# Peru

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| **Peru’s Bogor Goals Progress Report (as at 3 September 2018)[[1]](#footnote-1)\*** |
|   | **Highlights of Achievements and Areas for Improvement** |

* Low average MFN tariffs for both agricultural and non-agricultural products.
* No quantitative import restrictions, import licensing and export subsidies. Some prohibitions and restrictions apply for very specific products.
* Drawback rate to reimburse import tariffs paid by exporters of specific products was temporarily increased until end of 2018.
* Reforms to promote greater competition in the financial sector.
* Net neutrality is currently in place.
* No investment screening mechanisms. Some restrictions on foreign investments remain on certain sectors and ownership of natural resources in border areas.
* Amendment to legal framework to facilitate investment through public-private partnerships.
* Improvements in customs procedures such as advance clearance and use of Authorized Economic Operators.
* Implementation of a Leniency Program to fight against cartels.
* Reforms in public procurement aiming to simplify rules and procedures, achieve greater value for money, avoid conflict of interests and deter bribery.
* New regulation in place to implement the application of regulatory quality analysis in all normative provisions establishing administrative procedures.
* New Law on Immigration to facilitate mobility of natural persons.
* Expansion of Peru’s RTA/FTA network in recent years.

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|   | **Summary of Topics** |

Tariffs

Peru’s tariff structure has only three tariff rates. 70.4% of the product lines are free from import tariffs; 20.8% of the product lines are subject to a 6% import tariff rate and the remaining 8.8% of product lines are subject to an 11% tariff rate.

In early 2018, the MFN simple average tariff was equivalent to 2.2% (measured at the HS 10-digit level). MFN average tariffs are low for both agricultural and non-agricultural products, reaching 2.9% and 2.1% respectively.

Non-Tariff Measures

No import licensing, quantitative import restrictions and exports subsidies are applied. However, some restrictions apply to the import of used road motor vehicles for cargo and passenger transportation, used engines, components and spare parts for road vehicles, used tires, used clothing and footwear for commercial purposes and used goods, machinery and equipment using radioactive sources.

The drawback rate to restitute import tariffs paid for inputs to exports of specific products went up temporarily from 3% to 4% in October 2016. From 1 January 2019, the drawback rate will go back to 3% again.

Services

In the financial sector, the Legislative Decree No. 1321 is seeking to promote greater competition in the Peruvian financial system by allowing the main owner of a local or foreign bank to own stakes in another bank, as long as they are considered by the Central Bank as banks with adequate levels of solvency.

In the telecommunications sector, the regulation on net neutrality was enacted in December 2016 to provide predictability to consumers. In this sense, firms cannot manage internet traffic in an arbitrary manner, or filter and block any application without any valid reason as established by law, or create differentiated tiers of service. Regarding infrastructure, the National Optical Fiber Network was inaugurated in June 2016. The network expands through 180 cities and 13,000 km of optical fiber have been installed so far.

Investment

Peru does not apply any screening mechanism or performance requirements for foreign investments. Certain limitations on foreign investments in broadcasting, air and water transport remain. Restrictions also apply to foreigners on the ownership of natural resources within 50 kilometers of Peru’s international borders. However, the limitation in border areas can be waived by decree on a case by case basis.

Amendments to the legal framework regarding investment promotion through public private partnerships (PPP) were issued in November 2016. The amendments allow ProInversión, Peru’s investment promotion agency to support local governments through technical assistance in the planning, design and contractual execution of the PPP projects.

Standards and Conformance

The National Institute of Quality (INACAL) provides calibration services for equipment and measuring instruments. About 7,500 calibrations are conducted every year. Recently, INACAL developed 55 new calibration services. In addition, INACAL launched the first itinerant metrology laboratory in Peru, which can be moved to different places within Peru.

Two specific trade concerns have been raised against Peru at the WTO TBT Committee in the last two years. They involved a moratorium on planting genetically engineered crops and an act to promote healthy eating among children and adolescents that might be including elements restricting trade. These two concerns were initially raised in 2013, but have been subsequently raised several times in this committee.

