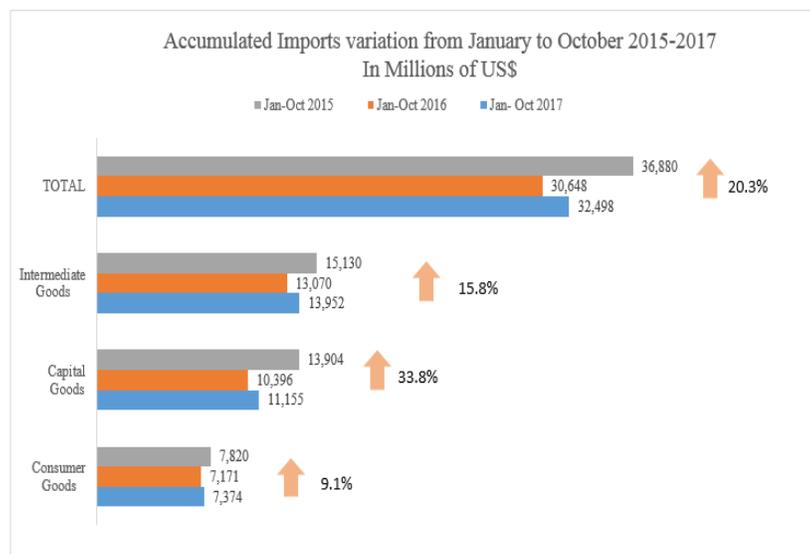


Economic & Commercial Report for the week ending 08th December 2017

1. Analysis of Trade Data (Peru)

Peru imports data October 2017

The accumulated import variation from January to October 2015 -2017, show a total increase of 20.3% in the total amount from the same period last year with a total import figure of US\$32,498 Million. Capital goods imports grew the most with a 33.8% growth compared to the same period last year, with an amount of US\$11,155 Million this year. This group includes mobile phones, auto parts, electronic devices, etc.



RK. 17	RK. 16	Main Countries	2016	2017	Var. 17/16	Part. % 2017
1	1	China	6,820	7,259	6.4%	19.7%
2	2	US	5,895	6,595	11.9%	17.9%
3	8	Germany	953	5,042	429.0%	13.7%
4	3	Brasil	1,756	2,037	16.0%	5.5%
5	4	Mexico	1,394	1,478	6.1%	4.0%
6	9	Colombia	914	1,256	37.5%	3.4%
7	10	Ecuador	901	1,161	28.8%	3.1%
8	7	Chile	959	1,011	5.4%	2.7%
9	12	Argentina	698	964	38.1%	2.60%
10	15	Spain	554	908	63.9%	2.50%
11	11	Japan	876	871	-0.5%	2.40%
12	6	South Korea	1,087	836	-23.1%	2.30%
13	5	India	1,257	683	-45.7%	1.90%
14	13	Italy	603	641	6.4%	1.7%
15	14	Canada	568	555	-2.3%	1.5%
		Other	5,413	5,582	3.10%	15.1%
TOTAL			2,702	2,807	29.10%	100.0%

As regards the ranking of the countries from which Peru imports, India is in position 13, down 8 positions vis-à-vis last year. In the period from January to October this year it represented 1.9% of the total imports with an amount of US\$ 683 million, showing a negative variation of 45.7%.

RK. 17	Countries with the biggest drop	2016	2017	Balance US\$	Var. % 17/16
1	India	717	111	-606.00	-84.5%
2	US	1,348	1,221	-128.00	17.9%
3	Thailand	243	141	-102.00	13.7%
4	South Korea	299	219	-80.00	5.5%
5	Arab Emirates	52	1	-51.00	4.0%
6	Mexico	493	461	-32.00	3.4%
7	Colombia	76	55	-21.00	3.1%
8	Japan	464	447	-17.00	2.7%
9	Malasia	53	39	-14.00	2.60%
10	Turkey	80	68	-12.00	2.50%

Markets with the Biggest Drop in Capital Goods imported

On the other hand, as for the countries that had a strong slowdown in their exports to Peru of Capital Goods, India is the market that decreased the most with a negative balance of US \$ 606 million with a variation of -84.5% compared with the same period last year.

The products that show a greater decrease are load dumps (-47%), parts of telephones and other devices of transmission or reception of voice (-23.4%), other vehicles for 16 people to more (-11.3%) and tractors (-6.8%). India is followed by the US from where purchases were reduced by US \$ 128 million, Thailand with US \$ 102 million and South Korea with US \$ 80 million.

