

**Embassy of India
Lima**

September 15, 2017

Economic & Commercial Report for the week ending 15 September, 2017

1. Analysis of Trade Data (Peru)

General Product Ranking						
Jan-Dec 2015/2016 and *January -June 2017 In Millions of US\$						
N°	Tariff	Product	2015	2016	Var %	2017*
1	30049029	OTHER MEDICINES FOR HUMAN USE	316.80	303.22	-4.29	146.52
2	30022090	THE OTHER VACCINES FOR HUMAN MEDICINE	65.34	53.22	-18.55	37.56
3	30049024	OTHER MEDICINES FOR ONCOLOGICAL TREATMENT OR HIV, FOR HUMAN USE	49.88	50.20	0.64	29.32
4	30042019	OTHER MEDICINES CONTAINING OTHER ANTIBIOTICS FOR HUMAN USE FOR RETAIL SALE	33.17	35.62	7.38	17.74
5	30023090	OTHER VACCINES FOR VETERINARY MEDICINE	30.90	30.69	-0.67	15.01
6	30021039	Other blood fractions and immunological products	25.55	28.86	12.96	0.00
7	30043919	OTHER MEDICINAL PRODUCTS WITH ANTIBIOTIC HORMONES, FOR HUMAN USE	18.82	22.20	17.96	9.62
8	30045010	OTHER MEDICINES FOR HUMAN USE CONTAINING VITAMINS	19.13	19.44	1.58	9.20
9	30022010	ANTI-POLYOMYELITIS VACCINE	31.22	19.09	-38.85	15.79
10	30021032	FRACTIONS OF BLOOD, FOR ONCOLOGICAL TREATMENT OR HIV	24.94	19.01	-23.78	0.00
11	30066000	CHEMICAL PREPARATIONS CONCERNED BY HORMONES OR SPERMICIDES	20.47	18.93	-7.51	8.08
12	30041010	MEDICINES CONTAINING PENICILLINS FOR HUMAN USE FOR RETAIL SALE	14.83	17.21	16.05	5.87
13	30021031	HUMAN PLASMA AND OTHER FRACTIONS OF HUMAN BLOOD	12.68	15.43	21.71	0.00
14	30021033	LABORATORY OR DIAGNOSTIC REAGENTS NOT USED IN THE PATIENT	14.32	15.08	5.33	0.00
15	30043219	OTHER MEDICINES CONTAINING CORTICOSTEROID HORMONES FOR HUMAN USE	11.89	11.48	-3.41	5.52
16	30043100	MEDICINES CONTAINING INSULIN CONDITIONING FOR RETAIL SALE	9.46	8.87	-6.31	3.14
17	30049030	OTHER MEDICINES FOR VETERINARY USE	7.61	8.54	12.16	4.36
18	30029090	HUMAN BLOOD; ANIMAL BLOOD PREPARED FOR THERAPEUTIC USES, PROFILA	6.83	6.87	0.59	3.35
19	30042020	MEDICATIONS CONTAINING OTHER ANTIBIOTICS FOR VETERINARY USE FOR RETAIL SALE	7.12	6.33	-11.18	3.77
20	30029020	DIAGNOSTIC REAGENTS NOT USED IN THE PATIENT	7.46	6.25	-16.25	5.22
TOTAL			802	772		391

Regarding the pharmaceutical products imported by Peru in 2016, the country imported US\$772 Millions of Dollars, - 3.73% less comparing it to the amount imported in 2015. In the first half of the current year, Peru has imported a total amount of US\$391 Millions of Dollars. The most imported pharmaceutical products are human vaccines with an import amount of US\$53.22 Million in 2016, followed by oncologic treatment medicines (US\$50.2 Millions) and Antibiotics for retails sale (US\$35.62 Millions). The product that present the

bigger drop in the variation between 2015 and 2016 is the Antipolymylitis Vaccine with an import amount of US\$19.09 Million, -38.85% less comparing it to the imported amount of 2015.

Imports of Pharmaceutical products by Country of Origin

As for the countries from which Peru imports more, we have the United States in the first place with an import amount of US\$109.48 Million, -18.58% less comparing it to 2015. It is followed by Germany (US\$72.77 Million), Colombia (US\$55.99 Million), Argentina (US\$44.02 Million) and France (US\$41.77 Million). India is the sixth drug supplier in Peru with an amount of US\$ 41 million in 2016, consolidating itself among Peru's top 10 pharmaceutical suppliers. 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. After the 2017 Tecnosalud fair, business between Peru and India are projected for more than 8 million. **Source: Sunat**

Ranking by Country of Origin					
Jan-Dec 2015/2016 and *January -June 2017 In Millions of US\$					
N°	Country of origin	2015	2016	Var %	2017*
1	UNITED STATES	134.47	109.48	-18.58	58.01
2	GERMANY	71.94	72.77	1.15	41.83
3	COLOMBIA	62.38	55.99	-10.24	22.48
4	ARGENTINA	40.78	44.02	7.94	20.20
5	FRANCE	42.59	41.77	-1.94	22.00
6	INDIA	46.58	41.37	-11.19	21.06
7	CHINA	30.42	39.89	31.14	12.65
8	MEXICO	44.43	39.74	-10.56	19.65
9	BRAZIL	33.26	32.54	-2.15	15.65
10	CHILE	33.01	30.17	-8.58	12.88
11	KOREA, REPUBLIC OF	26.34	25.36	-3.73	19.74
12	SWITZERLAND	24.94	22.75	-8.77	11.40
13	SPAIN	19.13	20.33	6.27	11.17
14	BELGIUM	18.68	20.29	8.65	15.99
15	UNITED KINGDOM	18.28	17.21	-5.84	6.20
16	IRELAND	16.49	16.32	-1.04	10.14
17	ITALY	16.48	16.03	-2.69	8.43
18	URUGUAY	13.35	15.00	12.29	6.23
19	NETHERLANDS	15.07	13.06	-18.71	6.09
20	PUERTO RICO	12.14	11.51	-5.22	6.95
Others		721.74	685.59	-5.01	348.74
TOTAL		801.86	771.98		391.18

