



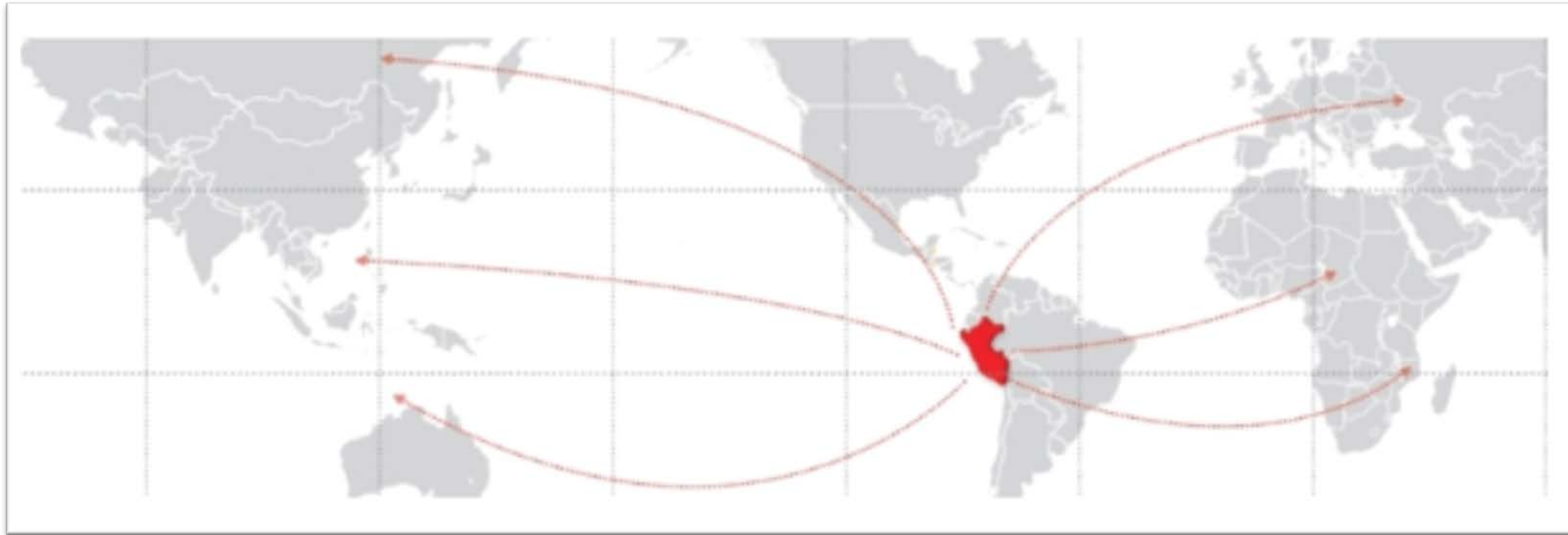
ADEX

Timber Supply Resources in Peru
Erik Fischer Llanos
Vice President of Peruvian Exporters
Association - ADEX

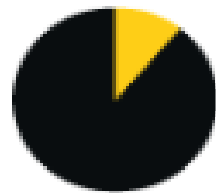
PERU: Geographic Location



128.5
million of
hectares



NATURAL REGIONS



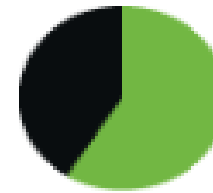
13%

COAST



26%

PERUVIAN
ANDES



61%

AMAZON
RAINFOREST

PERU

The coast covers 13% of the country's area, housing 52% of its population.

The Peruvian Sea is part of the Pacific Ocean. There are several varieties of fish in its waters and its abundance makes Peru one of the main fish producers worldwide. Callao, Paíta, Chimbote, Ilo, Matarani, Salaverry and Pisco are the main ports.

The Highlands or Peruvian Andes, rich in minerals, stretches from south to north crossing the Andean Mountain Range. It is basically a plateau divided by valleys and dominated by one of the most rugged mountain ranges in the world.

The Rainforest, This region is part of the Amazon basin, the largest tropical forest in the world, hosting a wide variety of flora and fauna, navigable rivers, oil and gas deposits.



PERU: Potencial Areas



- 8 million of hectares have potential for agricultural crops.
- 18 million of hectares for pastures
- 49 million of hectares for **sustainable forestry activities**
- 17 million of hectares for **permanent production forests (*)**
- 54 million hectares of natural reserves.

PERU: Friendly Investment Environment

Peru offers a favorable legal framework for foreign investment

- ✓ Based on the “national treatment” principle.
- ✓ Unrestrictive access to most economic sectors.
- ✓ Free movement of capital.
- ✓ Free competition.
- ✓ Guarantee for private property.
- ✓ Special Regimes: Legal Stability Agreements and VAT Anticipated Recovery.

The image shows a low-angle shot of a modern glass skyscraper. The word 'ADEX' is mounted on the upper part of the building in large, blue, three-dimensional block letters. The sky is a clear, pale blue.

LEADING UNION OF PERUVIAN INTERNATIONAL TRADE

ADEX
ASOCIACIÓN DE EXPORTADORES



- ✓ More than **44 years of experience** boosting trade
- ✓ Approximately **1,000 exporting** companies **associated**
- ✓ More than **200 highly qualified professionals**
- ✓ Wide **networking**
In the public and private sector

ADEX School

Programs of **specialization** with **International projection** allow us to form leaders who drive the development of the country

DIPLOMAS

- International Trade Management
- International Trade Logistics Management
- Agroexports

COURSES AND WORKSHOPS

- Intensive International Trade
- Customs clearance Assistant
- Export Workshop
- Import Workshop
- Drawback Workshop
- Advanced Import Workshop

ACADEMIC OFFER

ADEX Institute

5 **profesional carrers** with International vision designed according to the latest trends in the global market to train highly competitive leaders and professionals.

Carrers

- International Trade
- International Logistics
- Agrobussines Managment
- Business Administration
- International Marketing

Sectorial agenda - Specialized Committees

In ADEX, the associated companies are part of management and sectoral committees. In these Committees they present sectoral work agendas, participate in working groups with the public sector, organize specific events and activities by sector.

