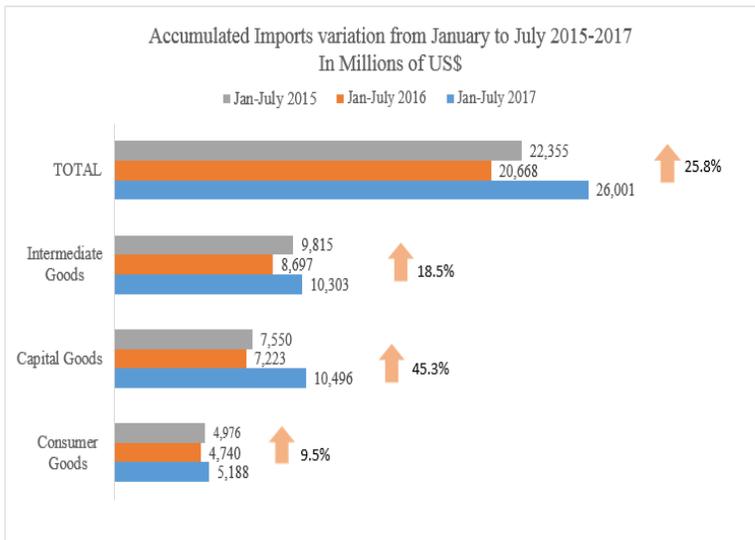


**Economic & Commercial Report for the week ending 01<sup>st</sup> September 2017**

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

**Peru Imports data July 2017**

Peru imported a value of US\$ 26,001 million for the period January to July this year, an increase of 25.8% from the same period last year. Capital goods, with an amount of US\$10,496 million imports this year, showed the biggest growth with a 45.3% growth compared to the same period last year, this group includes goods for industry, transportation, vehicles, mobile phones, etc.



Total Imports by Country of Destination Jan-July 2016/2017 In Millions of US\$						
RK. 17	RK. 16	Main Countries	2016	2017	Var. 17/16	Part. % 2017
1	1	China	4,554	4,899	7.6%	18.8%
2	9	Germany	599	4,534	657.3%	17.4%
3	2	USA	4,027	4,503	11.8%	17.3%
4	3	Brasil	1159	1339	15.6%	5.2%
5	5	Mexico	919	1004	9.3%	3.9%
6	11	Ecuador	567	889	56.7%	3.4%
7	8	Colombia	611	796	30.2%	3.1%
8	7	Chile	660	674	2.0%	2.6%
9	15	Spain	387	641	65.7%	2.5%
10	12	Argentina	428	621	42.1%	2.4%
11	10	Japan	592	567	-4.2%	2.2%
12	6	South Korea	713	547	-23.3%	2.1%
13	4	India	968	453	-53.2%	1.7%
14	14	Italy	408	400	-2.0%	1.5%
15	13	Canada	426	379	-11.0%	1.5%

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 1.7% of Peruvian imports with 453 million dollars. The variation between 2016 and 2017 is -53.2%.

**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 July 2017, its import value has increased by more than 1000% over the same period of the previous year, with a 15.2% share of the total imports. All the items show positive variations compared to last year, except cell phones which fell by 12%.

10 Main imported products In Millions of US\$ - January to July 2016/2017							
RK. 17	RK. 16	Tariff Item	Main products imported	2016	2017	Var.% 17/16	Part.% 2017
1	57	84118	Other gas turbines with a power output exceeding 5000kw	51	3,949	>1000%	15.2%
2	1	27090	Crude oil or bituminous mineral oils	815	1,375	69%	5.3%
3	2	27101	Diesel 2, with a sulfur content less than or equal to 50ppm	715	738	3%	2.8%
4	3	85171	Cellphones and other wireless network	681	600	-12%	2.3%
5	5	10059	Yellow hard corn	435	435	0.1%	1.7%
6	6	87032	Vehicles for transporting people with engine capacity of more than 1500 cm3	362	408	13%	1.6%
7	7	23040	Other solid residues from the extraction of soybean oils	239	309	29%	1.2%
8	9	10019	Other wheats	227	292	29%	1.1%
9	8	85287	Tv and radio receptors with sound recording or image included	233	266	14%	1%
10	10	27101	Non-tetraethyl gasoline for RON vehicle greater than 90	203	229	13%	0.90%

