



PERU: INDUSTRY NEWSBRIEF

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In this newsbrief:

Peru welcomes British tourists once again as it is removed from the United Kingdom's red list

Peruvian onions have potential for growth in the United Kingdom

Dried peppers from Peru on a rising global trend

Vicuña fabrics, a success story of conservation and an important source of livelihood for many

Peru furthers its position as a powerhouse in the pea exports

Peru welcomes British tourists once again as it is removed from the United Kingdom's red list

The government of the United Kingdom removed Peru from the “red list”, as of November 1st, 2021, with Ireland ending mandatory hotel quarantine imposed on Peruvian travellers as of the 25th of September, 2021. These are important step towards the return of international tourism and highlights the progress made towards restoring normality. In Peru, positive cases and fatalities are at record-low levels, prompting the country to gradually re-open its economy. This has allowed the country to welcome visitors once again, with recent predictions that the nation will welcome around 600,000 tourists in 2021. To speed up this process, over 90% of tourism workers are now fully vaccinated. The only restriction currently in place is that travellers, regardless of vaccination status, must present a negative PCR test up to 72 hours prior to boarding their flight. These relaxed policies have attracted visitors from various nations, most notably the United States, Spain, Germany and Mexico. British and Irish citizens can now join them, and enjoy the plethora of cultural attractions that Peru has to offer. (Sources: Gob.pe, BBC News, gov.ie)

Peru was the tenth-largest global supplier of onions and shallots in 2020, exporting \$96.5 million worth, the main destinations being the United States (\$65.2 million), Spain (\$17.5 million), and Colombia (\$9.2 million). This represents an 11% increase from total exports in 2019 (\$86.9 million), a 30.3% increase from 2018 (\$74.0 million) and a 39.9% increase from 2017 (\$69.0 million). The United Kingdom, being the third-largest importer of onions in the world, presents considerable sourcing opportunities from Peru that have not been capitalised yet. In the first eight months of 2021, the United Kingdom did not buy onions or shallots from Peru, while last year, the total figure was \$78 thousand. Peru is a year-round supplier of onions, and has transitioned particularly into the sweeter onion category. As the country positions itself as a main player in the world onion supply chain, the Peruvian vegetable is well-prepared to capture a share of the market in the United Kingdom in the years to come. (Source: Infotrade, Produce Business)

Peruvian onions have potential for growth in the United Kingdom



INFOGRAPHIC:

Dried peppers from Peru on a rising global trend

Data shows that exports of Peruvian peppers are on an upward trend over the last couple of years.

Peru is the **third largest exporter** of sweet and chili peppers in the world



Global Export levels (Jan-Aug)

Product	2021	2020	2019
 Dried Paprika Peppers	9.0 million, +40.5% higher than 2020	6.4 million, +19.2% higher than 2019	5.4 million
 Dried Sweet Peppers	55.7 million, +13.0% higher than 2020	49.3 million, +4.0% higher than 2019	47.4 million

The most popular varieties are **panca charapita, rocoto,** and **arnaicho.**



The main destinations are the United States, Mexico and Spain with **room for growth in British markets**



Source: Infotrade

Vicuña wool from Peru is internationally recognized in high-end clothing brands, as the wool is exported to produce fine fabric garments. In the first eight months of 2021, Peru only sold vicuña wool to Italy (\$2 million), where fashion brands then convert it into scarfs, sweaters and other high-quality garments. Trade in vicuña products has grown by 78% over the last ten years, with the finished products often being re-exported to China, Switzerland and the United States. Furthermore, the business model for vicuña wool is highly sustainable. This is due to the fact that local communities in the Peruvian Andes do not own vicuñas, but instead shear and trade their wool, and then release the animals back into the wild. This not only improves rural livelihoods across the region, it also provides equitable employment opportunities for women, who play an important role in sourcing and processing the wool. (Source: International Trade Center)

Vicuña fabrics, a success story of conservation and an important source of livelihood for many



Peru furthers its position as a powerhouse in the pea exports



The United Kingdom is the third-largest importer of chilled and fresh peas in the world, behind the United States and the logistic hub of Europe, the Netherlands. In 2020, the United Kingdom purchased a total \$58.9 million worth of peas, of which \$13 million originated from Peru, which has positioned them as Britain's second-largest supplier, just behind Guatemala. This is a reflection of the steady growth of Peruvian fresh peas across global markets, rising to become the fourth-largest exporter. This trend looks to continue increasing: in the first eight months of 2021, exports to the United Kingdom are 42.1% higher than in the same period last year, and 39.7% higher than this same period of 2019. These goods are especially demanded between June and October, to cover the supply gap from Guatemala's lower export volumes.

Updates on Peru's economy

GDP increase projection for 2021 revised upwards | Analysts from LatinFocus have corrected their projections for Peru's economic growth this year to 9.9%, from the previous 9.6%. Should this forecast materialise, Peru would outperform China (8.5%), the United States (6.4%), and the Eurozone (4.6%) and greatly exceed regional (4.4%) and global averages (2.8%). (Source: Andina)

Unemployment figures reach lowest levels in the last year | The release of the most recent study by the Institute of National Statistics (INEI) estimates that unemployment figures between April and June 2021 reached 5.5%, the lowest levels over the last year. This figure is 3.8% lower than the 8.8% registered at the height of the pandemic, highlighting the recovery from COVID-19. (Source: RPP)

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