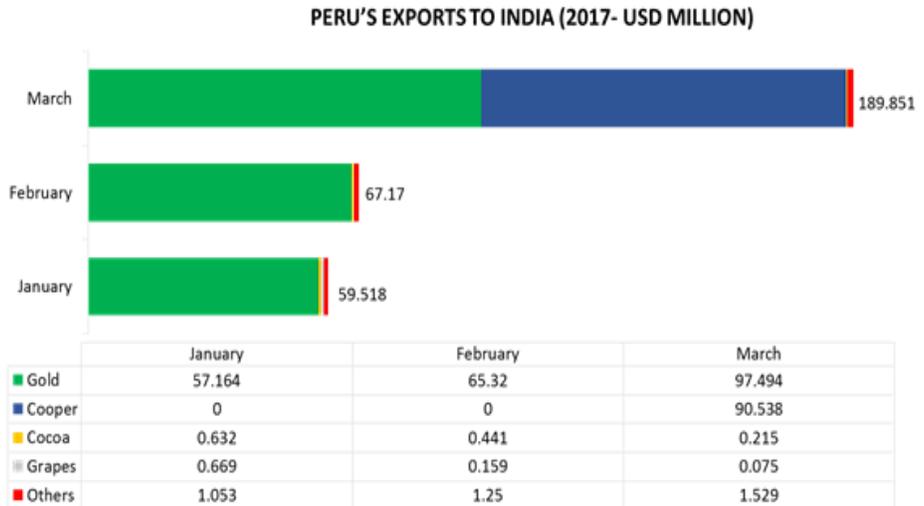


Economic & Commercial Report for the week ending 07th July 2017

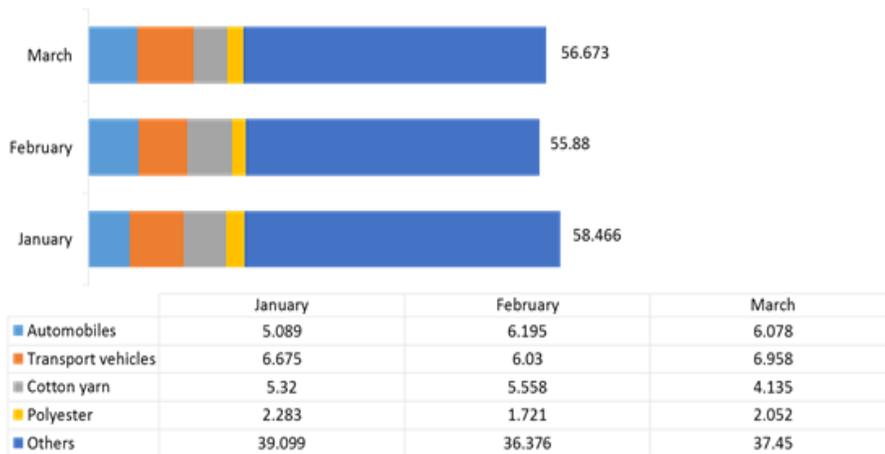
1. Analysis of Trade Data (Peru)

PERU TRADE WITH INDIA IN THE FIRST MONTHS OF 2017

Peru's total exports to India in the first quarter of 2017 amounted to US\$ 316.54 million, showing a handsome increase of 76.96% over the same period last year. Metals such as gold and cooper sums up to US \$248.728 million in the first quarter of Peru's export to Indian in 2017. Gold represented a constant and increasing value compared to cooper, which in January and February shows an export value of zero. As for agricultural products, grapes and cocoa showed minimum export values. However, compared to the same period last year they represent a growth of 100%. Total March exports have increased by 31.35% compared to January.



PERU'S IMPORTS FROM INDIA (2017- USD MILLION)



As regards imports, Peru imported a total of total value of US\$ 171.02 million from India in the first quarter showing a decline of 9.23% over the same period last year. The automobile sector which includes automobiles and transport vehicles sums up a total of US \$31.59 million. In the textile sector, cotton yarn and polyester sums up the total import amount of US \$16,28 million. These items have a similar amount which is a healthy trade indicator. Total March imports have declined 3.067% compared to January.