**Source: LCC**

## 2. News analysis related to Trade

### Peru:

i. **CCL raises Peru growth projection for 2017** (*Andina : 29/08/2017*) - Lima Chamber of Commerce (CCL) on Tuesday raised its 2017 economic growth projection for Peru, adding national GDP will expand 2.6% this year, higher than last June's forecast (2.3%). The upward revision was the outcome of better growth prospects for the sectors: fishing (from 29.5% in June to 36.7% in August), manufacturing (from 1.9% to 2.1%) and services (from 3.1% to 3.6%), according to the latest report by CCL's Institute of Economics and Business Development (IEDEP). However, CCL maintained forecasts for mining (4.2%), construction (-0.2%) and trade (1.3%) sectors. In addition to exports, this year's projection is based on the expansion of services, mining and fishing sectors.

ii. **World Bank: Peru fiscal policy among LatAm's best** (*Andina : 28/08/2017*) - The World Bank Group (WBG) commended the Peruvian Government's well-organized resource management, which allows for growth forecasts without jeopardizing the sustainability of public finances. As is known, the Peruvian Government recently rose the fiscal deficit to 3% of GDP in order to fund the reconstruction of infrastructure destroyed by climate events earlier this year. While the measure initially raised doubts and fears among financial analysts, Moody's maintained Peru's A3 investment grade-stable outlook last week, thus reassuring agents and investors.

iii. **Peru: Copper production grew 5.3% in 1H 2017** (*Andina : 27/08/2017*) - Peru's copper output reached 1,143 fine metric tons (FMT) in the first six months of the year, a 5.3% rise over the same period in 2016 (1,086 FMT), Central Reserve Bank of Peru (BCR) informed. In terms of producing companies, the ranking was led by Cerro Verde in Arequipa region, with 227 FMT of copper. Following in second place were Apurimac-based Las Bambas and Antamina in Ancash, both with 218 FMT. Next in line were Cusco-based Southern Peru (134 FMT) and Antapaccay (96 FMT), Toromocho in Junin (91 FMT), as well as Constancia (57 FMT) also in Cusco. Likewise, copper production reached 205 FMT in June, up 1.7% over the same period the year before. This rise was mostly attributable to increased production at Antamina (43 FMT), Cerro Verde (38 FMT), Las Bambas (37 FMT) and Toromocho (20 FMT) mines.

iv. **India is the sixth drug supplier in Peru** (*Gestión : 24/08/2017*) - Exports for US \$ 41 million sent the Indian pharmaceutical industry to the Peruvian market in 2016, consolidating itself among Peru's top 10 pharmaceutical suppliers. In the framework of the Peru - India Pharmaceutical Industry Business Round (Pharmexcil), to be held from 6 to 8 September at the International Convention of Products for Health and Allied Sciences - Tecnosalud; According to a trade balance between Peru and India developed by the CCL, the purchase of therapeutic, prophylactic and conditioned medicines for retail sale was US \$ 13,744 in 2016, reaching an increase of 13.1% compared to 2015, with a share of 4.8% of the main consumer goods. Regarding the acquisition of drugs for cancer treatment or HIV, a share of 3.4% was obtained, with a total sum of US \$ 9,814.

### Bolivia:

v. **The economy grew 3.34% in the first quarter** (*La Razon : 23/08/2017*) - The Bolivian economy grew in the first quarter of this year by 3.34% due to the "good dynamism" of several sectors, so there is no economic slowdown, said Economy Minister Mario Guillén. The hydrocarbons sector was the most affected by external demand, with a decrease of -14.1%. Domestic demand, one of the highlights of the economy, registered growth of 7.2%, said the authority, while presenting a report on the figures of the first quarter of this year. The percentage of growth shows, however, a decrease compared to similar period of 2016 when it reached 5.4%.

vi. **Quinoa price back to the level of a decade ago** (*La Razon : 01/09/2017*) - The export price of quinoa has fallen back to levels a decade ago. Between January and June of this year, the FOB value per kilogram of the Andean grain was traded at an average of US \$ 2.33, slightly higher than the US \$ 2.21 at which the product was offered in 2008. Bolivia marketed last year increased volumes of quinoa to the foreign market, however, its price continues to fall due to excessive supply, especially from Peru. Between 2015 and 2016, the average price of Bolivian Andean grain decreased from US \$ 4.24 to US \$ 2.74 per kilogram.

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