Trans Pacific Partnership
Peru

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Consolidando al Perú en el Asia-Pacifico

ACUERDO DE ASOCIACIÓN TRANS Pacífico (TPP)

¿Qué objetivos tiene el TPP?

Construir un acuerdo comercial que promueva un mayor crecimiento económico, que genere más empleo y contribuya a alcanzar el desarrollo.

¿Por qué debemos participar?

Será el bloque más importante en el escenario mundial en términos económicos y comerciales, superando a la Unión Europea.

Contruirá a convertir al Perú en un hub, agregando valor a nuestros mercados para exportar con preferencias el TPP, la inversión del Asia-Pacifico para exportar o importar de nuestros acuerdos comerciales a Sudamérica.

Permitirá evitar barreras arancelarias para las producciones agrícolas e industriales de personas en más mercados.
Agenda

1. Overview Pacific Alliance
2. TPP - Peru: Opportunities and Challenges
3. VCCT - Purdue
Trade Partnerships LATAM

- CAN: Peru, Bolivia, Ecuador, Colombia
- MERCOSUR: Brasil, Argentina, Uruguay, Paraguay, Venezuela
- ALBA: Venezuela, Ecuador, Bolivia, Cuba, Nicaragua, ....
- Other

- **Pacific Alliance: Mexico, Colombia, Peru, Chile**
Source: The World Bank 2014

Note:
Colombia is working to join the TPP (Does not belong to APEC Asia Pacific Economic Cooperation)
Pacific Alliance

GDP per Capita Current

Source: The World Bank 2014
Competitiveness Rankings

- **Doing Business World Bank (189 countries)**
  - Colombia: Spot 34 (LATAM Leader)
  - Peru: Spot 35
  - Mexico: Spot 39
  - Chile: Spot 41

- **Economic Liberty Index The Heritage Foundation (178 countries)**
  - Chile: Spot 7 (LATAM Leader)
  - Colombia: Spot 28
  - Perú: Spot 47
  - Mexico: Spot 59

- **Global Competitive Index World Economic Forum (147 countries)**
  - Chile: Spot 33 (LATAM Leader)
  - Mexico: Spot 61
  - Perú: Spot 65
  - Colombia: Spot 66
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Peru
Peru’s GDP performance

Presidential Elections

% GDP REFORMS

% GDP NO REFORMS
Peru Exports

Challenge: how to escape the commodities trap?
TPP Benefits

- Largest Free Trade zone worldwide, larger than Eurozone, 40% of global GDP
- Become the trade hub with Asia in South America
- Generate knowledge and technology transfer
- Promote small businesses “inclusion” in global value chains
- Improve country’s competitiveness
- Support image of a stable and investment friendly nation
- Protect traditional knowledge related to genetic resources respecting biodiversity
- Benefit service providers with a larger market with legal security
TPP Opportunities

- **Increased Exports**
  - Agricultural products: Avocado, asparagus, saccha inchi, chia, quinoa, etc.
  - The World Bank estimates that the most benefited countries by TPP will be Vietnam, Japan, Malaysia, New Zealand and Perú with exports increase above 10%.
  - In the case of Perú the impact on GDP could be over 2%.

- **Business for small firms: import – export**
  - Access to lower cost materials and export products to any of the 12 member countries.
TPP Challenges

- **Pharmaceutical Products**
  - Increased health services costs?
  - Genetic resources?

- **Agricultural Products**
  - End of agriculture?

- **However**
  - It is important to protect Intellectual Property because it will promote trade and investment in Innovation & Technology
  - Peru has other 17 Free Trade Agreements (USA, Canada, Japan, European Union, China, Korea, Mexico, Chile, etc)
  - Perú already has a Free Trade Agreement with USA since 2009
    - At that time there were fears that prices of medicines will increase and that agriculture will collapse
    - The reality has been that the prices of medicines have decreased and that Peru exports more agricultural products than before.
Peru’s GDP performance

Presidential Elections

% GDP REFORMS
% GDP NO REFORMS
REFORMS 2016-2021

**Strenghts:**
- 5 top presidential candidates share the same vision about the economic model
  - Promote Private investment
  - Openness to Global Trade
- Independent and Professional Central Bank
- Solid Macroeconomic policies
- Low debt
- Low controlled inflation
- Entrepreneurial spirit
REFORMS 2016-2021

- Challenges
  - Flexible labor market: reduce informality
  - Improve Public Governance National-Subnational Levels
  - Improve the quality of public investment
    - Infrastructure: Ports, Airports, Roads
    - Education
    - Technology & Innovation
      - Genetic resources
      - IT services
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3. VCCT - Purdue
VALUE CHAIN CONSULTING & TECHNOLOGY

Panama
Lima
Singapore
VCCT - Purdue

- Facilitate internships in Peru and the Region
  - 2014: 25 Undergraduate students, Lima-Peru
  - 2015: 22 Undergraduate students, Lima-Peru
  - 2016??

- Facilitate Knowledge & Technology transfer
  - Alumni Network
  - VCCT Sponsored Network
  - Partnership with Peruvian University UTEC
Peru 2050

Entrepreneurship + Education + Technology Transfer
Thaks a Lot!
Figure 1: The Global Competitiveness Index framework

GLOBAL COMPETITIVENESS INDEX

Basic requirements subindex
- Pillar 1: Institutions
- Pillar 2: Infrastructure
- Pillar 3: Macroeconomic environment
- Pillar 4: Health and primary education

Efficiency enhancers subindex
- Pillar 5: Higher education and training
- Pillar 6: Goods market efficiency
- Pillar 7: Labor market efficiency
- Pillar 8: Financial market development
- Pillar 9: Technological readiness
- Pillar 10: Market size

Innovation and sophistication factors subindex
- Pillar 11: Business sophistication
- Pillar 12: Innovation

Key for factor-driven economies
Key for efficiency-driven economies
Key for innovation-driven economies
### Las 10 libertades económicas: Una mirada global

#### Cambios en los puntajes

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