

Economic & Commercial Report for the week ending 23th August, 2019

1. News analysis related to Trade

Peru:

i. **Peru, China will sign an agreement to improve Andean and Amazon seeds** (*El Peruano : 20/08/2019*) Peru's Ministry of Agriculture and Irrigation (Minagri) and China's Ministry of Agriculture and Rural Affairs (Mara) will sign an agreement enabling bilateral cooperation on the development of agricultural science and technology in order to improve the quality of Andean and Amazon seeds. The goal is to boost smart agriculture in Peru by utilizing technologies in accordance with the processes of national crop production systems. In this sense, both authorities expressed their agreement on prioritizing research focused on providing healthy foods, such as quinoa and potato.

ii. **Local mining will recover next year due to the entry of five new projects** (*Gestion: 22/08/2019*) - By 2020 the Scotiabank Economic Studies area projects a recovery for local mining, based on the entry of five new projects that will be added to mining production. These are the Quecher Main (Yanacocha Mine) and Expansion Santa Maria (Poderosa Mine) gold projects, the Toromocho (Chinalco) and Mina Justa (Marcobre) Expansion copper projects as well as the San Rafael of Minsur (Tin project). Likewise, Scotiabank estimates that the country's mining GDP will grow 3% in 2020. It was also noted that copper production increased 1.6% during the first half of 2019, after remaining relatively stable during 2018, and projected that copper production will grow 3% next year.

iii. **Peru economy will grow 4.4% in 2020-2023** (*Gestion: 23/08/2019*) - The Ministry of Economy and Finance (MEF) published the 2020-2023 Multiannual Macroeconomic Framework (MMM). It forecasted that GDP will have a growth of 4.4% for the next four years, with a gradual acceleration from 4% in 2020 to 5% in 2023. With this forecast Peru is expected to continue leading growth in the region, despite the adverse international environment. Likewise, the Ministry commented that the review of economic growth for 2019 is mainly explained by the materialization of external risks foreseen in the April report, associated with the intensification of trade tensions between China and the United States, as well as by temporary supply shocks in the fisheries, mining, and primary manufacturing sectors, which influenced the primary GDP to record a 3.1% fall.

iv. **Copper exports fell 12.9% in the first half of 2019 due to lower production volumes** (*Gestion 23/08/2019*) - According to figures from the National Society of Mining, Petroleum and Energy (SNMPE), from January to June 2019, copper exports totaled US \$ 6.652 billion, a figure that shows a 12.9% drop compared to a similar period in 2018, when a figure of US \$ 7.636 billion was registered. Copper shipments accounted for 50.2% of total mining exports. The main destination markets for copper exports were China, Japan and South Korea.

Bolivia:

v. **Vice-president Garcia Linera highlighted that YPFB represents the Bolivian economy engine** (*El Cambio: 23/08/2019*) - Vice President Álvaro Garcia Linera highlighted at the closing ceremony of the "II International Forum of Petrochemical Gas and Green Fuels" that YPFB continues to be the engine of the Bolivian economy and that it now assumes two new qualities that are internationalization (subsidiaries will be held in Brazil, Peru and Argentina) and the introduction to agricultural activity. In addition, the Vice President explained that the objectives of the country are to supply gas to South America and to export liquefied natural gas to the world.

vi. **Government call for proposals to find the 'strategic partner' for the Viru Viru hub** (*La Razon: 20/08/2019*) - The Vice Minister of Strategic Planning of the State, Silvana Zubieta, presented the call for offers for the construction of the new airport hub of Viru Viru, in an act that was held in the Chamber of Industry, Commerce, Services and Tourism (Cainco) of the city from Santa Cruz. She stressed that the State consolidates its relationship with national and international private companies, within the framework

of the investment promotion carried out by the Ministry of Development Planning. She added that the information for this project is available in the webpage www.investbolivia.gob.bo.

3. Trade Promotion Activities of the Mission

i. Pharmexcil's 6th BSM in Peru : Pharmexcil organized its 6th successful BSM in the last 7 years in Lima, Peru on 22 August 2019. 29 Indian Pharmaceutical companies a wide range of products including formulations, APIs, medical devices, pharmaceutical machinery, nutraceuticals and herbal medicines. The BSM was inaugurated by Ms. Elizabeth Zulema Tomas, Director General of CENARES, Ms. Yolanda Torianni, President of Lima Chamber of Commerce and Mr. M. Subbarayudu, Ambassador of India. The next day, the delegation had fruitful meetings with DIGEMID – the regulatory body, CENARES, the government medicine procurement agency and senior health ministry officials.

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