AGROEXPORTS

- Agroindustries, food and beverages
- Agricultural
- Capsicum
- Coffee and cocoa
- Colorants and naturals extracts
- Fruits and vegetables
- Flowers
- Legumes and other grains
- Natural Products
- Pisco and other Alcoholics Beverages

MANUFACTURING

- Handicrafts
- Confections
- Jewelry
- Diverse Manufacturing
- Metal Working
- Chemical
- Textile

SERVICE AND EXTRACTIVE INDUSTRIES

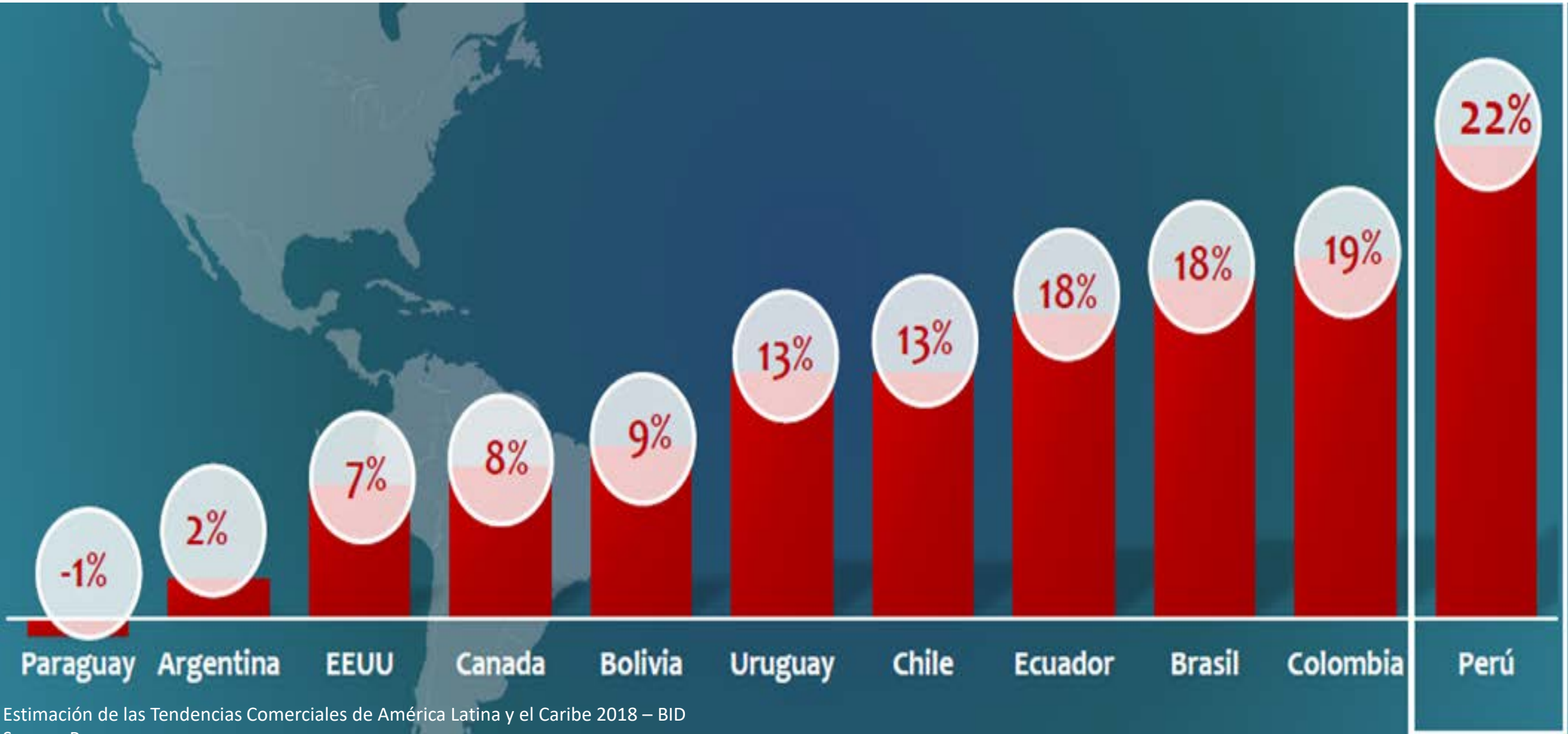
- International Trade Services
- Trade and Import
- Containers an Packaging
- Wood and Wood industries
- Fisheries and Aquaculture
- Mines and Quarries

