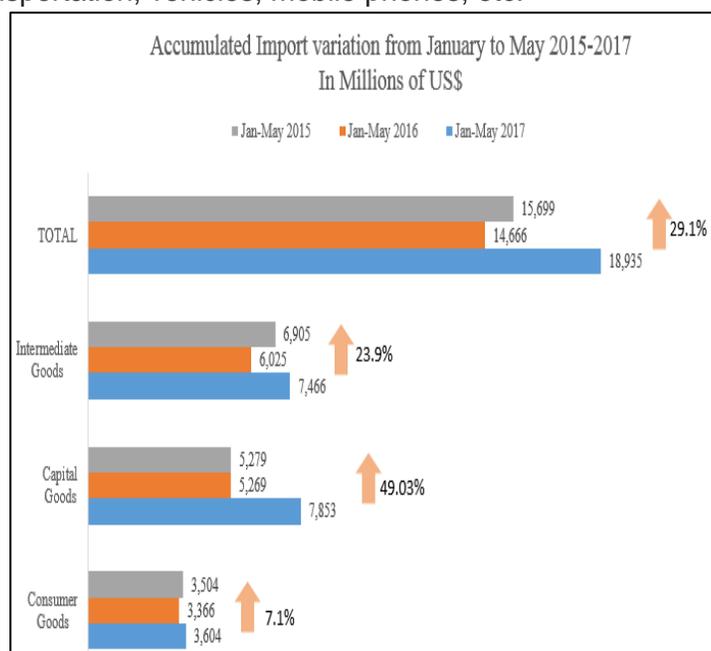


Economic & Commercial Report for the week ending 21st July 2017

1. Analysis of Trade Data (Peru)

Peru Imports data till May 2017

Peru imported a value of US\$ 18,935 million for the period Jan-May this year, an increase of 29.1% from the same period last year. Capital goods, with an amount of US\$7,853 Million imports this year, showed the biggest growth with a 49.8% growth compared to the same period last year,. This group includes goods for industry, transportation, vehicles, mobile phones, etc.



RK. 17	RK. 16	Main Countries	2016	2017	Var. 17/16	Part. % 2017
1	8	Germany	452	3,718	722.4%	19.6%
2	1	China	3,237	3,373	4.2%	17.8%
3	2	US	2,861	3,306	15.5%	17.5%
4	3	Brasil	810	907	12.0%	4.8%
5	5	Mexico	677	713	5.3%	3.8%
6	11	Ecuador	364	670	84.0%	3.5%
7	7	Colombia	462	575	24.5%	3.0%
8	6	Chile	477	479	0.4%	2.5%
9	15	Spain	298	452	51.6%	2.40%
10	12	Argentina	304	437	43.7%	2.30%
11	9	South Korea	452	395	-12.5%	2.10%
12	10	Japan	421	387	-8.0%	2%
13	4	India	685	306	-55.4%	1.60%
14	14	Canada	302	284	-5.8%	1.5%
15	13	Italy	304	273	-10.1%	1.4%
		Other	2,560	2,660	3.90%	14.1%
TOTAL			14,666	18,935	29.10%	100.0%

As regards the ranking of the countries from whom Peru imports, India is in position 13, falling 9 positions compared to the figures of the same period last year. It represents 1.6% of Peruvian imports with 306 million dollars. The variation between 2016 and 2017 is -55.4%.

RK. 17	RK. 16	Tariff Item	Main products imported	2016	2017	Var. 17/16	Part. % 2017
1	40	84118	Other gas turbines with a power output exceeding 5000 kw	46	3,303	>1000%	17.4%
2	2	27090	Crude oil or bituminous mineral oils	506	1,018	101.1%	5.4%
3	3	27101	Diesel 2, with a sulfur content less than or equal to 50ppm	469	543	15.9%	2.9%
4	1	85171	Cellphones and other wireless networks	520	420	-19.2%	2.2%
5	6	10059	Yellow hard corn	271	331	22.1%	1.8%
6	5	87032	vehicles for transporting people with engine capacity of more than 1500 cm3	310	303	-2.2%	1.6%
7	7	87032	vehicles for transporting people with engine capacity of more than 1000 cm3	161	198	22.9%	1.0%
8	8	23040	other solid residues from the extraction of soybean oil	150	191	26.9%	1.0%
9	11	10019	Other wheats	138	178	29.8%	1%
10	13	27101	Non-tetraethyl gasoline for RON vehicle greater than 90	107	162	51.4%	0.90%

Top 10 items imported from the world

Other gas turbines with a capacity of more than 5000Kw are the top imported goods, whereas last year it ranked 40th. For the period from January to May 2017, its import value has increased by more than 1000% over the same period of the previous year, with a 17.4% share of the total imports. All the items show positive variations compared to last year, except vehicles with a motor of 1500cm3 and also cell phones which fell by 2.2% and 19.2% respectively.

