

INFOCARD ELANBiz

Trade Agreements concluded by Peru¹

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The purpose of this infocard is to provide information on Peru's trade agreements

Peru is a founding member of the WTO, and has 20 existing trade agreements concluded with 54 different economies. Furthermore, Peru is currently negotiating new trade agreements with Turkey, India, Indonesia and El Salvador; as well as with Singapore, New Zealand and Canada, through the Pacific Alliance regional trade bloc, of which Peru is a member state. The underlying aim of Peru's trade policy is achieving optimal integration into international markets, in accordance with the goals in its Strategic National Development Plan and the 2025 National Strategic Export Plan². European companies that establish and manufacture products in Peru, will be able to benefit from the preferential trade terms in Peruvian trade agreements, under stable and predictable conditions. The following are some of Peru's trade agreements.

Multiparty Trade Agreement between the EU³ and Peru

This Free Trade Agreement (FTA) between the EU, Peru and Colombia was signed on 26 June 2012 and is applied provisionally since 1 March 2013, with Ecuador joining in November 2016 (the "Agreement")⁴. The Agreement offers preferential market access treatment for products of European companies in the three Andean markets, in addition to other preferences relating to: trade in services liberalization , competition, government procurement, intellectual property, etc .

The main objectives of the Agreement are the **progressive and reciprocal liberalization of trade in goods and services**; and the **liberalization of investment and related forms of payment**⁵. Within this context, the EU undertook to deduct 95% of its tariff regime, with immediate access to 94.9% of its tariff lines for products originating in Peru, thus ensuring that Peru obtained preferential access for 99.3% of its agricultural products and 100% preferential access for industrial products. On the other hand, **Peru**

¹ The information contained in this infocard is only general. For more detailed info and commercial promotion events, as well as possible business contacts, please contact the Commercial Offices of the Member States and the bilateral Chambers in Lima.

² <https://www.mincetur.gob.pe/comercio-exterior/plan-estrategico-nacional-exportador/>

³ https://europa.eu/european-union/index_en

⁴ The Agreement entered into force for Peru on March 1st, 2013.

⁵ Article 4 of the Agreement. The full text of the Agreement can be accessed through the following link: <https://www.europarl.europa.eu/delegations/en/dand/documents/eu-texts>

granted tariff free access to 76% of its tariff regime for products originating in the EU. A tax relief program was agreed over a maximum period of 16 years⁶.

In order to obtain the benefits of preferential tariff treatment, goods must have the quality of **originating products** and comply with the rules of origin (in Annex II of the Agreement: "Concerning the Definition of the Concept of "Originating Products" and Methods for Administrative Cooperation", which establishes the criteria for the classification of origin. The importer shall present the **EUR 1 certificate**, duly processed by the exporter in the Member State of origin in order to enjoy the preferential tariff treatment guaranteed by the Agreement. The rules of origin ensure that products are sufficiently processed or transformed, to be considered as originating from states party to the Agreement⁷.

Trade between the EU and Peru exceeded **USD 11 billion in 2018**. The EU is Peru's **third largest export destination** for goods, representing 15.1% of total exports. China and the USA account for 27.6% and 16.7%, respectively. Peru's main exports to the EU are: minerals (37%), agricultural products (35%), natural gas (8%) and fishery products (8%). Main imports from the EU are: machinery (50%), and chemicals (25%)⁸. Regarding Peru's non-traditional exports (27.7% of total exports), the USA and the EU imported more than 50% of them; the EU importing 25%. Peru has become the EU's most significant avocado supplier, the second biggest mango supplier and the third largest supplier of blueberries.

World Trade Organization (WTO)

Since its inception on 1 January 1995, Peru has been a founding member of the WTO (<https://www.wto.org/>) and a contracting party to the General Agreement on Tariffs and Trade (GATT) since 1951. The WTO (and related legal and policy frameworks) are a key part of Peru's trade policy and international trade negotiations⁹. All of Peru's regional and bilateral trade negotiations are WTO-based and have to be compliant with it.

Also, as a 164-member negotiating forum, that includes the most important international trade players, multilateral trade negotiations within the framework of the WTO are the policy complement to the negotiations bilateral and regional issues on the most sensitive of international trade issues¹⁰.

