

Economic & Commercial Report for the week ending 02nd August, 2019

1. News analysis related to Trade

Peru:

i. **Peru: Exports account for 21% of GDP** (*El Peruano: 29/07/2019*) - Exports and Tourism Promotion Board (PromPeru) CEO Luis Torres affirmed that the exports sector is a priority for the Peruvian Government as it contributes 21% to GDP and is one of the main employment sources in the country. In this sense, he underlined this progress enabled 850 products to break a new exporting record over recent years. Likewise, agricultural, garment, manufacturing, fishery, and diverse manufacturing products, stood out.

ii. **Australian investments in Peru reach US\$ 4 billion** (*Andina: 31/07/2019*) - According to figures from the Ministry of Energy and Mines (Minem), there are currently more than 90 Australian companies in Peru, whose investments in the country amount to approximately US\$ 4 billion. Likewise, both countries have important agreements that will boost their commercial growth, such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). They are also negotiating a free trade agreement linked to the Pacific Alliance, as well as the air services agreement. Within this framework, Peru will participate in the sixth International Mining and Resources Conference (IMARC 2019) to be held in the city of Melbourne (Australia) from October 29 to 31, 2019.

iii. **Minagri: Peru is the world's leading producer of alpaca fiber** (*El Comercio: 01/08/2019*) - Ministry of Agriculture and Irrigation (Minagri) reported that there are more than 3.6 million alpacas in the country nationwide. Likewise, in 2018, more than 6,500 tons of alpaca fiber (95% of production) were exported, with an export value of US \$ 166.5 million, the main markets of destination were China and Italy.

iv. **Mining investment grew 23.2%** (*Gestion: 02/08/2019*) - According to figures from the Ministry of Energy and Mines, mining investments in June totaled US \$ 478 million, registering a growth of 12% compared to the previous month (US \$ 424 million) and an increase of 23.2% compared to June 2018. Likewise, in the period between January-June mining investment totaled US\$ 2.532 billion and the sectors that stood out were: Development and Preparation (US\$ 556 million) and Beneficiation Plant investment (US\$547million).

Bolivia:

v. **Easba to produce 3 million liters of anhydrous alcohol** (*La Razon: 29/07/2019*) - The manager of San Buenaventura Sugar Company (Easba), Ramiro Lizondo, reported that 3 million liters of anhydrous alcohol will be produced next year, with that the state firm will join the biofuels era. It will be marketed to Bolivian Fiscal Oil Fields (YPFB), to use it as an additive for the generation of biofuels. Likewise, YPFB pays US\$ 0.72 per liter of anhydrous alcohol, an amount with which Easba's earnings are calculated for more than US\$ 2.1 million a year.

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August 5, 2019