

APEC AS A PLATFORM FOR THE PERUVIAN AGROEXPORTATION AN EVALUATION OF THE RESULTS OF TWENTY YEARS OF ITS ENTRY

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AGENDA

- Peruvian Trade Policy
- Evolution of the Peruvian Agroexport Sector
- Analysis of Relevant Commitments in APEC and PA that Affect the Agricultural Sector: Market Access & Tariff, Rules of Origin, Sanitary Measures (Sanitary Protocols), Investment Commitments.
- Peruvian Agricultural Exports: Commercial Agreements
- Tool to Consolidate the Exportable Peruvian Offer to APEC.

PERUVIAN TRADE POLICY

TRADE AGREEMENTS

- Best access to external market
- Clear rules for international trade and consolidation of preferences
- Predictable regulatory framework for private investment
- 3 fronts: multilateral, regional, bilateral

TRADE DEVELOPMENT - PENX

- Exportable offer
- New markets
- Trade facilitation
- Export culture

LEGAL ASPECTS OF TRADE AGREEMENTS



Competitive exportable products

- Competitiveness conditions or do not face negative impacts.
- Asparagus, onions, mangoes, avocados, grapes, red pepper, olives, garlic, artichokes, coffee, and beans, tangerines, among others.



Non-sensitive products

- They are not produced in the partner countries or they are few competitive.
- Potatoes, bananas, yucca, quinoa, beans, cañihua and kiwicha, among others.
- Schedules between 0 and 7 years.



Sensitive Products

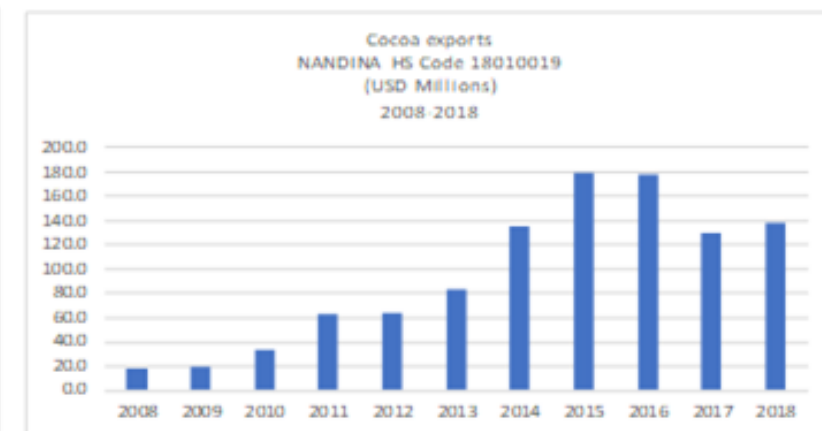
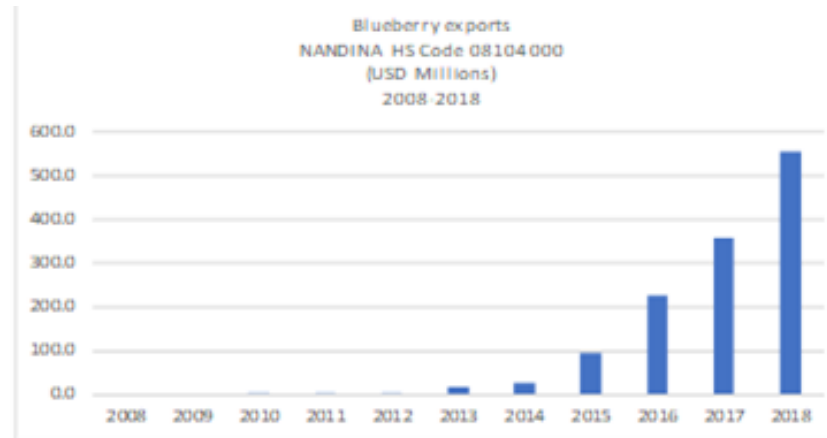
- They are produced massively and with subsidies in some countries.
- Rice, yellow corn, dairy products, wheat and cotton.
- Application of agricultural price bands.
- Schedules from 10 to 17 years.

