

**Economic & Commercial Report for the week ending 26<sup>th</sup> April, 2019**

**1. News analysis related to Trade**

**Peru:**

i. **Mincetur: China and Peru sign agreement to strengthen trade integration** (*El Comercio 25/04/2019*) - The Minister of the Ministry of Foreign Trade and Tourism (Mincetur), Edgar Vásquez, informed that Peru and China signed a Memorandum of Understanding that seeks to strengthen trade cooperation and connectivity links between both countries. The agreement was signed in Beijing, in the framework of the Belt and Route Forum, which is being developed until next April 27. "Through this document, both countries confirm their willingness for Peru to participate in trade cooperation and connectivity initiatives between our countries within the framework of the Forum and that it encourages the country to participate even more actively in the Asia-Pacific region" said Vasquez.

ii. **Private investment and mining will boost the economy** (*El Peruano 24/04/2019*) – The Ministry of Economy and Finance (MEF) yesterday (23 Apl) presented before the Council of Ministers the Updated Report on Macroeconomic Projections (IAPM) 2019-2022, which maintains the projection of GDP growth by 4.2% for 2019, similar to the Framework Multiannual Macroeconomic (MMM) 2019-2022, said the Ministry of Economy and Finance (MEF). The Head of the MEF, Carlos Oliva, explained that this dynamics is associated with the consolidation of private investment as one of the main engines of growth of the economy, which will grow 7.6% in 2019 (the highest rate since 2012), due to the greater impulse of the mining investment.

iii. **Peru: Mining investment to increase 20% in 2019** (*El Comercio 26/04/2019*) – Mining investment in Peru will expand 20% in 2019, while GDP will increase 4%, Central Bank Reserve's (BCR) Monetary Policy Manager Paul Castillo projected. In this sense, he noted mining investment rose 25% last year. Likewise, Castillo recalled this type of investment grew 40% in January and 28% in February 2019, within the framework of an increase in commodity prices. Furthermore, he estimated Peruvian economy will rise 4% in 2019 underpinned by domestic demand (4%). Thus, he considered national economy will increase over its potential (3.7%). Moreover, the BCR representative projected consumption will expand 3.8% and private investment 6.5% this year. In addition, Castilla affirmed the goal is to close the production gap by 2020.

**Bolivia:**

iv. **Bolivia and China Agree to Strengthen Economic Cooperation and Investment** (*Cambio: 23/04/2019*) - The Deputy Ministers of Foreign Trade of Bolivia, and of China, signed a memorandum of understanding to establish a mechanism of work aimed at strengthening investment and economic cooperation between both countries. The portfolio of cooperation projects that Bolivia has with China was also reviewed, which includes export products. It was agreed to increase Bolivian exportable supply to China, since China is an important commercial partner. Bolivia exports more than 400 million dollars to that market.

v. **GDP grew 4.22% in 2018 thanks to Agriculture and Industry** (*La Razon: 24/04/2019*) - The growth of the Gross Domestic Product (GDP) in 2018 reached 4.22% thanks to the activities of the agricultural sector. There was a growth in the production of cane, which results in the production of sugar and anhydrous alcohol, which is also intended for the manufacturing industry for the use of Super Ethanol 92 gasoline manufacturing industry, for the milling and fresh meat production. and public administration services. Meanwhile, the hydrocarbons sector had a negative growth of 7.82%.