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## Peru

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### The Pacific Alliance Seeks New Members

**Report Categories:**

Trade Policy Monitoring

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#### **Report Highlights:**

Pacific Alliance (PA) members are meeting in Colombia during October 23-27, 2017, to evaluate the inclusion of Australia, Canada, New Zealand and Singapore as Associated Countries. The PA countries account for 39 percent of Latin American GDP and traded over a trillion dollars in 2016. In general, the PA members have embraced open market and sound economic policies, which has led them to sign individual trade agreements with most of the world.

## **General Information:**

The Pacific Alliance (PA) members—Chile, Colombia, Mexico and Ecuador—are meeting in Cali, Colombia during October 23-27, 2017, to negotiate with four current Observer Countries (i.e., Australia, Canada, New Zealand and Singapore) their incorporation into the trade block as Associated Countries. This would be the second group of countries to become Associated to PA. Costa Rica and Panama joined in 2016.

For an Observer country to be eligible to become an Associated Country, it must have signed trade agreements with at least half of the Members. If the PA accepts the four countries as associates, the countries would gain market access for goods and services and improve the flow of investment and capital.

PA was officially established on June 6, 2012, with the objective of building a strong and deep integration area to promote economic growth, development and boost competitiveness of its members. The PA has 52 Observer countries, including the United States, China and India. With a population of 217 million (2015 estimate), the PA accounts for 39 percent of the Latin-American and Caribbean gross domestic product. The PA exports globally in 2016 were \$499 billion, while imports reached \$521 billion. In general, the PA members have embraced open market and sound economic policies, which has led them to sign individual trade agreements with most of the world.

The following are the Working Groups and issues discussed at the Pacific Alliance:

- Trade and integration
- Government procurement
- Services and capitals
- Intellectual property rights
- Immigration facilitation
- Communications strategy
- Cooperation
- Small and medium enterprises
- Fiscal transparency
- Tourism
- Trade promotion agencies
- Gender issues
- Innovation
- Education
- Mining
- Culture

The successes of the PA include the integration of its stock exchanges (MILA), the academic exchange program that has awarded 1268 scholarships as of January 2016, joint promotion on international trade shows such as ANUGA (80 activities since 2012), shared commercial offices (Istanbul and Casablanca) and Embassies (Ghana), and visa elimination.

The United States – Peru Trade Promotion Agreement, enacted into force in February 1, 2009, is a modern trade agreement that grants trade preferences to the United States while assuring labor and environmental standards are met by Peru. However, if the PA continues growing and attracting other economies, the U.S. trade advantage could be impacted.