PYMEADEX

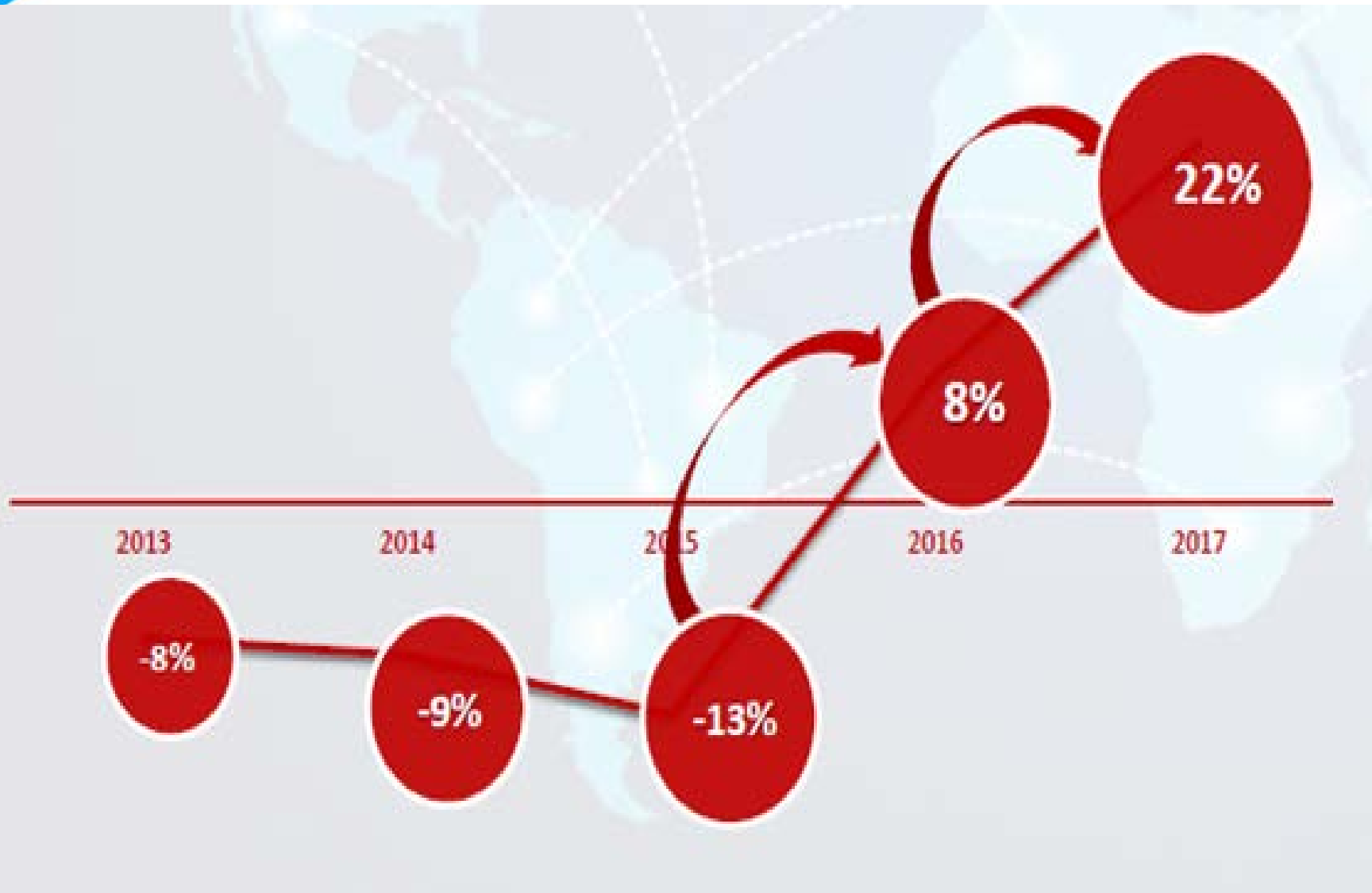
- Agroindustries
- Clothing and textiles
- Metalworking
- Diverse Manufacturing
- Jewelry and Handicrafts

Peruvian Exports

Peru: First in export growth in the Americas in 2017



Greater Growth in Exports in the last 5 years



Peruvian exports
in 2017:
**US\$ 44,200
millions**

Peru: Leader in the world ranking of traditional products

1°
ZINC
LEAD
MOLYBDENUM
FISH FLOUR
FISH OIL

2°
COPPER

4°
TIN

6°
COFFEE

8°
GOLD

Peru: Leader in the world ranking of non-traditional products

1

- Dried beans
- Quinoa
- Maca
- Color lakes

3

- Fresh avocado
- Fresh blueberries
- Paprika
- Lemon rinds
- Evaporated milk

5

- Canned olives
- Scallops
- Fresh grapes

2

- Canned Vegetables
- Fresh and canned asparagus
- Brazilian nuts

4

- Fresh mangoes
- Canned hearts of palm

Ranking export sectors from Peru to China Year 2017			
Country	Sector	US \$ FOB	Place in market ranking
China	Traditional mining	9,929,560,563	1
	Traditional fishing	1,227,160,406	1
	Non - Traditional fishing	106,646,921	3
	Wood	59,189,442	1
	Textile	55,106,312	1

Since 2011, **China is the main market from peruvian exports**

Is an important market for traditional and non traditional products like mining, fishing, wood and textile sectors.

Peruvian Exports to China

(Millions US\$ FOB)

SECTOR	2013	2016	2017	VAR% 2016-2017	PAR% 2017	VAR% Promedio 2013-2017
TOTAL	7,354	8,383	11,627	38.7%	100.0%	12.1%
Traditional Total	6,987	8,120	11,224	38.2%	96.5%	12.6%
Traditional Mining	6,032	7,294	9,930	36.1%	85.4%	13.3%
Traditional Fishery	893	730	1,227	68.0%	10.6%	8.3%
Oil and Natural Gas	58	88	54	-38.2%	0.5%	-1.6%
Traditional Agro	4	8	13	72.6%	0.1%	35.2%
Non Traditional Total	367	263	403	53.0%	3.5%	2.3%
Agriculture and Agroindustries	98	92	140	51.9%	1.2%	9.4%
Fishing	127	61	107	74.1%	0.9%	-4.4%
Wood	55	58	59	1.9%	0.5%	1.9%
Textile	23	18	55	213.2%	0.5%	24.5%
Chemical	33	17	22	31.3%	0.2%	-8.9%
Various	6	11	11	-4.3%	0.1%	18.3%
Metallurgy	21	3	4	47.6%	0.0%	-34.5%
Clothing	0	1	2	42.2%	0.0%	39.0%
Metal mecanic	5	1	2	76.6%	0.0%	-23.6%
Non metalic mining	0	1	1	46.2%	0.0%	56.7%

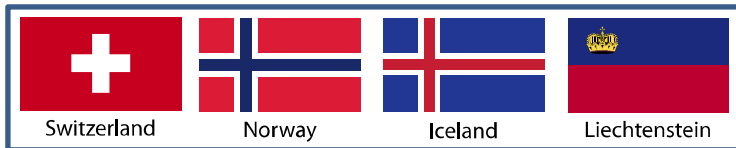
Commercial Trade Balance

(Millions US\$ FOB)

