

Peru's Bogor Goals Progress Report (as at 8 August 2014)*

Highlights of Achievements and Areas for Improvement

- Low average MFN tariff at HS 10-digit level, equivalent to 3.2 per cent.
- Very small gap between average MFN tariffs of agricultural and non-agricultural products.
- No quantitative import/export restrictions, import licensing and export subsidies are applied, but prohibition for certain used goods remain.
- Improvement in frameworks for data privacy and e-commerce.
- Progress in opening telecommunication markets and improving competition.
- No investment screening mechanisms. Some restrictions on foreign investments in broadcasting, air and water transport and ownership of natural resources in border areas.
- Increasing incorporation of Peruvian Technical Standards.
- Initiatives being implemented to strengthen the intellectual property rights legal framework.

Summary of Topics

Tariffs

Peru's tariff structure is comprised of three levels: 0, 6 and 11 per cent. The current MFN simple average tariff reported by Peru in 2013 was equivalent to 3.2 per cent (at the HS 10-digit level). The average MFN tariffs in agricultural and non-agricultural products were equal to 3.9 and 3.1 per cent, a small gap in comparison to other economies.

55.9 of the tariff lines have zero tariff rate and explain 73.3 per cent of total imports. Only 10.5 per cent of the tariff lines are subject to the 11 per cent tariff rate.

Non-Tariff Measures

No import licensing, quantitative import restrictions, export subsidies are applied. 94.6 per cent of the imported tariff lines are subject to a value-added tax (Impuesto General a las Ventas IGV) equivalent to 16 per cent. An excise tax (Impuesto Selectivo al Consumo ISC) to fuels, spirits, macerated beverages, tobacco, beer, cigarettes and vehicles is applied as well.

Restrictions remain regarding the importation 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.

Peru applies a price band system to 47 HS 10-digit tariff lines concerning sugar, maize, rice and dairy products.

* This brief report was prepared with information from Peru's submission of 2014 APEC Individual Action Plan (IAP) template; the WTO TBT Information System; and the 2014 WTO Trade Policy Review – Report by the Secretariat – Peru.

Services

The regulation for the Personal Data Protection Law was enacted in 2013 in order to implement the framework ruling cross-border flows of personal information. To promote e-commerce, regulation for the Rules on Access by Electronic Money Issuers to Telecommunications Services was also issued in 2013.

Progress in telecommunications has been reported. Regarding fixed telephone services, number portability is planned to be implemented for landlines in 2014. In terms of international roaming, Peru signed in 2012 agreements with Ecuador and Brazil to promote measures and have an efficient market for international roaming in border areas. In the mobile telephone sub-sector, new laws to strengthen competition were adopted in September 2013 by allowing new mobile operators through Mobile Virtual Network Operators.

For internet services, a public bidding to build the National Fiber Optic Backbone was conducted in December 2013.

Investment

No changes in investment policies since 2011. No screening mechanism, no performance requirements are applied. Certain limitations on foreign investments in broadcasting, air and water transport and ownership of natural resources within 50 kilometers of Peru's international borders are applied. However, the limitation in border areas can be waived by decree on a case by case basis.

Four FTAs containing specific chapters on investment were implemented and three treaties to avoid double taxation were signed between 2012 and 2013.

Standards and Conformance

In the first half of 2014, the National Institute for the Defense of Competition and the Protection of Intellectual Property (INDECOPI) approved 77 Peruvian Technical Standards. 45 per cent of them (35 Peruvian Technical Standards) concerned the adoption of international standards. By the end of June 2014, INDECOPI had approved 4,375 of them. Public discussions with stakeholders are always put in place, as part of the process to formulate and incorporate any new Peruvian Technical Standard.

Peru is participating actively in the International Organization for Standardization, the International Electrotechnical Commission and the FAO/WHO Codex Alimentarius Commission.

Six specific trade concerns against Peru raised at the WTO TBT Committee have not reported a resolution. The most recent concerns were raised in 2013 and 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.

Customs Procedures

According to the Peru's New Customs Legislation, customs declarations have to be made electronically. Cargo manifest data needs to be sent by electronic means prior to the cargo arrival.

Currently, the Single Window for Foreign Trade includes three main components: 1) the Restricted Goods component, which has been operating since July 2010, allows to manage 219 administrative procedures from 11 agencies and has been able to serve more than 24,000 administered individuals; 2) the Origin Component, which allows the management of the affidavits of origin and the emission of certificates of origin for transactions seeking to obtain preferences under more than 20 trade agreements; and 3) the Port component, which helps managing the arrival and stay of ships.