Prohibition of export subsidies. They allow the use of the agricultural special safeguard. In AP the elimination of 92% of the tariff universe in the 1st year is agreed.

EXPORTS FROM PERU TO APEC - coffee, grapes, avocados, asparagus, blueberries, mangoes, bananas, cocoa, quinoa and citrus fruits (USD millions) 2008-2018

To: United States, Canada, China, Korea and Japan

Products: fresh grapes, blueberries, avocados and fishery products



CURRENT HEALTH PROTOCOLS SIGNED BY SENASA WITH APEC COUNTRIES

- More than thirty sanitary and phytosanitary protocols for a variety of products such as mangoes, avocado hass, strong avocados, citrus fruits, blueberries, tangerines, fresh figs, red pepper, among others, to different destination markets.
- Signed with the APEC member economies such as the United States, Japan, Chile, Mexico, New Zealand, and China.

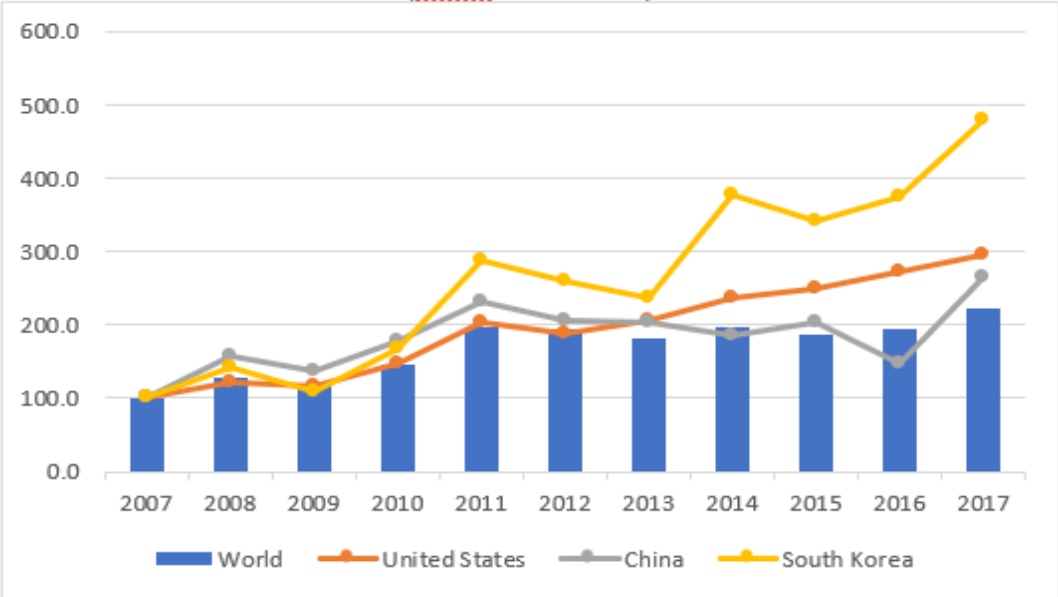
COUNTRIES	PRODUCT	AUTHORIZED REGIONS
U.S, Chile, Mexico, New Zealand, China	Mango	Piura, Lambayeque, La Libertad, Ancash, Cajamarca.
U.S	Citrus	Ancash, Arequipa, Ica, Junín, La Libertad, Lambayeque, Lima, Piura.
	Avocados	Lambayeque, La Libertad, Ancash, Lima, Ica, Arequipa, Ayacucho, Moquegua, Tacna
	Fresh peppers	All
	Fresh figs	All
	Fresh pomegranate	All
Chile	Fresh tomato from cultures under anti-aphid meshes	All
	Strong avocados	La Libertad, Lima, Ica, Moquegua
	Avocados Hass	La Libertad, Lima, Ica, Moquegua, Arequipa, Tacna
	Citrus	Lima, Ica.
Chile and China	Blueberries	All
Mexico	Tangerines or tangerines and their hybrids	All
China	Fresh grape	Piura, Lambayeque, La Libertad, Ancash, Ica.
	Citrus	Piura, Lambayeque, Lima, Ica, Junín
	Fresh Asparagus	All
New Zealand	Fresh grape	All
China and Japan	Avocado Hass	All
Japan	Tangerines	All

