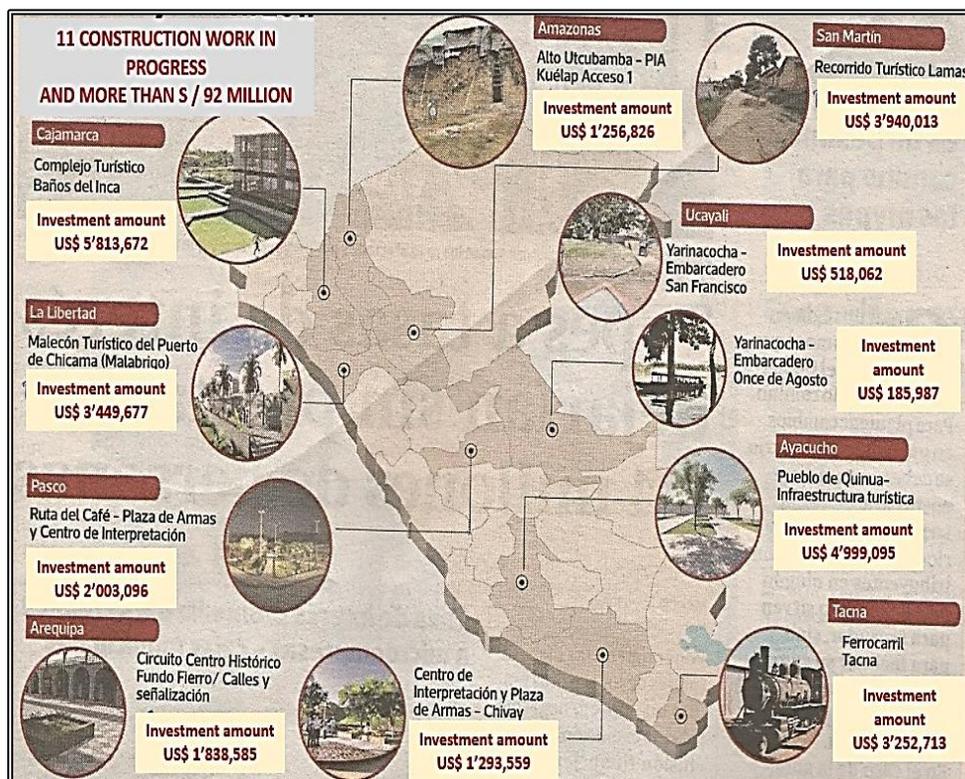


**Economic & Commercial Report for the week ending 06<sup>th</sup> October 2017**

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

**COPESCO Plan estimates to close about 10 tourism projects this year**

The National COPESCO Plan aims to formulate and implement public investment projects for the preparation of tourism, cultural, historical and natural resources, which aims at the expansion, optimization and diversification of tourism at the national level through strategic alliances with sectors of the National Government, Regional Governments, Local Governments, public, private, national and foreign entities, and with international organizations. This Execution unit of the Ministry of Foreign Trade and Tourism, hopes to complete this year 10 tourism projects at the national level. "Historically, the Copesco plan executed between five to six projects a year. Currently, we are running 10 works, and a research study" said the executive director of Copesco, José Vidal.



**New Management**

Plan Copesco, identified 84 projects without legal physical registration of properties and legal processes for a value of S/1,200 billion. After a review of projects initiated by the new management, only 18 - to a value of S/ 350 million - of those 84, qualified for the project portfolio of Copesco this year and next. On the other hand, the portfolio of projects 2017-2018 in tourism has 7 projects in pre-investment study; 25 are technically viable; and 17 projects being executed. Among these 17 projects, 03 projects are already completed such as the cableway of the Fortress of Kuélap, the viewpoint of the National Reserve of Paracas and improvements of the Yarinacocha Lake, in Ucayali. This year's budget for COPESCO is S/. 67 million. To date only about 50% of the amount allocated has been executed. The goal of these projects is to have the necessary infrastructure to receive 7 million tourists per year.

