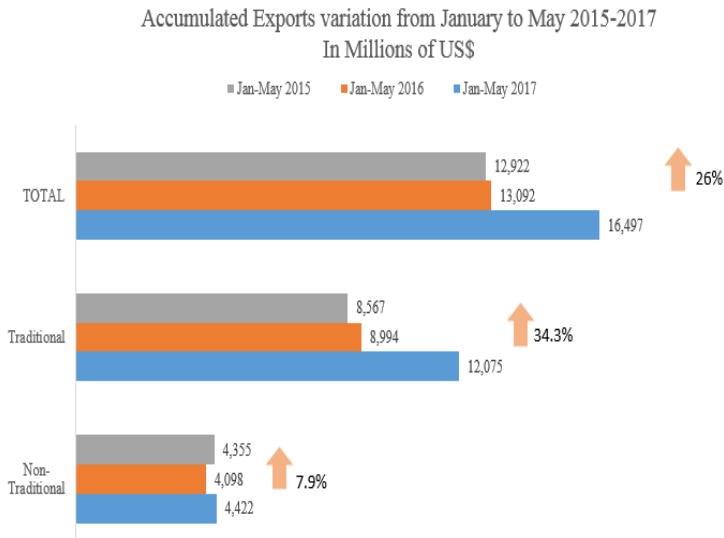


**Economic & Commercial Report for the week ending 04<sup>th</sup> August 2017**

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

**Peru exports data May 2017**

The accumulated export variation from January to May 2015 -2017, show a total increase of 26% in total exports from the same period last year with a total export figure of US\$16,497 Million. The traditional products grew the most with a 34.3% growth compared to the same period last year, with an amount of US\$12,075 Million this year. This group includes metals such as Gold, Copper, etc.



Total exports by Country of Destination Jan-May 2016/2017 In Millions of US\$						
RK. 17	RK. 16	Main Countries	2016	2017	Var. 17/16	Part. % 2017
1	1	China	2,984	4,398	47.4%	26.7%
2	2	US	1,893	2,396	26.6%	14.5%
3	3	Switzerland	993	937	-5.6%	5.7%
4	8	Japan	436	837	92.1%	5.1%
5	11	India	328	710	116.3%	4.3%
6	7	Spain	460	702	52.6%	4.3%
7	6	South Korea	472	669	41.9%	4.1%
8	5	Brasil	510	496	-2.4%	3.0%
9	9	Chile	416	483	15.9%	2.9%
10	4	Canada	845	469	-44.5%	2.8%
11	21	Panama	149	461	209.7%	2.8%
12	10	Holland	377	409	8.6%	2.5%
13	12	Germany	300	304	1.2%	1.8%
14	14	Ecuador	253	301	18.9%	1.8%
15	13	Colombia	288	282	-2.0%	1.7%

As regards the ranking of the countries to which Peru exports, India is in position 5, up 6 positions vis-à-vis last year. In the period from January to May this year it represents 4.3% of the Peruvian exports with an export amount of US\$ 710 million, showing a handsome 116.3% growth from last year.

Top 10 non-traditional products exported Jan-May 2016/2017 In Millions of US\$							
RK. 17	RK. 16	Tariff Item	Main products imported	2016	2017	Var. 17/16	Part. % 2017
1	1	8061	Fresh grapes	195	236	21.0%	5.3%
2	2	8044	Avocados, fresh or dried	165	234	41.8%	5.3%
3	4	8045	Mangos, fresh or dried	127	138	8.7%	3.1%
4	6	7901	zinc crude unalloyed, with a zinc content of less than 99.99% by weight	80	126	57.5%	2.8%
5	5	7092	Asparagus, fresh or chilled	114	102	-10.5%	2.3%
6	14	2309	Other preparations used in animal feeding	55	89	61.8%	2.0%
7	3796	3074	Frozen pota	0	80	-	1.8%
8	24	1605	Pota and squid	30	75	150.0%	1.7%
9	9	7408	Refined copper wire, in which the largest dimension of the cross section is greater than	67	71	6.0%	2%
10	8	8039	Other fresh bananas	69	66	-4.3%	1.50%
<b>TOTAL</b>				<b>902</b>	<b>1,217</b>		

**Top 10 non-traditional products exported**

Regarding the non-traditional products exported, Fresh Grapes occupies the first place, same as last year. For the period from January to May 2017, it has increased by 21% over the same period last year and has a share of 5.3% of the total exports. The most outstanding item is the Frozen Pota, a type of seafood, which occupied the 3796 position last year, and currently occupies the 7th position with an export amount of US\$80 million.

