



PERU: INDUSTRY NEWSBRIEF

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Record breaking Peruvian exports surpassed \$50 billion

Between January and November 2021, Peru exported more than \$50.42 billion, a 36% and 20% increase from the same period in 2020 and 2019, respectively. This is a new record, exceeding exports from the very prosperous year of 2018, where they reached \$35.4 billion. Furthermore, Peru also had 14.4% more exporting companies reaching 8,421, and surpassing pre-pandemic levels. Peru's exports to the UK hit unprecedented levels, increasing from \$400.3 M to \$1,150.69 M, or 188%. Although the majority of the growth can be attributed to exports of natural gas, almost all value-added exports have reported their best results in at least four years. Within these, some of the most relevant and fastest growing include the fishing sector (119.6%), textiles (31%), chemicals (19%), and agribusiness (8%). The main exports to the UK during 2021 were natural gas, avocados, blueberries, fresh grapes, gold and asparagus. (Source: Promperu)

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Peru was recognised as a world class destination for tourism in the latest World Travel Awards, winning in three separate categories. Peru won best culinary destination, over its neighbouring countries like Argentina and Colombia. The country's gastronomy is a point of pride for Peruvians, and reflects not only the expertise and tradition of its chefs, but also the quality and diversity of its products. Additionally, Peru won the coveted awards of best cultural destination and Machu Picchu was awarded best tourist attraction. Moreover, it was recently announced that the World Cruise Awards declared Peru the best river cruise destination, which further demonstrates the great diversity of the country's touristic offer and the experiences travellers can live in Peru. Tourism is one of the most important activities for the economy and provides thousands of jobs across many regions. These awards are outstanding recognitions and demonstrate Peru's potential for the future, especially as COVID restrictions ease.

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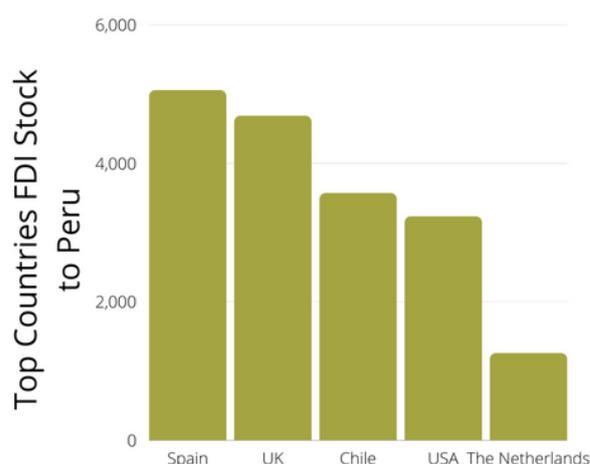


Amazon River, Loreto

INFOGRAPHIC:

UK remains as one of the most important origins of FDI to Peru

FDI Stock from the UK to Peru



The UK's FDI stock is a total of \$4.6 B where:



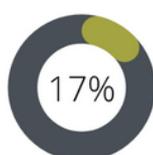
57% is directed to mining



16% is directed to finance



7% is directed to communication



of Peru's total FDI stock comes from the UK

In the first eleven months of 2021, the Peruvian textile industry has seen an impressive performance, bouncing back to pre-pandemic levels, and increasing its exports to the world by 71%, from \$902M to \$1.5B. Alpaca products correspond to around 11% of textile exports, and have grown a remarkable 68% during the year, providing evidence for the high potential of growth that these products have. Yet, exports into the UK of alpaca products have seen a more moderate recovery of 26%, driven primarily by alpaca yarn, which grew over 50% in the same period. Moreover, exports of knitted and not knitted clothing articles to the UK barely grew at 1.3% and 7.2%, respectively, whilst these same categories expanded much faster to the rest of the world at growth of 44% and 22%. The Peruvian apparel manufacturing industry has had many years of expertise and has all capabilities, quality, and certifications to succeed in some of the most demanding markets, making the UK a high potential for growth.

Beyond Alpaca Yarn: Potential for the Peruvian Apparel Imports



Exports of Scallops to the UK increase by 170%



This past year, value-added fishing products (not including fish meal or fish oil) to the world grew by 16.3%, during the first eleven months of the year. The main contributing factor to this growth was the increase in scallops exports by an impressive 104%, making them jumped from 8th to 4th most exported seafood product of Peru. Even more remarkable, Peru exported \$1.6 M worth of scallops to the UK, which represented an increase of 170% from the same period in 2020, where exports reached \$592 thousand. Peru is one of the most important scallop exporters in the world, but it had not been able to penetrate the British market consistently. 2021 represented the second year in a row where these exports have grown, and the first time they exceed the one million barrier, making the future very promising for Peruvian scallops in the UK market.

Updates on Peru's economy

Peru's Private Investment projected to Grow 12% from 2019 | Peru's private investment will increase 34% and 12% this year, when compared to 2020 and 2019. The rise in private investment is allowing Peru's GDP to grow at 13%, surpassing predicted levels of 10%. (Source: Andina)

Peru's Country Risk: Lowest in LATAM Region | Peru's country risk decreased by one point from the last time it was evaluated, closing at 1.43 according to the EMBI+. This index is measured based on the difference between Peruvian sovereign bonds and the US treasury yields. (Source: Gestion)

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