Source: LCC

2. News analysis related to Trade

Peru:

i. **Peru: Agro-exports totaled US\$4.359 billion between Jan-Oct 2017** (*Andina : 07/12/2017*) - Peruvian agro-exports reached US\$4.359 billion between January and October 2017, thus registering an 8% increase over the same period last year, the Association of Peruvian Exporters (Adex) reported Wednesday. In this regard, Adex Agriculture Section Manager Paula Carrion pointed out agricultural shipments amounted to US\$593.673 million, an 8% drop compared to the similar period in 2016 (US\$645.212 million). During the analyzed period, Peruvian agricultural products arrived in 55 countries, the United States being the main export destination (US\$145.193 million), followed by Germany (US\$125.419 million), and Belgium (US\$54.172 million). Together, they received 54.7% of Peru's total agricultural shipments.

ii. **Foreign trade exceeds US\$68 billion in first 10 months of 2017** (*Andina : 07/12/2017*) - Foreign Trade and Tourism Minister Eduardo Ferreyros said Peru's foreign trade totaled US\$68.124 billion between January and October this year, up 15.8% over the same period in 2016. Likewise, the minister informed Peruvian shipments rose 22.9% to US\$35.511 billion in the first 10 months of the year. This result is attributable to higher export volumes (12.6%) in sectors like fisheries (69%) and hydrocarbons (29%), as well as to a recovery in international prices (9.3%). "The increase in Peruvian exports has been driven by Asia's greater demand," he underlined. In this sense, sales to Asian nations posted a 48% expansion in Jan-Oct this year, whereas shipments to other countries grew 8.5%. The rise in Peruvian exports to Asia is not limited to China —country that saw a 40% increase. In fact, this is observed in India (126.8%), Thailand (122.2%), South Korea (61.7%), and Japan (51.8%) as well.

iii. **Avocados, Peruvian exports' green gold** (*Gestión : 03/12/2017*) - Avocados are Peruvian exports' "green gold," as they have maintained sustained growth in recent years and exceeded US\$570 million during the first nine months of 2017, private-run Foreign Trade Society (ComexPeru) stressed. According to the International Trade Centre (ITC), Peru ranks as the third largest avocado exporter in the world since 2014, only surpassed by Mexico and the Netherlands. Based on National Customs and Tax Administration's (Sunat) figures, Peruvian avocado exports climbed 64% between 2013 and 2014, going from US\$183.6 million to US\$301 million. Moreover, avocado shipments amounted to US\$306 million in 2015, thus registering a 1.6% rise. The fruit reached US\$396.9 million (+29.7%) in 2016 and positioned itself as Peru's third-most exported non-traditional product.

Bolivia:

iv. **Approval of 117 mining contracts for 30 years begins** (*El Diario : 29/11/2017*) - After more than three years of the approval of the new Law 585 of Mining and Metallurgy, on May 28, 2014, the Plurinational Legislative Assembly (ALP) began the treatment to carry out 117 mining contracts, with a duration of 30 years. The President of the Committee of Plural Economy, Production and Industry of the Chamber of Deputies, Ignacio Soruco, informed that this legislative entity will approve the 117 mining administrative contracts signed with the Jurisdictional Authority of Mining Administration (AJAM).

v. **The 2018 budget is expected to grow** (*El Diario : 29/11/2017*) - The Minister of Economy and Public Finance, Mario Guillén, reported on 28.11.2017 at a press conference that the Consolidated and Aggregate Budget will increase in 2018. The subsidy for hydrocarbons will rise from Bs 1,794.5 million to Bs 1,874.1 million, which will imply an increase of 16%, while in food the increase will be Bs 254.6 million to Bs 314.3 million, an increase of 23%; and for basic services will be Bs 93.5 million to Bs 113.9 million, percentage 22%. In 2017, the consolidated amount reached Bs 274,879.4 million and by 2018 the figure will rise to Bs 284,436.8 million. It was announced that the budget project is already in the Legislative Assembly for its consideration.

3. Trade Promotion activities of the Mission

Sucesos Magazine carried out an interview with Commercial Representative Arup Kumar Saha where he discussed varied topics like the benefits of a Trade Agreement between India and Peru, on how the two economies are complimentary in nature, and investment & trade opportunities between the two countries.

Arup Kumar Saha
Commercial Representative
December 8, 2017