

Economic & Commercial Report for the week ending 15 November, 2019

1. News analysis related to Trade

Peru:

i. Mining exports total US\$2.209 billion in Sept 2019 *El Comercio 12.11.2019* – As per National Society of Mining, Oil, and Energy data base, mining exports totaled US \$2.209 billion in September 2019, a 1.2% rise over the same month in 2018. The copper shipments totaled US\$1.11 billion, an increase of 2.1% over September 2018, and the main destination markets were China, Japan, and South Korea. Likewise, gold shipments increased to 7% in September reaching US \$668 million. The main markets for gold exports are India, Switzerland, and the United States.

ii. Peru intends to become model country for solar energy investments *El Comercio 12.11.2019* – Prime Minister Vicente Zeballos at inauguration of the International Solar Alliance' SunWorld 2019 event, that was held from November 12 to 14, stated that Peru seeks to become a model country for attracting investments in solar power generation projects. "We want to become a model country and a Latin American benchmark for investments in solar energy, as a Ministry we are promoting a series of electricity generation projects with renewable energies, for this reason there have been four auctions with seven solar power generation companies, with an investment of US \$596 million and an installed capacity of 280.48 megawatt".

iii. Peruvian economy up 2.22% in Sept 2019 *El Comercio 12.11.2019*- According to INEI (Institute of Studies and Information), national production grew 2.17% in the accumulated period from January to September, and it was on account of an increase in household consumption, reflected in higher retail sales (3.36%), increase in consumer loans (13.10%), as well as in import of non-durable consumer goods (10.47%) besides non-traditional exports (14.02%).

iv. Extraction, processing of lithium to create development pole in Peru *Andina 14.11.2019*- In an interview, former Deputy Mines Minister Romulo Mucho while commenting on the potential of lithium reserves in Peru, stated that a Canadian mining company, Plateau Energy Metals in June 2019 had discovered the lithium deposits in Puno, which was estimated to be the sixth largest lithium deposits in the world, with reserves of about 4.71 million tons of lithium carbonate. He said that the extraction and processing of lithium will lead to the creation of a development pole, which will boost economic activity in southern regions as it opens up a range of opportunities to boost the country's growth. He also commented that there is a long way to go about exploitation process in terms of engineering and the social license. He also stated that what is causing delay in exploitation is that this mineral is a radioactive product and requires specific legislation for its exploitation.

v. Border closure with Bolivia continues and no solution in sight *Gestion 15.11.2019* – Due to socio-political situation in Bolivia, Bolivian Customs decided to close the Peru-Bolivian border in Desaguadero since November 12. As per Manager of the Chamber of Commerce of Puno, it is estimated that Peru is losing about US \$2 million daily as products such as iron bars, cement and plastic cannot cross border.

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