**Source: LCC**

**2. News analysis related to Trade**

**Peru:**

i. **Peru: Trade surplus stood at US\$582 million in June 2017 (Andina : 04/08/2017)** - Peru's trade balance posted a US\$582-million surplus in June 2017, thus seeing positive results for the twelfth straight month, the

Central Reserve Bank (BCR) informed. In this context, the issuing entity underlined June's result is the second highest figure registered so far this year. Likewise, the BCR noted Peruvian exports grew 35% (+US\$946 million) in June this year from the same month in 2016. Growth was underpinned by greater sales of traditional products (+44.2%), mainly fishmeal and copper. The positive outcome was also driven by non-traditional exports, which experienced a 13.1% increase due to higher farming and fishing shipments. On the other hand, June imports expanded 6.2% (+US\$178 million), mainly boosted by increased purchases of durable and non-durable consumer goods.

**ii. Peru: Project portfolio exceeds US\$14 billion** (*Andina* : 30/07/2017) - Peru's portfolio of projects —to be awarded in 2017 and 2018— exceeds US\$14 billion, State-run Private Investment Promotion Agency (ProInversion) informed. Within this framework, ProInversion Executive-Director Alvaro Quijandria highlighted the growing interest of foreign investors in the said portfolio. In this sense, he affirmed China and South Korea are keen to invest in the Inca nation. Likewise, Germany, Canada and the United States are expected to increase their capitals here. Furthermore, the ProInversion head noted that more world-class companies are interested in learning about ventures available in Peru.

**iii. Imports of leather goods and footwear from India triplicate** (*Gestión* : 04/07/2017) - Footwear imports reached USD 369.9 million in 2016, surpassing domestic production that is near S/- 990 million (USD 300 million), according to data from the Ministry of Production and National Society of Industries (SNI). Although, more than half of imports arrived from China, but India —based on its growing leather production and value for money- hopes to take over the market. In the last 6 years, shipment of leather goods and footwear from India to Peru triplicated and reached USD 8 million in 2016, indicated Mukhtarul Amin, President of the Council for Leather Export. "We are interested in boosting business in Peru and we are already negotiating a FTA. Today, only 2% of Peruvian imports of leather goods is from India, and we can double the number by 2020", he said.

#### **Bolivia:**

**v. Cainco expects to achieve US \$ 205 million in Business Roundtable** (*La Razón* : 02/08/2017) – The 27th version of the International Business Round Bolivia organized by the Chamber of Industry, Commerce, Services and Tourism of Santa Cruz (CAINCO) will be held from September 27 to 29. This commercial event is expected to generate over US \$ 205 million in business intentions. "This year we expect companies to be able to log similar amounts to last year's 205 million dollars," said CAINCO Deputy Manager of Operations, Cecilia Peredo. She explained that this type of events allowed to concentrate more than 1,000 companies and around 2,500 entrepreneurs in the three days in which the Business Round takes place.

**vi. ECLAC maintains growth forecast of 4% for Bolivia** (*La Razón* : 03/08/2017) – The Economic Commission for Latin America and the Caribbean (ECLAC) maintains the growth forecast for Bolivia at 4%, while the forecast for the region is 1.1% after two years of contraction.

### **3. Trade Promotion activities of the Mission**

**Council for Leather Exports (CLE) participation on Expo Detalles in Lima, Peru** - The Expo Detalles fair was held on 2-4 of August in Lima, Peru. Council for Leather Exports (CLE) participated with 16 Indian companies that produce and export goods made of leather. The companies had business appointments with the main retail companies and wholesalers of the country to realize future business. CLE also held a press conference where they highlighted the benefits of working with leather goods companies from India and the development of leather sector in this country.

Arup Kumar Saha  
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August 4, 2017