

Economic & Commercial Report for the week ending 06th September, 2019

1. News analysis related to Trade

Peru:

i. **Fishery sector up 138% in July 2019** (*La Republica: 02/09/2019*) - According to the Production Ministry (Produce), Peru's extractive fishing activity expanded 138.4%, in terms of volume, compared to the same month last year. Likewise, in economic terms, the extractive fishing activity totaled S/269.2 million (around US\$79.19 million), a 52.3% expansion compared to the same month last year. This result was driven by the value increase of resources destined for flour and oil industry (232.6%), as well as the positive outcome of hydro biological resources intended for canned (152.2%), frozen (40.7%), and fresh (5%) industries.

ii. **Mining investment total US\$3.011 billion between Jan-Jul 2019** (*Gestion: 05/09/2019*) - The Minister of Energy and Mines Francisco Ismodes, reported that Mining investment in Peru totaled US\$3.011 billion between January and July 2019, thus increasing 24.5% compared to the same period last year. Likewise, US\$ 1.338 billion was spent through projects in execution and US\$ 1.464 billion was destined for reinvestment in operations, US\$ 188 million was allocated for exploration investments, and US\$ 20.3 million for starting new projects. In this sense, Ismodes indicated that the forecast to reach US\$6 billion in mining investment by the end of the year is being maintained.

iii. **Peruvian exports fell 7.1% between January - July** (*El Comercio: 06/09/2019*) - According to figures from the Central Reserve Bank (BCR) between January to July, exports totaled US\$ 26.604 billion, a fall of 7.1% in relation of the period of last year. In July exports were US\$ 3.989 billion, a lower amount than the reached in July 2018 (US \$ 4.098 billion), the result is explained by a decline in shipments of non-traditional product (-10.7%), explained by lower exports of oil and natural gas (-25.1%) and the mining sector (-9.9%). Regarding imports, in July it amounted US\$ 3.533 billion, a fall of 0.2% compared to a similar month in 2018. In July, purchases of consumer goods and capital increased, while purchases of supplies decreased. Likewise, trade balance, registered a surplus of US \$ 456 million in July, a lesser amount that the one obtained in a similar period of 2018 (US\$ 556 million), reaching in total US\$ 2.900 billion in the first seven months of the year.

Bolivia:

iv. **Tender for Propylene-Polypropylene Petrochemical Complex in Yacuiba** (*El Deber 30/08/2019*) - Minister of Hydrocarbons, Luis Alberto Sánchez, reported that Bolivian Fiscal Petroleum Deposits (YPFB) launched on Friday the public tender to hire a company for executing the "extended basic engineering" that includes the final design project of the propylene and polypropylene plant. It means that Bolivia will take an important step in the era of plastics with the tender of engineering of the Propylene-Polypropylene Petrochemical Complex. Likewise, the petrochemical complex will transform the propane extracted from the natural gas that is processed at the Gran Chaco Liquid Separation Plant to produce 250 thousand tons per year of industrial-type hard plastics.

v. **Bolivia to host of the International Lithium Forum** (*El Cambio: 03/09/2019*) - The Bolivian State of Potosi will for the first time host the International Forum on Current Affairs and Perspectives of Lithium in the Region from 5-7 September. The forum is organized by Bolivian Lithium Deposits (YLB) and funded by the Inter-American Bank of Development (IDB). It will have specialists in the industrialization of lithium from Argentina, Chile, Peru, South Korea, Great Britain and Bolivia. Among the topics that will be discussed are: industrialization policies in South America, geology of lithium deposits, application of lithium and its use today (cathodes materials, batteries and others), international market and environmental socio-economic considerations.