

Economic & Commercial Report for the week ending 27th October 2017

1. Analysis of Trade Data (Peru)

Peru exports data August 2017

Exports by economic sectors	In Millions of US\$			Thousands of tons		
	Jan-Aug 2016	Jan-Aug 2017	Var.% 17/16	Jan-Aug 2016	Jan-Aug 2017	Var.% 17/16
Traditional	15,511	20,139	29.80%	21,846	24,157	10.60%
Mining	12,954.00	16,049.00	23.90%	15,125.00	15,759.00	4.20%
Oil, oil products and gas	1,239.00	2,123.00	71.40%	6,007.00	7,146.00	19.00%
Fishing	951.00	1,627.00	71.00%	546.00	1,102.00	101.90%
Agricultural	367.00	340.00	-7.20%	168.00	151.00	-10.30%
Non-Traditional	6,676	7,349	10.10%	7,395	7,432	0.50%
Farming	2,724.00	3,031.00	11.0%	1,591.00	1,755.00	10.30%
Textile	792.00	815.00	3.0%	52.00	55.00	5.10%
Chemical	892.00	876.00	-1.8%	1,464.00	1,291.00	-11.80%
Fishing	563.00	809.00	43.6%	183.00	307.00	67.70%
Steel-metallurgical	636.00	727.00	14.3%	341.00	325.00	-4.60%
Nonmetallic Mining	413.00	371.00	-10.4%	3,557.00	3,440.00	-3.30%

Regarding the Peruvian exports by economic sectors, the traditional sector reported a positive variation for the period from January to August 2017 comparing it to the same period the previous year, showing a total increase of 29.8% on the value amount and, an increase of 10.6% on the quantity exported. The fishing sector was the one that showed the greatest growth in terms of quantity within the traditional ones, with 101.9% of growth comparing the period of January to August of 2017 with the same one of 2016. The Non-traditional sector reported a positive variation for the period from January to August 2017 comparing it to the same period the previous year, showing a total increase of 10.1% on the value amount and, an increase of 0.5% on the quantity exported.

The accumulated export variation from January to August 2015 - 2017, show a total increase of 23.9% in the total amount from the same period last year with a total export figure of US\$27,488 billion. The traditional products grew the most with a 29.8% growth compared to the same period last year, with an amount of US\$20,139 billion this year. This group includes metals such as Gas, lead minerals, Copper, Gold, etc.

Regarding the ranking of the countries to which Peru exports, India is in position 6, up 7 positions vis-à-vis last year. In the period from January to August this year it represents 4.3% of the Peruvian exports with an export amount of US\$ 1,193 billion, showing a positive variation of 169.3%.

Source: Sunat

Total exports by Country of Destination Jan-Aug 2016/2017 In Millions of US\$						
RK. 17	RK. 16	Main Countries	2016	2017	Var. 17/16	Part. % 2017
1	1	China	5,066	7,301	44.1%	26.6%
2	2	US	3,611	4,021	11.3%	14.6%
3	3	Switzerland	1,687	1,504	-10.8%	5.5%
4	7	Japan	775	1,248	61.0%	4.5%
5	6	South Korea	810	1,224	51.0%	4.5%
6	13	India	443	1,193	169.3%	4.3%
7	8	Spain	684	1,140	66.6%	4.1%
8	5	Brasil	825	1,012	22.7%	3.7%
9	4	Canada	1,189	813	-31.6%	3.0%
10	10	Chile	640	715	11.6%	2.6%
11	9	Holland	644	698	8.4%	2.5%
12	21	Panama	260	638	145.5%	2.3%
13	11	Germany	518	506	-2.5%	1.8%
14	15	Ecuador	415	497	19.7%	1.8%
15	14	United Kingdom	418	444	6.1%	1.6%

2. News analysis related to Trade

Peru:

i. **Peru ranks LatAm's second most attractive country for business (Andina : 27/10/2017)** - Peru is perceived as the second most attractive country to do business in Latin America, revealed a recent survey by Ipsos Public Affairs. Conducted among 367 opinion leaders in 14 Latin American countries, the study affirms 36% of respondents look upon Peru as the second-most attractive nation in the region for closing deals. In this sense, Peru is only surpassed by Chile (55%). The survey also indicates Colombia (35%), Mexico (33%) and Brazil (26%) are attractive nations for this purpose. Other categories - The results also show Brazil (49%) is the most attractive country in terms of tourism, followed by Mexico (40%), Argentina (39%) and Peru (35%). On the other hand, Peru ranks fifth (19%) on the list of most attractive countries to live in.

ii. **TPP countries will meet next week in Japan for renegotiation** (*Gestión : 25/10/2017*) - The eleven countries still participating in the Transpacific Partnership Agreement (TPP) will meet between October 30 and November 1 in Chiba, northeast of Tokyo, to continue renegotiating the pact after the withdrawal of U.S. The meeting seeks to bring together positions to reach a "broad agreement" that will achieve a final agreement in time for the Asia-Pacific Economic Cooperation (APEC) summit to be held in Vietnam on November 11 and 12, said the Minister of Economy of Japan Toshimitsu Motegi, in statements collected by the Kyodo agency. The free trade agreement was intended to cover 40% of global GDP and was originally signed in February 2016 by Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and the United States.

iii. **Copper market to have deficit due to lack of projects** (*Gestión : 25/10/2017*) - Prospects for the copper market over the next two years are perceived to be more difficult due to higher production costs, Southern Copper Corporation Vice President of Finance Raul Jacob said. He explained that the copper market has entered a deficit stage that will be evident next year. He commented that in addition to the new projects that have not been approved in the last five years, copper prices have also been falling. He added that factors such as high fuel costs and labor costs have hampered the performance of copper mining companies.

iv. **Proinversión plans to allocate US \$ 10 billion per year to infrastructure** (*Gestión : 24/10/2017*) - Proinversión expects to reduce its infrastructure gap estimated at US \$ 160 billion by 2025. One third would be advanced by the end term of President Pedro Pablo Kuczynski's. In that sense, ProInversión's Investment Services Director, César Peñaranda, anticipated a greater capital inflow to Peru in the coming months, with the goal of allocating US \$ 10 billion a year through more active promotion of projects accompanied by an adequate loyalty.

Bolivia:

v. **Silver production falls by 14.6%** (*Pagina Siete : 24/10/2017*) - Silver production in the country decreased by 14.6% from January to June this year compared to similar period in 2016, due to lower activity in the operations of San Cristóbal and Sinchi Wayra, according to the Statistical Bulletin of the Ministry of Mining in the first semester. Two experts from the sector attributed the lower volume extracted to the decreasing price of the metal, which discouraged production, and the lower law in the deposits operated by the two private firms. The official report states that the production of silver fell from 702 metric tons (MTF) to 600 MTF in the period mentioned.

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