Source: SENASA. Elaboration: Own

INCREASE IN THE VALUE OF EXPORTS

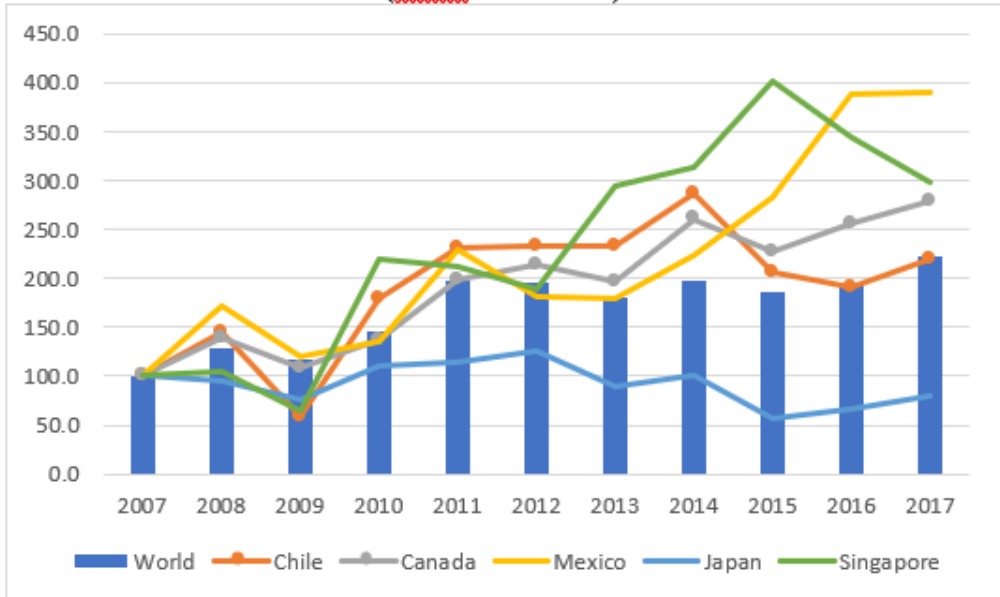
Agricultural exports from Peru, since 2008 have increased significantly. In 2008, total external sales were USD 2,598 million, the maximum point of the period was registered in 2011, doubling the value of four years ago. In 2018 the total of agricultural exports increased with respect to 2017 by 12% to reach a value of USD 6,617 million. In the decade, the value of external sales has doubled and with a positive trend.

Value of Peruvian agricultural exports towards China, South Korea, United States and World 2007-2018 (Index 2007=100)



Source: SICEXT-Andean Community General Secretariat (Data). Own Elaboration

Value of Peruvian agricultural exports towards Chile, Canada, Mexico, Japan, Singapore and World 2007-2018 (Index 2007=100)



