

**Economic & Commercial Report for the week ending 31<sup>st</sup> October, 2019**

**1. News analysis related to Trade**

**Peru:**

**i. Investments in mining projects to total US\$11.754 billion between 2019-2022** *Gestion 31.10.2019* - The Energy and Mines Ministry (MINEM) reported that projected investments in mining ventures in Peru will reach US\$11.75 billion in the 2019-2022 period. Investment in 2019 is forecast to be US \$2.5 billion; in 2020 it is likely to be US \$2.85 billion, which represents a 14% rise over last year. This positive trend will continue in 2021 with US\$3 billion investment, and in 2022 it is estimated to be US \$3.32 billion, a 7.6% increase over 2021.

**ii. Peru has enough natural gas reserves for next 35 years** *El Peruano 28.10.2019* - Peru Petro Promotion and Recruitment Manager Luis Felipe Fernandez reported that Peru has enough natural gas reserves to meet the domestic and external demand for the next 35 years, as it relies on 15.11 trillion cubic feet (TCF). The highest concentration of this reserve is located in the Camisea field, which includes Lots 88, 58, 56, and 57. Mr. Felipe also explained that 2% of total gas production is concentrated in northern areas, 1% is in central zones, and 97% in southern areas.

**iii. United Kingdom surpasses China in mining investments** *El Comercio 29.10.2019*- Energy and Mines Ministry (MINEM) reported that companies from the United Kingdom account for 20.9% of the total investment estimated in the portfolio of mining construction projects in Peru (worth US \$57.77 billion). In this context, the UK takes the first place with six projects and a total investment of US \$12 billion, thus accounting for 21% of the total portfolio, ahead of China's 17.6%. The UK investors include Anglo American with the Quellaveco mining project (Moquegua region; US\$5.3 billion) and Rio Tinto with La Granja mining project (Cajamarca region, US\$5 billion). China holds the second place, and its mining investments amount to US \$10.15 billion with five projects. Canada is ranked third (11 projects) which represent 14.7% of the total. It should be noted Peruvian companies account for 7.9% of total mining investments in the country, with seven projects worth US\$4.58 billion.

**iv. Foreign Direct Investment expanded 108.4% in 2Q 2019** *El Comercio 29.10.2019*- According to the figures from the Central Reserve Bank (BCR), FDI in Peru totaled US \$3.09 billion in the second quarter for 2019, thus expanding 108% over same period last year (US\$1.48 billion). It helped FDI post a recovery in the first half of this year, as it amounted to US\$5.57 billion, a 31.2% increase over same period in 2018.

**v. Executive approved emergency decree that guarantees stock of generic drugs in pharmacies** *La Republica 30.10.2019* - President Martín Vizcarra announced an emergency decree in the Council of Ministers that guarantees the stock of generic medicines in Peruvian pharmacies. The stock list consisting of up to 40 essential drugs will be mandatory, as proposed by the Ministry of Health (MINSAs), Fines will be imposed progressively on those pharmacies that do not comply with this decree.

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