

Panorama of relationships between Peru and Asia

秘鲁与亚洲国际关系的全景

Peru stands-out in Latin America as one of the countries with strongest ties in Asia and China. This is due to many mature cultural as well as legal reasons, explained in this article at a glance, together with an overview of business opportunities stemming for potential investors.

秘鲁是拉丁美洲地区与亚洲及中国纽带最紧的国家之一。原因是由于众多成熟的文化和法律因素。本文章中对于该等因素作出阐述，并对于潜在投资商可关注的商机进行总体介绍。

In recent years, Peru has continued to increase its trade liberalisation and economic reforms so as to strengthen its integration into the global economy and create new investment opportunities. The Peruvian economy has been growing steadily by an average of 6.4% per year since 2002, with a stable to slightly appreciating exchange rate and very low inflation. Growth in 2010 was close to 9% and in 2011 almost 7%, which was fuelled mainly by private investment in the extractive and productive sectors, and by internal consumption.

Underpinning Peru's economy's performance are stable macroeconomic policy and management, in place since the early 1990s. As a result, Peru's foreign-currency debt rating has been raised to investment grade by the main international rating agencies¹. None of this would have been possible without a stable legal framework, in place now for over two decades, which fosters and promotes both domestic and foreign private investment alike.

In large part, growth has been fuelled by growing international trade and trade, in turn, by the free trade agreements executed by Peru. Since 2006, Peru has signed trade agreements with China, the United States, Canada, Singapore, Korea, Mexico, and Japan, concluded negotiations with the European Free Trade Association (EFTA) and Chile, and begun trade talks with Central American countries and others. The reduction of duties for a variety of products and greater investment opportunities in the Peruvian market are the main benefits offered to trading countries.

This is demonstrated by the steady increase in the number of business transactions under these free trade agreements. In 2011, 95% of Peruvian exports (USD 43.44 billion) and 90% of imports (USD 33.94 billion) were carried out under free trade agreements. The same year, China became Peru's main trading partner for the first time.

¹ Standard & Poor's, Moody's and Fitch Ratings.

Asia - strategic partner

Peruvian commercial policy towards Asia is aimed at increasing its presence through the development of bilateral and multilateral relations. Peru maintains traditional ties of friendship and cooperation with countries of Northeast Asia, such as China, South Korea and Japan.

Trade and investment from the PRC have been steadily on the rise. The enactment and entering into force of the Free Trade Agreement (“FTA”) with China in 2010 has consolidated this trend. The FTA is a comprehensive agreement that allows for clear and transparent rules that encourage the exchange of goods, services and investments. Trade with the PRC has increased by 40% in the first year under the FTA and 28% in the second. As a result, in 2011 China has become Peru’s largest trading partner, surpassing the U.S.

Peru, is witnessing the entrance of Chinese investors, seeking to secure strategic mineral commodities by acquiring Peruvian mining corporations. For instance, Aluminium Corporation of China, China Minmetals and Jiangxi Copper all already hold interests in important mining projects. There are, of course, a wide variety of resources exportable to China, such as fish meal and agricultural products, which may be attractive to investors.

Likewise, Peru and South Korea have reached a satisfactory development in bilateral political, economic, trade and cooperation relations. The South Korean investments totalled over USD 3 billion mainly in the mining and energy sectors, with 51 projects implemented.

In addition, Peru figures as one of the largest recipients of Japanese cooperation in Latin America. Currently, these investments are focused on mining, specifically on the production of phosphate and copper.

Investments should continue to grow steadily in the coming years, thanks to the FTA that Peru has with these three countries.

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