Source: SICEXT-Andean Community General Secretariat (Data). Own Elaboration

Main agricultural exports by APEC countries with ACR, by product to 2018

PAÍSES ASIÁTICOS					PAÍSES AMERICANOS				
PAÍS	#	SUBPARTIDA	PRODUCTO	MILL. DE USD	PAÍS	#	SUBPARTIDA	PRODUCTO	MILL. DE USD
CHINA	1	23012011	HARINA, POLVO Y PELLETS DE PESCADO	1,256.8	CANADA	1	15042090	GRASAS Y ACEITES DE PESCADO Y SUS FRACCIO	42.1
	2	16055400	JIBIAS (SEPIAS) Y CALAMARES	101.8		2	09011190	LOS DEMÁS CAFÉS SIN TOSTAR, SIN DESCAFEIN	34.7
	3	08061000	UVAS FRESCAS	41.1		3	08061000	UVAS FRESCAS	16.5
	4	15042090	GRASAS Y ACEITES DE PESCADO Y SUS FRACCIO	39.3		4	08104000	ARANDANOS ROJOS, MIRTILOS Y DEMAS FRUT	14.0
	5	03074300	MEJILLONES, VENERAS, CONGELADOS	33.7		5	10085090	LOS DEMÁS QUINUA, EXCEPTO PARA SIEMBRA	10.2
COREA DEL SUR	1	16055400	JIBIAS (SEPIAS) Y CALAMARES	88.0	CHILE	1	08044000	AGUACATES (PALTAS) , FRESCAS O SECAS	34.2
	2	08012200	NUCES DEL BRASIL SIN CASCARA FRESCA O SEC	50.9		2	15042010	GRASAS Y ACEITES DE PESCADO Y SUS FRACCIO	30.1
	3	03074300	MEJILLONES, VENERAS, CONGELADOS	39.3		3	23012011	HARINA, POLVO Y PELLETS DE PESCADO	20.0
	4	08061000	UVAS FRESCAS	21.9		4	15111900	ACEITE DE PALMA Y SUS FRACCIONES, INCL REF	11.1
	5	09011190	LOS DEMÁS CAFÉS SIN TOSTAR, SIN DESCAFEIN	16.4		5	22030000	CERVEZA DE MALTA	9.3
JAPÓN	1	23012011	HARINA, POLVO Y PELLETS DE PESCADO	75.4	ESTADOS UNIDOS	1	08061000	UVAS FRESCAS	301.8
	2	03074300	MEJILLONES, VENERAS, CONGELADOS	25.0		2	08104000	ARANDANOS ROJOS, MIRTILOS Y DEMAS FRUT	288.7
	3	07108010	ESPARRAGOS	15.7		3	07092000	ESPARRAGOS FRESCOS O REFRIGERADOS	231.6
	4	08044000	AGUACATES (PALTAS) , FRESCAS O SECAS	13.5		4	09011190	LOS DEMÁS CAFÉS SIN TOSTAR, SIN DESCAFEIN	181.4
	5	16055400	JIBIAS (SEPIAS) Y CALAMARES	13.1		5	08044000	AGUACATES (PALTAS) , FRESCAS O SECAS	175.6
SINGAPUR	1	03057100	ALETAS DE TIBURÓN	1.1	MEXICO	1	09042110	LOS DEMAS PAPRIKA	27.3
	2	08104000	ARANDANOS ROJOS, MIRTILOS Y DEMAS FRUT	0.7		2	08061000	UVAS FRESCAS	19.5
	3	07108010	ESPARRAGOS FRESCOS O REFRIGERADOS	0.5		3	03074300	MEJILLONES, VENERAS, CONGELADOS	16.5
	4	08109090	LOS DEMAS FRUTAS U OTROS FRUTOS FRESCOS	0.5		4	18010019	LOS DEMAS CACAO CRUDO	7.2
	5	10085090	LOS DEMÁS QUINUA, EXCEPTO PARA SIEMBRA	0.4		5	07032090	LOS DEMAS AJOS FRESCOS O REFRIGERADOS	6.3
TAILANDIA	1	03074300	ALETAS DE TIBURÓN	33.0					
	2	08061000	UVAS FRESCAS	14.5					
	3	03074900	DEMÁS JIBIAS, GLOBITOS, CALAMARES Y POTAS	1.6					
	4	08104000	ARANDANOS ROJOS, MIRTILOS Y DEMAS FRUT	1.2					
	5	23012090	HARINA, POLVO Y PELLETS, DE CRUSTACEOS, MOL	0.7					

Source: SUNAT. Own elaboration.