2.- News analysis related to trade

Peru

i. Peru economy up 1.55% in July 2017

(Andina: 15/09/2017)-Peruvian economy expanded 1.55% in July this year, thus marking 96 straight months of growth, the National Institute of Statistics and Informatics (INEI) reported Friday. The result was driven by a rebound in non-primary sectors such as construction and trade. This way, productive activity has expanded 2.19% so far this year and 2.89% in the last 12 months (August 2016 – July 2017), INEI head Anibal Sanchez indicated. The reading thus remains in line with the Economy and Finance Ministry GDP forecast, projected at 1.5% for the seventh month of 2017 and at 2.2% for the Jan-Jul 2017 period.

ii. Non-traditional fishery exports up 22% in July 2017

(Andina:13/09/2017)-Exports of Peru's non-traditional fishery products reached US\$84 million last July, the country's Central Reserve Bank (BCR) reported Wednesday. The result accounted for a 22% increase over the same month last year. Growth was mainly underpinned by greater sales of frozen and canned giant squid, thus marking 12 months of continuous growth. In general terms, export volume and price expanded 14% and 7%, respectively. In the analyzed month, China (300%), Thailand (95.5%), Russia (39.3%), Spain (31.5%), the United States (11.4%) and Japan (5.2%) received higher shipments of Peruvian products. As per regions, the greatest demand came from Asia (37.4%), North America (11.2%), South American trade bloc Mercosur (23.3%) and Andean countries (5.8%).

iii. Peru registers US\$2.65 bn trade surplus as at July 2017 (Andina:03/09/2017)-Peru has registered an accumulated trade surplus worth US\$2.65 billion in the first seven months of 2017, Central Reserve Bank (BCR) reported on Friday. Within this framework, Peru's trade balance posted a US\$213-million surplus last July, driven by current exports dynamism, it added. Peru's exports value expanded 1.4% last July, thus accumulating 13 months of consecutive growth. Expansion was mainly supported by higher non-traditional shipments (+7.5%). Products from the farming (+13.9%) and fishing (+22%) sectors stood out in this sense. However, traditional exports slid 0.7% in the said period.

iv. Peru: Gold exports volume up 7% in July 2017 (Andina: 12/09/2017)-Peru's gold exports volume reached 531,000 troy ounces last July, a 7% increase over the same month in 2016, Central Reserve Bank (BCR) informed. Greater shipments from Yanacocha (12.9%), Consorcio Minero Horizonte (3.4%), Aruntani (0.8%) and other companies (41.1%) were registered in the analyzed month. Nevertheless, Buenaventura and La Arena saw decreases in terms of production. It must be noted gold shipments amounted to US\$1.599 billion in the first quarter of 2017, thus placing said precious metal as Peru's second-most important export product in the analyzed period. Between January and March 2017, gold shipments (US\$1.599 billion) accounted for 37% of total mining exports. Likewise, gold sales overseas accounted for 21% of total Peruvian exports (US\$7.638 billion) in the aforementioned period. In this sense, Canada, India, Switzerland, the United Kingdom and the United States were the top gold destinations.



v. India would generate business for more than US \$ 8 million in Perú (La Republica:12/09/2017)-27 pharmaceutical companies that are part of the Pharmaceutical Exports Promotion Council of India (Pharmexcil) would generate business for more than US \$ 8 million 400 thousand, 10% more compared to a similar business round that took place in the 2015. This Peru-India Business Round was held from 6 to 8 September at the Jockey Exhibition Center. "They are interested in Pharmexcil's support in emergency cases. The objective is to increase the support they can receive from India," said Abhay Sinha, Regional Director of Pharmexcil. The exports of Pharmexcil amounts to US \$ 17 billion and reach 185 countries in the world. Bharat Desai, Managing Director of Bharat Parenterals, said seven Indian companies are among the top 20 that sell generic products, while 65% of the drugs approved by the World Health Organization (WHO) are from India. Ravi Uday, CEO of Pharmexcil, said that India is one of the main suppliers of the Peruvian market in the pharmaceutical sector, reaching US \$ 41 million. It is the sixth supplier of these products in Peru.

Bolivia

i. President Morales inaugurates expensive Urea and Ammonia plant yesterday (El Diario: 15/09/2017)-President Evo Morales inaugurated yesterday the Urea and Ammonia Plant in the town of Bulo in Cochabamba and this places Bolivia as a hydrocarbons industrializer. Yesterday, in a ceremony attended by workers from the state oil company YPFB, a huge sign was displayed that said: "Industrialization is a reality." The investment was 950 million dollars, granted by the Central Bank, charged to the International Net Reserves (RIN), with this plant expected not to import urea and ammonia, but to export. Annual production will be 600,000 tons and will demand 50 million cubic feet of natural gas per day.

ii. Income for the country will be US \$ 223 million per year (El Diario: 15/09/2017)-The Minister of Hydrocarbons, Luis Alberto Sánchez, said on Thursday that the Ammonia and Urea Plant, inaugurated in the town of Bulo, will generate income of at least 233 million Dollars a year by the sale of that fertilizer, both to the internal and external market. At the inauguration of the plant, he said that this project will generate 184 million Dollars, just for export billing.

(V.K. Kukreja)

Charge d' Affaires a.i.

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