

Embassy of Peru in Australia (1)

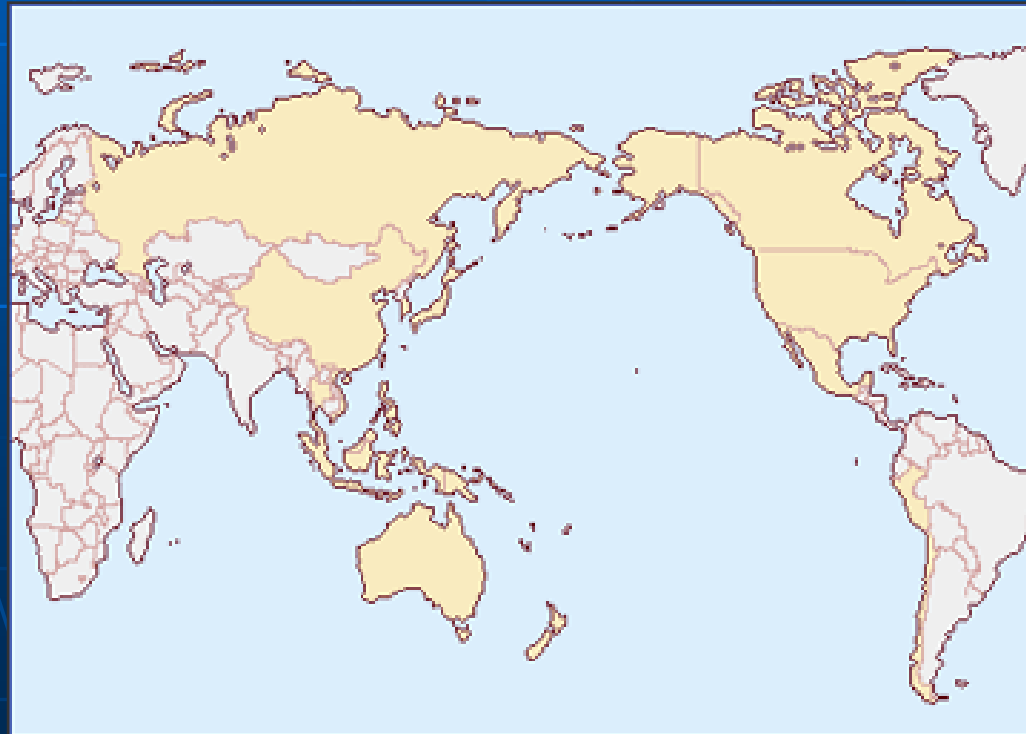
PERU AND APEC 2008

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Ambassador of Peru

University of Sydney
15 March 2007

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Peru in APEC



Embassy of Peru in Australia (3)

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- Latin America and the Pacific: Some historical background
- Latin American contribution to APEC
- Peru and APEC: Process of joining APEC and Peru's role in APEC
- What APEC means to Peru
- Agenda and priorities for Peru APEC 2008
- Getting prepared for APEC 2008

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Latin America and the Pacific: Some historical background

