerce, the growth of trade between Peru and Asia is mainly due to the good performance of Peruvian exports, which grew 63% over the same period of the previous year.

**iii. Traditional exports grow for the ninth consecutive month** (*El Comercio* : 16/05/2017) - The value of traditional exports in March increased 18.6%, maintaining positive growth rates observed since July 2016,

reflecting higher mining exports, fishmeal, oil products and natural gas, reported the Central Bank Reserve (BCR).

**iv. Sunat facilitates the import of IGV-free medicines for up to US \$ 10,000** (*Gestión : 18/05/2017*) - However, this tax-free benefit only applies to cancer drugs, HIV / AIDS, or diabetes. To carry out the procedure the patient only needs to present his or her ID and the valid prescription by the Directorate General of Drugs, Supplies and Drugs (Digemid). The intermediation of any customs agent is not required, as the import can be done on the basis of a simple declaration.

***Bolivia:***

**v. Exports and imports declined** (*La Razon : 19/05/2017*) - The Bolivian economy did not escape the consequence of the fall in commodity prices, as some macroeconomic indices show. According to the 2016 Annual Report of the National Chamber of Industries, exports decreased in the last two years by 3% and 19%, while imports showed similar results, decreasing by 7% and 14% respectively.

**vi. BCB decides to inject Bs 4 billion into the economy** (*Pagina Siete : 16/05/2017*) - The Central Bank of Bolivia (BCB) decided to reduce the legal reserve requirements for entities of the financial system and to redeem securities placed in the open market, which will result in injection of 4 billion Bolivians into the economy. The measure seeks to strengthen liquidity and encourage credit. The announcement was made Tuesday by the BCB president, Pablo Ramos, who justified these measures stating that in recent periods there was a reduction in the amount of money circulating in the economy.

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