	2013	2014	2015	2016	2017
Exports	7,354	7,053	7,285	8,383	11,627
Imports	7,955	8,416	8,237	7,842	8,422
Commercial Trade Balance	-601	-1,363	-952	541	3,205

19 TRADE PROMOTION AGREEMENTS with 53 Countries

EFTA



MERCOSUR



CAN



ALIANZA DEL PACÍFICO



4 COMING TRADE PROMOTION AGREEMENTS WITH 12 COUNTRIES

Comprehensive and Progressive Agreement for Trans-Pacific Partnership



Australia



Brazil



Guatemala



Canadá



Brunéi



Japón



Singapur



Australia



México



Chile



Malasia



Vietnam



Nueva Zelanda

3 AGREEMENTS UNDER NEGOTIATION

WITH 3 COUNTRIES



India



Turkey



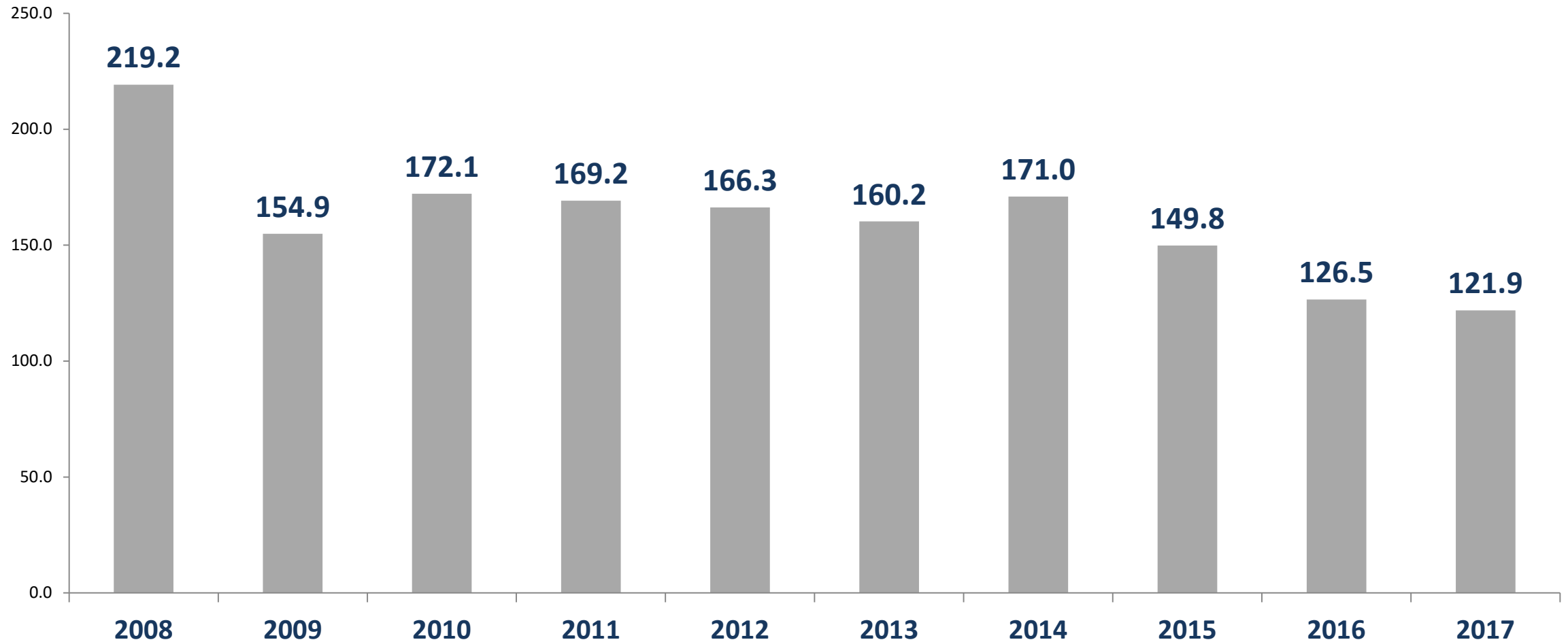
El Salvador

Peruvian Forestry Sector

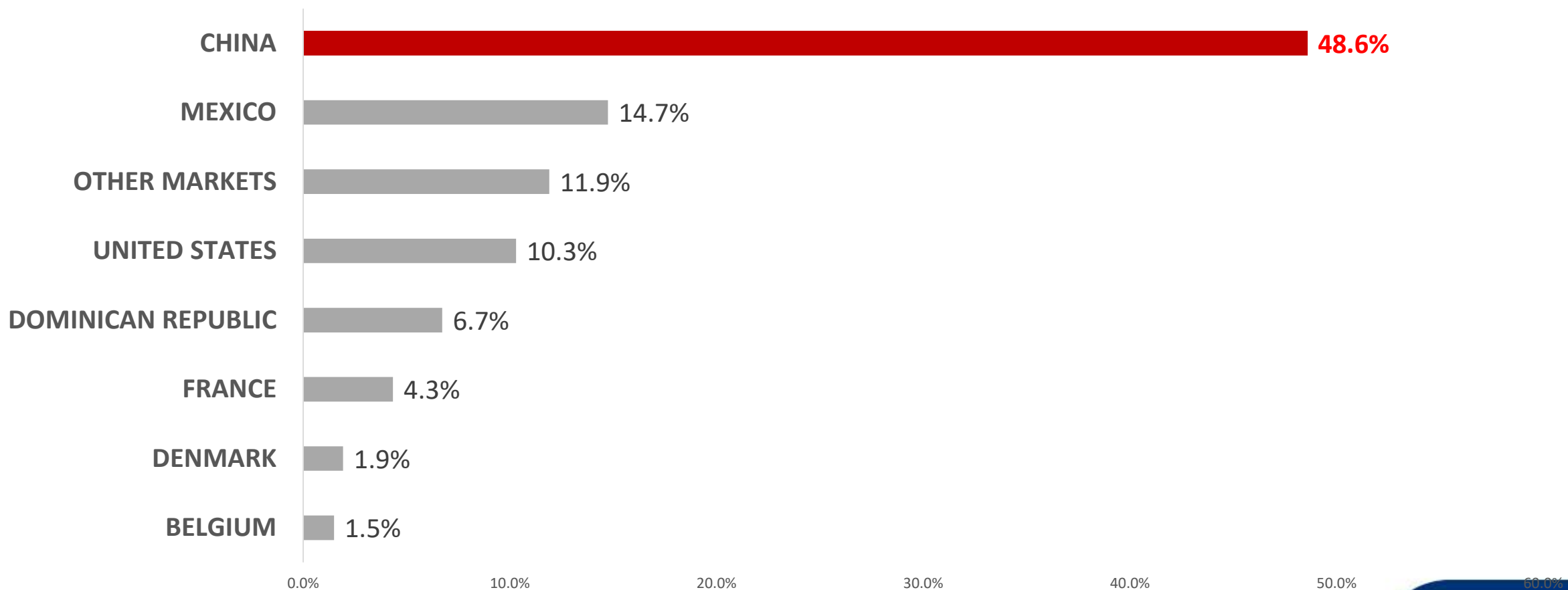


Peruvian Wood exports

2008 – 2017 (MILLION US \$ FOB)

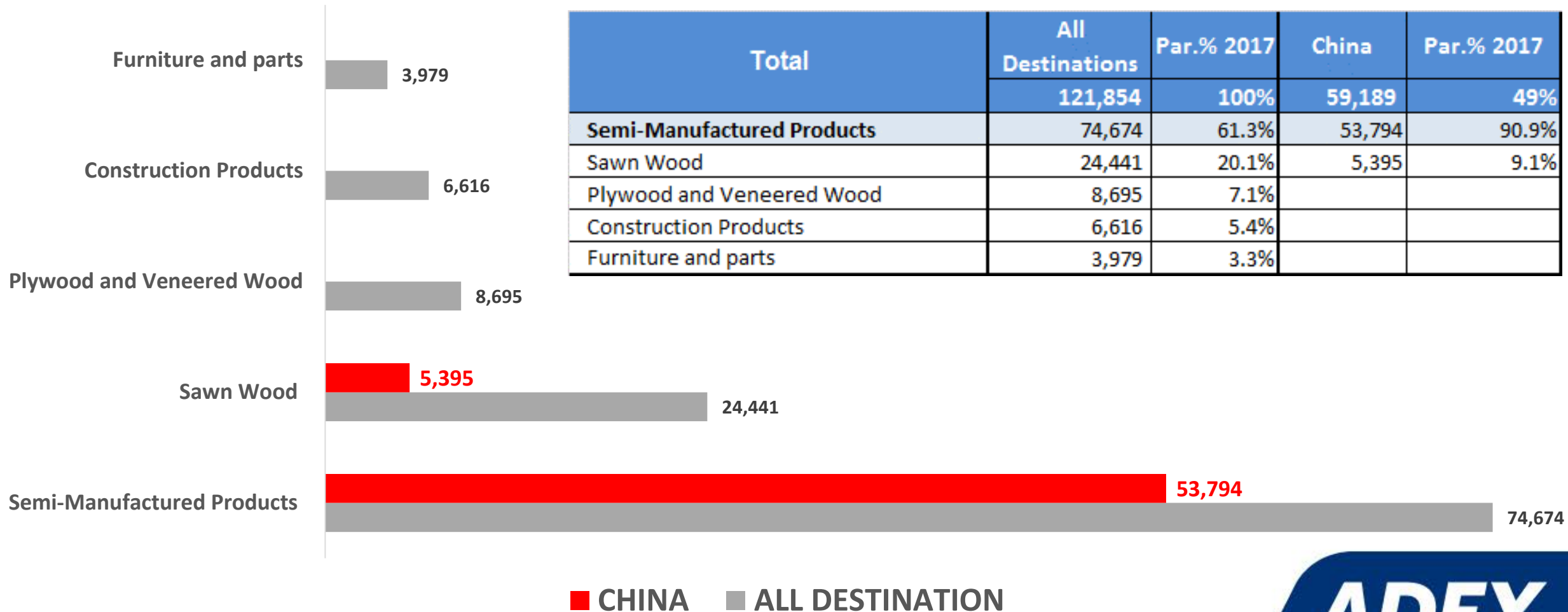


Main Markets – Wood Sector - 2017



Wood products: Main Sub sectors

Year: 2017 (millions US \$FOB)



Main Wood species exported from Peru to China



🌳 Cachimbo / Jequitiba



🌳 Cumarú



🌳 Estoraque / Bálsamo



🌳 Jatoba



🌳 Garapa



🌳 Ipe



🌳 Ishpingo



🌳 Quinilla

Asia – Pacific Economic Cooperation– APEC

Importance of Forests in APEC Economies:

According to FAO, the APEC economies represent **53% of the world's forests, 60% of the global production of forest products and 80% of the world trade in forest products.**



Economías Miembro de APEC y Fecha de Ingreso al Foro			
Australia	1989	Estados Unidos	1989
Brunéi	1989	China Taipéi	1991
Canadá	1989	Hong Kong, China	1991
Indonesia	1989	China	1991
Japón	1989	México	1993
Corea del Sur	1989	Papúa Nueva Guinea	1993
Malasia	1989	Chile	1994
Nueva Zelanda	1989	Perú	1998
Filipinas	1989	Rusia	1998
Singapur	1989	Vietnam	1998
Tailandia	1989		