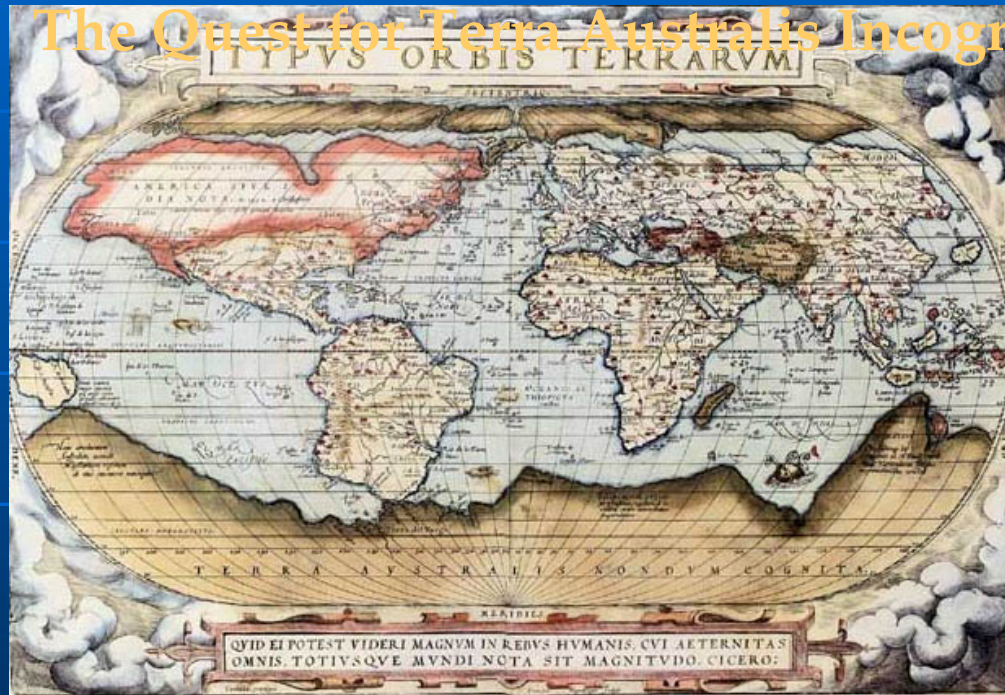


- Álvaro de Saavedra and Hernando de Grijalva (1527-1537)
- Álvaro de Mendaña (1567 and 1595)

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Latin America and APEC: Some historical background (2)

The Quest for Terra Australis Incognita



- Pedro Fernández de Quiros (1605)
- Luis Vaez de Torres (1606)
- Inca Túpac Yupanqui would have reached Polynesia (s. XVI)

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Latin American contribution to APEC

- **Mexico, Chile and Peru: Combined GDP over US\$ 1,000 billion and 150 million consumers market**
- **MEXICO 2002** - “Expanding the Benefits of Cooperation for Economic Growth and Development – Implementing the vision”
- **CHILE 2004** - “One Community, Our Future”
- Trade and investments growing steadily.
- Cooperation extends to diverse areas.

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Peru and APEC

- High priority foreign policy objective
- Promote and advance Peruvian interest in the most dynamic economic region in the world
- It followed economic stabilization and structural reform processes started in the 90's
- Peru has become one of the most dynamic, fastest growing and stable economies in the Region.

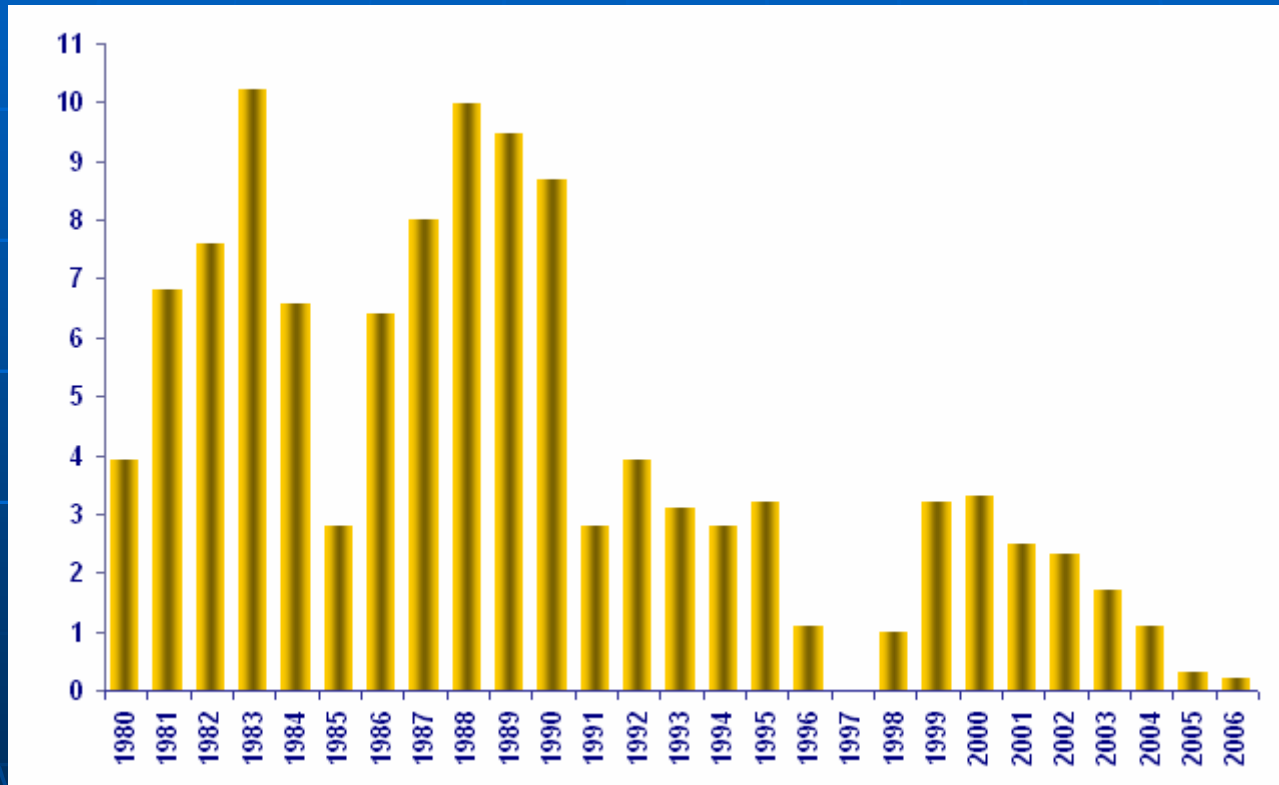
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Peru's economy performance