Notably, the GATT 1947 and the WTO Multilateral Agreements are an integral part of Peruvian law; having direct application covering mainly: market access, goods and services and intellectual property, among

⁶ MINCETUR (2019), Study of Benefits obtained from the FTA between Peru and the EU, 6th year in effect.

http://www.acuerdoscomerciales.gob.pe/images/stories/union_europea/EstudioAprove_PeruUE_6periodo.pdf

⁷ [https://www.mincetur.gob.pe/wp-](https://www.mincetur.gob.pe/wp-content/uploads/documentos/comercio_exterior/certificacion_de_origen/manuales/Union_Europea.pdf)

[content/uploads/documentos/comercio_exterior/certificacion_de_origen/manuales/Union_Europea.pdf](https://www.mincetur.gob.pe/wp-content/uploads/documentos/comercio_exterior/certificacion_de_origen/manuales/Union_Europea.pdf)

⁸ WTO. Trade Policy Review. Peru. 2019. P. 42.

⁹ According to the annual Report by the Secretariat of the World Trade Organization (WTO) – 2019, concerning its Trade Policy Review Peru "(...) continued to participate constructively in the WTO, which it sees as the foundation and keystone of the multilateral trading system."

¹⁰ https://www.wto.org/english/thewto_e/thewto_e.htm

others. Also, Peru has signed a considerable number of WTO “additional” instruments such as the telecommunications and financial services protocols (annexed to the General Agreement on Trade in Services), 2005 Protocol amending the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), and the WTO Trade Facilitation Agreement¹¹.

Latin American Integration Association (ALADI)¹²

Since 1980, Peru has been a member of ALADI (www.aladi.org), the largest Latin American integration group, consisting of 13 countries: **Argentina, Bolivia, Brazil, Chile, Colombia, Cuba, Ecuador, Mexico, Panama, Paraguay, Peru, Uruguay and Venezuela**. The Treaty of Montevideo promotes the creation of an area of economic preferences in the region with the ultimate goal of a Latin American common market.

ALADI is a privileged framework for the conclusion of trade agreements, in particular those called Economic Complementation Agreements ("ECA"), such as ECA N° 38 with Chile¹³, which was replaced by the Free Trade Agreement between Peru and Chile, in force since 1 March 2007¹⁴; facilitating preferential entry of agricultural, chemical and metalworking products from Peru into Chile¹⁵.

Also worth of mention is ECA N° 50 with Cuba, concluded on 5 October 2000, (subject to amendment on 12 March 2009) is widely considered to be a Peru – Cuba FTA¹⁶. Similarly, the agreement concluded between Peru and the **Southern Common Market (MERCOSUR)**¹⁷ took place under ALADI (ECA N° 58)¹⁸, as well as the FTA with Mexico, at the origin of which was ECA N° 8 signed in 1987¹⁹. Finally, Peru signed an Economic and Trade Expansion Agreement with Brazil (pending ratification); the main provisions of which entail **Investment**, Trade in Services and **Government Procurement**. These provisions are an addition to the commitments undertaken by both countries under the Economic Complementation Agreement N° 58, which regulates trade in goods (signed between Peru and MERCOSUR).

¹¹ Peru has not signed the WTO Plurilateral Agreement on Government Procurement.

¹² http://www.aladi.org/sitioaladi/?page_id=148

¹³

http://www.acuerdoscomerciales.gob.pe/index.php?option=com_content&view=category&layout=blog&id=72&Itemid=95

¹⁴

http://www.acuerdoscomerciales.gob.pe/index.php?option=com_content&view=category&layout=blog&id=70&Itemid=93

¹⁵ http://www.acuerdoscomerciales.gob.pe/images/stories/chile/docs/EstudioAprove_PeruChile_10periodo.pdf

¹⁶

http://www.acuerdoscomerciales.gob.pe/index.php?option=com_content&view=category&layout=blog&id=122&Itemid=145

¹⁷ <https://www.mercosur.int/en/about-mercosur/mercosur-in-brief/>

¹⁸

http://www.acuerdoscomerciales.gob.pe/index.php?option=com_content&view=category&layout=blog&id=75&Itemid=98

¹⁹

http://www.acuerdoscomerciales.gob.pe/index.php?option=com_content&view=category&layout=blog&id=75&Itemid=98

Free Trade Agreement between Peru and the Andean Community (CAN)

The Andean Community (CAN) has existed since 1969, composed of **Bolivia, Ecuador, Colombia and Peru**. Associated countries include: Chile, Brazil, Argentina, Uruguay and Paraguay; with Spain, as an observer. The ACN has bodies and institutions for the Andean Integration System. It should be noted that the technical aspects of Peruvian trade regulation are closely linked to the CAN's Decisions: mandatory norms for CAN members²⁰.