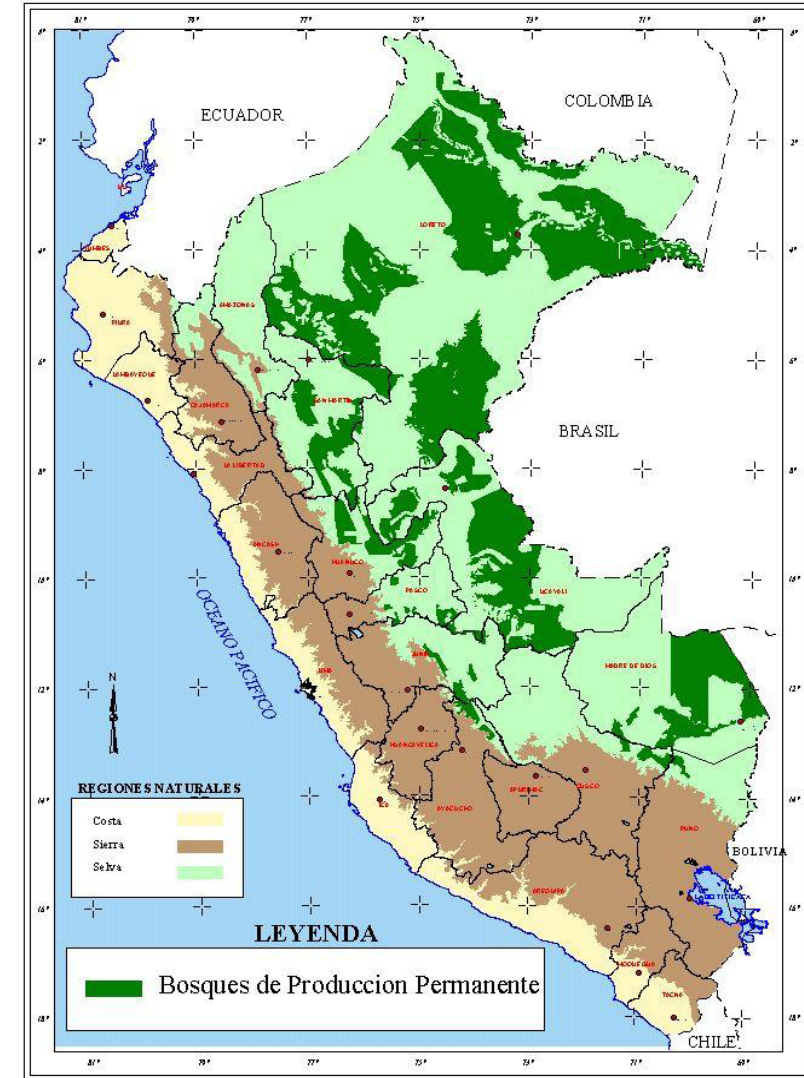
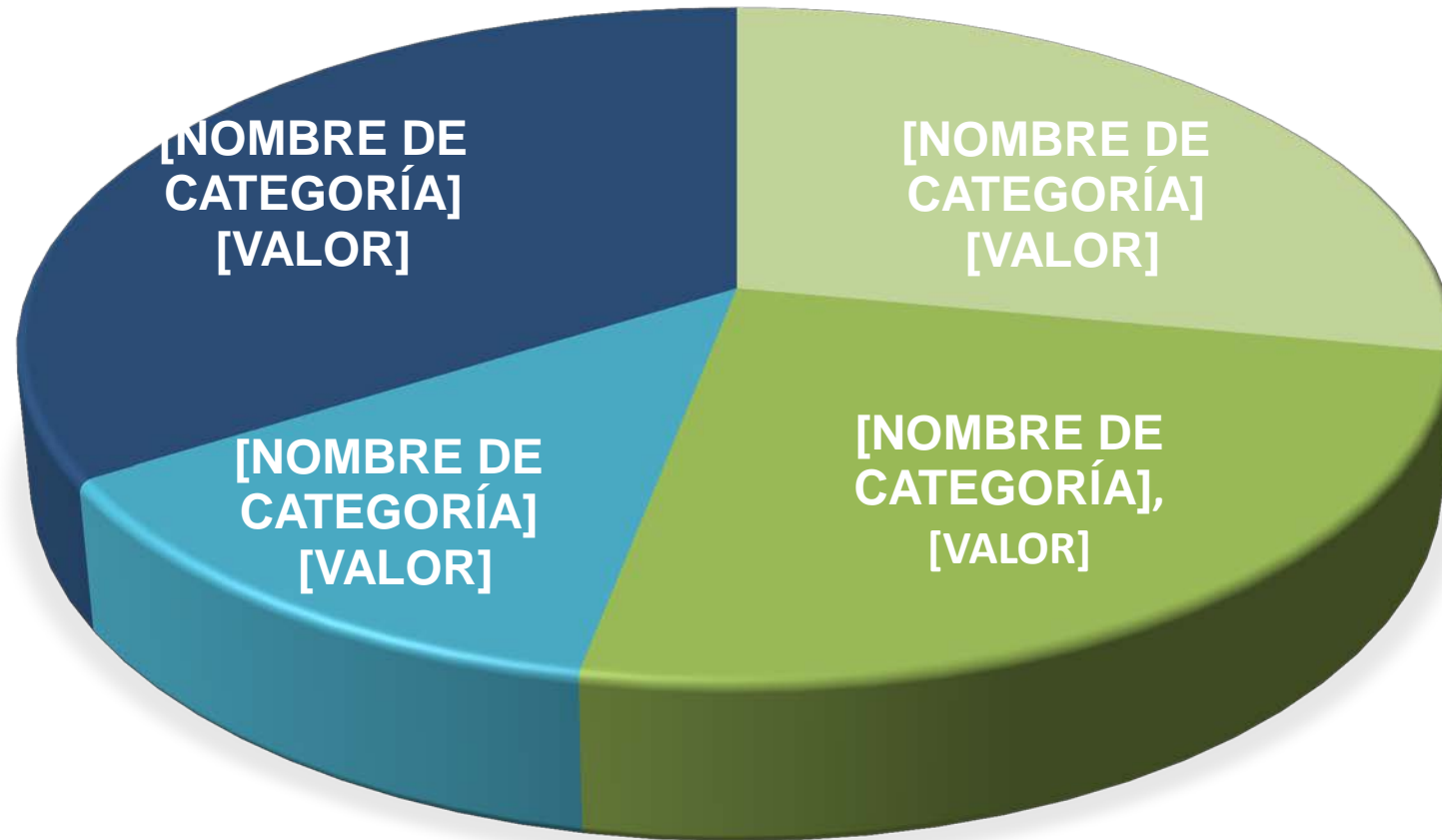
Peruvian Rainforest



