

**Economic & Commercial Report for the week ending 14<sup>th</sup> July 2017**

**1. News analysis related to Trade**

**Peru:**

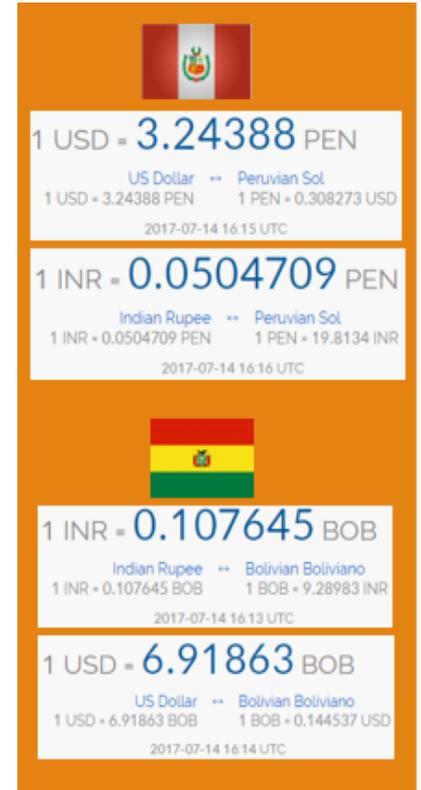
i. **Peru President launches Lima-Jauja commercial flight** (*Andina : 03/07/2017*) - Pedro Pablo Kuczynski launched LATAM Airlines service to Jauja City (Junin Region) on July 3<sup>rd</sup>, This is expected to facilitate transport to and from Peru's central highlands, thus increasing tourist flow to the region. The new service will operate seven days a week on an Airbus 319 aircraft seating 144 passengers. The airline expects to serve 6,666 passengers a month and over 80,000 a year.

ii. **Peru: Non-traditional exports expanded in May 2017** (*Andina : 12/07/2017*) - Peru's non-traditional exports totaled US\$937 million in May 2017, up by 12.9% from the same month last year, the country's Central Reserve Bank (BCR) informed. Growth was mainly underpinned by fishery and farming sectors. In the analyzed month, non-traditional exports volume increased 6.6%, whereas the average price rose 5.9%. Likewise, May saw increased exports of fresh avocados (US\$57 million), zinc products (US\$13 million), food for prawns (US\$12 million), as well as canned (US\$9 million) and frozen (US\$7 million) giant squid. The most demanding markets were North America (+20.3%) and Asia (+53.4%).

iii. **Infrastructure, mining projects add to Peru's business attractiveness** (*Andina : 10/07/2017*) - Peru remains an attractive investment destination by reason of its infrastructure and mining project portfolio, as well as its macroeconomic stability, Lima Chamber of Commerce (CCL) affirmed on Monday. CCL Institute of Economics and Business Development (IEDEP) Director Cesar Peñaranda noted Peru's infrastructure deficit (US\$120 billion) following Coastal El Niño phenomenon disasters, as well as its mining project portfolio (US\$50 billion) open up major opportunities. Peñaranda estimated the Reconstruction process and investments projected by State-run Private Investment Promotion Agency (ProInversion) —if realized— would spur public and private investments.

iv. **Over 80% of Peruvian cacao is exported** (*Andina : 12/07/2017*) - Over 80% of Peru's cacao produce is export-oriented, state-run National Commission for Development and Life without Drugs (DEVIDA) highlighted. According to Devida's Promotion and Monitoring Director Jose Chuquipul, cocoa production has experienced significant recovery over recent years. In this context, Chuquipul affirmed Devida's cacao business plans are aimed at improving and strengthening product quality, in order to increase output and competitiveness.

v. **Peru, Pacific Alliance countries to exchange marine data** (*Andina : 10/07/2017*) - The Pacific Alliance is a deep integration process uniting Chile, Colombia, Mexico and Peru, this bloc fosters the free circulation of people, goods and services across its territories. In this context, these countries will exchange information on marine scientific research as part of efforts towards global hydrobiological sustainability, Peru's Deputy Fishing and Aquaculture Minister Hector Soldi said on 05<sup>th</sup> July. Announcement came following a meeting between PA countries' national fishing and aquaculture research institutes organized by the Peruvian Production Ministry. The Pacific Alliance's fishing and aquaculture ad hoc team has been working since early 2016 on boosting international fishing trade and deepening fishing integration.



## **Bolivia:**

v. **Bolivia's external debt grows 20% in the first semester of 2017** (*La Razón* : 11/07/2017) - In the first half of this year, the country's medium and long-term public external debt grew from US \$ 7,267 million, on December 31, 2016, to US \$ 8,718 million, on June 30 of this year, reported by the Central Bank of Bolivia (BCB). The President of BCB, Pablo Ramos, explained that the situation is because country issuing sovereign bonds for an amount of US \$ 1 billion and also contracted credits to finance productive activities. "This means that the ratio between external debt and gross domestic product was 23.6%, which is a very adequate solvency indicator, we are far from the 50% or 56% that other countries have," he said.

vi. **La Paz launches textile firm Yacana with vision to export fiber from camelids** (*La Razón* : 10/07/2017) - The Government inaugurated on Monday the Camelid Fiber Transformation Plant of the new Yacana State Company that will industrialize in La Paz the fiber of camelids like lama and alpaca with of exporting. The project received a government investment of Bs 224 million. The plant is located in the Industrial Park of Kallutaca, in the La Paz municipality of Laja, is expected to produce about 200 tons of alpaca and llama fiber. The goal is to reach 1,000 tons in the next decade" said Minister of Productive Development, Eugenio Rojas.

vii. **Bolivia to Present Law for International Trade of Quinoa** (*LA News* : 06/07/2017) - Bolivia prepares a bill of law for the international trade of the known as "grain of gold", which will be presented by the middle of this month in Geneva, informed the director of the Quinoa International Center (CIQ), Edgar Soliz. According to Soliz, this Andean-amazonic nation assumed in 2015 the responsibility in an international commission in charge of elaborating a regulation to determine which is the organic quinoa (produced in a natural and ecologic way) and the conventional (obtained in other countries with added chemicals). Bolivia was assigned to that Commission by the Codex Alimentarius (entity belonging to the United Nations and the World Health Organization). The elaboration of such statute has eight levels. The Bolivian delegation will attend to defend the advances to enter the fifth level and get the final approval that should be in 2018 or 2019, he said.

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