- In 2006 Peruvian economy continued its expansion reaching an outstanding 8,03 % GDP growth (6,7% in 2005)
- Average economic growth: 5,6% since 2002
- 65 consecutives months of growth
- Inflation in 2005 was 1,5 %, with no significant changes in 2006
- Foreign currency reserves stand for 18 months of Peruvian imports
- Responsible government finances reduced budget deficit to virtually zero in 2006

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Budget deficit (% of GDP) 1980-2006



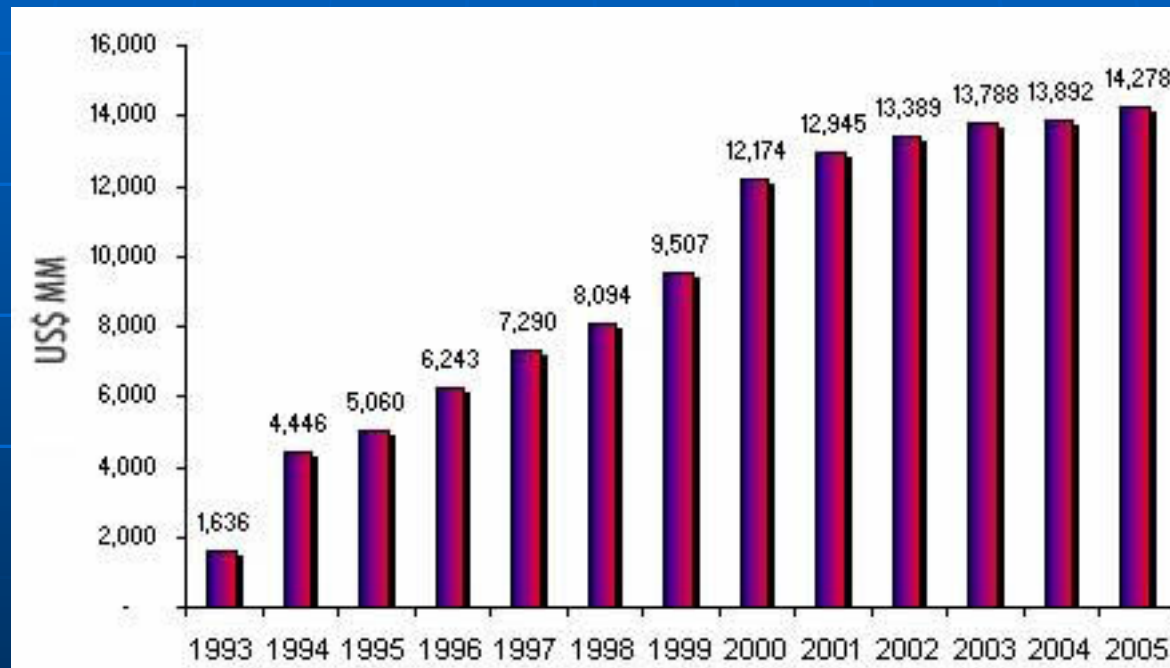
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Peru's economy performance

- Tax revenues increase and government expenditures remain under tight reins
- Peru's risk rating is now among the lowest in the region.
- Peruvian exports doubled its value in 5 years
- FDI has increased 3 times in ten years
- New commitments for investments, only in the mining sector, account over 14 billion dollars for the next five years.
- Dozens of the most important enterprises, including Australians, are doing business with Peru

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Stock of Foreign Direct Investments 1993-2005



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World class companies investing in Peru