Customs Procedures

The National Superintendency of Tax Administration and the Ministry of Foreign Trade and Tourism are working to achieve the interoperability between the Trade Single Window and the Customs Clearance System.

In terms of trade facilitation, new procedures for the use of high security customs seals started on 2 January 2018. Improvements have been implemented regarding advance clearance, deferred clearance, direct shipment and customs brokers. In this regard, Authorized Economic Operators can run their activities from any customs office within Peru.

A public-private forum, the National Committee on Trade Facilitation, was created in 2017 to discuss cross-cutting issues concerning trade facilitation and cargo logistics.

Intellectual Property Rights

In 2017, 638 patents and 266 industrial designs were granted, an increase of 32% and 59% respectively, in comparison with the previous year.

Also, registration by local inventors went up by 39%. Since July 2017, the Electronic Gazette of Industrial Property has been publishing patents and industrial design applications in a faster way.

During 2017, there was an increasing number of online applications of registry of works. This is mostly explained by the platform on copyrights, which provides counselling and advice in copyright-related topics for people involved in creative industries.

Competition Policy

After amendments introduced to the Competition Act, in order to strengthen the fight against cartels, guidelines regarding a Leniency Program were issued in August 2017. The purpose of these guidelines is to maximize the incentives for firms/individuals involved in cartels to apply for benefits. The guidelines establish terms, rules, conditions and restrictions for the Leniency Program to be effective.

Government Procurement

Changes to the Peruvian public procurement legal framework took place in 2017. These amendments seek to simplify rules and procedures, achieve greater value for money, avoid conflict of interests and deter bribery. Additional prohibitions regarding the participation in government procurement processes were specified.

In addition, the amendments are looking to strengthening the transparency, integrity, efficiency and accountability of public procurement. For example, mechanisms to increase the transparency include the National Registry of Arbitrators; the accreditation of arbitral institutions; the obligation to send information about arbitral procedures to the responsible domestic authority in charge of overseeing government procurement; the publication of arbitral decisions; and the creation of an electronic arbitral record.

Deregulation/Regulatory Review

Since 2017, Peru has new regulation in place to implement the application of regulatory quality analysis in all normative provisions that establish administrative procedures. The analysis takes into account principles such as cost-benefit, need, effectiveness and proportionality,

Implementation of WTO Obligations

In July 2016, Peru ratified the WTO Trade Facilitation Agreement. Similarly, the Amendment of the TRIPS Agreement regarding public health was ratified in September 2016.

Mobility of Business People

The new Law on Immigration was issued in January 2017 with the purpose of improving the mobility of natural persons. New migratory categories have been created: research (i.e. for researchers and specialists in technology and innovation), training (i.e. for trainee students, internships) and investors.

RTA/FTAs

Peru has reported 19 RTA/FTAs in force[[2]](#footnote-2). In 2018, Peru signed the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and a free trade agreement with Australia.

1. \* This brief report was prepared with information from Peru’s submission of 2018 APEC Individual Action Plan (IAP) template; the WTO TBT Information System; and information from the Ministry of Economy and Finance, Organismo Supervisor de las Telecomunicaciones, Organismo Supervisor de las Contrataciones del Estado; and Instituto Nacional para la Defensa de la Libre Competencia y Protección de la Propiedad Intelectual and Diario Oficial El Peruano websites. [↑](#footnote-ref-1)
2. Peru’s RTA/FTAs in force are the following ones: Andean Community (1988); Peru-Cuba (2001); Peru-MERCUSUR (2006); Peru-United States (2009); Peru-Chile (2009); Peru-Singapore (2009); Peru–China (2009); Peru-Canada (2009); Peru-Mexico (2012); Peru-Thailand (2011); Peru-EFTA (2011); Peru-Korea (2011); Peru-Panama (2012); Peru-Japan (2012); Peru-EU (2013); Peru-Costa Rica (2013); Peru-Venezuela (2013); Pacific Alliance (2016); and Peru-Honduras (2017). [↑](#footnote-ref-2)