

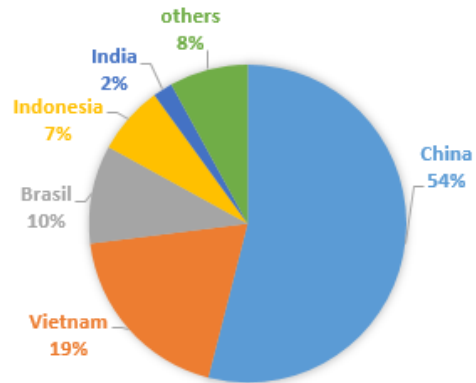
Economic & Commercial Report for the week ending 27th July 2017

1. Analysis of Trade Data (Peru)

Imports of footwear

In Peru, the trade balance of footwear has had a negative trend, which has increased since 2010. At the end of 2016, the footwear trade balance was negative and reached US \$ 347 million. During 2016, the Peruvian footwear trade was concentrated with ten countries. In terms of imports, 91.8% of footwear purchases were concentrated with five countries: China: 54.2% (US \$ 200.3 million), Vietnam: 18.8% (US \$ 69.4 million), Brazil: 10.2% (US \$ 37.6 million), Indonesia: 7.0% (US \$ 25, 9) and India: 1.6% (US \$ 5.9 million). For the same period, 82.7% of footwear exports went to Chile: 27.0%, the United States: 18.7%, Colombia: 18.0%, Ecuador: 15.8% and Mexico: 3.3%.

FOOTWEAR IMPORT DATA BY COUNTRY OF ORIGIN 2016



Footwear Imports			
CIF Value (US\$)			
Country of origin	2014	2015	2016
China	240.30	242.24	200.26
Vietnam	51.95	28.1	69.47
Brasil	29.63	31.07	37.61
Indonesia	23.05	28.73	25.85
India	4.71	7.15	5.91
others	29.40	29.9	30.46
TOTAL	379.18	397.17	369.56

Source: INEI

Top 5 footwear importing companies

Adidas Chile Limited, a transnational company and one of the largest sports footwear companies in the world, registered in 2016, imports of US \$ 49.6 million in footwear, mainly concentrated in shoes with rubber soles, plastics, leather or composition leather and uppers of textile materials: For the same year, EQUIPERU S.A.C. recorded an amount of US \$ 37.0 million in imports, EMCOMER S.A. an amount of US \$ 32.4 million, KS Depor S.A. an amount of US \$ 23.1 million and Saga Falabella S.A. US \$ 16.5 million.

In 2016, Peru imported from the Chinese market, mainly products of the group consisting of footwear with rubber, plastic, natural or regenerated leather and textile upper part (US \$ 90.6 million). Meanwhile, footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather (US\$ 4.141 million) were imported from India.

Main footwear importing companies			
CIF Value (Thousands of USD)			
Company	2014	2015	2016
Adidas Chile Limitada Sucursal del Peru	35,721	46,075	49,651
EQUIPERU SAC	28,040	32,575	37,029
EMPRESAS COMERCIALES SA	32,456	33,703	32,371
KS DEPOR SA	27,888	26,687	23,089
SAGA FALLABELLA SA	18,776	18,019	16,649
OTHERS	236,302	240,113	192,488
Total	379,183	397,171	369,561

Source: Infotrade

2. News analysis related to Trade

Peru:

i. **Peru: Trade sector up 1.5% in May 2017** (Andina : 26/07/2017) - Peru's trade sector increased 1.5% in May 2017 over the same month last year, the Central Reserve Bank (BCR) informed on Wednesday. The result

denoted recovery, following two consecutive months of negative results due to climate phenomena. This positive outcome was underpinned by the rebound in sales and repair of cars (+8.0%), as well as in wholesale (+1.1%) and retail (+0.7%) activities. It must be noted trade sector accounted for 10.18% of Peru's GDP last May, according to the National Institute of Statistics and Informatics (INEI).

ii. **Peru economic indicators up in Kuczynski's year one** (*Andina : 27/07/2017*) - Several economic indicators improved during Peruvian President Pedro Pablo Kuczynski's first year in office, such as those of exports and tourism, Economy and Finance Minister Fernando Zavala highlighted on Wednesday. "We are observing some relevant indicators in this first year in office: Exports, for instance, are growing in two-digit figures, and tourism expands at over 7%," Zavala said during a press conference. Indicators also hint at higher growth rates in the second half of 2017 and in 2018 thanks to measures the government is taking.

iii. **Peru: Mining exports maintain momentum** (*Andina : 24/07/2017*) - Peruvian mining exports sustained the upward trend and totaled US\$9.71 billion in January-May 2017, thus expanding 28% over the same period in 2016, private-run Foreign Trade Society (ComexPeru) reported. Value-wise, main mineral exports were copper (US\$4.362 billion; +46%), gold (US\$2.628 billion; +6%), zinc (US\$718 million; +82%), iron (US\$254 million; +69%) and silver (US\$203 million; +37%), according to State-run tax and customs agency Sunat. Regarding export destinations, China accounted for 37% of the total at US\$3.613 billion, followed by the United States (US\$935 million; 9.6%), Switzerland (US\$934 million; 9.6%), India (US\$703 million; 7.2%) and Japan (US\$692 million; 7.1%).

iv. **Peru: Regional exports surpassed US\$10.497 billion as at May 2017** (*Andina : 25/07/2017*) - Regional exports —without taking into account Lima and Callao areas— exceeded US\$10.497 billion between January and May this year, the Association of Peruvian Exporters (Adex) revealed. The result led to a 17% increase from the same period last year. The most outstanding regions during the analyzed term were: Ancash, Arequipa, Apurimac, Ayacucho, Ica, Cusco, Junín, Lambayeque, Piura, Puno, Tumbes and San Martín. On the other hand, Cajamarca, La Libertad, Moquegua, Pasco and Tacna regions saw decreases in their exports.

Bolivia:

v. **The bioceanic train promises to save 25 days for trade** (*La Razón : 24/07/2017*) – At the Mercosur Summit, the Vice Minister of Foreign Trade Clarems Endara said that the train, which will pass through Bolivia, will save time and make trade to Asia competitive. The megaproject of the bioceanic train will save 25 days of travel from ports in Brazil to ports in Asia. This was one of the aspects that "attracted a lot of attention" at the summit of the Southern Common Market (Mercosur), which supported the project encouraged by Bolivia and is a step in integration, said the Vice Minister. On Friday (21/07), the presidents of the southern bloc approved a declaration of support for the project in which Bolivia, Peru, Paraguay and Uruguay are already working, in addition to Brazil, but without a full incorporation.

vi. **Bolivian coffee exports value increases to US \$ 2.5 million in the first half of the year** (*La Razón : 24/07/2017*) - The director of Promueve Bolivia, Iván Cahuaya, reported Monday that Bolivian coffee exports increased from 2.2 million to 2.5 million dollars in the first half of this year compared to the same period last year. He pointed out that Bolivian coffee is being exported to the markets of the United States, Canada, Germany, Belgium, France and Japan. He said that coffee production is expected to increase in the next two years, with new coffee plantations, taking into account that the Government will support the country's 17,000 producers with the National Coffee Program.

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