Source: Sunat

2. News analysis related to Trade

Peru:

i. **Peru: Cerro Verde, Las Bambas lead national copper production** (*Andina : 04/07/2017*) - Mining companies Cerro Verde (Arequipa region) and Las Bambas (Apurimac) led Peru's copper production in the January-April 2017 period, the Central Reserve Bank (BCR) reported. The Inca country's copper output totaled

733,000 fine metric tons (FMT) in the first four months of 2017, thus increasing 2.4% over the same period in 2016 (678,000 FMT).

ii. **Peru posts US\$246-million trade surplus in May** (*Andina : 07/07/2017*) - Peruvian exports exceeded its imports by US\$246 million in May 2017, thus marking ten straight months of positive performance since July 2016, the Central Reserve Bank (BCR) reported. The Inca country's exports stood at US\$3.444 billion in the fifth month of this year, a 20.5% rise over the same month in 2016. BCR explained said result was driven by greater shipments of traditional products (up 23.7%), mainly copper and zinc.

iii. **Peru: Exports expanded in Jan-May 2017** (*Andina : 05/07/2017*) - Peruvian exports totaled US\$16.402 billion in 2017's first five months, up by 25.3% from the same period last year, Foreign Trade and Tourism Ministry (Mincetur) informed. In this context, Mincetur head Eduardo Ferreyros highlighted traditional sector had grown 33.6% in the period comprised between January and May 2017. The most demanded farming products were grapes (+21.9%), fresh avocados (+10.2%) and mangoes (+7.9%). Main destinations for those fruits were the United States, the Netherlands, Hong Kong and China. In addition, the fishery sector saw increased exports of frozen giant squid to Spain (+38.8%) and China (+10.8%), as well as greater shipments of scallops to France (+46.6%) and Germany (+9.2%).

iv. **Peru Production Ministry sees fishing sector growing 65% this year** (*Andina : 04/07/2017*) - Production Minister Pedro Olaechea predicts Peru's fishing sector will grow 65% this year over 2016, underpinned by greater anchovy catches for indirect human consumption. Higher anchovy landings are attributable to good oceanographic conditions in the first half of 2017. According to Olaechea, the fishing sector grew 280% in May 2017 from the same month a year earlier, due to a significant increase in catches of hydro-biological species destined for indirect human consumption. With this figure, fishing contributes 0.7% of Peru's gross domestic product, seeing 12 months of consecutive growth.

v. **Peru, Australia begin FTA negotiations** (*Andina : 06/07/2017*) - The Governments of Peru and Australia began the first round of negotiations on Wednesday towards a free trade agreement (FTA), the Inca country's Foreign Trade and Tourism Ministry (Mincetur) informed. This first round, running thru July 7, involves more than 20 Peruvian public sector institutions. In this sense, Peru's Deputy Foreign Trade Minister Edgar Vasquez said several meetings are taking place this week to guarantee a comprehensive and modern FTA. These cover topics like tariffs, rules of origin, sanitary measures, services, movement of people, e-commerce, investment, cooperation, among others.

Bolivia:

v. **Bolivia denounces Chile to ALADI (Latin American Integration Association) for breaching International Transport Agreement** (*La Razón : 05/07/2017*) - Bolivia formalized the complaint against Chile for non-compliance with Article 15 of the Agreement on International Land Transport (ATIT), said Deputy Transport Minister Galo Bonifaz, who participated in the eighteenth meeting of the Latin American Integration Association (ALADI). Held in the Uruguayan city of Montevideo. Bonifaz added that the ALADI countries expressed their concern about the great damages caused by Chile to the Bolivian economy with recurring customs strikes and the closure of borders to the Bolivian international cargo to reach overseas for export.

vi. **CAF (Latin American Development Bank) and Fonplata (Financial Fund for the Development of the Countries of the River Plate Basin) seal US \$ 242 million in loans to Bolivia** (*La Razón : 07/07/2017*) - CAF approved a US \$ 142 million loan for the construction of the Santa Cruz-Las Cruces-Buena Vista roads, which covers 80.9 km. According to CAF executive president Luis Carranza, the purpose of this road project is to improve land connectivity, boost agricultural and commercial productivity and contribute to tourism in the communities involved in the area of influence where the road development will be carried out. In the case of



Fonplata, \$ 100 million was approved to finance the Puentes Vecinales I Etapa program, which includes the construction of 21 neighborhood bridges in the department of Cochabamba, the Acherai-Choere highway in Tarija; And urban infrastructure projects (employment plan) in other regions of the country.

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