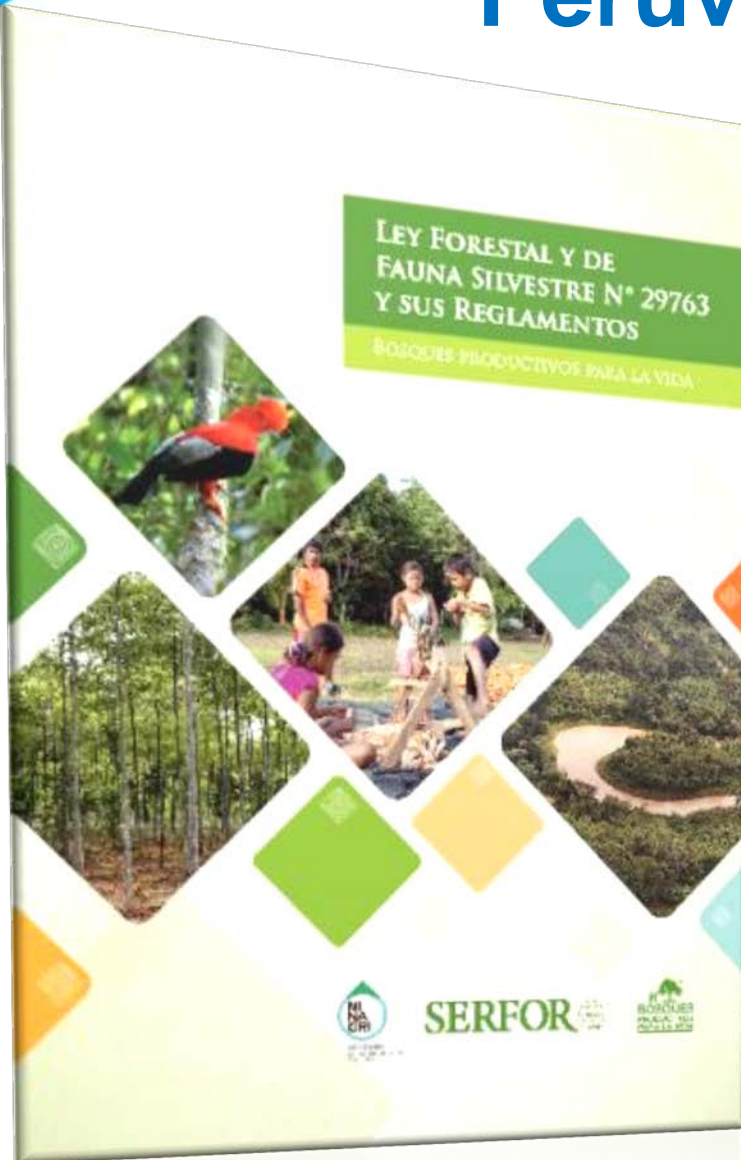
- ☐ Peruvian Amazon Rainforest represents 61% of the national territory
- ☐ 2° most extensive tropical forest in Latin America And 9° in the world
- ☐ 4° place in biological diversity in the world
- ☐ 5° most extensive primary forest in the world



Peruvian Forest Distribution



Peruvian Forestry – Law N° 29763



Current since 2011: It includes governance and **traceability for the first time** in the history of the peruvian forestry sector

Cicle Production and Value Chain in Forest Sector

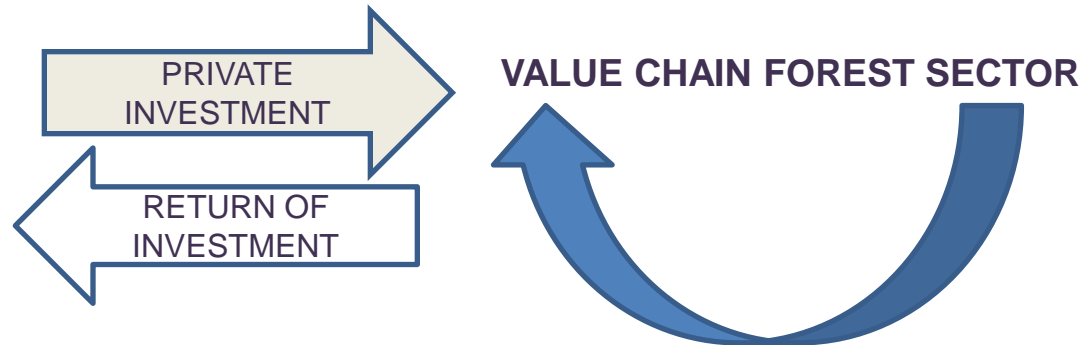
1. Forest Management



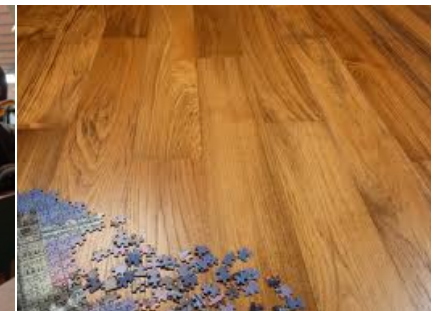
2. Extraction



3. First Transformation



4. Second Transformation



5. Export



Forest Concessions

- Concessions under sustainable forest management
- Profitable extensions
- Preferentially certified



Positive impact of a Concession under sustainable forest management

- Generates socially **Inclusive Jobs**
- Decentralizes **economic development**
- It is an **effective tool** to conserve forests
- One of the **least polluting** industries on the planet
- It is compatible with the fight **against climate change**
- It is a factor that contributes to the **formalization of the economy** in the regions where it is develop
- It contributes to the devolpment of **basic infrastructure** in the areas of operations, and around these
- It is an important factor to **prevent** the increase of **deforestation and illicit activities**, such as ilegal mining or ilegal crops

