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Peruvian international reserves increase

Peruvian international reserves increased by US\$ 42 millions, up to a total of US\$ 13, 597 million by April 5th according to the Peruvian Central Bank

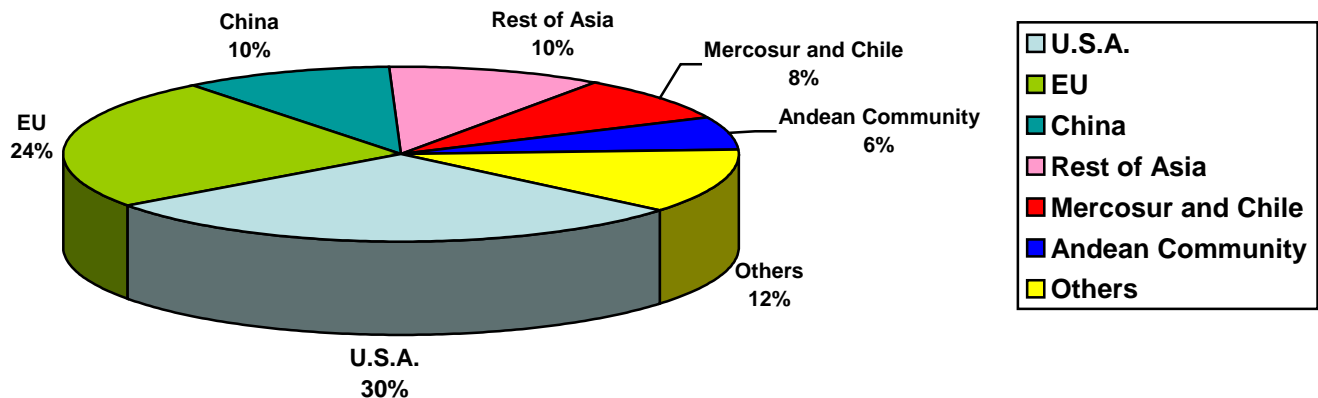
Tourism on the rise

The World Tourism Organization announced that Peruvian tourism growth (28.6%) is the second largest in Latin America during 2005 first trimester. Tourists to Peru come mainly from the United States and European countries like France, Spain and Great Britain. Prom-Peru, the Peruvian tourism agency, estimates that by the end of 2005, tourism could surpass the country's goal of receiving more 1.4 million of tourists.

Peru's economic growth

According to latest official figures, in February 2005, Peruvian Gross Domestic Product (GDP) showed an increase of 6.79% in comparison to February 2004. GDP has shown a steady increase during the last 44 months, starting from July 2001. All main economic activities show positive increases, except for the mining and hydrocarbon sectors which decreased slightly by 0.27%. The manufacturing sector shows the biggest increase of more than 7.79%, growing steadily for the last 14 months. For the last four years, GDP growth increased by 4,9% (2002); 3,8% (2003); 5,1% (2004) and 5,3% (2005)

Main destination of Peruvian exports (2004)
by main countries and regions



Source: SUNAT

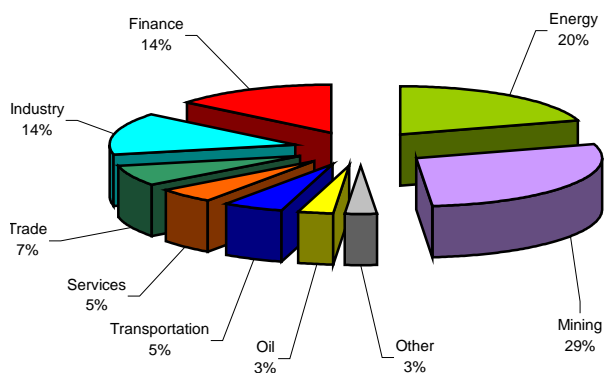
Peruvian exports upraise

During the first trimester of 2005, Peruvian exports reached US\$ 3, 610 million; an increase of 31.3% if compared to the previous year during the same period. PROMPEX, the Peruvian Agency for Promoting Exports, declared that this increase was due to an important rise of traditional exports (33.7%) as well as non-traditional ones (25.2%). Traditional exports totaled US\$ 2,629 million dollars, setting a new record. Main activities included sectors like fishing (57.7%) where fish oil and fish meal revenues were mainly responsible for the increase, and agriculture (80.5%) which's increase was mainly due to greater revenues in coffee sales. Our main export destination during this first trimester was the United States of America, comprising 30% of all our exports.

