Export Opportunities in Peru

In 2017, Peru ranked 30th among U.S. export destinations and 44th among Virginia export destinations. Some of the top opportunities for U.S. exporters in Peru include:

- Constructional Equipment
- Safety and Security
- Medical Equipment
- Food Processing and Packaging
- Mining Industry Equipment
- Industrial Chemicals
- Water Resources
- Agricultural Sectors

Top Virginia Exports to Peru

<table>
<thead>
<tr>
<th>Export Category</th>
<th>2017 Value</th>
<th>Change 2017/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Commodity Chapters</td>
<td>$69.4</td>
<td>12%</td>
</tr>
<tr>
<td>Fertilizers</td>
<td>$15.9</td>
<td>11%</td>
</tr>
<tr>
<td>Electrical Machinery</td>
<td>$6.1</td>
<td>62%</td>
</tr>
<tr>
<td>Medical Instruments</td>
<td>$5.7</td>
<td>375%</td>
</tr>
<tr>
<td>Industrial Machinery</td>
<td>$4.0</td>
<td>-26%</td>
</tr>
<tr>
<td>Food Residues</td>
<td>$3.8</td>
<td>179%</td>
</tr>
<tr>
<td>Plastics</td>
<td>$3.8</td>
<td>-15%</td>
</tr>
<tr>
<td>Woven Fabrics</td>
<td>$3.6</td>
<td>-26%</td>
</tr>
<tr>
<td>Mineral Fuels and Oils</td>
<td>$3.4</td>
<td>0%</td>
</tr>
<tr>
<td>Tanning/Dyeing Extracts</td>
<td>$3.4</td>
<td>66%</td>
</tr>
<tr>
<td>Vehicles, Not Railway</td>
<td>$2.6</td>
<td>49%</td>
</tr>
</tbody>
</table>

(U.S. Central Intelligence Agency)

U.S. Exports to Peru

In US$ Billions

- 2015: $8.7
- 2016: $7.9
- 2017: $8.7
**FAST FACTS**

### Opportunities in Peru for Exporters

#### Construction Equipment

Large-scale projects in Peru generally involve mines, power generation plants, natural gas facilities, and transportation. The construction sector accounts for 5% of Peru’s overall GDP. However, to cover its infrastructure needs, Peru must invest 8.3% of GDP annually until 2025. Hurricanes in 2017 and 2018 have caused severe damage, expediting investment.

The best prospects for U.S. exporters include:
- Transportation/communications infrastructure
- Construction equipment and materials
- Bulldozers and other construction vehicles

#### Safety and Security

Demand for residential, industrial and office security equipment remains strong in Peru. Public opinion polls in Lima and other large Peruvian cities consistently find that inhabitants have a high sense of insecurity, with many people having been a victim of robberies or home break-ins. Peruvian authorities are now requiring passports for Venezuelans to slow the rapid influx of desperate migrants.

The best prospects for U.S. exporters include:
- Alarms and alarm systems
- Surveillance cameras
- Security lights

#### Food Processing and Packaging

The ever-growing reputation of Peru’s cuisine has brought about a marked increase in locally produced packaged and non-perishable foods. Consumers are shifting towards packaged and prepared foods because of these items’ decreased risk of contamination and increased life span. In 2016, food processing represented 30% of Peruvian industrial GDP.

The best prospects for U.S. exporters include:
- Machinery for sugar manufacture
- Machinery for filling and sealing bottles
- Heat exchange units
- Packing or wrapping machinery

#### Medical Equipment

Peru is the eighth most populous country in the Americas with an average life expectancy of 73.7 years. According to the World Bank, Peru’s annual health care expenditures in 2016 were 5.5% of the GDP, which points towards a promising future for the Peruvian healthcare sector. In 2016, Peru’s healthcare and medical sector budget exceeded US$4.3 billion. A recent study shows that about 67% of the population has some type of health insurance.

Top prospects for U.S. exporters include:
- Medical, surgical, and dental equipment
- Computed tomography (CT) scanners
- Electro-diagnostic apparatus and parts

(US Commercial Service)
Peru’s economy reflects its varied topography - an arid lowland coastal region, the central high sierra of the Andes, the dense forest of the Amazon, with tropical lands bordering Colombia and Brazil. A wide range of important mineral resources is found in the mountainous and coastal areas, and Peru’s coastal waters provide excellent fishing grounds. Peru is the world's second largest producer of silver and copper.

The Peruvian economy grew on average 5.6% from 2009-2013 with a stable exchange rate and low inflation, which in 2013 was just below the upper limit of the Central Bank target range of 1 to 3%. Growth slipped in 2014 and 2015, due to weaker world prices for these resources before rebounding. Despite Peru’s strong macroeconomic performance, dependence on fluctuating commodity prices and costly natural disasters ensure that growth is vulnerable. Moreover, the Odebrecht corruption scandal has caused political instability.

(CIA World Factbook)

**Cultural Guide**

- In Peru, an indirect style of communication is preferred over a direct style. It’s best to imply what you are saying then actually saying it and it is usually best to avoid confrontations and maintain composure at all times.
- It is best to arrive on time to meetings even though you may be kept waiting. One usually has to wait longer depending on the seniority of the person they are meeting.
- Beginning with small talk (soccer, family, local food, places to visit in Peru) helps establish a base for the relationship, after which discussion of business matters can only begin. Allow your host to initiate the business conversation.
- Avoid hard selling and any sort of conflict or confrontation. Peruvians respond much better to the soft sell.

_In meetings, avoid talking about politics, religion, or a person’s ancestry. Stick to small talk._

- The issue of saving face is important in Peru, so don’t be surprised if it appears that your counterpart seems to agree to everything you say, but no contract is signed.
- Titles are very important and it is best to address people by using their professional title only. If they don't have a professional title they should be addressed as Señor, Señora, Señorita, plus their surnames.

(Culture Crossing Guide)
Virginia Economic Development Partnership - International Trade offers a number of export-related services to Virginia businesses, including trade missions and market research by our Global Network of in-country consultants. These services are available to all Virginia exporters.

For more information, please visit our website: ExportVirginia.org

**Additional Resources**

- **Peru Overview**
  - Global Edge - Michigan State University
- **Peru Country Commercial Guide**
  - U.S. Commercial Service
- **Doing Business in Peru**
  - United Kingdom Trade & Investment
- **Ease of Doing Business Report**
  - World Bank