

**Economic & Commercial Report for the week ending 16<sup>th</sup> June 2017**

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

**PromPeru, Peru's Export Promotion and Tourism Commission, launches PERUtradeNOW**

This website allows potential importers to find the best trade partners in Peru, exportable offer, Peruvian Industry capabilities, events and more. In this website, companies from all over the world will be able to find Peruvian companies that export the product they are looking for. The search method can be by product, company name or by HS Code. This tool also shows the Peruvian companies FOB amount in US\$ of the year 2015.

Here the link to access the website: <http://www.perutradenow.com/en/searchcompany>

The screenshot shows the PERUtradeNOW website interface. At the top, there is a navigation bar with links: PERUtradeNOW, Find peruvian suppliers, Peruvian industry capabilities, Events, and Why Peru?. Below this is a search section titled "Find peruvian suppliers" with a search bar and a "SEARCH" button. The search results are displayed in a table with two columns: "Peruvian suppliers" and "FOB 2015 (US\$)".

| Peruvian suppliers  | FOB 2015 (US\$) |
|---|-----------------|
| 1818 S.A.C  | 15,424,446.00   |
| 3M PERU S A   | 3,325,878.42    |
| A & M CONTRERAS INVERSIONES S.A.C.                                      | 214,632.00      |
| A & M INTERNATIONAL BUSINESS SOCIEDAD ANONIMA CERRADA - A & M IB S.A.C. | 667,103.04      |
| A K DRILLING INTERNATIONAL S.A.   | 17,600.00       |
| A W FABER CASTELL PERUANA S A   | 43,175,411.94   |
| A.J. INVERSIONES EXPORT IMPORT S.A.C.                                   | 533,395.92      |
| A.P. PESCA SOCIEDAD COMERCIAL DE RESPONSABILIDAD LIMITADA               | 679,650.00      |
| A.PROD.DE CULT.ORGANICOS PROV.UNION-COT.                                | 330,400.00      |

**2. News analysis related to Trade**

**i. China: the biggest trade partner of Peru and what about the United States? (Gestión – 14/06/2017) -** Since 2011, China has become the biggest trading partner of Peru, thus displacing the United States. However, exports should not be measured solely on the basis of the total amount exported, the value of primary products and those with higher added value should also be in the balance. In 2016, 96.8% of the total exported to China were primary products and only 3.2% were higher value-added products; While 28.7% of the total amount exported to the US were products with higher added value. This information is important, since the products with greater added value are the main generators of employment, which allow technological development, innovation and competitiveness. Therefore, if sustained growth is to be achieved, Peru can't ignore the relevance of US as an export destination.

ii. **President Kuczynski: Peru to resume 5% annual growth** (*Andina : 16/06/2017*) - Peru will resume 5% yearly growth rates thanks to a series of coming ventures, President Pedro Pablo Kuczynski said at a business meeting in Madrid on June 13. According to Mr. Kuczynski, boosters to achieve such 5% growth will include major mining projects, the Southern Gas Pipeline, Lima Metro Line 2 and the post-disaster reconstruction. Regarding the latter, he explained the rebuilding of Coastal El Niño stricken infrastructure will entail a US\$6.5 billion investment over the next two years; that is, nearly 3% of Peru's GDP.

iii. **Foreign investment in Peru decreased 17% in 2016** (*Gestión – 08/06/2017*) - Foreign investment in Latin America and the Caribbean declined 14% to \$ 142 billion in 2016, its fifth consecutive year of decline. Peru, one of the main recipient countries of foreign direct investment (FDI) flows in the continent, managed to attract only \$ 7 billion in 2016, 17% less than the previous year. The US, China and India are the top potential destinations for FDI, and by 2016 the US remained the largest recipient of FDI, attracting \$ 391 billion in investment, the UNCTAD report revealed.

iv. **Peru to open trade offices in Australia, China and Argentina** (*Andina : 16/06/2017*) - Peru will open Trade Offices (OCEXs) in Sydney (Australia), Hong Kong (China) and Buenos Aires (Argentina), the Andean Country's Deputy Foreign Trade Minister Edgar Vasquez revealed. "[...] we will open offices in Australia, Hong Kong and Argentina, but we will close those based in Ghana and Venezuela due to the complications seen in those markets," Vasquez affirmed. FTA with Australia and India: Vasquez noted the first round of FTA negotiations between Peru - Australia and India is slated for next July and August, respectively.

#### ***Bolivia:***

v. **World Bank projects Bolivia economic growth of 3.7% for 2017** (*La Razón : 14/06/2017*) - The World Bank (WB) projected that this year, Bolivia will achieve economic growth of 3.7%. The indicator is below of what the Government projected. The General State Budget (PGE) projected 4.8% growth. The information is contained in the WB report entitled Global Economic Prospects, June 2017, where global economic growth is expected to reach 2.7% this year due to the rebound in manufacturing and trade, the increased confidence in the market, and the stabilization of commodity prices.

vi. **Public companies invested \$ 200 billion more than private** (*Pagina Siete : 12/06/2017*) - The Vice Minister of Budget says that the Economic Council will seek private companies to invest more to improve the economy. The statement was made in a context in which it is planned to reactivate the Productive Economic Council, which aims to support the country's economic growth. "We must not forget that the current economic model provides all the conditions for investment, fundamentally because we have economic-political stability that was not seen before 2005", said the Deputy Minister of Budget, Jaime Durán.

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