US investment in Peru

The U.S. is the main source of foreign investment in Peru. According to the American -Peruvian Chamber of Commerce (Amcham Peru), direct U.S. investment in Peru is more than US\$ 10, 000 million. US investment has diversified throughout almost every sector of the Peruvian economy.

US investment in Peru per sectors



New license agreement for the exploration of hydrocarbons

Perupetro and Burlington Resources Peru Ltd. signed last April 28th, a license agreement for the exploration of hydrocarbons in Block 104 located between the Alto Amazonas, Loreto and Maynas provinces in the Peruvian forest. The minimum work program of the license agreement comprises six phases. The first one, the exploration phase will require an estimated investment of US \$ 40 million and will have a duration of seven years. The license was granted for 30 years.

Progress made in IX round of Andean-US FTA negotiations

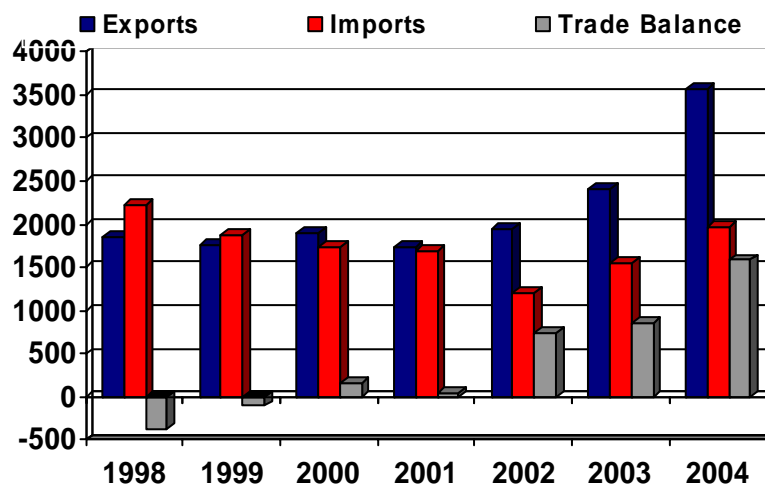
Negotiations on a US-Andean Free Trade Agreement showed some progress in a few areas. The Ninth Round of FTA talks took place in Lima from April 18-22, 2005. The next round is going to take place in early June, in Ecuador. An ensuing round would be hosted by the US.

FTA negotiations were completed in the areas of electronic commerce and trade capacity building. Advances in the text were made in the areas of competition policy, government procurement and services. Agriculture talks were conducted last week on a bilateral basis with Peru and Colombia, which focused mostly on grains, oils and oilseeds.

Foreign markets: hearts of palm

Peruvian hearts of palm are being sold in big retailer food chains like Wal-Mart in the United States, Carrefour in France, and the Spanish Dani of Madrid and Caprabo of Cataluña. Public acceptance of the product looks very promising according to the exporters report. ASLUSA, the agricultural community which grows the hearts of palm is comprised by former coca leaf growers which have reoriented their activities into non-traditional agriculture exports. They expect to reach a total of US\$ one million in exports by the end of 2005.

US-Peru Trade Relations (1998-2004)



Peru: Indigenous and Viceregal

February 25, 2005, through May 30, 2005

This exhibit celebrates the important cultural and artistic achievements of Peru. It begins with the striking pottery, textiles, and sculpture of early indigenous peoples and continues through the viceregal period with the blending of Spanish influences and local traditions. The work of Peruvian artists shows remarkable originality and imagination, reflecting the country's diverse natural environment.

At The NATIONAL GEOGRAPHIC MUSEUM

17th & M Streets N.W., Washington DC

The Art and Archaeology of Chan Chan

Conference by Dr. Joanne Pillsbury on the architectural history of the late pre-Hispanic empires of Peru. Sponsored by the Peruvian American Research Foundation and the Embassy of Peru. Held at the Gallery of Art of the Embassy on April 27, 2005