The CAN is an integration agreement that creates a free trade zone for all goods and services produced in the region; developing common regulations governing trade relations amongst its members, harmonizing customs' legislations, tariff nomenclature, customs valuation, rules of origin, technical regulations, trade defence, intellectual property, etc.²¹ The above CAN trade liberalisation is ensured through binding supranational Decisions whose non-compliance can be denounced and ruled on at a supranational level by the CAN General Secretariat and the Andean Court. The CAN countries have acted together, as a bloc, in international negotiations.

In 2018, Peru's trade with the CAN exceeded USD 6.2 billion, growing by 12% in comparison to 2017. The increase was significantly influenced by the rise in the oil prices²². The CAN's share total merchandise exports from Peru in 2018 was 4%²³.

The Liberalization Program passed in the CAN ensured that trade in goods between Bolivia, Ecuador, Colombia and Peru is exempt from tariff barriers, constituting a **Free Trade Area, in which 100% of Andean products can circulate within the CAN without tariff payment**. The above is subject to rules of origin compliance in Decision 461, reflected in Peruvian legislation²⁴.

As established by the National Superintendence of Customs and Tax Administration (SUNAT) *"concerning matters related to customs, a number of community decisions and resolutions legislating various areas, such as the Andean Common Nomenclature ([Decision 653](#), its regulatory rules and amendments), Harmonization of Customs Regimes ([Decision 671](#), its regulatory rules and amendments), Unique Customs Document ([Decision 670](#), its regulatory rules and amendments), Customs Valuation ([Decision 571](#), its regulatory rules and amendments), Andean Declaration of Value ([Decisión 379](#)), Goods Release Program ([Decision 414](#), its regulatory rules and amendments), Origin of Goods Qualification and Certification ([Decision 416](#), its regulatory rules and amendments), Community Customs Transit ([Decision 617 y Decision 636](#), its regulatory rules and amendments), Cooperation and Mutual Assistance among Customs Administration of Member Countries of the Andean Community ([Decision 728](#)), Andean Integrated Tariff (ARIAN) ([Decision 657](#)), Andean Program of Customs*

²⁰ <http://www.comunidadandina.org/>

²¹ WTO. Trade Policy Review – Peru (2019). Review by the Secretariat. Paragraph 2.22

²² <https://larepublica.pe/economia/2020/01/20/tlc-cuantos-acuerdos-comerciales-mantiene-el-peru-y-cuantos-están-por-venir/>

²³ WTO. Trade Policy Review – Peru (2019). Review by the Secretariat. Paragraph 1.45

²⁴ (<http://www.sunat.gob.pe/legislacion/procedim/despacho/importacion/importac/procEspecif/despa-pe-01-11.htm>)



Formation ([Decision 573](#)), Andean Regime Regime on Customs Control ([Decision 778](#)), Trade Facilitation on Customs Matters ([Decision 770](#))”²⁵.

Peru – USA Trade Promotion Agreement²⁶

The Peru – USA Trade Promotion Agreement (PTPA) entered into force on 1 February 2009. It is the first agreement of its kind to be concluded by Peru; encompassing chapters on National Treatment and Market Access for Goods, Textiles and Apparel, Rules of Origin Procedures, Customs Administration and Trade Facilitation, Sanitary and Phytosanitary Measures, Technical Barriers to Trade, Trade Remedies, Government Procurement, Investment, Cross-border Trade in Services, Financial Services, Competition Policy, Telecommunications, Electronic Commerce, Intellectual Property Rights, Labor, Environment, Transparency, Administration of the Agreement and Trade Capacity Build, and Dispute Resolution.

The PTPA marked the beginning of trade negotiations encompassing wide-ranging bilateral agreements and allowed to define policies and expectations involving the business sector. Through the agreement, Peru incorporated unilateral preferences granted by the USA under the Andean Trade Preference Act (ATPDEA) into the FTA to secure exports of agricultural products, textiles and confections to the USA.

According to United States Trade Representative (USTR) statistics, trade with Peru has developed favorably after the entry into force of the PTPA. USA exports to Peru reached 9.7 billion in 2018, rising 12% from the previous year, and 57% from 2008. The most important export products were mineral fuels (USD 3.3 billion), machinery (USD 1.4 billion), cereals – mainly corn – (USD 561 million), and plastics (USD 452 million). Total USA agricultural exports reached USD 1.1 billion, with corn, cotton, soybeans, soybean preparations and oil taking the spotlight. In services, the USA estimates exports of USD 3.3 billion to Peru, 21% more than in 2017 and 98.5% higher than 2008 levels. The main services exported to Peru include: travel, transport and financial services sectors. In terms of investment, the USA investment stock in Peru reached USD 6.4 billion in 2018, 0.5% more than in 2017. FDI from the USA was led by the mining, manufacturing, and wholesale industries²⁷.