Certified Tropical Market - Forest Stewardship Council- FSC



- There is recognition in Peruvian law for wood from certified forests
- The FSC Certification is the one used in Peru



FSC Data & numbers in Peru



919,344.79 thousand certified hectares in Peru

805,830.79 ha

**FM /CoC (Forest
Management and
Chain of Custody)**

113,514 ha

**CW/FM(Control
Wood/ Forest
Management)**

42 certificates

**CoC (Chain of
Custody)**

Source: FSC



Good Practices in PERU

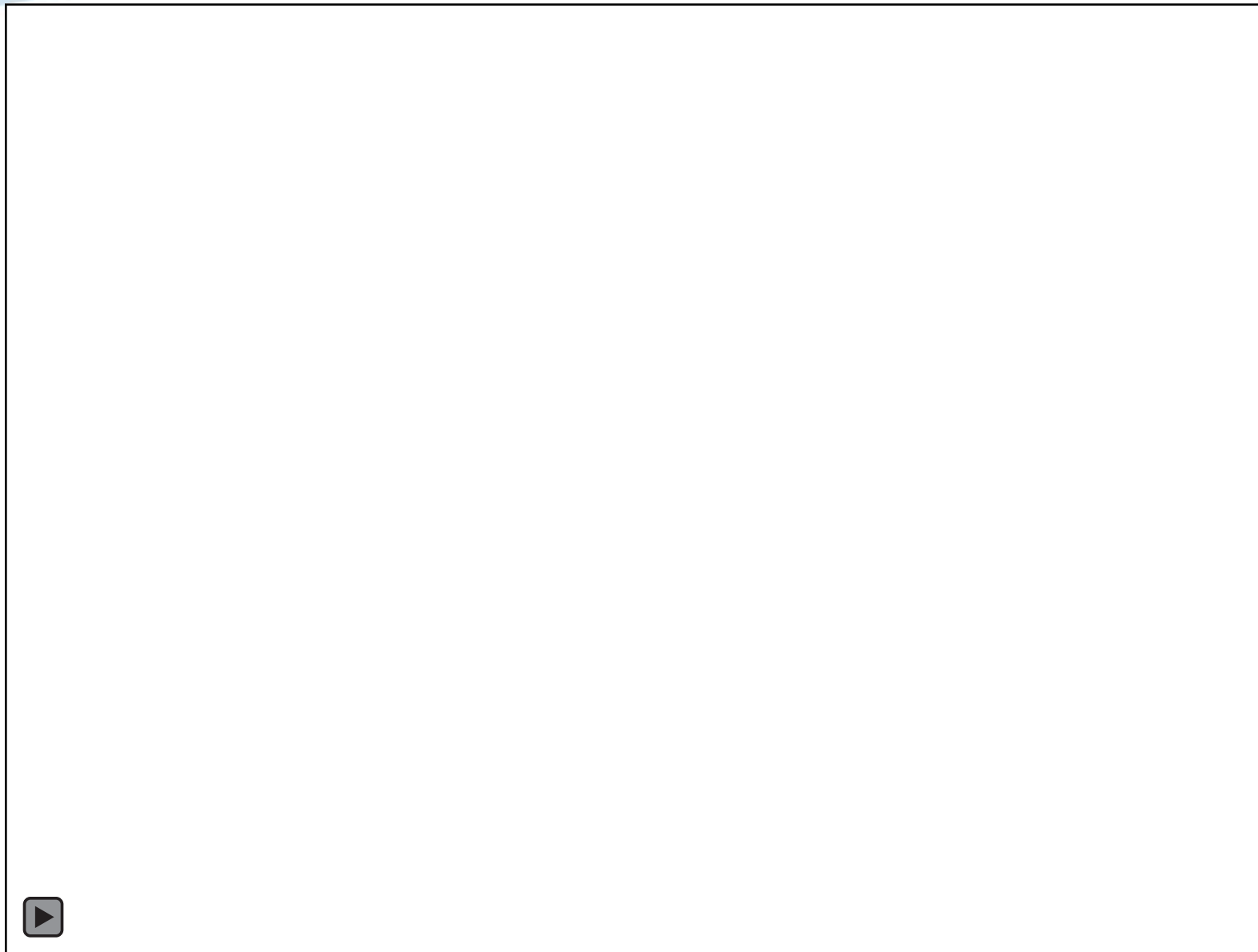


BOZOVICH

your responsible wood source

- **Peruvian Company** established in 1948
- Excellent **quality wood** products with the highest added value.
- **Manage harvest forests** in a responsible and **sustainable** way, in order to achieve a balance between providing quality raw materials and conserving the forest
- **Monitor wildlife**, natural regeneration and soil erosion to assure the balance of ecosystem and wildlife habitat. (Study of San Diego's Zoo to evaluate presence of jaguars)
- Forest Concessions: manage more than **180,000 hectares of FSC certified forest**.
- Generate **jobs for local communities**





- Peruvian company established in 2003 by Chinese investors
- Company focused on the production of sustainable hardwood flooring using exotic species from the Peruvian rainforest.
- Is part of The Madre de Dios Amazon REDD Project which focuses on the reduction of CO2 emissions from deforestation and degradation. In this project, they prove that in their forest there has been a reduction of this emissions.
- They have **FSC certification** throughout the production chain, which guarantees responsibility of forest management and wood traceability.
- **300,000 hectares** of certified forest



- Peru offers a favorable legal framework for foreign investment
- The use of forest products harvested under sustainable forest management have an important role in the climate agenda.
- It is important that the market knows the benefits of consuming products from sustainably managed forests.
- The concessions under sustainable forest management are an effective tool to conserve the forest and to avoid the illegal login
- The market is an important factor for the rainforest sustainability.
- China is a strategic commercial partner for Peru as well as for the forests sustainability

Forest concessions: wildlife refuge



The growing deforestation resulting from anthropogenic activities such as agriculture, livestock and urban expansion, is causing wildlife to seek refuge in forest concessions

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THANK YOU