Source: LCC

2. News analysis related to Trade

Peru:

i. **Peru remains Andean Community's leading exporter** (*Andina : 20/07/2017*) - Peru is the Andean Community (CAN) member with most exports to the world in Jan-Feb 2017, totaling US\$6.667 billion in sales, Andean Parliament legislator Mario Zuñiga announced on Thursday. This way, Peru outperformed neighboring Colombia (US\$5.296 billion), Ecuador (US\$3.143 billion) and Bolivia (US\$1.07 billion). The Inca nation is the bloc's largest exports contributor, accounting for 41.2% of total exports, followed by Colombia (32.7%), Ecuador (19.4%) and Bolivia (6.6%).

ii. **Peru's zinc, copper, iron production up in Jan-May 2017** (*Andina : 18/07/2017*) - The January-May period saw increase in production of zinc (12.42%), copper (5.49%) and iron (9.11%) from the same period last year, Peru's Energy and Mines Ministry (MEM) informed on Tuesday. Zinc production saw a 12.42% growth to 581,995 fine metric tons (FMT), mainly driven by Antamina mining company, whose output accounted for 28.21% of the country's total in the first five-month period of 2017. Results are consistent with the company's mine plans and higher zinc concentrates expected for this year, in view of favorable international prices.

iii. **MEF places 15-year sovereign bonds for S/- 10,000 million to refinance foreign credit** (*Gestión : 17/07/2017*) – Continuing with its policy of restricting its public debt, the Ministry of Economy and Finance (MEF) carried out one of the largest local currency operations issued by an emerging economy and the largest in 2017. The MEF placed sovereign bonds maturing in 2032 for Soles 10,000 million at a coupon rate of 6.15%. The resources obtained will be used to prepay credits in dollars, euros and yen. In line with the MEF's asset and liability management strategy, the rate obtained is lower compared to the cost of the debt to be refinanced.

Bolivia:

iv. **Government announces that it will promote the use of the waterway as an alternative to the Chilean ports** (*La Razón : 20/07/2017*) - The national government announced that it will promote the use of the Paraná-Paraguay waterway so that the Bolivian foreign trade has an alternative to the ports of Chile. Vice President Álvaro García said that he aims to take advantage of the cost facilities of linking Bolivia with the Atlantic Ocean. García met Thursday with representatives of the Federation of Private Entrepreneurs of Santa Cruz and the Chamber of Industry, Commerce and Services of Santa Cruz (Cainco) to analyze the state of foreign trade, fuels, tenders, employment, among other topics. A new meeting was set, in three weeks, to make a revision of the advancement.

v. **Coffee exports drop 50% in five years** (*La Razón : 19/07/2017*) - Data from the National Fund for Alternative Development (Fonadal), under the Ministry of Rural Development and Land (MDRyT), reports that coffee export volumes fell from 60,000 to 30,000 sacks in the period 2012-2016. Each bag contains 60 kilos of grain. Regarding value, five years ago the national production was marketed for \$ 20 million and last year for \$ 12 million. For 2017 the same number of sacks are expected to be available for sale abroad. The reasons for this fall are due to three factors: invasion of pests, such as rust (fungus that weakens plants) and crow's eye (which attacks leaves and fruits); the plantations "are very old" and require a renovation; and adverse weather conditions such as drought and excess humidity, said Erlan Oropeza, general director of Fonadal.

3. Trade Promotion Events by the Embassy

i. **Trade facilitation event with Adani Group** – A team of executives from Adani group were in Peru recently. The group is participating in two Government tenders concerning power transmission. The Embassy together with INCHAM (Indian Chamber of Commerce in Peru) organized an event on 19th July 2017 at the Embassy premises facilitating interaction of executives from Adani group with companies in Peru involved in energy, infrastructure and logistic sectors. The Adani group also made a corporate presentation to the gathering.

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July 21, 2017