Source: MINCETUR

**2. News analysis related to Trade**

**Peru:**

i. **India's anti-dumping duties on fabrics will remain** (*Gestión* : 03/10/2017) - Indecopi decided to maintain for a further five years the application of anti-dumping duties on imports of polyester staple fiber fabrics exclusively or principally mixed with viscose rayon staple fibers made in India. In 2011, the Indecopi Dumping and Subsidy Control Commission ordered the application of these anti-dumping duties for a period of five years, which ended in 2016. However, one year before the end of the term, Universal Textile submitted a request to the committee for the initiation of a sunset review procedure. While this review procedure was being carried out, it provided for the said rights to continue to apply. Finally, Indecopi decided to continue with the measure for fabrics shipped from India. It should be noted that the new deadline will be counted from April 2, 2016 (the expiration date of the period of validity of the anti-dumping duties in question). Also, between 2011 and 2015 the total volume of poly viscous fabrics exported by India

to all its destinations accounted for more than 54 times the volume shipped to Peru. In addition, Peru was the main destination in South America despite the anti-dumping measure.

**ii. Sale of vehicles would replicate record of 4 years back with 190,000 units** (*Gestión : 04/10/2017*) - Automotive market would grow 11% this year. The annual Motorshow event in November would contribute up to 10,000 units for regular sale. Investment announcements and the fall of the dollar drive demand in 2017. After 3 years, the sale of new vehicles will not only grow again, but also close to the record of 2013 (192,680 u). The Automotive Association of Peru (AAP) projects sale of 190,000 units in 2017. Its president, Edwin Derteano, explained the factors of this growth, being the fall of the dollar, the improvement of the expectations for the economy and the mining investment projects. On the other hand, he points out that the constant growth of agroindustry favors the sale of trucks for the transportation of products.

**iii. Peru's non-traditional exports to reach US\$11.82 bn in 2017** (*Andina : 02/10/2017*) - Peruvian non-traditional exports will total US\$11.82 billion by end-2017, up 10% from last year (US\$10.749 billion), Vice Minister of Foreign Trade Edgar Vasquez estimated. "As at July, export of non-traditional products expanded by about 10%," Vasquez told El Peruano official gazette. "We expect to sustain the said growth in the coming months," he added. According to the government official, such result is mainly underpinned by higher shipments from agriculture, fishery, textile and garment sectors. It must be noted that the rise in non-traditional exports was driven by the global economic recovery. In this sense, the minister stressed the relevance of Trade Offices (OCEX) based overseas in order to boost non-traditional exports.

**iv. Peru's private investment rebounds after 16-months of decline** (*Andina : 04/10/2017*) - Economy and Finance Minister Claudia Cooper said private investment recovery is materializing in Peru, driven by the Government's fiscal stimulus. "We are glad to see private investment recovery is officially on, after 16 months of contraction," she said. Speaking at an event on "Investment Opportunities in Telecommunications," Cooper said the current model of growth focuses on private investment. According to the senior official, the Government plans to boost public spending in the coming months so as to achieve the long-awaited economic growth of over 4% or 5% in the long-term.

**v. Peru has LatAm's largest mining reserves** (*Andina : 04/10/2017*) - Peru is a mining country and the nation with the greatest mining reserves in Latin America, Energy and Mines Ministry (MEM) stated on 02<sup>nd</sup> October. MEM went on to say the Inca nation boasts the six biggest mining reserves in the globe. In addition to that, it holds the highest silver reserves in Latin America and the world. The Andean nation also leads the Latin American ranking of silver, zinc and molybdenum reserves. On the other hand, the second largest copper reserves in Latin America can be found within Peruvian borders. The country ranks third worldwide.

### **Bolivia:**

**vi. Exports from Bolivia add up to US \$ 5,138 million until August, 8% more than last year** (*journalada.net : 04/10/2017*) - The value of Bolivia's exports, from January to August this year, totaled US \$ 5,138 billion, 8% more compared to the same period of 2016, when it was US\$ 4,779 million; the Bolivian Institute of Foreign Trade (IBCE) said. According to this source, the six main markets for Bolivian exports are Brazil 18%, Argentina 16%, United States 8%, Japan 7% and India 7%, countries that concentrate 56% of total sales abroad. The IBCE also reported that imports increased by 9% between January and August, from \$ 5,486 million in 2016 to \$ 5,983 million. Bolivia's suppliers are China with 22%, Brazil 17%, Argentina 12%, United States 9% and Peru 7%, a 66% share of total imports. IBCE reported that the trade balance upto the eighth month of this year shows a deficit of US\$ 846 million and, 20% more than the deficit recorded in August 2016.

**vii. Foreign sales of gas grew 20.2%** (*El Diario : 05/10/2017*) - Between January and August of this year, the value of natural gas exports reached US \$ 1,655.6 million compared to US \$ 1,377.9 million reported in the same period of 2016, representing a growth of 20.2 %, according to official data, the National Statistics Institute (INE).

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