- Shougang Corp.
- Marubeni
- Mitsubishi
- SK
- LG
- Sumitomo
- Matsushita
- BHP Billiton
- Newcrest
- Amcor
- Downing Teal
- Orica
- Rio Tinto
- Falconbridge
- Teck Cominco
- Hydro Quebec
- Quebecor
- Barrick
- Newmont
- Scotia Bank
- Cyprus Minerals
- Grupo Mexico
- Grupo Bimbo
- Zeta Gas
- Minas Peñoles
- Grupo Slim
- Elektra
- Hunt Oil
- Phelps Dodge
- Nextel
- Citibank
- Duke Energy
- Cargill
- Kraft
- Procter & Gamble
- Kimberly Clark
- PSEG
- Sempra
- Chevron Corp.
- El Paso
- Techint
- Pluspetrol
- Odebrecht
- AmBev
- Falabella
- Ripley
- Petrobras
- Watt's
- ENAP
- LAN
- Telefónica S.A.
- BBVA
- Endesa
- Repsol-Ypf
- Flughafen Frankfurt
- Santander
- Scotia Bank
- Suez – Tractebel
- Xstrata
- Intesa
- Acea
- Impregilo
- Messer
- Faber Castell
- Sonatrach
- Anglo American
- SabMiller

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Process of joining APEC

Economic stabilization and structural reforms process, initiated in the 90s.



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Active role of Peru in APEC

Peru chaired or co-chaired:

- ECOTECH Subcommittee (2001)
- ECOTECH Committee (2002, 2003 and 2006)
- Competition and Deregulation Policies Working Group (2000 and 2001)
- Deputy Executive Direction in 2007.

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Active role of Peru in APEC (2)

Peru organised and hosted:

- Ministerial Meetings of Transports (2002) and Telecommunications (2005)
- Working Groups Meetings: Tourism (1999), Telecommunications (2000), Commercial Promotion (2000), Small and Medium Enterprises (2000), Conservation of Marine Resources (2000), Energy (2001), Investments (2002), Transport (2002), Fishing (2002).
- PECC (2000) and ABAC (2003) meetings

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Peru and Economic regions

USA: Largest single trade partner for Peru. FTA signed in 2006 grants access to its 300 million market . Next FTAS: Mexico and Canada

EU: 260 million consumers market; \$ 10 trillion GDP. Peru and other Andean partners will start FTA negotiations with the EU this year.

APEC: Area of largest economic relevance for Peru.

CAN: Peru, Bolivia, Colombia, Ecuador and Chile (Associated) 100 million consumers market and a combined GDP of US\$ 270 billion.

MERCOSUR: Argentina, Brasil, Uruguay and Paraguay. 200 million consumers market and US\$ 900 billion GDP.



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What APEC means to Peru

- Area of greatest economic relevance for Peru
- Fundamental for widening relations with Asia/Pacific.
- Trade and investments experienced sustained growth since 1998
- Exports to APEC increased by 90% from 1996 to 2005.
- 9 APEC economies are among the 20 main trade partners of Peru.
- Peru signed (or is negotiating) FTAs with main APEC economies.
- FDI from APEC economies represented 26% of total investments.
- Driver to speed up economic growth and produce social impact.