Intellectual Property Rights

INDECOPI's Deputy Directorate of Invention Support (SSI) was created in 2012 with the objective to promote the culture of patenting in Peru. Initiatives implemented by SSI such as the "Accelerated Patent Program", the "Improved Peruvian Invention Contest", and the "Identification of Patentable Matter in Universities' Project" contributed to increase the number of domestic patent applications. By comparing the periods 2006-2011 and 2012-2013, their annual average went up by 75% from 105 to 183, and those patents applied by local domestic universities increased from an annual average of 3.5 to 25.5¹.

The Directorate of Inventions and New Technologies is promoting the Registration of the Collective Knowledge of Indigenous People by providing facilities, with the support of strategic partners, in places where the indigenous communities are based, in order to preserve and safeguard their knowledge and rights therein. This work is contributing to increase the number of records filed by indigenous people in recent years. During the period 2010-2011, 802 records were made; while in 2012-2013, 1,248 records were made, an increase of 55.6 percent.

Peru also ratified the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization.

The Trademark Office is developing a plan for the promotion and registration of collective marks along Peru's different regions. Some protected collective marks include products such as potatoes, honey and cotton. Systems for electronic trademark filing and registration of copyrights applications have also been implemented by INDECOPI.

Peru became a signatory of the Beijing Treaty on Audiovisual Performances and the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired, or Otherwise Print Disabled. Peru is currently working on the ratification of both treaties.

The Copyright Office has reported an improved operational efficiency, with the increase of the number of enforcement actions, such as inspections and complaints of copyright infringements. The operating plan designed by the Copyright Office has planned, for the year 2014, the realization of 100 *ex-officio* inspections at national level through the different INDECOPI regional offices.

¹ As a result of these initiatives, the Peruvian invention coefficient (number of domestic patent applications per 100,000 inhabitants) went up from an annual average rate of 0.35 between 2006 and 2011 to an annual average rate of 0.61 between 2012 and 2013.

Competition Policy

Inquiries against anticompetitive practices took place in 2012 and 2013. Those involved sanctions against a dominant dairy producer/distributor for attempting to harm a competitor in the distribution market by unreasonably changing contractual conditions; fines against a cement company and its main distributor for concerting to obstruct the entrance of a new competitor; and fines against cartels of medical oxygen producers and freight companies.

In August 2013, guidelines on confidentiality were approved, which facilitate citizens' applications for confidentiality on the information they provide to the competition authority in the investigations and bring transparency about the criteria for the evaluation of those applications.

In 2012, INDECOPI signed Inter-Institutional Cooperation Agreements with competition authorities from Ecuador, Brazil and the Dominican Republic aimed at enhancing enforcement of their respective competition policies by strengthening cooperation, coordination and information exchange activities. In 2013, OSIPTEL, also, signed a Cooperation Agreement with the United States' Federal Communications Commission aimed at carrying out training programs and exchanging information and experiences in regulatory, technical and managerial fields.

Implementation of WTO Obligations

The fourth review of Peru's trade policies and practices took place in 2013, where WTO Members appreciated Peru's commitment and active participation in the multilateral trading system and the Doha Development Agenda.

Mobility of Business People

A migratory category called Business ABTC was created to incorporate the APEC Business Travel Card System into the Peruvian Immigration System. ABTC applications sent by all participating economies are approved on a daily basis by the ABTC Office.

In 2013, a working group comprised by many government agencies was established to prepare a proposal for a new immigration law.

As part of the Pacific Alliance, Chile, Colombia, Mexico and Peru agreed to exempt their nationals from getting a short-term visa. Passport holders of Pacific Alliance members can perform business activities in Peru for a period up to 183 days without getting a business visa.

RTA/FTAs

Peru has reported 17 RTA/FTAs in force², four RTA/FTA negotiations in place³, including the Trans-Pacific Partnership Agreement, and two RTA/FTA signed, but still under the ratification process.⁴

² Peru's RTA/FTAs in force are the following ones: Andean Community (1988), Peru-Cuba, 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-EU (2013), Peru-Costa Rica (2013), Peru-Panama (2012), Peru-Japan (2012), Peru-Venezuela (2013).

³ Peru's RTA/FTAs under negotiation are the following ones: Peru-Turkey, Peru-Honduras, Peru-El Salvador and Trans-Pacific Partnership Agreement.

⁴ Peru's RTA/FTAs signed, but still under ratification process, are the following ones: Peru-Guatemala and Alianza del Pacifico (Pacific Alliance).