NUMBER OF PRODUCTS AND GREATER DIVERSIFICATION

The most dynamic markets are Chile and Canada because Peru has managed to position a greater number of products and the trend is growing.

The new market is Korean, whose demand for peruvian agricultural products has gained relevance, although it remains concentrated in a few products.

**SHORT-TERM IMPLEMENTATION TOOLS TO
CONSOLIDATE THE EXPORTABLE PERUVIAN OFFER IN
THE ASIA PACIFIC REGION**

SUITABLE INFORMATION A PRIORITY FOR APEC SMEs



"market access measures" are presented as highly technical and require some level of expertise, with which SMEs hardly count.

In order to comply properly with market access measures, specialized, accurate and reliable information must be available and, therefore, difficult to obtain.

PROPOSAL: APEC BUSINESS SERVICES AND NETWORK PLATFORM (APEC B&N)

- ✓ A web-based information Platform: Integral Information, Training and Capacity Building Service.
- ✓ "One Stop Buyer" format where APEC SMEs, especially the Peruvian ones, will find in one and only platform, relevant information to do business and take advantage of the commercial agreements.
- ✓ The information will be presented in a systematized, orderly and friendly way.

APEC B&N CONTENT

Identification
of business
partners in
Peru and
APEC
member states

Accurate
information
about market
opportunities

Appropriate
information on
rules and
regulations ,
market access
issues

Information
on the best
use of
commercial
agreements

Contents
aimed to
strengthening
and built
capacities

Frequently
Asked
Questions

Help line for
online
counselling
service

In a context where multiple actors provide competing services and information sources, new and improved services must be directed, effective and efficient, based on and creating synergies with existing efforts.

CONCLUSIONS

- ✓ Despite the important advances in the export development of Peru, still are many difficulties and challenges to be met in order to strengthen the positioning and expand markets, innovate both with new types of goods and with variants of the star products and add value that contributes to making production and export sustainable and diversified.
- ✓ APEC and PA can become a platform to deepen and rationalize the requirements of a wide range of products.
- ✓ In order to maintain market positioning, it is necessary to continue efforts to promote quality standards to maintain the demand for Peruvian products internationally.

CONCLUSIONS

- ✓ It also requires that the export sector seeks to create products with added value and innovate on those that are positioned in foreign markets. To this end, efforts must be made to strengthen strategic alliances with existing destination markets and to enter new markets with which there are commercial agreements and even some products are not taking advantage of the advantages.
- ✓ Some current requirements are very expensive for SMEs with export potential (mainly at a technical level).

CONCLUSIONS

- ✓ PA contributes to strengthen regional and global value chains of which private exporters of agro-industrial goods would be part, particularly if the strategy is oriented towards the Asia-Pacific market.
- ✓ Penetrating key Asian economies, dynamic and with consumption capacity, would help Peruvian exports to diversify and thus maintain sustained growth.
- ✓ The regional and global value chains are a result of multiple factors, but in theory, the rules of accumulation of origin point to a greater commercial integration with partners with ample production capacity for the world market. In this regard, the trade agreements signed by Peru have "opened the way" to place their agricultural products in different markets.

CONCLUSIONS

- ✓ The use of the agreements is evidenced from the successful experiences of the private sector, due to the legal stability and predictability of the same, the effect on the use of the rules of origin is appreciated. For being a SMEs of the agro-export sector, it is necessary to create mechanisms that allow them to make better use of the agreement.
- ✓ The proposed tool for the establishment of a Platform to facilitate access to the market, highlight opportunities and serve as a basis for better use of business opportunities for SMEs in APEC member economies, is the first step in order to achieve the real advantages that APEC offers to peruvian SME.