Free Trade Agreement with the European Free Trade Association (EFTA) States

The **Free Trade Agreement** between Peru and the States of the **European Free Trade Association (EFTA)** – i.e. **Switzerland, Liechtenstein, Norway and Iceland** – was signed in 2010. Additionally, Bilateral Agreements on agriculture were also signed with Iceland, Norway, and Switzerland. According to MINCETUR “the main export products to the EFTA states: **gold, fish oil, copper ore, fishery and**

²⁵ <http://www.sunat.gob.pe/orientacionaduanera/acuerdoscomerciales/index.html>

²⁶

http://www.acuerdoscomerciales.gob.pe/index.php?option=com_content&view=category&layout=blog&id=55&Itemid=78

²⁷ Bilateral commerce between Peru and the USA, according to USTR. <https://ustr.gov/countries-regions/western-hemisphere/peru>

agricultural products, asparagus, textiles and avocados; with Switzerland being the main destination of these exports²⁸.

In the first half of 2019, Peru- EFTA trade grew by 7% owing the overall increase in imports (+12%) and exports (+6%). The EFTA constitutes 4.5% of Peruvian total exports; 97% of which goes to Switzerland and the remaining 3% to Norway. Peruvian imports of goods from the EFTA continued to grow in the first half of 2019; importing mainly: medicines, vitamins and watches from Switzerland. The main Norwegian imports were fertilizers, medicines and other products²⁹.

Pacific Alliance³⁰

The **Pacific Alliance** is a **regional integration** initiative formed by **Chile, Colombia, Mexico and Peru** that seeks to realise **free movement and circulation of goods, services, capital and people** within the framework of regionalism. The Pacific Alliance Framework Agreement, which sets out the principles and institutional framework for this integration entered into force on 20 July 2015. The Additional Protocol, which establishes the Pacific Alliance Free Trade Agreement, was signed in February 2014 and has been in force since May 2016. The above instruments “*allowed the immediate liberalization of 92% of tariff lines between the four state Parties, as well as access to public procurement markets, and the creation of a predictable framework for investment*”³¹. Two Amendment Protocols have been signed and ratified by Mexico, Chile and Peru. Colombia’s ratification is still pending. Negotiations are ongoing regarding the inclusion of new partner states to the Alliance. Candidates are: Australia, Canada, New Zealand, Singapore, Republic of Korea and Ecuador.

In 2018, Peru's trade with Pacific Alliance countries accounted for 7.9% of its total trade. In the same year, Peru's trade with these countries grew by 11% reaching approximately USD 7.3 billion. The main products that Peru exports to the Alliance countries are: molybdenum (8%), plastic (6%) copper wire (6%) and agricultural products (19%). 70% of products exported by Peru to Alliance countries are non-traditional. 50% of exports go to Chile, 31% to Colombia and 18% to Mexico (the largest economy of the Pacific Alliance; 59% of the Pacific Alliance GDP)³².

²⁸ <https://www.efta.int/sites/default/files/documents/legal-texts/free-trade-relations/peru/EFTA-Peru%20Free%20Trade%20Agreement%20EN.pdf>

²⁹ See: Bilateral Reports – Business Partners <https://www.mincetur.gob.pe/comercio-exterior/reportes-estadisticos/reportes-de-comercio/reportes-de-comercio-bilateral/>

³⁰ <http://alianzapacifico.net/en/>

³¹

http://www.acuerdoscomerciales.gob.pe/index.php?option=com_content&view=category&layout=blog&id=167&Itemid=186

³² See: Bilateral Reports – Business Partners <https://www.mincetur.gob.pe/comercio-exterior/reportes-estadisticos/reportes-de-comercio/reportes-de-comercio-bilateral/>

Free Trade Agreement with China

Peru has an FTA with China that has been in place since 1 March 2010. It covers issues such as: trade in goods, rules of origin, trade remedies, services, investments, temporary entry of business people, sanitary and phytosanitary measures, technical barriers to trade, dispute resolution, customs procedures, and intellectual property.