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Agenda for Peru APEC 2008

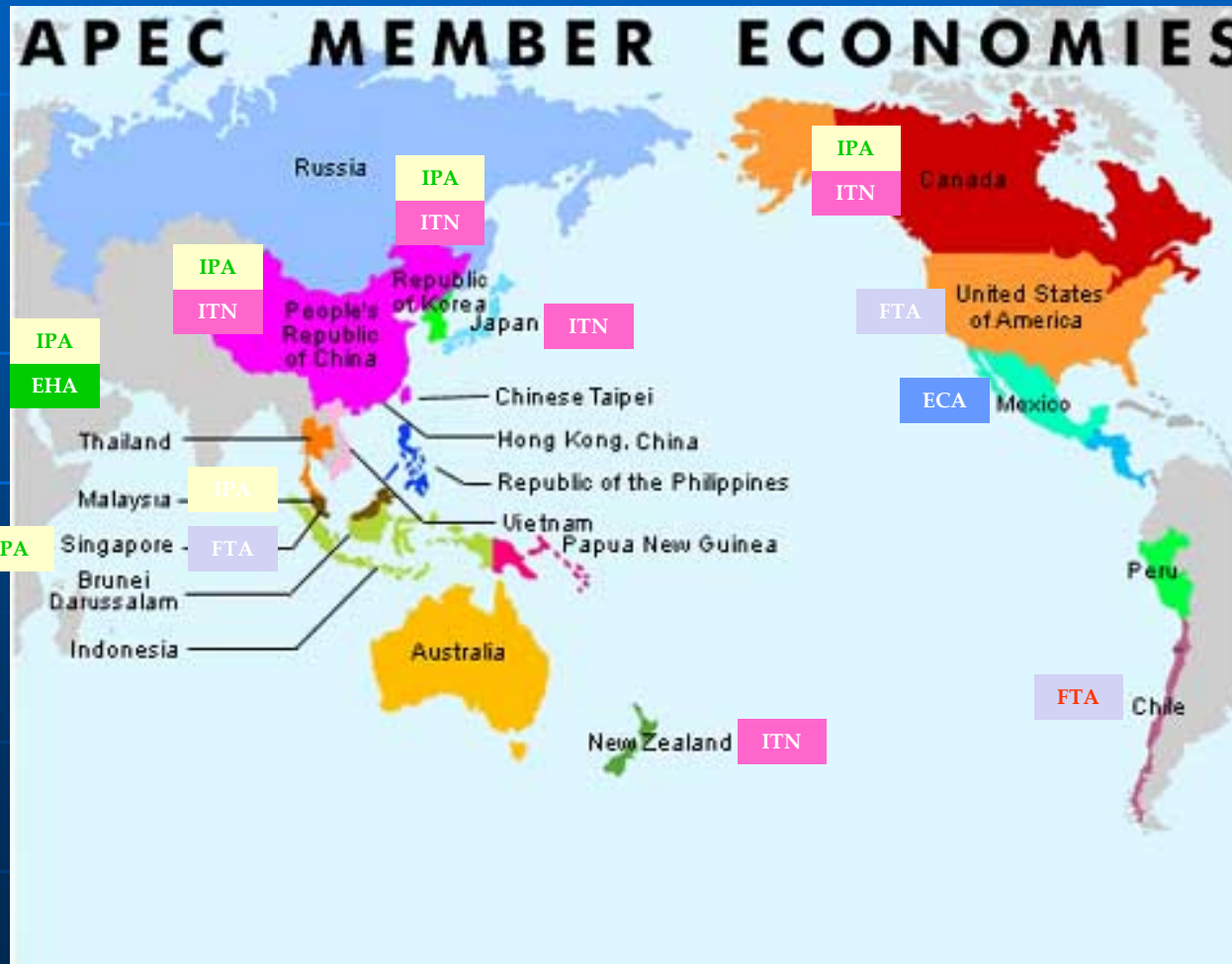
“A new commitment for the Asia Pacific Development”

Shared and sustainable development in the whole region based on synergies between Economies, IFIs and private sector.

- Institutional reform
- Free trade and regional integration
- Education and economic and technical cooperation
- Business Facilitation
- Anticorruption and transparency
- Small and medium size enterprises
- Human and energy security

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Peru's RTAs & FTAs in APEC region



- ECA** Economic Complementmentation Ag.
- IPA** Investment Promotion Ag.
- EHA** Early Harvest Ag.
- FTA** Free Trade Agreement
- ITN** Initial Trade Negotiations

Ag.: Agreement

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Peru as a linkage between South America and APEC

Due to its strategic location, Peru can become a gateway to and from South America for Asian/Pacific countries.

Peru is the only Andean country in APEC



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Peru's preparatory activities in 2007

- **2nd Regional Anticorruption Conference (Lima, October)**
- **International Symposium APEC 2008 (Lima, November)**

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Getting prepared for APEC 2008

- Multisectorial approach
- Central and regional governments involvement
- Decentralization
- National Commission (Ministerial level). Whole “task force” headed by Peruvian Vice President
- Private sector and civil society
- Profiting from Australian 2007 APEC experience

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Preliminary Program APEC 2008		
Meeting	Venue	Date
SOM I	Lima	Feb – March
Meeting on Secure Trade	Iquitos	March
Ministers of Tourism	Cusco	April
SOM II	Arequipa	May
Ministers of Trade	Arequipa	May
Youth Asembly	Puno	June
Fisheries Forum	Piura	July
SOM III	Chiclayo	September
SME Ministerial meeting	Chiclayo	September
Ministers of Finance	Trujillo	September
Conclusive SOM meeting	Lima	November
ABAC	Lima	November
Foreign Affairs and Trade Ministers	Lima	November
APEC CEO Summit	Lima	November
LEADERS SUMMIT	Lima	November

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PERU APEC 2008 LOGO