Through the agreement, China offered Peru a deduction of 94.5% of all its tariff lines, of which 61.2% will apply with immediate access and the rest progressively within 5-17 years. China is Peru's biggest trade partner. In 2018, the volume of trade between them was USD 23 billion. Peru's main exports to China are: copper (72%), zinc (5%), iron (4%), fishmeal (10%), squid (1%) and fruits (1%). China's main exports to Peru are: textiles (11%), telephones (10%), steel (10%) and vehicles (3%)³³.

Notably, on 17 November 2018, Peru and China signed a Memorandum of Understanding to initiate negotiations for the optimization of the Peru – China Trade Agreement³⁴. The subjects covered are: Rules of Origin, Customs Procedures, Ease of Trade, Commerce of Services, Investment and Intellectual Property Rights. Furthermore, within the context of the above optimization, the parties agreed to include new areas i.e. Defense of Competition and Electronic Commerce .

List of Trade Agreements³⁵

The following are the trade agreements signed by Peru.

	Institution/States	Date of entry into effect
Currently in force	Andean Community (Bolivia, Colombia and Ecuador)	25 May 1988
	Latin American Integration Association – ALADI (13 countries)	18 March 1981
	Southern Common Market (MERCOSUR) – ECA 58 (Argentina, Brazil, Paraguay, Uruguay)	2 January 2006 (Argentina, Brazil and Uruguay) 6 February 2006 (Paraguay)
	Cuba – ECA 50	9 March 2001
	United States	1 February 2009
	Chile	1 March 2009
	Canada	1 August 2009
	Singapore	1 August 2009
	China	1 March 2010
	European Free Trade Association (EFTA) (Switzerland, Liechtenstein, Norway, Iceland)	1 July 2011 (Switzerland, Liechtenstein) 1 October 2011 (Iceland) 1 July 2012 (Norway)
	Republic of Korea	1 August 2011
	Thailand	31 December 2011
	Mexico	1 February 2012
	Japan	1 March 2012

³³ For a detailed analysis of the benefits reapers from the agreement between Peru and China see:

http://www.acuerdoscomerciales.gob.pe/images/stories/china/docs/EstudioAprove_Peru_China_9periodo_Act.pdf

³⁴ http://www.acuerdoscomerciales.gob.pe/images/stories/china/MOU_Inicio_Optimizacin_PERU_CHINA_ING.pdf

³⁵ WTO. Trade Policy Review. Peru. 2019. P. 187.



	Panama	1 May 2012
	European Union (28 Member States)	1 March 2013
	Costa Rica	1 June 2013
	Venezuela	1 August 2013
	Pacific Alliance (Mexico, Colombia, Chile)	1 March 2016
	Honduras	1 January 2017
	Australia	11 February 2020
		Date of signature
Signed – Pending Ratification	Guatemala	6 December 2011
	Brazil	29 April 2016
	Comprehensive and Progressive Agreement for Trans-Pacific Partnership – CPTPP (Australia, Brunei, Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Singapore, Vietnam)	8 March 2018 (Ratification by Peru pending)
	United Kingdom	15 May 2019
		In negotiation since
In negotiation	WTO – Doha Development Round	November 2001
	WTO – Trade in Services Agreement (TISA)	June 2013
	El Salvador	8 November 2010
	Turkey	21 November 2013
	India	20 March 2015

Useful Links

- **Trade Agreement between the EU and Peru:**
http://www.acuerdoscomerciales.gob.pe/index.php?option=com_content&view=category&layout=blog&id=50&Itemid=73
- **Andean Community of Nations (CAN):**
<http://www.comunidadandina.org/>
- **Asia – Pacific Economic Cooperation Forum (APEC)**
<http://www.apec.org/>
- **Latin American Integration Association (ALADI):**
www.aladi.org
- **Economic Complementation Agreement between Peru and Cuba**
http://www.acuerdoscomerciales.gob.pe/index.php?option=com_content&view=category&layout=blog&id=121&Itemid=144
- **Economic Complementation Agreement between Peru and Member States of the Southern Common Market (ECA 58):**
http://www.acuerdoscomerciales.gob.pe/index.php?option=com_content&view=category&layout=blog&id=101&Itemid=124
- **Bilateral Reports – Business Partners of the Ministry of External Commerce and Tourism:**
<https://www.mincetur.gob.pe/comercio-exterior/reportes-estadisticos/reportes-de-comercio/reportes-de-comercio-bilateral/>
- **List of trade agreements with Peru:**
<http://www.acuerdoscomerciales.gob.pe/>

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